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PROCEEDINGS AND DEBATES OF THE 96th CONGRESS, SECOND SESSION

HOUSE OF REPRESENTATIVES—*Thursday, March 13, 1980*

The House met at 10 a.m.

Rabbi Barton G. Lee, Hillel Foundation, Arizona State University, Tempe, Ariz., offered the following prayer:

Master of the universe:

You fashioned us with sparks of holiness, summoning us to reflect Your divine image. As we share Your creative work—aiding the needy, helping the ailing, freeing the fettered—our lives are infused with meaning; we gain a stake in eternity.

God, strengthen us, Your partners in creation. Give us the wisdom not to overestimate our achievements nor to underestimate our power to do good. Give us candor to criticize ourselves, energy to correct our faults, determination to bring forth the best that is within us.

Help us create a nation where every person matters, civic institutions dedicated to compassion and justice and national unity predicated on the Psalmist's words: "turn from evil, do good, seek peace and pursue it."

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate disagrees to the amendments of the House to the bill (S. 2269) entitled "An act increasing from $4 to $6 billion the lending authority for economic emergency loans to farmers and extending the Emergency Agricultural Credit Adjustment Act through September 30, 1981," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. TALMADGE, Mr. MCGOVERN, Mr. STONE, Mr. HUDDLESTON, Mr. ZORINSKY, Mr. HELMS, Mr. HAYAKAWA, and Mr. JEPSEN to be the conferees on the part of the Senate.

The message also announced that the Vice President, upon the recommendation of the majority and minority leaders, pursuant to the provisions of section 276 of title 22, United States Code, as amended by Public Law 95-45, appointed Mr. BURDICK, chairman (in lieu of Mr. CANNON), Mr. SCHWEIKER, Mr. BELLMON, Mr. HATCH, Mr. WALLOP, and Mr. PRESSLER to attend the Interparliamentary Union Conference, to be held in Oslo, Norway, April 7-12, 1980.

RABBI BARTON G. LEE

(Mr. FROST asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FROST. Mr. Speaker, it is a privilege to introduce a longtime personal friend of mine who delivered the opening prayer this morning, Rabbi Barton Lee. Barton grew up in San Antonio, Tex., and has had a longstanding interest in politics. As a teenager, he stood on street corners passing out literature for Ralph Yarborough, former longtime Senator from Texas. Both of us were active in the Texas-Oklahoma Federation of Temple Youth, where he proved to be a good politician himself, serving as regional president of that organization. Rabbi Lee received his undergraduate degree from Stanford University, California, and his rabbinical training from Hebrew Union College at Cincinnati, Ohio. He comes to us from Tempe, Ariz., where he has been with the Hillel Foundation, Union of Jewish Students at Arizona State University, for a number of years. Rabbi Lee and his wife, Marcie, continue to reside in Tempe, Ariz.

LEGISLATION TO REDUCE FRAUD AND EXTRAVAGANCE IN THE FOOD STAMP PROGRAM

Mr. COLEMAN. Mr. Speaker, today I am introducing an amendment to the 1977 Food Stamp Act that could reduce the cost of the program by $700 million in fiscal year 1981 without depriving needy families of proper nutrition.

This amendment would adjust food stamp benefits to families who have children that receive free meals while at school during the day.

The Congressional Budget Office estimates that we could save about $700 million in the coming year by eliminating this duplication of service to eligible families.

Apparently, administrators of the food stamp program have not taken into consideration the fact that some recipient families have children who eat one or more meals a day in school through the Government's free programs to needy youngsters. The families receive full allotments of food stamps, designed to provide proper nutrition for three meals a day for every member of the family, even though one or more of the family members may actually eat meals at school.

The CBO says there would be very little increase in administrative costs to institute this program, and those costs would be greatly exceeded by the $700 million estimated savings. Under provisions of the amendment, adjustment schedules would be developed and local officials could simply refer to them to determine the level of benefits for food stamp recipient families.

Admittedly, this amendment is just a small start when you consider that the food stamp program has nearly doubled in cost in the last 2 years, from $5.7 billion to $10 billion. However, my amendment is a reasonable and responsible step toward eliminating waste and duplication in the food stamp program.

WINDFALL PROFIT TAX—STAB IN BACK TO AMERICAN PEOPLE

(Mr. LUNGREN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LUNGREN. Mr. Speaker, Saturday, March 15, is the Ides of March.

On that date, Julius Caesar was stabbed in the back by his friend and ally, Brutus.

I can think of no better way to commemorate this occasion, than to pass the windfall profit tax today, which is a stab in the back to the American people.

At a time when we have a shortage of domestically produced oil.

At a time when gas stations limit their hours and use flags to tell us if they even have gasoline.

At a time when oil-rich Middle Eastern countries have the United States over a barrel, if you will pardon the expression.

What is the Congress doing?

We are passing a bill which will insure the production of 600,000 to 1 mil-

☐ This symbol represents the time of day during the House Proceedings, e.g., ☐ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

lion less barrels of oil a day by the United States.

I predict right now, that this bill will take its place in history beside the Government office back in the earlier part of this century, which predicted that oil would never be discovered in Texas.

We can trust Government's efforts to produce more energy for this country about as much as Caesar should have trusted his friend Brutus. The people want tax cuts, we are going to give them a new national excise tax; they want more domestic energy, we are giving them less.

I have a feeling, however, that my warnings will have as little impact as did those of Calpurnia.

□ 1010

WELCOME, MR. SPEAKER

(Mr. BAUMAN asked and was given permission to address the House for 1 minute.)

Mr. BAUMAN. Mr. Speaker, Monday is St. Patrick's Day. May I wish the Speaker an early, very prosperous, and enjoyable anniversary of the patron saint of the Irish.

Mr. Speaker, this is the time when all Irishmen should be happy and I am sure this weekend in Boston and in other places around the country there will be much celebrating in honor of this great saint. However, I am sorry that the Speaker finds himself with a degree of sadness today. This morning's Baltimore Sun quotes our great Speaker as saying, "I guess I am out of tune with my own party."

It may be, perhaps, an example of a journalist's mistake but apparently because a supposed majority of Democrats now have recognized the need for a balanced budget, the Speaker feels he is not in tune.

Well, Mr. Speaker, if the balanced budget has gotten through to the majority party, who knows what is next: limited government, lower taxes, increasing individual freedom?

Mr. Speaker, I do not think the gentleman from Massachusetts should be out of step with his party. One sign of leadership is finding which way the troops are going and then getting out front.

We welcome our Speaker and his troops to our side of the aisle.

RENDER UNTO WASHINGTON EVERYTHING

(Mr. CAMPBELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CAMPBELL. Mr. Speaker, the Ides of March are nearly upon us. As they did for Caesar, I am afraid they hold ominous portents for the American people this year. Caesar believed in "rendering unto Caesar what is Caesar's." Unfortunately, the majority in this Congress seems to want people to render unto Washington everything they have got. Taxes in fiscal 1981 will represent the highest peacetime tax burden ever.

According to the Joint Committee on Taxation, the average American family of four will be paying 17.5 percent of their income into the Federal coffers, and U.S. News & World Report estimates an average State tax bite of another 12.8 percent. Further, the hidden tax increases caused by rampant inflation are creating an ever-worsening situation.

Most Republicans understand that the middle-income American wage earner is rapidly reaching the point of diminishing returns. The people should know that a Republican majority in Congress would give them the tax relief they so desperately need.

BORN-AGAIN BUDGET BALANCERS WELCOMED TO THE FOLD

(Mr. ROUSSELOT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROUSSELOT. Mr. Speaker, prompted by the recent announcement of a whopping 18-percent annual inflation rate, the administration and several congressional Democrats have apparently decided to jump on the balanced budget bandwagon. I welcome them. However, I do not welcome their proposals for balancing the budget with a gigantic tax increase paid for by the American taxpayer.

The Joint Economic Committee, of which I am a member, recently issued their annual report for 1980. The major premise of that report is that the way to ease inflation is to promote private investment and growth, rather than dampen consumer demand—which the tremendous tax increases proposed by the administration would most certainly do. The JEC hired an economic forecasting firm, Data Resources, Inc., to test the validity of its supply-side philosophy. They concluded that the policy of tight fiscal and monetary programs would have to drive the unemployment rate to 7.5 percent for the next 5 years to produce even a 1 percentage point reduction in inflation. On the other hand, they found that by implementing tax cuts to spur investment and production, inflation could be reduced by an average of 0.4 percentage points per year, or 2 percentage points over 5 years, without increasing the unemployment rate at all.

Again, after 25 years of Democrat spending, I welcome these born-again budget balancers to the fold. It is my further hope that it will also be revealed to them that tax cuts, too, should come to pass.

FINANCING LEFT TO COMING GENERATIONS

(Mr. PASHAYAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PASHAYAN. Mr. Speaker, for the past quarter century, this Government has been engaged in a policy of financing itself too much by doing today and paying tomorrow. The great policies of defense, our social policies, our economic policies, our agricultural policies, all too much of the time have been financed by putting on to the next generation the great burden of paying not only the cost of these programs but also the debt in terms of interest.

Mr. Speaker, that may well have been necessary in 1932 when we had a crash in this country. However, this kind of financing we cannot hope to continue forever.

We may escape our illusions, we may escape our fancies, we may escape even the most intricate economic theories, but, Mr. Speaker, we cannot escape the facts and today the facts are not only inflation but rising unemployment. We must return to a sound fiscal policy of spending no more money than what the Government takes in.

Mr. Speaker, I have before me House Resolution 525 where more than 140 Members have committed themselves to balancing the budget, as the Congress promised to do in Public Law 95–435, passed in 1978.

Let us take the step of balancing the budget for fiscal year 1981.

WELCOME BACK, MR. SPEAKER

(Mr. JACOBS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JACOBS. Mr. Speaker, if it is true that the Speaker said that he was out of tune with his party, it might also be pointed out that this is not a party of martial music where we must all march to the same step. Whether the Speaker is out of tune or in tune, I think most members of this party including this Member who has disagreed rather severely with the Speaker on philosophical matter from time to time would say that the Speaker, in his Irish way, emits the sweetest music this side of Heaven.

Last evening, Mr. Speaker, former President Ford said, "Why do we pull our punches on President Carter?" Which reminds me that I have wondered for 4 years why President Carter pulled his punches on President Ford when President Ford went back on his word and blocked the administration of justice in the Nixon case.

I yield back the balance of my time.

CAPITOL PAGE SCHOOL BASKETBALL CHAMPIONS

(Mr. MOAKLEY asked and was given permission to revise and extend his remarks.)

Mr. MOAKLEY. Mr. Speaker, there are many serious things going on in this House but I still think we should take a little time to reflect on some of the achievement of our pages.

The U.S. Capitol Page School completed its most successful basketball season in the history of the school. Of the 13 independent schools in the Washington metropolitan area, the Capitol Page School topped the list with a record of 19 wins and 2 losses.

For the second straight year they won the Jewish Day School Invitational Tournament.

All Tournament First Team honors included three Capitol Page School players: Palmer McLean, John Piland, and Kent Meeks who was also named the tournament's Most Valuable Player.

The remainder of the roster included Donna McNeilly, Laurence Tolliver, Kris Warner, John Harris, and David Butcherite.

Under Coach Joe McGrath's tutelage, Capitol Page School has won the only championships ever won by the school.

COMMEMORATING THE ARREST OF ANATOLY SHCHARANSKY

(Mr. HARRIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HARRIS. Mr. Speaker, I join with many of my colleagues today to commemorate, for the third year, the arrest of Anatoly Shcharansky. Everyone who cares about human rights is still horrified by the harsh sentence imposed on Anatoly. The sentence was one of many stern steps taken to curb the expression of open dissent inside the Soviet Union.

One of the latest victims of Soviet injustice, Andrei Sakharov, in a recent interview, stated that Soviet authorities will continue to suppress human rights within their borders as frequently as possible, and that those of us who are able, must express our outrage over this position. It is a sickening way to have it happen, but each year that we are forced to think of Anatoly Shcharansky in prison, or in a labor camp, the Soviet Union attracts attention to its disdain of human rights. Anatoly's arrest and subsequent trial was a dramatic announcement to those of us in the free world that Moscow was going to totally disregard its signed commitments at Helsinki.

Do not worry, Anatoly, you are not forgotten and we will press on until you are free. We will continue to spell out the Soviet's contemptuous attitude toward dissent until you, and others who share your plight, are allowed to leave the Soviet Union.

□ 1020

CALL OF THE HOUSE

Mr. ULLMAN. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members responded to their names:

[Roll No. 141]

Abdnor
Addabbo
Akaka
Albosta
Alexander
Anderson, Calif.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Byron
Campbell
Carney
Carr
Carter
Cavanaugh
Chappell
Cheney
Cleveland
Clinger
Coelho
Coleman
Collins, Tex.
Conable
Conte
Conyers
Corcoran
Corman
Cotter
Coughlin
Courter
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Deckard
Dellums
Derrick
Derwinski
Devine
Dickinson
Dicks
Donnelly
Dornan
Dougherty
Downey
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Forsythe
Fountain
Fowler
Frenzel
Frost
Fuqua
Gaydos
Gephardt
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Green
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hance
Hanley
Hansen
Harkin
Harris
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Johnson, Calif.
Jones, Okla.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCormack
McDade
McEwen
McHugh
McKay
Madigan
Maguire
Markey
Marks
Marriott
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, Pa.
Murtha
Myers, Ind.
Natcher
Nedzi
Nelson
Nichols
Nowak
Oakar
Oberstar
Obey
Panetta
Pashayan
Patten
Paul
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Porter
Price
Pritchard
Quillen
Rahall
Railsback
Rangel
Regula
Reuss
Richmond
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rose
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Rousselot
Roybal
Royer
Rudd
Runnels
Russo
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Satterfield
Sawyer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stockman
Stratton
Studds
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Thompson
Traxler
Trible
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

□ 1030

The SPEAKER pro tempore (Mr. McHugh). On this rollcall, 362 Members have recorded their presence by electronic device, a quorum.

Under the rule, further proceedings under the call are dispensed with.

CONFERENCE REPORT ON H.R. 3919, CRUDE OIL WINDFALL PROFIT TAX ACT OF 1980

Mr. ULLMAN. Mr. Speaker, I call up the conference report on the bill (H.R. 3919) to impose a windfall profit tax on domestic crude oil.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to the provisions of House Resolution 605, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of March 7, 1980).

The SPEAKER pro tempore. The gentleman from Oregon (Mr. Ullman) will be recognized for 30 minutes, and the gentleman from New York (Mr. Conable) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Oregon (Mr. Ullman).

□ 1040

Mr. ULLMAN. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, first I want to commend the 15 House Members who served as conferees. This was one of the most difficult, complex conferences that we have held. The result is one that gives us a very equitable solution to a difficult problem and one which I think that is good for America.

Mr. Speaker, last April the President announced his program for the phased decontrol of oil prices. By making consumers confront the real cost of their energy appetites at home and in their cars, decontrol of oil prices will do more than anything else to encourage the conservation effort and the development of alternative fuels that we need to free us from dependence on foreign oil.

Another result of decontrol, however, will be the transfer of vast sums of money from American consumers, many of whom cannot afford it, to oil producers and royalty owners. Without a windfall profit tax, these companies would receive greatly increased profits—more than a doubling of their profits—

from the sale of oil at prices made possible by the OPEC cartel. If the entire price rise from decontrol were to go into the coffers of the oil industry, the American people would not accept decontrol. Thus, as a complement to the decontrol program, the President proposed a windfall profit tax on domestic crude oil to recapture some of these revenues.

Any windfall profit tax must be a compromise between revenue considerations and production incentives, and between competing demands on the revenues raised. It should have the lowest rates on oil whose production is most likely to respond to lower rates and higher rates on oil whose production is less sensitive to price. But it must also raise sufficient revenue to create an equitable distribution of the gain from decontrol between the oil industry and the general public. The conference report will raise an amount of revenue almost exactly halfway between the House and Senate bills.

The conference committee bill is a good compromise of these competing considerations. First, it is a significant tax, which will permit the President to go forward with decontrol. Second, the House conferees have prevailed in providing the greatest incentives to newly discovered, incremental tertiary, and heavy oil, where the production response will be greatest. Third, the energy tax incentives in the bill are the result of a careful review of the various tax credit and tax exempt bond proposals of the Senate to select the areas where additional incentives are needed.

OVERVIEW OF BILL

The compromise worked out by the conference committee is a carefully balanced, and effective, five-part response to our energy challenges. First, the windfall profit tax will raise a substantial amount of revenue without damaging production incentives. The compromise also recognizes the special problems and contributions of independent producers by providing them with reduced rates on their first 1,000 barrels a day of old oil.

The second part of the bill is a strengthening of the program of residential energy conservation incentives enacted in 1978. This includes a substantial increase in the tax credit for solar energy investments and establishment of specific standards under which the Secretary must determine whether the residential credit should be expanded to wood stoves, heat pumps and other items.

The third part of the conference committee report is a package of tax incentives for businesses to encourage energy conservation and production from a broad range of alternative energy sources. The conferees have selected from among the incentives passed by the Senate those which make the greatest energy sense, including provisions to encourage solar and hydroelectric investments.

The fourth part of the conference agreement addresses the economic hardship caused by high energy prices. The agreement includes an authorization of $3.115 billion for fiscal year 1981, for a program of grants to the States to provide assistance to low-income families for heating and cooling costs.

The fifth part of the conference agreement provides guidelines for the allocation of the revenues from the windfall profit tax.

The conference agreement also includes three significant general tax provisions: the repeal of carryover basis, a partial exclusion of dividends and interest received by individuals, and certain modifications of the LIFO inventory rules.

The windfall profit tax as agreed to by the conference committee would raise $227.7 billion between 1980 and 1990. This would include $6.3 billion in calendar year 1980 and $3.2 billion in fiscal year 1980. This is the largest tax increase ever levied on a single American industry and represents a significant step in returning windfall profits to the consumer.

Changes in the residential energy credits provided by the conference agreement will cost $600 million between 1980 and 1985. This will include $42 million in calendar year 1980 and $7 million in fiscal year 1980. The business energy incentives will cost $8.1 billion over the next 11 years, $146 million in calendar year 1980, and $50 million in fiscal year 1980.

Repeal of carryover basis will reduce revenues $4.3 billion between 1980 and 1990, and the interest and dividend exclusion will reduce revenues by $4.3 billion in 1981 and 1982.

Let me review the major features of the conference agreement.

WINDFALL PROFIT TAX

The windfall profit tax is an excise, or severance, tax on domestically produced crude oil. The burden falls entirely on the producer. Decontrol and OPEC will raise prices to consumers, not the tax.

Taxable oil is taxed in one of three tiers. For each tier the taxable windfall profit is the difference between the selling price of the oil and a base price; however, there is a deduction for the State severance tax on the windfall profit amount. Generally the base price averages $12.81 for tier 1, $15.20 for tier 2, and $16.55 for tier 3, adjusted for inflation and for grade, quality and location differences in each case. A special rule for determining interim base prices protects producers, such as those in California whose oil is temporarily depressed, from having too low a base price. The conference agreement also gives the Secretary of the Treasury ample authority in establishing permanent base prices to take into account any aberrations in 1979 market conditions which might otherwise prejudice a particular class of producers.

The tax rate applied to the windfall profit is 70 percent for tier 1, 60 percent for tier 2, and 30 percent for tier 3. The rates on tier 1 and tier 2 are reduced in the case of independent producers on the first 1,000 barrels a day of production. These reduced rates of 50 percent on tier 1 and 30 percent on tier 2 reflect an appreciation by the conference committee of the difficulties independent producers encounter in competing with major oil companies. Along with the decision to drop the restrictions on percentage depletion which were in the House bill, these special rates represent a sound compromise for the independents.

Tier 1 consists of oil that would have been lower or upper tier oil, had previous price controls been continued. Under both the House bill and the Senate amendment, lower tier and upper tier oil were initially taxed in separate windfall profit tax tiers, but merged into one tier after July 1984. The conference agreement merges these two categories of oil into a single tier and thus eliminates about one-half of the complexity which would otherwise exist in the bill until 1984. Merger of the tiers is accomplished by treating all lower tier oil like upper tier oil from the outset rather than having a phase-out of the lower tier into the upper tier.

Tier 2 consists of stripper oil and oil from the national petroleum reserve.

Tier 3 consists of newly discovered oil, incremental tertiary oil, and heavy oil. These three categories of oil are those from which a significant increase in production can be expected. The House conferees, therefore, worked diligently to maintain as low a tax rate on tier 3 oil as was possible, given both the need to raise revenue out of which to finance our energy programs and the need to give special consideration to other categories of production and taxpayers.

The conference agreement also provides an exemption from the tax for oil owned by State and local governments, Indian tribes, and charitable schools and medical institutions.

The tax will phase out over a 33-month period starting with the latter of January 1988 or the first month (but not later than January 1991) after the Secretary estimates the aggregate net windfall profit tax revenue will exceed $227.3 billion.

The conference agreement has been criticized by some for imposing too great a burden on the American oil industry. We must remember, however, that since this bill was introduced last spring, the price which producers are receiving for their oil has more than doubled and the price of gasoline and home heating oil has followed a similar upward path. We must recapture for the American working man and woman some equitable portion of this vast increase in wealth that the oil industry has experienced over the last year.

RESIDENTIAL ENERGY TAX CREDITS

The conference agreement makes several adjustments to the residential conservation on solar energy credits enacted in 1978. First, the solar energy tax credit is increased to 40 percent of the first $10,000 of expenditures. This will significantly stimulate the infant solar, wind, and geothermal industries in this country. These sources offer our best long range hope for clean, efficient energy production.

The conferees also agreed on standards which the Secretary of the Treasury is to use in determining whether additional items should be approved for the residential conservation tax credit. Under these standards, the Secretary will be required to specifically evaluate the energy-saving potential of wood stoves, heat pumps, high-efficiency furnaces, and other items that were in the Senate amendment. By agreeing to these standards, your conferees have left open the possibility of adding an item to the list of equipment eligible for the tax credit, if engineering and economic studies demonstrate its effectiveness to the Treasury.

The conferees also agreed upon rules to prevent taxpayers from using both grant programs and the tax credits. Absent such rules, the availability of multiple subsidies could encourage needless expenditures of Federal funds.

BUSINESS TAX INCENTIVES

The House conferees have reviewed the business incentives proposed by the Senate and have selected those that will produce the greatest energy response. To allow the Congress to review the effectiveness of these credits, most will terminate after 1985.

The conference report encourages the development of renewable energy sources by increasing the present credit for solar, wind, and geothermal equipment from 10 percent to 15 percent. This credit is also made available for ocean thermal equipment at two experimental sites to be selected by the Treasury and DOE. Renewable energy from small-scale hydroelectric facilities will be encouraged by an 11-percent energy tax credit for qualifying expenditures. The availability of tax-exempt bond financing for small-scale hydroelectric facilities is also expanded.

The business energy credits enacted in 1978 are modified by providing a 10-percent energy credit for nonoil or gas cogeneration equipment, for modifications to alumina electrolytic cells, and for coke and coke gas equipment. In addition, the regular investment credit and accelerated depreciation are restored to petroleum coke and pitch equipment.

Production of alternative fuels is encouraged by several provisions of the conference agreement, including extension, through 1985, of the energy investment credit for equipment that produces or uses fuels from biomass, availability of tax-exempt financing for certain solid waste disposal facilities and certain renewable energy property, and a $3 a barrel credit for the production and sale of certain alternative energy sources. Because the credit generally phases out as oil prices rise above $29.50, it will act as a price guarantee for those industries.

In addition, the production of alcohol fuels is encouraged by extension of the Federal excise tax exemption through 1992. If alcohol is used as a fuel and the exemption does not apply, a tax credit is available to the blender.

The conference agreement also provides a 10-percent credit for certain intercity buses acquired to increase the operator's seating capacity.

LOW-INCOME ENERGY ASSISTANCE

The conference agreement authorizes the appropriation of $3.115 billion for fiscal year 1981 for a program of block grants to the States to provide assistance to lower income families for heating and cooling costs. Eligibility is restricted to households who have income less than the Bureau of Labor Statistics lower living standard. In addition, States may give assistance, regardless of income, to households which receive food stamps, AFDC, needs-tested veterans' pensions, or SSI, except for SSI recipients who live in another household and whose benefits are therefore reduced, SSI children living with non-SSI parents, and SSI recipients living in medicaid institutions.

DISPOSITION OF WINDFALL PROFIT TAX REVENUE

The net revenues from the windfall profit tax from 1980 through 1990 are allocated to a separate account of the Treasury, for accounting purposes only. The net revenues projected under current assumptions are allocated as follows:

First. Aid to lower income households—25 percent of net revenues.

Second. Income tax reductions—60 percent of net revenues.

Third. Energy and transportation programs—15 percent of net revenues.

The low-income set-aside will be split evenly between an energy-assistance program and a program of aid to SSI and AFDC recipients.

Of the net revenues in excess of what is projected under current price assumptions, one-third would be used to provide aid to low income households and two-thirds would be used for income tax reductions. The energy tax incentives provided in the conference agreement, and any synthetic fuel corporation will be funded from general revenues. Since these funds cannot be spent without further legislation, Congress will have further opportunities to review this allocation in the future. Without further legislation, the revenues will go to reduce the deficit.

CARRYOVER BASIS

Under present law, people who inherit appreciated property will have to carry over the cost basis of the decedent. This has been an extremely unpopular rule with taxpayers and is repealed under the conference agreement. As a result, heirs will continue to use as their cost basis the value of property when they inherit it.

INTEREST AND DIVIDEND EXCLUSION

The conference agreement increases the amount of the existing exclusion for dividends from $100 to $200 and broadens the exclusion to apply to certain types of interest received by individuals from domestic sources, including interest from banks and thrift institutions, interest on certain types of corporate debt, and interest paid by the United States or a State or local government which is not already excluded from gross income. The exclusion for interest and dividends will apply to 1981 and 1982.

LIFO INVENTORIES

Taxpayers who liquidate their LIFO inventories in response to a Department of energy regulation or request—with respect to energy supplies—or to a major foreign trade interruption, may apply for a refund of taxes paid on the LIFO inventory profits of such sale if the liquidated inventory is replaced within 3 years.

A liquidating corporation will generally have to recognize ordinary income in the amount of its LIFO recapture amount. Similarly, a corporation selling its assets in the course of a 12-month liquidation will also recognize the amount of its LIFO recapture amount. A corporation's LIFO recapture amount is the excess of the adjusted basis of such inventory determined under the first-in, first-out (FIFO) method of accounting for inventories over the LIFO-adjusted basis of the inventory. This provision is effective for distributions and dispositions occurring after December 31, 1981, pursuant to plans adopted after that date.

CONCLUSION

In conclusion, Mr. Speaker, the conference committee agreement is a balanced package that enables the President to pursue his decontrol program and that, at the same time, addresses our other energy challenges by providing assistance to consumers of energy, and incentives to move to alternative energy sources.

□ 1050

Mr. Speaker, this is a bill put together meticulously, one that resolves the very difficult and complex problems, and one that is absolutely essential if we are to move forward with the decontrol that the President has proposed.

I urge all Members to oppose the recommital motion, not to destroy this bill, and to adopt the conference report overwhelmingly in this Congress, to give the Nation a message that we, too, are willing to live up to our responsibilities in the field of energy.

Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. GONZALEZ).

Mr. GONZALEZ. Mr. Speaker, I compliment the gentleman and his colleagues for the job done, after very strenuous effort.

I have trouble, though, like I did the first time when the gentleman presented the House version months ago. I asked a question then, and I still have trouble, as I see it.

Is it really an extraction or a severance tax based on that, rather than a truly defined windfall profit tax?

The SPEAKER pro tempore. The time of the gentleman from Oregon (Mr. ULLMAN) has expired.

Mr. ULLMAN. Mr. Speaker, I yield myself 1 additional minute.

The SPEAKER pro tempore. The gentleman from Oregon (Mr. ULLMAN) is recognized.

Mr. ULLMAN. This tax is not in the technical sense a windfall profit tax. It does not go into the income tax at all. It is an excise tax levied on the producer and paid by the first purchaser, but again I say that it does not go on the consumer.

The price impact to the consumer is not affected, but it is a per-barrel excise tax paid by the first purchaser of the oil.

Mr. GONZALEZ. If the gentleman will continue to yield, what about the exemption for the foreign producer or foreign production? Is that still in?

Mr. ULLMAN. No. The tax only applies to domestic production. We have no way of getting to the problem of foreign oil in this bill. That could be handled through import fees or other means. This tax only applies to domestically produced oil.

Mr. GONZALEZ. I thank the distinguished gentleman.

Mr. CONABLE. Mr. Speaker, I yield 2 minutes to the distinguished chairman of the Republican Policy Committee, the gentleman from Pennsylvania (Mr. Shuster).

Mr. SHUSTER. Mr. Speaker, nearly 20 years ago a Democratic President, John F. Kennedy, issued a stirring proclamation in his inaugural address, saying, "Let the word go forth from this time and place to friend and foe alike that the torch has been passed to a new generation of Americans."

Mr. Speaker, today we have another Democratic President and a Democratic Congress, issuing yet another proclamation albeit not so eloquent, but nonetheless just as clear. This administration's message here today is "Let the word go forward that every American throughout the land is faced with a torch of high taxation being put to his dreams and his aspirations."

That is the message to this generation of Americans being sent by this bill today from a Democratic President and a Congress that is bent on imposing the single largest tax in the history of mankind on the American people, on Americans forced to live at an 18-percent inflation rate with Government gobbling up more and more of their earnings in both direct and indirect taxes.

Mr. Speaker, today the Congress has a chance to tell the American people that we will not add to their already overbearing tax burden. We have a chance to tell them that we will act prudently to encourage domestic energy production, but to do so we must defeat the conference report on the so-called windfall profit excise tax bill as it is presently crafted. This bill does nothing more but increase taxes on the American public. It does not produce one more drop of oil, one more cubic foot of natural gas; and we are deceiving the American people if we allow them to think otherwise.

I urge my colleagues to vote against this conference report so we may draft a bill that provides strict incentives to reinvest increased profits in further exploration. Let us defeat this bill and stand with the American people.

Mr. CONABLE. Mr. Speaker, I yield 2 minutes to the gentleman from Louisiana (Mr. Moore).

Mr. MOORE. Mr. Speaker, I would like first to compliment the chairman of the Committee on Ways and Means, the gentleman from Oregon (Mr. Ullman), and all the other conferees who worked on this conference report.

I was privileged to serve with them and I will personally attest that every single viewpoint was given fair and very detailed consideration.

I am very proud to say that I do not think anything escaped the study of that conference committee in drawing this conference report.

There are two points, however, I want to make. I will not try to advise any Member of this body which way to vote on this conference report, but there are two points they should consider in voting: One, this tax is basically a political tax. It is not an energy measure. It is not an economic measure. It is basically a political tax.

It was determined necessary to have decontrol to help solve our energy crisis. The President determined politically that to have decontrol we had to have a tax to offset the criticism from decontrol.

That is the reason why this tax came into being, not as a measure to produce energy, as any tax on energy producers will only produce less of that kind of energy. It is strictly a political tax.

The second point I would make is that this tax will in fact ultimately be paid by consumers. Every Member of the House ought to know that when they vote on this conference report.

Although the price of gasoline is fixed by law, and although the price of heating oil does have foreign competition which will help keep down possible price increases, everything else made from petroleum will go up, such as chemicals, plastics, motor oils, lubricants, and anything made from oil. Some day we hope gasoline prices will be deregulated. That, too, then, will reflect eventually this tax.

I simply say, in conclusion, this may be a necessary tax, from a political point of view.

That is a decision each Member of the House should make, but do not make that decision based on this tax being good for the economy or good for energy, or good for the consumer. That is not the case.

Mr. CONABLE. Mr. Speaker, I yield 2 minutes to the gentleman from Colorado (Mr. Kramer).

Mr. KRAMER. Mr. Speaker, I do not have any prepared remarks, but I just felt so strongly on this isue that I spoke out yesterday and there is an old adage, that if you talk often enough sometimes down the road, somewhere, someone begins to listen.

I think we are making a very terrible mistake in an area that is probably as important to the future of this country as any that this Congress is ever going to be looking at.

We have an energy crisis. I think most of us in this body, regardless of our political persuasions, believe that. There are, however, some strong differences of opinion as to how best to solve it.

There is no way that a $227 billion tax that is going to do nothing but stifle the initiative and incentive of people to go out and be productive, is going to bring us out of the mess that we are in.

This tax is supposedly the cornerstone of our energy program, together with a synthetic fuels program that may, if successful, produce oil equivalent to 5 percent of our imports, together with the creation of an energy mobilization board, a super bureaucracy that tells us we are incapable of really coping with the bureaucracies that we have already created.

These three things, the triad, one might say, of our domestic energy program, are what we are looking at to pull us out of a real morass. It just is not going to do the job.

I wish some of my colleagues, in their few spare hours that they have, would wander through some of the museums at the Smithsonian, which I have done when I have had a couple of free hours. See the great inventions and wonder where the Edisons and the Eli Whitneys and Benjamin Franklins came from in a spirit of free enterprise that gave this Nation the greatest productivity of any in history. Trace how in the last 10 to 15 years we continually turn to spending and spending and taxation and taxation as a way out of national problems. Correlate that with our decline in productivity and the tremendous problems that face this country today.

□ 1100

I think you will see a parallel, one that would dictate a vote against this bill.

Mr. ULLMAN. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio (Mr. Vanik).

Mr. VANIK. Mr. Speaker, on November 26, 1979, the Senate adopted the Heinz amendment to the windfall profit tax bill making coke ovens eligible for the alternative energy property investment tax credit contained in the Energy Tax Act of 1978. More recently, House and Senate conferees considered and then adopted this amendment. I would like to clarify and reconfirm my understanding of this amendment by asking several questions of the chairman.

First, is the credit available for new equipment and for the reconstruction and rehabilitation of existing equipment?

Mr. ULLMAN. The answer is "yes."

Mr. VANIK. I thank the chairman. Clause (iii) of section 48(l)(3)(A) defines alternative energy property as equipment for converting an alternative substance into a synthetic fuel. It is my understanding that this clause would make the credit available for coke ovens, required pollution control equipment—including desulfurization facilities—and other equipment required to convert coal and coke oven products into a useable fuel.

Mr. ULLMAN. If the gentleman will yield, the answer is "yes." The gentleman is correct.

Mr. VANIK. Clause (v) of section 48 (l)(3)(A) deals with coal-derived feedstocks rather than fuels. The first part of this clause contains the phrase "any nonmarketable substance." Since all substances have some value. I assume any nonmarketable substance derived from coal would include liquid, gaseous, and solid products of coal processing operations requiring further processing to be regularly saleable in commercial markets. Further, raw coke oven gas would be considered a nonmarketable substance. Is that correct?

Mr. ULLMAN. If the gentleman will yield, the gentleman is correct in his interpretation.

Mr. VANIK. Finally, clause (v) would make the credit available to coke ovens. In addition, this credit is available for other equipment which would be necessary to convert coke oven products into commercially marketable feedstocks, to the same extent that this credit is available for other coal processing technologies. Is this correct?

Mr. ULLMAN. The answer is "Yes".

Mr. VANIK. I thank the chairman for his cooperation.

Mr. Speaker, the windfall profit tax of 1980 is to my knowledge one of the most comprehensive legislative measures to be considered by the Congress.

It is not our finest work. We could have done an infinitelv better job if decontrol had been withheld until after we did our work. The legislation was developed in the high-pressure boiler of the House-Senate conference. The House conferees were compromised by many things. First of all, the rules of the other body opened the legislation to volumes of nongermane issues, some of which had to be negotiated out of the law at a great cost in the compromise. The oil industry won a great deal on that one.

Second, the White House first recommended a windfall profit tax of $273 billion, the House Ways and Means Committee carefully determined on a windfall tax of $295 billion which was then approved by the administration. The House, responding to the pressures of the independent oil producers, reduced the tax to $277 billion.

In order to achieve some political representation before the holiday season, the administration led the retreat from the already compromised House position to a settlement of the tax at $227.3 billion, a $50 billion tax break for the industry.

In the conference report, there are a huge series of other tax breaks for the industry which will come to light in the months and years ahead. Do not be surprised.

Under these circumstances, the House conferees did the best they could—reluctantly yielding in the compromise process. Our chairman, the distinguished gentleman from Oregon (Mr. ULLMAN), did a tremendous job in guiding the conference and maintaining the House position.

To say that the oil industry did not win most of the issues in the conference would be the understatement of the year. If anything more is carved out for the oil industry, it would be a disaster.

It is my understanding that the gentleman from Texas (Mr. ARCHER), will offer an independent producer exemption for up to 1,000 barrels per day.

This is no "mom and pop" issue. It is a "big daddy" and "queen bee" amendment. 1,000 barrels per day at todays prices is $36,000 per day, $1,080,000 per month, about $12 million per year. Some families divide their holdings among five or six other family members. The independent producer exemption could be worth $50 to $60 million per family that is a huge tax break.

The conference report already provides much special treatment for independent producers. Also, independent producers already get percentage depletion under present law, which majors do not get.

Under the conference report, the windfall profit tax rate on old oil is 70 percent for majors while it is 50 percent for independent producers. On stripper oil, the windfall profit tax rate is 60 percent for majors but it is only 30 percent for independent producers.

The conference agreement is more than fair to the independents. Under the House bill, they would have paid $57 billion between 1980 and 1990; under the conference agreement, they would pay $22.5 billion.

Also, giving royalty owners an exemption produces no production response whatsoever. About 20 to 25 percent of the tax reduction as a result of an independent producer exemption would go to royalty owners.

I urge the defeat of the Archer motion to recommit.

If the Archer motion to recommit is allotted, the conference report should be adopted.

Mr. ULLMAN. Mr. Speaker, I yield such time as he may consume to the gentleman from Connecticut (Mr. COTTER).

Mr. COTTER. Mr. Speaker, I rise in support of the bill. I think it is the best possible compromise which could be effected.

Mr. Speaker, I was privileged to be the only Member from New England to sit on the windfall profits conference. After many days of effort on this bill, I honestly believe that the House should adopt the conference report.

As most Members realize, this bill is necessitated by the decontrol of domestic crude oil. When decontrol is fully effective over the next 10 years, U.S. oil companies will receive an additional $1 trillion because of decontrol.

This figure is mind boggling. The total U.S. GNP at the end of 1979 was $2.5 trillion and with decontrol over the next 10 years the oil companies will receive at least an additional trillion dollars, $1,000 billion.

Without the windfall profit tax, oil companies even after State and Federal taxes are paid would have $529 billion in pure profits.

With the windfall profit tax oil companies will still retain over $300 billion because of decontrol. All of this is said to put in perspective the windfall profit tax. This bill is a means to have the Government recoup some of the money that the oil companies will get because of decontrol and the OPEC cartel pricing policy.

The conference, correctly to my mind, restructured the entire concept of the tax from the House version. We decided to tax old oil more heavily than new or hard-to-discover oil. This I believe is an improvement.

Personally, I expect that the windfall profit tax will raise more than the $227 billion projected by the Joint Committee on Taxation. But be that as it may, the tax is necessary and should be passed.

Most of the debate today will be over the size of the tax and, perhaps most important, the uses to which these new revenues are put.

The conference debated the revenue issue and I was pleasantly surprised by the bipartisan consensus that developed. As we talked it became clear that this Congress or future Congresses would have to alleviate some of the pressure caused by higher energy prices by reducing Federal taxes. It was this consensus that suggested that we earmark 60 percent of the revenues as a "down payment" on future tax reduction.

I know that some Members want to earmark 50 percent of all of these revenues for energy R. & D. With the price of oil increasing, there is more than enough incentive for the private sector to go out and produce energy from alternatives sources. When coupled with existing Federal programs and new ones about to be enacted, there is no need for more Federal effort.

From the perspective of energy development, the conferees did important things. We increased tax credits for solar development, we provided incentives for hydroelectric power, and set up a procedure whereby fuel efficient oil burners, wood burning stoves, and heat pumps can be evaluated to see if they should be eligible for the tax credit. During the conference I specificially asked Don Lubik, Assistant Secretary for Tax Policy, if he would set up a specific division to process these requests for eligibility for tax credits. He assured me that he would. In addition, the bill and conference report provides that the Secretary must act on a request for a decision within 1 year. This is designed to force the Secretary to make such decisions.

This is a prudent way to go. I urge the Secretary to act swiftly to fulfill his obligations.

For the benefit of the Members I am enclosing section 201 which sets out the requirements in this provision.

TITLE II—ENERGY CONSERVATION AND PRODUCTION INCENTIVES

PART I—RESIDENTIAL ENERGY CREDIT

SEC. 201. GENERAL PROVISIONS RELATING TO CREDIT.

(a) JOINT OWNERSHIP OF ENERGY ITEMS.—Section 44C(d) (relating to special rules) is amended by redesignating paragraph (4) as paragraph (5) and by inserting after paragraph (3) the following new paragraph:

"(4) JOINT OWNERSHIP OF ENERGY ITEMS.—

"(A) IN GENERAL.—Any expenditure otherwise qualifying as an energy conservation expenditure or a renewable energy source expenditure shall not be treated as failing to so qualify merely because such expenditure was made with respect to 2 or more dwelling units.

"(B) Limits applied separately.—In the case of any expenditure described in subparagraph (A), the amount of the credit allowable under subsection (a) shall (subject to paragraph (1)) be computed separately with respect to the amount of the expenditure made by each individual."

(b) Secretarial Authority.—

(1) In general.—Section 44C(c) (relating to definitions and special rules) is amended by adding at the end thereof the following new paragraph:

"(9) Limitations on secretarial authority.—

"(A) In general.—The Secretary shall not specify any item under paragraph (4)(A) (viii) or any form of renewable energy under paragraph (5)(A)(i) unless the Secretary determines that—

"(i) there will be a reduction in oil or natural gas consumption as a result of such specification, and such reduction is sufficient to justify any resulting decrease in Federal revenues,

"(ii) such specification will not result in an increased use of any item which is known to be, or reasonably suspected to be, environmentally hazardous or a threat to public health or safety, and

"(iii) available Federal subsidies do not make such specification unnecessary or inappropriate (in the light of the most advantageous allocation of economic resources).

"(B) Factors taken into account.—In making any determination under subparagraph (A)(i), the Secretary (after consultation with the Secretary of Energy)—

"(i) shall make an estimate of the amount by which the specification will reduce oil and natural gas consumption, and

"(ii) shall determine whether such specification compares favorably, on the basis of the reduction in oil and natural gas consumption per dollar of cost to the Federal Government (including revenue loss), with other Federal programs in existence or being proposed.

"(C) Factors taken into account in making estimates.—In making any estimate under subparagraph (B)(i), the Secretary shall take into account (among other factors)—

"(i) the extent to which the use of any item will be increased as a result of the specification,

"(ii) whether sufficient capacity is available to increase production to meet any increase in demand caused by such specification,

"(iii) the amount of oil and natural gas used directly or indirectly in the manufacture of such items and other items necessary for its use, and

"(iv) the estimated useful life of such item."

(2) Period for specifying items.—Paragraph (6) of section 44C(c) (relating to definitions and special rules) is amended by adding at the end thereof the following new subparagraphs:

"(C) Action on requests.—

"(i) In general.—The Secretary shall make a final determination with respect to any request filed under subparagraph (A)(ii) for specifying an item under paragraph (4)(A) (viii) or for specifying a form of renewable energy under paragraph (5)(A)(i) within 1 year after the filing of the request, together with any information required to be filed with such request under subparagraph (A) (ii).

"(ii) Reports.—Each month the Secretary shall publish a report of any request which has been denied during the preceding month and the reasons for the denial.

"(D) Effective date.—

"(i) In general.—In the case of any item or energy source specified under paragraph (4)(A)(viii) or (5)(A)(i), the credit allowed by subsection (a) shall apply with respect to expenditures which are made on or after the date on which final notice of such specification is published in the Federal Register.

"(ii) Expenditures taken into account in following taxable years.—The Secretary may prescribe by regulations that expenditures made on or after the date referred to in clause (i) and before the close of the taxable year in which such date occurs shall be taken into account in the following taxable year."

Mr. CONABLE. Mr. Speaker, I yield 2 minutes to a distinguished and hardworking member of the committee, the gentleman from Tennessee (Mr. Duncan).

Mr. DUNCAN of Tennessee. Mr. Speaker, I thank my distinguished leader for yielding.

I rise to propound two questions and solicit the comments of my distinguished chairman, the gentleman from Oregon (Mr. Ullman).

The first one, the bill contains a specific set-aside of the windfall profit tax revenue for transportation. The term "transportation" is rather general in nature. I would like to ask the chairman, does this encompass mass transportation, rail, highway, and air transportation, as we elaborated in the committee?

Mr. ULLMAN. If the gentleman will yield, the answer is "yes."

Mr. DUNCAN of Tennessee. The second question, of course, for purpose of clarification of section 201 of the conference report, I would like to briefly comment and also solicit the comments of my distinguished chairman, the gentleman from Oregon (Mr. Ullman).

Section 201 concerns the Secretary's authority to grant tax credits to energy conservation and renewable energy devices if those devices ecect significant savings in oil or natural gas. I am concerned that the standards may be used to discriminate between regions of the United States. The only new conservation devices that could meet the test designated in section 201(9)(A)(i) are those that would provide substantial conservation benefits to those parts of the country that largely use oil or natural gas directly as household fuels or where electricity is generated with oil or natural gas.

In other words, the resulting tax credits could conceivably be available to persons living primarily in the Northeast and Southwest. In the Tennessee Valley, part of which I represent, and many other sections of the Nation where electricity is generated mainly with coal, uranium, and hydro, and where the use of oil or natural gas is minimal, few persons would be eligible for the resulting credits. For example, would load management devices that would provide energy savings on an electric power system fueled mainly by coal and uranium might be able to meet the test as established?

I would ask the chairman, is it his understanding that this section would also include systems fueled mainly by coal and uranium, would they also be eligible for the credit?

Mr. ULLMAN. If the gentleman will yield. Let me assure the gentleman that the criteria provided by the bill, which the Secretary will use in evaluating requests to grant tax credits to individual items, are not intended to discriminate in any way against regions of the country, such as the one he represents, where electricity is generated primarily from sources other than oil and natural gas.

First, let me emphasize that if the Secretary grants a tax credit to a specific item, the credit will be available to taxpayers in all regions of the country. The Secretary would not have the authority to deny the credit, for any reason, to taxpayers in particular regions of the country,

Second, it should be made clear that virtually any savings of electricity, which is caused by giving a tax credit to an item, anywhere in the country, will lead to large savings of oil and natural gas. Any reduction in electricity use, relative to what would have occurred without the tax credit for the item, will lead utilities to cut back on their use of the most expensive fuels, which are almost always oil and nautral gas. Load management devices for electrical appliances may be especially valuable in this regard, because they would allow a reduction in peak demand for electricity, and this peak demand is entirely provided by the burning of oil and natural gas in many areas of the country.

Thus, even though a reduction in national oil and natural gas consumption is one of the ultimate tests of whether the Secretary will grant a tax credit, items which lower the demand for electricity, or the load pattern of this demand, are likely to make an important contribution toward reducing oil and natural gas consumption.

Mr. DUNCAN of Tennessee. Mr. Speaker, the bill contains a specific set-aside of the windfall profit tax revenues for transportation. In the bill itself and in the statement of managers, the term "transportation" is defined in a general fashion. Nevertheless, it is the conference committee's intent in the bill to include all transportation systems. This, of course, encompasses mass transit, rail, highway and air transportation as we elaborated in the conference.

In particular, the fuel problem which the U.S. airline industry faces today is one of the most severe energy-related crises confronted by any industry. The airline industry is the backbone of the long-haul transportation system in the United States. In 1979 alone, over 200 million passengers were transported within the 50 States by American air carriers.

During this past year, the airline industry has been shaken by fuel cost increases which are unprecedented in its history—price hikes even more steep than those experienced in the 1973–75 fuel crises, when rising fuel costs nearly bankrupted several airlines and plunged the industry into a recession. The average price of jet fuel for U.S. airlines increased fully 88 percent, from 40 cents per gallon to 75 cents per gallon, between December 1978 and December 1979. For many individual airlines, the average price per gallon was considerably higher.

Airlines are uniquely vulnerable to fuel cost increases of this magnitude because of the fuel-intensive nature of their operations: A DC–10 aircraft, for example, consumes approximately 2,750 gallons of fuel for each hour of flying time. Consequently, as the fuel has increased, fuel expense has become an ever larger and more significant portion of airlines' total operating expense. In 1978, fuel accounted for roughly 19 percent of airlines' operating expenses; in 1980, it is expected to exceed 30 percent. Each 1 cent per gallon increase in the price of jet fuel adds roughly $110 million to airline industry operating expenses. Unfortunately, these higher fuel costs have inevitably meant higher fares—and in some cases reduced levels of service—for consumers.

Airlines cannot control the rising cost of fuel, but they can continue efforts to reduce fuel consumption. In fact, the airlines today are attempting through a number of operational and technological innovations—some major and expensive—to conserve every possible gallon of fuel.

Precisely because of the rising cost of fuel, many airlines cannot afford the capital expenditures required for such fuel-saving modifications. Due largely to fuel-cost increases, airline earnings plummeted in 1979, resulting in the sharpest 1-year drop between third quarter 1978 and third quarter 1979 in industry history. Four trunk airlines were thrown into a loss in the third quarter of 1979, and virtually all trunk carrier operating profits were sharply down. Furthermore, the airlines, already faced with the urgent need to reequip with more fuel-efficient aircraft, are in a poor position to make capital expenditures for incremental improvements in fuel efficiency. Indeed, the scarcity and high cost of borrowed capital is a problem for the airlines which is nearly as critical as the fuel situation.

Mr. CONABLE. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. Rousselot).

Mr. ROUSSELOT. Mr. Speaker, "tax and tax and spend and spend;" a voice from the past is haunting this Congress today. We thought that voice from the past had finally been put to rest. But it has not. It is here today.

I rise in opposition to this new consumer energy tax (H.R. 3919), known as the "windfall profit tax."

This is a major tax bill that will again be paid by the consumers of America. You are not going to sock it to the big oil companies today, as many of you claim. The energy industry that is affected will just pass it on to the consumer, your consumers in your district, make no mistake about it. This is the most gigantic tax bill that this Congress has ever been asked to pass and it is going to put the payment of those taxes right on the backs of every consumer in your district who use petroleum products.

Now, the chairman of the Finance Committee in the other body said on television, "We really don't need this bill." As a matter of fact, he went on to say it is political. "We are doing it for political reasons," Senator Long stated on national television. However, I believe it is time to set politics apart and do the right thing—defeat the bill.

□ 1110

Even the bill's greatest advocates told us in the Ways and Means Committee, "Oh, John, we know this does not do anything for the production, but we do not care. We need the money to redistribute around the landscape." One of my colleagues told me it was for the poor. We the politicians are going to redistribute it for the poor.

There is no guarantee that one dime of this goes to the poor. Those sections of the bill are merely advisory, as we learned yesterday. You are not even voting money for the poor. It all goes to that big Federal Treasury that the constituents back home are telling us, "You have too much money already; why are you putting another tax on the backs of the consumers of this country?"

Now, my colleague, the gentleman from Connecticut, properly said yesterday that this bill is "gimmickry." The Members of this House are well aware of the rationale behind the introduction, consideration, and passage of H.R. 3919: The administration and Congress want to appear to be "doing something" about our continued dependence upon foreign oil. President Carter correctly took the first step by decontrolling oil prices thereby providing incentive for petroleum companies, large and small, to invest time and money in exploration, drilling, and production in this country. Unfortunately, Mr. Carter virtually nullified the effect of decontrol by proposing and excise tax on the "windfall profit" which oil companies would allegedly reap as a result of higher prices. The petroleum companies became election year scapegoats—an easy target for politicians who wanted to divert attention from the failure of the Federal Government to deal with the energy crisis.

The few improvements over the House version do not warrant support for the bill. The legislation is full of gimmicks which supporters of the measure hope will attract a sufficient number of votes to pass the conference report. We can all go home then and tell our constituents, "We really got the big oil companies." I hope my colleagues will let me indulge in a bit of prognosticating. I believe it will not be long before our constituents urge us to repeal this energy tax and allow the free market system to operate. It will not be long before our constituents realize that a portion of the increased prices at the gas pump can be directly laid to the colossal mistake this body will make today if it passes this high tax legislation.

Mr. Speaker, over the past few years it has become increasingly apparent that our existing energy policy—that of dependence upon imports—has made the United States vulnerable to the whims of unstable and often antagonistic foreign governments. That policy must be changed. Based upon my belief that our energy policy should encourage—not discourage—the exploration and development of domestic energy resources, I have been a long-time proponent of decontrol. The decontrol of the oil industry will provide the incentive for new exploration and will help our Nation's energy producers attract needed capital. It is imperative that the profitability of exploring and producing energy in the United States be increased to stimulate the domestic energy industry. Now that decontrol is becoming a reality, we must not negate its beneficial effects by passing a tax on oil companies—sure to be passed on to consumers—which will remove much of the essential capital and incentive to explore and drill in inaccessible areas where cost and risk would otherwise be prohibitive.

It is important to point out that while much of the administration's attack has been aimed at the billion dollar oil companies, about 90 percent of America's exploratory drilling is performed by smaller, independent companies, and individuals. These small producers are extremely reliant on cash flow. New taxes will add to their regulatory and paperwork burden and deplete the resources they have available immediately to begin new wells. If the goal of U.S. energy policy is to increase domestic production and reduce reliance on foreign oil, the Federal Government should allow it to be financially possible and attractive for the exploration, development, and production of domestic sources.

I urge my colleagues to oppose this conference report and allow the real problem solver in our country—the free enterprise system—to operate. Vote down this conference report and send it back to conference where it belongs and rid ourselves of a huge new tax that does absolutely nothing for production. If my colleagues want to go back and tell their constituents they voted for this gimmicky tax bill, as my colleague from Connecticut said, go ahead. But I can assure my colleagues that there are some of us in this House who are going to make it clear around this country that you voted for the big tax, you put it on their back, and you must carry the responsibility for that huge taxation.

Mr. ULLMAN. Mr. Speaker, I yield myself 30 seconds.

Mr. Speaker, let us make it clear how this tax is levied. Assume the price is $35, the world price. The first purchaser does not pay $35 to the oil producer. If the tax is $10, that first purchaser pays $25 a barrel to the producer. The tax will not be paid by the consumer; his price will be $35 one way or the other.

Mr. CONABLE. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. LOEFFLER).

Mr. LOEFFLER. Mr. Speaker, wishful thinking. That is about all that one can say about the strategy to end our dependence on foreign oil imports by taxing our own domestic production. This so-called windfall profit tax will do nothing to lessen OPEC's stranglehold on our country. Rather, it will cause each and every one of us, the consumers of America, the problem of paying more for less for an extended period of time. The real solution rests with increasing our own domestic production of all available energy sources—not by taxing the very industry we must rely on for that increased energy.

Taxing away the incentives to produce more domestic energy is particularly unjust to the independent producer. He must invest his own money and that of other investors with no assurance of success whatsoever. These individuals and companies will drill 80 percent of our exploratory wells on an annual basis, and they must have adequate access to high-risk capital. Without full-fledged efforts by our own Nation's independent producers, we will be forced to further continue our reliance on strategically vulnerable and economically debilitating OPEC oil.

The energy industry has already demonstrated that additional revenues derived from increased prices will be plowed back into production, 1979 clearly substantiates this point. Last year, as a result of phased decontrol, we experienced increases in the price of crude oil. As the direct result, last year the number of wells drilled in the United States totaled nearly 50,000. That represents the largest number since 1959.

I believe the American people only want more energy, not more taxes, certainly not more government.

Mr. Speaker, I urge my colleagues to support the motion by the gentleman from Texas to recommit and to oppose the windfall profit conference report.

Mr. CONABLE. Mr. Speaker, I yield such time as he may consume to the gentleman from Nebraska (Mr. BEREUTER).

Mr. BEREUTER. Mr. Speaker, I rise in opposition to the conference committee's report on H.R. 3919, the Crude Oil Windfall Profit Tax Act of 1980. I would like to use this opportunity to explain my reasons for reaching this decision.

I can think of few bills pending before the 96th Congress that rival the importance, complexity and controversy of the windfall or excess profits bill. It has been 8½ months since the House first approved its version of the bill. And, I know from my conversation with Members who served on the conference committee that the deliberations which produced the legislation now before us have been very long and difficult, it is, therefore, with regret that I have decided to oppose the bill.

My decision to oppose this measure is made considerably more difficult by the fact that it contains the following provisions which are of great interest to me and for which I have long urged swift action:

First. Repeal of the cumbersome "carryover basis" provisions of the Tax Reform Act of 1976. One of the first bills I cosponsored after coming to Congress was a measure to repeal this burdensome element of the law which took effect on January 1, 1980. If it is not repealed it will have a devastating impact on American farmers and small businesses.

Second. A small savers tax exemption that exempts the first $200 per taxpayer in interest on a variety of savings accounts.

Third. A package of $1.6 billion in tax incentives to encourage alcohol fuel production and the development of gasohol. This includes extension of the current 4-cents-a-gallon excise tax for gasohol through 1992.

Despite my strong desire to see these provisions enacted, the fact is that the Crude Oil Windfall Profit Tax Act of 1980 does little, if anything, to move this country toward energy independence—a critical national priority. Movement toward this objective through this bill is, I believe, the expectation of the American people. Instead, unfortunately, passage of H.R. 3919, will impose the largest tax increase in our Nation's history upon a largely unsuspecting populace, without moving us toward energy independence. In fact, the passage of this bill may be counterproductive.

This is not simply a tax on the post-deregulation "windfall" profit of petroleum companies. Since windfall profit taxes will at least in part be passed on to consumers, this bill must be viewed as a giant excise tax paid by the American consumer. Consumers, not the petroleum companies, will be forced to pay the cost of any deregulation, without receiving the promised benefits of future national energy self-sufficiency and freedom from the tyranny of foreign oil monopolists. This bill contains insufficient steps to move this Nation to energy independence. Additionally, the promise that H.R. 3919 will erase or compensate for this tax increase via concurrent tax reductions is but a mere vague, nonbinding recommendation in the bill.

Neither is it any more appropriate to place a much expanded role on new spending programs for the lackluster Department of Energy or some other agency of the Federal Government. Federal agencies do not create new energy resources; the facts indicate that, on balance, their research, development, and stimulative efforts have been overbalanced by expensive and counterproductive regulation, redtape, and interagency bickering.

Despite the three very attractive and important provisions of the bill previously noted, I cannot vote for this deceptive, disappointing, and inadequate piece of legislation. It does not move us toward energy independence.

I do favor a windfall profit tax measure, coupled with a "plowback" provision which includes a formula under which a major part of the excess tax otherwise due would not be levied if it is reinvested in energy development in oil or alternative energy fields. I voted for a plowback provision (the only option available) during the House's original consideration of H.R. 3919 last summer and again yesterday, although it imperfectly emphasized only petroleum resources and not alternative energy sources, too. Unfortunately, those efforts (in the form of a recommittal motion and a procedural vote) failed on votes of 186 to 229 and 232 to 180 respectively. The conferees have not included such a provision in the conference report. An effective, clearly delineated plowback program designed to encourage development of both petroleum and alternative energy sources would place our Nation's energy independence program on a firm foundation.

If H.R. 3919 is rejected, I would be among the first to support another windfall profit tax measure—one that does move us toward energy independence. And I pledge to continue working for: First, the repeal of the "carryover basis" law; second, the enactment of a small-savers exemption as the central element in a 1980 tax cut; and third, the provision of tax incentives for the production of alcohol-based fuels.

I ask my colleagues to oppose the conference committee's report on H.R. 3919.

Mr. ULLMAN. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. CORMAN).

Mr. CORMAN. Mr. Speaker, under the conference report, base prices for stripper oil (tier 2) and for newly discovered, incremental tertiary, and heavy oil (tier 3) are to be determined by taking into account differences in grade, quality, and location. For this purpose, the conference report refers to the price at which oil would have sold in December 1979, if all domestic crude oil were decontrolled. Mr. Speaker, if the conference report requires that grade, quality and location differentials be established solely on the basis of the conditions that existed in December 1979, producers of oil in California and some other areas will have an artificially low base price and hence too high a windfall profit subject to tax. This is the case because California prices did not rise as quickly in the fall of 1979 as prices did generally. Producers of this oil should not have permanently low base prices merely because of a temporary lag in their market.

Mr. ULLMAN. Mr. Speaker, will the gentleman yield?

Mr. CORMAN. I yield to the gentleman from Oregon.

Mr. ULLMAN. Mr. Speaker, I thank the gentlemen from California for raising this point. The conferees are aware that the use of December 1979 for purposes of determining tier 2 and tier 3 base prices causes inequities in the case of oil from California and some other areas. The conference report contains provisions to deal with this problem.

First, for the initial few months of the tax, base prices are determined under an interim rule in the bill. This rule contains a provision setting minimum base prices, which is intended to relieve most of the problems experienced in California. Second, the bill requires the Secretary of the Treasury to issue regulations for calculating permanent base prices not later than October 1980. Under the conference bill, the Treasury has ample authority to remedy any inequity that arises by using December 1979 as the month for establishing grade, quality, and location differentials. The conferees expect the Treasury to use this authority to take into account the special problems of California oil and oil from any other areas where December 1979 prices were extraordinarily low. The primary reason for leaving this task to the Treasury is that it will have much better data available, when final base prices are set, than is currently available.

Mr. ANDERSON of California. Mr. Speaker, will the gentleman yield?

Mr. CORMAN. I yield to the gentleman from California.

Mr. ANDERSON of California. Mr. Speaker, I thank the gentleman for yielding.

Chairman ULLMAN and Congressman CORMAN, I am very pleased and grateful for your discussion of the unique problems of oil production in California. I have long been concerned that we promote as much as possible of our domestic production in California, consistent with a fair treatment of all concerned, including the taxpaying consumers. I believe that the text of the conference report and this colloquy give ample guidance to the Treasury Department for establishing an equitable solution for a base price in California.

I would like to congratulate my two friends from Oregon and California as well as all the conferees for their Herculean efforts in producing this report. While I doubt that anyone is 100 percent satisfied with every aspect of it, there is enough here that all of us should vote for it. I certainly intend to.

I believe that my friends from the other side of the aisle, Mr. LUNGREN and Mr. THOMAS, also appreciate this clarifying action by the conference committee to seek a solution before the problem could become much larger. Between the three of us, we represent most of California's oil production.

Mr. CONABLE. Mr. Speaker, I yield such time as he may consume to the gentleman from Illinois (Mr. PORTER).

Mr. PORTER. Mr. Speaker, there are many economists and many in the Congress who believe that conserving energy in our country and removing the heavy burden of taxation on productive Americans can both be achieved through the proposal of our distinguished colleague, Congressman JOHN B. ANDERSON of Illinois, to levy a 50 cent tax on each gallon of gasoline consumed and use the proceeds to reduce social security and income taxes substantially.

But, Mr. Speaker, the combined effect of the decontrol of domestic oil prices by President Carter and the so-called windfall profit tax before us today (and a likely oil import fee) is much the same as the Anderson proposal. The pump price of gasoline will rise to reflect the world market price of oil by reason of decontrol. And that will happen regardless of what we do or fail to do today. Presumably, substantially higher pump prices will discourage gasoline consumption. Already in the past year, Americans are using 10 percent less gasoline as the price has increased. Decontrol was absolutely necessary to get our domestic oil industry producing, and I supported it. Without that domestic production, energy independence for our country might never be possible.

But what of tax relief? If domestic oil companies are to receive the world price for their oil, thus encouraging new exploration and domestic production, should not some portion of the additional revenues they would otherwise receive be used for tax or deficit reduction? I believe it should. And the conference report provides for it and gives the Congress the opportunity to reduce taxes on the already overtaxed American people if the economic situation warrants it or to reduce or eliminate the deficit if it does not. Thus, working hand in hand with decontrol, the conference report encourages conservation and provides for tax or deficit relief, exactly the same as the Anderson proposal.

If the conference report did no more than this, it would be a worthwhile approach. But it also addresses important, other priorities. Encouragement of research and development of synthetic fuels and of alternative forms of energy such as solar, wind, wave, geothermal, fusion, and biomass is essential, and the conference report provides for it. Protection from excess energy costs to the poor is equitable and needed, and the conference report provides for it. Repeal of carryover basis under the estate tax must be accomplished this year, and the conference report provides for it. Encouragement of personal savings in our country—a country where the people saved less than 4 percent of their incomes last year, while the savings rate in Japan, for example, was nearly 25 percent—is a high priority, and the conference report provides for it.

For all these reasons, I am persuaded that the report ought to be adopted and urge my colleagues to support it.

Mr. CONABLE. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. THOMAS).

Mr. THOMAS. Mr. Speaker, in our rush to revenue, let us focus on what was just discussed between the chairman of the committee and two Members from California.

President Carter has said that the United States possesses heavy oil resources, "in great abundance," and in an effort to stimulate production, he lifted Federal price controls from heavy crude oil last August. At that time, he also asked Congress to exempt heavy crude from the tax. It was anticipated that the removal of heavy oil from price controls, together with its complete exemption from the tax, would increase production by an estimated 500,000 barrels per day by 1990 with minimal revenue impact.

Heavy oil recovery is very low without the application of heat, usually in the form of steam. For every three barrels of oil produced, one barrel must be used to generate the fuel to generate steam. Heavy oil, therefore, is much more expensive to produce. And, moreover, it is more expensive to refine.

Yet the conference report not only taxes heavy oil, but defines it at 16 degree gravity rather than the President's decontrol order of 20 degree. In addition, the conferees decided that in assessing the amount of revenue received by oil producers that would be subject to a windfall tax, a base price would be established for each oil field and the difference between that base price and the price actually received for the oil would be subject to this tax.

In determining this specific base price, interim regulations were to be written by the staff which would take into consideration two variables—quality and location. It seems that the only constant restraining the regulations was that the national average base price was to be $13.02 for tier 1 oil, $15.20 for tier 2 oil and $16.55 for tier 3 oil.

A problem surfaced when in choosing the formula for determining the base price for tier 3 oil, which includes heavy oil, an arbitrary date was chosen for the formula which essentially established the ratio for adjusting the base price according to the two variables—quality and location—that would remain in effect throughout the entirety of this tax. After originally selecting October 1979 to select the ratio, it is my understanding that the staff moved that date to December 1979 because of depressed oil prices in California during October 1979.

However, December 1979 prices for California crude were still lagging substantially behind prices paid for similar quality gulf coast oil, even though oil companies regularly trade similar quality California oil for gulf coast oil on a barrel for barrel basis. Several factors were responsible for this price disparity, but the important fact is that even though less disparity in price existed in December than October, the disparity still existed.

To help correct this problem, the conference staff set a minimum base price at the uncontrolled May 1979 price plus $1 for tier 2 and May 1979 price plus $2 for tier 3. This floor for base prices was added to insure that oil would actually have what is called a "windfall profit" from the effect of decontrolled prices.

This is as far as the interim regulations were changed from the original proposal to address the inequity being placed on California producers. The inequity still exists, however. As prices for California crude rise and become closer to those being paid for similar quality gulf coast oil, the California base price will continue to be at the same level below gulf coast base prices as existed in

December 1979. No provision has been included to address this problem.

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In fact the conference report says, and I quote, "The conferees are aware that the interim rule may lead to inequities in the case of oil produced in California * * *"; the report continues, "The guidelines in the conference agreement give the Secretary enough flexibility to devise a permanent solution to this problem. That is from page 9 of the conference report.

A question I would like to ask the chairman is, Does the flexibility in the conference flex enough to allow the Secretary, if he desired, to devise a price formula which would be based on the quality difference beween the heavy oil and the national average? For example, if the national average is 34, and a particular field produced heavy oil at 14, you would have a differential of 20 degrees of gravity. Could the Secretary, if he desired, place a monetary amount on each degree, say 10 cents, so that you could then change the national average base price for crude by the monetary amount represented by the degree difference between the heavy crude and the national average crude? Is there sufficient flexibility to do that in the conference report?

Mr. ULLMAN. Mr. Speaker, will the gentleman yield?

Mr. THOMAS. Certainly, I yield to the distinguished chairman.

Mr. ULLMAN. The answer is not on that alone. That creates other inequities, but the Secretary does have authority to deal with the problem the gentleman suggests. There are inequities. It is the full intention here to deal with that problem.

Mr. CONABLE. Mr. Speaker, I yield 2 minutes to the gentleman from Alaska (Mr. YOUNG).

Mr. YOUNG of Alaska. Mr. Speaker, I rise in strong opposition to the conference report on the proposed windfall profit tax. This legislation is a prime example of the Federal Government's inability to effectively address the energy problem facing this Nation. Passage of the windfall profit tax would only add to the already long list of measures that have resulted in massive expansion of governmental control over private industries trying to produce energy for the United States.

Mr. Speaker, we have one last chance to come to our senses and reject this outrageous measure. It is by far the most punitive measure ever levied upon a single industry in the history of this country. In my opinion, the proposed windfall profits tax would be a criminal act. In the name of equity, the Federal Government proposes to take away the revenue derived from decontrol that would otherwise go to the energy industry and place it in the coffers of the U.S. Treasury. In the name of efficiency, the Federal Government implies it can use each dollar of profit better than private industry. I question the wisdom of this assertion and point to the track record of the Federal Government as evidence. I think history has proven that the energy industry has the best experience in knowing how to produce energy. The Federal Government on the other hand has proven over and over again that it is best in producing only one thing, more and more government. What we need is more energy, not more government.

The inability of the administration and the Congress to come to grips in defining an effective energy policy has had negative reverberations throughout the United States. It has damaged our economy. It has caused Americans to lose faith in our system. Many Americans are concerned about where the notion of "windfall profits" will stop. Once this precedent begins, what is to stop the Government from retroactively taxing the energy industry again in the future. What is to stop the Government from taxing small car dealers, insulation dealers, mass transit systems, or real estate agents who may be reaping windfall profits from decontrol? A windfall profit tax interferes with the marketplace. Decontrol of oil and gas is a great idea, but all of the benefits derived from this policy would be taxed away with a windfall profits tax. In its own way, the Federal Government is already reaping unearned profits from inflation as it pushes taxpayers into higher tax brackets. One wonders when and where the Federal Government will stop.

Conservation is a short-term solution to the energy problem, but it is not the final answer. If the Federal Government would espouse policies that encouraged energy production in areas that appear promising, I believe that Americans would be much more willing to sacrifice if they knew there was a light at the end of the tunnel. We need more domestic energy production. We need a rational energy policy that maximizes renewable and nonrenewable resouces. We need to encourage rather than discourage our friends in the energy business, be it major oil companies or small independents to produce American energy. The windfall profit tax taxes away the incentive to produce American energy. It is a slap in the face to our fellow Americans from Texas to California, Alaska to Louisiana who are trying to break the U.S. dependence on foreign oil. I for one am not comfortable with the fact that the survival of the United States depends to a very large degree upon oil shipped through the tiny Strait of Hormuz, especially considering the Soviet military presence in the Persian Gulf.

Private industry needs the additional profits to explore and develop the energy resources in this country. In my own State of Alaska, the oil industry has expended $14 billion to develop a portion of the Prudhoe Bay Field. In order to develop other areas, billions more dollars will be required. Currently, 27 trillion cubic feet of natural gas lies beneath the ground at Prudhoe Bay. The sooner a natural gas pipeline can be built, the sooner the people of the United States will be able to receive a reliable source of energy. The major obstacle is the financing of the pipeline. 1 minute, the Federal Government taxes a significant percentage of the profits resulting from decontrol of oil, then the next minute the Federal Government wonders why the oil companies take so much time to determine the corporate wisdom of investing billions of dollars into one endeavor. The windfall profit tax takes away revenue that would otherwise by expended for energy projects throughout the United States. Before passage of a windfall profit tax, the oil industry would have had 35 cents out of each dollar of profit to reinvest in energy development as a result of decontrol. Passage of the windfall profit tax will leave the energy industry with only 8 cents out of each dollar of profit in which to reinvest in energy development. This is no way to produce energy.

It takes an effective energy policy, time, and money to produce energy. The Federal Government has created a myriad of rules and regulations that have created serious impediments for the production of energy. The last time I spoke on this issue, I mentioned a few of the problems that have plagued energy development. I feel it is appropriate to remind my colleagues of these impediments that have made the United States an energy cripple:

National Environmental Policy Act.

Clean Air Act of 1970 and amendments.

Clean Water Act and amendments.

Coal Leasing Act amendments.

Surface Mining Control and Reclamation Act of 1977.

Endangered Species Act.

Safe Water Drinking Act of 1974.

Historic Preservation Act.

Solid Waste Disposal Act of 1971.

Federal Water Pollution Control Act amendments.

Mine Safety and Health Act and amendments.

Wilderness provisions of the Federal Land Policy and Management Act.

In addition, the countless regulations promulgated by EPA, CEQ, BLM, OSHA, and other Federal agencies have only served to curtail energy production in the Nation. It is disheartening to think that a windfall profit tax may be added to this long list of counterproductive measures.

In the wake of round No. 2 of the energy crises last May, this body passed an atrocious Alaska lands bill that effectively prohibits energy exploration in the most promising onshore area of Alaska, the Arctic Wildlife Range. This area may contain up to 14 billion barrels of oil. Much to my dismay, this body chose to lock up this area, thus keeping the energy away from the homes of many American families.

Due to the obstacles created by certain entities within the administration, there has been no major discovery of oil in Alaska since Prudhoe Bay. The lack of a discovery is not due to the lack of desire by industry to explore areas with high potential, it is due to the lack of an effective energy policy by the Federal Government.

The trans-Alaska pipeline carries 1.5 million barrels of oil per day. This production is approximately 15 percent of our total domestic production. The peak production will begin its decline in 1985, yet no concrete steps have been taken to fill the void left when the production of the present field declines. The most logical area to tap is the resource contained beneath the Arctic Wildlife Range, but the House has chosen to place this area out of bounds. Oil production, Mr. Speaker, does not take place in a single day or a single year.

Oil was discovered at Prudhoe Bay in 1968. It took 9 years to explore, develop, and bring the oil on line. In order to tap available resources in Alaska, planning must begin now. The longer we wait, the longer the people of the United States will be forced to suffer due to the lack of energy.

Many people view my proposals of planned, rational development as being antienvironment. Alaskans love their home and we are fiercely independent. In no way do we want our State to be ruined. I do not want the Federal Government to come to Alaska 10 years from now and rape my State because they need the oil. I, nor my fellow Alaskans, will allow this to happen. We are giving the Federal Government an opportunity to work with Alaska to develop the resources in a sound and expeditious manner that will result in the least alteration to the environment. Alaskans will cooperate with the use of the land, they will not allow the Federal Government to misuse it on a whim in the future.

Domestic production of oil has declined since 1970. However, the oil from Alaska has helped stabilize this steady decline in production. Under the present circumstances, Alaska can only add to the domestic energy supply for so long. It takes time, to identify, explore and bring resources on line.

Mr. Speaker, the proposed windfall profit tax would do a tremendous disservice to the people of this Nation. It is a hoax. It is a crutch for the Federal Government. It is a sorry joke to play upon the American people who want barrels of oil, not barrels of rhetoric from Washington, D.C. The logic is straightforward in order to obtain more energy, money must be invested in energy development. The oil companies should not be forced to subsidize the Federal Government's bad habits of wasteful spending. They should be allowed and encouraged to reinvest the benefits derived from decontrol in energy production. The proposed windfall profit tax revenue that would accrue to the Federal Government is misdirected. Therefore, the conference report accompanying the windfall profit tax should be rejected. The United States can become energy self-sufficient. The United States can remain strong. The United States can remain secure. I urge you to vote against the windfall profit tax.

Mr. SYMMS. Mr. Speaker, will the gentleman yield?

Mr. YOUNG of Alaska. I yield to the gentleman from Idaho.

Mr. SYMMS. I thank the gentleman for yielding. I compliment him for his outstanding statement. He is right on target. I wish there were more like him in the Congress.

Mr. YOUNG of Alaska. I thank the gentleman.

Mr. CONABLE. Mr. Speaker, I yield such time as he may consume to the gentleman from Iowa (Mr. LEACH).

Mr. LEACH of Iowa. Mr. Speaker, I rise in strong support of the windfall profit tax established in the conference committee report and urge bipartisan support for the bill.

There have been many misconceptions about the approach taken in this bill. The tax established is essentially an excise tax subtracted from, rather than added to, the price of oil charged by producing companies. Unfortunately the price of oil today is set by the monopolistic practices of OPEC. Under Executive authority, President Carter has set into motion decontrol of domestic oil prices, allowing them over time to rise to world levels. The fundamental issue this conference report deals with is whether the enormous profits caused by the OPEC stranglehold over a scarce resource will be entirely captured by the oil companies or whether part of this profit will be returned to the Public Treasury allowing for specific tax cuts and incentive for conservation and alternative development.

The compromise before us today is not perfect and does not include, as I would have preferred, for the dedication of new revenues to the social security trust fund. However, approximately 60 percent of the revenues have been targetted for tax cuts—including repeal of the burdensome cost basis carryover provisions applicable to inheritence taxation and the allowance of modest tax deductions for earnings on savings investments.

This approach, while not to anyone's full satisfaction, strikes me as an equitable compromise.

There is an aspect of any new taxation measures which is uncomfortable. However, it should be stressed that one important ground for the establishment of this new tax on oil producers is the need to establish greater equity in the tax codes. It is unconscionable that with all the profits accruing in the oil industry the producing end of the industry does not carry its fair tax load. In fact, for the last 2 years in which the Treasury has made statistics available, the largest eight integrated oil companies on an average paid between 2 and 4 percent Federal income tax on revenues earned. Other companies earning similar income are obligated to pay at the maximum 46-percent rate.

On grounds therefore of equity this conference report should be adopted.

Mr. CONABLE. Mr. Speaker, I now yield 1 minute to the gentleman from Vermont (Mr. JEFFORDS).

Mr. JEFFORDS. Mr. Speaker, I am going to vote against this bill. I think the gentleman from Alaska was correct, but for the wrong reasons.

First of all, I think we have all forgotten about the impact of decontrol on the consumer. An October 1979 Department of Energy study estimated that decontrol would cost consumers about 12 cents per gallon of petroleum product. If that figure were updated, however, the price-per-gallon impact would be more in the range of 25 cents per gallon. Right now, imported oil is selling for $31 per gallon, and there are indications that some uncontrolled domestic oil is selling for more than that. If the price of uncontrolled domestic oil were to rise to $40 per barrel by October 1981—not an unreasonable assumption, given recent oil price history—at the time when the President's decontrol phase-in program will be completed, decontrol and this tax will have added about 25 cents to a gallon of petroleum product.

The American consumer is being asked to absorb this additional price hike, after having seen home heating oil prices double in the last year and gasoline prices exceed $1.20. Proponents of decontrol have justified this added consumer sacrifice by arguing that decontrol will accomplish the important goals of encouraging conservation, increasing domestic oil exploration and production, and bringing oil prices more in line with that of alternative energy sources. It has always disturbed me, however, that the figures show so little return for so large a sacrifice. Last spring, when the President first proposed to phase-in decontrol, it was estimated to increase domestic oil production by 1 to 2 percent of current consumption, depending on whose figures were used. Decontrol was expected to reduce oil consumption by one-half of 1 percent by 1981. The conservation impact is so small because, so far, price increases have not proven to bring about substantial reductions in gasoline purchases.

These figures on increased conservation and production have never impressed me. For that reason, I have not supported the decontrol of domestic crude oil. On the other hand, I have supported the windfall profit tax because it appeared to offer some hope for a return on the cost of decontrol. If the revenues were used, as the President first proposed, to finance programs that would help develop alternatives to oil, then it made some sense. If the bulk of the windfall tax revenues went to initiatives that would reduce our dependence on foreign oil, decontrol would be a worthwhile investment. Otherwise, all we have is a scheme to provide Congress with an easy way to help balance the budget and cut other taxes. Easy in the sense that it lets us avoid the hard issue of Government overspending, but very hard on the consumer's pocketbook.

Furthermore, if the revenues were used for expensive but short-term energy efforts, such as tax credits for wood stoves, solar, wind, hydro, and projects for other energy resources such as alcohol and synthetic fuels, the windfall profit tax could be phased out on schedule in 8 or 10 years.

But if we use it to balance the budget or to cut other taxes, the excise tax on oil will become permanent. No session of Congress 8 or 10 years from now is going to phase out the tax if it means unbalancing the budget or raising other taxes.

But the main reason the revenues should be used for energy is that they would finance a solid energy policy. Americans would still make a big sacrifice in the energy prices they will pay because of decontrol. But the cost would be justified if the revenues were put to the best possible use, to help Americans convert to other energy sources.

Instead, the conference agreement recommends that only 15 percent of the windfall revenues be spent for energy and mass transit programs. Several Members have stated that to increase this percentage would amount to throwing money at the problem. This assertion totally contradicts the evidence I have encountered through my work in the alternative energy field. I have put a lot of time into studying energy alternatives, and I am convinced that traditional price incentives are not sufficient to bring along the alternatives. Government incentives such as tax credits, loan guarantees and market mandates are needed to overcome the economic and institutional barriers that work against alternative energy sources.

Others have alleged that the allocation of large funding increases would spur the growth of a vast new energy bureaucracy. That is not at all my intent. This money is needed to promote the commercialization of promising alternative energy sources, including solar, wood, wind, small-scale hydroelectric facilities, alcohol, and synthetic fuels. To bring these energy sources to maturity, we do not need a big new Government bureaucracy. We need an energy policy that is backed by a serious financial commitment. This conference report fails to take our energy problem seriously, and therefore I am forced to oppose it.

Mr. ULLMAN. Mr. Speaker, I yield 2 minutes to the gentleman from Oklahoma (Mr. JONES).

Mr. JONES of Oklahoma. Mr. Speaker, I rise to urge my colleagues to defeat this bill and send it back to the conference committee. I take this position not because I am against totally the imposition of some form of tax, be it in the form of an excise tax on the decontrolled portion of oil or some sort of severance tax on the entire barrel of oil.

I recognize fully that in order to get decontrol of oil some kind of tax will have to be imposed. That is the political price of decontrol. Clearly, domestic oil decontrol is absolutely necessary as a cornerstone of any national energy policy because it will both advance our oil conservation efforts as well as spur additional domestic production efforts.

Having said that, however, I conclude that this particular tax recommended by the conference committee is not the one which should be adopted by Congress. Basically, there are three major flaws in this conference report.

The first flaw deals with equity and admittedly, it concerns a more parochial interest. This concerns the tax being applied to stripper oil. At the present time, stripper production is already decontrolled and it is not subject to an additional excise tax. Under this windfall tax bill, stripper oil will effectively suffer a price rollback. These oil producers are the smallest of the small. However, together they comprise the largest category of oil producer in my State of Oklahoma.

To force a price rollback on them in these times of high inflation is neither fair nor equitable. At the very least, some sort of exemption for stripper oil should be granted and this could be accomplished by sending the bill back to conference.

The second major flaw of the tax is that it will have some inhibiting effect on yet to be discovered or produced oil and tertiary oil. By placing a 30-percent windfall tax on new oil and tertiary oil, you are reducing the incentives, especially among independents, to take the risks associated with finding and producing these categories of oil.

If decontrol is designed to spur the incentive to expand domestic energy supplies, then that will be done most aggressively by the tertiary processes and by taking the risks to find and produce oil that is not now in production. I really fail to find an element of windfall in the production of new and tertiary oil. Therefore, a 30-percent tax on those categories does not make much sense.

The third and overriding flaw of this conference report is that the composition of this tax is basically bad tax policy. It is bad tax policy first of all because it is far too complex. For example, the major policy decisions were made by the conference committee 3 weeks ago. It has taken all the time since then to draft the legislative language. The interpretation of what that language means is already in doubt among the authors of the bill. Without question, this tax bill will lead to numerous litigation and certainly it will require a sizable expansion of the bureaucracy at Treasury to administer it. The bill is already being referred to as the Lawyers' and Accountants' Relief Act of 1980.

Mr. MOORE of Louisiana and I tried to simplify this tax in the conference by offering to substitute a simple severance tax for the complicated windfall excise tax approach. By charging an 18-percent severance tax for majors and independents over 1,000 barrels on flowing oil, and by placing a 9-percent severance tax on all other categories of oil and producers, the exact same amount of revenues would be achieved. Furthermore, the bill would be easily administered, thus negating the need for an expansion of bureaucrats. This kind of tax would have insured collectibility. And most of all, this simple tax would have freed vast amounts of human resources in the oil industry, set them free to find oil rather than fight bureaucrats.

Our severance tax approach was informally agreed to by a majority of House conferees of all philosophical persuasions. However, the Senate conferees would not consider it and thus it was dropped. Recommitting this bill back to conference could allow us to replace this very complicated tax with a simplified, easily administered one.

I do not want to convey the feeling that every aspect of this conference report is bad for energy production. Some good amendments were adopted by the conference committee that will allow the energy industry to accumulate capital necessary to explore and develop more sources of oil. For example, despite an attempt to limit percentage depletion or to cut back the depletion allowance, the conference committee agreed to apply full percentage depletion to the entire barrel of oil. This has the effect of retaining a minimum of $13 billion in new investment capital in the hands of the industry.

Lease-use oil was exempted from the windfall tax. This is especially beneficial to the production of so-called heavy oil, which can only be recovered by the injection of steam from generators used in the oil field. That steam is produced by burning crude oil on the lease. By exempting this generator fuel from the tax, we have encouraged the further production of this fuel.

The industry won some victories, both in the phase-in and the phase-out of the tax. By making the tax effective March 1 rather than January 1, a chaotic administrative nightmare for the industry was avoided. Also, terminating the tax beginning in 1988 or when $227 billion in revenues were reached, whichever is later, should substantially lessen the duration of the tax.

There are some other good aspects to the bill which the conference committee approved. For example, Indian tribes are exempt from the tax. This is especially helpful to a number of Native American citizens of my State of Oklahoma.

The conferees also agreed to more reasonable transfer rules for producers who sell properties to other producers. Flexibility to produce or sell any particular parcel of land has always been the hallmark of oil production and the original proposal considered by the conferees would have seriously hampered this free-market transaction. The final transfer rules cure many of these problems and insure that fewer decisions will be made based on artificial tax laws as opposed to sound business judgment.

Oil with a high water-to-oil ratio received special treatment under the Senate bill. The conferees mooted the need for any special tax treatment for this oil by combining categories of oil and removing the tax disincentive for high water cut oil. Nevertheless, we inserted language in the conference report which calls attention to this source of energy, and urges the Department of Energy to remove any regulatory or price impediments to the further development of this oil.

One of the most important accomplishments of the conference was the ratio of how the revenues would be spent. The enormous revenue increase to the Government flowing from this tax, a minimum of $227 billion, had already been prespent by many people in Washington. The bureaucracy saw this amount of money as a "pot of gold" which would allow them to expand business as usual.

The advocates of various pet energy programs saw this money as the end to their funding woes. Those who wanted to expand our social welfare commitments saw this money as another source of increased transfer payments to target groups in society.

Nevertheless, when the dust settled and debate ended, the conferees wisely decided to set aside a minimum of 60 percent of the revenues from the windfall tax revenues for tax cuts or reductions in the deficit or Federal debt. The battle to pass actual tax reductions lies ahead, but this important step of earmarking a significant portion of the increased revenues for this purpose will make our job easier. More importantly, it will prevent this additional money from merely being gobbled up by the Federal "cookie monster" which has an insatiable appetite for more money to fund more programs that do less and less for the people who pay for them, the taxpayers.

One particular aspect of concern to me was the definition of newly discovered oil. On my motion, the House conferees agreed to accept the Senate definition of "new oil," as that produced from a property which did not produce oil in commercial quantities in 1978. The conferees agreed that production of oil incident to the drilling of exploratory or test wells which was not part of continuous or commercial production would thus not remove the property from which such production occurred from the category of "new oil" which is taxed at a lower rate.

I was most pleased that the conferees agreed to this definition, but I am still concerned that the complex nature of this tax bill may thwart our efforts to find and produce more domestic oil. For example, shortly after the conferees agreed to this definition, I was contacted by an independent producer in Tulsa who is concerned that the energy bureaucracy will undermine our efforts. The problem he brought to my attention was this: Apparently, he drilled a new well in December 1978. The property in question had not had any production in 1978 prior to that month, and preliminary tests from the well yielded 2,200 barrels of test oil produced into test tanks over less than a 3-day period. This oil was stored, and sold later that month. After evaluating the results of the tests, continuous production was begun much later in 1979. Under the conference agreement, such 1979 production would qualify for new oil tax treatment. Because of an apparent confusion in present regulations, though, I discussed this subject with the Department of the Treasury, the committee staff, and my fellow conferees. Clearly, the intent in such cases as the one I have just described is that production from such wells should be classified as new oil. The purpose of decontrol is to expand our domestic oil supply, and this goal should not be thwarted by regulatory confusion or bureaucratic misreading of congressional intent. This case alone points out the need to encourage production by independents through a lower tax and it underscores the complexity of the tax now before us.

Even though there are some good features of the conference report, I feel that it should go back to conference so that the major flaws can be corrected. I urge that the conference report be defeated.

Mr. CONABLE. Mr. Speaker, I yield 2 minutes to the distinguished minority whip, my friend, the gentleman from Illinois (Mr. MICHEL).

Mr. MICHEL. Mr. Speaker, I think there are good reasons today for both opposing and supporting this conference report, and a good measure of it depends on what section of the country one happens to come from. I certainly sympathize with those who come from oil-producing areas and who know that subject inside out very well. But there are others of us, believe me, who have some problems in voting against this conference report.

The big plus in this measure, in my judgment, is decontrol to get more production. All through these years I have been hearing from the oil companies "Get the Government off our backs. We want decontrol." The only way you are going to get more production is by decontrol, and that is fundamental in this thing, as far as I see it.

The minus is the degree to which we do inhibit the production we do not realize domestically without any tax, but the practical politics dictates the tax in order to get decontrol. Our only hope of lessening our dependence on foreign oil is more production here at home. I believe this measure is going to get us more than we have, albeit not all that we would like to have, but it is something. The other pluses, in this conference report are—the tax credits and incentives for alcohol fuels, solar, biomass, and unrelated to energy the repeal of the cost-carryover basis. I certainly have got to support that, particularly representing a rural area. As for the $200 exclusion for dividends and interest, I had the Library of Congress go back to find out who introduced the first piece of legislation to do just that. The record shows that I introduced the first bill on January 7, 1959, H.R. 565. In those days it was only for $50, but I guess you could say with indexing the $200; today is more than justified.

While 60 percent of this tax is intended for return by way of tax reductions in some form, we are going to have a voice in that determination. I will be working to see that those reductions go toward encouraging more production of alternative sources of energy and incentives to conserve. I want that done through the private sector and that is why I opposed the Fisher resolution yesterday that would have put the Government in the business of making the choices.

I must also say before concluding that the 25 percent earmarked for low income energy assistance has to be looked at very carefully and simply doling it out through AFDC and SSI is not the right way.

□ 1130

In short the pluses outweigh the negatives so I am going to support this conference report. As I said there are good reasons for Members to oppose it as well as support it, but I have decided to vote for it.

Mr. CONABLE. Mr. Speaker, I now yield 4 minutes to the gentleman from Texas (Mr. ARCHER).

Mr. ARCHER. Mr. Speaker, the adoption of this conference report would be a serious blow to any hope we have of eliminating the energy shortage that threatens to cripple our Nation and drive our economy further toward chaos. It is not a plan to provide more energy for the people of this country.

It will have just the opposite effect. The measure's punitive tax on energy production is a gross disincentive for those who search for energy and produce it. Our Nation demands that this search be redoubled—and then the Congress turns around and builds a tax barrier to that effort.

The measure will not produce a single additional barrel of oil. It will instead prevent the production of billions of barrels of oil over its lifetime, at a great cost to consumers. And we should all know it is the consumers who will ultimately pay all bills, as they do all tax bills. They will do it in two ways: As the ultimate bearers of the tax burden itself—as is the case with every tax levied by our Government—and in the form of higher energy prices brought on by a continuation of a shortage.

Mr. Speaker, a vote for this conference report is a direct vote against the American consumers and no one in this Chamber should be deluded into believing otherwise.

Mr. Speaker, in the development of this excise tax—which bears no relationship whatsoever to a company's profitability—proponents have found in the energy industry a convenient scapegoat. The chief cause of the energy shortage has been the irresponsible regulatory bungling of the Federal Government at the direction of a majority of the Congress of the United States. A majority in this body has been the cause of the problem, and one more politically convenient attempt to lay the blame at someone else's doorstep will not change that fact.

Mr. Speaker, I will not argue about the relative fairness of sidestepping the lion's share of the blame and pushing it off on the most heavily regulated industry in America. It is the net result which concerns me.

This conference report will discourage essential energy development we need to heat homes, provide fuel for transportation, and provide electricity to keep our factories working, by reducing our domestic oil production by 1.6 million barrels of oil per day in the late 1980's.

Mr. Speaker, we who have been elected by the American people and charged by them to resolve the energy shortage have an awesome choice to make today. We can reject this conference report and pave the way for additional vital energy development, or we can adopt it and once again take the politically expedient route of blaming someone else for our own mistakes of the past.

Mr. Speaker, I may not change anyone's vote with my remarks today, but I would be derelict in my sworn duty if I did not challenge everyone here to set aside political motivations and to instead do what is right for this country.

Mr. Speaker, we will have one and only one opportunity to improve this bill. The only way now left open for us procedurally is to vote for my motion to recommit with instructions to exempt the risk taking independent small producer who reinvests 105 percent of his gross revenues—and reinvests it domestically, not overseas—to produce more oil; who will, if given this exemption, produce an additional 900,000 barrels of oil a day by 1990 and drill an additional 42,000 wells. The estimated $18 billion in revenues waived by this exemption is a small price to pay for the productive results in additional domestic oil production.

Mr. CHARLES WILSON of Texas. Mr. Speaker, will the gentleman yield?

Mr. ARCHER. I will be happy to yield to the gentleman from Texas.

Mr. CHARLES WILSON of Texas. Is is not true that the Senate did pass this exact exemption?

Mr. ARCHER. Yes, it did.

Mr. CHARLES WILSON of Texas. And by 10 to 12 votes.

It is also true that the House had not had an opportunity to vote on this exemption?

Mr. ARCHER. That is correct and there are 181 sponsors of the Hance-Loeffler bill. That is exactly what I am trying to do in my motion to recommit.

Mr. ULLMAN. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. Eckhardt).

Mr. ECKHARDT. Mr. Speaker, I oppose the motion to recommit. I bow to no one in having supported exemptions with respect to independent oil companies.

Mr. Speaker, deregulation and the escalating price of oil due to cartel prices will raise the cost of oil through 1990 by about $1 trillion. This bill will take about a quarter of that back and oil companies will have to pay the State and Federal taxes on their oil and profits as they now do. But even so, Mr. Speaker, they keep about a quarter of a trillion dollars which will about double their profits made in 1978.

Now independents will keep more because of two things: First, the amendment that Mr. Charles Wilson of Texas and I successfully put on a bill a number of years ago, preventing independents from bearing the full brunt of the removal of the depletion allowance. For them the depletion allowance continues and is now at 22 percent and will not go below 15 percent.

Second, this bill itself, as the chairman of the committee has very well explained, is very sensitive and favorable to independents.

Mr. Speaker, independents are not all little, poor people. Let me read the amount of profit increase from 1978 to 1979 for several of these independent producers, each of which is included within either the Fortune 500 or the second 500:

Superior Oil, 129 percent.

Louisiana Land and Exploration, 78 percent.

Natomas, 78 percent.

Southland Royalty, 29 percent.

Mesa Petroleum, 584 percent.

General American Oil, 64 percent.

Clearly, many large independent producers are realizing windfall gains as large as the top 20 oil companies, whose comparable rate of increase in profits from 1978 to 1979 averaged 64 percent. Thus, it does not seem appropriate to substitute a total exemption of the first 1,000 barrels per day produced by independents, in place of the reduced rate presently provided in the legislation.

Mr. CONABLE. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. Brown).

Mr. BROWN of Ohio. Mr. Speaker, we have come to a critical point on this whole question of taxation and perhaps on the question of the regulation or deregulation of oil in the United States. I have said before from this well that my major concern is that we produce as much oil in this country and as much energy for the needs of our people as is possible so that we can at least avoid the exercise of the threats the President made from this very rostrum in his State of the Union address on the 18th of January and that was to take us to war in the Middle East, in Arabia, over the fact that 25 percent of our oil currently comes from the Persian Gulf.

Mr. Speaker, it is my concern that if this bill does not pass, this conference effort, we will have the possibility of the President—perhaps acting petulantly, but that is not the point—reregulating oil in this country, further discouraging the production of oil and other energy. We will not have the programs that are implicit in this bill for both conservation and the production of synthetic fuels, and we will run the risk that our choice is between fighting over somebody else's oil or producing our own.

Mr. Speaker, this conference report is better than the Jones-Moore-Santini-Brown compromise that the House passed, which was better than the President's proposal, because it raises about the same amount of dollars. But that is not the point. The point is that it has the potential for producing even more domestic oil than Jones-Moore-Santini-Brown and that has the potential for producing more oil than the President's original proposal and that is why I supported it.

Mr. Speaker, I therefore support this report and would urge my colleagues to support it unalloyed, so that we can get this issue behind us.

Mr. ULLMAN. Mr. Speaker, I yield 2 minutes to the gentleman from Florida (Mr. Gibbons).

Mr. GIBBONS. Mr. Speaker, if the House conferees can be criticized for anything, it is for having been far too generous to the independent producers. First of all these independent producers only produce or only drill about 13 percent of the exploratory wells that are drilled in the United States.

□ 1140

Second, we bargained long and hard. I have been in this Congress for almost 18 years, and I have been in a lot of conferences, but I never had one as tough as this to bargain on. When I saw the press releases of the independent producer representatives after that conference, after we had made an agreement with them and struck a final balance with them, I thought I had been taken, because they praised the compromise that we made to the high heavens.

Now, the Archer motion is not just a simple motion to recommit. If the Archer motion should pass, this whole bill and every subject in it goes back to conference. Frankly, I am not going to be as generous with the independent producers—and I was the swing vote in that conference—as I was the first time.

I think it is unconscionable what we have already given them, and I will not go any further. I am the swing vote on that conference on this issue.

So, I would encourage the Members not to send this bill back to conference because it will open up a whole lot of other things that are sacred cows in here such as the carryover basis, the percentage depletion, and a whole lot of other things. A lot of hard bargaining will be done over. So, I would say to the Members that we have given the independents what they deserve, more than they deserve. They were so happy with what we did, when we got through their part of the conference. that I thought I had been taken the way they praised the conferees. I do not think we ought to be forced to go back to conference and delay the energy program of the United States just because a few selfish people want more.

The SPEAKER pro tempore. The time of the gentleman from Florida has expired.

Mr. ARCHER. Mr. Speaker, I ask unanimous consent that the gentleman have another minute.

The SPEAKER pro tempore. The time is controlled by the gentleman from Oregon.

Mr. CONABLE. Mr. Speaker, I yield myself such time as remains.

The SPEAKER pro tempore. The gentleman from New York is recognized for 4 minutes.

Mr. CONABLE. Mr. Speaker, I regret that time is so short on this procedure that we do not have a full opportunity to explain or to do more than state our positions. Those Members who know of my general antipathy to taxation, and in particular to new taxes, may be surprised when I say that I am going to support the conference report. In fact, the issue here is not so much taxation as it is deregulation. This bill will not produce another barrel of oil, it has been said, and that is true.

I regret that with such a political administration, that one must take stock of political considerations; but the fact is that the President has exercised his discretion to deregulate oil over a period of time. He could use his discretion to reregulate. This particular bill will provide a mechanism for an orderly deregulation of oil without using an administrative process, but the tax system—and working to control the process by administrative regulation would have been a terribly complicated way of doing it.

As has been said, the consumers are going to pay this tax. They would pay the same amount to the oil companies on completion of deregulation. Quite frankly, the consumer is not going to care that much as his price goes up whether he pays it to the oil companies or to the Government. I regret that the money cannot be plowed back so that it will go assuredly into the production of additional oil, but I am pleased that the conference committee has at least worked out a procedure whereby a substantial part of the proceeds will go back to the people through earmarking for income tax reductions.

There are other things in this bill that lead me to believe that it is desirable on balance, but we do not have time to go into that in any great detail. The savings package, which is an idea whose time has come, is included. Understand, if Members vote against this tax they must vote against the savings package. Repeal of cost basis carry-over has not been mentioned but it also is included, and that is a desirable thing. Resulting from the procedures of the Senate these nongermane amendments probably should not be in this bill, and if I were to have my way I would have kept them out of this bill and enacted them in some other measure.

Mr. Speaker, we need more domestic oil in this country. We are not going to achieve it except through increasing incentives for the oil companies. They will get increased incentives as deregulation raises the price of oil even though a portion of the increase will be siphoned off into the Treasury. These incentives are desperately needed, and we must not permit this impasse to continue any longer.

Those who want to play Russian roulette and let Presidential discretion to regulate oil prices, expire in September 1981, had better consider this, because in fact we would be faced with a very difficult situation at that time, and we cannot wait. We should proceed with deregulation.

I hope the Members of this body will consider what they are doing here today. As to the independent exemptions, you have to play that the way you see it. Quite frankly, the independents do have an advantage under this bill in the differential of the tax that they are charged on old, flowing oil. I will grant the point made by Mr. ARCHER, that the $20 billion of exemption resulting from his motion to recommit, will probably go back into the ground, one of the desirable things we want to have happen, because independents tend to reinvest their profits. However, I ask my colleagues to consider that the independents do have a differential already, and that much of the additional oil to be found here in this hemisphere is to be found on the Outer Continental Shelf and in Alaska, where the independents do not have a major role.

Mr. Speaker, I support the conference report. I hope my colleagues will support it as well.

Mr. ULLMAN. Mr. Speaker, I yield 2 minutes to the gentleman from Georgia (Mr. JENKINS).

Mr. JENKINS. Mr. Speaker, for several months now the conference committee has been attempting to work out a compromise which we all can support. Obviously, the compromise that is in this conference report does not contain everything that I want, but I think that we ought to remember one thing, especially the people who have long championed decontrol of oil, as I have. You are within striking distance of oil decontrol today. You are today, with this vote, within striking distance of a total decontrol of oil. If that is what you want, then you should support, in my opinion, this conference report.

Now, it also has a repeal of carryover basis, as the gentleman from New York has indicated. I would say that most of us in this Chamber have written letters indicating that we support the repeal of carryover basis. Now is your chance. Now is your opportunity. Now is the hour to repeal carryover.

Now, when we talk about the money that is involved, the fact that the oil companies will not have enough money, let me remind the Members of one thing. This House passed this energy bill which called for $50 billion more from the oil companies than does this conference report. So, this conference report in fact reduces the amount of the tax take by some 50 billions of dollars. As one of my colleagues from over on the other side of the aisle has indicated, we are now drilling more fields than we have ever drilled since the mid-1950's. Why? Because there is a profit in oil exploration, and the oil companies are not going to be unduly hurt by this bill. They are going to be helped by decontrol. They will have sufficient funds to explore more than they ever have before.

If Members truly believe in decontrol, they had better stop and think for a moment, because this is the opportunity to do away with controls. I urge my colleagues to support this conference report, because it does represent a reasonable compromise of this complex issue.

However, let me discuss, for a moment one provision in the conference report which gives me some cause for concern.

There is one change involving LIFO inventory accounting which I believe to be ill advised on both procedural and substantive grounds. This amendment reverses longstanding tax provisions which hold that the amount of a taxpayer's LIFO inventory reserve (referred to in the bill as the LIFO recapture amount) is not subject to tax at ordinary income rates by virtue of an otherwise tax-free liquidation.

This LIFO amendment is essentially subsection (b) of Senate Amendment No. 592 to the Windfall Profit Tax Act, which was offered by Senator STEVENS as a floor amendment during the Senate debate on the bill. Opposition to this amendment on substantive ground has already been expressed by leading members of the accounting profession.

This amendment affects a broad range of taxpayers who are not directly involved with the windfall profit tax. No public hearings were held on the measure. As a consequence, this important change in LIFO accounting rules has come as a total surprise to many taxpayers and may unfairly penalize them without affording them or the tax-writing committees of Congress an adequate opportunity to study and comment on the provision.

I note that the conferees, in accepting the Stevens amendment, delayed its effective date for 2 years to give Congress a chance to study the provisions' effect and take further action, if deemed necessary.

This is a bad procedure. Hearings should have been held on the proposal before, not after, it is added to the Internal Revenue Code. Accordingly, I may introduce a bill to repeal this amendment and will seek an early hearing on the matter before the Ways and Means Committee.

Nevertheless, Mr. Speaker, I intend to support the conference report, but I do feel that section 6 of the measure will have to be reexamined.

☐ 1150

Mr. ULLMAN. Mr. Speaker, I yield 1 minute to the gentleman from Virginia (Mr. FISHER).

Mr. FISHER. Mr. Speaker, yesterday a number of us argued strenuously that the proceeds from this windfall tax ought to be used more for energy and less for tax reduction. We were defeated fair and square, and that was yesterday.

I would like to call the attention of those who supported this move to the fact that the central point here is to put in place the windfall tax that is in the bill. We must do that right now without any diversion into other matters.

Mr. Speaker, I urge all the Members, certainly those who supported my position yesterday, to vote for this conference report and against the motion to recommit.

Mr. GEPHARDT. Mr. Speaker, will the gentleman yield?

Mr. ULLMAN. I yield to the gentleman from Missouri.

Mr. GEPHARDT. Mr. Speaker, I would like to commend the gentleman from Oregon (Mr. ULLMAN) and add my voice to his statement. I would also add the point that the recommittal motion that is being envisioned would in my view set up two classes of independents and would not be fair.

I would further add that the conference report itself treats independents better than the House bill that we passed some months ago.

Mr. ULLMAN. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. PICKLE).

Mr. PICKLE. Mr. Speaker, I will support the gentleman from Texas' (Mr. ARCHER) motion to recommit with instructions to House conferees to insist on a 1,000-barrel-a-day exemption from the tax for independent producers. I am disappointed that the motion cannot include an exemption on further relief for our farmers, ranchers, and other royalty owners who lease their land for oil production, either to independent producers or to major oil companies, under the rule adopted.

The practical effect of the windfall profit tax bill, which is actually an excise tax applying to all crude oil produced in the United States, is to reduce the value of a barrel of crude oil at the wellhead. To the extent that this is successful, it makes investment in crude oil production less attractive. Most of the exploration for new oil is carried out by the independent producers. Historically, they have drilled 90 percent of the exploratory wells. A Federal policy that discourages their ability to invest in exploration and development is a policy that encourages oil imports.

Independent producers during the 5-year period between 1973 and 1977, the latest figures available, received a total of $3.3 billion in gross wellhead receipts. They spent a total of $34.9 billion. In other words, they are doing exactly what we want them to do, spending more than 100 percent of their receipts in exploration, development, and production. This we should encourage if our energy policy is to make sense.

I would also like to point out that Chairman AL ULLMAN and the rest of the committee have worked hard to bring this bill forward. It was for this reason that I signed the conference report so that we could bring this bill to the floor for a vote. I am pleased that the bill contains my amendment that exempts State-owned oil from the tax. This will prove a blessing to generations of schoolchildren in Texas. I also am pleased that the committee recognized the importance of encouraging tertiary oil recovery by accepting my amendment. This was designed to help us recover the oil that we know we have and could free 30 million additional barrels of oil.

However, I do not support this bill in its present form first because in the final analysis it is another tax increase that the consumer will pay. At a time when inflation is already running at a rate of 19 percent it does not make sense to me to add another tax on the back of the American consumer. Further, this tax is designed to do just the opposite of what we want to accomplish. We want to provide an incentive for domestic oil production rather than increasing our reliance on foreign oil but we are penalizing domestic oil production with a tax. Does it make sense to discourage our own producers by taxing them while at the same time paying whatever price the Arab countries decide oil is worth? Our own royalty owners, whether they have much or little, will be taxed at the same rate as the big oil companies. To a widow who is receiving $400 in oil royalties a month to be taxed at the 70-percent rate, is hard to explain.

Finally, the bill's complexity defeats its purpose and will make the bookkeeping requirements almost impossible to fulfill. First of all we have five different tax rates depending on the classification of oil. Then, within those tax rates, we have three different base prices for oil, but each one of these base prices must be adjusted for inflation, and tier 2 and tier 3 base prices must also be adjusted for quality and location differentials as well. Can you imagine trying to figure out the price for every barrel of oil depending not only on what grade the oil is, but where the oil came from, and who the owner was, and how much the owner is already paying in tax? For example, in order to determine the tier 2 base price calculations for stripper oil, that is oil that is produced from wells that yield less than 10 barrels a day, we would have to take the conferees' base price of $15.20 a barrel divided by the domestic uncontrolled price in October ($30) or December ($35) times the October or December highest field posting for a comparable oil. This will yield the amount subject to tax and then, depending on whether it is a major oil company (60 percent) or an independent company (30 percent), the tax will be levied. Is this a way to encourage production from wells that are only marginally productive?

Mr. ULLMAN. Mr. Speaker, I yield such time as he may consume to the gentleman from Massachusetts (Mr. SHANNON).

Mr. SHANNON. Mr. Speaker, I rise in support of the conference report.

Mr. Speaker, it is already March of 1980 and we are still debating a windfall profit tax bill. The issues are the same as last year. The only thing that has changed is the degree of urgency. The President has already begun to decontrol oil prices. Oil company profits are already skyrocketing. The question is: Are we going to let the oil companies reap a trillion dollars in extra income as a result of decontrol, or are we going to recapture some of that for the consumers of this country? Are we going to see Americans subject to billions upon billions of higher energy prices so that the oil companies can line their pockets with even higher profits, or are we going to get this country started on the road to a real energy program, a program that will wean us from dependence, not only on foreign oil, but on our own oil companies?

Let's examine what the oil companies would get with and without the windfall profit tax. Oil companies would realize additional revenues of over one trillion dollars in the next 10 years as a result of the President's decision to decontrol oil prices. Existing Federal, State, and local taxes would recapture less than $500 billion of that, leaving over one-half of a trillion dollars in additional after-tax profits for the oil companies. Do the oil companies really need a windfall of half a trillion dollars?

The oil industry has spent a fortune trying to convince us that they need all of this money. "Trust us," they have said in their full page ads, "Give us your money, and we will take care of everything." But look at how nobly the oil companies have acted in the past year.

The profits of the top 20 oil companies, profits garnered during gas lines, during shortages, during huge increases in the price of heating oil and gasoline, profits garnered while our elderly and our poor were suffering, increased in 1979 by alcost 65 percent. Return on equity for those companies climbed to 23 percent, as compared to only 17 percent for manufacturing companies. But the oil industry wants more, and more they are going to get, regardless of whether or not there is a windfall profit tax.

The conference report calls for a tax that will recapture only $227 billion of the over one-half trillion dollars in additional net profits the companies will receive due to decontrol. Even with a tax, they will be rewarded handsomely by the administration. But what of that $227 billion? If we turn that over to the oil companies by failing to enact this tax, they will, according to the Congressional Budget Office, produce only an additional 500,000 barrels of oil a day. That is less than 3½ percent of our daily oil needs. This would not buy the United States energy security. It would be a waste of money.

The $227 billion tax reported by the conference is significantly less than the tax passed by the House last year. I do not agree completely with this report. I do not like all of the tax credits and funding priorities provided in it. But it is all that we have. If we fail to pass this tax, we will be telling the consumer that we approve of a multibillion-dollar transfer of wealth from the American people to the oil companies. We have only two choices: Pass this tax, set up an energy trust fund, and try to find a way out of our energy mess, or enrich the oil companies by a half-a-trillion dollars. Time is growing short. I urge the House to pass this report and to get on with the business of making the United States independent, not only of foreign oil, but of our own oil companies.

Mr. ULLMAN. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. STARK).

Mr. STARK. Mr. Speaker, I want to thank my distinguished chairman, the gentleman from Oregon (Mr. ULLMAN), the distinguished ranking minority member of the Committee on Ways and Means, the gentleman from New York (Mr. CONABLE), and all the conferees for their work in this conference.

I ask my friends and my colleagues, many of whom were upset about the lack of conservation measures in this bill, to support the bill and oppose the motion to recommit.

Our choice is to continue with decontrol and use this bill's $227 billion over the next 10 years for good purposes—

$55 billion to help the poor and working people, the low-income people in this country, and $25 billion or more to help with the conservation projects that many of us want. The alternative choice, if we oppose the bill or support the motion to recommit, is to give that same $227 billion to the major oil companies and to the very rich so-called mom and pop independents.

That is our choice. Are we going to keep it for the people of America, to help them, to help the poor, and to help get more oil, or are we going to give it to the oil companies?

Mr. Speaker, I urge the Members to support the conference report and oppose the motion to recommit.

● Mr. BIAGGI. Mr. Speaker, I rise in qualified support of the conference report to accompany H.R. 3919, the Windfall Profit Tax Act. My lack of enthusiastic support stems from what I consider an unnecesary variance by the conferees to the original intent of this legislation which was to use this windfall profit tax to help us in our essential quest to achieve greater energy self-sufficiency.

At the time when the House passed this legislation it was more evident that the House was concerned with seeing more of the revenues derived from the tax "plowed back into expanded production and development of domestic energy sources." This concern was prompted by the increasingly suicidal reliance which this Nation has on imported oil. Despite the realities of the 1973 embargo, as a nation have been abysmally slow in self-sufficiency.

The final conference report contains some clearly appealing features. However, I must question the prudence in the extremely large percentage of money directed toward tax cuts. Tax cuts in and of themselves are contributors to inflation which is a problem eating away at the very core of this Nation. We would be far better pressed to expand our commitment to energy sources from the United States and thus lowering dependence on imported energy, which is the No. 1 stimulant to inflation today.

Clearly, one of the most appealing provisions in this legislation is the providing of first time tax relief for small savers of this Nation.

Mr. Speaker, as one who has long advocated the need for a tax incentive for small savers, I am particularly pleased with the provisions contained in the conference report that would exclude from taxes the first $200 a year individuals earn in interest income from savings deposits—those persons filing jointly would receive a $400 tax exemption.

The tax exemption is necessary for two reasons: To provide much needed economic relief for the small saver, the majority of which are age 55 or older; and to stimulate our Nation's decreasing rate of savings.

Over the years, savings accounts have offered little in the way of protection against inflation. While the inflation rate stands around 18 percent, Federal regulations limit the interest a saver can receive on his or her savings account to not more than 5½ percent. In addition to losing about $25 a year in purchasing power on a $500 savings deposit, the money placed in the savings account is taxed twice during the process—once when you earn it, and again when it earns interest. After taxes and adjustment for inflation, the small saver is actually getting a negative return on his or her investment.

This situation is especially harmful to the elderly, many of whom depend in part on savings interest for their livelihood. According to the American Association of Retired Persons (AARP), interest income represents nearly 25 percent of the total income of persons age 65 and over. In addition, savings accounts belonging to those persons age 55 and older represent over two-thirds of the total number of accounts.

As a result of these disincentives, the American willingness to save has substantially decreased over the last 10 years. By the end of 1978, the rate of disposable income savings in the United States reached a 30-year low of less than 5 percent. According to more recent data, this trend is continuing at a steady rate.

This compares to a 13-percent savings rate in Great Britain, 15 percent in West Germany, and 25 percent in Japan. These high rates of savings in other countries are a direct result of special tax concessions or government bonuses paid to savers, which are not offered in the United States.

The importance of this comparison is significant. Without adequate savings, there cannot be sufficient investments in industry, small business, and home construction. The result is higher consumer prices and increased unemployment.

The legislation before us today is a major step toward easing the economic burden placed on consumers and increasing our Nation's rate of savings. Ultimately, the exemption is expected to stimulate overall economic growth. Since increased savings means increased capital investment, there would be a boost in productivity, inducing employment gains and decreasing consumer prices. However, by no means, should it be considered the final solution.

Under the terms of the conference report, the $200/400 tax exemption will apply for only a 2-year trial period beginning in tax year 1981.

I am concerned that at the end of that 2-year period, a decision will be made as to the effectiveness of the tax exemption as an incentive for savings. I do not feel, however, that such a judgment could be made responsibly based solely on the results of a $200/400 tax exemption.

First, I am concerned that a $200/400 tax exemption may not be enough of an incentive. An estimated 95 percent of all the money saved in America is earned by individuals and corporations whose incomes from interest and dividends exceed the $200/400 limit. Based on this information, I am fearful that a tax incentive in the $200-to-$400 range would not effectively bring in new savers or increase already existing accounts. That is why I have introduced legislation (H.R. 4931) that would exclude from taxes the first $1,000 of dividends or interest on investments deposited in financial institutions.

Second, I am not so sure that any tax exemption—no matter what the amount—would be sufficient to attract new savings without being accompanied by an increase in the rate of interest earned on the savings account. With an inflation rate of 18 percent, I am concerned that most consumers are not willing to deposit their earnings in a savings account that pays only 5½ percent interest. There are simply too many more lucrative investment opportunities available today outside of our Nation's commercial banks and thrifts to make a savings account paying 5½ percent seem attractive—no matter what tax exemption might be available.

With this in mind, I have introduced legislation (H.R. 5071) that would gradually raise the limitations on interest rates payable on savings accounts until they reach market rate levels, which currently stand around 9 to 10 percent. The Senate has already passed a similar proposal, and the House Banking Committee is currently giving the matter careful consideration. Based on this information, I am confident that the issue will be favorably resolved by the end of this Congress.

Mr. Speaker, despite these concerns, the fact remains that the $200/400 tax exemption included in the conference report is an important step toward recognizing and correcting a difficult situation. I urge my colleagues to join me in supporting this legislation and the tax exemption provision. At the same time, however, I remain hopeful that this is only the beginning of our efforts to deal with the problem.●

● Mr. FRENZEL. Mr. Speaker, because I believe that decontrol of energy prices is the necessary cornerstone of our energy policy, I will vote for the windfall profit tax. However, I am very concerned that we have set the tax rates, generally on all oil, and specifically on heavy oil and new oil, at a level too high, to provide necessary incentives for maximum exploration for, and development of, domestic oil.

It is not easy to make an economic argument for the windfall profit tax. It is not a tax on profits at all. It is an excise tax which will be paid by consumers of oil.

But, the President has threatened to recontrol oil prices if this bill does not pass. That may be an idle threat, but I am persuaded that this tax is the political price of decontrol. On that basis. I shall support it. ●

● Mr. BEDELL. Mr. Speaker, today we are being asked to decide for or against the conference agreement on H.R. 3919, the Crude Oil Windfall Profit Tax Act of 1980. I personally believe that this piece of legislation is a crucial measure both in terms of timing and purpose, and that how we decided to allocate the revenues that will be raised by it—well over $200 billion—will have a significant impact on the course of energy supply development in this country.

I would like to take this opportunity to commend my distinguished colleagues who have worked so long and hard on this comprehensive piece of legislation. It has not been easy, and while I may not agree with everything they have done, the end result is, in my opinion, worthy of passage. Yet, I am concerned about the provisions in section 102 of the conference agreement which establish guidelines for the allocation of the windfall profit tax revenues: 60 percent for individual and business income tax reductions; 25 percent for low-income energy assistance; and 15 percent for energy and transportation programs.

I strongly agree with my distinguished colleagues, Mr. FISHER and Mr. GEPHARDT, that this suggested allocation formula is in fact inverted; that is, the bulk of these revenues should be earmarked for use in stimulating production of domestic energy supplies as well as providing incentives for near-term relief from the energy squeeze by encouraging energy conservation and more efficient use of our rapidly dwindling fossil fuel supplies.

Mr. Speaker, I therefore intend to support their resolution calling for allocating revenues in the following manner: 50 percent to be made available for energy research, development, production, and conservation, and for transit programs, including railroads; 25 percent for energy assistance to lower income individuals; and 25 percent for any purpose. I believe that this allocation formula more closely reflects the priorities that confront the Nation, and that anything less would be turning our backs on a golden opportunity to launch a meaningful national effort to achieve energy independence.

My support for the Fisher-Gephardt resolution should not be interpreted as insensitivity to the unacceptably heavy tax burden now being imposed upon the Nation's taxpayers. It is clear, however, that much of this tax burden is being brought about by the ravaging inflation that now almost seems out of control, and which has the effect of forcing Americans into higher income tax brackets. One of the components most responsible for this runaway inflation rate is energy price increases, according to a recent Wall Street Journal article:

> Rising energy prices accounted for much of the increase of the overall index for finished goods for the month of January.

Certainly, the "exporting" of more than $80 billion to foreign nations in return for insecure supplies of oil is one of the greatest threats to this Nation's national security, as well as its economic well-being. It is my firm belief that energy independence should be our highest priority. That is why the allocation of the windfall profit tax revenues is so important.

It seems to me that the primary justification for having a windfall profit tax—which is really an excise tax on various categories of domestic oil production—is that it is necessary to divert some of the huge revenues domestic oil companies will be receiving from decontrol of oil to the stimulation of alternative energy technologies that might not otherwise be assisted to the extent needed at this time. Whatever one feels about oil companies, it must be recognized that they are in business to make money, and it would not make sense for them to vigorously pursue the development of alternative forms of energy that will surely compete with the traditional forms of energy from which they now derive their profits. However, while it may not be in the interests of these individual companies to expeditiously develop alternatives, it is most certainly in the national interest to do so. That is why it is so important that the Congress go on record in support of allocating these billions of dollars of revenues toward meaningful energy conservation and alternative energy development.

Mr. Speaker, I would just briefly like to call attention to several of the provisions contained in the conference agreement that I believe are especially worthwhile. One of these, of course, is the extension of the present exemption on the Federal excise tax on gasohol until 1992. The compromise that emerged from the many hours of debate between supporters of the extension and those who feared its impact on the highway trust fund is an important one, I believe, and it will send a signal to the many prospective investors in alcohol production facilities that the Federal Government is truly supportive of this promising alternative energy source. In the same vein, the Senate language was retained that provided for up to a 40-cent-per-gallon tax credit on lower proof alcohol (150 to 190 proof) that has tremendous implications for the production of on-farm alcohol. This provision will do much to bring about agricultural sector liquid fuel independence, since the proliferation of onfarm production facilities will mean that farmers will be able to use this low-proof alcohol straight in their tractors, trucks, and other equipment, thus reducing their vulnerability to fuel supply cutoffs and spiralling prices.

Yet another provision that relates to the production of domestically produced alcohol from renewable resources, and that will help to achieve increased marketing of the popular 90-percent gasoline, 10-percent alcohol blend widely known as gasohol would allow smaller jobbers to receive the direct rebates they are entitled to under the Energy Tax Act of 1978. The act provides that gasoline may be sold free of tax if it is to be used in the production of gasohol. I first introduced this language after I had become aware that smaller jobbers had been penalized because there was no mechanism in place, under the regulations promulgated by the Energy Tax Act for jobbers to receive a refund on the tax on gasoline if taxpaid gasoline was mixed with alcohol to product gasohol. The rebate language which I introduced, and which is now contained in the conference agreement, would simply provide that all sellers of gasohol receive the 4-cent exemption as Congress intended them to do when it passed the Energy Tax Act of 1978.

The conference agreement also provides for business energy investment credits for solar or wind energy equipment, geothermal equipment, ocean thermal equipment, and small-scale hydroelectric facilities, and cogeneration equipment. The message behind all these credits is an important one: The United States no longer can afford to pursue an energy development strategy that depends almost exclusively on one or two sources of energy. Instead, we must develop the myriad of resources available to us. Because the Fisher-Gephardt amendment is a step in this direction I urge my colleagues to support it.●

● Mr. DEVINE. Mr. Speaker, in this emotional and political atmosphere, it is difficult to take a position that will not be misconstrued by the media, your constituents, your colleagues, prospective opponents, or the public.

With this in mind, there is only one motivating factor left: Do what you think is right, and in the overall public interest. This I plan to do.

In listening, Mr. Speaker, to the remarks of my colleague from California (Mr. ROUSSELOT), and the gentleman from Texas (Mr. ARCHER), I am happy to associate myself with their remarks and adopt their arguments as a supplement to my views in opposition to this conference report.

"Windfall Profits" is a slogan with no specific definition. The Washington Post, CBS, and other major businesses have a greater margin than the oil industry, yet fail to be reached by this excise tax bill.

The danger in opposing enactment of this legislation is to invite phony criticism suggesting special interest influence by the petroleum industry. Such a charge is a sham and of little logic because the oil people will not be hurt nor feel the impact. The victim will be the consumer, as usual.

Decontrol is contained in this bill, which is important, but a severe price to pay in order to levy a monstrous excise tax on the American people.

And another feature, which is repugnant to the traditional free enterprise system is the theory of redistribution of the wealth of this Nation—the Robin Hood complex, "Rob the rich to give to the poor"—except the twist is the so-called rich is the consumer, you and me.

Why should we adopt yet another devious scheme to further fund endless social welfare programs, under the guise of an energy bill which will not produce one more drop of oil or gas?

Decontrol can be accomplished without this legislation, and the cries about gasoline prices going up with decontrol should fall on deaf ears by simply examining the increase in the price of gasoline and home heating oil with controls in place.

Mr. Speaker, in this election year, we should not succumb to the temptation to adopt bad legislation because it has a catchy and popular name. We should address the energy problems directly with meaningful legislation rather than misleading the American people with fancy phrases, phony promises and hope for justice and equity when the bill just will not produce this result.

Mr. Speaker, I favor a tax on obscene profits that affect the public, particularly if the revenues would be earmarked specifically to develop additional energy, the so-called plowback provision. This is absent here, which in my opinion is a fatal flaw.●

● Mr. DINGELL. Mr. Speaker, I regret that the conferees on the crude oil windfall profit tax bill (H.R. 3919) eliminated the Senate provisions that would have allowed owners of residences occupied by tenants to have the 15-percent tax credit for expenditures on energy conservation measures, such as insulation, storm windows and doors, and so forth.

As you know, section 101 of the National Energy Tax Act of November 1, 1978 (Public Law 95-618) provided a 15-percent tax credit for such expenditures—up to $300 credit for a maximum expenditure of $2,000—for insulating a residence. The Congress in 1978 clearly intended, as shown by the conference report on that act (H. Rept. 95-1773, pp. 42, 43), that "owners and renters would be eligible for the credit." That credit was intended to provide an economic tax incentive to millions of people to insulate their homes.

However, that act imposed a condition that the residential unit on which the taxpayer made those expenditures must be the taxpayer's principal residence. The taxpayer could receive the tax credit for making such insulation expenditures in his or her principal residence regardless of whether the taxpayer is the landlord or the tenant. But that condition overlooked a real economic fact of life, namely, very few tenants would spend up to $2,000 to insulate a residence owned by someone else just to get a tax credit of $300 or less.

Furthermore, the landlord would not get a tax credit for making energy conservation expenditures on a dwelling occupied by a tenant, because the dwelling would not be the landlord's "principal residence."

Hence, the net effect of that condition is to eliminate the tax credit incentive that Congress intended for encouraging insulation of millions of homes occupied by tenants.

From an energy conservation point of view, it makes no difference whether 10 taxpayers spend $20,000 for energy conservation measures and receive $3,000 tax credit for 10 residences which are the principal residences for each of them—or whether the same amount of money is spent for the same kind of energy conservation measures and the same amount of tax credit received, by one taxpayer, for the same number of dwellings which are the principal residences of 10 different persons or families. And when the 10 residences are insulated, the total amount of the tax credits, and the reduction in tax revenues, are precisely the same in both cases.

It was to eliminate this technical defect in the 1978 act, which I am sure was inadvertent, that I and 37 other Members introduced H.R. 264 at the beginning of this Congress. Our bill would have allowed the energy tax credit for every residential unit in which the taxpayer installs energy conservation measures, even though it is not his or her principal residence, so long as it is the principal residence of someone. Our bill, thus, would have provided the same tax incentive for insulating residences that Congress intended in the 1978 act, but with the assurance that every dwelling, whether occupied by the owner or a tenant, will be within the coverage of the tax incentive, both legally and realistically.

The Senate saw the wisdom of our bill, and inserted similar provisions (as section 201) in the crude oil windfall profit tax bill. Therefore, I then wrote to Chairman AL ULLMAN, urging that the House conferees agree to the Senate provision and thus avoid the task of acting separately on H.R. 264.

However, during the final stages of the conference on the crude oil windfall profit tax bill, the conferees eliminated that Senate provision. Their conference report (H. Rept. 96-817, p. 119) stated no reason for retaining the "principal residence" requirement and thus not allowing landlords to be eligible for the residential insulation tax credit.

I hope that the House Ways and Means Committee will give further thought to correcting the deficiency in the present tax credit provision which, in effect, gives mere lipservice to a tax incentive for insulation expenditures, but in real economic terms does not contain such incentive, for residences occupied by the millions of tenants in our country whose homes are less than fully insulated against the cold of winter and the heat of summer.●

● Mr. WHITE. Mr. Speaker, U.S. Department of Energy figures show that 51.2 percent of our Nation's total demand for oil is fulfilled by imports. This represents the one factor most responsible for our Nation's two most critical afflictions: Inflation and a weakened international position. Today we find inflation increasing at an intolerable rate, due in great part to rising fuel costs; and we find U.S. stability in the world precariously contingent upon foreign energy supplies. In a word, we have become dependent—and the only legislation we can in good conscience adopt is that which will make us independent once again. The windfall profit tax conference bill does not contribute to that objective.

EFFECT TAX WILL HAVE ON FUTURE DOMESTIC OIL PRODUCTION

A Congressional Budget Office study has indicated that the amount of oil produced with a windfall profit tax would be substantially less than the amount which would be produced without it. The report estimates the effect of the conference report on domestic oil production and points to a production level of 7.4 million barrels a day in 1990, which represents 500,000 barrels a day less (6 percent of projected domestic production) than if there were no windfall profit tax at all.

Furthermore, we cannot afford to expect any reductions in domestic production, since it has been determined the 1979 rate of drilling must be doubled if dependence on foreign oil is to be reduced and stabilized in the next decade.

DISPOSITION OF REVENUES

The formula for spending the revenues derived from the windfall tax is arbitrary, vague, and ill-conceived. The conference agreement allocates 60 percent ($136.4 billion) of the tax revenues for income tax reductions; 25 percent ($56.8 billion) for energy assistance for low-income households; and 15 percent ($34.1 billion) for energy and transportation programs.

The agreement places the revenues from the windfall tax in a separate account of the Treasury, but does not create a trust fund or earmark the fund for particular purposes. It does allocate portions of the revenue for certain general purposes, but these allocations require annual congressional authorizations and appropriations. In drafting merely a policy for spending, the conferees have, in effect, written a blank check for Congress, and each year the spending of these revenues will fall victim to political considerations.

To illustrate the ambiguity presented in the bill, a White House staffer has recently implied that the President can accept the spending provision because it is not binding and provides the administration with sufficient flexibility.

In an election year, it is politically useful to allocate 60 percent of the revenues to general income tax reductions, but spread over 10 years, any such cuts would be minor and there is no guarantee any cut would necessarily be enacted. There is a good deal of evidence that future tax cuts, without the benefit of a balanced Federal budget, would fuel inflation. However, this report disregards such economic advice.

The most objectionable feature of the allocation formula is that, of the revenues earned from taxing profits earned as a result of decontrol, only 15 percent of those funds are tagged for future energy programs. I firmly believe that the proceeds from the tax should not be redistributed throughout our economy, but should be aimed directly at the industry that is responsible for providing our Nation's future domestic oil supplies. This is the only way we can reasonably expect this legislation to create more energy.

PLOWBACK PROVISION

The most logical method for redirecting funds received from the windfall tax would have been a "plowback" provision, allowing certain deductions for oil companies who reinvest their so-called windfall profits into the ground. This approach would have stimulated discovery and production of oil sources so desperately required by our Nation to gain energy independence.

During consideration of H.R. 3919 in the House Ways and Means Committee, a 75-percent "plowback" provision was defeated—an unfortunate turn of events for the future of domestic oil availability.

If a full plowback provision had been adopted in place of H.R. 3919, during the last year we could have expected a $15.4 billion increase in private sector revenue, an increase of 95-million-feet drilled, and additional oil production of 104,000 barrels per day. Instead, as a result of the conference report, we will see less private sector revenue reinvested in drilling, fewer feet drilled, and by 1990 approximately 500,000 fewer barrels per day produced. All this because Congress—faced today with the undeniable evidence that a windfall profit tax will inhibit oil production in the United States—adopted this conference report.●

● Mr. WATKINS. Mr. Speaker, I rise today to add my voice to those opposed to H.R. 3919, the so-called windfall profit tax. As my colleagues have pointed out, we are deluding ourselves when we refer to this legislation as a windfall profit tax—quite simply, it is an excise tax.

Likewise, we are deluding ourselves by pretending that this measure will tax away any excess profit the major oil companies might gain from decontrol of domestic oil production. The plain and simple fact is that the $227 billion to be raised by this tax will not come from the pockets of the major oil companies—will come from the pockets of this Nation's taxpayers, and it will ultimately be paid at the gasoline pump.

It is one think to talk about legislation that would tax any oil company profits invested in department stores, electric motor companies or circuses instead of increased production of domestic oil. It is quite another thing to talk about H.R. 3919, which would not encourage additional investment in domestic energy production, but would actually reduce domestic production by as much as 600,000 barrels per day by 1990.

This legislation, as reported by the conference committee, would not prolong the life of our Nation's stripper wells. Instead, it would have the opposite effect—the price received by producers of stripper oil would drop, representing a reversal of Federal policy. Under the Bartlett amendment a few years ago, Congress decontrolled the price of stripper oil under the correct assumption that world market prices would extend the economic life of these wells. H.R. 3919 would reduce the price received by producers of stripper oil below world market levels.

I can almost understand my colleagues' frustration with certain major oil companies that are wont to reinvest their higher profits from oil production in ventures far afield from energy production. But in their efforts to strike a blow at the majors, the conferees have defeated their purpose by placing an undue burden on the independent oil producer and royalty owner.

Independent producers in this country reinvest 105 percent of their profits into additional oil exploration and production. Every dollar taxed away from this segment of industry, therefore, represents a reduction in future domestic production. It does not make any sense to tax away their capital which would be used to produce energy that we so desperately need.

Further, this legislation would only multiply the recordkeeping and administrative nightmare already in existence for producers. With all the different levels of prices and rates of taxation, small oil producers will have to hire a battery of attorneys and CPA's just to keep up with the regulations that will be issued to implement this latest paperwork jungle.

The big winner in this tax measure is the Federal Government, and not the U.S. citizen who needs increased energy production for transportation and national security. This tax now stands as a symbol of the frustration of the American public over the Government's inability to cope with the energy crisis.

Although this additional tax on oil may be politically expedient in some areas of the Nation, I feel the measure only prolongs the day when this country will again become energy independent.●

● Mr. OBERSTAR. Mr. Speaker, while I have great respect for the efforts and accomplishments of the House members of the conference committee which has written the report now under consideration, this is not Congress' finest hour. The tax is too little, late, and unfortunately our only option.

In the days following the President's decision to phase out price controls on crude oil, I had grave doubts that the windfall profit tax would ever become law. I feared that big oil interests would block enactment of an effective tax.

Backed by our strong House vote last June in support of a tough windfall profit tax, the conferees were able to make substantial improvements on the tax voted by our colleagues in the other body.

While the Senate version of the tax was unacceptably weak, I am convinced that there would have been no Senate bill, and no conference report today, if it had not been for the insistence of this body on a stronger windfall profit tax.

Congratulations, however, are not in order. Frankly, I think this House made a great mistake last fall in voting down two amendments which would have retained price controls on crude oil and would have reimposed controls on home heating oil, which went from about 50 cents a gallon to a dollar during 1979.

If the President had supported the extension of controls on crude oil, we would not be facing so enormous an increase in the cost of energy, and so massive a transfer of wealth from the American consumer to the major oil companies.

There is little to gain in reviving the debate over decontrol, at this point. Decontrol unfortunately is a reality. Furthermore, given the longstanding indisposition of the Senate to enact legislation contrary to the interests of energy corporations, I feel as though we owe a debt of gratitude to our House conferees.

The Joint Committee on Taxation estimates that the oil industry will receive an additional $1,024.6 billion as the result of decontrol. One trillion dollars over the next 10 years! In 1979, with decontrol only begun, major oil company profits jumped 64 percent over 1978 to record high levels. The majors can look forward to a big money decade.

Without a windfall profit tax, existing Federal tax law would have recovered only about 35 percent of the trillion dollar windfall. State and local taxes and royalties will recover an additional 12 percent. Without a windfall profit tax, oil companies would be left with $530 billion of the windfall, or more than half of the windfall. The windfall profit tax provided in the conference report will recover an additional $227 billion over the next 10 years for the American consumer.

The oil industry still retains $300 billion—30 percent—of the windfall.

Unlike the House bill which made most of the windfall profit tax permanent, the conference report adopts the Senate-passed concept of phasing out the tax once the revenue target of $227 billion is reached.

If that target is not reached by January 1, 1991, phaseout of the tax begins anyway.

Despite the shortcomings of this tax, those of us who favor reimposition of price controls and the stiffest of windfall profit taxes, have no choice but to support this conference report. This tax is, of course, better than no tax.

Furthermore, the legislation before us will target 25 percent of the revenues to low-income fuel assistance. As a strong supporter of the $1.6 billion program we enacted last fall, I am delighted with the commitment of revenues to this program over a 10-year period. If we are going to permit decontrol to drive the price of energy, including home heating costs, sky high, then we have a moral obligation to insure that poor and low-income Americans do not freeze to death or starve as the result of spending upwards of 75 percent of their disposable income on heating costs.

I am also very pleased that the conference report includes a new savings incentive by permitting individuals to exclude from taxable income up to $200 in interest and dividends and married couples up to $400.

At a time when personal saving has reached dangerously low levels in this country, we must act to provide incentives to saving. This exclusion for tax years 1981 and 1982 is a beginning.

The legislation also includes an increase in the energy tax credit for solar, wind, and geothermal equipment. The conference report expands the tax from the present 30-percent credit on the first $2,000 invested and 20 percent on the next $8,000 to 40 percent on the first $10,000. The change raises the maximum credit from the present $2,200 to $4,000. It is a sound change, one embodied in legislation I have cosponsored.

Unfortunately, the conference report does not specifically make wood-burning energy equipment eligible for the existing 15-percent tax credit. The Secretary of the Treasury will have the authority to designate wood burners eligible for that credit. I know that I, along with many of my colleagues, will persist in our efforts begun with former Secretary Blumenthal and continued with Secretary Miller to convince Treasury of the wisdom and the necessity of providing this much-needed incentive for wood burners.

Mr. Speaker, many months ago, I reconciled myself to the fact that the tough windfall profits tax I wanted was not likely to be enacted. I cannot say I like this conference report, but under the circumstances, it may be the best that this House can obtain. I urge a yea vote on the conference report.●

● Mr. REUSS. Mr. Speaker, this is an inflationary measure. The conference report ought to be defeated, and the President ought to veto it if it prevails.

By letting domestic oil prices rise to the OPEC level, decontrol will add $1 trillion—$1,000 billion—over the next decade in costs to the consumer, and profits to the oil companies. This measure then imposes an excise tax which would require the oil companies to share the windfall by returning 23 percent of it, some $227 billion, to the Treasury.

Why not avoid the windfall in the first place, by continuing controls over domestic oil, discouraging consumption by gasoline rationing, and giving specific incentives to the oil companies where needed to prospect for new oil and to use improved recovery processes?

The bill contains no assurance whatever that the oil companies will use their hundreds of billions of dollars in net windfall profits over the next 10 years in new oil exploration. There is nothing to stop the oil companies from continuing their practice of using their enormous profits to buy up more mail order houses, circuses, insurance companies, financial institutions, chemical companies, and competing energy producers.

By voting down this conference report, Congress can signal the President to start over and do it right, along the lines just set forth. If Congress does pass this conference report, a veto by the President and the reinstitution of domestic oil price controls would put the onus on Congress to do the necessary things for our oil independence. Neither of these, alas, is likely to happen.

Having added several hundred billion dollars worth of inflation to our economy for the next decade, the conference report then goes on to add to inflation some more by busting the budget with two new tax loopholes.

Loophole No. 1 increases the existing exclusion from income tax for dividends on corporate stock from the present $100 to $200 (from $200 to $400 for joint returns), and extends the exclusion to cover interest received from banking institutions. The exclusion applies to 1981 and 1982, and costs the Treasury more than $2 billion a year, $4.3 billion for the 2 years.

Loophole No. 2 repeals the carryover basis provision of the loophole-plugging 1976 Tax Reform Act, and thus reinstates the earlier law permitting the appreciation in value of stocks and bonds during a decedent's lifetime to escape Federal income tax forever when the inheritor of the stocks or bonds sells them. This provision, which goes into effect next year, will cost the Treasury $4.3 billion over the decade, and will cost nearly a billion dollars a year by 1990.

The two loopholes add to the unfairness of the tax system. They discriminate against the person who makes his income by the sweat of his brow, and in favor of the person who makes his income by the clip of his coupon. The haves are rewarded, and the have-nots are penalized.

The "justifications" for these two new loopholes will not bear analysis.

Loophole No. 1 is "justified" on the ground that we need to encourage savings. That is true. But loophole no. 1 does not have anything particular to do with that. The best thing we can do to encourage savings is to remove the statutory ceiling—regulation Q—on the interest that a small saver at a bank or savings and loan association can make. Under regulation Q, the small saver is limited to an unrewarding and below-market 5 or 5¼ percent. I am happy to report that the Senate-House conference report dealing with financial institutions, which will be before this body within the next few days, will phase out regulation Q, starting at once.

Ninety-five percent of interest and dividends are paid to savers now earning more than the exclusion who would thus not be induced to save more by this provision. Nearly two-thirds of the $4.3 billion in revenue loss would go to those with incomes over $20,000 a year. Virtually all people with incomes over $30,000 would benefit from the exclusion, while only a third of those with incomes under $20,000 would gain. The more affluent would benefit the most: a taxpayer in the 50-percent bracket would reap a $100 benefit, compared to a low-bracket taxpayer, whose benefit would be only $28. It is clear that the small saver of modest means does not get the boost he needs to save more from this provision.

Loophole No. 2 allows a grantor who has corporate stock for which he paid $10 a share a few years ago, but which is now selling for $100 a share, to pass it on to his heir so that when the heir sells it for $100, the heir pays no capital gains whatever. Had the heir acquired the stock by gift from his father rather than by will, the heir would have had to pay the tax on a capital gain of $90, the difference between the $10 cost and the $100 selling price.

The "justification" for loophole No. 2 is that it is hard to find the original value of the stock or bonds. This, too, will not wash. Valuations are found everyday for securities like this for estate, inheritance, and gift taxes, and for determining the tax basis for gifts between the living. The "fresh start" provisions of the existing law make the task even easier by focusing on values in recent years.

The wealthy profit from this loophole far more than the poor. Without carryover, $20 billion in asset appreciation would permanently escape income tax each year. Three-quarters of these dollars pass through the largest 3 percent of estates.

As I have said, the man who works for his income pays a tax (after the usual personal exemptions) on every penny of his salary or wage. With these two new loopholes, someone who derives his income from stocks and securities gets an exclusion of $200–$400 on his income tax; and when he inherits them from his father, he escapes the capital gains tax basis which he would have had to use if he had bought the securities himself or acquired them by a gift.

The conference report adds to inflation. It worsens the distribution of income in this country. It makes a balanced budget more difficult to obtain by creating new tax loopholes. It should be rejected.●

● Mr. CORRADA. Mr. Speaker, the conference report which we are considering today is the result of a long and difficult process. The House and Senate conferees which labored for many months are to be commended for their work.

As originally proposed by the administration, the windfall profit tax was to be in place before a determination was made on the allocation of those revenues. The conferees have made recommendations on ways to spend the funds collected by this tax. Some of the recommendations deal with tax credits under the Internal Revenue Code. When legislation is presented to implement these recommendations, Mr. Speaker, we must insure provisions also be enacted so that U.S. citizens in Puerto Rico will not be left out of the benefits to be granted by that legislation. As my colleagues know, Puerto Rico falls outside of the scope of the internal revenue laws. It was in recognition of this special situation, that the Ways and Means Committee included a separate provision for Puerto Rico and the territories during the consideration of the crude oil equalization tax legislation during the last Congress. That provision was part of the legislation as approved by the Congress and it recognized the need to insure that all areas of the United States receive fair treatment under that law.

The energy cost borne by the people of Puerto Rico is a heavy one and it continues to increase daily since we are 98-percent dependent on oil for our energy production. Thus, as such time as the 60 percent of the proceeds of the windfall profit tax to be used for general tax rebate or similar purposes is distributed by Congress, some special consideration must be given Puerto Rico and the other U.S. territories. I urge my colleagues to keep this in mind during the coming months as we consider the different proposals that will be presented to distribute some of the revenues that will be collected under this bill.●

● Mr. KEMP. Mr. Speaker, I strongly support the Archer amendment, because the burden of this tax will fall not on the major oil companies but my constituents and the taxpayers of America. The independent wildcatters out on the mall are right—this is simply a monstrous new tax bill masquerading as an energy bill. Americans will pay more for energy and get less in return—because the difference will go to the U.S. Treasury and the OPEC cartel, not to the people who explore and wildcat for oil.

This tax will be paid by my constituents, by the steelworker in Buffalo, by the homeowner in Cheektowaga, by the family men and women who will have to pay more for gas to get to work each day, by the western New Yorkers who are already struggling with 18-percent inflation and 10.7-percent unemployment and heat their homes with oil.

And this new tax will squash the little oil producers, who make their living by finding new oil and then selling it. Today there are no price controls on new oil. But if we pass this tax, we will in effect be imposing permanent price controls on new oil. And when we increase the taxes on independents by $22.5 billion, more and more independents will be driven out of business and forced to sell out to big oil.

What justification is there for imposing a huge tax on the small businessmen who do 90 percent of the oil exploration in the United States and who reinvest 105 percent of their revenue into energy exploration and development, who produce more than 50 percent of all new oil?

I cosponsored the Hance-Loeffler bill, and I support the Archer amendment, because this country needs the independents to move out from under the shadow of OPEC. This exemption would remove the burden of the tax from almost 99 percent of our independent producers. It would allow our wildcatters to drill an estimated 14,500 additional wells, add productive capacity of almost 300,000 barrels per day, and save us almost $48 billion in import costs over the next 10 years.

Mr. Speaker, I only ask that we be honest about this windfall profit tax. It is not levied on profits, windfall or otherwise—it is simply a tax on the sale of American crude oil. And like all sales taxes, it will be paid in the end by the American people.

The American people and the independents, not the big oil companies, will pay when U.S. energy production drops further, our dependence on unstable oil sources climbs higher, and the oil tax revenues are cycled through the Government spending mill.

Mr. Speaker, let's be honest and admit that if it were not for crude oil price controls, we would not have this tax before us. The price of American oil has been controlled below the world price since 1971. And those price controls, combined with inflation, have drastically reduced the production of U.S. crude oil.

Remember that world oil prices are quoted in dollars. As long as the U.S. Government devalues the dollar, you can bet that world oil prices will rise. So holding down the price of U.S. crude while the world price shoots up has the same effect as taxing away the price difference between the two. Producers receive less in real terms as inflation erodes the price they receive, so they produce less. Oil production has dropped every year since controls were imposed. When production drops, consumers have to pay to import more foreign oil, and the world price of oil goes up again.

The administration finally began phasing oil price controls out in 1979. But by enacting the windfall profit tax, Congress will just be replacing controls with a new tax that has the same effect. The only difference is that the windfall that used to go to OPEC under price controls will now be shared with the U.S. Government under the oil excise tax.

The U.S. Government is, in fact, the biggest winner in this new tax game. Government revenues are expected to increase by $750 billion over the next 10 years with the decontrol/windfall profits package. Only $227.3 billion of that is to come from the windfall profit tax we have heard so much about. The rest is expected to flow in from already existing Federal, State, and local taxes on corporate oil income, royalties, and so forth, regardless of whether Congress passes a new tax.

This revenue windfall has to be added to the $1.5 trillion in tax increases already planned for the next 10 years (social security tax increases and personal income tax increases through inflation). So the Federal Government plans to grab more than $2 trillion more from our over-taxed economy in the next decade.

And yet, what will Americans gain from this massive increase in Federal spending power? Congressional big spenders have seized this opportunity to subsidize hundreds of dubious energy projects that could not pass the test of economic feasibility and receive capital funds from the private sector. These multibillion-dollar energy programs will create thousands of jobs for Government bureaucrats, but little new energy.

The oil tax conference dragged on and on because everyone was scrambling for a piece of the windfall profits pie. Despite an expected Federal windfall of $600 billion or more, the imagination of the congressional big-spenders is such that there will not be enough money around in fiscal year 1981 to balance the budget.

Even worse, Congress has geared up to spend a $600 billion tax windfall. What happens if this windfall does not materialize? Our revenue estimates are based on both oil production and oil prices. But as energy prices rise, demand falls, so the projected price increases may not hold up. And a huge tax increase on oil may cut production below even the projected levels.

But Congress already has this $600 billion spent, regardless of whether the revenue flows in. In reality, this tax will just be more fuel for the Federal spending machine, and will put congressional spending even further out of control.

The American people cannot afford much more of this congressional spending spree. Each dollar the Government spends is a claim on the Nation's real economic resources. And the money to pay for these expenditures has to come from individuals, either from their savings (Government borrowing) or from their income (taxes).

When the Government tries to cover its spending by borrowing, the Fed responds by printing money to keep interest rates from rising. The result—inflation. When the Government tries to cover its spending by raising taxes; savings, productivity, investment and entrepreneurship fall. The result—stagnation.

Clearly, the stagflation of the seventies will continue throughout the 1980's unless unnecessary Government spending and high tax rates are cut. Today we are being asked, instead, to vote for another decade of high taxes, high energy costs, and high Government spending.

This windfall profits bill means a tax increase for the American people, despite any tax breaks the conference report lays out. You just aren't cutting taxes when you refund some of the Government revenue gained by a tax increase. Even the tax-cut set-aside promise to tenuous—more likely, the money will disappear into general revenue.

The American people and the wildcatters are, in reality, the biggest losers in this windfall profit game. Individual Americans will be the ones who pay when this tax causes a substantial decline in U.S. oil production. Economists estimate that production will fall 1 million barrels a day from what it would have been without the new tax.

Domestic production will fall because of the huge new regulatory burden. Oil men will now have to figure out whether they owe 30, 50, 60, 70 percent, or no tax at all for each additional barrel of oil they produce. And these rates apply to a multiplicity of crude oil categories arbitrarily base-priced at three different levels, ranging between $12.89 and $16.55 a barrel. That will keep millions of lawyers, accountants, and bureaucrats busy.

But the small producer, unlike the large companies, cannot afford to hire such expensive help, and may have to throw in the towel.

Domestic production will fall again, as concentration in the U.S. energy industry increases, and revenues for energy production and exploration drop. This loss of revenue will hurt independents most. Independent "wildcatters" drill 90 percent of all exploratory wells in the United States, and with a windfall profit tax their tax burden is supposed to increase by $22.5 billion a year.

Domestic production will decline further when available oil is left in the ground rather than drilled. It should be obvious that wells which are now economically marginal will be closed when each barrel of oil produced faces a tax of 70 percent or more.

And the people will lose because each barrel lost is just another step into the arms of OPEC. Attempting to replace these 1 million barrels of lost production through imports will only drive the world price of oil up again. Suppose the price rises as little as $3 a barrel. From an initial world price of $30, the true replacement cost for each additional barrel imported turns out to be a frightening $57. That is because bidding up the world price of oil raises the cost of not only the 1 million additional barrels imported each day, but also the other 8 million barrels we import daily. In this admittedly optimistic case, the marginal cost of increasing our imports would be $10 billion a year.

And who but the American consumer will pay when America becomes even more dependent on OPEC, not only for crude oil but for gasoline and heating oil?

Mr. Speaker, Americans cannot afford any more unnecessary energy price hikes. Homeowners are paying 53 percent more for heating and cooling their homes today than two years ago; on the average, they will spend $1,225 per house this year.

Residents of my State of New York and the Northeast, who depend largely on high priced home heating oil, are hit even harder—their energy bills are expected to rise by 67 percent. The cost of fuel oil for heating a single family home in New York City is running 70 percent higher than a year ago. The cost of heating individual apartments has increased by an incredible 115 percent. And gasoline prices shot up by over 60 percent in 1979 and by more than 35 percent so far this year.

In reality, this is an incredibly dangerous tax. It will depress U.S. drilling and exploration, weaken the refining and marketing sectors of our energy industry, and increase our dependence on OPEC crude oil, gasoline, and heating oil.

It will further diminish the independent producers and insure higher and higher fuel prices for all Americans.

It will bring on a surge of Government spending, more inflation, an increasing tax burden, and an ever-expanding Government bureaucracy.

When you are asked who, in the end, will pay for the windfall profit tax, the only possible answer is the American consumer and taxpayer.

In good conscience I cannot and will not support this tax increase on our people.●

● Mr. WYATT. Mr. Speaker, I rise today in protest of the Domestic Oil Production Disincentive Act of 1980, falsely styled the windfall profit tax. This legislation is sheer folly beginning with its name. It is not a tax on profits—rather it is an excise tax on the price of oil produced domestically. It will act only to negate whatever positive impact decontrol is bringing, increase our reliance on overseas imports, hurt our balance of payments in the future, and increase energy costs to consumers.

Such legislation sets the worst type of precedent because, in effect, we are confiscating property of citizens who are already being taxed on their income. I speak of the royalty owners who do own their minerals as well as their land. This tax will unfairly cause oil—with the same value to energy consumers—to be taxed at alarmingly different rates. This takes a ridiculously unfair situation and magnifies the discrimination.

Texans have long suffered high utility rates which indirectly benefit the rest of the country; however, this legislation will not just hurt Texas—it will hurt the Nation as a whole.

True, there are some good provisions in H.R. 3919 that, if separated, I would support. Such things as energy tax credits and repeal of the carryover basis are beneficial. However, the idea of a tax on domestic oil production which so damages this country and so threatens our national security I find so repulsive that I cannot support the legislation.

Further, this legislation, which is deemed in many people's minds to be punitive in regard to perceived excess oil company profits, does not accomplish this purpose. It will most seriously affect royalty owners and independent oil producers who drill 83 percent of the exploratory wells in this Nation. Such new exploration is vitally needed if we are to discover more proven reserves in the future.

In addition, this legislation will cause wells which are currently producing marginal quantities of oil and utilizing expensive production techniques to be plugged since they will no longer be economic. You cannot expect someone to remove this oil from the ground when it is going to cost them more to bring it up than can be obtained for it. Bringing these wells back into production would entail much more than simply turning a valve and the price of oil would have to rise even higher before it would be economic to reopen them.

Although any decrease in this tax will result in additional production in the future, the exemption of the independent producers will result in additional production of at least 700,000 barrels per day in crude oil equivalent by 1990. Since these producers are the small businessmen of the oil industry, and competition will be reduced by such a tax, their exemption is certainly justified.

In summary, Mr. Speaker, let me again point out this legislation is unnecessary, ill-conceived, prejudicial and dangerous. I urge my fellow Members to join with me in voting to defeat the conference committee report on H.R. 3919.

Mr. Speaker, I rise today to inform my fellow Members that they have the ability to vote on the an issue which could potentially slash our oil imports to virtually nothing by the year 2000. This is on the motion to recommit H.R. 3919 to the conference committee with instructions to report it with an independent exemption. Such an exemption would not benefit the major integrated oil companies or for that matter, any integrated companies. It would apply only to producers who obtain their income at the wellhead and not in distributing or retailing. It would not establish a loophole through which the exemption could be transferred to larger firms. Such an exemption would save over almost $19.4 billion a year in oil import costs by the year 1990 if the price of imported oil rises to the expected price of $76 a barrel. It would also increase U.S. oil production by the equivalent of almost 700,000 barrels per day by 1990. It would cause an additional 14,500 wells to be drilled. It would allow independents, who reinvest anywhere from 95 to 128 percent of their revenues into additional exploration and production to drill more wells. It would remove the burden of regulation from roughly 99 percent of these domestic independent producers and foster competition in the oil industry by making drilling opportunities more attractive to these small businessmen.

Mr. Speaker, of the top 10 largest oilfields in this country, independent producers have discovered 7. They have discovered over one-half of the 239 giant oilfields in this Nation. They drill 83 percent of all oil wells and 90 percent of all wildcat wells. Further, they find 75 percent of the oil. Refusing to exempt these small businessmen of the oil industry from the burden of the so-called windfall profit tax, or the Domestic Oil Production Disincentive Act of 1980, can only hurt this country. Further, these independents will generally be taxed as individuals and will be paying up to a 70-percent tax on their increased income without the windfall profit tax.

Of all the potential sedimentary basins where hydrocarbons may be found, only 2 percent have been explored to date, and most of that only in shallow depths. There is property in this country begging to be explored and developed. We have yet to test 98 percent of the U.S. potential oil-producing areas, onshore and offshore. This means that we can be exploring 1,900 million acres, or 3 million square miles, of untested land with hydrocarbon potential. The only way this country can gain additional new oil reserves is by exploring these untested areas.

All of the easy oil has now been found. If we intend to increase our reserves we have to explore wells at greater depths than ever before. The cost of drilling deeper dramatically increases with these additional depths. For example, the cost of drilling doubles every 2,800 feet drilled.

Mr. Speaker, if U.S. drilling is increased at 20 percent per year, a growth rate that can be realistically maintained until it is approximately four times today's drilling, we can discover up to 210 billion barrels of oil equivalent by the year 2000. This would include oil, gas, and natural gas liquids. By comparison, today's reserves are approximately 50 billion barrels of crude oil equivalent. With this accelerated drilling program, U.S. oil imports can be reduced from 3.9 billions of barrels of oil equivalent today to 2.2 billion barrels of oil equivalent by 1990 and totally eliminated by the year 2000. The independents can play a major role in this increased domestic drilling activity, and will play a major role if they can be exempted from this outrageous tax.

Our Nation needs an active, vital energy program. This legislation is at cross purposes with such a need. We must stimulate domestic oil production. How can one question a proposal that will allow a group of explorers to continue searching for energy when this group has a history of expending more dollars annually in such exploration than they earn as income? History has shown us that any mineral will be successfully found and developed when a greatest number of people and capital are actively seeking it. The high risk, however, means that this oil will not be found cheaply. However, it can be found and produced much more cheaply and at much lesser cost than imported oil in the future.

The only asset an independent can claim is his reserves in the ground. The future cash values of these reserves determine what the borrowing power will be for these independents. This borrowing power is necessary for wildcat exploration and rapid development of discoveries. An independent does not have any piplelines. He does not have a refinery. He does not market refined products. As such, he cannot use these items as assets to be borrowed against.

If we are to truly attempt to tax major oil companies for their excess profits, such taxes should not be borne solely by the domestic producers of that oil. Major oil companies derive their profits in a large part from their foreign operations, which does include passing the cost of foreign oil production onto consumers in this country. Further, these companies receive the benefit of huge foreign tax credits which are not available to these domestic independent producers.

It has been said that a barrel of domestic oil is worth six times as much to the U.S. economy as a barrel of imported oil. Capital that is not spent on imports is capital retained to generate income many times over within the American system through wages, jobs, investments, taxes, and savings for Americans.

Mr. Speaker, we must unite as a nation to solve our energy problems. We cannot continue to use oil at the present consumption rate, but we must have time to make the needed changes. The incentive to increase our domestic reserves should be our highest priority along with development of other energy sources.

Further, this legislation does not clearly reveal how tax revenues will be used. But it is suggested that some money will go for various Federal energy programs. I can see no greater national interest than to use oil revenue to increase our energy resources by exempting independent producers.●

● Mr. DODD. Mr. Speaker, today the House has the opportunity to put some teeth into our Nation's effort to become energy self-sufficient. After months of debate, the windfall profit tax conference report, H.R. 3919, is ready for congressional consideration.

The final bill includes some important incentives for alternative energy development which I have supported as well as a $3 billion authorization for low-income energy assistance in fiscal year 1981. The tax level proposed in the conference report will yield $50 billion less in revenues than the House-passed bill, but the Government will still receive $227 billion or more from the tax to use for energy programs, energy assistance, and tax cuts.

Now that the House/Senate conference has decided how decontrolled oil will be taxed, the question of how the revenues received by the Government should be distributed is still a crucial question. The conference report proposes that 60 percent of the windfall receipts be used for tax cuts and budget balancing, 25 percent for low-income energy assistance, and only 15 percent for energy and transportation programs. I believe that those percentages are insupportable.

We are experiencing a 18-percent inflation rate, 4–6 percent of which is attributable to rising energy costs. Setting aside only 15 percent of the windfall profit tax funds for energy and transportation programs is not the way to help our inflation rate and ease our energy problems. Our highest priorities today should be the reduction of inflation and the encouragement of domestic energy production, but the distribution of windfall profit tax revenues as laid out in the conference report is both counterproductive and unreasonable.

Representative Fisher has offered a resolution which would set far more sensible spending levels. The resolution would allocate 25 percent of the windfall revenues for energy and transportation programs, 25 percent for low-income payments, and 15 percent for general tax purposes. Passage of the resolution would not change the conference report's distribution of funds, but it would put the House on record in favor of using a majority of the revenues for energy-related projects. Since the percentages in the final bill are not binding, the President could recommend a change in distribution as agreed upon by the full House.

When President Carter first proposed that a windfall profit tax be enacted, the tax was viewed as a viable means of recapturing some of the excess profits that would be realized by oil companies from decontrol. Consumers shouldering the burden of higher energy prices due to decontrol, would be assured that the Government was channeling the windfall revenues into efforts to produce more and alternative types of energy and conserve existing fuel supplies to offset our use of foreign oil.

We must not lose sight of the original concept of the windfall profits tax; to generate incentives to produce energy especially in those types of technologies that have traditionally been considered as too expensive or too risky for private sector investment.

We have all heard the arguments that commercialization of renewable energy technologies like solar, wind, biomass, and hydroelectric systems is still a distant hope. But the widespread use of these energy resources will continue to be a dim possibility unless we work today to encourage individuals as well as businesses to buy these kinds of energy-saving equipment.

I was disappointed to see the $14 billion reduction in residential and business energy credits from the Senate-passed tax incentives in the final report. The conferees rejected the Senate's tax credits for passive solar equipment, woodburning stoves, replacement boilers and furnaces, and heatpumps, among others. The increased credits for solar and small-scale hydro projects as well as the added aid for gasohol and synfuel development are all welcome, but we can do more to insure our nation of an increased supply of domestic energy.

We are going to be paying OPEC prices for oil, with or without a windfall profit tax. With the tax we have the opportunity to provide adequate funds to produce more energy in a far more efficient manner than ever before. With passage of the Fisher resolution, Congress can demonstrate its determination to solve our energy problems, and not persist in putting them off for yet another year.●

● Mr. RATCHFORD. Mr. Speaker, I would like to offer my strongest support for the conference report on H.R. 3919, the windfall profit tax legislation.

In considering a final version of this landmark legislation, the House has reached a major milestone in the development of a comprehensive national energy program. The windfall profit tax bill before us today has the potential for not only alleviating some of the greatest injustices of the policy of domestic oil decontrol, but also for providing our Nation with the resources for meeting its future energy needs.

As drafted by the House and Senate conferees, the windfall profit tax will generate approximately $227 billion in tax revenues over the next decade. While providing meaningful incentives for further exploration and production of our domestic oil supplies, the windfall profit tax also gives us the opportunity to address our critical energy problem during a time of general fiscal restraint. In this context, the windfall profit tax bill must be viewed as a cornerstone of our overall national energy policy.

Let me stress that the compromise agreement reached by the House and Senate conferees is not ideal—during House consideration of the windfall profit tax bill, I supported a much stronger version of the tax which would have recovered a greater portion of the windfall profit accruing to oil companies under decontrol. While the provisions of the House legislation have been somewhat weakened in the conference report, the compromise agreement remains a reasonable approach to the problem of decontrol and windfall profit. Most importantly, if we fail to approve the windfall profit tax as embodied in the conference report, we will have lost the opportunity to marshal our resources in securing the Nation's energy future.

The windfall profit tax offers a firm foundation for our national energy program. With the revenues generated through this legislation, we can begin to offer American homeowners and businessmen the kind of incentives which can stimulate progress in energy conservation and alternative energy development. The windfall profit tax revenues will also give the Congress the ability to lift the burden of higher energy costs from the most needy families and low-income households through emergency fuel assistance. Finally, the tax revenue will expand a base of Federal support for mass transit in America which is so vital to a more efficient use of our scarce energy supplies.

Mr. Speaker, I know that the windfall profit tax legislation has raised some divisive regional concerns, but we must not allow the special interests of the oil industry to override the need for a meaningful and effective national energy policy. We cannot afford to rely on the production and conservation incentives of decontrol alone, for virtually all projections of the impact of decontrol suggest that the increased production and conservation of our scarce fossil fuels will fall far short of our goal of energy independence. We will be free of our heavy reliance on foreign oil only through aggressive Federal efforts in the development of alternative energy sources, and through meaningful incentives for the use of energy conservation techniques and alternative energy sources already available to American consumers.

The windfall profit tax is a beginning, an important beginning for the Nation as it struggles to meet its future energy needs. The conference report before us includes major incentives for solar and other alternative energy sources, and for energy conservation in homes and businesses. We cannot afford to neglect this opportunity, this responsibility, to reduce our dependence on imported oil. The challenge is clear, and I strongly urge my colleagues to support passage of this historic measure.

There remains one disturbing aspect of the windfall profit tax legislation. Without the benefit of careful examination and open debate on its individual merits, a measure to repeal the carryover provisions of the 1976 Tax Reform Act has been attached to the conference report on H.R. 3919 by the House and Senate conferees. This step has unacceptable implications for the equity of the Federal structure, benefiting almost exclusively individuals at the highest income levels and reopening one of the greatest tax loopholes for wealthy Americans. It is with regret that I must support legislation which includes these provisions, for the repeal of the 1976 statute will place an even greater tax burden on low- and middle-income Americans in the years ahead. Yet the windfall profit tax is of such compelling importance to our Nation's energy future that I must endorse the conference report on H.R. 3919, with the hope that the 96th Congress will return to the broad issue of tax reform and tax equity for a more open and straightforward examination of our current Federal tax structure.●

● Mr. GRASSLEY. Mr. Speaker, I would like to take this opportunity to commend the conferees for their work on a specific part of the windfall profit tax bill—incentives to encourage the use of alcohol as a fuel.

I will begin my remarks by giving you an idea of the energy situation in my own region, mid-America. I do this for two reasons. First, mid-America is the area with which I am most familiar. Second, I believe that there is still a certain amount of doubt as to whether alcohol really represents a legitimate alternative.

Mid-America is a net consumer of energy. This is true for a combination of reasons. For one thing, the region is predominantly agricultural, producing over half of the Nation's food supply. But agriculture is a very energy-intensive industry. It also results in a low-population density, making transportation more expensive and mass transit impractical for the most part. The region is subject to seasonal extremes in temperature. It is not at all unusual for the same area to experience low temperatures in the dead of winter of minus 20 degrees Fahrenheit and high temperatures in the summer in excess of 100 degrees Fahrenheit. Finally, the region produces almost no energy itself. Perhaps it is not so surprising to learn, then, that mid-America imported more energy than the United States as a whole.

Because we are all aware of the facts I stated above, my colleagues from mid-America and I are naturally very interested in developing all alternative sources which can be produced in mid-America. Alcohol is one alternative we find particularly hopeful. Liquid fuel accounts for by far the majority of fuel use in mid-America and alcohol is itself a liquid. As such, it can directly replace a part of our energy consumption. In addition, alcohol is suitable for production on a small scale, making it possible for farmers to produce and use fuel from products grown on their own land.

It is estimated that by the year 2000 the United States will have the potential to produce approximately the equivalent of 2 million barrels of petroleum per day in ethanol produced from biomass. Fully 41 percent of this potential will be found in mid-America. Used wisely, I firmly believe alcohol can contribute significantly to filling our energy needs.

This bill takes a number of steps in the right direction. It lessens regulations regarding distilled spirits plants. It gives the Secretary of the Treasury the right to waive or reduce existing regulatory requirements. It institutes a simplified permit procedure and lifts the bond requirement for small producers. All of these steps remove significant regulatory obstacles to production of alcohol fuels, especially for the small producer, thus encouraging increased on-farm manufacture and use.

Extending the exemption from the Federal excise tax on gasoline used in the production of gasohol and integrating it with the credit for certain alcohol fuels will have the desired effect of encouraging gasohol mixtures of more than 10 percent alcohol. In addition, this bill corrects an oversight in present law by allowing persons who paid taxes on gasoline used to make tax-exempt gasohol to recoup their tax loss by claiming a credit in the amount of the tax paid on such gasoline.

Again, I congratulate the conferees on their consideration of this important energy source.●

● Mr. HAGEDORN. Mr. Speaker, I rise in support of the conference report on the Crude Oil Windfall Profit Tax Act of 1980. The windfall profit tax is the first part of the President's energy program to proceed this far in the legislative process. Although I am not in total agreement with the course of action pursued by the President to address our energy problem, I believe this conference report, while not perfect, warrants our support.

When the President announced his decision to decontrol oil prices, he also proposed this tax to capture what he called the multibillion dollar "windfall" that the oil industry would receive. I want to point out that the term "windfall profit tax" is a misnomer. This tax is really an excise tax on the revenues taken at the well-head as a percentage of the difference between a base price and the selling price of oil. It is not a tax on windfall profit.

Despite this semantical difference on the tax, I agreed with the President's decision to decontrol oil prices. Decontrol is a necessary foundation of our energy policy. It will provide incentives to conserve, to convert to alternative energy resources, and, we hope, to stifle the growth of U.S. crude oil imports. It was my belief last April when the President's energy program was announced, and it continues to be my belief, that the additional revenue realized by the oil companies as a result of decontrol ought to be plowed back into research, exploration, production and development of new energy sources. Only those revenues not so utilized should be subject to a tax. Unfortunately, these views, shared by many in Congress, did not prevail. Rather, the President and a majority of the House and Senate chose to implement a windfall profit tax.

In a nutshell, this legislation will raise $227.7 billion from oil producers over the next 11 years. Without getting specific, the conference report calls for 15 percent of that amount to be spent on energy development and transportation, 25 percent on energy aid to the poor, and 60 percent on income tax reduction. The bill also provides for a repeal of the misguided carryover basis, which was extremely complex and administratively unworkable. But the real value of this repeal lies in the fact that a decedent's rural property will now be more easily retained in the family.

In my view, the revenues from this tax should be applied to four primary areas. The first is energy. If Americans are going to be required to pay more for their energy, and they are as a result of decontrol, then they should get more energy for what they pay. Unfortunately, although we will be paying more, there is little in the windfall profit tax which assures more energy for the American people.

The second area where these revenues should be spent is low-income assistance. I think it is proper for the Government to assist the poor in coping with rising energy costs which have resulted from the Government's decontrol of oil prices. And I agree with the conference report which calls for 25 percent, or $56.8 billion over 11 years, of the revenues to be earmarked for low-income households.

Third, a greater percentage of the revenues than is called for by the conference report should be spent on our Nation's transportation and energy conservation. I think a larger percentage should be allocated to meet our crucial transportation needs over the next 20 years.

The Surface Transportation Subcommittee on which I serve held hearings last summer on a bill which called for the establishment of a public transportation trust fund. This concept received the overwhelming endorsement of witnesses from all sectors of the transportation community, and frankly, its an idea whose time has come. More efficient public transportation is critical to reducing energy consumption, and an assured, long-term funding source is critical to an efficient public transportation system.

Moreover, there was overwhelming support for targeting a portion of the windfall profit tax receipts for the public transportation trust fund, which I enthusiastically endorse.

Additionally, there are other transportation needs which must be addressed. Our bridges are in desperate need of repair, our highways are wearing out 50 percent faster than they are being replaced, and our critical safety programs need to be financed. In light of the recent problems encountered by the highway trust fund, I think revenues from the windfall profit tax are a good source to help meet our transportation needs and make our system more energy efficient.

Fourth, windfall profit tax revenues should be utilized in the area of conservation. I am pleased to note that the conference report calls for $9.2 billion in conservation tax credits—$600 million for homeowners and $8.6 billion for businesses. If carried out properly, our conservation efforts, particularly in the business community, can contribute greatly to reducing our dependence on foreign oil.

As I have indicated, this bill is less than perfect and I intend to support a motion to recommit it to the conference with instructions to make it better.

I think the bill can be improved. But in the event that a motion to recommit fails, I am ready to support the conference report. I wish that the money would be spent differently than the conferees have suggested but, on balance, the tax is a first and necessary step toward implementing an energy policy and solving this very difficult problem.●

● Mr. SYNAR. Mr. Speaker, this body today passed legislation, the windfall profit tax bill, which I consider seriously deficient in many respects. I voted against the conference report on the bill.

In 1979, President Carter announced his intention to gradually decontrol domestic oil prices. The purpose behind his action was twofold. First, Americans have been accustomed to cheap energy prices, and have become wasteful and short-sighted in their use of it. By allowing the price of domestic oil to gradually rise to world prices, it was hoped that we would begin to conserve this precious resource. Second, it is essential that we stimulate domestic production in our effort to reduce our dependence on foreign oil. By decontroling domestic prices, we provide an economic incentive for American companies to explore for additional petroleum resources. This economic incentive is important to the entire country, if we ever hope to achieve our goal of energy independence.

When the President announced phased-in decontrol, he requested enactment of a "windfall profit tax" on the oil companies to recover some of the profits earned as a direct result of decontrol. At the time, the President proposed placing the revenues from this tax into an "energy security fund" which would finance synthetic fuels production, enhance other alternative energy programs, improve mass transportation systems, provide low-income energy assistance payments and support other energy-related programs.

In June of 1979, the House had before it a choice between two differing windfall tax bills: The proposal offered by the Ways and Means Committee and the Jones-Moore substitute bill. I supported the Jones-Moore substitute because I believed it to be the better proposal of the two for our long term energy situation, by leaving available greater revenues to increase domestic exploration and production.

Like every American, I realize the importance of reducing our reliance on OPEC. Were the revenues from a windfall profit tax to be spent on long term programs to dramatically increase our domestic energy supplies, then the windfall tax bill would perhaps be a more justified proposal.

But what we considered here today was a far cry from the original proposal to finance an energy security fund, and I believe that if the Congress goes on to enact this legislation in its present form, the consequences for all Americans will be severe and long lasting.

This country faces a dangerous energy shortage in both the near and long term future. It seems only reasonable to me that we should right now be doing everything in our power to stimulate domestic oil production, and to accelerate development and use of a wide range of alternative energy sources. Instead, we have robbed the American people of a significant amount of potential new production, by taxing away much of the benefits of decontrol. The $227 billion which will end up in the Federal coffers as a result of this bill, is $227 billion that will never be devoted to finding and producing more domestic oil. The consolation should have been that the revenues taken away from domestic oil production would be devoted to developing and producing alternative energy supplies to help us meet our future needs.

But this particular bill offers the American people all the pitfalls of increased taxation on energy producers, with none of the benefits originally proposed. The bill does absolutely nothing to reduce our dependence on foreign oil. In fact, it may have just the opposite effect. Some say that, barring imposition of import quotas, consumers will be protected—that the tax will not be directly passed on to the consumer. The claim is that the oil companies will only be allowed to charge the world price for oil, and this will effectively prohibit a direct passthrough of the tax to the consumer. It seems to me that the American consumer will pay the price in a more indirect—but just as costly—way.

Our current level of domestic oil production is about 8.5 million barrels per day. The Congressional Budget Office estimates that because of declining reserves, domestic production by 1990 will fall to 7.9 million barrels per day without the windfall profit tax. CBO also estimates that if this windfall tax is imposed, domestic production will be further reduced to 7.4 million barrels per day.

This will all take place at the very time we should be stimulating domestic oil exploration and production. Even assuming a constant rate of consumption—although it is more likely to rise—by reducing our domestic production even more than it would normally fall because of declining reserves, and without significant incentives to produce and use alternative sources, we will be forced to turn even more heavily to OPEC. The dollars sent out of the United States to purchase these additional 500.000 barrels a day of foreign oil will fall right into the hands of OPEC—the very problem we are trying desperately to combat. And the purchase of those 500,000 barrels of oil a day will become more costly to the American consumer year after year. In addition, a direct consequence of increasing world oil prices is that domestic oil prices will rise in turn. These side-by-side increases in foreign and domestic oil prices will begin a rising spiral of energy costs—the likes of which we have not yet seen—and which will ultimately be borne by the American consumer. The inflationary impact of constantly-rising energy prices is already extraordinary, but with this bill, that pressure is sure to mount, and will most affect those in our society who can least afford it.

Despite this, the Congress seems intent upon enacting a windfall profit tax. Mr. Speaker, I submit that if there must be a windfall profit tax on American energy companies, then the revenues taken away from domestic oil production should be used to finance substantial alternative energy programs, to compensate for that loss. The bill the House today considered provided almost no funds for that purpose. Instead, a significant portion of the total revenues would be set aside to provide a general tax cut at some time in the future. I might support targeted tax cuts in the future, but the purpose of this particular bill was to improve our domestic energy situation. But it does nothing to stabilize energy supplies or prices, and it does almost nothing to further our very critical goal of energy independence. The American taxpayer is sure to enjoy only temporary benefits of an income tax reduction. And you may be sure that the benefits will be just that—temporary. What will be permanent is our unaltered dependence on high-priced foreign oil, the continued negative impact on our balance of payments, and our continued subjection to the whims of OPEC.

I strongly believe that any revenues from this tax should be applied to energy-related programs, and I supported the Fisher-Gephardt resolution considered by the House yesterday. The resolution expressed the sense of the House that, regardless of the advisory language of the conference report on H.R. 3919, 50 percent of the revenues from the tax be made available for energy research, development, production and conservation, and for mass transportation programs.

It also advised that 25 percent of the revenues be used for low-income energy assistance payments, and 25 percent for general purposes. The resolution was strictly advisory in nature. It was unfortunate that the resolution was rejected, because the conference committee agreement which ultimately passed the House has sent a clear signal to the American people that we are not serious about improving our energy situation. I believe that the public deserves to know that if we take billions upon billions of dollars away from potential new oil production, those dollars will be devoted to developing other sources of energy which we can use to break the stranglehold of OPEC.

I have other serious concerns over this legislation. I am concerned over the adverse impact this conference agreement will have on independent oil producers. The Senate exempted independent producers from the tax on the first thousand barrels per day of production. The conference agreement imposes a heavy tax burden on the independents. It is a reduced tax rate, but even so it will significantly stifle future exploration of domestic oil. Independent producers drill about 80 percent of the exploratory wells drilled in the United States. It takes an enormous amount of venture capital to finance these projects. The risks involved in these ventures are great, and independent producers should be given every incentive possible to increase their exploration and production. By imposing this tax on the independent producer, we will in effect insure that many marginal wells will never be drilled.

Further, the conference agreement imposes a 70 percent tax rate on royalty owners. Royalty is not income, but is the price paid to the owner for the reduction in the value of his property caused by removal of the minerals. The vast majority of royalty owners are ranchers, farmers, and people like you and me. By heavily taxing these royalty owners, there will be reduced additional incentive in the future to lease lands for exploration and production. The consumer will pay the price for the loss of this potential production.

Mr. Speaker, there may be some who assume that I make these remarks as a Congressman from an oil-producing State—as a spokesman for the industry. This is not the case. I speak today as one who has a deep concern over the future economic well-being of every region of this Nation, and as one who has a particular concern for the consumers in this country who will bear the burden of our actions.

In the haste of the Congress to punish the big oil companies, we are in fact punishing our own constituents—the very people we are trying to protect. We are particularly punishing those who can least afford the impact of this legislation—the poor, the elderly on fixed incomes, and the ordinary working men and women in our country.

The windfall profit tax bill is said to be the largest, single revenue-gathering measure ever considered by the House and Senate. It only follows, then, that the benefits from these revenues to the American people—whether direct or indirect—should be greater than those ever provided before. Sadly, this is not the case. In fact, for all those billions, the benefits to our constituents may be almost negligible. The public was led to believe that the revenues from this tax would provide them with a more stable and promising energy future. In my opinion, Mr. Speaker, the American people have been led astray.●

● Mr. ANNUNZIO. Mr. Speaker, I am extremely pleased that after many years of trial, we have finally managed to get an income tax exclusion for interest paid on savings accounts to the floor of the House. The provision to which I refer is part of the windfall profit tax conference report. Not only does this conference agreement raise the current tax exclusion allowed on corporate dividends to $200 for a single return and $400 for a joint return, but it also provides the same tax exclusion for interest accrued on savings accounts. Could it be that this time we will finally get this tax break passed?

Small savers have been increasingly penalized in recent years and the result can be seen in dwindling bank reserves. No one has an incentive to save anymore. First, the interest a small saver receives does not approach the current inflation rate. Second, banks are imposing service charges on small savings accounts at an alarming rate, often resulting in the depositor having less money to take out of an account than was put in. And third, what interest a small saver manages to accrue is taxed. Clearly, these are not incentives to save. But by exempting the first $200 to $400 of savings account interest from taxation, I predict that we will see savings accounts grow again. People will have an incentive to keep money in the bank. This will provide more funds for a virtually crippled housing market, and may somewhat ease an extremely tense situation.

There are of course concerns that this measure will cost the U.S. Treasury $4.3 billion in uncollected tax revenue. I firmly believe, however, that the $200 to $400 saved from taxation will be put back into the economy either through the purchase of goods and services or the clearing of old debts. I am convinced, as I have been for years, that this type of tax break is beneficial to the consumer and the country. It does not create another bureaucracy, and it does not require inspectors, regulations, or forms (above what we already have, courtesy of the IRS). It is a clean and simple way to give the consumer a break, while putting cash into our economy.

It is long overdue and I know what I am talking about. I have been waiting for this to pass for 16 years.●

● Mr. ROSTENKOWSKI. Mr. Speaker, I rise in support of the conference bill H.R. 3919, "The Crude Oil Windfall Profit Tax Act of 1980," and want to take this moment to salute my fellow conferees for their diligence, persistence, and dedication in arriving at this historic legislation.

H.R. 3919 is a legislative milestone for this country. It marks the moment when this Nation took its first positive steps to deal with a crisis which strikes at the heart of our way of life and our standard of living. It will recapture for the consuming public over $227 billion of future oil price increases, increases made possible by the existence of the OPEC cartel and by decontrol of oil prices. It insures that true "windfall" profit—profit which bears no relation to the economic effort invested—is recouped for purposes described in the legislation.

The bill provides set-asides of enormous amounts of revenue for income tax reductions, assistance for the poor in meeting their energy needs, and for the development of alternative energy sources and fuel-saving transportation programs. It also provides incentives for energy conservation.

Nearly a year in the making, the legislative product we pass on today also marks a monumental undertaking in that it demonstrates the resolve of the American people to forthrightly deal with the serious dependency on imported oil which plagues us. The future is not made any easier by passage of this legislation. If anything, the immediate future promises increasing hardship for all of us as we adjust to an era of short supply and transition to alternative fuels. But what this bill does is to make our future possible in terms of energy independence. That is no small accomplishment, and it is for this that the Crude Oil Windfall Profit Tax Act of 1980 will be remembered in the years to come.

Mr. Speaker, for these reasons I urge my colleagues to support the bill.●

● Ms. HOLTZMAN. Mr. Speaker, I support this conference report with great reluctance. I believe that domestic oil should never have been decontrolled, but since that is an accomplished fact, I support the imposition of a tax to recapture part of the enormous profits which oil companies will reap. My reluctant support stems primarily from the fact that this bill will recapture only $227 billion over the next 10 years, a mere 23 percent of the expected profits of $1 trillion in additional profits which oil companies will receive.

On June 1, 1979, using the authority granted under the Energy Policy and Conservation Act of 1975, President Carter announced that he would order the gradual removal of all price controls on domestic oil. The President then proposed a windfall profit tax designed to recoup a portion of the additional income decontrol would bring to the oil companies. The administration's windfall profit tax would have recovered $295.9 billion by 1990 or 30 percent of the additional revenues oil companies were destined to receive.

The conference report adopted a tax expected to raise $227 billion by 1990 or 23 percent of the increase in oil company revenues due to decontrol. The bill does not actually tax the additional profits that the decontrol of domestic oil prices will produce, but instead imposes an excise tax on various categories of domestic oil production. The bill places a lower tax on newly discovered oil and oil produced from wells requiring expensive recovery technology. It places a higher tax on old oil which is already in production.

The windfall profit tax certainly should have been at a higher level than that approved by the conference.

Another disturbing provision of the windfall profit tax conference report involves an exemption from the tax for oil produced from lands owned by State and local governments. This provision effectively gives a special exemption to the four States that produce oil for their use from their land, Louisiana, Texas, Alaska, and California. I oppose this $4 billion a year subsidy by the rest of the country, including New Yorkers, for these States.

I am also troubled about the way in which the process of the windfall profits tax are to be used by the Government. The bill suggests that 60 percent of the funds collected should be spent for tax reductions, 25 percent for low-income assistance and 15 percent for energy programs.

This proposed division of funds provides far too little for energy conservation and mass transit programs. The bill provides $8.3 billion for a wide range of worthwhile business energy tax credits and $8.7 billion for residential energy tax credits. Business tax credits are provided for solar and wind energy, alternative fuel production, small scale hydroelectric facilities and for cogeneration. The bill expands the current tax credit for solar, wind, and geothermal equipment to 40 percent of the first $10,000 of expenditures, up to a maximum tax credit of $4,000. While these are worthwhile expenditures which will help business and homeowners offset the high cost of energy, they are far too little. I supported an amendment which would have provided that 50 percent or about $113 billion of the tax proceeds be devoted to energy conservation, mass transit and alternate energy production. Only this kind of commitment will result in an appreciable decrease in our dependence on foreign oil.

There is, however, one part of this bill which I support and that is the interest deduction for savings. The bill provides a $200 deduction for individuals and $400 for couples. We need to encourage savings and the American people certainly deserve the tax relief. I am pleased that the bill will provide this much needed incentive.●

GENERAL LEAVE

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. ULLMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, let us keep in mind what we have before us. This is a well-worked-out, equitable bill. It treats the independents with great generosity. This is the vehicle that is going to allow us to go down the road toward energy self-sufficiency.

This is a bill that we can be proud of. With this bill, we can go home and say that we have struck a blow for moving down the road that we have to take in order to achieve self-sufficiency in energy for this Nation. This is a bill that we can all support.

Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

MOTION TO RECOMMIT OFFERED BY MR. ARCHER

Mr. ARCHER. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the conference report?

Mr. ARCHER. I am, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. Archer moves to recommit the Conference Report on the bill (H.R. 3919) to the conference on the disagreeing vote of the two Houses with instructions to the Managers on the part of the House to:

(1) agree to the Senate amendment which would provide an exemption from the windfall profit tax for the first 1,000 barrels of oil produced a day by an independent producer, with a definition of independent producer as defined in the Senate amendment but not to include any royalty owners, and

(2) adjust all revenue targets downward to reflect alterations made in the conference report intended to carry out these instructions.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. ARCHER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent members.

The vote was taken by electronic device, and there were—yeas 185, nays 227, answered "present" 1, not voting 19, as follows:

[Roll No. 142]

YEAS—185

Abdnor
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N. Dak.
Anthony
Archer
Ashbrook
Atkinson
AuCoin
Badham
Bafalis
Barnard
Bauman
Beard, Tenn.
Bereuter
Bethune
Boggs
Bouquard
Bowen
Breaux
Brinkley
Brooks
Broomfield
Broyhill
Buchanan
Burgener
Butler
Campbell
Carney
Carr
Carter
Chappell
Cheney
Clausen
Cleveland
Clinger
Coleman
Collins, Tex.
Conable
Corooran
Coughlin
Courter
Crane, Daniel
Daniel, Dan
Daniel, R. W.
Dannemeyer
de la Garza
Deckard
Derwinski
Devine
Dickinson
Dornan
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
English
Erdahl
Erlenborn
Findley
Fish
Forsythe
Frenzel
Frost
Gingrich
Glickman
Goldwater
Goodling
Gradison
Gramm
Grassley
Grisham
Guyer
Hagedorn
Hall, Tex.
Hammerschmidt
Hance
Hansen
Hightower
Hinson
Holt
Hopkins
Horton
Hubbard
Huckaby
Ichord
Ireland
Jeffries
Jones, Okla.
Kazen
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, La.
Leath, Tex.
Lee
Lent
Lewis
Livingston
Loeffler
Long, La.
Lott
Lujan
Lundine
Lungren
McClory
McCloskey
McDonald
McEwen
McKay
Madigan
Marks
Marlenee
Marriott
Martin
Mattox
Michel
Miller, Ohio
Mollohan
Montgomery
Moore
Moorhead, Calif.
Myers, Ind.
Natcher
Pashayan
Patterson
Paul
Perkins
Pickle
Pursell
Quayle
Quillen
Railsback
Roberts
Robinson
Rousselot
Royer
Rudd
Santini
Satterfield
Sawyer
Schulze
Sebelius
Sensenbrenner
Shumway
Shuster
Simon
Slack
Smith, Nebr.
Snyder
Spence
Stangeland
Stanton
Steed
Stenholm
Stockman
Stump
Symms
Synar
Tauke
Taylor
Thomas
Trible
Vander Jagt
Wampler
Watkins
White
Whitehurst
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, Tex.
Winn
Wirth
Wright
Wyatt
Wydler
Young, Alaska
Young, Fla.

NAYS—227

Addabbo
Akaka
Andrews, N.C.
Annunzio
Applegate
Ashley
Aspin
Bailey
Baldus
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bennett
Bevill
Biaggi
Bingham
Blanchard
Boland
Bolling
Boner
Bonior
Bonker
Brademas
Brodhead
Brown, Calif.
Brown, Ohio
Burlison
Burton, John
Burton, Phillip
Byron
Cavanaugh
Chisholm
Clay
Coelho
Conte
Conyers
Corman
Cotter
D'Amours
Danielson
Daschle
Davis, Mich.
Dellums
Derrick
Dicks
Diggs
Dingell
Dixon
Dodd
Donnelly
Dougherty
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
Emery
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Fuqua
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Ginn
Gonzalez
Gore
Gray
Green
Guarini
Gudger
Hall, Ohio
Hamilton
Hanley
Harkin
Harris
Hawkins
Heckler
Hefner
Heftel
Hillis
Holland
Hollenbeck
Holtzman
Howard
Hughes
Hutto
Hyde
Jacobs
Jeffords
Jenkins
Johnson, Calif.
Kastenmeier
Kildee
Kogovsek
Kostmayer
LaFalce
Leach, Iowa
Lederer
Lehman
Leland
Levitas
Lloyd
Long, Md.
Lowry
Luken
McCormack
McDade
McHugh
McKinney
Maguire
Markey
Matsui
Mavroules
Mazzoli
Mica
Mikulski
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Moorhead, Pa.
Mottl
Murphy, N.Y.
Murphy, Pa.
Murtha
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Pease
Pepper
Petri
Peyser
Porter
Preyer
Price
Pritchard
Rahall
Rangel
Regula
Reuss
Richmond
Rinaldo
Ritter
Rodino
Roe
Rose
Rostenkowski
Roth
Roybal
Russo
Sabo
Scheuer
Schroeder
Seiberling
Shannon
Sharp
Shelby
Skelton
Smith, Iowa
Snowe
Solarz
Solomon
Spellman
St Germain
Stack
Staggers
Stark
Stokes
Stratton
Studds
Swift
Thompson
Traxler
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Walker
Weaver
Weiss
Whitley
Wilson, C. H.
Wolff
Wolpe
Wylie
Yates
Yatron
Young, Mo.
Zablocki
Zeferetti

ANSWERED "PRESENT"—1

Runnels

NOT VOTING—19

Anderson, Ill.
Collins, Ill.
Crane, Philip
Davis, S.C.
Garcia
Harsha
Jenrette
Johnson, Colo.
Jones, N.C.
Jones, Tenn.
Mathis
Murphy, Ill.
Myers, Pa.
O'Brien
Ratchford
Rhodes
Rosenthal
Stewart
Waxman

☐ 1210

The Clerk announced the following pairs:

On this vote:

Mr. Philip M. Crane for, with Mr. Jones of Tennessee against.

Mr. Rhodes for, with Mr. Jones of North Carolina against.

Until further notice:

Mr. Garcia with Mr. Anderson of Illinois.

Mr. Myers of Pennsylvania with Mr. Mathis.

Mr. Rosenthal with Mr. O'Brien.

Mr. Jenrette with Mr. Harsha.

Mrs. Collins of Illinois with Mr. Stewart.

Mr. Waxman with Mr. Murphy of Illinois.

Mr. Ratchford with Mr. Davis of South Carolina.

Mr. MICA, Mr. GILMAN, and Ms. MIKULSKI changed their votes from "yea" to "nay."

Mr. MOLLOHAN and Mr. WYATT changed their votes from "nay" to "yea."

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. CONABLE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 302, nays 107, answered "present" 4, not voting 19, as follows:

[Roll No. 143]

YEAS—302

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Ashley
Aspin
Atkinson
AuCoin
Bafalis
Bailey
Baldus
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Brinkley
Brodhead
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burlison
Burton, Phillip
Byron
Carney
Carr
Carter
Cavanaugh
Chisholm
Clay
Clinger
Coelho
Conable
Conte
Conyers
Corman
Cotter
Coughlin
Courter
D'Amours
Danielson
Daschle
Davis, Mich.
Dellums
Derrick
Derwinski
Dicks
Diggs
Dingell
Dixon
Donnelly
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Calif.
Emery
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frenzel
Frost
Fuqua
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Ginn
Glickman
Goodling
Gore
Grassley
Gray
Green
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hamilton
Hammerschmidt
Hanley
Harkin
Harris
Hawkins
Heckler
Hefner
Heftel
Hillis
Holland
Hollenbeck
Holt
Holtzman
Hopkins
Howard
Hughes
Hutto
Hyde
Ireland
Jenkins
Johnson, Calif.
Jones, Tenn.
Kastenmeier
Kildee
Kogovsek
Kostmayer
LaFalce
Latta
Leach, Iowa
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lloyd
Long, Md.
Lowry
Luken
Lundine
McClory
McCloskey
McCormack
McDade
McHugh
McKinney
Madigan
Maguire
Marks
Marlenee
Martin
Matsui
Mavroules
Mazzoli
Mica
Michel
Mikulski
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moorhead, Pa.
Mottl
Murphy, N.Y.
Murphy, Pa.
Murtha
Natcher
Neal
Nedzi
Nelson
Nichols
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Pease
Pepper
Perkins
Petri
Peyser
Porter
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Rangel
Regula
Richmond
Rinaldo
Ritter
Rodino
Roe
Rose
Rostenkowski
Roth
Roybal
Royer
Russo
Sabo
Santini
Sawyer
Scheuer
Schroeder
Seiberling
Shannon
Sharp
Shelby
Simon
Skelton
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Stokes
Stratton
Studds
Swift
Tauke
Thompson
Traxler
Trible
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Weaver
Weiss
Whitehurst
Whitley
Whitten
Williams, Mont.
Williams, Ohio
Wilson, C. H.
Wirth
Wolff
Wolpe
Wright
Wylie
Yates
Yatron
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—107

Archer
Ashbrook
Badham
Barnard
Bereuter
Boggs
Breaux
Brooks
Burgener
Butler
Campbell
Chappell
Cheney
Clausen
Cleveland
Coleman
Collins, Tex.
Corcoran
Crane, Daniel
Daniel, Dan
Daniel, R. W.
Dannemeyer
de la Garza
Deckard
Devine
Dickinson
Dornan
Edwards, Ala.
Edwards, Okla.
English
Forsythe
Gingrich
Goldwater
Gonzalez
Gradison
Gramm
Grisham
Hall, Tex.
Hance
Hansen
Hightower
Hinson
Horton
Hubbard
Huckaby
Ichord
Jacobs
Jeffords
Jeffries
Jones, Okla.
Kazen
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Leach, La.
Leath, Tex.
Lewis
Livingston
Loeffler
Long, La.
Lott
Lujan
Lungren
McDonald
McEwen
McKay
Marriott
Mattox
Miller, Ohio
Moore
Moorhead, Calif.
Myers, Ind.
Paul
Pickle
Reuss
Roberts
Robinson
Rousselot
Rudd
Runnels
Satterfield
Schulze
Sebelius
Sensenbrenner
Shumway
Shuster
Slack
Steed
Stenholm
Stockman
Stump
Symms
Synar
Taylor
Thomas
Vander Jagt
Watkins
White
Whittaker
Wilson, Bob
Wilson, Tex.
Winn
Wyatt
Wydler
Young, Alaska

ANSWERED "PRESENT"—4

Burton, John
Markey
Moffett
Nolan

NOT VOTING—19

Anderson, Ill.
Collins, Ill.
Crane, Philip
Davis, S.C.
Dodd
Garcia
Harsha
Jenrette
Johnson, Colo.
Jones, N.C.
Mathis
Murphy, Ill.
Myers, Pa.
O'Brien
Ratchford
Rhodes
Rosenthal
Stewart
Waxman

☐ 1220

The Clerk announced the following pairs:

On this vote:

Mr. Johnson of Colorado for, with Mr. Philip M. Crane against.

Mr. O'Brien for, with Mr. Rhodes against.

Until further notice:

Mr. Jones of North Carolina with Mr. Anderson of Illinois.

Mr. Rosenthal with Mr. Jenrette.

Mr. Waxman with Mr. Davis of South Carolina.

Mr. Dodd with Mr. Mathis.

Mr. Garcia with Mr. Murphy of Illinois.

Mrs. Collins of Illinois with Mr. Ratchford.

Mr. Myers of Pennsylvania with Mr. Stewart.

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. DODD. Mr. Speaker, having voted against the motion to recommit H.R. 3919, the windfall profit tax bill, I inadvertently missed the vote for final passage. Although I was seated on the floor of the House at the time of the final vote, I misread the electronic recording device. I thought that I was registered in favor of the bill, but in reality I had not voted. If I had voted, I would have strongly supported passage of the windfall profit tax bill.

☐ 1230

PERMISSION FOR COMMITTEE ON INTERIOR AND INSULAR AFFAIRS TO HAVE UNTIL 5 P.M. FRIDAY, MARCH 14, TO FILE REPORTS ON H.R. 5751, PROTECTION OF ARCHEOLOGICAL RESOURCES IN SOUTHWESTERN COLORADO, AND H.R. 6631, SETTLEMENT OF LAND CLAIMS OF CAYUGA INDIAN NATION IN STATE OF NEW YORK

Mr. UDALL. Mr. Speaker, I ask unanimous consent that the Committee on Interior and Insular Affairs may have until 5 p.m. on Friday, March 14, 1980, to file reports on two bills: H.R. 5751, relating to the protection of archeological resources in southwestern Colorado, and H.R. 6631, relating to the settlement of land claims of the Cayuga Indian Nation in the State of New York.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, could the gentleman explain what he is up to?

Mr. UDALL. Will the gentleman yield?

Mr. ROUSSELOT. I am happy to yield.

Mr. UDALL. I am up to a simple request to file two reports tomorrow that ordinarily would go in next week. We are trying to move them. I have cleared them with the minority in both cases.

Mr. ROUSSELOT. And the minority has said that this is all acceptable?

Mr. UDALL. Yes. It is simply permission to file by tomorrow night.

Mr. ROUSSELOT. I understand otherwise you have to file next week; is that correct?

Mr. UDALL. That is correct.

Mr. ROUSSELOT. And we really have to hurry up because there is a great demand and the public is demanding this legislation?

Mr. UDALL. In the Indian legislation, which the gentleman from New York (Mr. LEE) is familiar with, and is in his district, there is a time problem about April 1 when certain rights of the Indian tribes may expire, and we are trying to expedite that piece of legislation.

Mr. ROUSSELOT. Further reserving the right to object, I would yield to my colleague from New York.

Mr. LEE. I thank my colleague for yielding. My understanding is that this is OK as long as the commitment that the gentleman from Arizona (Mr. UDALL) made yesterday in the Interior and Insular Affairs Committee that there would be a cap amendment offered to the bill when it is brought to the floor is met.

Mr. UDALL. Will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman.

Mr. UDALL. That commitment stands and we will try to work out an acceptable cap with the gentleman.

Mr. LEE. With that understanding, Mr. Speaker, we have no objections.

Mr. ROUSSELOT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

LEGISLATIVE PROGRAM

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. MICHEL. Mr. Speaker, I rise for the purpose of inquiring of the acting majority leader the program for next week.

Mr. ROSTENKOWSKI. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman.

Mr. ROSTENKOWSKI. Mr. Speaker, this concludes the business for this week. When the gentleman concludes, he is going to ask unanimous consent that we go over until Monday.

The schedule for next week, Monday, March 17, the House will meet at noon. We will have the Consent Calendar and three bills under suspension, and if there are to be recorded votes, however, on the suspension bills, they will be postponed until Tuesday, March 18.

There are three suspensions. First is S. 1515 to authorize the striking of Bicentennial medals; H.R. 5625, a gold medal for A. Philip Randolph; and H.R. 6631, the Indian land claims.

On Tuesday, March 18, the House will meet at noon and recorded votes on the suspensions debated Monday will be taken. There is one suspension on Tuesday.

H.R. 5751, protection of archeological resources in southwestern Colorado.

Then we will consider S. 2222, extending the time for Indian claims, open rule, 1 hour, and that will conclude the business on Tuesday.

On Wednesday and the balance of the week the House will meet at 3 p.m. on Wednesday and at 11 a.m. on Thursday and Friday. The bills under consideration on Wednesday, Thursday, and the balance of the week, will be H.J. Res. 510, the emergency funding for the FTC, subject to a rule being granted and H.R. 5741, Mortgage Subsidy Bond Tax Act of 1979 with a modified rule and 2 hours of debate. Next is H.R. 5563, permit use of Spanish language in Federal courts in Puerto Rico, subject to a rule being granted.

House Resolution 549, Standing Committee on Energy, modified rule, 1 hour of debate.

The House will adjourn by 3 p.m. on Friday and by 5:30 on all other days except Wednesday. Conference reports may be brought up at any time. Any further program will be announced later.

Mr. MICHEL. I would assume that putting off of those votes on Monday is out of respect for St. Patrick. Will the gentleman agree?

Mr. ROSTENKOWSKI. The gentleman's assumption is absolutely correct.

Mr. MICHEL. And what will the gentleman have to say about the prospects of a Friday session? It does not appear to be much more of a program than what we had this week.

Mr. ROSTENKOWSKI. Based on the schedule as announced, there is a good possibility of not having a Friday session, but the leadership would like to keep that variable, principally because we do not know whether or not we can get through this legislation. If we do, however, I am sure that will be no Friday session.

Mr. MICHEL. As the gentleman knows, there are a number of rumors floating around, of course, that the President will address a joint session of Congress on whatever he has in mind with respect to the economy. Is there any new intelligence on that?

Mr. ROSTENKOWSKI. As far as the leadership knows, there has been no request by the White House for any such speech.

Mr. DERWINSKI. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman.

Mr. DERWINSKI. Would the acting minority leader remind the acting majority leader that Tuesday is Illinois' primary and most of the Members of the delegation on both sides are heavily engaged in legitimate political activity. A light schedule Tuesday would be welcomed.

Mr. MICHEL. Well, the gentleman makes a very good point. Although mention has been made of deferring votes on suspensions on Monday to Tuesday, it does not necessarily mean that there would be rollcall votes demanded on those suspensions. The gentleman might want to do a little missionary work with those who would be involved.

Mr. DERWINSKI. If the gentleman would also yield for one other observation, the rumor about the President addressing us obviously would not be a problem Monday or Tuesday, since if he prepares his speech he would have to wait 48 hours to see if it fit instructions.

Mr. MICHEL. Well, that was the gentleman's observation and I thank the gentleman.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. ROSTENKOWSKI. Mr. Speaker, I ask unanimous consent that the business on order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

ADJOURNMENT TO MONDAY, MARCH 17, 1980

Mr. ROSTENKOWSKI. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 12 noon on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

COLLAPSE OF THE CARTER POLICY

(Mr. DEVINE asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter).

Mr. DEVINE. Mr. Speaker, there is an interesting article in today's Wall Street Journal. Historian Arthur M. Schlesinger, a close associate of the late President John F. Kennedy, says several interesting things about President Carter's foreign policy:

> Present Carter disclaims responsibility—and learns nothing. Each year his blunders grow worse.

Mr. Schlesinger asks whether America can "afford 4 more years of vacillation, emotionalism and incompetence in the conduct of foreign affairs."

It is a good question. And it is encouraging to see that both Democrats and Republicans are increasingly conscious of the current foreign policy failures.

I urge my colleagues to read the article and ponder the implications.

COLLAPSE OF THE CARTER POLICY

(By Arthur Schlesinger, Jr.)

A twenty-day trip around the world yields impressions rather than conclusions. But I return with one impression so strong as almost to rate as a conclusion—that is, as one travels from place to place, one encounters a consistent, deep, dispiriting and almost unqualified lack of belief in American foreign policy. Coming back now to God's country, one finds the flip side of this situation—that is, righteous local complaint about the inexplicable refusal of our allies to follow our lead. Whatever the merits of our disagreement with the rest of the friendly world, no one can doubt that the declarations of the Carter administration over the last 10 weeks have crystallized an ominous gap within the community of free nations.

Let us recapitulate. At the end of December, the Red Army invaded Afghanistan. The American President, overcome with astonishment, said that this action forced him to change "drastically" his ideas about Russian intentions. In a speech on January 4 he called the Russian occupation of Afghanistan "a stepping stone to their possible control over much of the world's oil supplies" and the gravest threat to world peace since 1945. In his State of the Union speech on January 23, he laid down the Carter Doctrine for the Persian Gulf, defining this region as part of the American zone of vital interest and declaring that the United States would repel an assault on the area "by any means necessary—including military force."

TWO DEFINITE IMPLICATIONS

Mr. Carter's statements contained two definite implications: that the Soviet invasion of Afghanistan was the first step in the unfolding of a Kremlin master plan aimed at taking over the Middle East; and that the United States had the capability to foil this plan by military means short of nuclear war.

Any six-year-old child with a toy globe knew that this second implication at least was cockeyed. To suggest that the United States, using lines of reinforcement and resupply stretching 7,000 miles around the world, could possibly match Soviet conventional strength across Iran's northern frontier was hardly an act of responsible leadership.

On January 29, Mr. Carter himself had to concede, "I don't think it would be accurate for me to claim that at this time or in the future we expect to have enough military strength and enough military presence there to defend the region unilaterally."

The President thus admitted that his Carter Doctrine was enforcible only in collaboration with American allies and friends. This being the case, a competent administration would have preceded that announcement of the doctrine by careful and systematic consultation with other nations. It soon developed that, incredibly enough, no such consultation had taken place. And it further developed that none of the putative beneficiaries of the Carter Doctrine has much intention of endorsing it.

These putative beneficiaries fall into two groups: Middle Eastern countries that, in case of Soviet assault, would lose their independence; and American allies in other parts of the world that, in such a case, would lose their oil. The first group has made it evident that the last thing they want in present circumstances is an American expeditionary force in their countries. Thus King Hussein of Jordan: "We oppose the deployment of any foreign troops in our area . . . Jordan would not allow its territory to be used by any foreign power in any context."

Crown Prince Fahd of Saudi Arabia: "We will never permit the creation of foreign bases on our territory because we do not want to enmesh our country in the intricacies of big-power conflicts." The Minister of State for Foreign Affairs of Kuwait: "The people of this region are perfectly capable of preserving their own security." The Foreign Minister of Iraq: "The best thing that America can possibly do right now is to stop interfering in the affairs of this area."

Last week Pakistan administered the coup-de-grace to the Carter Doctrine by brusquely rejecting Mr. Carter's offer of $400 million in American aid. This surely will go down as one of the more ignominious incidents in the history of American diplomacy. Mr. Carter had sent his Special Assistant for National Security to plead for the privilege of helping Pakistan.

At best, aid to Pakistan, given the unpopularity of General Zia, the instability of his regime and the possibility that any arms given him might be used at some future point against India (or even America), was a dubious idea. Moreover the American Embassy in Islamabad warned that Pakistan would exact a high price for American protection. Nonetheless Dr. Brzezinski threw himself wholeheartedly into his mission, flourishing a machine gun in the direction of Afghanistan, assuring Afghan refugees that God was on their side and gaily entitling the scene "three weeks before the march on Kabul." Despite Mr. Carter's pleading and Brzezinski's posturings, Pakistan has now decided, in the words of its Foreign Minister, that "acceptance of the U.S. offer, unless substantially modified, would detract from rather than enhance our security."

In short, Mr. Carter, in his panic reaction to the Soviet invasion of Afghanistan, neglected to consult the countries most immediately threatened and hopelessly miscalculated their reactions. The Persian Gulf states simply have no confidence in the reliability of American policy and, rather than join the American camp and go out on a limb for Jimmy Carter, see more hope in consolidating their relations with the groupings of Islamic and nonaligned nations.

Mr. Carter miscalculated almost as badly with the allies dependent on Middle Eastern oil. In part perhaps the European reaction is simple orneriness. Our friends abroad tend to complain when there is no American leadership—and to complain even more when there is. In this case, however, the European dissent derives primarily from disagreement with Mr. Carter's assessment of the situation.

German and French leaders regard his characterization of the invasion of Afghanistan as the greatest threat to world peace since 1945 as fatuous. After all, the Russians took over Afghanistan in April 1978, not in December 1979, and the world stayed on its axis. They reject Mr. Carter's theory of an unfolding Soviet master plan in the Middle East. "The Kabul coup." Raymond Aron, whom no one can accuse of being a softie, wrote in a recent L'Express, "does not augur a generalized military offensive by the Soviet Union any more than the Prague coup [of 1948] augured the invasion of Western Europe by the tanks of the Red Army."

They resent Mr. Carter's charging ahead without discussing common interests with them, and they do not trust a leadership that swings wildly from credibility to hysteria. "What we need today," Helmut Schmidt said significantly after meeting with Mr. Carter last week in Washington, ". . . is a concept for a coherent sustainable Western policy. . . . Consistency is a key element if you are seeking to stabilize the world."

European leaders regard American policy under Mr. Carter as abysmally inconstant—partly because they see him as a man devoid of a world view and subject to emotional gusts of irritation and vainglory, and partly because they suspect him of exaggerating and exploiting international crisis for domestic political benefit. They have no illusions about the Soviet Union, but they have no faith in Mr. Carter's steadfastness or purpose. Most fundamental of all, perhaps they question his simple competence.

BLUNDERS GROW WORSE

Now no leader of any state is infallible. I was part of an administration that began ingloriously with the Bay of Pigs. But President Kennedy accepted responsibility for error—and learned from it. President Carter disclaims responsibility—and learns nothing. Each year his blunders grow worse. The mess over the vote of the UN resolution deploring Israel's settlement policy is only the most recent proof. This came about, the White House tells us, because of a failure in communication. The President, lacking the grace to take the blame himself, has made dear old Cyrus Vance the fall guy. Failure in communication is an addiction in this administration. In his last press conference, discussing the complications of American relations with France, Mr. Carter said, "We did not communicate adequately." He never does.

Can America afford four more years of vacillation, emotionalism and incompetence in the conduct of our foreign affairs? Can the world? For a time Mr. Carter, given the admirable but dopey American instinct to rally around Presidents right or wrong, has actually prospered through error. But one senses that his foreign policy immunity is at last beginning to wear off. And the President would be well advised to drop his self-serving contention that people who dare disagree with him are damaging the country.

The last thing the country needs is a revival of the doctrine of presidential infallibility. Let us revive rather the tradition of democratic debate. Within less than two months the Carter Doctrine is a shambles. The threat of ever-increasing Soviet military power remains. Meeting that threat calls, not for panic-mongering by a rattled American President, but for a common Western effort based on realistic analysis and joint action. It is time now, as Helmut Schmidt has well said, for a policy of carefully considered reason."

PHASED NUCLEAR DISARMAMENT

(Mr. FISH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FISH. Mr. Speaker, imagine that we are sitting in this hallowed Chamber debating vital questions of the day. Suddenly, the civil defense alarm sounds its emergency call, which is 12 bells on the House clocks. The Speaker announces that we are under nuclear attack. The source is irrelevant.

Our much-vaunted, yet-untested, nuclear defenses fight off multiple- and single-warhead missiles in great quantity. However, one large 20-megaton bomb manages to escape our counterattack and explodes on a prime target, the White House.

Everyone in this room would be instantly killed by a huge, silent heat flash traveling at the speed of light and all of Capitol Hill would collapse under a supersonic shock wave and winds of 300 miles per hour. A similar fate would befall all living things around the perimeter of the Beltway. At the center of downtown Washington, everything would be vaporized, leaving a crater several hundred feet deep. A fireball 1½ miles in diameter would be created and would incinerate, at a temperature of 20,000,000° F., anything that escaped the flash of heat.

Within a 20-mile radius, which contains the vast majority of the metropolitan area's population, over half of the people would be killed by the blast wave, 180-mile-per-hour winds, and fires; 40 percent would be injured, and any survivors would have no medical care, food, or water and would die a painful and lingering death, as the fire would feed on itself and might turn into a 1,200-square-mile firestorm, cooking and asphixiating even those in shelters. Survivors of the shelters would be exposed to fallout and most would die within 2 weeks.

Some may think that many people survived Hiroshima, and that many would survive a modern attack. The single bomb dropped on Hiroshima had an explosive force of 15,000 tons of TNT. The largest nuclear bomb today has the force of 20,000,000 tons of TNT. There would be no healthy survivors of any future nuclear war.

In an all-out nuclear attack, all major population centers would be hit, both here and in the Soviet Union. Such an exchange would be completed in 60 minutes and would change the entire atmosphere and all life as we know it on the Earth. With the potential destruction of the ozone layer, it would be a far different world, colder, contaminated by radiation, and unlivable for thousands of years.

I bring this to the attention of my colleagues to starkly remind them of what utterly viscious, ravaging, decimating annihilation the world would experience if a nuclear war ever occurred. It is literally beyond the comprehension of many people as to what pernicious potential we have created with the advent and continuing refinement of nuclear weapons.

In a call for a saner, safer world, I am introducing a concurrent resolution calling for the phased mutual disarmament of all nuclear arsenals in all countries under strict supervision. The President should first propose to the Soviet Union a mutual reduction of a specified percentage in all categories of nuclear weapons. The Soviet Union has reiterated its willingness to reduce nuclear arms, and this would be a test of its commitment to that goal. Following such a mutual reduction, the President should call a conference of all existing nuclear nations, under the auspices of the United States, Great Britain, France, China and the Soviet Union, whose purpose would be to hammer out a program of percentage annual reductions, until all nuclear arms are eliminated from the Earth.

I do not raise this issue to usurp the current SALT treaties; rather, I wish my colleagues to think long and hard about the realities of a nuclear holocaust. It is something we try not to contemplate and tend to shrug off as an event that could never happen. But recognizing the dreadful realities, let us work to make certain that such a horrible, tragic war could not be possible by calling for total nuclear disarmament.

CONGRESS SHOULD ELIMINATE COSTLY DUPLICATION IN THE FOOD STAMP PROGRAM

(Mr. RUDD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RUDD. Mr. Speaker, I am pleased to join with my distinguished colleague from Missouri (Mr. COLEMAN) in introducing legislation which would eliminate unnecessary and costly duplication between the food stamp and school lunch programs.

Under the current food stamp program, households are provided with an allotment of food stamps to pay for three meals per day at minimal costs, providing a nutritionally adequate diet. However, the Congressional Budget Office estimates that approximately 6.8 million children whose families already receive food stamp allotments on their behalf are participating in the free or reduced-price school lunch program as well.

The net effect of this overlap is that families with children who receive federally financed free or reduced-price school lunches are subsidized for four rather than three meals per day, with resulting increased costs to our taxpayers.

The bill which we are introducing has been sponsored in the Senate by the distinguished gentleman from North Carolina (Mr. HELMS), who serves as the ranking minority member of the Senate Committee on Agriculture, Forestry and Nutrition, and other members of the Senate Agriculture, Budget, and Appropriations Committees.

Let me note that the estimated value of a school lunch is $1.21 while the estimated value of the food stamps per person per meal is approximately 54 cents, based on the thrifty food plan which assumes a large household size of eight members and more thrifty at-home meal costs. Per-meal allotments would be slightly higher for smaller families, yet their reduction would be based on a family of eight.

The reduction in food stamp allotments would be approximately 54 cents multiplied by the average school attendance, number of schooldays in the month, and the number of family members participating in the school lunch program.

This concept has received a receptive response by those concerned about the escalating cost of the food stamp program nationally. The Congressional Budget Office has also noted this duplication and verified the significant savings which would result by tightening the program. CBO estimates that this one change would save $630 million annually.

The overall cost of the food stamp program has skyrocketed—from $36 million in fiscal year 1965 with 442,359 recipients to a program in which Congress is asked to authorize almost $10 billion in fiscal year 1981. Food stamp rolls have swelled from 15.3 million people in October 1978, to 20.2 million at the end of 1979. CBO estimates that the number of recipients will continue to increase unless other needed reforms are made.

Clearly, such reforms are desperately needed. This proposal does not "gut" the food stamp program. It merely eliminates an obvious duplication which is costing taxpayers over half a billion dollars a year. Needy children will still receive their school lunches. Their parents will continue to receive food stamps. This bill would make a modest reduction to eliminate the dual compensation existing under the present conditions.

Mr. Speaker, this is only one of several to use our taxpayers' dollars more wisely. The rapid growth of the food stamp program during the past 15 years makes it imperative that Congress scrutinize this program for effective means of improving the program and reducing the dramatically increased costs. Failure to act responsibly will inevitably result in ever expanding food stamp rolls and costs in the 1980's.

As a member of the Budget and Appropriations Committee, I feel that this is one important area of the President's proposed budget where significant savings can be achieved without reducing the value of the program to the truly needy of our Nation. I will be working closely with my colleagues in both the House and Senate to address these issues in the weeks and months ahead, and I urge my colleagues' thoughtful consideration of this responsible reform proposal.

MANY OF THE BUDGET CUTS BEING PROPOSED ARE LIKE CUTTING OFF OUR NOSE TO SPITE OUR FACE

(Mr. OTTINGER asked and was given permission to address the House for 1 minute.)

Mr. OTTINGER. Mr. Speaker, I take the floor this morning to express my severe concern about the budget cuts that are being considered at the present time by the administration and by various Members of Congress. While I think inflation is our No. 1 problem in the country and it must and can be addressed effectively, we have got to remember that the prime purpose of this institution is not to balance the budget but to meet the needs of the country.

Many of the cuts that are being proposed are like cutting off our nose to spite our face. Cutting, for example, a billion dollars from the energy budget and a billion dollars from mass transit as reported in the New York Times today is going to be counterproductive in the very near term. One has to consider that we are spending $100 billion today for imports of oil. To have the country not address our energy problems under the guise of trying to balance the budget I think is nonsensical.

Cuts also are being proposed from assistance to our cities which are fast deteriorating, from our job programs and out of job training programs. This will result in more people on welfare and more crime and drug problems that will require greater and highly unproductive expenditures. It just makes no sense, economically or socially, to throw more people onto welfare and other social programs or to throw more cities into bankruptcy in the name of budget balancing, when, in fact, such cuts will further imbalance the budget and create chaos in the country.

In order to balance the budget and make the huge investments that are required to attack inflation effectively by becoming energy independent and increasing our industrial efficiency and productivity, we should be thinking in terms of raising adequate revenues to do the job rather than cutting programs essential to our future.

The most logical place to begin is with the huge windfall profits that the oil industry will reap as a result of decontrol. We will today pass a conference report that reaches only $227 billion of the trillion dollars in unearned profits the oil companies are estimated to accrue over the next ten years as a result of decontrol. Instead of taking less than one quarter of this windfall for America, we should take at least three quarters. This would still leave the oil industry with some $250 billion in unearned profits, more than adequate to cover their exploration requirements, especially considering they are using all the drilling equipment available in the country at the present time without producing any additional oil. Indeed, I know of no non-oil industry experts who believe that there are substantial additional amounts of oil to be found domestically at any price.

To combat inflation effectively, we are going to have to make tremendous investments in improved industrial productivity and energy efficiency, either by way of grants or tax incentives. We are going to have to make our entire automobile fleet more efficient, insulate our houses, commercial buildings and factories, and make use of solar energy and other renewables. Instead of cutting a billion dollars from our energy budget, it seems clear that great additional efforts are going to be required on both the conservation and production fronts.

To be effective in fighting inflation, we should also take bold new steps to increase competition in the marketplace. Instead of gutting the FTC, we should be providing more stringent antitrust laws and much more effective enforcement.

Most importantly, though, we must not destroy this great country and its economic vitality in a single-minded effort to make budget cuts. To be sure, we have great waste in our Government. I have been in the forefront of voting against appropriations that I thought represented wasteful excess and was rated higher, in voting against expenditure programs than the average of Republican Members in the most recent ratings of the National Taxpayer's Union. The problem has always been in getting agreement on which programs are wasteful and which essential.

While we continue in our efforts to cut fat from the budget let us not cut the heart out of it simply for the sake of achieving balance. We can balance the budget as effectively by taking an additional bite out of oil industry windfall profits and making the investments that are vital for our future.

□ 1240

ANATOLY SHCHARANSKY: A SOVIET NEMESIS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. GILMAN) is recognized for 60 minutes.

GENERAL LEAVE

Mr. GILMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and include therein extraneous matter on the subject of my special order today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. GILMAN. Mr. Speaker, I welcome this opportunity to draw to the attention of my colleagues as well as the American public, the continuing plight of Anatoly Shcharansky, the famous human rights activist still languishing in the brutally cold and notoriously cruel Soviet gulag and I thank the gentleman from Massachusetts (Mr. DRINAN) for joining me arranging for this special order.

During the past decade human rights has attained a leading role in our Nation's foreign policy. The incarceration of Anatoly Shcharansky is indicative of the low esteem with which human rights is held in the Soviet Union.

In the aftermath of the highly publicized kangaroo trial of Shcharansky in July 1978, there has been a lull in the coverage of this government-sanctioned anti-Semitism in the Soviet Union by the world press. With the ongoing SALT II debate and the recent Soviet invasion of Afghanistan, there is again a tendency to overlook the Soviet Government's continuous and systematic oppression of its dissidents. This lack of attention is supportive of the Soviet strategy of letting time and a deaf ear serve their ultimate purposes. Indeed, the Soviets have approached the Afghanistan issue in the same manner as they handled the trial of Shcharansky and the exiling of Sakharov; by maintaining a relatively low profile and by simply stonewalling the initial blast of criticism from the West.

Some knowledgeable critics of the Soviet Union even contend that this is an established "modus operandi" to Russianize individuals and nations alike, and that they have not strayed from this doctrine since founding the Soviet state in 1917. We identify with Anatoly Shcharansky today for more than one reason. March 15 marks the third anniversary of his arrest. In the 1975 Helsinki accords the Soviet Union pledged, along with 34 other signatory states, to "respect the freedom of the individual to profess and practice religion in accordance with the dictates of his own conscience." However, there is ample evidence that the Soviet authorities are not adhering to their commitment.

In brief, Anatoly Shcharansky, a 31-year-old computer engineer, was projected into his present dilemma after being accused of being an agent for the CIA. Actually, all that Shcharansky sought to do was to attempt to monitor the Soviets compliance with the Helsinki accords and that the human rights of all people, be they of any race, creed, or color, were being duly protected.

The trumped up charges of high treason against Shcharanksy resulted in a severe 13-year sentence at hard labor for Anatoly. The trial was conducted in an arbitrary manner, despite worldwide protests and outrage. In an attempt to assist in the process of making the plight of his case known to the world at large, every possible channel is being explored by his wife Avital, by Members of Congress, and by the initiative of thousands of concerned citizens, as well as the American intellectual community, which in an unprecedented manner rose on his behalf: 72 deans of American law schools and over 100 professors have sent letters as well as resolutions to the Soviet officials on the importance of having Shcharanksy released. Many industrial and scientific organizations have done the same.

Over the past few years I have met repeatedly with many organizations throughout the United States to discuss not only the incarceration of Anatoly Shcharansky but the problems of other human rights transgressions in the Soviet Union and elsewhere. Anatoly's dedicated wife, Avital, has shown nothing but courage and persistence in her vigil for his release. She recently toured the United States appealing to the American public further setting forth her petition for justice in her recent book entitled "Next Year in Jerusalem."

Recently, while in the Soviet Union along with my colleagues on the House Foreign Affairs Committee, I had the opportunity to meet with leading Soviet officials. When raising the issue of human rights, I was told, by no one less than the Soviet's Supreme Chief Justice, Judge Smirnov, that there are no violations of human rights in the Soviet Union and that human rights were essentially nothing more than "a propaganda vehicle of the West." Such an attitude is appalling. It is particularly appalling because Anatoly, like so many others, is still languishing behind bars and his health is deteriorating rapidly.

I recently received a letter from Ida Milgrom, Anatoly's mother, who tells me that he does not receive his mail, that he is denied visitations, and has not even been allowed medical treatment for his severe health problems, which include almost a complete loss of vision and persistent severe headaches. I request that the complete text of Mrs. Milgrom's letter be annexed to my remarks.

Shcharansky's case represents everything that is wrong with the Soviet Union's record in human rights and in complying with the Helsinki accords. It is the responsibility of the United States and the rest of the world to see to it, through every possible means, that this injustice is brought to the forefront and not be terminated until such time as Anatoly is released and reunited with his family and until other violations of human rights are given equal and due attention.

Mr. Speaker, when one puts all these events into proper perspective, it is obvious that the Soviets have incorporated all of the cruelties of their suppressive political machine in their treatment and abuse of their own citizens. That Anatoly Shcharansky is a victim of this machine is an understatement. His present situation, on the third anniversary of his arrest, clearly exemplify the new wave of transgressions the Soviets have imposed upon their citizenry apparently due to their belief that they have become such a superpower that they need not respond to anyone or any nation on any topic. As long as this authoritarian attitude persists, we can only hope and pray that we in the West have the courage and discipline to fully disclose all the facts as they present themselves, and that we not hesitate to show the resolve and active pursuit of a counterbalance to this threat, for our own national interests and for the freedom of all the Anatoly Shcharanskys now imprisoned.

I urge my colleagues to take heed to this new wave of Soviet oppression and to renew their commitment to the struggle of human rights and to one of its courageous leaders; Anatoly Shcharansky.

OCTOBER 1979.

Hon. BENJAMIN A. GILMAN,
House of Representatives,
Washington, D.C.:

I was fortunate to make your acquaintance and to learn about the work which the Congress and you personally are doing in defense of my son, Anatoly Shcharansky. Once again I wish to express to you and the members of the Congress my heartfelt gratitude for your active participation in the struggle for the liberation of my innocent son.

I would like to remind you that your delegation was informed by the officials in Moscow that Anatoly Shcharansky was in good health at a time when he was actually already very ill. Anatoly is still ill, his illness has not been diagnosed, he is not receiving treatment, and all my appeals to have him examined at a clinic have been ignored. I am writing to you about this so as to once again draw your attention to the deceitful statements of the authorities.

I appeal to you, dear friend Mr. Gilman, not to relax but to intensify the struggle for Anatoly's release. I remember your promises which probably will be carried out. But my statement now that the conditions of his imprisonment aggravate his illness, do not allow me to forget for one moment that his life is being terribly threatened.

I beg you, save Anatoly's life!

With hope, gratefully,

IDA MILGROM.

Mr. KEMP. Mr. Speaker will the gentleman yield?

Mr. GILMAN. I yield to the gentleman from New York.

Mr. KEMP. I appreciate the gentleman's yielding. I want to congratulate him for focusing attention on the plight not only of Anatoly Shcharansky but of all those men and women who are part of that Gulag Archipelago on whose behalf the gentleman speaks so eloquently.

When Mr. Solzhenitsyn spoke at Harvard a few years ago, he said that the West had been struck by a spirit of appeasement. He talked and alluded to the fact that the West was in a position today not too unlike where it was in the 1930's at Munich. He was suggesting that there was a parallel, that history is repeating itself.

The gentleman from New York is bringing to the attention of this body and the American people that there are some Members of Congress who understand the lesson of history. The German philosopher Hegel said "we learn from history that men never learn anything from history." But the gentleman in the well has consistently stood on the floor of this body and spoken out on behalf of those men and women, Jew and Christian alike, behind the Iron Curtain who have been persecuted for no other reason than their belief in the Bible, their belief in God, their belief in their homeland, and a desire to return to that homeland and that they be given a chance to practice the type of social and political and religious freedoms that the gentleman has had such a key role in helping to promote.

I am proud and privileged to stand here today and join my comrade in arms in this battle, the gentleman from New York (Mr. GILMAN), in saying to our colleagues and to their constituents, "Never again."

It is particularly appropriate and certainly discouraging to note that in recent months Soviet Jewish emigration has been decreasing. Fewer exist visas are being issued to Jews, denoting a new wave of repression and anti-Semitism, exacerbating tensions between the East and West, even as this policy might be considered a result of those tensions. It is painfully obvious that the Soviets are retaliating against the strong and united opposition with which the world community has responded to their invasion of Afghanistan with a force which they did not anticipate. The exile of Andrei Sakharov and other acts of repression of dissidents serve to paint a picture of a deeply troubled government, mired in Middle East rebellion, struggling to quiet increasing criticism on the home front. The Soviets are deluding themselves, however, if they think increased repression and human rights abuse will strengthen their position. Rather these repugnant and unjustifiable acts of retaliation only underscore a losing battle and serve to strengthen the position of freedom-loving nations.

Anatoly Shcharansky's imprisonment and Andrei Sakharov's exile and all of the other acts of repression Soviet citizens have had to endure, have not stifled the voice of human rights within the Soviet Union. Their message comes across loud and clear, and in our attentiveness to that voice lies its strength. We must continue to monitor and react to these repressions, using whatever tools are available to us to fight the abuses perpetrated by the Soviet Government on people both within its borders and without. World opinion can force the Soviets to mitigate their repressive policies, whether by an Olympic boycott, a moratorium on scientific and cultural exchanges, and by other economic and defense spending measures. A united front with which to confront and challenge the Soviets is a powerful tool, one which we need to nurture in our foreign policy.

In Chistopol Prison Camp operated by the KGB not far from Moscow, Anatoly Shcharansky is being held by Soviet authorities. As the gentleman mentioned, Sakharov has been exiled to Gorki. But there are thousands of Jews and Christians alike who are being denied their basic human rights by a nation that has not only, as the gentleman has pointed out, violated the rights of the Afghan citizens, but also Ukrainians, Georgians, Latvians, Lithuanians, Romanians, Bulgarians, Hungarians, Poles, Czechs, and East Germans. The same desire for freedom and independence exists in those parts of the world as exist in this country. It ill behooves this Congress and it ill behooves this country to forget that Shcharansky is a symbol of that desire of men and women everywhere to understand the basic ingredient of the American ideal laid down by Thomas Jefferson 200 years ago when he said that the God who gives life gives freedom. I believe that the God who gives life gives freedom and, indeed, I say that the God who gives freedom also gives life. Both are precious; both are gifts of God; both belong to people around the world, and there have to be men and women speak out on their behalf.

The gentleman from New York (Mr. GILMAN) has made an eloquent statement on behalf of one, but he indeed is a symbol for all, and I am proud of my friend, the gentleman from New York and glad to be a participant in this special order.

I thank the gentleman again for yielding.

Mr. GILMAN. I thank the gentleman from New York (Mr. KEMP) for his contribution and for his kind words, a man who has stood with us shoulder to shoulder in the battle for human rights throughout the world.

Mr. LAGOMARSINO. Mr. Speaker, will the gentleman yield?

Mr. GILMAN. I yield to the gentleman from California.

Mr. LAGOMARSINO. I thank the gentleman for yielding. I want to commend the gentleman in the well for taking this special order and for continuing to remind us about the human tragedy that is going on in the Soviet Union. In a sense to be the conscience of this world, to be a reminder to Congress, and hopefully, be a reminder to the administration that what the Soviets are doing in Afghanistan is not the only thing wrong with the Soviet Union at this point.

I attended a hearing, as the gentleman did about a week ago where we were talking about the Helsinki basket of agreements. A State Department representative made several references that bothered me a great deal. They were along the line that when the Russians pull their troops out of Afghanistan, things will return to normal; we will go back to the situation we had before. One of the quotes—and I can cite this one directly—was that:

> The sanctions will remain in effect until, and only until, the Soviets remove their troops from Afghanistan.

I think the gentleman from New York (Mr. GILMAN) does a real service, as I say, in reminding this Congress and, hopefully, the administration, if they pay attention to what we say here on this floor, that these things have been going on and probably will continue to go on. Certainly they will go on unless we continue to take strong action and to express our very strong concern about this.

Again I want to commend the gentleman and associate myself with his remarks.

Mr. GILMAN. I thank my colleague who serves with us on the Committee on Foreign Affairs, and who is also chairman of the Task Force on Foreign Policy, for his kind support on this special order.

Mr. DERWINSKI. Mr. Speaker, will the gentleman yield?

Mr. GILMAN. I am pleased to yield to the gentleman from Illinois.

Mr. DERWINSKI. I thank the gentleman for yielding. I am pleased to join the gentleman from New York (Mr. GILMAN) as he takes this special order to point out that it is this kind of emphasis in our Congress that actually strengthens the hand of our entire executive branch, and that we in the Congress are aware of the constant abuses of human rights within the U.S.S.R., in which Shcharansky is a classic case. He stands as a symbol of what is wrong with that system: religious persecution, denial of freedom of speech, denial of freedom of press, denial of freedom of movement—all of those things that we Americans take for granted. We forget the suffering of people all over the world. In the case of the Soviet Union, they hold millions of non-Russians in captivity. It is important that we emphasize, as the gentleman has, the case of one outstanding victim, and the fact that in addition, there are many, many hundreds of thousands and millions of people in the U.S.S.R. who are victimized day after day.

I commend the gentleman for his effort, his spirit, and his dedication to the cause of human rights.

Mr. Speaker, 3 years ago, the Shcharansky trial brought world attention to bear on the Soviet Government's shameful and cruel tactics of intimidation and repression. But since that time, the level of public attention has diminished, although the plight of this courageous dissident is as bleak as ever. Shcharansky has repeatedly been denied the opportunity for appeal of his sentence. He continues to be harassed by Soviet authorities, as his health deteriorates behind bars.

While there may have been some increases in the number of people emigrating from the Soviet Union, the continued repression and harassment toward those applying to emigrate belie those superficially benign statistics. The numbers say nothing of the continued persecution which Soviet dissidents, and Soviet Jews in particular, face in exercising their right to choose Israel as their country of residence.

Expressions of concern like this afternoon's special order are an important part of the effort to obtain the release of Anatoly Shcharansky and others unjustly incarcerated because of their yearning for freedom and their willingness to stand up against the massive weight of the Soviet Government. This special order keeps the spotlight on our disapproval of the actions of the Soviet authorities, and reminds them that this most fundamental concern for Soviet Jews will not go away. We must continue to register our complaints against such injustices that exist in the U.S.S.R. and the other countries held captive under Soviet rule. Today we also pay tribute to the faith and courage of all Soviet Jews, whose uncompromising quest for freedom continues, despite threats, harassment, and brutal reprisals.

While today we condemn the Soviet Union for their treatment of Soviet Jewry, we also express our hope that Anatoly Shcharansky and others also unjustly imprisoned by bars or by subjugation will one day be free. As we recall Shcharansky courageous struggle, let us rededicate ourselves to the commitment of human liberty for all those held captive in the Soviet Union and throughout the world.

Mr. GILMAN. I thank the gentleman from Illinois, one of our senior members on our Committee on Foreign Affairs, who spent a great deal of time with the European Parliament raising this issue. We appreciate his support on this special order.

Mr. BUCHANAN. Mr. Speaker, will the gentleman yield?

Mr. GILMAN. I am pleased to yield to the gentleman from Alabama.

Mr. BUCHANAN. I thank the gentleman for yielding. I want to thank him for his continuing leadership in this important matter. The gentleman has been a consistent leader on behalf of the rights of people in the Soviet Union and others like them. I thank him for taking this special order this day.

He here would have us remember a very courageous man. All of us have seen the courage of Anatoly Shcharansky and of his wife, and we know what this couple has suffered at the hands of the Soviet Government. I think they symbolize in a most unhappy way the things that are very wrong in the Soviet Union.

March 15, the Ides of March will be known throughout history as the date of the fall of Julius Caesar. So long as Anatoly Shcharansky is imprisoned, the Ides of March should be noted throughout the world as a day of shame for the Soviet Union—a day in which the Soviet Union said not only to the world, but to its own citizens, "We have made promises on paper, but we will ignore them. We will violate your rights while we are proclaiming to the world that we are protecting your rights."

The Soviet Government cannot be permitted to get away with this deception. The Soviet Union has made a great case for the fact that it has incorporated into its new Constitution the basic principles of the Helsinki Accords, but it has not incorporated into its policies and into its treatment of its peoples even the letter of those principles, much less their spirit. Instead, we have seen significant and consistent violations by the Soviet Government, as in this case.

It seems to me ironic that a society would cut off its most courageous voices and that a society would fail to live up to its promises on paper so consistently as is the case with the Soviet Union.

□ 1250

Every dissident from which we have heard before the Committee on Security and Cooperation with Europe, of which I am a member, every witness who has been before us on behalf of Soviet dissidents, on behalf of those individuals who are speaking out for their own rights and for the rights of their fellow citizens has said: "Do not let these people be forgotten. Make the case. Mention them by name. Keep your protest clear, because so long as there are voices in the United States and in the West, voices in the Congress and voices from the public, crying out for justice, it makes more possible that justice shall be done in individual cases."

Mr. Speaker, it is my profound hope that somehow we can raise a cry that cannot be ignored so that there will come a day when we will be celebrating a release instead of mourning a continuing political imprisonment.

I thank the gentleman from New York.

Mr. GILMAN. Mr. Speaker, I thank the gentleman for his kind words and support and for his efforts in the Committee on Security and Cooperation in Europe.

I recall when I joined the gentleman in Belgrade as we reviewed the Helsinki accords and the blatant response we received from the Soviets, that we were interfering in their internal affairs when we raised the issue of human rights.

I thank the gentleman.

Mr. GRASSLEY. Mr. Speaker, will the gentleman yield?

Mr. GILMAN. I yield to the gentleman from Iowa.

Mr. GRASSLEY. Mr. Speaker, as the gentleman is probably are aware, Saturday marks the third anniversary of the arrest of Anatoly Shcharansky. I am happy to be able to take part in today's special order to bring the plight of this courageous spokesman for human rights to the attention of Congress and the American people.

As you will remember, the Shcharansky trial was highly publicized back in 1978. Unfortunately, it seems that the passage of time and the recent events in Afghanistan have eclipsed Mr. Shcharansky's fate. This makes today's special order very timely indeed. We must not allow ourselves to forget the fate of Anatoly Shcharansky and the millions like him who have suffered imprisonment, and worse, at the hands of the Soviet Government.

The Russian people can take pride in a rich cultural and intellectual heritage. Any nation would be proud to have produced just one person of the stature and accomplishment of a Tolstoy, or a Pushkin, or a Pasternak, or a Solzhenitsyn, or a Tchaikovsky, or a Prokofiev. Yet, these represent only a partial listing of Russian cultural and intellectual figures.

The world will never forget the courage displayed by the Russian people at Stalingrad where they almost singlehandedly turned the tide of the Second World War. Therefore, it is ironic, as well as appalling, that we should be here today reminding ourselves that the very people who stood firm against Hitler should themselves be oppressed by a harsh and uncompromising totalitarian regime.

Men such as Anatoly Shcharansky who hold their convictions so courageously are a rare and precious thing even in a democracy. As the world's leading democratic nation, it is our duty to keep their memory alive.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. GILMAN. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, I, too, want to extend to my colleague in the well thanks for the gentleman's continual vigil to make sure that this House of Representatives sends a clear signal whenever anybody any place is improperly kept in slavery or in prison.

Mr. Speaker, it is right that this third anniversary of the imprisonment of Anatoly Shcharansky should be called to the attention of the whole world, so that the whole world knows the Soviet Union, under its Communist dictatorship, is again applying imprisonment to someone who does not deserve imprisonment.

While the Soviets claim all over the world that they are working for people's freedom and civil rights, that is just plain bunk. This type of discussion today called by my colleague from New York gives voice to the effort to make it clear that we are wise to them, that we know, and we are not going to stop calling this to the attention of the world, much less to those in the United States.

Mr. Speaker, as the gentleman knows, one man comes along in every generation who is willing to risk all for the sake of freedom. Anatoly Shcharansky is certainly that kind of person. He has risked everything to make sure that free thought can exist.

Mr. Speaker, I am sure that we could relate him in recent history to Dietrich Bonhoeffer, who was executed by the Nazis because he, too, as a Lutheran minister, was willing to stand up to a dictator, Adolf Hitler. This really is not much different, except Anatoly continues to speak out when he can have his voice extended through others.

On January 20, 1980, Anatoly Shcharansky turned 32, an age when most men realize the full potential of their intellect and head toward growing maturity among family and friends. All of this has been denied Shcharansky. Instead, for the past 3 years of his life, he has been in darkness. His confinement at the Christopol prison has exacted a heavy toll on his physical and mental well-being. He was not allowed to see his dying father. He has been separated from his young wife, Avital, now living in Israel. He is in deteriorating health—the toll taken by the regimen of labor camp conditions.

Mr. Speaker, the United States still has some leverage in world affairs. We can insist that the provisions of the Helsinki accords be respected by all participants. We can urge that political, scientific and cultural leaders of the West use all possible means, quiet and public, in an attempt to correct these flagrant violations of human rights.

Unfortunately, our lack of a vigorous response to Soviet violations of the Helsinki accords has resulted in an escalation of such violations. Scores of prestigious Soviet writers, musicians, artists, and others have been persecuted or exiled.

The distinguished Russian author, Alexandr Solzhenitsyn, another Soviet dissident, has repeatedly warned the United States and the world of the inherent evil of communism. We should listen to his advice about the insidious subordination of individuals under the strict control, terrorism, and coercion of the totalitarian regime of the U.S.S.R.

The imprisonment of Anatoly Shcharansky has had a paradoxical effect. His body has been broken, but his spirit has inspired the world. He is no longer the active member of the Helsinki Watch Group formed to monitor the U.S.S.R.'s compliance with the Helsinki accords. His cruel and unusual punishment, however, has not halted his intrepid fight for freedom.

Let us not forget Anatoly Shcharansky. We cannot lose sight of those who look to us for the glimmer of hope that sustains them along a lonely road of lost freedom.

Mr. Speaker, again I wish to compliment my colleague for providing this platform, today, so that we can tell the world and especially the Soviet Union that we are wise to them, we know what they are up to and we are not going to stop calling out for the freedom of Anatoly Shcharansky.

Mr. GILMAN. Mr. Speaker, I want to thank the gentleman from California (Mr. ROUSSELOT) for his poignant remarks. The gentleman has been a continual fighter for human rights and I appreciate his support.

Mr. CONTE. Mr. Speaker, will the gentleman yield?

Mr. GILMAN. Mr. Speaker, I will be pleased to yield to the gentleman from Massachusetts, another fighter for freedom around the world.

Mr. CONTE. Mr. Speaker, today I wish to join my colleagues in commemorating the third anniversary of the arrest of Anatoly Shcharansky. I have stood in this well time and again to expose human rights violations, to herald our triumphs in this area, and to lament our continuing lack of success. Today, I once again raise my voice in the hope that the recalcitrant Soviets may turn an often deaf ear and hear our pleas.

Anatoly Shcharansky was arrested primarily for his work in exposing the Soviets' lack of compliance with the Helsinki accords. Dedicated to championing the cause of the Soviet Jew, his plight is exemplary of numerous other Soviet refuseniks. As a consequence of his efforts, he today sits rotting in a Soviet prison, his future dimmed by the impending reality of a 10-year sentence in a Soviet labor camp—a sentence which will further tax his already frail constitution. This creative genius, who could so easily have bloomed into a truly productive citizen in a free and Democratic system has been reduced to an anathema in Soviet society. The Soviets have transformed this once bright light to a mere shadow of a man.

Anatoly Shcharansky has come to symbolize the injustices perpetrated by the Soviet Union against the human spirit. It is the most serious of grievances which man can perpetrate against his fellow man. The situation has become even more grave in light of the eroding Soviet-U.S. relations and the associated tightening of emigration policies and crackdowns on political dissidents. It is a situation which we must continue to fight to abolish.

If there were not hope, we could not continue our efforts. But, on occasion, our frustrations abate and we can rejoice in piecemeal successes, some happier news. For me, such a moment occurred only last week. As some of you are aware, I have been corresponding with the Paritsky family in Kharkov for over a year now. Last Friday, I received a second reply to one of my numerous letters. I should like to take a moment to read to you that letter now:

> DEAR MR. SILVIO O. CONTE: Today I received your letter of January 7th with warm wishes for the new year. I'm very pleased with your attention to the situation of our family. All my family is in good health. Our girls finished the first half of the school year with good marks and had a good winter vacation. After four months search, I found a job for myself at last—a job of an electrical worker.
>
> As you know, last year was a very difficult one for our family. But last months brought a lot of troubles for many families in the USA, USSR, and Afghanistan. I mean from Afghanistan events and their consequences. And one of them is new uncertainties in the problems of jewish emigration and the faiths of the refuseniks.
>
> Dear Mr. Silvio O. Conte, I'm very thankful to you for your best wishes in the 1980's. I hope it will be time when I and my family can personally thank you and all our friends in the USA for the help and support in these difficult times.
>
> With warm personal regards, I am,
> Cordially yours,
> ALEXANDER PARITSKY.

I want to thank Congressmen GILMAN and DODD for taking out this special order today—It gives us yet another opportunity to increase our efforts in this worthwhile yet sometimes difficult cause. Thank you.

Mr. GILMAN. Mr. Speaker, I thank the gentleman from Massachusetts.

I want to commend the gentleman for his patience and his diligent search for freedom.

□ 1300

I recall how we joined together recently, and after a struggle we were finally able to assist in obtaining the freedom of Mr. Timerman, publisher of a leading newspaper in Argentina, and how we came to the Capitol to thank the Members who had fought for his freedom. I think there were wet eyes among many of us here that day. I thank the gentleman.

Mrs. HECKLER. Mr. Speaker, will the gentleman yield?

Mr. GILMAN. I yield to the gentlewoman from Massachusetts.

Mrs. HECKLER. Mr. Speaker, I thank the gentleman for yielding. I want to commend my distinguished colleague from New York (Mr. GILMAN) for his continued leadership on behalf of the helpless, and for all those who yearn for freedom—not only for Soviet Jews who are currently the subject of such repression, but for all those whose human rights are denied.

As the gentleman in the well knows, our struggle has been a long one and it is with a great deal of sadness that we observe this third anniversary of the arrest of Anatoly Shcharansky. It is with sadness that we acknowledge that while law exists in the Soviet Union, justice is denied. While Anatoly Shcharansky has ostensibly been silenced by his imprisonment, the fact is that his spirit has not been crushed. In fact, the spirit he embodies has been rekindled, not only among those who seek freedom in Russia itself, but those around the world, and certainly for those of us in the Congress who care about freedom of expression, thought, and speech.

Not only are we dismayed and concerned over the denial of freedom for Anatoly Shcharansky, but we find the denial of freedom for that saintly woman, Ida Nudel, equally distressing. We have been involved in her case for years and will continue to work for her release. And we will take up the fight for the Guberman case and we will fight on and on. The point is, we will work until these individuals, the refuseniks, who speak for their principles, are given the right to express their points of view without imprisonment, without the infliction of inhuman penalties.

We who care, despite the distances between us, will at every occurrence, both in the Congress of the United States and in every other forum, raise the issue for the continued tough stand for human rights.

We will join with the refuseniks and with their staunch friends and relatives, with such people as the eloquent and intrepid Avital Shcharansky. Silence will not prevail until Anatoly Shcharansky is free and until all the other refuseniks who have been or might be unfortunately imprisoned because of the lack of respect for conscience by the Soviet Union. Until all of them are free, there will be no period or season of silence in America, in this Congress, and all across the world.

Mr. MAGUIRE. Mr. Speaker, will the gentleman yield?

Mr. GILMAN. I yield to the gentleman from New Jersey.

Mr. MAGUIRE. Mr. Speaker, we have asembled to commemorate the third anniversary of the arrest of Anatoly Shcharansky.

Anatoly Shcharansky had to go to prison because of his struggle for freedom. He was an activist for the rights of the Soviet Jews and those of other minorities. He was a founding member of the Committee for the Implementation of the Helsinki Agreement to Moscow. Anatoly Shcharansky was fighting, but his fight was peaceful, his demands legitimate. All he was asking for was compliance with the United Nations Declaration of Human Rights, with the International Covenant on Civil and Political Rights, and with the Helsinki Final Act of the Conference on Security and Cooperation in Europe.

The Soviet Union has ratified all these agreements. But there is no evidence that the Soviets have taken this commitment seriously. When looking at the treatment of Anatoly Shcharansky, to whose legitimate demands Soviet authorities responded not only with repression but with incarceration and defamation, I have serious doubts to what extent they will ever be willing to grant their citizens those rights that are so essential, so fundamental, for any human life.

We have assembled here for Anatoly Shcharansky. But at the same time we have to stress the fact that there are hundreds, if not thousands, of Shcharanskys who are imprisoned because of their political beliefs, who are in Siberia because they dared to practice their religion, who are separated from their families because they expressed their desire to emigrate.

All of them need our help, our protest, our support.

Many of my colleagues and I have engaged in activities such as the Vigil for Freedom. We have appealed to Soviet officials over and over again. Currently, over 60 Members of Congress have adopted a particular Soviet Refusenik or Soviet Prisoner of Conscience. The Soviets know that the United States Government is extremely concerned about the human rights situation in the Soviet Union.

But the impact we have had, if we take all our efforts together, has been only marginal. Soviet internal policies have not been changed at all. On the contrary, internal repression has increased. The banishment of Andrei Sakharov from Moscow is only one recent example for this.

What conclusions, though, can we draw from our past experiences?

We sat down with the Soviets in Helsinki because the new era of détente promised to bring about changes with regard to Soviet human rights policies. In 1977, at the Belgrade Conference on Security and Cooperation in Europe, we had to face the fact that the Soviets were not only not willing to implement the Helsinki Final Act, but that they were not even willing to discuss future implementation; they threatened to withdraw their delegation if the Western nations demanded to talk about human rights in specific terms. We gave in. We had the illusion that careful consideration of Soviet concerns might be more likely to influence them positively than open demands.

Today, we can state that this was a false assumption. And this is a lesson we should not have to experience a second time.

Therefore, I consider it to be essential that we focus our attention on the Madrid Conference on Security and Cooperation in Europe, which is coming up in August 1980. We have to make sure that the Soviets do not get away with their threats to leave the conference. We have to make sure that they face our demands to comply with international human rights standards. If we do not take a firm stand at this conference, there will not be much hope for Anatoly Shcharansky and the hundreds of other political and religious activists who are sharing his fate.

Mr. GILMAN. Mr. Speaker, I thank the gentleman from New Jersey for reminding us of this opportunity at the Madrid Conference to voice our concern.

Mr. Speaker, I am pleased to yield to the gentlewoman from New Jersey (Mrs. FENWICK), who is also a member of the Security and Cooperation Commission in Europe, and who has been following this case with a great deal of concern.

Mrs. FENWICK. Mr. Speaker, I thank my colleague for yielding. I would like to add my voice to those who have spoken on behalf of Anatoly Shcharansky, who has been held in prison for nothing more than a right which has been guaranteed to him by the country of which he is a citizen. I think that there has been no more savage century in the history of mankind than the twentieth. This is a time when we thought that education, enlightenment, means of communication, making it possible for people to know and understand, to learn, would make a better life for more people. Instead, it has been a century of the most savage repression. I would like to remember, in addition to Shcharansky, Rudenko, Orloff, and a whole litany of people who are lost in the Gulag, in the endless prisons and work camps of the Soviet Union and in other countries where they have lost their freedom also.

In that connection, my colleague mentioned Jacobo Timerman, when we brought he and his wife to the Capitol. I would like to put in the RECORD something he said that to me epitomizes so much of the horror that occurs daily, and in which we have so little a way of helping. He said:

> Whether it is in a miniscule rightist country or an immense leftist country, the simplest formula for arriving at and staying in power is the unlimited destruction of human rights.

That is what this century has taught those who seek power. The simplest way to arrive at, and to stay in a position of, power is to destroy the human rights of the people whom you control, the unfortunate and helpless people. The countries are the prisons from which they cannot escape the effort to reunite even families across this whole globe.

But, at least in the Helsinki Pact, it is something which these nations signed, so that they can no longer say that we are speaking of a private and internal matter not relating to anything concerned with international affairs. That is why we have a right particularly to speak for Shcharansky.

This morning, in my office, Mr. Anatoly Krasnov Levitin came to see me. The oppressed are the Russian Orthodox; the oppressed are the Pentecostals; the oppressed are the Baptists; the oppressed are the Roman Catholics in the Ukraine and Baltic countries. If we do not speak for them, who is going to? As Ambassador Scranton said long ago:

> If we know that there is such suffering and we say nothing, it becomes as though we condoned it.

I say to you, we are accomplices. There is nothing we can do for these people, as my colleague knows so well; nothing we can do for them except to remember their names and to repeat them so that they are not lost in some paper cruelty where they are a number and are lost to any kind of recognition. It is very little that we can do, but certainly we can support them, all of us together, in an ecumenical way, across all religious groups and all ethnic groups; those of us who are free to speak. If we do not speak, who will? If we do not speak, do we deserve to be so free?

I thank my colleague for yielding to me.

Mr. GILMAN. Mr. Speaker, I thank the gentlewoman for her very kind remarks and for her continual work on the Commission, and for her continual fighting of these battles wherever she may find them.

Mr. DRINAN. Mr. Speaker, will the gentleman yield?

Mr. GILMAN. Mr. Speaker, I will be pleased to yield to the gentleman from Massachusetts, with whom I was so pleased to join in arranging this special order tonight, and for his long-standing fight and support on behalf of not only Anatoly Shcharansky, but all of the dissidents in the Soviet Union, and those who have been incarcerated for political purposes elsewhere. I am pleased to yield to the gentleman from Massachusetts.

☐ 1310

Mr. DRINAN. Mr. Speaker, I, too, want to commend the gentleman from New York (Mr. GILMAN) for his leadership and initiative in the area of human rights.

Mr. Speaker, 3 years ago, on March 15, 1977, two Western correspondents came to the apartment where Anatoly Shcharansky and Vladimir Slepak were staying to tell them that their good friend, Dr. Michael Shtern, had unexpectedly been released from jail. Unfortunately, the good news was shortlived. As the four of them left the apartment a short while later, KGB agents pushed the journalists aside, grabbed Anatoly, and shoved him into a waiting car.

The events following Anatoly's arrest are well-known and have received worldwide attention. Words of outrage at the injustices committed by the Soviet regime have been spoken on many occasions in this House. Yet Shcharansky remains incarcerated with an uncertain future.

In 1975, Anatoly served as my guide and translator during a visit to the Soviet Union to examine Soviet policies toward Jews and other minorities. He proved to be an extremely knowledgeable and dedicated young man. In July 1978, he was convicted and sentenced to 13 years incarceration for "anti-Soviet activity."

But Anatoly's only real "crimes" were that he was a dynamic leader of the Soviet Jewish movement to guarantee unrestricted emigration rights. He was a key figure in the human rights movement monitoring Soviet compliance with the Helsinki Accords.

The charges against Anatoly—that he had made contacts with agents of the U.S. Government—were categorically denied by President Carter. But Shcharansky was singled out for special harassment because of his outspoken advocacy of human rights and his determination to press the Soviets to honor their obligations under international agreements.

Today, we commemorate the third anniversary of the arrest of Anatoly Shcharansky in order to awaken the world once again to the plight of this one man, and of the others like him who are denied their fundamental freedoms guaranteed under international law.

The facts of his case are clear: The prison authorities have denied Shcharansky's mother, Ida Milgrom, the scheduled visitation period that was to have taken place in February. It is not known when she will see her son again. Anatoly's health has improved slightly after serious eye problems made it impossible for him to read or write. He has, in recent weeks, ordered books from a bookshop which sends the bills to his family, and, after some disputes with prison authorities, two shipments have recently arrived.

Anatoly has now completed his 3-year sentence and will begin the 10-year portion of his sentence in a labor camp. The authorities have not told Shcharansky's mother where her son will be taken, and whether it will be a convenient location for her to visit him. They have not been able to confirm whether he will be transported in comfort to his new surroundings, or whether he will be mistreated or misfed as he has been in the past.

With abundant strength and devotion, Anatoly's wife, Avital, has traveled throughout the West in an effort to raise public support for the Shcharansky case. Her leadership has been an inspiration to others who have worked long and hard to maintain the protests over the Soviet mistreatment of this brave man. Today, she lives in Jerusalem where she waits for her husband to join her. I would like at this time to share with you her thoughts on the third anniversary of her husband's arrest:

> DEAR FRIENDS: For three long years my husband, Anatoly Shcharansky, has been in prison. He is one of many Soviet Jews who wanted to come to Israel and who appealed to the Soviet Union for permission to emigrate to Israel. The government refused them without explanation. The Jews appealed again and again. The government persecuted them, attacked them, divided their families, sent them to Siberia for years in prison.
>
> All these three years you have been with us, as you have been with our brothers and sisters in their struggle for freedom—Yosif Mendelevich, Ida Nudel, Vladimir Slepak, Yosif Begun, Boris Kalenderov—all Prisoners of Conscience currently. You know their names.
>
> On March 15, 1977, Anatoly was arrested on charges of spying. All the world knows he's innocent. All the world speaks about his innocence. Today, March 15, 1980, he is due to be taken out of prison and sent back to a labor camp in accordance with the verdict; three years prison, strict regime, plus ten years in a labor camp. We don't know where or how he will be transferred, our Anatoly.
>
> Thanks to you, Anatoly does not lose hope to attain his freedom while he is in a place that is totally inhuman. We believe and hope that you will continue to fight with renewed strength to free him, to free all of the Prisoners of Conscience.
>
> With the help of G-d, Anatoly will come out of this experience whole. For this we pray today.
>
> AVITAL SHCHARANSKY.

Mr. Speaker, Anatoly Shcharansky is in prison today, not because he committed any crime, but, because he was the dynamic and vocal leader of the movement to monitor Soviet compliance with human rights accords. We cannot allow the world to forget the Shcharansky case. We must lodge our protests with greater and greater intensity until the Soviet Government hears and understands that we will not rest until Shcharansky is free and allowed to rejoin his wife, Avital, in Israel.

Mr. Speaker, I once again commend the gentleman from New York (Mr. GILMAN) for his initiative and I am very happy to share this special order in order to commemorate the third anniversary of this travesty.

Mr. GILMAN. Mr. Speaker, I thank the gentleman from Massachusetts (Mr. DRINAN) not only for his remarks and for working with me on this special order but for his continual efforts over the years in bringing the cases of Soviet dissidents and political prisoners and prisoners elsewhere before the House of Representatives and before our Nation.

Mr. DORNAN. Mr. Speaker, will the gentleman yield?

Mr. GILMAN. I am pleased to yield to the gentleman from California.

Mr. DORNAN. Mr. Speaker, it is indeed an honor to join my very good friend and colleague, the gentleman from New York (Mr. GILMAN), in this special order.

None of us know really how long we will ever stay a Member of the Congress of the United States, but one of the finest moments that I have shared with a fellow Congressman, one that will live with me always, is that moment last summer in the Kremlin itself when I sat on your left side facing a powerful array of Soviet leadership, including the chief justice of their supreme court and, as the hours clicked away, with long and tedious speeches by our Soviet hosts, you, Mr. GILMAN, whispered to me, "Are we ever going to get to bring up the human rights issue?"

Finally the moment arrived, and you made such a heart-rending and emotional appeal. Then I had an opportunity to respond to a question from their Chief Justice as to why we were wearing bracelets with Anatoly Shcharansky's name emblazoned thereon, and you will recall that his question, because he was sitting directly across from me, took me a bit by surprise, especially in the aggressive way with which it was asked.

We were using our little ear devices, so it was translated, but the name "Anatoly Shcharansky" came through clearly, so I knew what he was asking me. You will recall my spontaneous answer, which at first I thought was awkward but which turned out to be precisely the right answer. My answer was that Anatoly Shcharansky's mother had asked that we would wear these bracelets, and that we would pass them out among our fellow Congressmen. I looked down the line of 10 U.S. Members of the House of Representatives, and all of us were holding up our fists with those bracelets with Shcharansky's name on them.

That initial striking of bracelets had this date that has prompted the gentleman to bring this special order before the House—the date of Shcharansky's arrest, the day after tomorrow, the 15th of March.

The distinguished gentleman from New York (Mr. GILMAN) will recall that one of the Members in the group of

Soviet leaders sitting across from us was Georgi Arbatov, who was head of the North American Institute there in Moscow and also one of the 13 members of the Politburo. He said later that he thought the bracelets were a waste of time on our part, that it was a domestic problem.

Then I asked him if he was familiar with the expression, "The Ides of March," and being a very educated man, showed off a bit and shot right back at me: "Humph! I am familiar with Shakespeare and Julius Caesar."

I said, "Then you will recall the expression, 'Beware the Ides of March.' This is the date that your KGB people kicked in Shcharansky's door, violated his privacy, and took him off to wait a year and a half until a kangaroo court trial on 10 July 1978."

I said, "Mr. Arbatov, beware the Ides of March. Human rights issues are a worldwide concern. It isn't just a domestic issue, as are not some of our own internal scandals when they become a worldwide concern."

He looked at me very cleverly, because he was conscious, as all good Communists are, of the importance of symbolism and dates, for instance, the date of their own revolution in 1917.

Mr. Speaker, I think that by bringing before the House this special order, what we are really saying, not only to the Soviets, but, to all despotic regimes around the world (from the right or the left) is: "Beware the Ides of March. Beware when, for political considerations, you will kill, imprison, torture, or maim a human being who is only speaking for those God-given rights of all people, the right to freedom of expression, freedom of worship and freedom of movement."

These have been 3 very quick years I have spent in the House, and I know that we may see the Ides of March several more times before we see this brave young man released.

I appreciate that the gentleman has kept his contacts alive with Shcharansky's mother and his brother, whom we both had the opportunity of meeting right there in, as Solzhenitsyn said, "the belly of the dragon."

We know he is sick, thanks to the gentleman's intelligence information. I hope, God willing, Shcharansky survives to become a beacon of freedom around which people can rally in the free world for those 2 million Jewish citizens who suffer more and more with each passing years in the Soviet Union. As we both learned at the time of our trip to the Soviet Union from the suffering of the Pentecostals, the people we met there while living in the laundry room of the U.S. Embassy, there will be no end of civil-rights persecutions and human-rights persecutions by these people as long as we exist in this House.

But every now and then, as the distinguished gentleman from California (Mr. ROUSSELOT) has said, one figure arises among his own heroic compatriots and stands out, because of the clarity of his words and because of the particular heroism of his moment in the sun. The words of Anatoly Shcharansky, paraphrasing the Great Scriptural passages, will forever ring on in our generation next year in Jerusalem.

Mr. Speaker, again it is an honor to join with the gentleman from New York (Mr. GILMAN) in this special order. I say to my Soviet friends who are in leadership positions in their Congress and in the Kremlin, "Beware the Ides of March, and beware of the Ben Gilmans who will never forget your transgressions against liberty."

Mr. Speaker, I thank the gentleman for yielding.

Mr. GILMAN. Mr. Speaker, I thank the gentleman from California (Mr. DORNAN) for his kind words and for his staunch efforts over the years in fighting for those who are oppressed, for the disappeared, for the missing, and for the political prisoners. We have long known of the gentleman's efforts on behalf of our missing in action from our own Nation and how he struggled to bring these issues before the American public, and we hope he continues in those efforts.

□ 1320

Mr. BINGHAM. Mr. Speaker, will the gentleman yield?

Mr. GILMAN. I would be pleased to yield to the gentleman from New York.

Mr. BINGHAM. I thank the gentleman for yielding.

Mr. Speaker, I am pleased to have the opportunity to join in the commemoration of the third anniversary of Anatoly Shcharansky's sentencing. I must say that I am possessed by a feeling of pessimism as we take the floor today. Shcharansky has been held for 3 years and yet the hour of his liberation seems far away. The crisis in United States-Soviet relations which followed the Soviet invasion of Afghanistan has not improved the prospects for Shcharansky's early release but I cannot believe that it has irreparably harmed them either. Relations with the Soviet Union will improve. They will improve because there simply is no alternative to peaceful coexistence, and I believe that one important indication of that improvement will be the release of Anatoly Shcharansky.

The Soviet Government must understand that we shall not forget Shcharansky who now sits in prison because he dared to dream of and work for a life for himself and his wife, Avital, in Israel. It is that simple. Charges that Shcharansky slandered the Soviet state or was a U.S. agent are absurd and can be dismissed. His only "crime" was his desire to live in Israel. For that he was sentenced to 13 years imprisonment. The Shcharansky case is a mockery of the Soviet criminal justice system. Nothing can disguise the fact that Shcharansky was denied the barest requirements of due process—a lawyer of his choice, the right to call defense witnesses, a copy of the judgment against him.

Since the pronouncement of his 13-year sentence Shcharansky's health has deteriorated. He is denied mail and packages from his wife and mother. He is imprisoned with criminals. His wife, Avital, works incessantly for his release as the first 3 years of their marriage passes—an agony of separation.

This situation cannot continue. We, the friends and supporters of Shcharansky, will not rest until he is free and reunited with Avital in Israel. Anyone who believes that, in time, we shall forget Shcharansky and leave him to his fate should recall Dreyfus. Agitation for Dreyfus' release did not end despite the fact that Dreyfus himself was chained to his cell on Devil's Island. In the end Dreyfus was freed and exonerated. One of the turning points in that case was when a great writer, Emile Zola, pointed his finger at the French Government and said "I accuse." Today we accuse the Soviet Government of knowingly keeping an innocent man in prison, away from his family. We pledge that we shall not forget Shcharansky and that we shall see the day when Anatoly and Avital Shcharansky are reunited in Israel. We urge the Soviet authorities to help crack the ice of the hardening cold war by freeing this good and innocent man, Shcharansky.

Mr. GILMAN. I thank the gentleman for his support and for his kind words.

Mr. SCHEUER. Mr. Speaker, will the gentleman yield?

Mr. GILMAN. I will be pleased to yield to the gentleman from New York.

Mr. SCHEUER. Mr. Speaker, I want to express my thanks and gratitude equally to the gentleman in the well (Mr. GILMAN), and to the gentleman on the other side of the aisle from California (Mr. DORNAN), for the outstanding job they have done in bringing to the attention of the world community the plight of Anatoly Shcharansky, as well as his colleagues, other scientists and members of the scientific and educational elite in the Soviet Union, who have expressed a desire to go to Israel.

Each of these two Members—the gentleman from New York and the gentleman from California—who represent very different constituencies a continent apart, have done a truly exemplary job of articulating brilliantly, informatively and thoughtfully the basic issues of human decency and elemental justice that are at stake here.

It was a privilege for me to have been on that mission last August with Congressman GILMAN and Congressman DORNAN and to join with them in our efforts to focus the attention not only of the world but also of the Soviet officials on the pitiful plight of these brilliant, distinguished Soviet citizens who happen to share in common only one flaw, from the point of the Soviet Union: that is, that they were of the Jewish faith and they wanted to leave the Soviet Union and go to the land of their forefathers.

I met last August with the distinguished members of the Soviet Government, along with my two colleagues. We met with Minister Paputin, who is in charge of matters of immigration and emigration. He gave me a personal assurance that he would review personally the status of Dr. Alexander Lerner, one of the Soviet Union's most brilliant scientific minds, and former chairman of the Department of Computer Sciences of the Soviet Academy of Science, who for 10 years now has languished outside of his profession, fired from the Academy of Sciences, fired from his other teaching and publishing posts, his wife and children unable to gain employment, unable to study at the universities. Minister Paputin assured me that, since Dr. Lerner had been out of top echelon and possibly security-related scientific work for a decade, perhaps the time had come to review his situation and to permit him to leave the Soviet Union. Now, this was in August. I am informed that once again in recent weeks Dr. Lerner has been denied an exit permit on the totally specious grounds that the information which now is 10 years old, information that he had about Soviet scientific work in the computer sciences, could have any military significance now. And in his case, as well as the case of Anatoly Shcharansky, they are symbolic. They are symbolic of a group of people who have contributed to the Soviet Union, who are guilty of no crime except for the desire to take advantage of the rights that are due clearly to them under the Human Rights Convention, the Helsinki Accords.

I want to join with my colleagues in expressing the hope that the Soviet Union will respond to the call of the conscience of mankind, will fulfill the good that is surely in the Soviet soul. We know from a century or more of Soviet writings and Soviet poetry and Soviet music and art and culture the decency, the concern for human values that have permeated the Soviet contribution to world civilization, going back generations and even centuries.

We know that this elemental concern for decency and human values exists there somewhere, lurking in the spirit of the Soviet people, and we yearn for the day when that will be expressed in policy and in legislation by the Soviet Government.

I want to once again express my deep esteem and my warmest thanks to the gentleman from New York and to the gentleman from California, who in such an extraordinarily effective and thoughtful and eloquent way, have again and again brought this pitiable matter of conscience to the attention of the American people, the Soviet officialdom and our colleagues here on the floor of the House.

Mr. GILMAN. I thank the gentleman from New York (Mr. SCHEUER) for his kind remarks, for his staunch support in our efforts to try to help bring freedom to the political prisoners in the Soviet Union, to assist the dissidents.

I recall how the gentleman from New York helped to arrange meetings for our delegation, our delegation of Foreign Affairs Committee members, when they visited the Soviet Union meetings with the dissidents so that we would learn firsthand of their many problems, and we appreciate the gentleman's efforts.

● Mr. ROSENTHAL. Mr. Speaker, it is with distress that I again address this House concerning Anatoly Shcharansky, who on March 15 will have spent 3 years behind bars in the Soviet Union. On this tragic third anniversary, Anatoly Shcharansky's fate is as bleak as ever.

It has now been almost 2 years since the famous show trial that unjustly convicted and sentenced Anatoly Shcharansky to 13 years of labor for fabricated crimes. While the charges were "espionage and anti-Soviet activities" it was clear that he was on trial for the crime of wanting to emigrate to Israel and for monitoring human rights abuses in the Soviet Union.

We cannot allow the world to forget the Shcharansky case or that of countless other Soviet Jews who are suffering harassment, persecution and imprisonment for their simple desire to emigrate to Israel. Our appeals to the Soviet authorities on behalf of Anatoly Shcharansky will not cease until this innocent man is released and reunited with his courageous wife, Avital, in Israel.●

● Mr. MOAKLEY. Mr. Speaker, I rise to join my colleagues from Massachusetts in this special order to mark the anniversary of the arrest of Soviet dissident, Anatoly Shcharansky.

Three years ago, Shcharansky, a Jewish mathematician and a founding member of the Committee for the Implementation of the Helsinki agreement in Moscow, was arrested by the Soviet authorities. Sixteen months later, he was tried and convicted of working with the CIA and sentenced to 3 years in prison and 10 years in a labor camp. President Carter, in an unprecedented move, has patiently denied the validity of these charges.

Many of those who have been following this tragic case see an even greater tragedy pending now: Silence. With our attention diverted to Soviet actions in Afghanistan, we must be especially careful not to forget the "Refusniks" imprisoned in the U.S.S.R. We must maintain our diligence and the international outcry against an unjust treatment of Anatoly Shcharansky.

As one correspondent has said, "Shcharansky's only crime was to speak the truth." He spoke out for his belief in human rights and human dignity, and his desire to emigrate to Israel with his wife. Shcharansky is now being punished for these beliefs.

Today, I join Congressman DRINAN in supporting this courageous man, whose health and vision are failing as he languishes inside a Soviet prison. We will not be silent, and we will continue to speak out against the Soviet authorities attempts to terrorize dissidents into silence.●

● Mr. WOLFF. Mr. Speaker, I rise today to join with my colleagues in decrying the continued mistreatment and imprisonment of Anatoly Shcharansky, upon the third anniversary of his arrest.

It is with a deep sense of frustration and impotence that I return this year with the same story as last year and the year before that. I will not repeat the details of Anatoly's arrest, trial, and detention; not only would it pain me to do so once more, but it would further serve as a concession that the forces of Soviet institutionalized terrorism are marching victorious. Not only do the Soviet authorities continue to ignore our cries through both good and bad periods in our relations. They continue to tighten the screws on Anatoly, his family, friends, fellow Jews, and fellow dissidents. They persist in answering our pleas with utter contempt and malice.

The latest developments in the condition of Anatoly Shcharansky are extremely disheartening. Anatoly's father, a man who has suffered ill health as a result of government harassment and dispair over the condition of his son, recently died a heartbroken man. As if to pour salt on a festering wound, the Soviet authorities refused Anatoly the right not only to attend his father's funeral, but to sit the ritual 7 days of mourning, the Shiv'a, in the company of his bereaved family. I and others made personal pleas to the Soviets to permit Shcharansky to mourn his father in the way that is traditional to himself and his people; obviously, such ideas are alien to those in charge.

The fortitude and will to survive displayed by Anatoly Shcharansky is astounding. Despite his deteriorating health and continued harassment, he continues to observe the laws of his people. His goal, which still seems unattainable, is to join his wife, Avital, in the land which he calls his own, Israel. It is such thoughts which have provided Anatoly with the will, and indeed the very life force, with which he survives from day to day. Jews have endured such mistreatment for centuries; Anatoly and his fellow Jewish Refusniks are the latest in a long line of those who have been forced to choose between maintaining their identities or living their lives free from persecution. The choice for them is physically painful, yet they make it with no hesitation.

Twentieth century man prides himself on his abilities to control nature and evaluate circumstances rationally. Unfortunately, it seems that technological achievement and social evolution do not advance together, contrary to the hopes of the early democrats and humanists. Individual freedom is the exception, rather than the rule, in today's rational and mechanized world. My very speech to you today proves that we here in the United States enjoy what a select few nations elsewhere in the world permit for their citizens. Anatoly Shcharansky, as a founding member of the Committee for the Implementation of the Helsinki Agreement in Moscow, has sacrificed his way of life for the privilege to state the case of those who are not permitted to do so. His Jewishness has provided him with a double mission; he is also considered to be the champion of those who are not permitted to emigrate from the citadel which we call the Soviet Union.

Anatoly's final word upon the conclusion of his trial were "next year in Jerusalem." His words continue to ring in my ears; it is two millenia's dream as yet unfulfilled. I sincerely hope that next year's March 15 will no longer possess its historically ominous implications; perhaps next year will bring freedom for Anatoly Shcharansky. I cannot rest until it does.●

● Mr. HOLLENBECK. Mr. Speaker, I welcome this opportunity to once again join with my colleagues and appeal to the Soviet Union for the release of Anatoly Shcharansky. It will be 3 years ago this Saturday, March 15, that Mr. Shcharansky was arrested. As we all know, Anatoly received a severely inflated 13-year prison term in July 1977 which was clearly the result of trumped-up espionage charges. This 13-year sentence was imposed by Soviet authorities despite Presidential intervention attesting that Mr. Shcharansky was not in any way associated with the Central Intelligence Agency.

Now, 3 years later, I am sad to state that the situation has worsened. Mr. Shcharansky not only remains imprisoned, but his health has continued to deteriorate. While his health problems have long been known, the latest information available indicates that the 32-year-old prisoner has been losing weight rapidly and that he is not receiving necessary medical treatment. Furthermore, while imprisoned, his family has been denied visitation rights.

The Soviet's handling of this case has been recognized throughout the world as a blatant example of injustice and a violation of human rights. To imagine that such an unjust series of events, in direct violation of the Helsinki accords, can actually occur in modern times, is indeed a depressing thought. As civilized people with an inherent respect for basic human rights, we must not relent in our efforts to secure the release of Anatoly Shcharansky. We must continue to persevere as we hope and pray that Anatoly is able to persevere.

I am proud to join my colleagues in condemning the Soviet Union for their shameful injustices in the case of Anatoly Shcharansky. I can only hope that civilized people worldwide will continue to protest and not relax their efforts to achieve Mr. Shcharansky's expeditious release.●

● Mr. OTTINGER. Mr. Speaker, it is most appropriate that on this occasion, the third anniversary of the arrest of Anatoly Shcharansky, that we address the Soviet's persistent and escalating violations of human rights.

The arrest, trial, and incarceration of Shcharansky epitomize Soviet injustice and inhumanity toward those who have sought to exercise their rights. Shcharansky was sentenced to 13 years in prison and labor camps, following a closed trial at which no lawyer of his choice nor any witnesses for the defense were allowed. He was charged with treason and anti-Soviet agitation. In fact, Shcharansky broke no laws, but he had attempted to emigrate and was an active member of the Helsinki Watch Group. He was engaged in working for human rights of Jews and other minorities in the Soviet Union, all in accord with the provisions of the Helsinki Final Act which requires citizens to monitor their own country's behavior toward its people. For these so-called crimes, he has been cruelly imprisoned, with little hope of release. In ill health, he has been refused proper medical care as well as any personal contact with his family. Shcharansky's plight is one of the most glaring examples of countless other instances of the Soviet's continuing violation of the Helsinki Accords.

The Soviet invasion of Afghanistan has precipitated unusually tense relations between the United States and the Soviet Union. The subsequent arrest and exile of Andrei Sakharov and the dramatic decline in the number of visas granted to Soviet Jews reaffirms our responsibility to the dissidents, the refuseniks, and all those who seek to challenge the Soviet's indefensible human rights policies.

Therefore, on this occasion we must once again speak out in the name of freedom and justice. For we who have this freedom must not forget the courage of Anatoly Shcharansky and his fellow dissidents. We must heighten our insistent voices on behalf of those who do not have the liberty to do so and condemn Soviet violations of the Helsinki accords. Furthermore, let us assure the Soviets that we will persist until the basic principles of individual rights and human dignity are recognized.●

● Mr. GREEN. Mr. Speaker, March 15, 1980, marks the third anniversary of the arrest and imprisonment of Anatoly Shcharansky, the courageous Soviet dissident who avidly fought for the protection of human rights in the U.S.S.R. From 1972, when he first applied for a visa, through 1977, when he was arrested for treason, Anatoly Shcharansky was subjected to brutal harassment from the KGB. In 1974, Avital, Shcharansky's wife of 1 day, emigrated to Israel having been assured her husband would soon be allowed to follow, but Shcharansky's activist stance on issues dealing with Soviet Jews and other minorities prevented the issuance of any such visa.

In 1976, still fighting for a visa, Shcharansky became a founding member of a Moscow group that monitored Soviet compliance with the Helsinki agreement. Through this committee Shcharansky frequently called attention to human rights violations in the Soviet Union, a practice not tolerated in the U.S.S.R. Shcharansky was convicted of treason in 1977 on unsubstantiated charges, and is currently serving a 13-year sentence. Twenty-one other monitors of the Helsinki agreement have also since been sentenced to long-term imprisonment.

Shcharansky and his fellow dissidents' arrests are clear examples of Soviet violation of article 13 of the Helsinki agreement providing for freedom of speech and freedom to leave the country in order to rejoin family. We in the United States have the freedom of speech Shcharansky fought so hard to establish in the Soviet Union. We must make it clear that the Soviet violation and virtual dismissal of the provisions of the Helsinki agreement will not go unnoticed. We must indicate to the Soviet government that until the rights provided for in the Helsinki agreement are protected and preserved we will not be silent.●

● Mr. ADDABBO. Mr. Speaker, the following is an excerpt reprinted from the New York Times of July 15, 1978:

> For more than 2,000 years the Jewish people, my people, have been dispersed. But wherever they are, wherever Jews are found, every year they have repeated, "Next year in Jerusalem." Now, when I am further than ever from my people, from Avital, facing many arduous years of imprisonment, I say, turning to my people, my Avital: Next year in Jerusalem.

On July 4, 1978, Anatoly B. Shcharansky stood in a Moscow courtroom, isolated from the free world he so desperately wanted to be a part of. He stood, seemingly alone, weakened from the many arduous months of pretrial confinement, and awaited the verdict in his trial for treason and espionage from a court that had tendered a conviction long before he was brought to trial.

Today is the third anniversary of the arrest of Anatoly Shcharansky, a man whose courage, ideals and vision must never vanish from the hearts and minds of men and women the world over. It must never vanish until he and thousands like him in the Soviet Union are allowed to emigrate to a country of their choice, where they may practice without fear of persecution, the religion and politics of their choice.

Anatoly Shcharansky remains hostage to a nation that refuses to acknowledge his God-given right to freedom. He was arrested on March 15, 1978, not for committing treason and espionage against the State, but rather for having the audacity in the eyes of the Soviets to monitor Soviet noncompliance with the Helsinki accords. His trial, if you could call it that, was not a trial for justice, but rather a vehicle for the Soviets to frighten all would-be emigrants. I suspect the reverse may have occurred, that it may have convinced those Jewish people who wish to emigrate that to back down to a government whose concept of human rights is a narrow one at best, reserved for those who show undying loyalty to the State—would somehow give credence to what the Soviets were practicing. What the trial did was show the world that more pressure must be brought upon Russia to cease their relentless persecution against people who are no danger to the security of the State, people whose only wish is to emigrate and be treated like human beings.

I said that he stood seemingly alone in that courtroom. Perhaps he was not alone for in some way we were all there beside him. We were there because he is right in his pursuit of freedom and we were there because we are the ones who can help him regain the freedom many of us often take for granted. If we leave him truly alone in his cell, without hope—that would be a crime we are all guilty of.●

● Mr. FASCELL. Mr. Speaker, Saturday, March 15, marks the third anniversary of the arrest of a brave and noble young man, Anatoly Shcharansky. I am pleased to join our colleagues in commemorating this anniversary but I deplore the Soviets' blatant disregard for the promises made at Helsinki that—once again—necessitate the observance of this tragic event.

Anatoly Shcharansky was convicted and sentenced to 13 years imprisonment in July 1978 in a trial that was devoid of any semblance of justice. The official charge against Shcharansky was "treason." But, as one Soviet dissident phrased it, his real crime was that he spoke the truth and he spoke it in English. As a leader of the Jewish emigration movement and as a founding member of the Moscow Helsinki Monitoring Group, Shcharansky boldly spoke out against Soviet tyranny. He protested the Soviet Government's refusal to allow freedom of emigration for Jews, Germans, Pentecostals, and others. Together with his Helsinki monitoring colleagues, he raised his voice to alert the West to Soviet failure to abide by the Helsinki pledges. At press conferences with Western correspondents—called to protest Soviet denial of fundamental human rights—he often acted as interpreter for his friend, Andrei Sakharov, himself one of the newest victims of Soviet repression. For these selfless actions, Shcharansky is now paying a terrible price. Soviet authorities have tried to still his voice, as well as those of his colleagues. The chorus of truth, however, will not be silenced.

Despite the fact that 38 members of the Helsinki Monitoring Groups are presently imprisoned or in exile—the latest arrest taking place last Friday when Malva Landa, a founder of the Moscow Group, was picked up—the groups continue to issue new reports on Soviet human rights violations. Their membership is still growing and their activities in defense of freedom continue. As Chairman of the Helsinki Commission, I feel a special affinity for the small band of courageous men and women who suffer persecution for doing essentially what the Congress created the Helsinki Commission to do—promoting compliance with the Helsinki accord. We in the Congress must follow their lead by continuing to support their activity and protesting their unjust treatment.

A year ago, on the second anniversary of the arrest of Shcharansky, the Helsinki Commission had the honor to host a reception for Shcharansky's wife, Avital. On that occasion, I expressed the hope—shared by everyone in the room—that we would not have to observe a third anniversary. While, tragically, that hope has not been realized, I know I speak for all that we can to insure that the fourth ment that this be the last time it will be necessary to commemorate this event. Let us reaffirm our determination to do all that we can to ensure that the fourth anniversary of Anatoly's arrest finds him safe, healthy, and reunited with his wife in Jerusalem.●

● Ms. FERRARO. Mr. Speaker, I am pleased to have the opportunity to join my colleagues in recognition of the anniversary of Anatoly Shcharansky's imprisonment in the Soviet Union. I am proud to be involved in the continuous effort, on the part of the Congress, to call to mind the unending plight of all Soviet Jews and prisoners of conscience. It reflects our concern over the lives of those unfortunate people, our determination that the issue remain in the minds of all Americans, and our commitment to the human rights of all people.

Anatoly Shcharansky's story is familiar to all of us because it has been a 3-year ordeal and we have often been reminded of the injustices he has suffered over the course of those 3 years. Arrested on trumped-up charges of spying, Mr. Shcharansky was tried without the benefit of an attorney or witnesses for the defense. He was sentenced to 13 years in prison and labor camps. Ironically, Shcharansky broke no law, but was, at the time of his arrest, simply trying to uphold the requirements of the Helsinki accords which require citizens to monitor their country's behavior toward its own people. Anatoly Shcharansky was working to have human rights recognized and respected; an effort which should more appropriately receive praise, not imprisonment. But we are all aware of the Soviet Union's disregard for human rights.

Mr. Speaker, I am sure there is nothing that this body would like more than for this type of special order to be unnecessary. We all look forward to the day when the Soviet Union can be considered a nation which respects the rights of all citizens. However, the U.S.S.R.'s continuous violations of these rights in its own country, as well as outside its borders, make this dream impossible.●

● Mr. EVANS of the Virgin Islands. Mr. Speaker, March 15, 1980, will mark the third anniversary of the arrest of Anatoly Shcharansky. Mr. Shcharansky was accused falsely by Soviet officials of maintaining contacts with the U.S. Government, which resulted in a stiff prison sentence of 13 years. No doubt this sentence was given because Mr. Shcharansky would not remain silent on the crucial issues of human rights in the Soviet Union. At the age of 32, Mr. Shcharansky's health continues to deteriorate—his eyesight is poor and he has lost weight. His mother was denied her approved February visit and she wonders when she will see her son again. We, in the U.S. Congress, must not allow anyone nor any government to forget the inhuman treatment that Anatoly Shcharansky has suffered. We must continue to demand that Anatoly Shcharansky and other Soviet Jews who remain political prisoners be set free from their Soviet cells.●

● Mr. BOLAND. Mr. Speaker, I join my colleagues today in commemorating the third anniversary of the arrest of Anatoly Shcharansky, a leader of the fight for human rights in the Soviet Union. Shcharansky was arrested by the KGB in Moscow on March 15, 1977, for "anti-Soviet activities." The charges were completely unfounded but, nevertheless, Shcharansky was sentenced to serve 13 years imprisonment.

These events have drawn the world's attention to the Soviet Union's callous disregard for human rights and personal freedom. The Shcharansky case reminds us that the fight for human rights is far from over. We must continue to protest the Soviet treatment of Anatoly Shcharansky as a violation of God-given rights, a violation of the Helsinki agreement, and a mockery of the most basic notions of human decency and justice.

As we protest this travesty of justice, the Soviet Union wages a campaign of aggression and oppression in Afghanistan. These events should strengthen our commitment to furthering the cause of freedom all over the world. Shcharansky's courageous struggle in behalf of Soviet Jewry cannot be forgotten, and it is important that we focus our thoughts on it today. We must make it clear to the Soviet Union and the rest of the world that our commitment to preserve individual freedom, the very foundation of our great nation, will continue with even greater resolve.●

● Mr. FORD of Tennessee. Mr. Speaker, Saturday is the third anniversary of Anatoly Shcharansky's imprisonment. Those of us who have the resources to rights to espouse their own beliefs with-Congress and reporters who cover world rights to espouse their own beliefs with-long-term implications because of what seems pressing at the moment. Today we have the opportunity to merge the long-term and the immediate by calling to the world's attention the extent of Soviet aggression and their blatant disregard for fundamental human rights.

Our own Nation is founded on the principles of self-determination, the belief that people have the fundamental rights to espouse their own belief without fear of governmental reprisal. Both in their actions in Afghanistan and in their treatment of the prisoners of conscience like Anatoly Shcharansky, the Russian Government has demonstrated their willingness to put expediency before principle and to ignore the human rights treaties to which they committed themselves. It is ironic that Shcharansky himself is the victim of efforts to enforce the Helsinki agreements.

Mr. Speaker, the power of our own ideals and national system are being tested; they are only as strong as our willingness to stand behind them. It is the responsibility of those of us who enjoy the fruits of freedom to bear the responsibilities of vigilance. Let the word go out to friend and foe alike that our attention to the principles of human rights will never be diminished until people like Anatoly Shcharansky are free.●

● Mr. BARNES. Mr. Speaker, I join my distinguished colleagues, the gentleman from Massachusetts (Mr. DRINAN) and New York (Mr. GILMAN) in calling attention to the third anniversary, on March 15, 1980, of the arrest of Anatoly Shcharansky, a leader of the movement within the Soviet Union to monitor that country's adherence to the Helsinki accords.

As Soviet troops clash with rebels in Afghanistan, in the wake of the banishment of Nobel-laureate Andrei Sakharov into internal exile, and following President Carter's proposal that this Nation's athletes not participate in the Moscow summer Olympics, we should not abandon Shcharansky and other prisoners of conscience who helped alert the world to the violation of human rights within the Soviet Union.

In December 1979 I wrote to Soviet President Leonid Brezhnev, asking him to grant amnesty to Shcharansky; no reply was received. Other Members have taken similar action on his behalf. Shcharansky remains incarcerated in Christopol Prison, awaiting transfer to a labor camp where he would serve the remainder of his sentence.

It is important that we mark this anniversary with renewed commitment to free every prisoner of conscience within the Soviet Union, to continue to speak out for the emigration of oppressed minorities, to condemn new waves of anti-semitism, and to guard against the harassment of other religious activists and dissidents.●

● Mr. KILDEE. Mr. Speaker, March 15 marks the third anniversary of the arrest by Soviet authorities of Anatoly

Shcharansky, and it is particularly appropriate at this time to bring this incident once again to the world's attention and renew our call for his release.

Mr. Shcharansky's offense was to monitor Soviet compliance with the Helsinki accords. One of the strongest indictments of the Soviet system must be in the way in which they treat those who act as a conscience within their society. Within the United States, those who ask us to live up to our basic principles have sometimes made many feel uncomfortable, but we recognize that they play a necessary role. Toleration of criticism and unpopular views is the ultimate test of any society. The fact that the Soviet Union views religious observances, expressions of dissent, and the desire to emigrate as threats to their Government can only be seen as a failure to establish a just society. Despite protestations to the contrary, such actions can only be seen as the brutal face of tyranny.

We renew our call for the release of Anatoly Shcharansky. Beyond that, we call upon the Soviet Union to observe the international agreements which bear its signature. The systematic harassment and repression to the Soviet Jewish community violates these agreements and should cease.●

● Mr. AuCOIN. Mr. Speaker, next Saturday commemorates the third anniversary of the arrest of Anatoly Shcharansky—the mathematician and computer programmer who has come to symbolize the struggle for human rights in the Soviet Union.

Shcharansky was arrested 3 years ago after years of harassment by the police and when his efforts on behalf of other Soviet Jews desiring to emigrate began to attract world attention. Since his arrest, he has been sentenced to 13 years in a prison and labor camp, his health has seriously deteriorated and prison authorities have recently denied Shcharansky's mother permission to visit her son.

This is a distressing story and unfortunately, one of many similar but unnoticed stories in the Soviet Union. One of these stories is of Solomon Alber, who, with his family, has also requested, and been denied, permission to emigrate to Israel.

Mr. Speaker, today, as part of the Spirit of Helsinki Vigil, 1980, I want to bring to the attention of my colleagues the plight of Solomon Alber and his family. Like Anatoly Shcharansky, they too symbolize the struggle for human rights in the Soviet Union.

This is the third year that I have spoken on behalf of Solomon Alber and his courageous family, each year my hope unrealized that they will be granted exit visas. But each year, the story remains the same, a story of harassment and continued violations of the Alber's right to freely emigrate.

Mr. Alber, a mathematician and physicist, was director of a computer research laboratory when he applied for emigration visas for himself and his family—his wife, Evangelina, and his sons, Mark and Ilya. He was refused in 1975 and, as a consequence of the application, was demoted. Evangelina, a physician, lost her job as a pathologist as well.

News about the family's application refusal spread quickly in their small scientific community outside Moscow.

The New York Times reported on June 23, 1976, that Mark, then 15 years old, had become the target of an officially inspired campaign of threats and violence. First, his fellow students began the "silent treatment," refusing to speak to him. Then, as the shunning wore off, they taunted him, calling him "Jew, Jew, Jew" in derisive tones. Later, Mark was twice beaten, once into unconsciousness. Nevertheless, the police took no action, even though they apparently knew the identity of the assailants.

Shortly after this, a metal ball was shot through the third floor bedroom window in the Alber home. Fortunately, neither Mark nor Ilya were in the room at the time. Still, the police dismissed the incident as a prank.

While the story of the Albers remains unchanged, this year there is an added sense of urgency owing to the serious deterioration in Soviet-American relations. Less than a year ago, prospects were bright for continued high levels of emigration into 1980 and the possibility that the Albers would receive their exit visas. The arms limitation agreement was under serious review and the summer Olympic games in Moscow were moving ahead as planned. All this changed with Afghanistan. The SALT agreement has been put on hold, a boycott of the Olympics is probable, and prospects for the emigration of the Alber family now more questionnable than ever.

But my hope remains as great as ever. And my pledge to continue my efforts to realize that hope remains unchanged. I urge my colleagues to join me in these efforts by expressing their concern directly to President Carter, Soviet Ambassador Dobrynin and Soviet Premier Leonid Brezhnev and demanding that the Albers and Anatoly Shcharansky and other Soviet Jews wishing to leave be allowed to do so.

When Anatoly Shcharansky was sentenced, he repeated the pledge of the Jewish people since their dispersion more than 2000 years ago: "Next Year in Jerusalem." With our renewed support, this dream will become reality for Shcharansky and the Albers and the other Soviet Jews who seek to exercise their basic human rights.●

● Mr. REUSS. Mr. Speaker, March 15 will commemorate the third anniversary of the arrest of Anatoly Shcharansky—3 years of incarceration, interrogation, intimidation—over 1,000 days of inhumane treatment, isolation from family and wife, refusal of necessary medical attention. We must ask ourselves and the world what action precipitates such cruelty, such disregard for the principles of humanity and conscience? What does the Soviet Government fear that elicits this attack?

The answer is simply this: The humble figure of Anatoly Shcharansky represents the triumph of the human spirit, which even the power of the Soviet state fails to subdue. He lives the truth; he committed no crime and will admit to none. He wishes to emigrate to a land where the desire to live, speak, and worship freely does not represent an inherent threat to an oppressive regime.

We must not, and will not, forget Anatoly Shcharansky, as we must never forget the basic ideals of personal freedom, religious freedom, and government by law. Our continuing concern for Anatoly Shcharansky is a message to the Soviet Union and all other nations of the world which persecute, discriminate and subjugate. Those who cherish freedom will never rest until Shcharansky, and those he represents, are free.●

● Mr. RINALDO. Mr. Speaker, March 15 marks the third anniversary of the arrest of Anatoly Shcharansky, a man who symbolizes the struggle for human rights in the Soviet Union.

It has been almost 3 years since the highly publicized Shcharansky trial, an event that forced worldwide attention on the Soviet Union's harassment and repression of its Jewish citizens. Anatoly Shcharansky is now serving a 13-year sentence in a labor camp/prison, not because he committed any crime, but because he was the dynamic leader of the movement to oversee Soviet compliance with human rights accords.

I am greatly concerned about the treatment of Jews in the Soviet Union. I am disturbed by reports that there are systematic efforts to deprive these people of their language, traditions, and cultural identity. Equally distressing is the fact that Soviet Jews are continually denied their right to emigrate to a country of their choosing.

The continued incarceration of Shcharansky and the many other "prisoners-of-conscience" must not go unnoticed. Direct contact and continued pressure from concerned groups and individuals is of great importance if Jews, like Shcharansky, who wish to emigrate are to succeed in obtaining exit visas. We must let the Soviet Union and the rest of the world know that we condemn the Soviets' treatment of Jews. Only if individuals and nations of conscience continue to protest this denial of basic human rights, will emigration and with it the promise of freedom, become a reality, not just a dream to Soviet Jews.●

● Mr. HORTON. Mr. Speaker, March 15, 1980, sadly marks an unhappy anniversary for Anatoly Shcharansky—3 years ago he was arrested, "tried," and imprisoned for alleged crimes against the Soviet state. In reality, we all know that his only crime against the Soviet Union was his desire to emigrate and to help others emigrate to Israel. To this day, efforts to secure his release have been unsuccessful.

When I addressed the House on the first anniversary of his arrest in 1978, I expressed my strong disapproval of the Soviet's blatant violation of his human rights, in violation of the U.N. Charter and the Helsinki accord. I renew that expression today and urge all my colleagues to redouble their efforts to bring Mr. Shcharansky's plight to the attention of the world. Anatoly's ability to communicate even the briefest protest is blocked. In his stead, however, travels his wife, Avital.

On November 29, 1979, I had the honor and privilege of meeting Mrs. Shcharansky at a reception in her honor in the Capitol. Although time did not permit a lengthy conversation, I was moved by her quiet strength and resolve to work unceasingly for her husband's freedom. That impression was reinforced by her book, "Next Year in Jerusalem." It conveys perhaps better than many of us can the cause for which she fights.

The persecution of Soviet Jewry, relaxed from time to time as a means of improving relations with the Western World, is a continuing reality in the Soviet Union. Only through constant pressure by those of us in the Congress and throughout the Nation can we hope to prevent still harsher human rights violations. Focusing our attention on Anatoly Shcharansky, as we do today, will have its effects on all victims of Soviet aggression.●

● Mr. ANDERSON of California. Mr. Speaker, a few weeks ago many of us participated in the special order commemorating Anatoly Shcharansky's 32d birthday. This time we are gathered to acknowledge once again the injustice rendered him on the third anniversary of his arrest.

This modern-day hero has been tried, convicted, and sentenced on what we all know to be trumped up charges for exercising some basic human rights—among them freedom of speech and freedom of religion.

The advantage that we possess as Members of Congress is the forum for which Anatoly Shcharansky's case can be kept in the forefront of media coverage. As a collective body, Congress needs to assure the Soviet Union that we will not let Anatoly Shcharansky, and others like him, be conveniently forgotten somewhere in the broad expanse of the Gulag.

Anatoly's 13-year sentence gives the Soviet Union several advantages. In the first place, as a leading Jewish activist, with many Western contacts, Anatoly has been effectively sequestered from any contact with either his family or other activists. In the second place, the Soviets have over a decade in which to toy with both the United States and the Shcharansky family. The rumor several years ago that he might be traded for two Soviet spies arrested in this country raised hopes that were soon to be dashed.

While the early release of Anatoly Shcharansky is still something that all of us should strive for, we must realize that also of prime importance is maintaining our support for him through letter writing and speaking out on his behalf whenever and wherever possible. We cannot let him be forgotten, allowed to die a slow death in some Soviet prison. The few letters Anatoly receives should be representative of the thousands more that do not get past his prison guards. He must know that we will not forget him in his courageous battle for freedom.

Mr. Speaker, in a few weeks it will be Passover, and as we know, Passover is the holiday commemorating the Jewish exodus from Egypt. The Jewish people have been struggling for freedom ever since. Anatoly Shcharansky is one such freedom fighter who cannot be allowed to become a casualty, for as the great Rabbi Hillel said: "If I am not for myself, who will be for me? But if I am only for myself, what am I? And if not now, when?" ●

● Mr. HUGHES. Mr. Speaker, I join with my distinguished colleagues from Massachusetts and New York in calling the world's attention to the tragic incarceration of Anatoly Shcharansky.

Anatoly Shcharansky, perhaps more than any other Soviet dissident or refusenik, symbolizes the Soviet Union's refusal to abide by the Helsinki accords.

From the beginning of his stated intention to emigrate to Israel, Shcharansky has suffered from the most blatant miscarriage of justice possible. The Soviets used every means at their disposal to harass Shcharansky and break his spirit.

Although the Soviets have directed a carefully orchestrated campaign of harassment against Mr. Shcharansky, they have not succeeded in their efforts to destroy him.

Anti-Semitism in the Soviet Union is nothing new. But now the campaign has escalated so that serious efforts have been undertaken to transform the character of Soviet Jews. Surely, the unfortunate experiences endured by Mr. Shcharansky bear this out.

Soviet authorities are attempting to accomplish the goal of total assimilation by reducing educational opportunities for Jews and relegating those who have already received an education to lower status positions.

There are no longer any Yiddish or Hebrew schools in the Soviet Union. The publication of news, books, and literature in either Hebrew or Yiddish is strictly forbidden.

There are no Jews entering the legal profession. There are no Jews permitted to attend Moscow University. Jews are regularly vilified as economic criminals. The result is a feeling of generalized terror in the Jewish community.

When Anatoly Shcharansky spoke out against this oppressive russification, he met with the full force of Soviet might.

It is fitting that the House of Representatives observe the anniversary of Anatoly Shcharansky's imprisonment. By speaking out today and at other times, we can cause the world to focus on the broken promises left by the Soviet Union's failure to honor the human rights agreement it ratified. We can also offer more than a glimmer of hope to Anatoly Shcharansky by letting him know that the American people have not forgotten him or what he stands for.●

● Mr. DOWNEY. Mr. Speaker, this Saturday, the 15th of March 1980, will mark the third anniversary of the arrest of Anatoly Shcharansky, a true champion of human rights in the Soviet Union. In commemoration of this day, I want to join my colleagues in reflecting on the continuous and systematic suppression of basic liberties which occurs daily in the Soviet Union.

Despite the importance of the recent events in Southwestern Asia, which have naturally dominated the international political spotlight in recent months we must not overlook the omnipresent, harsh and uncompromising treatment of Soviet Jews. These people, along with many others belonging to Islamic minorities and the Christian church are denied their most basic freedoms; the freedom to practice religion in a chosen manner and the freedom to emigrate.

Courageous Soviets continue to speak out against their government's blatant denial of human rights. These individuals, one after another continue to disappear into the infamous Gulag. The exile of Anatoly Shcharansky is one of many hundreds of political exiles.

Andrei Sakharov is the most publicized dissident today and his exile can be taken as a case in point of the perverse way the Soviet system works. When Sakharov developed the hydrogen bomb he became a national hero—when he advocated human rights he became an exiled criminal in the eyes of his country's rulers. Winner of the 1957 Nobel Peace Prize, Andrei Sakharov deserves more appropriate treatment, by his government, than condemnation.

As silence can only serve to hinder the efforts of those living under Soviet repression in attaining their freedoms, I believe I must speak out and publically condemn the Soviet Union's treatment of its citizens. The exploitation of human rights and Soviet actions against those citizens bold enough to speak out are an outrage. To honor the courage of all the oppressed citizens of the Soviet Union, and to urge the release of Anatoly Shcharansky, let me conclude by saying that I believe we must not overlook their continuing plight regardless of our focus on other events which also demand our attention.●

● Mr. DICKINSON. Mr. Speaker, today, I join with a number of my colleagues in observance of the third anniversary of the arrest of Anatoly Shcharansky, a Jewish emigration activist in the Soviet Union who has been universally identified with the Soviet emigration movement and the campaign for human rights in that country.

Mr. Shcharansky, once a computer expert, first applied for a visa to emigrate to Israel in 1973. His request was refused on the grounds that "he has access to classified material." When he first decided to apply for emigration he deliberately avoided work which would be considered "classified," and chose to take a job as a computer programmer instead of the more highly prestigious job offered him at the Institute of the Academy of Sciences.

On July 14, 1978, following a closed trial at which no lawyer of his choice nor any witnesses for the defense were allowed, Shcharansky was sentenced to 13 years in prison and labor camps. He was charged with treason, and anti-Soviet agitation. During his prison term, his health has deteriorated, he has been denied visitation privileges, and he has been subject to much interrogation and psychological harassment. Because Shcharansky felt so strongly about the political and religious persecution forced upon helpless victims in the Soviet Union, he felt compelled to speak out in behalf of others, and to inform the outside world of Soviet human rights violations.

This and many other injustices brought upon innocent victims should cause us to speak out and protest with increased intensity until the Soviet Government is forced to release Anatoly Shcharansky, and to grant him permission to emigrate to Israel where he can join his wife, Avital.

I know that many of my colleagues have been active, as I have, in writing letters to President Carter and to Soviet officials urging that action be taken to insure the safety of those struggling to gain their human rights in the Soviet Union. We must continue this struggle until these innocent people can live without fear of persecution, practice their chosen religion without oppression, and for those who desire, to emigrate with their families in accordance with the civilized norms in existence in most countries throughout the world, except in the Soviet Union.●

● Mr. OBERSTAR. Mr. Speaker, the third anniversary of the arrest of Anatoly Shcharansky is an indictment of the ultimate futility of the Soviet system of repression of political and religious dissidents. In seeking to destroy Shcharansky and the refusenik movement, the Soviet Union has established the once obscure Shcharansky as a hero and a symbol of resistance to tyranny in the Soviet Union and throughout the world.

Future generations will accord Shcharansky the same honor Americans reserve for the courage and sacrifice of Nathan Hale.

Anatoly Shcharansky is a living indictment of the Soviet political system. His courage represents a stinging rebuke of the parody of justice practiced in the Soviet Union. His so-called crime is that he is a Jew who wishes to honor his religious heritage with his family. He wishes to emigrate. For that high crime, he has been sentenced to 13 years in imprisonment under conditions which will make survival almost impossible. That virtual death sentence followed a kangaroo trial in 1978 that has come to represent to the entire world the absurd nature of what is called Soviet justice. Employing the forms of a democratic society, the trial of Anatoly Shcharansky parodied due process, the presumption of innocence, and the right of the accused to counsel of his own choice.

The trial indicated the fear and the paranoia of the Communist regime that feels so threatened by the desire of its people for freedom and justice that it must simulate the forms of justice and affect a commitment to justice totally incompatible with a police state.

The years of imprisonment, separation from family and the denial of basic human rights has not broken the spirit of Anatoly Shcharansky or his courageous family. They live as an inspiration to all Russian peoples alienated from their repressive government. If the Shcharanskys can maintain their vigil, as have hundreds of thousands in the Soviet Union, this House can do no less.

I want to offer my thanks to our colleague from Massachusetts (Mr. DRINAN) for this opportunity to focus our attention, as the representatives of a free people, on the deprivation of human rights in the Soviet Union today.

Mr. Speaker, these people have no elected representatives to speak for them. If it is our moral obligation as a democratically elected body to join with other parliaments throughout the world, to speak out for these people, to support their fight for democracy and freedom.

Mr. Speaker, I hope that the fourth anniversary of Anatoly Shcharansky's imprisonment will find him a free man living in Israel with his family.●

● Mr. MAVROULES. Mr. Speaker, I rise today to address the House out of a concern for the plight of Soviet Jews. As I am sure you are aware, the Soviet Union has completely disregarded the tenets of the Helsinki accords by refusing to acknowledge the fundamental human right of the freedom to emigrate.

Unfortunately, our relations with Israel have been tainted because of the recent voting error on the part of the United States. The Carter administration's blunder is a demonstration of both insensitivity and irresponsibility. In an effort to rebuild our positive relations with Israel, I urge that we exert even stronger pressure on the Soviet Union to allow the many who wish to emigrate to do so.

In the past, the Soviet Union's human rights record has been abysmal. A particular case in point is one Alexander Maryasin, a Soviet refusenik who wishes to reunite his family in Israel and who has been refused an exit visa for himself and his family over 15 times.

Alexander Maryasin was stripped of his important position in industry, and his daughter was not allowed to finish her education. This forced change in lifestyle, coupled with persistent refusals to emigrate, have placed the Maryasin family under considerable emotional strain, and they have demonstrated enormous strength in the face of such dismal events.

Last February 26, I was joined by 27 of my colleagues here in the House in expressing anger at the Soviet authorities' constant refusals to grant exit visas to Alexander Maryasin and his family. I would like to thank those members at this time.

Again, let me raise my voice in opposition to the Soviet Union's mistreatment of Jews. It is my heartfelt feeling that the United States, now more that ever, should continue and strengthen their efforts to secure the democratic ideals of freedom and justice for all those who desire to leave the Soviet Union, including Alexander Maryasin.●

● Mr. LENT. Mr. Speaker, it is a privilege to join so many of my colleagues in commemorating one of the saddest events in the long struggle for human rights. I thank the gentlemen from Massachusetts (Mr. DRINAN) and New York (Mr. GILMAN) for making possible this solemn observance of the third anniversary of the arrest of one of the bravest champions of human rights, Anatoly Shcharansky.

Because of his courageous and determined activities in behalf of Soviet Jews, the arrest of Anatoly Shcharansky on March 15, 1977, stirred a worldwide storm of protest against the leaders of the Soviet Union. The protests increased when, in the following year, the Kremlin ordered Shcharansky to prison for 13 years. This was such an outrageous violation of human rights it brought a protest from President Carter, who personally intervened in Shcharansky's behalf.

Mr. Speaker, the tremendous outpouring of support from around the world was recognition of the amazing courage Anatoly Shcharansky displayed in leading the cause for human rights in the Soviet Union. Shcharansky totally ignored the very great personal risk he was incurring in opposing the oppressive anti-Semitic policies of the Kremlin rulers.

Since that day, 3 years ago, when the Communist regime arrested Anatoly Shcharansky, much has transpired in the world to divert our attention from his painful circumstances and from the terrible plight of thousands of his fellow Soviet Jews still suffering the harsh persecution of the Soviet leaders. The recent invasion of Afghanistan by Russia has tended to overshadow the all-pervading suppression of human rights by the Communist regime ruling Russia.

Not content with this punishment, the Communist regime is now launching a new persecution.

Mr. Speaker, I am sending a personal protest against this vicious practice to General Secretary Brezhnev and Interior Minister Shchelokov demanding that this ugly persecution be stopped, and that Ida Nudel be released from her exile. I am asking that my colleagues join me in this petition in behalf of the woman who has fought so long and courageously for her own freedom, and for the freedom of so many other Soviet Jews.

The stronger our voice in support of Ida Nudel, the more likely she will realize her dream of a new life in Israel.●

● Mr. PEYSER. Mr. Speaker, in July 1978 the world heard the sentencing of Anatoly Shcharansky and mourned along with his family, friends, and concerned individuals throughout the world. We, in free societies, are shocked at the harsh punishment given this "dissident." And, at the same time, we are disgusted with Soviet officials who have, once again, shown the world their determination to silence those individuals who speak out against repression and who speak out for freedom.

Because of his candor, Mr. Shcharansky was found guilty of treason, anti-Soviet agitation and propaganda. He received a 13-year sentence—the first 3 years to be served in prison and the remainder in a strict-regime labor camp, an extremely harsh sentence which could and inevitably is killing him. It is expected that he will be transferred to this labor camp on Saturday and we can certainly expect that his transfer will be an unpleasant and physically painful experience.

Anatoly Shcharansky was a member of a group monitoring the Soviet observance of the 1975 Helsinki agreement. As a signatory of the United Nations Universal Declaration on Human Rights and as a party to the Helsinki Final Act, the Soviet Union had indicated its commitment to internationally recognized human rights. The world's regard for the Soviet Government's observance of human rights is at a low point as a result of the harsh and discriminatory treatment of this man. In addition, many members of this group are already imprisoned and many others in the U.S.S.R. are being silenced—whether by imprisonment or by other means that the Soviet aggressors will eventually decide.

Mr. Shcharansky is no more guilty than the rest of the citizens of the world who speak out against prejudice, aggression and injustice. Mr. Shcharansky's real crime appeared to be an expression of freedom of speech, the desire to emigrate to Israel and a history of helping other Soviet Jews who have been victims of Soviet aggression. We, in the United States, are most fortunate to have the protection of the Constitution. We are afforded the freedom to challenge those individuals with whose opinions we differ, without fear of reprisal.

I have met with Avital Shcharansky, Anatoly's wife, on many occasions and have been told that his health is deteriorating rapidly. We, as Members of Congress, must actively fight for his freedom as well as those who remain imprisoned for a belief in human rights. Mrs. Shcharansky's impassioned plea to Congress has stressed that "the Soviet Union does not react to words." We must show the Soviet Union and the world that we will not sit idly by and watch Jewish citizens of all walks of life, who fight for the freedom of all individuals, be silenced.●

● Mr. WAXMAN. Mr. Speaker, it has been 3 long years since the Soviet Government moved to silence Anatoly Shcharansky. Though it has succeeded in imprisoning his body, it has not captured his mind, or controlled the spirit of freedom that has inspired a worldwide campaign on behalf of him and the simple goals to which he has committed his life.

Anatoly Shcharansky is a hero throughout the world—and to so many in the Soviet Union as well, where he will stand forever as one who sought to guarantee the promises solemnly undertaken by the Soviet Government itself. For Anatoly, the Helsinki Final Act, which insured freedom of emigration and other basic human rights, was not a mere piece of paper but a contract with all of Soviet society. He worked tirelessly with the Committee for the Implementation of the Helsinki Agreement in Moscow to see that its promises were fulfilled.

It was a bitterly frustrating struggle. As an activist, he was marked by the Soviet authorities for repression. But daily surveillance and unrelenting intimidation by the KGB did not deter him from pursuing his mission. The trauma of being severed from his wife, Avital, only reinforced his determination to continue his activities. His arrest and trial on the maliciously false charges of treason did not break his will. And even his imprisonment in one of the harshest prisons in the Soviet Union has not shaken his faith.

This ordeal has taken a huge physical toll on Anatoly. His body is skeletal, and his eyesight is in danger of being lost. Equally disturbing, his mother, Ida Milgrom, has been denied permission to visit him for the last several months.

The arrest of Anatoly Shcharansky in 1977 was the culmination of one campaign to destroy the organized Helsinki Watch Group Movement, and a signal of Soviet intentions to unhesitatingly pursue other activists. The internal exile of Andrei Sakharov earlier this year demonstrated that the Soviets will stop at nothing to forcibly eliminate human rights advocates.

There are even more ominous signs ahead. Although the Olympics are threatened by the U.S. boycott of the Moscow games, there is every indication that the Government intends to purge the cities of all "undesirables"—especially Jews—who would seek to have contact with foreign visitors. Such Nazi-like plans are yet another reason for the need to remove the Olympics altogether from the Soviet Union.

The tragedy of Anatoly Shcharansky underscores the urgency of the ideals he championed. The lesson for us, as free people, is clear: never to forget, never to abandon the dream. Certainly he has not. And just as surely, we must not.

I want to commend Representative DRINAN for once again marshaling so many in the House to speak out on the fate of this great man. Our work to secure freedom for Anatoly Shcharansky will continue.

Attached for my colleagues is a recent report from Moscow on the purge of Soviet cities prior to the Olympics:

[From the Los Angeles Times, Mar. 1, 1980]

RUSSIA MAY BAR ACTIVISTS FROM OLYMPIC CITIES

(By Dan Fisher)

MOSCOW.—Soviet authorities have taken what may be a first step toward purging all of the country's Olympic cities of Jewish activists during this summer's Games.

At least one district branch of the Office of Visas and Registrations has posted an announcement saying that "persons invited from abroad" are forbidden to stay in Moscow, its suburbs, Minsk, Leningrad, Kiev, and Tallin from June 19 to Sept. 3, eyewitnesses reported. The Games are scheduled to run from July 19 to Aug. 3, with events in all five of the cities.

The wording of the notice, dated Feb. 27, appears to apply both to foreigners who might be invited to visit by Soviet citizens and to Soviets who have received invitations to emigrate from relatives abroad. (Soviet Jews must have such invitations before being allowed to emigrate.) About 300,000 Soviet Jews have received emigration invitations, Israeli authorities say. This is by far the largest group that would appear affected by the order.

Jewish sources here have told The Times that they are convinced the authorities intend to use the vaguely phrased order to purge the five cities—all of which are scheduled for some Olympic events—of Jewish activists who might otherwise use the opportunity to contact a flood of foreign tourists expected here for the Games.

"The main idea is to look at activists, Jewish dissidents, refusedniks (Jews who have been refused permission to emigrate), and others who want to have contact with foreigners—and to interrupt those contacts," one Jewish source said.

An official of the central Moscow Office of Visas and Registrations, contacted by telephone, angrily denied that such a notice has been posted and hung up on his questioner.

However, several people said they have seen the notice on the door of the Gagarinsky district visa office in Moscow on Thursday and Friday. The carefully hand-lettered notice, headlined "announcement" in red and followed by a blue text, read: "From 19 June through 3 September, 1980, persons invited from abroad are forbidden to stay in Moscow, the Moscow oblast (region), Minsk, Leningrad, Kiev and Tallin."

Jewish sources said it is inconceivable that the office would have put up such a notice on its own initiative. Since it affects the residents in four different Soviet republics, they added, the announcement would have to be the result of a nationwide order by the Soviet Ministry of Internal Affairs.

The Gagarinsky visa office is on the third floor of the district internal affairs office on Mosfilmskaya St. on the city's near southwest side. As of Friday night, there were no reports of the announcement having been posted in any of the city's other visa offices, which are believed to number between 15 and 20.

There have been widespread rumors here for months that Soviet authorities planned to purge the Olympic cities of "undesirable elements" during the summer in pursuit of their goal to turn the Games into a Socialist showcase.

About 50 dissidents have been arrested during the last five months alone, and Nobel Prize-winning physicist Andrei D. Sakharov was exiled to Gorky, a city closed to foreign travel, in January. Other dissidents have been warned that they will also be banished from Moscow unless they cease their activities.

Soviet sources say that police have also been rounding up known inebriates and shipping them out of the capital for long periods of compulsory treatment to extend through the Summer Games.

There have also been reports that party activists at the factory meetings have urged workers to keep their elderly relatives away from Moscow during the Games, and school officials have told children that they, too, should leave the capital this summer. Some teachers have used scare tactics on their charges, warning that foreign tourists are planning to bring poisoned chewing gum to hand out to children, reliable Soviet sources said.

Residents of some Moscow neighborhoods have been blanketed with official handbills outlining 14 "moral principles" that should guide the conduct of a resident of a "model Communist city." And officials have warned repeatedly that while Soviet citizens should be hospitable to foreign guests this summer, they must be on their guard against alien, "bourgeois" ideas.

The Gagarinsky visa office announcement gives no clue as to how the Soviets might hope to enforce a selective ban on Soviet citizens living in the Olympic cities.

● Mr. BRODHEAD. Mr. Speaker, 3 years ago Saturday, Anatoly Shcharansky was arrested while leaving his apartment in Moscow. Subsequently, he has suffered the humiliation of being labeled a "traitor," the degradation of a Soviet prison, and the loneliness of seclusion from the family he loves. As we are all well aware, Shcharansky's arrest was the result of his desire to leave the Soviet Union and emigrate to Israel. For this "crime," he is to spend 13 years in prison at hard labor.

Mr. Speaker, Anatoly Shcharansky's case reflects the centuries-old quest of the Jewish people to live under democracy, free from oppression and prejudice. Shcharansky's desire to live with his people in Israel echoes the cries of Jews since Moses: "Let my people go."

Shcharansky's story demands recounting. After being turned down by the Soviet authorities for a visa to emigrate to Israel, Shcharansky concentrated his efforts on monitoring the Soviet implementation of the Helsinki accords. In May, 1976, he became a founding member of the Committee for the Implementation of the Helsinki agreements in Moscow. After working on this committee, and after sending his wife to Israel with the intention of soon following, Shcharansky was arrested for "treason." He was held for 15 months before a trial date was set. The trial was closed: not even his mother was permitted admittance. He was allowed no witnesses, interrupted throughout his testimony, and faced false accusations from questionable witnesses. We are all too well aware of the sentence he received.

Today, Shcharansky spends his long days behind bars, in ill health. Soviet authorities have denied requests by his family that American doctors see to his physical condition. The few letters he is allowed to receive are subject to censorship.

Mr. Speaker, I have grown weary of the Soviet excuses. I am tired of their prepared ignorance of the subject. I stand up today, along with my colleagues, to demand Shcharansky's release. Anatoly Shcharansky is a believer in freedom and democracy. In this respect, he is of the same faith as those here in America and in the free world. Thus, we join with Anatoly Shcharansky in his protest to the Soviet Government: Let my people go.●

● Mr. GORE. Mr. Speaker, it is with sadness that I join my colleagues today in commemorating the third anniversary of the arrest of Soviet scientist Anatoly Shcharansky.

I shared the hope that the pressures of world opinion and individual efforts would have resulted in the release of Mr. Shcharansky before this time; unfortunately, the Soviet Government has refused to respond to these concerns, and today we gather to reaffirm our commitment to the freedom of Anatoly Shcharansky.

It is imperative that we continue to remember the plight of Shcharansky and others like him who have sacrificed so dearly for the cause of human rights. Three years have passed since Mr. Shcharansky was arrested, but it is evident today that the passage of time has not dimmed the concern and commitment of these Members of Congress. Only through continued efforts on our part can we hope to make our message clearly heard by the Soviet Government: that regardless of how long it takes, we will not relax our efforts on behalf of the rights of persons oppressed in the Soviet Union, and that we will continue to push for the release of Anatoly Shcharansky, one of the most dedicated and concerned advocates of human rights.●

● Mr. BLANCHARD. Mr. Speaker, on March 15 it will be 3 years since the arrest of Anatoly Shcharansky.

It will be over 2½ years since his trial.

It will be 5 years since he was dismissed from his job for seeking to emigrate to Israel.

It will be over 5½ years since he has seen his wife, Avital.

It will be 6 months since his last visit with a member of his family.

Mr. Speaker, how long will it be before Anatoly Shcharansky, and thousands of others like him in the Soviet Union, can pursue their lives in peace and freedom?

How long will it be before Anatoly Shcharansky and other Soviet Jews can join their families?

How long will it be before the Soviet Government honors the basic human rights of its citizens?

How long will it be before the Soviets understand that they cannot succeed in their oppression?

Mr. Speaker, it will be until those of us around the world who respect liberty make absolutely clear to the Soviets that we will not allow them to succeed.

We cannot allow our position on this matter to be ambiguous or misinterpreted, for our response will set the boundaries for Soviet actions. Anatoly Shcharansky is one who has tried to set such bounds, and it is our honor here today to state our full support for his efforts, and our clear determination to see him freed.

Anatoly Shcharansky's closing statement from his trial is inspiring in its declaration of the freedom of man's spirit. To read it is to understand both the rewards and risks of Shcharansky's struggle—and to know that we must join him in it. On this occasion, therefore, I would like to call my colleagues' attention to his words:

> In March and April, 1977, during the preliminary interrogations, those conducting the investigation warned me that in view of the position taken by me during the investigation, the one which I have maintained during the course of this trial, I will be likely to be given the death sentence or, as a minimum, 15 years of confinement. I was told that if I agreed to collaborate with the KGB in order to destroy the Jewish emigration movement, then I will be given a short sentence, quick release and even the possibility of joining my wife.
>
> Five years ago, I applied for a visa to Israel, but now I am further than ever away from the attainment of my dream. It might appear that I must have regrets about what has happened. But this is not so. I am happy. I am happy that I have lived honestly, in peace with my conscience, and have never betrayed my soul, even when I was threatened with death. I am happy that I have helped people. I am proud to have known and to have worked with such honorable, brave people as Sakharov, Orlov, Ginsburg—they who are continuing the finest traditions of the Russian intellectuals. I am happy that I can be a witness to the redemption of the Jews in the USSR. These absurd accusations against me and against the whole Jewish emigration movement will not hinder the liberation of my people. My near ones and friends know how I wanted to exchange activity in the emigration movement for a life with my wife, Avital, in Israel.
>
> For more than 2000 years the Jewish people, my people, have been dispersed. But wherever they are, wherever Jews are found, each year they have repeated: 'Next year in Jerusalem.' Now, when I am further than ever from my people, from Avital, facing many arduous years of imprisonment, I say, turning to my people, my Avital: Next year in Jerusalem!
>
> And I turn to you, the court, who were required to confirm a predetermined sentence: to you I have nothing to say.●

● Mr. SOLARZ. Mr. Speaker, I would like to join my colleagues in expressing my continuing support for Anatoly Shcharansky. As the third anniversary of his arrest approaches, we must remember how courageously this young man spoke out for the rights of Jews in Russia, and we must condemn the treatment he has received in Christopol Prison.

As a founding member of the Committee for the Implementation of the Helsinki Agreement, Anatoly Shcharansky became the primary spokesman on behalf of Soviet Jews, bringing worldwide attention to the human rights violations against Jews by the Russian Government. His promising career as a physicist and a mathematician was destroyed as he joined such honorable men as Sakharov, Orlov, and Ginzburg in condemning Soviet injustice. On March 15, 1977, he was arrested on the charge of making contact with an agent of the U.S. Government, a charge denied by American officials. After a trial that provoked outrage in my heart and in the hearts of many of my colleagues and indeed of most of the Western world, he was sentenced to 13 years in prison. He had committed no crime; he was imprisoned for wanting to emigrate to Israel, and for monitoring the Soviet Union's compliance with the Helsinki accords, one of its own treaty obligations.

In the past 3 years, Shcharansky's health has deteriorated to the point where he suffers greatly from headaches, loss of vision, high fever, and other symptoms indicating a serious condition that requires medical attention. The Soviets have permitted few visits by members of his family, have shown him only a few of the many letters written to him and have refused to give him medical treatment of any kind. This unjust suffering must end.

Anatoly Shcharansky's sole dream has been to join his wife, Avital, in Israel. I urge the Soviet authorities to allow this goal to be fulfilled. Until it becomes a reality, we must continue to speak out for his freedom. We must "shatter the silence" so that maybe next year will mark a joyful anniversary for the Shcharansky family.

Mr. Speaker, I hope that Shcharansky's closing remarks after receiving his sentence to prison 3 years ago will soon come true, for him, and for thousands of other Jews longing to be free: "Next year, in Jerusalem" may he and others meet there to rejoice in freedom and peace.●

□ 1530

PROMOTING A BETTER ENERGY FUTURE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. DANNEMEYER) is recognized for 60 minutes.

Mr. DANNEMEYER. Mr. Speaker, it was not too long ago when America's energy policy consisted of import quotas designed to limit the amount of foreign oil being sold in the American market. Such Government regulation was necessary, it was believed, to protect the domestic oil industry from devastating competition even though the long-term effect was to drain American oil reserves. But now the shoe is on the other foot; instead of too much oil on the market, there is too little for our needs and the price of that which is available from abroad has skyrocketed. Rather than fearing foreign competition, we now have to face up to the threat of excess dependence on foreign oil—the consequences of which are, or could be, serious indeed.

In 1958—just over two decades ago—demand for oil in this country amounted to 9.14 million barrels of oil per day, of which 1.7 million barrels per day—or 18.6 percent—was supplied by imports. A decade later, demand was up to 10.78 million barrels a day, but still only 19.7 percent—or 2.12 million barrels a day—came from imports. However, domestic oil production peaked at 9.5 million barrels per day in the year 1970 and, from then until Alaskan oil began flowing through the pipeline, it steadily decreased, a trend aided and abetted by rising production costs on the one hand and the imposition of Federal price and allocation controls on the other. Even with Alaskan oil on line, domestic production only totaled 8.5 million barrels per day in 1979, a year in which demand was 18.37 million barrels per day, of which 44.3 percent was imported. Moreover, the price of those imports has risen even more dramatically; in 1969, the average market price of imported oil was $1.80 a barrel, the same as it had been a decade earlier, but by 1979, it was up to $17.55 per barrel and it now averages $29.62 per barrel. In dollar terms, that means we spent roughly $52 billion on imported oil last year and, based on estimated imports of 8.0 million barrels per day, we will spend $86.5 billion this year.

Of course, not all of this imported oil comes from the OPEC cartel, but a considerable, and growing, percentage of it does. In 1968, 44.8 percent of our imported oil came direct from OPEC; in 1979, just over a decade later, 5.49 million of our 8.3 million barrels a day of imports—or 67.5 percent—came from OPEC. The financial, to say nothing of political, leverage that gives the OPEC nations becomes clearer when we recognize that, in just the 6 years from 1974 through 1979, the United States paid in the neighborhood of $155 billion to the OPEC nations for the privilege of buying their oil and, while those nations are using some of that money to develop and/or modernize their facilities and their respective economies, with inflation being what it is, they are also looking for ways to protect the value of their oil revenues. Which, assuming the U.S. inflation rate continues to spiral, means one of three things: either the OPEC nations will force a return to a gold standard, require payment in a more stable currency than the dollar, or get on our inflation escalator by buying up U.S. property—farmland, industries, sports franchises, and the like. We have already seen some evidence of the latter and, unless we want to keep on mortgaging our future, it is high time we took decisive action to reduce the dependence on foreign oil which has brought it about. $155 billion to OPEC in 6 years may not seem like all that much—to many it is but an abstract number—but when you consider that the total value of all stocks listed on the New York Stock Exchange comes to $1.09 trillion, it becomes more readily apparent how much it is and how much mischief it could cause us.

But that is not the only mischief that can come from excessive oil dependency. Nor is the threat of political blackmail by OPEC nations wishing us to change our policies toward Israel, the Palestinians, Iran, or the Middle East in general our only other concern. Indeed, it may be that both of these may pale in comparison to yet another possibility—the one brought out into the open by the Soviet invasion of Afghanistan. It is one of the world's poorest kept secrets that the Soviets have long sought an outlet on the Persian Gulf and that they have long coveted not only Iran but the oil supplies of the Middle East. Certainly, Soviet military assistance to Egypt and Somalia in the early 1970's (since frustrated), and their subsequent influence-building efforts in Ethiopia and both Yemens stood as testimony to their objectives even before Afghanistan; that invasion only put their interests—and the threat they pose—into clearer perspective. But, regardless of whether the Soviets chose to take the next step by promoting insurrections or by outright invasion, the fact of the matter is that, so long as we are dependent on Middle Eastern oil to keep our economy going, we will have to respond, and it is entirely possible our response will have to be military in nature. Putting aside the question of whether we have the military capability of responding, the next question is, Are we going to ask American fighting men, and perhaps women, to die for Middle Eastern oil simply because we have not taken the steps to develop the energy supplies which are available here at home?

There are a number of reasons, of course, for our failure to develop these supplies. Part of the problem is historical; if governmental action was used, however shortsightedly, to protect American oil producers, then it is easy to see how Government could be relied upon, however misguidedly, to protect the American consumer from the suddenly rapacious oil producers. What was unseen, however, by both the people and their representatives, was the illogic involved, to say nothing of the consequences of Government regulation. Which brings us to the second reason: a lack of understanding, on the part of the public, and their representative, of the oil industry. Everyone has heard the furor over oil company profits but, lost in the clamor, was the fact that oil was both harder to find and tougher to drill for than ever before and, as a consequence, it cost more to produce. Much as we might regret it, the days of an abundant supply of cheap energy were over by 1970 and attempts to extend them only made matters worse. With prices artificially controlled after 1973, producers not only had little incentive to find new sources of oil, but the subsequent phased decontrol gave them an incentive to hold back some of the oil they might have pumped until the day they could get a fair market return for it.

Compounding the situation is the fact that natural gas in interstate commerce was controlled also—thereby curtailing development of an alternative source—and those controls are not due to expire until 1985. As with artificially controlled oil prices, an additional problem here is that people are encouraged by those artificially low prices to use more of the supply than they otherwise might. Government attempts to allocate either oil or natural gas only make matters worse—as last spring's gasoline shortages so clearly demonstrated.

Some people also cite America's love affair with the car as a reason for our energy problems but, given the geography of this Nation and the individualistic spirit and expression that has made it great, it is unrealistic to assume things could have been otherwise. In any event, the growth of auto travel corresponded to the growth in the economy and the improvement in the standard of living everyone wanted. A more accurate diagnosis is that some people began thinking that we could have our cake and eat it too, that is say, could have the pristine pure air and water of the preindustrialized horse transportation days and still enjoy all the advantages of a modern industrialized society. Certainly, those people were well-intentioned; their motives were, by and large, as pure as the environment they sought. But they forgot one thing; there are always trade-offs, and while we might strive to clean up our air and water, at some point the law of diminishing returns does set in. People have to work, for them to work they have to produce products at a plant, which may mean driving to the plant. And, if you do not use coal to fire the boilers at that plant, you have to use more oil. And if the possibility of tar on a beach stops you from drilling all offshore oil, then there is a problem in getting more oil, and so on. Before you know it, the problems thus created add up to shortages and, in our well-intentioned concern over the environment, that is just what has happened in this country. The Trans-Alaska Pipeline is an excellent case in point; it nearly was not built because of continuous environmental objections raised pursuant to the National Environmental Protection Act and if further suits based on that act had not been stopped by another act of Congress, that pipeline would not be in operation today. And think where we would be without it.

Parenthetically, I might mention that another trade-off had to be made to get that Alaska pipeline bill passed; no Alaskan oil would be exported. So now, when it would be cheaper to sell Alaskan oil to Japan in exchange for Mexican oil that would otherwise go to Japan, we cannot do it. Yet another bottleneck that can be attributed to environmental overkill.

Be that as it may, finger pointing will not solve the problem. In fact, political attempts to shift the blame have been another reason—perhaps the biggest reason of all—that we have not come up with a sensible energy policy that will promote both production and conservation without regulatory overkill. To a greater or lesser extent, both political parties have been at fault: On the one hand, Government controls over oil rather than production incentives for oil and natural gas were passed by a Democrat Congress during a Republican administration; on the other hand, a more recent (unsuccessful) effort to scrap the self-defeating Federal gasoline allocation program was supported by most Republicans (80 percent of them) and opposed by most Democrats (73 percent of them). So, rather than waste more time on partisan maneuvering and political posturing, let us get on with the essential task before us—simultaneously increasing domestic energy production and promoting domestic energy conservation through utilization of the tremendous strength and ingenuity of the free market system. We have tried Government regulation and control and it does not work; we know from experience that Government research and development of new energy sources will be slower, less efficient, and more expensive than if the private sector is given the task; and we have absolutely no more time to waste. Therefore, we need an energy program to unshackle the free enterprise system and give it the incentive to do the type of job it did in bringing the United States to the pinnacle of prosperity.

The bill I am introducing today, with Mr. DORNAN and Mr. LUNGREN, will be, I hope, the first big step in such a program. It has five major sections. The first of these sections eliminates certain prohibitions on the use of natural gas in electric powerplants and would encourage the reversion of dual use boilers to the use of natural gas. This is a simple action designed to permit the marketplace to shift back and forth from one fuel source to another depending on price and availability. It also constitutes simple recognition of the fact that Government bureaucrats cannot understand the needs of industry and utilities half so well as the operators of those facilities. By stripping away unnecessary, cumbersome, and inefficient Government regulations, estimates are that a minimum of 145,000 barrels per day of oil could be saved through the enactment of this provision.

A second portion of this multifaceted piece of legislation calls for immediate decontrol of crude oil, natural gas, and petroleum products. As you may know, I have introduced legislation to effect this already. I am including it in this measure because I feel it is absolutely essential to the smooth and efficient operation of the market place that the obstacles to energy production by cumbersome and seriously detrimental government regulations be eliminated. Recent estimates indicate that at least 250,000 barrels per day of oil and natural gas could be cut from our imports if this action were taken. And that figure may be conservative if credence is given to a July 30, 1979, study done by Milton R. Copulos, an energy policy analyst at the Heritage Foundation.

According to the study, the following short, medium, and longer term benefits can be expected from the immediate decontrol of oil, natural gas, and gasoline:

Action	1980	1985	1990
Oil decontrol	250,000 b/d	2.5 mb/d	5 mb/d
Natural gas deregulation	1.3–1.95 mb/d	2.8 mb/d	2.8 mb/d
Gasoline decontrol	———	1.4–1.7 mb/d	2.2 mb/d
Totals	1.55–2.20 mb/d	6.7–7.0 mb/d	10.0 mb/d

These savings would be achieved in two ways; part would come from increases in production resulting from the elimination of controls on the sale price of oil and the rest would occur in the area of conservation. As we have seen in the last 4 months, when gasoline consumption has dropped 5 to 10 percent below the previous year's levels, rising prices, far more than publicity or Government gimmicks, have given people the incentive to conserve. Thus, I would suggest to this body that any rise in the price of oil that might occur from decontrol would not only promote conservation, but would do so without the necessity for any more expensive (and expansive) Government bureaucracy which would come from rationing.

A third provision of this bill redefines heavy oil up to 25.0 API specific gravity and exempts his oil from both Federal controls and the windfall profit tax. This might seem like a minor provision, but in reality it would be a very susbtantial step forward. It is estimated that the State of California alone has reserves of oil in excess of 30 billion barrels, three times the proven oil reserves of Prudoe Bay, Alaska. This oil comes from fields that were previously pumped to the point that only the very heavy oils, which require special techniques to extract, were left. But, if developed, these fields, along with similar fields in Texas, Oklahoma, and Kansas, could reduce our dependence on foreign oil by 145,000 barrels of oil per day.

I might add, with reference to a point made previously, that much (5 to 10 billion barrels) of this heavy oil in California is in Kern County, and the major reason we have not been able to develop it is the difficulty in obtaining Clean Air Act permits from the Environmental Protection Agency. If we were to be able to increase the production of the heavy oil fields in Kern County by 90,000 barrels a day, it would reduce our bill for oil imports by roughly a billion dollars a year. The fact that we are having so much difficuty in doing so is a high price to pay for environmental overregulation.

A fourth element of this bill calls upon the Federal Energy Regulatory Commission to encourage powerplants and industrial users of power to use more coal. We all know of the tremendous reserves of coal that this country has available. While I am aware of, and concerned about, environmental effects of the increased use of coal, consistent with the other concerns mentioned earlier, I feel that this country has little choice but to pursue the use of coal in lieu of further reliance on imported oil. It is very difficult to determine the degree to which increased reliance upon coal could offset imports, but experts seem to agree that the potential benefits from an increased use of readily available and relatively inexpensive resource are substantial.

Finally, this legislation makes provisions in the tax code for an increase in the energy tax credit of an additional 5 percent and extends to the deadline on the energy tax credit to give purchasers of energy-related equipment more time to recover the cost of such purchases. Coupled with that is a provision for 5-year amortization schedule for energy-related properties. These sections are written in such a way that the installer of energy producing or saving equipment could elect to use either the energy tax credit or this increased 5-year amortization schedule. These are relatively unobtrusive measures that will not require extensive government bureaucracy such as the DOE, but they are measures which should have substantial impacts on both industry and the private consumer.

While these five basic approaches may appear to be drastic to some people, the fact of the matter is, drastic action is needed. Otherwise, how do we answer some very basic questions, such as:

Which would we rather have, development of our own domestic oil and gas supplies or a sharp decline in our standard of living?

Which is better, development of our oil and gas supplies, or being forced to compromise our basic foreign policy positions vis-a-vis Israel and the Middle East?

Which do we prefer, going ahead with development of our own oil and gas supplies, or sitting back and awaiting the day when OPEC nations dictate our financial policy?

Which is more acceptable, developing our domestic oil and gas supplies or letting OPEC nations continue to buy up U.S. business, industries, farms, and valuables?

Which is more compatible with our national conscience, developing our own domestic oil and gas supplies, or explaining to the soldiers we may send to the Middle East that it is necessary that they fight and die there so that we can have cleaner air and water than ever before?

Which is less discriminatory, developing our oil and gas supplies so that everyone has the chance to move up the socio-economic ladder, or simply conserving what we have left, thus ensuring maintenance of the status quo in the short term and the triumph of the idea that "less is best" in the long run?

Some might think these questions unfair, or unduly harsh, but I think not. There are some harsh and difficult choices ahead, and it is high time we faced up to them. For unless we do, and act along the lines previously suggested we may soon discover we have no choice left.

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Mr. COLLINS of Texas. Mr. Speaker, will the gentleman yield?

Mr. DANNEMEYER. I am happy to yield.

Mr. COLLINS of Texas. Mr. Speaker, I would just like to join with the gentleman, and particularly this group from California, who has made such an outstanding presentation on a key subject and, despite what all of us have said, all they are going to add is what America should put at the forefront.

Mr. Speaker, President Carter's administration has pushed through this windfall tax of 70 percent tax on American oil companies with a zero percent tax on OPEC oil companies. This is America's heaviest tax and it goes to American domestic production when America has such a great need for oil. From the time the liberals established a control system on oil 6 years ago, we have seen imports of oil rise from $3 billion a year to where our country will import $90 billlion in oil this year. That is $90 billion in 1980 of American money that will be drained away to pay for foreign oil.

The logical energy plan would be the Republican plan of plowback credit. This would provide that oil companies plowing back profits would be given credit. But if they did not plow back the earnings into exploring, drilling, and producing more oil in the United States, the income would be totally taxed. What this country needs is 100 percent plowback so that oil companies could put all of their added capital, which is generated from the inflation and OPEC prices, back into domestic oil exploration.

With the present price of oil, the oil companies could go back into old oil fields of America and produce as much oil and gas as has been recovered to date. Although the remaining oil is more expensive to produce, we could through chemicals, water flooding, fracturing, and intensive development get another 30 percent of the oil out of the rock. To date we have recovered only 30 percent of oil reserves and we all realize that the final 40 percent would be too expensive to recover.

When American companies produce oil, most of the cash flow goes to the Government in the form of taxation. Everytime a stockholder in an oil company receives $1 in dividends, the Government, through taxation, receives $12 in taxes. Oil produces $12 in taxes for every $1 that a stockholder in an oil company receives in dividends.

With oil and gas accounting for 75 percent of this country's energy needs, we can no longer continue our complete dependence upon OPEC oil. With the Carter windfall tax, Americans can soon anticipate paying $2 a gallon for gasoline.

Mr. LUNGREN. Mr. Speaker, will the gentleman yield?

Mr. DANNEMEYER. I yield to the gentleman from California.

Mr. LUNGREN. Mr. Speaker, I think it is rather ironic we are introducing this bill on the same day the House had the vote on the windfall profit tax. It is ironic because this new tax essentially will give the American people more taxes where they are asking for less taxes, and give them less domestic energy when they are asking for more domestic energy. Although we recognize the difficulty of the successful completion of the legislative journey for a bill such as this, there is no doubt that an alternative must be presented so that when the failure of today's collective vote of this body becomes very well known, there will be an answer as to what we can do.

Mr. Speaker, I am joining with my colleagues, Mr. DORNAN and Mr. DANNEMEYER, in introducing a bill aimed at addressing the supply and production side of our current energy dilemma. It is apparent that the President's latest approach will do no better than its predecessors in solving the Nation's energy problems. He has not been able to bring himself to tell Americans that they have to pay the full economic price for the fuel they regularly consume.

The fact of the matter is that energy is more expensive and will continue to be more expensive. Either we are going to pay for it directly through the marketplace or we are going to pay for it indirectly through taxes and inflation and have decisions directed in a political sense rather than an economic sense. If we follow the latter approach, we will thereby decrease the freedom of Americans to make decisions on those most vital issues, not only with respect to where people are going with their cars but how they are going to work, where they are going to work and, indeed, if they will even have an opportunity to work at all.

The mechanism of the marketplace, far better than Government coercion and exhortation, will inhibit consumption, encourage conservation, match supply and demand, and offer private enterprise the incentives to find more oil or develop oil substitutes.

The President has been promoting conservation, conservation, and more conservation. Such a policy is good as far as it goes, but if we do not address the question of supply, all we will succeed in doing, is to put our country in the position of running out of energy more slowly. The bill that my colleagues and I are introducing today is aimed at encouraging an adequate domestic energy supply in a relatively short period. This will give us the time we need for American ingenuity to perfect solar power, fusion power and numerous other technologies now on the drawing boards. Specifically, our bill calls for the immediate decontrol of crude oil and petroleum products. This will have a limiting effect on consumption as well as giving the private sector the financial incentive to go after more expensive oil.

Our bill also broadens the definition of heavy oil and exempts such oil from price controls and the windfall profit tax. The President, in an executive order has already decontrolled the price of heavy oil and the windfall profit tax conferees modified the application of the excise tax on it.

However, if my colleagues look at the bill we did pass today they will see that we basically did not keep faith with the statement that the President made when he decided to decontrol heavy crude. That is, he indicated at that time that heavy crude would also be exempted from the excise tax, the so-called windfall profit tax.

In fact, what has occurred is that we have a minimum windfall profit tax on even the heaviest crude, and then a full 60-percent tax on that part of it which falls in the middle range of the heavy crude category. However, our bill differs in both the concept of the President and that of the Congress so stated in the windfall profit tax in that it defines heavy crude as oil having an API gravity of 25.

The Department of Energy uses a 20 API specific gravity definition and the windfall conferees have settled on a 16 API specific gravity. Aside from the obvious advantage of providing for standardization, in my home State of California alone, the 25 API specific gravity definition will increase the amount of oil production eligible for heavy oil incentives by 44.76 percent above what the windfall profit tax conferees have agreed on. Our country has abundant reserves of heavy oil and we have the technology to get it out of the ground, all that is needed is the incentive and our bill will provide it.

This is extremely important because, as we look in the short run for alternatives to what we have been producing over the past few years and are producing now, heavy crude provides this country with the greatest opportunity for meeting our immediate energy needs. Heavy crude represents resources far beyond what most people even hoped that we could possibly expect.

The reasons we have not been providing these resources in a timely fashion in this country, frankly, are to be found in the control, the bureaucracy, and now the taxing mechanism that this Congress and President are seeking to impose on that industry. Our bill is not something to help big oil or small oil or anybody else like that. It is going to help the American consumer to make sure that he will have the energy that, indeed, he requires.

A third provision of our legislation is directed at allowing certain users of oil in electric powerplants to switch to natural gas if they have dual-use boilers. This section marks a step toward returning management decisions to the private sector where they rightfully belong. Those of us from California know well that when you have an agency like the Department of Energy making decisions that ought to belong in the market we do not receive the right decisions.

We know well that when we were confronted with the situation of long gas lines in California before anyone else had them in this country and then we investigated them in a bipartisan fashion, we found that the major culprit was not OPEC, it was not the major oil companies, it was not the independents, it was not the service station operators, but rather it was the bureaucrats over at the Department of Energy. I recall so well one of the President's appointees who was dealing with our bipartisan group saying to us privately that the reason it does not work is because we are attempting to make bureaucrats make decisions that only the marketplace can make.

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Unfortunately, we could not get that statement made publicly, and those few officials who did make that statement publicly found themselves without jobs. So this is really a proper step in placing decisions that belong with the private sector back there as opposed to the public sector. And, actions consistent with this provision of the bill could account for a 145,000-barrels-per-day savings of scarce oil as my good friend Mr. DANNEMEYER has already pointed out.

These are some examples of what this legislation will accomplish if passed. They are not earthshaking programs that will require years of leadtime to implement; they will not require massive new Federal bureaucracies to administer them; they will not extract more dollars from the overburdened consumer without saving or producing any more oil; they will do none of these things. What this bill will do is stimulate domestic production; it will stop discriminating against the American producer in favor of OPEC; it will use American resources, providing American jobs; it will give us time to develop new energy technologies; and it will put us on the right path toward energy independence without asking the American consumer to shoulder the entire burden of 25 years of Government interference in our energy picture. I urge my colleagues to act quickly in considering this bill.

Mr. DANNEMEYER. I thank the gentleman for his comments.

Mr. Speaker, I now yield to the gentleman from California (Mr. DORNAN).

Mr. DORNAN. Mr. Speaker, it is a privilege for me to join with the two gentlemen from California, my good friends Mr. DANNEMEYER and Mr. LUNGREN, in sponsoring "the Domestic Energy Security Act and the Heavy Oil Act." Their energy leadership is desperately needed.

In this continuing debate, our distinguished colleague from California (Mr. THOMAS) pointed out that the Nation's vast heavy oil reserves, which may provide a major relief valve to our energy-supply shortfall, are concentrated in our State of California. Correctly, Mr. THOMAS pointed out the great cost in retrieving this oil even with present technology; but more importantly, it has been the action of the State and Federal Governments, which refuse to recognize the differences in quality and production between heavy and light crude oil that is aiding, however inadvertently, in our continued dependence on foreign oil.

We have voted in this Congress for a so called windfall profit tax when every Member knows it is an excise tax that will add greater burdens on consumers and energy producers in America. The legislation we three propose today encourages, rather than discourages, both energy production and conservation, through specific tax credits and changes in the definition and regulation of heavy oil. It is a fresh idea, and it deserves serious consideration and, if common sense prevails, passage.

Mr. Speaker, my uncle Jack Haley appeared in a remarkable motion picture, a film classic, entitled "The Wizard of Oz." One of the central features of the picture, you might call it "the Message," is that there is no place like home. There is no place like home to develop and strengthen your economy, increase your domestic oil production, and spend your hard-earned dollars. Well, the people who brought you a double digit inflation approaching 20 percent are trying to hammer out an energy policy—now what will that policy be: Will it liberate us from the Sheiks of Araby whose oil we are guzzling at a point which approximates a total of 50 percent of virtually all the oil that we use in the United States? Will it lessen American addiction to imported high priced oil that will cost us approximately $90 billion that will just disappear into the coffers of the OPEC cartel somewhere over the rainbow, costing us in jobs and economic growth? Will it encourage maximum production in a domestic crisis that the President himself has identified as the moral equivalent of war, over which certain persons associated with his administration have suggested something more than a moral equivalent, trading buckets of American blood for barrels of Mideastern light crude?

Welcome to Oz. Yes, the wizards who have been running our energy policy for the past 10 years are indeed "humbugs." There is no compelling evidence that they have any brains—the idiotic Federal gasoline allocation program and its effect last summer proves that beyond a shadow of a reasonable doubt; they have no courage, otherwise they would back away from a self-defeating policy even though it may not be politically popular; and they have no heart because if they did, they would take pity on those who will lose their livelihood as a result of the ill-advised policies that are so politically popular.

One would think that in what the White House deems the moral equivalent of war we would do everything we could to squeeze every drop of crude possible from American soil. We would do everything we possibly could to strengthen our domestic production, reduce our dependence on high priced foreign oil and achieve a greater degree of economic independence. Instead, through the wizards in the administration and the Congress we have been shooting ourselves in the feet, we continue to regulate the most overregulated industry in this country.

The immediate problem facing the United States is our short-run dependence on foreign sources for the next 5 to 10 years. Conventional energy resources such as coal, oil and natural gas will have to supply the bulk of our energy demand while we make a transition, as rapidly as possible, to renewable resources such as solar and geothermal power.

America's energy shortages are relative; they are not absolute. Certain nonrenewable resources, such as oil and natural gas, are not irreplaceable. They can and will be replaced. Energy itself can neither be created nor destroyed; for the amount of energy extant in the universe is constant. The problem that now confronts the United States is not the absence of energy in general, but rather the political will to allow the free marketplace to develop sophisticated new technologies which would render available sources of energy useful. This bill is an expression of that political will.

Since there is no reason to believe that the United States is at the limit of its technological innovation, there is no reason to believe that we cannot meet our energy needs for the rest of this century and well into the future. But we are racing against time. We cannot afford to delay any longer. While fossil fuel resources are being increasingly taxed, and while we are increasing our dependence on foreign sources of supply, we are in a strong need of increased capital investment by energy related industries. Efficient capital investment will not be forthcoming unless private firms are willing to invest. The conditions for increased investment must be hospitable; firms must be assured the opportunity to make a reasonable rate of return on their investments; and they must be free from excessive governmental regulations or punishing taxation. This bill provides that climate.

This administration has emphasized the importance of conservation of our natural energy resources. This goal is admirable in itself; but it does nothing to come to grips with our major, immediate energy problem: Increasing supply. There is a positive correlation between the Nation's GNP and its demand for energy. The high demand for energy in the United States reflects the dynamism of America's vast industrial economy. Stable economic growth for the future will require satisfaction of greater demands for energy, not less. There is no empirical evidence to support the proposition that a decrease in energy demand, through enforced conservation, is possible without decreasing the Nation's general rate of economic growth.

I again congratulate Mr. DANNEMEYER and Mr. LUNGREN for their needed vision in this crisis period in U.S. history. I, also, congratulate our hard-working staffs that have done journeyman work on this needed legislation, and for burning the diminishing midnight oil that we have seen around this country. It is an honor to be associated with my two colleagues, both of them tigers in this new freshman class of this 96th Congress. If we can add just half the voices to the coming 97th Congress—if we last that long—that we have added in the energy and skill from this group who have joined us in this Congress, America is going to have a fantastic third century, which certainly the hard-working people in this country deserve.

Mr. DANNEMEYER. I thank the gentleman. In closing, let me make this observation. I heard a story recently by a commentator on a national television station that likened the situation where we are today to kind of like the fellow who jumped off a 100-story building. As he passed the 20th floor, somebody asked him, "How are you doing?" He said, "So far so good."

If we do not change our policy, we, like that man, are going to hit the pavement and crash our economic system because of our dependence on foreign oil. This program offers an opportunity for establishing energy independence.

"NO" TO CONGRESSIONAL REPRESENTATION FOR ILLEGAL ALIENS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. GRASSLEY) is recognized for 10 minutes.

● Mr. GRASSLEY. Mr. Speaker, the U.S. Census Bureau is proceeding with its plans to include illegal aliens in the 1980 census, which would result in a gross distortion of the reapportionment in the House of Representatives and in the allocation of Federal financial assistance.

There is, no doubt, an immediate need to determine, once and for all, the number of illegal aliens in the United States. Currently, experts can only estimate that there are between 6 and 12 million illegal aliens. For too long we have hidden our unwillingness to tackle the illegal alien issue behind the excuse that we do not know the seriousness of the problem. Now is the time to make that determination. Yet, if illegal aliens are included in our population figures, it will mean a total disregard for the "one person, one vote" constitutional principle upon which our country is founded.

The problem of illegal aliens is one of growing significance in the United States. The steady flow of illegals, mainly from south of the border, has created a number of difficulties: in employment, crime associated with the entrance of illegals into the country, fraudulent documents, and the displacement of American workers. Secretary of Labor F. Ray Marshall admitted recently that U.S. unemployment could be reduced by 2 percent, from 6 to 4 percent, if it were not for illegal aliens. Illegal aliens have robbed our unemployed of millions of jobs.

However, if the Bureau of the Census succeeds in including illegal aliens in the census—they will also rob millions of American citizens of the right to equal governmental representation and their fair share of Federal assistance funds. In addition, their inclusion in the census would have the effect of institutionalizing the unimpeded flow of millions of illegal aliens and would only compound the already heavy economic and social costs.

The Library of Congress has computed the effects of the census plan on apportionment, assuming that there are 8 million illegal aliens in the country and that they are located proportionately to legal aliens. Based on this premise, my home State of Iowa, as well as Missouri, Kansas, Ohio, Indiana, Oklahoma, Mississippi, North Carolina, South Carolina, West Virginia, and Pennsylvania, would lose congressional representation that they probably would otherwise retain. Those States where many illegal aliens are harbored—New York, Texas, Illinois, California—would all stand to gain at our expense. This would have the effect of rewarding areas of the country for having illegal aliens and penalizing those areas lacking illegal aliens by reducing their representation.

In addition to this distortion of representation, those States with many illegal aliens would receive windfall benefits at the expense of those States without. Approximately $50 billion in Federal funds are distributed partially or completely on the basis of population figures. Numerous Federal programs now contain prohibitions against using Federal funds to assist individuals who are not legal residents. If illegal aliens are used to increase the amount of funds a State may be entitled to, but the benefits are not distributed to them, the other residents will receive more than their fair share. Furthermore, needy citizens and legal residents in other States would lose out on their share. However, if illegal aliens could manage to participate in Federal assistance programs, even more citizens would be the losers. Given that there is strong evidence from the IRS that many illegal aliens do not pay taxes, they would be getting a free ride at the expense of the already overburdened taxpayer.

Illegal aliens are already being persuaded to step forward and be counted by the lure of additional funds their communities might accrue. Substantial advertising and public relations campaigns, at a cost of millions of dollars to the taxpayers, are currently being waged to rally their cooperation while being promised, in essence, temporary immunity from our immigration laws.

The U.S. Census Bureau seems to disregard entirely the extent to which its taxpayer-financed TV and television ads will aggrevate illegal immigration. Forced inclusion of unlawful residents in the legislative and apportionment bases for the next decade will serve to legitimize the presence of illegal aliens little short of de facto naturalization. The Census Bureau would, in effect, make legitimate a huge illegal immigrant population without an act of Congress and without even any defined policy. Considering the judicial activism present in Federal courts, the inclusion of illegal aliens would serve as a basis for granting them additional rights and benefits in the future.

A lawsuit was filed against the U.S. Bureau on the Census on this issue by the Federation for American Immigration Reform and 26 coplaintiffs—most of whom are Members of Congress. On February 26, the district court handed down a decision dismissing the suit, not on the merits of the issue, but rather for "lack of standing by the plaintiffs." But, in its decision the court did suggest that Congress has the authority to solve this dilemma. Therefore, in compliance with the courts assertion that Congress has the authority, I am introducing today in the House similar corrective legislation that was introduced by Senators HUDDLESTON and HEINZ in the Senate. My bill would require that the Secretary of Commerce adjust the population figures so that illegal aliens would not be counted in the population base for reapportionment purposes or for distributing Federal funds.

The problem is immediate. Census forms will be mailed out to every American household on March 28, to be returned April 1. I urge my colleagues to make haste in considering this legislation. We cannot afford to let the presence of millions of illegal aliens distort our democratic form of governmental representation and assistance.●

GRATITUDE EXTENDED BENEDICTINE SISTERS FOR OUTSTANDING SERVICES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, the first Benedictine Sisters came to Chicago in 1861 and this year they are celebrating the "Sesquimillennium of Benedictinism" by marking the 1,500th anniversary of St. Benedict's birth, the founder of their order.

The Benedictine Sisters have compiled a splendid record of excellence and achievement in dedication to the highest ideals, and the Chicago City Council recently approved a resolution of gratitude to the sisters for their outstanding service to the people of our city.

I extend to the Benedictine Sisters of Chicago and their prioress, Sister Ann Sharp, O.S.B., my heartiest congratulations and send them my warmest best wishes for many more centuries of service to God and to their fellow citizens.

A copy of the resolution of gratitude passed by the Chicago City Council follows:

GRATITUDE EXTENDED BENEDICTINE SISTERS FOR OUTSTANDING SERVICE TO PEOPLE OF CHICAGO

Whereas, The first Benedictine Sisters came to Chicago in 1861 to establish a school for the children of its German immigrants; and

Whereas, The Benedictine Sisters of Chicago, left homeless and destitute when their uninsured school and convent were destroyed by the Great Chicago Fire of 1871, did nevertheless remain in Chicago to render aid to other fire victims and to reestablish their school; and

Whereas, The Benedictine Sisters of Chicago have continuously provided superior academic instruction to hundreds of thousands of pupils in their elementary schools, at Saint Scholastica High School and to the students in the Chicago universities on whose faculties they serve; and

Whereas, The Benedictine Sisters of Chicago have also demonstrated their devotion to all the people of Chicago, without regard to race, creed or nationality, by their generous contributions of time and talent in many other service areas, including: Braille education for the blind, the Chicago Alcoholic Treatment Center, soup-kitchens for the poor, the Howard Area Community Center, Chicago Public Schools, Chicago Public Library, criminal rehabilitation programs for the inmates of the Cook County Jail, regular visitation of the sick and elderly in Chicago hospitals and nursing homes, and sponsorship and resettlement of Vietnamese and Laotian refugee families; and

Whereas, The Benedictine Sisters of Chicago have also demonstrated their civic mindedness by actively participating in their local community organizations, and by regularly making their facilities available to the Board of Election Commissioners as polling places, and participating in the democratic process by regularly serving as Judges of Election; and

Whereas, The Benedictine Sisters of Chicago, together with many thousands of other Benedictine men and women all over the world, are celebrating the year 1980 as the "Sesquimillennium of Benedictinism," marking the 1500th anniversary of the birth of the founder of their Order, Saint Benedict, whose famous Rule they observe to this day; now, therefore,

Be It Resolved, That the Mayor of the City of Chicago and its City Council duly assembled this 31st day of January, 1980, do hereby take this opportunity to express their gratitude to and show their pride in the contributions and accomplishments of the Benedictine Sisters of Chicago, and wish to thank them for the more than one hundred and eighteen years of continuous outstanding service they have dedicated to the people of Chicago, and to extend to them our congratulations on the occasion of their Sesquimillennium and our best wishes for every future success; and

Be It Further Resolved, That a suitable copy of this resolution be presented to Sister Ann Sharp O.S.B., Prioress of the Benedictine Sisters of Chicago.●

ALL HOMEOWNERS DESERVE ENERGY TAX CREDITS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia (Mr. HARRIS) is recognized for 5 minutes.

● Mr. HARRIS. Mr. Speaker, today I am introducing a bill which would extend the residential energy tax credit to all people who make energy improvements to their dwelling units.

As you recall, in 1978 the Congress passed the residential energy tax credit, which is now available to anyone who installs in the principal place of residence certain energy-saving devices. Such qualifying items include insulation, storm or thermal windows or doors, caulking, weatherstripping, and furnace modifications. This credit is available to homeowners and renters alike, so long as they actually pay for the items.

But this credit is not available to anyone whose dwelling unit was built after April 20, 1977.

Many thousands of homeowners across the country have joined to fight for energy independence by making major improvements to their homes to help conserve energy. But because of this provision in the Federal tax code, which restricts the credit to older homes, many thousands more are discouraged from making such an investment because they are not eligible for the residential energy tax credit. Specifically, the current law provides for a tax credit of 15 percent of the energy conservation expenditures, with a maximum credit of $300, to those whose homes were "substantially completed before April 20, 1977."

Very simply, my bill would eliminate the cut-off date, thus making the credit available to anyone who installs energy-saving devices in their home, regardless of when it was constructed.

An increased understanding of our national energy needs has resulted in the promulgation, by State and local governments, of stricter energy conservation standards in building codes. However, the fact remains that in too many States the minimum energy standards are still not sufficient. In fact, a recent HUD-DOE publication warned purchasers of homes built after April 1977: "Don't take energy efficiency for granted in a new home. Present day codes do not cover some energy-efficiency features" that could save tremendous amounts of energy and money.

Energy conservation is one of the simplest—and most productive—methods of attaining energy independence for our Nation. Congress recognized this when the residential energy tax credit was first enacted. I believe the credit should be extended to all homes to further encourage energy conservation. This would be particularly helpful to the young homeowners in the Nation who are fighting high utility bills.

Mr. Speaker, I am pleased to introduce this important energy measure and I would hope that my colleagues support its enactment.●

PRESIDENT URGED TO JOIN MEMBERS OF CONGRESS TO DEVELOP NATIONAL COMMITMENT TO IMPROVE THIS COUNTRY'S PRODUCTIVITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington (Mr. DICKS) is recognized for 5 minutes.

● Mr. DICKS. Mr. Speaker, at this time we are all aware that the administration is in the process of developing new initiatives to forcibly attack the causes of the inflation which is rapidly paralyzing this country.

Over the past few weeks, the President and his economic advisers have met with Members of this House and the Senate in an effort to resolve this issue and to balance the fiscal year 1981 budget. I applaud President Carter for these actions and offer him my support.

However, I am deeply concerned that one of the most important causes of this Nation's inflation may be overlooked when a strategy to combat this complex problem is developed. Specifically, I refer to America's drastically declining productivity growth.

Over the past 20 years, the rate of productivity growth in the United States has fallen from 3.3 percent per year to approximately 1.8 percent per year. From 1967 to 1978, output per man-hour in the United States rose only 28 percent, while it climbed 75 percent in West Germany and 113 percent in Japan. During this period, our manufacturing growth was the lowest of 11 industrial nations and last year we suffered an actual decline in productivity.

If this situation continues during the 1980's, it is apparent that the industrial core of this Nation's economic strength will be significantly eroded and our major competitors and adversaries will gain substantial economic and political advantages.

In my view, increasing this country's productivity can help prevent this erosion and can increase aggregate supplies of goods. This, in turn, can bring downward pressure on the average price of goods and can moderate the rate of inflation.

A recent study by the New York Stock Exchange has suggested that if national productivity is increased by 3 percent annually with a 1 percent annual growth in man-hours, a 4 percent annual national real growth rate is possible. If this rate of growth is achieved by the end of the 1980's, 16 million additional jobs can be created, real per capita income will grow by as much as 48 percent, and the Nation's price inflation will be significantly reduced.

However, to achieve these results forceful leadership is essential.

New policies which encourage immediate and sizable private investment in plant and equipment modernization and industrial and technological research and development must be formulated and implemented now.

To help our businesses increase productivity, new "supply-side" economic and tax proposals must be considered and targeted to the problem areas of the national economy.

Special consideration should be given to creating accelerated depreciation deductions for the replacement of business capital.

Tax credits aimed at improving productivity by expanding business research and development programs also should be carefully examined.

Efforts must be made to provide adequate opportunities for workers to upgrade their skills and new entrants to the work force should be encouraged and assisted to acquire marketable skills and training.

Additionally, economic incentives must be developed to promote workers' productivity through employee stock ownership plans and other programs which enable employees to contribute to and benefit from the long-term growth of their companies.

Mr. Speaker, today I sent a letter to President Carter conveying these views and urged him to join with the Members of this Congress to develop a national commitment to improve this country's productivity.

I am hopeful that he will join us to improve our productivity. For if we fail to address the deterioration of this significant component of our economy in a timely manner, restrained fiscal policy may prove to be inadequate to control inflation.●

FAST ACTION NEEDED ON FTC

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. BARNES) is recognized for 5 minutes.

● Mr. BARNES. Mr. Speaker, this weekend the continuing appropriation for the Federal Trade Commission will expire. Unless the Congress acts quickly, that agency may cease to function, since there is some question about whether its employees can continue to work in the expectation Congress will approve the necessary legislation at some unknown future time. The FTC is vital to the protection of consumers in this country, and we should not let it lapse.

Members of the House are all familiar with the controversy surrounding the FTC authorization bill, which has been in conference since February 28 without agreement. The House has consistently voted for a one-House veto provision, which the Senate and the administration strongly oppose, I have also voted against a one-House veto. The FTC has been without an authorization for 3 years because there has been no meeting of the minds on this issue. In my judgment, the House will have to yield to a compromise, because there is simply no way that President Carter will sign a bill containing the one-House veto of proposed FTC regulations.

The Senate bill, with its many special interest exemptions, is no bargain either. There is, however, a better chance that a conference report embodying Senator LEVIN's two-House review of FTC regulations can become law. The House conferees should realize that they are simply whistling in the dark on this issue.

Absent an authorization, Mr. Speaker, the Appropriations Committee will have to come to the rescue again with another temporary continuing resolution. I was pleased to see that the committee met this morning for that purpose, and that we will take up the emergency funding bill next Wednesday. It is unfortunate that the leadership did not find a way to schedule action this week, so that a final version of the continuing resolution could pass the Senate and be signed by the President that much sooner.

Mr. Speaker, in my judgment the House must remain in session next week as long as necessary to ensure enactment of continued funding for the FTC.●

ROBERTS ADDRESSES THE VFW

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. JOHNSON) is recognized for 5 minutes.

● Mr. JOHNSON of California. Mr. Speaker, last week my good friend and colleague on the House Committee on Public Works and Transportation, Representative RAY ROBERTS, who in addition to serving as ranking member of the committee, renders distinguished service to the Nation as chairman of the House Committee on Veterans' Affairs, addressed the National Legislative Committee of of the Veterans of Foreign Wars at the midwinter Washington conference. His remarks covered a thorough review of the current state of veterans' legislation, progress made during the 1st session of the 96th Congress, and plans for the 2d session and beyond. Mr. Speaker, there is no greater nor more effective champion of the veterans' cause than RAY ROBERTS. For many years, and recently in a time of shrinking budgets and attempts at Government reorganization, he has gone before the Congress time and again to promote and defend our commitment to those who have served in defense of this Nation. He has worked closely with the veterans' service organizations, with the members of his committee, and with all of us in Congress to develop new solutions to old problems in advancing a wide range of veterans' benefits and services. I believe his address before the leadership of the VFW and the 2.5 million Americans they represent to be of vital concern and interest to all of us who share RAY ROBERTS' view that the veteran deserves and shall receive a square deal. I would like to submit for the record the full text of his remarks.

ADDRESS BY THE HONORABLE RAY ROBERTS BEFORE THE NATIONAL LEGISLATIVE COMMITTEE OF THE VETERANS OF FOREIGN WARS

Thank you, National Commander Vander Clute for that kind introduction, and thank you all, my fellow comrades of the Veterans of Foreign Wars, for your very warm welcome. It has always been my privilege to come before you as Chairman of the House Committee on Veterans' Affairs. Once again this year we meet in Washington to take stock of our legislative achievements during the past twelve months and to set our sights on the future.

But before I begin, let me first thank you and the 2.5 million members of the VFW and auxiliary for your help and support for our work on the Committee. We have maintained a very close relationship over the years. This friendship has always been a source of great pride for me personally during my congressional career. As Chairman of the House Committee on Veterans' Affairs I have always known that if I needed to put out a call for help, my friends in the VFW were right there to answer that call. You can be proud of your fine Washington staff. Cooper Holt and Don Schwab keep an eagle eye on all of us on Capitol Hill, especially these days with November coming closer every day.

Together we have shouldered some heavy loads and fought many legislative battles. You and I can be proud of the progress we have made. By serving the American veteran we have taken a stand on the front line of defense of American principles and American institutions. It is that spirit that will guide us again this year as we advance the veterans' cause into a new legislative session. And it is that promise that will guide you, the Veterans of Foreign Wars and every friend of the American veteran in Congress in years to come. You can count on it.

But let's take a look at where we stand right now. Last year, with your help, the Congress approved a 9.9% cost-of-living increase in compensation and DIC benefits. We authorized the readjustment counseling program for Vietnam Era veterans and extended full eligibility for VA medical care to all veterans of World War I. We continued the State Veteran Home Grant Program and increased per diem rates by 15%. We extended contract medical care services for veterans needing emergency hospital treatment. The House passed legislation calling for a complete revision and update of the Vocational Rehabilitation Program and also authorized legislation which would establish new programs in geriatric research, education and training within the VA hospital system.

There are just the highlights of the first session of the 96th Congress. This is the type of work we call on our Committee our "offense". But, on the other side of the coin, we have been spending more and more of our time on defense in recent years.

Budgets have grown tighter and attacks on veterans programs have come harder. The root of our problem is money. Obtaining sufficient funds to support the multi-billion dollar veterans programs; and then defending those budget levels to protect the veterans services we need.

And last year we had a strong defense as well. We successfully fought back Administration attempts to limit travel reimbursement expenses, over the counter non-prescription drug services for non-service-connected veterans, and dental care for newly discharged veterans. These were not just "cost-savings" measures as the Administration had suggested. They were an out and out attack on the integrity of the VA medical services program. We fought them and we won.

Also, we successfully fought back attempts to put the VA hospital system under the review of HEW through hospital cost containment legislation. We opposed it and we won.

And again, reacting to large budget reductions by the Administration, we increased the funding levels for the VA Department of Medicine and Surgery by $76.3 million. As a result an additional 3,800 full time medical personnel, doctors, nurses and other medical professionals are going back to work in the VA medical system—where they are desperately needed. This year we made that appropriation stick by requiring OMB by law to use those funds for personnel and personnel only. They didn't like it, but we fixed it so they had no choice.

We were successful in all of these actions but you can see that they were merely attempts to either hold on to what we've got, or to replace what somebody has already tried to take away from us. In that sense we are fighting a defensive holding action on the House Committee on Veterans' Affairs, and you, the members of the VFW are right there in the middle of it with us.

But let's look at what we have this year. The Administration has included funds in the budget for a 13% cost-of-living increase in compensation and DIC rates. We intend to hold hearings on that subject in the near future. We have introduced legislation and have scheduled hearings on a 15% cost-of-living increase for Vietnam Era veterans under the GI bill. But the main thrust of our legislation and our influence this year will be spent in correcting the shocking deterioration in the VA hospital system and medical services program.

Quite frankly, I am tired of taking a defensive position on this issue. I am tired of watching the quality of care in VA medical facilities decline. I am tired of seeing eligible veterans standing in long lines for adequate health care. I am tired of seeing them turned from the door and sent begging for medical treatment. And I am tired of only being able to react every time OMB announces another budget cut, another hospital bed reduction, another across the board decrease in personnel. The time has come to drop the defense, and go on the offense. The time has come to act and not react.

Again this year OMB has proposed budget levels for VA medical services that are woefully inadequate. They have scheduled a reduction of 1,600 hospital beds in FY 1981—the equivalent of three major hospitals. As a masterpiece of the budget makers art, they have planned an increase of 50 medical personnel within the system, but plan to slide 310 existing personnel from currently operating medical services into new facilities. In other words, the bottom line shows another loss of personnel.

First, right off the bat, we intend to put those medical positions and more back in the system. And we have the funds already earmarked to offset proposed cuts in research and clinical education. Second, we are encouraged that the VA medical facility construction plan for FY 1981 jumped $200 million from last August to this January, from $416 to $616 million. These plans include the initial construction costs for several new hospitals, outpatient clinics and the construction of 6 new nursing homes. In effect, the hospital beds should be coming back on line. Through our new authority to review and approve all VA major construction projects we intend to see that they do. That is a promise.

But what good are the buildings and the beds if the VA does not have sufficient qualified staff to operate them effectively. And how can a physician provide quality medical treatment without the proper supplies, drugs and equipment. This year, OMB forced the VA to absorb 40% of the federal pay raise from research funding, and another 20% from in-house funds earmarked for medical supplies, equipment and drugs. Perhaps as a rather grisly example of the present budget problems, I received a report just last week that VA hospitals have been removing heart pacemakers from the bodies of dead veterans in order to use them again and implant them in living veteran patients. You can be sure that procedure has stopped. But how far do we have to be pushed before we stand up and say "enough". Let me tell you our plan. We are going to need all your help to see it through.

The foundation of a first rate medical care program rests in the quality of the medical personnel who provide that care. High patient demand and lack of adequate staff have created enormous workloads in many VA medical facilities. Present working conditions within the VA, coupled with a lack of adequate compensation have made it difficult for the VA to attract and retain qualified career-minded medical personnel. We intend to fight this problem on two fronts.

First, my good friend, Dave Satterfield, Chairman of our Subcommittee on Medical Facilities and Benefits has introduced legislation which would bring the current pay scale of VA doctors and dentists up to a level with the salaries of other federal medical professionals. Similar legislation adopted in 1975 was a great success in increasing the number of quality medical professionals joining the VA and staying with the VA. But over the years, inflation has gradually eroded the value of that financial incentive. We feel that this increase is justified, long overdue, and will have a lasting effect on improving the quality of care in VA medical facilities.

Second, as a companion measure, I have introduced legislation which would establish a VA medical scholarship program. Under the plan, medical students and nursing students could receive full financial assistance from the VA to apply toward their years in medical training. In return each student would then be committed to serving an equal number of years in a VA medical facility. Recruitment is becoming increasingly difficult in the VA medical system. Shortages have been most severe in areas of highly specialized medical techniques. In recent years the VA has been forced to contract out such services. The result has been an increasing percentage of part time physicians within the system, enormous costs and a general deterioration in the continuity of medical treatment. We believe that an agency-wide new scholarship program will solve this problem. Initial costs for the program will be more than offset by savings from adjustments in salaries in later years. In fact, we estimate that the VA will save approximately $130 million over the next 20 years—money that can be well spent to bolster other areas of VA health care.

Also of great concern to me is the fact that VA medical centers have been forced to recruit increasing numbers of foreign medical graduates in order to fill their ranks and meet patient demand. In 1979 almost 40% of all full-time VA physicians were foreign medical graduates. Although the quality of care may not have diminished due to the influx of foreign trained doctors, I, for one, certainly believe it is always helpful to speak the same language as the man who is about to give you a shot. Our scholarship program will solve this problem as well.

Over the years the VA has played a major role in training the Nation's health care professionals. We want to expand this role, for America, for Americans, and for the American veteran. Our new health personnel scholarship program will advance that role for the VA as a leader and as a sponsor in American Health care. It will give the American veteran a chance to enjoy some of the benefits of that enormous medical contribution at the same time. In the meantime we preserve and enhance the medical system that was designed for our veterans.

Quite simply, ladies and gentlemen of the VFW, these are our goals, these are our commitments, and these are our obligations to the veterans of the United States. Our work this year is cut out for us. Time is a-wasting. Let's get to it.●

ANATOLY SHCHARANSKY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. DODD) is recognized for 5 minutes.

● Mr. DODD. Mr. Speaker, 5 years ago, as a member of the House Judiciary Committee, I visited the Soviet Union to discuss Soviet emigration policies. At that time, I met a young dissident named Anatoly Shcharansky. I was impressed by his honesty, his courage, and his dedication to securing those basic rights guaranteed by the Helsinki Accords in his homeland.

It was Anatoly's outspokenness on behalf of refuseniks that cost Anatoly his freedom, and his past efforts and present suffering have become symbolic of Helsinki's unfulfilled promise. It has become increasingly frustrating to those of us who heralded the remarkable achievement of the Helsinki Accords, to watch as the Soviet Union flagrantly violates the commitment that nation made to human rights as a signatory of the Helsinki Final Act.

It has been 6 years since Avital Shcharansky was forced to leave her husband behind, and thousands of other families remain separated because of the unjust and capricious emigration policies of the Soviet Union. It now appears that Anatoly's health is deteriorating. His eyesight is failing and he may be experiencing more serious neurological problems. He has lost weight and Soviet authorities have severely restricted visits by his family.

Despite his incarceration, neither Anatoly, his wife, his family, his friends, nor his followers have given up hope for his release. The fate of Anatoly Shcharansky and other Soviet "prisoners of conscience" like Ida Nudel, Vladimir Slepak, and Dr. Andrei Sakharov rests on the continued protests of the nations of the world against violations of human rights in the Soviet Union.

The cause of freedom in the U.S.S.R. is America's cause as well. We must show the Soviet Union that the harassment, imprisonment, and exile of Soviet dissidents will not diminish their calls for justice. America will speak out for Anatoly Shcharansky. America will remember his plight and work to secure his release.

Anatoly Shcharansky's only crime was the desire to be free. To allow the Soviet Union to show such disregard for the principles of the Helsinki agreement is a crime against humanity. Today I repeat my commitment to Anatoly and Avital and say that true détente between the United States and the U.S.S.R. will never be possible as long as the Soviet Union ignores the rights of so many of its people.●

INTRODUCTION OF HERITAGE ALLIANCE BILL AND THE NATIONAL HISTORIC PRESERVATION AMENDMENTS OF 1980

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. PHILLIP BURTON) is recognized for 5 minutes.

● Mr. PHILLIP BURTON. Mr. Speaker, today I am introducing another version of the National Heritage Policy Act. This bill was prepared by a coalition of national conservation and historic preservation organizations which has joined together to form the American Heritage Alliance. This bill is their attempt to blend together the best portions of the administration's heritage bill, H.R. 6504, Mr. SEIBERLING's historic preservation bill, H.R. 5496, and Mr. BINGHAM's cultural parks bill, H.R. 2484. All of these bills, including the one I am introducing today, will be the subject of hearings in the Subcommittee on National Parks and Insular Affairs, which I chair, next week, March 17 and 18.

Although both conservation and historic preservation have been the policy of the United States of America for over 100 years, protection of those resources is still largely characterized by piecemeal, case-by-case efforts, usually beginning late, after some threat develops. While individual natural areas have often been protected and funded, no comprehensive means has been available to systematically inventory significant natural areas. Conversely, while there is an inventory process for historic sites, the National Register of Historic Places, adequate protection and funding have been lacking.

The Heritage Policy Act will provide for the first truly comprehensive search for the remaining natural areas and historic places of significance which have not already been identified and protected.

Further, an important program, the national natural landmarks, will be given specific statutory authority for the first time. This activity, which identifies nationally significant natural areas, will prove to be an important complement to the section 8—of Public Law 91–383, as amended—process of identifying areas qualified for inclusion in the national park system.

In the area of historic preservation, this bill extends the authorization of the Historic Preservation Act of 1966 for 5 more years through fiscal year 1986 and increases the authorization of the historic preservation fund to $300,000,000 per year during this period.

The bill also authorizes the Secretary to study the feasibility and desirability of establishing a system of cultural parks around the Nation.

It is my hope that the hearings which have been scheduled on these bills will help guide the committee toward the best comprehensive approach for identifying and protecting the natural and cultural heritage of our country for future generations.

I am also introducing, on behalf of a number of historic preservation organizations, a bill to strengthen and improve our Nation's program for preserving prehistoric, historic, architectural, and cultural resources. The bill, entitled the "National Historic Preservation Amendments of 1980" incorporates the views and suggestions of preservation action and many local, private organizations, the Coordinating Council of National Archeological Societies, and State officers who administer historic preservation programs.

Since the introduction of other legislation, these professional and concerned citizens have worked together to address the issues that have been raised and to make suggestions for alternative approaches to achieve the major goals that have been identified as essential to the program in the 1980's. Individually, many of them work at different levels of government and in the private sector. However, they share a common belief that the best program for historic preservation is one that will have a clear focus at the Federal level and one that is supportive of what is basically and traditionally a State and local initiative. As practitioners who are on a daily basis implementing the Federal program at the Federal, State, and local levels, they support a bill that spells out in greater detail the needs of the program at all levels and that is where this bill is different from others introduced to date.

Since funding for the national historic preservation fund expires in 1981, it is timely and appropriate for the Congress to now address a program that is important to citizens in towns and cities of all sizes throughout our Nation, and important to generations both now and future to share in our glorious past through its historic resources. This bill will assist the Congress in its deliberation.●

ONE GAME AT A TIME

(Mr. ABDNOR asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

● Mr. ABDNOR. Mr. Speaker, one point at a time, one game at a time—this is the way basketball tournaments are won. This is the way the Lyman County Raiders from my home community earned their way to the South Dakota Class B basketball title last weekend.

As the one-time coach of the Presho and Kennebec teams which later joined with Reliance and Vivian to become the Lyman County Raiders, I was particularly proud to be on the sidelines with them and to join their triumphant trip home on Sunday. What an inspiration these young people are for all of us.

The Raiders approached the State tourney in much the same fashion as our tremendous U.S. Olympic hockey team—underdogs, but determined. One point at a time, one game at a time they richly earned the championship.

In addition, the Raider Cheerleaders won the "Spirit of 6" trophy as the best squad in the tournament—the first time this trophy has gone with the State champion team.

I include the following articles:

HAMLIN BEATEN IN A SQUEAKER

(By Mel Antonen)

Foul-plagued Kevin King scored six points in a span of two minutes midway through the fourth quarter to put Lyman County on its way to a 58–57 first-round victory over Hamlin in the state Class B basketball tournament at the Arena Thursday night.

It took two free throws by Bret McClanahan to put the Chargers away for good.

Although King, the Raiders' main scoring threat at 6-foot-5, was charged with his fourth foul midway through the third period, he wasn't the only player in danger of leaving early.

The Raiders' starting guards, McClanahan and Deron Wendt, each picked up their fourth before six minutes had clicked in the third quarter. Forward Vance Severyn also had four.

Hamlin wasn't sitting much better as front-liners Robbie Fedt and Mark Tetzlaff started the fourth quarter with four each.

"We just didn't play smart defense and that's why we had so many fouls," Lyman Coach Ron Wiblemo said. "We didn't get good position on defense. We put too much pressure on them for the position we had. We had a few mental lapses. We should be able to play smart enough so that we don't have to get into those kinds of situations."

Charger Coach Wayne Carney said, "We could have played a lot better defense than we did. Teams don't usually shoot as many free throws against us as Lyman did. We had to go to a zone in the fourth quarter to protect our starters. We had four starters with four fouls. The zone didn't do much good."

Tetzlaff opened the fourth quarter with a basket, giving Hamlin a three-point lead, but Lyman countered with a basket from Monte Houchin and three by King to move ahead 50–47 with just over four minutes to go.

Lyman moved to a 54–49 lead on two free throws by Wendt, and the Raiders were still ahead by five with two minutes left when Houchin hit from the side.

Then the Chargers made a move.

Tetzlaff scored twice—once after the Raiders had a five-second violation on an out-of-bounds play—to pull the Chargers to within 56–55.

With 16 seconds left, the Chargers defense had McClanahan trapped, but to avoid another violation, McClanahan called time out.

After the timeout, McClanahan was fouled and he responded with two free throws for a 58–55 lead. Tetzlaff's last basket wasn't enough as the Chargers, who are playing in their fifth consecutive "B", lost again in the first round.

"Calling the timeout toward the end was a heads up play by McClanahan," said Wiblemo. "He kept his cool on that play and then on the free line. I can't imagine the pressure on him when he was shooting those last two free throws. We sure didn't make many free throws, but we made them when we had to."

The Raiders were 18 of 31 from the line and the Chargers 11 of 19.

In the first half, it looked as if it would be a shootout between King and the Chargers' guard, Mick Hoglund. Each had 15 points in the first half as the Chargers led by one.

King finished with 25 points—hitting only eight of 25—while Severyn and Wendt had 10 apiece for Lyman.

Tetzlaff, also 6–5, had eight points at halftime, but wound up with 22 on only nine of 17. Hoglund was five of eight in the first half and didn't score in the second, missing all seven of his shots before fouling out. The other Hamlin guard, Dick Jensen, chipped in 12 points.

"Our game plan was to bottle Tetzlaff up on the inside and make them shoot from the outside," said Wiblemo. "We invited them to take the outside shot, but they just wouldn't take it. They got the ball inside to Tetzlaff toward the end of the game, but I guess we stopped them good enough. Tetzlaff's a good player."

Lyman fired 20 of 53 from the field for 38 percent with 55 rebounds. Severyn grabbed 15 rebounds and King, who had seven blocked shots, 12.

Tetzlaff collected 15 of Hamlin's 39 rebounds as the Chargers went 23 of 63 for 37 percent from the field.

Hamlin is 17–6. The Raiders will bring a 23–1 record into tonight's semifinal against Stickney.

"We were very tight as the game opened," Wiblemo said. "I thought the two quick baskets we got at the beginning of the game would loosen us up some. Boy, I was wrong again. We didn't play our best.

"I think you'll see a different team in the semifinals than you saw tonight."

KEVIN KING ON ICE

(By John Egan)

You might say that Lyman's state Class B basketball tournament championship chances are on ice.

Kevin King, who spurred the Raiders past Stickney 50–42 in the semifinals Friday night, suffered a groin pull late in the third quarter of that game and his status for tonight's meeting with Beresford is problematical.

Tournament trainer Denny Thompson had the upper portion of King's left leg packed in ice immediately after the Stickney contest and advised that a similar program be carried out this afternoon and evening.

It is a chilling prospect for Lyman followers, who watched King pull down 13 rebounds against Stickney, toss in 18 points and block six shots—giving him 13 rejections for the tourney.

Lyman made a close game appear somewhat one-sided by slipping away from Dan Moran's Region 7 titlists in the concluding six minutes. The chief architect in the fourth-quarter spurt was Monte Houchin. He wound up with 15 points, including six key strikes from the head of the circle while Stickney was concentrating on King underneath.

Winning coach Ron Wiblemo said, "That shot was open all night long. They were in on Kevin so bad that the overload created that shot for Monte. In the first half he saw it but didn't take it. Heck, you have to take that shot. You have to take it right away when it's open. He hit three-four in a row and that was the turning point. Our confidence began to flow and that was it."

Lyman led only once, at 14–12, before taking over for good when Deron Wendt's 17-foot jumper made it 38–36 as the third quarter ended. Midway through the final period one of Houchin's circle bullseyes clicked the scoreboard to 44–37 and Lyman had its 24th win in 25 tries—falling only to Armour.

Vance Severyn added 12 points and a dozen rebounds to the winners' effort. Dan Pecenka and Randy Bormann each hit 12 for Stickney while Bormann collected 13 rebounds and Alan Miller 10.

Stickney grabbed 44 rebounds to 40 for the Region 4 kingpins. Lyman made 21 of 55 field-goal tries. Moran's Custer Battlefield Highway crew accumulated two less baskets in three more attempts.

Each team had six turnovers.

Morgan said, "That was a tough way to go. some nights you just can't hit the hole. They did a good job against us when it came to moving the basketball. But 50 points is not that bad a defense. We couldn't run effectively, either.

"Against Beresford, there will be a good matchup of good centers. King is probably at least as good a shooter as Keith Larson, but Larson is stronger." Stickney is 23-2 headed into a third-place clash with Little Wound this afternoon about 2:30.

King made eight of 19 shots Friday night. Houchin was six for 14, Severyn five for eight, Bormann six for 20 and Pecenka six for 15. Stickney's biggest lead was 6–0 in the first 2½ minutes. Lyman was within 24–22 at the half and the third quarter was mostly a basket exchange.

Lyman is a consolidated school representing what formerly were separate teams at Reliance, Presho, Kennebec and Vivian on Interstate 90 west of Chamberlain. Of the regulars, King, who is the son of former prep and collegiate star Larry King, and Bret McClanahan are from Presho, Southpaw sniper Houchin is from Kennebec while Severyn and Wendt are Vivian commuters. Sub Marty Schroyer carries Reliance colors.

For Wiblemo, tonight's collision with Beresford will be a second try at a state title that eluded him in 1971 as a Mitchell sharpshooter when the Kernels bowed in the Class A finals to Sioux Falls Washington. He went on to play at South Dakota State and joined Dave Thomas, Lee Colburn, Dale Nicholson and Rich Gerry on a North Central Conference championship crew in 1973. Lyman's chances against Beresford?

Wiblemo said, "They sure looked good the first two days of the tournament. Awesome. We'll just have to try to contain 'em inside and that won't be easy. Larson is awfully good. We won't know for sure if Kevin will play until gametime. And if then, at what percent of his full effectiveness? I wonder what that pulled groin muscle will do to the point spread?"

He was smiling. Why not? The finals of the "B" is what it's all about. Lyman was fourth in the final poll and Beresford first. But they're going to take another vote at the Arena tonight.

King Gets Adrenalin Flowing

(By Mel Antonen)

Before Saturday night's state Class B championship game, Lyman's tall and skinny center, Kevin King, was hoping he could get enough adrenalin flowing to take care of his injured groin.

After all, the 6-foot-5 senior center, the lone returning starter from the Raiders' state tournament team of last year, had enough to worry about without thinking about the injury that had slowed him the night before.

Here was the player who was going to spearhead the Raider defense against Beresford's Keith Larson, the 6–4 giant who orchestrates a powerful Watchdog offense.

King and his teammates responded with a superb effort, and consequently knocked off the state's top-ranked team 38–36.

The Raiders played a box-and-one defense, meaning King would chase Larson everywhere on the court. If Larson went to one side of the court, forward Vance Severyn would be there to assist. On the other, Monte Houchin made himself available. Two Raiders were constantly hounding.

"Larson's a great player, and I didn't stop him all by myself," said King afterward. "I had help from all over. He's tough. What I wanted to do was shut him off the base line so that he'd have to go to the middle. If he did, then I could get help."

Larson was so bottled that he didn't get a shot or a rebound in the first quarter, and by halftime, he'd only taken two shots—missing them both. He finished four of 10 from the field for eight points.

King, who blocked 18 shots in the tournament with five in the championship game, had his left thigh wrapped before the game, and when he was introduced to the Arena crowd, he showed a slight limp.

He had ice on the thigh all day Saturday.

"My leg hurt me before the game and in the first half it bothered me some," said King, "but I had loosened up before the game for about 30 minutes, and in the second half, it wasn't bothering me at all."

The Watchdogs had their chances in the last half minute, but turnovers spelled defeat for the second straight year in the title game.

"I don't know what we are going to have to do to win this thing," said Larson. "We knew Lyman was going to be tough. We didn't take them too lightly. We knew we had to play hard to win. But two years in a row, I just don't know.

"Toward the end of the game, I thought we were going to come back. I thought we were in Armour's shoes of last year. We didn't get untracked in the first half. If we had, things might have been different. A couple of shots just didn't go in. We were tight."

King said the Raiders didn't worry about their own offense, just the defense.

"Coach Wiblemo always tells us that if we play defense, we don't have to worry about the offense because it will come," said "Sky" King. "You don't need much offense when you play good defense."

Thirty-eight points and a state championship proves that.

Lyman Wins

(By John Egan)

Ron Wiblemo capped a triumphant return to coaching by herding his Lyman Raiders past Beresford 38–36 Saturday night before 9,200 watching the Class B basketball tournament finals at the Arena.

The Raiders led for the concluding 13 minutes but could never shake free of Jim Sorensen's tenacious Watchdogs, who were denied a state title in the championship game for the second consecutive season.

Wiblemo, who was out of coaching a year ago, saw his Raiders mount a 35–30 advantage midway through the final period—then hang on through a torrid finish.

Kevin King, shaking off a groin pull suffered Friday night in the semifinals, led the Lyman effort with a dozen points, one more than teammate Vance Severyn. Jerry Zeimetz topped Beresford with 13 as Keith Larson was limited to eight, four each in the two closing quarters.

"I guess you couldn't say we completely shut Larson off," Wiblemo said. "But we knew we had to stop him to win. We wanted to force the others to take the outside shots. And eventually, Larson even went out to get the basketball. We had him bottled up and he had to go somewhere. The thing is we haven't been a fourth-quarter ball club this season—until the tournament, that is."

Wiblemo, who formerly guided Sully Buttes for two years, had been working for his dad, Ron Wiblemo Sr., an ex-coach, at the Mitchell Scoreboard (bar) until last Aug. 22 when an interesting telephone call reached him.

"Lana and I were just back from our honeymoon when Lyman called and asked if I'd be interested in coaching the team. I talked to them. And I said yes. I knew they had two regulars back and four others that had played quite a bit in the 1979 tourney," he said.

"But I didn't realize we might have the potential to go all the way until Jan. 31 when we played Armour. We lost but I knew we could play with anyone. I think both the kids and I realized what could happen after that night."

Now, all of South Dakota knows what happened. Beresford outrebounded the Raiders 37–29 as Zeimetz and Larson controlled seven each, King eight and Lyman's Bret McClanahan six. Each team knocked home 16 field goals, but the new champs came in four less tries (36). King made five of 11 shots, Severyn five of six, Larson four of 10 and Zeimetz six of 12. Each team had 11 turnovers.

The difference, then, was two free throws—probably the second one that Deron Wendt made with 1:46 left to give Lyman a 37–34 edge and the one Monte Houchin nailed with five ticks remaining on the Arena clock to account for the final score. When he missed the second try, an arching Beresford pass downcourt toward Larson was intercepted by McClanahan. It was his third steal of the night . . . perhaps the biggest he'll ever make.

Beresford, playing a 2–1–2 zone and pressing often, spent almost the entire game in a catch-up frame of mind. It was 8–3 early after a basket by Houchin. Larson did not take a shot or grab a rebound in the first period. Biggest Lyman cushion of the second quarter was 14–9. With 6:40 left until intermission, Larson got his first shot, from the deep corner. His first rebound came 40 seconds later. And he had his first try from the free-throw line with 4:32 on the clock—but missed.

Bill McGill's three-point play on a cute move underneath tied the game at 16. But King scored twice and the Raiders were up 21–19 at the half. The Watchdogs drew even twice more, at 21 and 23, before a Houchin fast-break from King put Lyman ahead to stay.

Lyman, winner of the Three Rivers Conference title under Wiblemo, 26, finished 25–1, losing only 50–45 to Armour at Huron. The Raiders were ranked fourth in the concluding Associated Press "B" poll. King, who averaged 25 points and 20 rebounds, was one of 11 seniors on the tourney squad.

When Wiblemo was a player at Mitchell High in 1971, the Kernels finished second in the Class A meet. He later became the No. 5 alltime scorer at South Dakota State with 1,276 career points, 13.7 a game.

The championship game marked the 10th Arena appearance of the season for the runner-up Watchdogs. Sorensen, 35, who played for runner-up Washington High in the 1962 state "A" tournament and later under Ole Odney at Augustana, concludes his seventh season as Beresford boss and his name has been mentioned among the possibilities for the O'Gorman job.

Beresford lost five of the first six from its 1979 team which fell to Armour in the finals. Next year, Larson, who averaged 24 points and 16 rebounds, and Curt Messler will form the nucleus. The only other Watchdog loss in 27 starts was to Brandon Valley in the finals of the Big Eight Conference tournament.

Under Sorensen and assistant Jim Babb, the Watchdogs, who ended Armour's victory streak at 64 games, were ranked No. 1 in the final poll.

Raiders No. 1

There's jubilation all over South Dakota but particularly in West River county for Coach Ron Wiblemo and his Lyman Raiders, the new Class B basketball champions of the state.

Lyman's 38-36 victory over Beresford in the Sioux Falls Arena Saturday night gave the towns along Interstate 90 west of Chamberlain something to talk about for a long time. For one year, at least, the "Rainders" will be the reigning champions. Their fans in Reliance, Presho, Kennebec and Vivian can talk about the new king of the mountain over many a cup of coffee until tourney competition starts again in 1981.

The game Saturday night was well played and well fought. In losing, Beresford's Watchdogs and their coach, Jim Sorensen, need make no apologies. They fought to the last—and the score might well have gone the other way.

Victory for Lyman was one to savor, because the Raiders were ranked fourth in the final Associated Press poll; the Watchdogs were rated No. 1.

But if there was gloom in Beresford Saturday night, it didn't affect that community's plans to welcome home their team Sunday afternoon with a caravan on the Interstate and a Chamber of Commerce reception.

Win or lose, these welcome home events are as integral a part of state basketball tournaments as the competition itself. They show the regard South Dakota communities have for their high school players and coaches. It's a rite that makes victory sweeter, and defeat bearable.

South Dakota's springlike tournament weather made the "B" event more enjoyable for fans who came to Sioux Falls. We hope that Rapid City will have a comparable weekend for staging the "A" Thursday, Friday and Saturday.

Our cheers for that tournament are for the Lincoln Patriots of Sioux Falls and their coach, Al Kosters. They meet Spearfish in the first round Thursday.

Guessing who those winners will be has refueled basketball speculation in the state's larger towns and high school communities.

Trying to pick the ultimate winner—among Lincoln, Spearfish, Cheyenne-Eagle Butte, Watertown, Aberdeen Central, Mitchell, Yankton and Rapid City Central—is a challenge we'll leave to the sports writers.

Meantime, we congratulate Wiblemo and his Raiders for taking home the "B" trophy. The battles they fought and won on the Arena floor in Sioux Falls are part of the legend that goes with the trophy. Both are to be treasured.

Cheers for the Raiders? They're No. 1!

One Year a Big Difference for Lyman Camp

A year made quite a difference in the basketball lives of two of Lyman's happiest celebrants after the Raiders captured the Class B championship Saturday night at the Arena.

First, there was Monte Houchin. Last March when Lyman took part in the "B" meet at Rapid City, he was a spectator. He was No. 13 on the Raider squad. Twelve make tournament trips. He vowed to do better next time. He did.

And, of course, Ron Wiblemo. The former mighty mite at Mitchell High and South Dakota State was not even at Rapid a year ago. He had coached two years, then took a break from it while going through a divorce.

His dad, Ron Sr., who coached Wagner to second place in the "B" tourney in 1961, was "hoping he'd go back in it."

"We're tickled he did," he said while watching his son hug a big, new trophy at the Arena as members of the Lyman squad cut down the nets.

The Raiders delighted, but did not fool, their coach. "When we got here I knew that if we played well we could do it," he said.

One of those who "played well" was Houchin. His three blocked shots against Beresford trailed Kevin King's five but were crucial in a Lyman defense that was geared to stop Keith Larson. "They stuck to us like glue," said the Watchdogs' outstanding junior front-liner. "They were one of the tough defenses that have been used on us. I really didn't care who did the scoring. I just wanted more than ever to win. All I was hoping is that we would come out on top. That King is good."

"It wasn't all Kevin, but he did a super job," said Wiblemo.

Houchin scored the field goal that put Lyman in front for good, 25–23, early in the third quarter. He played the last 10½ minutes while carrying four fouls. With one point separating the teams in the final 1:30, the ball changed hands four times on misplays. Then Monte strode to the free-throw line with five seconds remaining. He made the first try and his left hand was thrust toward the Arena rafters. He waited a year, but he had some fun.

Of his play during the title march, he said, "Whenever we are on offense, we look for Kevin first. But since the second game of the districts, I have been in double figures about every game until tonight. When they give me a shot out there, I take it."

After Lyman's Class B bid ended in a sixth-place finish a year ago, Houchin dedicated himself to basketball. "My main drive last summer was to become a regular, and to get here to the state tournament," he said. "I worked really hard on my game. I went to a camp at Northern. I'd have liked to have gone to some others but I couldn't because I worked as a carpenter for the lumber yard.

"Lee Borah and I are the two guys on the squad from Kennebec. His dad is the janitor at the school there, now a junior high. So we were able to get in there a lot to do some shooting and go against one another.

"Then some days we'd go over to Presho to play with Kevin. He'd really stick it to us. And his dad (Larry, who played at USD-Springfield) would get on us real good. It was great."

Making Lyman's state tournament triumph a doubleheader of sorts was the fact that cheerleaders Julie Moore, Nan Smith, Crystal Wendt, Kaylynn Jones and Darla Lintvedt were picked to receive the Spirit of Six Award for their contributions.

A glance at Lyman's roster would seem to indicate that next year the winter will be longer, at least as far as basketball is concerned. Only Marty Schroyer returns. Beresford, on the other hand, will be strong again. Back for Jim Sorensen's Watchdogs will be Larson, a cinch on this season's all-state team. Curt Messler will assume Jerry Zeimetz' role in the post with Larson. And sophomore Tom Diefendorf heads some talent in that class.

Next year, it's Rapid's turn again to host the "B" classic. Mark Beresford down as one of the early book contenders to be present.●

REVISION OF THE CRIMINAL CODE: SOME DANGEROUS PROBLEMS

(Mr. CONYERS asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

● Mr. CONYERS. Mr. Speaker, several days ago I cast the only dissenting vote against reporting H.R. 6233, the omnibus criminal code revision bill, to the full Judiciary Committee for further consideration. I have long felt that to attempt to reform the whole body of Federal criminal law in one bill is a dangerous mistake and unworkable. Inadequate attention has been given to the need to protect constitutional rights and individual liberties.

Dan Crystal, a New Jersey attorney and an outstanding supporter of civil rights and civil liberties, has evaluated both the House and Senate versions of the omnibus criminal code revision bills (H.R. 6233 and S. 1722). He has also testified before the Criminal Justice Subcommittee of the 95th Congress on previous versions of criminal code revisions in the Senate and House. Currently State chairperson of the New Jersey Coalition To Defend the Bill of Rights, Mr. Crystal extensively analyzes the impact of these bills on civil liberties. I would urge my colleagues on the Judiciary Committee and the Congress as a whole to carefully examine the author's views:

H.R. 6233 and S. 1722, the Proposed Federal Criminal Codes: Both Continuing Dangers to Constitutional Rights

(By Daniel Crystal)

I. INTRODUCTION

There are now pending in both the Senate and the House of Representatives, respectively, two bills which pose grave threats to constitutional freedoms. These two bills, S. 1722 and H.R. 6233, to be cited as the Criminal Code Revision Act of 1980, constitute the latest misguided efforts to revise, reform and codify federal criminal laws in a comprehensive, omnibus, Leviathan bill. Accordingly, 1980 may well prove to be a fateful year for civil liberties. If the approach toward federal criminal law codification, particularly exemplified by S. 1722, is unwisely enacted into law by Congress, the Bill of Rights will be severely crippled. There is an alarming reality that thus far both the Congress and most of the country have failed to recognize the continuing dangers to constitutional rights which both these bills present.

These two bills are based substantially on earlier codification bills—S. 1400 of the 93d Congress, S. 1 of the 94th Congress, and S. 1437 of the 95th Congress. Each of these prior bills was strenuously opposed by civil liberties, religious, labor, minority, and other citizen organizations. An unprecedented grass-roots movement of outraged citizens stopped the notorious S. 1 dead in its tracks. These new reincarnations of S. 1 have to some extent been purged of the most flagrant perils to fundamental freedoms which S. 1 presented. This is particularly so of the House bill, H.R. 6233. However, the danger is grave that repressive amendments will be added to that bill (as well as to S. 1722) as each moves through further stages of the legislative process and they are consolidated at a conference committee.

In an eloquent editorial calling for the rejection and defeat of S. 1722, the Los Angeles Times wrote on February 3, 1980:

"The body of federal criminal law can be tidied up, and its inequities, like sentencing procedures, can be eliminated, but this can be accomplished incrementally. What is contemplated in S. 1722 is a fundamental reordering of the relationship between the people and the government, with the dominant emphasis placed on the power of government.

"The defeat of legislation in its present form to revise the code would create no crisis, nor would it leave the government powerless to meet an emergency. The American people are not enemies of their government, and there is no need to bring them under greater restraint.

"The power of government has never been our best assurance of ordered liberty. Our best assurance is a robust democracy to which allegiance is freely given and not compelled. Under the proposed radical revisions of federal criminal law now before Congress, we would be less free and ultimately less secure."

II. THE ERRONEOUS AND DANGEROUS OMNIBUS APPROACH

All members of Congress and all concerned citizens and organizations should carefully study last year's cogent report by the Subcommittee on Criminal Justice of the House Judiciary Committee (popularly known as the Mann Committee Report, 95th Congress, 2d Session) (Committee Report No. 29). That subcommittee composed of distinguished members of the House of varying political views unanimously rejected the omnibus approach toward criminal law revision. The Mann Report emphasizes that the omnibus approach invites trade-offs and is totally incompatible with responsible legislation. The subcommittee concluded (Mann Report, p. 4):

"At the beginning of its consideration of recodification legislation, the Subcommittee on Criminal Justice idealistically and enthusiastically undertook to work with the Senate-passed bill. However, it soon became apparent that the deliberative process customary in the House, which the subcommittee thinks is the essence of good legislation, does not lend itself to massive changes in laws unless it can be etablished that the effects of the legislation have been thoroughly analyzed, that there has been adequate public input, and, indeed, that each change has been shown to be an improvement over existing law.

"An omnibus reform bill that will substantially change the Federal criminal justice system must be carefully assessed. We must be able to state with reasonable certainty that the new system will be a material improvement over the present one. The broader and more comprehensive the reforms made in the legislation, however, the more difficult it is to make such an assessment."

It was the unanimous conclusion of the Mann Subcommittee that it is neither essential nor desirable to enact an omnibus federal criminal code. After the most intensive consideration of S. 1437 of the 95th Congress (the immediate predecessor of S. 1722 and H.R. 6233 in the present Congress), the Mann Subcommittee advised Congress (Mann Report, p. 35):

"The enactment of S. 1437 is also not desirable. S. 1437 is an omnibus reform bill. While it does not make as many, or as far-sweeping, changes as previous proposals, such as S. 1 of the 93rd and 94th Congresses, enactment of S. 1437 would substantially alter the present Federal criminal justice system. It is virtually impossible to draft a bill that literally translates Federal criminal statutes into a new format and style. The drafters of S. 1437, however, did not attempt a literal translation. They made several major changes in important areas such as determining sentence length, jurisdiction, and mens rea. They also made countless subtle changes in the meaning of current statutes by changing statutory language to conform to the bill's rigid format and style. The overall impact of all the changes that would be wrought by S. 1437 would be to alter substantially present law."

S. 1722, in particular, is little changed from S. 1437 which the Mann Subcommittee so emphatically rejected. Concedely, the present Subcommittee on Criminal Justice of the Committee on the Judiciary, House of Representatives, has diligently attempted to draft a bill that eliminates some at least of the dangers to civil liberties that infested, in turn, S. 1, and S. 1437 of earlier Congresses, and which still permeate S. 1722 to an intolerable extent. As earlier noted, however, it must be realistically recognized that there is a grave peril of repressive measures being added to H.R. 6233 by amendment as it moves through later stages of the legislative process. The warning by the Mann Subcommittee of "tradeoffs" and "horsetrading" continues to have cogency. Neither Congress nor the country should be asked to gamble on the survival of the Bill of Rights.

Moreover, the Mann Subcommittee concluded (Mann Report, p. 35):

"It has not been shown that the overall impact of the substantial changes that S. 1437 would bring about will be a better, more efficient, and fairer Federal criminal justice system. The overall impact of the bill is uncertain. It would appear likely, for example, that there will be an immediate increase in the appellate court caseload as appeals are brought to work out the practical implications of the new language. Since enactment of recodification legislation is not essential, the subcommittee believes that Congress should proceed cautiously and should not enact an omnibus reform bill unless its overall impact has been carefully and thoroughly assessed."

The prerequisite investigations which the Mann Subcommittee urged were indispensable to responsible legislation (and which have not been made in either H.R. 6233 or in S. 1722) include:

1. An analysis of what these omnibus bills will do with respect to the great (and unjustified) expansion each makes in federal jurisdiction (Mann Subcommittee Report, pp. 2 and 4).

2. An inquiry into what either bill will do to the present Federal criminal justice system.

(Mann Subcommittee Report, p. 4).

3. An assessment of the bill's impact on the Federal prison population. The Subcommittee advised Congress that, at its request, the Congressional Research Service, after analyzing the possible impact of S. 1437 upon time served in prison, "concluded that the sentencing provisions in S. 1437 could increase prison time served by between 62.8 percent and 92.8 percent". (Mann Report, p. 26).

4. An assessment of "the consequences of the Senate Bill's rather sharp curtailment of judicial discretion and what impact that curtailment would have on plea bargaining and on the power of the federal prosecutor." (Mann Subcommittee Report, p. 4).

5. Evaluation of the budget implications of the two bills, including how much money must be spent in expanding existing prisons and building new ones, and providing staff for the increased prison population that will inevitably result if either S. 1722 or H.R. 6233 becomes law. (Mann Subcommittee Report, p. 4).

6. Inquiry into whether the proposed omnibus bill adequately emphasizes alternatives to imprisonment, as well as pretrial diversion. (Mann Subcommittee Report, p. 3).

7. Evaluation whether federal criminal jurisdiction can be reduced rather than expanded, and whether it can be relegated instead in important respects to (a) state prosecution, (b) civil litigation, or (c) regulatory processes. (Mann Subcommittee Report, pp. 2 and 4).

8. Evaluation of the "overall impact on the Federal system and on individual liberty." (Mann Subcommittee Report, p. 1).

The headlong dash to report out an omnibus criminal code which has marked the work of the present Subcommittee on Criminal Justice of the House Committee on the Judiciary is totally inconsistent with the wise recommendations for responsible legislation set forth so irrefutably in the Mann Subcommittee Report. The need for these indispensable, prerequisite studies has, however, not diminished in the slightest. As the Mann Subcommittee concluded unanimously, Congress should reject the unwise and unsound omnibus approach toward federal criminal law codification. The wise and responsible approach should be instead that proposed in the Mann Subcommitee Report (pp. 3–4):

"There is a tendency to refer to Federal criminal law as if it were a unified body of statutes that serve as the principal set of legal rules governing the lives of people. However, Federal criminal law is not that. In our Federal system, the States are primarily responsible for enforcement, and the Federal criminal law is a collection of separate and distinct statutes which supplement State criminal statutes. Federal criminal statutes are intended to protect or vindicate substantial Federal interests. Reforms in Federal criminal laws, therefore, are appropriately dealt with separately, after a careful, thorough and conscientious consideration of all of the policy issues and constitutional questions that each proposed change presents.

"Federal criminal laws ought not to be the product of extensive horsetrading. The greater the numbers of substantive changes made by a bill, however, the more likely it is that such trade-offs will occur. The tremendous investment of time, energy and emotion that goes into an omnibus bill results in a tremendous pressure to agree to things in order not to hold up the legislation. This sort of pressure was clearly evident during the Senate debate on S. 1437."

The Mann Subcommittee was eminently correct in warning of the dangers of trade-offs. That legislative "wheeling and dealing" clearly imperils the Bill of Rights. There were added to S. 1437 on the Senate floor such dangerous provisions as (1) preventive detention, (2) the Logan Act barring private citizens from communicating with foreign governments (an obsolete provision which would, for example, prohibit representatives of Jewish groups from communicating with the government of Israel) and (3) the Comstock amendment unconstitutionally prohibiting the circulation of information about abortion despite the Supreme Court decision affirming a woman's right to an abortion, at least in the first trimester, as a result of her constitutional right to the privacy of her own body.

Similarly, we have witnessed what appears to be parallel horsetrading and trade-off with respect to S. 1722. That bill is now inextricably interlinked with S. 114, the federal death penalty bill. S. 114 was reported by the Senate Judiciary Committee without debate, hearings, or separate consideration, immediately after the Senate Judiciary Committee favorably reported out S. 1722. The favorable action on the federal death penalty bill took little more than five or six minutes. There is an obvious and unacceptable danger that it will be added to S. 1722 as an amendment on the Senate floor or in the House-Senate conference, and a parallel danger that it similarly will be added to H.R. 6233. Such legislative logrolling and trade-offs put the Bill of Rights in grave jeopardy.

II. UNWISE AND UNACCEPTABLE EXPANSION OF FEDERAL JURISDICTION

The Mann Subcommittee concluded that S. 1437, the bill passed by the Senate in January 1979, "significantly, and unwisely, expands the scope of Federal criminal jurisdiction, thus endangering the viability of State courts by increasing the role of Federal courts in the lives of people. This erosion of the Federal system should not be tolerated." (Mann Subcommittee Report, p. 2). S. 1722 differs little from the earlier S. 1437 in expanding federal jurisdiction. H.R. 6233, in its present early stage of the legislative process, does not go as far as S. 1722 in expanding federal criminal jurisdiction. It does so, however, in important respects, as indicated below. In addition, the ever-present danger of wholesale additions to H.R. 1722 of repressive S. 1722 provisions necessarily means that the warning of the Mann Subcommittee has continuing validity for both S. 1722 and H.R. 6233.

In an important resolution contained in its Report of September 4, 1979, the National Conference of State Legislatures, resolved:

"Federal Criminal Code Revision

"NCSL supports congressional efforts to revise and simplify the federal criminal code. As drafted, however, the proposed revision may have the effect of expanding federal criminal jurisdiction into areas of traditional state responsibility. Such broadened jurisdiction could lead to a much expanded federal law enforcement role and lay the foundation for a national police force.

"NCSL believes this legislation represents an unprecedented intrusion into state criminal jurisdiction and we urge the relevant congressional committees to review that proposed code and to make such revisions as would assure the preservation of this traditional balance between state and federal criminal jurisdiction." (Pp. 85 and 86, Law and Justice section of GOALS FOR STATE-FEDERAL ACTION (Policy Resolutions of the National Conference of State Legislatures, 1979–80).)

This expansion of federal jurisdiction against which both the Mann Subcommittee and the National Conference of State Legislatures warned so emphatically remains perhaps the least recognized danger presented by these omnibus bills, particularly S. 1722. Both bills would greatly expand federal jurisdiction over such crimes as robbery, blackmail, extortion, bribery, and trespass now dealt with adequately by the states and local authorities in our unique federal system. Federal criminal law will thereby be transformed into national criminal law. The FBI and other Federal police will become national police, as the National Conference of State Legislatures so perceptively realized. Ambitious federal criminal prosecutors will have broad, new powers.

The Mann Report recognized the latter ancillary danger. It states (Mann Subcommittee Report, pp. 2–3):

"The second serious flaw in S. 1437 as passed concerns the extent to which the bill enhances the power and discretion of the prosecutor at the expense of other participants in the Federal criminal justice system. This is true not only because of the broadened jurisdiction and scope of many Federal criminal laws but also because the sentencing provisions expand the importance of the Federal prosecutor at the expense of the Federal judge. As U.S. District Judge James M. Burns noted, those provisions would 'result in transfer of almost all sentencing discretion from the court to one of the adversaries in the system, namely, the prosecution.'"

In testimony on S. 1437 before the Subcommittee on Criminal Justice (Mann Subcommittee) Professor John Quigley of Ohio State Law School analyzed in depth eight ways in which the latter bill would expand current law. Those overt and covert methods of expanding federal criminal jurisdiction remain to a large extent in S. 1722. This expansion is found in the general provisions, in definition of specific offenses, and in procedural rules.

The unobtrusive methods of draftsmanship to achieve that expansion of federal jurisdiction include (1) expansion of the jurisdictional bases for a large number of offenses, (2) "piggyback" or ancillary jurisdiction that federalizes a crime on the basis of its commission with another federal crime, (3) expansion of definitions of inchoate offenses, including attempt and conspiracy, (4) expansion of the definition of complicity, (5) preemption of state jurisdiction over certain political offenses, (6) removal of jurisdictional factors from the province of the jury, (7) conversion of certain elements of offenses into purported "grading factors", and (8) a new rule allowing a court of appeals to increase a sentence upon appeal by the government.

The inevitable large increase in the federal criminal caseload would result in a major workload increase not only for the federal district courts and circuit courts of appeal but also for federal investigative agencies and penal institutions as well. The Mann Subcommittee Report quotes the Federal Public and Community Defenders, as follows (Mann Subcommittee Report, p. 2):

"To an extent unprecedented in American jurisprudence, S. 1437 lays the groundwork for expansion of Federal criminal jurisprudence. The bill will open the Federal courthouse to prosecution of offenses which are now the exclusive province of State authorities. Every liquor store or supermarket robbery, for example, will be subject to Federal prosecution."

What will be the concomitant cost? How many new federal judges and their supporting staff will have to be appointed? How many more prisons will have to be built, and where? To what extent is it sound national public policy thus to diminish the power of the state criminal courts, judges and investigative agencies? Similarly, is it wise to expand the power so broadly of the FBI and the other federal investigative agencies, particularly in the light of revelations of the COINTELPRO program, and such horrors as the suicide of Jean Seberg forced by FBI misconduct?

It was precisely such searching questions that the Mann Subcommittee urged should be asked by Congress as a prerequisite for responsible legislation. (Mann Subcommittee Report, pp. 4, 35). These rather elementary prerequisites of legislative prudence and responsibility have been ignored by those who urge Congress to approve one or the other of these omnibus bills.

Yet the validity of these considerations must be dealt with by Congress. The Mann Subcommittee noted, for example (Mann Subcommittee Report, p. 4):

"Even the budget implications of S. 1437 were unknown at the time of the Senate passage, for no cost estimate for the bill was issued by the Congressional Budget Office."

Those budget implications are still unknown, both for H.R. 6233 and for S. 1722. In the traditional phrase, Congress is being asked to enact a "pig in a poke." Under the guise of being asked to "revise, reform and codify" the federal criminal law, it is being asked to do irreparable harm to our federal system, to weaken the power of the states, and to increase correspondingly by aggrandizement of jurisdiction and power, the scope of the federal government. Behind the complexity of these omnibus codes lies a naked grab for power on the part of the Department of Justice, the federal prison bureaucracy, and the other beneficiaries of expanded federal jurisdiction. Congress should consider long and hard on the fateful implications of expanded federal criminal jurisdiction which is inextricably involved in S. 1722, and will similarly result in expansion of federal jurisdiction in H.R. 6233, as that bill comes to incorporate S. 1722 provisions by amendment.

IV. CONTINUING REPRESSIVE FEATURES IN BOTH BILLS

S. 1722 emerges from analysis as yet another reworked version of the Nixon Administration's notorious Senate Bill 1. Its enactment into law would be a disaster for the Bill of Rights. Passage of S. 1722 would result in grave and unacceptable risks to our civil liberties.

As noted, in the last Congress, the House Judiciary Subcommittee on Criminal Justice rejected a similar bill which nevertheless passed the Senate in January 1979 (S. 1437). This year's House Subcommittee chaired by Rep. Robert F. Drinan has inexplicably ignored the unanimous judgment of its predecessor, the Mann Subcommittee. The Mann Report emphasizes a cautious, step-by-step, "incremental", approach to criminal code reform so as to avoid "legislative horsetrading" so evident in the prior omnibus bill. Instead, it has rushed at a juggernaut pace to draft a matching bill to S. 1722. It was introduced on January 7, 1980, as H.R. 6233.

While clearly originally aimed at eliminating the multitude of repressive features in S. 1 and S. 1437, H.R. 6233 itself nevertheless contains many of the identical threats to constitutional rights. These are listed below. Commendably, the present draft of H.R. 6233 omits some of the worst attacks upon fundamental freedoms contained in S. 1722, i.e., the S. 1722 provision dealing with Obstructing a Government Function by Physical Interference (Sec. 1302) or that dealing with Obstructing a Proceeding by Disorderly Conduct (Sec. 1334). It would be foolhardy to conclude therefrom that the Bill of Rights is safe. Experience warns that any such massive legislation will be worsened as it moves through the legislative process. This is precisely what is involved in the Mann Subcommittee's caution about the dangers of "legislative horsetrading".

A. Continuing dangers to Bill of Rights in H.R. 6233

A tabulation of the continuing dangers to the Bill of Rights contained in H.R. 6233, before its inevitable worsening at later stages of the legislative process makes clear that it is far from acceptable, even in its supposedly present "clean" posture. In all too many respects, H.R. 6233, like S. 1722, remains fatally flawed, both in its dangerous erosions of constitutional rights and in its concomitant failure to adequately address the serious problems within our system of criminal justice.

An over-all view of the repressive provisions that remain in H.R. 6233, despite assurances that it has been successfully purged of civil liberties perils, reveals that while it is not as threatening to civil liberties as S. 1722, it most emphatically is not by any means a good reform bill. It restates much of repressive current law, including that concerning wiretapping, forced use immunity and eavesdropping. It codifies *Miller* v. *California,* 93 S. Ct. 2607 (1973), the Supreme Court's obscenity decision which allows local community judgments to determine the artistic standards of the entire nation. It allows for extortion and blackmail prosecutions of labor union strike activities that currently are protected.

Specifically, H.R. 6233 carries forward many provisions originally in the earlier bills—S. 1 and S. 1437—which pose grave threats to the free exercise of protected Bill of Rights freedoms.

These provisions include the following: Sabotage (Sec. 1311), Impairing Military Effectiveness (Sec. 1312), Wartime Impairment of Military Service Obligations (Sec. 1316), Inciting or Aiding Mutiny, Insubordination or Desertion (Sec. 1317), Espionage and Related Classified Information offenses (Secs. 1321–24), False Implication of Another (Sec. 1714), Demonstrating to Influence a Judicial Proceeding (Sec. 1728), Disseminating Obscene Material (Sec. 2743), Inciting or Leading a Riot (Sec. 2731) and Engaging in a Riot (Sec. 2733). It continues and reenacts the 1917 Espionage Act (Section 794 of Title 18, U.S. Code and the 1950 Mundt-Nixon Subversive Activities Control Act (Section 793 of Title 18, U.S. Code) (Sections 3122-1324 of H.R. 6233).

In addition, H.R. 6233, just like S. 1722, continues current practices which now result in violations of privacy and other civil liberties through its reaffirmation of current laws on electronic surveillance (Secs. 6512–6546), coerced use immunity (Secs. 1733–1737; 5701–5705). Demonstrating to Influence a Judicial Proceeding (Sec. 1728); and Disseminating National Defense and Classified Information (Secs. 1322–1324).

The bare citation of these section numbers where existing repressive legislation is carried forward with new respectability by being included in H.R. 6233 hardly makes clear the threat posed by both these bills to our basic charter of freedom. These are amplified below.

B. Threats to freedom of press

1. *Protecting News Sources:* The confidentiality of news sources is vital to a free press. Under S. 1722, reporters could be accused of "Hindering Law Enforcement" if they refuse to identify sources (Sec. 1311) or of "defrauding the government" if they disclose government information secretly leaked to them and they had a purpose, in addition to or other than informing the public, such as revealing corruption or influencing government policies (Sec. 1301). Sentences/Fines: up to 5 years; $250,000 for the individual newsperson, $1,000,000 for the news organization.

H.R. 6233 (Sec. 1711) has a virtually identical Hindering Law Enforcement section. Like S. 1722, the House Bill raises potent threats to the freedom of press. The public will be the ultimate loser if the press cannot protect its news sources. Sentences/Fines in House Bill: Up to 40 months depending on the seriousness of the crime involved and the nature of the accused with respect to the general nature of the crime—up to $250,000 fine for an individual; up to $1,000,000 for a news organization.

2. *Information regarding governmental wrongdoing*: Both S. 1722 and H.R. 6233 would permit the government to charge serious crimes carrying heavy criminal sanctions against public servants who "blow the whistle" an official corruption or government wrongdoing, and investigative journalists who receive such information. (Section 1334 of S. 1722, Tampering with a Government Document; Sec. 1525 of S. 1722, Revealing Private Information Submitted for a Governmental Purpose.)

Identically named provisions of H.R. 6233 achieving virtually the same effect are Sec. 1744, Tampering with a Government Record, and Sec. 2125, Revealing Private Information Submitted for a Government Purpose. For the Tampering offense, sentence of up to 18 months in H.R. 6233; fine up to $250,000 for an individual, up to $1,000,000 for a news organization. For Revealing Private Information Submitted for a Government Purpose, grade shifts according to information, most being a sentence of up to 18 months; identical fine. In S. 1722, the sentence is up to 2 years, and the same fine of up to $250,000 for the journalist and whistleblower; up to $1,000,000 for the "whistleblower."

Additional threats to both those who leak government secrets and newsmen and organizations receiving them are found in the Theft provisions of the two bills (Sec. 1731 of S. 1722; Sec. 2531 of H.R. 6233) and in the Trafficking in Stolen Property (S. 1722, Sec. 1732; H.R. 6233, Sec. 2532) and Receiving Stolen Property (S. 1722, Sec. 1733; H.R. 6233, Sec. 2533) provisions. A bar to prosecution of the press under designated circumstances is contained in Section 1740 (c) of S. 1722, but is absent from H.R. 6233.

3. *National defense or classified information:* Both bills reenact the 1917 Espionage Act, the 1954 Atomic Energy Act espionage provisions, and the Mundt-Nixon Subversive Activities Control Act of 1950 (written by the House Un-American Activities Committee (HUAC)). Thus both leave intact laws which were the products of repressive periods of our history. Even worse, reenactment of provisions from the Subversive Activities Control Act of 1950 will undoubtedly give new vitality to that moribund statute and danger to civil liberties mandating from a low which has largely been declared unconstitutional. These relics of McCarthyism should be repealed, not resurrected, as both H.R. 6233 and S. 1722 seek to do. Reenactment of the sections of the Atomic Energy Act of 1954 "relating to communication and receipt of restricted data with intent to inure the United States or to secure an advantage to a foreign nation" endangers anti-nuclear protesters and organizations who may publicise information about some unsafe nuclear facility to ward off a potential Three Mile Island disaster.

Both H.R. 6233 and S. 1722 thus sanction institution of an "Official Secrets Act." These laws were used to prosecute Daniel Ellsberg and Anthony Russo for releasing the Pentagon Papers. The Justice Department has interpreted them, in the past, to cover communication, such as publication of a broad spectrum of information relating to the national defense. Recourse to the classified information provisions of the totally discredited Subversive Activities Control Act of 1950 is a dangerous return to repressive measures of the McCarthy era. This could result in a de facto "Official Secrets Act", unsuccessfully sought to be achieved by the now discredited S. 1, a prohibition on the release of much information which the public needs to make informed judgments about foreign policy or to learn of governmental misconduct, cost overruns, and the like. This was the warning of the Los Angeles Times in its important editorial, "Less Free, Less Secure," on February 3, 1980.

Sentences/Fines: ins. 1722, up to 10 years—$10,000 for revealing classified information; much heavier penalties for "espionage." In H.R. 6233, for classified information offenses, up to 80 months, fine of $250,000 for an individual; up to $1,000,000 for an organization.

C. Threats to the right to strike and other rights of labor

The right to strike and other traditional weapons used by labor in labor disputes will be severely jeopardized if either H.R. 6233 or S. 1722 becomes law. Both bills would achieve this unacceptable result in a number of ways, particularly through novel expansion of the definitions of the crimes of Extortion and Blackmail.

1. *Extortion:* Both bills would amend the existing Hobbs Act (Extortion) to make it a crime where picketing, violence in a labor dispute, or other labor activity can be claimed to "threaten" a business, and property damage has occurred, or is said to be feared.

In 1973, the Supreme Court's decision in *United States* v. *Enmons,* 410 U.S. 396 (1973) invalidated Attorney General John Mitchell's prosecutions of trade unionists for alleged extortion. Both S. 1722 and H.R. 6233 seek to overturn that decision by removing the crucial word "wrongful" from the definition of Extortion (Sec. 1722 of S. 1722; Sec. 2522 of H.R. 6233). This expands federal jurisdiction over labor disputes and would allow the FBI to investigate labor activities in case any union actions surrounding the dispute could be viewed as "extortionate." While an amendment adopted in the Senate Judiciary Committee offers more protection to unions than did S. 1 and previous code bills, S. 1722 continues to present greater threats to labor organizing in the Extortion provision than does current law. H.R. 6233, Sec. 2522, lacks even this limited defense. Sentences/Fines: S. 1722; up to 10 years—$250,000 for individuals, $1,000,000 for the union. H.R. 6233: up to 80 months, identical fines as in S. 1722.

2. *Blackmail:* Insufficient attention has been paid to the parallel danger to labor presented in both bills by the Blackmail crime. This provision contains two dangers to labor, in actuality.

First, the existing limited Blackmail crime is expanded to include obtaining the property of any other "by threatening . . . or placing another person in fear . . . [of] economic loss or injury to his business or profession." However, this is the actual purpose of any strike, work stoppage or labor dispute. The effective strength of the labor movement lies in labor's power to threaten business "with economic loss or injury."

Second, another subsection of the Blackmail provision is a concealed right-to-work law hidden in this complex omnibus code. Both bills make it criminal "blackmail" for a person (union member, officer, or organizer) to obtain the "property" of another (broadly defined to include moneys paid as higher wages, fringe benefits, or any other labor contract benefit) by "threatening or placing another person in fear" that he will "procure the dismissal of any person from employment or refuse to employ or renew a contract of employment for any person." S. 1722, Sec. 1723; H.R. 6233, Sec. 2523.

Sentences/Fines: S. 1722, up to 10 years, fine of $250,000 for the union member, up to $1,000,000 for the union. H.R. 6233: up to 80 months; same fine as in S. 1722.

3. *Sabotage (Sec. 1111, S. 1722; Sec. 1311, H.R. 6233):* In somewhat similar language, these parallel provisions impose criminal sanctions against those who knowingly and intentionally damage, defectively make, or defectively repair *any* property used in, or particularly suited for use, in the national defense, that is owned by the United States or an associate nation. S. 1722 contains the

stronger language in that it applies not only to those who do so intentionally in order to impair or obstruct the ability of the United States to prepare for or to engage in war or defense activities, but also to those who do so with the intent to "interfere with" such ability. Workers can be charged under both bills with the serious crime of sabotage for any labor dispute in "defense" industries or with respect to the preparation for war or defense industries. Any claimed slowdown or carelessness in the manufacture of any product that can be used by the military can invoke this sabotage provision. The penalties are heavier with respect to the manufacture of a major weapons system. The language of these sections is so broad that it could be read to include opposition to the development of weapons, such as the neutron bomb or a laser ray, to preparation for war or defense activities, or to news exposes of cost overruns and speeches against military spending. Sentence/Fine: S. 1722: up to life imprisonment if there is damage to a major weapon system in time of "war" (undefined); up to 20 years in other instances; $250,000 for individual; $1,000,000 for the union or other organization. H.R. 6233: life imprisonment for wartime damage to a major weapons system; up to 160 months in other instances; identical fine.

4. *Impairing Military Effectiveness (Sec. 1112, S. 1722; Sec. 1312, H.R. 6233)*: This is a sabotage provision of lesser grade, which eliminates in both bills the crucial requirement of "intent." Recklessness is the standard in S. 1722 expressly; it is the implicit standard in H.R. 6233. The element of recklessness permits vindictive governmental criminal action against unions or workers not supportive of an administration's foreign policy, e.g., intervention in some future Viet Nam or Angola. It may be even more deadly in its applicability to labor than the sabotage provision. Sentence/Fine: S. 1722: up to 10 years; fine of $250,000 for the individual, $1,000,000 for the union. H.R. 6233: up to 160 months; identical fine.

5. *The Anti-Riot Act (S. 1722, Secs. 1831–1834; H.R. 6233, Secs. 2731–2734)*: S. 1722 reenacts the existing "Rap Brown Act" of 1968, passed by Congress after the ghetto uprisings which followed the assassination of Rev. Martin Luther King, Jr. While increasing the size of a "riot" from 3 persons to 10, S. 1722 leaves intact provisions which were used to prosecute peace activists, Viet Nam war veterans, and Native Americans. Special provisions enacted in 1968 to prevent prosecutions in labor disputes have been deleted from S. 1722. S. 1722 expands the law by making it applicable to persons "engaged" in a riot. (Sec. 1831–34). Engaging in a riot, is a new addition to federal criminal law (Sec. 1833).

H.R. 6233 commendably substantially decreases federal jurisdiction over riots. It does apply to the "special jurisdiction" of the United States (Sec. 2731(b) (1)), and accordingly can reach demonstrations in the District of Columbia, at registration or draft centers, or at federal facilities.

Like S. 1722, H.R. 6233 includes the new crime of "Engaging in a Riot" (Sec. 2733). There is an improvement here over the parallel provision in S. 1722 in that the level of culpability for the person's actions in the "riot" has been raised to "knowing."

Sentences/Fines: Up to 40 months; fine of up to $250,000 for an individual; up to $1,000,000 for a union or other organization.

D. Threats to first amendment freedoms

A host of S. 1722 provisions endanger First Amendment and other constitutional freedoms. Some of these have been deleted in H.R. 6233, but the danger is serious and critical that they will be added to that bill as it moves through the legislative process. Repressive features are, however, present in *both* bills and present potent threats to the right of peaceable assembly and Bill of Rights liberties. These include the following:

1. *Obstructing a Government Function by Physical Interference (Sec. 1302 of S. 1722; not included in H.R. 6233)*: This entirely new offense prohibits physical interference with any government function involving the "performance of an official duty" by most public officials, including law enforcement officers. It would thus apply to any claimed physical interference or obstacle alleged to be intended to impair any federal government function in any way. It would criminalize virtually every mass demonstration against government policy. Holding a rally in violation of a court order; a demonstration which blocks a post office or federal building, refusal to open a door to a marshall serving a subpoena, could all become federal crimes. It could enjoin any work stoppage at a plant holding a government contract. Sentence/Fines: 1 year—$25,000 for an "infraction" "if the physical interference other organization.

All demonstrations, picket lines, parades and other organized use of First Amendment rights are criminalized by an astonishingly unconstitutional subsection of the Obstructing a Government Function by Physical Interference provision of S. 1722. The offense is downgraded from a Class A misdemeanor to an 'infraction" "if the physical interference or obstacle—(A) is created in the course of picketing, or a parade, display, or other demonstration, otherwise protected by rights of free speech or assembly; (B) is nonviolent; and (C) does not significantly obstruct or impair a government function." As an "infraction", it is then punishable by imprisonment for five days, and a fine up to $1,000 for an individual and up to $10,000 for an organization. This would give the government the right to break up *any* picket line or demonstration where federal jurisdiction can be claimed, even though it "is nonviolent" and there is no significant obstruction or impairment of any government function. It found later to be an abuse of governmental authority, the damage would still have been done. The picket line, demonstration, or parade would then be moot. This startling specific instance of repression is, in fact, virtually admitted to be unconstitutional in the Senate Report on S. 1437, p. 281: "Indeed, it may well be that the Constitution shields the conduct of non-violent demonstrators from governmental intervention before significant actual harm has occurred."

2. *Obstructing a Government Function by Fraud (S. 1722, Sec. 1301; Obstruction of Official Proceedings by Fraud (H.R. 6233, Sec. 1729):* H.R. 6233 modifies the dangers of the S. 1722 provisions dealing with Obstructing a Government Function by Fraud, but may be later amended to reach the identical objectives sought by the Department of Justice and the proponents of S. 1722.

a. *Obstructing a Government Function by Fraud (S. 122, Sec. 1301):* Engaging in "misrepresentation, chicanery, trickery, deceit, craft, overreaching, or other dishonest means" and thereby obstructing any government function, becomes a crime. Making a misleading statement on a government questionnaire, using a trick to avoid surveillance by an FBI agent, giving incorrect directions to a mail carrier, could be covered. So could a businessman engaged in some deception in the fulfilling of a government contract. Additionally, it could be applied to punish the disclosure of information which the government wishes to keep secret. This new crime is an excellent example of the dangers posed by these omnibus crime bills resulting from the overboard statutory language and generalization of offenses. Although there is a bar to prosecution to placate the press, this applies only when "the offense was committed solely for the purpose of disseminating information to the public" (Sec. 1301(b)). If another motive could be found, the federal prosecutors can readily avoid even this purported bar to prosecution. Sentences/Fines: 5 years—up to $250,000 for an individual; up to $1,000,000 for an organization.

b. *Obstruction of Official Proceedings by Fraud (H.R. 6233, Sec. 1729):* This provision is clearly of narrower applicability. It has a higher level of culpability ("knowing" and "intentional"). In view of the Contempt offenses (Secs. 1731–37 of H.R. 6233), even this provision is not needed in our federal criminal law. *Sentences/Fines:* Up to 40 months; fine of $250,000 for individual; up to $1,000,000 for an organization.

3. *Demonstrating to Influence a Judicial Proceeding* (Sec. 1328 of S. 1722; Sec. 1728 of H.R. 6233). In virtually identical language, the two bills prohibit picketing, parading, displaying a sign, or otherwise demonstrating within 100 feet of a federal courthouse (30 meters in H.R. 6233) while any judicial proceeding is in progress is prohibited. Demonstrations around political trials or controversial legal issues such as affirmative action, anti-nuclear activity, or reproductive rights, can trigger off federal prosecution. Courts and official proceedings do not need to be totally insulated from public opinion and the exercise of First Amendment rights in this way. Sentences/Fines: 6 months—$25,000 for the individual; $100,000 for an organization (S. 1722); up to 80 months, identical fine in H.R. 6233.

4. *Obstructing a Proceeding by Disorderly Conduct (S. 1722, Sec. 1334); deleted from (H.R. 6233):* Impairment of any federal official proceeding by unreasonable noise, violent or tumultuous conduct of "similar means" is made a federal crime. Accordingly, under S. 1722, political activity at any federal government function—a court hearing, Congressional activity, regulatory meeting, demonstration by anti-nuclear activists at a meeting of the Nuclear Regulatory Commission, etc.—could all be penalized. The catch-all phrase—"by similar means" could encompass almost anything. Its only apparent purpose is to permit the federal prosecutors to reach dissenting behavior that does not reach the level of "disturbance." Sentences/Fines: 6 months—$25,000 for individual; $100,000 for an organization.

E. Continued civil liberties dangers through contempt proceedings (S. 1722, Sec. 1331; H.R. 6233, Sec. 1731)

Both bills make it a crime not only to disobey, but also to "resist" any court order. This could include any form of opposition, including a speech to a union meeting opposing a court's action or an article in a shop newspaper critical of an injunction. Sentence/Fines: S. 1722: up to 6 months; unlimited fine; Sec. 1331 (c) provides, that, notwithstanding the bill's fine structure, "the defendant may be sentenced to pay a fine in any amount deemed just by the court if the offense involves disobedience of or resistance to the court's temporary restraining order, preliminary injunction, or final order other than an order for the payment of money."; H.R. 6233: $500 fine, imprisonment for not more than 5 days or both (Sec. 1731 (a)).

F. Conspiracy and attempt and other inchoate offenses

Like S. 1 and S. 1437 before them, both S. 1722 and H.R. 6233 broaden use of inchoate crimes to reach those who do not actually participate in the claimed crime. There has been some liberalization since S. 1437. In S. 1722, in the inchoate-crimes area (an inchoate crime is an offense started but not completed), the number of crimes is reduced. The new crime of solicitation would be limited in application to certain specified serious offenses. Nevertheless, these inchoate crimes spread the net of criminality entirely too far. There is here one of the significant expansions of prosecutorial power about which the Mann Subcommittee warned so vigorously and eloquently in its Report.

1. *Attempt* (S. 1722, Sec. 1001; H.R. 6233, Sec. 1101): In nearly similar language, both bills create, for the first time, in federal law, a general attempt statute. Each provides that a person is guilty of an offense if he or she "intentionally engages in conduct that * * * constitutes a substantial step toward commission of the crime." S. 1722, Sec. 1101(a) adds to this the qualification "conduct *that, in fact*," constitutes a substantial step toward the commission of the crime." Thus, S. 1722 provides a somewhat greater burden of proof for the federal prosecutor than the purportedly more liberal bill, H.R. 6233. This would mean, for example, that a person who planned with others to picket a courthouse (an illegal act, S. 1722, Sec. 1328, Demonstrating to Influence a Judicial Proceeding; H.R. 6233, Sec. 1728, same title), and then walked in the direction of the courthouse would be guilty of an offense even though he or she never reached the courthouse or picketed there. Similar vulnerability would apply to anti-nuclear activists who planned to demonstrate, or trespass, upon a federal nuclear facility. As the National Committee Against Repressive Legislation (NCARL), the New Jersey Coalition to Defend the Bill of Rights, and other organizations have emphasized, there is no reason for the government to have the power to make such conduct criminal so far in advance of the event. Sentence/Fines: Punished in same manner as the crime attempted, except that if the crime attempted is a Class A felony, the attempt is downgraded to a Class B felony (up to 20 years; fine for individual, $250,000, for organization, up to $1,000,000.)

H.R. 6233, Sec. 1101, had originally confined the attempt statute to crimes of violence, but this limitation has been deleted.

2. *Criminal Conspiracy (S. 1722, Sec. 1002; H.R. 6233, Sec. 1102):* In parallel, but not identical, language, both bills carry forward a general conspiracy statute. The S. 1722 provision is more dangerous than that in H.R. 6233. Under Sec. 1002 of S. 1722, the Criminal Conspiracy statute allows for the possibility of "one person" conspiracies in which an "agreement" with a police officer could constitute a conspiracy, even though the officer had no intention of agreeing to the illegal conduct and did so in an effort to ensnare the other person. H.R. 6233, Sec. 1102, clearly limits conspiracy to two or more persons.

S. 1723, Sec. 1722, also weakens the present law requirement (retained in H.R. 6233) that the overt act be intended to further the criminal objective. By the over-broad language, "any conduct" to effect "any objective" of the agreement, S. 1722, Sec. 1002, criminalizes conduct that, by itself, would be considered legal without a requirement that that conduct be linked with an intent to commit a crime. NCARL has questioned the need for a general conspiracy statute and recommended that any reformed conspiracy law correct the abuses in present law rather than exacerbating them further. Sentence/Fines: S. 1722, Graded as offense of the same class as the most serious crime that was an objective of the conspiracy, except that a Class A felony is punished for conspiracy as a Class B felony; H.R. 6233, graded as an offense one class below the most serious crime intended by the charged conspiracy.

3. *Criminal Solicitation (S. 1722, Sec. 1003); deleted from H.R. 6233)*: This new provision makes a person guilty of the crime "if, with intent that another person engage in conduct constituting a crime and, in fact, under circumstances strongly corroborative of that intent, he commands, entreats, induces, or otherwise endeavors to persuade such other person to engage in such conduct." In approving S. 1722, the Senate Judiciary Committee narrowed this new offense of Criminal Solicitation by approving an amendment sponsored by Sen. Birch Bayh (D–IN) which limited its application to certain specific serious offenses. Whether this amendment will be deleted at a later stage of the legislative process is as yet uncertain; there is such danger. Sentence/Fines: An offense reachable as Criminal Solicitation is graded as an offense of the class next below that of the crime solicited.

G. *Danger posed by S. 1722 to anti-nuclear movement*

S. 1722 targets anti-nuclear activists and utilities reformers for special investigation and prosecution. An amendment adopted by the Senate Judiciary Committee just prior to reporting S. 1722 out favorably, the Committee added a new jurisdictional basis for arson, aggravated property destruction, and criminal entry prosecutions. There will be federal jurisdiction for these crimes if the facility involved is used for the production or distribution of energy. Any property damage that takes place at a nuclear facility or *any* energy-production or distribution facility could become a federal crime. It is not even necessary that the facility be completed or operational. Moreover, the inchoate crimes of Conspiracy, Attempt, and Solicitation (which, as noted above, criminalizes "persuading" another to commit a crime) would apply to this offense. Thus, the organizing or planning of anti-nuclear demonstrations which result in violence or damage to property, or involve trespass or criminal entry, become federal crimes. This new federal crime is squarely drafted to criminalize tactics frequently used by the anti-nuclear movement to call attention to the dangers of nuclear facilities, such as the near disaster at Three Mile Island. Sentences/Fines: Up to 5 years—$250,000 for individuals, $1,000,000 for anti-nuclear and other organizations.

H. *Dangers posed by both bills to the anti-registration, anti-draft and peace movement*

Both S. 1722 and H.R. 6233 contain continuing dangers to opposition to war, registration, or the draft. This is to be achieved by such provisions as Obstructing Military Recruitment or Induction, or Inciting or Aiding Mutiny, Insubordination, or Desertion (both broadly defined). If unwisely enacted into law, either of these two bills will make it possible for the federal prosecutors to criminalize anti-war activists, draft counselors, and organizations joined in a future peace movement which attempts to expose any military adventure similar to Vietnam, to oppose the draft or registration, or otherwise to utilize its First Amendment freedoms.

1. *Obstructing Military Recruitment or Induction (S. 1722, Sec. 1115; H.R. 6233, Sec. 1316 (titled, Wartime Impairment of Military Service Obligations)*: Under Sec. 1115 of S. 1722, people who, during a war (undeclared) and with intent to oppose that war, "physically interfere" with recruitment or induction, or "incite others" to evade military service, could be guilty of a crime. Picketing at an induction center, urging young people to turn in or burn their draft cards, or counselling conscientious objectors not to register for the draft is criminalized. Sentences/Fines: up to 5 years; $250,000 for the individual, $1,000,000 for the anti-draft or other organization.

H.R. 6233. Sec. 1316, Wartime Impairment of Military Service Organizations, restricts the crime to use of force or violence in subsection (a)(1). However, Subsection (a)(3) goes far beyond this restriction, in language fully as dangerous as the S. 1722 provision (Sec. 1722 of S. 1722). It is made illegal for the one charged to "engage in *any* conduct and thereby intentionally incite(s) another to violate Section 1314 (relating to avoiding military or alternative service) of this title under circumstances rendering it likely that such incitement will imminently cause the commission of the offense." Sentence/Fines: for an individual, up to 40 months, fine of up to $250,000; for an organization, fine of up to $1,000,000. This H.R. 6233 provision will have a chilling effect on every draft counsellor and every anti-war movement organization or activist in time of war, declared or undeclared.

2. *Inciting or Aiding Mutiny, Insubordination or Desertion (S. 1722, Sec. 1116; H.R. 6233, Sec. 1317)*. Although the language of H.R. 6233 is somewhat different from that in S. 1722, and imposes the additional burden of proof standard of "knowingly', and is thereby somewhat liberalized, both proposed omnibus bills sanction the use of severe criminal sanctions against any civilian writing or speaking against a war or conditions on a military installation. No more is needed, if either of these bills should unwisely become law, then interpretation by the military authorities and the federal prosecutors that the accused has "incited" "insubordination." Sentences/Fines: S. 1722, up to 10 years—$250,000 if committed in time of war (undefined), otherwise up to 5 years—$250,000 for individual, $1,000,000 for anti-war or other organization; H.R. 6233; up to 80 months if offense committed in time of war; otherwise up to 40 months; identical fine as in S. 1722.

The Los Angeles Times declared in its masterful editorial, "Less Free, Less Secure" of February 3, 1980, calling for defeat of S. 1722:

> "First Amendment rights are subjected to particular stress in times of emergency and national excitement. Under this bill (Section 1116), civilians writing or speaking against a war could be subject to prosecution if military authorities interpreted their actions as 'inciting insubordination.' A state of war is not defined, and the bill's drafters refuse to accept as a definition that it exists only after Congress has declared war."

V. UNWISE SENTENCING STRUCTURE OF BOTH BILLS

Proponents of both S. 1722 and H.R. 6233 term the sentencing provisions of the two omnibus bills the most important part of the proposed new criminal law codification. Their view is not shared by correctional experts. The prestigious National Council on Crime and Delinquency (with national headquarters in Hackensack, N.J.), has sharply criticized these proposals as unworkable and incarceration-oriented. The Federal Public Defenders take the same view. A special issue of Corrections magazine (September 1977) contain caustic criticism of these proposals for determinate sentencing and the other purported "reforms" of sentencing procedures.

Both S. 1722 and H.R. 6233 would establish a Sentencing Commission to establish sentencing guidelines. Although a judge would not be required to follow these guidelines, he would be required to explain in writing his reasons for not following them. The purported new panacea in sentencing is supposedly that prisoners will serve a determinate sentence; thereby, allegedly, certainty of incarceration will deter crime. This approach ignores the fundamental causes of crime. It ignores the racist elements of our present sentencing and corrections system, both federal and state. It ignores the reality that so few crimes result in conviction and sentencing that the determinate sentencing represented by both S. 1722 and H.R. 6233 will prove to have little effect on crime. S. 1722, in particular, will virtually eliminate parole. It severely limits good-time early release, and requires mandatory minimum sentences in certain cases (Sec. 1823, Using a Weapon in the Course of a Crime; Trafficking in an Opiate, Sec. 1811).

S. 1722 also sets high maximum penalties and fines (up to $1,000,000 for organizations; up to $250,000 for individuals). This will be disastrous to organizations and individuals working for First Amendment issues. In this regard, both S. 1722 and H.R. 6233 are far worse than even S. 1, which provided a maximum fine of $100,000 for an individual $500,000 for an organization.

Both bills, particularly S. 1722, would create a "determinate" sentencing system, by establishing a U.S. Sentencing Commission to develop sentencing guidelines for federal judges to follow. This unwarrantedly takes discretion over sentencing away from judges and gives it to prosecutors who may charge persons with crimes on the basis of the sentence recommended by the Commission.

Experts in penology and correction are sharply critical of the present high rate of incarceration. Federal prisons are overcrowded. Nevertheless, S. 1722 does not encourage alternatives to prison, while H.R. 6233 tends merely to give lip service to that real hope for lessening recidivism. The Mann Subcommittee commissioned a study from the Library of Congress Research Service which "concluded that the sentencing provisions in S. 1437 could increase prison time served by between 62.8 and 92.8 percent." (Mann Subcommittee Report, p. 26).

S. 1722 is little changed from S. 1437. The Mann Subcommittee unanimously concluded (Report, p. 3):

"The third serious flaw in the bill centers on its sentencing provisions which create a new and untested mechanism that virtually deprives the sentencing judge of the ability to tailor criminal sentences to the individual being sentenced. U.S. Circuit Judge David L. Bazelon pointed out that: 'There are infinite ways of characterizing any individual defendant, and which characteristics are relevant must in fact depend upon the particular circumstances of the specific case. By masking these differences, the apparently "precise" categories of the [Sentencing] Commission might produce grave injustice: Why, for instance, should one defendant receive a different sentence than another simply because his 'physical condition' is different? In some circumstances, one might say, this factor will be relevant; in other circumstances, it won't but how can one tell *in the abstract?* '(Emphasis by Mann Subcommittee.)'

"The new sentencing mechanism proposed in S. 1437, moreover, will lead to further overcrowding of Federal correctional facilities, a matter compounded by the bill's failure adequately to emphasize alternatives to imprisonment and pretrial diversion programs. Adequate measures in that regard are essential, not only from the standpoint of humane and effective correction programs, but also from an economic standpoint, given the high cost of housing and caring for prisoners."

The Los Angeles Times in its editorial of February 3, 1980, noted, with respect to S. 1722:

"Parole would be eliminated, and the bill would place a heavy emphasis on imprisonment and would ignore a reform long urged by the American Bar Assn.—a recommendation that judges consider alternatives to prison for offenders.

* * * * *

"Reflecting the repressive nature of the bill, heavy penalties are prescribed throughout."

H.R. 6233 in its present early form is superior to S. 1722 in some respects, but still is heavily incarceration-oriented. It too provides for a Sentencing Commission. Parole is kept, but in actuality not favored, and is being phased out. While listing alternatives to imprisonment (H.R. 6233, Sec. S103 (3)), there simply is not the emphasis upon such alternatives to imprisonment urged by such experts as Milton Rector, president of the National Council On Crime and Delinquency. Even so, the Department of Justice is insisting that the even harsher provisions of S. 1722 be wholly incorporated in H.R. 6233. It made this demand recently in a memorandum circulated among members of the House Judiciary Subcommittee on Criminal Justice. The Department's position emphasizes the grave danger that the repressive sentencing provisions of S. 1722 will be added to the somewhat more liberal H.R. 6233.

VI. CIVIL LIBERTIES DANGERS PRESENTED BY CRIMINAL JUSTICE PROCEDURES

A. Wiretapping

Both S. 1722 and H.R. 6233 largely reaffirm the 1968 law which permits wiretapping, to investigate certain crimes. (S. 1722, Secs. 3101–3109; H.R. 6233, Secs. 6511–6546). Further, both require telephone companies and landlords to cooperate "forthwith" and "unobtrusively" with government wiretappers and provides for compensation for such cooperation. (S. 1722, Secs. 3104 (a) and (b); H.R. 6233, Sec. 6513 (d)). Such retention of the objectionable provisions of Title III of the Omnibus Crime Control and Safe Street Act, 18 U.S.C., Secs. 2510–20, Title III is unwise. Title II has greatly expanded the use of electronic surveillance. It has proved to be a massive invasion of the privacy of the citizenry. Its minimal gains for law enforcement simply do not outweigh the invasions of privacy which wiretapping and use of pen registers entails.

B. Forced immunity

In virtually identical language, both bills continue the indefensible present practice of forcing witnesses to testify before a grand jury, court or Congressional committee, even when those witnesses have claimed their Fifth Amendment right against self-incrimination. (S. 1722, Secs. 3111–3115; H.R. 6233, Secs. 5701–5705). These parallel provisions would allow the government to imprison witnesses who refuse to exchange their Fifth Amendment right to remain silent for this purported "grant" of limited and partial immunity from prosecution. The Los Angeles Times in criticising retention of "use immunity" in S. 1722 stated in its editorial of February 3, 1980: "Use immunity is a device to salvage the Fifth Amendment by granting witnesses partial immunity from prosecution as a result of their testimony."

C. Illegal evidence

Both S. 1722 and H.R. 6233 contain provisions permitting a federal judge to consider illegal evidence.

1. *Erosion of Miranda Rule:* Both S. 1722 and H.R. 6233 incorporate present laws designed to make so-called "voluntary" confessions admissible even if obtained by secret police interrogation in the absence of counsel and warnings prescribed by the *Miranda* case. (S. 1722, Sec. 3713; H.R. 6233, Sec. 7308 (b) (2)). Admittedly, an existing statute so states that this is acceptable. Such statute constituted an insupportable, and repressive, attempt to undermine the Supreme Court's decision in the *Miranda* case requiring that the *Miranda* warnings be given for constitutional reasons. That act should be repealed. It should not be reaffirmed as is done by its inclusion in both S. 1722 and H.R. 6233.

2. *Tainted Eyewitness Testimony:* H.R. 6233, Sec. 7309, also makes admissible eyewitness testimony regardless of prior police irregularities in suggesting identification. It is probable that the final draft of S. 1722 will contain a similar provision. (Sec. 3714, S. 1722 now deals with Admissibility of Evidence in Sentencing Proceedings).

H. Government Right to Appeal Sentence (S. 1722, Sec. 3725; deleted thus far from H.R. 6233)

S. 1722 allows the government to appeal some sentences to a higher court as too lenient. This endangers the constitutional rights of defendants for two separate reasons. First, it casts a chilling effect, where there has been government misconduct, or use of illegal evidence or other error, upon the willingness of the defendant to raise that issue. The fear will be a government threat to raise the sentence through parallel cross-appeal. Second, such appeal of sentence is patently unconstitutional as double jeopardy. This was the holding of the Second Circuit Court of Appeals. Dealing with a similar provision in current law, the Second Circuit ruled that a provision giving the government the right to appeal sentences was unconstitutional. The court there was dealing with the Organized Crime Control Act. *United States* v. *DiFrancesco*, 604 F. 2d (2d Cir. 1979). The Department of Justice nevertheless persists in claiming this right of appeal. S. 1722 seeks to evade the spirit, if not the letter, of the Double Jeopardy clause of the U.S. Constitution by providing that a sentence is provisional until all rights to appeal have been exhausted or have expired. Obviously, this does not in the slightest meet the problem that the government's right to appeal a sentence chills a defendant's freedom to prosecute an appeal raising challenges to admission of illegal evidence or other meritorious issues.

J. Making a false statement (S. 1722, Sec. 1343; H.R. 6233, Sec. 1743)

S. 1722 makes it a crime to make a false oral statement to a law enforcement officer. While the bill requires that the government offer some corroboration that the statement was made, the prosecutor can meet this burden simply by offering the assurance of another law enforcement officer. Criminalizing false oral statements without an oath or the presence of a lawyer invites abuse by government agents. Sentences/Fines: Up to 2 years—$250,000 for individual; $1,000,000 for organization.

H.R. 6233, Sec. 1743, commendably limits the crime of Making a False Statement to a "false material written or recorded statement," and confines it to deception of a credit institution. Although acceptable in its present form, the danger of later amendment to apply to oral statements is serious. Such oral statements involve a your-word-against-my-word situation to the advantage of the government.

VII. OBSCENE MATERIAL

Both bills propose to freeze into statutory law the controversial ***Miller*** v. ***California*** decision of the U.S. Supreme Court dealing with obscenity. ***Miller*** v. ***California***, 417 U.S. 15 (1973).

S. 1722 (Sec. 1842) narrows the Court's definition of "contemporary community standards" to mean the "local community" standard. Thus, the narrow view or prudery of one "local" community could force prosecution of a national publication or movie or other work entitled to First Amendment protections. Thus would permit the most backward views of a "local community" to dictate the artistic or literary standards for the entire nation. Even if no prosecution is, in fact, made, the chilling effect of the threat or potentiality of such prosecution will inevitably interfere with the freedom and willingness to write and print books, poems, and other literary material or to make films dealing with controversial material that might be labeled "obscene." Sentences/Fines: up to 2 years—$250,000 for individuals, $1,000,000 for the publisher or film producer.

H.R. 6233, Sec. 2743, Transferring Obscene Material, adopts the *Miller* definition of "contemporary community standards." (Sec. 2743(d)). While not as far-reaching as S. 1722, the House bill similarly unwisely cements into statutory form what may prove to be a temporary position vis-a-vis obscenity by the Supreme Court. The Court has in recent years zigzagged remarkably on the issue of obscenity. There is no reason to believe that the *Miller* v. *California* formulation represents a fixed and settled view of this complex problem. It is most unwise to incorporate it into statutory form, particularly in a massive, omnibus code, and where such patent dangers to the First Amendment are involved. Sentences/Fines: Up to 80 months if children are involved, otherwise up to 40 months, fines identical with those in S. 1722.

IX. PREVENTIVE DETENTION

S. 1722 (Sec. 3502), by an amendment added by the Senate Judiciary Committee allows judges broad discretion to deny bail and to imprison persons accused of any crime, before they have been tried. A judge may place conditions on persons, including a condition of incarceration, and may imprison those who violate any condition without any trial or finding of guilt. The bill uses the euphemism "pre-trial release provisions" for what is in actuality preventive detention, imposed even though there has been no determination of guilt or innocence, nor any evidence that the defendant will not appear at trial. In an emergency issue of its *Civil Liberties Alert*, December 1979 (Vol. 3, No. 6), the ACLU stated: "The preventive detention provisions of S. 1722 violate the spirit of the Fifth and Eighth Amendments and undermine a fundamental tenet of our criminal jurisprudence—the presumption of innocence until proven guilty."

X. WHITE COLLAR CRIMES

Both S. 1722 and H.R. 6233 are markedly soft on white collar crimes. The issue is far too important to be buried in an omnibus bill.

XI. DEATH PENALTY

Immediately after the Senate Judiciary Committee approved S. 1722, it also approved a bill to reinstate a federal death penalty (S. 114). The latter bill (S. 114) provides for a death penalty for certain federal crimes, including treason, espionage (even in peacetime and where no death occurs) and murder, and for kidnapping, hijacking, and certain explosive offenses when a death takes place. It is expected that S. 114 will either be offered as an amendment to S. 1722 (as was done during the 1979 Senate debate on S. 1437, the predecessor omnibus bill) or it will be considered by the Senate immediately after the Senate vote on the proposed Code.

ACLU in its "Civil Liberties Alert," December 1979, stated: "The Senate Judiciary Committee's surprise vote on S. 114, the federal death penalty bill, circumvented all standard legislative procedures. There have been no hearings on the bill during the 96th Congress. There was no Subcommittee consideration of the provisions of the bill. Indeed, at the time the Committee voted there was no bill before it . . ."

ACLU made clear that it is opposed to the death penalty as per se unconstitutional. It violates the Eighth Amendment's prohibition on cruel and unusual punishment. It is markedly racially discriminatory. It violates the Fifth Amendment protection of due process and equal protection.

In addition, S. 114, as approved by the Senate Judiciary Committee appears to be unconstitutional even under the plurality decisions of the Burger Court majority. S. 114 authorizes the death penalty for two crimes, espionage and treason in peacetime, even when they do not involve the death of a victim. This appears to contravene current Supreme Court law on the death penalty.

Profound moral, ethical and constitutional issues are presented here. Adoption of the death penalty by Congress would mean a national policy in favor of capital punishment. It should be vigorously opposed.

XII. CONCLUSION

The foregoing analysis has exposed only the more glaring of the innumerable dangers to civil liberties and constitutional rights presented by both these massive omnibus federal criminal codes. The underlying concept that such damage to the Bill of Rights must be accepted to achieve a federal criminal code is utterly unacceptable. The Bill of Rights is not a subject of trade-off or horsetrading. Both bills should be rejected.●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. JENRETTE (at the request of Mr. WRIGHT), for today, on account of medical reasons.

Mr. JONES of North Carolina (at the request of Mr. WRIGHT), for today, on account of official business.

Mr. RATCHFORD (at the request of Mr. FARY), for today, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. KRAMER) to revise and extend their remarks and include extraneous material:)

Mr. GRASSLEY, for 10 minutes, today.

Mr. KEMP, for 15 minutes, today.

Mr. JEFFORDS, for 5 minutes, today.

(The following Members (at the request of Mr. WALGREN) to revise and extend their remarks and include extraneous material:)

Mr. GONZALEZ, for 15 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. HARRIS, for 5 minutes, today.

Mr. DICKS, for 5 minutes, today.

Mr. ALEXANDER, for 15 minutes, today.

Mr. BARNES, for 5 minutes, today.

Mr. DOWNEY, for 15 minutes, March 20.

(The following Members (at the request of Mr. CONYERS) to revise and extend their remarks and include extraneous material:)

Mr. JOHNSON of California, for 5 minutes, today.

Mr. DODD, for 5 minutes, today.

Mr. PHILLIP BURTON, for 5 minutes, today.

Mr. MURTHA, for 60 minutes, March 18.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. ABDNOR, and to include extraneous material notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $1,080.75.

Mr. CONYERS, to extend his remarks at this point in the CONGRESSIONAL RECORD, notwithstanding the fact that it exceeds two pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $3,045.75.

(The following Members (at the request of Mr. KRAMER) and to include extraneous matter:)

Mr. GILMAN in two instances.
Mr. ROYER.
Mr. DICKINSON.
Mr. SCHULZE.
Mr. COLEMAN.
Mr. DERWINSKI in two instances.
Mr. DAVIS of Michigan.
Mr. GRADISON.
Mr. PORTER.
Mr. SYMMS.
Mr. THOMAS.
Mr. FINDLEY in two instances.
Mr. MCCLORY.
Mr. BUCHANAN.
Mr. KEMP.
Mr. LENT.
Mr. RINALDO.

(The following Members (at the request of Mr. WALGREN) and to include extraneous matter:)

Mr. WOLFF.
Mr. MINISH.
Mr. DODD.
Mr. WYATT in two instances.
Mr. ALEXANDER.
Mr. WATKINS.
Ms. FERRARO.
Mr. COTTER.
Mrs. SCHROEDER.
Mr. MOFFETT.
Mr. ZEFERETTI.
Ms. OAKAR in two instances.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 1454. An act to authorize the voluntary interservice transfer of officers between the commission corps of the National Oceanic and Atmospheric Administration and the Armed Forces, to authorize advance payments of pay and allowances to officers of such corps under the same conditions that apply to advance payments to members of the Armed Forces, and to provide officers of such corps the same unemployment compensation benefits that apply to members of the Armed Forces; and

S. 2225. An act to provide that receipts from certain sales of items by the Sergeant at Arms of the Senate to Senators and committees and offices of the Senate shall be credited to the appropriation from which such items were purchased.

ADJOURNMENT

Mr. CONYERS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 10 minutes p.m.), under its previous order, the House adjourned until Monday, March 17, 1980, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3779. A letter from the Director, Federal Emergency Management Agency, transmitting a draft of proposed legislation to authorize the Administrator of General Services to donate to State and local governments certain Federal personal property loaned to them for civil defense use, and for other purposes; to the Committee on Armed Services.

3780. A letter from the Director, Defense

Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Army's proposed sale of certain defense equipment and services to Egypt (Transmittal No. 80-48), pursuant to section 813 of Public Law 94-106; to the Committee on Armed Services.

3781. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense equipment and services to Egypt (Transmittal No. 80-48), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WHITTEN: Committee on Appropriations. House Joint Resolution 510. Joint resolution making further continuing appropriations for the Federal Trade Commission for the fiscal year 1980, and for other purposes (Rept. No. 96-824). Referred to the Committee of the Whole House on the State of the Union.

Mr. THOMPSON: Committee on House Administration. Report on allocation of budget totals by program (Rept. No. 96-825). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. PHILLIP BURTON:

H.R. 6804. A bill to amend the National Historic Preservation Act of 1966, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. PHILLIP BURTON (for himself, Mr. Sebelius, Mr. Vento, Mr. Bingham, and Mr. Kostmayer):

H.R. 6805. A bill: National Heritage Act of 1980; to the Committee on Interior and Insular Affairs.

By Mr. CORMAN (for himself and Mr. Rousselot):

H.R. 6806. A bill to amend sections 48(f) and 167(1) of the Internal Revenue Code of 1954 regarding the treatment of public utility property and to provide a transitional rule with respect thereto; to the Committee on Ways and Means.

By Mr. DANNEMEYER (for himself, Mr. Dornan, and Mr. Lungren):

H.R. 6807. A bill to encourage the domestic production and conservation of energy; jointly, to the Committee on Interstate and Foreign Commerce and Ways and Means.

By Mr. FLORIO (for himself and Mr. Hughes):

H.R. 6808. A bill to amend the Railroad Revitalization and Regulatory Reform Act of 1976 to authorize appropriations to facilitate the private development of the rail passenger corridor between Atlantic City, N.J., and Philadelphia, Pa., and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. GLICKMAN (for himself and Mr. Sebelius):

H.R. 6809. A bill to amend the Food and Agricultural Act of 1977 to require the Secretary of Agriculture when purchasing commodities suspended from shipment to acquire not only the quantity of commodities suspended from shipment but also the classes of affected commodities; to the Committee on Agriculture.

By Mr. FARY:

H.R. 6810. A bill to amend the Internal Revenue Code of 1954 to reduce the income taxes of low- and middle-income individuals by the excess of the inflation rate over 10 percent; to the Committee on Ways and Means.

By Mr. GONZALEZ (by request):

H.R. 6811. A bill to provide for increased U.S. participation in the International Development Association, to provide for U.S. participation in the African Development Bank, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. GRASSLEY:

H.R. 6812. A bill to require adjustments in census population figures for aliens in the United States illegally so as to prevent distortions in the reapportionment of the House of Representatives, the legislative apportionment and districting of the States, and the allocation of funds under Federal assistance programs; jointly, to the Committee on Post Office and Civil Service and the Judiciary.

By Mr. HARRIS:

H.R. 6813. A bill to amend the Internal Revenue Code of 1954 to allow the residential energy credit for energy conservation expenditures with respect to new residences if such expenditures are for items not required by Federal, State, or local housing standards; to the Committee on Ways and Means.

By Mr. RICHMOND (for himself and Mr. Scheuer):

H.R. 6814. A bill to amend the Railway Labor Act to provide that State law shall govern the settlement of a labor dispute between employees and a State-owned rail passenger carrier after the procedures and requirements set forth in such act (other than the creation of an emergency board) have been exhausted by the parties to the dispute; to the Committee on Interstate and Foreign Commerce.

By Mr. ROSE:

H.R. 6815. A bill to amend the Agricultural Act of 1949 by increasing loan rates for corn and wheat, providing encouragement for greater participation in the farmer-held reserve program for those commodities, and for other purposes; to the Committee on Agriculture.

By Mr. RUNNELS (for himself and Mr. Lujan):

H.R. 6816. A bill to further amend the Mineral Leasing Act of 1920 (30 U.S.C. 201(a)), to authorize the Secretary of the Interior to exchange Federal coal leases, and to encourage recovery of certain coal deposits, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. SCHULZE:

H.R. 6817. A bill to amend the Revenue Act of 1978 to provide that the inclusion in gross income of certain amounts of unemployment compensation shall not apply to unemployment compensation which is payable by reason of a work stoppage in 1973 but which was not paid until 1979; to the Committee on Ways and Means.

By Mr. STAGGERS (for himself, Mr. Dingell, Mr. Van Deerlin, Mr. Murphy of New York, Mr. Gore, Mr. Walgren, Mr. Matsui, Mr. Marks, Mr. Wright, Mr. Johnson of California, Mr. Corman, Mr. Fazio, Mr. Patterson, Mr. Pursell, and Mr. Wolpe):

H.R. 6818. A bill to authorize additional appropriations for the Northeast corridor improvement project, to provide for the development of high-speed intercity rail passenger service in other corridors throughout the United States, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. THOMAS (for himself, Mr. Rudd, Mr. Michel, Mr. Sensenbrenner, Mr. Hyde, Mr. Stockman, Mr. Sebelius, Mr. Symms, and Mr. Rousselot):

H.R. 6819. A bill to provide for annual adjustments in the cost of the thrifty food plan and the standards deduction under the food stamp program; to the Committee on Agriculture.

By Mr. McKINNEY:

H.J. Res. 512. Joint resolution to authorize and request the President to proclaim May 1, 1980, as "National Save the Children Day"; to the Committee on Post Office and Civil Service.

By Mr. McCLORY:

H. Con. Res. 302. Concurrent resolution expressing the sense of the Congress that the Secretary of Energy should not promulgate any Federal emergency energy conservation plan which would harm recreational boating; to the Committee on Interstate and Foreign Commerce.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 654: Mr. Duncan of Oregon, Mr. McDade, and Mr. Bedell.

H.R. 809: Mr. AuCoin, Ms. Ferraro, and Mr. Wyatt.

H.R. 1129: Mr. Weaver.

H.R. 3925: Mr. Whitehurst, Mr. Dornan, Mr. Forsythe, Mr. Lehman, Mr. Van Deerlin, Mr. Petri, Mr. McCloskey, Mr. Minish, Mr. Gray, and Mr. Carter.

H.R. 4773: Mr. Dougherty, Mr. Oberstar, and Mr. Gray.

H.R. 5575: Mr. Stockman, Mr. Paul, and Mr. Chappell.

H.R. 6012: Mr. Cheney, Mr. McClory, Mr. Won Pat, Mr. Forsythe, Mr. Brodhead, Mr. Leath of Texas, Mr. Young of Florida, Mr. Yates, Mrs. Holt, Mrs. Snowe, Mr. Perkins, Mr. Broomfield, Mr. Benjamin, Mr. Sawyer, Mr. Hightower, Mr. Annunzio, Mr. Roth, Mrs. Spellman, Mr. Miller of California, Mr. Stump, Mr. Young of Missouri, Mr. Fary, Mr. de la Garza, Mr. Bauman, Mr. Clay, Mr. Solomon, Mr. Paul, Mr. Walker, Mr. Rangel, Mr. Panetta, Mr. John L. Burton, Mr. Brown of California, Mr. Zablocki, Mr. Jones of Tennessee, Mr. Early, Ms. Ferraro, and Mr. Jeffries.

EXTENSIONS OF REMARKS

GHETTO TEENS BEING PUSHED

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 13, 1980

● **Mr. PORTER.** Mr. Speaker, nothing is more important to the future of our Republic than the education of our children. Many young people, particularly in our inner cities, must fight to overcome severe disadvantages in order to learn. But there are those who care and who work to motivate young men and women to overcome the crippling obstacles with the approach that in the final analysis the child will succeed if he or she wants to badly enough.

The Excel program—push for excellence in education—was recently highlighted in a report in the Chicago Sun-Times, which I would like to share with my colleagues:

[From the Chicago, Sun-Times, Mar. 2, 1980]

GHETTO TEENS BEING PUSHED TO EXCEL

(By Charles C. Hardy)

Cassandra Allen lives with her single, unemployed mother on the West Side of Chicago.

At 15, her reality is that most young people in her neighborhood are unemployed, most are involved with drugs or alcohol, many 15-, 16-, and 17-year-olds are pregnant or may be soon, and most families have only one parent. Her hope is to escape from a world of despair.

"The only way a black kid is going to make it out of here is to get a good education, and that's what we are going to have to do to become somebody," Cassandra says.

The odds are against her.

Manley High School, where Cassandra is a 10th-grader, symbolizes a lack of hope. It ranks at the bottom of the achievement level in Chicago's school system. Teachers say their better students aren't prepared to cope with college, and the principal says his teachers are demoralized in the face of harsh realities. Both the principal and teachers say students are in a pattern that's certain to perpetuate a high unemployment rate, as well as drug and pregnancy problems.

In 1975, the Rev. Jesse L. Jackson, founder and president of Operation PUSH (People United to Save Humanity), began to address this problem. At the heart of his message was the theme that motivation is the missing link to student achievement.

With that philosophy, Jackson created PUSH for Excellence, an educational branch of Operation PUSH. Known popularly as Push-Excel, educators say it is the most exciting educational movement in decades. School officials, foundations, state legislators and the federal government have committed nearly $10 million to find out whether Jackson's theory can affect the troubling realities that plague most of the nation's 17,000 public schools.

His theory was—and largely remains—a mixed plea for a return to moral responsibility and basic common sense. An example of his typical speech is the one he gave at a Los Angeles youth rally, where he said:

"If you don't think that you are somebody, you won't act like you're somebody. You won't treat other people as if they are somebody, and consequently, you become a problem unto yourself and a burden unto others.

"There's one thing worse than not having an opportunity. That's having one and not taking advantage of it."

Under the general outline of the Excel program, which is constantly being adjusted, a first step is to seek pledges from parents, students and teachers.

The pledge concept is based on Excel's philosophy that the first step in excellence is a public commitment to perform specific acts. For example, parents pledge to monitor their children's study hours, visit the school at report-card time, exchange phone numbers with teachers, pick up test scores and keep close contact with the school counselor.

Excel organizes groups of leading citizens to serve as a support group for programs raising money, getting students jobs and offering scholarships and internships as rewards for students who are excelling in school. In addition, through their professional and community work, the community leaders serve as role models for students.

An annual "Academic Olympics" is held in which students compete in academic games related to specific subject areas.

Excel organizes student clubs that bring outstanding students into school leadership positions to serve as peer models. These clubs also hold activities, such as campaigns to improve the appearance of the school grounds, cafeteria or student conduct in hallways.

How do these principles and programs actually affect Cassandra and other students at Manley High School, one of 10 Chicago schools with Excel programs?

Cassandra is a member of the John Hope Franklin Club, an Excel club that draws 10 students from each Excel high school. They meet every Saturday at PUSH headquarters, where they interview celebrities and newsmakers from across the country. The club, tutored by Pat Arnold of ABC, has interviewed Andrew Young, Wole Soyinka (a Nigerian author) and entertainer Adam Wade, among others.

Can Excel motivate low achievers?

Cassandra, a first-year club member, says she knows little about Excel, other than that the meetings are noisy and she often can't hear above the students. But she has listened carefully to Jackson's frequent messages. She's one of 1,500 students at the school who have signed a pledge to excel in school. Her mother, Murleen, and younger sister, Rhonda, have signed similar pledges.

"My mother always does what Jesse Jackson says," Cassandra said.

"Most of the time she gets us to do what he says. Every day we cut the TV off for two hours and sit at our desks to study, she comes in and checks us, and if we have a problem, she tells us to correct it."

Cassandra says she thinks Jackson's self-determination contention "that all of you can be doctors . . . lawyers . . ." is interesting but unrealistic for most of her peers. She says it doesn't remove any of the crippling obstacles that black students face each day. Simply saying you can overcome won't make the difference, she says. It must come through radical change in such areas as employment and housing.

But she says she is motivated to have a good life, and she believes education is a necessary ingredient to success. But she says motivation is something that must come from within, and no one can bring it about otherwise.

"I want to learn. I want to get my education. Most kids are just here because their mothers want them to be here."

Blane DeNye, Manley principal, says Excel is having an impact, primarily because "others outside the local school are saying education is important and significant."

"It's a multiplying effect," DeNye says. "The outside voice seems to make a difference. And it's helping to get parents involved."

Two years ago, the Ford and Rockefeller foundations paid for three Excel pilot sites, in Kansas City, Mo., Chicago and Los Angeles. The National Institute of Education, the research arm of the Health, Education, and Welfare Department, gave $402,000 in 1978, and HEW awarded $700,000 in June for the old sites and three new sites in Denver, Chattanooga, Tenn., and Memphis, Tenn. The U.S. Labor Department chipped in $500,000 for a career exploration demonstration project, an alternative pilot approach to teaching black youngsters how to choose careers and find and keep jobs.

In addition to these sites, Excel has programs in New York and Washington states; Shaker Heights, Ohio; Dallas; New Orleans, and Shreveport, La.

Dr. William Samuels director of the Chicago Excel program, likes to talk about Excel as a program aimed at removing certain obstacles that affect the achievement of black students in schools, ranging from disruptive behavior to marijuana. He has a five-person staff.

In addition to $87,000 from HEW, the program is financed largely through the Chicago Community Trust, which has given Excel a $105,000 grant for this budget year.

When Samuels discusses the specific problems Chicago Excel confronts, he refers to the fact that achievement tests last spring showed one-third of Chicago's eighth-graders failed; two-thirds of the same students were reading three years below grade level.

He says one example of how Excel attacks the problem is the Direction Sports program, which combines athletics with special rules. One rule may require that an athlete who scores a touchdown answer a math question asked by the referee before the touchdown can be counted.

HEW officials thought enough of the Direction Sports concept to finance it in 12 cities.

Pipeline to Excellence is a program that offers internships with doctors, lawyers, plumbers, carpenters and others for students to learn what those jobs are about.

One example of a local program is the Robert Abboud Leadership Training Session. Abboud, chairman of First National Bank of Chicago, takes a group of Excel students from the ghetto to his penthouse each week where they talk about anything from philosophy to employment to politics. And he gives reading assignments, such as the works of Dr. Martin Luther King Jr., Eldridge Cleaver, Thomas Paine and Plato, to be discussed the following week.

There are other Chicago programs, including career education, a youth council aimed at developing student leaders, the Einstein lectures for the most gifted students and mass student convocations, usually with Jackson as keynote speaker.

The Chicago program also benefits from national Excel's Reproduction Health Programs. A staff specializing in areas such as contraception, love relationships and teenage marriage is based at the headquarters. They counsel students on reproduction issues, with a heavy load of statistics and hard facts to help them make correct decisions.

Proponents of Excel point to attendance data as a sign of the success it has achieved in Chicago schools. From 1977-78 to this school year, statistics show a reduction in absenteeism by 8.7 percent at Manley High; 2 percent at Marshall High, and 1.7 percent at Chicago Vocational. But data on attendance in six other Chicago schools was either inconclusive or unavailable.

Can anyone rationally argue with Jackson's premise that obstacles can be overcome by effort? If so, how does one explain the endless number of blacks who have risen above the horrors of racism—in doctrine as well as personally—to achieve, learn, contribute and lead? On a broader scale, the American work ethic has been based on people "pulling themselves up by the bootstraps" to take an active and successful part in the American free-enterprise system.

Jackson's Excel program is based on the belief that once certain impediments—drugs, lack of parental involvement, lack of interest and motivation, low teacher expectancy and lack of community concern—are removed from education, disadvantaged students, like others, will be able to achieve whatever they like.

Jackson has identified and gathered a cadre of young, aggressive, highly respected educators who are busily translating rhetorical, general concepts into substantive programs to be carried out in different places for different young people and for different reasons. It's not clear whether this can or cannot be done.

HEW, which has financed many pilot educational movements, is patient. The department's grants are part of a three-year commitment to Excel, in the hope that by 1981 the organization will have a tested, proven program in place that can achieve the stated goals of the movement.

But there are many problems impeding progress, some of which pose fundamental threats to Excel's existence, regardless of whether it has the potential to be a successful education program.

These problems include a lack of commitment on the part of many school officials; backlash from Jackson's political opponents or those who have a different educational philosophy; a unique and changing program structure, and a lack of direction and inconsistency in administering the program on the part of national Excel officials.

Unlike most educational movements, Excel had not been tested or conceived as a program by the time it began to make national headlines. As a result, the substance of the program—is an evolutionary stage at best—has been left open for interpretation.

Excel officials say that they already are being asked to show results by some educators when, in reality, the program is only in its formative stage.

If Excel makes a successful transition from a movement to a program, in a few years we will probably have the answers as to whether parental involvement, student motivation and atmosphere can lift the achievement level of disadvantaged students.●

PROPOSED RECREATIONAL WATERCRAFT RESTRICTIONS SHOULD BE ELIMINATED FROM DOE ENERGY CONSERVATION PLAN

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 13, 1980

● Mr. McCLORY. Mr. Speaker, it has come to my attention that the recent announcement by the Department of Energy to propose a ban on weekend boating is imposing an unconscionable burden on the watercraft industry.

In my own comments to the Department of Energy on this matter, I have stressed that this proposed measure is highly discriminatory in that the recreational boating industry has been singled out for severe restrictions, while no similar ban is proposed for such recreational activities as private aircraft, motorcycling, and other recreational vehicles.

In addition, the recreational boating industry employs 600,000 persons in the United States, many of whom reside in my congressional district. Illinois includes lake area communities and many of my constituents who reside in these communities also would be directly affected.

Since the savings in energy consumption would be less than one-half of 1 percent of all fuel used by engine-powered products, I request on behalf of hundreds if not thousands of my constituents including those who are engaged in the recreational boating and watercraft industry that the boating restrictions of the proposed plan be reconsidered.

Mr. Speaker, at this time I would like to offer my support to House Concurrent Resolution 290, and join with my colleague, Congressman RONALD MOTTL of Ohio, in cosponsoring this resolution that declares:

> That it is the sense of the Congress that the Secretary of Energy should not promulgate or make effective any Federal emergency energy conservation plan which would harm recreational boating or which would discriminate against recreational boating in comparison to other recreational uses of energy.●

OUR COMMITMENT TO ISRAEL NOT NEGOTIABLE

HON. JOSEPH G. MINISH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 13, 1980

● Mr. MINISH. Mr. Speaker, I am pleased that, having made a mistake in the United Nations vote condemning the Israeli settlements on the West Bank and in Jerusalem, the President has the courage and good sense to admit the mistake and get on with business. It will be more productive than passing around blame for the incident simply to reiterate that our national policy toward Israel is of a piece with that which we have maintained over the past three decades.

I am not alone in this House in fearing any policy which would foolishly seek to curry favor with Islamic regimes by compromising—or even seeming to compromise—our commitment to Israel. Even if we could justify such treatment of our one stable and dependable ally in the region, we should know that it would not work. How many friends have we gained by past gestures of that kind? What friend gained in that way could we trust as we can trust Israel? We can depend upon Israel, and Israel must know that she can depend on us. No short-term liaison of convenience can compare in the long run with the alliance of strength and trust which we have so long enjoyed with Israel.

This is not to say that we must blindly support unlimited Israeli settlement of the West Bank. When the mayor of Jerusalem questions the wisdom of some aspects of the current settlement policy, so might we. As true friends we are entitled, even obligated to do so as our perspective allows us. But this is not what the U.N. resolution did: It condemned indiscriminately all Jewish settlement, singling out for special comment the old city of Jerusalem, site of the holy places of three great world religions, a place which Israel delivered from a tangle of barbed wire and travel restrictions in 1967. Can we seriously contemplate expelling Jews from their own historic city and denying them access to their holiest shrine when their return to the old city was what opened it up to all the world? That is what the U.N. resolution implies, but that is surely not our policy. The U.N. resolution does not distinguish defense settlements from more problematic ones; its very one-sidedness would perpetuate the animosities which it would ostensibly remedy. It even goes so far as to imply that rebuilding Jewish homes in the old city is somehow wrong. That may be the notion of some third-world cabal in the United Nations, but it cannot be the policy of the United States.

Mr. Speaker, as sponsor of the Camp David agreements, the United States has the obligation, recognizing the complexities and the conflicting rights involved, to deal fairly with our friends in Israel and Egypt in helping them along the admittedly difficult way to genuine peace. The unbalanced, unfair resolution of the United Nations Security Council is not compatible with that role.

The positive step we can take here is to reiterate our longstanding commitment to Israel, to her freedom from military aggression or terrorist violence, and to her right not just to existence but to genuine security. We owe it to ourselves to make unmistak-

ably clear that our commitment to Israel is not negotiable.●

OLYMPIC ATHLETES NEED OUR SUPPORT

HON. GERALDINE A. FERRARO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 13, 1980

● Ms. FERRARO. Mr. Speaker, on February 22, a young American hockey team startled and thrilled the world with a victory over what we had thought was the world's best hockey team, the Russians. It was a victory in every sense—one that spurred the team on to the gold medal, and one that united Americans in a time when we are faced with uncertainties. Perhaps most importantly, it was a moral victory over the Russians. We are fiercely proud of our team's victory and the emergence of our amateur athletes to a position of serious contention in an area of sports long dominated by the Soviet Union.

While the games were conducted in the spirit of true sportsmanship, rising above the very serious overtones of politics, the presence of Russian troops in Afghanistan continues. While this is not the time to enter a discussion about the nature of politics in the Olympic games, we must clearly understand that the current course the President is taking to keep American athletes from participating in the summer games in Moscow is a punitive measure against the Soviet Union for failure to withdraw their troops from Afghanistan.

We must not, however, let this action turn into a punitive measure against our athletes and the Olympic Committee as well. The fact that we will not be a participant in the summer games has resulted in a drop in private financial support for the U.S. Olympic athletes and the U.S. Olympic Committee.

The USOC does not simply finance the training of athletes for the Olympic games. The committee also prepares our athletes for the pan-American games and organizes and operates the National Sports Festival. They establish, operate, and maintain permanent training facilities. They are responsible for the administration of a sports medicine research program. These responsibilities impose a tremendous financial obligation on the committee. The committee has always taken pride in the fact that America does not send athletes to the games, Americans do.

The training of our athletes and our participation in world sports events will be seriously curtailed if the contributions from Americans stop. I would like to urge my colleagues and the American people to look beyond the present situation and look to boosting the morale of our athletes. We must continue to show support for them both emotionally and financially. We must show them that though we will not be participating in the summer games, we are proud of their achievements and we want them to continue in the excellence they have so ably demonstrated. We must show them that we will not let the volatile world situation stand in the way of our support.●

A CONGRESSIONAL SALUTE TO REPRESENTATIVE TOM STEED

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 13, 1980

● Mr. DINGELL. Mr. Speaker, I am most disappointed by the decision of my friend, Congressman Tom Steed, to retire from the House of Representatives. In his service in Congress, he has been a valiant fighter for the interests of the State of Oklahoma.

Tom is sage and his counsel highly regarded. His word is his bond. I respect his judgment to retire, but I know the House will miss his trust, knowledge, and competence on legislative issues—especially his involvement in guiding appropriations bills.

As chairman of the Treasury-Postal Service-General Government Appropriations Subcommittee, Tom Steed has held a most powerful position overseeing Federal funds totaling some $90 billion annually. His subcommittee is the second largest on appropriations from the standpoint of the amount of money with which it deals, reviewing budget requests for agencies employing some 819,000 of the more than 2,900,000 Federal employees. Included are the Executive Office of the President, the Department of the Treasury, the Office of Management and Budget, and the General Services Administration. Tom Steed also serves as a member of the Subcommittee on Transportation, which handles appropriations for the Federal Aviation Administration and the highway programs, and the Military Construction Subcommittee.

I have been fortunate to work with Tom on the House Small Business Committee for several years. I know Tom will take home with him a distinguished record of dedication to public service that few in Congress can match, and legislative experience and expertise envied by many of us.

My best wishes to him and his family.●

TESTIMONY ON THE ANTI-ISRAEL U.N. SECURITY COUNCIL VOTE

HON. CHRISTOPHER J. DODD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 13, 1980

● Mr. DODD. Mr. Speaker, yesterday I testified before the House Foreign Affairs Committee on House Resolution 598, which I introduced with my colleagues from New York, Ms. Holtzman and Mr. Fish. House Resolution 598 is a resolution of inquiry calling upon the President to provide Congress with all the facts and information at his disposal concerning our unfortunate vote in the United Nations Security Council on March 1, 1980. As my colleagues know, on March 1, we voted in favor of a resolution condemning Israeli settlements in the West Bank, Gaza, and in Jerusalem and called for their dismantling. I was deeply shocked by our vote in favor of such a one-sided, anti-Israel resolution. My shock was hardly mitigated by the administration's disavowal of that vote more than 2 days later, because the administration maintained that only the references to Jerusalem in the resolution were offensive. But if one reads the resolution it quickly becomes apparent that it represents a radical departure from past U.S. policy toward Israel even with the references to Jerusalem deleted.

My colleagues may be interested to know that yesterday the State Department raised the possibility that the President might invoke executive privilege in response to our resolution of inquiry. However, the State Department also expressed its willingness to have Secretary Vance appear before the Foreign Affairs Committee and the sponsors of the resolution of inquiry to fully discuss the actions leading up to our vote in the United Nations and our subsequent disavowal of that vote. I am looking forward to that opportunity to ascertain whether the administration has decided on a fundamental change of policy toward Israel or not.

The text of my testimony before the House Foreign Affairs Committee follows:

TESTIMONY OF CONGRESSMAN CHRISTOPHER J. DODD

Mr. Chairman, members of the committee, 1 week ago today my colleagues from New York, Ms. Holtzman and Mr. Fish, and I introduced a resolution of inquiry concerning the vote in the U.N. Security Council on the Israeli settlements. We introduced House Resolution 598 for one fundamental reason: In order to clear up the confusion resulting from our vote in the security council and the administration's subsequent disavowal of that vote. Mr. Chairman, I want to emphasize that I have no desire to further embarrass the administration over this affair, but I do want to learn the truth about why this country voted the way it did at the U.N.

I believe that the House of Representatives, and this committee in particular, have a clear responsibility to ascertain the facts concerning our unprecedented vote in the U.N. As this committee is well aware, a number of very important questions remain unanswered. In fact, the basic question concerning this whole affair remains unresolved: Does the U.S. vote in favor of U.N. Security Council resolution 465 constitute a fundamental change in policy regardless of our later disavowal?

In my mind that fundamental question remains unanswered because the administration's only belated objection to the U.N. resolution lies in its seven references to Jerusalem. I believe that other portions of the resolution need to be carefully examined as well to see whether a policy shift towards Israel has in fact taken place.

The fact that it took the administration more than 2 full days to "discover" its mistake in voting for the resolution does not give me a great deal of confidence that no change in policy was decided on. The only way for the American people and Congress to know whether there was a significant shift in U.S. policy is for the administration to provide us with the documentation concerning the decision on the U.N. vote. And that is precisely what our resolution of inquiry asks the President to provide to the House of Representatives. Considering that recent press reports indicate that the President's advisors disagreed on whether to vote for the resolution, I believe that this might suggest that there was a change of policy.

Personally, I believe that the U.S. vote in the Security Council marked a radical shift in our stance towards Israeli settlements. Earlier, we had abstained from voting on similar resolutions because we deemed it important not to pre-judge the future status of the West Bank, the Gaza Strip, or especially Jerusalem. The status of these areas was to be properly decided in the course of negotiations between Israel and her neighbors. It is not only the references to Jerusalem, but also the resolution's references to these areas as "Palestinian and other Arab Territories" which pre-judges the eventual outcome of the negotiations on the ultimate sovereignty of the areas in dispute. Accepting language calling these areas "Palestinian and other Arab Territories" goes beyond our previous positions, I believe, especially in light of the sensitivity of the autonomy talks now being discussed.

In addition, paragraphs one and two of the U.N. resolution commend and accept the results of the special U.N. Security Council Commission charged with examining the question of Israeli settlements in the West Bank, Gaza, and in Jerusalem. On March 1, 1980, we commended the Commission and accepted its findings, but on March 22, 1979, we abstained on the Security Council resolution establishing this Commission saying we had "grave doubts" about the utility of the Commission, and saying that its establishment would interject an unnecessary irritant into the on-going peace process. It appears that our position has changed on that point as well.

Paragraph five of the U.N. resolution determines that all measures taken by Israel changing the "physical character, demographic composition, institutional structure, or status" of the West Bank, Gaza, or Jerusalem have "no legal validity." The danger of paragraph five is that by declaring all Israeli actions illegal, it may make on-going negotiations impossible and destroy some of the progress made at Camp David. The U.N. resolution clearly places Israel in an inflexible position on the autonomy talks which we struggled to see started.

Perhaps the most significant departure from past U.S. policy towards Israeli settlements was contained in paragraph six of the resolution "strongly deploring" the settlements and calling for them to be dismantled. While the official U.S. position has been that most of the settlements are illegal, this is the first time we have joined in demanding that they be dismantled in a Security Council resolution. This unprecedented U.S. position again pre-judges the future outcome of the autonomy talks. Ambassador McHenry's statement after the vote that dismantling all the settlements might be impractical hardly mitigates the damage done by the vote itself. In fact, the only change we were able to get in this Arab-sponsored resolution was the deletion of a paragraph which falsely implied that the Israeli Government does not permit the exercise of religious freedom in Jerusalem. That is not much of a victory for American diplomacy.

Mr. Chairman, I have mentioned a few areas where I believe that the administration has adopted a new policy position regarding Israeli settlements aside from the seven references to Jerusalem which the President maintains he wanted to see deleted. My point is that even if one completely accepts the administration's explanation that there was a lack of communication, this committee still has a responsibility to look into changes in U.S. policy towards Israel. I believe that our resolution of inquiry, if fully complied with, will allow this committee and Congress to learn the full truth concerning our stance on Israeli settlements. I do not deny the administration's right to make changes in our international positions, but if our policy has changed, then Congress and the American people have a right to know. If there is no change in our position, except for the disavowed references to Jerusalem, then I would think that the administration would be eager to provide this committee with the necessary proof.

Personally, I would also be interested to know whether the administration plans to place itself more firmly on the record in correcting the March 1st vote in the U.N. I might suggest that if the administration is serious about disavowing that unfortunate vote, perhaps the President might want to write to the President of the U.N. Security Council and officially place into the U.N. record a detailed disavowal of our vote.

I am deeply disappointed that the administration saw fit not to appear before the committee this afternoon. Perhaps if representatives from the administration were here, we might discover what actually led to our U.N. vote and we might learn what the administration plans to do to correct its vote. Considering that there is no one here to answer our questions, I would suggest that the committee vote to pass House Resolution 598, and learn the truth in this affair.●

CONNECTICUT CONSTITUENT POLL

HON. WILLIAM R. COTTER

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 13, 1980

● Mr. COTTER. Mr. Speaker, more than 11,000 individuals in Connecticut's First District participated in my 1979-80 constituent poll conducted this winter. The questions involved a number of the most controversial issues facing Congress today: military registration, balancing the budget, SALT II, decontrol of crude oil, and nuclear power.

Although this is not a scientific survey of opinion, the results will help me to understand the concerns of people I represent. At this point in the RECORD I would like to share the results of this poll with my colleagues, along with my comments on a number of these issues.

The material follows:

As a member of the House-Senate conference committee that is writing the final version of the windfall profits tax, I was pleased that almost 80 percent of you supported this excise tax. The conference has agreed to place the highest tax on oil which is currently being produced and the lowest tax on oil which will be produced in the future. This will encourage exploration and production.

At this moment, the conferees have also agreed to use for income tax relief more than half of the $227 billion to be raised by the tax over 10 years. We also earmarked one-quarter for low-income energy assistance, and the rest for energy development, conservation and mass transportation.

Concern over our energy future explains your support for nuclear power as long as additional safeguards are imposed. My own concerns center on the need for additional safety measures and the development of a sound nuclear waste disposal program.

The poll reveals a tension between coal burning and clean air standards. Transportation problems make the widespread use of coal in New England unlikely in the near future.

However, new technologies may make coal burning feasible in the late 1980's without a significant reduction of ambient air standards.

The six questions on the economy demonstrate a desire for tax cuts and a balanced budget. It may not be possible to accomplish both. The windfall profits conference has set aside money for tax cuts and agreed to a tax deduction for some savings account interest. There may be future efforts for a generalized tax cut, but for the next two years this may come at the expense of balancing the budget.

While I support the concept of a balanced budget, I would not like to see it placed in the Constitution. The Constitution is a document of human rights and principles of government—not of economic policy. It would prove cumbersome to implement and create a number of administrative problems. Also, it may not be adopted for a number of years because of the method of ratifying all constitutional amendments.

It seems to me that a balanced budget would result more quickly by amending the congressional budget act. We could, for example, add a federal spending limit to the act and pass a comprehensive sunset law to force a review of all federal programs over a ten-year period. The House Rules Committee is already actively considering both of these measures.

Questions on foreign policy are difficult because they are often superseded by events. As you know, consideration of the SALT II treaty has been postponed by the events in Afghanistan.

The President has already asked for a five-percent increase in defense spending. I believe Congress will support increasing military strength.

The poll indicates widespread support for the registration of male Americans. I support registration, but am reserving my support for the draft and for drafting women until our manpower needs in the 1980's are more fully analyzed.

Finally, I cannot support the formal recognition of the PLO as a representative of the Palestinian Arabs. The PLO's behavior to date forecs me to question whether or not they would contribute to a stable political climate in the Middle East.

ENERGY

1. The energy price and supply situation this year has been disastrous. The OPEC countries have increased the price of crude oil by 60 per cent. Oil companies are reporting record profits. Critics have accused them of hoarding supplies. Government regulations have been blamed for decreased domestic oil production and for this summer's long gasoline lines. And despite higher prices, oil consumption probably will increase during the 1980's.

Who do you feel is primarily responsible for our current energy crisis? (choose one)

(a) Consumers, 5%.

(b) OPEC cartel, 9%.

(c) Major oil companies, 19%.

(d) Government, 20%.

(e) All of the above, 47%.

2. Perhaps the Carter Administration's most controversial energy decision was to lift price controls from domestic crude oil. Decontrol is supposed to increase oil production and reduce our dependence on foreign oil. Here is how decontrol will affect prices: oil that today sells (with a profit for the oil industry) for $6.00 to $13.00 a barrel will rise after October, 1981, to the world price (perhaps as high as $26 a barrel). The President believes that higher prices will encourage domestic oil production and cut consumption. He has also proposed a windfall profits tax to recover some of the increased profits decontrol will give to the oil companies.

Do you support the President's decision to lift controls from domestic crude oil?

(a) Yes, 51%.

(b) No, 39%.

(c) Undecided, 10%.

Do you support a windfall profits tax for oil companies?

(a) Yes, 79%.

(b) No, 17%.

(c) Undecided, 4%.

If Congress approves the windfall profits tax, how do you think the tax revenue should be spent? (choose any two)

(a) Increase mass transit funds, 17%.

(b) Help the poor and elderly pay heating bills, 8%.

(c) Balance the federal budget, 10%.

(d) Increase funds for research and development of all potential energy sources, 34%.

(e) Tax credits for conservation and solar power, 6%.

(f) Develop synthetic fuel from coal and shale, 15%.

(g) Federal income tax rebate for consumers, 10%.

3. With the furor over Three Mile Island and the unsolved problem of nuclear waste disposal, questions about the future of nuclear power continue to face the public and the government. Some nuclear power opponents say that this form of energy is so dangerous that existing plants must be closed down. Other opponents only want to reduce our dependence on nuclear energy. Supporters say that nuclear energy is safe and reliable.

What policy towards nuclear power would you support?

(a) Expand its use, 13%.

(b) Eliminate all nuclear power plants, 11%.

(c) Keep existing plants running but prohibit new plants, 17%.

(d) Allow for continued growth of the industry with additional safety regulations, 59%.

4. A number of obstacles have limited use of our country's abundant coal supplies. One problem is our clean air laws, especially in New England.

If a choice has to be made between clean air standards and burning coal to reduce our dependence on foreign oil, which policy would you support?

(a) Weaken clean air standards, 51%.

(b) Preserve clean air standards, 40%.

(c) Don't know, 9%.

5. Rationing gasoline supplies would be a policy to allocate limited supplies. It would mean a new bureaucracy and a different life style for most Americans. This summer's long gas lines resulted from a seven per cent shortage. Rationing under a 20 per cent shortage might result in allocations of about one gallon of gas daily to each driver.

When do you think gas rationing should be imposed?

(a) With a seven per cent shortage, 18%.

(b) With a ten per cent shortage, 30%.

(c) With a twenty per cent shortage, 28%.

(d) Never, 24%.

6. Conservation is the only practical method to reduce our dependence on foreign oil in the near future.

Which of the following conservation measures would you support? (choose one)

(a) Mandatory thermostat settings of 78 degrees in the summer and 65 degrees in the winter, 25%.

(b) Gasoline rationing even during times of ample supply, 23%.

(c) Mandatory insulation standards which must be met before a house can be sold or resold, 17%.

(d) Significant increase in energy prices to discourage consumption, 10%.

(e) None of the above, 25%.

ECONOMY AND TAXES

7. Many economists believe there will be a recession next year. If this happens, the Ways and Means Committee plans to debate the need for a federal tax cut to stimulate the economy. A cut between $15 billion and $30 billion has been proposed.

If the economic need for a tax cut can be proven, which method would you most favor to reduce taxes? (choose one)

(a) Roll back the large Social Security tax increase scheduled for December 31, 1979, 21%.

(b) Exempt some savings account interest income from the federal income tax, 25%.

(c) A federal income tax cut for all individual taxpayers, 37%.

(d) Reduce business taxes to accelerate economic growth and reduce unemployment, 17%.

8. Several members of Congress have proposed a 10 percent Value Added Tax (VAT) to replace Social Security taxes and reduce federal income taxes. Opponents say VAT is essentially a national sales tax, that it is regressive and would hurt poor people the most. Supporters point out that VAT is widely used in Europe, that it would help reduce our balance of payments deficit and that it is a relatively painless way to raise revenue because it is "hidden" in the price of the goods and products we buy.

Would you favor a Value Added Tax if it replaced some existing federal taxes?

(a) Yes, 27%.

(b) No, 51%.

(c) Undecided, 22%.

9. All of the following problems affect you directly or indirectly.

What do you believe is the most important economic issue facing you and your family? (choose one)

(a) Food prices, 17%.

(b) The cost of housing, 10%.

(c) Energy prices, 33%.

(d) Government regulation and spending, 39%.

(e) Unemployment, 1%.

10. The inflation rate is now over 12 percent. Some members of Congress are advocating wage and price controls to stop higher prices, but opponents argue that controls cannot be administered effectively or fairly.

Would you support wage and price controls?

(a) Yes, 41%.

(b) No, 46%.

(c) Undecided, 13%.

11. Another cause of inflation is government spending, especially the size of the federal debt. This issue is complicated by the fact that 75 percent of the federal budget is required by law. Costs such as Social Security benefits, defense contracts and even interest on the national debt are in this category. But it is possible to balance the budget. Supporters of a balanced budget believe it would reduce inflation. Opponents think it would deepen recession and accelerate unemployment.

Would you support balancing the federal budget over a period of two to three years?

(a) Yes, 73%.

(b) No, 12%.

(c) Undecided, 15%.

Would you support a Constitutional amendment requiring Congress to balance the budget every fiscal year?

(a) Yes, 57%.

(b) No, 29%.

(c) Undecided, 14%.

12. Currently, the Federal Reserve Board under its Chairman, Paul Volcker, is tightening the money supply to lower the rate of inflation. The immediate result of this effort has been record high interest rates which are beginning to slow down key sectors of our economy. Proponents believe this action is needed to lower the inflation rate, while opponents claim the nation will be forced into a deep recession that will increase unemployment and raise the federal debt.

What is your view of the Federal Reserve's actions raising interest rates?

(a) Agree, 45%.

(b) Disagree, 38%.

(c) Undecided, 17%.

FOREIGN POLICY

13. The Stategic Arms Limitation Treaty (SALT II) is before the Senate for ratification. The treaty would limit the number and type of nuclear weapons deployed by the U.S. and the Soviet Union. Its supporters believe the treaty will slow down the arms race and reduce the threat of nuclear war. Its opponents say that Soviet compliance with the treaty's terms cannot be verified and that it would give the Soviets nuclear superiority.

Do you favor ratification of SALT II?

(a) Yes, 34%.

(b) No, 51%.

(c) Undecided, 15%.

14. President Carter has proposed a $129-billion defense budget. Critics argue that the budget includes unnecessary expenditures and wasteful weapons systems. Others want a five per cent increase in the Administration's budget, arguing that the proposed expenditures are inadequate to defend U.S. interests around the world.

Do you think the President's proposed budget is

(a) Not enough, 30%.

(b) About right, 41%.

(c) Too much, 29%.

15. The House of Representatives has already rejected an attempt to bring back draft registration. But many believe that peacetime registration is needed to guarantee that enough young men (and possibly women) can be drafted quickly to meet a national emergency.

Do you support mandatory registration of all 18-year-old men for the draft?

(a) Yes, 64%.
(b) No, 29%.
(c) Undecided, 7%.

If draft registration were enacted, would you support the registration of women?

(a) Yes, 66%.
(b) No, 26%.
(c) Undecided, 8%.

16. The United States policy of refusing any contact with the Palestine Liberation Organization (PLO) and the future of Palestinian Arabs have recently become controversial. Some Americans believe we can only bring the PLO into the peace process by meeting with them, while others argue that our government should have no contact with the PLO until it ends its terrorist activities and recognizes Israel's right to exist.

Should the U.S. recognize the PLO as the official representative of Palestinian Arabs?

(a) Yes, 42%.
(b) No, 41%.
(c) Undecided, 17%.●

DENVER DICKERSON RETIRING

HON. WILLIAM L. DICKINSON

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 13, 1980

● Mr. DICKINSON. Mr. Speaker, it is with sadness to me that Denver Dickerson is retiring as staff director of the Joint Committee on Printing after 7 years of outstanding service to the Congress and Nation.

A distinguished journalist and legislator in his own right, Denver Dickerson is the son of a one-time Governor of Nevada. He began his career in print journalism in 1934 at Reno, Nev., and later owned newspapers in both Reno and Carson City. An indication of the high regard with which he was held by fellow journalists is the fact that Denver is a former president of the Nevada State Press Association and is presently a member of the National Press Club.

Demonstrating both his rapid achievement and popularity as a State legislator, Denver served only two terms in the Nevada State Legislature before being elected speaker of that State's house of representatives in 1943.

Denver Dickerson has served our Nation with honor and distinction. During World War II, as a member of the U.S. Army, he participated in campaigns in New Guinea and at Luzon in the Philippine Islands. He has also served our diplomatic service as information officer of the U.S. Embassy, Rangoon, Burma, and the U.S. Senate as executive secretary to the late Senator Alan H. Bible of Nevada.

In 1963 the late President John F. Kennedy appointed Denver Lieutenant Governor of Guam. He was reappointed to that post by President Lyndon Johnson in 1967.

Mr. Speaker, I sincerely appreciate Denver's outstanding service and contributions to our Nation. I wish Denver and his lovely wife Maxine, and their children, daughter, Mrs. Diane Wayman of Washington, D.C., and son, Jeffrey, a student at the University of Maryland, Godspeed in all of their future family and individual endeavors.●

SAFEGUARDING FREEDOM OF INFORMATION

HON. ELIZABETH HOLTZMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 13, 1980

● Ms. HOLTZMAN. Mr. Speaker, thorough scrutiny of Government action provides the American public with its best assurance that Government is operating in a lawful and effective manner. Recent court cases and other developments may be combining to limit the public's right to know. In this regard, I want to bring to the attention of my colleagues an analysis of the problem which appeared in the New York Times on March 11, 1980. The text follows.

BRINGING BACK SECRECY

(By Tom Wicker)

This has not been a good winter for Americans who believe in the free flow of information and an informed public as the most fundamental safeguards of democracy. The Supreme Court, the Central Intelligence Agency and President Carter's war scare have combined to bring back secrecy—that hardy perennial of arrogant government.

First, in one of its least defensible decisions, the Burger Court ruled that Frank Snepp had violated a valid secrecy agreement in publishing—without C.I.A. approval—a book about the disgraceful performance of the agency during the last days of the South Vietnamese Government in Saigon. As a consequence, the Court ordered him to pay over to the Government every cent—about $120,000—earned by the book, "Decent Interval," together with all future earnings.

The Government did not accuse Mr. Snepp of disclosing classified information or damaging the national security. At issue, ostensibly, was nothing but the validity of the secrecy agreement the C.I.A. made him sign when he went to work there, and which the Court held to override his First Amendment rights. But the real issue was whether Mr. Snepp, who had been rebuffed by the C.I.A. in trying to report his story through official channels, had the right to inform the public about the deficiencies of an agency paid for by taxpayers and operated supposedly in their interests.

The Burger Court held that he had no such right, and the stiff penalty it imposed on him guarantees that, in future, whistleblowers will be unlikely to take their stories to the public as openly and in such convincing detail as he did. Already, the agency is trying to apply the decision to John Stockwell, who wrote "In Search of Enemies," detailing agency bungling in Angola.

The Snepp ruling will also encourage other agencies with claims on national security information—say, the State and Defense Departments—to use and enforce secrecy oaths. That may not only limit the freedom of many more Government employees to speak out; it could even discourage bold and independent persons from entering Government service at the price of such a restriction on what would otherwise be their constitutional rights.

On the heels of that decision, the Burger Court also ruled that requests and suits under the Freedom of Information Act could not apply to stenographic notes of Henry Kissinger's telephone calls as Secretary of State. The reason was not any special security value attached to the notes, but that Mr. Kissinger had removed them from State Department custody before any demands for them were made. Hence, the Court held, the State Department had no means of responding to Freedom of Information requests for these official—and certainly valuable—Government records.

It does not take a cynical veteran of Washington ways to predict the consequence. Officials in possession of documents they do not want made public will simply find means to remove them from official custody, as Secretary Kissinger did. This sharp limitation on the reach of the Freedom of Information Act can hardly result in anything but further concealment of the public's business from the public.

Following the Iranian and Afghan crises, meanwhile, a new war spirit has been flaring in the country, owing much to Mr. Carter's hard-breathing response and his calls for draft registration and increased military spending. Seizing the moment, the C.I.A. has been seeking to reverse numerous restrictions it brought on itself with its free wheeling activities. Among other things, the agency wants virtually total exemption from the Freedom of Information Act.

Under the pending bill, all its operational and technical files would be untouchable; illegal activities probably could be concealed; inquiries about documents could be rejected out of hand, without anyone—even the courts—having the right to inspect them to see if the withholding was proper.

Yet, the C.I.A. already has the power, under present law, to withhold legitimately classified information from Freedom of Information demands. That is apparently not enough to satisfy the agency, for several dubious reasons.

One is that, at present, if the C.I.A. withholds a document, a Federal court can review the document to see if the decision was a proper defense of a legitimate secret. Another is the agency's ritual insistence on protecting its "sources and methods"—which sounds fine except that it's a grab-bag term under which can be lumped almost anything that the C.I.A. wants to cover up. Agency officials also say they need to be able to persuade foreign intelligence services that information they share can be kept secret by the C.I.A. No doubt that's so, but the present authority to protect classified information ought to be sufficient.

The C.I.A.'s more likely reason, and one the public should beware, is its oftstated desire to be "unleashed." It's easier, after all, to destabilize a government, wage a secret war or try to make Fidel Castro's beard fall out if you can operate in secrecy and under the pious label of national security.●

WINDFALL PROFIT TAX

HON. WILLIS D. GRADISON, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 13, 1980

● Mr. GRADISON. Mr. Speaker, I voted against the windfall profit tax conference report on March 13 even though the bill contains entirely unrelated tax provisions I strongly favor. Aside from its main goal of imposing an excise tax on domestic oil revenues arising from the decontrol of oil prices, the package encourages taxpayer savings by increasing the amount of the existing exclusion from taxation from $100 to $200 for dividends, and extending this exclusion to apply to interest received from certain types of savings accounts. The exclusion is increased from $200 to $400 for married couples.

The bill offers an additional tax saving by repealing the unworkable carryover basis provisions enacted in the Tax Reform Act of 1976. I signaled my support for a repeal of the carryover basis by voting on December 18 in favor of a motion to instruct the House conferees on the bill to concur in the Senate amendment repealing the rule. These provisions, grafted on to the larger bill, will help the taxpayer who saves in these inflationary times.

These two riders, however, were the only bright spots in the windfall profit tax package. I would have preferred that the legislation contribute to the development of our long-range energy needs by forcing the oil companies to reinvest the extra profits resulting from decontrol, similar to my legislation, H.R. 3478. Instead, the final version uses the bulk of the $227.7 billion in revenues primarily for nonenergy purposes.

Two crucial elements are missing: First, the revenues will not be used to further our drive toward energy independence; and second, the tax, without a plowback provision to force the oil companies to reinvest windfall profits in energy production, reduces the incentives for energy exploration and production that were the intended result of decontrol.

With the Nation's annual oil import tab over $50 billion, we cannot afford to strangle domestic energy production in a shortsighted search for more Government revenues and superficial energy incentives. By taxing away much of the incentive for domestic exploration and development of energy, this legislation tightens the energy noose around America's neck.●

DRAFT REGISTRATION MEETS SENATE SKEPTICISM

HON. PAT SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 13, 1980

● Mrs. SCHROEDER. Mr. Speaker, the administration's draft registration proposal is meeting the same kind of skepticism and disbelief over in the Senate that it met here in the House.

The article, from the March 12, 1980, New York Times, follows:

CARTER PLAN FOR DRAFT REGISTRATION AROUSES SKEPTICISM AT SENATE HEARING

(By Richard Halloran)

WASHINGTON, March 11.—President Carter's proposed registration of young men for the military draft, already stalled in the House, encountered strong skepticism today in its first test in the Senate.

The opposition was led by Senator Mark O. Hatfield, who told an Appropriations subcommittee that the proposal "will waste millions of dollars, deeply divide the nation at a time when we require solidarity and strength, disrupt millions of lives, divert resources from the strengthening of the all-volunteer army and likely create a new class of teen-age felons."

The Oregon Republican, appearing as a witness before the Subcommittee on H.U.D.-Independent Agencies, also testified that "the Soviet Union should at least be given credit for having enough sophistication to understand that a list of names will add nothing to this nation's level of military preparedness."

Gen. Edward C. Meyer, the Army Chief of Staff, told the subcommittee that the nation needed draftees after the Regular Army, the National Guard and the Army Reserve had been committed to combat in a conventional war, but conceded that registration for military service now would not solve the problems of the peacetime army nor would it address the problems of the reserves. In both components, the Army is having trouble keeping skilled and experienced people.

PROPOSAL TERMED A "SMOKESCREEN"

This prompted Senator Harrison H. Schmitt, Republican of New Mexico, to assert that the debate over draft registration was a "smokescreen that diverts attention from the real problems of the military." He criticized the Carter Administration for putting limits on military pay increases, cutting benefits and reducing funds for operations and maintenance.

General Meyer, agreeing that the immediate problems of the Army needed attention, asserted: "Senator, if I thought that draft registration was a smokescreen I wouldn't be here."

John P. White, deputy director of the Office of Management and Budget, defended the President's proposal for draft registration as "part of a larger policy" intended to demonstrate the nation's resolve in resisting Soviet aggression after the invasion of Afghanistan.

The President's proposal was also supported by representatives of the American Legion and the American Federation of Labor and Congress of Industrial Organizations, while spokesmen for the American Civil Liberties Union and the National Taxpayers Union opposed it.

Michael A. Fekula, a member of the student government at the nearby University of Maryland, testified that the nation had heard "much promise" but had seen "little performance" in reducing its reliance on oil imported from the Persian Gulf region, and contended that the Carter Administration was not prepared to take decisive steps on energy at home but was prepared to draft young men to fight in that region.

"Under these circumstances, many of us will resist the draft," he continued. "We believe in defending our country. However, we will not fight for the big oil companies or political hacks."

There was a broad difference in testimony over how much resistance to draft registration might develop. Mr. White testified that only 2 percent of the four million men the Administration wants to register were expected to defy the law.

Senator Hatfield, however, quoted former Attorney General Ramsey Clark as estimating that 10 percent failed to register in the Vietnam War and contended that, if that trend held, "by the end of 1980 upwards of 400,000 young men could be confronted with felony charges."

In a prepared statement, David Landau of the A.C.L.U. questioned whether Congress had the constitutional authority to draft people in peacetime.

But the Legion spokesmen, E. Philip Riggin and James Hubbard, asserted that "we are not aware of a single precedent-setting court ruling declaring registration, which is all the Administration is requesting at this point, or even peacetime conscription unconstitutional."●

U.N. RESOLUTION NO. 242

HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 13, 1980

● Mr. RINALDO. Mr. Speaker, on March 1, the administration cast its precedent-shattering vote against Israel at the United Nations. Since that time, the Carter administration has attempted to explain and excuse this foreign policy debacle by suggesting that the vote was a mistake caused by a communications failure. If we believe the President's explanation, then the episode calls into question the administration's ability to handle sensitive foreign policy matters. If, on the other hand, we do not accept Mr. Carter's statement that after 7 days of U.N. debate on the resolution and innumerable communications between New York and Washington, D.C., the administration accidentally voted the wrong way, then we must doubt our Nation's overall commitment to the security of Israel. Either explanation is unacceptable and inexcusable.

By endorsing a U.N. Security Council resolution that calls on Israel to dismantle its settlements on the West Bank and in Jerusalem, the administration has sabotaged the ongoing negotiations concerning the status of the West Bank. Our vote further served to undermine U.N. Resolution 242, the framework for negotiations from 1967 through the Camp David accords. Support for a resolution which contains reference to "Palestinian territory" suggests that we are now prepared to recognize a Palestinian state. The Carter administration vote for this objectionable resolution was at best a grave error in judgment, and I am afraid that its recent action will greatly lessen the prospects for peace in the Middle East.

The U.S. historic commitment to the security and well-being of Israel reflects our recognition of the moral and strategic importance of this bastion of democracy in the Middle East. Israel is the one ally that we can count on in this region; like any nation, it has a right to a peaceful and secure existence. I cannot understand how our Government could ignore this longstanding friendship and vote for a resolution that repudiates the State of Israel. By doing so, we have at once shaken our credibility with our allies and heartened those adversaries who take comfort from American confusion or vacillation.

Unfortunately, this gaffe is only the latest in a series of foreign policy blunders on the part of President Carter and his aides. In 1977, the administration sought to include the Soviet Union and the PLO in the Middle East peace negotiations. In 1978, the administration sold sophisticated military weapons to Saudi Arabia, a historic enemy of Israel and a vocal opponent of the Camp David Peace Treaty. In 1979, Zbigniew Brzezinski shook hands in public in Algiers with the leader of the PLO, while U.N. Ambassador Andrew Young was making secret overtures to the PLO.

Mr. Speaker, the administration's ineptitude in foreign policy matters cannot and must not continue. I would hope that congressional and public condemnation of the latest fiasco, the shameful vote in the U.N. Security Council, will force the administration to think long and hard before again betraying one of our closest allies, whether intentionally or through inadvertence.●

THE ROAD TO PRODUCTIVITY AND ECONOMIC GROWTH, PART IV—SCHULZE BILL APPLAUDED BY THE NATIONAL ASSOCIATION OF INVESTMENT CLUBS

HON. RICHARD T. SCHULZE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 13, 1980

● Mr. SCHULZE. Mr. Speaker, today I am submitting for the RECORD a copy of an article that appeared in the March edition of Better Investing.

This is the official publication of the National Association of Investment Clubs, which is a nationwide organization with a membership of 70,000 investors.

For nearly 30 years, this publication has played a vital role in educating its members about potential investment possibilities and has been a leader in encouraging individuals to invest in America's future.

I am very pleased that this distinguished periodical has seen fit to enthusiastically support the Individual Investors Incentive Act, which I have introduced, and I commend this article to my colleagues in the House of Representatives.

Additionally, I would like to submit for the RECORD testimony presented by the chairman of the board of trustees of the National Association of Investment Clubs, Mr. Thomas E. O'Hara, in support of my bill. This valuable testimony was presented to the Ways and Means Committee during its recent hearings on tax incentives for savings.

The article and testimony follow:

Individual Investors Incentive Act of 1980 Meets National Need

For the first time in our nation's history legislation that is specifically directed at encouraging every citizen in the nation to become an investor and giving him a tax credit for doing so has been introduced.

The Individual Investors Incentive Act of 1980, HR 6300, was introduced by Congressman Richard T. Schulze of the Fifth District of Pennsylvania on January 24th. The Bill is designed to do two very important things: One is to increase the supply of capital available to industry; the second is to involve millions of the nation's citizens in the process of supplying that capital.

The provisions of HR 6300 are very simple. For every dollar of new money an individual invests in equities each year, the person receives a credit of 10 cents against his income tax. If $1,000 is invested, $100 is deducted from the tax payable. Credit is given for investments up to $10,000. For married couples the maximum doubles. Money from wages, dividends or other sources can be invested. Credit will not be given for selling one stock and investing in another. Deposits in Investment Clubs and reinvested earnings meet the requirements for the credit. Other investments you make personally will qualify for the credit. Husband and wife could reduce their income tax as much as $2,000 a year.

The ability of this legislation to produce billions of dollars of new capital and cause millions of people to invest has been clearly demonstrated. Similar legislation has been in effect since 1978 in France and Sweden and more recently in Quebec. Its dramatic results in those countries suggest that in the larger U.S. economy five to ten million people might be encouraged to provide $25 to $50 billion dollars of new capital a year. This new capital would create new businesses, help modernize our industrial plants and produce tens of thousands of new jobs. Nine months after the French legislation took effect prices on the Bourse were up 44.4 percent. Recently they were up 66 percent.

For many years the United States has failed to put as much of its total income into building up new industrial plant and equipment as other leading industrial nations have done. Our savings rate, the amount we set aside for new factories and new equipment, has been getting smaller every year. Just released figures suggest that currently, as a nation, we may even be living off our capital rather than increasing our productive ability.

The results of our failure to put more money into productive capacity has been harmful to most of our citizens. There has been no real increase in our standard of living for ten years. The increase in the amount of goods produced per hour of labor has been declining for years and is now lower than that of any of the major free world powers. As our rate of productivity increase has fallen, our rate of inflation has soared.

HR 6300 is a piece of legislation that NAIC believes is of great value to the nation. It seems certain to produce more new capital and new individual investors than any other piece of legislation before Congress. Its appeal is not limited to individuals who are already investors or already involved in some investing program. NAIC's Thomas O'Hara, appeared before the House Ways and Means Committee in support of HR 6300 on January 30th. Five other organizations either testified for this Bill or mentioned it favorably in their appearances. These were the Committee of Publicly Owned Companies, The Investment Company Institute, Robert Baldwin speaking personally but testifying for the Business Roundtable, Stockholders of America, and Paine Webber Mitchell-Hutchins, Inc.

While this Bill is now before the Ways and Means Committee, vigorous support is needed by NAIC members to win support for it, if enough Better Investing readers will send letters to their Congressmen asking them to support the Bill, HR 6300 can become law. At this particular time it is most important to get members of the Ways and Means Committee to support the Bill. Your personal letter to a member of the Committee asking him to support it is vital. An additional letter signed by every member of your club would also be powerful support.

Following is a list of the 36 members of the House Ways and Means Committee, the time you spend writing or calling on them when they are home can make possible the passage of this important legislation. This is your opportunity to help solve the nation's serious capital problem.

The letter "D" after the Congressman's name identifies him as a Democrat and the letter "R" as a Republican. The number that follows is the office room number. L stands for Longworth House Office Building. R is Rayburn House Office Building. C is Cannon House Office Building. To these addresses add Washington, D.C. 20515.

Bill Archer, Tex R 1024 L.
L. A. (Skip) Bafalis, Fla R 2433 R.
Barber B. Conable, Jr., N.Y. R 237 C.
James C. Corman, Calif. D 2217 R
Wm. R. Cotter, CT D 2134 R.
Philip M. Crane, IL R 1035 L.
Thomas J. Downey, N.Y. D 1111 L.
John J. Duncan, Tenn R 2458 R.
Joseph L. Fisher, VA D 223 C.
Harold E. Ford, Tenn D 1230 L.
Wyche Fowler, Jr., GA D 1504 L.
Bill Frenzel, MN R 1026 L.
Richard A. Gephardt, MO D 218 C.
Sam M. Gibbons, Fla D 2206 R.
Bill Gradison, OH R 1519 L.
Frank A. Guarini, N.J. D 1020 L.
Cecil Heftel, Hawaii D 322 C.
Ken Holland, SC D 103 C.
Andy Jacobs, Jr., Ind D 1533 L.
Ed Jenkins, GA D 217 C.
James R. Jones, OK D 203 C.
Raymond F. Lederer, PA D 119 C.
James G. Martin, N.C. R 341 C.
W. Henson Moore, LA R 2444 R.
J. J. Pickle, TX D 242 C.
Charles B. Rangel, N.Y. D 2432 R.
Dan Rostenkowski, IL D 2111 R.
John H. Rousselot, Calif R 2133 R.
Marty Russo, IL D 206 C.
Richard T. Schulze, PA R 432 C.
James M. Shannon, MA D 226 C.
Fortney H. (Pete) Stark, Calif D 1034 L.
Al Ullman, Oreg D 1136 L (Chairman).
Guy Vander Jagt, MI R 2334 R.
Charles A. Vanik, OH D 2108 R.

Testimony of Thomas E. O'Hara

Mr. Chairman, Members of the Committee and Staff, my name is Thomas E. O'Hara and I am here today as the Chairman of the National Association of Investment Clubs, an organization with a dues paid membership of 70,000 individual investors.

I have filed a larger statement but at this time would like to emphasize several points briefly.

I did not come today to discuss the nation's great need for increased capital formation and the new jobs, the improved productivity and the increased international competitive ability of American Industry an enlarged capital supply would provide. I know you gentlemen are aware of this. I want to point out that a very important source of that capital is the individual investor. There is a vital need to stimulate the individual to help build the nation's capital supply.

In the past ten years this nation has lost millions of individual investors. Not only have we lost ten million people from the capital formation process, but this loss has been concentrated in that part of our population under fifty years of age.

We have paid a tremendous price for this loss of millions of individual investors. The withholding of their billions of capital means thousands of new businesses were not started, tens of thousands of new jobs have not been created, productivity has been reduced and the government has lost large sums of tax income. In the capital markets themselves the loss of these millions of individual investors have resulted in a prolonged reduction in the prices at which securities sell in relation to earnings and intrinsic values. The abnormally low security prices have made new equity capital very expensive to businesses desiring to expand. They have enabled overseas buyers to take over many of our companies at bargain prices.

As the nation has lost millions of individual investors there has been a marked trend to increase the institutionalization of our securities markets. Our great institutions perform valuable services and are a vital force in the nation. But I think it is necessary that we begin to think about bringing some balance into the opportunities between individuals and institutions in the securities markets. I think it is important to recognize that the investment standards of institutions are not the kind that produce the greatest economic activity or direct capital to that part of business which is most creative both in terms of new jobs and new businesses.

As little as ten years ago 70 percent of the trading of the New York Stock Exchange was done by individuals and 30 percent by institutions. Currently those figures are reversed much of the time.

We believe the time has come when the nation should make a great effort to rebuild its individual investor population. There are many avenues open to you in working toward this end, but there is one piece of legislation before you which we believe is superior to all others in its ability to return millions of individuals to the nation's capital markets and provide billions of dollars of new capital. We know it is superior not only because its provisions clearly have such capabilities, but because it has had a two year history of doing the job in France and a shorter history in the Canadian Province of Quebec and in Sweden.

The legislation, introduced last week, is "The Individual Investors Incentive Act of 1980" proposed by Congressman Richard T. Schulze of the Fifth District of Pennsylvania.

The provisions of this bill are capable of drawing millions of individuals into the capital formation process. Its benefits are not limited to the twenty million people who are already shareholders. The wage and salary structure we have today makes it possible for practically all of the nation's 100 million wage earners to benefit from it. It is one of the few pieces of capital formation legislation which is anti-regressive: The smaller the investors income, the greater is the percentage of potential benefit.

You may reduce capital gains taxes and this would have a tremendously beneficial effect, but it is not likely to give you the immediate increase in the number of individual investors and new capital as would the Individual Investors Incentive Act of 1980. You may encourage individuals to invest in IRA's or Dividend Reinvestment Programs. You may reduce the tax on Dividends or encourage individuals to invest in other ways, but none of those methods will bring the millions of NEW investors into the capital formation process that are needed. We believe, too, that some of these methods have the disadvantage of directing funds either into the hands of institutions or to the giant-sized end of industry where capital already tends to be more readily available.

We thank you for this opportunity to present our views. We request that you give special attention to the Individual Investors Incentive Act of 1980 and its unique ability to help attract millions of individuals to the nation's capital formation process. Let us use this opportunity to again make America the land of encouragement and opportunity for the Individual Investor.●

PROPOSED PLANK OF THE IRISH NATIONAL CAUCUS FOR THE 1980 POLITICAL PLATFORMS

HON. LEO C. ZEFERETTI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 13, 1980

● Mr. ZEFERETTI. Mr. Speaker, I would like to call to the attention of my colleagues the proposed plank of the Irish National Caucus for the 1980 political platforms. In reading the plank, I ask my distinguished colleagues to reflect on the religious and political freedom we enjoy in the United States and to work for an end to the discrimination, violence, and injustice that is currently occurring in Northern Ireland. The plank follows:

Consistent with its traditional concern for international human rights and self-determination of all peoples, the United States should play a positive role in seeking an end to the injustices, discrimination, and all types of violence in Northern Ireland.

To this end the United States should encourage the British Government to embark upon initiatives that would end all violations of human rights in Northern Ireland and promote self-determination of the whole people of the island of Ireland.

The United States should insure that no American aid—economic or political—will re-enforce discrimination or any other human rights violation in Northern Ireland.

Further, the United States should make certain that all United States enterprises, operating in Northern Ireland, are in full compliance with U.S. fair employment laws.●

VIEWS OF REPRESENTATIVES ASHBROOK AND GOODLING ON ADMINISTRATION'S PROPOSED SCHOOL LUNCH BUDGET CUTS

HON. JOHN BUCHANAN

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 13, 1980

● Mr. BUCHANAN. Mr. Speaker, I want to call the attention of my colleagues in the House to the views of two of my colleagues on the Committee on Education and Labor, opposing Carter administration proposals to cut support for the national school lunch program. John Ashbrook is the ranking minority member on the full committee, and Bill Goodling is our ranking member on the Elementary, Secondary, and Vocational Education Subcommittee which handles child nutrition legislation. Their views will be set forth in a separate statement in our committee's March 15 report to the Committee on the Budget, in which we make recommendations on fiscal 1981 spending for programs within our jurisdiction.

Our committee did not recommend cuts in the school lunch program, and did not recommend substantial budget savings in other nutrition programs. I share the reluctance to make cuts in these programs, but given the recommendations of the administration, the mood of the Congress, and the positions already taken by the Budget Committees in both the House and the Senate, substantial cuts may well be unavoidable. Should we be required to make cuts above those recommended by Messrs. Ashbrook and Goodling, it is unlikely that it could be done without doing substantial harm to the school lunch program. So they are making a responsible attempt to avoid that.

John Ashbrook and Bill Goodling are fiscal conservatives dedicated to a balanced budget. They are not the kind of people who act without giving real thought to the implications. Accordingly, they have made a careful study of the proposed school lunch cuts and concluded that these are potentially destructive of the program and therefore unwise. But they went beyond that to recommend a series of proposals for cutting cost in child nutrition programs which would have almost the same budgetary impact as the Carter proposal without, as they see it, harmful effects on child nutrition.

Whether or not one agrees with their suggestions, they are to be commended for an honest and responsible effort in this sensitive area.

The material follows:

Separate Views by Hon. John Ashbrook and Hon. Bill Goodling, Recommendations on Child Nutrition Programs

The President has recommended budetary cuts in the child nutrition programs within our Committee's jurisdiction totalling $401.8 million. Of this amount, $344.4 million would come out of the National School Lunch Program; $160.4 million under Section 4 of the Act for basic support for lunches for children not eligible for free or reduced-price meals, and $132.8 million out of Section 11 of the Act by setting income eligibility for free and reduced-price meals at a lower level, and these figures do not include an additional $17 million which would be cut from the school breakfast program, and over $30 million in reduced commodity donations. Thus, the President's proposal would substantially reduce support for over 3 million children from low-income families—according to a very conservative estimate by the Congressional Budget Office.

We are prepared to recommend substantial cuts in the child nutrition budget within our Committee's jurisdiction, and to suggest additional steps which could be taken. Unfortunately, the Committee rejected most of these in this report.

But what we strongly urge is that the Committee on the Budget, and all other interested Members of Congress, reject the Administration's proposed cuts in the School Lunch Program. Frankly, we feel that they would have a disastrous effect on the Nation's major nutrition program for children. The economics of the School Lunch Program are not well understood and we fear that Members will accept these proposals unless they understand the likely consequences.

Accordingly, we urge you to give careful consideration to both our analysis of the effect of proposed cuts in the School Lunch Program and to suggestions we have for alternative budgetary savings which would not jeopardize the health and nutrition of children.

The President's school lunch proposals focus on throwing more children into the ranks of the "paying child" and then cutting the Federal subsidy for that category. It sounds minimal, in that people say "What is 5¢ more per lunch and how can it hurt anything?" So let us examine that question.

Like most business enterprises, the school lunch program balances on a knife edge of economic viability. Except for those schools having a large percentage of students meeting eligibility standards for free and reduced-price meals, the contribution of the "fully-paying" child—that is the child who pays the full unsubsidized cost of the meal—permits the program to break even. School food service operations have many basic operating costs which do not decrease when the number of meals served declines. When participation in the program declines, the cafeteria still has to meet relatively fixed costs for items such as equipment and labor. These costs must be passed on to the children still in the program. Consequently, the proposed nickel cut in Federal aid for the full paying student could result in a disastrous spiraling effect—as participation drops off, the price increases thus forcing another drop in participation and need again to raise prices, etc.

And participation will drop off as the price increases. Past experience indicates a one percent loss in paying students for every 1 cent increase in price. But experience is not necessarily a reliable guide in a period of 18 percent inflation, with most family budgets under increasing pressure just to pay for bare necessities of food, fuel, shelter, clothing, and a minimum of the amenities of life. Most of the testimony before our Committee on this subject has predicted a far more drastic drop in participation rates as a result of price increases. The GAO was among those critical of the Administration's optimistic forecast on the effect of their proposal in participation of the "fully paying" child.

In many schools across the Nation, when that participation drops to a certain point the school lunch program will not be economically feasible and will be dropped. It is not a mandatory program, except in a few States in schools serving disadvantaged areas. One problem is that millions of children from very low-income families—children least likely to have adequate nutrition in the absence of this program—attend schools which are dependent upon the participation of the "fully paying" child to sustain the school lunch program. Thus the Carter Administration is willing to gamble not only with the very viability of the basic child nutrition program in the country, but with the health of several million needy children. We count ourselves among the fiscal conservatives in this Congress, but we are not willing to make such a gamble.

The Administration is attempting to deflect criticism by insisting that if participation by paying students fall below 50 percent, the full subsidy would be restored. They are playing a dangerous game: once again a specific school lunch program loses its economic viability and is forced to close shop. The chances of mitigating the damages by promising to restore a previous subsidy in the next school year is minimal at best.

There is yet another aspect of this whole issue which demands more attention than it has received: The potentially drastic impact of this proposal on individual families. The following is our analysis of that based upon solid evidence from our Committee's hearings.

Children from families with incomes between 100 and 125 percent of poverty, who have been getting their meals for free, would suddenly have to pay up to $1.00 per week. And instead of paying 10 cents per meal or so, students whose parents make between 175 percent and 195 percent of poverty would have to pay the full price, as much as 75 cents per meal in some areas. It should not be forgotten that a majority of the families most in need usually have three or more school age children. Consequently, such a dramatic increase in weekly cash outflow could seriously jeopardize their ability to participate in the program. It certainly would be a further strain on severely limited family budgets.

We have heard persistent allegations, and from some of our very well-informed Democratic colleagues, that these ill-conceived, poorly supported attacks on the school lunch program are the price being paid for the Carter Administration's notable lack of restraint in expanding the uncontrolled and much-abused food stamp program, which is costing $8.8 billion this fiscal year and is budgeted at $9.8 billion for fiscal year 1981.

Apparently, for whatever reason—political or ideological—there is a feeling in the Administration that the only concern is for the very poor (and for even fewer of them under proposed eligibility redefinitions) and that the vast number of American families with an income just above that qualifying for any kind of assistance, but far below an income adequate to withstand the ravages of the Carter inflation, can just "go hang", as it were.

And who are we talking about? Just about half of all the families and all the children ages 6 through 17 in America! 41 percent of America's 57.8 million families earn between $12,000 and $25,000 a year, and they have 44 percent of our children ages 6 through 17. Drop the income level to $10,000—and families with incomes of between $10,000 and $12,000 definitely will be hit by these proposals—you pick up 48 percent of all families and half of all children in that age bracket. These are the "rich" Americans the Carter school lunch proposals are going to hit hardest.

What a sensitive Administration we have! When Assistant Secretary of Agriculture Carol Tucker Foreman testified in favor of the school lunch price increases last year she said, "Even if my children are not going to get a Federally subsidized lunch, they are going to eat anyway." Sure they will! Ms. Foreman's income is over $50,000 a year (we have no idea what Mr. Foreman's might be), which is enjoyed by less than 2½ percent of America's families and less than 3 percent of our school age children.

Instead of soaking families who cannot afford this kind of increase in their costs, with the very possible result of the destruction of the school lunch program, we propose the following budgetary savings which are justified, and can be made without damage to any nutritional program.

We are pleased that the Committee accepted the proposed savings which can be generated by administrative improvements in the operation of the child nutrition programs. Although we agree with the general objectives of the monitoring system proposed by the Department of Agriculture, we have called for a system that would eliminate any duplication of effort with States' present audit systems and would allow the States greater flexibility in focusing their management resources on those program areas where the need for stricter accountability is indicated. These proposed administrative improvements in the child nutrition programs would result in a savings of $68.6 million.

We were also encouraged by the Committee's acceptance of the proposed limitations on the use of private vendors in the Summer Food Service program. This change would exclude from participation in the Summer Feeding Program those large private sponsors who employ private food vendors. Such a change would eliminate one more area in which there has been significant program abuse and a waste of resources. A projected savings of $45 million will be achieved (this includes the commodity savings resulting from the exclusion of the private vendors).

Unfortunately, the Committee refused to accept two significant proposals which could have yielded an additional savings. These savings could have been achieved without jeopardizing current nutritional programs. Our proposal would eliminate the overlap between the Special Milk Program and school lunch in schools having a breakfast or lunch program, but would assure that all youngsters attending those schools would get ½ pint of milk during their school day. School children who participate in the school lunch program get this ½ pint of milk as part of the School Breakfast program and/or as part of the National School Lunch Program—those youngsters who opt to carry their own lunches, or children who are in school for ½ day session are able to receive ½ pint of milk through the Special Milk Program. This could be done with a simple amendment to the Act and would result in a savings of $89.73 million.

An additional savings of $66.73 million could be attained by level funding of and administrative improvements in the Special Supplemental Food Program (WIC). The Administration's request to increase the FY '81 budget authority for the Special Supplemental Food Program (WIC) from the current $900 million level to a proposed level of $946.1 million is not necessary to maintain and even expand the existing program. Figures furnished by the Budget Committee indicate that the FY '81 estimated actual expenditures will total $860.4 million. Thus, with $900 million the WIC program can continue to adequately serve those presently participating and also continue orderly expansion to meet needs. At the same time we believe that management improvements can be implemented with regard to WIC.

We recognize the need to achieve budgetary savings during this era of unprecedented runaway inflation. We feel that we have recommended substantial cuts in the child nutrition budget within our Committee's jurisdiction. Hopefully, the Congress will examine these proposals and, at the same time, will reject the Administration's proposed cuts—cuts that would have a disastrous effect on the Nation's major nutrition program for children.

The proposals we are making are responsible ones. They would produce a budgetary saving of $223.9 million without damaging any nutrition program.

In addition, we are joining Members on both sides of the aisle in sponsoring new legislation which would change the method commodities are purchased for these programs to a Commodity Letter of Credit system where the purchase of commodities designated by the Secretary of Agriculture is done at the local level. This would produce substantial savings in transportation, storage, and handling of commodities all along the line. The estimated first year Federal budgetary savings is $27 million.

Thus our total package would save $250.9 million, very close to the Administration proposals, but without their disastrous consequence. In addition, if the Committee on Agriculture would eliminate the duplication between the food stamp and school lunch programs by taking into account lunches served free at school, another $630 million could be saved. We urge this action. In short, we do not have to imperil the School Lunch Program to make necessary savings in the child nutrition budget.●

MY ROLE IN AMERICA'S FUTURE

HON. ED JENKINS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 13, 1980

● Mr. JENKINS. Mr. Speaker, every year the Veterans of Foreign Wars, along with its ladies' auxiliary, conducts a "Voice of Democracy" contest. This year more than 250,000 secondary school students participated in the contest competing for National and State scholarships. Each participant is asked to compose a speech based on this year's theme, "My Role in America's Future."

The winning contestant from the State of Georgia is Michael Gregory Hubbard, of Hartwell.

A 17-year-old senior at Hart County Comprehensive High School, Mike is the son of Rheba and William Hubbard. An active member of several school clubs, he serves as Beta Club vice president, Key Club chaplain, yearbook editor and senior class president.

At age 13, Mike received his FCC third-class broadcast license and has worked as an announcer at a local radio station for 5 years. He plans to attend the University of Georgia this fall and work toward a degree in broadcasting and communications.

Mike's winning entry in the VFW contest follows:

VFW 1979–80 VOICE OF DEMOCRACY SCHOLARSHIP PROGRAM—GEORGIA WINNER, MICHAEL GREGORY HUBBARD, HARTWELL, GA.

As a young person living today, I feel that I have a very significant role in America's future. I have a responsibility and sacred duty to serve and uphold my country for the privilege of living in this great land.

In the history of our country, I am reminded of our forefathers, the brave men and women who served our country well to make us a free nation as they fought in the Revolutionary War. In order to preseve and protect us as a free nation, other brave men and women of later generations served in two world wars, the Korean conflict and the Vietnam conflict. I think of these roles as frontiers that my forefathers conquered in order that I may live in this great land and I have a duty to America and a role to play in its future because of them.

Aside from war, other roles had to be played in order to build our great nation. The Declaration of Independence was written, the Articles of Confederation prepared and adopted, and finally the Constitution of the United States—a one volume text of successful government. These dedicated men had a vital role in the building of our country.

With a proud past that has been laid by the blood, sweat and determination of past generations, it makes me more determined to have a role in the shaping of the future of America.

Although I would not hesitate a moment to fight to defend my country, it is my hope and prayer that the cloud of war will not ever again appear. That our country, as well as all other countries in the world, can coexist in peace and brotherly love and never again bear arms against one another.

Even if this is possible, it does not in any way relieve me of my duty to my country. Although America has taken giant steps forward, there are other roles to be played and other frontiers to be conquered.

If we are to continue to be the greatest nation in the world, we must have honest and dedicated statesmen from my generation to offer themselves for public office, even at personal sacrifice, to shape the destiny of our country.

Other roles in America's future include conservation of energy, engineering and technology, transportation, medicine, and above all a strong belief in God. If we are to continue to grow materially as a nation we must also grow spiritually.

I love my country because it embraces and protects all of its people regardless of race, creed or religion. The masses of people in its inner cities, the urban dwellers, the rural people; all control its destiny because the people rule—the people themselves are in command—not a few elected officials. No other country in the world gives so much for so little—all that is asked of us is that we be loyal Americans. With that in mind, can we give anything less than our best?

The foundation of our country is strong because of the roles our forefathers had in building our country. It is now up to me and countless other young people like me to accept our role, whatever it may be, to continue to keep America strong and its people free.

I know that my role is no less important than those of my forefathers—the ones who worked to shape this nation, the ones who proudly died to protect it. With God's help I shall fulfill my role in America's future whether it be in defense, representation, or as a proud citizen.

I love America and it is with great pride that I accept my role.●

COBALT AND ZAMBIA—THE CASE OF THE DWINDLING SOURCE

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 13, 1980

● Mr. SYMMS. Mr. Speaker, cobalt is an essential mineral not only for America's increasingly sophisticated defense weaponry but for the industrial economy on which it so heavily relies. Today, America depends on foreign sources for nearly 100 percent of our cobalt needs. Fifty-five percent of our needs come from Zaire—a nation subject to continuing internal and external uncertainty. Eighteen percent of America's needs come from Zambia—a nation which by expanded production in the recent past has made up for the shortfall from Zaire.

An article recently appearing in Business Week, however, raises serious questions regarding the likelihood that Zambia will continue as a source for cobalt. According to the article, Zambia has signed an $85 million arms deal with Russia in a package which may well contain cobalt as part of the agreement. It is clear that the Soviet Union now has the opportunity to barter Migs and other weapons for cobalt while gaining a foothold in all-important southern Africa.

The dangers of such a new agreement are obvious: First, Russia gains a client state in Africa; second, receipt of cobalt by Russia disrupts the already tight U.S. market; third, shortfall of cobalt needs at a time of defense mobilization comes from the cobalt stockpile which is already less than half its original objective.

Once again, Mr. Speaker, we see the need for an American source of cobalt. Yet there is today but one economically mineable source—near the Blackbird mine in Idaho. For this reason the Interior Committee excluded from wilderness this important cobalt trend. I urge my colleagues to support that action.

Mr. Speaker, I insert into the RECORD the March 10, 1980, Business Week article entitled, "The Soviets' New Foothold in Central Africa.":

THE SOVIETS' NEW FOOTHOLD IN CENTRAL AFRICA

Moscow has sprung another strategic surprise on Washington, the first since Afghanistan, by signing an $85 million arms deal with Zambia. This will provide the Soviets with access to central African mineral resources. The terms of payment still remain obscure, but Washington sources believe cobalt is part of the package.

Representative James D. Santini (D-Nev.), just returned from an African trip, says the deal will undermine Western access to a mineral that is increasingly critical in the current, post-Afghanistan military buildup. Among other uses, cobalt is a component of metals needed for aircraft engines. "Any Soviet manipulation of Zambia's cobalt could affect national security," says Santini. He heads the House mines and mining subcommittee, which has been urging new national security considerations for overseas mineral access, particularly in Africa, on the Carter Administration.

PRINCIPAL SOURCE

Santini's alarm is shared by industrial and defense users of cobalt. After the Shaba invasion of Zaire two years ago, confidence in continued supply from that country, the world's largest producer of cobalt, has been minimal. Zaire's pre-invasion production levels were restored last year, but American buyers have tried to diversify. In the process, Zambia has become a principal source for the U.S., moving from 9% in 1977 to 18% of total U.S. imports last year.

Zambia was considered a lesser supply risk than Zaire by some American importers. Zambia invested in a new plant at Chambishi that more than doubled the country's output last year to an estimated 3,600 metric tons, and plans for further expansion could boost it to between 6,000 and 8,000 tons by 1983. With 40% of the world's cobalt between them, Zambia and Zaire administer the world producers' price of $25 a lb. as a mini-cartel. At current prices, Zambia's earnings would eventually range from $200 million to $400 million a year.

The Soviet arms deal offers Moscow a chance to barter Migs and other weapons for cobalt. Armaments are the principal instrument of Russian trade with underdeveloped countries. Moscow would get a critical raw material that it has had to import in recent years (BW—Jan. 28).

But Soviet purchases of Zambian cobalt, no matter how small, are bound to disrupt the U.S. market. Cobalt supplies are tight, and any Soviet diversion of Zambian exports would force releases from the national defense stockpile, which still is less than halfway to its original inventory objective.

Further, the Soviet arms deal is a bitter blow to Washington's southern African policies. Zambian leader Kenneth D. Kaunda was long considered by the U.S. as the most moderate and cooperative of the leaders of the "front-line states," those fronting on troubled Zimbabwe Rhodesia.

But Kaunda did not believe that Washington and London were forcing the move toward majority black government in Rhodesia fast enough. He also has been under pressure from Joshua Nkomo, one of the two bitterly competitive leaders of Zimbabwe's Patriotic Front who have tried to overthrow the Salisbury government. Last August, Kaunda permitted Cubans into Zambia to train Nkomo's guerrillas, which have become larger in Zambia than his own forces. And he had threatened repeatedly to go to the Russians if the West did not halt Salisbury's raids on Nkomo's forces inside Zambia. A Chinese Communist counteroffer to supply Zambia with arms and training was rejected by Kaunda.

Still, Washington is puzzled by the shift at a time when black rule is at hand in Salisbury. Speculation is that Kaunda has written off the possibility of a peaceful settlement in Zimbabwe Rhodesia (BW—Feb. 4), and now sees a tie to the Soviets as an anchor in an increasingly troubled region.

The West now faces the possibility of another Soviet client state in a band stretching from the Atlantic to the Pacific across southern Africa. That could bring stepped-up infiltration into Zimbabwe Rhodesia, and it opens the possibility of a regional confrontation with South Africa.●

NEW DANGERS FACING IDA NUDEL

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 13, 1980

● Mr. LENT. Mr. Speaker, I rise to direct the attention of my colleagues to new dangers facing a most courageous woman, Ida Nudel, who I adopted last year as the prisoner of conscience for my Fourth Congressional District in New York.

I have just received a cable from Ida's sister in Israel, Elena Fridman. She tells me she fears dangerous developments for her sister because of a new attempt by the Kremlin to arouse public opinion against Ida.

A slanderous article against Ida Nudel was published in the regional newspaper in Tomsk Oblast on February 28. The article was so vicious that it stirred Ida to send a telegram of protest to Communist leaders Leonid Brezhnev and Interior Minister Nikolai Shchelokov. Her telegram said:

> * * * The attitude of the local residents toward me in my place of exile was already hostile and the malicious allegations contained in this article have exacerbated the existing hostility. The townspeople are aroused—absurd suspicions and rumors are circulated about me. I accuse the authors of this article of knowingly inciting hatred for the purpose of bringing about violent reprisals.

Ida's telegram is signed "Political prisoner, Ida Nudel."

Mr. Speaker, it is obvious that the article attacking Ida Nudel was officially inspired by the Communist regime in an attempt to cause further trouble, perhaps even physical injury to this unfortunate woman. The Kremlin has already inflicted severe punishment on Ida Nudel by sending her into exile in the bleak and chill Siberian wastelands for 4 years simply because she wanted to emigrate to Israel, and because of her valiant efforts to assist other Soviet Jews who also desired the freedom to practice their religion in the country of their choice.

Mr. Speaker, we must not forget. We must not neglect the cause for which Anatoly Shcharansky has suffered so greatly. We must redouble our efforts to bring every possible pressure to bear upon the Kremlin rulers. They must be made to change their policies of oppression, and to grant Soviet citizens the human rights they were promised when the Soviet leadership signed the Helsinki accords.

That is why it is such a privilege to join in this impressive ceremony in the House of Representatives today. Let this observance strengthen our dedication to the cause of human rights, and serve as a grave warning to the free world that the Soviet regime continues its unconscionable efforts to suppress religious freedom. May this ceremony speed the day when the Communist rulers of the Soviet Union will end their persecution of Soviet Jews.●

THE SIXTH SPECIAL SESSION OF THE UNITED NATIONS COMMISSION ON NARCOTIC DRUGS

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 13, 1980

● Mr. GILMAN. Mr. Speaker, the Sixth Special Session of the United Nations Commission on Narcotic Drugs recently completed its deliberations in Vienna, Austria, February 11 through 20, 1980. The U.S. delegation, which was ably led by Mathea Falco, Assistant Secretary of State for International Narcotics Matters, consisted of Roger Kirk, Resident Representative of the International Atomic Energy Agency, Dr. William Pollin, Director of the National Institute on Drug Abuse (NIDA), Robert Angarola, Assistant Director of the White House Domestic Policy Staff, Edwin G. Corr, Deputy Assistant Secretary of State for International Narcotic Matters, George C. Corcoran, Assistant Commissioner of the U.S. Customs Service, and William M. Lenck, Chief Counsel for the Drug Enforcement Administration (DEA). Jeffrey J. Freedman of DEA, Walter V. Hall, of our U.S. Mission in Vienna, Dr. Jean Paul Smith of NIDA and Diane Hurley of the State Department provided staff support for the U.S. delegation.

Through the good offices of Ms. Falco, I, along with the distinguished chairman of the Select Committee on Narcotics Abuse and Control, Mr. Wolff, addressed the U.N. Commission, which, in my statement, stressed the escalating global magnitude of narcotics trafficking and drug abuse and the urgency for the world community: First, to develop a comprehensive, coordinated global drug strategy; second, to consolidate the fragmented United Nations approach to the drug problem into a single body within the U.N. system; and third, for the U.N General Assembly and the Economic and Social Council to realize the gravity of the narcotics trafficking and drug abuse problem and the importance of moving this problem up the scale of priorities on their agenda. I also urged that the leaders of the world must intensify their efforts to provide the United Nations Fund for Drug Abuse Control (UNFDAC) with the necessary funds to accomplish its global mission.

Narcotics trafficking and drug abuse have reached epidemic proportions throughout the world. A tidal wave of heroin, cocaine, marihuana, hashish, PCP, Quaaludes, and other dangerous drugs is flooding the world's markets, resulting in alarming reports of increasing drug deaths and drug dependency.

Thailand, Pakistan, Burma, India, Iran, Egypt, Jordan, Syria, Israel, Turkey, Greece, Czechoslovakia, Bulgaria, Yugoslavia, Finland, Spain, Portugal, Peru, Colombia, Bolivia, Ecuador, Brazil, Chile, Venezuela, Panama, Mexico, Zambia, Rhodesia, South Africa, Madagascar, Hong Kong, Malaysia, Indonesia, the Philippines, Australia, New Zealand, Western Europe, Canada, and the United States are all reporting increased seizures of narcotic drugs and the debilitating effects of drug abuse among their citizens, particularly among their youth.

Opium production from the Golden Crescent of Pakistan, Iran, and Afghanistan has more than doubled from an estimated 700 tons in 1978 to approximately 1,600 tons for 1979. Favorable weather conditions this year in the Golden Triangle of Burma, Thailand, and Laos indicate an opium bumper crop for that area, thereby displacing last year's draught yield of 150 to 200 tons and suggesting a return to that area's annual opium production of 350 to 500 tons. The multibillion-dollar marihuana and cocaine trafficking trade between the United States and Colombia has inundated this Nation's shores with their deadly substances. Mexico, along with Turkey, represents a major drug producing area that, to a large extent, has been successful in controlling the illicit production of heroin and marihuana. Despite the dedicated and skillful efforts of law enforcement officials throughout the world in interdicting narcotics trafficking, the transshipment of dangerous drugs from Latin America, Europe, the Middle East, and Southeast Asia represent a serious threat to the health of all of our citizens.

Given the magnitude of the drug problem, I find it distressing that last year only 44 nations—or nearly 29 percent of the 152 member nations of the United Nations—contributed a meager $4,621,387, of which the United States pledged up to $3 million—based on 25 percent of the total contribution to the Fund, whichever is the lesser amount. Excluding this potential $3 million pledge, 43 nations contributed a paltry $1,621,387 or an average of $37,707 per nation, with many nations contributing only a few thousand dollars. Private contributions amounted to $304,521, for an overall total of $1,925,908. Only seven nations—or less than 5 percent of the members of the United Nations—contributed $100,000 or more to the Fund: France, $100,000; West Germany, $268,928; Japan, $301,787; Norway, $262,926; the United Kingdom, $113,575; and the United States, up to $3 million.

However, I am pleased to inform my colleagues that for 1980, UNFDAC has received two substantial contributions: $1,200,000 from West Germany—an increase of more than $931,000 from its 1979 contribution to the U.N. Fund—and $1,132,640 from Norway—an increase of nearly $870,000 from its 1979 contribution to the Fund. Hopefully, other nations will follow their leadership by increasing their contributions to UNFDAC.

As of February 15, 1980, nine nations have contributed $2,550,867 to UNFDAC: Chile, $2,000; Finland, $26,641; West Germany, $1,200,000; Italy, $124,000; Malta, $286; Mexico, $2,000; Norway, $1,132,640; Portugal, $1,000; and Switzerland, $62,500. As of February 20 of this year, five nations have pledged $123,700: Austria, $65,300; Belgium, $25,000; Hong Kong, $20,000; Kenya, $6,400; and India, $7,000.

Mr. Speaker, all too frequently, some nations deny or minimize the existence of extensive drug trafficking within their borders and drug abuse among their citizens. A nation, like an individual, must take the giant step by first recognizing the existence of a drug problem, and then seeking treatment and rehabilitation for the problem.

Unless the world's nations realize the seriousness of narcotics trafficking and drug abuse, and recognize that it is in their interest to contribute to the U.N. Fund, or in the alternative to increase their contributions to the Fund, and unless the world community acts in a concerted manner by pooling its personnel, equipment, expertise, and funds to formulate a unified, comprehensive, coordinated program to wage an all-out war against narcotics trafficking and drug abuse, then the world will surely lose the war against the drug traffickers whose well-financed, sophisticated operations have brought so much misery to so many citizens throughout the world.

Mr. Speaker, in the interest of bringing to the attention of my colleagues the financial status of UNFDAC, at this point in the RECORD, I am inserting two documents: The complete text of my statement before the Sixth Special Session of the U.N. Commission on Narcotic Drugs, and a list of those nations that contributed to the U.N. Fund in 1979.

The two documents follow:

Mr. Chairman, distinguished delegates, I welcome this opportunity to address the Sixth Special Session of the United Nations Commission on Narcotic Drugs—the first session to be held in Vienna, the new home of the UN's drug-related agencies—and to share the thoughts of some of my colleagues in the Congress concerning the efforts of the international community to combat narcotics trafficking and drug abuse. On behalf of the United States delegation, I would like to congratulate the United Nations Fund for Drug Abuse Control (UNFDAC) on its excellent report. As you know, the U.S. Congress has always followed with great interest the work of the U.N. Commission on Narcotic Drugs and the activities of UNFDAC.

As a member of the U.S. House of Representatives Select Committee on Narcotics Abuse and Control, chaired by the distinguished gentleman from New York (Mr. Lester L. Wolff), that has held extensive hearings both in the United States and abroad on the problems of drug abuse, I wish it could be reported that the narcotic problems in our nation and abroad have diminished since I last reported to you at the Commission's 28th session that was held last year in Geneva. Unfortunately, that is not the situation. As we all know, the drug problem has not dissipated. To the contrary, it has reached epidemic proportions. Virtually every region in the world has now become a victim to drug trafficking and drug dependency. No nation is immune to the operations of the international narcotics traffickers who reap unknown billions of untaxed dollars from their nefarious business transactions, causing untold misery for so many of our citizens.

Berlin, Frankfurt, Amsterdam, London, Copenhagen, Trieste, Bangkok, Malaysia, Hong Kong, Singapore, Hawaii, Vancouver, Toronto, New York, Chicago, and Miami have all become major narcotic distribution hubs and financial centers for international narcotic syndicates.

Hardly a day goes by that our Federal, State, and local law enforcement agents do not seize marihuana, cocaine, heroin, PCP, Quaaludes, and other dangerous drugs, not by the kilo but more often by the ton, by the planeload and by the boatland. Daily, U.S. Customs inspectors seize currency in organized crime's attempt to launder the funds obtained in nefarious drug transactions. Hardly a day goes by that a hospital emergency room does not report a drug-related injury or death from the abuse of heroin, amphetamines, barbiturates, stimulants, depressants, tranquilizers, and alcohol. Each year more and more of our citizenry obtain drugs illicitly in an effort to escape from their personal and social problems.

It is obvious that these problems are not unique to the United States. Nations throughout the world are experiencing similar devastating effects from narcotics trafficking and drug abuse among their citizens.

Narcotics trafficking has become a multibillion dollar industry, conducted by international criminal syndicates, by independent entrepreneurs, and by so-called "respectable citizens" whose sophisticated operations reach into every corner of the world undermining our political, economic, and social institutions and the moral values of our societies. Drug trafficking, just in the United States alone, amounts to an estimated $45-$60 billion industry, placing this sordid business third in sales after Exxon ($83 billion), and General Motors ($63 billion) but ahead of the $37 billion sales of The Ford Motor Company. The drug trade between the United States and Colombia is an $8 billion business (four times that nation's largest legitimate export commodity, coffee), fueling the inflationary fires of Colombia's economy and corrupting its political and social institutions, as well as our own.

During the first nine months of 1979, our Federal, State, and local law enforcement agencies seized more than 300 pounds of narcotics, 3.3 million pounds of marihuana, 49,000 pounds of hashish, 1,945 pounds of cocaine, and over 27 million dosage units of dangerous drugs (hallucinogens, depressants, stimulants, methadone).

Last year, our Coast Guard, working with other drug law enforcement agencies, seized 97 drug trafficking vessels carrying more than 2.4 million pounds of marihuana and, in record-breaking seizures, confiscated 251 pounds of Thai sticks, 43,550 pounds of hashish and nearly 3 million dosage units of Quaaludes, all of which amounted to an estimated street value of $1.6 billion.

Europe has been inundated by a heroin tidal wave. Although last year's drought in the Golden Triangle of Thailand, Burma, and Laos has reduced that area's annual production of opium from approximately 350-500 tons to an estimated 150-200 tons, opium production from Pakistan, Iran, and Afghanistan has more than doubled from an estimated 700 tons to approximately 1,600 tons and has replaced the Golden Triangle as the primary source of heroin for the European market. In 1978, law enforcement authorities seized 550 kilograms of heroin in Europe, of which approximately 438 kilograms of heroin (or nearly 80 percent) originated from Southeast Asia and 112 kilograms originated from the Middle East. Last year that trafficking pattern in Europe was reversed. Preliminary reports for 1979 indicate that of the 658 kilograms of heroin seized in Europe (a 20 percent increase over the 1978 seizure), 394 kilograms of heroin (or nearly 60 percent) originated from the Middle East, compared to the seizure of 264 kilograms of heroin from Southeast Asia. Furthermore, 85 percent of the heroin seized by law enforcement agents in West Germany originated from the Middle East.

During the six-month period from April through September of 1979, law enforcement authorities in West Germany seized more than 35 kilograms of Middle East heroin, 25.2 kilograms in Italy, 24.1 kilograms in Turkey and 23.8 kilograms in Yugoslavia. Our Federal drug law enforcement officials anticipate that the amount of Middle East heroin entering the United States this year might double from the estimated 17 percent originating from that part of the world in 1978.

Given the political instability in Iran and Afghanistan, and the difficulty of the central government of Pakistan to control the mountain tribesmen in its opium producing Northwest Frontier, and the flow of refugees from Afghanistan and Iran, there is every reason to believe that increasing amounts of heroin from Iran, Pakistan, and Afghanistan will be smuggled into Europe and the United States in the 1980s and that the Golden Triangle, despite the recent decline in its 1979 opium crop, will still be a major artery for the production of narcotics destined for markets in the Far East, and the Western Hemisphere. Favorable weather conditions in 1980 in the Golden Triangle suggest an opium bumper crop for that area, which, when combined with the increased opium production from the Middle East, will flood every region of the world with its deadly poison.

Clandestine laboratories to convert opium/morphine base into heroin have been established in Turkey, Iran, Pakistan, Lebanon, Syria, southern France, and Sicily, where it is then smuggled into Europe and the United States. International narcotics traffickers have been operating out of Marseilles, Nice, Trieste, Sicily, and Corsica. Last year, European law enforcement agents busted clandestine heroin conversion laboratories in Palermo, Marseilles, Nice, Milan, and San Remo. Transshipments of Middle East heroin through Bulgaria and Yugoslavia have also been reported. Just last month, our Federal drug law enforcement agents at the Kennedy International Airport in New York City seized 24 kilos of 90 percent pure heroin worth an estimated street value of $40 million. This processed heroin, which was the largest amount seized at the airport since 1974, originated from Palermo and was transferred to an airflight from Rome to New York.

From the Far East to the Middle East, from Europe and Latin America to Africa and North America, law enforcement authorities throughout the world are reporting record seizures of heroin, cocaine, marihuana, hashish, and other dangerous drugs. For example, the amount of heroin seized in the United Kingdom more than doubled between 1976 and 1979: from nearly 17 kilograms of heroin seized in 1976 to nearly 38 kilograms seized in 1979.

The Federal Chief of Police for Australia has stated that the uninterrupted flow of narcotics into Australia has reached immense proportions. As much as 1,200 kilograms of heroin might have been smuggled into Australia last year, netting the narcotics traffickers $110 million. Australia, a nation of 14 million citizens, has an estimated 40,000 heroin addicts and as many as 100,000 users.

During the first 11 months of 1978, the Japanese National Police Agency (NPA) arrested 17,239 drug traffickers, including housewives, teenage students, suspected drug addicts and 8,841 underworld gangsters. Last December, NPA in a recordbreaking seizure, confiscated 114 kilograms of drugs worth an estimated street value of $142.5 million and established another record for that agency by seizing 12.65 kilograms of drugs smuggled from Hong Kong. During 1979, 60 percent of the estimated 3 tons of drugs entering Japan originated from South Korea and the rest reportedly originated from West Germany by way of the Philippines and Hong Kong. In November of 1978, Japanese law enforcement agents smashed a South Korean-Japanese drug-smuggling operation reportedly involving 180 members of 16 underworld organizations, arrested 210 suspected amphetamine dealers and users, including a 15 year-old junior high school girl, and seized 6 kilograms of amphetamines worth an estimated $7 million.

Mexico, along with Turkey, represents a major drug producing area that, to a large extent, has been successful in controlling the illicit production of heroin and marihuana. In a recent four-day coordinated drug raid, the Mexican Federal Judicial Police, in cooperation with the army, arrested 217 drug traffickers scattered in various towns across that nation, seizing 1.5 kilograms of heroin, 2.5 kilograms of cocaine, 2 kilograms of opium gum and 5 tons of marihuana worth more than an estimated $6.1 million. That police operation also destroyed 1,176 poppy plantations, including 7.5 million opium plants about to be processed, and 180 marihuana plantations.

The tidal wave of heroin, cocaine, marihuana, hashish, PCP, Quaaludes, and other dangerous drugs that are flooding the world's markets, and the excessive abuse of prescribed pills . . . their availability and relatively low cost throughout the world . . . have resulted in alarming reports of increasing drug deaths and drug dependency. Thailand, Pakistan, Burma, India, Iran, Egypt, Jordan, Syria, Israel, Turkey, Greece, Czechoslovakia, Bulgaria, Yugoslavia, Finland, Spain, Portugal, Peru, Colombia, Bolivia, Ecuador, Brazil, Chile, Venezuela, Panama, Mexico, Zambia, Rhodesia, South Africa, Madagascar, Hong Kong, Malaysia, Indonesia, the Philippines, Australia, New Zealand, Western Europe, Canada, and the United States are all reporting the debilitating effects of drug abuse among their citizens, particularly among their youth.

In the Philippines, an estimated 200,000 Filipinos regularly abuse some form of drugs. Filipino law enforcement authorities have identified certain colleges and high schools where 30-40 percent of their students are addicted to drugs. [Reported from Manila, Bulletin Today, 29 Aug. 1979, p. 22.]

In Czechoslovakia, the Slovak General Prosecutor's Office is aware that the "increasing number" of drug addicts among youngsters under 20 years of age cannot be ignored; 496 drug addicts are registered just in four Czechoslovakian communities. [Reported from Bratislava, Rolnicke Noviny, 17 Oct. 1979, p. 2.]

According to the Federal Secretariat for Internal Affairs (Yugoslavia), the number of registered drug addicts in Yugoslavia has more than doubled in the last four years: from 2,555 registered addicts in 1974 to 5,678 addicts in 1978, of whom 83 percent are below the age of 25. [Reported from Belgrade, Politika, 25 Dec. 1979, p. 11.]

Greece reports an increase in narcotics trafficking by 50 percent over the previous year. A 1978 annual police report states that 10,000 drug addicts are known to the law enforcement authorities and that increasing numbers of children between the ages of 14 and 17 are resorting to drugs. The report from Greece further states: "Narcotics are now part of our life." [Reported from Athens Ta Nea, 3 Dec. 1979.]

In Malaysia, which has an estimated addict population of 250,000, some 50,000 hard-core addicts smoke 30-50 percent pure heroin, of whom 70 percent were reported between the ages of 15 and 24.

We have received reports of an estimated 600,000—1 million drug addicts in Iran; 400,000-600,000 in Thailand; 50,000 in Mexico; 10,000 in Indonesia; 300,000-600,000 in India, of whom 66,000 are registered opium users. Burma, a major opium producing partner of the Golden Triangle, reports that 20,000 individuals are registered for narcotics treatment.

Japan, a major producer of acetic anhydride, which, as we know, is a key chemical used to convert opium/morphine base into heroin, estimates that 50,000 to 100,000 of its citizens are stimulant abusers.

Last August, along with other members of the Narcotics Select Committee I visited the Soviet Union where the Soviet officials acknowledged, I believe for the first time, the growth of marihuana along that nation's southern borders and that about 3,000 of its citizens were being treated for drug dependency, approximately 200 of whom were being treated in Leningrad. There are also reports that Moscow is fast becoming a transshipment area for Middle East and Southeast Asian heroin. For example, as of August of 1979, Finnish law enforcement authorities reported the third incident of hashish being smuggled into that nation from the Soviet Union [reported from Helsinki, Demari, 8 Aug. 1979, p. 7], and, as all of us know, last December, the Soviet Union inherited the problems of Afghanistan's illicit narcotics production and addict population.

Hong Kong's 100,000 addict population annually requires more than 35 tons of raw opium and more than 5 tons of morphine base to supply their habit.

Brazil's public health officials assert that "the number of drug addicts in Brazilia constitute a public calamity." There are reportedly 300,000 drug abusers in that nation's capital. Some Brazilian authorities claim that drugs have practically taken over the interior of Sao Paulo. [Reported from Brasilia, Correio Braziliense, 19 Dec. 1978, p. 14.]

Egyptian law enforcement authorities estimate 3-6 tons of opium are consumed annually by 500,000 of that nation's drug users and, according to their officials, "there is the possibility that Egypt might become an illicit opium producing nation."

In Israel, there are approximately 4,000 drug addicts, of whom 2,000 use heroin regularly. Israeli law enforcement authorities estimate that drug abusers annually consume 250-500 kilograms of opium and 65 kilograms of heroin. An estimated 100,000 Israeli hashish users consume 20 tons of that drug.

There are approximately 250,000 drug abusers in Europe. Reports from The Netherlands estimate an addict population of 25,000; in Amsterdam, overdose deaths occur at the rate of one a week among that city's 10,000 addicts.

In November of 1978, while our Narcotics Select Committee was investigating the drug problem among our troops stationed in West Germany and West Berlin, we observed at firsthand the ease, availability and low cost by which our troops and German citizens purchase high grade heroin, cocaine, hashish, and other dangerous drugs. The German drug problem has become more acute since we last visited that nation. West German officials report 595 overdose deaths in 1979 among that nation's estimated 60,000-80,000 addicts (or an increase of 55 percent in the 384 reported overdose deaths for 1977); West Berlin reports an addict population of 5,000 with 62 of its citizens succumbing to drug overdoses in 1978. Among Sweden's estimated 65,000 drug abusers, 3 drug abusers overdose each day, which amounts to an annual drug death rate of nearly 1,100 for that nation's population of 8.3 million citizens.

There are approximately 30,000 drug addicts in Italy, of whom more than 100 died from drug abuse last year. There are an estimated 10,000-50,000 addicts in the United Kingdom; 12,000 in Switzerland; 20,000 in Belgium and 20,000 in Spain. Finnish officials estimate their drug population between 40,000-50,000 of which approximately 10 percent are addicts. One thousand kilos of hashish are believed to enter that nation's market.

In the United States, approximately 450,000 addicts reportedly spend $6 billion annually to support their habit. In 1978, more than 3,200 of our citizens, mostly our youth, were reported by medical examiners to have succumbed to drug overdoses, while more than 114,000 drug abusers were reported by hospital emergency rooms to have sustained drug-related injuries.

Mr. Chairman, these reports from every part of the world are alarming, and, unfortunately, these statistics depict only the tip of the iceberg. Obviously, this data does not account for the amount of illicit drugs that escape detection by our law enforcement officials. Nor does it account for the unknown number who are not reported as drug addicts. Nor does it include those who are not registered in drug treatment centers or who are physically and psychologically dependent upon amphetamines, barbiturates, tranquilizers or who are cross addicted to pills and alcohol. The data does, however, indicate what we all know: that narcotics trafficking is big business . . . a global business; that it knows no boundaries, political ideologies or economic systems; and that it adversely affects the health and well-being of all our citizens.

To wage "war" on the drug problem, nations of the world must submerge their competing political and economic differences, for narcotics trafficking and drug abuse is a global problem. Just as the world cannot survive nuclear confrontation, so too it cannot long endure "victories" by the international drug traffickers whose nefarious business operations reach into every region of the world undermining our institutions and the health of all our citizens. Protestations to the contrary, no nation is immune to the insidious operations of international narcotics traffickers. No nation is immune from the debilitating effects that alcohol and drug abuse cause to its citizens.

The critical questions are: How can we most effectively combat the onslaught of the illicit drug trafficking that is causing so much misery for so many citizens throughout the world? How can we help raise the consciousness of our citizens and our governments regarding the dangers of drug abuse? How can we raise the profile regarding the seriousness of narcotics trafficking and drug abuse within the UN General Assembly and other agencies of the UN system?

Mr. Chairman, permit me to offer the following suggestions for the consideration of the Commission:

1. Given the political instability in the Middle East, the difficult task of the central governments of the Golden Triangle to control the illicit production of opium in that area and the vast heroin, cocaine, and marihuana traffic originating from Latin America, there is an urgent need to formulate a comprehensive, coordinated global drug abuse prevention and control strategy . . . a strategy to reduce the illicit supply and demand for drugs, a strategy to interdict narcotics trafficking, to educate citizens throughout the world regarding the dangers of drug abuse, and to treat and rehabilitate those individuals who have become dependent upon or addicted to drugs. I understand that this distinguished Commission has been working on a set of guidelines for an international drug abuse control strategy. I would hope that such a strategy would be more than a mere declaration, like the Statue of Liberty holding up her hand without effectively establishing a viable comprehensive, coordinated plan to prevent and control drug abuse.

2. It is my understanding from discussing the drug problem with numerous UN officials that there is no agency within the United Nations that formulates, implements, and coordinates a global drug strategy; that the United Nations' approach to the drug problem is fragmented among numerous agencies, boards, commissions, councils, and the like . . . a problem not uncommon to some nations working in this area, including my own country. There is an urgent need to consolidate the diverse drug programs, policies, and agencies into a singly body within the UN system. In this regard, I would urge the creation of a highly visible, anti-narcotics committee or commission from existing UN personnel that would help formulate, implement, and coordinate a comprehensive global drug strategy.

3. Representatives to the UN General Assembly, the Economic and Social Council, and the UN Educational, Scientific and Cultural Organization (UNESCO) must recognize that drug abuse is a major social and economic problem affecting the entire international community and that this problem must be moved up the scale of priorities on the agendas of these bodies. I am distressed that there is no sense of urgency within the UN system regarding the drug problem. I am appalled by the absence of a real commitment from the world community, backed by sufficient funds, to educate citizens throughout the world regarding the dangers of drug abuse and the international narcotics traffickers whose corrupt operations inundate all mankind with deadly drugs. For example, UNESCO's drug education program is a mere $150,000, which does not even meet the costs of mass distribution of its publications. Yet, I understand, that there are 43 drug education programs waiting to be considered by that organization.

4. Member nations of the United Nations must pool their personnel, equipment, expertise, and funds to formulate a unified program to wage an all-out "war" against drug traffickers and drug abuse.

5. Voluntary contributions to the United Nations fund for Drug Abuse Control (UNFDAC) should not, in my view, underwrite staff positions in the UN Division of Narcotic Drugs and the UN Narcotics Laboratory; or be used to finance new and replacement equipment for the Narcotics Laboratory (equipment that was initially purchased from the regular budget); or to carry on the financial burden of drug activities of certain specialized agencies. Rather, these activities should be underwritten by the affected agencies from their regular budgets, not from the voluntary contributions of the Fund.

According to the UN Joint Inspection Unit's report on the Organization and Management of Drug Abuse Control Activities in the United Nations (E/1979/10, 22 February 1979), UNFDAC is carrying a large proportion of the financial burden for drug activities in the UN system and,

"the specialized agencies, such as FA, UNESCO, WHO, and ILO, could justifiably be asked to include in their regular budget programs some drug abuse control projects in their special area of competence, rather than relying on UNFDAC as a source of funds to the extent that they now do."

The report also states: "The intentions behind the Fund's existence are frustrated if it has to function as a substitute for the regular budget of the United Nations or of a specialized agency," and it observed that the UN Fund is "functioning more as a substitute for the regular budget than as a supplement to it."

6. With regard to financial contributions to UNFDAC, I find it disheartening that in 1978, only 38 nations (or 25 percent of the 151 member-nations of the UN) contributed $7,284,748 to the UN Fund, a decline of $143,352 from the $7,428,100 contributed to UNFDAC in 1977. In 1978, only 9 nations, a mere handful, contributed $100,000 or more to the Fund. From 1971, when UNFDAC was created, until 1978, 72 nations sporadically contributed $37,477,367 to the Fund, which, when added to the $192,526 from private contributions and the $1,307,656 from the interest on the income, amounted to a pathetic total of only $38,755,549 for the 8-year "global war" on drug abuse.

Mr. Chairman, ladies and gentlemen, we cannot wage a global assault on narcotics on such a paltry budget. Such limited financing will not provide the equipment, the personnel and the programs needed to combat the international drug traffickers' sophisticated operations that reach into every corner of the world. We cannot effectively eradicate the illicit production of drugs at its source, educate our citizens regarding the dangers of drug abuse, and treat and rehabilitate those individuals who have become dependent upon or addicted to drugs on such a pathetically smaller budget. It is distressing that those nations that have substantial drug problems have made miniscule, if any, contributions to UNFDAC. Nations that can afford to contribute to the UN Fund have made only token pledges of less than a few thousand dollars or are conspicuously absent by not contributing a single penny to wage "war" on drug abuse.

A preliminary report on contributions to UNFDAC for 1979 is not encouraging. As of October 31st, 1979, 41 nations had contributed or pledged only $4,313,300, of which the United States pledged up to $3 million (based on 25 percent of the total amount contributed to the Fund). Excluding this $3 million pledge, 40 nations contributed only $1,313,300 or an average of $32,833 per nation, with many nations contributing only a few thousand dollars. Private contributions amount to $261,991, for a meager overall total of $1,575,291.

Three years ago, I had the pleasure of addressing the 27th session of this distinguished Commission in Geneva. At that time, I noted the strong feeling within the U.S. Congress regarding the imbalance in contributions to the UN Fund and the need for a broader base of financial support for the Fund. At that time I stated: "There is even the possibility of a reduction by the U.S. Congress in considering the authorizing for funding the UN Fund if there is too great an imbalance in the U.S. effort." Unfortunately, that warning became a reality. As many of you know, for the fiscal year 1980, the Congress recently restricted the U.S. contribution to UNFDAC to $3 million or 25 percent of the total contributions to the Fund, whichever is the lesser amount.

The global nature of narcotics trafficking and drug abuse necessitates a commitment by the entire family of nations. No nation, nor a handful of nations, can single-handedly shoulder this awesome responsibility. Although the percentage of the U.S. contribution to UNFDAC's budget has steadily been reduced over the years from 80 percent to 41 percent in 1978, the restrictive legislation passed by the Congress last year reflects the dissatisfaction by many of my colleagues in the Congress regarding the absence of a genuine financial commitment to UNFDAC and the absence of a sense of urgency regarding the difficult problems of preventing and controlling drug abuse. Clearly, if the financial imbalance in contributions to UNFDAC is corrected and if more than a handful of nations who are presently underwriting the bulk of the Fund's budget contribute to the UN Fund, or in the alternative, increase their contributions to the Fund, then there is every reason to believe that the 25 percent restrictive ceiling placed upon the U.S. contribution could be lifted.

Mr. Chairman, I would like to take a moment to comment on the resolution entitled "International Cooperation in Drug Abuse Control", which was recently adopted by consensus by the 34th General Assembly with 19 co-sponsors representing all geographic regions of the world. I want to express the support of the United States Government for this resolution. Not only does it endorse the initiatives of UNFDAC and call for greater financial and in-kind contributions to the Fund, but it calls for much greater attention and participation of UN member states, international financial institutions and the specialized agencies and programmes of the United Nations in combatting all facets of drug abuse. The United States delegation wholly endorses this kind of commitment and believes that only with the active participation of these national and international institutions can we, as an international community, hope to alleviate this grave problem.

Mr. Chairman, when this distinguished Commission meets next year at its 29th session, I hope that the world community will have taken a giant step toward fulfilling its vitally important mission of acting in concert to wage an effective "war" on drug abuse and the insidious operations conducted by the international narcotics traffickers. The mere passage of lofty resolutions condemning narcotics trafficking and drug abuse will not suffice. The time to act is upon us. If we are truly going to do battle, then we must intensify our efforts and act in a cooperative and coordinated manner. The health and well-being of our nations demand that we implement an effective global drug abuse prevention and control program. When that has been accomplished, then the world will be a better place for all of us.

UNITED NATIONS FUND FOR DRUG ABUSE CONTROL

[Cash contributions, in U.S. dollars, as at December 31, 1979]

Country	1971–78 contributions	1979 contributions
Algeria	7,995	
Argentina	31,000	11,000
Australia	599,818	123,313
Austria	96,999	56,719
Bahamas	1,500	1,000
Barbados	750	
Belgium	50,000	25,000
Brazil	18,000	5,000
Canada	1,393,222	87,500
Chile	4,000	2,000
Cyprus	6,282	300
Denmark	481,723	28,022
Egypt	1,000	
Finland	23,751	26,211
France	705,500	100,000
Germany, Federal Republic of	962,456	268,928
Greece	13,884	2,000
Guyana	487	
Holy See	1,000	
Hong Kong	82,563	19,996
Iceland	8,000	3,000
India		7,000
Indonesia	1,000	1,000
Iran	35,000	9,942
Iraq	5,066	5,185
Ireland	10,000	5,000
Israel	4,500	
Italy	203,200	
Ivory Coast	2,000	
Jamaica	6,080	
Japan	1,200,000	301,787
Jordan	2,000	
Kenya	3,000	6,400
Kuwait	26,000	
Libyan Arab Jamahiriya	6,460	10,000
Liechtenstein	4,000	1,000
Luxembourg	1,000	
Madagascar		2,034
Malaysia	2,000	2,000
Malta	1,000	277
Mauritius	1,500	500
Morocco	13,275	3,000
New Zealagd	149,841	36,776
Nigeria	14,778	
Norway	4,170,715	262,926
Oman		997
Pakistan	2,013	
Philippines	8,000	5,102
Portugal	6,000	1,000
Qatar	22,000	10,000
Republic of Korea	3,500	2,000
Rwanda	1,066	
San Marino	1,500	
Saudi Arabia	307,000	
Senegal	6,204	
Singapore	2,000	
South Africa	14,657	11,721
Spain	20,000	
Sri Lanka	500	
Sudan	1,000	
Surinam	2,000	
Sweden	1,278,778	52,225
Thailand	9,000	
Togo	200	
Trinidad and Tobago	1,000	
Tunisia	7,191	4,951
Turkey	9,781	
United Arab Emirates	9,000	3,000
United Kingdom	372,922	113,575
United Republic of Cameroon	422	
United States of America	25,000,000	3,000,000
Uruguay	1,000	
Venezuela	6,000	2,000
Viet Nam	1,000	
Yugoslavia	31,288	
Total	37,477,367	4,621,387
Private contributions	192,526	304,521
Grand total	37,669,893	4,925,908

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OPPOSITION TO ELF

HON. ROBERT W. DAVIS

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 13, 1980

● Mr. DAVIS of Michigan. Mr. Speaker, there are many different reasons for opposing the controversial Navy communications system, extremely low frequency (ELF). My opposition to the system is based on my strong commitment to national defense; I do not believe it is the best system available for communicating with our submarines.

Other reasons for opposing the system, especially in my congressional district of northern Michigan, have been based on concern over the possible biological effects on the environment and human health that could be caused by the system. One of my constituents who has been closely involved in this issue has asked that her statement of opposition be inserted in the CONGRESSIONAL RECORD to state her case, and it is submitted today.

STATEMENT OF BONNIE PASSAMANI

As residents threatened with chronic exposure to the known harmful effects of Project Sanguine/Seafarer or ELF:

We would refuse to give our permission to subject ourselves and our families to the electrical and magnetic fields of any such project, whose adverse biological effects have been described in the U.S. Navy's own official document, Final Environmental Impact Statement for site selection and text operations.

Other studies conducted by the Navy, the National Academy of Sciences, and others have disclosed evidence of harmful effects, at worst, and, at best, have acknowledged that possible long-term effects may not be detected for many years. The Navy's document, on page 20 of Appendix C, has stated that the ELF project itself, as planned, is one such experiment whose biological impact on human and animal organisms is to be evaluated over time as the project goes forward.

Thus, various behavioral studies have been performed for Seafarer on rats, monkeys, and men. The Navy's 1973 Ad Hoc Committee reviewed the primate neurophysiology and behavior study then under way at U.C.L.A. using CU signals and recommended that the work be continued using a Seafarer-type modulation signal. Both behavior and brain wave activity are studies in this research.

The National Academy of Sciences' document, on page 51, states: Some organisms are able to detect steady weak electric and magnetic fields. If they also detect ELF fields, which oscillate, they may be affected, and the possibility of adverse effects cannot be fully ruled out. Thus, like many other perturbations introduced by man, this involves some uncertainty and calls for continuing research. If the Seafarer system is built, an energetic and carefully designed long-term program of monitoring shall be coupled with basic research.

On page 53: Research on the underlying mechanisms of cell division and on information processing and integration in complex nervous systems in relation to ELF environments should be conducted and evaluated as part of the requirement for continued monitoring of the operating Seafarer system for its possible effects on biologic systems.

To compel human subjects to participate in such experimentation without their informed consent is both unethical and unlawful. Therefore, to protect ourselves and our families from such unethical and unlawful exposure, we wish to go on record here as opposing our participation (in any way).●

THERE'S NO JUSTICE IN THE C.P.I.

HON. ELIZABETH HOLTZMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 13, 1980

● Ms. HOLTZMAN. Mr. Speaker, in recent weeks, the Consumer Price Index has come under attack from several quarters on the grounds that it overstates inflation. I offer for the RECORD a contrary view, ably set forth by Ugo Sacchetti, a former controller of Inter-American Development Bank. His article, published in the New York Times for January 27, 1980, discusses not only the treatment of housing in the Consumer Price Index, but presents lucid observations on the controversial and little-understood issue of the effect of quality changes in the items priced for the index.

Mr. Sacchetti's article is entitled "There's No Justice in the C.P.I." The text of the article follows:

THERE'S NO JUSTICE IN THE C.P.I.

(By Ugo Sacchetti)

Assertions have been made with increasing frequency in recent days in newspapers, magazines and on television that the Consumer Price Index overstates inflation.

With Friday's disclosure that the index rose 13.3 percent in 1979, topping off a grimmish year with a 1.2 percent rise in December, the assertions got some fresh impetus.

Since they originate in part with economists, they could constitute an example of those cases where, if one does not know how to solve a problem, the best way out is to say that it does not exist (or that it is manageable). Unfortunately, the discussion is not just academic. Many powerful economic groups have a vested interest in making the same claim. And I, for one, believe that the C.P.I., if anything, understates inflation.

Two main points have been repeatedly made. One is that changes in prices of individual dwellings distort the index and should be excluded from it. The other is that the C.P.I. does not take adequately into account quality improvements.

The housing argument is highly suspicious, to start with, since it is raised vociferously at a time when the prices of houses have been rising at a somewhat faster rate that the rest. No such proposal is made with respect to other durable goods whose prices are rising at a slower pace than the average.

The main argument one hears in support of housing exclusion is that a person does not buy a house every day or every year. This is an impressionistic statement that appears to aim at minimizing transactions in residential dwellings.

The fact is that recently 5 million to 5.5 million dwellings have changed hands yearly. In dollar terms, this exceeds transactions in automobiles or other durables. At any rate, if transactions in houses should be excluded or downplayed, the same thing should be done with autos, washing machines, sound reproduction equipment and other items not bought each year.

Furthermore, as prices of houses increase so does the cost of shelter for owners of "old" homes. This is an opportunity cost in the form of foregone income that would be obtained by selling the house and by investing the proceeds in income-producing assets.

The other main argument is that the C.P.I. does not take fully into account quality improvements. The reply to that is: (a) That the index does not take adequately into account quality deterioration; (b) that the definition of quality improvement is often a questionable one, and at any rate non-symmetrical; and (c) that even when an improvement is real, the correction of the C.P.I. may be made, in terms of fairness, only under specific conditions that frequently do not exist.

On the first point, the expression "built-in obsolescence" does not refer solely to style. A large variety of pieces of machinery, including automobiles, break down much faster than they used to. In the case of cars, this applies not only to mechanical parts but also to the thinner coat of paint that causes early rusting, and to similar skimping in non-mechanical parts of the product.

One consequence of shoddy workmanship is the higher frequency and cost of repairs.

Other quality deteriorations consist, for example, of the use of inferior natural or synthetic fibers in clothes. No manufacturer is going to make this change known, and the deterioration, not reflected in the C.P.I., only becomes apparent after usage.

In services, a well-known example of deterioration is the reduced frequency of daily mail distribution and the longer delivery time of the mail. The latter forces those who are interested in fast delivery to use high-cost alternatives; the "special delivery" charge itself has increased in excess of the C.P.I.

While the C.P.I. ignores such deteriorations, it often recognizes remedies to them, so the index, never adjusted upward, is adjusted downward.

On the question of measuring quality improvement, when the Bureau of Labor Statistics corrects the index it apparently accepts a notion of improvement that originates with industry. One problem with this is that changes introduced with the intent to improve a product do not necessarily constitute a real improvement.

Furthermore, the valuation of improvements is based on the cost that has been incurred in introducing them. This is a questionable criterion, and the comment that the statisticians cannot find a better one is no consolation to the consumer. More important, deteriorations (e.g., using undetectable lower quality materials) are usually cost-saving, but that fact goes unmeasured.

There are many other cases of biased or non-symmetrical downward adjustments of the C.P.I.

For example, the Bureau's Bulletin of Nov. 1, explaining the reasons for the downward adjustments in the price increases of 1980 cars, includes, inter alia, the installation of antipollution devices. I am not aware that during past years and decades the C.P.I. has been adjusted upward on an annual basis on account of increases in air and water pollutants.

Or take the fact that some cars have shrunk in size and comfort and are lighter. The latter change adversely affects driver control and passenger safety. These negatives appear to be ignored by the C.P.I., while remedies to them are considered improvements.

Even where there is a real improvement, and its evaluation is correct, the downward adjustment of the C.P.I. is a legitimate procedure only where the consumer has a real choice. That is, a general installation of automatic transmission in automobiles cannot justify a downward adjustment, since those who prefer manual transmission have no choice and have to pay more for a possibly unwanted product. On top of that, they are told that the increase in price has to be partly ignored in the computation of their cost of living.

A general case in point is constituted by Federally mandated changes. In this case the niceties of economic and welfare considerations are cut short, since a ruling has apparently been made that Federally mandated changes are by definition improvements, for the purpose of the C.P.I.

In some cases this may not coincide with, or may be against, people's preferences. When the installation of air bags in automobiles becomes mandatory for all vehicles, for example, it will leave no choice for those who prefer seat belts. One might well complain that whereas seat belts, by their nature and the simplicity of their mechanism, can be visually tested and thus trusted, the same cannot be said for air bags. And yet, it is to be expected that the price increase due to air bags will be corrected downward.

Overall then, it would seem that the C.P.I. should probably be corrected upward rather than downward, and should be restructed to take adequate note of deteriorations, as well as improvements in quality. Short of that, an acceptable temporary solution would consist of making no corrections for deteriorations and improvements.

Furthermore, there are some reasons to argue that the "cost to live," i.e., the cost to maintain a given standard of living, changes at a faster pace nowadays than the "cost of living" as measured by the C.P.I.

The general point is that additional living expenditures are not technically price increases in the sense of the C.P.I. Increasing income tax burdens resulting from non-adjustments of tax rates to inflation escape the index. Increased criminality forces people to purchase special locks for entrance doors, to install burglar alarms, and/or to purchase protection services. The price of such protective devices may be reflected in the C.P.I., but certainly the increasing need to buy them is not.

Then there are additional medical care expenditures rendered necessary by air pollution, and additional education expenditures for sons and daughters originating in higher requirements for employment established by industry and trade (which in many cases result from deteriorated high school education).

A conclusion that may be drawn is the price-tied index, while a valuable statistical tool, does not necessarily have an adequate welfare connotation. It measures a technically defined "cost of living," but not necessarily the "cost to live." Since the latter is the relevant quantity for wage remuneration, pension adjustments, etc., a new index should be constructed for these purposes that includes living costs other than price changes.

Let me add some skeptical notes about a few sub-indices of the "All urban consumers" index. I would also like to know where my wife can purchase dresses of unchanged quality, at prices only 56 percent higher than 1967. And I am wondering why so much fuss is made about medical-care costs if it were correct that, according to the C.P.I. sub-index, they have risen since 1967 by only 15 percent more than the general index.●

THE ISSUE OF JERUSALEM

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 13, 1980

● Mr. ROSENTHAL. Mr. Speaker, in the midst of the current foreign policy debate surrounding the U.S. vote on Security Council Resolution 465 at the United Nations, it is of paramount significance not to lose sight of the real background concerning the city of Jerusalem.

Prof. Saul B. Cohen, the distinguished scholar and president of Queens College has reminded us in a letter to the New York Times March 13, 1980, of the importance of Jerusalem to the entire peace process. I would like to share his views with my colleagues.

The letter follows:

FLUSHING, N.Y.,
March 5, 1980.

To the EDITOR:

However inadvertently, the White House and the State Department have by their actions and their disavowals of Resolution 465 of the United Nations Security Council brought to the forefront the Jerusalem issue. It was an issue studiously avoided at Camp David, but it cannot continue to be sidestepped if peace is to be achieved.

Reference in the March 1 U.N. resolution to previous Resolution 252 on Jerusalem, on freedom of access to the holy places, is, of course gratuitous. When in modern history, except under Israeli sovereignty in Jerusalem, have people of the three faiths had the opportunity to practice their beliefs freely and without fear?

Surely not under the Jordanians, but also not under the Turks, when Jews and sometimes Christians were subject to the whims of Ottoman rulers, and even not under the British, who did not always protect Jews from Moslem rioters.

One of the most compelling arguments for a unified Jerusalem under Israeli sovereignty is that the security of all who worship, and the integrity of all places of worship, has never been so firmly guaranteed by Moslems or Christians as it now is by Jews.

In more general terms, a unified Jerusalem whose status is unambiguously Israeli is vital to Israeli national security, as well as to the safety and economic viability of Jerusalem's Jews, who constitute three-quarters of the city's population and who live throughout the city

The failure of Camp David was in not linking Israeli withdrawal from Sinai and the framework accord for some form of Palestinian self-rule in the West Bank with a firm guarantee to Israel that confirms Jerusalem's status as part of Israel.

Local governmental structures can be created that will be responsive to the needs of Arab residents and indeed all residents for local control. Such structures include a highly decentralized system of neighborhoods and communities (boroughs), and a metropolitan/regional framework to include parts of the West Bank and Israel outside the city's walls. However, unless the United States is prepared to support the linking of Israel's sovereignty over a united Jerusalem to the current autonomy negotiations in the West Bank, there is little prospect for a comprehensive peace settlement.

President Carter now has the opportunity to go beyond the disavowal stage and focus U.S. policy in the direction of such a linkage. Surely this must be the subject for a new Camp David, and quickly. Otherwise the current autonomy negotiations will come to naught.

Saul B. Cohen,
President, Queens College.●

SORDID BUSINESS IN OAKLAND

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 13, 1980

● Mr. DERWINSKI. Mr. Speaker, I recently issued a press release criticizing the proposed plans for the Oakland Raiders to shift their franchise to Los Angeles. Despite the fact that the National Football League has refused the Raiders permission to move, the club's general manager, Al Davis, said he would make the move anyway. If Mr. Davis is permitted to make good on his threat, the same fate could be in store for loyal fans in 27 other cities where there are NFL franchises, and I would be willing to say that Congress would take a dim view of this action.

I insert into the Record at this point, an editorial appearing in the Washington Star of March 8, which discusses this avaricious ploy by Mr. Davis:

Sordid Business in Oakland

The case of the Oakland Raiders against the National Football League—and vice versa—is by now quite thoroughly mired in the courts and is likely to remain there for some time. But a few questions raised by this singularly sordid business merit comment no matter how the legal issues are finally resolved.

The situation, in brief, is that the owner of the Raiders, Al Davis, wants to move his team to Los Angeles. That city wants the Raiders because its team, the Rams, has just moved out of its coliseum and into a more modern stadium in Anaheim. Mr. Davis has successfully fought in federal district court against the NFL's rule requiring that in order to move a franchise there must be a favorable vote by 21 of its 28 teams. Now the NFL is making counterattacks on a variety of legal fronts.

As best we can comprehend it, Mr. Davis' desire to depart Oakland is a matter of pure acquisitiveness. For more than a decade, the Oakland franchise has been one of the most successful in the game: a consistent winner on the field, playing before sellout crowds in a modern stadium. That would be enough for most people, but Mr. Davis wants more. Specifically, he wants certain improvements in the stadium, among them the addition of luxury boxes—those gaudy enclosures with wet bars and armchairs and color TV sets—for high-rolling ticket holders. Since the city government has thus far been unable to accommodate this yearning, Mr. Davis is attempting to hightail it to Los Angeles—which seems willing to give him all he wants and then some.

As for the people of Oakland, who have supported the Raiders loyally and vocally for two decades—well, the hell with them. If Mr. Davis feels any sense of obligation to the citizens who have supported his enterprise in the past, and who have shown no evidence of withdrawing that support in the future, he is keeping very quiet about it. That the Raiders have been an important source of civic pride for a city in some need of self-confidence obviously means nothing to him. If it turns out that the end of Al Davis' rainbow is in Los Angeles, he will go where the gold is.

Such sentiments hardly make Mr. Davis unique among the owners of pro-sports franchises, a free-booting crew if ever there was one. But there is an important difference: Unlike most other owners, Mr. Davis is willing to ignore league rules in order to get what he wants. He has known ever since he joined the NFL that franchise-shifting is subject to league approval; now, when he doesn't seem to have the votes in the league to move his team, he claims that the rule is a violation of his freedom to do business as he wishes.

Though a Los Angeles judge has ruled in his favor, sooner or later he is likely to be slapped down. The NFL is an association, and it is entitled to determine its own conditions of membership. The rule on franchise-shifting, which it designed to encourage stability, is such a condition—and an entirely reasonable one. But it appears that in Al Davis' bizarre view of the world, the only rules that count are the ones that he writes.●

A MORE EFFICIENT SCHOOL LUNCH PROGRAM

HON. E. THOMAS COLEMAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 13, 1980

● Mr. COLEMAN. Mr. Speaker, I am today joining several of my colleagues in introducing the Commodity Letter of Credit Act of 1980. This legislation changes the mechanism under which the Department of Agriculture donates surplus commodities for use in the national school lunch program, resulting in significant savings in the program. I believe that the fundamental issues raised by the legislation provides an important vehicle for reviewing the effectiveness, goals, and efficiency of the USDA commodity program.

In the existing mechanism utilized by the USDA, commodities to be donated to school districts are not purchased from local sources. Under this mechanism authorized commodities are purchased from the regions in which they are produced and are then transported, warehoused, and processed at the expense of the Federal and State governments. Studies indicate that this often results in total procurement to table costs significantly higher than would be the case if the same commodities were purchased from local sources.

The bill being introduced today is premised on the assumption that transportation and warehousing can be accomplished with considerable cost savings when performed by the private rather than the public sector. The proposed legislation is designed to effectively transfer these functions to the private sector without altering in any way the present objectives of the USDA surplus removal and price support programs. The legislation establishes a program of commodity letters of credit that would be issued to school districts for use in procuring specific commodities. The letter of credit would specify the quantity and quality of the authorized commodity and would be price and time specific. In utilizing the letter of credit, the school district could obtain the specific commodity in whatever form it wished, that is, rather than having 2,000 pounds of 80-percent lean beef delivered in 55-pound cases, delivery of the same beef could be in premolded beef patties.

I am hopeful that hearings before the Elementary, Secondary, and Vocational Education Subcommittee can begin soon. In the course of these hearings, I expect that the amount of savings to be expected under this legislation will be determined. I am also anxious to look into the possible effects of this legislation on producers of the commodities included within the USDA program.

To insure that the interests of producers of the commodities included in the program are adequately addressed in the legislation, I plan to ask the distinguished chairman of the subcommittee, Mr. Perkins, to include producers from farm States among the witnesses heard during hearings on the bill.●

ORDER OF DeMOLAY'S 60TH ANNIVERSARY

HON. BILL ROYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 13, 1980

● Mr. ROYER. Mr. Speaker, I would ask that my colleagues would join me in congratulating the Order of DeMolay on its 60th birthday, during the week of March 16-23.

Throughout these days, known as "DeMolay Week," young men throughout the Nation and the world highlight the good they do all year round, as they exemplify the seven virtues each DeMolay pledges to uphold—love of parents, reverence for sacred things, courtesy, comradeship, loyalty, patriotism, and cleanness.

The Order of DeMolay was founded in 1919 by Frank S. Land, of Kansas City, Mo. It has since grown to over 3 million members who have gone into such important walks of life as public service, the arts, and space exploration. Included in this list are Senators Mark Hatfield, of Oregon, and Henry Jackson, of Washington, the late John Wayne, and astronaut Wally Schirra.

As we hear more and more of the negative side of today's youth, the

Order of DeMolay is working hard to make the young men of today better citizens for tomorrow. I commend these young men for their high ideals and I extend my best wishes to all its members for continued success.●

THE KGB RADIO HOUR

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 13, 1980

● Mr. DERWINSKI. Mr. Speaker, while the United States was dreaming in the spirit of détente, the Soviet Union continued to take the ideological struggle seriously. As Mr. Michael Ledeen points out in a recent article, the "KGB Radio Hour":

> * * * the appeal of communism has never been weaker than it is today. Yet, we not only fail to challenge the Russians on this highly favorable terrain, but indeed we cut back on our efforts at the very moment that they are launching an unprecedented assault against us and our friends.

Mr. Ledeen describes some of the deficiencies in our own radio broadcast efforts—the Voice of America and Radio Free Europe-Radio Liberty. He also reveals some details of the Soviet clandestine radio programing, particularly the radio in Baku, U.S.S.R., known as the "National Voice of Iran." This radio has, in recent months, poured much vitriol on the turmoil in Iran. A new radio has now appeared, he says, calling itself the Voice of the Egyptian People, which, among other things, stridently attacks President Sadat for his treasonous cooperation with Israel and his support of King Hassan of Morocco.

Will we opt out of the ideological struggle or will we strive to understand what the Soviets are up to and counter their lies with truth, backed by America's unique and considerable resources?

The text of Mr. Ledeen's article "The American Spectator," February 1980, is reprinted for the benefit of those who are interested in the latter course:

THE KGB RADIO HOUR—ON THE AIR FROM BAKU

Here and there, we are beginning to piece together the jigsaw puzzle that is Soviet foreign policy, and those relatively complete segments are admirable in their simplicity and coherence. For years the Russians told anyone willing to listen that while détente required a certain degree of East-West cooperation, the "ideological struggle" would continue unabated. What did the United States make of such proclamations? For the most part, our national leaders seem to have taken them to mean that Russians would speak out on those aspects of American policy that were disagreeable to them. After all, as Cyrus Vance has observed, Leonid Brezhnev and Jimmy Carter share common aspirations, and it is only understandable that each might find it necessary to bemoan the sometimes unpleasant aspects of the other's society and national behavior. In the eyes of our national spokesmen, nothing is more understandable than that disagreements be aired, the better to resolve them in lawyer-like fashion.

It turns out that the Russians had something else in mind. They took the "ideological struggle" to mean the waging of war by other means, and have acted accordingly. As we now know, Soviet clandestine radio stations have aided and abetted the anti-American hysteria in Iran. Thanks to the Wall Street Journal and a handful of other papers, a window has been opened on this fascinating and crucial aspect of the current phase of our predicament.

Since 1959 the Soviet Union has been operating a clandestine and unofficial radio station in Baku known as the "National Voice of Iran" (it is also called "our Radio"). For some 17 years this station broadcast along with another station that was formally allied with the Iranian Communist Party (Tudch); but this latter station (located at first in East Germany, later in Bulgaria) stopped activity in the autumn of 1976, and since then the total clandestine broadcasting to Iran from the Soviet bloc has consisted of the National Voice. Its content has been for the most part entirely predictable: unrestrained attacks on the Shah and on "American imperialism," calls for revolution and freedom from Western influence, appeals for better relations with the Soviet Union. Until the fall of the Shah, the National Voice was at one with the mullahs in its pious embrace of fundamentalist Islamic doctrine; since the return of Khomeini it has been more ethnic-oriented, urging separatism on the Kurds, the Azerbaijanis, and others. And ever since the Shah's fall appeared likely, the National Voice has doubled its broadcasting time.

In short, the clandestine Soviet broadcasts—purporting to come from within Iran itself—have encouraged that sequence of events that has now become our major national preoccupation. And on occasion the correspondence between the words of the National Voice and the actions in the streets of Iran has been impressive indeed. On the day of the first seizure of the American Embassy in Teheran, for example, the National Voice announced that the archives of SAVAK—the Shah's hated secret police—had been transferred to the American Embassy. And broadcasts have never ceased to claim that the "satanic" Americans have inundated Iran with espionage agents, Zionist saboteurs, and the like. Every act of pro-Western individuals is condemned, every theme likely to inflame hatred on the United States is stressed. No sooner had Khomeini returned to the country than the National Voice was announcing a plot by the CIA to kill him. And when the Embassy was overrun for a second time, the National Voice praised the event as an act of righteous indignation by young Iranians intent on defending their country from foreign subversion.

Apparently concerned about any action that might provoke American military intervention against Khomeini, the National Voice has recently urged moderation in the treatment of American prisoners in Teheran, calling instead for more intense attacks against the dollar. "If the other [OPEC] countries should follow suit [in abandoning the use of dollars to pay for oil], a transformation will take place in the world's currency system, and the world will be free from the domination of the American dollar."

The use of clandestine radio stations is not new for the Soviets, but in recent years it has taken on a more subtle role in the context of détente. The Russians have toned down the content of their official broadcasts, bringing them in line with the official pronunciamenti from the Kremlin; it is the clandestine stations that carry the hard line, playing Mr. Hyde to the Kremlin's official Dr. Jekyll.

This has yielded excellent results, for the Soviets have apparently negotiated an unwritten agreement with the United States, by which they have ceased jamming Voice of America broadcasts to Eastern Europe and the Soviet Union itself in exchange for corresponding moderation in our own broadcasts. In fact, VOA is hardly worth jamming anymore. The censorship is done largely by the staff of the organization, and this permits the Russians to concentrate their enormously expensive jamming operations on Radio Free Europe and Radio Liberty. At a cost of some 300 million dollars a year, the Kremlin jams these two stations, which themselves have a total annual budget of slightly more than 80 million dollars. And recent events suggest that the effect of RFE/RL will be even slighter in the future, what with budget cuts, personnel reductions, and constant fiscal problems. Two recent developments give the picture: 11 new transmitters have been budgeted, in order to reach 75 percent of the area of the Soviet Union (still not enough to reach Mongolia and most of the Asian population), but the proposed budget for fiscal year 1981 does not provide enough money for the electrical power necessary to operate the transmitters; and in the current fiscal year, RFE/RL was forced to borrow six million deutsche marks from the Deutsche Bank in order to meet current expenses.

In the meantime, the Soviet clandestine radio war continues. Two transmitters operate in East Germany for the benefit of Turkey. As in Iran, one station speaks on behalf of the Turkish Communist Party, while the other calls itself "Our Radio." As in Iran, they attack the American presence, denounce proposed U-2 flights (while ignoring the linkage between such flights and the verification of the provisions of SALT II), and urge better relations with the Soviet Union. In June 1978, when Prime Minister Ecevit travelled to Russia, Our Radio hailed the trip as a symptom of a new era in Soviet-Turkish relations. And it has continued to call for the participation of all parties—including the Communists—in a governmental coalition.

The Turkish-language broadcasts have been running for over 20 years, but there are some newcomers to the clandestine network: Libya and Cuba. The Libyan case is particularly interesting, in light of President Qaddafi's claim to desire better relations with the United States. The Libyan-based station, "Radio of the Patriots," broadcasts to Iran and Arab countries, with the usual collection of anti-Western and anti-American themes. (At a certain point listeners were urged to write in their questions and reactions to a Post Office Box in Stockholm, later identified as being rented to a KGB agent in Sweden.) The Cuban stations are predictably similar, and some Western experts in the field suspect that they may be under direct Soviet control.

In light of this considerable activity, it may come as a surprise to advocates of détente that Moscow continues to denounce the broadcasts of Radio Free Europe and Radio Liberty as "intolerable interference in the internal affairs of other countries." Thus, the Kremlin attacks the American government and those of countries (such as Spain, Portugal, and West Germany) that permit the stations to operate on their soil.

The Russians obviously take the ideological struggle seriously, as well they might. The empire whose symbol is the gulag does not welcome the free flow of information to its inhabitants, and even Jimmy Carter's relatively mild human rights campaign at the outset of his administration was interpreted by the Kremlin as a serious threat to its internal control. The only surprise in the story is that the United States does not take the ideological conflict to heart. Our protests about Soviet broadcasts to Iran have been quiet and diplomatic, and our own efforts to tell our side of the story to the Iranians consist of a single hour of broadcasting a day (only just recently increased from half an hour). This is, as the French put it in their inimitable fashion, worse than a crime; it is a grave error. For the appeal of Communism has never been weaker than it is today. The Russians used to offer themselves as the harbingers of a new order, but today this theme has all but disappeared from their propaganda. Typically, when the revolution got under way in Iran, they dropped the Communist Party line in favor of Islamic fundamentalism.

In short, the Russians are ideologically weaker than at any time in human memory, and we possess an enormous advantage. The "model of society" that most appeals throughout the world today is ours, and for those who care the United States is the symbol and guarantor of freedom. Yet we not only fail to challenge the Russians on this highly favorable terrain, but indeed we cut back on our efforts at the very moment that they are launching an unprecedented assault against us and our friends. Why?

In part, the answer lies in the curious ideology of the administration's top policymakers. Lawyers like Cyrus Vance do not care for what they call "propaganda." This smacks to them of the Cold War, Vietnam, and other bugaboos of the past. If the Russians do it, that is considered unfortunate, but after all two wrongs do not make a right.

Second, RFE/RL used to be run by the CIA, and this administration has labored mightily to emasculate the Agency. To give new life to RFE/RL might be considered a vindication of some of the old CIA types, and hence must be avoided on internal political grounds.

Third, most of our current leaders have adopted a thoroughly masochistic view of the world, according to which any exercise of American will inevitably provokes hostility. Since they wish to avoid the hostility of other countries, our leaders have elevated stasis to the level of master strategy. They are opposed to ideological warfare because it generates resentment. It would not only enrage the Russians, but various Third World countries would also protest.

Last of all, it might be bad for SALT.

So the United States, which gave the world the modern radio, virtually invented mass media, and has more broadcasting talent by far than any other country, has opted out of the ideological struggle. One wonders whether our allies approve this decision. Early in September a new radio station began transmitting to the Middle East. Calling itself the "Voice of the Egyptian People," it stridently attacked Sadat for his "treasonous" cooperation with Israel and his support for Morocco's King Hassan in the war against the Algerian-backed Polisario Front in the Sahara. It called for solidarity with the Soviet Union. As of this writing, the locus of the transmitter is not known. Nor is its sponsor. But there are some pretty good guesses.●

TWENTY-FIFTH ANNIVERSARY OF THE SAN GABRIEL VALLEY DAILY TRIBUNE

HON. JIM LLOYD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 13, 1980

● Mr. LLOYD. Mr. Speaker, the San Gabriel Valley Daily Tribune in my district is celebrating its 25th—silver—anniversary on March 21. This aggressive daily newspaper has had a difficult task covering the rapidly growing San Gabriel Valley and has done so exceptionally well.

It has grown from a small weekly, the Covina Argus-Citizen, in 1946 to a circulation of over 90,000 daily. The Citizen was founded by Ontario Daily Report General Manager A. Q. Miller, his brother Carl P., and Corwin C. Hoffland.

As circulation soared, plans were drawn to make the Tribune one of the Nation's most complete and modern newspapers in the United States. Led by publisher F. Al Totter, a $6.2 million expansion and renovation program was launched. On March 25, 1974, the Tribune moved into its modernized offices in West Covina and became one of the leaders in newspaper computer technology. The Tribune went from hot type and a small rotary press to cold type, scanner, computer composition, plastic plates, and a Goss Headliner rotary press. Stories are now set by computers with an accuracy of 999 out of 1,000.

The Tribune's present very competent editing staff include: Fred Downing, managing editor; Bob Crowe, assistant managing editor; Maurice Compton, editorial page editor; Bob Evans, city editor; Bob Copperstone, assistant city editor; Barbara Tarshes, living today section editor; Bruce Denning, real estate and express editor; Joe Smilor, entertainment editor; Wayne Monroe, sports; Bob Boden, news editor; and Bill Freemon, community editor.

I applaud the Tribune's aggressive and forward looking style and know it will do even better in the next 25 years.●

LEBANON

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 13, 1980

● Ms. OAKAR. Mr. Speaker, may I take this opportunity to share with my colleagues a report by Terence Cardinal Cooke, Archbishop of New York, on his recent visit to Lebanon. I have found his report very interesting and noted his suggestions to help Lebanon coincide with my own concerns for the survival of this war-torn country.

The report follows:

REPORT OF TERENCE CARDINAL COOKE

To the vast majority of the American people, the internal situation and the suffering of the people of Lebanon seems a well-kept secret. Especially is this true in recent months, when Cambodia, East Timor, Somalia, Vietnam, Iran and Afghanistan have captured the interest of the media and the world. That is why I was pleased to accept the Maronite Patriarch's invitation when he, as president of the Association of Catholic Patriarchs and Bishops of Lebanon, asked me to come and visit his country. Between December 29th, 1979 and January 3rd, 1980, I was able to meet and converse with a number of Lebanese of various communities and faiths. I did so as the representative of the National Conference of Catholic Bishops of the United States and with their wholehearted encouragement. What follows is a summary of what I learned, together with a few suggestions which might be productive for the peaceful future of Lebanon.

Lebanon is an Arabic-speaking state on the eastern Mediterranean about four-fifths the size of Connecticut. One hundred and thirty miles long and twenty to thirty-five miles wide, it is bounded on the north and east by Syria and by Israel on the south. The security of its rugged mountain terrain has made of Lebanon historically the refuge of religious minorities who have sought safety there from persecution at the hands of the Byzantine, the Arab, and the Turkish empires.

Its longtime role as a refuge for the persecuted has made Lebanon today a rich mosaic of religious communities. Speaking in very general terms, the traditional home of the Maronites is the mountains east and north of Beirut; the Greek Christians have been concentrated in the north; Druze Muslims are in the mountains south and east of Beirut; Shi'ite Muslims have made their home in the south; Sunnite Muslims live in the north around Tripoli; Armenian Christians came to settle east and north of Beirut during and after the First World War. And all these confessional groups have large contingents living in and around Beirut, the capital city.

However, that general sketch falls short of presenting the real human geography. Each religious community has many of its members scattered here and there in other regions of Lebanon. For example, there are Shi'ite villages to the north, some two or three hundred thousand Maronite and Greek Christians live in the south, and so on.

Therefore it would be impossible, even if one wished, to divide or partition Lebanon geographically along confessional lines: the communities live together and side by side in an interlocking jigsaw pattern. Throughout history the harmony and prosperity of this richly varied Lebanese people have been proportional to the strength and justice of the central government. When the government has been weak or unjust, factional strife has arisen among the Lebanese, and foreign powers and interests found it easy to play upon religious differences in pursuit of their own interests and for the furtherance of their own influence in the region.

IMPORTANCE AND UNIQUENESS OF LEBANON

To envision Lebanon as merely a crossroads of cultures or gateway between East and West would be inadequate. Freedom, which has been Lebanon's traditional climate and spirit, making it a refuge for the persecuted, has also fostered initiative and adaptability of thought and action for which the Lebanese are famous. The freedom and independence of Lebanon must be restored and maintained because it is a world value. This has been a unique country with a society free and open in the sense in which the societies of Western Europe and the United States are free and open. Lebanon historically has nourished geniune pluralism on the basis of mutual respect among its diverse cultures and communities.

Christians have a more particular reason to appreciate Lebanon. For this little country is perhaps the one place in the world where Christians and Muslims can live together without one community dominating the other numerically and politically. In Lebanon they have been able to meet as equals and therefore speak to and learn from each other in an atmosphere of freedom which is essential for the formation of real and solid friendship.

What future political settlement Lebanon should have is best left to the Lebanese to arrange for themselves. Time and again during my brief visit, Lebanese people of every community and region have repeated to me: "The violence here has happened because of outside interests and interference. If the Lebanese were left again to themselves, all could be peacefully and amicably arranged." We non-Lebanese owe it to them to protect their freedom to agree upon their future for themselves.

To try to recount the unhappy history of Lebanon's past five years in this report would be unrealistic. Each side has its own version of the troubles and their causes. Prescinding from external causes, it suffices to say here that the strength or justice of the central government was perceived as wanting, and that blame for the breakdown of order belongs to no single party. All have injuries to forgive and mistakes to be sorry for. What concerns us is the present and the future, the need for and the means to reconciliation.

THE PRESENT SITUATION

Thousands of Lebanese families mourn their loved ones, victims of the violence that broke out in 1975. Destruction of property is still visible nearly everywhere.

Even now the Lebanese state can hardly be called master in its own house. The north and east are controlled by the Arab League Peacekeeping Force, which is in fact the Syrian army together with some Palestinian troops under its command. Much of the south is controlled by the various Palestinian forces, with other parts being held by the Syrian army. A strip of territory along the southern border is held by Lebanese militiamen who are supplied with foreign arms. Between these and the Palestinians is the United Nations Peacekeeping Force. The west-central part of the country is controlled by the Lebanese army and Lebanese militia forces. The former commercial district in central Beirut is in ruins and still serves as a no-man's-land between the eastern (Christian) and western (Muslim) halves of the city.

The Lebanese people in all sections live from day to day as best they can in an uncertain environment. Their endurance, resilience, resourcefulness and courage are amazing and admirable. But the present difficulties must not be allowed to continue, or even the strongest Lebanese will find them intolerable.

CAUSES

While the internal causes of the present situation are best left to the Lebanese themselves to recognize and to remedy, they cannot do this unless the external pressures upon the land and people of Lebanon are named and dealt with.

The people of Lebanon, Christian and Muslim alike, have identified a number of these pressures and their sources. This is how they perceive them.

It was said to me on all sides, both by Christian and Muslim, that one of the basic causes of the Lebanese problem is the world's failure to provide a Palestinian homeland. The Syrian army is in Lebanon at least partly because of the Palestinian problem, and the Palestinians are there as refugees from Israel.

Lebanon has become a battleground for external forces. Israeli forces and Palestinian forces have made the southern portion of that unfortunate land almost a desert. The armed Palestinian presence and the Israeli incursions into Lebanon are interposed foreign elements blocking the internal reconciliation of Muslim and Christian Lebanese.

Indeed the possibility of the long-term settlement of the Palestinians in Lebanon is seen by Lebanese in general, both Muslim and Christian, as a mortal danger for Lebanon. Both geographically and socially there is simply no room for them.

The Lebanese people are convinced that their lives, property, and sovereignty will never be safe until the Palestinians are given a homeland somewhere outside of Lebanon. And the Palestinian forces, as long as they are free to operate from Lebanon, will not cease their attacks upon Israel, which draw massive reprisals upon the Lebanese population of the south as well as on the Palestinians.

In all regions citizens live more or less in fear and insecurity. It is often said that the state does not exist. However, the state does exist, and none but the Lebanese themselves, given the proper conditions, can make it effective.

The point must be made that the rule of law, Lebanese law by the Lebanese themselves, must rapidly be restored throughout the land. This means supporting a strong central government, its institutions, its laws, its police, its army. Difficult decisions will have to be made by Lebanese leaders. But if they can be set free from the pressure of non-Lebanese interests, the nation's leaders will be free to find a way to the compromises necessary to remake their country on a new and durable basis. Bitter lessons have been learned from these past few years. Forms and safeguards will have to be found to prevent it all from happening again, but this should not be beyond the ingenuity of the Lebanese when they are given the opportunity to guide their nation's destiny.

POINTS OF AGREEMENT

In conversations with a variety of Lebanese of different communities and faiths, I have found general agreement on the following points.

1. The unrest and violence in Lebanon is not principally due to religious strife or so-called conflicting confessional interests.

2. The causes of the Lebanese problem are perceived as arising from external pressures exerted by neighboring states.

3. Settlement of massive and disapportionate numbers of the Palestinians in Lebanese territory, especially "armed Palestinians," is seen as a grave danger for Lebanon.

4. A homeland must be found for the Palestinians.

5. The United States should continue to exert its undoubted influence to persuade Israel to make the concessions necessary for a just and peaceful solution to the Palestinian problem.

6. Christians of the Western world should take a particular interest not only in the survival of Lebanon, but in the protection of their basic human rights, civil and religious, as the Lebanese people strive for justice and peace.

SUGGESTIONS FOR HELP

Certainly the Lebanese people need massive aid, both public and private, to recover from the war. The feeling of the Lebanese people is that they have been abandoned and forgotten. In addition to the presence of the Palestinian refugees there are hundreds of thousands of displaced Lebanese people, in a country of only 2,800,000 people who have suffered through five years of violence and destruction. The Catholic Near East Welfare Association working through the Pontifical Mission, and also the Catholic Relief Services/USCC, have been helping and I hope their efforts can be increased. More important is that we express our concern for and our solidarity with the Lebanese people at this time.

However, to rebuild their country the Lebanese need a political settlement. If someone were to ask me what I, as an American citizen, think my country should do for Lebanon, I would reply that of course there is much the United States cannot do. It cannot make the Lebanese agree among themselves. But it can exert its influence to free the country from foreign occupation and interference so as to give the Lebanese the climate, the freedom, the chance to come to an agreement among themselves. Specifically I would say:

1. The United States should do all it can to support and strengthen the central government of Lebanon. Partition of the country along confessional lines would be disastrous. It would make the Muslim minority in the Christian part and the Christians in the predominately Muslim part virtual hostages of their neighbors. Any moral or temporal help that is given to maintain sovereignty or geographical borders must be based on the preservation of the human rights of all.

2. Simultaneously the United States should do all it can to persuade Syria to withdraw its forces in an orderly manner from Lebanon so that they can be replaced by the Lebanese army, step by step, over the whole of Lebanese territory.

3. The United States should exert its utmost influence simultaneously on the state of Israel and on the armed Palestinian organizations for a mutual cessation of hostilities in the south of Lebanon.

4. The United States should absolutely reject and oppose any plan to make Lebanon a substitute homeland for the Palestinians. It should use its influence to obtain a homeland for the Palestinians, but not at the territorial expense of Lebanon.

5. The United States should be ready to use its influence at the United Nations to guarantee any internal settlement freely arrived at by the Lebanese themselves. It is presumed that such an internal settlement would allow Lebanese of all faiths, or no faith, to live together as one nation in full liberty of conscience and with mutual respect and equality.

In summary, we must continue to call upon the United Nations and the International Community to aid, in every way possible, a peaceful solution to the problems of the Lebanese people. Our fellow citizens, sensitive to the plight of Lebanon, must respond with generous financial and moral support through governmental and private agencies. Our President and his associates should be encouraged to intensify diplomatic efforts and our religious bodies should seek to discover new initiatives in maintaining the unique presence of Lebanon enabling its citizens to live in peace.●

RESOLUTION ON IRAN

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 13, 1980

● Mr. FINDLEY. Mr. Speaker, the gentleman from Iowa, Mr. GRASSLEY, and I have introduced a resolution, House Joint Resolution 505, designed to increase U.S. leverage over the situation in Iran and obtain the release of the hostages. It is simple and straightforward. It merits the attention and support of our colleagues in the House of Representatives.

First. It authorizes the President to seize Iranian assets which the United States previously impounded.

Second. It encourages the President to demand the release of the hostages by a specific date which he is to determine.

Third. Each day beyond that date which the hostages are held, the President would be authorized to capture $50 million from the Iranian assets. The longer the hostages are held beyond the designated release date, the more costly it becomes to Iran.

This resolution is not binding on the President. It does not interfere with his handling of the Iranian crisis. It merely gives him the authority to take certain punitive steps and encourages him to do so.

Respected international lawyers, economists, and foreign affairs advisers have reviewed this proposal and declared it sound and workable.

Moreover, there is a great need for this approach at a time when the United States appears denuded of leverage.

The United States agreed to the U.N. Commission which collapsed. Presidential emissaries were refused entry into Iran. The United States put the Shah out of the country. The United States forswore use of force against Iran. The United States promised economic sanctions against Iran but postponed imposing them. The United States announced it was throwing Iranian diplomats out but has not made them leave.

The Iranian authorities, Khomeini, and the militants holding our Americans have dealt us humiliation after humiliation. We have been lied to and doublecrossed. Iran has treated this whole country with contempt and 50 of its citizens severely and unjustly. And the United States has demonstrated that it will do nothing to protect those citizens or its honor.

Despite the fact that the United States has done all it can to be conciliatory, we have received continuous rebuke and scorn from Iran. Now we are told we must wait until April or May for the outcome of "parliamentary" elections and judgment. Previously, we only had to await the results of a Presidential election for the resolution of the crisis. As we sit on our hands and wait, the physical and psychological abuse of our fellow Americans goes on. Is our only response one of patience?

No. It is now time to put pressure on Iran. Admittedly, this resolution is a small step—it offers only the opportunity for a little pressure. But it is a step in the right direction. It is something—a lot more than we have now. And it comes at an appropriate time—just after the ayatollah has torpedoed the U.N. Commission.●

AMERICAN CITIZENS ABROAD

HON. BILL ALEXANDER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 13, 1980

● Mr. ALEXANDER. Mr. Speaker, I would like to continue with issue 27 of the report compiled by the American Citizens Abroad. This issue deals with the taxation of Americans abroad which is crucial to their survival overseas.

The material follows:

ISSUE NO. 27

The corporation then agrees to pay all of the overseas tax that the individual would have to pay on this aggregate income, and to pay the additional U.S. tax, if any, that would be due since the aggregate income abroad is far higher than the base upon which the U.S. equivalent tax is withheld. This leads to a very rapid spiraling of costs abroad, because the tax payments to the foreign govenment for the salary of the first year must then be added to the taxable salary the following year. Each year the burden gets larger.

A different tax compensation problem arises because of the need to make allowance for the way the individual's unearned income is taxed at home. If the individual has unearned income, and if he would be in a less than 50% tax bracket at home, but because of inflated dollar values of the overseas salary his income now is in the 50% bracket, many companies will give some indulgence to the extra tax that has to be paid on the unearned income. Others will not, and in this case the individual will suffer. The case is far worse when the American is married to an alien and the alien spouse has a considerable amount of overseas income, either earned or unearned. For, not only does the United States want to tax its overseas citizens, it also tries to tax citizens of other countries living abroad if they have married an American citizen. If the alien does not file a joint tax return with the American spouse, the American will have a marginal earned income tax rate that reaches 70%!

Thus, overseas American companies, alone among all of the companies competing around the world, cannot structure their overseas salary practices on the basis of the going wages in the overseas markets. They must build and administer these tax protection schemes.

Eighth, the loss of an American employee abroad can have a very dire consequence on the economic health of the United States even within an American company abroad. It has been maintained by some that it really makes no difference whether an American company employs an American citizen abroad or a foreigner to do the same job. ACA was recently told that one American company that has manufacturing subsidiaries in a number of countries overseas has an ongoing battle to keep products flowing from the United States when these are in competition with the production of the same products abroad. One senior American in this company reported that he spends considerable amounts of time keeping the foreign subsidiaries run by foreigners from refusing orders that will mean exports from the United States rather than sales from their subsidiaries abroad. If this American is replaced abroad the defense of the interests of the American production facilities will be severely diminished. This same company has been forced to reduce its overseas American staff during the last several years and the problems today can in part be attributed to the decreased presence of Americans abroad in this company.

Ninth, U.S. practice of subjecting all income whether earned or unearned to U.S. taxes means that in cases of conflicts of tax sovereignties it is always the individual American who loses. Some overseas countries are starting to tax their residents on their worldwide incomes. Tax incentives that may be enjoyed by Americans at home, such as municipal bonds that are exempt from Federal tax, will be liable to taxation by the foreign govenment. Taxes abroad that have a name that differs from the one used in the United States, although the function is very similar, will be simply defined as not a tax for allowable credit purposes by the United States. Deductions that are allowed abroad are rarely congruent with those that are allowed at home. In each such case, it is the American citizen who suffers from the sovereignty incompatibility.

ACA's question: Having identified the myriad unfortunate consequences of having a uniquely heavy burden of double taxation for Americans who live and work abroad, ACA asked the President why it was in the interest of the United States to be treating its overseas citizens this way?

The President's reply: The President chose not to address this question. He replied: "Many correspondents objected to the tax revisions in the Foreign Earned Income Act, enacted last year (1978). It is frequently alleged that those revisions, especially in the income exclusion provision, will have detrimental effects on the ability of American business to hire American citizens to work abroad, which in turn may result in reduced American exports or reduced profits earned abroad by American business. This report does not address this matter because its purpose is to focus on the issue of discrimination; because the Commerce Department and the Senate Committee on Banking, Housing and Urban Affairs have recently studied U.S. export policy in depth; and because, after protracted consideration by Congress and the Administration, the new tax law was enacted just months ago."

The President failed to add a few supplementary facts. First, when the Commerce Department carried out its study on promoting exports it wanted to address the question of tax treatment of overseas American citizens. It was blocked from considering this question by another Department of the Cabinet.

Second, the President failed to mention that he had urged the Congress to resolve outstanding tax issues involving Americans abroad and then when the 1978 Tax Reform Act was passed he found their provisions too generous! Indeed, we have been told that the President instructed the Secretary of the Treasury to interpret the overseas tax changes "as strictly as possible" and only on that basis was he approving them. This was the incentive to the Treasury Department to give definitions to camps that would qualify abroad for the special income exclusion provisions of the 1978 law in such a manner than almost no camp anywhere in the world could qualify.

Third, the President's premise that the present law needs no further analysis because the Congress and the Administration have just spent considerable time on this question is of dubious historical value for dismissing its importance. The Congress has not been able to deal definitively with this problem since taxation of income first was instituted. Indeed, in 1926 the Congress decided that to promote foreign trade overseas Americans should not have to pay any U.S. tax on any of their overseas earned income. While modifications of this basic policy were made over the following decades in terms of defining what qualified as a foreign residence in terms of location or time abroad, the basic idea of a full income exclusion remained U.S. policy for thirty-six years. It was not until 1962 when in a zeal to stop the abuse of these provisions by a few movie stars that the Congress placed a ceiling on excludable foreign earned income. Two years later the ceiling was lowered. Finally, in 1976, the exclusion was for many overseas Americans effectively abolished.

Thus, when the international economic order was undergoing a profound change after which every Western country would have great new oil import costs to balance with much greater export efforts, the United States chose not to address the problem of how to increase its exports, but rather chose to carry out a major attack on an alleged unjustified tax advantage being enjoyed by Americans abroad. Congress closed this "loophole" in 1976 thereby overnight tripling the average amount of U.S. tax that had to be paid by the U.S. taxpayer trying to compete abroad. It is not difficult to understand why our export performance was even less enthusiastic after this blow than before.

The President did not tell us either that while we were on this loophole closing crusade at home our major competitors were carrying out major studies of how they could induce more of their own citizens to live and work abroad. Nor did he tell us that these other countries expected their overseas citizens to be able to compete from as favorable a position as possible and thus required no tax from them on either their overseas earned or unearned incomes. In addition many countries gave new subsidies to overseas education, expanded social services abroad, gave new human rights guarantees, etc.

The President chose not to tell us that one of the reasons that the Congress and the Administration had to spend so much time in 1978 on the taxation of overseas Americans issue was to undue the damage that had been caused in 1976. Nor did he tell us that part of the reason for this damage was that the Treasury Department misled the Congress in 1976 into thinking that the impact of the loophole closing would be small whereas in actual fact the impact was ten times what Treasury had predicted!

Finally, the President did not tell us how the enormously complicated tax reform provisions of 1978 are supposed to help make overseas Americans more competitive around the world. In actual fact, some Americans abroad are less competitive today than they were under the disastrous provisions of the 1976 Act. Many are not even as well off as they were under the provisions of the pre-1976 Act. We are most alarmed by the complacency manifested by the reply that was given to this crucial question in the President's first report.

ACA's renewed question: There are a number of very basic questions that need to be addressed as a matter of great urgency by the President.

What competitive position should overseas Americans have when faced with individuals of other nationalities in the major markets of the world? Should Americans, as individual citizens, have to carry unique extra cost burdens, and if so why? If they should not have to carry such economically disqualifying burdens, what recommendations does the President have for new legislation from the Congress on the taxation of Americans abroad?

Finally, there is the intriguing, and unanswered, question of why obligations of Americans are based upon citizenship but rights and benefits are defined by residence? What definition of equitable treatment implies such a double-standard for U.S. policy?

We appeal for redress, and do so in the name of the economic health and welfare of all Americans. ●

FURTHER INTO THE ARMS OF OPEC

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 13, 1980

● Mr. KEMP. Mr. Speaker, today we are about to pass the biggest tax increase in American peacetime history. The American people, not faceless oil companies, will pay for this tax when U.S. energy production drops further, our dependence on unstable oil sources climbs higher, and the oil tax revenues are cycled through the Government spending mill.

They will pay again when this tax weakens our domestic refining industry, as Bruce Bartlett and Stuart Sweet pointed out in a recent Wall Street Journal editorial. I would like to put their excellent and important analysis into the RECORD at this time. I ask that all my colleagues take time to consider their arguments before voting on this dangerous new tax.

The article follows:

[From the Wall Street Journal, Jan. 22, 1980]

FURTHER INTO THE ARMS OF OPEC

(By Stuart Sweet and Bruce Bartlett)

When President Carter proposed and the Congress later approved the so-called windfall profits tax on domestic oil companies the assumption was that there will be a windfall to tax. Further analysis, however, indicates differently.

Due to a misunderstanding about the economics of the domestic petroleum industry and the economics of world oil prices the Congress will be imposing a windfall profits tax on nonexistent profits. The result will be that the tax will be paid out of current profits, rather than an anticipated windfall accruing from decontrol. The consequences will be disastrous for the domestic oil industry, driving the U.S. further into the arms of OPEC while seriously undermining U.S. refining capacity and bankrupting many independent gasoline dealers.

The critical error made by the President and the Congress is the belief that consumers have benefited from oil price controls by paying prices for petroleum products which are significantly lower than they would have paid in the absence of controls.

As Rand Corporation economists Charles Phelps and Rodney Smith noted on this page in 1977, after imposition of crude oil price controls in 1971 and the entitlements system in 1974 retail prices did not go down. Conversely, it is assumed that the additional revenues to be received by the oil industry will come at the expense of consumers through higher gasoline prices.

LINKS IN THE CHAIN

What they forget is that there are several links in the chain between the price of oil at the wellhead and the price of gasoline at the pump. Domestic oil producers will indeed receive some $800 billion in additional revenues before taxes between 1980 and 1990 because of decontrol. But because the major oil companies are fully integrated 95% of what they gain on the production end will be lost at the refining and marketing end of their operations.

In a letter to Senator Jake Garn, Energy Secretary Duncan stated that only one-half to two-thirds of the higher costs that refiners will pay for domestic oil will be passed on to the next link in the chain, wholesalers. Thus refiners will only be able to pass on $400 billion to $520 billion of the $800 billion more it will cost them to buy domestic oil during the 1980s.

Will wholesalers be able to pass on the $400 billion to $520 billion extra that they will have to pay for refined petroleum products? The answer is no, because jobbers, the wholesalers' customers, have alternative sources of supply. They do not have to pay the extra $400 billion to $520 billion. Instead, they can go into the world market to buy the product they need.

A jobber who is unhappy about paying higher prices charged by domestic wholesalers can order supplies from foreign refiners—perhaps new OPEC refineries, a development foreshadowed by the recent agreement between Saudi Arabia and British Petroleum for the Saudis to lease BP refineries.

Indeed, many jobbers are already steady customers of Caribbean refineries and also active buyers on the world spot markets. What they find is that prices for gasoline on the Rotterdam spot market are frequently lower than those charged on the domestic spot market, where they should be lower due to price controls and entitlements. The following table shows recent spot market prices for gasoline in Rotterdam and New York.

SPOT MARKET PRICES FOR MOTOR GASOLINE

[Dollars per barrel]

	Rotterdam	New York
1979:		
Oct. 19	41.79	41.89
Oct. 26	42.91	43.68
Nov. 2	42.61	45.78
Nov. 9	47.30	47.88
Nov. 16	47.19	47.04
Nov. 23	47.19	49.14
Nov. 30	47.89	50.40
Dec. 7	48.94	50.82
Dec. 14	49.53	49.14
Dec. 21	49.06	48.30

Source: Department of Energy.

With international storage tanks brimming and world crude oil production now exceeding demand by about one million barrels per day, wholesalers will be unable to charge more than the world price for refined products. The effort to recoup their costs will fail. To stay in business domestic wholesalers will have to price competitively with the world market. Just as there is a world market for crude oil, there is one for decontrolled petroleum products, governed by the "law of one price."

Consider also that prices for gasoline are constrained by consumer resistance. Domestic gasoline consumption is down five percent from last year, creating slack in the market. DOE regulations permit gasoline retailers to have a profit margin of up to 16.1 cents per gallon, yet dealer margins now average 13 cents per gallon, according to the Lundberg Letter, compared to 6 cents per gallon a year ago. Competition, not DOE regulations, is setting prices.

For this reason some analysts at the Department of Energy itself have projected that total decontrol would not add anything to the price of gasoline. In October 1979, C. Roger Glassey, assistant administrator of the applied analysis section of the Energy Information Administration, told a House intelligence subcommittee that if decontrol occurred "the price increase would not be very great if (any) at all." In other words, Mr. Glassey said, "the market is clearing."

Other analysts foresee an increase in gasoline prices at the pump. But unless one is willing to project a massive increase in gasoline prices from decontrol at least 20 cents per gallon the oil companies will never recoup the tax. Most analysts project a price increase in the neighborhood of between 3 cents and 7 cents per gallon. This means the oil industry as a whole will only recoup $35 billion to $82 billion of the $228 billion windfall profits tax it will have to pay.

Thus we are left with the conclusion that decontrol cannot lead to an industry-wide increase in revenues sufficient to recover the windfall profits tax and net profitability will plummet.

What will happen is that some large profits will be made at the production end—independent producers will make about $160 billion, according to the Independent Petroleum Producers Association, and state and local governments will make about $128 billion from royalties and severance taxes—but these profits will come at the expense of oil refiners, who will have to pay more for crude oil, and marketers, who now receive historically high profit margins that are eroding rapidly.

If industry-wide revenues rise by $35 billion, where will the windfall tax revenues of some $228 billion that the Congress and the President demand come from? It will come from current profits. Since the oil industry does not make profits greater than those of other industries as a percentage of equity, despite large nominal profit figures, the effect of the tax will be to drive down profitability in the oil industry as a whole. The large integrated firms will be hit hardest.

What the windfall profits tax/decontrol program turns out to be is a punitive tax on refining and marketing. In terms of national policy the most important effect will be to shift refining out of the United States, where it will no longer be profitable, possibly into the arms of OPEC.

As noted earlier, OPEC is already moving into the refining business. If it corners world-wide refining we will lose one of the only levers we have with which to exercise control over OPEC's monopoly pricing power.

THROWING AWAY LEVERAGE

As it is, their oil is worthless unless it can be refined. And almost all refining capacity is at present in the industrialized countries. Yet, we are about to throw that leverage away in a frenzy of vengeance against the oil companies. In the process, OPEC will acquire control over two choke points—crude oil production and refined product supply—instead of the present one.

How does OPEC's pricing policy affect this analysis? We already assume, as the Congress did, that OPEC prices will rise 3% faster than the U.S. inflation rate over the 1980-1990 period. If they raise their prices faster it will mitigate the effects of the windfall profits tax on the oil companies, but the country as a whole will suffer from higher energy costs. On the other hand, if OPEC does us a favor and does not increase oil prices in real terms the oil companies will never come close to being able to pay the tax and we will have destroyed the domestic oil industry. Either way we lose.

Much criticism of the windfall profits tax has centered on the reduction in domestic oil production. Our analysis indicates that such fears may be overexaggerated, especially since independent producers—who find most of the domestic oil and gas—will benefit significantly from decontrol.

However, the domestic refining marketing industry will be devasted. We are going to see less domestic refining, fewer gasoline dealers, long gas lines, and greater dependence on OPEC, not only for crude oil but refined products as well. In the end, we would have been better off by leaving controls on the oil industry and having no windfall profits tax.●

PEOPLE ENSLAVED BY SOVIET COMMUNISM CONTINUE TO FIGHT FOR FREEDOM

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 13, 1980

● Mr. BAUMAN. Mr. Speaker, few are better aware of the true nature of communism than those who have witnessed it come to power or have suffered under it firsthand.

Last month, more than 20 organizations of freedom fighters, united into the Coalition for a Free Russia, protested at the United Nations in New York against the naked aggression of the Soviet Union toward Afghanistan. The coalition included organized nationalities whose homelands are either now under Communist enslavement or which are in danger of it. Afghans, Russians, Pakistanis, Ukrainians, Tartars, Circassians, and others, including Jewish, Christian, and Moslem leaders, pointed out that they represent the true feelings of the anti-Communist majority of Russia and the other captive nations. The protest also had the support of the Alliance for Freedom, a special project of the American Conservative Union.

Mr. Speaker, I believe that these courageous defenders of liberty have rendered and continue to render an important service to the American people by reminding them that the spirit of resistance to Communist tyranny is alive, and that this Nation and its allies must be prepared at all times to guard our own freedoms, lest we too some day discover that we are the next "Afghanistans."

Accordingly, I am pleased to commend the coalition's statement released at the time of its demonstration to the attention of my colleagues, and request that it be inserted in the RECORD.

The statement follows:

COALITION FOR A FREE RUSSIA

We, Russian-Americans in the United States have gathered here in front of the United Nations to express our deep and utmost indignation about the criminal invasion of Afghanistan by Soviet-communist aggressors, and also the unlawful seizure of our diplomats by the marxist terrorists in Iran.

We want the whole world to know that only marxist-communists are responsible for all of the atrocities already committed, and for all those presently being carried out by the international communist conspiracy.

The people of Russia were the first to offer resistance to this criminal ideology in 1917. Receiving no help from the outside world, they were eventually forced to admit defeat. However, the struggle of the Russian people, and all other nationalities comprising the Russian Empire, against communist domination cost the Russian nation 100 million lives.

Let us not forget—after World War II five million Russian anti-communists were forcibly repatriated by the Allies back into the clutches of communist jackals, who proceeded to totally annihilate them.

Let us not forget the word "anti-communist" is presently unpopular in the United States. We Russian anti-communists, are purposely ignored and misunderstood by the liberal American media, which continues to misrepresent and defame our history and culture.

We assert once again the USSR and Russia are not the same, and "Soviet" is in no way synonymous with "Russian."

By supporting our never-ending war against international communism the world will obtain a true and sincere friend and ally in the newly liberated Russian nation.

The member organizations of the Coalition for a free Russia demand the immediate expulsion from the United Nations of the unlawful Soviet representatives, and the removal of the bloodstained Soviet banner from the ranks of the flags of free nations.

Soviet representatives in the UN are merely agents of the international Marxist-communist conspiracy.

Down with Soviet aggression in Afganistan!

Freedom for our hostages in Iran!

Total embargo against the KGB!

Brotherly help to the enslaved Russian people!●

AMENDMENTS TO FOOD STAMP ACT PROPOSED

HON. WILLIAM M. THOMAS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 13, 1980

● Mr. THOMAS. Mr. Speaker, we are hearing a great deal of talk these days about balancing the budget and curbing inflation. The President is about to submit his second-guess budget, and Members of both parties are searching for areas where the budget might be reduced. In my opinion, several changes in the food stamp program offer ample opportunity to achieve a reduction in the cost of the program while at the same time putting the program recipients on a more equitable footing with recipients of other assistance programs.

The bill which I am introducing today amends the Food Stamp Act of 1977 by directing the Food and Nutrition Service to adjust food stamp benefits annually rather than semiannually and to adjust the standard deduction indexation just once a year rather than twice a year as under the current food stamp program.

Quite simply, this legislation puts food stamp recipients more on a par with other public assistance recipients. The elderly, blind, and disabled supplemental security income recipients, for instance, receive benefits which are indexed for inflation only once a year. Likewise, social security benefits are indexed annually. In my mind, there is no reason whatsoever to give food stamp recipients the additional cost-of-living adjustment which recipients of these other programs do not get.

According to the Congressional Budget Office, the annual indexation of the allotment would save $170 million in fiscal year 1981, and the indexation of the standard deduction would save $60 million in fiscal year 1981.

I offer this language for the purpose of illustrating that responsible and reasonable actions are open to the Congress if we want to reduce the budget and eliminate waste. There are numerous other areas which can be defended on the basis of cost-effectiveness and equity, and I intend to pursue these matters when we look at reauthorization of the food stamp program next year. However, in the meantime, there are several very blatant issues which should be pursued now, and I offer this bill in the hope that two of them can be dealt with now.●

EUROPE ON THE PALESTINIAN QUESTION

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 13, 1980

● Mr. FINDLEY. Mr. Speaker, six European nations have, for the first time, publicly called for Palestinian self-determination. France, West Germany, Great Britain, Belgium, Ireland, and Luxembourg have stated that the Palestinians have a right to self-determination within the framework of a negotiated settlement.

There are, in addition, other signs of a growing European recognition of Palestinian rights and concern for this issue which is central to achieving peace in the Middle East. Lord Carrington, the British Foreign Minister who so successfully negotiated a settlement in Zimbabwe-Rhodesia, has announced that he plans to seek an amendment to U.N. Security Council Resolution 242 to remove the term "refugees," replacing it with "the legitimate rights of the Palestinian people."

France has taken its approach to the Palestinian question one step further. On March 12, the government of President Giscard d'Estaing formally endorsed the participation of the Palestine Liberation Organization in Middle East peace talks and the Palestinian people's right to self-determination.

In an official communique, the French Government stated that a Middle East settlement—

> [m]ust be based on two universal and complementary principles which are for each state the right to security and for each people the right to self-determination.
>
> Each state in the region, in particular the State of Israel whose preoccupations in this field are legitimate, should be able to live in peace within sure, recognized, and guaranteed frontiers, which implies Israeli withdrawal from Arab territories occupied since 1967.
>
> The Palestinian people, whose aspiration is to exist and organize itself as such, should be able to exercise its right to self-determination within the framework of a peaceful settlement.
>
> All parties should on this basis be associated with the negotiations and notably the Palestinian people, and this implies the participation of the Palestine Liberation Organization.

The Palestinian question remains central to a peaceful solution in the Middle East. For peace to exist, a definition of Palestinian rights is essential. It will not be easy, of course, to formulate such a definition because Palestinian rights and Israeli rights must coexist, not conflict. The process may be all the more difficult, in some respects, because Palestinians must participate in defining their rights. However, if they do not participate, any attempt to describe or define their future in the Middle East will be a worthless exercise. Formulas imposed upon peoples are rarely accepted by them and, therefore, are unworkable.

There is growing recognition of this fact in the United States as well as in Europe. A New York Times poll of November 1979 showed that 42 percent of Americans surveyed favored talking to the PLO while an October 1979 Los Angeles Times poll showed that 59 percent thought the United States should engage in a dialog with the PLO. As the Los Angeles Times also indicated, sentiment in favor of such communication did not indicate lack of sympathy with Israel. The overwhelming majority of Americans continue to sympathize with Israel.

Indeed, talking to the PLO would not indicate approval of the PLO but merely the recognition of the fact that it is a significant political force in the Middle East and that a solution to the Palestinian question will be necessary in order to achieve a Mideast peace.●

STATE DEPARTMENT HUMAN RIGHTS REPORT DRAWS IRE OF IRISH AMERICANS

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 13, 1980

● Mr. BIAGGI. Mr. Speaker, the recently released 1979 human rights report compiled by the State Department has evoked a strong negative reaction among Irish Americans because of the cursory examination which the human rights issues in Northern Ireland received.

The Irish National Caucus, a national organization dedicated to peace, justice, and human rights in Ireland has prepared a critique of the report which I would like to place into the RECORD. The national director of the caucus, Father Sean McManus, charges in the critique that the report ignores some of the more blatant violations of human rights which in fact have been documented by such respected international organizations as Amnesty International.

As chairman of the 132 member Ad Hoc Congressional Committee for Irish Affairs, I too am cognizant of a major omission from this year's report. In July it was disclosed that the State Department had approved the sale of 3,500 weapons to the Royal Ulster Constabulary, the main police force in Northern Ireland. This was done despite the fact that the RUC had been cited by Amnesty International and later by a British Government appointed panel for inhumane treatment of prisoners and prison suspects. I went to the House floor to challenge this sale on the grounds that it was in seeming conflict with section 502(b) of the Foreign Assistance Act of 1961. My challenge took the form of an amendment to the State Department appropriations bill and it was withdrawn after the chairman of the House Foreign Affairs Committee agreed to investigate the situation. Following a hearing conducted by the committee, the Department announced they had suspended all license applications for weapon shipments to the Royal Ulster Constabulary. This suspension was pending a full review of U.S. policy toward Ireland.

To this date the suspension remains in effect and in fact was reaffirmed by President Carter during his December meeting with Britain's Prime Minister Margaret Thatcher. The challenge to the sale was raised on human rights grounds. The fact that the State Department responded in the fashion they did indicates that the original premise was correct. Yet there is not one mention of this in the entire human rights report. This is a glaring omission.

I urge my colleagues to examine the issues raised in the caucus' critique and then I recommend that we band together to convince the Department of State to apply a consistent standard in their advocacy of human rights.

On the eve of St. Patrick's Day I renew my hopes that peace and justice can be restored for all of Ireland. I call for an end to all violence—civilian or official—and a renewed commitment to the cause of human rights.

The article follows:

CRITIQUE OF THE U.S. DEPARTMENT OF STATE'S "COUNTRY REPORTS ON HUMAN RIGHTS PRACTICES FOR 1979" (WITH REGARD TO NORTHERN IRELAND)

(By Father Sean McManus, National Director, Irish National Caucus, February 1980)

The reports on individual country human rights practices were prepared by the Department of State in accordance with sections 116(b) and 502(b) of the Foreign Assistance Act of 1961, as amended. They also fulfill the legislative requirement of section 31 of the Bretton Woods Agreement Act.

INTRODUCTION

In a letter to the Editor, the Washington Post, February 15, 1980, the Assistant Secretary of State for Human Rights and Humanitarian Affairs, Ms. Patricia M. Derian, makes a strong defense of the Department of State's "Country Reports on Human Rights Practices for 1979". Ms. Derian enunciates the criteria which she claims the Department of State uses in compiling these reports. She poses the challenging question "Do you advocate a rewrite of a human-rights report because you want something from a country? They wouldn't be reports; they'd be propaganda and any thought of integrity would be lost . . .". She continues, "Do you mean that we should wink at governmental gross violations of human rights because we want a vote at the United Nations?"

The Irish National Caucus applauds this criteria and high ethical standard. Unfortunately they are not applied to the report on Northern Ireland (United Kingdom), (pages 690-699). This is a classic example of what Ms. Derian says the Department of State ought not to do. It is a "rewrite" of a human rights report; it "winks" at gross violations of human rights in Northern Ireland. It is not a "report"; it is "propaganda".

The fundamental "rewrite" consists in the fact that the State sets the scene and premise for their Reports on South Africa and Northern Ireland:

South Africa.—"The governing reality of life in the Republic of South Africa is apartheid . . . The black, colored and Asian majority suffers pervasive discrimination in all areas of life; their basic human rights are systematically violated." (page 181)

Northern Ireland.—"The long traditions of the British people on matters of fair play, legal safeguards and individual rights are brought to a test by the situation in Northern Ireland." (page 690)

Talk about stacking the deck, or to use Ms. Derian's phrase, a "rewrite"! Where, by the way, has this "long tradition" of the British been demonstrated? In America? In Africa? In India? In the Middle East? Where? How is this assessment of the traditions of the British on human rights compatible with former U.S. Ambassador to the United Nations Mr. Andrew Young's statement that: "If the British did not quite invent racism, they certainly institutionalized it."

DISCRIMINATION

Compare, also, the way the two Reports deal with discrimination. On South Africa: In addition, the present Government has indicated a willingness to engage in dialogue with a range of black, colonial and Asian leaders, including a number of moderate anti-Government figures, but so far little concrete or specific has emerged on what fundamental political reforms the government has in mind. Meanwhile, on a daily basis the average black South African perceives very little change in existing patterns of discrimination or the denial of rights." (page 183)

This last sentence is so applicable to the average member of the minority community in Northern Ireland. Now see, instead, how the Report "rewrites" discrimination in Northern Ireland: "Further corrective legislation has been passed by the British Parliament since direct rule was imposed in 1972. The main advances in legal protection since 1969 include: single-member districts, an abolition of voting limitations based on wealth or property ownership; prohibition of religious or political discrimination by a level of government; establishment of a Commission for Complaints to deal with grievances against local Councils and public bodies; establishment of a central housing authority to meet the problem of sectarian discrimination in housing allocation and launching of new housing projects; prohibition of discrimination in employment and establishment of a Fair Employment Agency to promote equality of opportunity; a special effort to recruit more Catholics into the civil service and police." (page 697, 3.A)

Doesn't that sound marvelous? It's almost as if the Department of State was writing a tourist ad to attract the blacks in South Africa to Northern Ireland. And what is the reality? The reality is that just about the same time the Department of State issued this Report, the Fair Employment Agency, referred to above, issued their report, which is quite different from the glowing report of the Department of State (as quoted above). In fact, the Fair Employment Agency reports that the plight of the Minority Community is now worse than even. The British magazine, The Economist, January 26, 1980, commenting on this said: "Earlier research showed that the unemployment rate for Catholics was two and one-half times that for protestants. While the former Unionist government which was abolished in 1972, is generally blamed for the existence of such patterns, in eight years during which the British Government has had direct responsibility for running Northern Ireland, little change has occurred." (page 27) The Department of State's Report on Northern Ireland should have concluded exactly what it concluded about South Africa—that "the average Catholic perceives very little change in existing patterns of discrimination or the denial of rights." What a "rewrite". What a "wink" at governmental gross violations of human rights.

In its Report on South Africa, the Department of State quite rightly and necessarily explains the "homelands policy", but does not explain the West of the Bann policy in Northern Ireland. The river Bann roughly divides Northern Ireland into East and West. The West is predominantly Catholic, the East Protestant. The historic policy has been to keep jobs East of the Bann and, therefore, keep a heavy rate of unemployment among the minority community. Americans and Members of Congress should be aware that the vast majority of American firms in Northern Ireland are located East of the Bann, thereby being part of the geographical pattern of discrimination. Something surely that should concern the Department of State since American firms are subject to all the tenets of the U.S. Equal Employment Opportunity Act.

One of the most amazing things about the Report is the fact that, although the Department of State imposed a temporary ban on sales of U.S. weapons to the Royal Ulster Constabulary (R.U.C.), the police force in Northern Ireland, nowhere in this Report is this mentioned. There is nothing in this Report that could justify such a ban. Why is it not mentioned since, according to the Forward in "Country Reports on Human Rights for 1979", "These reports are being printed to assist Members of Congress in considering legislation in the area of foreign assistance" (Clement J. Zablocki, Chairman, Committee on Foreign Affairs, Frank Church, Chairman, Committee on Foreign Relations).

"REWRITE" TORTURE

In reviewing the Irish case against the British Government before the European Commission on Human Rights, the Report says that the Commission "concluded that some of the allegations set forth in the Irish suit concerning torture and inhuman or degrading treatment had merit." Had merit? What a "rewrite"! What the Commission concluded was that the British Government was guilty of torture. The Report studiously refuses to mention this fact, but instead recounts how the British Government did not "contest the Commission's adverse findings." If this is not a "rewrite" then there is no such thing.

The Report also—but again necessarily for "rewrite" purposes-fails to mention an essential dimension to the case at the European Court of Human Rights. This dimension is clearly explained by an editorial in the Irish newspaper, *Hibernia*, January 1978: "The Court has confirmed that the interrogation techniques has been used with premeditation and had been taught to members of the R.U.C. brought to England for specialized training. In other words, the torture was no haphazard of ad-hoc reaction to events. It was planned and executed at high level. It was a matter of policy. The cover-up, too, has been orchestrated at the highest level. Not only did the British Government put every legal obstacle in the way of the lengthy enquiry (Judge O. Donoghue politely referred to the "sad lack of cooperation") but its military forces intimidated, threatened and even arrested witnesses during the course of the actual hearings. Extraordinary precautions were taken to shield the identity of the culprits from the Commission hearings and, to date, not one of the these torturers has been charged for his criminal conduct, much less disciplined. The cover-up has been as coldly deliberate as the planning of the original dirty deed itself."

Through the Report, the Department of State makes sure to mention the British Government's promises that abuses of human rights will not happen again. Yet since 1971 up to the present time there are persistent allegations of torture and inhuman and degrading treatment. Notice how the Department of State deals with the exact same issue in their Report on Argentina:

"There is extensive evidence, primarily the statements of former detainees, that torture has been routinely used by the security forces.: (page 241, 1, A. Torture)

There are abundant statements to the same effect from Irish detainees, but nowhere is this mentioned in the Report. According to the document just published by the Social Democrat Labor Party (S.D.L.P.), February 1980, "Law and Order in the Absence of Political Concensus", (which was also presented to the British Government), more than 1,520 allegations of ill-treatment have been made during the past four years. Why the double-standard? The Department of State, however, has cleverly laid out the rationale for this discrimination. Let me explain. For this, I believe is one of the truly sinister aspects of the Report.

STATE DEPARTMENT RACISM

On page 696, 3 A, the Report states: "In Northern Ireland the British Government is dealing with two sharply divided traditions, each with its own myths and stereotypes, stemming from centuries of intermittent hostility and compounded by systematic campaigns of distortion and propaganda on both sides." At first glance, this is a truly amazing and gratuitous statement for the Department of State to make. It constitutes a racial slur. It is offensive. It is a wonder that it doesn't report that the Protestants and Catholics of Northern Ireland "have rhythm and do the soft-shoe shuffle". My first reaction was simple outrage at this racial slur. But like all racism, it has deliberate purpose—and this is the truly sinister aspect.

The Department of State can report that there is "extensive evidence of torture from former detainees in Argentina". But why should the Department of State recognize similar evidence from Irish detainees when it has previously established that "for centuries" they have "myths" and "stereotypes" and indulge in "systematic campaigns of distortion and propaganda." In other words, the Department of State would have us believe the Irish are not credible people—that the Irish are liars!

The Irish National Caucus deplores in general the Department of State's report on Northern Ireland. but, in particular, it is outraged by this racially offensive attack on the Protestants and Catholics of Northern Ireland. We demand a public apology and an official retraction of this statement.

The Bennett Committee of Inquiry is described in the Report as an "independent" Committee. (page 692 1 B) This is not true. That inquiry was *not* independent, and *not* public; and for that reason it was boycotted by Amnesty International.

H BLOCKS WHITEWASHED

The Report's treatment on Long Kesh (The Maze) Prison—one of the worst prisons in the entire world—is another outrageous example of a "rewrite". Not one word of censure or concern for the dreadful conditions there. Yet notice what the Report says about prison conditions in Argentina: "Conditions of detention were often cruel, and serious problems of mistreatment, overcrowding, and insufficient medical care often existed." (page 240)

STATE DEPARTMENT LEGALIZES ILLEGALITY

The Report's Section 1.C. "Arbitrary Arrest and Imprisonment" (page 674) is a specially asceptic "rewrite". Not one word of censure for the appalling legal abuses. Here are some facts, which the Department of State ignores (from the above quoted document of the S.D.L.P.).

(1) When the detained person is finally allowed to see his attorney, a policeman is present.

(2) Leaving aside the period of internment (August 1971 to 1974) when over 2,000 were held without charge or trial 20,000 people have been detained over the past eight years.

(3) Bail is only available through an application to the High Court. Ten thousand applications were made and, of those, 6,000 were refused. Of those refused, 94.4 percent came from the Catholic community.

(4) At present in Northern Ireland, 400 people are waiting trial; 341 of these are in custody; some of these have been waiting trial (on remand) for two years, with an average touching eight months.

(5) 89.4 percent of those charged under emergency legislation are convicted almost entirely on confessions, and in over 90.6 percent of cases, there have been allegations, in many cases supported by medical evidence, that they were extracted by torture, ill-treatment, or threats.

(6) That means that some 1,400 persons in prison at present would claim to have been convicted upon involuntary confessions and, therefore, wrongly committed.

(7) The sentences imposed are lengthy in the extreme, averaging almost 15 years and, in many cases, being more than twenty years.

(8) Most of the prisoners have spent all their life without a job and have seen their parents suffer similar unemployment.

STATE DEPARTMENT SUPPORTS INVASION OF IRISH HOMES

One of the most pervasive violations of human rights in Northern Ireland is the invasion of homes. In the past eight years, 30,000 Catholic homes have been searched in Northern Ireland. See how seriously the Department of State takes such abuse in Argentina:

"The sanctity of the home has traditionally been protected by Argentine law, custom and practice. The security forces, however, have often violated such sanctity during their anti-terrorist and anti-subversive operations." (page 243 1 E, "Invasion of the Home").

Compare this with what the Department of State says about invasion of the home in Northern Ireland:

"Searchers and seizures are regulated by law, and judicial remedies are available for abuse of these regulations. In some well defined cases related to suspected terrorism, police officers or members of the armed forces on duty are permitted to enter homes without warrants where there is strong suspicion of wrong-doing." (page 695 1 E, "Invasion of the Home".)

"Well defined cases"! Thirty thousand homes is what the Department of State tries to term "well-defined cases". It is a safe estimate that there are an average of five persons per home in Northern Ireland. That would mean, according to the Department of State's logic, that there is "strong suspicion of wrong-doing" against 150,000 Catholics in Northern Ireland.

CONCLUSION: STATE DEPARTMENT GUILTY OF COVERUP

There are many other examples of "rewrites" and "propaganda" in the Department of State's Report on Northern Ireland. Too many to list here. It makes sad and depressing reading. It is a frightening example of what a skillfully written "rewrite" can do.

In the same letter to the Editor of *The Washington Post* (quoted above) the Assistant Secretary of State says: "There was a time, not so long ago, when citizens of countless countries believed that the only reason a dictator was able to maintain control over their lives was the support and approval of this nation (the United States)" Bravo! That is exactly what the Irish National Caucus believes—that is why we exist—to make the violation of human rights by the British Government in Northern Ireland *an American issue.* We believe those violations could not exist or continue if they were not "supported" and "approved" by the U.S. Department of State and covered-up by their "Country Reports on Human Rights."●

SENATE—*Friday, March 14, 1980*

(Legislative day of Thursday, January 3, 1980)

The Senate met at 12 o'clock meridian, on the expiration of the recess, and was called to order by Hon. J. JAMES EXON, a Senator from the State of Nebraska.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Let us pray.

O God in whom we live and move and have our being, we know not what a day may bring or with what forces we must deal, but we know who rules the world day by day in majesty and power—for Thou art our God and to Thee we yield our lives. Help us to know Thee better, to pray more earnestly, to walk with Thee more intimately.

May the soul of the Nation respond to the call for sacrifice, knowing what whoever is willing to lose his life for Thy sake and the Gospel's shall save it.

And grant us Thy gift of loyalty. For our homes give us love and fidelity; for our country sacrifice and service; for our church reverence and devotion and in everything help us to play a worthy part in this turbulent age.

We pray in Thy holy name. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., March 14, 1980.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable J. JAMES EXON, a Senator from the State of Nebraska, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. EXON thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The Chair recognizes the majority leader.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

THE SOVIET MILITARY PRESENCE IN AFGHANISTAN

Mr. ROBERT C. BYRD. Mr. President, the large-scale Soviet military presence in Afghanistan continues. The subjugation of the Afghanistan people by the Red Army goes forward.

Regrettably, 2½ months after the Soviet intervention in its neighboring country, the Afghanistan story is treated as almost a routine news item, and hardly that. There is an element of implicit acceptance in the manner in which the Soviet intervention is now treated.

Indeed, there is relatively little reporting in the press of the actual occurrences in Afghanistan. A major reason for this, presumably, is that much of what occurs in Afghanistan is beyond the eyes of the press and news cameras. The world press is effectively excluded from Afghanistan; there are very few on-the-spot stories from within the country.

Throughout world history, there have been actions of brutality against mankind which have brought shame on, and international revulsion against, the offending regime. Sometimes, however, the ground swell of public opinion has been slow to erupt, and thousands of persons have suffered in the meantime.

The Soviet invasion of Afghanistan began on December 24 with the airlifting of 5,000 Soviet airborne troops to Kabul. The number of Soviet military personnel in Afghanistan has steadily grown to around 80,000, we understand, thereabout, with another 20,000 or more in staging areas across the Soviet border.

Yet, despite this steady buildup in Soviet military force in Afghanistan and the presence of Soviet troops and tanks and planes and helicopters and guns, and, according to some reports, nerve gas, to impose order in the streets of Afghan cities, the story is buried in the back pages—if covered at all. And, of course, there is almost none of the dramatic television coverage which marked the U.S. involvement in Vietnam.

Much of the press coverage is based on reports reaching Pakistan. We do know that the Afghan resistance continues, with varying levels of intensity. We also know that the Soviets are using highly sophisticated armored vehicles, rocket-firing helicopters, and fighter-bombers, in an effort to wipe out the courageous resistance.

In addition to the strong opposition the Soviets have encountered in the capital city of Kabul, there are reports—but little first-hand information—of strong resistance in such cities as Herat, in western Afghanistan, and Jalalabad in the east. During the heaviest fighting in Kabul, foreign correspondents were confined to their hotel by armed soldiers. An Associated Press reporter did manage to elude guards and make a brief tour of the city. He reported numerous casualties among civilians.

Mr. President, the world ought not allow this tragic story to be relegated to routine treatment—even less than routine treatment. Although there has been speculation that the Soviets would like to withdraw from Afghanistan, having encountered much more opposition than anticipated, there appears to be no evidence that such a withdrawal is a short-term likelihood, particularly since more troops and equipment are being moved into Afghanistan.

The fact is that the Soviet aggression against its weak and impoverished Moslem neighboring country continues unabated and the world takes relatively little notice—in fact, turns its face the other way. All nations, particularly Moslem countries and those in the Third World, should be informed as to the nature and extent of the Soviet involvement in Afghanistan. Those nations are most directly threatened by the Soviet action.

President Brezhnev spoke of outside interference. It would be well if the Soviet invaders would allow the world press to come into Afghanistan and convey to the world the identity of the outside interference, the identity of the aggressors.

I would hope the world press at every opportunity would editorialize, comment, and keep this issue before the public. It should be ever on the minds of the world's leaders.

The Soviets, to some degree, at least, I have to believe, have some respect for world opinion. They should be reminded continually that their flagrant, aggressive actions in Afghanistan merit universal and unrelenting condemnation.

RECOGNITION OF SENATOR RIEGLE

Mr. ROBERT C. BYRD. Mr. President, do I have any time remaining?

The ACTING PRESIDENT pro tempore. The majority leader has 4 minutes remaining.

Mr. ROBERT C. BYRD. How much time?

The ACTING PRESIDENT pro tempore. Four minutes.

Mr. ROBERT C. BYRD. Mr. President, I yield my remaining time to Mr. RIEGLE.

The ACTING PRESIDENT pro tempore. The Chair recognizes the Senator from Michigan.

Mr. RIEGLE. I thank the majority leader.

I inquire of the Chair: Am I also listed today for a 15-minute special order?

The ACTING PRESIDENT pro tempore. The name of the Senator from Michigan does not appear on the official schedule.

Mr. ROBERT C. BYRD. Mr. President, I knew nothing about the desire of the distinguished Senator to have a 15-minute special order, but I can assure him that he will have no problem speaking.

Mr. BAKER. I yield the Senator some of my time.

Mr. ROBERT C. BYRD. The distinguished minority leader would be glad to give some of his time to the Senator from Michigan.

Mr. RIEGLE. I appreciate that.

If anybody else has a matter to attend to before I speak, I would be willing to yield to accommodate that first.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senator may have the remainder of my time; that, in the meantime, the distinguished minority leader be recognized; that whatever time he has remaining after he has utilized some of his time, he will yield to the distinguished Senator from Michigan. In that way, it perhaps will be helpful.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Chair recognizes the minority leader.

Mr. BAKER. Mr. President, I reiterate what the majority leader has said. I have no need for much of my time. There is one small matter that I hope may be dealt with early on, of which I understand the majority leader is aware and with which the distinguished Senator from Minnesota is concerned. If suitable, we might transact that business at this point, and then I will be prepared to yield the remainder of my time to the Senator from Michigan.

NATIONAL DAY OF PRAYER FOR HOSTAGES IN IRAN

Mr. ROBERT C. BYRD. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on Senate Concurrent Resolution 79.

The ACTING PRESIDENT pro tempore laid before the Senate the following message from the House of Representatives:

> *Resolved,* That the resolution from the Senate (S. Con. Res. 79) entitled "Concurrent resolution expressing the sense of the Congress that the people of the United States should observe February 26, 1980, as a national day of prayer and meditation for the hostages in Iran", do pass with the following amendment:
>
> Strike out all after the resolving clause, and insert: That, because the hostages being held in the American Embassy in Tehran, Iran, were not released as of February 25, 1980, the date, March 11, 1980, shall be considered a national day of prayer, meditation, and unity for our fellow Americans, and the American people are urged to express their support for the hostages with appropriate thoughts and actions on such a day.

The ACTING PRESIDENT pro tempore. The Chair recognizes the Senator from Minnesota.

UP AMENDMENT NO. 1014

Mr. BOSCHWITZ. Mr. President, this resolution expresses the sense of Congress that we should declare a National Day of Prayer for the Iranian hostages.

Because the Senate has not had the opportunity to bring up the resolution since it was agreed to by the House, the date of the National Day of Prayer should be changed from March 11 to March 18.

With the grim news that continues to emerge from Iran, I think it is particularly appropriate to renew our commitment to the National Day of Prayer, to assure the well-being of the hostages.

I move that the Senate concur in the House amendment with an amendment which I send to the desk.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The assistant legislative clerk read as follows:

> On page 1, line 3, of the House amendment, strike "March 11" and insert in lieu thereof "March 18".

The ACTING PRESIDENT pro tempore. Without objection, the amendment is agreed to, and the motion is agreed to.

The title was amended so as to read:

> Concurrent resolution expressing the sense of the Congress that the people of the United States should observe March 18, 1980, as a national day of prayer and mediation for the hostages in Iran.

The ACTING PRESIDENT pro tempore. The Chair recognizes the minority leader.

Mr. BAKER. Mr. President, I thank the distinguished Senator from Minnesota for his contribution, and I thank the majority leader for calling up this matter.

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that following the remarks of the distinguished Senator from Michigan (Mr. RIEGLE), there be a period for the transaction of routine morning business, for the purpose of introduction of bills and resolutions, petitions, and memorials and referral; that no unanimous-consent request to proceed to the immediate consideration of any matter be in order, unless it has been cleared with the majority leader and the minority leader.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that during morning business Senators may speak up to 5 minutes each and that the morning business not extend beyond 30 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR RECESS FROM TODAY UNTIL TUESDAY; ORDER FOR SUBMISSION OF STATEMENTS AND FILING REPORTS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Senators may have until 5 p.m. today to insert statements in the RECORD; that when the Senate completes its business today, it stand in recess until 12 noon on Tuesday next; that committees may have until 6 p.m. today to file reports and conference reports; and that committees may have until 5 p.m. on Monday to file reports and conference reports.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. BAKER. Mr. President, I thank the majority leader for making the provision for routine morning business, which will accommodate a request I have from the Senator from South Carolina (Mr. THURMOND).

In view of that, I now yield the remainder of my time under the standing order to the Senator from Michigan.

Mr. RIEGLE. I thank the minority leader.

Mr. President, how much time do I have from the majority leader and the minority leader?

The ACTING PRESIDENT pro tempore. A total of 12 minutes remaining from the combined time of the majority leader and the minority leader.

Mr. RIEGLE. I thank the Chair.

AMERICA'S ECONOMIC PROBLEMS

Mr. RIEGLE. Mr. President, America is in deeply serious economic difficulty. We have been sliding into an economic emergency—and a new comprehensive anti-inflation economic stabilization strategy is urgently needed.

The need to stabilize our economy is the most vital matter facing our Nation—as dangerous in its own way as the events in Iran and Afghanistan.

Unless emergency steps are taken immediately, we face a deep and ruinous recession—and the near certainty of price and wage controls.

As chairman of the Senate Economic Stabilization Subcommittee, I believe emergency steps are needed now to prevent us from plunging into an economic morass from which it will take years to recover. I do not believe we can tolerate the human suffering and social upheaval that awaits us if we remain on our present course.

Today I want to review the stark facts that we must face—and set forth the emergency steps I believe are needed now.

The latest economic statistics show inflation running at 20 percent annually, and accelerating; the prime interest rate at 18¼ percent, and accelerating; a continuing pile-up of massive Federal deficits; a massive continuing loss of capital in our foreign trade deficit—particularly for oil and Japanese autos; a minuscule savings rate leading to inadequate capital investment and a virtual disappearance of productivity improvement; a mounting cost burden of uncoordinated Government regulation, legally mandated private expenditures, and bureaucratic inertia and paralysis; a national unemployment rate of 6 percent—with an unemployment rate in Michigan above 11 percent; and finally mounting evidence that monetary overkill is about to topple the Nation into a devastating recession.

For at least a year now these problems have been largely ignored at the Federal level. A combination of indifference and incompetence at the top level of our Government has allowed the situation to worsen where today we face the most threatening economic situation since the 1930's.

And while emergency meetings are now underway in the White House and on Capitol Hill—as there should be—there is the smell of election year politics in the air—and there is a grave danger that our economic emergency will be underestimated and that we will see a series of half measures and sidesteps that will fail to meet the emergency head-on.

Hyperinflation will not be stopped by hyperrhetoric—or by elaborate fanfare and political posturing. As a nation we need the cold shower of reality and the straight talk of sacrifice and living within our national means.

The hard fact is that as a nation we are attempting to operate beyond our financial capacity—and we have created an economic emergency that can only worsen if we stay on our present course.

How then can we come to grips with the situation and work our way back to a position of economic stability and well-being?

We must begin by recognizing today's economic emergency and making it our overriding national priority for the foreseeable future.

It means that the President, his advisers, the Congress, and everyone else in the public and private sectors must shift their prime attention and effort to the task of solving America's economic difficulties.

The place to start is with the President declaring an economic emergency and I hope he will do so today—and setting forth a comprehensive economic strategy for dealing with it. Engineering this national economic strategy will require the majority of the President's time and efforts for the foreseeable future—and will necessitate his calling into full-time national service the top economic strategists available in our country.

It means removing Alfred Kahn as inflation czar—a man hopelessly ineffective—whose performance has been near total failure. While he alone is not responsible for our present situation, he symbolizes the complete lack of seriousness by this administration to face and deal with the inflation problem. A person of the stature of Walter Heller—together with a small group of renowned financial and economic analysts, including a top business and top labor leader, must be established at the Cabinet level and housed in the White House, available to work daily with the President in implementing a new economic strategy.

From the private sector, someone like John deButts, the retired chief executive officer of A.T. & T., and Irving Bluestone, retired vice president of the United Auto Workers, typify the caliber of seasoned professional I am alluding to here.

A failure to assemble the new talent needed—with the appropriate operating authority—would be a fatal sign that the administration does not yet understand the enormity of the economic task it faces.

Once the President, Congress, and the Nation are in a position to come to grips with our economic realities, we must, as a country, embark on a massive new effort to break the inflationary momentum and adjust our economy until it is back in line with our available financial capacity.

This adjustment process is long overdue. It will be difficult and painful. It will require some sacrifice by every person in our society. It is the only prudent course if we are to avoid even greater future suffering and national damage.

If we act now—on several fronts simultaneously—I believe we have a fighting chance to avoid a prolonged recession and the Government straitjacket of price and wage controls.

I believe we must take the following steps that I am urging upon the Carter administration and Congress and for which I am also seeking public support:

First, we must substantially reduce the projected Federal deficit for fiscal years 1980 and 1981. I do not know if we can achieve a balanced budget in 1981, but we should work toward that goal and come close to it. As a member of the Budget Committee, I believe this is necessary to first, reduce the cost of Government and mandate greater operating efficiency, second, reduce the Federal Government's demand in the strained capital markets, third, set an example of restraint by better matching our consumption to our available means, and fourth, to persuade the Federal Reserve to make a corresponding effort to ease monetary restraint and lower interest rates. And that is absolutely vital at this time.

No area of the budget should be immune from analysis as to where sensible and equitable economies can be achieved. It would be wrong, for example, for the bulk of Federal budget reductions to fall in vital human service programs—with particular damage to regions and States already in serious difficulty. The budget cuts must be spread as evenly as possible—so that no area is either exempt or left crippled.

As for defense, some increases are needed for conventional force capability and basing facilities in the Arabian Gulf; but some economies can and must be made in other areas of defense spending. Continuing cost overruns, far in excess of inflation, must be brought under control, and strategic weapons overspending, for items like the MX missiles, must be challenged and scaled down or deleted.

It is my hope that Congress and the administration will carry out the necessary budget cutting with equity and compassion. With careful targeting we could stretch reduced social service funding by concentrating it in the regions and locales of greatest need. This would take a generous impulse on the part of those regions of the Nation still enjoying boom times—and I hope they will allow the channeling of reduced funds to the areas of greatest need.

Finally, if Congress and the administration should not be able to agree on a coordinated strategy for equitable, broad-based budget reductions, I urge the President to set specific spending targets by functional area—and announce now his intention to use the veto power—as many times as it may be necessary to enforce a balanced pattern of budget reductions that achieves an aggregate savings in an equitable fashion.

In the end it may be necessary to require a modest across-the-board reduction in virtually all categories of the budget. This may be the most practical way to spread the sacrifice more evenly. I believe the President should also immediately impose an overall budget freeze on personnel spending for all Government agencies until further notice. This would allow for replacement of key personnel but would limit bureaucratic growth at a time when it cannot be afforded. Any exemptions for areas of new effort, such as energy, would have to be matched by equivalent reductions in other areas. This would constitute an over-all freeze on the growth of Government employees.

Second, the President should ask the Federal Reserve Board, under existing legal credit control authority, to undertake some emergency allocation of credit to reduce speculation and restrain nondurable consumer consumption. It is important that capital continue to be available for consumer housing and car purchases, business research and development, business capital investment, and for financing the working capital needs of businesses small and large.

The emphasis should be on slowing down consumer nondurable discretionary spending, reducing nonproductive speculative activity with other related efforts made to induce a higher rate of personal savings.

As a member of the Banking Committee, I am willing to consider any emergency requests for new legal authority the Federal Reserve may wish to seek in order to channel available credit to those sectors vital to avoiding a recession and to stimulating productivity improvement.

Third, a maximum voluntary effort must be made to accomplish price and wage restraint for the next 12 months. I do not favor price and wage controls and no legal authority currently exists for them. In the absence of controls, it is a matter of the greatest national urgency that every setter of prices and wages moderate their actions in a general concord of national restraint and responsibility.

The President's emergency anti-inflation team should closely monitor all major price and wage decisions and should require prenotification of all such decisions that may be pattern setting for sectors of the economy.

Fourth, we need an emergency energy strategy to further reduce the importation of foreign oil and to reduce the drain of tens of billions of dollars of scarce capital abroad. While I am not prepared to call for gas rationing, I do believe we can make further immediate reductions in oil consumption with a well conceived national conservation effort.

First, in light of our economic emergency, every citizen should be asked to make further oil savings. This can be accomplished by driving 55 miles per hour, driving less, carpooling a day or more a week, and reducing somewhat pleasure driving. Buying a more fuel-efficient American-built car can also help.

At the moment, there is no coherent, comprehensive strategy to reduce energy consumption generally. Within the top levels of the administration, Congress and the Federal Energy Department, it is still business as usual, with no clear call for emergency action. If the President were to demand an emergency plan, one assumes it could include such things as:

First. Freeing all oil-fired energy users/providers to shift to any other alternative fuel available with an 18-month waiver on environmental or other legal restrictions.

Second. Calling on States to strictly enforce the 55 miles per hour speed limit and consider reestablishing odd/even gas sales to reduce gasoline consumption.

Third. Undertaking a massive effort of consideration of weatherization concentrating in those regions and on specific consumers most dependent upon oil. Conservation offers the most immediate way to ease our energy dependency on foreign suppliers, yet our national efforts in this regard remain meager at best.

Fourth. The administration could sit down with the domestic automobile industry to see what steps the Government could take to help the industry speed-up the conversion of model lines and plants to the volume production of smaller fuel-efficient cars. Surely there are ways that Government could facilitate the faster availability of more fuel-efficient cars—if they were willing to work cooperatively with the auto industry.

Fifth. The President could seek to increase domestic production of oil for a 1-year period—while foreign purchases were reduced and alternative U.S. energy resource development was accelerated. This would reduce the balance-of-payments deficit, strengthen the dollar, ease monetary pressure, and reduce inflation.

Gasohol is a prime example of an area where greater strides could be made, if a serious national commitment were made to provide near term oil-replacement fuel. We have a Michigan gasohol facility ready to go, that is still delayed by Energy Department inertia. Synthetic fuel development must be accelerated, although this is a longer term answer. While this list of further energy initiatives is not all inclusive, these suggestions illustrate an area requiring maximum immediate effort in any comprehensive anti-inflation effort.

Fifth, the growing invasion of Japanese auto imports will also drain $10 billion of scarce capital from the United States in 1980. This creates massive U.S. unemployment, increases the Federal deficit by billions of dollars and is a major contributor to inflation and today's high interest rates. The President should seek voluntary Japanese restraint pegged to the 1977 level of imports, and seek statutory import limits if the Japanese fail to comply.

Sixth, a crash program should be undertaken to better coordinate Government regulation that creates new costs and high prices. A White House emergency team should force immediate policy coordination of all Government regulation to try to minimize cost and price impact over the next 13 months.

Seventh, efforts should be made to change the tax laws in ways necessary to stimulate greater saving, capital investment and productivity improvement. Accelerating depreciation write-offs, providing a larger tax credit on interest and dividend income, and perhaps allowing a 115 percent cost recovery of research and development expense are ideas that merit serious consideration.

These suggestions are practical ones and offer new directions in working our way out of today's economic emergency.

In addition to the policy recommendations already mentioned, it is essential that we also develop a new spirit of national cooperation and common purpose. We are suffering today from an excessive adversary relationship between sectors of our society and we particularly need a greater measure of teamwork and cooperation between business, Government, and labor.

In our work methods and processes we must become more productive all across our society, and this does not necessarily mean just working harder, it more likely means working smarter. I would hope that in the face of our current national difficulties, that managers and workers could sit down together to think through how we can increase our output and reduce waste in ways that can benefit everyone. We are at a point where instead of taking sides against each other, we must get together on the same side and work with each other to help our country.

In summary, it is my hope that the public debate—and the continuing Presidential debate—will demand that these economic issues be faced honestly and fully.

American can regain control of its economic destiny with forceful and prudent action, but time has run out and we must act now without further delay.

PRESIDENT OF PANAMA ASSAILS U.S. CONGRESS

Mr. HARRY F. BYRD, JR. Mr. President, on March 7, a meeting was held in the Committee on Armed Services to hear testimony from the President's nominees to the Panama Canal Commission.

The Commission was established by Congress to run temporarily the Panama Canal after the transfer of the Canal Zone to Panama under the terms of the Panama Canal treaties. The Commission has a board of directors composed of five American members and four Panamanian members. The American members are appointed by the President subject to the advice and consent of the Senate. The Panamanian members are appointed by the President without Senate review.

I opposed the Panama Canal treaties, and I opposed passage of Public Law 96-70, the legislation implementing the treaties and authorizing the territorial transfer, because in my judgment, the national security and basic economic interest of the United States will suffer as a result of giving the canal to Panama.

Nevertheless, I believe it is important now that every effort be made to see that the new arrangement for the Panama Canal be carried out in a manner which as much as possible guarantees the efficient operation of the canal so that it will not become a burden on the American taxpayer.

For those reasons, I was disturbed to learn recently that on January 8, President Aristides Royo of Panama sent a letter to President Carter in which he said that he was setting forth the viewpoint of his government that the terms of the implementing legislation—the Panama Canal Act of 1979—were "unacceptable."

President Royo stated:

> The law, in its general content, is illegal, contrary to the legitimate interests of both parties, not acceptable because of the modus operandi it established and unacceptable in every way for the Republic of Panama.

President Royo also stated that the Panamanian directors are to be "representatives of the interests of the Republic of Panama," which he asserts would be inconsistent with section 1102(b) of the Panama Canal Act which states that the board members of the Panama Canal Commission will maintain their posts at the discretion of the President of the United States.

President Royo implied that Panama will not accept that discretionary authority and will view the selection and retention of the Panamanian members of the board as a matter solely within the discretion of the Panamanian Government.

President Royo also stated in his letter to President Carter that the application of the code of conduct set forth in the Panama Canal Act to Panamanian board members and to the Panamanian Deputy Administrator of the Commission would violate their status as Panamanians subject to the direction and jurisdiction of the Panamanian Government.

President Royo told our President that the intent of Congress in passing the Panama Canal Act was to prevent the Republic of Panama "from obtaining its legitimate benefits as sovereign of the Canal territory * * *" He said also that the act "has created serious obstacles to the Canal Commission's ability to administer efficiently and properly the intermarine waterway." He charged that the act "radically differs from the concept of the treaty * * *"

President Royo asserted that "the government of the United States must undertake specific efforts to produce a decisive halt to the unwise practices which violate the treaties and which affect their implementation."

Seemingly, President Royo is insisting that the President either break or bend the law or that a new law be passed to satisfy once again renewed Panamanian demands for concessions.

Although President Royo's letter is six pages long, the full extent of his current demands and dissatisfaction are still not clear. He described his letter as "inadequate to present * * * full details of the direct objections which could be made against many articles of Law 96-70."

Finally, President Royo concluded with a thinly veiled threat. He advised the President of the United States that the implementation of the Panama Canal Treaties must suit Panama's demands and that in the alternative, "if such a denial of Panamanian rights is maintained, the present and future generations, no doubt will also struggle * * * to achieve the genuine sovereignty which certain U.S. sectors * * * still seek to disregard."

As of the date of the hearing last Friday at which I raised these issues, the President had not responded to President Royo's letter. For more than 2 months, President Royo's inflammatory letter has languished without a response, and the position of the United States in answer to it has not been made clear.

I understand that a response acknowledging receipt of the letter but not replying in detail has been drafted.

Two representatives of the White House brought a copy of that response to my office yesterday.

I asked if the letter would be made public after it had been received in Panama by President Royo. At the hearing on the Canal Commission nominees, I had asked that a copy of the response, when available, be provided to the Committee on Armed Services for the information of the committee and for inclusion in the public record of the hearing.

But the White House representatives told me that the content of President Carter's letter to President Royo could not be made public. I then declined to read the letter.

President Royo's letter was made public. President Royo's letter was published in full in Panamanian newspapers the morning after it was sent. President Royo's letter received widespread public attention in Panama and has now been made public also in the United States. The whole world is free to see his remarks claiming the illegality of an act of the U.S. Congress.

So I do not understand why President Carter's answer cannot be seen by the American people. I feel that Americans should be permitted to know how President Carter has answered the charges of President Royo. Americans are footing the bill for the canal giveaway; they ought at least be allowed the same privileges allowed Panamanians in knowing what their President is saying regarding their rights.

The White House representatives admitted that there were no national security reasons for not making the letter public. The letter was not classified. They seemed to be asserting executive privilege and referred to a general policy of not making public Presidential letters to heads of state.

Yet, on many occasions Presidential letters to other heads of government have been made public and even publicized.

In fact, during the debate of the Panama Canal treaties on at least one occasion that I recall—there may have been more—a letter from President Carter to the then Panamanian head of state, General Omar Torrijos, was even put in the CONGRESSIONAL RECORD by the distinguished majority leader.

The date was March 17, 1978. The majority leader was acting in response to a request from the State Department. The full text of the State Department letter is interesting. It reads as follows:

Hon. ROBERT C. BYRD,
U.S. Senate.

DEAR SENATOR BYRD: You may wish to share with the Senate the exchange of correspondence between President Carter and General Torrijos which occurred in connection with the Senate's vote on the Neutrality Treaty. Copies of both letters are enclosed.

With best wishes,
Sincerely,
DOUGLAS J. BENNET, Jr.,
Assistant Secretary for Congressional Relations, Department of State.

So I do not understand the policy I was told about for the first time yesterday evening. I do not understand why the President would not share with Congress, and in the public record with the American people, his answer to the charges and demands made by President Royo.

Congress and the people have a legitimate interest in seeing that the Panama Canal Act is faithfully carried out by the Government. Congress and the people have a legitimate interest in the President's plan for stating the position of the United States in response to the intemperate and unjustified statements by President Royo.

I find it interesting that this soon after the people of the United States have given to Panama billions of dollars in property and potential revenue, the Government of Panama is already threatening the Government of the United States.

Instead of promoting better relations with Panama, the giving away of the canal seems to be leading to worsening relations. At the least, President Royo's letter gives validity to the assertion that one cannot buy friendship.

I hope that the President will give a firm response to President Royo's unfortunate letter and that future dealings with the Government of Panama will be more harmonious than would appear likely from the tone and tenor of President Royo's abrasive communication to our President. I hope the American people will be permitted to know President Carter's answer.

I ask unanimous consent that President Royo's letter to President Carter be printed in full in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

PANAMA,
January 10, 1980.

Your Excellency JIMMY CARTER,
President of the United States of America, White House.

DEAR PRESIDENT: In my letter of 11 July 1979, I presented to you the objections of the Panamanian Government to several articles of the bill HR-111, under discussion at the time by the U.S. Congress, which violated the spirit and letter of the Panama Canal treaty or were not acceptable because they could create difficulties in the implementation of the treaty. Although amendments were made later to the bill which after it was approved was registered as Public Law 96-70 of 27 September 1979, most of the resolutions to which I objected in my letter were not amended, at least not in the sense and way established for the accurate implementation of the obligations contracted by the signees of the treaty.

Three months have gone by since the implementation of the treaty and during this time I have followed the course of the works of the canal operation, mostly aided by information provided by our officials from the Canal Authority. In studying and analyzing this information, I have become aware that facts corroborate my government's presumptions regarding the unfavorable consequences to the rights and just aspirations of my country and of the difficulties in the administration of the canal which inevitably would result from some dispositions of bill HR-111, which now is Law 96-70.

For this reason I am writing you this letter with the main purpose of submitting to you the viewpoint of my government and the Panamanian people regarding the aforementioned situations. We do this in an effort on our part to see that good relations and mutual understanding prevail between our countries, in everything related to the Panama Canal.

The first and most general observation is that the contents of Law 96-70 are not the legal instruments for the implementation according to the norms and basic objectives of the 1977 treaty. The treaty established that U.S. rights and responsibilities were to be carried out by a specialized government agency, the Panama Canal Commission, and that the Republic of Panama would as a basic principle be granted a growing participation in its structure, functioning, administration, protection and defense of the canal, as established in Article 1, Paragraph 3, of the treaty. Law 96-70 radically differs from the concept of the treaty regarding the Canal Commission by making it into an executive agency ("appropriated-fund agency"), which rigidly binds it and takes away its administrative, economic and financial flexibility.

A series of dispositions which distorted the nature of the Panama Canal Commission have been derived from the interpretation of Law 96-70 which is contrary to the treaty, as was agreed by both parties. This has happened in such a way that my government cannot but consider that the law, in its general content, is illegal, contrary to the legitimate interests of both parties, not acceptable because of the modus operandi it establishes and unacceptable in every way for the Republic of Panama.

It would be inadequate to present in this letter full details of the direct objections which could be made against many articles of Law 96–70. In its full extension, my letter of 11 July 1979 serves the purpose. However, I must refer to some aspects which I cannot overlook.

On creating the Canal Commission, Section 1101 of the law closes with the disposition that "the authority of the president of the commission will be exercised through the Secretary of Defense." This disposition, which apparently is a simple formality, carries with it a special objective, which consists of placing the commission under the total dependency of that department, as a sort of appendix to it.

This double purpose as published can be seen in Section 102(A), which establishes that one of the members of the supervisory board is the Secretary of Defense, and that the U.S. members of the board will vote according to the instructions of the Secreary of Defense, and in Section 1102(C) which determines that "the board will hold meetings according to the bylaws adopted by the commission and approved by the Secretary of Defense." Already in the title corresponding to Section 1102, the law explicitly describes the board as a supervisory board, deviating from the terminology employed in the Spanish text of the treaty, which is also authentic.

This is going to the extreme of converting it into a supervisory board when it should not be less than a board of directors. Thus we see that the secretary of state represents everything: The means for the president to exercise his authority over the commission by being a member of the board; the source of instructions telling the majority of the board how to vote; and being the one that approves the regulations of the commission above the board.

For this reason the law leaves the Canal Commission in a subordinate position as a dependency of the Defense Department, just as the Panama Canal Company was to a certain extent until 1 October 1979 under the control of that same department, according to the law of the Canal Zone.

And if the treaty conceived the commission as a newly created legal agency to exercise the U.S. rights and responsibilities, the open subordination of the commission to the Defense Department effected under this law violates, through an unusual disavowal, the special and independent legal status granted to the commission by the treaty.

It was enough, and not juridically objectionable, for Section 1102(A) to designate the defense secretary as member of the board of directors. However, the turning of the Canal Commission into an appendix of that department is what invalidates in practice the concept in regard to the commission contained in the treaty.

This merits a most categorical opposition on the part of the Republic of Panama because Panama did not agree in the treaty that the agency which will manage the canal operations—in which there are four Panamanian directors and an assistant administrator—would be—through an illegal mandate included in the law—inexplicably subordinated to the U.S. Defense Department, with the aggravating circumstance that—through an exorbitant demand—the law provides that a quorum will be constituted at all board sessions when an internal majority of U.S. members is present (Section 1102, C).

The U.S. Government should be as seriously concerned as is the Panamanian Government over the limitation of funds with which Law 96–70 jeopardizes the efficient handling of canal operations by the commission. Because it was created as an executive agency, its budget appropriations require approval by the U.S. Congress (Section 1302, s, 1). In addition, Section 1302(C) (2) provides that no funds will be accredited for us by the Canal Commission during any fiscal year exceeding the commission's income during said period plus any available balance of the funds appropriated to it for the preceding fiscal year. Obviously, the objective of this restriction is to keep the U.S. Treasury from contributing to the payment of canal operating expenses.

To further tighten this financial squeeze, the House of Representatives Budget Appropriations Committee rejected the inclusion of two appropriations, of $2 million and of $5.9 million, in the Panama Canal Commission's 1980 budget.

To be charged to the Federal Treasury, these funds were to be used to pay off the debts of the defunct Panama Canal Company that were outstanding at the close of business on 30 September 1979. The committee ignored the fact that $5.9 million would be recovered by the collection of moneys owed to the Panama Canal Company.

Section 1303(A) of Law 96–70 provides for the establishment, effective 1 October 1979, of a Panama Canal contingency fund of $40 million to cover unexpected expenses and to back up appropriations to insure the continuous, efficient and secure operation of the canal. The same committee also opposed the approval of an appropriation to finance the fund, maintaining that financing should come from the canal tolls.

The committee also ignored the fact that moneys drawn from the fund would be replaced by the commission from its income.

The decisions mentioned above render the Panama Canal Commission helpless on those fortuitous occasions in which it will require funds to cover unexpected expenses or when the actual expenses exceed budgeted amounts.

A delicate situation might develop since the dredging of the canal and the correction of dangerous curves on the canal route are necessary to keep the canal's pasageways permanently efficient for the transit of ships. One cannot diminish the importance of the fact that the interoceanic waterway already has been in continuous use for more than 6 decades and that its installations have deteriorated, requiring constant, intensive and increasing maintenance.

Because of the dispositions of Law 96–70 which negatively affect the possibilities of financing, the commission might find itself in the position of adopting highly inconvenient measures such as decreasing regular maintenance activities, deferring the completion of improvement projects that are being studied or are underway, or by trying to reduce taxpayers by cutting back its labor force.

Contrasting with the limitation of funds described above, the United States has the signed obligation to maintain the waterway in an appropriate condition for its efficient, continuous and secure operation and to transfer the canal to the Republic of Panama the last day of the present century in good working condition.

Noncompliance or negligence in fulfilling these obligations would constitute a clear violation of the treaty. On the subject of payments to the Republic of Panama as stipulated in the treaty, Law 96–70 also does not conform because it specifies that the Canal Commission must pay from its funds the $10 million in public services that the Republic of Panama is going to provide in the townsites where U.S. employees reside.

This disposition is unjust, to say the least, if one considers that this expense is more than covered by the taxes that the U.S. canal workers contribute to the U.S. Treasury.

Among the economic compensations to Panama is also an annual payment of up to $10 million—payable from the surplus income from the canal operation—and the commission's expenses, with the stipulation that the amount not paid in any given year would be paid with the surplus from future years. It cannot be denied that in the treaty this last provision refers only to any payment balance pending in favor of Panama, and that no interpretation of Subparagraph C, Paragraph 4, Article XII could be carried to the extreme [of construing] that it authorizes the accumulation of losses to charge them against the surplus of future years.

Nonetheless, this provision has been transformed by Law 96–70 into something totally contrary for, in accordance with Section 1341 (B), previous losses will be counted against any year's surplus. There can be no more open and flagrant violation of the treaty, since it only mentions "surplus balances," while the legal text mentions "accumulated losses."

Regarding this same economic right by Panama, it turns out that the treaty takes into consideration the commission's "expenses," while in its Sections 1341(B), 1311 (A) and 1341(E), Law 96–70 orders that no less than the "costs" listed in those sections be accounted against the revenues and for the purpose of making the payment to Panama. Expenses are generally expenditures in cash, while costs go beyond that, since they include special amounts, such as depreciation, reserves, and so forth.

This listing of costs, as a function of the commission's expenses, is illegitimate, particularly because its final result might represent an antijuridical dissipation of an economic right that emanates from the treaty. Those costs, of course, do not represent a small amount. According to a report submitted by the administrator to the House of Representatives' Panama Canal Subcommittee, the 1980 budget allocations increase some of those costs to the following figures: (A) $14.8 million in interest for the nonrecovered U.S. investment in the construction of the canal; (B) $16.7 million to amortize the cost of the employees' anticipated optional retirement, in accordance with the special retirement law—a total of $31.5 million.

If the treaty recognized Panama's right to an annual payment chargeable to the surplus or surplus balances between revenues and expenses as part of a "just and equitable retribution for the national resources it has dedicated to the efficient functioning, running, maintenance, protection and defense of the canal" (Article XIII), Panama cannot agree to the solution unilaterally provided by law 96–70, which visibly violates the treaty.

What this law has done regarding the salary system is worth noting with similar emphasis. It has removed the commission's employees from the "Fair Labor Standard Act," which recognized the salary increases agreed on for 1980 and 1981—these increases were higher than the ones now established—without consulting the workers and without their consent. On the basis of this regulation, the Canal Commission has put into effect the labor remuneration system that the Policies Coordinating Board approved for civilian personnel in September 1979. This system creates two plans and two different pay scales based on the distinction between old and new employees.

Furthermore, Law 96–70 Section 1225(B) (1) (2), establishes that as of 1 October 1979, the salary for new canal employees must not be lower than $2.90 per hour, with an annual 2-percent increase. This provision does not agree with the treaty's stipulations aimed at preventing the impairment of labor conditions and terms in the canal area. Furthermore, the limitation of increases to 2 percent per year is unjustified.

It is thus necessary to adjust the labor retribution system to the treaty's stipulations. The commitment of maintaining the same conditions and terms of employment that existed in the canal area before the implementation of the treaty must be fulfilled by reestablishing the pay scale in effect before 1980 and 1981 and by implementing a unified and just salary policy, with uniform pay scales.

Since at the end of the present century the canal is to be transferred to the Republic of Panama and the latter must assume the responsibility for running it, Panama's increasing participation in the administration, protection and defense of the canal, which the treaty establishes, is of relevant significance because of its purpose. Its objective is not only the training of Panamanian personnel in all aspects of the administration and functioning of the canal so that this transference is carried out "in an orderly and efficient manner," as the treaty itself expresses.

This participation is also aimed at having Panama play an important role in everything connected with the canal. The joint organizations that the treaty establishes with their special functions materialize Panama's right to participate in the making of decisions connected with the canal.

Thus, the appointment of four Panamanian members to the commission's directive board and of a Panamanian assistant administrator in this commission constitutes Panamanian representation at the commission's top directive levels, which the treaty specifically terms "the participation of Panamanians at the top levels of the commission's directorate." The Panamanian directors and assistant administrator are proposed by Panama; the latter even has the right to request the removal of any of the Panamanian directors; and this legally confirms their role as representatives of Panamanian interests within the commission.

Since the board of directors and the positions of administrator and deputy administrator are part of the Panama Canal Commission, a U.S. Government agency, it is within U.S. authority to appoint them. But the Panamanian directors and deputy administrator do not lose, by reason of such a technicality, their role as representatives of the interests of the Republic of Panama.

Nevertheless, Law 96–70 treats those officials in a way which is not in keeping with the situation drafted by the treaty. Section 1102(B) indiscriminately states that the board members will maintain their posts at the discretion of the U.S. President. However, this cannot be true of the Panamanian members, because the treaty contains a special procedure for their removal.

Section 1112(B) of the law establishes that the board will approve a "code of conduct" applicable to its members and officials and employees of the commission and that this code will contain provisions substantially the same as certain comparable U.S. laws and Panamanian legal provisions.

The application of the code of conduct to the Panamanian directors and deputy administrator violates their jurisdictional status which the treaty grants them as representatives of the interests of the Republic of Panama.

This violation is not lessened by the fact that the same Section 1112(B) has established that agreement will be reached with the Republic of Panama in which each nation will agree on adopting measures to insure that the board members will comply with the "code of conduct."

This is so, because Section (B) literally insures, independent of such agreements, "the jurisdiction which the United States may have with respect to the board members."

We are pleased that the respective U.S. members of the board of directors have finally been appointed. However, the excessive delay in designating the U.S. members has delayed their action.

And since the Canal Commission was supposed to begin functioning without interruption last 1 October, and in the absence of the board of directors, we have proceeded to make decisions, to define policies, to acquire obligations and to effect transactions which the Republic of Panama should have been advised of and which their representatives on the board of directors should have considered.

To bring things to their proper course, it is necessary that upon integrating this organization, the most important decisions, on those elements adopted as of 1 October be reviewed to agree on what is pertinent.

In addition to this, given that the powers and functions of the board of directors and of the administrator and deputy administrator were not specified in the treaty, the problem arises over what must be accomplished by the two parties, to conform with the method of execution in the joint or bilateral statutes adopted in the treaty. It is inadvisable that the respective functions of the administrator and deputy administrator be regulated by informal understandings that would have a permanent effect, or that they be unilaterally regulated.

It is obvious to me that the administrator and deputy administrator, the two most prominent posts in the canal administration, in addition to the board of directors, function in the Canal Commission as the president and vice president of the defunct Panama Canal Company. This being so, the position and functions of the latter were transferred to the deputy administrator. Furthermore, the deputy administrator is the Republic of Panama's representative in the highest executive branch of the canal administration. It is he who safeguards the interests of the Panamanian Government and peoples, of the United States and canal users, because by working in concert with these three groups he guarantees that the canal will serve its function as an international transit waterway.

Consequently, the deputy administrator must have immediate, expeditious and constant access to all components of the canal administration and participate in all the decisions, both for the exercise of his powers and responsibilities, as well as to keep the Panamanian Government abreast of all that it is entitled to know as a partner in the canal enterprise. Therefore, the deputy administrator must be free of any obstacles or hindrances, particularly regarding documents dealing with the handling, operation and maintenance of the canal.

The most important matter is the adoption of a series of essential regulations to replace provisions of the code of federation regulations which do not conform to the new jurisdictional status of the interoceanic waterway. These regulations deal with virtually all or at least the most important aspects of the canal administration. Such a task must always consider, from drafting initial proposals and their discussion until their final adoption, the Republic of Panama.

The treaty created adequate binational organizations with this aim and allows the creation of others of a special nature if deemed advisable for the purpose set forth here. We must prevent the emergence of differences and controversies once the new regulations are implemented, because it would be more difficult to resolve them then.

The opportunity has arrived for designating the chief engineer, a post created by Law 96–70, alongside that of the deputy administrator of the commission. Since the treaty provides for the increasing participation of the Republic of Panama in all levels of employment of the commission, it would be advisable, by virtue of this principle, to choose a Panamanian citizen for this position, because Law 96–70, after creating the office of ombudsman, has restricted the appointments to that office to a U.S. citizen.

I believe some final considerations are in order and in them I must frankly convey my reflections on this matter. My participation in the decisive phase of the negotiations and, from a different level, in the arduous process of ratifying the canal treaty in the Senate and adopting the implementing legislation by the House of Representatives, leads me to make the clear and precise proposal that follows.

The known objective of opponents to the treaties in the Senate was none other than to undermine the stipulations which recognized the rights of the Panamanian people to the interoceanic waterway and the canal area. The congressmen, in turn, for identical objectives introduced in Law 96–70 articles which seek to hinder the application of the treaty, with the aim of preventing or impeding the Republic of Panama from obtaining its legitimate benefits as sovereign of the canal territory. But their attempt was so unwise that it has created serious obstacles to the Canal Commission's ability to administer efficiently and properly the intermarine waterway. I consider that such an attitude on the part of the U.S. legislators harms the best interests of the United States and the Republic of Panama, and the canal which belongs to it.

In view of the significance of Law 96–70, on which I have had to dwell in the preceding pages, and in the face of the specific issues which this law has created in the execution of the canal treaty, which I have also mentioned, I consider that the Government of the United States must undertake specific efforts to produce a decisive halt to the unwise practices which violate the treaty and which affect their implementation and the friendly relations to which we are bound because of our close connection with the canal. It is not possible that a few months after the implementation of the treaty, forces adverse to the community of interests that we share, are causing disruptions and offensive injustices to prevail—something we believed was a thing of the past.

I call upon your authority as President of the United States and your well-known attitude of understanding toward Panama, so that a halt to this wrongful policy of disregarding Panamanian rights will become the rule of behavior to the execution of the treaty for the purpose of achieving a general reform of Law 96–70 and drafting of new bilateral agreements in those areas warranted.

To be frank, Mr. President, I must state that our nation has not waged from 1904 to 1977 a tenacious struggle, leading to the sacrifice of blood—a date which precisely today we commemorate with devotion—so that the important achievements of the recent treaty will be denied it by Law 96–70; and if such a denial is maintained, the present and future generations, no doubt, will also struggle, as has occurred in the 80 years of this century, to raise the banner of justice to achieve the genuine sovereignty which, notwithstanding the provisions of the Torrijos-Carter treaties, certain U.S. sectors, which have still not understood the significance of respect of the dignity of the Panamanian people, still seek to disregard. With the certainty that you will make the necessary efforts to adequately solve the situations which prompted this note, I cordially greet you, your friend, Aristides Royo, President of the Republic of Panama.

Mr. THURMOND. Mr. President, I wish to commend the able and distinguished Senator from Virginia for making this information available to the Members of this body and to the American people. I see no reason in the world why the entire record concerning the Panama Canal and the treaties and all matters in connection with them should not be disclosed to the people of this country. I think the people of this country are entitled to it. After all, we are merely the instruments of the people, representing the people, and why should there be any effort on the part of the executive branch or the legislative branch to wish to hinder the people in getting what information is available that might be of benefit to them in appraising the situation as it is unfolding?

I wish to again commend the able Senator.

Mr. HARRY F. BYRD, JR. Mr. President, if the Senator will yield, I am very grateful to the able Senator from South Carolina for his remarks. The Senator from South Carolina was a leader in the fight against the giveaway of the Panama Canal, and this letter from the current President of Panama shows that the able Senator from South Carolina was correct.

MRS. ELIZABETH C. PEEPLES OF SCOTIA, S.C., MOTHER OF THE YEAR

Mr. THURMOND. Mr. President, I would like to take this opportunity to note the selection of Mrs. Elizabeth C. Peeples of Scotia, S.C., as the South Carolina Mother of the Year.

Mrs. Peeples' distinguished record of community service and professional leadership in Hampton County, S.C., has been outstanding. Her devotion to family and community set a high standard for others to follow, and I wish her great success in the national competition next month in Arizona.

Mr. President, in addition to the achievements of Mrs. Peeples, I would like to point out that her husband, Dr. Harrison L. Peeples, is president of the South Carolina Medical Association, and their three fine daughters have achieved great success in their endeavors. Their daughter, Elizabeth Ann Laffitte excelled in scholastics and music and graduated from the University of South Carolina with an English major. Another daughter, Patricia Irene Westmoreland, graduated from the Medical University of South Carolina and is a specialist in internal medicine. A third daughter, Brenda Lee Batten, received her master of arts degree in teaching from the Citadel. The Peeples are truly an outstanding family.

Mr. President, I ask unanimous consent that the attached newspaper article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Scotia Lady Is "State Mother"

Mrs. Lillian Elizabeth Cleland Peeples, of Scotia, has been chosen 1980 Mother of the Year for South Carolina, according to Josephine R. McNair, of Columbia, chairman South Carolina Mothers Committee.

Mrs. Peeples will be honored in April by a tea at the Governor's Mansion, and she will receive an award and gold pin in a special ceremony in Governor Riley's Office. She will go to Phoenix, Arizona the last of April to compete for the National Mother of the Year.

Mrs. Peeples was born in Hampton, daughter of the late Lillian Phillips Cleland and the late Robert Lee Cleland. She was graduated from Hampton High School, valedictorian, and from Winthrop College in 1939, with B.S. Degree in Music, presenting first recital in the Music Conservatory. She served on Student Government Board and social chairman of Y.W.C.A.

After following graduation Mrs. Peeples taught school in St. Matthews. She married Harrison Lee Peeples, M.D. in 1941. They have three daughters. Their daughter, Elizabeth Ann Laffitte, excelled in high school music and scholastics, was and graduated from the University of South Carolina with a B.S. in English. Patricia Irene Westmoreland attended Winthrop College and was graduated from the Medical University of South Carolina where she completed a full residency in Internal Medicine. Brenda Lee Batten attended Winthrop College, Clemson University and received a Master of Arts Degree in Teaching from the Citadel.

Mrs. Peeples is on the Board of Trustees of the Baptist College of which she was also a founder. She received an Honorary Doctorate of Humanities from the Baptist College in 1978. She is listed in Who's Who of American Women and is a member of the South Carolina Medical Association Auxiliary. Her eighteen years of work with a Vacation Bible School, for black children, held in her home was featured in the Baptist Courier. Mrs. Peeples is active in the work of her community and church.

The organizations sponsoring Mrs. Peeples are the American Legion Auxiliary Post 131 and the Women's Missionary Union of the Lawtonville Baptist Church.

MRS. LAFFITTE MOTHER OF '77

Hampton County and Estill contributed a State Mother in 1977, when the high honor went to Mrs. M. T. Laffitte, Senior, of Estill.

AMBROSE G. HAMPTON

Mr. THURMOND. Mr. President, a distinguished journalist, businessman, and engineer, Mr. Ambrose G. Hampton of Columbia, S.C., died recently bringing to an end a long and illustrous career.

I knew Mr. Hampton for many years, and he was a man of distinction and integrity. He was a good friend and a man for whom I had deep respect.

He was publisher of the State and the Columbia Record of Columbia, S.C., as well as other papers in South Carolina and Mississippi. An outstanding figure in journalism, he served on the board of the Southern Newspaper Publisher's Association and was on the executive committee of the South Carolina Press Association.

Mr. Hampton was a member of a very prominent South Carolina family and was the great-nephew of Gen. Wade Hampton.

After graduating from the Citadel, he embarked on a highly successful career as a highway engineer. He worked first with the South Carolina Highway Department before joining the Federal Bureau of Public Roads. With both agencies he was an expert in bridge construction and many of his innovative techniques became standard procedure.

It wasn't until 1955 that Mr. Hampton, leaving his promising engineering career, joined his family business, Columbia Newspapers.

In his new job as assistant to the president of Columbia Newspapers, he displayed the ability and thoroughness which characterized his success as an engineer. He was a conscientious, energetic man who was supremely confident in his work. It quickly became evident that his new career would be as successful as his first, and he was made president and publisher in 1963.

While president, Mr. Hampton led his company through a period of rapid technological change in the production of newspapers. His engineering training enabled him to gain a thorough grasp of new techniques, and, under his leadership, his papers provided quicker, more efficient service to their customers.

Mr. Hampton's noteworthy career as a journalist gained him the respect of those in and out of journalistic circles. His conscientious work for his community and state contributed to the betterment of all he touched.

The death of Ambrose Hampton is a deep loss to the State and community he served so well, to the publishing organization he headed so effectively, and most of all, to his family and many friends. He was an outstanding man, and he will be sorely missed.

My deepest sympathy is extended to Mr. Hampton's charming wife, Henriette, his devoted son, Dr. Ambrose G. Hampton Jr., his loving daughter, Mrs. Ben Rankin, and his many relatives who mourn his passing. They can take genuine solace, however, from the lifelong benefits gained by sharing a close family association.

Mr. President, numerous articles and editorials concerning Mr. Hampton's death have appeared. In order to share a representative sample of them with my colleagues, I ask unanimous consent that they appear in the Record at the conclusion of my remarks.

There being no objection, the articles were ordered to be printed in the Record, as follows:

Ambrose G. Hampton, Publisher, Dies at 79

Ambrose Gonzales Hampton, newspaper publisher, died early today. He was 79.

He was publisher of The State and The Columbia Record of Columbia and other newspapers in South Carolina and Mississippi.

Hampton had retired in 1972 from his position as president of The State Record Co., parent entity for all of the newspapers involved, as well as for television properties in South Carolina, Texas and New Mexico, and the State Printing Co. of Columbia.

Funeral services will be held at 5 p.m. tomorrow in Trinity Cathedral conducted by the Very Rev. John E. Banks Jr. Burial will be in Trinity Churchyard.

Surviving are his wife, Henriette DuBose Dargan Hampton; a son, Dr. Ambrose G. Hampton, Jr.; a daughter, Mrs. Ben Rankin (Henriette Dargan) Morris; two brothers, Frank Hampton and Harry R. E. Hampton, all of Columbia; a sister, Mrs. Victor (Gertrude Hampton) Barringer, of Richmond, Va.; and six grandchildren.

A sister, Mrs. Lucy Hampton Bostick, died several years ago.

Mr. Hampton had served as president of The State-Record Co. since 1963. In relinquishing the presidency, he retained the responsibility of publisher of the newspapers.

He came to the publishing field in midlife after a highly successful career as a highway engineer, first with the South Carolina Highway Department and then with the Federal Bureau of Public Roads (now the Federal Highway Administration).

With both agencies he specialized in bridge construction and devised new procedures which became standard in practice.

Hampton descended from two notable families. His ancestor was Anthony Hampton, who came to South Carolina from Virginia before the Revolution. He was a great-nephew of General Wade Hampton. His father was Frank Hampton and his mother, Gertrude Gonzales Hampton, was a sister of N. G. Ambrose and William E. Gonzales, the brothers who founded The State newspaper in 1891.

Born May 17, 1900, at Woodlands, home of his parents at the edge of Columbia, young Hampton attended several private elementary schools in Columbia and preparatory academies in Charleston and Virginia before entering The Citadel to study engineering.

His high marks in his engineering subjects forecast the success which awaited him as an engineer. He was graduated in 1921, and after brief service with the Cherokee County Highway Commission, he transferred to the state road department, there to remain for 15 years.

In 1936, Hampton accepted a post with the Bureau of Public Roads and was assigned to its office at Raleigh, N.C. His work extended from Albemarle Sound on the coast to the mountains, and covered a period of 19 years.

It was in late 1954 that the call came to join the officialdom of the Columbia newspapers, in which he, his brothers and sisters were shareholders as descendants of the Gonzaleses.

Deeply attached to his highway work and well on the way to further advancement with the bureau, Hampton labored over whether to accept the invitation from the board of directors of the Columbia papers.

But the ultimate decision to come was reached and he joined the company Jan. 1, 1955, as assistant to the president, who at that time was the late J. M. Blalock.

Applying the analytical thoroughness which had characterized his success as an engineer the new member of the management staff studiously made the change from one career to another, and began a rise in rank and influence.

By 1958, he was executive vice president. In 1961, he was promoted to vice president and general manager and in 1963, with the retirement of Mr. Blalock, he was elected by the Board as president and publisher.

Mr. Hampton steered the company through a period of accelerated growth and of increasing public demand upon the services of newspapers as progress surged upward in South Carolina.

And his presidency was in an era of revolutionary change in the processes for producing newspapers. The computer came to have an even more important role than data processing in the business and other offices.

Computers came into use in the actual production of the newspapers, first in the production of tape for typesetting machines, and then performing essential services when "cold" type completely replaced "hot" type in an historic evolution.

A photographic process in companionship with the computer now does what linotype machines, producing hot type, once did. The linotype machines disappeared from the composing room of The State and The Columbia Record and from some of the company's other newspapers.

The growth of the newspapers during this period not only required the latest, best and speediest processes for type production, but also additional printing press capacity, and this was provided.

All of these advances won the study, interest and authorization of Mr. Hampton, whose training in engineering enabled him to grasp quickly the technical requirements of newspaper production.

These moves were in line with Hampton's prime and stated principle of policy—service to the advancement of all areas served by the newspapers.

He once said, "Since the hard economics of daily newspaper publishing in our times boiled down to the requirement that newspapers in cities of Columbia's size be under joint ownership and publication, it became even more encumbent upon them to give maximum service to the people and their endeavors." This he said in connection with laying down a basic policy.

In the period of Mr. Hampton's leadership of the company, opportunities appeared for the acquisition of other newspapers to join the State-Record family.

First in a series of additions to the properties of the company was The Daily Herald of Gulfport, Miss., serving that city and its next-door sister community of Biloxi and a wide area of the Gulf Coast.

The Herald is an afternoon daily. Subsequently, the company entered the morning field, publishing, in addition to The Herald, the South Mississippi Sun. Thus the area, for the first time, was provided with both morning and afternoon dailies.

Next, the State-Record Co. branched into television, purchasing stations at Charleston, S.C.; Lubbock, Texas; and Roswell, N.M., the latter being a "satellite" station of the Lubbock operation.

The continuing growth of the South Carolina beach areas of Horry and Georgetown counties indicated the need of a daily newspaper, located at Myrtle Beach, and this was another opportunity for the State-Record Co. to enlarge its services.

The Sun Publishing Co. of Myrtle Beach already published a newspaper there, but not a daily, as well as at the nearby county seat at Conway. The State-Record Co. acquired both and converted the Myrtle Beach Sun News into a daily newspaper. The Conway paper, a weekly, is the Field and Herald.

In May 1979, The Newberry Observer, a weekly newspaper in Newberry, was purchased by the State-Record Co.

Even before some of these acquisitions, Mr. Hampton, as head of the entire operation, had recognized, in the light of growth, the necessity of corporate adjustment, and worked out a plan which the board of directors adopted.

This established the State-Record Co. as the parent organization and set up as subsidiaries separate operating corporations for the various holdings.

Already, there was the State Printing Co., doing commercial printing and dating back to the days of the Gonzales brothers' ownership. It was placed as a subsidiary under the new corporate umbrella, as were the operating companies for the Columbia, Mississippi, Myrtle Beach, Conway and Newberry newspapers, and the Charleston, Texas and New Mexico television stations, as well as another interest, the Bestway Express Co., a freight-hauling facility which subsequently was sold.

Until his retirement as president of the State-Record Co., Hampton was chief executive officer for the entire family of companies. Each, however, had its own slate of officers, from president on down, and each does today.

Mr. Hampton retained the chairmanship of the executive committee of the board of directors and continued as publisher of the newspapers. He was known for his capacity to work well with his top executives and, indeed, with the many employees of the companies, and was held in their high respect.

One of Mr. Hampton's early measures after coming to the company was to personally devise a modern retirement, or pension, program for all personnel of the companies.

Some years later there was instituted another of his original goals—an employee profit-sharing arrangement. Meanwhile, the insurance program for employees was substantially upgraded, both in the field of life insurance and health insurance.

From the beginning of his studies of newspaper management, Hampton had been impressed with the wide variety of skills and talents which are essential to newspaper publishing. He placed a high valuation on the men and women who exercised these capacities.

"Skilled and talented people prevent a newspaper from being merely a stereotyped product. They are a newspaper's life blood. Some are the producers inside the plant and others are our contacts with the public. All are essential," he once said, in stating another of his guiding principles as the head of the operation.

Mr. Hampton's capacity to deal with people showed itself from the bottom to the top of the scale of employees and officials. And it reflected itself also in his relations with the boards of directors of the companies. He always spoke highly of the cooperation he was given by the directors.

The change he made from a long career in engineering to publishing was a sharp one, and he took note of it in a paper he wrote for reading at a meeting of a local literary club. It was appropriately titled "Printers' ink on an Engineer."

"Having made the change," he wrote, "from engineering to newspaper publishing without benefit of transitional training, it afforded me an excellent opportunity to look through the eyes of an engineer, unclouded by previous experience."

It was his way of saying he had brought a totally unprejudiced eye to his new and unsought responsibility.

As demanding as was the task of inducting himself into the field of publishing management, Hampton found himself responding immediately upon his return to Columbia, to the calls for community service.

He may not have realized it at the time, but this was the beginning of a comprehensive contribution on his part to civic and cultural leadership in Columbia. His service and participation were demanded in a wide variety of community activities.

Shortly after his return to Columbia in 1955, he was called to the presidency of the Columbia Community Services organization, which evolved into the United Fund and later the United Way of the Midlands.

And at approximately the same time he was elected to the board of directors of the Columbia Chamber of Commerce. The chamber at that time was an agency of limited resources and activity, housed in two rooms on the first floor of the now-demolished Jerome Hotel.

Hampton was elected chairman of a chamber committee assigned to rejuvenate the organization and to provide it with a new home. The chamber's subsequent success can be traced to the work of that committee.

As time passed, he became vice president of the Columbia Historical Society; commissioner, Richland County Historical Preservation Commission; director, Columbia Stage Society, which operates the Town Theatre; director, Columbia Music Festival Association; director, Columbia Museum of Art; member, Advisory Committee, Junior League; member, Advisory Board, Young Women's Christian Association; and member, Board of Directors of the Aurora Club for the Blind.

The formation of The Citadel Development Foundation drew Mr. Hampton into the service of his alma mater. He was made a member of the board of directors, and subsequently was elected to the vice presidency. The purpose of the body is to raise private, donated funds for the advancement of the institution.

His election as vice president of the Foundation was in 1973.

In 1965, eight years before he assumed this responsibility in the interest of his alma mater, The Citadel conferred upon him the honorary degree of doctor of laws in recognition of his achievements as engineer, publisher and citizen.

He also was called into the service of the University of South Carolina.

He was appointed to the President's Council, and also served as chairman of the Committee on Chairs, being the body to determine the funding of chairs, or special and/or additional faculty places.

Over the years, Mr. Hampton was associated with activities looking to the relationship between Columbia and Fort Jackson, and in these capacities he knew well the commanding generals and other high-ranking officers.

An aspect of Mr. Hampton's activity in public affairs was the fact that in four instances the institutions involved sought to acquire property.

While on the chamber board, its new office was built.

During his presidency of the United Fund, the building at Assembly and Richland streets was purchased as headquarters.

While on the board of the Columbia Museums of Art and Science, the entire block on which the museum building is located was acquired.

During the time he was on the YWCA Advisory Committee, additional property at its location was bought. And as an official of The Citadel Foundation, funds were raised looking to constructions as well as other upgrading purposes.

In the business world, Mr. Hampton served first on the board of directors of the Commercial Bank and Trust Co., now First-Citizens Bank, and then on the board of the South Carolina National Bank.

In the world of publishing, he served two terms on the Southern Newspaper Publishers Association board. He was a member of the American Newspaper Publishers Association and of the South Carolina Press Association, which he served for a time on its Executive Committee.

An Episcopalian, Mr. Hampton, upon his return to Columbia, renewed his membership in the church of his boyhood, Trinity.

He became first a vestryman and then was elected senior warden, the top lay position in church leadership.

In the tradition of his ancestors, the Gonzales, Mr. Hampton enjoyed writing and had hoped to indulge in this inclination when he joined the newspapers.

The executive responsibilities which fell to him, however, prevented this to a large extent.

When his son, Dr. Ambrose G. Hampton Jr., was on the staff of the American Hospital in Paris, the publisher and Mrs. Hampton visited the French city and Hampton did a series of articles, illustrated by photographs he made himself. The series was most favorably received by readers of The State. Later, he did another illustrated series on a visit he made to London.

Mr. Hampton's hobbies were photography, swimming, which he did almost daily in Columbia, and occasional woodwork in his basement shop.

Mr. Hampton was a member of the Columbia Cotillion, one of the founders of the Flemenco Club, a member of the Kosmos Club, formerly a Rotarian, a member of the Palmetto Club, the St. Cecilia Society of Charleston, the Society of the Cincinnati, the American Legion and the Forest Lake Country Club.

Tributes Portray Hampton As "Southern Gentleman"

Newspaper publisher Ambrose Gonzales Hampton was remembered today as a selfless person who was known widely for his integrity and honor and devotion to the betterment of South Carolina.

"I don't know where we are going to find a higher type of man. What more can I say," said Nolan P. Shuler, retired president of South Carolina National Bank, where Mr. Hampton served as director and was later named director emeritus.

"He was the grandest gentleman within The Citadel family," said Col. D. D. Nicholson of The Citadel.

Nicholson recalled that members of the board of The Citadel Development Foundation wanted Mr. Hampton to be president of the foundation.

But, he said, Mr. Hampton was never one to seek the limelight and declined the position, but worked as hard as anyone as vice president of the foundation.

"We used his name frequently in recruiting people," said Nicholson, because of the example which Mr. Hampton set.

"He is just legendary in being a Southern gentleman."

"I don't think Columbia people realize how much he has done for Columbia," said Columbia attorney and real esate developer Edwin Cooper Sr., a long-time associate of Mr. Hampton in many civic and community organizations.

Cooper said Mr. Hampton was always "quiet and reserved" and never sought accolades for the untiring work he did to help Columbia.

He said Mr. Hampton not only contributed to Columbia with money for many different projects, but also in time and devotion.

"His death is a great loss to the people of Columbia," he said.

Peter Manigault, president and publisher of The Evening Post and The News and Courier in Charleston said today:

"His many friends at the Charleston newspapers are greatly saddened by the death of Ambrose Hampton. He was a rare combination of dignity and modesty, of warmth and humor—a respected colleague and a delightful companion.

"We all especially admired the way he changed careers in middle-age and rapidly became very much "one of us" in the somewhat clubby world of newspapermen—and not only one of us, but one whose advice we sought and to whom we listened.

"We send our profound sympathy to his family and to the State-Record."

Former state Highway Commissioner Silas N. Pearman, who worked with Hampton when he was with the Federal Bureau of Public Roads (now the Federal Highway Administration) and the state highway department, called Hampton "dependable, diligent, smart and a mighty fine man."

U.S. Sen. Strom Thurmond, in a statement from his Washington office, said:

"The death of Ambrose Hampton is a deep loss to the state and community he served so well, to the publishing organization he headed so effectively and most of all, to his family and many friends whose devotion and respect he shared.

"He was a quiet man who could move mountains without raising his voice and his accomplishments through the years attest to his foresight and effectiveness.

"He was an outstanding man of his time and he will be sorely missed.

"I extend my sympathy to his devoted wife and children and all members of his family."

He Was a Builder of Bridges

An early assignment of Ambrose Gonzales Hampton as a fledgling engineer, age 21, was in the Wateree River swamp, building approaches to a new bridge over that South Carolina river.

This career was to extend 34 years, during which he achieved a record earning him very high ratings with the profession and expressions from his superiors of the "loss" which the Bureau of Public Roads incurred when he resigned from that administration in 1955 to transfer to newspaper publishing.

His first experience, on the Wateree, had a lasting influence on his life.

Boarding, while on that mission, in the community of Stateburg, he met Miss Henriette DuBose Dargan, daughter of Col. John J. Dargan and Mrs. Dargan.

Colonel Dargan was a lawyer, editor, planter and later the operator of a distinguished private school.

Miss Dargan was to become Mrs. Hampton and to share with the engineer his early nomadic life, from one bridge project to another in South Carolina and to lend important support during the subsequent highly successful career with the Bureau of Roads in North Carolina and the following experience of publishing.

After the completion of the work on the Wateree, there followed studious, hard-working years in which Mr. Hampton and his family were moved from one location to another as the state's road and bridge-building program was steadily, even swiftly, enlarged under a citizen demand to "get us out of the mud."

First, there was resident engineer work in Lancaster. The Sampit River bridge at Georgetown was next.

An innovation became necessary in constructing the Sampit bridge, involving a triangulation system for the location of piers. This was necessitated by the shifting surface of soils as a result of "fill" construction. The change worked.

Then came the big project of a new bridge over both the North and South branches of the Santee River, with Mr. Hampton the resident engineer and living at McClellanville.

Mud and mosquitos and many other problems were overcome in this important construction.

This was then to be the longest bridge in the state, covering 2.2 miles. The porous limestone of the South Santee required a change in design and unusual construction procedures and was the young engineer's largest and most challenging project yet as the resident—or the authorized representative of the Highway Department.

A move to Denmark ensued when he became resident engineer for the bridge over the Edisto River near Cottageville and Round O.

Mr. Hampton was getting a thorough initiation in bridge building as well as a sample of living, like some ministers, all over the state. Bridges had become, and were to remain, a major work for him, but not the only function.

One of the first bridges to use continuous I-beam construction was the Whale Branch span near Beaufort, and Mr. Hampton had found another project, fresh experience and another town in which to live.

The Depression fell as he reached his next assignment which was on projected bridges between Aiken and Salley, and the project was postponed.

But the economic conditions did not immediately immobilize Mr. Hampton.

During a part of this period he did surveys and foundation investigation for the Savannah River bridge, crossing near Allendale. He then did telephone, fire tower and truck trail work for the Civilian Conservation Corps program (a Depression measure) under the auspices of the State Commission of Forestry in the Pee Dee district. Another section of the state opened up to him.

There was a time during the dire days of the Depression when even engineers had intervals of unemployment, and Mr. Hampton was not an exception. During one such period he built, almost entirely by himself, a small home for his family on Hampton lands just outside Columbia.

All the while Mr. Hampton had been further preparing himself for his chosen pursuit.

One of his goals was a Master's Degree in Civil Engineering and he had set to work on a study and dissertation. His subject was "Concrete Form Displacement," and he submitted the paper containing his subject to his alma mater, The Citadel. In 1929, he was granted his degree.

The paper was published, in two parts, in the publication, "Engineering News Record," together with a complimentary editorial for the work.

In 1930, while still in South Carolina, the same journal published his article on "Underwater Concrete," which was based on studies he made while resident engineer for the building of the bridge over the Edisto.

By 1936 he accepted the post of Associate Highway Engineer with the Bureau of Public Roads and moved to Raleigh. From 1936 to 1941 he engaged mainly in the location and construction of bridges and highway separations under the various federal aid programs in the state of North Carolina.

The Bureau of Roads is the agency which handles the usage of federal-aid funds for highways and bridges and its functioning requires engineers of high quality.

Some writing continued.

In 1938, he wrote a special report on the construction of the Albemarle Sound bridge in which he was involved in behalf of the Bureau, and this was published in the "Contractors and Engineers Monthly."

During World War II, Mr. Hampton was in charge of access road investigations and in design and construction of access roads leading to military establishments in North Carolina. And in the same period he was state Civil Defense officer for highways and bridges.

After the war, Mr. Hampton was appointed design engineer in charge of all location and design in North Carolina under the supervision of A. L. Hooper, the Bureau of Public Roads district engineer.

It was during this period that a most important and far-reaching function fell to Mr. Hampton.

In this role he was instrumental in promoting control-access design—or the modern freeways of the new interstate and other systems.

Meanwhile, he had become deeply engaged in something new—the study and promotion of locating roads by photogrammatic methods. He was later to participate, as an authority on the subject, in setting up a short course on this process at North Carolina State University.

In 1939, he had invented and built a special instrument for measuring vibrations and deflections in structures.

It was used in some post-graduate studies at North Carolina State and also in checking instruments under unusual load conditions and in analyzing lateral load distributions of various types of structures.

And while at Raleigh he submitted several reports to the Bureau of Public Roads which were incorporated in that national agency's annual report.

In a 1952 Bureau of Roads "performance rating" of Mr. Hampton are tributes to his service. The high rating given him was that of A. L. Hooper, district engineer under whom Mr. Hampton worked.

At one point, this performance rating said:

"It is in the imaginative scope and vision of what highway design should be that Mr. Hampton has excelled. It is my belief that some of the work which has been done in North Carolina on the Interstate System during the past year must be outstanding in the nation as a whole when viewed from the relatively light traffic load in North Carolina. It is believed that Mr. Hampton's vision in this matter will be clearly vindicated in the years ahead.

And Mr. Hooper's evaluation also said: "Habitual diligence in performing duties and giving attention to work is second nature to him. He not only performs his work with a minimum of waste effort, but rather with a very minimum, bringing into account a knowledge gained by continuous and extensive study of all engineering principles covering his work. Very much less accomplishment would have rated satisfactory."

On the subject of "Leadership" Mr. Hooper wrote: "A few years ago it was almost impossible to persuade the local engineers to construct highway grade separations and braided intersections. The fact that we are now building structures of this sort is entirely due to the leadership and guiding influence of Mr. Hampton."

When B. P. McWhorter, then Division Three engineer at Atlanta for the states of Alabama, Georgia, Mississippi, North Carolina, South Carolina and Tennessee became ill, Mr. Hampton replaced him in that high capacity for a time.

And when Mr. Hampton resigned from the Bureau to come to the Columbia newspapers, Mr. McWhorter wrote him a complimentary letter of regret in which he said:

"In my opinion, we are losing one of the ablest engineers the Bureau has, and I am not confining my opinion to Division Three. Your broad knowledge of engineering and administrative ability in solving difficult problems with the State Highway Department have been outstanding, and very few have been outstanding, and very few men have those qualities which are so necessary for high positions in the Bureau."

An accomplished writer in the Gonzales family's literary tradition Mr. Hampton had scant time for writing for the newspaper of which he became publisher and president. But several deftly written series on trips he made to Europe, with illustrations of photographs he himself took, did come from his pen and were published in The State, winning a wide and appreciative readership.

In 1965, 10 years after he had joined the newspapers, he was awarded the honorary degree of Doctor of Laws by The Citadel. He had brought distinction to his alma mater.

In his Columbia office, long after active engineering had become a vocation of the past, engineering publications still received his interested attention.

But directing the affairs of the newspaper and their related but separate entities more than absorbed the energies of the man of two striking careers.

Ambrose G. Hampton

To build bridges of concrete and steel across mud and mire through slush and swamp is no mean feat for the skilled engineer, and Ambrose Gonzales Hampton crafted and constructed enduring bridges in his beloved South Carolina.

As a distinguished builder of bridges and roads, he straightened earthen trails, transforming road systems in North and South Carolina with precise planning and dutiful care for small details. His mastery of the science of highway engineering remained, always, a source of pleasure.

Ambrose Hampton did more, much more. He built bridges of understanding and justice as a Renaissance gentleman, blessed with a Renaissance mind. Imbued with an abiding sense of history, learning therefrom, he was graced with that rarest of qualities—gentility. Manners in bridge-building of mortal relations are consummately important and Ambrose Hampton planned and structured better lives for all people in Columbia and our state. He preserved the best, reinforced the weakened structures of our community, and built new bridges where none had existed.

Gentleness to all mankind directed his energies in publishing this and other newspapers. Gentle and low was his voice; gentle and great were his dreams and deeds. Having lived among Carolinians all over our state, he treasured service at all societal levels with an absolute trust in time-proven virtues of honest work, honest endeavor and sacred honor.

He wanted this newspaper to serve the people of Columbia and Carolina—to serve them all, to serve them fairly, to serve them well, without fear or favor. Time's slow torments never disturbed his dedication and devotion.

To the gentleman, modesty is a greater virtue than vanity. Ambrose Gonzales Hampton was a modest man, unscarred over his tall and courtly frame by any scratch of vanity.

Yet, it is not vain for others to say in simple truth that in our daily lives, we Columbians and Carolinians daily cross "bridges," testaments and now memorials to his personal and professional understanding, character and genius.

Ambrose Hampton's bridges do, and shall, endure.

Tributes Are Paid

Colleagues, old friends and government officials mourned the passing Wednesday of Columbia newspaper publisher Ambrose G. Hampton.

He was praised as one whose advice was sought—and listened to—by his fellow publishers.

"His many friends at the Charleston newspapers are greatly saddened by the death of Ambrose Hampton. He was a rare combination of dignity and modesty, of warmth and humor—a respected colleague and a delightful companion," said Peter Manigault, president and publisher of The (Charleston) Evening Post and The News and Courier.

"We all especially admired the way he changed careers in middle age and rapidly became very much 'one of us' in the somewhat clubby world of newspapermen—and not only one of us, but one whose advice we sought and to whom we listened."

Reid Montgomery, secretary-manager of the South Carolina Press Association, described Mr. Hampton as "a stalwart" in the newspaper business and said he represented the tradition of family involvement in newspapers.

"Mr. Hampton added much to newspapering in South Carolina. His many friends in the press association express sympathy to his family," Montgomery said, adding that Mr. Hampton had carried on "the great tradition of the Gonzales family."

Gov. Dick Riley paid tribute to Mr. Hampton's "faith, vision and energy" and said that the state is "richer by far because of his full and active life and we are made all the poorer by his passing.

"The death of Ambrose G. Hampton saddens not only his family, but scores of his friends, associates and all of South Carolina," the governor said.

"Ambrose Hampton was a remarkable man of faith, dedication and courage, who remained intensely loyal to the highest standards and uncompromising principles of the journalism profession in which he endeavored most of his life.

"His was an uncommon faith, vision and energy. He gave unselfishly to his state, community, country and fellow man in the closely-held belief that man is, in the final analysis, his brother's keeper," Riley said.

Sen. Strom Thurmond, R-S.C., paid tribute to Mr. Hampton Wednesday as "a quiet man who could move mountains without ever raising his voice . . .

"The death of Ambrose Hampton is a deep loss to the state and community he served so well, to the publishing organization he headed so effectively, and most of all, to his family and the many friends whose devotion and respect he shared," Thurmond said.

"He was a quiet man who could move mountains without ever raising his voice, and his accomplishments throughout the years attest to his foresight and effectiveness. He was an outstanding man of his time and he will be sorely missed," Thurmond said.

South Carolina has lost "an illustrious son," with the passing of Ambrose Hampton, Sen. Ernest F. Hollings said.

"Not only in his publishing endeavors, but in his civic and community work, he made our state a better place in which to work and live," Hollings said.

Mr. Hampton "dedicated tremendous effort to everything he did—from bringing news and information and entertainment to his newspaper readers to working to enhance the many worthy causes in which he involved himself.

"We have lost a leader—and a true friend," Hollings said.

University of South Carolina President James B. Holderman praised Mr. Hampton in a statement as "distinguished, and much valued honorary alumnus of the university.

"He had assisted greatly with the Chair Endowment Fund," said Dr. Holderman, "and his advice and practical support were always appreciated.

"The board of trustees was happy to award him the degree of doctor of humane letters in 1978, and I personally feel I have lost a real friend," Holderman said.

"I don't know where we are going to find a higher type of man. What more can I say," said Nolan P. Shuler, retired president of the South Carolina National Bank, where Mr. Hampton served as director and later director emeritus.

"He was the grandest gentleman within The Citadel family," said Col. D. D. Nicholson of The Citadel.

Nicholson recalled that members of the board of The Citadel Development Foundation wanted Mr. Hampton to be president of the foundation. But, he said, Mr. Hampton was never one to seek the limelight and declined the position, but worked as hard as anyone as vice president of the group.

"We used his name frequently in recruiting people," said Nicholson, because of the example he set.

"He is just legendary in being a southern gentleman."

"I don't think Columbia people realize how much he has done for Columbia," said Columbia attorney and real estate developer Edwin Cooper Sr., a long-time associate of Mr. Hampton in many civic and community organizations.

Cooper said Mr. Hampton was always "quiet and reserved" and never sought accolades for the untiring work he did to help Columbia.

He said Mr. Hampton not only contributed to Columbia with money for many different projects, but also in time and devotion.

"His death is a great loss to the people of Columbia," he said.

Former State Highway Commissioner Silas N. Pearman, who worked with Mr. Hampton when he was with the Federal Bureau of Public Roads (now the Federal Highway Administration) and the state highway department, called Mr. Hampton, "dependable, diligent, smart and a mighty fine man."

All of these advances won the study, interest and authorization of Mr. Hampton, whose training in engineering enabled him to grasp quickly the technical requirements of newspaper production.

These moves were in line with Mr. Hampton's prime and stated principle of policy—service to the advancement of all areas served by the newspapers.

He once said, "Since the hard economics of daily newspaper publishing in our times boiled down to the requirement that newspapers in cities of Columbia's size be under joint ownership and publication, it become even more incumbent upon them to give maximum service to the people and their endeavors." This, he said in connection with laying down a basic policy.

In the period of Mr. Hampton's leadership of the company, opportunities appeared for the acquisition of other newspapers to join the State-Record family.

First in a series of additions to the properties of the company was The Daily Herald of Gulfport, Miss., serving that city and its next-door sister community of Biloxi and a wide area of the Gulf Coast.

The Herald is an afternoon daily. Subsequently, the company entered the morning field, publishing, in addition to The Herald, the South Mississippi Sun. Thus the area, for the first time, was provided with both morning and afternoon dailies.

Next, the State-Record Co. branched into television, purchasing stations at Charleston, S.C.; Lubbock, Texas; and Roswell, N.M., the latter being a "satellite" station of the Lubbock operation.

The continuing growth of the South Carolina beach areas of Horry and Georgetown counties indicated the need of a daily newspaper located at Myrtle Beach, and this was another opportunity for the State-Record Co. to enlarge its services.

The Sun Publishing Co. of Myrtle Beach already published a newspaper there, but not a daily, and another weekly at the nearby county seat at Conway. The State-Record Co. acquired both and converted The (Myrtle Beach) Sun News into a daily newspaper. The Conway paper, a weekly, is the Field and Herald.

Some years later there was instituted another of his original goals—an employee profit-sharing arrangement. Meanwhile, the insurance program for employees was substantially upgraded, both in the field of life insurance and in health insurance.

From the beginning of his studies of newspaper management, Mr. Hampton had been impressed with the wide variety of skills and talents which are essential to newspaper publishing. He placed a high valuation on the men and women who exercised these capacities.

"Skilled and talented people prevent a newspaper from being merely a stereotyped product. They are a newspaper's life blood. Some are the producers inside the plant and others are our contacts with the public. All are essential," he once said, in stating another of his guiding principles as the head of the operation.

Mr. Hampton's capacity to deal with people showed itself from the bottom to the top of the scale of employees and officials. And it reflected itself also in his relations with the boards of directors of the companies. He always spoke highly of the cooperation he was given by the directors.

The change he made from a long career in engineering to publishing was a sharp one, and he took note of it in a paper he wrote for reading at a meeting of a local literary club. It was appropriately titled "Printers' Ink on an Engineer."

"Having made the change," he wrote, "from engineering to newspaper publishing without benefit of transitional training, it afforded me an excellent opportunity to look through the eyes of an engineer, unclouded by previous experience."

It was his way of saying he had brought a totally unprejudiced eye to his new and unsought responsibility.

As demanding as was the task of inducting himself into the field of publishing management, Mr. Hampton found himself responding immediately, upon his return to Columbia, to the calls for community service.

He may not have realized it at the time, but this was the beginning of a comprehensive contribution on his part to civic and cultural leadership in Columbia.

In 1965, eight years before he assumed this responsibility in the interest of his alma mater, The Citadel conferred upon him the honorary degree of doctor of laws in recognition of his achievements as engineer, publisher and citizen.

He also was called into the service of the University of South Carolina.

He was appointed to the President's Council, and also served as chairman of the Committee on Chairs, being the body to determine the funding of chairs, or special and/or additional faculty places.

In 1978, the university awarded Mr. Hampton an honorary doctor of humane letters degree.

Over the years Mr. Hampton was associated with activities looking to the relationship between Columbia and Ft. Jackson and in these capacities he knew well the commanding generals and other high-ranking officers.

An aspect of Mr. Hampton's activity in public affairs was the fact that in four instances the institutions involved sought to acquire property.

While he was on the chamber board, its new office was built.

During his presidency of the United Fund, the building at Assembly and Richland streets was purchased as headquarters.

While he was on the board of the Columbia Museums of Art and Science, the entire block on which the museum building is located was acquired.

During the time he was on the YWCA Advisory Committee, additional property at its location was bought. And as an official of The Citadel Foundation, funds were raised looking to constructions as well as other upgrading purposes.

In the business world, Mr. Hampton served first on the board of directors of the Commercial Bank and Trust Co., now First-Citizens Bank, and then on the board of the South Carolina National Bank.

In the world of publishing, he served two terms on the Southern Newspaper Publishers Association board. He was a member of the American Newspaper Publishers Association and of the South Carolina Press Association, which he served for a time on its executive committee.

An Episcopalian, Mr. Hampton, upon his return to Columbia, renewed his membership in the church of his boyhood, Trinity.

He became first a vestryman and then was elected, first, junior warden and then senior warden, the top lay position in church leadership.

In the tradition of his ancestors, the Gonzales, Mr. Hampton enjoyed writing and had hoped to indulge in this inclination when he joined the newspapers.

The executive responsibilities which fell to him, however, prevented this to a large extent.

When his son, Dr. Ambrose G. Hampton Jr., was on the staff of the American Hospital in Paris, the publisher and Mrs. Hampton visited the French city and Hampton did a series of articles, illustrated by photographs he made himself. The series was most favorably received by readers of The State. Later, he did another illustrated series on a visit he made to London, then trips to Germany and Switzerland.

Mr. Hampton's hobbies were photography, swimming, which he did almost daily in Columbia, and occasional wordwork in his basement shop.

Mr. Hampton was a member of the Columbia Cotillion, one of the founders of the

Flemenco Club, a member of the Kosmos Club, formerly a Rotarian, a member of the Palmetto Club, the St. Cecelia Society of Charleston, the Society of the Cincinnati, the American Legion and the Forest Lake Country Club.

Ambrose G. Hampton, Publisher, Dies At 79

Ambrose Gonzalez Hampton, publisher of The State and The Columbia Record, died early Wednesday. He was 79.

Mr. Hampton had retired in 1972 from his position as president of The State-Record Co., parent entity for Columbia Newspapers Inc., and other newspapers in South Carolina and Mississippi, as well as for television properties in South Carolina, Texas and New Mexico, and the State Printing Co. of Columbia.

Funeral services will be conducted at 5 p.m. today in Trinity Cathedral by the Rev. John E. Banks Jr., cathedral dean. Burial will be in Trinity Churchyard.

Active pallbearers will be Paul Barringer, Dr. McKenzie P. Moore, Dargan Frierson, Jack Frierson, John Rogers, and Kirkman Finlay Jr.

Honorary pallbearers will be James Gooding, Burton Robinson, Frank Williamson, Karl Espedahl, William Benton, William Hazlehurst, John Lumpkin, Arthur Langley Sr., John A. Montgomery, Carroll Spencer, Charles H. Wickenberg Jr., William D. Workman Jr., David W. Robinson, Augustus T. Graydon, J. Willis Cantey, Channing S. Joye, Frank Barron Sr., John A. Manning, Thomas Moore, Thomas Pope, Sidney Roddey, Roland Weeks Jr. and Cyril Washer.

Former senior wardens of Trinity Cathedral will be ushers.

The family suggests that those who wish may make memorials to The Citadel Development Foundation, Charleston.

Surviving are his widow, Henriette DuBose Dargan Hampton; a son, Dr. Ambrose G. Hampton Jr.; a daughter, Mrs. Ben Rankin (Henriette Dargan) Morris; two brothers, Frank Hampton and Harry R. E. Hampton, all of Columbia; a sister, Mrs. Victor (Gertrude Hampton) Barringer of Richmond, Va.; and six grandchildren.

Another sister, Mrs. Lucy Hampton Bostick, died several years ago.

Dunbar Funeral Home, Gervais Street Chapel, is in charge of arrangements.

Mr. Hampton had served as president of The State-Record Co. since 1963. In relinquishing the presidency, he retained the responsibility of publisher of the newspapers.

He came to the publishing field in midlife after a highly successful career as a highway engineer, first with the South Carolina Highway Department and then with the Federal Bureau of Public Roads (now the Federal Highway Administration) in North Carolina.

With both agencies he specialized in bridge construction and devised new procedures which became standard in practice.

Mr. Hampton descended from two notable families. One ancestor was Anthony Hampton, who came to South Carolina from Virginia before the Revolution and Mr. Hampton was a great-nephew of Gen. Wade Hampton. His father was Frank Hampton and his mother, Gertrude Gonzales Hampton, was a sister of N. G., Ambrose and William E. Gonzales, the brothers who founded The State in 1891.

Born on May 17, 1900, at Woodlands, home of his parents at the edge of Columbia, Mr. Hampton attended several private elementary schools in Columbia and preparatory academies in Charleston and Virginia before entering The Citadel to study engineering.

His high marks in his engineering subjects forecast the success which awaited him as an engineer. He was graduated in 1921, and after brief service with the Cherokee County Highway Commission, he transferred to the state road department, there to remain for 15 years.

In 1936, Mr. Hampton accepted a post with the Bureau of Public Roads and was assigned to its office at Raleigh, N.C. His work extended from Albemarle Sound on the coast to the mountains, and covered a period of 19 years.

It was in late 1954 that the call came to join the officialdom of the Columbia newspapers, in which he and his brothers and sisters were shareholders as descendants of the Gonzaleses.

Deeply attached to his highway work and well on the way to further advancement with the bureau, Mr. Hampton labored over whether to accept the invitation from the board of directors of the Columbia papers.

He made the ultimate decision to come to Columbia, and joined the company Jan. 1, 1955, as assistant to the president, then the late J. M. Blalock.

Applying the analytical thoroughness which had charactrized his success as an engineer, the new member of the management staff studiously made the change from one career to another, and began a rise in rank and influence.

By 1958, Mr. Hampton was executive vice president. In 1961, he was promoted to vice president and general manager, and in 1963, with the retirement of Mr. Blalock, he was elected by the board as president and publisher.

Mr. Hampton steered the company through a period of accelerated growth and of increasing public demand upon the services of newspapers as progress surged upward in South Carolina.

His presidency was in an era of revolutionary change in the processes for producing newspapers. The computer came to have an even more important role than data processing in the business and other offices.

Computers came into use in the actual production of the newspapers, first in the production of tape for typesetting machines, and then performing essential services when "cold" type completely replaced "hot" type in a historic evolution.

A photographic process in companionship with the computer now does what linotype machines, producing hot type once did. The linotype machines disappeared from the composing room of The State and The Columbia Record and from some of the company's other newspapers.

The growth of the newspapers during this period not only required the latest, best and speediest processes for type production, but also additional printing press capacity, and this was provided.

In May 1979, The Newberry Observer, a weekly newspaper in Newberry, was purchased by the State-Record Co.

Even before some of these acquisitions, Mr. Hampton, as head of the entire operation, had recognized, in the light of growth, the necessity of corporate adjustment, and worked out a plan which the board of directors adopted.

This established the State-Record Co. as the parent organizaation and set up as subsidiaries separate operating corporations for the various holdings.

Already, there was the State Printing Co., doing commercial printing and dating back to the days of the Gonzales brothers' ownership. It was placed as a subsidiary under the new corporate umbrella, as were the operating companies for the Columbia, Mississippi, Myrtle Beach, Conway and Newberry newspapers, and the Charleston, Texas and New Mexico television stations, as well as another interest, the Bestway Express Co., a freight-hauling facility which subsequently was sold.

Until his retirement as president of the State-Record Co., Mr. Hampton was chief executive officer for the entire family of companies. Each, however, had its own slate of officers, from president on down, and each does today.

Mr. Hampton retained the chairmanship of the executive committee of the board of directors and continued as publisher of the newspapers. He was known for his capacity to work well with his top executives and, indeed, with the many employees of the companies, and was held in their high respect.

One of Mr. Hampton's early measures after coming to the company was to devise personally a modern retirement, or pension program for all personnel of the companies.

Shortly after his return to Columbia in 1955, he was called to the presidency of the Columbia Community Services organization, which evolved into the United Fund and later the United Way of the Midlands.

And, at approximately the same time, he was elected to the board of directors of the Columbia Chamber of Commerce. The chamber at that time was an agency of limited resources and activity, housed in two rooms on the first floor of the now-demolished Jerome Hotel.

Mr. Hampton was elected chairman of a chamber committee assigned to rejuvenate the organization and to provide it with a new home. The chamber's subsequent success can be traced to the work of that committee.

As time passed, he became vice president of the Columbia Historical Society; commissioner, Richland County Historical Preservation Commission; director, Columbia Stage Society, which operates the Town Theatre; director, Columbia Music Festival Association; director, Columbia Museum of Art; member, Advisory Committee, Junior League; member, Advisory Board, Young Women's Christian Association; and member, Board of Directors of the Aurora Club for the Blind, now the Federated Center of the Blind.

The formation of The Citadel Development Foundation drew Mr. Hampton into the service of his alma mater. He was made a member of the board of directors and subsequently was elected to the vice presidency. The purpose of the body is to raise private, donated funds for the advancement of the institution.

His election as vice president of the Foundation was in 1973.

Ambrose G. Hampton: A Remarkable Man

As publisher, engineer and responsive citizen, Ambrose Hampton was motivated by what he construed to be best for his fellow man.

Mr. Hampton accepted the responsibility of publisher of *The State* and *The Columbia Record* as a latter-day successor to his newspaper-funding uncles, the three Gonzales brothers. Different as his times were from those of his predecessors, he based his general newspaper philosophy on the lasting principles which the Gonzales enunciated and pursued many years before.

Changing in his mid-fifties from an outstanding career in engineering to publishing was a challenge Mr. Hampton met with striking success. It was a change made as much out of family duty as from personal desire. He had been more than content in engineering. But with a studiousness and resolve which were inherent in his nature, he soon grasped the intricacies of publishing. Ultimately, as his company's president and chief executive officer, he directed its growth and expansion. Newspaper and television properties in South Carolina proposed and company holdings spread to Texas, Mississippi, and New Mexico.

A courteous man of reserve, with compassion for people and the bent of the conservative, he was, in reality, a progressive. The growth of the parent State-Record Co. and its subsidiary corporations demonstrated the fact.

Columbia knew and appreciated Ambrose Gonzales Hampton, the citizen, and his contributions of time, energy and means to civic and cultural betterment. He served on a multiplicity of boards and commissions designed for the good of the community and South Carolina. This meant for him an active role of leadership, one including faithful service to his church. And he saw to it that the companies he headed were liberal and responsible corporate citizens, following his own personal example.

Even though he planned well for the future of the communications media he headed, the death of Mr. Hampton is a keenly felt loss by his associates and, indeed, by all who knew him. The quiet builder wherever he labored, he was the friend of his fellows, a gentleman, and the object of respect and affection. He has left a remarkable life record, forged by a character and a caliber all too rare in our age.

A. G. HAMPTON DEAD AT 79

Ambrose Gonzales Hampton, newspaper publisher, died early Wednesday. He was 79.

He was a member of the board of directors of Sun Publishing Co. of Myrtle Beach, publisher of The Sun News. He was publisher of The State and The Columbia Record of Columbia and other newspapers in South Carolina and Mississippi.

Mr. Hampton had retired in 1972 from his position as president of The State-Record Co., parent entity for all of the newspapers involved, as well as for television properties in South Carolina, Texas and New Mexico, and the State Printing Co. of Columbia; he was president of the company when it purchased Sun Publishing Co.

Services will be at 5 p.m. today in Trinity Cathedral conducted by the Very Rev. John E. Banks, Jr. with burial in Trinity Churchyard.

Surviving are his wife, Henriette DuBose Dargen Hampton; a son Dr. Ambrose C. Hampton Jr.; a daughter, Mrs. Ben Rankin (Henriette Dargan) Morris; two brothers, Frank Hampton and Harry R. E. Hampton, all of Columbia; a sister, Mrs. Victor (Gertrude Hampton) Barringer, of Richmond, Va.; and six grandchildren.

A sister, Mrs. Lucy Hampton Bostick, died several years ago.

Mr. Hampton had served as president of The State-Record Co. since 1963. In relinquishing the presidency, he retained the responsibility of publisher of the newspayers.

He came to the publishing field in midlife after a highly successful career as a highway engineer, first with the South Carolina Highway Department and then with the Federal Bureau of Public Roads (now the Federal Highway Administration.)

With both agencies he specialized in bridge construction and devised new procedures which became standard practice.

Hampton descended from two notable families. His ancestor was Anthony Hampton, who came to South Carolina from Virginia before the Revolution. He was a great-nephew of Gen. Wade Hampton. His father was Frank Hampton and his mother, Gertude Gonzales Hampton, was a sister of N. G. Ambrose and William E. Gonzales, the brothers who founded The State newspaper in 1891.

Born May 17, 1900, at Woodlands, home of his parents at the edge of Columbia, young Hampton attended several private elementary schools in Columbia and preparatory academies in Charleston and Virginia before entering The Citadel to study engineering.

In 1936, Hampton accepted a post with the Bureau of Public Roads and was assigned to its office at Raleigh, N.C.

In was in late 1954 that the call came to join the officialdom of the Columbia newspapers, in which he, his brothers and sisters were shareholders as descendants of the Gonzaleses.

Mr. Hampton labored over whether to accept the inviation from the board of directors of the Columbia papers; he joined the company Jan. 1, 1955, as assistant to the president, who at that time was the late J. M. Blalock.

Applying the analytical thoroughness which had characterized his success as an engineer, the new member of the management staff studiously made the change from one career to another, and began a rise in rank and influence.

By 1958, he was executive vice president. In 1961, he was promoted to vice president and general manager, and in 1968, with the retirement of Mr. Blalock, he was elected by the board as president and publisher.

Mr. Hampton steered the company through a period of accelerated growth and of increasing public demand upon the services of newspapers as progress surged upward in South Carolina.

And his presidency was in an era of revolutionary change in the processes for producing newspapers.

Technological advancements in the newspaper industry won the study, interest and authorization of Mr. Hampton, whose training in engineering enabled him to grasp quickly the technical requirements of newspaper production.

These moves were in line with Hampton's prime and stated principle of policy—service to the advancement of all areas served by the newspapers.

He once said, "Since the hard economics of daily newspaper publishing in our times boiled down to the requirement that newspapers in cities of Columbia's size be under joint ownership and publication, it became even more encumbent upon them to give maximum service to the people and their endeavors." This he said in connection with laying down a basic policy.

In the period of Mr. Hampton's leadership of the company, opportunities appeared for the acquisition of other newspapers to join the State-Record family.

First in a series of additions to the properties of the company was The Daily Herald of Gulfport, Miss., serving that city and its next-door sister community of Biloxi and a wide area of the Gulf Coast.

Subsequently, the company entered the morning field, publishing, the South Mississippi Sun. Thus the area, for the first time, was provided with both morning and afternoon dailies.

Next, the State-Record Co. branched into television, purchasing stations at Charleston; Lubbock, Texas; and Roswell, N.M., the latter being a "satellite" station of the Lubbock operation.

The continuing growth of the South Carolina beach areas of Horry and Georgetown counties indicated the need of a daily newspaper, located at Myrtle Beach, and this was another opportunity for the State-Record Co. to enlarge its services.

The Sun Publishing Co. of Myrtle Beach already published a newspaper there, but not a daily, as well as at the nearby county seat at Conway. The State-Record Co. acquired both and converted The Sun News at Myrtle Beach into a daily newspaper. The Conway paper, a weekly, is the Field and Herald.

In May 1979, The Newberry Observer, a weekly newspaper in Newberry, was purchased by the State-Record Co.

Even before some of these acquisitions, Mr. Hampton, as head of the entire operation, had recognized, in the light of growth, the necessity of corporate adjustment, and worked out a plan which the board of directors adopted.

This established the State-Record Co. as the parent organization and set up as subsidiaries separate operating corporations for the various holdings.

Until his retirement as president of the State-Record Co., Hampton was chief executive officer for the entire family of companies. Each, however, had its own slate of officers, from president on down, and each does today.

Mr. Hampton retained the chairmanship of the executive committee of the board of directors and continued as publisher of the newspapers.

From the beginning of his studies of newspaper management, Hampton had been impressed with the wide variety of skills and talents which are essential to newspaper publishing. He placed a high valuation on the men and women who exercised these capacities.

"Skilled and talented people prevent a newspaper from being merely a stereotyped product. They are a newspaper's life blood. Some are the producers inside the plant and others are our contacts with the public. All are essential," he once said, in stating another of his guiding principles as the head of the operation.

Mr. Hampton's capacity to deal with people showed itself from the bottom to the top of the scale of employees and officials. And it reflected itself also in his relations with the boards of directors of the companies. He always spoke highly of the cooperation he was given by the directors.

The change he made from a long career in engineering to publishing was a sharp one, and he took note of it in a paper he wrote for reading at a meeting of a local literary club. It was appropriately titled "Printer's Ink on an Engineer."

The paper was his way of saying he had brought a totally unprejudiced eye to his new and unsought responsibility.

As demanding as was the task of inducting himself into the field of publishing management, Hampton found himself responding immediately, upon his return to Columbia, to the calls for community service.

He may not have realized it at the time, but this was the beginning of a comprehensive contribution on his part to civic and cultural leadership in Columbia. His service and participation were demanded in a wide variety of community activities.

Shortly after his return to Columbia in 1955, he was called to the presidency of the Columbia Community Services organization, which evolved into the United Fund and later the United Way of the Midlands.

And at approximately the same time he was elected to the board of directors of the Columbia Chamber of Commerce. The chamber at that time was an agency of limited resources and activity, housed in two rooms on the first floor of the now-demolished Jerome Hotel.

Hampton was elected chairman of a chamber committee assigned to rejuvenate the organization and to provide it with a new home. The chamber's subsequent success can be traced to the work of that committee.

As time passed, he became vice president of the Columbia Historical Society; commissioner, Richland County Historical Preservation Commission; director, Columbia Stage Society, which operates the Town Theatre; director, Columbia Music Festival Association; director, Columbia Museum of Art; member, Advisory Committee, Junior League; member, Advisory Board, Young Women's Christian Association; and member, Board of Directors of the Aurora Club for the Blind.

A GENTLEMAN ALWAYS

The death yesterday of newspaper publisher Ambrose Gonzales Hampton, 79, obviously hits us hard at The Sun News. He was president of State-Record Co. when it acquired this newspaper and The Field and

Herald in Conway. He was a guiding light in the development of this newspaper, the only locally-owned daily in Horry County, into its daily status and, later, into its seven-day publication schedule. We know, then, how much Mr. Hampton has meant to the newspapers which he nurtured and to journalism in South Carolina.

Yet, we also know that Mr. Hampton's contributions to South Carolina in general far exceed the newspaper profession. If we told you that Mr. Hampton's first major achievement was an engineer on the long-needed bridge over the Wateree River and later had a hand in the building of the Sampit River bridge at Georgetown, you would begin to understand the diversity of his career, the contributions he has made. Or if we told you of his involvement in the United Fund, chamber of commerce and other civic responsibilities, often eschewing credit for his accomplishments, you might begin to understand Mr. Hampton's deep-held responsibility to the state in which he lived.

If we also told you of his membership on our board of directors at Sun Publishing Co. and his chairmanship of the executive committee of our parent, State-Record Co., board of directors, you could understand why his leadership will be missed from Myrtle Beach and Conway to Newberry, from Columbia to Charleston, from Texas and New Mexico to Biloxi, Miss. All those locations have felt Mr. Hampton's leadership in various corporate and community endeavors.

But you perhaps will not really understand his loss until we say that we will miss him as a friend, as a Southern gentleman, as a compassionate executive. And miss him, we will.

Ambrose G. Hampton

Ambrose Gonzales Hampton entered the newspaper publishing field in his middle years after success as a highway engineer. Background, ability and an appreciation of what serves the best interests of South Carolina suited him well for the position of publisher of The State and The Columbia Record, as well as chief executive of other newspapers and television stations in several states.

Mr. Hampton was descended from two notable families. His paternal ancestors came to South Carolina from Virginia before the Revolutionary War. He was a great nephew of Gen. Wade Hampton, leader of the movement that returned control of South Carolina government to its citizens during Reconstruction. His father was Frank Hampton and his mother Mrs. Gertrude Gonzales Hampton, a sister of the founders of The State—N. G. Gonzales and Ambrose E. Gonzales.

Born at Woodlands, the family home at Columbia, Mr. Hampton attended Columbia, Charleston and Virginia schools. Graduated from The Citadel, he was associated first with the South Carolina Highway Department and then the federal Bureau of Public Roads, specializing in bridge construction.

In 1955 he joined the Columbia newspapers, which during his years as president and publisher added to their holdings five other newspapers in South Carolina and Mississippi and television stations here and in two other states. His participation in preservation efforts, business promotion and civic betterment reflected his diverse interests and his keen sense of responsibility to community and state. Mr. Hampton's death at 79 saddens associates and other friends in this state and beyond its borders.

Columbia Publisher A. G. Hampton Dies

Columbia (S.C)—Ambrose Gonzales Hampton, publisher of The State, The Columbia Record and five other newspapers, has died at the age of 79. Death came at his home Tuesday.

Hampton had retired in 1972 as president of the State-Record Co., parent firm of the newspapers and of television properties in South Carolina, Texas and New Mexico and the State Printing Co. in Columbia.

From 1963 to 1972 he had been president of the State-Record Co. He retained the responsibility of publisher of the newspapers when he gave up the presidency.

Hampton became a publisher in middle age after a successful career as a highway engineer, first with the South Carolina Highway Department and then with the Federal Bureau of Public Roads. He was graduated from The Citadel in 1921 with a degree in engineering.

Specializing in bridge construction, Hampton devised new procedures which became standard in bridge construction.

He was a descendant of two notable families. One ancestor was Anthony Hampton, who moved to South Carolina from Virginia before the Revolutionary War. His great uncle was Gen. Wade Hampton, leader of the Red Shirt movement which regained control of South Carolina's state government during the Reconstruction period following the Civil War.

His parents were Frank Hampton and Gertrude Gonzales Hampton, a sister of Ambrose Gonzales, N. G. Gonzales and William E. Gonzales. The Gonzales brothers founded The State newspaper in Columbia in 1891.

During the time he headed the State-Record Co., several other newspapers were acquired: the Daily-Herald and the South Mississippi Sun, both of Gulfport, Miss., and the Myrtle Beach Sun News. The company's non-dailies are the weekly Conway Field and Herald and the Newberry Observer, published twice a week.

Television properties were acquired in Charleston, Lubbock, Texas, and Roswell, N.M.

The funeral will be 5 p.m. Thursday at Trinity Episcopal Cathedral in Columbia.

Surviving are: his widow, Henriette DuBose Dargan Hampton of Columbia; a son, Dr. Ambrose G. Hampton Jr., of Columbia; a daughter, Henriette Dargan Morris of Columbia; two brothers, Frank Hampton and Harry R. E. Hampton, both of Columbia; a sister, Gertrude Hampton Barringer of Richmond Va.; and six grandchildren.

Ambrose G. Hampton

The accomplishments of Ambrose Gonzales Hampton in several fields—engineering and publishing—were the sort of things that South Carolinians over the past two centuries, have come to expect of Gonzales and Hampton family members.

His grandfather's brother, Gen. Wade Hampton, was a force in restoring local civilian control in the state following the Civil War. His mother's family founded The State newspaper in Columbia.

Hampton majored in engineering at The Citadel (class of '21), became expert in bridge construction, first for the S.C. Highway Department and later for the federal Bureau of Public Roads as it embarked on building the national freeway system 25 years ago. He went on to head the family publishing business which he expanded to include several smaller papers around the state and in Mississippi, plus television outlets in Charleston (WCBD), Lubbock, Texas, and Roswell, N.M.

Mr. Hampton, 79, died Wednesday at his home in Columbia.

A. G. Hampton

Ambrose Gonzalez Hampton had two brilliant careers. He was a successful bridge engineer before becoming an equally successful newspaper publisher.

He took over leadership of the Columbia State and Columbia Record in 1963, revitalized those important newspapers, and presided over acquisition and improvement of several papers in this and other states. Retiring as president of the publishing companies in 1972, he remained as publisher of the Columbia papers and continued to have valuable influence upon them.

Although a non-journalist, Hampton quickly gained the respect of South Carolina newspaper people after becoming a publisher. In addition he was admired for his pleasing personality. We were privileged to enjoy associating with him, and join in mourning his recent death at age 79.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Office laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT ON CASH AWARDS TO MEMBERS OF THE ARMED FORCES—MESSAGE FROM THE PRESIDENT—PM 183

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Armed Services:

To the Congress of the United States:

Forwarded herewith in accordance with the provisions of 10 U.S.C. § 1124 are reports of the Secretary of Defense and the Secretary of Transportation on awards made during Fiscal Year 1979 to members of the Armed Forces for suggestions, inventions and scientific achievements.

Participation by military personnel in the cash awards program was authorized by the Congress in 1965. More than two million suggestion submissions since that time attest to the success which the program has had as a means of motivating military personnel to seek ways of reducing costs and improving efficiency. Of those suggestions submitted, more than 338,000 have been adopted with resultant tangible first-year benefits in excess of one billion dollars.

Of the 82,813 suggestions which were submitted by military personnel (including Coast Guard military personnel) during Fiscal Year 1979, 13,001 were adopted. Cash awards totaling $962,305 were paid for adopted suggestions during Fiscal Year 1979. These awards were based not only on tangible first-year benefits of $55,683,093 during Fiscal Year 1979 realized from adopted suggestions, but also on many additional benefits and improvements of an intangible nature.

Enlisted personnel received $776,780 in awards during Fiscal Year 1979 representing 81% of the total cash awards paid during these periods. Officer personnel received $185,525 during Fiscal Year 1979.

The attached reports of the Secretary

of Defense and the Secretary of Transportation contain statistical information on the military awards program and brief descriptions of some of the more noteworthy contributions made by military personnel during Fiscal Year 1979.

JIMMY CARTER.

THE WHITE HOUSE, *March 14, 1980*.

REPORT ON THE FEDERAL STATUTORY PAY ADJUSTMENT—MESSAGE FROM THE PRESIDENT—PM 184

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying documents, which was referred to the Committee on Governmental Affairs:

To the Congress of the United States:

In accordance with the provisions of section 5305 of title 5 of the United States Code, I hereby report on the pay adjustment I ordered for the Federal statutory pay systems in October 1979 and March 1980.

The Secretary of Labor, the Director of the Office of Management and Budget and the Director of the Office of Personnel Management, who serve jointly as my agent for Federal pay, found that an overall average increase of 10.41 percent in General Schedule rates of pay would be appropriate if comparability with private enterprise salary rates for the same levels of work were to be achieved. The Advisory Committee on Federal Pay recommended that the findings of my agent be implemented.

After considering the findings of my agent and the recommendation of the Advisory Committee on Federal Pay, I determined that an overall average increase of 7.02 percent in General Schedule rates of pay was dictated by economic conditions affecting the general welfare and transmitted to the Congress the alternative plan to that effect called for by section 5305(c) of title 5 of the United States Code. On October 9, 1979 and March 12, 1980, I signed the necessary Executive orders to implement this increase.

I am transmitting herewith copies of the reports of my Pay Agent and the Advisory Committee on Federal Pay, the alternative plan, and the Executive orders I promulgated to put this pay adjustment into effect.

JIMMY CARTER.

THE WHITE HOUSE, *March 13, 1980*.

PRESIDENTIAL APPROVAL

A message from the President of the United States reported that on March 13, 1980, he had approved and signed the following joint resolution:

S.J. Res. 149. Joint resolution to recognize the Honorable Carl Vinson on the occasion of the christening of the U.S.S. *Carl Vinson*, March 15, 1980.

MESSAGES FROM THE HOUSE

At 12:09 p.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 3919) to impose a windfall profit tax on domestic crude oil.

The message also announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 4197. An act to amend the Wool Products Labeling Act of 1939 with respect to recycled wool; and

H.R. 6029. An act providing for the implementation of the International Sugar Agreement, 1977, and for other purposes.

ENROLLED BILLS SIGNED

The message further announced that the Speaker has signed the following enrolled bills:

S. 1454. An act to authorize the voluntary interservice transfer of officers between the commission corps of the National Oceanic and Atmospheric Administration and the Armed Forces, to authorize advance payments of pay and allowances to officers of such corps under the same conditions that apply to advance payments to members of the Armed Forces, and to provide officers of such corps the same unemployment compensation benefits that apply to members of the Armed Forces; and

S. 2225. An act to provide that receipts from certain sales of items by the Sergeant at Arms of the Senate to Senators and committees and offices of the Senate shall be credited to the appropriation from which such items were purchased.

The enrolled bills were subsequently signed by the Acting President pro tempore (Mr. EXON).

HOUSE BILLS REFERRED

The following bills were each read by their titles and referred as indicated:

H.R. 4197. An act to amend the Wool Products Labeling Act of 1939 with respect to recycled wool; to the Committee on Commerce, Science, and Transportation.

H.R. 6029. An act providing for the implementation of the International Sugar Agreement, 1977, and for other purposes; to the Committee on Finance.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, March 14, 1980, he presented to the President of the United States the following enrolled bills:

S. 1454. An act to authorize the voluntary interservice transfer of officers between the commission corps of the National Oceanic and Atmospheric Administration and the Armed Forces, to authorize advance payments of pay and allowances to officers of such corps under the same conditions that apply to advance payments to members of the Armed Forces, and to provide officers of such corps the same unemployment compensation benefits that apply to members of the Armed Forces; and

S. 2225. An act to provide that receipts from certain sales of items by the Sergeant at Arms of the Senate to Senators and committees and offices of the Senate shall be credited to the appropriation from which such items were purchased.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. STONE, from the Committee on Foreign Relations, without amendment, but with a preamble:

H. Con. Res. 282. Concurrent resolution expressing the sense of the Congress with respect to the recent foreign-inspired attempts to undermine the stability of Tunisia.

By Mr. DECONCINI, from the Committee on the Judiciary, without amendment:

S. 1187. A bill to amend title 28 of the United States Code with regard to the appointment and compensation of counsel for jurors claiming a violation by their employers of certain rights guaranteed by such title (Rept. No. 96-630).

By Mr. DECONCINI, from the Committee on the Judiciary, without amendment, but with a preamble:

S. Res. 374. Resolution expressing the sense of the Senate with respect to the policy of the Standing Committee on Federal Judiciary of the American Bar Association and the United States Department of Justice pertaining to potential nominees for lifetime Federal judgeships who, but for their age, might otherwise be found qualified (Rept. No. 96-631).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. STONE (for Mr. CHURCH), from the Committee on Foreign Relations:

Ex. II, 96-1. Treaty with the Republic of Peru on the Execution of Penal Sentences (Ex. Rept. No. 96-32).

By Mr. STONE (for Mr. CHURCH), from the Committee on Foreign Relations:

Rozanne L. Ridgway, of the District of Columbia, to be Counselor of the Department of State.

Guy Feliz Erb, of California, to be Deputy Director of the U.S. International Development Cooperation Agency.

(The above nominations from the Committee on Foreign Relations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. STONE, from the Committee on Foreign Relations:

Marvin Weissman, of Maryland, to be Ambassador Extraordinary and Plenipotentiary of the United States to Bolivia.

(The above nomination from the Committee on Foreign Relations was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

STATEMENT OF POLITICAL CONTRIBUTIONS

Nominee: Marvin Weissman.

Post: Ambassador to Bolivia.

Contributions and amount

Self: None.

Spouse: None.

Children and spouses names: Warren, Diane, Karen; none.

Parents names: deceased.

Grandparents names: Deceased.

Brothers and spouses names: Arthur Weissman (Ann); none. Eugene Weissman (Virginia); none.

Sisters and spouses names: None

By Mr. STONE, from the Committee on Foreign Relations:

James Eugene Goodby, of New Hampshire, to be Ambassador Extraordinary and Plenipotentiary of the United States to Finland.

(The above nomination from the Committee on Foreign Relations was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

POLITICAL CONTRIBUTIONS STATEMENT

Nominee: James Eugene Goodby.
Post: Ambassador to Finland.

Contributions and amount

Self: None.

Spouse: Church for President Committee $10.00 April 12, 1976 Priscilla S. Goodby.

Children and Spouses name: None.

Parents names: None.

Grandparents names: None.

Brothers and spouses names: None.

Sisters and spouses names: None.

By Mr. STONE, from the Committee on Foreign Relations:

Robert C. F. Gordon, of California, to be Ambassador Extraordinary and Plenipotentiary of the United States to Mauritius.

(The above nomination from the Committee on Foreign Relations was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

POLITICAL CONTRIBUTIONS STATEMENT

Nominee: Robert C. F. Gordon.
Post: American Ambassador, Mauritius.

Contributions and amount

Self: None.

Spouse: Nancy Schettler Gordon.

Children and spouses names: Laura Gordon Giannozzi, Fabrizio Giannozzi, Martha Frost Gordon.

Parents names: Hazel Frost Gordon (mother), C. A. W. Gordon (father, deceased 1966).

Grandparents names: Deceased before 1950.

Brothers and spouses names: None.

Sisters and spouses names: Rosalie Gordon Ludgate, John D. Ludgate.

Mr. STONE. Mr. President, also on behalf of Senator CHURCH, I report favorably sundry nominations in the Diplomatic and Foreign Service which have previously appeared in the CONGRESSIONAL RECORD and, at his request, I ask unanimous consent that they lie on the Secretary's desk for the information of Senators.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk appeared in the RECORD on February 19 and February 26, 1980, at the end of the Senate proceedings.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. BOSCHWITZ:

S. 2420. A bill for the relief of Mr. In-Hueng Chung; to the Committee on the Judiciary.

By Mr. COCHRAN:

S. 2421. A bill to amend the Federal Property and Administrative Services Act of 1949 to extend and clarify the authority of the General Services Administration with respect to the protection of buildings and areas owned and occupied by the United States and under the charge and control of the Administrator of General Services, and for other purposes; to the Committee on Governmental Affairs.

By Mr. STONE (for Mr. CHURCH) (by request):

S. 2422. A bill to provide for the increased U.S. participation in the International Development Association, to provide for U.S. participation in the African Development Bank, and for other purposes; to the Committee on Foreign Relations.

S. 2423. A bill to amend the Foreign Assistance Act of 1961 and the Arms Export Control Act to authorize development and security assistance programs for the fiscal year 1981, and for other purposes; to the Committee on Foreign Relations.

By Mr. HATFIELD (for himself, Mr. MCCLURE, Mr. DOMENICI, Mr. STEVENS, and Mr. WALLOP):

S. 2424. A bill to amend the Mineral Lands Leasing Act to require competitive bidding in oil and gas lands set apart for military or naval purposes, and to expand leasing by competitive bid 2½ miles outside known geological structures of a producing oil or gas field; to the Committee on Energy and Natural Resources.

By Mr. WALLOP:

S. 2425. A bill to amend the Mineral Lands Leasing Act; to the Committee on Energy and Natural Resources.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. STONE (for Mr. CHURCH), (by request):

S. 2422. A bill to provide for the increased U.S. participation in the International Development Association, to provide for U.S. participation in the African Development Bank, and for other purposes; to the Committee on Foreign Relations.

● Mr. STONE. Mr. President, I introduce on behalf of Senator CHURCH, by administration request, a bill to provide for increased U.S. participation in the International Development Association, to provide for U.S. participation in the African Development Bank, and for other purposes.

The bill has been requested by the Secretary of the Treasury and I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when the matter is considered by the Committee on Foreign Relations.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD at this point, together with the summary of the bill and the letter from the Secretary of the Treasury to the President of the Senate dated February 27, 1980.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 2422

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—INTERNATIONAL DEVELOPMENT ASSOCIATION

SEC. 101. The International Development Association Act, as amended (22 U.S.C. 284 et seq.), is further amended by adding at the end thereof the following new section:

"SEC. 17. (a) The United States Governor is hereby authorized to agree on behalf of the United States to pay to the Association $3,240,000,000 as the United States contribution to the sixth replenishment of the Resources of the Association: Provided, however, that any commitment to make such contributions shall be made subject to obtaining the necessary appropriations.

"(b) In order to pay for the United States contribution provided for in this section, there is hereby authorized to be appropriated, without fiscal year limitation, $3,240,000,000 for payment by the Secretary of the Treasury."

TITLE II—AFRICAN DEVELOPMENT BANK

SEC. 201. This Title may be cited as the "African Development Bank Act".

SEC. 202. The President is hereby authorized to accept membership for the United States in the African Development Bank (hereinafter referred to as the "Bank") provided for by the agreement establishing the Bank (hereinafter referred to as the "agreement") deposited in the archives of the United Nations.

SEC. 203. (a) The President, by and with the advice and consent of the Senate, shall appoint a governor and an alternate governor of the Bank. The term of office for the governor and the alternate governor shall be five years, subject at any time to termination of appointment or to reappointment. The governor and alternate governor shall remain in office until a successor has been appointed.

(b) No person shall be entitled to receive any salary or other compensation from the United States for services as a governor or alternate governor, except for reasonable expenses to attend meetings of the Board of Governors.

SEC. 204. (a) The governor, or in the governor's absence the alternate governor, on the instructions of the President, shall cast the votes of the United States for the director to represent the United States in the Bank.

(b) The director or alternate director representing the United States, if citizens of the United States, may, in the discretion of the President, receive such compensation, allowances, and other benefits as, together with those received from the Bank and from the African Development Fund, will not exceed those authorized for a Chief of Mission, class 2, within the meaning of the Foreign Service Act of 1946, as amended.

SEC. 205. The provisions of section 4 of the Bretton Woods Agreements Act, as amended (22 U.S.C. 286b), shall apply with respect to the Bank to the same extent as with respect to the International Bank for Reconstruction and Development and the International Monetary Fund. Reports with respect to the Bank under paragraphs (5) and (6) of section 4 of said Act, as amended, shall be included in the first and subsequent reports made thereunder after the United States accepts membership in the Bank.

SEC. 206. (a) Unless authorized by law, neither the President, nor any person nor agency shall, on behalf of the United States—

(a) subscribe to additional shares of stock of the Bank;

(b) vote for or agree to any amendment of the agreement which increases the obligations of the United States, or which changes the purpose or functions of the Bank; or

(c) make a loan or provide other financing to the Bank, except that funds for technical assistance may be provided to the Bank by a United States agency created pursuant to an Act of Congress which is authorized by law to provide funds to international organizations.

Sec. 207. Any Federal Reserve bank which is requested to do so by the Bank shall act as its depository or as its fiscal agent, and the Board of Governors of the Federal Reserve System shall supervise and direct the carrying out of these functions by the Federal Reserve banks.

Sec. 208. (a) The President is authorized to agree to subscribe on behalf of the United States to 29,820 shares of the capital stock of the Bank; *Provided, however*, that the subscription shall be effective only to such extent or in such amounts as are provided in advance in appropriations Acts.

(b) There is hereby authorized to be appropriated, without fiscal year limitation, for payment by the Secretary of the Treasury of the initial United States subscription to 29,820 shares of the capital stock of the African Development Bank, $359,733,570.

(c) Any payment or distributions of monies from the Bank to the United States shall be covered into the Treasury as a miscellaneous receipt.

Sec. 209. For the purpose of any civil action which may be brought within the United States, its territories or possessions, or the Commonwealth of Puerto Rico, by or against the Bank in accordance with the agreement, the Bank shall be deemed to be an inhabitant of the Federal judicial district in which its principal office within the United States or its agent appointed for the purpose of accepting service or notice of service is located, and any such action to which the Bank shall be a party shall be deemed to arise under the laws of the United States, and the district courts of the United States, including the courts enumerated in title 28, section 460, United States Code, shall have original jurisdiction of any such action. When the Bank is defendant in any action in a State court, it may at any time before the trial thereof, remove the action into the appropriate district court of the United States by following the procedure for removal provided in 28 U.S.C. 1446.

Sec. 210. The agreement, and particularly paragraph 5 of article 49 and articles 50 through 59, shall have full force and effect in the United States, its territories and possessions, and the Commonwealth of Puerto Rico, upon acceptance of membership by the United States in the Bank. The President, at the time of deposit of the instrument of acceptance of membership by the United States in the Bank, shall also deposit a declaration as provided in article 64 paragraph 3 of the agreement that the United States retains for itself and its politican subdivisions the right to tax salaries and emoluments paid by the Bank to United States citizens or nationals.

Sec. 211. The last sentence of paragraph 7 of section 5136 of the Revised Statutes of the United States, as amended (12 U.S.C. 24), is further amended by striking the word "or" after the words "the Inter-American Development Bank" and inserting a comma in lieu thereof, and by inserting after the words "the Asian Development Bank" the words "or the African Development Bank".

Sec. 212. (a) Any securities issued by the Bank (including any guarantee by the Bank, whether or not limited in scope) in connection with raising of funds for inclusion in the Bank's ordinary capital resources as defined in article 9 of the agreement and any securities guaranteed by the Bank as to both principal and interest to which the commitment in article 7, paragraph 4(a), of the agreement is expressly applicable, shall be deemed to be exempted securities within the meaning of paragraph (a)(2) of section 3 of the Act of May 27, 1933, as amended (15 U.S.C. 77c), and paragraph (a)(12) of section 3 of the Act of June 6, 1934, as amended (15 U.S.C. 78c). The Bank shall file with the Securities and Exchange Commission such annual and other reports with regard to such securities as the Commission shall determine to be appropriate in view of the special character of the Bank and its operations and necessary in the public interest or for the protection of investors.

(b) The Securities and Exchange Commission, acting in consultation with such agency or officer as the President shall designate, is authorized to suspend the provisions of subsection (a) at any time as to any or all securities issued or guaranteed by the Bank during the period of such suspension. The Commission shall include in its annual reports to Congress such information as it shall deem advisable with regard to the operations and effect of this section and in connection therewith shall include any views submitted for such purpose by any association of dealers registered with the Commission.

Sec. 213. Section 7C1(a) of Public Law 95–118 (22 U.S.C. 262d) is amended by striking the word "and" following the words "the African Development Fund" and inserting the words ", and the African Development Bank," following the words "the Asian Development Bank."

Sec. 214. Section 801(a) of Public Law 95–118 (22 U.S.C. 262f) is amended by striking the word "and" following the words "the African Development Fund" and inserting the words ", and the African Development Bank," following the words "the Asian Development Bank".

Sec. 215. Section 51 of Public Law 91–599, as amended (22 U.S.C. 276c–2) is further amended by striking the word "and" following the words "the Asian Development Bank" and inserting the words ", and the African Development Bank," following the words "the African Development Fund."

TITLE III—INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT AND ASIAN DEVELOPMENT BANK

Sec. 301. Section 27(a)(2) of the Bretton Woods Agreements Act, as amended (22 U.S.C. 286e–1f), is further amended by striking "That any subscription to additional shares shall be made only after the amount required for such subscription has been appropriated." and inserting in lieu thereof "That any subscription to additional shares shall be effective only to such extent or in such amounts as are provided in advance in appropriations Acts."

Sec. 302. Section 22(a) of the Asian Development Bank Act, as amended (22 U.S.C. 285s), is further amended by striking "That any subscription to additional shares shall be made only after the amount required for such subscription has been appropriated." and inserting in lieu thereof "That any subscription to additional shares shall be effective only to such extent or in such amounts as are provided in advance in appropriations Acts".

TITLE IV—EFFECTIVE DATE AND AVAILABILITY OF FUNDS

Sec. 401. This Act shall take effect upon enactment, except that funds authorized to be appropriated by any provision contained in Titles I or II are not available for use or obligation prior to October 1, 1980.

Summary

Title I of the bill authorizes the United States Governor of the International Development Association (IDA) to agree to pay to the Association $3.24 billion as the United States contribution to the Sixth Replenishment of the resources of the Association. The bill requires any commitment to contribute these funds to be made subject to obtaining the necessary appropriations. The bill also authorizes the appropriation of $3.24 billion for payment by the Secretary of the Treasury.

These provisions of the bill are necessary because Section 5 of the International Development Association Act (P.L. 86–565, as amended) provides that authorization from the Congress must be obtained for the United States Governor to agree to provide financing for the Association. Moreover, legislation is required in order to authorize the appropriation of the necessary amounts to enable the United States to contribute to IDA.

The International Development Association is a member of the World Bank Group with membership similar to that of the World Bank. IDA was established in 1960 at the initiative of the United States to provide development financing on highly concessional terms to the poorest of the less developed countries. More than 90 percent of IDA loans go to countries with less than $300 per capita income. Over 80 percent of IDA's total lending has been to countries in South Asia and in Africa south of the Sahara, the poorest regions of the world.

As of June 30, 1979, IDA had made almost $17 billion in total commitments. About half of these commitments are in agriculture and transportation, with the remainder distributed among other sectors such as power and water supply and sewerage. IDA's lending activities are concentrated on projects which, in addition to contributing to economic growth and development, also, to the maximum extent possible, directly raise incomes and expand employment opportunities for the poor. This two-pronged approach deserves the strongest support by the United States.

Resources from IDA's Fifth Replenishment are expected to be fully committed by June 30, 1980. With this in view, the Association initiated discussions on the Sixth Replenishment of IDA resources in June, 1978, designed to obtain financing for IDA beyond June 1980. An agreement was reached on December 12, 1979, among donor countries to recommend to the Executive Directors a $12 billion Replenishment and, in mid-January 1980, IDA's Executive Directors recommended approval of the Replenishment to the Board of Governors.

The proposed United States contribution of $3.24 billion represents a decline in the United States share from 42 percent at the inception of IDA and 31 percent in the Fifth Replenishment to 27 percent. Other developed countries will provide over $7.7 billion with substantial increases in the German and Japanese shares. In addition, contributions by Saudi Arabia, Kuwait and the United Arab Emirates will amount to $669 million and the contributions of new developing country donors total $128 million.

The United States contribution to IDA VI would be made in three equal annual installments of $1,080 million each, starting in FY 81. It is anticipated that outlays would be spread out over a ten year period. The outlay effect in FY 81 is expected to be $22 million.

Because IDA is the principal source of external assistance for the poorest countries and a key component of the Administration's efforts to further constructive relations with the developing world, continuation of U.S. support for IDA is essential. I urge the Congress to give this legislation its prompt approval. Prompt Congressional action is especially important because, under the proposed replenishment arrangements, IDA VI cannot become effective without U.S. participation.

A Special Report of the National Advisory Council on International Monetary and Financial Policies on the Sixth Replenishment of the resources of IDA will be transmitted separately to you and to the President of the Senate.

Title II of the bill authorizes the President to accept U.S. membership in the African Development Bank.

The African Development Bank (AFDB) was established in 1964 to make loans on near market terms for the economic and social development of its forty-eight African members individually and through regional cooperation. To meet the challenge of Africa's poverty, loans are provided primarily to strengthen the agricultural sector and to finance critically needed infrastructure projects. The Bank's lending activities, like those of the World Bank and the regional development banks, are financed primarily through the paid-in capital contributions of member countries and borrowings in international capital markets.

While the United States and other nonregional countries are members of the AFDB's concessional loan affiliate, the African Development Fund, membership in the Bank has to date been restricted to African nations. The limited resources of its African members have severely restricted the Bank's access to the private capital markets and its lending program. As a result, in May 1979, the Governors of the Bank invited nonregional countries to join their institution. At that time, resolutions were submitted to the African members of the Bank which would amend the agreement establishing the Bank to enable non-African countries to become members, provide for an increase in the Bank's capital, and set forth general rules for admission of nonregional countries.

Nonregional membership will broaden the capital base of the Bank and increase its access to financial resources. The presence of nonregional countries will enable the Bank to borrow greater amounts of private capital on more favorable terms, thereby permitting the Bank to contribute more effectively to Africa's development by expanding its lending program to a level commensurate with Africa's needs.

In conjunction with nonregional membership, the capital of the Bank would be increased from $1.5 billion to $6.3 billion, with nonregional countries providing $2.1 billion. The overall increase will be enough to sustain the Bank's lending program for the next five years.

The attached bill authorizes the President to accept membership for the United States in the African Development Bank, and to agree to subscribe to the initial United States subscription of 29,820 shares of the capital stock of the Bank. The bill provides that such subscription shall be effective only to such extent or in such amounts as are provided in advance in appropriations Acts.

The bill also authorizes the appropriation, without fiscal year limitation, of $359.7 million for such subscription. The bill provides that the President, by and with the advice and consent of the Senate, shall appoint a governor and an alternate governor of the Bank and the governor, on the instructions of the President, shall cast the votes of the United States for the director to represent the United States in the Bank. Because voting power is based upon the amount of subscriptions, the U.S., as the largest nonregional subscriber, is expected to be represented by a U.S. director.

The proposed U.S. subscription, totaling $359.7 million, would represent 5.68 percent of the Bank's total capital and 17.04 percent of the $2.1 billion nonregional subscription. A U.S. share of nonregional capital of this magnitude is equivalent to its share of the current replenishment of the African Development Fund and balances our interest in burden-sharing with the increased importance of Africa in U.S. foreign policy.

Twenty-five percent of capital subscriptions would be paid-in with the balance being callable capital. Thus, over the next five years, out of the total proposed U.S. subscription of $359.7 million, $89.9 million would be for paid-in capital, which would result in budget outlays, and $269.8 million would be for callable capital, which we propose be subject to program limitations in appropriations acts.

U.S. membership in the Bank would be a tangible contribution to the cause of African development. It would also represent highly visible U.S. support for a regional institution which is expected to play a larger role in future years. It would signal our increased political interest in Africa and our concern for the security and well-being of its countries. For these reasons I urge prompt Congressional consideration and approval of this legislation.

A special Report of the National Advisory Council on International Monetary and Financial Policies on United States membership in the African Development Bank will be transmitted separately to you and to the President of the Senate.

Title III of the bill amends provisions of the Bretton Woods Agreements Act and the Asian Development Bank Act which require that appropriations be obtained prior to U.S. subscriptions to the 1977 Selective Capital Increase of the International Bank for Reconstruction and Development (IBRD) and the Second Capital Increase of the Asian Development Bank (ADB). Under these provisions, as they now stand, subscriptions to callable capital stock must be preceded by appropriations.

The U.S. liability in respect of callable capital stock is highly contingent. None of the multilateral development banks has ever made a call on its callable capital, and any such calls are highly unlikely in the future. In recognition of the contingent nature of the U.S. subscription to callable capital of the IBRD and ADB, it is intended that future subscriptions to IBRD and ADB callable capital be made after program limitations on, rather than appropriations for, those subscriptions are enacted in Foreign Assistance and Related Programs Appropriations Acts.

The amendments provide that subscriptions to capital stock shall be effective "only to such extent or in such amounts as are provided in advance in appropriation Acts." Under these amendments, subscriptions to IBRD and ADB callable capital stock can be made after program limitations on the subscriptions are enacted in Foreign Assistance and Related Programs Appropriations Acts. (It is intended to continue to seek appropriations for subscriptions to IBRD and ADB paid-in capital stock.)

The proposed amendments would bring the statutory terms under which U.S. subscriptions to IBRD and ADB callable capital stock can be made into line with those provided in the bills pending before the Congress authorizing U.S. subscriptions under the proposed Replenishment of the Inter-American Development Bank (S. 662 as passed by the Senate and H.R. 3829 as reported by the Committee on Banking, Finance and Urban Affairs of the House of Representatives) and with those provided in Title II of this bill for the initial subscriptions to the capital stock of the AFDB.

The proposed amendments are essential to allow implementation of the President's FY 1981 Budget which proposes enactment of program limitations in the FY 1981 Foreign Assistance Appropriations Act for U.S. subscriptions to callable capital stock in the multilateral development banks, including the IBRD and ADB.

Title IV of the bill provides, in accordance with the procedural requirements of the Congressional Budget and Impoundment Control Act of 1974, that funds authorized in this bill cannot be used or expended before October 1, 1980.

SECRETARY OF THE TREASURY,
Washington, D.C., February 27, 1980.

Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is transmitted herewith a draft bill, "To provide for increased United States participation in the International Development Association, to provide for United States participation in the African Development Bank, and for other purposes." A summary of the bill, which also outlines the importance of this legislation to the Administration, is enclosed.

It would be appreciated if you would lay the proposed bill before the Senate. A similar proposed bill has been transmitted to the Speaker of the House.

The Office of Management and Budget has advised that there is no objection to the presentation of this proposal to Congress and that enactment of this bill would be in accord with the President's program.

Sincerely yours,

G. WILLIAM MILLER.●

By Mr. STONE (for Mr. CHURCH), (by request):

S. 2423. A bill to amend the Foreign Assistance Act of 1961 and the Arms Export Control Act to authorize development and security assistance programs for the fiscal year 1981, and for other purposes; to the Committee on Foreign Relations.

● Mr. STONE. Mr. President, I introduce on behalf of Senator CHURCH, by administration request, a bill to amend the Foreign Assistance Act of 1961, and the Arms Export Control Act to authorize development and security assistance programs for fiscal year 1981, and for other purposes.

The bill has been requested by the President of the United States and I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when the matter is considered by the Committee on Foreign Relations.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD at this point, together with the section-by-section analysis and the letter from the President to the President of the Senate dated February 27, 1980.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 2423

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "International Development and Security Cooperation Act of 1980".

TITLE I—AMENDMENTS TO THE FOREIGN ASSISTANCE ACT OF 1961 AND RELATED ACTS

AGRICULTURE, RURAL DEVELOPMENT, AND NUTRITION

SEC. 101. The first sentence of section 103 (a)(2) of the Foreign Assistance Act of 1961 is amended to read as follows:

"There are authorized to be appropriated to the President for purposes of this section, in addition to funds otherwise available for such purposes, $729,273,000 for the fiscal year 1981.".

POPULATION AND HEALTH

SEC. 102. The first section of section 104(g) of the Foreign Assistance Act of 1961 is amended to read as follows:

"There are authorized to be appropriated to the President, in addition to funds otherwise available for such purposes—

"(1) $238,015,000 for the fiscal year 1981 to carry out subsection (b) of this section; and

"(2) $164,213,000 for the fiscal year 1981 to carry out subsection (c) of this section.".

EDUCATION AND HUMAN RESOURCES DEVELOPMENT

SEC. 103. The second sentence of section 105(a) of the Foreign Assistance Act of 1961 is amended to read as follows: "There are authorized to be appropriated to the President for purposes of this section, in addition to funds otherwise available for such purposes, $122,069,000 for the fiscal year 1981, which are authorized to remain available until expended.".

TECHNICAL ASSISTANCE, ENERGY, RESEARCH, RECONSTRUCTION AND SELECTED DEVELOPMENT PROBLEMS

SEC. 104. Section 106(d) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(d) There are authorized to be appropriated to the President for purposes of this section, in addition to funds otherwise available for such purposes, $160,632,000 for the fiscal year 1981, which are authorized to remain available until expended.".

SAHEL DEVELOPMENT PROGRAM—IMPLEMENTATION

SEC. 105. Section 121(c) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(c) There are authorized to be appropriated to the President for purposes of this section, in addition to funds otherwise available for such purposes, $113,442,000 for the fiscal year 1981, which are authorized to remain available until expended.".

PRIVATE AND VOLUNTARY ORGANIZATIONS AND COOPERATIVES

SEC. 106. Section 123(a) of the Foreign Assistance Act of 1961 is amended by adding the following at the end thereof:

"Prohibitions on assistance to countries contained in this or any other Act shall not be construed to prohibit assistance by the agency primarily responsible for administering this part in support of any existing programs of private and voluntary organizations and cooperatives already being supported prior to the date any such prohibition becomes applicable. The President shall take into consideration, in any case where statutory prohibitions on assistance are applicable but for this section, whether or not continuation of support for such programs is in the national interest of the United States.".

RELATIVELY LEAST DEVELOPED COUNTRIES

SEC. 107. The last sentence of section 124 (c)(2) of the Foreign Assistance Act of 1961 is amended by striking out "1980" and inserting in lieu thereof "1981", and by striking out "$18,800,000" and inserting in lieu thereof "$10,845,000".

AMERICAN SCHOOLS AND HOSPITALS ABROAD

SEC. 108. Section 214(c) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(c) To carry out the purposes of this section, there are authorized to be appropriated to the President $15,000,000 for the fiscal year 1981, which are authorized to remain available until expended.".

INTERNATIONAL ORGANIZATIONS AND PROGRAMS

SEC. 109. Section 302(a)(1) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(a)(1) There are authorized to be appropriated to the President for grants to carry out the purposes of this chapter, in addition to funds available under any other Acts for such purposes, $244,050,000 for the fiscal year 1981.".

INTERNATIONAL NARCOTICS CONTROL

SEC. 110. Section 482(a) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(a) To carry out the purposes of section 481, there are authorized to be appropriated to the President $38,613,000 for the fiscal year 1981. Amounts appropriated under this subsection are authorized to remain available until expended.".

INTERNATIONAL DISASTER ASSISTANCE

SEC. 111. Section 492 of the Foreign Assistance Act of 1961 is amended by striking out "$21,800,000 for the fiscal year 1980" and inserting in lieu thereof "$25,000,000 for the fiscal year 1981".

ECONOMIC SUPPORT FUND

SEC. 112. (a) Section 531(b)(1) of the Foreign Assistance Act of 1961, relating to authorization, is amended by striking out "for the fiscal year 1980, $1,935,000,000" and inserting in lieu thereof "for the fiscal year 1981, $2,080,500,000".

(b) Sections 532 through 536 of such Act are repealed.

PEACEKEEPING OPERATIONS

SEC. 113. Section 552(a) of the Foreign Assistance Act of 1961, relating to authorization, is amended by striking out "$21,100,000 for the fiscal year 1980" and inserting in lieu thereof "$25,000,000 for the fiscal year 1981".

MILITARY ASSISTANCE

SEC. 114. (a) Section 503 of the Foreign Assistance Act of 1961, relating to general authority, is amended in subsection (a) by—

(1) striking out "or" at the end of paragraph (1);

(2) striking out the period at the end of paragraph (2) and inserting in lieu thereof a semicolon followed by "or"; and

(3) inserting at the end thereof a new paragraph (3) to read as follows:

"(3) transferring such of the funds authorized to be appropriated or otherwise made available under this chapter as the President may determine for assistance to a recipient specified in section 504(a)(1) of this Act within the limit therein to the account in which funds for the procurement of defense articles and defense services under section 21 and section 22 of the Arms Export Control Act have been deposited for such recipient, to be merged with such deposited funds, and to be used solely to meet obligations of the recipient for payment for sales under that Act.".

(b) Section 504(a)(1) of the Foreign Assistance Act of 1961, relating to authorization, is amended to read as follows:

"(a)(1) There are authorized to be appropriated to the President to carry out the purposes of this chapter not to exceed $105,000,000 for the fiscal year 1981. Not more than the following amount of funds available to carry out this chapter may be allocated and made available for assistance to each of the following countries for the fiscal year 1981:

Portugal	$51,000,000
Spain	3,600,000
The Philippines	25,000,000

The amount specified in this paragraph for military assistance to any such country may be increased by not more than 10 per cent of such amount if the President deems such increase necessary for the purposes of this chapter.".

(c) Section 506(a) of the Foreign Assistance Act of 1961, relating to special authority, is amended by striking out "$10,000,000" and inserting in lieu thereof "$50,000,000".

(d) Section 516(a) of the Foreign Assistance Act of 1961, relating to termination of authority, is amended by—

(1) striking out "September 30, 1980" and inserting in lieu thereof "September 30, 1982"; and

(2) striking out "three" and inserting in lieu thereof "five".

STOCKPILING OF DEFENSE ARTICLES FOR FOREIGN COUNTRIES

SEC. 115. Section 514(b)(2) of the Foreign Assistance Act of 1961 is amended by striking out "$95,000,000 for the fiscal year 1980" and inserting in lieu thereof "$85,000,000 for the fiscal year 1981".

INTERNATIONAL MILITARY ASSISTANCE AND SALES PROGRAM MANAGEMENT

SEC. 116. Section 515 of the Foreign Assistance Act of 1961 is amended—

(a) in subsection (b)(1)—

(1) by striking out "fiscal year 1980" and inserting in lieu thereof "fiscal year 1981";

(2) by striking out "the countries specified in section 504(a)(1) and in" and inserting in lieu thereof "Portugal, Spain, Jordan, the Philippines,"; and

(3) by striking out "Iran, Kuwait," and inserting in lieu thereof "Egypt";

(b) in subsection (b)(3)—

(1) by striking out "Iran, Kuwait, and";

(2) by striking out "countries" and inserting in lieu thereof "country"; and

(3) by striking out the word "each";

(c) in subsection (f)—

(1) by inserting immediately after "may not exceed" the words "six more than";

(2) by striking out "December 31, 1978" and inserting in lieu thereof "December 31, 1979"; and

(3) by inserting immediately after "such countries" the words "and countries to which military personnel have been assigned pursuant to subsection (c) of this section".

INTERNATIONAL MILITARY EDUCATION AND TRAINING

SEC. 117. The first sentence of section 542 of the Foreign Assistance Act of 1961, relating to authorization, is amended by striking out all that follows after "the purposes of this chapter" and inserting in lieu thereof "$32,500,000 for the fiscal year 1981.".

PROCUREMENT

SEC. 118. Section 604(e) of the Foreign Assistance Act of 1961 is amended by inserting the following immediately before the period at the end thereof:

"unless the commodity to be financed could not reasonably be procured in the United States in fulfillment of the objectives of a particular assistance program under which such commodity procurement is to be financed".

SPECIAL AUTHORITY

SEC. 119. Section 614(a) of the Foreign Assistance Act of 1961, relating to special authority, is amended to read as follows:

"(a) The President may authorize the furnishing of assistance under this Act and may make sales, extend credit, and issue guaranties under the Arms Export Control Act, without regard to any provision of this Act, the Arms Export Control Act, any law relating to receipts and credits accruing to the United States, and any Act authorizing or appropriating funds for use under this Act or the Arms Export Control Act, in furtherance of any of the purposes of such Act, when the President determines that to do so is important to the security of the United States. The authority of this subsection may not be used to authorize the use of more than $250,000,000 of funds made available for use under this Act, or the use of more than $100,000,000 of foreign currencies accruing under this Act or any other law, in any fiscal year. Not more than $50,000,000 of the funds available under this subsection for use under this Act may be allocated to any one country in any fiscal year, unless such country is a victim of active Communist or Communist-supported aggression. The authority of this section shall not be used to waive the limitations of transfers contained in section 610(a) of this Act.".

PARTICIPANT TRAINING

SEC. 120. Section 617 of the Foreign Assistance Act of 1961 is amended by adding the following new sentence at the end thereof:

"In order to ensure the effectiveness of assistance under this Act, such expenses for orderly termination of programs may include the obligation and expenditure of funds to complete the training or studies outside their countries of origin of students whose course of study or training program began before assistance was terminated.".

AUDITOR GENERAL

SEC. 121. Section 624(g) of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new paragraph:

"(6) The Auditor General shall have the authority to require by subpoena the production of all information, documents, reports, answers, records, accounts, papers, and other data and documentary evidence necessary in the performance of functions assigned by this section, which subpoena, in the case of contumacy or refusal to obey, shall be enforceable by order of any appropriate United States district court: *Provided*, That procedures other than subpoenas shall be used to obtain documents and information from agencies of the United States Government.".

REIMBURSABLE DEVELOPMENT PROGRAMS

SEC. 122. Section 661 of the Foreign Assistance Act of 1961 is amended in the first sentence by striking out "$3,800,000 of the funds made available for the purposes of this Act for the fiscal year 1980" and inserting in lieu thereof "$4,000,000 of the funds made available for the purposes of this Act for the fiscal year 1981".

OPERATING EXPENSES

SEC. 123. Section 667(a) of the Foreign Assistance Act of 1961 is amended—

(1) by striking out "fiscal year 1980" and inserting in lieu thereof "fiscal year 1981"; and

(2) in paragraph (1), by striking out "$263,000,000" and inserting in lieu thereof "$293,800,000".

INSTITUTE FOR SCIENTIFIC AND TECHNOLOGICAL COOPERATION

SEC. 124. The first sentence of section 410 of the International Development Cooperation Act of 1979 is amended by striking out "$23,750,000 for the fiscal year 1980" and inserting in lieu thereof "$95,000,000 for the fiscal year 1981".

TITLE II—AMENDMENTS TO THE ARMS EXPORT CONTROL ACT DEFENSE SERVICES

SEC. 201. Section 21(c) of the Arms Export Control Act is amended to read as follows:

"(c) Personnel performing defense services sold under this Act may not perform any duties of a combatant nature outside the United States in connection with the performance of those defense services.".

NONRECURRING RESEARCH AND DEVELOPMENT COSTS

SEC. 202. Section 21(e)(2) of the Arms Export Control Act is amended by striking out all that follows after the word "standardization" and inserting a period in lieu thereof.

MILITARY CONSTRUCTION

SEC. 203. (a) The Arms Export Control Act is amended by inserting immediately after chapter 2 thereof a new chapter to read as follows:

"Chapter 2A—FOREIGN MILITARY CONSTRUCTION SALES AUTHORIZATIONS

"SEC. 29. Foreign Military Construction Sales.—The President may sell design and construction services to any eligible foreign country or international organization if such country or international organization agrees to pay in United States dollars not less than the full cost to the United States Government of furnishing such services. Payment shall be made to the United States Government in advance of the performance of such services by officers or employees of the United States Government. The President may, without requirement for charge to any appropriation or contract authorization otherwise provided, enter into contracts for the procurement of design and construction services for sale under this section if such country or international organization provides the United States Government with a dependable undertaking (1) to pay the full amount of such contract which will assure the United States Government against any loss on the contract, and (2) to make funds available in such amounts and at such times as may be required to meet the payments required by the contract and any damages and costs that may accrue from the cancellation of such contract, in advance of the time such payments, damages, or costs are due.".

(b)(1) Section 21(h) of such Act is amended by striking out "for defense articles or defense services" each place it appears and inserting in lieu thereof "for defense articles, defense services, or design and construction services".

(2) Section 22(c) of such Act is amended to read as follows:

"(c) The provisions of the Renegotiation Act of 1951 do not apply to procurement contracts heretofore or hereafter entered into under this section, section 29, or predecessor provisions of law.".

(3) Sections 23, 24(a), and 31(c) of such Act are each amended by striking out "defense articles and defense services" each place that it appears and inserting in lieu thereof "defense articles, defense services, and design and construction services".

(c) Section 36(a) of such Act, relating to reports to the Congress, is amended—

(1) by striking out "and" immediately after the semicolon at the end of paragraph (7).

(2) by striking out the period at the end of paragraph (8) and inserting in lieu thereof a semicolon immediately followed by "and"; and

(3) by adding at the end thereof a new paragraph (9) to read as follows:

"(9) a listing of each sale under section 29 during the quarter for which such report is made, specifying (A) the purchaser, (B) the United States Government department or agency responsible for implementing the sale, (C) an estimate of the dollar amount of the sale, and (D) a general description of the real property facilities to be constructed pursuant to such sale.".

(d)(1) Section 37(a) of such Act, relating to fiscal matters, is amended by striking out "sections 21 and 22" and inserting in lieu thereof "sections 21, 22, and 29".

(2) Section 39 of such Act, relating to fees of agents and other payments, is amended—

(A) in subsection (a), by inserting immediately after "section 22" a comma followed immediately by "or of design and construction services under section 29," and

(B) in subsection (c), by inserting "or section 29 of this Act" immediately after "section 22 of this Act".

(3) Section 42 of such Act, relating to general provisions, is amended—

(A) in subsection (d), by striking out "and 24," and inserting in lieu thereof "24, and 29,"; and

(B) in subsection (e), by striking out "and 22" each place that it appears and inserting in lieu thereof a comma followed immediately by "22, and 29".

(e) Section 47 of such Act, relating to definitions, is amended—

(1) in subsection (4), by inserting a comma immediately after "sales" and adding at the end thereof "but does not include design and construction services under section 29 of this Act";

(2) in subsection (6), by striking out "and" immediately after the semicolon at the end thereof;

(3) in subsection (7), by striking out the period at the end thereof and inserting in lieu thereof a semicolon followed immediately by "and"; and

(4) by adding at the end thereof a new subsection (8) to read as follows:

"(8) 'design and construction services' means, with respect to sales under section 29 of this Act, the design and construction of real property facilities, including necessary construction equipment and materials, engineering services, construction contract management services relating thereto, and technical advisory assistance in the operation and maintenance of real property facilities provided or performed by any department or agency of the Department of Defense or by a contractor pursuant to a contract with such department or agency.".

FOREIGN MILITARY SALES AUTHORIZATION AND AGGREGATE CEILING

SEC. 204. (a) Section 31 of the Arms Export Control Act is amended—

(1) in subsection (a), by striking out "$673,500,000 for the fiscal year 1980" and inserting "$734,000,000 for the fiscal year 1981" in lieu thereof, and by inserting immediately after the first sentence a new sentence to read as follows: "Credits may be extended pursuant to section 23 of this Act and the principal amount of loans may be guaranteed pursuant to section 24(a) of this Act only to the extent and in such amounts as provided in advance in appropriations acts.";

(2) by amending subsection (b) to read as follows:

"(b) The total amount of credits, or participations in credits, extended pursuant to section 23 of this Act for the fiscal year 1981 shall not exceed $500,000,000. The total principal amount of loans guaranteed pursuant to section 24(a) of this Act for the fiscal year 1981 shall not exceed $2,340,000,000. Of the aggregate total of such credits, or participations in credits, and of the total principal amount of such loans guaranteed, not less than $1,200,000,000 shall be available only for Israel, of which $200,000,000 shall be available only for costs associated with the relocation of Israeli forces from the Sinai."; and

(3) in subsection (c), by striking out "the fiscal year 1980" and inserting in lieu thereof "the fiscal year 1981", and by striking out "one-half" and inserting in lieu thereof "$500,000,000".

(b) Of the loans guaranteed under section 24(a) of such Act with respect to Egypt, the Sudan, and Turkey for the fiscal year 1981, the principal amount thereof shall be repaid in not less than 20 years, following a grace period of 10 years on repayment of principal.

REPORTS TO THE CONGRESS

SEC. 205. (a) Section 3(d) of the Arms Export Control Act, relating to third-party transfers, is amended—

(1) in paragraph (1), by striking out all that precedes the word "unless" and inserting in lieu thereof the following:

"(1) The President may not give his consent under paragraph (2) of subsection (a) of this section or under the third sentence of such subsection, or under sections 505 (a)(1) or 505(a)(4) of the Foreign Assistance Act of 1961, to the transfer of any major defense equipment valued, in terms of its original acquisition cost, at $7,000,000 or more, or of any defense article, related training or other defense service valued, in terms of its original acquisition cost, at $25,000,000 or more, to any country or international organization other than the North Atlantic Treaty Organization, any member country thereof, Japan, Australia, or New Zealand,"; and

(2) in paragraph (3)—

(A) by inserting "and" immediately after the semicolon at the end of subparagraph (A);

(B) by striking out "; or" at the end of subparagraph (B) and inserting in lieu thereof a period; and

(C) by striking out subparagraph (C).

(b) Section 36(b) of such Act, relating to sales of defense articles and defense services, is amended in the first sentence of paragraph (1) by inserting "to any country or international organization other than the North Atlantic Treaty Organization, any member country thereof, Japan, Australia, or New Zealand," immediately after "$7,000,000 or more,".

(c) Section 36(c) of such Act, relating to export licenses, is amended in the first sentence by inserting "to any country or international organization other than the North Atlantic Treaty Organization, any member country thereof, Japan, Australia, or New Zealand," immediately after "$25,000,000 or more,".

TITLE III—MISCELLANEOUS PROVISIONS AUTHORIZATION FOR THE FISCAL YEAR 1982

SEC. 301. There are authorized to be appropriated for the fiscal year 1982 such sums as may be necessary to carry out programs and activities for which appropriations for the fiscal year 1981 are authorized by this Act.

EFFECTIVE DATE

SEC. 302. This Act shall be effective upon the date of its enactment, except that authorizations of appropriations and limitations of authority applicable to the fiscal year 1981 as contained in this Act and in provisions of law amended by this Act shall take effect on October 1, 1980.

SECTION-BY-SECTION ANALYSIS OF THE PROPOSED INTERNATIONAL DEVELOPMENT AND SECURITY COOPERATION ACT OF 1980

I. INTRODUCTION

The proposed International Development and Security Cooperation Act of 1980 (hereinafter referred to as "the Bill") amends the Foreign Assistance Act of 1961 (hereinafter referred to as "the FAA"), the Arms Export Control Act (hereinafter referred to as the "AECA"), and the International Development Cooperation Act of 1979, in order to authorize appropriations to carry out international development and security assistance programs for the fiscal year 1981, and to make certain changes in the substantive authorities governing those programs. The Bill also contains authorizations for the fiscal year 1982, in accordance with the requirements of the Congressional Budget Act of 1974.

Structurally, the Bill is composed of three titles. Title I amends the FAA and the International Development Cooperation Act of 1979. Title II amends the Arms Export Control Act. Title III consists of miscellaneous provisions applicable to the Bill as a whole.

II. PROVISIONS OF THE BILL

Section 1. Short title

This section provides that the Bill may be cited as the "International Development and Security Cooperation Act of 1980".

TITLE I

Section 101. Agriculture, rural development and nutrition

This section amends section 103 of the FAA, which authorizes programs in agriculture, rural development and nutrition. Section 103(a)(2) of the FAA is amended to authorize $729,273,000 for the fiscal year 1981 to carry out programs under section 103. Agriculture, rural development and nutrition will continue to receive primary emphasis under this authorization.

Section 102. Population and health

This section amends section 104 of the FAA, which authorizes programs of population planning and health. Section 104(g) of the FAA is amended to authorize $238,015,000 for the fiscal year 1981 for population planning programs and $164,213,000 for the fiscal year 1981 for health programs.

Section 103. Education and human resources development

This section amends section 105 of the FAA, which authorizes programs of education and human resources development. Section 105(a) of the FAA is amended to authorize $122,069,000 for the fiscal year 1981 for programs relating to education and human resources development.

Section 104. Technical assistance, energy, research, reconstruction and selected development problems

This section amends section 106 of the FAA, which authorizes programs relating to technical assistance, energy, research, reconstruction and selected development problems. Section 106(b) of the FAA is amended to authorize the appropriation of $160,632,000 for the fiscal year 1981 for such programs.

Section 105. Sahel development program—Implementation

This section amends section 121(c) of the FAA to authorize $113,442,000 for fiscal year 1981 for the Sahel Development program. Section 121(c) of the FAA currently authorizes on a "no-year" basis a total amount of $225,000,000 for the Sahel Development program in Africa. Amounts appropriated for the program through fiscal year 1979 plus the pending appropriation level for fiscal year 1980 supported by the Executive Branch total $225,000,000. Authorization is now requested on a fiscal year basis.

Section 106. Private and voluntary organizations and cooperatives

This section amends section 123 of the FAA in order to recognize specifically the private and independent nature of private and voluntary organizations and cooperatives in their assistance programs overseas. These organizations have demonstrated a unique ability to work at the "grass roots" level to help poor people in the developing countries. Their work is strongly supported by private contributions from the American people and is a praiseworthy effort best characterized as "people to people" development assistance.

In section 123 of the FAA the Congress has urged AID to provide greater financial support for private and voluntary organizations and cooperatives without jeopardizing their independence. As a reflection of that independence and the non-governmental nature of the programs carried out abroad by private and voluntary organizations and cooperatives, this section exempts programs of these private groups from statutory prohibitions in the Act or other laws on assistance in or to the countries in which they are being carried out. The exemption would extend only to the continuance of support for already existing programs being supported as of the point in time when a given prohibition would otherwise become applicable. Any such prohibitions would continue to apply to the official U.S. government-to-government assistance program.

The section also provides that the President will review any such exempted treatment in order to ensure that any such exemption is not automatic and that under the circumstances the interests of the United States are served by continued contributions of funds authorized under the FAA.

Section 107. Relatively least developed countries

This section amends section 124(c) of the FAA to provide retroactive terms adjustment during fiscal year 1981 for relatively least developed countries on outstanding loans made under part I of the FAA. Pursuant to the provisions of section 124(c) of the FAA, the President may on a case-by-case basis allow relatively least developed countries to deposit local currency into special accounts for development uses, in amounts equivalent to payments due to the United States in a given year, in place of repayment. Authorization for implementation of this provision for eligible countries is included in the amount of $10,845,000 for the fiscal year 1981.

Section 108. American schools and hospitals abroad

This section amends section 214 of the FAA, which authorizes assistance to schools and hospitals located outside the United States which serve as demonstration centers for American ideas and practices and are sponsored or founded by United States citizens. Section 214(c) of the FAA is amended to authorize $15,000,000 for the fiscal year 1981 for the American Schools and Hospitals Abroad program.

Section 109. International organizations and programs

This section amends section 302 of the FAA, which authorizes grants to international organizations for their programs. Section 302(a)(1) of the FAA is amended to authorize appropriations for grants in the amount of $244,050,000 for the fiscal year 1981 for these programs.

Section 110. International narcotics control

This section amends section 482(a) of the FAA to authorize appropriations of $38,613,000 to carry out international narcotics control programs for the fiscal year 1981.

Section 111. International disaster assistance

This section amends section 492 of the FAA, which authorizes funds for international disaster assistance. Section 492 of the FAA is amended to authorize $25,000,000 for the fiscal year 1981.

Section 112. Economic support fund

This section consists of two subsections, as follows:

(a) This subsection amends section 532(b)(1) of the FAA to authorize $2,080,500,000 in appropriations to carry out economic support fund programs for the fiscal year 1981.

(b) This subsection repeals various earmarkings and related provisions applicable to economic support fund programs for the fiscal year 1980.

Section 113. Peacekeeping operations

This section amends section 552(a) of the FAA to authorize $25,000,000 in appropriations to carry out peacekeeping operations and other programs in furtherance of the national security interests of the United States for the fiscal year 1981.

Section 114. Military assistance

This section consists of four subsections, as follows:

(a) This subsection amends section 503(a) of the FAA to permit military assistance funds from a given country program to be transferred to, and merged with, funds provided by that country for FMS purchases under the AECA, for obligation and expenditure under the latter act. This would facilitate those transactions exceeding available military assistance funds and which accordingly must be financed with supplementary funds furnished by the recipient under the AECA. No substantive provision of the AECA would be affected.

(b) This subsection amends section 504(a)(1) of the FAA to authorize $105,000,000 in appropriations to carry out military assistance programs in the fiscal year 1981. The amount of such assistance which may be provided is specified with respect to each of three designated recipients; these allocations may be increased by not more than 10 percent if deemed necessary for the purposes of the chapter. With respect to these three countries, section 504(a)(1) constitutes the specific authorization required by section

516(a) of the FAA. The military assistance program for the fiscal year 1981 is made up of new budget authority plus reimbursements to the military assistance account. It is estimated that approximately $56,000,000 of the total program will be used for administrative and related expenses. The total program of $135,600,000 in the fiscal year 1981 will require the appropriation of $105,000,000. The amount requested includes funds to reimburse the Department of Defense for those costs of overseas management of security assistance programs for which reimbursement from the military assistance account is required by section 515 of the FAA.

(c) This subsection amends section 506(a) of the FAA to increase from $10,000,000 to $50,000,000 the dollar value of the amount of defense articles and services that the President may draw from the Department of Defense to furnish emergency military assistance in any fiscal year. No other change is made to section 506(a).

(d) This subsection would amend section 516(a) of the FAA to extend, from three to five years, the period within which deliveries under military assistance programs authorized for the fiscal year 1977 and in any subsequent fiscal year must be made. This would reduce the possibility that an authorized military assistance program would be frustrated by failure to make deliveries, for whatever cause, during the period provided for by section 516(a).

Section 115. Stockpiling of defense articles for foreign countries

This section amends section 514(b)(2) of the FAA to establish a ceiling of $85,000,000 on the aggregate value of additions made in the fiscal year 1981 to overseas stockpiles of defense articles (other than in NATO countries) which are designated as war reserve stocks for allied or other foreign forces. The United States retains title to any stocks so designated, the transfer of which to a foreign country may take place only under the authority of the FAA or of the AECA, and within the limitations and funds available under those Acts. This provision permits additions to U.S.-owned stockpiles in the Pacific for Korea.

Section 116. International military assistance and sales program management

This section consists of three subsections, as follows:

(a) This subsection amends section 515(b)(1) of the FAA to authorize the assignment, in the fiscal year 1981, of more than six military personnel to perform security assistance management functions in each of thirteen countries: Portugal, Spain, Jordan, the Philippines, the Republic of Korea, Panama, Greece, Turkey, Indonesia, Thailand, Morocco, Egypt and Saudi Arabia. Each of these is a country for which a current or recently authorized military assistance program is being carried out, or with which an FMS program is being carried out under the AECA of such significance as to warrant the assignment of more than six military personnel for program management purposes. The assignment of in excess of six military personnel will continue to be governed by the terms and conditions set forth in section 515 of the FAA.

(b) This subsection amends section 515(b)(3) of the FAA to remove Iran and Kuwait from the list of three countries (the third being Saudi Arabia) to which personnel may be assigned under section 515(b)(1) only on a reimbursable, (FMS) basis. No authorization to assign in excess of six military personnel to either country is being requested for the fiscal year 1981.

(c) This subsection amends section 515(f) of the FAA to authorize the assignment, under that section, of up to six defense attaches more than the number of such attaches authorized for a given country on December 31, 1979, in order to perform security assistance management functions. In addition, this subsection further amends section 515(f) to permit the assignment of the eight additional defense attaches authorized for assignment on a worldwide basis under that section to countries where a one-to six-man Office of Defense Cooperation is assigned under section 515(c) of the FAA. This will permit the consolidation, in selected countries, of security assistance management groups with defense attaché offices in accordance with Administration plans to promote the efficiency, and reduce the cost, of overseas program management.

Section 117. International military education and training

This section amends section 542 of the FAA to authorize appropriations of $32,500,000 to carry out international military education and training programs in the fiscal year 1981, and to remove the requirement for matching contributions from countries participating in Latin American regional training programs.

Section 118. Procurement

This section amends section 604(e) of the FAA by adding language to make clear that section 604(e) is meant to apply only in cases where the procurement in question can feasibly be supplied from the United States. In some agricultural development projects, financing of the purchase of locally-produced agricultural commodities is an integral element of indigenous production and marketing elements of the projects. Such activities do not involve the competitive substitution of local or third country commodities in place of U.S. commodities and thus are outside the intended scope but not the actual language of current law. This section is designed to preserve the protective intent of current section 604(e) of the FAA but at the same time to introduce needed flexibility in its application to development assistance projects which do not contain a potential for the financing of agricultural commodities exported from the United States.

Section 119. Special authority

This section amends section 614(a) of the FAA to permit the President's general waiver authority under that section to be used with respect to limitations under the AECA and under annual authorization legislation, as well as with respect to limitations under the FAA. In part, this change restores the original scope of section 614(a) as it existed prior to 1968, when the statutory basis for foreign military sales was removed from the FAA and reconstituted as the Foreign Military Sales Act (now the AECA). Extending the scope of section 614(a) to reach provisions of annual authorizing legislation takes into account limitations on programs and activities under the FAA or the AECA that may take the form of "free standing" provisions in such annual legislation. The amount of funds that could be made available in any fiscal year under this provision for assistance under the FAA may not exceed $250,000,000, no more than $50,000,000 of which may be allocated to any one country, unless that country is a victim of Communist aggression. This provision could not be used to waive the limitations of section 610(a) (transfers between accounts) of the FAA.

Section 120. Participant training

This section amends section 617 of the FAA to provide that orderly termination of assistance programs for any given country during the eight-month "winding up" period may include final obligation and expenditure of funds sufficient to finance completion of training programs or courses of study for students and participant trainees who began their programs prior to the termination of assistance to their home countries. At the discretion of the President, this would allow the agency primarily responsible for administering part I of the FAA to allow AID-financed foreign students or trainees in the United States or third countries to complete their studies in order to prevent undue personal hardship to the individuals affected. Since the students or trainees in such cases would have been brought to the United States at the invitation of the U.S. Government, they should not be terminated part way through their studies unless important foreign policy interests of the United States call for such action. The President would continue to have that discretionary termination authority.

Section 121. Auditor General

This section amends section 624(g) of the FAA to provide subpoena power to the AID Auditor General for the more effective discharge of his audit and investigative responsibilities. The subpoena power granted extends only to the production of documents and is patterned after that provided to Inspectors General by the Inspector General Act of 1978. The Auditor General of AID has statutory duties for audit and investigation and reports directly to the head of the Agency.

Section 122. Reimbursable development programs

This section amends section 661 of the FAA, which authorizes use of a specified amount of funds made available for the purposes of part I of the FAA in order to stimulate reimbursable development programs. Section 661 of the FAA is amended to allow use of up to $4,000,000 of the funds made available for the purposes of the FAA for the fiscal year 1981.

Section 123. Operating expenses

This section amends section 667 of the FAA, which authorizes funds for operating expenses of the International Development Cooperation Agency and the Agency for International Development. Section 667(a) of the FAA is amended to authorize $293,800,000 for the fiscal year 1981 for operating expenses.

Section 124. Institute for scientific and technical cooperation

This section amends section 410 of the International Development Cooperation Act of 1979 to authorize $95,000,000 for fiscal year 1981 for the Institute for Scientific and Technological Cooperation. The Institute will carry out programs of assistance in the fields of science and technology.

TITLE II

Section 201. Defense services

This section clarifies section 21(c) of the AECA by eliminating an inaccurate and overly broad characterization of "combatant" duties for the purposes of that section.

Section 202. Nonrecurring research and development costs

This section amends section 21(e)(2) of the AECA to eliminate the authority to waive reimbursement for a proportionate share of nonrecurring research and development costs in the case of sales of defense articles under the AECA which sales, if made, would encourage foreign procurement in the United States under foreign coproduction arrangements. This amendment would not affect the authority to waive such reimbursement in cases which would significantly advance United States interests in NATO standardization.

Section 203. Military construction

This section consists of five subsections as follows:

(a) This subsection adds a new chapter 2A to the AECA, relating to foreign military construction sales. This new chapter, consisting of new section 29, authorizes the

President to make sales of design and construction services, and to procure such services for sale, to eligible foreign countries and international organizations on terms comparable to those on which sales of defense articles and defense services are authorized by sections 21 and 22 of the AECA. The design and construction services authorized to be sold under this new chapter are identical to those heretofore sold as "defense services" under the AECA. This new chapter would have no material effect on the cost of such services to the purchaser, or on the manner in which such design and construction services are implemented.

The remaining subsections of this section make certain conforming and other changes to the AECA to reflect new chapter 2A:

(b) This subsection consists of three paragraphs, as follows:

Paragraph (1) amends section 21(h) of the AECA to continue the inclusion of construction sales among those sales for which reciprocal quality assurance, inspection, and contract audit services are authorized.

Paragraph (2) amends section 22(c) of the AECA to provide that the Renegotiation Act of 1951 does not apply to procurement contracts entered into under new section 29.

Paragraph (3) amends sections 23, 24, and 31(c), relating to the extension of credits, the issuance of loan repayment guaranties, and financing for Israel, to include sales of design and construction services.

(c) This subsection amends section 36(a) of the AECA to add a new paragraph (9) requiring quarterly report to the Congress concerning sales of design and construction services under new section 29. No conforming amendment to section 36(b) of the AECA is proposed.

(d) This subsection consists of three paragraphs, as follows:

Paragraph (1) amends section 37(a) of the AECA to make the fiscal provisions of that section applicable to sales of design and construction services under new section 29.

Paragraph (2) amends section 39 of the AECA to make the requirements of that section regarding the reporting of agents' fees and other payments applicable to sales of design and construction services under new section 29.

Paragraph (3) amends sections 42(d) and (e) of the AECA, relating to the responsibilities of the Secretary of Defense and the suspension or cancellation of sales contracts respectively, to make those sections applicable to sales of design and construction services under new section 29.

(e) This subsection amends section 47 of the AECA to exclude design and construction services under new section 29 from the definition of "defense services" contained in subsection 4 of that section, and to add a new subsection (8) defining "design and construction services" for the purpose of sales under the AECA.

Section 204. Foreign military sales authorization and aggregate ceiling

This section consists of two subsections, as follows:

(a) This subsection consists of three paragraphs, each amending section 31 of the AECA:

Paragraph (1) amends section 31(a) to authorize $734,000,000 in appropriations to carry out FMS credit and loan guaranty programs in the fiscal year 1981;

Paragraph (2) amends section 31(b) to establish a ceiling of $500,000,000 on the total of credits extended under the AECA for the fiscal year 1981, a ceiling of $2,340,000,000 on the principal amount of loans guaranteed under FMS for the fiscal year 1981, and an allocation of not less than $1,200,000,000 of the aggregate total of those ceilings to Israel, $200,000,000 of which is available only for Sinai relocation costs. In view of new budgetary practices, separate ceilings for FMS credits and FMS-guaranteed loans are provided for the fiscal year 1981;

Paragraph (3) amends section 31(c), relating to terms and conditions governing repayment by Israel of financing extended pursuant to the AECA, to make that subsection applicable, without substantive change, to the fiscal year 1981. As in past years, repayment by Israel of $500,000,000 in such financing is to be forgiven.

(b) This subsection, which does not amend the permanent provisions of the AECA, provides for certain repayment terms for Federal Financing Bank loans to be guaranteed under section 24(a) of the AECA for Egypt, the Sudan, and Turkey for the fiscal year 1981.

Section 205. Reports to the Congress

This section consists of three subsections, each amending the AECA, as follows:

(a) This subsection amends section 3(d) of the AECA to require advance certification to the Congress of only those proposed third-country transfers of FMS or MAP-origin major defense equipment valued at $7,000,000 or more, or of any defense article, related training, or other defense service valued at $25,000,000, based on original acquisition cost. No such certification would be required for any proposed third-party transfer to NATO, any NATO member, Japan, Australia, or New Zealand. Under present section 3(d), most third-party transfers, regardless of value, must be certified to the Congress in advance. This change would conform the criteria for certification under section 3(d) to those applicable to direct FMS sales under section 36(b) of the AECA.

(b) This subsection amends section 36(b) of the AECA to exempt proposed major FMS sales to NATO, any NATO member, Japan, Australia, and New Zealand from the advance certification requirements of that section.

(c) This subsection amends section 36(c) of the AECA to exempt proposed licenses for major exports of Munitions List articles and services to NATO, any NATO member, Japan, Australia, and New Zealand from the advance certification requirements of that section.

TITLE III

Section 301. Authorizations for the fiscal year 1982

This section authorizes appropriations for the fiscal year 1982 of such sums as may be necessary to carry out programs and activities for which fiscal year 1981 appropriations are authorized by the Bill. This section is necessary in order to comply with the Congressional Budget Act of 1974.

Section 302. Effective date

This section provides that the Bill shall be effective upon enactment, except that authorizations of appropriations and limitations of authority applicable to the fiscal year 1980 under provisions of law amended by the Bill are to take effect on October 1, 1980. The latter savings provision is necessary in the event the Bill is enacted prior to the end of the fiscal year 1980.

THE WHITE HOUSE,
Washington, February 27, 1980.

Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: I herewith transmit a bill to authorize international development and security assistance programs for the fiscal years 1981 and 1982. The programs authorized by this bill are essential for an effective United States contribution to the reduction of hunger, poverty, and other developmental problems of the peoples of the less-developed countries. The United States economy and our political and economic leadership will be enhanced by the bill's programs. The bill will also provide for the achievement of a secure international environment, and for the attainment of our own foreign policy and security goals in a greatly troubled world. Through these programs, the United States assists friendly and allied nations in fostering their economic development and progress, in acquiring and maintaining the capability for their own defense, and in addressing political, military, and economic crisis.

This year I am transmitting a single bill, incorporating authorizations for both development and security assistance. Title I of the bill consists of amendments to the Foreign Assistance Act of 1961 and to the International Development Cooperation Act of 1979. It includes all the fiscal year 1981 authorizations for the development assistance programs and related activities provided for in those statutes. Title I also includes fiscal year 1981 authorizations for the economic support fund. In addition, this title provides fiscal year 1981 authorization for peacekeeping operations, disaster assistance, international narcotics control, military assistance and grant military training programs carried out under the Foreign Assistance Act of 1961. Title II consists of fiscal year 1981 authorizations for programs and related activities under the Arms Export Control Act. Title III comprises provisions applicable to the bill as a whole, including the fiscal year 1982 authorizations required by the Congressional Budget Act of 1974.

In addition to authorizations of appropriations, the bill makes certain substantive changes to the statutory authorities under which development and security assistance programs are carried out. With respect to development assistance programs, these changes include a clarification of the applicability to United States support for private and voluntary organizations of statutory limitations on assistance programs, and a provision giving powers of subpoena to the Auditor General of the Agency for International Development. Insofar as security assistance is concerned, the bill amends the Arms Export Control Act to establish a separate authority for the sale of military design and construction services to foreign countries and international organizations, reflecting the essential difference in nature between such sales and other sales of defense articles and services under the Foreign Military Sales (FMS) program.

Developments over the past year, and in particular in recent months, have underscored perhaps more than ever before the importance of affording the President the ability to employ, promptly and effectively, foreign assistance to meet unforeseen foreign policy and security emergencies. As a consequence, the bill contains a number of provisions to this end. The authorization of fiscal year 1981 appropriations for the economic support fund includes $50,000,000 unallocated to any particular program and activity, and which would be available to meet currently unexpected situations where the provision of economic support fund assistance would be appropriate in furtherance of the national interests of the United States. The difficulties and delays occasioned by the need to reprogram such assistance from planned country programs over the past year indicates the importance and usefulness of such an unallocated amount under the economic support fund. The bill would also make available a comparable amount for military contingencies by increasing from $10 million to $50 million the scope of the President's emergency authority to draw upon the Department of Defense for military assistance in a fiscal year.

In addition, the bill makes the special authority of section 614(a) of the Foreign Assistance Act of 1961, as amended, applicable to programs under the Arms Export Control

Act, and to "free-standing" provisions of law contained in annual development and security assistance authorization acts. This change restores the scope of the President's authority under section 614(a) as it existed prior to 1963, when the military sales provisions of the Foreign Assistance Act of 1961 were removed from that act and included in the Foreign Military Sales Act (now the Arms Export Control Act). As a consequence, this change removes an anomaly from present law, whereby the President may use his authority under section 614(a) to authorize grants under the Foreign Assistance Act of 1961, but not sales or financing under the Arms Export Control Act.

The bill also amends the Arms Export Control Act to eliminate the requirements for advance certification to the Congress of all major FMS sales, and proposed third-party transfers, to NATO, any NATO member, Japan, Australia, and New Zealand. This change would facilitate vital military supply cooperation with important allies, and would render third-party transfer procedures less cumbersome by conforming those requirements to those applicable to major direct transfers under FMS. In addition, the bill amends the Arms Export Control Act to clarify the limitations upon the performance of defense services for a country in the event such country becomes engaged in self-defense or other military operations.

The programs authorized by this bill are essential components of our foreign and national security policies, and of our commitment to the advancement in freedom, dignity and development of peoples in nations far less fortunate than our own. These programs have been formulated to achieve these ends in as effective and efficient a manner as possible in light of the resources available to us. They will serve our interests in the stability and economic prosperity of the developing countries, already important markets for U.S. exports, and whose participation in the world economy is steadily increasing.

With particular regard for the authorizations requested in this bill for security assistance programs for Greece and for Turkey, I hereby certify, in accordance with section 620C(d) of the Foreign Assistance Act of 1961, as amended, that the furnishing of such assistance to Greece and to Turkey will be consistent with the principles set forth in section 620C(b) of that Act. The explanation of the reasons for this certification in each case is contained in the congressional presentation materials for the fiscal year 1981 security assistance program.

The difficult world situation facing the United States at this moment in history underscores the need to address, with renewed vigor, the human problems arising in the less-developed countries, our economic ties with them, and the security needs of our friends and allies. This bill will help us to do so, and I urge its early passage.

Sincerely,

JIMMY CARTER.●

By Mr. HATFIELD (for himself, Mr. MCCLURE, Mr. DOMENICI, Mr. STEVENS, and Mr. WALLOP):

S. 2424. A bill to amend the Mineral Lands Leasing Act to require competitive bidding in oil and gas lands set apart for military or naval purposes, and to expand leasing by competitive bid 2½ miles outside known geological structures of a producing oil or gas field; to the Committee on Energy and Natural Resources.

OIL LEASE FRAUD

● Mr. HATFIELD. Mr. President, for at least the last dozen years the Department of the Interior has known about oil lease fraud in the West. Yet the Department has done little to discourage the fraud, has forwarded very few cases to the Justice Department for prosecution, and has failed to provide even a modicum of policing its leasing system.

The kinds of fradulent activity, the extent of leasing abuse, and the reasons why "oilscam" is so prevalent illustrates a sorry episode in public lands management.

Since 1960 the Bureau of Land Management has operated a lottery for oil and gas leases on Federal lands. The lottery is quite legal and, in fact, reduced many of the Department's early problems in administering the "push and shove" type of first-come-first-served noncompetitive leasing on BLM and Forest Service lands.

Competitive leasing, as opposed to the lottery system, occurs only in "known geological structures of a producing oil or gas field." Noncompetitive leasing is practiced outside these Known Geologic Structures (KGSs). The idea here was to require competitive bidding in and around known areas of oil and gas, but to encourage exploration outside these areas by offering leases on a "first applicant gets the parcel," or noncompetitive, basis.

The noncompetitive leasing system still serves its purpose today by promoting exploration on Federal lands at low holding cost of $1 per acre. Of course, if oil and gas are found, a royalty of 12½ percent is paid by the lessee to the Government. As wells are developed on acreage formally offered under the lottery system, the U.S. Geological Survey then classifies the area as a known geologic structure, and future leasing in the area is then handled by competitive bid.

In sum, known areas are made available to producers by direct auction of tracts, and unproven, or "wildcat" areas are leased through noncompetitive procedures, including the lottery, to foster exploration.

The regulatory makeup of the lottery, though, with its restrictions on filing more than once for a parcel, mail application for lease parcels, and huge volumes of filings subject the system to the possibility of abuse.

The U.S. Attorney's Office in Denver has become very active in pursuing suspected fraud in the noncompetitive leasing system. Many indictments can be expected in the weeks ahead involving a spectrum of participants in the leasing system. It would not surprise me to find an enormous volume of fraudulent activity occurring worth millions of ill-gained dollars.

Nature of the suspected abuse: Filing more than once for the same parcel of land, failing to list the broker or agent acting as the intermediary in the filing, and exceeding the lease acreage limitation.

Classification of wrongdoing: The first two are prohibited by regulation (43 CFR 3100) and would constitute false statements to the United States—a felony under title 18, United States Code, section 1001. The third would be a violation under the 1920 Mineral Leasing Act. Since the filing cards are sent through the mail, mail fraud would also be involved. And, where companies have expensed brokers fees and the costs of multiple filing, criminal tax provisions would also apply.

How the Oilscam works. With higher oil prices, decontrol, and the prospect of increased finds in the Overthrust Belt, individuals and companies have, allegedly, been trying to "stuff the ballot box" with multiple filings on oil and gas parcels. The voting analogy holds because, in the lottery, each filer is permitted to file on a parcel only once. But with the stakes so high and getting higher, the temptation to cheat by filing many times to improve the probability of selection has, apparently, increased.

According to knowledgeable observers of the lottery system, a prevalent type of abuse of the system goes something like this: An oil company engages a broker or brokers to garner as many filings on a select lease tract as possible. Filers, who may be unaware of the company interest, are paid several hundred dollars for permitting their signature to be machine reproduced on lease filings cards. The requirement to list "other parties in interest" on the filing card is ignored. The company then benefits from vastly increased probabilities of winning a lease from the lottery drawing—the winning card and lease tract, of course, being immediately assigned to the initiating company through the broker.

Why Oilscam works. Fraud and widespread abuse of the simultaneous leasing system exist because BLM has rarely in the last 20 years sought to enforce its regulatory requirements stated on the filing card. This despite a knowledge by BLM and the Department of a pervasive and long existent level of abuse.

One observer likens the situation to payoffs of foreign governments by U.S. firms attempting to gain contracts: "If you don't play the game like everyone else, you just can't compete."

In addition to failing to pursue suspected abuse of the leasing lottery, BLM has failed to adequately police the system—only last year were investigators assigned to study the abuse and that only after a request by the U.S. Attorney's Office in Denver.

How old is the abuse? The pervasive nature of the fraud and abuse is not explained satisfactorily by the lack of diligence in pursuing suspicious lease holdings. The missing factor is time. My staff has found indications of problems with the lottery and suggestions for improvements dating back to 1966. For example, the same abuses which may bring indictments later this month were formally reported to the Department 13 years ago by Mule Creek Oil Co. with recommendations for regulatory changes.

Eliminating the abuse. The assistant U.S. attorney, when queried about "how could the problems be eliminated," reiterated, quite independently, the same suggestions made by IPAA in 1966 and by Mule Creek Oil Co. in 1967 and by many others since then—including the

Department itself. The Department has had rules pending for some time which follow these recommendations very closely.

The changes urged by the assistant U.S. attorney and others would:

First. Require an original signature on the filing card (no machine reproduced signature or initials);

Second. Require the filer's real address so the successful lessee can be contacted for verification of qualifications (no post office box or other front for broker); and

Third. Require the filer to state affirmatively that there is no other party in interest (broker or filing company).

The gist of these suggestions is that if you are required to sign the card yourself for each filing, list your own address, and state affirmatively that you are not operating with a broker, the amount of fraudulent activity would be nearly eliminated.

Other recommendations include: greater use of computers (such as BLM's Wyoming setup) to allow easy survey of filings for multiple filings, recurring addresses, et cetera; and an ongoing internal audit of the lottery system by a staff of investigators.

The Department's inaction. If the abuses have been known by the Department and the industry for many years, and if the suggested regulatory changes are relatively easy to make and administer, then why has the Department failed to act, particularly over the last several years when the temptation to cheat and the pervasiveness of the fraud were escalating? For example, an April 1979 report by the GAO concluded that there were weaknesses in the lottery system's controls and that: "lax controls over the system allow for the possibility of manipulation." Can the Department be accused of administering its lottery system in such a cavalier fashion so as to not only permit but encourage widespread abuse?

Suspension of noncompetitive leasing. On February 29, 1980, Secretary Andrus suspended all lottery and over the counter leasing for onshore oil and gas "until the Department determines whether the system can be reformed to correct the abuses the BLM has disclosed and the changes are made, or concludes it is necessary to convert onshore leasing to an all competitive system."

Corrective changes can easily be made, and the Department has these changes pending as rulemaking. So a more genuine reflection by the Department on the situation at hand would probably address the part about "the need to convert to competitive leasing." Ending the lottery and changing the statute to establish all competitive leasing would end the abuse, but would do so by ending the system within which the abuse has been permitted to flourish.

The Secretary has grabbed upon the fraudulent activity as the means to persuade Congress to pass its legislative proposal, S. 1637. In three hearings last year (title VII of S. 1308, Fort Chaffee, and S. 1637), the committee heard from Interior the need for onshore competitive oil and gas leasing. The rationale at that time was centered around obtaining fair market value. The rationale now, of course, is the widespread abuse.

Insight into the Department's rationale for statutory change and indicators of the threat of suspension to get this change moving add up to motives which are far afield of the Secretary's stated resolve of ending fraudulent activity. For example, a memorandum from Associate Solicitor John Leshy to the Solicitor dated September 20, 1978 recommended that the Department should propose legislation to require competitive leasing in the overthrust belt. (Mr. Leshy was previously counsel to NRDC and responsible for the suit which shut down coal leasing.) He noted that such legislation had been proposed before in 1971 and 1973 but that Congress had failed to act. Then Mr. Leshy threw in the kicker:

> We may have a better chance now, particularly if the Secretary exercises his authority to refuse to issue any leases in the area until he can do so competitively.

This most obvious club held over the heads of committee members was reiterated last year in a letter to Senator BUMPERS from Secretary Andrus in which he said:

> If it becomes clear that there will be continued resistance to a reform of the (mineral leasing) law, perhaps suspension of the existing program should be reconsidered.

The "real reason" for the recent shutdown crops up again right there in the Secretary's press release describing the suspension action:

> The suspension will . . . allow the Congress time to enact legislation which I recommended last June . . . .

Clearly, Oilscam is being used by the Secretary to justify his suspension of oil and gas leasing in the West when the abuses have been known for many years and when the Department has done nothing to correct those abuses.

Legislation. The Department's S. 1637 would, according to a draft GAO report, have detrimental effects on companies' access to lands for oil and gas exploration, would likely decrease oil and gas production from Federal onshore lands, and would result in no increase in revenues to the Government. S. 1637 would greatly broaden the areas to be competitively leased.

Senator BUMPERS will propose a substitute to S. 1637 in committee markup which, I understand, would create an all competitive system. Such a system would, even more than S. 1637, decrease lands available for exploration and production. The administrative burdens of an all competitive system and the greatly increased discretion presented the Secretary by such an approach is clearly not warranted.

How much time would the Department need to fashion an all competitive system? Would the effort resemble the change in coal leasing? That system was stopped in 1971 and has yet to begin again. Would the all competitive system require tract selection and prioritization, site specific and regional EIS's, tract evaluation for fair market value determinations, nominations, small business set-asides, antitrust review, and alternative bidding systems like other competitive Federal leasing?

Ninety-seven percent of all onshore Federal oil and gas leasing last year was noncompetitive. How many years would it take Interior to increase competitive leases offered for sale? Would not leased acreage decline rapidly with the old leases expiring and fewer new leases issued? Is that the appropriate Federal energy resource policy to take in this time of rocketing oil prices?

Mr. President, I suggest an alternative, an alternative which will avoid the problems of an all competitive system and which directly addresses the need to eliminate oil lease fraud. The bill I introduce today has two provisions which would:

First. Establish leasing in military reservations (such as Fort Chaffee) by competitive bid only. This provision would eliminate $1 per acre giveaways in military reservations—a primary concern of Senator BUMPERS and Senator BELLMON last year.

Second. Add a 2½-mile geographic buffer to known geologic structures (KGS) to expand competitive leasing in areas surrounding producing fields. This significant increase in competitive bid only areas would take away large dollar value acreage adjacent to producing fields, thereby promoting competition in areas of great interest and also reducing the incentive to cheat on the system.

Mr. President, this bill will broaden competitive leasing substantially and reduce the incentive to defraud the Government. But it will also leave unproven or wildcat areas open to all comers—majors, independents or individuals—to foster exploration for oil and gas on Federal lands.

Mr. President, I ask that the 1967 letter from Mule Creek Oil Co. and the September 20, 1978, memorandum from Interior's Associate Solicitor be printed in the RECORD at this point.

There being no objection, the material and the bill were ordered to be printed in the RECORD, as follows:

MULE CREEK OIL CO., INC.,
Billings, Mont., December 12, 1967.

MR. HARRY R. ANDERSON,
Assistant Secretary of the Interior, Department of the Interior, Washington, D.C.

DEAR MR. SECRETARY: We wish to make reference to that certain Notice relating to the deposit of advance rentals on simultaneous oil and gas filings, said Notice being filed in the Federal Register on October 17, 1967, at page 14345.

We understand that this Notice has now been temporarily suspended because of the large numbers of individuals who have contacted the Department relative to the so-called adverse effects which this Notice would have on their operations.

The Public Lands Committee of the Independent Petroleum Association of America, which is the largest national organization of independent oilmen in the country, wishes to go on record in support of your action relative to the depositing of these advance rentals in the U.S. Treasury on a selective office basis.

Our Committee began a study approximately two years ago to ascertain whether anything could be done to eliminate speculation on oil and gas leases on the public domain. After a great deal of study, certain recommendations were proposed to the Department in October of 1966, among which was one which stated in effect that it was generally recognized throughout the industry that there were numerous abuses of the simultaneous filing system through multiple filings by the same individuals, and through et als, with the result that all parties were not necessarily being afforded equal opportunity in the drawings.

In an effort to cut down on the multiple filings and to eliminate the speculation which was currently existing at that time, it was the recommendation of our Committee that the Bureau of Land Management be instructed to periodically cash all advance rental checks received at the monthly simultaneous drawing. We did not mean that all Land Offices must deposit all checks every month, but we did feel that the periodic cashing of these checks by Land Offices, and not by individual tracts, would do much to alleviate the current system of multiple filings.

It was further our recommendation that the second sentence of 43 C.F.R. 3132.9(c) (2) be amended to read as follows: "The advance rental must be paid by cash, U. S. Postal money order, certified check, bank draft, or cashier's check."

We felt that it was the intent of Congress that earnest money must be used to back the payment of such rentals. In the sale of cashier's checks, money is actually used to purchase such checks; however, this is not the case in the current use of money orders.

At the time that our investigations began, there were no money order companies. These seem to have arisen only within the last year; so, our recommendations to the Department were not based solely on the use of these money orders. However, it does make an obvious difference to someone who is arranging for advance rentals on the simultaneous filing system whether he has to put up money for these advance rentals, or whether he can purchase a money order for $1, or some other nominal consideration, knowing that he will not be forced to actually put up any hard cash unless he is the successful applicant.

We certainly do not mean to infer that these money order companies are illegal. However, it is our feeling that the use of money orders encourages multiple filings and speculation on the public domain because the applicant is relieved of the necessity of actually putting up any money, since the money orders will obviously not be cashed unless he is the successful applicant.

Some original contracts which we examined during the period when these money order companies were just being started left a question as to whether there would be a conflict in the required sole party-in-interest statement. Certain of the contracts which we examined stated that in the event that the successful applicant did not make the necessary payment to the money order company within an allotted period of time, he waived any right to the lease even though it were issued to him, and an assignment would have to be immediately made to the money order company for that particular lease. We do not know whether this language currently exists in any contract, but originally there was a question as to whether this was legal from the standpoint of the regulations. Certainly operations of this type do not appear to be the intent of the regulations.

All of the above is merely to give a resume of what transpired throughout our entire investigation of this problem and the subsequent recommendations which came from our Committee. We have read certain of the correspondence from these money order companies to Congress relative to this matter, and believe that the bulk of their objections arise from the fact that the cashing of these checks will undoubtedly prohibit the use of this money again for filing in the next monthly drawing. We recognize that this is indeed a problem, and perhaps is more of an operational matter within the Department itself. We further recognize that undoubtedly certain individuals will be hurt by this type of action. Nevertheless, we believe that it is in the best interests of the industry in general to attempt to cut down on the inequities and speculation which currently exists on the public domain, and would concur in your action as published by the Notice in the Federal Register.

This is not to say that there is complete unanimity in the Independent Petroleum Association of America as to the cashing of these advance rental checks. However, our Public Lands Committee which is charged with the responsibility of looking out for the best interests of the industry as a whole with regards to the public lands and our operations thereon feels that you have acted wisely in your proposal as discussed herein.

Very truly yours,

David Schaenen,
Chairman, Public Lands Committee, Independent Petroleum Association of America.

U.S. Department of the Interior,
Office of the Solicitor,
Washington, D.C., September 20, 1978.

Memorandum

To: Solicitor.
From: Associate Solicitor, Energy and Resources.
Subject: Onshore Oil and Gas Leasing Program.

In dealing over the past several months with the Department's onshore oil and gas leasing program, primarily in the context of wilderness (RARE II and section 603), I have become convinced that the Department is courting serious criticism in this area if cureent policies are continued.

My basic concerns are twofold:

1. Many believe that the so-called "Overthrust Belt" in Utah, Idaho, Wyoming and Montana is now or is about to become the next Prudhoe Bay. The attached articles, for example, suggest that the Overthrust Belt contains 9 billion barrels of recoverable oil and 51 trillion cubic feet of natural gas, nearly as much as Prudhoe Bay itself. Yet the Department continues to issue hundreds and perhaps thousands of leases every year for oil and gas exploration and development in this area on a non-competitive basis. The Geological Survey apparently does not think it has sufficient information to determine these lands are "within any known geological structures of a producing oil or gas field," which is the current statutory standard for leasing competitively. 30 U.S.C. § 226(b) (emphasis added).* We are currently issuing leases non-competitively for a filing fee of $10. They are often marketed by lessees for sums many times greater.

In short, I fear that the Department may soon be faced with the same kind of criticism for its leasing policies in the Overthrust Belt that it received on its coal leasing policies in the 1950's and 1960's when millions (if not billions) of dollars worth of publicly-owned resources were leased for peanuts.

I have two recommendations: First, the Survey should undertake an intensive review of its ability to determine whether areas are appropriate for competitive leasing. Second, we should immediately reconsider our policy of automatically leasing these resources non-competitively. If legislation is required to give the Secretary authority to lease competitively in the Overthrust Belt, then we should seek such legislation forthwith. The Department proposed such legislation in 1971 and 1973, but Congress failed to act. We may have a better chance now, particularly if the Secretary exercises his existing authority to refuse to issue any leases in the area until he can do so competitively. Note that competitive leasing would benefit the states as well, since they share in the revenues competition would produce.

2. My second concern relates directly to wilderness. You have expressed considerable misgivings about the policy of issuing oil and gas leases subject to a "no surface occupancy" stipulation, or any other stipulation which could prevent development of the lease. We all understand that the reason for this approach is that, historically at least, only a handful of the leases we issue are actually subject to exploration. It is administratively easier to deal with the environmental impacts of leasing in those relatively few cases where development is proposed, than to deal with the possible environmental impacts prior to the leases being issued. While this may be defensible from the standpoint of administration, it creates two major problems. *First*, we may be subject to a lawsuit challenging our failure to do these environmental analyses prior to leasing. (The Sierra Club has hinted at such a suit.) *Second*, and more important, our current policy is only as good as our legal right to lease without development rights.

Industry as a whole has shown a reluctance to challenge the legality of issuing a lease without an absolute right to develop, probably because it faces a Hobson's choice: if it loses, it gains nothing, and if it wins, the Secretary still has discretion to halt all new oil and gas leasing, at least until environment assessments are prepared prior to resuming leasing. Although the legality of the current policy has not been tested in court,** there are hundreds or thousands of leases being issued with these stipulations. I suspect eventually some company will contest the lawfulness of these stipulations if we refuse to allow development in order, for example, to protect wilderness. If we lose, we can solve the problem for the future by not leasing unless we are satisfied development is environmentally sound. Our losing might, however, render the stipulations in the hundreds or thousands of leases already issued unenforceable. (There are arguments we can raise against this result; i.e., the leases should therefore be cancelled because of a failure of consideration. But it is a risk.)

OTHER CONCERNS

Although not of equal concern with the foregoing, some other facets of the non-competitive oil and gas leasing program also bear scrutiny.

First, the non-competitive oil and gas system generates an extraordinary amount of legal work in my Division and in the field. A large proportion of the cases before the Interior Board of Land Appeals also involves this program, and I assume that a like amount of effort is required in BLM State Offices. Much of this work involves tedious disputes over the lottery we run. Steps such as not leasing lands known to be unproductive of oil or gas might be an easy way to reduce everyone's workload. It also might avoid ripping off widows and orphans who think their $10 gives them a good shot at a Prudhoe Bay.

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* Note that this is more stringent than the standard for competitive leasing in the 1970 Geothermal Act, which allows competition when the lands are within a "known geothermal resources area."

** The Department's Office of Hearings and Appeals has upheld these stipulations, but no court has reached the question. In a somewhat analogous situation regarding termination or suspension of OCS oil and gas leases for environmental reasons, the courts have been divided.

Second, the lottery itself is open to all sorts of abuses, especially since the advent of these "filing services,"—companies in the business of collecting entry cards from individuals and filing them on a mass basis. I suspect there are more shenanigans in these services' relationship to their clients than we are aware of. And these services, which exist solely at our discretion, are in a position to promote the kind of rip-off alluded to in the preceding paragraph.

Third, there has been considerable variation in the terms and stipulations placed on these leases. As new terms were formulated in the past, they were merely added to the lease, without ensuring consistency with the rest of the lease terms. As a result, leases are sometimes a hodge-podge of stipulations; e.g., we recently discovered one lease that had three different and somewhat inconsistent terms relating to surface occupancy.

Fourth, my office has received a considerable number of inquiries (3 or so a week over the past few months) about the rights of persons who are not United States citizens to hold oil and gas leases. (The law now allows aliens only to hold stock in companies holding mineral leases, and only if the companies are from countries which allow U.S. citizens to do the same.) I am concerned that these inquiries are the "tip of the iceberg" of a potentially large problem of illegal holdings on mineral leases by noncitizens.

CONCLUSION

The Geological Survey may not have the authority under existing law to deal with the first problem, and the BLM may be reluctant to change because the current leasing process gives the BLM substantial revenue in filing fees. There is also substantial congressional interest in this whole matter.

At one point, the Office of the Assistant Secretary for Land and Water Resources was preparing an option paper on the Department's entire oil and gas leasing policy. I understand now, however, that work on that option paper has been indefinitely suspended. I would recommend that the paper be completed and presented to the Secretary.

The intense industry interest in development of the Overthrust Belt, and the equally intense fights we expect to be in over wilderness matters in the next few years makes it obvious that these problems are not going to go away. I believe the Secretary should be informed of these issues and recommend that appropriate action be taken to present them for Secretarial decision.

JOHN D. LESHY.●

S. 2424

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding any other provision of law, lands which are set apart for military or naval purposes shall not be available for leasing under section 17 of the Act entitled "An Act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain", approved February 25, 1920, as amended (30 U.S.C. 226), except on the basis of competitive bidding notwithstanding the fact that such lands are not within any known geological structure of a producing oil or gas field.

SEC. 2. In the administration of the provisions of section 17 of the Act entitled "An Act to promote the mining of coal, phosphate, oil, oil shale, gas. and sodium on the public domain", approved February 25, 1920, as amended (30 U.S.C. 226), lands to be leased which are outside a known geological structure of a producing oil or gas field shall be considered, for purposes of leasing under such section, to be within the exterior boundaries of a known geological structure of a producing oil or gas field if such lands are located within a two-and-one-half-mile distance of the exterior boundaries of such known structure.

● Mr. DOMENICI. Mr. President, I am pleased to join with my good friend, the Senator from Oregon (Mr. HATFIELD) in the introduction of this legislation. This bill will reform the present oil and gas leasing system on Federal land in a beneficial manner. I say "beneficial" because as my colleagues know "reform" does not always mean improvement. It may indeed mean more regulation, more delay, and most importantly, less domestic oil and gas production.

Earlier in this Congress S. 1637 was introduced by rquest and was touted by the Department of Interior as the necessary reform of the existing Federal oil and gas leasing system. I would like to speak briefly about Interior's claims and the facts which came to light in the hearings on this "reform." It was claimed that the present system of so-called noncompetitive leasing where any American can have an opportunity for a $10 fee to draw a lease for a specific parcel of Federal land was not fair to the general public. "Fair market value" was not being received for these lands, it was argued. More lands should be leased competitively, it was argued. The facts of this matter have been supplied by the Department of Interior in their "Task Force Working Paper, Onshore Oil and Gas Leasing Policy Review." That report concluded that those leases which are presently sold noncompetitively "were not being sold at less than their supposed value." This is simply because so many individuals file for those parcels.

A second claim made by the Department of Interior was that S. 1637 would result in more diligent oil and gas development of Federal lands. To answer this claim we must only look to the model for this approach to oil and gas leasing, that of the Outer Continental Shelf Lands Act. The only response that even a casual observer of the OCS system can have is that we will not see diligent development under S. 1637. This is not because lessees will not develop their properties but because the delays in leasing will not provide them the opportunity to develop the lands.

Since the introduction of S. 1637, two events have been highlighted by the Department of Interior as further cause for the passage of their legislation. My intuition tells me that these "events" were highlighted because the majority of the Energy and Natural Resources Committee was unconvinced that the "reform" proposed by S. 1637 was indeed beneficial. The first event was the leasing of 30,000 acres on the Fort Chaffee military reservation on a non-competitive basis when these lands were surrounded by oil producing formations. Admittedly, this was a mistake. The question is, "was the Bureau of Land Management under legal obligation to lease this land noncompetitively or could it have done so on a competitive basis"? Witnesses from the U.S. Geological Service stated that the definition setting out which lands are to be leased non-competitively and which are to be leased competitively as set by regulation, not law. In what way would S. 1637 have addressed this oversight? Interior claimed that the sale would have been competitive under S. 1637 and thus the problem would be taken care of. As I have said, the USGS has discretion over the definition of lands to be leased competitively, but more important is the statement made by a witness for the Arkansas-Louisiana Gas Co., which brought this oversight to the committee's attention. The witness pointed out that "there was no change in law necessary to prevent Fort Chaffee from being given away on a $1-per-acre basis."

I agree with that witness but along with my colleagues, I feel that we must narrow the discretion of Interior in these cases as they have failed to do so on their own. Therefore the first element of the proposed legislation calls for competitive leasing on all military reservations.

The second event which Interior has pointed to as cause for the passage of S. 1637 is the recent discovery of fraud within the noncompetitive system.

Once again I believe we have an example where Interior has failed to act to correct a problem which could be solved administratively. That failure is serious enough, but to cease all noncompetitive leasing as a consequence is disastrous. It would not be disastrous if the 823 million acres of land which the Federal Government manages the mineral resources on did not contain half of all known U.S. energy reserves. These lands hold 60 percent of our coal, 76 percent of our oil shale, 85 percent of our tar sands, a third of our oil, and 40 percent of our estimated gas reserves. Yet only 10 percent of our domestic energy production comes from public lands. The noncompetitive system allows for the speedy leasing of the less desirable lands for potential oil and gas development. This is where the oil producers do their exploration for new reserves. This land is the future for our domestic oil and gas production. If all lands were leased competitively, what wildcatting independent would be able to compete with the major oil companies.

Our legislation does not provide all the necessary reform for the noncompetitive system that it needs. The Secretary must finalize the regulations which have been languishing in the Department since September 1979. He must also promulgate new regulations to eliminate the fraud in the system. What our legislation does address is the leasing of some of the more desirable lands which the USGS, under its present definition will not lease competitively.

All lands within a radius of 2.5 miles of a producing geological structure will be leased competitively under our legislation. In this way some of the incentive for fraud will be taken away.

Mr. President, this legislation does represent beneficial reform and I urge my colleagues on the Energy and Natural Resources Committee to act quickly on it. We must not be the sticking point in the reopening of Federal lands to leasing. I also urge the Secretary of Interior to act quickly. Our Nation cannot afford a lengthy moratorium on domestic oil and gas explorations on Federal lands.●

By Mr. WALLOP:

S. 2425. A bill to amend the Mineral Lands Leasing Act; to the Committee on Energy and Natural Resources.

● Mr. WALLOP. Mr. President, I am today introducing and cosponsoring legislation to address the recent moratorium placed on on-shore and gas leasing by the Secretary of the Interior.

Throughout the years, the public land laws of this country have given a great deal of discretion to the executive branch on the question of whether or not to lease public minerals. Unfortunately, in recent years, that discretion has resulted in more and more examples of the negative determination on leasing. One needs only to look at the recent track record of coal and geothermal resources to understand this point. Now, at the height of our dependence on foreign oil, we find that oil and gas has now fallen into this category.

On February 29, 1980, 97 percent of on-shore oil and gas leasing was stopped by the Department of the Interior. According to the Secretary's order, the halt was ordered to—

End widespread abuses and allow investigation of abuses;

Allow cancellation of improperly acquired leases; and

To seek remedial legislation.

The Secretary's decision could not have come at a more inopportune time. In the West, winter snows are melting and operators are now assembling leases and preparing for the important summer drilling season. The uncertainty that surrounds the Secretary's recent decision may, indeed, preclude needed exploration this season.

To date, the Secretary has not stated when or if he will lift the moratorium. Inevitably, that decision will cost this country thousands of barrels of needed petroleum. The legislation I am introducing today is designed to remove much of the uncertainty that accompanies the indefinite suspension. In essence, it limits the Secretary's authority to suspend oil and gas leasing. Under this legislation, the Secretary may still suspend leasing if he determines that it is in the national interest to do so. However, he may only do so for a period of 60 days (excluding Saturdays, Sundays, and holidays, and any day on which either House of Congress is not in session) unless the Congress, within such 60-day period adopts a concurrent resolution approving the determination of the Secretary that such a suspension is in the national interest.

I am also joining with several of my colleagues today in cosponsoring legislation that will expand the amount of acreage available for competitive leasing. I do so reluctantly because it does not represent the most ideal solution to the problem. It is not ideal, because once again we are applying a political solution to a problem that requires the application of sound scientific and geologic knowledge.

It is political in the sense that we are applying arbitrary standards to the complicated task of finding and producing oil and gas from the public lands. In recent years, we have valued these resources according to impractical determinates such as the depth of the well, the date that oil was first produced from a well, or the volume of production from that well. Now, we are once again fostering that type of misguided logic by determining that lands within military reservations should be competitively leased along with lands that are within a 2½-mile radius of a producing well.

Again, it is a simple and sterile solution to a very complicated and complex geological phenomena. The old adage that states oil and gas must first be found in the minds of men may someday be amended by Congress to say that oil and gas must first be quantified, cataloged, and regulated in the minds of politicians and bureaucrats.

Unfortunately, this change is necessary because the existing oil and gas leasing programs have not been properly managed by the Department of Interior. As a result, the system has become plagued with fraud—fraud that did not have to occur. To no avail, interested associations and individuals have sought implementation of regulations which would eliminate opportunities for abuse and provide BLM with greater enforcement authority.

For example, one association, the Independent Petroleum Association of America, identified problems and recommended remedies to the Department of Interior in 1966, 1973, and 1979. Their ideas included: Elimination of speculators by requiring cashiers' checks or other "earnest" money to be used to pay first year's lease rentals at the time the application is filed; tightening filling requirements by requiring original signatures and personal or business addresses of the lease applicant; limiting lottery entries to one per applicant; levying penalties for filing violations; and greater enforcement of the sole party and interest provisions.

Fourteen years after BLM was confronted with the problem they still have not implemented adequate measures. With the burgeoning of monthly applications stemming from new discoveries on public lands and subsequent increased interest in their development, it is not surprising that BLM has found problems.

This is unfortunate because it is truly in the best interest of this country to insure that any noncompetitive leasing system is run fairly and equitably. BLM should aggressively pursue prosecution of those who have willfully broken the law, but suspension of the system is a drastic measure taken against all parties including those who have worked to eliminate the abuses.

Interior has been grossly negligent in implementing and enforcing regulations which would eliminate speculators and abusers. The innocent should not be held hostage.

Therefore, I urge my colleagues to lend their support to the measures introduced today. The legislation will help in resuming leasing on public lands. However, only proper and effective administration by the Department of Interior will protect the system against fraud. That responsibility lies squarely on the shoulders of the administration.●

Mr. President, I ask unanimous consent that the bill be printed in the Record at this point.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2425

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in the administration of section 17(a) of the Act entitled "An Act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain", approved February 25, 1920, as amended (30 U.S.C. 226), the Secretary, with respect to lands not within any known geological structure of a producing oil or gas field, shall lease such lands in accordance with such Act.

(b) In the event that the Secretary of the Interior determines that it is not in the national interest to lease any such lands referred to in subsection (a), he may notify the party or parties seeking such lease and the Congress to that effect. Upon the expiration of the sixty-day period (excluding Saturdays, Sundays, and holidays, and any day on which either House is not in session) beginning on the date on which the Secretary so notifies the Congress, the Secretary shall be required to act on the application for such lease in accordance with the provisions of such Act of February 25, 1920, unless the Congress, within such sixty-day period, has adopted a concurrent resolution approving the determination of the Secretary to the effect that such lease should not be made because of the national interest.

ADDITIONAL COSPONSORS

S. 2177

At the request of Mr. Williams, the Senator from Alabama (Mr. Stewart) was added as a cosponsor of S. 2177, a bill to amend the mortgage amount, sales price, and interest rate limitations under the Government National Mortgage Association emergency home purchase assistance authority, and for other purposes.

S. 2221

At the request of Mr. Weicker, the Senator from Wyoming (Mr. Simpson) was added as a cosponsor of S. 2221, a bill to amend the Internal Revenue Code of 1954 to increase from 60 percent to 80 percent the deduction allowed to individuals with respect to net capital gain from investment in small business.

S. 2325

At the request of Mr. Helms, the Senator from Idaho (Mr. McClure) was added as a cosponsor of S. 2325, a bill to amend the Federal Election Campaign Act with respect to contributions and expenditures by national banks, corporations, and labor organizations.

S. 2335

At the request of Mr. Boren, the Senator from Oklahoma (Mr. Bellmon) was added as a cosponsor of S. 2335, a bill to amend the Powerplant and. Industrial Fuel Use Act to provide extend provisions relating to natural gas.

S. 2336

At the request of Mr. Boren, the Senator from Oklahoma (Mr. Bellmon) was added as a cosponsor of S. 2336, a bill to amend title V of the Powerplant and Industrial Fuel Use Act relating to electric utility compliance options.

S. 2397

At the request of Mr. Dole, the Senator from Indiana (Mr. Lugar) was added as a cosponsor of S. 2397, a bill to amend the Freedom of Information Act to provide a hearing for persons objecting to disclosure of private confidential information, to preserve the confidential status of certain kinds of private information contained in Government records, and for other purposes.

SENATE JOINT RESOLUTION 147

At the request of Mr. Dole, the Senator from Missouri (Mr. Danforth) was added as a cosponsor of Senate Joint Resolution 147, a joint resolution to designate the third week of September as "National Cystic Fibrosis Week."

SENATE CONCURRENT RESOLUTION 81

At the request of Mr. Dole, the Senator from New Hampshire (Mr. Humphrey) was added as a cosponsor of Senate Concurrent Resolution 81, to express the sense of Congress against wage and price controls.

SENATE RESOLUTION 374

At the request of Mr. DeConcini, the Senator from West Virginia (Mr. Robert C. Byrd), the Senator from Ohio (Mr. Metzenbaum), the Senator from Vermont (Mr. Leahy), the Senator from Montana (Mr. Baucus), the Senator from Nevada (Mr. Laxalt), the Senator from Utah (Mr. Hatch), the Senator from Kansas (Mr. Dole), the Senator from Mississippi (Mr. Cochran), the Senator from Wyoming (Mr. Simpson), and the Senator from Indiana (Mr. Bayh) were added as cosponsors of Senate Resolution 374, a resolution expressing the sense of the Senate with respect to the policy of the Standing Committee on Federal Judiciary of the American Bar Association and the U.S. Department of Justice pertaining to potential nominees for lifetime Federal judgeships who, but for their age, might otherwise be found qualified.

SENATE RESOLUTION 382

At the request of Mr. Dole, the Senator from New Hampshire (Mr. Humphrey) was added as a cosponsor of Senate Resolution 382, a resolution relating to wage and price controls.

AMENDMENTS SUBMITTED FOR PRINTING

FOREIGN SERVICE ACT OF 1979—S. 1450

AMENDMENT NO. 1683

(Ordered to be printed and referred to the Committee on Foreign Relations.)

Mr. STONE (for Mr. Church) (by request) submitted an amendment intended to be proposed by him to S. 1450, a bill to promote the foreign policy of the United States by strengthening and improving the Foreign Service of the United States, and for other purposes.

● Mr. STONE. Mr. President, I submit on behalf of Senator Church, by request of the administration, an amendment to the Foreign Service Act of 1979 as contained in S. 1450.

The amendment has been requested by the Under Secretary of State for Management and I am introducing it in order that there may be a specific document to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this amendment, when the matter is considered by the Committee on Foreign Relations.

Mr. President, I ask unanimous consent that the amendment be printed in the Record at this point, together with the summary explanation, the section-by-section analysis, and the letter from the Under Secretary of State to the President of the Senate dated February 12, 1980.

There being no objection, the amendment and material were ordered to be printed in the Record, as follows:

Amendment No. 1683

On page 91 following line 13 insert the following new sections:

"Sec. 883. Survivor Annuities for Divorced Spouses.

"(a) Definitions.—When used in this section and in section 884, unless otherwise specified, the term—

(1) "court" means any court of any State, or the District of Columbia;

(2) "court order" means any court decree of divorce, or the terms of any court order or court-approved property settlement agreement incident to any court decree of divorce.

(3) "divorce" includes annulment;

(4) "participant" includes former participant;

(5) "election" means a voluntary action by a participant or an award by a court.

"(b) Court Orders.—

"(1) General authority. A court may order payment of a survivor annuity to a former spouse in an amount and subject to such conditions as a participant is authorized to elect or specify for a former spouse under this section, and section 884 whether or not such an election is made by the participant. A qualifying court order providing for payment of a survivor annuity to a former spouse shall be accepted by the Secretary as a valid election by the participant under this section and given the same effect. A court may order cancellation or reduction of a previous election by a participant for a spouse, if this is necessary because of limitations imposed by subsection (c)(3), to permit an election for a former spouse in an amount authorized by this section. Court orders may not provide for retroactive payments.

"(2) Criteria for payments. Payments under this section and section 884 pursuant to a court order shall not become effective until (A) receipt of the court order and determination by the Secretary that the order is qualifying under this section and (B) the participant has been given notice of the terms of the court order and the Secretary's determination that it is a qualifying order. To be qualified under this section the Secretary must determine that an order—

"(A) meets the requirements of this chapter;

"(B) expressly requires payment from the Fund to a qualified former spouse;

"(C) defines the amount to be paid to the former spouse in a way which can be readily calculated from information in the normal files of the Department; and

"(D) does not make payment contingent upon events about which the Secretary has no reliable and practical means of obtaining timely notice.

If the Secretary determines that a court order is not qualified under this section, the former spouse and other interested parties shall be notified of the determination and the basis therefor.

"(3) Challenge of order. If a participant or annuitant believes that a court order found by the Secretary to be qualified is not in fact qualified, the participant shall be responsible for obtaining from the court withdrawal or amendment of its order.

"(4) Information to courts. At the request of any court of competent jurisdiction, the Secretary shall inform the court of the retirement benefit formula and the entitlement under the System of any participant involved in a divorce proceeding and shall, through appropriate channels, inform the courts of the availability of this information.

"(c) Survivor Annuities.

"(1) Eligibility. To be eligible for a survivor annuity, a former spouse must have been married to a participant for at least ten years during the latter's employment in the Foreign Service of the United States which shall include all periods during which a participant was contributing to the Fund under subsection 811(a).

"(2) Time of election.—A participant may elect a survivor annuity for an eligible former spouse at the time of divorce, at the time of retirement or completion of recall service, at the effective date of this section, or when so ordered by a court. An election for a former spouse under this section shall be irrevocable except as specified by the terms of the election.

"(3) Limitations on amount elected and application of other sections.—(A) The maximum amount of survivor annuities for all surviving spouses and former spouses combined that may be elected by a participant under this section may not exceed the total of the amount that the participant could elect under section 821. The Secretary shall not accept any election under section 821 that would cause this limitation to be exceeded.

"(B) If an election is outstanding under this section at the time a participant retires, the participant may not make an election under subsection 821(f). Receipt by the Secretary of notice of an election under this section during retirement shall void prospectively any election previously made by the participant under subsection 821(f). Recomputation of the participant's annuity resulting from an election under this section shall be effective on the first of the month following receipt of a valid notice of such election by the Secretary.

"(C) Subsection 821(l) shall not apply to a survivor annuity for a spouse or former spouse that is elected or limited by this section unless the survivor annuity results from an election dividing a participant's survivor annuity equally among all eligible former spouses and his or her spouse.

"(4) Division among beneficiaries.—(A) An election under this section may specify that 100 percent or some lesser percentage of the total authorized to be provided under this section is to be divided among a participant's eligible surviving former spouses and any surviving spouse in a designated way. Upon any subsequent marriage or divorce, the participant may elect a survivor annuity for a new spouse or eligible former spouse as a beneficiary or any portion of the maximum survivor benefit not then potentially payable to a previously named beneficiary under this section.

"(B) A participant may also specify that a survivor annuity elected under this section for a beneficiary who dies or otherwise becomes permanently disqualified prior to the participant's retirement, or alternatively, death shall be paid to another beneficiary or beneficiaries named under this section.

"(5) Reduction and restoration of a participant's annuity.—An election made by a participant prior to retirement to provide a survivor annuity to a former spouse shall commit the participant to the acceptance of a reduction in his or her annuity from its commencing date in the amount required to provide the potential maximum benefit elected. The annuity of a participant making an election under this section shall be reduced in accordance with the applicable formulas in subsections 821(b) and (i) based on the total amount of the survivor annuities potentially payable pursuant to the participant's election(s) under this section. An annuity reduction shall be effective as of the date of commencement of annuity or the date of divorce, if later. Effective on the first of the month following the death or permanent disqualification of any designated beneficiary under this section when the participant has not specified that such a beneficiary's share is to be redistributed among other beneficiaries, or following any other reduction in survivor benefit authorized to be paid to a survivor under this chapter of a participant's divorce, the participant's annuity shall be recomputed and paid as if the annuity had not been so reduced. No annuity shall be restored under section 821 to its full value unless there is no spouse or former spouse potentially eligible for an annuity upon the participant's death.

"(6) Recall.—A former spouse shall not be entitled to share in any survivor annuity based on recall service the participant commenced after the divorce unless the recall service lasted five years or longer and the participant's annuity is recomputed as authorized by section 871. In this case, an annuity previously elected for a former spouse shall also be recomputed and adjusted in proportion to the adjustment in the participant's annuity. The reduction in the participant's annuity because of the election for the former spouse shall also be adjusted accordingly. A participant may elect a survivor benefit for a former spouse who qualifies under this section from whom he or she is divorced during or following the recall service.

"(d) Death in Service.—If a participant who has elected a survivor annuity for a former spouse under this section dies in active service or under conditions required to be treated as a death in active service, the elected survivor annuity shall be paid to the former spouse if then qualified, or if not, when subsequently qualified. If a participant dies leaving one or more former spouses eligible or potentially eligible for a survivor annuity under this section and was married at the time of death to a spouse otherwise eligible for a survivor annuity under section 832, the annuity for such spouse under that section shall be limited to the difference between the amount authorized by that section and the total payable or potentially payable under this section to all former spouses of the deceased participant. In the event a participant dies during recall service, the election to be made under subsection 832(f) may be made separately by each survivor for the share of the annuity or payment to which each is entitled.

"(e) General Rules for Payment.—(1) The right of a former spouse to have any dispute regarding his or her claim administratively or judicially determined shall be the same as those of the participant or annuitant.

"(2) Upon death of a participant or annuitant, the Secretary shall determine the number of persons, if any, currently or potentially eligible for a survivor annuity elected by the deceased, and the amount of each such annuity. These determinations shall be based upon the terms of the election(s) made by the deceased and any applicable court order(s). Upon determination of the amount of annuity for each eligible person under this paragraph, the payments to each shall be treated as a separate annuity for all purposes, and the death or disqualification of one eligible person shall not operate to increase the annuity of any other person.

"(3) No payment of survivor annuity shall be made under section 883 or 884 to a surviving former spouse while such former spouse is remarried if the remarriage occurred before the former spouse reached age sixty. Also, unless specifically directed in a court order or provided in a survivor election under these sections, a former spouse may not be given title to a survivor annuity if remarried at the time of retirement, or alternatively, death of the participant. If so directed, the survivor annuity shall only become effective upon dissolution of the remarriage.

"(4) Unless otherwise specified in this chapter, annuities payable under this section to a surviving former spouse shall be calculated, commerce, terminate, be reinstated, and adjusted pursuant to sections 821, 832 and 882.

"(5) Any payment under the terms of this chapter to a person bars recovery by any other person and any payment under sections 883 or 884 into the registry of a court or in accordance with a preliminary or final order of a court shall discharge the Secretary and the Government from further liability for such payment.

"(f) Applicability.—Sections 883 and 884 are applicable only to members of the Foreign Service in active service on or after the date of enactment of this Act.

"Sec. 884. Election of Special Survivor Annuity

A participant who has been divorced and who is able to pass a physical examination prescribed by the Secretary may make an election for a special annuity at the time of retirement or, if later, at the time of remarriage or subsequent divorce for a surviving spouse and/or qualified former spouse. The total of all survivor annuities that a participant may elect under this section may not exceed the maximum survivor annuity the participant could elect under section 821(b) without regard to the limitation in section 883. The annuity of a participant electing a special annuity under this section shall be reduced in accordance with a table prescribed by the Secretary of the Treasury actuarially determined to provide a reduction in the participant's annuity in an amount equivalent to the value of the elected special survivor annuity calculated on the basis of the interest rate used in the most recent valuation of the System. An annuity reduction shall be effective as of the date of commencement of annuity or the date of divorce, if later. Effective on the first of the month following the death or permanent disqualification of any designated beneficiary under this section when the participant has not specified that such a beneficiary's share is to be redistributed among other beneficiaries, the participant's annuity shall be recomputed and paid as if the annuity had not been so reduced. A participant may specify that a survivor annuity elected under this section for a beneficiary who dies or otherwise becomes permanently disqualified prior to the participant's death shall be paid to another beneficiary or beneficiaries named under this action. Annuities elected under this section shall commence, terminate, be discontinued and resumed as prescribed in section 821 for surviving spouses unless otherwise specified by the Secretary by regulation. A special annuity elected under this section shall not be increased under subsection 821 (1) irrespective of the amount of the annuity."

Explanation

SUMMARY

This proposal would amend title I of S. 1450 "Foreign Service Act of 1979," to add a new section 883 to authorize payments from the Foreign Service Retirement and Disability Fund to surviving former spouses of members of the Foreign Service.

Members would be authorized to elect, or a court could order a survivor annuity for a former spouse who has been married to the member for at least ten years during the latter's employment in the Foreign Service. One reason for imposing this restriction is that the amendment would create a small additional cost to the retirement Fund and this restriction will reduce the cost. A second reason is that the principal justification for this survivor benefit is the limited opportunity Foreign Service spouses have to establish independent careers or to obtain any kind of paid employment while serving abroad with their families. Those who have been married for less than ten years to a member of the Foreign Service have not been disadvantaged to the same extent as those married for longer periods. Because of these factors, it is believed the Government is justified in imposing this ten-year marriage requirement and the other restrictions in this area of domestic relations normally left to the jurisdiction of state governments and state courts.

Section 883 would limit the total annuities payable to all surviving spouses (including former spouses) of a member to the maximum authorized by current law for the member's surviving spouse. This maximum could be divided in a designated way between all such spouses.

In the event a divorced member remarries and wishes to provide a larger survivor annuity for the second spouse, or for a second former spouse, than could be elected under section 883 because of the maximum limitation, section 884 has been proposed to allow a member to elect a special survivor annuity in the amount designated by the member but which must be fully funded by reductions in the member's annuity actuarially calculated to pay the full cost of the special annuity.

Sections 883 and 884 would apply only to members in active service on the date of enactment.

Further details of the proposed new sections 883 and 884 are contained in the following section-by-section analysis.

ANALYSIS OF PROPOSED SECTION 833—SURVIVOR ANNUITY FOR DIVORCED SPOUSES

Subsection (a)—Definitions

This subsection would define "court", "court order", "divorce", "participant," and election." As used in this section and section 884, "participant" has the meaning given in section 803 and means an active employee contributing to the Fund, and "former participant" means a retired employee receiving annuity, or a separated employee with title to a deferred annuity.

Subsection (b)—Court orders

Paragraph (b)(1) would authorize a court to order payment of a survivor annuity to an eligible former spouse that this section authorizes a participant to elect for that person. It is intended to give power to a court under this section to order any action, and only such action, with respect to payments from the Foreign Service Retirement and Disability Fund which the section authorizes a member of the Foreign Service to elect. Thus in section 883 and in 884, "election for former spouse" or an equivalent phrase means a voluntary election by a member or an award by a court.

This paragraph would also authorize a court to reduce or cancel an election made by a member for a spouse if this were necessary to permit an election for former spouse in an amount authorized by this section. This would permit a court to make an award for a former spouse under this section, if for any reason such an award is not made at the time of retirement or divorce.

Paragraph (b)(2) specifies that court orders will not be effective until (1) received and determined by the Secretary to be qualified and (2) notice is given to the participant or annuitant. It is contemplated that the Secretary by regulation would provide for granting 30 days notice to an interested party prior to implementation of a qualified court order. This would permit the participant or annuitant to contest the validity of an order and to initiate legal action to have it changed or dismissed.

This paragraph also specifies four basic conditions an order must meet in order for it to be determined qualified for purposes of this section.

Paragraph (b)(3) would make clear that a participant or annuitant must go back to the issuing court if he or she believes a court order is not qualified.

Paragraph (b)(4) would require the Secretary to make information available to any court of competent jurisdiction concerning the extent and amount of entitlement of any Foreign Service participant or annuitant involved in a divorce proceeding. This is intended to facilitate determination by the courts of appropriate amounts to be awarded.

Subsection (c)—Survivor annuities

Paragraph (c)(1) would require that a former spouse have been married to a participant for at least ten years during the latter's employment in the Foreign Service to be eligible for a survivor annuity under sections 883 and 884. Employment in the Foreign Service would include all periods in a personnel category under the Foreign Service of the United States.

Paragraph (c)(2) would authorize a member to elect a survivor annuity for an eligible divorced spouse at the time of the divorce irrespective of whether the divorce occurs before or after retirement, or upon completion of a period of recall service under section 324 of H.R. 4674, on the effective date of the section or when ordered by a court.

Paragraph (c)(3) establishes an overall limitation on the total survivor annuities for a spouse and former spouses combined that may be elected by a participant under this section. The maximum equals 100 percent of the amount that may be elected for a surviving spouse under section 821. Thus, if an annuitant is to provide a survivor annuity for more than one spouse, the existing benefit, which is subsidized by the Fund, must be divided among all beneficiaries.

Paragraph (c)(3) also bars the increase of any survivor annuity elected or limited under this section to the minimum level specified by section 821(l) unless such annuity results from an election under this section dividing the maximum survivor annuity a participant is authorized to elect under section 821(b) equally among all of his or her former spouses and spouse. Subsection 821(l) is designed to insure that the survivor annuity left by low-paid and short-service employees is at least equal to the Social Security minimum survivor annuity. It would not be equitable to allow an annuitant to purposefully elect a very low annuity for a spouse or former spouse in order to benefit by this provision.

Paragraph (c)(4) specifies how elections may be made under this section. It would allow a member to elect a full survivor annuity (100 percent of the maximum allowable) for the former spouse. Alternatively, a member could specify that his or her full survivor annuity be divided equally, or in some specified way among all former spouses and spouse, if any, eligible at the time of his or her death.

If a former spouse remarries before age 60, he or she would not be eligible to receive a survivor benefit under those sections. (This is comparable with the requirement in section 821 to discontinue a survivor annuity to a surviving spouse who remarries before age 60.) However, an annuitant may specify or a court may order that title to a survivor annuity be granted to a former spouse upon the member's death irrespective of remarriage, but provide that payments would commence only should that marriage be subsequently dissolved. When such a provision is included in an election, a former spouse would be potentially qualified for an elected survivor benefit throughout life. If such a provision is not included in a survivor election, a former spouse would be permanently disqualified upon remarriage.

Paragraph (c)(5) would require reduction in a member's annuity for each election made under this section in accordance with the formula in section 821. Once a member's annuity was reduced by 2½ percent of the first $3,600 specified as the base for a survivor annuity, the balance of the reduction for all survivor annuities elected and potentially payable under this section or section 821 would be at the 10 percent rate. Reduction in a member's annuity would be effective on commencement of the annuity, or date of election if later. If a member has a former spouse at retirement and does not elect a survivor benefit either for the former spouse or a current spouse, a subsequent decision by a court awarding a survivor annuity to the former spouse would require reduction in the member's annuity retroactively to its effective date. If the member elected a survivor annuity for a spouse at retirement, and a court subsequently ordered that the survivor annuity be paid to a former spouse, or split, the member's annuity would not have to be reduced retroactively.

A member's annuity would be restored or partially restored to its full value if one or more persons for whom an election was made under this section became permanently disqualified and no provision was made to redistribute a disqualified survivor's benefit to a qualified survivor.

Paragraph (c)(6) makes necessary provisions in the event a retired member is recalled to active duty in the Service under a little used provision of the Foreign Service Act, section 324 of the proposed Act.

During a period of recall, the member's annuity is discontinued. If the recall period lasts between one and five years, the member is granted a supplemental annuity. If the recall service last five years or longer, the member may elect to have his or her annuity computed anew under section 821.

Paragraph (c)(6) would bar a former spouse from receiving a benefit based on recall service of a member that commenced following his or her divorce from the member, since the former spouse would have no connection with that period of service. The one exception to this rule would occur when there was a recomputation of a member's entire annuity because of the recall service. In this event a survivor annuity previously elected for a former spouse would be adjusted in proportion to the adjustment in the member's annuity.

A qualified former spouse would be entitled under other paragraphs of this section to a benefit based on recall service in the event the divorce occurs during or after the recall service.

Subsection (d)—Death in service

This subsection would authorize payment of a survivor annuity to a former spouse of a participant who dies in active service (or under conditions treated as a death in service, e.g., selection-out as provided by section 643(b)(2)) if an election or court order is on file providing for such an annuity. Subsection (d) would also limit the survivor annuity payable to any surviving spouse under section 832 to the difference between the amount otherwise authorized by that section and the amount payable to a former spouse under this section.

Subsection (e)—General rules for payment

Paragraph (e)(1) would give a former spouse the same right to have a claim administratively or judicially determined as is now provided for a participant or other annuitant.

Paragraph (e)(2) would require the Secretary, upon the death of an annuitant or participant, to determine the number of persons eligible or potentially eligible to share in a survivor annuity, and the amount of each share under the terms of the survivor election(s) and any applicable court order(s) on file. If more than one person is eligible to share in the survivor annuity, the amount payable to each would be treated as a separate annuity for all purposes and the amount payable to any one would not be affected by the death or current ineligibility of any other survivor potentially eligible for an annuity.

Paragraph (e)(3) bars payment of survivor annuity to a former spouse during periods of remarriage if the remarriage occurred before age 60, as explained under paragraph (c)(4), above.

Paragraph (e)(4) directs that unless otherwise specified, annuities authorized by this section shall be calculated, commence, terminate, be reinstated and adjusted as are other annuities under this chapter pursuant to the sections enumerated in this paragraph.

Paragraph (e)(5) states that any payment to a person under sections 882 and 884 bars recovery by any other person. It also discharges the Government from any further liability for a payment made into the registry of a court.

(f) Applicability.

Sections 883 and 884 are applicable only to members in active service on or after the date of enactment of this section.

ANALYSIS OF PROPOSED SECTION 884—ELECTION OF SPECIAL SURVIVOR ANNUITY

This section would authorize a member who has been divorced to elect a survivor annuity either to supplement or to provide survivor annuities authorized to be elected in section 883. The annuity of a member making such an election would be reduced by an amount actuarially calculated to pay the full cost of the annuity elected.

An election could not be made under this section unless the member could pass a physical examination at retirement prescribed by the Secretary. Election under this section could only be made on and after retirement and could not become effective if a member died before retirement.

UNDER SECRETARY OF STATE
FOR MANAGEMENT,
Washington, D.C., February 12, 1980.
Hon. WALTER F. MONDALE,
President of the Senate,
U.S. Senate.

DEAR MR. PRESIDENT: Enclosed for consideration of the Congress is draft legislation to provide survivor benefits for divorced spouses of members of the Foreign Service.

In 1978 the President established his Commission on Pension Policy to undertake a comprehensive review of all facets of the Nation's retirement programs. At that time, he asked for a moratorium on further retirement liberalizations except where essential pending completion of the study. The study is not scheduled for completion for another year. This proposal is put forward at this time under that exception clause. It is therefore proposed as an interim step and will be reevaluated in the light of the Commission's recommendations in this sensitive and important area.

The nature of a Foreign Service career makes it especially difficult for spouses of members of the Foreign Service to attain any independent economic security. Not only do the frequent transfers between Foreign Service posts all around the world, inherent in a Foreign Service career, mitigate against the establishment of an independent career for a spouse, but the opportunity for paid employment of any kind in most foreign countries for a spouse is minimal because of language, cultural and legal barriers. Foreign Service spouses therefore have little opportunity either to establish a pension in their own right or to develop marketable skills that can be used to earn a livelihood when the necessity arises. In the event of a divorce, a former spouse of a member of the Foreign Service is denied any survivorship rights under the Foreign Service retirement system under current law. This is so despite the length of the marriage or desire on the part of a member or a court to award any portion of the member's survivor benefit to the former spouse.

The enclosed legislation would authorize provision of survivor benefits to former spouses of members of the Foreign Service either by election of the member or by court order. The basic approach we are recommending, if a member does not act voluntarily, is to give a court authority to reach a member's existing survivor annuity and to award it to a qualified former spouse, or to divide it between a former spouse and a second spouse in the same manner a court is authorized to divide joint and community property at the time of a divorce. In addition, we are proposing to permit election of certain additional survivor annuities, on a fully actuarial basis, to benefit a second or subsequent spouse.

We believe a court should be free, when making an award to a former spouse, to take into consideration such matters as needs of the parties and fault, as well as length of the marriage, in order to arrive at an equitable division. We do not believe the award should be based solely on years of marriage, as under H.R. 2857. The latter bill would enable a spouse to desert a member because life in the Foreign Service is difficult or for any other reason, and automatically receive a share, both of the member's annuity and survivorship benefit regardleses of any other consideration such as child support. There are such cases and to ignore them would be inequitable.

We have drafted the proposal as an amendment of the proposed "Foreign Service Act of 1979" as contained in S. 1450. A detailed explanation of the proposed legislation is enclosed.

The proposal is designed to keep its cost to the minimum. It would increase the Foreign Service retirement system's normal cost—about .03 percent of payroll, or by $95,000 per year at current payroll levels. The legislation would create an unfunded liability—a one-time phase-in cost of about $3 million. This would be amortized over 30 years by annual appropriations of $240,000.

The Office of Management and Budget advises that from the standpoint of the Administration's program, there is no objection to the submission of this proposal.

Sincerely,

BEN H. READ.●

NOTICES OF HEARINGS

COMMITTEE ON FOREIGN RELATIONS

● Mr. STONE. Mr. President, on behalf of Mr. CHURCH, I wish to announce that the Committee on Foreign Relations will hold hearings on Executives U and V, 96–1, a Maritime Boundary Settlement Treaty with Canada and the Agreement on East Coast Fishery Resources with Canada.

The hearings will be held on Tuesday, April 15, and Thursday, April 17, at 2:30 p.m., in room 4221 of the Dirksen Senate Office Building. Anyone interested in testifying should contact Mr. David Keaney (224–4615) or Mr. Fred Tipson (224–3941) of the committee staff.●

COMMITTEE ON FOREIGN RELATIONS

● Mr. STONE. Mr. President, on behalf of Mr. CHURCH, I wish to announce that the Committee on Foreign Relations will hold hearings in the near future on the National Security Advisor: Role and Accountability.

The hearings will be held on Wednesday and Thursday, April 16 and 17 at 10 a.m., in room 4221 of the Dirksen Senate Office Building. Anyone interested in testifying should contact Mr. David Keaney (224–4615) or Mr. Fred Tipson (224–3941) of the committee staff.●

SUBCOMMITTEE ON TAXATION AND DEBT MANAGEMENT

● Mr. HARRY F. BYRD, JR. Mr. President, the Subcommittee on Taxation and Debt Management of the Finance Committee will hold a series of hearings centering on various tax proposals recommended by the White House Conference on Small Business.

The hearings will be held on Monday, March 24, Friday, March 28, and Tuesday, April 1.

The hearings will be held in room 2221 of the Dirksen Senate Office Building, and will begin at 10 a.m. on March 24 and 9 a.m. on March 28 and April 1.

The first hearing on Monday, March 24, will center on the Federal estate tax and its impact on the American family.

Although a number of other bills amending various estate and gift tax provisions have been introduced, the scheduled hearing will concentrate primarily on S. 1825, S. 1984 and S. 2220.

S. 1984, introduced by Senator WALLOP, would also remove the limitation on the marital deduction and raise the annual gift tax exclusion from $3,000 to $6,000.

Senator NELSON, together with Senators BAUCUS, HEINZ, and STEWART, have introduced S. 2220, the "Family Business Protection Act of 1980," which is designed to aid the continuation of family businesses during the transition period following the death of a key family member. Senator NELSON, along with Senators PELL, ROTH, CRANSTON, PACKWOOD, MELCHER, THURMOND, and JEPSEN have also introduced S. 1825 which would increase the unified estate tax credit to $70,700, thereby increasing the estate tax exemption to $250,000.

The following witnesses have been scheduled to testify at the hearing:

The Honorable Donald Lubick, Assistant Secretary for Tax Policy, Department of the Treasury.

A panel consisting of: James Powell, chairman, Tax Committee of the National Cattlemen's Association; Steven Wolf of the National Family Business Council.

A panel consisting of: Frank S. Berall, cochairman, Estate and Gift Tax Committee, American College of Probate Counsel; Dave L. Cornfeld, vice chairman for publications of the American Bar Association's Tax Section; J. Thomas Eubank, last retiring chairman of the American Bar Association's Real Property, Probate and Trust Law Section; Edward C. Halbach, Jr., chairman-elect of the American Bar Association's Real Property, Probate and Trust Law Section.

It is expected that the panel of witnesses will appear on behalf of themselves rather than as representatives of their organizations. If public interest in this area of law is sufficiently great, the subcommittee may consider an additional morning of hearings.

The subcommittee would be pleased to receive written testimony from those persons or organizations who wish to submit statements for the record. Statements submitted for inclusion in the record should be mailed with five copies by Monday, April 1, 1980, to Michael Stern, staff director, Committee on Finance, room 2227, Dirksen Senate Office Building, Washington, D.C. 20510.●

SUBCOMMITTEE ON HOUSING AND URBAN AFFAIRS

● Mr. WILLIAMS. Mr. President, I wish to announce that the Subcommittee on Housing and Urban Affairs, which I chair, has scheduled a hearing on Thursday, March 20, 1980 at 10 a.m. in room 5302, Dirksen Senate Office Building.

This hearing which is entitled "Rental Housing—Problems and Solutions" is the second in a set of three hearings scheduled on this topic and involves private citizens and representatives of public interest groups. The first hearing held on February 27, 1980, received testimony from Secretary of Housing and Urban Development, Moon Landrieu.

The third hearing is planned for April 18 in New Jersey, a time and place still to be chosen.●

COMMITTEE ON LABOR AND HUMAN RESOURCES

● Mr. WILLIAMS. Mr. President, the Committee on Labor and Human Resources has scheduled an additional day of oversight hearings on the Occupational Safety and Health Act. This additional hearing will be held on Tuesday, April 1, 1980, commencing at 10 a.m. in room 4232 of the Dirksen Senate Office Building.

Anyone who needs further information should contact Mike Goldberg, Labor Counsel, at room 4230, Dirksen Senate Office Building, Washington, D.C. 20510. (Telephone: 202–224–3674.) ●

SUBCOMMITTEE ON HOUSING AND URBAN AFFAIRS

● Mr. WILLIAMS. Mr. President, I wish to announce that the Subcommittee on Housing and Urban Affairs, which I chair, has scheduled an all-day hearing on Wednesday, March 19, 1980. This hearing will concern reauthorization of the Federal public transportation program and proposed revisions to the Urban Mass Transportation Act of 1964.

The hearing will be held in room 5302, Dirksen Senate Office Building, beginning at 9:30 a.m., recessing for lunch, and resuming its meeting at 2 p.m. ●

SUBCOMMITTEE ON FEDERAL SPENDING PRACTICES AND OPEN GOVERNMENT

● Mr. CHILES. Mr. President, I would like to announce that the Subcommittee on Federal Spending Practices and Open Government of the Committee on Governmental Affairs, will hold a hearing on oversight of the General Services Administration. The hearing will take place on Tuesday, March 18, 1980, at 10 a.m. in room 3302 of the Dirksen Senate Office Building.

Anyone having questions regarding this hearing should contact the subcommittee office in room 44, 118 C Street NE., or phone 224–0211. ●

SPECIAL COMMITTEE ON AGING

● Mr. CHILES. Mr. President, the Special Committee on Aging will hold an oversight hearing on "Implementation of Mandated Studies and Activities Outlined in the Older Americans Act Amendments of 1978" on March 24 at 10 a.m. in room 6226 Dirksen Senate Office Building. The hearing will be cochaired by Senators DAVID PRYOR and PETE DOMENICI. ●

SUBCOMMITTEE ON ANTITRUST, MONOPOLY AND BUSINESS RIGHTS

● Mr. METZENBAUM. Mr. President, the Subcommittee on Antitrust, Monopoly and Business Rights will hold an oversight hearing on the cancer insurance industry on Thursday, March 20, 1980. The hearing will begin at 10 a.m. in room 6226 of the Dirksen Senate Office Building. ●

SELECT COMMITTEE ON SMALL BUSINESS

● Mr. NELSON. Mr. President, the Select Committee on Small Business will hold a hearing on the consideration of title I of S. 1860, the "Small Business Innovation Act of 1979."

The hearing will begin at 9:30 a.m., on Tuesday, March 18, 1980, in room 424 of the Russell Senate Office Building. ●

AUTHORITY FOR COMMITTEE TO MEET

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Housing Subcommittee of the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Wednesday, March 19, 1980 to hold a hearing on the reauthorization of Federal public transportation programs.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, this has been cleared on the other side.

ADDITIONAL STATEMENTS

GOLD

● Mr. GOLDWATER. Mr. President, over the years that I have been in the Senate I have on many occasions spoken on the subject of gold, but I do not believe there has ever been a time in these years that gold has gotten to be of such importance to us as it is right now. One way to end our inflation would be to go back on the gold standard. No country in the history of the world has ever stayed off of the gold standard and lived economically to see any possibility of advantage. Everyone gets back to gold and I think it is time that we do. Prof. Donald L. Kemmerer of the University of Illinois, an eminent financial historian, has written on this subject in Monetary Notes and I ask that this article be printed in the RECORD.

The article follows:

NEWSPAPER ACCOUNTS OF THE RESUMPTION OF SPECIE PAYMENT IN THE UNITED STATES ON JANUARY 2, 1879

INTRODUCTION

Specie resumption in the United States in 1879 was much publicized. The United States had suspended specie payments on December 30, 1861, a few months after the outbreak of the Civil War. During the next seventeen years there existed a market for gold, carried on in the Gold Room, a part of the New York Stock Exchange. Here, gold was bought and sold in terms of legal tender paper bills, known because of their color as greenbacks. For example, in 1862, it required an average of $113.3 in greenbacks to buy $100 of gold, in 1863 the average price was $145.2, in 1864, $203.3. After that, it declined. By 1868 the price was $139.7, and, by 1874, $111.2. Resumption of specie payments could take place when the price of $100 of gold was $100 in terms of greenbacks. By the 1870's that possibility was no longer remote. Late in 1875 Congress passed a law calling for resumption of specie payments on January 1, 1879. It is the newspaper reporting of the execution of that law which concerns us here.

Rutherford B. Hayes became President of the United States March 4, 1877, and chose as his Secretary of the Treasury John Sherman. Sherman had introduced the Specie Resumption Act in the Senate in 1875. He now proceeded to make arrangements to carry out the terms of that act. This involved chiefly accumulating enough gold reserves in the Treasury to redeem a large quantity of greenbacks in gold, should the need arise, on the appointed day. By December he had about $114 millions of gold available. As January 1, 1879, approached the price of $100 gold in greenbacks declined from $111.5 in 1876 to $104.7 in 1877, and $101.1 in 1878. On December 17, 1878, two weeks before the official specie resumption day, the price of $100 in gold reached $100 in greeenbacks, or par. There was no longer a premium on gold, and this remained the case for the next two weeks before resumption day. A number of banks exchanged gold for greenbacks, without charge, from that time on. Giving gold coins as Christmas presents in 1878 seems to have been a particularly fashionable thing to do.

New Year's Day was as usual a holiday, and therefore the first day of regular business in 1879 was Thursday, January 2. The news of resumption occupied the columns of most newspapers on Friday, January 3. These will be described by major cities.

RESUMPTION IN NEW YORK

The *New York Herald* relegated the story to page 3, and headlined it "Resumption—An Unexciting Event Throughout the Country." There were flags flying from many buildings on Wall Street, and a Navy Yard battery at ten o'clock officially announced the opening of the New York Subtreasury. This was the only place in the country actually required to exchange gold for greenbacks. Banks everywhere prepared to redeem greenbacks, however, as a matter of convenience. When the doors of the New York Subtreasury opened at ten, there were fifteen clerks inside ready to serve the expected crowd. "Behind the glass were piled immense quantities of gold in coins all the way from dollars to double eagles." Actually the "crowd" at the opening consisted of only one person who demanded gold for his $210 of greenbacks. No one else appeared for another half hour. There were only about 15 or 20 people altogether before half past one. By then the clerks had redeemed $3,000 in gold, the most frequently requested amount being $50 Technically $50 was the smallest amount the Subtreasury was permitted to pay out under the Resumption Act. Some people came to the Subtreasury merely to collect monies owing to them by the government. Each was asked whether he wanted to be paid in gold or greenbacks, and most of them preferred greenbacks which were easier to handle.

One young man called at the Subtreasury and asked for $5,000 in gold. He got a bag of it (weighing about 17 pounds) and handled it somewhat carelessly. Gold eagles were soon rolling in every direction. After gathering and recounting them he returned the gold and asked for some currency that will not roll about."[1]

The Herald also carried an editorial which commented on the uneventfulness of specie resumption and attributed it to good preparations. The editor explained there was little likelihood that a great demand for gold would develop since the trade balance was in our favor. They concluded that there was a general feeling of congratulation that the currency was again on a sound basis. "No one who lends money or who sells property or goods on credit will any longer fear that he may be paid in money of less value than that by which the transaction is measured."[2]

The New York Tribune carried the story on the front page but also stressed the small amount of gold deposited and the lack of activity. It reported, 'Messrs. Middleton and Company, bankers, who began giving coin about ten days ago to all who desired it, paid out about $5 in paper to $1 in gold. Some of the shopkeepers here even hesitate to receive gold coin as they are unable to judge of its genuineness, and some say they have already suffered loss by accepting coins that were light." Some banks reported that they had paid out more gold before Christmas than now. A number of people asked at their bank whether gold was available and on being told it was seemed satisfied and did not want it. The reporter closed his story with the opinion that it seemed likely that the Treasury's supply of gold would grow.

The Tribune, and the other papers too, gave attention to the story that the Subtreasuries, of all places, did a reversal on resumption of specie payments on January 2.

Footnotes at end of article.

Up till then government bond coupons had been religiously paid in gold, now the Subtreasuries paid them in greenbacks. There were numerous complaints about this. For one thing, it was looked upon as a bad example.[3]

The Tribune's editorial was flowery. It started off, "Yesterday closed in triumph the grandest page in the history of the United States. Resumption is the work of forty-eight millions of heroes." The writer went on to say that in American history the day marking the surrender of the Gold Room was greater than the day that Cornwallis surrendered at Yorktown. The success of resumption was the proof of the success of democracy. The editor paid tribute to Secretary of Treasury John Sherman, the hero of the hour, for bringing about resumption.[4]

An article in the Tribune the next day took an unusual approach. It said a great inflation had commenced—"all the coin in the country has now become money." The currency supply, it said, now consisted of about $1 billion of which $300 million was coins.[5]

Out in Cincinnati the Cincinnati Daily Gazette had a special dispatch from New York which reported most of the incidents already described from the Herald, and the Tribune and some others in addition. For example, there was the episode of the private banker on Broadway who when greenbacks were first made legal tender framed one and surrounded it with a border of deep mourning. Under it he wrote, "Sacred to the memory of departed values. The person is not yet born who will see this note redeemed." The paper reported that he took the note down today and now the government has it, having redeemed it in gold.

A number of bankers were said to be "badgering" a well-known bank president who stated last summer that he would give $50,000 for a position at the head of the line at the Subtreasury on resumption day. Only one man, not he, was there. "The President of little faith was jokingly asked to redeem his promise.".[6]

"At the Subtreasury today the men who presented gold certificates answered the clerks' question, 'Gold or Greenbacks' with 'Greenbacks are good enough for me, or 'Give me bills, what do I want of gold?' One German said 'Bills, bills, do you want me to lug coin around.' The clerk said two hours after he had begun paying gold out, 'Nobody wants it; we have reecived enormous quantities of gold certificates, and every one of the messengers demanded either notes of large denominations or clearing house certificates . . . several bankers insisted that the Treasury gold balances would immediately increase instead of decreasing. One bank sent $100,000 in gold to the Subtreasury.' "

Almost every newspaper, including the Cincinnati one, spoke of the Gold Room where the clerks had been engaged in the sale of gold for years. These "looked very much discouraged." The scene was almost "laughable." They sat and looked as if they hoped some speculation would develop but all they saw was the one word "Par" on the board. No one came in to do business with them. Mr. Messereau, Registrar at the Gold Room for fourteen years, was there for the last time. He had been told by President Brayton Ives of the New York Stock Exchange that his services would no longer be needed. At twenty minutes before twelve, he shut and locked his big desk remarking "You've seen the end of it." [7]

RESUMPTION IN CINCINNATI

On January 2, the Cincinnati Daily Gazette ran an editorial on the resumption about to take place. "Resumption which practically goes into effect today will owe its success to the character of the paper money in existence . . . there is never a demand for it [coin] on the part of the people, except when confidence in paper money is disturbed. . . . In old State bank times, with every periodical disturbance in business, there was a run upon the banks for coin, followed usually by a suspension of specie payments. Now, however, there is absolute confidence in our paper money. No one apprehends loss by reason of a bank failure, because the banks rest not upon their individual credit, but upon the credit of the government. People will not, therefore, be moved by motives of safety to exchange paper for coin. . . . For months gold has been obtainable at par or a small fraction of 1 per cent premium; yet it has not been called for to any extent, nor will it be under the operation of the Resumption Act. Furthermore coin is coming out of its hiding places, and is being deposited with the banks at par." [8]

Reporting on the event itself the next day the Cincinnati Daily Gazette headlined its story, "Resumption. How It Stole Over Our City as a Dream. Gold Likely to be a Discount and Greenbacks at a Premium." The article continued with the following account of resumption in Cincinnati.

"Among the banks resumption brought no sensation. There was really nothing for the banks to do about it. The National banks are charged with no new duty by the Resumption Act. Other banks could have no interest in the matter. Yet the resumption was so much talked about, and there was such a looking to the banks to prepare and assist, that most of them seem to have felt that a moral obligation rested upon them to be ready. The popular idea was that gold must flow from the banks as well as from the United States government. So they nearly all supplied themselves with gold, and were ready to meet any reasonable popular demand that might be made. But behold, the demand did not come. Less than $3,000 was paid out in gold in all the banks of the city, and no request for gold was refused. Of this sum $1,600 was paid by Espy, Heidelbach & Co. on two checks to parties who wanted gold for a special purpose. Eight hundred dollars more was paid out by the Fourth National Bank. The First National Bank paid out less than $200, and the Third less than $100. In several instances gold was refused in payment of checks, and in others it was mixed in small sums with greenbacks and was not refused!

"Banks generally announced themselves ready to pay gold on checks to any reasonable amount. In one case this reasonable amount was defined to be not more than $5,000. . . .

"So far as heard there was but one man in the city who wanted to test resumption with a national bank note. He had a $20 bill issued by one of the banks in the city and with an uncertain air presented it to the cashier for redemption. In an instant a gold coin of equal value was given him to his utter astonishment, and he was still further surprised by the statement that if he had presented a check for $20 he could have had gold for it.

"In the business houses there was little gold visible. For the past two weeks it has not been an uncommon thing for payment to be made in gold in the retail stores, but yesterday there was less than usual. To all appearances resumption has brought out more greenbacks than gold, and it may be discovered now that gold is so cheap that greenbacks are more convenient for business purposes than the substantial yellow coin, and are more likely to command a premium." [9]

RESUMPTION IN CHICAGO

Farther west in Chicago the Chicago Daily Tribune headlined its story, "Resumption—How the Thing Came to Pass and Nobody was Hurt" and "Little if any Demand for Gold in the Great Commercial Centers." [10] On the second day of resumption the Tribune carried these comments, ". . . the bank officials are beginning to express fears that they will be glutted with gold, particularly small coin. There seems to be a special aversion to the gold dollar and to two and a half dollar pieces on account of the ease with which they are lost and of the facility with which they are confounded with other coins of less value. There is absolutely no demand for gold." And an editorial remarked that the greenback, like the Bank of England note, will soon be "current" in the "remotest" parts of the world.[11]

Elsewhere the Tribune gloated, "It becomes interesting to know what the Greenbackers propose to do, and how Judge Kelley and Tom Ewing will justify their prophecy that resumption would be a failure." [12]

RESUMPTION ELSEWHERE

The newspapers in the larger cities and even some of the smaller papers carried short articles describing resumption in various cities across the country. The following are either summaries of them or quotations from them.

Philadelphia

Bond holders who had previously collected their interest in gold were "aggravated" when told they must now take greenbacks. "They made it very hot for the clerks and assistant Treasurer Eyster, and he was glad when the day was over."

Toledo

The Banks were ready but only $600 in gold was asked for. The people did not like the coins. They could not tell a $5 from a $10 gold coin and usually gave them back asking for paper.

Indianapolis

It was a very cold day. There was little activity and little interest in resumption.

St. Louis

Resumption was "entirely successful." Little gold was paid out.

Springfield, Illinois

Rsumption "has not created a ripple of excitement here in financial and business centers." [13]

Baltimore

There was a cordial feeling on the part of the Baltimore banks towards resumption but they are so little concerned that "they show no desire of having a great accumulation of gold in their vaults." The merchants were more concerned and some turned in gold to the banks to help out.[14]

St. Paul

The First National Bank paid out $1,500 in gold but had many refusals in favor of greenbacks. It appears that considerable gold will now come into use. One gentleman celebrated resumption by giving his sixteen-year old carrier boy an eagle. "The lad who had never seen a gold coin before, asked the first friend he met whether that temperance medal was worth anything." [15]

Terre Haute, Indiana

"We beg everyone to bear in mind that all the hard money newspapers in the United States promise and predict good times as the result of resumption. This promise and prophecy should be remembered that we may learn whether these newspapers are good or evil advisers." (From the *Terre Haute Express*, a pro-Greenback newspaper.) [16]

Washington

At Riggs and Company, the largest banking house in the city, $2 in gold had been paid out up till noon. The Treasury refused to redeem $50 in greenbacks for a Congressman who was quite "indignant." The order was that gold had to be paid out only at the New York Subtreasury and nowhere else. Probably Secretary Sherman will change this order shortly.[17]

New York, as reported in the Bloomington, Illinois, *Pantagraph:* In New York the flags are flying. It is "Investors Day" in Wall Street where the government, insurance

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Footnotes at end of article.

companies and big corporations are all paying their interest and dividends in gold. But "It is noteworthy that a decided preference is given to the paper money." More gold was paid in than was paid out.[18]

The London Times reported, "Resumption began today without excitement or inconvenience. . . . Demands were light." The New York Gold Board has ceased business. The New York Subtreasury got more gold than it paid out. "The impression is universal that a permanent resumption has been successfully secured."[19]

Two weeks later Frank Leslie's Illustrated Newspaper ran a feature article on resumption, giving the background story and adding some comments. It quoted with approval a remark by Senator Charles Sumner, "Make our money as good as gold and the gold of the world will come to our assistance, helping all the demands of business, and adapting the currency to the occasion." Resumption it said, "came as quietly as the snowflake falls."

Taking a look across the world at other currencies the writer said, "National suspensions are 'big things' and oftener end in repudiation than resumption."[20] The United States, Great Britain and France have set fine examples. But Russia has been suspended for sixty years, Austria for nineteen, Brazil for about fifty, and Spain and Turkey will probably never resume. He regretted that the United States had not followed the example of France and resumed sooner.[21]

CONCLUSION

Resumption of specie payments was a much less dramatic affair than had been expected. To the newspapers it must have been a disappointment. The Treasury planned long and well for resumption. The accident of the greenback achieving par two weeks ahead of time was no doubt a help. The average man was less interested in this technical financial affair, despite all the newspaper publicity, than many had supposed. As long as the average man had confidence in the dollar, he was willing to let well enough alone. A few curious individuals sought to see the machinery of resumption operate at first hand, but most were content to read about it and were merely glad that it was working well. Within two or three days after January 2, 1879, resumption ceased to be "news."

Ratio of gold stock to nongold money and deposits, January 31, 1962 = 5.8 per cent; February 28, 1962 = 5.7 per cent. Average for 1915–1932, pre 1934 data = 8.6 per cent; range of yearly averages, 1915–1932 = 6.7–10.9 per cent. On February 19, 1958, Treasury gold stock was $22,785,000,000. On January 31, 1962 it was down to $16,832,000,000, and on February 28, 1962 it was $16,790,000,000. The peak was $24,691,000,000 for week ending September 21, 1949. Gold earmarked at Reserve banks for foreign and international accounts was $11,969,000,000 as of January 31, 1962 and $12,006,000,000 as of February 28, 1962. Earmarked gold is not included in monetary gold stock of the United States.—D.L.K.

FOOTNOTES

[1] *New York Herald*, January 3, 1879, p. 3.

[2] *Ibid.*, January 3, 1879, p. 6.

[3] *New York Daily Tribune*, January 3, 1879, pp. 1–2.

[4] *Ibid.*, January 3, 1879, p. 4.

[5] *Ibid.*, January 4, 1879, p. 4.

[6] Perhaps this was Frederick D. Toppen (1829–1902), president of the Gallatin National Bank from 1868 until his death. John Sherman mentions the incident in his *Recollections of Forty Years in the House, Senate and Cabinet* (Werner Co., New York, 1895), Vol. II, p. 650.

[7] *Cincinnati Daily Gazette*, Friday, January 3, 1879, p. 1.

[8] *Ibid.*, January 2, 1879, p. 4.

[9] *Ibid.*, January 3, 1879, p. 4.

[10] *Chicago Daily Tribune*, January 3, 1879, p. 1.

[11] *Ibid.*, January 4, 1879, pp. 1, 4.

[12] *Ibid.*, January 4, 1879, p. 4.

[13] *Ibid.*, January 3, 1879, p. 1.

[14] *Cincinnati Daily Gazette*, January 2, 1879, p. 1.

[15] *Chicago Daily Tribune*, January 3, 1879, p. 1.

[16] *Cincinnati Daily Gazette*, January 3, 1879, p 5, col. 2.

[17] *Bloomington, Illinois, Pantagraph*, January 3, 1879, p. 1.

[18] *Ibid.*, January 3, 1879, p. 1.

[19] *London Times*, January 3, 1879, p. 3, col. 4. According to John Sherman the message from New York to Washington at the close of business on January 2 read as follows, "$135,000 of notes presented for coin—$400,000 of gold for notes" *Recollections of Forty Years*, II, p. 702.

[20] Of six previous 19th century resumption attempts, four succeeded and two failed. The successes were in England (1821), France (1850 and 1878), and Germany (1873–75). The failures were in Austria (1859) and Russia (1863). Outbreak of war was a major factor in both failures.

[21] *Leslie's Illustrated Newspaper*, January 18, 1879, p. 350.

AIRLINE DEREGULATION IS WORKING EXCEPTIONALLY WELL

● Mr. CANNON. Mr. President, I want to correct some of the erroneous facts and opinions which have been offered as evidence that airline deregulation is not working. Airline deregulation is working exceptionally well—the passenger statistics prove it, the service statistics prove it, the fare savings prove it, and the industry profitability proves it.

Let us look at passenger levels to see if airline deregulation is a failure. Passengers increased by 14 percent in 1979 over the previous year despite the DC–10 grounding and the grounding of a number of older four engine aircraft as a result of fuel costs. In the past 2 years passengers increased by over 30 percent. So you cannot tell by passengers that deregulation is failing.

Let us look at service levels. At large, medium, and small hubs, service (measured in departures) is up by 8 percent for 1979, and at the nonhub airports it is up by an average of 10 percent. That is in spite of the 100 percent increase in airline fuel costs in 1979; an amazing improvement in service when compared to other fuel-intensive industries. So you cannot tell from the nationwide service patterns that airline deregulation is failing.

Let us look at fares. The average airline fare (looking at all fares) increased 16 percent in 1979. Average industry costs increased by a whopping 48 percent. Now, I would like to ask the critics of deregulation to name any other industry which has made a profit in 1979 while their costs increased at three times the rate their average retail prices were permitted to rise. The productivity gain in the airline industry is not the result of new machinery or labor productivity improvements. It is attributable to the management flexibility provided by deregulation. The bottom line is that passengers saved $4 billion—count them—in the last 2 years over what they would have paid in air fares under the CAB's regulatory formula. So you cannot tell by fares that deregulation is failing the airline industry or passengers.

Let us look at some other measures. Industry profitability—record levels for the past 2 years despite fuel cost increases and the DC–10 grounding. Senator HOLLINGS last Thursday made an excellent point when he noted that Exxon made more profit in 1979 than the airline industry has made in its entire history. I cannot think of a more lucid indictment of 40 years of regulation of the airlines.

Labor—employment was up for all carriers in 1978, and increased again in 1979 for all airlines but one.

Smaller airlines—Have the small airlines been "gobbled up" by the big ones as airline deregulation's opponents forecast? Hardly, the regional airlines were more profitable than the trunk airlines in 1979, and Texas International has twice tried to "gobble up" a trunk airline.

So you cannot tell by any of these measures that airline deregulation is not working.

What we are left with is that some individual communities are unhappy about service changes.

I regret the fact that a few communities are not happy, but my sympathy is tempered by the fact that no community has lost air service under deregulation. Under the final 10 years of regulation, 170 communities lost all airline service. Some of the communities complaining are unhappy that large aircraft have been replaced by commuter aircraft. That is an understandable displeasure, but such communities are asking the Federal Government to buy them a Cadillac because they do not want the Chevrolet they can afford on their own. Arguing against the airlines shifting their equipment so that it serves the greatest number of people the most efficiently, is not a position we can afford to take as fuel costs and availability are becoming more and more critical.

The service statistics prove that this reallocation of equipment by the marketplace is not putting all the airplanes in big cities. But it is putting the airplanes where the most people want to fly them, and smaller aircraft are filling-in where the passenger levels only warrant smaller planes. That may be a blow to a few community egos, but it makes an awful lot of sense for an efficient national air transportation system.

Airline deregulation is not perfect. It may not even be as good as perfect regulation. But I do not ever remember the CAB or ICC being accused of being perfect regulators. If one can divide, it is possible to understand why five CAB members could not monitor and adjust the service and price for 67,000 domestic markets. Competition can adjust those markets, not perfectly, but still much better than a bunch of bureaucrats and regulatory lawyers.

By all the measures airline deregulation is working to the benefit of passengers, communities, and airlines. Compared to the record of 40 years of regulation, it has been an exceptional success. Statements to the contrary do not represent an informed view of the national aviation system.●

SHCHARANSKY'S 3 YEARS IN PRISON

● Mr. PERCY. Mr. President, March 15 marks the third anniversary of Anatoly Shcharansky's imprisonment in the Soviet Union.

Shcharansky's "crime" was his desire to go to Israel to join his wife Avital. He also worked on behalf of many of his countrymen who shared his desire to emigrate.

I have a special concern for Shcharansky because I met with him in Moscow in June 1975. He was bright, articulate, and dedicated to his cause. It was only natural that he became a leader among the Soviet would-be emigres.

Sadly, I suppose it was only natural that he would eventually become a target of attack by the Soviet regime. Branded by TASS as "the traitor to his motherland," Shcharansky was arrested for treason, tried out of the view of family, friends, and the press, and sentenced to 13 years in prison.

He has lived in a prison noted for its harsh conditions, and his health has deteriorated markedly. His mother, Ida Milgrom, is denied the visits to which she is entitled under Soviet law. But he survives, sustained by his abiding faith in the rightness of his cause and by his hope that justice may one day prevail.

Shcharansky has become a symbol for freedom-loving people all over the world. The Soviets must know that we will never forget his plight and that of so many others who yearn for the basic rights we in this country take for granted.

On this sad anniversary let us pray that at this time next year Anatoly Shcharansky will already be living in a land of freedom.●

SENATOR MILTON YOUNG—"MR. WHEAT"

● Mr. MELCHER. Mr. President, as one of his neighbors in the Northern Plains wheat country, I would like to pay my most sincere respects to Senator MILTON YOUNG, who has long been known to us as "Mr. Wheat" because of his unceasing efforts to get the producers of our major food grain a fair price for their product.

The Senator's 35 years of service extends far beyond the agricultural policy field, but because of his many years of identification with progressive farm program legislation, all of us in Montana, the Dakotas, Minnesota and the wheat country south to Texas know him as the outstanding congressional spokesman for the most important farm commodity produced—the stuff from which our daily bread is made.

I regard it as one of the great privileges I have had in the Senate to serve with him on the Senate Agricultural Commitee where he has unfailingly worked for a sound national economy based on a prosperous and productive agricultural economy.

Others who have served much longer with Senator YOUNG than I have enumerated many of his accomplishments, so I shall not undertake to do so. One of his accomplishments, in my view, has been his constructive, cooperative relationship with each of us. I put a very high value on the advice and the assistance that MILTON YOUNG has given me, as a junior Member of this body, at all times.●

MILITARY DOCTORS PAY BILL

● Mr. GOLDWATER. Mr. President, President Carter, using the power of his office, has performed another one of his unexplained and hard to understand actions. He vetoed a military doctors pay bill and then warned the defense officials to stop complaining about pay problems. Mr. Carter is just as far away from the realities of this situation as he is from the realities of everything else that is going on.

For years we have known that unless military medicine receives more money the military is going to receive less medical care. How can the President expect a competent doctor to remain on active duty when he can see his classmate making, not just a little more, but sometimes two, three and four times as much money as he is making trying to help those people who are willing to help the country at even lower rates of pay.

Then when the President goes on to suggest to the Secretary of Defense that he and other defense officials stop complaining about the morale and combat readiness problems stemming from the growing numbers of experienced officers and enlisted men who are leaving for higher paying jobs in the private sector, that just sets anyone who has ever been exposed to this problem right up against the wall because it shows absolute, complete ignorance of the extent of the problem which we have been addressing. The President went on to say that "when I was in the Navy, pay was not the major factor."

The President was not in the Navy long enough to learn port from starboard but now he is expert enough to be able to level criticism at men who are willing to devote their lives to the military. I would earnestly urge that the Congress immediately overturn the President's action by overriding his veto.●

THE FRAUD HOTLINE

● Mr. SASSER. Mr. President, I wish to take this opportunity to report to my colleagues on the progress of the fraud hotline established January 1979.

My colleagues will recall that this hotline was established at my request, and with the strong support of the former ranking member of our Legislative Appropriations Subcommittee, the distinguished Senator from Pennsylvania (Mr. SCHWEIKER).

The hotline was installed at the General Accounting Office with the cooperation of Comptroller General Elmer Staats.

I first made the suggestion for the hotline at a December 4, 1978, hearing which we conducted on fraud in Government.

The hotline allows any concerned citizen with knowledge of fraud and abuse—in any Federal program—to report that knowledge to a General Accounting Office Special Task Force for the Prevention of Fraud. The anonymity of any caller will be respected—the name of the caller need not be given to the task force. In 65 percent of the cases, the caller has chosen to remain anonymous.

Mr. President, I ask unanimous consent that the fraud hotline number be printed in the RECORD.

There being no objection, the number was ordered to be printed in the RECORD, as follows:

FRAUD HOTLINE

The national toll free fraud hotline is 800-424-5454. In the Washington, D.C., metropolitan area the number is 644-6987.

Mr. SASSER. Mr. President, I ask unanimous consent that a description of the GAO fraud hotline procedures be printed in the RECORD at this point.

There being no objection, the description was ordered to be printed in the RECORD, as folows:

GAO TASK FORCE HOTLINE PROCEDURES

Each caller on the GAO "Fraud Hotline" is interviewed following the general format of a data collection form, with a separate control number assigned to each call. This will be used to track those allegations which appear substantive through later verification of facts and investigation if warranted. The type of information GAO is attempting to record is:

Federal agency or source of Federal funds/material involved in the allegation.

Specific locations where the action is alleged to be taking place.

Recurring or one time?

Length of time activity has been going on.

Extent of activity (some idea of number of people involved).

Estimate of dollar value involved.

The GAO Task Force will provide an initial screening of the calls to eliminate those which are obviously non-substantive. Those which appear to be substantive but relate to program effectiveness and efficiency rather than fraud will be referred to the operating divisions of GAO for consideration in their audit work. Those which appear to be allegations of fraud will be coordinated with the appropriate agency Inspector General for investigation. In the event the agency Inspector General is unable to respond in a timely manner because of manpower limitations or priority of on-going work, GAO will perform a verification of facts relative to the allegation utilizing regional offices. This data will be evaluated by GAO and a decision made relative to referral to the Department of Justice for possible prosecution.

FIRST 6 MONTHS PROGRESS

Mr. SASSER. Mr. President, during the first 13 months of operation—the period of January 18, 1979, through February 15, 1980—over 7,900 allegations had been written up by GAO Task Force personnel.

The task force is now in the process of classifying the 7,900 allegations—as to materiality, agency, and program involved, and geographic location.

Initial computer analysis of the first 5,437 allegations is complete. The followup on these hotline leads has begun. Additional calls are being received daily, and will be handled by the same process.

MIX OF CALLS

Of the 7,900 allegations reviewed so far, 5,423 or 68 percent appear to have sufficient substance to merit further consideration for audit or investigation. (The other 32 percent relate to non-Federal activities or lack sufficient factual information to justify further consideration for audit or investigation at this time.)

The 5,423 allegations that merit further consideration for audit or investigation have been received from 50 States, the District of Columbia, and overseas locations.

Mr. President, I ask unanimous consent that a State-by-State listing of the locations of these 5,423 hotline allegations be printed in the RECORD at this point.

There being no objection, the listing was ordered to be printed in the RECORD, as follows:

Location of reported activity

Washington, D.C	383
Alabama	100
Alaska	23
Arizona	54
Arkansas	59
California	619
Colorado	100
Connecticut	34
Delaware	9
Florida	226
Georgia	197
Hawaii	15
Idaho	25
Illinois	119
Indiana	66
Iowa	35
Kansas	37
Kentucky	96
Louisiana	84
Maine	21
Maryland	158
Massachusetts	90
Michigan	185
Minnesota	35
Mississippi	63
Missouri	152
Montana	26
Nebraska	24
Nevada	16
New Hampshire	18
New Jersey	102
New Mexico	34
New York	266
North Carolina	95
North Dakota	19
Ohio	245
Oklahoma	75
Oregon	46
Pennsylvania	239
Rhode Island	14
South Carolina	33
South Dakota	26
Tennessee	225
Texas	258
Utah	22
Vermont	4
Virginia	279
Washington	152
West Virginia	53
Wisconsin	49
Wyoming	3
Overseas	31
Missing State Codes	84

AFFECTED FEDERAL AGENCIES

Mr. SASSER. Mr. President, the 5,423 hotline allegations that have been selected for further consideration for audit or investigation affect virtually every major department or agency in the Federal Government. We have compiled a list of the affected Federal agencies. I ask unanimous consent that an agency-by-agency listing of the affected Federal agencies be printed in the RECORD at this point.

There being no objection, the listing was ordered to be printed in the RECORD, as follows:

List of affected Federal agencies

Department of Agriculture	218
Department of Commerce	67
Department of Defense (other than Air Force, Army, Navy)	140
Department of the Air Force	183
Department of the Army	285
Department of the Navy	288
Department of Energy	57
Department of Health, Education and Welfare (other than SSA, OE)	467
Social Security Administration (Welfare SSI)	739
Office of Education	60
Department of Housing and Urban Development	389
Department of the Interior	153
Department of Justice	131
Department of Labor	414
Department of State	19
Department of Transportation	130
Department of the Treasury (other than IRS)	68
Internal Revenue Service	511
Community Services Administration	61
Environmental Protection Agency	80
General Services Administration	173
National Aeronautics and Space Administration	27
Small Business Administration	49
Tennessee Valley Authority	32
United States Postal Service	180
Veterans Administration	143
All other	259

TYPES OF ALLEGATIONS RECEIVED

Mr. SASSER. Of the 5,423 allegations selected for further consideration, about 32 percent are instances of apparent mismanagement. Generally, these allegations will be dealt with through the audit process rather than the investigative process.

In contrast, the remaining 68 percent—3,663 allegations—appear to be instances of intentional wrongdoing or fraud.

Mr. President, I ask unanimous consent that a table and a short narrative categorizing the 3,663 allegations of intentional wrongdoing be printed in the RECORD.

There being no objection, the table and narrative were ordered to be printed in the RECORD, as follows:

	No. of Allegations	Percent of total
Participant category:		
1. Federal employees only	1, 065	29. 1
2. Federal employees in conjunction with others	296	8. 1
3. Federal contractors or grantee organizations	807	22. 0
4. Corporate recipients of Federal financial assistance	21	. 6
5. Individual recipients of Federal financial assistance	868	23.7
6. Other individuals or corporate entities	606	16. 5
	3, 663	100. 0

The "Federal employees only" category included 130 allegations of theft, 142 allegations of private use of government property, 313 reports of employee working hour abuses, 277 reports of improper financial transactions, and 203 reports of other improper activities.

The "Federal employee in conjunction with others" included 171 allegations of a bribe or kickback having been paid, 7 allegations of extortion and 118 miscellaneous other allegations.

The "Federal contractor/grantee" category included 396 allegations of improper expenditure of Government grant funds, 76 allegations of contract nonperformance, 80 reports of the theft of Government funds or property and 255 other allegations of various natures.

The category "Corporate recipients of Federal financial assistance" involved 21 instances of improper receipt of subsidy funds.

The "Individual recipients of Government financial assistance" included 260 allegations of welfare cheating, 156 of cheating on social security benefit eligibility, 192 of collecting inappropriate disability benefits, 65 of cheating on veterans benefits, 48 instances of food stamp cheating, 50 of medicare/medicaid cheating and 97 miscellaneous allegations.

The sixth and final category, "Other individuals or corporate entities" included 440 allegations of personal and corporate income tax cheating and 166 other allegations of improper activity.

WIDESPREAD REPORTS OF WRONGDOING

Mr. SASSER. Mr. President, the instances of alleged intentional wrongdoing is widespread throughout the Federal Government. Intentional wrongdoing has been reported involving the funds of every one of the 12 Cabinet departments of the Federal Government. These cases involve activity in all 50 States and the District of Columbia.

REFERRAL OF CASES TO AGENCY INSPECTORS GENERAL

Mr. President, we are now getting close to the bottom line. I hope my colleagues will be encouraged to hear that the General Accounting Office has already referred 3,853 of these cases to agency Inspectors General for their action.

What this mean is that there are 3,853 cases of intentional wrongdoing now in the hands of Inspectors General—cases that probably would never have been investigated had it not been for the establishment of the fraud hotline in January 1979.

LIST OF REFERRALS

I ask unanimous consent that an agency by agency list of the 3.853 cases that have been referred to agency Inspectors General or their equivalents be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD as follows:

Department or agency and cases referred

Health, Education and Welfare	931
Labor	370
Housing, Urban Development	293
Defense	544
IRS	409
Veterans Administration	175
General Services Administration	151
Agriculture	195
Post Office	104
Interior	109
Environmental Protection Agency	65
Transportation	100
Energy	39
Commerce	33
Justice	95
Treasury	40
Small Business Administration	37
NASA	16
Law Enforcement Assistance Administration	17
GAO	29
Community Services Administration	44
TVA	19
All other	38
Total referrals	3, 853

HOTLINE CASE EXAMPLES

Mr. SASSER. Mr. President, I wish to call to the attention of my colleagues nine hotline case examples. These examples show that the efforts of the Fraud Task Force are beginning to bear fruit in terms of restoring integrity to the operations of Government.

FALSIFICATION OF TIME CARDS

As a result of a call to the hotline, and investigation by the agency involved, administrative action was taken for falsification of time cards.

THEFT OF MATERIAL

The caller alleged theft of material from a Government warehouse by maintenance employees. The allegation was substantiated and administrative action taken.

AFDC AND FOOD STAMPS

The caller alleged that an individual receiving aid to families with dependent children (AFDC) and food stamps was working and receiving alimony. A large bank account was also alleged. Investigation determined the individual had received $3,181 in overpayments and the case is awaiting prosecution.

INELIGIBLE PARTICIPANTS

A complaint alleged that a State agency receiving Federal funds for training was allowing ineligible participants. This allegation was basically substantiated and the Federal agency is currently questioning over $138,000 of the cost incurred.

LONG LUNCHES

An allegation was received that a supervisor at a Federal agency was allowing his employees to take long lunches and not charging leave. The complaint was resolved through the resignation and reassignment of the personnel involved.

NONWORK BY A FEDERAL EMPLOYEE

An allegation was received concerning nonwork by a Federal employee during duty hours. This employee submitted his resignation.

CONTRACT COMPLAINT

A complaint alleged a contract was awarded for street, sidewalk, and gutter repair, but that a poor job was done. As a result of this complaint, the contractor agreed to correct the defects; that is, repaving streets, et cetera, at no cost to the Government.

FALSE CLAIMS

The caller, who is a resident in a section 8 housing development, claims his landlord is trying to assess damage charges improperly to tenants. Caller believes HUD will pay these charges but should not. The caller's allegation was substantiated and action is being taken to preclude the landlord from future participation in the program.

OVERBILLING AND CONTRACT NONPERFORMANCE

A hotline allegation of significant overbilling and contract nonperformance for maintenance services in the Defense Department, has been verified at the site in question and may be taking place nationwide.

CONCLUSION

Mr. President, the examples I have cited are but a few of the many hotline calls that have been followed up so far. Many more are being investigated and some cases have already been referred to the Justice Department for possible prosecution.

Mr. President, I join with the distinguished and able chairman of the Senate Committee on Appropriations (Mr. MAGNUSON) and the ranking minority member, our distinguished friend (Mr. YOUNG) in urging the various agency Inspectors General to actively follow these cases to their conclusion.

The Comptroller General, Mr. Elmer Staats, the head of the Fraud Task Force, George Egan, and the staff of the hotline unit under Bob Meyer are to be commended for their very fine efforts to reinstill a sense of integrity in Federal Government operations.●

SHOW RESOLUTION ON HOSTAGES IN IRAN

● Mr. DOLE. Mr. President, no one wants to be a prophet of doom. Yet the outcome of events predicted by the Senator from Kansas, in a floor statement on February 27, seems to have materialized. Indeed, it would appear that the administration has been finessed in the cruel game that is being played over the lives of the 50 American hostages. No crystal ball was needed to foresee what was down the road. One simply needed to examine the record, to determine that the wrong approach had been taken all along, in dealing with the triumvirate of Khomeini, Bani-Sadr, and Ghotbzadeh. Increasing U.S. concessions simply led, not to the release of the hostages, but to increasing demands and vociferations on the part of the Iranians.

The Carter administration's caution has played directly in the hands of the Iranians. In the economic problems besetting Iran, it is clear that the hostages and the U.S. Government have been used as scapegoats to mask the inability of the Iranian rulers to solve problems at home. When the removal of the Shah failed to bring instant solutions to inflation, lack of housing, and unemployment, rather than step up a program designed to systematically replace chaos with order and normalcy, the revolutionary government turned instead to an external issue that could fire up national aspirations, and stop potential divisiveness at home. The seizure of the U.S. Embassy and the subsequent illegal detention of the American hostages has provided such an issue, by diverting popular attention to an outside enemy, who could be blamed for all of Iran's failures.

In giving in to Iranian demands, the United States has in fact done nothing more than help to draw out the situation. In the process, while the United States has been made to appear weak and undecisive, the Iranian leaders have gained the image of toughness and strength which they sought to project to the populace at home.

The departure from Tehran of the U.N. fact finding commission is rightfully viewed as a defeat. What comes next? For the time being at least, the Carter administration has indicated that it will offer no more genuflections and apologies. Yet, it is obvious that the crisis will not go away by itself, by simply choosing to ignore it. What then can we do?

Again, I am proposing that the only step we can and ought to consider at this point is the exercise of economic sanctions. We can no longer afford the luxury of a "wait and see" attitude. As a matter of principle, I have never advocated using food or economic embargoes as a weapon. But the situation with which we are now faced justifies the strongest possible measures. It is imperative and urgent that a modicum of respect for international law be reestablished. The punishment inflicted must be commensurate with the most flagrant act of international lawlessenss that the civilized world has yet witnessed. We must demonstrate to the Iranian Government that their persistence in disregarding the law will have the most serious repercussions for the country at large. Only by doing so, will the United States help unveil the true weakness of those who call themselves the "leaders" of Iran. In addition, punitive sanctions will force Bani-Sadr and his acolytes to face up to the responsibilities entailed by the business of truly running a government.●

PRELIMINARY NOTIFICATION PROPOSED ARMS SALES

● Mr. CHURCH. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million or, in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon receipt of such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

Pursuant to an informal understanding, the Department of Defense has agreed to provide the committee with a preliminary notification 20 days before transmittal of the official notification. The official notification will be printed in the Record in accordance with previous practice.

I wish to inform Members of the Senate that such notifications were received as follows: One on February 20, 1980. four on February 27, 1980, one on February 29, and two March 5, 1980, and one on March 7, 1980.

Interested Senators may inquire as to the details of this preliminary notification at the offices of the Committee on Foreign Relations, room S–116 in the Capitol.

The notifications follow:

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., February 20, 1980
In reply refer to: I–476/80ct.
Dr. HANS BINNENDIJK,
Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmitttals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of

State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Middle eastern country tentatively estimated to cost in excess of $25 million.

Sincerely,

ERNEST GRAVES,
Director.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., February 27, 1980.

In reply refer to: I-723/80ct.

Dr. HANS BINNENDIJK,
Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Middle Eastern country tentatively estimated to cost in excess of $25 million.

Sincerely,

ERNEST GRAVES,
Director.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., February 27, 1980.

In reply refer to: I-725/80ct.

Dr. HANS BINNENDIJK,
Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Middle Eastern country tentatively estimated to cost in excess of $25 million.

Sincerely,

ERNEST GRAVES,
Director.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., February 27, 1980.

In reply refer to I-724/80ct.

Dr. HANS BINNENDIJK,
Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Middle Eastern country tentatively estimated to cost in excess of $25 million.

Sincerely,

ERNEST GRAVES,
Director.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C. February 27, 1980.

In reply refer to: I-726/80ct.

Dr. HANS BINNENDIJK,
Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Washington, DC.

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director. Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Middle Eastern country tentatively estimated to cost in excess of $25 million.

Sincerely,

ERNEST GRAVES,
Director.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., March 5, 1980.

In reply refer to I-740/80ct.

Dr. HANS BINNENDIJK,
Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Washington, DC.

DEAR DR. BINNENDIJK: By letter dated February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a NATO country tentatively estimated to cost in excess of $25 million.

Sincerely,

ERNEST GRAVES,
Director.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., March, 5, 1980.

In reply refer to : I-732/80ct.

Dr. HANS BINNENDIJK,
Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Washington, DC.

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a NATO country for major defense equipment tentatively estimated to cost in excess of $7 million.

Sincerely,

ERNEST GRAVES,
Director,

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., February 29, 1980.

In reply refer to: I-749/80ct.

Dr. HANS BINNENDIJK,
Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Southeast Asian country tentatively estimated to cost in excess of $25 million.

Sincerely,

ERNEST GRAVES,
Director.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., March 7, 1980.

In reply refer to: I-483/80ct.

Dr. HANS BINNENDIJK,
Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction cf the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a NATO country for major defense equipment tentatively estimated to cost in excess of $7 million.

Sincerely,

ERNEST GRAVES,
Director.●

WORKING ON FEDERAL CONTRACT HAS ITS FLAWS

● Mr. NUNN. Mr. President, there appeared in Monday morning's Washington Post finance section an article entitled, "Working on Federal Contract Has Its Flaws, Inventor Finds." The story describes the difficulties encountered by innovative small business concerns when undertaking federally sponsored research and development. Mr. Gilbert Levin, president of Biospherics located in Rockville, Md., provides specific examples of how Federal procurement policies and procedures have acted to inhibit innovative contributions from the small business sector.

This is particularly alarming, given the serious decline in the growth of our economy's overall productivity over the last several years. For example, recent figures indicate that for 1979, productivity in the nonfarm business sector actually declined at a rate of 1.2 percent.

This dangerous trend, which I am convinced lies at the very heart of our inflationary problems, must be reversed if America is to continue to enjoy any measure of real economic growth. While there are several reasons that experts cite as causing this decline, one that is often mentioned is the reduction in research and development efforts over the last decade. For example, since 1971, the number of patents issued to Americans has fallen 25 percent, while the number issued to foreigners has risen 14 percent.

As Mr. Levin notes, small firms produce almost 24 times as many major innovations as do large firms per research and development dollar. Therefore, it is not only unfortunate for our small businesses, but even more dangerous in terms of our productivity, that small firms have not received their fair share of Federal R. & D. expenditures and have been held back in their innovative efforts by Federal procurement policies and procedures.

This article, therefore, underscores the need for legislation introduced by Senator GAYLORD NELSON, chairman of the Small Business Committee, which I and 18 other Senators joined in cosponsoring. That bill, S. 1860, the Small Business Innovation Act of 1979, will be the subject of committee hearings beginning next Tuesday, March 18. Senator NELSON will be chairing that hearing and will be focusing on the types of problems highlighted by Mr. Levin.

I want to take this opportunity to commend Senator NELSON for his leadership in the innovation area and ask unanimous consent that the article to which I have referred be printed at this point in the Record.

The article follows:

Working on Federal Contract Has Its Flaws, Inventor Finds

(By Martha M. Hamilton)

Working for the government has brought Gilbert V. Levin both satisfaction and frustration.

As an inventor-entrepreneur, contractor and consultant to various federal agencies, Levin has had the satisfaction of watching one of his experiments aboard the Viking spacecraft bring back the only evidence—albeit equivocal—suggesting life on Mars.

But as president of a small research firm, he has found the government sometimes hostile to both innovation and small businesses.

His firm, Biospherics, a life sciences research company, sits on the edge of a large asphalt parking lot in Rockville flanked by body shops.

About 70 percent of the company's business is with the government—a potpourri of projects including the Viking experiment, writing and producing antismoking and antialcohol literature, doing aquatic toxicology tests, designing monitors for the Navy to use to measure oil discharges from its ships and checking industrial hygiene in government agencies including the Bureau of the Mint and the Central Intelligence Agency.

"We went in there and sniffed around to see if it was a safe place to work," said Levin, a civil engineer who once worked for both the Maryland and District public health departments.

Levin's concerns are how the government treats innovation in general and small businesses in particular.

"To do innovative work is very difficult," he said. "There's the NIH problem—the not-invented-here syndrome," he continued, describing agency officials who are unwilling to entertain proposals along new lines of inquiry.

And there is the clear predilection among some procurement officials for big business, Levin said. He is part of a group of officials of small businesses who are campaigning to get small firms a bigger share of the federal research dollar.

Small firms produced about 24 times as many major innovations as large firms and nearly four times as many as medium-sized firms per research and development dollar expended, but less than 4 percent of total federal government expenditures on R&D went to small firms, according to a paper prepared for the White House Conference on Small Business. Levin and others hope to alter what they see as an imbalance.

Attitudes are changing slowly, Levin said. A few years ago, "I went down to see the research head of a major agency, and he told me the truth—that I was wasting my time because the era of small business was gone," Levin said. The federal officials said then that the agency intended to deal only with large aerospace firms for research, he recalled.

"Technical progress is more complex than it used to be. It takes a lot of dollars," Levin said.

Selling innovation isn't easy, he said, citing one of Biospherics' first products. In 1971 Biospherics developed a new waste-water treatment process that Levin says "produced astoundingly good results." I thought everybody was going to line up, but they didn't." It was 1973 before the process had a full-scale test in a municipal plant. "In 1974 Union Carbide signed a licensing agreement. Ever since, we've let them do the selling," he said.

"Federal contracting has severely constrained innovating," Levin said. "During the Nixon era, the Environmental Protection Agency came out with a mandate that no research contract should be let that couldn't be reduced to practice within three years. In effect that ended research. What it does is limit research to hole-plugging."

Levin said "there are problems" in working on innovation for the government, but citing the Viking experiment, he added. "There are delicious rewards."●

NEED FOR CAPITAL FORMATION

● Mr. HARRY F. BYRD, JR. Mr. President, it is well documented that the United States currently has a low rate of savings, investment, and productivity.

The future growth of our economy will depend greatly on our success in overcoming current disincentives to capital formation.

One such disincentive is the high level of Federal deficit spending.

Accumulated and accelerated deficits have created runaway inflation which drives up the cost of capital.

A balanced Federal budget is a top national priority.

Along with big government spending, big government taxes are another enemy of private capital formation.

A March 6 editorial in the Roanoke Times & World News explains with great clarity the importance of capital formation for our society and the dangers of heavy taxes and heavy Government spending.

I ask that this editorial be printed in the Record.

The editorial follows:

Capital Formation: How

If there is now a climate of opinion favoring capital formation, as some experts think there is, education in economics may have taken hold. The smallest of enterprises—say, a Mom and Pop store—requires "capital formation" to begin. Mom and Pop have to save up $500 or $1,000 just to get started; even that might not be enough. Under-capitalization is a principal cause of failure in small businesses.

As with Mom and Pop stores, so with railroad companies, airplane companies, electric companies, shoemakers and housebuilders: Somebody has to save capital, or borrow it from the bank or get it from stock or bond sales in order to start the plants that make the jobs and spread the benefits. Why should that be a big secret?

If it is obvious, and no big deal, some explaining is needed. Japan and West Germany have a higher rate of capital formation than the United States. Thereby they have investments in equipment, products that sell well abroad and, in addition, a lower inflation rate and more stable currency. A possible explanation is that late in 1945, and thereafter for a period of occupation, Americans taught the Japanese and Germans some obvious lessons and then forgot the obvious lessons themselves.

The enemies of capital formation are excessive government taxation, low profit margins and that enemy of all good things, inflation. The United States will increase its capital formation, and job creation, as it tackles these enemies in order or all at once.

There is, of course, another way to form capital: the Marxist way. Under the Marxist system, government takes all the money in taxes; it decides how much, among other things, will be set aside for capital formation; and for what purposes capital will be formed. In the Soviet Union during the '30s, government "formed capital" simply by squeezing, starving and killing peasants. Such discomfort is passed off as a necessary social service, the ends justifying the means.

Despite the cruelty and inefficiency of the Marxist method, a grudging respect is due their theorists; at least they look good on paper. The real barriers to capital formation in the United States are those who would never admit to being Marxist; they prefer to tax and spend away what should have gone into capital formation. As between the out-and-out visible Marxist and the sloppy thinkers and spenders, the latter is the peculiar and pernicious American danger.

MEMORIAL TRIBUTE TO PERCIVIL L. PRATTIS

● Mr. HEINZ. Mr. President, recently the town that calls itself family witnessed the passing of one of its most distinguished sons. Percivil L. Prattis, noted local journalist, civil rights and community leader, and friend of Pittsburgh will be sorely missed. Our family will never be the same.

I rise today to mark Mr. Prattis' passing, to pay tribute to his life, and to acknowledge his accomplishments. Pittsburgh knew him well and will miss him. His spirit of service and his undaunted pursuit of ideals will be missed by a nation.

Percivil Prattis was among the first black journalists admitted to the Congressional Periodical Galleries. His works, which span a 43-year news career, are today part of the Black Press Archives at the Moorland-Spingarn Research Center here in Washington at Howard University.

Mr. Prattis worked for close to 30 years on the staff of the Pittsburgh Courier, and served for 6 years, before his retirement in 1962, as that paper's editor. But his achievements were by no means limited to his chosen profession.

In his numerous civil rights activities, he established scholarships for poor youths, and in the 1960's, he began a scholarship program for African students. He was an active member of the NAACP and the Urban League.

A World War I veteran, Mr. Prattis served as a chairman of a division of the Federation of Social Agencies, president of the Brashear Association, officer of the Community Chest Council, a trustee of the Pennsylvania Training School at Morganza, a deacon at Eastminster United Presbyterian Church and a board member of the Pittsburgh Downtown and Centre Avenue YMCA's.

His works were acknowledged in 1964 when Jewish War Veterans Post 49 named him "community leader of the year."

I hope that today the Senate, too, will join with me in paying a memorial tribute to this inspirational man—Percivil L. Prattis.●

PROPOSED ARMS SALES

● Mr. CHURCH. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million or, in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

In keeping with my intention to see that such information is immediately available to the full Senate, I submit for the RECORD the notifications I have just received.

The notifications follow:

DEFENSE SECURITY
ASSISTANCE AGENCY,
Washington, D.C., February 22, 1980.

Hon. FRANK CHURCH,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding under separate cover Transmittal No. 80-45, concerning the Department of the Army's proposed Letter of Offer to Jordan for defense articles and services estimated to cost $20 million.

Sincerely,

ERICH F. VON MARBOD,
Acting Director.

[Transmittal No. 80-45]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective purchaser: Jordan.

(ii) Total estimated value: Major defense equipment,* $17.0 million; other, $3.0 million; total, $20.0 million.

(iii) Description of articles or services offered: Fourteen (14) M60A1/A3 tanks.

(iv) Military department: Army.

(v) Sales commission, fee, etc. paid, offered or agreed to be paid: None.

(vi) Sensitivity of technology contained in the defense articles or services proposed to be sold: None.

(vii) Section 28 report: Case not included in Section 28 report.

(viii) Date report delivered to Congress: February 22, 1980.

DEFENSE SECURITY
ASSISTANCE AGENCY,
Washington, D.C., February 25, 1980.

Hon. FRANK CHURCH,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 80-46, concerning the Department of the Army's proposed Letter of Offer to the United Kingdom for defense articles and services estimated to cost $32.1 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERICH F. VON MARBOD,
Acting Director.

[Transmittal No. 80-46]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: United Kingdom.

(ii) Total Estimated Value: Major Defense Equipment**, $31.1 million; other, $1.0

(iii) Description of Articles or Services Offered: Fifty-one (51) M109A2 155mm self-propelled howitzers.

(iv) Military Department: Army (VMF).

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Sensitivity of Technology Contained in the Defense Articles or Services Proposed to be Sold: None.

(vii) Section 28 Report: Case not included in Section 28 report.

(viii) Date Report Delivered to Congress: February 25, 1980.●

THE SOVIET REPRESSION OF THE CRACKDOWN ON THE PSYCHIATRIC WORKING COMMISSION

● Mr. LEAHY. Mr. President, human rights activists in the Soviet Union are now calling the present crackdown on dissent one of the most brutal periods of repression since the Soviet human rights movement as we know it began in the mid-1960's. Arrests have occurred along a broad spectrum of political, religious, and nationalist dissent. As events of the last few months have shown, not even Nobel laureate Andrei Sakharov was able to escape the latest purge.

Most recently, the Soviet authorities have intensified efforts to bring an end to the activities of the Working Commission to Investigate the Use of Psychiatry for Political Purposes—an organization affiliated with the Moscow Helsinki Monitoring Group that monitors and publicizes the Soviet Government's practice of forcibly commiting dissidents to psychiatric hospitals. Founded in January of 1977, this small group of four dedicated Soviet citizens has faced constant official harrassment, but evidence now indicates that a concentrated effort is underway to eliminate the Working Commission as a functioning body. A series of arrests, detentions and searches have taken place in February, all in accordance with Case 49603/0580, the duly numbered KGB case against the Working Commission.

On February 12, 1980, Feliks Serebrov and Vyacheslav Bakhmin, two members of the group, were arrested. Serebrov was charged with resisting the militia and released after 15 days in detention. Bakhmin, however, will reportedly stand trial for "anti-Soviet agitation and propaganda" with a possible 12-year term. Also on February 12, the apartments of Bakhmin, a mathematician, and Serebrov, a worker, were searched and materials were confiscated. On the same day, authorities searched the apartment of a third member of the commission, Dr. Leonid Ternovsky, a radiologist. On February 7, Dr. Alexander Voloshanovich, a Moscow psychiatrist who served as chief consultant to the group, emigrated to the West. There is no news as to whether a replacement has been found to fill his position.

The leader of the Working Commission, Aleksander Podrabinek, is currently serving a 5-year term of internal exile in Siberia. He was sentenced on August 15, 1978, for "slandering the Soviet state" in connection with his book on Soviet psychiatric abuses. The expose, entitled Punitive Medicine, was the result of 4 years of research and began circulating in samizdat in 1977. It is now available in the West in translation, along with Institute of Fools, an account by Moscow Helsinki Group Members, Viktor Nekipelov, that describes his own incarceration in a psychiatric hospital.

In his review of these two works that appears in the New York Review of Books, leading expert in Soviet dissent Peter Reddaway predicts that in the U.S.S.R. "* * * the resistance to political psychiatry will continue in some form * * *. During the last 3 years * * * support for the Working Commission has grown steadily, coming not only from the friends and relatives of victims, but from human rights activists and, most significantly, dissenting doctors and others in the medical institutions."

The Working Commission has meticulously researched and documented in its lengthy information bulletin hundreds of cases where forcible psychiatric internment has been used to silence dissidents. The latest bulletin to reach the West, dated October 15, 1979, lists 57 persons who have been confined to psychiatric hospitals on flimsy medical grounds.

The continuing misuse of psychiatry in the Soviet Union has come under increasing attack from Western psychiatric and human rights organizations. In October of 1979, Amnesty International wrote to General Secretary Brezhnev calling for an end to the Soviet practice of putting activists into psychiatric hospitals and those who speak out against the abuses into prison.

But, in light of the stepped-up government campaign against the Working Commission, more voices need to be raised in defense of these brave human rights activists. More protests over these arrests and abuses must be forthcoming For. as Mr. Reddaway also notes. "* * * Soviet dissenters will need all the support they can get against a rampant KGB."●

ORDER AUTHORIZING CERTAIN ACTION DURING RECESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that during the recess over until Tuesday the Secretary of the Senate be authorized to receive messages from the President of the United States and/or the House of Representatives, and that they may be appropriately referred; and that the Vice President of the United States, the Senate President pro tempore, and the Acting President pro tempore of the Senate be authorized to sign all duly enrolled bills and joint resolutions.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

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*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

**As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR); total, $32.1 million.

ORDER FOR RECOGNITION OF SENATORS LEVIN AND JAVITS ON TUESDAY, MARCH 18, 1980

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Tuesday next, after the two leaders have been recognized under the standing order, that Mr. Levin be recognized not to exceed 15 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Mr. Javits also be recognized for not to exceed 15 minutes on that date, following Mr. Levin.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER THAT SENATORS MAY INTRODUCE BILLS AND RESOLUTIONS UNTIL 5 P.M. TODAY

Mr. ROBERT C. BYRD. Mr. President, did I not earlier get consent that Senators may introduce bills and resolutions until 5 p.m. today?

The ACTING PRESIDENT pro tempore. The Senator is correct. You made a statement to that effect.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that they do.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

TIME-LIMITATION AGREEMENT—S. 1946

Mr. ROBERT C. BYRD. Mr. President, I am about to make a request that has been cleared with the distinguished Republican leader. He has authorized me to proceed in his temporary absence from the floor at the moment.

I ask unanimous consent that at such time as Calendar Order No. 592, S. 1946, railroad deregulation, is called up and made the pending business of the Senate that there be 2 hours, equally divided, on the bill between Mr. Cannon and Mr. Packwood; 30 minutes, equally divided, on any amendment; 3 hours, equally divided, on a Long amendment dealing with transportation rates; 2 hours, equally divided, on a Cannon substitute amendment to the Long amendment on transportation rates; 2 hours, equally divided, on a McGovern amendment dealing with refundable tax credit; 20 minutes on debatable motions, appeals, or points of order, if such is submitted to the Senate; and that the agreement be otherwise in the usual form; and provided further that the bill not be called up prior to March 25.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The text of the agreement follows:

Ordered, That when the Senate proceeds to the consideration of S. 1946 Order No. 502), the Railroad Transportation Policy Act, but not before Tuesday, March 25, debate on any amendment (except an amendment to be offered by the Senator from Louisiana (Mr. Long) on transportation rates on which there shall be 3 hours; and an amendment to be offered by the Senator from Nevada (Mr. Cannon) as a substitute to the aforesaid amendment to be offered by Mr. Long on which there shall be 2 hours and an amendment to be offered by the Senator from South Dakota (Mr. McGovern) on a refundable investment tax credit on which there shall be 2 hours shall be limited to 30 minutes, to be equally divided and controlled by the mover of such and the manager of the bill; and debate on any debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate shall be limited to 20 min., to be equally divided and controlled by the mover of such and the manager of the bill: PROVIDED, That in the event the manager of the bill is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or his designee: *Provided further,* That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of final passage of the said bill, debate shall be limited to 2 hours, to be equally divided and controlled, respectively, by the Senator from Nevada (Mr. Cannon) and the Senator from Oregon (Mr. Packwood): *Provided,* That the said Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

THE PRESIDENT'S ADDRESS ON ECONOMIC POLICY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the Record the text of the President's address on economic policy, delivered today in the East Room of the White House, together with a detailed description of the President's anti-inflation program.

There being no objection, the material was ordered to be printed in the Record, as follows:

Text of the President's Address on Economic Policy

Present high inflation threatens the economic security of our country.

Since my economic and budget reports in January, rapid changes in world events and economic prospects have made it necessary to intensify our anti-inflation fight.

In the last eight weeks, interest rates have surged to unprecedented heights and inflation has sharply intensified.

This is a worldwide problem. During the last two reporting months, the increases in the wholesale price index in Japan, Great Britain and Italy have all exceeded an annual rate of 25 percent. Even in West Germany the inflation rate in wholesale prices was 13 percent.

The inflation we face today is deeply rooted. Its many causes have built up over more than a decade. The most important of these causes are soaring world oil prices, declining productivity growth and our failure in government, as individuals, and as a society to live within our means.

Inflation is a symptom of economic distress. The truth is that we have inflation because our economy is not productive enough to do all the things we demand of it. We want it to give us higher incomes, bigger profits and bigger government programs in our favorite area.

The federal government must stop spending money we do not have and borrowing to make up the difference.

Our whole society—the entire American family—must try even harder to live within its means. As individuals and as a nation, we must begin to spend money according to what we can afford in the long run—not according to what we can borrow in the short run.

There are no quick answers to inflation and above all no painless answers. If there were any such solutions, they would have been implemented long ago. We cannot abolish inflation overnight by just passing a law against it. Only a long-term effort—with the partnership of business and labor, individual citizens and all branches and levels of government—can succeed in bringing this problem under control.

This dangerous situation calls for urgent measures. We must act firmly and decisively. We must act now. We must remove any doubt about this nation's will to take the painful steps needed to control inflation. We cannot accept high rates of inflation as a permanent fact of life.

The intensive anti-inflation program I am announcing today involves five major components:

First, discipline by reduction in the federal budget.

Second, discipline by restraints on credit.

Third, discipline by wage and price actions.

Fourth, discipline by greater conservation of energy.

Fifth, structural changes to encourage productivity, savings, and research and development.

Let me discuss them one by one.

First, the budget.

I will soon set forth a revised budget for fiscal year 1981—which begins on October 1 of this year. It will be a balanced budget, and I intend to keep it in balance.

Since the last balanced budget 12 years ago we have added almost one-half trillion dollars to our national debt. In 1981 we will thus achieve an objective that has almost always eluded our country—in good times and bad—a balanced budget.

By the end of this month, I will send to the Congress a major revision in both my 1980 and my 1981 budgets.

I will propose significant reductions of budget authority from the current budget, in order to cut spending this fiscal year and next.

I will cut spending in the 1981 budget by more than $13 billion. To reach that goal, I will:

Defer, reduce or cancel most of the new or expanded programs that were originally proposed in the 1981 budget.

Cut expenditures for personnel, operations and maintenance throughout the government.

Freeze federal civilian employment immediately, and maintain rigid ceilings so that by the end of October of this year we will have 20,000 fewer federal employees.

Reduce ongoing spending programs throughout the federal government.

I urgently request from the Congress the savings and revenue measures in the budget I submitted in January. I want to stress particularly the legislation needed to hold down hospital costs, to reform federal pay, and to speed up collections of revenue.

When budget cuts demand sacrifices from many Americans, it is intolerable for some to evade prompt payment of taxes. I will send to the Congress legislation to make sure that taxes that are owed on interest and dividends are actually paid, and paid in a timely manner.

I will maintain my commitment to a strong defense and to the level of real growth in defense spending which we pledged to our NATO allies. But the Defense Department will not be immune from budget austerity. In particular, I will require that the Department make savings that do not affect our military readiness. I consider the proposed defense budget adequate to meet our nation's needs. We must maintain budget restraint and fiscal responsibility in all government agencies.

Based on our estimates of economic and budgetary developments, the actions I have described will produce a balanced budget in 1981.

In our system, Congress controls the power of the purse. The recent intense efforts of the Congressional leaders and my close consultation with them have convinced me that the Congress will indeed enact and maintain a balanced budget, as I am recommending. But to ensure that outcome I will use every power at my command:

As I did last week on a popular bill, I will veto any legislation that exceeds the spending limits consistent with a balanced budget.

I will use my full powers under the 1974 Budget Reform Act to hold down federal spending, including some expenditures which have previously been authorized.

If during the course of the year I judge that these actions and powers are not sufficient, I will ask the Congress for a temporary grant of extraordinary powers to ensure that spending is contained.

Cutting back federal spending to match revenue is not a cure-all—but it is an essential first step. The sources of inflation are far too complex to be treated by a single remedy. But nothing will work until the federal government has demonstrated that it can discipline its own spending and borrowing—not just as a one-year exercise, but as a long-term policy. Together, we will do just that. We will dispel the notion that deficits will always be with us.

I want to be absolutely honest about these budget cuts. We have been cutting out waste and fraud and trimming the bureaucratic fat. But this time, there will also have to be cuts in good, worthwhile programs—programs which I support very strongly.

In this critical situation we must all look beyond some of our most worthwhile immediate aims to be the overriding permanent needs of the whole nation.

Our second area of action is restraining the growth of credit.

Just as our governments have been borrowing to make ends meet, so have individual Americans. But when we try to beat inflation with borrowed money, we just make the problem worse.

Inflation is fed by credit-financed spending. Consumers have gone into debt too heavily. The savings rate in our nation is now the lowest in more than 25 years. As inflationary expectations have worsened, businesses and other borrowers are tempted to use credit to finance speculative ventures as well as productive activities.

The traditional tools used by the Federal Reserve to control money and credit expansion are a basic part of the fight on inflation. But in present circumstances, those tools need to be reinforced so that effective restraint can be achieved in ways that spread the burden reasonably and fairly.

I am therefore using my power under the Credit Control Act of 1969 to authorize the Federal Reserve to impose new restraints on the growth of credit on a limited and carefully targeted basis. Under this authority the Federal Reserve will:

Establish controls for credit cards and other unsecured loans but not for secured loans on homes, automobiles, and other durable goods.

Restrain credit extensions by commercial banks that are not members of the Federal Reserve System and by certain other money-market lenders.

The Chairman of the Federal Reserve will announce a voluntary program, effective immediately, to restrain excessive growth in loans by larger banks and other lenders. At the same time, the program will encourage the flow of available credit supplies for investment and other productive uses. Special attention will be given to the particular needs of small businesses, farmers, and homebuyers. I support these initiatives by the Federal Reserve.

These carefully targeted actions will not damage the productive capacity of our nation. By helping to curtail excessive uses of credit and dampening inflation, they should—along with the budgetary measures I announced—speed prospects for reducing the strains in financial markets.

In addition, I am taking steps to reduce the extension of credit by the federal government. Federal loans and loan guarantees will be cut by nearly $4 billion in fiscal 1981.

As a longer-run measure, I urge Congress to institute the credit budget I proposed in January. It will help us control more effectively the loans and loan guarantees provided by the federal government.

Our third area of action is the voluntary wage and price standards.

I do not have authority to impose controls. I do not seek that authority. We will not impose mandatory wage and price controls. Government wage and price controls have never worked in peacetime. They create unfair economic distortions and hurt productivity. These results always force price controls first to be eased and then dismantled—while inflation roars ahead.

Controls create inequities—and the greatest inequity is their effect on the average family. As even the most ardent advocates of mandatory controls concede, the cost of vital necessities such as food and fuel would be passed on to those living on frozen wages and fixed incomes.

We cannot outlaw inflation with a massive federal bureaucracy, or wish it away with magic formulas.

On the other hand, voluntary wage and price standards offer the flexibility we need to deal with our complex economy.

The Council on Wage and Price Stability has just issued revised pay standards and confirmed an extension of the price standards.

The new pay standards were developed from the recommendation of a Tri-Partite Advisory Committee, with members from business, labor and the public. The Committee unanimously recommended standards for pay increases in the range of 7½ to 9½ percent, and stated that under normal circumstances increases should average 8½ percent. I am determined to meet that goal.

In the face of last year's 13 percent increase in the consumer price index, and the even higher rate of recent months, this unanimous recommendation of the Pay Advisory Committee—designed to produce an average wage and salary increase of 8½ percent—reflects a commendable spirit of restraint and cooperation. With business, labor and public support, we can meet this goal of restraint.

I am sharply expanding the price and wage monitoring activities of the Council on Wage and Price Stability. Its current staff of 80 people will be more than tripled. The Council will establish teams of experts to track wage and price developments in each major industry. The Council will meet with leaders from specific industries to secure their cooperation. Where necessary, we will ask large firms for pre-notification of significant price increases. We will investigate wage and price increases that seem out of line with the standards. I mean to apply those standards with vigor and toughness to both business and labor.

Our fourth area of action is energy.

The plain truth is that we will never be completely strong at home or secure abroad until we have at last solved our nation's excessive dependence on foreign oil.

The price of imported oil has more than doubled in the last 12 months. Last year's increase alone was greater than all other increases combined since the oil embargo of 1973.

We must forge ahead toward the goal I set last July—cutting in half the amount of oil we import by 1990. To do this will require increased production of domestic oil, natural gas and coal—unrelenting efforts for conservation—and the rapid development of alternative energy sources.

For three years I have fought for a national energy policy to achieve each of these goals. Today, at long last, we are close to enacting such a policy into law. We must not falter now.

I am asking the Congress to finish without delay the three essential pieces of the energy program—the Windfall Profits Tax, the Energy Security Corporation, and the Energy Mobilization Board. These bills are cornerstones for our energy security, our national security, and our fight against inflation.

I have recently submitted a proposal to Congress to conserve energy in electric power plants and to convert them from oil to coal and other fuels. This too must be passed promptly.

But we can never solve our energy dependence unless we meet the problem of extravagant gasoline use.

Gasoline is the most important and most wasted petroleum product in the United States. It accounts for some 40 percent of all the petroleum we use. In almost every other industrial country, the average amount of gasoline used by each citizen is much lower than ours, and the average price is much higher. Americans have done well in the past year in gasoline conservation. But if we are going to reduce further our dependence on foreign oil, we must do more.

Therefore, I am exercising my Presidential authority to impose a gasoline conservation fee on imported oil. This will be applied solely to gasoline in an amount equal to about 10 cents a gallon. The fee will not add to the cost of any other oil product. It will not add to oil company profits. It should reduce imports by 100,000 barrels a day by the end of a year, and later by as much as 250,000 barrels per day.

I will submit to Congress a request for a specific gasoline tax which will replace the conservation fee.

The funds from the gasoline conservation charge will be held in reserve or used to reduce the national debt. I do not intend to use these revenues to balance the budget or as a substitute for necessary spending cuts. But these revenues, which will begin accruing immediately, will give the budget a margin of safety—ensuring that it remains in balance even if conditions or estimates change.

We can now set new targets for gasoline consumption nationwide which will reduce consumption by 400,000 barrels per day.

This action also underscores a commitment to greater conservation that our friends abroad—both producing and consuming nations—can join and support.

Finally, the Secretary of Energy is pursuing an intensified national energy conservation plan. Our aim is to involve every level of government, business, labor—in fact, every single citizen—in conserving American energy.

Our fifth area of action involves long-term structural changes to encourage productivity, savings, and research and development.

We have already begun to make progress in reforming government regulations which interfere with these goals. Since taking office, I have worked to root out unnecessary government regulations and to make cost-effective those which are necessary. I urge the Congress to pass the Regulatory Reform Act, which will strengthen our efforts.

As much as posssible, we need to let the private enterprise system be free to compete. We have succeeded in deregulating airlines.

I urge the Congress to speed passage of comprehensive bills to cut regulation of banking, trucking, railroads and communications.

We must also encourage savings. The single most important way we can do that is to phase out the ceilings that limit the return most small savers can earn. A financial institutions reform bill which makes this change has just been approved by a House-Senate Conference Committee. I urge its quick passage.

We must face the fact that over the last 10 years the pace of productivity growth in our country slowed sharply. Last year it actually declined.

This trend is an important long-term factor in inflation. It must be reversed.

I am asking my Presidential Commission on an Agenda for the 1980s as part of their work to develop specific recommendations for revitalizing our economy.

Our priority now is to balance the budget. But once these spending limitations have actually been achieved, we can then provide tax relief to encourage investment. Through fiscal discipline today, we can free up resources tomorrow for the productivity improving tax reductions our nation needs.

This discipline will not be easy. Our new budgets will be very tight. There are some things we cannot afford—at least not now. But the most important thing we cannot afford is the national delusion we have been harboring about inflation. We cannot afford the fairy tale that inflation can be passed on to the next person as or to the next generation.

The actions I have outlined involve costs. They involve pain. But the cost of acting is far less than the cost of not acting. The temporary pain of sacrifice and discipline is far less—for all of us together—than the still worse permanent pain of rising inflation. For all of us, but especially for the most needy, inflation is indeed the most cruel tax of all.

If we take these necessary steps against inflation, it will not result in a quick victory. Over the next several months, inflation is likely to continue at a high level. We must be patient and persistent.

I am confident that with steps I am proposing today, the inflation rate will be declining later this year. As that happens, we may look forward to calmer financial markets and lower interest rates.

By taking control of this problem—which involves taking control of ourselves—we can put an end to the fear about the future that afflicts so many of our people and institutions.

In the fight against inflation, what is at stake is more than material wealth or material comfort. What is at stake is whether or not we Americans—as a nation, as a people—will control our own destiny.

In crises abroad, we have always shown our ability to respond with steadfastness and courage. We must now show the same determination in meeting the challenge of inflation.

With inflation, as with defense and energy, our responsibility is clear:

To face the world as it is, and to be honest about the hard decisions that are necessary;

To make those decisions and to carry them out; and

To build together a strong and secure and hopeful future for every American.

With proper discipline we will prevail in our fight against inflation.

ANTI-INFLATION PROGRAM

The President's anti-inflation program announced on March 14, 1980 involves five major parts:

(1) Increased Discipline in the Federal Budget.

(2) Restraints on Credit.

(3) Wage and Price Actions.

(4) Greater Energy Conservation.

(5) Economic Structural Changes to encourage productivity, savings, research and development.

Increased discipline in the Federal budget

In light of recent increases in the rate of inflation, the President has decided that it is necessary to balance the budget in FY 1981.

The FY 1981 balanced budget is achieved through:

Deferral, reduction or cancellation of most of the new or expanded programs originally proposed in FY '81 budget;

A Cut in expenditures for personnel, operations, and maintenance throughout the government;

An immediate freeze in Federal civilian employment, and rigid maintenance of employment ceilings to ensure that there will be 20,000 fewer Federal employees by the end of 1980 than there are now;

A reduction in ongoing spending programs throughout the Federal government;

Placing on an urgent basis the need to pass the savings and revenue measures submitted in the January budget, including hospital cost containment, Federal pay reform and cash management reforms;

Legislation to be sent to Congress authorizing withholding of interest and dividend payments in order to ensure that Federal income taxes owed on those interest and dividend payments are in fact paid;

Requiring the Defense Department, through efficiencies and savings that do not affect military readiness, to offset a large part of the cost increases the Department now faces;

A commitment to veto any legislation that exceeds the spending limits consistent with a balanced budget;

Commitment to use the powers under the Budget Reform Act of 1974 available to the President to defer or rescind Federal spending;

A willingness to seek from the Congress, if adequate steps are not being taken to achieve a balanced budget, a temporary grant of extraordinary powers.

Restraints on credit

A. The President is using power granted him under the Credit Control Act of 1969 to authorize the Federal Reserve to impose new restraints on the growth of credit on a limited and targeted basis:

Controls will be authorized for consumer loans other than those for homes, automobiles and other durable goods;

Authority will be authorized to restrain credit extensions by commercial banks which are not members of the Federal Reserve System and by certain other money market lenders.

B. The Federal Reserve will announce a voluntary program, effective immediately, to restrain excessive growth in loans by large banks and other lenders.

C. Federal loans and loan guarantees will be cut by $4 billion in Fiscal 1981.

D. The President renewed his commitment to seek Congressional passage of a credit budget to enable the Federal government to control the loans and loan guarantees it provides more effectively.

Wage and price actions

A. Reaffirmed absolute opposition to wage and price controls.

B. Acceptance of pay standard recommendations of the Pay Advisory Committee—standards which permit pay increases in the range of 7.5 to 9.5 per cent, with an average under normal conditions of 8.5 per cent; large firms with settlements over the 8.5 per cent midpoint will be asked to report to the Council on Wage and Price Stability (COWPS) with supporting information.

C. Continuation of the price standard established in final form by COWPS on November 1, 1979.

D. Lowering of the threshold for regular, formal reporting of price change information to COWPS from companies with $250 million or more in sales to those with $100 million or more in sales.

E. Selective prenotification of price increases by large firms, on a voluntary basis.

F. Increased COWPS staff to expand monitoring effort.

Greater energy conservation

A. Renewed appeal to the Congress to complete work on the Windfall Profits Tax, the Energy Security Corporation, and the Energy Mobilization Board and to take prompt action on the recently proposed coal conversion legislation.

B. Imposition of a gasoline conservation fee on imported oil of $4.62 a barrel, which will be applied solely to gasoline in an amount equal to about 10 cents a gallon.

C. Submission to Congress of a motor fuels tax designed to replace the gasoline conservation fee.

D. Establishment of new targets for nationwide gasoline consumption at a maximum of 7 million barrels per day, or a 5.5 per cent decrease from 1979 level.

E. Development of intensified national energy conservation plan by the Secretary of Energy.

Long-term economic structural changes

A. Renewed appeal to Congress to enact the Regulatory Reform Act and comprehensive legislation to deregulate the banking, trucking, railroad and communications industries.

B. Renewed appeal to Congress to enact the Financial Institutions Reform Act, which will gradually lift the ceilings that limit the return most small savers can earn.

C. A request that the Presidential Commission for a National Agenda for the Eighties develop specific recommendations for revitalizing our economy's productivity.

D. Statement of intention to propose tax measures to spur productivity once the task of balancing the budget and assuring overall fiscal discipline is achieved.

More detail on the following items of the President's program is set forth below:

(1) Overview of the Inflation Situation.

(2) Budgetary Actions/Hiring Limitation.

(3) Pay and Price Standards.

(4) Gasoline Conservation Fee.

(5) Motor Fuels Tax.

(6) State Gasoline Targets.

(7) Withholding of Interest and Dividends.

More detailed information on credit restraints will be set forth in a separate release provided by the Federal Reserve.

OVERVIEW OF THE INFLATION SITUATION

We have just come out of a decade of economic turmoil; a decade which saw

A ten-fold increase in the price of oil,

A twenty-fold increase in the U.S. oil import bill,

The deepest recession in 40 years,

Inflation which *averaged* eight per cent over the whole decade, and

A sharp slowdown in productivity growth.

Thus as we enter the 1980's, economic policy has to concentrate on three major priorities:

(1) reducing inflation,

(2) adjusting to a world of sharply higher energy prices and reducing our vulnerability to OPEC price and supply decisions, and

(3) improving the efficiency and productivity of our economy.

In recent weeks this first priority has become even more important. Citizens across the country have become worried that our economy is out of control. This worry affects their expectations about inflation and thus their behavior.

There are real causes for concern.

The early months of 1980 have seen another explosion in energy prices and the passthrough of increased energy costs in other goods, and a wholesale price index rising at an annual rate of 20 per cent;

Interest rates are skyrocketing; and

The bond market is in disarray.

Strong and decisive action is necessary to turn the tide around. We cannot let a continued worsening of inflationary expectations and an erosion of confidence undermine a basically sound economy.

What caused this worsening of inflationary expectations? A number of things:

Our economy has shown greater strength than expected. The widely expected recession has not materialized.

Retail sales have remained strong as consumers continued to hold down their savings rate to spend;

Employment is still up and the unemployment rate is steady at roughly six per cent;

Restraint in financial markets has not bit deeply except in housing;

Strong markets have made it easier for businesses to raise prices.

Inflation has accelerated sharply.

In January and February the Producer's Price Index increased at an annual rate of about 20 per cent;

In January the CPI increased at the rate of 1.4 per cent (an annual rate of 18 per cent);

These dramatic increases come from another round of energy price increases (7.5 per cent in February alone), from the passthrough of energy price increases into the prices of goods made with and transported with energy, and from the passthrough of other costs swallowed last year.

Misinterpretation of the budget.

The increase in nominal expenditures for FY 1980 between January 1979 and January 1980 was a result of inflation—but it was perceived by some as backing away from the commitment to fiscal restraint;

The $16 billion deficit in the 1981 budget was not widely recognized as being a result of the administration's forecast of a weak economy. (With a six per cent unemployment rate, the budget proposed in January would be in surplus.)

Concerns about a defense boom.

And, finally, concern about the growth of money supply and business loans.

BUDGETARY ACTIONS

Throughout his administration, the President has emphasized the need for fiscal restraint. Given the recent increases in our nation's rate of inflation, he has determined that a balanced budget in FY 1981 is imperative.

To implement this decision, the President will place before the Congress a package of substantial expenditure cuts in almost every major program area not vital to national security. These cuts are real, and have been allocated fairly. The President recognizes the sacrifice he will be asking people to make through these reductions. However, he has decided that balancing the budget now is a major step toward restoring confidence in our economy.

Budget totals

When submitted in January, the FY 1981 budget had a projected deficit of about $16 billion. Since January, changes in the economic outlook and technical revisions have combined to raise both outlays and revenues for FY 1981, narrowing the FY 1981 deficit by a small amount (about $2.3 billion).

The President's proposed expenditure cuts will bring the budget to balance. Beyond that, the imposition of a measure to reduce gasoline consumption and oil imports, and the proposal to apply withholding to existing taxes on interest and dividends (a measure to reduce tax evasion) will together generate new revenues of about $14 billion, providing an overall surplus for the budget.

The budget estimates are as follows:

[In billions]

	1980	1981
I. OUTLAYS		
January budget	564	616.
Plus: Revisions	6	9 to 10.
Less: Budget cuts	−2	−13 to −14.
Equals: Revised outlays	568 to 569	611 to 613.
II. REVENUES		
January budget	524	600.
Plus: Revisions	5	11 to 12.
Withholding on interest and dividends	0	2.
Contingency allowance (revenues from gasoline conservation fee)	(5)	(11).
Equals: Revised revenues	529	613 to 614.
Including contingency allowance	(534)	(624 to 625).
III. DEFICIT (−) OR SURPLUS (+)		
January budget	−40	−16.
Revised estimate	−39 to −40	0 to +2.
Contingency allowance	(+5)	(+11).
Revised estimate after contingency	(−34 to −35)	(+11 to +13).

Proposed spending cuts

The President will propose reductions in virtually every area of the budget to eliminate the deficit in FY 1981. He will defer less essential spending. He will rescind budget authority in 1980. He will propose reductions in appropriations for the FY 1981 budget. He will seek legislative reforms lowering expenditures. The President intends to use fully the authorities he has at hand to achieve budget balance.

These recommendations are the product of an unprecedented joint effort with the Congress. The President's senior advisors and members of Congress have identified and reviewed the actions which are necessary to balance the 1981 budget. There is substantial agreement concerning specific reductions in major programs and in the general pattern of reductions in other areas.

Both the Administration and the Congress intend to work closely together to see these proposals enacted.

Reductions in new initiatives

The President has decided to eliminate, reduce or postpone many of his new initiatives. Among those initiatives affected are:

Outlay reductions 1981

[In millions]

New EDA development financing program (DOC)	212
Solar and Conservation Bank (HUD)	76
Territorial tax matching (DOI)	22
The State share of general revenue sharing (Treasury)	1,700
Welfare reform initiatives (DOL, HHS)	859
Mass transit capital grants (July energy program)	265

The budgetary proposals will also include substantial cuts in numerous on-going programs virtually across the government. Selected examples are:

Operating and administrative expenses (all agencies).

Water and sewer grants and loans (USDA).

Agricultural Conservation Program (USDA).

Foreign Aid (AID, Treasury).

Coastal Energy Impact Fund (DOC).

Water project construction (Corps of Engineers, USDA).

Energy Impact Assistance (DOE).

Mental Health and Alcohol Services (HHS).

Health Services Grants (HHS).

Rehabilitation Loan Program (HUD).

Land and Water Conservation Fund (DOI).

Urban Park Grants (DOI).

LEAA (DOJ).

Welfare Reform Demonstration Project (DOL).

Public Service Employment (State).

UN Voluntary Contribution (State).

Coast Guard facilities (DOT).

Airport programs (DOT).

Highway construction (DOT).

Waste Treatment Construction Grants (EPA).

Facilities construction (NASA).

Space Science (NASA).

Facilities construction (VA).

Export Loans (ExIm Bank).

Business Loan and Investment Fund (SBA).

Applied Research (NSF).

The details concerning reductions in these and other federal programs will be made public along with the budget revisions at the end of this month.

Executive branch hiring limitation

The limitation on Executive Branch hiring will take effect immediately and its duration is indefinite.

Agencies are restricted in filling full-time permanent positions to no more than 50 per cent of vacancies that occur after February 29, 1980. Vacancies that existed prior to that date may be filled, but only by using the allowed 50 per cent of vacancies occurring after February 29.

For purposes of illustration, a 50 per cent hiring limitation wil result in a reduction of 6,500 full-time permanent positions per month. Over a 90-day period, this would mean that about 19,500 vacancies would not be filled, producing savings of up to $57 million.

PAY AND PRICE STANDARDS

Pay standard for second program year

The Pay Advisory Committee's recommendation for a 7.5 per cent to 9.5 per cent range of permissible increase has been adopted as the second year pay standard under the voluntary program.

Although the Administration has adopted a range rather than a single standard, it is expected, nonetheless, that wage settlements nationwide will average about the midpoint of the range, 8.5 per cent.

All businesses with more than 1,000 employees that settle on pay increases above 8.5 per cent will be asked to report such settlements to the Council on Wage and Price Stability, along with supporting statistical information.

The Pay Advisory Committee's recommendation for a second year 7.5 per cent Cost of Living Adjustment evaluation has been adopted.

Price standard for second program year

The price standard for the second program year issued in final form by the Council on Wage and Price Stability on November 1, 1979, will be continued.

Intensified and expanded pay and price monitoring

The threshold for regular (quarterly), formal reporting of price change information to the Council on Wage and Price Stability will be lowered from companies with $250 million or greater in annual sales to companies with $100 million or greater in annual sales. This will more than double the number of business firms intensively monitored by CWPS (from about 1200 to about 2500).

Pre-notification of price changes will be selective—where it appears to be needed and makes sense. There will be no standard requirement for pre-notification by all businesses that are affected by the regular reporting requirement.

Expansion of the Council on Wage and Price Stability

The staff capability of the Council on Wage and Price Stability will be more than doubled to administer the intensified program. Most of the added people will support price and pay monitoring activity. Audit capability will be added. Price monitoring will be greatly strengthened. Initial review time will be reduced; CWPS will evaluate exception requests faster and reduce decision time.

GASOLINE CONSERVATION FEE

Nature of fee

The fee will be $4.62 per barrel on imported crude oil. The cost of this fee will be shifted entirely to the production of gasoline. The expected effect of the fee on gasoline prices will be about 10 cents a gallon. Imports of gasoline will also be subject to a charge, equal in amount to the expected average impact of the fee on gasoline of 10 cents a gallon, or $4.20 per barrel.

The conservation fee is temporary; the President will submit to the Congress legislation to establish a tax on motor fuels. When that tax is enacted the fee will be removed. Such tax legislation would have the same favorable effect of reducing petroleum imports but would eliminate the need for the complex administrative regulations to shift the cost of the import fee to gasoline.

The fee is effective for gasoline produced or imported and crude oil imported after 12:01 a.m., March 15, 1980. A Presidential Proclamation providing the framework for the detailed mechanisms of the plan will be issued in the next few days, effective March 15, 1980.

These actions are taken under authority of Section 232(b) of the Trade Expansion Act, and of the Emergency Petroleum Allocation Act (EPAA). The Trade Expansion Act gives the President authority to take action to adjust levels of imports that threaten national security. Such adjustments can be made through the imposition of an import fee, and the establishment of a program to shift the fee to gasoline. The EPAA provides the President with authority to impose price and allocation controls on crude oil and refined products.

In accordance with the Trade Expansion Act, the Secretary of the Treasury conducted an investigation last year into the Nation's dependence on oil imports and concluded that the levels of such imports threaten national security.

Shifting the entire cost of the fee to gasoline will focus the fee on the product which provides the greatest conservation potential without unduly affecting the economy. The expected effect of the conservation fee followed by the motor fuels tax, is to reduce gasoline and diesel consumption and imports by approximately 100,000 barrels a day by the end of the first year, and up to 250,000 barrels by the end of the third year.

The fee will raise the price of gasoline by about 10 cents per gallon, effective May 15, 1980. The direct effect of this increase will raise overall consumer prices by about ½ percentage point. The majority of this increase will be reflected in the CPI during May and June. Over the following year additional (but much smaller) indirect effects will be felt elsewhere in the economy, as gasoline costs are passed on. In total, these direct and indirect effects will increase the CPI by about ¾ of one percentage point.

There are certain offsetting factors, however. To the extent we can reduce our appetite for importing oil and bring supply and demand into balance, pressure on OPEC to raise prices will decrease. This fee will not only produce additional demand restraint, it demonstrates the willingness of the United States to make sacrifices to curtail gasoline use. This is an important element in securing the international cooperation that is vital if we are truly to bring the oil price explosion under control.

The program will not cause the price of uncontrolled domestic crude oil to rise, since the entitlements program will shift the entire fee to gasoline producers and reimburse crude oil importers to the extent that they do not produce gasoline.

The measure will also increase federal revenues by just over $10 billion annually.

How the cost of the fee will be shifted from crude oil imports to gasoline production

The entire burden of the crude oil import fee will be shifted from importers to gasoline producers. This will be accomplished through a mechanism similar to, but separate from, the current Entitlements Program—a system of payments among refiners designed generally to equalize their crude oil costs.

The mechanism will require importers of crude oil to pay the import fee to the Government. At the same time, however, the importers will be reimbursed for this expense by gasoline producers, who will be required, for each barrel of gasoline produced (whether from domestic or imported crude oil), to purchase an "entitlement" to produce gasoline from any firm which imports crude oil. As a result of the entitlement program, refiners and regions that are dependent upon imported oil will not be disproportionately affected by the new import fee.

TAX ON MOTOR FUELS

Determination of tax rate

The President will send to Congress legislation establishing a tax on gasoline and diesel motor fuel, starting at 14 cents per gallon. (The present 4 cents a gallon tax would be repealed.) The rate of tax will be adjusted, not more than quarterly, in accordance with changes in the price indices of producers (refiners) prepared by the Department of Labor.

In that way, the tax will be the equivalent of an ad valorem tax at a constant fixed percentage of producers' average selling prices. The indices will be those for refiners' sales of gasoline and diesel motor fuel to commercial consumers. The gasoline index used will be that for unleaded fuel. Changes in the tax rate will be announced by the Treasury Department. No changes will be made unless the change in an index will result in a tax change of at least one half cent a gallon.

Payment of taxes

The new taxes will be paid by those who now must pay the 4 cents per gallon tax on gasoline and diesel fuel.

Exemptions, credits, and refunds

Many of the existing exemptions, such as for sales to State and local governments, will be retained. In other cases, the magnitude of the exemption, credit, or refund will not be less than under present law.

Floor stocks taxes and refunds

Tax increases or decreases will not be collected or paid on tax-paid products in inventory at the time of change.

Highway trust funds

Revenues from the new taxes will be transferred to the Highway Trust Fund in amounts not less than the equivalent of the revenues from a tax of 4 cents a gallon on gasoline and diesel fuel.

Revenue

Each 1 cent of the equivalent tax will raise $1.2 billion annually at 1981 income levels.

Effective date

The new ad valorem equivalent tax on Motor Fuels is to be effective with the ending of the import fee. Gasoline importers and producers will receive a credit against the new gasoline tax for the import fee or entitlement obligation already paid on gasoline in stock. For diesel fuel, the tax is to be effective the day after the import fee is terminated.

STATE GASOLINE TARGETS

The national target

The annual national gasoline conservation target will be set at 7.0 million barrels per day, measured according to the Federal Highway Administration (FHWA) data series. These data measure gasoline sales in individual states throughout the nation.

This target is about 5½ per cent below average daily consumption for 1979. Individual states' targets, based on the national target, are being set for the second quarter of 1980. Next week, letters will be sent to the states specifying second quarter targets.

Consultations with the States on methodology

During the last few weeks, the Department of Energy (DOE) has reviewed a revised methodology for setting individual states' voluntary gasoline conservation targets with officials from the states, Puerto Rico, and the District of Columbia. The comments received indicate the methodology to be basically sound, although DOE will continue to evaluate the revised formula.

The new methodology uses a sum of 12 months of state gasoline sales data—rather than monthly gasoline tax data used in developing state targets for the first quarter of 1980. Monthly shares are then computed based on prior consumption and prior conservation efforts, and take into account recommendations submitted by state officials for allocating the annual allotment as monthly shares.

The new method of calculating targets is more realistic because monthly data were found to have several reporting variations. It also gives additional weight to the recent lower gasoline consumption which has occurred because of conservation and economic factors.

Monthly Energy Review (EIA) data compared to FHWA data

Two different data series have been used to measure gasoline consumption. The two series are DOE's Monthly Energy Review (MER) and the Federal Highway Administration (FHWA) data series. The FHWA data, because of the inclusion of gasoline which is not imported or produced at domestic refineries, but comes rather from secondary sources, are about 350,000 barrels per day higher than MER data.

For 1979 DOE's MER data reported national gasoline use ("product supplied") at 7.029 million b/d. The corresponding figure reported by FHWA is 7.4 million b/d. Because only the FHWA data system provides information on a state-by-state basis, the naional target of 7.0 million b/d is set in terms of FHWA statistics. This national target would likely correspond to an MER "product supplied" figure for 1980 of 6.65 million b/d.

AVERAGE GASOLINE CONSUMPTION IN THE LAST 5 YEARS

[In million barrels per day]

	FHWA data (approximate)	Monthly energy review data
1975	6.81	6.68
1976	7.13	6.98
1977	7.37	7.18
1978	7.63	7.41
1979	[1] 7.40	7.03

[1] Estimated.

Mandatory targets

It is expected that the target set by the President today will be achieved through voluntary compliance efforts by the States. In his State of the Union address, the President said, "After consultation with the governors, we will set gasoline conservation goals for each of the 50 States, and I will make them mandatory if these goals are not met."

The President has authority to make the targets mandatory pursuant to Section 211 of the Emergency Energy Conservation Act of 1979 (Public Law 96-102, 93 Stat. 749 (1979) whenever he finds, with respect to the energy source involved, that "a severe supply interruption exists or is imminent." This criterion is defined in Section 202 of the Act, which in effect empowers the President not only to determine the existence of an interruption, but to act in anticipation of a potential interruption.

If the targets were made mandatory, the States would be required to submit emergency conservation plans within 45 days. If no such plan were submitted, or if disapproved, or if the plan fails substantially to meet the conservation target within a reasonable period of time (but not less than 90 days) and the required statutory shortfall exists or is expected, a standby Federal conservation plan may be ordered implemented in the State.

The standby Federal conservation plan was published in the Federal Register on February 7, 1980, and is currently the subject of public hearings. The comment period ends on April 7, 1980, and a final plan will be issued thereafter.

WITHHOLDING ON INTEREST AND DIVIDENDS

Currently no tax is withheld on payments of interest and dividends to domestic taxpayers, although taxes are withheld from wage recipients. Payors of certain categories of interest and dividends are required to report to the IRS and the recipients the amount of interest and dividends paid.

The President will propose legislation to change the current payment practice. Under the legislation, payors who now report taxable interest and dividends to both IRS and recipients would be required to withhold 15 per cent of such payments. Individuals who reasonably believe they will owe no tax, and exempt organizations, would not be subject to withholding if they file exemption certificates with the interest or dividend payor. This system of reporting and withholding would be extended to interest on other taxable instruments where practical.

A recent IRS report estimated that between $5.4 and $9.4 billion of additional interest income and between $2.1 and $4.7 billion of additional dividend income should have been reported on individual income tax returns in 1976. While only 2–3 per cent of wages and salaries went unreported, the comparable figure for interest and dividends was 9–16 per cent. The use of information documents and audit procedures cannot by themselves effectively close this reporting gap because of the difficulty of following up on millions of interest and dividend transactions.

Withholding at a 15 per cent rate will not result in undue hardship because the lowest rate bracket at present is 14 per cent. Thus, few individuals would be deprived of the use of over-withheld funds until they receive a refund of tax. In addition, under the proposal, persons who reasonably believe they will owe no tax may file exemption certificates and avoid withholding altogether.

Withholding would increase tax collections by $2.5 billion or more per year beginning in fiscal year 1981. Practically all this revenue comes from increased compliance, except in the first year, in which much of this increased revenue would come from the acceleration of payments.

CHANGE IN REVENUE

[In billions of dollars]

Fiscal years	Increased compliance	Change in timing	Total
1981	1.0	2.4	3.4
1982	2.2	.3	2.5
1983	2.4	.3	2.8

RECESS UNTIL TUESDAY, MARCH 18, 1980

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand recessed until 12 noon on next Tuesday.

The motion was agreed; and, at 12:48 the Senate recessed until Tuesday, March 18, 1980, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 14, 1980:

NATIONAL TRANSPORTATION SAFETY BOARD

James B. King, of Massachusetts, to be Chairman of the National Transportation Safety Board for a term of 2 years (reappointment).

FEDERAL LABOR RELATIONS AUTHORITY

Henry Bowen Frazier III, of Virginia, to be a Member of the Federal Labor Relations Authority for a term of 5 years expiring July 1, 1985 (reappointment).

HOUSE OF REPRESENTATIVES—*Monday, March 17, 1980*

The House met at 12 o'clock noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

O Almighty God, as we face the decisions and concerns of the present day, help us to gain strength and confidence from those who have gone before us and who have already fought the good fight, have finished the race, and have kept the faith. May we never forget those heroes who in other days witnessed to the right, the good, and the true, and whose memory continues to encourage us to think and to act for the good of all people. We thank You, O God, for all Your saints who from their labors rest and we pray that You will continue to offer Your blessings as we seek to serve You in our day and time. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Saunders, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and joint resolutions of the House of the following titles:

On March 12, 1980:

H.R. 3756. An act to authorize appropriations for certain insular areas of the United States, and for other purposes.

On March 13, 1980:

H.J. Res. 493. Joint resolution providing for the appointment of William G. Bowen as a citizen regent of the Board of Regents of the Smithsonian Institution; and

H.J. Res. 494. Joint resolution providing for the appointment of Carlisle H. Humelsine as a citizen regent of the Board of Regents of the Smithsonian Institution.

On March 14, 1980:

H.R. 4337. An act to provide for the transfer of the Foreign Claims Settlement Commission of the United States to the U.S. Department of Justice as a separate agency in that Department; to provide for the authority and responsibility of the Department of Justice to supply to the Foreign Claims Settlement Commission certain administrative support services without altering the adjudicatory independence of the Commission; to change the terms of office and method of appointment of the members of the Commission; and for other purposes.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the amendment of the House with amendments, to a concurrent resolution of the Senate of the following title:

S. Con. Res. 79. Concurrent resolution expressing the sense of the Congress that the people of the United States should observe February 26, 1980, as a national day of prayer and meditation for the hostages in Iran.

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar day. The Clerk will call the first bill on the Consent Calendar.

AUTHORIZING A 99-YEAR LEASE FOR THE MOSES ALLOTMENT NO. 10, CHELAN COUNTY, WASH.

The Clerk called the bill (H.R. 5900) to amend the act of August 9, 1955 (69 Stat. 539; 25 U.S.C. 415), as amended, to authorize a 99-year lease for the Moses Allotment No. 10, Chelan County, Wash.

There being no objection, the Clerk read the bill, as follows:

H.R. 5900

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first section of the Act of August 9, 1955 (69 Stat. 539; 25 U.S.C. 415), as amended, is amended by striking out "and the Navajo Reservation" and inserting in lieu thereof the following: "the Navajo Reservation, and the lands comprising the Moses Allotment Numbered 10, Chelan County, Washington".

With the following committee amendment:

On page 2, strike line 2 and insert: "539), as amended (25 U.S.C. 415), is amended by striking".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATIONAL CAPITAL BOUNDARY STONES ACT

The Clerk called the bill (H.R. 5953) to preserve, protect, and maintain the original boundary stones of the Nation's Capital.

There being no objection the Clerk read the bill, as follows:

H.R. 5953

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Capital Boundary Stones Act".

SEC. 2. (a) Congress finds that because of the deteriorating condition and neglect of the forty original boundary stones delimiting the ten-mile square first set aside by the State of Maryland and the Commonwealth of Virginia as the "seat of government of the United States", there is a need to provide for the preservation, protection, and maintenance of such stones.

(b) The purposes of this Act are to—

(1) assign responsibility for the preservation, protection, and maintenance of the boundary stones;

(2) assure perpetuity of these important historic boundary stones for future generations of Americans to view and enjoy;

(3) provide an adequate mechanism for ensuring that the boundary stones are protected and maintained; and

(4) to make available to the public, information, data, and items involving or pertaining to the history of the original survey of the Nation's Capital, including the surveyors, and the instruments and techniques used in connection therewith.

SEC. 3. (a) The Secretary of the Interior, acting through the National Park Service, shall have the responsibility for the preservation, protection, and maintenance of the boundary stones referred to in section 2 of this Act.

(b) Within the twelve-month period following the date of the enactment of this Act, the Director of the National Park Service shall prepare and submit to the Secretary for his approval a program for preserving, protecting, and maintaining such boundary stones. Such program shall include—

(1) a location and condition survey of each corner stone and boundary stone, conducted in consultation with the District of Columbia Daughters of the American Revolution, which shall be referenced to the appropriate State plane grid coordinate system with appropriate ties to property lines and which shall provide for the results to be shown on plats of survey in such form as may be suitable for recording purposes;

(2) with respect to each boundary stone located at each of the four cardinal points of the compass at the corners of the ten-mile square delineating the original site of the Nation's Capital a plan for preserving, protecting, and maintaining such cornerstones;

(3) with respect to each of the other boundary stones, a plan to preserve, protect, and maintain each such boundary stone;

(4) a relocation, replacement, and marker plan for those boundary stones which have been moved or which are missing or which cannot be placed in their original location;

(5) alternative plans for the long-term care, protection, and maintenance of the boundary stones which may include agreements among private individuals, the Federal Government, local governments of areas within the State of Maryland or the Commonwealth of Virginia within which such boundary stones are located, and the governments of the State of Maryland, the Commonwealth of Virginia, and the District of Columbia;

(6) a schedule and financial plan for providing such preservation, protection, and maintenance of such boundary stones; and

(7) in coordination with the Smithsonian Institution, a plan setting forth a display on the history of the survey of the District of Columbia conducted during the years 1791 and 1792, the original surveyors, the instruments and techniques used by such surveyors in conducting the survey of the District of Columbia, and surveying methods and techniques currently in use.

(c) Within the twenty-four month period following the date of the approval by the Secretary of the Interior of the program pursuant to subsection (b) of this section, the Secretary of the Interior, acting through the National Park Service, shall, in consultation with the District of Columbia Daughters of the American Revolution, implement

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☐ This symbol represents the time of day during the House Proceedings, e.g., ☐ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

such program and provide for the preservation, protection, and maintenance of such boundary stones.

SEC. 4. In carrying out the program approved pursuant to section 3 of this Act, the Secretary of the Interior is authorized to acquire, by donation, purchase with appropriated or donated funds, exchange, or condemnation, such lands and interests therein (including easements), together with improvements thereon, as may be necessary to carry out such program.

SEC. 5. Whoever willfully damages or removes any boundary stone referred to in this Act shall be fined not more than $500, or imprisoned not more than six months, or both.

SEC. 6. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

With the following committee amendment:

Strike out all after the enacting clause and insert the following:

That this Act may be cited as the "National Capital Boundary Stones Act".

SEC. 2. (a) Congress finds that because of the deteriorating condition and neglect of the forty original boundary stones delimiting the ten-mile square first set aside by the State of Maryland and the Commonwealth of Virginia as the "seat of government of the United States", there is a need to provide for the preservation, protection, and maintenance of such stones.

(b) The purposes of this Act are—

(1) to assure the perpetuity and the retention of the integrity of these existing important historic boundary stones for future generations of Americans to view and enjoy and to restore the complete system (including the replacement of missing stones);

(2) provide an adequate mechanism and assign responsibility for ensuring that the boundary stones are adequately preserved, protected, and maintained; and

(3) make available to the public, information, data, and items involving or pertaining to the history of the original survey of the Nation's Capital.

SEC. 3. (a) The Secretary of the Interior (hereinafter in this Act referred to as the "Secretary"), acting through the Director of the National Park Service (hereinafter in this Act referred to as the "Director"), shall have responsibility for the preservation, protection, and maintenance of the boundary stones referred to in section 2 of this Act.

(b) Within the twelve-month period following the date of enactment of this Act, the Director shall prepare and submit to the Secretary for his approval, a plan for preserving, protecting, and maintaining such boundary stones. The plan shall be prepared in consultation with the District of Columbia Daughters of the American Revolution. The plan shall be considered as approved by the Secretary unless he disapproves the plan within ninety days from the date of its submittal to him by the Director. Such plan shall include:

(1) a description of the location and physical condition of each corner stone and boundary stone, including a survey referenced to the appropriate State plane grid coordinate system with appropriate ties to property lines and plats in such form as may be suitable for recording purposes;

(2) programs for both the immediate and the long-term preservation, protection, and maintenance of such stones, including the stones located at each of the four cardinal points of the compass at the corners of the ten-mile square delineating the original site of the Nation's Capital, which programs may include written agreements between the Federal Government and private individuals, State or local governments having jurisdiction over areas in which the boundary stones are located, or any combination or combinations thereof;

(3) a program for the relocation and replacement or site marking of those boundary stones which have been moved, are missing, or which cannot be placed in their original location;

(4) a schedule and financial program for providing adequate preservation, protection, and maintenance of such boundary stones;

(5) a program, developed in coordination with the Smithsonian Institution, for a public information display related to the history of the survey of the District of Columbia as conducted during the years 1791 and 1792, including information related to the original surveyors, the instruments and techniques used by such surveyors, and surveying methods and techniques currently in use; and

(6) such other plan elements as the Director deems necessary.

(c) Following the approval of the plan by the Secretary pursuant to subsection (b) of this section, the Secretary, acting through the director, shall, in consultation with the District of Columbia Daughters of the American Revolution, implement such plan to provide for the preservation, protection, and maintenance of such boundary stones.

SEC. 4. In carrying out the plan approved pursuant to section 3 of this Act, the Secretary is authorized to acquire by donation, purchase with donated or appropriated funds, transfer from any other Federal agency, or exchange, such lands and interests therein (including easements), together with improvements thereon, as may be necessary to carry out such plan. Lands and interests therein so acquired shall be administered as part of the National Park System, in accordance with the provisions of this Act and the provisions of law generally applicable to units of the National Park System, including the Act of August 25, 1916 (39 Stat. 535; 16 U.S.C. 1 and following), and the Act of August 21, 1935 (49 Stat. 666; 16 U.S.C. 901–7).

SEC. 5. Effective October 1, 1980, there are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. That concludes the call of the Consent Calendar.

ALLARD K. LOWENSTEIN

(Mr. JACOBS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JACOBS. Mr. Speaker, the brute of violence has taken another gentle teacher from us. Our former colleague, the well-known apostle of peace, Al Lowenstein, was cut down by gunfire on Friday last.

The funeral services will be in the city of New York, tomorrow on Tuesday at 1 p.m. eastern time at 123 East 55th Street, 55th and Lexington, in the city of New York. The burial will be at Arlington Cemetery on Wednesday of this week. A special order will be taken out on Thursday of this week to memorialize our dearly departed colleague.

Mr. Speaker, Al Lowenstein was an inspiration to thousands of us to respond to our best instincts rather than our worst.

ALLARD K. LOWENSTEIN

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, in the late fifties, I was a Chi Omega at the University of Minnesota and was very concerned about such issues as what to wear to the spring dance. I was then in the student senate and met Al Lowenstein. Al came to our campus and really expanded the horizons of many students, introducing them to the real meaning of brotherhood, caring and what we should do to make the world a better place in which to live.

Racism in our country, Mr. Speaker, and South Africa's Namibia suddenly became issues upon which our student government moved because of Al's prodding. Unlike most of us who are politicians, Al did not promise that he would make the world better for us. Instead he said we would only make progress on our progress if we all worked together.

Mr. Speaker, I think the world would be a better place in which to live if we all followed his example and stopped promising to solve people's problems for them or blaming people who have not solved the problems for us, but rather recommitted ourselves to all working together to solve the very, very many problems that confront us all.

ALLARD K. LOWENSTEIN

(Mr. OTTINGER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. OTTINGER. Mr. Speaker, I join my colleagues in expressing sorrow with the passing of Al Lowenstein who was a superlative Congressman. He spent most of his time on the floor and participated very fully in all of the activities of this body. He is responsible for thousands and thousands of young people becoming active in our political system. He himself, through his efforts of inspiring others, played an instrumental part in ending the war in Vietnam and in striking out for having people participate in the efforts to strike out for justice within our society.

Mr. Speaker, I am sure we all join in expressing regret to his family and through expressing our own appreciation for the marvelous contribution he made to our society.

● Mr. WOLFF. Mr. Speaker, last Friday a brilliant, dedicated American, a former Member of this House was senselessly murdered—a victim of the violence he abhorred.

Allard Lowenstein was a personal friend of mine. He was a man of deep moral convictions, who was a major factor in bringing the war in Vietnam to an end.

Allard loved people. He was readily accessible to all who sought him. He loved this country. The carnage of war was totally unacceptable to him. Young Americans flocked to him and he embraced them with deep compassion and concern.

When he first ran for Congress he came to me. I was impressed by his warmth, his knowledge, his patriotism, and his intense commitment. We talked many times after that first meeting and I welcomed him to this body the day he was sworn in. I worked closely with Allard at the United Nations where his was a voice of reason in that chaotic Tower of Babel.

Allard was a gentleman in the truest sense of the word. While at times many disagreed with him, all respected him, his great abilities and his commitment.

He was a man of great wit, cheerful in the face of adversity, and quick to extend his hand in friendship and assistance. It is so tragic that he, a man of peace, would die from bullets from an assassin's gun piercing his heart.

Allard Lowenstein is gone now. But he will long be remembered. He has achieved a noble place in history.

It is with a profound sense of personal loss that I extend my deepest sympathies to his family and his friends.●

GENERAL LEAVE

Mr. OTTINGER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the life, character, and public service of our former colleague, the late Honorable Allard K. Lowenstein.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

□ 1210

THE LATE ALLARD K. LOWENSTEIN

(Mr. HARKIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HARKIN. Mr. Speaker, last Friday this Nation lost an American. Now one might ask, "What is so unusual about that? Americans die or meet uncertain fates every day." What was unusual about this loss was that a young man suffering from severe mental disorders put a handgun in his pocket, walked into an office in New York City, and snuffed out the life of a great American, Al Lowenstein.

Al Lowenstein was the embodiment of what it means to fulfill one's obligation as a citizen of America. He was a former Member of the House, he was an inspiration to thousands of young people throughout this country, he was a friend of all who believed in human rights, civil rights, justice, and compassion. He was also my friend and I shall never forget him nor cease to be inspired by his memory.

Al Lowenstein was more than ordinary—he was extraordinary. As Richard Cohen so aptly put it in an article in the Washington Post, Al Lowenstein was a person who "mattered": He "mattered" in all those issues and in all those struggles that seek to make the world a more peaceful and sane place to live. He "mattered" in all those issues that seek to make the human animal more knowledgeable, more humane, and more decent. In short, Al Lowenstein "mattered" in those issues which are the philosophical foundations of America: Liberty, equality, and justice.

Not long ago this Congress authorized a medal to be struck for another person, with the inscription on the medal: "American." Without detracting at all from that tribute, I would suggest that we strike another medal for Al Lowenstein: "Al Lowenstein, the American's American" for that is what he truly was and that is what he will always remain.

THE LATE ALLARD K. LOWENSTEIN

(Mr. WALGREN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WALGREN. Mr. Speaker, I too would like to add my words to those that have gone before in memory of the passing of Allard Lowenstein. I think it is fair to say that there is no other single individual in this Nation who was more responsible for the change in political winds that resulted in the ending of our participation in the violence in Vietnam. I think Al would probably want us to put aside our grief, and in that pursuit I wanted just to read several paragraphs from an article in a newspaper that he wrote in memory of Robert Kennedy on the 10th anniversary of that assassination. The words really apply to Al as much as to anyone. They are:

> He wanted everyone to see what seemed so obvious to him: that if people couldn't be roused to try to make a difference in the effort to "reclaim" their country, they would make a difference anyway by not trying.
>
> Almost alone he saw the nature of the lassoes that were hobbling the machinery of democracy, and he set out to weaken the hobblers and strengthen the hobbled.

And anybody who finds himself wishing on this occasion that Allard Lowenstein were still around knows what Al would be saying if he were—knows that we have dallied long enough, and that it is past time to try again to do better, to make a difference; past time to dream again of things as they ought to be, and to ask again why they are not.

ST. PATRICK'S DAY BLIZZARD OF GREEN INTO THE TREASURY

(Mr. ROUSSELOT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROUSSELOT. Mr. Speaker, properly so, you are displaying the green blazer for St. Patrick's Day, but there is another kind of blazer that we call a green blizzard. It was a green blizzard announced by the President of the United States in his so-called anti-inflation message that he presented to the Nation. It will be a green blizzard of money that will be coming to the Treasury of the United States, because once again the President is going to solve inflation by increasing the taxes that the people of the United States will have to pay, and pay, and pay. The hard working taxpayers will have to pay that new tax in the end products that come out of the refineries as a result of buying foreign crude oil.

A major plank of this "new" administration program, the import crude oil tax, is inflationary. The President himself said so in his own press conference right after he had announced this program. So you guessed it, the new tax is not anti-inflationary.

We should have a balanced budget.

I agree with that principle of inflation fighting. But not on the backs of the taxpayers of this country. We need both tax reduction in tax rates, and a major reduction in Federal expenditures—not a green blizzard in celebration of St. Patrick's Day that comes to the Federal Treasury in new tax dollars imposed on America's consumers.

INFLATION CANNOT BE STOPPED BY PRESIDENT CARTER'S PROGRAM

(Mr. KEMP asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KEMP. Mr. Speaker, more in sorrow than in anger, I believe President Carter's program to fight inflation will deepen the coming recession, fail to stop inflation, and fail, in the long run, to balance the budget.

Mr. Speaker, history records you cannot stop inflation with a recession. Slowing down the economy and letting unemployment go up is not a recipe for fighting inflation. Inflation is a decline in the value of the currency caused by the Government, an imbalance between the supply of money and the supply of goods. Not only must we increase the demand for our dollar by making it sound again, "as good as gold," but we must also increase the output of goods, the number of jobs, the supply of housing, and the productivity of individuals and businesses in private sector. Balancing the budget by raising taxes, imposing oil import fees, credit controls, withholding savings from earning interest, is a recipe for still lower savings, more unemployment, lower growth—and therefore more, not less, inflation.

□ 1220

The Congressional Budget Office estimates that, because they will increase unemployment from 5.8 to 8 percent, current economic policies will be throwing away $55 billion to $64 billion in lost revenue and higher spending.

A continued no-growth economic policy will be a tragedy for the American people. We cannot help America's poor by making America poor, and the policies designed by President Carter in his anti-inflation program announced Friday are designed to make our Nation poorer.

Mr. Speaker, we must produce our way out of inflation, and that will only come when we restore a sound dollar and reduce the tax and regulatory burden on the American people.

HOW ONE CALIFORNIA CORPORATION RESPONDS TO TRADE REQUESTS FROM IRAN

(Mr. LAGOMARSINO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LAGOMARSINO. Mr. Speaker, during the long and frustrating crisis of Americans held hostage in Iran, the American people have shown a patriotism and strength of spirit that have rejuvenated this country.

There have been countless ways Americans have expressed their solidarity and support for the hostages from ringing church bells to flag decals to prayers.

Another approach has been suggested by a company in California, the Talley Corp. Their subsidiary in Germany has gotten requests from Iran to purchase certain articles. The company's response to the request is:

> Delivery immediately from stock upon your release of hostages in Teheran!

If there are any U.S. companies still conducting business with Iran, that would be a good idea for them as well.

A RESPONSE FROM WISCONSIN TO ADMINISTRATION POLICIES

(Mr. ROTH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROTH. Mr. Speaker, Saturday, I had the opportunity to spend 4 hours talking with people at Super Ron's Food Center, Green Bay, Wis. If the comments heard from Mr. and Mrs. John Q. Public are indicative of temper of the times, then the American people are incensed and upset with Congress and the administration. President Carter's 10-cent-a-gallon gas tax increase proposal came under heavy fire. Comments like, "10 cents a gallon tax hits only the little man, not the millionaire" and "the President asks the American people to cut back on gasoline use and the President talks of balancing the budget to ease the burden on the taxpayers, then with the next breath, he announces 10 cents per gallon tax increase. The President asks all of us to cut back and then he boosts taxes. It doesn't make sense."

I kept a tally, 23 people were opposed to the gas tax increase and four people were in favor of the tax increase.

Many comments were made about the unfairness of the food stamp program. Most people were in favor of the concept of the food stamps but many were vocal, very vocal, in their opposition to the administration of the program. Comments range from, "I know a needy, 80-year-old woman who can't get food stamps, while college kids can. That's not fair." Another quote, "From what I see in supermarkets, people with food stamps buy exotic foods and out-of-season fruits." "It makes me mad to see people standing in front of me with food stamps buying things that I can't afford—convenience foods and the best cuts of meat. My husband and I must scrimp and save to make ends meet. I don't think the food stamp program is fair."

There were many other comments, but the above quotes generally epitomize the reaction of the customers to our food stamp program.

POLITICAL OPPORTUNISM, NOT COURAGE, SEEN AS BASIS FOR NEW ANTI-INFLATION PROGRAM

(Mr. LATTA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LATTA. Mr. Speaker, the President's fourth anti-inflation program in as many years can best be described in the words of William Shakespeare, "much ado about nothing." Rather than exercise leadership and courage, the President has abdicated his responsibilities to the Congress—a body with an even worse track record when it comes to controlling inflation.

First, he has not presented a balanced budget by restraining spending $14 billion. Instead, he has unilaterally imposed a big new tax on imported oil which will push up gasoline prices an additional 10 cents a gallon on top of the 60-cents-a-gallon price increases Americans have had to absorb already this past year. The revenues from this new tax, I repeat, new tax, will nearly be sufficient to balance the budget without any spending cuts. Not only is a new tax totally the wrong economic medicine, but a new tax on gasoline only punishes American motorists who have already reduced gasoline usage significantly.

Second, with the exception of a few instances, he has not been specific in slowing spending in nondefense areas. After 2 weeks of around-the-clock meetings, all his administration could do was promise to send up a list of budget reductions some 2 weeks hence. In short, Carter will send up his new budget only after the Budget Committee has marked-up and reported out its own budget resolution for next year. He is trying to get the political credit for cutting the budget in the abstract while Congress takes the heat of deciding exactly which programs must be cut back. This is not courage, it is pure political opportunism.

Finally, for all his tough talk about rebuilding our national defense, Carter has announced that he intends to effectively cut the 1981 defense budget by over $4½ billion by requiring the Department of Defense to absorb higher fuel costs of that amount by cutting back other high priority programs. So the message the President has given the American people is that he intends to fight inflation and balance the budget by raising taxes on the working people and by cutting back on our already woeful defense and national security resources. This, my colleagues, is a recipe for disaster.

PRESIDENT PURSUES REPUBLICAN GOAL—A BALANCED BUDGET

(Mr. HAGEDORN asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. HAGEDORN. Mr. Speaker, with inflation running at 19 percent, with interest rates rising every day to currently 18½ percent, and with unemployment unacceptably high, I join other Republicans in support of part of the President's recently announced anti-inflation package. After three budgets with record high deficits, I am pleased that he has finally committed himself to a goal which Republicans have pursued for 25 years—a balanced budget.

Nearly 2 months ago, the President submitted a budget which he hailed as "prudent and responsible." Now he is telling us that budget is not good enough. Why did he not submit a balanced budget 2 months ago?

I find it difficult to believe that economic circumstances have changed as drastically as the President said over that short period of time. Clearly, at least part of what he said last week was politically motivated. His proposed 10-cents-per-gallon tax on gasoline will only exacerbate the inflationary pressures we feel today. His call for banks to withhold taxes on interest income would only further discourage savings at a time when personal saving is at an all-time low, and it is simply a charade by speeding up the collection of revenues.

A BILL TO REDUCE FOOD DISTRIBUTION COSTS—TRIBUTE TO THE LATE HONORABLE ALLARD K. LOWENSTEIN

(Mrs. FENWICK asked and was given permission to address the House for 1 minute.)

Mrs. FENWICK. Mr. Speaker, I had intended this morning to speak on behalf of a bill which I think is urgently needed, a bill to cut the cost of distributing food by simply removing all food for human consumption from the control and aegis of the Interstate Commerce Commission. This would drop the cost of food by something between 19 and 33 percent by reducing the cost of distributing food, and certainly our people need that relief in these times of inflation.

But, Mr. Speaker, today we have a tragedy which has pushed some of these things a little bit to one side for the moment, and that is the death of our former colleague, my good friend, Allard Lowenstein.

I worked most closely with him for some time, particularly on behalf of the questions concerning Rhodesia/Zimbabwe and the elections there. I do not think in all my long years in working for causes I have ever met anyone who had a purer spirit or a more devoted and clear-minded acceptance of the truth.

Allard Lowenstein was not a man who was bound by prejudice and bias in any direction. He sought the truth. He sought to do good. He did good, and he found the truth in so many places and in so many ways.

Mr. Speaker, his death is a great loss to our country.

CUTTING TAXES AND GOVERNMENT SPENDING WOULD FIGHT INFLATION

(Mr. GINGRICH asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. GINGRICH. Mr. Speaker, the President's proposed tax increases fight inflation by increasing the cost of living for Americans. That is like fighting a fire by pouring gasoline on it.

We cannot help America by hurting individual Americans. These tax increases will make it harder for Americans to buy groceries, to drive to work, and to heat their homes. The issue is whether the Government cuts its spending or whether it forces Americans to cut their spending. The President has chosen to cut Government spending in Washington by hurting each American's ability to spend.

Mr. Speaker, we must reject tax increases as a budget balancing strategy, and instead we must balance the budget by cutting spending and cutting taxes.

A TRIBUTE TO THE LATE HONORABLE ALLARD K. LOWENSTEIN

(Mr. WEISS asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. WEISS. Mr. Speaker, not just his family and friends but the people of this Nation and of the entire world suffered a tremendous loss in the death of Allard Lowenstein on Friday.

Al Lowenstein fought injustice all his life, whether that injustice occurred around the corner or halfway around the world. I had the privilege of his friendship for almost 25 years and the special joy of being associated with him in some of the many important causes on which he spent his life. He became actively engaged in the very first political campaign in which I participated as a candidate in 1959, throwing himself into our then losing effort to reform the local Democratic organization, immediately upon returning from a very dangerous trip from what was then called South-West Africa, now Namibia. A mutual friend of ours, Bob Wechsler, who went to grade school with Al Lowenstein remembers when they were 7 or 8 years old and Allard collecting money for the Spanish loyalists in their fight against Franco in the Spanish Civil War.

Mr. Speaker, there are never enough people like Allard Lowenstein around. His loss would always be a severe one. Especially this time when so much of the world is in despair his loss devastates us beyond words.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore (Mr. MURTHA) laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
March 14, 1980.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Office of the Clerk at 11:50 a.m. on Friday, March 14, 1980, and said to contain a message from the President wherein he transmits to the Congress the annual report on Cash Awards for Military Personnel for fiscal year 1979.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.
By W. RAYMOND COLLEY,
Deputy Clerk.

ANNUAL REPORT ON CASH AWARDS FOR MILITARY PERSONNEL FOR FISCAL YEAR 1979—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Armed Services and the Committee on Merchant Marine and Fisheries.

(For message, see proceedings of the Senate, CONGRESSIONAL RECORD, March 14, 1980, p. 5564.)

☐ 1230

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
March 14, 1980.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Office of the Clerk on Thursday, March 13, 1980 at 4:54 p.m., and said to contain a message from the President wherein he transmits a report on the pay adjustment ordered for the Federal statutory pay systems in October 1979 and March 1980.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.
By W. RAYMOND COLLEY,
Deputy Clerk.

REPORT ON PAY ADJUSTMENT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 96–281)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Post Office and Civil Service, and ordered to be printed:

(For message, see proceeding of the Senate, CONGRESSIONAL RECORD, March 14, 1980, p. 5565.)

THE 12TH, 13TH, and 14TH ANNUAL REPORTS OF THE NATIONAL ENDOWMENT FOR THE HUMANITIES—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Education and Labor:

To the Congress of the United States:

In accordance with the provisions of the National Foundation on the Arts and the Humanities Act of 1965, as amended, I transmit herewith the 12th, 13th and 14th annual reports of the National Endowment for the Humanities. These reports cover the activities of the Endowment during Fiscal Years 1977, 1978 and 1979.

JIMMY CARTER.

THE WHITE HOUSE, *March 17, 1980.*

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provision of clause 3(b) of rule XXVII, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas or nays are ordered, or on which the vote is objected to, under clause 4 of rule XV.

Such rollcalls, if postponed, will be taken on Tuesday, March 18, 1980.

AUTHORIZING THE STRIKING OF BICENTENNIAL MEDALS

Mr. ANNUNZIO. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 1515) to authorize the striking of bicentennial medals, as amended.

The Clerk read as follows:

S. 1515

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in commemoration of the adoption of the Constitution of the United States of America and of those individuals who participated in the American Revolution, the Secretary of the Treasury shall strike and furnish to the United States Capitol Historical Society (hereinafter referred to as the "Society") not more than fifty thousand medals each year with suitable designs, emblems, and inscriptions to be determined by the Society, with the concurrence of the Commission of Fine Arts, subject to the approval of the Secretary of the Treasury. Subject to the availability of the production facilities of the Bureau of the Mint, the medals shall be struck and delivered at such time as may be required by the Society in quantities not less than two thousand medals of each alloy authorized in this Act, but no medals shall be struck after December 31, 1989. The medals shall be considered to be national medals within the meaning of section 3551 of the Revised Statutes (31 U.S.C. 368).

SEC. 2. The medals shall be furnished by the Secretary of the Treasury to the Society at a price equal to the cost of manufacture, including labor, materials, dies, use of machinery, and overhead expenses, plus a surcharge equal to 50 per centum of such cost of manufacture. Such surcharge shall be deposited in the Treasury as miscellaneous receipts. Security satisfactory to the Director of the Mint shall be furnished by the Society to indemnify the United States for full payment of the costs of manufacture.

SEC. 3. The medals authorized to be issued pursuant to this Act shall be struck in bronze, silver, and gold and shall be of such size or sizes as is determined by the Secretary of the Treasury in consultation with the Society.

SEC. 4. No agreement or contract shall be entered into, directly or indirectly, by the society and any person for the marketing of the medals authorized by this Act. All gross proceeds arising from the sale of the medals authorized by this Act shall accrue, in their entirety, to the Society.

SEC. 5. The Comptroller General of the United States shall have the right to examine all books, records, documents, and other data of the Society as may be related to the medals authorized by this Act, including all records and documents pertaining to the marketing of the medals.

The SPEAKER pro tempore. Is a second demanded?

Mr. LEACH of Iowa. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Illinois (Mr. ANNUNZIO) will be recognized for 20 minutes, and the gentleman from Iowa (Mr. LEACH) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Illinois (Mr. ANNUNZIO).

Mr. ANNUNZIO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, S. 1515 provides for the striking of medals by the U.S. Mint for sale by the U.S. Capitol Historical Society.

As many of our Members know, the President of the U.S. Capitol Historical Society is our former colleague Fred Schwengel from the State of Iowa. As president of the society he has played a very important role and has earned the accolades of many of the Members and those people who visit the Capitol.

I should also like to point out that many Members of Congress are members of the board of the U.S. Capitol Historical Society. The society is a non-profit organization which conducts educational and artistic programs in honor of the Capitol's role as a symbol of American democracy.

The bill provides that the Mint shall strike for the Society not more than 50,000 medals a year through 1989. These medals will commemorate events and individuals who played important roles in the founding of our country. There will be no expense to the Government because of this legislation. In fact, it will actually bring receipts into the Treasury. The Mint wil be reimbursed for the medals at a price equal to the cost of manufacture plus a 50-percent surcharge. This surcharge accomplishes a number of important objectives. First, it reimburses the Government for the added value and prestige that accompany medals struck by the Mint. Second, it assures that the Mint does not compete unfairly with private manufacturers of medals. Finally, it assures that the Government is fully compensated for all of the indirect costs of manufacturing these medals and that the manufacture of these medals will in no way contribute to the Federal deficit. The bill contains an additional safeguard concerning the cost of manufacturing of these medals. The society is required to post security sufficient to indemnify the United States for full payment of the cost of manufacture.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. ANNUNZIO. I yield to my friend, the gentleman from California.

Mr. ROUSSELOT. I appreciate my colleague's yielding.

Then this project is self-supporting?

Mr. ANNUNZIO. It is.

Mr. ROUSSELOT. That is fantastic and something new here on the floor. I want to compliment the gentleman.

Mr. ANNUNZIO. I appreciate the comments of my good friend, the gentleman from California. But I think the Capitol Historical Society deserves, as I mentioned in my remarks, the accolades. They have done a tremendous job.

Mr. ROUSSELOT. If the gentleman will yield further, he is absolutely correct. Our former colleague Fred Schwengel has done an excellent job.

Mr. ANNUNZIO. As are other Members of Congress who are members of the Board and are doing this fantastic work. As the gentleman knows, the evidence is around the Capitol. An example is the restoration of the painting project of the corridors and the ceilings.

Mr. ROUSSELOT. By Mr. Cox.

Mr. ANNUNZIO. The money, the profits, that come out of the sale of these medals will go to defray expenses of that type of work.

Mr. ROUSSELOT. Mr. Speaker, I want to compliment both the gentleman from Illinois (Mr. ANNUNZIO) and my colleague, the gentleman from Iowa (Mr. LEACH), for bringing this very worthwhile piece of legislation to the floor.

Mr. ANNUNZIO. Mr. Speaker, in order that the society get maximum benefit from the sales, the bill prohibits the Society from entering into any agreements or contracts for the marketing of these medals. All gross proceeds from the sale of medals shall accrue to the Society.

Mr. Speaker, I believe that the United States Capitol Historical Society serves a valuable function in maintaining and teaching people about this most historic building of American democracy. These medals will enable the society to continue its active role in making the Capitol worthy of the respect it receives.

I urge all of my colleagues to support and vote for the passage of this legislation.

Mr. LEACH of Iowa. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the bill.

Mr. Speaker, the bill that is before us today would authorize the issuance of national medals annually until December 31, 1989, in commemoration of the adoption of the Constitution of the United States of America and of those individuals who participated in the American Revolution. The bill would direct the Secretary of the Treasury to strike the medals, not more than 50,000 each year, and furnish them to the U.S. Capitol Historical Society upon full reimbursement of cost, plus a surcharge equal to 50 percent of the manufacturing cost.

The society, a privately financed, nongovernmental organization, would then sell the medals to the general public and use the sales proceeds for various projects connected with the Capitol and the Library of Congress.

These Bicentennial national medals are intended to extend the now expired national medal program authorized by Congress for the American Revolution Bicentennial Administration in 1972. In the act of 1972, the Congress authorized the ARBA to issue a series of commemorative medals for the Bicentennial, and to use the funds raised from the sale of the medals for matching grants supporting various Bicentennial projects throughout the Nation. Unlike ARBA, however, which was a part of the Federal Government, the society is a non-Governmental privately financed organization. Therefore, the role of the Mint in this instance would be limited to the production of the medals for the society.

The striking of national medals by the Mint for a nongovernmental organization would be consistent with approximately 3 decades of practice. Since the early 1950's, the Congress has passed legislation on over forty different occasions authorizing the Mint to produce national medals at cost for nongovernmental sponsoring groups. Such authorizations have served both to honor an individual or commemorate an event of national importance and to generate funds for objectives associated with the commemoration of the particular individual or event.

Mr. Speaker, during its 15-year history, the U.S. Capitol Historical Society has served to encourage an understanding and appreciation of the founding, growth, and significance of the Capitol Building as the tangible symbol of our representative Government. Each Member of the Congress is a member of the society but it does not receive an appropriation from Congress.

The society's unique relationship with the Congress and the Capitol Building make it the most appropriate organization to carry out restoration of the Capitol Building and to research the history of the Congress.

Finally, it would be remiss of me not to stress the outstanding job done by my predecessor as Representative from the First District of Iowa, Mr. Fred Schwengel, who as head of the Capitol Historical Society has been responsible for so many worthwhile historical and architectural initiatives related to this body and this great building.

The society has done a good job and this series of medals will appropriately support it as well as honor an important part of our heritage.

□ 1240

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. LEACH of Iowa. I yield to the gentleman from Maryland.

Mr. BAUMAN. I notice under the legislation before us, the U.S. Capitol Historical Society, and I assume its board of directors, together with the Secretary of the Treasury, will decide what these medals will commemorate when they are struck.

My concern is that the Congress may be ceding to an independent or semi-independent private group the right to strike medals and to make these decisions.

Could the gentleman from Iowa tell us what restrictions or what plans the society may have so that in fact the medals are confined to the area of interest to the society?

Mr. LEACH of Iowa. First, let me assure the gentleman from Maryland that these will honor an historical period from 1776 to 1789. Secondly, as far as medal design, they will have to be approved by the Fine Arts Commission as well as the Secretary of the Treasury, so there will be a final governmental protection on the designs as well as the purpose of the medals.

Mr. BAUMAN. We will not see the Society issuing medals to commemorate individuals or current events now happening or anything such as we are usually asking this Congress to do?

Mr. LEACH of Iowa. There will be a sense of history attached to these medals, and there may be individuals honored.

I would assure the gentleman those individuals would have been deceased by almost 2 centuries.

Mr. Speaker, I yield back the balance of my time.

Mr. ANNUNZIO. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Illinois (Mr. ANNUNZIO) that the House suspend the rules and pass the Senate bill, S. 1515, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ANNUNZIO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Senate bill, S. 1515.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

GOLD MEDAL FOR A. PHILIP RANDOLPH

Mr. ANNUNZIO. Mr. Speaker, I move to suspend the rules and pass the bill, H.R. 5625, authorizing the President of the United States to present a gold medal to the A. Philip Randolph Institute, as amended.

The Clerk read as follows:

H.R. 5625

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the President is authorized to present in the name of Congress, an appropriate gold medal to the A. Philip Randolph Institute, in recognition of A. Philip Randolph's life-long advocacy of peaceful change on behalf of workers and minorities. For such purposes, the Secretary of the Treasury shall cause to be struck a gold medal with suitable emblems, device, and inscriptions to be determined by the Secretary. There are authorized to be appropriated not to exceed $20,000 after October 1, 1980, to carry out the purposes of this subsection.

(b) The Secretary of the Treasury may cause duplicates in bronze of such medal to be coined and sold under such regulations as he may prescribe, at a price sufficient to cover the cost thereof, including labor, materials, dies, use of machinery, overhead expenses, and the gold medal, and the appropriation used for carrying out the provisions of this Act shall be reimbursed out of the proceeds of such sale.

(c) The medals provided for in this Act are national medals for the purpose of section 3551 of the Revised Statutes (31 U.S.C. 368).

The SPEAKER pro tempore. Is a second demanded?

Mr. LEACH of Iowa. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Illinois (Mr. ANNUNZIO) will be recognized for 20 minutes, and the gentleman from Iowa (Mr. LEACH) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Illinois (Mr. ANNUNZIO).

Mr. ANNUNZIO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 5625 would authorize the President to present on behalf of Congress a specially struck gold medal to the A. Philip Randolph Institute. This medal is in recognition of A. Philip Randolph's lifelong advocacy of peaceful change on behalf of workers and minorities.

A. Philip Randolph dedicated his entire life to improving the standards of all Americans while adhering to the principle of nonviolent action. He was one of the pioneers of the American labor movement and his activities have benefited all.

In 1925 he organized the Brotherhood of Sleeping Car Porters. During the 1930's his activities in the trade union movement helped shape the National Labor Relations Act. He was also active in the 1955 merger of the AFL–CIO.

Throughout his life he was a man whose leadership flowed from the depth of his humanity. His determination to work peacefully within the framework of the American system remained unshaken. His determination and example showed that it was possible.

It would have been easy for him, after personally suffering from oppression and prejudice, to turn toward easy totalitarian solutions. However, he understood that systems based on total power could easily trample the most basic human rights and commit crimes against humanity. He was able to avoid the easy but erroneous path of radicalism without sacrificing his determination to better the condition of workers and all humanity.

This bill also authorizes the striking of bronze duplicates for sale to the public. It requires the appropriation for the gold medal be reimbursed from the sale of the duplicates. These bronze medals will be sold at a price sufficient to recover the cost of the gold medal. The sale of the bronze duplicates allows people to participate in honoring A. Philip Randolph and also defrays the cost of the gold medal.

I knew A. Philip Randolph when he was alive and I am acquainted with his tremendous contributions to the labor movement. I think it is fitting that he be honored as a pioneer in securing human rights and the rights of individuals. We can show that gratitude by presenting this gold medal to the Institute named for him and dedicated to carrying on his principles.

Mr. LEACH of Iowa. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of this bill.

Mr. Speaker, this bill would authorize the President of the United States to present a gold medal to the A. Philip Randolph Institute in recognition of A. Philip Randolph's life-long advocacy of peaceful change on behalf of workers and minorities.

A. Philip Randolph organized the Brotherhood of Sleeping Car Porters in 1925. It was the first black union granted a charter by the American Federation of Labor. Mr. Randolph was one of the most effective advocates of racial equality in this country in modern times. At a time when American society was plagued with segregation practices, he was one of the first to use economic power to better the lives of black citizens.

In 1955, when the AFL merged with the Congress of Industrial Organizations to form the AFL–CIO, Mr. Randolph was instrumental in persuading it to ban discrimination in unions. In 1957, he became a vice president of the AFL–CIO.

Mr. Speaker, A. Philip Randolph's horizons were broader than the union he founded. He was a major force in opening war industries in World War II to black workers and in persuading President Harry Truman to end segregation in the armed services after the draft was reinstituted in 1948 during the first days of the cold war.

He was an organizer of no less than five marches on Washington, including the massive demonstration led by the late Dr. Martin Luther King in August 1963. That march was a significant factor in the passage of the 1964 Civil Rights Act. The legislation outlawed discrimination in public places of accommodation, employment, and unions.

It thus embodied the goals for which Mr. Randolph strived for most of his life.

Among his other concerns was segregation in the Nation's school systems, and his death occurred on the eve of the 25th anniversary of the U.S. Supreme Court's historic decision in the Brown against Board of Education case which outlawed the separate-but-equal standard which had prevailed in many of the Nation's public school systems.

Mr. Speaker, the A. Philip Randolph Institute was established to promote cooperation between labor and the black community. It is fitting that this gold medal be struck for such a commendable purpose honoring such a commendable life of public service.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. LEACH of Iowa. I yield to the gentleman from California.

Mr. ROUSSELOT. I thank the gentleman for yielding.

My understanding is that normally before this kind of legislation is brought forward, striking a medal of some kind, that usually we made the attempt to get at least 218 sponsors for this kind of legislation.

I understand my colleague from Illinois may introduce legislation on this subject. Is that correct?

Mr. ANNUNZIO. Mr. Speaker, will the gentleman yield?

Mr. LEACH of Iowa. I yield to the gentleman from Illinois.

Mr. ANNUNZIO. I thank the gentleman for yielding.

I am happy that the gentleman from California (Mr. ROUSSELOT), my good friend, has asked that question. We have two more bills before our subcommittee dealing with gold medals, and there also is the bill for the hockey team and the Eric Heiden medal.

I would like to make a statement. I made a public statement on the floor, and I want to reiterate my statement.

Since some Members have expressed a concern that the significance of the gold medal has been reduced, I have decided to institute a new policy, and this policy is in effect after the last two bills that I mentioned.

Mr. ROUSSELOT. Why not now?

Mr. ANNUNZIO. In other words, I wanted to complete the business of the committee.

I have decided to institute a new procedure that will make certain only events and individuals that have truly contributed to the history of this country will be considered for gold medals.

From now on, any gold medal legislation, and I want the Members to understand this, referred to the Consumer Affairs Subcommittee, must have 218 cosponsors before the legislation will be considered by the subcommittee. This procedure will be similar to that adopted by the Committee on Post Office and Civil Service in dealing with legislation establishing special weeks or days of the year.

This new procedure should make certain, by requiring a majority of the greatest deliberative body in the world to cosponsor a medal bill, that only the most important acts and individuals will be honored.

Mr. ROUSSELOT. If the gentleman will continue to yield, I want to compliment my colleague from Illinois for instituting this proceeding, because as he has already mentioned, the Committee on Post Office and Civil Service, before they issue resolutions relating to Milk Day or something like that, require at least 218 Members to show that a majority are in favor of whatever that is; and I certainly think that should apply to medals that are being issued.

I am sorry our colleague and chairman of the committee (Mr. REUSS), who introduced this legislation is not here to tell us why Mr. A. Philip Randolph has made such an outstanding contribution.

I know he was president of the union, and I guess he did not sleep much, but I do believe that we should have an explanation of why Mr. Randolph has made such a major contribution to America when he was living, so that we should be striking a medal.

I am sorry I do not see anywhere our colleague from Wisconsin and chairman of the committee, but I am sure he will want to revise and extend his remarks when the gentleman gets permission to do that.

□ 1250

I am very familiar with the activities of Mr. Randolph. I am not sure he is one of the greatest Americans of all time; but then I will not comment on that, because I am sure the gentleman from Wisconsin (Mr. REUSS) will want to be here and tell us the great contribution he made; but I thank my colleague, the gentleman from Iowa, for yielding; since if we have a vote on this it will be put over until tomorrow, I assume, so maybe the gentleman from Wisconsin (Mr. REUSS) will be back and can take a 1 minute speech tomorrow and tell us all about it.

Mr. VOLKMER. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I do not have the time.

Mr. VOLKMER. Mr. Speaker, will the gentleman yield?

Mr. LEACH of Iowa. Mr. Speaker, I will yield in 1 minute; but I would first like to respond.

As a minority member of the Committee on Banking, I think it is entirely appropriate that A. Philip Randolph be honored in this way. He was one of the most significant black leaders in this century and in this country. I would certainly hope, speaking for the minority, that this bill will be well received by this body.

Mr. VOLKMER. Mr. Speaker, will the gentleman yield?

Mr. LEACH of Iowa. I will be happy to yield to the gentleman from Missouri.

Mr. VOLKMER. Mr. Speaker, I, too, wish to congratulate the gentleman from Illinois for the new procedure that is going to be followed henceforth. As one who has shown concern for the question of reducing the value of what we are doing and making sure that those who do receive the gold medal know its noteworthiness for receiving it, and I do wish to congratulate the gentleman for the new procedure.

I thank the gentleman very much for yielding the time.

Mr. MAGUIRE. Mr. Speaker, will the gentleman yield?

Mr. LEACH of Iowa. I am happy to yield to the gentleman from New Jersey.

Mr. MAGUIRE. Mr. Speaker, I thank the gentleman for yielding.

I join the debate simply out of surprise, really, at the tone of some of the remarks from my friend, the gentleman from California. I am sure that someone who has studied the history of our country as thoroughly as the gentleman has would recognize the quite unique and very profound impact that A. Philip Randolph had over a series of decades on the social, economic, and political, and of course, particularly the civil rights aspects of our Nation's history in this century.

I wanted simply to thank the gentleman from Iowa for his very excellent comments, and also the gentleman from Illinois for his remarks.

It seems to me a very appropriate and important thing that we do here today. I wanted to join with the majority and the minority leadership of the committee in expressing that view.

I thank the gentleman for yielding.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. LEACH of Iowa. I would be happy to yield to my colleague, the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, I appreciate my colleague yielding.

I am sorry that my colleague, the gentleman from New Jersey, did not understand my tone. I thought it was pretty direct. I have some real questions as to whether Mr. Randolph is the greatest leader we have had in the union movement or the labor movement.

I would think Mr. Meaney would have been far ahead of this gentleman in the consideration. I think there are many others in the labor and union movement for whom we could strike medals that are head and shoulders above the contribution made by Mr. Randolph to the workingmen of the country; so if my tone was somehow considered improper, I was just questioning this.

The gentleman can see how many people there are on the floor and I am just sorry that the sponsor of the resolution was not here. That gentleman certainly does not have 218 cosponsors. That does not mean he needs them to bring this to the floor; but when we are going to take consideration of something as important as giving recognition to a national leader, I think there are many more who have contributed to the labor unions and labor movement that far exceed what they have done than this gentleman.

I thank my colleague for yielding.

Mr. WEISS. Mr. Speaker, will the gentleman yield?

Mr. LEACH of Iowa. I am happy to yield to the gentleman from New York.

Mr. WEISS. Mr. Speaker, I thank the gentleman for yielding to me.

There is a colloquialism that I am sure my colleagues have heard from time to time about when people have not either grasped or were not present or for some reason did not understand the thrust of an argument and the colloquialism is that somebody was "out to lunch."

Now, I do not want to suggest that the gentleman from California was out to lunch while the comments of the distinguished gentleman from Illinois were being made; but I was present and I think the gentleman was, too, and perhaps the gentleman was distracted for a moment. I heard a very scholarly presentation made by the distinguished gentleman from Illinois and the distinguished gentleman from Iowa in which they spelled out the very real and very significant contributions which were made by Mr. Randolph over decades and decades of American history. One of the more recent events they referred to occurred in 1963, the march on Washington which culminated in the 1964 Civil Rights Act. Another was the action of Mr. Randolph in pursuading Mr. Truman to desegregate the Armed Forces of the United States, and still another, of course, was the role that he played in building a national labor movement which for the first time recognized the rights of all workers, black and white. I do not think it takes anything away from any other distinguished American, who also may be entitled to a gold medal, to suggest, as the gentleman from Illinois and the gentleman from Iowa have done, that we vote to present a medal in honor of A. Philip Randolph. In Mr. Randolph, we have an American eminently qualified for this honor which we are now asked to bestow upon him.

I thank the gentleman for yielding.

Mr. LEACH of Iowa. Mr. Speaker, I will yield further in 1 minute, but I would first make the comment that the gentleman from New York is entirely right on the achievements of Mr. Randolph. I regret the gentleman's reference to a colleague of mine being out to lunch, because I do not believe the gentleman from California is anything except a studious Member of this body and his views should be heard.

Mr. Speaker, I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, I appreciate my colleague yielding.

I want to assure my colleague, the gentleman from New York, that I have never been "out to lunch," and I am certainly not as much "out to lunch" as the sponsor of this resolution today; but in any regard, I want to say to my colleague that I have followed very closely the history and the "accomplishments" of A. Philip Randolph.

As a matter of fact, there were times when I used to include quotes from him in some of my remarks that I would make when I was giving a talk or addressing a group, especially as it relates to the March on Washington. I am very familiar with that, and all the activities that occurred around that and some of the violence that occurred with it; but regardless of that, I paid great attention to what my colleague, the gentleman from Illinois said. I always do, and I know that one reason the gentleman is presenting this here today is because our chairman of the committee unfortunately could not be here to tell us why we should be passing this resolution.

I appreciate my colleague, the gentleman from Iowa, suggesting that I am not "out to lunch." I appreciate that support.

I will be glad to take my colleague, the gentleman from New York, out to lunch if the gentleman is interested.

Mr. WEISS. I accept the invitation.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. LEACH of Iowa. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Speaker, I thank the gentleman from Iowa for yielding.

My remarks are without regard to the recipient of this medal authorized in the pending legislation, which is not A. Philip Randolph, but the Randolph's Institute, since Mr. Randolph has passed on some years ago.

The debate that has just preceded my remarks raises the entire question that bothers me, and that is whether or not the Congress of the United States should be in the medal awarding business. I am indebted to the minority staff of the subcommittee for information that has been provided to me today regarding the recent habits of the Congress in granting medals.

Between 1970 and 1979, only four congressionally authorized gold medals were authorized; but in the last year or so, there has been a whole spate of medals being issued by the Congress. It apparently is the coming thing.

I congratulate the gentleman from Illinois for instituting a new procedure that will put a cap on this kind of medal activity, I hope.

Mr. ANNUNZIO. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. Yes, of course, I yield to the gentleman.

Mr. ANNUNZIO. Mr. Speaker, in the spirit of further cooperation with all the Members, I made a statement that the Olympic medals bill would take a retroactive position; but in order to work; together, I am going to notify the members of my subcommittee that unless 218 members sponsors the legislation for gold medals for the Olympic hockey team and Eric Heiden, that bill will not come to the floor of the House.

Mr. BAUMAN. Mr. Speaker, I thank the gentleman, if the gentleman from Iowa will continue to yield, for that further elaboration. I think it is a good rule and it should be instituted immediately and I applaud that; but I would point out that the medals that have been issued since 1970 have included Roberto Clemente, Marian Anderson, Lt. Gen. Ira Aker, who was an aviation pioneer and an Air Force leader; Robert F. Kennedy, John Wayne, the three gentlemen who crossed the Atlantic in a balloon; Hubert Humphrey, and the American Red Cross. That was through last December.

Now, in recent days we have been called upon to issue other medals and we have another one for the A. Philip Randolph Institute before us today.

Now, the statement has been repeatedly made that these medals pay for themselves. According to a letter, dated March 14 from the Director of the Mint, Stella B. Hackel, these medals do not pay for themselves. Specifically, the question was asked as follows:

> Generally speaking is the mint losing money on the sale of congressionally authorized medals?

☐ 1300

The answer is, "Up to this time, excluding the John Wayne medal, the Mint has been losing money on the sale of individually congressionally authorized medals."

In response to a question about the bronze duplicates and whether they have paid for themselves through the medal sales, the response was, "Sales of bronze duplicates of congressionally authorized gold medals have not offset the costs of any recently struck gold medals. However, the large sales volume of the John Wayne bronze duplicate should result in a net profit to the Bureau of the Mint."

So I think the Members should realize when they are voting on these bills they are voting for a cost of about $20,000 for the production of a gold medal alone, and another $20,000 or more, depending upon the amount of medals issued. In the case of John Wayne it is more in the neighborhood of about $600,000 because of the large number issued. Unless these medals pay for themselves, obviously I do not think any of them should be struck unless there is a very compelling need. I have not seen that need demonstrated and I think it is about time to call a halt. Just as in the case of legislating special days of the month, and weeks of the year, and so on, it is a nice gesture, and it makes some people happy, and Members like to pass such bills because it gives them some standing with various groups and individuals. But the practice has just gotten out of hand and it ought to stop.

At this point I include the full text of the letter:

BUREAU OF THE MINT,
Washington, D.C., March 14, 1980.

Mr. FRANK MAGUIRE,
Minority Counsel, Subcommittee on Consumer Affairs of the Committee on Banking, Finance, and Urban Affairs, Washington, D.C.

DEAR MR. MAGUIRE: Thank you for your letter of March 3, 1980 requesting information about Congressionally authorized medals produced by the U.S. Mint.

Our response to your questions as stated in the above mentioned letter is as follows:

Q. How many Congressionally authorized gold medals has the Mint struck over the past ten years?

A. Between January 1, 1970 and December 31, 1979 the Mint struck four Congressionally authorized gold medals. Since November 1978, legislation has been approved authorizing six additional gold medals including one group award. Design and engraving work for these gold medals is now in progress. We expect to have the medals available for presentation during 1980. In addition, it is our understanding that two more Congressionally authorized gold medal bills have recently been passed.

Q. What was the purpose of each medal and to whom was each presented?

A. The recipient and purpose for each gold medal and the authorizing legislation are as follows:

1. Roberto Clemente. Public Law 93–33, approved May 14, 1973 "in recognition of the outstanding athletic, civic, charitable, and

humanitarian contributions of Roberto Clemente." The Law provided that one gold medal be struck and furnished to the Chamber of Commerce of Greater Pittsburgh, PA to be awarded at the discretion of that organization. It is our understanding that the gold medal was presented to Mr. Clemente's widow.

2. Marian Anderson. Public Law 95–9, approved March 8, 1977 "in recognition of her highly distinguished and impressive career of more than half a century; for untiring and unselfish devotion to the promotion of the arts throughout the world, including establishment of scholarships for young people; and for contributions to the cause of world peace through her work as U.S. delegate to the United Nations." The President presented the gold medal to Miss Anderson on October 16, 1978.

3. Lt. General Ira C. Eaker. Public Law 95–438, approved October 10, 1978 "in recognition of his distinguished career as an aviation pioneer and Air Force leader." The gold medal was presented to General Eaker by the Chief of Staff of the Air Force on December 17, 1979.

4. Robert F. Kennedy. Public Law 95–550, approved November 1, 1978 authorized "a gold medal to Mrs. Robert F. Kennedy in recognition of the distinguished and dedicated service which her late husband gave to the Government and the people of the United States." Die work for the gold medal is now in progress.

5. John Wayne. Public Law 96–15, approved May 26, 1979 "in recognition of his distinguished career as an actor and his service to the nation." Secretary of the Treasury Miller presented the gold medal to the family of the late Mr. Wayne on March 6, 1980.

6. Transatlantic Balloonists (Ben Abruzzo, Maxie Anderson, and Larry Newman). Public Law 96–20, approved June 13, 1979 "in recognition of their distinguished feat as aviation pioneers." Die work for the gold medals is now in progress.

7. Hubert Humphrey. Public Law 96–21, approved June 13, 1979 "authorized gold medal to Mrs. Hubert H. Humphrey in recognition of the distinguished and dedicated service which her late husband gave to the Government and to the people of the United States." Die work for the gold medal will be completed in April 1980.

8. The American Red Cross. Public Law 96–138, approved December 12, 1979 "in recognition of its unselfish and humanitarian service to the people of the United States." Design work for the gold medal is now in progress.

Q. What was the total cost to the Mint for each gold medal?

A. The average cost for the Marian Anderson, Lt. General Eaker and the John Wayne gold medals was $19,000 each. This includes designs, engraving, die manufacture and gold cost. In 1971 the Mint purchased a quantity of gold strip for use in producing medals. The market price of gold at that time was less than $40 per fine ounce. The supply of this gold strip was exhausted with the striking of the John Wayne medal. To produce additional gold medals, gold strip purchases will be charged to the Mint appropriation at either official or market price depending upon legal determination.

Q. In those cases where bronze duplicates were authorized for the sale to the public, how much money did the Mint receive from the respective sales?

A. Roberto Clemente: 2,000 3-inch bronze, $17,327.50; 2,000 1$\frac{5}{16}$-inch bronze, $4,124.00.

The Law provided that the bronze duplicates be struck and furnished to the Chamber of Commerce of Greater Pittsburgh and the Mint fully reimbursed for the costs by the Chamber of Commerce.

Marian Anderson: 319 3-inch bronze, $2,233.00.

Lt. General Ira C. Eaker Bronze duplicates not yet available.

John Wayne: Approx. 40,000 3-inch bronze, $320,000.00; approx. 250,000 1$\frac{5}{16}$-inch bronze, $250,000.00.

Q. What was the total cost to the Mint for striking each of the bronze duplicates?

A. Roberto Clemente: 2,000 3-inch bronze, $17,327.50; 2,000 1$\frac{5}{16}$-inch bronze, $4,124.00.

Marian Anderson: 1,114 3-inch bronze, $16,250.40.

Lt. General Ira C. Eaker, none struck.

John Wayne: Since packaging and shipping of these medals is now in progress, total costs will not be available until July 1980.

Q. Specifically which bronze duplicates have sold well enough to cover the cost of the original gold medals?

A. Sales of bronze duplicates of the Congressionally authorized gold medals have not offset the cost of any recently struck gold medals. However, the large sales volume of John Wayne bronze duplicates should result in a net profit to the Bureau of the Mint.

Q. Generally speaking, is the Mint losing money on the sale of Congressionally authorized medals?

A. Up to this time (excluding the John Wayne Medal), the Mint has been losing money on the sale of individual Congressionally authorized medals. However, the sale of miniature Presidential and other miniature Mint medals has more than offset the losses.

Q. In general do sales of the Mint's "List Medals" cover the total costs of striking the medals?

A. In general, sales of the Mint's "List Medals" has more than covered the total cost of striking the medals.

We hope that the information we have furnished to you will assist you in answering the questions you are receiving. Please do not hesitate to contact us if you require further information.

Sincerely,

STELLA B. HACKEL,
Director of the Mint.

I thank the gentleman for yielding.

Mr. LEACH of Iowa. I thank the gentleman and would only express the optimism with respect to the A. Philip Randolph Medal there will be enough bronze sold privately that we can pay for this particular medal.

I yield back the balance of my time.

Mr. FORD of Tennessee. Mr. Speaker, I would like to say the Congress has the opportunity to commemorate the life and works of one of our Nation's greater fighters and against racism in segregation.

A. Philip Randolph was a man who understood the price of success was rooted in courage and commitment. In 1925, outraged and unwilling to accept the exploited working conditions of working black men employed as sleeping car porters, Randolph began to organize and to unionize his fellow workers. It took 12 long years of bitter struggle before the Brotherhood of Sleeping Car Porters was able to reach its first contract agreement. Later, the group went on to become a part of the AFL–CIO and Randolph himself became a vice president of this organization.

A. Philip Randolph was a leader because he was a doer. He was instrumental in fighting the injustices of discrimination both inside and outside the labor movement. His experience taught him:

> Freedom is never granted; it is won. Justice is never given; it is exacted. Freedom and justice must be struggled for by the oppressed of all lands and races and the struggle must be continuous, for freedom is never a final act, but an evolving process to higher and higher levels of human, social, economic, political, and religious relationships.

So, Mr. Speaker, the legacy of A. Philip Randolph lives on through the institute founded to forward his good works. In my hometown of Memphis, the Randolph Institute has sought to involve the "have-littles" and the "have-nots" in the struggles of social justice. Organized in 1969, the Memphis Randolph Institute now has a membership of over 500 men and women involved in seeing that America's working people, people of all backgrounds and colors, are active participants in the American political process.

Mr. Speaker, I close by saying that I join with my colleagues in urging the passage of this medal to honor the past and future contributions made by A. Philip Randolph.

Mr. GINGRICH. Mr. Speaker, will the gentleman yield?

Mr. FORD of Tennessee. I would be happy to yield to my colleague, the gentleman from Georgia.

Mr. GINGRICH. Mr. Speaker, I just want to commend the gentleman for his very fine statement. Mr. Randolph was one of the great pioneers in the movement for human freedom and dignity in this country. I think it is a noteworthy step in the right direction. I want to commend the gentleman for taking the time to come over and make this kind of plea. I hope it is a step we will take very promptly in this body.

Mr. FORD of Tennessee. Mr. Speaker, I thank the gentleman from Georgia for his comments.

● Mr. BENNETT. Mr. Speaker, as the Congressman from Jacksonville, where A. Philip Randolph grew up from infancy to young manhood, I rise in strong support of H.R. 5625. I believe the A. Philip Randolph Institute is most worthy of this medal in memory of Mr. Randolph's total dedication to helping the dispossessed and the downtrodden. He greatly improved black-white relations, most significantly making better things possible for black men and women.

In Florida, he made outstanding efforts in helping to organize the Florida Railroad Voters League in 1948 which was one of the first black political organizations in the South.

Randolph greatly improved labor relations, organizing the Brotherhood of Sleeping Car Porters, the first black union to be granted an international charter by the American Federation of Labor. Randoph was also the primary force behind the U.S. labor movements outlawing discrimination in 1955.

Through his unending efforts, Randolph dedicated his life to a "moral revolution" helping to lay the foundation for the civil rights legislation of the 1960's, and investing these acts with determination, patience and organizing genius.

Randolph received from President Johnson the Medal of Freedom, the highest civilian honor a president can bestow.

I strongly recommend that the A. Philip Randolph Institute be honored with a gold medal for Randolph's services making life better for his fellow man.●

Mr. ANNUNZIO. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Illinois (Mr. ANNUNZIO) that the House suspend the rules and pass the bill, H.R. 5625, as amended.

The question was taken.

Mr. ROUSSELOT. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to the provisions of clause 3, rule XXVII, and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. ANNUNZIO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

NATIONAL DAY OF PRAYER FOR AMERICAN HOSTAGES IN IRAN

Mr. OBERSTAR. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the Senate concurrent resolution (S. Con. Res 79), expressing the sense of the Congress that the people of the United States should observe February 26, 1980, as a national day of prayer and meditation for the hostages in Iran, with Senate amendments to the House amendment thereto, and concur in the Senate amendments to the House amendment.

The Clerk read the title of the Senate concurrent resolution.

The Clerk read the Senate amendments to the House amendment, as follows:

Page 1, line 4, of the House engrossed amendment, strike out "March 11" and insert "March 18".

Amend the title so as to read: "Concurrent resolution expressing the sense of the Congress that the people of the United States should observe March 18, 1980, as a national day of prayer and meditation for the hostages in Iran.".

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. OBERSTAR. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Senate amendments just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

PRIORITIES MUST BE SET AND REACHED

(Mr. CHARLES H. WILSON of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. CHARLES H. WILSON of California. Mr. Speaker, last month more than 4,000 of my constituents expressed their deep concerns over the major issues with which our country is confronted.

We are being challenged by international and domestic crises; and yet, our democracy stands as tall as ever. Americans have again become united by patriotisms and are standing firm for our democratic ideals.

As a result, we are witnessing a resurgence of faith in the political process. Voters have been turning out in record numbers in primaries and caucuses throughout this Nation.

Mr. Speaker, the people are speaking out loudly and clearly. My recent questionnaire reflects this mood and the priorities that must be set and reached. I want each of the Members to know the results of my questionnaire and, therefore, place in the RECORD for all to use:

QUESTIONNAIRE

ECONOMY

I would rather see a business tax cut rather than a personal tax cut since the effects would potentially lower prices. Agree, 40 percent. Disagree, 50 percent.

Do you think based on individual spending and credit habits, that the American people are too heavily in debt. Agree, 86 percent. Disagree, 10 percent.

I feel a recession is coming, and I am saving my money for hard times ahead rather than spending to beat inflation. Agree, 58 percent. Disagree, 32 percent.

BUDGET

Social Security taxes should be reduced regardless of whether this might cause a severe financial deficit in the years ahead. Agree, 27 percent. Disagree, 57 percent.

I support Federal loan guarantees to companies like Chrysler because it ultimately benefits the whole economy by stimulating production. Agree, 43 percent. Disagree, 51 percent.

Government will not change its spending habits until forced to and despite uncertainties, I support a balanced budget amendment. Agree, 81 percent. Disagree, 11 percent.

ENERGY

I support raising the gas tax from 4¢ to 50¢ a gallon to cut consumption as long as there is a cut in another tax. Agree, 21 percent. Disagree, 70 percent.

I feel it is possible for me to cut my gasoline consumption without any undue personal sacrifices. Agree, 58 percent. Disagree, 35 percent.

A windfall profits tax is necessary to insure that some oil company profits are used for energy research and development. Agree, 61 percent. Disagree, 28 percent.

FOREIGN POLICY

I think the President has been strong in the face of Soviet aggression in Afghanistan and I support his action to punish the Soviet Union. Agree, 56 percent. Disagree, 32 percent.

In my opinion, we should take military action if the situation in Iran or the Middle East deteriorates to protect the oil in the region. Agree, 50 percent. Disagree, 32 percent.

Using every available peaceful channel to resolve a crisis involving the U.S. is not a sign of weakness. Agree, 75 percent. Disagree, 11 percent.

DEFENSE

I support some mandatory form of military registration since force levels are very low and we could get caught off guard. Agree, 74 percent. Disagree, 15 percent.

I believe the B-1 Bomber, although costly, was much more reliable than the cruise missile and I would favor reviving the program. Agree, 63 percent. Disagree, 18 percent.

To show the rest of the world we are a power to be dealt with, we must increase defense spending despite budget restraints. Agree, 71 percent. Disagree, 17 percent.

HEALTH

I support a tax increase for the $50–$100 billion national health program because I deserve affordable health care. Agree, 27 percent. Disagree, 57 percent.

The economy cannot afford national health insurance. A phase-in approach costing $19 billion is more rational. Agree, 45 percent. Disagree, 29 percent.

We don't need to spend billions on national health insurance. Rather, we need mandatory hospital cost controls. Agree, 62 percent. Disagree, 22 percent.

LOCAL SERVICES

There has been a decline in the quality of local services. Trash removal and street repair, to name a few, are not the same. Agree, 48 percent. Disagree, 39 percent.

I am satisfied with the current property tax structure, and do not think we should reduce those taxes any further. Agree, 52 percent. Disagree, 33 percent.

Even though crime is a problem, I am very concerned about allegations of police brutality in my community. Agree, 38 percent. Disagree, 51 percent.

PHILLIP BURTON: TERRITORIES' GREAT FRIEND

(Mr. WON PAT asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. WON PAT. Mr. Speaker, the President's decision to sign into law H.R. 3756, the omnibus territories bill, is a major step forward toward helping Guam and other territories deal with their economic and financial difficulties.

The passage of this measure into law is also a great tribute to the legislative skills and deep friendship for the territories of our colleague, Representative PHILLIP BURTON of California.

I have been privileged to know Congressman BURTON for many years and have always regarded him as the territories' most sincere and capable supporter on Capitol Hill. The territories have made significant strides forward in their economic and political development in recent years—actions which have their roots in legislation often written by Congressman BURTON. Under his very able leadership, the Subcommittee on National Parks and Insular Affairs has compiled an unparalleled record of legislative benefits for the territories.

His devotion to fair play is especially obvious in the countless hours he and his staff devote to the territories. In my many years in Washington, I can think of no other Member of the House who has ever put so much time and energy into looking out for all the territories than has Representative PHILLIP BURTON. Since the number of constituents who live in his district who are directly concerned with any U.S. territory is minute, Mr. BURTON's dedication toward assisting the islands is even more laudable. His actions have always been totally unselfish and those of us in Guam who have benefited from this great man's ability and love of his fellow mankind are most fortunate to have him on our side.

For my own part, I want it made part of the official record my lasting appreciation to Congressman BURTON for his kindness to the people of Guam. Several days ago, I wrote him a letter and at this time I would like it to be made part of this statement. Thank you.

MARCH 13, 1980.

Hon. PHILLIP BURTON,
Chairman, Subcommittee on National Parks and Insular Affairs, Rayburn House Office Building, Washington, D.C.

DEAR PHIL: You did it again! You pushed through yet another major bill for the territories into law despite substantial opposition in the Congress and despite record opposition in the Administration. If Guam and other territories ever had any doubts about your ability as a legislative master magician, the fact that H.R. 3756 is now law should provide everlasting proof of your friendship and deep concern for our behalf.

Phil, I know the efforts you make on our behalf are not always seen with kind eyes by your own constituents or by our colleagues here in the House. Add to that the problems of a budget that is busting out of its own limits and the job you have done for us is all the more amazing.

If I have any regrets it is the poor attitude of a few and I emphasize the word "few" people on Guam who seem content to put partisan politics above the interests of our island. Of course, this is nothing new to you. But, I sincerely hope that you understand that my own gratitude is indeed a genuine and accurate reflection of how the majority of Guamanians feel about what you have done for our island.

When the clouds clear from our legislative horizon, I hope you will find time in your hectic schedule to come back to Guam with me and hear first hand the appreciation of those whom you helped with H.R. 3756. Personally, I can think of no better way to show the people there your own commitment to justice than by supporting that provision of the bill which calls for interest payments to World War II claimants. They have all waited a long time to see justice done and now, thanks in great part to you, it has been accomplished. A stronger expression of the American commitment to decency and fair play to all of its citizens, I would be hard pressed to imagine.

Be assured that I will leave no stone unturned to inform my constituents of what you have done on our behalf. We have made history with this bill and I am confident that your own work in this matter will not be forgotten.

Sincerely yours,
ANTONIO B. WON PAT,
Member of Congress.

THE LATE ALLARD K. LOWENSTEIN

(Mr. MAGUIRE asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. MAGUIRE. Mr. Speaker, Allard K. Lowenstein was an extraordinary man, an inspirational leader. He put visions with practice. He was brilliant at defining objectives, brilliant at following through on his commitments with organizational leadership and the kind of persistence that it takes in order to accomplish anything significant.

Finally, he was never deflected from his purposes by pressures which would deride or distract from the public interest as he perceived it. His tragic and untimely death is a loss to our country and to the world.

He was a friend of mine, and a friend of many, many thousands across this country and around the world. He was truly one of our great leaders.

Mr. Speaker, I would like to include at this point two articles, one by Richard Cohen and one by R. James Woolsey, from the Washington Post of Sunday, March 16. The articles follow:

REMEMBERING A MAN WHO MATTERED THROUGHOUT THE YEARS

(By Richard Cohen)

On Friday, a man named Sweeney walked into the law office of Allard K. Lowenstein and shot him dead. Lowenstein was 51 years old. He has three children and a former wife and several thousand friends and they will all tell you the same thing about him: he mattered.

He mattered in Mississippi and he mattered in New York politics and he mattered in the U.S. Congress and in southern Africa and in the National Student Association, but he mattered most—at least for me—when he stopped Lyndon Johnson cold in New Hampshire. It was 1968, and Allard K. Lowenstein had set out to end the war in Vietnam.

I know that one man is not supposed to be able to do that. I know that historians debate whether even heroes—emperors, generals—control events or whether it is the other way around. I know a teacher who thinks that the correct answer to the question "who discovered America" is "the Nina, the Pinta and the Santa Maria." Allard Lowenstein would not have liked that teacher.

Lowenstein helped organize something called the New York Coalition for a Democratic Alternative. It was dubbed the Dump Johnson Movement and it was given no chance of succeeding. No one thought Al Lowenstein could succeed. No one but Lowenstein. That proved in the end to be more than enough.

In 1968, I was a graduate student. In 1968, I was also a member of the United States Army Reserve and bitterly opposed to the war in Vietnam. I'd already decided that if called to fight, I would not. I would go to some other country—Canada, Sweden. I had told my parents this and they had said, simply, that they understood.

Lowenstein worked near where I lived. At night, I would walk my dog and see the lights burning late. Several times, I looked up the stairs and thought about going in, but every time I backed out. It was foolish. It was senseless. Johnson would win a second term. The war would go on and on and no one, especially me, could do anything about it. Later, I went up to New Hampshire. I went to write about the primary, Eugene McCarthy's campaign, as a student. I already knew, of course, how Lowenstein had gone to Robert Kennedy and asked him to run against Johnson and how Kennedy, anguished, had finally turned him down. In January of that year, at the Commonwealth Club of San Francisco, Kennedy had in fact endorsed Johnson.

Lowenstein then went to McCarthy. McCarthy also said no, muting that along the way to a maybe. McCarthy also went west—to Berkeley across the bay from San Francisco. There he gave his standard antiwar speech, but this time called for the resignation of Secretary of State Dean Rusk. The kids went wild. McCarthy became hopeful. He declared for the presidency and Al Lowenstein, working hard once again, cajoled him into that race in New Hampshire.

Much later, of course, Lowenstein would become something of a celebrity and everyone would have his story. He would call in the middle of the night and come over to sleep. He was always on the go, sleeping in his clothes, a kind of hobo of lost causes. Friends who were in South Africa, for instance, were not surprised when Lowenstein dropped in on them in their hotel, asking only if he could use the shower. He stayed for awhile and left. He was wearing dungarees and a New York Yankees baseball jacket.

But on election day in New Hampshire, Allard Lowenstein was not yet a celebrity. That day, he got into his white Mustang for the drive from Manchester to Concord. He sat in the back and talked with me while a student volunteer drove. It was beginning to snow, but Lowenstein wanted to make the trip anyway. He was going to see the student volunteers. He wanted to make sure they didn't flag on this last day. He was going to see a kid named Sam Brown.

We arrived in Concord as the snow was beginning to tell. Lowenstein flew into action. He cajoled the kids to work harder. He went from one to another, talking to them as they made their last minute get-out-the-vote calls from little pine stalls. He was a bundle of energy, a short man with hair combed forward, strong and kind and always distracted.

After exhorting the students to even greater efforts, Lowenstein returned to Manchester. In the evening, the results started to come in and pandemonium broke loose. McCarthy was winning. People cried and people laughed and finally, they called for Allard Lowenstein to say something.

Lowenstein stood in the glow of the television lights, a little man, strangely shy, and he said that McCarthy's victory proved that the system worked. He made it sound like it would all have happened without Allard K. Lowenstein but that is not the case. A couple of thousand people could tell you, but the whole nation ought to know.

He mattered.

HE MADE A DIFFERENCE

(By R. James Woolsey)

Of the innumerable people who knew Al Lowenstein, and who were weeping Friday night when we learned he had been shot and killed in New York, I was far from the closest confidant. I was just one of many who, with some reason, called themselves "a friend of Al's"—one member of that small army whose lives he had changed.

I remember how sleepy a place Stanford was, politically, when he arrived there as an associate dean during my sophomore year, nearly two decades ago. It was clear from the first time you met him that he couldn't be pigeonholed. One day he would be defeating a South African official in a debate on apartheid, with devastating logic and quick wit. The next day the head of an Eastern European government-in-exile would be telling a conference of astonished campus conservatives that Al Lowenstein was the most effective opponent of communism in America. A liberal in the finest sense of that tradition, he was both colorblind and a patriot. He fought racism, not racists—the latter, he always thought, might be converted. He fought the abuse of American power, not America. He wore that American flag lapel pin in later years with pride.

His targets among the students were the bright-eyed Midwestern WASPs, the jocks, the serious engineers, the people like me, who normally would never have thought of getting involved in politics, civil rights or any of his other passions. He went where they were—the fraternity houses, the gyms (he was a superb wrestler), the religion-group meetings. His message was always the same, whatever the particular issue that fired him up that month: you can make a difference, make the system work, get outside yourself, there is a lot to be done.

He had no instinct for the jugular, a trait that probably doomed his own political career. He was never really comfortable or happy working to promote himself during his own congressional campaigns, and he was never as good at that as he was at mobilizing those armies of college kids behind some larger cause, such as racial justice.

The political cliche, "Don't get mad, get even," was entirely alien to him—he always allowed for the possibility of redemption. He'd come back again and again. If you disagreed with him on foreign policy, he'd get you involved with civil rights. If not this month, next.

After a few years, when you got married and went to graduate school or started work, he didn't really expect you to make the grand sacrifices of time needed to go organize voter registration drives and the like with him, but he'd still call or write now and then. His records of telephone numbers and addresses—like his day-to-day schedule and plans—were always hopelessly chaotic and out of date, so you were forever getting post cards mailed on his last trip to South Africa four months late, forwarded three times. Occasionally, you'd still get a call at some odd time of night from yet another college sophomore, 15 years your junior, who was doing what you once did—attempting the impossible task of coordinating Al's travel and meetings. The kid had just been told to call you and ask you if you could pick Al up at the airport in half an hour and take him to so-and-so's apartment. As you drove to the airport in the middle of the night, you'd wonder if you weren't too old for all this. But the 20 minutes in the car with him were always worth it. Listening to him describe his newest cause and his next moves—which were eternally changing and which he shared with everyone—you got a whiff of delicious nostalgia for the time years ago when you and he had slain that season's dragon together. And even when his newest effort sounded outlandish or absolutely hopeless, you remembered ruefully how you had told him knowingly in the fall of 1967 that he would never be able to use a presidential candidacy by an unknown senator to defeat a sitting president and turn the country against the Vietnam War.

As the generations of college sophomores passed through his tutelage and he entered middle age, it began to become apparent what he was—not the politician, lawyer, academic or author he sometimes tried to be, but a peripatetic one-man school for several generations of Americans. The examples in his course varied constantly. Some were well chosen, some not. But the underlying lesson plan had only two main themes, always the same: First, that this crazy lovable country can work, but it's up to you. Second, the lesson Learned Hand said that mankind "has never learned, but has never quite forgotten; that there may be a kingdom where the least shall be heard and considered side by side with the greatest."

Goodbye, Al. And thanks.

We'll take it from here.

LET US CUT THE TAX ON MARRIAGE

(Mr. CONABLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONABLE. Mr. Speaker, I am introducing legislation today designed to reduce the income tax marriage penalty. A detailed explanation of my proposal will be contained in the Extensions section of the Congressional Record.

My bill would create an income tax deduction for married couples equal to 10 percent of the income earned by the spouse with the lesser earnings. This deduction would be available whether or not the couple itemized other deductions and would be limited to $2,000.

This proposal has a revenue impact of about $3.2 billion, less than several of the other approaches under consideration. The distribution of these benefits is progressive and equitable. Some 40 percent, $1.3 billion, would go to couples with combined incomes of between $20,000 and $30,000. This $2,000 ceiling on the deduction would limit the tax break for couples with very high incomes. Couples with equal earnings in the $10,000 to $15,000 range would have about 83 percent of their marriage penalty alleviated; couples with combined earnings of $40,000 would escape about 50 percent of the penalty, and couples at $100,000 would get a 23-percent reduction of their penalty.

The majority of married couples today have two wage earners. Fifteen million couples depend solely on the husband's earnings but 23 million depend on both the husband's and wife's contributions.

Our income tax system, however, still assumes that most couples have just one "breadwinner." This divergence between reality and the law makes couples choose between losing hundreds or even thousands of dollars or forgoing the marriage bond. This is a perverse choice which the Government should not force couples to make.

The Committee on Ways and Means will hold hearings early next month on the "marriage penalty." We have held and prepared reports. This time I hope our efforts will lead to some tangible results.

Tax cut legislation is very much on the minds of the policymakers these days. Alleviation of the income tax marriage penalty ought to be very high up on everyone's list of tax cut priorities and should be part of any tax cut bill passed this year.

CONGRESSMAN HAGEDORN CALLS FOR ADDITIONAL HEARINGS ON NORTHEAST CORRIDOR PROJECT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. Hagedorn) is recognized for 5 minutes.

Mr. HAGEDORN. Mr. Speaker, at a time when massive budget cuts are being proposed, I was somewhat surprised to receive a copy of a letter from the National Taxpayers Union to the chairman of the House Subcommittee on Transportation and Commerce stating that it was not permitted to testify at recent hearings on the northeast corridor project. On issues as important to our Nation as our subsidized rail system, I believe it is essential that all interested and concerned parties be given an opportunity to be heard.

Specifically, the National Taxpayers Union requested to testify regarding the Federal Railroad Administration proposal which would significantly expand the railway corridor system in the United States. This proposal, which would cost the American taxpayer billions of dollars, will have a profound influence on all different modes of transportation in our country. Expansion of rail corridors has implications regarding fuel consumption, intermodal competition, and continued subsidization of rail transport.

To consider spending billions of taxpayers' dollars on projects with such far-reaching significance without hearing the views of all concerned parties is unfair to the Congress and the American people. I call upon the distinguished chairman of the subcommittee to hold additional hearings so that a full and complete understanding of the entire rail corridor expansion can be brought forth.

CONGRESSMAN EDWARDS OF OKLAHOMA SUGGESTS WAYS TO BALANCE THE BUDGET

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oklahoma (Mr. Edwards) is recognized for 60 minutes.

Mr. EDWARDS of Oklahoma. Mr. Speaker, while I commend the President's apparent new commitment to cut spending and balance the budget, the way in which the budget is balanced is critical. For one thing I hope that this renewed commitment lasts longer than the budget which the President sent to Congress in January and has already discarded.

Some people would have us believe that all this inflation is caused by the higher oil prices imposed by OPEC. OPEC is not the prime cause of inflation. Thirteen industrial countries are more dependent on OPEC oil than the United States and 11 of them have inflation rates lower than we have. Japan, for example, has only a 4.2-percent inflation rate and yet that country imports more than 99 percent of its oil from OPEC. West Germany has a 5.6-percent rate of inflation and imports over 96 percent of its oil from OPEC. We suffer under an annual inflation rate of over 18 percent; yet we import less than half of our oil from OPEC. Last year, according to the Department of Labor, the rising cost of oil accounted for only around 2 percent of an inflation rate that was over 13 percent.

Obviously, the real problem is not in the Middle East; it is right here in Washington. The root cause of inflation is the continued reckless policy of overspending.

Mr. Speaker, there are two ways to balance a budget. You can cut spending, or you can increase your revenues. The President's proposed "balanced" budget is one that is balanced at $600 billion a year. This $600 billion budget is made possible only through a tax increase of over $76 billion. This "balanced" budget represents the largest share of this Nation's wealth consumed by Government since 1944 when we were fighting the Japanese, Germans, Italians and Turks on three continents. This "balanced budget" does not include any mention of the off-budget deficit for 1981 that the administration calculated in January to reach $18 billion.

John Marshall once said that the power to tax involves the power to destroy. Mr. Speaker, this incredible tax burden, and the pursuant spectre of ever-increasing inflation rates, is destroying the American dream. People in this country work hard to buy homes, provide education for their children and gain a little security for the future. By their inflationary spending policy, the administration and Congress have soured this dream. The vision of a better life has given way to the nightmare of continued inflation.

I submit that a $600 billion balanced budget is not the first important step forward that the American people want in the fight against inflation. It is more like a giant leap sideways. This kind of balancing is done not where it should be, in Washington, but on the backs of each and every taxpayer in this country.

We need a bigger spending cut immediately, as well as a comparable tax cut so that the people will not have to dip into their savings just to keep their homes. The administration's failure to provide any tax relief for the American taxpayer actually indicates a preoccupation with the effect of inflation on the Federal Government's spending ability, rather than concern for protecting the taxpayer's purchasing power.

We need a long-range policy to make spending cuts and tax reduction permanent features in the economic landscape and we need a determined effort to get the Federal Government off the back of producers in this country by eliminating wasteful regulatory agencies and regulations.

To bolster our declining productivity rate we need a tax program allowing, first, an accelerated depreciation on capital investments for equipment; second, a lower capital gains rate; and third, an increase in the investment tax credit. The effect of this tax program would be to stimulate capital investment and provide the means for increased productivity and a higher standard of living.

Most of all, we need to revive in the American people the faith in their Government by giving them a Congress that is dedicated to seeing not how much they can spend, but how little.

Mr. Speaker, we must be vigilant in our efforts to curtail the horrendous growth of the Federal budget; we must be active in restoring the American dream; and we must be brave in accepting the sacrifices that must be made in this fight against inflation.

☐ 1310

Mr. DEVINE. Mr. Speaker, will the gentleman yield?

Mr. EDWARDS of Oklahoma. I yield to the gentleman from Ohio, the leader of the Republican Conference.

Mr. DEVINE. I thank the gentleman for yielding. I want to compliment the gentleman for taking this special order in order to make available to the American people the real issue involved in the "born again" budget balancer. I am delighted to hear that the President has called for discipline to fight inflation, and I am pleased to hear that the President has a program that he thinks may be successful.

There is no question that our Nation is looking to the White House as well as the Congress for leadership. But, Mr. Speaker, it takes more than words to fight inflation successfully. We have had too many words over the past few years and too few actions that would actually cage the wild animal of inflation that is destroying the foundations of our society.

Listen to these words from the past. In January 1978, over 2 years ago, in the economic message of the President, he stated and I quote:

> Firm discipline over the Federal budget and a prudent monetary policy are the most important steps that can be taken to combat inflation.

Despite this call for discipline, the budget deficit widened and inflation accelerated.

Then in January 1979, a little over 1 year ago, the President in his next budget message said and I quote:

> Reducing inflation must be our top economic priority . . . we must act forcefully and effectively to combat inflation, and we must persist until the battle is won.

Once again deficit spending continued, and inflation accelerated.

Mr. Speaker, during his 3 years in office the President has called repeatedly for discipline. He has exhorted us to act forcefully, but he has failed to take the tough actions necessary to inspire confidence in financial markets and to demonstrate that this administration is actually serious about winning the fight against inflation. The unfortunate result is a widening confidence gap. It is clear that the Nation will win the war only when we have an administration that effectively combines firm action with tough rhetoric.

But we also need a change in Congress. For 25 years the deficit spenders have been in charge. Over that period consumer prices have steadily climbed; 1980 prices are triple—triple—the 1954 prices. A pound of hamburger that cost 35 cents in 1954 costs $1.59 today. With inflation, the purchasing power of the greenback has steadily fallen. The 1980 dollar will purchase what 34 cents will buy in 1954—the last year, coincidentally, that the Republican Party controlled the Congress.

When he was running for the Nation's highest office in 1976, candidate Jimmy Carter frequently cited the misery index to prove that President Ford was doing a poor job. Inflation and unemployment, the two components of the so-called misery index, were 12.5 percent. In 1976 and 1980 what are they? They are double. The misery rate is over 24 percent.

Mr. Speaker, the last time we had a Republican President and a Republican Congress the misery index was only 5 percent. It is clear from the figures that the Republican Party is the party of hope, the political party that over the years has provided leadership in times of distress. It is clear that the Democrat Party brings mushrooming misery.

Mr. Speaker, our Nation is in serious economic trouble. Balancing the Federal budget is one way to control inflation, and I intend to support the President in that effort. But I do not believe we should balance the budget by raising taxes. The gentleman from California pointed that out very dramatically during the opening of the session here today. Inflicting new additional taxes on the American people is not the answer; reduction of Federal spending is. Increasing taxes is the Carter proposal. It is bad economics, and it is bad politics.

Over the next few months it is necessary for Democrats and Republicans alike to work together to repair the Nation's economic distress, and the Republicans are prepared to do so. But that does not mean that we will blindly support the policies of the Carter administration and the Democrat majority who have held sway here for over 25 years, and who has been the sponsor of the programs, authorized the expenditures, and appropriated the tax dollars that have fueled the worst inflation in American history.

I thank the gentleman for yielding.

Mr. EDWARDS of Oklahoma. I thank the gentleman for his contribution. Before I yield to the next gentleman, let me make just one point. The gentleman from Ohio (Mr. DEVINE) made a very good point about what all of this is doing to the American dream and the opportunity for people to achieve what America holds out to all of us. I would like to quote from an article that appeared in a newspaper in my district, the Black Chronicle, by a young man named Eddie Jackson, the black man who is mayor of a city in my congressional district. I will quote just one little part of this because he made one very good point. Eddie Jackson said:

> . . . Franklin Roosevelt, Harry Truman, John Kennedy and Lyndon Johnson did a good job at making life a little easier for Black people. Because of their support, we can eat in most every restaurant. We can go to most any school or spend the night at most any hotel. Thanks to Jimmy Carter and The Democratic Congress, we can't afford to do any of those things.

Mr. HYDE. Mr. Speaker, will the gentleman yield?

Mr. EDWARDS of Oklahoma. I yield to the gentleman from Illinois.

Mr. HYDE. I thank the gentleman for yielding. I want to join the gentleman and pay tribute to him for bringing this special order to everyone's attention, because there is no more dangerous situation facing our country and its economy than the present inflationary spiral, and nothing more disheartening than the lack of grasp of the problem that seems to be the rule of the day over at the White House.

☐ 1320

What we desperately need, and I think most people can agree, is a coordinated attack on both inflation and declining productivity. Part of our productivity slump—we are the lowest of any industrialized country in terms of rate of increase of productivity—the connection between taxes and tax disincentives in our lacking productivity is inescapable.

Taxes are more out of control in deficits. The percentage of our gross national product that is consumed by taxes are at wartime rates. When we talk about taxing people's effort, taxing their income, you are talking about incentive. You are talking about that magic ingredient that makes people want to produce.

Mr. Speaker, there is a complete failure of this administration to understand the connection between effort and reward and as the taxes progress to be even higher, incentive diminishes and productivity falls and the only wealth we have is productivity. It is certainly not paper, it is certainly not metal, it is the goods and services that are encouraged by Government policies, to be produced. That is the real wealth.

Mr. Speaker, this administration has a no-growth philosophy, its dominant thinkers and economists are no-growth. Their idea is to set up a new agency, a new bureau, a new department, whether it is education or energy, to manage the shortages. It is not to produce ourselves out of our difficulties.

Mr. Speaker, the suggestion of the President is to propose more regulation and more controls rather than less. We are proposing more controls on credit, more reliance on the voluntary wage and price controls and more energy regulation.

It seems to me, Mr. Speaker, somewhat incredible that our windfall profit tax that has finally emerged from the conferees and that we were voting on last week, pays not even lip service to increased stimulation of productivity in petroleum. That is the way we can escape from our dangerous vulnerability and hostage status with the OPEC countries, by producing ourselves out of that corner. No, we want to continue to redistribute the wealth rather than assist in productivity.

Mr. Speaker, the Wall Street Journal of March 10 gave us a pretty good program on how to get out of this mess that we are in. They said that a sensible program would include keeping money creation slow to combat inflation and launching a sustained offense on social, that is vote buying, spending.

In that connection, I notice in the March 17 U.S. News & World Report, this little item:

> Coincidence? A tiny marble polishers union with fewer than 10,000 members recently endorsed President Carter and soon after received a $389,844 Federal grant to help train new members.

Mr. Speaker, that is one item. I wonder how many times that could be multiplied as these endorsements come on stream.

There are other things that could be done, Mr. Speaker: closing down CETA or sharply cutting it down; housing subsidies; many of the inflation protections that Federal beneficiaries have; improve our defense as necessary, but I am sure there is waste in there too; cut out a few officers clubs, that would not be a bad idea.

Start reducing taxes to improve incentives, whether it is an across-the-board tax cut which I favor or, for the faint of heart, target tax cuts to improve savings and investments.

Is it not ridiculous that our savings rate is so low? Why should anyone say they are taxed on the interest they earn and the interest does not even come close to the inflationary rate.

Mr. Speaker, I want to thank the gentleman in the well again. I think we must continue to speak out on this issue. I think that the humiliation our country is undergoing in foreign affairs, the disgraceful condition of the domestic economic front, all portend a change in November because we have paid enough as a people and as a country for the amateurism and for the almost invincible economic ignorance that has been dominating this administration since it came into office.

Mr. Speaker, I thank the gentleman.

Mr. EDWARDS of Oklahoma. I thank the gentleman. I know the gentleman understands how we have seen a lot of the principles with which the gentleman and I were raised changed in recent years.

Mr. Speaker, when I was a young man growing up I was taught that the way to be responsible was to set aside some money every day for a rainy day and put it in savings. Of course, now the savings rate is the lowest it has been since 1949 because people in this country understand if one puts money in savings today, as we were taught in day's gone by, we would not go broke.

Also, Mr. Speaker, I remember as a young man that the goal was to set aside some money for retirement. People look forward to, after years of hard work, of being able to retire. Today people are not looking for a way to retire, they are looking for a way to find more jobs for their wives and their husbands, for their children, because one person cannot keep up with the treadmill of inflation and high taxes.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. EDWARDS of Oklahoma. I will be glad to yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Speaker, I thank the gentleman for yielding and I want to compliment the gentleman on his remarks and for taking this time to raise these important issues.

Mr. Speaker, I think the President's suggestion of a few days ago to combat inflation and make changes in his economic policy certainly deserves comment.

I, too, want to say I will be glad to support James Earl Carter of Georgia if he is now sincere in his desire to balance the Federal budget. I find his statements somewhat incomplete in that he has not permitted us to see where the budget cuts are that he specifically would like to have made, and we may not know, we are told by officials of his administration, for several weeks. That seems to be a strange sort of start toward cutting the budget. But we all believe in late conversions and we of the minority party welcome anyone into our ranks including the majority party Members and the President, because we have been trying to explain to them, painfully over the years, the errors of their spending ways and that someday we would come to this point of reckoning.

Mr. Speaker, I can well recall, as the gentleman recalls, serving in the House, that we sat here in these very seats and watched the well of the House where a little drama was played out during the consideration of several budget resolutions. The same scene has been repeated for 4 or 5 years. You will recall that the gentleman from California (Mr. ROUSSELOT) who will participate in the debate, has repeatedly offered his balanced budget amendment. Another amendment was offered by my colleague from Maryland (Mrs. HOLT) that would have balanced the budget over a 3-year period. She offered that 3 years ago. If the majority had supported her, today we would have a balanced budget. But right there in the very well where the gentleman from Oklahoma now stands, Mrs. HOLT's amendment passed by 5 votes, and the Speaker of the House—today we celebrate St. Patrick's Day with him in his glorious green—and the majority leader and the others went down and grabbed the arm of their majority party Democratic colleagues and twisted.

And like obedient soldiers they marched down to the rostrum of the House and changed their vote and defeated the balance budget amendment. They have done this repeatedly.

Mr. Speaker, I know it is going to be painful for these Members of the majority party to follow the new found leadership of President Carter in the coming weeks, but we in the minority will offer our assistance and our hope that they will in fact follow up on what the President has promised—indeed promised in 1976, repeatedly—to balance the budget. And you can believe that. And you can depend on it. I hope that we can.

Mention has been made a few moments about the misery index used in the 1976 campaign by then candidate Carter. I am indebted to the gentleman from Ohio (Mr. ASHBROOK) for his own Carter misery index rating. The gentleman mentioned the other day on the floor it is now 20–20. That does not indicate perfect vision, economic or otherwise, it indicates 20-percent interest rates and 20-percent inflation.

Mr. Speaker, let me just mention what this is doing in my district. Small businesses are closing because they cannot get financing to sell their products. Within a matter of weeks or even days that is going to translate itself into closed production factories. In my district and in other districts, jobs are being lost because business people cannot borrow money to expend their capital plant and equipment. Savings and loans associations and banks in the State of Maryland have stopped lending money because their portfolios are full of mortgages at 6, 7, or 8 percent and they are having to pay 18 percent or 19 percent to borrow money to lend, so there is no more lending going on and no houses will be built and no factories will be expanded.

Now, Mr. Speaker, we were told by the President the other afternoon that he is going to restrict credit. Well, that is not going to hurt Wall Street. It will not hurt people of great wealth. It will hurt people who literally cannot live unless they have some access to credit.

You almost have to have credit at your local supermarket when you shop simply to get through the line anymore. We are talking about people, husbands and wives both having to work to pay taxes, about a third of their income in taxes, and now the President tells them you will pay still more taxes, taxes on gasoline, that has gone up astronomically in the last year as a result of the energy policies of this administration.

Mr. Speaker, what we are going to see is more restriction, more taxes and, I am afraid, more recession.

□ 1330

Yet, the President says that he wants to balance the budget. When? When? Not until next fiscal year, which does not begin until October 1 of this year. We could do it right now. We are not through with this fiscal year before us, and we face a $20 billion deficit this year. Yet, the President wants us to pass, within a matter of weeks, one of the highest foreign aid bills that has ever come to this Congress, some $8 billion.

I think it is time we called a halt; called a halt to $2 billion proposed in foreign aid for Red China, and $75 million for Nicaragua which this House passed a few days ago. It is time that America started addressing its own problems.

Mr. Speaker, I applaud the President if he is willing to do that. We on this side will support him, and I think that he may very well need our support. I pray for the future of our country and its economy, and I hope that this President will be able to offer us real solutions, as has the gentleman from Oklahoma.

Mr. EDWARDS of Oklahoma. Mr. Speaker, let me say that it is unusual for me to be in the position of trying to say anything in defense of my colleagues on the other side of the aisle, because although they have been brought on the American people, because of taxes to pay for their inflationary programs, I want to say in their defense that I find it difficult for anybody to be able to remain a faithful follower of the President because he changes directions so often. It must be very confusing for people on the other side of the aisle to keep up with him.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. EDWARDS of Oklahoma. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, I appreciate my colleague yielding to me. I, too, want to join my other colleagues in thanking him for taking this time to bring to the House this economic issue as it relates to our domestic policies and what we will be doing for the budget resolution which will come before the full House very soon. I would especially like to thank my colleagues for taking the time to detail what we would do should we gain a majority in this House in the future.

I want to comment briefly on the so-called anti-inflationary new proposals of the President, which will probably be included in the budget resolution that we will soon consider. I think it is wrong to mislead the American people into believing that this is an anti-inflationary package, when it contains tax increases. That is what has been wrong with our policy in the past. Taxes have increased tremendously, either because the Congress has sat by and let taxes go way up, or because under the guise of reform, as with, say the social security system, we have set a schedule of tax increases that are unconscionable for the future.

So, in the name of anti-inflation, the President is recommending a new tax on imports of crude oil. And yet, in his press conference on the day following his announcement, he had to admit that this tax was inflationary, but added that it would only be temporary. Well, it will not be temporary. Unfortunately, temporary taxes just do not exist around this place—we just struggle to reduce them.

So, it is a misnomer for the President to call this an anti-inflation package. It is not. It is a new tax that ultimately will be paid by the consumers of this country who buy the products from the refinery, that in turn buys the crude oil. So, it is poppycock to call this an anti-inflation program. Now, I am glad that my colleague is taking the time today to talk about the alternative budget that we intend to offer. I see that my good colleague from Michigan (Mr. STOCKMAN) is here, and he I am sure will cover very thoroughly the package of expenditure cuts that many of us will offer. As a matter of fact, this was a bipartisan effort that Mr. STOCKMAN, myself, and Mr. GRAMM offered to the Budget Committee just last week.

So, I will not tread upon some of the comments that my colleague from Michigan will make.

But, make no mistake about it: Many of us in this House, led by Mr. STOCKMAN and Mr. GRAMM, have presented 26 and some odd billion dollars worth of expenditure cuts that can be made. These cuts will be part of the alternative budget proposition that we are going to be talking about in the next month or so.

Now, another area that I would like to cover briefly, is in the area of tax cuts, which I know most of us in this House have offered bills on. I think there are some 84 bills before the Ways and Means Committee calling for tax cuts—legitimate tax cuts that could be made today to increase incentive, to increase production, to establish a national policy of growth, rather than one of unemployment, discouragement and disincentive.

In California, as everybody knows and has heard many times, we passed proposition 13, which called for a clear property tax cut. We had all these big spenders in California, including my own colleague from the other body, who went on television and said that if we had that big tax cut there would be tremendous unemployment. That there would be gloom and doom, and that the economy would go downhill. Proposition 13 passed overwhelmingly, and the exact opposite has happened. A new incentive was injected into the economy—property owners of all kinds did not have to carry such a heavy burden of taxation. It was an injection into the economy that has helped stimulate growth, savings, thrift.

A similar example occurred on the Federal level in 1963–64 when Congress passed the Kennedy tax cuts—the result of the passage of that tax cut was exactly the opposite of the gloom and doom which had been predicted, especially by the Treasury. The Treasury told us that revenues would go down. They did not. Revenues went up with the Kennedy tax cut. As a matter of fact, in less than 2 years time revenues to the Federal Treasury went up $58 billion. The Treasury had told us that for every dollar in a tax cut, there would be an equal reduction in revenues to the Federal Treasury. In the long run, that did not occur.

So, I say to my colleagues that we will have the opportunity to have a budget alternative that will include tax reductions, and reductions in tax rates. It will also include affordable reductions in expenditures and will do what the people in this country expect us to do—eliminate waste, unnecessary expenditures, and other Government activities that are not needed.

So, I say to my colleague from Oklahoma, thank you for bringing this to the attention of our colleagues. I think that the gentleman is right in making sure that we fully discuss this whole proposition and an alternative budget that we will be offering. I encourage my colleagues to view these remarks today with seriousness and with care, with the kind of care that we have tried to present it.

Mr. EDWARDS of Oklahoma. I thank the gentleman. I will say to him that the reason that I have done this, and I know the reason that many of my colleagues are joining me in this, is because of our concern about what these economic policies are doing to the average American citizen. This is a dollar bill, and this is what the dollar actually represents in terms of what it will buy.

□ 1340

This is one-third, and this dollar actually only buys one-third the clothing, one-third the education, and one-third the housing that it did before our colleagues on the other side of the aisle got hold of the economy of this country.

Mr. ROUSSELOT. Mr. Speaker, that was 25 years ago, and the dollar was worth something then, I understand.

Mr. EDWARDS of Oklahoma. Yes.

Mr. ROUSSELOT. And since the Democrats have controlled Congress, the dollar has come down to that value.

Mr. EDWARDS of Oklahoma. This is a Treasury dollar bill, and this is a "Democrat" dollar bill.

Mr. ROUSSELOT. I see. So that is a "for 25 years the Democrats have controlled Congress" dollar bill?

Mr. EDWARDS of Oklahoma. Yes.

Mr. BETHUNE. Mr. Speaker, will the gentleman yield?

Mr. EDWARDS of Oklahoma. I yield to the distinguished gentleman from Arkansas (Mr. BETHUNE), who has so well led our freshman class in this Congress.

Mr. BETHUNE. Mr. Speaker, I thank the gentleman for yielding, and I would like also to commend the gentleman for taking this time.

Before we get too far along the road in commending the President for this new battle against inflation, I think it is advisable to point out what he is talking about when he mentions a balanced budget. The President may indeed be calling for a balanced budget and reducing the deficit, but it is instructive to look back at the budget in this country in 1976 and learn that in that year the budget was $386 billion and the budget we are talking about for the upcoming year is a budget in the neighborhood of some $615 billion—roughly, an 80-percent increase.

So we are not reducing spending in this country, and we are not balancing the budget by reducing wasteful Government spending. If anything we are only closing up the deficit by increasing taxation, and under this President we have had the largest taxes imposed on the American people that they have ever seen.

I want to make this observation about all of the talk we have heard in the last few days. Even the President and even the Chairman of the Federal Reserve Board admit that this action that they are taking is not going to have a real effect on the economy in this country for some time to come. The most optimistic projections are that it might cut one-half a percent or 1 percent off the rate of inflation, and that would be in fiscal year 1981.

What they are trying to do, they say, is to create a psychological impact in this country. In other words, they are trying to convey the message to the American people that finally, once and for all, the Congress is doing something and the administration is doing something about inflation. So I think we have a very unique situation here.

In a few moments the gentleman from Michigan (Mr. Stockman), who I think is one of the finest economists in this congressional body, is going to talk about the economics that are concerned in this proposal that the President makes. But the thing that intrigues me is that we are not talking about economics and we are not talking about a real effect on the economy in the plan that was announced yesterday, at least not one that would have an effect in the short term. We are talking about something that may have an effect next year.

We are into what I call the "era of signals." We are only interested these days in sending signals and hoping they will be read in the proper way by people in this country and people abroad. We sent signals during the Iranian crisis to the Iranians. We did things to send signals to the Russians during the Afghanistan crisis. And now the President admittedly says there is not much he can do about our economic disaster except send a signal to the people of this country.

The thing that concerns me is whether or not they will read the signal in the way the administration hopes they will read the signal. I really wonder about that. He is hoping that the people will see all this as determination on the part of this administration to get a grip on inflation after 3 years of failure.

I wonder if there is not just as much reason to believe that the people of America will read this signal as one of desperation rather than one of determination. If they read it as desperation, then what have we accomplished by this other than to increase the tax burden at a time when people are already having trouble making ends meet in this country?

So I would hope that during the course of the discussion of the fine points of this issue by my colleague, the gentleman from Michigan (Mr. Stockman), he will from time to time stop and treat this business of psychology, because I am not trained in the field of economics, but I wonder just how much learning there is here in Washington about the psychology of economics. Does anyone really understand how people are going to respond to these so-called signals that are going to be sent? It is going to be a healthy response, or is it not?

Mr. Speaker, I am troubled about that.

Mr. STOCKMAN. Mr. Speaker, will the gentleman yield?

Mr. EDWARDS of Oklahoma. I would be glad to yield to the gentleman from Michigan, but before I do yield to him, let me say that I am delighted he is going to participate in this debate because he does have such a good understanding of economics.

I suggested in a press conference in my district over the weekend that if the President wanted to do something worthwhile, what he ought to do is fire his entire Council of Economic Advisers. I would now add to that that if he would instead consult economists like the gentleman from Michigan, he would be in far better shape.

Mr. Speaker, I yield to the gentleman from Michigan.

Mr. STOCKMAN. Mr. Speaker, I thank the gentleman for his generous comments.

Mr. Speaker, let me say first that I believe psychology is an important element, but psychology and economic policy are intertwined, and they cannot be separated.

When we send signals to the American people, whether they are investors or operators in the financial markets, or people who simply have a little savings account, the value of which they are trying to protect, when the Government sends them proper signals, we are not going to get serious about the inflation problem when the Government does as Mr. McIntyre, the Director of OMB, did a couple of weeks ago. When he suggests that we are going to have double-digit inflation for the entire remainder of this decade that we have just started and are into for only 2 months, when he says that inflation is so embedded in our economy that we will have double-digit inflation rates throughout the 1980's, then people are going to make the expected responses.

It should be no secret that the bond market has collapsed. When Government officials such as Mr. McIntyre project that the inflation rate will be at double-digit rates for the entire decade, no one is going to want to make available their savings and put them into a bond or a fixed rate instrument when those kinds of forecasts are being made.

So the point is that the gentleman is entirely right. We need to get beyond cosmetics and we need to begin to adopt policies which will change the signals we are sending to those millions of people both here and abroad who really control how dollars are spent and when they are spent and the whole momentum we have underway in terms of inflation.

Mr. Speaker, I think the gentleman has brought to our attention a very important point, but it is very much interrelated to the whole economic struggle that we have before us today.

Mr. BETHUNE. Mr. Speaker, will the gentleman yield further?

Mr. EDWARDS of Oklahoma. I yield to the gentleman from Arkansas.

Mr. BETHUNE. Mr. Speaker, I would like to observe further that most of the discussion I have heard on the President's plan allowed that it was to send a signal to the people so they could understand what he was up to; that is, the people in the financial markets, the people who deal in the world of finance and fiscal policy every day. Yet I understand that he was so frightened by his proposal and so concerned about what effect it would have within that narrow range of people that he waited until Friday afternoon, until the market had closed, before he announced his program.

Then, I am given to understand, today, although I have not been able to check it personally, the market is down 10 points. So apparently, even within that group of people who should be in the best position to analyze this program, they are concerned, and the market has dropped. The signal apparently is not as universally accepted as a positive step as the President would have us believe it would be.

Then, Mr. Speaker, I will make just one final point, if I may. This is back to the theme that I asserted in my initial remarks, and the point is this: That while the administration and the Democrats would have the people believe that this is a new determination on the part of the administration, I think the people may be interpreting this as an act of desperation, and they in all probability will act accordingly.

Finally, I would say that I am glad the gentleman from Michigan (Mr. Stockman), with his background in economics, is here, because it is so helpful to all of us to have someone who knows a little something about economics here in the House.

But, Mr. Speaker, it occurs to me here today that I hope some Members will in the future get elected to this Congress who have a background in psychology, because we seem to be getting into that subject a good bit these days.

Mr. EDWARDS of Oklahoma. Mr. Speaker, I thank the gentleman for what he has said.

Of course, in talking about signals, the President is worried about sending signals to the American people, because he has come to the conclusion in his own mind apparently, and from the advice he is getting, that the people are causing inflation. He has concluded that if the American people are buying goods, they are causing inflation, and if the American people are buying new homes, they are causing inflation. But the American people are the victims.

The fact is that we in this Chamber are the people who are causing inflation, and this is where it has to be stopped.

Mr. Speaker, I thank the gentleman from Arkansas (Mr. BETHUNE) very much for his comments.

Mr. STOCKMAN. Mr. Speaker, will the gentleman yield?

Mr. EDWARDS of Oklahoma. I yield to the gentleman from Michigan.

Mr. STOCKMAN. Mr. Speaker, I would like to follow up on that point.

I think the fact that the market has dropped today is probably the best vote of no confidence that we could look for in terms of what this plan consists of and what it really says.

□ 1350

Now we have gone through a 3-week period in which a great anticipation has built up, that finally the economic advisers of the President and the President himself have recognized the severity of the inflation problem and the general economic disorder that we have in this country. Then we got the message on Friday and I think anybody who looks at it objectively has to admit it was a complete dud, it was an utter disappointment, and it really essentially means more of the same all bound up in a different package. There is going to be more taxes, there is going to be more spending, more controls and, most of all, there will be more effort to find scapegoats as to the cause of this inflationary disorder that we have underway, rather than looking right here in the Congress and at the fiscal and monetary policies of this Government.

In fact, the essence of the President's message was, very simply, that he proposes to fight the Government's inflation, the inflation that this U.S. Government has created, by stiff-arming the American public with still higher taxes and yet another dose of control. The new revenue measures that he proposed in his message Friday night will bring the growth of Federal tax receipts during fiscal year 1981, as astounding as this may sound, to a staggering $100 billion growth over fiscal year 1980. The tax increase that the administration is planning and that has been supplemented with this latest message for next year will exceed total Federal revenues for as recently as 1961.

I think that the message that we need to be getting across here today and the orienting principle on which we ought to be formulating and fashioning a real anti-inflation policy for this country ought to begin with the clear understanding and the premise that raising taxes will not balance the budget. It will only further demoralize the American people, it will only further lower incentives for work and for savings and for production, and it will only further obstruct the flow of goods and services from the Nation's farms, factories and shops and export terminals. Ratcheting up the Nation's already stifling, crushing tax burden yet another notch is a certain recipe for national impoverishment, and that may be one of the reasons why the markets are apparently reacting already so badly to the President's plan.

The President has proposed cutting spending, and that is a welcomed gesture, obviously. I use the word "gesture" and I would suggest that it is a little more. What his plan would do, when all is said and done, is simply slice off just 2 percent from a spending growth path which is leaping off of the charts today. When the books were closed on the fiscal year 1977 budget, just 28 months ago, Federal outlays totaled $402 billion. Now even with the reductions that were proposed by the White House Friday night, outlays in fiscal year 1981 will exceed $620 billion. That means that during the four Carter budgets, 1977 through 1981, a period in which the inflation rate has tripled, Government spending will have expanded at the rate of $5 billion per month, month in and month out, over that 48-month period, and then he has the nerve or the audacity to suggest that this plan will really bring spending under control.

I think another aspect of the plan has to do with the totally misguided and absolutely counterproductive notion that we can fight inflation by raising the price and the cost of gasoline even further. I think it is rather ironic that that proposal was even made, because by lowering their gasoline consumption during the last 10 or 12 months by more than 10 percent, the American people have voluntarily done more to solve our national energy problems than has the entire 20,000-man Department of Energy since its inception.

The White House now proposes to "reward," and I use that word in quotes, the sacrifices, the painful adjustments and the prudent behavior of the American motorist that has been registered in that 10-percent decline in gasoline consumption now over last year by slapping on an ill-disguised gasoline tax of 10 cents per gallon.

During the last 14 months I think we ought to recall that the average American family has seen its budget drained by $326 per year to simply pay the sharply higher cost of gasoline which has been compelled by the market in the price change with OPEC last year. This new tax now being proposed by the President and this administration will take another $70 per year from other things that the American family needs to buy. It will also net the Treasury $11 billion more per year to spend on things that the Nation does not require.

Another aspect of the proposal which I find totally inconsistent and totally inexplicable is the proposal he makes to burden even further the Nation's savings rate, which is already approaching the zero point, when he proposes to put a withholding tax on interest on savings accounts and other investment capital. It seems to me that this is exactly the wrong signal, the opposite direction to be moving in. We ought to be attempting to provide strong incentives for savings and not further frustrate and further discourage the American people, that diminishing, vanishing band of savers that we have in this country.

But I think the fundamental problem, the underlying difficulty, with inflation plan No. 4, anti-inflation plan No. 4 we have before us, is best symbolized by the proposal to take drastic action on credit cards. I think it ought to be stated very unequivocally that credit cards do not cause inflation. The Federal Government's printing presses do. And we are never going to have a workable plan until we get that basic premise and equation straight.

The fact is that during the four Carter budgets the Treasury will have issued $180 billion in new securities, in new debt, to pay the Government's bills. Much of that torrent of new Federal debt has been absorbed by the Federal Reserve through excess money creation, and the rest by foreign central banks and investors who, in a sense, have been loaning us money or taking our national wealth in order to pay the current bills of our Government.

So I think it can be said that the Carter administration over the last 4 years has systematically debauched the Nation's currency and sold off our Nation's wealth to finance an explosion of Government that it was originally elected to stop. Now the White House proposes to pin the blame for the resulting national economic distress on the buying habits of the American people and force them to carry wads of greenbacks in their wallets to pay their bills.

What I would suggest, in trying to sum all of this up and bring it down to a bottom line is very simply that the President's economic advisers in presenting inflation plan No. 4 have essentially declared intellectual bankruptcy. Searching for a scapegoat for the Nation's mounting economic disorder, they have left no stone unturned. They have blamed oil prices, they have blamed credit cards, they have blamed wage and salary workers, they have blamed everything except the real cause of the inflation that we have underway in this country today.

So I would suggest that, until we get a fundamental redirection of policy, until we start cutting back sharply this enormous growth in Federal spending, until we have drastically reduced taxes and thereby restored incentives for increased real growth in our economy, until we drop our fascination with all of these gimmicks and all of these control efforts such as that embodied in the credit card proposal, we are never going to really address the problem that the American people are so concerned about. This plan is a failure. It will be recorded as a failure in the response of people and markets all over the country in the next couple of weeks, and we will be back here very shortly once again looking at another plan and, hopefully, as we do that, we can offer something that will really address the fundamental problems that this country faces.

Mr. EDWARDS of Oklahoma. I thank the gentleman. We have about 10 minutes left. The gentleman from Georgia wishes to speak. I wonder if I could ask the gentleman just very briefly to expand on one point.

At a press conference we had this morning, one of the reporters made it clear that obviously some people do not understand what is wrong in the withholding provision on savings. It seems to me obvious that there is a broader purpose to savings, not just as it affects the individual who puts the money in savings, but in leaving the money there so it is available to be loaned out for new investment. I wonder if the gentleman would comment very briefly on that.

Mr. STOCKMAN. There are three aspects of the proposal. One is to get quick revenue yield. Since we do not withhold taxes from interest income now, by imposing it immediately or some time this year, we would get taxes into the Federal coffer a year ahead of time, about $2 billion; so, therefore, money that would be in the private sector and could be reloaned during the tax year, will now be in the Federal budget, and that will only further increase the pressure on interest rates out there in the private sector.

The second thing is, the argument has been made that there is underreporting of interest income and, therefore, by withholding at the source we are not going to allow the Nation's savers to escape paying taxes.

But the fact is, given the inflationary policy that we have underway in this country today, most people are achieving a zero or negative rate of return on their savings. If you have your money in a passbook still, and there are millions of people who do, $30 billion in passbooks in the banks and in the savings and loans of this country, and they are receiving a 5½ percent rate, the inflation rate is 14 percent, and then you want them to pay taxes on that measly, minuscule 5 percent, too? What you are essentially proposing is that people ought to contribute their capital to the running of the Government even though the Government is running policies that are essentially stealing their accumulated wealth.

I cannot think of anything that is less justified in technical terms, but even more importantly, in terms of what the gentleman from Arkansas was saying a moment ago, in terms of symbolism, in terms of the message that it casts, than to say that we are going to send out a battalion of revenue agents to extract even more from the savers of this country, who are barely preserving the value of their capital to begin with and have almost no incentive to save the way it is.

☐ 1400

Mr. GINGRICH. Mr. Speaker, will the gentleman yield?

Mr. EDWARDS of Oklahoma. I yield to the gentleman from Georgia (Mr. GINGRICH), one of the more eloquent and valuable Members of this body.

Mr. GINGRICH. I thank the gentleman for yielding.

I thank him for having this special order.

Let me say, first of all, that as a historian, I think we are now faced with the least appropriate economic policy since Herbert Hoover, and I think we have an example of, in essence, a smiling Hoover who adopts programs which further crush the human spirit.

The great failure in Washington, the short time I have been here, is to focus on aggregate figures, to talk about what the country needs, to talk in economic terms as described by economists.

I think it is a disaster, because politics and government should exist for human beings. Human beings are who pay taxes—and human beings want to buy a house. Human beings care about having an education.

I think if we describe policy in human terms, the disaster we are now stumbling into exposes itself even more thoroughly.

I doubt if there is an audience in America that one could approach outside the White House and ask people how they felt about rising gasoline prices and one would not have every single person in that room say, "Gasoline prices are going up too fast."

If we said to them, "How many of you will be hurt by an additional 10 cents a gallon for gasoline?" Every hand will go up.

And if we said to them, "How many will not be hurt by an additional 10 cents a gallon for gasoline?" Not a single hand will go up, yet we are being told raising the tax on gasoline 10 cents a gallon helps America.

I do not think it is possible. In fact, I think it is a denial of the very concept this country is founded on to say we can help America by hurting Americans.

We are now faced with what is an anti-American, pro-America policy. I think it is impossible. We are being told it is good for America to put people out of work, that a recession is what Americans need.

We are being told that in order to fight inflation, we are going to have an inflationary tax increase that will raise the cost of living. We are told that in order to help you have more money to spend, we are going to take more money away from you. It is nonsense.

Let me suggest that the fundamental issue is whether people are going to have money to spend in Washington in the Federal Government or going to have money to spend in Michigan or Oklahoma or in Georgia.

The great dividing line of debate this year is going to be between those people who want to cut the family budget of every working American to keep the Federal budget high, and those people who are willing to cut the Federal budget in order to keep the family budgets intact. The great dividing line is going to be on whether or not we have the courage to confront what I would say is the basic principle that is going to break the back of this current public relations effort on the budget.

You cannot change the budget unless you change the Government. It is impossible to do 99.3 percent of everything we all want to do and have any impact on the budget.

Therefore, the governing coalition in this body and in the other body and the President are going to have to sit down and confront whether they have got the courage to change the way we are governing or whether in fact they are willing to fail in the effort to balance the budget.

Let me suggest one of the words that comes up over again is uncontrollable.

It is a fundamental deception falsity in advertising for any Congressman to go home and say, "Well, we can only affect 20 percent of the budget." You know, 75 or 80 percent of it is uncontrollable.

As the gentleman from Oklahoma knows, this body and the other body, with the signature of the President, can control anything we want to that is in law. We do not spend a dime in this country that is not raised through taxes that pass from this body. We do not spend a dime in this country that is not appropriated by this body. It is unconstitutional.

So I would suggest that what we need is a budget effort which for the 1981 budget genuinely redesigns the Government in order to redesign the budget. It is possible to redesign the budget.

Let me say, furthermore, we have heard some talk about bipartisan support. I saw the Secretary of the Treasury Miller on "Face the Nation" yesterday. He said he had been up here on the Hill in an unprecedented and I believe the figure was 8 solid days of negotiating with congressional leaders.

Let me report to the country, of those 8 solid days, two 1-hour meetings were with Republicans.

Presuming they worked an 8-hour day on those 8 days, that meant 62 hours with the Democrats, and 2 hours with the Republicans.

We are still faced with secret cuts that apparently will not be announced until after the major primaries are over.

We are faced with a secret effort to pass the budget under a public relations effort of unprecedented proportion.

I would like today to leave a challenge to my colleagues on the other side of the aisle to save the Democratic leadership, in the words of one of their former Presidents, Lyndon Johnson:

> We are willing to be in on the landing if you will let us be in on the takeoff.

What we do not want is for you to come to the floor after weeks of negotiations, after weeks of secret meetings, and say now, if you are real partners, you will help us bail out the boat. We are sinking. I would like to propose a national coalition to fight inflation, to balance the budget, and to increase productivity and take-home pay through tax cuts. A national coalition meeting in the open, a national coalition that would have coequal billing, would have coequal input. I suggest that coalition should start not by waiting for the 1981 budget, but by next week or the week after, offering a jointly designed set of budget cuts in the 1980 budget, offering a third concurrent resolution now, not a month and a half from now, getting it out in the open so that together we can work to fight inflation.

Let me close, if I may, by again commending the gentleman from Oklahoma because I think we are now faced with the decisive struggle that will decide the shape of this country for the next 20 years.

We have for over a decade followed the path of Great Britain into higher taxes, bigger deficits, bigger Government spending and a sicker economy.

The time has come to turn that

around to return to the basic American pattern of a balanced budget, a lean government, as much take-home pay as possible for the American people and a real incentive to invest and develop and build new factories, to create new jobs, and build into homes.

I think 1980 is the year which both this body and the country at large will make that decision.

I thank the gentleman.

Mr. EDWARDS of Oklahoma. I thank the gentleman particularly for two things. That is, for making the point about the uncontrollables because what that really means is it means last year we decided to spend it, and we are not about to change our mind.

The second point is this: In 1964 we had just passed a $100 billion budget. Today we are already spending over six times that much, and in 16 years. The reason for that, the gentleman referred to the individual, the need of the individual, and the big philosophical hangup we have had in this administration and on the other side of the aisle is the philosophical problem, a tendency to put society ahead of the people who make up that society and to forget that society exists for the welfare of the people in the society and not the other way around.

I think the gentleman has hit very clearly on the problem, and if we can work together to bring control to the budget and cut spending that all Americans will have a better opportunity to achieve their aspirations.

I thank the gentleman for his participation.

● Mr. GEPHARDT. Mr. Speaker, the difficulty of balancing the Federal budget is often lost among the many voices calling for it to be accomplished immediately and in a way that impacts someone else's primary interests.

As a member of the Budget Committee, I am aware of the lack of understanding most Americans have of the Federal budget process and the impact each one of us has on the final document. For many people it is a boring subject, not easily understood beyond the red or black ink. This is due, in part, to the unwillingness of news organizations to devote the time and effort to report on the process and put it in language so that it has meaning to the average American.

Reid Detchon, who represents the Columbia (Mo.) Daily Tribune in Washington, possibly the smallest daily with full-time representation in the Capital, has written an excellent account of the practical problems we will encounter in taking the necessary steps to putting the fiscal year 1981 budget in balance. I want to call this article to the attention of my colleagues and ask unanimous consent that it be inserted into the RECORD at this point:

BALANCING FEDERAL BUDGET TOUGHER THAN IT LOOKS

(By Reid Detchon)

WASHINGTON.—Balancing the budget is a hot topic here again.

Last year at this time, such talk was sparked by the sudden realization that the states might force a constitutional convention on the subject.

That possibility remains a real one, but this year it's inflation that's causing a second look at the federal deficit.

Now such potentates as Senate Majority Leader Robert Byrd and Finance Committee Chairman Russell Long are saying the budget must be and will be balanced this year.

They may be right, but don't bet the south forty on it.

Balancing the budget is not easy in the best of times, and these are not the best of times. For one thing, this is an election year. For another, the long-awaited recession finally is looming. For a third, the Pentagon is seeking a huge increase in its budget. And for yet another, a big jump in Social Security taxes takes effect Jan. 1—an event Congress desperately would like to prevent.

Those factors, taken together, mean that in order to balance the budget, it will be necessary to do more than cut out $16 billion in spending—the amount President Jimmy Carter projected as his fiscal 1981 deficit. Congress must do something much tougher—cut upwards of $20 billion, perhaps $30 billion—from non-defense spending. To this observer, that looks unlikely, even impossible.

To understand the difficulty of the problem, consider this paradox. A huge majority of Congress may want the budget to be balanced, and yet the budget won't be balanced. Here's why:

Suppose 90 of the 100 members of the Senate want to cut spending. So far, so good. But half want to cut defense spending, and half want to cut social programs. That makes the vote 55 to 45 against any cuts at all.

That's why spending resolutions of the kind Sen. Jack Danforth, R-Mo., co-sponsored last week tend to be meaningless. Congress can say, yes, it wants to cut spending, and yes, it will balance the budget. But when it comes to specific programs, it just can't say no.

Look at it another way. Three members get together and vow to cut the budget. Each pledges to vote against one-third of the programs he'd previously supported. So far, so good. But with no consensus on what will be cut, nothing gets done:

On the first program, members 1 and 2 say yes, and member 3 votes no. On the second program, members 2 and 3 say yes, and member 1 votes no. On the third program, members 1 and 3 say yes, and member 2 votes no. All three programs are approved with a rousing two-thirds majority, and all three members can say they tried to cut the budget.

Or look at specifics. Federal revenue sharing to the states could be eliminated, saving $2.4 billion. "Ow!" say the governors. "We were counting on that to build a new prison. And we use the money so much more efficiently than the federal government. And remember, this is an election year."

Okay, mumbles the congressman. Federal subsidies to the U.S. Postal Service could be eliminated, saving $1.6 billion. "Ow!" say the publishers. "Our mailing costs are going to go out of sight. You'll put us out of business. And remember, this is an election year."

Well, Okay, says the congressman. Maybe the MX missile isn't such a good idea. That would save $873 million. "Ow!" say the generals. "Are you kidding? The only way to cut the spending levels is to change the law."

Right now there is a lot of talk that Congress may do just that—specifically, cut the cost-of-living adjustment for Social Security and other programs from 100 per cent of inflation to 80 or 85 per cent.

"Ow! Ow! Ow!" That's the hottest potato you'd ever want to handle. If Congress goes ahead on that, yes, Virginia, it will balance the budget.

A constitutional amendment may be the only answer.●

GENERAL LEAVE

Mr. EDWARDS of Oklahoma. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

SORROW, NOT ANGER, OVER PRESIDENT CARTER'S INFLATION PROPOSAL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 10 minutes.

Mr. KEMP. Mr. Speaker, through these special orders my colleagues on the minority side of the aisle have brought to the attention of the American people the fact that President Carter's economic game plan is not a recipe for balancing the budget or stopping inflation or getting America moving again. Quite the contrary—and I say this more in sorrow than in anger.

Right now, we are suffering from a drop in productivity, a loss of savings, fewer employment opportunities, and deficits that persist because our economy is contracting.

There is really only one way to balance the budget, and that is to make the Nation grow again, to be more prosperous again. Every time this Nation has tried to balance its budget by raising taxes and Draconian cuts in discretionary spending and throwing people out of work, it does not cure inflation. That prescription that is sometimes called orthodox or conservative, is not either orthodox or conservative in classical economics.

The best thing we can do for people is to encourage them to grow again, to make sure there are jobs enough for our people.

Margaret Bush Wilson, the leader of the NAACP, said that "inflation is not caused by too many people working." In other words, she said inflation is not caused by a growing economy; but it seems to be the administration's belief that when an economy is growing, it must be the result of inflation. Inflation does not encourage economic growth. Putting money in people's hands is not necessarily the way to encourage production. Production—that is, working and saving and investing in the future of our economy—does not occur because there are purchasers of products; production is motivated by the reward that people get to keep for their efforts. If the reward for effort is reduced by a tax system that punishes productivity you get what we have today, stagflation.

Now, on Friday President Carter sincerely gave to the American people his plans to stop inflation. His plan involves trying to balance the budget; but trying to balance the budget off the backs of the American people. The President wants to balance the budget by raising taxes—social security taxes, income taxes, oil excise taxes, and a new oil import fee of $10 billion, which is translated into a 10-cent-a-gallon increase in the price of gasoline.

The President also wants to put controls on the use of credit by Americans.

Now, Mr. Speaker, the American people did not cause inflation. As I said before, inflation is not caused by too many people working. Quite the contrary. A declining economy increases inflation because it lowers the output of our Nation relative to the money supply.

Inflation is a decline in the value of the currency. It is caused by an imbalance between the supply of money and the demand for money to buy goods. Not only must you fight inflation by restraining the creation of money, but you can fight inflation, on the other side of the equation, by increasing the output of our Nation. We need more goods, more services, more homes, more jobs, more production, more energy.

This takes a simultaneous strategy of, first, making the dollar once again "as good as gold." Then, second, it takes lower taxes and less regulation on the private, productive sector of the economy.

Mr. Carter has raised his guidelines for wages and prices from 7 percent in 1979 to 8.5 percent in 1980.

Mr. Speaker, it is dishonest for the U.S. Government to have guidelines at 7 percent or 8.5 percent, or to freeze wages, while at the same time the U.S. Government is devaluing the paychecks of the American working men and women about twice as fast.

I represent a district of blue-collar, industrial factory workers. Neither they, nor their desire for a higher standard of living, is the cause of inflation. Inflation, a decline in the value of the currency, begins and will end in Washington, when the U.S. Government and our central bank, the Federal Reserve, follow a monetary policy which absolutely guarantees the purchasing power of every dollar in circulation. It is absolutely immoral to put money in circulation while there is a declining level of output and productivity in the private sector of the economy, because all that happens is a rise in prices. That is not only a classical recipe for inflation, but combines with our outdated tax code to raise inflation, tax rates as well.

In the morning paper, Mr. Miller, Secretary of the Treasury, says in effect that we have to suffer a recession as the only means by which we can cure inflation. How can people in Washington really believe that throwing people out of work, raising unemployment in my hometown of Buffalo, N.Y., or anywhere in the country, is any cure for inflation?

In 1968 and 1969 that policy was followed. It did not cure inflation. Indeed, it accelerated inflation on into the early 1970's. And the deficits became larger.

In 1974, unfortunately, a Republican administration tried that policy. They tried to balance the budget, raise taxes and make Draconian cuts in the U.S. budget, and that did not cure inflation. It caused a recession, unemployment went up, and then, of course, the demand for a stimulus ultimately brought about more inflation.

I want to suggest that credit controls, wage and price controls, raising taxes on oil imports or on gasoline, raising taxes on social security, raising taxes on income, is not in any way going to help this economy. The American people need less taxes, not more; less regulation, not more, more jobs, not less, and they need a growing economy, not a contracting economy.

The Congressional Budget Office estimates that current economic policy will raise unemployment from 5.8 to 8 percent and cost $55 to $64 billion in lost revenue and higher spending. This is not the way to balance the budget, as we proved in 1969 and 1974.

I am disappointed that the mistakes being made today are the same ones that have been made so often in the past, not just by Democratic administrations, but by Republican administrations. I agree with Senator BELLMON, our colleague from Oklahoma. He suggested our problems are not partisan in nature. I could not agree more.

☐ 1420

Mistakes have been made in both parties, but it is now the Democratic Party and a Democratic President who are making the same mistakes that were made in the past by both Democrat and Republican Presidents and administrations.

I started by characterizing my comments today as being more in sorrow, than in anger. I am not angry, except that I feel it is a tragedy to continue making the same mistakes economically that have been made in the past. Hegel said the only thing people have ever learned from history is that no one ever seems to learn from history. We must learn from history to survive, and every attempt to balance the budget by raising taxes and discouraging the economy, from Herbert Hoover through Lyndon Johnson and Richard Nixon right up to President Carter today, is doomed to failure because it does not deal with both the money and the real sides of the inflation problem. The central problem in our society today is one common in many other Western democracies. It is the impact of a devaluing currency on a steeply progressive tax system.

Inflation, in and of itself, is destructive because it devalues our jobs, our wages, our earnings, our savings, our lives, and our futures. Progressivity in our tax code, in and of itself, is destructive because it progressively reduces the reward for being successful, for being productive, for earning a higher wage, dividends, capital gains, or any other reward for greater economic output, production, and success.

If inflation and the progressive tax system are separately destructive, the collision of inflation on progressivity is a recipe for disaster. It is why we have declining economic growth with rising unemployment at a time when our currency is being devalued at an accelerating rate.

The only answer is a simultaneous strategy of restoring the soundness of the dollar, making it as good as gold, an honest dollar, whose purchasing power in a year will be the same as it is today; and then, at the same time, phasing in dramatically lower tax rates on labor and on capital.

As I said earlier I represent a steelworker, blue-collar, factory constituency in upstate New York. If inflation is to be fought on the backs of the working people, then I am sure they agree that they have been fighting inflation for the last 10 years.

The SPEAKER pro tempore (Mr. HALL of Texas). The time of the gentleman from New York has expired.

(By unanimous consent Mr. KEMP was allowed to proceed for 2 additional minutes.)

Mr. KEMP. Mr. Speaker, the average factory wage in New York State, when adjusted for inflation and taxes, is lower today than in 1969. I will say it again: the average per capita disposable income of the people of New York who work in factories is lower today than it was in 1969.

If we could fight inflation by reducing the real wages of the American people, by putting people out of work, then it occurs to me that the poor, the minorities, the factory workers, have been fighting inflation for 10 years.

What has it gotten us? We have almost 20 percent inflation, an 18.5-percent prime rate, a declining dollar, gold that has gone to almost $500 an ounce, and a condition in which the hopes, the aspirations, the dreams of the American people, for themselves and for their children are being steadily diminished.

In the 1980's we need an era of growth expansion, we need more economic rewards, less regulation, and lower tax rates. Of course we need to have budget responsibility. There is no doubt in my mind that there are places in the U.S. budget where we can make the type of cuts and restraints that are needed. I would not suspect there is any disagreement with that on either side of the aisle.

But Senator BELLMON, my colleague from Oklahoma, the ranking Republican on the Budget Committee in the Senate, said there is bipartisan support for President Carter's attempt to balance the budget by raising taxes. I am one Member of Congress, and particularly in the Republican Party, who does not believe that we should be balancing the budget with draconian cuts and by raising taxes. We have got to bring back economic growth. We have got to expand the economy. That takes a bold, positive vision of the future that trusts and believes in the American people, if we would just get out of their way a little bit.

I saw a sign the other day in front of the Congress. Some independent producers of energy held up a sign which said, "Let us drill." They want to drill for energy. That is their livelihood. Of course people want to work. Of course people want to save. President Carter blames the American people for not saving enough. He says we "worship consumption." He says we are too greedy. He says we are shortsighted.

He is wrong. The American people want to save for the future, but the reward for saving has been steadily diminished, while the reward for borrowing has been subsidized. The U.S. Government inflates people's incomes with a steadily declining dollar and taxes them with a steeply progressive tax system.

I believe in America. I think we all do. If we want to balance the budget, we must restore prosperity rather than let the economy continue to decline.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. MARLENEE) to revise and extend their remarks and include extraneous material:)

Mr. HAGEDORN, for 5 minutes, today.

Mr. EDWARDS of Oklahoma, for 60 minutes, today.

(The following Members (at the request of Mr. WEISS) to revise and extend their remarks and include extraneous material:)

Mr. GONZALEZ, for 15 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. JACOBS, for 60 minutes, on March 20.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. KEMP'S remarks to be inserted immediately following special order of Mr. EDWARDS of Oklahoma.

(The following Members (at the request of Mr. MARLENEE) and to include extraneous matter:)

Mr. MICHEL in three instances.

Mr. CONABLE in two instances.

Mr. LAGOMARSINO.

Mr. WHITEHURST.

Mr. HAGEDORN.

Mr. LENT.

Mr. McCLORY.

Mr. DERWINSKI.

Mr. CARTER in two instances.

Mr. HOLLENBECK.

(The following Members (at the request of Mr. WEISS) and to include extraneous matter:)

Mr. OTTINGER.

Mr. STARK in two instances.

Mrs. SCHROEDER in two instances.

Mr. HAMILTON in five instances.

Mr. SHANNON.

Mr. HANCE.

Mr. ANDERSON of California in 10 instances.

Mr. GONZALEZ in 10 instances.

Mr. BROWN of California in 10 instances.

Mr. ANNUNZIO in six instances.

Ms. HOLTZMAN in 10 instances.

Mr. JONES of Tennessee in 10 instances.

Mr. BONER of Tennessee in five instances.

Mr. WOLFF in two instances.

Mr. STOKES in two instances.

Mr. PEPPER.

Mr. MAVROULES.

Mr. MURTHA.

Mr. EDGAR.

Mr. WON PAT in two instances.

Mr. UDALL.

Mr. COTTER.

Mr. LEHMAN.

Mr. DRINAN in two instances.

ADJOURNMENT

Mr. FORD of Tennessee. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 45 minutes p.m.), the House adjourned until tomorrow, Tuesday, March 18, 1980, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3782. A letter from the Secretary of Agriculture, transmitting an evaluation of the economic and social consequences of the programs of the cooperative extension system, pursuant to section 1459 of the Food and Agriculture Act of 1977; to the Committee on Agriculture.

3783. A letter from the President of the United States, transmitting a report on the survivability, cost effectiveness, and combat effectiveness of ships requested for the combatant forces for fiscal years 1981 and 1982, pursuant to section 810(b) of Public Law 95–485; to the Committee on Armed Services.

3784. A letter from the Secretary of the Navy, transmitting a draft of proposed legislation to amend the Department of Defense Appropriation Act, 1978 (Public Law 95–79, 91 Stat. 323) concerning a congressionally mandated reduction of numbers of civilian employees within the Department of Defense; to the Committee on Armed Services.

3785. A letter from the Administrator of General Services, transmitting the statistical supplement to the stockpile report for the 6 months ended September 30, 1979, pursuant to section 4 of the Strategic and Critical Materials Stock Piling Act; to the Committee on Armed Services.

3786. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the State Department's intention to consent to a request by the Government of Norway for permission to transfer certain U.S.-origin defense equipment to the Government of Sweden, pursuant to section 3 of the Arms Export Control Act; to the Committee on Foreign Affairs.

3787. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Ambassador-designate Julian Nava, and by members of his family, pursuant to section 6 of Public Law 93–126; to the Committee on Foreign Affairs.

3788. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on Foreign Affairs.

3789. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to amend the Federal Property and Administrative Services Act of 1949, as amended, relating to the disposal of foreign excess property, and for other purposes; to the Committee on Government Operations.

3790. A letter from the Comptroller General of the United States, transmitting a report on the office of Management and Budget's program to follow up recommendations made by the Commission on Federal Paperwork (GGD–80–36, Mar. 14, 1980); to the Committee on Government Operations.

3791. A letter from the Administrator of General Services, transmitting a followup report on the recommendations contained in the March 1978 report of the National Advisory Council on Women's Educational Programs entitled "* * * To Provide Educational Equity for Women," pursuant to section 6 (b) of the Federal Advisory Committee Act; to the Committee on Government Operations.

3792. A letter from the Secretary of Transportation, transmitting a report on the Department's activities under the Freedom of Information Act during calendar year 1979, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3793. A letter from the Director, Office of Personnel Management, transmitting a report on this agency's activities under the Freedom of Information Act during calendar year 1979, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3794. A letter from Executive Director, Board for International Broadcasting, transmitting a report on the Board's activities under the Government in the Sunshine Act during calendar year 1979, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

3795. A letter from the Acting Secretary of the Interior, transmitting the second annual report on the status of general management planning for each unit of the national park system, pursuant to section 12(b) of Public Law 91–383, as amended; to the Committee on Interior and Insular Affairs.

3796. A letter from the Chairman, Interstate Commerce Commission, transmitting a report on the effectiveness of the Rail Passenger Service Act of 1970, pursuant to section 308(c) of the act, as amended (Public Law 91–518); to the Committee on Interstate and Foreign Commerce.

3797. A letter from the Secretary of Commerce, transmitting the annual report for calendar year 1979 on actions taken to assure the provision of direct and adequate service by U.S.-flag commercial vessels to each of the Nation's four seacoasts, pursuant to section 809(a) of the Merchant Marine Act, 1936; to the Committee on Merchant Marine and Fisheries.

3798. A letter from the Secretary of Transportation, transmitting the first report on the progress of the highway cost allocation study, pursuant to section 506(c) of Public Law 95–599; to the Committee on Public Works and Transportation.

3799. A letter from the Assistant Secretary of the Army (Civil Works), transmitting the annual report on the status of local cooperation agreements on water resources projects, pursuant to section 221(e) of Public Law 91–611; to the Committee on Public Works and Transportation.

3800. A letter from the Administrator of General Services, transmitting a prospectus proposing a succeeding lease for space currently occupied in the Peachtree 25th Building, 1720 Peachtree Street, Atlanta, Ga., pursuant to section 7 of the Public Buildings Act of 1959; as amended; to the Committee on Public Works and Transportation.

3801. A letter from the Chairman of the Board of Governors, Federal Reserve System, transmitting the fifth annual report on the Board's activities under section 18(f) of the Federal Trade Commission Act, pursuant to section 18(f)(6) of the act; jointly, to the Committees on Banking, Finance and Urban Affairs and Interstate and Foreign Commerce.

3802. A letter from the Administrator, Small Business Administration, transmitting a report on the study of the financial problems faced by small automobile dealers, pursuant to section 17(b) of Public Law 96–185; jointly, to the Committees on Banking, Finance and Urban Affairs and Small Business.

3803. A letter from the Comptroller General of the United States, transmitting a report on the efforts of the Arms Control and Disarmament Agency to coordinate arms control research sponsored by other Federal agencies (ID–80–6, Mar. 17, 1980); jointly, to the Committees on Government Operations and Foreign Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[*Pursuant to the order of the House on March 13, 1980, the following reports were filed on March 14, 1980:*]

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 5751. A bill to more adequately protect archeological resources in southwestern Colorado; with amendment (Rept. No. 96–826). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 6631. A bill to provide for the settlement of the land claims of the Cayuga Indian Nation in the State of New York, and for other purposes; with amendments (Rept. No. 96–827). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ASPIN:

H.R. 6820. A bill to provide improved congressional oversight of the intelligence community of the United States, to provide improved protection of the privacy of U.S. persons from activities of the intelligence community, to provide improved protection of foreign sources of intelligence, to prohibit the unauthorized disclosure of information identifying certain U.S. intelligence officers, agents, informants, and sources, and for other purposes; to the Permanent Select Committee on Intelligence.

By Mr. COLEMAN (for himself, Mr. Symms, Mr. Michel, Mr. Goodling, Mr. Rudd, Mr. Lott, Mr. Stockman, and Mr. Hagedorn):

H.R. 6821. A bill to reduce overlap between the food stamp and school lunch programs; to the Committee on Agriculture.

By Mr. CONABLE:

H.R. 6822. A bill to amend the Internal Revenue Code of 1954 to reduce the tax effect known as the marriage penalty by permitting the deduction, without regard to whether deductions are itemized, of 10 percent of the earned income of the spouse whose earned income is lower than that of the other spouse; to the Committee on Ways and Means.

H.R. 6823. A bill to extend certain tax provisions designed to encourage the preservation of historic structures; to the Committee on Ways and Means.

By Mr. COTTER:

H.R. 6824. A bill to preserve the application of existing law to nonqualified deferred compensation arrangements maintained by tax-exempt organizations; to the Committee on Ways and Means.

By Mr. GARCIA:

H.R. 6825. A bill to provide for a study to be conducted by the Secretary of Agriculture to determine the costs and feasibility of amending the National School Lunch Act so as to permit free lunches to be served to all children attending school under the jurisdiction of a local educational agency in which at least 60 percent of the children attending such schools are otherwise eligible for such lunches; to the Committee on Education and Labor.

By Mr. GIBBONS:

H.R. 6826. A bill to insure the confidentiality of information filed by individual taxpayers with the Internal Revenue Service pursuant to the Internal Revenue Code and, at the same time, to insure the effective enforcement of Federal and State criminal laws and the effective administration of justice; to the Committee on Ways and Means.

H.R. 6827. A bill to provide penalties for unauthorized disclosure of tax information; to the Committee on Ways and Means.

H.R. 6828. A bill to provide for civil damages for unauthorized disclosures of tax information; to the Committee on Ways and Means.

By Mr. LATTA:

H.R. 6829. A bill to amend the Trade Expansion Act of 1962 in order to revoke the President's authority to impose any tax or fee on imports of petroleum and petroleum products into the United States without first being specifically authorized to do so by the Congress; to the Committee on Ways and Means.

By Mr. STAGGERS (by request):

H.R. 6830. A bill to amend the Securities Exchange Act of 1934 to authorize appropriations for the Securities and Exchange Commission for fiscal years 1981–83; to the Committee on Interstate and Foreign Commerce.

By Mr. STAGGERS (for himself, Mr. Scheuer, Mr. Broyhill, and Mr. Rinaldo):

H.R. 6831. A bill to amend the Securities Investor Protection Act to increase the amount of protection available under such act to customers of brokers and dealers; to the Committee on Interstate and Foreign Commerce.

By Mr. TAUKE:

H.R. 6832. A bill to amend the Environmental Policy Act of 1969 to require that environmental impact statements be prepared with respect to interstate pipelines before Federal rights-of-way or permits may be issued; jointly, to the Committees on Interior and Insular Affairs, Interstate and Foreign Commerce, and Public Works and Transportation.

By Mr. WHITEHURST:

H.R. 6833. A bill to give the Food and Drug Administration greater discretion in the control of food additives; to the Committee on Interstate and Foreign Commerce.

By Mr. BROWN of California (for himself, Mr. Hollenbeck, Mr. Scheuer, Mr. Harkin, Mr. Pease, Mr. Ertel, Mr. Watkins, Mr. Hance, Mr. Ritter, and Mr. Davis of Michigan):

H.J. Res. 513. Joint resolution defining policies of the United States with respect to scientific and technical exchanges with the Soviet Union; jointly to the Committees on Foreign Affairs, and Science and Technology.

By Mr. GIAIMO:

H. Res. 609. Resolution approving the printing of additional copies of the report accompanying the First Concurrent Resolution on the Budget for Fiscal Year 1981; to the Committee on House Administration.

By Mr. MURPHY of New York:

H. Res. 610. Resolution to provide for the expenses of investigations and studies to be conducted by the Select Committee on the Outer Continental Shelf; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

375. By the SPEAKER: Memorial of the Senate of the State of Washington, relative to a feasibility study of the Yakima River Basin water enhancement project; to the Committee on Interior and Insular Affairs.

376. Also, memorial of the Legislature of of the State of Utah, relative to primary authority granted in the Clean Air Act of 1977; to the Committee on Interstate and Foreign Commerce.

377. Also, memorial of the Legislature of the State of Kansas, relative to voluntary prayer in public schools; to the Committee on the Judiciary.

378. Also memorial of the General Court of the Commonwealth of Massachusetts, relative to assistance for Vietnam veterans; to the Committee on Veterans' Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BROWN of California:

H.R. 6834. A bill for the relief of Earl Gilbert, Larry Collins, Vern C. Parton, Alexander L. Adams, and John Kimm; to the Committee on the Judiciary.

By Mr. ECKHARDT:

H.R. 6835. A bill for the relief of Eleazar Mendez-Ortiz and Alma Grijalva de Mendez; to the Committee on the Judiciary.

By Mr. ZABLOCKI:

H.R. 6836. A bill for the relief of James A. Schultz; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 734: Mrs. Heckler.

H.R. 809: Mr. Carter, Mr. Heftel, and Mr. Van Deerlin.

H.R. 1297: Ms. Ferraro and Mr. Mazzoli.

H.R. 2472: Mr. Harris.

H.R. 4511: Mrs. Spellman.

H.R. 4526: Mr. Howard.

H.R. 5099: Mr. Bailey.

H.R. 5225: Mr. Robert W. Daniel, Jr.

H.R. 6008: Mr. Buchanan and Mr. Chappell.

H.R. 6274: Mr. Carter.

H.R. 6540: Mr. Traxler.

H.R. 6551: Mr. Roe.

H.R. 6625: Mr. Annunzio, Mr. Baldus, Mr. Benjamin, Mr. Corcoran, Mr. Fithian, Mr. Hamilton, Mr. Hyde, Mr. Jacobs, Mr. Murphy of Illinois, Mr. Tauke, and Mr. Yates.

H.R. 6675: Mr. Long of Maryland, Mr. Mineta, Mr. Gibbons, and Mr. Downey.

H. Con. Res. 225: Mr. Carney, Mr. Evans of Delaware, Mr. Cheney, Mr. Diggs, Mr. Mattox, Mr. Early, Ms. Oakar, Mr. Derrick, Mr. Conyers, and Mr. Fithian.

H. Con. Res. 271: Mr. Bedell, Mr. Cavanaugh, Mr. Downey, Mr. Fazio, Mr. Gray, Mr. LAGOMARSINO, Mr. LUNDINE, Mr. WEISS, Mr. MCCLOSKEY, and Mr. HEFTEL.

H. Con. Res. 298: Mr. ANTHONY, Mr. ARCHER, Mr. CLEVELAND, Mr. COLLINS of Texas, Mr. CORCORAN, Mr. ROBERT W. DANIEL, Jr., Mr. DERWINSKI, Mr. ERLENBORN, Mr. EVANS of Delaware, Mr. GIBBONS, Mr. GOLDWATER, Mr. GREEN, Mr. GUYER, Mr. JEFFRIES, Mr. KINDNESS, Mr. LAGOMARSINO, Mr. LATTA, Mr. LOEFFLER, Mr. MCDONALD, Mr. MYERS of Indiana, Mr. O'BRIEN, Mr. ROUSSELOT, Mr. STANGELAND, Mr. STANTON, Mr. STUMP, Mr. SYMMS, Mr. WALKER, and Mr. YOUNG of Alaska.

H. Res. 525: Mr. BAFALIS, Mr. BUTLER, Mr. D'AMOURS, Mr. EDGAR, Mr. FISH, Mr. GUYER, Mr. NICHOLS, Mr. SAWYER, and Mr. SYNAR.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

300. By Mr. MOLLOHAN: Petition of Roger C. Rymer, Leon, W. Va., and others, relative to tax reduction; to the Committee on Ways and Means.

301. By the SPEAKER: Petition of Carol K. Allen, Piedmont, S.C., and others, relative to proposed registration of women for the selective service; to the Committee on Armed Services.

302. Also, petition of the Association of Retired Employees of the Commonwealth of Puerto Rico, San Juan, P.R., relative to proposed taxation of social security benefits; to the Committee on Ways and Means.

EXTENSIONS OF REMARKS

TAX DEDUCTION TO REDUCE THE MARRIAGE PENALTY

HON. BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 17, 1980

● Mr. CONABLE. Mr. Speaker, the Committee on Ways and Means has scheduled 2 days of hearings, April 2 and 3, to focus primarily on what is called the income tax marriage penalty. The penalty is the amount of Federal income tax married individuals have to pay over and above what they would have owed if they were single. This income tax marriage penalty is the result of first, the different zero bracket amounts—ZEBRA—available on single and joint returns, and second, the different tax rates on single and joint tax schedules.

The extent to which these two factors affect a couple depends not only on their marginal tax bracket but also on the proportionate share of the combined income earned by each spouse. As the following table illustrates, some couples benefit from filing joint returns while others incur a penalty. This depends on the distribution of earnings between the two spouses. Those with the most lopsided earnings split, 100 percent to 0 percent, benefit most from using the joint return. Those with the most even earnings split, 50 percent to 50 percent, suffer the greatest penalty. The break point between a marriage bonus and a marriage penalty occurs at about a 20-percent to 80-percent earning split.

MARRIAGE BONUS (–) AND PENALTY

Total family income	Percent earned by lesser earning spouse					
	Zero	10	20	30	40	50
$5,000	–250	–170	–98	–28	0	0
$10,000	–475	–275	–85	180	182	202
$20,000	–1,092	–460	42	238	355	391
$30,000	–1,929	–749	–26	439	785	903
$40,000	–2,801	–939	177	1,031	1,564	1,692
$50,000[1]	–3,344	–1,094	454	1,731	2,439	2,674
$60,000[1]	–3,444	–866	953	2,346	3,294	3,654
$70,000[1]	–3,464	–566	1,451	2,859	3,799	4,234
$80,000[1]	–3,464	–251	1,931	3,339	4,134	4,344
$100,000[1]	–3,464	359	2,699	4,014	4,369	4,394

[1] Assumes 50% maximum tax where applicable.

BACKGROUND

Congress did not set out to enact a marriage penalty. It was inadvertently created as Congress over the years sought an acceptable equilibrium in taxing married and single individuals. The changing roles of husbands and wives in the work force has similarly had a major role in creating the marriage penalty. Like many other statutes on the books, the present tax system is the product of an assumption valid years ago but out of date today—that the majority of married couples depend almost exclusively on wages of a single principle breadwinner.

Originally, income taxes were uniformly imposed on individuals regardless of their marital status. However, the eight community property States permitted couples to divide their income equally and thereby minimize their income tax burden by having each spouse pay tax on one-half the combined income. Other States were about to adopt community property statutes simply to give their residents the tax benefits of income splitting. To head this off, Congress enacted the joint return in 1948 which gave all couples the tax benefit of income splitting. At this point in time, only about 20 percent of married women were in the labor force and most couples fit the traditional stereotype.

In the 1960's, single taxpayers organized their protests against what they viewed as inequitable discrepancies in the tax burden of single people compared with married couples filing joint returns on identical incomes. Congress responded in 1969 by revising downward the tax rate for single individuals. Although it was realized that this could put two-worker couples at a disadvantage compared with single individuals and one-worker couples, this did not appear to be a major difficulty. Even at the beginning of the 1970's, only 40 percent of married women were in the work force, many of them on a part-time or temporary basis. The prevailing assumption continued to be that most families fit the traditional, one-breadwinner mold.

Today we realize how erroneous that assumption has proved to be. It is the one-worker couple which is in the minority, while the two-worker couple has achieved majority status, thanks largely to the impact of inflation on household budgets. In March 1978, the most recent month for which statistics are available, 13.5 million married couples depended solely on the husband's earnings while 22.8 million couples had both husband and wife in the work force. The preponderance of two-worker couples prevails regardless of whether there are children present in the household or how many children there are.

Even more important than the status quo in determining what Federal policy ought to be with regard to the taxation of married couples is what the trends in the future are likely to be. Our best estimates indicate that the trend to two-worker couples will continue throughout the decade. The female labor force is expected to increase by 1 million people each year, and by 1990 it is expected that about 70 percent of wives will be in the work force.

LEGISLATION IS NEEDED

I believe Congress has little choice but to deal with the marriage penalty head on. Legislation is needed. It cannot be avoided. Too many couples, at all income levels, are hurt by the marriage penalty. For many, a double burden is suffered. Often wives are working not because they particularly want to but because the impact of inflation on their family's budget has forced them to. For the Government to claim a larger share of their wages simply because they are married puts them in virtually a no-win situation.

The marriage penalty hits couples at every income level. Although the two-professional couple each with high incomes and prestigious positions have gotten a great deal of publicity and incur marriage penalties larger than many couple's entire tax liability, it is nevertheless the case that most couples affected by the marriage penalty have relatively modest incomes. Of couples impacted by the marriage penalty, 20 percent have combined incomes of $10,000 or less, 54 percent have combined incomes between $10,000 and $20,000, and 25 percent have combined incomes between $20,000 and $50,000. Only the remaining 1 percent have combined incomes in excess of $50,000.

One group of couples, however, has managed to escape the marriage penalty. They are the more than 1 million couples who have chosen not to marry in the first place, in order to avoid the tax penalty. Others, some of whom are expected to testify before our committee next month, have divorced at the end of the year and remarried the following January in order to avoid paying taxes on the joint schedule. When IRS deemed these serial remarriages to be sham transactions aimed solely at tax avoidance, many couples simply divorced and did not subsequently remarry. The Federal tax policy is having a perverse impact indeed when it drives couples to make these arrangements in their personal lives.

TAX DEDUCTION TO ALLEVIATE THE MARRIAGE PENALTY

Today I am introducing a bill which represents one way of alleviating the icome tax marriage penalty. This legislation would permit couples using the joint return to claim a deduction, regardless of whether they itemize other deductions, equal to 10 percent of the earned income up to $20,000 of the spouse who earned the least. This deduction would not be allowed if one spouse had earned income amounting to less than 20 percent of the couple's combined earned income since such couples already get a marriage bonus under the joint return.

This would not totally eliminate the marriage penalty, but it would mitigate its impact substantially, particularly for those at the lower end of the income scale. The revenue impact of this proposal is expected to be about $3.2 billion, with 84 percent of the benefits going to couples with combined incomes between $15,000 and $50,000.

TAX REDUCTION FROM A DEDUCTION OF 10 PERCENT OF LESSER EARNINGS UP TO $20,000 FOR 2-EARNER JOINT RETURNS

[Tax decrease]

Expanded income class	Millions	Percent of tax		Percentage distribution	Returns with tax decrease	
	(1)	Those benefiting (2)	All returns (3)	(4)	Thousands (5)	Percent of taxable returns (6)
$0 to $5,000	(1)	(2)	(2)	(2)	(1)	(2)
$5,000 to $10,000	−44.0	0.1	(2)	1.3	1485	7.1
$10,000 to $15,000	−218.3	.3	0.1	6.7	3764	18.1
$15,000 to $20,000	−511.6	.7	.3	15.6	5139	24.7
$20,000 to $30,000	−1,319.4	1.9	.8	40.3	7277	34.9
$30,000 to $50,000	−925.8	1.4	.5	28.3	2704	13.0
$50,000 to $100,000	−195.9	.3	.1	6.0	384	1.8
$100,000 and over	−60.2	.1	(2)	1.8	84	.4
Total	−3,275.2	4.8	1.8	100.0	20,836	100.0

[1] Less than $50,000 or 500 returns.

[2] Less than one-half of 1 percent.

Source: Joint Committee on Internal Revenue Taxation.

The following chart illustrates the impact on couples with even more earnings splits at various income levels:

TAX REDUCTION FOR A TWO-EARNER JOINT RETURN FROM A DEDUCTION OF 10 PERCENT OF LESSER EARNING, UP TO $20,000 FOR COUPLES WITH EQUAL EARNINGS

[Assumes no itemized deductions [1]]

Income	Present law joint tax	Tax under alternative	Tax reduction	Percentage reduction in the "marriage tax penalty"
$5,000				
$7,500	294	189	105	63
$10,000	702	534	168	83
$12,500	1,152	972	180	83
$15,000	1,635	1,425	210	84
$17,500	2,160	1,950	210	70
$20,000	2,745	2,505	240	61
$25,000	4,057	3,707	350	57
$30,000	5,593	5,113	480	49
$40,000	9,366	8,506	860	51
$50,000	13,798	12,818	980	37
$100,000	[2]38,678	[2]37,678	1,000	23

[1] This table does not reflect the increasing use of itemized deductions in the higher income brackets.

[2] Reflects the 50-percent maximum tax.

Source: Joint Committee on Internal Revenue Taxation.

There are literally dozens of bills introduced which proposed various ways to eliminate or alleviate the marriage penalty, with revenue impacts ranging from $2.5 billion to over $27 billion. My bill, which is similar to measures proposed by Senator GRAVEL and Congressman FISHER, is therefore one of many approaches to this issue. I am introducing it today so that witnesses before our committee in April will be able to comment on this approach.

I believe the 10 percent deduction has a number of factors in its favor. First, it is relatively simple to administer. It does not require adding another column to the income tax return as does the separate filing approach. It does not involve disaggregating the income of the married couple. It does not require the couple to apportion deductions, exemptions, or unearned income generated from investments. It does not result in one-worker couples, the traditional family, bearing disproportionately higher tax burdens than their two-worker neighbors. Because it is a deduction rather than a credit, the relief it provides mirrors the higher marriage penalties borne at higher income levels. The $2,000 limitation on the deduction, however, limits the relief of upper income couples and targets the benefits on those in the middle-income range where most two-worker couples fall.

The income tax marriage penalty has existed since 1969. The Committee on Ways and Means held public hearings in the Spring of 1972 on this issue. However, no legislation developed as a result of those hearings. Then in 1976, the committee appointed a task force on married and single taxpayers to look into the issue, recommend legislation, and issue a report. The 95th Congress expired before this group finished its work, and its report has never been published. Hearings on tax bills in 1977 and 1978 included a number of witnesses who testified in favor of mitigating the marriage penalty. However, except for a modest adjustment in the zero tax bracket, nothing was done about the tax on marriage.

The income tax filing deadline is drawing near, and again this year, as in the past, hundreds of thousands of couples will be dismayed to see how much more tax they owe the Government because they are married. When they write to protest this situation this year, as they have in the past, I hope we will be able to tell them we have done more than just to hold yet another hearing or appoint another task force to study the matter. I hope this year we will be able to tell them that after more than a decade, Congress has at last acted on this problem.

I understand that the current fiscal climate does not encourage large-scale tax cuts right now. However, that should not prevent Congress from acting to reduce the marriage penalty. I would view it as a major achievement if we could enact a bill which would, at a date certain in the future, perhaps 1 or 2 years hence if need be, implement a solution to the marriage penalty problem.

I realize that the conflicting principles of the progressive tax rate structure, aggregation of spouses income, and marital status mean that, as one analyst has noted, "there can be no peace in this area, only an uneasy truce." However, the marriage penalty has been ignored too long. Couples are being forced either to pay the penalty or terminate their marriages. I hope there will be a lively and well-informed debate over which approach Congress should employ to deal with this problem. I urge my colleagues to avoid the worst approach of all—doing absolutely nothing.●

UNITED STATES VOTE ON ISRAEL AT U.N.

HON. HAROLD C. HOLLENBECK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, March 17, 1980

● Mr. HOLLENBECK. Mr. Speaker, on Wednesday the refusal by the Carter administration to turn over documents bearing on the U.S. vote for a United Nations' resolution condemning Israel serves to highlight the inept handling of the particular matter by the administration and typifies its confused and confusing policy in the Middle East in general.

The vote in question was a distinct shift from prior U.S. policy and votes concerning occupied areas as well as the status of Jerusalem. The administration's refusal to candidly discuss the vote and even go so far as to hint at the evoking of the Executive privilege doctrine bespeaks either fear of further embarrassment, arrogance, confusion, or a combination thereof.

And the President's earlier claim that the vote was the result of a "failure to communicate" further reflects lack of consistency and suggests negligence. As Representative JOHN ANDER-

SON, Republican, of Illinois, so stated recently:

> It seems clear that the President decided on his own to find a vehicle to continue his policy of punishing Israel for that nation's policies whenever there are legitimate differences of opinion between us on policy questions.

Many of us who support Israel and have not forgotten this Nation's commitments are aghast at the President's course of action toward Israel and his constant attempts at forcing that country toward concessions.

The history of Mr. Carter's Middle East failures and confusion should be summarized. From the outset of his administration when he very nearly helped the Soviets recover influence lost by their expulsion from Egypt, through the sale of F-15 jets to Saudi Arabia and likening the PLO and the American civil rights movement to permitting the false perception to persist that the American Jewish community played a part in the Andrew Young firing, President Carter has consistently violated his campaign pledges. That is his sole consistency on Mideast issues, a course which can only destroy our relationship with Israel and ever detract from our credibility among our friends in the Arab nations.●

ARBITRARY ACTIONS OF THE FDA THREATEN OUR FREE SOCIETY

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 17, 1980

● Mr. McCLORY. Mr. Speaker, one of the most highly publicized actions of a Federal regulatory agency occurred several years ago when the Food and Drug Administration declared that cyclamate, an artificial sweetener, might pose a threat to human health. The FDA judgment was based upon massive injections of cyclamate into the bladders of laboratory rats. Subsequent scientific studies have established convincingly that the danger to human health from normal assimilation of cyclamate in foods or beverages poses no health hazard whatever. Indeed, laboratory studies by responsible scientific organizations have contained findings with which the FDA is fully cognizant. Notwithstanding these facts, the FDA has persisted for political reasons in continuing its ban against the manufacture, sale, and distribution of cyclamate.

Mr. Speaker, my constituent Abbott Laboratories of North Chicago, Ill.—the principal producer of cyclamate and a highly respected company—has suffered economic damage to the extent of millions of dollars and has endeavored through proceedings before the FDA and in court proceedings to secure approval for the resumption of the manufacture, sale, and distribution of cyclamate.

A most illuminating and yet highly disturbing article by Robert M. Bleiberg which appeared in the March 10, 1980, issue of Barron's weekly, fairly and accurately sets forth the ordeal which Abbott has experienced through bureaucratic delays and unwarranted refusals by FDA to grant approval for the use of cyclamate in foods and beverages.

Mr. Speaker, I am attaching a copy of this article by Mr. Bleiberg as an example of bureaucratic tyranny and in the hope and expectation that my colleagues will join with me in forcing the FDA and other regulatory agencies to respond objectively and responsibly to their assigned tasks. The recent findings of Harvard University's School of Public Health, the American Health Foundation, and the National Cancer Institute, have established that there is no possible relationship between the use of the artificial sweetener saccharin—a component of cyclamate—and the incidence of cancer of the bladder. These findings should establish convincingly that the FDA should render its decision on the scientific facts and not on the basis of such unrelated subjects as political considerations. The Barron's article follows:

SWEET AND LOW—IN DRUG REGULATION, EVIDENTLY, ANYTHING GOES

(By Robert M. Bleiberg)

"Some people think only a crazy person would leave the city by the Bay for the city on the Potomac. Others might think only a crazy person would agree to run the Food and Drug Administration (FDA). But Jere E. Goyan . . . dean of the Pharmacy School at the University of California (San Francisco) . . . did both, and so far nobody has questioned his sanity." Thus, in a recent issue of the authoritative *National Journal*, began a revealing Question and Answer session with the man who now runs FDA. From the give-and-take emerges a portrait of a man who should be very much at home in his new surroundings. To illustrate:

"Q. When undertaking a risk-benefit analysis, how much importance do you give to economics?"

"A. I personally don't think that economics should enter into whether we should be banning something."

Or, "Q. What about political considerations? Would you make a decision on an issue such as banning caffeine when used as a food additive with an eye on the calendar and the November election?"

"A. In a sense, all policy is in part politics. If we had very clear food laws and science were absolute . . . we could easily make decisions, because we could just set up a computer and feed in the information and out would come the answer. But we have commissioners of the FDA only because you need someone to think their way through this and come up with reasoned answers." With fine, if unconscious, irony the interview is captioned: "New FDA Commissioner an Advocate of the Consumer's Right to Know."

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Commissioner Goyan has now been put to the test, with results that are far from positive. Last week three prestigious scientific organizations, notably Harvard University's School of Public Health, the American Health Foundation and the National Cancer Institute, simultaneously released findings on the possible relationship between the use of the artificial sweetener, saccharin, and the incidence of cancer of the bladder. After clinical studies on upwards of 4,000 human patients (not the rat pack so beloved by FDA's medicine men), all three research teams concluded that the linkage was nil.

"The evidence," so one scientist who directed the Cancer Institute research wrote in the *New England Journal of Medicine*, "is that very little, if any, current bladder cancer is due to the consumption of artificial sweeteners at the doses and in the manner in which [they] were commonly consumed in the past." FDA, which several years ago sought to ban saccharin as a cancer-producing agent (carcinogen) and was only balked by a public outcry and prompt remedial action by Congress, maintained a grim silence. Pressed by *Barron's* for comment, a spokesman said that despite the latest evidence, it hadn't changed its mind.

Or take the case of cyclamate, the far more versatile sweetener produced by Abbott Laboratories, which FDA, with great fanfare, barred from the market more than a decade ago. Several years later, when scientific bodies all over the world had concluded that cyclamate is safe, Abbott asked FDA to rescind its ban. Ever since, the agency, by every trick in the bureaucratic book, has put off making a decision and repeatedly stalled, to the point where the company last September sought relief in U.S. District Court. In a precedent-shattering and courageous move by the regulated against its regulator, Abbott Laboratories petitioned the court to take jurisdiction over the cyclamate proceeding; enjoin FDA from further administrative action; and, on the basis of the existing record and further evidence, to overrule the agency and approve the sale of cyclamate. To FDA's dismay, the court recently ruled that Abbott might proceed with what lawyers call discovery.

Armed with subpoena power, Abbott has proceeded to discover compelling evidence of a sweeping abuse of both the regulatory process and the scientific method, as well as a massive attempt at a cover-up. For years Abbott has made the uncontroverted claim that an FDA Commissioner, at a meeting with corporate executives, had conceded the safety of cyclamate; his sole concern, he went on to say, was purely political. The company has now put into the record affidavits to this effect, as well as a sworn statement from another ex-head of FDA, that reinforces the point. Equally shocking, it has succeeded in forcing the agency to disgorge internal memoranda and other documents which prove that throughout the long-drawn-out proceedings, qualified FDA staffers without demur agreed that cyclamate was safe; the higher-ups merely saw no point in allowing it back on the market. Thus, while the rest of the world has freely and safely enjoyed the use of the marvelous sweetener, with all the blessings it bestows on the calorie-conscious, overweight and diabetic, the U.S. has been systematically and arbitrarily deprived. The consumer's right to know? What about his or her right to choose?

At FDA, despite the anti-regulation thrust that's made such headway elsewhere, freedom of choice remains under relentless assault. In 1977, as noted, after a dubious experiment (involving the force-feeding of rats vast quantities) found traces of tumors in a handful of offspring, the agency abruptly announced plans to impose a ban on saccharin. The decision touched off a storm of protest from tens of thousands of diabetics and their doctors; it even moved Congress to legislate a delay (which the House has now voted to extend.) Queried by the *National Journal* (before last week's findings) on what happens next, Commissioner Goyan spoke of a proposed effort to educate people in the twenties and teens on the alleged risks. As to caffein: "There is some evidence indicating that caffein is a teratogen [a substance that causes abnormalities] and we're very concerned about that. . . . Two years from now I might feel that science was at a point where we absolutely had to act." As to sodium nitrite, which is added to such smoked meats as bacon and ham to help preserve them, the agency is still awaiting the report of a group that is reviewing the data. Sooner or later, however, if the past is any guide, it is likely to hand down a decree that will help make the world safe for botulism.

Cyclamate, and those who produce and consume it, have suffered worst. On the first count, Abbott Laboratories estimates that over the years, the ban has cost it upwards of $42 million; back in 1969-70, processors and canners were hit with losses exceeding $100 million, which Congress, despite the best efforts of a few lawmakers, never saw fit to repay. Most pernicious of all, an exciting and fast-growing industry, diet food and drinks, suffered a body blow. Thanks to saccharin, diet soft drinks have regained their market share and more, but other low-calorie formulations have never recovered. Back in 1969, a group of not-so-jolly fat men, charging violation of their Constitutional rights, brought a class action in federal court against FDA and the Department of Health, Education and Welfare. Claiming to represent millions "who enjoy the free and unrestricted consumption of noncaloric soft drinks, foods and nonprescription medicines which contain cyclamate," they testified that consumption of the food additive is vital to their physical well-being. Consumers lost that battle, but, thanks to the persistence and courage of Abbott Laboratories (which has just received an accolade from *Fortune* magazine), they have a fighting chance to win the war.

High time. As Abbott points out, it has vainly sought a decision from FDA since 1973; "the cyclamate petition is now under consideration by its fifth Commissioner (two were acting) . . . ," conduct which it elsewhere condemns as a "procedure whereby an administrative agency, through outrageous inaction and adoption of extra-legal considerations, frustrates the mandate of Congress and deprives a corporate citizen of its Constitutional and statutory rights." Hence it is seeking the sweeping relief cited above. While the court has yet to rule on all the issues, certain points, to a layman at any rate, are clear. As part of its strategy of delay, FDA repeatedly has turned the application over (remanded) for further scrutiny to hearing examiners. Time and again, in turn, the latter, in total disregard of the agency's own regulations, have sought to impose on the company an impossible standard of safety. FDA hasn't the slightest evidence that cyclamate is unsafe, which is all that the statute requires. On the contrary—as Abbott, with the help of the court, has now "discovered"—FDA technical personnel time and again, have found cyclamate safe, even while their higher-ups refused to sanction its production and sale.

* * * * *

Why? In what the District Court called a "surprising assertion," FDA sought to defend its position by invoking "public opinion," a yardstick which the court found wholly irrelevant to its Congressional mandate. Commissioner Goyan has been franker, "all policy is part politics," a statement that the record in the case conclusively proves. Here is part of an affidavit filed by Dr. Charles C. Edwards, who headed the FDA from 1969 to 1973 and subsequently served in HEW: "From my experience as Commissioner and as the Assistant Secretary to whom the Commissioner reported, I was aware that factors other than science influence decisions made by the Food and Drug Administration. Such factors in my judgment have played a role in the failure of FDA to approve cyclamate." When it comes to regulation, let the buyer beware.●

PROTESTING FRANCE'S SUPPORT FOR THE PLO

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 17, 1980

● Mr. OTTINGER. Mr. Speaker, I rise to strongly condemn the French Government for formally endorsing the participation of the PLO in the Mideast peace talks. President Valéry Giscard d' Estaing's effort to legitimize the PLO is unconscionable.

The PLO has refused to recognize Israel's right to exist, indeed their constitution calls for the destruction of Israel. We have all been horrified by PLO terrorism which has claimed the lives of countless innocent people from school children to Olympic athletes. The PLO, moreover, has supported Soviet intervention in Afghanistan and the kidnapping of our hostages in Iran. And of course their assassination of moderate Palestinian leaders, further confirms their commitment to destroying the Middle East peace process.

Acquiescing to the demands of these international criminals undermines the progress already made toward a just and lasting peace in this volatile region. France's sell out to this extremist faction is shameful and must be condemned. I urge my colleagues to join me in protesting France's deplorable action.●

LEGISLATION ON IRS ANNUITY RULING

HON. BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 17, 1980

● Mr. CONABLE. Mr. Speaker, earlier this year I introduced legislation, H.R. 6287, which is designed to remedy an injustice in the administration or our tax laws. H.R. 6287 reinstates the tax treatment of annuity contracts with reserves based on a segregated asset account as they existed prior to the issuance of Revenue Ruling 77-85. This bill is identical to one (H.R. 12173) that I introduced in the 95th Congress.

From 1963 to 1965, when the IRS issued basic rulings on this matter, all relevant departments of the national office of the Internal Revenue Service insisted that an innovative form of annuity upon which the IRS had been asked to rule was purely and simply a variable annuity pursuant to the separate account laws that had been recently enacted in 1962—for sales identification purposes, this variable annuity became known as the investment annuity.

During the ensuing 12 years after 1965, the IRS reaffirmed its basic position over 70 times, including the issuance of Revenue Ruling 68-488 pertaining to deferred annuities. On March 9, 1977, the IRS issued Revenue Ruling 77-85 that completely reversed its long-standing rulings upon which an important segment of the life insurance industry relied. That result was, and continues to be, devastating to this segment of the industry.

Many Representatives and Senators protested this action to the Treasury and the IRS. On April 29, 1977, the Senate passed by a vote of 57 to 26 amendment No. 243 to H.R. 3477, the Tax Reduction and Simplification Act of 1977, that would have deferred the effective date of Revenue Ruling 77-85 for 1 year in order to permit Congress the opportunity to study the matter and to legislate, if appropriate. Amendment No. 243 was dropped in subsequent negotiations on H.R. 3477 by the conference committee.

Immediately after the conference committee completed its deliberations, one insurance company, the originator of the investment annuity and whose entire business was destroyed by the IRS reversal, sued the Internal Revenue Service in the U.S. District Court, District of Columbia, for arbitrary, illegal, and capricious acts.

On November 9, 1977, the court ruled that Revenue Ruling 77-85 was unlawful and beyond the statutory authority of the Internal Revenue Service. The judge expressed the confident assumption that the IRS would proceed to rectify its error without the need for the issuance of an injunction.

The IRS refused and stated that it would appeal any injunction issued and would retroactively tax any annuities sold during the interim of the appellate process should the IRS win on appeal.

The President's 1978 tax program proposed the taxation of all nonqualified deferred annuities in the same way as that imposed upon the investment annuity by Revenue Ruling 77-85; it was this same way that had been declared unlawful in district court. These proposals for all annuities encompassed investment annuities subject to Revenue Ruling 77-85.

The President's 1978 tax proposals relating to all annuities was rejected by the Ways and Means Committee while H.R. 12173, to override Revenue Ruling 77-85, received a favorable committee vote of 22 to 14. However, due to procedural constraints at that time, H.R. 12173 was not included in the tax bill reported by the committee.

In October 1979, the appellate court rendered its decision upon the IRS appeal of its conviction in district court. The appellate court never addressed the merits of the investment annuity matter because that court found that the Anti-Injunction Act barred court empowered relief. The court stated in its conclusions that—

> This is not a situation where there are no remedies, however. Congress keeps a watchful eye on developments in the tax field and will listen to citizens with a grievance or plea.

The advocates of the investment annuity have a serious grievance which requires a congressional remedy. I believe that the action by the IRS in issuing Revenue Ruling 77-85 has resulted in severe inequities, and I hope that the Ways and Means Committee will consider this matter promptly in order to restore the investment annuity to its proper place under the law and to rectify the injustice that continues.●

H.R. 4994—GREATER DISCRETION OF FOOD ADDITIVES FOR FDA

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 17, 1980

● Mr. WHITEHURST. Mr. Speaker, I am sure that all of us remember the consternation caused a few years ago by the proposal of the Food and Drug Administration to ban saccharin as a food additive as a result of the Canadian study that linked saccharin to bladder cancer in rats. At the time, the findings produced considerable controversy because the animals had been fed large concentrations of the chemical, amounts that would be highly unlikely to be ingested by humans in comparable amounts.

At that time, 3 years ago, I introduced H.R. 4994, in an effort to give the FDA greater discretion in the control of food additives. In light of the recent reversal of the earlier decision, I am introducing that bill again today, in an effort to introduce a greater degree of reasonableness into the FDA's deliberations and avoid the kind of confusion that has resulted from the saccharin action.

The bill would simply amend subsection (c)(3)(A) of section 348 of title 21 of the United States Code by inserting after the words "it is found to induce cancer when ingested" the words "in reasonable quantities," and after the words "appropriate for the evaluation of the safety of food additives, to induce cancer in man or animal" the words "when ingested in reasonable quantities,". For example, extrapolating from the Canadian study, it was estimated that the human equivalent would total 4,400 packages of diet sweetener, or 800 diet colas, per day; this hardly constitutes a reasonable quantity.

I hope that by giving the FDA this additional leeway, it will make it possible for FDA officials to apply a modicum of commonsense in reaching decisions on banning food additives in the future, rather than having to be so rigidly restricted by the present wording of the relevant section of the Code.

In 1977, my bill gained about three dozen cosponsors, and I would hope for at least as much support this time. The legislation does not take away any of the authority of the FDA, but simply gives it additional latitude and should make it possible for that agency to reach more valid and acceptable conclusions regarding food additives.

Thank you, Mr. Speaker.●

THE 1980 OLYMPIC BOYCOTT: A LOSS FOR THE RUSSIANS OR THE AMERICAN ATHLETES?

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 17, 1980

● Mr. STOKES. Mr. Speaker, when the U.S. House of Representatives voted on the proposal to boycott the 1980 Olympics in Moscow, I was 1 of only 12 Members of the House to vote against the measure.

I felt then, as I still feel, that the boycott of the Olympics would serve no useful purpose if the main objective was to make the U.S.S.R. withdraw from Afghanistan. It is increasingly evident today through worldwide events that the threat of a U.S. boycott of the 1980 Olympics has had no measurable impact on the Soviet occupation of Afghanistan. Few of our allies have rallied to our side for what we deem to be such a noble cause.

In addition to the ineffective rationale of boycotting the Olympics, I also maintained at the time of the vote that the United States was imposing a double standard in its actions. In 1976, several African nations withdrew from the Olympic games because of the participation of New Zealand which has maintained close ties with South Africa. At that time, this Nation condemned the actions of the African countries citing that the Olympics should not be a forum for politics or ideological differences. Today, we seemingly are discarding that philosophy and bringing the Soviet action and international politics to the forefront of the Olympic games.

Finally, not withstanding the seemingly hypocritical stance of the U.S. boycott, we wanted to teach the Soviet Union a lesson via the loss of revenues and exposure commonly associated with the Olympic games. Ironically, it will be the American athletes who will suffer the lack of exposure and nonexistent rewards as a result of the U.S. boycott.

No one seems to be overly concerned about the fact that these young people have sacrificed and given 4 years of their lives training for one event. For many, the Olympics would have been the launching pad for success they will never receive in any alternative competition.

Perhaps this sense of loss escapes my colleagues because none of us have been Olympic athletes. Accordingly, perhaps only an Olympic champion and athlete can best convey this type of sacrifice and disappointment.

I have come across two interesting articles on the U.S. boycott of the Olympics by Mr. Harrison Dillard of Cleveland. Mr. Dillard was a two-time participant and gold medal winner of the Olympics. He has been an avid follower of the Olympics since 1936. In his articles, which appeared in the Cleveland Press, Mr. Dillard outlines how U.S. athletes will be the victims of the U.S. Olympic boycott and not the Russians.

Therefore, at this time, I would like to enter Mr. Dillard's articles into the CONGRESSIONAL RECORD.

[From the Cleveland Press, Jan. 18, 1980]

OLYMPIC WINNER LOOKS AT BOYCOTT

(By Harrison Dillard)

When I heard that President Carter had raised the question of an American boycott of the Olympic games, my immediate reaction was one of total and decisive disagreement.

This is not too hard to understand, even if you agree with the President. I'm not aware that anybody has done any extensive polling among former or prospective Olympic competitors, but I'm certain an overwhelming majority would oppose an American withdrawal at this time.

Granted, the final number of athletes who would be affected is small. Our team will number less than 500. But there are other overriding considerations.

Before going any further I would like to state that I view the Soviet invasion and occupation of Afghanistan as totally reprehensible, an act which cannot be condoned by anyone who believes in freedom, justice, and nationalism.

How then can I oppose our withdrawal from a "mere athletic festival" hosted by a country which plays only by its own rules and changes those rules as it sees fit?

The Olympic games are the revival of the oldest organized athletic festival in the world. Its origin has been pegged as 766 B.C. It is history with roots in antiquity. It is the struggle of individuals to achieve international recognition. It is the struggle to achieve immortality in the sense that a champion's name is inscribed forever in Olympic history.

If there were viable alternatives to competing in Moscow, they would be welcomed. It's too late, according to Lord Killanin, president of the International Olympic Committee, to even consider moving the games to either Montreal or Munich, hosts of the last two Olympiads.

Staging the various events in different cities is not only impractical but totally foreign to the Olympic concept. The idea of putting on alternate games subsidized by the United States is simply ridiculous on the face of it.

While realizing that the Olympic games are not more important then the freedom of any country, no matter how weak or small it may be, I cannot see how a boycott of the games by the American team can contribute in any possible way toward a withdrawal of Russian troops from Afghanistan. Russia will be there as long as it suits Russia's purposes.

The only ones who will pay the involuntary price if the U.S. Olympic Committee keeps our athletes home will be the athletes. For many it will be the loss of a once-in-a-lifetime chance. And the loss will be in vain. If a boycott would help to get the Soviets out of Afghanistan, I would agree with that action.

Obviously, my opinions are not those of the so-called "unbiased neutral observer." As a two-time participant, gold medal winner, and follower of the Olympics since 1936, I'm sure I don't view them in the same light as governmental officials, politicians, or even most of the general public.

I don't want to see any athlete deprived of an hour of glory or taking part in the thrill of this historic international competition.

[From the Cleveland Press, Mar. 8, 1980]

BOYCOTT ONLY HURTS ATHLETES

(By Harrison Dillard)

It seems that the prevailing attitude at the moment in some parts of the country is to equate agreement with President Carter's proposed boycott of the Olympic Games with unity and patriotism. If you oppose the boycott you are supposedly not helping the President project America as unified and of one voice in a situation which has implications that far transcend the importance of the Olympic Games.

In other words you are not taking the "patriotic" position which a President has a right to expect. You are advocating something less.

As I have stated previously, however, my objection to a boycott is based on two simple premises. First, it will not get Russian troops out of Afghanistan, and second, the only people who will really be hurt or penalized are the American athletes.

No matter what else is said, no matter what rhetoric is used, it boils down to those two basic facts. Patriotism or the lack thereof is not the issue. There are those who support the proposed boycott and give patriotism as their reason. I think they are misguided, or just plain copping out.

Others say the United States should be willing to make this sacrifice in order to embarrass and punish the Soviet Union. The United States isn't making any sacrifice by forcing a handful of athletes to forgo the realization of a dream. It is forcing the athletes to make the sacrifice, a sacrifice which is only a symbolic gesture at best.

The lastest word is that the Government is busily arranging an alternative series of competitions to be held in several different locations. True enough, if it all comes about it will give the athletes who wish to compete a chance to display their prowess at the international level. However it can't and won't be the same. There are World Cup Games, World University Games, European Championships, Pan-American Games, and other international events already being held on a regular basis.

But no matter how prestigious, how well organized and how well conducted they may be, there is just no way they can be equated with the Olympic Games. The historic Olympics are the last word in international competition. No last-minute alternative could possibly make up for being forced to miss the Games.

It seems to me that many of those who most strongly advocate support of the proposed boycott have short memories or they employ a double standard in their reasoning. When we had troops fighting 6,500 miles away in southeast Asia for a decade or more, where most Americans now feel we didn't have any business, I don't recall the Kremlin demanding or proposing a boycott of any Olympic Games because Americans would be there.

Instead of forcing a boycott by a few athletes, why isn't a REAL boycott, a total trade embargo, advocated? The limited grain and high technology embargoes are only wrist slaps. In the meantime, the multi-billion dollar commerce and trade, the exports and the imports between the United States and Russia, continue. It's business as usual, despite statements from Washington that the boycott is aimed at showing the Soviets that they cannot commit aggression and continue to carry on business as usual.

America's Olympic athletes have been offered up as sacrificial goats on the altar of political expediency because there's no way an honest-to-goodness embargo could be proposed and made to sound justifiable given the existing circumstances.●

INDIANA UNIVERSITY OF PENNSYLVANIA RETURNS MONEY TO THE FEDERAL GOVERNMENT

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 17, 1980

● Mr. MURTHA. Mr. Speaker, it is indeed rare these days when a recipient of Federal money runs its program so efficiently that it is able to return money to the Federal Government.

I am proud to include in the CONGRESSIONAL RECORD an article from the Kittanning Leader Times of March 11 showing that Indiana University of Pennsylvania is running its student loan program so efficiently that it is one of the first institutions in the country to be able to turn money back into the Federal Government.

IUP RETURNS LOAN MONEY

There is nothing unusual about a college or university receiving money from the federal government but giving it back to the government is another matter.

Indiana University of Pennsylvania officials returned a quarter of a million dollars in National Direct Student Loan (NDSL) funds last year, becoming one of the first schools in the nation ever to take such action.

According to Edward Norberg, executive director of financial affairs at IUP, the university was able to return the $250,000 thanks to its smoothly operating NDSL repayment program. He explained IUP has been dispensing NDSL funds since the early 1960's, and recently reached the point where receipts from incoming loan payments equaled the loan demands of IUP students now receiving NDSL financial aid.

Norberg pointed out that a balance between the input and the output in loan moneys was actually the goal of the developers of the federal NDSL program nearly 20 years ago. Unfortunately, he said, this has not generally been the case.

He observed that many schools' NDSL programs are so far into the red they rely on the federal government to channel in hundreds of thousands of dollars annually.

Norberg said when his office made its initial contact with Health, Education and Welfare personnel to inform them of the surplus, his staff was told it was the first time an educational institution had ever offered to return NDSL funds. They were also informed the government had no official procedure for accepting such a refund. HEW began work on developing a refund procedure, and IUP became one of the first institutions ever to make use of it when the $250,000 was turned back to the government.

Norberg claimed several factors contributed to the efficient operation of the NDSL program at IUP.

He said the loan collection rate from IUP borrowers remains extremely high in an era when many students have chosen to default on school loans.

He also commended financial affairs staff member Dorothy McCunn who has kept the NDSL program at IUP running efficiently for many years with only student help.●

DE TOCQUEVILLE'S WARNINGS

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 17, 1980

● Mr. MICHEL. Mr. Speaker, rarely in human affairs can a writer accurately describe the probable consequences of human behavior. Human nature is too complex and events change so quickly that it is all but impossible to suggest exactly what will happen, given certain conditions and trends. Even with sophisticated polling techniques, we are still pretty much in the dark when it comes to foreseeing trends or fashions.

This is all the more reason to be astounded at the uncanny ability of Alexis de Tocqueville, the French genius whose writings on early 19th century America are universally recognized as classics of political and social commentary. He knew things about the American character in 1831 that many of us are just discovering today.

C. L. Dancey of the Peoria Journal Star recently wrote an article discussing the validity of the Frenchman's views about the American character.

At this point I insert in the RECORD, "The Prophecy of 1831," by C. L. Dancey, from the Peoria Journal Star, February 22, 1980.

THE PROPHECY OF 1831

Alexis de Tocqueville, the French aristocrat, came to this country in 1831 throughly disillusioned with "democratie." But when he spent more than a year here he was amazed at the tranquillity of a society without policemen—and finally decided there was a "hidden police force" made up of the majority of citizens who seemed to feel they had a stake in making freedom work.

In other fields, he referred to the "consumer" sovereignty. He had never dreamed there could be a helter-skelter non-system operating completely out of control, and was constantly amazed to see how much better it worked than European systems.

He concluded that on the whole, in a system where control—and success or failure—lay entirely in the choice of the people, themselves, directly as "consumers" the results were superior to when choice was decided by the state.

Compare that philosophy with the Nader philosophy that "consumerism" consists in having the government take over and permit us those things which the government has decided are good for us.

It is true that the complexity of modern society makes a difference—but haven't we gone too far?

And haven't we treated too lightly the major side effects of these contrary systems? The simple fact is that neither "the people" as consumers nor "the people" as government is infallible. Both systems are fraught with error and with "bad examples" as well as good.

But the system of leaving things to "the people" themselves—as de Tocqueville noticed to his own amazement—stirs a broad tendency in people to develop to their fullest maturity and capability . . . to develop a sense of responsiblity . . . to learn to look out for themselves. In contrast, the system of turning it all over to professionals, seems clearly to shrink people, encourage irresponsibility, and reduce people's capacity to handle their own affairs.

This was the larger miracle de Tocqueville found—"Each man learns to think, to act for himself," he wrote. "Man, thus accustomed to seeking his well being from his own efforts, rises . . . his spirit expands and grows strong."

That is no small thing.

We used to have a system that trained people to cope with life. Sometimes it was rough training, true. But are we not now training people to be helpless? And feel helpless?

He said: "The wonderful effect of Republican government is not in presenting a picture of regularity and methodical order in administration . . . Liberty does not give a people a more skillful and faultless government, but it infuses throughout society an activity, a force and an energy which cannot exist without it."

De Tocqueville was amazed at the proliferation of every conceivable kind of "association" into which groups of Americans organized themselves. What amazed him still more was that "It is never by an appeal to a superior authority that success (in these associations) is sought, but by an appeal to individual resources, organized to act in harmony."

How times have changed! Today, every group with a "cause" or a special interest runs to the "superior authority" and calls for having their thing enshrined in law and enforced on everybody else.

Even more remarkably, the amazing Frenchman had a vision of such changes to come and where the democratic political process would lead, eventually. It would lead to despotism—but not of the Napoleonic sort, not a new Caesar. Looking at American politics he could not see that.

He saw that a new breed of politician would emerge. Listen to how he described the typical politician of the future:

"His children and his particular friends represent for him the entire human race. As to his fellow citizens, he is among them but he doesn't see them; he touches them but he doesn't feel them; he exists in himself and for himself."

And the society?

"Above all these there hovers an immense tutelary power, charged with assuring their pleasures and looking out for their fate. It is absolute, detailed, regular, foreseeing and mild. It would resemble the paternal authority if its object were to prepare men for mature manhood; but on the contrary its aim is to keep men children. . . . This power works for the good of the citizenry; but it must be the only agent and the only arbiter; it works for their security, anticipates the satisfaction of their needs, facilitates their pleasures, conducts their business, directs their industry, bequeaths their inheritance; until it has relieved them of the trouble of thinking and the labor of living . . .

"The sovereign power stretches its arms over the whole of society. It imbues the surface of society with a mesh of small rules, complicated, minute and uniform. The more original spirits and the vigorous minds will never be able to break through these rules enough to raise their heads above the crowd. This power does not crush men's wills, but it softens them, bends them and directs them. It does not force people to act but it does keep them from acting. It does not destroy but it inhibits invention. It does not tyrannize but it obstructs, it enervates, it stifles . . . until in the end it reduces a nation to a flock of timid and industrious animals, of which the government is the shepherd."

"I have always thought that this sort of servitude . . . could be combined more easily than we think with some of the external trappings of liberty, and that it is not impossible that it might become established in the shadow of the sovereignty of the people."

We've come a long way down the trail that this remarkable Frenchman glimpsed in the heydey of the Jeffersonian era—1831. Will we also end up the way he saw us?●

TAX-EXEMPT ORGANIZATIONS

HON. WILLIAM R. COTTER

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, March 17, 1980

● Mr. COTTER. Mr. Speaker, I have introduced a bill today that preserves the application of existing law to nonqualified deferred compensation arrangements maintained by tax-exempt organizations.

The Revenue Act of 1978 permits the continued use of deferred compensation plans in the private sector in accordance with prior Department of Treasury rules and regulations. However, tax-exempt organizations were excluded from this provision. Treasury may now move to issue its proposed regulations as final regulations as applied now only to tax-exempt organizations.

The reason tax-exempt organizations were left out of the 1978 Revenue Act was that Treasury alleged that a number of abuses occurred in the tax-exempt sector. To my knowledge, Treasury has yet to document any alleged abuses in the deferred compensation concept in the tax-exempt sector. But their regulations will effectively halt the use of deferred compensation by tax-exempt organizations to attract top quality executive and management personnel.

The bill I have introduced simply brings tax-exempt organizations within the definition of private organizations for the purposes of nonqualified deferred compensation plans. This is merely a continuation of existing rules and regulations of the Department of Treasury, and is a sensible and simple resolution of this issue:

H.R. 6824

A bill to preserve the application of existing law to nonqualified deferred compensation arrangements maintained by tax-exempt organizations.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the taxable year of inclusion in gross income of any amount covered by a nonqualified deferred compensation plan maintained by an organization which is exempt from tax under section 501 of the Internal Revenue Code of 1954 shall be determined in accordance with the principles applicable to deferred compensation plans maintained by other private organizations as set forth in section 132(a) of the "Revenue Act of 1978", approved November 6, 1978 (Public Law 95-600, 92 Stat. 2782).●

A SOVIET DEFECTOR'S WARNING

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 17, 1980

● Mr. DERWINSKI. Mr. Speaker, a serious concern to me for some time has been and continues to be, the Soviet KGB—that vast murderous, subversive, espionage apparatus—the spearhead of Soviet imperialism. One of my subcommittee assignments in the House, the Subcommittee on International Organizations, deals with U.S. participation in the United Nations. Thus, of special concern to those of us who support U.S. participation in the United Nations is Soviet subversion of the high purposes of the United Nations by, among other means, intelligence penetration of U.N. organizations.

KGB subversion of the United Nations was exposed not long ago by a former high U.N. official of Soviet nationality. Mr. Arkady Shevchenko, the highest ranking Soviet in the U.N. hierarchy until his defection, amply described KGB machinations in the United Nations and emphasized the danger they pose to the United States as well as other U.N. members and the international organization itself.

Along with my subcommittee colleagues, I questioned Shevchenko and was impressed by his understanding of KGB goals and methods, although he was not himself a KGB officer. An interesting summary of some of Shevchenko's points was printed in Situation Report in March 1980. I am reproducing the text of the article for the edification of the Members and the public, "A Soviet Defector's Warning: The U.N. Is the KGB's Tallest Tower in the West":

[From the Situation Report, Vol. 2, No. 2, Winter (Mar. 1980) Quarterly publication of the Security and Intelligence Fund]

A SOVIET DEFECTOR'S WARNING: THE UN IS THE KGB'S "TALLEST TOWER IN THE WEST"

Some months ago, Senator Daniel Patrick Moynihan, New York, a stout and eloquent defender of American interests in the United Nations when he was our Ambassador there, warned that this organization is in danger of coming under control of the Soviet espionage services. "We're going to look up," he told the House Foreign Affairs subcommittee on April 22 "and (find we) have an international organization completely run by Soviet spies."

He was hardly exaggerating. Confirmation of what he knew and sensed has come from a knowledgeable source—a Soviet political defector from the highest echelon of the UN itself. Mr. Arkady Shevchenko, the UN Undersecretary-General for Political Affairs, was the highest ranking Soviet officer in the organization. His job was an incalculably useful one for the KGB in the clandestine placing of its agents for espionage inside the UN, both in the New York and Geneva-based secretariats, but also in the numerous field groups servicing the Third World.

In April 1978, Mr. Shevchenko deserted the Soviet Union, sought asylum in the United States, and since then has freely informed the American intelligence services of what he knew of the Soviet manipulations of the UN mechanism for purposes of espionage and political subversion. Finally, on September 24, he appeared for the first time publicly on a widely admired BBC television feature, called Panorama, to tell the world at large about the conspiracy in which he had played an increasingly distasteful role.

Mr. Tom Mangold, the BBC commentator, prepared the ground for Mr. Shevchenko's revelations by enumerating in his introduction certain startling examples of the impact which Shevchenko's defection had registered on Soviet operations inside the UN.

Only three months after that event, the FBI independently picked up and arrested in New York three KGB agents under UN cover who were engaged in an espionage plot to buy classified plans for American anti-submarine warfare. One, an officer of the Soviet mission to the UN, was quickly released and packed off to Moscow; he had diplomatic immunity. The other two were officials of the UN secretariat and, as international civil servants, were bound by oath never "to seek or accept instructions illegal to the performance of (their) duties from any government or other authority external to the organization." This pair, originally held by the U.S. courts under $2 million bail apiece, were eventually allowed to return to the Soviet Union in a trade for an American businessman, Mr. F. J. Crawford, the Moscow representative of International Harvester. The KGB had brutally kidnapped him to gain a bargaining counter for the release of their agents.

THEIR MEN IN GENEVA

A month later, in June, another dramatic break in the Soviet UN network occurred. Mr. Vladimir Rezun, ostensibly a Third Secretary in the Soviet UN's mission in Geneva, but in fact a Captain in the GRU (the Soviet Military intellignence service, which operates in parallel with the KGB), fled to London with his wife and two children. Safely in British hands. Rezun named, as a starter, five KGB officers who had been insinuated into the UN's civil service bureaucracy. One was Mr. Geli Dneprovsky, chief of personnel; he had been but recently transferred to Geneva from the UN headquarters in New York where he had been in charge of the international civil servants who manage the day-to-day operations of the Security Council and the General Assembly. He is still on the job. Another was Mr. Vladimir Lobachev, head of the UN conference office; he had the highly useful job (in the Soviet manipulaton of world opinion) of organizing international meetings. His contract was allowed to lapse and he returned to the Soviet Union. A third was Mr. Dimitry Pronsky, the KGB's head man ("rezident") in Geneva. He was abruptly recalled to Moscow for consultation, never to return to his post. A fourth was Grigory Miagkov, a member of the UN secretariat. He was fired out of hand, on the demand of the Swiss, and bundled off to Moscow. And the fifth was Mr. Vladimir Bureyev a senior Soviet official serving in the heavily penetrated International Labor Organization. He hastened to Moscow directly after Reun's defection and stayed there.

Mr. Shevchenko made these statements on the broadcast. Firstly, in regard to the Soviet attitude toward the UN:

"The attitude of the Soviet Union toward the United Nations is entirely selfish." In the beginning it was useful to the Kremlin, he explained, as a sounding board for propaganda; then the Soviets came to realize that the UN could be subverted into an ideal mechanism for espionage. "The UN," he went on, "became one of the best places for their intelligence activities. Actually, the UN became one of the most important bases of the KGB . . . There is a saying among them that they consider the UN as the tallest tower—observation tower—in the . . . Western world for intelligence activity."

Secondly, in regard to how the KGB manipulates the agents whom it seeds throughout the UN civil service bureaucracy, he said:

> "They never took (the oath of neutrality) seriously. They have their own rule of conduct for (all) the Soviet nationals who are working in the United Nations secretariat. They ask them (to do whatever is required). They come almost daily to the Soviet mission either in New York or Geneva—the offices of the UN. They give (their people) instructions and these instructions are very clear and obvious. They always have to pursue something—goals of Soviet foreign policy—Soviet goals, not UN . . ."

Thirdly, in regard to the penetration by the KGB of the UN organizations in New York and Geneva, he said:

"Its penetration is a very substantial one." The KGB is strongest and most numerous, he went on to say, in the middle level posts, and most conspicuously those having wide geographical and political distribution. Here he put the number of Soviet nationals at about 250; when interpreters and various professional aides are counted, the Soviet content at these grades exceeds 300, of whom half, at a minimum, by his knowledge, would be either KGB or GRU officers.

Shevchenko went further. He asserted that the spy Enger whom he knew to be a KGB agent had been forced upon him by high Soviet officials. He backed Rezun's charge that Dneprovsky, the UN personnel chief in Geneva, also was a KGB officer, and had so marked him earlier when Dneprovsky served under him in a Soviet Embassy. He charged that Secretary General Kurt Waldheim tolerates on his own staff as a special assistant another KGB officer known to Shevchenko.

Soviet participation in the UN has long been dominated by the KGB content hidden in its representation. One of the earliest and most effective masters of Soviet political action there was Jakov Aleksandrivich Malik, a Stalin protege. He twice headed the Soviet UN delegation—from 1948 until 1952 and again from 1967 to 1976. What made his first assignment both significant and sinister was that in addition to retaining the post of Deputy Foreign Minister he was also, unbeknownst to the rest of the world, deputy chairman of the super-secret Soviet intelligence apparatus, the KI, into which Stalin had merged the KGB and the GRU.

Valerian Alexandrovich Zorin, another Stalin protege and high ranking officer, also served two terms as head of the Soviet UN delegation—from 1952 to 1953, and 1960 to 1963. An early party zealot, he had been posted to Czechoslovakia in 1945 to prepare the ground for the Soviet putsch of 1948. Much later, he played an important role in laying the groundwork for SALT I. There is a touch of irony in Brezhnev's choice of him, considering his peculiar talents, as the present Soviet delegate for human rights.

A perfect example of Lenin's dictum that all Soviet clandestine activities must further secret strategic objectives is the continuing presence of Viktor Mechislavovich Lesiovsky, another senior KGB officer, in the highest echelon of the UN secretariat. He is a senior aide to Secretary General Waldheim—the KGB professional whom Shevchenko was loath to name. Altogether he has served more than a decade in the UN, first as an executive officer in the secretariat, later as director of the UN secretariat. It is a safe assumption, given his career, that he is the Kremlin's direct channel into the KGB community within the UN and is engaged in developing and exploiting "agents of influence."

A sinister continuity runs through the long unwritten history of the interplay of Soviet policy and strategy inside the UN. A too little unappreciated consequence of the Soviet exploitation of the UN mechanism is the Kremlin's effective and untiring coordination of the entire Soviet bloc in furthering their particular and conjoined political objectives. Detente—a French word for the Soviet expression "peaceful co-existence"—has provided the Soviet strategists with a most useful lubricant. It furnishes the KGB's agents of espionage and subversion with a visa into the advanced technologies of the developed countries and free passage for their agents of influence into the highly vulnerable areas of political susceptibility. Wars of national liberation—a Soviet phrase—offers them simultaneously a deceptive rationale for isolating the under developed countries from the West, and subverting them to the Soviet bloc's control.

The American taxpayer foots more than 24 percent of the UN's budget, including, of course, these KGB enterprises. But our Congress, strangely insensible to what is happening in the real world, continues to refuse to provide funds even for the minimum level of counterintelligence action which is deemed necessary if the threat within our own frontiers is to be put down.●

THE LESSON OF 1776

HON. MIKE LOWRY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, March 17, 1980

● Mr. LOWRY. Mr. Speaker, I would like to call the attention of my colleagues and the American public to a clear demonstration of the fact that patriotism in the finest sense is alive and healthy in our Nation's youth today.

I submit that if we could all follow the principles stated in the excellent essay below, then America would have absolutely no doubt of our destiny to lead the free world by courageous example, and of our responsibility to support those who resist oppression in other countries.

This essay was the winning contestant from the State of Washington in the 1980 Voice of Democracy contest conducted by the Veterans of Foreign Wars of the United States and its ladies auxiliary.

Its author, who I am proud to have as a constituent, is William Henry Smith III of Seattle, age 17, son of William and Mary Smith.

The winning essay follows:

In Philadelphia, during the hot, muggy afternoon of July 4, 1776, fifty-six men grappled with a question of such gravity that their decision would not only twist the course of their lives, it would transform the lives of millions of their countrymen. During that afternoon the Continental Congress of the United States declared our independence and severed our allegiance to the Crown of England. Those fifty-six men who came to this decision assumed an awesome risk, for their signatures not only propelled the colonies into open rebellion and war, those signatures earned for the signers the label of traitors to the Crown—and traitors were hanged. But these men took that risk, for they knew it was their role in America's future to do so.

Josiah Bartlet, delegate from New Hampshire, a physician and judge, escaped narrowly with his life when British soldiers burned his house to the ground. Phillip Livingston, delegate from New York, died from pneumonia contracted while hiding in a damp cellar from Hessian mercenaries. And John Hart, New Jersey delegate, saw his son shot in the head as they fled from British troops.

These men knew the moment their quills touched the parchment of the Declaration of Independence would be the first moment of a long period of suffering and horror. These men knew they could be stripped of their possessions, that their careers could be destroyed, that their lives and, yes, even the lives of those they loved could be forfeited. These men knew that by signing the Declaration of Independence they were pushing all things dear to them onto a knife edge—which fate and King George could easily tip into oblivion.

Yet, these men took the risk. For what they believed to be right and good our Founding Fathers took the risk.

Today, we Americans live in a nation where the most dangerous enemy is not inflation, is not the energy crisis, is not racism, but rather our refusal to take risks—for only by taking risks can we tackle the challenges posed by inflation, the energy crisis, and racism. A major characteristic of our times has been our constant retreat from ethical and social responsibilities simply for the reason that upholding those ethics and upholding those responsibilities was viewed as too risky. The annals of recent politics are filled with examples of how our leaders have embraced decisions of ease and expediancy yet avoided hard decisions, the decisions of risk. America, a nation made and molded by risk-takers; America, which grew to greatness by assuming risks that dared to be reckless; America is now being persuaded that security is more desirable than action.

But what price security? If that price is the abandonment of our willingness to press forward, if that price is our refusal to look a challenge straight in the eye; if that price is the abdication of our ethical responsibilities, then I say no! Those are prices too high to pay.

My role in America's future is to grasp and hold tightly the same willingness our Founding Fathers had to take risks, for I must have that willingness if I am to face the world squarely and on my feet. I have a responsibility, an obligation, to shelter and protect the liberty for which our Founding Fathers and so many since risked so much. I must fight hard to preserve this liberty for the generations that succeed me—even if the fight must be carried with risk against the odds, for that was the very least my predecessors did for me. I know, as those fifty-six men who signed into existence America knew, that nothing is more powerful, more virile, more inspirational than free men risking all they have to remain masters of their conscience. Like our Founding Fathers I must be willing to push all things dear to me onto a knife edge. Like Josiah Bartlet, like Phillip Livingston, like John Hart, I must take the risk.●

A SOCIETY FULL OF SHOCKLEYS

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 17, 1980

● Mr. STOKES. Mr. Speaker, I would like to take this opportunity to bring to the attention of my colleagues in the U.S. House of Representatives the preposterous actions of some of our so-called intelligent citizens.

I have recently reviewed an article by Ellen Goodman on the new sperm repository for geniuses which ideally will result in an abundance of genetically superintelligent children in our society. One of the first depositors to this repository was Mr. William Shockley. Perhaps Mr. Shockley's participation is the best indicator of the misguided logic of the repository.

This action is Mr. Shockley's latest attempt to create a perfect society or at least create a society where a majority of the individuals have a high level of intelligence. In the 1930's it was Shockley who insinuated that IQ levels were inherited and that blacks were genetically less intelligent than whites. Although this notion has been dispelled through the years, the urge to create a superintelligent society has become a frightening obsession among a few of the educational elite in our society.

Ellen Goodman provides the best argument against this warped sense of logic. At this time, Mr. Speaker, I would like to share this article with my colleagues.

The article follows:

FUTURE SHOCKLEYS

BOSTON.—A dozen years ago, when William Shockley first began talking about improving the stock of the human race, nobody knew that he was going to try to do it all by himself.

Back then, you may recall, the man who won a Nobel Prize for making transistors started talking about making babies. He believed that the world would be better off with more smart people than dumb people and that intelligence was inherited.

Therefore, he suggested that the best way to improve the world was to set up sperm banks for very smart men and impregnate very smart women. As an amateur geneticist, he sounded like an expert in making transistors.

Well, now it turns out that a 74-year-old California businessman, Robert K. Graham, has actually founded an exclusive sperm bank. In what sounds like a Woody Allen script, he solicits donations from Nobel Prize scientists only—Peace Prize and literature prize winners need not apply. And guess who was among the first three donors? William Father-of-the-Year Shockley.

When I first heard this piece of news out of The Los Angeles Times, I was stunned by the sheer conceit of the donors. The belief in the superiority of your sperm—even 70-year-old sperm—can only come from long nights spent re-reading the Stockholm speeches. If ego is carried along by the DNA, the three women impregnated so far in this program will give birth to a trio of miserably conceited little monsters.

The Repository for Germinal Choice (I did not make that name up) is a phallic symbol—without the symbolism. But there is more here than meets the ovum.

In the past two weeks, we have had this bulletin about a sperm bank for propagation of elite in California and another tale about a program for sterilization of thousands of "misfits" from 1922 to 1972 in Lynchburg, Va. These are both entries in the historic annals of genetic control.

For over a century, this country has debated whether heridity or environment is most important in determining the physical, mental and "moral" health of a human being.

In mid-19th-century Massachusetts, the poor Irish who lived in slums with virtually no health care had a higher infant mortality rate than others. An extensive study conducted by Massachusetts Brahmins blamed it on their "weaker genetic stock." After World War I, when the country went through a fit of xenophobia, they used IQ tests at Ellis Island to "prove" that most of the Jewish, Hungarian, Italian and Russian immigrants were "feeble-minded."

In the same vein, an old study of Harvard College graduates lamented the fact that the educated Harvardians underreproduced themselves. Early birth-control advocates put it bluntly: More children from the fit; less children from the unfit."

In short, the situation at Lynchburg was only a more efficient example of a fairly popular concept. People categorized rather blithely as retards and "misfits"—including young women who were committed for being sexually active—were to be prevented from polluting the genetic pool. No one ever proved that they had genetic diseases.

Well, in the 1930s, due to a well-known eugenicist named Adolf, a lot of these theories fell into disrepute. But they started percolating up through the surface of social reform again about 10 years ago when Arthur Jensen, Richard Herrnstein and, yes, "Papa" Shockley started putting forth theories that IQ was largely inherited.

Shockley endorsed not only the concept of "increasing the people at the top of the population" but also the concept of "reducing the tragedy of the genetically disadvantaged at the botton." Not coincidentally, he believes that blacks are genetically less intelligent than whites. Here we go back to Ellis Island.

There are reasons why the notions of "genetic inferiority and superiority" become popular from time to time. When we lose confidence or interest in reforming the environment, we are more likely to blame genes.

If an underclass exists in a democratic society, we want to blame its "stock" rather than our system. When the economic times are hard, I think we are also more likely to think in terms of controlling people rather than helping them. When social programs seem messy and complicated and exhausting, we turn to the efficient engineering of science.

It all sounds so logical. Cast genius sperm upon the world, like Johnny Appleseed, and you will get a crop of geniuses. But genetically it just ain't so. Furthermore, the definition of a successful human life isn't as simple as that of a successful race horse. Genius is more than genes.

And if you're in the market for some Shockley sperm, think about this: you might end up with the genes of a lousy geneticist instead of a decent transistor.●

WON PAT THANKS SENATOR JOHNSTON

HON. ANTONIO BORJA WON PAT

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Monday, March 17, 1980

● Mr. WON PAT. Mr. Speaker, it is with great pride that I rise to note my deep appreciation to Senator J. Bennett Johnston of Louisiana for his tremendous support during the congressional debate over H.R. 3756, the omnibus territories bill which President Carter recently signed into law.

Throughout the legislative history of this significant measure, Senator Johnston's handiwork is much in evidence, particularly in those sections which deal directly with the economic problems of the territories. As the Delegate from Guam, I, in particular, am deeply appreciative of Senator Johnston's continued commitment to the well-being of my constituents. Further, in my capacity as chairman of the Subcommittee on Pacific Affairs, I am proud to note that Senator Johnston has done much more for the peoples of the Pacific territories than is generally recognized.

In my dealings with the Senator, he has shown considerable compassion for the legitimate needs of the Pacific territories. This is very evident by his efforts to assist the residents of Bikini and in the instance of Guam, his full support for a provision which authorizes the payment of interest on the island's post-World War II land claims.

We in the islands are very fortunate to have Senator Johnston work so long and hard on our behalf. It takes only a brief glance at H.R. 3756 to recognize that this extensive measure is the work of people who truly are concerned about the well-being of those who are underprivileged. I can think of no more fitting tribute for Senator Johnston than this. He is a great man who is dedicated to working for all Americans. I deeply appreciate his support for Guam and submit a recent letter I wrote to Senator Johnston to be included in the Record at this time so my colleagues can better understand just how much this great man has done for the American territories.

March 13, 1980.

Hon. J. Bennett Johnston,
Russell Senate Office Building,
Washington, D.C.

Dear Senator Johnston: Please accept this letter as a token of my lasting appreciation for your support of H.R. 3756, the Omnibus Territories Bill. Your response to my telephone call this morning reflected the personal interest and the hard work you put into the bill and be assured that the people of Guam will know of your staunch support on their behalf.

I recognize the awesome demands on your time. The mere fact that you have contributed so much effort to the success of this bill, and in particular, the Guam provisions of it, is once again living testimony to your own lasting concern for our needs.

If there is any one aspect of this bill which should give you lasting pleasure, it is that which authorizes payment of interest to claimants in Guam's post-World War II land claim cases. The thousands of words I have spoken on this issue can never reflect the real problems this has for too long caused Guam in its relationship with the United States. Now that you have taken the final step to resolve the situation, we on Guam who have never lost faith in this country know that our patience and trust has been rewarded by a nation which truly stands for justice for all of its citizens.

Please let me know if there is any way in which I can work with you on other matters of interest to you and your own constituents.

Sincerely yours,

Antonio B. Won Pat,
Member of Congress.●

HEALTH PROFESSIONS EDUCATIONAL ASSISTANCE AND NURSE TRAINING AMENDMENTS OF 1980—H.R. 6802

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, March 17, 1980

● Mr. CARTER. Mr. Speaker, I am pleased to join the distinguished chairman of the Health and Environment Subcommittee, Henry A. Waxman, as well as my colleagues on that panel, Hon. Richardson Preyer, Hon. Mickey Leland, and Hon. Andrew Maguire, in introducing the Health Professions Educational Assistance and Nurse Training Amendments of 1980, H.R. 6802.

This legislation would extend for 3 years, without major modification, Federal programs of assistance for health professions education authorized under titles VII and VIII of the Public Health Service Act. Included are programs relating to schools of medicine, osteopathy, dentistry, veterinary medicine, optometry, pharmacy, podiatry, public health, nursing, as well as funds for allied health educational programs, which expire this fiscal year.

Also, this proposal would strengthen the National Health Service Corps and its scholarship program both of which were created by prior legislation to help assure the availability of health personnel in medically underserved areas.

In addition, this bill would revise certain policies affecting the training and immigration status of foreign medical graduates.

Further, this proposal would establish by statute the Graduate Medical Education National Advisory Committee. As you know, this committee was created by Executive charter on April 20, 1976, to advise the Secretary of Health, Education, and Welfare regarding the supply and distribution of physicians and methods to finance graduate medical education.

Finally, the bill would modify medicare and medicaid reimbursement policies to address inequities that currently exist regarding payment for inpatient and ambulatory care when such services are provided during the course of graduate medical education. Because third-party reimbursement has an important bearing on the financing of medical education and on the residency choices of students entering graduate medical education, I believe it is appropriate to raise these issues during our panel's upcoming review of the expiring health professions authorities. However, I would like to emphasize that this proposal is included to initiate a discussion of this very complex matter, and I look forward to hearing the comments and reactions of interested groups.

Mr. Speaker, I would like to comment briefly on several key parts of this proposal.

First, as a physician, I cannot help but be particularly interested in the authorities relating to medical education. I believe that provision of Federal support to medical schools is very necessary if we are to maintain high-quality training programs and keep these institutions viable. Moreover, unless the Federal Government shares part of the burden of the costs of medical education, I fear we will effectively close the admissions door to a wide range of capable applicants from disadvantaged backgrounds who will be most severely affected by the large tuition increases that will inevitably occur with the loss of Federal assistance. Finally, I believe that the record of the past years has shown that the Federal Government and medical schools, as well as other health professions institutions are willing and capable of engaging in a constructive partnership to achieve commonly agreed upon public purposes. I would urge that we continue to take advantage of that partnership to address effectively current as well as future national health manpower concerns.

Thus, I support the bill's policies which would continue to take advantage of this partnership to help increase the supply and availability of primary care practitioners. With respect to medical schools, the bill would condition provision of Federal institutional support upon the achievement of a specified national percentage of filled first-year positions in primary care residency training programs. Over the course of the next 3 years, the bill's goal would be to achieve a 10-percent growth in the national percentage of primary care residency positions. In my view, this requirement is a reasonable one which builds on current law and is designed to respond to national needs.

Various studies have confirmed that despite the projections for an adequate supply of physicians in the aggregate, there is and will be a shortage of primary care practitioners. In a 1978 study, the Institute of Medicine reported that the proportion of physicians in primary care disciplines has fallen from 94 percent in 1931 to 42 percent in 1963, and to 38 percent in 1975. Along with other recommendations to enhance the availability of primary care, the IOM report recommended a substantial increase in the national goal for the percent of first-year residents in primary care fields.

Mr. Speaker, while I support the general approach to the bill's primary care requirement for medical schools, I am interested in exploring at least two modifications during the hearings and markup.

First, I would hope to avoid using specific numbers in the statute, and would prefer instead to develop a narrative statement of policy which clearly describes the percentage requirements and procedures. Based on our available statistics, it appears that the current percentage of filled first-year residency positions in primary care fields—excluding those who drop out to enter other fields and those who are first-year residents to subspecialties of primary care—is approximately 30 percent. Thus, for purposes of introduction, we have used the figures of 30 percent, 35 percent, and 40 percent as the required national primary care residency percentage goals over the next 3 years. I would like to invite further discussion of these figures as well as the procedures for making such determinations as we proceed to refine this provision.

Second, I would suggest a modification of the requirement for individual medical schools, if it should happen that the national percentage goal is not met, thereby triggering a school-by-school determination. In that case, I would propose that each medical school be given the following option: either to show that it has met the national requirement for that year or to show that it has achieved a 5-percent growth over the previous year in the number of its own filled first-year residency positions in primary care. Under this approach, the calculations would be made in the same manner as for the national percentage requirement. However, the incentives would be greater for each medical school to contribute to this effort, rather than for just those medical schools which are closest to the requisite percentage. In addition, I feel that this modification would be more equitable. I would welcome further discussion and comment on this proposal during our subcommittee's hearings.

In addition to the bill's emphasis on addressing our Nation's primary care needs, the legislation contains authorities to help increase the availability of health personnel in medically underserved areas. According to HEW, approximately 37.6 million Americans live in areas that are in need of health care professionals and approximately 56 percent of these people in need live in rural regions. As representative of a rural district which has many medically underserved communities, I am acutely aware of these shortages of health personnel and hardships that result. It is particularly disturbing to me to know that even though rural America contains almost one-third of the country's population, it is served by only 12 percent of the Nation's physicians.

To help address this problem of maldistribution of health personnel, the bill would continue the National Health Service Corps and its scholarship program. In addition, the bill includes amendments to the Corps authorities that are designed to expand the use of the private practice option and thereby reduce the costs of the program to the Federal Government. Other provisions are included to increase the involvement of State and local entities in the planning, development, and staffing of primary care sites and in the placement of National Health Service Corps assignees. In my view the changes that have been proposed are constructive ones, and I look forward to further discussion of ways to improve the effectiveness of the Corps program.

Finally, Mr. Speaker, I would like to comment briefly on the sections of the bill relating to Federal support for the education of nurses.

As a physician, I know from firsthand experience that the nursing profession is a committed and dedicated group of individuals whose services are essential to the provision of high quality health care for the citizens of this country. Over the years I have been, and remain, a strong advocate of Federal support for nursing education. However, as you may know, there is a great deal of controversy about whether we have a nursing shortage and what the appropriate role of the Federal Government should be in that regard. My own view, based on various studies and reports, is that we do indeed have a shortage, not only on the night shifts, but during daytime hours as well in clinical, speciality, supervisory, and leadership positions. The American Hospital Association has stated that an additional 100,000 practicing nurses are required now to fill current institutional needs. Further, some hospitals have even closed down units such as operating rooms and special intensive care areas due to the lack of nurses to staff them. The competition to find nurses has become so intense according to a recent Washington Post article that employment conventions have been scheduled in seven of the Nation's major cities this year and agencies have developed specifically to recruit and hire nurses. Compounding this problem, we find there has been a drop in the growth rate of applications and admissions to nursing schools as well as a decline this year of almost 2 percent in graduations from basic nursing programs, according to the National League of Nursing.

These data and other statistics present a complex picture as to the causes of and possible solutions for the nursing shortage. The bill as introduced contains a number of provisions intended to help address these concerns, but I feel further discussion is essential to determine how we can best allocate our limited Federal resources in this area. In particular, I am interested in pursuing ways to encourage better retention of nurses in the work force.

In summary, Mr. Speaker, I believe this is a very reasonable proposal. It conforms closely to current law, yet includes important improvements in several areas. In addition to the provisions I have discussed, I believe the bill's new initiatives in the area of preventive medicine are especially constructive, and should enhance our efforts in this field. Also, there is one group of authorities relating to student assistance, which have been continued essentially without modification in the bill. In my view, these programs should be significantly revised in light of current interest rates and the limited availability of Federal funds. I would urge all interested groups to give special attention to developing a viable and realistic student assistance proposal for our panel's consideration.

While I do have reservations about a few of this bill's proposals, such as those affecting foreign medical graduates and the statutory establishment of the Graduate Medical Education National Advisory Committee, as well as certain authorization levels which I feel are too generous, I believe on balance, this is a good proposal which offers a helpful starting point for debate on the appropriate role of the Federal Government in these important areas. In my view, extension of these authorities is necessary to continue our efforts to address national health manpower concerns, particularly those relating to geographic and specialty maldistribution of health professionals. Further, it is my view as ranking minority member of the Health and Environment Subcommittee, on which I have served for 16 years, that the Federal Government does have a legitimate role and responsibility in supporting health professions education; and I endorse the bill particularly for its commitment to that principle.

Thank you, Mr. Speaker.●

IRELAND

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 17, 1980

● Mr. WOLFF. Mr. Speaker, today, March 17, is St. Patrick's Day. St. Patrick's Day is a joyous occasion to be celebrated by those of Irish descent across the country, and around the world. I would like to commemorate the holiday by saying a few words about Ireland and the Irish people.

The Irish culture is a rich one, tracing its origins to a period centuries before the rest of Europe began to rediscover its own heritage. The Celtic culture and Gaelic language flourished within a setting of conscientious learning and religious devotion; Ireland was known in the early Medieval period to be an island of literacy amid an ocean of barbarism. After having endured years of suppression, the indigenous Irish folkways have survived to this very day; when one considers the adversity to which Irishmen were subjected for centuries, such is truly a historical phenomenon. Thanks to the commitment of the Irish Government and the Irish people, the Irish language is once again accepted as an official medium of communication. To quote the newly elected Irish Prime Minister, Charles J. Haughey, Ireland has accepted a "wholehearted commitment to the Irish language and to its preservation as a vital part of—Irish—community life."

As we all are painfully aware, violence and confusion is a way of life in the north. The conditions which suppressed cultural rebirth in the south still exist in Ulster. The situation is quite grave, and deserves a great deal of careful attention on the part of all Americans. Although criticized for its possible pro-British slant, the State Department's recently published report on human rights tells of excessive violations of the rights of Irishmen by British troops, as well as by the Royal Ulster Constabulary; I cannot accept the explanations put forth by the British authorities as adequate.

I had the recent privilege to visit with His Holiness, the Pope, and to discuss the issue of Northern Ireland with him. His Holiness has displayed a genuine concern over the disturbing developments in the north; having been an advocate of the rights of the Irish people for many years, I was very encouraged by His Holiness' attitude. It is my fervent hope that a peaceful solution to the very disturbing situation can be found. I applaud the recent ban on weapon sales by the State Department to the RUC, which I first advocated, as a very constructive measure to further the goals of peace.

Ireland is beset with very grave problems. In the north, it is terrorism and violence; in the south, the economy merits grave concern. Yet the Irish people will continue to celebrate on St. Patrick's Day—a tribute to their inherent optimism; better times certainly must lie ahead. I pledge my continued efforts in seeing to it that injustice no longer reigns on the Emerald Isle, and that the future of St. Patrick's Day will be a bright and promising one.●

THE PACKAGING GAME

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 17, 1980

● Mr. MICHEL. Mr. Speaker, as we continue to wrestle with the current energy situation, it is important to understand the immense complexity of the problem. The competition for scarce energy supplies covers many far-reaching demands, which cut deep into our way of life. If we are to deal effectively with the increasing shortages, I think we need to have a better understanding of all aspects of energy consumption.

I recently had the opportunity to review a speech made by Mr. H. Edward Schollmeyer, an analyst and first vice president of Paine Webber Mitchell Hutchins, Inc., to the International Packaging Week Conference held here in Washington. He addresses the issue of how metal used in can production impacts on the Nation's energy supply.

Mr. Schollmeyer suggests that if the beverage industry switched from aluminum to steel cans, the energy savings would suffice to heat 2.1 million homes a year, reduce our need for additional nuclear generating capacity, and ultimately slow inflation since aluminum is costlier to produce than steel.

In view of the fact that Americans purchase over 50 billion cans of beverages annually, packaged in either steel or aluminum containers, I found the ideas of great interest and believe my colleagues would benefit from Mr. Schollmeyer's comments.

The remarks follow:

THE PACKAGING GAME—CHESS WITHOUT CHECKMATE

(By H. Edward Schollmeyer)

Good afternoon. It is an honor to be with you and to participate in the American Management Association's International Packaging Week.

In March 1977, I cautioned that severe energy problems in the Pacific Northwest would soon send the aluminum industry's energy costs soaring. Since then, the aluminum companies have petitioned Congress to pass legislation giving them preferential electric rates at the expense of residential users, while virtually forcing the latter to conserve energy by installing insulation or storm doors and windows. The legislation they sought said nothing about making the aluminum companies install the sort of modern equipment that could cut their energy consumption by 25 percent or more, or requiring them to convert some of the nation's most energy-inefficient smelters to the average prevailing in the United States.

Also, in March 1977, I predicted that the price of aluminum can body stock would climb to 70 cents per pound or more from 59 percent, within 18 months. That price was reached 12 months later. Today, the cost is about 86.8 cents per pound. Is a 47 percent price increase in 30 months inflationary? At the same time, I foresee the commercialization of the steel easy-open end can within a year. I am still waiting for the stock companies, as well as other metal container makers, to achieve this feat. I also foresee greater cost-reduction and productivity-improvement opportunities for the steel industry than the aluminum industry. I still think that is the way things will go, even if the steel companies appear to be moving at a snail's pace.

In 1978, of the 30 billion aluminum beverage cans that were made, only 7.8 billion were recycled. This means 22.2 billion cans were wasted, 13.8 percent more than the 19.5 billion that were wasted in 1977. During the first half of 1979 the aluminum recycling program ran into a massive threat, that Iranian-induced energy crisis. In Japan, 40 percent of the aluminum smelting capacity was shut down, because the metal's production consumed too much energy in a land totally dependent on imported oil. Japan immediately accelerated its aluminum scrap purchases on world markets. In America, prominent aluminum can makers began selling clean as well as decorated scrap to dealers who offered them 30-50 percent more than Alcoa and then shipped it to Japan and other energy-scarce countries.

Monthly data also indicates that the number of aluminum cans collected in the fourth quarter of 1978 approximated that in the same prior-year period, while collections during the first quarters of 1978 and 1979 were virtually unchanged. Relative to a year ago, though, second quarter collections dipped 6 percent. This flat to down trend of the last nine months suggests that aluminum container recycling is less successful than one might guess from reading the aluminum industry's press releases. Sooner or later, unbiased facts surface to rebut the special interest voices. So we must ask, is the recycling program running out of steam?

But at least 1979 proved one thing: aluminum can scrap is an extremely valuable commodity. Because American aluminum companies were unwilling to be competitive, they lost an indeterminable amount of scrap. Had that metal been collected, recycled and used to make new aluminum can sheet, the United States would have enjoyed a substantial energy saving.

Although our previous speakers have been most enlightening about what is happening in Michigan today, I'd like to tell you some of the things that I observed during a recent visit there. I'll report my most startling observation first: Michigan's bottle bill is extremely inflationary. Some analysts of the situation believe that beer and soft drink prices have climbed so much since last December that consumers are paying over $150 million more each year for their favorite beer or soft drink. A Michigan food chain computed handling costs of returned cans at 4.5 cents a unit. That equates to cover $1.00 per pound for aluminum cans, which have a public scrap value of 23 cents. The energy content is 18 cents per pound, based on TVA rates, but over 40 cents when computed on residential rate schedules. No wonder aluminum companies don't object to deposit legislation. Consumers are paying for the aluminum can collection program with higher food and beverage prices, in addition to the inconvenience of accumulating and returning them.

Another surprise was that gasoline usage has increased substantially in the state. Beer distributors estimate that they're using over 10% more gasoline in servicing the same routes, even though their shipments and product sales have dropped.

Competition has decreased, since retailers now carry fewer brands and size of products.

On the positive side, I must agree with Michigan's consumer activists who claim that the highways are dramatically cleaner now. I saw no beverage containers on the roads, although I saw a great many fast food packages, most of them made of paper or plastic.

But I have one question: Could Michigan have solved its litter problems without promoting gasoline consumption or stimulating the inflation spiral? Some citizens suggested to me that Michigan might have hired the unemployed or high school and college students to police the highways and keep them clean. Whatever money was spent in such a direction would have been far less than the $160 million consumers are paying in higher prices. The state's unemployment payments would have amounted to less, while excise taxes would have stayed at the same level or risen, rather than declining. Furthermore, to pay labor costs involved in policing the streets, Michigan could have resold the collected cans to their original producers.

Michigan's experience suggests that container legislation breeds inflation, impedes competition and encourages gasoline consumption—results that all fly in the face of our stated national goals.

Before leaving the subject of bottle bill legislation, I'd like to call your attention to a study that the Coca-Cola Co. conducted pertaining to gasoline quantities consumed in distributing its products in Oregon, which has a bottle bill, and in the state of Washington, which does not. The study concluded that it took 47.5 more gallons of gasoline per 1,000 packaged cases to serve the Oregon market than to serve the Washington market. Assuming that the same conditions prevail in terms of route distance, equipment, capacity and container mix, that works out, on a national and annual basis to 127 million gallons of gas. Translating that amount into more meaningful terms, this is how much it would take to operate 254,000 cars for 10,000 miles over an entire year. If similar conditions prevailed in the beer industry, we could operate still more cars on the extra gasoline.

Last year, Research Triangle Institute published some interesting information on the amount of energy that went into making various kinds of containers. Translating the amounts into BTU's per ounce, the study found that a steel can with a steel lid represented 233 BTU's; a steel can with an aluminum lid, 363 BTU's; and an all-aluminum can, 554 BTU's. Curiously, the aluminum end of the bi-metallic cans accounted for 130 BTU's, or 36 percent of its total energy content. This year, I came across another study on the subject, done by Franklin Associates Ltd. It showed similar comparisons, although it was based upon 1,000 gallons of canned soft drinks delivered to consumers. According to Franklin Associates, the aluminum cans used 60 million BTU's, the bi-metallic cans, 47 million BTU's and the all-steel cans, 40 million BTU's. An all-aluminum can consumes 50 percent more BTU's than the all steel one.

Today, energy and energy conservation are paramount concerns to the nation, as well as to the packaging industry. We believe the aluminum industry, notwithstanding the statements of some of its spokesmen, is highly dependent on critical fuels. Certain aluminum company executives have claimed that natural gas and petroleum were critical fuels, but that they, fortunately relied less on them, unlike their less lucky brethren, the glass container manufacturers. But I take my definition of "critical" from Webster, who said it referred to a state at which "some quality, property or phenomenom suffers a definite change." Hydropower, then, is critical fuel, because incremental qualities of it are no longer readily available in the United States. That's why smelters are being built abroad. Bonneville has notified the aluminum companies that when their power contracts expire in the mid-1980s, they won't be renewed, because the power has been designated for residential use. No more dams can be built either for Bonneville or TVA, two of the aluminum industry's primary power sources. Already over 80 percent of TVA's power is nonhydroelectric, because of natural limitations. If hydropower weren't so critical to the industry, why have the aluminum companies spent so much public relations time and money getting favorable accommodations at Bonneville from Congress and the residents of the Pacific Northwest? Coal, oil, natural gas and nuclear fuels are all being considered as supplements for TVA's and Bonneville's rapidly growing markets. Let's be frank: hydropower and every other form of energy are critical to our nation and in dire need of conservation.

Incidentally, steel is not a major user of critical fuels. It derives over 70 percent of its energy needs from coal. U.S. Steel, in fact, has better than a 100 years' supply of its own coal reserves. The industry does not, therefore, have to compete with residential consumers for energy, as do the aluminum makers.

I said earlier today that our nation's energy and inflation problems were serious concerns for all of us. I am convinced that if the packaging industry or its major customers—particularly the beer and soft drink companies—fail to develop ways to conserve energy and curtail inflation, governmental and political forces will do the job for them. The automotive industry, through government prodding, has embarked on a comprehensive conservation program to raise the mileage per gallon that a car can obtain. To accomplish this, automobiles are being redesigned, made smaller and composed of light weight materials.

Today, I'd like to tell you about several alternative plans available for you. Two will definitely reduce energy consumption materially, while the third may have only a modest impact.

The first plan I have requires everyone in the beer, the soft drink and the packaging industries to get into the act and recycle aluminum cans—not leave it up to the other guy. I'm suggesting that each aluminum producer step up his effort substantially to get the containers back for recycling in America, not overseas. Let's conserve energy, combat inflation, and worry about balance of payment problems later. Don't rely on the good samaritan on your block to do it for nothing, or the Boy Scouts to do it for peanuts. If those using aluminum cans don't take positive action and wait for someone else to do the dirty work, governmental forces will take over and do it their way. And if certain companies refuse to participate in our resource recovery program, I suggest they should not use aluminum cans.

Government figures demonstrate undeniably that the aluminum recycling program is petering out. The aluminum companies no longer influence aluminum can scrap prices as they once did. They appear unwilling to compete price-wise for aluminum can scrap and prevent our low-cost hydropower from being exported. We can't rely on deposit legislation to solve their problem, because it's inflationary, wastes critical fuels and interferes with competition. And to any company in the packaging, beer or soft drink industry that says to me it doesn't want to diversify into aluminum can recycling, I ask: "How can you keep using aluminum cans then, knowing what you know today?"

The second alternative will probably be acceptable to most of you. If it succeeds, it might save some energy and curb inflation modestly. That's maintaining their status quo. Let Anheuser Busch, Coors, Reynolds and the newly-formed container collection companies do the best aluminum can collecting job they can. This doesn't affect your corporate strategies or influence your long-term game plans yet it lets you keep using aluminum beverage cans.

The third alternative is probably the best. Actually, it's the only one that makes sense to an objective observer, not just a proponent of a particular product or company. And it would definitely reduce energy consumption by the packaging industry and its customers, as well as make an important contribution to the battle against inflation.

This alternative focuses on the nation's energy and economic needs, not merely personal or corporate profits. It could, moreover, be implemented in a very short time, practically overnight, and with minimal inconvenience to most of you. All you have to do is replace the aluminum cans with a 100 percent steel product, one without an easy-open end, just the kind of end that requires an old-fashioned "church key" to let you get to the contents. Incidentally, an executive of one of America's largest aluminum can companies and a strong advocate of that product told me his company would convert to the manufacture of steel cans whenever his customers—the brewers and soft drink bottlers—gave the word.

The voluntary implementation of such a program by the packaging and beverage industries would save America over 115 trillion BTU's annually, based on last year's use of 30 billion aluminum beverage cans. It would cut costs by some $1.5 billion assuming it replaced aluminum easy-open ends with plain steel ends. The energy savings alone would suffice to heat 2.1 million homes a year and reduce our need for additional high-cost, nuclear-generating capacity, thereby afford residential users savings in electric bills and providing another way we could slow inflation.

In closing, I'd like to leave you, and by you I am referring to the packaging, the beer, and the soft drink executives, with some unanswered, perhaps embarrassing, questions:

1. How long will you allow special interest groups to pass mandatory deposit legislation that wastes energy and accelerated inflation and reduced competition?

2. How long are you going to sit by and watch America's aluminum soft drink cans being shipped to Japan?

3. How long are you going to complain about the lack of a national energy program while you fail to allocate corporate funds for modern facilities that could save energy?

4. How can you expect Americans to conserve energy by using more energy-efficient cars and increasing the insulation in their homes when you don't make the switch from energy-devouring aluminum cans to steel or glass containers?

5. Which do you really place first? Our national interest or your corporate profit?●

CRIMINAL CODE REFORM

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 17, 1980

● Mr. DRINAN. Mr. Speaker, the House Judiciary Subcommittee on Criminal Justice, which I chair, recently reported to the full Judiciary Committee the Criminal Code Reform Act of 1980. This legislation brings to fruition the work started over a decade ago by the Brown Commission. I commend to my colleagues the following article on criminal code reform by Carl Rowan:

"GRANDSON OF S.1": A TIME FOR REFORM

(By Carl T. Rowan)

First there was S.1. Then came "son of S.1" and now we're about to meet "grandson of S.1."

This legislative family was spawned by congressional efforts during the past five years to revise the U.S. Criminal Code.

Federal criminal laws, passed piecemeal over nearly two centuries and never over-hauled, have become outmoded, duplicative, contradictory and unfair. Tucked into the code's 1,500 pages are 80 laws covering forgery and counterfeiting, 70 varieties of theft, 80 definitions of criminal liability.

You can also find such contemporary statutes as one making it illegal to trap or detain a federal carrier pigeon.

And under current sentencing procedures, it is possible to rob a bank in one city and be sentenced to a year in prison, but get 20 years if you commit the same crime in another city and are sentenced by a different judge.

Efforts to reform the criminal code began with studies in the 1950s. These led in 1975 to S.1, the first reform bill, which languished in the 94th Congress. The "son of S.1" was passed by the Senate in 1978 but died in the House of Representatives despite being sponsored by senators with vastly different philosophies of criminal law—Edward M. Kennedy and John McClellan.

One of the problems is that the proposed reform engenders "bipartisan" opposition, as well as support. Liberals, led by the American Civil Liberties Union, argue that some sections compromise and damage civil liberties, while conservatives worry that the new code would weaken law enforcement.

The proposed code includes changes that would give the government new tools for fighting organized crime, ease laws on possession of small amounts of marihuana (a matter still not settled), make sexual offenses apply without regard to the sex of the offender or victim and expand the laws on theft and bribery with respect to government programs. House and Senate versions differ in many ways; among other things, the House bill contains more civil liberties safeguards.

One of the major reforms would end the present system of indeterminate sentences that gives judges and parole boards vast leeway but few guidelines to follow.

Sentencing in federal courts often is arbitrary and unfair, based to a large extent on a defendant's race, wealth, appearance, the location of the court and the whims and biases of the judge.

As a result, you have situations like that in Alexandria, Va., where a man who showered a woman with flammable liquid and set her on fire was charged with felonious assault and eventually placed on probation, while in an adjoining courtroom, a man who wrote a bad check for $150 got nine months in jail and three years on probation.

In addition, the sentencing system has proven ineffective in reducing crime or rehabilitating criminals.

The proposed new criminal code offers what Drinan calls "truth in sentencing." It provides for fixed or narrow-range sentences that must be imposed by judges and creates a Sentencing Commission that would set guidelines. The Senate version phases out the present parole system.

This latest attempt to revise and reform the criminal code, which will be considered by the full House and Senate soon, is not perfect. Some sections trouble me. The ACLU still has not given its blessing to the legislation. But as Senator Kennedy has pointed out, in so complex an undertaking as this, we cannot insist on all-or-nothing, or we'll wind up with nothing. The loser, if that happens, would be the criminal justice system.

Criminal code reform has been thoroughly studied and debated—in previous Congresses as well as this one. It is time now to act, to complete work in the House and Senate and reconcile the differences.

Otherwise, years from now, we'll find ourselves quarreling over the "great-great grandson of S.1" while federal carrier pigeons remain a protected species.●

WASHINGTON POST CONSISTENT ON DRAFT REGISTRATION AND GULF OF TONKIN

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 17, 1980

● Mrs. SCHROEDER. Mr. Speaker, on March 6, 1980, the Washington Post editorialized in favor of the administration's draft registration proposal. The gist of the editorial was that the President asked for it, so, for the sake of national unity, the Congress should submit.

I wrote a letter to the Post taking issue with that line of reasoning. I don't know what got into me. I've probably been reading the Constitution too much lately. I keep thinking Congress is the legislative branch and has authority over appropriations.

A few days later I came across the Post's August 7, 1964, editorial in support of the Gulf of Tonkin resolution. At least the Post has been consistent.

Particularily striking was the reference to—

> * * * the reckless and querulous dissent of Senator Morse. There is no substance in Senator Morse's charge that the Gulf of Tonkin resolution amounts to a "predated declaration of war."

The two editorials and my letter follow:

[From the Washington Post, Aug. 7, 1964]

DEMOCRACY'S RESPONSE

Congress is responding with commendable promptness and with an almost unanimous voice to President Johnson's request for support in the Southeast Asian crisis. The President consulted the leaders of both houses and then asked for a supporting resolution not only because he felt the necessity for congressional approval of what is being done, but also because he wished to demonstrate before the world the unity of the American people in resisting Communist aggression. That unity has been demonstrated despite the reckless and querulous dissent of Senator Morse.

There is no substance in Senator Morse's charge that the resolution amounts to a "predated declaration of war." On the contrary, it reaffirms the long-standing policy of the United States of aiding the states covered by the Southeast Asia Collective Defense Treaty in the protection of their freedom as a contribution to international peace. It pledges military action only to resist aggression against American forces in that area. Of course, the President has authority to respond to attacks upon American forces without any approval in advance by Congress. So the resolution means only a recommitment of the Nation to the policy it has been following—an almost unanimous recommitment in the face of the inexplicable North Vietnamese challenge.

This means of reasserting the national will, far short of a declaration of war, follows sound precedents set in other crises. President Johnson noted in his message to Congress that similar resolutions had been passed at the request of President Eisenhower in connection with the threat to Formosa in 1955 and the threat to the Middle East in 1957. The same course was followed in 1962 at the request of President Kennedy to meet the missile threat in Cuba. None of these emergencies led to war. Rather, the firm action that this country took interrupted Communist maneuvers that might otherwise have led to war.

Congress ought to be very pleased with the now firm establishment of this mechanism for meeting an emergency with a united front. Reliance solely upon the power of Congress to declare war as a last resort would not be appropriate in these days of repeated crises short of war. A resolution of support for the Executive arm in meeting an emergency has all the virtue of rallying national strength behind a firm policy—without taking the calamitous step of war in this nuclear age. We surmise that the almost unanimous sentiment behind this resolution on Capitol Hill reflects appreciation for the President's sharing of responsibility as well as support for the tough punishment for aggression that he initated.

[From the Washington Post, Mar. 6, 1980]

THE DRAFT REGISTRATION VOTE

The House Appropriations Committee is to vote this week on President Carter's request for the money to pay for draft registration. It would be grotesque to kill the measure in committee on an appropriations question.

To vote funds for draft registration is not a decision to reinstitute the draft. Today's circumstances do not warrant the draft. Registration concedes only one point—that there may be very different circumstances, somewhere in an uncertain future, in which a draft might become necessary. Not many Americans would deny that the possibility exists. If the Appropriations Committee agrees that it exists, then it can hardly reject this small measure of preparation.

The committee does not have the luxury of debating this point in a vacuum. Whether Mr. Carter should have requested draft registration is an interesting question for discussion. But that is not the question before the Appropriations Committee. The president has in fact made the request, and the committee cannot deny it to him without denying him much more. The president has asked for registration in response to the Soviet invasion of a neighboring country. It is the first time that the Soviet Army has gone in force beyond the perimenter that it established in the aftermath of World War II.

If the committee votes down the registration money, it will be delivering the president a rebuff of enormous symbolic importance. It will be signaling to the world that while some response to the Soviets might be useful at some later moment, Congress sees no need to do anything now that will create controversy in an election year. What does the Appropriations Committee think the Russian interpretation of that message might be? Or its effects on this country's allies?

The draft is a matter of intense and divided feeling among Americans. Fortunately, the committee is not being asked to proceed as far as voting on the draft itself. It is merely being asked to acknowledge that the world is a dangerous place for countries that grow careless of their interests abroad. The president has gone a little beyond words alone in his reaction to the latest use of Russian military power. He needs the support of Congress.

HOUSE OF REPRESENTATIVES,
Washington, D.C., March 12, 1980.

The WASHINGTON POST,
(Attention: Letters to the Editor),
Washington, D.C.

DEAR EDITOR: The Washington Post's March 6 editorial trumpeting draft registration hits all the wrong notes.

The country, not the President, needs the support of Congress.

The Post argues that the Congress cannot refuse the President, no matter how foolish, dangerous, or useless his request, on the ground that such a refusal will make us look weak before our enemies.

It seems to me the strongest appearance we could put forward is that of a vital, functioning constitutional democracy, where the legislative branch is something other than a rubber stamp.

Sincerely,

PAT SCHROEDER,
Congresswoman.●

ON THE THIRD ANNIVERSARY OF ANATOLY SHCHARANSKY'S ARREST

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 13, 1980

● Mr. LEHMAN. Mr. Speaker, March 15 marks the third anniversary of the arrest of Anatoly Shcharansky. This day is a reminder of the inhuman treatment Anatoly suffers every day.

His wish to live in Israel, his conviction to protect that right, and his willingness to speak out against the violation of that right to others were enough for the Soviet Government to smother the voice of Anatoly Shcharansky. Despite being a signatory to the Helsinki Final Act guaranteeing the right of free emigration, the Soviet Union continues to persecute its Jewish citizens for expressing the desire to live in Israel and for lesser expressions of conscience.

We face new obstacles in our efforts to seek freedom for Anatoly Shcharansky but we must not waiver in our determination to press for his freedom and for the freedom of all refuseniks. There is growing concern that the situation of Soviet Jews has worsened in recent months. Preparations for the 1980 Moscow Olympics account for some of the increased repression against those who seek to emigrate. We now have evidence that Jewish emigration from the Soviet Union has declined sharply from the same period of time last year.

Our efforts to secure the right of emigration for all those daring to face new lives as free men and women must be renewed and continued. For Anatoly Shcharansky, ill, in isolation from those he loves, let us rededicate ourselves to reuniting him with his wife Avital in Israel.●

TEXAS TECH LAW SCHOOL WINS NATIONAL MOOT COURT COMPETITION

HON. KENT HANCE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 17, 1980

● Mr. HANCE. Mr. Speaker, I wish to call to the attention of the Members the Texas Tech University School of Law moot court competition in New York. Texas Tech is located in Lubbock, Tex., in my district and is my alma mater.

Fred Raschke, Jeanette Robison, and David Weinstein represented Texas Tech School of Law and Prof. Don Hunt served as the faculty sponsor. One hundred and seventy schools entered the national competition, which was sponsored by the Young Lawyers Committee of the Association of the Bar of the city of New York and the American College of Trial Lawyers. In addition to the first place team, David Weinstein was awarded as the best oralist and Jeanette Robison was awarded as the second best oralist.

Earlier, regional competition for Texas, Arkansas, and Oklahoma—region 10—was held in Lubbock. Texas Tech won first and David Weinstein was recognized as best oralist. Fred Raschke placed first for the best brief.

Fred Raschke is a third-year student at Texas Tech School of Law and a native of Lubbock. Jeanette Robison is a December graduate of Texas Tech and a native of Matador, Tex. David Weinstein is from Albuquerque, N. Mex., and is a second-year law student.●

COUNCILMAN PETER KING URGES GREATER AMERICAN ROLE IN NORTHERN IRELAND

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 17, 1980

● Mr. LENT. Mr. Speaker, I wish to bring to the attention of my colleagues a report of interest to all concerned with human rights, and of particular importance to those Members of Congress who, like myself, have been involved in efforts to aid in a peaceful settlement of the Northern Ireland problem.

A colleague of mine, the Honorable Peter T. King, councilman of the town of Hempstead in my Fourth Congressional District has long been known for his leadership in Irish-American affairs. Councilman King is now serving as chairman of the Freedom for All Ireland Committee, Ancient Order of Hibernians, division No. 7, Nassau County, and is a member of the Irish National Caucus and the American Irish Congress.

His deep concern over the problems of Northern Ireland led Councilman King to make a personal visit to Ireland, during which he sought out representatives of the Irish Government and other political officials for discussions on the proper role the United States should play in Northern Ireland.

As a result of these meetings, Councilman King has published a thoughtful and very valuable report on this important subject. The report is more than a study of the situation—it offers most helpful suggestions to U.S. governmental officials and to individual American citizens in assisting Ireland in achieving a successful resolution of the Northern Ireland problem. As a member of the Ad Hoc Congressional Committee for Irish Affairs I find Mr. King's report a major contribution to a better understanding of the difficult problems in Northern Ireland and to a clearer perception of the assistance the United States might provide in ending them.

Mr. Speaker, I commend Councilman King's report to my colleagues:

THE AMERICAN ROLE IN NORTHERN IRELAND

INTRODUCTION

During a recent trip to the Republic of Ireland, I had the opportunity to meet with a number of political and governmental officials, including a representative of the Irish Department of Foreign Affairs, to discuss the proper role which the United States should play in Northern Ireland. The following are the conclusions which I have reached.

REUNIFICATION OF IRELAND

The basic policy of the Irish government is that it is hopeful that the present talks being conducted among England and several of the major political parties in Northern Ireland will lead to the establishment in Ulster of a workable power-sharing formula satisfactory to the Protestant majority and the Catholic minority. The Dublin government further believes that this power-sharing will in turn set in motion a political dialogue between Ulster and the Republic of Ireland which will lead to the ultimate reunification of all 32 counties.

The inherent weakness in this position of the Irish government is that it relies almost entirely upon the good intentions of Britain. The history of Ulster, of course, hardly justifies such a reliance. It is clear that if ever there is to be a just and equitable solution of the nightmare in Northern Ireland there must be additional factors inserted into the equation.

Firstly, the Irish government must speak out far more forcefully than it has to date for the reunification of all Ireland. Additionally, the Irish government must set forth a reasonable time table for that reunification. It is the present thinking of the Irish Foreign Affairs Department that, even should the present talks prove successful, reunification of the 32 counties could not be expected for another 30-40 years! This is hardly a viable policy. Indeed, it is no policy at all. Unless England sets a definite date for a total withdrawal from Northern Ireland, the Northern loyalists will have no incentive whatever to bargain in good faith. It will only be when the loyalists realize that the day is soon approaching when they will no longer be shielded by England that meaningful progress will be made.

The United States with its especially close historical ties to England and Ireland is uniquely qualified to utilize its considerable powers of diplomatic and moral persuasian and move the parties toward a solution which would guarantee the rights of the majority and the minority and would phase in the reunification of all Ireland. The United States, in assuming the role of the honest broker, could drive home to Britain that the time is long past when England can continue the control of its oldest colony.

The Irish government repeatedly raises the spectre of the Irish Republican Army and implies that the support of the Irish-American community for the reunification of Ireland constitutes support and encouragement of the I.R.A. First of all, it must be pointed out that it was the inhumanity of Stormont, the obduracy of Britain and the indifference of the Irish government which allowed the I.R.A. to emerge as a significant force. The role of the I.R.A. would necessarily be increasingly diminished and ultimately eliminated if the United States asserted its moral position on the side of equality and reunification.

Clearly, it is Irish-American organizations such as the Irish National Caucus and the Ancient Order of Hibernians who, by calling for an increased American role, are furthering the cause of peace and the end to violence. Similarly, the work of Congressman Mario Biaggi and his 130 member Committee on Irish Affairs can only increase the hope of peace. For their efforts, however, they are repeatedly pilloried by the Irish government.

Irish-Americans cannot allow themselves to be deterred by the short-sighted attitudes of the Dublin government. On the one hand, Dublin suggests that Northern Ireland is an Irish problem and the American role should be minimal. On the other hand, however, the Irish government neglects to play its proper role in working toward the reunification of Ireland. The Irish government cannot have it both ways and by its inaction, it has made the American role all the more indispensable.

HUMAN RIGHTS

The human rights violations by Britain in Northern Ireland cannot be denied. Long Kesh, of course, stands as a monument to oppression and subjugation. Yet, when I inquired of the Irish Foreign Affairs Department as to what measures could be taken to compel England to cease these human rights violations, I was told that to a large extent the prisoners at Long Kesh are imposing the conditions upon themselves and that much of the documented injuries of political prisoners in Ulster were self-inflicted! Quite frankly, I doubt if even the British Foreign Office would have responded so callously. This attitude makes it all the more essential that the United States government, which has made human rights the hallmark of its foreign policy, speak out for human rights in Northern Ireland. As a close ally of Britain, the United States has a particular moral obligation to condemn the repressive English policies in Ulster. And once again it is the Irish-American community which has a special responsibility to utilize its political resources so as to ensure that our government does take a stand on so critical an issue. There can be honest differences of opinion as to how Ireland can be peacefully reunited. There can, however, be no doubt that human rights violations in Northern Ireland must be condemned in every respect.

CONCLUSION

In conclusion, I must emphasize that the policies of which I have been critical are those articulated by the Irish Foreign Affairs Department. It should be noted that, to date, the new Irish Prime Minister Charles Haughey has not set forth a comprehensive policy statement on Northern Ireland. Hopefully when that statement is issued it will reflect a positive redirection away from the present policy of inaction and indifference. In any event, however, the role of the Irish-American community will continue to be vital and essential.●

MORE ON GASOHOL

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 17, 1980

● Mr. STARK. Mr. Speaker, I take this opportunity to urge my colleagues to give serious attention to the potential production capabilities of several alternative energy technologies.

In regard to gasohol, we must know precisely when the Nation's food crop acreage will diminish—or when food prices will rise—as a direct result of diverting raw materials from their normal production and consumption paths.

Only with a thorough analysis of the commercialization costs for different forms of alternative energy can we determine the best approach to the present energy crisis or develop a successful national plan for the transition to energy independence.

These nonconventional energy sources undoubtedly need Federal support for research, development, and demonstration. Additionally, there may soon be extensive tax credits available for their residential and industrial applications.

But, before we move toward any long-term commitment to possibly short-term solutions, we must carefully consider the total impact—economic, social, and environmental—of marketing these innovative new technologies.

For these reasons, I would like to bring to your attention a Washington Post editorial, the text of which follows:

[From the Washington Post, Mar. 11, 1980]

MORE ON GASOHOL

In a recent editorial, we cautioned against too rapid a move to gasohol production, citing the risk of a premature commitment to technologies that will soon be obsolete and the danger of pushing up the price of food. In a letter today, five members of the Senate Agriculture Committee respond. The senators believe we have overestimated these risks and underestimated the contribution gasohol can make to the country's energy supply.

It should be said at the outset that the issue here is not whether the country should have a fuels industry based on agricultural and forest products—on this there is no difference of opinion. The differences arise over how great the potential of this energy source is, how fast it should be pushed, how heavily it should be subsidized and—above all—how it should be controlled so as to prevent large increases in the price of food.

Calculating precisely how alcohol production will affect food prices several years from now is difficult because there are so many unknowns: the demand for food and thus for crop land, the price of oil, the type of crop being grown, the efficiency of the distillation process, and more. However, a few factors are clear. Since almost no productive farm land is now being withheld from use, food crops grown for conversion to alcohol will have to compete for acreage with crops now being grown for food. As the price of oil rises, the price at which distillers can sell ethanol will rise equally, and the price of food crops and, eventually, of land will follow. The Office of Technology Assessment has calculated that in the near future no more than two billion gallons of ethanol per year—that is 2 percent of gasoline use and only 0.2 percent of total national energy needs—can be produced without increasing the price of food.

This competition between food and fuel does not exist if non-food crops are used. Spoiled crops and agricultural wastes can contribute a small though useful amount, but only forest wastes, timber and perennial grasses can produce large amounts of alcohol. The hitch is that currently available technologies for fermenting cellulose are extremely expensive. Economically competitive processes should become available by the end of this decade, and that is one of the main reasons for holding off on large gasohol and distillery investments.

In short, while alcohol production from food is a promising prospect, economic and technical realities substantially qualify the enthusiastic promises being made. A competition between food and fuel will certainly end up by partially solving one problem while creating several others. Despite the urgency of finding new energy supplies, a modest gasohol program is all that is justified now.●

UNITED STATES-LIBYAN RELATIONS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 17, 1980

● Mr. HAMILTON. Mr. Speaker, I would like to bring to the attention of my colleagues some correspondence I have had recently with the Department of State regarding United States-Libyan relations.

In early January, there was a story in the Washington Post containing an interview with Col. Mu'ammer Qaddafi of Libya in which he said he has assurances that, if President Carter were reelected, the President promised changes in United States Middle East policy. I wrote the Department of State requesting an overall assessment of United States-Libyan relations and comments on the specific statement by Colonel Qaddafi as quoted in the interview appearing in the newspaper.

It should be noted that United States-Libyan political relations today are very bad in our view because of Libyan policies toward Tunisia and Egypt and on Middle East peace talks. At the same time, however, our economic relations with Libya are good and close to 10 percent of our oil imports today come from Libya.

A copy of the January 10, 1980, Washington Post article and my exchange of letters with the State Department are attached:

QADDAFI SAYS CARTER PROMISED NEW MIDEAST POLICY IF REELECTED

(By Jonathan C. Randal)

BENGHAZI, LIBYA, January 9.—Libyan leader Muammar Qaddafi said today that he would ease his anti-American stance this year because of "promises" from President Carter to "radically change American policy in the Middle East" if he is reelected to a second term.

The friendlier Libyan mood toward the United States during this election year, Qaddafi indicated, constituted Washington's "last chance" to avoid a serious oil sales embargo. Libya provides an important portion of U.S. oil imports.

Qaddafi, in an interview with journalists here, pointed out that Libya recently broke off economic relations with China in retaliation for Chinese shipments of arms to Egypt.

While the United States is also supplying Egypt with weapons, Qaddafi said, he has not ordered a similar retaliation against Washington because of his desire to give Carter a "last chance."

[A high White House official said President Carter made "no commitments direct or implied about a radical change in American policy" in the Middle East. Carter, in recent messages to Qaddafi, has simply expressed "an interest in improved relationships," a White House source said.]

Libya, one of the foremost radical Arab states, is a leading supporter of the Palestinian movement and a chief opponent of the Camp David peace accords and the Egyptian-Israeli treaty that followed.

Qaddafi has opposed U.S. efforts to bring about peace between Eygpt and Israel and any negotiated settlement in the Middle East, calling instead for immediate return of the occupied territories to full Palestinian control.

The Libyan ruler said he preferred Carter over Sen. Edward M. Kennedy (D-Mass.) or any other candidate in the U.S. presidential race.

"Whatever happens, any American president will be under Zionist influence," he said, but "because President Carter has promised to make changes in American policy, we prefer Carter be given a chance to see if he keeps his promises."

Asked who had made the promises and what form they had taken, Qaddafi replied that "almost precise promises" were involved.

"As I understood," he said, "I believe President Carter promised to radically change American policy in the Middle East." Qaddafi insisted he was speaking on the basis of "not just general statements," but he refused to explain his remarks further.

Libya sells about 40 percent of its daily oil production of 2 million barrels to the United States. This amounts to about 10 percent of U.S. imports but the Libyan crude is a high quality, low sulfur petroleum especially suited to use as gasoline.

Although much of the interview dealt with U.S.-Libyan relations, Qaddafi showed little of the rancor or anti-American vehemence with which he has often spoken of the United States in the past.

"Because it is an election year," he said. "it is better to cool it."

Despite Libya's frequent threats to embargo oil sales to the United States and the burning of the American Embassy in Tripoli last month, Qaddafi said that the responsibility for improved relations "rests with the United States."

"They do us injustice, they put us on the black list," he said, in apparent reference to U.S. Congressional pressures against delivering American-made military transports and Boeing 747 jumbo jets to Libya.

"The Libyan peoples have done nothing up to now against the United States," he said. "If they miss this chance and do not change policy, this is the last chance."

Although he seemed confident and forthright in discussing the United States, the 38-year-old military strongman showed clear uneasiness when questioned about the invasion of Afghanistan, a fellow Moslem country, by the Soviet Union, which enjoys enormous official influence here.

Outwardly subdued, the often flamboyant Qaddafi said, "I do not have enough information" about the Afghan situation.

When pressed by reporters, he laughed nervously and said, "We have talked enough about this subject."

On other matters, Qaddafi:

Refused to endorse suggestions from the recently concluded General Peoples Congress, the highest instance of his experiment in direct democracy, that Libya cut back its oil production by 36 percent.

Insisted that "nothing negative happened" that would explain the nearly two-month delay in exchanging charges d'affaires with Iran. Part of that agreement called for joint investigation into the disappearance of Imam Moussa Sadr, the leader of a Moslem sect in Lebanon. Libya has insisted Sadr left here for Italy after a summer 1978 visit, but a Moroccan newspaper charged he was executed near Tripoli after Libyan officials misinterpreted orders.

"The situation in Iran is not yet stable," Qaddafi said. "Responsibility in Iran is not well defined."

Indirectly denied suggestions that Libya was trying to arrange a negotiated settlement in the war over the Western Sahara pitting Morocco against the Polisario guerrillas backed by Algeria and Libya. "How does the war end," Qaddafi asked, "if the king (Hassan) of Morocco insists on oppressing the Sahrawis" as the people of Western Sahara are called, "and integrating this part" of the former Spanish territory "by force" into his kingdom. "This is a revolutionary explosion, not a matter of negotiations."

JANUARY 21, 1980.

Hon. CYRUS VANCE,
Secretary of State,
Department of State, Washington, D.C.

DEAR MR. SECRETARY: I attach for the Department's consideration a recent article which appeared in the Washington Post of January 10, 1980 regarding United States-Libyan relations and a recent assertion by Col. Qaddafi that President Carter promised changes in United States Middle East policy if he is reelected.

I would like the Department's assessment of the contents of this story and its accuracy, the status, nature and extent of United States-Libyan relations, the impact of any Libyan reduction or elimination of oil exports to the United States and the methods by which the United States intends to maintain an oil trade relationship with Libya.

I appreciate your consideration of this matter and look forward to hearing from you.

With best regards.
Sincerely yours,
LEE H. HAMILTON,
Chairman, Subcommittee on
Europe and the Middle East.

DEPARTMENT OF STATE,
Washington, D.C., February 6, 1980.

Hon. LEE H. HAMILTON,
Chairman, Subcommittee on Europe and the Middle East, Committee on Foreign Affairs, House of Representatives.

DEAR MR. CHAIRMAN: The Secretary has asked me to thank you for your letter of January 21 in which you pose some interesting and stimulating questions about U.S./Libyan relations.

The Office of North African Affairs will prepare full answers to your questions, and I will forward that response to you as soon as possible.

Sincerely,
J. BRIAN ATWOOD,
Assistant Secretary for
Congressional Relations.

DEPARTMENT OF STATE,
Washington, D.C., March 10, 1980

Hon. LEE H. HAMILTON,
Chairman, Subcommittee on Europe and the Middle East, Committee on Foreign Affairs, House of Representatives.

DEAR MR. CHAIRMAN: In my letter of February 6 I promised you a reply to the questions relating to Libya raised in your letter of January 21. The Washington Post interview to which you referred in that letter is one of several which Col. Qadhafi has given lately and forms a part of a rather complex set of mixed signals which we received from Tripoli. On several occasions after the December 2, 1979 attack on our Embassy Col. Qadhafi referred publicly to his desire to see improved relations between the United States and Libya. We, of course, shared that desire and, as the Post article states, we indicated to the Libyan Government an interest in working out a greater understanding between Washington and Tripoli.

As part of the process we had hoped that Col. Qadhafi would receive our Charge in Tripoli and discuss with him some of the outstanding problems between our two countries. As a result of the February 4 attack on the French Diplomatic Missions in Libya, however, and the virulent Libyan propaganda attacks on both the United States and France over support for Tunisia, a decision was made to withdraw our Charge and to reduce our Embassy staff to a caretaking level of two Americans. It was no longer felt that, in light of these continued attacks on diplomatic missions, we could accept Libyan assurances for the security of our personnel. No meeting between Col. Qadhafi and our Charge had been arranged prior to the Charge's departure.

As to the interview's claim of a White House promise of a change in U.S. Middle East policy, we note the White House response carried in the Post Interview to the effect that "President Carter has made no commitments direct or implied about a radical change in American policy."

Concerning oil supplies to the U.S., we currently obtain approximately 10% of our imported oil from Libya. At the same time, however, more than any other OPEC country, Libya is highly dependent upon U.S. companies, personnel and technology for the actual production and distribution of its oil. These factors work in favor of maintaining our supplies. If, however, Libya should at some point decide to employ oil as an economic weapon, much would depend on the method chosen. If Libya unilaterally suspends sales to the United States but maintains productivity, the carefully negotiated world reallocation system could probably handle the problem without major impact on the U.S. If Libya acts in concert with other OPEC states or significantly decreases production, however, the impact upon the United States might well be significant. In our dealings with the Libyan Government we have emphasized the mutual benefits of the oil relationship. Other things being equal, we do not believe that there is great likelihood that Libya will employ such an oil weapon in the immediate future.

Sincerely,
J. BRIAN ATWOOD,
Assistant Secretary for
Congressional Relations.●

REPERCUSSIONS OF U.N. VOTE

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 17, 1980

● **Mr. LAGOMARSINO.** Mr. Speaker, the repercussions of the Carter administration's bungling of the U.N. vote on Israeli settlements are likely to be felt for some time.

I believe American allies in Europe will be particularly sensitive to how U.S. policy on the Middle East develops in the future, and will take measures to put distance between themselves and the inept leadership of this administration.

Two recent articles in the Los Angeles Times are, I believe, good summaries of the current state of United States-Israel relations and United States-Western Europe approaches to the Middle East issue. I recommend these articles to my colleagues as a necessary reminder of how serious are the problems our Nation faces with a leader inexperienced in handling foreign affairs.

The articles follow:

EUROPE PLOTS OWN COURSE ON PALESTINE IN WAKE OF SECURITY COUNCIL BLUNDER

(By Don Cook)

PARIS.—President Carter had been gaining much-needed political stature in European eyes during the past few months with his handling of Iran and Afghanistan, despite some "difficulties of communication" with his allies along the way.

But with the extraordinary blundering over the U.N. resolution on the Israeli settlements in Palestine, Carter's image in Europe is back to being that of a President who cannot orchestrate complex international policies on a broad and effective scale, or get his act together; a President whose lead is risky to follow because he does not always know where he is going, and whose Middle East policy is clearly going to remain hostage to the Israelis for the rest of this election year, if not forever.

As a result, a major and fundamental trans-Atlantic split is rapidly widening between the European common market countries and the United States over Middle East policy. Unlike the communications difficulties over Afghanistan, this division is not going to be bridged or plastered over.

The Europeans believe that the Security Council blunder has probably cost the President whatever slight chance there had been to progress toward an agreement on the Palestine question under the Camp David accord. So the European nations have begun moving steadily, deliberately and collectively toward recognizing the Palestine Liberation Organization and self-determination for the Palestinian people.

Not surprisingly, the French are in the lead. Last Monday, when President Carter was issuing his embarrassing disavowal of the American vote in the Security Council, President Valery Giscard d'Estaing flew to Kuwait and signed a joint communique with the Kuwaiti emir, Sheik Jabbar al Ahmed Sabah, in which the pledge of support for self-determination was given formally by one of the Common Market countries for the the first time.

The contrast between President Carter backpedaling on behalf of the Israelis while France was pushing forward on behalf of the Palestinians could scarcely have been made more vivid, or welcome, to Giscard. The French president repeated the self-determination formula in similar communiques as he went on to Bahrain, the United Arab Emirates, Qatar and Jordan. He also picked up a number of important long-term oil deals along the way.

Before the week was out, it was openly stated at Common Market headquarters in Brussels that the nine Common Market governments are actively moving toward a joint declaration making self-determination for the Palestinians their agreed policy—probably to be issued formally at a summit conference scheduled for Brussels at the end of the month.

Moreover—and more menacingly as far as the Israelis are concerned—the nine nations are also coordinating policy and timing on recognition of the Palestine Liberation Organization as the representative voice of the Palestinians, and are preparing to propose a revision of U.N. Resolution 242 of 1967, to including wording that will explicitly recognize Palestinian rights.

All of this already has thrown Israeli diplomatic missions in the Common Market capitals into frenzied activity—but, of course, with far less clout than they can muster at the White House with President Carter.

Ironically, the very effectiveness of the Israeli lobby in getting Carter to overturn the American vote in the Security Council is hardening the determination of the Common Market governments to push ahead with their own policy on Palestine—to have a policy operating in the Middle East when the Camp David deadline expires on May 26.

For 48 hours last weekend, before President Carter pulled the rug out from under himself, it looked as if a kind of pincer pressure movement was underway against the Israelis that might eventually induce Prime Minister Menachem Begin and his hawks to settle the West Bank problem now, while they can still negotiate meaningfully with President Anwar Sadat of Egypt. Time, from anybody's point of view, is not on Israel's side.

As seen from Europe, President Carter, by reversing field so ignominiously over the Security Council resolution, has cooked the Camp David goose for good. And he's done the Israelis no great diplomatic service either, when the broader aspects of the Middle East situation are taken into account.

The inevitable results of all of this within the next six months will be the sad, even dangerous, weakening of Sadat's position because of his failure to deliver anything for the Palestinians; the Palestinians gaining strong support in the United Nations from the Europeans in their quest for a homeland and the right of self-determination, and Israel frantically and vainly building more West Bank settlements. All this while Carter fights his election campaign.

It is not a pretty diplomatic prognosis. But by now, even the British have gotten so fed up with the "communications problems" of the White House that they are ready to go with a new Security Council resolution on the Middle East, whatever strains that causes with Washington. It could well end up with a U.S. veto on behalf of Israel, which is scarcely going to do much for America's political posture in the Middle East.

Finally, there is a spillover effect from all this on Carter's ability in the months, if not the years, ahead to orchestrate his international leadership in the Afghanistan crisis and its long-haul aftermath. The blundering retreat from the Security Council resolution has, of course, produced sputtering consternation in the Arab world. Who is going to welcome U.S. military support or offer hospitality or facilities to American forces now?

Already the Arabs are equating the Soviet occupation of Afghanistan with the Israeli occupation of the West Bank of the Jordan and are demanding that both be brought to an end. When the British foreign secretary, Lord Carrington, visited the area at the end of January, he got that message from the Saudi Arabian leaders. Later they gave the same message to Austrian Chancellor Bruno Kreisky and they will be giving it to Giscard when he stops there before returning to Paris.

In the meantime, the bold declarations by the President, by his national security adviser, Zbigniew Brzezinsky, by Secretary of Defense Harold Brown and others in Washington about American determination to fight for the Persian Gulf are being brushed aside by those most concerned—the rulers of the gulf themselves.

Just before Giscard's arrival, the Sheik of Abu Dhabi gave an interview to French television in which he declared that "all is well in the gulf and it has no need of American or any other forces. American forces in the area are not something we expect from a friendly country."

Meanwhile, Pakistan has turned down American aid flatly even after Carter's overzealous rush to re-embrace the ruler who let the American Embassy be burned down only a few months ago.

Whatever the effect on the voters of New York and Illinois, the President now has Arabs, Israelis, practically everybody, against him.

CARTER GETS ISRAEL'S GOAT AS CONTRETEMPS AT U.N. UNDERMINES RELATIONS

(By Dial Torgerson)

JERUSALEM.—Israelis last week became, even more than in the past, the people who dwell alone.

European nations seemed to be joining France in advocating Palestinian "self-determination," which Israel sees as tantamount to a Palestinian state in what are now Israeli-occupied Arab territories.

And the U.N. Security Council, with U.S. approval, passed a resolution March 1 decrying all Israeli settlements in the occupied areas, including Jerusalem. President Carter later said the U.S. vote was based on the mistaken "understanding that all references to Jerusalem would be deleted." He blamed a "failure to communicate" for the mistake.

"It was a bad week for Israel, even by recent standards," a government official said, "even though President Carter was apologetic about the part of the U.N. resolution calling for dismantling part of Jerusalem. That was a small help, of course, but it reminds me of the story of the family and the goat."

In the classic Hebrew tale, the head of a family of 13 complains to a wise rabbi that conditions are intolerable in his overcrowded one-room house. "Move the goat into the house, too," says the rabbi.

A few days later, the father tells the rabbi, "Now things are even more intolerable." The rabbi responds, "Now move the goat out and see how much better things become."

Carter's apology, the Israeli official was saying, was the equivalent of evicting a goat. But Prime Minister Menachem Begin pointed out that Carter disavowed only part of the resolution. Begin told the Israeli Knesset that the rest of the resolution is equally intolerable.

". . . We unconditionally reject this decision of the Security Council," Begin said. "Under no conditions will we accept it, or any part, sentence or paragraph in it."

Israeli officials accepted Carter's apology, but with great cynicism. Most were convinced that Carter intended the approval of the original resolution but disavowed it under election-year pressure.

The resolution calls for Israel to dismantle all settlements established in the occupied territories since the 1967 Six-Day War. "Dismantle" is a serious term when applied to all of Israel's "settlements" beyond its pre-1967 borders. Israel has some 114 settlements (exact number depends on what is classified as a settlement) beyond the "green line," which marked Israel's border from the 1948-49 War of Independence until the Six-Day War of 1967. The newest settlements, created with a blaze of publicity by the Begin government in the midst of the most populous areas of the occupied West Bank, have attracted the most criticism.

But there are many settlements that all but the most dovish Israelis agree should continue to exist. Gush Etzion, for instance, south of Jerusalem, which was overrun by Jordan in 1948, its defenders massacred and its buildings destroyed, was rebuilt after 1967. Or the lonely, outpost kibbutzim that stand sentinel-like along the Jordan Valley, facing Jordan, and which have in the past helped protect the Israeli heartland from Palestinian raiders.

The U.N. resolution also says that the parts of Jerusalem which were Jordanian from 1948 to 1967 are subject to dismantling—a move that would effectively destroy Jewish Jerusalem as it now stands. This caused the greatest anguish to Israel and its U.S. supporters, and it was this that Carter disavowed in his apologic letter to Begin.

Nevertheless, in the resolution passed with U.S. support, it stands. In 1967 Israel took the Old City, heart of this ancient city and site of Jewish, Muslim and Christian religious shrines and expanded the size of the city to three times its pre-1967 area. Fifty thousand Jews now live in the new Jewish suburbs ringing the hills around the Old City.

"We have been called upon to destroy houses, streets, neighborhoods, and public buildings in Jerusalem," Begin told the Knesset Thursday.". . . I intend to point out what we found in 1967 when we entered the Jerusalem which had been occupied by the Jordian Legion for 19 years.

"We found destruction and decay of Mount Scopus, broken and scattered gravestones on the Mount of Olives, synagogues razed to their foundations, the Jewish Quarter totally destroyed. Over the past 12 years we restored and rebuilt—and now the demand comes again to destroy. Such a demand is pure fancy. I would not even hesitate to say, barbaric. Let all members of the Security Council record that Jerusalem is one city, all of it under Israel sovereignty, our eternal capital."

Of the apologetic letter Carter sent, Begin said:

"It goes without saying that we accept what the President of the United States says, word for word, with all due respect." But, he said, even removing the Jerusalem references that Carter disavowed, enough hostile intent remained that "this terrible resolution aroused deep resentment among our nation and our friends."

Uzi Benziman, writing in the independent Tel Aviv daily Haaretz, said:

"Anyone who permits himself to come up with an excuse such as inadequate communication shows that he does not take seriously the country to which he is doing the explaining. The government of Israel should feel itself humiliated by Carter's message to Begin."

In the Knesset on Thursday, Uri Avneri, an opposition leader from the left-wing Shalom/Shivayon le-Israel Party, compared the United States' maladroit moves to some by the Begin government that he has criticized. "You see," he said to a reporter, "we have completed the Israelization of America."

Not amused by the week's events was Defense Minister Ezer Weizman, who was criticized last month for having warmly endorsed Carter for President of the United States. A newsman asked him if he would comment on Carter's apology.

"Absolutely bloody not," he snapped, and walked away.

The growing support in Western Europe for Palestinian self-determination, especially France's role in it, also rankled Knesset members.

One member complained:

"In 'My Fair Lady' Henry Higgins said, 'The French don't care what they do, actually, as long as they pronounce it properly.' You could change that to, 'The French don't care what they do, actually, as long as they get paid for it.' "

Israeli officials suspect that the French need for guaranteed supplies of oil and foreign customers for French arms lies behind the joint French-Kuwaiti statement of last week supporting Palestinian self-determination. Israel formally protested to the French government that this was tantamount to endorsing a Palestinian state.

The British agreed with the French-Kuwaiti stand, and West Germany, Belgium and Ireland have—to varying degrees—supported such a concept. "All these moves must have been coordinated in some way," an Israeli official said. "It couldn't have been coincidental that they came so close together."

"France and the rest of the Common Market countries only waited for the green light to push Israel to the wall and sell it to the oil princes," the Tel Aviv daily Yediot Ahronort editorialized. "When the signal was given in the Security Council, in they came."●

ANATOLY SHCHARANSKY

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 13, 1980

● Mr. PEPPER. Mr. Speaker, I would like to draw the attention of my distinguished colleagues today to the suffering endured by Anatoly Shcharansky. It is the third anniversary of his imprisonment which brings us to recognize his suffering and marks the third year of every day when we remembered him and others sentenced to the undeserved and cruel jails of the Soviet Union. It is a grave situation that Shcharansky was sentenced to 13 years in prison and labor camps following a closed trial at which no lawyer of his choice or any witness for the defense were allowed. This violation of his human rights is a sad fact because it was his fight for the rights of Jews and other minorities in the Soviet Union that resulted in his imprisonment. Anatoly Shcharansky is a man to be thought of with respect and admiration. He is a man who was not afraid to express a principle, but who stood behind it. Let us as a nation join together in making known our respect for him.●

CONGRESS MUST SAVE THE FOOD STAMP PROGRAM

HON. ANTONIO BORJA WON PAT

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Monday, March 17, 1980

● Mr. WON PAT. Mr. Speaker, It is important that the House quickly approve pending legislation to save the food stamp program from shutting down.

I am deeply concerned over the threat that a shortage of funds could force the food stamp program to be ended by June 1 unless Congress acts soon. The Secretary of Agriculture has warned he will take this drastic action if Congress fails to provide an additional $2.5 billion by May 15.

President Carter has requested the extra money. The Senate has given its support for lifting the ceiling on food stamp expenditures and I fully support this action.

Today, I have cosponsored S. 1309 which would authorize additional money this year for the food stamp program. While we all want to help balance the budget, we cannot permit the poor and elderly of this country to go hungry.

The food stamp program is highly important to my constituents in Guam. I am proud that this program has helped feed thousands of low-income people in Guam ever since Congress extended it to my island several years ago at my request. Now, those who heavily rely on food stamps to supplement their meager budgets face a loss which would be disastrous to them.

We cannot let this happen. I urge the Congress to give this their highest priority and give the food stamp program the support it needs.

Thank you.●

CONSULTATION WITH ALLIES ON SOVIET INVASION OF AFGHANISTAN

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 17, 1980

● Mr. HAMILTON. Mr. Speaker, I would like to bring to the attention of may colleagues correspondence I have had with the Department of State on the nature of our consultations with our NATO allies in the wake of the Soviet invasion of Afghanistan. In the Department of State response, Assistant Secretary of State for European Affairs George Vest outlines efforts undertaken to consult with our allies on coordinated actions against the Soviet Union.

Consultations and coordinated actions with our allies contribute to the

effectiveness of the Western response to Soviet expansionism. Coordination does not necessarily mean the adoption of uniform and strictly multilateral measures. Full and prior consultation with our allies, however, is necessary to insure proper Allied cooperation in such efforts. Complementary actions among the allies can be very effective as well, as Mr. Vest points out in his letter. Consultation is a difficult process to sustain and gaps in carrying it out are bound to occur. The need to demonstrate a common and united resolve in the Western World and to continue consultations is a challenge for policymakers on both sides of the Atlantic and should be pursued.

The correspondence follows:

COMMITTEE ON FOREIGN AFFAIRS,
HOUSE OF REPRESENTATIVES,
Washington, D.C., February 21, 1980.

Hon. CYRUS VANCE,
Secretary of State,
Department of State, Washington, D.C.

DEAR MR. SECRETARY: Over the past few weeks, the Committee on Foreign Affairs has met with several distinguished visitors from Western Europe. In private conversations with members, they have expressed concern over the extent and timing of consultations that the United States has undertaken with its European NATO allies on appropriate responses to the recent Soviet invasion of Afghanistan.

I would like to inquire if it is indeed accurate that we have not fully consulted with our allies in a timely fashion before publicly announcing initiatives designed to demonstrate Western disapproval with Soviet actions in Afghanistan; if this lack of consultation has hindered a more coordinated Western reaction, including common sanctions; and if our European allies have at any time expressed dissatisfaction with the level and timing of consultations.

Our ability to respond effectively to the challenges the Western alliance confronts could be seriously impaired if our friends and allies are not full partners in the process and if the United States appears continually to be urging them to accede to unilateral American policy initiatives.

I would appreciate your consideration of this matter.

With best regards.

Sincerely yours,

LEE H. HAMILTON,
Chairman, Subcommittee on Europe and the Middle East.

DEPARTMENT OF STATE,
Washington, D.C., March 12, 1980.

Hon. LEE H. HAMILTON,
Chairman, Subcommittee on Europe and the Middle East, Committee on Foreign Affairs, House of Representatives.

DEAR LEE: The Secretary thought it might be helpful if I provided a rather detailed answer to your letter of February 21 concerning consultations with our NATO allies in the wake of the Soviet invasion of Afghanistan.

Here and in my travels I too have heard some complaints from Europeans about allied unity. I sense some fear the detente they prize will come unraveled, while others are upset that the response to the Soviets has not been strong enough. I am sure you have also noticed that the lamentations come from both sides of the spectrum and that we are accused of doing both too much and too little. I believe that dealing patiently with such criticism is one of the necessary burdens of leadership.

As for consultations, the Department of State with the full cooperation of other elements of the government has been conducting an intense program of bilateral and multilateral exchanges in order to send an effective western warning to the Soviets and to keep the Alliance together on at least basic objectives. In my view these continuing post-Afghanistan consultations, coming right after the very forthcoming consultations last Fall which led to the NATO decision to modernize theater nuclear forces are undoubtedly two of the truest examples of consultations in the history of the Alliance. I do not mean to imply that we could not have done better—and that goes for both sides of the Atlantic. For example, one continuing problem is that in a fluid situation it has been hard to communicate every significant action with advance notice sufficient to all.

We also have sought a complementary division of labor, recognizing the different possibilities and situations of the fifteen allies. We neither expected nor sought uniformity in the responses. With that introduction you might find of interest a summary of the consultations we have undertaken in pursuit of such a division of labor since late December.

On December 31 Deputy Secretary Christopher met with six of our major NATO allies with national potential for acting in Southwest Asia; then on January 1, in an extraordinary meeting of the NATO council, Mr. Christopher took part in an extensive allied discussion of the Soviet action and its implications for the West.

To follow up, the Alliance then set in motion an intensive exchange of information on all aspects of the problem with a view to coordinating maximum support for the widest possible range of actions. We have introduced into these discussions the measures we thought needed to be taken. We have also used this mechanism to encourage the allies to address many of the defense implications including the need for budgetary increases by all in spite of the economic difficulties each of us now faces. To give added impetus to this effort, Secretary Vance asked me to go to Brussels to participate in North Atlantic Council deliberations and to present our most current assessment to all of the Allies. I gave the Allies a full report on the Secretary's recent trip to major European capitals. This effort at multilateral consultations has been invaluable and is continuing.

At the same time, it is quite clear that some actions, especially outside of the NATO treaty area, cannot be done by the fifteen allies together as an Alliance endeavor.

Therefore, there is also an important role for traditional bilateral diplomacy, some of it at a high level; for example, the recent meetings between Chancellor Schmidt and the President and the previously mentioned trip by Secretary Vance to Europe. Even more is done through quiet, continuing diplomatic contacts which do not become public knowledge.

From all of this it should be clear that we are not alone in the difficult steps we are taking. In addition to actions mentioned above, there are other examples of significant steps being taken by our allies; the Japanese are sending stiff economic signals to the Soviets, various donors are ready to increase their aid to Pakistan, and the Germans are taking the lead in organizing and providing assistance for Turkey.

In conclusion, we are making progress in advancing the common goals which have been identified in our consultations and which Secretary Vance discussed in his speech last week in Chicago. These goals comprise the essential elements of the American and the Allied response to the challenges and threats posed by the Soviet Invasion:

To buttress Western defense forces and reduce energy dependence;

To preserve deterrence elsewhere by making the Soviets pay a high price for Afghanistan, while preventing their driving wedges among the allies;

To convey to the Soviets that these costs will continue so long as they refuse to withdraw from Afghanistan;

To maintain effective international pressure to gain Soviet withdrawal from Afghanistan;

To manage East-West relations in ways that protect our and European interests in arms control and in the possibility of improved relations with Moscow when Soviet policies make this possible; and

To strengthen the Western position in Southwest Asia and the Persian Gulf.

Through continuing consultations with our partners and others who share our concerns, we hope to build a farsighted and broadly based response which will demonstrate this shared resolve.

I look forward as always to working with you and having your support in the weeks and months ahead. If you think it would be useful I would be pleased to discuss these issues with you or your study group, or to ask my principal deputy Allen Holmes to do so as we seek to enhance American and Western security in these challenging times.

Sincerely,

GEORGE S. VEST.●

TRIBUTE TO IRELAND

HON. BOB EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 17, 1980

● Mr. EDGAR. Mr. Speaker, with the coming of St. Patrick's Day, the traditional time of celebration and reflection for the Irish and those of Irish heritage in our own country, I feel it is appropriate to acknowledge in this Congress the contribution of the sons and daughters of Erin to America. In our culture, our politics, and especially in our art we have been rewarded generously for opening our arms to the Irish pilgrims of the last century. From Eugene O'Neill to Flannery O'Connor to Tim O'Brien, Irish names are penned on the list of those who have made deep and lasting impressions on American literature. In the spirit of the great Irish bards, these American writers have transplanted to our land the virtues of wit and philosophy that give color and meaning to our lives.

I would like to take this opportunity to draw your attention to a new Irish poet of my acquaintance. Her name is Patricia Cullen and she writes beautifully in the tradition, I would judge, of John Millington Synge, the Irish dramatist who also depicted the tragedy and grace of life in the west of Ireland. Let me share with you one of Ms. Cullen's poems:

LEAVETAKING FROM ARAN

(A love poem, written to Ireland. The women spoken of in the poem are the mothers of the Aran Islands who have lost many sons, drowned at sea.)

They were wise to grief as well as the rest of things knowing how silent it is and so must be spoken.
Your ship moves off in silence gliding like Grainne's last boat alone into the night sea.
From the quayside after the one horn there is no sound.
My eyes are like the Sahara.
But they would be spread wet in their long black shawls over the Earth bewailing your parting foreheads bruised by their own fists eyes as red as their petticoats.
Sanblind in the rain under the grey rock they would open their sorrow on the Atlantic where in the wind and rain storm-tossed currachs were lost.
They could never have lived your leaving on a night as calm as this rainless windless grief unspoken until your ship once bigger than the quayside has become only a cat's eye on a wet road and I am suddenly broken like a bombed limb.●

THE ETHNIC TIME BOMB IN THE SOVIET UNION

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 17, 1980

● Mr. MICHEL. Mr. Speaker, a few months ago I placed items in the RECORD dealing with the problems faced by Soviet rulers concerning the rise of various non-Russian, mostly Moslem, ethnic groups within the U.S.S.R. I suggested that this situation, which demographers suggest will bring about a Soviet population that is half non-Russian by the end of this century, should be used by the United States. Our international radio broadcasting stations beamed to the Soviet Union, the Voice of America (VOA) and Radio Liberty (RL) should be strengthened and used to tell the truth to these ethnic minorities who will soon become part of a non-Russian majority.

Since that time, one intelligence study has stated that the ethnic population in the U.S.S.R., while not entirely satisfied with their situation, are not at a point where the Soviet rulers have reason for immediate concern.

Be that as it may, there is much to be gained by the United States in speaking directly to these groups over RL and VOA. I am not talking about inflammatory propaganda—which, in any event, is counterproductive in most cases—but a steady drumbeat of truth, in the form of news, analysis, and feature stories that will remind the ethnic populations that despite any material gains they may have seen in recent years—and our intelligence reports suggest economic gains have been made by these groups, even if those gains are by our standards minimal—they are still subjugated and exploited by the Soviet rulers. This can be done, as I said, in a way that neither distorts the truth nor inflames the listening audience. What we want is a steady, consistent message that over a period of time will sink in. Ethnic pride will do the rest.

The New York Times is now reporting that the ethnic time bomb is beginning to tick away. The Soviet Union's Moslem minority is growing five times as fast as the rest of the population.

Let me emphasize the fact that no amount of radio broadcasts is going to bring about a dramatic reversal in the way the Moslem minorities view their government. But if we make certain we have transmitters powerful enough to reach the vast lands beyond the Urals where the Moslem minorities are living, we can perhaps develop a habit among the Moslems of listening to our broadcasts in large numbers. This is all we need. They will soon find out that our stations tell the truth—truth, after all, is the best and most effective propaganda imaginable—and they will gradually become more articulate about the fact that they are being exploited by their masters in the Kremlin.

Not for one moment do I believe that the United States can cause ethnic discontent among the U.S.S.R. minorities. But it can and should acknowledge such discontent and use it to show the Moslems that the Kremlin does not have their best interests in mind.

I leave it up the radio experts to develop a program for this kind of policy. But it is a policy that should be pursued.

At this time I wish to include in the RECORD, "Moslems in Soviet Show Big Increase," from the New York Times, February 28, 1980:

MOSLEMS IN SOVIET SHOW BIG INCREASE

(By Theodore Shabad)

With the Russians increasingly involved in Islamic Afghanistan, Moscow has issued census figures showing that the Soviet Union's own large Moslem minority has been growing five times faster than the rest of the population.

The Soviet Moslem peoples increased by eight million over nine years, from 35 million in the 1970 census to 43 million in January 1979. Their growth rate of about 25 percent compared with 5 percent for non-Moslems.

It was previously reported that the rapid Moslem increase had reduced the proportion of ethnic Russians to 52.4 percent of the population by 1979, from 53.4 percent in 1970. The number of ethnic Russians rose 6.5 percent, reaching 137.4 million in 1979.

Most Soviet Moslems are concentrated in Central Asia, where they increased 32 percent between the two censuses. Two ethnic groups, the Uzbeks and the Tadzhiks, rose by 36 percent. Both groups spill over into northern Afghanistan.

ARMY ETHNICALLY INTEGRATED

In the early stages of the intervention in Afghanistan, there were reports that the Soviet forces included a disproportionately high concentration of Moslems from Central Asia, many of whom speak languages common in Afghanistan. Some military specialists cast doubt on the reports on the ground that the Soviet army was ethnically integrated and did not generally deploy distinctive ethnic military units.

The census report, published this month in Moscow, lists 1979 population figures for more than 90 ethnic groups, ranging from the ethnic Russians, by far the largest group with 137.4 million, to small Arctic communities like the Eskimos, who number 1,500 in northeastern Siberia, opposite Alaska.

The report indicates that the Moslems of Central Asia, aside from being the most rapidly growing community, continue to show little inclination to migrate in search of employment to Soviet regions that are short of labor.

Government investment in Central Asian industry has not kept up with the population rise, and some specialists have suggested that material incentives will ultimately induce the Moslems to look for jobs elsewhere. Others have noted that the Moslems seem reluctant even to move to cities in their own region.

UZBEKS ARE THE LARGEST GROUP

According to the census, the Uzbeks remain by far the largest Moslem group, with 12,456,000 in 1979, an increase of 36 percent over 1970. Fewer than 1 percent live outside Central Asia, and even this share has declined, from 0.82 percent in 1970 to 0.73 percent in 1979.

The lack of Uzbek migration has often been attributed to a lack of knowledge of the Russian language. But the census showed a sharp increase of Uzbeks giving Russian as their second language, to 6.2 million, from 1.3 million in 1970.

The other major groups of Central Asia and their growth since the 1970 census are: Kazakhs, up 24 percent to 6,556,000 in 1979; Tadzhiks, up 36 percent to 2,898,000; Turkmen, up 33 percent to 2,028,000 and Kirghiz, up 31 percent to 1,906,000.

Outside Central Asia, Moslems show lower rates of increase. The Soviet Azerbaijanis of Transcaucasia, who have their counterparts across the border in northwest Iran, numbered 5,477,000 in 1979, a 25 percent rise over 1970.

Another Moslem group, the Tatars, numbered 6,317,000 in 1979, an increase of 6.5 percent. Most of them live in the Soviet Union's Russian Republic. They are largely citified and are more active in industry than the predominantly rural Moslems of Central Asia.●

WHITE HOUSE DROVERS PULL ALL STOPS FOR DRAFT REGISTRATION

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 17, 1980

● Mrs. SCHROEDER. Mr. Speaker, inflation and balancing the budget appear to have taken a back seat to draft registration's top issue. Or at least that is the word from the White House congressional drovers. It is good to know they have their priorities in order.

This is the same administration that told us last August that draft registration was not needed and would constitute a burden on our Nation and its youth.

The article, from the Saturday, March 15, 1980, Washington Post, follows:

White House Pulls All Stops in Push for Draft Signup

(By George C. Wilson)

The White House has taken the unusual step of ordering congressional lobbyists from all across the government to press their House friends to support draft registration.

"We've done this kind of thing before," one administration official said yesterday, "but we save it for the big ones."

Getting Congress to go along with registering 4 million 19- and 20-year-old males, starting this year, has thus been put in the category of "must win" by President Carter. He has given up on getting Congress to authorize the registration of women.

The full-court press on House members was ordered on Monday at a meeting of administration lobbyists in the White House called by Frank B. Moore, Carter's chief liaison officer with Congress. Gary L. Fontana from the Office of Management and Budget outlined the game plan for draft registration according to participants.

Carter's plan to issue an executive order to require men to register at their local Post Office is meaningless until he receives the money from Congress to finance it.

A House Appropriations subcommittee on an 8-to-8 vote, last month refused to approve the $13.3 million in fiscal 1980 funds needed to start. The White House is trying to persuade the 54-member Appropriations Committee to reverse that decision.

Besides the political opposition, registration has bumped into the fiscal 1980 funding ceiling Congress imposed on itself. So Chairman Jamie L. Whitten (D-Miss.) of the Appropriations Committee is contemplating a resolution to transfer the $13.3 million from the Pentagon to Selective Service to stay under the ceiling.

A coalition of national organizations is mobilizing to stop that resolution and any other measure that would finance draft registration. Antidraft leaders are organizing a demonstration in Washington for March 22.

Patrick Lacefield, a coordinator of National Mobilization Against the Draft, said yesterday that antidraft demonstrations will take place in Carter campaign offices all across the nation between now and the March 22 Washington rally.

Carter's draft registration plan ran into skepticism on Monday when a Senate Appropriations subcommittee took its first look at it. Chairman William Proxmire (D-Wis.) told administration witnesses that he is not convinced peacetime registration is needed.

Sen. Mark O. Hatfield (R-Ore.) has said he will organize a filibuster to try to stop any bill to finance registration.

The Senate is expected to hold back on any further action on the registration money bill until after the House acts.●

HOUSE RESOLUTION 549

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 17, 1980

● Mr. UDALL. Mr. Speaker, this week the House is scheduled to consider House Resolution 549, a proposal to amend the rules of the House to establish a standing Committee on Energy. Today, a number of my colleagues have joined in a letter to the speaker of the House urging support for a substitute resolution proposed by the distinguished gentleman from New York, Jonathan B. Bingham. The Bingham proposal would provide a constructive, economical, and realistic mechanism for dealing with energy matters and has won wide support not only from Members of the House but also from those most familiar with the energy problems facing the Nation. I commend this letter to the attention of my colleagues:

Congress of the United States,
House of Representatives,
Washington, D.C., March 12, 1980.

Hon. Thomas P. O'Neill, Jr.,
The Speaker, U.S. House of Representatives,
Washington, D.C.

Dear Mr. Speaker: In recent weeks there has been considerable discussion about possible improvements in the rules under which the House handles energy legislation. Most recently the discussion has focused upon jurisdictional questions dealt with in H. Res. 549. Last week our colleague, Jonathan B. Bingham, proposed a substitute resolution which we believe incorporates improvements which are constructive, economical and realistic. It is our conviction that adoption of the Bingham proposal will achieve effective reform without divisive and potentially crippling internal conflicts and without adding further to the expense and complexity of the committee structure of the House.

While avoiding the costly confusion of a major reshuffling of energy jurisdictions, which could only retard effective House action on energy matters, the Bingham proposal provides clearer and more concise definition of energy jurisdiction. In and of itself, the proposal represents a significant improvement in current House procedures and combined with the forthcoming reform of referral procedures, it will give the House a permanent, effective mechanism for dealing with the energy crisis. We urge that you give the Bingham proposal your support.

Sincerely,

Harley O. Staggers, Melvin Price, Jack Brooks, Frank Thompson, Jr., Morris K. Udall, Ray Roberts, Don Fuqua, Ronald V. Dellums, William Broomfield, James Broyhill, Don Clausen, Don Albosta, Frank Annunzio, Jonathan Bingham, James Blanchard.

David Bonior, Don Bonker, David Bowen, William Brodhead, Clarence Brown, Bob Carr, Tim Lee Carter, John Cavanaugh, Richard Cheney, James M. Collins, John Conyers, Jr., Norman D'Amours, William Dannemeyer, Robert W. Davis, Samuel L. Devine.

Charles Diggs, Jr., John D. Dingell, Julian Dixon, Brian Donnelly, Bob Edgar, Bob Eckhardt, Don Edwards, Hamilton Fish, Jr., James Florio, Harold E. Ford, William D. Ford, Edwin Forsythe, Barry M. Goldwater, Jr., Henry Gonzalez, Albert Gore.

Phil Gramm, Lamar Gudger, Tony P. Hall, Jr., Kent Hance, Herb Harris, Augustus F. Hawkins, Jack Hightower, Harold C. Hollenbeck, James J. Howard, James R. Jones, Walter B. Jones, Robert W. Kastenmeier, Abraham Kazen, Jr., Dale E. Kildee, Peter H. Kostmayer.

Robert J. Lagomarsino, Gary A. Lee, Mickey Leland, Norman Lent, Thomas G. Loeffler, Manuel Lujan. Jr., Thomas A. Luken, Ed Madigan, Andrew Maguire, Edward J. Markey, Marc L. Marks, Dan Marriott, Robert Matsui, Jim Mattox, Nicholas Mavroules.

Barbara Mikulski, Carlos J. Moorhead, Ron Mottl, John M. Murphy, Michael O. Myers, Lucien M. Nedzi, James Oberstar, Richard L. Ottinger, Richardson Preyer, Joel Pritchard, Charles B. Rangel, Matthew J. Rinaldo, Robert A. Roe, Jim Santini, David Satterfield.

Harold Sawyer, Keith G. Sebelius, John F. Seiberling, James M. Shannon, Philip R. Sharp, Richard C. Shelby, Virginia Smith, Gene Snyder, Stephen J. Solarz, Fortney H. (Pete) Stark, Dave Stockman, Louis Stokes, Al Swift, Mike Synar, Bob Traxler.

Lionel Van Deerlin, Guy Vander Jagt, Charles A. Vanik, Doug Walgren, Henry A. Waxman, Jim Weaver, Ted Weiss, Richard C. White, Pat Williams, Timothy E. Wirth, Howard Wolpe, Joe Wyatt, Jr.●

HUMAN RIGHTS IN GUATEMALA

HON. JAMES M. SHANNON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 17, 1980

● Mr. SHANNON. Mr. Speaker, I would like to take this opportunity to address the gross violation and deterioration of human rights in Guatemala. Politically motivated killings have become daily occurrences, the chief victims being Indians, journalists, students, and trade union leaders. Guatemala's Government has made little attempt to halt this senseless violence. Rather, Government officials accept and justify these murders with a variety of excuses. President Lucas Garcia has compared the violence to an "allergy the people must learn to live with."

Despite investigations, public statements of disapproval, and requests for curtailment of abuses, repression and violence prevail. Amnesty International reported that from May 1978–79, kidnapings, disappearances, and political murders had claimed over 2,000 lives. Most recently the Guatemalan Government took armed action against the Spanish Embassy resulting in the deaths of numerous Indians and embassy personnel. How many more lives will this allergy claim? Such action is inexcusable. No justification is acceptable. Further abuse of justice must be prohibited while the restoration and maintenance of human rights is encouraged.●

ANATOLY SHCHARANSKY

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 13, 1980

● Mr. WEISS. Mr. Speaker, March 15 marks the third anniversary of the arrest of Anatoly Shcharansky who continues to be cruelly imprisoned in the Soviet Union for his outspoken human rights activity.

It was not too long ago that many of my colleagues and I commemorated Mr. Shcharansky's 32d birthday. The latest reports indicate that his health is continuing to worsen. His eyesight is poor, his weight loss considerable and the need for medical treatment has intensified. Prison authorities, meanwhile, have denied his mother, Ida Milgrom the scheduled visitation period that was to have occurred in February. It is unknown when she will see her son again.

The occasion of this third anniversary gives an opportunity to renew world attention on the repressive policies of the Soviet Union. In an interview published in the March 9 Washington Post, the outspoken activist and Nobel Prize winner, Andrei Sakharov communicated his thinking about Soviet human rights policy from exile in the closed city of Gorky. Mr. Sakharov said:

> I appeal to the world public, to Amnesty International and other world organizations that defend law and order, to statesmen of all countries not to weaken their efforts in defense of prisoners of conscience in the U.S.S.R. as well as in other countries.

In addition to his remarks, the Nobel laureate supplied a list of 28 Soviet citizens who have been jailed or under investigation by the KGB secret police for human rights activities. Sakharov commented:

> They have been courageous participants in the struggle for human rights for many years.

I submit this list printed with my remarks as a way of responding to the appeal of Andrei Sakharov and honoring Anatoly Shcharansky's crucial role in fighting the Soviet policy of ignoring individual freedom and human rights.

We must continue through efforts such as today's to shatter the silence over continued Soviet violations of human rights. The exile of Sakharov and the continued incarceration of Shcharansky symbolize the completely reprehensible Soviet policy. But the courage that these two dissidents show in standing up against this policy is an encouragement to global efforts to achieve universal respect for human rights.

I hope that when it is March 15, 1981, we will be taking this occasion to rejoice in Anatoly Shcharansky's freedom and in the improved respect for human rights.

The list follows:

1. Tatyana Velikanova, human rights campaigner, Nov. 11, 1979.

2. Viktor Nekipelov, Helsinki Group member, Dec. 7, 1979.

3. Malva Landa, Helsinki Group member, under investigation for alleged anti-Soviet slander.

4. Sergei Kovalyov, founding member, Moscow branch. Amnesty International, Dec. 27, 1974.

5. Yuri Orlov, Helsinki Group founder, Feb. 10, 1977.

6. Valery Abramkin, contributor to the political journal Searches, Dec. 4, 1979.

7. Yuri Grimm, Searches contributor, Jan. 23, 1980.

8. Viktor Sokirko, Searches contributor, Jan. 23, 1980.

9. Vyacheslav Bakhmin, psychiatric abuses investigator, Feb. 12, 1980.

10. Antanas Terleckas, Lithuanian nationalist, human rights activist, Oct. 30, 1979.

11. Julius Sasnaukas, Lithuanian human rights activist, Dec. 11, 1979.

12. The Rev. Gleb Yakunin, dissident Orthodox priest, Nov. 1, 1979.

13. The Rev. Dmitri Dudko, dissident Orthodox priest, Jan. 15, 1980.

14. Lev Regelson, religious rights campaigner, Dec. 24, 1979.

15. Nikolai Goretoi, Pentecostalist presbyter, Dec. 13, 1979.

16. Mykola Horbal, Ukrainian activist, Oct. 23, 1979.

17. Yuri Litvin, Ukrainian activist, Aug. 6, 1979.

18. Yuri Badzo, Ukrainian activist, April 23, 1979.

19. Oles Berdnyk, Ukrainian activist, March 6, 1979.

20. Reshat Dzhemilev, Crimean Tartar activist, April 4, 1979.

21. Rollan Kadiyev, Crimean Tartar activist, January 1980.

22. Anatoli Scharansky, Moscow dissident and Jewish rights activist, March 15, 1977.

23. Oleksa Tikhy, Ukrainian activist, Feb. 2, 1977.

24. Levko Lukyanenko, human rights activist, Dec. 12, 1977.

25. Viktor Pyatkus, Lithuanian nationalist activist, Aug. 21, 1977.

26. Alexander Bolonkin, editor of Chronicle of Human Events, Sept. 21, 1972.

27. Igor Ogurtsov, founder, Russian Social-Christian Alliance, sentenced 1967.

Sakharov also called attention to Vladimir Shelkov, head of the Soviet unofficial Adventist Church, "who was sentenced a year ago for his message to the Belgrade Conference about religious persecutions in the Soviet Union. The very fact of sentencing an 83-year-old man was a scandalous act of inhumanity. Vladimir Shelkov died in a camp in Yakutia at the age of 84."●

REMEMBERING THE HOLOCAUST

HON. ELIZABETH HOLTZMAN

OF NEW YORK

THE HOUSE OF REPRESENTATIVES

Monday, March 17, 1980

● Ms. HOLTZMAN. Mr. Speaker, today 35 years after the holocaust, many Americans have only the vaguest idea of the magnitude of the atrocities committed by Nazi scientists on Jews and other innocent people. The chief reporter of the Official Reporters of Debates for the House of Representatives, Mrs. Vivien Spitz, however, was the youngest courtroom reporter at the Nuremberg war crimes trials and vividly recalls the evidence presented on the horrors of the holocaust. A recent article in the Birmingham News profiles this nationally recognized award-winning woman and details her recollections of Nuremberg. I commend this article to my colleagues' attention.

The article follows:

[From the Birmingham News, Mar. 9, 1980]

COURT REPORTER STILL CAN REMEMBER ATROCITIES

(By Michael Globetti)

Every piece of literature Vivien Spitz read about the Nazi regime referred to "atrocities committed." But, she says, "nobody ever told what the atrocities were, and I thought people should know."

So, last April, the woman who was the youngest courtroom reporter at the Nuremburg War Crimes Trials published an article detailing the horrors of the Holocaust.

"So many people in this country have no idea what went on or don't want to know . . . even my own 32-year-old son does not see the value of bringing it up," says Mrs. Spitz, who was in Birmingham Saturday to receive an award from the Alabama Shorthand Reports Association.

In a story she wrote for National Shorthand Reporter last April, Mrs. Spitz pointed out the grisly tales which came before her while she was reporting the Nazi Medical Case, one of the 13 trials at Nuremberg.

She told how Nazi doctors, led by Hitler's personal physician, Karl Brandt, repeatedly desecrated human bodies.

Some victims were submerged in ice cold water to test their resistance until they died, while others were injected with malaria extracts from mosquitoes so the Germans could chart their reactions.

"We watched films of this happening, with a fresh frame of film every 30 seconds as a person got closer and closer to losing his life, then finally died. The Nazis filmed everything," Mrs. Spitz says. "I think the same films should be shown on national television, even today, to let man know what he can do to his fellow man."

Mrs. Spitz sat in on the trials for almost two years. One of her duties was reporting a post-sentencing interrogation of German Adm. Karl Doenitz, who was Hitler's handpicked successor as German chancellor and served 10 days in the post before Germany fell.

When Mrs. Spitz returned home to America, she suffered recurring nightmares in which she was attempting to escape from a concentration camp, but never succeeded. These went on for about three years, then disappeared.

"But last year, when the movie *Holocaust* came on, I watched it the first night and had the same nightmare I haven't had in 30 years. I knew I would be unable to watch the rest of the movie," she says.

Even today, 35 years removed, the maiming and killing of innocent people by Nazi "scientists" still troubles her.

"I saw many American young people who went over (as courtroom reporters or denazification personnel) and had their lives shattered by what they saw," Mrs. Spitz says.

She remembers how Hitler's henchman Heinrich Himmler ordered a man left naked in weather below freezing for hours, then tried rewarming the chilled victim by placing him between two prostitutes. Such acts, she says, reflect "a malignant, obscene sickness."

Today, Mrs. Spitz is one of the most widely recognized court reporters in the country. She was the first woman to report on the floor of the U.S. Senate and is the Chief Reporter for Official Reporters of Debates in Congress.

She speaks in clipped syllables and is quick to lash at the Nazis, though she is of German descent.

"Genocidal killing is going on in Cambodia right now, but with the Germans it was carefully plotted and perpetrated, a conspiracy designed to exterminate people," she says.

She saw films showing mothers bound to steel army cots, with their babies strapped to their chests, then fed alive into the raging ovens at Auschwitz and other death camps.

But these cold-blooded acts did not kindle a hatred toward the German people as a whole, she says.

"When I came back to New York after Nuremberg, I was on a boat with German refugees who claimed they had never seen nor heard of a concentration camp," she says. "I felt it was quite possible many people, especially those in the country knew nothing about what was happening."

When the trial she reported was over, seven of the 23 German physicians charged were hanged, among them Brandt. Five others were sentenced to life imprisonment and four were given stiff prison terms.

"I think the punishment the jurists handed down was just," she says. Why? Because "insane doctrines must never again be allowed to emerge and prevail."

Mrs. Spitz recalls what commentator Eric Sevareid said about the Nuremberg prosecutors and judges at a Nuremberg reunion in Washington last November.

"History appointed them," said Sevareid. "It had to. They represented the conscience of the world."●

WILLIAM FRED SCOTT III

HON. DAWSON MATHIS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 17, 1980

● **Mr. MATHIS.** Mr. Speaker, I rise today to bring to the attention of this body the work of one of the most brilliant young conductors in the world today, William Fred Scott III, who will this week make his debut with the New York City Opera Co. Mr. Scott, who comes from one of the most distinguished families in my district, has, at age 26, already had an astounding career with the Opera Co. of Boston, and will certainly go on to take his place as one of the great leaders in the field of music in the years ahead.

Mr. Speaker, I insert the following article from the March 16, 1980, edition of the Washington Post in the RECORD at this point:

FROM GEORGETOWN TO LINCOLN CENTER

(By Paul Hume)

Next Saturday afternoon William Fred Scott III will make his debut at 26 with the New York City Opera company, conducting the first of three performances of "The Barber of Seville" scheduled for the company's spring season.

How does a young man who grew up in Thomasville, Ga., graduated from Georgetown University's School Foreign Service, and occasionally wrote music reviews for the Washington Post, land in so desirable a spot? (Scott is of course not the first man from a small south Georgia town to make his mark in Washington and New York.)

You could say that Scott arrived at his new eminence by following some advice Leonard Bernstein has often given young musicians (even though Scott has not yet met Bernstein, and did not know about the advice). When the young violinist James Oliver Buswell IV, having won major violin competitions, was wondering what to do about a college career, Bernstein urged him to go to Harvard. "Not," said Bernstein, "a conservatory. Go to Harvard [Bernstein's alma mater] and get an academic degree. You can play the violin as much as you want."

Scott's road to the New York City Opera was not via the competition route. He came to Georgetown's Foreign Service School because his father thought that would be a logical and useful place for a young man with a flair for languages and a smooth, polished manner. But Scott, who had already become an outstanding pianist in Thomasville (at the age of 12 he felt that the Grieg Concerto "belonged" to him) and had also mastered the organ in handsome fashion, was interested in Georgetown because Georgetown was in Washington and there was a lot of music in Washington.

So, arriving in Washington in the fall of 1970, Scott soon found himself studying music at Georgetown and spending every spare moment at concerts, operas, Washington Cathedral, and any other place where he could hear music. By the time he was a junior, it was obvious to him, his advisers and friends that the only career for him was in music. Continuing along what is usually described as the classical European route by which conductors achieve experience and a solid basis for growth, Scott served not only as pianist and organist but also as an assistant choral conductor.

His first big opening came in the summer of 1974, shortly after his graduation from Georgetown, where he had polished up his French and Spanish and rubbed shoulders with German. Sarah Caldwell came to Wolf Trap to stage her production of Prokofiev's "War and Peace." One day she was conducting piano rehearsals for which three pianists were alternating. Suddenly she announced, "I want *that* one and no one else." *That* one was Scott.

The following January, Scott went to Boston to work for Caldwell and the Opera Company of Boston, where he now performs the dual function of associate conductor and artistic administrator. One Saturday morning in June of 1975, Scott had a phone call. Sarah Caldwell had been taken to the hospital and Scott was to conduct that evening's performance of Bellini's "I Capuleti ed I Montecchi," by Bellini, a work not often performed, and not in the repertoire even of seasoned conductors. Scott had been involved in some of the musical preparation of the work, knew the singers and the orchestra. But never before had he conducted any full-length opera, and there would be no rehearsal.

Beverly Sills and Tatiana Troyanos headed the cast, fast company for a 22-year-old newcomer. Instead of wishing him luck or urging him to break a leg, Sills smiled at him before the curtain and said, "Remember, I'm the big girl with the red hair." The performance that night went so well that the newspapers, which had already covered the opera's opening, reported that Scott was at ease, had the music well in hand, and added touches of his own. Three days later Sills called a friend of the young conductor and said, "I want to tell you that Scott is something!"

Now that Sills is running the New York City Company, and in a position to hire whom she wants, it's clear she meant what she said about Scott. He will conduct not only this spring's three Barbers, but also will conduct it when Sills sings it in Philadelphia's Robin Hood Dell in June, and will again be in charge of it in the opening week of the fall season, after which he will go with the company to Los Angeles.

Meanwhile, Scott continues his work in Boston, where he has now conducted well over 100 performances for Opera New England (the traveling road company operated by Caldwell and OCB) as well as in the company's new Opera House, formerly known as the Savoy Theater. It was Scott who inaugurated the new house in November 1978 when he conducted "Tosca" with the legendary Magda Olivero in the title role.

Caldwell has also sent Scott on other European errands and had him accompany her on the investigating trips in which she looks into archives and other sources that lead to the kind of excitement for which she has made her Boston company famous. The latest of these was her study of one of the world's most popular operas, "Madame Butterfly," of which Caldwell gave the first U.S. performances in the composer's original two-act format with a number of passages that are quite unknown to the average "Butterfly" audience. This will be heard at Wolf Trap on June 13 during the visit of the Opera Company of Boston, one of whose performances Scott is scheduled to conduct.

The young pianist-organist-conductor has also served in other capacities. When Sarah Caldwell persuaded Jon Vickers to take on the title role in Berlioz' "Benvenuto Cellini," the noted Canadian tenor, who has often sung for Caldwell said, "I'll do it for you, Sarah, but you know what's going to happen. I will do all that work learning it, sing it for you three times and that will be the end of that. So—you send down a top-notch coach to teach me the music. I want someone who will make me work!" Sarah sent Scott, who came back filled with admiration for the intensity with which Vickers works on any new project. But Scott was honest about adding that going to Bermuda to spend a week with the delightful Vickers family, swimming and sunning, was not too hard to take. When the Cellini had been learned, Vickers told Scott that if he decided to sing Tannhauser (a role he finally refused because he said he simply could not get "inside" it), he wanted Scott again as coach. He also added that he sang few song recitals, but that when he did Scott should be his pianist.

Every young musician who has reached some of the higher steps on the ladder that leads to the top wonders what he will do to continue his growth and development. Scott has been approached by Robert Shaw about the possibility of joining the conducting staff of the Atlanta Symphony some time in the not-too-distant future. He frequently accompanies Caldwell when she is out on the orchestral circuit, where she has been increasingly busy in recent years. She said not long ago, "I go through every score that I conduct with him, and he knows them thoroughly." At this point he has handled the musical preparation for close to 50 operas for the Boston Company. With his opening in New York this week, William Fred Scott III will be watched by more than the people in the audience in the State Theater.●

NRTA-AARP EMPLOYMENT AND SOCIAL SECURITY RECOMMENDATIONS

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 17, 1980

● **Mr. PEPPER.** Mr. Speaker, the National Retired Teachers Association and the American Association of Retired Persons have long been recognized as effective and forceful advocates on behalf of the Nation's elderly.

Each year the legislative council for NRTA-AARP develops comprehensive policy proposals aimed at improving the economic well-being of the elderly.

In the past, the council's legislative recommendations have served as a valuable guide for Members of Congress in responding to key problems facing older Americans. I know that this year, as in past years, Members will want to carefully consider these recommendations as we strive to improve the quality of life for senior citizens.

During January, NRTA-AARP concluded another successful legislative policy conference. Nearly one-half of all Members of Congress—206 Representatives and 46 Senators—attended the ceremonies. Leading opinion-makers in Government and the private sector spoke frankly on a wide range of issues with legislative council members. These conversations helped the council fashion sound and broadly based policies on the economy, retirement income, tax equity, health care, and other important issues for older Americans.

As chairman of the House Committee on Aging, I am especially pleased that the legislative council adopted many policies that our Aging Committee is now advancing. For example, the council's eloquent call for elimination of mandatory retirement provides further compelling evidence for prompt and favorable action on H.R. 4, our legislation to abolish age-based compulsory retirement for workers in the private sector.

In addition, the council urged that the social security earnings limitation be eliminated. I am in full agreement, and have introduced H.R. 2570 to implement this objective. I shall continue to work to remove employment barriers for older Americans. Functional capacity—not chronological age—should determine whether a person is hired, fired, promoted, or demoted.

The council also developed a six-point program to convert social security into a national pension program.

Mr. Speaker, the entire NRTA-AARP Federal legislative package deserves the close consideration of all Members of Congress. It is a clear and thoughtful expression by people who fully understand the problems and challenges confronting older Americans.

Mr. Speaker, I commend the employment and social security recommendations to my colleagues and insert a brief excerpt describing these proposals in the RECORD.

EMPLOYMENT: A SOURCE OF INCOME

In light of the economic, demographic, and elderly labor force participation trends, government policy ought to permit and encourage greater labor force participation on the part of older persons. Increased elderly employment activity would generate additional tax revenue for use at all levels of government. The economy in general would benefit from the added production of goods and services and from improved productivity levels. The elderly would benefit by being able to supplement their incomes from other sources with income from employment, thus increasing their ability to maintain their standard of living and do it with a form of income (wages) that has better prospects for keeping up with inflation than other forms of income. Given the national commitment to the maintenance of reasonable levels of income among the elderly, any share of that income that can be generated through the work effort of willing and able elderly individuals represents a share that need not be borne by other workers through taxes.

To reverse the elderly's labor force participation trend, a national, coordinated older worker employment strategy is needed. One objective of such a strategy should be the elimination of existing elderly employment barriers, the greatest of which is mandatory forced retirement.

In 1978, Congress enacted amendments to the Age Discrimination in Employment Act (ADEA) that prohibit mandatory retirement before age 70, with a few exceptions, and protect most federal employees completely against age-based retirement. However, these amendments do not go far enough. All statutory sanctions for forced retirement and the statutory exclusion of persons over 70 from the protection of the ADEA should be repealed.

The second major objective of an older worker employment strategy should be the elimination of existing work disincentives. The chief disincentive—the social security earnings test—has already been discussed in the context of restructuring social security. However, other factors exist which serve to discourage (or in some cases bar) work effort by older persons. One of these is age-based discriminatory employment practices which continue to exist despite the ADEA or which the ADEA specifically sanctions. ADEA should be amended to prohibit such practices.

The third objective of an older worker employment strategy should be the creation of new or the modification and/or expansion of existing government employment programs aimed at elderly workers. At present, there are only two such programs—the Senior Community Services Employment Program (SCSEP), funded under Title V of the Older Americans Act, and the Comprehensive Employment and Training Act (CETA) Program.

The SCSEP is the only categorical program focused exclusively on older workers. It provides a small number (50,000) of part-time jobs for workers age 55 and over who have been chronically unemployed and are below the poverty level at program entry. This program emphasizes on-the-job training and placement of trained workers in permanent unsubsidized jobs.

A detailed SCSEP analysis by the Associations found that, after an average period of less than a year—during which time the worker was being trained on the job and paid out of program funds—the worker was likely to be hired permanently for the job and paid by the employer. Since these older workers would have received SSI and food stamps had it not been for SCSEP, it was calculated that these two programs saved $24 for every month an SCSEP worker remained unemployed. It was further calculated that a permanently hired SCSEP worker returned $1,039 more per year in tax revenue to all units of government than it cost in tax revenue to place the worker in job. In addition, every permanently hired SCSEP enrollee produced $15,400 worth of economic output while in the program and after permanent hiring.

This cost-benefit analysis clearly illustrates the success of this program and demonstrates that it is in the nation's economic best interest to encourage older persons to work by creating and expanding special employment programs for them. As part of any older worker employment strategy, a nationwide, categorical, centrally directed older worker program like the SCSEP should be created that would include full as well as part-time jobs.

The other primary vehicle for dealing with the employment difficulties of older persons is CETA. However, older worker participation in CETA has been well below what might be expected on the basis of the size of the older worker unemployed pool.

In an attempt to correct this situation, Congress added to the 1978 CETA Amendments an older worker section and an emphasis on displaced homemakers. These Amendments require prime sponsors to submit a comprehensive master plan and an annual plan which must describe specific services for those workers facing severe handicaps in obtaining employment, including those 55 years of age or older.

Employment and training opportunities must be made available on an equitable basis to significant segments of the population.

The Amendments also require the Secretary of Labor to establish employment and training programs for middle-aged and older workers who are unemployed, underemployed or economically disadvantaged and whose family income is not in excess of 125 percent of the poverty level. All of this, however, may still not be enough to insure adequate participation of the elderly in CETA. Only a $2 million funding level was requested in 1980 for the middle-aged and older worker program—a sum that will provide a mere 400 jobs. Congress is going to have to insist that its intent be carried out and that each prime sponsor's plan contains provisions for assisting the older worker.

It is clear to us that barriers and economic disincentives that drive or discourage older workers out of the labor market must be eliminated and that work incentives and special employment programs aimed at older workers must be created or expanded. It is also clear, however, that these actions will still not be enough to maximize elderly labor force participation. Changes on the demand side (the employer side) are also necessary.

Employers need to be given incentives to employ and/or retain older workers. The federal tax structures ought to be used to provide such incentives (and at the same time provide incentives to older workers to take advantage of the work opportunities so offered). For example, the employer portion of the social security payroll tax that would otherwise have to be paid with respect to older workers could be reduced or eliminated.

A tax credit for a certain portion of the older worker's income could also be used to encourage employers to hire them. Such changes would effectively reduce the cost of hiring older workers, compensating to some extent for any real or imagined productivity decline associated with age that an employer might otherwise entertain. These changes would also tend to counter any disincentive effect that the minimum wage might have on an employer's willingness to hire or retain an older worker. In addition, the tax laws could be used to encourage employers to introduce a host of job training, retraining, part-time and flexi-time programs aimed at older workers.

RETIREMENT INCOME IN AN ERA OF INFLATION

Throughout the past decade, this nation has had average annual inflation rates in excess of 7 percent. This inflation trend is without modern historical precedent in this country and shows no sign of abating.

The inflation trend is dissipating the value of many of the elderly's income components and damaging the financial structures of many of the government income support programs on which they depend. In recent years, as growth and expansion of government programs have lifted many elderly up from the bottom of the income scale and out of poverty, inflation has been rapidly pushing others down from the top. Thus the elderly are increasingly concentrated in the lower reaches of the income distribution. If the current structure of the income support programs is perpetuated, the inflation, in combination with other adverse economic and demographic trends, will seriously call into question our ability to provide an adequate level of income for the elderly into the future.

THE INCOME STATUS OF THE ELDERLY

Although the incidence of poverty among the elderly has been much reduced over the last decade (from nearly 30 percent to 14 percent) by the expansion of cash and in-kind benefit programs, that incidence is still disproportionately high.

In 1978, only 11 percent of persons under age 65 fell below the poverty line in contrast to almost 14 percent of persons age 65 and over. Similarly, in 1978, 14.9 percent of the population under age 65 fell into the "near poor" category (defined as 125 percent of the poverty standard), while a much larger 23.4 percent of the elderly were considered near poor. With respect to medium income levels, that for all families in 1978 was $17,640; that for the elderly headed families was only $10,141.

Although progress has been made in reducing poverty and improving the economic status of the elderly, these statistics indicate that more remains to be done. For too many persons, reaching age 65 significantly increases the probability of impoverishment or at least severe income loss. That probability increases substantially the longer the high rate inflation trend continues. The current combination of adverse economic trends could prevent further progress; indeed it could wipe out the progress that has been made to date and leave the elderly in the future worse off economically than they were a decade ago when nearly 30 percent of them were poor.

INFLATION AND THE ELDERLY'S INCOME COMPONENTS

"Adequate" retirement income ought to be defined as that level of income required to maintain in one's later years a standard of living comparable to the highest standard achieved earlier. The social security program is supposed to provide only the basic component of an adequate income. Supplementing this is supposed to be income from other sources such as employment, private pensions, savings and other income-producing assets.

Inflation is significantly altering the balance and relative importance of the various components of the elderly's total income. It is constricting the "real" income received from private sources (such as private pensions, income from savings, etc.) because those sources provide little or no compensation for inflation losses. As a result, the income support burden is being increasingly shifted to public programs like social security and Supplemental Security Income (SSI) which provide a better degree of compensation for the inflation losses.

But even public programs do not fully compensate for inflation losses incurred with respect to program benefits. Social security and SSI benefits, indexed to the Consumer Price Index (CPI) though they are, are not fully protected against inflation for two reasons: first, because benefit adjustments occur long after the inflation has had its effect on the purchasing power of the benefits, and second, because the standard used in making the adjustments, the CPI, understates the true impact that inflation is having on the family budgets of the elderly.

The validity of this last point appears clear. As compared to the non-elderly, the elderly devote a much greater share of their total income to basic necessities such as food, housing, fuel and medical care—the items that have been increasing the most rapidly in price in recent years. Since the CPI reflects the spending pattern or "marketbasket" of the population in general, it is less heavily weighted toward necessities that it would be if it reflected the real marketbasket of the elderly. It therefore is not registering the full amount of the losses the elderly are incurring. To compensate the elderly more fully, automatic benefit adjustments ought to be made more frequently and the standard used in making the adjustments should be a specially constructed one that fully reflects the expenditure patterns of the elderly.

Another ominous trend that must be considered in tandem with the inflation trend is the declining degree of labor force participation by the elderly. This trend is denying the elderly a private source of relatively inflation-proof income and is fostering increased dependence on government income support programs. This increasing dependence is coming at a time when inflation, coupled with other economic trends (such as high level unemployment, declining real wage growth and low productivity gains), is undermining the financial soundness of government programs, particularly social security.

In summary, for the current elderly population, inflation and declining elderly labor force participation are having two undesirable effects. First, they are making it more and more difficult for the elderly to achieve and maintain an adequate standard of living (government programs cannot be relied upon to do the whole job). Second, they are fostering a higher degree of dependency on government income support programs—a trend that must be arrested in the light of demographic projections with which the nation is faced and in the light of the prospects that program costs will become insupportable.

INFLATION AND THE FUTURE ELDERLY

The inflation trend also holds serious consequences for the future elderly. It makes retirement planning difficult—if not impossible—because it creates large areas of uncertainty about the expected "real" income contribution of many traditional retirement income sources. Most private pension plans do not offer cost-of-living adjustments and many of the elderly's additional assets cannot be soundly relied upon to produce income that will keep up with inflation. In addition, inflation encourages consumption in favor of saving for retirement, a phenomenon which could foster even greater dependency on government programs on the part of the future elderly.

Most important for them, however, is the damage the inflation is doing to our economic system and society. Unless brought under control, it will constrict the amount of resources available for income support among the elderly at a time when the elderly population is expanding greatly. To avoid the consequences for the future elderly that the current combination of economic and demographic trends otherwise entail, we must begin to pursue fundamental changes in the current income support structure so that we can accommodate these trends and insure the most effective and least wasteful allocation of resources possible. Since the overriding concern must be the health of the economy, the changes effected in the massive income support structure must be sound economic policy in that they help dampen inflation while encouraging employment and productivity growth.

SOCIAL SECURITY: FUNDAMENTAL CHANGE IS NEEDED

In view of the economic and demographic trends described above, social security (OASI) ought to be changed incrementally, over a long period of time until it becomes much less the "social insurance" program it is today and much more a national "pension" program which encourages and rewards individual work effort. In the process, the welfare and social adequacy functions of the current social security program ought to be sorted out and assumed by existing or new programs specifically designed for the purpose. Such a revised social security program should be rationally related to other major pension and retirement systems, private supplemental pension programs and the underlying welfare structure so that the least wasteful allocation of resources possible is achieved.

The Associations do not agree with those who believe that social security can be perpetuated as presently structured into the future and that only minor modifications in the program are needed. Resistance to fundamental change is unrealistic in the light of the economic and demographic trends outlined earlier. There ought to be no further delay in dealing with these trends and their effects. Delay will only jeopardize the success of and public support for social security particularly if the consequences of these trends are dealt with only when they are immediately upon us and of crisis proportions.

Any plan for restructuring social security must be gradually phased-in. Whenever benefits are reduced or deliberalized or the rules governing eligibility or benefit computation are changed in any manner lengthy transition periods must be provided to protect the reasonable benefit expectations of people.

A NATIONAL PENSION PROGRAM: BASIC CHARACTERISTICS

A national pension program ought to include the following major characteristics. First, the benefit formula should be proportional and relate benefit awards closely to earnings records/payroll tax contributions. Second, the program should, on average, replace not less than that percentage (perhaps 50-60%) of the individual worker's pre-eligibility wage income that would be necessary to enable that worker to maintain a standard of living comparable to that achieved prior to eligibility.

Third, the welfare and social adequacy benefit elements (i.e. weighted benefits and dependents benefits) would have been phased out, placed elsewhere, and financed through other programs from general revenues but primary benefits paid to workers would be increased in order to achieve the income replacement goal.

Fourth, age 65 should remain the age for receipt of full benefits; however, strong incentives for older persons to continue working would be essential. For example, actuarially increased benefits should be provided for those who elect to defer application for cash benefits past age 65. And, most important, existing work disincentives, such as the earnings limitation, would be abolished. This combination of increasing work incentives and eliminating disincentives should have a positive effect on the economy and the elderly's income, and preclude having to resort to such drastic measures as raising the age for receipt of full benefits.

Fifth, every employee group presently not covered by social security should have the option to elect such coverage. However, no such group would be forced to accept social security coverage.

Sixth, with respect to financing, the program should be financed via pay-as-you-go payroll taxes with adequate contingency reserves. However, two general revenue devices should be added to this mechanism to act as "economic safety nets" protecting the program against the financial consequences that high rates of inflation and unemployment would otherwise have on it.

A NATIONAL PENSION PROGRAM: RATIONALE

There are important reasons social security ought to be changed over time to more closely resemble a true pension program.

First, historically, the single instrument of social security has been used to try to accomplish the divergent goals of earnings replacement and minimum-floor-of-income protection. Neither goal has been fully accomplished and there has been significant waste of resources in the process. Since there are now two separate instruments available, namely, OASI and SSI, the sorting out of these two functions between these two instruments would permit a more effective and less wasteful allocation of increasingly limited resources. Sorting out the functions will help provide the financial flexibility needed to build into social security's benefit structure strong employment incentives which would benefit the economy, the elderly's income and other programs which serve them.

Second, changing the benefit structure of the existing program to emphasize individual equity rather than social adequacy or welfare should help alleviate the increasing dissatisfaction with the benefit structure that is heard from working women and single persons.

Third, to reverse the elderly's declining labor force participation trend (and reduce their degree of dependency on public programs for income), work incentives and work opportunities need to be created and work disincentives and barriers to employment need to be eliminated. The earnings test must go. Not only is it a severe work disincentive, but as a "means test" it does not belong in a program based on "earned right" with earnings/contributions related benefit levels.

The primary argument advanced in defense of the earnings test is the cost (in terms of increased benefit payout) that its elimination would entail. However, having a factor in social security that causes people to limit their work effort, probably imposes an even more significant "cost" on society. Persons who could be supplementing their income through their own efforts while contributing to the nation's output of goods and services and raising the tax receipts of government at all levels are instead induced to remain idle. We are convinced that the economic "cost" in terms of lost output and lost tax receipts that results from having the earnings tests is greater than the "cost" of the additional social security outlays that repeal would entail. The elimination of the test should be the first major step in changing social security into a pension program.

NATIONAL PENSION PROGRAM: FINANCING STRUCTURE

Although a restructured program should continue to rely primarily on pay-as-you-go payroll tax financing, this should be backed up by countercyclical "general revenue" mechanisms to fund a portion of the cost of automatic benefit increases and replace revenue the programs lose when unemployment is at high levels. To the extent "general revenues" are needed in any year, the choice of the source(s) for those funds must by law by consistent with the economic objective of reducing inflation.

In effect, these general revenue mechanisms would act like economic safety nets, significantly reducing the program's vulnerability to the financial effects of the unpredictable and volatile economic factors of inflation, unemployment and low real wage growth. These limited uses of general revenues would also put financial planning for future payroll tax needs on a more firm basis, help avoid the unemployment and inflation pressure that payroll tax increases produce and "free up" some of the revenue potential of the payroll tax mechanism for the purpose of funding the transition costs of phasing-in the national pension program.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an interim procedure until the computerization of this information becomes operational, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, March 18, 1980, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MARCH 19

9:00 a.m.

*Armed Services

General Procurement Subcommittee

To resume hearings on S. 2294, authorizing funds for fiscal year 1981 for military procurement of the DOD, focusing on Navy and Marine Corps procurement programs with the exception of the subjects of tactical air and air defense.

212 Russell Building

9:30 a.m.

Banking, Housing, and Urban Affairs

Housing and Urban Affairs Subcommittee

To resume hearings on S. 2004, 2015, and 2296, bills authorizing funds for urban mass transportation programs.

5302 Dirksen Building

*Judiciary

To resume hearings on S. 2377, authorizing funds for fiscal year 1981 for programs administered by the Department of Justice.

2228 Dirksen Building

Judiciary

Jurisprudence and Governmental Relations Subcommittee

To hold hearings on S. 2387, proposed State Justice Institute Act.

5110 Dirksen Building

10:00 a.m.

Agriculture, Nutrition, and Forestry

Business meeting, to consider pending calendar business.

324 Russell Building

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Bureau of Indian Affairs.

1224 Dirksen Building

Energy and Natural Resources

Business meeting to consider pending calendar business.

3110 Dirksen Building

Environment and Public Works

Environmental Pollution Subcommittee

To hold hearings on the environmental effects of increased coal use in the United States.

4200 Dirksen Building

Finance

Business meeting, to hear and consider the nominations of Abraham Katz, of Florida, to be an Assistant Secretary of Commerce; William J. Driver, of Virginia, to be Commissioner of Social Security; John L. Palmer, of Virginia, and Cesar A. Perales, of New York, each to be an Assistant Secretary of Health, Education, and Welfare; and to consider pending health proposals.

2221 Dirksen Building

Foreign Relations

To resume hearings on proposed legislation authorizing funds for fiscal year 1981 for foreign assistance programs.

4221 Dirksen Building

Select on Indian Affairs

To continue hearings on S. 1181, proposed Tribal-State Compact Act; and on the substance of Part C—Amendment Relating to Indians, Title 25, U.S.C., Sec. 161, to authorize Indian tribes to petition the United States to reassume Federal jurisdiction, of S. 1722, to codify, revise, and reform the criminal code; and an application of a magistrate's concept on Indian reservations.

457 Russell Building

Select on Intelligence

Budget Authorizations Subcommittee

To resume closed hearings on proposed legislation authorizing funds for fiscal year 1981 for intelligence activities of the U.S.

S-407, Capitol

Joint Economic

To hold hearings on the effect of foreign auto imports on the U.S. economy.

5110 Dirksen Building

10:15 a.m.

Labor and Human Resources

Health and Scientific Research Subcommittee

To resume hearings on S. 1652, to provide consumers with nutrition and ingredient information on food labels, and to remove the burdens on the food industry in providing such information.

4232 Dirksen Building

2:00 p.m.

Appropriations

State, Justice, Commerce, the Judiciary and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Immigration and Naturalization Service.

S-146, Capitol

*Banking, Housing, and Urban Affairs
Housing and Urban Affairs Subcommittee
To continue hearings on S. 2004, 2015, and 2296, bills authorizing funds for urban mass transportation programs.
5302 Dirksen Building

Conferees
On S. 932, authorizing funds to establish the production of synthetic fuels, gasohol, solar energy, renewable resources, geothermal energy, to establish an energy conservation program and energy supply targets, and to extend the Defense Production Act until September 30, 1986.
3110 Dirksen Building

Select on Intelligence
To resume closed hearings on proposed legislation authorizing funds for fiscal year 1981 for intelligence activities of the U.S.
S-407, Capitol

2:30 p.m.
Finance
Health Subcommittee
To continue hearings on S. 1968, proposed Health Incentives Reform Act.
2221 Dirksen Building

3:00 p.m.
Judiciary
To hold hearings on pending nominations.
2228 Dirksen Building

MARCH 20

8:30 a.m.
Energy and Natural Resources
To resume closed hearings to assess the political, military, economic, and social factors affecting world oil production and consumption over the next decade.
S-407, Capitol

9:30 a.m.
Governmental Affairs
Intergovernmental Relations Subcommittee
To hold oversight hearings on the scope of the general revenue sharing program.
3302 Dirksen Building

*Judiciary
To continue hearings on S. 2377, authorizing funds for fiscal year 1981 for programs administered by the Department of Justice.
2228 Dirksen Building

10:00 a.m.
Appropriations
Energy and Water Development Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Energy, receiving testimony on resource applications.
S-126, Capitol

Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for certain programs of the Agency for International Development, and for the Peace Corps.
1114 Dirksen Building

Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Environmental Protection Agency.
1318 Dirksen Building

Appropriations
Interior and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Bureau of Indian Affairs.
1223 Dirksen Building

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
Housing and Urban Affairs Subcommittee
To hold oversight hearings on the scope of rental, multifamily, and public housing.
5302 Dirksen Building

Energy and Natural Resources
Energy Resources and Materials Production Subcommittee
To resume oversight hearings on the implementation of the Outer Continental Shelf 5-year offshore oil and gas leasing program.
3110 Dirksen Building

Environment and Public Works
Environmental Pollution Subcommittee
To resume oversight hearings on the implementation of the Clean Water Act, focusing on the Industrial Cost Recovery Program.
4200 Dirksen Building

Finance
Business meeting, to continue to hear and consider the nominations of Abraham Katz, of Florida, to be an Assistant Secretary of Commerce; William J. Driver, of Virginia, to be Commissioner of Social Security; John L. Palmer, of Virginia, and Cesar A. Perales, of New York, each to be an Assistant Secretary of Health, Education, and Welfare; and to consider pending health proposals.
2221 Dirksen Building

Foreign Relations
To hold hearings on the current United States-Middle East policy.
4221 Dirksen Building

Governmental Affairs
Energy, Nuclear Proliferation, and Federal Services Subcommittee
To resume hearings on S. 1938, to increase government efficiency and to provide a mechanism for raising the level of protection for the public against unnecessary radiation exposure.
6202 Dirksen Building

Judiciary
Antitrust, Monopoly and Business Rights Subcommittee
To hold oversight hearings on the aspects of the cancer insurance industry.
6226 Dirksen Building

2:00 p.m.
*Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.
1224 Dirksen Building

Energy and Natural Resources
Energy Research and Development Subcommittee
To resume hearings on S. 2332, authorizing funds for fiscal years 1981 and 1982 for civilian programs of the Department of Energy.
3110 Dirksen Building

Environment and Public Works
Regional and Community Development Subcommittee
To hold oversight hearings on the implementation of P.L. 95-592, providing for a program of research, development, and demonstration of quayule rubber production.
4200 Dirksen Building

Select on Intelligence
Budget Authorizations Subcommittee
To continue closed hearings on proposed legislation authorizing funds for fiscal year 1981 for intelligence activities of the U.S.
S-407, Capitol

2:30 p.m.
Foreign Relations
To continue hearings on proposed legislation authorizing funds for fiscal year 1981 for foreign assistance programs.
4221 Dirksen Building

3:00 p.m.
Select on Ethics
Open business meeting.
3302 Dirksen Building

MARCH 21

9:30 a.m.
Labor and Human Resources
To resume oversight hearings on the implementation of the Occupational Safety and Health program.
4232 Dirksen Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Environmental Protection Agency, and for the Council on Environmental Quality.
1318 Dirksen Building

Foreign Relations
To continue hearings on proposed legislation authorizing funds for fiscal year 1981 for foreign assistance programs.
4221 Dirksen Building

Select on Intelligence
Budget Authorizations Subcommittee
To continue closed hearings on proposed legislation authorizing funds for fiscal year 1981 for intelligence activities of the U.S.
S-407, Capitol

MARCH 24

9:30 a.m.
Environment and Public Works
Nuclear Regulation Subcommittee
To hold hearings on S. 2358, authorizing funds for fiscal years 1981 and 1982 for the Nuclear Regulatory Commission.
4200 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
International Finance Subcommittee
To resume hearings on the U.S. embargo of grain and technology exports to the Soviet Union.
5302 Dirksen Building

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold oversight hearings on the implementation of rail safety laws by the Federal Railroad Administration, focusing on the area of hazardous materials regulations.
235 Russell Building

Energy and Natural Resources
To hold oversight hearings on the activities of the Department of Energy.
3110 Dirksen Building

Finance
Taxation and Debt Management Generally Subcommittee
To hold hearings on miscellaneous tax proposals.
2221 Dirksen Building

Special on Aging
To hold oversight hearings on the implementation of mandated studies and activities as outlined in Public Law 95-478, Older Americans Act.
6226 Dirksen Building

2:00 p.m.

Appropriations
State, Justice, Commerce, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Bureau of the Census, general administration, and economic and statistical analysis, Department of Commerce.
S-146, Capitol

2:30 p.m.

Energy and Natural Resources
Energy Research and Development Subcommittee
To resume hearings on S. 2332, authorizing funds for fiscal years 1981 and 1982 for civilian programs of the Department of Energy.
3110 Dirksen Building

MARCH 25

8:00 a.m.

Armed Services
Research and Development Subcommittee
To resume closed hearings on S. 2294, authorizing funds for fiscal year 1981 for military procurement programs of the Department of Defense.
224 Russell Building

9:30 a.m.

Agriculture, Nutrition, and Forestry
Rural Development Subcommittee
To hold oversight hearings to examine housing and energy aspects of the Small Community and Rural Development Policy.
1224 Dirksen Building

Appropriations
Agriculture, Rural Development, and Related Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Agriculture.
S-128, Capitol

*Commerce, Science, and Transportation
To hold joint hearings with the Energy and Natural Resources Subcommittee on Energy Resources and Materials Production on S. 2119, to provide for the protection of fishery resources on the Georges Bank (on the Outer Continental Shelf) from environmental degradation due to oil and gas well drilling activities.
235 Russell Building

*Energy and Natural Resources
Energy Resources and Materials Production Subcommittee
To hold joint hearings with the Committee on Commerce, Science, and Transportation on S. 2119, to provide for the protection of fishery resources on the Georges Bank (on the Outer Continental Shelf) from environmental degradation due to oil and gas well drilling activities.
235 Russell Building

Environmental and Public Works
Nuclear Regulation Subcommittee
To continue hearings on S. 2358, authorizing funds for fiscal year 1981 and 1982 for the Nuclear Regulatory Commission.
4200 Dirksen Building

Governmental Affairs
Intergovernmental Relations Subcommittee
To resume oversight hearings on the scope of the general revenue sharing program.
3302 Dirksen Building

Labor and Human Resources
Health and Scientific Research Subcommittee
To hold hearings on proposed authorizations for the National Science Foundation.
4232 Dirksen Building

*Veterans' Affairs
Business meeting, to consider S. 1188, to revise the vocational rehabilitation program administered by the Veterans' Administration.
412 Russell Building

10:00 a.m.

Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for certain programs of the Agency for International Development; the international narcotics control program of the Department of State; and for the Inter-American Foundation.
1318 Dirksen Building

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for certain programs of the Department of Energy.
1223 Dirksen Building

Appropriations
State, Justice, Commerce, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Economic Development Administration, and Regional Planning Commission, Department of Commerce.
S-146, Capitol

Banking, Housing, and Urban Affairs
Housing and Urban Affairs Subcommittee
To hold hearings on proposed legislation authorizing funds for fiscal year 1981 for housing, community development programs and the Urban Development Action Grant of the Department of Housing and Urban Development.
5302 Dirksen Building

Energy and Natural Resources
*Parks, Recreation, and Renewable Resources Subcommittee
To receive testimony from Administration officials on the following land conveyance and other measures affecting the Forest Service and the Bureau of Land Management; S. 1506, 2261, 1923, 1972, 1985, 1997, 2209, 1910, 1715, 2307, H.R. 1762, 3928, 1967, and 920.
3110 Dirksen Building

Labor and Human Resources
Education Arts, and Humanities Subcommittee
Business meeting, to resume consideration of S. 1839, authorizing funds through fiscal year 1985 for programs under the Higher Education Act.
357 Russell Building

2:00 p.m.

Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for certain programs administered by the Department of State.
1318 Dirksen Building

Appropriations
Legislative Branch Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Cost Accounting Standards Board, and the General Accounting Office.
S-128, Capitol

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.
1224 Dirksen Building

MARCH 26

9:00 a.m.

Labor and Human Resources
Child and Human Development Subcommittee
Business meeting, to mark up S. 1843 and H.R. 2977, proposed Domestic Violence Prevention and Services Act; and proposed legislation to establish Commissions on National Youth Service and Volunteerism.
4232 Dirksen Building

9:30 a.m.

Appropriations
Agriculture, Rural Development and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Agriculture.
1318 Dirksen Building

10:00 a.m.

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Office of Water Research and Technology.
1223 Dirksen Building

Appropriations
State, Justice, Commerce, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Industry and Trade Administration, Minority Business Development Agency, and the U.S. Travel Service, Department of Commerce.
S-146, Capitol

Banking, Housing, and Urban Affairs
Housing and Urban Affairs Subcommittee
To continue hearings on proposed legislation authorizing funds for fiscal year 1981 for housing, community development programs and the Urban Development Action Grant of the Department of Housing and Urban Development.
5302 Dirksen Building

Budget
To begin consideration of the first concurrent budget resolution setting forth recommended levels of total budget outlays, Federal revenues, and new budget authority.
6202 Dirksen Building

Energy and Natural Resources
Energy Research and Development Subcommittee
To resume hearings on S. 2332, authorizing funds for fiscal years 1981 and 1982 for civilian programs of the Department of Energy.
3110 Dirksen Building

Environment and Public Works
Resource Protection Subcommittee
Business meeting, to mark up proposed legislation authorizing funds for fiscal year 1981 for environmental research and development programs of the Environmental Protection Agency.
4200 Dirksen Building

Rules and Administration
To hold hearings on proposed legislation authorizing funds for fiscal year 1981 for the Federal Election Commission.
301 Russell Building

2:00 p.m.
Appropriations
Military Construction Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.
1224 Dirksen Building

Appropriations
State, Justice, Commerce, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the National Oceanic and Atmospheric Administration, Department of Commerce.
S-146, Capitol

2:30 p.m.
Conferees
On H.R. 2313, authorizing funds for fiscal years 1980 and 1981 for the Federal Trade Commission.
S-207, Capitol

MARCH 27

9:30 a.m.
Appropriations
Agriculture, Rural Development and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Agriculture.
S-128, Capitol

Commerce, Science, and Transportation
To hold hearings on proposed legislation authorizing funds for fiscal year 1981 for the National Transportation Safety Board.
235 Russell Building

Judiciary
To resume hearings on S. 2377, authorizing funds for fiscal year 1981 for programs administered by the Department of Justice.
2228 Dirksen Building

Veterans' Affairs
To hold hearings to receive legislative recommendations for fiscal year 1981 from AMVETS, Paralyzed Veterans, Blinded Veterans, WWI Veterans, and Military Orders of the Purple Heart.
1202 Dirksen Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the National Science Foundation.
1318 Dirksen Building

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Smithsonian Institution.
1223 Dirksen Building

*Appropriations
State, Justice, Commerce, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Patent and Trademark Office, and science and technical research, Department of Commerce.
S-146, Capitol

Budget
To continue consideration of the first concurrent budget resolution setting forth recommended levels of total budget outlays, Federal revenues, and new budget authority.
6202 Dirksen Building

Energy and Natural Resources
To hold hearings on S. 1784, to improve the electric generating efficiency of joint Federal-civilian pooling practices in Alaska.
3110 Dirksen Building

2:00 p.m.
Appropriations
Military Construction Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.
1318 Dirksen Building

Appropriations
State, Justice, Commerce, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the National Telecommunications and Information Administration, and the Maritime Administration, Department of Commerce.
S-146, Capitol

MARCH 28

9:00 a.m.
Finance
Taxation and Debt Management Generally Subcommittee
To resume hearings on miscellaneous tax proposals.
2221 Dirksen Building

9:30 a.m.
*Energy and Natural Resources
To resume hearings to assess the political, military, economic, and social factors affecting world oil production and consumption over the next decade.
3110 Dirksen Building

Labor and Human Resources
To resume oversight hearings on the implementation of the occupational safety and health program.
4232 Dirksen Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the National Science Foundation, and for the Office of Science and Technology Policy.
1318 Dirksen Building

Budget
To continue consideration of the first concurrent budget resolution setting forth recommended levels of total budget outlays, Federal revenues, and new budget authority.
6202 Dirksen Building

MARCH 31

10:00 a.m.
*Banking, Housing, and Urban Affairs
International Finance Subcommittee
To hold hearings on proposed authorizations for fiscal year 1981 for the international affairs programs of the Department of the Treasury; and on proposed legislation to increase the U.S. quota in the International Monetary Fund.
5302 Dirksen Building

Budget
To resume consideration of the first concurrent budget resolution setting forth recommended levels of total budget outlays, Federal revenues, and new budget authority.
6202 Dirksen Building

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on S. 1151, proposed Rail Restructuring Assistance Act.
235 Russell Building

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Chrysler loan guarantee program.
S-146, Capitol

APRIL 1

9:00 a.m.
Finance
Taxation and Debt Management Generally Subcommittee
To resume hearings on miscellaneous tax proposals.
2221 Dirksen Building

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for foreign assistance programs.
1318 Dirksen Building

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Office of Territorial Affairs.
1224 Dirksen Building

Appropriations
State, Justice, Commerce, the Judiciary and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Commerce.
S-146, Capitol.

Banking, Housing, and Urban Affairs
Housing and Urban Affairs Subcommittee
To resume hearings on proposed legislation authorizing funds for fiscal year 1981 for housing, community development programs and the Urban Development Action Grant of the Department of Housing and Urban Development.
5302 Dirksen Building

Budget
To continue consideration of the first concurrent budget resolution setting forth recommended levels of total budget outlays, Federal revenues, and new budget authority.
6202 Dirksen Building

Energy and Natural Resources
Energy Research and Development Subcommittee
To resume hearings on S. 2332, authorizing funds for fiscal years 1981 and 1982 for civilian programs of the Department of Energy.
3110 Dirksen Building

APRIL 2

9:30 a.m.
Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To hold hearings on S. 1393, authorizing funds for fiscal years 1981 and 1982 for programs under the National Earthquake Hazard Reduction Act.

235 Russell Building

*Veterans' Affairs

To hold hearings on the recruitment and retention of qualified health-care professionals to staff the Veterans' Administration's health-care facilities.

412 Russell Building

10:00 a.m.

*Appropriations

HUD-Independent Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the National Commission on Air Quality, the American Battle Monuments Commission, and U.S. Army cemeterial expenses.

1318 Dirksen Building

Appropriations

Interior and Related Agencies Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for the Office of Territorial Affairs.

1224 Dirksen Building

Banking, Housing, and Urban Affairs

Housing and Urban Affairs Subcommittee

To continue hearings on proposed legislation authorizing funds for fiscal year 1981 for housing, community development programs, and the urban development action grant of the Department of Housing and Urban Development.

5302 Dirksen Building

Budget

To continue consideration of the first concurrent budget resolution setting forth recommended levels of total budget outlays, Federal revenues, and new budget authority.

6202 Dirksen Building

Energy and Natural Resources

Business meeting, to consider pending calendar business.

3110 Dirksen Building

*Labor and Human Resources

Education, Arts, and Humanities Subcommittee

To resume hearings on title II, proposed Youth Education and Training Act, of S. 2385, proposed Youth Act.

4232 Dirksen Building

1:00 p.m.

Office of Technology Assessment

The Board to hold a joint meeting with the Technology Assessment Advisory Council on pending business items.

EF-100, Capitol

2:00 p.m.

*Appropriations

Transportation Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.

1318 Dirksen Building

APRIL 3

9:30 a.m.

Appropriations

Agriculture, Rural Development, and Related Agencies Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Agriculture.

S-128, Capitol

Judiciary

To continue hearings on S. 2377, authorizing funds for fiscal year 1981 for programs administered by the Department of Justice.

2228 Dirksen Building

10:00 a.m.

Appropriations

HUD-Independent Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Federal Home Loan Bank Board, and the National Institute of Building Sciences.

1318 Dirksen Building

Appropriations

Interior and Related Agencies Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for certain programs of the Department of Energy.

1224 Dirksen Building

Commerce, Science, and Transportation

To hold hearings on proposed legislation authorizing funds for ocean pollution research and monitoring programs.

235 Russell Building

Energy and Natural Resources

To hold hearings on the climatic effects of carbon dioxide buildup in the atmosphere.

3110 Dirksen Building

Labor and Human Resources

Education, Arts, and Humanities Subcommittee

To continue hearings on Title II, proposed Youth Education and Training Act, of S. 2385, proposed Youth Act.

4232 Dirksen Building

APRIL 15

9:30 a.m.

Labor and Human Resources

To hold hearings on S. 2153, 1486, and 1572, bills to provide an exemption from OSHA regulation for certain workplaces with good safety and health records.

4232 Dirksen Building

10:00 a.m.

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Federal Inspector for Alaska pipeline, and the Energy Information Administration, of the Department of Energy.

1223 Dirksen Building

Appropriations

Transportation Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.

1224 Dirksen Building

Appropriations

Treasury, Postal Service, and General Government Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Department of the Treasury.

1318 Dirksen Building

Banking, Housing, and Urban Affairs

*International Finance Subcommittee

To hold hearings on S. 2097, propose Joint Export Marketing Assistance Act, and on the substance of S. 2040, proposed Small Business Export Expansion Act and S. 2104, proposed Small Business Export Development Act.

5302 Dirksen Building

*Energy and Natural Resources

Energy Regulation Subcommittee

To review those items in the President's budget for fiscal year 1981 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee, receiving testimony from officials of the Federal Energy Regulatory Commission and for the Office of Hearings and Appeals.

6226 Dirksen Building

2:00 p.m.

Appropriations

Transportation Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.

1224 Dirksen Building

APRIL 16

9:00 a.m.

*Veterans' Affairs

To resume hearings on the Federal Government's efforts to assist Vietnam-era veterans in readjusting to society, and the use of excepted appointments for disabled veterans.

412 Russell Building

9:30 a.m.

Labor and Human Resources

To continue hearings on S. 2153, 1486, and 1572, bills to provide an exemption from OSHA regulation for certain workplaces with good safety and health records.

4232 Dirksen Building

Labor and Human Resources

Health and Scientific Research Subcommittee

To hold hearings on S. 1424, proposed International Health Act.

6226 Dirksen Building

10:00 a.m.

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the National Gallery of Art, and the Commission of Fine Arts.

1223 Dirksen Building

Appropriations

Treasury, Postal Service, and General Government Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of the Treasury.

1318 Dirksen Building

Banking, Housing, and Urban Affairs

International Finance Subcommittee

To resume hearings on proposed authorizations for fiscal year 1981 for the international affairs programs of the Department of the Treasury; and on proposed legislation to increase the U.S. quota in the International Monetary Fund.

5302 Dirksen Building

Energy and Natural Resources

Business meeting, to consider pending calendar business.

3110 Dirksen Building

Judiciary

To resume hearings on S. 2377, authorizing funds for fiscal year 1981 for programs administered by the Department of Justice.

357 Russell Building

2:00 p.m.

Appropriations

Military Construction Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.

1224 Dirksen Building

APRIL 17

9:30 a.m.

Labor and Human Resources

To continue hearings on S. 2153, 1486, and 1572, bills to provide an exemption from OSHA regulation for certain workplaces with good safety and health records.

4232 Dirksen Building

*Labor and Human Resources

Child and Human Development Subcommittee

To hold oversight hearings on the development of children who benefit from adoption by facilitating their placement in adoptive homes.

457 Russell Building

10:00 a.m.

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Forest Service, Department of Agriculture.

1223 Dirksen Building

Appropriations

Transportation Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.

1224 Dirksen Building

Appropriations

Treasury, Postal Service, and General Government Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of the Treasury.

1114 Dirksen Building

2:00 p.m.

Appropriations

Military Construction Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.

1318 Dirksen Building

Appropriations

Treasury, Postal Service, and General Government Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of the Treasury.

S-146, Capitol

APRIL 18

10:00 a.m.

Appropriations

HUD-Independent Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Federal Emergency Management Agency.

1318 Dirksen Building

2:00 p.m.

Appropriations

Military Construction Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.

1223 Dirksen Building

APRIL 21

10:00 a.m.

Judiciary

To resume hearings on S. 2377, authorizing funds for fiscal year 1981 for programs administered by the Department of Justice.

2228 Dirksen Building

APRIL 22

10:00 a.m.

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Economic Regulatory Administration, Department of Energy.

1223 Dirksen Building

Appropriations

Treasury, Postal Service, and General Government Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of the Treasury, and on the U.S. Postal Service

1318 Dirksen Building

2:00 p.m.

Appropriations

Military Construction Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.

1224 Dirksen Building

Appropriations

Treasury, Postal Service, and General Government Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of the Treasury.

S-146, Capitol

APRIL 23

10:00 a.m.

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the National Endowment for the Arts.

1223 Dirksen Building

Appropriations

Treasury, Postal Service, and General Government Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Executive Office of the President.

1318 Dirksen Building

2:00 p.m.

Appropriations

Military Construction Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.

1224 Dirksen Building

APRIL 24

10:00 a.m.

Appropriations

HUD-Independent Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the National Aeronautics and Space Administration.

1318 Dirksen Building

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Bureau of Land Management

1223 Dirksen Building

Appropriations

Treasury, Postal Service, and General Government Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for the Executive Office of the President.

1114 Dirksen Building

2:00 p.m.

Appropriations

Military Construction Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.

1224 Dirksen Building

APRIL 25

10:00 a.m.

Appropriations

HUD-Independent Agencies Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for the National Aeronautics and Space Administration.

1318 Dirksen Building

APRIL 28

9:30 a.m.

*Judiciary

To resume hearings on S. 2377, authorizing funds for fiscal year 1981 for programs administered by the Department of Justice.

2228 Dirksen Building

10:00 a.m.

*Energy and Natural Resources

Energy Regulation Subcommittee

To review those items in the President's budget for fiscal year 1981 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee, receiving testimony from officials of the Economic Regulatory Administration, and the Energy Information Administration.

3110 Dirksen Building

APRIL 29

10:00 a.m.

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Heritage Conservation and Recreation Service.

1224 Dirksen Building

Appropriations

Treasury, Postal Service, and General Government Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Office of Personnel Management, Merit Systems Protection Board, Federal Labor Relations Authority, U.S. Tax Court, and President's Commission on Pension Policy.

1318 Dirksen Building

2:00 p.m.

Appropriations

Military Construction Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.

1223 Dirksen Building

APRIL 30

9:30 a.m.

*Veterans' Affairs

Business meeting, to consider proposed legislation on the recruitment and retention of qualified health-care professionals to staff the Veterans' Administration health-care facilities, S. 759, to provide for the right of the United States to recover their costs of hospital, nursing home, or outpatient medical care furnished by the Veterans' Administration to veterans for non-service-connected disabilities to the extent that they have health insurance or similar contracts, and S. 1523 and H.R. 4015, proposed Veterans Senior Citizen Health Care Act.

412 Russell Building

10:00 a.m.

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for conservation programs of the Department of Energy.

1224 Dirksen Building

Appropriations

Treasury, Postal Service, and General Government Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Federal Elections Commission, Advisory Commission on Intergovernmental Relations, Advisory Committee on Federal Pay, Committee for Purchase From the Blind and Other Severely Handicapped and the Administrative Conference of the U.S.

1318 Dirksen Building

2:00 p.m.

Appropriations

Military Construction Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.

1223 Dirksen Building

MAY 1

10:00 a.m.

Appropriations

HUD-Independent Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Department of Housing and Urban Development.

1318 Dirksen Building

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Land and Water Conservation Fund of the Heritage Conservation and Recreation Service.

1224 Dirksen Building

Appropriations

Treasury, Postal Service, and General Government Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the General Services Administration.

1114 Dirksen Building

*Judiciary

To resume hearings on S. 2377, authorizing funds for fiscal year 1981 for programs administered by the Department of Justice.

2228 Dirksen Building

*Labor and Human Resources

Child and Human Development Subcommittee

To hold hearings on issues Congress might consider which would affect youth in the coming decade.

6226 Dirksen Building

MAY 2

10:00 a.m.

Appropriations

HUD-Independent Agencies Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Housing and Urban Development

1318 Dirksen Building

MAY 6

9:30 a.m.

Appropriations

Agriculture, Rural Development, and Related Agencies Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Agriculture.

1318 Dirksen Building

2:00 p.m.

Appropriations

Military Construction Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.

1223 Dirksen Building

MAY 7

10:00 a.m.

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the U.S. Geological Survey.

1224 Dirksen Building

MAY 13

10:00 a.m.

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the National Park Service.

1224 Dirksen Building

MAY 14

10:00 a.m.

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Department of the Interior.

1223 Dirksen Building

Appropriations

Transportation Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.

1224 Dirksen Building

MAY 15

10:00 a.m.

Appropriations

HUD-Independent Agencies Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Housing and Urban Development, and Independent Agencies.

1318 Dirksen Building

Appropriations

Transportation Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.

1224 Dirksen Building

MAY 16

10:00 a.m.

Appropriations

HUD-Independent Agencies Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Housing and Urban Development, and Independent Agencies.

1318 Dirksen Building

MAY 22

9:30 a.m.

Labor and Human Resources

Child and Human Development Subcommittee

To hold oversight hearings to examine issues affecting infant mortality, and preventable birth defects.

4232 Dirksen Building

MAY 29

9:30 a.m.

*Veterans' Affairs

To hold hearings on proposed legislation to establish a cost-of-living increase for service-connected disability compensation.

412 Russell Building

JUNE 11

9:30 a.m.

*Veterans' Affairs

To hold oversight hearings on the activities of the Inspector General of the Veterans' Administration.

412 Russell Building

CANCELLATIONS

MARCH 19

9:30 a.m.

Appropriations

Agriculture, Rural Development, and Related Agencies Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Agriculture.

1318 Dirksen Building

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To hold hearings on proposed legislation authorizing funds for fiscal year 1981 for programs under the National Climate Program Act.

235 Russell Building

MARCH 20

2:00 p.m.

Appropriations

Military Construction Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.

1224 Dirksen Building

MARCH 21

9:00 a.m.

Energy and Natural Resources

To resume hearings to assess the political, military, economic, and social factors affecting world oil production and consumption over the next decade.

3110 Dirksen Building

9:30 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To resume hearings on proposed legislation authorizing funds for fiscal year 1981 for programs under the National Climate Program Act.

235 Russell Building

Judiciary

To continue hearings on S. 2377, authorizing funds for fiscal year 1981 for programs administered by the Department of Justice.

2228 Dirksen Building

MARCH 25

10:00 a.m.

Appropriations

Transportation Subcommittee

To resume hearings on proposed budget estimate for fiscal year 1981 for the Department of Transportation.

1224 Dirksen Building

MARCH 26

10:00 a.m.

Energy and Natural Resources

Business meeting, to consider pending calendar business.

3110 Dirksen Building

MARCH 27

10:00 a.m.

Appropriations

Transportation Subcommittee

To resume hearings on proposed budget estimates for the Department of Transportation.

1224 Dirksen Building

Banking, Housing, and Urban Affairs

Consumer Affairs Subcommittee

To resume hearings on S. 1928, proposed Fair Financial Information Practices Act, and S. 1929, proposed Privacy of Electronic Fund Transfers Act.

5302 Dirksen Building

11:30 a.m.

Appropriations

Transportation Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.

1224 Dirksen Building

MARCH 28

10:00 a.m.

Banking, Housing, and Urban Affairs

Consumer Affairs Subcommittee

To continue hearings on S. 1928, proposed Fair Financial Information Practices Act, and S. 1929, proposed Privacy of Electronic Fund Transfers Act.

5302 Dirksen Building

MARCH 31

9:00 a.m.

Energy and Natural Resources

To resume hearings to assess the political, military, economic, and social factors affecting world oil production and consumption over the next decade.

3110 Dirksen Building

SENATE—*Tuesday, March 18, 1980*

(Legislative day of Thursday, January 3, 1980)

The Senate met at 12 o'clock meridian, on the expiration of the recess, and was called to order by Hon. Carl Levin, a Senator from the State of Michigan.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

NATIONAL DAY OF PRAYER FOR HOSTAGES IN IRAN

The Congress has declared today the Day of National Prayer for the hostages in Iran. Accordingly, we offer our prayer. Let us pray:

Eternal Father, who rulest over all, bind us heart to heart, mind to mind, soul to soul to our fellow citizens who languish as hostages in Iran. May their prayers be our prayers, their anguish our anguish, their hope our hope. Be with them in their loneliness and homesickness. Grant comfort and strength to their families. Invest their keepers with compassion, fairness, and restraint. Guide, by Thy higher wisdom, this Nation's negotiators. Deliver the people of Iran from violence, injustice, and instability and establish for them a government of competence, compassion and justice. Remove from us whatever obstructs Thy purpose, work Thy will in Iran, in our Nation, and in the world for Thy kingdom's sake. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. Magnuson).

The assistant legislative clerk read the following letter:

U.S. Senate,
President pro tempore,
Washington, D.C., March 18, 1980.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable Carl Levin, a Senator from the State of Michigan, to perform the duties of the Chair.

Warren G. Magnuson,
President pro tempore.

Mr. LEVIN thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the majority leader is recognized.

AN UNTIMELY LOSS FOR WEST VIRGINIA AND AMERICA

Mr. ROBERT C. BYRD. Mr. President, I was saddened to learn this morning of the death last night of Representative John M. Slack of the Third Congressional District of West Virginia. I knew and worked with John Slack for many years. West Virginia has lost a dedicated Congressman, and the Congress and our country have been denied the services of a good and conscientious Representative.

John Slack was first elected to the House of Representatives in 1958. Previous to that election, he had served in the Armed Forces in World War II, and had been a member of the Kanawha County Court and the assessor of Kanawha County. In the House, Congressman Slack was chairman of the State, Justice, Commerce, and Judiciary Subcommittee of the Appropriations Committee. A man of outstanding character and exemplary moderation, he was recognized widely for his wise counsel and mature judgment on issues vital to our country and the State of West Virginia alike.

Throughout his years in Congress, John Slack proved himself ever-responsive to the needs and best interests of the Third District. Moreover, as a congressional colleague, he was always cooperative and helpful. Though he was a deeply committed and concerned citizen and patriot, he knew the value of reason and perspective in the arena of public decision.

Mr. President, I join today with thousands of my fellow West Virginians in the Third District and throughout our State in mourning the passing of Congressman Slack, and I extend to his family and many friends my personal condolences on our mutual loss. In a genuine sense, all West Virginians share in the untimely death of John Slack, and we shall long be indebted to him for the contributions he made to our lives and our well-being.

Mr. BAKER. Mr. President, will the majority leader yield?

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. Mr. President, I wish to join the distinguished majority leader in paying tribute to the late John Slack of West Virginia, an outstanding Member of Congress for more than 20 years and a great friend and champion of the people of the Appalachian region.

It was my pleasure to serve with Congressman Slack on a number of conference committees on public works legislation over the years. I came to know him as a diligent, industrious, and extremely talented legislator and public servant who always kept his constituents' best interests well in mind.

As a member of the House Appropriations Committee, and as chairman of its Subcommittee on State, Justice, Commerce, and Judiciary, John Slack exerted a powerful and positive influence on the management of the Federal Government, and that good influence will be sorely and sadly missed.

I know my colleagues on the Republican side join me in extending our deepest sympathies to Mrs. Slack and her family in this time of sorrow. But they may be comforted by the knowledge that John Slack served his country faithfully and well through many of its most challenging years, and his work has made this country a better place to live.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished minority leader.

ORDER OF BUSINESS

(The following occurred later:)

Mr. RANDOLPH. Mr. President, earlier in today's session our majority leader, Senator Robert C. Byrd, of West Virginia, expressed a tribute, a very meaningful tribute, for our very close colleague from West Virginia, John M. Slack, Jr., who served in the House of Representatives, and who has now left his duties here to continue a life eternal.

I was not able to be in the Chamber at that time.

I ask unanimous consent, Mr. President, that the remarks I shall now make appear following the words of the majority leader.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RANDOLPH. Mr. President, I speak rather slowly because I realize that when a very close personal friend as well as one of my colleagues on the Hill leaves me, in a very real sense something has gone from my own life.

I join in expressing sorrow at the very sudden passing of Representative John M. Slack. He had been a member of the West Virginia delegation in Congress for many, many years. John had a long congressional career. He had a very productive career.

His service was constructive to the citizens of the Third District he served. He represented those people with ability, with integrity, and with honor. His colleagues in both bodies, but especially in the House of Representatives, respected him for the attention that he gave to detail, the type of inquiries that he directed at the witnesses who came before the House Appropriations Committee, on which he was a leader.

John Slack was a man of strong convictions. I never found John being slightly for this or slightly against a subject, in his attitudes. He had strong convictions. His positions on public questions, Mr. President, were never in doubt. Not that he spoke quickly in making a decision, but when he made the decision it was one that was, in his thought and character, well reasoned.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

He was a native of West Virginia, having been born in Charleston, which is the State capital of our State.

He served as a member of the Kanawha County Commission and as county assessor in Kanawha before his election to the U.S. House of Representatives in 1958. That was the election in which the majority leader and I were chosen by a constituency covering the 55 counties of West Virginia.

John Slack demonstrated understanding, and always his effort was one in which he proved to be an effective adherent.

In his approach to the study and to the solution of major problems in our country, he went beyond the congressional district that he represented and became in the fullest degree a Member of the Congress of the United States.

He was a diligent worker. I know of no man who mastered the complexities of budgeting and agency operations in a better manner than John Slack. He served, as I repeat, his constituency, but his service was never narrow.

Mrs. Randolph and I cherished a personal friendship with John and Frances, who so often was at his side as he traveled through his district, doing good works. We shall remember them and their son, John III; and often recall his happy family life. We extend—as will many, many others, not just in the way I am doing it here but in quiet prayer and in remembrance as they go about their work today—heartfelt condolences.

Mr. President, I am a believer in the tomorrow beyond the today that takes place on this Earth. I am a believer that John Slack will share in that tomorrow as a part of the Creator's plan for his continuing life.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. The distinguished minority leader is recognized.

STATEMENT OF ECONOMIC PRINCIPLES BY THE REPUBLICAN CONFERENCE

Mr. BAKER. Mr. President, last week the Republican Conference unanimously endorsed a statement of economic principles which we commended to the administration's consideration in devising a new and more effective program to combat inflation.

The Republican statement was authored by the distinguished Senator from New York (Mr. Javits) whose expertise in economic matters has long been a credit to the Senate and the country.

We believe this statement of principles forms the foundation for a constructive program of economic recovery, Mr. President, and we urge that our colleagues in the Senate give this statement their careful consideration.

I ask unanimous consent that the text of this statement appear in the Record at this point.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Statement

The Senate Republican Conference, having met to consider the inflation crisis, has adopted the following declaration:

We consider inflation to be the number one domestic crisis we face today. It must be stopped and then reversed. Inflation is destroying the purchasing power and standard of living of the American people and is steadily eroding the economic and social foundations of our Nation. Inflation is causing taxes to rise as a percentage of income for most American families; it is driving up the cost of government; it is weakening our competitive position in the world; it is encouraging spending instead of saving; and it is robbing us of our ability to plan for the future, thereby stifling capital investment and the modernization of the U.S. industrial machine. Also, the international position of the dollar as the linchpin of the international monetary system requires that we get inflation under control. We must reassure the world and the overseas holders of the more than $900 billion in U.S. dollars of our resolve to stop the dollar from becoming a depreciating asset.

The Administration does not now have, nor has it had, a viable and coherent program for fighting inflation. Administration economic policies have been inconsistent, unpredictable and disjointed, and have been initiated haphazardly over the past three years. The present 18% inflation rate compares to the 4.8% annual rate which existed at the end of President Ford's Administration.

The Administration's frequently contradictory pronouncements have sent mixed signals which make it impossible for Americans to know, with any degree of certainty, the environment in which they must make their basic economic decisions.

Furthermore, the Democratic-controlled Congress has shown no capability to control the growth of federal entitlement programs in order to restrain government spending.

We believe the following principles must be implemented to control inflation and offer Americans a positive economic program on which they can count year after year and will promote real economic growth and jobs in the private sector:

1. A limitation of Federal outlays to a percentage of the Gross National Product (GNP) must be adopted, and we establish this figure at 21% for FY 1981.

2. The Federal budget for FY 1981 must be balanced without tax increases (and as a threshold, rescissions will have to be made in spending for FY 1980) and we commit ourselves to a balanced budget over a period of years.

3. Federal taxes must be reduced and tax laws changed to encourage greater individual and business savings, investment, output and productivity and thus more jobs for Americans.

4. America's energy dependence on foreign imports must be reduced by 50 percent over the next decade through conservation and domestic energy production.

5. An immediate program of regulatory reform must be undertaken.

6. A real export drive must be implemented.

7. The formation of appropriate labor-management committees to deal with the problems of worker morale and of youth and structural unemployment must be encouraged to improve the participation and productivity of the U.S. work force.

(Later the following occurred:)

Mr. JAVITS. Mr. President, this declaration of principles developed by an ad hoc committee of Republicans, which I had the honor to chair, with a number of others of my colleagues, in my judgment advances a vigorous, forward-looking action program, not on the negative but on the positive side. That is the only way in which we are going to beat inflation, Mr. President, by increasing productivity; the modernization of the American industrial machine; the acquisition of new markets; and a general coming to life of the American system.

That is the way we have always beaten it, and that is the only way we are going to beat it now. Anything which is strictly negative, dampening, recession producing is not going to deal with inflation in a way that gives us a long-term solution. It is only going to get us into very deep trouble and further disable us, not only in economic but in security terms, from doing what has to be done in this world to keep the peace and give all men and women some kind of a reasonable chance to get somewhere economically. Our declaration of principles affords the country the appropriate and necessary blend of short- and long-range remedies for inflation that will deal with the problem as well as prepare the foundation for sustained economic progress.

I thank the Chair.

Mr. PERCY. Mr. President, will the distinguished Senator yield for just a half minute?

Mr. DOLE. Yes.

Mr. PERCY. Mr. President, while Senator Javits is on the floor, I would like to pay great tribute to him and to the Senate Republican conference. Under Senator Javits' leadership, the conference last week adopted a set of economic principles that seize the initiative in combating inflation. Our statement says that, when dealing with inflation, the factors we have developed and unanimously approved, present a balanced economic program to the country. What is more, our program gets to the very root causes of inflation.

These principles were enunciated nearly a year ago by the Senate Republicans. They should have been implemented then. There was not any receptivity for them. Today I hope the country and the administration are far more receptive to these important anti-inflation steps.

Budget cutting is important. It is the very first of our principles. We intend to move toward a balanced budget just as we intend to limit the level of Federal expenditures to 21 percent of GNP. But we get to the heart and fundamental cause of inflation when we deal with productivity, capital formation, and incentives for investment. We must address the cooperative things that industry and labor must do together.

We should, for example, spur the creation of councils of labor and management to increase productivity, to work together to encourage capital formation and investment, to try to find ways to reduce scrap and rework and to reduce absenteeism. In short, we need to work toward reducing all those factors that contribute to cost but do not contribute to the value of a product. The distinguished Senator from New York is one of the great productivity experts in the Congress of the United States, if not in the country. I pay great tribute once again to the leadership he has exercised in pulling together this economic statement. I am proud to have worked with him on it.

Mr. JAVITS. I thank the Senator very much.

Mr. DOLE. Mr. President, let me join in the remarks of the distinguished Senator from Illinois (Mr. Percy) with reference to Senator Javits' leadership. It has been very helpful to all of those of us on the ad hoc committee. I believe that it offers a prescription for the American people and for the American economy. I hope that it would be noted not just by the administration but by those who seek the highest office in the land and those who seek to provide leadership in America.

Mr. BAKER. Mr. President, I have no further need for my time under the standing order. If there is any need for it on the majority side, I am happy to yield to the majority leader.

Mr. ROBERT C. BYRD. I thank the distinguished Republican leader.

Mr. President, I yield as much of my remaining time as the distinguished Senator from Virginia (Mr. Harry F. Byrd, Jr.), may require, and if I have a further request of my time I will take advantage of the requested offer.

The ACTING PRESIDENT pro tempore. The Senator from Virginia is recognized.

BUDGET MAGIC

Mr. HARRY F. BYRD, JR. Mr. President, last Friday President Carter performed a feat of magic worthy of Houdini.

He proposed a net spending increase of $2 billion over the budget proposal he submitted to Congress on January 28—and got credit for a $13 billion reduction.

The facts are these:

In the January budget document, the President proposed spending of $564 billion in the current year, 1980. Last Friday he raised this total to $569 billion, for an increase of $5 billion.

The January proposal called for spending $616 billion in 1981. The new figure for 1981 is $613 billion, for a cut of $3 billion.

An increase of $5 billion in 1980 and a cut of $3 billion for 1981 nets out to a spending increase of $2 billion.

Yet by adroit use of rhetorical mirrors, the President focused public attention on his proposed elimination of $13 billion in largely unspecified spending cuts for 1981.

No attention was paid to $10 billion in increases which he also projected for the coming year, offsetting all but $3 billion of his cuts. Nor did anyone notice the $5 billion spending boost for 1980.

The President also succeeded in publicizing the fact that his 1981 budget is now in balance. Or at least, so he claims.

In January, his 1981 budget had a $16 billion deficit. And his net spending cut for next year is $3 billion. So how did he achieve balance, if, indeed, it is achieved?

You guessed it—by projecting an $11 to $12 billion increase in taxes, largely due to inflation and proposing withholding of taxes on interest and dividends, picking up another $2 billion.

In addition, he is preparing an $11 billion gasoline tax.

The President's budget revision is totally inadequate. In no way will the President's proposal get spending under control.

I am proposing reductions of some $26 billion for 1981, many of which I have discussed in earlier Senate speeches. Moreover, I have under consideration several alternative combinations of proposals for further reductions which could be made as necessary.

There is no painless way to cut the galloping growth rate in Federal spending, with all its inflationary consequences.

Unfortunately, President Carter still seems to be seeking a politically painless path to getting inflation under control—using mirrors and rhetoric instead of meaningful cuts in spending.

It will not work, and the sooner the President recognizes that fact, the sooner we can get on with the deadly serious business of ending double-digit inflation.

THE EMBARGO IS FAILING

Mr. HARRY F. BYRD, JR. Mr. President, on January 4, President Carter, in response to the Russian invasion of Afghanistan, announced what initially appeared to be a tough policy restricting trade with Russia and the Warsaw Pact nations.

Events have shown that the tough words have not been implemented in policy.

For example, subsequent to the President's announcement, the Department of Commerce apparently gave formal approval to the shipment to Russia by an American company of a complete automated assembly line for making large diesel engines, possible for use in armored vehicles. Similar examples abound.

On March 10, Arnaud De Borchgrave published a valuable article in Newsweek which provides an excellent overview of the actual policies of the United States and Western European governments toward trade with Russia in the post-Afghanistan period.

Of particular interest is Mr. De Borchgrave's report that Yves Laulan, NATO's former director for economic affairs, is arguing that the Western countries are now "funding two defense budgets—their own and the Kremlin's."

The process of turning over wholesale to Russia and the Warsaw Pact nations advanced technology developed at great expense in the West should not be permitted to continue, notwithstanding profits earned by American and West European corporations.

I favor a total embargo on all trade with Russia and its military allies.

Mr. President, I ask unanimous consent that the article in Newsweek by Arnaud De Borchgrave and other material be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

The Embargo Is Failing

(By Arnaud De Borchgrave)

Soon after the invasion of Afghanistan, a Belgian industrialist asked his country's Foreign Minister, Henri Simonet, whether his firm should slow down its construction of a huge chemical complex in the Soviet Union. Replied Simonet: "No, keep going." In Paris two weeks ago, Dzhermen Gvishiani, a top Soviet trade negotiator and the son-in-law of Prime Minister Aleksei Kosygin, held three days of talks with French economic officials. Their decision: full speed ahead toward the goal of trebling Franco-Soviet trade by 1985.

The U.S. continues to hope that Western Europe will follow its lead in imposing economic sanctions on the Soviet Union as punishment for the invasion of Afghanistan. But the embargo on high-technology trade isn't holding. Recently, Lawrence Brady, a former U.S. Commerce Department export official, warned a Senate subcommittee that Western trade with the Soviet bloc would be back to normal within months. He is rapidly being proven right. Apart from a few token gestures—such as modest increase in the interest rate on Soviet loans—the allies have done little to hurt their commercial ties to Moscow. For France, among others, this business-as-usual approach is paying off handsomely. French companies are suddenly getting the Kremlin's nod on projects worth hundreds of millions of dollars. They may even land a $500 million deal for an aluminum smelter in Siberia that Alcoa froze because of Afghanistan.

To maintain the commercial connection with Western Europe, Soviet diplomats are courting politicians, labor leaders and journalists. Their message is that "a minor police action in Afghanistan must not be allowed to interfere with regional détente in Europe." The Soviets constantly play down the significance of Afghanistan, hinting that their occupation forces may withdraw if the country can be protected from "outside interference." That message was played again last week when Soviet President Leonid Brezhnev met with Armand Hammer, chairman of Occidental Petroleum, a U.S. company that stands to lose from a cut in East-West trade.

Proselytizing: With the exception of Britain's Margaret Thatcher, West European leaders are reluctant to do anything that would offend the men in the Kremlin. The Soviets are constantly proselytizing about the growing relevance of Soviet military power to Europe's future—and, by implication, about the growing irrelevance of American power. And trade with the Soviet bloc—a two-way flow that amounted to nearly $80 billion last year—is much more important to the economies of Western Europe than it is to U.S. business.

Soviet exports to West Germany, Russia's biggest Western trade partner, soared to $4.5 billion in 1979, up 28 per cent. West Germany gets 17 per cent of its natural gas from the U.S.S.R., along with 38 percent of its enriched uranium for nuclear power. Negotiations are under way between the Russians and a German consortium for a $12 billion natural-gas pipeline deal.

In addition to their economic stake in good relations with Moscow, West German leaders know that the Soviets might respond to an embargo by subjecting West Berlin to another squeeze play. "Berlin," said a high-ranking Common Market official, "is tailor-made for financial and trade blackmail." As a result, there are continuing talks on accords to improve West Berlin's physical links with West Germany—a package that will bring East Germany hundreds of millions of additional Deutsche marks. Plans call for widening and dredging East German canals leading into West Berlin to accommodate bigger barges, building an autobahn to connect Eisenach in the East with Bad Hersfeld in the West and improving rail service.

Since 1967, Western countries and Japan have signed about 2,500 industrial agreements with Soviet-bloc countries, including hundreds of "turnkey" plants. In the last seven years alone, the U.S.S.R. has bought $18 billion in capital goods—mostly for its chemical, power and automotive industries, which depend heavily on high technology. Western equipment is now producing 80 per cent of the Soviet Union's polyethylene, 75 per cent of its chemical fertilizer and 40 per cent of its cement.

Trucks and Engines: The Fiat-built plant at Togliatti turns out about half of Russia's automobile production. At the Kama River truck plant—erected with 130 U.S. licenses—the Soviets manufacture 150,000 trucks a year and 100,000 spare engines. Trucks and engines built in that factory are being used in Afghanistan.

All the policy planners and experts I talked to in recent weeks in European capitals concede that the West has contributed directly or indirectly to Russia's huge military build-up over the last ten to fifteen years. "There is no way the Soviet Union could continue to spend from 13 to 15 per cent of its GNP on the military without Western assistance," one Common Market high commissioner said privately. Where Western technology does not make a direct contribution to Soviet defense, Western trade and credits (now nearing $70 billion for all Eastern countries) have eased the burden on Russia's civilian sector and allowed Soviet leaders the latitude to allocate even larger resources to the military. To a man, Europe's intelligence directors have reported this to their political superiors. So why isn't anyone listening? Replies the Common Market high commissioner: "It is such an explosive subject that it has almost become taboo to talk about it."

Samuel Pisar, a prominent consultant on and advocate 'of East-West trade, concedes that Western technology is routinely examined by special KGB analytical groups to determine potential military usage. Pisar's disclaimer: "I simply don't believe that the Soviet military gets that much out of it."

Other experts take a grimmer view. Yves Laulan, NATO's former director for economic affairs and an expert on East-West trade, argues that Western countries now are funding two defense budgets—their own and the Kremlin's.

[From the News World, Mar. 14, 1980]

U.S. Pushes War Tech Sale to Soviets

(By Robert Morton and Ted Agres)

The U.S. Commerce Department has urged a New Jersey company to sell a multimillion dollar assembly line system to a Soviet factory with full knowledge that the equipment would be used to manufacture trucks and personnel carriers of the type used in the Soviet invasion of Afghanistan.

The transaction appears to represent a clear and dramatic disregard of President Carter's "tough" response to the Soviet attack on Afghanistan, in which sales and licensing of technology with military applications were banned.

A spokesman for Ingersoll Rand Corp. told The News World that its order for the assembly line system was first received last March, but following the Carter speech on January 4, the company checked with the Commerce Department to see if the sale would be affected by the president's ban.

"About two weeks ago," the Commerce Department gave the go-ahead for the transaction, the spokesman said.

The upshot is that the Soviets will be buying U.S. technology with American taxpayers' dollars supplied by the Export-Import Bank for use in its military effort to dominate Afghanistan.

Well informed sources, who asked not to be identified, said the Commerce Department went further than approving the sale to the Kama River factory. Officials actively encouraged the deal.

And they did so even after being regularly reminded of a December 10 briefing to a subcommittee of the Senate Armed Services Committee in which Undersecretary of Defense Dr. William Perry testified that the Kama River facility had the Soviet military as its prime customer, the sources said.

Ingersoll Rand could have collected insurance for a terminated contract with the Soviets only if the Commerce Department canceled its general license to export the partially completed assembly line system, the sources explained.

But despite the company's concern about completing the transaction in the aftermath of the Soviet invasion, Commerce Department officials urged Ingersoll Rand to proceed with the shipment of the system in September of this year, the sources said.

Furthermore, questions about the administration of Carter's suspension of the transfer of technology to the Soviets are being raised at a time when the president may just be learning of the continued sales of systems with military applications to the Russians.

"I'm concerned that the president is not being informed of the whole issue of the diversion of technology to the Soviets," said a U.S. Senate source who asked not to be identified.

Officials at the Commerce Department admitted that a great deal of confusion surrounded the issue of applying Carter's ban to individual transactions.

Gary Teske, an official in the Department's Bureau of East-West Trade, acknowledged that technology with military applications was included in the ban and that the Ingersoll Rand system could be used in the manufacture of military vehicles.

"But then again, you have to look at the fact that anyone in the world could sell the Soviets such a system," he said.

A spokesman for the Commerce Department, Dan Landa, told The News World that economic factors play a role in deciding what equipment will be exported.

"Part of the reason for it is these cost-benefit analyses," he said. "There is a very live and very significant position: If they're going to get it anyway, what kind of effective sense does it make" not to sell it to them?

"This is a big issue here," said an informed source at the Department of Commerce. "Some people have gotten fired because they disagreed with the decisions being made." He added that the battle over export policies is intense and is being waged "in the higher levels of the department."

"It's a hypocritical policy," he added, "when they tell other countries to cut off trade with the Soviets and we ourselves don't do it."

Lawrence J. Brady, a high-ranking department official who resigned his $50,000-a-year job last year after being demoted as a result of his controversial testimony to Congress that the department was not enforcing its own internal regulations, also criticized the handling of the Ingersoll Rand deal yesterday.

"Commerce is playing a word game," he said in reference to department officials' claim that the Kama River sale had been approved because it was not "high technology" requiring a validated export license.

He explained that "general license" technology such as the Ingersoll Rand assembly system for manufacturing V–8 diesel truck engines was also subject to President Carter's ban because it had clear military applications in the Soviet Union.

Ingersoll Rand Corp. sold a similar $6 million system to the Russians in 1972. A company official refused to disclose the cost of the current sale which was approved in March 1979.

The spokesman said the company had also sold "slurry pumps" used for pumping coal out of mines to the Soviets.

Asked if the company considered the sale in the best interests of the United States, he said, "We have no comment on that question."

[From the News World, Mar. 14, 1980]

U.S. Covers-up Illegal Soviet Computer Purchases

(By Ted Agres)

Washington.—The Soviet Union has been illegally obtaining sophisticated U.S. equipment, including computers and lasers with the full knowledge of the U.S. Commerce Department which has done little to stop the abuses.

A top-secret Commerce Department document details 16 cases of illegal transfers of technology from U.S. corporations to third parties who then sold the sophisticated equipment to the Soviet Union.

The Commerce Department covered up this information and withheld it from Congress, which last year was holding hearings on revising U.S. export regualtions according to one legislator.

"By covering this document up, and by not stating the truth before committees of this House or in official communications to its members, the Commerce Department was able to avoid congressional changes to basic legislation," said Rep. John Ashbrook, R-Ohio.

THIRD-PARTY TRANSFERS

Ashbrook made the document public this week by printing the full text in the Congressional Record. Included among the 16 case studies are illegal third-party transfers of such items as computers, computer parts, advanced electronic devices and even lasers going to major import organizations of the Soviet Union and its satellites.

"These importation organizations . . . service not only the plants at Kama River and Zil but the entire defense industry of that nation," Ashbrook charged.

"Oh my God! Did he enter it into the record?" exclaimed Dan Landa, a spokesman for the Commerce Department when asked to comment on the secret report.

"My reaction is that I'll have to hold off any comment as a spokesman for the department," Landa then said.

The Commerce Department has been accused by present and former employees, members of Congress and industry officials of putting business interests above the national security and defense needs of the United States.

The illegally diverted U.S. technology winds up in "plants that build ICBMs and their launchers, laboratories that develop new chemical warfare devices, and plants that are turning out the next generation of superweapons that the American public has yet to hear of," Ashbrook said.

The secret Commerce Department report lists the following U.S. technologies that were transshipped via third countries to the Soviet Union since 1974:

Sohpisticated electronic test equipment and analyzers manufactured by Hewlett Packard were furnished to a West German national, "knowing the intended illegal disposition."

Lasers were exported to a consignee in South Africa who "misrepresented the intended end use of the equipment and with the help of a West German national is believed to have reexported the equipment to the U.S.S.R."

Computers and related equipment manufactured by General Automation Inc., "was exported under a U.S. firm's distribution license to its subsidiary in the U.K." which in turn incorporated the U.S. equipment into its own equipment which it then reexported to Hungary.

In other cases the equipment was exported to the U.K. subsidiary which exported the computers to the Soviet Union under a demonstration license for exhibition there.

Technical information relating to integrated circuits manufactured by Intel Corp., one of the largest, most sophisticated electronics manufacturers in the United States, "was hand-carried to Austria with requisite license and diverted from there."

Precision laser mirrors "were misdeclared and exported to West Germany and Switzerland without the requisite licenses and diverted from there."

Sensitive magnetic recorders and other digital equipment manufactured by Texas Instruments were exported in 1974 by that firm "without the requisite license by placing it on a Polish vessel under charter to a Norwegian company."

"The equipment was transported to Poland and installed on a Norwegian vessel. The latter vessel, reportedly, was subsequently sold to the U.S.S.R.," the document states.

According to Ashbrook, "The covering up of valuable information such as that contained in this document represents an ace of great dishonor to our nation's best interests."

"Those in and out of government who opt for short-term profits in light of the impact of technology transfers either refuse to confront reality or exercise gross irresponsibility," Ashbrook charged.

S. Africa Seized Shipment of Soviet Tanks to Angola

Johannesburg.—Soviet battle tanks are churning across South Africa's deserts and plains, and the South African army is delighted.

Ten new T55 tanks, bristling with weapons, were seized when a French ship called at the Indian Ocean port of Durban last year to refuel.

Yesterday, they were being tested at a number of bases throughout South Africa. Col. Reg. Otto, commander of the School of Armor near Bloemfontein, said he was overjoyed when he took delivery of one of the tanks.

"Of course, I am very pleased," Otto said. "It's always good to learn about the enemy's weapons."

The story of how the South Africans acquired the tanks had been clouded in mystery until leaks in the press led the government arms corporation (Armscor) to confirm that the shipment had been seized last April.

An Armscor spokesman said the tanks and 165 tons of ammunition were unloaded "after arrangements with the captain of the ship following information that they were destined for Angola to aid the SWAPO [South West Africa People's Organization] movement."

He said the action was "not extraordinary but common practice in view of the prevailing situation such as the terrorist threat in northern South West Africa [Namibia]."

According to reports here, the tanks were loaded aboard the French ship Astor in Libya last March and were intended for former Ugandan dictator Idi Amin. The ship was still on its way to Uganda when the Amin regime was overthrown.

The Astor then headed back toward Libya, but it had to call at Durban to refuel. The cargo was unloaded and Armscor officials made out a receipt on the understanding they would pay for the tanks, the reports said.

Since then the tanks have been taken to several locations in South Africa and tested in varying climatic conditions in the central plains and desert regions.

Informed defense sources said the results of the evaluation would not be made public.

The T55 tank carries a crew of four and has a 100-millimeter gun as its main armament plus machine guns.

The tank, which is being tested near Bloemfontein, has been issued with South African license plates.

"Well, when you buy a vehicle you have to license it, don't you?" an army officer explained.

In Paris, the man who had chartered the Astor said yesterday that a French cargo ship he owns has been detained in a Libyan port since October in retaliation for the seizure of the tanks and ammunition.

Claude Vidil, said his freighter, The Rove, was anchored off Benghazi with five crewmen on board. "The Libyans say they will not allow it to sail until the South Africans pay for the arms they seized," he added.

He said the south African government offered $1 million for the equipment but the Libyans wanted $4.5 million and that his shipping company has begun legal action to force South Africa to meet the price asked by Libya.

[From the U.S. News & World Report, Mar. 17, 1980]

Russia's Secret Weapon: U.S. Technology

If they can't buy it, they steal it. One way or another, the Soviets are managing to obtain the American know-how and advanced equipment needed by their backward economy—and their military forces.

The Russians are using American technology to build up their war machine—and the U.S. can't seem to find an effective way to stop it.

For years this country has tried to bar sales to Communist nations of American products that could be turned to military use. President Carter recently added a temporary embargo on sales of any kind of high-technology equipment, regardless of its intended purpose.

But now it is becoming evident that such controls are not doing the job. The Soviets are continuing to obtain Western technology and know-how, not only for their technically backward industries but for their armies, as well.

Many militarily useful products slip through the export-licensing system—bought by Russia ostensibly for civilian use, then diverted to military ends.

That is only part of the problem. The Soviets are buying from other Western nations—including America's allies—much of the technology that they can no longer buy from the United States. What's more, they are stealing much of the American technology that they cannot buy.

This was brought out in a recent hearing by the Senate's Permanent Subcommittee on Investigations. Senator Henry M. Jackson (D-Wash.) cited a prediction made years ago by the Bolshevik leader, Nikolai Lenin, that sales-minded Western capitalists would "supply the rope" that Communism could use to hang the capitalist system.

That, said Jackson, is what is happening: "The United States and its allies have been selling the rope to the Soviet bloc. What we haven't sold or given away, they have stolen."

The record is full of examples supporting that charge. American companies sold more than 1.5 billion dollars' worth of equipment and information for the Soviets to build an immense truck factory on the Kama River. The trucks were supposed to be used in the civilian economy. When Russia invaded Afghanistan, however, its Army used trucks made in the Kama plant.

Russia's Zil truck complex, also built with the aid of American exports, is producing not only military trucks but missile launchers as well.

Two years ago, the Soviets bought navigation and electronic orientation devices from a U.S. firm, Litton Industries. The technology that came with that equipment is now being used to help Russian planes and ships track American submarines.

American and Japanese electronics, purchased purportedly for use in civilian air-navigation systems, have been converted to use in computers for missile guidance, filling an important gap in Soviet technology.

The famous Gorky auto works, reportedly run with U.S. computers and Japanese business machines, makes not only civilian cars and trucks but also amphibious assault vehicles and military trucks.

Precision ball bearings bought from Bryant Grinder Corporation of Vermont are said by Pentagon experts to have aided Russia in developing its MIRV missile.

Free for the asking. Sometimes Moscow doesn't ever have to pay for technology.

The Soviets apparently learned how to make wide-bodied jet airplanes without buying a single plane. They created a bidding war among three American firms. In their eagerness to win a lucrative contract, the companies handed over more and more details of their construction techniques. When the Soviets had all the information they needed, they called off the contract negotiations. Such planes are now on the proscribed list—but too late.

Russia played a similar game with West Germany to steal technology for making diesel locomotives. Saying they were eager to buy such locomotives, the Soviets sent experts to West Germany, ostensibly to learn how to service diesel engines. But they learned so much that they were able to go home and build their own locomotives.

Now, spurred by the Soviet invasion of Afghanistan, the Carter administration is engaged in an intensive search for ways to plug such leaks. Export-licensing procedures are to be tightened. Meanwhile, shipments under licenses already issued have been frozen and action on pending applications for licenses has been suspended.

But, American officials say, the U.S. by itself cannot effectively restrict the flow of technology to the Soviets. "We will need the support of our allies, and we expect their support," Defense Under Secretary William Perry told the Senate investigators.

Most allies have promised cooperation in curbing militarily useful exports to Russia. Yet, there have been numerous leaks of Western technology to Russia through companies of allied nations. Sometimes those sales by allies have been made at the expense of American firms that had been denied export licenses for sales of similar products.

In 1978, Carter vetoed the sale of a 7-million-dollar Univac computer to the Soviet News Agency, Tass. Last March the administration reversed itself and granted a new license to the American firm, Sperry Rand, which makes the computer. But by then the Soviets had bought an 18-million-dollar computer from a French company.

Another American firm, Cyril Bath Company, won a contract to sell the Soviets metal-forming presses. But its application for an export license was turned down because the presses conceivably could be used to make airplane wings. Three years later the company won a reversal of the export ban, arguing that the same presses were available from France. But by then the Soviets already had purchased the French presses.

Impact questioned. Many American experts question whether even effective bans on U.S. sales would have much immediate impact on the Soviet economy because so many other countries are able to supply substitutes for U.S. wares.

For example: Russia needs oil-drilling equipment. But, says Daniel Wallace, an international assistant vice president of Armco International, Inc., "Almost all the oil-field equipment the Soviets get from the U.S. is available from the Japanese, French, Germans or British or Rumanians."

American attempts to curb sales to Russia have created an international black market in technology that the Soviets exploit. Products sold to a non-Communist country are often re-exported to Russia or one of its satellites.

Exchange programs initiated during the years of American-Soviet détente have been turned into a one-way street for transmitting technological information and skills to Russia, with the U.S. learning virtually nothing in exchange.

Senator Jackson cited the case of a Russian exchange student who came to the U.S. to study the chemistry of fuel-air explosives. "In contrast," the Senator said, "American students go to the Soviet Union to study literature, history and economics."

Jackson also cited the "so-called businessmen" who come to the U.S. from Communist countries by the thousands. "Their usual style," Jackson related, "is to demand technologically detailed proposals of the U.S. firms with which they want to do business. Our companies are badgered into complying with the Soviets in the hope of exclusive, big sales. Typically, after getting the basic plans and technical information, the Soviet-block representatives agree only to a relatively small sale."

The Apollo-Soyuz space linkup in 1975 is mentioned by American officials as a good example of the inequality of technical exchanges between the Soviets and the United States. Many officials believe the Russians' main interest in that celebrated space rendezvous was to steal whatever they could in space know-how, particularly anything with possible military applications.

"The Russians' approach to space is like using a blunt instrument for brain surgery," said one American with the National Aeronautics and Space Administration (NASA). "There wasn't a single thing we could learn from them."

Why is the Soviet Union so backward in technology?

An answer given by European experts is this: The people in the Soviet Union are as gifted in mathematics, research and development as those in Western countries. But Soviet leaders have never tried to mobilize their nation's technological capacity. To do so would require reform of the centrally controlled economic system—and the Soviet leaders fear that more-liberal economic policies would weaken the Communist Party's political control. It seemed to them easier and safer to buy Western technology and put off reform. This also enabled the Soviets to concentrate on military rather than industrial technology.

Policy's cost. The Soviets are now paying the price for that policy. The technological gap between East and West has widened, and Communist countries are increasingly dependent on massive technological aid from the West to modernize their industry.

In recent years, roughly half of all Western exports to the Communist area were technologically advanced products, and another 20 percent were capital-intensive products. Sales of Western machinery and equipment to the Communist bloc have risen tenfold since 1965 and now exceed 10 billion dollars annually, with well over half of those shipments going to the Soviet Union.

According to the Commerce Department, what the Soviets want most to buy from the United States are chemicals, computers, semiconductors, business machines, automotive parts and manufacturing equipment, ball bearings and oil-drilling equipment.

From West Germany, the Soviets seek cameras and other optical equipment, timing devices, diesel locomotives and heavy construction equipment.

The Soviets look to Japan for steel-manufacturing machinery, oil-drilling equipment, timing devices, computers, automatic manufacturing controls, television and other electronic equipment, semiconductors and microconductors.

In formulating a new strategy to keep Russia from getting American technology, the Carter administration is beset by two conflicting arguments.

American manufacturers say that government curbs hurt them in competition with exporters abroad. They point to this nation's 34-billion-dollar trade deficit, which makes exports a high national priority. The Commerce Department estimates that 112 million dollars of sales to the Soviet bloc were lost because of export-license denials in 1979. American firms want the export-control procedures to be simplified and the rules clarified to make foreign sales easier.

On the other side, the Defense Depart- cannot be trusted to use American technol- ment contends that national security must be given higher priority than business sales—and that the technology-starved Soviet bloc ogy for civilian purposes only.

The problem is how to protect U.S. business without supplying the rope for Communism to hang capitalism.

Mr. HARRY F. BYRD, JR. Mr. President, I yield back the remainder of my time.

Mr. ROBERT C. BYRD. Mr. President, I yield such time to the distinguished Senator from Wisconsin as he may wish.

Mr. PROXMIRE. I thank the majority leader very much.

SPARK MATSUNAGA, THE SENATE DYNAMO

Mr. PROXMIRE. Mr. President, the junior Senator from Hawaii (Mr. MATSUNAGA), is an intelligent, vigorous and charming man. He has been in the Senate only a short time, but he has become one of the finest presiding officers this body has enjoyed. He is a convincing and entertaining speaker, and a very effective legislator.

Last Sunday, a nationally syndicated writer, Rudy Maxa, wrote a column about Senator MATSUNAGA that was carried by papers all over the country. I happened to read it in the Portland Oregonian. That article spelled out another fascinating aspect of the Matsunaga saga. It described what a bubbling fountain of endless energy SPARKY is. It told of the endless hours that Senator MATSUNAGA puts in on behalf of his constituents. It describes how he works 14 hours a day, sleeps far less than most of us human beings have to sleep, personally reads every letter that comes into his office, and takes so many of his constituents to lunch that he has developed a system of having soup with one group of constituents, the main course with a second group and desert with a third. The article describes how SPARKY personally takes many of his constituents on tours of every nook and cranny in the Capitol. Mr. Maxa starts off the article by calling him "Senator Stamina."

This is an eloquent tribute to a fine colleague and I ask unanimous consent that the article be printed at this point in the RECORD.

There being no objection, the article ordered to be printed in the RECORD, as follows:

[From the Sunday Oregonian, Mar. 16, 1980]

PEOPLE: ENERGETIC SENATOR DOESN'T LACK SPARK

(By Rudy Maxa)

WASHINGTON.—Call him Senator Stamina. When he's taking it easy, he'll leave Capitol Hill at 2 or 3 in the morning. Then it's a refreshing three or four hours of sleep before returning to his office.

One legend has it that Hawaii's junior Democratic senator, Spark Matsunaga, works skewed hours because of the five-hour time difference between Washington and Honolulu. Not so. He works long enough to embrace the business hours of both capital cities' time zones because millionaire industrialist Henry J. Kaiser once shared with Matsunaga—then a young territorial legislator—Kaiser's recipe for success.

"Ever since my 28th birthday," the founder of Kaiser Aluminum told Matsunaga 25 years ago, "I've never slept more than four hours a day. If you value your life, value your time, for time is the stuff life is made of."

Today the 63-year-old senator says that's why he works the 14-hour shifts that drove his Republican predecessor, Hiram Fong, to retire in 1976. A former boxer, Matsunaga says a half-hour of calisthenics in the morning and evening—including a bout with a punching bag in the basement of his Kensington, Md., home—keeps him trim.

"He's an indestructible, energetic sort of person," vouches Bill Cochrane, chief counsel to the Senate Rules Committee. Until Matsunaga came along, Cochrane was Mr. Late Night, but Cochrane says when he leaves work at 2 a.m. Matsunaga's car is still in the Senate garage—on weekends, too.

"I think maybe I'm too much of a perfectionist, maybe it's a fault," says Matsunaga, who insists on reading every letter that goes out from his office. That's a duty many other legislators delegate to their staffs. Another time-consuming habit Matsunaga has acquired: taking constituents to lunch. Every day. Several thousands a year. His annual lunch tab: about $15,000.

The Federal Election Commission and the Senate Select Committee on Ethics ruled Matsunaga may use campaign funds for those lunches as long as he intends to seek re-election. But the senator says the daily lunches at the largest table in the Senate dining room are more than savvy politicking.

"When I was in my second year in the House, there was an elderly couple from Maui of native Hawaiian ancestory," Matsunaga says. "The husband had just retired after 40 years with the Maui Pineapple Co., and the first place he wanted to visit was Washington."

Matsunaga says the couple had never left Hawaii, and a neighbor called to ask that he give them a few moments of his time. Matsunaga feted them, guided them around the Capitol and when he shook their hands in farewell, the man said: "Sparky, you know I work for Maui Pineapple 40 years. And 40 years I pay Uncle Sam taxes, and he no give me back nothing. But I no grumble. Uncle Sam today pay me all back."

That convinced Matsunaga he had a hit program on his hands, so today he's well-known as the senator who is happy to walk constituents around the Capitol before tying on the feedbag in the Senate dining room.

A few weeks ago three tables in the dining room were filled with Matsunaga constituents. The senator had soup at one table, the main dish at another and desert at the third. Then he picked up the tab and returned to his office for the last 12 hours of his workday.

PAY RAISE NECESSARY FOR MILITARY PERSONNEL

Mr. PROXMIRE. Mr. President, former Secretary of Defense Melvin R. Laird has accurately assessed the most serious personnel problem now facing the U.S. military establishment—declining real income. In an article titled "People, Not Hardware the Highest Defense Priority," he succinctly points out that while the Consumer Price Index has risen 75 percent since 1972, military pay has gone up only 51 percent. Thus, a military member has faced a 14-percent real decline in purchasing power.

With an evermore complex military system, both in its technological advances and its standard operational and maintenance procedures, there is a premium placed on the skills of the military member. Education and experience are essential to the efficient operation of our defense forces.

With inordinately low pay scales, however, many of these individuals are being forced, out of economic necessity, to seek other employment. This drain of skilled manpower may do more to lower our force level capabilities than the more highly visible lack of hardware.

It is time, therefore, for the Congress to approve a pay package for military personnel that will allow the retention of skilled personnel and provide for decent, fair compensation to our military families. The costs of such a program can be borne by efficiencies within the system—by a freeze on civilian hiring, for example, which would save over $1.2 billion in 1 fiscal year. There are many other examples of frills and luxuries that could be eliminated in order to place the proper emphasis on our military manpower requirements.

Mr. President, I ask unanimous consent that a summary of the Melvin Laird article which appeared in the Washington Post on March 10, 1980, be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Washington Post, Mar. 10, 1980]

The All-Volunteer Force—It's Time for a Big Pay Raise . . .

(By Melvin R. Laird)

Congress and the Carter administration should act now to drastically increase the pay and benefits of U.S. military personnel.

This action—more than any being proposed by the president to upgrade our defense posture—is necessary to restore the services to the effective forces that this nation demands and deserves. The All-Volunteer Force is beset with severe and growing problems of both quality and quantity. And these problems are directly attributable to our failure to keep military compensation comparable with the civilian sector.

In January 1973, one of my last acts as secretary of defense was to end draft calls. With that step, the United States embarked on one of the more important ventures in its recent history: we would endeavor to become the first nation in modern times to maintain a large standing military on an all-voluteer basis. It would make up about 2.5 percent of the labor force and rely completely on the equitable considerations of the competitive marketplace.

My confidence that this would succeed was based on the expectation that the president, Congress and the American people would honor a commitment to provide a meaningful standard of living and quality of life for men and women who volunteered, and for their families. We have reneged on this commitment.

Since 1972, the Consumer Price Index has risen 75 percent, while military compensation has risen only 51 percent. This means a decline of over 14 percent in purchasing power for all military personnel, and a decline approaching 25 percent for some enlistees in the lower grades. The average compensation for an enlisted person, including pay and benefits, currently is $9,900. That is 17 percent below the "lower" standard of living for a family of four as calculated by the Bureau of Labor Statistics. At least 100,000 and possibly 275,000 military families qualify for welfare payments. (Many who qualify are too proud to apply; they leave the service instead.) Military commissaries take in over $10 million a year in food stamps.

A few concrete examples are even more shocking. An E4 plane handler on the nuclear carrier Nimitz, deployed to the Indian Ocean during the Iranian crisis, normally works 16 hours a day, or about 100 hours per week. He handles the F14 aircraft, which costs $25 million, and helps operate a $2 billion ship. Yet he makes less per hour than a cashier at McDonalds, lives below the poverty level, is eligible for food stamps and probably has not seen his wife and child for six months. A chief petty officer on that same ship with 17 years' service makes the same salary as a janitor on union scale and puts in twice as many hours.

It is little wonder, then, that the services last year fell short of their recruiting goals by 25,000 people. They have experienced qualitative as well as quantitative shortfalls. Nearly 50 percent of all male volunteers tested mentally in the lower half of the U.S. population. Five years ago that figure was 32 percent.

Yet recruiting is only half of the military's personnel dilemma. Retaining qualified people after their first, second and third enlistments is an acute problem and will get worse unless remedial action is taken. The services have been losing over 75 percent of those completing their first enlistment since 1976. About 30 percent of males enlisting do not even complete the first term.

To restore our defense readiness and meet our commitment to the All-Volunteer Force concept, I propose the following specific actions:

An across-the-board 17 percent pay increase for all military grades to make up for the loss in purchasing power since 1972.

Legislation indexing increases in military pay to increases in the Consumer Price Index.

A mandate that pay levels be applied to all forms of compensation—basic pay, housing allowance and subsistence (food). Presently, a portion of an increase may be applied to housing or subsistence, and basic pay does not increase by the full amount.

Separation, or decoupling, of the computation of military pay from that of federal civil service workers. The demand for jobs in the federal civil service far outweighs the supply, and civil service workers generally are not subject to long hours of unpaid overtime, frequent moves and family separation.

A variable housing allowance keyed to actual housing costs in the local area, and a crash program to build more military housing. Government housing is available to only 20 percent of the enlisted force; it should be available to 50 percent.

Reimbursement to military families for the full cost of their moves. The present entitlement is 10 cents per mile, the actual cost is about 21 cents per mile.

Special skill pay to enlisted and officer ratings where shortfalls are expected—narrowing the gap, for example, between what an enlistee receives and what he or she could earn on the outside in areas such as computer programming.

Improved medical benefits and coverage, which have been reduced for dependents.

An increased bonus to $5,000 (now $2,500) for joining the combat arms, and indexing future increases to the CPI.

A cost-of-living allowance for all personnel stationed overseas, even if they live in military barracks.

These initiatives will be expensive—several billion dollars per year. But the amount will be offset to some degree through decreased costs of recruiting and training. More important, we will have taken some necessary steps toward restoring and maintaining our required military capability.

The United States must provide these individuals and their families with a quality of life commensurate with the sacrifices we demand from them. The primary ingredient in providing that quality is competitive pay and benefits.

RATIONALIZED BANKING

Mr. PROXMIRE. Mr. President, a week and a half ago, a House-Senate conference committee completed work on legislation that would significantly restructure the U.S. banking system and strengthen greatly the Federal Reserve System's power to control monetary growth.

An editorial in the March 24, 1980, issue of Business Week points up the importance of the banking reform bill that the House and the Senate will be considering shortly.

We have gone to conference on the bill and the conference report should be available for our consideration within the next few days. The changes, especially those that sharpen the Fed's control over monetary policy, take on even greater urgency given the severe inflation the Nation faces.

The Business Week editorial is must reading as we address these problems. I ask unanimous consent that the editorial be printed at this point in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Rationalized Banking

The new banking reform law that Congress negotiated on Mar. 6 strikes a long overdue balance in the U.S. financial system. It dismantles the controls on interest paid to savers and ends the bizarre system under which banks and thrifts in seven states were allowed to pay interest on checking accounts while those in the 43 others were not. It also strengthens the Federal Reserve's power to control money growth by permitting the Fed to require reserves against any checkable deposit at any institution.

Taken as a package, the law constitutes a long step toward a uniform system of full-line financial institutions, subject to effective control by the Federal Reserve. The recent exodus of banks from the reserve system—primarily to avoid the cost of maintaining reserves—should end now. Eventually, the Fed could control deposits at some 40,000 financial institutions—against the 5,600 banks it now regulates.

Competition among the various institutions will also intensify, and the public should benefit as a wider range of services is offered. Congress and the federal regulatory agencies, however, will have to accept the fact that the weaker institutions will have to merge with stronger partners. And the surviving institutions will have a management problem. When Marriner Eccles was chairman of the Fed, he used to say: "There are 14,000 banks in the U.S., and there are not that many bankers in the world." The number of bankers undoubtedly has increased in the last 30 years, but 40,000 financial institutions will need a lot of management.

(Mr. HARRY F. BYRD, JR., assumed the chair.)

FORGET GENOCIDE?

Mr. PROXMIRE. Mr. President, on March 5, the New York Times printed a short, powerful editorial on Cambodia. The statement urges us not to forget the atrocities of the Pol Pot regime. I would like to quote the first paragraph of that article:

> The leaders of the Khmer Rouge, who ruled Cambodia from 1965 until Vietnam invaded a year ago, want the world to forget their barbarous past. If the Vietnamese are to be expelled, they say, the West must join China and help. Their new "prime minister," Khieu Samphan, declares from a hideout in Cambodia: "If we talk about the past we will never, never finish."

Samphan's reasoning is absurdly weak; for mere political expediency, he asks us to disregard the monstrous deeds that have been perpetrated. But how can we forget that 3 million people died? The Khmer Rouge's past atrocities must surely influence our present views and actions.

The Times editorial spotlights Samphan's twisted reasoning to argue against military aid for these tyrants; I do it for another purpose. The ominous point I wish to raise is that Samphan's questionable logic is too often accepted at its face value. He wants us to believe that past abominations should not bear on the present. This is obviously false.

Senate inaction on the Genocide Convention seems to reflect this same misguided reasoning. The Senate appears to consider the treaty a relic intended to censure past incidents that no longer occur or matter today. Certainly, discussion of past horrors has not resulted in ratification of this treaty. The Khmer Rouge asks us to forget past atrocities, but our inaction is worse for it implies that we have forgotten not only the Cambodians but also the Armenians, the Jews, and the Ugandans.

When we consider the Genocide Convention we must think of the future as well as the past. If we know anything, we must realize that genocide is not an isolated historical occurrence. The Genocide Convention is a direct result of the premeditated, planned murder of millions of Jews by Hitler during World War II, but genocide occurred long before Hitler sought to fulfill his grim "final solution" to the Jewish problem. Tragically, proven cases of genocide have occurred since the time of Hitler. Eighty-three countries around the world have realized that genocide can and does still occur and have therefore ratified the Genocide Convention.

Why have we not? Every President since Harry Truman has called on us to ratify the Convention. For all the dismay and disgust we may feel for this heinous crime, we have done nothing.

Past inaction is inexcusable, but we do have a chance to redress our failure. We in the Senate can vote to ratify the Genocide Convention. That treaty is a highly visible symbol of our repugnance for genocide's inherent contempt for a group's basic right to life.

Mr. President, the last sentence of the New York Times editorial reads:

> The Vietnam puppets who replaced (the Khmer Rouge) are no bargain either, but they have not been so monstrous as to have purged the memory of what went before.

Far from purging our memory, the incidents in Cambodia should graphically remind us that the possibility of genocide still exists today. We cannot forget. We must act. I strongly urge my colleagues to ratify the Genocide Convention now.

I ask unanimous consent that the text of the New York Times editorial be printed in the Record.

Mr. PROXMIRE. Mr. President, I thank the distinguished majority leader, and I yield the floor.

Mr. ROBERT C. BYRD. Mr. President, I yield such time as he may require of the time under my control to Mr. Helms.

Mr. HELMS. Mr. President, I thank the distinguished majority leader. I shall not be long.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Forget Genocide?

The leaders of the Khmer Rouge, who ruled Cambodia from 1975 until Vietnam invaded a year ago, want the world to forget their barbarous past. If the Vietnamese are to be expelled, they say, the West must join China and help. Their new "prime minister," Khieu Samphan, declares from a hideout in Cambodia: "If we talk about the past we will never, never finish."

What we are not supposed to talk about is the death of a million Cambodians—and probably many more. Helping these brutal men, who now acknowledge some "mistakes," is said to be the only way to punish Vietnam for its aggression. But there has to be a limit to geopolitics.

The terrifying Pol Pot is still party boss and military chief of the Khmer Rouge. In power, his gang beat "intellectuals" to death with sticks. They tortured, shot, dispossessed and starved their people. They turned cities into ghost towns. These jungle patriots, who now say the West needs them as they need the West, are mass murderers. Their promises of elections and a new civility have to be taken as worthless. The Vietnamese puppets who replaced them are no bargain either, but they have not yet been so monstrous as to have purged the memory of what went before.

TRIGGER PRICE MECHANISM FOR IMPORTED STEEL PRODUCTS

Mr. HELMS. Mr. President, on February 25, Korf Industries released a position paper supporting continuation of the trigger price mechanism for imported steel products.

The trigger price mechanism, or "TPM," is a price list covering 32 steel product lines. The prices are established using Japanese cost data and are presumed to represent the lowest average production costs in the world. Imports sold below trigger prices are monitored by Customs and may "trigger" a dumping investigation in the absence of data justifying the transaction.

Korf Industries, Inc. of Charlotte, N.C., is the parent organization to five steelmaking or steel-related subsidiaries: Midrex Corp. (Charlotte); Korf Technologies, Inc. (Charlotte); Georgetown Steel Corp. (Georgetown, S.C.); Georgetown Texas Steel Corp. (Beaumont, Tex.); and Nachman Corp. (Des Plaines, Ill.). Combined, these companies represent a total employment of approximately 3,500 people and sales of close to $500 million.

The Korf position paper acknowledges that the system needs improvement, but urges the Government to keep the TPM in effect even if antidumping petitions are filed as threatened by several large domestic steel producers.

In response to suggestions by U.S. trade officials that the Government may abandon TPM in the event such petitions are filed, Korf maintains that threatened action by a small number of steel producers should not be allowed to dictate national trade policy and observes that continuation of the TPM is of vital importance to other segments of the industry.

The TPM was adopted to prevent dumping and unfair pricing in an industry characterized in 1977 by worldwide excess capacity and slack demand. According to Korf, those conditions have not changed and suspension or termination of the TPM would soon result in a recurrence of the severely depressed markets of 3 years ago.

The paper observes that there are no policy reasons that would require termination of the TPM if the threatened petitions are filed. On the contrary, it points out that simultaneous consideration of antidumping complaints and continuation of the TPM are mandated by Congress as a matter of trade policy. The TPM has been accepted by the world community as an efficient, moderate enforcement tool aimed at the illegal dumping of steel products and is preferable to outright restrictions.

While Treasury may have lacked the staff to administer the TPM and investigate antidumping complaints, the Department of Commerce which now has this responsibility since the 1979 Trade Act has been granted sufficient manpower for this purpose.

Termination of the TPM would endanger the economic viability of many producers who have highly cost efficient operations but lack the large producers' capacity to shift in and out of diverse product lines.

While Korf supports the TPM, the paper specifies significant areas in which it could be improved. Currency relationships between the yen, dollar, and European currencies have resulted in significant distortions of trigger prices during a period when significant inflationary pressures have confronted the domestic steel industry.

Mr. President, the Korf position paper sets forth convincing arguments for continuation of the trigger price mechanism for imported steel products. I ask unanimous consent that it be printed in the RECORD at the conclusion of my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE TRIGGER PRICE MECHANISM FOR IMPORTED STEEL PRODUCTS

INTRODUCTION

The Trigger Price Mechanism ("TPM") was adopted by The Treasury Department in January, 1978, in response to sharply depressed conditions in the domestic steel markets caused in substantial part by a "global slump in steel demand and the substantial excess capacity in the world steel industry [which] led to aggressive exporting by foreign steelmakers, in particular those in Japan and the European Community (EC) countries." [1] These market conditions were exemplified by imported wire rod which had sold for as much as $24 cwt during the 1974 steel shortage, but had fallen to $9.50 cwt by 1977, well below the costs of the most efficient domestic or foreign producers.

Unable to recover its costs in this pricing environment despite modern, efficient production facilities, Korf Industries Inc. ("Korf"), a producer of wire rod, filed an antidumping complaint against French imports in September 1977. This petition was followed by numerous additional complaints by large and small steel companies covering a wide range of steel products estimated to have been imported in volumes up to $1.7 billion in 1976. According to the Solomon Report, those nineteen separate petitions were "an unprecedented number with respect to a single industry within so short a time frame." (Report at 20.)

It has long been recognized that individual industry petitions under the Antidumping Act are an inefficient and cumbersome method of dealing with the dumping of many different product lines from many producing countries (e.g., exportable wire rod is produced in thirty-two nations). To meet the growing demand for effective action, Treasury established the Trigger Price Mechanism ("TPM") to provide the basis for government initiation of antidumping investigations. Under the TPM, an investigation is initiated whenever imported steel is sold at less than the cost of production (plus a capital charge) in Japan, generally the most efficient non-U.S. producer, if the importer cannot demonstrate that the import price was equal to or greater than fair value.[2]

After the effective date of the TPM, Korf and the other petitioning companies were urged to, and did, withdraw their pending complaints to give the Treasury staff the opportunity to fully implement the new system. (See Solomon Report at 18.)

Following the TPM phase-in period, most foreign producers exported to the United States at trigger level prices rather than attempt to justify prices by the fair value test, thus demonstrating the pervasiveness of the dumping that prevailed prior to the TPM. As a result, competition in the domestic markets moved from the destructive conditions of 1977, when even the most cost effective producers absorbed debilitating losses, to a more normal competitive market environment where innovative, technologically advanced companies could survive.

The Solomon Report contemplated that the TPM would remain in place until the consumption of steel caught up with the excess production capacity and the pricing practices of nations that export steel to the United States returned to normal patterns.[3] However, the world economy has not expanded to absorb that capacity; there is still an "overhang" of excess steel production capacity; and orders suggest a substantial decline in demand for steel products in the United States. In this context, Korf believes the TPM continues to be a rational trade policy response to the need for regulation aimed at avoiding unfair pricing in an industry that competes in world markets characterized by foreign government subsidy and price maintenance programs, cyclical trends and continued excess capacity. While it is apparent that the erratic currency fluctuations which have occurred in recent years, particularly between the Yen and the Dollar, have distorted the trigger prices by keeping them lower than cost increases in an inflationary economy would suggest, the TPM, with adjustment in the trigger prices, clearly remains essential to avoid a recurrence of the conditions that existed in 1977.

Based on the conviction that the steel market conditions in 1977 required government action, and that those conditions would return if the TPM were eliminated, Korf has taken the position since early 1978 [4] that the TPM is consistent with and indeed enhances free trade objectives by addressing the problem of dumping pursuant to the provisions of a statute in effect for more than fifty years and which is consistent with international codes. Unlike quotas, voluntary restraint arrangements or orderly marketing agreements, the TPM gives every efficient producer—domestic or foreign—an opportunity to increase sales and profits by product and productivity improvement, innovation and creative marketing. Quotas and other tactics aimed at reducing imports, tend to create in the domestic markets many of the monopolistic and unfair trade practices the Antidumping Act is intended to prevent. Thus, while the TPM can and should be improved, it should not be replaced.

In recent months, however, widespread press reports indicate that some of the nation's largest steel producers have threatened to bring antidumping claims against European producers of a wide range of steel products. These threats have persisted despite the oft stated position of Treasury that the TPM could not, because of resource limitations, be administered simultaneously with the investigation of major steel antidumping claims. Moreover, the press accounts suggest that the threats of these large producers are intended to encourage government assistance in the form of import, tax and pricing relief. While Korf supports the latter two objectives, it opposes quotas and similar market restraint systems and submits that:

(a) Threatened action by a small number of steel producers should not dictate national trade policy—particularly the TPM that affects all steel producers;

(b) Simultaneous consideration of antidumping complaints by several industry members and continuation of the TPM is both feasible and desirable as a matter of trade policy;

(c) Termination of the TPM as a result of antidumping complaints would endanger many of the electric furnace producers which are generally among the most technologically advanced and efficient in the industry; and

(d) Any deficiencies in the TPM can be readily cured by administrative action—not by termination.

A. United States Trade Policy Regarding the TPM Should not be Determined in Reaction to Threatened Unilateral Action by the Largest Producers.

Should the TPM be discontinued if negotiations with these steel producers fail and significant antidumping complaints are filed? [5] Is it necessary, appropriate or fair to formulate policy having dramatic consequences for the steel industry because of unilateral actions taken by large producers? The TPM was designed to prevent less than fair value pricing of imported steel mill products sold in competition with those manufactured by a large number of domestic companies. The TPM was not adopted solely to address the difficulties of a few large producers and it should not be abandoned solely because those companies consider it inadequate to address their concerns. If it is, the entire industry will be subjected to the uncertainty of negotiations between government policy makers and some of the industry's less efficient producers.

Korf also believes that if actions taken by a few steel producers result in the termination of the TPM, the effect may well be to restrain trade or tend to create a monopoly because of the adverse impact of less diversified producers. For example, the large integrated producers which compete with Korf in the manufacture and sale of wire rod have the flexibility to direct their production capacity to avoid or even take advantage of market distortions caused by quotas or other market restraint arrangements. However, companies such as Korf, which efficiently compete in a few product lines so long as there are no unnatural restraints on competition, would be severely if not permanently injured because of the inability to shift production objectives. Such an environment discourages innovation and the entry of new, efficient producers.

The TPM is aimed at dumping; not relief from import competition. The TPM's value has been tested and proven in the past eighteen months, not as a vehicle to reduce imports per se, but rather to relieve the domestic market of the effects of predatory foreign pricing practices, government subsidization of many foreign producers, and price fixing policies such as the Davig-

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non Plan in the European Community. While not originally perceived as a permanent remedy, the TPM was always intended to have a duration coterminous with the conditions that led to its adoption. Since those conditions have not changed and cannot be expected to change in the near term, the TPM should remain in force.

B. The TPM Can Be Administered Simultaneously with Antidumping Investigations.

It has been universally acknowledged that the TPM reserves all rights under the Antidumping Act to any company that continues to experience injury. The availability of "traditional" remedies and the utilization of normal procedures in government initiated cases were, in fact, important arguments in defense of the TPM in *Davis-Walker Corporation* v. *Blumenthal,* 460 F. Supp. 283 (D.D.C. 1978).[6]

However, since adoption of the TPM, it has been the public position of Treasury that the TPM could not be administered simultaneously with wholesale investigation of antidumping claims because of resource limitations—and not because of any legal or policy contradictions between the procedures. For example, at a White House Briefing on December 7, 1977, Under Secretary Solomon stated:

"We would not put the vast resources required into both systems, having to individually analyze, send Customs people all around the world to analyze every one of these massive anti-dumping cases and at the same time also run a system like this. It would make no sense."

At that time, of course, there were nineteen antidumping cases pending, many more than those currently threatened.

It is clear from the Report that Under Secretary Solomon expected that the pending steel antidumping cases would be withdrawn, because:

"Implementation of the trigger price mechanism should result in a substantial elimination of the injury the steel industry claims it is presently suffering due to sales of imported steel below its 'fair value.' This should, in turn, eliminate the need for the domestic steel companies to file new antidumping complaints and encourage them to consider the prompt withdrawal of the petitions now under investigation. *The internal resources of the Treasury Department required to operate the proposed trigger price system would make it difficult simultaneously to carry on numerous full scale dumping investigations.* The system is intended to provide all concerned with constant, current information on price trends and, thus, to permit prompt investigations of violations." (Emphasis added.) (Solomon Report at 18.)[7]

The Report also makes this observation:

"Furthermore, the anticipated increase in the share of the market supplied by the domestic industry should make injury allegations harder to prove. Nevertheless, it would be open to the affected U.S. industry to pursue the traditional remedies under the Antidumping Act if that appeared appropriate." (Solomon Report at 18.)

These observations make it clear that there is no policy or theoretical inconsistency between administration of the TPM and processing of privately initiated antidumping cases. As a matter of fact, during the last year and a half Treasury initiated four steel antidumping cases where sales below trigger were revealed by customs invoices. If government initiated cases are consistent with the TPM (in fact they are an essential ingredient of that system) it is apparent that privately initiated claims are similarly consistent.

The lack of any policy contradiction between the TPM and investigation of privately initiated claims should not, however, obscure the self-initiation obligations of Commerce under § 732(a) of the Trade Agreements Act of 1979. In commentary on this provision, the Committee on Ways and Means pointedly restated its firm "intent that the authority [self-initiation] provided in Section 732(a) is to be exercised. Any regulation relating to its use is not to become a dead letter."[8] Korf believes that the TPM is the most efficient vehicle by which this mandate can be fulfilled. If the TPM is abandoned because of the filing of private petitions, Commerce would be put in the position of either finding other means to self-initiate investigations or failing to fulfill its mandate under the Act, since administrative burdens are clearly not a permissible rationale for refusing to exercise the authority under both § 732(a) and § 732(b). Korf maintains, therefore, that is necessary and proper to view the TPM as an essential supplement to private petitions brought under § 732(b) and that the two are clearly not mutually exclusive.

Treasury was reluctant to staff the Office of Tariff Affairs with sufficient personnel to administer adequately the Antidumping Act and the other import trade laws. This reluctance is known to have been one of the factors that led to the removal of antidumping and countervailing duty administration to Commerce. Moreover, the Treasury unwillingness to administer both the TPM and private claims developed at a time when staff resources were necessarily expended on developing the new procedures. Now that the TPM has been in operation for two years, most implementation problems have been resolved. Under Reorganization Plan No. 3, the administering staff in Commerce will be expanded substantially. While it has not yet finished filling these staff positions, it is obvious that Commerce will soon be far better equipped to administer the statutory responsibilities under the trade laws than Treasury was. In the unlikely event that staffing proves insufficient, additional resources should be requested.[9] There is absolutely no reason for Commerce to adopt the previous Treasury position against simultaneous processing of privately initiated claims and the TPM on the basis of a few threatened private claims.

It is also important that Commerce consider significant new provisions in the Antidumping Act that bear on the investigation of complaints. First, upon acceptance of a petition there is an automatic review by the International Trade Commission ("ITC") to determine whether there is a reasonable indication of injury; a decision that must be reached within forty-five days. If the ITC determines that there is no reasonable indication of injury, then the proceeding is terminated.[10] Accordingly, the filing of an antidumping petition does not automatically mean that a full scale investigation must be undertaken by Commerce. Secondly, the Antidumping Act, as amended, now contains important new provisions for the termination or suspension of investigations[11] which raise the possibility of resolving a complaint without reaching a final determination.

In these circumstances, continuation of the TPM even if dumping cases are filed by several major producers would not result in the resource commitment that might have been predicted before the 1979 amendments to the Act and before the transfer of administration to the Commerce Department. Moreover, Korf believes that the continuation of the TPM will encourage restraint on the part of other steel producers in the filing of petitions,[12] whereas elimination of the TPM will inevitably lead to a flood of claims. The antidumping procedures continue, however, to be lengthy and inadequate as a remedy for widespread dumping practices and too costly for many small producers. Elimination of the TPM would, therefore, create political pressures to substitute other forms of relief such as quotas, orderly marketing agreements or voluntary restraint arrangements as an alternative to enforcement of the Antidumping Act.

Those alternative forms of relief would likely result in retaliation or opposition by foreign governments as inconsistent with the General Agreement on Tariffs and Trade ("GATT") or other international obligations. The TPM was in place during the final stages of the Multilateral Trade Negotiations ("MTN") and was clearly—if tacitly—acknowledged as compatible with the International Antidumping Code and similar obligations by our trading partners.[13] In contrast, no agreement was reached on safeguards during the MTN. Without such a code, it would appear impractical as well as inappropriate unilaterally to initiate quotas or similar market restraint systems that are both inequitable and an inadequate response to the type of trade conditions that preceded the TPM and are likely to follow its termination.

Quota systems are inequitable because they are aimed at restraining imports rather than deterring unfair pricing practices. Because they are usually more efficient, the limited line companies can effectively compete against the multi-line giants as long as the market is not restrained or artificially manipulated. Under a quota or similar system, normal market activity by importers will be replaced by "cream skimming" (selling only in select, high return, product lines), and product downgrading, both of which can result in substantial, selective market foreclosure. Because the largest producers have product diversion flexibility, quotas have the same adverse effect on competition as a combination among oligopolistic competitors. Whereas the TPM is designed to eliminate restraints on trade, quotas would merely substitute one form of restraint for another.

Moreover, under quotas the price competition for the highest value added products would have a cascade effect, depressing prices of each of the lower grades seriatim. It is also likely that foreign producers would abandon marketing strategies in favor of long term contracts with domestic steel product consumers at very favorable prices. This trend would deny access to those consumers by domestic producers and result in severe competitive disadvantages to consumers not favored by such conracts. Again, while the horizontally integrated domestic mills would have to be positioned to shift product mix in response to these practices, the limited line domestic producers would not have such flexibility.

While market restraint systems do have the advantage of economic predictability, they are clearly less likely to encourage innovation and efficiencies than the TPM. Under quotas, for example, new producing facilities in countries with comparative efficiencies would be discouraged by lack of market access elasticity; under the TPM all producers can compete for the available market limited only by the trigger price or, if their prices are lower, the need to demonstrate that the home market price and costs of production are equal to or less than the price at which that product is imported into the United States. Quotas, which are invariably tied to historic trading patterns, discriminate against new, efficient producers in countries without a history of steel trade with the U.S., particularly the less developed countries.

Finally, the TPM is administratively superior to a quota system. While quarterly adjustment and constant import flow price monitoring are required, the system is in place and functioning. The only additional

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Footnotes at end of article.

regulatory burden is the investigation of those cases where sales below trigger are not justified during the informal TPM procedures. This effort pales in contrast to the administrative structure that would be necessary to police a widely based quota system.[14] It takes little imagination to anticipate the time and effort required to negotiate and implement orderly marketing agreements or quotas and the subsequent coordination required to ensure enforcement in every customs district.

In summary, the TPM is an innovative response to the problems of cyclicality and excess capacity that currently plague the world steel markets. The alternatives are not likely to ameliorate those problems as efficiently as the TPM and, indeed, have the potential to exacerbate them. Commerce should not, therefore, give serious consideration to the termination of the TPM.

C. Termination of the TPM as a Result of Antidumping Complaints Would Be Detrimental to the Electric Furnace Producers.

Prior to 1977, Korf was confronted with circumstances in which predatory dumping of wire rod by foreign producers resulted in market conditions which, had they continued, would soon have led to insolvency. This would have been ironic since Korf then and now operates two of the most technologically advanced, cost efficient plants in the world. This comparative advantage was of little avail, however, in a marketplace where prices were set without regard to costs. The TPM has permitted Korf, only over the past 18 months, to sell its production at prices that permit it to remain viable. If the TPM is maintained and improved to permit periodic adjustment reflecting real cost increases, the program will provide sufficient incentives to Korf and other electric furnance producers to maintain and improve production capability. This opportunity will be reversed, however, if the TPM is terminated in the near future.

The worldwide capacity overhang in wire rod has shown no signs of significant abatement. Reports indicate that in the European Community alone, capacity (fifteen million tons) exceeds projected consumption by more than five million tons or significantly more than the total United States consumption of non-captive rod in any recent year. Much of this capacity is controlled by the major integrated companies which often receive significant state subsidies and benefit from officially sanctioned domestic price fixing arrangements. In other regions, new capacity is being added with the United States as the primary market target. Finally, new capacity is being added in the United States by electric furnace manufacturers that are unrelated to the large integrated producers.

So long as systematic dumping is restrained by the TPM, Korf has every confidence that it can—by virtue of efficiency and quality—compete for the available market with domestic and offshore producers. Absent the TPM, however, the capacity overhang described above—particularly when combined with foreign subsidy practices—will clearly revive dumping of wire rod in the United States as it did in 1977 and earlier. Such a pricing environment would, once again, threaten the economic viability of limited product line, but modern and efficient, producers such as Korf. More certainly, it would make imprudent the continued capital expenditures necessary to maintain the competitive edge these producers have struggled to achieve.

It seems quite likely, therefore, that the protected impact of the termination of the TPM on Korf is not unique: most other comparable steel producers would be likely to experience the same consequences. These producers are not calling—at least publicly—for an abandonment of the TPM, nor are they threatening the government with antidumping claims. Their interests, and the negative ramifications that would flow from TPM termination, must be given strong consideration in developing steel trade policy.

D. The Principal Deficiency in the TPM Can and Should Be Cured by Administrative Action.

Published information indicates that there are two criticisms of the TPM: first, that import levels cannot be predicted and, second, that the trigger prices are too low. Korf does not accept the first, contending instead that market shares (including those of imports) should be determined by competition moderated only by restraints on dumping. Predictability can only be achieved by quotas or market sharing arrangements which in the end are likely to be counterproductive. Korf agrees, however, that the trigger price calculation does not always fairly represent full Japanese costs and that there is inequity in permitting higher cost producers in Europe and elsewhere to benefit from Japanese cost efficiencies.

The uneven effect of currency fluctuations on the trigger prices is demonstrated by the following table of the base cost factor from which those prices are calculated.

Quarter	Base wire rod trigger price	Cost base ($/MT)	Yen per dollar	Flexibility band adjustments (percent)
1st, 1978	$265	$331.54	240	
2d	265	331.54	240	
3d	280	351.33	226	
4th	294	363.12	215	
1st, 1979	315	399.59	187	3.0
2d	315	383.94	197	1.2
3d	311	375.97	212	1.8
4th	311	378.86	217	2.0
1st, 1980	321	378.63	227	4.0
February 1980			240	

Note: The base trigger price is increased by ocean freight, handling, interest and insurance which vary according to the port of entry.

Analysis of this table demonstrates that the currency fluctuations of the Japanese Yen, which increased 22 percent against the dollar in 1978 and then decreased 21 percent in 1979, has had a disproportionate influence on the establishment of the cost base for determining trigger prices. For example, the cost base for March 31, 1980, is 5.25 percent less than the cost base on January 1, 1979, a period in which the U.S. domestic inflation rate will have exceeded 15 percent. This trend in the level of the cost base required Treasury to utilize the "flexibility band" in setting trigger prices for that period to moderate the fluctuations.

Korf believes that currency distortions resulting from increased oil prices or other factors peculiar to the Japanese economy should be factored out of the trigger price calculation, particularly since the failure to do so has principally benefitted the European producer. Yet the trend of European currency valuations during 1978 and 1979 are quite different from that of the Yen, and had they been part of a base cost determination would have yielded opposite results, as the following table indicates:

Quarter	Deutsche mark/dollar	French franc/dollar	British pound/dollar
1st, 1978	2.08	4.66	0.52
2d	2.01	4.59	.54
3d	2.08	4.58	.54
4th	1.97	4.36	.51
1st, 1979	1.85	4.26	.50
2d	1.89	4.37	.48
3d	1.81	4.23	.45
4th	1.76	4.13	.47
1st, 1980	1.74	4.07	.43

This table demonstrates, for example, that the 21 percent decline in the Dollar value of the Yen in 1979 substantially distorts the cost base for the TPM as it applies to European producers whose currencies in the case of Germany, France and the United Kingdom rose 12 percent, 6 percent and 9 percent respectively.

Thus while Treasury utilized the flexibility band of 5 percent to moderate erratic Yen fluctations, this action has been inadequate to stem criticism that the trigger prices are too low or, more importantly, the cost base has fallen in recent quarters while inflation has accelerated. Nor does it deal with the charge that the TPM has increasingly sanctioned European sales in this market at less than fair value. The proper resolution of this criticism, however, is not termination of the TPM, or establishment of a complex multi-tier cost base, but rather improvement of the calculation and adjustment methodology so that international currency movements (influenced as they are by petroleum, military activity and other factors) do not destroy the efficacy or credibility of the system.

Korf supports the TPM calculation changes recommended by the American Iron and Steel Institute. Korf further submits, however, that the best answer to economic or currency fluctuations in Japan is already inherent in the TPM. The 5 percent flexibility band is simply too small to respond to sharp changes in currency valuation and other factors affecting the Japanese economy. The 5 percent discretionary trigger price adjustment was arbitrary at the time it was established and two years experience with the TPM clearly demonstrates that a wider flexibility band is required. Korf recommends that the flexibility band be increased to 20 percent and that certain stated criteria, such as currency fluctuation and comparative cost data from large producing countries in Europe, be cited as data upon which the exercise of discretion within the 20 percent range will be based.

The foregoing change would cause no fundamental structural change in the TPM as it is currently administered and should alleviate the complaints of the large domestic steel producers without imposing questionable and untried import barriers, antagonizing our trading partners, or incurring new legal challenges as to statutory authority.

FOOTNOTES

[1] Report to the President, A Comprehensive Program for the Steel Industry, Anthony M. Solomon, Chairman, Task Force and Under Secretary of the Treasury, December 6, 1977 (herein "Solomon Report") at 9.

[2] Canadian producers have been able to demonstrate that prices below the trigger price for various steel products were neither less than the home market (*i.e.*, Canadian price) nor the cost of production, which are the normal measures of fair value under the Antidumping Act.

[3] "This system of resolving issues of unfair trade practices on an accelerated basis is designed to address the specific problems which now exist with respect to steel imports. An expansion of the world economy in future years will gradually eliminate the 'overhang' of excess steel production capacity. As a result, pricing practices in world markets will return to more normal patterns and the need for a special program for dealing with import prices will recede." Solomon Report at 20.

[4] See Testimony of Roger Regelbrugge, President of Korf, before the Subcommittee on Trade, Committee on Ways and Means, U.S. House of Representatives, January 25, 1978.

[5] Korf believes that Commerce and the Customs Service would be required as a matter of law to follow the Administrative Procedure Act notice and rulemaking procedures prior to a decision on termination of the TPM and would take such action as may be

necessary to assure that such procedures are followed.

[6] After Davis-Walker brought suit against Treasury and other agencies to set aside the TPM, Korf intervened on behalf of the government—the only steel company to do so. Following discovery and argument, Summary Judgment was granted in favor of Secretary Blumenthal and Korf.

[7] This point was restated by Under Secretary Solomon in the White House Briefing: "What we are saying is this: That if this faster administrative arrangement works to remedy injury much more successfully than the individual cases brought under normal arrangements, then obviously if the injury is remedied then we would assume and I think the industry would assume as well—that there would be no point in bringing the regular antidumping suits in the normal way. That is all that means."

[8] Trade Agreements Act of 1979, Report of the Committee on Ways and Means, U.S. House of Representatives, House Report 96–317, July 3, 1979, at 59.

[9] Executive Associate OMB Director Harrison Wellford stated at a White House Press Briefing on January 2, 1980, that: "we need to have a strong accountable trade policy process . . ." as a result of the MTN. Resource availability should not, therefore, be a problem.

[10] See 19 U.S.C. § 773. Prior to the effective date of the Trade Agreements Act of 1979, preliminary ITC determinations were made only when requested in those cases where Treasury had a substantial doubt of the existence of injury.

[11] 19 U.S.C. § 734.

[12] In this connection, 19 U.S.C. § 771(4) defines the "industry" which must be injured as "the domestic producers as a whole of a like product, or those producers whose collective output of the like product constitutes a major proportion of the total domestic production of that product."

[13] According to the Solomon Report, the TPM was viewed by Treasury as consistent with "the international obligations of the United States under the General Agreement on Tariffs and Trade and the International Antidumping Code." Report at 17.

[14] While quotas have often been utilized in the past, they have not been initiated on the magnitude necessary to provide an alternative to the TPM.

Mr. HELMS. I thank the distinguished majority leader.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator.

Mr. President, do I have any time remaining?

The PRESIDING OFFICER. The Senator from West Virginia has 4 minutes.

Mr. ROBERT C. BYRD. I yield it to the distinguished Senator from Michigan (Mr. Levin). He may need more time than the order allows.

RECOGNITION OF SENATOR LEVIN

The PRESIDING OFFICER. Under the previous order, Mr. Levin is recognized for not to exceed 15 minutes plus the 4 minutes given to him by the distinguished majority leader.

Mr. LEVIN. Mr. President, I first want to thank the distinguished majority leader for yielding me 4 minutes. There are a number of Senators who wish to speak on this subject this morning.

ANATOLY SHCHARANSKY

Mr. LEVIN. Mr. President, it is unfortunate that we continue to have reason to come to the floor to call attention to continued Soviet Government oppression of the rights of individuals in that country, and specifically to the continued incarceration of Anatoly Shcharansky, one of the leaders of the Soviet Jewish movement until his arrest 3 years ago.

On February 27, we spoke of the concern for the health and safety of Anatoly Shcharansky and entered a letter from Ida Milgrom, Anatoly's mother, into the Record.

However, today in commemmoration of the third anniversary of Anatoly's arrest, I would like to call my colleagues' attention to what appears to be a new development in Soviet diplomatic treatment of human rights matters. According to the State Department, and to my own personal experience, I believe the Soviet Government now refuses to accept letters on behalf of individuals in that country or dealing with human rights policy in general.

In the past, letters which we have sent to the Kremlin on behalf of individual refuseniks, prisoners of conscience dissidents have been accepted by Soviet officials. When letters were delivered by American Embassy officers, Soviet diplomats accepted them. When letters were sent through the mail, we received receipts demonstrating their acceptance. And when Members of Congress have personally delivered letters to the Soviet Embassy in Washington, the letters had been accepted.

However, in recent weeks, we have found that these normal channels have not worked. The Soviets have refused to accept letters personally delivered to the Kremlin by American consular officials. They have returned mail sent to the Kremlin without opening it. And, last Friday, when Congressman Robert Drinan and I tried to deliver a short letter on behalf of Anatoly Shcharansky to the Russian Embassy, First Secretary Boris Davydov refused to even read the letter before giving it back to us.

Although he did not read the letter, he told us that the letter was another attempt by the American Government to meddle in the internal affairs of the Soviet Union.

Father Drinan and I tried to emphasize the humanitarian aspects of this situation and suggested that human rights was not an internal matter, especially in light of the fact that the Soviet Union has signed the Helsinki Final Act. Because Anatoly's imprisonment, confinement, and separation from his family is a direct violation of the Helsinki Final Act, which Anatoly worked so hard to monitor until his arrest on March 15, 1977, his safety and health is an international matter, and will be until he is able to live in Israel with his wife, Avital. Yet Davydov remained stubborn in his insistence that he would not even read the letter we sought to deliver to him.

Mr. President, I ask unanimous consent that that letter be printed in the Record at this point.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Washington, D.C.,
March 14, 1980.

Anatoly F. Dobrynin,
Ambassador, Embassy of the U.S.S.R., Washington, D.C.

Dear Ambassador Dobrynin: On the occasion of the third anniversary of the arrest of Anatoly Shcharansky, we take this opportunity to urge you take such measures as may be necessary to ensure his early release. The incarceration of Mr. Shcharansky continues to be a concern of many Americans. Any efforts on your part to influence a decision leading to Shcharansky's release would be viewed as a significant humanitarian gesture.

We would appreciate your response to this request.

Sincerely,

Carl Levin,
U.S. Senate.
Robert F. Drinan,
Member of Congress.

Mr. LEVIN. Mr. President, the apparent new policy of the Soviet Union with respect to messages from Members of the American Congress, and possibly other diplomatic messages, represents a further step away from responsible diplomacy.

For years, letters to Soviet leaders have been one of the ways Members of Congress have expressed the personal feelings to the Soviet Union. We have written on behalf of individuals, we have written alone and we have written jointly. Now, it seems that this method of communications has been closed. I hope that it is a temporary disruption. But in the meantime, we must continue, with more vigor than ever, to use whatever channels which remain to make the Soviet Government aware of our continued concern. And I am glad that a number of Senators have chosen to be here today to demonstrate the depth of their concern. There is no more basic freedom than the right to act, profess and practice religion according to one's personal beliefs and conscience. Yet for Anatoly, and hundreds of thousands of oppressed Christians and Jews in the Soviet Union, those freedoms, which were guaranteed by the Helsinki Final Act are mere dreams.

And while Anatoly dreams about his freedom from his jail cell, Avital fearlessly keeps up the battle, traveling around the world and urging supporters to continue to fight for her husband's freedom. Most recently, she has written of the struggle in a book, "Next Year in Jerusalem."

Many of us have met Avital and know of her devotion to her husband and his freedom. Her leadership has been an inspiration to all who have worked to see justice served in the Soviet Union.

Anatoly is in prison today not because of any crimes he committed. He was arrested because he was a dynamic leader of the Soviet Jewish movement to guarantee rights of emigration. He was a key figure and founding member of the Committee for the Implementation of the Helsinki Agreement, a group which is commonly referred to as the Helsinki Watch Group. Through his work, we learned about the repeated noncompliance of the Soviet Union with the Helsinki Final Act. The Soviet Union ratified this agreement, yet there is no evidence that the Soviet Union has taken its commitment seriously. When we look at the case of Anatoly Shcharansky, and the case of Andrei Sakharov, and the cases of the Soviet Pentacostal families, the Vashchenkos and the Chymkhalovs, who have lived in the basement of the American Embassy in Moscow for almost 2 years.

We must wonder whether the Soviet Union will ever live up to its Helsinki promises and stop the repression of individuals and grant its citizens the fundamental rights which are essential for human life.

Because the Soviet Union has been blatant in its violent disregard for the concepts, principles and practices set forth in the Helsinki Final Act, it is incumbent upon the United States to focus attention on these violations and press for implementation at the Madrid Conference on Security and Cooperation in Europe, which is coming up in August of this year. We cannot allow the Soviets to avoid the issue as they did in 1977 at the Belgrade Conference. They must face up to compliance with international human rights standards. For if the United States and other nations which honor and respect basic freedoms, allow the Soviets to continue to disregard their international agreements there will not be much hope that we will not have to be here next year and in the decade ahead to make the same types of statements.

We hope that instead of us being here, urging Anatoly Shcharansky's release next year we can celebrate the fact that Anatoly will be in Jerusalem, with Avital. But even if he is safely there, we must continue to speak out so that others who are suffering harassment, persecution and imprisonment because of the exercise of human rights in the Soviet Union will continue to know that we are behind them. Our appeals cannot end. If the Soviets will not read our letters, our voices will have to be louder so that they will have to hear.

Mr. ROBERT C. BYRD. Will the distinguished Senator yield?

Mr. LEVIN. I am happy to yield.

Mr. ROBERT C. BYRD. Mr. President, I congratulate the distinguished Senator for taking the Senate floor at this time to call attention to the facts with reference to Anatoly Shcharansky.

Mr. President, March 15, marked the third anniversary of the arrest of Anatoly Shcharansky by Soviet authorities. He has been behind bars for 3 years, with little contact with his family or friends, his health failing under severe conditions.

What is Anatoly Shcharansky's supposed crime? Why do some Soviet authorities apparently fear him so much? And why has the spotlight of public attention from outside the Soviet Union continued to shine on Shcharansky?

Shcharansky is a Jew. He sought to emigrate to Israel. As required by Soviet law, Shcharansky applied for an exit visa in 1973. His request was denied, on grounds that he had access to classified information. He continued to seek to emigrate, particularly after his wife was allowed to go to Israel in 1974. He became an activist in the Jewish emigration movement. In 1976, he helped to organize a committee to monitor Soviet compliance with the human rights provisions of the Helsinki agreements. He was arrested in 1977—guilty of what?—guilty of nothing more than challenging the Soviet authorities to live up to their obligations under Soviet law and to live up to their obligations under international agreements.

Shcharansky is feared by some Soviet authorities because of his courage and tenacity. He continued to speak out in spite of constant harassment and intimidation. He provided leadership and inspiration to others. He was imprisoned as part of an effort to silence dissent.

Shcharansky has attracted world attention because he has become a symbol of the universal human aspiration for personal freedom. Through the unceasing efforts of his wife, Avital, and other members of his family, the plight of Anatoly Shcharansky has struck a responsive chord in the consciences of people around the world, of various political convictions. The movement to free Anatoly Shcharansky is not a political movement, but a human movement. The faceless victims of repression around the world have been given a name—Anatoly Shcharansky.

It is not my intention to interfere in the internal affairs of the Soviet Union. However, Anatoly Shcharansky is reported to be seriously ill. Releasing him on humanitarian grounds and allowing him to join his wife in Israel would be an act of great international significance.

In private correspondence with President Brezhnev and Ambassador Dobrynin, I have pressed for compassionate consideration for Mr. Shcharansky and other hardship cases held by the Soviet authorities. On this highly symbolic anniversary, I publicly renew my suggestion that Mr. Shcharansky be released on humanitarian grounds. This gesture on the part of the Soviet authorities could contribute to improving the climate of relations between the United States and the Soviet Union, relations that have been so severely strained by recent events.

Mr. President, I thank the distinguished Senator for yielding.

I again commend the Senator.

Mr. LEVIN. Mr. President, I thank the majority leader for his comments. I congratulate him on his leadership in this fight.

Mr. President, I ask unanimous consent that a statement of Senator RIEGLE be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY SENATOR RIEGLE

I join my colleagues today in commemorating the third anniversary of the arrest of Anatoly Shcharansky. He has become a symbol in the struggle for human rights by Soviet Jews, and that is the "crime" that he now pays for behind cold prison walls in the Soviet Union.

Anatoly Shcharansky's plight has received world-wide attention. Thousands of appeals have been made to the Soviet Government to allow Shcharansky to join his wife in Israel. To date, these appeals have fallen on deaf ears, and Mr. Shcharansky languishes in failing health and is virtually removed from all contact with the outside world. Even the regular visits of his family have been disrupted and letters are not delivered.

Anatoly Shcharansky must be released, if we are to believe that the Soviet Union pays more than lip service to the concept of human rights. Our effort has been condemned by the Soviet Union as interference in their domestic affairs. I maintain, however, that any nation which expects to benefit from membership in the world community, must subscribe the basic elements of human decency and justice. The Soviet Union signed, in apparent good faith, the Helsinki accords, and we have very little evidence that this commitment will be honored by the Soviets.

Shcharansky will remain the symbol of the spirit of oppressed peoples around the world. He has faced all adversity with forthrightness and courage, regardless of personal risk. We will continue this vigil until he gains his freedom, and I hope that our words will somehow reach and give him encouragement.

● Mr. DECONCINI. Mr. President, I express my sincere respect and admiration for a young man whose determination and perseverance in the face of tremendous adversity are a great inspiration to all. I am referring to Anatoly Shcharansky, prominent Soviet dissident and human rights advocate. He is only 32 years old, and during his short lifetime has endured numerous hardships difficult for free people to comprehend.

As many of my colleagues are aware, March 15 marked the third anniversary of Anatoly's unlawful arrest. Three years may not seem like a long time to those of us who enjoy the fundamental freedoms of religion, thought, and conscience. However, 3 years can be an eternity in the life of a man who is not only completely isolated from the outside world, but whose punishment is the result of his deep compassion for the suffering of others.

Like so many Soviet Jews, Shcharansky's deep-rooted desire to live in his cultural homeland, Israel, has been consistently denied. Not only has Shcharansky remained relentless in his pursuit of his constitutional right to live where he chooses, but, more importantly, he has waged a tireless and courageous effort on behalf of all Soviet citizens who have been restricted, deprived and often imprisoned merely because of their legitimate plea to emigrate.

As Shcharansky became actively involved in the human rights movement in his country, as he became increasingly aware of the injustices evident in the totalitarian Soviet society, and as he became more outspoken about the inequitable treatment many of his fellow citizens endured, Soviet authorities responded with irrational and severe pressure—eventually leading to his arrest on March 15, 1977. Shcharansky was allegedly charged with "treason," was unlawfully tried, and ultimately sentenced to 13 years in prison.

Punishment without crime is an outrage to civilized society. Though Shcharansky's tragic fate has long been known, and the Soviet Government's actions condemned throughout the free world, it is crucial that his cause be kept alive.

Above all, it is important to remember that Shcharansky's plight is not unique. Many Soviet citizens have met similar fates. Shcharansky now lives in a harsh labor camp for no legitimate reason; his health is rapidly deteriorating; his spirit and sense of dignity have been nearly destroyed. Each day that Shcharansky is deprived of the freedom he so justly deserves should be a reminder of the individual, cultural, and religious repression that unfortunately exist in our world. His willingness to fight for social justice at the expense of his own freedom must never go unnoticed.

Anatoly Shcharansky's final words at his trial are eloquent testimony to the ordeal he has endured for so many years. Mr. President, I ask that his statement be printed in today's RECORD.

The statement follows:

ANATOLY SHCHARANSKY'S CLOSING STATEMENT

In March and April, 1977, during the preliminary interrogations, those conducting the investigation warned me that in view of the position taken by me during the investigation, the one which I have maintained during the course of this trial, I will be likely to be given the death sentence or, as a minimum, 15 years of confinement. I was told that if I agreed to collaborate with the KGB in order to destroy the Jewish emigration movement, then I will be given a short sentence, quick release and even the possibility of joining my wife.

Five years ago, I applied for a visa to Israel, but now I am further than ever away from the attainment of my dream. It might appear that I must have regrets about what has happened. But this is not so. I am happy. I am happy that I have lived honestly, in peace with my conscience, and have never betrayed my soul, even when I was threatened with death. I am happy that I have helped people. I am proud to have known and to have worked with such honorable, brave people as Sakharov, Oriov, Ginzburg—they who are continuing the finest traditions of the Russian intellectuals. I am happy that I can be a witness to the redemption of the Jews in the USSR. These absurd accusations against me and against the whole Jewish emigration movement will not hinder the liberation of my people. My dear ones and friends know how I wanted to exchange activity in the emigration movement for a life with my wife, Avital, in Israel.

For more than 2000 years the Jewish people, my people, have been dispersed. But wherever they are, wherever Jews are found, each year they have repeated: "Next year in Jerusalem." Now, when I am further than ever from my people, from Avital, facing many arduous years of imprisonment, I say, turning to my people, my Avital: Next Year in Jerusalem!

And I turn to you, the court, who were required to confirm a predetermined sentence: to you I have nothing to say.●

Mr. LEVIN. Mr. President, I yield the remainder of my time to my friend from Massachusetts.

The PRESIDING OFFICER. The distinguished Senator from Massachusetts (Mr. TSONGAS) is recognized.

Mr. TSONGAS. Mr. President, this week marks an important anniversary in the Soviet dissidents' fight for freedom. It was 3 years ago this week that Anatoly Shcharansky was incarcerated by Soviet authorities on charges of treason, espionage, and anti-Soviet agitation.

Anatoly Shcharansky is just one example of the hundreds of Soviets who have been exiled, imprisoned, or arrested because of their beliefs. In 1979, the Soviet Government sentenced or was in the process of sentencing 161 individuals who openly discussed their views on human rights.

Mr. President, we must demonstrate our continued deep concern for the plight of these prisoners of conscience. We must support Mr. Shcharansky as he continues to serve as one of the Soviet Union's leading spokesmen for the most basic of human freedoms—the freedom of speech and the freedom to travel to the country of one's choice. Mr. Shcharansky is only attempting to extol the policies mandated by the Helsinki accords, of which the Soviet Union is a signatory. The Final Act of the Helsinki accords stipulates that these freedoms be granted to all citizens.

As I am sure my colleagues know, Anatoly Shcharansky is currently serving a 13-year term at hard labor. His original sentence required that he be maintained at the Chistopol prison until March 15, and then be transferred to a hard labor camp. As of this morning, he had not yet been moved. I have learned, however, that this transfer can take as long as 2 months and is a most arduous journey. Considering Mr. Shcharansky's poor state of health, I appeal to the Soviet authorities to allow him to remain at the Chistopol prison. I also ask that he be given the medical treatment he so desperately requires before any attempt is made to move him.

Mr. President, we cannot allow ourselves to forget the gross injustices that this man has so courageously fought. The United State must intensify its pressure on the Soviet Union to gain the safe release of Mr. Shcharansky and allow him to emigrate to Israel, where his wife, Avital, now resides.

I again urge President Carter to protest the incarceration of Anatoly Shcharansky at the highest possible levels of Government and in the strongest possible terms. I again ask the Soviet Government to honor the Final Act of the Helsinki accords. We cannot forget those who continue to give up their lives in the name of freedom.

Mr. President, the Soviet Union, as the President knows, is actively in competition with the United States in trying to sell, if you will, its system in the Third World. I hope that those countries around the world which look at various systems and have to make up their minds which approach they prefer, will look at the case of Shcharansky and understand what a totalitarian regime is all about. Though there may be some problems with the democratic process, it is indeed, over the long term, the best guardian of human rights.

I thank the Senator from Michigan for yielding me time.

Mr. LEVIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, on Saturday, March 15, Anatoly Shcharansky celebrated a tragic anniversary, alone—so far as we know—in his cell, marking the third year since the Soviet authorities had arrested him in Moscow.

Since then, he has had to face alleged charges of treason, what really is an illegal 15-month detention, incommunicado, a 5-day trial, closed to family and friends, where he was denied the right to call defense witnesses—an elementary right in any civilized society—and a 3-year imprisonment up to now, with the tragic prospects of another 10 years in a Soviet labor camp.

This young man, 32 years of age, already has undergone a lifetime of suffering, and that suffering continues, even as his health deteriorates under the pressures of prison life.

The crime of which Anatoly Shcharansky can stand accused by Soviet authorities is not the crime of treason. The President of the United States, President Carter, has denied any relationship with Shcharansky that would warrant any such charge with the United States or its authorities or representatives. Rather, as one observer noted, his crime lay in the fact that Shcharansky "spoke the truth and he spoke it in English."

Shcharansky was a founding member of the Moscow Helsinki group and quickly became its spokesman. He was also one of the most dedicated defenders of human rights in the Soviet Union. It is clear that he risked his own life and his prospects for emigrating to Israel to speak out on behalf of those in the Soviet Union who could not speak for themselves.

The unique thing about him now—and I speak as a lawyer—is that his one persistent goal was to insure that the Soviet Union abided not by some other laws, but by its own laws and its commitments under international law, such as the Helsinki Agreement. Just to abide by its own laws—that is all he asked, and that is all the Helsinki group sought; because those laws, in context, provide the kind of rights which would allow Shcharansky to be out on the streets as a free man, equally free with any other Soviet citizen.

It was because he spoke out against the defiance and, indeed, the complete disregard by the Soviet Union of its own laws and the sanctity of its own legal commitments to its citizens that Shcharansky must now spend 13 years in prison, isolated from family and friends, treated like a common criminal by the society which he has struggled so long and so hard to improve.

Mr. President, we have made a great deal of the Shcharansky case, only because it is so symptomatic of the thousands upon thousands of other cases and of the attitude of the Soviet Union toward the rights of its citizens and toward its own responsibility to abide by its international pledges to respect those rights.

Shcharansky represents the plight of the hundreds of thousands of Jews in the Soviet Union in effect imprisoned in their own country and denied the most basic right of all—to live where that person chooses.

Shcharansky represents the plight of

those Jews in the Soviet Union who have increasingly become the object of anti-Semitic attacks both officially and unofficially. He represents the hundreds of other human rights activists who are now sitting out long prison sentences and many who have only recently been arrested for speaking out against the injustice of those same imprisonments.

Why do we speak, Mr. President? We speak because we know from experience that the Soviet Union hears us and millions upon millions of Soviet citizens who are looking for some small improvement in their own lives hear us also.

We know that the constant, outspoken, public expression of concern and outrage by the body of world opinion will have an effect.

Shcharansky's fate is no longer the subject of front-page headlines. Indeed many may have forgotten that his situation has not changed. But we cannot allow the world to forget Shcharansky nor the hundreds and thousands of courageous Soviet citizens exactly like him who only ask for some attention and understanding from the world.

Now in particular, Mr. President, when the lines of communication between our country and the Soviet Union, the two superpowers, are threatened because of the Soviet aggression against Afghanistan, we must stress again and again to the Soviet authorities that our concern for the fate of these individuals and groups has in no way lessened and that an improvement in United States-Soviet relations depends as much on how the Soviet Union treats its own citizens as on how it treats other nations and the citizens of other nations.

Mr. President, the Soviets may pretend not to hear, but they do hear. Their actions on other occasions indicate that they do hear. We must never relent on this issue.

Mr. President, it is most regrettable that this cannot be a day when we drink to liberation. It must, unfortunately, be a day when we drink to determination, the determination that we will not cease in this struggle for this exemplar of the fate of so many highly patriotic Russians, who seek only the dignity of their own country and the assurance that it will obey its own laws. We must serve notice on all of mankind that we cannot allow such injustice, even though wreaked by a regime on its citizens, to go unrequited, because if we do we shall suffer and millions upon millions of others will suffer the same fate. If we are to keep it from being imposed on a world which is all too susceptible to such tyranny, it will only be because we never cease our protests which serve to remind both us and men and women everywhere that injustice rules in the wonderful and mighty land of the Soviet Union which has fallen into this abyss of deep injustice and indeed barbaric cruelty to its own citizens.

ALLARD K. LOWENSTEIN

Mr. JAVITS. Mr. President, at this very moment a memorial service is taking place for Allard K. Lowenstein, a fellow New Yorker and a former Member of the other body.

Mr. President, I have known Allard Lowenstein for a long period of years. He was a unique individual, deeply involved in causes for the defense of freedom and for obtaining freedom all over the world.

The New York Times in a news story on March 16 said of him in its first paragraph:

> In apartments around the city yesterday, and in places as remote as Oslo and Nairobi, the friends Allard K. Lowenstein had made in his dozens of causes gathered to seek comfort from one another and mourn the activist's murder in his law office the day before.

Mr. President, his life was all too short, but he tried to use it with deep devotion to what he considered to be the causes of freedom at home and abroad. His tremendous energy and tremendously active soul made no distinction between white and black, between different creeds, between different countries. He saw the cause of freedom as being universal.

I did not always agree with Allard Lowenstein, and indeed, on occasion, very strongly disagreed with some of the positions he took, but I cannot refrain from paying tribute to a man who tried to make the world a better one according to his vision, with deep sincerity and a dedication to the fundamental objective of the beautification of the individual personality—probably the finest aspiration of man.

Mr. President, it is a sad and tragic case for those of us who were his friends. I might say, to give one idea of how pervasive was his influence, my son, Joshua, a lawyer now, not then, took a great fancy to his friendship with Allard Lowenstein and, while he may or may not, just like I did not, have agreed with everything he did, he felt so deeply about the incandescent, flaming spirit of this man, with his vision of universal justice and universal freedom, that he had the deepest regard and affection for him.

When I speak today, I speak both for my son and myself and for all who touched this luminous and incandescent personality. He has had a tragic end. This could happen to anyone, Mr. President. All of us are very fortunate who live out our lives under normal circumstances in these highly tumultuous times. But in the time that providence gave him he used every minute to great advantage for the benefit of all men and women in the world who thirst for liberty and who thirst for justice.

My wife and I and our children extend to his family and to his friends our most profound condolences.

Mr. PERCY. Mr. President, will the Senator yield on that point?

Mr. JAVITS. I yield.

Mr. PERCY. Mr. President, I should like to commend the distinguished senior Senator from New York for his depth of feelings on this matter.

I was privileged to know Al Lowenstein. He had a wide range of friends, including former Secretary of Defense Don Rumsfeld, who held views that were certainly not consistent with those of Al Lowenstein. Yet his spirit, his fervor for life, and his dedication for what he believed in then prompted Don Rumsfeld to admire him, as did all his other friends.

I think we can all learn from someone even though we might disagree with him. The fervor and devotion to pursuing his ideals, objectives, and goals provided an inspiration for all of us.

I join in deeply regretting the tragedy that has brought about this sudden end to a brilliant career, and I join with my distinguished colleague in the Senate in extending my deepest sympathy to his family.

Mr. HATFIELD. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. HATFIELD. Mr. President, I thank the Senator from New York for yielding.

I would like to commend Senator JAVITS for bringing to the attention of the Senate in such eloquent fashion the contributions made by and the inspiration Al Lowenstein's life represented.

I happen to have worked with him during the time of the so-called antiwar movement, in which he was a very key person and a key figure.

As one recalls, that movement was a mixed bag, so to speak. You had people who committed irresponsible acts of violence, who carried out their expressions of opposition in a manner that was reprehensible.

There were others, who were of the same voices, who tried to maintain a role of dissent that was dignified, effective, and strong, and Mr. Lowenstein was such a person. He was one whom we would call a leader in expressing his views in an effective, articulate way, always shunning the easy cliche or the efforts some made to overdramatize the war in terms of violence and public demonstrations.

It was always a great stimulation to be in his presence and to listen to his eloquent defense of his position.

It was a great privilege to have known him, and I consider it a personal loss, having known him, to have his life snuffed out at this early time when he had many years more of productive service to render to his Nation.

I am just pleased that the Senator gave us all this opportunity to pay tribute to a great American.

Mr. JAVITS. I thank my colleague very much.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a period for transaction of routine morning business, that it extend not beyond 30 minutes, and that Senators may speak therein up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMEMORATING THE ARREST OF ANATOLY SHCHARANSKY

Mr. DOLE. Mr. President, earlier today there was a colloquy between Senator LEVIN, Senator JAVITS and others with reference to the arrest of Anatoly Shcharansky.

Three years ago, on March 15, Anatoly Shcharansky was arrested, and is serving a 13-year term in labor camp.

His health is deteriorating as a result of prison conditions. That once vigorous young man has been suffering from severe headaches and vision problems. It would be difficult to not be moved by the thought of his young life withering away at an age when he and his wife Avital ought to be building for the future and raising a family, a dream that she expressed in pathetically simple words during one of her visits to Washington.

The recent arrest of Dr. Sakharov, followed by those of other activists and dissidents, would seem to indicate that the Soviets have a complete disregard for world opinion. Such a belief would imply that protests might indeed be nothing more than exercises in futility. I think not. Observers and experts on Soviet affairs concur in the belief that each human rights violation is a test on the degree of commitment of the West to the cause of freedom and justice. If such is the case, it is imperative that we maintain our protests as a demonstration that indeed we do care. Only if we persist in voicing our outrage, can we hope to be instrumental in bringing changes in Soviet policy toward internal activists.

There are indications that a conservative streak has taken ahold of present Soviet rulers. Yet, it must be remembered that the men who control the destiny of the U.S.S.R. are all elderly, in a regime where power is fickle. If changes do not occur in the immediate future, we must work in the hope and the belief that occur they will, at a later time perhaps.

While the Helsinki accords have not altered the behavior of the Soviets, they have at least succeeded in putting the Soviet Government on notice that its policies are a matter of concern to the free world.

In addition to the humanitarian considerations raised by the treatment of men and women such as Anatoly Shcharansky, it must be remembered that human rights violations endanger world peace and therefore cease to be the internal affairs of a nation. Instead, they are a matter of universal interest.

UPDATE ON THE HUMAN RIGHTS SITUATION IN THE U.S.S.R.

Mr. DOLE. Mr. President, on another but somewhat related matter, I think it is fitting to call to the attention of the Senate the present human rights situation in the U.S.S.R.

Following the invasion of Afghanistan, the recent forced exile of Dr. Sakharov to the closed city of Ghorky has drawn world attention to the new crackdown on dissidents and activists within the Soviet Union.

Because of Dr. Sakharov's eminence and stature, his arrest might have been viewed as a dramatic gesture, by which he was singled out by the Soviets to demonstrate their disrespect for world opinion and outrage. Indeed, such was not the case. The arrest of Dr. Sakharov has been followed by that of several other dissidents, among whom Malva Noevnya Landa, a known geologist, active in the human rights movement since 1971, and a trustee of Solzhenityn's Russian Public Fund for the Aid of the Families of Political Prisoners since 1977. Ms. Landa was arrested on March 7, 1980. On January 3, 1980, she had signed a statement at the local KGB office which acknowledged the fact that she was under investigation for "anti-Soviet slander," a charge which carries a possible 3-year term of imprisonment.

In an article published on March 20, 1980, in the New York Review of Books, titled "The New Purge," Peter Reddaway assesses the existing situation in regards to human rights in the Soviet Union. The conclusion that Mr. Reddaway reaches and the course of action that he suggests, in terms of what the response of the West ought to be, were expressed, in similar terms, by a recent visitor to my office, Mr. Anatoli Krasnov-Levitin. Mr. Krasnov-Levitin is a Russian Orthodox writer and activist in exile. Presently living in Switzerland, he was in Washington for a lecture on the persecution of Russian Orthodox believers in the Soviet Union. He was quick to stress, however, that he speaks on behalf of all religious groups who are subjected to persecution, which he estimates to be on the increase over the recent past.

From the concurring views of these two gentlemen, it would seem that the opinion of the West matters greatly to Soviet leaders. We therefore cannot afford to relax in our expressions of revulsion and outrage. Indeed, it is imperative that we sustain the degree of our protests to the Soviet Union, so long as its leaders will persist in violating the rights of their citizens.

The Senator from Kansas felt that it would be of interest to print the integral text of Mr. Reddaway's article in the CONGRESSIONAL RECORD.

Mr. President, I ask unanimous consent that the article by Mr. Reddaway be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE NEW PURGE

(By Peter Reddaway)

The Soviet regime's current assault on dissent—of which Dr. Sakharov's exile is part—poses a serious new challenge to the West. The challenge overlaps with that of Afghanistan but is by no means identical to it. During 1980 we will see whether or not Western protests are determined enough—as they were during the last crackdown on dissent in 1977—to compel the Soviet leaders to draw back and bring the current purge to an end.

While protests and sanctions can seem ineffective when made, they usually have a salutary impact before very long, provided that they are strong and persistent. This is because the Soviet regime both needs the West economically and—Afghanistan notwithstanding—craves international respectability and prestige. Needless to say, the current power struggle in the Kremlin will affect policy toward dissent and make it less predictable. But when the dust settles and the post-Brezhnev leadership emerges, the new men will have to deal somehow with the governments and organizations that have been making their protests and imposing sanctions. In this way the damage done to the dissenting groups and movements can be substantially limited, and the flow of information about their fates maintained.

The present purge is basically a pre-Olympic exercise, and well illustrates the inseparability of sports and politics in the Soviet Union. For many months the KGB has been striking against people in the provinces. Far from stopping political oppressions when the trials of Orlov, Shcharansky, and others ended in August 1978, the authorities simply turned their attention away from Moscow to individuals and groups whose fate aroused less interest abroad. Simultaneously they distracted Western attention from provincial arrests by allowing Jewish emigration to rise to the unprecedented annual rate of 50,000 and releasing a handful of well-known political prisoners and deporting them abroad.

In fact since August 1978 no fewer than ninety-seven trials have taken place on which reliable information has reached the outside world. Two hundred and seventeen people have either been sentenced at these trials, or forcibly interned in mental hospitals without trial, or are now in pre-trial detention. This figure includes only people jailed as a result of the peaceful expression of their beliefs, and for a considerable period. Excluded are a few cases of violent dissent and several hundred of imprisonment for short terms of a few months or less, or of people being fined. Only Dr. and Mrs. Sakharov, incidentally, have been exiled without trial—a measure apparently without legal foundation.

Beyond these cases, which mostly involve the court system, thousands of people have been interrogated during the last seventeen months in connection with political cases, and nearly a thousand have had their homes searched by police. Many of these have also been dismissed from their jobs, threatened with arrest, subjected to KGB blackmail, forced into emigration, or assaulted by officially sponsored thugs. About five hundred Crimean Tartars have been forcibly evicted from their homes and deported from the Crimea. Two people have committed suicide as a direct consequence of KGB persecution, and two more have been murdered in circumstances strongly suggesting official direction.

These figures—about twice as high as can be expected in a normal period of similar length—come from my own review of the available documents. The total figures must be higher still—perhaps by a factor of two—as the reporting of the dissident groups is still far from covering all areas of the world's largest country. The fact that very few of the trials have been reported in the Western press can largely be explained by the severe restrictions placed on foreign correspondents in Moscow.

The *samizdat* documents which the dissident groups have compiled on the trials and oppression since August 1978 are a major source of information. Some 2,000 pages have reached the West. In addition I have used an invaluable new publication, *USSR News Brief: Human Rights*, which is issued fortnightly in Brussels and edited by Dr. Cronid Lubarsky, a prominent dissenter forced into emigration.

Of the 217 Soviet citizens tried or otherwise imprisoned, sixty-four were actively exercising or promoting basic human rights—rights for workers, intellectuals, artists, would-be emigrants, political prisoners, and so on. Fifty-eight were primarily defending the rights of the national minority to which they belong; and ninety-five were concerned with their rights as religious believers. Among the latter, forty-two are Baptists, twenty-three Adventists, and fourteen Russian Orthodox, with lesser numbers for Pentecostals, Jehovah's Witnesses, and others. The national minority victims are Ukrainians (14), Crimean Tartars (13), Jews (9), Lithuanians (7), and Germans (5), with an admixture of Armenians, Georgians, and Estonians.

Against this background the main KGB targets of recent weeks have been members of the Ukrainian Helsinki Group and key dissenters in Lithuania and Moscow. In the capital the following groups have suffered arrests or received serious warnings: the Moscow Helsinki Group, the "Working Commission" on political abuse of psychiatry, the Christian Committee to Defend Believers' Rights, the religious philosophy seminar founded by Alexander Ogorodnikov, the Moscow group of nonconformist artists, the Group to Defend the Rights of the Disabled, and the *samizdat* journals *Searches, Community, A Chronicle of Current Events, and Jews in the USSR.*

None of this is yet sufficient to force the various groups to mute their statements, let alone silence them. But a further fifty well-chosen arrests could do much to keep the dissidents quiet, at least until after the Olympic Games and the subsequent Madrid conference to review the working of the Helsinki accords. Everything suggests that this is the minimum goal the Kremlin has now set, and that it would dearly like to achieve a more radical outcome if possible.

The Soviet leaders are not of course worried about their regime's stability, at least for the time being. Dissent, though endemic and spreading, still involves only a tiny fraction of the population. But since official propaganda portrays the USSR as virtually perfect in every respect, this illusion needs to be preserved for the many thousands of visitors to the Olympics. And this requires the silencing, if possible, of dissent. Those who oppose a boycott of the games, seeing them as a chance for foreigners to talk to Russians, might ponder, among other things, the terrible price that dissidents are being forced to pay by the regime.

In January 1977 the Soviet authorities intensified their previous big crackdown in a way that resembles what they are doing now. They aimed then at suppressing dissent—and especially among the Helsinki groups—before the Helsinki review conference in Belgrade during the summer of 1977. Policy was spelled out at a closed, high-level party meeting, where the main speaker said: "It has been decided to imprison the fifty most active dissidents and deal severely with their associates. It is time to show strength and not pay attention to the West."

However, just at this moment President Carter launched his human rights campaign, and the first arrests (of Orlov and others) provoked an unprecedented chorus of world condemnation. With only twenty of the "most active dissidents" arrested, the Soviet leaders hastily retreated. As a result, almost all the Helsinki and other groups survived. In subsequent months they often expressed gratitude for the foreign support which had saved them from much heavier losses.

Ironically, many Western commentators misread events and concluded that Carter's policy had been of doubtful value, or even counterproductive. Carter himself seems to have thought likewise. Nothing could be further from the truth. The cost to the Soviet leaders of all protests and sanctions—the loss in economic and political advantage, in scientific benefits and international prestige—was carefully counted and weighed, and policy adjusted accordingly. The same process has now begun again. This is why many governments and national and international organizations—scientific, literary, religious, ethnic, humanitarian, libertarian, cultural, and medical—now need to appreciate their power and responsibility and to take action.

RUSSIAN CRIMES AGAINST HUMANITY IN AFGHANISTAN

Mr. DOLE. Mr. President, in recent weeks the Senator from Kansas and other Senators have spoken in this Chamber about the atrocities perpetrated in Afghanistan by the Soviet conquerors, including the infamous Kerala massacre. Last spring, even before the Soviet invasion, Russian advisers ordered the slaughter of the civilian population of Kerala—over 1,000 men and boys accused of collaborating with antigovernment, Moslem fighters.

Mr. Jack Anderson recently pointed out in his March 5 column that the Soviets are insuring their hold in Afghanistan through the terrifying and inhuman tactic of chemical warfare. This strategy is virtually unprecedented—as Mr. Anderson indicated, even Hitler refused to employ such a strategy during his rule of Nazi Germany.

We have seen throughout history crimes committed by dictators and political parties that are unforgiveable. However, we often choose to bury memories of these atrocities because of the unpleasant and disappointing shadow they shed on the human experience. We would prefer not to think about the abhorrent and immoral decisions that have been made by fellow members of the human race. But if we try to ignore inhumanity on such a massive scale, where will it end? Perhaps by illuminating tragedies of the past and assessing responsibility, we can make a start on preventing future tragedies.

MOSCOW THE ACCESSORY TO MASS MURDER

The United States has a duty to speak out. Under the Carter administration we have been quick to point out the deficiencies and human rights violations of our international allies. Some of these nations have long records of faithful support to U.S. policy, and our righteous indignation has often been greatly detrimental to our long-range strategic goals. Yet, the greatest atrocities are still perpetuated behind what we used to call the Iron Curtain, and by the friends and allies of the totalitarian regime in Moscow.

American actions cannot directly affect the inhuman tragedy we perceive in Communist Asia—it is beyond the reach of U.S. policy. But American voices raised in protest can have an effect. Just as the Soviet Union fears the light of freedom, exposing the dark corners of the Marxist system, so too it fears any exposure to world opprobrium. During the past 3 years the United States has been inhibited—culpably inhibited—from exposing the U.S.S.R. and its satellite Vietnam to international censure and shame. This inhibition has derived from a desperate need to protect the big-ticket agreements like SALT II, and a wrong-headed approach to foreign affairs that holds American economic and military power responsible for the problems of the Third World.

We should put such notions to rest and speak out again, reviling a regime that was a knowing party to genocide in Cambodia, and is now shown to be a murderer more despicable than that arch-criminal, Hitler. The principles upon which our country is based do not allow a selective application of justice and morality.

ATROCITIES IN CAMBODIA

Mr. President, it would be easy to excuse such atrocities as simply past history, committed by peoples who had yet to develop a moral and intellectual demeanor characteristic of a sophisticated and judicious society. But we are speaking of the near present and the near future. Only a few years ago the horror began in Cambodia. There was but a feeble attempt by the world to intervene and to rescue the victims of the Khymer Rouge regime. It is from this most recent tragedy, about which we are only beginning to learn the horrible details that we should draw a lesson.

It is unconscionable to think that world powers sat idly by while innocent Cambodians were exterminated through invasion, internecine warfare and starvation. With the advent of the Iranian crisis, this effort was vrtually brushed under the rug—in essence we gave free reign to those in power to continue their assault on innocent people. Guilt by association might be the verdict of an omnipotent judge should the world community be tried in the case of the Cambodians. And the Senator from Kansas feels that this would be a judicious verdict, for our unwillingness to assume a more active role in the defense of the Cambodian refugees is a clear indication of this administration's infinite tolerance of blatant human rights violations by dictatorships of the left.

Mr. President, one of the saving graces of life is the opportunity to learn and profit from past mistakes. Even as the Senator from Kansas addresses the plight of the Cambodians, it becomes increasingly clear that there are many frightening similarities between the Afghan and Cambodian experience.

AMERICAN RESPONSE IN QUESTION

Each day the Defense Intelligence Agency continues to report the cruel and violent acts of the Soviet aggressors in Afghanistan. And while National Security Affairs Advisor Zbigniew Brezezinski has recently indicated that stronger action must be taken against Soviet action in Afghanistan, we have yet to see a strong and definitive U.S. response. Rhetoric has been offered and little more. Mr. Carter has gone so far as to suggest that the United States would be willing to participate in the maintenance of a State of neutrality in Afghanistan upon the complete withdrawal of Soviet troops. But what of the thousands of Afghan men, women, and children—innocent civilians—who have been and are still being slaughtered by Soviet troops. Can we in good conscience forgive and forget? Can we ever trust the resumption of détente with a country that so blatantly violates human rights? Is guaranteeing Afghanistan as a secure, Soviet puppet state the right American response to an unprovoked invasion that used nerve gas and mass slaughter of civilians as standard techniques of suppression?

Mr. President, each of the questions I've posed today must be answered with haste. To foolishly ignore these questions is nonetheless an answer, and we will inevitably be accountable for whatever action we choose to take. A dangerous precedent is being set, and we have little time left to rectify the image that will eventually become engrained in the world's mind.

There is no doubt that time is of the essence. The choices are clear. We must decide immediately whether to continue our tolerance of the Soviet horror in Afghanistan or to learn from our lesson in Cambodia the price of reticence. The Senator from Kansas calls once again on the State Department and the administration to at least insist that the U.N. Committee on Disarmament begin an immediate investigation of the Soviet's use of nerve gas in Afghanistan. Each day that this issue is left unresolved hundreds of innocent victims die. And for each of these lives, we share a portion of the blame.

SOVIET ARMS BUILDUP IN THE MIDDLE EAST

Mr. DOLE. Mr. President, the Soviet invasion of Afghanistan has elicited speculation regarding the long-term foreign policy of the Kremlin. Opinions continue to be divided as to whether Afghanistan is part of a grand Russian design to control Asia, or is it simply a hastily planned massive blunder, doomed to failure? While the latter view reflects wishful thinking, the Senator from Kansas adheres to the former as more realistic, based on the examination of the record. Vietnam, Laos, South Yemen and Ethiopia all have come under Soviet domination, leading to the not so farfetched view that the Russians are trying to gain control over the Straits of Malacca and Hormuz, and of the Gulf of Aden, all strategically located on the oil route to the Western World and to Japan.

Those denying that such a systematic plan is under way, cite Afghanistan as the south "Vietnam." The Senator from Kansas finds that view lacking reason. It simply does not hold, because of the fundamental differences that exist between the United States and the Soviet Union. The Vietnam war was doomed to failure when it ceased to have the support of the American people, in a democratic government where public opinion matters. The rulers of the authoritarian regime that sets the policies of the Soviet Union are not encumbered by a freedom of expression that would allow the Russian people to express opposition, in the event that it was even kept informed of the goals of its government. A parallel between Czechoslovakia and Afghanistan would be more clearly justified, than with Vietnam.

History points to the fact that expansionism is an atavistic Russian trait that predates the 1917 revolution, and the establishment of communism. What started as a struggle for independence from the Mongols in the 15th century under Ivan the Third, has continued on through Peter the Great, who was the first Russian ruler to dream of a window on the warm seas of the Mediterranean or the Indian Ocean, to Catherine the Great who contributed in no small measure to the increase in territory under Russian control.

While regimes have changed, long-term economic goals linked to expansion have clearly been passed on from monarchy to communism, all for the good of mother Russia. The Senator from Kansas believes it would be a serious error in judgment to think of expansion in terms of ideology, rather than economics and history.

By forcing world attention on the dramatic invasion of Afghanistan, the Soviets have succeeded in diverting the focus from the subtle signs of danger that loom further south. Indeed, the Russians are reported to have sent thousands of unmanned tanks and hundreds of crated aircraft to Libya. Syria, regarded by Israel as having the most formidable military forces among Arab countries, has been receiving advanced Soviet weapons, including T-72 tanks, MIG-25 interceptors, self-propelled guns, new surface-to-air missile systems, improved medium-range surface missiles, and light missile-armed warships. The Soviet Union, East Germany, and Cuba have been supplying Yemen and Ethiopia with weapons and communications systems, as well as advisers.

Understandably, the Israelis are concerned, and see the arms buildup as a threat to the oil in the Persian Gulf, and therefore as a formidable danger to the economies of the West. Ariel Sharon, the Israeli Minister of Agriculture and a former general, is skeptical about American capabilities to respond to future Soviet moves in the area.

An article published in Forum magazine on February 24, by Dr. Stephen D. Bryen, acting director of the Jewish Institute for National Security Affairs, does little to dispel the fears expressed by Mr. Sharon. Dr. Bryen makes some interesting suggestions, such as the Israeli Air Force being used to supplement our fleet, as a possible solution to the dangerous inadequacy of the U.S. naval presence in the Mediterranean. The idea deserves serious consideration. The President's current defense budget does little to address the serious shortfall the United States is experiencing in terms of both hardware and manpower.

Mr. President, I ask unanimous consent that the full text of Dr. Byren's article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Mideast Base: USS Israel

(By Stephen Bryen)

As President Carter declared a new foreign policy in his State of the Union address, the nuclear powered aircraft carrier Nimitz was making its way through the dark waters of the Indian Ocean.

This was the third United States aircraft carrier—and the first nuclear carrier—to go on station in the Indian Ocean. The powerful vessel was accompanied by two nuclear-powered guided missile cruisers. Altogether, to add muscle to the President's new posture towards the Persian Gulf and the Soviet Union, 23 American warships were committed to a new task.

Moving our fleet to the Persian Gulf was not undertaken without serious consideration of the risks. To move a total of 23 ships depleted our naval strength both in the Pacific and Mediterranean.

In the Pacific the one active carrier had already been reassigned to the Arabian Sea. This severely reduced our tactical air power and sent shivers through the leaders of Korea, Thailand and Japan. After all, the Pacific balance of power has been shifting since summer, when the Soviets for the first time posted an aircraft carrier off Japan. But America, taxed by the Russian intervention in Afghanistan, had to employ its so-called "swing strategy."

Under that strategy, lacking sufficient fighting ships and aircraft carriers, you "swing them" from the Pacific to the Atlantic. This time, we swung them to the Indian Ocean. It did not cheer our allies in the Pacific. They stood by, worried by Vietnam's massing of troops on the Cambodian-Thailand border.

The warnings of the State Department, only a few days before, had a hollow ring. What could the U.S. do about it?

What happened in the Pacific is also happening in the Mediterranean, where the naval balance of power has been deteriorating for some time. The Russians have been gaining.

The Sixth Fleet, the U.S. Mediterranean presence, has two vital missions:

Guarding the southern flank of NATO, a recently troubled alliance made nervous by the illness of Yugoslavia's President Tito. For years the Soviets have wanted a base in Yugoslavia, and for years the Yugoslavs have held the Russians short. Now the situation may change.

Providing the essential anchor of our Mideast foreign policy.

Reducing the Sixth Fleet would give pause to the nations that rely on America's strength. President Carter's decision to do just that—by pulling out one of our two aircraft carriers and its missile cruisers—must be seen as a calculated risk.

We have reduced our air power in the Mediterranean by half.

Most of the best analysts in this country are acutely aware of the role air power plays in complementing modern naval strength. It's more than the buildup of Soviet naval forces in the Mediterranean. What alarms the experts is increasing Soviet naval sophistication and by the ability the Russians have gained to use airpower to cover their burgeoning fleet.

The string of bases the Russians have been building—on the Horn of Africa and in South Yemen—is intended in part to give high, immediate credibility to the Soviet flotilla in the Mediterranean.

To hedge their bets, the Soviets are also deploying the supersonic Backfire bomber to protect their fleet. The Backfires are based in Odessa. Their intercontinental range includes all the Middle East, Africa and the Persian Gulf.

Our fleet commanders have been quite worried about this formidable Soviet air power. Our fleet, worldwide, is short of tactical aircraft. In the last year unofficial reports say that as many as 110 of our tactical, sea-based, combat aircraft have crashed in training exercises, while we are replacing them at a rate of about half of the casualties.

The redeployment has left the U.S. at a disadvantage in the Mediterranean, and the Soviets know it.

That is dangerous—since disequilibrium might tempt the Soviet high command to take even greater risks than Afghanistán.

We cannot sit aside and allow these risks to maturate, and we do not have to. Sufficient airpower is available to us to replace our lost aircraft carrier in the Mediterranean and maintain the balance of forces in the Middle East.

That air arm is Israel's. Her air force is almost totally American equipped. She can help by providing cover—jointly with U.S. Navy fliers—for the Sixth Fleet in its non-NATO role.

But we cannot ask Israel to do this "in a pinch" should the need arise. We cannot first of all because Israel must have additional equipment so she can communicate in a secure way with our fleet command and control facilities. Only secure, computer-generated communications will deter the Russians.

And we cannot do this in a pinch, because improvisation is very costly. In 1973 Israel lost almost 100 aircraft improvising against Russian surface to air missiles. She will not do that again.

What we have to do is to make available to Israel the communications gear and begin joint flight exercises. There is already a precedent. Egypt recently carried out a joint exercise with the U.S. in using the advanced AWACS—early warning—aircraft.

Israel can be a substitute aircraft carrier—one that cannot be sunk. Because she has been the target of Soviet adventurism for more than 20 years, her pilots and support staff are highly motivated and know their adversary well.

Some critics in and out of government will say that such a suggestion is strategically correct but politically imprudent. After all, the Arab states will be offended. Can we afford that?

For many years now our government has held off closing a tighter security relationship with Israel for precisely this reason.

But the situation on the ground and on the seas has changed in dramatic ways. Now it is the Soviets, not we, who are in the catbird seat.

To prevent the Russians from pushing too hard, we have to set up a hard wall against them. The Kremlin knows where the cracks are and no doubt is anxious to challenge us. Our goal should be to force them to think twice—and more—about setting us up in the Persian Gulf and then hitting us in the Mediterranean.

War can only be averted by keeping the balance of power taut. We can do that, cheaply and effectively, by enlisting Israel in projecting her air power above our fleet in the Mediterranean.

(Mr. BRADLEY assumed the chair.)

TAIPEI AND PEKING: LOOKING DOWN THE ROAD

Mr. DOLE. Mr. President, in the 1 year that has passed since Congress approved the Taiwan Relations Act, our island ally off the coast of Mainland China has enjoyed continuing stability and economic prosperity. Taiwan's defense capability for the present appears secure, and the volume of her overseas commerce is at an almost unprecedented level. The extent of domestic and international confidence in Taiwan's future remains strong, and it is not unlikely that this is due largely to the firm U.S. commitments to Taipei legislated by the Senate and House of Representatives last April.

Overriding a sadly inadequate proposal submitted by the President last year for instituting unofficial relations with the Taipei Government, both Houses of Congress—assisted by Members from both sides of the aisle—insisted upon adding specific legislative assurances affirming Taiwan's future security and economic health. Fortunately, as a result, the Republic of China on Taiwan today remains a strong and dynamic society even without the benefit of official relations with the United States.

The emergence of some degree of stability and permanence in the status quo situation leads naturally to conjecture about the future of the "two-China" dilemma. Lately, there has been some debate in both political and academic circles about the relative merits of direct communication between the Republic of China and the Chinese Communist government on the mainland.

Peking's so-called "peace offensive" against Taiwan—proposals of trade, mail, and tourist exchanges, as distinguished from calls for "reunification" under Peking's leadership—have recently attracted the attention of observers sympathetic to Taiwan as well as those sympathetic to the mainland government. While not an urgent issue, the proposals raise realistic questions about the relationship between Taipei and Peking in the years ahead, and their relations with the rest of the region. To date, the pros and cons of bilateral contacts have been examined only superficially, and primarily from rather narrow political and ideological perspectives of the competing China interests.

Recently, however, a closer study was made of the diverse variables involved in the issue of "détente" between Peking and Taipei, which draws the conclusion that there may eventually be certain objective benefits accruing to both Chinese governments from reduced tensions, providing all preconditions involving "unification" are set aside. While it may be years before a truly balanced and risk-free dialog can be initiated between the "two Chinas," this analysis nonetheless offers some fresh insight into the fundamental problems and prospects of establishing peace across the Taiwan Straits.

The author, Robert L. Downen, formerly my legislative assistant for foreign policy matters, is now senior analyst for Chinese and East Asian studies at the Georgetown Center for Strategic and International Studies here in Washington.

Mr. President, I ask unanimous consent that the article entitled "Beijing-Taipei Détente?" which appears in the March issue of the Asia Mail, be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BEIJING-TAIPEI DETENTE?

(By Robert L. Downen)

"Anything which seems too good to be true probably is." The time-tested adage finds no better application than in the realm of international diplomacy. And it is for that reason that careful observers of Chinese politics are compelled to probe beyond the surface of Peking's current "peace offensive" against the government of Taiwan.

In recent months, Taipei has come under steady assault by a barrage of proposals for direct contacts and exchanges with the mainland, combined with intermittent salvos of assurances regarding post-reunification conditions on the island. The Communist government in Peking, having reaffirmed its "sacred mission" of gaining control over Taiwan, now appeals directly to Taiwan's leadership for talks on trade and social exchanges as a prelude to reunification. In the wake of its new official relationship with the United States, the People's Republic has hyped up its public relations campaign for this purpose, and spared no effort to promise broad-scale continuity in Taiwan once it becomes a political province of the mainland. Retaliating against the fusilade, Taipei heaps scorn upon Peking's "deceitful united front tactics" and maintains that its people will never submit to Communist sovereignty. But Taipei recognizes the points Peking is scoring with international opinion, and realistically cannot ignore the saccharine proposals indefinitely.

The clever campaign by the People's Republic has been well-staged. Soon after prospects for "normalization" with the United States improved in May of 1978, and as secret negotiations between Washington and Peking commenced, China's leaders began dropping enticing hints that they were willing to let bygones be bygones, and that the "family" on Taiwan would be welcomed back into the fold with open arms. Vice Premier Teng Hsiao-ping generated international headlines that summer when he told a visiting U.S. Congressional entourage that Peking was now ready to negotiate directly with Nationalist leaders in Taipei over the terms of Chinese reunification.

As normalization talks progressed over the next several months, the price of magnanimity became cheaper. By November, China's diminutive leader advised Western visitors that Taiwan could expect to retain its economic and social systems following reunification with the "motherland." There is little doubt that these public relations gestures helped facilitate consummation of the U.S.-PRC diplomatic relations by the end of the year, absent explicit security guarantees for Taiwan which were so objectionable to officials on mainland China.

With its initial diplomatic victory securely in hand, the Peking government began to wage in earnest its public relations campaign vis-a-vis Taiwan. A chipper New Year's message from the National People's Congress suggested immediate establishment of trade, mail, and tourist exchanges between Peking and Taipei. The ritualistic shelling of Quemoy on odd-numbered days, a 20-year tradition, halted forthwith; and official use of the term "liberate" for expressing Peking's intentions toward Taiwan was dropped.

Nevertheless, there was no question that ultimate objectives remained unchanged. The priority and intensity with which Hua Kuo-feng and Teng Hsiao-ping viewed the Taiwan issue was to be repeatedly demonstrated in the weeks and months ahead. Both leaders affirmed the "inevitability" of reunification, coupled with an admonition that "ten years is too long a time" to wait for its accomplishment. The Vice Premier's remarks during his early 1979 visit to Washington were noteworthy as much for their refusal to rule out the use of force to achieve that objective, as for their promise of provincial autonomy and customary lifestyle for the people of Taiwan after reunification is accomplished. Although tactics of approach were different, the end strategy remained the same.

Perhaps the most generously disarming offer yet made by the Chinese Communist leadership, and that to which the Nationalist Chinese government is especially vulnerable, is to permit Taiwan to retain "a certain amount of its own armed forces" following a pledge of loyalty to the motherland. In conjunction with Peking's pledge to respect realities and allow Taiwan to continue along its capitalist road, even as a province of the PRC, this political carrot is viewed by many in the U.S. and around the world as almost too good to be true. Is it, then, in fact?

The truth of the matter is that every overture to date has been proffered strictly on terms that are favorable to Peking. The most dramatic gestures—those involving retention of economic, social, and military privileges for the island—by their very nature assume Taiwan's preliminary submission to the Communist government's sovereign authority and control. The lesser offers—those suggesting immediate trade, mail, and tourist contacts—have been closely tied to the initiation of talks on unification. In both cases, then, the basic precondition of Peking's generosity has been acceptance through diplomacy of the mainland's political dominance—a long-standing objective which the Chinese Communist government remains unable to accomplish militarily.

All this is not to say that prospects for contact between the People's Republic of China and the Republic of China should be dismissed out of hand. Rather, it is to clarify the nature of Peking's congenial peace offerings.

As such, the public reaction in Taipei has been that accepting Peking's offers on Peking's terms would entail several unsavory consequences. In the first place, the people on Taiwan are in no hurry to race to the mainland's political embrace in exchange for vague assurances of status quo conditions which thus far seem impractical of implementation under Peking's aegis. With respect to negotiations on unification, or "reunification," Taipei quite clearly sees itself placed in a subordinate position from the outset, as the "local province" accepting the "motherland's" offer to sit down to talks on repatriation. This situation would extract a psychological as well as political price from Taiwan. In a sense, the arrangement would signal a renunciation of every principle which has sustained Taipei's legitimacy for the past three decades, and could involve an automatic loss of national identity and status simply through the act of discussing reunification. In addition, the Nationalist government's experiences on the mainland with thirty years of civil conflict and abortive "united front" efforts with the Chinese Communist movement give ample reason for inherent doubts and suspicions about the sincerity of peace overtures. Taiwan's leaders see incalculable risks to the island's stability and security resulting simply from establishment of formal contacts between the two Chinas, both in terms of weakening Taiwan's unity, and strengthening the Peking regime's political power base.

Current United States policy and practice does nothing to encourage favorable consideration of cooperation between Taiwan and the mainland. In fact, it obstructs it. Through a series of actions that symbolically and substantively deny Taiwan's identity as a separate entity, the United States has undermined any basis for co-equal negotiation between Taipei and Peking; establishment of "ground rules" for American Institute employees that prohibit all formal contact with Taipei authorities; our government's acquiescence in Peking's efforts to restrict Taiwan's participation in the 1980 Olympics—these and other pernicious tactics by its long-time ally and chief proponent reinforce doubts in Taiwan about the practicality of balanced accommodations with the PRC, and about the likelihood that Peking's unification preconditions will be abandoned. In effect, United States policy has denied Taipei virtually any leverage for attempting to deal with Peking in the status of a sovereign power.

Thus, the cautious and skeptical reaction of Taipei to the recent gestures is understandable. It should come as no surprise to anyone that the Nationalist Chinese government, which was established 68 years ago and has weathered three decades of exile with political and economic strength, should reject unilateral terms for its own extinction. Similarly, it is no surprise that the government should want to approach the issue of its future with the dignity and authority of an equal and sovereign power.

Nevertheless, if circumstances were altered, a compelling case could be made for opening limited official contacts between Taiwan and the mainland. The potential for reducing tensions, expanding mutual understanding, facilitating peaceful evolution of solutions, and improving the livelihoods of one billion Chinese people would seem to argue in favor of channels of communications, all other things being equal. Both governments implicitly acknowledge the immediate and long-range benefits of mutual contact, insofar as they have encouraged their students studying abroad to meet and talk with each other on an informal basis. But only the PRC—eyeing potential economic and political gains for its own cause—has thus far taken the initiative in calling for formal contacts.

In fact, the time may be opportune for Taipei to launch a "counteroffensive" of proposals to publicly test Peking's sincerity and to gain for itself what practical and psychological benefits accrue from such a challenge.

Providing that preconditions of political subordination or reunification were dropped, prospects for bilateral trade and tourism could easily work to Taiwan's advantage, or at least to a mutually balanced advantage. While there could and should be no practical hope for breaching the ideological gap between the two governments, a bold effort to overcome deep-rooted animosities in order to open a dialogue between the two Chinese governments could win lavish praise for the Nationalist government. It would certainly gain favorable international attention for the Taipei leadership and, if rejected by Peking, would confirm skepticism about the motives and designs of the Communist government. Neither government should be expected to concede or compromise its basic principles, or its present political status, in order to initiate such contact, however.

Taiwan could certainly benefit from the new, albeit limited market for its consumer and non-strategic products. The covert trade now being conducted indirectly between the Chinese through Hong Kong channels demonstrates the value of the enterprise to both states. According to Hong Kong officials, about $4.3 million worth of goods were shipped through the British colony from Taiwan to the Chinese mainland during the first seven months of 1979; and they report that some $31.4 million worth of Chinese goods bound for Taiwan passed through Hong Kong during the same period.

Second, one cannot underestimate the psychological impact of exposing the Chinese on the mainland to the prosperity and freedoms enjoyed by the Chinese on Taiwan. While exchange of commerce would help develop the mainland infrastructure and thus conceivably strengthen the regime's political control, the importance of concurrent modernizing influences should not be underestimated. Even though direct communication with the rank-and-file would be limited, it is realistic to expect that Taiwan's contact with its backward neighbor would add to the gradual "Westernization" influences that so far promise to enhance demands for democracy and attention to the people's livelihood on the mainland.

Taiwan's vigorous pursuit of trade and social contact with the PRC would give it the upper-hand in the contest for global support and international credibility between Peking and Taipei. It stands only to gain from the offer, in terms of public relations image, whether the Chinese Communists accept or reject Taiwan's terms for contact.

Finally, from a more mundane standpoint, the Nationalist government should recognize the intelligence prospects of gaining even limited access to people, places, and information through new channels. While this factor obviously is a double-edged sword, it is logical to expect that Taipei's more sophisticated apparatus could better utilize new opportunities that result from limited contacts.

With respect to this last point, it is reasonable that a relatively free and open society should be wary of the pit-falls of co-mingling with a closed and subversive society. The price is constant vigilance. But the Republic of China does not need to fear contamination by association. The system in Taiwan is strong enough to withstand the perils of contact and comparison. Its government is respected and broadly supported by its people, who detest the oppressive system across the Straits.

For its part, the Peking government would surely benefit from contacts with Taiwan.

But it must be willing to drop its linkage demands with respect to reunification, and accept the new contacts simply for what they would offer directly. Economic, social, and cultural exchanges will have to be accepted on their own merits, with no political strings attached. In this manner, preliminary contacts between the two Chinese governments should be explored on an equal footing, without risk or sacrifice of political identity to either.

Finally, it should be said that while limited contacts are presently practical, the resolution of issues relating to reunification or other forms of political accommodation clearly are not. Neither Chinese government can be expected to concede basic ideological principles at the moment. Peaceful solutions to the essential issues will be arrived at only through a gradual evolutionary process growing out of mutual contacts. Chinese on both sides of the Straits should demonstrate their well-known patience on this point.

Thus, there can be no deadlines, only open minds. The opposing ideologies themselves will never find common ground. But the Chinese as a people are capable of doing so given a relaxed and unhurried environment.

WICHITA JAZZ FESTIVAL

Mr. DOLE. Mr. President, the Ninth Annual Wichita Jazz Festival will take place April 18–20 in Wichita, Kans. The Senator from Kansas would like to acknowledge the fine work done by the organizers of the event, the largest nonprofit annual jazz festival in America.

The 1980 Wichita Jazz Festival will feature many of the country's leading jazz artists, including Milt Jackson, Gerry Mulligan, and Clark Terry. Jazz greats who have appeared in previous years include Sara Vaughan, Count Basie, Buddy Rich, Louis Bellson, and Wichita's own superb guitarist Jerry Hahn.

This year's festival will also include several hours of educational clinics and workshops as well as performances by many of America's best high school and college bands.

Mr. President, the Wichita Jazz Festival is one of the finest yearly entertainment events in America. We Kansans can take a special pride in hosting this festival. Wichitans in particular are to be commended for supporting such a prestigious endeavor for the ninth consecutive year.

S. 2258—NATIONAL AGRICULTURAL SECURITY ACT OF 1980

Mr. HATFIELD. Mr. President, my distinguished colleague from Georgia, the chairman of the Senate Agricultural Committee, Mr. TALMADGE, recently introduced Senate bill 2258, the "National Agricultural Security Act of 1980," which seeks "to alleviate the adverse effects of the suspension of trade with the Union of Soviet Socialist Republics on U.S. agricultural producers; and for other purposes," through the creation of an emergency grain reserve and other actions.

In ardent support of the intent of this legislation, I offer legislation to give definition and identification to those "other purposes" in the form of an amendment to the act, S. 2258.

These changes seem innocuous enough, yet it is my firm belief that they can have far-reaching consequences, positively affecting agricultural producers in this Nation as well as hungry thousands living a hand-to-mouth existence in less developed nations.

However we feel about the President's January 4 decision to embargo the sale of 17 million tons of grain to the U.S.S.R., and reactions range from enthusiastic support to fierce opposition, we doubtless all share the view that U.S. farmers should not be made to bear the burden of that action.

THE MAKING OF A HUMAN RIGHTS ACTIVIST: ANATOLY SHCHARANSKY

Mr. JACKSON. Mr. President, when he was 17, his "best friends beat him up when they found out that he was a Jew," Avital Shcharansky reports of the experience which made Anatoly think of himself, as a Zionist.

Later, after his emigration applications were refused, he began joining small refusenik demonstrations. Frequent arrests, frequent refusals, and he renounced his Soviet citizenship for that of Israel.

By the time President Nixon was expected in Moscow, Anatoly was a marked refusenik who was one of those put under preventive detention for the duration of the visit. At the same time, Avital was given her visa and told she would have only 2 weeks to prepare for departure.

Her preparations included sewing her wedding dress, cooking the wedding feast and hoping that Anatoly would be out of detention in time for the wedding and to see her off. He was, and when they last saw one another at the Moscow airport in July 1974, Anatoly was a refusenik with the additional reason for emigration—a new bride awaiting him in Israel.

By 1976, he was working with the Helsinki Monitoring Group and Anatoly Shcharansky was no longer only a refusenik but was now one of those Andrei Sakharov honors as a courageous participant in the struggle for human rights because he "unites in his activity all aspects of the struggle for human rights in the U.S.S.R."

So the Kremlin arrested him March 15, 1977 on trumped-up charges of treason and imprisoned him for an arbitrary term of 13 years.

Mr. President, I am glad to add my voice to those of my colleagues who today are paying tribute to this hero in the struggle for human decency and basic rights.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

OPPOSITION TO CONSTITUTIONAL AMENDMENT TO BALANCE THE BUDGET.

Mr. LEAHY. Mr. President, today I wish to state my opposition to Senate Joint Resolution 126 which would amend the Constitution of the United States to require a balanced budget and limit the growth of tax revenues.

I will support a balanced budget this year.

I strongly support a balanced Federal budget when national security, energy security, and economic conditions permit. However, Congress and the administration already have the powers to accomplish this goal within the context of current budget procedures. The raising of such an inflexibile economic policy to constitutional status would encumber the Constitution, pose grave problems of governance, encourage deceptive and irresponsible budget practices, limit the flexibility the Congress needs to exercise sound fiscal policy, and perhaps prevent the Government from providing desirable and needed services.

As Justice Holmes cautioned 75-years ago, the "Constitution is not intended to embody a particular economic theory." To enshrine an exact and inflexible fiscal policy, and specific terms like "national income" in the Nation's most fundamental law is replete with dangers.

The amendment would make it unconstitutional for Congress to adopt an unbalanced budget, and yet the budget is, in reality, nothing more than a forecast of receipts and expenditures based on program objectives and assumptions about the behavior of the economy.

If unemployment were underestimated by 1 percent in the forecast used to establish the budget targets in a given year, it is estimated that a deficit of $25 to $29 billion would result notwithstanding the requirements of Senate Joint Resolution 126.

In such an event, a host of lawsuits would likely ensue challenging the constitutionality of each expenditure and appropriation. Our courts are clearly ill-equipped to handle these matters. Moreover, judicial involvement in the budgetary process and daily operations of Government would radically alter the checks and balances among the three branches of Government.

The obvious dangers of failing to balance the budget under the provisions of a constitutional amendment would also encourage irresponsible and evasive budgetary practices. The temptation to adopt optimistic economic forecasts and increase off-budget spending rather than reduce popular services would be heightened by a constitutional balanced budget requirement.

Federal loan guarantees, for example, have a profound effect on the economy, and yet they are presently excluded from the rigors of the budget process. It is estimated that outstanding loan guarantees already total some $391 billion. Passage of Senate Joint Resolution 126 would encourage the expanded use of this and other uncontrollable forms of spending.

Mr. President, I am opposed to Senate Joint Resolution 126 because I believe it would diminish the value and integrity of the Constitution, and through its deficiencies and loopholes, encourage irresponsible congressional budget practices.

I am also unalterably opposed to the resolution on the basis of its economic policy implications. It is clear that during periods of recession the economy needs flexibility within the Federal budget in order to buffer the shocks of unemployment, reduced productivity and the resulting decline in revenue, programs, and services.

If Congress did not override the provisions of Senate Joint Resolution 126, by a three-fifths vote of both Houses, mild economic downturns could turn into deep recessions or full-scale depressions. In the face of an impending recession, Congress would be forced to forego the usual discretionary anticyclical fiscal policies, that is, tax cuts and expenditure increases. Moreover, Congress would be required to make spending cuts to offset the "automatic stabilizers" currently in the Federal budget—unemployment insurance, food stamps, aid to families with dependent children, and social security, to name just a few.

It is estimated by the Congressional Budget Office that if Senate Joint Resolution 126 had been in effect during the decade of the seventies, spending would have had to have been slashed by $40 billion during the recession of 1974–75, and unemployment in excess of 12 percent would have been the result.

Mr. President, passage of this amendment would clearly limit the abilities of Congress to stabilize the economy and prevent painful economic disruptions. Mandatory balanced budget requirements, of any kind, would have the same effect.

As a Senator representing the rural State of Vermont, my concern is heightened by the fact that rural towns and residents are the first to suffer and the last to recover from the painful consequences of recessions or depressions. Restrictive and unwise fiscal statutes are, therefore, particularly dangerous for the residents of my State and others like it.

Mr. President, there is little doubt that run-on budget deficits, in good economic years and bad, have contributed substantially to our current inflation. In the last 22 years the budget has been in deficit in all but two. We must now follow a path of greater budgetary restraint and fiscal responsibility, and the first step along that path is a balanced budget in fiscal year 1981. I wholly endorse this first step and will work to insure that it is taken.

Our current inflation requires unprecedented budget restraint and discipline at this time, and a return to a practice of budget balance, on average—that is balance or surplus in good years, and deficits in times of recession and high unemployment.

It must not be forgotten, however, that a balanced budget is far from a perfect or complete solution to the inflation problem. We must exercise budget restraint, but we must simultaneously attack inflation on many additional fronts.

Energy costs climbed at nearly 40 percent last year accounting for as much as 3 to 5 percentage points of our 13-percent inflation. We must redouble energy conservation efforts and continue to expand the use of local renewable energy sources such as wood and low-head hydro.

Further productivity declines also contributed significantly to inflation. We must pursue policies to increase the return on individual savings, provide incentives for productive investment, and maintain strong education and job training programs to improve productivity.

Our huge recent trade deficits have precipitated sharp declines in the value of the dollar which have been extremely inflationary. We must vigorously promote U.S. exports, hold oil imports to a minimum, and enforce fair trade practices that protect American markets from predatory foreign trade practices.

And finally, we must streamline and reduce the costs of Government regulation without compromising its effectiveness.

Mr. President, these many actions, taken collectively, will begin to reverse the insidious inflation that has become all too well entrenched in our economy.

We must remember, however, that balancing the budget alone will not begin to cure inflation. And we must remember that a balanced budget must mean balanced sacrifices and benefits—it does not mean a balance at the expense of the most defenseless of our society.

NORMAN BRADLEY—JOURNALIST WITH A SENSE OF HISTORY

Mr. SASSER. Mr. President, I want to take this opportunity to comment briefly on the retirement of a distinguished journalist, Mr. Norman Bradley, editor of the Chattanooga Times, whose career was marked by a remarkable perception of the cutting issues of his time.

Mr. Bradley can reflect on his 45 years as a journalist with satisfaction and can live with himself and his decisions. He has a rare courage. He did not hesitate to take positions which, while not always popular at the time, have been vindicated as social justice and progress have lifted segments of our society to greater fulfillment.

Norman Bradley is a warm and generous person with a unique sensitivity for people as individuals and for people generally. There are a few people in this world who have the understanding and the intellect to disengage themselves from the turmoil of the moment and see contemporary events in perspective. Norman Bradley is such a man. And once he saw events in perspective he provided moral leadership through editorial policy. He has a sense of history and a deep obligation to do what is right—but to do what is right in a civilized way.

He said recently:

> The way we were writing 30 years ago is the way people are thinking today.

A native Mississippian, Mr. Bradley was associated with the Times for 31 years. He served as editor from 1971 until his retirement recently.

The Times lent its considerable influence under his guidance to the effort to achieve equal rights and equal opportunity for all people. He advocated improved public education, governmental reform, and improvements in the administration of criminal justice.

While stating his own views unequivocally, he made it a point to see that all positions were heard. He stressed fair treatment on issues in the news columns and reserved his judgment for his editorials. He established a reputation as a moderate and his editorials were reasoned discussions leading to a logical conclusion.

Mr. Bradley began his journalism career as editor of the Millsaps College newspaper. He began his newspaper career as a reporter with the Jackson (Miss.) Clarion-Ledger in 1934. He worked for the Associated Press from 1937 to 1947 when he joined the Times as an editorial writer.

He returned to Jackson in 1955 as founding editor of the Jackson State-Times, but returned to his adopted home in Tennessee 1 year later, resuming his duties as associate editor in 1958. In 1966 he became editor of the Times' sister afternoon newspaper the Chattanooga Post and returned to the Times in 1970 when the Post discontinued publication.

Mr. Bradley is retiring but his influence will continue to be felt. He will continue writing occasional essays for the Times and will continue to be active in community civic, cultural, and religious affairs.

Norman Bradley measured up to the challenges that faced our Nation in crucial times. His voice of reason prevailed—and Tennessee, the South, and the Nation are better for it. I know that my colleagues join me in congratulating Mr. Bradley and wishing him good health and much happiness.

RECESS FOR 30 MINUTES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess for 30 minutes.

There being no objection, the Senate, at 1:15 p.m., recessed until 1:45 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. BRADLEY).

THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Nos. 661, 662, 663, 665, 667, 668, and 670.

Mr. BAKER. Mr. President, reserving the right to object—and I will not object—the purpose of the reservation is to advise the majority leader that all the items identified by him are cleared on our calendar, and we have no objection to their consideration and passage.

Mr. ROBERT C. BYRD. I thank the distinguished Republican leader.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORT CENTENNIAL DAY

The Senate proceeded to consider the joint resolution (S.J. Res. 131) designating April 10, 1980, as "ORT Centennial Day."

● Mr. JAVITS. Mr. President, on April 10, 1980, ORT, the Organization for Rehabilitation Through Training, will celebrate its 100th anniversary of service to humanity and to the Jewish people. To mark the centennial of this worthy organization, I would designate April 10, 1980 as "ORT Centennial Day" and authorize the President of the United States to issue a proclamation saluting ORT for its many accomplishments.

ORT, a nonprofit voluntary organization, is unique in many ways, chief among which is its approach to helping men and women help themselves by teaching them the skills of hand and mind. ORT pioneered the concept of systematic vocational and technical training as a means of lifting an entire people out of the grip of poverty and economic backwardness. By melding the traditional Jewish love of learning with a respect for the dignity of human labor, ORT helped to emancipate the Jews of Czarist Russia from a pervasive and cruel poverty by teaching them the skills of the emerging industrial age, enabling them to gain useful occupations and to earn their own livelihoods.

From that point on, and even under the harshest of circumstances in the ghettos of Nazi-occupied Europe, this organization that went to the root of economic survival remained a force of hope for the Jewish people. Over the past 100 years, ORT has had a highly beneficial impact on the lives of almost 2 million people in more than 40 countries on 5 continents.

My own acquaintance with ORT dates back to the very beginning of my years of public service when, as a freshman member of the House of Representatives, I first discovered its value in the German and Austrian DP camps of the immediate post-war period. The skills taught by ORT to the displaced and war-ravaged populations of those camps were down to earth and vital contributions to the recovery of those refugees as well as the areas in which they were eventually resettled.

Because it has consistently addressed itself to the most basic of human needs, ORT today is bigger than ever and has become the biggest nongovernmental voluntary program of vocational and job training in the world. More than 100,000 youth and adults are currently being served by its programs, schools, and services in 24 countries from India to Latin

America. ORT's largest and most diverse program is in Israel, where it has trained the major portion of that country's skilled labor force, but ORT has been ready and eager to share its experience with developing countries the world over. In alliance with our own U.S. Agency for International Development as well as with the World Bank. ORT has brought its expertise to bear on third world modernization projects from Asia to South America.

To support this great voluntary effort, branches of this organization exist in almost every corner of the world. In the United States, ORT is represented by the American ORT Federation and by Women's American ORT which together have over 160,000 members. I salute these thousands of volunteers in recognition of the profound impact ORT has had on the lives of so many underprivileged people.●

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, with its preamble, follows:

Whereas the Organization for Rehabilitation through Training (ORT) has historically been the earliest pioneer in the use of systematic vocational and technical training as a strategy to banish deprivation and economic backwardness; and

Whereas the ORT has provided productive channels for human advancement through the acquisition of skills for livelihood at times and places where such programs were nonexistent; and

Whereas the ORT has assisted almost two million people in more than forty countries on five continents, thereby becoming the biggest nongovernmental voluntary program of vocational and job training in the world; and

Whereas the ORT has become part of the array of ongoing services that are essential to communities, as evidenced by the rapid development of technical training programs and educational institutions in many countries, including Argentina, Iran, Peru, and India, and by the continuing enrichment of the quality of educational services throughout Latin America; and

Whereas the ORT has provided assistance needed for the assimilation of hundreds of thousands of north African Jews by the French community, and for the migration and resettlement process of Soviet Jewish refugees; and

Whereas the ORT has been the means for the development of Israel's human resources and has provided the training for a major portion of Israel's skilled labor force: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That April 10, 1980, is designated as "ORT Centennial Day"; and the President is authorized and requested to issue a proclamation calling upon the people of the United States to salute the Organization for Rehabilitation through Training on its one-hundredth anniversary in recognition of its accomplishments.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 96–622), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

The purpose of this joint resolution is to authorize the President to proclaim April 10, 1980, as "ORT Centennial Day."

On April 10, 1980, ORT, the Organization for Rehabilitation Through Training, will celebrate its 100th anniversary of service to humanity and to the Jewish people.

ORT, a nonprofit voluntary organization, is unique in many ways, chief among which is its purposeful and pragmatic approach to helping men and women help themselves by teaching them the skills of hand and mind. ORT pioneered the concept of systematic vocational and technical training as a means of lifting an entire people out of the grip of poverty and economic backwardness. By melding the traditional Jewish love of learning with a respect for the dignity of human labor, ORT helped to emancipate the Jews of Czarist Russia from a pervasive and cruel poverty by teaching them the skills of the emerging industrial age, enabling them to gain useful occupations and to earn their own livelihoods.

From that point on, even under the harshest of circumstances in the ghettos of Nazi-occupied Europe, this organization that went to the root of economic survival remained a force of hope for the Jewish people. Over the past 100 years, ORT has had a highly beneficial impact on the lives of almost 2 million people in more than 40 countries on 5 continents.

Because it has consistently addressed itself to the most basic of human needs, ORT has become the biggest nongovernmental voluntary program of vocational and job training in the world. More than 100,000 youth and adults are currently being served by its programs, schools and services in 24 countries from India to Latin America, ORT's largest and most diverse program is in Israel, where it has trained the major portion of that country's skilled labor force, but ORT has been ready and eager to share its experience with developing countries the world over. In alliance with our own U.S. Agency for International Development as well as with the World Bank, ORT has brought its expertise to bear on third world modernization projects from Asia to South America.

To support this great voluntary effort, branches of this organization exist in almost every corner of the world. In the United States, ORT is represented by the American ORT Federation and by Women's American ORT which together have over 160,000 members.

JOHN H. R. BERG

The bill (H.R. 2782) for the relief of John H. R. Berg, was considered, ordered to a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 96–623), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

The purpose of this bill is to expedite the naturalization as a citizen of the United States of John H. R. Berg.

The beneficiary of this bill is a 48-year-old native of Germany who is stateless. He has been employed by the United States Embassy in Paris, France, for over thirty years and has recently been granted special immigrant status as one who has rendered exceptional service to the United States Government. He was first employed by the U.S. Army when he was fifteen and then by the Economic Corporation Administration when his Unit was transferred to the United States Embassy. The beneficiary's father was taken to Auschwitz during the Second World War where he died and his mother resided in Germany from 1943 to 1945 moving frequently to avoid internment in a concentration camp.

JOZEF SWIDERSKI

The bill (H.R. 4013) for the relief of Jozef Swiderski, was considered, ordered to a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 96–624), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

The beneficiary of the bill is a 62-year-old native of Poland who is stateless. He was born Jozef Jacies, but changed his name to Jozef Swiderski in 1941 after his mother and sister lost their lives during the Nazi occupation. He resides in Rome, Italy, where he has been employed as the Acting Director of the United Nations Food and Agriculture Organization since March of 1966. His wife is a naturalized citizen of the United States. Their daughter is a lawful permanent resident of the United States. The beneficiary was admitted to the United States on July 22, 1968, as a lawful permanent resident and has approximately 3 years and 3 months physical presence in the United States in the aggregate since his admission for permanent residence.

NATIONAL BICYCLING DAY

The joint resolution (H.J. Res. 414) authorizing the President to proclaim May 1, 1980, "National Bicycling Day," was considered, ordered to a third reading, read the third time, and passed.

The preamble was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

TULE RIVER INDIAN TRUST LANDS

The Senate proceeded to consider the bill (S. 1998) to provide for the United

States to hold in trust for the Tule River Indian Tribe certain public domain lands formerly removed from the Tule River Indian Reservation, which had been reported from the Select Committee on Indian Affairs with amendments as follows:

On page 2, line 23, strike ", east half southeast quarter";

On page 3, line 1, strike "north half north half" and insert "east half northeast quarter, southwest quarter northeast quarter";

On page 3, line 3, strike ", southeast quarter northwest quarter";

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That all right, title, and interest in lands owned by the United States and administered by the United States Forest Service, as described in section 2, which were removed from the Tule River Indian Reservation pursuant to the Act of May 17, 1928 (45 Stat. 600–601), are declared to be held in trust by the United States for the Tule River Indian Tribe and to be part of the Tule River Indian Reservation.

SEC. 2. The lands referred to in section 1 are the following:

MOUNT DIABLO MERIDIAN, CALIFORNIA

Township 21 South, Range 31 East

Section 16: that portion lying south of the hydrographic divide between the South Fork of the Middle Fork of the Tule River and the South Fork of the Tule River and westerly of a northerly prolongation of the eastern boundary of the Tule River Indian Reservation.

Section 17: that portion lying south of the hydrographic divide between the South Fork of the Middle Fork of the Tule River and the South Fork of the Tule River.

Section 18: that portion of the northeast quarter, northeast quarter lying south of the hydrographic divide between the South Fork of the Middle Fork of the Tule River and the South Fork of the Tule River. South half northeast quarter, southeast quarter northwest quarter.

Section 20: east half northeast quarter, southwest quarter northeast quarter, south half northeast quarter.

Section 21: northwest quarter northwest quarter.

Section 28: tract 48.

SEC. 3. (a) Nothing in this Act shall deprive any person of any valid existing right-of-way, lease, permit, or other right or interest which such person may have in any of the lands described in section 2.

(b) The transfer under the first section of this Act shall be subject to such right-of-way through lands in section 16 as the Secretary of Agriculture considers necessary to provide access to United States Forest Service lands located east of section 16. Such right-of-way shall be located and used in such manner as the Secretary of Agriculture determines to be appropriate.

SEC. 4. The Secretary of the Interior shall promptly cause to be published in the Federal Register a description of the lands transferred pursuant to this Act and a description of the boundaries of the Tule River Indian Reservation, as modified by the transfer made pursuant to this Act.

● Mr. CRANSTON. Mr. President, S. 1998 would declare to be a part of the Tule River Reservation in Tulare County, Calif., about 1,200 acres of land once within the reservation boundaries.

Since the Tule River Reservation, like many California reservations, was created by Presidential Executive order. the tribe is denied access to the U.S. Court of Claims to redress proprietary grievances, and must rely on legislation.

My bill attempts to rectify an unjust removal of lands from the boundaries of the reservation through a complex series of Presidential and congressional actions, often in conflict with one another.

The history of this reservation is a 100-year long tale of administrative indecision, delay, and error in identifying the reservation boundaries.

The Tule River Reservation was first created by Executive order of President Ulysses S. Grant in 1873.

In October of the same year, following a survey approved in September, President Grant ordered the reservation's size doubled in response to a BIA report that the small reservation could not support enough agriculture for the subsistence of the large number of Indian people expected to live there.

In 1878, President Rutherford B. Hayes issued another Executive order, reversing Grant's action and reducing the reservation to its original size.

Six years later, in 1884, a local survey was undertaken.

The survey placed outside the reservation boundaries 1,400 acres of prime timber on the northeast side of the reservation. Most of this land was then sold by the Federal Government to the surveyors themselves and to their business associates. This group then resold the land at great profit to private timber interests.

The erroneous survey also affected lands on the south side of the reservation.

In 1910, an investigation of the actions of the surveyors was undertaken. It led to the discovery of what the field examiner at that time called—

> Wholesale fraud and falsification of the field notes of the survey of most of the townships adjoining this reservation . . . indulged in by the deputies whose names appear in the contracts covering these surveys. And we may be sure that a fictitious boundary has been substituted, and calculated connections given in the field notes, whereby the reservation boundary is thrown far out of its true position.

Still no action to correct the boundary line was taken.

In 1927, President Coolidge issued an Executive order to correct part of the erroneous survey, affecting the southern portion of the reservation. He placed this land within the reservation boundary. This action, however, did not remove from private ownership the northeastern reservation sections erroneously patented following the 1884 survey.

By this time nearly all the acreage under discussion—with the exception of sparse stands of virgin Sequoia redwood—had been clearcut. About 133 million board-feet of timber had been removed.

The non-Indian timbering interests continued to strip most of the land of its remaining trees.

Faced with the inconsistency between the correct reservation boundary, which included the northeastern sections, and the Government-permitted use of that same land by private timbering interests, as a consequence of the erroneous 1884 survey, the Government had a simple choice, as an Interior Department investigator pointed out at the time.

Either the Government could repurchase for the Indians the land it had erroneously patented, or it could recognize the erroneous boundary established by the 1884 survey, excluding the privately owned land from the reservation.

The latter course would deprive the Indians of the land, but would save the Government from having to admit error. Congress in 1928 followed the path of least resistance and passed legislation excluding the privately owned lands patented under the 1884 survey from the reservation.

This action once again excluded from the reservation recognized by President Grant about 1,300 of the 1,440 acres with the disputed area.

In 1934, the Interior Department again investigated the boundary dispute and again concluded that the Indian land had been erroneously patented, resulting in the loss of the Sequoia trees from the reservation for the Tule River Indians.

Slightly more than 1,200 acres of the original 1,440 acres excluded from the reservation by the 1884 survey is now back in the public domain, held by the U.S. Forest Service as part of the Sequoia National Forest. My bill would transfer into trust status for the benefit of the Indians of the Tule River Reservation only those publicly held acres. Three additional parcels of land, totaling 240 acres, are privately owned, including 160 acres currently held by the Boy Scouts of America.

Despite some public concern to the contrary, it is simply not true that any of the privately held land would be affected by this bill. It simply is not covered by the bill.

Moreover, my understanding is that the tribe does not and will not seek any interest in these additional acres, purchased in good faith by their present owners.

The Senate Select Committee on Indian Affairs, under the leadership of the distinguished Senator from Montana (Mr. MELCHER) has accepted and added to this bill an amendment I suggested which deletes any description of the private land within the area that is returned to the reservation.

Reference to these lands in the bill is not necessary to carry out the intent of the bill, and has caused some consternation and misunderstanding among citizens of Tulare County.

The return of the 1,200 publicly owned acres to the use and benefit of the people of the Tule River Reservation will restore to that reservation the only major resource it has ever had.

Using sustained yield principles, the people of this reservation can establish for the first time a viable, self-sustaining economic base which will enable them to benefit from the timberland and to make more productive the reservation which they now have.

The Tule River Tribal Council in 1978 adopted a forest management plan developed by the U.S. Soil Conservation Service under agreement with the Bureau of Indian Affairs.

That plan was submitted to the Department of the Interior for approval. It is a worthwhile plan which will continue to protect the magnificent stand of giant sequoia trees which, when this legislation is adopted, will be restored as part of the reservation.

That plan cannot be unilaterally altered by the tribe.

So long as these lands are under the trust protection of the Secretary of the Interior, the management plan can only be changed with the approval of the Secretary of the Interior.

Moreover, the tribe has made it plain by resolution of the tribal council that it has no desire or intent to disturb any of the virgin sequoia trees which remain from all the timber which was once theirs, and is now gone.

This legislation makes provision for the maintenance of existing rights-of-way, and for the Secretary of Agriculture to establish any right-of-way he considers necessary for access to the Forest Service and east of the land which this bill will once again place within the reservation boundary.

The situation at Tule River is unique. It will stand on its own, and not be a precedent for other cases.

This bill will redress a longstanding injustice. I am delighted with the action the Senate will take this afternoon in passing this bill.●

The PRESIDING OFFICER. The question is on agreeing to the amendments.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report (No. 96-627), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

The Tule River Reservation, Porterville, California, contains about 54,000 acres and was established by an Executive Order in 1873 pursuant to an 1864 Act of Congress to organize California Indian matters. That same year, by Executive Order, the reservation was nearly doubled in size but in 1878 was reduced to its original size, again by Executive Order.

In 1884, some 1,440 acres on the northeast boundary of the reservation were erroneously surveyed as being outside the reservation. This acreage, the most valuable within the boundary, was then sold to the surveyors themselves and their associates who, in turn, sold it for good profit to non-Indian timber interests. In 1910, an Interior Department investigator termed the transaction a "wholesale fraud and falsification".

The land remained in private ownership and in 1928 Congress passed a bill to exclude this acreage from the reservation boundary. No compensation was paid to the tribe nor did Congress opt to repurchase the land for the tribe, though it could have done so. By this time, nearly all of the timber has been clearcut and 133 million board feet removed.

About 1,200 acres of the 1,440 acres are now held by the U.S. Forest Service and became part of the Sequoia National Forest in 1942. S. 1998 will transfer this timberland to the tribe and, by doing so, will return to the tribe the only major resource it has ever had. Forestable timber has been restored to the 1,200 acres.

Current economic conditions on the reservation are very serious, largely because of the cessation of logging operations. From 1960 to 1970, tribal income averaged $139,000 but this dropped to $56,388 in 1971 because of a mill closing. A Timber Management and Reforestation Plan was adopted by the Tribe in 1977 with technical assistance from the BIA in cooperation with the Soil Conservation Service. The acreage provided by S. 1998 will enhance tribal resources and can easily be incorporated into the tribe's forest management program. The plan preserves the sequoia trees and cannot be unilaterally altered by the tribe whose custom, in any case, has always been to protect the sequoias.

DELAWARE TRIBE JUDGMENT FUNDS DISTRIBUTION

The Senate proceeded to consider the bill (S. 1466) to provide for the distribution of certain funds appropriated to pay judgments in favor of the Delaware Tribe of Indians and the absentee Delaware Tribe of Western Oklahoma in Indian Claims Commission dockets 27-A and 241, 289, and 27-B and 338, and for other purposes, which had been reported from the Select Committee on Indian Affairs with an amendment to strike all after the enacting clause and insert the following:

That, notwithstanding any provision of the Act of October 19, 1973 (87 Stat. 466), or any other law, or any regulation or plan promulgated pursuant thereto, the funds appropriated by the Act of December 15, 1971 (85 Stat. 627) for the award in docket 289; by the Act of March 21, 1972 (86 Stat. 86) for the award in dockets 27-A and 241; by the Act of March 7, 1978 (92 Stat. 107) for the award in dockets 27-B and 338; on October 31, 1978, in accordance with section 1302 of the Act of July 27, 1956 (70 Stat. 694), as amended (31 U.S.C. 724a), for the award in dockets 27-E and 202; and on August 6, 1979, in accordance with section 1302 of such Act of July 27, 1956, for the award in docket 27; including all interest and investment income accrued thereon, less attorney fees and litigation expenses incurred in connection with such awards, shall be used and distributed as provided in this Act.

Sec. 2. The Secretary of the Interior (hereinafter the "Secretary") shall prepare a roll of all persons who were born on or prior to October 3, 1972, and who are living on the date of the enactment of this Act who are citizens of the United States and who are descended from a lineal ancestor whose name appears on the "Registry" filed in the Office of the Commissioner of Indian Affairs pursuant to article 9 of the treaty with the Delaware Indians of July 4, 1866 (14 Stat. 793) or who are descended from a lineal ancestor whose name appears on the "Register" prepared pursuant to the agreement dated April 8, 1867, between the Delaware Tribe of Indians and the Cherokee Nation. No person shall be eligible for enrollment under this section who was paid, or was eligible to be paid, pursuant to the Act of October 3, 1972 (82 Stat. 762).

Sec. 3. (a) Upon completion of the roll provided for in section 2 of this Act, the Secretary shall segregate and establish a separate fund from the funds described in the first section of this Act. Such separate fund shall be in an amount equal to $1,488.22 multiplied by the number of persons whose names appear on the roll prepared in accordance with section 2 of this Act: *Provided*, That said separate fund shall not in any event exceed the maximum amount of $1,488,220 regardless of the number of such enrollees.

(b) The Secretary shall pay 10 per centum of the fund established by subsection (a) of this section to the Kansas Delaware Tribe of Indians, Incorporated, and to the Delawares of Idaho, Incorporated, in a ratio proportionate to their respective number of members enrolled under section 2 of this Act, for the sole purpose of enabling such corporations to pay attorneys' fees for the representation of such members in connection with their efforts to achieve participation in the distribution of funds under the Act of October 3, 1972, and in addition thereto, shall pay to such corporatons from the fund established by subsection (a) of this section all expenses in connection therewith which the Secretary finds to be reasonable.

(c) After payments made pursuant to subsection (b) of this section, the Secretary shall distribute the balance of the separate fund established pursuant to subsection (a) of this section on a per capita basis to those who have been enrolled by the Secretary under section 2 of this Act.

Sec. 4. After the establishment of the separate fund prescribed in section 3(a) of this Act, 17 per centum of all of the then remaining funds described in the first section of this Act shall be apportioned by the Secretary to the Delaware Tribe of Western Oklahoma. The Secretary shall prepare a roll of all persons born on or before, and living on, the date of the enactment of this Act who are citizens of the United States and whose names appear on the membership roll of the Delaware Tribe of Western Oklahoma, brought current as of the date of the enactment of this Act. No more than 60 per centum of the funds apportioned to the Delaware Tribe of Western Oklahoma shall be distributed on a per capita basis, in amounts as equal as possible, to all tribal members enrolled in accordance with this section. No less than 40 per centum of said funds, including any amounts remaining from the aforementioned per capita distribution, shall be invested by the Secretary for tribal social and economic programing purposes, including periodic dividend payments: *Provided*, That the voting membership of the tribe may elect to designate more than 40 per centum of the total funds apportioned to the tribe for such programing purposes. Said programing funds, including all interest and investment income accrued, shall be utilized by the tribal governing body on an annual budgetary basis, subject to the approval of the Secretary.

Sec. 5. (a) After the establishment of the fund prescribed in section 3(a) and the apportionment of funds to the Delaware Tribe of Western Oklahoma as prescribed in section 4 of this Act, the remaining balance of funds described in the first section of this Act shall be divided and distributed per capita, in accordance with the provisions of this section, among all persons whose names appear on a roll prepared by the Secretary, which roll shall include all persons born on or prior to and living on the date of the enactment of this Act who are citizens of the United States and whose names or whose lineal ancestors' names appear on any of the following rolls or records:

(1) the "Registry", filed in the Office of the Commissioner of Indian Affairs pursuant to article 9 of the treaty with the Delaware Indians of July 4, 1866 (14 Stat. 793);

(2) the Delaware (Cherokee Delaware) Indian per capita payroll approved by the Secretary of the Interior on April 20, 1906; or

(3) the "Register" prepared pursuant to the agreement of April 8, 1867, between the Delaware Tribe of Indians and the Cherokee Nation.

(b) The per capita amount determined pursuant to subsection (a) of this section with respect to any person (except a person enrolled pursuant to section 2 of this Act) who was born after October 3, 1972, shall not be less than the amount of per capita payment such person would otherwise receive if no separate fund had been established pursuant to section 3(a) and if the total funds described in the first section of this Act were reduced only by the amount of funds apportioned to the Delaware Tribe of Western Oklahoma pursuant to section 4 of this Act.

(c) The Secretary shall identify those persons who qualify and are enrolled under section 5(a) (1) and (3) of this Act exclusive of those persons who qualify under section 5(a)(2) of this Act. The amount of their individual shares shall be multiplied by the number of such enrollees. The Secretary shall pay 10 per centum of this total amount to the Kansas Delaware Tribe of Indians, Incorporated, and to the Delawares of Idaho, Incorporated, in a ratio proportionate to their respective number of members enrolled under subsection (a) of this section for the sole purpose of the payment of their attorneys' fees in connection with their efforts to achieve participation in the funds set forth in subsection (a) of this section. The Secretary shall distribute the balance of said total amount on a per capita basis to those persons enrolled under section 5(a) (1) and (3) of this Act subject to the requirement of section 5(b) of this Act.

(d) No person shall be entitled to more than one per capita share under subsection (a) of this section, nor shall any person who received a per capita share under section 4 of this Act be eligible to receive any share under this section.

SEC. 6. The per capita shares of living competent adults shall be paid directly to them. Per capita shares of deceased individual beneficiaries shall be determined and distributed pursuant to regulations prescribed by the Secretary. Per capita shares of legal incompetents and per capita shares of persons under age eighteen shall be paid in accordance with such procedures, including the establishment of trusts, as the Secretary determines to be necessary to protect the interests of such persons.

SEC. 7. (a) Except for funds to be held in escrow as provided hereinafter in this section, the Secretary shall pay and distribute all funds, as provided in this Act, forthwith upon completion of the enrollment process to be established by the rules and regulations to be promulgated under section 10 of this Act, which enrollment process period shall not be deemed to include the period of time for action upon enrollment appeals.

(b) The Secretary, in arranging for the per capita payments under sections 3, 4, and 5 of this Act, shall hold at interest in an escrow account the apportioned shares, including any attorneys fees applicable thereto as provided in sections 3 and 5, of all applicants whose entitlements are the subjects of enrollment appeals, pending determinations of all enrollment appeals.

(c) The aggregate amount of any apportioned shares applicable to unsuccessful applicants for enrollment under section 3 of this Act, including the attorneys fees attributable to such apportioned shares as provided in such section, shall be paid and distributed by the Secretary, 17 per centum to the Delaware Tribe of Western Oklahoma for programing purposes as provided in section 4 of this Act, and the remaining 83 per centum shall be paid and distributed as provided in section 5 of this Act: *Provided*, That per capita payments which would be payable under section 5 of this Act of less than $5 shall be aggregated and paid 19 per centum to the Delaware Tribe of Western Oklahoma and 81 per centum to the Delaware Tribe of Indians, both for programing purposes.

(d) The amount of any apportioned shares applicable to unsuccessful applicants for enrollment who claimed entitlement through membership in the Delaware Tribe of Western Oklahoma shall be added to the programing portion of that tribe's share of these awards.

(e) The amount of any apportioned shares applicable to unsuccessful applicants who claimed entitlement under section 5(a)(2) of this Act shall be added to the programing portion of the Delaware Tribe of Indians' share of awards provided for in the Act of October 3, 1972 (86 Stat. 762).

(f) The total amount of any apportioned shares applicable to unsuccessful applicants who claimed entitlement through section 5(a)(1) or section 5(a)(3) shall be paid and distributed as provided in section 5(c): *Provided*, That per capita payments which would be payable under section 5(c) of this Act of less than $5 shall be aggregated and paid 19 per centum to the Delaware Tribe of Western Oklahoma and 81 per centum to the Delaware Tribe of Indians, both for the programing purposes of said tribes.

SEC. 8. None of the funds distributed per capita or made available for programing purposes under this Act shall be subject to Federal or State income taxes or be considered income or resources in determining eligibility for assistance under Federal, State, or local programs.

SEC. 9. Nothing in this Act shall be construed as recognizing the Kansas Delaware Indians, the Kansas Delaware Tribe of Indians, Incorporated, the Idaho Delaware Indians or the Delawares of Idaho, Incorporated, as federally recognized Indian tribes.

SEC. 10. The Secretary is authorized and directed, within sixty days from the date of enactment of this Act to promulgate rules and regulations to implement this Act, including the establishment of enrollment procedures and a deadline for the filing of enrollment applications on a date not more than one hundred and twenty days after publication of said regulations.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

STABILITY OF TUNISIA

The Senate proceeded to consider the concurrent resolution (H. Con. Res. 282) expressing the sense of the Congress with respect to the recent foreign-inspired attempts to undermine the stability of Tunisia.

● Mr. STONE. Mr. President, House Concurrent Resolution 282 expresses the sense of Congress that the Government and the people of the United States reaffirms support for the well-being and independence of the Republic of Tunisia.

As chairman of the Subcommittee on Near Eastern and South Asian Affairs, I am pleased to be joined by our ranking minority member, the senior Senator from Illinois, Mr. PERCY, in bringing this resolution to the floor for consideration.

Tunisia, which gained independence in 1956, has always been a close friend of the United States and a stabilizing force in North Africa and, indeed, among the community of nations.

It recently came under military attack from forces operating from Libya and repelled those forces in a most admirable manner.

I had the honor of visiting Tunisia on its National Day in 1977 and I am moved to reaffirm my full support for President Bourgiba, Prime Minister Noira, and the people of Tunisia.●

Mr. PERCY. Mr. President, I am very pleased to support this resolution which reaffirms our friendship and support for the people of Tunisia. Since gaining its independence in 1956, Tunisia has demonstrated its responsibility continuously and has been a strong force for stability and rationality in North Africa.

At a time of danger and confusion on the international scene, we appreciate Tunisia's constructive role in the world community. We also value the wonderful relationship that we have had, and will continue to have, with the people and government of that country.

This Nation respects the sovereignty and the independence of Tunisia. Threats have been made from outside Tunisia that have given cause for concern not only to the Government of Tunisia and the people of Tunisia but to the people of the free world, the people of America, and the Government of the United States of America.

The President of the United States has spoken unequivocally on this position, and I take the floor today to speak unequivocally on behalf of those of us in the Congress of the United States who feel the independence and sovereignty of Tunisia are important factors in our own national interests and the interests of the free world, and we stand unequivocally with Tunisia in its quest for continued freedom, independence, and the betterment of its own people.

The concurrent resolution was agreed to.

The preamble was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the concurrent resolution was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

SENATE JOINT RESOLUTION 100 INDEFINITELY POSTPONED

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Calendar No. 660, Senate Joint Resolution 100, be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTERNATIONAL DEVELOPMENT BANKS

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. CHURCH, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 662.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 662) entitled "An Act to provide for increased participation by the United States in the Inter-American Development Bank, the Asian Development Bank, and the African Development Fund", do pass with the following amendment:

Strike out all after the enacting clause, and insert:

TITLE I—INTER-AMERICAN DEVELOPMENT BANK

SEC. 101. The Inter-American Development Bank Act, as amended (22 U.S.C. 283 et seq.), is further amended by redesignating section 29 as section 28 and by adding at the end the following new section:

"SEC. 29. (a) The United States Governor of the Bank is authorized to vote for two resolutions which were proposed by the Governors at a special meeting in December 1978, and are pending before the Board of Governors of the Bank. These resolutions provide for (1) an increase in the authorized capital stock of the Bank and additional subscriptions thereto and (2) an increase in the resources of the Fund for Special Operations and contributions thereto. Upon adoption of these resolutions, the United States Government is authorized on behalf of the United States (1) to subscribe to two hundred twenty-seven thousand eight hundred and ninety-six shares of the increase in the authorized capital stock of the Bank of which two hundred ten thousand eight hundred and four shall be callable and seventeen thousand and ninety-two shall be paid-in and (2) to contribute to the Fund for Special Operations $600,000,000: *Provided, however,* That any commitment to make such subscriptions to paid-in and callable capital stock and to make such contributions to the Fund for Special Operations shall be effective only to such extent or in such amounts as are provided in advance in appropriation Acts.

"(b) In order to pay for the increase in the United States subscription and contribution provided for in the section, there are hereby authorized to be appropriated, without fiscal year limitation, for payment by the Secretary of the Treasury (1) $1,649,900,000 for the United States subscription to the capital stock of the Bank and (2) $600,000,000 for the United States share of the increase in the resources of the Fund for Special Operations.

"(c) For the purpose of keeping to a minimum the cost to the United States, the Secretary of the Treasury shall pay the United States contribution to the Fund for Special Operations authorized by this section by letter of credit in four annual installments. The Secretary of the Treasury is directed to take the steps necessary to obtain a certification from the Bank that any undisbursed balances resulting from drawdowns on such letter of credit will not exceed at any time the United States share of expected disbursement requirements for the following three-month period.

"(d) None of the funds authorized to be appropriated by this section may be used for any form of assistance to any nonmember nation.".

SEC. 102. The President shall evaluate a proposal for joint action by the countries of the Western Hemisphere and other nations which participate in the Inter-American Development Bank to increase exploration for and exploitation of energy and mineral resources of the Western Hemisphere through investment insurance administered by the Inter-American Development Bank and through other multilateral incentives to private investment in such resources. The President shall report his findings to the Congress not later than September 30, 1980, together with such recommendations as he considers appropriate.

TITLE II—ASIAN DEVELOPMENT BANK

SEC. 201. The Asian Development Bank Act, as amended (22 U.S.C. 285 et seq.), is further amended by adding at the end the following new sections:

"SEC. 24. (a) The United States Governor of the Bank is hereby authorized to contribute on behalf of the United States $180,000,000 to the Asian Development Fund, a special fund of the Bank: *Provided, however,* That any commitment to make such contribution shall be made subject to obtaining the necessary appropriations.

"(b) In order to pay for the United States contribution to the Asian Development Fund provided for in this section, there are hereby authorized to be appropriated without fiscal year limitation $180,000,000 for payment by the Secretary of the Treasury.

"(c) For the purpose of keeping to a minimum the cost to the United States, the Secretary of the Treasury shall pay the United States contribution to the Asian Development Fund authorized by this section by letter of credit in four annual installments. The Secretary of the Treasury is directed to take the steps necessary to obtain a certification from the Bank that any undisbursed balances resulting from drawdowns on such letter of credit will not exceed at any time the United States share of expected disbursement requirements for the following three-month period.".

SEC. 202. The Asian Development Bank Act, as amended by section 201 of this Act, is further amended by adding at the end thereof the following new sections:

"SEC. 25. (a)(1) Upon the establishment of a special refugee fund administered by the Asian Development Bank, the United States Governor of the Bank is authorized to contribute to that fund on behalf of the United States 25 percent of the total amount contributed by all countries to that fund, subject to the limitation contained in subsection (b) of this section. This special refugee fund shall assist regional developing member countries of the Bank impacted by service as sites for temporary asylum for refugees from South and Southeast Asia prior to their resettlement in third countries.

"(2) The special refugee fund should also be available to help any regional developing member country which may wish to formulate development plans for regions of that country which that country judges to be suitable for permanent resettlement of refugees from South and Southeast Asia.

"(b) In order to pay for the United States contribution provided for in this section, there is authorized to be appropriated without fiscal year limitation not to exceed $100,000,000 for payment by the Secretary of the Treasury.

"(c)(1) The President shall encourage other countries to support the establishment of, and to contribute to, the special fund described in subsection (a) of this section.

"(2) In addition, the President shall encourage the World Bank and other appropriate multilateral development banks to establish funds similar to that described in subsection (a) of this section to aid in the permanent resettlement in third countries of refugees from South and Southeast Asia.

"SEC. 26. No payment may be made by the Secretary of the Treasury for the United States contribution to the Asian Development Fund, if Taiwan (before January 1, 1979, known as the Republic of China) is excluded from membership in the Bank.".

TITLE III—AFRICAN DEVELOPMENT FUND

SEC. 301. The African Development Fund Act, as amended (22 U.S.C. 290g et seq.), is further amended by redesignating section 212 as section 211 and by adding at the end the following new section:

"SEC. 212. (a) The United States Governor of the Fund is hereby authorized to contribute on behalf of the United States $125,000,000 to the Fund as the United States contribution to the second replenishment of the resources of the Fund: *Provided, however,* That any commitment to make such contribution shall be made subject to obtaining the necessary appropriations.

"(b) In order to pay for the United States contribution provided for in this section, there is hereby authorized to be appropriated without fiscal year limitation $125,000,000 for payment by the Secretary of the Treasury.

"(c) For the purpose of keeping to a minimum the cost to the United States, the Secretary of the Treasury shall pay the United States contribution to the African Development Fund authorized by this section by letter of credit in three annual installments. The Secretary of the Treasury is directed to take the steps necessary to obtain a certification from the Fund that any undisbursed balances resulting from drawdowns on such letter of credit will not exceed at any time the United States share of expected disbursement requirements for the following three-month period.".

TITLE IV—EXPORT OPPORTUNITY ENHANCEMENT

SEC. 401. The Secretary of the Treasury shall instruct the United States Executive Directors of the Inter-American Development Bank, the Asian Development Bank and the African Development Fund to take all possible steps to assure that information relative to potential procurement opportunities for United States firms is expeditiously communicated to him/her, the Secretary of State and the Secretary of Commerce. Such information shall be disseminated as broadly as possible to both large and small business.

TITLE V—HUMAN RIGHTS REPORTING

SEC. 501. (a) Section 701 of an Act approved October 3, 1977 (Public Law 95-118; 91 Stat. 1069), is amended—

(1) in subsection (c)—

(A) by inserting "(1)" after "(c)"; and

(B) by adding at the end thereof the following new paragraph:

"(2)(A) The Secretary of the Treasury shall report quarterly on all loans made by the institutions listed in subsection (a) to the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate. Each such quarterly report shall include a list of all loans made by such institutions and shall specify—

"(i) the institution involved;

"(ii) the date of final action;

"(iii) the borrower;

"(iv) the amount;

"(v) the project or program;

"(vi) the vote of the United States Government;

"(vii) the reason for United States Government opposition, if any;

"(viii) the final disposition of the loan involved; and

"(ix) in any case in which the United States Government opposes any such loan, whether such loan meets basic human needs.

"(B) The information required to be reported under subparagraph (A) also shall be included in the annual report to Congress of the National Advisory Council on International Monetary and Financial Policies."; and

(2) by adding at the end thereof the following new subsection:

"(g)(1) The Secretary of the Treasury, in consultation with the Secretary of State, shall report quarterly to the chairmen and ranking minority members of the Committee on Banking, Finance and Urban Affairs of the House of Representatives, the Subcommittee on International Development Institutions and Finance of such Committee, and the Committees on Foreign Relations of the Senate in each instance in which the United States Executive Director of an institution listed in subsection (a) opposes any loan, financial assistance, or technical assistance for reasons regarding human rights. Each such report shall include—

"(A) the reasons for such opposition;

"(B) all policy considerations taken into account in reaching such decisions to oppose such loans, financial assistance, or technical assistance;

"(C) a description of the human rights conditions in the country involved;

"(D) a record of how the United States Government voted on all other loans, financial assistance, and technical assistance to such country during the preceding two years; and

"(E) information as to how the decision to oppose such loan, financial assistance, or technical assistance relates to overall United States Government policy on human rights in such country.

"(2) The Secretary of the Treasury or his delegate shall consult frequently and in a timely manner with the chairmen and ranking minority members specified in paragraph (1) to inform them regarding any prospective changes in policy direction toward countries which have or recently have had poor human rights records.".

(b) Title VII of such Act is amended by adding at the end thereof the following:

"Sec. 705. The President shall direct the United States Governor of the International Bank for Reconstruction and Development, the United States Governor of the International Finance Corporation, the United States Governor of the International Development Association, the United States Governor of the Inter-American Development Bank, the United States Governor of the Asian Development Bank, and the United States Governor of the African Development Fund to formally propose for adoption an amendment to the Articles of Agreement of their respective institutions to establish human rights standards to be considered in connection with each application for assistance.".

TITLE VI—USE OF RENEWABLE RESOURCES FOR ENERGY PRODUCTION

Sec. 601. The Congress hereby finds that—

(1) without an adequate supply of energy at affordable prices the world's poor will continue to be deprived of jobs, food, water, shelter, and clothing, and poor countries will continue to be economically and politically unstable;

(2) dependence on increasingly expensive fossil fuel resources consumes too much of the capital available to poor countries with the result that funds are not available to meet the basic needs of poor people;

(3) in many developing countries the cost of large central generators and long distance electrical distribution makes it unlikely that rural energy by means of a national grid will contribute to meeting the needs of poor people;

(4) only one of eight rural inhabitants lives in an area which has access to electricity and even fewer rural inhabitants actually have or can afford electricity;

(5) wood, animal, and agricultural waste and other "noncommercial" fuels still supply about half the total energy in developing countries and all but a seventh in rural sectors;

(6) growing dependence of the world's poor on wood for heating and cooking has forced the overcutting of forests and as a consequence erosion and loss of available agricultural land;

(7) recent initiatives by the international financial institutions to develop and utilize decentralized solar, hydro, biomass, geothermal, and wind energy should be significantly expanded to make renewable energy resources increasingly available to the world's poor on a wide scale.

Sec. 602. (a) The United States Government, in connection with its voice and vote in the Inter-American Development Bank, the African Development Fund, and the Asian Development Bank, shall encourage such institutions—

(1) to promote the decentralized production of renewable energy;

(2) to identify renewable resources to produce energy in rural development projects and determine the feasibility of substituting them for systems using fossil fuel;

(3) to train personnel in developing technologies for getting energy from renewable resources;

(4) to support research into the use of renewable energy resources, including hydropower, biomass, solar photovoltaic, and solar thermal;

(5) to create an information network to make available to policy makers the full range of energy choices;

(6) to broaden their energy planning, analyses, and assessments so as to include consideration of the supply of, demand for, and possible uses of renewable energy resources;

(7) to encourage the international financial institutions to coordinate the work of the Agency for International Development and other aid organizations in supporting effective rural energy programs.

(b) For purposes of this section, the term "renewable energy resource" means any resource which—

(1) meets the needs of rural communities;

(2) saves capital without wasting labor;

(3) is modest in scale and simple to install and maintain and which can be managed by local individuals;

(4) is acceptable and affordable; and

(5) does not damage the environment.

(c) The Secretary of the Treasury in consultation with the Director of the International Development Cooperation Agency shall report to the Congress not later than six months after the date of enactment of this Act and annually thereafter on the progress toward achieving the goals set forth in this title.

TITLE VII—EFFECTIVE DATE

Sec. 701. This Act shall take effect on the date of its enactment, except that no funds authorized to be appropriated by any amendment contained in titles I, II, or III may be available for use or obligation prior to October 1, 1979.

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. Church, I move that the Senate disagree to the amendment of the House and that the Senate request a conference with the House and that the Chair be authorized to appoint conferees.

The motion was agreed to; and the Presiding Officer appointed Mr. Church, Mr. Pell, Mr. Sarbanes, Mr. Javits, and Mr. Lugar conferees on the part of the Senate.

TECHNICAL CORRECTIONS ACT OF 1979

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. Long, I ask that the Chair lay before the Senate a message from the House of Representatives on H.R. 2797.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives.

Resolved, That the House agree to the amendments of the Senate Nos. 1 through 66 and 68 through 94 to the bill (H.R. 2797) entitled "An Act to make technical corrections related to the Revenue Act of 1978".

Resolved, That the House disagree to the amendment of the Senate No. 67 to the aforesaid bill.

UP AMENDMENT NO. 1015

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. Long, I made the following statement:

Mr. President, when this bill came over from the House, the Senate added as a series of amendments a number of technical corrections to the tax law which had not been included in the House bill. The House has accepted all the Senate amendments except one, which they felt was not purely technical. The matter has been worked out, and the amendment has been redrafted so that all parties concerned agree that it is purely technical. With the adoption of the revised amendment the bill can be sent back to the House for its approval and then on to the President.

Mr. President, I ask unanimous consent that the Senate recede from its amendment No. 67 to the bill H.R. 2797, and that it be in order to offer another amendment to the House bill in lieu of amendment No. 67 without it being amendable.

I send the amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from West Virginia (Mr. Robert C. Byrd), for the Senator from Louisiana (Mr. Long), proposes an unprinted amendment numbered 1015:

Page 38, after line 25, insert the following:

(C) Use of facilities in case of independent contractors, etc.—

(i) In general.—Subsection (a) of section 274 of the Internal Revenue Code of 1954 (relating to disallowance of certain entertainment, etc., expenses) shall not apply to expenses paid or incurred by the taxpayer for goods, services, and facilities to the extent that the expenses are includible in the gross income of a recipient of the entertainment, amusement, or recreation who is not an employee of the taxpayer as compensation for services rendered or as a prize or award under section 74 of such Code.

(ii) Information return requirement.—Clause (i) shall not apply to any amount paid or incurred by the taxpayer if such amount is required to be included in any information return filed by such taxpayer under part III of subchapter A of chapter 61 of such Code and is not so included.

(iii) Application of subparagraph.—This subparagraph shall only apply with respect to expenses paid or incurred during 1979 or 1980.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the nominations on the Executive Calendar beginning with page 3 and going through page 4.

Mr. BAKER. Mr. President, reserving the right to object, and I shall not object, the items identified by the majority leader, beginning with the first nomination under National Council on Educational Research and concluding on page 4, with and including the nominations placed on the Secretary's desk, are cleared on our calendar for confirmation. We have no objection to their consideration at this time.

Mr. ROBERT C. BYRD. Mr. President, I thank the Republican leader.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The nominations will be stated.

The legislative clerk proceeded to read nominations on the Executive Calendar.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all the nominations on the Executive Calendar beginning with the National Council on Educational Research and concluding with the nominations placed on the Secretary's desk in the Coast Guard and in the Diplomatic and Foreign Service be considered and confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are considered en bloc and confirmed en bloc.

The nominations considered and confirmed en bloc are as follows:

NATIONAL COUNCIL ON EDUCATIONAL RESEARCH

Tomas A. Arciniega, of California, to be a member of the National Council on Educational Research.

Jon L. Harkness, of Wisconsin, to be a member of the National Council on Educational Research.

Harold L. Enarson, of Ohio, to be a member of the National Council on Educational Research.

Barbara S. Uehling, of Missouri, to be a member of the National Council on Educational Research.

Bernard C. Watson, of Pennsylvania, to be a member of the National Council on Educational Research.

DEPARTMENT OF STATE

Marvin Weissman, of Maryland, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Bolivia.

Rozanne L. Ridgway, of the District of Columbia, a Foreign Service officer of class 1, to be Counselor of the Department of State.

Robert C. F. Gordon, of California, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Mauritius.

James Eugene Goodby, of New Hampshire, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Finland.

INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

Guy Feliz Erb, of California, to be Deputy Director of the U.S. International Development Cooperation Agency (new position).

NOMINATIONS PLACED ON THE SECRETARY'S DESK IN THE COAST GUARD AND IN THE DIPLOMATIC AND FOREIGN SERVICE

Coast Guard nominations beginning William M. Gaynor, III, to be lieutenant, and ending Curtis L. Gunn, to be a lieutenant, which nominations were received by the Senate and appeared in the Congressional Record on January 24, 1980.

Coast Guard nominations beginning Daniel F. Haynes, to be lieutenant (junior grade), and ending Kevin A. Nugent, to be lieutenant (junior grade), which nominations were received by the Senate and appeared in the Congressional Record on February 1, 1980.

Coast Guard nominations beginning Robert Eugene Acker, to be ensign, and ending Robert Philip Zwissler, to be ensign, which nominations were received by the Senate and appeared in the Congressional Record on February 26, 1980.

Foreign Service nominations beginning Leonard J. Baldyga, to be a Foreign Service information officer of class 1, and ending Charles H. Walsh, Jr., to be a Foreign Service information officer of class 7, which nominations were received by the Senate and appeared in the Congressional Record on February 19, 1980.

Diplomatic and Foreign Service nominations beginning Michael Joseph Gould, to be a Foreign Service information officer of class 3, a consular officer, and a secretary in the Diplomatic Service of the United States of America, and ending Garrett Courtney Burke, to be a Foreign Service officer of class 2, a consular officer, and a secretary in the diplomatic service of the United States of America, which nominations were received by the Senate on February 22, 1980, and appeared in the Congressional Record of February 26, 1980.

NOMINATION OF GUY FELIZ ERB FOR DEPUTY DIRECTOR OF THE INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

● Mr. DECONCINI. Mr. President, Mr. Guy Feliz Erb is an outstanding choice for the position of Deputy Director of the International Development Cooperation Agency (IDCA), and I strongly endorse his nomination.

Mr. Erb's academic background, as well as his extensive experience in the areas of economics and international trade—as a member of the United Nations Conference on Trade and Development, as Advisor to the Central American Common Market, and as a member of the Overseas Development Council—eminently qualify him for the position for which he has been nominated. In an era of increasing international uncertainty and upheaval, it is especially important to have individuals in policy positions who are sensitive to the problems of the Third World. Mr. Erb's experience as a skillful "North-South" trade negotiator during his tenure with the National Security Council should prove particularly valuable as we attempt to foster a spirit of greater understanding and cooperation between the industrialized and developing nations of the world.

Mr. Erb's long and distinguished career of public service is a matter of public record. Not only is Mr. Erb superbly qualified for the position of Deputy Director of the International Development Cooperation Agency, he has also consistently exhibited those special qualities of dedication, integrity, patience, and sensitivity so essential to the successful pursuit of our national and global objectives. For these reasons, I believe the Senate should act favorably on Mr. Erb's nomination. I am convinced that he will continue to serve this country with distinction.

Despite the fact that I am impressed by Mr. Erb's credentials, my reservations regarding the Agency itself remain unchanged. Mr. President, I ask to place in the Record at this point an earlier statement I made outlining the flaws in IDCA.

The statement follows:

FLAWS IN IDCA

● Mr. DECONCINI. Mr. President, I rise in support of the pending resolution. Reorganization plan No. 2 is so seriously flawed that the only proper and responsible course, in my judgment, is to disapprove it. The reshuffling the administration recommends in plan No. 2 is clearly the product of bureaucratic infighting. Not surprisingly, it serves merely to gloss over and thus perpetuate the organizational provincialism and programmatic incoherence that has come to characterize our foreign assistance effort. What is needed and what I had hoped to see is a comprehensive realignment of all the elements of our foreign assistance machinery, not simply the addition of another largely irrelevant layer of supergrade bureaucracy along with a few dotted lines on the existing table of organization which, unfortunately, is what plan No. 2 turned out to be. Real institutional changes, as opposed to the kind of cosmetic tinkering plan No. 2 incorporates, must flow from well-defined, lucidly articulated policy concepts coupled with a thorough and objective assessment of the organizational forms required for their effective implementation. This, indeed, is what I understand by reorganization, and it is what we should insist upon in the present case. To approve the ad-hoc, jerry-rigged hodge-podge of divided and ambiguous authority, concessions, to bureaucratic inertia, and plain bad administrative structure that plan No. 2 entails is to make an admittedly bad situation worse. To do so is to fall far short of the possible and to foreclose the opportunity to make this kind of substantial improvement in the framework of our development policy which I think a majority of us would be pleased to support.

Let me take a moment, Mr. President, to detail what I believe to be the more significant defects in plan No. 2:

First. The International Development Cooperation Agency (IDCA) which plan No. 2 would create as the means of securing greater integration and coordination of foreign assistance policymaking is institutionally incapable of doing so. The only activities that are clearly and unambiguously subject to its direct authority and control are the Agency for International Development (AID) and a proposed Institute for Scientific and Technological Cooperation (ISTC). Authorization for this latter entity was, as you will recall, deleted from the development assistance authorization bill on June 19. Thus, all that remains of IDCA as a unified organization is AID.

Second. Significantly, the multilateral aspects of foreign assistance remain under plan No. 2, beyond IDCA's institutional boundaries, and, despite some last minute memos purporting to establish lines of coordination and consultation among IDCA, State, and Treasury, beyond its operational reach as well. The plain fact is that the management of our international organizations activities remains in the State Department, while actual authority over the Multilateral Development Banks is left with the Secretary of the Treasury. On March 20 of this year, Secretary Blumenthal appeared before the Foreign Operations Subcommittee of the Committee on Appropriations. His remarks with respect to this reorganization proposal are illuminating, and, I think, suggest what IDCA's chances are of exerting anything more than marginal influence on U.S. policy vis-a-vis the MDB's.

Third. Although IDCA as presently constituted is apt to be ineffectual, it will nonetheless be quite expensive. Current estimates for personnel benefits alone for fiscal year 1980 range from in excess of $2 million to over $3.6 million. I think for this kind of money, we ought to get real reorganization, one with better prospects for putting our assistance effort into some semblance of order.

Mr. President, I have always believed in calling an ace an ace and a spade a spade.

What we have before us in plan No. 2 is no reorganization worthy of the name—It is a turkey and it is a long time until Thanksgiving.●

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the nominations were confirmed en bloc.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be notified of the confirmation of the nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of Proceedings be approved to date.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE ELECTRIC CAR

Mr. BRADLEY. Mr. President, one of the most promising technologies to improve the energy efficiency in the transportation sector is the electric car.

Mr. Gordon Bishop, who writes in the Newark Star-Ledger, has done an outstanding series of articles on the electric car and its potential in this country.

I ask unanimous consent that his articles be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

CHARGING UP FOR A FUTURE OF ELECTRIC AUTOS

(By Gordon Bishop)

The first auto manufacturer to come out with a mass-produced efficient electric car should take a sizable share of the motor vehicle market.

The motor for an electric car is powered by batteries, the key to success of these noiseless, pollutionless vehicles.

General Motors Corp. has a head start with its zinc-nickel oxide battery, developed by Richard Jones, a native of Maplewood and graduate of the New Jersey Institute of Technology.

But other automakers—domestic and foreign—are speeding up development of an electric car that can cruise along at 50 to 60 miles an hour for up to 150 miles.

The "fuel" for these electric cars costs about a penny a mile, or five to 10 times less than today's standard combustion engine, which is inherently inefficient, noxious and expensive to operate and maintain.

General Motors is in the driver's seat on electrics because it produces both cars and batteries. At GM's Delco Remy division, gasoline engines are the competition.

The development of electric cars had to happen. The gasoline engines for private passenger cars are no longer economic. They require constant tune-ups, anti-freeze, mufflers, tailpipes and a thousand and one other parts to operate.

The electric car needs only an electric motor and a battery pack. Virtually no maintenance. And its energy demand is small and inexpensive.

Gasoline prices are heading for $3 a gallon, perhaps as much as $5 gallon by 1985. Even with today's conventional lead-acid batteries, electric cars are considerably cheaper to own and operate.

General Motors' target date for production of its first-generation electric cars is 1985. But its batteries could be available before then. Or, another company could have a comparably powerful battery on the market in two years.

Chrysler and General Electric have teamed up to make a sleek electric car that gets more than 100 miles between charges. Together, they have the mass marketing potential to deliver hundreds of thousands of electrics to the motoring public within the next three years.

Volkswagen and Toyota also are testing several electric versions which could be on the market in two to three years.

Until these models roll off the assembly lines, consumers still have a choice—the "conversion car."

Although there are only a handful of companies selling conversions—gasoline cars converted to electrics—their number is bound to grow as the public becomes aware of their existence.

One dealer in Hackensack, trading under the name of Bergen Electricar, has sold 17 "Lectric Leopards" since last September. They are four-seater Renaults, fully equipped.

Another electric car distributor, however, lucked out last fall when he tried to market a heavy domestic-built station wagon loaded with batteries. Some three Solargen dealerships in New Jersey went out of business because they chose a big car to convert.

Had they stuck with the subcompacts—about 2,000 pounds—they'd probably still be selling electrics.

The research engineers at GM's Delco Battery laboratory in Anderson, Ind., already are looking to the day when their electric cars will be able to "run off the sun."

Last April in this column, we proposed that electric vehicles be plugged into solar energy storage systems recharged by sunlight.

That idea will be tested for the first time this summer when General Motors plugs its experimental "Electrovette" (a converted Chevette) into Delco Remy batteries recharged by solar-electric collectors.

The "fuel" cost to run the Electrovette will be zero cents a mile, as the energy source—sunlight—is free.

General Motors makes cars and batteries. It does not make solar storage systems, but it probably will. The solar-electric technology is called photovoltaics—the conversion of photon light from the sun directly into an electrical current.

The photovoltaic industry has made enormous progress during the 1970s bringing the price of solar electricity from $300 to less than $5 a kilowatt. The photovoltaic industry expects to have the price of a peak kilowatt hour down to 50 cents by 1985, making it competitive with electricity generated by centralized power plants.

Motorists will then be able to plug their electric cars into solar storage systems that depend on sunlight, not fossil or nuclear fuels, whose supplies are shrinking each day. There is just so much oil, coal, gas and uranium in the ground, but sunlight will be around for a long time.

CAR OF THE FUTURE?—JERSEY COULD BENEFIT FROM SOLAR-ELECTRIC MODEL

(By Gordon Bishop)

General Motors Corp. plans to power the world's first long-range electric car from solar energy this summer.

The new technology is being viewed as a workable alternative to oil that now fuels millions of cars, vans and commercial pick-up and delivery trucks.

General Motors research engineers see it as the beginning of solar transportation in the 1980s.

New Jersey could also benefit, industrially, if General Motors decides to build its two new plants here to manufacture the electric vehicles and GM's new high-powered batteries.

New Jersey is only one of three states which now produces both GM cars and GM batteries.

For its initial experiment this summer, General Motors will equip its subcompact Chevette with zinc-nickel batteries to travel up to 120 miles on "free energy" derived directly from sunlight.

The solar-electric vehicle, the Star-Ledger has learned, could be on the market by 1985, the same year General Motors is to begin production of its battery-powered subcompact car.

The demonstration solar-electric car will be plugged into storage batteries recharged by photovoltaic collectors that convert sunlight into electricity.

Eventually, electric cars could be covered with a "skin of solar cells" for recharging while driving or when the car is parked and the sun is shining.

The solar recharge method will be demonstrated this summer at GM's Delco Remy battery research center in Anderson, Ind., according to William Wylam, chief engineer at the laboratory.

In an interview with The Star-Ledger, Wylam revealed plans whereby electric cars can "run off the sun" by strong energy in the new zinc-nickel batteries, which were unveiled to the public in September by GM President E. M. Estes.

Since then, Wylam came up with the idea of proving that GM's batteries and electric cars can take advantage of available sunlight.

"The basic technology is here for solar electric vehicles," Wylam disclosed. "The twin developments of advanced batteries and photovoltaic technology makes solar transportation possible."

General Motors expects to be producing electric cars that can travel up to 120 miles on a single charge by 1985.

Simultaneously, the photovoltaic industry—which makes conductors that convert light to electric current—expects to have solar electric systems on the market by 1985–86 at prices competitive with conventional power sources.

Wylam envisions a "compatible marriage" between electric cars and the solar energy industry, one benefiting the other.

GM already is developing solar heating systems at its radiator division in upstate New York. The next step up in solar technology is the application of photovoltaics, or solar electricity.

Wylam said he will purchase two photovoltaic collector panels from any of a number of solar-electric manufacturers that opened shop during the past decade. The collectors will be mounted on the garage roof at Delco Remy's research headquarters in Anderson, Ind. In the garage will be $1,000 worth of zinc-nickel batteries to store electric current generated by the collectors on the roof.

GM's experimental electric car will be plugged into the solar storage batteries—the same type of batteries used to power the vehicle.

Wylam said his solar-powered car should operate satisfactorily from the energy collected from the two panels on the roof.

The test car will have an unofficial EPA rating of zero cents per mile, as the source of power—sunlight—is free.

Little electric cars now on the market using lead-acid batteries can log up to 60 miles of highway driving at a penny a mile.

Without a photovoltaic array on the roof and batteries for storage, an electric car must be plugged into a regular outlet connected to a utility system. Recharging of batteries takes about eight hours. At 7 cents per kilowatt hour, an electric car, using conventional power, can be recharged for roughly 60 cents.

But Wylam thinks it doesn't make sense to burn oil, coal or nuclear fuel to generate electricity to recharge battery-powered vehicles.

More than 70 per cent of the energy is lost in the conversion of fossil and nuclear fuels to electricity, which is then transmitted many miles away before it's used.

"Solar is direct conversion," Wylam said. "No loss, no waste, and no pollution."

The photovoltaic industry is now working toward the same materials breakthrough in electric conversion costs that Delco Remy made last summer with the development of the zinc-nickel battery.

Photovoltaic engineers see the widespread use of solar-electric collectors by the mid-1980s. Before consumers can purchase GM's first electric cars, General Motors must build an assembly plant and a zinc-nickel battery factory.

The cost will exceed a billion dollars, Wylam "guesstimated."

Both plants would have to be built at the same site since the key component of an electric car is its battery pack, Wylam said in sketching out GM's technical scenario.

New Jersey is one of three states which now produces both GM cars and batteries. The other states are California and Georgia.

GM's personal luxury cars (Cadillacs, Oldsmobiles and Buicks) are assembled in Linden, and GM's Delco Remy batteries are produced in New Brunswick.

GM also has a Fisher Body division in Trenton and a bearings plant in Clark. There are more than 12,000 GM jobs in New Jersey.

The first production-line electric cars will be aimed primarily at the metropolitan market, making New Jersey a potentially suitable site for the world's first electric car-and-battery plants. The Garden State is in the heart of the largest metro region in the U.S., where 20 million people reside.

Wylam would not speculate on the siting of the new plants, other than to say such a decision would require help from the state because of the environmental impact regulations involved.

"If we're to produce electric cars and batteries in five years, we'd have to start building the plants in two years," Wylam said. "A huge chemical processing plant is needed to make the batteries."

Wylam, however, doesn't anticipate too much difficulty, as its New Brunswick battery plant is the model for GM's first battery plant outside the United States, scheduled for opening in France next January.

"Our New Brunswick plant is practically a closed loop operation—virtually no wastes, no pollution," Wylam noted. "Our zinc-nickel plant will be patterned after this kind of environmentally safe system."

Initial production would be geared to 100,000 electric cars the first year. Each car requires a single battery pack equivalent to 30 Delco Remy batteries. The chemical plant would be manufacturing the equivalent of 3 million batteries a year.

If the photovoltaic industry has its solor electric system ready for mass production by 1985, then another 3 million batteries would be needed to store electric energy converted from sunlight.

Wylam said the photovoltaic industry, which is in infancy, is becoming a rapidly growing user of GM batteries.

As electric cars gradually replace the internal combustion engine vehicle for use in metropolitan areas, more assembly and battery plants will be built, Wylam said.

Most trips by motorists are less than the 120 miles the first electric cars will be capable of traveling.

In fact, 95 percent of all trips in private autos are local, or less than 50 miles.

For the long trips (more than 200 miles), General Motors is looking at "hybrid engines" that use both fuel and batteries, as well as other sources of power such as hydrogen (extracted from water) and methane gas made from garbage, sludge, vegetation and other renewable resources.

Wylam believes the private car is here to stay, although it's going through rough times now because of uncontrollable oil prices.

"General Motors is not trying to preserve the gasoline engine," Wylam remarked. "Our future depends on an alternative to the combustion engine."

Ironically, General Motors set out in the mid-1960s to develop an electric car as the solution to the nation's air pollution problems.

Instead of stepping up battery technology, the automakers decided to develop pollution controls for the gasoline engine.

That multibillion dollar investment increased gasoline consumption as engines became less efficient. And the pollution control devices, while checking some pollution created others such as oxides of nitrogen.

Wylam feels the automotive industry—prodded by government—made the wrong technological move.

"Had we stuck with the EVs (electric vehicles) being developed in 1965, motorists today probably would have an alternative to the gasoline engine," Wyam commented.

General Motors has spent some $33 million during the last 15 years in development of electric vehicles, a pittance compared to the billions spent on emission controls.

In 1964, GM's engineering staff produced Electrovair I, a Chevrolet Corvair powered by a silver-zinc battery pack.

In 1966, GM demonstrated a second-generation Electrovair II which matched the performance of a standard pistol Corvair. It traveled from 40 to 80 miles between recharges.

In 1977, the Chevrolet Division developed the "Electrovette," a subcompact Chevette powered by 20 lead-acid batteries.

The breakthrough in battery efficiency and storage came in the summer of 1979 when the zinc-nickel system was developed at Delco Remy's laboratory.

Zinc-nickel batteries will run the first generation of electric cars. Eventually they will be succeeded by lithium-iron sulfide batteries that can store from six to 10 times the energy of lead-acid batteries.

Zinc-nickel are two-and-a-half times more efficient that the lead-acid batteries.

The cost of a 500-pound zinc-nickel battery pack will be in the $500 to $1,000 range. They will run for 30,000 miles and can be traded in for a new energy pack.

A motorist could get more than 30,000 miles out of a battery pack if it is not drained down completely between charges. A battery pack could last more than 50,000 miles, depending on its use.

The supplies of zinc in the United States are plentiful, according to James C. Holzwarth, technical director of GM Research Laboratories.

Several countries export nickel, including Canada and Scandinavia.

International Nickel Co. told GM that batteries needed for annual production of as many as 10 million electric cars "wouldn't make a dent in the world nickel supply."

General Motors is about to establish a "Project Center" leading to the planning of an assembly plant and battery factory.

Its next big decision is where to locate an electric car production center.

The "Cents" of Electric Cars—Three Workers Enjoy Penny-a-Mile Driving

(By Gordon Bishop)

Dr. Seymour Jotkowitz, a surgeon, has something in common with Roy Perrin, a machinist, and Tullio Falini, an accountant.

Each drives an electric car.

At a penny a mile, they think it's a good deal. And they don't have to worry about gasoline shortages, long gas lines, or increasing America's dependence on costly imported oil.

"The petroleum problem is ruining our economy and threatening our national security," is the reason Dr. Jotkowitz gave in buying an electric car last November.

Perrin purchased his electric sedan because he "could no longer depend on getting gasoline" at a price he could afford.

Falini acquired his four-passenger electric in order to "end the hassles at the pumps" and to drive a "trouble-free vehicle."

So far they say they're satisfied with their subcompact electrics—a four-passenger, two-door Renault that is marketed in this country as "Le Car."

They bought their electrics at Bergen Electricar in Hackensack, one of the few EV (electric vehicle) dealers in the nation.

The Leopard, which retails for $7,995, has a range of 60 miles at speeds up to 50 miles an hour. The vehicle's power source—16 lead-acid batteries—can be recharged overnight at a cost of about 60 cents.

A special adapter is also available for two-hour charging.

The owners of the Lectric Leopard give the "pioneering car" high marks for customer satisfaction.

"It's ideal for local driving," Falini said. "I would recommend it to anyone who drives under 50 miles a day."

Dr. Jotkowitz found the car's "only limitation" to be its range—from 50 to 70 miles, depending on the weather.

In temperatures above 60 degrees, he can travel up to 70 miles. In frigid weather, the distance drops to 50 miles.

Perrin, who assembles missile and gyro instruments at the Bendix Corp., Teterboro, offered two suggestions for improving the car's performance. A device to pick up speed between 35 to 50 miles an hour, and a method of holding back the free-wheeling vehicle while going down a hill.

"I understand the new electrics will have a regenerative braking system to hold back the car while also recharging the batteries while going downhill," Perrin said.

"Like any new product, it'll get better each year," he added.

Dr. Jotkowitz, a surgeon at Hackensack Hospital, said he drives the car to Newark once a week to teach neurology at the New Jersey College of Medicine.

"I think electrics are the coming thing," he said.

Falini, an accountant from Westchester, Pa., said the stick shift with four gears allows the car to pull four people up a steep incline at 35 miles an hour.

"There's one thing you don't do with this car—speed," Falini said.

Dr. Jotkowitz, 42, said he must have a vehicle that is reliable. "The gas shortages last summer caught just about everyone, including doctors," he said.

Perrin, 61, a bachelor, also owns a diesel Mercedes, valued at about $22,000. He drives the electric to work and uses the Mercedes for "special occasions." Perrin lives in Rutherford.

Falini, 27, also a bachelor, sold his 1975 model gasoline compact to his parents, with whom he lives.

Perrin, who subscribes to Electric Vehicle News, said electrics are much more efficient than internal combustion engines, which lose 80 per cent of their energy during conversion from chemical (fuel) to mechanical power.

Utilities, he reported, use only 17 per cent oil to generate electricity, the balance coming from nuclear and coal.

"Power plants are more efficient than combustion engines, converting from 30 to 40 per cent of fossile or nuclear fuel into electricity," Perrin said.

The EPA mileage rating for the Lectric Leopard comes out to the energy equivalent of 145 miles per gallon, Perrin calculated.

Doug Werner, the Bergen Electricar dealer, said he got into EV's out of frustration. A small businessman who believes in private enterprise, Werner was one of the millions of motorists forced to wait in line for gas last June. He felt there had to be a better way to maintain his four-wheeled mobility.

The Paramus resident owned a string of flower shops in Bergen County and deliveries were being delayed by gas shortages and long lines at the pumps.

"I sat in my car fuming," Werner related during a demonstration of one of his electric sedans. "Here I was wasting time trying to get gas and thinking that this country is the most powerful economic force in the world and motorists are being aggravated and going broke refilling their gas tanks once or twice a week at $20 a clip."

Werner, who has a background in data processing and computers, beat the gas lines by purchasing a Lectric Leopard.

Impressed with the car's performance, Werner opened a dealership in Hackensack for both precuniary and patriotic reasons.

"Motorists must have a choice today, or we're really over the proverbial barrel of oil," Werner quipped.

Since the showroom at 216 State St. opened its doors to the public on Sept. 1, Werner and his partner, Carl Gutt, 40, of Wayne, have sold 17 Lectric Leopards.

Instead of an engine and a jungle of wires under the hood, there are 16 lead-acid batteries that allow the little sedan to travel 60–70 miles in the city and suburbs and 40 miles on the highway at speeds up to 50–55 miles an hour.

The French import, with American modifications, is distributed by U.S. Electric Car in Massachusetts.

Werner, who's wife now manages the flower stores, sees himself as a pioneer in the transportation industry.

"Each month as gas prices go up, electric cars become more attractive to the consumer," Werner said.

"They are noiseless, pollutionless, require practically no maintenance and are the best way to travel in an urban environment," Werner expounded like a salesman hooked on his own product. He drives one between home and work each day.

The Lectric Leopard retails for about the same prices as a mid-size sedan with options.

The electric car comes equipped with all of the accessories of the newest subcompact models, domestic or foreign.

Batteries have to be replaced after five years, or 30,000 to 40,000 miles. By then, Werner expects new, more powerful batteries to boost his Leopard's range to 120 miles highway and 160 miles local driving.

He said battery manufacturers, including General Motors' Delco Remy division, will be competing fiercely for electric car battery sales just like the "gas wars" among gas stations in the 1950s and '60s when a gallon of petrol sold for 20 cents.

A Spark of Ingenuity: Electric Cars Will Cruise State to Showcase Virtues

(By Gordon Bishop)

The State Department of Energy is launching an electric vehicle demonstration project this year to reduce gasoline consumption, air pollution and improve transportation efficiency in New Jersey.

The project is to get under way in a few months when a small business in North Jersey is selected to test four electric-powered delivery trucks.

Dennis O'Malley, director of the State Office of Alternate Technology, disclosed the initial venture will be funded by the U.S. Department of Energy.

"The primary objective is to demonstrate that EVs (electric vehicles) are suitable for short- to medium-range missions in densely populated areas such as North Jersey and Trenton and Camden," O'Malley said.

"The roads the vehicles will travel must provide high visibility to business and the general public," O'Malley said.

Eventually, the state will promote the use of electric cars and vans for ride-sharing and trucks for deliveries at a cost to the user of about a penny a mile, or one-fifth the cost of a conventional gasoline vehicle.

Under the state plan, a minimum of four vans will be leased to agencies or corporations operating vanpools over existing routes. Operators will be chosen from applications sent to the 51 corporations participating in the state vanpool program.

The next mission will be general mail or courier service over existing routes in and around the State Capital Complex.

Areas with concentrated populations where noise and pollution are priority concerns will be given first consideration by the state.

Each vehicle operator will receive four hours of classroom training on the general characteristics of electric vehicles and care and maintenance of EVs.

To be eligible for a federal grant, the state must select an electric vehicle manufacturer certified by the U.S. Department of Energy.

The nearest and largest EV manufacturer that has built trucks for the federal government is Battronic Truck Corp. in Boyertown, Pa., about an hour's drive from Trenton.

O'Malley and his assistant, Lou Jarecki, visited the home truck plant last week to discuss the state's electric vehicle program.

Battronic, one of the five largest EV manufacturers in the nation began as Boyertown Auto Body Works—making horse-drawn carriages.

Situated in a rural farming community (pop. 8,000), Battronic has turned out more than 250 electric trucks since 1971.

Next month, they begin producing electric cars at the rate of one a day. The firm is using Volkswagen units whose engines and transmissions have been removed. They will be replaced by 16 industrial lead-acid batteries and electric motors to power the vehicles. The batteries are good for five years.

Robert H. Dare, manager of engineering sales service, gave state energy officials and a reporter a tour of his assembly plant.

Dare said Battronic is the only plant producing EVs from the ground up. "These are custom built vehicles designed to last for more than 20 years," Dare said.

A quarter-ton pick-up truck sells for $15,000 and has a range of 60 miles at speeds up to 60 miles an hour.

Battronic's electric vehicles are operating in every state in the nation except New Mexico and Nevada.

"We have the largest assembly capability in the country—20 vehicles a week," Dare said. "It's a lot cheaper to operate an electric truck than its gasoline engine counterpart, which gets about five miles to the gallon for city deliveries. That comes to about 20 cents a mile at a dollar a gallon."

Inside the Battronic plant, sheet metal workers were putting together four electric vans for the City of Greenville, S.C.

Two pick-up trucks were awaiting delivery to a milkman and mailman.

Dare noted his electric vehicles sell for less than a Cadillac.

One third of the cost of a $15,000 EV is for the motor controller. Another one third is for the body and chassis. The other one third is the cost of the batteries.

The batteries, after five years, can be traded in for a new set. Their trade-in value is about 20 percent of their original cost.

If the batteries last 50,000 miles, the cost per mile is less than a penny, plus another penny a mile for recharging during the life of a battery. The two cents a mile is still some 15 cents less than delivery trucks driving in the cities, Dare calculates.

With new improved batteries, Battronic expects mileage to double, thus reducing battery costs.

Battronic uses the most expensive batteries on the market, but they also are the best performers.

There are basically three types of batteries available—the "golf cart" variety, the kind used in electric vehicles, and the heavy industrial type.

Battronic buys the industrial Exide battery which can take up to 2,000 charges.

The golf cart batteries can take 400 charges, and the small electric-vehicle batteries have a capability of 750 cycles.

A new line of zinc-nickel batteries being developed by General Motors goes up to 3,000 cycles, with more than twice the power of a lead-acid battery.

Future batteries will be 10 times as powerful as those now in use and should last twice as long. They are expected to be on the market by 1990.

ORDER FOR RECESS UNTIL TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 12 o'clock noon tomorrow.

The PRESIDING OFFICER (Mr. BRADLEY). Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. HEFLIN). Without objection, it is so ordered.

CARTER ADMINISTRATION POLICY ON TRADE WITH SOVIET UNION AND COMMUNIST BLOC NATIONS

Mr. THURMOND. Mr. President, the time has come for the United States to abandon its policy of the 1970's with the Soviet Union in which we embraced a posture of détente and trade normalization with the Soviets and Communist bloc nations.

Unilateral arms restraint by the United States such as cancellation of the B–1 bomber, stretch-outs of the MX, Trident and cruise missile programs and a multitude of other ill-conceived actions have brought us to the point where we are now strategically inferior—and I repeat inferior—to the Soviet Union.

This dangerous state of affairs was admitted publicly for the first time last year by the Joint Chiefs of Staff in answer to questions I posed during consideration of the Strategic Arms Limitation Treaty by the Senate Armed Services Committee.

STUDY SHOWS INFERIORITY

Just recently the weakened U.S. strategic position was documented in a study by Gen. Richard H. Ellis, commander of the Strategic Air Command. He found that the United States is now strategically inferior to the Soviet Union. This study also concluded that because of unilateral defense actions in recent years, our Nation will remain in this weakened position into the latter part of the 1980's.

Mr. President, this situation calls for decisive policy changes if this trend is to be reversed in the shortest possible time. We must accelerate the MX, Trident and cruise missile programs and build a strategic bomber. Furthermore, we must strengthen our entire defense force, to include increased ship procurement, accelerated aircraft procurement and modernization of our Army ground forces.

While I support arms control measures which are equal and verifiable, the need to undertake a sharply increased defense buildup is imperative. We must do this not only to regain strategic equivalence, but also to maintain a conventional force capability to protect our vital interests around the world such as oil supplies in the Middle East.

POLICY CHANGE REQUIRED

As one who has consistently opposed all of the reductions which have led us to this sorry state of affairs, my purpose in speaking today is to focus attention on the need for a meaningful policy shift. We must not only fund the defense programs I have long recommended, but the Carter administration should initiate a distinct policy shift in trade with the Soviet Union and the Communist bloc nations.

Our ill-advised trade policies on the transfer of high technology items to the Soviets, much of it financed by U.S. funds, has significantly aided them in successfully gaining a strategic and conventional military advantage over the United States. We, therefore, need not only to suspend trade with the Communist nations in this area, but to terminate it in a clear policy action which will be understood by the Soviets and our friends around the world.

We have for too long followed a shortsighted policy of détente with the Soviet Union, as well as an equally shortsighted policy of normalizing trade relations with that country. Until the recent embargo, we have been selling technology, grain, and other resources to the Soviets, in most cases financed by cheap government credits and guarantees.

SOVIET AGGRESSION

The invasion of Afghanistan is part of a pattern of Soviet aggression exploiting our unilateral disarmament policies. Angola, Ethiopia, South Yemen, and Cambodia are all part of this pattern of Soviet aggression encouraged by our foreign policy vacillation and our significantly deteriorated military posture. In these earlier cases, the Soviets hid behind surrogate Cuban, East German, Yemeni, and Vietnamese forces. Emboldened by our mild responses, utilizing our own technology and supported by our own financial community, they have now moved boldly with their own forces in Afghanistan.

BELATED RESPONSES

Belatedly, the Carter administration acted to interrupt our trade with the Soviet Union as a sanction against its Afghan adventure. While I applaud the President's suspension of sales of high-technology goods to the Soviet Union, I cannot view the President's action as anything other than a halfway measure. The time is past due that we permanently—and I repeat, permanently—end trading with our enemies.

For more than a decade we have been helping the Soviets feed their people and strengthen their faltering economies through the sale of our most advanced technologies. And worse yet, our private and Government banks have been left holding the bag for many of the Soviets' credit purchases. From 1972 to 1975 we permitted the Soviet Union to draw official Export-Import Bank credits guaranteed by the U.S. Government—at very favorable low interest rates.

Five years after Congress put a stop to this practice, the Soviet Union still owes us approximately $447 million from these credits.

SOVIET DEBTS TO UNITED STATES

The Soviet Union also owes an additional $815 million to U.S. commercial banks. Furthermore, we should not forget that the Soviet Union still owes us $674 million under the lend-lease program of World War II. After lengthy negotiations, we finally secured a Soviet agreement to repay a mere $722 million of the $10.8 billion worth of aid we extended. Yet, under the terms of the agreement, the Soviets made only three payments before discontinuing repayments.

U.S. policymakers should also never lose sight of the fact that these huge outstanding Soviet debts to our Government and our banks, serve to compromise needed policy decisions for fear of endangering repayment. For instance, allowing these long term debts to increase and accumulate will enable the Soviets to pursue further aggression without fear of retaliation. The current loan policy amounts to a two-edged sword in that it restricts U.S. policy options and finances our own destruction by aiding Soviet defense power—power with which this administration is unsuccessfully competing.

TRADE AIDS SOVIET MILITARY

Mr. President, we must be aware that our sales of wheat and technology to the Soviets leave them free to continue to channel their resources to an ever growing war machine. Trucks from the Kama River plant, built with American and West European technology, were used in the invasion of Afghanistan. Other cases in which U.S. technology was contributed to Soviet military capabilities can be cited. For instance, licenses to export computers to the Zil plant, which produces missile launchers as well as automobiles, have been approved in the past and were not suspended—even in the wake of the Afghanistan invasion. Ball bearing technology, sold to the Soviets many years ago, is now being used to improve guidance accuracy of the strategic missiles. We also sell nuclear reactor parts, transistors and test instrumentation—all with military as well as civilian applications—to the Soviet Union. Carter administration officials, while admitting these breaches in our export-control system, have provided no rationale nor suggested any long range remedies for avoiding future leakage. Dr. William J. Perry, Under Secretary of Defense for Research and Engineering, testified:

> I think we made some errors in judgment.

Therefore, just as our policy détente is basically flawed, so is our policy of trade normalization. You cannot trade with your enemy as if they were your friend. What benefits the adversary's economy may run counter to our interests. On that basis, I now call on President Carter to announce unequivocally that normalized trade with the Soviet Union is not merely temporarily suspended, but permanently suspended. Specifically, I recommend the implementation of the following policies:

First. Place a permanent halt to the sale of technology items which might aid the Soviet economy or contribute to its military capability.

Second. Terminate permanently all government credit and discourage all private financing of allied and American trade with the Soviets.

Third. Continue the grain embargo on a permanent basis.

Fourth. Permanently deny Soviet fishing vessels access to U.S. waters within the 200-mile zone.

Fifth. Encourage our allies, especially those in NATO, as well as Japan, to follow comparable policies.

HIGH-TECHNOLOGY EXPORTS

As I have consistently maintained, it is folly for us to continue to sell the Soviets high-technology goods that aid their economy or directly contribute to their armed forces. To reverse this practice, we must strengthen the role of the Defense Department in export licensing and expand the lists of commodities and technologies requiring validated licenses before sale to the Soviet Union. Amendments to the Export Administration Act of 1979 will be necessary to accomplish this goal. We must make the ongoing DOD critical technologies' study more restrictive in its application. I have long taken this view. Senator Henry Jackson and I introduced a measure which amended the Defense Appropriations Authorization Act of 1975 to strengthen the role of the Secretary of Defense in reviewing exports of goods and technologies with potential military uses.

TRADE FINANCING

Six years ago Congress acted forcefully to curtail and finally end new Export-Import Bank financing of U.S. exports to the Soviet Union. It is my firm belief that the Government must take the further step of discouraging private banks from financing United States-Soviet trade. The Soviets are counting on financing a large part of their industrial buildup in the 1980's with official long term credits. U.S. commercial banks as well as those of our allies must refuse to extend these new credits.

GRAIN SALES

If we are to stop aiding the Soviet economy, we must permanently discontinue sales of wheat and feedgrains. Our grain sales are an important element in the Soviet leadership's efforts to increase meat production. To those who would argue that a permanent grain embargo would wreak havoc on farm income and our trade balance, I reply: We can mitigate these effects with appropriate policies of farm-income supports and export promotion to other countries. Most evidence indicates that 1980 will be a record year for U.S. agricultural exports, despite the grain embargo.

In addition, there is strong evidence from the intelligence community that our grain embargo is indeed working. The Soviets now have a significant shortfall in grain for their 5-year livestock improvement program. Resources formerly utilized in the defense area may now have to be applied to their agriculture problems. Information available to me indicates that the grain embargo will have a very significant economic impact on the Soviets and thus punish them for their aggressive actions around the world.

MARITIME RESTRICTIONS

Another policy action I am recommending is a public statement prohibiting Soviet fishing vessels from operating within the 200-mile U.S. territorial boundary. Presently, Soviet fishing vessels are operating in U.S. waters, although at a reduced rate from past years. However, a policy statement on this issue and selective enforcement would serve notice we intend to reserve these waters for our own fishermen and for our own welfare.

ALLIED COOPERATION

None of these policies will be effective for the long term unless we are able to secure the cooperation of our allies, whose trade and official credits to the Soviet Union dwarf our own. We must give serious thought to the problem of foreign availability of the strategically important goods that we would deny the Soviet Union. It is time for the United States and its allies to curtail the sale of steel and steel pipe, oil, gas, metallurgical, automotive, and computer equipment. The most promising approach would be agreements with our allies to significantly expand the Allied Coordinating Committee list which details those commodities which our NATO allies and Japan would not sell to Communist powers.

Mr. President, I wish to note I am not recommending a total trade embargo with the Soviet Union. Trade in general commodities not on the control list, such as business supplies, textiles, and small manufacturing goods would not impact on the Soviet economy as they are readily available from any number of countries. What I am recommending is a definitive, permanent policy, as outlined previously, covering grain, technology, and maritime restrictions, all with significant allied cooperation.

Mr. President, the Senate should be aware that on January 8, 1980, President Carter addressed a group from the Congress at the White House on some of these subjects. In response to a question I raised at that meeting, President Carter stated that the export of technology which may have a defense application to the Soviets or its satellites would be ended. This included technology sold under the pretense of civilian use which could be used for military purposes. In my question, I cited Soviet use of certain type technology such as truck and ball bearings plants, computers and other items. However, at several Armed Services Committee hearings, a number of witnesses voiced confusion and uncertainty as to the President's policy. I wrote President Carter on February 5, 1980, about this matter and his reply on March 7, 1980, lacked decisiveness on the permanency of his technology transfer policy.

Mr. President, our policy of détente and trade normalization has been a one-way street for too long, weakening our position of influence and strengthening our enemy. The shock of Afghanistan has awakened us from this daydream of cooperation, mutual benefit and trust. It is time now for the United States and our allies to announce a firm policy of permanent, not temporary, trade restrictions and deny the Soviets their goal of expansion and aggression utilizing Western financing and credits.

In conclusion, I ask unanimous consent that several items supportive of my position be printed in the Record.

First, an article from the February 22, 1980 Defense Space Daily entitled "Air Force Study: U.S. Now Strategically Inferior."

Second, a letter to President Carter dated February 5, 1980, in which I requested clarification of his technology transfer policy.

Third, a letter from the White House dated March 7, 1980, signed by Henry Owen which defines the President's position on the subject of high technology transfer to the Soviet Union and Eastern Europe.

There being no objection, the material was ordered to be printed in the Record, as follows:

Air Force Study: U.S. Now Strategically Inferior

The United States is now strategically inferior to the Soviet Union and will remain so at least into the latter part of the 1980's, an Air Force highly sophisticated study has found.

The commander of the Strategic Air Command, Gen. Richard H. Ellis has told the Senate Armed Services Committee in executive session that, while a rough strategic nuclear equivalence existed between the United States and the Soviet Union in mid-1977 and the early 1978 time frame, today "an adverse strategic imbalance has developed and will continue for several years to come."

The SAC commander, who is also the director of Strategic Target Planning for the Joint Chiefs of Staff, told the committee that the Soviet Union has strategic superiority not only when the U.S. forces are in a day-to-day alert posture (the worst case), but also when in the best case, fully generated alert posture.

Ellis said his report is the summary of "a great many computer runs, using a highly sophisticated model," with the best available intelligence—"national intelligence estimates, the RISOP–SIOP target data bases, JCS approved force capabilities and force lay-down principles as established in the Joint Strategic Target Planning Staff." He said the study used relative U.S. and Soviet measurements of the mid-1977 levels and "then compared them to our capabilities today as well as those projected for 1985 and 1989."

Not until after 1985 will the programs approved in the FY '80 budget "begin to ease the imbalance," Ellis said.

This assessment means "the Soviets can undertake peripheral political and military actions without considering possible nuclear consequences to the same degree that was necessary in the past," he said.

CALLS FOR MX, ALCM, TRIDENT ACCELERATION

To insure that a trend to "ease the imbalance" continues after 1985, Ellis stressed, the MX, ALCM and Trident programs must not only not be allowed to slip further, "where possible and practical, they should be accelerated."

In support of the MX and its planned racetrack basing mode, the SAC commander said that, while there are congressional reservations, he is satisfied with the basing mode "at this stage of the development."

To cover a projected threat two decades in the future, Ellis said the MX design must: remain compatible with arms control objectives; recognize maximum available throwweight and its allowance for growth; be mounted on a transporter erector launcher or transporter alone with wheels or tracks to make it adaptable to unpredictable threats; have the capability for rapid reconfiguration of the entire force; have a maximum basing accommodation; and have the capability for expansion or contraction of the system to meet severe threats or arms control agreements without compromising the original basing concept.

MANNED PENETRATOR "AS SOON AS POSSIBLE"

Another immediate step necessary to address the Soviet strategic superiority, he said, is the bringing on line "as soon as possible" an improved or new manned strategic penetrator. Such a bomber will not only "help to correct the serious decline in U.S. retaliatory capability between now and 1985," Ellis said, but would also close the gap earlier than current programs.

He cited the options of the General Dynamics FB–111B/C and the Rockwell International B–1, calling the former the most timely by allowing a recovery of the U.S. mid-1977 level of military damage expectancy "in a generated condition" by 1986.

Or, if the B–1 production program were to be started up again, with go-ahead this October, a force of 100 B–1s could be available by 1987, he said.

SAC, Ellis said, is recommending a near-term solution because it considers availability as the primary consideration, with cost a close second, suggesting the FB–111B/C as the better alternative with a "slightly earlier operational date".

"However, should the President change his mind regarding production of the B–1 as a result of the drastic deterioration of relations with the Soviets, SAC would certainly welcome the initiative," Ellis explained to the committee.

The bomber is ideal for supporting peripheral crises and contingencies while retaining its nuclear mission capability, he said, adding that it can be used for aerial mine-laying, sea-surveillance and reconnaissance and rapid force projection in general.

At the same time, Ellis urged that the Congress support an expanded basing program—bases capable of accepting the entire spectrum of U.S. military aircraft—particularly in the Middle East and Indian Ocean areas "where we are at the end of our supply lines."

Committee on Armed Services,
Washington, D.C., February 5, 1980.

The President,
The White House,
Washington, D.C.

Dear Mr. President: On January 8, 1980 you briefed a number of Members of Congress at the White House relative to new policy on the export of high technology defense items to the Soviet Union.

In response to a question I raised at that meeting you stated that the export of technology which may have a defense application to the Soviets or its satellites would be ended. This included technology sold under the pretense of civilian use which could be used for military purposes. In my question I cited Soviet use of certain type technology such as truck and ball bearings plants, computers and other items.

Senator Harry Byrd, and others at this meeting, also understood this to have been your position.

In Senate hearings yesterday, Ms. Ellen Frost, Deputy Assistant Secretary of International Affairs for the Department of Defense, testified that DOD had under "consideration" a "tightening up" of such imports to the Soviets and their satellites.

It was my understanding that your policy was to STOP such exports, not merely restrict them.

Mr. President, in my view, it is a serious error to arm one's enemy in any way and such exports should never have been allowed. I have consistently opposed such exports over the years.

Therefore, I urge that you transmit to your subordinates the policy you outlined at this meeting in order that it may be implemented immediately.

If your policy is not as you outlined it to this group January 8, I would appreciate being advised of your exact position on this highly important matter.

With kind regards,

Respectfully,

Strom Thurmond.

The White House,
Washington, March 7, 1980.

Hon. Strom Thurmond,
U.S. Senate,
Washington, D.C.

Dear Senator Thurmond: First, let me apologize for the long delay in responding to your letter about the President's position on the subject of high technology transfers to the Soviet Union and Eastern Europe.

In his opening statement to the Congressional group on January 8, the President said that we will not send high technology equipment or any equipment that might have a security benefit to the Soviet Union. At the President's direction, the Secretary of Commerce that same day suspended issuance of validated export licenses to the Soviet Union and suspended shipments under licenses previously issued pending completion of an interagency review of our export control policy toward the USSR. The purpose of this review is to determine which export licenses to the Soviet Union should be indefinitely suspended or revoked, and whether additional types of dual-use technologies should be brought under export control, in order to fulfill the President's policy. The President also directed the Secretary of Commerce to consult with the Secretary of Defense and other appropriate officials in the course of this review.

In addition to this policy regarding the Soviet Union, we intend to scrutinize carefully all applications for the export of high technology items to Eastern Europe. The possibility of illegal diversion to the Soviet Union through Eastern Europe and other nations will be an important factor in the consideration of applications for export licenses to Eastern Europe; in present circumstances, we will be watching out for it more closely than ever. We have informed East European governments that direct involvement in the Afghan conflict or diversion to the USSR of items under export control would have a serious effect on our bilateral relations and would jeopardize further purchases from the United States.

I hope that this information proves helpful to you. I can asure you that all those in the government who deal with our export control policy are well aware of the President's position and are committed to carrying it out.

Sincerely,

Henry Owen.

THE SOVIET BUILDUP IN CUBA

Mr. THURMOND. Mr. President, the continued military buildup by the Soviet Union in Cuba requires a response from the administration.

The threat posed by these actions is well stated in an article entitled "New Soviet Move into Cuba?" which appeared in the February 27, 1980 issue of the St. Louis Globe-Democrat.

Mr. President, I ask unanimous consent that this article be published at this point in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

New Soviet Move into Cuba?

At some point President Carter will have to reimpose the Monroe Doctrine in this hemisphere or the Soviet Union will increase its combat strength in Cuba and turn that country into an ever stronger base of operations for aggression and subversion in Central and South America.

There is some indication the Russians already may be taking full advantage of Carter's failure to take action last year when the Russian combat brigade was discovered in Cuba.

Columnist Jack Anderson reports he has received intelligence reports that the Russians have increased their combat forces to 5,000—double the force they had when the combat brigade was first reported there last year. In addition they are lengthening and widening the runways at the Cienfuegos airport in a manner that would accommodate Backfire Bombers, enabling these long-range bombers to land in Cuba should they be ordered to strike the United States from bases in northeastern Siberia.

Moreover, it is reported the Russians' military activity in Cuba has increased alarmingly. One ominous report claims that nuclear construction has started near Cienfuegos and that some of the Russian troops in Cuba are the same ones who previously guarded nuclear installations in East Germany.

The same intelligence source told Anderson that Carter's capitulation to the Russians last year on the issue of their combat brigade and other offensive operations there encouraged the Soviets to invade Afghanistan in late October.

Members of the Politburo reportedly concluded that if Carter wouldn't challenge them in Cuba, he wouldn't interfere with a Russian invasion of Afghanistan.

Should Anderson's source prove correct, President Carter almost certainly would have to take decisive action this time or face a really major buildup of Soviet forces in Cuba, a development that could have explosive potential. It would completely violate the 1962 agreement with the Russians that offensive weapons will not be introduced into Cuba.

A full-scale Soviet buildup in Cuba, including landing facilities for Backfire bombers, would pose a threat similar to the basing of nuclear missiles that brought on the 1962 Cuban missile crisis.

Furthermore, a massive Russian military presence in Cuba would give the Soviets and Cubans much greater potential for training terrorists and guerrillas to topple more Latin American governments as they did in Nicaragua and now are attempting to do in El Salvador.

Some indication of the threat of Russian-Cuban domination of Nicaragua can be seen in the fact that the U.S. House called a secret session Monday, only the second in 149 years, to hear intelligence reports on the extent of Cuban intervention in Nicaragua. The House is considering a request by President Carter for $75 million in U.S. aid to help restore Nicaragua's commerce.

If the report of greatly stepped-up Russian military activities in Cuba proves true, President Carter should consider imposing another Cuban blockade. The Russians have shown they respect only strength. They will keep pushing until they see that President Carter and the American people won't stand for blatant military intervention in this hemisphere.

BRIG. GEN. THOMAS HENRY KING

Mr. THURMOND. Mr. President, it is with pleasure that I call to the attention of the Senate an article regarding the distinguished military service of Brig. Gen. Thomas Henry King.

This article, authored by Col. John T. (Jake) Carlton, retired executive director, Reserve Officers Association of the United States, was published in the February 1980 issue of the Officer magazine about General King and is entitled "Not Many Oldtimers Around Anymore."

This splendid article is a worthy tribute to General King whose military service was both dedicated and unique.

Although General King was a very ardent Republican, he was nonpartisan in national security matters. In fact, he was recognized by several Democratic Presidents for his outstanding ability and dedication to the ideals of our country.

I personally hold General King in very high esteem and I was honored in 1954 to succeed him as President of the ROA.

Mr. President, I ask unanimous consent that the article about General King be published at this point in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Not Many Oldtimers Around Anymore

On 16 July 1946, Thomas Henry King, a U.S. Army major and for the nonce the senior U.S. representative at a solemn occasion in Luxembourg, was sharing the honors with who else but Winston Churchill.

The wartime British Prime Minister, on the second day after Bastille Day ceremonies in Paris, was on hand along with others to place a wreath on the grave of the fabulous U.S. military leader, Gen. George S. Patton.

"I will never forget that day," recalls the Brigadier General King, retired from his long service in the Air Force Reserve. "The photographers took pictures of the group at the graveside, and when it appeared in the Luxembourg paper the next morning, all but the two of us had been lopped off.

"Of course, I went to some effort to obtain his signature autograph and I treasure it highly."

Major King was the senior claims officer in Luxembourg, and though his rank did not earn him the distinction, his post brought him in frequent association with the Grand Duchess and other members of the Royal Family, and he was the U.S. military adviser on many occasions. Churchill he found chatty, in good humor, and fond of all Americans. By this time, the British electorate had defeated the leader who had so inspired the entire Free World and his status was one of the historic ironies of politics.

This was the same modest, but leisurely young U.S. Reserve Officer who was destined to win a name for himself in the Judge Advocate's staff of the Air Force and to make history in ROA, not so much for his deft handling of his ROA political career but for serving ROA, the Reserve community, and the critical issue of national defense, most of it without compensation.

King joined the Air Force in 1947 when the separate department was created. He maintained close relations with the JA and the rest of the staff even after he completed his long service.

In 1948, then a colonel, King was elected the ROA Judge Advocate at the convention in Denver when RONS came in under a new constitution, and ROA became the spokesman for all the military Reserves.

At the Grand Rapids convention in 1949, where a freshman Congressman named Jerry Ford made the welcoming address, King had a fight to win re-election, being nominated from the floor over a nominee selected by the convention nominating committee.

King went back to Washington and went to work to get a highly prized position of prestige for the Association which would come from passage of a bill giving ROA its Charter, signed into law as PL–95 of the 81st Congress and signed by President Truman, a founder of ROA, and by Speaker Sam Rayburn and Senate President Pro Tem Alben Barkley.

This is today the basis for ROA's legal standing before Congressional Committees and justifies its standing before the public and the courts as advocate and champion of the nation's military traditions in its civilian concepts. It is the instrument also upon which ROA's leadership before the public and public bodies rests, and which clearly implies their solemn responsibility.

King had a role in 1948 in the professionalizing of the nation's Reserves implicit in their inclusion in PL–810 of that congressional session providing for the first time a Reserve retirement section in Title 3 of that Act, a law once again signed by ROA's founding father, then in the White House.

The late Rep. Leroy Johnson was chairman of the House Armed Services subcommittee dealing with personnel and Reserve matters; his personal friendship with Tom King was important to both of them and its importance to the Reserves was emphasized when the historic Armed Forces Reserve Act was enacted in 1952. King by 1953 had become National President of ROA and he happily was a leader in this era when the Reserve Magna Carta was being written by the Congress.

General King himself will make it clear that he was only one of a team which worked for ROA—the group including not only the National staff, but a number of key members of Congress who belonged to ROA, and some key newsmen who saw that the Reserve story was told—some of the same ones who, apparently having had their presence forgotten by the Pentagon, were still around in 1964 to repulse the McNamara plan to abolish the Reserves as such. ROPA—the Reserve Officer Personnel Act—followed in 1954, later to be strengthened by the Brackett-handled Omnibus ROPA Amendments bill.

It was at Omaha, that the ROA convention—drawing then many high ranking military leaders—found General Leon Johnson and Lt. Gen. Bill Hall importuning King to get into their fight to rebuild the military air field at Milwaukee so it could accommodate Reserve and National Guard jet aircraft.

Congressman Johnson telephoned General King, back in Washington after the convention, and asked him to come before the committee to support this proposal. King protested that he was no longer National President of ROA.

"Well, we just won't mention that," the Congressman said. Anyway, the Pentagon rather quickly conceded that there had been a misunderstanding and the field was expanded to meet the need.

General King, still carrying on his extensive law practice with a new partner of recent year, another ROA JA and Executive Committeeman, Col. John Everhard, can usually take a few minutes to talk about those halcyon days in ROA when military officers were heroes, will recall to mind a number of former ROA warriors on Capitol Hill. Col. John Oliver, who had been JA of the Tenth Armored Division, was ROA legislative officer in postwar years.

"We dont get many of the oldtimers out anymore," he says.

General King however is still out there pitching. During my 30 years as a national officer (the last—or middle—18 as Executive Director), Tom King was for all practical purposes ROA's law firm. A legal question arose, Tom King would answer it, either immediately or many times after long study in writing. Tom for more than 30 years was the ROA legal ombudsman.

Few members knew it, but it was his help which led to the acquisition of the ROA building site on Capitol Hill, and it was his frequent encouragement which led to the persistence required by the national staff to gain approval for launching the Building program. It was General King who came up with the inspirational talk to General Hershey to persuade him to accept the Building Fund Campaign chairmanship when it subsequently was to be offered by the then National President, Maj. Gen. Carl Sutherland.

Possibly the most historically significant legal service of King and associate was his admission as an amicus curiae before the Supreme Court, as ROA counsel when a so-called veterans group attacked the right of members of Congress to be at the same time Reserve Officers.

King and his partners—Col. Maurice Biddle and Harold Shapiro—developed from research in legal history, a compelling brief which was printed in necessary copies and accepted by the court. After a day's hearing in the Court, a block away from ROA headquarters, the court listened. Later the Court turned down the appeal by the plaintiff which was deemed without standing before the court.

The Court room on that day was filled with ROA staff and members.

Later, at lunch, efforts were made to express gratitude to General King. His response from him was typical: "Don't thank me; I'm a member of ROA too."

Someday, we used to say, Tom King ought to submit his bill to ROA. But if he hasn't done it in 33 years, he's not likely to present one now.

That's why some of the other Past Presidents thought it was time ROA said thanks officially, and in writing.

What is known, perhaps, to only the two of us is that Tom King is a rich field of sound ideas and inspiration. He would call in at a morning hour and say, "I have been thinking . . ." and produce a simply marvelous idea. He said on one of these occasions, "if ROA is going to have a building, you are going to have to accept the responsibility, take it on the chin for awhile, but provide strong leadership for the idea." He said ROA had passed up the chance to be the owner of the multi-million dollar site where the Rayburn building now stands, which could have been bought for $50,000, because the matter continued to be reconsidered by committees.

Tom King does not have the reputation of being a great diplomat, but he earned a reputation for loving a fight, and he usually turned out to be right and the winner.

Mr. THURMOND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SASSER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROPOSED BUDGET-CUTTING

Mr. SASSER. Mr. President, I rise today in conjunction with my able and distinguished colleague, the junior Senator from Arkansas (Mr. PRYOR), in discussing a sense of the Senate resolution which we plan to introduce in the very near future.

$500 MILLION TRAVEL CUT

The 1981 budget request includes $8.9 billion for travel and transportation, an increase of 12 percent over the 1980 level. The Sasser-Pryor resolution would express the sense of the Senate that travel and transportation costs should be limited to an amount $500 million below the budget. The resolution is similar to the $500 million travel cutback currently in place for fiscal year 1980.

Frankly, Mr. President, it is going to take a significant amount of sacrifice to balance the Federal budget. The effort to balance the budget may very well impact on programs serving the poor, the aging, mothers and infants, and small children. At a time like this, I just do not see how we here in the Senate can countenance a travel and transportation budget that increases at a 12-percent rate for fiscal year 1981. Our proposed resolution expresses the sense of the Senate that the budget should be restricted. On the other hand, let me make it absolutely clear, that the resolution is in no way intended to diminish in any degree the combat effectiveness or readiness of the American Armed Forces.

$500 MILLION CONSULTANT CUT

The 1981 budget request includes a conservative estimate of well over $2 billion—some say several times that—for consultants.

The resolution would express the sense of the Senate that consultant costs should be limited to an amount $500 million below the amounts included in the 1981 budget. The distinguished Senator from Arkansas will have more to say about the matter later.

DEBT COLLECTION INITIATIVE

The Comptroller General of the United States has published numerous investigative reports indicating that the Federal Government is doing a poor job of collecting debts owed to the Government—just debts owed the Government by citizens and businesses.

Debt collection is not keeping pace with the increasing number of debts. U.S. citizens and organizations owed over $95 billion at the start of fiscal year 1979. Estimates from some Federal agencies show that at least $3.5 billion will eventually be written off as uncollectable and as bad debts. GAO reports, however, that losses will probably be greater because not all agencies have accurately reported such data. Almost $500 million is actually written off every year. It just disappears from everyone's books without a trace. I submit, Mr. President, it is a fact that no one in the Federal Government really knows how much has been written off as uncollectable in the last 10 years. This is a sad commentary on just how poorly the Federal Government pursues its just debts, and a just debt owed to the Federal Government is a just debt owed to the American people.

GAO reports show that Federal collection efforts are expensive, slow and ineffectual. For example, $200 million is being lost annually because interest is not being charged on overdue accounts. Others, both individuals and firms, just do not bother to pay their just debts. Our resolution urges Federal agencies to adopt the GAO recommendations and utilize up-to-date commercial practices to collect debts, while at the same time protecting the privacy and the rights of due process of individuals—all U.S. citizens.

One provision urges that debts owed the Federal Government be offset by withholding tax refunds along the lines of the State program in Oregon which has been operating successfully since 1971. All of these provisions should generate more than $1 billion in income by collecting uncontested debts owed the Federal Government from firms and individuals who are well able to pay their just debts.

SUMMARY

The resolution urges collection of $1 billion on the revenue side and cutting off $1 billion on the expenditure side, thereby reducing the deficit by $2 billion or approximately 10 percent.

Mr. President, I ask unanimous consent that the text of our proposed resolution be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. SASSER. Mr. President, it is not our intention to introduce the resolution at this time. Rather, the distinguished Senator from Arkansas (Mr. PRYOR) and I wish to have the text of the resolution printed so that our colleagues may examine it and join us as original cosponsors. So far, Senators PROXMIRE, STEWART, BOREN, FORD, DECONCINI, HUDDLESTON, DURKIN, METZENBAUM, BUMPERS, and HARRY F. BYRD, JR., have joined as cosponsors. If the Members have any questions or wish to join as cosponsors, they are requested to please have their staff contact the Legislative Branch Subcommittee clerk, Terrence Sauvain, at 4–7251.

TEXT OF PROPOSED RESOLUTION TO BE INTRODUCED LATER

Expressing the sense of the Senate with respect to reducing expenditures for travel and for the employment of consultants, and improving procedures to collect delinquent debts owed to the United States.

Whereas, economic considerations mandate that only such sums as are absolutely necessary be expended for travel or for the employment of consultants; and

Whereas, the Comptroller General of the United States has made recommendations to improve the collection of delinquent debts owed to the Government and to reduce the amount of delinquent debts that are written off as uncollectible: Now, therefore, be it

Resolved, That it is the sense of the Senate that—

(1) (A) during the fiscal year ending September 30, 1981, the total amount which may be obligated to travel and transportation of persons, and transportation of things, for officers and employees of the executive branch of the Government should not exceed an amount which is $500,000,000 less than the total amount proposed therefor in the Budget of the United States Government for such fiscal year (as amended and supplemented), transmitted by the President under section 201 of the Budget and Accounting Act, 1921; (B) the Director of the Office of Management and Budget should allocate the reduction in such proposed total amount among the departments, agencies, and instrumentalities of the executive branch and should report on such allocation to the Committees on Appropriations of the House of Representatives and the Senate; and (C) in allocating the reduction in such proposed total amount among the departments, agencies, and instrumentalities of the executive branch, no reduction should be made in funds for debt collection or supervision of loans, nor should any department, agency, or instrumentality be reduced by more than 15 per centum of the amount proposed for each such department, agency, or instrumentality in the Budget of the United States Government for such fiscal year (as amended and supplemented), transmitted by the President under section 201 of the Budget and Accounting Act, 1921; and

(2) (A) during the fiscal year ending on September 30, 1981, the total amount which may be obligated to the use of experts or consultants by appointment or contract in the executive branch of the Government should not exceed an amount which is $500,000,000 less than the total amount proposed therefor in the Budget of the United States Government for such fiscal year (as amended and supplemented), transmitted by the President under section 201 of the Budget and Accounting Act, 1921; and (B) the Director of the Office of Management and Budget should allocate the reduction in such proposed total amount among the departments, agencies, and instrumentalities of the executive branch and should report on such allocation to the Committees on Appropriations of the House of Representatives and the Senate.

SEC. 2. It is further the sense of the Senate that—

(1) the agencies of the Government should establish procedures to identify the causes of overpayments and delinquencies and the corrective actions needed, should establish better control over receivables, should actively utilize the services of credit bureaus and commercial collection agencies, and should take more aggressive collection action;

(2) the Department of the Treasury should revise its fiscal requirements manual to require interest charges on delinquent accounts and to provide for more complete reporting of data on delinquent accounts;

(3) the Office of Management and Budget should place increased emphasis on accounting system approval and emphasize collection efforts as part of the budget process;

(4) the Internal Revenue Service should institute a debt collection system under which a delinquent debt owed by any person to the United States will be collected by retaining, out of any tax refunds otherwise payable to such person, such sums as are necessary to cover such debt; and such debt collection system should be conducted in accordance with procedures effectively designed to assure that no debtor will be denied due process of law thereunder and that the confidentiality of data held by the Internal Revenue Service pertaining to such person will be duly protected; and

(5) the Congress, through the appropriation process, should monitor each agency's efforts to collect delinquent debts, including amounts written off as uncollectible, and should consider the extent to which requested new budget authority may be reduced both as the result of collection of such debts and as an incentive to promote increased collection of such debts.

SEC. 3. The Secretary of the Senate shall transmit copies of this resolution to the Secretary of the Treasury, the head of each other department and agency in the executive branch, and the Director of the Office of Management and Budget.

Mr. PRYOR. Mr. President, before the Senator from Tennessee yields, will he yield some time to me so I may respond to some of the statements he has just made?

Mr. SASSER. Mr. President, I am delighted to yield whatever time I may have remaining to the distinguished Senator from Arkansas.

Mr. PRYOR. Mr. President, I deeply appreciate the distinguished Senator from Tennessee yielding to me.

Mr. President, I am very proud to be a cosponsor of this budget-cutting resolution aimed at bringing the economics of the Federal Government in line with the reality of receipts.

The time for serious accounting is past due. The proposal we offer today provides specific means for substantial cost savings.

Our resolution has three parts, which have been very capably and ably explained by the distinguished Senator from Tennessee. First, it calls for a $500 million reduction in the funds included in the 1981 budget request for travel and transportation costs. It further calls for a similar reduction in the amount to be appropriated for consultant services. Finally, the resolution urges that the Internal Revenue Service be given additional authority to collect just debts owed the Government. Together, these three provisions should reduce the deficit by $2 billion or approximately 10 percent.

Mr. President, I applaud my colleague from Tennessee (Mr. SASSER), who has been in the forefront of the move to cut back on unnecessary and excessive travel by Federal employees. I personally believe the $500 million figure in the resolution is very conservative. I believe we can and should go further. I have recently said that we can cut the $8.9 billion allocated for Federal travel in the 1981 budget request in half. While this may be an exaggeration, I do believe significant cuts can and must be made.

For example, recently a group of 14 Federal workers flew to Washington to see me and the other members of the Arkansas congressional delegation about the appropriation for a program which employs them. They flew at Federal expense, of course. Fourteen employees spent about $300 per plane ticket from Little Rock to Washington, plus hotel, meals and the time away from their work back home. A simple $5 phone call would have sufficed and would have gotten the message to us in our congressional offices.

Mr. President, we must curtail this type of Federal travel, and this is the time to start. We must change this syndrome or mind set we have fallen into, in which people think these travel dollars "belong to someone else." It is simply outrageous.

If we cut out a great deal of these travel dollars, no services to our people will be cut back or will suffer in the process.

In addition to supporting the concept of the Senator from Tennessee (Mr. SASSER), I urge my colleagues to support section (2)(a) of the resolution which provides that the executive branch should reduce by $500 million the moneys obligated in fiscal year 1981 for consultant services to Federal agencies. Such a move is in line with action last year on the fiscal 1980 HEW appropriation measure which was initiated by the distinguished chairman of the Senate Appropriations Committee, the Senator from Washington (Mr. MAGNUSON), and a similar effort, under my sponsorship, to the 1980 defense appropriations bill, which resulted in a $150 million saving in consultant services. Again, no services to our people were cut.

Mr. President, the effects of our country's economic problems are being felt daily by our constituents and in our own households. President Carter has recognized the urgent need for severe cuts in a runaway budget in order to trim back what has become a Government of "uncontrollables." One particular area where Government expenditures can be reduced with a real and positive effect is in the use of consultant services, which amount to between $2 billion and $5 billion annually, or about $5 million to $10 million a day.

Consultants to the Federal Government have become the invisible bureaucracy of this country. The volume of business generated from Federal agencies and departments has spawned a whole new industry in the last decade. It has grown to the point that, today, we have not only consultants doing business directly with the Federal Government, but also consultant subcontractors, associations of consultants to represent their interests, and expensive seminars advertised and conducted to teach people how to take advantage of the Federal funds available for consultant contracts.

The cost to the taxpayer of supporting the consultant industry has mushroomed beyond all expectation. Five million dollars a day represents a conservative estimate of the expenditures for Government consulting services. Hearings I chaired last fall and the ongoing investigation by the staff of my Governmental Affairs Subcommittee have produced hard evidence of serious and costly abuses in the procurement of consultant services.

While I intend to propose legislation dealing with specific contracting and appointing practices, the resolution which will be submitted in the next several days will put the agencies as well as the consulting firms on notice that the fat is going to be trimmed. Again, no services to our people would be cut under this proposal.

A cut of $500 million for fiscal year 1981 is again a conservative reduction. As I indicated earlier, last year Congress succeeded in reducing expenditures for consultant services by over $200 million in just two agencies: the Department of Health, Education, and Welfare and the Department of Defense. Directing OMB to cut $500 million this year for consultant projects Government-wide is a logical extension of these efforts.

I believe that this reduction will increase Government accountability by making agency personnel more directly responsible for policy and programs. By imposing budget cuts in this way, we may force Federal officials to focus on the need and justification for many of these consultant projects, and, in fact, will force managers in Government to manage the Government from inside.

In closing, I urge the support of our fellow Senators for this responsible economy measure. These cuts will have a significant impact, without jeopardizing even one vital program or one service that today we are rendering to our constituents. We should move forward without delay to achieve these savings in this area and in other areas set out in this measure, sponsored by the distinguished Senator from Tennessee (Mr. SASSER) and me as well as other colleagues.

Mr. SASSER. Mr. President, I express my appreciation to the distinguished Senator from Arkansas for his kind remarks, and I pay tribute to him for the leadership he has exhibited, as chairman of his subcommittee, in the field of rooting out abuses in the employment of consultants for the Federal Government.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 3:34 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess for 30 minutes.

There being no objection, the Senate, at 3:04 p.m., recessed until 3:34 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. EXON).

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PERCY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EYEGLASS PRICE RULE: A VICTORY FOR CONSUMERS

Mr. PERCY. Mr. President, it has been almost 21 months since the Federal Trade Commission issued a rule preempting State restraints on the advertising of ophthalmic goods and services. I urged the issuance of that rule in 1975, after learning that consumers were paying anywhere from 25 to 40 percent more for eyeglasses and contact lenses because of the absence of price competition, due in part to State restrictions on advertising.

I was extremely pleased that the FTC acted on my request and, after holding 31 days of hearings, issued its landmark ruling. It was a particularly significant rule, because it addressed a problem that affects the one out of every two Americans who need corrective lenses. Before the rule was issued, 36 States had forbidden or prevented optometrists and opticians from advertising prices. As I stated on the Senate floor in a speech on September 10, 1975:

> In purely human terms, this unneeded surcharge caused by anti-competitive restrictions on price advertising too frequently had forced the indigent, the elderly, and many middle income Americans to wear outdated and ineffectual glasses, sometimes with scratched or broken lenses.

At the time, we had heard stories of senior citizens in Miami who depended on hand-me-downs from the dead in order to obtain eyeglasses to replace outdated or scratched lenses. We had heard of families who crowded into aging stationwagons to travel the some 120 roundtrip miles from Calexico, Calif. to Yuma, Ariz. in order to take advantage of lower advertised prices permitted across the Colorado River in Arizona.

We heard also of an optometrist in Tennessee who lost his license because he wanted to deliver low-price lenses directly to factory workers in rural areas unserved by the optometric profession. No wonder that a study done by the Department of Health, Education, and Welfare in 1966 showed that optometric services were failing to reach more than half the population.

The results of the 1978 ruling have gone far beyond my expectations. According to a letter I received from Albert H. Kramer, Director of the Bureau of Consumer Protection of the Federal Trade Commission, the price of eyeglasses between July 1978 and June 1979 had increased at a rate almost less than half for all durable goods and for medical care costs.

The FTC eyeglass rule has proven to be an immense success. Kudos should be given particularly to Mr. Terry Latanich, an FTC staff attorney and Mr.

Robert Badal, a former FTC attorney, for effectively guiding this rule through the Commission.

Considering the substantial benefits, I would hope and expect the FTC to continue pursuing its efforts toward effective price competition in the ophthalmic industry, including resisting efforts in some States to turn back the clock to the days when consumers were "shielded" from price advertising because of fears that they would naively select inferior eyeglasses in order to save money.

The rule has proven that consumers can have both reasonable prices and acceptable quality, as evidenced by the relatively few complaints of inferior eyeglasses that have been received at the State or Federal level since the ruling was issued.

Thanks to the FTC, most senior citizens no longer have to sift through the lenses and frames of the recently deceased in order to obtain replacement glasses. Instead, with dignity, they can sift through newspapers, billboards, and radio-television ads, for eyeglasses they can afford on their limited incomes.

I would like to submit for the Record the letter from Mr. Kramer, as well as articles that appeared in the New York Times, Chicago Tribune, Washington Post, and Business Week on the beneficial results of the FTC rule, and ask unanimous consent that they be printed in the Record at this point.

There being no objection, the material was ordered to be printed in the Record as follows:

Federal Trade Commission,
Washington, D.C., November 8, 1979.
Hon. Charles Percy,
U.S. Senate,
Washington, D.C.

Dear Senator Percy: Thank you for your inquiry last week concerning the impact of the Commission's Eyeglasses I Rule (Trade Regulation Rule on the Advertising of Ophthalmic Goods and Services, 16 CFR Part 456) on the retail ophthalmic market. I appreciate this opportunity to explain our findings.

The Eyeglasses I Rule has two basic provisions. First, it requires eye doctors to release a copy of the eyeglasses prescription to consumers immediately after an eye examination. Second, the rule prohibits public or private burdens or limitations on the advertising of eye examinations, ophthalmic goods and services. In theory, the rule should result in substantial savings for consumers. Lower priced sellers will be able to use advertising to inform consumers of the savings they offer. Price sensitive consumers will in turn use their prescriptions to act upon this information and purchase lower cost eyewear. This potential will make the market more competitive, and all sellers will be reluctant to raise prices.

The Eyeglasses Rule staff has been monitoring the ophthalmic market to determine if the rule's actual impact has followed the effects predicted by economic theory. Although no formal study has been completed, our informal analysis indicates that the theorized effects are occurring.

(1) The Commission's rule has been a factor in the growth of retail ophthalmic chains. (An article in the New York Times, July 25, 1979, at p. D–1, D–15, described this impact. A copy is enclosed). These chains are aggressively moving into the market and are competing in price. They already account for more than 25 percent of all prescription eyeglasses sold.

(2) In the past year, July, 1978–June, 1979, the unadjusted percentage price increases for eyeglasses (5.7) has been less than that for all consumer goods (11.3), durable goods (9.9), or medical care (9.3). [U.S. Department of Labor, Bureau of Labor Statistics, CPI Detailed Report, July 1979.] The seasonally adjusted annual percentage changes in the Consumer Price Index for the following items for the six months ending January 1979 were: All items—9.2; Durables—10.7; Medical Care—11.0; and Eyeglasses—4.3. For the six months ending July 1979, the rates were: All items—13.4; Durables—9.1; Medical Care—7.8; and Eyeglasses—7.0. While this may be due to a variety of factors, we believe that our rule has played an important part in holding down prices.

(3) Business Week (November 5, 1979, p. 125) has reported that the FTC rule has intensified competition in the soft contact lens market. This has resulted in lower prices for soft lenses. A copy of that article is enclosed for your convenience.

(4) From our contacts with consumers and industry members, we have learned that many consumers are obtaining their eyeglass prescriptions for the first time, and now are able to shop for the price and quality of eyewear that they desire.

Our analysis is based on an informal examination of the market. Further study will be required to confirm these statements and to examine in detail the specific impacts of the rule.

I hope this information proves helpful. Please contact me again if we may be of service to you.

Sincerely,
Albert H. Kramer,
Director,
Bureau of Consumer Protection.

Federal Trade Commission,
Washington, D.C., February 7, 1980.
Hon. Charles Percy,
U.S. Senate,
Washington, D.C.

Dear Senator Percy: This letter will provide you with an update on the status of the Federal Trade Commission's Eyeglasses Rule. As you know, on February 6, the United States Court of Appeals for the District of Columbia Circuit (*in American Optometric Association* v. *FTC*, No. 78–1461), remanded for further consideration the entire advertising portion of the Eyeglasses Rule. The court indicated that changes in professional advertising brought about by the Supreme Court decision in *Bates* v. *State Bar of Arizona* have so altered the nature of the case that the FTC may wish to revise its rule. The court therefore suspended operation of the rule, except for the release of prescription requirement, until the Commission completes its reconsideration. The Commission will evaluate this decision to determine what action is required.

In light of the decision, we have suspended our plans for a formal study of the impact of the rule's advertising provisions. We have, however, continued to gather informal data on the effects of the rule. This information indicates that the Eyeglasses Rule did result in lower prices for eye care while it was in effect.

In the past year, October, 1978–October, 1979, the unadjusted percentage price increase for eyeglasses (6.5), has been less than for all consumer goods (12.2), durable goods (9.6), or medical care (9.4). [U.S. Department of Labor, Bureau of Labor Statistics, CPI Detailed Report, October, 1979]. The seasonally adjusted annual percentage changes in the Consumer Price Index for the following items for the six months ending April, 1979, were: All items (11.4); Durables (10.7); Medical Care (9.2); and Eyeglasses (5.3). For the six months ending October, 1979, the rates were: All items (13.0); Durables (8.5); Medical Care (9.8); and Eyeglasses (7.7).

As we indicated in an earlier correspondence, the following effects have also occurred:

(1) The Commission's rule has been a factor in the growth of retail ophthalmic chains. (An article in the New York Times, July 25, 1979, at p. D–1, D–15, described this impact). These chains are aggressively moving into the market and are competing in price. They already account for more than 25 percent of all prescription eyeglasses sold.

(2) Business Week (November 5, 1979, p. 125) has reported that the FTC rule has intensified competition in the soft contact lens market. This has resulted in lower prices for soft lenses.

(3) From our contacts with consumers and industry members, we have learned that many consumers are obtaining their eyeglasses prescriptions for the first time, and now are able to shop for the price and quality of eyewear that they desire.

I hope this information proves helpful. Please contact me again if we may be of service to you.

Sincerely,
Albert H. Kramer, *Director.*

Competition Spurs Big Price Range for Eyeglasses

(By Molly Sinclair)

For $31, a pair of prescription eyeglasses can be purchased at For Eyes, a discount optical office at 1829 M St. NW. Two blocks away at Malamut Opticians, 1990 K St. NW, the price for eyeglasses with the same prescription and similar frames was $72.50.

Between those extremes is a range of prices for essentially, the same eyeglasses, a survey of seven Washington stores in the same neighborhood showed—$32 at Peoples Drug Stores, 717 14th St. NW; $56 at Sterling Optical, 1215 Connecticut Ave. NW; $62 at Pattyson & Wright, 1908 K St. NW; $65 at Franklin & Co., 1700 K St. NW; and $68 at Classic Optical Center, 1895 L St. NW.

The savings—and the wide range of prices—are possible today because of a combination of circumstances both locally and nationally that are favorable to consumers.

For one, states now permit prices to be advertised. And the right to advertise prices has led to a rapid growth in discount optical shops and marketing that promotes competition and price cuts.

Consumers, consequently, can in many cases sharply reduce the price they pay for their eyeglasses by shopping around—often in the same neighborhood or in the downtown Washington area.

Tom Andreasen, general manager of Malamut Opticians, said yesterday that his price—the highest of the seven shops surveyed—reflected quality and service.

"A $10 frame can look like a $100 frame—but it won't wear like one," he said. The same is true of lenses, he said.

About 115 million people—roughly half the U.S. population—wear corrective lenses. In the metropolitan Washington area, about 1.5 million wear glasses or contact lenses.

Today when consumers shop for eyeglasses, they find:

Drugstores fill prescriptions for eyeglasses as readily as prescriptions for medicine. In the Washington area, both Peoples Drug Stores and Dart Drug Corp. have opened optical centers at many of their stores.

Coupon specials aimed at attracting customers. Dart Drug, for example, includes in its advertisements a coupon worth $25 toward the purchase of a pair of eyeglasses.

Specials good for a limited time. Sterling Optical in downtown Washington displays on its counter a group of discontinued frames which are on sale for $40—a price that includes the prescription lenses—so long as the supply lasts.

The competitiveness that has hit the eyewear market has taken hold since the Federal Trade Commission in the mid-1970s took aim at state laws banning advertising of prices. It has brought more than cosmetic changes to the industry, however.

Sales have increased, and the average prices that consumers now pay for eyewear make it one of the few bargains left in today's inflated economy.

"There's no doubt that the price has been substantially lowered," said Frank Rozak, vice president of the National Association of Optometrists and Opticians, a trade group of chain optical firms.

Statistics from the U.S. Consumer Price Index show that during 1979, when the rate of inflation across the United States rose to 13.9 percent, eyeglass prices went up only 6.6 percent.

Some new problems for consumers have turned up, however.

Deceptive advertising, misleading prices and the possibility of poor quality at some outlets are among the hazards that consumers must pick their way through when they search for bargain eyewear, according to Federal Trade Commission Officials.

Nancy Baker's experience is one example of the headaches that can be caused by vast price differences in look-alike products.

The Montgomery County mother of two bought eyeglasses recently at an optical chain recommended by a friend. She paid $185—$55 for large plastic frames and $130 for oversized bifocal plastic lenses.

Baker was satisfied with her purchase until she bumped into a friend at a school meeting. "The woman next to [the friend] was wearing eyeglasses that cost $27—and they didn't look much different from mine," Baker said.

In fact, they were different, Mrs. Baker found. The other eyeglasses consisted of single-vision lenses and frames, while Mrs. Baker's lenses contained graduated bifocals spread throughout the lenses rather than being concentrated in one portion of the lenses.

The impact of advertising on the price of contact lenses has been even more dramatic, said Terry Latanich, an FTC attorney. "They used to be $400; now they can be purchased for less than half that," he said.

Although most officials in government and industry agree that the market now offers lower average prices, the quality of eyewear still is shrouded in questions.

One FTC report issued last year found that there was no significant number of errors in low-power eyeglasses dispensed by any of the optical offices surveyed. About 5 percent of the low-power eyeglasses checked failed a test for error.

The medium-power eyeglasses had a higher percentage of errors. About 20 percent of them failed, but the FTC said that isn't a significant number, either.

FASHION FUELS THE EYEGLASS BUSINESS

(By Barbara Ettorre)

Some say the trend started with the wire-rimmed "granny glasses" popular in the late 1960's and with the oversized aviator glasses worn by Gloria Steinem, the feminist advocate, among others. Others believe that it started with the big-eyed sunglasses worn at the beginning of this decade by such public figures as Jacqueline Onassis.

Whatever the influence, the shift to more fashionable glasses with their larger, often tinted lenses, dramatic shapes, colorful plastic frames and, in some cases, designer names has taken hold so strongly that these types of glasses now account for 20 to 25 percent of all prescription eyeglasses sold annually, according to retailers and manufacturers.

"A purely functional aid has become a fashion item," said Donald J. Phillips, president and chief executive officer of the Searle Optical Group, a division of G. D. Searle & Company.

In the process, the eyewear-supply business, which had been a semiprofessional enterprise, has been transformed into a higher volume operation emphasizing merchandising, complete with slick advertising in consumer magazines and on television. Until about five years ago, it was a mature industry, with slow growth, a fairly constant number of competitors and consumer loyalty eyeglasses were usually sold by opticians, who ground the lenses and fitted the frames, or by optometrists, who wrote the prescriptions and offered a selection of frames.

The eyeglass industry now has an annual volume of about $3 billion, including eye-examination fees, which total about $1 billion. And industry analysts estimate that sales of prescription eyewear will increase 5 to 6 percent a year in inflation-adjusted dollars at least through the mid-1980's. Brightening the picture is the fact that the chief customer for fashion eyewear is in the 19-to-49-year age group, a rapdily growing population segment.

The improving sales prospects are, however, tempered for domestic manufacturers by increasing imports of frames from Europe and Hong Kong. According to the Optical Manufacturers Association, frame imports increased 31 percent from 1973 to 1978 and now represent 57 percent of all domestic sales. Domestic production, involving about 50 companies centered in the Northeast, is expected to be 22 million frames this year, down from 25 million in 1973.

But perhaps the most dramatic change in the marketing of eyeglasses is the emergence of retail chains, helped by Federal Trade Commission rulings in the mid 70's that allowed prices to be cited in optical advertising. The chains, less than a decade old, are competing aggressively with the independent professionals and already account for more than 25 percent of all prescription eyeglasses sold. These retailers buy domestic and imported lenses and frames in quantity and offer eye examinations and glasses at prices that are often below those charged by the independents. Among the major optical chains are Pearle Vision Centers and Hillman-Kohan, both operated by the Searle Optical Group, with about 500 stores; the 400 stores run by the optical division of the Cole National Corporation, which operate in the Sears, Roebuck and Montgomery Ward department stores, and the Sterling Optical division of IPCO Hospital Supply, with about 100 stores in the Northeast.

A pair of eyeglasses can cost as little as $35, including the eye examination or well over $100, depending on where the glasses are purchased.

IMPACT ON THE INDEPENDENTS

"For the first time, the person with a prescription for eyeglasses is free to go wherever he or she wants," said Irby Hollans, executive director of the Optical Laboratories Association.

"In the past two years, there has been an impact on independent professionals," said Eugene Adams Keeney, executive vice president of the Optical Manufacturers Association. "The chains are aggressively moving in, competing in price."

Indeed, an industry survey of 2,000 consumers conducted in February showed that the chain optical shop gained in sales of eyeglasses in 1978, while local optometrists lost and opticians held their sales level.

The fashion looks were spurred by the influx of designers into the eyeglasses market in the early 70's, helped by Government regulations in 1971 requiring shatterproof lenses on prescription eyeglasses. The lighter, more comfortable plastic turned out to be more practical, in most cases, than glass and lent itself more readily to the bigger, tinted lenses.

Christian Dior and Givenchy were among the first designers to lend their imaginative expertise and their names or initials—usually displayed on the earpieces—to eyeglasses. Today, eyeglasses bear the names of designers such as Halston, Oscar de la Renta, Diane Von Furstenberg, Ralph Lauren and Calvin Klein, as well as Helena Rubinstein and Elizabeth Arden, two prominent names in the cosmetics business. They have been joined by sports celebrities, including Dorothy Hamill, the skater, and Bob Griese, the quarterback for the Miami Dolphins.

"It is a new thing for a manufacturer such as American Optical to take out ads in fashion magazines for Oscar de la Renta glasses," said Mimi Macksoud, a consultant who has completed a study of the optical industry at Arthur D. Little, Inc., the management consulting and research company. "With such price competition and so many designer lines, companies are forced to develop a 'pull' strategy through consumer advertising," she said.

But some industry executives are worried that the new fashion element might make the eyeglasses business more vulnerable in a recession. "My sense is that the repurchase cycle has shortened," said Searle's Mr. Phillips. "In the past, people bought when they needed a change in prescription. Now, there is multiple purchasing of several pairs to suit the person's fashion look.

"This can make the purchasing of eyeglasses a deferrable decision," he continued. "We have shifted eyeglasses to more of a discretionary item. Will there be a lessening of our trends?"

HARD NEW COMPETITION IN SOFT CONTACT LENSES

The Federal Trade Commission, which is currently embattled and maligned, has been remarkably clearsighted in its policy toward the soft-contact-lens industry. In May, 1978, the FTC ruled that states and professional associations could not forbid advertisements for eyeglasses, contact lenses, and examinations. The agency also said examiners must give patients a copy of their lens prescriptions.

The result was to bring mass merchandisers into the soft-contact-lens market in a big way, intensifying competition and lowering prices. (Soft lenses are easier on the eyes, though more expensive, than hard lenses.) Whereas a package of an examination, lenses, and accessories may cost $300 from "eye care professionals"—which in the industry means opticians, optometrists, and ophthalmologists—the package can be obtained for $125 or less from mass retailers.

The competition could lead to a shake-out in the industry, observers say. Bausch & Lomb Inc., whose market share dropped from almost 100 percent in the early 1970s to about 50 percent in May of this year, has turned feisty. In April, it answered price cuts of competitors by slashing its own prices up to 28 percent. Since the move, one competitor, Milton Roy Co., has abandoned the business.

Further, industry sources say Bausch has stopped erosion of its market share, and this, they say, means trouble for its principal competitors: American Optical, a division of Warner-Lambert; the Aquaflex Products Div. of Union Corp.; and Continuous Curve Contact Lenses. "These companies will have to come down in price to meet Bausch," says one source. "They will need big sales increases to offset the cuts."

MARKET SHARE

Companies in the industry are selective, so solid market data are difficult to obtain. Nevertheless, Irving J. Arons, a senior consultant at Arthur D. Little Inc., estimates the market for soft contact lenses and accessories sold by lens manufacturers at $190 million this year, up from $142 million in 1978, and sees it hitting $400 million by 1982.

Bausch should be in a good position to grab a share of that growth, according to New York securities analyst Otto F. Grote. He points out that Bausch retains the biggest market share and is the lowest-cost manufacturer. Bausch uses a "spincasting" production process developed in Czechoslovakia, while the others employ the "lathing" method. Grote says Bausch's per-unit manufacturing costs—before allocation of corporate overhead—are 80 percent lower than those of its competitors. Critics and competitors, however, contend that spincast lenses are difficult to replace and to fit and that large inventories of diagnostic lenses are required.

Bausch, moreover, has other things in its favor. It has introduced new accessories, solutions, and ultrathin lenses, which are already popular, and has also made advances in the fitting of lenses. In addition, it has more than 200 salespeople to provide service and offers inventory of lenses on consignment. Despite price cuts, its margins are expanding, and Grote estimates it will earn $3.40 a share this year, up from $2.54 in 1978, and $4 in 1980.

In contrast, although Continuous Curve Contact Lenses Inc. says its business has not been affected by price cuts so far, one analyst lowered his estimate of 1979 earnings to $2.10 from $2.25, and others feel the company will have only flat earnings of $1.75 this year. Industry sources also say Bausch has stymied American Optical Corp.; its market share has fallen from a high of 20 percent last December. Union Corp., however, predicted in September a 35 percent increase in earnings from optics.

Contact Lenses: Confusion Blurs Bargains

(By Michael Edgerton)

Laura Beane congratulated herself for spotting a bargain last March when she paid $116.50 for a pair of soft contact lenses, an eye examination, and a lens sterilization kit at a contact lens retail chain store in downtown Chicago.

"I figured regular eye doctors were expensive, and my girl friend paid $250," says Mrs. Beane, 22, a Schiller Park housewife who saw a newspaper advertisement for the firm. "But I had trouble seeing when I got them. I had to get a new lens for my right eye and then my left eye became really sore."

Dismayed by the problems her new lenses were causing, Mrs. Beane opted for the firm's 50 per cent refund on the lenses alone, which were priced at $69.50. She bolstered her request for a refund, which was honored, by writing to the Better Business Bureau and Federal Trade Commission.

Then she consulted her regular optometrist, who fitted her with lenses and charged her about $80 more than the retail store. "I should have gone to him first, rather than looking for something cheaper, but the ad looked appealing and I just couldn't pass it up," she says.

But Jack LaBolt, a 27-year-old paralegal employe, has happily worn the same shop's lenses for a year. "You can't beat the price, and I decided to try it because it was $150 cheaper than an optometrist. I'd say the care was good, and I did go back a couple of times to change lenses. The only drawback was the long wait in their office."

Thousands of Americans want to see without glasses. But in deciding where to buy contact lenses these people are confronted with enormous variations in prices charged for lenses, examinations, and the "aftercare," the post-dispensing visits that are often necessary to ensure a proper fit and the wearer's comfort.

There are many rivalets leading to the stream of confusion over lens prices and the value of professional services needed to fit the lenses. The main one is the Federal Trade Commission order of May 24, 1978, that lifted restrictions on advertising the prices of eyeglasses and contact lenses.

Since that date the contact lens field particularly has been invaded by retailers who buy lenses cheaply in enormous lots from manufacturers, and advertise incessantly. They also are employing optometrists, who have sought to build a large customer base by specializing in contact lenses.

For example, Contact Lens Associates, Inc., was founded in May, 1978, and has stores in Philadelphia, Boston, Washington, Baltimore, and Chicago. It must compete with the older, well-established retail chains like Pearle Vision Center (a division of G. D. Searle & Co.), Lee Optical, or the optical departments of mass merchandisers like Sears, Roebuck & Co. and Montgomery Ward & Co.

And all of them, of course, are trying to entice patients from optometrists and ophthamalogists, who have for years considered the examination of eyes and the fitting of eyeglasses—then contact lenses—the medical professional's preserve.

The reason for so much interest in selling contact lenses is that the number of potential wearers, is very large. About 110 million Americans wear glasses; only about 12 million of them wear contact lenses, although several million more have tried them at some point.

Industry insiders estimate that 60 million to 100 million people might succesfully wear contact lenses. And contact lens volume, estimated to be worth $300 million in sales out of the $3 billion in eyewear sold this year, has been growing at 25 per cent a year. That surge has been due to better lens technology—which means more comfortable wear—increasingly skilled fitters, and, of course, lower prices.

The attractions of a contact lens line may be apparent to the businessman, but the upheaval created by the FTC's ruling is raising a lot of questions for consumers. They want to know whom they can trust.

Is the ophthamalogist who charges $350 for soft lenses gouging, or offering the best medical care? Is the upstart retail shop bringing true competition to the marketplace for the first time, or cutting corners in a way that may cause discomfort or even danger to the eye?

"I'd like to think that anyone practicing is as well-qualified as everyone else," says Dr. Gary Lasken, an optometrist who works in Peoria. "Theoretically, the quality of care could vary a lot. It could be good at a chain store and bad in an optometrist's office.

"A good practitioner lives on his referrals. If I'm good, my patients will come back and bring their family and friends. If I'm a big schnook, they won't. So I'm not afraid of commercials. People aren't stupid, and if they've been had once, they won't be had twice."

Like most private-practice fitters, Lasken believes a major component of his price to the public is the value of his time. "I don't see how prices can come down," he says. "That time is worth something, along with my insurance costs, overhead, and so on. I'm not in the business of ripping people off."

They won't be had, retorts William Grody, president of Professional Contact Lens Programs, which advertises lenses at the lowest prices available in Chicago. "People are seeing that prices have been terribly inflated," Grody says.

"These are the same lenses available elsewhere for $300," he says. "I challenge people to take them to their doctor. The doctors working for us are the same ones who were charging $300 in their own practice."

Two unheralded developments may soon introduce a bit more discipline into the chaotic market for lenses. The first impact will be felt by advertisers in Illinois, where a law was signed in September to regulate the kinds of claims that may be made in ads.

"It's clear that some of these requirements aren't being met," says Clifford Meacham, an assistant in the consumer protection division of the attorney general''s office. "In some cases, only the lens prices are given. Prices have to be accompanied by a statement that the price does or doesn't include eye exams or dispensing fees. We'll be notifying some of these advertisers. They'll have to change their advertising copy."

The second development will take longer to bring results. The FTC, concerned about the impact of its rule change, has for several months been visiting major cities to examine about 500 contact lens wearers.

"We are concerned about the quality of skill of people fitting lenses, especially soft lenses, which are manufactured in accordance with strict Federal Drug Administration standards," says Gary Hailey, a staff lawyer in the FTC's Bureau of Consumer Protection.

Although the study is continuing Hailey says, "what we may find is that there's not much difference in practice among ophthalmologists, optometrists, and opticians, but that there are big differences between people working solo and the large-scale, high-volume chain store or department store."

"I'd prefer the consumer wouldn't be so product-oriented," laments Dr. Harold Davis, an optometrist with offices in Chicago. "I wish he would pay more attention to professional service. The consumer isn't always looking at cost. He's weighing that against what's being provided.

Yet when a lens salesman like Grody says, "A private practitioner can't pay more than $10 a pair for lenses," consumers wonder what accounts for the price difference in the lenses and fittings available.

Most people know that both hard and soft lenses, discs about the size of a man's shirt button, can replace eyeglasses. Hard lenses, made of plastic and are actually somewhat flexible, have been prescribed for about 30 years. Soft lenses, which are somewhat brittle when dry but absorb moisture and then conform closely to the eye, were introduced in the United States in 1971.

About two-thirds of lens wearers wear hard lenses, but industry sources say soft lenses are gaining popularity and account for as many as two thirds of each year's fittings. Soft lenses are manufactured in quantity and frequently kept in stock enabling patients to walk out with their new contacts. Hard lenses more often are made to order for specific wearers.

Prices to doctors or optical stores are said to vary between $5 and $45 per lens for soft lenses. Bausch & Lomb, Inc., which for years held a near-monopoly of the manufacture of soft lenses—and is still the industry leader with at least half of the market—charged a published price of $25 a lens. So it's likely that other prices are clustered near that. Manufacturers are reluctant to discuss volume discounts, however.

Soft lenses first won FDA approval for sale only if they included a sterilization method, because there is some danger of eye infection from accumulating germs in the porous plastic. So sterilization kits usually are sold with the lenses, and both heat sterilization and cold, or chemical sterilization are available.

Hard lenses are ground to specification by a large number of laboratories, and their price to the dispenser ranges from $3.50 to $17, with $12 or so considered the average.

Soft lens prices are higher than those for hard lens because soft lens manufacturers must recover huge expenditures made on the way to obtaining FDA approval. Hard lens manufacturers, on the other hand, haven't encountered much federal regulation. Therefore, the value added to the five-cent plastic blank from which lenses are made is mostly due to efforts of skilled technicians who do the grinding.

Consumers often wonder if the nature of the eye examination varies from ophthalmologist to optometrist to retail outlet. The answer is probably yes, but it is difficult to generalize about those variances.

"When I'm at the store my exam takes 10 minutes," says an optometrist who works for one of the big optical chains, but also maintains a private practice. "When I'm in my own office, an half hour is more reasonable, because I do a more thorough job." As a result, he says, 25 to 35 people pass through his examining room at the store, but only about 10 at his office.

Howard Peyton, president of Peyton Contact Lens Associates, recalls the difficulty he had in signing up optometrists to work for his low-price operation. "I told them our exam cost $12 and they told me their time was worth $40 to $50," he says. "I said, what's the difference? You'll make a hell of a lot more money seeing 15 people a day than one a week. Optometrists don't have any business sense."

While admitting that examinations were perfunctory, the store doctor, who asked not to be named, notes that optometrists have a powerful incentive to go to work for someone else. "My own office cost $35,000 to equip, and my overhead is close to $3,000 a month," he says. "How can I pay for that?"

The economics of a doctor's practice suggest one reason why optometrists' and ophthalmologists' prices may not come down: the cost of lenses alone is a miniscule part of their total business costs. (It may be a major item for the specialty stores, however.)

On the other hand, doctors working for some retail chains worry about the ethical problems presented by profit maximization. Says the anonymous optometrist, "I quit one place after two days because they switched lenses on a customer. They didn't give the right prescription, but chose something they thought was pretty close."

Most professional and retail outlets seem to cater to the wearer after they're fitted with the first pair of lenses. However, some retailers are criticized for being perfunctory in offering their assistance, and for sacrificing quality for speed in their operation. This may be one reason why there are a large number of contact lens wearers who simply "drop out" when something goes wrong with their fit.

"I must have gone back 12 times the first four months I got my contacts from a place in Woodfield Mall," says Jeff Zombolas, 22, an electronics technician. "I had to make appointments, then wait 45 minutes, and it took time to drive up there and back. So there was a lot of aggravation." Zombolas eventually went to a private optometrist for new lenses, eschewing what he calls "shopping center doctors."

Contact lens fitters are divided on whether retailers, and particularly the low-price retailers, are squeezing doctors in private practice. And it remains to be seen if private practitioners will have to lower prices to compete. But that seems unlikely, because so many Americans want to wear the lenses that almost everyone will prosper.

CONTACT LENS RETAILERS SIGHT PROFITS

(By Michael Edgerton)

"The McDonald's of the ophthalmic business" is what one securities analyst calls G. D. Searle & Co., which opened 140 new Pearle Vision Centers this year and plans to open an equal number next year. That would mean 700 stores by the end of 1980.

The centers, which offer both eyeglasses and contact lenses, have been a profitable way to sell eyewear. And because contact lens sales are growing faster than eyeglass sales, the big Skokie-based health products company has started to open Searle Contact Lens Centers.

While the $3 billion eyewear market is growing by 8 per cent a year, contact lenses—with annual volume of $300 million—are growing at 25 per cent a year.

"We have a quality-oriented company with clean, attractive stores," said Donald J. Phillips, president of Searle Optical Group. "We are generally located in shopping malls, are open five nights a week, and give one-hour service in about half the cases. We have a large inventory of contact lenses, and our prices are extremely attractive—less than half the price charged by a private optometrist."

In 1978 the Searle Optical Group had an operating profit of $14 million on sales of $91.7 million, a 27 per cent increase in profits over 1977.

"Searle's operating margins are about 15 per cent, and they're doing that while expanding," said Arnold Schneider, an analyst at Kidder, Peabody & Co. "When the stores are mature they should reach 20 or 25 per cent."

Some industry observers say the retail chains' scramble to enter the contact lens field is a "gold rush" that will lead to stiffer competition, price-cutting, and, inevitably, the demise of firms that can't keep up with consumer allegiance. For the foreseeable future, they say, the industry will remain in turmoil.

Searle may be the largest of those to realize the advantages of volume sale, high-traffic locations, specialization, and high-profile advertising. But it's not alone. Take Peyton Contact Lens Associates, Inc., at the other end of the retail spectrum.

"I was at a dinner party and heard a lady say she paid $90 to replace a contact lens," said Howard Peyton, a stockbroker who founded the company in May, 1978. "There happened to be an ophthalmologist there. And he said that his lens cost was $4. That's a terrific margin."

Peyton called together 11 friends—two of them ophthalmologists—and with $1 million in capital went into business selling low-price contact lenses in Philadelphia. He was so successful he opened stores in Chicago, Washington, Boston, and Baltimore.

While he said that the five stores grossed "several million dollars" in their first year, he noted that pretax profits are about 20 per cent. The stores are profitable enough to warrant continued expansion in other major cities, Peyton said.

How does he make this kind of money?

"You can wheel and deal with manufacturers with our kinds of volume," he said. "For example, we saw 12,000 people our first year in Philadelphia. Maybe an optometrist sees one person a week for contact lenses.

"We stock 7,000 to 8,000 lens prescriptions in each office. We don't want the problem cases. We are only profitable dealing in the easy, everyday prescriptions—the ones where people can walk out with lenses 90 per cent of the time. And we haven't taken business away from optometrists and ophthalmologists because we have extended the market with our advertising."

William Grody, 26, was in law school in California last year when he decided an operation specializing in fitting contact lenses would be a good business. He left law school and came to Chicago, where he opened Professional Contact Lens Programs in July, 1978.

"I decided to start in Chicago because at the time there were no lenses available for less than $100," Grody said.

While he refuses to discuss sales volume and profitability on his lenses, which are currently the cheapest on sale in Chicago, he said his business has succeeded enough to merit expansion to other cities.

While the contact lens business is a high-margin one, there seems to be some room for squeezing. An examination of quoted prices to the public can show why.

Bausch & Lomb, Inc., which dominates the soft contact lenses, charges $25 a lens, or $50 a pair.

A survey of outlets shows wide variations in prices charged for lenses alone, though private-practice doctors usually won't break out prices they charge for lenses, their professional fees, or for lens maintenance equipment.

But an optometrist might pay $50 for the Bausch & Lomb soft lenses, even if he doesn't advertise separate lens prices, and his full fee for fitting soft lenses may be $300 including the price of lenses. But there's office overhead—one doctor mentioned a $3000-a-month figure for that—and lens fitting may support other work, such as eyeglass fitting. The value of a doctor's time remains a sort of "X" factor, though, and isn't easily pinpointed.

Some critics have suggested that doctor's fees may have to fall in order to be competitive with large-scale retailing operations.

Dr. Gary Lasken, a Peoria optometrist said: "I have to charge whatever is a professional fee for me. I don't know where fees will be in five years, but I haven't lost patients in droves because of the retail stores. I have only two things to offer: My time and my professional expertise."

Details aren't precise where individual shops or retail chains are concerned, since they're reluctant to divulge financial data. Most do, as required by law, break out the cost of lenses, an exam, and of a sterilization kit for the soft lenses.

To take just one store as an example, Oak Street Optical charges $79 for soft lenses, $35 for examination, and $40 for a heat sterilization kit. Most lens fitters also offer chemical sterilization kits, which are somewhat cheaper.

The Peyton office in Chicago charges $69.50 for lenses, $12 for an examination, and $35 for a heat sterilization kit. While Peyton didn't want to discuss his cost for the lenses, it's known that soft lenses vary in price from $10 to $90 a pair, suggesting Peyton's ability to purchase lenses on the lower end.

In a telephone interview, even Howard Peyton expressed amazement at the price—$15.99 per pair of hard lenses—being charged by one of his nearest competitors, Professional Contact Lens Programs.

"How can they charge that when it costs us $20 just to drag a patient through the door?" Peyton said. "It costs at least $4 a lense to get hard lenses made up. It can't be done profitably at that price."

Nonetheless, the end of price-cutting doesn't seem to be in sight.

"The business continues to be very profitable in spite of all these price changes," said the regional manager of an optical store chain that locates in department stores. "I found that if I lowered my margin 15 percent I more than doubled my volume."

The same manager, a veteran retailer pondered the upheavals in the contact lens business.

"Suddenly everybody wants in. But it's like the discount store movement: You'll see a lot of falling out, too. But the pricing war will get worse, and I predict that you'll see soft lenses at least 50 per cent cheaper within a year. And hard lenses will only cost about half."

Lens manufacturers seem to be doing well, too. The most intense struggle for market share is taking place in the soft lens field, where a relatively small number of makers have been able to win government approval of their lenses. Hard lenses are frequently made by small, private firms as an optical specialty, thus, a wider variety of prices tends to be quoted.

Bausch & Lomb reported 1978 profits on its Soflens product line of $44.7 million on $119 million in sales. Those figures include sales of lens solutions and other care products.

Will wholesale lens prices come down? Earlier this year B & L cut prices to $25 from $34.85 per lens. And a lower-price-range competitor, Lombart Lenses, Ltd., is said to be selling soft lenses for $15 apiece. So some price movement is possible.

But when lens prices stabilize—and many fitters think they already have—the emphasis will shift to pricing the fitting service, including professional fees, and other costs of doing business. Searle's Phillips thinks that's happened, and the retail chain is positioned to capitalize.

"A price of $110 to $140 for soft contact lenses is an exceptionally good value," Phillips said. "And I'm talking about lenses offered by a full-service store that stands behind its product, offers a warranty, and will be there tomorrow.

"It's hard to see how the low-price companies can stay in business if they go any lower. If you're talking about people who charge more, it's difficult to know if they could improve their prices. You'd have to know more about their costs."

REBUILDING THE ECONOMY—PART III

Mr. PERCY. Mr. President, at long last it appears that the small savers of this country are going to get the tax break they deserve.

The windfall profit tax conferees have agreed to accept the savings incentive amendment introduced by Senator BENTSEN, myself, Senators TALMADGE, and DOLE with 74 cosponsors. The amendment, which was passed overwhelmingly by the Senate on December 17, 1979, will exclude from gross income $200—$400 on a joint return—in combined interest and dividend income beginning January 1, 1981.

Although I am disappointed that the conferees decided to limit the new exclusion to a 2-year trial period, I heartily commend the action. It is a major first step in helping to solve one of our most crucial economic problems: the critically low rates of personal savings and capital investment.

Mr. President, the most recent statistics released by the Commerce Department in January showed that the savings rate hit a 30-year low in 1979 of 4.5 percent. The most recently monthly statistic put the savings rate at 3.3 percent in November of last year, the lowest figure since the first monthly statistics were compiled in 1959. Clearly, inflation working with our tax system is eroding personal savings as taxpayers cut back on savings or even withdraw savings to maintain their standard of living or make purchases they know will only cost more in future months.

The enactment of this amendment will reduce the tax bite on savings, stem the flow of withdrawals and increase personal savings by making it more profitable. Eminent economists have testified before congressional committees that the rate of savings will respond to the rate of return. Economist Michael Evans estimates savings will increase by some $2.4 billion yearly as a direct result of this amendment. The U.S. League of Savings Associations estimates this figure at $4 billion a year. These extra savings and ultimate extra capital investment will increase income and future tax revenues. A high rate of capital formation is necessary if we are to increase the rate of productivity growth in the American economy. Increased productivity is key to fighting inflation. One way to spur capital investment is to encourage personal savings. This action on the part of the conferees will put us on the road to a sound economic program, but it is just the first step.

On the individual side, we should do more to encourage savings. Higher levels of exclusion like the ones included in my Small Savers Incentive Act are one way to accomplish this. However, there are other proposals pending before the Congress which have a great deal of merit as well. The Congress should continue to study these plans and enact legislation in addition to this amendment to significantly reduce the tax penalty on personal savings.

According to Commerce Department statistics, personal income rose by 12 percent last year, almost enough to keep pace with inflation. However, the tax bite increased by 15.8 percent, leaving taxpayers with an 8.7-percent gain in income, well below the rate of inflation. By enacting additional tax cuts which encourage personal savings, we can reduce the Federal income tax burden and at the same time spur capital investment.

On the business side, Congress' top priority should be the enactment of tax depreciation reform legislation, namely the Capital Cost Recovery Act which would replace our ADR system with a 10–5–3 plan. Businesses would be able to write off investment in buildings in 10 years, equipment in 5 years and certain rolling stock in 3 years.

By bringing our depreciation system more in line with true replacement costs, we will stimulate capital investment so vital to continued economic growth. The current ADR system working with inflation hurts businesses in two ways. First, the money they get back in deductions is worth less each year and second, by the time businesses recover the cost of their investment, the replacement equipment costs far more. The result is a severe shortage of funds for investment in capital needed for expansion and modernization.

According to a 1979 report by the Joint Economic Committee and statistics compiled by the Labor Department, the United States ranks seventh in productivity, capital investment and economic growth behind Japan, West Germany, Italy, France, Canada, and the United Kingdom. The report suggests that our low rate of capital investment and productivity is due in part to the deficiencies in our capital cost recovery system. The recently released 1980 economic report of the Joint Committee calls for liberalizing allowances for business depreciation.

Data Resources Inc. in a study commissioned by the Committee for Effective Capital Recovery found that in 1984—the first year the proposal, if enacted this year, would take full effect—businesses fixed investment would be $20.9 billion more than under our present system.

Last, tax reduction for businesses should include some incentive for research and development. Senator DANFORTH addressed this matter in legislation introduced last year to provide a 10-percent tax credit for all research and development spending by business.

Data gathered by the National Science Foundation shows that every year since 1964, when R. & D. spending was 3 percent of GNP, business spending on R. & D. has declined. Expenditures for R. & D. amounted to 2.2 percent of GNP in 1978 and projections made by the Foundation estimate that R. & D. expenditures will drop to 2 percent by 1985.

New technology is an important tool in increasing productivity and we should enact the incentives needed to encourage and reward businesses working to develop this technology.

Mr. President, I believe these investment incentives are vitally important to the future of our country and I will continue to press for their adoption.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORTS OF THE NATIONAL ENDOWMENT FOR THE HUMANITIES—MESSAGE FROM THE PRESIDENT RECEIVED DURING THE RECESS—PM 185

Under authority of the order of the Senate of March 14, 1980, the Secretary of the Senate, on March 17, 1980, received the following message from the President of the United States, together with accompanying reports, which was referred to the Committee on Labor and Human Resources:

To the Congress of the United States:

In accordance with the provisions of the National Foundation on the Arts and the Humanities Act of 1965, as amended, I transmit herewith the 12th, 13th and 14th annual reports of the National Endowment for the Humanities. These reports cover the activities of the Endowment during Fiscal Years 1977, 1978 and 1979.

JIMMY CARTER.

THE WHITE HOUSE, *March 17, 1980*.

MESSAGE FROM THE HOUSE

At 2:41 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the bill (S. 1515) to authorize the striking of Bicentennial medals, with an amendment in which it requests the concurrence of the Senate.

The message also announced that the House agrees to the amendments of the Senate to the amendment of the House to the concurrent resolution (S. Con. Res. 79) expressing the sense of the Congress that the people of the United States should observe February 26, 1980, as a national day of prayer and meditation for the hostages in Iran.

The message further announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 5953. An act to preserve, protect, and maintain the original boundary stones of the Nation's Capital; and

H.R. 6702. An act to amend section 603 of title 18, United States Code, with respect to certain political contributions.

HOUSE BILLS REFERRED

The following bills were each read by their titles and referred as indicated:

H.R. 5953. An act to preserve, protect, and maintain the original boundary stones of the Nation's Capital; to the Committee on Energy and Natural Resources.

H.R. 6702. An act to amend section 603 of title 18, United States Code, with respect to certain political contributions; to the Committee on Rules and Administration.

REPORTS OF COMMITTEES SUBMITTED DURING THE RECESS

Under authority of the order of March 14, 1980, the following reports of committees were submitted on March 17, 1980:

By Mr. BOSCHWITZ, from the Committee on Agriculture, Nutrition, and Forestry, without amendment:

S. 2426. An original bill to provide an emergency price support program for the 1979 crops of wheat and corn (Rept. No. 96–632).

By Mr. TALMADGE, from the Committee on Agriculture, Nutrition, and Forestry, without amendment:

S. 2427. An original bill to encourage greater participation in the farmer-held reserve program for corn and wheat, and for other purposes (Rept. No. 96–633).

By Mr. MELCHER, from the Committee on Agriculture, Nutrition, and Forestry, with an amendment:

S. 1996. A bill to authorize the recovery of wood residues in the national forests for use as fuel, for conversion to use as petrochemical substitutes or wood products, and for other purposes (Rept. No. 96–634).

By Mr. BOSCHWITZ, from the Committee on Agriculture, Nutrition, and Forestry, without amendment:

S. 2428. An original bill to amend the Agricultural Act of 1949 to establish land diversion payment programs applicable with respect to the 1980 crops of feed grains and wheat, and for other purposes (Rept. No. 96–635).

S. Res. 384. An original resolution waiving section 303(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 2428. Referred to the Committee on the Budget.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. ROBERT C. BYRD (for Mr. KENNEDY), from the Committee on the Judiciary, without amendment but with a preamble:

S.J. Res. 128. A joint resolution to authorize and request the President to proclaim the week of October 5 through 11, 1980, as "National Diabetes Week".

H.J. Res. 463. A joint resolution designating the week of October 5 through October 11, 1980, as "National Diabetes Week".

By Mr. ROBERT C. BYRD (for Mr. KENNEDY), from the Committee on the Judiciary, with an amendment, an amendment to the title, and with a preamble:

S.J. Res. 146. A joint resolution designating the week of May 11 through May 17 as "National Small Business Week".

By Mr. PROXMIRE, from the Committee on Banking, Housing, and Urban Affairs:

Special Report entitled "First Monetary Policy Report For 1980" (Rept. No. 96–636).

By Mr. ROBERT C. BYRD (for Mr. KENNEDY), from the Committee on the Judiciary, without amendment:

S. 162. A bill for the relief of Technical Sergeant Herman F. Baca, United States Air Force (Rept. No. 96–637).

By Mr. ROBERT C. BYRD (for Mr. KENNEDY), from the Committee on the Judiciary, with amendments:

S. 551. A bill for the relief of Fred W. Sloat of Salt Lake City, Utah (Rept. No. 96–638).

By Mr. ROBERT C. BYRD (for Mr. KENNEDY), from the Committee on the Judiciary:

H.R. 2318. An act for the relief of Casimir Jan Kray (Rept. No. 96–639).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. BOSCHWITZ (from the Committee on Agriculture, Nutrition, and Forestry):

S. 2426. A bill to provide an emergency price support program for the 1979 crops of wheat and corn. Original bill reported and ordered placed on the calendar.

By Mr. TALMADGE (from the Committee on Agriculture, Nutrition, and Forestry):

S. 2427. A bill to encourage greater participation in the farmer-held reserve program for corn and wheat, and for other purposes. Original bill reported and ordered placed on the calendar.

By Mr. BOSCHWITZ (from the Committee on Agriculture, Nutrition, and Forestry):

S. 2428. A bill to amend the Agricultural Act of 1949 to establish land diversion payment programs applicable with respect to the 1980 crops of feed grains and wheat, and for other purposes. Original bill reported and ordered placed on the calendar.

By Mr. DeCONCINI (for himself, Mr. HOLLINGS, Mr. THURMOND, and Mr. HUDDLESTON):

S. 2429. A bill to amend title 18 of the United States Code to revise and improve the laws controlling false identification crimes; to the Committee on the Judiciary.

By Mr. GOLDWATER:

S. 2430. A bill to protect retired and disabled persons by preserving the integrity of the Consumer Price Index; to the Committee on Governmental Affairs.

By Mr. JACKSON (by request):

S. 2431. A bill to amend the Emergency Fund Act (Act of June 26, 1948, 62 Stat. 1052); to the Committee on Energy and Natural Resources.

By Mr. DeCONCINI (for himself, Mr. EAGLETON, and Mr. DANFORTH):

S. 2432. A bill to amend title 28 of the United States Code to provide that the counties of Audrain and Montgomery shall be in the Northern Division of the Eastern Judicial District of Missouri; to the Committee on the Judiciary.

By Mr. CANNON (by request):

S. 2433. A bill to authorize appropriations for the fiscal years 1981 and 1982 for certain maritime programs of the Department of Commerce, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. DOLE:

S. 2434. A bill to amend the Juvenile Justice and Delinquency Prevention Act of 1974, and for other purposes; to the Committee on the Judiciary.

By Mr. CHILES (for himself and Mr. PRYOR):

S. 2435. A bill to rescind certain appropriations provided for the purchase of furniture by Federal departments, and for other purposes; to the Committee on Appropriations.

By Mr. HEFLIN:

S. 2436. A bill for the relief of Frank L. Hulsey; to the Committee on the Judiciary.

By Mr. MATHIAS (for himself, Mr. DOLE, Mr. WEICKER, Mr. BUMPERS, Mr. YOUNG, Mr. COHEN, Mr. BAYH, Mr. DANFORTH, Mr. MUSKIE, Mr. LUGAR, and Mr. MORGAN):

S.J. Res. 152. Joint resolution to authorize and request the President to designate the week of September 21 through 27, 1980, as "National Cystic Fibrosis Week"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DeCONCINI (for himself, Mr. HOLLINGS, Mr. THURMOND, and Mr. HUDDLESTON):

S. 2429. A bill to amend title 18 of the United States Code to revise and improve the laws controlling false identification crimes; to the Committee on the Judiciary.

FEDERAL FALSE IDENTIFICATION ACT OF 1980

● Mr. DeCONCINI. Mr. President, today I and Senators HOLLINGS, THURMOND, and HUDDLESTON are introducing a bill that would substantially aid law enforcement in many different areas. The bill would make illegal:

First, the use of false identification to obtain any Federal identification;

Second, traveling in, or using interstate commerce to obtain State false identification;

Third, the production, sale, transmission or possession of any Federal identification document or any State document with the intent to use it to obtain a false Federal identification;

Fourth, traveling in or using interstate commerce to transmit a false identification or a document to be used in violation of Federal or State statute.

The bill incorporates the recommendations of the Federal Advisory Committee on False Identification which carefully studied the false identity problem and concluded in 1976 that:

> The criminal use of false identification is a multibillion dollar national problem. . . . The exploding use of false identification must be stopped.

False identification is relied upon by the large drug rings which account for an estimated 80 percent of the narcotics entering the country; by perpetrators of check, credit card, and securities frauds; by individuals engaging in various frauds against the Government; by escaped prisoners and fugitives from justice; by illegal immigrants; and by common criminals committing offenses ranging from confidence games to burglary.

This bill would add two new sections to chapter 47 of title 18 United States Code. Proposed section 1028(a) would prohibit the use or supply of identification or documentation known either to be false or to evidence the birth, identity, or entry into the United States of a person other than the person intended to be documented thereby for the purpose of obtaining any official document or paper of the United States.

Proposed section 1028(b) would prohibit travel in or use of the facilities of interstate or foreign commerce or of the mails to transmit or deliver such false information or documentation for the purpose of obtaining any document or paper of a State. Punishment for a violation of section 1028 would be a fine of up to $10,000, or imprisonment of up to 5 years, or both.

Proposed section 1029 consists of three subsections. Subsection (a) would prohibit the fabrication, forgery, counterfeiting, alteration, or unlawful use for profit of an official document or paper of the United States or of any State for the purpose of obtaining any other official document or paper of the United States. Section 1029(a) would also punish the sale, transfer, or other delivery for profit of a false document of the United States or of any State knowing it to be intended for use in obtaining an official document of the United States.

Section 1029(b) would reach knowing travel in or use of the facilities of interstate or foreign commerce, or use of the mails to move any false document of the United States or of any receipt, possession, or use of such false documents with the intent to defraud. Like section 1028, a violation of any of the provisions of section 1029 would be punishable by a fine of up to $10,000 or imprisonment of up to 5 years or both.

These new provisions of criminal law would give law enforcement officials effective new weapons with which to combat false identification crimes. Existing Federal statutes are ineffective as most identification documents are issued and regulated by the States. Many State laws punish only the use of a false identification document thereby leaving law enforcement officials without any way to proceed until an offense utilizing the false identification document has been completed. Further, although the problem of false identification is national in scope, the individual States are powerless to protect any but their own identification documents and are unable to control counterfeiting or criminal use of their own documents when such acts are carried out beyond their own borders.

The penalty prescribed for violation of the provisions of the bill reflects the general penalty in the current title 18, United States Code, for similar offenses, which is a maximum term of imprisonment for 5 years and/or a fine ranging from $5,000 to $10,000. This is the penalty set forth under 18 U.S.C. 1001 for making a false statement in a matter within the jurisdiction of a Federal agency, under 18 U.S.C. 1002 for possessing false papers with intent to enable another to obtain money from the United States, under 18 U.S.C. 1423 for misuse of fraudulently obtained evidence of citizenship or naturalization, and under 8 U.S.C. 1306 for counterfeiting an alien registration card.

The third section of the bill would exempt from the coverage of the measure any technical violations arising from: First, the protection by Federal law enforcement officials of witnesses pursuant to the Organized Crime Control Act of 1970; and second, authorized investigative and intelligence activities carried out by agents of Federal, State and local governments.

In regard to the first exemption, the organized crime witness protection program is authorized by law and often requires relocation and establishment of new identities for witnesses and their families to prevent reprisals by organized crime syndicates. With respect to the investigative and intelligence exception, undercover law enforcement activities sometimes require temporary use of identification documents by Government agents, particularly when law enforcement operations involve sophisticated organized crime syndicates and narcotic rings.

I ask unanimous consent that the bill, as introduced, be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2429

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "False Identification Crime Control Act of 1979".

Sec. 2. Chapter 47 of title 18, United States Code, is amended by adding at the end thereof the following new sections:

"§ 1028. Use of false documents or false use of official documents to obtain official identification.

"(a) Whoever, for the purpose of obtaining for himself or another any official documents or paper of the United States, or any agency or department thereof, involving an element of identification, knowingly uses or supplies false information, false or falsified documentation, or any document or paper evidencing or purporting to evidence the birth or identity or entry into the United States of any individual other than the individual officially intended to be documented thereby, shall be fined not more than $10,000, or imprisoned not more than five years, or both.

"(b) Whoever, for the purpose of obtaining for himself or another, any official document or paper of any State (including any political subdivision thereof) or any agency or department thereof, involving an element of identification, travels in interstate or foreign commerce or knowingly utilizes or causes to be utilized any facility in interstate or foreign commerce including the mail, to send, transport, transmit, carry, deliver, or otherwise move in interstate or foreign commerce any false information, false or falsified documentation, or any document or paper evidencing or purporting to evidence the birth or identity or entry into the United States of any individual other than the individual officially intended to be documented thereby, shall be fined not more than $10,000, or imprisoned not more than five years, or both.

"§ 1029. Production, sale, transmission, or possession of false documents to be used, or sale, transmission, or possession of official documents used or intended to be used falsely as official identification or in obtaining official identification.

"(a) Whoever, for a monetary or other consideration—

"(1) falsely makes, forges, counterfeits, or alters, or uses in violation of a Federal or State statute, or a regulation, rule, or order issued pursuant thereto, any official document or paper of the United States, or any agency or department thereof, involving an element of identification;

"(2) falsely makes, forges, counterfeits, or alters, or uses in violation of a Federal or State statute, or a regulation, rule, or order issued pursuant thereto, any official document or paper of any State (including any political subdivision thereof), or any agency or department thereof, involving an element of identification, knowing that such document or paper of the United States, or any agency or department thereof, involving an element of identification; or

"(3) sells, transfers, or otherwise delivers any such document or paper of the United States or of any State knowing such document or paper to have been so made, forged, counterfeited, or altered or is being or is intended to be used to obtain an official document of the United States, involving an element of identifications; shall be fined not more than $10,000, or imprisoned not more than five years, or both.

"(b) Whoever travels in interstate or foreign commerce or utilizes or causes to be utilized any facility in interstate or foreign commerce, including the mail, to send, transmit, carry, deliver, or otherwise move in interstate or foreign commerce any document or paper purporting to be an official document or paper of the United States or any State (including any political subdivision thereof), or any agency or department thereof, involving an element of identification knowing that such document or paper has been falsely made, forged, counterfeited, or altered, or is being or is intended to be used in violation of a Federal or State statute, or a regulation, rule, or order issued pursuant thereto, shall be fined not more than $10,000, or imprisoned not more than five years, or both.

"(c) Whoever, with the intent to defraud, receives, possesses, uses, furnishes, or attempts to receive, possess, use, or furnish to another, any false, forged, counterfeited, or altered document or paper purporting to be of the United States, or any agency or department thereof, or of any State (or any political subdivision thereof) knowing that such document or paper is being used or is intended for use in obtaining any official document or paper of the United States, or any agency or department thereof, involving an element of identification, shall be fined not more than $10,000, or imprisoned not more than five years, or both.".

Sec. 3. Nothing contained in this Act shall apply to any action taken pursuant to the provisions of title V of the Organized Crime Control Act of 1970, or of any regulation, rule, or order issued pursuant thereto, or to authorized investigative or intelligence agencies. Nor shall anything in this Act apply to the otherwise lawful use by the recipient of identity documents received pursuant to the provisions of title V of the Organized Crime Control Act of 1970, or of any regulation, rule, or order issued pursuant thereto, or received in connection with authorized investigative or intelligence activities of law enforcement or intelligence agencies.

Sec. 4. The analysts of chapter 47 of title 18, United States Code, is amended by adding at the end thereof the following new items:

"1028. Use of false documents or false use of official documents to obtain official identification.

"1029. Production, sale, transmission, or possession, of false documents to be used, or sale, transmission, or possession, of official documents used or intended to be used falsely as official identification, or in obtaining identification.".●

By Mr. GOLDWATER:

S. 2430. A bill to protect retired and disabled persons by preserving the integrity of the Consumer Price Index; to the Committee on Governmental Affairs.

PROHIBITING CHANGES IN THE CONSUMER PRICE INDEX

● Mr. GOLDWATER. Mr. President, I am today introducing legislation to prevent the President or Bureau of Labor Statistics from unilaterally making any change in the Consumer Price Index which would reduce cost-of-living increases in the pensions of retired persons.

Now, I am delighted that President Carter did not include this option in the economic plan he announced last Friday. But it is beyond question that the President's advisers did seriously consider tampering with the CPI as a means to cut Federal spending. Their goal was to reduce cost-of-living increases that will be payable to social security recipients and other retired persons in July.

The idea may have been dropped for now. I certainly hope it has been. But this is an election year. The President's advisers have felt the heat of public pressure.

The fact remains, however, that a scheme was considered at the highest levels for denying benefit increases promised by law to older persons. What will happen in a nonelection year?

Unless a strong law is enacted to prohibit this kind of political shenanigans, the idea may be revived. The bureaucrats have shown their hand.

There are obviously people in the executive branch who believe the Consumer Price Index can be manipulated for political purposes by mere administrative decree.

Until Congress passes a statute telling the President, not just this President, but any future President, that he cannot abrogate the benefit increases guaranteed to retired persons by a stroke of his pen, it just might happen.

Accordingly, I am introducing a bill today that will protect the integrity of the Consumer Price Index.

First, the bill will nail down in law the duty of the Bureau of Labor Statistics to continue compiling and publishing the Consumer Price Index which is referred to in any Federal laws for the purpose of determining cost-of-living increases in retired pay. These statutes refer to the CPI, but do not spell out any requirements that the index be continued.

The bill specifically identifies social security benefits, civil service annuities, military retired pay, and railroad retirement pensions as programs which are covered. In addition, the legislation applies generally to all other Federal retirement programs which include a cost-of-living provision.

Second, the bill requires that the Consumer Price Index currently used to determine increases under any Federal retirement program must be published with the same frequency and for the same time period as now published. For example, none could evade the bill by continuing to publish the index, but changing it to a biannual or triannual basis. Also, the administrators, or political czars who give orders to the professional technicians, could not juggle the index by dropping a month here or adding a month there to distort the data.

Third, the bill specifically prohibits making any change in the index that would reduce the benefit increase otherwise payable under any Federal retirement program.

The bill directs that no revision can be made in the conceptual assumptions, techniques, statistical methods, spending categories, items or areas sampled, or other factors which go into the preparation and makeup of the index. Nor can any change be made in the relative weight assigned to the various elements which constitute the overall index if such a revision would reduce the amount of increase otherwise payable.

Mr. President, the cost-of-living index now affects the income of more than 30 million retired persons. This group includes 35 million social security retired workers and their dependents and 3 million retired military and Federal civil service employees and survivors.

The integrity of such an important economic measure must not be left to mere trust and good faith in the proper judgment of political officials. The index must be secured against partisan political manipulation.

The best way to achieve this protection is by enacting a comprehensive and flat prohibition against any change reducing the pension of retired people. In this way, the elderly cannot be made the target of potential political blackmail or be made the sacrificial lamb to inflation.

So long as some Government officials believe the cost-of-living index can be changed by administrative order alone, regardless of the effect on tens of millions of Americans, older persons will be vulnerable to the political schemes of those who are looking for ways of putting pressure on the public or finding a quick fix on Federal spending.

If anyone should attempt to misuse the index for political ends, I frankly think the action would be open to a serious court challenge. But I believe we must remove all questions before it happens. Even if a court case should ultimately be won by representatives of retired persons, their life-supporting pension increases may be delayed for a long time.

Mr. President, I recently received an excellent letter on this subject from the American Association of Retired Persons and National Retired Teachers Association. An identical letter, dated March 4, was sent to every Member of Congress and to President Carter.

I will read from portions of this letter:

> Dear Senator Goldwater: Reports have surfaced concerning a possible proposal to limit or cap social security cost-of-living benefit increases. Our Association vehemently oppose such a proposal on the grounds that it would be an attempt to treat a symptom of the disease, rather than the disease itself.

The letter continues:

> Capping social security benefit increases in an effort to produce large reductions in government spending represents nothing more than a quick-fix band-aid approach to inflation that will do very little to bring down the inflation rate and instead cause millions of older people to suffer a severe reduction in their purchasing power.

In answering the fallacious arguments offered by officials who have suggested reducing the cost-of-living increases promised to the elderly, the letter states:

> Our Associations offer the following arguments to counter those used by proponents of proposals to limit or cap social security benefit increases. First, proponents argue that the Consumer Price Index (CPI) is overstating the inflation rate. Our Associations would point out that, with respect to the elderly, the CPI clearly underestimates the effects of inflation on their budgets. While prices rose an average of 13.3% last year, prices of necessities—food, fuel, housing and medical care—which dominate the budgets of low-income persons, rose nearly 18%. Studies done by the Bureau of Labor Statistics indicate that in the area of food, the elderly spend 11% more of their budgets than those under age 65; for fuel and utilities, the elderly spend 33% more of their budgets than the non-elderly; in housing, elderly expenditures are 11% more than the non-elderly; and in health care, out-of-pocket expenses of the elderly are 44% higher than for the younger population. In addition, automatic social security benefit increases are provided long after rising prices affect the individual's budget. For instance, to be compensated for what inflation did in 1979 to the purchasing power of an individual's social security benefits, that individual must wait until July 1980. Inflation clearly weights more heavily on the elderly than on younger wage-earners and delays in the social security cost-of-living adjustment process make increases inadequate, especially during periods of rapid inflation.

The letter concludes:

> In summary, our Associations would consider a proposal to cap social security benefit increases to be improper, ill-timed and inhumane.

Mr. President, I agree fully with the message by the associations. I would only add that those who would target retired persons for pension cuts are dealing with untruths.

For example, a major argument they make is that the treatment of housing in the index overstates the price increases older persons actually experience. Most retired persons do not buy homes, it is argued. We are left with the implication that the index assumes all or most persons do purchase a new home every year.

This is an untruth. An official February 1980 publication by the Bureau of Labor Statistics states:

> The CPI does not assume that everyone buys a new house every month.

In fact, this Bureau of Labor Statistics publication makes it clear that:

Those who purchased their own home before the base period are assumed to have no house price or mortgage interest costs at all.

Actually, many retired persons are still paying on 25- or 30-year mortgages.

According to the same report, the housing costs for elderly persons who purchased their homes before the base period are now represented "only by property taxes, insurance and maintenance and repairs." Anyone who says retired persons are not paying higher property taxes, higher home insurance bills and higher repair costs either has his head in the sand or is deliberately attempting to distort the truth.

Mr. President, I ask unanimous consent that the bill I am introducing be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2430

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) notwithstanding any other provision of law, it shall be the duty and responsibility of the Bureau of Labor Statistics, within the Department of Labor, to continue after the date of enactment of this Act to compile and publish the Consumer Price Index (or any similar index, by whatever name it may be called) which pursuant to Federal law is utilized for the purpose of determining cost-of-living increases in periodic benefits, pension, annuity, retirement pay, or similar periodic payments payable under—

(1) the Federal Old-Age, Survivors, and Disability Insurance Benefits program established by title II of the Social Security Act, and the program of Supplemental Security Income for the Aged, Blind, and Disabled established by such title;

(2) the civil service retirement program established by subchapter III of chapter 83 of title 5, United States Code;

(3) the military retired pay program described in section 1401a of title 10, United States Code;

(4) the Railroad Retirement Act of 1974; or

(5) any other Federal program which provides for the payment of pensions, annuities, retirement or retired pay, dependents' or survivors' benefits, or similar payments which are payable, on account of the past performance of personal services, by the recipient of the payment, or a member of his family.

(b) Any Consumer Price Index (or similar index) which is required under subparagraph (a) to be compiled and published shall be compiled and published on the same basis, in terms of the frequency of publication and the time period covered by a particular publication, as was the practice with regard to the publication of such Index in the period immediately preceding March 1, 1980. Also, in the compiling of such Index and the data utilized in connection therewith, no change in the conceptual assumptions, techniques, statistical methods, spending categories, items or areas sampled, or other factors to be included, or the relative weight to be assigned to the various factors included in the formulation of such Index (as such Index was formulated in such period) shall be made, except as may be specifically authorized by law hereafter enacted, if such change would have the effect of reducing the amount of the cost-of-living increases provided by any of the programs referred to in paragraphs (1) through (5) of subsection (a), as compared to the amount of such increases which would otherwise be payable if such change had not been made.●

By Mr. JACKSON (by request):

S. 2431. A bill to amend the Emergency Fund Act (act of June 26, 1948, 62 Stat. 1052); to the Committee on Energy and Natural Resources.

● Mr. JACKSON. Mr. President, by request, I send to the desk for appropriate reference a bill to amend the Emergency Fund Act (act of June 26, 1948, 62 Stat. 1052).

Mr. President, this draft legislation was submitted and recommended by the Department of the Interior, and I ask unanimous consent that the bill and the executive communication which accompanied the proposal from the Assistant Secretary be printed in the Record.

There being no objection, the bill and letter were ordered to be printed in the Record, as follows:

S. 2431

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act entitled "An Act to authorize an emergency fund for the Bureau of Reclamation to assure the continuous operation of its irrigation and power systems," approved June 26, 1948, is amended as follows: (1) by changing the first sentence of the Act to read as follows: "In order to assure continuous operation all projects and project facilities governed by the Federal reclamation laws (Act of June 17, 1902, 32 Stat. 388, and Acts amendatory thereof or supplementary thereto) and for which title is held by the United States, there is hereby authorized to be appropriated from the reclamation fund an Emergency Fund which shall be available for defraying expenses which the Commissioner of the Water and Power Resources Service determines are required to be incurred because of unusual or emergency conditions," and (2) by substituting in the title the name "Water and Power Resources Service" for "Bureau of Reclamation".

U.S. Department of the Interior,
Washington, D.C. February 28, 1980.

Hon. Walter F. Mondale,
President of the U.S. Senate,
Washington, D.C.

Dear Mr. President: There is enclosed a draft of a proposed bill, "To amend the Emergency Fund Act (Act of June 26, 1948, 62 Stat. 1052)."

We recommend that the bill be introduced and swiftly enacted.

Public Law 80–790 (the Act of June 26, 1948, 62 Stat. 1052), referred to as the Emergency Fund Act, authorized the appropriation of an emergency fund for the Bureau of Reclamation (now Water and Power Resources Service (Service)) to ensure the continuous operation of its irrigation and power systems on projects governed by the Federal Reclamation laws (Act of June 17, 1902, 32 Stat. 388, and Acts amendatory thereof or supplementary thereto). Funds are made available to the Emergency Fund in annual appropriation acts. The Emergency Fund authority can be used only for the emergency protection and repair of irrigation and power systems being operated and maintained by the Service and for those systems for which title is vested in the United States but which are being operated and maintained by other entities pursuant to provisions of an operating contract.

Under the Emergency Fund Act, funds are made available to meet unusual or emergency conditions, such as canal bank failures, generator failures, damage to transmission lines; or other physical failures or damage, acts of God such as fires, floods, drought or epidemics, strikes, freight embargoes, or conditions causing or threatening to cause interruption of water or power service. Use of funds must be approved by the Commissioner of the Water and Power Resources Service except in extreme emergencies, when regional or project officials may incur obligations in advance of the Commissioner's approval, in order to prevent any possible loss of life.

The Emergency Fund appropriation is used only to the extent necessary to restore irrigation or power service or to assure the continuation of service if conditions threaten interruption of such service. The Fund is used if no other federally appropriated funds are available and only until other Federal funds, if needed, can be obtained in timely manner through the normal appropriation process. If it will require several months to complete repairs or replacement, the appropriation of other Federal funds is requested as soon as possible. The Emergency Fund Act authority is not used as a means to avoid requesting operation and maintenance or rehabilitation and betterment funds sufficiently in advance to keep project works in a safe operating condition.

On projects turned over to water users for operation and maintenance, only those emergencies which cannot be met by the water users out of regular or reserve operation and maintenance funds are considered within the scope of the Emergency Fund. Expenditures are reimbursable or returnable depending upon the applicable law or contractual arrangements on reimbursability for the purpose for which the expenditures are made. The amendment makes no change in existing law on reimbursability.

Funds for the repair or replacement of the numerous water systems constructed by the Service to serve municipal or industrial purposes are not available under the present terms of the Emergency Fund Act.

The proposed bill would broaden the Act to permit the use of emergency funds for the repair of all project facilities for all projects governed by the Federal reclamation laws, where title is vested in the United States, including those which are serving municipal or industrial purposes. Emergency funds would be used only when such use would be needed to restore service or to prevent loss of service or further damage to project facilities.

If the proposed bill becomes law, we would expect use of the Emergency Fund to increase; however, with the recent agency reorganization and the transfer of a large portion of our power facilities, particularly transmission lines, which have previously relied heavily on the Emergency Fund, to the Department of Energy, we cannot yet predict the net overall impact on use of the Fund. Our amendment conforms the Act to current conditions by recognizing the reorganization of most power functions out of Interior, and by reflecting the name change, recently made, from the "Bureau of Reclamation" to the "Water and Power Resources Service."

The bill is consistent with the purposes of the Emergency Fund Act and would enable the Commissioner to deal more adequately with emergency situations not now covered by the Act and to maintain continuous operation of all project facilities. Such a change is desirable to protect project beneficiaries from damage or economic loss, to protect the repayment capacity of project beneficiaries, and to protect the United States investment.

We therefore recommend that the bill be introduced and enacted.

The Office of Management and Budget has advised that there is no objection to the presentation of this draft bill from the standpoint of the Administration's program.

Sincerely,

Guy Martin,
Assistant Secretary.●

By Mr. DECONCINI (for himself, Mr. EAGLETON, and Mr. DANFORTH):

S. 2432. A bill to amend title 28 of the United States Code to provide that the counties of Audrain and Montgomery shall be in the northern division of the eastern judicial district of Missouri.

● Mr. DECONCINI. Mr. President, I am introducing today a bill to realign the makeup of the judicial divisions of the eastern Judical District of Missouri. The bill would simply take Audrain and Montgomery counties out of the eastern division and place them in the northern division of the eastern district.

The bill is cosponsored by the two distinguished Senators from Missouri, and has the support of Congressman VOLKMER, in whose congressional district the change occurs, and the judges and bar associations of the affected counties and district.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2432

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 105(a) of title 28, United States Code, is amended—

(1) in paragraph (1), by striking out "Audrain," and by striking out "Montgomery,"; and

(2) in paragraph (2), by inserting "Audrain," immediately after "Adair," and by inserting "Montgomery," immediately after "Monroe,".

SEC. 2. The amendments made by this Act shall apply to any action commenced in the United States District Court for the Eastern District of Missouri on or after the date of enactment of this Act, and shall not affect any action pending in such court on such date of enactment.●

By Mr. CANNON (by request):

S. 2433. A bill to authorize appropriations for the fiscal years 1981 and 1982 for certain maritime programs of the Department of Commerce, and for other purposes; to the Committee on Commerce, Science, and Transportation.

● Mr. CANNON. Mr. President, I introduce today, at the request of the Secretary of Commerce, a bill to authorize appropriations for the fiscal years 1981 and 1982 for certain maritime programs of the Department of Commerce, and for other purposes.

I ask unanimous consent that the text of the bill, the letter of transmittal and the statement of purpose and need of the legislation be printed in the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 2433

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Maritime Appropriation Authorization Act for Fiscal Years 1981 and 1982".

SEC. 2. Funds are authorized to be appropriated without fiscal year limitation as the appropriation Act may provide for the use of the Department of Commerce, for the fiscal years 1981 and 1982 as follows:

(1) For acquisition, construction, or reconstruction of vessels and construction-differential subsidy and cost of national defense features incident to the construction, reconstruction, or reconditioning of ships, not to exceed, $135,000,000 for fiscal year 1981, and such sums as may be necessary for fiscal year 1982;

(2) For payment of obligations incurred for operating-differential subsidy, not to exceed $347,697,000 for fiscal year 1981, and such sums as may be necessary for fiscal year 1982;

(3) For expenses necessary for research and development activities, not to exceed $18,750,000 for fiscal year 1981, and such sums as may be necessary for fiscal year 1982;

(4) For maritime education and training expenses, not to exceed $26,763,000 for fiscal year 1981, including not to exceed $18,201,000 for maritime training at the Merchant Marine Academy at Kings Point, New York, $6,680,000 for financial assistance to State marine schools, and $1,882,000 for supplementary training courses authorized under Section 216(c) of the Merchant Marine Act, 1936, and such sums as may be necessary for fiscal year 1982.

(5) For operating expenses, not to exceed $38,864,000 for fiscal year 1981, including not to exceed $7,208,000 for reserve fleet expenses, and $31,656,000 for other operating expenses, and such sum as may be necessary for fiscal year 1982.

SEC. 3. There are authorized to be appropriated for the fiscal years 1981 and 1982, in addition to the amounts authorized by section 2 of this Act, such additional supplemental amounts for the activities for which appropriations are authorized under section 2 of this Act, as may be necessary for increases in salary, pay, retirement, or other employee benefits authorized by law, and for increased costs for public utilities, food service, and other expenses of the Merchant Marine Academy at Kings Point, New York.

THE SECRETARY OF COMMERCE,
Washington, D.C., February 27, 1980.

Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed are six copies of a draft bill "To authorize appropriations for the fiscal years 1981 and 1982 for certain maritime programs of the Department of Commerce, and for other purposes.", together with a statement of purpose and need in support thereof.

We have been advised by the Office of Management and Budget that there would be no objection to the submission of this legislation to the Congress and further that its enactment would be in accord with the program of the President.

Sincerely,

PHILIP KLUTZNICK,
Secretary of Commerce.

STATEMENT OF PURPOSE AND NEED OF THE DRAFT BILL

Section 209 of the Merchant Marine Act, 1936, states that after December 31, 1967, there are authorized to be appropriated for certain maritime activities of the Department of Commerce only such sums as the Congress may specifically authorize by law. This draft bill authorizes appropriations for those activities listed in Section 209 for which the Department of Commerce proposes to seek appropriations for fiscal years 1981 and 1982.

"(1) For acquisition, construction, or reconstruction of vessels and construction-differential subsidy and cost of national defense features incident to the construction, reconstruction, or reconditioning of ships not to exceed $135,000,000 for fiscal year 1981 and such sums as may be necessary for fiscal year 1982."

Construction subsidies are based on the difference between United States and foreign shipbuilding costs. These sums are paid to shipyards so that U.S. operators can purchase American-built vessels at prices equivalent to prices for similar foreign-built vessels.

The request for construction subsidies for fiscal year 1981 is $135,000,000. The 1981 program will continue the initiative to foster construction of dry bulk carrying ships by providing for construction of five of these ships.

"(2) For payment of obligations incurred for operating-differential subsidy, not to exceed $347,697,000 for fiscal year 1981, and such sums as may be necessary for fiscal year 1982."

Operating subsidies are based upon the difference between United States and foreign vessel operating costs and are paid to promote the maintenance of a U.S.-flag merchant fleet capable of providing essential shipping services. Essesntial services are defined as those ocean services, routes and lines, and bulk carrying services essential for the promotion, development, expansion, and maintenance of the foreign commerce of the United States. Operators receiving subsidies for the provision of such services must operate American-built vessels manned by American crews. The fiscal years 1981 and 1982 authorization request will finance operating subsidies to qualified U.S.-flag operators in order to support the continuation of essential American merchant marine services.

An estimated $347,697,000 in subsidy will be paid to U.S.-flag operators in 1981. We expect that no prior year funds will be available for the 1981 requirements. Estimated payments during 1981 include $269,313,000 for 139.6 ship years of liner operations, $36,698,000 for 21.0 ship years of bulk carrier operations, $5,300,000 for 1.0 ship year of operation in the U.S./U.S.S.R. Grain Trade, and $36,386,000 for the partial balance of subsidy estimated as due for ship operations through 1980.

"(3) For expenses necessary for research and development activities, not to exceed $18,750,000 for fiscal year 1981, and such sums as may be necessary for fiscal year 1982."

The 1981 research and development program includes projects for the development of improved and more efficient shipboard machinery, improved ship design and construction methods, and the improvement of shipboard operations and shipping systems for greater productivity and safer operations. Activities in 1981 will also address the development of human performance measures and certification standards mandated by the Port and Tanker Safety Act of 1978. Cost sharing and participation by industry in research and development projects assure that projects have practical and meaningful objectives, increase potential for industry implementation, and enhance the research effort by obtaining a larger return for the Federal investment.

"(4) For maritime education and training expenses, not to exceed $26,763,000 for fiscal year 1981, including not to exceed $18,201,000 for maritime training at the Merchant Marine Academy at Kings Point, New York, $6.680.000 for financial assistance to State marine schools, and $1,882,000 for supplementary training courses authorized under Section 216(a) of the Merchant Marine Act, 1936, and such sums as may be necessary for fiscal year 1982."

The 1981 maritime education and training program includes operation of the United States Merchant Marine Academy, continuing assistance to the six State marine schools, and supplementary training for eligible merchant marine personnel. Funding requested for the Merchant Marine Academy will provide for increased maintenance and operating requirements and continuation of the facilities modernization program. The State marine school program, established by the Maritime Academy of 1958, assists States in the operation and maintenance of maritime academies for the education and training of individuals for service as officers in the U.S. merchant marine. Assistance is provided to participating States (California, Massachusetts, Maine, New York, Michigan, and Texas) in the form of annual grants, allowances to cadets, and maintenance and repair of ships on loan for use as training ships. Funding is requested in 1981 to provide for a program to convert student allowances to a forgivable loan program conditioned on subsidized students meeting prescribed military service and employment requirements. The legislative authority for this program is set forth in H.R. 603, H.R. 604, and H.R. 5451. The bill also provides authorization for appropriations needed for supplemental training courses in the use of shipboard collision avoidance radar, gyro compass operation and maintenance, use of LORAN C, field exercise training in shipboard firefighting, and operation and maintenance of medium and slow speed marine main propulsion diesel engines. The 1981 budget provides for increased maintenance and operating requirements of the program.

"(5) For operating expenses, not to exceed $38,864,000 for fiscal year 1981, including not to exceed $7,208,000 for reserve fleet expenses, and $31,656,000 for other operating expenses, and such sums may be necessary for fiscal year 1981."

The reserve fleet program provides for preservation, maintenance and security of ships in the National Defense Reserve Fleet and for administration of the ship transfer and ship disposal programs. The National Defense Reserve Fleet provides an inventory of ships available to meet requirements for additional shipping capacity in times of national emergency. The 1981 budget requests additional funding for Maritime Administration expenses in the joint Navy-Maritime Administration Ready Reserve Fleet program.

Funding authorized under the category of "other operating expenses" provides for the direction and administration of all Agency programs other than the Merchant Marine Academy, supplementary training and reserve fleet programs and for all program costs not separately authorized above. In 1981, additional resources are requested for increased operating costs.

Section 3 of the draft bill would authorize supplemental appropriations in 1981 and 1982, of additional amounts to the extent necessary for increases in salary, pay, retirement, or other employee benefits authorized by law.

Also requested is necessary authority for supplemental appropriations, should they be needed, for uncontrollable cost increases in public utilities, food service and other expenses at the Merchant Marine Academy at Kings Point, New York.●

By Mr. DOLE:

S. 2434. A bill to amend the Juvenile Justice and Delinquency Prevention Act of 1974, and for other purposes; to the Committee on the Judiciary.

JUVENILE JUSTICE AND DELINQUENCY PREVENTION ACT AMENDMENTS OF 1980

Mr. DOLE. Mr. President, I send to the desk a statement and a bill which I am introducing today with reference to the Juvenile Justice and Delinquency Prevention Act.

The Federal Government has a responsibility to continue its efforts to improve the quality of justice that is available to juveniles in this country. The problem of juvenile delinqunecy must continue to be dealt with in an effective and meaningful manner if the levels of juvenile crime are to continue their decline.

Federal assistance programs that were designed to prevent and control juvenile delinquency have apparently met with a small degree of success. According to the most recent statistics in 1976, persons under 18 accounted for 25 percent of the total arrests recorded by police nationally and for 42 percent of the arrests for serious crime. In 1978, persons under 18 accounted for 23.3 percent of the total arrests recorded by police nationally and for 40.5 percent of the arrests for serious crime.

This is not of great significance, but it is some decline. And there is interest in this legislation and I hope that it can be considered quickly by the Congress.

THE JUVENILE JUSTICE AND DELINQUENCY PREVENTION ACT

The Federal Government must continue its leadership role in the coordination of resources to develop State and local programs for the prevention and treatment of juvenile delinqunecy. Toward this end, I am introducing today legislation that will extend the Juvenile Justice and Delinquency Prevention Act of 1974 through fiscal year 1984. The bill authorizes $125 million in fiscal year 1981 and $125 million in each succeeding year for the programs that are created by this act. In addition, the bill requires that there shall be maintained from appropriations for each fiscal year allotted to each State under title I of the Omnibus Crime Control and Safe Streets Act of 1968, at least, the average percentage of the 3 most recent fiscal years for which figures are available of the total expenditures made for criminal justice programs by State and local governments which is expended for juvenile delinquency programs by such State and local governments.

MAINTENANCE OF EFFORT

An important aspect of the 1974 Juvenile Justice Act was the "maintenance of effort" provision. That law called for a set aside of 19.15 percent of all Law Enforcement Assistance Administration (LEAA) funding to be reserved for juvenile justice programs. This percentage was based on the ratio of LEAA expenditures for juvenile justice to the agency's total expenditures for fiscal 1971. It is time to carefully reexamine this ratio in the light of experience in its administration.

The Senate version of the Justice System Improvement Act of 1979 provided for the complete elimination of the maintenance of effort provision. The Senator from Kansas' bill does not go that far. Instead it attempts to develop a new formula based on the average percentage of the three most recent fiscal years of the total expenditures made for criminal justice programs by State and local governments.

AUTHORITY OF THE ASSISTANT ADMINISTRATOR

The Office of Juvenile Justice and Delinquency Prevention will remain within the LEAA of the U.S. Department of Justice to administer the provisions of this act.

The Assistant Administrator of LEAA will continue to head the office although he will be under the policy direction and control of the Administrator of LEAA.

Under the Justice System Improvement Act, a new Office of Justice Assistance, Research and Statistics (OJARS) has been established. This new agency plays a coordinative role in Federal efforts to provide assistance to State and local criminal justice agencies, but is not an operational nor policy determining organization. Although these new relationships should be examined in the context of the juvenile justice program, this Senator can see no reason to change the organizational location of the juvenile justice program. S. 2434 seeks only to clarify the relationship between LEAA and OJJDP.

A PRACTICAL APPROACH

It is my hope that by extending the authorization for the Juvenile Justice and Delinquency Prevention Act of 1974, States and local governments, private and public organizations will have the assistance that is necessary to continue the development of practical approaches to the problems of youths that have become involved in the juvenile justice system. Juvenile crime and delinquency prevention must continue to be a top Federal, State, and local priority. It is clear to me that a major cause of this Nation's staggering crime rate is juvenile crime and violence. This legislation is designed to deal with that cause.

Mr. President, I ask unanimous consent that the text of S. 2434 be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2434

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Juvenile Justice and Delinquency Prevention Act Amendments of 1980".

AMENDMENT TO AUTHORIZATIONS

SEC. 2. (a) Section 261(a) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5671(a)) is amended by striking out the period at the end of the first sentence and inserting a comma and the following: "$100,000,000 for each of the fiscal years ending September 30, 1981, 1982, 1983, and 1984.".

(b) Section 341(a) of that Act (42 U.S.C. 5751(a)) is amended by striking out the period at the end thereof and inserting a comma and the following: "the sum of $25,000,000 for each of the fiscal years ending September 30, 1981, 1982, 1983, and 1984.".

AUTHORITY OF THE ASSISTANT ADMINISTRATOR OF THE OFFICE OF JUVENILE JUSTICE AND DELINQUENCY PREVENTION

SEC. 3. (a) Section 201(a) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5611(a)) is amended by inserting immediately before the period at the end of the second sentence the following: ", under the policy direction and control of the Administrator".

(b) Section 201 (d) of that Act (42 U.S.C. 5611(d)) is amended by striking out "subject to the direction of the Administrator" and inserting in lieu thereof "under the policy direction and control of the Administrator".

PERCENTAGE OF TOTAL APPROPRIATIONS EXPENDED FOR JUVENILE DELINQUENCY PROGRAMS

SEC. 4. (a) Section 261 (b) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42. U.S.C. 5671) is amended to read as follows:

"(b) (1) In addition to the funds appropriated under subsection (a) of this section, there shall be maintained from appropriations for each fiscal year alloted to each State under title I of the Omnibus Crime Control and Safe Streets Act of 1968, at least that percentage of the total expenditures made for criminal justice programs by State and local governments which is expended for juvenile delinquency programs by such State and local governments, determined in accordance with paragraph (2).

"(2) The percentage under paragraph (1) shall be the average percentage of the three most recent fiscal years for which figures are available.".

(b) Section 1002 of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3793a) is amended to read as follows:

"MAINTENANCE OF EFFORT

"SEC. 1002. (a) In addition to the funds appropriated under section 261 (a) of the Juvenile Justice and Delinquency Prevention Act of 1974, there shall be maintained from appropriations under this title for each fiscal year, at least that percentage of the total expenditures made for criminal justice programs by State and local governments which is expended for juvenile delinquency programs by such State and local governments, determined in accordance with subsection (b).

"(b) The percentage under paragraph (1) shall be the average percentage of the three most recent fiscal years for which figures are available.".

By Mr. CHILES (for himself and Mr. PRYOR):

S. 2435. A bill to rescind certain appropriations provided for the purchase of furniture by Federal departments, and for other purposes; to the Committee on Appropriations.

● Mr. CHILES. Mr. President, I am this morning introducing a rescission bill which will, in effect, take back funds which we have appropriated for the purchase of office furniture by the executive branch for fiscal year 1980, and reduce the spending limitation for rental of space by the Federal Government.

Section 1 would rescind appropriations for furniture purchases. We have exhausted every other remedy open to us to bring GSA and executive branch purchasing officers to their senses. Every year for the last 10 years, we have bought around $100 million worth of office furniture. Every year for the last 10 years there have been waves of complaints from the agencies that the furniture they have purchased was shoddy, dented, and rusty.

Yet the procurement system continues on automatic. Every year we operate a program called "office excellence" in direct violation of the requirements of the Code of Federal Regulations. It has cost us over a billion dollars so far. We have little to show for it except a pile of canceled checks and some dented junk.

Around Washington, we have 78 warehouses full of furniture which we are not even using. In many instances, the agencies did not even know it was there. With all our problems at home and around the world, we are throwing the taxpayers dollars away on pink desks for bureaucrats.

Mr. President, I submit that this is a corrosive example of the kind of waste and fraud which we cannot continue to tolerate. We have done all that we can.

We have gathered expert testimony to document that much of the furniture we buy is defective.

We have investigated allegations of fraud and corruption, and, with the permission of the Senate, have forwarded our information to the Justice Department, the Internal Revenue Service, and the General Services Administration.

We have sought out and identified the warehouses where millions of dollars of furniture lies abandoned and unused.

We have demonstrated that the agencies, in general, have no idea of how much furniture they have, or where it is.

We have shown that all of these purchases were done in total disregard of the law and regulations.

And what response have we received for our efforts? Nothing has happened. The machinery chugs peacefully along, generating spurious "requirements" for more and more furniture. Agencies solemnly "revalidate" their pressing needs for couches and carpeting, although those requirements are invalid on their faces.

Some people have tried to take the machinery off "automatic" and restore some commonsense to the process. But these people come and go, their faces and promises fading as time goes by. We are now dealing with the 13th Federal Supply Commissioner in the last decade. I do not know whether his reform programs and analyses and reorganizations will end up on the shelf, gathering dust with their predecessors.

I hope not. I hope this time somebody stays long enough to get past the planning stage and execute some long needed reforms. I want them to succeed. I want the Office of Management and Budget's plan to succeed. But even if they are successful, as we all hope they are, then there will be no need for these funds. For we do not need more furniture; we only need to use what we have already got.

Mr. President, I think the time has long since come to apply a much needed foot to administrative backsides. As they sit secure in their well feathered nests, immune to facts, and documentation, and evidence, and continuous public criticism, refusing to take even minimal steps to reform a procurement system which has gone berserk, then we have no other alternative but to take their money away from them.

Section 2 of the bill rescinds $15,000,000 of the $20,100,000 that had been appropriated for rental of space for the courts and thereby reduces the spending limitation for the rental of space by the Federal Government in fiscal year 1980 from $574,700,000 to $559,700,000, or by $15,000,000.

The Congress, at the initiative of the Senate, had added to the appropriations bill for Treasury, Postal Service, and general Government an additional $20,100,000 to the administration request for rental of space to be used for the courts. These funds were added to recognize the additional space needs of the judiciary resulting from the Omnibus Judgeship and the Bankruptcy Reform Act. The administration has informed us that only $5,000,000 of the additional funds provided can be used for the courts in fiscal year 1980 and, therefore, the balance of these funds is not required for the purpose for which they were appropriated.

Mr. President I ask unanimous consent that the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2435

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, out of the total moneys appropriated for the operation of the departments and agencies of the Federal Government for fiscal year 1980, $229,000,000 of this total appropriated for the purchase of furniture is hereby rescinded. The Director of the Office of Management and Budget is directed to allocate this rescission total among the departments and agencies of the Federal Government and report back to the House and Senate Committees on Appropriations within 30 days following the date of the enactment of this Act as to the allocation made.

SEC. 2. Out of the moneys appropriated to the Federal Buildings Fund for fiscal year 1980 for rental of space, $15,000,000 of such appropriation is hereby rescinded.●

ADDITIONAL COSPONSORS

S. 738

At the request of Mr. MELCHER, the Senator from Texas (Mr. BENTSEN) was added as a cosponsor of S. 738, a bill to amend section 16(b) of the Soil Conservation and Domestic Allotment Act, as amended, providing for a Great Plains conservation program.

S. 1427

At the request of Mr. SCHMITT, the Senator from Nevada (Mr. LAXALT), and the Senator from Utah (Mr. GARN) were added as cosponsors of S. 1427, a bill to amend the Immigration and Nationality Act to establish a temporary worker's visa program betwen the United States and Mexico.

S. 2082

At the request of Mr. ZORINSKY, the Senator from Iowa (Mr. CULVER), and the Senator from Montana (Mr. MELCHER) were added as cosponsors of S. 2082, a bill to amend title 17 of the United States Code to exempt nonprofit veteran's organizations and nonprofit fraternal organizations from the requirement that certain performance royalties be paid to copyright holders.

S. 2392

At the request of Mr. LUGAR, the Senator from Florida (Mr. CHILES), the Senator from Mississippi (Mr. COCHRAN), the Senator from Missouri (Mr. DANFORTH), the Senator from Kansas (Mr. DOLE), the Senator from North Carolina (Mr.

HELMS), the Senator from Iowa (Mr. JEPSEN), the Senator from Nevada (Mr. LAXALT), the Senator from Florida (Mr. STONE), and the Senator from Illinois (Mr. STEVENSON) were added as cosponsors of S. 2392, a bill to repeal the Federal requirement of the incremental pricing under the Natural Gas Policy Act of 1978.

S. 2397

At the request of Mr. DOLE, the Senator from Mississippi (Mr. COCHRAN) was added as a cosponsor of S. 2397, a bill to amend the Freedom of Information Act to provide a hearing for persons objecting to disclosure of private confidential information, to preserve the confidential status of certain kinds of private information contained in Government records, and for other purposes.

S. 2402

At the request of Mr. NUNN, the Senator from Washington (Mr. JACKSON) was added as a cosponsor of S. 2402, a bill to insure the confidentiality of information filed by individual taxpayers with the Internal Revenue Service pursuant to the Internal Revenue Code and, at the same time, to insure the effective enforcement of Federal and State criminal laws and the effective administration of justice.

S. 2403

At the request of Mr. NUNN, the Senator from Washington (Mr. JACKSON) was added as a cosponsor of S. 2403, a bill to protect taxpayers' privacy regarding third-party recordkeepers summoned to produce records of taxpayers and at the same time to insure effective, efficient enforcement of Internal Revenue Service third-party summons.

S. 2404

At the request of Mr. NUNN, the Senator from Washington (Mr. JACKSON) was added as a cosponsor of S. 2404, a bill to provide penalties for unauthorized disclosure of tax information.

S. 2405

At the request of Mr. NUNN, the Senator from Washington (Mr. JACKSON) was added as a cosponsor of S. 2405, a bill to provide for civil damages for unauthorized disclosures of tax information.

S. 2419

At the request of Mr. RIBICOFF, the Senator from Indiana (Mr. BAYH) was added as a cosponsor of S. 2419, a bill to protect the confidentially of shipper's export declarations, and to standardize export data submission and disclosure requirements.

SENATE JOINT RESOLUTION 131

At the request of Mr. JAVITS, the Senator from New Hampshire (Mr. DURKIN) was added as a cosponsor of Senate Joint Resolution 131, a joint resolution designating April 10, 1980, as "ORT Centennial Day."

SENATE JOINT RESOLUTION 146

At the request of Mr. HATCH, the Senator from Iowa (Mr. CULVER), the Senator from Alabama (Mr. STEWART), and the Senator from Wisconsin (Mr. NELSON) were added as cosponsors of Senate Joint Resolution 146, a joint resolution designating the week of May 11 through May 17 as "National Small Business Week."

SENATE RESOLUTION 384—ORIGINAL RESOLUTION REPORTED DURING THE RECESS WAIVING CONGRESSIONAL BUDGET ACT

Under authority of the order of March 14, 1980, Mr. BOSCHWITZ, on March 17, 1980, from the Committee on Agriculture, Nutrition, and Forestry, reported the following original resolution, which was referred to the Committee on the Budget:

S. RES. 384

Resolved, That pursuant to section 303(c) of the Congressional Budget Act of 1974, the provisions of section 303(a) of such Act are waived with respect to the consideration of S. 2428, a bill to amend the Agricultural Act of 1949 to establish land diversion payment programs with respect to the 1980 crops of feed grains and wheat, and for other purposes. Such waiver is necessary to permit consideration of statutory authority for new entitlements for wheat and feed grain producers to become effective in a fiscal year for which the first concurrent resolution on the budget has not yet been adopted. The programs authorized by S. 2428 are of an emergency nature, and it is necessary that the producers affected received the earliest possible assurance that they may use their wheat and feed grain crops in the manner provided for in the bill.

SENATE RESOLUTION 385—SUBMISSION OF A RESOLUTION RELATING TO NONTAXING OF SOCIAL SECURITY BENEFITS

Mr. DECONCINI submitted the following resolution, which was referred to the Committee on Finance:

S. RES. 385

Whereas the social security program was established to provide necessary financial support when a wage earner dies, retires, or becomes disabled;

Whereas 35 million Americans now receive social security benefits and the working people of the Nation are counting on the receipt of such benefits in the future;

Whereas the Advisory Council on Social Security has recommended that 50 percent of an individual's social security benefits be subject to Federal income tax;

Whereas social security benefits are presently not taxable income; and

Whereas the taxation of any portion of social security benefits amounts to a reduction in benefits for many millions of social security recipients: Now, therefore, be it

Resolved, That it is the sense of the Senate that the taxation of any portion of social security benefits would be an unfair burden on social security beneficiaries and would undermine the confidence of the American people in the social security program, and therefore the Senate should not enact any legislation allowing any taxation of social security benefits.

● Mr. DECONCINI. Mr. President, the Social Security Advisory Council recently submitted a report to Congress recommending that one-half of social security benefits be subject to Federal, State and local taxation. I am introducing a resolution expressing the sense of the Senate that this recommendation is inappropriate and that the Senate of the United States remains firmly committed to the tax-exempt status of social security earnings.

Throughout its 40-year history, payments from social security have been exempt from taxation. This treatment is part of the overall covenant between the American people and their Government. It is a matter of trust. We cannot change the rules that will apply after millions of Americans have ungrudgingly paid into the social security system in return for the promise that their benefits would not be subject to taxation.

As one Senator, Mr. President, I am fully prepared to oppose this recommendation in any manner necessary. I am convinced that many of my colleagues feel the same way. This proposal has caused a great deal of anguish among my constituents, and I believe that we have an obligation to put those fears to rest. By acting on this resolution and expressing our commitment, we can demonstrate to the Nation's senior citizens that this Congress does not intend to allow all or part of their social security earnings to be subject to taxation.

I would like to reprint in the RECORD at this point an article on the subject that appeared in the news bulletin of the American Association of Retired Persons.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AARP DECRIES COUNCIL'S PLAN TO TAX SOCIAL SECURITY BENEFITS

The Association sharply criticized recommendations by the Advisory Council on Social Security that would subject half of monthly cash benefit payments to federal, state, and local income taxes and raise the age for full benefit retirements from 65 to 68 sometime after the turn of the century.

The recommendations were part of a 400-page report submitted to Congress last month by the 13-member panel of outside advisers who are responsible for proposing changes in the nation's largest retirement system every four years.

AARP applauded other Council recommendations which called for semi-annual cost-of-living adjustments in Social Security cash benefits instead of once a year and improvements in the Supplemental Security Income program.

The Association said that the recommendation to tax half of an individual's monthly Social Security benefits would place another financial burden on retirees who already are finding it difficult to make ends meet.

According to the Council, an estimated 10.6 million Social Security beneficiaries would pay an average $350 annually, if the panel's recommendation is adopted by Congress. About 13.6 million receiving Social Security would not have to pay taxes because of insufficient annual income, the Council said.

In an attempt to lower Social Security taxes which are scheduled for another large increase on Jan. 1, 1981, the Council unanimously recommended that general revenues be used to finance Medicare, allowing Social Security taxes paid by employees to be reduced to 5.6 percent and remain at that level for the next 25 years.

The panel suggesed that Social Security coverage be made mandatory for all federal, state and local employees. This would become effective for all those hired after legislation in favor of the recommendation is enacted by Congress.

The Council also proposed that benefit calculations be changed for both the lowest-paid and highest-paid workers to improve equities in the system.

The Association deplored the panel's failure to address what AARP referred to as "fundamental reform" of the vast Social Security program. "A combination of economic and demographic trends call out for fundamental reform," the Association said.

"High inflation rates are destroying the pensions, savings and living standards of the elderly and undermining the fiscal stability of Social Security," AARP aruged. "At the same time, demographic trends point to an aging population with diminished labor-force participation, creating a dangerous degree of dependency by the elderly on government programs."

AARP pointed to the Council's failure to deal with current work disincentives such as the earnings limitation test. Elimination of the test would make Social Security less a form of social insurance and more like a true pension program through which benefits would be paid as a matter of right, the Association said.

"We firmly believe that the single greatest disincentive to an older person's work effort is the earnings test," the Association said. "It takes away one dollar of benefits for every two dollars earned over $4,500 for beneficiaries between the ages of 65 and 72. Elimination of the test is absolutely essential to the well-being of the elderly and the nation as a whole."

Instead of maintaining the earnings test, the Association said the Council should have proposed its elimination and the addition of actuarially increased benefits for persons who delay retiring beyond age 65.

"One of the reasons the Social Security system has served the nation so well," the Association said, "is that it has never been a static program, but has evolved over the years in response to the changing needs of its participants and beneficiaries. In general, the Council either largely ignored or failed to appreciate the magnitude and importance of currently changing needs and demands of workers, beneficiaries, the economy and the nation."●

AMENDMENTS SUBMITTED FOR PRINTING

FEDERAL OIL AND GAS LEASING ACT OF 1979—S. 1637

AMENDMENT NO. 1684

(Ordered to be printed and referred to the Committee on Energy and Natural Resources.)

Mr. BUMPERS (for himself, Mr. JACKSON, and Mr. METZENBAUM) submitted an amendment intended to be proposed by them, jointly, to S. 1637, a bill to establish competitive oil and gas leasing in favorable areas within producing geologic provinces.

● Mr. BUMPERS. Mr. President, in a speech before the Senate on March 4, 1980, I predicted that the unfolding investigation of the oil and gas leasing policies of the Bureau of Land Management will reveal that the U.S. Government has been defrauded out of billions of dollars. This is a direct result of the existing leasing system.

Today, I am submitting a substitute amendment for S. 1637, the Federal Oil and Gas Leasing Act of 1979. I am pleased that Senator JACKSON, chairman of the Senate Energy Committee, Senator METZENBAUM and Senator DURKIN have also joined me as cosponsors of this amendment.

I commend Secretary Andrus for attempting to remedy the ills of the current leasing system with S. 1637. It expands the basis for competitive leasing, permits the use of alternative bidding systems, increases the maximum tract size that can be leased competitively, and retains the 5-year lease term for competitive leases while extending it to noncompetitive leases (currently set at 10 years).

However, the bill does not go far enough in providing for a systematic reform of onshore leasing procedures. Unfortunately, it continues to perpetuate a number of current problems and provides only a partial solution to others. For example, as proposed by S. 1637:

First. The Secretary of Interior retains unnecessary discretion in the classification of lands to be offered for competitive and noncompetitive leasing.

Second. No provision is made for a responsive public nomination system that would provide periodic guidance to the Department of the Interior on tracts to be leased.

Third. No regular schedule of lease sales is required.

Fourth. The present system of governmental tract evaluation is continued with respect to competitive leases.

Congress should not undertake a partial reform of the Mineral Leasing Act of 1920. My substitute amendment provides an effective, comprehensive reform of onshore leasing procedures. The following have been included in my substitute amendment:

First. The distinction between competitive and noncompetitive leasing is eliminated.

Second. A public procedure is instituted whereby potential oil and gas areas can be nominated for leasing on a quarterly basis.

Third. The Secretary of Interior is required to hold competitive lease sales, in each State where nominations are received, on a quarterly basis.

Fourth. The traditional Government exercise of undertaking a tract evaluation prior to competitive lease sales is eliminated.

Fifth. Alternative bidding systems are permitted in order to get a return of fair market value and reduced lease acquisition costs.

Mr. President, I ask unanimous consent that the substitute amendment and the section-by-section analysis of the amendment be printed in the RECORD.

There being no objection, the amendment and analysis were ordered to be printed in the RECORD, as follows:

AMENDMENT No. 1684

Strike all after the enacting clause and insert the following: That this Act may be cited as the "Federal Oil and Gas Leasing Act of 1980."

SEC. 2. Subsection (a) through (e) of section 17 of the Act entitled "An Act to promote the mining of coal, phosphate, oil, oil shale, gas and sodium on the public domain," approved February 25, 1920 (30 U.S.C. 226(a) through (e)), are amended to read as follows and subsection 17(f) and following are relettered accordingly:

"SEC. 17. (a) The Secretary may lease onshore Federal lands for oil and gas development by competitive bidding only. Competitive bidding shall be on the basis of those bidding systems set forth in section 8(a)(1) of the Outer Continental Shelf Lands Act, as amended (43 U.S.C. 1335), which the Secretary determines would maximize competition.

"(b) At least once each quarter, the Secretary shall invite the public nomination of areas favorable for the discovery of oil or gas. Any area of the public domain that receives two or more public nominations and which the Secretary determines to be available and suitable for oil and gas leasing shall automatically be offered for lease by the Secretary at one of the next two scheduled lease sales. Any area of the public domain that receives a single nomination in two successive quarters which the Secretary determines to be available and suitable for oil and gas leasing shall automatically be offered for lease by the Secretary at one of the next two scheduled lease sales.

"(c) The Secretary shall hold competitive oil and gas lease sales in states where tract nominations are received, on a quarterly basis. Such sales shall consist of all available and suitable tracts nominated for leasing as specified in SEC. 17(b) and any additional areas selected by the Secretary of Interior.

"(d) The Secretary shall issue a lease to the highest responsible qualified bidder for each tract offered at a lease sale.

"(e) No lease issued under this section shall be for a tract exceeding five thousand one hundred twenty acres, unless the Secretary finds that a larger area is necessary to comprise a reasonable economic unit.

"(f) Each lease that the Secretary issues under this section shall be for an initial period of five years and so long thereafter as oil or gas is produced in paying quantities or drilling or well reworking operations as approved by the Secretary are conducted thereon. A lessee may apply to extend the initial term for an additional period or periods not to exceed a total of five years. Each extension application shall include an exploration plan for the extended term. The Secretary, in his discretion, may extend the initial term only if he finds that because of adverse technical, environmental or economic conditions which are beyond the control of the lessee, the lessee cannot adequately explore the lease during the initial five year term or any extended term. Nothing in this subsection shall be construed as affecting existing leases.

"(g) All leases issued under this section shall be conditioned upon payment by the lessee of a rental of not less than $2.00 per acre each year of the lease. Each year's lease rental shall be paid in advance. A minimum royalty of $4.00 per acre in lieu of rental shall be payable at the expiration of each lease year beginning on or after a discovery of oil or gas in paying quantities on the lands leased.

SEC. 3. Action taken by the Secretary pursuant to the bidding, nomination and lease procedures of subsections (a), (b) and (c) of Sec. 17 shall not be considered "major Federal actions" for purposes of implementing Sec. 102 of the National Environmental Policy Act. Nothing in this subsection shall be construed as affecting the application of Sec. 102 of that Act to the issuance of a lease under Sec. 17.

SEC. 4. Section 30(a) of the Act of February 25, 1920 (30 U.S.C. 187a) is amended by striking the third sentence and inserting in lieu thereof "The Secretary shall disapprove the assignment or sublease only for lack of qualification of the assignee or sublessee or for lack of sufficient bond; *Provided, however*, That the Secretary may, in his discretion, disapprove an assignment 1) of a separate zone or deposit under any lease, 2) of less than 640 acres, or 3) containing an overriding royalty which exceeds limitations established by regulations.

Section-by-Section Analysis of Bumpers Substitute to S. 1637

Section 1 states the title of the bill as the "Federal Oil and Gas Leasing Act of 1980".

Section 2 amends subsections (a) through (e) of section 17 of the Mineral Leasing Act of 1920 and reletters subsections (f) and following accordingly.

Section 17(a): The proposed subsection (a) gives the Secretary of the Interior the authority to lease onshore Federal oil and gas lands by competitive bidding only. He may use these bidding systems set forth in section 8(a)(1) of the Outer Continental Shelf Lands Act which he determines will maximize competition.

Existing law gives the Secretary the authority to lease lands within a known geological structure (KGS) by competitive bonus bidding and payment of a royalty of not less than 12.5 percent. Non-KGS areas are leased non-competitively to the first qualified person making application (subsections (a) through (c)).

Section 17(b): The proposed subsection (b) directs the Secretary to invite nominations at least once each quarter. Any area which receives two or more public nominations shall automatically be offered for lease, provided the Secretary has determined that the area is available and suitable for leasing, at one of the two immediately subsequent lease sales. In addition, any area receiving a single nomination in two successive quarters, and which the Secretary determines to be both available and suitable, is to be offered for lease. The terms "available" and "suitable" reflect the Secretary's discretion not to lease lands for oil and gas development when he determines that this is in the public interest.

It should be noted that this subsection only establishes a statutory minimum requirement which would force the Secretary to offer a lease—provided it is suitable and available. However, the Secretary may offer a tract which receives only one nomination, or even tracts receiving no nominations.

Existing law does not provide for a nomination system, although it is not prohibited. Although both existing law and the proposed change maintain the Secretary's discretion not to lease, a nomination system will focus his attention and efforts on those areas of particular interest to industry. A nomination system is not really necessary for this purpose in existing law since over 97 percent of the lands are leased noncompetitively and an application for a lease serves the purpose of expressing interest.

Section 17(c): The proposed subsection (c) directs the Secretary of the Interior to hold lease sales on a quarterly basis in states where tract nominations are received. Sales are to include tracts qualifying under subsection (b) as well as tracts which the Secretary may select.

Existing law does not provide for regular sales.

Section 17(d): This subsection directs the Secretary to lease to the highest responsible qualified bidder any tract offered.

Existing law (subsection 17(a)) also provides that competitive leases be issued to the highest bidder. However, current practice is to lease to the highest bidder only if the bid is higher than the tract evaluation made by the U.S.G.S. It is the intent of the proposed subsection (d) that the highest bid determine the fair market value and that tract evaluations for onshore oil and gas leases no longer be used to deny the high bidder the right to a lease.

Section 17(e): This section sets the maximum size of a lease tract at 5120 acres, unless the Secretary determines that a large unit is necessary to comprise a reasonable economic unit.

Existing law (subsection 17(b)) sets the maximum size of a lease tract at 640 acres for competitively issued leases. There is no maximum for noncompetitive leases in the law. Past regulations have set the maximum at 2560 acres. The Interior Department has proposed that this be increased to 10,240 acres.

Section 17(f): The proposed subsection (f) sets the primary term of a lease at five years. Leases producing oil and gas in paying quantities are extended. The primary term may be extended for up to an additional five years at the application of the lessee. Such applications require the submission of an exploration plan and approval of extensions is to occur only if the Secretary finds that the lessee cannot explore due to adverse technical, environmental or economic conditions. This section is not to affect existing leases.

Existing law (subsection 17(e)) sets the primary term for competitive leases at five years and 10 years for noncompetitive leases. Leases are extended for production in paying quantities. Any lease on which drilling has commenced or which has entered a cooperative or unit plan prior to the end of the primary term is extended for two years and as long as there is production in paying quantities.

Section 17(g): This subsection provides for minimum rentals of not less than $2.00 per acre, paid in advance and a minimum royalty of $4.00 per acre in lieu of rental.

Existing law provides for minimum rentals of 50 cents per acre and a minimum royalty of $1.00 per acre. This subsection provides for a $2.00 per acre rental and $4.00 per acre royalty reflecting the approximate inflation rate since 1920 when the existing law was enacted.

Section 3 directs that actions taken by the Secretary of the Interior pursuant to the bidding, nomination and leasing procedures in subsections 17(a), (b), and (c) are not to be considered "major Federal actions" for the purposes of the National Environmental Policy Act. However, this is not to be construed as affecting the application of section 102 of NEPA to the issuance of oil and gas leases.

Section 4 amends section 30(a) of the Mineral Leasing Act of 1920 to give the Secretary additional authority to disapprove a lease assignment or sublease when the acres to be assigned or leased are less than 640 acres and in instances where an overriding royalty exceed limits set by regulations. The limit currently set in regulations is 5.5 percent for stripper wells. The purpose of this additional authority is to avoid facturing of leases into subeconomic units, often for the purpose of speculation. A limit on overriding royalty should help assure fair return to the public for use of its oil and gas.

Existing law permits disapproval of assignments only of separate zones or deposits or parts of legal subdivisions and lack of qualification of the assignee.●

NATIONAL AGRICULTURAL SECURITY ACT OF 1980—S. 2258

AMENDMENT NO. 1685

(Ordered to be printed and referred to the Committee on Agriculture, Nutrition, and Forestry.)

Mr. HATFIELD (for himself and Mr. McGOVERN) submitted an amendment intended to be proposed by them, jointly, to S. 2258, a bill to alleviate the adverse effects of the suspension of trade with the Union of Soviet Socialist Republics on U.S. agricultural producers, and for other purposes.

● Mr. HATFIELD. Mr. President, my distinguished colleague from Georgia, the chairman of the Senate Agricultural Committee, Mr. TALMADGE, recently introduced Senate bill 2258, the "National Agricultural Security Act of 1980," which seeks "to alleviate the adverse effects of the suspension of trade with the Union of Soviet Socialist Republics on U.S. agricultural producers, and for other purposes," through the creation of an emergency grain reserve and other actions.

In ardent support of the intent of this legislation, I offer legislation to give definition and identification to those "other purposes" in the form of an amendment to the act, S. 2258.

These changes seem innocuous enough, yet it is my firm belief that they can have far-reaching consequences, positively affecting agricultural producers in this Nation as well as hungry thousands living a hand-to-mouth existence in less developed nations.

However we feel about the President's January 4 decision to embargo the sale of 17 million tons of grain to the U.S.S.R., and reactions range from enthusiastic support to fierce opposition, we doubtless all share the view that U.S. farmers should not be made to bear the burden of that action.

While affecting specifically wheat, my amendments would not only help protect U.S. farmers from the economic effects of such a surplus on the market—but it would establish a precedent in our relationships with less developed nations seeking to feed their suffering peoples.

FOOD SECURITY RESERVE—BRIEF EXPLANATION

The first amendment adds the word "humanitarian" to the reserve's basic purpose: "To provide for emergency 'humanitarian' food needs in developing countries." The "humanitarian" purpose of the initial legislation is obvious. However, since Public Law 480 over the years has served a variety of different U.S. objectives, it is best to enact a statute which expresses our intent beyond the possibility of misunderstanding. Mr. President, import needs of developing countries may grow to an estimated 145 million metric tons by the end of this decade and yet the 10 million ton annual food aid level agreed upon at the 1974 United Nations World Food Conference still not in sight.

Portions of these enormous shortfalls in imports might well constitute "emergency food needs" and thus qualify for relief under the food security reserve in years of tightened U.S. supplies. With a reserve of no more than 4 million tons, there is simply no way we can use it to respond in any significant fashion to the ongoing but chronic emergency situations of countries with regular shortfalls in local production and food imports. Therefore, I am proposing limiting the use of the food security wheat reserve exclusively for "emergency humanitarian food needs."

The second part of this bill would require that the reserve be made available strictly through title II of the Public Law 480 program. This is not to infer that title I has no humanitarian accomplishment to its credit—one need only remember its instrumental role in averting widespread deaths due to famine in India in the midsixties.

However, title I is less typically a response to the poorest people in the poorest countries—even with the 75 to 25 percent provision. The grant food aid programs of title II on the other hand, are more clearly and effectively humanitarian in nature.

They are operated by U.S. private and voluntary relief organizations such as CARE, Catholic Relief Services, the United Nations World Food Program, and to a far lesser extent on a government-to-government basis. The recipients of title II are people who do not have the option of buying food on the open market and would simply "go without" in the absence of relief efforts.

The programs include refugee feeding, maternal and child health projects, disaster relief, food for work and school food programs. They take place in virtually all of the poorest countries and, when operated in middle income developing countries, they are located among the very poor.

Therefore, the reserve would be designated for use solely on a "donation" basis and only when U.S. supplies are tight.

The third amendment has to do with the terms of access by an Administration to the wheat in the food security reserve. S. 2258 specifies that most of the reserve's 4 million tons shall be accessible only after the Secretary of Agriculture has declared that inadequate commodities are available to meet domestic needs, export demand, and food aid allocations, as provided under section 401(a) of Public Law 480. However, prior to such determination, up to 300,000 tons may be used annually to "provide urgent humanitarian relief in any developing country suffering a major disaster as determined by the President."

I support the idea of early access to a portion of the grain in reserve—because it could be tremendously helpful in a year such as this when urgent food requirements exist, commodity supplies are not particularly tight, yet most available food aid is committed.

The legislation also narrows the situations in which up to 300,000 tons might become available in a given year and to encourage their prompt replenishment. This language is identical to an amendment adopted by the House Foreign Affairs Committee which reported out a Food Security Act bill on February 27 of this year.

As I have said before, our concern is largely, but not singularly, with relieving the U.S. farmer from full impact of the Soviet embargo. But as I also said, a proper response to this unforeseen situation can have a positive, advantageous, ripple effect, internationally.

The notion of "donation" of this grain then, strictly for emergency humanitarian aid, serves two central purposes: First, more completely insuring that this grain goes to the neediest and the hungriest, instead of being sold directly to governments which will be likely to place it on the market for those who are already able to purchase food; and, second, insulating this surplus grain from the world market—thus protecting the commodity price and, consequently, the U.S. farmer.

That the neediest are receiving this aid in efforts to literally survive, would more surely preclude leakage of the grain into the Soviet Union. The less grain which is available on the open market, the less potential for diversion of the wheat to the Soviets.

Our food aid and development assistance programs are not only a charitable benevolence, but a long-term investment in the kind of world we all want.

Channeling the proposed wheat reserve through title II of Public Law 480 represents a tremendous opportunity to take maximum advantage of the dim view which much of the less developed world now holds toward the Soviet Union as a result of the brutal invasion and continued occupation of Afghanistan.

Mr. President, I have always believed that, whenever possible it is in the best national interest of the United States to underscore the distinctions rather than the similarities between the world's two superpowers. At present, I trust that most in this Chamber would agree that the Soviet Union wields a "propaganda" advantage in its appeal to the world's poor and hungry. Through our friendship, through our aid to those truly in need, we can stamp out the breeding grounds from which communism spawns its illusory principles. Ideals espoused in the doctrine may then not appear as a last alternative, a last hope to divert continued suffering and starvation.

The Soviet invasion of Afghanistan presents the United States with a tremendous opportunity to emphasize the distinctiveness of the American view of its national security interests and its approach to the underdeveloped world. Even nations sympathetic to the Soviet Union now have cause for concern over the desirability of their friendship.

Unfortunately, both the United States and the Soviet Union are often viewed by less developed nations as ready to exploit opportunities for their own advantage whenever or wherever they emerge. It behooves us as a nation at this critical juncture to take a more creative approach than we have in the past. We should then challenge our allies to follow suit in this new assault on the world hunger problem.

While simultaneously punishing the Soviet Union, working through the legal machinery of the United Nations and making a forthright effort to feed the hungry, I believe that the United States would emerge from the Afghanistan crisis in a stronger world position that it held prior to the Soviet move. It would signal to the world that we perceive the eradication of hunger as essential to a stable world environment, without which we cannot have true national security.

The Emergency Food Reserve Act establishes a precedent. I believe that my amendment serves to clarify and underscore the humanitarian intent of the emergency food reserve.

In a year when negativism and defensiveness abound, let us be affirmative when the opportunity presents itself. I urge prompt adoption of a food security wheat reserve with these amendments for humanitarian purposes, and as a measure in the interests of us all.●

NOTICES OF HEARINGS

SUBCOMMITTEE ON ENERGY REGULATION

● Mr. JOHNSTON. Mr. President, the hearing previously scheduled for April 17 by the Subcommittee on Energy Regulation of the Committee on Energy and Natural Resources on the Department of Energy budget authorization requests has been rescheduled as follows:

On April 28 subcommittee will receive testimony on the proposed authorization for the Economic Regulatory Administration, the Energy Information Administration, and the regulatory programs under the supervision of the Assistant Secretary for Conservation and Solar Applications. This hearing will begin at 10 a.m. in room 3110 of the Dirksen Senate Office Building.

Questions about this hearing should be directed to Benjamin S. Cooper or James T. Bruce of the subcommittee staff at 224-9894.●

SUBCOMMITTEE ON ENERGY RESOURCES AND MATERIALS PRODUCTION

● Mr. JACKSON. Mr. President, I would like to announce for the information of the Senate and the public that the Subcommittee on Energy Resources and Materials Production, of the Committee on Energy and Natural Resources, will hold a hearing on S. 1455, to further amend the Mineral Leasing Act of 1920 (30 U.S.C. 201(a)), to authorize the Secretary of the Interior to exchange Federal coal leases and to encourage recovery of certain coal deposits, and for other purposes; and on S. 1529, for the relief of Keith C. Hayes and Dorothy Smith.

The hearing has been scheduled for Tuesday, April 15 at 10 a.m., in room 3110, Dirksen Senate Office Building.

Questions regarding this hearing should be directed to Thomas Laughlin of the subcommittee staff, at 224-2564.●

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. LEAHY. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate today beginning at 1:30 p.m.

to hold a hearing on S. 1388, the Omnibus Geothermal Energy Commercial Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. LEAHY. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate today to hear administration officials on Pakistan and Indian nuclear issues.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON MANPOWER AND PERSONNEL

Mr. LEAHY. Mr. President, I ask unanimous consent that the Subcommittee on Manpower and Personnel of the Committee on Armed Services be authorized to meet during the session of the Senate today to hold hearings on S. 2294, the fiscal year 1981 Department of Defense military authorization bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. LEAHY. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Wednesday, March 19, 1980 to hold a markup session on S. 1388, the Omnibus Geothermal Energy Commercial Act and other pending calendar business.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON VETERANS' AFFAIRS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Veterans' Affairs be authorized to meet during the session of the Senate today, beginning at 2:30 p.m., to consider the committee's 1981 budget recommendations.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

JUDGE GLENN PHILLIPS: FAIR BUT FIRM

● Mr. CHURCH. Mr. President, my good friend, Judge Glenn Phillips, recently served as magistrate in Blackfoot, Idaho. Judge Phillips, a lay magistrate in Arco, has a long and honorable record of service to his community and the State of Idaho, as well as nationally in the Veterans of Foreign Wars. The imprint he left on Blackfoot are well described by an article from the Blackfoot News:

> Phillips handled the bulk of juvenile cases during his assignment in Blackfoot. During that time, he earned a reputation among juvenile crime authorities and court officials as fair but firm."He let the kids know they'd better shape up," one magistrate court employee said.

Frontier justice is not dead in the West, and it is a brand of justice that has widespread public support. There are those, no doubt, who would be taken aback by Judge Phillips' stance on how to "shape up" juveniles, but he draws on long experience.

As the Blackfoot News reports, Judge Phillips believes that placing juveniles in surrogate homes often does more harm than good, because it compounds the emotional turmoil a child is experiencing:

> Placement in surrogate homes usually removes children far from their natural homes, Phillips noted. It often tends to break family ties and makes children unsure of whether they should ally themselves with their natural families or with temporary families, Phillips said.
>
> Phillips believes that the best atmosphere for a child is at a natural home, guided by family rules. The court shouldn't overstep a family rule unless a child is in physical danger or unless serious parental problems are found, Phillips says.
>
> "The strongest pillars of our community are family relationships," he said.

I concur with—Judge Phillips in his assessment that the family should come first, and children should be the responsibility of the parents. In fact, the Senate has recently passed legislation endorsing this approach, by discouraging foster care, and encouraging children to remain with their families or be taken into another family by means of permanent adoption.

The courts, Mr. President, should not intrude on family life. Some things are sacred, and the family is certainly among them. They are, indeed, the strongest pillars of our communities.

Many of the cases before Judge Phillips in Blackfoot were truancy and delinquency. The judge believes—and who could really disagree—that parents share with their children the responsibility for this kind of behavior. When parents are part of the problem, they should be called upon to be part of the solution.

In a lighter vein, I applaud the sentence recounted by the Blackfoot newspaper in one petty larceny case. While orders for homework and essays may seem old-fashioned, the old ways can still be best. In this case, the sentence was to write an essay on "Why My Appearance in Juvenile Court Embarassed My Parents"

Importantly, Judge Phillips is also a strong believer in the role of education in a child's upbringing. Homework and essays need not be meaningless exercises. The disciplines of school can be as valuable as the lessons learned.

After hearing so many truancy and delinquency cases, Judge Phillips concluded:

> The surest way to keep children out of the courts is through a healthy home life and proper schooling. A good home and good schooling will make a good and responsible citizen.

When that way has been lost, Mr. President, it must be found again—in the family and in the schools. Sometimes stern measures, even including confinement, are necessary, but such firm judgments must be fair, the way Judge Phillips made them.●

THE NEED FOR STRATEGIC QUICK FIXES

● Mr. HUMPHREY. Mr. President, on March 14, 1980, Dr. William R. Van Cleave presented the following statement to the House Armed Services Committee. Dr. Van Cleave has outlined succinctly both the necessity for strategic quick fixes, and the best options for this purpose. I am pleased to submit Dr. Van Cleave's statement for the RECORD.

The statement follows:

STATEMENT OF PROF. WILLIAM R. VAN CLEAVE

The strategic nuclear force (SNF) portion of the Department of Defense (DOD) FY 1981 budget request and five year defense plan describes programs that are too little and far too late in their scheduling to meet the threat facing us in the immediate future. In recent years a serious disconnect has grown between the developing threat and the ability of U.S. programs to keep pace with it and still accomplish those objectives specified by declaratory strategic policy

Even if we rely on analyses provided by DOD—which I believe to understate our problems and to be questionably optimistic about the timing and effectiveness of current programs—we will see a serious trough of U.S. strategic inferiority facing us in the early-to-mid 1980s. There is justifiable concern that if we allow this to occur it would present a "window of opportunity" to the Soviets where military advantage might be turned into political and economic gains detrimental to our interests.

This loss of "essential equivalence" is particularly threatening because it will be characterized by dangerous vulnerabilities in major components of our deterrent forces and by a substantial disparity in the ability to threaten—or to counter threats of—nuclear war. This cannot help but reduce the effectiveness of all U.S. military forces, and also to influence negatively the determination to use these forces. The implications for American security interests are obvious.

Administration officials have acknowledged that Soviet strategic capabilities are outgaining, and even surpassing, those of the United States more rapidly than anticipated in program planning. But our own strategic force planning proceeds at a rather leisurely business-as-usual pace. In the FY 1980 DOD Report Secretary Brown stated that "our most serious concerns, which we need to act now to meet, are about the period of the early-to-mid 1980's." The FY 1981 report of the Joint Chiefs of Staff warns that we face "a period of particular risk in the early 1980's . . . before U.S. initiatives now programmed can take effect." You have heard General Jones testify that the Soviets have "at least strategic equality" today; that their relative momentum will give them an advantage in most of the major strategic force comparisons in the early 1980's; and that "this progressive shift in the strategic balance will continue into the latter part of the 1980's." General Ellis recently presented supporting analyses depicting this in the most somber terms.

This situation has developed as a result of a determined Soviet effort to achieve strategic superiority at the same time that U.S. strategic programs have been unilaterally delayed, constrained by SALT, or cancelled outright. While our strategic nuclear force spending has been declining during the SALT decade, that of the Soviet Union—which was already double our annual rate at the beginning of the decade—has been increasing. The FY 1981 Defense Report states that Soviet annual SNF outlays reached 3.3 times our own by 1978; and many believe that to be a conservative estimate. Secretary Brown warned last year that this gap between U.S. and Soviet efforts could not be allowed to continue without a dangerous weakening of the U.S. deterrent. Yet it does continue. Despite all evidence of the urgency of the problems we face, and despite what President Carter terms a "dramatic change in my own opinion of what the Soviets' ultimate goals are," the funding request in the FY 1981 budget for SNF programs remains low. If the Soviet Union has outspent us on strategic force capabilities during the past decade by $150–200 billion and is continuing to put over three times the resources into strategic forces as we, how do we close the gap and avoid, in a timely fashion, this dangerous weakening of our deterrent?

The FY 1980 and FY 1981 DOD Reports, under the rubric of a "countervailing strategy" (the name is newer than the strategy, acknowledges the FY 1981 Report), set forth quite ambitious objectives and requirements for our SNF. Given current programs and funding, I do not believe there to be much realistic likelihood that our forces will meet many of those criteria in the decade ahead; and I am seriously concerned that they may not safely meet even more modest ones. Strategic and crisis stability are not assured for the period of the early-to-mid 1980's. That period, at least, given the present business-as-usual approach, will be one of strategic inferiority and insecurity.

Is there nothing that can be done to avoid this? Current programs, supported by official statements, imply that we can do very little to change the situation until the late 1980's. In his FY 1980 Report General Jones pointed out with apparent agreement that many now believe that "regardless of U.S. actions, Soviet strategic capability will continue to increase relative to that of the United States through the mid-1980's."

I do not agree. There are options available to strengthen our SNF more rapidly than now planned, and to reduce significantly the disadvantages and risks we now face in the coming years. These cannot be accomplished by minuscule increases in spending, but neither are the costs anywhere near economically prohibitive. Mostly it is a matter of determination.

In my view the highest national priority should be given to identifying and fixing the weaknesses in our strategic posture as rapidly as possible. Minor percentage increases in defense spending, even if real rather than fictional, and our normal approach to SNF modernization will not retrieve the situation in time; and if not in time perhaps not at all. At this point of time a new departure is called for, a more vigorous effort based upon a prudent appreciation of the urgency of the situation.

In the Fall of 1977 a group of defense specialists, concerned that the disparity in the strategic programs of the Soviet Union and the United States would produce this period of insecurity more quickly than anticipated, formed the "Strategic Alternatives Team" under my chairmanship. The Team's principal concern was with meeting a Soviet threat that seemed very likely to reach unacceptable dimensions in the early-to-mid 1980's well before the U.S. could respond given ordinary programs, funding, and lead times. The task the Team set for itself was to see whether options do exist to improve our SNF more rapidly than planned. Our initial focus was on options that might produce significant results within one-thousand days. These came to be called "quick fixes."

Some of the Team's work was presented early last year in a book published by the National Strategy Information Center: "Strategic Options for the Early Eighties: What Can Be Done?" An up-date was presented in my October, 1979 SALT testimony before the Senate Armed Services Committee; and I have appended to my statement today a summary of selected examples. My major point, and that of the Strategic Alternatives Team, is that, whatever one's preferences among these options, we do have a variety of actions that could significantly improve our strategic posture effectively and in a much more timely fashion than the course upon which we are now embarked.

The Strategic Alternatives Team's work has apparently had some success in arousing or reinforcing interest outside of the U.S. Government. Within the Government, however, there is little evidence that the work or its general message—which has not been refuted—have had any impact on policies or programs. When officials have been moved to articulate some reaction, it has generally been to dismiss quick fixes as unnecessary, unreliable, or simply uninteresting.

Nearly the one-thousand days that we initially adopted as a time frame have passed since the Strategic Alternatives Team was initiated, and little has been done, while the threat has grown closer. Despite a sea-change in national awareness and public attitudes toward defense, Administration restraint in the face of the continued Soviet buildup has persisted. Strategic programs have been characerized by low funding, delay, indecision, and an apparent concern for the 1990's—perhaps based upon mistaken resignation about the 1980's. The time wasted has certainly reduced our ability to do much about the next two or three years—the trough or bathtub shown in analytical comparison charts will necessarily deepen during that time. But I believe that we can more effectively, more rapidly, and more certainly pull out of it if we undertook a concerted program of SNF "quick fixes" along the lines suggested by the Strategic Alternatives Team.

QUICK FIXES

Before turning to strategic nuclear force problems and options, I should clarify the nature, purposes, and limits of strategic force quick fixes. Quick fixes to our SNF, simply stated, are worthwhile improvements that can be more rapidly achieved, compared to what are now regarded as "normal" program lead times. Such quick fixes are not necessarily easy, cheap, or short-lived in their effectiveness. In no way should they be disparaged by derogatory references to "band-aid" approaches. Their emphasis, however, would be on what can be accomplished rapidly, to meet urgent problems, rather than what may seem optimal in the long run. That does not, however, mean that there need be an incompatibility between quick fixes and long-range considerations. On the other hand, this approach does not imply that strategic force requirements can be met and sustained by quick fixes alone. Quick fixes are not alternatives to sensible but more time-consuming modernization programs; they would supplement, not supplant, less hasty approaches. Their purpose is to enable a safer pursuit of long-range solutions, and to help hedge against the failure or delay of long-range programs, by helping us cross the dangerous period between now and the long term.

I need not remind this Committee that our recent record of accomplishment based upon major long-term programs is not good. The larger, the more expensive, and the more time-consuming the program, it seems, the higher the risk that it will not be successfully carried through as originally planned. Equally important is the consideration that "small" force problems tend to be ignored, to grow and accumulate, to the extent that attention and funding are focused on a very few, favored major programs. To protect major programs there is a tendency—encouraged, of course, by the stringent budget limitations forced upon the Services—to be parsimonious in the time, attention, and funding devoted to other problems and programs. It is time that we look with a sense of urgency to the problems at hand and to ways to alleviate as many of them as possible, as rapidly as possible. More consideration should be given to a larger number of less costly and less time-consuming improvements or "fixes," both to meet urgent threats and because these may turn out to be the most likely to survive budgetary, environmental, and other political pressures.

MAJOR SNF PROBLEMS

I need not detail to this Committee the pressing problems with our SNF. The extreme vulnerability of our ICBM force in the immediate future is clear and officially acknowledged. General Allen's recent letter to Chairman Price states emphatically that "survivability of our ICBM force is our foremost objective." However, the U.S. has no program to meet the threat as it arises or for several years thereafter; and, unfortunately, even the program currently designed to relieve the problem by the end of the decade is the product of indecisiveness and is beset with uncertainties.

It is quite possible that the "racetrack" or loading-dock system would succeed operationally as the Air Force maintains, but it does not stand the critical test of timeliness, its projected costs are suspect, and I believe it faces severe, time-consuming political and environmental obstacles. Some have even suggested that the Administration expects it to "self-destruct" after the fate of SALT II and the Presidential election have been determined.

If that is the case and we have provided ourselves no hedges against it, we are set on the road to launch-on-warning, a reckless and uncertain course of action that no nation with our resources should ever need resort to in desperation.

In my view, then, the money requested by the Administration for the overall ICBM modernization program should be authorized; indeed, it should be increased. I would like to see the MX missile development proceed as planned, but I would also like to see a serious R&D effort this year devoted to canisterizing and upgrading Minuteman III and the beginning of a major concurrent development effort for a new, smaller ICBM (which might lend itself more readily to concealment and mobility measures). In order to hedge against a different political decision on basing (hardly unlikely given the number of changes over the past year), I believe that R&D for this year should go roughly equally into the presently planned system and into keeping the vertical MPS system viable, while reducing the lead time for both. This, I believe, would provide a more prudent hedge than locking ourselves into the current system alone, while ignoring entirely the interim possibility of rebasing Minuteman III in vertical MPS around existing deployment sites.

For myself, and speaking for the Strategic Alternatives Team, I continue to believe that the latter option is still the most timely, the most cost-effective, and the most likely to succeed as a program. A year ago General Allen wrote this Committee stating that: "Modifying a Minuteman III for deployment in vertical shelters requires only about two years, consequently the pacing item in this case would be development and deployment of the basing mode, both for IOC and FOC." Vertical MPS basing could probably be provided fairly shortly thereafter.

Focusing on the ICBM vulnerability problem tends to divert attention from other force problems, which are perhaps equally severe and urgent. The B–52 force has serious, commonly understated, deficiencies that badly need a range of quick fixes if we are to maintain this force in a useful role. The force is maldeployed for prelaunch survivability; real alert rates are far too low; reaction and escape times are inadequate; warning and communications systems are fragile; nuclear hardening is soft; and the prospects of penetration of Soviet air defenses without major fixes may be somewhere between very low and nil. (Penetration probabilities in the mid-1980's should not be evaluated on the basis of DOD and Air Force studies. It is instructive that in recent Senate testimony SAC Commander Ellis admitted that the majority of programs necessary to meet the penetration rates projected for 1985 are not even funded in the five year defense plan.) Bombers assumed to be capable of base escape are dependent upon tankers for refueling, and lack retainability over time. The fixes now planned for the force—essentially improved avionics and ALCMs—cannot correct these problems.

We need a new strategic bomber—a B-1 or B-1 derivative, in my view—but the B-52G and H force could be a viable and potent force, both in the interim and, as dedicated cruise missile carriers, over a longer term if fixes are provided to those problems.

As for the third leg of the TRIAD, the Fleet Ballistic Missile force, the problems seem less pressing, except for shortcomings in command, control, and communications. That may be, however, because information pertinent to SSBN vulnerability is too closely held and tightly compartmentalized to permit analyses, and our knowledge of Soviet ASW is not complete.

It may also be because we tend to evaluate threats in terms of near simultaneous destruction rather than attrition over time, despite the fact that we regard the SSBNs as a retainable reserve. The peacetime alert rate is low; C^3 improvements are urgently needed; and the force requires more flexible targeting capability.

There are other examples of major strategic deficiencies requiring immediate attention: particularly our warning, information, command, and communications systems; continental air defense; and civil defense. Serious shortcomings and vulnerabilities in our warning and C^3 systems have increasingly been acknowledged. Air defense acquires increased importance due to the Backfire threat. Civil defense, in my view, is a serious national weakness meriting priority attention in any consideration of quick fixes. It is important both for its intrinsic value and in view of the enormous disparity between the Soviet Union and the United States in this capability. It magnifies other disparities and could take on critical dimensions in crisis decision making and ultimately in deterrence.

SOME SUGGESTED SNF FIXES

Since we are addressing programs and funding in the current FY 1981 Defense budget and five year plan, the following suggestions include actions that are truly quick fixes (i.e., measures that could be significantly effective in about three years), and programs that should be undertaken immediately, but that would not have significant payoffs until sometime after three years. Some of these suggestions involve accelerating or redirecting existing programs; others suggest different programs or priorities.

I would only close by reiterating that our problems are great, but that resignation to them or fatalistic acceptance of them is not necessary. With funding and determination they might yet be met before time escapes us. I would remind you of a letter to the London Times, written by Churchill's principal scientific advisor in August, 1934:

"To adopt a defeatist attitude in the face of such a threat is inexcusable until it has definitely been shown that all the resources of science and invention have been exhausted. The problem is far too important and too urgent to be left to the casual endeavours of individuals or departments. The whole weight and influence of the Government should be thrown into the scale to endeavour to find a solution. All decent men and all honourable Governments are equally concerned to obtain security . . . and to achieve it no effort and no sacrifice is too great."

SUMMARY OVERVIEW: FY 1981-1985

Development of the MX missile with Concurrent Development of:

(a) Canisterized M'NUTEMAN III.

(b) Upgraded MINUTEMAN III.

(c) New, smaller ICBM.

R&D on ICBM Rebasing (in FY 1981):

(a) Areas Common to Vertical and Horizontal MPS.

(b) Reduce lead time on both Vertical and Horizontal MPS.

Accelerate rebasing for MINUTEMAN.

Upgrade MINUTEMAN III accuracy, reopen production, deploy more.

Equip all MINUTEMAN III with MK12-A.

Rebase, Re-engine, Harden, and Increase Alert B-52 force.

Accelerate and Increase production and deployment ALCM, SLCM, GLCM.

20–28 ALCM on all B–52 Gs.

Produce B–1A.

Accelerate TRIDENT I missile for deployment entire Poseidon submarine force.

Retain Polaris submarines and equip with SLCM.

C^3 redirected program, double budget.

Enhance Civil Defense program.

Continental and Expanded Theater Air Defense Program.

Accelerate ABM RDT&E, initial focus on an ICBM supplemental defense.●

EULOGY TO PROFESSOR EMERITUS SHELDON GLUECK OF HARVARD LAW SCHOOL

● Mr. MATSUNAGA. Mr. President, I know that my colleagues will be saddened, as I was to learn of the death, last week, of Prof. Sheldon Glueck, Roscoe Pound Professor Emeritus at Harvard Law School.

Professor Glueck, with his wife, Dr. Eleanor T. Glueck, who predeceased him, was a pioneer in the study of the causes of juvenile delinquency. Their first book, published in 1922, is still considered a landmark study of prisons and reformatories. A 1950 book entitled "Unravelling Juvenile Delinquency," has also had a major impact on efforts to understand the causes of juvenile delinquency and to prevent it.

While a student at Harvard Law School, I was privileged to be a frequent dinner guest at the Glueck home. It was also my privilege to host Dr. and Mrs. Glueck on one of their visits to Hawaii. My sadness upon Dr. Glueck's death is tempered by happy memories of those times and by the knowledge that he leaves behind timeless studies of the causes and prevention of juvenile delinquency.

With the thought that my colleagues may find it of interest, I request that the text of an article about Professor Glueck from the Washington Post be printed in the RECORD.

The material follows:

[From the Washington Post, Mar. 12, 1980]

DELINQUENCY AUTHORITY SHELDON GLUECK DIES

(By J. Y. Smith)

Sheldon Glueck, 83, a professor-emeritus of the Harvard Law School and a noted authority on juvenile delinquency, criminology and penology, died Monday at the Cambridge Hospital in Cambridge, Mass., following a heart attack.

With his wife, Eleanor Touroff Glueck, who died in 1972, Mr. Glueck wrote several pioneering studies on the causes of juvenile delinquency. They concluded that family factors, such as parental supervision or the lack of it, were more important in contributing to delinquent behavior than general social conditions such as poverty and poor neighborhoods.

The Gluecks also developed a set of "social prediction tables," which have been used with a degree of accuracy ranging up to 90 percent, to identify potential criminals while they are still young children.

Among other places, the Glueck tables have been tested in Washington. They also have been used in New York and elsewhere in the United States and in Germany and Czechoslovakia.

The Gluecks' major work included "Unravelling Juvenile Delinquency," which was published in 1950. It was based on a 10-year comparison of 500 delinquent boys with 500 nondelinquents, all of them from families with low incomes. In 1968, they published a follow-up on their 1950 book. Together with numerous intermediate studies, the two books constitute the first effort to understand the causes of delinquency that involved a control group of nondelinquents.

The Gluecks concluded that a child's future behavior chiefly depended on five factors: the father's discipline, the mother's supervision, the father's affection, the mother's affection, and family cohesiveness. These factors, they said, have more bearing on whether a child becomes delinquent than poverty, surroundings and even the lack of a father in the family.

On these findings, the Gluecks based their "social prediction tables." They became a useful tool in forecasting potentially delinquent behavior in children by the age of 10.

In addition to the work he did with his wife, Mr. Glueck also conducted extensive studies in the field of criminal law and its relation to mental disorders and on penology.

He was an adviser to Robert H. Jackson, the chief U.S. prosecutor at the Nuremberg war crimes trials, and later wrote extensively on this subject.

Throughout his career he called for a higher standard of training for correctional personnel, police, judges, lawyers and others involved in the criminal justice system.

In 1963, Mr. Glueck proposed the establishment of an academic center for the study of the criminal law and the psychodynamics of crime that would encompass such fields as economics, sociology, political science, biology and psychiatry. "Professionalization," he said at that time, "means not only relevant education and training but dedication to an ideal of service beyond the pressing task of earning a living."

In 1937, in a speech in Washington, he expressed similar views in blunter terms.

"Men unfitted for their jobs are hindering the progress that should have advanced with that in other fields by their incapacity to deal with delinquents," he said. "In nearly every community, the police force consists of a group of men who believe that crime prevention consists of enforcement of law by the nightstick."

Mr. Glueck was born in Warsaw, Poland,

on Aug. 15, 1896. His family came to the United States when he was 6. He grew up in Milwaukee, served in the Army during World War I, and graduated from George Washington University in 1920, the year he became an American citizen. That also was the year that Mr. Glueck earned bachelor's and master's degrees from the National University Law School here. He then went to Harvard, where he earned a doctorate in 1924.

It was while at Harvard that he met his wife. He was studying law, psychology and sociology. She was studying education. They were married in 1922.

From 1925 to 1929, Mr. Glueck taught in Harvard's department of social ethics. In 1929, he moved to the faculty of the law school. In 1950, he was named the first Roscoe Pound Professor of Law. He was named professor-emeritus on his retirement in 1963.

Among the many awards the Gluecks received were the August Vollmer Award of the American Society of Criminology.

The Gluecks' only child, Anita Joyce Rosberg, died in 1956.

Mr. Glueck, who lived in Cambridge, Mass., is survived by a sister, Rose Golden of Washington.●

SENATOR BOB DOLE ANNOUNCES END OF QUEST FOR PRESIDENCY

● Mrs. KASSEBAUM. Mr. President, I rise today to pay tribute to my good friend and colleague from Kansas, Senator Robert Dole.

Last Saturday, in Lawrence, Kans., Bob Dole announced the end of his quest for the Presidency. It was an unfortunate end to a 10-month long battle for the Republican Party nomination. His exit from the race was in the same dignified manner with which he conducted his campaign. His voice added much to the discussion of the issues involved in this Presidential election year and the American people and the Republican Party have benefited from his presence.

Mr. President, Bob Dole has built an impressive record in his 19 years of service in the Congress. He has proven himself to be a thoughtful and influential leader in the Senate since 1969 and in the House of Representatives for 8 years before that. Through it all, he has been an able servant of the people of Kansas. Throughout the campaign, he pursued his duties in the Senate with impressive vigor. For the most crucial 4 months of the campaign he continued his duties as ranking Republican on the Finance Committee, and as the Republican manager of the windfall profit tax bill on the Senate floor and in the conference committee. All the while he maintained a 95-percent voting record. As a constituent, I am appreciative of his tireless work on behalf of Kansas. As a colleague, I am grateful for his wisdom and sound advice.

When Bob Dole announced his withdrawal from the Presidential race, he had some sobering thoughts about this aspect of the American political process. I commend his views to all our colleagues in the Congress and I ask that Senator Dole's withdrawal statement be printed in the Record.

The statement follows:

Withdrawal Statement

On January 26, I told a Kansas Day audience in Topeka that Kansas would be the first to know when I made a final decision concerning my Presidential effort. So today, I formally announce my withdrawal from the Republican Presidental contest. It was a "long shot" from the start—but worth the effort. For a number of reasons the campaign never developed.

A HOPE—BUT NO ILLUSIONS

Having said that, let me emphasize that I harbored no illusions about the odds when I announced in Russell last May 14. Ronald Reagan was the Republican frontrunner then, as he is now. There were also other outstanding candidates to contend with. I believed then that if Governor Reagan's support eroded, I would inherit much of it—but obviously that did not happen. Reagan's support was solid, hence it was not possible to make any inroads with conservative Republicans, and difficult to develop other "constituencies".

It has been clear for quite some time that I did not have the time, money, management or organization to remain a viable candidate. But in any event, I'm glad I said yes ten months ago. I've met thousands of people of both parties, people who share my concern about where the country is going, and how it can be turned around. It was a valuable experience, and it makes me feel better than ever about the basic strength of the American people, their decency and their determination to prevail over any roadblock on the road to greatness.

A JOB TO DO

I leave the race, as I entered it, proud to represent the people of Kansas in the United States Senate, honored to give voice to their concerns about national and international issues. I have no intention of withdrawing from those debates. I do not believe the people of Kansas would want me to retreat from the great issues of war and peace, and a healthy economy. I believe many know of my work as Ranking Republican on the Senate Finance Committee. Many know my record on agriculture. Yes, and my work on health care, food stamps, programs for the handicapped, veterans, senior citizens, and others.

It is that record, extending over 19 years, that I believe qualified me for the Presidency. Yet there was a conflict that took its toll. For 4½ months (October through January) debate raged on the Windfall Profits Tax Bill—which, unfortunately for me politically, came at a crucial time, insofar as the Iowa and New Hampshire primaries were concerned. I maintained a voting record of 95% while managing the Bill on the Republican side. I campaigned on weekends and during Congressional recesses, but it was obviously not productive. I don't really complain about this. But the basic irony in all this is a bit painful: what I considered my greatest asset in the Presidential campaign—a record of experience and performance in the Senate—actually turned into my greatest liability. I learned very quickly that when you don't get started early and cannot be a full-time candidate, it's hard to raise money or put together an organization.

I offer no excuses. We had our share of problems. But I have learned a few things about how we nominate and elect our presidents. I put them forward now in the hope that the candidates now in the race, as well as the media who are so influential in shaping perceptions of those candidates, will heed some disturbing warning signals.

MEDIA POLITICS

Worrisome to me is the tendency of recent campaigns to stress campaigning skills over leadership skills. It may well be necessary for a man or woman to work full-time for four years to launch a serious campaign. This means that candidates who already hold office—who are presumably partially trained for the presidency by their years in office, and their knowledge of the governing process—operate at a disadvantage in the race for funds, delegates and media attention.

Equally serious is the way in which the 1980 campaign, so far at least, has yielded precious little in the way of new or attractive solutions to the critical problems confronting Americans. Issues, records, visions—the indexes by which we have traditionally measured our candidates—have been swallowed up by media perceptions of who's ahead in what state in which week. The race itself has replaced the reason for running. Momentum has come dangerously close to replacing experience and ideas as the criteria by which we choose the leader of the free world.

In our own campaign, I sought, properly I hope, to capitalize on a 19 year record in the House and Senate, combined with experience as the National Chairman of my Party, and President Ford's running mate in 1976. I talked about issues and proposed specifics to address the problems of inflation, energy, excessive federal regulation and diminished respect for America abroad.

While I sought to address issues which concerned all Americans vitally, media attention focused almost exclusively with how much money I'd raised, who my campaign manager was or where I stood in the polls. Some were written off before there was any real attempt by the media to focus on the candidates, the issues, and their experience.

A WATERSHED ELECTION

To those who have departed, I thank them for participating in the process. To the candidates who remain, I wish them luck. I will work hard to see whoever is nominated in Detroit is elected in November. For America needs a Republican Administration to solve our worsening economic crisis and restore a sense of respect for the flag abroad.

But for these candidates, I also ask more attention than ever before to the grave issues that make this year's election a watershed in American history. For this year we will make decisions in the voting booth that will decide for decades to come what kind of economy we wish to have, what kind of world leadership we wish to undertake, what promises to ourselves and mankind we will keep.

The stakes are enormous. The need for rational, detailed, candid debate is just as great. Insofar as my voice, raised from the floor of the U.S. Senate, can contribute to such debate, I will raise it.●

SENATOR MILTON YOUNG

● Mr. GOLDWATER. Senator Milton Young is more to me than just a Senator from his native State of North Dakota, he is also a cocitizen with me of Arizona. He comes to our delightful State for the warm weather, to enjoy golf in the few times he can get away from his arduous work in the Senate. During the four terms I have served in the U.S. Senate, I have come to know this gentleman well and to gain very high respect for him. He is honest and he is that all the way through, and that shows up as clearly as the Sun at midday. When he tells you he will do something for you he does it without question or without asking favors back. I have thoroughly enjoyed my service with Milton, and then, there will come times when I am home and I hope he will be in Arizona where we can meet together and, who knows, maybe enjoy a few swings on the golf course.●

THIRD ANNIVERSARY OF ARREST OF ANATOLY SHCHARANSKY

● Mr. DURKIN. Mr. President, I join my distinguished colleagues in solemnly marking the third anniversary of the arrest by Soviet authorities of Anatoly Shcharansky. Mr. Shcharansky is a Soviet dissident whose only crime was to request to emigrate to Israel and assist others who voiced this desire. He received in response a cruel and unjust imprisonment in a Soviet labor camp.

Mr. President, this third anniversary arrives at a time when the Soviet Union has once more demonstrated to the world its total disrespect for the rights of nations and individuals. The brutal Soviet invasion of Afghanistan, the ensuing massacre of Afghan citizens resisting this outright attempt at subjugation by force, has shocked the world.

We cannot stand idly by in the face of this aggressive oppression. The work of Anatoly Shcharansky that led to his arrest and imprisonment 3 years ago has become an important symbol of the ongoing struggle for human rights in the Soviet Union. I visited the Soviet Union in November 1978; it was an enormously disquieting experience. During my visit, I delivered an address before the Supreme Soviet, and expressed my strong objection to obstacles hampering the efforts of Soviet Jews and other groups to emigrate. I emphasized how seriously the people of the United States view the issue of guaranteed human rights for all peoples.

I should like to reaffirm that crucial message today. We must continue to speak out strongly and firmly against the Soviet Union's blatant violations of human freedom and dignity. Recent events have shown that the juggernaut of Soviet repression, both within the Soviet Union and beyond its borders, must be turned back. I join my colleagues today marking the anniversary of the arrest and imprisonment of Anatoly Shcharansky, by calling for his release as an important step in the international drive for human freedom.●

MARYLAND'S MED-EVAC PROGRAM

● Mr. MATHIAS. Mr. President, we hear quite often about the high costs of medical care in the United States without always seeing how modern medicine is paying dividends to the American people through lower disease rates and lives saved. But today in the State of Maryland we have one of the country's remarkable medical success stories, the unique collaborative Med-Evac program of the Maryland State Police and the Maryland Institute for Emergency Medical Services.

Med-Evac today marks 10 years of extraordinary, even heroic, service to the people of Maryland. When the program began in 1970, 82 percent of victims brought into the State's emergency rooms following automobile, industrial, and other severely traumatic accidents died almost immediately of shock. Today, under Med-Evac those figures have been reversed. Now, more than 80 percent of the victims survive to lead productive and useful lives.

This extraordinary statistic, however, does not reflect the long and unflagging effort that went into building the Med-Evac system, which has been heralded not only as our Nation's most sophisticated and advanced system of emergency medical care, but possibly the world's. This fact was borne out in 1976 when the Maryland Institute for Emergency Medical Services conducted a simulated disaster exercise in Baltimore's Inner Harbor. The harbor exercise was unprecedented in magnitude as well as in the number of participating organizations, institutions, and individuals. Moreover, it was the first of its kind ever conducted in the United States. Under the leadership of Dr. R. Adams Cowley the exercise was the culmination of more than two decades of meticulous, step-by-step preparation to build an organization with the capability of carrying out emergency medical service missions.

The chronology of the process which built the Med-Evac program was recently prepared in conjunction with the 10th anniversary activities and I would like it to appear at this point in the Record.

The chronology follows:

Med-Evac: Ten Years of Life-Saving Service

The Maryland Insitute for Emergency Medical Services Systems had its origin in the late 1950's, with Dr. R. Adams Cowley (Chairman of Thoracic and Cardiovascular Surgery at the University of Maryland Medical School) and a team of medical, engineering, and mathematical professionals carrying out studies in shock on laboratory animals. This pioneering research was made possible by funding from the U.S. Army.

In 1961, the Army's initial grant provided funding for the first shock trauma unit, a 2-bed clinical research unit.

In 1963, the substantial research data background in shock and trauma enabled the awarding of an $800,000 National Research Center Grant—which would go toward the building of a "Center for the Study of Trauma."

In 1964, an experimental hyperbaric oxygen chamber for research was acquired through NIH grant funding. The chamber was subsequently used to treat patients with gas gangrene until the opening of a new larger hyperbaric facility in the Center in 1969. While continued research and patient care were being carried out in the mid 60's—plans were being developed for a statewide emergency care network system.

In 1967, negotiations began with the Maryland State Police regarding helicopter transportation of critically ill or injured patients—which would make both the State Police helicopters and emergency medical care facility cost-effective. Funding was obtained in 1968 from DOT to help make this MED-EVAC program possible.

In 1969, the "Center for the Study of Trauma" was completed—a 5-story, 26-bed acute care facility—the only building of its kind in the world. Also that year, an immediate autopsy program was developed in conjunction with the Maryland State Medical Examiners Office. (The only institution in the country where this procedure is performed.)

In March, 1970, the first MED-EVAC helicopter transfer was delivered by the Maryland State Police Aviation Division.

With all these projects being launched, efforts were also being made toward the development of a statewide emergency care network.

In addition to transportation and communication systems, programs for educating ambulance personnel and establishing "standards of care" were developed.

In 1971, a formal plan to coordinate emergency medical resources across the state was submitted to the Governor.

In 1973, an Executive Order was issued by the Governor which established the first statewide EMS system in the country by the creation of a Division of Emergency Medical Services (DEMS) within the Department of Health and Mental Hygiene. At the same time, the center was given autonomous status within the University of Maryland as the Maryland Institute for Emergency Medicine (MIEM).

The application of Maryland's system concept was expanded to the six-state HEW Region III—becoming the Mid-Atlantic Regional EMS Council—the only regional EMS consortium in the country.

In 1975, the "system" was further expanded and perfected by the designation of "specialty referral centers," which include a Pediatric Trauma Center, an Adult Shock-Trauma Center, a Burn Center, a Hand Trauma Center, Intensive Care Neonatal Centers, and an Acute Spinal Cord Injury Center.

In 1976, MIEMSS conducted a Harbor Disaster Exercise program—the first of its kind to be conducted in the country.

In 1978, MIEMSS established the first comprehensive statewide EMS communication network in the country—a system which links together MED-EVAC helicopters, specialty referral centers, 48 hospital emergency rooms, and over 350 ambulance units into a telecommunications network that features ECG telemetry.

The Maryland system is still today the most advanced emergency medical system in the country—if not the world. When the first studies in shock were being conducted, 82 percent of the patients admitted died shortly thereafter; today, over 80 percent of the patient admissions are now surviving.●

ONE HUNDRED AND THIRTY-FIVE DAYS AND COUNTING

● Mr. HARRY F. BYRD, JR. Mr. President, now that it is clear that the United Nations has failed to secure the release of the American hostages in Iran, the time has clearly arrived for a fundamental reassessment of the approach the United States has taken in seeking the return of the hostages.

The United States should not be required to watch hopefully each twist and turn of Iranian domestic politics in a matter which is international in scope and which directly affects our sovereign national interest.

Joseph Kraft in a Washington Post article on Thursday, March 13, examines the Iranian crisis from the new perspective which ought to be adopted by the administration and the Department of State.

I encourage a close study of the analysis in the Kraft article and ask that it be printed in full in the Record.

The article follows:

WHO'S CONNING WHOM?

The latest bad news from Iran offers this country an opportunity to make a fresh start on the hostage problem. The administration can break off the negotiations, assert a new freedom to take ominous action and let Tehran begin to worry about what Washington will do instead of the other way around. But such a change would compromise the con game that has served Jimmy Carter's domestic political interests so well.

The con game consists of the notion—sedulously cultivated by the White House and the State Department flacks—that Iran is run by a bunch of crazy weirdos capable of doing anything at any time. Matters are so delicate, the argument goes, that only the president can manage the affair. To criticize Carter on Iran is to seem to be playing fast and loose with the lives of innocent Americans.

The Iranian political situation in fact is not a mad scene. If nothing else, there is a clear top man. Ayatollah Khomeini, and he alone has the power to loose the hostages.

The ayatollah, to be sure, has political problems. He rules as the well-nigh divine embodiment of a nationalist revolution. He has to keep the revolutionary fires burning bright to hold his followers behind him.

He is also the head of a semi-modern state heavily dependent on trade with the outside world. He has to maintain some people in government who can manage affairs and keep other countries interested in doing business with Iran.

The hostages have at all times been the plaything of that dual requirement. When they were seized back in November, the revolutionary flame was burning low in Iran. Troubles were breaking out on all the borders, and a moderate government under Prime Minister Mehdi Bazargan sought to assuage the difficulties by compromise. The seizure of the hostages, which the ayatollah set in motion and then endorsed, put an end to that season of mellowness. There was a new surge of revolutionary fervor. The Bazargan government was ousted. The ayatollah swept a referendum for a new Islamic constitution.

Briefly the United States threatened economic sanctions and some kind of military reprisal. The Iranians then surfaced with Secretary General Kurt Waldheim the idea of a United Nations tribunal to assess their complaints against the shah and the United States. The Carter administration accepted the tribunal. Thereafter, working through President Abol Hassan Bani-Sadr, the ayatollah pushed the United States down a slippery slope where one retreat followed another.

First the United States implicitly accepted the principle of an international group sitting in judgment on the actions of past American presidents. Then it agreed that it would be appropriate that the tribunal be made up of Third Worlders and left-wingers sympathetic to the Iranian revolution. Then it accepted the idea that the commission would first look into Iranian complaints and then take up the affair of the hostages. Finally, it accepted the principle that the ultimate release of the hostages would be up to a parliament that has not even been elected.

Having won point after point after point, the ayatollah refused even to let the commission see the hostages. In desperation, the commission left Iran. Now time is out, and a new course is possible.

Breaking off the negotiations is the obvious course open to the United States. Washington could then sit back, arms folded, and say that since the Iranians had violated normal diplomatic rules in the most flagrant manner, there could be no further dealing until the hostages had been released. Simply by that step, the administration would at least arrest the steady erosion of the American position. It would end the automatic, and costless, accretion of more and more power to the ayatollah.

Pressures, though better had they been applied earlier, could still be brought to bear. International transfer of funds can be made more difficult. Distribution of essentials inside the country could easily be sabotaged.

The mere threat of such measures would make the ayatollah and those around him feel the backs of their necks. Third countries—notably the Europeans and Japan—dependent on oil from Iran would carry the message that all kinds of trouble was in the offing unless the ayatollah became a little more reasonable.

Unfortunately, such a change cannot come easily to the administration. The president would have to admit in mid-campaign that he has had no strategy for Iran except appeasement. He would have to acknowledge that he has been the principal dupe of the Iranian con game.●

SOVIET SUPERIORITY THROUGH SALT

● Mr. HUMPHREY. Mr. President, Soviet arms control policy has been an integral part of Soviet grand strategy, and the Soviets have been using the SALT negotiations as a means through which to enforce their growing strategic superiority over the United States. I am pleased to submit for the Record the following article by Dr. Colin Gray, one of the best strategic arms experts in the world.

The article follows:

ARMS CONTROL IN SOVIET POLICY

(By Colin S. Gray)

From Lenin to Brezhnev, Soviet leaders have had a consistent and intelligent view of the political-instrumental value of a positive declaratory stance vis-à-vis questions of disarmament and, more recently, of arms control. If some Western officials and politicians are disappointed by the negligible results of protracted East-West arms-control negotiating processes, they have only themselves to blame for unrealistic expectations. Soviet arms-control behavior in SALT and MBFR faithfully reflects a Soviet political culture that is not, never has been, and probably never will be friendly to familiar Western visions of a more stable international order. Soviet arms-control policy is an integral part of Soviet grand strategy, and that grand strategy has the twin objectives of defending and enhancing Soviet security interests.

Unlike some American Presidents and Secretaries of State, Soviet leaders (any Soviet leaders) understand that international politics is a story of continual struggle for relative advantage; that the other Superpower, objectively, is their enemy; and that they have no choice other than to seek, patiently, global hegemony for the USSR. Whether or not one chooses to believe that the Soviet Union has been more sinned against than sinner, or that superficially aggressive-looking behavior really reflects a deep insecurity, xenophobia, and paranoia, the fact remains that Soviet foreign and military policy means harm to all power centers that it does not currently control.

This conveniently simple world view provides useful general guidance for military policy. The firm, indeed unalterable, commitment to the long-term struggle for global-hegemony inoculates Soviet officials against any temptation to relax military competitive effort, save for tactical prudential reasons, and virtually guarantees a measure of realism in Soviet defense planning that is generally absent in the West. The Soviet Union desires the fruits of successful war, but does not want war. Nonetheless, the slow transition of the international order to a condition where Soviet influence is preeminent may—in Soviet estimation, reasonably enough, given the premises—be challenged by desperate adversaries. War could come at any time.

The Soviet approach to problems (and opportunities) of security owes more to Russian geopolitical experience than it does to Soviet ideology. However, the fact remains that the West has to attempt to cope with a malign combination of Russian imperialism and Soviet ideology. The two have proved, in practice, to be wholly compatible. The ideology provides a universalistic doctrinal rationale for the grosser manifestations of Russian imperial ambition.

The undeniably black portrait of Soviet intentions briefly sketched above should be beyond reasonable challenge in 1980. The overwhelming evidence for this portrait is provided by the open record of Russian and Soviet history. Close students of Russian history and culture can help us understand the predatory character of Soviet policy, but better understanding on our part does not render the Soviet Union much less dangerous. (By way of analogy, our society physically constrains many deeply disturbed people: They may be ill rather than criminal, but the danger that they pose to the rest of society is none the less for that.)

THE U.S.S.R.: A CASE FOR TREATMENT?

Some Western scholars, and even a few senior officials, have approached the Soviet Union as though it were either backward or disturbed. Arms-control processes were identified as a useful instrument for effecting Soviet education or "treatment." Neither Superpower chose to pursue, say, the SALT process, for a single clear purpose. Nonetheless, one can argue that sufficient historical evidence is in for the claim to be made that the United States and the Soviet Union have been pursuing almost diametrically opposed goals in major arms-control forums (i.e., in SALT and MBFR). This claim does not contradict the fact that the Superpowers can concert, and have concerted, their diplomatic energies, both on arms-control projects of only symbolic significance (the Antarctica Treaty of 1959, or the Seabed Treaty of 1971, where they tend to find it relatively easy to agree not to commit acts that they discern no incentive to commit), and on arms-control regimes that bear down heavily on the freedom of possibly embarrassing (to the Superpowers) policy choice of third parties (the Nuclear Non-Proliferation Treaty of 1968, for example).

Paradoxically, given the enormous quantity of information available concerning arms-control policy discussions in the West, it is much easier to offer succinct and fairly confident characterizations of Soviet arms-control objectives than it is the objectives of the United States and its close allies. Because the Soviet Union has a steady strategic doctrine that clearly outlines the dangers in the world; because it has a military science of war developed by responsible military officers, instead of a highly academic strategic theory; and because it enjoys an effective fusion of political authority and military advice at the highest level. Soviet arms-control policy is an effective; yet clearly subordinate, instrument of Soviet strategic planning.

Probably the most dramatic elementary way to demonstrate the contrast between the successful Soviet, and unsuccessful American, attempt to coordinate. military and arms-control policies is to point to the career outcomes of the leading military figures on the two sides' SALT delegations. On the American side, Lt. Gen. Edward Rowny, for more than six years the JCS representative on the SALT delegation, retired from the Army in 1979 in order to testify honestly against the SALT II Treaty. On the Soviet side, then Colonel General N. V. Ogarkov was the senior Soviet military figure on their SALT I delegation (1969–71). He went on to become, in January 1977, First Deputy Minister of Defense and Chief of the General Staff, a position he still holds.

The details of Soviet SALT policymaking remain obscure, but the best recent analysis available in the West (Thomas Wolfe, The SALT Experience, Ballinger Publishing Co., Cambridge, Mass., 1979) has confirmed what long has been strongly suspected: Most of the detailed analytic work, and probably even identification of the tolerable military framework within which negotiations should be conducted, has been the responsibility of the Main Operations Directorate of the Soviet General Staff.

NEGOTIATIONS

Partly for reasons of its democratic political character, and partly because of genuine intellectual confusion, the United States has never enjoyed a settled understanding of what arms-control policy could, or should, seek to accomplish. Above all else, the US government has never directly confronted the question of whether or not defense problems could be solved or greatly alleviated through timely arms-control agreements. Two pervasive underlying beliefs have been fundamentally erosive of good arms-control negotiating habits by Western officials:

First, there has been belief in the myth of progress, the belief that Soviet-American, and East-West, relations are evolving, or could evole—to mutual benefit—etaoinaaa ever more cooperative stages, toward a political condition that would be less than *entente,* but more than *détente*. In short. there is an international order toward which East and West grope their way, in which risks of armed conflict, and particularly of armed conflict involving intercontinental strategic weapons, would be very much reduced.

Arms control, and above all strategic arms control, was seen as the jewel in the crown of détente. The control, by mutual agreement, of strategic nuclear arms would be both massively symbolic of the joint Superpower commitment to a safer world and to improved relations, and should—in and of itself—contribute to a more secure international environment.

Through the entire duration of the SALT process, American officials have been unable to decide whether SALT was about détente symbolism (meaning that virtually any agreement, with or without substance, that appeared to be tolerably equitable could be proclaimed as a negotiating success), or about the improvement of strategic stability in a somewhat technical sense (in which case neither SALT I nor SALT II was defensible).

More by historical accident than conscious design, SALT became synonymous with the Soviet-American détente of the 1970s. A number of misguided if well-meaning Western arms-control and defense analysts believed that East-West relations could be influenced benignly by the evidence of progress in arms-control forums. In fact, as the events of 1979–80 have illustrated all too clearly, progress in arms-control negotiations is almost wholly dependent on a permissive political climate—internationally and domestically. SALT I was not the engine of Soviet-American détente in the early 1970s; rather, it was the beneficiary of a unique and transitory political era. Those Western politicians, officials, and opinion leaders who believed that SALT I would phase into a permanent SALT II, or who (by 1974) anticipated early consummation of a temporary SALT II, which would phase into a SALT III, were guilty of a fundamental misreading of international political reality. SALT I was not the beginning of a process wherein the Superpowers could gradually tame their strategic weapon competition; instead, it was the high (and probably only) point of "arms-control theory as practice," whereafter the political fragility of SALT accords (in Western perspective) increasingly would be recognized.

Second, for the better part of two decades the American defense community has been guided by people who, fundamentally, were (and are) quite indifferent to matters of military operational detail. The reason for this was doctrinal. From the Johnson to the Carter Administrations, strategic policy has tended to be controlled by officials who believed that nuclear war is unthinkable; that nuclear war can occur only in the very large, non-survivable variety; and that the United States has an "overkill" potential vis-à-vis any interesting set of Soviet-located civilian-economic targets.

Some deviation from these beliefs might be deduced from the apparent evidence of the strategic targeting reviews conducted under Presidents Nixon and Carter, but such deviation, in net effect, is of only trivial significance. In practice, the United States has entered SALT (and MBFR) negotiations, over a ten-year period, with the dominant official assumption that a central nuclear war would mean "the end of history." Strategic stability, in this view—and contrary to the opinion of the Soviets and many Western professional defense analysts—is virtually a bequest of technology. With very few exceptions, and those of no great significance, the American ends of the SALT I and SALT II bargaining processes were manned by people who disbelieved profoundly in the vitality of the concept of strategic superiority; who were antipathetic to the idea of a politically intelligent strategic targeting policy; and who, therefore, did not really care about the fine detail (or even some of the gross detail) of a SALT treaty save insofar as that fine detail, if obviously unbalanced to the U.S. disadvantage, might provide lethal ammunition for domestic critics of the negotiated agreement.

In his testimony on SALT II before the Senate Committee on Foreign Relations in July 1979, Henry Kissinger recanted his much-quoted 1974 statement that was implicitly dismissive of the value of strategic superiority. Nonetheless, the spirit of 1974-vintage Kissinger was alive throughout the SALT process of the 1970s. The United States, therefore, believed that through SALT: (a) it was contributing to the enmeshing of the USSR in a network of linked detente processes that would gradually encourage Soviet leaders to play a more constructive role in international affairs as their "stake" in the existing order increased; (b) it could ratify a technological fact of life at lower cost than otherwise might be the case; specifically, that through SALT agreements the Superpowers could agree to forego bids for arms competitive advantage that must prove futile.

OUR OWN WORST ENEMY

Soviet officials must have been suspicious and incredulous as, from the mid-1960s through to the end of the 1970s, their principal adversary put into defense policy practice a strategic doctrine that was bereft of political or strategic sense. The United States persuaded itself that its erstwhile condition of strategic "superiority" was of little (or even negative) value, and would inevitably prove to insupportable in the face of a determined technological challenge. In its place, Soviet defense officials observed the United States adopt, what, in their eyes, was an absurd and irresponsible concept of strategic stability. The forward momentum of the Soviet defense effort was rewarded in the specific terms negotiated in SALTs I and II, but the American defense condition that rendered those agreements negotiable was solely the product of domestic American convictions. The United States thought that the Superpowers were registering those convictions through SALT. Instead, the United States was providing the USSR with a unique historical opportunity to achieve a meaningful strategic advantage.

The arms-control connection between East-West, as institutionalized in the 1970s, cannot endure. The reason for this judgment, simply, is that the gulf between the political and strategic philosophies of the two sides is too great. As more and more evidence comes in on the details and trends of the Soviet military buildup, and on the character of Soviet political intentions as evidenced by their foreign policy behavior, it becomes clearer and clearer that the arms-control process per se (let alone any particular treaty or understanding) has been working to the West's disadvantage.

Arms control is not a monstrous plot hatched and directed from Moscow. On the contrary, it is Westerners who have been guilty of self-deception. Soviet purposes and style of behavior are enduring factors. They cannot be altered by an arms-control process, however businesslike its conduct. It is an incontestable fact (and those are rare!) that not merely are the Soviets not "on board" for Western concepts of stability, strategic and political; they have worked energetically in the SALT period to undermine what Western governments understand by stability.

In principle, and not infrequently in practice, a negotiating process and an agreement can be of general benefit, even if the high contracting parties have individual reasons for wanting an agreement. With respect to SALT, this reasoning has little if any validity beyond the date of the signing of SALT I. It makes no sense to negotiate a very permissive agreement on strategic offensive arms with an adversary who shares no significant fraction of your deterrence philosophy—and who has very warm production lines. Moreover, as Henry Kissinger often maintained, SALT was an integral part of overall Soviet-American and East-West relations. It was not intended to stand on its own inherent merit. Indeed, it has no inherent merit. SALT agreements, for example, should reflect (they cannot create) a different, and improved Soviet-American political relationship. Arms-control processes, and weapon balances, have meaning only in political terms. War is a political event. Great states cannot cooperate in negotiating arms reduction if one or both of them harbors the gravest suspicions concerning the foreign policy ambitions of the other.

Much of the official Western approach to arms control with the Soviet Union continues to be dominated by the discredited notion that the principal danger of war stems from the process of arms competition itself (in strategic weaponry, in theater weapons for Europe, in naval deployment in the Indian Ocean, in conventional arms transfers to local clients, and so forth), rather than from the political rivalry that licenses the competition. Arms control, generically, has long been seen as a technical end-run around a political rivalry that cannot be alleviated directly.

There is some small truth to the claim that the process of competitive armament itself fuels political anxieties, but that truth is dwarfed by the fact of political control over competitive arming. A state arms itself in a competitive context because it believes that it may have to fight. But, when a state arms itself, all the while disbelieving in the likelihood of war and in the possibility of surviving a war, it is unlikely to arm itself effectively. This is the American (and NATO) condition today.

UNDERSTANDING THE SOVIET UNION

In Soviet perspective, an on-going arms-control process offers a golden opportunity for securing unilateral advantage. So long as a major arms-control process either is alive, or is alive in prospect, Soviet leaders can hope to:

Convince Western leaders and publics that they are responsible and willing to be cooperative.

Manipulate Western public fears of nuclear holocaust, through the fueling of "peace-loving" or "realistic" forces in the West with ammunition appropriate for thwarting the evil intentions of defense-minded, peace-through-strength circles.

Encourage the popular Western fallacy that there is a "happy ending" to East-West rivalry. "If only your leaders would be reasonable . . ." etc. There is nearly always a vocal and politically significant constituency for "peace through self-restraint" in Western countries.

Persuade Western politicians and publics that restraint and reasonableness today will be rewarded tomorrow. The history of SALT is, in good part, the history of Western security problems that will be alleviated "in the next round."

Exploit the Western emotional investment in the process itself, so as to influence Western behavior in other policy areas.

Perpetuate the Western belief that arms control can be a panacea for security concerns.

It is only fair to observe that Soviet behavior in, and related to, the arms-control process of the 1970s has been exactly the kind of behavior that any careful student of Russian/Soviet history, culture, and geopolitics would have anticipated. Lest this be thought to be retrospective wisdom, readers are advised of the fact that such scholars as Richard Pipes, Adam B. Ulam, and William R. Van Cleave all wrote very early 1970s-vintage analyses of Soviet intentions and behavior that have stood the test of time. Not to mince words, many (though not all) of the proponents of SALT I, and later SALT II, up to and including Henry Kissinger (who, strangely, seems to acquire wisdom only when he is out of office), are guilty of gross, and for Western interests as a whole, potentially fatal, incompetence in comprehension of the Soviet negotiating adversary. These are strong words, but they are probably not strong enough to characterize the sins of a body of supposed "experts" who, through their dominance of official policymaking and the major organs that inform public opinion, have—quite literally—rendered possible the prospect of a military defeat for the West in the 1980s.

At the very least one should consider Soviet arms-control policy as being two-tiered. At the higher, political tier, the Soviets have seen arms-control institutions (SALT, MBFR) as means for encouraging the Western hope that the détente of the very early 1970s is still, if barely, alive. The very existence of the SALT and MBFR negotiating processes bears the promise of hopeful times returning. This consideration is particularly potent in the domestic policies of some NATO-European countries (see below). The lower, defense-program-related tier of Soviet arms-control policy should be seen, simply, as a sensible endeavor to enhance the prospective war-fighting effectiveness of Soviet forces. The Soviet defense community is assisted greatly in its dedication to success in war by the lingering remnants of Western stability doctrine. Regardless of what a SALT regime does, or does not, cover, the United States government continues to believe that the American homeland cannot, and should not, be defended. In addition, any US offensive program that has considerable counterforce potential against Soviet offensive forces promotes a bitter domestic debate over its allegedly destabilizing consequences. Witness the contemporary MX ICBM debate.

Ongoing or imminent SALT (et al.) negotiations facilitate the task of Soviet officials attempting to interdict the American defense policymaking process. For example, they can hint that US restraint today will promote the cause of productive arms-control negotiations tomorrow; or, rather more crassly, they can follow Mr. Brezhnev's (et al.) line in the fall of 1979 and state that a NATO decision to deploy particular weapons (572 Pershing IIs and GLCMs) will foreclose upon the possibility of arms-control negotiations in the near future.

It is a fact that in some NATO-European countries arms control has become a near-essential indicator of détente. Unfortunately, those countries have come to believe that détente, mid-1970 sstyle, is—in and of itself (whatever it is—and this is somewhat vague)—a highly desirable political component of their security. By threatening to withhold the détente benefits that NATO-Europeans believe flow from arms control, the Soviet Union can hope to induce cooperative (i.e., appeasing) behavior.

SOVIET SKILL, OR WESTERN FOLLY?

The record of the 1970s leaves open the question of whether the Soviet Union has successfully exploited the opportunities that ongoing arms-control processes allowed it, or whether the Soviet Union has been the undeserving beneficiary of Western wishful thinking. One thing, at least, is certain: An arms-control process is neutral as to which side it benefits most. "The SALT process" did not bring forth SALTs I and II, or the accelerating slide in relative US strategic nuclear prowess; a succession of senior American policymakers is responsible. It is true that there has been a "mad momentum" to arms control, meaning that politicians and officials have persisted in their arms-control crusade even though the implications of arms-control policy for Western security have been less than vaguely comprehended. However, the pace of arms-control negotiations has been so dilatory that the Ford and Carter Administrations had ample opportunity to reconsider what they were about.

Arms control has everything to recommend it, in Soviet perspective. The adversary has an enormous potential for strategic superiority in its high-technology industry: What could be better than to encourage that adversary in the belief that "the parity principle" is the basis of SALT, and that SALT is crucially symbolic of, and is a vital contributor to, improved political relations? (It is axiomatic today in Western arms-control circles that SALT agreements can be negotiated only on the basis of parity or essential equivalence. That axiom may be true. What is not true, or at least axiomatic, is that the United States should not and could not re-establish an enduring relative condition of strategic superiority.)

The Soviets can hardly fail to have noticed that the United States and its NATO allies have enormous difficulty coordinating their defense planning and arms-control policy activities. As noted already, the Soviets do not have this problem because they assign the lion's share of defense and arms-control planning to military professionals on the General Staff. To date, the Soviets have neither advanced nor agreed to any strategic nuclear arms-control proposal that would have a negative impact on their war-fighting capability. Soviet commitment to the idea of victory in war (at any level) is nonnegotiable—as have been any American/NATO proposals that might, in their net effect, impair the likelihood of achievement of that goal.

Whether or not one judges defense planning in the United States and NATO to have been affected adversely by arms-control considerations depends critically upon one's doctrinal preference. If, in common with the U.S. government, one is basically uninterested in the conduct (as opposed to the deterrence), let alone the outcome (which one presumes to be mutual annihilation), of war, then the defense planning complications imposed by SALTs I and II have to be assessed as irrelevant to Western security. For example, the ABM Treaty of 1972 foreclosed upon the effective point defense of ICBM silos—a capability that would have a stabilizing effect by any strand of Western strategic reasoning. Also, "arms-control considerations" have had a major impact on the design of MX ICBM basing (the "racetrack," or "closedloop," arrangement) even to the point where the strategic case for the system might be jeopardized as a consequence.

As in political matters, so in strategic, the Soviet Union has no interest in promoting what moderate Western observers would term stable balances. Soviet political leaders, though attentive to the positive "psychological disarmament" spinoff that can accrue as a consequence of arms-control process, tend to be more interested in the advantageous military programmatic results of arms-control politics. Stated simply, though without distortion, the Soviets employ, in good part, the existence or the promise of arms-control negotiations in order to inhibit prospective Western war-fighting—hence deterrence—effectiveness.

Virtually a self-parody of Soviet manipulation of arms-control prospects was offered by Mr. Brezhnev in October 1979. In return for a NATO decision to not modernize its deep-strike theater-nuclear assets, he offered the enticing promise of arms-control negotions on the subject of deep theater-strike systems. It was unclear just what he was promising, in detail, but he—and subsequent Soviet spokesmen—were very forceful on the subject of the very negative consequences that would flow from a NATO dismissal of this demarche. In its lack of subtlety, this Brezhnevian offer/threat was unusual, even by Soviet standards.

The Soviet leadership knows that the fact or prospect of arms-control negotiations tends to fuel the politically fissionable material in the NATO Alliance. Norway, Denmark, Holland, Belgium, and West Germany all have politically significant opinion groups that value arms control for its own sake. Moreover, none of the governments of these NATO members is likely to be impressed with the kind of military arguments for new nuclear-capable weapon systems that are popular in Washington. NATO-Europeans, living on the prospective battlefield, prefer to take comfort in the prospect of effecting the successful prewar deterrence of Soviet military power, rather than in the hope that Soviet military power actually could be defeated. For this and related reasons, NATO has never been able to agree on genuine military requirements for nuclear-capable weapon systems.

For fear of doing needless damage both to intra-alliance relations, and to the prospect of NATO-Warsaw Pact arms-control negotiations, NATO will deploy (if ever) as few deep-strike theater-nuclear weapon systems as the political traffic will permit. Both in the NATO-European theater, and with respect to central strategic forces, arms-control negotiations act as a major impediment to militarily rational defense planning.

THE PROBLEM IS US

Notwithstanding its title, this article has had no choice other than to consider Soviet arms-control policy in the light of Western approaches to arms control. Soviet arms-control policy, crude though it has often been, could draw undeserved strength from the flabbiness of Western performance in this area. The reasons why the United States and NATO should not engage in SALT and MBFR are not because the Soviet Union is untrustworthy, or is diabolically clever in negotiations. Rather, it is because Western politicians and officials know, and understand, so little history.

The Soviet Union is paranoid, geopolitically unsatisfied, and ideologically irrevocably committed to hostility to all political systems not controlled by Moscow. For arms control to accomplish its more expansive Western goals—that is, to contribute noticeably to a change in the extant conflict orientation of the official Soviet world view, or to cut painfully and in balanced ways into real military muscle—the Soviet Union would have to change its very character. Worthwhile measures of arms control, which bear directly on their security, cannot be negotiated between the Superpowers as currently governed.●

THE ROCK ISLAND TRANSITION ACT

● Mr. TOWER. Mr. President, I am delighted by Senate passage of S. 2253, the Rock Island Transition Act, an emergency measure designed to provide for a smooth and orderly transfer of ownership of the Rock Island Railroad System to interested purchasers.

The State of Texas, specifically in the Panhandle region, is one of more than a dozen States which are directly dependent on the Rock Island Lines for the transportation of grain and other agricultural commodities to the marketplace. For months now, however, the vital grain production and marketing activities of the Texas Panhandle have been paralyzed by the uncertain future of these lines of transportation. Since last September, the Rock Island System has been kept operating by the Interstate Commerce Commission pursuant to a directed service order which was recently extended to March 23, 1980.

Further extensions of the directed service order are not contemplated by the ICC thus, in the absence of congressional action, the rail service on which Texas and other States depend will cease, which will, in turn, frustrate the completion of pending negotiations for the sale of portions of the Rock Island System. Certain segments of the Rock Island network involve willing buyers, but unfortunately these bids have been held up pending final ICC approval.

In view of the impending termination of directed service over the Rock Island, the Senate Commerce Committee took expedited action on this emergency legislation. As a cosponsor of this bill, I have become increasingly concerned about the lack of established rail carriers which could assume operation over these lines.

The bill passed by the Senate addresses several threshold problems that have plagued the transfer of the Rock Island and offers an effective framework to resolve the underlying controversies.

It mandates the ICC to continue directed service over the Rock Island Lines for an additional 45 days, commencing from the date of enactment of this bill. I hope and expect that such an extension will be sufficient for prospective buyers to consummate purchase negotiations already underway.

The ICC, of course, has recently granted a 3-week extension of the directed service order—certainly a welcome reprive—but has indicated that no further extensions will be given. For this reason, an extension by Congress is crucial in order to avert future interruption in grain marketing activities in the Texas Panhandle and throughout the Midwest.

The bill also provides an answer to a fundamental problem which has for months stymied the Rock Island transfer, namely, over the question of labor protection for Rock Island employees not hired by acquiring carriers. It sets forth a special arbitration process, which I understand is acceptable to the principal parties involved. The legislation also gives protection to Rock Island employees to promote a fair and expeditious resolution of threshold labor problems consistent with the public interest.

In addition, the bill provides for a transaction assistance program to encourage the purchase of Rock Island lines by so-called "noncarrier entities," such as shippers, State groups, grain cooperatives, or employees who have made reasonable offers to purchase segments of the Rock Island. Several such groups exist in Texas. The availability of funding contained in this bill would encourage the purchase of portions of the Rock Island system by such groups who, but for a lack of funds, would be able to participate in the bidding process.

It is my understanding that the funds made available under this legislation to encourage the transfer of rail lines to noncarrier entities have previously been authorized under the Railroad Revitalization and Regulatory Reform ("4–R") Act of 1976. As a result, the legislation would not run afoul of the congressional budgetary guidelines.

Furthermore, this bill will not result in any increases in Federal regulation. In this regard, the bill merely extends existing programs and directs expedited action by the Interstate Commerce Commission in resolving Rock Island proceedings, which, according to the bill, are to be given preference by the ICC over all other proceedings before the Commission.

Mr. President, the Rock Island Transition Act provides effective answers to the serious problems that for months have bred uncertainty in the grain markets and have caused serious economic dislocations in areas solely dependent on the Rock Island lines for grain transportation. I am pleased to be a cosponsor of this legislation and am gratified by the prompt and favorable consideration which it has been given by the Senate.●

RABBI JACOB B. AGUS RECEIVES DISTINGUISHED SERVICE AWARD

● Mr. MATHIAS. Mr. President, too seldom in this life are we given a chance to tell another human being before witnesses how important he or she has been in our lives. Our thanks to others more often are given on the spur of the moment, in an offhanded way, or only too frequently not given at all.

Last week I had the rare opportunity of praising someone to his face in the presence of hundreds who agreed with every word I said about this remarkable individual. Today, I would like to repeat that tribute for my colleagues because many of you know Rabbi Jacob B. Agus, either personally or by reputation, and because we all can benefit from any acquaintance, however, slight with his spirit and his wisdom.

I ask that my remarks about Rabbi Agus, on the occasion of his receiving the Distinguished Service Award at the 31st annual fellowship dinner of Temple Beth El Men's Club in Baltimore be printed in the RECORD.

The remarks follow:

ALL THE FAMILIES OF THE EARTH SHALL BE BLESSED THROUGH YOU

It is a great pleasure to be here tonight to join you in paying tribute to a remarkable human being—Rabbi Jacob B. Agus.

I am deeply honored to have been asked to speak in your behalf about this man who has been such a singular force in each of our lives and who has led this congregation in its good works for the past 30 years.

The honor of paying tribute to Rabbi Agus, however, is not without its penalties. It is not easy to distill into words the sense of personal indebtedness each of us feels toward Rabbi Agus. It is not easy to convey in words the dimensions of his spiritual and intellectual leadership. And it is certainly not easy to attempt these challenges in the presence of Rabbi Agus, whose own command of language is so extraordinary.

So, although it is a very great personal privilege to speak to you of Rabbi Agus, I tremble at the magnitude of the task. I am encouraged to attempt it only because I have learned—from reading Rabbi Agus—that compassion is the first principle of Judaism.

Rabbi Agus' influence reaches far beyond the walls of Temple Beth El. It extends, through his outstretched hand, to men and women of all colors, creeds and cultures. The Distinguished Service Award this congregation confers on Rabbi Agus tonight merely recognizes officially what all of us have known for many years—that he is a great man, a good friend and a true scholar. If I had to encapsulate what is most important about Rabbi Agus into just one sentence, it would be this: He is a force for good.

In making this award to Rabbi Agus, you speak not just for Temple Beth El but for a much wider congregation, one that embraces thousands of men and women in Maryland and throughout the United States—Christians, Jews, all believers—whose lives Rabbi Agus has touched with his writings and lectures and whom he has moved toward "the supreme joy of contemplation."

Henry David Thoreau wrote that: "As the least drop of wine colors a whole glass, so the least drop of truth colors a whole life.

Rabbi Agus' lifelong exploration of the truth in his writings and teachings and by his example has "colored" many lives—mine among them.

Long before I ever met Rabbi Agus, I knew about him. Governor Theodore Roosevelt McKeldin had spoken of him to me. He had told me that, of all the religious leaders of Maryland, Rabbi Agus was the most scholarly. Governor McKeldin described him as an intellectual leader of great moral character. Therefore I was very pleased when, many years ago, Rabbi Agus came to me and offered me his advice, his counsel and his friendship.

Since then, we have come to know him, his wife, his family, and many members of this congregation. The experience has greatly enriched us.

Rabbi Agus has colored our lives.

I have always been moved by the breadth of Rabbi Agus' vision and by the expansiveness of his thought, particularly by his concept of that special quality called Jewishness. It informs his writings and gives them their moral suasion. It is beautiful in its simplicity. The essence of Judaism, as Rabbi Agus shows it to us, is: to embrace, to share, to lead firmly but gently, by the example of our lives, to the principle that we are all children of God; brothers and sisters sharing a journey.

Rabbi Agus' work—the part of it in black and white—is contained in eight volumes which span the range of philosophy from its history to ethical commentary. There is a school of thought—to which I subscribe—that you don't really know what you think until you try to write it down. Rabbi Agus has written it down. He knows what he thinks. His voice rings with the authority of one who believes "the unexamined life is not worth living" and who lives by that belief.

Rabbi Agus has examined life, he has examined religion and philosophy, he has examined political theories and personal relations. And he has pondered the empirical evidence his examinations disclosed.

We have learned much from him. We still have much to learn.

Rabbi Agus' commitment to ecumenical dialogue has stretched from synagogue to church pulpit to the very threshold of the mosque. He was among the first Jewish leaders in America to enter into a trialogue among Jews, Christians and Moslems. He is a tower of strength in the National Conference of Christians and Jews and has lectured on interfaith relationships at leading universities throughout this country, emphasizing not the divisions which separate men and women of different faiths, but the universal, rational core of religion.

I think these beautiful words from the 12th Chapter of Genesis truly apply to Rabbi Agus and I offer them in homage to him:

". . . and all the families of the earth shall be blessed through you."

Rabbi Agus, in behalf of your fellow citizens, and particularly in behalf of the men of Temple Beth El, I salute you, I honor you and I beg you to bear with me for just a few minutes longer.

This evening, in addition to sharing with you my very warm and deep feelings about Rabbi Agus, I have been asked to say a few words about our foreign relations. Discussing U.S. foreign policy on such a gala occasion makes me feel like Banquo's ghost terrifying the guests at Macbeth's feast. Iran and Afghanistan and the on-again-off-again performance we've just put on at the United Nations aren't exactly conducive to a festive mood, or good digestion.

Not wanting to spoil the mood of the evening I thought of begging off. But, instead, I decided that if we were to look at some of our problems through the prism of history, they might not loom as large and depressing as they do to the naked eye. So that is what I propose to do and I propose to use Rabbi Agus as my prism.

Rabbi Agus was born in 1911 when the diaspora was still the rule for Jews throughout the world. In those days, it was always "next year in Jerusalem." It was never "this year in Jerusalem." It was also the time of the pogroms in Russia which Teddy Roosevelt protested so vehemently. "I feel very strongly," he said:

> "That if any people are oppressed anywhere, the wrong inevitably reacts in the end on those who oppress them; for it is an immutable law in the spiritual world that no one can wrong others and yet in the end himself escape unhurt."

That "immutable law" of the spiritual world works its way slowly.

The pogroms in Russia were only a preview of what the future held in store for the Jewish people. The historic troubles of the Jewish people reached their tragic, inhuman climax with the Holocaust. And yet the lessons of the Holocaust still have not been learned in some parts of our so-called "civilized world".

I can give you a personal experience that illustrates this. In December 1978, I traveled to the Soviet Union at the request of the United States International Communication Agency to open America's "Agriculture-USA" exhibit in Kishinev, in Moldavia.

On my way back to Moscow from Moldavia, I stopped briefly in Kiev in the Ukraine to lay a wreath at Babi-Yar where, as you know, hundreds of thousands of Jews were massacred by the Nazis during World War II.

It was a humbling and moving experience to stand at the edge of that fatal ravine, under a bleak winter sky, and pay my respects to the Jewish dead. The ravine's harsh, tragic outlines are softened now by landscaping and the scene is dominated by a powerful monument. But, although the Soviet government finally has acknowledged the massacre by erecting this monument, not a single word in the inscription tells you that it was Jews who were massacred at Babi-Yar. And, of course, Anatoly Kuznetsov's history of the terrible events at Babi-Yar, although written in the Soviet Union, has never been published there. These are significant omissions. They are not accidental. And they tell you more about Soviet attitudes than you could learn from a lifetime subscription to Pravda. What they tell you is not very pleasant.

But, while Jewish history in the diaspora was moving toward its fatal climax in the Holocaust, other forces were at work. By the end of World War II, seeds planted many, many years before by visionary leaders, such as Baron Rothschild and Sir Moses Montefiore, were coming to fruition. The State of Israel was born. With it was born the historic association between Israel and the United States which has developed so steadily ever since, and which will be reinforced this year by some $2.5 billion in U.S. aid to Israel.

When we recall the somber events of 1948, 1956, 1967 and 1973, it is wonderful to reflect that today no armies clash in the Middle East. Instead, the seeds of a new productive relationship with Egypt, sown at Camp David, are actually putting forth tender shoots. Wonder of wonders, miracle of miracles, embassies have been exchanged.

So, when we take in a sweep of history from the year Rabbi Agus was born until today, I think we must conclude that, even with all its problems and uncertainties, today is better than yesterday.

But, if our tomorrows are going to as good as today, much less better, we're going to have to develop a strategic foreign policy. For too long now the ship of state has zigzagged from crisis to crisis leaving a crazy wake behind it. We need a magnetic north for our foreign policy—a fixed point to keep us on a steady course.

A strategic foreign policy would mean different things in different areas but the underlying theme must be the same: In the search for peace and security, let us cleave to those who share our devotion to freedom and individual dignity.

Obviously, a strategic foreign policy must also encompass those who do not share our humanistic views. As Rabbi Agus has pointed out: "We are called upon to strive for the realization of the dream of human perfection—as if it could be achieved tomorrow. But we must begin with the existing patterns of international relations and work from there, taking a step at a time."

The tragic events over the past four months in Iran compel us to reexamine our relationships with that troubled country. And within that context to ask ourselves some searching questions about the types of relationships we have had with other nations in the past and the types of relationships we should seek. In the end, I suspect we may decide that:

"We cannot attempt to run the affairs of the world and to arbitrate every dispute, because we must not assume that we alone are worthy of the trust of all mankind. . . ."

That sound advice has been available to us for the past 14 years. It was given to us by Rabbi Agus in The Vision and The Way. The greatest tribute we can pay this wise and good man we honor here tonight would be to listen a little more closely to what he has been telling us. Our world and all that it contains would gain immeasuraby in the process.●

NATIONAL SMALL BUSINESS WEEK

● Mr. HATCH. Mr. President, it is with great pleasure that I inform you of the unanimous decision by the members of the Senate Judiciary Committee to pass Senate Joint Resolution 146, urging the President to declare a National Small Business Week. Sixteen of the seventeen members of the Senate Small Business Committee have joined together in calling for recognition of the men and women who have contributed to our economic success. The Judiciary Committee has acted in a most expedient manner, and I would respectfully request that the full Senate likewise effecuate an expeditious passage of this resolution.

Mr. President, from the settlement of our continent until the present day, the pioneering of our frontiers have been marked by the presence of motivated entrepreneurs. This great land was not only built by these entrepreneurial pioneers, but was built for the ideals they represent. I am convinced that the freedom we American citizens today enjoy is a direct result of the economic freedom inherent in our Constitution. Our freedom from compulsion in everyday decisionmaking leads to the necessary competition in the marketplace, which insures that we will get the best in goods and services at the lowest possible price. No amount of central planning could duplicate the millions of daily private decisions which deliver the needs of a nation with the success of the American free market system. That is the success of the economic order in the "New World."

Because of the economic turmoil now prevelant in the marketplace, there are many who believe we are seeing the demise of a golden age. We are not. But we, as policymakers, must be more sensitive to the pressures which bear upon free enterprise, and we must take care not to further upset an economic balance by creating overly burdensome taxation, or enacting a plethora of unwarranted paperwork or regulations.

Mr. President, the economic hazards of potential business success are very real; every day witnesses thousands of crucial decisions by our businessmen and businesswomen, whose lives turn upon their ability to compete. We literally owe our success as a nation to these economic competitors, to these men and women of the private sector, to these valiant, modern-day pioneering Americans.

Mr. President, let us take a week from our schedules and devote it to honoring the strength of American free enterprise: "Small Business."

I ask that the resolution, Senate Joint Resolution 146, be hereafter printed in the Record, as passed by the Judiciary Committee.

The resolution follows:

SENATE JOINT RESOLUTION 146

Whereas the success and vibrancy of the American free enterprise system and economy is dependent upon the health of small business;

Whereas small business comprises over 96 per centum of all American businesses, employs the majority of all working Americans, and accounts for 43 per centum of the gross nation product;

Whereas small business has developed over one-half of this country's major innovations over the past two decades, produces inventions four times as efficiently as their big counterparts, and has provided for 96 per centum of the newly created jobs in the last decade;

Whereas the Members of the United States Congress and the members of the Small Business Committees of each House of said Congress all recognize that the founding, growth, and mature strength of small businesses is mandatory for the continued improvement of the employment, economic security, and standard of living of every American: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States is requested and authorized to designate, by proclamation, the week of May 11 through 17, 1980, as "National Small Business Week", and exhort all citizens in the various States, the national and all local governments and groups and organizations therein, to give recognition, by appropriate celebration and ceremony, to the independence, initiative, and motivation of the small businessmen and businesswomen who have made America great.●

AMTRAK'S BEECH GROVE REPAIR SHOP

● Mr. LUGAR. Mr. President, I would like to take this opportunity to point out a refreshing story that appeared in the March 5 Wall Street Journal reporting on an efficient and dependable operation taking place at Amtrak's Beech Grove shops in Indianapolis, Ind.

Beech Grove is the heart of Amtrak's repair operations. At the 64-acre shop, workmen repair and replace Amtrak's fleet of cars. What is remarkable is that they are saving Amtrak millions of dollars each year. Instead of purchasing expensive new passenger cars, Beech Grove is rebuilding old, unusable cars for about a third the cost of new passenger cars.

To date, about 100 cars have been rebuilt, with plans to have 210 more cars in service by late 1981. Officials at Amtrak have also said the rebuilt cars are more reliable than new cars bought in recent years.

Mr. President, I believe that the work being done at Beech Grove is quite an achievement and shows American ingenuity at its best. I ask that this article entitled, "Shop Turns Screws So Amtrak's Riders Won't Bolt Trains," be printed in the Record so that all my colleagues can be aware of the great work being accomplished at Beech Grove.

The article follows:

SHOP TURNS SCREWS SO AMTRAK'S RIDERS WON'T BOLT TRAINS

(By Albert R. Karr)

BEECH GROVE, IND.—This is the nuts and bolts story of Amtrak's passenger-car repair operations.

At the 64-acre shop here, workmen repair or replace everything from the undercarriage of the car to the air-conditioning and heating systems to, yes, the kitchen sink.

How important is the work being done? "Beech Grove is the only thing preventing us from completely falling apart," says Clark Tyler, a vice president of the National Railroad Passenger Corp., as Amtrak is formally known.

The need for more and better cars is urgent. Last year, the number of unusable passenger cars fell to 1,539 from 1,683, as ridership rose 12% to 21.5 million. "We have no idea of how many people we could have carried last year if we'd had the cars," says Brian Duff, an Amtrak spokesman.

With funds in short supply and delivery of new bilevel cars lagging, repairing and rebuilding cars has taken on greater importance. Amtrak stumbled onto the rebuilding idea after partly converting and old private car for a Gerald Ford campaign train in 1976. It worked so well that officials decided to rebuild two sleepers and later an additional 32 sleepers.

To date, about 100 cars have been rebuilt, and Amtrak expects to raise the total to about 310 by late 1981. Officials say the rebuilt cars are more reliable than the 500 or so new ones bought in recent years. Moreover, Beech Grove rebuilds the cars for about $225,000 apiece, one-third the cost of a new car.

Among the modernizing operations, the shop converts the antiquated system of supplying heat, air conditioning and electricity that uses a combination of steam and wheel-driven power. The rebuilt cars now rely on electricity from whats known as head-end power a generator in the locomotive.

Workers strip down the oil cars to their stainless steel shells and start restoration. Others reweld the trucks, or undercarriages, which hold the wheels, axles and braking systems. The old truck frames could easily get out of position and reduce braking efficiency, says Walter Barrick, the shop's general manager.

Some repairmen specialize in converting the antiquated kitchens with their coal or wood stoves and blocks of ice for cooling. The final product is a gleaming, all-electric kitchen, and some of the first modern diners in Amtrak's fleet.

Nuts and bolts remain the basis of the operation. Machinists fashion hooks, brackets, pins, screws, latches and washers, among other parts. They will serve as replacements for toilet-door hooks, table-leg supports, water-cooler brackets and other small essentials for the cars. Many parts are improvised to fill a gap left by suppliers who have quit the repair business since the heyday of the passenger train.

Amtrak officials are pleased with the passenger response to the rebuilt cars. Interior decor with seat upholstery in blue, red, yellow and brown stripes apparently helped attract riders when some Beech Grove coaches were added last year to the railroads Cardinal train on the Washington, D.C.-Cincinnati-Chicago run—the passengers headed for the rebuilt cars first.

Last October, Amtrak put 59 rebuilt coaches into service on its Lake Shore Limited trains linking Boston and New York with Chicago.●

SENATOR KENNEDY ON NATIONAL PRIORITIES

● Mr. McGOVERN. Mr. President, on March 8 in Chicago, Senator Kennedy spoke before members of Operation PUSH. I would ask all my colleagues to read his remarks and to remember the Senator's eloquent plea for sense in the crucial weeks ahead. As we begin to debate the wisest and safest cuts to make in the Federal budget, let us also consider the priorities that Senator Kennedy argues for so compellingly.

Let us remember especially that, "the national budget is more than a set of numbers; it is an expression of national conscience. It is time to sound the call to the American conscience. And the commands of conscience must be heard, not in a later election or another generation, but today. And now is the time."

As we face tough choices with pressure bearing down from all sides, we must remember the country we are at heart, the Nation we ever aspire to be, and that the men in this Chamber have the means to fashion and the responsibility to sustain that vision:

> So as we enter a new decade, we stand at a new point of decision on the oldest question of American history. Can we truly become what we are pledged to be—a land of "liberty and justice for all?" Will we permit the perpetration of injustice? Will we continue to say, in a thousand different ways, to a tenth of our whole population: "If you're black, stay back?" Or will we march again as we marched before? Will we see the slums behind the housing statistics, the broken families behind the unemployment rates, the anguish that can never be measured solely in income levels, the shattered dreams that can never be written down in the dry numbers of public documents? And then will we resolve to give new life to the dream and to finish the work of justice?

Mr. President, I ask that Senator Kennedy's remarks be printed at this point in the Record.

The remarks follow:

REMARKS OF SENATOR EDWARD M. KENNEDY

First, let me thank Jesse Jackson for those eloquent words of introduction. And let me thank him for something else: Just before the Massachusetts Primary, Jesse Jackson came to visit me in Boston. And I won that primary with 65 percent of the vote. So you just know I was going to see him as soon as I came to Chicago.

I also had to visit Operation PUSH. I have my own Operation PUSH advocate sitting right in my Senate office. Mary Bates Washington is a member of my staff and a member of the Metropolitan Washington Board of Directors of PUSH. And she never stops pushing for Operation PUSH—for the economic justice and social reform that this organization has championed over the past decade.

I have often said that above all else, America means hope. Operation PUSH is a messenger of that hope—a witness to the faith that our problems are not hopeless and people are never helpless if they will stand up for themselves. Operation PUSH has stood for minority business, for schools where children can learn, for housing where families can live in security, and for medical care that treats patients according to their health and not their wealth. You have brought people into the political process—and you have showed them that black power means voter registration.

And leading this effort, inspiring it, giving it heart and speaking for it, the voice of Jesse Jackson has been heard all over this land. And his message to the poor, the exploited, the neglected is that they can say with pride: "I am somebody."

A generation ago, too much of our society was too often a conspiracy against that belief. As we entered the 1960s, it was time for action. Rosa Parks had taken her seat in the front of a Birmingham bus; students were sitting-in where discrimination has always locked them out; freedom-riders were bloody and beaten, but they were opening the road to liberation. From his cell in the Birmingham Jail, Martin Luther King, Jr., had written a letter to the world:

"If you will protest courageously and yet with dignity and Christian love, when the history books are written in future generations, the historians will have to pause and say, 'there lived a great people, a black people, who injected new meaning into the veins of civilization.' "

And Martin Luther King insisted: "Now is the time."

There were those who replied—wait. They talked about gradualism—and you answered: "What about Americanism?" They said tomorrow, next year, or the next generation. And you answered: Three centuries of slavery and segregation are enough—and now is the time.

And the decade of the 1960s was a time of advancement. It brought the beginnings of justice and a new birth of freedom. And many of the highest barriers of bigotry were swept down. There was discord and bitterness, but you did overcome, and so progress came. But it was followed by a period of reaction, repression, and retrogress. The number of black families below the poverty level is 20 percent higher than it was in 1970. The rate of unemployment for black and Hispanic workers is still twice as high as the rate for whites. The income of black families is still only half that of white families.

And in the election of 1980, it is time to heed the advice of Congressman Bill Dawson: "Don't get mad; get smart."

So as we enter a new decade, we stand at a new point of decision on the oldest question of American history. Can we truly become what we are pledged to be—a land of "liberty and justice for all"? Will we permit the perpetuation of injustice? Will we continue to say, in a thousand different ways, to a tenth of our whole population: "If you're black, stay back"? Or will we march again as we marched before? Will we see the slums behind the housing statistics, the broken families behind the unemployment rates, the anguish that can never be measured solely in income levels, the shattered dreams that can never be written down in the dry numbers of public documents? And then will we resolve to give new life to the dream and to finish the work of justice?

I stand with you for the fulfillment of the dream.

I stand with you for equality in the standard of life as well as in the statutes of the law.

I stand with you to keep the full-employment promise of the Humphrey-Hawkins Bill—not to postpone it. And I say: "Now is the time."

I stand with you to stop inflation—but not by stopping blacks in their economic tracks. Today, for black and white alike, a dollar saved is a dollar lost.

Today the rate of inflation is four times higher than when this Administration took office. And the burden of 20 percent inflation is highest for the poor and minorities, because they pay the largest portion of their income for the most basic necessities—for food and fuel, for rent and health—where inflation is worst of all.

When the cost of a home rises 30 percent, when natural gas goes up 50 percent, when the price of hamburger doubles and the price of gasoline more than doubles, at long last we have to say: Enough is enough.

Three years of economic failure have left us with only one fair choice—to impose a freeze and then controls, across the board, on prices, wages, profits, interest rates, dividends and rents. It is easy for the well-off and the well-paid to object to controls. They are not making cruel choices between heat for their apartments and food on their tables.

Last week, the President said his economic policies suit him fine. Well, they don't suit poor people fine. They don't suit black people fine. They don't suit me fine. And let me ask you: Do the Administration's economic policies suit you fine?

For controls against inflation, "Now is the time."

And I stand with you not only to fight inflation, but to fight it fairly, without afflicting the ill-housed, the ill-clad, and the ill-fed.

Last month, the Black Caucus called the Administration's budget "an unmitigated disaster for the poor, the unemployed, and minorities." Now they are busily deepening the disaster, sharpening the budgetary knives that will not only cut money, but cut out the heart of social justice. This Administration is telling those who suffer most from inflation to suffer more from budget slashes. The Carter budget sends a stark message to blacks—that in the priorities of this Administration, you are nobody.

Yet the oil companies get everything they want. President Carter decontrolled the price of oil and gas—which will cost the average family a thousand dollars a year, each year of the 1980s. The oil companies will profit and profit while poor people will pay and pay.

The industry claims to need windfall profits to explore for more oil. And the Administration agrees. But do you know what Mobil Oil did with its profits? They bought Montgomery Ward Department Store. How much oil do you think they will find drilling in the aisles of a department store?

We must control oil and gas prices—and now is the time.

We must ration gasoline fairly by supply, not by ever-rising prices. We must demand that the poor shall not pay more in order to drive less. And now is the time.

I stand with you for jobs, not a recession that will throw a million-and-a-half workers out of work.

I stand with you for building more public housing, not cutting it below the rock-bottom levels of the Nixon years.

I stand with you for child nutrition, not cutting school lunches for two million children.

And I stand with you against a budget that tells only the poorest among us to ask what they can do for their country. I stand with you for a budget that puts the last and the least among us first in federal priorities.

I will not join in propagating the myth that an instantly balanced budget will magically restrain inflation. That is wrong in fact: A $20 billion cut will reduce the rate of inflation by only one-tenth of a single percentage point. And the mythology is wrong morally: Blacks who were the last to be hired will become the first to be fired. Black youth will continue to walk inner city streets seeking jobs that are impossible to find. Black children will be denied Head Start—and they will feel the loss of that learning all of their lives. Black families will lose food stamps—and there will be hunger in the most fertile land on the face of the earth.

A national budget is more than a set of numbers; it is an expression of national conscience. It is time to sound the call to the American conscience. And the commands of conscience must be heard, not in a later election or another generation, but today. And now is the time.

And as we restore prosperity, we must demand a fair share for every American. We must not be a rich nation standing on the backs of a permanent class of poor people.

So I stand with you for affirmative action. How easy it is for the privileged to say, let everyone run the same race in life. They were born half-way around the track. Years ago, I put a set-aside for minority students in my health education bill. Yet during this Administration, minority enrollment has declined in medical schools. And only yesterday the Civil Rights Commission reported that the Civil Rights Division of the Justice Department lacks the resources to enforce the law.

There are politicians who flee the idea of affirmative action. But the issue involves more than politics. It involves the fate and the future of an entire race—transported to this land, not in hope, but in chains—not in freedom, but in slavery. Now at last this land must give black people a full measure of hope and freedom. And now is the time.

And I stand with you for health care as a civil right for every citizen, not a privilege for the few. We are the only industrialized society in the world outside South Africa that does not have universal, comprehensive health insurance.

Instead we have a system of apartheid in the state of our health. To be black in America is to be sick more often, to receive less care, to die younger and sooner, and to experience twice as often the agony of a child lost in infancy. The shameful truth is that in America, being black is dangerous to your health.

We must keep the promise of justice for the parents of black children crying in the night while their parents worry if they are fifty or seventy-five dollars sick—because that is the cost of a visit to a hospital emergency room in Watts, or Harlem, or the South Side.

The Members of Congress and the officials in the White House have full insurance for their own health. Any time Senators sneeze, they can go to the Capitol Physician. They are treated promptly. And they never receive a bill. And I say, if health insurance is good enough for the Congress, then it is good enough for all the people of this country.

We must pass national health insurance, not in a later election or another generation, but today. And now is the time.

And I stand with you to wipe out the last vestiges of legal discrimination. We must ratify the Equal Rights Amendment and end discrimination against women in our society. We must ratify the District of Columbia Voting Rights Amendment and end discrimination against the citizens of the Nation's Capital.

Your demand for civil rights for the minority who are not white stirred the movement for full rights for the majority who are women. And your struggle will not be finished so long as 700,000 Americans in the District of Columbia, most of them black, continue to be disenfranchised. The descendants of those who were marked by the lash will not be truly free until they can freely mark their ballots in elections for the Senate and the House. And now is the time.

And I stand with you for another law that can signal the complete commitment of our country to racial equality. We shall not be moved from our effort in Congress to make Martin Luther King's birthday a national holiday. We will carry that cause in the next Administration. We will not sit on the sidelines while crucial votes are cast. And then we will observe not only the birthday of one of the greatest men of our history, but the powerful truth he taught—that justice is indivisible—that it knows no pigment of skin, no division of class, and no boundary between nations.

It was Martin Luther King who opposed the bombing and killing in Vietnam as boldly as he opposed the bombing of black churches and the murder of black children in Birmingham. And in our foreign policy we must oppose the racism of South Africa as resolutely as we must oppose racial injustice in our domestic policy. We will mock Dr. King, not honor him, if we celebrate his day, while scorning his ideals. We must keep his vision and his faith. And now is the time.

Langston Hughes once wrote of the dream deferred: "Maybe it just sags like a heavy load, or does it explode?" Uneasy lies the society or the world that rests on racial exploitation.

I have come to Chicago to pledge a Kennedy Presidency to our common dream.

Two weeks ago, I went to Montgomery, Alabama, to make that same pledge.

For me, it is not an election-year promise, but the commitment of all my public life.

I did not go to the South for the first time in 1980 looking for votes.

I went there two decades ago to stand and speak with Martin Luther King.

I stood in the United States Senate in 1963 and made my first speech as a Senator. And I spoke for civil rights.

I stood in the United States Senate in 1965 and led the fight to abolish the poll tax.

I stood for the legislation that helped to create and sustain the Garfield Community Health Center on the West Side and Provident Hospital on the South Side of this City.

I stood for the legislation that has brought hot meals to the elderly, school books to poor students, and nutrition for needy women and infants.

I have stood with you for many years.

I have stood with Jesse Jackson.

And I stand with you now.

So in 1980, here in Illinois, in this Primary, I am asking you to stand with me.

Then together we shall move our nation and all the world.

Then together we shall proclaim with the Prophet Amos: "Let Judgment roll down as waters, and righteousness as a mighty stream."

Together we shall dream the dream again—and reach for the reality—and now is the time.

Together we shall enter into that time when every person of any race can proudly and truly say: "I am somebody." ●

MODIFICATION OF UNANIMOUS-CONSENT AGREEMENT—SENATE RESOLUTION 380

Mr. ROBERT C. BYRD. Mr. President, on March 4, 1980, an agreement was entered into with respect to Senate Resolution 380. Part of that agreement provided that the majority leader, after consultation with the minority leader, be authorized, not later than March 24, 1980, to call up Senate Resolution 380. After conferring with the distinguished minority leader and the distinguished Senator from Maine (Mr. MUSKIE) and, through the minority leader, the distinguished Senator from Delaware (Mr. ROTH)—and it meets with their approval—I ask unanimous consent that the agreement be changed to read, "not later than March 25, 1980," rather than "not later than March 24."

Mr. BAKER. Mr. President, reserving the right to object, and I shall not object, the purpose of the reservation is to say that we had hoped that the order could be changed to read March 26 instead of March 25. I understand that has not been possible at this moment. In view of that, March 25 appears preferable to a great number of people on this side. No other provision of the order is changed by this request. If there is a further development in respect to change of dates, I assume we can change the consent order again.

On that basis, then, and having consulted with the distinguished Senator from Delaware and he, in turn, with the Senator from Oklahoma and, I believe with the Senator from Maine, I have no objection to the request.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR THE RECOGNITION OF SENATOR LUGAR TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the two leaders or their designees have been recognized under the standing order, Mr. LUGAR be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER (Mr. LEAHY). Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR PROXMIRE ON THURSDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Thursday, after the two leaders or their designees have been recognized under the standing order, Mr. PROXMIRE be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORITY FOR COMMITTEES TO FILE REPORTS AND BILLS UNTIL 6 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that committees may have until 6 p.m. today to file reports, conference reports, and bills.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORITY TO FILE BILLS AND RESOLUTIONS AND TO FILE STATEMENTS UNTIL 5 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Senators may have until 5 p.m. today to introduce bills and resolutions and to place statements in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order entered earlier, that the Senate stand in recess until 12 noon tomorrow.

The motion was agreed to and, at 3:43 p.m., the Senate recessed until tomorrow, Wednesday, March 19, 1980, at 12 meridian.

NOMINATIONS

Executive nominations received by the Senate March 18, 1980:

DEPARTMENT OF COMMERCE

Herta Lande Seidman, of New York, to be an Assistant Secretary of Commerce (new position).

FEDERAL RESERVE SYSTEM

Lyle Elden Gramley, of Kansas, to be a Member of the Board of Governors of the Federal Reserve System for a term of 14 years from February 1, 1980, vice Philip Edward Coldwell, term expired.

IN THE NAVY

The following-named officer having been designated for command and other duties of great importance and responsibility in the grade of admiral within the contemplation of title 10, United States Code, section 5231, for appointment while so serving as follows:

To be admiral

Vice Adm. William J. Crowe, Jr., U.S. Navy.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 18, 1980:

NATIONAL COUNCIL ON EDUCATIONAL RESEARCH

The following-named persons to be Members of the National Council on Educational Research for terms expiring September 30, 1981:

Tomas A. Arciniega, of California.
Jon L. Harkness, of Wisconsin.
Harold L. Enarson, of Ohio.
Barbara S. Uehling, of Missouri.
Bernard C. Watson, of Pennsylvania.

DEPARTMENT OF STATE

Marvin Weissman, of Maryland, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Bolivia.

Rozanne L. Ridgway, of the District of Columbia, a Foreign Service officer of class 1, to be Counselor of the Department of State.

Robert C. F. Gordon, of California, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Mauritius.

James Eugene Goodby, of New Hampshire, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Finland.

U.S. INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

Guy Feliz Erb, of California, to be Deputy Director of the U.S. International Development Cooperation Agency.

The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.

IN THE COAST GUARD

Coast Guard nominations beginning William M. Gaynor, III, to be lieutenant, and ending Curtis L. Gunn, to be a lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on January 24, 1980.

Coast Guard nominations beginning Daniel F. Haynes, to be lieutenant (j.g.), and ending Kevin A. Nugent, to be lieutenant (j.g.), which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on February 1, 1980.

Coast Guard nominations beginning Robert Eugene Acker, to be ensign, and ending Robert Philip Zwissler, to be ensign. (See Executive Journal proceedings of February 26, 1980, for complete list.)

DEPARTMENT OF STATE

Foreign Service nominations beginning Leonard J. Baldyga, to be a Foreign Service Information Officer of Class one, and ending

Charles H. Walsh, Jr., to be a Foreign Service information officer of class 7, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on February 19, 1980.

Diplomatic and Foreign Service nominations beginning Michael Joseph Gould, to be a Foreign Service information officer of class 3, a consular officer, and a Secretary in the Diplomatic Service of the United States of America, and ending Garrett Courtney Burke, to be a Foreign Service officer of class 2, a consular officer, and a Secretary in the Diplomatic Service of the United States of America, which nominations were received by the Senate on February 22, 1980, and appeared in the CONGRESSIONAL RECORD of February 26, 1980.

HOUSE OF REPRESENTATIVES—*Tuesday, March 18, 1980*

The House met at 12 o'clock noon.

Rabbi Dr. Solomon Freilich, Brothers of Israel Congregation, Mount Vernon, N.Y., offered the following prayer:

הוה מתפלל בשלומה של מלכות

The sages of our tradition enjoined us to pray for the welfare of governments and their rulers so we may live quiet and peaceful lives.

Oh God, whose name is Shalom, in this solemn moment assembled in this hallowed sanctuary of the American people, we turn to Thee in prayer for Shalom—eternal peace.

We pray for Thy blessings upon the chosen Representatives of this Congress. Grant them of Thy spirit of wisdom and understanding and favor them with courage and insight as they deliberate on the crucial issues of this day in an effort to bring us ever closer to that era of ultimate Shalom when all the citizens of this great Nation will enjoy peace—peace of heart and mind, peaceful communities in a peaceful world.

Today is the first day of the Hebrew month of Nissan when my people are soon to usher in the glorious Passover Festival of Freedom, commemorating redemption, renewal, and rebirth. At this anxious hour and on this day which has been declared a national day of prayer, our hearts go out in love, in hope, and in prayer for the innocent Americans still being held hostage in a distant land.

Oh Lord, Thou who hast, from the heights of Sinai, proclaimed through ancient Israel the eternal law of human freedom, we pray, hasten the day when our 50 fellow Americans speedily return to our shores unharmed in body and spirit, reunited with their families and loved ones.

As this day also marks the beginning of the Hebrew month of spring, with the rebirth of Nature unfolding in all its renewed beauty, may our hearts be uplifted with a renewed spirit of trust and faith in America.

Oh God, warm the hearts of the men and women in this Chamber to legislate with concern, commitment, and compassion, responsive to the needs of the depressed, the deprived, and the destitute. Let us, at this moment, pray silently for those to whom freedom has been denied, and may we always be conscious of what Thou, Oh Lord, has taught us in Thy Sacred Scriptures, "Love thy neighbor as thyself, I am the Lord." We are nearer to Thee when we are closer to each other. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

RABBI DR. SOLOMON FREILICH

(Mr. PEYSER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEYSER. Mr. Speaker, I have been given this privilege of introducing our distinguished rabbi to the Members this morning because our colleague, the gentleman from New York (Mr. OTTINGER), is at the funeral services of our former colleague, Mr. Allard Lowenstein.

Mr. Speaker, Dr. Solomon Freilich, who is giving the invocation this morning, is the spiritual leader of Mount Vernon's Congregation Brothers of Israel, the oldest synagogue of Westchester County, N.Y. He has served this congregation with distinction for over 27 years.

Rabbi Freilich is an ardent devotee of Israel, Jewish education, and humanitarian causes. He is the recipient of distinctive service awards by the United Jewish Appeal, Bonds for Israel, Federation of Jewish Philanthropies, and many other institutions. He maintains an abiding interest in higher Jewish education and is a member of the board of trustees of Yeshivat Ohr Hameir, a rabbinical school in Westchester. He served as president of the alumni association of his alma mater, the Rabbinical Academy of Brooklyn and as president of the Synagogue Council of Mount Vernon, N.Y. His dissertation on Biblical studies was recently published in Israel, a scholarly work for which he was awarded a doctoral degree at Yeshiva University.

Rabbi Freilich has had deep involvements in the work on behalf of Soviet Jewry. He was among the first rabbis to have visited the Soviet Union in 1957, and was the guest of the chief rabbi of Moscow, Rabbi Judah Levin. Rabbi Levin was the guest at Rabbi Freilich's synagogue, the only visit in Westchester during his brief stay in America.

In July 1967, following the Six-Day War, Rabbi Freilich made a second visit to the Soviet Union, where he was detained for 3 days in Kiev by the Russian authorities who charged him with dissemination of Israeli propaganda. He was released and sent to Vienna where he was received by the chargé d'affaires of the U.S. Embassy.

The rabbi has a sensitive and ongoing concern for senior citizens and the elderly in his community. He has a course certificate from the Gerontological Institute at Yeshiva University.

His two married children and nine grandchildren reside in Israel. They head departments in American-sponsored Torah schools of higher Jewish education.

Rabbi Freilich serves as the chaplain of the Police Department of Mount Vernon, a position he has held for the last 20 years. He has won the esteem of his colleagues, the love of his congregation, and the admiration of the community, by virtue of his deep commitment to traditional Judaism, the Jewish people, and humanitarian concerns.

THE LATE HONORABLE JOHN M. SLACK, JR.

(Mr. RAHALL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RAHALL. Mr. Speaker, I rise this afternoon with a deep sense of sorrow, and, quite frankly, shock at the passing of a dear friend and colleague of ours, the gentleman from West Virginia, Mr. JOHN SLACK. It will be difficult, extremely difficult, Mr. Speaker, to think of this body and to think of our West Virginia delegation without the insight, the concern, and the compassion of our dear colleague.

For over 20 years the people of West Virginia and the people of our Nation were well aware of the concerns of JOHN SLACK. From county court to county assessor to Congressman, JOHN SLACK knew that government service meant service to the people. He carried out that concept with dedication and pride.

To me this is a great personal loss. Even before my election to this distinguished body in 1976, I had a very close relationship with JOHN SLACK. He represented many parts of my congressional district at one time or another during his congressional career. Indeed, he represented my home county at one point. He was an adviser, a colleague, a close family friend, but most of all a very decent man. JOHN SLACK was honest. He was hard working and straightforward. It will be impossible to replace him.

Today, however prophetic it might be, was JOHN SLACK's 65th birthday. My deepest sympathies go out to his wife, Frances, and to his son, John, whom I have just left. We shall miss him, but we shall all remember that we have been touched by his life.

Mr. ROSTENKOWSKI. Mr. Speaker, will the gentleman yield?

Mr. RAHALL. I yield to the gentleman from Illinois.

Mr. ROSTENKOWSKI. I thank the gentleman for yielding. I had the privilege, Mr. Speaker, of meeting JOHN SLACK some 21½ years ago. As a matter of fact, after I was sworn into office, JOHN SLACK was the first Member of Congress I knew. Then and now, I knew him as a kind, understanding individual who was

☐ This symbol represents the time of day during the House Proceedings, e.g., ☐ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

truly devoted to public service. I think JOHN SLACK touched all of us because he represented what a Member of Congress should be. He was disdainful of any criticism of this institution because he loved it and cherished it.

☐ 1210

I think we could summarize the tenure of JOHN SLACK in several different ways, but, briefly, JOHN SLACK was an American's American. As a man, he was a man's man, and as a Member of Congress, he was a Member's Member.

I join my colleague from West Virginia in expressing to Congressman SLACK's family, on behalf of my wife Laverne and my family, our deepest sympathy.

Mr. BRADEMAS. Mr. Speaker, will the gentleman yield?

Mr. RAHALL. I yield to the gentleman from Indiana.

Mr. BRADEMAS. Mr. Speaker, I thank the gentleman for yielding. I want to add my own expression of condolence to those offered by the distinguished chief deputy majority whip on the death of our beloved colleague, JOHN SLACK.

Like Mr. ROSTENKOWSKI, I came to the House of Representatives in the same year as did JOHN SLACK and therefore have known him for over two decades. He was a man of decency, a gentleman, a fierce champion of the people of his congressional district, a man who served with great distinction on the Committee on Appropriations. JOHN SLACK, Mr. Speaker, was a man of great stability who served in the House during a time of great turbulence. We shall miss him in the House of Representatives.

Mr. WRIGHT. Mr. Speaker, will the gentleman yield?

Mr. RAHALL. I will be glad to yield to the distinguished majority leader.

Mr. WRIGHT. Permit me to join with my colleagues and with my friend from West Virginia, in mourning the passing of a dear friend, a respected colleague, a man whose word was his bond.

JOHN SLACK represents as nearly as anyone I know the era of American life in which you could take absolutely at face value what a man told you. JOHN was devoid of any taint of insincerity. JOHN was the kind of person who epitomized the deepest meaning of the word sincere; its Latin roots meant without wax. JOHN was without wax. He was exactly what he appeared to be and never pretended to be anything that he was not.

Some of my warmest memories are of occasions in which I have had the privilege to travel to West Virginia with JOHN SLACK, to speak with the people there, and to observe the great respect in which he always has been held by his constituents.

My sympathy goes to his wife and his family and his loved ones. JOHN SLACK's memory will long be observed among those of us who have had the privilege of knowing him and serving with him.

Mr. WHITTEN. Mr. Speaker, will the gentleman yield?

Mr. RAHALL. I yield to the distinguished chairman of the Appropriations Committee.

Mr. WHITTEN. Mr. Speaker, I appreciate my colleague yielding to me at this time.

Mr. Speaker, it is with genuine sorrow that we face this sad day.

JOHN SLACK's untimely death has taken from us a man, in the full meaning of that word, a man possessed of character, strength, and determination. He was always true to his beliefs. Like most good men, he too gave thought to what was the right course to follow in the myriad of controversial subjects and problems that we face here in the Congress.

Far above and beyond many, once that course was determined, JOHN SLACK never faltered.

I have known JOHN since his election to Congress in 1958 and I have served with him on the Committee on Appropriations since he became a member of the committee in 1961. During his 22 years service in the House of Representatives, JOHN has served the people of the Third Congressional District of West Virginia and the people of this Nation with dedication, honor, and tireless effort in working for the betterment of the country.

I feel particularly close to JOHN because his first subcommittee assignment upon becoming a member of the Committee on Appropriations was the Agriculture Subcommittee, which I Chair, and later on we worked together on the Subcommittees on Defense and Public Works. Over the years that we worked closely together, JOHN was never one to back down from a difficult situation and always pursued his objectives until they were obtained.

JOHN has served as chairman of the State, Justice, Commerce, and Judicary Subcommittee on Appropriations since 1975. As chairman of that subcommittee, JOHN always exercised fairness toward all Members regardless of political belief or seniority ranking.

He was a true friend, a good husband and father, and a great Congressman. Few come along like JOHN SLACK and I express my deepest sorrow and sympathy to his lovely family. We have lost a real friend.

Mr. DEVINE. Mr. Speaker, will the gentleman yield?

Mr. RAHALL. I yield to the gentleman from Ohio.

Mr. DEVINE. Mr. Speaker, I thank the gentleman for yielding. I too, along with the gentleman from Indiana (Mr. BRADEMAS) and the gentleman from Illinois (Mr. ROSTENKOWSKI) came to Congress with our dear friend JOHN SLACK, and I, on behalf of the minority, wish to speak to this great loss to the country.

JOHN was a man of dedication, a man of integrity, a man of high honor. He was friendly to those of us on this side, he was devoted to his job, particularly to his work on the Committee on Appropriations and performed a great service to this Nation. I know the people in West Virginia, in his district, and in the Nation will miss him.

Mr. ALEXANDER. Mr. Speaker, will the gentleman yield?

Mr. RAHALL. I yield to the gentleman from Arkansas.

Mr. ALEXANDER. Mr. Speaker, I thank the gentleman for yielding. I, too, am shocked and saddened by the untimely demise of my dear friend JOHN SLACK with whom I had the opportunity to serve for 6 years on the Committee on Appropriations and on his Subcommittee on State, Justice, Commerce, and the Judiciary.

Mr. Speaker, JOHN SLACK was a man of dedication to service. He was diligent in his work and he was devoted to the people of West Virginia and the Nation which he served.

JOHN SLACK was a man of his word. Coming from Arkansas, we learn as children to appreciate people who keep their word and JOHN SLACK's word was his bond. When he gave his word, it was as good as the law, maybe even better than some of the laws that we enact in this Congress of the United States. He was a man of compassion but combined his concern for his fellow man with courage, a combination of qualities that makes a unique leader in this day and time, a man of compassion and of courage.

Mr. Speaker, JOHN SLACK was above all, considerate of his colleagues in the Congress, always trying to understand how other Members felt about the views that they expressed and the differences of opinion that they debated on the floor of the House.

Mr. Speaker, JOHN SLACK taught me, I suppose more than any other Member, the sincerity of the differences of opinion that are expressed in this Hall of the House of Representatives. I could not conclude without mentioning that JOHN SLACK was a gentleman in the highest order, in the highest regard, a man of integrity, of honor, of decency. I will always remember and treasure my association and friendship with JOHN SLACK.

Mr. PHILLIP BURTON. Mr. Speaker, will the gentleman yield?

Mr. RAHALL. I yield to the gentleman from California.

Mr. PHILLIP BURTON. Upon entering the Chamber today, I learned, to my great personal shock, that our beloved colleague, JOHN SLACK, passed away late last night. He was a dear personal friend. As a number of our colleagues have observed, he truly did touch all of us. He was a man of great personal compassion and had concern for the well-being of our country and its people. He loved his district and his State, he loved our Nation and this House. We will all very sorely miss him.

Mr. ADDABBO. Mr. Speaker, will the gentleman yield?

Mr. RAHALL. I yield to the gentleman from New York.

Mr. ADDABBO. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I join my colleagues in remembering our beloved colleague and my dear friend, John Slack.

Mr. Speaker, I think of the old saying, "The cowboy dying with his boots on." John was just that. I remember John standing before our full Committee on Appropriations just last Thursday and in that presentation, thinking about the integrity of his subcommittee and presenting the resolution before the full Committee on Appropriations with its responsibility uppermost in his mind.

Mr. Speaker, I remember John Slack meeting with us in the corner in Cherokee Strip. The Speaker's right corner will never be the same without Johnny Slack. He was friend and adviser to senior Members as well as a friend of the new Members. He always believed in the integrity of this House and its Members and he always believed in the best in each Member of this House.

Mr. Speaker, John Slack was a great family man. It was my pleasure to be in his company and in the company of his beloved wife, Frances, on many occasions. We hope and pray that Frances' burden will be a little lighter, knowing that he will not only be missed by her but also by us here.

Mr. CONTE. Mr. Speaker, will the gentleman yield?

Mr. RAHALL. I yield to the gentleman from Massachusetts.

Mr. CONTE. Mr. Speaker, I want to join with the gentleman from West Virginia. I, too, came to the Congress with John Slack, the same year, and we served together for many, many years on the Committee on Appropriations.

Mr. Speaker, John Slack was a man of integrity, a man who believed that public office is a public trust. He was a dedicated public servant.

Mr. Speaker, I think one of the finest things you can say about a man is that he is a good man. In my book, John Slack was a good man. He was a beautiful, gentle, kind human being. We will all miss him. I extend my deepest sympathy to his wife and his family.

Mr. UDALL. Mr. Speaker, will the gentleman yield?

Mr. RAHALL. I yield to the gentleman from Arizona.

Mr. UDALL. Mr. Speaker, on a day like today we are all reminded of our mortality. I shared the shock and concern expressed by other Members, when I came to work today, to find that this great man, this good man, John Slack, was no longer among us.

□ 1220

He was everything that our colleagues have said here this morning, and I associate myself with their remarks. He was good, decent, kind, conscientious. He was a credit to his State and to his Nation, and I personally will miss him very much.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. RAHALL. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, I appreciate my colleague yielding. I wish to join with my other colleagues in stating that John Slack represented all of those fine qualities that have already been stated by my fellow colleagues.

I would like to comment additionally to what has already been said about John. As one who sits here on the Chamber floor each day and has the opportunity of watching many of our colleagues who participate in the legislative process. I can verify that John Slack was an extremely competent legislator. When John came to the floor to manage a bill, especially from the Appropriations Subcommittee on which he served as chairman, he was ready, well prepared, knew the facts, and represented that high ideal as a legislator and Member of Congress that so many of us wish we could achieve.

John was more than willing to accept the advice of his colleagues to improve a legislative product. John made sure that unwarranted expense items were pruned out of spending bills and worked hard to be sure the American taxpayer was getting his money's worth.

I too regret that we have lost a fine Member and legislative soldier. We all know today as the shock sinks in that not only his district which he represented so well will miss him, but the country will miss him as an extremely able and capable legislator.

Mr. RAHALL. I thank the gentleman.

Mr. AuCOIN. Mr. Speaker, will the gentleman yield?

Mr. RAHALL. I yield to the gentleman from Oregon.

Mr. AuCOIN. Mr. Speaker, I appreciate the gentleman yielding. I learned of John Slack's death about an hour ago. The news of his passing touches me in a most personal way. When I ran for Congress in 1974 I had never heard of John Slack, of West Virginia, and I know that the gentleman from West Virginia had never heard of me. But soon after arriving in this body I came to know John Slack because this man, a seasoned veteran of over 20 years of distinguished service, had the capacity to reach out and offer help, guidance, assistance, and no small amount of personal concern to an unknown, little ranked, freshman Member of Congress from the Pacific Northwest.

I cannot think of a time in which John Slack did not fail to give me the counsel I sought on crucial matters that affected my district and me. His passing touches the friends he leaves behind in this Chamber. It will deeply touch the lives of the constitutents of his district and his State. But I want to say that because John Slack helped so many young Members of Congress such as myself, his passing also touches the lives of hundreds of thousands of Americans from coast to coast. I extend every best wish to the Slack family at this time of sorrow, and express my deepest sympathy; but, frankly, I also want to express a sense of happiness that I knew this man.

Mr. RUDD. Mr. Speaker, will the gentleman yield?

Mr. RAHALL. I yield to the gentleman from Arizona.

Mr. RUDD. Mr. Speaker, I thank the gentleman for yielding. I would like to join my colleagues in extending great sympathy and in asking God's blessing for John Slack's widow Frances.

As a Congressman here, I went with John Slack who led a delegation to Panama at a time when things were difficult there, and with divergent views among the Congressmen who attended. I immediately developed respect for this great gentleman's sensitivity, for his care for the feelings and the needs of others, which he displayed constantly, for his respect for his fellow human beings and his fellow Members of Congress. I appreciate the counsel he gave me on more than one occasion.

I was drawn closer to him because of a childhood chum and a lifelong friend of his who has been my own friend and FBI colleague for many years, now living in Arizona. It is a great void that John Slack's passing has caused. I join my colleagues in this time of sorrow for a gentleman, John Slack.

Mr. STEED. Mr. Speaker, will the gentleman yield?

Mr. RAHALL. I yield to the gentleman from Oklahoma.

Mr. STEED. Mr. Speaker, I was one of those who were already here when John Slack arrived, so I have been privileged to serve with him all the years he was permitted to be a Member of this body. Early on, he became my friend, and as the years went by he became one of my greatest friends. This was augmented by the work we have shared on the Appropriations Committee together.

I got to know John Slack as one of the true rugged individuals of our times. He was a man of very deep conviction. He was a man of determination who never compromised with the principles that he believed in.

It will be hard for anybody to take the place of such a man. He was a great Congressman, a great credit to himself, to his State, and to his Nation; and especially to this House of Representatives where he left a record that will be to the credit of all of us for all the years to come.

Mr. Speaker, I join with my colleagues in expressing our great sympathy to his family, and also to express our great loss and regret at his passing.

Mr. WYLIE. Mr. Speaker, will the gentleman yield?

Mr. RAHALL. I yield to the gentleman from Ohio.

Mr. WYLIE. Mr. Speaker, I thank the gentleman for yielding. I just learned of the passing of John Slack as I came on the floor this morning. As I sat and listened to these various eulogies of praise, I thought that I would be remiss if I did not express my own deepest sympathy to his wife and family.

On at least two different occasions John Slack came to my rescue as a member of the Appropriations Committee without any display of partisanship on his part. For that I will always be grateful. He was one of the truly great people I have had the privilege of knowing. He will certainly be missed by everyone with whom he came in contact.

Mr. Speaker, I thank the gentleman for yielding to me.

Mr. SMITH of Iowa. Mr. Speaker, will the gentleman yield?

Mr. RAHALL. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. Mr. Speaker, I was really almost in a state of shock when I heard of John's passing this morning. We came to Congress the same day. Our names appeared on the rollcall next to one another all these years. I have served with him for 18 years on the same subcommittee of the Appropriations Committee. He was one of the very closest friends that I had in the Congress from the day I came here, and his wife Frances, and my wife are very close friends.

It is sad to think that this man, who had given so much of his life, could not have had a few years of retirement in which to enjoy his family, time with Frances, his son, and his grandchildren. I have never heard anyone say anything bad about John Slack, nor have I ever heard him say anything bad about anyone. I never knew a kinder man.

My wife and I extend heartfelt condolences to his wife, Frances, and his son, daughter-in-law, and grandchildren, all of whom he loved so much.

☐ 1230

Mr. EARLY. Mr. Speaker, will the gentleman yield?

Mr. RAHALL. I yield to the gentleman from Massachusetts.

Mr. EARLY. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I have been here just 6 years, and during those 6 years I have served on the subcommitee that John Slack chaired.

When we look around and talk so often about issues, we talk about what is good about the U.S. Congress. I have not met any Member who dealt more with issues and had more honesty, integrity, and compassion than John Slack.

When we talk about our membership, we talk about outstanding Members. In my opinion, John Slack was not one of the best; without a doubt, he was the best that I have met in my 6 years in the U.S. Congress. John Slack was a tremendous inspiration and a great example to the U.S. Congress. He was an outstanding Representative of the State of West Virginia, and was truly one of the most outstanding Americans that I have met in my lifetime.

Mr. Speaker, I want to offer my sympathy to Frances and to his son and just say that it really was a great honor to have served with John Slack.

Mr. HIGHTOWER. Mr. Speaker, will the gentleman yield?

Mr. RAHALL. I would be glad to yield to the gentleman from Texas.

Mr. HIGHTOWER. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, it has been my privilege for the past 15 months to serve on the Subcommittee on State, Justice, Commerce, and Judiciary under the leadership of John Slack. During that time I have come to appreciate the man for his very sincere representation of that part of West Virginia that sent him here, and for his concern and interest for the special problems of all the Members. He was a unique leader, he made a very valuable contribution, and he will be sorely missed.

All of us are really in a state of shock, coming to work this morning and finding that John Slack would not be here. We have come to depend on him. He will be greatly missed. I want to join in expressing sincere sympathy to his family during these sad days that are ahead for them.

Mr. DUNCAN of Oregon. Mr. Speaker, will the gentleman yield?

Mr. RAHALL. I yield to the gentleman from Oregon.

Mr. DUNCAN of Oregon. Mr. Speaker, I share the loss which all of us and his family feel at the passing of John Slack. It is sad to realize that one who was so vibrant and alive just last week is gone today. Compared to this convincing proof of our own mortality, the problems that we struggle with each day seem comparatively insignificant.

John was one of the good guys in this body. He was one who got things done quietly and without much tub thumping, but always very effectively.

Mr. Speaker, he was my friend, and I shall miss him.

Mr. DORNAN. Mr. Speaker, will the gentleman yield?

Mr. RAHALL. I yield to the gentleman from California.

Mr. DORNAN. Mr. Speaker, with some people it takes a long time to get to know them. There are others who have a special gift of warmth and friendliness that allows you to get to know them in just one weekend, on a single field trip, or in working with them on only one bill or project. The beloved gentleman from West Virginia was such a man.

My friend, the distinguished gentleman from Arizona (Mr. Rudd), mentioned a trip to the Panama Canal in February 1977 that we made with John Slack. I had only been a Congressman 6 weeks then. I had come through a very competitive election race, and when you are on the outside of Congress in a hot partisan race, you tend to think in absolutes about the other party. John changed that quickly for me. John was the first member of the majority party who befriended me, and I came to realize through him that party was not as important around here as goals and shared feelings on defense or free enterprise. I found very little over the last two Congresses that we disagreed on.

The gentleman from Arizona (Mr. Rudd) said that that was a sensitive period when we went down to the Canal Zone together and I found out very quickly on that investigative journey that John Slack was one of the great patriots of this House.

It is a special gift when someone is so easy to get to know so quickly and such a man becomes a true friend to so many people that his passing seems even more of a shock.

We have been very fortunate until now in the 96th Congress; we have not had any friends die. For almost a year and a half now, none of us have taken that great final trip that awaits every one of us. In the last months of the 95th Congress, I recall we lost eight Members in such a short period. It was very sad here to absorb the loss of so many fine colleagues. But God's will will be done.

John's untimely death, going to his glorious eternal reward, is a reminder to all of us that he is now facing his greatest adventure and his love of his fellow citizens has prepared him well. The only pain is for the loved ones he leaves behind and the countless friends he leaves behind in this distinguished body.

Mr. Speaker, it was a wonderful experience for me over the last 3 years to have served with and to have made friends with such a dedicated American. My condolences to his loving wife, Frances, and his beloved family.

Mr. STAGGERS. Mr. Speaker, will the gentleman yield?

Mr. RAHALL. I yield to my colleague, the gentleman from West Virginia (Mr. Staggers), the distinguished chairman of the Committee on Interstate and Foreign Commerce.

Mr. STAGGERS. Mr. Speaker, I thank my colleague, the gentleman from West Virginia, for yielding.

Mr. Speaker, it is quite a shock to me to learn this morning that John Slack had passed on to the next world, where I hope and pray we shall meet once again. None of us knows—and that is one thing for sure—what lies in the future, and none of us knows when the good Lord is going to call us.

As I say, this news came as a real shock to me because he seemed to be in vigorous health last week when all of our delegation had gotten together and talked over our plans for the future. We do know, though, that the good Lord disposes of many of the things we plan ourselves.

John Slack to me embodied all the things that were good in life. He was a good man. In my opinion, he was a great man. To be good and great, I think, is the dream of most of us. We try to be both, and he was both of them.

He stood like those West Virginia hills, just strong, and he did not change. He did not change with the weather and the wind. We all knew where he stood. He is like some of those things in life, in that he carried with him the fact that he was good, and he was an honest man, a man of integrity, a man of character. These things do not change. They have never changed since the beginning of time.

These are things that we judge people by. We could judge John Slack by these things, because he not only was that but he was a humble man and he was a man of righteousness, of kindness, and of love.

I am going to miss him, and I am sure all those who have been associated with him through the years are going to miss him.

There is a little saying we have back home that goes like this:

I have to live with myself, and so
I want to be fit for myself to know.
I want to be able, as the days go by
Always to look myself in the eye.
I do not want to stand with the setting sun
And hate myself for the things I have done.
I want to go out with my head erect,
I want to deserve every man's respect.

Mr. Speaker, I think that John Slack does have the respect and did have the respect of every Member of Congress and of all those who knew him. They knew where he stood. He told you what he thought and what he believed and what he stood for. He just wanted to do his best on each day and with the passing of time.

My condolences to his wife, Frances, and son, John. May cherished memories of the past years of happiness, love of family and service to his fellow men help fill the void in their lives.

● Mr. ANDERSON of California. Mr. Speaker, I was shocked and grieved to hear today of the untimely passing of John Slack. John was a man whose dedication to his party and his constituents was well known. Coming from the Kanawha County assessor's office to Congress in 1958, John knew the concerns of both Charleston residents and the coal miners of the area's surrounding counties. And he acted on their behalf here in Congress, as his service on the Appropriations Committee and chairmanship of the Subcommittee on State, Justice, Commerce, and Judiciary will attest.

Although our districts are dissimilar, I still had the opportunity of working with John on many occasions. Always, I found him to be decent, dedicated, and determined to examine the issues on their own merits before making any decisions.

John Slack was the kind of Congressman of whom his constituents approved, since his tenure here has been a long and distinguished one. Elected in 1958, John was attuned to the changing needs of his district and of society as a whole, and performed his many duties admirably.

Mr. Speaker, we will all miss John Slack a great deal. Both my wife, Lee, and I send our sincerest condolences to his wife, Frances, his son, John, and the entire Third District of the State of West Virginia.●

● Mr. DIGGS. Mr. Speaker, it is with great sadness and shock that I rise to acknowledge, with my colleagues, the untimely death of our colleague John Slack, of West Virginia.

I had the honor to serve with John Slack for more than 20 years in this body, during times of the most demanding and sweeping social and political change. Throughout that time, Congressman Slack exhibited the highest professional ideals this body can ask: The absolute dedication to the well-being of his constituents and the people of this country. Even when his decisions were not immediately popular back home, his integrity and commitment to the cause of justice proved his case.

John Slack will be sorely missed by all of us who knew him and who served with him here in the House. I hope his family, and his constituents, will be heartened during this trying time by his legacy of service to our country and by the affection and respect of his colleagues.●

● Mr. MURPHY of New York. Mr. Speaker, I was deeply saddened to learn of the untimely death of our colleague and my close personal friend, John Slack.

During our 18 years of service together in the House of Representatives, I learned to respect and admire John's abilities as a legislator, as an advocate for his constituents, and his reputation as a kind and thoughtful man willing to give of himself to those who needed help.

My respect for John was shared throughout the Congress and was best exemplified by the positions of responsibility which he earned during his tenure. Elected by this House, John served as chairman of the Subcommittee on State, Justice, Commerce, and the Judiciary of the Appropriations Committee, and also on the Committee on Standards of Official Conduct. Both of these jobs require a man of unquestionable character and dedication—a man like John Slack.

Born in Charleston, W. Va., 65 years ago, John served the people of the Third Congressional District first as a county official and later as Congressman. His performance in the Congress was acknowledged by his constituents who returned him to the House by overwhelming majorities in 11 consecutive elections.

All those whose life he touched; his family, the people of West Virginia, and those of us who were privileged to know him as a friend and colleague, feel a sincere personal loss with his passing.

John Slack will be greatly missed.●

● Mr. BOLAND. Mr. Speaker, it is with deep sadness and shock that I learned this morning of the untimely death of our colleague, John Slack. John served with me on the Appropriations Committee for 19 years—and for 9 of those years we shared the same subcommittee assignment on public works. Since 1971, he has chaired the State, Justice, Commerce, and Judiciary Subcommittee with great distinction.

Through all that time, John's hallmark has been his sense of fairness, his objectivity, has hard work and, above all, his kindness to myself and all who knew him. The work of this House will go on—but John's passing leaves a hole that will not easily be filled. He worked in a quiet and unassuming manner—but he left behind a contribution of stability and knowledge and compassion that we will all miss.

I express my deepest sympathy to his devoted and beloved family, his wife, Frances, and son, Johnny.●

● Mr. BENNETT. Mr. Speaker, I rise with a sad heart to express my sorrow, and that of the Committee on Standards of Official Conduct, on the passing of our beloved colleague John Slack, a member of that committee who served with distinction on it.

Mr. Speaker, John Slack was a giant among men, yet a very modest man in his relationships with others. He was warm and kind, highly intelligent, yet with great humility. We used to enjoy lunch together almost every day. And it was a joy to talk with him about his beloved family and his home State of West Virginia; and about the major issues and the small ones that our country has been meeting each day. A magnificent fellow, we will miss him; and I know we all send to his family our love and our deepest sympathy.●

● Mr. ZEFERETTI. Mr. Speaker, I was both shocked and saddened by the news of the recent death of our friend and colleague, John M. Slack.

John's expertise and know-how, accumulated over a period of more than 22 distinguished years in Congress, were particularly helpful to me following my own election in 1974. He was concerned enough to take the time to share his knowledge of the legislative process and, in doing so, we became close personal friends.

I particularly admired John's integrity and his commonsense approach to the intricate problems facing the Nation, qualities found all too rarely in today's world. His West Virginia upbringing and experience in World War II toughened him to tackle any situation, no matter how complex. But, at the same time, John never lost his warm personality and his sincerity in dealing with his fellow man.

John Slack's leadership as chairman of the Appropriations Subcommittee on State, Justice, Commerce, and Judiciary will be sorely missed as we face the difficult task of determining cuts in the Federal budget in the months ahead.

To his wife and son I extend my deepest sympathies at the passing of a fine husband and father. The people of Charleston, and the Nation as a whole, have lost an outstanding political figure. I join my colleagues in expressing deep sadness in having lost a valued friend.●

○ Mr. BROOMFIELD. Mr. Speaker, I join my colleagues in expressing my great shock and sorrow upon learning of the death of our friend and colleague, Congressman John Slack.

While John and I have always sat on opposite sides of the political aisle, that aisle could not block the respect and friendship that I felt for him. For 21 years, we served together in th's body, and during that time I admired him for his hard work, dedication, and skill as a legislator. On a personal level, John was always very decent and honest, and you could always count on him for his word was his bond—qualities that made him a great human being and an effective Member of Congress.

With John's death, this body and our Nation have lost a great American, and we are all the poorer for it.

Mr. Speaker, I extend my deepest sympathies to John's wife and son during this time of grief. I hope they can take some comfort in the knowledge that their feeling of loss is shared by many of us, John's friends.●

● Mr. ANNUNZIO. Mr. Speaker, I rise in tribute to the Honorable John M. Slack, who died yesterday at the height of his distinguished career.

Congressman Slack was my friend during all the years I have been privileged to serve with him in Congress, and I valued his sound judgment and wise counsel. John served the people of the Third District of West Virginia and the Nation with distinction and devotion. His long and outstanding career of public service will be remembered with admiration by all of us who had the good fortune of knowing him and working with him.

John Slack began his career of leadership in Congress with his election in 1958, and during the 22 years he served, he compiled a splendid record of accomplishment. His diligent efforts as chairman of the Appropriations Subcommittee on State, Justice, Commerce, and Judiciary and as a member of two other appropriations subcommittees have been both fruitful and beneficial to the citizens of this Nation. Indeed, JOHN's successful efforts have made America a more just and prosperous country.

Few men have given more of themselves to good government, or have had a more compassionate understanding of human problems than did JOHN SLACK. A member of the Interparliamentary Conferences of our Nation with both Mexico and Canada, he was also in the forefront of efforts to implement meaningful solutions and effective action on behalf of all the citizens of our country.

JOHN SLACK's courageous dedication to high standards was an inspiration to his friends and his fellow citizens, and his record of achievement is one we all view with great pride. JOHN was truly a great American in every sense of the word, and he will be missed by all of us.

Mrs. Annunzio and I extend our deepest sympathy to his wife, Frances, his son, John, and to his family.●

● Mr. NATCHER. Mr. Speaker, I rise at this time to pay my respects to the late JOHN M. SLACK. JOHN M. SLACK was my friend and he was one of the outstanding Members in the House of Representatives. As chairman of the Subcommittee on State, Justice, and Commerce of the Committee on Appropriations, he was respected and admired by the Members of the Congress. He was always fair and scrupulously honest in all of his dealings with the departments over which he served as chairman as he was with all of the Members in the Congress that had occasion to appear before his subcommittee to offer testimony concerning any of the amounts in the annual appropriations bill.

Mr. Speaker, the talents and the professionalism of JOHN M. SLACK as a legislator and a leader were well known to all of the Members in the House. His hard work and conscientious representation were well appreciated, not only by the people of the State of West Virginia and of the district that elected him to the House, but to everyone who at any time had an opportunity to meet and to associate with him in his capacity as a Member of Congress. He always fought the good fight when he felt his principles were threatened and he at all times worked to uphold the dignity and the honor of the House of Representatives. During our time, giants have walked the face of the Earth and JOHN M. SLACK was one among them. Never was there anyone more dedicated to the service he performed or the people he served. All Members of the House regardless of party, Mr. Speaker, liked JOHN M. SLACK.

The loss of JOHN M. SLACK to the Nation will be felt down through the years and will be mourned by all of those who had the honor to have worked with him in seeking to build a better community and a better country.

I join, Mr. Speaker, with his family, constituents, and many friends in a sense of this great loss and wish to convey to them my sincere expression of sympathy.●

● Mr. FORD of Michigan. Mr. Speaker, the death Monday of our colleague, JOHN SLACK, has a cast a pall of sorrow over this body. No Member of the House was more universally liked and respected.

I first met JOHN when I arrived in Washington in 1965 as a freshman Member. He was one of those who was never too busy to offer his advice and friendship.

JOHN SLACK was a dedicated Representative who fought hard and effectively for his district and for his country. He was a skillful legislator and served capably as chairman of the Appropriations Subcommittee on State, Justice, Commerce, and the Judiciary.

The people of West Virginia's Third District have lost an outstanding Representative, and we have all lost a good friend.●

● Mr. RODINO. Mr. Speaker, I want to take this opportunity to express my sincere condolences to the family of Congressman JOHN SLACK, who died suddenly on Monday night. JOHN SLACK was my friend for 20 years in the House, and his passing saddens me deeply, as I am sure it does many of my colleagues who liked and respected this distinguished chairman of the Appropriations Subcommittee on State, Justice, Commerce, and the Judiciary.

Since JOHN SLACK entered the House in 1959 the people of Charleston and all the citizens of West Virginia's Third Congressional District could not have had a better or more loyal Representative. He gave all his attention and efforts to what he believed was best for his constituents and the interests of our Nation. JOHN SLACK was a considerate and decent man who served his State and his Nation conscientiously and admirably.

Mr. Speaker, I will miss my friend from West Virginia, and I join my colleagues in mourning his death.●

● Mr. RHODES. Mr. Speaker, I share with my colleagues in the House our sense of loss over the sudden passing of our colleague, Representative JOHN SLACK. He served the Third District of West Virginia, and our Nation, with distinction for two decades.

It was my privilege to know JOHN SLACK as a friend. He was a quiet man, who shunned the spotlight, but was a most effective legislator, with a wide grasp of the Federal appropriations process. He had many friends and immense respect on both sides of the political aisle.

We in the House have lost a friend and highly regarded colleague, and the people of West Virginia have been deprived of the services of a conscientious Representative. We all are the richer for his having served 20 years among us.●

● Mr. LIVINGSTON. Mr. Speaker, I want to join my colleagues in expressing my sorrow upon hearing of the untimely death of Representative JOHN SLACK, JR. I served with JOHN SLACK on the Committee on Standards of Official Conduct for the past year, and I came to know him as a capable and honorable man. His presence will be sorely missed by all of his friends and colleagues in the House of Representatives. My condolences go out to his family.●

● Mr. MOAKLEY. Mr. Speaker, I rise this afternoon in memory of our colleague, the Honorable JOHN M. SLACK of West Virginia. JOHN's untimely passing, on his 65th birthday, has filled all of us who served with him in this body with sadness and regret.

Born in Charleston, West Virginia's capital city and the seat of the congressional district he represented, JOHN's 22-year career in the House was consistently marked by his tireless and effective advocacy of legislative issues having direct impact on the residents of West Virginia's Third District. His career in Congress was shaped by a fundamental interest in providing the mining and agriculturally oriented constituents he served with the resources and services offered by the Federal Government. One method he advocated to accomplish this end was roadbuilding.

An advocate of the national highway trust fund, JOHN was a consistent supporter of the Interstate Highway System and used his position on the House Appropriations Committee to work for the completion of a national highway network.

JOHN also served the Congress as chairman of the State, Justice, Commerce, and Judiciary Subcommittee of the House Appropriations Committee. JOHN was not an aggressive personality type, and he used the chairmanship of his subcommittee not for his own personal enhancement, but to insure that appropriations reached the intended agencies and departments with a minimum of interruption, delay, or error. JOHN's subcommittee had responsibility for overseeing the transfer of funds to agencies, such as the Small Business Administration, the Federal Maritime Commission, the Commission on Civil Rights, and the Equal Opportunity Commission; all of which have direct and substantial impact on the citizens of the Third Congressional District in West Virginia, as well as throughout the Nation.

It is far too seldom, in this day and age, that one encounters a personality like that of JOHN SLACK. A quiet, noncombative man, JOHN always impressed his colleagues with the workload he carried and the pace at which he moved. The loss of JOHN SLACK certainly diminishes the stature of the U.S. Congress.

Thank you.●

● Mr. SENSENBRENNER. Mr. Speaker, Congress and the Nation have suffered a great loss in the passing of our colleague from West Virginia, JOHN SLACK.

I served with JOHN SLACK on the Committee on Standards of Official Conduct, which is one of the most difficult assignments in the Congress. He was a true friend, likable from the minute I met him. From our very first difficult issue, I knew that JOHN SLACK spoke with authority and from conviction. It was easy to see why he was one of the most respected Members of the House in the eyes of both Democrats and Republicans.

Throughout his almost 22 years' service in Congress, JOHN SLACK truly represented the finest ideals of American public service. We all shall miss him. My wife, Cheryl, and I extend our deepest sympathies to his wife, son, and grandchildren, who will miss him the most.●

LEGISLATIVE PROGRAM

(Mr. WRIGHT asked and was given permission to address the House for 1 minute.)

Mr. WRIGHT. Mr. Speaker, I take this time in order that I may announce the program for the remainder of the week.

Today, when we adjourn at approximately 5:30, we will adjourn out of respect to the memory of our colleague, JOHN SLACK.

Tomorrow, Wednesday, we will meet at 3 o'clock, and we will consider H.R. 5741, the Mortgage Subsidy Bond Tax Act.

On Thursday, the House will meet only in pro forma session in observance of Congressman SLACK's funeral. On Friday we will not be in session at all.

S. SGT. JAMES M. RAY STILL MISSING IN ACTION IN SOUTHEAST ASIA

(Mr. MONTGOMERY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MONTGOMERY. Mr. Speaker, at a time when our Nation's attention is focused on many issues, I would like to ask that we take a moment to reflect on an event which for most of us is in the past.

Twelve years ago today S. Sgt. James M. Ray while serving in Vietnam was taken prisoner by the Vietcong. When Sergeant Ray was captured his family was fortunate to know he was alive from an escaped prisoner's report. However, when the POW's were repatriated, Jimmy was not among those who came home, and his remains have never been returned.

On this 12th anniversary of his captivity, Jimmy Ray's family is still in an unstable emotional condition. We know that the Vietnamese have some remains and information of Americans who fought in that part of the world. I would hope that the State and Defense Departments continue to press for an accounting of these Americans.

I take this opportunity to commend Chairman LESTER WOLFF and his subcommittee for their continued work in the MIA area.

PUBLIC AFFAIRS NETWORK TV COMES TO SAN BERNARDINO COUNTY

(Mr. LEWIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEWIS. Mr. Speaker, a positive note about public affairs, for this is the time of great excitement and opportunity in the high desert in San Bernardino County where my district lies in California. Due to the confluence of a couple of circumstances, the first being the availability of the cable Satellite Public Affairs Network, known as C-SPAN, and the dedication and commitment of Warner Cable Co. of Barstow, the people of the high desert in my district, Barstow, Victorville, and Wrightwood, specifically, have a new opportunity to come closer to their Congress, for televising daily the work of the Congress firsthand is that commitment of Warner Cable Co.

Today the Chamber of Commerce of Barstow is meeting in celebration of this new opportunity.

The point I would like to make, and leave with all of us, is that the cornerstone of democracy is an informed and enlightened public. I am grateful for this new opportunity for information for my people. I would urge all of them to participate, to become closer and perhaps play a role in changing the Congress.

ILLINOIS' "BLIND" PRIMARY: A TRAVESTY

(Mr. PORTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PORTER. Mr. Speaker, today in my home State of Illinois voters of both parties are going to the polls to express their preferences for their parties' nominees for President of the United States. The process is in two parts: First, voting directly for the Presidential candidates—the so-called beauty contest, which has no effect on the number of delegates selected; and second, voting for delegates to the national conventions.

But in one primary, that of my own party, voters have been denied any indication on the ballot of the delegate candidates are backing for President. A Presidential candidate could be the overwhelming choice of the voters and yet receive no delegates to the convention because voters could not tell his delegate candidates on the ballot.

Mr. Speaker, this "blind" primary was designed by the party leaders to put control of the convention delegation in their hands rather than in the hands of the voters. It is wrong, Mr. Speaker, a denial of the basic purpose of primary elections—to allow the people not the party bosses, to decide.

I urge the national party to adopt a rule at the convention this summer so that this travesty can never happen again anywhere in our country.

LESSON NO. 1 IN SUPPLY-SIDE ECONOMICS

(Mr. ROUSSELOT asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ROUSSELOT. Mr. Speaker, the full House will soon take up the first concurrent budget resolution for fiscal year 1981. As we do so, we should take a moment to reflect back upon a lesson in supply-side economics.

In the early sixties, President Kennedy proposed legislation that would lower tax rates by substantial amounts. Income tax rates were reduced by an average of 25 percent. An investment tax credit was first put into effect and the rate of taxation in corporate income was reduced from 52 to 48 percent. Other tax cuts were also enacted.

The result? The unemployment rate fell from almost 7 percent in 1961 to less than 4 percent in 1965. The economy boomed and Government spending as a percentage of the GNP declined, even as the size of the budget in total dollars increased.

As we enter the new budget season, I urge my colleagues to take heed of this lesson. I urge my colleagues to support a 1981 balanced budget with both reduced taxes and reduced spending.

□ 1250

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. DANIELSON). Pursuant to the provisions of clause 3(b) of rule XXVII, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

After all motions to suspend the rules have been entertained and debated and after those motions, to be determined by "nonrecord" votes have been disposed of, the Chair will then put the question on each motion on which the further proceedings were postponed.

INDIAN LAND CLAIMS

Mr. UDALL. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 6631) to provide for the settlement of the land claims of the Cayuga Indian Nation in the State of New York, and for other purposes, as amended.

The Clerk read as follows:

H.R. 6631

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as "Cayuga Indian Claims Settlement Act of 1980".

CONGRESSIONAL FINDINGS AND DECLARATION OF POLICY

SEC. 2. (a) Congress hereby finds and declares that—

(1) the Cayuga Indian Nation is asserting claims for damages and for the possession of a large area of land in the State of New York, on the ground that the original transfers of the lands by the tribe to the State of New York were made in violation of the Trade and Intercourse Act of 1790, or subsequent versions thereof;

(2) substantial economic and social hardship to a large number of landowners in Seneca and Cayuga Counties, New York, may result if the tribe's claim is not resolved immediately;

(3) the Congress shares with the State of New York and the landowners in the claim area a desire to remove all clouds on titles resulting from the tribe's claim; and

(4) the tribe, the State of New York, and the Secretaries of the Interior and Agriculture have executed, as evidence of an agreement on the terms of a settlement, a memorandum of understanding which requires implementing legislation by the Congress of the United States.

(b) Therefore, it is the purpose of this Act—

(1) to remove the cloud on the titles to thousands of acres of land in the State of New York resulting from the tribe's claim; and

(2) to provide for a reservation in the State of New York for the tribe and all its members in order to permit the preservation of the tribe and its culture and to promote the social and economic well-being of the tribe and all its members.

DEFINITIONS

SEC. 3. For the purposes of this Act, the term—

(1) "tribe" means the Cayuga Indian Nation as constituted at the signing of the November 11, 1974, Treaty between the United States and the Six Nations (7 Stat. 44), and any predecessor or successor in interest, including the Cayuga Indian Nation of New York, and also including the Cayuga Nation as constituted after the preparation by the Secretary of the roll in accordance with section 9 of this Act;

(2) "Cayuga Reservation" means all lands which are transferred to or acquired by the Secretary to be held in trust by the United States for the benefit of the tribe pursuant to the provisions of this Act;

(3) "Secretary" means the Secretary of the Interior;

(4) "State" means the State of New York;

(5) "land or natural resources" means any real property or natural resources, or any interest in or right involving any real property or natural resource, including but not limited to, minerals and mineral rights, timber and timber rights, water and water rights, and rights to hunt and fish; and

(6) "transfer" includes but is not limited to any sale, grant, lease, allotment, partition, or conveyance, or any transaction the purpose of which was to effect a sale, grant, lease, allotment, partition, or conveyance, or any event or events that resulted in a change of possession or control of land or natural resources.

FINDINGS BY THE SECRETARY

SEC. 4. (a) Section 5 of this Act shall not take effect until the Secretary finds that the United States has acquired in fee simple and at no cost to the United States Treasury, as provided by section 8 of this Act, the parcel of land known as Sampson State Park, in Seneca County, New York, to be held by the United States in trust for the benefit of the tribe.

(b) Sections 6 and 7 of this Act shall not take effect until the Secretary finds that authorized officials of the tribe have executed appropriate documents relinquishing all claims to the extent provided by section 5 (which shall nevertheless not take effect until the Secretary has made a finding in accordance with subsection (a) of this section in consideration of the provisions of this Act).

APPROVAL OF PRIOR TRANSFERS AND EXTINGUISHMENT OF INDIAN TITLE AND CLAIMS OF THE CAYUGA INDIAN NATION

SEC. 5. (a) If the Secretary finds, in accordance with section 4(a) of this Act, that the United States has acquired the interest of the State in lands known as Sampson State Park and has complied with sections 6(a), 7 and 8 of this Act, he shall publish such a finding in the Federal Register, and upon such publication—

(1) any transfer of land or natural resources located anywhere within the State from, by, or on behalf of the tribe or any member thereof, including but not limited to a transfer pursuant to any statute or treaty of any State, shall be deemed to have been made in accordance with the Constitution and all laws of the United States that are specifically applicable to transfers of land or natural resources from, by, or on behalf of any Indian, Indian nation or tribe of Indians (including but not limited to the Trade and Intercourse Act of 1790, Act of July 22, 1970, Ch. 33, § 4, 1 Stat. 137, and all amendments thereto and all subsequent versions thereof), and Congress does hereby approve any such transfer effective as of the date of said transfer;

(2) to the extent that any transfer of land or natural resources described in paragraph (1) of this subsection may involve land or natural resources to which the tribe, or any other entity presently or at any time in the past known as the Cayuga Indian Nation, or any other predecessor or successor in interest or member thereof, or any other Indian, Indian nation, or tribe of Indians, had aboriginal title, paragraph (1) of this subsection shall be regarded as an extinguishment of such aboriginal title as of the date of said transfer; and

(3) by virtue of the approval of a transfer of land or natural resources effected by this section, or an extinguishment of aboriginal title effected thereby, all claims against the United States, any State or subdivision thereof, or any other person or entity, by the tribe or by any other Indian, Indian nation, or tribe of Indians, arising subsequent to the transfer and based upon any interest in or right involving such land or natural resources (including but not limited to claims for trespass damages or claims for use and occupancy) shall be regarded as extinguished as of the date of transfer, and the United States agrees to hold the State, its political subdivisions, and all present or former owners or occupants of such lands harmless for all damages by reason of such claims.

(b) Any hunting and fishing rights reserved or granted to the tribe by treaty or statute shall not be affected by the provisions of this Act.

CAYUGA INDIAN CLAIMS SETTLEMENT FUND

SEC. 6. (a) There is hereby established in the United States Treasury a fund to be known as the Cayuga Indian Claims Settlement Trust Fund in which $8,000,000 shall be deposited following the appropriation of sums authorized by section 10 of this Act. This fund shall be held in trust by the Secretary for the benefit of the tribe and administered in accordance with terms established by the Secretary and agreed to by the tribe, except that no part of the principal of the fund shall be distributed among the members of the tribe on a per capita basis. The Secretary shall make available to the tribe in semiannual payments any income derived from the fund, the use of which shall be free of regulation by the Secretary. Once these payments have been made to the tribe, the United States shall have no further trust responsibility to the tribe or its members with respect to the sums paid, any subsequent distribution of these sums, or any property or services purchased therewith, except that lands purchased by the tribe with such income may be taken in trust by the Secretary for the benefit of the tribe.

(b) The Secretary may expend a sum of up to $2,500,000 of the principal of the fund for the purpose of acquiring land for the tribe. Lands acquired pursuant to this section may be held by the United States in trust for the benefit of the tribe.

(c) The Secretary is authorized, immediately upon the enactment of this Act, to acquire options to purchase land on behalf of the tribe. Payment for any option acquired pursuant to this subsection shall be in the amount of 5 per centum of the fair market value of the land to be purchased, and shall be paid out of any appropriations generally available to the Bureau of Indian Affairs. The total amount of option fees paid pursuant to this subsection shall not exceed $125,000. Upon the appropriation of sums authorized by section 10 of this Act, the Secretary shall reimburse out of the fund those Bureau of Indian Affairs accounts used for the payment of option fees pursuant to this subsection. The option fee for each option agreement shall be applied to the agreed purchase price in the agreement if the purchase is completed in accordance with the terms of the option agreement.

(d) Effective October 1, 1980, the Secretary of Health and Human Services is authorized to reimburse the State for the State's net share of the costs of the sewer district project for that portion of the project to be constructed over Sampson State Park that represents the State's contribution, not to exceed $300,000: *Provided*, That the tribe shall have the right to be serviced by such facility under agreement with the local authorities.

LAND TRANSFER

SEC. 7. (a) All of the federally owned lands within Seneca County, New York, consisting of three thousand six hundred and twenty-nine acres more or less, known as the Hector Land Use Area administered by the Forest Service of the Department of Agriculture, are hereby withdrawn from the National Forest System.

(b) Subject to valid existing rights, the Secretary of Agriculture is authorized and directed to transfer all right, title, and interest in these lands to the Secretary to be held by the United States in trust for the benefit of the tribe. The transfer shall be effective upon the publication in the Federal Register of a description of the lands to be transferred: *Provided*, That corrections to the description may be made by subsequent publication in the Federal Register. Nothing herein shall preclude the right of the Secretary of Agriculture to reserve rights of public access over South Town Line Road adjacent to Forest Service lands in Schuyler County, New York.

(c) Valid existing rights under this section shall include all reservations and encumbrances of record, easements, the right to maintain and operate utility facilities, pursuant to franchise, existing on the date of enactment, grazing, and other special use permits, contracts, oil and gas leases, and mineral leases and the right to ingress and egress over the land transferred to or later acquired under this Act for the exercise of valid existing rights: *Provided*, That the establishment of hiking trails pursuant to the authority of the National Trails System Act, section 4 of the Act of October 2, 1968 (82 Stat. 919), shall not be considered a valid existing right.

LAND ACQUISITION

SEC. 8. The Secretary shall acquire from the State by eminent domain subject to valid existing rights as that term is defined in section 7 the parcel of land known as Sampson State Park, in Seneca County, New York, to be held by the United States in trust for the tribe: *Provided, however*, That such acquisition shall be at no cost to the United States Treasury, but shall be in consideration for the tribe's relinquishment of its land claims pursuant to sections 4(b) and 5 of this Act: *Provided further*, That that portion of Sampson State Park north of tributary 12 of Seneca Lake as defined in item numbered 404 of section 898.4 of title 6 of the New York Codes, Rules and Regulations, shall continue to be operated by the State as a State park until October 1, 1983: *Provided further*, That the tribe shall continue to operate and maintain such portion of Sampson State Park as a public recreation area from October 1, 1983, until January 1, 1989, unless the tribe and the State agree that the tribe cannot so operate such facilities without incurring a financial loss: *Provided further*, That notwithstanding any other provision of law, the acquisition of Sampson State Park by the Secretary from the State shall in no way render the State or any of its political subdivisions ineligible to receive financial assistance for the purpose of outdoor recreation or any other purpose: *Provided further*, That the State shall retain the necessary easements to operate and maintain the utility systems located on Sampson State Park, which are integrated with the local community: *Provided further*, That the State shall retain the right to maintain State Highway 96A to a width of six rods, to enter on the land transferred by this Act when necessary to maintain and improve State Highway 96A, and to permit the general public to travel unimpeded on State Highway 96A: *And provided further*, That the grant of Sampson State Park shall exclude any portion of the State highway which lies on the perimeter of such grant.

TRIBAL ROLL

SEC. 9. (a) The Secretary shall prepare a roll of the members of the Cayuga Indian Nation of New York, consisting of all persons of Cayuga Indian ancestry, whether domiciled in the United States or Canada, who were born on or before and were living on the date of the enactment of this Act and who—

(1) are enrolled as members of the Cayuga Indian Nation of New York; or

(2)(A) are matrilineal descendants of members of the Cayuga Indian Nation as constituted at the signing of the November 11, 1794, Treaty between the Six Nations and the United States (7 Stat. 44), as evidenced by the roll of the tribe certified in the year 1832 or any other available rolls or records which have been verified as accurate; and

(B) possess at least one-eighth degree of Indian blood.

(b) All persons seeking enrollment under subsection (a)(2) of this section must file applications with the Secretary (or have them filed on their behalf) in accordance with rules and regulations promulgated by the Secretary.

(c) Only persons enrolled in the tribe pursuant to this section shall be entitled to share in the benefits of this Act accorded members of the tribe: *Provided*, That such enrollment shall not be regarded as ensuring an enrollee's eligibility for special services performed by the United States for Indians because of their status as Indians.

(d) Effectuation of any provision of this Act shall not be dependent upon the Secretary's completion of the preparation of the roll pursuant to this section.

(e) After the preparation of the roll pursuant to this section—

(1) the Secretary shall keep the roll current by adding all children born after the date of the enactment of this Act who meet the eligibility requirements of paragraph (a)(2) and by deleting all deceased enrollees; and

(2) the Secretary may from time to time at the request of the tribe, amend the roll to include other persons who meet the eligibility requirements of subsection (a)(2).

(f) Nothing in this section shall be construed as affecting the right of the tribe to maintain a roll independent of the roll prepared by the Secretary pursuant to this section.

AUTHORIZATION OF APPROPRIATIONS

SEC. 10. There is hereby authorized to be appropriated, effective October 1, 1980, $8,000,000 to carry out the purposes of this Act.

JURISDICTION OVER THE CAYUGA RESERVATION

SEC. 11. (a) Upon the creation of a tribal police department approved by the Secretary, such police department shall be authorized to enter into agreements with the State or any political subdivision thereof.

(b) Upon the creation of a tribal court system approved by the Secretary and with the consent of the State, the Cayuga Indian Nation court shall have jurisdiction over criminal offenses committed on the Cayuga Reservation, but in no event shall such jurisdiction be greater than that of a village court of the State, as defined by the laws of the State now or hereafter in force. The criminal jurisdiction of the tribal court shall be limited to offenses committed by Indians residing on the Cayuga Reservation.

(c) The criminal jurisdiction of the Cayuga Indian Nation, as provided in subsections (a) and (b), shall be concurrent with that of the State.

(d) The provisions of sections 1152 and 1153 of title 18 of the United States Code shall not be applicable to the Cayuga Reservation.

(e) The provisions of the Act of July 2, 1948 (62 Stat. 1224), shall apply to the Cayuga Reservation.

(f) The Cayuga Indian Nation is authorized to enter into agreements with the State or any county of the State for incarceration of persons arrested by the tribal police department if subject to a judgment of conviction by the tribal court.

(g) The provisions of the Act of September 13, 1950 (64 Stat. 845), shall apply to the Cayuga Reservation.

AUTHORITY OF THE SECRETARY OF AGRICULTURE

SEC. 12. (a) All federally owned lands within the State of New York which are now or hereafter administered as part of the National Forest System are hereby made subject to—

(1) the Weeks Act of March 1, 1911 (36 Stat. 961), as amended, and to all laws, rules, and regulations applicable to national forest lands acquired thereunder;

(2) sections 31, 32, and 33 of title III, Bankhead-Jones Farm Tenant Act of July 22, 1937 (50 Stat. 525), as amended; and

(3) Public Law 94-565 (90 Stat. 2662), as amended, providing for payments to local governments based upon the amount of public lands within the boundaries of such localities, notwithstanding any provision of section 6(a)(4) of said Act (90 Stat. 2665).

(b) The Secretary of Agriculture is authorized and directed to forgive any and all outstanding debt obligations of the Hector Cooperative Grazing Association, Incorporated, of Trumansburg, New York, pursuant to a loan of $25,000 by the Farmers Home Administration, case numbered 37-49-1327605, subject to the following provisions—

(1) the Secretary of Agriculture shall require the conveyance to the United States of the Pole Building which is collateral for the loan; and

(2) the Secretary of Agriculture, through the Forest Service, may thereafter utilize, lease, sell, or otherwise dispose of such building for such uses and upon such terms and conditions as he deems necessary or desirable.

LIMITATION OF ACTIONS; JURISDICTION

SEC. 13. (a) Notwithstanding any other provision of law, any action to contest the constitutionality of this Act shall be barred unless the complaint is filed within one hundred and eighty days of the date of enactment of this Act. Exclusive jurisdiction over any such action is hereby vested in the United States District Court for the Northern District of New York.

(b) The time within which the tribe may file an action claiming trespass damages for transfers of land, the claim for which is otherwise to be relinquished pursuant to section 5 of this Act, is hereby extended until October 1, 1981: *Provided*, That the tribe shall not initiate such suit unless there is a failure of the United States to fulfill and perform the obligations and actions required by section 6(a), 7, and 8 of this Act within twelve months of the date of enactment of this Act or unless the United States is precluded from performing those obligations by successful suit filed pursuant to section 13 (a) of this Act.

SEPARABILITY OF PROVISIONS

SEC. 14. If any provision of this Act, or the application of any provision to any person, entity, or circumstance, is held invalid, the remainder of the Act, shall not be affected thereby; except that, if section 5 is held invalid, then the entire Act shall have no force or effect of law.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Arizona (Mr. UDALL) will be recognized for 20 minutes and the gentleman from Utah (Mr. MARRIOTT) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Arizona (Mr. UDALL).

GENERAL LEAVE

Mr. UDALL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 6631.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. UDALL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 6631 is an administration proposal which I introduced by request. It is a legislative ratification and implementation of a settlement of the land claims of the Cayuga Indian Tribe of New York. This settlement was negotiated by the Interior Department with the State of New York and the Indian tribe.

The tribe is claiming title to 64,000 acres of land in central New York, and is also claiming trespass damages against the current owners of record.

The claim is based upon the alleged violation, by the State, of a Federal law prohibiting purchase of Indian lands without the consent of the United States. The tribe claims that the two State treaties in 1795 and 1807, in which the tribe's 64,000-acre reservation was ceded, was without approval of the United States.

Mr. Speaker, I do not support or oppose the legal validity of the tribe's claim. The courts of the United States are open to all citizens, including the Cayuga Indians, to pursue their legal claims. Attorneys for the State and the administration have determined that the tribe's claim is not frivolous and has a credible legal foundation.

If the claim was litigated in the courts for the next 5 years to the bitter end, the tribe might or might not win. No one can say for sure.

I am concerned with the impact of this litigation. Over 4,000 defendants in Seneca and Cayuga County, N.Y., would be named, most of whom are individual owners of homes, farms, and small businesses. These innocent parties would be forced to the expense of attorney fees and legal costs. A cloud would immediately be cast on land titles in the claim area and the real estate market would be disrupted. Title insurance would not be obtaintable; homes would not be salable; and economic development credit would dry up.

Litigation is clearly not a sane solution.

Some have suggested that Congress simply wipe out the tribe's claim. While there would be moral questions about this approach, it does have the appeal of simplicity. But it is shortsighted. First, it is constitutionally questionable. If

Congress did have the power to do so, it would subject the United States to the claim which might be in the tens of millions of dollars.

Some people have questioned the haste with which the committee has acted on this bill. The administration did not submit its proposal until February 6 of this year. After a short courtesy delay to allow the Member from that district to consider introduction of the proposal, I introduced the bill by request as chairman of the Interior Committee. Committee hearings were held on March 3 and the bill was marked up and reported by the committee on March 12. The committee did expedite action in order to beat a deadline, April 1. Unless this bill is passed into law before then, the tribe will be forced to file its claim because of the expiration of the statute of limitations on the claim.

Mr. Speaker, because of the credibility and scope of the tribe's claim and the disastrous impact if it was filed, the proposed settlement is reasonable. It calls for an extinguishment of all the tribe's land claims in New York in return for an $8 million settlement fund from the United States and the establishment of a reservation composed of 3,600 acres of Federal land and 1,800 acres of State lands.

Most of the parties directly concerned strongly support the bill. Of course, the administration supports its own proposal. The State of New York, acting through the Governor's office, supports it and the tribe supports it.

The non-Indian landowners in the claim area support it. I have received nearly 100 letters from them pleading with us to act quickly on the settlement.

Mr. Speaker, I urge the passage of the bill.

Mr. Speaker, I withhold the balance of my time.

Mr. MARIOTT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 6631. This bill would ratify and implement a negotiated settlement of the land claims of the Cayuga Indian Nation against the State of New York and private landowners in Seneca and Cayuga Counties, N.Y.

The bill provides that the Cayuga Indian Nation will agree to the extinguishment of all of its land claims in the State of New York, including its claim to their former 64,000-acre reservation, and any associated damage claims. In return, the tribe will receive a 5,430-acre reservation comprised of 3,630 acres of Federal land and 1,800 acres of State land. The tribe will also receive an $8 million trust fund, of which $2.5 million will be used by the Secretary of the Interior to acquire private lands for the tribe for inclusion in the new reservation.

H.R. 6631 represents a compromise agreement worked out by negotiations representing the State of New York, the administration, and the Cayuga Indian Nation. Its principal virtue and ultimate goal is to spare the State and approximately 4,000 individual landowners the costs of what certainly would be prolonged litigation.

If this settlement were not enacted and the tribe were to file its claims, a cloud would be cast over all titles to land within the 64,000-acre former reservation area and would remain as long as the litigation was pending. It is well known that where land titles are clouded, banks and mortgage companies stop issuing loans and mortgages. New businesses are not likely to open, title insurance firms will not insure property and real estate is unlikely to be sold. Municipal bond issues cannot be placed on the market or become unsalable. As a result, land values depreciate and a chain reaction of negative economic impacts ensues. A negotiated settlement of the claims is a clearly preferable alternative to litigation and its consequences.

I believe that it is in the overall public interest for Congress to ratify agreements like the one before us. The responsibility for the existence of these claims rests largely with the United States and, in this case, with the State of New York. The several thousand property owners who would be defendants if the Cayuga claim were litigated are utterly innocent of any wrongdoing, and should not have to bear the burden of claims litigation. The settlement in H.R. 6631 is supported by the principal parties to the claim—the State, the administration, a substantial majority of the property owners in the claim area, and the Cayuga Indian Nation.

In my view, H.R. 6631 is a reasonable and fair bill whose cost in terms of dollars and social unrest is far less than the alternatives. I urge my colleagues to support it.

Mr. MARLENEE. Mr. Speaker, will the gentleman yield?

Mr. MARRIOTT. I yield to the gentleman from Montana.

Mr. MARLENEE. The reason for passing the bill seems to be the fact that they will file suit against the non-Indians and the State of New York. Is that correct?

Mr. MARRIOTT. I think the purpose of the bill is basically to keep the situation out of the courts.

Mr. MARLENEE. To avoid a lawsuit which has been threatened. Is not this a form of blackmail?

Mr. MARRIOTT. I do not believe it is.

Mr. MARLENEE. I do not think it is a good reason to pass a bill when these kinds of pressures are exerted on the Congress.

Mr. MARRIOTT. I would think, if the State of New York and the parties in question have made a compromise, certainly a compromise is far better and cheaper than going into the courts, I think, for all parties concerned.

Mr. MARLENEE. I thank the gentleman.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. MARRIOTT. I yield 3 minutes to the gentleman from California.

Mr. ROUSSELOT. I thank the gentleman for yielding.

I have no substantive questions about this legislation, but I take this time to direct a question to the Speaker. Mr. Speaker, my question is, Why has the procedure of the House been changed? As I understand it, Mr. Speaker, the procedure has been altered so that the recorded vote on H.R. 5625 (the A. Phillip Randolph Institute Gold Medal) was put over from yesterday's suspension calendar. Normally that recorded vote would occur today, first thing.

I wonder if the Speaker could explain to the House why that was changed?

Mr. ROSTENKOWSKI. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I would be glad to yield to my colleague from Illinois (Mr. ROSTENKOWSKI).

Mr. ROSTENKOWSKI. It has been our custom on all suspensions to conclude the business of suspensions and then have the votes at the conclusion of all of the suspensions. There has never been any precedent set where we would vote on the suspensions we have concluded consideration on the day before.

It has always been our practice to have concluded all of the suspensions and vote at the end of the day.

Mr. ROUSSELOT. I have no problem with voting on all suspensions today at the end of the day. I just wondered why we did not vote on yesterday's suspensions immediately today.

As the gentleman knows, that was the bill to which I was directing my attention.

Mr. ROSTENKOWSKI. Well, it was agreed to at the end of last week that we would conclude the business and vote today.

Mr. ROUSSELOT. I understand that.

Why did we not vote on H.R. 5625 as soon as we went into regular business on the suspension of yesterday?

Mr. ROSTENKOWSKI. Because we have two suspensions today.

Mr. ROUSSELOT. I am very well aware of that.

Mr. ROSTENKOWSKI. We are going to vote on those suspensions at the conclusion of the consideration of those suspensions, and we will vote on the one suspension that was carried over of the consideration of these suspensions.

Mr. ROUSSELOT. As I recall, in previous times we have usually voted on those almost immediately as we began the day, but I accept the gentleman's explanation, and I am sure the Nation will understand how confused the House sometimes becomes.

PARLIAMENTARY INQUIRY

Mr. MARRIOTT. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state his parliamentary inquiry.

Mr. MARRIOTT. Mr. Speaker, did that time come out of my allotted time? I assume it did not.

The SPEAKER pro tempore (Mr. DANIELSON). Without objection, the time which was consumed during the colloquy between the gentleman from California (Mr. ROUSSELOT) and others will not come out of the gentleman's 20 minutes.

Mr. MARRIOTT. Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. LEE).

Mr. LEE. Mr. Speaker, before enacting H.R. 6631, the measure before us today, I feel it my obligation and duty to call to my colleagues' attention certain significant pitfalls and hazardous precedents established by this legislation.

I am extremely concerned that because of the House Interior Committee's failure to address certain legal questions, and the desire of the U.S. Department of Interior to circumvent and disregard New York State law, the legislative package before us will not achieve the final solution to the Cayuga Indian land claim that has been sought so diligently over the last 18 months. In fact, Mr. Speaker, the action this Congress takes today contains some serious omissions that may result in jeopardizing the legitimacy of the negotiated settlement and defeat any solution this measure seeks to achieve.

Before I discuss the specific omissions of this bill that may provide the gist for legal challenge of the settlement, I would like to provide this body with some background on the Cayuga Indian land claim, and the process used to reach the legislative package here before us today.

But before I discuss process of the measure in question, Mr. Speaker, let me state that as long as Congress refuses to face the question of Indian claims as a national one—and that could be until a majority of the Members of this House and Senate are forced to experience the human pain and fear of their constituents by a claim—each case will be dealt with individually. Every piecemeal solution to claims such as this one makes every succeeding case that much more difficult to solve. I deeply regret that we are without guidelines developed through the well-deliberated investigation and action of past Congresses, but that indeed is the case.

It is incumbent upon me, Mr. Speaker, to point out to my colleagues that we are not today acting in response to the legal findings of a court. We are acting specifically to divert the human hardships which a prolonged, expensive and unpredictable court battle would undoubtedly bring upon a significant sector of Americans in the New York State counties of Seneca and Cayuga. I must emphasize, Mr. Speaker, that there is not universal agreement that the case which could be brought by the Cayuga Indian Nation for 64,000 acres of land is airtight. Because the Cayuga Indians' claim has not been litigated, the legal merits and factual issues surrounding the claim have never been judicially determined.

The treaties entered into between the Cayuga Indians and the State of New York must be examined in the historical context in which they arose. It should be recounted, Mr. Speaker, that the original States, before and after the adoption of the Federal Constitution, maintained the right of entering into treaties with the Indian tribes for the extinguishment and acquisition to their title to lands within their respective jurisdictions.

The right of acquisition of this land now in question was first established during the Revolutionary War by the conquest of General Sullivan under the direction of Commander in Chief Gen. George Washington. It should not be forgotten that within the territory of the Thirteen Original Colonies, after the adoption of our Constitution in 1789, the ultimate fee interest in lands occupied by Indian tribes continued to reside with the States wherein the lands were located, rather than with the Federal Government. The State of New York awarded the soldiers who fought for our Nation's independence the lands the Cayuga Indian Tribe now claims.

Along with the general question of the States' rights and responsibilities regarding Indians during our Nation's early history, the merits of the Cayuga claim that we discuss today is somewhat clouded by the facts that New York State and the Federal Government entered into this agreement with the Cayuga Tribe in the utmost amount of good faith. I discussed this issue in detail before the House Interior Committee's hearings on the bill, and I will not reiterate those arguments today. However, Mr. Speaker, I would like to provide this body with the insights of former U.S. Attorney General Griffin Bell, who stated on June 30, 1978 in a letter to Interior Department Secretary Cecil Andrus:

> After careful thought, I have decided that I will not bring suit against the landowners in the New York, South Carolina, or Louisiana claim areas. I have a number of questions about the legal and factual issues in these suits and question whether they can be won.

Mr. Speaker, as Attorney General Bell indicates, questions remain whether in fact a bona fide breach of the Non-Intercourse Act does exist in this case. The action taken today by the House of Representatives will not put to rest the doubts of those who feel the credibility of the Cayuga claim is suspect because the tribe fully assented to their agreement, and were duly compensated. Without a factual review, the good faith intentions of New York State can never fully be determined, and the case will rest, not on whether the Cayuga Indians entered into an honest agreement, but rather, contested by the tribe on technical legal maladies that could result in an unjust enrichment to those now claiming land.

Mr. Speaker, as an elected representative from the claim area, I have been involved in this issue since it surfaced in 1977. My responsibility began as a member of the New York State Assembly and continued through my entire first year in Congress. Throughout this time I have attempted to maintain an informational tie between the residents of the claim area and the officials charged with reaching a solution.

In 1977, I devoted an assembly district mailing to inform residents of Seneca County about the potential impacts of the land claim. Entailed in that mailing was a letter from then New York State Attorney General, Louis J. Lefkowitz, that stated in part—

> We have been advised that it is the intent of the United States to bring an action against the State of New York and all persons owning land in the contested area.

The New York State attorney general's perception of the U.S. Justice Department's position in this case is important because it indicates the prevailing atmosphere at the time—that the Cayuga Indian claim had the full force, effect, endorsement and support of the U.S. Government.

It has always been my feeling that congressional ratification of the current Indian treaties in question was the proper least-harmful resolution to this claim. In 1977 my predecessor, Congressman William Walsh, introduced a measure to ratify the Cayuga claim and I endorsed this response. However, Mr. Speaker, the threat of legal suit by the Federal Government on behalf of the Indians hung over the heads of thousands of innocent property owners during 1977 and 1978, and a negotiated settlement was by far the next most plausible alternative to outright congressional ratification.

Unfortunately, the credibility of the negotiated settlement process came in serious doubt when I discovered, in September 1979, that the policies and attitudes of the Department of Justice had been completely reversed in 1978 and kept a virtual secret by the Department of Interior from all parties at the settlement table. In his letter of June 30, 1978 to Secretary of Interior Cecil Andrus, then-Attorney General Griffin Bell stated—

> As a matter of principle, I believe the landowners should know of my decision not to sue them as soon as possible.

The U.S. Attorney General's reluctance to bring "completely innocent landowners" under the dark clouds of lawsuit has been my position from the very start. I have personally seen and experienced the hardships of these people whose properties stand to be jeopardized.

Mr. Speaker, I find it hard to believe that negotiations would have continued as they did in light of the withholding of the Bell letter, particularly in view of New York Attorney General Lefkowitz' reliance on the intended intervention of the Federal Government on behalf of the Cayuga Tribe. On discovery of the letter, I asked Interior Solicitor, Leo Krulitz, in my office to explain why the Bell letter was not brought to the attention of the entire work study group. Mr. Krulitz said he felt that the letter was "insignificant." I felt that his explanation was incredulous.

Because I have not, either as a State or congressional elected official been allowed to participate as a voting member of the negotiated settlement process, I could not have insisted on bringing the parties back to the table in light of the discoveries contained in the Bell letter. However, Mr. Speaker, I must tell you that I have lost a great deal of faith in the integrity of our Government as a result of withholding this information from innocent property owners.

Mr. Speaker, clearly the objective of this body in enacting the legislation before us is to avoid a prolonged court battle. The Cayuga claim for 64,000 acres of land in Cayuga and Seneca counties, N.Y., the site of the tribe's original reservation, was announced in 1977, following closely on the heels of a decision by U.S. Federal District Court Judge Edmund Port of Auburn, N.Y., in which he invalidated a treaty between the State of New York and the Oneida Indian Nation because of the failure to ratify that document in 1795. The U.S. Department of the Interior immediately announced that the Cayuga claim would be a valid one, and that the power of the U.S. Government would be placed behind the Cayuga claim, that the Federal Government would help seek "ejectment and damages" against New York State and against those private individuals who currently hold disputed land.

Facing a claim which, on face value at that point looked to be a certain loss for property owners should they allow the matter to reach the courts, negotiations began which might allow a settlement out of court. I have already outlined for you the later developments, specifically, the position taken by the U.S. Attorney General which remains the policy of his Department and which substantially undercuts the strength of the proposed case. Yet I would like briefly to give you an idea of the alternatives anticipated without such a negotiated settlement.

If allowed to go to court, New York State and the individual property owners would bear the costs of the defense of their titles. The proposition of spending hundreds of thousands of dollars is not unimaginable. Few property owners could afford that, and maintain their livelihood at the same time. I asked Assistant U.S. Attorney General James W. Moorman as recently as last fall if the Federal Government could participate in the costs of these landowners' defense. In his response of October 22, 1979, Mr. Moorman said:

> The answer is clearly no. This department has no authority either to provide legal advice or court representation for private persons.

In light of that position, I have cosponsored H.R. 3929 which would require Federal participation in these defense costs. Without such a bill it is clear to see that many would be forced to sell their properties to help pay the court costs, even if they were to eventually win the case. If they, by some chance, lost the case, virtually thousands of property owners would be forced out of their homes with no assurance whatsoever of repayment for their losses. An estimated 10,000–12,000 homes, therefore, would be very realistically dependent upon a courtroom performance. One suit has already been filed in State supreme court in this matter, so such a test may be unavoidable in any circumstance. And, Mr. Speaker, by allowing the measure before us to be enacted without requiring the approval of the New York State Legislature for the transfer of State park lands to the Cayuga Tribe, we are very well inviting additional, protracted litigation that significantly undermines the intentions of those who will support the proposed legislation. This issue will be discussed later in fuller detail.

In the eventuality of a victory by property owners and the State of New York, I have already discussed the expense of the legal battle. But also taken into consideration is the equally—real prospect of severe personal and community disruption during the case. Tax income could be placed in trust and out of use by municipalities; and because property titles would be under challenge, there is no doubt that land transactions would be suspended indefinitely. Homes, farms, and businesses could not be bought or sold, and land values would plummet for the entire duration of a complex case that could quite possibly be in litigation for years. The human hardships would be immense, win or lose. At all costs, a court trial of this case was seen as the worst possible remedy.

After many months of negotiations between the Departments of Interior and Agriculture, the State of New York and attorneys for the Cayuga Nation, agreement was reached on the points contained in this legislation. It mandates that public lands will be given over to the Cayuga Nation, and a trust fund to be administered by the Secretary of the Interior, some of which will be available to purchase additional lands. A Cayuga reservation is to be established at that site.

Again I must say I seriously question the integrity of these negotiations, although I do not question the need for the "plea-bargaining" approach to avoid a court battle. Particularly in light of the fact that Attorney General Bell's June 30, 1978 letter was kept from most, but not all, members of that negotiating body, I question both sides' ability to negotiate effectively and equally. While it may be common practice to keep an "ace in the hole" during full adversarial, bi-partisan negotiations between opposing sides, the intent of these talks was to have been all parties working toward a common goal: resolution of the dispute without a court battle. The agreement, as well, will have an impact on that region of the State and Nation, specifically the people who live there, for generations to come.

It was, apparently, with some chicanery that the terms of the agreement were reached. Nonetheless, we reluctantly must continue to opt for this path rather than a court case.

Mr. Speaker, yet another point disturbs me greatly when we discuss H.R. 6631, the object of our efforts today. Throughout the processes which I have outlined for you thus far, there has been virtually no opportunity for input from those citizens living under the dark cloud of the claim area, for their local elected officials, or even for direct influence of their elected national representatives. Meetings of the negotiating group which ultimately decided the merit of the Cayuga claim, the terms of a negotiated settlement, and the form of this legislation took place in Washington, Buffalo, Syracuse, and Albany, but never within the actual claim area. Signers of the Memorandum of Understanding and drafters of this bill came from the Departments of Interior and Agriculture, the State of New York offices in Albany, and the Cayuga Nation spread throughout western New York and Canada, but not from the actual claim area. Those people whose land is in jeopardy, both public and private, were never consulted. This kind of sterile process involving bureaucrats who have no stake in its outcome and need not answer to any constituent is a disgrace to the American representative form of government.

For its part, the State of New York bartered away land which is theirs only on a conditional deed from the Federal Government. Sampson State Park, the former site of a U.S. military training facility, which would be liable for repossession by the Federal Government if its use were to be changed now, was the State's only contribution to this settlement when the State itself appears to be most liable for the conditions of this claim, and would be the defendant in a court case. Because the settlement has been kept away from any elected official, either State or national, the State has not had to meet the scrutiny of those answerable to the people of central New York. At the time of the settlement, the State indicated it would be willing to discuss the use of some of that land nearby which is clearly in its possession as repayment to the Department of Agriculture for lost land in the Hecter Land Use Area, maintaining the Forestry Service as a viable land manager in that section of the State. Now, the State is unwilling to even talk about that former promise, leaving the Forestry Service with very little land to manage and no real reason to stay in the Hector area. Without the service there—as one of the very few contributing Federal agencies to be found in central New York—the economic viability of a third county is in jeopardy.

The simple fact is that to this point, those people who live and work in the affected area had no say in determining their own destiny. The signers of the memorandum delayed introduction of a bill so long that this committee does not have time, or simply has refused, using shortness of time as the reason, for holding a field hearing in the affected areas.

As we judge the integrity of the process that brings this measure before us today, Mr. Speaker, allow me to summarize my feelings, and the feelings of many of the people I serve by listing the following points:

First. The withholding of relevant information from all parties involved in the "settlement negotiations" was an unconscionable act by the Department of Interior, that represents an extreme breach of that Department's obligations to the taxpayers of this country;

Second. The Department of Interior appeared to act in collusion with the attorney for the Cayuga Tribe throughout the "settlement negotiations";

Third. The failure to present draft legislation to the Congress until a mere 6 weeks before the statute of limitations was to end on the claim represented a blatant attempt at "litigation blackmail," and jeopardized a full and adequate congressional review of the merits of the Cayuga claim;

Fourth. The entire "settlement negotiations" were conducted with a "bow and arrow at the head" philosophy, with the Cayugas' demands nonnegotiable, and unless those demands were completely satisfied, the tribe would force litigation.

Mr. Speaker, I would now like to discuss the specific merits of H.R. 6631, the proposed legislation before this body.

If H.R. 6631 is passed by the House of Representatives today it will establish a precedent that many Members of this House will not be proud of—that is, enacting a measure that will disregard the edicts of State law, and the wishes of a State legislature.

But before I discuss that precedent, Mr. Speaker, let me state from the outset that I have tried in earnest to amend and perfect the bill before us. By working with Congressman RICHARD CHENEY, Congressman RON MARLENEE, and Congressman BOB WHITTAKER I was able to have amendments offered in the House Interior Committee that would have ameliorated some of the adverse impact this measure will place on the citizens of Seneca County. Absent enactment of H.R. 6188, a bill I have sponsored that would provide for the outright congressional ratification of the ancient treaties, proposed in the Interior Committee but rejected, I tried to limit the tax blow the proposed Indian Reservation will place on the small, rural county. I was greatly disappointed by the committee's complete disregard of the important fact the property in Seneca County is already over 40-percent tax exempt. The placement of a reservation in this county, with the provision that the tribe may acquire a potentially unlimited amount of land now on the tax rolls will place escalating, additional tax burdens on present and future generations of Seneca County. I attempted to obtain a limit on the amount of acreage the Cayuga Tribe could purchase in Seneca County. In accordance with the Seneca County Board of Supervisors' wishes I pursued the land purchase limit in both private discussions and official hearings, offering it among a dozen protective amendments. Unfortunately, the Cayuga Tribe would not agree to a figure under the current terms of H.R. 6631 for less than 10,000 additional acres in Seneca County. The Seneca County Board of Supervisors unanimously rejected this cap on additional purchases, and I am disappointed that agreement could not be achieved on limitation of future land purchases.

Mr. Speaker, by enacting an anachronistic solution to an Indian claim this Congress will establish in 1980 a policy of "unequal protection" of law for the citizens of Seneca County, a concept that directly contradicts the actions of the Congress and the courts during the last two centuries. Pursuant to the bill before us, the Cayuga Indian Tribe will enjoy the ownership rights for over 5,000 acres of property, however, the Indians will not share the responsibilities that ownership entails. I have always believed that equal rights require equal responsibilities, and that all who share the privileges of our Nation must also share the duties. The Cayuga Indians will be placed in an environment under this legislation, Mr. Speaker, where two classes of citizens will reside—the taxpayers and the nontaxpayers. I sincerely believe that creating this dual system is not in the best long-term interests of the Seneca County residents nor the Cayuga Tribe.

Mr. Speaker, besides the privileged tax treatment this legislation will provide the Cayuga Tribe, I am also concerned that the Congress is creating an island onto itself, immunized from legal responsibility to its neighbors, and insulated from the State and local judicial process by a court system that will be exclusively administered by the tribe.

Mr. Speaker, Members of the Congress, the question of adaptation is not limited to Cayuga and Seneca counties in New York. I perceive an inherent difficulty which we are encountering today that gnaws at the deepest roots of America. Certainly, it contributes to the problems we are having with this claim.

Throughout American history—since the words were included in our Declaration of Independence that "all men are created equal"—this Government has stood for the universal application of law and opportunity for all persons, regardless of ethnic origin, religious beliefs or personal affiliations. Congress, administrations, and the courts have had but one goal over the past 200 years: To assure the equality of all men; to break the barriers which separate one from another. The ultimate goal of the American way is simple: To create a single community of Americans.

Yet, parallel with the development of all laws and policies of our Government has been another policy, seemingly exclusive of the first: That the American Indian, the only true American, must not be brought into the community of others which was formed by the "melting pot" concept. All tribes, bands or small groups of aboriginal Indians are considered to be sovereign powers. They are then provided by a paternalistic government with their own governments, their own courts and their own plots of land spread across the nation where they may concentrate, split away from others with special privileges, outside the laws of the community which any other new neighbor is asked to observe.

Atop the seeming paradox of this system in operation in America, is the zealous support of the U.S. Government itself which pushes all others from its path to accomplish what must be accomplished to meet the Indian demands.

Mr. Speaker, I submit that this Government's policy of reestablishing reservations is archaic and counterproductive to the very ideal which Americans hold most dear, that of equal opportunity. It is no wonder, in light of this gross disparity in treatment that non-Indians cannot understand how, in these United States of America, they stand to lose their property and livelihood in the face of what are supposed to be protective laws. It is not a condition they would encounter in any other circumstances than those they face right now, in dealing with the American Indian. Therefore, what appears to be anti-Indian sentiment is more appropriately a reaction to forces that exhibit very un-American goals. More contradictory, those goals are being avidly pursued by the Government of the United States.

Mr. Speaker, one of my deepest concerns with the bill now under consideration is that the transfer of State park land in question will be accomplished without the approval of the New York State Legislature. As a former city councilman, town councilman, town supervisor, county legislator, and State assemblyman I have developed a sincere respect for home rule. Throughout my service in government I have firmly advocated that all government must remain close to the people it represents, and I would be extremely derelict in my responsibilities to my colleagues in this House if I did not warn of the dangerous precedent H.R. 6631 will establish.

The transfer of New York State park land, as required in the proposed legislation, will blatantly circumvent State law, and will serve to invite the very litigation that H.R. 6631 is proffered to prevent. Yes, Mr. Speaker, contrary to the Indian land claim settlements enacted in Rhode Island and proposed in Maine, the legislation before us will establish a precedent that will not make anyone proud who respects States rights and home rule. For the record, Mr. Speaker, I would like to offer a letter from Senator Warren Anderson, the president pro tem of the New York State Senate that reads in part:

> It is inconceivable, particularly after the State Legislature has appropriated millions of dollars to develop the Sampson State Park, that the Governor would presume to unilaterally offer the park as part of any settlement. It is my understanding that park areas in New York may not be used for other than park purposes without direct and specific approval of the State Legislature. Accordingly, I do not believe that any settlement can be made until it has been reviewed and acted upon by the State Legislature . . .

Mr. Speaker, I feel that Senator Anderson is rightfully disturbed because of the method H.R. 6631 circumvents State law. I must also note, Mr. Speaker, that an attempt was made in the House Interior Committee to require State legislative approval for the transfer of the State park land in question, and insulate the transfer from attack in the courts. Unfortunately, that attempt was defeated, Mr. Speaker. Again, I must reiterate, if the objective of this House in enacting H.R. 6631 is to insure the citizens of Seneca and Cayuga counties will not suffer the anguish and suffering that would result from lengthy litigation, then to pass the measure without first requiring the New York State Legislature to approve of the transfer of State assets is an extreme and dangerous inconsistency, not in the best long-term interests of the citizens of either Seneca or Cayuga counties.

Mr. Speaker, I would also like to include for the record an editorial by the Syracuse Herald American, the largest newspaper in the congressional district I have the honor to serve in this body, that states:

> The House of Representatives is heading "into a court action", according to Anderson, if it insists on trying to bypass the New York Legislature. We suggest this omission be bridged quickly. Otherwise, hundreds of property owners in Cayuga and Seneca Counties will never get out from under the gun of a threatened Indian suit to recover 64,000 acres, rather than the 5,400 plus acres agreed to.

Mr. Speaker, I have consistently favored achieving a fair and equitable solution to the Cayuga Indian land claim. I feel that equity for all parties can best be achieved by the ratification of the ancient Indian treaty, and enactment of the Lee bill, H.R. 6188.

Ratification has always been my, and my constituents' first preference for settlement of this claim. I do not wish to deny any Indian tribe or for that matter any segment of the American population, anything due it through the equal application of American law. But I am joined in my feelings about the ratification by no less than America's lawyer, the U.S. Justice Department, when I say that monetary damages alone rather than land exchanges is the proper answer to this case. Responding to the treaty ratification policy, former Attorney General Bell stated:

> It is completely within the power of Congress to remedy the tribal claims by the process of ratifying the ancient tribal agreements with the states. Such ratification could be accompanied by payments to the tribes in appropriate amounts. In the alternative, the tribes could be given a cause of action against the United States in the Court of Claims.

On December 19, 1979, Mr. Speaker, I introduced H.R. 6188 which sought to accomplish that end.

Unfortunately, Mr. Speaker, the overwhelming wishes of the citizens I serve in enacting H.R. 6188 have been disregarded by Congressman UDALL, and the House Interior Committee. I am extremely saddened by the rejection of this solution because I feel that the President of the United States, the U.S. Department of Interior, the majority on the House Interior Committee and those who support H.R. 6631 in the form presented for consideration today, are together manifesting the policy that our Government owes a greater obligation to the Cayuga Indian Tribe for a 200-year-old claim based on a procedural loophole whose merits are questioned by the former Attorney General of the United States, than the obligation I feel is owed the taxpaying citizens now residing in the area.

This policy also angers me, Mr. Speaker, because I see the hard-earned money of our Nation's taxpayers thrown at the Indians, along with land, in an effort to rid the United States of its "guilt complex" regarding its policies toward its native Americans.

In summary, Mr. Speaker, H.R. 6631, the bill before us today, offers no real solutions to the Cayuga Indian land claim. Establishing a reservation today is archaic, and represents a policy of segregation and "unequal protection" of law contrary to the American requirements of justice. Litigation will be insured by this bill because of the Congress failure to adequately follow the prescriptions of New York State law. And lastly, Mr. Speaker, H.R. 6631, was a remedy carved out by insentitive Interior Government bureaucrats who may have engaged in collusion and deception and displayed total disregard for the citizens in the affected area.

Mr. Speaker, this is one of 9,700 pending claims in this great country of ours by various Indian tribes across the country.

When this Cayuga claim was initially proposed in 1977 by the Department of the Interior, in which they threatened suit against the State of New York and to impose ejectment and financial damages on the citizens allegedly involved in the State of New York for wrongdoing, it was believed then to be preposterous and it is preposterous today.

I think that most people who are cognizant and informed on this issue today find it just as absurd and preposterous to believe that our U.S. Government is attempting to threaten suit against innocent property owners for an alleged wrongdoing, which they were not involved with some 200 years ago.

☐ 1300

I would like to speak for a few minutes to three or four dimensions of this proposal. First, I would like to share with you the deficiencies in the legal foundation upon which the Department of Interior has put forth this proposal.

Second, I would like to address the procedure which led to the introduction of the bill by the distinguished gentleman from Arizona.

Third, I would like to speak to the bill itself and some of the salient omissions and deficiencies which I think are possessed within it.

First, on the legal foundation, the Interior Department came forth with the supposition that a wrongdoing was involved in the signing of this treaty on July 27, 1795. I submit to you that that is in error, because this treaty was witnessed by the U.S. agent to the Iroquois Confederacy at the Canandaigua Courthouse in the County of Ontario in the signing of that particular document.

I also submit to you that New York State as one of the Original Thirteen Colonies comes under the aegis of having inherited the title to its properties from the Colonial Charters and does not therefore recognize the truth relationship proposed or supported by the Federal Act of 1790.

I also say to you that in the taking of these lands in question, it was under the aegis of the Federal policy of General Washington who sent General Sullivan in to take this particular part of the State of New York.

Last, but not least, a very important letter, written by the then Attorney General of the United States, the Honorable Griffin Bell, in June of 1978 to the Secretary of the Interior, Cecil D. Andrus, in which the Attorney General at that time stated that he was not going to support bringing a lawsuit against the individual property owners in this case or in his judgment are there appropriate legal facts or information to substantiate that.

Further, the Attorney General said that he was undecided then, as the Justice Department is today, as to whether any suit should be brought against New York State, South Carolina, or Louisiana, because these are innocent people, not guilty of any wrongdoing, as alleged by the Interior Department.

The second major point I wish to speak to is the procedure which brought us to this proposal. I submit to you that the Interior Department misrepresented the case of the U.S. Government to the State of New York and the individual private property owners involved in this particular case, because they said through their spokesman, Mr. Krulitz, in 1977 that this proposed action had the full weight and support of the U.S. Government, and that was not the case and is not the case today.

Second, vital information in the negotiations of the task force was wthheld from the parties. Let me cite one example. The attorney general of the State of New York, Louis Lefkowitz, was functioning under the impression that the U.S. Justice Department stood with the Interior Department in bringing this potential action. That was not correct. The Bell letter which I just cited substantiates it.

I can say to you that the State of New York—the Governor undoubtedly would have taken a different posture in the negotiations had he known of the facts that prevailed at that particualr time.

The last point in the process that I wish to highlight is the fact that when the so-called memorandum of understanding was executed in August of 1979, it took the Interior Department 4 months to formulate the proposed legislation which the gentleman from Arizona (Mr. UDALL) has introduced and which is before us today. Why 4 months? I would like to suggest that there was a deliberateness on the part of the Interior Department to delay this so as to put us up against the statute of limitations clock of April 1, 1980, so that we would be rushing toward judgment, that we would not be approaching it methodically and analytically in coming to an appropriate recommendation for this House and for the other body to consider.

As has been suggested by my colleague, the gentleman from Montana (Mr. MARLENEE), there has been the threat of litigation, blackmail against us, for the last several months and it is at our heads today.

Finally, H.R. 6631, the bill before us—and I wish the Members would listen carefully to this point—embraces a significant new precedent, because it circumvents the New York State Legislature. In all previous ancient Indian land claims in the East, the State legislative bodies have had the opportunity to approve, to amend, or to disapprove. This is a significant precedent, which I think is possessed with the dimensions of inviting litigation.

I can say to you that a case is already pending in the New York State Supreme Court on this very basis, because under New York State law a Governor cannot give away State properties or assets without the concurrence of the legislative body. In this agreement the Governor has consented to this. I have a letter which I read into the record before the committee of the gentleman from Arizona (Mr. UDALL) last week from the majority leader of the New York State Senate, Senator Warren M. Anderson, which expresses this deep concern and underlines the fact that we are inviting litigation in the absence of State legislative approval.

I also say to you that the major newspaper in my district, the Syracuse newspaper this past Sunday editorialized on this very point, that the Congress is, indeed, making a grave mistake if it passes this legislation without allowing the New York State Legislature to have its say on this proposal.

This proposal, Mr. Speaker, also in my judgment, puts in motion the implementation of an archaic policy of advocating the establishment of a reservation in 1980, which I suggest will be a new monument to segregation in our area. It is a reservation which will be created contiguous to a highly sensitive U.S. Army munitions depot. It jeopardizes the continuation of the U.S. Forest Service in the State of New York. It also does not explicitly spell out the civil and criminal jurisdictions that should be involved in this particular case.

In conclusion, Mr. Speaker, this proposal will not eliminate the possibility of litigation, which has been the supposed goal of going through the efforts of a negotiated settlement. This litigation against settlement seems assured, particularly if we roll over the State of New York, which the distinguished chairman, the gentleman from Arizona suggested in his own commentary last week. We are indeed, as I recall, to paraphrase the gentleman, rolling over the State of New York; that we are doing so, as the gentleman from Arizona (Mr. UDALL) indicated at the invitation of Governor Carey.

In finality, I believe it was Mr. H. L. Mencken who once said "that all difficult problems have an easy solution, a simple solution, a neat solution, and a solution which is wrong."

I think if we pass this legislation in the current form in which it is before us, it will be wrong, because it will be inviting litigation, the very thing that we are all trying to preserve and protect against. Because it establishes a dangerous new precedent of circumventing the New York State Legislature, thus inviting litigation against this proposed legislative settlement.

Mr. UDALL. Mr. Speaker, will the gentleman yield?

Mr. LEE. I yield to the gentleman from Arizona.

Mr. UDALL. Mr. Speaker, I just wanted to say one thing to the gentleman. We have handled a number of these claims in different parts of the country. The most difficult role of all the people involved is usually that of the incumbent local Congressman, who is subjected to a lot of pressures, who is subjected to a lot of difficulties, who is hit at from all sides.

While we came out with different conclusions, the gentleman and I in this debate and discussion, I want to say to the House that the gentleman has very vigorously asserted the views of a lot of the people in his area. The gentleman has been honorable and decent in dealing with this. I want to thank the gentleman for his consideration, even though we come out on opposite sides of the decision here.

□ 1310

Mr. LEE. I appreciate those comments, sir.

Mr. Speaker, I yield back the balance of my time.

Mr. UDALL. Mr. Speaker, I yield such time as he may consume to the gentleman from Oklahoma (Mr. SYNAR).

Mr. SYNAR. Mr. Speaker, I thank my good friend for yielding.

The bill we are considering affects not only the Cayuga tribal members in the State of New York, but affects as well many Cayuga tribal members in my own district in Oklahoma. One group of Cayugas migrated from New York first to Ohio and then on to Oklahoma, where they currently reside. Since that time, and since the conveyances of 1789, 1795, and 1807, and continuing to the present day, the State of New York, the U.S. Government and the New York Cayugas have recognized the interest of the Seneca-Cayuga Tribe of Oklahoma, and have provided them with a one-third share of the perpetual annuities to the tribe for the ceded lands. It is my understanding that the present bill provides for Cayugas living outside of New York to participate only indirectly in this settlement, and only if they can prove a one-eighth quantum and their ancestry back to 150 years ago. I would say to my good friend that such a requirement would be difficult for anyone to meet.

I am concerned that, despite an historical sharing of annuities and compensation with the western band of Cayugas in Oklahoma, the present legislation excludes the western tribal members from directly sharing in the compensation provided the tribe under this bill.

From reviewing facts and documents brought to my attention by the Seneca-Cayuga Tribe of Oklahoma, it appears to me that time and again the direct interest of the Seneca-Cayuga Tribe has been proven beyond any reasonable doubt. I am unclear as to why this direct and recognized relationship was not given more favorable attention by the committee during consideration of this legislation, and why no direct apportionment of the settlement was provided to the Seneca-Cayugas.

I would ask my colleague to relate to me the provisions in the bill which will protect the legitimate interests of the Seneca-Cayugas in Oklahoma should the bill be enacted as currently written.

Mr. UDALL. Mr. Speaker, will the gentleman yield?

Mr. SYNAR. I yield to the gentleman from Arizona.

Mr. UDALL. Mr. Speaker, first, let me advise the gentleman from Oklahoma that the committee did take testimony from the Seneca-Cayuga Tribe of Oklahoma. Counsel for the tribe later submitted further documentation supporting their position that they are entitled to share in the settlement.

In addition, the committee had testimony from the New York Tribe and documents from the Interior Department opposing this view.

This material was considered and it was my opinion, on balance, that the Seneca-Cayuga Tribe of Oklahoma was not entitled, as an entity, to share in any settlement benefits.

However, the bill does provide that persons of Cayuga descent are entitled to enroll in the tribe for purposes of sharing in the benefits of the settlement. If members of the Seneca-Cayuga Tribe of Oklahoma could meet the enrollment criteria, they would be entitled to enroll and share in such benefits.

Mr. SYNAR. Mr. Speaker, I would like to ask further whether the chairman of the committee would oppose an action, if taken by the other body and referred to conference, whereby the Seneca-Cayuga Tribe of Oklahoma were provided with a direct apportionment of the proposed settlement?

Mr. UDALL. Mr. Speaker, I do not think it would be appropriate for me to commit myself to support or oppose some anticipated action by the other body. However, if some change is made in the legislation after House action with respect to the Seneca-Cayuga viewpoint, I would be willing to give it every consideration.

Mr. SYNAR. I thank the distinguished chairman of the committee for his courtesy.

Mr. KOGOVSEK. Mr. Speaker, will the gentleman yield?

Mr. SYNAR. I yield to the gentleman.

Mr. KOGOVSEK. Mr. Speaker, I would like to associate myself with the remarks of the gentleman from Utah (Mr. MARRIOTT) and commend the chairman of the full committee for doing the fine job he has done on this bill.

Mr. SEBELIUS. Mr. Speaker, I yield the balance of the time on this side to the gentleman from Montana (Mr. MARLENEE).

Mr. MARLENEE. Mr. Speaker, there are several reasons why I oppose this legislation. In the bill the tribal police are given concurrent jurisdiction with the State but, unlike the tribal court system, the police have no jurisdictional limitations. That means they will have arrest powers over Indians or non-Indians.

The first subsection allows for the creation of a police department. The second subsection allows for the creation of a tribal court with their jurisdiction limited to offenses committed by Indians residing on the reservation. The third subsection allows the criminal jurisdiction of the police and the courts to be concurrent with the State. Nowhere in those three sections does it limit the jurisdiction of the tribal police as it has for the court.

According to a 1978 Supreme Court case, Oliphant against Suquamish Indians, Indians do not have criminal jurisdiction over non-Indians absent affirmative delegation of such power by Congress. If this bill is passed as written it will delegate this power. If the purpose of the tribal police department is to enforce the laws of the tribe, then they should be limited to criminal jurisdiction over Indians.

I also oppose the perpetual mechanism this bill creates for the purchase of property. Purchases which could lead to the eventual ownership of thousands of acres under trust status all across the State of New York. If we allow the Cayugas to purchase trust land beyond their original boundaries we will be doing so at the expense of the State and local governments. In a county which is already 40 percent tax exempt it seems unfair to subject them to further erosion of their tax base.

Carried to the extreme the tribe will be placed in a very enviable position. Their purchases will not be subject to taxation while non-Indian purchases will continue to be taxed, and at a higher and higher rate.

Under this bill they are not prohibited from buying a grocery store in downtown Albany, a 10-acre parcel in Florida, or an apartment building in Virginia, and placing them under a tax-free trust status. Where in the bill does it say they cannot incorporate a non-Indian farmer into the reservation just by purchasing all the land around him? And, where in the bill does it say their tax free trust purchases must be adjacent to the proposed reservation? If the original purpose of these acquisitions is to link the two parcels given to them in this bill, then why was not that intent spelled out in the bill. As it is written we will have "checkerboarding" like we have never seen before.

● Mr. HANLEY. Mr. Speaker, I rise in support of H.R. 6631, a measure providing for the settlement of the land claims of the Cayuga Indian Nation in the State of New York.

The Cayuga Indians, the State of New York, and the Federal Government developed this settlement during long periods of negotiation. The Cayugas are currently asserting claims for damages and for the possession of 64,000 acres of land in New York, on the ground that the original transfers of the lands were in violation of the Trade and Intercourse Act of 1790.

Implementation of this agreement will clear titles on the 64,000 acres involved. This has been the goal of the negotiated settlement approach to Eastern Indian land claims.

I hope that the State of New York and the Department of the Interior will now devote greater attention and greater effort to bringing about a negotiated settlement of the Oneida Indian Nation's land claim in New York.

The Oneidas claim a much larger portion of the State than the Cayugas, and settlement of the claim is complicated substantially by a prolonged and deep-seated dispute among the Oneidas as to their leadership. I am convinced that concerted efforts by the State and by the Department of the Interior, in particular, can bring the Oneidas to the negotiating table.

I commend all of those who worked so long and so hard to bring about a settlement of the Cayuga claim.●

The SPEAKER pro tempore (Mr. Murtha). The question is on the motion offered by the gentleman from Arizona (Mr. Udall) that the House suspend the rules and pass the bill, H.R. 6631, as amended.

The question was taken; and on a division (demanded by Mr. Bauman) there were—yeas 11 and nays 8.

Mr. UDALL. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 3(b) of rule XXVII, and the Chair's prior announcement, further proceedings on this motion will be postponed.

The point of order of no quorum is considered withdrawn.

APPOINTMENT OF CONFEREES ON S. 2269, EXTENSION OF EMERGENCY AGRICULTURAL CREDIT ADJUSTMENT ACT OF 1978

Mr. FOLEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 2269), to extend the Emergency Agricultural Credit Adjustment Act of 1978, with House amendments thereto, insist on the House amendments, and agree to the conference asked by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington? The Chair hears none and, without objection, appoints the following conferees: Messrs. Foley, Jones of Tennessee, Harkin, Huckaby, Glickman, Hance, Brown of California, Richmond, Baldus, Bedell, English, Panetta, Daschle, Wampler, Madigan, Jeffords, Kelly, Coleman, Marlenee, and Hopkins.

There was no objection.

□ 1320

PROTECTION OF ARCHEOLOGICAL RESOURCES IN SOUTHWESTERN COLORADO

Mr. PHILLIP BURTON. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5751) to more adequately protect archeological resources in southwestern Colorado, as amended.

The Clerk read as follows:

H.R. 5751

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the limitation on appropriations contained in section 7 of the Act of June 27, 1960, as amended (74 Stat. 220; 16 U.S.C. 469–469c), effective October 1, 1980, the Secretary of the Interior is authorized to expend from funds appropriated pursuant to the authorizations contained in the Act of September 30, 1968 (82 Stat. 897; 43 U.S.C. 620a–1), entitled "The Colorado River Basin Project Act", such sums as are necessary for the survey, recovery, protection, preservation, and display of archeological resources in the area of the Animas-LaPlata and Dolores projects of the United States Water and Power Resources Service: *Provided,* That such expenditures shall not exceed 4 per centum of the total amount authorized to be appropriated for such projects, and shall be considered nonreimbursable project costs.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from California (Mr. Phillip Burton) will be recognized for 20 minutes, and the gentleman from Kansas (Mr. Sebelius) will be recognized for 20 minutes.

The Chair recognizes the gentleman from California (Mr. Phillip Burton).

Mr. PHILLIP BURTON. Mr. Speaker, I would like to yield such time as he may consume to our distinguished colleague and my good friend, the gentleman from Colorado (Mr. Kogovsek), who is the author of this legislation and whose leadership is responsible for its reaching this stage of consideration by the Congress.

Mr. KOGOVSEK. Mr. Speaker, I thank the chairman of the committee for his fine work and his sensitivity in regard to this problem that we have particularly in southwestern Colorado. Let me very quickly say that the particular problem has to do with the fact that in southwestern Colorado we have areas where we are building water projects that are replete and are rich in archeological sites such as the Ute Indians, et cetera.

We have found that as we are putting together two of the very vital water projects in southern Colorado, in southwestern Colorado, the Dolores project and the Animas-La Plata, that the 1 percent that is presently allowed under present law of the total funding for a water project that can be used for archeological mitigation is not enough at least as far as the Dolores project is concerned.

The piece of legislation that we have in front of us today would allow us to go from 1 percent to 4 percent if we in fact should need that much money in the Dolores project area to recover the fine archeological sites that are there. We find ourselves up against a situation where we have a time problem, where we are going to have to excavate in the area of the Dolores project, and many of the archeological sites that are there are going to take that extra 3 percent, Mr. Speaker, to get that job done.

Once again, I thank the chairman of the committee for his sensitivity for this problem, and I thank his committee.

Mr. SEBELIUS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I support the bill now before us, H.R. 5751, which will raise the level of funding allocated to archeological survey and salvage operations at the Dolores and Animas-La Plata water development projects in southwestern Colorado.

Under current law, 1 percent of project funds can be used for such archeological operations. The wealth of archeological material found here is so extensive as to require more dollar expenditure that the 1 percent limit will allow, hence the need to allocate up to 4 percent of the total project costs of these projects for archeological purposes.

Mr. Speaker, it is most important that archeological materials uncovered by such construction projects be properly handled, for once neglected or destroyed by inadequate attention, they can be lost forever.

This is a simple bill, and I support its adoption.

Mr. PHILLIP BURTON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I wish to commend my good friend and colleague, the gentleman from Colorado (Mr. Kogovsek), for his foresight and concern in introducing this bill to preserve and protect an important part of this country's heritage—the unique and significant archeological resources in southwestern Colorado.

In the area of the Animas-La Plata and Dolores construction projects of the U.S. Water and Power Resources Service, archeologists have found uniquely significant resources with an unusually high density. The resources are historic and prehistoric, covering a period of at least 7 or 8,000 years. The surviving remnants of one of the most advanced prehistoric cultures in North America, the Anasazi, can be found in this area. The archeological sites are very large, up to three city blocks in size, and complex, including kivas 18 feet across. The density is estimated at up to 50 archeological sites per square mile. Construction by the Water and Power Resources Service will result in inundation of most of these sites. But the construction projects are critical to supply water for the Ute Mountain Ute and Southern Ute Indian Tribes as well as residents of Montezuma, Dolores, and La Plata Counties in Colorado and San Juan County in New Mexico.

Under the act of June 27, 1960, as amended, Federal agencies undertaking construction projects may use up to 1 percent of the total amount authorized to be appropriated for the projects for the investigation, recovery, protection, and preservation of historical and archeological resources threatened by such construction. But because of the density and significance of the resources near the Dolores and Animas-LaPlata projects, the 1 percent allowable is not enough. And by September, the funds budgeted for archeological preservation at the Dolores site will be depleted. Thus the public is concerned about possible construction delays.

Enactment of H.R. 5751 would raise the present limitation to 4 percent and would authorize the Secretary to use the funds to survey, recover, protect, preserve and display the archeological resources in the area of the Animas-La Plata and Dolores projects.

I would also like to commend Mary Ann Khalatbari who is a departmental manager intern who did the staff work on this legislation.

It is always a pleasure to have the assistance of outstanding personnel from the administration aid our efforts.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. PHILLIP BURTON) that the House suspend the rules and pass the bill, H.R. 5751, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Debate has been concluded on all motions to suspend the rules.

Pursuant to clause 3, rule XXVII, the Chair will now put the question de novo on the motion on which further proceedings were postponed.

INDIAN LAND CLAIMS

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill, H.R. 6631, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Arizona (Mr. UDALL) that the House suspend the rules and pass the bill, H.R. 6631, as amended.

The question was taken; and on a division (demanded by Mr. BAUMAN) there were—yeas 13, nays 9.

Mr. UDALL. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 187, nays 201, not voting 43, as follows:

[Roll No. 144]

YEAS—187

Addabbo
Akaka
Albosta
Alexander
Anderson, Calif.
Annunzio
Aspin
Bailey
Baldus
Barnard
Beard, R.I.
Bedell
Beilenson
Bennett
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Bonior
Brademas
Brinkley
Brodhead
Brooks
Brown, Calif.
Buchanan
Burton, John
Burton, Phillip
Byron
Carr
Cavanaugh
Chisholm
Clausen
Clay
Coelho
Conyers
Corman
D'Amours
Danielson
Daschle
Davis, S.C.
de la Garza
Deckard
Dellums
Derrick
Diggs
Dixon
Donnelly
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Ertel
Fascell
Fazio
Ferraro
Fisher
Fithian
Ford, Tenn.
Fowler
Frost
Garcia
Gephardt
Ginn
Glickman
Gonzalez
Gore
Gray
Gudger
Hall, Ohio
Hamilton
Hance
Hanley
Harkin
Harris
Hawkins
Heftel
Hightower
Holland
Howard
Huckaby
Jeffords
Jenkins
Johnson, Calif.
Jones, N.C.
Kastenmeier
Kazen
Kildee
Kogovsek
Kostmayer
LaFalce
Lehman
Leland
Levitas
Lloyd
Long, La.
Lowry
Lujan
McHugh
McKay
McKinney
Maguire
Markey
Marriott
Matsui
Mavroules
Mikulski
Miller, Calif.
Mineta
Mitchell, Md.
Moakley
Mollohan
Moorhead, Pa.
Murphy, N.Y.
Myers, Pa.
Neal
Nedzi
Nelson
Nolan
Nowak
Oakar
Oberstar
Obey
Panetta
Patten
Patterson
Pease
Pepper
Peyser
Pickle
Porter
Preyer
Pursell
Quillen
Rahall
Rangel
Ratchford
Reuss
Richmond
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Runnels
Russo
Sabo
Scheuer
Schroeder
Sebelius
Seiberling
Shannon
Sharp
Smith, Iowa
Solarz
Spellman
Stack
Staggers
Stark
Studds
Swift
Traxler
Udall
Van Deerlin
Vanik
Vento
Volkmer
Waxman
Weaver
Williams, Mont.
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff
Wolpe
Wright
Wyatt
Yates
Young, Alaska
Young, Mo.
Zablocki
Zeferetti

NAYS—201

Ambro
Andrews, N.C.
Andrews, N. Dak.
Anthony
Applegate
Archer
Ashbrook
Ashley
Atkinson
AuCoin
Badham
Bafalis
Bauman
Beard, Tenn.
Benjamin
Bereuter
Bethune
Bevill
Boner
Bonker
Bouquard
Bowen
Breaux
Broomfield
Brown, Ohio
Broyhill
Burgener
Butler
Campbell
Carney
Carter
Chappell
Cheney
Cleveland
Clinger
Coleman
Collins, Tex.
Conable
Conte
Corcoran
Cotter
Coughlin
Courter
Crane, Daniel
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
Devine
Dickinson
Dicks
Dingell
Dornan
Dougherty
Duncan, Tenn.
Edwards, Okla.
Emery
English
Erdahl
Evans, Del.
Evans, Ga.
Evans, Ind.
Fenwick
Fish
Flippo
Florio
Foley
Forsythe
Fountain
Frenzel
Fuqua
Gaydos
Giaimo
Gilman
Gingrich
Goodling
Gradison
Gramm
Grassley
Grisham
Guarini
Guyer
Hagedorn
Hall, Tex.
Hammerschmidt
Hansen
Harsha
Heckler
Hefner
Hinson
Hollenbeck
Holt
Hopkins
Horton
Hubbard
Hughes
Hyde
Ichord
Ireland
Jeffries
Johnson, Colo.
Jones, Okla.
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lee
Lent
Lewis
Livingston
Loeffler
Long, Md.
Lott
Luken
Lundine
Lungren
McClory
McCormack
McDade
McDonald
McEwen
Madigan
Marks
Marlenee
Martin
Mattox
Mazzoli
Mica
Miller, Ohio
Minish
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, Pa.
Murtha
Myers, Ind.
Natcher
Nichols
Pashayan
Paul
Perkins
Petri
Pritchard
Quayle
Railsback
Regula
Rinaldo
Ritter
Robinson
Roth
Rousselot
Royer
Rudd
Satterfield
Sawyer
Schulze
Sensenbrenner
Shelby
Shumway
Shuster
Skelton
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
St Germain
Stangeland
Stanton
Steed
Stenholm
Stockman
Stratton
Stump
Symms
Synar
Tauke
Taylor
Thomas
Trible
Vander Jagt
Walker
Wampler
Watkins
White
Whitehurst
Whitley
Whittaker
Whitten
Winn
Wydler
Wylie
Yatron
Young, Fla.

NOT VOTING—43

Abdnor
Anderson, Ill.
Barnes
Burlison
Collins, Ill.
Crane, Philip
Derwinski
Dodd
Downey
Erlenborn
Fary
Findley
Ford, Mich.
Gibbons
Goldwater
Green
Hillis
Holtzman
Hutto
Jacobs
Jenrette
Jones, Tenn.
Lederer
McCloskey
Mathis
Michel
Moffett
Murphy, Ill.
O'Brien
Ottinger
Price
Rhodes
Roberts
Santini
Simon
Stewart
Stokes
Thompson
Ullman
Walgren
Weiss
Williams, Ohio
Wilson, Bob

☐ 1340

The Clerk announced the following pairs:

On this vote:

Mr. Thompson and Mr. Price for, with Mr. Jones of Tennessee against.

Mr. Fary and Mr. Lederer for, with Mr. Michel against.

Mr. Moffett and Mr. Jenrette for, with Mr. Williams of Ohio against.

Mrs. Collins of Illinois and Mr. Weiss for, with Mr. Hillis against.

Mr. Stewart and Mr. Stokes for, with Mr. Goldwater against.

Until further notice:

Mr. Ford of Michigan with Mr. Abdnor.
Mr. Burlison with Mr. Green.
Mr. Ottinger with Mr. Hutto.
Mr. Roberts with Mr. Bob Wilson.
Mr. Santini with Mr. McCloskey.
Mr. Ullman with Mr. O'Brien.
Mr. Dodd with Mr. Anderson of Illinois.
Mr. Downey with Mr. Philip M. Crane.
Mr. Simon with Mr. Walgren.
Mr. Jacobs with Mr. Derwinski.
Mr. Mathis with Mr. Erlenborn.
Mr. Barnes with Mr. Findley.
Mr. Gibbons with Mr. Murphy of Illinois.

Messrs. CHENEY, COTTER, and MURTHA changed their votes from "yea" to "nay."

Mr. SOLARZ changed his vote from "present" to "yea."

So (two-thirds not having voted in favor thereof) the motion was rejected.

The result of the vote was announced as above recorded.

GOLD MEDAL FOR A. PHILIP RANDOLPH

The SPEAKER pro tempore. Pursuant to the provisions of clause 3 of rule XXVII, the unfinished business is the vote on the motion of the gentleman from Illinois (Mr. ANNUNZIO) to suspend the rules and pass the bill, H.R. 5625, as amended, on which further proceedings were postponed on Monday, March 17, 1980, on which the yeas and nays are ordered.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Illinois (Mr. ANNUNZIO) that the House suspend the rules and pass the bill, H.R. 5625, as amended, on which the yeas and nays are ordered.

This will be a 15-minute vote, since it is a different series of suspension motions.

The vote was taken by electronic device, and there were—yeas 333, nays 61, answered "present" 1, not voting 36, as follows:

[Roll No. 145]

YEAS—333

Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Ashley
Aspin
Atkinson
Bafalis
Bailey
Baldus
Barnard
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burton, John
Burton, Phillip
Byron
Campbell
Carr
Carter
Cavanaugh
Chappell
Cheney
Chisholm
Clausen
Clay
Clinger
Coelho
Conable
Conte
Conyers
Corcoran
Corman
Cotter
Coughlin
Courter
Danielson
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Dellums
Derrick
Dickinson
Dicks
Diggs
Dingell
Dixon
Donnelly
Dougherty
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Calif.
Edwards, Okla.
Emery
English
Ertel
Evans, Del.
Evans, Ga.
Fascell
Fazio
Ferraro
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Tenn.
Fountain
Fowler
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Grisham
Guarini
Gudger
Guyer
Hall, Ohio
Hamilton
Hance
Hanley
Harkin
Harris
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Hopkins
Horton
Howard
Huckaby
Hughes
Hutto
Hyde
Ireland
Jeffords
Jenkins
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Kastenmeier
Kazen
Kemp
Kildee
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Leach, Iowa
Leach, La.
Leath, Tex.
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McDade
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marriott
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moore
Moorhead, Pa.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
Oakar
Oberstar
Panetta
Pashayan
Patten
Patterson
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Porter
Preyer
Price
Pritchard
Pursell
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roth
Roybal
Royer
Runnels
Russo
Sabo
Santini
Scheuer
Schroeder
Schulze
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shuster
Simon
Skelton
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Spellman
Spence
St Germain
Stack
Staggers
Stanton
Stark
Steed
Stenholm
Stockman
Stratton
Studds
Swift
Synar
Tauke
Thomas
Traxler
Trible
Udall
Van Deerlin
Vander Jagt
Vanik
Vento
Walker
Wampler
Watkins
Waxman
Weaver
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Mo.
Zablocki
Zeferetti

NAYS—61

Archer
Ashbrook
AuCoin
Badham
Bauman
Butler
Carney
Cleveland
Coleman
Collins, Tex.
Crane, Daniel
D'Amours
Daniel, Dan
Daniel, R. W.
Dannemeyer
Devine
Dornan
Edwards, Ala.
Erdahl
Evans, Ind.
Fenwick
Forsythe
Frenzel
Hagedorn
Hall, Tex.
Hammerschmidt
Hansen
Harsha
Holt
Hubbard
Ichord
Jeffries
Kelly
Kindness
Latta
Loeffler
McCormack
McDonald
McEwen
Marlenee
Miller, Ohio
Moorhead, Calif.
Mottl
Paul
Quayle
Quillen
Robinson
Rousselot
Rudd
Satterfield
Sawyer
Sebelius
Shumway
Solomon
Stangeland
Stump
Symms
Taylor
Volkmer
Winn
Young, Fla.

ANSWERED "PRESENT"—1

Obey

NOT VOTING—36

Abdnor
Anderson, Ill.
Barnes
Burlison
Collins, Ill.
Crane, Philip
Derwinski
Dodd
Downey
Erlenborn
Fary
Findley
Ford, Mich.
Gibbons
Green
Holtzman
Jacobs
Jenrette
Jones, Tenn.
Lederer
McCloskey
Martin
Mathis
Michel
Moffett
Murphy, Ill.
O'Brien
Ottinger
Roberts
Stewart
Stokes
Thompson
Ullman
Walgren
Weiss
Williams, Ohio

□ 1350

The Clerk announced the following pairs:

Mr. Thompson with Mr. Anderson of Illinois.
Mr. Weiss with Mr. Derwinski.
Mr. Moffett with Mr. Abdnor.
Ms. Holtzman with Mr. Green.
Mr. Jenrette with Mr. Martin.
Mr. Fary with Mr. O'Brien.
Mr. Lederer with Mr. McCloskey.
Mr. Dodd with Mr. Michel.
Mr. Barnes with Mr. Philip M. Crane.
Mr. Ullman with Mr. Findley.
Mr. Stokes with Mr. Erlenborn.
Mr. Ford of Michigan with Mr. Gibbons.
Mr. Ottinger with Mr. Murphy of Illinois.
Mr. Roberts with Mr. Stewart.
Mr. Walgren with Mr. Mathis.
Mr. Jacobs with Mr. Williams of Ohio.
Mr. Jones of Tennessee with Mr. Downey.
Mr. Burlison with Mrs. Collins of Illinois.

Mr. KELLY changed his vote from "yea" to "nay."

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

A TRIBUTE TO THE LATE HONORABLE JOHN SLACK

(Mr. ZABLOCKI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ZABLOCKI. Mr. Speaker, I am shocked to learn of the demise of our dear friend and colleague.

The sudden and untimely death of JOHN SLACK has left a void in this House which will be hard to fill.

He was a man of dedication, devoted to his constituents and to his country. He was diligent and intelligent in his work. He headed an important committee, whose responsibilities he shouldered with distinction.

I have known JOHN since he first came to Congress in 1959. Our friendship has grown over the years. Because of his major responsibilities in foreign affairs matters, we have had many common interests in that area both in the Congress and in connection with the operation of the Nation's foreign policy. I came to admire and appreciate, increasingly, his integrity and honor and decency.

JOHN will be greatly missed. I join in extending my deepest sympathies to his family.

□ 1400

COMMISSION ON SECURITY AND COOPERATION IN EUROPE TO HOLD HEARING

(Mr. FASCELL asked and was given permission to address the House for

1 minute and to revise and extend his remarks.)

● Mr. FASCELL. Mr. Speaker, I should like to announce that the Commission on Security and Cooperation in Europe will conduct a hearing on March 25, 1980, to study the compliance of the Eastern European signatory nations with the human rights provisions of the Helsinki Final Act.

In the Final Act's Principle VII, 33 European nations plus Canada and the United States promised to "respect human rights and fundamental freedoms, including the freedom of thought, conscience, religion or belief, for all without distinction as to race, sex, language, or religion." In Basket III the signatories pledged themselves to facilitate human contacts such as family reunification, binational marriage, travel, and the exchange of information and culture. This hearing will explore the degree to which the Eastern European countries—in particular Poland, Romania, the German Democratic Republic, and Czechoslovakia—have lived up to these declarations since the end of the Belgrade Review Session in March 1978.

The invited witnesses are: Prof. Rudolf Tökes of the University of Connecticut, Prof. Vlad Georgescu of the Smithsonian Institution's Woodrow Wilson Center, Prof. Dr. Hellmuth Nitsche of the West German Gesellschaft fuer Menschenrechte, Prof. Gordon Skilling of the University of Toronto, and Mr. Tadeusz Walendowski, formerly of the Polish Social Self-Help Committee.

The hearing will take place in room 2200, Rayburn House Office Building, at 10:30 a.m. on March 25.●

AUTHORIZING A 99-YEAR LEASE FOR THE MOSES ALLOTMENT NO. 10, CHELAN COUNTY, WASH.

Mr. UDALL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 1682) to amend the act of August 9, 1955 (69 Stat. 539) (25 U.S.C. 415), as amended, to authorize a 99-year lease for the Moses Allotment No. 10, Chelan County, Wash., and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona?

Mr. CLAUSEN. Mr. Speaker, reserving the right to object, will the gentleman explain what is actually involved?

Mr. UDALL. If the gentleman will yield, the House on yesterday adopted H.R. 5900, to authorize the owners of Moses Allotment No. 10 in Chelan County, Wash., to enter into a 99-year lease. The Senate bill before us now is identical to the House-passed bill, and this will clear the bill for the White House.

Mr. CLAUSEN. Mr. Speaker, I thank the gentleman, and I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 1682

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first section of the Act of August 9, 1955 (69 Stat. 539), as amended (25 U.S.C. 415), is amended by striking out "and the Navajo Reservation" and inserting in lieu thereof the following: "the Navajo Reservation, and the lands comprising the Moses Allotment Numbered 10, Chelan County, Washington".

The Senate bill was ordered to be read the third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 5900) was laid on the table.

PROVIDING FOR CONSIDERATION OF S. 2222, EXTENDING TIME FOR INDIAN CLAIMS

Mr. BEILENSON. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 606 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 606

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 2222) to extend the time for commencing actions on behalf of an Indian tribe, band, or group, or on behalf of an individual Indian whose land is held in trust or restricted status, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on the Judiciary now printed in the bill as an original bill for the purpose of amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore. The gentleman from California (Mr. BEILENSON) is recognized for 1 hour.

Mr. BEILENSON. Mr. Speaker, I yield 30 minutes to the gentleman from Maryland (Mr. BAUMAN) for the purposes of debate only, pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 606 is the rule providing for the consideration of S. 2222, a bill to extend the statute of limitations for certain actions brought by the Federal Government on behalf of Indians. The bill is somewhat controversial, but the rule is not. It is an open rule allowing for 1 hour of general debate to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary.

The rule makes in order the Judiciary Committee substitute for S. 2222 as original language for the purpose of amendment and provides for one motion to recommit with or without instructions.

Mr. Speaker, because of an historical trust relationship, the Federal Government brings contracts and specified tort actions on behalf of Indian tribes and individual Indians whose land is held in trust. In 1966, a 6-year statute of limitations was enacted for these and similar Federal actions. Since that time, the Interior Department has been unsuccessful in processing and disposing of all Indian claims which accrued prior to that year, 1966. There remains a substantial backlog.

The statute of limitations for Indian claims, which has been extended in the past, will again expire on March 31 of this year. S. 2222, as reported by the Judiciary Committee, would extend it for 2 additional years. The bill will provide time for settlements and legislative solutions, thereby hopefully avoiding inappropriate and costly litigation.

It should be noted that the claims covered by the statute of limitations are for money damages only. These are not claims for land title. However, pending claims for trespass damages severely inhibit the conveyancing freedom of landowners. If the statute of limitations is not extended on these claims, suits against the Federal Government for a breach of its fiduciary responsibility are possible and would be followed by trespass suits themselves; so it is important that the Government be given time to avoid such time-consuming litigation.

I urge my colleagues to support the rule providing for the bill which will accomplish these purposes.

Mr. BAUMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I have some good news and some bad news. The good news is that this rule, unlike most recent rules does not restrict amendments, does not waive any Budget Act requirement, and does not even waive any provisions of the House rules. It just provides 1 hour of general debate for the consideration of S. 2222 a bill extending the time for Indian claims. It also makes the committee substitute in order as an original bill for the purpose of amendment.

That is the good news. Now for the bad news.

The bad news is the bill made in order by this rule. It extends once again the time for the United States to file certain claims on behalf of Indians. The problem is that this deadline has been extended twice before, and each time we are assured that it is the last time.

Let me review the history briefly. In 1966, Congress set a time limit on these claims. That time ran out on July 18, 1972. Therefore in 1972 Congress extended the statute of limitations 5 years to July 18, 1977. Then in 1977, again based on a recommendation of the Department of the Interior, the Congress agreed to an additional extension of this statute of limitations 2½ years to April 1, 1980.

Now that deadline is approaching, and here they come back again for another extension to April 1, 1982. It never ends.

Mr. BEILENSON. Mr. Speaker, I have no requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. SYMMS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 380, nays 2, not voting 49, as follows:

[Roll No. 146]

YEAS—380

Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnard
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Buchanan
Burgener
Burton, John
Burton, Phillip
Butler
Byron
Campbell
Carney
Carr
Carter
Cavanaugh
Chappell
Cheney
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Tex.
Conable
Conte
Conyers
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Dellums
Derrick
Devine
Dickinson
Dicks
Dingell
Donnelly
Dornan
Dougherty
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fascell
Fazio
Fenwick
Ferraro
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Tenn.
Forsythe
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Grisham
Guarini
Gudger
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Hopkins
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jeffords
Jeffries
Jenkins
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCormack
McDade
McEwen
McHugh
McKay
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Miller, Calif.
Miller, Ohio
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
Oakar
Oberstar
Obey
Panetta
Pashayan
Patten
Patterson
Paul
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Porter
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Robinson
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roth
Rousselot
Roybal
Royer
Rudd
Runnels
Russo
Sabo
Santini
Satterfield
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Stenholm
Stockman
Stratton
Studds
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Traxler
Trible
Udall
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walker
Wampler
Watkins
Waxman
Weaver
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Wilson, Bob
Wilson, Tex.
Winn
Wirth
Wolpe
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—2

Guyer
McDonald

NOT VOTING—49

Abdnor
Anderson, Ill.
Barnes
Broyhill
Burlison
Chisholm
Collins, Ill.
Crane, Philip
Derwinski
Diggs
Dixon
Dodd
Downey
Erlenborn
Fary
Findley
Ford, Mich.
Giaimo
Gibbons
Green
Holtzman
Horton
Jacobs
Jenrette
Jones, Tenn.
Lederer
McCloskey
McKinney
Martin
Mathis
Matsui
Michel
Mineta
Moffett
Murphy, Ill.
O'Brien
Ottinger
Roberts
Steed
Stewart
Stokes
Thompson
Ullman
Walgren
Weiss
Williams, Ohio
Wilson, C. H.
Wolff
Wright

□ 1420

The Clerk announced the following pairs:

Mr. Thompson with Mr. Green.
Mr. Wolff with Mr. Horton.
Mr. Burlison with Mr. O'Brien.
Mr. Diggs with Mr. Walgren.
Mr. Dodd with Mr. Williams of Ohio.
Mr. Fary with Mr. McKinney.
Mr. Ford of Michigan with Mr. McCloskey.
Mr. Giaimo with Mr. Martin.
Mr. Roberts with Mr. Erlenborn.
Mr. Steed with Mr. Findley.
Mr. Jones of Tennessee with Mr. Derwinski.
Mr. Jenrette with Mr. Philip M. Crane.
Mr. Lederer with Mr. Broyhill.
Mr. Matsui with Mr. Anderson of Illinois.
Mr. Mineta with Mr. Abdnor.
Mr. Moffett with Mr. Dixon.
Mr. Ullman with Mr. Gibbons.
Mr. Stokes with Mr. Barnes.
Mrs. Chisholm with Mr. Mathis.
Mr. Downey with Mr. Weiss.
Mrs. Collins of Illinois with Mr. Charles H. Wilson of California.
Ms. Holtzman with Mr. Murphy of Illinois.
Mr. Jacobs with Mr. Ottinger.
Mr. Wright with Mr. Stewart.

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 282. Concurrent resolution expressing the sense of the Congress with respect to the recent foreign-inspired attempts to undermine the stability of Tunisia.

EXTENDING TIME FOR INDIAN CLAIMS

Mr. DANIELSON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the Senate bill (S. 2222) to extend the time for commencing actions on behalf of an Indian tribe, band, or group, or on behalf of an individual Indian whose land is held in trust or restricted status.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the Senate bill, S. 2222, with Mr. NEAL in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from California (Mr. DANIELSON) will be recognized for 30 minutes, and the gentleman from California (Mr. MOORHEAD) will be recognized for 30 minutes.

The Chair recognizes the gentleman from California (Mr. DANIELSON).

Mr. DANIELSON. Mr. Chairman, this bill, S. 2222, is a bill which may contain some heat in its debate, but I respectfully submit that those who will open their eyes will also find there is a good deal of light involved. It is a bill which should be passed without too much controversy.

The bill, S. 2222, does one thing and one thing only. It extends the period of limitations which is contained in section 2415 of title 28, United States Code, for the period of 2 years ending April 1, 1982.

There is another proviso in the bill which is not of great consequence, but would require the Department of Justice and the Department of the Interior to file a report with the Congress reporting on the status of these claims and suggesting legislative means of disposing of them, as well as the current judicial means.

As to the bill itself, I do hope that the Members, Mr. Chairman, will pay some attention, because I have observed that this law, the law with which we are dealing, is probably the least understood of all the laws of the land. The remedy which we are seeking to make available here is one that antedates the history of the Republic. When America was first settled by the colonists long ago as the course of settlement moved westward, the white people from abroad moved in upon what was previously Indian territory, Indian country, and took over area after area, sequentially. After each skirmish, each little war, there would be some kind of an agreement or treaty ending the war and pursuant to which the Indians agreed, "Yes, you can have this portion of ground, but we reserve the rest of the ground for ourselves."

This continued for a long time, up to the time that the Constitution of the United States was adopted and the Congress met in 1789, following the revolution. Then the First Congress of the United States adopted a law commonly known as the Nonintercourse Act, which is cited as 1 Stat. 18, the act of July 22, 1790, in which the First Congress of the United States, acting under our new Constitution, provided particularly in section 4 thereof, as follows:

> And be it enacted and declared, That no sale of lands made by any Indians, or any nation or tribe of Indians within the United States, shall be valid to any person or persons, or to any state, whether having the right of preemption to such lands or not, unless the same shall be made and duly executed at some public treaty, held under the authority of the United States.

☐ 1430

That, Mr. Chairman, is the language of 1 Stat. 18. It is section 4 of the Nonintercourse Act adopted by the First Congress of the United States on July 22, 1790.

During our history that law has been amended from time to time. But the provisions with which we are concerned today remain upon the books. They remain as part of the United States Code. In title 25, United States Code at section 177, the successor to the Nonintercourse Act remains as part of the laws of the United States. With very minor changes in wording it still provides to this day that—

> No purchase, grant, lease, or other conveyance of lands, or of any title or claim thereto, from any Indian nation or tribes of Indians, shall be of any validity in law or equity, unless the same be made by treaty or convention entered into pursuant to the Constitution.

Mr. Chairman, that is the law of the land. That has been the law of the land for so long as this Republic has endured. That law has always been in effect and still remains in effect today.

After 1789 when our country began to operate under its new, proud, Constitution, "westward the course of empire took its way" until it reached the Pacific Ocean. Every time there was a further expansion across the Appalachians, the Alleghenies into Pennsylvania, into Ohio, Indiana, Illinois, Iowa, Nebraska, Wyoming, all the way out to the Pacific coast, after each skirmish, each expansion of territory, there would be a new treaty entered into between the vanquished Indian tribe or tribes involved and the "Great White Father in Washington." Pursuant to that treaty certain lands would be ceded to the United States by the Indian groups involved, and the Indian groups reserved unto themselves the remainder of their land. From thence comes our term "reservation," an Indian reservation. As the tribes were conquered, as they moved farther west, they did cede much of their land to the United States, but they reserved to themselves the remainder of the land.

This westward course of expansion continued until the entire continent was brought within the control of what we know as the United States.

But throughout the United States there are many reservations. All of us are aware of some of them. In many respects they are self governing, and sometimes they are likened to separate independent nations in themselves.

Now, regrettably, as civilization progressed, as our technologies improved, as the railroad was sent all the way to the Pacific coast, as the settlers settled, as they farmed, oftentimes there were trespasses upon the Indian reservations. Oftentimes there was a usurpation of some of the Indian lands, squatters moved in, artful persons sometimes caused Indians to sell or encumber their land, their rights. Oftentimes there was a usurpation of the right to take gravel, the right to take minerals, a right to hunt or to fish, the examples as varied as civilization itself, as all human dealings.

Those usurpations, those taking over of certain Indian rights, if not in conformity with the Nonintercourse Act, are without validity in law or in equity.

Now, who is to enforce the rights of the Indians in these cases? Again let us go back to our old history; as far back, at least, as Chief Justice John Marshall.

In Chief Justice Marshall's decision in the cast of *Cherokee Nation* v. *Georgia*, 1831, reported in 30 U.S. 1 at page 17, 5 Peters at page 1, Chief Justice Marshall, commenting on the status of these Indian tribes, these Indian nations, stated, and I read:

> Though the Indians are acknowledged to have an unquestionable, and heretofore unquestioned, right to the lands they occupy, until that right shall be extinguished by a voluntary cession to our government; yet it may well be doubted, whether those tribes which reside within the acknowledged boundaries of the United States can, with strict accuracy, be denominated as foreign nations.

There were some who deemed them to be foreign nations.

This again is Chief Justice Marshall speaking:

> They may, more correctly, perhaps, be denominated domestic dependent nations. They occupy a territory to which we assert a title independent of their will, which must take effect in point of possession, when their right of possession ceases. Meanwhile, they are in a state of pupilage; their relation to the United States resembles that of a ward to his guardian. They look to our government for protection, rely upon its kindness and its power; appeal to it for relief to their wants; and address the President as their Great Father.

I am quoting from Chief Justice Marshall.

Mr. Chairman, I particularly invite your attention to the language of Chief Justice Marshall when he referred to the Indians' relationship to our Government as "that of a ward to his guardian." At that time, 1831, and perhaps earlier, the concept that the Indian tribes and nations and the Indians themselves were deemed to be wards of the United States, and the United States was deemed to be the guardian, the trustee, on behalf of those Indians, was a part of the law of the United States. That principle has remained deeply embodied in our law and so it remains today.

I shall not, Mr. Chairman, list the long line of decisions of our Supreme Court which reenforce and reaffirm this principle, but a fairly recent one I will comment upon.

In 1942, in the case of *Seminole Nation* v. *United States*, reported at 316 U.S. 286 at pages 296 and 297, Justice Frank Murphy stated as follows:

> Furthermore, this Court has recognized the distinctive obligation of trust incumbent upon the Government in its dealings with these dependent and sometimes exploited people—

Referring to the Indians and citing numerous authority—

> In carrying out its treaty obligations with the Indian tribes, the Government is something more than a mere contracting party. Under a humane and self-imposed policy which has found expression in many Acts of Congress and numerous decisions of this Court, it has charged itself with moral obligations of the highest responsibility and trust. Its conduct, as disclosed in the acts of those who represent it in dealing with the Indians, should therefore be judged by the most exacting fiduciary standards.

Justice Murphy footnoted, in that decision, an opinion of Chief Judge—later Mr. Justice—Cardozo, voiced some years earlier in which Cardozo stated that—

> Many forms of conduct permissible in a workaday world for those acting at arms' length, are forbidden to those bound by fiduciary ties. A trustee is held to something stricter than the morals of the marketplace. Not honesty alone, but the punctilio of an honor the most sensitive, is then the standard of behavior.
>
> As to this there has developed a tradition that is unbending and inveterate. Uncompromising rigidity has been the attitude of courts of equity when petitioned to undermine the rule of undivided loyalty by the "disintegrating erosion" of particular exceptions. . . . Only thus has the level of conduct for fiduciaries been kept at a level higher than that trodden by the crowd.

And, Mr. Chairman, I submit that is the standard under which we are bound today.

Now, Mr. Chairman, as recently as 1966 there was no statute of limitations whatever upon actions brought by the U.S. Government on behalf of its wards, the Indians, none whatsoever. A claim could be 1 year old, or 10 years old, or 50 years old, or 100 years old. The statute of limitations did not run against the U.S. Government in actions which it brought.

In 1966 the Congress, in its wisdom, saw fit to pass a new law, which is section 2415 of title 28, United States Code, setting a time for commencing actions brought by the United States, and in the third proviso thereof it established a period of limitations for actions for damages "brought by the United States for or on behalf of a recognized tribe, band, or group of American Indians," et cetera.

Now, that was in 1966, the very first time anyone ever dreamed of putting a limitation on these actions.

Since that time the Department of the Interior, acting through the Bureau of Indian Affairs, has attempted to exercise its fiduciary duty to the Indians by examining claims which had been left untouched for years and years, in many instances, and recommending them after evaluating them, by winnowing out those of little value or no value, by trying to settle some out of court, as any good lawyer would try to do, but eventually having to refer to the Department of Justice certain claims which had to be tried in the courts of law.

I will confess that, in my opinion, the Bureau of Indian Affairs has been somewhat less than diligent in exercising that responsibility, and that may be an understatement. But that does not relieve the U.S. Government of its fiduciary obligation. The Bureau of Indian Affairs is only an agent of the U.S. Government. The Bureau of Indian Affairs, in my opinion, has been less than diligent. I believe it has been delinquent and dilatory, and even I will surmise that in some cases it may have been actionably negligent, in not digging out these claims with enough vigor, with enough attention, and in failing to present them to the U.S. Department of Justice for prosecution in a timely manner.

But let us not vent our revenge against the Bureau of Indian Affairs by taking it out on the Indians. They are not the ones who should have brought the action; it is the Bureau of Indian Affairs. The Bureau of Indian Affairs has possession of all the maps; the Bureau of Indian Affairs has possession of all the treaties; the Bureau of Indian Affairs has possession of all the surveys, of all the data.

They are the ones who uniquely are in a position where they, and only they, could evaluate these claims, could check them out, could settle them, could turn them over to the Department of Justice for settlement.

We have been pushing the Bureau of Indian Affairs fairly hard recently, although not hard enough. They tell us now that they are aware of something in the neighborhood of 4,000 total claims from coast to coast. That includes the major claims on the east coast which go back almost to the time beyond which the memory of man cannot run, to some fairly recent ones in Wyoming, Colorado, and elsewhere in the West. But they have told us, and it is unfortunately true, that they are not able to complete their examination of claims and turn them over to the Department of Justice, and to have the Department of Justice file the lawsuits before April 1, which now is only 12 days off.

I respectfully submit, Mr. Chairman, that it is necessary that we extend this period of limitations in order to provide sufficient time so that the Bureau of Indian Affairs can complete that work and move it along so that the Department of Justice can file its lawsuits, if it deems it fit to do so, and so that these matters can be handled in an orderly manner.

I am going to conclude by making one more point, and this is not blackmail, but it is commonsense. There are people in this body who are yet endowed with commonsense, and I understand that there are some who believe in economy and believe in saving money for the taxpayers. Mr. Chairman, here is where they can do a little of each, because unless a reasonable length of time is given so that these claims can be evaluated, can be settled, can be turned over to the Department of Justice for prosecution where necessary, it is going to be absolutely necessary that blanket lawsuits be filed in the next week or 10 days in order to prevent these claims from running.

Mr. Chairman, I would be glad to yield to the gentleman from South Carolina (Mr. HOLLAND) if he would like to be heard at this time. If not, I will reserve the remainder of my time.

Mr. HOLLAND. I would appreciate the gentleman's reserving his time.

Mr. DANIELSON. I at this time will reserve the remainder of my time. If the gentleman has his own time, I would be glad to respond, but I reserve the remainder of my time at this moment.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. MOORHEAD).

Mr. MOORHEAD of California. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of S. 2222, a bill which would extend the statute of limitations with respect to suits filed by the Government on certain Indian claims, as that bill was reported by the Committee on the Judiciary.

Despite the fact that this statute of limitations has been extended on two previous occasions since it was originally imposed in 1966, the Interior and Justice Departments recently testified before the Subcommittee on Administrative Law and Governmental Relations that the processing of these claims cannot be completed before the existing April 1, 1980, deadline. According to the testimony, these claims number in the thousands. The Interior and Justice Departments have indicated that they can complete this work during the next 2 years.

Three years ago, when the second extension of this statute was being considered, we received strong assurances from those agencies that they would be able to identify and process the affected claims by April 1 of this year. Unfortunately, they did not proceed with great speed and diligence to accomplish that goal. As a result, we have two options open to us: We can extend the statute a third time in reliance upon their assurances, or we can allow the statute to toll. I believe that the first of these options is the least objectionable for two reasons.

First, these claims have cast a cloud upon the land titles of many innocent owners which prevents the sale of their property and makes it virtually impossible for them to obtain title insurance. Only when these claims are finally settled will such problems be alleviated. Second, testimony before the Subcommittee on Administrative Law suggests that, if the deadline is not extended, suits may be filed against the United States in its capacity as trustee for failure to diligently pursue these claims. Even if suits of this nature were unsuccessful, they would be a drain upon the resources of the Government. These resources would be better used in processing pending claims.

The other body voted to extend the statute by more than 4 years. That extension is too long. The Interior and Justice Departments have asked for 2 additional years and I believe that we should grant that request, but no more. If their work is not completed by April 1, 1982, the Interior and Justice Departments should take the consequences. In the meantime, I believe that the Subcommittee on Administrative Law and Governmental Relations should conduct oversight hearings to monitor the progress of these agencies during the extension period.

In sum, I urge my colleagues to support the 2-year extension reported by the Committee on the Judiciary.

Mr. CLAUSEN. Mr. Chairman, will the gentleman yield?

Mr. MOORHEAD of California. I yield to the gentleman from California.

Mr. CLAUSEN. I thank the gentleman for yielding.

Mr. Chairman, I wish to express my support for S. 2222. This bill will give the Departments of Interior and Justice an additional 2 years to complete processing a sizable backlog of Indian claims that the United States, as trustee, is responsible to pursue.

I understand that if this legislation is not passed, and if the statute is not extended, it will not prevent actions in Federal courts by individual Indians or Indian tribes on claims that they have. The suits would be likely to be filed anyway by individual Indians or Indian tribes. However, failure to extend the statute would unnecessarily bar many meritorious claims of Indian tribes and individuals. It would cause to be filed hundreds of lawsuits which might otherwise be rejected if adequate time were allowed for review on their merits.

Failure to provide an extension would also deprive the United States of opportunities to negotiate claims settlements out of court. Moreover, it would place an unnecessary financial burden on thousands of private individuals and local governments which may be named as defendants.

This legislation is particularly important to the smaller tribes and bands in California who lack the administrative staff and legal and investigative resources to identify all those potential claims which they may be entitled to file. These tribes and bands are heavily dependent on the Bureau of Indian Affairs for assistance in identifying these claims and the BIA has generally been slow in providing such assistance.

I am aware that the California Indian legal services program, which provides legal aid to these Indian groups, testified at Senate hearings in December as to the existence of an estimated 1,700 potential claims in Round Valley alone as a result of only a cursory look at BIA records for that area. If a thorough job is to be done investigating these and other claims in my State and elsewhere in the United States, an extension of the statute of limitations is necessary.

It is my strong desire to see an end to the seemingly endless stream of Indian claims. However, I do not believe that people with just claims should be denied justice simply because the Government has set an arbitrary deadline to process such claims, and then by its own inaction or inefficiency has failed to meet it.

S. 2222 is a meritorious piece of legislation that is clearly in the interest of justice and fairness. I urge my colleagues to support it.

Mr. MOORHEAD of California. Mr. Chairman, I yield such time as he may consume to the gentleman from Illinois (Mr. McCLORY).

Mr. MITCHELL of New York. Mr. Chairman, will the gentleman yield?

Mr. McCLORY. I yield to the gentleman from New York.

Mr. MITCHELL of New York. Mr. Chairman, I strongly support S. 2222. It is vitally important that we approve this measure to extend the statute of limitations on contract and tort actions by the U.S. Government on behalf of the Indians.

The original purpose of the statute was to settle, once and for all, pre-1966 Indian tribal claims involving monetary damages. However, the Department of the Interior has not been able to process all the land claims that fall into this category in time to meet the deadline. Insufficient funding and lack of personnel have slowed the Department's efforts to execute what has proven to be a very large task.

There are still a number of outstanding land claims that cannot be settled by April 1. Several of these claims are in New York State, including one 250,000-acre claim in my congressional district. Lawyers for the tribe involved in that action have indicated that they will broaden their current lawsuit to include more residents of my district if the deadline is not extended.

The failure to extend the statute of limitations would mean that landowners will be dragged into years of burdensome and costly litigation, that land titles will remain clouded, real estate transactions will stay frozen, and property values continue to decline. The net effect would be that innocent citizens will be severely penalized because the Federal Government has not been able to meet its own deadline.

Additional time is needed to seek legislative solutions to these land claims and avoid more legal nightmares. I urge all of my colleagues to support the extension.

Mr. McCLORY. Mr. Chairman, I want to commend the chairman of the subcommittee, the gentleman from California (Mr. DANIELSON), and the ranking minority member, the gentleman from California (Mr. MOORHEAD), for their work in producing this legislation and bringing it to the floor of the House.

I supported adoption of the rule, which made in order the consideration of S. 2222, the bill which would extend the statute of limitations that applies to certain Indian claims.

The statute of limitations which applies to contract and tort actions for monetary damages brought by the Government on behalf of certain Indian tribes will expire on April 1, 1980. I support the extension of that statute until April 1, 1982. The Departments of Justice and Interior have assured us that the thousands of pending claims can be processed by that date. Failure to extend the deadline will certainly prompt the filing of lawsuits against innocent landowners. These suits would be expensive for both the landowners and the Indian people and might otherwise be avoided through negotiated settlements. We hope, however, that S. 2222 will be the last in this series of extensions so that the cloud currently hovering over these land titles will soon be lifted to the benefit of all parties involved.

For these reasons, I was pleased with the adoption of the rule on S. 2222.

Likewise, I rise in support of S. 2222, as that bill was reported by the Committee on the Judiciary.

S. 2222 would extend the statute of limitations on certain suits for monetary damages filed by the Government on behalf of Indian tribes. This is the third request that we have received from the Departments of the Interior and Justice to extend this deadline. On the last occasion, we were given strong assurances that it would be the "final" extension requested.

Our impatience with these requests in no way reflects any lack of sympathy toward the claims of the Indian people. During the consideration of this bill by the Subcommittee on Administrative Law and Governmental Relations and the Committee on the Judiciary, I observed great sympathy on the part of my colleagues toward the Indian people. Our impatience stems, rather, from two concerns: First, that these repeated extensions run contrary to the theory behind the statute of limitations; and second, that the Departments of Interior and Justice may not be proceeding with due diligence.

The statute of limitations was originally imposed to prevent the filing of stale claims by the Government because potential stale claims raise questions about the true title to land. Repeated extensions of the deadline mean that these questions surrounding land titles are never finally resolved. While we are sympathetic to the Indians, equity necessitates equal concern for the interests of property owners, many of whom have their life savings tied up in land affected by these claims. I submit that it is in the interests of the Indian people and landowners alike that these claims be settled with finality and expeditiously.

Under the circumstances, and in view of the slow pace at which the Departments of Interior and Justice have proceeded since the last extension, another 2-year extension should be granted in the interests of justice. However, it is my fervent hope that S. 2222 will be the final chapter in this series of extensions. The Departments of Justice and Interior should be put on notice that April 1, 1982, will be the day of reckoning for them because no further extensions should be granted. Hopefully, the Departments of Justice and Interior will complete their work before the statute of limitations finally and irrevocably tolls.

In conclusion, I urge the passage of S. 2222, as reported by the Committee on the Judiciary.

□ 1450

Mr. MOORHEAD of California. Mr. Chairman, I yield such time as he may consume to the gentleman from Alaska (Mr. YOUNG).

Mr. YOUNG of Alaska. Mr. Chairman, I support the legislation now before us, S. 2222. This bill would extend by 2 years the deadline by which the United States, as trustee, must bring actions for tort or contract damages on behalf of native Americans whose lands are held in trust or restricted status. The extension is needed to provide the Departments of Interior and Justice sufficient time to complete processing a claims backlog of several thousand claims.

As the Representative of the citizens of Alaska, I am particularly concerned about this legislation because within my State are several native groups whose land was held in trust or restricted status prior to the Alaska Native Claims Settlement Act. Some of these people have claims being researched and evaluated by the Departments. They, like Indian tribes and individuals in the lower 48 who have legitimate claims that the United States is responsible to pursue, should not be punished for the failure of the Department of the Interior to process their claims in a timely manner.

This legislation appears to me to raise a basic question, and that is, Will Congress insure that the U.S. Government will be able to fully and fairly perform its legal responsibilities as trustee for Native Americans? I believe the answer to that question must be yes. I urge my colleagues to vote "aye" on S. 2222.

Mr. MOORHEAD of California. Mr. Chairman, I yield such time as he may consume to the gentleman from Montana (Mr. MARLENEE).

Mr. MARLENEE. Mr. Chairman, I would like to address a question to the gentleman from California (Mr. DANIELSON).

Is there anything in S. 2222 or in the defeat of S. 2222 that limits that claims or suits brought by the Indian tribes in their own behalf? If the Indian people feel they have a legitimate cause for suits regarding land or compensation for what they believe is legally and rightfully theirs, this statute does not stop them from developing their own claims. However, what the bill before us today does do is assist the Indian tribes, as I understand it, in identifying those claims, and whether or not they are interested in pursuing those claims.

The Department of the Interior, in other words, at no cost to the tribes, is acting as a private investigator for the tribes and the taxpayers are paying the Department of Justice to bring suit for these tribes.

Mr. DANIELSON. Mr. Chairman, that is a long question and I am not sure what information is needed. Mr. Chairman, would the gentleman be more definitive.

Mr. MARLENEE. Mr. Chairman, is there anything which precludes the Indians from bringing suits, themselves, if they have legitimate cause, if we do not pass the bill?

Mr. DANIELSON. Mr. Chairman, would the gentleman yield?

Mr. MARLENEE. I would be happy to yield.

Mr. DANIELSON. Mr. Chairman, there is no legal reason but there is a strong factual reason; namely, the Bureau of Indian Affairs has possession of all the records, documents, maps, et cetera, which are essential to the establishment of these claims.

Mr. MARLENEE. Then that brings me to the second part of the question, then, Mr. Chairman: The Bureau of Indian Affairs, under this present statute, is acting as a private investigator for the tribes, in ferreting out these claims. Is that not a make-work program?

Mr. DANIELSON. Mr. Chairman, will the gentleman yield?

Mr. MARLENEE. I will be happy to yield.

Mr. DANIELSON. The answer is no. Under the various treaties between the United States and the various Indian nations, tribes and groups over the course of the last nearly 200 years, the U.S. Government has in those treaties undertaken to protect the Indians in their rights under the various treaties. Therefore, they are simply discharging a fiduciary obligation. It must do so. It is an obligation.

Mr. MARLENEE. Mr. Chairman, it seems to me this is a make-work program for attorneys and that the last time we extended this statute was in an effort to prod along the Department of the Interior, the Bureau of Indian Affairs, in identifying these claims. That is what they are doing. They are acting as a private investigator, identifying these claims and then passing them along to the tribes to see if they want to pursue it with the Justice Department.

Mr. Chairman, I have asked the Bureau of Indian Affairs, within the Department of the Interior, for a breakdown on just how many attorneys are working on BIA records and land records to identify the potential claims. I received a 40-page document and was told this list is updated almost daily. In those 40 pages there are roughly 135 law firms with anywhere from 1 to 35 attorneys per firm. They now have a grand total of 265 contracts listed.

Mr. Chairman, the Department of the Interior has identified 10,000 potential claims. A lot of these claims are out in the West. They say there are 10 to 20 land claims in the East. There are about 340 of these claims in the West.

Now it would seem to me, Mr. Chairman, that this many attorneys charged with the responsibility, given a 5-year extension of time, would have in fact identified all the problems necessary, all the substantive problems and issues would have been resolved and now they are into the matter of nit-picking on small claims.

Mr. Chairman, I call for the defeat of the extension.

Mr. DANIELSON. Mr. Chairman, will the gentleman yield?

Mr. MARLENEE. I yield to the gentleman from California.

Mr. DANIELSON. I do not know whether the last statement made by the gentleman from Montana was couched in the form of a question to me or not and I am not funning with the gentleman, Mr. Chairman, but it may be perceived by the gentleman as make-work but it is not, in that the Government owes through its treaty obligations a fiduciary relationship. As Chief Justice Marshall said, the relationship of a guardian to a ward; as Justice Cardoza and Justice Murphy said, a trustee to the beneficiary. It is an obligation.

Mr. Chairman, I recognize that the gentleman may perceive it as a make-work proposition but it is a discharge of a very serious responsibility. I join with the gentleman's implied desire to bring these things to an end. However, I submit the best way to do it is to have this reasonable extension of time. Incidentally, the other body gave them 4 years. We cut it back to 2 years in order to keep the pressure on them.

Mr. Chairman, I might advise the gentleman from Montana that we intend to hold oversight hearings every 3 or 4 months from here on out, to be sure that they are moving. My opinion is that they go to sleep, but they are not going to go to sleep in these next 2 years.

Mr. MARLENEE. Mr. Chairman, I believe I have expended all of my time and I thank the gentleman for yielding.

Mr. MOORHEAD of California. Mr. Chairman, I yield such time as she may consume to the gentlewoman from New Jersey (Mrs. FENWICK).

Mrs. FENWICK. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I do not know whether or not I am going to vote for this extension, but I am certainly not going to vote for this extension if during this time, 2 years, more claims will be entered. There must be a deadline. Otherwise, what happens? All that we did with the last extension was to increase the number of pending claims from a couple of hundred to thousands. All we will do with another extension is to increase it from the current 9,700 to 20,000. That is because we have lawyers who are going to make money out of it. Let us be honest.

Mr. Chairman, I would vote for this extension if we had a deadline. We should make it clear that with 9,700 pending, we will give them 2 years to finish these claims and no more claims will be entered.

Mr. DANIELSON. Mr. Chairman, will the gentlewoman yield?

Mrs. FENWICK. I yield to the gentleman from California.

Mr. DANIELSON. I will invite the gentlewoman to attend one of our oversight hearings in 3 or 4 months and I hope she will be good enough to come because I would enjoy having her explain her position to the responsible people at the Bureau of Indian Affairs, and perhaps we will get more action out of them.

Mrs. FENWICK. That would be well, if we have a deadline.

Mr. DANIELSON. This establishes a deadline.

Mrs. FENWICK. It does not stop the entering of new claims.

Mr. DANIELSON. It does. In 1982, April 1st.

Mrs. FENWICK. Mr. Chairman, what I would like to say is, could we establish that now, as of the time this is signed into law, or right this minute, that there will be no more claims entered and that those who are hired, the 140 firms who are hired, will deal with the 9,700 claims that are pending before them, period.

Mr. DANIELSON. Mr. Chairman, I cannot make that representation. If an Indian tribe in Wyoming—I am just pulling one out of the air, here—should find that its reservation has been trespassed upon and the State of Wyoming has withdrawn 500,000 tons of gravel to use on a road, I am not going to say that that Indian tribe should not have a right to ask for compensation.

Mrs. FENWICK. Of course he has a right and he can go to court and get it. The courts of our Nation are fair and if the State has illegally drawn 500 tons of gravel the Indians have every right to compensation.

☐ 1500

We cannot, in good conscience, continue as we have. I would like to offer an amendment to this bill to the effect that from now on no more claims will be entered, and the Bureau of Indian Affairs is required to finish up the ones they have got.

Mr. MARLENEE. Mr. Chairman, will the gentlewoman yield?

Mrs. FENWICK. I yield.

Mr. MARLENEE. Mr. Chairman, I would be happy to allow a reasonable point on time extensions, and I voted for this extension the last time.

Mrs. FENWICK. I did too.

Mr. MARLENEE. Now, I would like to quote:

> Mr. COHEN. Mr. Speaker, I will indicate that there is one thing that is missing from this conference report in terms of the statement of the managers, and that is a reflection of the very strong will as expressed by the House that this is the final extension of the Indian trust section of title 25, section 2415 (a) and (b) dealing with pre-1966 claims.

I think it ought to be very clear that this House has indicated on the record that this is the final extension, and that we are sending a message to the Department of the Interior and to the Justice Department that they had better get busy in processing whatever claims they have because this House will not extend the statute in the future.

Mr. DANIELSON. Mr. Speaker, I thank the gentleman for his contribution. He has stated the facts very eloquently, and I agree 100 percent.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. DANIELSON. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Speaker, I just want to make certain that I heard that the gentleman from Maine (Mr. Cohen) said. I believe he used the word, "final," f-i-n-a-l. That was the word the gentleman used, was it not?

Mr. COHEN. I did.

Mr. ASHBROOK. Mr. Speaker, I thank the gentleman.

Mr. DICKS. Mr. Speaker, will the gentleman yield?

Mr. DANIELSON. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Speaker, I would just like to associate myself with the remarks of the gentleman from Maine (Mr. Cohen). I know there are other Members from other parts of the country who are just as concerned, and I hope that this is the final extension.

Mr. UDALL. Mr. Speaker, will the gentleman yield once again?

Mr. DANIELSON. I yield to the gentleman from Arizona.

Mr. UDALL. Mr. Speaker, I just want to say that as a member of and the chairman of one of the committees that deals with Indian Affairs, I would like to dig a little hole for myself and state for the record that this is the last extension I would support.

Mr. DANIELSON. Mr. Speaker, I have never seen such unanimity.

Then, it goes on and on and on. There was this unanimity among the people on any extension of time beyond the one we granted in 1977.

I thank the gentlewoman for yielding.

Mr. MOORHEAD of California. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan (Mr. SAWYER).

Mr. SAWYER. Mr. Chairman, except for the votes on restricting Federal funds for abortion, the thing that stands out in my mind since I have been here in the Congress is that we are constantly extending, and I am being asked to vote both in committee and on the floor in extending this statute of repose on Indian claims. We all live with statutes of repose. They are there for a purpose, and that is that the disputes have to come to an end, and people can toll a statute by filing a complaint.

There are freedom of information actions so that if they want information they can get information. Then, they waive a deadline within which, if they do not file a claim, that tolls the statute for however long the lawsuit takes, and the cause of action disappears.

Now, I think, and I remember very distinctly, the colloquy that the gentleman from Montana read, that that was the last time. The one thing the courts are exceedingly—exceedingly—tough on is extending statutes of limitations. They defeat some of the most, on the face of it meritorious claims for failure to file actions. Lawyers have died and files get mixed up and a claim is not filed. They are almost merciless on holding to that statute of repose because it is a very important part of public policy.

I think in the last discussion—and I voted in favor of the extension—I believe what the gentleman from California (Mr. DANIELSON) said very emphatically was, this is the last time. As far as I am concerned, it was the last time that people between now and 12 days from now can file a complaint in the Federal court and stop the statute. They can get the information from the Government agencies if they are interested, but keeping open this Pandora's box interminably, and I am sure that if we extended this time we will get the same argument the next time, and the next time, and the next time, and the next time.

I say that a statute of repose is there for a purpose. Let us repose this. Let us dispose of it. Let us end this and let people who have claims get them filed in 12 days.

Mr. MOORHEAD of California. Mr. Chairman, I yield such time as he may consume to the gentleman from New York (Mr. LEE).

Mr. LEE. Mr. Chairman, I thank the gentleman for yielding.

Ladies and gentleman of the House, I think that if one looks at the historical pattern going back to 1966, when the first statute of limitations was put in place after the Indian Land Commission of 1951, that each successive extension has led to a tremendous proliferation of the number of claims which have been filed against the various States and individuals across this country.

Second, there has been the repeated pledge by the Interior Department that this extension, the last extension was going to be the final extension. If one reads carefully the debate in the House in 1977, the Department of the Interior gave its pledge that it would be the last extension. Now, I need not remind my colleagues of the House that we are talking, with each extension, of billions of dollars involved for potential settlements.

I think the time has come for the Congress of the United States to fish or cut bait on this particular issue, to draw the line, and resolve these issues once and for all in this great country.

As one constitutent wrote to me the other day on this particular matter, she suggested that what we do by continuously extending the statute of limitations is to invite the lawyers to go on the "law path"—not the warpath, but the "law path. I submit that that lady who wrote is correct. The only winners in these kinds of circumstances are the lawyers. Let us draw the line. Let us defeat any extension for a statute of limitations.

Mr. MOORHEAD of California. Mr. Chairman, I reserve the balance of my time.

Mr. DANIELSON. Mr. Chairman, I yield 10 minutes or such portion thereof as he may use to the gentleman from South Carolina (Mr. HOLLAND).

Mr. HOLLAND. Mr. Chairman, first of all I want to thank the distinguished chairman of the subcommittee for bringing this matter to the House floor, and for his great work in attempting to achieve not a great technical, exotic legal victory here, but from my standpoint a very practical and sensible victory. I am sorry that the gentlewoman from New Jersey is not listening, because she wants reasons why she should support this bill.

I have 41,000 reasons why this measure should be enacted. Within my district one of these Indian claims resides. It has resided there since the year 1840. In 1904, the Catawba Indian Tribe petitioned the United States Department of the Interior to bring an action on its behalf. Since 1904 until today, no action has been taken by the bureaucracy. Now, that is not the fault of my 41,000 constituents who happen to own land within this claim area, 41,000 people who, by and large, own a house and a lot and nothing more.

If this matter is not extended, within a week or 10 days each of those constituents will be a defendant in a court action, a court action that will be filed, I am advised, by the Catawba Tribe. If this matter is not extended, that makes these 41,000 people clients of the lawyers that the gentlewoman speaks about. I have often said that I would quit the Congress and go back and represent those 41,000 on an individual basis for an annual fee of $100 each. I could earn a lot more than I can on a limitation of fees basis in this body, and maybe I will be close to doing that if we do not extend the statute because I am going to have 41,000 constituents there.

There are about a dozen claims in the Eastern United States, and there are going to be hundreds of thousands of American citizens who are going to find themselves in a court defending title to property they thought they owned, but by oversight of the bureaucracy their title is insecure. What happens? There are a lot of attorneys in this body, and they know what happens when a lis pendens is filed on a piece of property. It cannot be sold; it cannot be improved; it has no value on the marketplace, and therefore it has no value.

This claim is 15 miles square in my district. Within it lies some of the most highly developed industrial property in the Southeastern United States. Its approximate value is $2 billion. It is 144,000 acres within this country.

□ 1510

It deserves to be defended by its Congressmen and by everybody else concerned, and those 41,000 people who own property there deserve to be defended. If they are forced into court by the oversight of this House by failure to extend this, then we have made them hapless victims of our own shortsightedness, and they should be protected in these Indian claims.

We have talked about proliferation. I have obtained a document today from the Department of the Interior. Three years ago the argument was made that "oh, if we extend this bill for 3 years, there is going to be a great proliferation of Indian claims."

There have been seven additional eastern seaboard claims identified in the past 3 years. There has only been one of those claims that has been given any legal merit, and that claim resides in the State of Louisiana.

There has been no proliferation. When they say there will be tens of thousands of claims, that is absurd.

Out West, when they have one Indian claim, that means that every Indian has a claim, and there is soon a proliferation of claims. In the East, we talk about claim areas like in Rhode Island, New York, Massachusetts, South Carolina, Florida, and Louisiana. They are large claims that involve American citizens who deserve to be protected.

Mr. Chairman, I see some Members who want me to yield, and if she desires, I will be happy to yield at this time to my friend, the gentlewoman from New Jersey (Mrs. FENWICK).

Mrs. FENWICK. Mr. Chairman, I thank my colleague for yielding.

The figure of 9,700 pending claims came from the Department of the Interior, so perhaps there are thousands pending.

Mr. HOLLAND. Mr. Chairman, if the gentlewoman will let me complete the argument, those claims are mostly in the Far West. For instance, let us say there is a railroad right-of-way claim.

Mrs. FENWICK. Yes, wherever they are.

Mr. HOLLAND. For instance, let us say there is a railroad right-of-way claim wherein each individual alleged tribesman has a separate claim. In my district I have 41,000 potential defendants, and that outweighs 9,700 everytime.

Mrs. FENWICK. Mr. Chairman, if those 15 square miles or 15 miles square represent an area where a claim was entered in 1904, why has it not been acted on?

Mr. HOLLAND. Mr. Chairman, I have to say in quick response to the gentlewoman that I began to settle this claim as a Congressman from this area 3 years ago. We have the claim essentially settled in the State of South Carolina by its members of the legislature who are acting in some regard to settle it finally. If this claim is brought to court within the next 2 weeks, all that effort is out the window.

I have to say to the gentlewoman that it has been the negligence, not basically of the Congress but of the various States and the Department of the Interior, that has brought us to this point.

We have an opportunity here to keep hundreds of thousands of citizens—who are non-Indian, by the way—out of court, as opposed to 9,700, as the gentlewoman says, going into court as plaintiffs.

Mr. SAWYER. Mr. Chairman, will the gentleman yield?

Mr. HOLLAND. I yield to the gentleman from Michigan.

Mr. SAWYER. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I am not clear on this. I am personally aware of the operation of a lis pendens, but if there has been this cloud hanging over this title, which obviously has been in existence since 1904, would it not be better to jell it? It is nearer that point anyway, and if the statute is kept in place so that the claimants then have to file a lawsuit and start action, at least the process of getting rid of it some day is really better for everybody involved.

They can always negotiate after a lawsuit is filed. In fact, lawsuits very commonly are merely a step in negotiations.

Mr. HOLLAND. Mr. Chairman, I know the gentleman from Michigan (Mr. SAWYER) is a trial attorney, and that is the same profession I pursued before coming here.

What I am trying to do, if the gentleman will listen closely, is avoid the situation that I had an opportunity to view in person in the State of Massachusetts where the Mashpee Tribe brought a claim to court. When that court suit hit, it froze real estate within a 4,000-acre area. There has been not one transfer of title for a period of over 3 years.

That matter has just now been disposed of by the U.S. Supreme Court in favor of the landowners.

I went to that community, and I saw people out of business—the barbers, the garden implement people, insurance agencies, realtors, attorneys, bankers, newspapers, all down the line. The only citizen, I found, who had not suffered a loss of business around there ran the local liquor store and he said that was because there was nothing else going on and everybody had all the time in the world to drink.

When we freeze that much property in any given area in this country, we have crippled the economy for decades to come, and that is what I am trying to avoid.

The gentleman knows that a lis pendens on a house and lot can be discharged and satisfied. The cloud on the title is gone. But when we have a large, unwieldy, complicated area—and this is a large, unwieldy, complicated area—it takes time to bring a settlement of millions of dollars about for the property of tens of thousands of people. It is not like representing one defendant or one plaintiff.

Mr. SAWYER. Mr. Chairman, I would agree, except that now the people of Massachusetts to whom the gentleman referred are rid of the claim; they are rid of the cloud. They were forced into getting rid of a reposed situation.

This has been hanging over the people the gentleman represents since 1904, and my goodness, perhaps this will be hanging over them after the year 2000.

Mr. HOLLAND. Mr. Chairman, I was elected to this body in 1974, and I inherited this from my predecessors. I did not ask for it, but we have brought about a better substantive conclusion to the matter and for the other areas in the United States which are so affected.

All I can tell the gentleman in my limited time is that if he would go to Massachusetts, to the town of Mashpee, he will see a bitterness and a division; he will see people who are out of business and who will never return; and he will see a lot of citizens who just threw up their hands and moved off to Florida or someplace to escape this thing.

The damage does not repair itself immediately upon the conclusion of the claim. There are cultural divisions that occur. I have seen them already in my district beginning to emerge. There are divisions in business matters that have long-range, far-reaching effects in real estate development and every avenue of business life. It is going to take them decades in Massachusetts to get over this problem.

Mr. Chairman, I want to avoid that in my district, and I want to avoid it for every Member in this House who has the same problem.

Mr. SAWYER. Mr. Chairman, if the gentleman will yield further, would not the filing of a lawsuit which tolls the statute but leaves everything wide open in negotiations, as much as it ever was before the filing of a lawsuit by plaintiffs, put a timeframe on it, and would that not really congeal and tend to get rid of this thing rather than to just keep extending this statute indefinitely?

Mr. HOLLAND. Mr. Chairman, I do not believe the gentleman understands what I said. We have this matter essentially settled.

If the tribe does not follow a legal remedy by the first day of April, they will pursue that remedy which we have worked out for most all of our claim areas. These are settlements that are complicated and that take time to get through this Congress or at least through the State legislatures affected. We passed one for Rhode Island, I believe, last year.

It is not a matter of one piece of property; it is a matter of a culture and of the entire business life that literally sinks and becomes deceased the day this suit is filed, and there is no recovery the next day.

Mr. DANIELSON. Mr. Chairman, do I understand that I have 3 minutes remaining?

The CHAIRMAN. The gentleman from California (Mr. DANIELSON) has 3 minutes remaining.

The Chair will inquire, does the gentleman from California (Mr. MOORHEAD) have additional requests for time?

Mr. MOORHEAD of California. Mr. Chairman, I have no additional requests for time.

Mr. DANIELSON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I only want to point out that the gentleman from South Carolina (Mr. HOLLAND) referred to the Mashpee-Wampanoag Tribe, I believe it was called. The gentleman referred to that controversy.

In addition to the facts which he described very accurately, I might point out that the little city or village there was not able to sell a municipal bond during the years of controversy, and the final solution of the problem was not because of the fact that somebody concealed something but because it was determined that the Mashpee group of Indians was not a recognized Indian tribe or nation within the meaning of the law and, therefore, was literally without standing under the law.

● Mr. HANLEY. Mr. Chairman, I support the recommendations of the House Judiciary Committee which extend the time for the commencing of actions on behalf of American Indian tribes.

This measure will provide additional time for the State of New York and the Department of the Interior to conduct negotiations and settle the Oneida Indian land claim.

We are seeking to avoid court actions which will put an end to ordinary and necessary land transactions in the affected areas of Madison and Oneida Counties. Other land claim suits in the region are adversely affecting commerce to some degree, but the disruptions envisioned if the Justice Department were to sue on behalf of the Oneidas would be devastating.

During the additional time provided under this measure. I will press the Interior officials and the State officials to move on a negotiated settlement of the Oneida land claim.

Under the circumstances, this is the best course available to our citizens, and one which I will pursue vigorously.●

● Mr. SWIFT. Mr. Chairman, I voted today for a bill, S. 2222, that would extend the statute of limitation for Indian tribes from April 1 of this year to April 1, 1982. I vote for this with very mixed feelings.

Many people from my district have contacted me on both sides of the issue. Critics of the extension have noted this is not the first time. There have been two other extensions.

But the fault has not been with the tribes. The extension is needed because of a sluggish bureaucracy, functioning as a trustee of the tribes, has failed to promptly resolve Indian claims against third parties. Right now there are 1,900 claims sitting in the nooks and crannies of the Department of the Interior. It is time for the Interior Department to get moving—in fairness to both Indians and non-Indians alike. For the tribes because present law—rightly or wrongly—makes them trustees of the Government. For all citizens because if the statute of limitations is allowed to run out the tribes can then turn around and sue the entire Government for negligence in representing their claims.

I will vote for this extension, but never another one. It is time the Interior Department did its job promptly and, by so doing, protect every American citizen.●

● Mr. UDALL. Mr. Chairman, I rise in support of S. 2222. I supported the extension legislation in the 95th Congress and urged a 4-year extension. We compromised on a 2½-year extension.

During the consideration of that last extension bill, I tried to give my colleagues assurances that we would not be back asking for another extension. However, those assurances were made based upon the expectation that the administration would move expeditiously and responsibly to secure funding to ascertain the number of claims and prepare them for filing.

However, this has not been the case.

When BIA asked for money in the fiscal year 1978 supplemental, OMB denied their request and told them to fund the operation out of existing money.

BIA was finally funded for this purpose in fiscal year 1979, but through a congressional add-on, not an administration request.

The BIA began to gear up under that appropriation and then were further frustrated by a OMB-imposed hiring freeze.

Mr. Chairman, this record is hardly an honest attempt on the part of the administration to implement our intent in extending the statute and in meeting their trust responsibility.

Based upon that record of neglect in meeting our intention, I do not think that I can, in good conscience, adhere to my position of not requesting another extension.

My concern is not only for the Indian tribes and people who will be harmed by the expiration of the statute without having their claims filed. Many non-Indians will be unnecessarily damaged by the failure to extend the statute.

In my own district, negotiations to settle a Papago tribal water claim are nearly complete and legislation will soon be introduced ratifying such a settlement. Chances for passage of this legislation are good.

Yet, despite this imminent settlement, the United States will be forced to file this claim before April 1, 1980, in order to protect the claim. Hundreds of my non-Indian constituents will be forced to retain legal counsel and the pendency of the litigation will cloud titles and result in economic disruption. All of that would be unnecessary if the statute was extended and the negotiated settlement permitted to go forward.

Mr. Chairman, this same situation exists in many other cases. Claims are pending and ready to be filed, but negotiations are either underway or clearly a preferred alternative. But the claim must be filed in order to protect it with all the attendant turmoil.

Mr. Chairman, I support the extension, but I think there must be a clear commitment on our part here in Congress to insure that the administration performs the task set for them.●

Mr. DANIELSON. Mr. Chairman, I yield back the balance of my time.

Mr. MOORHEAD of California. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. Pursuant to the rule, the Clerk will now read the committee amendment in the nature of a substitute recommended by the Committee on the Judiciary now printed in the reported bill as an original bill for the purpose of amendment.

The Clerk read as follows:

S. 2222

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the third proviso in section 2415(a) of title 28, United States Code, is amended by striking out "after April 1, 1980" and inserting in lieu thereof "after April 1, 1982".

(b) The proviso in section 2415(b) of title 28, United States Code, is amended by striking out "on or before April 1, 1980" and inserting in lieu thereof "on or before April 1, 1982".

SEC. 2. Not later than December 31, 1980, the Attorney General, after consultation with the Secretary of the Interior, shall submit to the Congress legislative proposals to resolve those Indian claims subject to the amendments made by the first section of this Act that the Attorney General believes are not appropriate to resolve by litigation.

Mr. DANIELSON (during the reading). Mr. Chairman, I ask unanimous consent that the committee amendment in the nature of a substitute be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

□ 1520

AMENDMENT OFFERED BY MR. DANIELSON

Mr. DANIELSON. Mr. Chairman, I offer an amendment to section 2.

The Clerk read as follows:

Amendment offered by Mr. Danielson: On page 2, strike out all beginning on line 18 through line 2 on page 3 and insert in lieu thereof the following:

"SEC. 2. Not later than June 30, 1981, the Secretary of the Interior, after consultation with the Attorney General, shall submit to the Congress legislative proposals to resolve those Indian claims subject to the amendments made by the first section of this Act that the Secretary of the Interior or the Attorney General believes are not appropriate to resolve by litigation."

Mr. DANIELSON (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. DANIELSON. Mr. Chairman, the amendment which I have offered does really only one thing. I am offering this amendment on behalf of the gentleman from Maryland (Mr. BARNES), who is ill today and unable to attend. The gentleman from Maryland (Mr. BARNES) caused an amendment to be adopted in the bill in the full Committee on the Judiciary, requiring the Secretary of the Interior and the Attorney General to consult on this problem and to recommend legislative as opposed to judicial solutions to the problems on or before December 31, 1980. The Attorney General has been in touch with the gentleman from Maryland (Mr. BARNES) and said, in effect, "Fine, we will do this, but could not we have until June 30, 1981?" And since that is within the parameters of the bill, in the first place, and they may reasonably need the amount of time, I do urge the adoption of the amendment.

There is one additional minor difference. The Secretary of the Interior will be required to make the report, rather than the Attorney General.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. DANIELSON).

The amendment was agreed to.

The CHAIRMAN. Are there further amendments? If not, the question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. NEAL, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the Senate bill (S. 2222) to extend the time for commencing actions on behalf of an Indian tribe, band, or group, or on behalf of an individual Indian whose land is held in trust or restricted status, pursuant to House Resolution 606, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the third reading of the Senate bill.

The Senate bill was ordered to be read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the Senate bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. MARLENEE. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 250, nays 134, not voting 47, as follows:

[Roll No. 147]

YEAS—250

Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N. Dak.
Annunzio
Anthony
Aspin
Atkinson
AuCoin
Bailey
Baldus
Beard, R.I.
Beilenson
Bennett
Bevill
Biaggi
Bingham
Boggs
Boland
Bolling
Boner
Bonior
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Buchanan
Burgener
Burton, John
Burton, Phillip
Byron
Campbell
Carney
Carr
Chisholm
Clausen
Clay
Clinger
Coelho
Coleman
Conable
Conte
Conyers
Corman
Cotter
Coughlin
Danielson
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Dellums
Derrick
Diggs
Dixon
Donnelly
Dougherty
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
English
Erdahl
Ertel
Evans, Del.
Fascell
Fazio
Ferraro
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frost
Garcia
Gephardt
Gilman
Ginn
Glickman
Gonzalez
Gore
Gradison
Grassley
Gray
Grisham
Gudger
Hall, Ohio
Hall, Tex.
Hamilton
Hance
Hanley
Hansen
Harkin
Harris
Hawkins
Heckler
Hefner
Heftel
Hightower
Hinson
Holland
Horton
Howard
Huckaby
Hughes
Jenkins
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Kastenmeier
Kazen
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
LaFalce
Leach, Iowa
Leach, La.
Lehman
Leland
Levitas
Lloyd
Long, La.
Long, Md.
Lowry
Lujan
Luken
McClory
McDade
McEwen
McHugh
Maguire
Markey
Marks
Marriott
Matsui
Mattox
Mavroules
Mazzoli
Mikulski
Miller, Calif.
Miller, Ohio
Mitchell, Md.
Mitchell, N.Y.
Moakley
Mollohan
Moorhead, Calif.
Murphy, N.Y.
Murtha
Myers, Pa.
Neal
Nedzi
Nelson
Nolan
Nowak
Oakar
Oberstar
Panetta
Pashayan
Patten
Patterson
Pepper
Perkins
Peyser
Pickle
Porter
Preyer
Price
Quillen
Rahall
Railsback
Ratchford
Reuss
Rhodes
Richmond
Rinaldo
Rodino
Roe
Rosenthal
Rostenkowski
Roybal
Royer
Runnels
Russo
Sabo
Santini
Scheuer
Schroeder
Schulze
Seiberling
Shannon
Sharp
Simon
Smith, Iowa
Solarz
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Studds
Swift
Symms
Synar
Traxler
Udall
Van Deerlin
Vanik
Vento
Volkmer
Watkins
Waxman
Weaver
White
Wilson, Bob
Wilson, Tex.
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Young, Alaska
Young, Mo.
Zablocki
Zeferetti

NAYS—134

Andrews, N.C.
Applegate
Archer
Ashbrook
Ashley
Badham
Bafalis
Barnard
Bauman
Beard, Tenn.
Bedell
Benjamin
Bereuter
Bethune
Bonker
Bouquard
Bowen
Broyhill
Butler
Carter
Cavanaugh
Chappell
Cheney
Cleveland
Collins, Tex.
Corcoran
Courter
Crane, Daniel
D'Amours
Daniel, Dan
Daniel, R. W.
Dannemeyer
Devine
Dickinson
Dicks
Dornan
Duncan, Tenn.
Emery
Evans, Ga.
Evans, Ind.
Fenwick
Forsythe
Frenzel
Fuqua
Gaydos
Giaimo
Gibbons
Goldwater
Goodling
Gramm
Guarini
Guyer
Hagedorn
Hammerschmidt
Harsha
Hillis
Hollenbeck
Hopkins
Hubbard
Hutto
Hyde
Ireland
Jeffords
Jeffries
Kelly
Kramer
Lagomarsino
Latta
Leath, Tex.
Lee
Lent
Lewis
Livingston
Loeffler
Lott
Lundine
Lungren
McCormack
McDonald
McKay
McKinney
Madigan
Marlenee
Mica
Minish
Montgomery
Moore
Mottl
Murphy, Pa.
Myers, Ind.
Natcher
Nichols
Obey
Paul
Pease
Petri
Quayle
Regula
Ritter
Roberts
Robinson
Rose
Roth
Rousselot
Rudd
Satterfield
Sawyer
Sebelius
Sensenbrenner
Shelby
Shumway
Shuster
Skelton
Smith, Nebr.
Snowe
Snyder
Solomon
Stenholm
Stockman
Stratton
Stump
Tauke
Taylor
Thomas
Trible
Walker
Wampler
Whitehurst
Whitley
Whittaker
Whitten
Winn
Yatron
Young, Fla.

NOT VOTING—47

Abdnor
Anderson, Ill.
Barnes
Blanchard
Burlison
Collins, Ill.
Crane, Philip
Derwinski
Dingell
Dodd
Downey
Erlenborn
Fary
Findley
Gingrich
Green
Holt
Holtzman
Ichord
Jacobs
Jenrette
Jones, Tenn.
Lederer
McCloskey
Martin
Mathis
Michel
Mineta
Moffett
Moorhead, Pa.
Murphy, Ill.
O'Brien
Ottinger
Pritchard
Pursell
Rangel
Steed
Stewart
Stokes
Thompson
Ullman
Vander Jagt
Walgren
Weiss
Williams, Mont.
Williams, Ohio
Wilson, C. H.

□ 1530

The Clerk announced the following pairs:

On this vote:

Mr. Thompson for, with Mr. Philip M. Crane against.

Mr. Rangel for, with Mr. Derwinski against.

Mr. Stokes for, with Mrs. Holt against.

Mr. Jenrette for, with Mr. Martin against.

Mr. Fary for, with Mr. Vander Jagt against.

Mr. Moffett for, with Mr. Jones of Tennessee against.

Until further notice:

Mr. Ottinger with Mr. Anderson of Illinois.

Mr. Weiss with Mr. Findley.

Mr. Mineta with Mr. Green.

Mr. Ichord with Mr. O'Brien.

Mr. Dodd with Mr. Michel.

Mr. Dingell with Mr. Pritchard.

Mr. Burlison with Mr. Williams of Ohio.

Mr. Ullman with Mr. Pursell.

Ms. Holtzman with Mr. Erlenborn.

Mr. Charles H. Wilson of California with Mr. Gingrich.

Mr. Moorhead of Pennsylvania with Mr. Blanchard.

Mr. Downey with Mr. Barnes.

Mr. Murphy of Illinois with Mr. Steed.

Mr. Stewart with Mr. Walgren.

Mr. Jacobs with Mr. Williams of Montana.

Mr. Lederer with Mr. McCloskey.

Mr. Mathis with Mrs. Collins of Illinois.

Mr. AMBRO, Mr. CARNEY, and Mrs. HECKLER changed their votes from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. DANIELSON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Senate bill, S. 2222, which the House just passed.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

PERSONAL EXPLANATION

Mr. WEISS. Mr. Speaker, because I was attending the funeral services of former Representative Allard K. Lowenstein in New York City, I was unable to vote on several rollcalls today, March 18. Thus, the following explains how I would have voted had I been present.

Rollcall No. 144: A vote under suspension of the rules on the final passage of H.R. 6631, to provide for the settlement of land claims by the Cayuga Indian Nation in the State of New York, and other purposes. The measure failed by a vote of 210 to 187. If I had been present I would have voted in favor of this measure.

Rollcall No. 145: A vote under suspension of the rules on the final passage of H.R. 5625, to strike a gold medal for A. Philip Randolph. This measure passed by a vote of 333 to 61. If I had been present, I would have voted in favor of this measure.

Rollcall No. 146: A vote on H.R. 606, to provide for the consideration of S. 2222, extending time for Indian claims. This measure passed by a vote of 380 to 2. If I had been present, I would have voted in favor of this measure.

Rollcall No. 147: A vote under the rule on the final passage of S. 2222, to extend the time for commencing actions on behalf of an Indian tribe, band, or group, or on behalf of an individual Indian whose land is held in trust or restricted status, pursuant to H.R. 606. The measure passed by a vote of 250 to 134. If I had been present, I would have voted in favor of the final passage of this bill.

Mr. Speaker, I ask unanimous consent that this personal explanation be entered in the permanent RECORD at this point.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

COMMUNICATION FROM CHAIRMAN OF COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT

The SPEAKER laid before the House the following communication from the Chairman of the Committee on Standards of Official Conduct:

COMMITTEE ON STANDARDS OF
OFFICIAL CONDUCT,
Washington, D.C., March 12, 1980.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: Pursuant to House Rule X, clause 4(e)(2)(E), Representative John P. Murtha, a member of the Committee on Standards of Official Conduct, has submitted an affidavit of disqualification in the Matter of Representative Charles H. Wilson, and the committee has approved and accepted the affidavit pursuant to that rule.

This letter is to notify you and request that you designate a Member of the House to act as a member of the Committee in any Committee proceeding relating to the matter of Representative Charles H. Wilson.

Sincerely,

CHARLES E. BENNETT,
Chairman.

DESIGNATION OF MEMBER TO SIT WITH AND ACT AS MEMBER OF COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT

The SPEAKER. Pursuant to rule X, clause 4(e)(2)(E), the Chair designates the gentleman from Georgia (Mr. FOWLER) to sit with and act as a member of the Committee on Standards of Official Conduct in all committee proceedings relating to the committee's investigation in the matter of Representative CHARLES H. WILSON of California.

□ 1540

PROVIDING FOR CONSIDERATION OF HOUSE RESOLUTION 549, TO ESTABLISH A STANDING COMMITTEE ON ENERGY

Mr. DERRICK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 607 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 607

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the resolution (H. Res. 549) amending the Rules of the House of Representatives to establish a standing Committee on Energy. After general debate, which shall be confined to the resolution and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Select Committee on Committees, the resolution shall be considered as having been read for amendment under the five-minute rule. No amendment to the resolution shall be in order except pro forma amendments for the purpose of debate and the amendment in the nature of a substitute printed in the Congressional Record of February 27, 1980, by Representative Bingham of New York, and said amendment if offered shall not be subject to amendment except pro forma amendments for the purpose of debate and a substitute containing the text of the amendment in the nature of a substitute printed in the Congressional Record of February 25, 1980, by Representative Gramm of Texas, and said substitute if offered shall not be subject to amendment except pro forma amendments for the purpose of debate. At the conclusion of the consideration of the resolution for amendment, the Committee shall rise and report the resolution to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the resolution and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions: *Provided*, That a proper motion to recommit with instructions shall be debatable for not to exceed thirty minutes, equally divided and controlled by the proponent of the motion and a Member opposed thereto.

The SPEAKER. The gentleman from South Carolina (Mr. DERRICK) is recognized for 1 hour.

Mr. DERRICK. Mr. Speaker, I yield the customary 30 minutes, for the purpose of debate only, to the gentleman from Tennessee (Mr. QUILLEN), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 607 is the rule providing for the consideration of House Resolution 549, to establish a standing committee on energy. This is a modified closed rule which provides for 1 hour of general debate to be equally divided between the chairman and the ranking minority member of the Select Committee on Committees.

The rule provides for the consideration of two amendments. The amendment printed in the CONGRESSIONAL RECORD of February 27, 1980, by Representative BINGHAM of New York, is made in order as an amendment in the nature of a substitute. This amendment is not amendable except by pro forma amendments for debate only and by a substitute amendment printed in the CONGRESSIONAL RECORD of February 25, 1980, by Represenative GRAMM of Texas. The substitute amendment is not amendable except by pro forma amendments for debate only. Also provided for in the rule is one motion to recommit with or without instructions, and, in the case of a motion to recommit with instructions, such motion shall be debatable for up to 30 minutes.

Mr. Speaker, this rule does strictly limit the amendments to House Resolution 549. However, it does not limit the opportunity for consideration of other options. The rule attempts to structure debate by providing for the consideration of the three major options for dealing with energy jurisdiction:

First. The so-called Gramm proposal to create an energy committee with extensive jurisdiction taken from many of the other committees;

Second. The select committee proposal to create an energy committee with limited energy jurisdiction; and

Third. The so-called Bingham proposal to continue current committee structure and consolidating additional energy jurisdiction in the Commerce Committee.

The amendments to House Resolution 549 will be offered in the following order: First, Bingham, then Gramm to Bingham. Voting will occur first on Gramm, then Bingham, a motion to recommit with instruction if such motion is offered and finally on adoption of House Resolution 549.

During the hearing on the resolution, the Committee on Rules heard from many Members of this House seeking to have certain amendments made in order. That hearing lasted for more than 5 hours. The three major approaches to clarifying energy jurisdictions have been identified in the select committee, the Bingham, and the Gramm proposals. The rule is a fair one which allows the House to work its will on these options.

I yield to the gentleman from Tennessee.

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may use.

Mr. Speaker, the gentleman from South Carolina (Mr. DERRICK) has ably described the provisions of the resolution.

Mr. Speaker, this rule brings to the floor of the House several options for the House to consider as to the provisions of a new energy committee. I would have liked to have seen the select committee come with a recommendation that all energy matters be under one roof, but that is not the case.

There are at least five options to be considered by the Members of this House as to what will constitute the new energy committee. I am pleased to see the matter here today so that the issue can be fully debated on the floor of the House.

□ 1550

Mr. Speaker, at this time I yield 9 minutes to the gentleman from New Hampshire (Mr. CLEVELAND).

Mr. CLEVELAND. Mr. Speaker, on a scale of 1 to 10, the proposed rule for H. Res. 549 deserves at best a grade 7, a grade that is barely passing.

Nevertheless, for reasons that outweigh the limitations of the rule, I believe the rule should be adopted.

Despite its deficiencies, the proposed rule is probably the best we can get without endangering our basic objective, the establishment of a standing committee on energy as a means of enabling the House to address energy policy in a coherent way. To attempt to defeat the previous question on the rule and substitute a new rule could be, in this particular case, counterproductive. The benefits do not appear to be worth the potential costs.

The rule does provide a measure of clarity and order to an issue that is highly controversial and very complex. Members will be able to choose from among four quite distinct options for dealing with energy jurisdiction. First is the committee resolution, which is House Resolution 549. Then there is the Bingham substitute, the Gramm substitute, and what we have called the Cleveland-Frenzel substitute in the form of a motion to recommit with instructions.

Of course, there is a fifth option which I hope the House will not follow. The fifth option is simply that we do nothing.

It seems to me that under the present situation, the energy problems facing this country and, indeed, the world, such an option, a do-nothing option, is unacceptable. However, it is an option.

Now, these options represent a broad range of choice from the extremes of the do-nothing and the do everything, to the carefully crafted options in between. The principal amendments offered in the select committee markup and brought to the attention of the Rules Committee are all incorporated in one or another of these options. To the best of my knowledge, every Member who has expressed an active interest in energy jurisdiction will find at least one option which satisfies his or her major objectives.

Mr. Speaker, the overriding purpose of the rule is to allow the House to decide how best to organize itself to deal effectively with a problem of central importance to every American. The procedures and structures by which energy policy are made in the House necessarily influence the quality of that policy. When the committee system, through which policy is developed, discourages rationality and coherence, the essential characteristics of sound policy, that policy must suffer accordingly.

This is precisely the situation we face today. The proliferation of committees and subcommittees which consider energy policy, and the fragmentation of policymaking among these units, 83 in all, make it impossible to coordinate and integrate the various parts of energy policy into a rational whole.

For each of these individual parts of energy policy there is a different committee or combination of committees responsible for legislation and oversight.

Virtually every Member of this body serves on a committee with jurisdiction over some part of our energy policy. But not a single Member serves on a committee which can pull all these parts together, because no such committee exists.

Mr. Speaker, I wanted your attention particularly because in my last statement I said that no committee exists to pull this all together. In the 95th Congress, we remember the fact that you, Mr. Speaker, had to appoint a special ad hoc committee to consider overall the very important energy legislation that the President of the United States sent to us. There was no single committee that could handle it.

I might say one of the more valuable witnesses who came before the select committee was the chairman of that ad hoc committee, Mr. ASHLEY, who gave us the benefit of his views on the importance of having some central focus for energy, a standing Committee on Energy.

Adoption of the rule, Mr. Speaker, will make it possible to remedy this situation. The rule, in effect, asks the House to choose from among four alternatives or, as I said earlier, five alternatives because, of course, to do nothing is an option, though in my opinion an unacceptable one.

Under each of these proposals, a single committee becomes primarily but not exclusively responsible for energy policy. Jurisdiction under all the options is provided by consolidation of existing jurisdiction, through direct transfers to the Energy Committee, and by sharing jurisdiction with committees which now exercise it. Here the resemblance stops. Members must decide which kind of committee and which combination of jurisdictions makes the most sense.

First of all, the select committee resolution proposes a separate Committee on Energy with both the jurisdiction and structure to enable it to consider all significant energy legislation. But it does too little to consolidate jurisdiction and relies too heavily on joint and sequential referrals.

The Bingham substitute does not establish a separate Energy Committee, nor does it consolidate any significant jurisdiction. Instead, it adds to an already overburdened subcommittee a great deal of additional jurisdiction over energy matters it does not now consider.

Mr. HORTON. Mr. Speaker, will the gentleman yield?

Mr. CLEVELAND. I yield to the gentleman from New York.

Mr. HORTON. Mr. Speaker, I rise in support of the rule providing for the consideration of the resolution (H. Res. 549) to establish a standing Committee on Energy.

In general, I oppose rules that place strictures on the House working its will. However, the subject matter at hand does not lend itself readily to debate and amendment on the House floor without such a rule.

In view of the circumstances, the Committee on Rules has demonstrated a touch of genius in propounding a rule which, while closed to an extent, still provides for each of the alternatives. The rule specifically makes in order, without permitting substantive amendments, the committee resolution and the Bingham and Gramm amendments in the nature of substitutes. What is not specified, but is implicit in the motion to recommit with instructions, is the opportunity to perfect the committee resolution with amendments not otherwise in order.

The Cleveland-Frenzel substitute will be the basis of a motion to recommit with instructions. This substitute substantially improves the select committee resolution without the objectionable features of the Bingham and Gramm substitutes. It will create a standing Committee on Energy consolidating jurisdiction including nuclear regulatory policy and energy aspects of the Outer Continental Shelf which are not included in the select committee proposal.

The extended time for debate provided in the rule on the motion to recommit is certainly indicated under the circumstances. I urge adoption of the rule.

Mr. CLEVELAND. I want to thank the gentleman not only for his excellent work on the select committee but also for his support of the Cleveland-Frenzel substitute which he has done so much to shape.

The Gramm substitute consolidates considerably more jurisdiction than necessary. No less than nine committees would lose substantial portions of their jurisdiction under this plan. But its principal sponsor has described it as "extreme" and has been candid enough to admit he prefers the Bingham substitute. Thus, we cannot consider the Gramm substitute to be one of the more serious options.

Now a word about the Cleveland-Frenzel substitute which will be offered under a recommittal motion. This attempts to achieve a balance that is missing in the other alternatives. It strengthens the select committee resolution by adding jurisdiction over nuclear regulatory policy, energy resources on the Outer Continental Shelf, and energy resources on the public lands. Thus, it consolidates what is essential and shares remaining energy jurisdiction with other committees. And it does not do violence to the committee system. It centers responsibility in one committee, but retains the ability of other committees to contribute.

□ 1600

More than any other option, the Cleveland-Frenzel substitute reflects the consensus of the select committee members, the objectives of most of the witnesses before the select committee at our hearings, and the views of the majority of the Members who responded to the committee's surveys.

Mr. Speaker, the House can no longer afford to do business as usual in dealing with energy. The energy problem today resembles the space contest of 21 years ago. Part of our response to that space contest with the Russians was to create a new committee, the Committee on Science and Technology, which could concentrate attention on a complex issue which crossed committee jurisdictional lines. We all know that committee succeeded in its efforts. The organizational change produced positive results.

Today's energy crisis is infinitely more dangerous. Today's jumble of conflicting and duplicating responsibilities is far more confusing and limiting. Today's need for organizational change to enable the House to mobilize its experience and its will is more pressing than ever.

That change is not likely to result simply from more of the same—which is what we are likely to get—when the principal actors in an unsatisfactory performance are all in agreement.

I do not believe the rest of our colleagues will go along. I do not believe that the House is content with its handling of energy problems, and I am certain that the people we represent are not. For this reason I urge adoption of the rule, and when we have general debate on this matter next week, I urge the Members' serious consideration of and support for the Cleveland-Frenzel substitute.

Mr. DERRICK. Mr. Speaker, I yield 5 minutes to the gentleman from Washington (Mr. McCORMACK).

Mr. McCORMACK. Mr. Speaker, I oppose the rule as it is drafted and I am going to vote against it. My opposition is based on the restrictive nature of the rule in preventing the offering of legitimate amendments as amendments to the resolution or to substitutes for it.

For instance, in the Committee on Committees on which I serve, one amendment to the resolution was passed after hours of debate by a vote of 8 to 7. The next day this same amendment was defeated by a vote of 7 to 8. The issue was central to the question of whether or not we are serious about producing energy for this country during the balance of the century; whether or not we are going to have a positive program for getting our nuclear powerplants on the line.

Yet under the rule before us, we Members will be deprived of voting on this and other important issues except as a part of the motion to recommit as assigned to the minority side. So here we will be faced with perhaps as many as six different issues which will be combined and set in a motion to recommit sponsored by the minority side, and the only opportunity that we will have to vote for them is on the motion to recommit. Considering that most of these issues were quite closely debated and in several cases adopted or rejected by a majority of one vote in the Committee on Committees, I consider the rule to be unduly restrictive and unfair. Accordingly, I will vote against it.

Mr. PATTERSON. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I will be glad to yield to my chairman on the committee, the gentleman from California.

Mr. PATTERSON. I thank the gentleman for yielding. I would remind the gentleman that there are four proposals that will be presented to the floor, and two of those proposals do exactly what the 8-to-7 amendment in our committee tried to do. For example, the Gramm substitute and the motion to recommit both in essence transfer the Nuclear Regulatory Commission from the Committee on Interior and Insular Affairs to the new Energy Committee, and I would ask the gentleman if that in fact does not give him two turns or two shots at the transfer of those powers.

Mr. McCORMACK. I thank the gentleman for his question. The answer, however, is no, because I do not think anyone takes the Gramm amendment seriously. The Gramm amendment, which proposes to put absolutely everything dealing with energy into one committee, is a charade. It is interesting, and it is fun, but I do not think even the sponsor, the gentleman from Texas (Mr. GRAMM) takes his amendment seriously. I see the gentleman is standing to defend his amendment.

Mr. GRAMM. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I will be glad to yield to the gentleman from Texas.

Mr. GRAMM. I thank the gentleman for yielding. First, Mr. Speaker, I would like to point out that my amendment clearly showed what the nature of the Patterson amendment was. It recognized the jurisdiction zero-sum game and that if you are going to give a committee jurisdiction, you have got to take it away from somebody else. So what my amendment did is it simply showed what the Patterson amendment, if carried out to its logical conclusion, would do.

Second, I think it was very serious, if one looked at what the amendment did in terms of the coalition to support the Bingham substitute.

Mr. McCORMACK. I thank the gentleman for his comments. I appreciate them, but I do not agree with them. I am sure the gentleman is going to present a good case for his proposal, but I do not think anybody is really going to take it seriously, and I doubt if he does.

Accordingly, I go back to what I said before, that the Members of the House are not really going to have an opportunity to debate the serious issues before us as far as energy production is concerned, except in the motion to recommit. I submit that some of these issues will be buried so deeply in the amendment of the gentleman from Texas (Mr. GRAMM) that they would be completely submerged, as far as the general nature of the debate is concerned.

The SPEAKER pro tempore (Mr. MINISH). The time of the gentleman has expired.

Mr. DERRICK. I yield 30 additional seconds to the gentleman from Washington (Mr. McCORMACK).

Mr. McCORMACK. I thank the gentleman for yielding. I will not make an attempt to defeat the rule, but I will vote against it as a protest against a closed rule that deprives the Members of an opportunity to vote on critically important issues in a manner consistent with the importance of this subject.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Tennessee (Mr. QUILLEN).

Mr. QUILLEN. Mr. Speaker, we all know that our energy problem is severe. We all know that we must do something to solve this problem and make this Nation self-sufficient energywise. Any step in that direction is a good move. Since this is almost an open rule, it gives the Members of this House an opportunity to choose the right alternative, and I urge the adoption of the rule.

Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Mr. Speaker, I rise in support of the rule, but I must say, with some reluctance. I share the fear expressed by the distinguished gentleman from Washington (Mr. McCORMACK) that, because of the restrictive nature of the rule, the House will not have the full opportunity to work its will through the examination of a variety of amendments. Yes, we have a few opportunities available to us. However, the way the Committee on Rules has restricted those opportunities, there is, I think, less than a 50-percent chance that the House will develop a rational policy for a committee to deal with the subject of energy.

Mr. Speaker, I support the statement made by the gentleman from New Hampshire (Mr. CLEVELAND), the distinguished ranking member of the Select Committee on Committees, in his support for a substitute which he and I intend to offer as a motion to recommit, as provided in the rule. The wording of the rule, which allows 30 minutes of debate on that motion to recommit, is the only reason for my support. Otherwise I find the rule deficient in its restrictiveness.

As to the proposals, the select committee's resolution (H. Res. 549) really does not accomplish anything. It does not eliminate any committees. It simply takes an existing subcommittee and makes it a standing committee, leaving us with the status quo. Only a cosmetic change is achieved.

The Gramm amendment is a radical recommendation which sweeps all energy jurisdiction, gutting a number of our committees, into one new Energy Committee. The Bingham amendment, which is also a substitute, is, in my judgment, too much like the original proposal of the select committee and does not provide an adequate measure of reform.

Finally, the Cleveland-Frenzel motion to recommit will provide what we hope Members will view as a middle way.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. QUILLEN. I yield 2 additional minutes to the gentleman from Minnesota (Mr. FRENZEL).

☐ 1620

Mr. FRENZEL. I thank the distinguished gentleman from Tennessee for yielding.

Mr. Speaker, we hope the House will try a middle way. That is, we will create a new committee which will handle energy and be in charge of comprehensive energy policy. It will take the jurisdiction held by the Energy and Power Subcommittee of the Committee on Interstate and Foreign Commerce, add to that the jurisdiction currently and formerly held by the Outer Continental Shelf Committee, and will transfer nuclear jurisdiction from the Committee on Interior and Insular Affairs. However, our substitute, our motion to recommit, will leave the environmental aspects of nuclear energy under the jurisdiction of the Committee on Interior and Insular Affairs. We will not tamper with the jurisdiction of the Committee on Science and Technology. That, in our proposal, will still exercise jurisdiction over energy research and development. Its jurisdiction remains unchanged and we hope that the committee will continue to furnish leadership in that area.

However, Mr. Speaker, the comprehensive Energy Committee proposed by us will have at least secondary jurisdiction over that committee's work, as it will over other committees which retain energy jurisdiction. Under our proposal there will be a comprehensive look at energy policies by one committee without stripping other committees with existing expertise.

Mr. Speaker, I hope this rule will be adopted. I yield back the balance of my time.

Mr. DERRICK. Mr. Speaker, I yield 6 minutes to the gentleman from California (Mr. PATTERSON), the chairman of the select committee.

Mr. PATTERSON. Mr. Speaker, I rise in support of the rule and wish to express my admiration for the way it was drafted by the Rules Committee and by the chairman of the Committee on Rules in particular. Whenever this House tries to put itself in order and tries to revise and exchange jurisdictions, it becomes, as I have found in the last 10 months, a very sensitive issue. However, there are times when we must rise above the personal nature of our needs as Members of Congress and rise to the needs of the Nation.

Mr. Speaker, the rule allows a full and orderly debate of the real issues concerned in whether the House needs an Energy Committee and what kind of a committee it ought to be.

Mr. Speaker, the United States today is the only industrialized Nation in the world that does not have a comprehensive energy policy which certainly contributes rather drastically to our inflation problems here at home.

Mr. Speaker, in point of fact, America's energy crisis is a political crisis. That crisis concerns the willingness of the Members of this House to reorganize themselves in the national interest instead of in selfish interest.

In the House today there are 83 committees and subcommittees that have some form of energy jurisdiction, either by absolute grant or by grab. In a situation of scarcity of energy, this defusion of power and lack of centralized responsibility is contributing to institutional chaos. If we do not resolve this problem, if we do not get our act in order then certainly America cannot get this House in order. Whatever else decentralization means it does not mean efficiency. When everybody is in charge, in fact nobody is in charge.

Mr. Speaker, the House must make its proper contribution to national energy policy, must explain its contribution to the Nation, must respond quickly to the new problems we face and must oversee effectively the administration of the laws that it passes.

Mr. Speaker, under the rule we are given 4 options. Those options were rather well explained previously by previous speakers. House Resolution 549, the select committee proposal, reported on a vote of 11 to 4, creates a standing Committee on Energy with jurisdiction largely taken from the Committee on Interstate and Foreign Commerce with additional jurisdiction from the Committees on Interior and Insular Affairs, Public Works and Transportation, and Science and Technology. It assigns to this new committee new words not presently existing in any jurisdictional grant to any committee. First of all, over national energy policy generally, and second, additional language providing for jurisdiction over regulation, conservation, production, marketing and supply of commercial energy sources, all energy sources. This proposal represents the culmination of 6 weeks of public hearings, several weeks of negotiation with committee staff and committee chairmen and 3 days of open markup in our select committee, at which time we resolved many emotionally charged issues.

Mr. Speaker, one reporter described these efforts as an attempt to prove that the art of the possible is still possible in the House of Representatives.

Mr. Speaker, the Bingham substitute, which has been explained, in essence, turns what is now a double committee—the Interstate and Foreign Commerce Committee—into a triple committee and what is now one subcommittee, into a double subcommittee.

The Gramm amendment gives you everything you always wanted to put into energy and more, and if it is offered it will at least give the House the opportunity to work its will. Then we see that the minority has presented or is preparing a recommital motion with instructions which hits the Nuclear Regulatory Commission and the demise of the Select Committee on the Outer Continental Shelf and makes the reorganization effective next January 3 rather than at any time before that.

Mr. Speaker, I support House Resolution 549. I think it is a promising first step toward an energy committee, a committee of the future that will have sufficient jurisdiction immediately upon its creation to do a job for this country but will preserve environmental checks and balances in the Committee on Interior and Insular Affairs. I think this is the best way to go.

Mr. Speaker, in any event, the four alternatives allowed by this rule will permit all Members of this House a full range of choices, of doing nothing, to doing something, with regard to energy. The shape of the vital energy legislative process for the future depends on our action and on the adoption of this rule.

Mr. Speaker, today in our support for the rule, and in the days ahead when we enact legislation establishing an energy committee, our action, our action then will give us the opportunity to demonstrate that this great institution can set aside political greed in favor of national need and come down on the side of this great Nation, these great people and their great future.

Mr. DERRICK. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

CONCURRENT REFERRAL OF H.R. 6763 TO COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE, AND COMMITTEE ON WAYS AND MEANS

Mr. DINGELL. Mr. Speaker, I ask unanimous consent that the bill, H.R. 6763, which was referred only to the Committee on Interstate and Foreign Commerce, be concurrently referred to the Committees on Interstate and Foreign Commerce and Ways and Means, because of tax provisions which are in that bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

CONFERENCE REPORT ON H.R. 3824, DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY REVENUE BONDS

Mr. DELLUMS submitted the following conference report and statement on the bill (H.R. 3824) "An act to amend the District of Columbia Self-Government and Governmental Reorganization Act to authorize the Council of the District of Columbia to delegate its authority to issue revenue bonds for undertakings in the area of housing to any housing finance agency established by it and to provide that payments of such bonds may be made without further approval":

Conference Report (H. Rept. No. 96–830)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 3824), to amend the District of Columbia Self-Government and Governmental Reorganization Act to authorize the Council of the District of Columbia to delegate its authority to issue revenue bonds for undertakings in the area of housing to any housing finance agency established by it and to provide that payments of such bonds may be made without further approval, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate numbered 1 and agree to the same with an amendment as follows: In lieu of the matter proposed to be stricken out by the Senate amendment, strike out lines 4 through 14 on page 2 of the House engrossed bill and insert in lieu thereof the following:

"(g)(1) The Council may delegate to any housing finance agency established by it (whether established before or after the date of the enactment of this subsection) the authority of the Council under subsection (a) to issue revenue bonds, notes, and other obligations to borrow money to finance or assist in the financing of undertakings in the area of primarily low- and moderate-income housing. The Council shall define for the purposes of the preceding sentence what undertakings shall constitute undertakings in the area of primarily low- and moderate-income housing. Any such housing finance agency may exercise authority delegated to it by the Council as described in the first sentence of this paragraph (whether such delegation is made before or after the date of the enactment of this subsection) only in accordance with this subsection.

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 2 and agree to the same.

Ronald V. Dellums,
Walter E. Fauntroy,
Stewart B. McKinney,
Managers on the Part of the House.

Tom Eagleton,
Carl Levin,
Abraham Ribicoff,
Chas. McC. Mathias, Jr.,
Ted Stevens.
Managers on the Part of the Senate.

Joint Explanatory Statement of the Committee of Conference

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the House and the Senate to the bill (H.R. 3824) to amend the District of Columbia Self-Government and Governmental Reorganization Act to authorize the Council of the District of Columbia to delegate its authority to issue revenue bonds for undertakings in the area of housing to any housing finance agency established by it and to provide that payments of such bonds may be made without further approval, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

SENATE AMENDMENT NUMBERED 1

The House bill limits the undertakings in the area of housing which the District of Columbia Housing Finance Agency (HFA) would be permitted to finance through the issuance of revenue bonds to undertakings in the area of low- and moderate-income housing.

The Senate amendment struck out the limitation to low- and moderate-income housing.

The conference compromise limits the undertakings which the HFA may finance to undertakings in the area of primarily low- and moderate-income housing and directs the Council of the District of Columbia to define what undertakings in the area of housing shall constitute undertakings in the area of primarily low- and moderate-income housing. The conferees expect that with the definition supplied by the Council there should be no ambiguity as to the marketability of bonds issued by the HFA.

SENATE AMENDMENT NUMBERED 2

The House bill exempts from the congressional appropriations process the expenditure of funds derived from the sale of revenue bonds and the payment (as to both principal and interest) of such bonds.

The Senate amendment added an additional exemption from the congressional appropriations process for the creation by the HFA of a security interest in the revenues or assets of the agency.

The House recedes.

RONALD V. DELLUMS,
WALTER E. FAUNTROY,
STEWART B. MCKINNEY,
Managers on the Part of the House.

TOM EAGLETON,
CARL LEVIN,
ABRAHAM RIBICOFF,
CHAS. MCC. MATHIAS, JR.,
TED STEVENS,
Managers on the Part of the Senate.

TRIBUTE TO THE LATE HONORABLE ALLARD K. LOWENSTEIN

(Mr. HANLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. HANLEY. Mr. Speaker, I know that my colleagues share in my sorrow in hearing of the violent and untimely death of our dear friend and former colleague Allard Lowenstein. This shocking event has taken from us a truly great American, a man who firmly believed that one person can make a difference and that the system can work.

Al Lowenstein was a political whirling dervish who never went for long without a new cause, either a campaign of his own or a crusade for others. He was constantly active, a man of great drive who worked relentlessly for what he believed, while never abandoning his philosophy that the way to change the system is to work from within. He was a man of tremendous integrity whose personal manner was both gentle and intense.

Throughout his life, both in academics and in politics, Al Lowenstein attracted a large body of followers of all ages. He was active in many causes. As a student at the University of North Carolina in the 1940's, he was a leader in the early days of the civil rights movement. While at Yale earning a law degree, it is said he called so many people around the country in search of support for his causes that New Haven telephone operators knew his number from memory. As a young lawyer, he worked for Adlai Stevenson and championed independence for Southwest Africa, now Namibia, at the United Nations. He once smuggled a Southwest African dissident out of that country in the trunk of his car. He generally is credited with being a leading force in turning sentiment in this country against the Vietnam war.

The March 15 edition of the Washington Post contains an article on Allard Lowenstein, written by former Navy Undersecretary R. James Woolsey. I offer it now for the benefit of my colleagues who did not have the privilege of knowing personally this very special man:

HE MADE A DIFFERENCE

(By R. James Woolsey)

Of the innumerable people who knew Al Lowenstein, and who were weeping Friday night when we learned he had been shot and killed in New York, I was far from the closest confidant. I was just one of many who, with some reason, called themselves "a friend of Al's"—one member of that small army whose lives he had changed.

I remember how sleepy a place Stanford was, politically, when he arrived there as an associate dean during my sophomore year, nearly two decades ago. It was clear from the first time you met him that he couldn't be pigeonholed. One day he would be defeating a South African official in a debate on apartheid, with devastating logic and quick wit. The next day the head of an Eastern European government-in-exile would be telling a conference of astonished campus conservatives that Al Lowenstein was the most effective opponent of communism in America. A liberal in the finest sense of that tradition, he was both colorblind and a patriot. He fought racism, not racists—the latter, he always thought, might be converted. He fought the abuse of American power, not America. He wore that American flag lapel pin in later years with pride.

His targets among the students were the bright-eyed Midwestern WASPs, the jocks, the serious engineers, the people like me, who normally would never have thought of getting involved in politics, civil rights or any of his other passions. He went where they were—the fraternity houses, the gyms (he was a superb wrestler), the religious-group meetings. His message was always the same, whatever the particular issue that fired him up that month: you can make a difference, make the system work, get outside yourself, there is a lot to be done.

He had no instinct for the jugular, a trait that probably doomed his own political career. He was never really comfortable or happy working to promote himself during his own congressional campaigns, and he was never as good at that as he was at mobilizing those armies of college kids behind some larger cause, such as racial justice.

The political cliché, "Don't get mad, get even," was entirely alien to him—he always allowed for the possibility of redemption. He'd come back again and again. If you disagreed with him on foreign policy, he'd get you involved with civil rights. If not this month, next.

After a few years, when you got married and went to graduate school or started work, he didn't really expect you to make the grand sacrifices of time needed to go organize voter registration drives and the like with him, but he'd still call or write now and then. His records of telephone numbers and addresses—like his day-to-day schedule and plans—were always hopelessly chaotic and out of date, so you were forever getting post cards mailed on his last trip to South Africa four months late, forwarded three times. Occasionally, you'd still get a call at some odd time of night from yet another college sophomore, 15 years your junior, who was doing what you once did—attempting the impossible task of coordinating Al's travel and meetings. The kid had just been told to call you and ask you if you could pick Al up at the airport in half an hour and take him to so-and-so's apartment. As you drove to the airport in the middle of the night, you'd wonder if you weren't too old for all this. But the 20 minutes in the car with him were always worth it. Listening to him describe his newest cause and his next moves—which were eternally changing and which he shared with everyone—you got a whiff of delicious nostalgia for the time years ago when you and he had slain that season's dragon together. And even when his newest effort sounded outlandish or absolutely hopeless, you remembered ruefully how you had told him knowingly in the fall of 1967 that he would never be able to use a presidential candidacy by an unknown senator to defeat a sitting president and turn the country against the Vietnam War.

As the generations of college sophomores passed through his tutelage and he entered middle age, it began to become apparent what he was—not the politician, lawyer, academic or author he sometimes tried to be, but a peripatetic one-man school for several generations of Americans. The examples in his course varied constantly. Some were well chosen, some not. But the underlying lesson plan had only two main themes, always the same: First, that this crazy lovable country can work, but it's up to you. Second, the lesson Learned Hand said that mankind "has never learned, but has never quite forgotten; that there may be a kingdom where the least shall be heard and considered side by side with the greatest."

Goodbye, Al. And thanks.

We'll take it from here.

☐ 1240

Mr. BRADEMAS. Mr. Speaker, will the gentleman yield?

Mr. HANLEY. I yield to the gentleman from Indiana.

Mr. BRADEMAS. Mr. Speaker, I sadly take this time to add my voice to those mourning the shocking death of Allard K. Lowenstein, a former colleague of many of us in this House and an inspiration to people everywhere.

It is even more tragic to think that Al Lowenstein, who believed so intensely in the rationality of his fellow human beings, should have been struck down by an act so irrational.

I first met Al Lowenstein in 1955, when I was a member of the staff of the late Adlai E. Stevenson and like so many others, I saw Al from time to time and always admired the enthusiasm he brought to any cause or concern which he championed.

Al Lowenstein's life exemplified those traits of character and personality that have been the hallmarks of free men and women throughout history.

Al warred against injustice, no matter where it might be or under what guise it lay. He was that rare person whose courage matched his conviction.

Mr. Speaker, I am not the first nor will I be the last person to say of Al Lowenstein that he was a man of whom it can truly be asserted, "He made a difference."

Mr. HANLEY. I thank the gentleman.

● Ms. MIKULSKI. Mr. Speaker, the tragic death of Allard Lowenstein last Friday night has left the people whose lives he touched deeply shocked and saddened.

Al Lowenstein was a man who gave freely of himself, for people and for ideals. His fervent beliefs subjugated his personal life, and he was truly a man of the people.

My friend not only cared deeply about this country and its people; his commitment to humanity transcended national bounds. He was an outspoken opponent of injustice wherever he saw it.

Al's struggle for justice was unending. Though he encountered numerous setbacks along the way, his ideals were never compromised, and he never stopped trying. The civil rights struggle continues. The Vietnam war did not end in 1968 with Al's successful move to oust President Johnson. Elected to the Congress in 1969, Al lost his coveted House seat through redistricting, and was to suffer many subsequent political defeats. But Al Lowenstein never succumbed to adversity.

I saw Al's life as an ongoing campaign for the betterment of mankind through peaceful means. During the Vietnam war, Lowenstein was the liberal voice of reason to thousands of young people. He preached and believed that by working within the system, it was possible to achieve social, moral, and political change. Al taught several generations of college students how to flex their political muscles, and he made them a force to be reckoned with. He instilled a sense of purpose, and showed the apathetic how, and why, to care.

My friend Al Lowenstein will be sorely missed. He has, however, left a legacy behind. The thousands he inspired, who share his passion for justice and freedom, will carry on his work for him.●

GENERAL LEAVE

Mr. HANLEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the life, character, and public service of the late Honorable Allard K. Lowenstein, the subject of my 1-minute speech on today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

SYNTHETIC FUELS

(Mr. VOLKMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. VOLKMER. Mr. Speaker, two bills (H.R. 5475 and S. 2712) were introduced in Congress during 1948 to clear the way for plant construction initiating a synthetic fuels industry, but the session was adjourned before their passage was completed. It is hoped that similar legislation will be submitted to the new Congress and that favorable action can be completed at an early date, for synthetic fuels from coal, oil shale, and agricultural products offer an assured supply for hundreds of years from known resources within the borders of the United States—self-sufficiency in peace or war.

Under the Synthetic Liquid Fuels Act, the Bureau of Mines was directed to supply the scientific, engineering, and economic information required for the establishment of a new American industry—an industry based on the conversion to oil of such materials as coal, oil shale, and agricultural products, all abundantly available within the United States. To obtain this information, the Bureau was authorized to conduct laboratory research and development, and to build and operate demonstration plants.

Progress made by the Bureau of Mines in 1948 toward the development of industrial methods for producing synthetic liquid fuels is summarized as follows:

[From the New York Times, Sept. 12, 1948]

A New American Industry

The United States is on the threshold of a profound chemical revolution. The next ten years or fifteen will see the rise of a massive new industry which will free us from dependence on foreign sources of oil. Gasoline will be produced from coal, air and water on a scale so huge that it will dwarf even the giant synthetic rubber industry born in desperation during World War II.

Oil From Coal: Demonstration Plants, Louisiana, Mo.

As the calendar year ended, two Coal-to-Oil Demonstration Plants—the first units larger than pilot plants in the United States—were under construction at Louisiana, Mo., less than 100 miles above St. Louis on the Mississippi River.

There, on the site of a wartime synthetic ammonia works, made available by the Office of the Quartermaster General of the Department of the Army, the first of these two plants for converting coal into liquid fuels was essentially complete and ready for operation. This, the Hydrogenation Demonstration Plant, is a 200- to 300-barrel-per-day unit built under contract with Bechtel Corp. Early in 1948, a contract was let to Koppers Co., Inc., for the design and construction of the second plant at this site. This, the Gas-Synthesis Demonstration Plant, is a 100-barrel-per-day unit that will gasify pulverized coal with oxygen and superheated steam, purify the gas, and convert it to liquid fuels by a modified Fischer-Tropsch-synthesis process.

The Coal-Hydrogenation Demonstration Plant was designed for operation at pressures up to 10,000 pounds per square inch in two major steps: (1) Liquid-phase hydrogenation, which accomplishes liquefaction of coal; and (2) vapor-phase hydrogenation, which converts the liquefied coal to gasoline and byproducts. Depending on the coal and catalyst used, the output of the plant will range from 200 to 300 barrels daily.

Chemically, crude petroleum contains about twice as much hydrogen as does coal. Thus, to convert coal to finished gasoline, hydrogen is added to the coal catalytically under the proper conditions of temperature and pressure.

SPEAKER THOMAS P. O'NEILL, JR., AWARDED UNIVERSITY OF NOTRE DAME'S LAETARE MEDAL

(Mr. BRADEMAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and includes extraneous matter.)

Mr. BRADEMAS. Mr. Speaker, it is my pleasure to report to my colleagues that the University of Notre Dame's Laetare Medal will be awarded this year to our distinguished Speaker, the Honorable Thomas P. O'Neill, Jr.

Speaker O'Neill thus becomes the first active Member of Congress to receive this award, the oldest as well as the most singular honor bestowed on Americans of the Roman Catholic faith.

We are all familiar with the accomplishments of the Speaker that led the University of Notre Dame to honor him with the Laetare Medal. But permit me to quote the Reverend M. Hesburgh, C.S.C., the distinguished president of Notre Dame, who said this of our beloved Speaker:

> Speaker O'Neill is a man whose personal integrity and practical wisdom have won the affection of his constituents and colleagues over more than four decades of public service. He has acted with uncommon statesmanship, and, when the time called for it, with political courage as a master of the legislative process.

We in the House who have had the privilege of knowing and working with Speaker O'Neill know how accurate Father Hesburgh's comments are.

By honoring our Speaker, Notre Dame honors itself, honors all American Roman Catholics and, of course, honors all of us who serve in this House with Speaker O'Neill.

In receiving this award, Speaker O'Neill, who also holds a 1977 honorary degree from Notre Dame, joins other Laetare Medal winners from the Nation's political leadership, including the first Catholic Presidential candidate, Al Smith (1929), President John F. Kennedy (1961), and former Senate Majority Leader Mike Mansfield (1977).

Mr. Speaker, other Laetare Medal recipients include actress Helen Hayes; Dorothy Day, founder of the Catholic Worker Movement; George Meany, and Associate Justice William J. Brennan, Jr.

THE LAETARE MEDAL

The medal is the American counterpart of the "Golden Rose," a papal honor antedating the 11th century. The name of the recipient is announced each year on Laetare Sunday, the fourth Sunday of Lent and an occasion of joy in the liturgy of the Catholic Church.

Mr. Speaker, the idea of the Laetare Medal was conceived in 1883 by Prof. James Edwards. His proposal met with the immediate approval of the Reverend Edward F. Sorin, C.S.C., founder and first president of Notre Dame, and the Reverend Thomas E. Walsh, C.S.C., then president of the university. Through the years the recipients of the Laetare Medal have been selected by a committee headed by the president of Notre Dame.

The medal consists of a solid gold disc suspended from a gold bar bearing the inscription, "Laetare Medal." Inscribed in a border around the disc are the words, "Magna est veritas et prevalebit" (Truth is might and will prevail). The center design of the medal and the inscription on the reverse side are fashioned according to the profession of the recipient. The medal itself is not intended for wear, but there is a rosette, featuring a golden rose on a blue background.

PREVIOUS MEDALISTS

Mr. Speaker, since it was established in 1883, the Laetare Medal has been presented to 78 men and 22 women—soldiers and statesmen, artists and industrialists, diplomats and philanthropists, educators and scientists. A list of previous medalists follows:

1883: John Gilmary Shea, historian.

1884: Patrick Charles Keeley, architect.

1885: Eliza Allen Starr, art critic.

1886: General John Newton, engineer.

1887: Edward Preuss, publicist.

1888: Patrick V. Hickey, founder and editor of the Catholic Review.

1889: Anna Hansen Dorsey, novelist.

1890: William J. Onahan, organizer of the American Catholic Congress.

1891: Daniel Dougherty, orator.

1892: Henry F. Brownson, philosopher and author.

1893: Patrick Donohue, founder of the Boston Pilot.

1894: Augustine Daly, theatrical producer.

1895: Mary A. Sadlier, novelist.

1896: General William Starke Rosencrans, soldier.

1897: Thomas Addis Emmet, physician.

1898: Timothy Edward Howard, jurist.

1899: Mary Gwendolin Caldwell, philanthropist.

1900: John A. Creighton, philanthropist.

1901: William Bourke Cockran, orator.

1902: John Benjamin Murphy, surgeon.

1903: Charles Jerome Bonaparte, lawyer.

1904: Richard C. Kerens, diplomat.

1905: Thomas B. Fitzpatrick, philanthropist.

1906: Francis J. Quinlan, physician.

1907: Katherine Eleanor Conway, journalist and author.

1908: James C. Monaghan, economist.

1909: Frances Tiernan (Christian Reid) novelist.

1910: Maurice Francis Egan, author and diplomat.

1911: Agnes Repplier, author.

1912: Thomas M. Mulry, philanthropist.

1913: Charles B. Herberman, editor-in-chief of the Catholic Encyclopedia.

1914: Edward Douglas White, jurist and chief justice of the United States.

1915: Mary V. Merrick, philanthropist.

1916: James Joseph Walsh, physician and author.

1917: William Shepherd Benson, admiral and chief of naval operations.

1918: Joseph Scott, lawyer.

1919: George L. Duval, philanthropist.

1920: Lawrence Francis Flick, physician.

1921: Elizabeth Nourse, artist.

1922: Charles Patrick Neill, economist.

1923: Walter George Smith, lawyer.

1924: Charles D. Maginnis, architect.

1925: Albert Francis Zahm, scientist.

1926: Edward Nash Hurley, businessman.

1927: Margaret Anglin, actress.

1928: John Johnson Spaulding, lawyer.

1929: Alfred Emmanuel Smith, statesman.

1930: Frederick Philip Kenkel, publicist.

1931: James J. Phelan, businessman.

1932: Stephen J. Maher, physician.

1933: John McCormack, artist.

1934: Genevieve Garvan Brady, philanthropist.

1935: Francis Hamilton Spearman, novelist.

1936: Richard Reid, lawyer and journalist.

1937: Jeremiah Denis M. Ford, scholar.

1938: Irvin William Abell, surgeon.

1939: Josephine Van Dyke Brownson, catechist.

1940: General Hugh Aloysius Drum, soldier.

1941: William Thomas Walsh, journalist and author.

1942: Helen Constance White, author and teacher.

1943: Thomas Francis Woodlock, editor.

1944: Anne O'Hare McCormick, journalist.

1945: G. Howland Shaw, diplomat.

1946: Carlton J. H. Hayes, historian and diplomat.

1947: William G. Bruce, publisher and civic leader.

1948: Frank C. Walker, Postmaster General and civic leader.

1949: Irene Dunne, actress.

1950: General Joseph L. Collins, soldier.

1951: John Henry Phelan, philanthropist.

1952: Thomas E. Murray, member, U.S. Atomic Energy Commission.

1953: I. A. O'Shaughnessy, philanthropist.

1954: Jefferson Caffery, diplomat.

1955: George Meany, labor leader.

1956: General Alfred M. Gruenther, soldier.

1957: Clare Boothe Luce, diplomat.

1958: Frank M. Folsom, industrialist.

1959: Robert D. Murphy, diplomat.

1960: George N. Shuster, educator.

1961: John F. Kennedy, President of the United States.

1962: Francis J. Braceland, M.D., psychiatrist.

1963: Admiral George W. Anderson, Jr., chief of naval operations.

1964: Phyllis McGinley, poet.

1965: Frederick D. Rossini, scientist.

1966: Mr. and Mrs. Patrick F. Crowley, founders of The Christian Family Movement.

1967: J. Peter Grace, industrialist.

1968: Sargent Shriver, diplomat.

1969: William J. Brennan, Jr., jurist and Associate Justice of the Supreme Court of the United States.

1970: Dr. William B. Walsh, physician.

1971: Walter Kerr, drama critic, and Jean Kerr, author.

1972: Dorothy Day, founder of the Catholic Worker Movement, journalist and author.

1973: Rev. John A. O'Brien, author.

1974: James A. Farley, business executive and former Postmaster General.

1975: Sister Ann Ida Gannon, B.V.M., educator.

1976: Paul Horgan, author.

1977: Mike Mansfield, United States Senator.

1978: Msgr. John Tracy Ellis, historian.

1979: Helen Hayes, actress.

1980: Thomas P. "Tip" O'Neill, Jr., Speaker of the House of Representatives.

THE CRITERIA

Mr. Speaker, let me here quote from the Laetare Medal citation presented to Gen. William Starke Rosecrans in 1896. These words sum up the exacting criteria employed by the University of Notre Dame in awarding the Laetare Medal:

> The Laetare Medal has been worn only by men and women whose genius has ennobled the arts and sciences, illustrated the ideals of the Church, and enriched the heritage of humanity.

Mr. Speaker, these words characterize the recipient of the 1980 Laetare Medal, THOMAS P. O'NEILL, JR.

GENERAL LEAVE

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the awarding of the University of Notre Dame's Laetare Medal to Speaker THOMAS P. O'NEILL, JR.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

BALANCE THE BUDGET WITH THE SLUSH FUND

(Mr. SOLOMON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SOLOMON. Mr. Speaker, the President of the United States proposes that we balance the budget and fight inflation by adding to the already unbearable tax burden Americans are now under.

But I have another suggestion that perhaps the President and the Democratic majority in Congress have not considered.

Several nights ago, CBS News revealed that President Carter has, at his disposal, $24 billion in election-year grants and aid to dispense with across this Nation. This includes $2 billion in Department of Transportation funds, $400 million in Housing and Urban Development, and $22 billion in the Department of Health, Education, and Welfare.

And if anyone has any doubt where and how this slush fund has been dispensed—or will be in the future—just take a look at the calendar of Presidential primaries, including today in Illinois.

Mr. Speaker, this Congress, under the control of the Democratic majority, has caused the unbearable 20-percent inflation we are now experiencing. Now here is our chance to rectify part of it.

Let us call our election-year Santa Claus out of the White House and onto the carpet and ask him why the American people have to suffer the insult of increased taxes when he has $24 billion stashed away to give his reelection drive an early Christmas on November 4.

Mr. Speaker, just 7 weeks ago, President Carter submitted a budget which he called "lean and austere." That budget called for a deficit of $16 billion, a very optimistic reading of the projected receipts and outlays, according to most economists. Now, just 7 weeks later, Mr. Carter says that he can find cuts in a budget he had previously said was already stripped to bare-bones necessities.

But he can only find $13 billion in cuts, and that is not enough to balance a budget that is at least $16 billion out of whack, and probably more. Therefore, the President plans to raise another $13 billion by raising taxes. He has imposed a 10-cent-per-gallon import fee for each gallon of gas. This measure, which the President has the authority to institute without action by Congress, will raise about $10 million for the U.S. Treasury and will add between 1 and 2 percent to the already unconscionable inflation.

In addition, the President has proposed that interest and dividend payments be subject to income-tax withholding. This measure, if passed by the Congress, will raise about $3 billion in additional revenues.

Mr. Speaker, both these measures spell further disaster for the American economy and the American taxpayers. The President has decided to fight inflation with inflation. His new tax on gasoline is inflationary because it will add to the price of energy. The effect of this tax will be felt not only at the gas pumps, but throughout the economy as transportation and production costs are increased. Meanwhile, whether this tax will actually result in reduced demand for imported oil is open to serious question. In fact, just as President Carter announced his so-called conservation measure at the White House last Friday, four chauffeured Cadillacs and a Lincoln were parked in the White House driveway with their engines running.

The proposal to subject dividend and interest to withholding is inflationary because it creates one more disincentive to save. And the lower the level of savings, the more mortgage rates and interest rates on other long-term borrowing are pushed up. In addition, this measure would create an additional hardship on the elderly and others living on fixed incomes who may depend on dividend and interest as a primary means of support.

Mr. Speaker, we could have balanced the budget anytime by increasing taxes. The real challenge confronting the President and this Congress is to balance the budget by cutting spending and reversing the flow of capital from the private sector to the bureaucracy in Washington.

Mr. Speaker, a recent report by the Congressional Budget Office identified no less than 56 specific places where Federal tax dollars could be saved, and there are many more. Implement some of those changes and we could reduce fiscal year 1981 expenditures by more than $24 billion, more than enough to balance the budget according to the President's figures. In addition, I have already suggested that President Carter forfeit his election-year fund of grants and aid to help balance the budget.

In short, Mr. Speaker, there is simply no reason why this Congress cannot balance the budget without raising taxes. Why should the American people pay for the mistakes of this Congress? I will do all I can in Congress to bring the budget into balance by eliminating wasteful Government spending. But I will not be a party to any effort to slow inflation by raising taxes or by risking a recession.

COAL AND ACID RAIN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Vermont (Mr. JEFFORDS) is recognized for 5 minutes.

● Mr. JEFFORDS. Mr. Speaker, a major administration plan was announced last week to convert more than 100 powerplants—mainly in the Northeast—from oil to coal burning.

I welcome this chance to reduce America's reliance on foreign oil.

I welcome this chance to provide more jobs in coal mining and in the industries that supply coal mining and processing.

At the same time, I am concerned that the air and the landscape of Vermont, other New England States, and Canada may be unfairly impacted by our drive for energy independence.

My home State of Vermont is in a region that is particularly susceptible to acid rain and other forms of atmospheric deposition or fallout, which could have an adverse effect on crops, water quality, and health.

I believe that the administration's plan gives inadequate attention to acid precipitation and other environmental concerns. For example:

First. The plan does provide some grants for addressing acid rain problems, but I am not sure that the President or the U.S. Environmental Protection Agency alone can be certain how best to use the money.

Second. Even though the converting plants would meet all environmental standards, according to the conversion plan fact sheet, the EPA itself has indicated that it has no regional air quality standards relating to acid rain and other forms of atmospheric deposition and does not expect to have the knowledge or capability to write such standards for 7 to 10 years.

Third. The newly converted plants would have the best technology applied to reduce environmental impacts, yet there are many older plants already using coal that fail to make use of the latest pollution control technology, releasing substantial emissions resulting in acid rain and other forms of pollution, particularly in times of peak demand for electricity, these older plants need proper incentives to apply modern techniques.

Fourth. The conversion from oil to coal use would require considerable information about likely economic and environmental impacts and how to lessen them. Yet no provision is made for assuring that the plants involved acquire the knowledge we have now on acid rain and other problems, or that agencies at several levels of government accelerate their efforts to develop new information.

Fifth. Canada's new Environment Minister, John Roberts, has said recently:

> In Canada, we are determined to reduce our emissions drastically and work to this end is well under way. All, however, will be in vain if the United States does not move to cut its much larger emissions—and soon. The coal conversion program could and should be used to begin this process.

The question of acid precipitation is very complex. It raises economic and environmental concerns at the source of the energy, the source of the pollution, and areas such as New England and Canada that receive the pollutants. It involves some relationships and processes that we understand already, and some that we do not.

It is a subject already being addressed by research programs of several Departments, EPA, and universities as well as industry—including the national atmospheric deposition program led by USDA and the State agricultural experiment stations. It involves at least two bills already being considered—title X of the synfuels bill now in conference, and H.R. 6532 that I introduced last month, the National Atmospheric Fallout and Acid Rain Act.

Given our serious energy needs, there is little question that we need a coal conversion plan. But we must recognize that not enough is known about the possibly very serious ramifications of acid rain and other forms of fallout.

The technology is not all in place.

It would, therefore, be highly irresponsible for us to proceed with a crash program for coal conversion without an accompanying crash program to increase our understanding of acid rain and to minimize the damage it may cause in Vermont, elsewhere in New England, and Canada.

I firmly believe that this set of issues must be more fully addressed in the administration's coal conversion plan in order to achieve energy independence and environmental quality.

I also firmly believe that the effort to resolve this set of issues—and the leadership for it—must be shared by the agencies that have the experience; that the technical knowledge that we do know should be more widely dispersed; and that long-term programs to develop new technical information must begin or be accelerated now in order to help the President's coal conversion plan as well as other policy and legislative decisions be more environmentally responsive.

The mining industry itself has recommended that funding be increased for various agencies to do research on biomedical and environmental effects of coal production and use, and that environmental standards be based on objective scientific evidence.

Finally, the committees and conferees that will be considering the administration plan and its effects should have as much background as possible on the atmospheric deposition concerns.

Of many articles that have appeared in the past year on these concerns, two articles in Science News Magazine on February 9 and February 16, 1980, seem to clearly set forth many of the issues involved. I would commend these two articles by Susan West, "Acid From Heaven" and "Acid Solutions," for the attention of my colleagues.

Our energy independence and our natural environment depend on the timely use of present knowledge and an equally timely search for new facts.●

A. PHILIP RANDOLPH

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. Rodino) is recognized for 5 minutes.

● Mr. RODINO. Mr. Speaker, it is a special pleasure to express my strong support for H.R. 5625, to authorize a gold medal for the A. Philip Randolph Institute.

I will mention two of the reasons for my particularly intense and warm interest in this measure.

First, I was privileged to know and to work often with A. Philip Randolph, who, in my judgment, was one of the great labor and civil rights statesmen of American history.

Second, one of the most precious honors of my life came in 1975 when I became the first recipient of the annual award given by the A. Philip Randolph Institute.

Mr. Randolph's magnificent life and distinguished career ended with his death last year, but the institute bearing his name is continuing his work in the spirit of his powerful values.

The biographical highlights of the life of A. Philip Randolph have been recognized often: His pioneering and brilliant effort to organize the Brotherhood of Sleeping Car Porters in 1925; his presidency of that union for several decades; his ascendency to the position of vice president of the AFL-CIO in 1957; his superb and successful direction of the March on Washington for Jobs and Freedom in 1963.

He should also be remembered for the Negro journal, the Messenger, which he founded in 1917, for his effective and steady advocacy of solidarity between white workers and black workers, for his great work to provide opportunities for urban black Americans, for his success in breaking the color barrier to defense-related jobs in 1941, and for his instrumental role in the end of racial segregation in the Armed Forces in 1947.

Above all, we should never forget—and we should indeed honor with a gold medal—the inspiring values of A. Philip Randolph's commitment to the best goals of the labor and civil rights movements.

He was steadfast in the pursuit of those goals, no matter what the odds or the wavering level of public support. He had the vision to see the reality of ideals, but he was invariably practical in his quest to achieve them. He was toughly determined about his convictions, but in his contacts with others he easily qualified for the label "gentleman." He was not afraid of a hard social struggle or a dangerous political fight, but he remained always a man of peace, wedded to nonviolent methods.

The life and work of A. Philip Randolph strengthened America as a nation of justice and a society of opportunity. A gold medal honoring him and the A. Philip Randolph Institute is fully and nobly justified.●

LEGISLATION TO IMPROVE SYSTEM BY WHICH SCHOOL DISTRICTS RECEIVE AGRICULTURAL COMMODITIES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. Ford) is recognized for 15 minutes.

● Mr. FORD of Michigan. Mr. Speaker, today I am pleased to introduce with my colleague, Congressman Bill Goodling, the ranking minority member of the Subcommittee on Elementary, Secondary, and Vocational Education, a bill to improve the system by which local school districts receive agricultural commodities. This legislation proposes to establish a more efficient delivery system of providing the $660 million in commodity foods for the school lunch program while at the same time working toward the administration's goal of a balanced budget.

Currently school districts rely on commodities for about 20 percent of their food requirements, with the remaining 80 percent being purchased from a local food distributor. To supply this 20 percent, the U.S. Department of Agriculture (USDA) buys foods at market prices under its commodity price support and surplus removal programs, and then has these commodities moved from the manufacturers where they were bought to individual State central warehouses or railsidings. On top of this, States and local school districts must pay substantial costs for warehousing, handling, and transportation of these products.

What our legislation would do is replace the USDA national purchase and distribution of commodities with a letter of credit system to permit the purchases for this 20 percent—like the other 80 percent—to be made at the local level. This approach would allow school districts to purchase foods at a time which fits into their feeding schedule and in a processed form which is appropriate for feeding children. Further, it would bring about a costs savings of an estimated $150 million annually.

Most of this $150 million stems from the transportation, warehousing, and handling of Government commodities. In a recent study conducted by former Undersecretary of Agriculture Dr. John Schnittker, it was discovered that these costs total about one-third of the total value of the commodities. Certainly as the cost of energy impacts on the transportation, storage and labor system, these costs will only grow.

The administration has made proposals to cut school lunch funding by hundreds of millions of dollars. Along with the chairman of the Subcommittee on Elementary, Secondary, and Vocational Education, Carl Perkins, I seriously question these proposals, because I strongly believe they undermine the fundamental concept of the national school lunch program. But given the budgetary climate which we find ourselves in, I think it is incumbent upon all of us to search for other ways to save Federal budgetary dollars.

This proposal has come about because of years of dissatisfaction with the current commodity distribution program, the faults of which have become practically legendary. Congress over the past few years has steadily provided alternatives to Federal commodity programs. Food stamps replaced the family commodity distribution program. In the Nation's elderly feeding program, local agencies were given the option of receiving cash instead of commodities and are doing so in large numbers. The same holds true for child care programs.

Although I have consistently been a proponent of replacing the commodity system for school lunch with a cash system, I am not sure at this time that total elimination is the wisest decision. But this approach—a letter of credit system—preserves the concept of commodities, enables it to operate in a modern manner and serves the Nation's schools and agricultural producers.

Transition to the commodity letter of credit system would be simple. It would build on existing procedures. There would be no change in USDA's planning, decisionmaking, and notification processes. The Food and Nutrition Service would continue to estimate the requirements of the States for commodities during a given school year, and submit them to the Food Safety and Quality Service and to the Agricultural Stabilization and Conservation Service. USDA would simply issue a letter of credit to each State covering the three separate accounts from which commodities are drawn—section 32, section 416, and section 6—and the States would draw against their letters of credit in two advance installments during the school year.

USDA would also continue to determine what items and the quality of these items that could be purchased with the letter of credit.

I believe this legislation is a genuine effort to protect, and in fact enhance, the interests of everyone involved in this program. I know that it is of interest to school, agricultural, and industry groups who have many questions to ask.

I look forward to working with these groups through the legislative process to answer these questions and, hopefully, improve the legislation. I hope that my colleagues in the House, as well as all interested parties, will study the details of the bill and the section-by-section analysis.

The school lunch program is one of our great national efforts. But we cannot stand still when components of it fall into disrepair or need updating. We have a responsibility to keep it updated. I believe this legislation moves us in that direction.

The section-by-section analysis follows:

Section-by-Section Analysis

Section 1 amends the National School Lunch Act. The section and subsection designations referred to below are designations in the Act as amended by Section 1 of the bill.

Subsections 6(a) (1) and (2) are preserved without change.

Subsection 6(a)(3) substitutes the authority for the Secretary of Agriculture to implement a commodity letter of credit system for the current authority which authorizes the Secretary to make direct expenditures for agricultural commodities and other foods to be distributed among the States, schools and service institutions participating under the National School Lunch Act and the Child Nutrition Act of 1966.

Other provisions of subsection 6(a)(3) which provide for a 20 percent refusal and substitution of donated commodities; and which provide for the use of section 32 funds for processing, transportation and storage, etc., of donated commodities under section 32 of the Agricultural Act of 1935; and which provide for commodity specifications which allow for participation by local producers are deleted here but are adapted to the distribution of commodity letters of credit and included elsewhere.

Subsection 6(b) directs the Secretary to issue commodity letters of credit to carry out the purposes of section 6(a) and establishes the implementation date for the commodity letter of credit system as no later than the school year 1981. If passed during the second session of the 96th Congress, this will allow a year for the Secretary to start up the system. This subsection retains from current law the Secretary's responsibility to determine which foods shall be designated for purchase, but provides that the purchase be at the local level under State direction and by commodity letters of credit. It also retains from current law the directive to the Secretary to give special emphasis to high protein foods, meat, and meat alternatives (which may include domestic seafood commodities and their products).

Subsection 6(c) retains from current law the formula by which the Secretary now sets the annual programmed level for all commodities to be delivered to the schools, but applies that formula to the commodity letter of credit system.

Subsection 6(d) requires the Secretary to apportion the annual programmed level of the commodity letters of credit among the States according to the formula now in use for setting direct commodity assistance. It further requires the Secretary to reprogram among the States unused portions of commodity letters of credit that have been issued. The Secretary is directed to carry out the initial apportionment to the States and each subsequent reapportionment in a timely manner so as to insure the price support function of this program.

Subsection 6(e) requires the States to apportion the commodity letters of credit allotted them by the Secretary to the schools based on the current formula, so that each school shall be informed fully as to its commodity letters of credit entitlement. Again the States are directed to carry this process out in a timely manner so as to assist in effectuating the price support function of this program.

Subsection 6(f) establishes the two dates, July 1 and January 1 by which the Secretary is required to transmit advance program payments to the States, so that the States may establish accounts under which to operate the system. It provides that the Secretary shall prescribe what commodity letters of credit are to be issued for, thus giving the Secretary the necessary power to maintain support and surplus removal functions of this program. It retains the limitation in current law directing that all purchases under these accounts shall adhere to meal requirements prescribed by the Secretary for breakfasts and lunches.

Subsection 6(g) directs the Secretary to develop the standards by which the commodity letter of credit system shall be administered by the Department of Agriculture, States and schools. It also directs the Secretary to see that the program operates in a timely manner so as to insure the proper operation of the price support function of the program, and to give special attention in those standards to enabling prompt payment to suppliers so that the schools will receive prompt payment discounts. The Secretary is also directed to develop methods by which funds will be withheld from schools by the State that use their commodity letter of credit purchase orders improperly.

Subsection 6(h) retains and adapts to commodity letters of credit the provision from current law that the Secretary must provide the States with access to 75 percent of their programmed commodities through the issuance annually of specific commodity letter of credit purchase orders equal to 75 percent of the total programmed level for commodity letter of credit assistance.

Subsection 6(i) retains from current law the provision which allowed participating schools to refuse up to 20 percent of the total value of agricultural commodities offered to them and to receive, in lieu of the refused commodities, other commodities to the extent they are available, by extending the same limited refusal and acceptance system to commodity letters of credit. Subsection 6(i) retains from current law the provision allowing for the use of section 32 funds for various purposes complementary to the overall purpose of section 32, such as processing, handling, and other incidental costs.

Subsection 6(j) retains the provision of current law which requires the Secretary fully to fund the commodity needs, as determined under the provisions of the Act, of the school and to provide for those needs in the form of commodity letters of credit or pay to each State educational agency the difference between the value of the commodity letters of credit actually provided and the total level of assistance authorized under law. This Act continues to provide that in no case can the level of specific commodity letter of credit purchase orders fall below 75 percent of the total programmed for commodity letter of credit assistance (see subsection 6(h) as amended in this Act).

Subsection 6(k) continues the current provision of law providing the Secretary authority to use the funds of section 32 to cover any payment made under the preceding subsection 6(j) until such times as funds are available for this purpose from supplemental appropriations to reimburse the section 32 fund.

Subsection 6(l) continues the provision from current law withholding funds disbursed under the authority contained in subsection 6(j) above, and contained in subsection 6(b) of current law, from State matching requirements.

Subsection 9(c) retains the current provision requiring the use of commodities designated as being abundant by the Secretary. Subsection 9(c) as amended also retains the current authority of the Secretary to assist schools participating in the National School Lunch program and other schools that carry out a nonprofit school lunch program, and institutions through the use of section 32 funds, but provides that such assistance be by the issuance of commodity letters of credit for the purchase of domestic agricultural commodities. This subsection also continues the current provision of law which provides that the Secretary may regulate the terms, conditions and use of the aid provided so as to make fullest benefit of such assistance. Provisions from current law regarding the service of free and reduced price meals in schools receiving such aid, as well as certain exceptions for certain private and nonprofit schools are retained under this subsection.

Subsection 11(e)(1), which deals with the provision of special assistance for free and reduced price meals, is amended to conform to the commodity letters of credit system.

Subsection 13(h), which deals with the use of commodities declared to be in abundance and with the provision of aid to the summer food service program from the commodity surplus and commodity price support programs administered by the Secretary to conform it to the issuance of commodity letters of credit for the purchase of such commodities by institutions participating in the summer feeding program.

Subsection 14(a)(1) retains from current law the authority and responsibility of the Secretary to carry out the surplus removal functions of section 32 to increase the consumption of domestic agricultural commodities that are in abundance by providing them to the schools and programs participating in the National School Lunch Act, the Child Nutrition Act of 1966, and the Older Americans Act feeding programs, but provides for the purchase of such commodities (of the same types which had been customarily purchased by the Secretary) by commodity letters of credit issued by the Secretary to States for purchases at the local level. This provision also retains from current law the dictate to the Secretary that such assistance be maintained at the annually programmed level. This should insure that the Secretary operates the commodity letter of credit system, under the Secretary's various authorities stated here and elsewhere in this bill, so as to insure its timely and efficient operation in order to provide full assistance to participants and to meet the timeliness concerns regarding the removal of certain surplus commodities provided under section 32. Subsection 14(a)(1) also provides that the commodity letters of credit system shall begin after October 1, 1980.

Subsection 14(a)(2) as amended retains from current law the provision for the continued use of funds of the Commodity Credit Corporation for the purchase of section 416 price-support commodities for consumption by participants in the National School Lunch Program, the Child Nutrition Act of 1966, and title VII of the Older Americans Act of 1965, but by commodity letters of credit issued by the Secretary to the States for purchases at the local level.

Subsection 14(b) retains from current law the direction to the Secretary that among the products to be purchased are cereal, shortening, and oil products—all products which are greatly desired by participating programs.

Subsection 14(c) retains from current law the provision for providing domestic agricultural commodities to programs served under title VII of the Older Americans Act but provides that such purchases be by commodity letters of credit issued to the States for use at the local level; further, the present option to receive cash in lieu of such donations is continued, as in the necessary authorization of funds to be appropriated to support this activity.

Subsection 14(d)(1)(A) retains from current law the role of schools in advising the Secretary of their food needs and their food preferences so that the Secretary is fully aware of them and considers them in allocating commodity letters of credit to the States.

Subsection 14(d)(1)(B) continues the current provision of the law that the Secretary solicit the views of States regarding the acceptability of commodities to be designated by commodity letters of credit. This insures the continuance of the present practice of consulting the States each summer prior to the commencement of school regarding the likely commodities to be available, and in what volume, and obtaining the States' responses regarding their acceptability, at various levels of use.

Subsection 14(d) (1) (C) builds on current law to emphasize the advantages of the commodity letter of credit system. The current provision of law requires that the timing of commodity deliveries to the States be consistent with school year calendars and that sufficient advance notice of deliveries be given to the States.

Subsection 14(d) (1) (C) further makes a new requirement of USDA that it administer the issuance of commodity letters of credit so as to be consistent with production harvesting and marketing schedules of producers whose interests are also served by this program. This is meant to insure that the Secretary acts to see that this program has the maximum effect on reducing surpluses, supporting prices, and meeting the economic needs of producers.

Subsection 14(d) (1) (D) retains the current provision of law and adopts its cost and benefit review function to the issuance of commodity letters of credit.

Subsection 14(d) (1) (E) builds upon the current law's provision for technical assistance from USDA (this envisions a shifting role for Food and Nutrition Service's Food Distribution Division, and an increased role for the Food Safety Quality Service) to the States and school districts.

This subsection also provides that the Secretary may provide up to ¼ cent per meal served (or on the average 12.5 million dollars annually from existing carryover funds from the previous fiscal year of section 32 revenues to provide funds to schools for technical assistance. This provision does not create new funding authority but simply allows the Secretary to reallocate existing funds to a use consistent with the general purposes of section 32 and the Act of June 28, 1937.

Subsection 14(d) as amended ends by giving the Secretary broad authority to establish procedures to ensure that suppliers to local schools are reliable, and of good reputation, and comply with all laws regarding meat inspection and all other laws and regulations for the provision of wholesome food.

Subsection 14(e) as amended retains from current law the provision for local advisory councils.

Subsections 16(a) and (b) are amended to retain the current program status of Kansas as a cash-in-lieu-of commodities (or commodity letters of credit) program.

Subsection 17(g) (4) is amended to comply with the issuance of commodity letters of credit while retaining the directive from current law that Child Care Food Programs purchase foods designated by the Secretary as being in abundance.

Subsection 17(h) is amended to retain the current provision in law allowing for a cash option in the Child Care Food Program while adopting this provision of law to the issuance of commodity letters of credit.

Section 22(a) is amended to conform the provision of assistance to Defense Department dependents schools, located outside the United States, under the National School Lunch Act with provisions of this bill calling for the issuance of commodity letters of credit.

Section 2 of the bill amends the Child Nutrition Act of 1966. The section and subsection designations referred to below are the designations in the Act as amended by section 2 of the bill:

Section 8 retains from current law the provision that participating schools make use of foods declared to be in abundance by the Secretary and adapts current law to commodity letters of credit to provide that funds made available under section 416, section 32, and section 709, may be used to issue commodity letters of credit to States under the National School Lunch Act and the Child Nutrition Act of 1966 to purchase domestic agricultural commodities. The commodities under this provision and other sections of this bill would be those designated by the Secretary and having traditionally been purchased under section 416, section 32 and section 709.

Subsection 20(a) is amended to conform the provision of assistance to Defense Department dependents schools, located outside the United States, under the Child Nutrition Act of 1966 with provisions of this bill calling for the issuance of commodity letters of credit.

Section 3 (a) and (b) of the bill amend section 416 of the Agriculture Act of 1949 to make commodity letters of credit for section 416 price support commodities available to nonprofit schools, nonprofit summer camps, charitable institutions, including hospitals, and other nonprofit child feeding programs while limiting the direct distribution of section 416 commodities to the assistance of needy persons, the Bureau of Indian Affairs programs and other State and Federal agencies as may be designated by the Secretary consistent with the provisions of this bill. It is not the intention of this bill to limit direct commodity distribution to participants in the Special Supplemental Feeding Program.

Subsection 3(c) of the bill amends section 416 to modify existing spending authority to provide that the Secretary may use funds of the Commodity Credit Corporation to issue commodity letters of credit to carry out the purposes of section 416, as amended.

Section 4 of the bill amends section 709 of the Food and Agriculture Act of 1965 to conform with the implementation of the commodity letter of credit system. Under existing law, the Secretary of Agriculture is authorized to use funds of the Commodity Credit Corporation for direct purchase of dairy products (other than fluid milk) at market prices to meet the requirements of school feeding programs. The bill removes this authority and instead authorizes the Secretary to use CCC funds to provide commodity letters of credit for the local purchase of dairy products for use in the school lunch program and other programs under the National School Lunch Act and the Child Nutrition Act of 1966. The Secretary's authority to purchase dairy products at market prices to meet the requirements of other programs when the CCC has insufficient stocks available for such purposes is not affected.

Section 5 of the bill provides criminal penalties for fraud, embezzlement, forgery, conspiracy, and other unlawful acts in connection with commodity letters of credit and the commodity letter of credit system. The bill provides for a maximum penalty of a $10,000 fine and/or five years imprisonment.

Section 6 of the bill amends the Act of June 28, 1937 to conform with the commodity letter of credit system provided for in the bill and to bring nonprofit summer camps for children within the commodity letter of credit system. Under existing law, the Secretary is authorized to donate commodities purchased with section 32 funds to these camps. The bill instead authorizes the Secretary to issue commodity letters of credit to these camps for the purchase of domestic agricultural commodities and other foods. The Secretary's existing authority to use section 32 funds for the purchase of agricultural commodities and their products for relief purposes is not affected by the bill.

Section 7 of the bill amends the Agriculture and Consumer Protection Act of 1973 to provide for the conversion during fiscal year 1981 from donated foods to the commodity letter of credit system in school feeding and other programs under the National School Lunch Act and the Child Nutrition Act of 1966, and in summer camps for children. These changes back the requirement of the bill that the commodity letter of credit system be in operation for the 1981–82 school year.

Section 8 of the bill amends the Comprehensive Older Americans Act of 1978 by converting the donated foods program authorized by that Act to the commodity letter of credit system. Subsection (a) provides that the Secretary shall issue commodity letters of credit to recipients of a grant or contract to be used for providing nutrition services, instead of donating commodities as he is directed to do under existing law. Subsection (a) provides for implementation of this change by the beginning of fiscal year 1982.

Subsection 8(b) preserves the present cash-in-lieu option by providing that a State may elect to receive cash payments in lieu of commodity letters of credit for all or any portion of its project. These cash payments are to be in an amount equal to the value of the commodity letters of credit which the State would have received if it had not elected the cash option.

The schedule of dates by which the provisions of various sections of this bill become effective are meant to allow the Secretary up to a year to carry out the provisions of this bill so as to implement fully the commodity letter of credit system for the 1981–82 school year.●

RAILROAD SAFETY: POTENTIAL FOR CATASTROPHE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kansas (Mr. GLICKMAN) is recognized for 10 minutes.

● Mr. GLICKMAN. Mr. Speaker, in the past few years I have been increasingly alarmed about the safety of our rail system. Nearly every week we hear of a serious rail accident. Over one weekend in January, accidents involving hazardous cargoes forced the evacuation of over 1,500 people in three States. Just this weekend, an Amtrak passenger train derailed in Montana sending 90 persons to the hospital. Last week, a derailment in my district spilled tons of grain.

The increased incidence of accidents continues to hamper the transportation of grain and other commodities. Train accidents involving toxic chemicals are a major problem that endangers tens of thousands every year. The potential for catastrophe is alarming, and it is imminent.

The cause of this major problem can be summed up in three words: Seriously deteriorating railbeds. I am convinced that we are literally on the road to disaster if that deterioration is not reversed. Let me run through a list of rather devastating statistics which point out, I feel, rather graphically that we must begin to address this issue now, or suffer serious consequences.

The number of train derailments nationally increased nearly 50 percent in the 10 years through 1977. The number of accidents directly attributable to track defects or obstructions has more than doubled. Currently, almost half of all train accidents are the result of deteriorating track and roadbeds.

The result of this negligence has been an alarming increase in personal injuries and costly property damage. In 1968, 19,606 persons were killed or injured in U.S. rail accidents. In 1977, the number had skyrocketed to 62,266. During the same time period, the cost of damage caused by rail accidents increased by more than $165 million annually. The greatest increase in both casualties and property damage, occurred, by the way, after Congress enacted the rail safety legislation in 1970. That should tell us something about the need to see why our goal in that legislation has become even more distant.

In 8 months of 1974, the Federal Railroad Administration recorded less than 12,000 defects in trackage. In the first 6 months of 1979, nearly 50,000 defects were found. Over that 6 years, the problem has worsened more than 500 percent. The situation has gotten so severe that much of the trackage in this country is considered safe only at speeds of 10 miles per hour or less. It should come as no surprise that shippers have increasingly turned to less energy-efficient trucks and that rail equipment is not available where and when it is needed.

Last year, train derailments and collisions took place at the rate of about one every hour, with damages totaling more than $850,000 a day. That kind of impact has incredible bearing on the whole structure of our economy. It is most definitely inflationary.

This is a national nightmare. It demands careful and thorough examination. My research to date is, I am afraid, only the tip of the iceberg.

Railroad companies have been found to be ignoring Federal regulations that require immediate action in response to track safety problems cited by the Federal Railroad Administration, and the National Transportation Safety Board (NTSB) has investigated numerous accidents caused by lax track maintenance and inspection policies of various railroad companies. In fact, NTSB officials are even having difficulty getting railroad companies to report accidents within a reasonable time period. It appears that some railroad companies are even delaying their reports of accidents so long as to thwart effective NTSB investigations. That could be an effective way of covering up any evidence of gross neglect or deferred maintenance of tracks by the railroad companies. Any conscious policies along those lines would certainly cast a shadow on corporate responsibility. I am shocked that management would allow these policies to continue. Our Government's inaction can no longer be tolerated by the Congress.

Rail service is clearly our most energy-efficient means of transportation. Although railroads transport more than 34 percent of our country's intercity freight, they consume only 3.6 percent of the fuel consumed in all intercity freight transportation. With the energy crisis turning more and more people and shippers to rail service as an energy-efficient alternative, the safety problems will certainly not disappear. They will only worsen until the railroad companies put their houses in order and the Federal Government begins to take the problem seriously.

The safety of our rail system—the backbone of our transportation infrastructure—demands action. It is a problem we cannot afford to ignore in terms of lives or in terms of the movement of needed commodities. We must begin to seriously consider this problem now.●

CONFIDENTIALITY OF SHIPPER'S EXPORT DATA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. GARCIA) is recognized for 15 minutes.

● Mr. GARCIA. Mr. Speaker, Today, I am pleased to join with JIM COURTER, the ranking minority member of the Subcommittee on Census and Population, which I chair, in introducing legislation dealing with the confidentiality of shipper's export declarations. This measure is identical to the one introduced by Senators PERCY and RIBICOFF last week.

Each year exporters file with the U.S. Customs Service an estimated 8½ million SED's at various American ports of exit. These documents contain some sensitive and some admittedly not so sensitive information relative to the shipment and its ultimate destination. SED's are used by the U.S. Census Bureau to generate the Nation's trade data. But, they are also utilized by the Office of Export Administration for compliance purposes. Thus, the documents are not used for statistical purposes exclusively. Nevertheless, Federal law has protected these documents as confidential.

Recent changes to the Export Administration Act enacted by Congress last year terminated this confidential treatment effective June 30, 1980. Last fall, at the Administration's request, Representative COURTER and I introduced legislation that would have provided a blanket exemption for SED's from the disclosure requirements of the Freedom of Information Act (FOIA).

This approach, as we soon discovered, severely limited the public's access to a source of trade data. Since then, Mr. COURTER and I have been working together to devise a legislative solution that would balance the public's right to know with exporters' corresponding concern to preserve the confidential relationship heretofore enjoyed.

In late January our subcommittee met informally with the principal parties involved to discuss details of a possible compromise. Essentially, the results of that and subsequent meetings are embodied in the legislation we are introducing today.

First and foremost, the legislation would permanently exempt SED's from public disclosure. Equally important, however, is the requirement that similar submissions of export data to the U.S. Customs Service be standardized nationwide and that Customs also revise its procedures for releasing export data to the public.

Mr. Speaker, in our view the proposed legislation is a reasonable compromise that protects the legitimate interests expressed by shippers to maintain the confidentiality of SED's while at the same time assuring the continued release of export data for public consumption. I urge my colleagues to support it.

Finally, Mr. Speaker, I take this opportunity to notify Members that a hearing has been scheduled on the legislation for Wednesday, March 26, at 2 p.m. in room 311 of the Cannon House Office Building. Any Member wishing to testify or submit a statement, should contact the subcommittee staff.

At this point, Mr. Speaker, I would like to insert into the RECORD the text of the legislation, as well as several letters in support of the legislation for the benefit of my colleagues.

H.R. 6842

A bill to protect the confidentiality of Shippers' Export Declarations, and to standardize export data submission and disclosure requirements

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 301 of title 13, United States Code, is amended by adding at the end thereof the following new subsection:

"(g) Shippers' Export Declarations (or any successor document), wherever located, shall be exempted from public disclosure unless the Secretary determines that such exemption would be contrary to the national interest".

SEC. 2. Section 4199 of the Revised Statutes (46 U.S.C. 93) is amended to read as follows:

"SEC. 4199. (a) Copies of bills of lading or equivalent commercial documents relating to all cargo encompassed by the manifest required under this chapter shall be attached to such manifest and delivered to the appropriate officer of the United States Customs Service at the time such manifest is delivered.

"(b) The following information shall be included on such manifest, or on attached copies of bills of lading or equivalent commercial documents:

"(1) Name and address of shipper.
"(2) Description of the cargo.
"(3) Number of packages and gross weight
"(4) Name of vessel or carrier.
"(5) Port of exit.
"(6) Port of destination.

"(c) Except as provided in subsection (d), the following information contained on such manifest, or on attached copies of bills of lading or equivalent commercial documents, shall be available for public disclosure:

"(1) Name and address of shipper, unless the shipper has made a biennial certification claiming confidential treatment pursuant to procedures adopted by the Secretary of the Treasury.

"(2) General character of the cargo.
"(3) Number of packages and gross weight.
"(4) Name of vessel or carrier.
"(5) Port of exit.
"(6) Port of destination.
"(7) Country of destination.

"(d) The information listed in subsection (c) shall not be available for public disclosure if—

"(1) the Secretary of the Treasury makes an affirmative finding on a shipment by shipment basis that disclosure is likely to pose a threat of personal injury or property damage; or

"(2) the information is exempt under the provisions of Section 552(b)(1) of title 5 of the United States Code.

"(e) The Secretary of the Treasury, in order to allow for the timely dissemination and publication of the information listed in subsection (c) above, is authorized to establish procedures to provide access to manifests, or attached bills of lading or equivalent commercial documents which shall include provisions for adequate protection against the public disclosure of information not available for public disclosure from such manifests or attached bills of lading, or equivalent commercial documents."

SEC. 3. Nothing in this Act shall be construed as authorizing the withholding of information from Congress.

SEC. 4. (a) Except as provided in subsection (b), this Act, and the amendments made by this Act, shall become effective on the later of July 1, 1980, or the date of enactment of this Act.

(b) The amendment made by section 2 shall become effective on the date which is forty-five days after the date of enactment of this Act.

CHAMBER OF COMMERCE
OF THE UNITED STATES,
Washington, D.C., March 12, 1980.

Hon. ROBERT GARCIA,
Chairman, Subcommittee on Census and Population, Committee on Post Office and Civil Service, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: On behalf of the over 90,000 members of the Chamber of Commerce of the United States, I again ask your assistance in the important trade-related issue of the confidentiality of Shipper's Export Declarations (SEDs).

For the past several months you and your staff have been actively involved in the debate surrounding the SED issue. We appreciate your recognition of the importance of this matter and your efforts to resolve the problem.

In recent days, discussions involving your staff, representatives of the Carter Administration, and spokesmen for the business community and the Journal of Commerce have led to the development of an equitable, workable solution to the issue of SED confidentiality. The proposal provides for the following:

(1) Complete, unequivocal protection of the SED. Information contained in the SED would be exempt from disclosure under the Freedom of Information Act.

(2) The codification of procedures by which the public can gain access to certain export data, this to be accomplished by the attachment of bills of lading or other equivalent commercial documents to each outward foreign manifest.* The Customs Service would have the responsibility for implementing public and press access to the documentation.

The Chamber of Commerce strongly endorses this approach to the issue. It has been our view that the business confidentiality needs of the exporting community and the information access needs of the press and general public are not necessarily contradictory. The solution developed supports that assessment.

This outward foreign manifest solution, so long as it is enacted in its entirety, appears to be satisfactory to all interested parties: namely, the exporting community, the Journal of Commerce, the Census Bureau, and the Customs Service. The Chamber appreciates your efforts in helping develop this solution. I respectively request that you and Mr. Courter introduce the legislative solution developed by the interested parties and yourselves and that a schedule for the expeditious conclusion of the legislation process be developed.

Cordially,

HILTON DAVIS,
Vice President
Legislative and Political Affairs.

EMERGENCY COMMITTEE FOR
AMERICAN TRADE,
Washington, D.C., March 12, 1980.

Hon. ROBERT GARCIA,
House of Representatives,
Washington, D.C.

DEAR MR. GARCIA: ECAT is an organization of 64 large U.S. companies with extensive international business operations. In 1978, worldwide sales by these companies totalled $400 billion and they employed 5 million people.

ECAT's members are deeply interested in the controversy involving the business confidentiality of information included in the Shipper's Export Declarations (SED's) and in other export-related documents. After several months of discussions, representatives of the business community, The Journal of Commerce and the Executive Branch have reached a consensus on the contents of a bill concerning the confidentiality of SED business data that satisfies the needs of all interested parties. Members of your staff and of Representative Courter's staff as well as key members of the Senate were consulted at every stage of the SED discussions.

Very simply, the agreement provides complete protection from disclosure of the Shipper's Export Declaration and its contents. It also mandates attachment of bills of lading or other equivalent commercial documents to each ship's outward foreign manifest, and provides procedures for release of certain information contained in those documents to the public. This solution provides the Journal of Commerce and other interested parties the commercial information that they desire, and it satisfies the desire of the business community for the continued confidential treatment of sensitive business data. It is important to note, however, that the agreement on the proposed legislation is dependent on it being enacted in its entirety; efforts to separate the bill into parts would undermine the support it now enjoys.

On behalf of ECAT and its membership I urge you to support the proposed legislation and to move quickly to ensure its enactment. I am sending an identical letter to Representative Courter.

Sincerely,

ROBERT L. MCNEILL,
Executive Vice Chairman.

THE SECRETARY OF COMMERCE,
Washington, D.C., March 13, 1980.

Hon. ROBERT GARCIA,
Chairman, Subcommittee on Census and Population, Committee on Post Office and Civil Service, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: Andy Manatos has advised me you have requested a letter from the Administration endorsing the attached legislation to protect the confidentiality of Shippers Export Declarations, and to standardize export data submission and disclosure requirements. The Administration fully supports this legislation and we are most appreciative of your efforts toward facilitating this solution.

We would appreciate your assistance in expediting Congressional consideration of this legislation. Your continued interest and support is appreciated.

Sincerely,

PHILIP KLUTZNICK,
Secretary of Commerce.●

● Mr. COURTER. Mr. Speaker, as ranking Republican member on the Subcommittee on Census and Population, I am pleased to join my distinguished Chairman ROBERT GARCIA in introducing this legislation to protect the confidentiality of shipper's export declaration (SED) and to standardize export data submissions and disclosure requirements. The bill is the product of several months of intensive discussions among representatives of the House and Senate, the executive branch, business groups, and the interested trade press.

The legislation introduced today is identical to the bill introduced in the Senate on March 12 and in my view adequately addresses the concerns of all interested parties.

I urge my colleagues to support this bill.●

● Mr. PASHAYAN. Mr. Speaker, I rise in support of the legislation being introduced today by the chairman and ranking Republican of the subcommittee on Census and Population on which I serve.

Last year Congress amended the Export Administration Act which terminates the confidentiality of shippers' export declaration (SED) on June 30, 1980.

Because of the sensitive nature of the SED information, the administration and the exporting community has sought, since last fall, to permanently exempt SED's from public disclosure. Our subcommittee since then has been working with administration representatives, members of the exporting community, and the interested trade press to effectuate a legislative remedy that would preserve the integrity of the data coelector process and protect competitive business information but also allow for the release of other nonsensitive export trade data. As a result of these efforts we have reached what we on the subcommittee believe to be a reasonable compromise.

Now, it is essential that this legislation be enacted expeditiously. The SED protection which remains in force expires on June 30, 1980. It is important that Congress enact this legislation by that time, to insure that the appropriate balance between information release and information disclosure is sustained.

I urge my colleagues to support this most important legislation.●

EXPORT TASK FORCE ARTICLE NO. 19: TAXATION OF AMERICANS ABROAD

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. ALEXANDER) is recognized for 15 minutes.

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*Specifically, the public shall have access to the following information: (1) the name and address of the shipper, unless the shipper has made a biennial certification claiming confidential treatment; (2) the general character of the cargo; (3) the number of packages and gross weight; (4) the name of vessel or carrier; (5) the port of exit; (6) the port of destination; and (7) the country of destination, if it is shown in the documentation.

● Mr. ALEXANDER. Mr. Speaker, there is a growing concern among Government officials, businessmen and Members of Congress about the unnatural restraints we place upon one of our most valuable assets abroad, the American worker.

The Associated General Contractors have identified U.S. tax policy toward this group of citizens as the single most costly obstacle to exports of construction services.

In their recent newsletter, which is entirely devoted to the tax issue, the AGC interviews our colleague Bill Frenzel and Senator John Chafee on their perceptions of this problem. I would like to insert that interview so that my colleagues might have the benefit of what these two Members have to say about this issue. The Associated General Contractor newsletter follows:

TAXATION OF AMERICANS OVERSEAS AND OUR NATION'S TRADE PERFORMANCE

The role of the engineering and construction industries in the evolution of the Foreign Earned Income Act of 1978 is a story which has been told and retold in the trade press and association publications. While the reporting has varied somewhat in its treatment of the subject the position adopted by the industry during the debate is generally categorized in two distinct areas.

The first category was not a position in the true sense of the word but rather an overreaction to criticism from congressional and executive branch opponents. The critics claimed that the preferential tax treatment of overseas workers conflicted with the long established principles of tax equity. The industry responded to the tax equity critics with claims that the typical U.S. expatriate labored under adverse conditions in the most inhospitable locations in the world and was therefore entitled to a tax incentive.

Part two of the industry position was the trade argument which linked the tax costs of U.S. expatriates to the competitive posture of certain key export sectors and in the long run to our nation's overall trade performance. If the tax costs became too high. employers would be forced to replace U.S. expatriates with tax free third country nationals. This economic displacement of U.S. expatriate managers by foreign nationals would in turn decrease the likelihood that U.S. materials and equipment would be specified for use on overseas projects, due to the unfamiliarity of this foreign management with U.S. product lines.

If we examine the present law there is evidence that the aforementioned two part industry position had a detrimental impact on the final outcome of the issue. It is true that the industry response to the tax equity argument was in certain cases well documented and served as an effective rebuttal to the tax equity critics. However, it was such an effective response that the Congress soon became infatuated with the concept of the "hardship post" and went to great lengths to institutionalize it in the statute. This preoccupation with the hardship post diverted the attention of Congress from the broader trade considerations embodied in part two of the industry position.

Today, U.S. exporters find themselves in the absurd position of having to evaluate a given export market, not only in terms of its economic potential, but also in terms of its relative degree of hardship. The law stipulates that no tax benefits will be extended to foreign locations which do not command a 15 percent or greater post differential from the U.S. Department of State. The problem is that the post differential determination process is an administrative function designed to provide equitable compensation to U.S. government employees serving in posts around the world, and the process is not structured to address the greater trade policy objectives of the U.S. In fact, the administrative and trade policy objectives could be interpreted as competing interests. On one hand it is desirable to hold down the costs of government, but on the other, we want to extend tax subsidies to promote our nation's exports. Linking the tax benefits to the hardship post determination is, therefore, an obvious nonstarter from an overall policy standpoint. Export promotion is not a function of heroic servitude by Americans in the most undesirable locations of the world, but rather a fundamental commitment to encourage a U.S. presence in all foreign locations where realistic opportunities exist for the sale of U.S. goods and services.

The present tax system is grossly incompatible with the fundamental principles of export promotion and, as the trade consequences of present law begin to emerge, there is again renewed interest in changing it. In the following interviews, Senator John H. Chafee [R-R.I.] and Congressman Bill Frenzel [R-Minn.] share their views on why a change is needed in the current law and also what, in their opinion, must be done to secure that change. These interviews are followed by an AGC analysis of the tax costs incurred by present law and the competitive impact of these costs on an actual project recently bid by an AGC member in Jordan.

INTERVIEW WITH SENATOR CHAFEE

AGC. Senator, our readers are very familiar with the evolution of the foreign earned income tax issue. For their benefit could you briefly describe the technical aspects of your bill [S. 2283], how it compares to the present law and your reasons for its introduction?

Chafee. To respond to the first part of your question, my bill would repeal Section 913 of the Code which includes the special deductions for home leave, housing, education, cost of living and hardship post. In addition, the bill would amend Section 911, which contains the $20,000 income exclusion for workers residing in construction camps overseas, and provide the following for all workers employed abroad:

An off-the-top $50,000 earned income exclusion for Americans working abroad who are bona fide residents of a foreign country.

An increased exclusion of $65,000 for Americans working abroad for more than two years.

Separate $50,000/$65,000 exclusion allowed married individuals who are both working overseas. [One's excess exclusion not to be used against the other's income.]

Foreign taxes attributable to excluded income not creditable for U.S. tax purposes.

As to the second part of the question, my reasons for introducing the bill are threefold. First, I believe that the present law is discouraging the employment of Americans overseas. In short, it is taxing U.S. workers out of the market and this lost presence overseas is costing us jobs at home in the export sectors of the economy. These tax costs are such that foreign employers, as well as U.S. companies active overseas, are forced to hire tax free foreigners for the middle and upper management positions which have historically been held by Americans.

Second, it is clear that this new cadre of foreign management is simply not familiar with nor inclined to specify U.S. manufactured products for overseas projects. This is particularly true in the case of engineering and construction, but it is not limited to these industries. To give you one example: on a recent trip to the Middle East I had a chance to tour a food testing laboratory which had recently been established in Saudi Arabia. The facility was staffed by three Americans and several Saudis in training positions. On my visit the American director proudly displayed several pieces of testing equipment which he had recently purchased from the U.S. He put the value of the total order at approximately $750,000. I submit that had the director of the facility been a Frenchman or German, we would not have gotten the order.

Finally, it has become apparent that the present tax law is so complicated that no Americans working abroad are technically capable of filing their own returns. My bill reflects an effort to work towards simplicity by repealing the most complicated and nebulous parts of the law.

AGC. Do you anticipate hearings on your bill in the coming session?

Chafee. I am very anxious to move as quickly as possible on this issue so that it does not come up in the last minutes of the session. A definite date for hearings has not yet been set, but I do not think that it would be a problem to get hearings on the measure in the Tax Subcommittee of the Senate Finance Committee. I would, however, like to see this bill treated separately from a general tax bill if one comes up this year. It is important to emphasize that this is not a revenue issue, but rather a trade and employment question. I am convinced that the Administration will support some form of change in the Foreign Earned Income Act and I am encouraged by the proposals presented by the President's Export Council to make this Act less restrictive.

AGC. Senator, in a recent statement introducing your bill you raised a very interesting comparison of the revenue being raised by our present tax law and its estimated cost in terms of lost export sales. Would you care to elaborate on this comparison?

Chafee. According to the General Accounting Office, the current tax policy is costing the United States $7 billion in export trade annually, an estimate considered conservative by many industry groups. The President's Export Council points out in its recent report on taxes that this trade loss translates into at least 280,000 jobs lost every year.

The Treasury Department estimates that the difference between the current policy of deductions and a complete income exclusion for the 150,000 Americans working overseas is about $308 million in lost tax revenue. The loss of tax receipts to the IRS would be somewhat less under my bill.

In short, we have a situation today where the current tax requirements provide the IRS a modest $300 million in tax revenue from foreign earned income, but the nation loses over $7 billion in exports every year due to this tax law. This is a classic case of shooting yourself in the foot and my bill is designed to put to an end this self-defeating tax policy in order to bring our laws and regulations in line with those of our chief competitors in world markets.

AGC. Senator, how can the business community best support your efforts to improve the tax situation?

Chafee. The business community plays a crucial role in the campaign to change the tax law. I would expect that industry groups affected by this legislation would take a lead in raising the issue, publishing it widely and advocating improvements. This effort should focus on the link between our rapidly declining overseas market shares and the current tax burden on foreign earned income. The real costs of present tax laws in terms of lost potential export business and domestic employment must be identified and communicated to elected representatives.

INTERVIEW WITH CONGRESSMAN FRENZEL

AGC. Mr. Frenzel, you were the first member of Congress to introduce new legislation on the tax treatment of foreign source income after the passage of the Foreign Earned Income Act of 1978. Could you comment on your bill [H.R. 5211] and your reasons for its introduction?

FRENZEL. The bill I have introduced would change the present law in the following ways: it would repeal Section 913 and eliminate all the deductions for excess foreign living costs. The $20,000 limit to the income exclusion would be removed as well as the geographic restrictions. Under my bill all of a taxpayer's earned income would be excluded from tax.

My reasons for introducing the measure go back to the Tax Reform Act of 1976 and the general awareness of the difficulties the changes in that bill were going to create. I think the Congress generally recognizes that the Tax Reform Act went too far and was in effect a trade disincentive, so we began considering new proposals. Although I supported the bill which came out of the Ways and Means Committee, I was concerned by its complexity. After I had a chance to analyze the last minute changes which were made in the bill during conference with the Senate, I became convinced that the measure was not only complex, but that it did not remedy the trade disincentive problem.

I think one thing that we all learned from the Foreign Earned Income Act of 1978 is that you cannot remedy the underlying trade problem by tinkering with this or adjusting that. The simplest and cleanest approach to restoring our trade competitiveness in a tax measure is a pure and simple exclusion of foreign earned income. This is the approach utilized by every major industrialized nation and I think that it's high time that the U.S. gets in step with the rest of the world.

AGC. In light of recent events around the world and at home and the rather crowded nature of the legislative calendar, do you expect that hearings will be held on your bill?

FRENZEL. That's a good question and at this point I am not overly sure that hearings could be arranged. There is, however, one possibility. Chairman Ullman has indicated that he might hold hearings on the Foreign Tax Credit issue and these hearings might provide a convenient time to reconsider the foreign earned income issue. But, due to the continuation of the recessionary slump, the general concern over the budget and increasing military expenditures, it is doubtful that we will see a general tax cut and if we do it will be difficult to tie a foreign tax measure to it.

One problem with getting the Congress to reconsider the issue is that there are not enough bills being introduced on the subject. I would personally like to see several bills introduced to give the Congress a range of options. At this point my bill might appear extreme because there is nothing to compare it with. I think that several bills would stimulate the debate and would improve the chances for the passage of my bill.

AGC. The President's Export Council has recently issued its report on the tax treatment of Americans working overseas. The report recommends that the Administration take immediate action to encourage the enactment of new tax law to put Americans overseas on the same footing as citizens from competing industrial nations. We interpret this as a total income exclusion, which is essentially your bill. Would you anticipate the Administration taking the advice of the PEC and supporting your measure?

FRENZEL. No, I do not expect the Administration to support my bill and if you look at the Administration's record on this issue it is easy to see why. During the consideration of the Foreign Earned Income Act they stood firmly against the realistic improvements proposed by the Ways and Means Committee and I doubt very seriously that they would change their position this year. This Administration has also come out against tax cuts in general and they continue to naively view issues such as this as tax loopholes instead of trade promotional tools. But if you take a look at our trade deficits I think you will agree that time is running out on the Administration's approach.

AGC. If we cannot expect the support of the incumbent do you think that a Republican candidate could translate this into a campaign issue in the broader trade sense?

FRENZEL. Yes, I think it is possible that a Republican candidate could do so, however, it would be difficult to call the President anti-trade. I think the underlying problem is simply that he does not understand the importance of trade and its contribution to our economy, nor do his advisors.

AGC. The business community recognizes that we lost the battle the last time around on the tax equity issue. How are you prepared to respond to the tax equity criticisms of your bill?

FRENZEL. Let me first say that I think the tax equity argument is a great one and something that we can all endorse. However, it does have one big weakness—it does not turn the wheels of our economy. Moreover, what good are equity comparisons between the domestic and overseas worker if the overseas worker has come back home? The equity argument has cost us jobs and export sales and has not created any additional revenue to the Treasury. In other words, it has costs, but no benefits.

□ 1620

GENERAL LEAVE

Mr. DONNELLY. Mr. Speaker, I ask unanimous consent that all members be permitted 5 legislative days in which to extend their remarks and to include therein extraneous material on the death of the Honorable JOHN SLACK, late a U.S. Representative from the State of West Virginia.

The SPEAKER pro tempore (Mr. MINISH). Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

GENERAL LEAVE

Mr. DONNELLY. Mr. Speaker, I ask unanimous consent that all members may have 5 legislative days in which to revise and extend their remarks and to include therein extraneous material on the subject of the special order today by the gentleman from Pennsylvania (Mr. MURTHA), relative to the life and times of the Honorable J. Irving Whalley, late a former U.S. Representative from the State of Pennsylvania.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

GENERAL LEAVE

Mr. DONNELLY. Mr. Speaker, I ask unanimous consent that all members be permitted to extend their remarks and to include therein extraneous material on the subject of the special order speech today by the gentleman from New York (Mr. GARCIA).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. WEISS (at the request of Mr. WRIGHT), for today, on account of attending funeral of the late Honorable Allard K. Lowenstein.

To Mr. JENRETTE (at the request of Mr. WRIGHT), for this week, on account of medical reasons.

To Mr. BARNES (at the request of Mr. WRIGHT), for today, on account of illness.

To Mr. DODD (at the request of Mr. WRIGHT), for today and Wednesday, March 19, on account of a necessary absence.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. LEE) to revise and extend their remarks and include extraneous material:)

Mr. JEFFORDS, for 5 minutes, today.

Mr. COLLINS of Texas, for 15 minutes, today.

Mr. KEMP, for 5 minutes, today.

(The following Members (at the request of Mr. DONNELLY) to revise and extend their remarks and include extraneous material:)

Mr. RODINO, for 5 minutes, today.

Mr. GONZALEZ, for 15 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. FORD of Michigan, for 15 minutes, today.

Mr. GLICKMAN, for 10 minutes, today.

Mr. CAVANAUGH, for 5 minutes, today.

Mr. DIGGS, for 5 minutes, today.

Mr. GARCIA, for 15 minutes, today.

Mr. ALEXANDER, for 15 minutes, today.

Mr. STRATTON, for 60 minutes, on March 19.

Mr. LUNDINE, for 15 minutes, on March 19.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. LEE), and to include extraneous matter:)

Mr. MADIGAN.

Mr. ERDAHL.

Mr. MOORHEAD of California.

Mr. WAMPLER in two instances.

Mr. ROUSSELOT.

Mr. SCHULZE.

Mr. SYMMS.

Mr. BOB WILSON.

Mr. CONABLE in two instances.

Mr. WHITEHURST.

Mr. ASHBROOK in three instances.

Mr. VANDER JAGT.

Mr. COLLINS of Texas in three instances.

Mr. RITTER.

Mr. MCCLOSKEY.

Mr. LUJAN.

Mr. QUAYLE in two instances.

Mr. COLEMAN.

Mr. Daniel B. Crane in two instances.
Mr. Dornan.
Mr. Lagomarsino.
Mr. Dougherty.
Mr. Goldwater.
Mr. Kelly.
Mr. McEwen.

(The following Members (at the request of Mr. Donnelly) and to include extraneous matter:)

Mr. Aspin.
Mr. Oberstar in two instances.
Mrs. Chisholm.
Mr. Wolpe.
Mr. Stark in two instances.
Mr. Mollohan.
Mr. Leland in two instances.
Mr. Hawkins.
Mrs. Schroeder in three instances.
Mr. Udall.
Mr. Alexander.
Mr. Rangel in two instances.
Mr. Skelton in two instances.
Mr. Rahall.
Mr. Matsui.
Mr. Harris.
Mr. Danielson in five instances.
Mr. Swift.
Mr. Bolling.
Mr. Jones of Oklahoma.
Mr. McDonald in five instances.
Mr. Dellums.
Mr. Richmond.
Mr. Wolff.
Mr. Synar.
Ms. Mikulski.
Mr. Conyers.

TRIBUTE TO THE LATE HONORABLE JOHN M. SLACK

(Mr. MURTHA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MURTHA. Mr. Speaker, the Honorable John Slack was one of the most loved and admired and respected Members of the House. I just want to say to the Members how much I personally respected John Slack for the work that he did on the Appropriations Committee. In the time that I have been here, there is no Member that showed more consideration to other Members; nobody that had a higher respect for the ideals of this country, than John Slack. There is no one that had a greater feeling for the people of his district, pride in the great State of West Virginia, than John Slack.

I do not think I have ever met a person who personified the American ideal any more than the legislator who represented Charleston, W. Va. As a native of West Virginia, he came to me when I was elected from the 12th District of Pennsylvania and talked about his many years of representing the great State of West Virginia, and how he had a great love for this country; how he felt so strongly about the many, many mistakes that we make every day in the things that we do trying to help the country. He explained in detail how the Congress worked, and nobody was more helpful in the years that I have been here than John Slack.

But, I think when all of us look back, the thing we will admire about John Slack more is that he was what I would call a "Member's Member." He was the type of Member of Congress who, if you had a problem in an area where he had jurisdiction, he would reply to that problem whether one had been here for 20 years or for only a few days, and try to help a Member with that particular problem with the agency or with an appropriation that might be of great importance.

One of his proudest accomplishments was building the Lake Placid Olympics, and he spoke many times about the initial appropriation for the Lake Placid Olympics.

□ 1630

Mr. Speaker, I remember he at the time felt it might have been a mistake, but, of course, all of us know and remember how proud we were of the teams at Lake Placid. I remember how proud he was, and he said afterward that one of the proudest accomplishments was the initial funding which was carried out under the previous President, former President Ford. Certainly this epitomizes Jack's willingness to take a chance for this great country.

Mr. Speaker, all of us will miss him over the years.

A TRIBUTE TO THE LATE HONORABLE JOHN M SLACK

(Mr. LONG of Maryland asked and was given permission to address the House for 1 minute.)

Mr. LONG of Maryland. Mr. Speaker, let me say that I want to express my grief for the passing of John Slack.

I have known him for the 18 years that I have been here in Congress and for the 16 years that I have been a member of the Committee on Appropriations. I know that all the Members would agree that John Slack was always, as one would term it, "on the level."

There was nothing of the "phony" about him.

He was decent and honest and straightforward and hard working. He was the kind of Congressman we can all be proud of.

Mr. Speaker, I mourn his passing as much as any Member of this House.

A TRIBUTE TO THE LATE HONORABLE JOHN M. SLACK

(Mr. FOUNTAIN asked and was given permission to address the House for 1 minute.)

Mr. FOUNTAIN. Mr. Speaker, I would like to associate myself with the views of the gentleman from Maryland (Mr. Long) and all others who have spoken about the untimely passing of our dear friend, John Slack.

I was just talking to him last evening about a piece of legislation then pending on the floor. I was shocked beyond words when I learned this morning of his untimely passing. I would like to say that the memory of my association here in the Congress for a number of years with this able, dedicated Congressman is something which I will always cherish and hold near and dear to my heart.

Mr. Speaker, I would like to extend to his widow and the other members of his family my deepest sympathy at this time.

THE LATE HONORABLE JOHN M. SLACK

Mr. STAGGERS. Mr. Speaker, I send to the desk a privileged resolution (H. Res. 611) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 611

Resolved, That the House has heard with profound sorrow of the death of the Honorable John M. Slack, a Representative from the State of West Virginia.

Resolved, That a committee of such Members of the House as the Speaker may designate, together with such Members of the Senate as may be joined, be appointed to attend the funeral.

Resolved, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provisions of these resolutions and that the necessary expense in connection therewith be paid out of the contingent fund of the House.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect the House do now adjourn.

The resolutions were agreed to.

ADJOURNMENT

Accordingly (at 4 o'clock and 34 minutes p.m.), pursuant to House Resolution 611, the House adjourned until tomorrow, Wednesday, March 19, 1980, at 3 p.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3804. A letter from the Under Secretary of Defense (Research and Engineering), transmitting the annual report for fiscal year 1979 on independent research and development and bid and proposal costs, pursuant to section 203(c) of Public Law 91–441; to the Committee on Armed Services.

3805. A letter from the Under Secretary of Defense (Research and Engineering), transmitting detailed information used in preparation of the annual report on independent research and development and bid and proposal costs; to the Committee on Armed Services.

3806. A letter from the adjutant general, veterans of Foreign Wars of the United States, transmitting the proceedings of the 80th National Convention of the Veterans of Foreign Wars, pursuant to section 8 of the act of May 28, 1936 (H. Doc. No. 96–282); to the Committee on Armed Services and ordered to be printed.

3807. A letter from the Chairman, Federal Deposit Insurance Corporation, transmitting the fifth annual report of the Corporation's Office of Compliance programs, pursuant to section 18(f)(6) of the act of September 26, 1914, as amended; to the Committee on Banking, Finance and Urban Affairs.

3808. A letter from the Secretary of Housing and Urban Development, transmitting a report on the Department's activities under the Freedom of Information Act during calendar year 1979, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3809. A letter from the Director, Federal

Emergency Management Agency, transmitting a report on the Agency's activities under the Freedom of Information Act during calendar year 1979, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3810. A letter from the president and national executive director, Girl Scouts of the United States of America, transmitting the 30th annual report of the organization, covering the fiscal year ended September 30, 1979, pursuant to section 7 of the act of March 16, 1950, as amended, and section 3 of Public Law 88-504 (H. Doc. No. 96-283); to the Committee on the Judiciary and ordered to be printed.

3811. A letter from the Chairman, U.S. Nuclear Regulatory Commission, transmitting the Commission's response to recommendations by the General Accounting Office in its report entitled "The Nuclear Regulatory Commission: More Aggressive Leadership Needed"; jointly, to the Committees on Government Operations and Interior and Insular Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. NEDZI: Committee on Armed Services. H.R. 6464. A bill to authorize the Secretary of the Army to convey to the Michigan Job Development Authority the lands and improvements comprising the Michigan Army Missile Plant in Sterling Heights, Macomb County, Mich., in return for two new office buildings at the Detroit Arsenal, Warren, Mich. (Rept. No. 96-828). Referred to the Committee of the Whole House on the State of the Union.

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. H.R. 3990. A bill to amend certain provisions of title XVIII of the Social Security Act with respect to the medicare program established by such title, and for other purposes; with amendment (Rept. No. 96-588, pt. 3). Referred to the Committee of the Whole House on the State of the Union.

Mr. REUSS: Committee on Banking, Finance and Urban Affairs. H.R. 5961. A bill to amend the Currency and Foreign Transactions Reporting Act to (1) provide for more efficient enforcement of its provisions by making it illegal to attempt to export or import large amounts of currency without filing the required reports; (2) allow U.S. Customs officials to search for currency in the course of their presently authorized search for contraband articles; and (3) allow for the payment of compensation to informers; with amendment (Rept. 96-829, pt. 1). Ordered to be printed.

Mr. BOLAND: Permanent Select Committee on Intelligence. H.R. 4736. A bill to establish certain pretrial and trial procedures for the use of classified information in connection with Federal criminal cases, and for other purposes; with amendment (Rept. No. 96-831, pt. —). Ordered to be printed.

Mr. DELLUMS: Committee of Conference. Conference report on H.R. 3824 (Rept. No. 96-830). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. FLORIO (for himself, Mr. MADIGAN, Ms. MIKULSKI, and Mr. LEE):

H.R. 6837. A bill to amend the Railroad Revitalization and Regulatory Reform Act of 1976 to authorize additional appropriations for the Northeast corridor improvement project and to require the Secretary of Transportation to begin development of energy efficient rail passenger corridors, to provide for the protection of the employees of the Rock Island Railroad, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. BENNETT:

H.R. 6838. A bill to provide for establishment of mass transit transportation for certain military personnel, and for other purposes; to the Committee on Armed Services.

By Mr. BREAUX (for himself and Mr. FORSYTHE):

H.R. 6839. A bill to authorize appropriations under the Endangered Species Act of 1973 to carry out State cooperative programs through fiscal year 1982; to the Committee on Merchant Marine and Fisheries.

By Mr. BEARD of Rhode Island:

H.R. 6840. A bill to amend the Toxic Substances Control Act to require the Administrator of the Environmental Protection Agency to promulgate rules to require the substitution of suitable materials in place of asbestos and to promulgate rules to prohibit asbestos fibers or fibers from asbestos substitutes from being released into the environment; to the Committee on Interstate and Foreign Commerce.

By Mr. FORD of Michigan (for himself and Mr. GOODLING):

H.R. 6841. A bill to amend the National School Lunch Act and the Child Nutrition Act of 1966 to provide for the issuance of commodity letters of credit by the U.S. Department of Agriculture for the purchase of domestic agricultural commodities by schools to carry out school feeding programs in lieu of the purchase and distribution of commodities to the States by the U.S. Department of Agriculture, and for other purposes; jointly, to the Committees on Education and Labor and Agriculture.

By Mr. GARCIA (for himself and Mr. COURTER):

H.R. 6842. A bill to protect the confidentiality of shippers' export declarations, and to standardize export data submission and disclosure requirements; jointly, to the Committees on Post Office and Civil Service and Merchant Marine and Fisheries.

By Mr. HAMMERSCHMIDT:

H.R. 6843. A bill to amend title XIX of the Social Security Act to provide for comprehensive assessments and community-based services under medicaid; to the Committee on Interstate and Foreign Commerce.

By Mr. MICA:

H.R. 6844. A bill to provide for the distribution within the United States of the International Communication Agency film entitled "Reflections; Samuel Eliott Morison"; to the Committee on Foreign Affairs.

By Mr. PATTERSON:

H.R. 6845. A bill to amend the Internal Revenue Code of 1954 to exempt from the excise tax on the sale of motor vehicles certain wind deflectors designed to be mounted on the front of a truck cargo container; to the Committe on Ways and Means.

By Mr. RODINO:

H.R. 6846. A bill to authorize appropriations for the purpose of carrying out the activities of the Department of Justice for fiscal year 1981, and for other purposes; to the Committee on the Judiciary.

By Mrs. SCHROEDER:

H.R. 6847. A bill to amend the Animal Welfare Act to insure the humane treatment of laboratory animals; jointly, to the Committees on Agriculture, Interstate and Foreign Commerce, and Science and Technology.

By Mr. SOLOMON (for himself and Mr. STRATTON):

H.R. 6848. A bill to amend title 10, United States Code, to require that a unit of the Junior Reserve Officers' Training Corps contain 100 students to be established and 50 students for the unit to be maintained; to the Committee on Armed Services.

By Mr. TAUKE (for himself and Mrs. SNOWE):

H.R. 6849. A bill to amend the Small Business Act to provide special loan guarantees to small business concerns for the acquisition of motor fuel service stations, to require the divorcement of such stations from operation by certain producers and refiners of motor fuels, to control sales by producers and refiners of motor fuels, and for other purposes; jointly, to the Committees on Small Business and Interstate and Foreign Commerce.

By Mr. YATES:

H.R. 6850. A bill to amend the act of August 27, 1935, to provide for the administration, maintenance, and operation of the Institute of American Indian Arts by the Indian Arts and Crafts Board; to the Committee on Interior and Insular Affairs.

By Mr. FISH:

H. Con. Res. 303. Concurrent resolution expressing the sense of the Congress that all nuclear weapons in the world should be eliminated; jointly, to the Committees on Armed Services and Foreign Affairs.

By Mr. EVANS of Indiana:

H. Res. 612. Resolution expressing the sense of the House of Representatives that the President of the United States should announce a state of economic emergency and take certain actions to reduce the rate of inflation, that the House of Representatives Committee on the Judiciary should, without delay, report a joint resolution proposing a constitutional amendment to assure fiscal responsibility; jointly, to the Committees on Banking, Finance and Urban Affairs, Government Operations, and the Judiciary.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

379. By the SPEAKER: Memorial of the House of Representatives of the Commonwealth of Pennsylvania, relative to the Clean Air Act; to the Committee on Interstate and Foreign Commerce.

380. Also, memorial of the Senate of the State of Washington, requesting that Congress propose an amendment to the Constitution of the United States permitting voluntary prayer in public schools; to the Committee on the Judiciary.

381. Also, memorial of the Legislature of the State of Idaho, relative to requesting a constitutional convention for the specific and exclusive purpose of drafting a right-to-life amendment to the Constitution of the United States; to the Committee on the Judiciary.

382. Also, memorial of the Legislature of the State of Idaho, relative to payments under the medicaid program; to the Committee on Ways and Means.

383. Also, memorial of the Legislature of the State of Idaho, relative to development of nuclear energy utilities at the Idaho National Laboratory for the Intermountain West and Pacific Northwest; jointly, to the Committees on Interior and Insular Affairs and Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DAN DANIEL:

H.R. 6851. A bill for the relief of John W. Wilson; to the Committee on the Judiciary.

By Mr. LAFALCE:

H.R. 6852. A bill for the relief of Gladys Belleville Schultz; to the Committee on the Judiciary.

By Mr. TAUKE:

H.R. 6853. A bill for the relief of Raymond W. Quillin; to the Committee on the Judiciary.

By Mr. GUDGER:

H. Res. 613. Resolution to refer the bill (H.R. 6803) entitled "A bill for the relief of the estate of Colonel Leslie A. Skinner", to the Chief Commissioner of the U.S. Court of Claims for a report thereon; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 154: Mr. Glickman, Mrs. Schroeder, Mr. Lott, Mr. Moakley, Mr. Hinson, Mr. Oberstar, Mr. Young of Alaska, Mr. Dan Daniel, Mr. Lagomarsino, Mr. Evans of Georgia, Mr. Solomon, Mr. Derwinski, Mr. Miller of Ohio, Mr. Whitehurst, Mr. Corcoran, Mr. Guarini, Mr. Johnson of California, Mr. Whittaker, Mr. McDonald, Mr. Zeferetti, Mr. Burgener, Mr. Wyatt, Mr. Won Pat, Mr. Roe, Mr. Mollohan, Mr. Downey, Mr. Hughes, Mr. Frost, Mr. Andrews of North Carolina, Mr. Steed, Mr. Lungren, Mr. Spence, Mr. Wolpe, Mr. Bedell, Mr. Montgomery, Mr. McEwen, Mr. Findley, Mr. Robert W. Daniel, Jr., Mr. White, Mr. Rose, Mr. Skelton, and Mrs. Fenwick.

H.R. 654: Mr. Butler, Mr. Davis of Michigan, Mr. Winn, Mr. Symms, Mr. Lewis, and Mr. Huckaby.

H.R. 809: Mr. Drinan and Mr. Seiberling.

H.R. 875: Mr. Kemp.

H.R. 1918: Mr. Ford of Tennessee and Mr. Walgren.

H.R. 2279: Mr. Rudd, Mr. Williams of Montana, Mr. Matsui, Mr. Fisher, Mr. Solomon, Mr. Clinger, Mr. Gray, Mr. Howard, Mr. McClory, Mr. Santini, Mr. Jacobs, Mr. Yatron, Mr. Wolpe, Mr. Beard of Rhode Island, Mr. Oberstar, Mr. Coelho, Mr. Guyer, Mr. Regula, Mr. Fish, Mr. Downey, Mr. Porter, and Mr. Frenzel.

H.R. 3567: Mrs. Smith of Nebraska and Mr. Thomas.

H.R. 3803: Mr. Pursell.

H.R. 4200: Mr. Young of Florida.

H.R. 4842: Mrs. Spellman.

H.R. 5643: Mr. Evans of Indiana, Mr. Brooks, Mr. Fithian, and Mr. Andrews of North Carolina.

H.R. 5798: Mr. Andrews of North Carolina.

H.R. 6171: Mr. Howard.

H.R. 6265: Mr. AuCoin, Mr. Carter, Mr. Cleveland, Mr. Daniel B. Crane, Mr. Fuqua, Mr. Gudger, Mr. Guyer, Mr. Kogovsek, Mr. Lowry, Mr. Lundine, Mr. McEwen, Mr. Miller of Ohio, Mr. Price, Mr. Rahall, Mr. Stangeland, Mr. Whitehurst, and Mr. Charles Wilson of Texas.

H.R. 6468: Mr. Dickinson.

H.R. 6479: Mr. Santini.

H.R. 6565: Mr. Hinson, Mr. Bonior of Michigan, Mr. Evans of Georgia, Mr. Mitchell of Maryland, Mr. Murphy of Pennsylvania, Mr. Vento, Mr. Oberstar, Mr. Wolpe, Mr. Ford of Michigan, Mr. Weiss, Mr. Solarz, Mr. Neal, Mr. Evans of the Virgin Islands, and Mr. Mica.

H.R. 6614: Mr. Stack.

H.R. 6615: Mr. Stack.

H.R. 6616: Mr. Stack.

H.R. 6617: Mr. Gray, Mr. Neal, Ms. Mikulski, Mr. LaFalce, Mr. Jenrette, Mr. Jeffords, Mr. Murphy of Pennsylvania, and Mr. Mottl.

H.R. 6683: Mr. Gilman and Mr. Dougherty.

H.R. 6694: Mr. Buchanan, Mr. Benjamin, Mr. Mazzoli, Ms. Mikulski, Mr. Evans of Georgia, Mr. Kildee, Mr. Murphy of Pennsylvania, Mr. Derwinski, Mr. Robert W. Daniel, Jr., Mr. Atkinson, Mrs. Fenwick, Mr. Neal, Mr. Applegate, Mr. Miller of California, and Mr. Downey.

H.R. 6725: Mr. Hance.

H.R. 6744: Mr. Goldwater, Mr. Buchanan, Mr. Porter, Mr. McDonald, Mr. Evans of Georgia, Mr. Montgomery, Mr. Carter, Mr. Whittaker, Mr. Dannemeyer, and Mr. Pepper.

H.J. Res. 372: Mr. Volkmer, Mrs. Boggs, Mr. Johnson of California, Mr. Ford of Michigan, Mr. Brown of California, and Mr. Luken.

H. Con. Res. 122: Mr. John L. Burton, Mr. Cotter, Mr. Shannon, Mr. Solarz, Mr. Dougherty, Mr. Bedell, Mr. Young of Missouri, and Mr. Diggs.

H. Con. Res. 252: Mr. Carter, Mr. Wolff, Mr. Weaver, Mr. Oberstar, Mr. Solarz, Mr. Edgar, Mr. Wolpe, Mr. Winn, Mr. Scheuer, Mr. Bonior of Michigan, Mr. D'Amours, Mr. Erdahl, Mr. Kildee, Mr. Forsythe, Mr. Emery, Mr. Mazzoli, Mr. Corman, Mr. Murphy of Pennsylvania, Mr. Brodhead, Mr. Stark, Mr. Frenzel, Mr. Beilenson, Mr. Waxman, Mr. Richmond, Mr. Kostmayer, Mr. Fazio, Mr. Edwards of California, Mr. Barnes, Mr. Bingham, Mrs. Holt, Mr. Frost, Mr. Horton, Mr. Bedell, Mr. Findley, Mr. Hance, Mr. Conyers, Mr. Marks, Mr. Matsui, Mr. Dixon, Mr. Yates, Mr. Rinaldo, Mr. Anderson of California, Mr. Skelton, Mr. Coelho, Mr. Daschle, Mr. Boland, Mr. Guyer, Mr. Shannon, Mr. Charles H. Wilson of California, Mr. Harkin, Mr. Sebelius, Mr. Ford of Tennessee, Mr. Goldwater, Mr. Fithian, Mr. Fary, Mr. Hanley, Mr. Zeferetti, Mr. Dellums, Mr. Dan Daniel, Mr. Brademas, Mr. Cotter, Mr. Aspin, Mrs. Byron, Mr. Roybal, Mr. Marriott, Mr. Ambro, Mr. Atkinson, Mr. Addabbo, Mr. AuCoin, Mr. Eckhardt, Mr. Evans of Indiana, Mr. Goodling, Mr. Gore, Mr. Grassley, Mr. Leland, Mr. Livingston, Mr. Luken, Mr. Solomon, Mr. Studds, Mr. Glickman, Mrs. Fenwick, Ms. Mikulski, Mr. McKinney, Mr. Biaggi, Mr. John L. Burton, Mr. Cavanaugh, Mr. Akaka, Mr. Bereuter, Mr. Duncan of Oregon, Mr. Gilman, Mr. Gingrich, Mr. Hyde, Mr. Miller of California, Mr. Stangeland, Mr. Swift, Mr. Wampler, Mr. Whitehurst, Mr. Walgren, Mr. McHugh, Mr. LaFalce, Mr. Dodd, Mrs. Chisholm, Mr. Clausen, Mr. O'Brien, Mr. Shuster, Ms. Holtzman, Mr. Broomfield, Mr. Conte, Mr. McClory, Mr. Green, Mr. Lee, Mrs. Heckler, Mr. Coughlin, Mr. Sawyer, Mr. Florio, Mr. Carney, Mr. Traxler, Mr. Phillip Burton, Mr. Fauntroy, Mr. Young of Missouri, Mr. Madigan, Mr. Hefner, Mr. Stewart, Mr. Thompson, Mr. Williams of Ohio, Mr. Jenrette, Mr. Lederer, Mr. Corcoran, Mr. Dicks, Mr. Simon, Mr. Mottl, Mr. Santini, Mr. Neal, Mr. Van Deerlin, Mr. Breaux, Mr. Ritter, Mr. Jacobs, Mr. Howard, Mrs. Snowe, Mr. Hall of Ohio, Mr. Hawkins, Mr. Preyer, Mr. Stanton, Mr. Nedzi, Mr. Moore, Mrs. Spellman, Mr. Yatron, Mr. Evans of the Virgin Islands, Mr. Mitchell of New York, Mr. Clay, Mr. Carr, Mr. Albosta, Mr. Petri, Mr. Peyser, Mr. Sharp, Mr. Tauke, Mr. Baldus, Mr. Gradison, Mr. Kastenmeier, Mr. Gray, Mr. Downey, Mr. Drinan, Mr. Corrada, Mr. Porter, Mr. Harris, Mr. Long of Maryland, Mr. Hollenbeck, Mr. Volkmer, Mr. Pursell, Mr. Fish, Mr. Panetta, Mr. Mitchell of Maryland, Mr. Rangel, Mr. Maguire, Mr. Rodino, Mr. Markey, Mr. Sabo, Mr. Blanchard, Mr. Moorhead of Pennsylvania, Mr. Wirth, Mr. Weiss, Mr. Won Pat, Mr. Mineta, Mr. Vento, Mr. Lehman, Mr. Roe, Mr. Lloyd, Mr. Stack, Mr. Stokes, Mr. Moakley, Mr. Moffett, Mr. Murphy of Illinois, Mr. Nolan, Mr. Patterson, Mr. Pepper, Mr. Price, Mr. Pritchard, Ms. Oakar, Mr. Pickle, Mr. Vanik, Mr. Bonker, Ms. Ferraro, Mr. Johnson of California, Mr. Heftel, Mr. Gephardt, Mr. Rahall, Mr. Foley, Mr. Lott, Mr. Danielson, and Mr. Hamilton.

H. Con. Res. 293: Mrs. Fenwick, Mr. Fish, Mr. Patterson, Mr. Spence, Mr. Whitehurst, Mr. Walker, Mr. Marlenee, Mr. Kindness, Mr. Petri, Mr. Andrews of North Dakota, Mr. Howard, Mr. Derwinski, Mr. Benjamin, Mr. Panetta, Mr. Bailey, Mr. Baldus, Mr. Frost, Mr. Findley, Mr. Hughes, Mr. Oberstar, Mr. Tauke, Mr. Walgren, Mr. Mollohan, and Mr. Simon.

H. Con. Res. 295: Mr. Stump and Mr. Ichord.

H. Res. 590: Mr. Devine, Mr. Mottl, Mr. Broyhill, Mr. Kramer, Mr. Young of Florida, Mr. Corcoran, and Mr. Lagomarsino.

H. Res. 591: Mr. Ottinger.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

303. By the SPEAKER: Petition of the International Woodworkers of America, Portland, Oreg., relative to workers' compensation; to the Committee on Education and Labor.

304. Also, petition of the International Woodworkers of America, Portland, Oreg., relative to log export restrictions; to the Committee on Foreign Affairs.

305. Also, petition of the International Woodworkers of America, Portland, Oreg., relative to training doctors in occupational medicine; to the Committee on Interstate and Foreign Commerce.

306. Also, petition of the City Council, Middleburg Heights, Ohio, relative to gas and oil price increases; to the Committee on Interstate and Foreign Commerce.

307. Also, petition of the International Woodworkers of America, Portland, Oreg., relative to development of a comprehensive forest policy; jointly, to the Committees on Agriculture and Interior and Insular Affairs.

308. Also, petition of the International Woodworkers of America, Portland, Oreg., relative to lumber mill closures; jointly to the Committees on Banking, Finance and Urban Affairs and Education and Labor.

EXTENSIONS OF REMARKS

JOHN A. LUKE DISCUSSES WESTVACO'S ENERGY PROGRAM: COAL CONVERSION, DECREASED DEPENDENCY ON FOREIGN OIL, FUEL CONSERVATION, COGENERATION, AND NATURAL GAS EXPLORATION

HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES

Tuesday, March 18, 1980

● Mr. RANDOLPH. Mr. President, this Nation's paper mills represent a very energy-intensive industry. Westvaco Corp., a major producer of paper, packaging, and chemicals, has reduced its dependence on foreign oil and is utilizing and finding alternative sources of energy.

An innovative company, Westvaco has been a leader in the environmental field and has many firsts within the paper industry.

America's industries are talking about the problem of energy supply, but Westvaco is doing something positive about it. Westvaco has been a leader in this field in the last decade and has an innovative program for the future.

The American Paper Institute held its 103d Annual Paper Week earlier this week in New York City. Attention was focused on the various problems the industry faces.

John A. Luke, executive vice president of Westvaco, presented Westvaco's energy program. John Luke noted that the company does not profess to know all the answers and while some progress has been made Westvaco is a long way from being complacent.

I note with particular interest that Westvaco, with 3,000 West Virginians on its payroll, has made the decision to move to coal from imported oil, not because of Government intervention, but because it is economic to do so. This can serve as an example to the rest of the industrial sector of what fuel savings can result from the direct use of coal initiated of their own accord. Westvaco's conversion from oil to coal is of immediate importance, but I am also interested in the natural gas exploration program in Mineral County, W. Va. Westvaco is in the process of construction of a pipeline from its gas fields to its mill in Luke, Md., just across the Potomac River from West Virginia. This is indicative to Westvaco's commitment to help insure its energy supply.

Mr. President, I submit for the RECORD John Luke's address:

WESTVACO'S ENERGY PROGRAM

It's a great pleasure to be with you today, and to talk about Westvaco's energy program. We've been asked to share what we've been doing. Let me say right at the start that we hardly profess to know all the answers and while we feel we have had some successes, we're a long way from being complacent. As a matter of fact, we are very, very restless and are looking very hard at other things we can do, for more progress to make. We hope you will find our activities of interest, just as we are intensely interested in your progress and your ideas so that we can benefit from them. Surely no one has a monopoly on all the answers to the energy problem.

So, here's our energy story. In the early 1970's, well before the Arab embargo of 1973, the senior management of Westvaco became concerned about our country's growing dependence on foreign sources of energy. We saw this as a challenge that would call for plenty of good old American ingenuity, large capital expenditures and restless determination. Interestingly enough, our early insights were gained through data from the Department of the Interior, indicating that the same information existed in the hands of our Federal government—information that was also being discussed by the API Raw Materials Committee and Ron Slinn. In this light, what has transpired since 1972 certainly cannot be said to have been a surprise to our government.

While this Interior Department data did not cause concern in the Federal government, it was of concern to Westvaco and so we began to contemplate a variety of things which could mitigate the impact of shortages or higher prices of energy for Westvaco. Here are some of the things which we started to consider.

First, we began to consider how we might conserve energy on the assumption that a rising level of imports would bring with it higher prices.

Secondly, as a cushion for emergencies, we decided to establish centrally located corporate reserves of oil in storage tanks which could be drawn on to supplement local supply deficiencies which might be encountered at any of our individual plants. This proved very valuable in the 1973-1974 shortage, and our tanks are full right now.

Thirdly, we began to do some preliminary thinking about the possibilities of fuel switching. By this, I mean switching to materials which could be more secure in supply, and potentially lower in cost such as coal and other domestic or regenerable materials. We also began to contemplate what we could do to bring some energy sources under our own captive control—energy such as coal, electricity and gas.

Finally, we decided to undertake a study to investigate whether there might be deposits of fuel either under timberlands which were already under our ownership or, alternatively, which might be in locations near some of our major consuming operations regardless of whether we owned the particular energy-bearing lands or not. We used an experienced consulting geologist to help us evaluate these potentials.

From this framework, shaped back in the early 1970's, we believe we have developed a very comprehensive, a very timely and a very environmentally sound energy program. I would like to comment on our progress in each of our objectives.

To conserve energy, we initiated extensive energy-saving programs at each of our manufacturing locations. We have targets and we work toward these targets. One of the techniques we use is to continually compare each of our operation's results with that which we believe represents the best in performance.

This isn't the forum to share all of our detailed conservation steps. We all know of many things that can and are being done. For this morning, I'd just like to register that conservation represents a key part—a basic cornerstone—of our total energy program that includes things like process and plant design, infrared scanning to identify sources of heat loss, the addition of insulation and the reduction in our fresh water requirements so that we can maximize the use of warm recycled water. That is stresses the application of advanced technology to monitor and control the performance of our equipment. We are working hard at conservation, and I believe effectively.

Beyond conservation, we have also made very important progress in switching from the use of scarce and costly fuels to ones which are lower in cost and more readily available. Through these programs we have reduced our oil consumption at our domestic mills to a point where it represents only about 8 percent of our energy needs.

At our Charleston mill, we have reduced oil consumption by 50 percent through the recent conversion of our largest power boiler from oil to coal. With this step, alone, we have already started to save oil at the rate of 30 million gallons per year.

Coal is already the primary fuel at three other domestic mills, and at a time when oil costs have been increasing steadily, we've pretty much stabilized our costs at each one. At one of these sites, we have developed our own captive supply of coal—our own mine which we operate, and it's only two miles away from the mill's bunkers.

At our remaining domestic mill in Wickliffe, Kentucky, we have just completed the installation of a new $25 million power boiler to burn bark and other wood wastes in place of the oil and gas which had been this plant's traditional energy source for steam generation. This step is reducing this mill's dependence on oil and gas by the equivalent of 20 million gallons of oil per year.

Another important achievement has been the recovery of materials previously left in the forest after the completion of normal logging operations. We have found an economic way to recover this biomass refuse and to convert it into a viable energy resource as boiler fuel. Our initial work in this area is being done near our Charleston location. We'll be expanding this program at Charleston and we'll take biomass recovery to our other locations. We're sold on the concept, and we have the source. Our objective is to take full advantage of the yield from each forest acre—for pulping, for saw timber, for specialty chemicals, and for energy. And we are very positive about the impact of this program on site productivity in contrast to the impact from conventional site preparation.

Some years ago, we also did some in-depth studies on the outlook for electrical energy—and these indicated that utility power could be very tight in certain areas given the problems that have plagued the development of nuclear energy. Because we have been trying to look ahead here, just as we've been looking at oil supplies, we are adding to our co-generation capacity. We're in the process of installing two new large turbo generators. One of these will be at Luke—the other at Covington. When these units are on line in the very near future, these mills will have the capability of generating all of their electrical energy needs. Our Company's captive control of this energy source will have been importantly strengthened.

These examples are a few of the highlights, but major ones, of the extensive energy programs we have put in place.

There is, however, yet another major part of our energy program, one in which we have made some exciting progress, and that is our natural gas development program. I will devote the remainder of my presentation to this very important topic.

As with the rest of our energy program, our natural gas story began to evolve during the early 1970's, when we began to study our timberlands and the areas around our mills to determine whether there might be deposits of valuable fuels below the ground as well as in the trees above the ground. Our studies indicated that the most promising area for initial exploration was near our mill at Luke. Here limited drilling by others had established that a commercial gas potential might exist. Although the natural gas available might not have appeared attractive to commercial sellers of natural gas at the time, with gas prices of only about 30 cents per thousand cubic feet, we felt that as a captive source the potentials might be much more interesting, especially with our concerns for both the future cost and availability of energy.

We made preliminary seismographic studies. We began to lease land, and we started some preliminary exploratory drilling.

Encouraged by these early steps, we have moved aggressively to the point where in the area near Luke we now either own or control through lease more than 80,000 acres which may have natural gas potential and which are available for exploration.

We are actively adding to this base of land under our control.

Concurrently with our leasing and initial exploration, we took similar steps to secure by lease a right-of-way which would permit us to build a pipeline from the heart of these lands to our point of consumption at the mill.

Our early efforts in leasing, seismographic work and preliminary drilling were carried out anonymously so as not to reveal our interest in the area until we had gained control of both adequate acreage, and the pipeline right-of-way.

About this time last year, we felt that we were ready to publicly announce our program and to accelerate our drilling work by starting to drill for production quantities of gas rather than drilling to confirm our seismographic studies.

To date we have drilled about 14 producing wells, which appear to have the potential of producing over 3 million cubic feet of natural gas per day in continuous flow. This represents, for production assumptions, about a third of the measured, open flow capacity of the wells which we have developed.

Our seismographic work seems to have been good and so the correlations between the wells that we have drilled and those which produce successfully is very high. There is some variation in the output of each well, but we are very pleased with our success ratio, and we feel that now we have a reasonable basis for judging the potentials on about 10,000 acres of the 80,000 acres which we control.

The map on the screen shows the lands near our Luke mill which we have under our control through both ownership and leasing. The Luke mill, at the upper left, is located in the very western part of the state of Maryland, and it straddles the state line—the Potomac River—with important components of its property and its operations located in the State of West Virginia. The initial 10,000 acres on which we are now drilling are shown at the center of the slide, in West Virginia. There you can see the gas wells—the starred dots—and also the pipeline right-of-way—the white dotted line—running from the gas field to the mill.

Our appraisal is that from the first 10,000 acres of our total holdings there appear to be reserves of natural gas which would provide a continuous flow of over 4 million cubic feet per day over a 15-year period. By all standards, this should be very economic gas.

We have two actively working drilling rigs under our control, one of which we own, and we are drilling new wells at the rate of about one per month. We have also authorized the purchase of a third rig, which is scheduled to begin drilling in the spring.

The wells which we are currently drilling are typically about 2,500 feet in depth. At this level we are able to tap the potentials in the so-called Oriskany geological formation.

Our organization is developing good and valuable know-how on the subject of how to successfully fracture gas wells, where to place the wells and how to develop them efficiently so that they will be valuable commercial properties. One of the very important factors in our program is that the whole operation is under the control of our own people with the help of only a few experienced outside consultants. We expect to continue in this mode.

Based on our success to date, we have authorized the construction of a pipeline through our right-of-way to carry our gas some 16 miles to our mill at Luke. We expect to have the pipeline in operation and delivering our own gas by Labor Day.

While the pipeline is being built, we'll continue commercial drilling to fully develop the potentials on the first 10,000 acre block of our land holdings.

And, we'll also be starting to explore the potentials of other blocks in the remaining 70,000 acres which we have under our control near Luke.

Further, while these activities are going on, we will be actively leasing additional land in the same area, and we hope that we can continue to add substantial acreage to our present holdings.

Based on our success in this area and the growing know-how of our organization, we intend to also consider leasing potentials in other areas.

Finally, at the appropriate time, we will consider the potentials which might be developed by drilling to deeper gas formations on the land which we now hold or which we may hold in the future.

In summary, we believe that our natural gas activities represent a sound concept and a sound program.

Our initial activity has been successful and rewarding by any measure.

We will continue to probe and develop all of our potentials very vigorously.

And, after satisfying our logical captive needs, we are prepared to consider the gas project as a new corporate income stream and develop gas for sale in the commercial markets if our success continues beyond our captive needs.

Our natural gas activity, together with the other key components of our energy program, which I have just described, represents a major source of strength for our company. This, then, is what we've been doing in Westvaco. We have faced the energy problem as a major challenge. We've been restless. We've been working. We've been using every bit of ingenuity we could muster to see what we could do for ourselves, in our own behalf. We feel that at a time when energy is one of the top priorities of our country, we can say that we have been addressing ourselves to this subject for the past decade in what seems to us to have been a sound and effective way—in a way fully consistent with the country's need to reduce its dependence on foreign oil.

We also can say that our progress up to now encourages us to believe that the future also holds the promise of important additional opportunities for Westvaco. We see both the opportunity to extend the impact of our present work as well as to add wholly new dimensions, for example, work in such areas as coal and wood gasification.

I enjoyed sharing Westvaco's energy story with you. We feel that our future energy success and that of our nation as well is going to be as good as we ourselves are dedicated to making it—directly proportional to how demanding we are of ourselves. Given resolute determination and latitude for the private sector and the free market to really function, then the very fact of the energy challenge holds the key to its solution.

Thank you very much.●

SUBCOMMITTEE ON CRIME TO CONDUCT LOS ANGELES HEARINGS ON THE POLICE USE OF DEADLY FORCE

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 18, 1980

● Mr. CONYERS. Mr. Speaker, I wish to inform my colleagues that the Subcommittee on Crime of the House Committee on the Judiciary will hold a hearing on March 21 and 22 in Los Angeles to take testimony on police-community relations and the police use of deadly force. Beginning at 9:30 a.m., the hearing will be conducted in the Health Services Administration Board Auditorium, 313 North Figueroa, Los Angeles, Calif.

As chairman of the Crime Subcommittee, I have seen that police-community relations is an issue which has been a great source of controversy in numerous cities across the country. Communities demand adequate police protection but at the same time there is growing concern about the increasing use of deadly force by and against police as well as other sources of police-community tension.

Between 1969 and 1978, there was a national total of 1,123 police officers slain by civilians, and it is conservatively estimated that there is one killing a day of a civilian by a police officer in the country. The Law Enforcement Assistance Administration (LEAA) has awarded $816,232 to four groups to examine the abuses of deadly force and has given $1.5 million, during the last few months of 1979, to four other groups to develop standards for police that also include the use of deadly force.

Consequently, the purposes of this hearing, and possibly additional ones on this issue in other cities, will be to examine the allegedly unjustified shootings of citizens by police, the dangers faced by police officers in the line of duty, police disciplinary procedures, the role of community anti-crime programs, and ways the LEAA Federal assistance programs might help reduce the problems associated with the use of deadly force.●

HOSTAGE CRISIS IN IRAN

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 18, 1980

● Mr. LAGOMARSINO. Mr. Speaker, I wish to bring to the attention of my colleagues the following editorial from the March 12, 1980, edition of the Wall Street Journal.

The editorial summarizes clearly and succinctly the ineffectiveness of the Carter administration's policy in dealing with the hostage crisis in Iran. I agree that the time is long past due for strong, dramatic action to secure the release of the hostages.

The Wall Street Journal editorial follows:

Spectacle of Impotence

The collapse of the UN Commission in Iran leaves the U.S. with no policy whatever for freeing the hostages in the American embassy, starkly revealing that in its current posture the Carter administration has absolutely no leverage over the situation. Our countrymen have been held captive now for four months, and we are reduced to hoping for the best from the whim of an aged zealot.

Eventually, perhaps, it will suit the Ayatollah's pleasure to send the hostages home. Some quirk of mood or twist of Iranian domestic politics may yet provide a way out. But while we wait for such a stroke of luck, 50 Americans remain held—perhaps still bound day and night. From what we last heard, some are in severe mental distress. Seven of them, including those most specifically accused of spying by their captors, have not been seen since the seizure. Three American diplomats are held hostage not by militants but by the Iranian foreign ministry itself.

Meanwhile a diplomatic game is played, the purpose of which is to teach the United States and its President to jump through hoops. The no use of force hoop. The Ramsey Clark hoop. The clergymen's visit hoop. The kick out the shah hoop. The forget economic sanctions after all hoop. But while the circus dog at least gets a tasty morsel after each jump, Mr. Carter's reward is some fresh task and fresh humiliation.

The UN Commission is only the latest example. Mr. Carter originally opposed the whole idea, but then agreed to it just in time to provoke a burst of optimism about the hostages before the New Hampshire primary. By this week the initiative ended precisely in the dead end we predicted in these columns at the time: "The next step probably will be a demand to open the commission first and release the hostages on its completion."

So the U.S. has agreed to the principle that an international tribunal, including representatives of such paragons of human rights as Syria and Algeria, is competent to pass judgment on the rule of the shah, our ally for 37 years. As quid pro quo, we are told to wait the decision of an Iranian legislature to be elected over the next two months. Even now, the UN panel is not disbanded but only suspended; to judge by the record in a few weeks we will be edging toward accepting the conditions we now reject.

Down in his Panamanian exile, the shah now needs another operation for a grotesquely enlarged spleen. It would be a dangerous procedure even in a great medical school, but apparently will have to be carried out in a Panamanian hospital. The U.S. government does not seem to care. The shah's death might further unsettle the kings among our present allies, but would no doubt lead to another two weeks of hope for release of the hostages.

By now, though, we ought to be doubting whether the hostages would in fact be released even if we kidnaped the shah from his hospital and delivered him in shackles to Tehran. The point of the hoop-jumping game is not retrieving the shah, but humiliating the United States. The exercise shows that the U.S. is not a reliable protector of its own citizens, let alone its allies. It shows that even if the United States is treated with repeated contempt, we will do nothing about it.

In the early days of the crisis, this image might have been avoided, and the hostage problem resolved, through stronger rhetorical and diplomatic reaction. But by now the situation has been so badly bungled that the only answer is military force, or at least the credible threat of it. At the very least, President Carter should seize the collapse of the UN mission as the occasion to heat up the crisis so such a threat is again possible.

At the same time, we should start to take note of a few facts. The American embassy in Tehran is a compound of 27 acres. Elite American paratroopers are trained to open their chutes at 200 feet. In 1967, two Jolly Green Giant helicopters flew the Atlantic to visit the Paris air show, with nine air-to-air refuelings. During the Vietnam war, seven of the same helicopters flew some 500 miles, with in-flight refueling at night, to land undetected in the Son Tay prisoner of war camp (which unfortunately had recently been vacated). A raid to rescue the hostages would obviously carry risks, but it cannot be ruled out as militarily infeasible.

Military action, whether in a raid, a blockade or punitive bombing, would of course carry a risk to the lives of the hostages. But their lives have been at risk for four months now, and despite our entreaties and compromises there is no end in sight. The immobility of the U.S. in the face of this provocation has already helped embolden the Soviets in Afghanistan and a new batch of embassy terrorists in Colombia. This is but a taste of what is to come if this spectacle of American impotence is allowed to continue indefinitely.●

IN MEMORY OF ROBERT J. BERRAN

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 18, 1980

● Mr. WOLFF. Mr. Speaker, today I sadly report the death, on March 8, 1980, of a constituent of mine, Robert J. Berran, commissioner of the Manhasset Lakeville Water District, within my congressional district in New York.

Mr. Berran had resided in Manhasset for over 48 years. He was an active Rotarian for 29 years. For his distinguished service and contributions to the ideals of Rotary he was recently awarded the Paul Harris Award, which is Rotary International's highest award.

His was truly a lifetime of service. He was active in the Manhasset-Lakeville Fire Department for over 25 years, serving as captain from 1960 to 1962, and president from 1966 to 1968.

As an independent businessman in our community for over 30 years, he was active in the chamber of commerce, and served therein as vice president. For the past 31 years he has been a member of the Paumonok Lodge of Port Washington.

I extend my condolences to his beloved wife Carol, his family, and his many, many friends.●

BUSINESS SUPPORT MOUNTS FOR CAPITAL COST RECOVERY ACT

HON. JAMES R. JONES

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 18, 1980

● Mr. JONES of Oklahoma. Mr. Speaker, the Congress is seeing heretofore unequalled support for a balanced budget in fiscal year 1981, and this is an excellent trend. However, a balanced budget by itself will not be enough to cure our economic woes. It must be coupled with legislation that will boost our sagging business productivity and encourage industrial development. That is why I am so pleased to have received another endorsement for H.R. 4646, the Capital Cost Recovery Act.

The American Textiles Manufacturers Institute has recently gone on record in favor of H.R. 4646. The crucial nature of the textiles industries to the American economy can hardly be overemphasized. That is why I am so happy this important and influential organization has joined an ever-growing number of businesses and industries endorsing H.R. 4646 as one measure necessary for a more healthy American economy.

At this point I include the letter of endorsement from Mr. W. Ray Schockley, the executive vice president of the American Textile Manufacturers Institute. I commend his words to my colleagues' attention:

American Textile Manufacturers
Institute, Inc.,
Washington, D.C., February 28, 1980.

Hon. James R. Jones,
Cannon House Office Building,
Washington, D.C.

Dear Congressman Jones: We take pleasure in forwarding to you the enclosed resolution in support of the Jones-Conable 10-5-3 bill adopted unanimously by ATMI's Board of Directors at its meeting here February 5–6.

ATMI is the national trade association of spinners, weavers, tufters, knitters and finishers of textiles. It represents the producers of about 85 percent of the textiles made in the United States.

The need for improved capital formation in the textile industry is acute. The industry has repeatedly urged revision of our tax depreciation rules in order to bring capital cost recovery allowances in this country to a level comparable to that allowed by other major industrial countries of the free world. Such changes are urgently needed at this time to help counter the impact long-continuing inflation is having upon funds available for investment in modern, efficient plant and equipment, and to help with the industry's export thrust to which we are fully committed.

A rough rule of thumb in the textile industry is that over the long run capital expenditures should be financed from cash flow arising from depreciation and retained after-tax earnings. This has become increasingly difficult, and in most cases impossible, to accomplish in our industry which traditionally is a low profit margin industry. This critical situation (where essential capital investments are just not being made) is caused in large part by the tremendous impact of inflation upon working capital needs, as well as upon the costs of new plant and machinery in our industry. For example, a modern loom in 1975 sold for $34,000 and today it is selling for $72,000.

If we are to continue as a viable industry directly employing nearly one million workers, the textile industry must make substantial investments in new equipment to take account of or adjust to technological changes, foreign competition and shifts in market demand, and to combat air, water, and noise problems.

The textile industry has demonstrated one of the highest equipment spending ratios of all U.S. manufacturing industries. During 1976-77, 78 for instance, the textile industry spent an average of 80 percent of its retained cashflow for new plant and equipment in the United States. This compares with only 56 percent for all U.S. manufacturing industries.

A continuing high level of employment in our industry with facilities in all but one state is dependent upon high and sustained level of capital investment, which, in turn, depends upon the availability of funds. Faster depreciation write-off for tax purposes will be of some help in this area.

Sincerely,

W. Ray Shockley,
Executive Vice President.

Enclosure.

Resolution

The American Textile Manufacturers Institute, recognizing that the industrial sinew of America has been permitted to weaken seriously, resulting in record trade deficits, declining productivity, reduced research and development, and worsening inflation because of improper fiscal and tax policies, hereby endorses the Jones-Conable Bill and urges the Congress to reorient priorities so that its passage is accomplished without further delay. The benefits of this legislation will accrue to the U.S. defense posture, to exports, to employees, consumers and taxing entities as well. In our view faster depreciation of plant and equipment is not a tax cut; rather it is a tax deferral and as such does not add to inflation.●

NUCLEAR WAR SURVIVAL SKILLS

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 18, 1980

● Mr. SKELTON. Mr. Speaker, I would like to make my colleagues aware of a proposal I have made to Mr. John Macy, the Director of the Federal Emergency Management Administration. The following is a portion of a recent letter to FEMA:

Dear Mr. Macy:

I have an idea which I would like your advice and hopefully support on. It deals with the Boy Scouts, Girl Scouts, 4-H and Mr. Cresson H. Kearny's study titled "Nuclear War Survival Skills." It was put out by the Oak Ridge study of do-it-yourself civil defense. This study has received the support of Dr. Eugene Wigner and other highly qualified people. Mr. Kearny is a Rhodes Scholar with an impressive background in civil defense.

My idea is to have FEMA support the teaching of portions or all of this study through the Boy Scouts, Girl Scouts, and 4-H. I envision these youth receiving merit badges for emergency preparedness with a substantial portion of the education dealing with Mr. Kearny's study.

As an Eagle Scout I feel there is merit in this proposal. It would get our youth interested in civil defense and begin to make the public aware of a very worthwhile and highly effective study.

Sincerely,

Ike Skelton,
Member of Congress.●

SUPPORT OF H.R. 5961

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 18, 1980

● Mr. RANGEL. Mr. Speaker, I would like to take this opportunity to express my support of H.R. 5961, a bill to amend the foreign transaction reporting act, the Bank Secrecy Act. The three provisions of this bill propose to: First, make it a violation of law to attempt to transport more than $5,000 without filing a report stating that you are about to do so, second, give customs officials the authority to search for illegal currency on grounds other than probable cause and, third, authorize the Secretary of the Treasury to pay a reward for original information leading to the recovery of a criminal fine, or a civil penalty or forfeiture.

This revised Bank Secrecy Act would permit customs officials to search for illegal currency in the same manner in which they currently search for other contraband. Presently, the law does not permit a search for illegal currency for reasons other than probable cause. This means that illegal currency is not subject to the same scrutiny that other illicit materials are. Mr. LaFalce's bill would eliminate this discrepency and could prove instrumental in curbing international drug trafficking.

As you are probably well aware, drug abuse in this country has reached staggering proportions. By monitoring the movement of large amounts of currency across our borders, law enforcement officials could prevent much of these funds from being invested in narcotics and other illicit substances. As my distinguished colleague Mr. LaFalce has stated:

> To accomplish this goal, it is absolutely necessary to give law enforcement officials the means to successfully police the movement of drug related currency into and out of this country.

I am sure that curbing the international drug traffic will have a significant impact on drug abuse in this country.

The Drug Enforcement Agency and the U.S. Customs Service have both expressed their support of this bill stating that it would greatly curtail the illegal movement of U.S. currency out of the country as well as eliminate loopholes in existing law.

Surely, keeping a closer watch on currency leaving the country will limit the opportunities of those attempting to make illegal monetary transactions. I believe that this inhibiting factor will lead to a reduction of the drug flow into the United States and eventually prove to be a valuable step toward controlling drug abuse in this country.

This bill would also provide incentive for individuals to come forth with information leading to the arrest and conviction of drug offenders. The Secretary of the Treasury would be authorized to issue rewards of not more than $250,000 and no more than 25 percent of what was confiscated.

Providing information to law enforcement officials is a very dangerous business and one cannot realistically hope for informants to come forth solely on the basis of good conscience. I am certain that this cash incentive will lead to a significantly increased number of convictions for those participating in drug-related offenses.

Finally, this bill is designed to correct an oversight in the Banking Security Act of 1970. The courts have interpreted this law to mean that one who leaves the country with $5,000 or more cannot be arrested until after he has left the country, at which point the authorities are powerless to take any action.

Gentlemen, the merits of H.R. 5961 are very substantial and I urge the support and passage of this bill.●

WHITE HOUSE DROVERS PULL ALL STOPS FOR DRAFT REGISTRATION

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 18, 1980

● Mrs. SCHROEDER. Mr. Speaker, inflation and balancing the budget appear to have taken a back seat to draft registration as the administration's top issue. Or at least that is the word from the White House congressional drovers. It is good to know they have their priorities in order.

This is the same administration that told us last August that draft registration was not needed and would constitute a burden on our Nation and its youth.

The article from the Saturday, March 15, 1980, Washington Post, follows:

WHITE HOUSE PULLS ALL STOPS IN PUSH FOR DRAFT SIGNUP

(By George C. Wilson)

The White House has taken the unusual step of ordering congressional lobbyists from all across the government to press their House friends to support draft registration.

"We've done this kind of thing before," one administration official said yesterday, "but we save it for the big ones."

Getting Congress to go along with registering 4 million 19- and 20-year-old males, starting this year, has thus been put in the category of "must win" by President Carter. He has given up on getting Congress to authorize the registration of women.

The full-court press on House members was ordered on Monday at a meeting of administration lobbyists in the White House called by Frank B. Moore. Carter's chief liaison officer with Congress. Gary L. Fontana from the Office of Management and Budget outlined the game plan for draft registration, according to participants.

Carter's plan to issue an executive order to require men to register at their local Post Office is meaningless until he receives the money from Congress to finance it.

A House Appropriations subcommittee, on an 8-to-8 vote, last month refused to approve the $13.3 million in fiscal 1980 funds needed to start. The White House is trying to persuade the 54-member Appropriations Committee to reverse that decision.

Besides the political opposition, registration has bumped into the fiscal 1980 funding ceiling Congress imposed on itself. So Chairman Jamie L. Whitten (D-Miss.) of the Appropriations Committee is contemplating a resolution to transfer the $13.3 million from the Pentagon to Selective Service to stay under the ceiling.

A coalition of national organizations is mobilizing to stop that resolution and any other measure that would finance draft registration. Antidraft leaders are organizing a demonstration in Washington for March 21.

Patrick Lacefield, a coordinator of National Mobilization Against the Draft, said yesterday that antidraft demonstrations will take place in Carter campaign offices all across the nation between now and the March 22 Washington rally.

Carter's draft registration plan ran into skepticism on Monday when a Senate Appropriations subcommittee took its first look at it. Chairman William Proxmire (D-Wis.) told administration witnesses that he is not convinced peacetime registration is needed.

Sen. Mark Hatfield (D-Ore.) has said he will organize a filibuster to try to stop any bill to finance registration.

The Senate is expected to hold back on any further action on the registration money bill under after the House acts.●

HAL CHAUNCEY

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 18, 1980

● Mr. ANDERSON of California. Mr. Speaker, at the end of this month, Hal Chauncey will retire from the Parks and Recreation Department of the city of Hawthorne after 30 years of service. As an expression of appreciation for all he has done for his community during these many years, a dinner will be held in his honor on March 21. Because this man has indeed made some outstanding contributions to the people and the city of Hawthorne, I would like to join in saluting him by recounting his career in Parks and Recreation, and his involvement in civic affairs.

Hal Chauncey started with the Department of Parks and Recreation in part time service. Since that beginning, however, he was involved constantly and valuably in several of the important events in the city's history. This includes completion of the Hawthorne Youth Camp, formation of the Club Gunga Din and Youth Canteen, the development and construction of the memorial center, and the organization and supervision of the night athletic program in Hawthorne.

He is somewhat of a hero at our local high school, Hawthorne High, where he has led football teams to many championships as head coach. He also has been head coach of the school's baseball teams. As a teacher-coach at the school for over 21 years he displayed a deep and sincere concern for youth. He taught health education dealing with drug abuse, and even wrote a textbook on the subject which is used by many school districts.

His involvements in the community have extended into other areas. He has served through the years as a member of the Hawthorne Breakfast Optimists, of which he is currently president; the Rotary Club; and as a charter member of the Youth Camp Committee.

Mr. Speaker, surely the night of March 21 will be a memorable one for Hal Chauncey and his family. It will also be an important one for the community of Hawthorne, since as it will offer an opportunity for all who know of this man's good work to express their appreciation. And there is indeed so much to thank him for.

My wife, Lee, joins me in saluting this fine citizen for his admirable career in public service and his dedication to his community. We send Hal Chauncey, his wife, Kathy, their son, David, and daughter, Jan, our sincere wishes for many more years of success, happiness, and prosperity.●

MAJ. MICK DEAVER

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 18, 1980

● Mr. SKELTON. Mr. Speaker, many University of Missouri alumni were greatly saddened to learn of the recent loss of Maj. Mick Deaver, who died on the 25th of February. Mick was an extremely well liked and highly respected member of the university police department, and, in that role, had become an integral part of the university community.

On February 27, the Columbia Missourian published an editorial commemorating the life of this outstanding public servant. I include this article herewith for reprint in the CONGRESSIONAL RECORD, and, in so doing, I extend my sincere condolences to Mick's lovely wife, Sharon, and to the entire Missouri University community. Maj. Mick Deaver will be greatly missed by all who knew him.

The editorial follows:

M.U. POLICE DEPARTMENT'S MAJOR MICK DEAVER IS FRIEND THAT WILL BE MISSED BY ALL

We all lost a friend Monday night.

He was Major Mick Deaver of the University Police Department, who was killed in a two-car collision on Route B. He was 38.

Since 1971, Mr. Deaver had served the people of Missouri and the students of the University in several law enforcement positions. He was a leader in bringing innovative crime techniques to mid-Missouri.

Mr. Deaver's expertise in dealing with people showed professionalism. His efforts helped make the University one of the nation's leading schools in working with crowds effectively.

Many stories speak to Mr. Deaver's expertise in crowd management. Several years ago, a snowball fight between a University residence hall and a fraternity on College Avenue erupted into a full-scale altercation. Motorists were caught in the middle of the warring factions. Police were called. Guns were drawn. Police cars went squealing toward spectators and participants. The tension between the two groups and the tension between police and the two groups reached a fever pitch. It was at that point Major Deaver arrived.

He got leaders of the fraternity and the residence hall together to discuss the snowball fight. He helped the leaders of the two groups agree on a proposal to have a snowball fight the next day with Mr. Deaver as referee. He then dispersed the police. One man turned a disorderly mob into a calm crowd ready to disperse.

That was the essence of Mick Deaver's style. This incident presents a splendid example of Mr. Deaver's character.

For indeed in all respects, Mr. Deaver was an innovative administrator in working with people. He cared. In most bureaucracies, that is innovation. Mr. Deaver's care about people and their lives showed and people responded.

Mr. Deaver touched the lives of many people; but those most affected by his passing probably will be University students. Mr. Deaver once said. "I want students to look on the police as more of a service organization rather than enforcers of the law." Mr. Deaver's work exemplified service. Because of that work, students began looking at the police department as servants who care about people and not law enforcement machines.

Students not only liked Mick Deaver, they respected him. There are few administrators or law enforcement officials who could claim they did their jobs well and were still liked and respected by those with whom they worked. Mick Deaver could.

It is unfortunate more people are not public servants in the mode and class of Mick Deaver.

Major Mick Deaver. A friend. We all will miss him.●

OVERRIPE CASE AGAINST MEXICAN TOMATOES

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 18, 1980

● Mr. UDALL. Mr. Speaker, the New York Times today carried an excellent editorial regarding the Commerce Department's investigation into the alleged dumping of Mexican winter vegetables in the United States. This investigation began in December 1978 when the Florida tomato industry filed dumping petitions with the Department of the Treasury, which then had authority over these cases. The tentative determination, handed down October 30, 1979, found that there was no dumping of any Mexican winter vegetables in the United States, that prices for this produce were the same in the United States as they were in Canada, that the Florida charges were unfounded.

The Commerce Department is now proceeding with the final determination, and there is some evidence that Commerce may abandon the analytical method used by the Treasury Department to determine fair market value. As the Times editorial clearly points out, nothing has changed in this case, the characteristics of the vegetable trade are the same today as they were 6 months ago, and the arguments that the Treasury Department found so persuasive then still hold today.

With inflation already reaching 18 percent this country little needs the higher food costs that would be caused by a restriction of imports of Mexican vegetables. Many of my colleagues have recognized this and have joined me in urging the Commerce Department to come up with a realistic ruling. The U.S. State Department has consistently recognized the detrimental effects that a positive dumping ruling could have on United States-Mexican relations. And I have seen no evidence at all that imports from Mexico have hurt the Florida tomato industry, which is actually expanding. A positive determination of dumping, which could only occur through a drastic alternation of the Treasury Department's analytical model, would be against the interests of just about every American. I commend this editorial to my colleagues' attention:

OVERRIPE CASE AGAINST MEXICAN TOMATOES

Mexican farms supply about half the fresh tomatoes, cucumbers, eggplants and squash consumed each winter in the United States. Florida farmers, who supply the rest, don't like the competition. And now they are attempting to exploit an ambiguity in the trade laws to grab the whole market for themselves. It is up to the Commerce Department to stop them.

America's anti-dumping law prohibits the sale of imported goods below "fair value," which is defined as the cost of production. Production costs can, within reason, be measured for most foreign goods. But Congress never explicitly considered the special problem posed in defining fair value for perishable commodities like winter vegetables.

Though the market for fresh vegetables is highly competitive, sellers certainly don't routinely expect to sell below cost. If they did, they wouldn't stay in business. But once a crop is on the vine, each grower—Mexican or Floridian—has little choice but to sell it at the going price.

According to Senator Kennedy, the chairman of the Senate Judiciary Committee, and influential House members, it was never Congress's intent to prohibit imports just because they were priced below cost. After reviewing the Florida growers' request for protection last November, the Treasury reached the same conclusion. To determine fair value, it chose instead to compare the price of Mexican vegetables in the United States with the price in Canada, Mexico's other large market. Since its investigation produced no evidence of price-cutting, the Treasury argued that domestic growers had no real claim.

By a legal quirk, however, the Florida petitioners are getting a second chance—this time before the Commerce Department, which took over the Treasury's responsibility for anti-dumping cases in January. Neither the issues nor the evidence have changed, but there is some reason to believe that the Commerce Department's lawyers are more sympathetic to the Florida growers' narrow case.

A victory for the Floridians would hurt the country, economically and diplomatically. Blocking the import of winter vegetables would drive up food prices at a time of distressing inflation. Crippling Mexico's vegetable industry would hardly promote Mexican good will—on which, among other things, the future northward flow of Mexican oil may depend. Let us hope the Commerce Department considers the consequences before deciding how many Mexican tomatoes can fit through the eye of the protectionists' needle.●

SYRIAN JEWS: HOSTAGES OF TYRANNY

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 18, 1980

● Mr. RANGEL. Mr. Speaker, I would like to bring to the attention of the public and my colleagues the tragic plight of the Syrian Jewish community.

These people are being held hostage by the Syrian Government. Because they are Jewish they are not permitted to emigrate from Syria, making this Arab Republic the only country, even among nations hostile to Israel, which denies Jews this basic right. Even the Soviet Union, albeit begrudgingly, permits some Jews to emigrate. Those caught trying to gain their freedom have been severely punished including beatings, tortures, and incarceration. There have also been reports of Jews being shot during their attempts to flee Syria.

In addition to being prohibited from emigrating, Syrian Jews have had other basic human rights either denied or severely curtailed. Jewish identification papers are specially marked "Musawi" (Jewish). They are subject to special curfew and travel restrictions; their mail and telephone communications are censored. They are denied access to governmental service, and while they can attend the universities, their numbers and fields of study are restricted. The Syrian Government appoints non-Jewish directors to supervise Jewish schools and foreign travel is severely limited.

In short, Syrian Jews are among the most persecuted people in the world, facing serious and gross violations of their human rights in their native land and yet they are not permitted to leave.

I wish to take this opportunity to express my severe disapproval of the Syrian Government for violating the human rights of their Jewish community.●

ANATOLY SHCHARANSKY

HON. SHIRLEY CHISHOLM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 13, 1980

● Mrs. CHISHOLM. Mr. Speaker, by now all of us are familiar with the trials, accusations, and inquisitions which finally led to the arrest of Anatoly Shcharansky. The KGB, which conducted these investigations, never established any reason for the trials other than the fact that Mr. Shcharansky worked to assert his rights and those of all Soviet Jewry.

This past Saturday, March 15, 1980, marked the third anniversary of the arrest of Mr. Shcharansky in 1977 for his alleged involvement with other Soviet dissidents who supposedly worked for the CIA.

For those of us in this country who are free to travel, speak openly and critically against the Government in ways that we choose, it is hard for us to fathom the suffering endured by those people under this kind of repression. It is also difficult for us to realize the importance of the Helsinki agreement and its implications for human rights for those individuals living under Soviet dominance. This agreement offered hope that these people would be able to enjoy the benefits and entitlements of full human rights.

The last 7 years for Mr. Shcharansky, a mathematician and a physicist by education and training, have been years of torture by denial and unfulfilled promises.

The first denial Mr. Shcharansky encountered began in 1973 when he first applied for a visa to emigrate to Israel. Permission was refused on this first application because it was said that he had access to classified material at his job at the research institute. However, the moment he became eligible for a visa, Shcharansky avoided doing any classified work so as not to jeopardize his emigration status.

In 1974, he again applied for another emigration visa. This time the denial took the form of granting his wife permission to emigrate to Israel and then promising that his visa would soon follow. Of course, none followed for him and the Government effectively separated him from his wife.

The classification of Mr. Shcharansky as a dissident came about not so much for personal activities but as punishment for the collective activities of Jews in the Soviet Union and other minorities under Soviet dominance.

In addition to refusing Mr. Shcharansky permission to emigrate to Israel, Soveit authorities have made it impossible for him and other Jews to practice their professions. In 1973, he was refused permission to attend the International Congress of Mathematics. Jewish scientists were invited by organizars of the congress to participate, but were prevented from attending by Soviet authorities. He has been denied the right to practice his profession in other ways since authorities have made it impossible for him to continue his work at the research institute because of accusations of treason and espionage. He was also refused permission to register as a private tutor. Once it became obvious that working at the institute made him a suspect, Shcharansky decided he would try to make a living tutoring students in French, English, and math.

Shcharansky's treatment is typical of the harassment suffered by numerous individuals in Russian society and the reprimands for challenging such abuse is extreme.

Most of these things happen daily to dissidents. Yet, these people see themselves as working for the cause of human rights and the principles of freedom. Mr. Shcharansky, himself, has said:

> I am happy that I have lived honestly, in peace with my conscience, and have never betrayed my soul, even when I was threatened with death. I am happy that I have helped people.

I hope in remembering the anniversary of Mr. Shcharansky's arrest that our commitment to human rights will be renewed.●

CAYUGA INDIAN CLAIMS

HON. MIKE SYNAR

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 18, 1980

● Mr. SYNAR. Mr. Speaker, today the House considered H.R. 6631, legislation to ratify and implement a settlement of claims by the Cayuga Indian Nation of New York. In return for the tribe's agreement to extinguishment of all its land claims in the State of New York, the bill authorized a settlement fund of $8 million for the benefit of the tribe, in addition to a land settlement in the State.

The bill which the House considered affects not only the Cayuga Tribe in New York, but many Cayuga tribal members in Oklahoma as well. One group of tribal members migrated from New York eventually to Oklahoma, and have a continuing interest in this legislation. Since the conveyances of 1789, 1795, and 1807, the State of New York, the U.S. Government, and the New York Cayugas have recognized the interest of the Seneca-Cayuga Tribe of Oklahoma, and have provided them with a share of the perpetual annuities paid to the tribe for ceded lands. H.R. 6631 did not provide for a designated share of the settlement to the western tribe in Oklahoma, and I believe that the historical recognition and participation of the western tribe should have been given more attention and consideration by the committee.

I am not opposed to an out of court settlement of this claim, or of any legitimate claim. However, I felt compelled to vote against this particular bill, in light the seeming inequity in the distribution of settlement trust funds.●

ANATOLY SHCHARANSKY—LIVING SYMBOL OF FREEDOM

HON. RICHARD KELLY

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 18, 1980

● Mr. KELLY. Mr. Speaker, March 15 marks the third anniversary of the arrest of Anatoly Shcharansky. Seized by the Soviet security police—the KGB—Shcharansky was accused of maintaining contacts with the U.S. Government and, in a trial that received worldwide publicity, was sentenced to 13 years in a prison and labor camp.

Mr. Speaker, prior to his arrest in 1977, Mr. Shcharansky was the target of systematic harassment by officials of the Soviet Government. Ever since filing his application for permission to emigrate to Israel in 1973, he was subject to increasing pressures. On March 4, 1977, his situation gravely worsened when Izvestia published an infamous letter accusing Mr. Shcharansky and other prominent Soviet Jews—along with two American diplomats—of lending themselves to espionage and treasonous activities against the Soviet state. Until his arrest on March 15, 1977, he was under extensive KGB pressure.

At the present time, Mr. Shcharansky's health has considerably deteriorated. His eyesight is poor, he has lost considerable weight, and reports are that he is suffering from a serious physical decline requiring immediate medical attention. In addition, the prison authorities have denied Shcharansky's mother—Ida Milgrom—the scheduled visitation period that was to have taken place in February. Considerable doubt exists whether she will ever see her son again.

Mr. Speaker, we must not forget that Anatoly Shcharansky is in prison today not because he committed any crime. On the contrary, he was one of the leading spokesmen for Soviet Jews seeking their legitimate rights to emigrate to Israel. At the time of his arrest he was one of a group of Jewish leaders monitoring Soviet compliance with the human-rights aspects of the 1975 Helsinki accords.

Mr. Speaker, we in the United States often take many of our freedoms for granted. One freedom in particular we tend to assume is the freedom to emigrate. So close is this freedom to our national spirit that when Emma Lazarus wrote her inscription for the Statue of Liberty she called upon the nations of the world to sent your tired, your poor, your huddled masses yearning to breathe free and the wretched refuse of your teeming shore.

The spirit of openness contained in these passages says much about we as Americans. It says first of all that we are a land of immigrants. And it also says that we naturally expect that those who desire to come to our shores will be allowed to come. What is not recognized in these lines, however, is the fact that the Soviet Union has intertwined the freedom to emigrate into one of the most perverse political systems ever to darken the human record. What we in the United States assume as a natural inalienable right is flagrantly disregarded in the Soviet Union.

On August 1, 1975, in Helsinki, Finland, the heads of 32 European nations, the Soviet Union, the United States, and Canada, sat down at a long, blue-draped table and signed a blue-bound document the size of a phone book which declared their mutual respect for human rights and fundamental freedoms. This document declared that in the field of human rights and fundamental freedoms, the participating States will act in conformity with the purpose and principles of the Charter of the United Nations and with the Universal Declaration of Human Rights. They will also fulfill their obligations set forth in the international declarations and agreements in this field including inter alia the International Covenants on Human Rights, by which they may be bound. One of the many principles laid in the Declaration of Human Rights was that everyone has the right to leave any country, including his own, and to return to his country.

Mr. Speaker, no one was more pleased with the Helsinki agreement than Leonid Brezhnev. Addressing the audience is the soaring white-marble hall, the Soviet Communist Party leader solemnly urged that the principles of Helsinki be put to practical use and made a law of international life not to be breached by anyone. He also said that we note with deep satisfaction that * * * these principles are imbued with respect and care of man, so that he can live in peace and look forward to the future with confidence.

Mr. Speaker, it has not been long since these words were uttered. And yet, what a mockery the Soviet Union has made of the Helsinki proceedings. In spite of these spoken platitudes, the Soviet leaders have continued to set loose throughout the entire fabric of Soviet society a wickedness which finds no equal in scale or intensity in the history of man. And let there be no mistake about this threat. Unless we find ways to counter these excesses, the main fabric of European civilization may not remain erect at the close of the struggle in which we are now engulfed.

But, it may be asked, what are the excesses of which you speak? Why is it that the Jewish people, in particular, want to leave the Soviet Union? Well, let me answer by listing a bill of particulars by no means complete in scope.

The list follows:

Soviet Jews are denied equal ethnic rights guaranteed all other nationalities by Soviet law.

All centers of Jewish culture have been closed.

Jewish publishing houses and Jewish printing presses have been closed. All Yiddish type face has been melted down.

The entire Jewish educational system has been dismantled.

Teaching Hebrew and Yiddish is not allowed.

It is impossible to buy any books on Jewish history.

It is impossible to find a copy of the Bible.

Jewish prayer books have all but vanished.

There is only one rabbi left in the USSR. No new rabbis are being trained in the country.

Less than 60 synagogues remain but few function much of the time. Those who attend are fearful the KGB will break up services—which it often does. KGB agents come to services disguised as congregants.

Religious calendars, indispensable guides, the religious observances, cannot be published (except for the "showpiece" Central Synagogue in Moscow where some are occasionally allowed).

Prayer shawls and other Jewish devotional articles are not allowed to be produced.

Almost no contact with Jewish coreligionists is allowed. This is in contrast to the experiences of other faiths in the Soviet Union: Eastern Orthodox, Protestant, Catholic, and Moslem.

Jewish cemeteries are regularly desecrated. Historic Jewish gravesites have been bulldozed.

Virulent anti-Semitism is everywhere. Jews and Judaism are constantly the target of anti-Semitism in the media.

Young Soviet Jews are deprived of getting any kind of Jewish education and religious instruction.

Soviet Jews can no longer get good jobs in the USSR in contrast to only a few years ago. Some universities now have quotas.

Those Jews who have jobs are liable to lose them immediately upon applying for emigration visas.

For Jewish activists, arbitrary arrest, beatings, and interrogation are common.

Due process for Jews in court proceedings which are emigration-related is next to nonexistent.

Civil rights, social rights—the right to work, cultural rights, freedom of education—have been taken from Soviet Jews. In denying these human rights Soviet authorities are blatantly violating the Helsinki agreement, accepted international law, its own internal legal system and the minimum decent behavior of civilized people.

Mr. Speaker, these and numerous others, are the reasons Soviet Jews want to emigrate from the Soviet Union.

Mr. Speaker, the United States would be false to its own political values and traditions if it stood silent in the face of this wanton political oppression. Running throughout the American political character is the theme that America occupies a special place in the hard march of mankind. As Cushing Strout has shown in "The American Image of the Old World," the self-image of America is that of a land of virtuous simplicity untainted by tyranny, injustice, and vice. Our Founding Fathers—Benjamin Franklin, Thomas Paine, Thomas Jefferson, John Adams, Alexander Hamilton, and others—all believed that it was America's destiny to be the repository and the exemplar of human freedom. Even in recent times, President Truman declared that it was the policy of the United States to defend free peoples everywhere and President Kennedy announced to the world that the United States was going to defend freedom around the globe. Throughout our tradition—and influencing our foreign policy—is the belief that America's future is linked with the future of other peoples and other nations around the world—people who would similarly be touched by those unquenchable fires of freedom.

Mr. Speaker, America has been honored to offer the world a shining symbol of human freedom. And on this third anniversary of Mr. Shcharansky's incarceration, let us continue that tradition and let out with one voice a cry of protest against this monstrous example of tyranny against the spirit of man. Let us rise up and show our support to those other victims of political oppression in the Soviet Union who look to us not only for support, but who see us as the last best hope for mankind. In conscience, we can do no less.●

KEN HARDING

HON. FRANK HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 11, 1980

● Mr. HORTON. Mr. Speaker, it is with great pride that I join my colleagues in paying tribute to the distinguished service of Ken Harding. As Ken leaves his office of Sergeant at Arms, he carries with him an unmatched record of outstanding service and dedication to the House of Representatives.

Ken's record of service in the House spans three decades. The reputation of honesty and integrity he earned as executive director of the Democratic Congressional Committee ably prepared him for his duties of Sergeant at Arms. He assumed these duties in the 92d Congress, on October 1, 1972.

The office of Sergeant at Arms is one of the few constitutionally listed offices for the House. The duties of this office include the sometimes unenviable task of restoring and maintaining order on the floor. They also include greeting visiting dignitaries and heads of state upon their arrival to the Capitol. In both of these capacities, Ken's service has been a credit to his office and to this body. The hard work and evenhanded manner he applied to the exercise of his duties will be sorely missed.

I am confident that the outstanding qualities of Ken Harding will continue to give him success in whatever endeavors he now chooses to pursue. I join his many friends in wishing him and his wife June luck and happiness as they begin a new life in Florida.●

DAY 231 AND COUNTING

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 18, 1980

● Mr. ASHBROOK. Mr. Speaker, the entire world has been counting up the days Americans have been held hostage in Iran and most of those keeping track look forward to the day when the Americans will be free. There is now a new counting system that people have begun; the count of days until Americans will be free of Jimmy Carter. It is now only 231 days until this Nation can go to the polls and drive from office what will probably be considered the absolutely worst administration in American history.

It is hard to believe that only 3 short years ago, at the beginning of 1977, things were so different. The Federal budget was only $440 billion, inflation was only around 4 percent, and gasoline was only a third of what it is today. In 1977 America was still No. 1 in military strength in the world. The B-1 bomber was about to usher in the needed new generation of weaponry for maintaining the strategic edge over the Soviets. In 1977 we still had formal relations with Taiwan, we had kept our word to help Israel, we were supporting friendly governments in Iran, Nicaragua, and the Caribbean islands. Three years ago people of America could afford new houses and could buy a tank of gas when they wanted to without spending major portions of their salaries. There was optimism in the Nation, an optimism that has been destroyed with 3 years of Jimmy Carter.

Today things are very different. We have watched a healthy economy demolished by Carter and company. We have watched a strong America become a disarmed Nation that turns its back on friends and allies in the hopes to buy time in avoiding confrontations with our enemies. We have seen the vigor and optimism of just a few years ago vanish in the wake of record inflation and interest rates to the point where some of the most productive members of society are using all of their energies to just survive from one paycheck to another. Finally, we had to watch the spectacle of the President's latest act of desperation as he scrambled to balance the budget and to stop inflation.

I honestly do not know where to begin in assessing the tragedy of last Friday. Carter has become a pathetic creature who, stripped of media hype, is grossly unable to handle the job he was narrowly elected to in 1976. The budget cuts are superficial at best. They barely make a dent in the more than $34.6 billion in new spending authority he put in the fiscal year 1981 budget only 2 months ago. Where does he make up the difference to "balance" the budget? He opens the floodgates for yet another round of power grabs by the Federal Government. His tax on imported oil will be the knockout blow to consumers who have already taken it on the chin from the windfall profits tax. For those who manage to stagger to their feet from the energy one-two punch, Carter has a new withholding tax on interest for savings and dividends. This should knock all but the very wealthy out of the ring of economic stability for years to come. As if this was not enough, Carter is letting interest rates continue their climb, destroying forever the dream of many to own a home.

The package of so-called cures that was presented this weekend amounts to euthanasia for the middle class of the United States. Thankfully the Congress will have to act on most of the package. There is still time for sanity to seep back into the economic policies of the Government. When this Chamber takes up the fiscal year 1981 budget there will still be time to right the grievous wrongs dealt the Nation by Mr. Carter. There will still be time to unchain the vast majority of America and allow productivity to raise us out of economic decline. If Congress cannot stand firm against the onslaught of Carter lobbyists and administration promises, then the Nation will have to wait until November 4 when it can take the situation into its own hands and put an end to the misery. I only hope it will be in time.●

COBALT—A MINERAL VITAL TO AMERICA'S STEEL INDUSTRY

HON. DAN MARRIOTT

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 18, 1980

● Mr. MARRIOTT. Mr. Speaker, we have heard and read much in recent days regarding the need of America's defense system for cobalt: for jet engines, armor piercing shells, and nuclear propulsion systems, to name but a few.

What many fail to realize, however, is the indispensible nature of cobalt in America's steel industry. Cobalt, for example, is used in a number of specialty steels from superalloys to high speed tool steels, abrasion resistant plate, and tool and die steels. Cobalt is also vital to steel production not just as a component but as a part of the process of making steel. Cobalt adds important properties necessary in drawing, forming, extrusion, and forging dies. Cobalt is used in component parts in rolling mills, punch and forging mills, presses of various kinds, and in high-stress sheering and cutting machines.

Recently, Chairman JAMES D. SANTINI of the Mines and Mining Subcommittee wrote to all members of the steel caucus concerning cobalt and its importance to the steel industry. I find his letter to be instructive and helpful and thus place it at this point in the RECORD. I urge my colleagues to carefully consider Chairman SANTINI'S views as the matter of the River of No Return Wilderness bill comes before the full House.

COMMITTEE ON INTERIOR
AND INSULAR AFFAIRS,
Washington, D.C., March 12, 1980.

DEAR STEEL CAUCUS COLLEAGUE: No one disputes that cobalt is a vital, indispensible component of America's increasingly sophisticated national defense system. Essential in the production of high speed, high performance aircraft, missile controls, tank precision rollers, armor piercing shells and conventional and nuclear propulsion systems, cobalt use has historically increased dramatically during periods of defense mobilization.

What few recognize, however, is the integral role of cobalt in the production of steel. Cobalt, as you know, is used in a number of specialty steels from the superalloys we hear most about to a wide variety of alloys such as high speed tool steels, abrasion resistant plate, and tool and die steels. Cobalt adds important properties necessary in drawing, forming, extrusion and forging dies. It is used in component parts of rolling mills, punch and forging mills, presses of various kinds and in high-stress sheering and cutting machines. Cobalt is vital in much of what America's steel industry does or produces.

It is imperative that America have a continued, secure source of cobalt. Unforunately, nearly 100 percent of our cobalt is imported, 73 percent of which comes from Zaire and Zambia—hardly secure sources given internal and external uncertainties of the former and the recent Soviet arms agreement with the latter. America has but one source of economically mineable cobalt—near the Blackbird mine in Idaho. Unfortunately, efforts are currently underway to include in wilderness about one-half of the "cobalt trend" near that mine, thus making impossible the full exploration and development of that resource.

The Interior Committee recently voted 23-15 to exclude that area from wilderness to ensure that exploration and development of deposits within the area will have a reasonable opportunity to take place. In order to protect the role of America's steel industry while assuring the viability of our national defense system, I urge you to vote to preserve the Interior Committee decision to keep cobalt out of wilderness.

Sincerely

JAMES D. SANTINI,
Chairman, Subcommittee on
Mines and Mining.●

ANATOLY SHCHARANSKY

HON. PHILLIP BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 13, 1980

● Mr. PHILLIP BURTON. Mr. Speaker, Anatoly Shcharansky has now spent 3 years in a Soviet prison since being arrested and convicted of false charges of treason. Although events in Iran and Afghanistan have overshadowed the plight of Mr. Shcharansky and other Soviet Jews, we cannot let the world forget this terrible injustice.

Anatoly Shcharansky now languishes in a Soviet prison, reportedly in deteriorating health, separated from his family in the Soviet Union and his wife, Avital, in Israel. He has had virtually no contact with his family and friends for the past few months and Soviet authorities have failed to respond to repeated requests that he be allowed even minimal legal and moral rights.

I met Mr. Shcharansky in the Soviet Union several years ago and more recently, his wife, Avital, was a guest in our home. I can personally attest to the unjust persecution he suffered even prior to his arrest and incarceration.

This sad anniversary, and the recent shocking arrest of Soviet Nobel laureate Andrei Sakharov, serve as reminders that we must continue to do everything in our power to insure the basic rights of Soviet Jews.●

PIPELINE TO PROSPERITY

HON. MICKEY LELAND

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 18, 1980

● Mr. LELAND. Mr. Speaker, I would like to call to your attention the achievements of one individual who has not only survived the era when there was little opportunity for blacks in this country, but who has far surpassed the middle echelon of life. This man, George Smith, founder of Smith Pipe Supply Inc. of Houston, has built his company from scratch to become the seventh largest pipe industry in the Nation. His success can be attributed to his great determination to be independently successful.

Mr. Smith's first experience with the oil industry in 1951 threatened his survival as a black man physically, psychologically, and financially. But, this man's reputed energy and undying goals have since been a true inspiration.

I want to take this opportunity to thank Mr. Smith for serving as a model for me and many blacks in Texas on what can be accomplished with enough determination. I am extremely proud to have George Smith as one of my constituents and to call him my friend.

Mr. Speaker, I would like to request that the following article be inserted which vividly illustrates the career of this remarkable gentleman:

A PIPELINE TO PROSPERITY

(By Robert Runde)

For a black man to make it in the oil business takes true grit. George Smith has it. Though he endured aching years of being called nigger by whites and Uncle Tom by blacks, his tenacity in trying to succeed in a white world has been richly rewarded.

Over the past five years Smith has built one of the largest black-owned businesses in the U.S.—from scratch. Two years ago, Smith Pipe & Supply Inc. of Houston, which sells and services the pipes and fittings used in drilling oil wells, took in $6 million and made a net profit of $51,000. It was then the 68th largest black-owned company in the U.S. In 1978, with revenues gushing to $24 million and profits to $282,000, Smith Pipe had become the seventh largest. The next ranking—it's compiled each spring by Black Enterprise magazine—is likely to show a further advance.

The company's 1979 revenues rose to $31 million, with a bottom-line profit of $400,000. Smith's own net worth has climbed to $4 million. He boasts that within three years he will own the most successful black business in the U.S., with annual sales of $100 million and $2.5 million in profits.

IN HIGH GEAR

If George Smith sounds like a young man in a hurry, he isn't. He's 53 years old. "If I was white, I could have done this years ago," he declares. "But for a black man, the time just wasn't right." Now that his time has arrived, Smith is in high gear, especially behind the wheel of his Cadillac Eldorado. He got so many speeding tickets—one of them charged him with going 98 mph—that the police once threatened to have his driver's license lifted. It's doubtful if even that would have slowed him down much.

The owner of a company with offices or warehouses in five states has to do a lot of things well. What Smith does best is sell. Last year he logged 350,000 miles calling on companies that buy his pipes and fittings. Left behind in Houston was Evie, Smith's wife of 32 years, who is also his vice president and alter ego. Smith's long stretches away from home strain them both. "After so many years of doing everything together, it's difficult now," Mrs. Smith laments. "But I know what George's goals are and we can't stop now." Admits Smith: "Staying away from my family is the hardest thing I do."

To be together, the Smiths almost have to leave the country. They have just returned from a $6,000, 18-day tour of Egypt, Jordan, Turkey and Israel, places that appealed to Evie Smith. Already they're planning a spring vacation in Italy, France and Spain. In the past two years they have been to Africa and Asia, Mexico and the Caribbean. A vacation with George Smith has always been physically demanding. "When the kids were little," his wife reports, "we took driving trips around the country. The children would complain, 'Daddy, we're on vacation. Why do we have to get up so early?'" Keeping up with Dad still isn't easy for Charles, 31, George Jr., 27, and Jacquelyn, 26, all of whom now work for their father's company.

A man of imposing vigor, Smith rises at 5:15 a.m. and frequently begins his frenetic workday over breakfast with customers. He finishes up late in the evening—after the inevitable dinner meeting. Yet Smith is neither dour not driven, just energetic. He believes hard work will solve almost any problem. Lately he has presented to a member of the Congressional Black Caucus a proposal to encourage welfare recipients to earn their way off relief by letting recipients keep some of their welfare money during the first year they are employed.

Hard work is a habit Smith was forced to develop early. Growing up in Livingston, 69 miles north of Houston, he helped support his family almost from the beginning. Smith's natural father died when he was three months old; his mother remarried but left her second husband when George was six. Thereafter he did all sorts of menial jobs—from cleaning neighbors' privies to picking peas and cotton—to help his mother support her six children. Sometimes the Smiths had difficulty getting enough to eat. "Back then I thought the feet were the tastiest part of the chicken," Smith remembers ruefully. After third grade he left school to work full time at his various jobs.

As a teenager Smith joined the Army Air Forces and served on the Pacific islands of Guam and Saipan. When World War II was over, he worked as a section hand for the Southern Pacific railroad. In 1947 he married Evie Lee Flournoy, promising her parents he'd support her while she finished college. She was attending Texas Southern University in Houston, preparing to be a teacher.

In 1951 Smith took a pay cut to switch from railroading to the oil industry, which he felt offered a better future. As a railroad clerk he'd been making $1.46 an hour; laboring in the oilfields, he got $1 an hour. Smith had been with his first company just a year when some of his bosses quit to form Atlas Pipe Inc., which supplied material to oil drillers. He joined them and stayed 18 years.

A PSYCHOLOGICAL BURDEN

Working around oil wells is grimy and often exhausting. For Smith, being black added a psychological burden. "In the '50s and '60s the white men said: 'No niggers out here,'" Smith says. "I was never beaten up, but I was threatened. I refused to be intimidated, though. I was one of the very few blacks who could go into the oilfields."

He became proficient at testing oil pipe, a process of simulating oil pressure by pumping water and air into sections of pipe. His skill made him aspire to more challenging and lucrative work. But for years, he feels, his race kept him from moving up. For instance, if he'd been put in charge of Atlas' quality-control operation, a job he felt he could handle, 150 white workers would have been his subordinates. "They would never have stood for that," he says.

During the frustrating years he spent apprenticing in a white man's business, Smith also encountered the enmity of more militant blacks. "But while they were calling me Uncle Tom and worse, I was learning. I had the idea that one day I could have my own business."

Finally Smith gave Atlas an ultimatum: either a promotion to quality control or to sales—or he'd quit. They countered with an offer of assistant personnel manager. Smith walked out. On Jan. 5, 1970 he joined the competing Seaboard Pipe & Equipment Co., first as an appraiser of used pipe, later as general manager of the pipe testing division. He stayed with Seaboard 4½ years, ultimately earning $27,000 a year and enjoying such perquisites as a new company car each year. But more and more he yearned to run a business of his own. At length, a disagreement with his boss impelled him to quit Seaboard and launch Smith Pipe Testing & Service Co., now a subsidiary of Smith Pipe & Supply.

Relying on his wife's $12,000 teaching salary to support the family, he took $4,000 out of his savings to get started. With rented equipment and Mrs. Smith's car, he traveled the oilfields of Texas, Oklahoma and Louisiana, cleaning and testing pipe. Shell and Exxon were his first customers.

AT NIGHT AND ON SUNDAY

The day after Smith quit Seaboard, three of his men, all black, left to join him. More came within a few weeks. With his reputation for dependability and hard work, Smith had no trouble lining up jobs to keep his crews busy. Ken Stocks, a Conoco vice president who buys pipe from Smith, says: "Whether it's at night or on Sunday or whenever, you can count on Smith to come through. That attitude reflects right through his company."

By using his savings to meet his first payrolls, Smith was able to reinvest almost everything he made. He paid himself a meager $700 a month. He now boasts: "I didn't take out any Small Business Administration loans and I didn't borrow from any bank. I am living proof that it can be done the hard way." Smith did get a little help from his friends, though. Conoco let him have $44,000 worth of excess pipe on credit ("I never signed anything, just gave them my word I'd pay," Smith says proudly), so that he could get into the business of selling pipe as well as servicing it.

Testing pipe demands more workers than selling it. That part pleases Smith, who feels a responsibility to create jobs, especially for blacks; currently, 53 of his 91 employees are black. The profit margin in testing is higher too. Last year only 8 percent of Smith's revenues came from testing, but they produced 25 percent of his profits. Yet selling brings by far the more rapid growth in revenues: of Smith's $31 million last year, $28.5 million was generated by selling pipe.

During the years when Smith was working at Seaboard and hoping to go into business for himself, he had tried to persuade major pipe manufacturers to let him distribute their products. Finally, in 1976, two years after he started Smith Testing, Youngstown Sheet & Tube gave him a chance. The following year Smith's line expanded greatly when U.S. Steel also took him on as a national distributor. That's when his revenues took off like a newly drilled gusher.

SALES OUT OF CONTROL

Early last year, in fact, they seemed to be dangerously out of control. When it looked as though 1979 sales would hit $40 to $50 million, Smith's lenders canceled his $1.2 million line of credit. They feared that he could not keep sufficient control over such a rapid expansion. Smith and Charles L. Thornton, his chief executive officer, spent several nervous weeks before rounding up a bank and a commercial credit company to provide $4 million in credit. Subsequently, by not going after as much new business as they had intended, Smith and Thornton held pipe sales to $28.5 million.

The durability of his enterprise seems of more concern to Smith than short-term profits. "It's time blacks started building companies," he says. "When I die, I don't want to have it said that all I did was make a lot of money." The company has been good to Smith and his family, though. The five of them earn almost $150,000 a year in salaries from Smith Pipe. As president, Smith pays himself $66,000.

Nowadays, Smith's position shields him from racial slurs. And his fortune lets the Smiths live well. Travel is their most expensive diversion, but not their most passionate. "Every man has to know what his outlet is and fishing's mine," Smith proclaims. He owns six boats. The sleekest is a $200,000, 42-foot Hatteras docked in Galveston and used for fishing in the Gulf of Mexico. But Smith's favorites are two unpretentious bass boats he keeps at Lake Livingston, where he retreats each Saturday he's home for a session of catfishing, quite often accompanied by Mrs. Smith. Pulling in 35-pound catfish is not uncommon. He usually gives the catch to churches to use for fish fries.

The Smiths have kept their sudden wealth from uprooting their lives. Smith points out: "I still go to the same church [Wayman Chapel of the African Methodist Episcopal Church, where he is a trustee]. I still love the same woman. And we still live in the same house."

Well, sort of. With remodeling and additions, the little Cape Cod they moved into in 1954 is now twice as big and three times as comfortable. The neighborhood hasn't improved, though. The Smiths live in Garden City, one of Houston's poorest black sections. Concern for their property—if not their lives—is an everyday fact of life. Their son George's house, next door, has been burglarized twice in the past year. Their own house bristles with locks and alarms.

Friends and business associates have urged the Smiths to move to a better area. "One white man told us we could triple our business by moving to a nicer house and entertaining at home a lot," Smith reports. Mrs. Smith disputes the contention, and in any case they aren't moving. Their roots in the community are so deep, they'd feel they were abandoning their family. Which in a sense they would be. Smith owns eight houses in the area, one of which he has given to his mother, another to his son.

A TRANQUIL RETREAT

Aside from his company, real estate is Smith's main investment. His total portfolio is worth about $500,000. In addition to the houses, he has acreage in several parts of Texas. A 122-acre ranch he bought three years ago in Center, Texas for $62,000 provides a tranquil retreat for the Smiths, besides being an investment. Smith also owns 6½ acres near his boyhood home in Livingston and four acres at Lake Livingston nearby. On the lake property he wants to build a recreation center for black youngsters.

"To be successful you have to have a goal other than money," Smith says. "My goal is to give blacks an opportunity. The fact that in five years I've built the seventh largest black business in America speaks for itself."●

HAROLD A. GOULD: A DISTINGUISHED AMERICAN

HON. BARRY M. GOLDWATER, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 18, 1980

● Mr. GOLDWATER. Mr. Speaker, this Congress and the Nation lost a very distinguished American in the recent passing of Col. Harold A. Gould, who served as deputy staff director of the House Science and Technology Committee, on which I am privileged to serve as a member.

Hal Gould epitomized the loyal, hardworking congressional staffer, who does not seek glory or fame, but works effectively behind the scenes to promote the best ideals of Congress and our country. When cancer struck him down at the age of 61, Hal was still involved with major areas of legislation with the Science and Technology Committee.

Hal came to the committee back in 1965 after retirement from the Army. The Army assigned Hal to work closely with the committee in a number of problems areas prior to his retirement because of his expertise and experience in scientific endeavors. He became a powerful force for American scientific achievement, especially in the area of space exploration. When man first landed on the moon in 1969, it was an achievement with which Hal Gould was vitally linked.

One of the things that impressed me the most about Hal Gould was his candor and forthrightness. No one could accuse Hal of being a back slapper. Long before the expression "tell it like it is" became popular, Hal had adapted this motto to his personality and way of doing things. For this reason, you always knew where Hal stood. When a member of the Science and Technology Committee asked Hal for advice or direction on an issue, regardless of whether he or she was a freshman or the chairman, his response was frank and accurate.

History records when Gen. Robert E. Lee learned of the death of his "eyes and ears," the great cavalry commander, Gen. Jeb Stuart, he looked away sadly and responded "he never gave me a wrong piece of information." Those of us privileged to serve with Hal Gould can certainly look back upon his tremendous work on the Science and Technology Committee and respond in the same manner as General Lee.

Of course, we are all aware of recent events in this town relating to staff people giving wrong information to their employer. It's refreshing to know that men and women like Hal Gould are the rule rather than the exception on the Hill, and we all can take pride in this great exercise in honesty and loyalty, which he typified.

Mr. Speaker, Hal Gould never really had his second retirement, although he and his wife, Ouida, purchased their retirement home in Titusvile, near the launch area at Cape Canaveral. It is so very sad that a man of his vision and love of space exploration didn't have the opportunity to spend a significant number of years observing the future of a program that he played a major role in bringing about.

We will miss Hal Gould. The staff and members of the Science and Technology Committee who work long and hard on some of this Nation's most pressing problems will especially miss his camaraderie, advice, and friendship. Many of the staff members on the committee affectionately referred to Hal as the "grandfather," because of his sincere interest in helping people with their problems.

To Hal's wife, Ouida, and his son, Michael, I extend my deepest sympathy. Hal Gould served his Nation well—a man of rare courage, patriotism, and high ideals—a distinguished American.●

SUPPORT OF DISTRIBUTING COMMODITIES DIRECTLY TO SCHOOLS

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 18, 1980

● Mr. RICHMOND. Mr. Speaker, today I had the opportunity to testify before the Subcommittee on Elementary, Secondary, and Vocational Education concerning the future of the Department of Agriculture's role in distributing commodities to schools as part of the National School Lunch Act.

Direct commodity distribution has been a successful program for 30-odd years, helping to bring rural and urban interests together, while providing nutritional benefits to children receiving school lunches.

For the interest of all concerned about nutrition programs, as well as maintaining important urban-rural ties, I suggest that we work to improve our present commodity distribution program, rather than destroy it.

A copy of my testimony follows:

STATEMENT OF REPRESENTATIVE FRED RICHMOND ON H.R. 27

Mr. Chairman, I am pleased to be here this morning to strongly support the distribution of commodities to child feeding programs. The argument before you today is not new. The Department of Agriculture's responsibility for providing direct commodity assistance to support child nutrition programs has been questioned over the years by those who would prefer to see a system of cash-in-lieu of commodities, or more recently the local purchase of commodities under a letter of credit or voucher system. Superficially, these alternative systems appear to improve current federal procurement and distribution for feeding programs, but in fact, they would destroy our commodity distribution network.

We have a vital need to keep agricultural and feeding programs tied together. Eliminating the Department's direct distribution of commodities to feeding programs would undermine American agriculture's commitment to child nutrition programs. To isolate our Nation's farmers from programs that have over the years created a market for agriculture commodities can only harm the delicate tie between urban and rural interests.

As the only urban member of the House Agriculture Committee, I know the importance of an urban-rural coalition in achieving worthwhile national goals—be they the Food Stamp Program or the selling of commodities at a fair price.

There also is the very real risk that further removal of the agricultural support component, namely, commodity donations, from child nutrition programs will lead to reduced financial support for these programs. In today's budget cutting spirit, I cannot support a proposal that will risk making nutrition programs a direct target of budget mania.

Our present distribution system helps eliminate waste. In Fiscal Year 1979, $700 million worth of commodities were procured for child nutrition programs. Of this, $273 million, or 40 percent, were purchased for market relief purposes. Because of the established commodity network, the Department was able to use these commodities to assist child feeding programs. This 40 percent is a significant portion of the commodities that the Department would have procured regardless of their need by child nutrition programs. The feeding programs are dependable markets for surplus commodities.

Under the proposed system, the Department of Agriculture would have to reduce its commodity purchases for child nutrition needs. In Fiscal Year 1979, this procurement was valued at $427 million. Farmers will suffer the loss of this dependable market.

Local purchases will change the quality of food our children receive in their lunches. Department officials examining the quality of food bought locally and food federally donated found the quality of federally donated food consistently higher.

Mr. Chairman, any penny-wise shopper could tell us that purchases on a large scale are cheaper than smaller purchases. The Federal Government is able to purchase in bulk, thus costs per unit are significantly less than if purchased individually in smaller amounts at the local level. By way of example, in recent years, the Department has been purchasing spaghetti and macaroni for distribution to the States for school lunch programs. These items are popularly received in the schools and costs are lower than if States had to contract individually for them.

Another serious concern I have with the proposed system is its workability. I suspect it would be a nightmare to monitor the thousands of vouchers that would begin flowing through schools, vendors, State and local agencies. These vouchers would easily end up as targets for massive abuse. We would need to carefully monitor local school system purchases to assure that appropriate foods were purchased to meet surplus removal requirements of commodity distribution. The cost of administering this program would no doubt rise. Currently, federal outlays for nonfood program elements represent less than 3 percent of the total $3.3 billion in federal expenses for child feeding. Let's not increase this cost by unnecessarily encumbering the program with federal red tape.

The proposed voucher system has never been tested in our schools. Yet, I have seen figures which are designed to show costs States would save from this system. I must question the source of figures used by the National Frozen Food Association in its argument in favor of the letter of credit system. In particular, I question the source of the total state and local warehouse storage and handling charges paid by New York State. According to the report, New York paid $8.8 million, while officials charged with running the School Lunch Program have indicated they spent $1 million. How can I have confidence in other figures used, knowing that this one is erroneous? Studies from which data on meal costs have been drawn were severely limited and cannot be assumed to have national validity. The Department of Agriculture, after careful and thorough investigation, has indicated that the results of these studies are not conclusive.

The commodity distribution system is certainly not without its problems. But, I cannot recommend hastily scrapping it for one that:

Has never been tested in the schools;

Is a serious detriment to American agriculture;

Will lead to the erosion of our present commodity distribution network, which is used for disaster food aid, as well as nutrition assistance, and

Would, in fact, end up costing us more to implement and monitor than we are spending at the present time.

Mr. Chairman, as one, who like you, has great familiarity with, and deep concerns for the school feeding programs, it is my considered opinion that our commodity distribution program is a financial benefit to the schools and a nutritional benefit to children.●

STUDENTS' GRADES SOAR AFTER SCHOOLS QUIT GOVERNMENT AID PROGRAMS

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 18, 1980

● Mr. McDONALD. Mr. Speaker, it is a fact that as Federal aid to education has grown SAT scores have declined. Federal aid programs have brought with them an uncontrollable amount of redtape which has necessitated the hiring of extra administrators to say nothing of the time our teachers have to spend in filling out forms required by HEW. This trend is unlikely to change under our new Department of Education as these folks will have a vested interest in continuing present programs and even funding new ones. The National Enquirer, in its March 11, 1980, issue reported that one school district found to its amazement that test scores of their pupils went up after dropping out of Federal programs. This confirms my strong view that education is a State and local matter. The U.S. Government should get out of education. The story from the National Enquirer follows:

Student Grades Soar After Schools Quit Government Aid Programs

(By Phil Jordan)

When a small California school district dropped out of federal and state programs aimed at helping the slow students, it lost $111,000 in school funds—but the children's grades jumped tremendously.

The reason: Teachers and administrators who had been bogged down in bureaucratic paperwork, red tape and in meetings were able to devote more time to teaching, once the federal-state programs ended.

"By dropping the programs, we were relieved of a tremendous burden," Dr. E. Robert Bagley, who is superintendent of Center Joint School District in North Highlands, Calif., told The Enquirer.

"We are now able to offer a far superior educational program for our students than we were under the ideas of the federal and state governments.

"We had an improvement in math, reading and language in every grade."

At the beginning of the 1978-79 school year—when the programs were dropped—72.6 percent of the district's 1,240 schoolchildren in grades one through eight were below the national average in math; 60.6 percent were below average in reading, and 65.7 percent were below average in language skills.

But at the end of the year, their grades were up dramatically: In math, 77.7 percent were above the national average; in reading, 78.8 percent were above average, and in language skills, 70.7 percent were above average.

Eighth grade students who were behind the national average in math leaped ahead four years in one school year, Dr. Bagley said.

The two programs that were dropped were the federal Title 1 program, which provided the school district with $35,374, and the California Early Childhood Education program, which had provided $75,786.

Dr. Bagley said the district made up the losses of that money by cutting its budgets for supplies, maintenance and operations.

No staff members were cut, but were reassigned to perform other duties.

"The teachers were spending between 12 and 25 percent of their time in the meetings these programs required and in the records they had to keep, the forms they had to fill out," he said.

"That 12 to 25 percent of the time devoted to paperwork and meetings is now going toward full teaching energy. If any organization could increase effectiveness by 25 percent, you'd see a significant difference."

Summing up, Dr. Bagley told The Enquirer:

"There are probably a lot of districts that could, if they chose, drop these programs, and use that time much more wisely."●

ALLARD K. LOWENSTEIN

HON. RICHARD BOLLING

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 18, 1980

● Mr. BOLLING. Mr. Speaker, I am inserting for the Record an article by Edwin M. Yoder, Jr., in today's Washington Star. It is a fine piece on our late former colleague, Allard K. Lowenstein.

Al's death is a real loss to our democracy. He worked tirelessly for a better world—today not tomorrow. We were friends, and I will miss him.

The article follows:

Allard K. Lowenstein: A Reminiscence

(By Edwin M. Yoder, Jr.)

Readers of this page, whether or not they knew Allard K. Lowenstein, may recall at least one unusual thing about him. He was probably the only liberal activist ever endorsed for Congress by William F. Buckley, Jr. That was two years ago, before he fell victim last week to an unhinged gunman.

The Buckley endorsement was one measure of the catholicity of Al Lowenstein's charm. It also reflected the recognition, common to all his admirers and friends, that this unembittered exponent of the politics of dissatisfaction was a wholesome force in a cynical age. And force he surely was.

I cannot claim to have known him really well, despite our common connections—few did, I suspect. He was always on the wing. To see him, you had to wait patiently, as for Godot.

Once, about 10 years ago, I tried several times to interview him for a magazine piece on the House of Representatives, where he was serving his first and only term. His office resembled a railway station in hurricane weather. Eager young retainers darted or lounged about. Al Lowenstein lay sprawled, cradling a telephone, on the leather couch where he slept, *if* he slept—organizing Biafran relief. The interview consisted of greetings and hand signals meaning wait. I couldn't. But one morning in the misty regions between midnight and dawn my phone rang. Congressman Lowenstein, the voice said, as blandly as if it were high noon, could see me now! I went back to sleep. I wish I hadn't.

I also recall and evening, about the same time, when a group of old Chapel Hill friends gathered for a visit scheduled for 8 p.m. Al came about 1 a.m., all pumped up. He had just been at Cornell, denouncing president, faculty and students for giving in to the intimidation (and bongo drums, bought with university funds) of the Black Student Movement.

For some of his older friends one story seemed to tell it all. An old friend—I think it was Eli Evans—telephoned the family restaurant in search of Al. "Oh," his mother answered, "Al's not here. He's in Spain." After a thoughtful pause she added, "You know, Al never did like Mr. Franco."

Perhaps there was a Lowenstein-led dump-Franco movement. If so, it was probably effective in its way. His tenacity was awesome. The coiled, athletic energy, fueled on a breakfast of corn flakes and chocolate milk, never deserted him.

I was of the wrong generation to qualify as a Lowenstein disciple, and too stodgy to want to be one. But like many others, I often wondered what preserved the whirling-dervish energies from cynicism. Surely not results, which were often unsatisfying. I first met him in 1952, when he was running the national student movement for Adlai Stevenson, an effort that did not stop the Eisenhower landslide. Likewise, the crusade he organized to oust Lyndon Johnson 16 years later ran on high, uncalculating emotions and led to a most unwelcome result—the disruption of the Democratic Party and the election of Richard M. Nixon.

As an instructor at N.C. State, in 1963, Al Lowenstein organized civil rights demonstrations to beard the North Carolina legislature in its den at the Sir Walter Raleigh Hotel. The tippling legislators glared and seethed as Al Lowenstein's young hosts chanted and marched before their doorstep in the warm spring evenings. The good result was that some—a few—accommodations opened their services to blacks; the bad result was that the legislature passed a mischievous law banning "known communist" speakers (of which there were, of course, very few) from state college compuses.

The removal of this obnoxious legacy consumed the better energies of a decade. (Incidentally, the lastditch support of this stupid act of unconstitutionality by both present U.S. senators from North Carolina didn't help). By then, when the lingering bills of activism fell due, Al had moved on to other places and causes.

A career of perpetual dissatisfaction like Al's rested, I suppose, on the honorable belief that the perceived evils of the moment aren't to be temporized with, consequences be damned. The seeds of a new and better order must be planted while the bright sun of idealism and indignation shines. The glacial pace of reform is a risky bet in a short life. So, I suppose, Al Lowenstein would have argued.

His faith in insurgent causes—always to be pursued within the rules—could be traced, I think, to the influence of an even more charismatic figure too little known outside North Carolina—Frank Porter Graham, once president of the University of North Carolina, and later U.S. senator and a U.N. mediator.

From one perspective, Dr. Graham's life was one of unavailing struggle—as a racial liberal before his time, as a gentle man unseated from the Senate by a campaign of vile personal abuse, as a man who even tried in vain to talk the Indians and Pakistanis into agreement over Kashmir.

These disappointments left Frank Graham unembittered, hopeful, patient, stubbornly inclined to see redeeming traits of character even in his enemies when others could not. The legacy of this gentle and diminutive Carolina calvinist, a stubborn fighter for longshot causes, left its mark on Al Lowenstein. His son, named for Dr. Graham, is the living symbol of that.

The struggle for a *possible* world, however stubbornly resisted by the real one, was Al's steady business, and his dedication to it galvanized hundreds of others. No wonder, perhaps, that for so many he became a figure of political legend.●

DANIELSON LAUDS SAN GABRIEL VALLEY DAILY TRIBUNE ON SILVER ANNIVERSARY

HON. GEORGE E. DANIELSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 18, 1980

● Mr. DANIELSON. Mr. Speaker, on Friday, March 21, 1980, a tribute dinner will be held to celebrate the silver anniversary of the San Gabriel Valley Daily Tribune.

This event, honoring a newspaper which is distributed and read widely in the 30th Congressional District which I am privileged to represent, will be held at the Industry Hills Convention Center.

Twenty-five years ago, in March 1955, a number of previously published weekly papers in various valley cities were combined to form the San Gabriel Valley Daily Tribune. By 1956, it had attracted a circulation of 15,000, which climbed to 45,000 by 1960 and soared to 93,000 at around 1965.

In succession, the editors during that important period were Tom Ratcliff, Howard Seelye, and Maurice Compton.

By 1968, the Tribune had undergone a number of sales in ownership and F. Al Totter became the publisher, having worked for the newspaper in various capacities throughout its existence. Also during that period of rapid growth and change, William David Bell was the executive editor, Bud Volzer the managing editor, Maurice Compton the editorial page editor, and Richard E. Tracy the editor.

At present, Maurice Compton still holds the post of editorial page editor; Fred Downing is managing editor; Bob Crowe is assistant managing editor; Bob Evans is city editor; Bob Copperstone is assistant city editor; Barbara Tarshes handles Living Today; Bruce Denning is real estate and express editor; Joe Smilor is entertainment editor; Wayne Monroe is sports editor; Bob Boden is news editor; and Bill Freemon is community editor.

The production manager is Bill Gredine; classified advertising manager is Chuck Rathbun; advertising manager is Bill Parker; national advertising manager is Carl Hunt; and Don Lewis is circulation manager.

Mr. Speaker, the aforementioned people are all highly competent professionals in their field because the Tribune is now one of America's most complete and modern newspapers as well as (since 1974) one of the leaders in newspaper computer technology. I take great pride in saluting them and publisher F. Al Totter, and ask my colleagues to join me in congratulating them and everyone else connected with the newspaper on the occasion of the silver anniversary of the San Gabriel Valley Daily Tribune.●

THE SILVER JUBILEE OF FATHER JUDGE HIGH SCHOOL

HON. CHARLES F. DOUGHERTY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 18, 1980

● Mr. DOUGHERTY. Mr. Speaker, Father Judge High School, an outstanding school for young men in my district, is celebrating its silver jubilee during the 1979-80 school year. On Sunday, March 23, 1980, students, faculty, and friends of Father Judge High School will hold a communion breakfast to celebrate 25 years of dedicated service and quality education in northeast Philadelphia.

After World War II, dramatic population growth in northeast Philadelphia created a need for a diocesan Catholic high school for boys. The Missionary Servants of the Most Blessed Trinity graciously donated part of their motherhouse and novitiate grounds to the Archdiocese of Philadelphia to meet this need. The new school along the Pennypack Creek was named after the sisters' founder, the Rev. Thomas A. Judge, C.M., and was placed under the direction of the Oblates of St. Francis de Sales. The school officially opened on September 8, 1954, for its first academic year.

For 25 school years Father Judge High School has provided outstanding academic education for young men in northeast Philadelphia. The school's athletic teams, music program, vocational training, and spiritual education have been equally outstanding. The dedication to excellence by individuals who have contributed to the rich heritage of the school continues to inspire young men to live up to the school's motto "non excidet", which means "he will not fall away".

Mr. Speaker, to Rev. John J. Dennis, O.S.F.S., principal of Father Judge High School, and to the many other people who have helped to make the school what it is today, we offer our congratulations and our gratitude for remarkable achievement in education.●

THE FATEFUL 1980's

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 18, 1980

● Mr. McDONALD. Mr. Speaker, it is too early yet to say just how serious the President was when he announced

his program to fight inflation. In this speech he placed most of the blame and most of the penalties on the American consumer and very little on the Federal Government and our unbalanced budgets where it belongs. The fact is that even the President now recognizes that something must be done. Prof. Hans Sennholz of Grove City College in Pennsylvania has been saying that this crunch was coming for some time, while the Congress and everyone went on merrily spending money we did not have. Just how serious this situation is, was recently summed up by Professor Sennholz in Private Practice for February 1980. I commend this article to the attention of my colleagues who may now be more open minded on conservative economics:

THE FATEFUL 1980's

(By Hans F. Sennholz, Ph. D.)

Before looking across the coming decade and seeking guideposts for the road ahead, we first ought to glance back at the winding road we have traveled in the past. From past experiences perhaps we may derive useful lessons that may guide us in the future and give us a sense of direction. Surely, people do not have the knowledge of things to come, and yet they always live for the future. While they live, they hope. They thrive on hope, which itself is happiness, joy and strength. But lest it turn to daydreaming, hope must be built on some knowledge of the past and devotion to the tasks and objects at hand.

Many investors are painfully aware that the United States has joined all other countries on the road of inflation. The federal government paved the way during the 1930s when it seized the people's gold and replaced it with irredeemable paper money. It reaffirmed this direction in World War II when the printing presses were called into service for purposes of war financing. Thereafter, the government learned to reply to an ever increasing extent on the issuance of its own money for the purpose of transfer spending and economic stimulation. During the 1970s, the federal deficits and the rate of currency creation to cover those deficits were reaching record proportions and the U.S. dollar was depreciating at alarming rates. In terms of purchasing power, the 1979 dollar is now worth less than 10 cents of the 1930 dollar and is falling at double-digit rates.

Many investors also suspect by now that dollar-denominated savings and investments are depreciating at the rate of inflation. Old pre-World War II savings have lost nearly 90 percent of their value, and post-war savings at least 50 percent. The savings accounts and savings bonds, life insurance and pension funds, and other dollar investments are shrinking continually. The middle class, which usually invests its savings in such monetary instruments, has lost at least one-half of its financial substance in recent years.

If we continue on the road we are now traveling, the middle class is destined to lose the balance of its savings during the 1980s. I am making this dire prediction because the causes that ushered in this age of inflation continue to be at work. Huge federal deficits that cover transfer spending for health, education, welfare, urban and rural development, and a thousand other social projects, continue to make monetary expansion unavoidable, which, in turn, causes goods prices to rise and the dollar to shrink. On the back burners of the federal government are many more expensive projects, such as the national health insurance program, national energy development, emergency aid to cities and corporations, etc. Moreover, the monetary authorities eagerly put on more steam whenever the American economy shows early signs of stagnation and decline. They are ever ready to "stimulate" through currency creation and credit expansion. Therefore, we must reluctantly conclude that the inflation will roar on, and burn to ashes, all monetary assets in its way.

We are facing a political and economic situation this country has never seen before. The old forces of liberalism that shaped governmental policies for half a century are falling into disrepute. They are charged with having brought us economic stagnation, disastrous inflation, and a falling standard of living. To benefit the poor and "underprivileged," they ravished the producers through taxation, impoverished the middle class through inflation, strangled economic life through regulation and divided American society through social conflict and strife.

IF LIBERALISM DRAGS ON

Despite the declining popularity of liberalism, it may yet carry the day at the next presidential election and, with a last hurrah, put a great liberal, like Senator Edward Kennedy, in the White House. When faced with the choice between a candidate who exhorts government frugality and economy and one who urges one last effort toward "affluence" and "justice" through redistribution, the American people may still choose the latter.

The economic scenario of such an outcome of the 1980 election is not difficult to foresee. To stimulate the economy and finance many new government programs, the Federal Reserve will infuse into the economy massive doses of new credit. Bureaucracy will swell considerably as the programs are put into effect. Government control and regulation of individual enterprise will reach new heights. Price controls, price support programs, corporate rescues, credit guarantees and government takeovers will be the rule of the day.

The middle-class investor will face markets that make his head swim. Feverish booms in some industries and chilly depressions in others will swirl his mind. The dollar will flounder and plunge in currency markets. While all currencies will drop in purchasing power, the U.S. dollar will be weaker than most others as it recoils from its overextended positions as world currency. The inflation we so long exported through balance of payments deficits will return to our shores in earnest and virtually inundate us. By 1984 gold may well have risen to $2,500 an ounce, silver to $150. Many countries will abandon the dollar standard and return to some form of gold standard. Interest rates will soar and bond prices will fall to incredible levels.

The distribution of essential consumer goods and services will be subject to severe government control; coupons and ration cards will become as important as money. Rigid price controls enforced by harsh penalties will keep important prices at arbitrary levels, creating shortages of all controlled essentials. In the black markets, where people ignore the allocation regulations and price controls, consumer prices will soar at triple-digit rates. The stock market will offer violent roller coaster rides to courageous speculators. In the moments of fever it may take them to the lofty height of 2500 of the Dow-Jones industrial index; in depression and despair it may dive to 1000. Finally, the real estate investor will be left in the cold as inflation will cripple the mortgage market and put an end to long-term financing. The federal government will surely come to the rescue with occasional subsidies to its favorite voters. But even massive governmental spending cannot replace the fading mortgage market. Most real estate prices will barely keep up with consumer market prices; stringent rent controls will cause apartment house prices to plummet.

In short, extreme liberalism will bear its bitter fruit in a final burst of transfer spending, paralyzing the U.S. dollar, consuming business capital wherever it can be found, eroding all standards of living, and causing the quality of American life to deteriorate substantially. By 1984, many Americans will be fighting mad over the economic fiasco and the social alienation. Conservatives in both parties will gain in stature and power. But can they set right the listing ship? Can government spending be slashed without an outbreak of violence by all those beneficiaries who are deeply convinced of their moral right to redistribution and are accustomed to government largess? Can the market economy be restored without violent protests by the profiteers of price and rent controls? These are some of the questions that will preoccupy the American people later in the 1980s.

IF CONSERVATISM COMES TO POWER

Liberalism, with its sympathies for the poor and "underprivileged" and its open hostility toward business, is falling into disfavor. In fact, it may fall from its position and power as soon as the 1980 election. In this case, the scenario of future economic events and conditions would be quite different.

A new buzz word, "supply-side economics," is pointing to a new trend. After 50 years of government concentration on consumption, a new breed of economists and politicians is emphasizing the importance of production. They advocate "supply-side" fiscal policies that would stimulate economic growth and output. They favor "growth-oriented tax reductions" that promise to bring forth more goods and services for everyone; for business as well as for government, investors, workers, pensioners, etc.

To be sure, removal of some of the countless shackles to business and reduction of its oppressive tax burdens would breathe new life into the American economy. As economic activity accelerates, all classes of society benefit. "Growth-oriented tax reductions" for businessmen and investors would usher in a new period of prosperity as it would bring new hope and light, even to stockholders. In an unprecedented catchup move, the stock market would quickly double or triple in price, which would restore some of the purchasing power lost during the last 15 years of liberal icefall.

It is unlikely that a conservative administration would readily halt the inflation, which in the last months of the Carter regime may exceed 20 percent. The political forces that brought us massive deficit spending for income security and social benefits are deeply entrenched. To remove or merely lower social benefits that are anchored in law and resting on notions of equity and justice, is a most difficult educational task. It is an awesome political undertaking, which may explain why the "supply-side" politicians are conspicuously silent about the ill effects of redistribtution and the provider state. Even in positions of power they may prefer to live with inflation until the benefit-mania is brought under some control. Inflation itself may be useful in reducing the transfer benefits if these benefits are made to rise at a lesser rate than the inflation rate.

To halt, or merely slow down, the federal printing presses, is to invite the inevitable economic readjustment in the shape of a deep depression. Few politicians are prepared to risk their popularity with policies that would trigger a dreaded depression, for which they undoubtedly would be blamed. The deficit spenders, especially, who set the stage for the depression, would point the finger of blame at the stabilizers now coping with the slump. Moreover, after decades of inflation millions of people have learned to live with inflation. In fact, in anticipation of ever more inflation they have built their economic lives on massive debt, which would crumble to dust through monetary stability. This is why a conservative administration could be expected to continue, although reluctantly, to inflate and depreciate the currency. Therefore, it, too, would face the grave danger of runaway inflation that would cause prices to soar and the U.S. dollar to fail as the reserve currency of the world. It, too, would be tempted to cope with the inflation symptoms by force; that is, impose price and wage controls and other "emergency" restrictions, similar to those imposed by President Nixon and his conservative lieutenants in 1971 to 1974. The consequences would be identical to those described above.

WAR AND RUMORS OF WAR

Of all the evils to our liberty and prosperity during the 1980s, war is the most to be dreaded. It is organized barbarism, a relapse into savagery, and involves all other crimes—violence, organized plunder, and theft. It uses the ordinary virtues, such as public spirit, industry and thrift to swell the disaster by producing ever greater energy in the work of destruction. And yet, the dark clouds of war are gathering over the U.S. because of the ever-growing military might of world communism. While the Soviet Union, during the 1970s, made tremendous strides toward forging a fearsome arsenal of ICBMs, the U.S. government directed its energy toward economic redistribution for health, education and welfare. It blithely ignored George Washington's warning that one of the most effectual ways of preserving peace is to be prepared for war.

During the 1980s the American position and influence in the world is likely to continue to diminish. The retreat, sooner or later may put in jeopardy the U.S. access to the sources of oil in Asia, Africa and Latin America, and thus threaten our very economic existence.

When Americans finally awaken to the looming dangers of the 1980s, they may rise to the occasion with determination and courage. Facing grave danger to their freedom and independence, they may adjust their system of economic and social organization in order to meet a hostile world. Their reaction may take one of two fundamental forms, or combinations thereof.

Their concern for national survival may prompt them to disband the welfare state with its massive consumption of productive capital and income. To concentrate their undivided strength on national defense, they may restore the system of individual freedom and enterprise that permitted them to become the most prosperous and powerful country on earth. They may reunite as a nation under God with the single-minded resolve to meet the future with courage.

Or, they may establish a *social garrison state* that would add huge defense expenses to those of the welfare state. They may retain the redistribution system that is consuming some 40 to 50 percent of national income and mend their defenses with whatever else can be extracted from the working population. They may apply stringent emergency regulations, many of which are already on the federal books, and radically and fundamentally change their ways of life.

We are hoping and praying that the American reaction will be to want to return to the land of the free and brave. But we are afraid that the present generation, born and raised in the welfare state, will choose the social garrison state. While it takes no special preparation for laboring, tax-paying Americans to return to the ways of freedom, it requires considerable forethought and planning to get ready for life in a garrison state.

We are facing a political and economic world the United States has never seen before. But when the smoke and fog of the '80s finally clears away, the American people will be wiser by the calamities and afflictions they have suffered. They will have learned again, as did their forebears during the 18th century, that government is a dangerous instrument that can be used by one class of people to the disadvantage of another, and that liberty is not a privilege to be conferred by government, but an inalienable right endowed by God. It is the individual freedom to be master of one's own time and actions that are consistent with the laws of God. Tyranny is denial of this right even when it is enacted by majority vote. The American people may even appreciate again some fundamental economics. In particular, they may have learned anew that money is a tool of commerce and industry, not of government deficit financing. Money must be reliable and honest and, therefore, be set free of political control and interference and be made of gold and silver. They may have learned anew an old maxim of government finance: if taxes and debt are oppressive in peacetime, there will be certain fiscal disaster in wartime.●

THE ANNIVERSARY OF THE ARREST OF ANATOLY SHCHARANSKY

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 13, 1980

● Mr. MATSUI. Mr. Speaker, March 15, 1980, marked the third anniversary of the arrest of Anatoly Shcharansky. He is currently serving a prison term in Chistopol Prison after being convicted of spying for the CIA—a charge which has been vehemently and repeatedly denied by the President of the United States.

Mr. Shcharansky committed no crime. He merely wished to emigrate to Israel. When his request was denied, he became the vocal and dynamic leader of a movement formed to monitor Soviet compliance with human rights accords. The result of his efforts: 13 years imprisonment.

But while he is incarcerated—the rights he fought so hard for, the rights he now suffers for, the very rights he is denied shall not be forgotten. For Anatoly Shcharansky has come to symbolize to the entire free world the Soviet Union's blatant disregard for human rights and total denial of basic freedoms.

When one person's human rights are violated anywhere in the world, those of us who are free must rise in protest. Anatoly Shcharansky's courage and sacrifices are an inspiration to us all. We must seize upon every opportunity to make known his plight so that all are reminded that the rights we take for granted are indeed most precious, and that we will not tolerate their denial to anyone, anywhere, anytime.●

INTELLIGENCE ACTIVITIES ACT

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 18, 1980

● Mr. ASPIN. Mr. Speaker, I am today introducing legislation, entitled the "Intelligence Activities Act of 1980." This legislation will do two things. It will provide for a stronger congressional tether on the intelligence community and, at the same time, address the major problems of which the CIA itself complains. This bill is intended neither to emasculate the intelligence services nor to allow them free run of the globe. It is an honest effort to provide those restraints that will prevent a return to the "good old days" that proved to be an embarrassment to us as a nation while at the same time recognizing that our intelligence services cannot be expected to operate in a fishbowl like some social service agency. I think the Intelligence Activities Act of 1980 is just such a balanced approach.

THE THREE BILLS COMPARED

I recognize that in introducing this bill I am adding to a legislative landscape on the verge of becoming crowded. Some weeks ago, Senator HUDDLESTON introduced his intelligence charter bill. A lengthy document that tried to distill 5 years of work, it offered something for everybody in an effort to please all, but has ended up pleasing few. Measures designed to establish the authority of the intelligence community to collect information and to carry out other operations are deemed too narrow by the community and too broad by those who are deeply concerned that we not repeat past mistakes and abuses.

In sharp contrast to the Huddleston bill, we also have the minibill submitted by Senator MOYNIHAN. This bill—an effort to strip legislation down to the bare essentials—certainly meets the test of clarity of intent: It gives the intelligence community relief from virtually every ill it either suffers, or has fancied it might suffer under the law or at the hands of the Congress. If enacted in its original form, I fear it would be a step backward.

So what do we have? On the one hand, an exceedingly complex bill, confusing, suffering from too much compromise all the way around—on the other hand, an excessively simple bill, aimed single mindedly at only one dimension of our problems, and tending to resolve every problem by slicing through complexities that ought to be carefully unraveled.

What we need is a bill that can walk a finer line: Something that will recognize real problems, deal with them clearly, avoid a descent into excessive detail, speak clearly to both the Government and the public about that which may or may not be done, and which finds ways to balance off the tensions between our security needs and our freedoms; tensions that can become exceedingly acute where intelligence activities are concerned.

Let me briefly outline the differences between the Huddleston bill, the Moynihan bill, and the bill I am introducing today.

First, the Huddleston bill astounds and confounds because it contains intricate and complicated charters for each of the intelligence agencies, and a great deal of procedural detail. This includes a precedentmaking effort to spell out National Security Council procedures that would ordinarily be left up to the President. The Moynihan bill contains no such detail. The bill I am introducing makes no reference to such charters, not because I disagree with the concept, but because the Huddleston bill is too complex for Members to act on in the visible future. On the other hand, it seems equally wrong to take the opposite approach of the Moynihan bill and remain totally silent where procedures and structure are concerned. The bill I am introducing tries to take the middle course by concentrating on a few important procedural requirements, while leaving the rest to be worked out in internal regulations to which the Congress will in every case be privy.

Second, with regard to the Hughes-Ryan amendment on congressional oversight, Huddleston and Moynihan simply reduce from eight to two the number of committees that need be notified of covert actions. My bill permits Congress to keep the key members of the other key committees in the informational loop.

With regard to the timing of that notification, Huddleston is ambiguous, Moynihan requires notice "as soon as possible," while my bill requires advance notification.

With regard to the scope of activities about which the committees should be notified, Huddleston and Moynihan concentrate on covert action while the bill I am introducing broadens the coverage to include major intelligence collection operations.

Third, Huddleston and Moynihan grant near total exemption to the CIA from the provisions of the Freedom of Information Act, with the exception of those provisions allowing a citizen to track down records making personal references. The bill I am introducing gives the CIA much narrower relief since the Agency's problem covers a much narrower area—namely concern over the protection of confidential sources of information. The provision would limit judicial review to a determination of whether the information requested was from a confidential source or from foreign intelligence service. It is intended to give the CIA essentially the same authority as the FBI now has under its existing exemption in the Freedom of Information Act.

Fourth, with regard to the disclosure of the names of intelligence agents, Huddleston and Moynihan would threaten punishment for disclosing names either intentionally or through negligence. My bill makes clear that the intent of publication must be to expose. It also fills a hole in the other bills by making it an offense to release intentionally any authentic techniques for penetrating cover arrangements and thereby discovering the names of agents. The bill I am introducing contains no restrictions whatsoever on the press; it specifically covers only employees and former employees of the CIA.

Fifth, with regard to the rights of Americans, the Huddleston bill has its heart in the right place, but has clearly given up a lot of ground in hopes—so far disappointed—of buying support from the executive branch. I do not think an American's relationship with his Government ought to change radically for the worse because he happens to travel abroad. I think he carries his rights with him wherever he goes. I do not think the U.S. Government ought to be able to spy on an American citizen who is not suspected of any crime, simply because the Government would like to be a party to his secrets by bugging his phone or picking his lock. I do not think Americans should have to wonder whether the priests they deal with, the professors who guide their research, or the newsmen who govern so much of our information about the world, are secretly employed by the CIA. These are the values we are trying to protect; they are what our struggle with other ideologies is all about. I do not think, therefore, that we should yield on these points, and we will yield if we pass the Huddleston bill. I also do not think we should pass a bill that is altogether silent on these fundamental issues, as is the Moynihan bill.

That in very brief form, describes the principle differences between this bill, the Huddleston bill, and the Moynihan bill.

No matter what bill we pass, we ought at least to pass it on the basis of real issues, accurately perceived—not on the basis of false issues and mythologies. There are plenty of those afflicting every debate on legislation for the intelligence community, and I want to talk about the main offenders.

HUGHES-RYAN AMENDMENT

The first rule of public policy formation is that one must isolate the problem before proceeding to enact a solution. I would submit, Mr. Speaker, that many of the real problems facing the CIA and the congressional oversight process have been obscured by a foggy debate. It is that fog that has led previous efforts at charter legislation onto the rocks and shoals.

I shall address the real problems in a moment. Let me deal with the mythical problems first.

The requirement that the CIA notify Congress of covert operations entered the law in 1974 when Congress approved the Hughes-Ryan amendment, which was drafted by our late colleague Leo Ryan, who later died so tragically at Jonestown, Guyana. Under his amendment, eight committees are to be told of covert action operations—the House and Senate Intelligence, Armed Services, Appropriations, and Foreign Affairs Committees. Critics of this provision allege that much of Capitol Hill must be told of sensitive plans and that this has a chilling effect on covert actions planning and dulls this instrument of foreign policy. There are also expressions of fear about dangerous leaks and murmurs of concern that foreign intelligence agencies are unwilling to cooperate with the CIA because they expect Congressmen will tattle on them.

I have read that "existing law requires that these agencies inform 8 committees of the Congress—some 180 legislators and almost as many staff." I have heard displeasure with the Hughes-Ryan requirement to inform committees "whose combined membership totals well over one-third of the membership of the Congress—over 200 members on 8 committees, not counting staff."

In truth, only three of the eight committees—the House and Senate Intelligence Committees and a House Appropriations subcommittee—systematically review covert actions. In the other committees, notification is limited to a few members. In toto, notifications go to 27 Congressmen and 9 House staff members and to 19 Senators and 8 Senate staff members. This total of Congressmen, Senators, and staff falls far short of the numbers so commonly bruited about.

Almost all of those notified are with the two intelligence committees. The modification to Hughes-Ryan being touted as a major reform—the reduction of committees to be notified from eight to two—would only reduce the number of people notified by about a dozen.

Furthermore, legislation pruning notification to two committees would not necessarily eliminate that other dozen. They are generally the key people on the key committees. If anyone thinks that after amending Hughes-Ryan the CIA can refuse to tell the chairman of the Appropriations Committee what it is doing with its money, the CIA may very soon find itself getting far less money.

Twenty-seven Congressmen and nineteen Senators is not an unreasonable number to be briefed about so crucial a matter of public policy as covert actions. The key to avoiding covert action disasters is the assurance that a cross-section of people will consider it. A number of covert actions blew up in our faces in the past because they were terrible ideas to begin with. They were put together by a handful of true believers who prevented anyone who might question their judgment from having a say. The Nixon administration, for example, set up the 40 Committee to oversee intelligence operations. But when the White House had an inspiration it thought some members of the committee might find less than inspiring, it simply bypassed the committee. That's how we got track II in Chile and how we first helped and then cynically shut off help to the Kurds.

To be sure, the requirement to brief congressional committees is no guarantee that foolish covert actions will be avoided. The committees do not have and are not seeking the power to veto an intelligence operation, nor do they have any unique wisdom. But bringing more people into the process forces those doing the planning to think through what they want to do, to confront arguments against it, and opens them up to opposition or ridicule if they have a patently ridiculous proposal. For example, a reporting requirement could have prevented some of that foolishness against Castro, such as the effort to make his beard fall out.

Of course, the more who know of an operation, the greater the opportunity for leaks. But where are all these leaks supposedly caused by Hughes-Ryan? We are doing a fair amount of covert operations now and have been for some time; they are not being leaked. I have sat through whole days of briefings on covert actions and never seen anything about them in print. What I do see, however, are articles saying the Nation is paralyzed because of Hughes-Ryan.

What concerns me is the subtle twist being given to logic. Those who wish to rescind Hughes-Ryan are in effect reasoning with the public as follows: (a) You do not see any leaked stories in the newspapers about covert actions; ergo, (b), there are no covert actions going on, and (c) this means our foreign policy is crippled. But this argument is fallacious since covert actions continue daily. In truth, we should be reasoning thus: (a) You do not see any leaked stories in the newspapers about covert actions; ergo, (b), we have clearly demonstrated that Congress can exercise oversight of the intelligence community without any serious problems.

There is, however, one real problem with the reporting requirement in Hughes-Ryan—a perceptual problem; just how cooperative are foreign intelligence services and sources willing to be when they think so many talkative Congressmen are being brought into the informational loop. I hear many expressions of concern relayed by the CIA from foreign intelligence agencies, although I have often wondered if the CIA's publicly expressed fears about foreign cooperation have proved self-fulfilling and made the problem more serious. I would not deny that the gesture of restricting access to covert action information to my colleagues and I on the two intelligence committees could enhance cooperation abroad. My bill encompasses that gesture of restricting notification to the two intelligence committees, augmented by the leadership of the other committees.

It is only fair, however, to point out that this change can have other interpretations. Look at the reactions of Iranians who believe the CIA was running their country under the Shah. This erroneous belief in an omnipresent and omnipotent CIA is a direct result of the CIA's previous efforts to instill respect abroad by painting itself as a fire-breathing dragon. That image may have helped the CIA by making others fearful and therefore more willing to cooperate. But, as is obvious in Iran today, it did not help our overt foreign policy and, in fact, has sometimes crippled it.

Simply put, if we restrict the number of congressional committees with access to sensitive information, it will not have the practical effects on the number or scope of covert actions often attributed to it. But it will send a message. I hope the only message it sends is the one intended for cooperating foreign agencies and sources of information.

FREEDOM OF INFORMATION

Turning to the second provision, we hear of a need to amend the Freedom of Information Act so the CIA will not have to release so much information. The particular amendments proposed by Senator MOYNIHAN still permit American citizens to seek information from CIA files about themselves, but do restrict what they could learn about CIA activities.

Senator CHAFEE put the case for the Moynihan changes this way:

> This act, which has quite properly enabled American citizens to gain information concerning themselves, has also allowed foreign governments to obtain sensitive intelligence information. Many of our potential adversaries have been able to file freedom of information requests with the CIA covering a whole host of areas for which they have no legitimate interest.

The picture thus painted sounds horrifying. But let us look at realities. The freedom of information provisions that concern the CIA were enacted in 1974. Can the CIA or anyone else point to a single word that the CIA has been forced to release against its better judgment in the intervening 6 years?

The law as now written specifically empowers the CIA to deny access to properly classified information. Petitioners who feel they are being denied access improperly can go to court. Hundreds have. One case is still pending appeal by the CIA, but in 6 years not one single case has yet been lost by the Government and not one single word has been released by the CIA under protest.

But again, we do have a real perceptual problem emanating from friendly foreign intelligence services and potential sources. The bill I am introducing today, therefore, proposes to add to the statutes a very brief and simple statement that would make clear that nothing in the law requires any intelligence links or informational exchanges with foreign governments or sources to be publicly disclosed.

This section does not mean that illegal acts or improprieties could be covered up through this provision. For example, any arrangement with a foreign intelligence service that permitted it free rein to operate against its nationals in this country regardless of American law would be uncovered by the strengthened procedures for congressional oversight.

So we see that the real problems posed for our intelligence community by the Hughes-Ryan amendment and the Freedom of Information Act are perceptual problems. They cry out for a perceptual solution. And that is what the Intelligence Activities Act of 1980 provides—no overkill, just a solution that focuses directly on the real problem.

ADDITIONS TO HUGHES-RYAN

There are other problems with Hughes-Ryan—problems not for the CIA, but for congressional oversight.

First, Hughes-Ryan says that without notification to Congress, no money may be spent by "the Central Intelligence Agency for operations in foreign countries, other than activities intended solely for obtaining necessary intelligence."

That neatly provides two loopholes. First, covert operations could be assigned to intelligence agencies other than the CIA—and there are lots of them. How many people are aware, for example, that the Drug Enforcement Administration has intelligence agents all over the world. Second, sensitive intelligence collection operations are exempt from such review although one of the biggest intelligence flaps in modern history—the downing of Gary Powers' U-2—involved an intelligence collection operation. Another, the *Glomar Explorer*, involved the expenditure of hundreds of millions of dollars without real congressional review.

Hughes-Ryan erroneously assumes that intelligence collection is neutral and that foreign policy can only be tripped up by covert action—defined in the profession as programs designed to influence the outcome of events abroad through clandestine activity ranging from propaganda to paramilitary.

Hughes-Ryan should be amended so that congressional committees—be they two or eight or something in between—are informed of covert action, intelligence collection, and other high-risk intelligence activities mounted by any agency of the Government.

Second, as we frequently hear, Hughes-Ryan says that Congress should be notified "in a timely fashion." The CIA points to that phrase and interprets it to mean it need tell Congress only after it has launched a covert action, by which time it has become much more difficult to change direction.

Over the years, I have accepted that interpretation of the phrase "in a timely fashion." And I have publicly labeled that a defect of Hughes-Ryan. However, upon closer examination, I fear that we in Congress have allowed ourselves to be buffaloed into accepting an unreasonably narrow interpretation of the law.

I would refer Members interested in the details to an excellent, albeit obscure, study by Raymond J. Celada, senior specialist in American public law with the American Law Division of the Congressional Research Service. In a study dated March 18, 1975, Mr. Celada concludes that Hughes-Ryan requires advance notification, both as a matter of law and as a matter of congressional intent.

At this point, I insert in the RECORD the full text of the Hughes-Ryan amendment to the Foreign Assistance Act of 1961.

SEC. 662. Limitation on Intelligence Activities—(a) No funds appropriated under the authority of this or any other Act may be expended by or on behalf of the Central Intelligence Agency for operations in foreign countries, other than activities intended solely for obtaining necessary intelligence, unless and until the President finds that each such operation is important to the national security of the United States and reports, in a timely fashion, a description and scope of such operation to the appropriate committees of the Congress, including the Committee on Foreign Relations of the United States Senate and the Committee on Foreign Affairs of the United States House of Representatives.

(b) The provisions of subsection (a) of this section shall not apply during military operations initiated by the United States under a declaration of war approved by the Congress or an exercise of powers by the President under the War Powers Resolution.

Note that the amendment uses not only the term of art, "in a timely fashion," but also the phrase, "unless and until." The law states that the CIA cannot launch a covert action "unless and until" Congress has been notified. Mr. Celada's study says:

> * * * [T]he requisite report to the Congress *has to precede* the operation. . . . The expression "unless and until," however redundant to the layman, is not an unfamiliar legal expression used to highlight a *condition precedent.* [Emphasis added.]

Mr. Celada's study traces the evolution of the Hughes-Ryan amendment as it wended its way through Congress.

The first version was drafted by then Senator Harold Hughes of Iowa. His version said a covert action could be launched "if, but not before," Congress was notified. Hughes said he chose those words to "make explicit my intention that notification to congressional committees about covert action and operations be made prior to the initiation of the operation."

The House version, drafted by Ryan, was different. The Celada study notes "that the section used the more formal legal condition precedent language 'unless' rather then 'before.'" On the House floor the words "and until" were added after "unless," presumably for extra emphasis.

In the conference committee that ironed out the differences in the two versions, the Senate accepted the House wording. The Celada study notes that the Senators on the conference committee said the House wording was different from the Senate wording in three aspects—none of which dealt with the issue of prior or post notification, thus indicating that both Houses agreed on prior notification.

We passed legislation that called for prior notification. The bill I am introducing today will make that specific so there need be no further dispute.

But, as with the matters I discussed earlier, there is still a matter of perceptions. For just as critics of the Hughes-Ryan provision calling for notification to eight committees think hundreds of Congressmen and Senators are notified, so critics of the "timely fashion" phrase in Hughes-Ryan tend to think the CIA notifies the committees of nothing in advance. I want to make clear that the CIA has usually, though not always, given the House Intelligence Committee advance word of covert action plans. The problem is that the CIA has insisted from the beginning that it cannot be required to inform Congress in advance. The language of my bill is intended to pin down the intelligence community. The language in my bill, however, really breaks no new ground; it simply fixes with certainty both current practice and the original intentions of the Congress.

NAMES OF AGENTS

There is another major topic covered by the Intelligence Activities Act of 1980. That is the protection given the names of agents. The Huddleston bill and the Moynihan bill contained a section designed to punish anyone who might divulge the name of an American intelligence operative, but the Moynihan bill included a provision—which he has disavowed—restricting the press which could be construed so broadly that a newsman might be threatened with jail for identifying Francis Gary Powers as a CIA employee.

I believe there is wide agreement that the names of agents should not be bandied about. I also sense broad agreement that the press should not figure in any names-of-agents legislation. In fact, Senator MOYNIHAN has now dropped his support for that part of his bill.

The names-of-agents provision in the bill I am introducing today is very similar to the Moynihan bill minus the section on the press, and to the Huddleston bill.

It does, however, provide a clear link to intent, to foreknowledge on the part of a perpetrator; it clearly makes it a crime to divulge classified information leading to the exposure of a person working under cover; and it closes a loophole by making it an offense to use a protected technique to discern who is an agent.

THE RIGHTS OF AMERICANS

A large part of the American public remains ill at ease about the intelligence community and fearful that the rights of individuals can be trampled easily by agencies that have the statutory power to operate behind a cloak. The intelligence community and its supporters can argue that these fears are groundless and that the abuses of the past have been banished forever. In effect, they are saying that the American public has a perception problem about the intelligence community.

I do not accept that. Their abuses were real enough once. They can happen again. We ought to address the problem by writing into the statutes rules the intelligence community must comply with. We need not excessively hamper the intelligence community, and we would be addressing the concerns of a significant segment of the public.

First, an American should not be treated as a second class citizen by the U.S. Government simply because he travels abroad. An American should not be considered a fair target for any kind of surveillance simply because he has left Dubuque for Dunkerque. The bill I am introducing will do that. For example, to institute an electronic surveillance of an American abroad a warrant would be required, based on a criminal standard, as it is for such surveillance in the United States. If the Government wants to open the mail or search the home or office of an American, at home or abroad, under my bill they will have to obtain a warrant based on strict probable cause of a crime, and will have to serve the warrant on the subject of the search.

Second, the integrity of some of the leading institutions of our society—specifically the clergy, the press, and academia—can be undermined if their counterparts abroad believe that ministers, newsmen, or teachers are actually sent abroad by the CIA to ferret out intelligence information. The internal regulations of the CIA now prohibit such paid relationships, but the Director of Central Intelligence can waive these provisions, and has said that he has been willing to do so. The bill I am introducing explicitly prohibits such relations, with no provisions for waivers.

I fully agree that the intelligence community needs to be able to do a certain amount of information-gathering about Americans. We need good counterintelligence and we need good counterterrorism intelligence. The problem is how to provide this authority and still close off the possibility of massive invasions of privacy and losses of freedom guaranteed by the Constitution.

In my opinion, the Huddleston bill makes a game effort but fails because of complexity and compromise. Moynihan is silent. I have made an effort, which you may judge, to write clear provisions, which can be administered, which have clearly established boundaries, control systems, and limits, and which provide the intelligence services with adequate—not excessive, but adequate—tools for their work.

CONCLUSION

In the past covert actions were commonly laid out by a small circle of people often devoted to ends over means. It is those means that got us into trouble in many parts of the world. The processes that have been set up since then were designed not to emasculate intelligence operations, but to block the folly of the unchecked bureaucrat. We have now worked with these procedures for a half decade. They have worked reasonably well, but both the intelligence community and its congressional overseers have grounds for legitimate complaint. The law does need to be fine tuned—fine tuned to relieve the intelligence community of perceptual impediments to its legitimate work, fine tuned to improve the congressional oversight process, and fine tuned to assure the public that it will be protected from molestation by agencies that cannot by definition operate in public.

Many in the intelligence community would prefer to return to the good old days. The fewer people it has to go to the better, in its eyes. I might note that most school superintendents would prefer not to have to run their ideas past school boards. Most county executives could do without the bother of getting approval from county boards. Most corporate presidents would just as soon skip those meetings with the board of directors. We all like to think that we have great ideas and we would like to carry them to fruition without having other people first toss darts at them.

But whether we plan covert operations, corporate strategies, or congressional campaigns, we are better off in the long run if our ideas get sponged down by outside critical minds. It might not be great for the ego, but it provides a better end product.

There should be a debate over Hughes-Ryan, the FOIA, and related issues. But the debate we have heard so far too often misses the point. I would hope that we could push aside the smokescreen issues and get down to the root questions.

The goal should not be to loosen the ties that bind the CIA to Congress, but rather to strengthen them. We should no more permit the CIA to prowl the realm of public policy unchecked than we would allow the Agriculture Department or the Nuclear Regulatory Agency to do so.

At the same time, the goal should be to assist the CIA in carrying out the duties assigned to it by the law. We cannot ask any agency to perform assigned tasks and then turn around and impose restrictions that prevent that agency from doing its job.

With the aid and assistance of Members of both Houses, of critics of the intelligence community, and of its loyal servants, I have tried to frame a bill that addresses the carefully defined but real problems that demand to be addressed. I think this bill—the product of many minds and the distillation of much experience—can navigate us past the rocks and shoals that have proved the graveyard of efforts to date to craft a charter for the intelligence community.

Mr. Speaker, I insert at this point in the RECORD a sectional analysis of the Intelligence Activities Act of 1980 prepared by Kent Ronhovde, legislative attorney in the American Law Division of the Congressional Research Service.

SECTION-BY-SECTION ANALYSIS OF THE DISCUSSION DRAFT OF THE INTELLIGENCE ACTIVITIES ACT OF 1980

The "Intelligence Activities Act of 1980", if enacted, would accomplish three primary goals. It would provide authority and oversight for so-called "Covert operations", it would enhance the protection of the identities of intelligence agency employees and the confidentiality of sources of information, and it would take strides toward assuring that the privacy of "United States persons" was protected in the course of the country's intelligence effort.

TITLE I—SPECIAL INTELLIGENCE ACTIVITIES AND CONGRESSIONAL OVERSIGHT

Section 101

The "special activities" dealt with in this Title are defined as those which are: conducted outside of the United States in support of our foreign policy objectives, are designed to further our programs and policies, and are conceived and carried out with the intention that the role of this Government be neither apparent nor publicly acknowledged. Diplomatic activity and the production and collection of intelligence are not considered special activities. All special activities may only be undertaken in full compliance with the provisions of this Title.

Two types of special activity are delineated. Those which involve or may involve "elements of high risk, major resources, or serious political consequences" require a presidential finding that the activity is "important to the national security of the United States." Another requirement for such activity is a report to designated congressional committees and Members in advance of the commencement of the activity. This report, to include the nature, scope, and justification for the activity planned, would go to the House and Senate intelligence committees which may be joined by two Members of each of the other appropriate committees of each House "designated in accordance with such procedures as may be adopted by such committees for such purpose." Included in this type of activity, and requiring identical procedures and limitations, are "intelligence collection activities" involving the same risks, resources or political consequences.

The second type of special activity includes all of those not covered in the first group. Such activities need not be authorized individually, but may be authorized by the President by category. Such a category, however, must meet the same standards required of individual activities. Reporting requirements are also identical save that it is the category, rather than the activity itself, which must be reported. Thus under this Title all special activities must be authorized personally by the President, either by specific activity or by category. Those activities approved and reported by category are thereafter to be supervised by the National Security Council (or a presidentially designated committee thereof) which is charged with the responsibility of insuring that each activity so authorized remains consistent with the nature and scope of the category approved.

The President is required to provide additional information when requested by the intelligence committees regarding specific special activities undertaken.

In light of these requirements for the carrying out of any special activity, Section 662 of the Foreign Assistance Act of 1961, as amended—the so-called "Hughes-Ryan Amendment" (22 U.S.C. 2422) is repealed. Unlike the section repealed, this Act's restrictions on special activities would have application to all agencies, not the CIA alone. The new requirements would not, however, apply to Central Intelligence Agency (CIA) operations of which the Congress was notified prior to the enactment of this law. The new provisions would not apply to activities initiated pursuant to a declaration of war or during a period covered by a presidential report to the Congress under the War Powers Resolution (50 U.S.C. 1541 *et seq.*) which are in furtherance of the use of armed forces of the United States that is the subject of such report.

Section 102

For the purposes of congressional oversight, agencies engaged in intelligence activities are to keep the intelligence committees of the House and Senate "fully and currently informed" of all intelligence activities which they are involved in or for which they are responsible. "Counterintelligence activity" is defined as the collection, retention, processing, analysis, and dissemination of counterintelligence as well as other activities undertaken to protect against espionage, covert action, assassination, sabotage and other clandestine activities of a foreign government. "Counterterrorism intelligence activities" relates to similar efforts to counter international terrorist activity.

The President is to ensure that committee requests for information or material concerning intelligence activities are complied with by the appropriate intelligence community entity. Similarly, information is to be supplied regarding illegal or improper intelligence activities reported to the President, the Attorney General, or the head of an entity of the intelligence community. In addition to ensuring that such information is provided to the intelligence committees "in timely fashion", the President is also to see to it that such information includes a description of corrective actions either taken or planned. The Act is nowhere to be construed as authorizing the withholding of information from the Congress.

TITLE II—PROTECTION OF CERTAIN INTELLIGENCE INFORMATION

Section 201

This section would grant to the CIA an exemption from the provisions of the Freedom of Information Act (5 U.S.C. 552), or any other act, regarding disclosure to anyone outside of the executive or legislative branches of any matter furnished to the Agency in confidence by a confidential source or provided to it in confidence by an intelligence service of a foreign government. "Confidential sources" are limited to individuals who are or have been agents, informants, or sources of operational assistance to an intelligence agency and whose identity is classified.

Section 202

The Act would make it a crime (punishable by ten years imprisonment and/or a $10,000 fine) for one to disclose information acquired as a result of having had authorized access to classified information which identifies a covert intelligence officer (who is now or has served outside the United States in the last five years) as an officer or employee of an intelligence agency. Such identification of members of the Armed Forces assigned to duty with an intelligence agency is also covered. Additionally, those with authorized access to classified information identifying past or present agents, informants, or "sources of operational assistance" who reveal that relationship would be subject to the same penalty. In order to be liable to such punishment, the person must make the disclosure intentionally and to an individual not authorized to receive it. The section also covers the use of classified information by one with lawful access to identify the intelligence relationship of an individual protected by this Act. Disclosure of the identity of that person is made an offense. In order for a person to be in violation of these prohibitions the revelation must have been made "knowing that the information disclosed so identifies such individual and that the United States is taking affirmative measures to conceal such individual's intelligence relationship to the United States."

Public acknowledgement or revelation by the Government of the relationship constitutes a defense to prosecution for these crimes. Nor may an individual be convicted for revealing his own covert relationship after that relationship has terminated. The section precludes any prosecution of others for conspiracy, misprison, or being an accessory to such crimes. Transmission of such information directly to the intelligence committees of either House does not constitute an offense. The proscription would have extraterritorial application if committed by a United States citizen.

TITLE III—PROTECTION OF PRIVACY OF UNITED STATES PERSONS

Section 301

Collection, retention, and dissemination of information concerning a "United States person" by members of the intelligence community may only be undertaken to fulfill a lawful function of that agency and must be authorized by this Act. Such "persons" include citizens of the United States, aliens admitted for permanent residence, unincorporated organizations either organized here or having substantial numbers of members who are United States citizens (or aliens admitted for permanent residence) which are not controlled by foreign governments, and corporations which are incorporated here.

Section 302

This section would specifically authorize the collection of information and the direction of "intelligence activities" (i.e. foreign intelligence, counterintelligence, and counterterrorism intelligence activities as well as "special activities") against a consenting United States citizen, and would permit the collection of information relevant to a lawful function of the agency where that information is publicly available and concerns a United States person. Collected information which does not identify the person whom it concerns may be retained and disseminated "for lawful governmental purposes." The language of this section makes it clear that measures taken by intelligence agencies as security measures for its personnel, installations, equipment, activities, or classified information which are now authorized would not be affected by the Act.

Section 303

Absent the consent of the United States person targeted, counterintelligence and counterterrorism intelligence may only be directed at that person "on the basis of facts or circumstances which reasonably indicate that the person" has or is engaged or will engage in clandestine intelligence gathering activity or other clandestine intelligence activity for a foreign power. Such alleged activity must involve a violation (or possible violation) of a criminal law of the United States (or would have involved a violation if the activity had occurred here). Non-consensual counterintelligence or counterterrorism intelligence collection may also be directed against "international terrorism" where facts or circumstances reasonably indicate that the person has been so engaged. Such activity is defined to cover activities that involve violent acts or acts dangerous to human life which violates State or Federal laws or would have if committed here. Such acts must appear to be intended to intimidate or coerce a civilian population, to influence the policy of a government by intimidation or coercion, or to affect the conduct of a government through assassination or kidnapping. In order to constitute "international terrorism" under the Act, the acts must occur totally outside of this country or "transcend national boundaries" in terms of the means used, the persons targeted, or the location in which the individuals engaged in the activity operate or seek asylum.

The section would place restrictions on the use of mail covers (inspecting and recording information on the exterior of envelopes), physical surveillance for purposes other than indentification, gaining access to certain records of financial institutions, and recruitment of persons to engage in "directed collection" (essentially the use of informants and undercover agents). Such collection efforts would not be permitted unless a designated senior official of an entity of the intelligence community makes a written finding of the necessity of such means to achieve authorized objectives and stipulates that the effort will be in accordance with procedures prescribed by this Act. Where informants or undercover agents are to be utilized, "means independent of the control or supervision of the head of the entity of the intelligence community involved" must be established in order to audit and inspect the placement. If any collection upon which these restrictions are placed may involve significant collection of information concerning political or religious activity, the Attorney General is to be notified. This decision by the head of the intelligence entity involved is to be based upon guidelines which the Attorney General will establish.

This section flatly proscribes any collection of counterintelligence or counterterrorism intelligence directed against a United States person "solely on the basis of activities which are protected by the First Amendment to the Constitution."

Section 304

Inquiries are authorized in order to determine whether there is a basis for directing counterintelligence or counterterrorism intelligence against a United States person. Such inquiries could be directed at persons who have been targeted by foreign government clandestine intelligence efforts. They may also be initiated to determine the suitability or credibility of the individual as an intelligence source or as a potential source of operational assistance. And inquiries may be conducted in order to provide security for intelligence activities. But in all such inquiries as this section authorizes, a senior official of the agency concerned must make a determination that requesting the consent of the individual would jeopardize the security of the activity if such consent is not obtained in advance. Consensual inquiries are permitted. But enumerated techniques are not to be used in the course of any inquiries, including placement of informants or undercover agents, mail covers, physical surveillance (other than for identification), or examining certain financial records.

Section 305

This section requires administrative procedures to be established to govern the collection of intelligence directed at a United States person. Each agency head within the intelligence community is here obligated to establish procedures to cover the collection, retention, and dissemination by that agency of information concerning United States persons, and such procedures must then be followed without exception. The Act would establish certain mandatory inclusions in such procedural frameworks. They must: (1) protect constitutional rights and privacy; (2) designate initiating and approving officials; (3) provide for annual (or shorter if appropriate) review of activities; (4) ensure maintenance of approval records for particular activities; (5) minimize acquisition, retention, and dissemination of information on United States persons; (6) prohibit, where feasible, the dissemination of "foreign intelligence" (information relating to foreign entities other than counterintelligence or counterterrorism intelligence) in such a way that a United States person is identified; (7) otherwise authorize dissemination of evidence of a crime for law enforcement purposes; (8) prescribe reasonable requirements regarding the scope, intensity and duration of particular types of activities; (9) minimize intrusion into privacy; (10) set standards for the conduct of employees under cover; (11) establish procedures for dealing with illegal or improper intelligence activities, to include: reporting requirements, standards for the retention of such information gathered, and administrative sanctions for failure to comply either with this Act or regulations or directives pursuant to this Act; (12) provide for the designation of senior officials whose authorization is required by portions of this Act and establish means for auditing and inspecting directed collection.

Such procedures generally must be approved by the Attorney General before becoming effective, and upon receipt of such approval the intelligence entity involved must make these procedures available to the House and Senate intelligence committees at least thirty days before they are to become effective. Provision is made for immediate implementation in exceptional cases where the Attorney General determines that it is necessary and notifies the committees immediately of such fact together with his reasons for so concluding. Any subsequent changes in procedures must meet all the requirements of those originally implemented.

Section 306

The Act requires the President to establish guidelines to protect the integrity of independent institutions of the United States. These guidelines are to be in accordance with constitutional principles and would be made public. The intelligence community would be precluded from establishing or maintaining a cover for an employee through the use of the affiliation of any person (either real or ostensible) with (1) a United States religious organization, (2) United States media organizations, (3) educational institutions of this country, (4) the Peace Corps, (5) or "any United States Government program designed to promote education or arts, humanities, or cultural affairs through international exchanges." Individuals professionally involved with such areas or traveling outside the United States as part of such Government programs could not be paid by an intelligence agency to engage in intelligence activities. However, voluntary contacts or exchanges of information are not prohibited. Exception is made for wartime and during periods covered by the War Powers Resolution, but timely notification to the congressional committees, to include the facts and circumstances requiring such activity, is mandated.

Section 307

This section would provide a civil remedy against the United States for those aggrieved by employees of the intelligence community where such employee has acted "to deprive that person of any right protected by the Constitution or laws of the United States." Actual and general damages (with liquidated damages establishing a minimum of $100 per day or $1,000, whichever is higher), punitive damages, attorneys fees, and court costs may be recovered. A three-year statute of limitations is imposed on the bringing of actions in United States district courts (which are to have original jurisdiction). This would be the exclusive remedy for money damages in such situations.

Section 308

This section would require adherence by intelligence agencies to the law enforcement standards imposed by the Consitution and laws of the United States when (1) engaging in physical searches of the property of United States persons in this country (or known United States persons outside the country), or (2) engaging in unconsented mail opening of mail in United States postal channels or of known United States persons which mail is not in such channels.

Section 309

This section would amend the Foreign Intelligence Surveillance Act of 1978 (Pub. L. 95-511, 92 Stat. 1783) which authorized electronic surveillance within the United States for foreign intelligence purposes under procedures and requirements which it established. Among those procedures were required applications for court orders from a special court created by the Act to hear such requests. The amendment made by this section would make that law applicable overseas in certain circumstances. That is, the authorization and attendant requirements for such surveillance would now apply to instances where the United States person targeted is not in the country, but where a warrant would have been required for law enforcement purposes had the person in fact been here.

Section 310

Finally, the Act would make it clear that none of its provisions may be relied upon to permit an intelligence agency "to conduct any activity designed to deprive any person of any right, privilege, or immunity secured or protected by the Constitution or laws of the United States."

TITLE IV—DEFINITIONS AND EFFECTIVE DATES

Section 401

Definitions for the purposes of the Act are here set out. Most of these have been covered as they arise in appropriate sections.

Section 402

The first two titles of the Act, those relating to special activities and the protection of intelligence information, would become effective on the date of enactment. While the authority to prescribe regulations under Title III would also take effect immediately, the rest of that Title would become operative 90 days from the date of enactment.●

OPPOSITION TO MANDATORY SOCIAL SECURITY COVERAGE

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 18, 1980

● Mr. HARRIS. Mr. Speaker, I would like to take this opportunity to share the views of residents of Virginia's Eighth District on mandatory social security coverage with my colleagues. I have polled my district on this matter and received over 40,000 responses on this vital issue. I am taking this opportunity to point out some of the major reasons why my constituents are overwhelmingly opposed to mandatory coverage for individuals not currently covered.

First. Federal employees have earned their retirement benefits by contributing 7 percent of their entire salary to the civil service retirement fund throughout the course of their employment.

Second. The civil service retirement system predates social security and constitutes a total retirement package; social security was established as an income floor to be supplemented by savings and staff retirement plans.

Third. The financially sound civil service retirement system has been a major factor in recruiting and retaining highly qualified Federal employees since 1920.

Fourth. Federal employees feel that requiring universal social security coverage would be tantamount to breach of contract on the part of their employer—their own Government.

These are only a few of the reasons which cause me to oppose the merger. In addition, my research indicates that a merger without basic structural changes would only make the already unwieldy social security system larger.

In fact, Robert P. Bynam, Acting Deputy Commissioner of the Social Security Administration, spoke to the issue of universal coverage during congressional hearings. When asked if bringing Federal employees into the social security system would help take care of the funding problem, he stated "that was a misguided reason for bringing the Federal employees into the system; it would not have any significant impact of the soundness of the overall social security system."

By failing to address these major issues, I believe that the proponents of universal coverage have proved that they are more interested in attacking Federal employees than in solving the tough problems facing the social security system. It makes no sense to me that we should consider undermining a sound Federal retirement system in order to shore up a poorly structured supplemental income program.

I have studied their arguments and I am not convinced. It would be poor public policy for this Congress or this administration to renege on its longstanding commitment to the civil service retirement system.

The Congress has halted attempts to undermine the Federal retirement system before, and I shall do all within my power to see that the Congress resists the "quick fix" approach again. I urge my colleagues to join me on this important issue.●

FARM SECTOR

HON. WILLIAM C. WAMPLER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 18, 1980

● Mr. WAMPLER. Mr. Speaker, in the "Minority Views" accompanying the "Report of the House Committee on Agriculture to the Committee on the Budget," many of us expressed concern that the Department of Agriculture was giving short shrift to the most productive side of our economy—the farm sector. We cited the fact that the farm sector was contributing substantially to the Nation's trade surplus and that the productivity of the farm sector was leading all segments of the Nation in worker productivity. We cited farm research as one of the areas where the Carter administration was selectively reducing budget costs as it related to the productive side of the USDA budget.

Therefore, it was interesting to find the following two articles which appear in the March 1980 issue of Southern States Cooperative Farmer. These articles are reprinted below addressing these two subjects:

A SHIFT IN FEDERAL FARM RESEARCH POLICY?

With the 1980 election approaching, the Carter Administration appears to be making moves toward dropping any USDA agricultural research that might carry political risk.

In a speech made to USDA's Science and Education Administration staff members in January, Secretary Bergland announced the formation of a task force to review the department's research activities.

"Until recently, agricultural research was evaluated almost exclusively in terms of what research promised in the way of volume productivity gains. Too often potentially negative economic and social effects were not factored in to the evaluation," Bergland told the staff.

"I find it difficult if not impossible to justify the use of federal funds to finance research leading to the development of machines or other technologies that may increase production and processing efficiency but at the same time damage the soil, pollute the environment, displace willing workers and reduce or eliminate competition," he said.

Bergland insisted that USDA's research best be limited to areas where neither the states nor private enterprise might assume responsibility. He spoke more on how ag research might save energy than he did on producing more food.

As Bergland noted in his speech, agricultural research became a hot topic last November when he stated that he wouldn't put federal money into any projects to reduce farm labor.

Cesar Chavez and his United Farm Workers feel threatened by mechanization research at the University of California. They claim 250,000 farm laborers will be put out of work by the school's new machines in the next few years.

"The farm labor people liked what I said. And so did a lot of folks in parts of the country where small-scale agriculture is the norm and not the exception," Bergland remarked.

"But in large-scale agribusiness circles, and some of the land-grant colleges, my remarks were interpreted to mean that I was going to cut off federal funding of all mechanization research," he added.

While insisting this is not what he meant and that no new policy toward ag research was planned, at the same time Bergland announced the formation of the new task force to oversee USDA research.

"At this point, I'm sure no one knows how many—or how few—research projects involve the dubious use of federal money. With regard to research in mechanization that could lead to large-scale labor displacement, our initial estimates do indicate that under the fiscal 1980 budget at least a million dollars in federal funds are involved," said Bergland.

USDA's budget office told us that Bergland's million dollar figure included $400,000 for mechanization research that USDA has been funding through the states, plus $600,000 out of USDA's $9.5 million budget for "equipment related work."

The thinking behind this policy shift on mechanization is regrettable. Inflation is a big problem—increasing productivity will help solve it, we are told. What is "large-scale labor displacement" if not increasing productivity?

Farm Trade Surplus

With total agricultural exports at $31.9 billion and total imports at $16.1 billion, the agricultural trade balance was a favorable $15.7 billion in the 1979 fiscal year.

But, this country both exports and imports a lot of things that are not in the agricultural category. U.S. exports in fiscal 1979 on everything, including agriculture, had a total value of $167.4 billion.

The total on all imports, agricultural, oil and otherwise, was $194.6 billion.

So, the total trade balance was a minus $27.1 billion.

But this adverse trade balance would have been $42.9 billion had it not been for agriculture's trade surplus.●

RENOVATING OUR AMERICAN CITIES

HON. MICKEY LELAND

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 18, 1980

● Mr. LELAND. Mr. Speaker, Nelly Trevino, one of the winners of "The Future of America" essay contest in Houston, Tex., was awarded a trip to Washington, D.C., on October 21, 1979. Her winning essay entitled "Renovating Our American Cities" brings to light some interesting realities. Miss Trevino is a student of the Stephen F. Austin High School in Houston, Tex. I am more than proud to have her as one of my constitutents. Mr. Speaker, I introduce "Renovating Our American Cities" by Nelly Trevino:

Renovating Our American Cities

Looking into the future of our American cities, we find housing renovation to be a major concern that will affect the lives of thousands of American people. The renovation trend which is sweeping the country, has brought about many dramatic changes in our cities. Older neighborhoods, once prestigious, then deteriorated and paralyzed by the traditional ills of the slums, are being redeveloped. Nevertheless, there are many unfortunate lower-income residents who are paying a heavy price for this urban miracle. Thousands have already been displaced or pushed out of their homes, and the problem is getting worse.

There are many factors that account for the sudden increase in house renovation. It began in the 1960's with the emerging lifestyle of the "baby boom" generation. Young homeseekers were tired of seeing the same old thing found in many of the suburban houses, and therefore, chose to redecorate older homes to fit their taste. Another factor was the construction slump of 1974–1975. This meant that fewer homes were being built to meet an expanding demand and caused the housing costs to skyrocket. In addition to this, energy costs influenced many Americans to put aside their housing preferences and find close-in living houses where they would have public transportation.

In many cases, the transformation has indeed been astonishing. Single-family houses have been converted to multi-unit use. Large apartment complexes have also been converted to high-rent apartments, condominiums or expensive townhouses. Apartments that rented for $150 a month are magically shaped into $90,000 townhouses. Furthermore, there are neighborhoods which were once occupied by lower-income families and considered as slums, which are now thriving with young couples, business men and women and higher income families. One example would be Washington's Capitol Hill, which was mostly occupied by poor and black residents ten years ago. However, today, according to George Washington's University Department of Urban and Regional Planning, eighty per cent of its residents are white, ninety per cent earn more than $20,000 a year, and their average age is only thirty-five.

In most cases, municipal government is delighted with this renovation boom because of the higher tax revenues that result when old buildings are redeveloped. As lower-income residents are forced to move out of the city, spending for welfare and other social services drop.

On the other hand, we must take into consideration the displacement problems caused by this renovation rush. Usually, the first to be affected are the elderly, the poor, the Blacks, and the Latinos. They are driven out of their homes when new owners cease maintenance and begin regeneration. Displaced residents are forced into a constricting, unattractive housing market. Their new neighborhoods are usually not as safe or decent as the ones they used to live in. "They are losing accessibility to public transportation and important social services. They face being disconnected from their communities and their cultural ties,"[1] says Margarita Suarez, a community organizer in both Alexandria and Adams Morgan, Virginia.

Furthermore, crime, family instability, chronic unemployment and the emotional consequences of ghetto life are bound to multiply as many lower-income families are forced to live in these neighborhoods.

For example, an eighty year old San Francisco man with a blind wife, brandished a weapon while resisting police and was accidentally shot and killed. Other senior citizens have committed suicide rather than leave old neighborhoods.

Then there are those citizens who are smart enough to turn to the courts for help. In Philadelphia, a suit by a disgruntled neighborhood group ended in success, when a federal judge ordered the city to provide 131 units of subsidized housing for residents displaced by renovation. Still another example would be the residents of Pershing-Waterman Redevelopment Project in St. Louis. They are suing to provide relief for the estimated 1,500 people displaced in that historic area.

Despite the fact that many residents are suffering from the renovation trend, there are some rehabilitation projects and services that are working to help ease the strain. For instance, the nonprofit Savannah Landmark Rehabilitation Project in Savannah, Georgia, is trying to give lower-income families a share in urban renewal. They hope to renovate 600 units over the next decade in the city's Victorian district and rent the dwellings to lower income families. Beth Reiter, project director said, "It's totally inhumane to bump these people out. Many of them have lived there as much as 30 years, and the neighborhood is vital to them."[2]

In addition to this, top officials of the Department of Housing and Urban Development or HUD say that cities can help displaced families by using existing federal tools. For example, HUD will provide funds to renovate 38,000 housing units in 118 cities undergoing neighborhood changes. Still another example would be the program which requires cities where renovation is booming, to explain how they will use their share of the nearly four billion dollars in annual funds, to tackle displacement. Finally, we take note of the counseling program which is also set up to aid displaced residents. About three million dollars was awarded last year to community groups to inform victims of displacement of their rights and help them find a home.

However, these programs cannot possibly be of any assistance to the displaced residents unless they are effectively used. There have been complaints that families which are not entitled to receiving low-interest rehabilitation loans have been receiving them and that city officials are doing a poor job of aiding those who are in need of help. Therefore, I feel the displaced residents should take it upon themselves to see that they receive all of the benefits, and federal aid to which they are entitled.

In concluding, I would like to state that housing renovation is one giant step towards the progress of our American cities. I feel that it is contributing to the beautification of our cities as well as providing more housing for the overly populated areas. However, I strongly believe that a better solution for aiding the displaced residents is urgently needed. I believe that the funds being provided for these residents are sufficient if adequately used. We must not allow this renovation trend to short-change the unfortunate lower income families. As Joseph F. Timility, chairman of the National Commission on Neighborhoods, said, "Communities need to encourge the movement back to the city, but they have to preserve economic diversity and provide for those who have stuck it out through the bad times."[3]

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[1] Margarita Suarez, "Gentrifying the Ghetto", Progressive, January 1979, p. 31.

[2] Beth Reiter, "Fixing Up Big City Neighborhoods: Who Loses Out," U.S. News and World Report, February 19, 1979, p. 73.

[3] Joseph F. Timility, "Fixing Up Big City Neighborhoods: Who Loses Out", U.S. News and World Report, Feb. 19, 1979, p. 72.

A LEGISLATIVE REMEDY FOR THE IMPERIAL CONGRESS

HON. DAN QUAYLE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 18, 1980

● Mr. QUAYLE. Mr. Speaker, I have today introduced a bill to end the double standard which Congress has practiced by exempting itself from laws which it mandates for the remaining 230 million Americans.

The imperial Congress forces industry, business, labor, the medical and academic communities, and all private citizens to abide by the Occupational Safety and Health Act, the Fair Labor Standards Act, the Privacy Act, Freedom of Information Act, the Civil Rights Act of 1964, the Equal Pay Act, the National Labor Relations Act, and the Social Security Act—but it exempts itself.

Congress is an employer as well as a National Legislature. We employ a work force of over 40,000 and operate on a budget of nearly $1 billion a year.

Where does Congress, a body elected from and for the people, to serve the people and work their will, get the notion that it is above the law? We should operate under the same rules and regulations that govern the country and all segments of society.

Perhaps if we were subject to the laws we enact, there would be greater caution and responsibility exercised in harnessing the country with overregulation.

The eight laws, which I have cited, were intended to promote the welfare of the worker. They have been beneficial in several ways, but some have gone awry taxing the patience and the pocketbooks of Americans.

It is time that Congress took some of its own medicine and come under the same umbrella of regulation and taxation that confronts our fellow citizens.

The bill follows:

H.R. —

A bill to make certain laws relating to equal employment opportunity, labor-management relations, fair labor standards, occupational safety and health, public information, and social security applicable to the Federal Government and the Congress.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That it is the purpose of this Act to make certain laws apply to the Congress and the Federal Government.

EQUAL EMPLOYMENT OPPORTUNITY

Sec. 2. (a) Section 717 of the Civil Rights Act of 1964, relating to employment by the Federal Government (42 U.S.C. 2000e-6), is amended—

(1) by striking out "in those units of the legislative and judicial branches of the Federal Government having positions in the competitive service" in subsection (a) and inserting in lieu thereof "in all units of the legislative branch of the Federal Government having positions in the competitive service"; and

(2) by adding the following new sentence at the end of subsection (b): "With respect to employment in any unit of the legislative branch of the Federal Government (except the Library of Congress), authorities granted in this subsection to the Civil Service Commission shall be exercised by the Equal Employment Opportunity Commission.".

LABOR-MANAGEMENT RELATIONS

Sec. 3. (a) Section 2(2) of the National Labor Relations Act, relating to the definition of employer (29 U.S.C. 152(2)), is amended by striking out "but shall not include the United States or any wholly owned Government corporation, or" and inserting in lieu thereof "the United States, and any unit of the legislative branch of the United States, but shall not include".

(b) Section 7 of the National Labor Relations Act, relating to the right of employees to organize and bargain collectively (29 U.S.C. 157), is amended—

(1) by striking out "Employees" and inserting in lieu thereof "Except as provided in subsection (b), employees";

(2) by inserting "(a)" after "Sec. 7."; and

(3) by adding at the end of the section the following new subsection:

"(b) Nothing contained in subsection (a) of this section shall be construed to limit the application of section 7311 of title 5, United States Code.".

FAIR LABOR STANDARDS

Sec. 4. Section 3(e)(2)(A)(iii) of the Fair Labor Standards Act of 1938, relating to the definition of employer (29 U.S.C. 203(e)(2)(A)(iii)), is amended to read as follows:

"(iii) in any unit of the legislative branch of the Government or in any unit of the judicial branch of the Government which has positions in the competitive service,".

OCCUPATIONAL SAFETY AND HEALTH

Sec. 5. Section 3 of the Occupational Safety and Health Act of 1970, relating to definitions (29 U.S.C. 652), is amended—

(1) by striking out ", but does not include the United States or" in paragraph (5) and inserting in lieu thereof "(including the United States and any unit of the legislative branch of the United States), but does not include"; and

(2) by inserting "(including the United States and any unit of the legislative branch of the United States)" in paragraph (6) after "affects commerce".

PUBLIC INFORMATION

Sec. 6. Section 552(e) of title 5, United States Code, relating to public information, is amended by striking out "or any independent regulatory agency" and inserting in lieu thereof "any independent regulatory agency, or any authority of the Congress.".

SOCIAL SECURITY

Sec. 7. (a) Section 210(a)(6)(C) of the Social Security Act, relating to the definition of employment (42 U.S.C. 410 (A)(6)(C)), is amended—

(1) by striking out "or Vice President" in clause (i);

(2) by striking out "or as a Member, Delegate, or Resident Commissioner of or to the Congress" in clause (i);

(3) by striking out clause (ii); and

(4) by redesignating clauses (iii), (iv), (v), and (vi) as clauses (ii), (iii), (iv), and (v), respectively.

(b) Section 3121(b)(6)(C) of the Internal Revenue Code of 1954, relating to the definition of employment (28 U.S.C. 3121 (b)(6)(C)), is amended—

(1) by striking out "or Vice President" in clause (i);

(2) by striking out "or as a Member, Delegate, or Resident Commissioner of or to the Congress" in clause (i);

(3) by striking out clause (ii); and

(4) by redesignating clauses (iii), (iv), (iv), and (vi) as clauses (ii), (iii), (iv) and (v), respectively.

EFFECTIVE DATE

Sec. 8. (a) Except as provided in subsection (b), the amendments made by this Act shall take effect on the date occurring 30 days after the date of the enactment of this Act.

(b) The amendments made by section 7 of this Act shall apply to all taxable years beginning after December 31, 1979.●

LAWS TO CONSIDER

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 18, 1980

● Mr. COLLINS of Texas. Mr. Speaker, we pass many laws up here. In passing these laws, it is good to remember some of the natural laws that seem to be taking place. One of my friends in Texas gave me a list of them. We might keep these in mind as Texas laws for future evaluation:

Murphy's Law: If anything can go wrong, it will.

O'Tool's Commentary on Murphy's Law: Murphy was an optimist.

The Unspeakable Law: As soon as you mention something . . . if it's good, it goes away; if it's bad, it happens.

Howe's Law: Every man has a scheme that will not work.

Etorre's Observation: The other line moves faster.

Law of Selective Gravity: An object will fall so as to do the most damage.

Jenning's Corollary: The chance of the bread falling with the buttered side down is directly proportional to the cost of the carpet.

Gordon's First Law: If a research project is not worth doing at all, it is not worth doing well.

Boren's First Law: When in doubt, mumble.

The Golden Rule of Arts and Sciences: Whoever has the gold makes the rules.

Segal's Law: A man with one watch knows what time it is. A man with two watches is never sure.●

TAX CREDIT OF AMERICANS LIVING ABROAD

HON. BILL ALEXANDER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 18, 1980

● Mr. ALEXANDER. Mr. Speaker, I am inserting another issue dealing with the tax credit Americans living abroad receive for the taxes they pay while living and working abroad. The tax treatment of these citizens is a vital concern to them and I believe this summary states the case concisely:

Issue No. 28

Short title: Inadequate U.S. Tax Credit for Taxes Paid Abroad.

Summary of the problem: In its first report, ACA gave a detailed explanation of how many foreign countries choose to raise their government revenues from a different mix of direct and indirect taxation from that used in the United States. Since the U.S. will only give credit against U.S. tax liabilities for taxes paid abroad that are fully congruent with U.S. income taxes, many overseas Americans are being doubly taxed and denied credit for taxes that have in economic reality been paid.

ACA's question: If the United States must insist on being the only major country to subject its overseas citizens to double tax liability, why does the U.S. not give a more generous treatment to the different forms of taxes that are paid abroad in terms of credit against taxes deemed due to the U.S. Government?

The President's reply: "Foreign sales taxes have historically not been deductible for U.S. income tax purposes because of the administrative difficulties of checking on so many different systems. However, under the Foreign Earned Income Act of 1978, qualifying U.S. citizens working abroad are allowed to deduct a cost of living differential for excess living costs abroad. Foreign sales taxes, including the value added taxes (VAT), are reflected in the cost of living index. Moreover, unlike state and local income taxes, which may only be deducted in computing taxable income for Federal income tax, income taxes imposed by political subdivisions of foreign countries may be credited against Federal income tax, reducing the tax dollar for dollar. This credit provides significant advantage to Americans abroad who are subject to foreign income taxes. For example, in Switzerland, the total Swiss income tax burden is higher than in the United States, yet the income tax levied by the national government is insignificant (sic). Being allowed to credit income taxes paid to the cantons is therefore a very significant benefit to U.S. citizens living in Switzerland."

The President justifies the disallowance of credit, or even a deduction, for sales taxes or VAT abroad on the grounds that it would create an administrative burden to give this deduction or credit. The President has not told us whether this failure conforms to a basic standard of equitable treatment, or not.

Secondly, the President informs us that the cost-of-living deduction covers the VAT payments that are made abroad. This would be a surprise to Americans living in the United Kingdom paying a 10 percent VAT on most of their purchases because the cost-of-living deduction they are granted comes to a total of $300 per year. It would also come as a surprise to an American living in France because someone buying a new car there pays a VAT of 33 percent on the purchase price of the car, and given the high cost of cars abroad the full cost-of-living deduction for a single person in France of $4,500 could go in great part for a car purchase alone not counting any of the other expenditures during the year on which a 17 percent VAT must be paid.

Third, the President implies that the U.S. Government is being generous in giving a significant "benefit" to Americans living in countries such as Switzerland by allowing a credit against U.S. tax for income taxes paid to Cantonal authorities. We wonder compared to whom this is meant to be a benefit? Compared to Americans living in other countries abroad? No. Compared to citizens of other nationalities living in Switzerland? No. Compared to Americans living in the United States who enjoy having only one tax obligation rather than two? We doubt it.

ACA's renewed question: If the United States must insist on maintaining its unique form of citizenship based taxation for Americans abroad, it would seem imperative that some basic definition of what is equitable treatment must be given. If the United States chooses to give deductions at home for State sales taxes and denies the same deductions abroad because of "administrative burdens" for implementation of the same deductions this seems hardly fair. If the United States wants to pretend that its cost-of-living deductions abroad are meant to compensate for every case in which a similar form of denial of U.S. comparable deduction or credit is inflicted on those abroad, a much better analysis should be made of what is going on abroad.

It should be recalled that in the case of sales tax at home, not only is there a general tax deduction for different revenue classes, but there is also provision for special deductions for special purchases such as cars, boats, trailers, etc. Neither the general deduction nor the special case deductions are given abroad, yet the VAT paid on these items abroad is almost always much higher overseas than in the United States.

We ask the President to restudy this important issue and propose a more equitable method of allowing deductions abroad for the same items that are covered at home. We would prefer to have the President accept to suggest that the United States conform with the overseas tax practices of the rest of the Free World.●

QUICK RED CROSS RESPONSE TO LIVERMORE EARTHQUAKE

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 18, 1980

● Mr. STARK. Mr. Speaker, I would like to give special recognition to the volunteers and staff of the Oakland-South Alameda County chapter of the American Red Cross for the excellent emergency assistance provided to the victims of the January 24, 1980, earthquake in Livermore, Calif.

Within an hour of the disaster, an emergency command post was set up and an emergency shelter operating. Rooms were reserved at a nearby hotel for those temporarily homeless; meals and refreshments were available and first aid administered. Victim welfare information was provided to concerned friends and relatives and welfare casework was begun. Later the Red Cross helped those on fixed incomes and not covered by insurance secure their mobile homes on blocks. Communications were established with city and county offices of emergency services, the Radio Amateur Civil Emergency Service—RACES—police and fire departments and the media.

Time spent in disaster training was evident and resulted in exemplary teamwork and prompt assistance. Throughout the emergency, Red Cross volunteers and staff were compassionate, efficient, adaptable, and quick to respond. I commend Livermore's Twin Valley region and the entire Oakland-South Alameda County chapter of the American Red Cross. They were more than equal to the emergency.●

TAX INDEXING

HON. DANIEL B. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 18, 1980

● Mr. DANIEL B. CRANE. Mr. Speaker, I am sure many of us are unaware that there is something rising faster than prices these days—taxes.

In fact, taxes are now going up at a rate nearly twice that of inflation. Americans pay more in taxes than they do for food, housing, and clothing.

Inflation—the cruelest tax of all—artificially expands our incomes so we pay more and more taxes while at the same time our purchasing power is decreased. Tax indexing would adjust downward the tax rates on inflated incomes, returning the situation to what it was before the most recent inflationary spurt.

It is not a cure for inflation. Indexing simply acknowledges and repeals the hidden tax.

The Danville (Ill.) Commercial-News, my hometown newspaper, has urged this Congress to enact tax indexing legislation, and I wholeheartedly agree.

The editorial follows:

[From the Commercial-News, Feb. 20, 1980]

IT'S TIME TO ADOPT TAX INDEXING PLAN

We all know last year's annual inflation rate of 13.3 percent is no laughing matter. Thus, it disturbs us that at least some factions of our federal government have found something in certain phases of it to give them smiles.

We refer to the Bureau of Internal Revenue and budget-conscious people in both the executive and legislative branches who claim kudos for the ability to increase federal spending without a higher deficit.

The Advisory Committee on Intergovernmental Relations has put its finger on a factor that should take some of the wind out of their sales. The U.S. Tax Code is progressive which means that individuals pay proportionately more in taxes as they receive higher wages to keep them up with hikes in the cost of living.

The fly in the ointment is that as incomes increase, the individuals slide into higher tax brackets and this results in a multimillion-dollar "windfall" gain in revenue. Lawmakers are happy to see that happen without any of them having to vote for a tax increase.

In the Senate, Robert Dole, R., Kan., is a prime supporter of indexing. His congressional Joint Economic Committee found that for the 1979 tax year alone the federal government will pick up a handsome "hidden tax increase" of $35 billion because of these inflationary bracket jumps. In fact, the impact of inflation on taxes is even greater when the increase in Social Security deductions—also tied to inflationary wage jumps—is considered.

Congress also has been examining indexing as part of its consideration of the windfall oil profits tax. There are an estimated 40 to 45 proponents of indexing in the Senate. For that matter, an indexing proposal recently lost on the Senate floor by a relatively small margin.

Although Federal Reserve Board Chairman Paul Volcker opposes indexing on the basis that it would permanently build inflation into the wage-tax system, the new study by the advisory commission underscores the present impact of inflation on taxpayers.

For example, a family of four now earning $15,000 is in an 18-percent tax bracket. By getting a $1,500 per year increase—to keep up with inflation—this family jumps into the 21-percent bracket which diminishes the value of its $4,000 in personal exemptions by 10 percent in spite of an increase in its tax bill from $1,242 to $1,530. On this basis, the family's actual income has grown only 10 percent—still shy of the inflation rate—while its total tax bill has jumped 23 percent.

What's worse, it's been going on for longer than most people realize. Even last year, Congress counted on that same cycle to produce at least $15 billion toward shrinking the deficit for fiscal 1980. And our congressmen actually voted at that time not to tell taxpayers about it.

An amendment to the fiscal 1980 budget resolution setting revenue and spending limits and the size of the deficit was proposed by Rep. John Lashbrook, R-Ohio. He wanted the House Budget Committee to produce a special report indicating how much of the anticipated revenue increase was attributed to inflation as opposed to growth in the Gross National Product (GNP).

His amendment was voted down, 112-56.

Now, as a result of its study, the commission urges Congress to "index" the Tax Code which would prevent automatic tax gains by both the federal and state governments. Under indexing, tax codes would be automatically adjusted for inflation so the government could not profit through wage increases. Such features in the tax code as personal exemptions, standard deductions and individual tax brackets would be adjusted to reflect the inflation for the year in which the tax is paid.

Since something similar happens at the state level, it is encouraging to see that six states—Arizona, California, Colorado, Iowa, Minnesota and Wisconsin—have enacted indexing codes in recent years.

Indexing merely makes the government—at all levels—play fair with taxpayers. It makes the government call its shots, both on income and outgo. The idea of being able to spend more and still shave a little off the federal deficit because of getting more from taxpayers by way of inflation is not playing fair.

As Dr. Jack Carlson, chief economist of the U.S. Chamber of Commerce says, "This is not what taxpayers had in mind when they adopted tax-cutting proposals like Proposition 13 in California and the host of other protest measures across the country. They want control of spending as well as tax rates."

The only way to get that is indexing.

With a "friendly" contingent already present in Congress, it would help to let our federal lawmakers know that we want them to consider this measure as something that will be important to us as we look toward upcoming elections.

We also should urge our state legislators to put Illinois on the list of states with indexing laws.

Those who have been brave enough to take a stand in favor of it need encouragement. Those who have held off need to know how important it is to the people who are having to pay the inflated tax.●

REALITIES OF OUR MILITARY MANPOWER SITUATION

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 18, 1980

● Mr. BOB WILSON. Mr. Speaker, I find the President's warning to Defense officials to stop bellyaching about pay as out of touch with the realities of our military manpower situation as was his veto on Wednesday of the military physicians' pay bill.

Obviously, Mr. Carter has not talked to the troops in the field or to their wives who are forced to use food stamps in order to subsist in many high cost areas. It would behoove Mr. Carter to take a few minutes to read the recently published study by former Defense Secretary Mel Laird, entitled "People, Not Hardware: The Highest Defense Priority." Even for those of us who have been talking about the pay and retention problem for some time, it is a sobering dose of the manpower crisis in 1980, rather than the President's rose colored glasses recollection of his "good ol' days" in the Navy in 1953. We are losing our best people, the highly skilled technicians who are the backbone of the fleet and the operators and maintainers of our sophisticated weapons systems.

Unless we reverse this trend, I despair for our future military preparedness. The troops need leadership and understanding, not admonition, from their Commander-in-Chief.●

U.S. OLYMPIC COMMITTEE NEEDS FINANCIAL HELP

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 18, 1980

● Mr. BINGHAM. Mr. Speaker, I recently received a distressing letter from the New York State Olympic Committee describing a virtual cessation of public contributions.

While I am wholeheartedly in favor of American withdrawal from the Moscow games, we cannot abandon the U.S. Olympic Committee. Their duties on behalf of American athletes go far beyond the 1980 summer games. Of the current $43 million USOC budget, less than $4 million is earmarked for expenses in conjunction with the Moscow games. Preparation for the Pan-American games and organization of the National Sports Festival are only two of the efforts which survive on public contributions.

In support of the many diligent American athletes who have trained long and hard to prepare for international competition in 1980, I commend the New York State Olympic Committee's "Statement of Financial Concerns" to my colleagues and to other readers of the CONGRESSIONAL RECORD:

STATEMENT OF FINANCIAL CONCERNS

It is vitally important to point out to the American people that an American boycott of the 1980 Summer Olympic Games in Moscow is designed to be a punitive measure towards the Soviet Union if they fail to remove their forces from Afghanistan.

We should not let this action become a punitive measure against our own athletes, who will be asked to pay the price by not going to Moscow.

Unfortunately, public attitude seems, at the moment, to assume it is inevitable that the American team will not be participating in the Summer Games. Thus, in the public's mind there is no further need to continue private financial support of the United States Olympic athletes or the United States Olympic Committee.

Nothing could be further from the truth.

The United States Olympic Committee has already incurred upwards of $30,000,000 in expenses for preparation and training of our Olympic teams and other responsibilities. At the same time, contributions have slowed appreciably because of the uncertainty of the situation. This leaves the United States Committee with the distinct possibility that it could be faced with serious financial consequences. Contingency plans are already being drawn up to curtail all activity at training centers because of the lack of money. The USOC just cannot survive a totally unjustified and aggravated shortfall in revenues.

It is most urgent that the overall responsibilities of the USOC be brought to light:

1. Preparation of our teams for the Pan American Games.
2. Organization and operation of the National Sports Festival.
3. Financial subsidies for the numerous athletic federations in the United States fielding teams for various international competitions.
4. Establishment, operation and maintenance of permanent training facilities.
5. The administration of a sports medicine research program.
6. Assembly of the teams to compete in the Winter and Summer Games.

Of the current $43 million USOC Budget, only about $3.5 million is earmarked for expenses in conjunction with the 1980 Summer Games.

United States Olympic Committee activities are and most definitely should continue to be funded by private sector contributions.

We are all hopeful that our Government's posture towards the Soviet Union will prove to be successful. It is obvious, that if we are successful we must be prepared to send a strong team to Moscow.

If training and preparation ceases in the near future for lack of money, we automatically handicap our athletes severely in both the short and long term.

In the event the world situation forces a United States refusal to send a team to the Summer Games in Moscow, International athletic competition—if only on a limited "free-world" basis—will surely go on.

We are asking for a tremendous sacrifice of our athletes in these troubled times—both emotionally and financially.

Traditionally, great pride is taken in the fact that America doesn't send our athletes to the Olympics, Americans do.

We suggest that if these same athletes are asked to forego the culmination of years of effort, expense and dedication, the American public demonstrate their admiration and appreciation for their personal sacrifice by contributing financially in a greater measure.

An American boycott does not mean there will be no further international athletic competition. Let not our own request for sacrifice become a permanent penalty on our own American athletes.●

TRIBUTE TO MRS. REBECCA CASAUS GALLEGOS

HON. MANUEL LUJAN, JR.

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 12, 1980

● Mr. LUJAN. Mr. Speaker, too often in our fast-paced society we neglect those who have accumulated years and gathered wisdom. Today I would like to take the time to comment on a woman who at the age of 86 is leading a life that would be the envy of a woman half her age.

This lady, a descendant of some of the most prominent colonial families in New Mexico, experienced early success in being at the top of her class at St. Vincents Academy and continued to win academic honors while attending Catholic University. Rebecca Casaus Gallegos became a teacher. Now, 60 years later, at the age of 86, Mrs. Gallegos is continuing in that profession in Edmonston, Md. She owns and operates her own nursery school where she works as much as 12 hours a day.

Mrs. Gallegos has instilled character in thousands of youngsters during her career, not to mention the five children of her own, who have experienced success in their activities. This is a woman who embodies the finest American traits—self-reliance and compassion for her fellow man. Mrs. Gallegos has favorably guided the lives of thousands, and in doing so has made a great contribution to our Nation.

I am sure my colleagues join with me today in wishing Mrs. Gallegos continued success for the future and in thanking her for a lifetime of work for her family, community, and country.●

NORMAN PODHORETZ ON THE PRESENT DANGER

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 18, 1980

● Mr. KEMP. Mr. Speaker, there have been few essays which have been able to summarize the course of post-World War II history more effectively than Norman Podhoretz' essay, "The Present Danger," published in the March 1980 issue of Commentary magazine. The summary is not that of a historian, although it more perceptively integrates America's international experience over the past three decades than any 5-foot shelf of works by academic historians on the same period. Nor is the essay that of a journalist though it contains more carefully crafted insights about the grave state of American security than the last 2 tons of newsprint anyone has read on the subject. Mr. Podhoretz' essay is perhaps the most persuasive analysis of the origins of the West's plight in print. "The Present Danger" is the work of a shrewd observer of both the American and international scene assimilating the disparate threads of almost-forgotten international events of decades past, stamping their imprint on today's events.

Mr. Podhoretz' works are always of vital interest; "The Present Danger" is essential reading for anyone in public life today. In decades past when the United States enjoyed a substantial margin of military superiority it mattered little what the Soviet Union or any other adversary did to build up its own defense establishment since the American advantage was so vast. As Mr. Podhoretz so effectively reminds us, this margin of safety has been dissipated. While we may lament what has been lost, it is now essential that the Nation grasp the opportunity it has to recognize the clear and present danger it faces, and to take suitable remedial action. Although limitations on space prevent insertion of the entire text of Mr. Podhoretz' essay, I have selected an excerpt which provides the author's views on remedial action. The essay must not be overlooked.

The excerpt follows:

THE PRESENT DANGER

On November 4, 1979, the day the American embassy in Tehran was seized and the hostages were taken, one period in American history ended; and less than two months later, on December 25, when Soviet troops invaded Afghanistan, another period began.

The past being easier to read than the present, we can describe the nature of the age now over with greater assurance than the one into which we are at this very moment just setting a hesitant and uncertain foot. Yet even to recognize whence we have come, let alone whither we are going, will require an effort to clear our minds of the cant that prevented an earlier understanding of the terrible troubles into which we were heading. I propose that we start, then, by renouncing the general idea that before Iran and Afghanistan we had moved from "cold war" to "détente" and that the old political struggle between "East" and "West" was yielding in importance to a new economic conflict between "North" and "South".

The assumptions behind this scheme have all been shattered by the events of the past few months, but they have served so well and for so long to disguise and deny the ominous consequences of a tilt in the balance of power from the United States to the Soviet Union that a fierce effort is being made to rescue them from discredit. If that effort should succeed, more would be lost than intellectual clarity. Indeed, I would go so far as to say that it would signify the final collapse of an American resolve to resist the forward surge of Soviet imperialism. In that case, we would know by what name to call the new era into which we have entered (though it would be an essential feature of that era that we would be forbidden to speak its name aloud): the Finlandization of America.

Let us, however, suppose—let us pray—that it is not already too late. Let us suppose further that the Soviets do in fact launch a "peace offensive." Will the American giant, so recently roused, be lulled back to sleep? No confident answer can be given to that question. On the one hand, the soporific forces among us remain powerful. There is, first and foremost, the fear of war—not only nuclear war but any kind of war. This normal human instinct has been strengthened and justified by a culture which in recent years has treated the pursuit of individual fulfillment as an absolute (has any culture in history ever before elevated selfishness into a moral ideal?), and which is very nearly incapable of conceiving anything worth fighting, let alone dying, for. "Anything" in this context preeminently includes the United States, which continues to be castigated in many quarters within America itself as the guilty party in every situation that arises. It is our fault that the Khmer Rouge murdered nearly half the population of Cambodia (because we drove them to desperate measures); it is our fault that the hostages were taken in Iran (because we supported the Shah for so many years); it is even our fault that the Soviets invaded Afghanistan (because by questioning the SALT treaty and taking steps to strengthen our defenses, we simultaneously frightened them and removed their incentive to restraint).

Even some influential commentators who do not reflexively blame the United States for everything evil that happens in the world often explain Soviet behavior in ways calculated to minimize American alarm. The Soviets, they tell us, are not really expansionist and certainly not out to dominate the world; all they want is to protect their own borders and their own security. Even the invasion of Afghanistan itself has been interpreted by several such commentators not as a sign of Soviet aggressiveness but as a symptom of Soviet weakness (in contrast, presumably, to the strength the United States showed in begging the UN and the World Court to do something about Iran). A striking instance is Arthur Schlesinger, Jr. In the 40's and 50's, when the Soviet Union was very much weaker than the United States, Schlesinger expressed great anxiety over the Soviet threat; yet now, when the Soviet Union is at least as powerful as we are and by any objective standard constitutes a greater threat, he keeps telling us how beleaguered and toothless the Russians have become.

All these elements, and others too, of the post-Vietnam mood remain in place; together they suggest a preemptive move toward self-Finalandization. On the other hand, a contrary tendency, and a very strong one, has been developing in the United States toward what might be called a new nationalism. The eruption of patriotic feeling in response to the seizure of the hostages was the most visible manifestation of this tendency, but there are many indications that it was not created or caused by Iran. One significant piece of evidence is the steady rise registered by public-opinion polls since the early 70's in support of increased defense spending and a correlative rise in favor of the use of force to protect American interests.

This change has by no means been confined to the attitudes of the general public. As the course of the SALT debate has revealed, there is a much greater willingness to face the facts of the Soviet military build-up than used to be the case only a few years ago in Congress, in the press, and in the universities. And in the world of ideas generally, everyone agrees, whether happily or with alarm, that the most of dynamic force in recent years has been the group known as the "neoconservatives." There are grounds for wondering in what sense most members of this group are conservatives, "neo" or any other variety. But what cannot be questioned—and what makes them an unusual phenomenon in the history of the American intellectual community—is their highly positive attitude toward American society. Even more significant in this context is their conviction that the survival of liberty and democracy, here and everywhere else, requires the maintenance and exertion of American power.

Before Iran and Afghanistan, this new nationalist spirit had been spreading in influence and growing in intensity; since Iran and Afghanistan, it has all but swept away the last lingering traces of the post-Vietnam mood. No doubt as the weeks and months wear on, the twin furies of isolationism and appeasement unleased by our humiliating defeat in Vietnam will recover from the blows of Iran and Afghanistan and will make their presence felt again. But one senses that the new nationalism is neither insubstantial nor evanescent. It will not easily be dissipated and politicians will ignore it, if they do, only at extreme peril to their chances at the polls. Therefore at the very least, before it runs its course, a variety of steps will be taken to strengthen our military capabilities. As "No More Vietnams" meant retrenchment and accommodation, "No More Irans" will mean making sure that we never again have to submit helplessly to being "pushed around"; and as the main "Lesson of Vietnam" was taken to be that we must never again intervene into the Third World, the great "Lesson of Afghanistan" is likely to be that unless we intervene under certain circumstances, we will find ourselves at the mercy of our enemies.

In my judgment, even if the new lessons were to go no further than they have already gone, they would constitute progress toward a healthier and a safer America. Healthier because self-respect is spiritually superior to self-flagellation, in nations no less than in individuals; safer because the determination to defend our own interests will make us more secure than the inclination to appease.

Nevertheless something is still missing from the new nationalism. In the immediate aftermath of Iran, there was a good deal of talk about defending American honor. Since Afghanistan, most of the talk, in the streets, in the speeches and in the official statements alike, has focused on defending our economic interests. That there is a political dimension to this crisis, that something more is at stake than injured pride or access to oil, no one seems to recognize or at any rate to emphasize. What this suggests is that the general American response to Iran and Afghanistan, while marking an end to the period of American retreat, has not yet carried us fully forward into a new period of containment.

The problem is that a key term has quietly disappeared from the discussion of the Soviet-American conflict. It is the term Communism. One would think from most of what has been said in recent months that the Soviet Union is a nation like any other with which we happen to be in competition. Yet if the Soviet Union really were a nation like any other—if it were, for example, still being ruled by the Czars—would we object to the extension of its power over the Persian Gulf? What difference would it make to us? Would we be worse off buying oil from the Czars than buying it from the sheiks? Might we not even prefer such an arrangement (as indeed the letter in the Times from which I quoted earlier does even now)?

We might, though even under those circumstances we would have cause for serious concern. But as it is, and to give us cause for far more serious concern, the Soviet Union is not a nation like any other. It is a revolutionary state, exactly as Hitler's Germany was, in the sense that it wishes to create a new international order in which it would be the dominant power and whose character would be determined by its national wishes and its ideological dictates. In such an order, there would be no more room for any of the freedoms we now enjoy than there is at this moment within the Soviet Union, or any of the other Communist countries, even the most lightly ruled of which are repressive beyond the most lurid nightmares of a politically pampered American experience.

In short, the reason Soviet imperialism is a threat to us is not merely that the Soviet Union is a superpower bent on aggrandizing itself, but that it is a Communist state armed, as Solzhenitsyn says, to the teeth, and dedicated to the destruction of the free institutions which are our heritage and our glory. To meet what George F. Kennan in 1947 called "this implacable challenge" will demand today, as it did then, that we recognize Soviet purposes for what they are. It is tragic that Kennan himself, in 1980, should be among those working to prevent such a recognition. Writing of the invasion of Afghanistan, he condemns the "extravagant view of Soviet motivation" according to which this "ill-considered" Soviet action was "a prelude to aggressive military moves against various countries and regions further afield." The American response he dismisses as "strident"—a case of "warning people publicly not to do things they have never evinced any intention of doing." Most astonishing of all, Kennan tells us that he is "not aware of any substantiation" of the extravagant American view "in anything the Soviet leaders themselves had said or done."

If he is really looking for substantiation, I would advise him to begin by reading his own essay on "The Sources of Soviet Conduct" which, though written over thirty years ago, tells us more about the invasion of Afghanistan than the sorry article Kennan produced a few weeks after the invasion actually took place. The Kennan of 1980 sees the invasion as merely defensive: has not Brezhnev himself characterized it thus? The Kennan of 1947 would have understood that the invasion represents a new stage in what he described then as the unremitting "Soviet pressure against the free institutions of the Western world."

Of course, in defining our conflict with the Soviet Union as a struggle for freedom and against Communism, we run into two great questions. The first concerns China. If Communism is the enemy, why should we be aligning ourselves with China, the other great Communist power? The answer given by supporters of the "China card" is the same justification that was used for the free world's alliance with one totalitarian ruler, Stalin, against another, Hitler, who was at that moment more dangerous. It is a reasonable answer. The problem, however, is that whereas Stalin made a major contribution to the defeat of Hitler, Communist China is so weak that its contribution to the containment of Soviet imperialism may be negligible. In order to keep forty Soviet divisions pinned down on the Chinese border—divisions the Soviet build-up has made it possible for them to spare—we may be helping to turn China into a terror to our children and grandchildren. And since China's only interest in us is protection from the Soviet Union, if we rely on the China card as an excuse for failing to build up our own power, we may at the same time find ourselves promoting what we most fear: a Sino-Soviet rapprochement.

Another price of the China card is the loss of political clarity it inevitably entails. Playing one Communist power off against another may be sound geopolitics, but it increases the difficulty of explaining to ourselves and our friends what we are fighting for and what we are fighting against. It may therefore make it harder to mobilize the political support without which a steady and consistent strategy of containment is impossible.

This problem of mobilizing support is perhaps even more difficult in Western Europe and Japan than it is in the United States. The farmers of Iowa have already shown that they can see beyond their economic interests, but the French, the West Germans, and the Japanese seem to care only, as Jacobo Timerman puts it, about "the orderly supply and consumption of raw materials and the inviolability of their markets." Thus trade agreements between the Soviet Union and the West, which were supposed to create incentives to Soviet moderations, have evidently worked in the opposite direction so far as Western Europe and Japan are concerned. The Soviets have not been restrained by the cut-off of wheat, but the French and the West Germans have hesitated to back even the relatively mild measures the President has taken against the Soviet Union. Many European commentators—Bernard Levin, Jean-François Revel, and Olivier Todd, to name a few—see this as yet another sign that the process of self-Finlandization has gone much further in Europe than in the United States. But believing as most of them do that the chief cause of self-Finlandization is the fear of Soviet power and the concomitant loss of confidence in American resolve, they also think that a serious new assertion of American will and American power might lead to a reversal of the process and the beginning of a new determination in the other democracies to resist what Revel calls "the totalitarian temptation."

The other great question that inevitably arises in this connection is how we can speak of a "free world" that includes so many dictatorships of the Right. The answer here—as Pakistan is only the most recent cast to make clear—is also based on geopolitical considerations. But from the point of view of freedom, there is a moral justification for preferring non-Communist dictatorships to Communist regimes. To this day it is hard to find a single Communist regime that permits the people living under it as much freedom as even the worst non-Communist dictatorships the world has known since the death of Hitler. These non-Communist authoritarian societies are not free, but they still remain—both ideologically and in practice—on the other side of what from the point of view of freedom is the greatest of all divides.

In resisting the advance of Soviet power, then, we *are* fighting for freedom and against Communism, for democracy and against totalitarianism. Yet it is precisely this sense of things that the new nationalism thus far lacks. Nor does the Carter Doctrine express it with force and clarity. Without such clarity, the new nationalism is unlikely to do more than lead to sporadic outbursts of indignant energy. It cannot by itself supply the basis of support for what Kennan described in 1947 as "the adroit and vigilant application of counter-force at a series of constantly shifting geographical and political points, corresponding to the shifts and maneuvers of Soviet policy."

The possibility that the new nationalism will only prove to be a first step toward a rededication of the United States to such a strategy is what frightens Kennan himself and many others like him who have grown weary and fearful over the years. But "the thoughtful observer of Russian-American relations" today will no more find "cause for complaint in the Kremlin's challenge to American society" than Kennan did in 1947, when he experienced "a certain gratitude for a Providence which, by providing the American people with this implacable challenge, has made their entire security as a nation dependent on their pulling themselves together and accepting the responsibilities of moral and political leadership that history plainly intended them to bear."

I quoted these words earlier but they are worth quoting again as a stimulus and as a guide. Unless, of course, it really is too late—in which case Kennan's new defeatism will prove as appropriate a response to the present danger as his magnificent call to containment was to the danger of thirty years ago.●

BUDGET SAVINGS BY ELIMINATING OVERLAP IN FOOD STAMP AND SCHOOL LUNCH PROGRAMS

HON. E. THOMAS COLEMAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 18, 1980

● Mr. COLEMAN. Mr. Speaker, along with several of my colleagues, I have introduced H.R. 6821, a bill designed to reduce overlap between the food stamp program and the school lunch program.

According to Congressional Budget Office estimates, this amendment could save about $700 million in fiscal year 1981 without depriving any needy family of proper nutrition by eliminating this duplication of services.

Presently, administrators of the food stamp program do not take into consideration the fact that some recipient families have children who eat one or more free meals a day in school through the Government's programs to aid needy youngsters. The families receive full allotments of food stamps, designed to provide proper nutrition for three meals a day for every member of the family, even though one or more family members may actually eat free meals at school.

This legislation would adjust food stamp benefits to families who have children that receive free meals while at school during the day.

The CBO indicates that there would be very little increase in administrative costs to institute this program, while millions can be saved. Under the provisions of the amendment, adjustment schedules would be developed and local officials could simply refer to them to determine the level of benefits for food stamp recipient families.

I would like to assure my colleagues that this legislation in no way jeopardizes or diminishes the intent of Congress to see that needy families, especially children of needy families, continue to receive proper nutrition. In addition, eliminating duplication of services will enable the most efficient use of resources available for the program and assist in efforts to hold down Federal spending and balance the budget.

The editorial in today's Washington Post entitled, "The Balanced Budget" supports the approach set forth in H.R. 6821. The Post editorial states:

> It's important to subsidize school lunches for the children of poor families—but there's no need to issue food stamps to those families to cover those same lunches. Perhaps you think that is a trivial point, but the overlap in those twice-subsidized lunches costs the Government $1.2 billion a year.

This speaks directly to the point of my proposal, and I am pleased to see this type of support.

H.R. 6821 is a reasonable and responsible start toward eliminating waste and duplication in the food stamp program.●

HAPPY ANNIVERSARY

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 18, 1980

● Mr. UDALL. Mr. Speaker, March 20 will mark the 100th anniversary of the arrival of the first train in Tucson, and I wanted to take this brief opportunity today to extend my thanks to Southern Pacific for this century of service to our part of the West.

Without this railroad, the settlement and development of southern Arizona and our part of the American frontier would have been long delayed indeed. When the first locomotive steamed into Tucson in 1880, it signaled the end of one American era and the beginning of another.

The railroad brought commerce, opened new markets for our farmers and cattlemen and miners. It brought people to Tucson, and the little town that began as a Spanish garrison flourished and prospered. Today, Tucson is Arizona's second largest city and that could not have come to pass without the railroad.

Southern Pacific brought us history, too. Tucson met the men and women of America going to and from two world wars—and Presidents—and generals—and movie stars.

Southern Pacific is commemorating the anniversary with ceremonies in Tucson on March 20. Mr. Speaker, I join all my fellow southern Arizonans in saluting the accomplishments and contributions of Southern Pacific on this, their 100th anniversary of their arrival in my hometown.

We will all be glad to have them for neighbors for another 100 years.●

A DIFFERENT VIEW OF THE UNITED STATES

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 18, 1980

● Mr. WHITEHURST. Mr. Speaker, in his "Economic Focus" column in the March 18, 1980, edition of the Washington Post, Mr. Robert J. Samuelson, a writer for whom I have a great deal of respect, offered a somewhat different perspective on economic conditions in the United States.

While it is true that these are not the best of times, I think it is helpful to be reminded that we are still a great country, and if free enterprise can be given the opportunity to accomplish what it is capable of, we will reach the end of this century still a leader among the nations of the world.

I am pleased to share Mr. Samuelson's comments with my colleagues:

SWISS BANK OFFERS DIFFERENT VIEW OF UNITED STATES

(By Robert J. Samuelson)

Every once in a while, something floats across your desk that doesn't seem to have much of a moral message—most things do these days—but just a lot of good, solid information, which, after you've finished sifting through it, actually ends up saying something very obvious and important.

Just such an item arrived the other week from Union Bank of Switzerland, and the message was simple: The United States is a hell of a swell place.

This is not said with any sense of gung-ho patriotism, but just as a matter of simple reality. The United States has combined a fabulous endowment of natural resources with some native ingenuity and hard work to create an enormously productive economy that probably still gives its people the highest standard of living in the world.

In so many words, that is what the report from Union Bank of Switzerland said.

Now, we take it as an axiom of modern life—or, at any rate, modern life in advanced, technological societies—that the concept of "standard of living" is something of an empty one. As material needs have become better and better satisfied, other aspects of life that are difficult, if not impossible, to measure and compare have assumed added significance: psychological stress, physical surroundings and a sense of personal fulfillment.

But today's rising inflation has reminded us of the underlying importance of meeting basic material desires. And here, Union Bank's survey offers an interesting commentary on the notion—encouraged by us in the media and exaggerated by the recent panic over inflation—that the United States is rapidly dropping behind the rest of the world.

Through its international network of banks and correspondent banks, Union Bank attempted to compare the earnings and purchasing power of groups of similar workers—ranging from cooks to electrical engineers, from secretaries to middle-level executives—in 45 of the world's major cities. Four American cities (New York, Chicago, Los Angeles and San Francisco) were included, and the results indicate that the purchasing power of Americans remains substantially ahead of most of the rest of the world.

There are tidbits in the survey that probably say something important about relative national values. In the United States, auto mechanics are better paid than elementary school teachers, while in Europe it's the other way around. In Chicago, the teacher earned $20,100 and the auto mechanic $23,800; in Amsterdam, the teacher earned $23,300 and the auto mechanic $15,900. In Japan, the gap was even wider: The teacher earned $18,100 and the mechanic $10,100. (All the comparisons were made in mid-1979, and exchange rates prevailing then were used in making conversions into dollars.)

The United States also does rather well by construction workers, but not so well by bank tellers. In San Francisco, the construction worker earned $20,400 and the bank teller $10,600; in Paris, the construction worker earned $7,500 and the bank teller $12,800. The same relationship prevailed in most European countries.

These figures inspire intriguing speculations. Do we value our cars more than our children? Or do the relatively high earnings of blue collar workers in the United States—and the huge gap between blue collar and white collar workers in Europe—reflect an absence here of acute economic differences between classes and, therefore, a lack of the class consciousness that characterizes many other countries?

As interesting as they are, comparisons of worker earnings across borders tell only half the story. It's not what you make so much as what it will buy that counts.

We tend to overlook that. The stories we hear from overseas almost invariably stress foreign economic success, but we rarely hear of the shortcomings. It's only by traveling abroad that people see those shortcomings and realize that, for all its flaws, the American productive system is still rather formidable.

In Union Bank's survey, three of the four U.S. cities ranked at the top of the list in what worker earnings buy, and even New York was well within the top 10. In each of the cities, a roughly similar basket of consumer goods—consisting of food and beverage items, toilet and household articles, appliances, clothing, automobiles, housing and a wide variety of services—was priced. The bank's economists then constructed an index based on what "gross" and "net" earnings—after deductions for taxes—would buy, with the bank's headquarters city of Zurich as 100 on the index.

The table below gives a sampling of cities:

	Rank	Gross	Net
Chicago	1	112	110
San Francisco	2	111	103
Los Angeles	3	104	106
Amsterdam	4	102	86
Zurich	5	100	100
New York	6	99	90
Montreal	7	98	94
Dusseldorf	14	86	78
Tokyo	19	62	69
Paris	21	61	64
London	25	56	55

International comparisons are notoriously inexact, and it probably would be a mistake to exaggerate the significance of differences of 5 or 10 points on this index. Public services (which are a form of consumption) vary from country to country, as do national customs. Europeans, for example, appear to receive more vacation time than Americans.

But many of the differences are simply too large to be affected by such uncertain factors. The basic message here is that America's overall "productivity"—as contrasted to recent changes—remains high.

None of this means that today's problems of high inflation, high interest rates and low growth are a mirage. People's fears for the future are real; they wonder whether the prosperity they assumed would endure forever now will vanish like a morning mist. Though probably exaggerated, these anxieties underscore the need to understand what makes the economy perform well.

And here we're inclined to draw a moral from Union Bank's survey. Relatively low food prices and services seem to account for much of the American advantage in purchasing power. These are two of the most highly competitive sectors of the U.S. economy, and it makes you wonder about all the groups—the auto companies are the latest—parading into Washington these days asking for various forms of protection against competition. They may be looking to do themselves some good, but not the rest of us.●

THE RETIREMENT OF DENVER DICKERSON

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 18, 1980

● Mr. HAWKINS. Mr. Speaker, the Congress of the United States has lost the services of an outstanding and dedicated public servant. Denver Dickerson, the staff director of the Joint Committee on Printing, retired February 29. As a member of the Joint Committee on Printing for the past 3 years, I have witnessed firsthand both his superlative professional capabilities and his warm and endearing personal qualities. For these and many other reasons he will be sorely missed.

Denver Dickerson's outstanding career has included many years of public service both on the State level, in his native Nevada, and with the Federal Government. He served two terms in the Nevada Legislature and in 1943 he was the youngest man ever to serve as speaker of the house in Nevada. His background as a distinguished journalist was put to good use when he served as a correspondent with the 6th Army in the South Pacific during World War II. Later he served as the executive director of the Nevada Employment Security Department and as a U.S. State Department Information Officer at the American Embassy in Rangoon, Burma. After 6 years of service as an executive secretary to former Senator Bible of Nevada, Denver again returned to the South Pacific when he was appointed as Lieutenant Governor of Guam by President John F. Kennedy. In recent years he has been a valued assistant to our colleague Senator HOWARD W. CANNON, a professional staff member of the Senate Committee on Rules and Administration and, for the last 7 years, staff director of the Joint Committee on Printing.

Along the way, both prior to, and interspersed with his varied Government career, he has also built a reputation as a distinguished reporter, political writer, editor, and publisher of a variety of Nevada newspapers. It is plain to see therefore, that Denver has earned his time for relaxation. I am sure that all Members of the House will wish to join me in wishing Denver a long, happy, and well-deserved period of retirement.●

THE AMERICAN TAX REDUCTION ACT—H.R. 1000—AND THE AMERICAN ECONOMY

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 18, 1980

● Mr. DORNAN. Mr. Speaker, my bill, H.R. 1000, the American Tax Reduction Act, would provide a powerful expansionary thrust for the U.S. economy. That is the conclusion of an extensive econometric analysis conducted by Norman B. Ture, Inc., economic consultants. Dr. Ture, a respected economic authority for 30 years and adviser to Presidents Kennedy and Nixon, foresees increased employment, budget surpluses, and incentives for reducing inflation resulting from H.R. 1000's enactment.

For the RECORD, I am submitting a copy of this important study's summary. Among Dr. Ture's findings are that 790,000 more full-time jobs would have resulted in 1979 had H.R. 1000 been law. This increase would be due to large increases in private capital formation inspired by provisions in the American Tax Reduction Act to cut taxes and index tax brackets.

Considering the new-found desire on the part of the administration to balance the budget and combat inflation, I would call to your attention the projection of a budget surplus in 1982 with the American Tax Reduction Act's passage. The budget excess would result, even with tax cuts and indexing, because of restraints in Government spending contained in title IV of H.R. 1000. The bill presently would restrict expenditures to a specified percentage of the gross national product. I will be adding a further provision to the bill to limit Federal spending to the lower of the fixed percentage of the GNP or a 7-percent increase over the previous year's budget. Under these provisions, the higher the inflation rate, the smaller would be the gain in Government spending in real terms. The greater the desire to increase real spending, the greater the desire to curb inflation.

To briefly summarize the components of H.R. 1000, the legislation would: Reduce personal income tax rates 25 percent over a 4-year period; lower the capital gains tax alternative to a 15-percent maximum and eliminate capital gains as a tax preference item while removing any limitation on the deductibility of capital losses; index the personal income, corporate income, capital gains, estate and gift tax brackets to account for inflation; limit Federal spending over a 4-year period to the lower of a fixed percentage of the gross national product or a 7-percent increase over the prior year's spending; and require that at least 2 percent of the Federal budget be allocated to repay the national debt.

This will be a crucial year for America's economy. With productivity and growth slowing to stagnating levels, personal savings shrinking to new lows, and Federal tax revenues soaring to new highs, Congress must act to revive a sputtering marketplace. To set the economy right requires carefully structured, fundamental alterations in the way the Government takes, and then spends, America's earnings. H.R. 1000 provides that structure.

EFFECTS OF H.R. 1000 ON THE ECONOMY AND ON FEDERAL TAX REVENUES

Enactment of H.R. 1000, the American Tax Reduction Act of 1979, would provide a powerful expansionary thrust for the U.S. economy. The phased-in 25 percent across-the-board individual rate cuts, the reduction in the top rate of tax on capital gains to 15 percent, and the indexing of individuals, corporate, capital gains, and estate and gift taxes for inflation would substantially reduce the existing and growing tax barriers to work, saving, and capital formation. As a result, the economy would experience accelerated growth in productive capacity, employment and total output. These gains are summarized in Table I.

As estimated by use of the Analysis of Tax Impacts Model, developed by Norman B. Ture, Inc., there would be 790,000 more full-time equivalent jobs in 1979, if H.R. 1000 had been effective as of the beginning of the year. By 1988, there would be 5,900,000 more full-time equivalent jobs than the projected employment levels under present law. By far the overwhelming proportion of these jobs would be in the private sector.

Substantial increases in average real wage rates above projected present-law trend levels are projected as a major result of the tax changes in H.R. 1000. Measured in dollars of constant 1977 purchasing power, the average real wage rate would be $200 more than the trend level in 1979, and this gain would rise to $1,890 for 1988.

These real wage rate gains, reflecting significant advances in productivity above projected present-law levels, would be associated with large increases in private capital formation. H.R. 1000's tax changes would significantly reduce the existing tax bias against private saving and investment. In constant 1977 dollars, gross private domestic investment would be $80 billion more than the 1979 trend level, and this gain would advance to a peak of $295 billion in 1983. Even after this strong surge, investment would remain substantially above present-law projected levels; in 1988, capital outlays would be $179 billion greater than under present law.

With the enlarged stock of real productive capital in the private sector and the resulting increase in labor's productivity, business demand for labor services would expand significantly above projected present-law levels. And the significantly reduced individual income tax rates would result in a substantial increase above trend projections in the supply of labor services. The result would be the substantial gains in employment and real wage rates already noted.

Consumption outlays, in constant 1977 dollars, would initially fall somewhat below present-law levels as taxpayers sought to increase their saving and investment in response to the greater after-tax returns to saving which H.R. 1000 would afford. As total output advanced, however, real consumption would rise more and more above projected levels under present law. By 1988, the gain in real consumption would be $334 billion.

These advances in gross private domestic investment and in consumption outlays would add up to substantial gains in real GNP compared to the levels which are likely to be reached otherwise. Had H.R. 1000 been effective as of the beginning of the year, real GNP would be about $48 billion greater in 1979 than the amount estimated under present law. By 1988 the gain would reach $513 billion.

The very substantial economic benefits shown in Table I would be achieved at a relatively small cost in terms of foregone Federal tax revenues. After allowing for the feedback effect from expanded economic activity, Federal tax receipts would be about $9 billion less than under present law in 1979; this loss would increase to $38 billion in 1983 and decline gradually to about $34 billion in 1988. In the latter year, the revenue cost per added full-time equivalent job would be only $6,115, measured in 1977 dollars.

All of these results assume a 6 percent annual inflation rate in 1979 and beyond. If the monetary authorities were to restrict the growth in monetary aggregates to the amounts projected under present law, the strong gains in employment, capital formation, and real output imply a substantial reduction in the inflation rate.

H.R. 1000 includes a provision—Title IV—limiting Federal expenditures to the lower of (1) specific, decreasing percentages of GNP or (2) an amount which exceeds that of the prior fiscal year by no more than 7 percent. The projected budget results, allowing for the expansionary effects of the tax provisions of H.R. 1000 on total income and employment, hence the feedback effects on tax revenues, are shown in Table II. As the Table shows, the Federal budget would achieve a slight surplus in fiscal 1982; the surplus is projected to grow strongly beyond that year, suggesting the possibility of additional, significant tax reductions.

The Title IV expenditure limit, in effect, permits Federal spending to increase by 7 percent a year, measured in current dollars. The higher the inflation rate, the smaller would be the gain in government spending in real terms. The greater the desire by those in the government to increase real spending by the Federal government, the greater would be their incentive to curb inflation. Title IV, therefore, exerts pressure for avoiding inflationary monetary policies and for careful and prudent allocation of limited government spending authority.

TABLE I—ECONOMIC AND FEDERAL TAX REVENUE EFFECTS OF H.R. 1000; TITLES I THROUGH III, COMBINED; 6 PERCENT ANNUAL INFLATION

[Dollar amounts in constant 1977 dollars]

Increase or decrease (—) in	1979	1981	1983	1988
Employment (thousands of full-time equivalent employees)	790	2,770	4,430	5,900
Annual wage rate	$200	$740	$1,390	$1,890
Gross national product (billions):				
Total	48	183	344	513
Business sector	38	145	268	401
Gross private domestic investment (billions)	80	172	295	179
Consumption (billions)	(32)	11	49	334
Federal tax revenues (billions):				
Net of feedback	(9)	(25)	(38)	(34)
Initial impact	(12)	(41)	(62)	(87)

Notes: The figures are the differences between the estimated amount of the respective economic magnitudes under the tax change and under present law in each year. Amounts shown in parentheses are decreases from present law in that year, not from the preceding year under the tax change. Estimates of employment effects are rounded to the nearest 10,000; estimates of annual wage effects are rounded to the nearest $10; estimates of effects on GNP, capital outlays, consumption, and Federal revenues are rounded to the nearest $1 billion.

TABLE II—H.R. 1000 PROJECTED BUDGET RESULTS

[In billions of current dollars]

Year	Revenue	Maximum expenditures	Budget surplus or deficit
1979	448.4	[1] 493.4	(45.0)
1980	484.4	527.9	(43.5)
1981	547.4	564.9	(17.5)
1982	608.0	604.4	3.6
1983	665.3	646.7	18.6

[1] Limit does not apply in 1979.

ECONOMIC AND FEDERAL TAX REVENUE EFFECTS OF H.R. 1000; TITLE I—REDUCTIONS IN INDIVIDUAL INCOME TAX RATES

[Dollar amounts in constant 1977 dollars]

Increase or decrease (—) in	1979	1981	1983	1988
Employment (thousands of full-time equivalent employees)	640	2,260	3,450	4,040
Annual wage rate	$110	$410	$780	$940
Gross national product (billions):				
Total	31	120	216	282
Business sector	25	99	176	231
Gross private domestic investment (billions)	45	102	150	68
Consumption (billions)	(14)	18	66	214
Federal tax revenues (billions):				
Net of feedback	(8)	(24)	(34)	(32)
Initial impact	(13)	(40)	(59)	(74)

Notes: The figures are the differences between the estimated amount of the respective economic magnitudes under the tax change and under present law in each year. Amounts shown in parentheses are decreases from present law in that year, not from the preceding year under the tax change. Estimates of employment effects are rounded to the nearest 10,000; estimates of annual wage effects are rounded to the nearest $10; estimates of effects on GNP, capital outlays, consumption, and Federal revenues are rounded to the nearest $1 billion.

ECONOMIC AND FEDERAL TAX REVENUE EFFECTS OF H.R. 1000; TITLE II—REPEAL OF ALTERNATIVE MINIMUM TAX AND IMPOSITION OF 15 PERCENT ALTERNATIVE TAX ON CAPITAL GAINS

[Dollar amounts in constant 1977 dollars]

Increase or decrease (—) in	1979	1981	1983	1988
Employment (thousands of full-time equivalent employees)	60	200	360	520
Annual wage rate	$40	$130	$240	$350
Gross national product (billions):				
Total	6	23	45	71
Business sector	5	17	34	54
Gross private domestic investment (billions)	15	26	43	31
Consumption (billions)	(9)	(3)	2	40
Federal tax revenues (billions):				
Net of feedback	(1)	1	2	7
Initial impact	(1)	(1)	(1)	(2)

Notes: The figures are the differences between the estimated amount of the respective economic magnitudes under the tax change and under present law in each year. Amounts shown in parentheses are decreases from present law in that year, not from the preceding year under the tax change. Estimates of employment effects are rounded to the nearest 10,000; estimates of annual wage effects are rounded to the nearest $10; estimates of effects on GNP, capital outlays, consumption, and Federal revenues are rounded to the nearest $1 billion.

ECONOMIC AND FEDERAL TAX REVENUE EFFECTS OF H.R. 1000; TITLE III—INDEXING INDIVIDUAL INCOME TAX RATES FOR INFLATION

[Dollar amounts in constant 1977 dollars]

Increase or decrease (—) in	1979	1981	1983	1988
Employment (thousands of full-time equivalent employees)	100	350	740	1,520
Annual wage rate	$60	$220	$440	$690
Gross national product (billions):				
Total	11	42	89	165
Business sector	8	30	64	123
Gross private domestic investment (billions)	23	43	80	63
Consumption (billions)	(12)	(1)	9	102
Federal tax revenues (billions):				
Net of feedback	1	4	6	12
Initial impact	*	*	(1)	(9)

*Less than $0.5 billion.

Notes: The figures are the differences between the estimated amount of the respective economic magnitudes under the tax change and under present law in each year. Amounts shown in parentheses are decreases from present law in that year, not from the preceding year under the tax change. Estimates of employment effects are rounded to the nearest 10,000; estimates of annual wage effects are rounded to the nearest $10; estimates of effects on GNP, capital outlays, consumption, and Federal revenues are rounded to the nearest $1 billion.

ECONOMIC AND FEDERAL TAX REVENUE EFFECTS OF H.R. 1000; TITLE III—INDEXING CORPORATE INCOME TAX RATES FOR INFLATION

[Dollar amounts in constant 1977 dollars]

Increase or decrease (−) in	1979	1981	1983	1988
Employment (thousands of full-time equivalent employees)	20	60	120	180
Annual wage rate	$10	$40	$80	$120
Gross national product (billions):				
Total	2	7	15	25
Business sector	1	5	11	18
Gross private domestic investment (billions)	5	8	15	11
Consumption (billions)	(3)	(1)	0	14
Federal tax revenues (billions):				
Net of feedback	0	0	1	3
Initial impact	*	*	*	*

*Less than $0.5 billion.

Notes: The figures are the differences between the estimated amount of the respective economic magnitudes under the tax change and under present law in each year. Amounts shown in parentheses are decreases from present law in that year, not from the preceding year under the tax change. Estimates of employment effects are rounded to the nearest 10,000; estimates of annual wage effects are rounded to the nearest $10; estimates of effects on GNP, capital outlays, consumption, and Federal revenues are rounded to the nearest $1 billion.

ECONOMIC AND FEDERAL TAX REVENUE EFFECTS OF H.R. 1000; TITLE III—INDEXING CAPITAL GAINS FOR INFLATION

[Dollar amounts in constant 1977 dollars]

Increase or decrease (−) in	1979	1981	1983	1988
Employment (thousands of full-time equivalent employees)	70	250	490	770
Annual wage rate	$40	$160	$320	$520
Gross national product (billions):				
Total	8	29	61	107
Business sector	6	22	46	81
Gross private domestic investment (billions)	18	34	61	52
Consumption (billions)	(10)	(5)	0	55
Federal tax revenues (billions):				
Net of feedback	0	1	3	8
Initial impact	*	(1)	(1)	(4)

*Less than $0.5 billion.

Notes: The figures are the differences between the estimated amount of the respective economic magnitudes under the tax change and under present law in each year. Amounts shown in parentheses are decreases from present law in that year, not from the preceding year under the tax change. Estimates of employment effects are rounded to the nearest 10,000; estimates of annual wage effects are rounded to the nearest $10; estimates of effects on GNP capital outlays, consumption, and Federal revenues are rounded to the nearest $1 billion.

ECONOMIC AND FEDERAL TAX REVENUE EFFECTS OF H.R. 1000; TITLE III—INDEXING ESTATE AND GIFT TAXES FOR INFLATION

[Dollar amounts in constant 1977 dollars]

Increase or decrease (−) in	1979	1981	1983	1988
Employment (thousands of full-time equivalent employees)	10	40	70	100
Annual wage rate	$10	$20	$50	$70
Gross national product (billions):				
Total	1	4	8	12
Business sector	1	3	7	11
Gross private domestic investment (billions)	3	6	11	7
Consumption (billions)	(2)	(2)	(3)	5
Federal tax revenues (billions):				
Net of feedback	(1)	(1)	(2)	(4)
Initial impact	*	(1)	(2)	(4)

*Less than $0.5 billion.

Notes: The figures are the differences between the estimated amount of the respective economic magnitudes under the tax change and under present law in each year. Amounts shown in parentheses are decreases from present law in that year, not from the preceding year under the tax change. Estimates of employment effects are rounded to the nearest 10,000; estimates of annual wage effects are rounded to the nearest $10; estimates of effects on GNP, capital outlays, consumption, and Federal revenues are rounded to the nearest $1 billion.●

ILLINOIS BUSINESSMAN ELECTED HEAD OF TRUCKING ASSOCIATION

HON. EDWARD R. MADIGAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 18, 1980

● Mr. MADIGAN. Mr. Speaker, I am pleased to call to the attention of my colleagues the fact that Mr. Roger Roberson, executive vice president of the Pre-Fab Transit Co., Farmer City, Ill., was recently elected president of the Common Carrier Conference-Irregular Route.

The conference, an affiliate of the American Trucking Associations, represents more than 600 trucking companies throughout the country.

Mr. Roberson, who lives with his wife Ramona and their five children in Seymour, Ill., brings to the presidency a broad background of knowledge and experience in the trucking industry, including 16 years with Pre-Fab.

He is a community leader, giving generously of his time and talents to promote many worthwhile civic and community endeavors.

The conference has chosen well, and I am pleased that his abilities and accomplishments have been recognized by his peers in the trucking industry.●

"SARGE" JOHNSON—A MOULDER OF MEN

HON. DAN QUAYLE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 18, 1980

● Mr. QUAYLE. Mr. Speaker, the tragic crash of a Polish airliner last Friday near Warsaw brought death to 87 persons including 23 members of the U.S. amateur boxing team. At least 14 young boxers, many with promising careers ahead, were lost.

Those of us from Indiana were especially saddened over the loss of Thomas "Sarge" Johnson, coach of the team who made his home in Indianapolis. Sarge Johnson was a moulder of young men and he dedicated his life to developing amateur talent for the ring. His loss will be felt not only in Indiana but around the world. Sarge carried his dedication to young people of many lands. He was indeed known as America's greatest international amateur boxing ambassador.

We mourn the loss of Sarge Johnson and the U.S. team members who died last week. Our heartfelt sympathy is extended to Sarge's wife, Emily; his sons, Alphonso and Thomas Jr.; and his daughter, Betty.

Under leave to extend my remarks in the RECORD, I include an article by Jimmie Angelopolous of the Indianapolis News which highlights appropriately Sarge Johnson's commitment to youth and to boxing:

SARGE BOXING AMBASSADOR

Thomas "Sarge" Johnson of Indianapolis would have been 59 years old March 26 but his tragic death in the plane crash in Poland today was mourned today by members of the world-wide amateur boxing community.

Sarge was regarded as America's greatest international amateur boxing ambassador. From America's shores to Tripoli to Asia, and even recently in Pakistan, Sarge Johnson was well known in international amateur boxing circles.

Sarge worked for the State Department through America's golden age of amateur boxing, spreading American boxing techniques and good will. Sarge had returned recently from his last trip in Africa where he spent several weeks working with Africa's amateur boxing federations.

Sarge spread his cultural instructional boxing programs throughout the Far East, including Indonesia, where he trained boxers there for the Asian Games.

"I have been the goodwill ambassador for the State Department," Sarge would relate with unbridled pride. "I've always tried to spread good will through boxing and I never wanted to let politics interfere with boxing.

"We have accomplished a great deal of good with our boxing programs all over the world," Sarge would say, almost bellowing because of his pride as an amateur goodwill ambassador among the Third World countries.

Only last August Sarge was honored for his international boxing efforts by the International Communication Agency in Washington, D.C., when one of his most prideful moments came when he met President Carter.

Among Sarge's greatest amateur boxing achievement was his widely-lauded acclaim as the top assistant to Pat Nappi, coach of the great U.S. gold-medal winning Olympic team in Montreal.

"Sarge's influence with the U.S. boxers," related one national boxing authority, "was great. He had such rapport with the U.S. boxers."

Sarge would have been one of two or three top coaches considered for this year's Olympic boxing team.

He also coached the U.S. Pan Am team and, only recently, was in the corner when U.S. boxers fought Cuba's elite in New York.

Sarge wrote a widely-circulated manual on boxing techniques for several countries.

"Where we're hurting," Sarge once said, "is that there are not enough coaches to teach. What's hurt the growth is the poorly trained coaches and insufficient competition."

Sarge also developed Norm Goins, who retired after a good pro career as a lightweight, and assisted trainer Champ Chaney on occasion with the development of Marvin Johnson, only fighter to win the World Boxing Association and the World Boxing Council light-heavyweight crowns.

Sarge was born in Louisiana, joined the Army at age 17 and fought 30 amateur bouts.

World War II interrupted his career but he returned in 1945 to begin his great career as America's greatest amateur international boxing ambassador.

Sarge is survived by his widow, Emily; two sons, Alphonso and Thomas Jr. and a daughter, Betty.

The Indianapolis AAU Headquarters was swamped today by callers wanting information on the crash. But officials there had no information and referred all questions to other sources.●

UNCERTAINTY ABOUT FED'S MONETARY POLICIES

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 18, 1980

● Mr. RITTER. Mr. Speaker, I know my colleagues share with me the tremendous uncertainty building within the American public as a result of the Fed's recent and continued monetary policies. After meeting with a large group of my constituents, representing some of the industries most greatly affected—small businesses in particular—in an inflationary climate, I am again compelled to urge Fed Chairman Volcker to carefully consider the impact from the Fed actions on the state of our economy.

I share my letter to Chairman Volcker with you:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., March 12, 1980.
Mr. PAUL A. VOLCKER,
Chairman, Board of Governors of the Federal Reserve System, Washington, D.C.

DEAR MR. CHAIRMAN: I am writing to you as a result of a meeting I held today with some fifty homebuilders, realtors and bankers from the Lehigh Valley area of Pennsylvania.

It is hard to describe in words their feelings of frustration bordering on desperation. They are extremely hard-working, productive individuals who employ large numbers of workers throughout the Allentown-Bethlehem-Easton area of Pennsylvania. They are feeling betrayed by the current financial situation, and believe that they have been unfairly singled-out for severe belt-tightening while other segments of the economy—the federal government in particular—benefit from inflation.

This meeting emphasized to me even more than before the negative short-term impact the recent Fed move to raise interest rates has had on the housing industry. I, too, am deeply disturbed that certain segments of our economy are "singled-out" to wage the fight against inflation. It is my feeling that the Fed policies to curb inflation, in the absence of discipline on the part of Congress and the Administration, can only lead to the further destruction of income-producing segments of our economy rather than fight inflation as originally intended. Reduced revenues to the Treasury will be the result as will larger deficits.

Mr. Chairman, I urge you to reevaluate current Fed policies and expedite further actions to work with Congress in supporting federal spending limitations, reductions in the tax rates to enhance productivity, slowing of monetary growth and the promotion of measures that work with the American economy, not against it. I appreciate your goals and share them with you. But solo Fed actions as currently being implemented take unfair advantage of a vital part of our economy to the detriment of all of us.

I would greatly appreciate your careful consideration of this plea for help by providing more positive methods to avoid the further decline of this vital segment of our economy.

With kindest regards, I am
Sincerely,

DON RITTER,
Member of Congress.●

DEEPER BUDGET CUTS LISTED

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 18, 1980

● Mrs. SCHROEDER. Mr. Speaker, there are many of us in the House who are concerned that the cuts to be proposed by the administration in its attempt to balance the budget will receive inadequate legislative attention.

Fortunately, however, Senator WILLIAM PROXMIRE has provided us with a benchmark against which the administration's proposals can be judged.

The article, from the March 16, 1980, Washington Post, follows:

THE DEEPER PROXMIRE BUDGET AX

(By William Proxmire)

The "not me" game is going full steam since Washington suddenly discovered that we have to slash the federal budget, and it has started to result in the usual nonsense.

You know how it goes: The best way to force efficiency on HEW is to give it fewer funds, while the best way to do the same for the Pentagon is to give it more money. (Great logic.) Or: If you reduce spending for my program now, "it will only cost more in the long run." (Sure.) Or simply: You can't take it out on *my* group. (yes we can.)

Indeed, we can take it from almost every group, working on that ancient principle of economic, political and social equity: Misery loves company. This is eminently clear to me after 23 years of frustration over executive agency budgets, exasperation at Senate hearings and bewilderment over the extent of government waste documented in reports by the Congress and its General Accounting Office. It is also reinforced by an excellent study on "Reducing the Federal Budget" recently issued by the Congressional Budget Office.

From all this, it is evident that we can cut the budget in three broad ways. First, hit programs which are not justified under any circumstances; it is even time we began thinking about eliminating entirely one federal agency a year, which would not be as traumatic—or even as noticeable—as some might imagine. Second, there are the marginal programs that cannot be justified during this time of rapid inflation. Finally, there are the painful emergency adjustments that must be made to meet our current economic crisis.

While President Carter has moved in the right direction, his call for $13 billion in cuts for the next fiscal year does not go nearly as far as needed. It cannot conceivably erase a federal budget deficit now projected at a minimum of $20 billion and likely to rise to at least $25 billion. We must cut more deeply.

It is impossible to list all of the thousands of programs that could reasonably be trimmed. But while we await the president's specific proposals and the interest groups keep howling "not me," consider the following cuts in outlays—forget the misleading "budgetary authority" numbers—for the next fiscal year.

1. Unjustified Under Any Circumstances. Heading this list is revenue sharing. We are "sharing" (meaning giving) $6.8 billion in revenue, money Washington does not have, to states with recent budget surpluses. The states end up spending money they don't have to raise, leading to federal dollar addiction. The withdrawal pains will be severe but necessary.

Three of my favorite indefensible government expenses go for travel, consulting and public affairs. We will spend next year almost $9 billion on travel, $2 billion for consultants and $1 billion to support 20,000 federal public information and communications specialists. We even hire consultants who travel to Washington to assist in public relations—a remarkable combination.

The travel and consulting budgets should be reduced by $1 billion, as recommended by Democratic Sens. James Sasser of Tennessee and David Pryor of Arkansas, and public affairs could be cut by one-quarter, saving $250 million. Does the Pentagon really need 1,500 public affairs specialists? Does HEW need more than 400? Come on.

Our waterways, highways and airports obviously are essential to interstate commerce, but why shouldn't the users pay a realistic price? By insisting that user fees reflect true costs, airport and waterways revenues could displace $2 billion in federal spending next year. In addition, Congress should lower the highway trust fund by at least $1 billion, helping to conserve not only money but energy as well.

How many Americans would vote for a program with no sound economic justification, one that provides a huge subsidy to a very few individuals, contradicts national agricultural policy and aggravates flood problems? Many of our water resource projects, dams, waterways, canals and reclamation projects do just that.

There are at least 52 questionable water projects, such as the Tennessee-Tombigbee system in Alabama and Mississippi, the Russell Dam in Georgia and South Carolina, the Red River Waterway in Louisiana, the Stonewall Jackson Dam in West Virginia, the Central Arizona project and the Bonneville unit of the Utah project. We could save at least $250 million immediately by canceling them and paying termination costs. Similarly, channelization and erosion control programs could be reduced by $94 million. Channelization is particularly destructive to wildlife habitats and is based on obsolete water control concepts.

Some savings can be made with simple steps. Take the income-reporting system for public assistance. There is no common reporting system for estimating the monthly income figures used for federal payments under the Supplemental Security Income or Aid to Families with Dependent Children programs. With accurate statistics, we could save $325 million next fiscal year alone and $1.9 billion over five years. This would impose no burden on the needy, only weed out those who are ineligible for assistance.

In three areas the administration in the past has proposed substantial savings, but the Congress has failed to go along. This is the year Congress must change its mind about the Clinch River Breeder Reactor, impact aid for schools, and reform of the Blue Collar Wage Board pay system. If Congress again moves forward with the Clinch River Breeder, the president should request a recision of these funds, saving $220 million. By stopping Clinch River and paying a termination fee of $150 million, we could still save $1.4 billion over five years.

Impact aid to local school districts with high proportions of federal employes long has been controversial. Eliminating the $250 million annual payment would cause some hardships, but it would reflect the fact that federal employes already contribute substantially to the local tax base.

Accepting the administration's plan for blue collar pay comparability with the private sector would save $260 million. If Congress refuses to take up this offer, the administration should reduce blue collar employment by a similar amount and do so every year until the changes are made.

Finally, there are two government agencies whose justification for existence have simply run out. They should be at the top of the eliminate-an-agency-a-year list.

The Law Enforcement Assistance Administration has failed to help solve the nation's crime problem or to improve the criminal justice system. It has merely become a budgetary crutch for local law enforcement authorities. We don't really need a $2 million prototype James Bond police patrol car with digital terminals, head-up displays, periscope rearview mirror, microcomputer mass memory, tire sensors and so on. That is what LEAA gave high priority to.

The Small Business Administration is a more difficult case. While serving some small businessmen well, it has been plagued with questionable loans and outright fraud. The small businessman has often found it easier to obtain credit from other institutions. Eliminating SBA and LEAA would slash spending by $1.4 billion.

2. Marginal Programs. We must also cut back programs which could be justified, in some measure, during times of surplus funding but which now must be set aside. That is where economy begins to hurt.

Start with the Comprehensive Employment and Training Program. By cutting selectively in public service employment, youth employment and private sector programs, CETA outlays could be reduced by $2 billion next fiscal year.

Education programs cannot be exempt. We could pare federal elementary and secondary programs by $300 million, vocational education by $100 million, basic opportunity grants for college students by $100 million, college loans by $200 million and other small programs by $100 million. Total saving: $800 million.

It is also time for retrenchment in health spending, which has increased dramatically in recent years. Various legislative changes, including Medicare and Medicaid reforms would net $270 million; delaying the new child health program and improvements in Medicare and Medicaid for a year would save $560 million. We should also adopt the Congressional Budget Office option of charging for food product inspection, which would save $310 million. At the various administrative offices of our national health programs, savings of $450 million could be obtained by specific retrenchments.

But social programs cannot bear the brunt of fighting inflation. There can be no sacred cows in the budget—and that includes defense spending.

The Pentagon should immediately freeze all civilian hiring. With 991,000 civilians working there, we can afford to cut back by attrition. A 6 percent attrition in man-years in civilian personnel would save $1.2 billion.

Nearly $36 billion in major defense contracts are awarded every year without competition—73 percent of the total. Government and private studies indicate that competition would save 10 to 25 percent over "sole source" awards. The conservative 10 percent figure, with half the saving phased in next year, would net $1.8 billion.

Another large and questionable chunk of Pentagon spending goes for "Independent Research and Development." These little-noticed payments hand defense contractors more than $1.4 billion a year—with little accountability or measurable payoff for the defense effort. They should be cut in half.

There are a number of other ways to reduce Pentagon spending, again without any harm to our military capability: Eliminate military servants ($10 million); mothball obsolete World War II Naval Reserve destroyers ($130 million); improve the officer-enlisted men ratio ($20 million); cancel the manned penetrating bomber studies ($50 million); delay the Advanced Attack Helicopter and SURTASS ($420 million); rescind procurement of the CVN71 nuclear aircraft carrier from last year ($60 million, with greater savings in succeeding years), and rescind the trouble-plagued CAPTOR mine program.

To this list I would add a more controversial item—the MX missile. We are concentrating on a futile deployment system and encouraging a similar Soviet scheme that would be unverifiable and destructive of future arms control options. We could upgrade our seabased deterrent while continuing to exploit cruise missile technology in lieu of the MX, saving $870 million next year and tens of billions later.

Next, foreign aid. The polls have long indicated that this is the most unpopular federal program. We cannot be shortsighted in our relations abroad, but we must be frugal.

Next year's foreign aid spending could be cut by $1.5 billion by reducing the International Development Cooperation Agency $500 million; refugee assistance by $66 million; general administration by $64 million; international organizations and conferences by $48 million; military assistance by $150 million; the Export-Import Bank by $176 million and the multilateral development banks by $300 million. The last two cuts will create anguish among those who have received informal pledges of U.S. support, but they must realize that governments can and must change their minds when new economic problems arise.

Members of Congress often work to protect budgets of the committees they head, but since economy begins at home, I offer the following recommendations for agencies under my jurisdiction as chairman of the Senate appropriations subcommittee on HUD and Independent Agencies.

NASA has recently submitted a proposed budget cut of some $760 million to OMB. The administration should accept this and postpone new programs, cut back on overhead and stretch out the space shuttle. This would be one of the deepest cuts in any government agency.

With housing money, which is tied to past commitments, it is difficult but not impossible to make substantial inroads. A solid cut in staffing, community development grants, operating subsidies, Urban Development Action Grants, research, and comprehensive planning grants could squeeze out savings of $187 million. And if we held the National Science Foundation budget to last year's level, $100 million more would float free.

"Countercyclical aid" is a much improved form of fiscal assistance targeted to areas of greatest need. But the $1 billion in planned spending may not be necessary if the budget is balanced and some semblance of order returns to the economy. Furthermore, a program this modest probably has no significant effect on employment.

If Federal Workman's Compensation and Civil Service Disability eligibility requirements were tightened and abuses eliminated, we would save $49 million. And hardly any budget has grown so fast as that of the National Foundation for the Arts and Humanities. Austerity demands that spending for these cultural activities be limited to last year's level—saving $30 million.

Congress itself cannot escape the budget scalpel. Legislative branch appropriations should be cut by freezing new hiring, eliminating frills from the Hart Senate Office Building and restricting growth at the Library of Congress and the GAO.

Wherever possible, committee staffs should be cut. I have returned $350,000 to the Treasury over the past three years from my personal staff and office budget, and my Banking Committee staff has been reduced 6 percent since last year. We get along fine, just as other staffs could. Every congressional office should take a 10 percent cut in office expenditures this year.

The same holds for the bloated White House staff, including those "on detail" from other agencies. If the president does not set an example, his budget-cutting plea will simply lose credibility.

3. Emergency adjustments. To this point, the cutting pains have sometimes been acute, but they are within tolerable bounds. Two more difficult decisions could be made if the psychological and economic pressures behind our inflation rate are to be curtailed. They are emergency measures—not to be taken lightly or extended over too long a period—but they are necessary.

First, a federal white-collar pay cap could be set at 7.5 percent. This would be arbitrary, stringent and basically unfair; federal workers alone cannot fight inflation. If the other measures recommended here were accepted, however, the pay cap would be logical and essential to holding down wage inflation. The savings would be $950 million.

Second, $800 million could be saved if dual annual cost-of-living payments for federal retirees were limited to single adjustments. This would put federal retirees on the same basis as Social Security recipients.

All of the cuts cited here cannot be added up to give an overall total; while about $32 billion in reductions are included, some spill over from one agency to another and others preclude precise analysis of the total economic effect. What is clear, however, is that there is enough room to balance the budget even under adverse assumptions and still provide for a tax cut later in the year should that be necessary. A balanced budget would also have the side effect of limiting interest charges on the deficit by about $2.5 billion.

Yes, there will be pain, and all of us in Congress will be deluged with the "not me" howls from interest groups and constituents. My own state will be hurt, for some examples, by cuts in revenue sharing, education and health spending and CETA jobs and higher airport user charges, and I have already heard, loud and clear, from affected constituents. But we have to cut more—and we cannot rely on revenue-raising taxes. Going the revenue route would only tell the nation that, yes, once more, the president and the Congress are not really serious, are trying to avoid the very discipline they ask of everybody else, are playing bookkeeping games with our lives.

Only public opinion can turn this government around. Only national outrage over mindless spending will dent the rhinoceros hide of indifference within the bureaucracy. Perhaps we are close to that point.●

THE BEST AND MOST EFFICIENT COURT

HON. CARLOS J. MOORHEAD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 18, 1980

● Mr. MOORHEAD of California. Mr. Speaker, the municipal court of the Glendale Judicial District is considered by the auditors of Los Angeles County to be the best and most efficient court in the vast county system.

It is the only court in the system where you can file a civil action and get a trial date within 2 weeks. In most districts, the delays range from 2 months to 2 years or more.

In the Glendale court, criminal cases are being heard within statutory time limits when the participants are prepared. Again this is a most unusual and welcome situation.

Credit for this laudable efficiency is due in great measure to Alden Besvold, an employee of the court for the past 32 years. In 1970, he became head and chief clerk of the court.

In this capacity, his steady guidance, his managerial astuteness, his ability to hire capable people and then properly train them, helped immeasurably in creating a court mechanism which administers sure and timely justice.

As a man and as an administrator, he has always been admired. Despite the responsibilities and demands of his position, he always took the time to be courteous and concerned with everyone associated with the court.

When Alden Besvold walks out of the courthouse for the last time on March 28, there will be no bands playing but this in no way diminishes his accomplishments as a public servant; this in no way diminishes our gratitude for the benefits that have come to us because of his extraordinary career.

We are thankful for this opportunity to pay tribute to him upon his retirement.●

ILLUSORY BUDGET CUTS

HON. BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 18, 1980

● Mr. CONABLE. Mr. Speaker, in the euphoria of budget cutting which seems to be engulfing the administration and Congress, I am compelled to raise the caution that not all proposals are as meets the eye. We all are aware that budgets are susceptible to numbers juggling and this President appears to know the practice very well. An analysis in today's Wall Street Journal points out that for all of the President's recent claims of balancing the budget by cutting spending, he is really relying on rising taxes to achieve that goal. Switching spending between 1980 and 1981 fiscal years will leave total spending in the 2 years undiminished, but rising taxes will increase the revenues by another $16 billion, to a total increase of $92 billion. I submit the analysis for examination by my colleagues who may want to consider some real budget cutting to gain control of our runaway inflation.

ONE-DAY BUDGET CUTS

We were wrong to suggest in these columns yesterday that the Carter administration would take back its budget cuts after the November election. It has taken them back already.

We pride ourselves in a healthy measure of skepticism, but we were taken in by the administration's propaganda barrage about cuts of $2 billion this fiscal year and $13 billion in the year starting on October 1. We failed to notice that in releasing its new spending totals the White House also made "revisions" to the spending estimates it offered back in January. The March figures are the January figures, plus revisions, minus "cuts."

The sharp pencils were out along Wall Street yesterday, and Morgan Stanley's H. Erich Heinemann discovered that once you offset the revisions and the cuts and aggregate the two fiscal years, the effect on expenditures of the new crisis budget is: precisely zero.

In one of its tables, the White House is perfectly honest about this. If you take the mid-points of the ranges in the table, and add the totals for the two fiscal years, it looks like this:

OUTLAYS

[In billions]

	Fiscal year 1980	Fiscal year 1981	Total
January	$564	$616.0	$1,180
Plus revisions	6	9.5	
Minus cuts	2	13.5	
March	568	612.0	1,180

While we were naive in not spotting Mr. Carter's budget cuts as an even bigger fraud than we suspected, we were right in identifying his program as a tax increase. Even here, however, we underestimated. The revenue table looks like this:

REVENUES

[In billions]

	Fiscal year 1980	Fiscal year 1981	Total
January	$524	$600.0	$1,124.0
Plus revisions	5	11.5	
New withholding	0	3.0	
Oil import fee	3	10.0	
March	532	624.5	1,156.5

In the seven weeks between the two budgets, the government's tax take went up $32.5 billion over the two years. The increase in tax revenues from one fiscal year to the next soared to $92 billion from the $76 billion already predicted in January. With the large tax boosts already proposed in January, Mr. Heinemann calculates that you have the biggest peace-time tax boost in history; taxes will rise from 20.5 percent of GNP in calendar 1980 to 21.9 percent in calendar 1981.

Thanks to these gigantic tax increases, you can say the budget is in balance, provided (1) you ignore the government's off-budget credit activities, see below, and (2) you can persuade yourself there won't be any more spending revisions like the ones in the last seven weeks.●

SLIGH FAMILY SHOWS FREE ENTERPRISE DOES WORK

HON. GUY VANDER JAGT

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 18, 1980

● Mr. VANDER JAGT. Mr. Speaker, individual initiative, perseverance, hard work—qualities that America and Americans prize—have made our free enterprise economy the source of unlimited opportunity.

Frequently today we hear that the small businessman cannot make it. While it is without doubt true that massive government interference makes it much more difficult than in the past for "the little guy" to clear the hurdle to small business success, it is still possible. It is a pleasure when we can recognize the hard work and perseverance of individuals who have led a small business to its 100th anniversary.

The Sligh family, and the furniture business which they founded and operate, and which is now located in Holland, Mich., in the Ninth Congressional District, is just such a success story. The past 100 years, the wars, depressions, and recessions, have been challenges met and overcome by a family dedicated to the principle that the American people will always be in the market for a fine product skillfully made. I am proud to be able to join with all the citizens of Michigan's Ninth Congressional District, the family of the city of Holland, and the Sligh family in marking a centenary that heralds the qualities on which our country and its free enterprise economy were founded. I recommend the story of this success, from the Holland Sentinel newspaper, to my colleagues:

FAMILY-OWNED FURNITURE COMPANY TURNS 100 TODAY

(By Robert Niedt)

A company reaching the age of 100 is as admirable an accomplishment as it is rare.

But a family-owned furniture company reaching the century mark is unique, especially in these days of tight money, corporate absorption and the shift of furniture manufacturers from Michigan to North Carolina.

Sligh Furniture Co., a familiar Holland landmark located between 11th and 12th Streets on Columbia Avenue, is celebrating its centennial today.

At the helm of this company as it starts on its second century are men who carry the name of its founder—Sligh.

And that name is not only familiar in West Michigan, but the world as well.

"We are unique in our industry," said Robert Sligh, 51, president of Sligh Furniture and grandson of the founder, Charles Sligh. "We're 100 years old and managed by the same family. That combination makes us unique—and we're proud of it."

Reading Sligh Furniture's history is almost a study in the furniture industry itself. Throughout the years, the company has branched out into different ventures under the leadership of the Slighs.

The company's main products today are medium to high priced home, home office and office desks and "executive suites." Floor and mantle clocks, which account for roughly half of the company's productivity, have been manufactured by Sligh since it purchased Trend Clocks of Zeeland in 1968.

At one point in Sligh's history, the company was the largest manufacturer of bedroom furniture in Grand Rapids, in the days when that city was the pinnacle of furniture manufacturing.

BEGINNINGS

Charles R. Sligh began in the furniture industry in 1874 as a finisher with Berkey and Gay Co., then the largest manufacturer of furniture in Grand Rapids. He later became a traveling salesman primarily in the southwest, often traveling by stagecoach through Texas.

This training somehow convinced him to start up his own business, as the fledgling Grand Rapids industry was beginning to become known for its well-made furniture.

By early 1880, Sligh had solicited enough money from friends and associates to start his own business in Grand Rapids. By Feb. 27, 1880, Sligh Furniture Co. of Grand Rapids was born, manufacturing a variety of furniture.

Six other furniture companies were formed in Grand Rapids that same year, but by 1913, only Sligh remained.

Property on Buchanan Street in Grand Rapids was purchased for a 15,000-square-foot factory two weeks after the company was incorporated. That building still stands, and the name of Sligh can vaguely be made out.

First year profit for Sligh was $4,500. These "meager" beginnings slowly evolved Sligh into one of the three largest manufacturers of furniture in Grand Rapids by 1925, the company's banner year in its early days.

Sligh Furniture's early years also saw some "unusual" lines for a furniture company. Bicycles were manufactured from 1895-1897, particularly after the company bought the Hamilton Bicycle Co. of Hamilton, Ohio in 1896.

But peddling bicycles, although adventurous, didn't prove to be the most financially successful Sligh venture. Net losses a year after Sligh bought the bike firm almost crushed the furniture company. Bicycle production folded, and it took some work to get the company back on its feet.

Robert Sligh reflects on what he learned of the experience: "My grandfather's partner absconded with the bicycle funds," he explained. "Many people today would have declared bankruptcy. But my grandfather went to his creditors and told them he would pay them every penny. That deal just about put the company under. But he brought it back."

There were other early ventures by the company's founder. The Honduras Mahogany Co. was formed in 1895 and later dissolved. The Charles Sligh Timber Co. was formed in 1903, investing in timber in the Northwest.

(Charles Sligh had some other adventurous ideas as well, two of which involved the construction of canals. Because of water transportation problems to Grand Rapids, Sligh proposed a canal linking Grand Rapids with Lake Macatawa or dredging the Grand River to link the city with Grand Haven. Some dredging was done, but the plan was later dropped.

Sligh even proposed a canal through the entire state, from Grand Rapids to Saginaw Bay.)

But Sligh's focus was always on his business, despite some tries at politics, including a shot at the governor's seat in 1896.

By 1913, the company was turning an admirable profit.

AND THEN . . . DECLINE

Prosperity was the word from 1913 to 1925, the peak years for Sligh Furniture Co. Nearly 1,500 workers were employed in the mid-1920s, 88 bedroom suites were offered, 11 dining room suites were on the books, and over 610,000-square-feet was used for manufacturing.

Investments were wide, including timber companies, a canal in Arizona, and land deals and a piece of the Pantlind Hotel.

World War I proved lucrative in a way to the company, when it manufactured walnut gun stocks for the federal government.

Charles Sligh Sr. died of pneumonia in 1927. Ironically, a depression in the furniture industry which began the year before, was sweeping away many furniture companies. Grand Rapids was dying as the furniture capital as the industry moved south.

Sligh Furniture's losses continued to mount and orders kept dropping, so that by 1932, the company's stockholders—principally Sligh's half-sisters and their husbands—decided to liquidate Sligh's assets. It was in the midst of the Great Depression, money was tight.

The Sligh Furniture Co. building in Grand Rapids was closed after liquidation, and some historians have said this marked the end of the era of mass production of case goods furniture in Grand Rapids. Other large manufacturers also closed their Grand Rapids plants.

But it was not the end of Sligh Furniture.

ON TO HOLLAND

Charles R. Sligh, Jr., 26 years old at the time, like his father, was not about to see the end. He decided the company could continue manufacturing, but on a smaller scale.

The next year, the younger Sligh acquired some of the assets of the former company, took on O. W. Lowry as a partner and a production man (he had been with the old company), and started the Charles R. Sligh Co.

This time, the move was to Holland where the two men bought the old Thompson Manufacturing Co. factory, reportedly for a "modest sum" because of the depth of the Depression.

By October 1933, production started and 45 employees were working in the plant, five more than when Sligh Furniture Co. started 53 years before.

Thanks to a good contract with the R. H. Macy Co. of New York—a client of the former company—Sligh was able to begin getting back on its feet.

The turning point in the manufacturing history of the newly formed company probably came with the introduction of the "knee-hole desk" in those early years following its re-birth.

Originally started as a product to keep cash flow going, the desk turned into something bigger than the company probably had anticipated.

In the beginning, the desk did not carry the Sligh name, but rather was manufactured under the name of the former owner of the plant—Thompson.

Sligh wanted to keep its reputation as a manufacturer of "high quality" furniture. Manufacturing an inexpensive desk didn't jibe with that image, the company felt.

However, the Thompson desk proved a big hit, prompting further lines and designs bearing the Sligh name.

By 1935, the entire plant was producing desks, a turnaround for the company from its previous manufacturing of mainly bedroom suites.

A mini-depression in the furniture industry threatened the company in 1937, but it regained its composure so that by 1940, a Zeeland plant was bought and it bore the name of the Sligh-Lowry Furniture Co.

Like his father, Charles Sligh Jr. reacted to war years. During World War II, he formed Holland Industries, an association of Holland-area manufacturers set up to manufacture products not normally produced. Shell boxes, gunner seats, cargo sleds, cargo trailer bodies, nurses' dressers, filing cabinets, parts for gliders and other items were made.

Holland Industries then got priority lumber supplies, but to supplement this, Sligh bought timber acreage northeast of Holland.

AFTER THE WAR

Prosperity again became the watchword of the Sligh company following the war.

Grand Rapids saw the Sligh name once more when the Grand Rapids Chair Co. was bought, and case goods were again added to the Sligh line.

Suites were again offered, different kinds of furniture was made, including tables and chairs, dressers and bed frames. Sligh stayed in the case goods business until 1957 when the Grand Rapids Chair Co. was sold to Baker Furniture Co.

Contract furniture was offered, and Sligh became a familiar sight in college dormitories, at Michigan State University, Hope College, Alma, Aquinas, Central Michigan University and the University of Michigan, to name a few. Hotels, motels and nursing homes also picked up the Sligh lines until the company ceased making contract furniture.

During these prosperous years, Sligh Jr. was active in furniture manufacturing organizations, like his father. He was elected president of the National Association of Manufacturers in 1948, after years of serving with other organizations.

In 1952, Sligh served as executive vice president and chief administrative officer of the organization and moved to New York and served in that position for five years, rubbing elbows with labor leaders and politicians in debates on national television.

While Sligh was in New York, O. W. Lowry became president of Sligh Furniture in 1957.

Changes came to Sligh Furniture in the 1960s as well. The Sligh desk line remained strong. Trend Clocks of Zeeland was bought in 1968. A reorganization that same year when the company bought the stock of O. W. Lowry brought back from 1933 the old name of Sligh Furniture Co.

The reorganization meant Sligh was completely in the hands of Charles Sligh Jr., and stock eventually filtered into the hands of more members of the Sligh family.

100 YEARS LATER

Today the company is still family-owned, with no outside stockholders.

The grandsons of the company's founder—Charles III, Richard and Robert—are active in the firm today, as is Charles Sligh Jr., who is chairman of the board.

Sligh Furniture's main product line is desks, but bookcases and other office appointments to complement the line are also offered. A wide assortment of clocks through the Trend line are offered, with West German movements embodied in the Zeeland-Holland made casings.

Unlike years before, the company is seeking to consolidate its plants, according to Robert Sligh, and the purchase of property in the Holland Industrial Park in 1973 is seeing that dream take shape.

Eventually the 11th Street plant will be abandoned, as will a warehouse the company maintains near Lake Macatawa.

"We really want to consolidate our Holland facilities," Sligh explained. "It makes the process smoother and easier. We'll keep our Zeeland location, with Trend Clocks and the furniture plant."

Groundbreaking is scheduled for later this year for an addition which will bring the company's operating space in the industrial park to 220,000-square-feet. Sligh said the addition may possibly mean about 30 new employees added to the 240 people working in the company (outside of sales).

The company maintains showrooms in such cities as San Francisco, Minneapolis, Chicago, Dallas, Los Angeles and High Point, N.C.

Furniture is still made by craftsmen using modern machinery which doesn't look much different from days gone by. A walk through the plant shows the workers still fussing over detail, gold inlay or fine finishes.

The desks and clocks—hand finished and hand painted—are not inexpensive. A clock offered by Sligh to commemorate its 100th birthday (only 1,880 will be made) is carrying a retail price tag of about $5,400 for the limited edition piece.

"It's representative of just about the finest we can make," said Sligh. "The veneers, mahogany and inlays are all well-made."

With money so tight these days, how can a company go on making expensive items? Does the consumer still want expensive furnishings?

"Yes, more than ever," said Sligh. "Our business right now is stronger than ever. Last month was a record January for us, and this is a record February as far as orders go.

"I think people are watching their money. They're not going to spend it on something obsolete, out of style, or which will wear out in five years. They want something they can pass on to their children, an investment, although they may pay a little more now. That's why the manufacturers of quality furniture are so busy."

The Sligh family made the decision to stay in Holland at a time when many of the manufacturers were moving south to more timber and cheaper labor. The decision of the Sligh family remains intact today.

"Primarily, we made the decision to stay here because we like the area," said Sligh. "And this part of Michigan still is respected for its fine furniture."

With all three of Charles Sligh's grandsons involved with the family firm, will this mean the great-grandchildren will be as well?

"It's really too early to determine if any of them will come into the business," said Sligh.

But if his feelings about the business transmit to his children and nieces and nephews, they just may continue the tradition.

"I guess I'm like all the employees here," said Sligh. "You can actually see and feel the product from start to finish . . . mold it . . . and you get a sense of pride selling it. That's job satisfaction.●

MORE BUDGETARY FLIM-FLAMMERY

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 18, 1980

● Mr. ASHBROOK. Mr. Speaker, reality has finally caught up with the budget manipulators at the White House. In yesterday's Washington Post it was reported that because of the Carter administration's gamesmanship with budget figures we now have only half of our frontline aircraft able to fly. Through holding procurement of spare parts at constant levels, but increasing procurement of aircraft we have run out of spare parts for the top planes in our Air Force, causing the grounding of 47 percent of both the F-15 Eagle and the F-14 Tomcat. The remaining planes are also in jeopardy as cannibalization of combat-ready planes continues to take place to keep a dwindling number of aircraft airborne.

This Chamber is indebted to my colleague from Alabama, Mr. EDWARDS, who revealed these startling figures. This comes at a time when there are reports that elaborate accounting measures are taking place to stretch the fiscal year 1980 budget and to make the fiscal year 1981 budget for defense look like the increase Carter has pledged. Through cost accounting the extra fuel bill for the battle groups in the Indian Ocean and for the overall increase in fuel prices will be put off so it can be included in the fiscal year 1981 budget. This will add many billions to the fiscal 1981 defense budget, when it should really be accounted for in fiscal year 1980.

Another trick that is being used to mask reality in the fiscal year 1981 budget has been to fall back to the 3 percent a year increase in defense agreed to by our NATO allies and to abandon the 5.4 percent touted by the Pentagon to win votes for SALT II. It is possible that even the 3-percent increase may be energy related. This will leave the United States even further behind in its ability to maintain an effective deterrent in the world.

In domestic programs the budget is also being laundered. There are already indications that the Department of Agriculture has gone ahead in expanding eligibility for food stamps despite the fact that they do not have the funds to sustain the expanded food stamp rolls through this calendar year. The result will be a food stamp bill coming to the floor of this House with all sorts of rhetoric about how the poor and the aged will starve if we do not pass a new funding bill. In reality the USDA will have lumped in the new recipients with the older ones so when they come before us they can say:

> It will be too difficult and costly to operate the two groups so why not spend the additional money so no one goes hungry.

It is a good gimmick. Unfortunately for the already overburdened taxpayer this method of busting the budget works every time.

The ultimate deception in the fiscal year 1981 budget is going to be how programs will expand beyond current levels of service—over inflationary increase—but will be presented to the House as increases reflective of inflation. The only inflation these programs will reflect are the grandiose designs of the social engineers and bureaucrats right here in Washington, D.C. For fiscal year 1981 over $34.6 billion in new spending above inflation has been included. None of these dollars have been mandated by this Congress, but if we do not act against this money, extra bureaucrats, new executive desks, extra trips, and bigger special interest grants will become part of the overhead of Government. If these funds get past us they will find instant tenure as part of the massive bundle of money known as last year's expenditure.

Every year the budget gets bigger and bigger. The burdens on the taxpayers and on the capital markets have reached the point where the entire system of incentives in this Nation is on the verge of collapse. The Congress must cast aside the rhetoric of Mr. Carter, and the games his staff wants to play, in order to clear the way for a complete and open assessment of the current state of the Federal role in the Nation and the budget that funds that role. We must review the use of outside consultants that mask employee ceilings. We must look at the end of the budget year buying sprees agencies embark on to underscore their demands for more funds the next year. We must end budget creep through the laundering of current services figures. We must not allow ourselves to be taken in by imaginative accounting measures designed to mold budgetary outrages into sellable form. Most of all we must all commit ourselves to serving this Nation by instituting the kind of oversight and the kind of courage that will be necessary to cut the budget back to some sane limits and balance it with nonburdensome revenue levels.

The voters demanded the Congress act on these matters in the elections of 1978. They will be demanding some substantive results in the elections of 1980. America has awakened to its plight and it knows that the Federal budget is the cornerstone of its present economic decline. We have a choice and a great opportunity. Let us not let it pass.●

IN THE HIGHEST TRADITIONS OF THE U.S. NAVAL SERVICE

HON. PAUL N. McCLOSKEY, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 18, 1980

● Mr. McCLOSKEY. Mr. Speaker, "In the highest traditions of the U.S. Naval Service." Those are proud words. They well match the words, "We have met the enemy and he is ours," used on Lake Erie by Oliver Hazzard Perry, for whom this class of ship is named.

"In the highest traditions of the U.S. Naval Service" are words often used to mark the kind of craftsmanship for which the Todd Shipyards are famous.

These words, "In the highest traditions of the U.S. Naval Service," appear also whenever the Navy Cross is awarded. As often as not, the Navy Cross is earned only posthumously. It represents the very highest standard of excellence an American marine or navyman can ever hope to attain. Few hope to win the Navy Cross and survive.

Thus, when an individual has earned five Navy Crosses, the only man in 205 years of the illustrious history of the Marine Corps to have done so, it is well that we of the U.S. Naval Service pause a moment in respect and awe, and that we also soberly note the obligation of all of us to see that these highest traditions are carried on, not just on this ship which bears his name, but in the service each of us can render to our Nation in a very perilous and challenging time.

It is a good time to restore the principle that service to the Nation is a privilege, not just a duty, for the young man of America, and that in peacetime all young men may well give a year or two of their lives in service, whether military or humanitarian, if only in gratitude for the freedoms which were earned and preserved by those who have gone before.

We know that the men who will serve this ship, and if necessary, fight this ship, will try to serve and fight with the same courage, coolness and skill with which Chesty Puller served and fought—in a hundred campaigns—in Haiti, in Nicaragua, at Guadalcanal, Cape Gloucester, and Peleliu, at Inchon and Koto-Ri.

Chesty Puller's name and record have furnished inspiration to hundreds of thousands of marines, especially including those of us here today. All acknowledge that the Marine Corps, the U.S. Naval Service and indeed the United States, depend for our strength on that fierce desire most of us share to live up to the standards of excellence that Chesty Puller and others have set for us.

The record of Virginians in our Nation's military history is unique. George Washington at Valley Forge and Trenton; Robert E. Lee at Fredericksburg and Appomattox; Stonewall Jackson at Manassas and Chancellorsville; George Pickett at Gettsyburg; Chesty Puller at Guadalcanal and in the retreat from the Chosin Reservoir—in victory and defeat, the names of these great Virginians have caused millions of American fighting men to seek excellence, to carry on the best in man's nature rather than the worst or the mediocre.

This is the real legacy of Chesty Puller and the men like him, not just our respect and admiration, but a sense of obligation that we not let them down—that we ourselves, in the frustrations of political disagreement as well as in the fire of battle, in building ships or conducting businesses, that we try, as best we can, to carry on a tradition of excellence so that a following generation may have a similar standard to challenge and meet.

As one young second lieutenant 29 years ago, I was privileged to serve in the 5th Marines, alongside then-Colonel Puller, commanding the 1st Marines. The ship which transported my replacement draft to Korea was named the *General J. C. Breckinridge.* I remember reading a wardroom plaque describing General Breckinridge's heroic service during World War I; but more importantly, I remember his two fine sons, both lieutenants, later joining and serving with distinction in my regiment, the 5th Marines, one being killed in combat within 2 months of his arrival.

I chose the 5th Marines because my best friend's father had served with that regiment at Chateau-Thierry and Belleau Wood. Two of his sons also served with distinction in the 1st Tank Battalion at Inje, the Punch Bowl, and other places.

There is a young man today who well understands the importance of these traditions and the legacy of history. He has carried on; his quiet courage furnishes as great an example to living and future marines as does the record of his father. If Chesty Puller were here with us on this golden California morning, I suspect he would take this rostrum and say that his son has given the greater service and made the greater sacrifice. Chesty would not just ask, he would probably order that this ship be christened the *Lewis B. Puller, Jr.*

At Arlington, next to the monument at the grave of John F. Kennedy, there is a simple cross marking the grave of his brother, Robert Kennedy. There may soon be alongside an even smaller marker for the grave of an equally great American, their friend, Allard Lowenstein, who was killed last evening.

I would hope, Commander Martin, that wherever on this ship there is maintained the record of Lewis B. Puller and his five Navy Crosses from Nicaragua, Guadalcanal, Cape Gloucester and commanding the 1st Marine Regiment, Korea, there will be alongside a small mention of Lt. Lewis B. Puller, Jr., Silver Star, Purple Heart, 1st Marine Regiment Vietnam.

His father would want it so. In peace and war, both have met the ultimate test: "The highest traditions of the U.S. Naval Service."

There are none higher.●

THE CARTER "SHELL GAME"

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 18, 1980

● Mr. SYMMS. Mr. Speaker, on the editorial page of today's Wall Street Journal, the austere budget recently submitted by President Carter was carefully examined.

As the article explains, by simply juggling the books and increasing taxes, the net effect on expenditures is zero. It seems that while the administration preached austerity, it was actually proposing a continuation of the "tax and spend" philosophy that has plagued our economy.

Since the administration has been so recalcitrant in seriously recognizing the problems in the state of the economy, it is incumbent upon the Members of Congress to take affirmative action with regard to reducing Federal expenditures.

The following is the article that appeared in the Wall Street Journal which explains in detail the new Carter budget:

One-Day Budget Cuts

We were wrong to suggest in these columns yesterday that the Carter administration would take back its budget cuts after the November election. It has taken them back already.

We pride ourselves in a healthy measure of skepticism, but we were taken in by the administration's propaganda barrage about cuts of $2 billion this fiscal year and $13 billion in the year starting in October 1. We failed to notice that in releasing its new spending totals the White House also made "revisions" to the spending estimates it offered back in January. The March figures are the January figures, plus revisions, minus "cuts."

The sharp pencils were out along Wall Street yesterday, and Morgan Stanley's H. Erich Heinemann discovered that once you offset the revisions and the cuts and aggregate the two fiscal years, the effect on expenditures of the new crisis budget is: precisely zero.

In one of its tables, the White House is perfectly honest about this. If you take the mid-points of the ranges in the table, and add the totals for the two fiscal years, it looks like this:

OUTLAYS

[In billions]

	Fiscal year		Total
	1980	1981	
January	$564	$616.0	$1,180
Plus revisions	6	9.5	
Minus cuts	2	13.5	
March	568	612.0	1,180

While we were naive in not spotting Mr. Carter's budget cuts as an even bigger fraud than we suspected, we were right in identifying his program as a tax increase. Even here, however, we underestimated. The revenue table looks like this:

REVENUES

[In billions]

	First year		Total
	1980	1981	
January	$524	$600.0	$1,124.0
Plus revisions	5	11.5	
New withholding	0	3.0	
Oil import fee	3	10.0	
March	532	624.5	1,156.5

In the seven weeks between the two budgets, the government's tax take went up $32.5 billion over the two years. The increase in tax revenues from one fiscal year to the next soared to $92 billion from the $76 billion already predicted in January. With the large tax boost already proposed in January, Mr. Heinemann calculates that you have the biggest peace-time tax boost in history; taxes will rise from 20.5% of GNP in calendar 1980 to 21.9% in calendar 1981.

Thanks to these gigantic tax increases, you can say the budget is in balance, provided (1) you ignore the government's off-budget credit activities, see below, and (2) you can persuade yourself there won't be any more spending revisions like the ones in the last seven weeks.●

NOT SHIPSHAPE?

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 18, 1980

● Mrs. SCHROEDER. Mr. Speaker, the situation in Iran has caused serious doubts about the readiness of our military forces to meet a crisis involving limited military operations. The challenge of correcting these readiness problems must be shared by both congressional and military planners. The solutions must be derived from a cooperative effort on the part of these two groups. We should be open to all suggestions as to the orgin and depth of the problem.

Jack Anderson has some good observations on this issue. The article, from the March 16, 1980, Washington Post, follows:

Not Shipshape

Aside from an Olympic boycott and some Olympian rhetoric, Jimmy Carter's chief response to the turmoil in the Mideast has been to deploy a 21-ship naval task force to the Arabian Sea.

At first glance, that would appear to be a formidable deterrent to any further Soviet aggression or Iranian irresponsibility. A closer examination, however, reveals some serious deficiencies behind this display: the ships are beset with manpower and equipment shortages that could impair their combat ability.

The Navy's problems, so starkly illustrated in the Arabian Sea fleet, are not new. Here are some critical shortcomings:

The Navy's overall shortage of some 20,000 mechanics and technicians has forced 70-hour work weeks on some key personnel in the Arabian Sea task force. Their morale is hardly improved by the knowledge they could be working half as hard and making twice as much money if they were civilians.

The flotilla could be put together only by stripping the Mediterranean and Pacific fleets, leaving them at dangerously low levels of capability. The Navy has been compelled to keep many of its vessels, like the aircraft carrier Kitty Kawk, on sea duty far beyond the rotation schedule, further aggravating already severe morale problems.

Classified reports disclose equipment shortages in the special task force of everything from spare parts to missiles. One secret study warns that the F14s on our carriers would have to go into combat without full loads of missiles. Meanwhile, at Navy facilities throughout the world, mechanics are cannibalizing warplanes to build up spare-parts inventories.

The shortage of ships has existed since the Nixon-Ford years, when the Navy retired nearly half its existing fleet. The admirals' hopes for replacement warships were scuttled by budgetary restrictions. The decline continued under Carter, and the Navy now has just 531 ships.

What makes matters worse is that the Navy's importance has increased during the very period when its strength has declined. A recent Brookings Institution study found that the Navy was called upon in 177 of the 215 occasions on which the United States used military force between 1946 and 1975. "There's nothing going on in the world right now that indicates we need less of the Navy," a Pentagon source told my associate Peter Grant. Indeed, the recent events in Iran and Afghanistan—and Carter's chosen response—illustrate dramatically the need to keep the Navy in combat readiness.

The Navy's problems cannot be laid entirely to budget-cutters in Congress and the White House. In fact, the Navy historically shares the pirate's share of Defense Department appropriations. Much of the problem is self-induced, a result of the admirals' obsession with an aggressive, "go-get-'em" strategy for carrying an all-out global conflict to the shores of the Soviet Union. Their plans for World War III have neglected the kind of limited military operations that they are more likely to be called upon to wage.

In hearing after hearing, Adm. Thomas Hayward, the chief of naval operations, has proclaimed that the Navy must "take the battle to the enemy" and destroy the Soviet fleet. But this strategy would bring an all-out response from Soviet air, surface and submarine forces.

To counter this, the admirals have used their money to buy blue chips—the most expensive, technologically sophisticated ships they can build. A modern destroyer is the size of a World War II cruiser, while the new Aegis air-defense cruiser—intended to be able to penetrate Soviet waters—has a price tag of $820 million. For that money, the Navy could buy four guided-missile frigates, with less sophisticated gadgetry but more firepower.

The Navy's single-minded pursuit of high-technology hardware at ruinous expense has drawn much criticism in Congress and elsewhere in the Pentagon. Studies by the Congressional Budget Office have shot down the admirals' insistence that they must attack the Soviet fleet to protect world shipping lanes.

To fight the kind of war the admirals foresee, and also have the quantity of ships that could respond to less than total-war situations, would be financially impossible, Pentagon sources say. President Carter's 1981 budget encourages the admirals in their quest for expensive quality.

Meanwhile, the Soviet navy is expanding in just the direction that will give them the edge in the limited confrontations that are the likely battlegrounds of the next few decades.●

CAKE, SAKHAROV, AND THE KGB

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 18, 1980

● Mr. ROUSSELOT. Mr. Speaker, I would like to take this opportunity to bring to the attention of my colleagues an article which refreshes my faith in the American system of government. Altogether too many people take for granted our first amendment rights. Indeed, these are the constitutional safeguards which make our Republic great. The enjoyment of these rights carries a solemn obligation to protect and preserve these privileges for future generations.

The article concerns the Soviet Union's treatment of dissidents, and magnifies the deplorable dangers presented by communism. Not only are these dissidents exiled from the mainstream of Russian society so as to contain their unacceptable views, but outside contact with friends is impeded and often denied. Andrei Sakharov is a remarkable man with courage to speak his mind freely in the face of a repressive government—a government which expressly denies what is for us an inalienable right: Freedom of speech. It is hard for Americans to visualize life, or rather existence, under a totalitarian regime. A sterile life with disregard for individuality and personal preference is entirely antithetical to our constitutional government and the American way of life. We are blessed with the guarantees of individual liberty established by our Founding Fathers. To protect our open society, it is imperative that we remain aware of the attitudes and intentions of the Communist mentality. If the Soviet Union is repressive in its dealings with its own citizens, how can one expect anything different in Soviet conduct in dealing with the United States and with its neighboring nations?

The article, written by Mr. Kevin Klose, appeared in the Saturday, March 15, 1980, edition of the Washington Post, and relays a drama of everyday life in Soviet Russia:

Cake, Sakharov, KGB: Ingredients to Soviet Tale

Moscow, March 14.—This is a true tale of an elderly woman, the KGB security police, and a chocolate waffle cake.

It is a short episode, but like so many of its kind, tells much about the shape of life in this nation of 263 million. The woman shall remain nameless at her request, and she never asked the names of the agents, on what is accepted here as the sound theory that they would not have given their proper names anyway.

The events began Sunday morning, when the woman climbed aboard an Aeroflot plane at Moscow's Domodedyevo Airport and headed for Gorki, 250 miles to the east, bearing the cake for her friend, Andrei Sakharov.

When she arrived in the provincial city of his exile, she got a taxi and gave the driver her destination several miles away: Scherbinfi No. 2, Prospekt Gagarina, building No. 213, flat No. 2. The cab went a short distance and was stopped. A uniformed policeman ordered her out of the car, took her internal passport and ushered her into a station house.

"We've already been waiting 15 minutes for you," he announced.

She sat for 90 minutes in a small room, and at last a tall man wearing the latest in well-made clothes entered the room with another official. The tall man got right to the point.

"Why did you come to see Sakharov?"

"To spend some time with them [Sakharov and his wife] and bring him this chocolate waffle cake."

The official pondered this for a moment, then said, "I can't believe that a 70-year-old woman would fly here from Moscow just to give someone a cake." He shook his head in wonder. "You've brought us a mystery."

"I'm very sorry for you," replied the woman. "You don't know the meaning of love. People honor men of genius. They honor and love Sakharov."

"It's a mystery to me why you would come only to give him a cake," the man repeated. "How do you want to go back home?"

"I don't want to," said the woman."I also want to see Elena Gregorievna [Sakharov's wife]. She's not under the terms of exile. I'll take the cake to her."

"No. You'll be able to see her in Moscow," said the well-dressed official politely. "Do you want to take the train or the plane back?"

"I'd like to see a little of Gorki first."

"I'll drive you around myself."

"I'd rather go on two feet."

"You can see it from the windows of my car," he replied. "You can send me out on a plane or a train," the woman said as she conceded—partly. "But when the ice is out of the river in the summer, boaters are coming to Gorki. They will carry too many people for you to count. There is no holding back all those who will come here to see him."

The official made no reply, but sat glumly. Then he agreed to deliver the chocolate waffle cake himself and allowed her to write a note for the Sakharovs to go with it.

"You can't say we've been unpleasant to you," he remarked.

"No," she said, "You've only stopped me from doing what I wanted."

She was sent back to the airport under escort to wait for the next flight to Moscow. The KGB bought her ticket, since she refused. "You've spoiled our Sunday," the plainclothes guard said reprovingly.

"And you've spoiled mine," she replied.

The next day a telegram from Sakharov's wife arrived at the elderly woman's Moscow home. "We're sadly eating the cake without you," she wrote.

"This isn't exile and it isn't prison," said the elderly woman. "It's called house arrest in any other country."●

LETTER IN SUPPORT OF A. D. SAKHAROV

HON. ARLEN ERDAHL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 18, 1980

● Mr. ERDAHL. Mr. Speaker, several months ago, a small band of Russian Pentacostals sought religious freedom by taking refuge in the U.S. Embassy in Moscow. These seven refugees are still living in the Embassy today, unable to move to the West or return to their homes in Russia. It goes without saying that they made their decision at great risk to their physical well-being and personal freedom, however little there was.

Since coming to the Embassy, the group has lived in a sort of semi-incarceration in the basement of the building, awaiting some disposition of their fates. But in that time, they came to know and love another Russian dissident, Andrei Sakharov, who, as you know, faces troubles of his own with the Soviet regime. Before his exile, Sakharov attempted to intervene on behalf of the Pentacostals with leaders of the Russian Government. But without success. Now the Pentacostals hope to return favor.

I have in my possession a letter written by Lidia Vashchenko, one of the Pentacostals, to Mr. James G. Walker, a professor at St. Olaf College in Northfield, Minn. Mr. Walker visited with the group during a visit to Moscow in January. The professor is one of my constituents and he teaches at my alma mater.

Lidia Vashchenko's letter is an appeal to free people everywhere to rally behind Mr. Sakharov's cause, as well as that of the Pentacostals' and persecuted religions in the Soviet Union. I submit this letter for the RECORD:

REQUEST TO CHRISTIANS AROUND THE WORLD

"You shall not follow a multitude to do evil; nor shall you bear witness in a suit, turning aside after multitude, so as to prevent justice."—Exodus 23-2.

With these words from the Bible I would like to characterize A. D. Sakharov.

He does not forsake the truth, although there are so few who maintain it in my country and the oppression is difficult for them to bear.

He does not know of God as we Christians know Him, but he has been trying to gain protection for Christians in the USSR because God is able to work his will even through those who do not recognize Him.

His influence has been a means of protection for Christians from the tyranny of the KGB. He has been a fighter for his rights of the suffering people of this country and he does not deserve any punishment by the Soviet government.

We saw him twice when we were in the reception room of the Consulate Section. The first time he came up to us and found out what was happening and why we were here?

(None of the leaders of AUCECB—"Russian Baptist Church" came to talk with us about our situation during the time that we have been here, but A. D. Sackharov has truly been a good Samaritan.)

We told him about our situation but he was not able to advise us because he could not foresee a possible solution to our problems. Many others would like to see us freed but they also can offer little advice because public opinion in the West is the only tool which we have against Soviet tyranny and we ourselves have no control over that.

We asked him to intercede on our behalf before the Soviets and he promised to write a letter to Brezhnev. Also he warned us that he would not receive an answer for this letter from Brenzhnev because he never received answers for any of his other letters.

His next visit to the Embassy (we still were sitting on the divans in the reception room of the Consulate) we found out that he wrote the letter and that he did not receive any response.

Now I feel that it is our obligation is to come forward and speak out for the protection of such a fine person who had so many times protected others.

When Christ's help was needed by the centurion who did not believe in God the people went to his defense and said to Christ, "He is worthy to have you do this for him, for he loves our nation." Luke 7, 4-5. Therefore we are turning to all the Christians around the World—he is worthy that you raise your voices for his protection and also for the protection of many of the other suffering Christians such as Dmitrii Dudko and the many many others.

They wait for your help! Listen to them at last! You who have remained silent so long and please, help those who already been hearing and helping.

With the disappearance of such people the world has lost very good and honest people from its ranks and it becomes harder and harder to live when justice and good people are flouted and because of acts of violence they are no longer present on this planet.

And those who are acquainted with the friendly embraces of the KGB, know that they watch the reaction however big or small and then they wait for the convenient moment to smother.

Therefore be courageous, look truth in the eyes, and understand the menacing reality of the situation.

May God help you.

LIDIA VASHCHENKO.

January 27, 1980.●

CHILD NUTRITION PROGRAMS

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 18, 1980

● Mr. DELLUMS. Mr. Speaker, I would like to bring to the attention of my colleagues highlights of the very pertinent and important testimony of a constituent, Ms. Frances McGlone, who today appeared before the Education and Labor Subcommittee on Elementary, Secondary, and Vocational Education.

Ms. McGlone is the director of food services and nutrition education in the Oakland Unified School District and was a pilot project director on the cash-in-lieu-of-commodities program.

I believe that Ms. McGlone's insights on the role of commodities, as a result of her participation in this program, are of great value and am pleased to share them at this time:

TESTIMONY OF MS. FRANCES MCGLONE

I am Frances McGlone, Director of Food Services and Nutrition Education for the Oakland Unified School District in Oakland, California. I am a member of the American Dietetic Association and American School Food Service Association, and serve on committees or as elected officer in both associations.

Mr. Chairman, I would like to express my appreciation for the opportunity to testify before the House Education Committee and to thank you for your continued support for Child Nutrition Programs.

I am responsible for food service to children in 145 preschools, children centers, elementary and secondary schools. Over 7½ million breakfasts and lunches were served to children in the Oakland schools last year. The largest number of meals were served to needy children either free or at a reduced price . . . 96.2% at breakfast and 82.9% at lunch.

Oakland is an old city. Many of the school facilities are inadequate for food service . . . without kitchens . . . without serving areas . . . without dining rooms. Food service is available to all children in all schools, using different food delivery systems . . . on site preparation, central kitchen production and satellite service. Meals are available to all the children in all the schools in Oakland. We care about the children in our schools. The Superintendent of Schools and Board of Education are very supportive of the Foodservice Program.

My testimony today is directed toward one specific segment of the operation of school breakfast and lunch programs . . . the role of commodities.

As a pilot project director on the Cash in Lieu of Commodities Program last year, I am pleased to report to you that the lunch participation increased and the food costs decreased during the pilot project year.

I wish to challenge the U.S. Department of Agriculture report on the pilot project as it related to the Oakland, California schools. The USDA did a comparative study for one month only. The data reported on the meal costs is not accurate and does not show the full impact of the cash program. The bottom line is the fact that on one year with the cash program the school district did better financially. Both food and labor costs decreased while the school district was on the cash program. Both food and labor costs have increased now that the district is back on the commodity program. The following figures will substantiate this statement:

[In percent]

	1977–78 school year	1978–79 school year	Year to date—December 1979
Food costs	53.3	48.5	55.3
Labor costs	52.3	49.7	54.2
Yearend loss	(11.2)	(2.7)	(14.6)

These figures clearly demonstrate that the project had a positive impact on the financial operation of the food service program in the Oakland Unified School District.

Although food and labor costs are an important part of the program, we must not overlook student participation. The lunch participation in the Oakland schools increased 12% during the pilot project year as shown by the following figures:

	Average daily attendance	Average number lunches per day	Percent participation
October 1977	52,767	33,731	63.9
October 1978	48,916	37,130	75.9

Actually, in spite of a declining enrollment in our schools, we served more lunches every day. Because of the cash program, we had more flexibility in menu choices and were able to be more responsive to the students' requests.

Mr. Chairman, I do not want to give you the impression that I am opposed to commodities, because that is not the case. I am very aware that the program could not operate without the commodity support. I want to discuss some of the problems generated by the commodity program as it exists today and further discuss some areas for improving the operation of the program.

During the 1977-78 school year I accepted commodities with a fair market value of $490,946, but did not accept commodities with a fair market value of $477,607—in other words, I only accepted 50.68% of the commodities available.

Many of the commodities are difficult to use in the Oakland schools. Many of the commodities are impossible to use in the form offered. So far this school year I have refused to accept the following commodities: Bulgur, Canned Poultry, Canned Small Red Beans, Canned Tomatoes, Cornmeal, Cranberry Sauce, Dehydrated Sweet Potatoes, Flour, All Purpose Flour, Bread, Flour, All Purpose Unbleached Flour, Whole Wheat, Frozen Chicken, Mashed Sweet Potatoes, Nonfat Dry Milk, Peanut Granules, Purple Plums, Rolled Oats, Rolled Wheat, Salad Oil, and Shortening. Mr. Chairman, I want to go on record expressing my concerns about the local school district costs when commodity foods are ordered. After the USDA had spent federal dollars to make the purchases of commodity foods, more federal dollars are spent to ship the commodity foods to the state agencies across the country. The state agencies spend more dollars (either state or school district dollars) to store and deliver the commodities to school districts. At that point, the local school districts begin to spend their local dollars.

School districts in the State of California are charged State Service and Handling Charges for all commodities offered. These charges are made by the Office of Surplus Property in the State Department of Education. Some examples of the charges in the State of California are as follows:

STATE OF CALIFORNIA SERVICE AND HANDLING CHARGES FOR COMMODITY FOODS

Product	Charge per case
Butter, 36/1#	[1] $4.20
Mozzarella cheese, 8/6#	[2] 6.50
Ground beef, 55#	14.75
Turkey, 40#	5.80
Canned poultry, 24/29 oz.	8.45
Canned beef, 24/29 oz.	10.60
Turkey rolls, 4/10#	9.30

[1] Increase to $6.90 on Mar. 1, 1980.

[2] Increase to $10.40 on Mar. 1, 1980.

All of these charges *must* be paid by the school district from local funds. In reviewing the commodity handling charges in the State of California, I wish to emphasize the fact that the Office of Surplus Property assesses the same charges whether the foods are delivered from the state warehouse to the school district or if the school district or processor goes to the state warehouse to pick up the commodities. I have complained many times about the inconsistency in this policy. Additionally, I have done a survey of other state handling charges and find that the charges in the State of California are higher than any other state. With your permission, Mr. Chairman, I would like to enter into the record letters from the USDA and State of California Department of Education replying to my correspondence on commodity charges.

In addition, the local school districts must bear the costs of storing and delivering the commodity foods. I have reviewed the quantity of commodity foods that could have been ordered for the Oakland schools for September and October of this school year. If all the commodity foods were accepted, it would have amounted to 31,111 cases or 841 cases for each school day.

In Oakland, I pay an additional $1.46 per case for a storage period of one month and delivery to the school site. If the storage period exceeds one month, the charge is increased proportionately. If the entire allocation of commodity foods offered in September and October of this school year was accepted and if every case was used within the one month period, the storage and delivery charges would have been $45,422.

If I accepted the entire allocation of commodity foods offered to the Oakland schools for September and October of this school year, the payments to the Office of Surplus Property in the State of California for Service and Handling charges would have amounted to $84,678.

A school district cannot participate in the commodity program unless the state handling charges are paid. A school district cannot participate in the commodity program unless the school district is willing to furnish and/or pay for local storage and delivery. If the commodities were fully used to the maximum during September and October in Oakland, the extra cost would add up to $130,000 or $3,516 per school day.

If this is projected to a 175 day school year, the total cost could add up to $615,300 in the Oakland schools. Do you really believe that the Oakland schools should spend over one-half million dollars for service, handling, storage and delivery costs for commodities? Wouldn't this money be better spent to buy food to feed children?

In addition to these costs, many times it is necessary to have the commodity foods further processed to put them in a usable form. Mr. Chairman, the amount of paper work generated by a Commodity Processing Contract is tremendous. I would like to request permission to enter into the record a sample of the paper work generated by one commodity processing contract for one finished product.

With a Commodity Letter of Credit, this entire process would be eliminated. The commodity would still be removed from the market, but it would be in a form that could be used by the school district.

Additionally, with processing contracts, it is not inconceivable that a product could be shipped across the country several times. For example, USDA could make a purchase of chicken in Alabama and it would be shipped to California. If I had a contract with a processor in Arkansas to cook the chicken for the Oakland schools, it would then be shipped back to Arkansas for further processing, and then shipped back to the Oakland schools in California.

There are times that it can be more cost effective if the food is purchased directly from the distributor instead of using commodity foods. An example is clearly evident in the case of raw chicken processed into cooked chicken. The USDA has made many purchases of raw chicken this year and it sounds like a good buy; however, when the added costs are included, this is the final cost in terms of taxpayer dollars:

USDA frozen cutup chicken, per pound average price (Feb. 11–15, 1980)	$0.5323
State service and handling costs, per pound [1]	.1200
Processing, per pound [1]	.4495
Storage and delivery, per pound [1]	.0486
Total	1.1504

[1] Paid by the school district.

I can buy a precooked chicken today at a bid price of $.839 per lb., delivered by my distributor to each kitchen.

With a Commodity Letter of Credit, I could use more commodities. I would have the advantage of purchasing foods with the commodities in a more usuable form. An example is the chicken: If purchased directly from the school district with a Commodity Letter of Credit, the cost would be lower and I would be able to accept all the poultry offered. With a Commodity Letter of Credit, I would accept flour to be used towards purchasing bread and other baked goods. Now, I do not accept any flour. With a Commodity Letter of Credit, I would accept nonfat dry milk to be used toward purchasing Mozzarella Cheese. Now, I do not accept any nonfat dry milk. With a Commodity Letter of Credit, I would accept oil to be used toward purchasing mayonnaise and salad dressing. Now, I do not accept any oils. In other words, I could get *all* the benefits of the commodities without the paper work and extra added costs.

Commodities are not given to a school district free. They are part of the support for the program. They are a very necessary part of the support for the program. Our programs could not exist without the commodity support. If I do not accept all of the commodities, I am costing myself reimbursement.

Mr. Chairman, I do *not* want to refuse the commodities. I have no problem with price support and trying to use the commodities. Dollars are in short supply in public school systems . . . . dollars are in short supply in state agencies . . . . and dollars are in short supply at the federal level, too.

Mr. Chairman, a system could be developed to insure minimally the same usage and realistically a far greater usage of commodity foods. That system is the Commodity Letter of Credit. The Commodity Letter of Credit is commodity specific, quality specific, timing specific, and price specific in that it gives me a maximum price that

USDA will pay me to remove the specified number of pounds of a specific commodity in a specified time period. I would not have to pay state handling charge for this Commodity Letter of Credit. I would not have to pay storage and delivery charges for this Commodity Letter of Credit. The commodities would be delivered when needed and the commodity foods would be removed from the market upon acceptance of a bid.

Mr. Chairman, thank you for the privilege of testifying before your Committee today about the commodity program. I will be happy to respond to your questions regarding my testimony.●

CONGRESSMAN McEWEN REPORTS RESULTS OF DISTRICT SURVEY

HON. ROBERT C. McEWEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 18, 1980

● Mr. McEWEN. Mr. Speaker, once again I am pleased to report to our colleagues the results of my annual winter poll of constituent attitudes toward issues facing the Congress. The questions were contained in my newsletter mailed to residents of the seven counties which encompass New York's 30th Congressional District in early February. As of today, nearly 7,000 responses have been counted and tabulated.

The responses and the hundreds of personal comments which were noted on the returned questionnaires show a very deep and genuine concern on the part of my constituents for our Nation's energy problems. They clearly favor their Federal dollars being spent on new oil, gas, and coal technologies; do not support a freeze on construction of nuclear energy generating plants, and favor rationing and a mandatory odd-even program as conservation measures.

I also asked my constituents to indicate a Presidential preference, believing that their selections might give further insight into their attitudes toward the issues debated by the dozen candidates who were actively campaigning in early February. Our former House colleague, George Bush, received the most number of votes with President Carter only a short distance behind him. Former President Ford received many write-in votes, accounting for 10 percent of the total.

Mr. Speaker, I call to your attention and that of our colleagues and the administration my constituents' views and ask that you join me in keeping them in mind as we work to find answers to the challenges before our great Nation.

The results, by rounded off percentage, follow:

RESULTS OF FEBRUARY 1980 LEGISLATIVE QUESTIONNAIRE

[In percent]

		Yes	No	Undecided
1. Should we increase our defense budget aimed at parity with the Soviets in conventional and tactical weapons and forces?		81	14	5
2. Would you approve reinstating the draft of 18-year-old males if the Armed Forces continue to fall short of their recruiting quotas?		78	18	4
3. Should the Federal Government impose wage and price controls to combat inflation?		57	36	7
4. Do you favor Federal deregulation of interstate trucking, buses, and railroads similar to the lessening of controls on airlines?		66	21	13
5. Should interest on a savings account be made tax-exempt?		82	15	3
6. Do you favor a national sales tax which is added to consumer goods at each stage of production (the Value Added Tax) as a means of reducing social security and other payroll taxes?		25	69	6
7. Should there be a Federal law requiring the registration of handguns?		53	44	3
8. Do you approve of the Federal Government giving financial assistance to Chrysler Corp.?		40	53	7
9. Should there be a freeze on construction of nuclear energy generating plants?		42	51	7
10. How should Federal money be spent toward achieving energy independence? Rank in order of importance.	1st	2d	3d	4th
Solar energy	30	25.0	30.5	16.7
Nuclear energy	16	19.3	19.3	45.4
New oil, gas, and coal technology	40	29.3	23.1	7.4
Tax credits and conservation programs	14	26.4	27.1	30.5
11. Which of the petroleum energy options would you favor as conservation measures? Rank first through fourth choice:				
50 cents a gallon additional Federal tax on gasoline	7	14	25	55
Nationwide rationing program by Department of Energy	35	28	21	17
Removal of price controls on oil products	25	17	36	21
Mandatory odd-even program	33	41	18	7
12. Who is your first choice as our next President? Anderson, 3; Baker, 6; Brown, 1; Bush, 25; Carter, 23; Connally, 5; Crane, 2; Dole, 0.3; Fernandez, 0; Kennedy, 9; Reagan, 15; Stassen, 0; Write-in: Ford, 10.				

●

SENATE—*Wednesday, March 19, 1980*

(Legislative day of Thursday, January 3, 1980)

The Senate met at 12 o'clock meridian, on the expiration of the recess, and was called to order by Hon. William Proxmire, a Senator from the State of Wisconsin.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Let us pray.

Our Father God, help us to discern Thy way for us through these troubled times. Forgive us for lamenting our limitations and accenting our weaknesses when we ought to draw upon Thy power and proclaim the strength Thou dost impart.

May each of us pray—

"O Master, let me walk with Thee
In lowly paths of service free;
Tell me Thy secret; help me bear
The strain of toil, the fret of care.

"Teach me Thy patience; still with Thee
In closer, dearer company,
In work that keeps faith sweet and strong,
In trust that triumphs over wrong.

"In hope that sends a shining ray
Far down the future's broadening way;
In peace that only Thou canst give,
With Thee, O Master, let me live."
—Washington Gladden, 1879.

Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. Magnuson).

The assistant legislative clerk read the following letter:

U.S. Senate,
President pro tempore,
Washington, D.C., March 19, 1980.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable William Proxmire, a Senator from the State of Wisconsin, to perform the duties of the Chair.

Warren G. Magnuson,
President pro tempore.

Mr. PROXMIRE thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the majority leader is recognized.

ORDER OF PROCEDURE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that following the consummation of the order which has been entered for the recognition of Mr. Lugar, and the disposition of any of the time that the distinguished Republican leader has and that I have, the Chair declare a recess until 1:45 p.m., at which time there be a period for the transaction of routine morning business for not to exceed 15 minutes, and that Senators may speak therein up to 5 minutes each, at the close of which Mr. Long be recognized to call up the conference report.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I now yield to the distinguished Senator from Wisconsin such time from my standing order as he wishes to use.

The PRESIDING OFFICER (Mr. Robert C. Byrd). The Chair recognizes the Senator from Wisconsin (Mr. Proxmire).

Mr. PROXMIRE. Mr. President, I thank the distinguished majority leader.

INTERVIEW WITH BIOSCIENCE—THE GOLDEN FLEECE AWARD

Mr. PROXMIRE. Mr. President, the March 1980 edition of BioScience magazine, which is published by the American Institute of Biological Sciences, contains an interview with me conducted recently by Robin Marantz Henig of their staff. It contains a series of detailed questions concerning the Golden Fleece of the Month Awards and the purposes and methods behind them.

I want to commend the article to the scientific and academic community. The questions were stimulating and important and the answers clearly and accurately reflect my, and my staff's general point of view. I especially want to commend BioScience for publishing such a fair and accurate representation of my views and what I said.

Further, I hope social and physical scientists and those in the academic community generally will read it. It may assuage to some considerable degree their, I believe, unfounded fears of the Fleece of the Month and lead to a greater understanding of its purpose and intent.

I ask unanimous consent that the article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Basic Research Has a Place, Says the Man With the Golden Fleece

Sen. William Proxmire (D-Wis.) is best known to most Americans for his monthly Golden Fleece Award, which he has been giving since 1975 to government projects that he considers to be a waste of taxpayers' money. A populist with a strong streak of fiscal conservatism, Proxmire has criticized 60 projects in the last 5 years, with nothing immune from the sting of his fleece. The senator's refrain when challenging federal expenditures ("What will this project do for the farmer in Iowa, or the elderly taxpayer in Milwaukee?") comes home to scientists each spring, when he conducts the Senate hearings reviewing the President's budget request for the National Science Foundation.

As chairman of the Senate appropriations subcommittee on independent agencies, Proxmire has developed a style of questioning that is probably more distressing to researchers than are his monthly awards, which many have learned to ignore. His grilling over the NSF budget request usually is a week-long affair, and the time spent in reviewing the hearing transcript and providing detailed information for the record has been known to occupy 10 to 15 high-level NSF executives for another full week—working just on questions relating to the Directorate for Biological, Behavioral, and Social Sciences, the division most carefully scrutinized. "How's that for a waste of the taxpayers' money?" wonders one NSF official.

With this rite of spring, William Proxmire has made few friends in the research establishment. The faculty senate of the University of Wisconsin censured him in 1975 for a press release he issued criticizing one professor's federally funded study of romantic love. The International Association of Professional Bureaucrats, a fanciful organization whose motto is "When in Doubt, Mumble," awarded him a 30-pound motorized metal bird, complete with real feathers and flapping wings, in honor of his "fleecified contributions to the status quo." With tongue in cheek, the group suggested to Proxmire that "perhaps we need to label all basic research 'esoteric,' and ship our scientists to other countries that still may have the ridiculous idea that expanding knowledge without immediate focus on application merits support."

More serious than these slings and arrows is an $8 million lawsuit now pending against Proxmire and his aide, Morton Schwartz. The suit, brought by Michigan research psychologist Ronald Hutchinson, charges that after Hutchinson received a Golden Fleece Award in 1975—which was announced on the Senate floor and subsequently described in a press release, newsletter, and television appearance by Proxmire—his professional reputation was damaged and he suffered a "loss of income and ability to earn income in the future." The U.S. Supreme Court ruled against Proxmire last summer, finding that his congressional immunity from libel charges was limited only to what he said on the Senate floor. The high court also ruled that Hutchinson, even though he receives federal research grants, is not a public figure in the context of libel law and may sue for defamation as a private citizen. The case has since been remanded to a lower court.

The week before President Carter submitted his 1981 budget request to Congress (a budget that included a 15.5% increase for NSF), Proxmire talked with *BioScience* about the proper role of the government in the funding of basic research. Accompanying him were three aides, whose comments in the following interview are identified by their initials: Howard Shuman (HS), Proxmire's administrative assistant; Morton Schwartz (MS), legislative assistant responsible for research into the Golden Fleece Award and for legislation concerning education; and Tom van der Voort (TV), staff director of the appropriations subcommittee on independent agencies, which oversees the budgets of NASA and NSF.

Probably most biologists think of you only in terms of the Golden Fleece Award, and that's probably a negative image to them. Can we begin by discussing these awards, and how you make them?

PROXMIRE: Even the Golden Fleece Award should not carry a negative image for the readers of *BioScience*. We've made 60 negative Golden Fleece Awards, but we've also made some awards of merit. The criticisms have been almost entirely in the social science area, not in the natural science area. The awards of merit, on the other hand, we've made to the National Science Foundation for the study of genes, and many of the others were also in biology.

MS: Actually, all of the awards of merit were related [to biology]. One was on the whole question of the discovery of the clone and of DNA, which ties in with interferon and cancer research. NSF very early on supported the whole question of DNA—not only discovering it, which won people the Nobel Prize, but also synthesizing it, putting it together. Another biological [award] involved the first attempts to get nerve cells to regenerate. A third was tied to genetics . . . and the attempt made to change the genetics of certain plants so that legumes would directly be able to do nitrogen fixation. It's interesting that when we do give merit awards, so many of them are in the biological field. [*Note: Of the five awards of merit listed on a release from Proxmire's office called "A Sample of Golden Fleece Awards," one award was given to NSF, for its work in gene synthesis, nitrogen fixation, and nerve cell regeneration.*]

HS: Every time we criticize somebody who has done something we think is really foolish, we almost always get the answer—not from the scientific but from the academic community—that Columbus would never have discovered America without "serendipity." Obviously, there *is* a serendipity effect. It was important for Columbus to discover America, and for penicillin to be discovered from mold, and so on. But the argument is almost always used to support something that's almost indefensible, like counting the dogs, cats, and horses in Ventura County, California, or spending money to find out why people get angry on tennis courts, or to photograph throwing crepe paper out of an airplane. *Then* the argument comes up, "Ah, but there's a serendipity effect." There is a serendipity effect, but you just can't use that argument for really ridiculous, foolish, outrageous things.

For some Golden Fleece Awards, people have said that, although the title might sound silly and esoteric, the research itself is quite important.

PROXMIRE: We would never consider giving a Golden Fleece just because of the title. We go behind the title very painstakingly: We discuss it with the agency to find out the basis for it and their justification for it; in many cases we have gone to the people who've done the principal work and talked with them about it. There are all kinds of titles that sound funny and peculiar—the sex life of the fruit fly, for example—but they may be very good. Knowing about the sex life of the fruit fly is helpful, of course, in various ways—for biological pest control, for increasing the production of agricultural goods, maybe even for preventing disease of some kind. At any rate, we never would, and we never have, seized on a catchy title. Many times we've been accused of [giving] a Golden Fleece Award to some particular study that we hadn't even heard of, let alone cited as something we'd thought was wrong and given a Golden Fleece to.

A lot of that confusion might come from the fact that other people have adopted the theory behind the Golden Fleece Award—criticism of government spending for frivolous research and other items—and have taken it to the extreme. Certainly, reporters for the *National Enquirer* do that all the time.

HS: We refuse to talk to them. We go behind the titles to get even what the peer reviewers say about people. We've never made those public; we treat those confidentially. We get four peer reviews of somebody's study, and we have known many times when the peer review groups have said, "This is a bunch of junk."

This is the peer review group for the agency that later funds the project?

HS: Yes. We have had occasions when they have said—some of the peer reviewers, not all—"This is a bunch of junk." Because we know that at least one or two of the peer review people have said it's a bunch of junk, we feel confident to go ahead and give it a Fleece. Then people come back and say we're anti-intellectual: there's a serendipity effect; why are we anti-science and anti-academic. We have been in a position of not being able to use, and not even wanting to use, our strongest ammunition. We've even had situations where, in the release itself [announcing the Golden Fleece Award], we have said, "This is a very fine, marvelous researcher," because we want to keep it away from the personality.

PROXMIRE: The Golden Fleece Award hasn't been concentrated on the National Science Foundation. It hasn't been concentrated on scientific or social scientific research at all. The agency that has gotten more awards than any other has been the Defense Department. And we've given a number to the Agriculture Department that are not related to any kind of scientific research that interests your readers.

I guess NSF feels as though it's gotten its share, in any event.

PROXMIRE: Well, I have jurisdiction over the National Science Foundation, and, as I've pointed out, it's a place that has been growing very fast. We ought to have some oversight.

TV: The National Science Foundation, because it supports research that does not have to be goal-oriented, is more apt by its very nature to support research that one can question. They don't have to justify it on the basis of the fact that the product is going to be useful. All they have to do is justify it on the basis of the knowledge [it is expected to generate], that it fits into the framework of a larger body of knowledge and advances the whole process of learning and understanding the universe. For that reason, we press them hard to explain what the money is being used for. [When they say,] "Well, you can't understand this; laymen can't understand this," our answer is, "The laymen are the ones who are paying for it, and they'd better darn well be able to understand it. You'd better find a way to explain it to them in some fashion."

What do you think the proper justification is for the government's support of basic research? Is all money spent on science a waste of the taxpayer's money?

PROXMIRE: In constant dollars, federal obligations for basic research actually grew during the time that I've had jurisdiction, or some jurisdiction, over the appropriation budget in the Senate for that purpose. Between 1970 and 1979 [we had] an average compound rate in constant dollars, allowing fully for inflation, of 2.6% [growth in basic research support]. Between 1976 and 1979, in constant dollars again, [we had] an average compound rate of 8.1%. This is really a phenomenal growth in constant dollars. I don't know any other significant part of the federal government that has grown that rapidly above and beyond inflation. Six more years of the 8.1% growth rate would double the constant dollar level of federal obligation for basic research. In other words, in terms of real resources, we would put twice as much into it. Federal support for basic research is not declining; it's growing. Furthermore, in constant dollars, federal obligations for basic research are 12% above the level spent in 1967.

In your opinion, is that an appropriate way to be spending the government's money? Is that a growth that you're wholeheartedly supporting, or would you rather temper it somewhat?

PROXMIRE. I always try to criticize these things and challenge them, and it may be that at times we have gone faster than we should. But by and large I've supported my own budget, and been in support of this [growth].

Do you think there's a necessary tradeoff, in terms of federal support of scientists on the one hand, and what scientists should be doing [for society] in return on the other hand? Is there a role that they should be playing, since we do underwrite their research, in expressing to the general public what it is they're finding?

PROXMIRE. Yes. That's part of what we try to do in the committee, when they come up and we challenge their requests. We try to do it with the Golden Fleece, too, for that matter. And [the scientists] enter into the debate. These are people who, by and large, are very intelligent. They're articulate; they know their subject; they know it well, so they should be able to defend it. When you're doing basic research, you can't defend it in terms of its immediate benefits, by its very definition. But you should be able to show that basic research over the years, in the long term, has been and can be expected to be useful and productive.

I think there should be a stronger showing on the part of scientists as to what's gone wrong in this country. We spend more on basic research in this country than all the other countries in the world combined. We spend a higher proportion of our gross national product on research and development than any other country, and yet other countries are gaining on us. In Japan and Germany, productivity has been consistently increasing, while ours has been declining, or the rate of increase has been declining in absolute terms. There are lots of explanations, economic and others. But certainly with the tremendous amount we're putting into research, and the fact that we have more engineers and scientists per capita than other countries, there should be [a better] explanation for it.

Some scientists would defend what they're doing in terms of science for its own sake: If we can expand our knowledge and satisfy our curiosity, that's good in and of itself. Does that make sense to you, or would you rather see a more practical output from all this investment?

PROXMIRE. If scientists are working with their own money or their own resources, [that's] marvelous. But if they're working with the public resources, and they indicate that they have no particular objective in mind except to satisfy their own curiosity, then unless that curiosity has a universality to it, it's hard to understand why they should be given public money. All of us are curious, and there are all kinds of things we can pursue. There's an infinite universe of things we don't know. Simply to say we're satisfying our curiosity seems to me [insufficient]. There has to be some direction, some framework, some notion of how this can relate to significant knowledge. I don't think it's enough for them to say they're just doing it because they want to know, if it's something that doesn't seem to be significant or pertinent.

HS. There are whole departments of faculty and students at some of our major universities—large departments, with 50 or 60 people—where every single person, and every single graduate student, is on a government grant. As a person who was once in academic life, I don't think we ever really thought that that would come about.

What is a better alternative to having federal grants in part support the other business of the university?

HS. I don't know what happened 30 years ago. The university where I first went had a marvelous chemistry faculty, with Nobel prizes and all the rest, but I don't think they got any federal money. They obviously got money through the state—it was a state university—and some from industry. So I'm not at all certain that the ratio should not be something different [from what it is now]—maybe a third, a third, and a third [split among federal, state, and industry money].

TV: If these basic research funds are being used to keep faculty in place, then we should just say these are faculty support grants, not basic research grants. If the only way universities can stay in business is to get massive amounts of federal aid under the cloak of basic research, [then it is a] myth to say that this is basic research.

Proxmire: I have a letter here from a consulting physicist who's a Ph. D., who says, "Enclosed is a copy of a page from the current number of *Physics Today*." It shows advertisements for faculty openings. . . . Here's what one of the ads says for the Department of Physics, University of Virginia: "Ability to generate grant support is a requirement." Department of Physics, University of Virginia, another ad: "A successful applicant will be expected to initiate an independent research program and generate grant support." This guy subtitles his letter, "The Order of the Itchy Palm."

Would it be appropriate for the federal government to provide faculty support grants, to say this is what we're really paying for, not the research? Is the government in fact simply paying to keep the universities alive?

Proxmire: I think the fundamental purpose of the university should be teaching. Research is fine and should be encouraged, and it can be worked into teaching. I feel very strongly that support for education should be locally centered. I believe in pluralism in education. When education is dominated by a central government, even a democratic government like ours, it's dangerous. People may scoff at that, but I think it's worth preserving the independence of our universities. The more federal money you have, the less degree of independence you have. The greater the diversity of sources of support—tuition, private donations, alumni, state and local government as well as the federal government, foundations, corporations—the greater the university's ability to continue to be independent.

I think the government has gone too far. You can measure to some extent the failure of the huge increase in federal funding of education at the elementary and secondary levels through the SAT scores and the level of functional illiteracy; both have deteriorated, particularly SAT scores. So it's not getting results where you have an objective basis of measurement. . . . We ought to be very aware of and sensitive to the fact that we can destroy the very desirable pluralism and independence that now exist in education.

You also oversee the peer review system, in terms of the way NSF operates. Is that system working well, in your opinion?

Proxmire: I've been critical of that, because there's a tendency for it to be ingrown and self-perpetuating. You tend to get the Ivy League and the West Coast overrepresented; you don't get the Midwest, the South, and other parts of the country on the peer panels. Older universities do a lot better than younger universities. There are a lot of very, very good institutions that have grown up in the last 10 or 15 years, since [there's been] an explosion of student population and a great increase in funding at all levels. Those have been pretty much neglected. That's one of the principal objections I have. In Wisconsin some of these new institutions, [because they are not top-heavy with many tenured, often unproductive, professors], have first-class [scientists] who can contribute greatly. They're excellent people; they're young and vigorous; and they are overlooked.

What do you think is the proper role of the federal government in support of basic research?

Proxmire: The federal government plays a definite role, and it's an important responsibility. After all, there's no question about the relationship between scientific achievement and the strength of our country. That should certainly apply to basic research. There's tremendous support in the Congress for basic research. This can be seen in the increased generosity of the federal government in the funding of basic research, at a time when we're trying to hold down spending. I, in general, agree with that.

However, I do have a view that we should hold down spending, which I'm sure is more vigorous than that of most of my colleagues in the Senate. I wouldn't make an exception for anything—not for defense spending, not for research spending. In all areas we have to be challenging; we have to be austere and careful. Although, as I say, the government has a role—an increasing role and a very expensive role—nonetheless we shouldn't be timid about insisting that [scientists] provide reasonable results and hold the funding to something that can be fully justified.

Can NSF expect some rough going with you this year?

Proxmire: It'll be the same as it has been in the past. We're going to look into it carefully and do our best to make sure that they can justify what they have in their budget. They have strong support on both sides of the aisle, Republican and Democratic, and in the administration.

We want to challenge them and make them justify [their budget request]. There's a tendency among people, when they hear the word "research," to stand up and salute; they'll go along with anything. I think that's not even good for research, to have that kind of blind acceptance. It's a good idea constantly to challenge [scientists]. It means that they're likely to reexamine what they're doing, think about it, and come through with a much better job—much more for the money that the federal government invests.

NEW WAYS OF SAVING MONEY

Mr. PROXMIRE. Mr. President, the administration and Congress are very determined this month to find ways of cutting budgets, saving money, and curbing inflation. These efforts can be difficult; but an article printed in the Washington Star on March 11, 1980, has pointed out the significant progress that can be made by adoption of some new procurement policies within only one Government agency, the U.S. Air Force.

Instead of giving a "Fleece of the Month" award in January 1980, I gave an "Award of Merit" to the U.S. Air Force and, in particular, to Gen. Alton D. Slay, commander of the Air Force Systems Command. General Slay is responsible for approving about $14 billion in annual contracts awarded for various Air Force weapon systems.

The Air Force and General Slay received my "Award of Merit" for starting a tough, no-nonsense program of reducing the number of sole source contracts and increasing the number of competitive and commercial type contracts. This program also called for establishing and maintaining baseline statistics for weapon systems so that the Air Force and Congress could better determine if these systems were meeting schedules, estimated costs, and specifications. This program, in addition, encouraged contractors to improve their productivity and provide warranties on their work.

When granting the "Award of Merit," I noted that General Slay's new procurement policies, personal memoranda to his subordinates, videotaped messages to corporate executives, and high-level visits to field operations were already bearing commendable results. The number of sole source awards for new contracts was drastically declining. Also, I expressed hope that the new policies would save millions of dollars annually, reduce gold-plating and other wasteful practices, encourage better contractor performance, and improve the quality of products.

The Washington Star article indicates that this optimism was well founded. In a report issued this month, General Slay cites examples of the benefits of the new procurement policies; and he concludes:

> We're currently doing a much better job of managing the taxpayer's money than before we started these initiatives.

General Slay acknowledges that a few procurement areas must continue to be reformed so that additional progress in saving money and improving weapon systems can be made. The important point about his initiatives, however, is that they do not require mind-boggling preparation or cause needless heated controversy about increases or decreases in Government funds. Rather, they basically involve the simple application of commonsense and good old-fashioned competition; and they make maximum use of existing funds.

I hope that General Slay's initiatives can be copied elsewhere in the Federal Government. To encourage this development, I ask unanimous consent that the Washington Star article and my press release about these initiatives be printed in the Record.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

AIR FORCE'S COST-CUTTING YIELDS PROFITS

(By Thomas Love)

Last May, Gen. Alton D. Slay told Air Force contractors that he was adopting tough new policies aimed at improving productivity and reducing costs.

And in a report this month, the commander of the Air Force Systems Command at Andrews Air Force Base told the contractors that the plan worked.

The general said the command is getting more for its $14 billion-plus budget, and many contractors are also showing a better profit.

"We're currently doing a much better job of managing the taxpayers' money than before we started these initiatives," he said.

The major improvement in the command's procurement record in the past year has been an increase in competition among would-be suppliers, Slay said.

The largest stumbling block to even more efficient contracting policies is a series of "bureaucratic rules and red tape" restricting the use of multi-year contracts, the general complained.

"Dribbling our requirements out one year at a time as we do now makes long-range planning difficult—difficult for you and difficult for us—and it also costs the taxpayer some money," Slay wrote in his report.

"I am personally sponsoring a combined Defense Acquisition Regulation change and legislative package that's going to allow, if it gets through, systems acquisition through multi-year contracts," he said.

"I'm going to keep plugging away at this dragon until I either make a dent in his hide or he eats me up. And right now I won't guarantee which will happen," he continued.

The number of contracts based on competitive bidding has more than doubled from 15 percent of all new contract dollars in 1978 to 34 percent in 1979.

About half of the remaining sole-source contract dollars are subject to only limited control by the command, Slay said. The rest go to such areas as mandated minority awards, unsolicited proposals, educational institutions and directed procurements.

"I want to repeat something I've said many times," Slay told the contractors. "We're not trying to compete everything—just everything where we believe competition will yield a tangible benefit to the taxpayer."

Even with the increase in competitive bidding, a larger percentage of unsolicited (and non-competitive) proposals have been accepted. In 1978, 53 percent were approved. In 1970 the figure was up to 77 percent.

One remaining problem, the general said, is that often the Air Force doesn't have enough information on the equipment it has bought to request competitive contracts for modifications.

As a result, he said, he is demanding more information in original contracts.

In 1978, firm, fixed price contracts accounted for 15 percent of the new contract dollars spent, Slay said. In 1979, this was up to 48 percent.

On the other side of the coin during that period, cost reimbursement contracts dropped from 47 percent of the total to 20 percent.

Insisting that he's proven "that I'm really not a bomb-throwing anarchist," Slay told the contractors: "We do not specify firm fixed-price contracts for risky development efforts or for any other effort where cost visibility and program stability have not been established."

Only about 9 percent of research and development money is spent on firm fixed-price contracts, he said, while 80 percent is on a "cost plus" basis.

Since the command has begun to use more competitive bidding and more firm fixed-price contracts, contractor profits had gone up, he said, noting that the command's negotiated profit rate has gone from an average of 10.7 percent to 12.1 percent.

PRESS RELEASE

Sen. William Proxmire (D-Wis.) Thursday announced that "Instead of a Fleece of the Month award for January, I am giving an 'Award of Merit' to the United States Air Force and in particular General Alton D. Slay, Commander of USAF Systems Command. The Air Force and General Slay receive my commendation for initiating a tough, no nonsense program of reducing sole source contracts and replacing them with good old fashioned American competition which could save millions annually. In addition it will reduce goldplating and other unnecessary wasteful practices."

Proxmire is a member of the Defense Appropriations Subcommittee and is Chairman of the Subcommittee on Priorities and Economy in Government of the Joint Economic Committee. He has given 60 Golden Fleece awards since March 1975 and eight merit awards.

"Since the Air Force has borne the brunt of several of my 'Fleece awards,' most notably the study of whether or not male officers should carry umbrellas, it is only fitting that they receive praise and public appreciation where it is merited.

"General Slay is responsible for approving $14 billion in annual contracts awarded by the Air Force for various weapon systems. In order to improve contracting practices he has insisted on a number of reforms which will benefit our national security and the pocketbooks of our taxpayers. Here is what his program calls for:

Insistence of competitive contracting rather than sole source.

Using more commercial type contracting procedures. The techniques used commercially often are more successful in holding down costs than the normal government contracting devices.

Establishing and holding to baseline statistics of each weapon system so that the Air Force and Congress can assess if the program is on time, at cost and up to specifications.

Encouragement of productivity enhancement.

Asking that contractors provide warranties on their work.

"The General pays more than lip service to these concepts. For example, when the expected results in obtaining more competitive contracting did not materialize in early 1979, he fired off a hot message to his commanders (attached) and sent a high ranking general into the field to insist on improvements.

"He got results. After the pointed message and high level visits, the percentage of sole source contracts declined and competitive awards went up. Throughout the Defense Department the percentage of competitive contract awards is a pathetic 27 percent. The Air Force Systems Command is averaging about 45 percent on new awards—far above the average. Both figures, however, are much lower than they should be. Sole source awards should always be the little used exception rather than the rule.

"While it is statistically impossible to place a dollar savings to the taxpayer on this shift to competition from sole source contracting, it is generally agreed that there is a 10–20 percent differential in favor of competition. Thus a significant shift to competition could result in savings in the tens of millions on a $14 billion annual contract total. Competition also usually increases management attention, provides better terms and makes it easier to establish warranty programs.

"At a time when the Congress is insisting on a mindless five percentage real growth increase in defense spending rather than looking at specific programs and funding by military priorities, the Air Force commitment to program efficiency and contract frugality is most welcome.

"General Slay has also sought to educate the defense contracting community as to their responsibility in participating in and living by the new standards he has issued. In a personal videotaped message to corporate executives, General Slay argued that weapons costs were higher than necessary; that there has been too much goldplating; that defense contractors sometimes promise more than they can deliver. He told his audience that 'we're going to become a very, very demanding customer.'

"At the same time he asked for the cooperation and assistance of defense contractors in increasing competition, improving productivity, proposing less expensive weapons; adhering to baseline costs; using standardized equipment for cost savings; finding ways to guarantee product performance and observing high standards when in a sole source procurement position. He noted 'We'll remember, and the public will note, the degree to which you've cooperated and acted responsibly when operating as a sole source supplier.'

"In lieu of a 'Fleece award' this month I give a tip of the hat to the Air Force and General Slay's command for service in the public interest."

A photocopy of one of General Slay's messages to the field commanders is attached as it appeared on page 59 of the October issue of Armed Forces Journal. The comment preceding the message also comes from Armed Forces Journal.

STRONG LETTER FOLLOWS?

The TWX which follows has got to be a classic, sent by Air Force Systems Commander General Alton Slay on May 24th to the Commander of Air Force Systems Command, Lt. Gen. Larry Skantze. AFJ asked General Slay's public affairs office for copies of similar TWXs he sent on the same subject to the commanders of AFSC's Electronics System Division (which we're told was even more strongly worded) and of the Space and Missile Systems Organization. None of the TWXs could be located, until General Slay took them out of his personal safe. He has, however, declined to make them available on the basis that they are "personal" messages exempt from release under the Freedom of Information Act. AFJ is considering taking the issue to court to "test" General Slay's interesting theory. In the meantime, we thought Journal readers should be able to read for themselves what a senior Air Force commander sounds like when he's really mad.

COMPETITION

I have just reviewed policy letter 22 implementation statistics for the first two quarters of FY 79. The bottom line is that I am high disappointed. While the statistics overall are somewhat of a mixed bag, the area of greatest shortfall and concern is sole source versus competitive awards. Both numbers and dollar value. During the first half of FY 79; sole source actions are up and the competitive dollars are down as compared to FY 79. That wasn't the idea behind policy letter 22; the reverse was supposed to happen. I am forced to conclude, since I know that you personally support my acquisition policies, that you don't have control of the first half of FY 79 must be reversed significantly and immediately. This will require your personal detailed attention direction. And above all, monitoring of your contracts people and your program directors managers.

Gen. Stansberry will visit your activity in the near future and go over the statistics with you. I have asked him to review in detail the sole source actions you have taken this year and to go over with you all contracts you propose to award for the remainder of the year. I want to see progress now and I am relying on you to make this progress happen; if I don't see improving trends very soon, I will give you quotas. I don't want to do this since it might precipitate some unwise actions; but quotas are the norm dealing with mandatory "goals". If you want to avoid this, you'll get your people "with the program" in fact as well as in rhetoric. Please be confident that I do intend to make significant progress toward competition one way or the other by the end of this fiscal year.

THE GENOCIDE CONVENTION, WORDS MUST FOLLOW ACTIONS

Mr. PROXMIRE. Mr. President, for 13 years I have called for ratification of the Genocide Convention. Almost every day that the Senate has been in session I have been calling for the Senate to act on this measure.

For 31 years our failure to act has puzzled our allies, heartened our enemies, and perplexed our Presidents. Every President from Harry Truman to date, including President Carter, of course, and President Nixon and President Ford, have all asked for the ratification of the Genocide Convention. Yet we have refused to do so, although it has been ratified by virtually every other major country in the world, and although, of course, it expresses the affirmation of life and the opposition to planned, premeditated destruction of human beings, as Hitler did to the Jews in World War II.

Mr. President, I think the time has come for us to act.

Senate inaction on this very basic treaty embarrasses our diplomats and compromises our moral leadership. Let me cite an example.

During the recent United Nations Human Rights Commission debate on the international covenants on human rights, the Soviet bloc openly criticized our inaction. Indirectly, the United Kingdom also voiced its concern that we have not ratified these covenants.

U.S. representative Jerry Shestack responded to these criticisms that:

> Principle without adherence to formality is more meaningful than adherence to formality without fidelity to principle. Unfortunately, there are too many who follow a policy of formal ratification but abandonment in practice. In the case of the United States, we do show fidelity to the principles of the covenants even if for now we are lacking in the formalities.

But adherence alone, no matter how thorough or scrupulous, is simply not enough. Formal commitment matters. We should not allow our detractors to criticize us on matters of form when they cannot do so on the basis of substance.

Inaction denies us a moral voice and provides our enemies a club to use against us, a club they wield with great relish. Why should our diplomats apologize for an exemplary human rights record? They apologize simply because we have not given formal ratification to the principles that govern our actions. I tell you, Mr. President, there is no reason why we should not ratify those principles.

We can stifle this criticism of our lack of formal commitment by ratifying the Genocide Convention. In calling for ratification I do not ask the Senate to compromise constitutional or moral ideals. The American Bar Association has reversed its earlier opposition to the convention and voted overwhelmingly to support it. Every President since Harry Truman has called for Senate consent to ratification. Our own Foreign Relations Committee has reported the convention favorably four separate times. What more evidence do we need? We have all we need. We must act.

In his closing statement Shestack assured the Human Rights Commission that until the United States ratifies the covenants "our actions will be as if we had ratified them." Actions do speak louder than words, but when our critics choose to ignore them, they are simply not enough.

The leap from formal ratification to actual adherence can be tremendous. Ironically, all I ask is that the Senate take the much smaller step from actual adherence to formal ratification. We are acting already; let us add words to our action. Nothing stands in our way. Eighty-three nations have taken this step already. Why do we not? I strongly urge my colleagues to ratify the Genocide Convention now.

Mr. President, I thank my good friend, the majority leader.

Mr. President, I yield the floor.

The **PRESIDING OFFICER** (Mr. FORD). The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I have no other requests for time on my side. I yield my remaining time to the distinguished Republican leader for his use.

RECOGNITION OF THE MINORITY LEADER

The **PRESIDING OFFICER.** The Senator from Tennessee is recognized.

Mr. BAKER. Mr. President, I thank the majority leader for his kindness in yielding the balance of his time under the standing order.

We have a special order this morning on behalf of the distinguished Senator from Indiana. But, in addition to that, I have a request this morning from the Senator from California for time.

So it is most helpful to me to have that time so we can accommodate a full 15-minute request for the Senator from California.

I would like to reserve 2 minutes of my time under the combined times of the majority and minority leaders. I yield the balance of that time now to the distinguished Senator from California.

RECOGNITION OF SENATOR HAYAKAWA

The **PRESIDING OFFICER.** The Senator from California is recognized for 10 minutes.

S. 2437—THE AMERICAN SOVEREIGNTY PROTECTION ACT

Mr. HAYAKAWA. Mr. President, today marks the 137th day of captivity for the hostages in the American Embassy in Tehran, and their release appears no closer than it was on November 4, 1979. While it may be difficult to visualize that state of captivity, I think it is fitting that we try to do so.

Although we have actually been able to learn very little about what a day in the life of a hostage is really like, we know that it is geared toward psychological disintegration of captives. One hostage wrote months ago:

> We are being kept in semidarkened rooms; our hands are tied day and night; bright lights are kept burning all night and because of the constant noise it is almost impossible to sleep.

Another said:

> Free us from this terrible situation.

During the first few weeks of their captivity, as many as a million Iranians demonstrated outside our Embassy. We can only imagine the terror those roaring crowds must have stirred in the people inside. We saw these demonstrations on our televisions night after night. We watched the Iranians burn our flag and effigies of our President from the comfort of our homes. The television camera became vitally important to the demonstrators. They somehow thought their frenzy would arouse sympathy for their cause, and the staging of their guerrilla theater became more and more orchestrated.

I finally wrote the presidents of all three television networks asking that they stop covering these demonstrations. I felt that without television cameras the demonstrations would stop. The responses I received ranged from polite to sarcastic—but in essence they all said the demonstrations were news, and the American people should not be deprived from seeing the news. So night after night, we continued to watch our own degradation, until the Iranians finally figured out that their cause was not being helped by the viewing and they kicked the newsmen out for a time.

Now the demonstrations are only sporadic, but inside the Embassy gates even the quiet must be ominous. Time must pass very slowly for the captives, and each day their feelings of helplessness and hopelessness must be growing.

Recent films of the hostages were closely scrutinized by American doctors who said their listlessness and depression were obvious. The psychological damage grows with each passing day.

If and when the hostages are finally released, they will never be the same people they were when this all began. They will be Marines, and diplomats and clerks and technicians but they and their families will carry the burden of their captivity in the years to come. And the time will come when we must account to them for our failure to come to their rescue, and for the very fact that they were taken captive in the first place.

I can picture a night in the future when the President of the United States invites them to a welcome home dinner at the White House. President Carter will tell them that we did everything possible to secure their release—day after day, week after week, month after month. He will talk of the long nights he spent in the White House Situation Room trying to devise a plan with his top advisers. The President can talk about how he became a self-appointed captive in the White House—for their sake—even refusing to participate in campaign events for his own reelection. He can tell them he refused to light up the national Christmas tree. And he can talk of the outpouring of concern of the American people—how we tied yellow ribbons to trees all over the city of Washington—how we rang the church bells—how we remembered them in our prayers. He will most assuredly describe our diplomatic initiatives to secure their release—the months of skillful negotiations with the nonresponsive Iranians—and how, in desperation, we finally dumped the whole mess in the lap of the United Nations, only to see them fail. But we never gave up hope.

As they sit around dinner tables in the historic elegance of the White House, the former hostages are certain to feel a profound gratitude for the efforts of their President and their country to secure their release. Then they will go home and they will begin to realize that they are not the same—that they will never be the same. They will begin to ask questions—questions that this Government will have to answer. How could this country—this strong, proud Nation—allow a handful of radicals to take us, and hold us, they will ask. And assuming the release of the hostages will only come at the pleasure of Khomeini and his boys, the hostages will ask why we were not able to secure their release any earlier. And what will we answer?

We can tell them, of course, that we are the good guys—that it is our sacred duty to set a good example for the rest of the world. We do everything by the book, and in the long run, it all works out. After all, we can tell them, "You were finally released—after only 200 or 300 or 500 days; and no one was actually hurt—much."

If and when the release of the hostages ever does take place—that is, if Khomeini decides it is no longer in their interest to keep them—will they be able to accept our explanations? And just as importantly, how will the rest of the world view our actions during these long days of captivity?

One of the television networks does a program every evening called "America Held Hostage." There is a chilling truth to that title. For what is being held in Iran goes beyond the 53 people. This hostage situation has a very deep significance for the future of our country—for your future and mine. Our vulnerability has been exposed as we stand helpless in the face of a raggle-taggle band of terrorists led by a semi-insane so-called "holy man." We have sent a clear message to the rest of the world—a frightening message indeed—that we are a nation full of fear; not a nation to be feared; that we can be brought to our knees easily and without a shot being fired.

While we appeal to the World Court and the United Nations, while we tie yellow ribbons and ring church bells, 53 people rot in their prison—a prison that we paid for and built—a prison that used to fly the American flag.

But we are the good guys—the guys in the white hats. While our own people are being held in our own Embassy, we fulfill our obligations with determination. If you drive by the Iranian Embassy in Washington, you will see more police than around the White House. They are protecting the people inside—the Iranian diplomats—as is our duty under international law. Never mind that they represent those who have violated the same international law. We have even allowed Iranian nationals to demonstrate for Khomeini's cause in the streets of our own cities—to burn flags and shout insults. Our freedoms guaranteed them this right—the same right as any American citizen, and those laws must be abided by.

And when we do issue some halfhearted orders, the Iranians casually ignore them. We told the Iranians to cut down their Embassy staff here to a skeleton force. Of the 226 Iranian diplomats who should have left the country under that order, fewer than 25 percent have done so. The rest are still here—somewhere. And when we told all Iranian students to register with immigration officials, only 700 of the estimated 10,000 in this country did so. The rest are still here—somewhere. From November 14 to March 9 another 11,079 Iranian entered the United States, including 2,306 students; 467 on business visas; 5,641 with visitor's visas; 1,789 permanent resident aliens and 876 others.

I say these actions are not those of compassion, but of idiocy.

What, then, are we to do—what are we to do to bring about the release of our people and to show the world that we are a power to reckon with? The President seems to have completely run out of ideas. Perhaps he should ask the Russians what they would do, but of course it would be impossible to imagine any group foolish enough to tackle the Soviets. They know they would find themselves destroyed in short order. We certainly do not want to follow the lead of Soviet brutality. If faced with similar circumstances, the Russians would certainly put first the matter of their own image, their own power, without concern for the people being held. Our first concern should be for the hostages and their safety. Our second concern should be for our future. If we do not take firm action, we are certain to be held hostage again, and again.

We must ask ourselves this question: How can we influence these terrorists to let our people go? We must find an answer, and find it quickly. We must gain some bargaining power in order to free those 53 people and in order to deter those who have learned the lesson of Iran.

Our Founding Fathers have given us a tool that should be explored—it was written in the law in 1798 and it need only be invoked.

Under title 50 of the United States Code, in the section dealing with War and National Defense, there is a chapter entitled "Alien Enemies." That section reads:

> Whenever there is a declared war between the United States or any invasion or predatory incursion is perpetrated, attempted or threatened against the territory of the United States by any foreign nation or government, and the President makes public proclamation of the event, all natives, citizens, denizens, or subjects of the hostile nation or government, being of the age of fourteen and upward, who shall be within the United States and not actually naturalized, shall be liable to be apprehended, restrained, secured, and removed as alien enemies.

The law says that such "enemy aliens" may be detained and eventually deported. This law spells out very clearly that aliens, and not naturalized U.S. citizens, may be subject to its provisions.

In order to invoke the enemy alien provisions of the law in the case of Iran, we must clarify U.S. territory to include our Embassies abroad. The legislation I am proposing does exactly that. It would spell out that the phrase now in the law "any invasion or predatory incursion is perpetrated, attempted or threatened against the territory of the United States by a foreign nation or government" includes:

First, the seizure or holding by a foreign nation or government of, or the aiding or abetting by a foreign nation or government of any individual or group in seizing or holding, the premises of a diplomatic mission of the United States; or

Second, the seizing or holding under paragraph (1) of such premises which also involves the taking of any diplomatic agent of the United States as a hostage.

If this kind of legislation is enacted, the President would have a number of options at his disposal. He may, for instance, detain Iranian diplomats as well as an unspecified number of Iranian citizens residing in this country, in order to expel them eventually against the release of the hostages. As an initial move, he could simply decide to restrict the movement of Iranian citizens and/or require their regular reporting to police stations. Needless to say, a mass detainment, although permitted by law, would not be one of the suggested measures.

I fully realize this is a strong measure. But what other options have been put forth; what other proposals have been made would provide us with bargaining chips? We are dealing here with people who do not recognize diplomatic initiatives, world opinion, international law, or yellow ribbons. We are dealing with terrorists—and we are allowing them to terrorize us without retaliation. I do not agree with proposals that call for bombing of Iranian oilfields or other military actions. I believe such actions would endanger the lives of the very people we want to free. But neither can I believe that the kind of inaction we are now engaged in will lead to a quick resolution of this matter.

There is, of course, no guarantee that this proposal, if enacted, will bring our people home. But I believe the time has come for us to stick our necks out—to take some chances—to do something. If we find such a proposal repugnant, if we are beset by guilt at the thought of this kind of action, will we be able to offer that explanation to the families and the loved ones of those who are being held in Iran. I believe we should face them with guilt and shame if we do less. I have said repeatedly that I will gladly put this proposal aside if a better one is offered. If anyone has a better idea on how to get our hostages released, I shall be glad to withdraw mine. But we have no time to waste. Americans are undergoing psychological disintegration—and no hope for their release is in sight. We must act now.

Meanwhile, Mr. President, I wish to introduce for early consideration a bill to amend section 2057 of the revised statutes to define further the circumstances under which certain aliens within the United States may be treated as alien enemies. The title of the act will be the American Sovereignty Protection Act.

I thank the Chair.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

Mr. HAYAKAWA. Mr. President, I ask unanimous consent to have printed in the RECORD a document from the American Law Division of the Congressional Research of the Library of Congress, entitled "Proposal to Amend Alien Enemy Act to Effectively Define Warlike Acts," dated March 17, 1980. It gives a full analysis of the Alien Enemies Act and the consequences of the proposed amendments.

There being no objection, the document was ordered to be printed in the RECORD, as follows:

CONGRESSIONAL RESEARCH SERVICE,
March 17, 1980.

To Honorable S. I. Hayakawa.
From American Law Division.
Subject Proposal to Amend Alien Enemy Act to Effectively Define War-Like Acts.

Reference is made to your inquiry of March 14, 1980 requesting information on the above matter. Specifically, you ask for an opinion regarding a proposed draft of legislation that would amend the Alien Enemy Act, 50 U.S.C.A. §§ 21–24, to define as a predatory act against the United States the seizure of a diplomatic mission of the United States or the seizure of such premises together with the taking of any diplomatic agent of the United States as a hostage.

The Alien Enemy Act which your proposal would amend has "remained the law of the land, virtually unchanged since 1798." *Ludecke* v. *Watkins,* 335 U.S. 160, 162 (1948). The Act delegates to the President extraordinary power, in the event of war or invasion or predatory incursion against the United States by a foreign nation or government, to restrain or deport unnaturalized aliens fourteen years or older who are subjects of such hostile nation and government. The President is required to proclaim the event that requires the invocation of this grant of power (i.e., declared war or invasion or predatory intrusion, attempted or threatened, against the territory of the United States) and, thereafter, he or his delegate may issue regulations "which are found necessary in the premises and for the public safety." 50 U.S.C.A. § 21. In the words of one Court, "unreviewable power in the President to restrain, and to provide for the removal of aliens in time of war is the essence of the Act. *Citizens Protective League* v. *Clark.* 155 F.2d 290, 294 (D.C. Cir. 1946).

The Act applies both in cases of war de jure and war de facto. The authority given by it [the Act] to the President is not limited to situations where war is declared but includes situations where "any invasion or predatory incursion is perpetrated, attempted, or threatened against the territory of the United States by any foreign nation or government. . . . There is not the slightest indication in the statute that the exercise of power is limited to times of active hostilities or that dangers from foreign nationals of an enemy were regarded as terminated until peace was declared." *United States* v. *Watkins,* 163 F.2d 140, 142 (2d Cir. 1947).

As indicated, your draft legislation proposes to define "any invasion or predatory incursion, etc.," to include (presumable among other things) two alternative, specific activities: first, seizure by a foreign nation or government of the premises of a diplomatic mission of the United States or complicity by such nation or government with an individual or group in such an undertaking; second, seizure of such premises together with the taking of any diplomatic agent of the United States as a hostage.

The balance of the Act which would be unaffected by your proposal relates to the time available to an alien subject to deportation to settle his or her affairs, court jurisdiction, and the duties of federal marshals. 50 U.S.C.A. §§ 22, 23, 24.

An alien who is subject to restraint or deportation under the Act may, so long as he or she is not charged with actual hostility or crime against the public safety, be accorded the full time allowed by treaty between the United States and foreign nation or government, to recover, dispose and remove his or her goods and effects and depart. In the absence of treaty stipulation, the President may fix such reasonable time as may be consistent with the public safety, and according to the dictates of humanity and national hospitality. 50 U.S.C.A. § 22.

Federal courts having criminal jurisdiction are empowered to apprehend an alien subject to a presidential proclamation issued under the authority of the Act. The courts after hearing an examination may order the removal of an alien or his or her detention or take any other such action to secure the alien conformably to the proclamation or regulations issued to implement the Act. 50 U.S.C.A. § 23. The authority of federal courts having criminal jurisdiction to order removal of alien enemies under this section is alternative to the power given the President by section 21 to provide for removal of such aliens and does not limit the jurisdiction to order such removal to the courts. *United States ex rel. Schlueter* v. *Watkins,* 67 F. Supp. 534 (D.C. N.Y. 1946).

The federal marshal of the district in which an alien is apprehended may execute a removal order. In effecting such removal, the marshal "shall have the warrant of the President, or of the courts, judge, or justices ordering the removal, 50 U.S.C.A. § 24. The marshals of the several districts, in enforcing the regulations established by the President in relation to alien enemies, could act without the aid of judicial authority. *Lockington* v. *Smith,* C.C.A. Pa. 1817, Fed. Cas. No. 8, 448. See also *United States ex rel. Schlueter* v. *Watkins, supra.*

The Alien Enemy Act is an exercise of power conferred upon the Federal Government and a grant of power by the Congress to the President. The first constitutional controversy to beset the new republic centered upon the powers of the new Federal Government over aliens. As the following excerpt from *Citizens Protective League* v. *Clark, supra,* at 293 shows, while the Alien and Sedition Acts were the subject of widespread debate, no one challenged the basic validity of the Alien Enemy Act. In 1979, the 95th Congress passed three acts in rapid succession, "An Act concerning Aliens", approved June 25, 1979, "An Act respecting Alien Enemies", approved July 6, 1798 [8] and "An Act in addition to the act, entitled 'An act for the punishment of certain crimes against the United States' ", approved July 14, 1798.[9] The first and last were the Alien and Sedition Acts, vigorously attacked in Congress and by the Virginia and Kentucky Resolutions as unconstitutional. But the members of Congress who vigorously fought the Alien Act saw no objection to the Alien Enemy Act.[10] In fact, Albert Gallatin, who led that opposition, was emphatic in distinguishing between the two bills and in affirming the constitutional power of Congress over alien enemies as part of the power to declare war.[11] James Madison was the author of the Virginia Resolutions, and in his report to the Virginia House of Delegates the ensuing year after the deluge of controversy, he carefully and with some tartness asserted a distinction between alien members of a hostile nation and alien members of a friendly nation, disavowed any relation of the Resolutions to alien enemies, and declared, "With respect to alien enemies, no doubt has been intimated as to the federal authority over them; the Constitution having expressly delegated to Congress the power to declare war against any nation, and of course to treat it and all its members as enemies." [12] Thomas Jefferson wrote the Kentucky Resolutions, and he was meticulous in identifying the Act under attack as the Alien Act "which assumes power over alien friends".[13] It is certain that in the white light which beat about the subject in 1798, if there had been the slightest question in the minds of the authors of the Constitution or their contemporaries concerning the constitutionality of the Alien Enemy Act, it would have appeared. None did.

"The act concerning alien enemies, which confers on the president very great discretionary powers respecting their persons," Marshal, C.J., in *Brown* v. *United States,* 8 Cronch (U.S.) 110, 126, 3 L ed 504, 510, "appears to me to be as unlimited as the legislature could make it." Washington, J., in *Lockington* v. *Smith,* Pet CC 466 at p. 470, F Cas No 8448, Quoted in *Ludecke* v. *Walkins, supra,* at 164.

The courts, in an unbroken line of cases from *Fries* case, CCD Pa. 1799, at 826, 830

Footnotes at end of article.

et seq., 9 F Cas No 5, 126, to 1955, *supra*, have asserted or assumed the validity of the Act and based numerous decision upon the assumption. The judicial view has been without dissent.

At common law "alien enemies have no rights, no privileges, unless by the kings special favour, during time of war." 1 Blackstone 372, 373. With respect to the power of the Federal Government in this regard, one court has observed as follows:

> If the power to remove alien enemies from its territory in time of war were not included in the powers granted the Federal Government by the Constitution, amendment to add that power would have to be made. Under no concept of government could a nation be held powerless to rid itself of enemies within its borders in time of war, whether the individuals concerned be actually hostile or merely potentially so because of their allegiance.
>
> Unreviewable power in the President to restrain, and to provide for the removal of, alien enemies in time of war is the essence of the Act. The comment of the authorities we have mentioned has been directed to that feature. Chief Justice Marshall said, "The mitigations of this rigid rule, which the humane and wise policy of modern times has introduced into practice, will more or less affect the exercise of this right, but cannot impair the right itself."[18] However jealously we may guard the civil rights of all residents within our borders, neither those considerations nor the "dictates of humanity and national hospitality"[19] can be permitted to impinge upon the overriding necessities of the power to wage war successfully.[20] The President not only has the power, under the broad grants by the Congress, but has the solemn responsibility to make certain that the conduct of war is not only unimpeded but suffers from no threat of impediment. "Where, as they did here, the conditions call for the exercise of judgment and discretion and for the choice of means by those branches of the Government on which the Constitution has placed the responsibility of war-making, it is not for any court to sit in review of the wisdom of their action or substitute its judgment for theirs."[21] As a practical matter, it is inconceivable that before an alien enemy could be removed from the territory of this country in time of war, the President should be compelled to spread upon the public record in a judicial proceeding the method by which the Government may detect enemy activity within our borders and the sources of the information upon which it apprehends individual enemies. No constitutional principle is violated by the lodgment in the President of the power to remove alien enemies without resort or recourse to the courts.
>
> The one question, whether the individual involved is or is not an alien enemy, is admitted by the Attorney General to be open to judicial determination. Except those who assert the wrongful revocation of their American citizenship, all appellants admit that they are German nationals and thus alien enemies, and so their cases do not involve that determination. For purposes of these actions, the other appellants are also alien enemies, because, as we have pointed out, the revocation of their naturalization is not open in these proceedings.

The time allowed for consideration of your request does not allow us to examine any and all problems raised by it. Also, in the absence of implementing regulations, any analysis perforce is limited to the Act, as amended by your proposal, on its face.

As noted, the Act has been uniformly sustained by the courts as a valid exercise of the war powers of the Federal Government. In waging war, the Federal Government is not limited to congressionally declared wars. Congress can authorize all manner of hostilities less than full fledged declared wars. *Bus* v. *Tingy*, 4 Dall. (U.S.) 37, 1800. Your proposal would define two activities that would constitute effective acts of war that would permit detention or deportation of unnaturalized persons who owe allegiance to the foreign nation or government that engages in the denounced behavior. While such process may raise questions with respect to its implications on the peaceful objects of the United Nations Charter and other international legal documents, each nation in the past has reserved to itself the judgment regarding what acts constitute acts of war. This power inheres in sovereignty which the United States obtained at the time of separation from England, not confined by the Constitution. See *United States* v. *Curtiss-Wright Export Corp.*, 299 M.S. 304 (1936). As stated above, "under no concept of government could a nation be held powerless to rid itself of enemies within its borders in time of war, whether the individuals concerned be actually hostile or merely potentially so because of their allegiance." *Citizens Protective League* v. *Clark*, *supra*, at 294. Congress' war power is bolstered by its power over immigration which affords the Federal Government to take steps forbidden to the states.

If your proposed bill raises a problem it would be in the area of procedural due process and the unreviewable power of the President to restrain or deport. Regulations issued in the past to implement the act have generally authorized a Board hearing and review. Court review has been limited to questions of interpretation and constitutionality. *Ludecke* v. *Watkins*, *supra*, at 163–164. In that case the Court, in part, split over the amount or review. Although the majority held that there was no review of the Attorney General findings, the law in this regard has developed to some extent along the lines of dissenting Justices Douglas, Murphy and Rutledge; that is, that for purposes of review on habeas corpus, the deportation of an alien enemy is no different than any other deportation proceedings, and is subject to the same due process requirements of reasonable notice and fair hearing, absence of which calls for judicial relief. See Senate Document No. 96–26 for recent due process cases.

The Alien Enemy Act applies, as noted, in case of war or any invasion or predatory incursion against the territory of the United States. Strictly speaking, diplomatic premises are not territory of the United States. See Whitesion, 7 Digest of International Law 355, 356, 379.

FOOTNOTES

[8] Stat. 577, 50 U.S.C.A. § 21 et seq.

[9] 1 Stat. 596.

[10] 8 Annals of Cong. 2035 (5th Cong., 1798).

[11] Id. at 1980.

[12] Madison's Report, 4 Elliot's Deb. 546, 554 (1800).

[13] Kentucky Resolutions of 1798 and 1799, 4 Elliot's Deb. 540, 541.

[18] Brown v. United States, supra. Note 16, 8 Cranch at page 123, 3 L. Ed. 504.

[19] Alien Enemy Act, as passed in 1798, 1 Stat. 577.

[20] Kiyoshi Hirabayashi v. United States, 1943, 320 U.S. 81, 93, 63 S.Ct. 1375, 1382, 87 L.Ed. 1774.

[21] Id.

RECOGNITION OF SENATOR LUGAR

The PRESIDING OFFICER. Under the previous order, the Senator from Indiana (Mr. LUGAR) is recognized for not to exceed 15 minutes.

THE HOSTAGES

Mr. LUGAR. Mr. President, as a member of the Foreign Relations Committee, I have respected the request of President Carter for public support of his efforts to free the American hostages in Iran. I have offered my best advice to him through conversation with the Secretary of State or his associates as they appeared in closed session before the Foreign Relations Committee or smaller groups.

As the hostages endure their 137th day in captivity, I am now determined to make certain that we will have open discussion of the President's policies. Not only has the President failed to obtain the release of the hostages and played out the string of potential favorable responses, but his basic misunderstanding of the situation in Iran may lead to humiliating actions by the United States which will not free the hostages but will lead to additional foreign policy and national security defeats.

This is an appropriate time for those of us who bear even a small portion of continuing responsibility for the foreign policy of this country to speak out constructively.

The hostages have not been released because those holding authority in Iran have found it advantageous to hold them longer. The hostages have been extraordinarily useful to the Ayatollah Khomeini and to his closest associates. From November 1979 onward, as the ayatollah faced a national referendum legitimatizing his clerical regime, and through a succession of political developments in which the ayatollah has called for street action and militant popular support, the hostages have been the major glue-factor which held the revolutionary coalition together.

It is conceivable that so-called secular politicians in Iran such as newly elected President Bani-Sadr would prefer to have the hostage problem behind them. Even more importantly, President Bani-Sadr would like to halt the internal problem of militants who successfully defy civil authority and provide a strong emotional basis for the ayatollah's clerical regime through an unending stream of hatred directed at the United States.

But President Carter should not have been surprised that President Bani-Sadr could not obtain even an entry to the U.S. Embassy compound for the traveling United Nations Commission. The ayatollah and his followers are still in the process of consolidating their authority through parliamentary elections and the hostages would appear to them, on balance, to be helpful in many ways during weeks to come.

Furthermore, there are few apparent downside risks for Iran's spiritual or secular regimes. The United States maintains steady advice to Iran to watch the Soviet menace, including potential physical invasion or substantial internal subversion which could dismember and repartition the country. The United States pronounces the importance of retaining Iran's territorial integrity even while Iran, apparently much less worried than we are, attempts to humiliate this country every day. Undaunted, we continue to point out how hopeful we are that post-hostage Iran can become friendly, and perhaps more aware of how much we could do to insure that Iran continues to exist in a hostile arena. Iranians have been unimpressed with any presumed U.S. strength.

Furthermore, we have tried diligently not to antagonize Iran through tightening of economic pressures. Even during these past few days, the President has emphasized the poverty of our position by admitting that the only circumstances which could lead to freedom for the hostages are good fortune in unexpected results of Iran's parliamentary elections. For some time, the President has simply been hoping for good luck and this country has hoped for good luck along with him. Now we must try to construct circumstances that make good fortune much more probable and that repair a portion of the damage to our national credibility.

I will state today on the floor of the Senate what I have stated privately in closed session to Secretary Vance and his associates in the early days of the crisis.

It is my view that, through its actions, the Government of Iran, in effect, declared war on the United States of America. The Government of Iran has not only endorsed the kidnaping of American diplomats, the seizure and occupation of the American Embassy, and the defiance of centuries of diplomatic law and current diplomatic censure, but has, in fact, used this aggression abundantly for further internal political consolidation.

The United States has, in effect, been in a condition of war with Iran for 137 days. We must act on the basis of reality and not wishful thinking. With the possible exception of the freeze on Iranian Government financial assets in American banks, the Carter administration has given the Iranian Government, through delay, policy zigzags, and ineffective followthrough, substantial reasons to persist in the policy of holding our hostages.

Despite Presidential and public anger over hostile Iranian student demonstrations in this country, fewer than 35 militant students have been deported, with the vast majority showing general indifference to any threats of registration or deportation. The President's orders that all but 35 Iranian diplomats must leave has led to the departure of only 50 of 225. One hundred and twenty cannot be located, thus demonstrating the incredible lack of either urgency or attention which our Government pays to even halfhearted measures to free our hostages.

It is difficult to determine the status of any of our economic sanction efforts. Recently released figures indicate that more Iranian oil came into this country in January 1980 than in January 1979, despite President Carter's declaration on November 12 that we would not import Iranian oil. The President made no effort to give immediate force to his proclamation thus permitting oil en route and transshipments to continue.

After elaborate explanation of humanitarian reasons why the Shah was admitted to a New York hospital to begin with, a Presidential aide was employed to spirit the Shah through Texas to Panama. The President's humanitarian concerns seem to have diminished as the Shah faces additional surgery, presently.

The President and the Secretary of State proclaimed from the beginning that we would obtain freedom for the hostages before approving any international tribunal of inquiry visiting Iran to study the Shah's regime and United States ties. Instead, we endorsed a United Nations panel which proceeded to hear Iranian witnesses with the hostages still imprisoned. The President complains that he was double-crossed, but even now holds out hope that the United Nations panel might return for another attempt, this time merely to visit the hostages as contrasted to taking them from terrorist captivity.

No recitation of the damage our nation has suffered can proceed without the average American becoming angry and finding the President's actions to have been not only inadequate but incredible in sloppiness of forethought and execution.

But all of this bungling is supposed to be excused by the Presidential reminder that criticism of the President, to say nothing about criticism of terrorism in the governmental structure of Iran, might lead to harm for our hostages. In fact, I have concluded that if our President is not stimulated to adopt a strong and bold course, and the government of Iran is not stimulated to recalculate the relative advantages and disadvantages of kidnaping diplomatic personnel and committing aggression against the sovereignty of the United States of America, the hostages may never be freed. Worse still, thousands of Americans may lose their lives as other nations miscalculate the resolve of this country and commit aggression against the United States, whether or not we are prepared to recognize such aggressive actions as official or unofficial acts of war.

Our anger will not substitute for reasoned action.

I call upon the President to request and for the Congress to grant authority to intern all Iranian diplomats remaining in the United States. The President must identify which diplomats have defied his previous order and precisely where they are to reestablish a minimum of his own credibility.

I call upon the President to make certain that all trade with Iran including food exports, oil purchases, spare parts, economic expertise, and all the rest be suspended totally and immediately.

It is obvious that any economic pressure that the President intended and that the United Nations might have countenanced, has been minimal and so haphazardly administered as to encourage Iran to forget the whole business.

I call upon the President to enter into immediate consultation with our allies about preparations for an effective naval blockade of Iran and plans for effective mining of Iranian harbors with mines that could be retrieved after release of the hostages. Our allies must know the seriousness of our intent and prepare with us for potential oil shortages which will follow successful strangulation of Iran's foreign trade.

Likewise, we must discuss the very real possibility that Iran, itself, may disintegrate as a nation state and prepare for that aftermath. We are past the point of setting deadlines. We must now prepare to do those things which Iran and the world will understand. For the moment, our allies find it just as comfortable to continue with business as usual in Iran as do the Iranians, because they have watched 137 days of America in captivity with sympathy, but with certainty that we really do not have the courage and constancy to do very much about it.

The President, Congress, our countrymen must say in one strong voice to Iran and to our allies, "You have misjudged us. We intend to act in ways which need not jeopardize a single human life, but we are going to recover our hostages and we are going to respond to aggression against our country and against civilized diplomacy around the world with appropriate action. We may have stumbled through lack of foresight and leadership for 137 days, but we have caught our second wind and we are going to act like the United States of America in appropriate ways that every free man and woman in this world will find understandable and admirable."

I call upon the President to establish a special Treasury Trust Fund in which all of the Iranian Government's seized financial assets will be placed. These funds, estimated at $4 to $6 billion, would be used to finance additional military preparations required to free the hostages, to settle American claims against the Iranian Government, and to reimburse the hostages and their families in part, for the past, present, and future suffering inflicted upon these Americans by the Government of Iran in violation of every international code of decency.

Finally, I call upon the President to terminate and the Congress to affirm such termination of all hearings, studies, or inquiries into alleged despotism in Iran in recent years or for past centuries. The issue is an aggressive act by Iran against our Embassy and our citizens. A study of hundreds of executions and repression by the Ayatollah is just as irrelevant as discussion of the Shah's regime. Furthermore, our willingness to participate in such procedures jeopardizes our relationships with many countries who may note how rapidly the United States forgets alliances and wonders, with some justification, if we understand the dangers which this Nation faces in protecting interests which are vital to our national survival.

Iran has taken upon itself the status of an enemy of our Nation. We did not ask Iran to commit aggression. There is no basis for friendship with Iran until our hostages have been returned safely. Failure to return our hostages safely may result in a Government of Iran so weakened by internal strife and external pressures that the current regime and nation state may undergo substantial change. Only Iran can decide its course, but we must make certain that there is no miscalculation of ours.

I call upon the President to prepare in the coming weeks for all contingencies of military action which may be required to free the hostages and to ask Congress for appropriate declarations of support in planning policy and funding.

Our country demands new leadership to end the long night of Iranian captivity. That leadership must come now, from you, Mr. Carter, because you are our President and we deserve a better effort.

Mr. President, I yield the floor.

Mr. BAKER addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee has 2 minutes.

Mr. BAKER. Mr. President, I thank the Chair.

I wish to take this opportunity to commend the Senator from Indiana for a courageous statement that represents an important point of view.

I believe that in a very real way the statement of the Senator from Indiana signals a change not only in his attitude but in the attitude of a majority of the people of this country.

Throughout these 137 days I have consistently declined to second-guess the President, to give public advice on how he should manage this crisis, but I think the time has come now when people must feel free to speak out on this subject, and I commend the Senator from Indiana for doing so.

I think it is clear from his statement that he wishes still to acknowledge the President as the chief officer of our foreign policy and to urge the President to undertake new initiatives to break the stalemate. I think that is appropriate, laudable, desirable, and fully consistent with the position taken by him and by most Republicans to date. But it is different now. This is a different time, a different circumstance.

I said once before in connection with another crisis—and I am speaking now of the disclosure that there were Russian combat troops in Cuba—that the only thing the President could not do in that situation was nothing at all, and I would repeat those words today in respect to Iran.

I will not at this time make specific recommendations to the President, but I do wish to say that I believe the statements and recommendations made by the Senator from Indiana are appropriate and timely and should be taken account of by the administration at this time.

THE IRANIAN CRISIS: THE PRESIDENT URGED AGAIN TO TAKE ACTION

• Mr. DOLE. Mr. President, the Senate has just heard, and hopefully the Nation and even the terrorists in Iran will soon have learned about, the tough and eloquent speech by the Senator from Indiana. It is a speech that sets a firm, yet reasoned, approach for U.S. policy in dealing with the criminal and fanatical forces now controlling the government in Tehran. It is a speech we have waited too long to hear from the administration. Yet it has a simple and direct purpose: The release of our diplomats now held hostage in our own Embassy for 136 days.

The Senator from Kansas has addressed on this floor the dilemma the country faces over the Iran crisis many times since November 4, when the hostages were first taken. The dilemma has been a gang of terrorists who have never been given any incentive by the actions of either their own government or that of the United States to give up their hostages, hostages who have become the terrorists' greatest source of domestic power. The Senator from Indiana has put together in a neat, cohesive package a plan of action that many of us have spoken about and looked for in vain from a President beset by indecision and election-year crises.

SQUEEZE IRAN DRY

On several occasions I have urged the President to impose the economic sanctions we started in motion, urging him to use our sole effective weapon against Iran and to squeeze them as no nation has ever been squeezed before. We must enlist the active cooperation of our allies in this endeavor, and must not shirk the decision to use our fleet in a comprehensive naval blockade. The President has had ample opportunity, and certainly justification for the action we have suggested over and over again.

LOST OPPORTUNITIES

Last November, a little more than a week after the hostages were taken, the Senator from Kansas introduced a resolution urging the President to enlist the support of other nations, particularly our European allies, calling on them to close their Embassies, withdraw their diplomatic personnel, and to suspend diplomatic relations with Iran. At the same time a unified world embargo on Iranian oil, coordinated by the United States, was to be imposed. In December, this Senator urged in another Senate resolution that special compensation for the hostages be considered by the President. In January and then again earlier this month, we called for a total economic embargo except for medicines, backed if necessary by a naval blockade.

The point the Senator from Kansas is making is that, from the very beginning, many of us have believed the President's policy of delay and caution was not providing the impetus needed to achieve the release of the hostages. Even while we backed the President and provided a united front to Ayatollah Khomeini and his militants, many of the very real options we had to take action were spoken about, and suggested to the President. But no action was taken, and although the hostages are still alive, they have suffered greatly—and U.S. policy has been severely damaged.

SENATOR LUGAR'S FIVE STEP PLAN

Now the Senator from Indiana, a member of the Foreign Relations Committee and privy to all the most sensitive information pertaining to Iran, has offered the Nation a five point plan for a firm and nonmilitary approach toward ending the crisis. There is no question that our past inaction has failed its objective. It seems to me that common-sense would dictate that we try this method. Neither the United States nor our hostages could hardly be worse off. Iran and her people have, in effect, declared war on the United States, and we ought to begin to recognize it. When you are in a state of war, you do not just wait to see what will happen next.

The Senator from Kansas urges the Senate's consideration of the steps advocated by the Senator from Indiana, and most strongly recommends the adoption of this policy by the administration.●

RECESS UNTIL 1:45 P.M.

The PRESIDING OFFICER. Under the previous order, the Senate now stands in recess until the hour of 1:45 p.m.

Thereupon, at 12:40 p.m., the Senate recessed until 1:45 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. BAUCUS).

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE BALANCED BUDGET

Mr. ROBERT C. BYRD. The days following the announcement of the President's and the Federal Reserve's new economic initiatives have been filled with a variety of reactions.

Some quarters have criticized the President's program of budget balancing, credit restrictions, and energy conservation as too little, too late.

Others have denounced the initiatives as too restrictive, and predict that they will induce a recession. We are talking about the credit restrictions, energy conservation proposals, and so on.

As one who has been very active in the formulation of the balanced budget strategy, I am reassured by the diversity of the criticism. The fact that some argue that we have cut the budget too much, and others argue that we did not cut deeply enough indicates to me that we are probably on the right course.

I believe we must balance the budget. As I have said on many occasions, it is an important symbol—it demonstrates that we are not adrift and that someone is at the helm of our economic ship. In cooperation with Democratic chairmen and the Republican leadership, I will continue to work to assure that we do balance the budget.

No one can deny that a large element in our current inflation is due to energy prices, interest rates, and, to a lesser extent, wage pressures. But clearly the ephemeral element of inflationary expectations is currently playing a major role in fueling the price rise. Unless we disabuse ourselves of the assumption that prices are always going to go up, then, of course, they will continue to skyrocket.

The wails of pain and horror over particular budget cuts have just begun. The simple fact is, no one wants to have this program cut. In normal times, I certainly do not want to see mine cut.

But these are not normal times. These are times which demand statemanship. These are times which require coordination and cooperation, not carping and nitpicking. Every Senator and Congressman—every group of constituents is going to lose something as a result of fiscal belt tightening. However, unless we each sacrifice a little, we will all lose a great deal more.

For millenia, man has struggled to devise economic systems which maximize production of goods and services. In some of those systems, the basic ingredient is directive—people are told what to produce, where to produce it, and so forth.

In our economic system, on the other hand, the basic ingredient is confidence. Our system depends on a belief that savings today, and investment in the future, will pay off.

But we cannot expect the people of this country to develop a sense of confidence—a positive view of the future—unless their political leaders exude confidence themselves about what must be done.

This is not to suggest that we should abandon a healthy political dialog or simply accept the President's package chapter and verse. And, by the way, I think the President ought to get his package up here. I do not think there should be further delay. We went through this exercise for seven solid long days. I can understand why it takes a little while to put 25,000 or 30,000 line items together. But not all of those line items are going to be changed, and I think the administration ought to get its package out, made public and before Congress as soon as possible so that the work can begin. The Budget Committees—the House Budget Committee has begun its work, the Senate Budget Committee will begin its work next week—should not have to proceed without the President's proposals. I urge the administration to get its proposed revised budget up to Congress as soon as possible.

Mr. President, unfortunately, those who get the most attention are those who are busy loosening the rails—trying to insure that efforts to slow inflation through a combination of budget balancing and credit restraint will come untracked.

It is easy to criticize. Anybody can do that. I can do that without a moment's aforethought.

But I say that it is time for the naysayers and the critics and the cynics to get off the sidelines and put their hands to the oars and start helping to row the boat upstream. It is going to take everybody's efforts. And this means we are all going to have to sacrifice some.

I cannot have it all my way, but the American people are entitled to a dedicated effort on the part of their leaders to bring inflation under control and the starting point has to be a balanced budget. That is not all, by any means.

But there are those who say it will not work. Well, it cannot work in 24 hours. It cannot work in 48 hours. It is going to take weeks for this budgetary process, appropriations process, to run its course. But unless we work together, it is not going to work. And it ought to be given an opportunity to work. The cynics ought to quit nitpicking and trying to destroy it and tear it apart before it has a chance to work.

I say if we all quit nitpicking and criticizing and finding fault with the effort and join in, perhaps those who would be critics can improve it. There is room for improvement in this package. It is not the alpha and the omega, nor is it expected to be a perfect package.

But I say, let the critics give it a chance to work, join in and assist in balancing the budget.

I, for one, am committed to seeing that this train has a chance to get to the next depot. I am committed to helping get the balanced budget train out of the station. The American people are watching our efforts with a healthy skepticism. But we need to get about the business of making it work, Mr. President.

And for those who hope to be a part of the solution, it is time to get on board, not stand along the sidelines and find fault and criticize and say: "Oh, it won't work. It's not enough. It's too much." I say let them quit criticizing and start exuding confidence.

I always start with the assumption that we are going to succeed when we try to do something. I never start on the assumption that we are going to fail. But, apparently, that is the way some people approach matters in this country. They start with the assumption that everything is going to fail. And it will—unless we all put our shoulders to the wheel together.

SENATOR MUSKIE'S COMMENTS ON THE BALANCED BUDGET

Mr. ROBERT C. BYRD. Mr. President, I would like to bring to the Senate's attention the remarks of the distinguished Senator from Maine, Mr. Muskie, which he recently gave before the National Association of Counties. Mr. Muskie has once again forthrightly explained the painful realities the Congress must soon face in the efforts to balance the Federal budget.

His analysis is concise and hard hitting. He talks of the obvious truth that the budget will not be balanced by cutting one program or on the philosophy that "you can cut any program but mine." He discusses the use of "mirrors" and "magic" and how they will be no excuse for real cuts in real programs. He points to prioritizing and the "art of compromise" as the vehicles for sharing the resources and carrying the weight of fiscal restraint. If not, we face the real possibility that our efforts will be in vain.

As usual, Mr. Muskie's comments are enlightening. As chairman of the Senate Budget Committee and as an active participant in the recent conferences with the administration on balancing the 1981 budget, he continues to make an outstanding contribution on matters relating to the Federal budget and the national economy.

I urge my colleagues in the Senate to take note of Mr. Muskie's remarks. I believe they may be helpful in formulating their thinking on the budget issues ahead and in preparing themselves for the difficult task of saying "No."

I ask unanimous consent that the comments of Mr. Muskie be printed in the Record.

There being no objection, the remarks were ordered to be printed in the Record, as follows:

Remarks of Senator Edmund S. Muskie

A few weeks ago, a newspaper cartoon featured a poll-taker interviewing a housewife at her doorstep.

"No," the lady says, "I'm not mad at Congress. If I had six hundred billion dollars to spend, I'd be irresponsible too."

Unfortunately for the public standing of Congress as an institution, not all Americans are so forgiving; nor should they be. The image of an irresponsible Congress is not without foundation.

While the cameras roll in the press galleries, Senators and Congressmen are eager volunteers in the war against inflation. But when the battles are fought on the floor, the desertion rate is high.

Just last week, 43 Senators joined in sponsoring a resolution to limit Federal spending to 21 percent of the gross national product. Its implementation would entail a budget cut of something between 30 and 35 billion dollars in fiscal 1981.

That made for a nice little news conference. But no one suggested where the 35 billion cut would be made.

Just one month ago, 34 of those same 43 Senators voted to break the budget for veterans programs. Twenty-six of them did the same for disability insurance. None of them held a news conference to draw attention to that.

The man in the street doesn't hold news conferences; but he does vote. He looks at the cost of living. He looks at the Federal deficit. He looks with disfavor on those who are responsible for it.

But he also looks at his own private slice of the pie; and he expects his representatives to see that it keeps on coming.

Ironically enough, public demands for Federal largesse are a prominent reason why public demands for a balanced budget have not yet been met.

The same paradox goes far in explaining why some politicians talk in frugal generalities and vote for specific excesses.

The term, "special interest group" summons up an image of self-serving operators plundering the public purse. We all belong to associations, unions, chambers of commerce, and organizations of county officials, but none of us would be caught dead associating with special interest groups. They are someone else.

But we all know who they are. They gather each spring in Washington—where the weather is usually good and the climate for spending is even better. This year, though, a chill is in the air.

The word "crisis" has perhaps been overworked in recent months. But the crisis of confidence in the future of our economy is very real and very sobering. And there is very little sunshine in the report I will deliver to you today.

Inflation accelerated to an 18-percent annual rate in January, according to the consumer price index. The more volatile producer price index rose at a staggering annual rate of 21 percent.

In some parts of the country, the price of home heating oil has broken the dollar per gallon mark; and the price indicators on gasoline pumps are being changed from gallons to liters.

On top of it all, unemployment rose to 6.2

percent in January, with 7 million Americans out of work. The situation is likely to worsen.

A long time ago, someone observed that "nothing so wonderfully concentrates the mind as the prospect of hanging." For federal policy-makers, the current economic crisis has provoked some serious concentration.

Dramatically radical policies which were unthinkable even a year ago are suddenly serious options.

The Federal Reserve once nibbled at inflation with fractional increases in the discount rate. Recently, for the second time in two months, the rate went up a full point to 13 percent. The prime lending rate is up to 16 and three quarters percent.

The energy crisis has rendered respectable a number of ideas which were once confined to the fringe. Rationing or a gas tax increase are no longer inconceivable.

And despite the fact that those 43 sponsors of a GNP spending limit have not produced a $30 billion cut list, the next budget mark-up will not be limited to delicate trimming.

It would be useful to speak here to the formula spending limits and constitutional amendments which are now so widely supported. There are some very important reasons why those initiatives deserve very careful attention.

But whether or not a formula is imposed—whether or not the states force us into a constitutional convention—whether restraints are imposed by law or imposed by political and economic realities—one thing is certain. Unprecedented restraints must indeed be imposed.

In the course of their debate in Des Moines last month, the Republican candidates for president were asked a very good question. We are facing a heady combination of demands for tax cuts, for huge increases in military spending, and for a balanced federal budget. How can those demands be accommodated in one federal plan?

John Anderson's reply was characteristically straightforward—"with mirrors."

Magicians' tricks won't balance the budget. The best efforts of legislators may also fail. But be assured that we will exert a mighty effort. And the only hope for success lies in imposing real sacrifices across the board.

Last year's rhetoric called for giving up luxuries. But that won't get the job done now. There isn't enough fat to cut, even if we could find it all. And one person's "fat" is another's "vital interest."

The budget can't be balanced on the back of a single program. Various interests cannot go on demanding frugality at anyone else's expense.

Every program will be scrutinized—some more intensely than others. Foreign aid, trade adjustment assistance, full indexing of federal pensions and social security to the consumer price index—these are all vulnerable programs. Each of them is important. None of them are casually dispensable. But all of them may suffer.

We know why programs should not be cut. But we may also need to know how best to cut them. And if the affected groups and associations cannot escape the knife, they can best serve their interests by showing us how to minimize the pain.

My support for federal aid to state and local government is well known to you. I am familiar with the arguments supporting the programs you hold dear. I developed more than one of these arguments in Congress. I was the founder of some of the programs and a central figure in the development of others.

But the field of battle this spring will demand a new strategy. Do not dilute your resources. Do not impair your credibility. Do not insist that every line item is vital to the welfare of every local community. Fall back to the defense of those which really are.

A few days ago, NACO joined with allied groups in sending a letter to Congressional conferees. The subject was H.R. 3434, a bill concerning social and child services. That letter argued for the highest-cost options right down the line.

"We unanimously oppose placing a ceiling on AFDC Federal foster care funding."

"We unanimously oppose retaining the AFDC amendments added to the bill in the Senate."

"We strongly support the increase in the title XX ceiling to $3.1 billion for FY 1980 as passed by the House."

"We support the Senate provision converting title IV–B to an advance funding basis."

"Passage of the adoption assistance program is extremely important and should include the House provisions assuring that the program is permanent and implemented nationwide."

Now, it comes as no surprise that NACO and like-minded groups should make such recommendations. Certainly, programs designed to help needy children are unequaled as worthy recipients of support.

But in that letter to the conferees, there is no ranking of some provisions as more important than others. There is no willingness to accept any sacrifice in the face of fiscal restraint. There is no hint of compromise in a message sent to a group of legislators whose mission is one of compromise.

Compromise is indeed the key word. Any Member of Congress could balance the budget if left to his or her devices. Given a level of revenues, none of us would be too hard pressed to cut in one place and expand in another without breaking into the red.

But Congress consists of 535 people with 535 assessments of priorities.

In the setting of that reality, the art of compromise is essential to success. Too often, we have compromised upward. If one group objects to generous farm subsidies, their resentments are assuaged by more help for the cities. If another group is scandalized by the cost of the space shuttle program, another billion for education goes far in tempering their outrage.

When those sorts of solutions resolve a conference deadlock, everyone leaves the chamber happy. The deficit reflects the price. It's a price we can no longer afford.

With no enthusiasm for the role of bearing bad tidings, I must tell you as a friend that loal government will not be immune from a share of the burden; nor should it be. The price of fiscal discipline must be widely shared.

You and I are well aware of how much the federal system has changed since it was mapped out in Philadelphia in 1787. From the construction of the county courthouse to the wages of the people who mow the lawn, costs once borne solely by you have been shared and sometimes even completely absorbed by the Federal Government.

As a consequence, local levels of Government have been insulated to a greater or lesser degree from the real costs of the services they provide to their constituents.

Some of this aid is no luxury. In some localities, it makes the difference between solvency and bankruptcy. But the sad reality is that this year's budget cuts will not be confined to frills. That is why we need your guidance as to where we can look for savings that can minimize the pain.

The list of federal programs supporting local needs—AFDC, UMTA, LEAA, CETA, and others, has grown longer and longer over the years.

None of them will escape strict scrutiny in the course of this year's budget review. I cannot promise that any of them will be spared from surgery. I ask for your help in dealing with those who insist on using a meat ax instead of a scalpel. We simply must decide where to achieve the most savings with the least pain.

Let me focus on a few of the more important programs and on the vulnerabilities to which they are exposed.

The urban development action grant program has just recently been broadened to deal with "pockets of poverty" in otherwise healthy cities.

But UDAG's recent expansion may prove to be short lived. At a time of budgetary stringency, many members of Congress will be wondering why Federal funds are needed to supplement anti-poverty efforts in communities with good financial health.

The Congressional budget office estimates that elimination of this UDAG expansion could save $500 million in Federal funds over the next five years.

Is that the sort of savings that makes sense in the present environment? If not, why not? Where else can we look for savings if we don't look there?

Another item which will come under review is the community development block grant program.

I know that this is a popular item. Few strings are attached. Its formula-based grants to cities have helped rehabilitate public facilities, provide important social services, and support planning and management.

But every city in America receives a share of these funds, regardless of need, regardless of local resources. Many millions could be saved by targeting funds toward cities that really need them while cutting back in others.

It is argued with some force that grant programs like this one should be based on formulas more closely oriented toward the needs of the recipients. Too many grant formulas are based on the need to obtain 51 votes on the Senate floor.

Is that the kind of savings that makes sense in the present environment? If not, why not? Where else can we look for savings if we don't look here?

Of course, general revenue sharing is the main event. This year, the program is up for reauthorization—a fact which has not escaped your notice.

Let me say at the outset that the program is one of the best of its kind. It deserves continued support.

Grant consolidation is a favorite means for reducing federal outlays and maximizing efficiency. And revenue sharing is the ultimate grant consolidation. It is flexible. It is bound up in very little red tape.

Like the other 534 Members of Congress, I am convinced that the best and most deserving programs should be spared from major reductions. But my definitions of "best" and "deserving" are not universally shared. Revenue sharing is not universally admired.

The likelihood is that the revenue sharing program will be renewed in 1980. But not without compromise—and perhaps not intact in its various parts.

Two main points will be raised. First, the states receive a full one third of all revenue sharing funds; and the States, in general, are in sound fiscal condition. They are running an aggregate surplus. Many are cutting taxes.

In 1978, the states ran a combined surplus of $29 billion. One year later, the budget adopted by Congress contained a deficit of almost exactly that amount. It also contained more than eighty billion dollars in state and local government grants.

Some of the same state legislators who balance their books with the help of federal dollars are leading the charge for a new constitutional amendment—one which would compel the Federal government to balance its budget.

During its 1975-76 session, the Pennsylvania legislature passed a resolution calling for enactment of the constitutional amendment. That was resolution 236. Resolution 235 demanded a renewal of general revenue sharing.

It is not surprising that revenue sharing for the States is not uniformly popular in Congress.

In short, the State is vulnerable. Is that the kind of savings that makes sense in the present environment? If not, why not? Where else can we look for savings if we don't look here?

The second vulnerability in the revenue sharing program is its very basis of funding. Allocations bear little relation to real needs.

A few years ago, the suburban community of Redding, Connecticut, faced a perplexing dilemma. Should their revenue sharing funds be devoted to a new dog pound, to tennis courts, or to a bridle path?

There are many Senators and Congressmen who would like to spare such communities these painful decisions.

Instead of spreading scarce resources over 39,000 units of Government, it is said, funds should be targeted to those most in need. Communities with poorly paved roads should not be treated in the same manner as communities with poorly paved tennis courts.

Is that the kind of savings that makes sense in the present environment? If not, why not? Where else can we look for savings if we don't look here?

I ask these questions not because I am eager to trim these and other programs, but because others are eager to dismantle them.

I ask these questions not because I relish the prospect of cutting back on programs I helped bring into being, but because fiscal realities may leave us with no choice.

I hope very sincerely that you will consider where savings can best be made even as you work to preserve adequate funding. If you don't make those tough choices, others will make them for you. If you don't give us guidance as to which of the programs are more important than others the essentials may suffer along with the extras.

In the end, of course, no level of Government, Federal, State or local, can ignore the implications of runaway inflation. For its part, the Federal Government must exercise the budget restraint which minimizes public sector demand on the economy.

State and local government share that burden and that responsibility.

In the Spanish American War, history says the enemy fleet was destroyed in Manila Bay because it was too weak to fight and too slow to run away.

We must be strong enough to fight inflation by absorbing some of its pain. None of us is fast enough to run away.

Mr. ROBERT C. BYRD. Mr. President, I yield the floor.

Mr. BUMPERS. Mr. President, I compliment the majority leader on his comments about balancing the budget. I, too, have heard several people say that it is too little, too late.

If I really believed that it was too late, I would just resign my seat in the Senate and go home.

Mr. ROBERT C. BYRD. Right.

Mr. BUMPERS. If it is too late, the American people have nothing to anticipate but the ultimate collapse. If we take that attitude, there is no point in trying to balance the budget.

In all my public statements, I have pointed out that a balanced budget is not a panacea for inflation. On the contrary, it is not going to do very much for inflation. However, Mr. President, it is a nonnegotiable demand in the country. The Congress has the duty to produce a balanced budget because nothing else we do is going to be credible or acceptable until we balance the budget. We might as well get down to it and get it done in a businesslike way.

THE PLIGHT OF THE AMERICAN AUTOMOBILE INDUSTRY

Mr. BUMPERS. Mr. President, I rise to discuss an article in the current issue of Business Week regarding the plight of the American automobile industry.

I want to remind my colleagues that in 1975, which was my first year in the Congress, we passed the Energy Policy and Conservation Act, the first major "energy crisis" legislation enacted after the oil embargo of 1973–74. In that bill, we provided that the American automobile industry would have to achieve a fleet average of 18 miles per gallon on all the cars they produced by 1978. That means that you could produce one car that got 9 miles per gallon and another car that got 27 miles per gallon, but the fleet average would have to be 18 miles per gallon in 1978.

The bill also provided that by 1979 the average would have to be 19 miles per gallon; in 1980, 20 miles per gallon; in 1981, 22 miles per gallon; and in 1985 we would have to achieve a national fleet average of 27.5 miles per gallon.

I want everybody to know that the automobile industry screamed like a banshee when we passed that bill. They were unalterably opposed to it.

In 1977, the U.S. Senate, in the National Energy Policy Act, established minimum fuel economy standards. It strengthened the fleet average concept to provide that in 1980 Detroit could not make any car that did not get 20 miles per gallon. In 1981 they could not make any car that did not get 21 miles per gallon.

When we went to conference, the House of Representatives, did not like that concept. We could not get the House to accept the minimum standards in the conference report, and the amendment was deleted.

The tragedy is that Congress, which has a low credibility with a lot of people, in this particular instance just happened to be right and the automobile industry was wrong. Now the domestic automobile industry in this country and the American people are paying a very high price for our shortsightedness.

This article in Business Week points out what has happened. In 1979, in this country, imports represented 22 percent of all the cars sold in this country. This is a dramatic increase from 1978.

In the first 2 months of this year, imports represented 27 percent of all the cars sold in this country. Why is that? Well, there are a couple of reasons.

Volkswagen, Datsun, Toyota, and many other imports are good automobiles. But that is not the major reason. There is not a patriotic American who would not rather buy an automobile that was made in this country, given a choice between two equals.

The main reason the American people are buying imports is because they are fuel efficient. In 1973, when the embargo first hit and we got a clear signal of things to come, people began to get apprehensive about the availability and cost of gasoline, and imports began to increase. Detroit said, "Well, the American people do not like those little cars. They just don't want to drive those little cars." They continued to say that and the Japanese and the Germans continued to unload them on the east and west coasts as fast as they could get the ships here. The American people were buying them up as fast as they could get them unloaded.

Industry observers estimate that General Motors makes $1,000 on a big car and only $200 to $300 on a small car. So it is not hard to understand why they were pushing the big cars. It is not hard to understand why they, like any prudent businessman, would try to capitalize on equipment they had purchased to maximize the profit on it.

Has that ultimately served their best interests? Has it served the working people's best interests? Has it served the best interests of the United States? The answer to all three questions is an unqualified no.

Automobile production, compared to last year at the same time, is down dramatically from what it ought to be, and 200,000 people have lost their jobs in that industry.

We have heard the old saying that a recession is when your neighbor loses his job and a depression is when you lose yours. In this case, 200,000 people believe there is a depression in this country despite 18 percent inflation because they have lost their jobs.

How about the dealers? Did you ever talk to a dealer who told you that General Motors or another automobile manufacturer made him take a certain number of eight-cylinder big automobiles whether he wanted them or not?

What is the result this year? Dealers have their lots loaded with big eight-cylinder automobiles. They are trying to give people $500 apiece to buy them. Chrysler is trying to give rebates to sell those big automobiles so they can get enough money to build the little ones.

What else will result? The trade deficit because of imported automobiles this year will be almost $18 billion. The automobiles we are going to be importing into this country this year ought to be produced in Detroit.

Detroit should be concerned about all of this, but Business Week says in 1980, 6½ years after the embargo, and while imports are consuming 27 to 28 percent of the purchases in this country, 60 percent of all the cars produced in this country will be 8-cylinder automobiles.

Eighteen percent of them will be 6-cylinder cars and 22 percent will be 4-cylinder cars. At the same time, almost every car that comes off the dock on the west coast and east coast is a fuel-efficient 4-cylinder automobile.

In 1985, it is estimated that only 41 percent will be 4-cylinder, front-wheel-drive cars.

It is an incredible statistic. Business Week says Detroit guessed wrong.

I do not understand that. I do not

know of a single thoughtful person in the United States who did not know in 1973 that we were going to be confronted with one of the most serious economic problems this country ever faced because of energy prices and the availability of oil.

They say Detroit guessed wrong. Well, the Senate did not. I predicted just as the last drop of oil comes out of the spigot Detroit will say, "Well, we finally got our cars all 4-cylinder and they are averaging 27 miles per gallon." By that time Volkswagen will have a car on the market that will get 65 miles per gallon.

I would not be saying these things because I want to tangle with the automobile industry. But these are the facts. I know a lot of automobile dealers in my State who are facing a crisis. They are being ordered to take automobiles and they are having to put them on their lots at 18 percent interest. That makes certain that they cannot possibly make a profit. The country suffers; the dealers suffer; and the American people suffer. Now they say, "Let us cut imports."

Normally, I would be sympathetic. I think we ought to import fewer automobiles. If the American automobile industry had kept with the American people, I would vote for it. But right now if it were not for the imports we could not possibly reduce our fuel consumption.

Do you know, Mr. President, that in 1973 when the embargo hit, the national fleet average of all cars in the United States was 13.5 miles per gallon? That was down 2 miles per gallon from a fleet average of 15.4 miles per gallon in 1936.

Now, 6½ years after the most ominous signal or warning this country ever had, we are up to 15½, a 2-mile-per-gallon fuel-efficiency improvement. Italy has a national fleet average of 30 miles per gallon. Germany, England, and Japan have fleet averages of 28 to 32 miles per gallon. Mr. President, if we had been serious in 1973—and you did not have to be broken out with brilliance to see what was coming—we would have a 33-mile-per-gallon average in this country right now. We would not care about OPEC. We would not have an energy problem in this country. But we do. A lot of the blame can be laid right at the feet of the U.S. Congress, but, even more than that, it can be laid right at the feet of the American automobile industry.

Mr. President, I ask unanimous consent that the article from the Business Week magazine be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

U.S. AUTOS LOSING A BIG SEGMENT OF THE MARKET—FOREVER?

Through the first 10 days of March this year, automobile sales have been surprisingly strong, but only because imports are racking up record sales. Few car buyers want Detroit's big models—the kind Detroit still predominantly makes—and despite rebates of $500 or more, sales of U.S.-made cars are slipping badly. Through the first days of March they were running at an abysmal annual rate of 7.7 million units, down 14% from a year ago. And in February, imports grabbed a record 27% share of the market.

Incredible as it now seems, just a year ago the U.S. auto industry was scrambling to meet a surging demand for big cars. While imported-car dealers were drowning in record inventories of unsold small cars, General Motors Corp. was toying with the idea of converting a compact-car plant to build full-size Oldsmobiles. Chrysler Corp. worried that the botched introduction of its slimmed-down New Yorker would leave it behind in the new big-car battle. Ford Motor Co. rationed V–8 engines because it could barely keep ahead of demand. How, Detroit executives fretted, would they sell the millions of smaller cars on which they had spent billions in new tooling? Recalls Ford President Philip Caldwell: "We all faced the specter of forcing the American people to buy something they hadn't indicated they wanted to buy in large quantities."

That fear has disappeared, of course. Now, a much more ominous specter is haunting Detroit. The sudden death of big cars—on which the industry earned the bulk of its profits—will seriously hamper its ability to finance the shift to small cars, a change that must now come much faster than Detroit had planned. And if it is unable to supply enough of the small cars Americans want today, the U.S. industry could permanently and perhaps disastrously lose a huge share of its home market to overseas producers. No one is seriously suggesting that Detroit will go the way of U.S. radio manufacturers—yet—but for the next several years, the U.S. automobile industry will be virtually impotent in the face of an onslaught of foreign cars. "We've accelerated our programs (for small cars) down the road," says GM President Elliott M. Estes, "but we can't do anything about the short term."

Estes is not exaggerating. It will take U.S. auto makers until 1985, at least, just to expand their four-cylinder-engine capacity to 40 percent of output. Nearly all imports are now powered by fours. With waiting lists for small cars running as long as six months, imports, which captured a record 22-percent share of the U.S. car market last year, now seem almost certain to coast to an easy 30-percent share in 1980.

MORE THAN HUMILIATION

To be sure, Detroit will be rolling out a new crop of small cars this fall. But they will be too few to turn around the situation rapidly. Detroit, once again, is simply out of step with the market. "We thought—rightly or wrongly—that we had to move down in an evolutionary way to better fuel economy," says Estes.

The revolution in Iran and the subsequent spiral in gasoline prices made that choice utterly wrong. While future gasoline price increases may moderate, U.S. auto makers cannot hope for the flattening of prices that gave them breathing room in the years following the Arab oil embargo. Even the most optimistic scenarios project that gasoline will rise from $1.25 per gal. today to more than $2 per gal. by the end of 1982. That in itself practically guarantees that the import share will remain at least at 30 percent through 1985 unless foreign exchange rates change radically.

For an industry that has always prided itself most on its marketing skills, nothing could be more humiliating than the prospect that it may have to cede nearly a third of its home market. But much more than Detroit's wounded pride is at stake. Indeed, what may be at stake is Detroit itself—at least in its present form. Already, there is ample cause for alarm:

Since the beginning of the year, 210,000 workers have been idled, many indefinitely, and six plants have been closed as Detroit begins to board up big-car assembly and parts facilities.

The big-car sales slump has vastly increased the chances of a Chrysler bankruptcy, has seriously weakened Ford, which lost $1 billion last year on its North American operations, and has reduced GM's earnings 18%, all at a time when Detroit must make huge new investments to improve its product.

The poor earnings outlook will probably force auto makers to slash dividends even as they must seek record amounts of outside financing in markets that are in terrible turmoil.

Detroit's malaise will probably lead to increased manufacturing in the U.S. by foreign-owned automobile makers. Some will make the move because U.S. manufacture is cheaper. Others, particularly the Japanese, are likely to manufacture here only if there is a possibility of import restrictions being placed on their cars.

In February, Volkswagen announced that it would open a plant in Michigan, its second in the U.S. By 1984, VW will be cranking out 200,000 Rabbits a year at its new plant, in addition to some 225,000 at its Westmoreland (Pa.) plant. Renault, a leading importer in the late 1950s, plans to make another large-scale assault on the U.S. market by having 100,000 cars a year made by American Motors Corp. at its Kenosha (Wis.) plant.

The Japanese, with lower labor costs and spare capacity at home, are reluctant to start U.S. production. But they, too, are moving to manufacture in the U.S. Honda will produce up to 10 percent of its cars in a new facility alongside its motorcycle plant in Marysville, Ohio. Toyota and Nissan both say that they are exploring the possibility of some U.S. manufacture. Their decision will probably be determined by how much anti-import pressure can be generated by the United Auto Workers.

A DEVASTATED PROFIT STRUCTURE

An increase in foreign-car manufacture in the U.S. would further cut Detroit's market share, although the cars would be counted as U.S.-made. But the predicament of the Big Three goes much deeper than lost market share. The collapse of big-car sales has devastated the industry's profit structure. Industry observers estimate that GM, for example, makes as much as $1,000 on a large car and only $200 to $300 on a small car. In the last year the market share of big cars—so-called full-size and intermediate models—has plummeted from 42 percent to 33 percent. Unless there is a miraculous recovery of large-car sales, Detroit's profits will be wretched, to say the least. For example, even though GM is selling a record 63 percent share of U.S.-built cars this year, it is expected to earn only $6.25 a share, half of 1978 earnings. Between them, Ford and Chrysler will probably lose $2 billion in the U.S. Sums up one industry analyst: "Detroit's dilemma is that it must sell cars that no one wants to get the cash to make the cars that people will buy."

To make that task even rougher, the outlook for car sales generally—big cars or small—is becoming increasingly gloomy. Rising fuel prices may push some buyers into small cars, but others, recognizing that they can rarely recover the cost of a new car in fuel savings, may simply not buy for as long as possible. Other consumers, aware that Detroit must make more fuel-efficient cars in the next few years, may also hold on to their cars. Such balking by consumers was responsible for the 1974–76 slump in auto sales. It could easily occur again. "We're tremendously overautomobiled in the U.S.," says a Ford executive. "We'd be able to drive for years without buying another car."

No such apocalypse is yet at hand, but the economic factors confronting Detroit are enough to make even the brashest auto salesman fidget nervously. The most serious is the runaway economy itself. The choices for next year, most economists believe, are continued outlandish interest rates and inflation—or recession. Whichever occurs, Detroit will not benefit. Interest rates, as high as 18 percent on auto loans, are scaring away all but the most determined buyers. And they are badly pinching dealers, who cannot afford to pay 18 percent to 20 percent to finance an adequate level of inventories.

Prospective car buyers also face declining real income because of the high inflation rate. Even worse from Detroit's standpoint, disposable household income, one of the best indicators of future car purchases, is falling after rising for four years.

About the only bright spot in this gloomy picture is the series of new small cars that Detroit will introduce next fall. Chrysler is hoping it can sell as many as 600,000 of its new front-wheel-drive compact, code-named the K-car. Ford will replace the hoary Pinto and the Lincoln-Mercury Div.'s version of the car, the Bobcat, with the Escort and the Lynx, both of which will have front-wheel drive. GM, which introduced its first U.S.-made front-wheel-drive car last year, is planning another, the so-called J-car. It will give Chevrolet and Pontiac each a subcompact to go with the hot-selling Citation and Phoenix compacts.

These cars could help Detroit out of its sales slump. But because of the long lead times in the industry—all of these cars were designed in 1976—there is no possibility that it can shrink its big cars until at least 1983. Detroit made the error of relying too long on its time-tested formula of wringing out the bulk of its profits on large cars. As recently as nine months ago, the auto makers were pleading with the government to relax the standards that require every auto maker's fleet to average 27.5 mpg by 1985. Now the demands of the market have outstripped the regulators, and suddenly there is no end in sight to the quest for better fuel economy. Analysts say the market will want the mandated average of 27.5 mpg as early as 1982, and will want 40 mpg by 1990.

There is no way that Detroit can move up to 27.5 mpg by 1982, and even meeting the mandated 1985 goal will still require a desperate effort. The first forced change—after the Arab oil embargo—resulted in a weight reduction of 800 lb. in large cars. That helped to boost the fuel economy of domestic cars by 6 mpg to the present 20 mpg. The slimdown, minimal as it was, cost the industry $30 billion. Now the auto makers must spend at least as much again within four years. Merely reducing the weight of a traditionally designed big car will not work. To preserve maximum passenger room at the same time, auto makers must scrap their front engine-rear drive designs and switch almost entirely to the more efficient front-wheel-drive configurations.

THE IMPERATIVES OF ECONOMY

The costs will be astronomical. Auto "facelifts" that cost $500 million are giving way to $3 billion-a-model overhauls. The industry must spend $75 billion on new plants and products to reach a mileage goal that imports nearly match today. And pushing to 40 mpg by 1990 would double the cost, according to a study by Rath & Strong Inc., a Lexington (Mass.) capital-goods consulting firm.

Wall Street analysts calculate that the cash crunch will force Detroit to borrow at least $5 billion by 1985, doubling the industry's long-term debt. And during the latter half of the decade the auto makers may have to borrow another $5 billion or more. But until auto sales reverse their current decline, lenders may be tough to find. "There will be a need for tremendous outside capital," warns auto analyst Maryann Keller of Paine Webber Mitchell Hutchins Inc., "and I don't think it will be available."

Officially, auto executives downplay the problems of financing what is sure to amount to a $150 billion capital spending program over perhaps 15 years, even though that figure amounts to nearly two years' domestic sales for GM and Ford combined. Detroit hopes that sales will rebound by the end of 1980, returning profit margins from their current level of near-zero or worse to a more traditional 6 percent to 7 percent. But even such profits, coupled with non-cash allowances for depreciation and tool amortization, will not be enough. Concedes Ford's Caldwell: "We'll probably have to go to the money markets to get through this gap."

But getting loans may be difficult, particularly if Detroit's profit margins continue to suffer. Some analysts speculate that the federal government could find itself bailing out the industry, much as it has propped up Chrysler with $1.5 billion in proffered loan guarantees. As part of the Chrysler loan legislation, Transportation Secretary Neil E. Goldschmidt was ordered to undertake a wide-ranging review of the capabilities of the nation's most basic industries—including autos—to finance their own rejuvenation. "I wouldn't say auto companies are necessarily headed down the road to direct federal assistance," insists Charles Swinburn, Transportation's Acting Assistant Secretary for policy, "but [survival] will require a combination of private financing, selling more cars, and plowing back every penny."

BILLIONS NEEDED NOW

The automotive borrowing binge begins this year with a bang, despite a prime interest rate of 17 percent and more. Chrysler, which reported a $1.1 billion loss on $12 billion in sales last year, will need $2 billion in 1980 from various sources—including those covered by government loan guarantees—to pay for its new-car programs and to cover another $500 million to $600 million loss for the year. Analysts say Ford will need roughly $1 billion to recoup the decline in working capital suffered in last year's billion-dollar loss on North American operations. In addition, Ford must seek outside financing for part of the $3.5 billion in capital spending in 1980 needed to revamp its cars and trucks.

Even GM may be a heavy borrower in 1980, for the first time in five years. That is partly because of the company's decision last August to accelerate its conversion to front-wheel-drive cars by about two years, from 1985 to 1983. As a result, GM's predicted outlays of about $6 billion per year worldwide have now risen to about $7 billion annually. "GM can live off its balance sheet for a while," says auto analyst David Healy of Drexel Burnham Lambert Inc. "But if they keep their dividend of $4.60 a share, their working capital will decline about $2 billion this year."

Ironically, in many cases, Detroit will be borrowing money to finish production lines for components that are already obsolete. The three-year lead time on tooling orders means that the auto companies are still locked into spending plans for engine, transmission, and other parts that were ordered in the late 1970s to preserve full-size cars. But interest in full-size autos is dead. Their share of total U.S. sales has fallen from 30 percent in 1977 to only 14 percent today.

That spells trouble for some major facilities. It will have a severe impact on Detroit's 11 V-8 engine lines that three years ago were running full-tilt to equip 76 percent of U.S. cars sold. It could mean premature write-offs for the V-8 diesel capacity that GM has built up in the past two years for its large cars, because front-wheel drive versions due in 1983 and 1984 will require smaller powerplants. And it promises disaster for Ford's one-year-old, $313 million lockup automatic transmission, built in Livonia, Mich., which was designed solely to extend the market life of Ford V-8 engines. That line will probably have to be shut down and written off within several years.

LeRoy H. Lindgren, a vice-president with Rath & Strong, estimates that the Big Three must write off undepreciated capital goods totaling at least $8 billion between now and 1990 because of the premature obsolescence of its big-car plants. "Basically," he says, "anything spent on rear-wheel drive in the past two years is a write-off."

There could be a bright side to these capital investments: improved productivity. Auto industry managers are hoping that the steps required to revamp their product lines will also let them beat the now-lower production costs of foreign rivals by incorporating the latest technology, set in new or completely remodeled factories. "In the next three years," declares Robert C. Stempel, general manager of GM's Pontiac Motor Division, "we're going back to a 3 percent gain in productivity per year."

PRODUCTION PLANNING

Smaller cars and more automation invariably mean higher assembly-line speeds as older plants are converted or new ones built. GM, for example, plans to build two brand-new assembly plants that together will be able to produce 150 cars per hour with no more manpower than it took to build 115 per hour at the 60-year-old plants they will replace at St. Louis and Pontiac, Mich. Ford's venerable Dearborn (Mich.) engine plant—converted at a cost of $650 million—will turn out 250 four-cylinder engines per hour compared to 200 per hour at the best of its V-8 engine plants.

To squeeze out better fuel efficiency, cars of the future will be more complex. But the productivity penalties from more sophisticated assembly work are being offset by a sharp reduction in the variety of model sizes, engines, and other mechanical options. Those parts of the car not outwardly visible will become increasingly standardized and interchangeable. Product differentiation—the cornerstone of Detroit's marketing philosophy—will be preserved through a wider array of highly visible buyer options, such as interior finishes. The goal of the production planners is to build a wider variety of cars on each assembly line without creating a parts-flow nightmare. GM, moreover, is designing plants that could shift quickly from one car size to another to gain higher utilization rates than in the past and to respond to the increasingly volatile swings in consumer preferences. Three-shift operations will become the norm at capital-intensive engine and transmission plants. And analysts predict that a larger share of the Big Three's parts needs will be farmed out to suppliers, rather than made in-house.

The reason is that the cost of capacity has soared. The long-time GM policy of building enough plants to meet peak demand without requiring heavy overtime may no longer be affordable. "After being burned twice (in 1974–75 and again in 1979–80)," says Robert J. Orsini, automotive consultant with A. T. Kearny & Co., "they won't let it happen again."

Eventually as many as 7 of the 46 car and truck assembly plants operated by the Big Three last year may simply be closed rather than converted or replaced. The first signs of this came in February with the permanent closings of Chrysler's huge Hamtramck (Mich.) assembly plant and Ford's suburban Los Angeles assembly plant. Higher efficiency at the remaining plants, converted to build smaller cars, could probably handle current levels of demand plus modest growth. "Over the next three years there undoubtedly will be extra capacity," acknowledges James K. Bakken, Ford's vice-president of operations support staffs.

That could be an understatement. For

there is no guarantee that Detroit will win back a substantial portion of the market it has lost. Many Detroit executives fear that the industry will simply not be able to make small cars whose quality, price, and performance will prevent further erosion of U.S. market share. It is a concern rarely voiced in Detroit. But Lee A. Iacocca, Chrysler's outspoken chairman, concedes that imports' reputation for superior quality, at least, is not undeserved. "They earned it," he says. "In fits and finishes, they've done better."

WHAT DOES THE MARKET WANT?

And car buyers' perceptions go a lot further than that. When the Motor & Equipment Manufacturers Assn. canvassed 10,000 American households in 1978 and 1979, it found that imports strongly outranked U.S. small cars in perceived fuel economy, engineering, and even durability. "It's a deep-seated conviction," says James A. Lang, the association's director of marketing and research, "and it's going to be very, very difficult for Detroit to dislodge that feeling just by making its cars smaller."

In fact, every time that Detroit has brought out a so-called import fighter, such as the Chevrolet Vega, it has failed. Part of the reason is that while foreign car manufacturers were forced to engineer cars for very high fuel prices, U.S. manufacturers were pursuing their "bigger is better" style of marketing, happily loading up their cars with profitable but gas-guzzling features, such as automatic transmissions, power brakes, and power steering. The average fuel economy of U.S.-built cars declined from 15.4 mpg in 1936 to only 13.5 mpg in 1972.

But when it comes to small-car technology, Detroit has lagged. For years it resisted front-wheel drive. Chevrolet's rear-wheel-drive Chevette, for example, which was introduced in the U.S. in 1975, was a design unchanged from the same car produced elsewhere in the world by GM for three years before that. Chrysler's popular four-door Omni and Horizon subcompacts—both front-wheel-drive—are virtual copies of Volkswagen's five-year-old Rabbit.

Detroit's inability or unwillingness to develop small-car technology could very well mean that once buyers turn to foreign cars, wooing them back to U.S. makes is very difficult. GM's X-car—the Chevrolet's Citation is one—has been wildly successful: 390,000 Citations were sold in the first year. But the Citation has flopped as an import fighter. GM concedes that the car is appealing largely to former big-car buyers. Very few foreign-car owners have switched. No one in Detroit knows what these new small-car buyers want. "We are dealing, or about to deal, with a generation that is inherently anti-big," says Bennett E. Bidwell, vice-president of Ford and head of its Car & Truck Group. "We still don't know what compromise in vehicle size this younger generation will accept."

That means that Detroit's investments have suddenly grown riskier. The industry is dealing with a market that it does not understand. At this point, it feels it cannot simply abandon its full-size and intermediate cars. But it could spend billions to improve them only to find buyers turning up their noses.

This heightened risk has not been lost on the government. The Transportation Dept., for example, has delayed proposing fuel economy standards for cars built after 1985. Says Transportation Secretary Goldschmidt: "We will not make a move until we have a lot better feel for the difficulties and problems of the industry." The hitch, says Goldschmidt, is that in the past it could make huge investments—in engines, for example—and expect to get a return on that capital for as long as 20 years. Now, he says, "they are confronted with the prospect that today's entire retooling effort might have to be done again in some significant fashion after 1985."

Whether the market or the government demands it, that would be a horrifying prospect for Detroit. But if the industry must lay out $75 billion in new investment between now and 1985 only to be forced to do it again, it will have only itself to blame. It shortsightedly tried to prop up the big car, a dinosaur that relied on cheap energy. Cheap energy is now gone for good, and with it the big car. "After the oil embargo in 1974, we went back to big cars as if nothing had happened," admits a chastened Caldwell. "I think the elasticity is out of the rubber band now. A permanent set has taken place."

ORDER OF BUSINESS

The PRESIDING OFFICER (Mr. BRADLEY). Under the previous order the Senator from Louisiana is recognized to call up a conference report.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield for 1 minute?

Mr. LONG. I yield.

INDIAN CLAIMS

Mr. ROBERT C. BYRD. Mr. President, this request has been cleared on the minority side.

Mr. President, on behalf of Mr. MELCHER, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 2222.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 2222) entitled "An Act to extend the time for commencing actions on behalf of an Indian tribe, band, or group, or on behalf of an individual Indian whose land is held in trust or restricted status", do pass with the following amendment:

Strike out all after the enacting clause, and insert: That (a) the third proviso in section 2415(a) of title 28, United States Code, is amended by striking out "after April 1, 1980" and inserting in lieu thereof "after April 1, 1982".

(b) The proviso in section 2415(b) of title 28, United States Code, is amended by striking out "on or before April 1, 1980" and inserting in lieu thereof "on or before April 1, 1982".

SEC. 2. Not later than June 30, 1981, the Secretary of the Interior, after consultation with the Attorney General, shall submit to the Congress legislative proposals to resolve those Indian claims subject to the amendments made by the first section of this Act that the Secretary of the Interior or the Attorney General believes are not appropriate to resolve by litigation.

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. MELCHER, I move that the Senate disagree to the amendment of the House and that the Senate request a conference with the House on the disagreeing vote of the two Houses, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. MELCHER, Mr. DECONCINI, Mr. INOUYE, Mr. COHEN, and Mr. HATFIELD conferees on the part of the Senate.

WINDFALL PROFIT TAX ACT OF 1980—CONFERENCE REPORT

Mr. LONG. Mr. President, I submit a report of the committee of conference on H.R. 3919 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 3919) to impose a windfall profit tax on domestic crude oil, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. The Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of March 7, 1980.)

Mr. LONG. Mr. President, when the President announced his program for the phased decontrol of oil prices last April, he ended an era of cheap energy which has hindered conservation efforts, domestic oil production and the development of alternative fuels. Decontrol of oil prices is the single biggest step we will take to solve our energy problem.

This program of decontrol will result in greatly increased receipts by oil producers and royalty owners. Without a windfall profit tax, this would amount to $40 billion per year over the next 11 years, even after existing State and Federal taxes have been paid. While these additional profits would provide an added incentive to explore for and develop additional oil reservoirs, in the absence of a windfall profit tax, they would cause the American people to resist decontrol. Thus, as an integrated part of the decontrol program, the President has insisted upon a windfall profit tax on domestic crude oil to recapture for the American people some portion of the increased revenues which oil companies will receive. I have supported this proposal for a temporary windfall profit tax because decontrol is absolutely essential to achieve greater domestic oil production and greater conservation efforts.

A well designed windfall profit tax bill must balance conflicting considerations of revenue on the one hand and production incentives on the other. Tax rates on oil from which a significant production response can be expected must be kept low. However, the tax must also be large enough to permit the President to go forward with decontrol. The conference agreement is an effective compromise of these competing considerations.

First, the tax is large enough to enable the President to go forward with decontrol. It will raise an amount almost exactly halfway between the House and Senate bills. Of the $440 billion which oil producers and royalty owners are expected to receive from decontrol over the next 11 years, even after existing State and Federal taxes and royalties are collected, the tax will recapture about half.

Second, special incentives for the production of newly discovered, incremental tertiary and heavy oil, which were major factors of the Senate bill, have been preserved in the conference report, as have the provisions recognizing the important contributions of independent producers.

Third, the most important of the energy tax incentives proposed by the Senate have been accepted by the House.

Fourth, the conference agreement includes the Senate provisions repealing carryover of basis and enacting a $200 interest and dividend exclusion.

OVERVIEW OF BILL

The conference agreement is a carefully negotiated and balanced program addressing our energy needs on five fronts.

First, the windfall profit tax permits decontrol to go forward uninterrupted. At the same time, it recognizes the difficulties faced by independent producers who drill so many of the Nation's new wells by providing for reduced rates on their first 1,000 barrels a day of old and stripper oil. The bill also preserves all the rights that independent producers have to percentage depletion under present law.

Second, the conference agreement strengthens the residential energy conservation program enacted in the Energy Tax Act of 1978. The most important provisions are an increase in the solar energy tax credit and establishment of special standards which the Secretary must use in deciding whether a credit should also be given for wood stoves, heat pumps and similar items.

Third, the bill contains a wide-ranging program of tax incentives for businesses to encourage energy conservation and alternative energy production. The conference agreed on most of the incentives passed by the Senate, including important provisions to encourage solar, hydroelectric, and synthetic fuel investment.

Fourth, the conference agreement responds to the hardships which high energy prices impose on low-income families. These provisions include a program of grants to the States to provide low-income assistance for which more than $3 billion is authorized in fiscal year 1981.

Fifth, the bill establishes guidelines allocating the net windfall profit revenues.

The conference agreement also includes three significant tax provisions insisted on by the Senate: The repeal of carryover basis, an exclusion for dividends and interest received by individuals, and certain changes in the LIFO inventory rules.

The windfall profit tax is the largest tax increase ever levied on an American industry. The conference bill will raise $227.7 billion during the next 11 years. For the entire bill, the fiscal year 1980 receipts will be $3.1 billion. This is $700 million more than was required by the budget resolution for fiscal year 1980. In fiscal year 1981, the bill will contribute at least $13 billion to reducing the budget deficit, and even more if oil prices prove higher than expected.

The residential energy tax credit provisions in the conference bill will cost $600 million between 1980 and 1985. The business energy incentives agreed upon by the conference will cost $8.1 billion through 1990.

The repeal of carryover basis will decrease revenue by $4.3 billion over the next 11 years, and the interest and dividend exclusion will cost about $2 billion in each of the 2 years for which it is effective.

Let me summarize the major components of the conference agreement.

WINDFALL PROFIT TAX

The windfall profit tax is a temporary excise tax on the production of domestic crude oil. Since domestic prices are set by world prices, the burden of the tax will fall entirely on producers and royalty owners, not on consumers. It is decontrol and OPEC price increases, not the tax, which will cause consumer prices to rise, although the greater efficiencies resulting from decontrol could cause the rise in consumer prices resulting from decontrol to be only temporary.

The windfall profit tax applies to crude oil in any one of three tiers. For each tier, the taxable windfall profit is the selling price reduced by a base price and an adjustment for the State severance tax on the windfall profit amount. The base prices average $12.81 for tier 1, $15.20 for tier 2, and $16.55 for tier 3. For tiers 2 and 3, exact base prices are to be set in Treasury regulations, but the bill provides an interim rule for producers to use during the initial months of the tax. These base prices are adjusted for inflation and for grade, quality and location differences.

In the case of oil sold at a temporary depressed price in late 1979, such as California oil, a special rule is provided for determining interim base prices so that this oil will not have too low a base price. In establishing permanent base prices, the Secretary of the Treasury will have sufficient authority to take into account any abnormalities in 1979 oil prices which might otherwise prejudice any particular class of producers.

For major oil companies and royalty owners, the tax rates applied to the windfall profit are 70 percent for tier 1, 60 percent for tier 2, and 30 percent for tier 3. Under a compromise, which the House conferees resisted vigorously, the rates on tier 1 and tier 2 are reduced for the first 1,000 barrels a day produced by independent producers to 50 percent for tier 1 and 30 percent for tier 2, another very important part of this compromise is that it drops the restrictions on percentage depletion which were in the House bill. These special rates for independents and protection of percentage depletion represent a sound compromise for the independents in light of the strong position of the House. This compromise recognizes the problems independents encounter in trying to compete with major companies and gives them an added cash flow which they will invest in drilling additional wells.

Tier 1 oil is oil that would have been lower or upper tier oil had decontrol not occurred. Under both the House bill and the Senate amendment, lower tier and upper tier oil were treated differently until after July 1984. The conference agreement merges these two categories of oil and taxes them in a single tier by treating all previously controlled oil as upper oil for tax purposes. This eliminates a great deal of complexity which would otherwise exist in the bill.

Tier 2 oil is stripped oil and oil from the National Petroleum Reserve.

Tier 3 oil is newly discovered oil, incremental tertiary oil, and heavy oil. These three categories received the most favorable treatment under the Senate amendment because they are the areas where the greatest increase in production can be expected. The Senate conferees, therefore, insisted on as low a tax rate on tier 3 oil as was consistent with the revenue constraint under which he had to operate.

Oil owned by State and local governments, Indian tribes, and charitable schools and medical institutions is exempt from tax under the conference agreement.

The tax will phase out starting with the first month after the Secretary estimates the aggregate net windfall profit tax revenue exceeds $227.3 billion. This phaseout will not start any later than January 1991 nor any earlier than January 1988 and will be accomplished over 33 months. The phaseout essentially preserves the Senate position on this vital issue.

Some have criticized the conference agreement as too heavy a tax on the American oil industry. We must remember, however, that this is a temporary tax designed to allow the President to go forward with decontrol and will raise $50 billion less than the tax proposed by the House. Any lesser tax would have been unacceptable to the House and to the President and would have caused the President to reimpose price controls.

RESIDENTIAL ENERGY TAX CREDITS

The conference bill makes several changes in the residential conservation and solar energy credits enacted in 1978. First, there is a significant increase in the solar energy tax credit to 40 percent on the first $10,000 of eligible expenditures. Many believe solar, wind, and geothermal energy offer our best long-term hope for clean, efficient energy production. This increased credit will help launch this industry into full development.

Under the conference agreement, the Secretary will be required to evaluate the energy-saving merit of items such as wood stoves, high-efficiency furnaces and heat pumps, which were in the Senate amendment. In making his evaluation, the Secretary will use specific standards agreed on by the conferees and will have to report on his determination within a year of any request for a product to be added to the list.

The conferees also adopted "anti-double dipping rules" to limit the use of multiple subsidies by taxpayers who might otherwise be encouraged by the availability of overlapping programs to make wasteful investments.

BUSINESS TAX INCENTIVES

The House conferees have accepted the most important of the business incentives proposed by the Senate, although certain modifications and compromises have been worked out. To allow Congress to review the effectiveness of these credits, most will terminate after 1985.

Under the conference agreement, the present credit for solar, wind, and geothermal equipment is increased from 10 percent to 15 percent. This should encourage the development of renewable energy sources. This credit will also apply to expenditures for ocean thermal equipment at two experimental sites. Development of small-scale hydroelectric facilities will be encouraged by an 11-percent energy tax credit and greater availability of tax-exempt bond financing.

The conference agreement contains changes, which the Senate recommended, to the business energy credits enacted in 1978. These include restoration of the regular investment credit and accelerated depreciation to petroleum coke and pitch equipment and a 10-percent energy credit for nonoil or gas cogeneration equipment, for modifications to alumina electrolytic cells, and for coke and coke gas equipment.

Several provisions of the conference agreement will encourage production of alternative fuels. These include extension of the energy investment credit for equipment that produces or uses fuels from biomass, availability of tax-exempt bond financing of certain solid waste disposal facilities and certain renewable energy property, and a price guarantee for the production and sale of certain alternative energy sources in the form of a $3-a-barrel credit which generally phases out as oil prices rise above $29.50.

Under the conference agreement, the Federal excise tax exemption for alcohol fuels is extended through 1992. If alcohol is used as a fuel and the exemption does not apply, a tax credit is available to the blender. This provision was widely supported by the Senate.

The conference agreement also encourages mass transportation by providing a 10-percent credit for certain intercity buses acquired to increase the operator's seating capacity.

LOW-INCOME ENERGY ASSISTANCE

Those who support decontrol of oil prices have a special obligation to see to it that higher energy prices do not impose an excessive burden on the poor. The conference agreement establishes a program of block grants to the States to provide assistance to lower-income families for heating and cooling costs for which $3.115 billion are authorized in fiscal year 1981. This is essentially the program that passed the Senate. Only households with incomes less than the Bureau of Labor Statistics lower living standard are eligible. States may also give assistance, regardless of income, to food stamp, AFDC, needs-tested veteran's pension, or most SSI recipients.

DISPOSITION OF WINDFALL PROFIT TAX REVENUE

Net windfall profit tax revenues over the next 11 years are allocated, for accounting purposes only, to a separate account in the Treasury as follows:

First, 25 percent for aid to lower income households;

Second, 60 percent for income tax reductions; and

Third, 15 percent for energy and transportation programs.

The low-income account will be divided between an energy assistance program and a program of aid to SSI and AFDC recipients.

Any net revenues in excess of those projected under current price assumptions is allocated one-third for aid to lower income households and two-thirds for income tax reductions. The residential and business energy tax incentives in the conference agreement, and the Synthetic Fuel Corporation will be funded from general revenues. Since the funds from the windfall profit tax cannot be spent without further legislation, Congress will be able to review these allocations in the future. Without further legislation, the revenues would reduce the deficit.

CARRYOVER OF BASIS

Under present law, the basis of property that people receive by inheritance is the same as the decedent's basis. This carryover basis rule has caused much controversy and taxpayer resentment and is repealed under the conference agreement. Thus, the basis of property people inherit from others will be the value of the property at the time of inheritance.

INTEREST AND DIVIDEND EXCLUSION

Under the conference agreement, the existing exclusion for dividends is increased from $100 to $200 and is expanded to include certain types of interest received by individuals from domestic sources. For a married couple, the maximum exclusion will be $400. Qualifying interest includes interest from banks and savings institutions, interest on certain corporate debt, and interest paid by the United States or a State or local government if it is not already excluded from gross income. The exclusion for interest and dividends applies to 1981 and 1982.

LIFO INVENTORIES

Finally, the conference agreement provides two changes involving LIFO inventories. First, if a Department of Energy regulation or request regarding energy supplies or a significant disruption of foreign trade causes taxpayers to liquidate their LIFO inventories, a refund of taxes paid on the LIFO profits from the sale will be available if the liquidated inventories are replaced within 3 years.

Second, under the conference agreement, a liquidating corporation that distributes LIFO inventory must recognize the inventory's LIFO recapture amount as ordinary income. The same is true for a corporation that sells its inventory as part of a 12-month liquidation. The LIFO recapture amount is the amount by which the adjusted basis of the inventory determined under the first-in, first-out (FIFO) method exceeds the adjusted basis determined using LIFO. The effective date of this provision is delayed until 1982. Thus, these rules will apply only to distributions and sales after December 31, 1981, under plans adopted after that date.

Mr. President, I ask unanimous consent that the following staff members be allowed on the floor during debate and votes on H.R. 3919, the Crude Oil Windfall Profit Tax Act of 1979:

From the Committee on Finance: Michael Stern, William Morris, Edward Hawkins, James Heinhold, and Joseph Humphreys.

From the Joint Committee on Taxation: Bernard Shapiro, James Wetzler, Clint Stretch, Tom Gallagher, Carl Bates, Randy Weiss, Al Buckberg, and Al Geske.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. Mr. President, I ask unanimous consent to have added to that request, Robert Lighthizer and Roderick DeArment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I missed a portion of the chairman's comments, but I assume in the next 2 or 3 weeks we will have a chance to hear them again. It is my understanding that a number of Senators would like to talk at some length on this proposal. Since it does call for the largest tax in the history of the country, it is fair to say that an extended debate is probably justified.

In addressing this conference report, the Senate has a number of options. One is to just kill it outright. One is to pass it. One is to postpone it indefinitely. One is to recommit it to the Finance Committee. One is to recommit it to the Finance Committee with instructions. One is to table it, which I assume would be rather damaging.

I am not certain how many votes there are for any of these options. I assume right now there are more for passage than any of the other options. But I would like to point out to the chairman, that there are a number of fertile minds at work, and therefore no one knows for certain what will happen in the next few days.

I hope that we can fully discuss this bill and then, sooner than later, vote—vote on something, whatever it is.

Mr. President, today we begin round four on H.R. 3919, the so-called windfall profit tax bill. The Finance Committee first began consideration of this subject on May 7, 1979—more than 10 months ago. Since that time, the Finance Committee spent 37 days in hearings and executive sessions on the bill, the Senate spent another 23 days with the bill on the floor, and we recently completed 16 days of conference consideration. That is a substantial period of time.

The Senator from Kansas understands very well how much time that was.

Unquestionably, this has been an exhausting process. As a result, there is a great temptation to give only pro forma consideration to the conference report in order to simply get the bill finished. In the opinion of the Senator from Kansas, this would be a serious mistake. H.R. 3919 is the single, largest tax bill ever considered by Congress. As it returns from conference, H.R. 3919 will raise $227 billion from 1980 to 1990, even using extremely conservative economic assumptions. This legislation will have profound effects on the economic and social development of this country for the remainder of this century. Consequently, we have a duty to review the conference report and its ramifications in a thorough and deliberate manner. This is a far too important matter to rush. I am certain the chairman will understand that there are some, like Senator BELLMON, who feel very strongly about the impact of this bill and who want to discuss it and raise some questions.

In order to sell this tax, we have to convince the American consumer that he will not end up paying it.

In the last several months the Senator from Kansas has traveled around the country some, not with any impact, and around his own State. There is a great feeling out there among consumers that in the final analysis they will pay for this so-called windfall profit tax through higher prices at the gas pump.

In the event this bill passes, whenever the price of gasoline rises in the future, someone will blame the increase on the Senate and the Congress for passing a windfall profit tax.

It was certainly not the intent of the bill, to pass on the burden of the tax to the consumers. It is an excise tax at the wellhead, collected by the first purchaser.

Nevertheless, there is a strong feeling that this is just another gimmick to raise revenue, to soak the American consumer, and the American motorist, with higher prices at the pump. That is a question that must be addressed.

As I will say later in more detail, there is another group out there that suddenly has discovered this tax applies to them. These are the royalty owners who thought that this tax applied just to big oil companies.

Last Saturday the Senator from Kansas had an opportunity to visit Herington, Kans. During this visit, I spoke with a former royalty owner who handed me a letter from an oil company informing him, for the first time, that he would have to pay a windfall profit tax. He did not realize that the tax applied to royalty owners because they do not make a lot of money. He thought it was a tax against big oil and those with massive profits.

There are 125,000 of royalty owners in Kansas, and I understand, about 300,000 in Oklahoma. They are now getting letters from all the companies saying, "Greetings, you are about to be entitled to pay another tax."

Nobody wants to pay another tax. It is not that they have been denied a good price for the oil. But, they have gotten that good price and now they are told that, effective March 1, there will be a tax of 60 percent on the difference of an arbitrary base price and the market price. This is all very confusing to the royalty owner. In the final analysis, it means they will get less money. That is one problem.

Second, the royalty owners, do not understand why they are paying more tax than the independent producer who drilled the well. On stripper oil the royalty owner will be paying twice the tax that the independent is paying.

This is a very practical problem that will probably affect Senators from States where there are a substantial number of royalty owners who are learning that they are also included in this tax.

This fact was never any secret. I think we made it clear. But it just had not gotten out where royalty owners live. Nobody here represented the royalty owners. There was not any lobby around this place for royalty owners and when the bill left the Senate the royalty owners were fairly treated, when it left the conference committee they were not, despite our efforts.

Mr. President, the bill that the Senate sent to conference would have collected an estimated $178 billion from 1980 to 1990. As all in this Chamber are aware, the Senator from Kansas had serious concerns about the Senate bill and, particularly, about the provision which imposed a tax on newly discovered oil.

We argued that issue for days. We had Republicans and Democrats, liberals and conservatives in agreement that there should not be any tax on newly discovered oil.

We made the argument that there could be no windfall profit on something not yet discovered. That argument seemed to make a lot of sense.

The argument was made that we should be energy independent in this Nation, and thus we should not penalize or punish those out trying to find new sources of supply.

If domestic production is even to be maintained at current levels, by 1990 approximately 4 million barrels per day, or close to half of U.S. production, must come from new discoveries because of the natural decline in existing fields. Burdening newly discovered oil with this tax will inevitably have a major detrimental effect on U.S. production. For this reason, the Senator from Kansas strongly opposed the 10-percent tax that the Senate bill imposed on new oil and he opposed other provisions that he believed would have serious production consequences.

Nevertheless, when we left the Senate, there was a 10-percent tax on newly discovered oil. It was called a minimum tax. We agreed that everybody would pay something.

Nevertheless, the production disincentives in the Senate bill were mild in comparison to those embedded in the conference report. The so-called 10-percent minimum tax on newly discovered oil has been raised to a not so minimum 30-percent tax and the base price has been dropped by about $3. The exemption for independents, who do most of the wildcat drilling in this country, was sacrificed in order to squeeze an extra $50 billion in revenues from the Senate bill.

That was necessary because in the second meeting of the conference it was decided to split the difference between the House revenue provisions and those in the Senate bill. This difference amounted to about $50 billion in additional revenues, and somebody had to pay for that difference.

President Carter has urged us to act very quickly on this legislation as part of energy program. But this is a massive tax bill not an energy bill. From this Senator's first-hand experience, in town meetings or in Q and A sessions, the American people believe that they are going to get tagged with this tax in the final analysis. The major companies will figure out some way to pass on the windfall tax.

I think it is quite clear that this massive new tax is not needed to pay for the President's energy program. The conference bill would raise at least $85 billion more than the President has requested for energy-related programs. Moreover, under the conference bill, only 15 percent of the windfall tax revenues are allocated to energy uses, and that 15 percent is to be shared by transportation uses. I am certain of the sharing of the 15 percent with transportation use because that was an amendment that the Senator from Kansas, the Senator from South Dakota (Mr. MCGOVERN), and others were interested in.

From an energy production standpoint, I asume that we might be better off not to pass the bill at all, except for the portion of the bill that provides tax incentives for conservation and the development of alternative energy sources.

There were a number of Senators—Democrats and Republicans—who deeply wanted to see an independent exemption and to see that exemption apply also to royalty owners. We hoped that exemption might emerge from the conference. But once we agreed to split that down the middle on revenue, that was out of the question.

I believe that within the framework we had to operate—and for this I commend the chairman and all the Senate conferees—the Senate conferees did well to salvage as much as we did for the independent producers. We prevailed in the Senate's position on percentage depletion, which represents a major victory for independent and royalty owners, as well as for the consuming public.

The restrictions on percentage depletion in the House bill would have raised the independents' taxes by $13 billion.

The Senate conferees also were able to obtain more favorable tax rates for independents on flowing oil. On the first 1,000 barrels per day of stripper oil, the tax rates for independents is 30 percent instead of the regular 60-percent rate. Similarly, the tax rate for independents on upper and lower tier oil is 50 percent rather than the 70-percent rate. This approximately splits the independent exemption in half. Under the conference bill, independents will pay about $22 billion of the $227 billion total.

Nonetheless, I believe that if we could have exempted independents and royalty owners, we could have increased production and certainly increased exploration.

Based on the fact that independents put 105 percent of their net income back into the ground, industry experts have estimated that an exemption for independents and royalty owners would enable 41,250 new wells to be drilled. It is estimated that this would add 4.2 billion barrels to proven oil and gas reserves and would add about 950,000 barrels of new oil and gas production by 1990.

Throughout the debate on this tax, attention has been focused entirely on oil companies—on their profits, on their exploration activities, on big companies, on independent companies. Nevertheless, this is not just a tax on oil companies. As I said before, as H.R. 3919 has emerged from the conference, it sweeps into its clutches hundreds of thousands of small royalty owners throughout the United States.

Virtually everyone has ignored the royalty owners in the debate about this bill. We apparently have been too busy trying to find ways to punish Exxon, Mobil, and the other big oil companies for their profits to pay attention to the effect the tax will have on individual royalty owners.

The conference bill subjects royalty owners to the full windfall tax rates for independents. Thus, royalty owners will have to pay a 70-percent windfall tax on upper and lower tier oil and a 60-percent windfall tax on stripper oil. For royalty owners on stripper properties, the imposition of this tax will cause a substantial rollback in the amount of royalties they receive. That is why royalty owners are frustrated. They have had some of the payments without the rollback, and now they will be told that, as of March 1, they will pay a substantial new tax.

For example, on a barrel of stripper oil selling for $38, a royalty owner would typically receive a $4.75 royalty payment. After the imposition of the windfall profit tax, the royalty owners will have to pay a $1.71 tax on this royalty. Thus, the royalty owners payment per barrel will be slashed from $4.75 to $3.04 by this tax—a 36-percent drop in income.

Most of the royalty owners affected by this tax are not wealthy individuals. They are working farmers who have leased their mineral rights on their farms or ranches. They are landowners. They get an eighth royalty interest because somebody is drilling on their land. It is true that they do not take any risk or put up capital, but neither do they have to lease the land. In many cases they have gone to some expense, and now they are told, "You're going to pay twice the tax."

Many of those, in addition to landowners, are retired persons and others who bought royalty interests to supplement their social security payments. It is hard to explain to the farmer or a retired person why they have to pay this windfall tax at all, much less why they have to pay the same rate that Exxon pays.

It is hard for me to tell that man in Herington, Kans., why he should pay the same rate as Exxon. People of such modest means can hardly be regarded as oil profiteers. It seems to me that there is very little equity in a bill which subjects these individuals to the windfall profit tax.

I know this is a matter of concern. The distinguished chairman of the committee, the junior Senator from Oklahoma (Mr. BOREN), and the senior Senator from Oklahoma (Mr. BELLMON), raised the point in the debate on the Senate floor. I am not certain at this point what, if anything, can be done, unless the bill is somehow revised. The conference report cannot be amended, so I suppose it would have to be defeated in order for it to be restructured.

There are however, provisions in this bill, which are very positive as the chairman has pointed out. The Senator from Kansas voted for the Senate-passed bill. The Senator from Kansas signed the conference report. I said at the time that I reserve judgment on the conference report itself. I believe that now, in the next few days—or however long it may take—we have to make a judgment on the bill.

I am prepared to acknowledge that there should be some tax. There are many in the oil business, and some were here in the last couple of weeks, saying that we should not have any tax. I do not share that view. But we should be careful that the tax is not discriminatory, as it is now, against some of the royalty owners; that it does not discourage production, as I think it may do in some areas; and that it does not close down small stripper wells and other marginal wells. I have been told by many that this will happen.

So what we have, in effect, is not an energy bill. There is not much in here to produce much energy, except for the tax incentives on conservation and alternate energy source. We do have repeal of the carryover basis rule and some other worthwhile provisions. We have the exclusion of the tax on dividend income on a joint return. There are a number of other positive provisions in the conference report.

Those of us who have wrestled with the matter for a total of 76 days—either in the committee, on the floor, or in the conference—have to decide within the next few days whether we should vote for the conference report or whether we can figure out some way to make some changes in the conference report or at least provide that royalty owners pay the same rate of tax that independents pay.

I know there is a problem with some approaches to aid royalty holders. If you give royalty owners more favorable tax treatment if their land is drilled by independents than if it is drilled by major companies, then the majors will sign up with independents.

Mr. President, there is a great deal of interest in this conference report. The Senator from Kansas met with a number of Republicans on this report following our policy luncheon. There is a great deal of interest, as I said before, as to whether we can assure the American consumer that he is not going to end up paying this tax. Two hundred twenty-seven billion dollars is a lot of tax.

I would guess if a poll were taken among Americans today, we would find a heavy percentage would say that we are going to end up paying the tax, that somehow the oil companies are going to figure out some way to pass it on.

That is the first point, I think, that we must address.

Second, we must find or should find or I hope we can find some way to ease the tax on royalty owners and independents.

I believe that there are a lot of discussions to take place and hopefully they are going to be constructive.

I am prepared to yield the floor.

Mr. BELLMON. Mr. President, first, I compliment the members of the conference for resolving what I feel certain were extremely difficult bills as passed by the House of Representatives and the Senate.

The bills had many areas in which serious difference existed, and having been through a few House-Senate conferences, I think I have some small idea of the difficulty that the chairman and ranking minority member and the other Senate conferees had in working out a conference report which they have now brought to the Chamber.

I must say that I was not for the bill when it originally cleared the Senate and while there are some features of the bill which probably deserve support, such as the tax exemption for small savers and repeal of the carryover provision, most of the features of the bill that relate to this Nation's effort to solve its energy problem I find difficult to agree with. Particularly I was sorry to see that the Senate conferees were not able to prevail in the conference and retain all or a part of the exemption which the Senate put in for some royalty owners and for the independent producer.

I think most Members of the Senate who have studied this Nation's energy industry realize that some 85 or 90 percent of the exploratory or, to say the oilfield term, wildcat wells that are drilled in this country are drilled by the independents. Those are the risktakers. They are the ones who stayed in this country when the larger oil companies gave up on finding significant quantities of oil in the continental United States and went to the Persian Gulf or to north Africa or to Indonesia or to South America and began to make their efforts there.

They, for all practical purposes, trained a staff that was accustomed to looking for large oilfields in foreign countries and largely dispersed the staffs that were capable of looking for the smaller, harder to find, and more costly to produce oil that is left in the continental United States.

The result of it is that over the years since the mid-1950's we have in effect had in this country two different oil industries, one, the international oil companies primarily looking for, finding, producing oil abroad, and the independents who are heavily oriented toward finding oil in the continental United States.

What this bill does, and one of the major problems I have with it, is to in effect exempt those larger companies who produce abroad, who produce foreign oil and who make most of their profits from oil produced abroad and from their processing or marketing or distribution systems and instead tax heavily those independents who had confidence that more oil could be found in the continental United States, who have built the capability of finding that oil and who have been highly successful in many cases in finding oil to keep up with the decline in the older fields.

So what we are doing here, Mr. President, is totally missing the idea that a lot of Americans have that this bill is going to be a tax on the so-called excess profits of the international oil companies and rather we are taxing the royalty owner and the domestic producer whose profits are not excess by anyone's definition of the term.

Anyone who will compare the profits of the domestic oil producer with the profits of other segments of American industry will find that on the average American oil producers, domestic oil producers are not making excess profits and more than that they will find that industrywide the industry is plowing back well over 100 percent of revenues in new exploration activities.

Therefore, the net result of this bill on the domestic oil industry will simply be this, that rather than having available the resources needed to drill the 60,000, 70,000, 80,000 wells a year that we need in order to overcome our declining domestic oil production and begin to work our way away from dependence on imported crude oil, this bill is going to cripple the domestic industry's ability to increase our production and make us increasingly dependent upon the costly, undependable foreign sources that have already driven our economy to the wall and which threaten our ability to independently develop our foreign policy.

Mr. President, anyone who has taken the time to become informed about this Nation's future energy supply cannot help but be terribly concerned about what the next 5 to 10 years hold.

It is fairly well known that the Soviet Union at the moment is self-sufficient in oil production both to meet its own needs and meet the needs of its satellites. But looking ahead only 2 or 3 years and certainly looking ahead toward the middle of the decade, it becomes completely obvious that the Soviet Union is going to be competing on the world market for crude oil that is now going to the United States, to Japan, or to Western Europe.

The world oil supply demand is already in a very close balance, particularly since the disruption of exports from Iran.

If there is presently no surplus oil in the world market and if the Soviet Union which is presently self-sufficient begins to compete on the world market for 1-, 2-, 3-, 4-million barrels a day within the next 5 years, it is very obvious that two things will happen.

First, there will not be enough to go around so someone is going without; and, second, since the demand will exceed the supply, the price is certain to jump dramatically.

It is this period of time, perhaps the next 5 or hopefully 10 years, that the United States has available to develop its own abundant natural resources, resources that are conservatively estimated to be enough to last this country at least 500 years. A lot of it is oil shale. A good bit of it is coal. But it is not commonly recognized that there is still more oil left in the old oil fields of this country than has been produced. I wish to say that again. There is more oil left in the old oil fields than was produced under primary and tertiary recovery methods and, therefore, by the use of tertiary methods and by the employment of literally billions of dollars of capital, it is possible in the immediate future, the next 2, 3, 4, 5 years, to significantly increase domestic oil supplies and to in this way lessen the dependence the United States has on imports and at the same time reduce the competition worldwide for the supply of oil that will be sought both by the Soviet Union and by the Western World.

So, Mr. President, what we are about to do with this conference report is to take from the domestic oil producers, those who look for and find the oil and who develop our domestic resources, the billions of dollars that they need and use that money not to produce more energy but to produce more government.

If there is one thing we need in this country it is more energy. If there is one thing we do not need it is more government. Here we in the Senate are about to make a choice. We are about to vote to spend not $227 billion that the conference speaks about, but rather some $400 billion or more this bill will raise, using the current price of crude oil, which is somewhere between $38 and $40 a barrel.

So here we are about to take some $400 billion to work our way toward self-sufficiency and use it for a wide range of Government programs, most of which will be no more successful or no more popular than those we have been funding in the past through the debt ceiling.

When we look at the bill specifically there are many things about it that trouble me. One is that, as I have said, it is basically an unfair bill. It exempts or it does not hit those large international companies which have been so widely criticized for their excess profits, if that is the proper term. It is not the term the Senator from Oklahoma would use. But, at any rate, it is unfair because the criticism that has brought on this situation is not being dealt with by this legislation.

Second, the bill is mislabeled. It is not a tax on excess profits; it is an excise tax on domestically produced crude oil. It has nothing to do with profits. This tax will be paid by every oil producer and every royalty owner whether there is a profit involved or not. This tax will be paid by many individuals who are having a difficult enough time making a profit even to stay in business, and it will undoubtedly, it will certainly, result in the abandonment of many stripper wells far sooner than would have been the case had this tax not been applied against stripper oil, which, up to now, has been tax exempt in this country.

An old stripper well that may be making 1 barrel of oil and 100 barrels of water is an extremely expensive proposition to keep in operation. It costs a lot of money to maintain equipment, it costs a lot of money to dispose of the water, to find an operator, a worker, who is skilled enough to maintain the old equipment and keep it functioning and, therefore, when those wells begin to lose money, as they will when this $7, $8, or $9 tax is applied for each barrel, the operator has no choice but to shut the well down, salvage the equipment, and sell it for whatever he can get, and when this happens, of course, the country then loses the crude oil that would otherwise have been produced.

Once those wells are abandoned and salvaged there simply is no way they will ever be redrilled because if you cannot afford to produce them when the oil well is already in place, there is certainly no way you can afford to drill another well in that same reservoir for the small quantity of oil that will remain.

The other problem, another major problem that I see in this bill, is that it is not only a rollback on stripper oil prices, it is also a rollback on new oil from its present level.

I will readily agree that the President has done the right thing in decontrolling new oil, and I want to give him credit for that. But this bill, in effect, will roll back the price of new oil by the same tax that is placed on stripper oil, which will be $7, $8, $9 a barrel, depending upon the market price and the quality of the oil.

The result of this will be a demoralization of the producers who have now become accustomed to receiving some $38 or $40 a barrel, and when they look at the economics of going out and drilling new oil wells and selling the oil they are fortunate enough to find for $30 or less it is certainly going to mean a rapid decline in the rate of drilling which, at the present time, has been going up month after month.

This bill, as explained by the chairman of the Committee on Finance and by the ranking member, is expected to tax some $22 billion away from independents over the next 11 years. That figure, I assume, is based on the assumption of $30 oil. If one applies the realistic figure of $40 per barrel or more then it is obvious that this tax will be much higher than the $22 billion and, conceivably, could be easily double that.

All that means is that these independents who, up to now, have been reinvesting every dime they can get their hands on, will simply have $30 billion, $40 billion, $50 billion less to invest, and that means the country will have that much less production from its own abundant energy resources.

Mr. President, perhaps my strong feeling about this bill is partially due to my own close relationship over the years with the energy business. I am not in the energy business. The Senator from Oklahoma is a farmer. On my land I have two small stripper wells. Between them they make about 3 barrels a day and about 300 barrels of salt water. But the operator is a typically small independent, this man who operates those wells. This man worked for many years for an oil company, was able to save enough money to buy an overworked rig, and when companies would hire him to salvage out the old stripper wells, on occasion he would buy those wells, work them, try to improve them, and go ahead and operate them at a small profit.

After having done this for some 15 years or so, this man was able to get enough capital to drill a well of his own, and he was fortunate enough to get a moderate producer. The tax on that well now will amount to thousands of dollars per year. The money he borrowed to help drill the well will have to be repaid at a much slower rate, which means it will take longer before he will be in position to drill an additional well, and it means that this man's incentive to go ahead and take these risks is cut by a large factor.

If this man had taken his money and invested it in real estate or if he had bought a bank or if he had looked and found a goldmine, he probably would have been much more successful in making money than he has been in the oil business, and he would not now be hit by his Government with a so-called excess profit tax.

I feel it is extremely unfortunate that we in Congress have chosen the one industry that we most need to encourage, and singled it out for this, the largest tax burden that has ever been placed on one industry in the history of our country. It is almost as if we decided we had a shortage of houses in this country, and that the houses cost too much and, therefore, the right solution to the problem is to place a tax on two-by-fours.

Here is a situation where we have too little oil. We would like to encourage people to go out and invest and try to find and produce more. Yet, by the action of the Senate and the House, we are going to take exactly the wrongheaded approach, and penalize those who make these investments by this tax, and make it more difficult for them to get the capital they need to increase production in future years.

Mr. President, there have been many studies showing this country can work its way out of our present energy difficulties. A study made for the Hart subcommittee of the Budget Committee by a local think-tank organizaion shows if we will follow appropriate policies we can cut our oil consumption in this country by 3 million barrels a day by 1990; that we can substitute coal for oil and thereby save about 2.2 million barrels a day by 1990, and that by providing both the incentive and the means for the producer, domestic producer, we can increase oil production in this country by some 3 million barrels a day by 1990. Taken all together, these actions will reduce our dependence on imported crude oil by down to something like 3 million barrels a day, which is the level that obviously the country can live with.

The action we are taking is going to make it absolutely impossible for the private sector, the private oil industry, in this country to come anyplace close to increasing our domestic production by the amount necessary to make our dependence on foreign crude oil less onerous than it is at the present time.

Mr. President, the distinguished Senator from Kansas (Mr. Dole), in his opening remarks, commented at some length about the royalty owners. I would have to agree with the Senator that here is a case where the royalty owners have felt their interests were being protected.

Like the Senator from Kansas, the Senator from Oklahoma has been in many meetings with royalty owners in recent weeks, and it is sad and it is unfortunate that in almost every case the royalty owners will suddenly wake up to the fact that they are going to be paying the same tax as the world's largest oil companies, because of the fact that the bill that passed the Senate had a 1,000-barrel exemption, and for some royalty owners the word seems to have gotten out that both of those groups are largely to be exempt from the taxes imposed by this bill.

When the royalty owners begin to understand that they are going to be paying these high taxes, and the independents also get this bill accurately in focus, it is interesting to see how frustrated, how angry, how betrayed these particular groups feel.

I am of the opinion that Members who come from States where royalty owners live—and that includes virtually every Member of this Senate—are going to be surprised to find how disappointed, how unhappy, how angry this group of property owners is. They feel this tax is unfair. They do not feel they are getting any kind of a windfall profit, and they simply do not understand why their Government has singled them out for this discriminatory tax.

I suggest to my colleagues that a tax on the royalty owners is not a tax on wealthy people. In most cases, it is a tax on farmers; most of them are small landowners; many of them are having a difficult time making a living in agriculture because of the low price of farm commodities. In many cases, the royalty checks they get simply subsidize the farm operation and makes it possible for them to continue as good producers.

This action will also hit a lot of retired people who have either deliberately made investments in royalties or who have retired and perhaps turned their farming operations over to their families or other members of the farming community in the expectation that the royalty income would continue and would be adequate so they could have a decent standard of living.

What we are about to do with this tax is to take away from a large number of helpless people in this country the income that has been absolutely essential to their existence in the past.

Mr. President, there are others who will have comments to make on the conference report. I do not want to use all the time of the Senate this afternoon. I hope to have an opportunity to make other comments later.

I would sum up by saying that this tax, as it exists now in the conference report, is going to injure this Nation's ability to work its way out of our energy dependence more than anything the Senate has done since I have been here—and that certainly covers a wide variety of mistaken actions.

As I understand it—and I hope to have a table inserted in the Record later after it has been thoroughly researched—this bill will leave in the hands of producers of oil far less money, far less capital per barrel of oil than it takes to go out and find a new barrel. The obvious conclusion from that information is that every time a producer sells a barrel of oil, he is going out of business, because, unless he gets enough net income from that barrel to go find another barrel, then it is obvious that he cannot continue in the business very long.

At some future point, I hope to go into that discussion in greater depth. But, suffice it to say at this time, Mr. President, that even though—and I am reluctant to admit that we are going to have a windfall profit tax—but it is my hope, as was the hope of the Senator from Kansas, to defeat the conference report and to ask for a new conference and instruct the Senate conferees that we need to retain the exemption for the independent owner and for the royalty owner, because these are the groups that do the most to solve this Nation's energy problems and they are the ones that are least able to pay the heavy taxes that this bill would place upon them.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. BELLMON. Mr. President, I am happy to yield.

Mr. ROBERT C. BYRD. Mr. President, I respect the distinguished Senator for stating that he hopes to defeat the conference report and send it back to conference. But I must remind my colleagues——

Mr. BELLMON. If the Senator will yield, not send it back to conference. It is no longer a conference. The House has dismissed it. We would have to ask for a new conference.

Mr. ROBERT C. BYRD. Yes; I understand. But that is getting it back to conference.

I remind my colleagues that the Senate spent weeks and weeks and weeks in coming to a resolution of this matter. It was extremely difficult. But, because Members were willing to give and take, cooperate, work for a bill, the Senate finally passed the bill under the leadership of the distinguished Senator from Louisiana (Mr. Long) and the distinguished Senator from Kansas (Mr. Dole), and with the support of many other Senators.

I remind my colleagues that although I was not a conferee, I was very aware of the time that was spent by the Senate and House conferees in working in conference to resolve the differences between the two Houses there. Weeks and weeks and weeks went by while the conferees labored.

I was pleasantly, to a degree, surprised that conferees were able to hammer out their differences and get this tax bill back before the other two energy bills had been resolved in conference.

Now, to talk about rejecting this conference report after all of the many months of travail, labor, and sweat, I think is being unrealistic.

I think it would serve no good purpose to reject the conference report. It would serve no good purpose to go back to conference on this bill.

Mr. BELLMON. Will the Senator yield?

Mr. ROBERT C. BYRD. If I may just finish what I was attempting to say, then I will be happy to yield.

It would serve no good purpose. Aside from that, it would be a signal to the country that the energy legislation, which has been promised and which is so sorely needed, is still going to be ruminated over and delayed and delayed and delayed. And, who knows, the product of the next conference could be subjected to the same criticism. And there would be those who would be displeased with it.

I am displeased with this. Nobody is pleased 100 percent with the product. But that is normal for the course around here. We have to all compromise. In order to enact legislation, there has to be give and take. Nobody can expect to have it all his own way.

I am sure the conference report is not pleasing to the manager of the conference, Mr. LONG. And I am sure he could write a conference report that would be far more pleasing to him and to his constituents than is this one. So we all just have to do the best we can.

I think it would be extremely unwise to reject this conference report. If we reject this conference report, I dare say we might not get any bill at all. Maybe that would please some people. I am sure it would. But it would not be carrying out our responsibilities to the American people. And I think it is our responsibility to the American people to enact this piece of legislation.

I think that, on the whole, it is fair to the American people, it is equitable, and I think they are entitled to that.

I hope that our colleagues would not be persuaded to vote against the conference report. I say this with great respect for the Senator from Oklahoma. He is a Senator whom I admire greatly. I have often taken this floor to pay tribute to him and I have often done so off the floor, because I admire and respect the convictions that he holds.

I admire his integrity. I admire his courage. He has demonstrated this time and time again. He has demonstrated statesmanship time and time again in dealing with the budgetary process.

I have said so many times that the budgetary process under the Budget Control Act would not have worked had it not been for the leadership of men who were made of steel, rather than twine string as a backbone, men like ED MUSKIE and HENRY BELLMON. It has been that kind of bipartisanship, statesmanship-like cooperation on the part of HENRY BELLMON, working with ED MUSKIE, that has made the budget process work. And it has been their leadership that we have been able to follow.

So what I say in this instance is out of genuine disagreement with the distinguished Senator. I do not question his viewpoint or his motives at all. He is doing what he thinks is best. He is standing for what he thinks is best.

But I have to look at it from the overall viewpoint of the legislation as a whole. And, being the majority leader, I am in a position where I have to take an overview of the whole legislative process.

Mr. President, we just do not have the kind of time that we are talking about here. We do not have time, in view of the fact that we have spent months already in hammering out a resolution of problems that has already passed the other body as the conference report has. I think it would be very unwise to reject this conference report.

For those who want to kill this bill, who want to kill it dead in its tracks, bury it with no possibility of resuscitation or bringing it back to life, then that is the way to do it.

There are some in this body who will do it and they do not make any bones about it. I respect them for that.

But, Mr. President, realistically, we cannot think in terms of rejecting this conference report and expecting to get this legislation. Without it, the American people are going to look at Congress and say, "They just cannot legislate. We have an energy crisis in this country and they cannot legislate. They spend weeks and months on a piece of legislation, go to conference, and then bring it back to the Senate and the Senate rejects it."

That would be, I think, the height of irresponsibility on the part of the Senate.

It is not for me to say to other Senators what constitutes responsibility. Each Senator has to view it according to his own heights. But I think to reject it would be most unwise and we would be most derelict in our duty and very unresponsive to the needs of the people. It would be unrealistic in view of the fact that the President has carried out his end of the bargain for those of us who said to him, "Deregulate domestic crude oil prices, but when you do that, send us up a piece of legislation that will recapture for the American people some of the unwarranted profits that are bound to flow from that deregulation process."

He kept his promise. We are keeping ours, those of us who supported deregulation. But the other half of that promise has to be kept. This bill constitutes the other part of that pledge.

I say the Senate has a duty to debate this conference report and then to act on it and to act to adopt it. We have had our day in court. Those who have been opposed to the bill have had their day in court. They have had their opportunities to offer amendments. They have had their opportunities to conduct hearings on the bill. They have had opportunities to modify. They have had opportunities to debate it. They have had opportunities to defeat it, but the Senate did not defeat it. The Senate passed it. It went to conference and came out of conference and the House adopted the conference report. Now the responsibility is up to us.

UNANIMOUS-CONSENT REQUEST

I would like to ask the distinguished Senator from Kansas and the distinguished Senator from Oklahoma if we might enter into a time agreement that would provide for a final vote on the adoption of the conference report on a given date and at a given hour so that all Senators would be informed in advance and could be present to cast their vote on the conference report.

I would hope that with the rest of today and starting early tomorrow, we could have a vote tomorrow afternoon at 5 o'clock on the conference report. I make that request.

(Mr. MORGAN assumed the chair.)

The PRESIDING OFFICER. Is there objection?

Mr. DOLE. Objection, Mr. President.

The PRESIDING OFFICER. Objection is heard.

Mr. DOLE. If the Senator will yield, I hope we may be able to do that one of these days, but there are a number of Senators, as the distinguished minority leader knows, who want to speak on the bill. There may be efforts to refer it to the committee with advisory instructions, which I understand is permissible under the rules, because of the interests of royalty owners and some feeling about the independent producers, though I think the royalty owners are the key irritant. They are not the irritant but the way we have treated them, I think, is really the problem.

I would hope that we could work out some agreement. I do not think the Senator from Oklahoma would be opposed to that. We would hope that in the next couple of days, in any event, we would have a chance to discuss it. I am not certain what the schedule is for next week or the week after that. The minority leader is here now. I might say there is not any intent that I know of—well, in total candor, I think there is some. There are some who might want to speak at length, but I do not know that that is the fact at this point.

Mr. BAKER. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. Mr. President, the Senator from Kansas is entirely correct, that there are a number of people who desire to be heard on this bill. That is correct. We are talking about a bill that would essentially impose a half trillion dollars in taxes. I do not know of anyone who has expressed to me a determination to filibuster. There is in this case a real and meaningful distinction between discussing this matter adequately and a filibuster. I am talking about a number of days, maybe a week or 10 days.

As I indicated to the majority leader yesterday, I think it is possible to get an agreement at some point, but I think it is not possible to get it at this time. On the contrary, I might advise the majority leader that were a request directed to me at this time, I would have to object to protect other Senators other than those who are in the Chamber at this point and who have already spoken.

Mr. ROBERT C. BYRD. I appreciate what the minority leader has said, Mr. President. He and I have discussed this. I want to see if there is a possibility that we are thinking in terms of not 10 days but in less time than that. I do not think it will take that long to discuss this conference report. Every Senator who wishes to speak would have the opportunity to have his say. Perhaps tomorrow afternoon is expecting too much. The Senate will be in session Friday and we can discuss it today, tomorrow, Friday, and, if need be, on Saturday. I do not want to come in Saturday for that purpose. We could discuss having a vote on Monday. How about a vote on Monday?

Mr. DOLE. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. DOLE. The Senator from Kansas would like to be here to vote on it. I cannot be here on Monday. I could be here on Monday, but I would prefer not to be here on Monday.

I might say we are in the process right now of checking each Republican Senator to find out just what their intent may be, in other words do they want to come to the floor and talk at all and, if so, when. I understand as the majority leader understands that unless there is somebody here to discuss it we are not in a very good position to say we ought to extend debate, unless we are debating. We are in the process right now of checking that out on this side of the aisle, plus we are in the process of finding out how people might come down on a vote to refer or to reject the conference report, to postpone indefinitely, or to table.

I would think by early next week we would have a good count on what we could expect. I know the Senator from Oklahoma has six names to check and there are six others who are checking six names.

Mr. BAKER. Will the Senator yield to me?

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. I would say briefly that I think time could be well spent in holding the giving of serious consideration until next Tuesday. As far as I am concerned, I would be happy to sit down with the majority leader after our regular policy luncheon next Tuesday, which is a meeting of all of our Senators. At that time I expect the preliminary work of head counting and assessment of positions will have been completed, which is being undertaken by the Senator from Kansas, the Senator from Oklahoma, and others. I will sit down in good faith to see if we cannot work out something. But I think we are spinning our wheels if we try to press this at this time.

Mr. ROBERT C. BYRD. I would hope that the distinguished Republican leader would attempt to get some agreement on this conference report before waiting until next Tuesday.

I think we ought to get on with this conference report. I am not saying there should not be adequate debate on it. I do not want to rush to enter a cloture petition on it, but I do not think we can go on and on. Of course, we just started the debate, but it seems to me that if we could agree this week on a vote on a certain day next week, then all Senators could schedule themselves accordingly.

Next Tuesday, either Monday or Tuesday, under the order of the Senate, the majority leader is bound to call up the Roth resolution. There is a time agreement on that resolution and I shall have to do that either Monday or Tuesday—no later than Tuesday. If we could reach some understanding this week as to the pending matter—to vote on it, say, next Wednesday—I think we ought to let our colleagues know.

Today being only Wednesday, may I say most respectfully to the distinguished Republican leader, I hope that we do not have to wait until next Tuesday to find out whether there is going to be an agreement on the other side of the aisle as to a date certain to vote on this conference report. I merely urge him most respectfully to see if we can reach some kind of a conclusion, either tomorrow or Friday, as to a date certain next week when we can dispose of this matter.

Mr. BELLMON. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. BELLMON. Mr. President, I am of the opinion, based on some of the reports I have heard, that the distinguished majority leader may have reached the conclusion that the Senator from Oklahoma is going to undertake a filibuster on this proposition. That is not my intention. I have been around here over 11 years; I have yet to see a filibuster succeed when there was a deliberate, all-out effort to overcome it by the leadership. I think I recognize the futility of that method as much as anyone here.

At the same time, I think the distinguished majority leader will recognize that the report we have before us is significantly different in many ways from the Senate bill. For instance, I did not make reference to it in my earlier remarks, but the earmarking provisions of this legislation give me great trouble. When the bill was before the Senate originally, there was the Magnuson amendment that knocked out earmarking. Now the conference report comes back with earmarking back in it, in some ways even more onerous than it was the first time. I should like to have some time to check further into it to see what the impact is and perhaps discuss it with the chairman of the Committee on Finance.

Also, Mr. President, let me thank the majority leader for the very kind remarks he made earlier about the Senator from Oklahoma. I feel they are not deserved, but they are appreciated nonetheless.

I have signed a letter, along with the Senator from Kansas and my colleague from Oklahoma, and we hope to have some other Senators. I ask unanimous consent that it be printed after I read this paragraph:

> Plainly, a crude oil tax bill will become law. We accept that fact and are willing to support and vote for a crude oil tax provided it more nearly resembles the Senate passed version. The parliamentary situation now requires that the conference report be defeated and that a new conference be requested.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., March 19, 1980.

DEAR COLLEAGUE: When the windfall profit tax (Domestic Crude Oil Excise Tax) was under consideration on the Senate floor, an amendment to exempt the independent producer and royalty owner was offered by Senators Bentsen, Dole and Boren. This amendment passed by a vote of 53–41.

As you are well aware, the independent exemption was removed during the House/Senate Conference on this bill. The Senate is expected to take up the conference report later this week.

Plainly, a crude oil tax bill will become law. We accept that fact and are willing to support and vote for a crude oil tax provided it more nearly resembles the Senate passed version. The parliamentary situation now requires that the conference report be defeated and that a new conference be requested.

We are contacting those who voted for the independent exemption originally to urge their support for the motion to reject the conference report and ask for a new conference. The bill as it now stands will not heavily tax international oil companies but will seriously penalize independent producers and royalty owners. Independents drill 89 percent of the exploratory oil and gas wells and find most of the new field.

The profits of the international oil companies, which produce primarily in foreign countries, are largely untouched. We feel that taxing away exploration funds used by independents to find new supplies of domestic crude oil is contrary to our nation's interest. It is the independents who have continued to search for the costly, hard-to-find oil in the United States. The independent producers have been plowing back more than 100 percent of wellhead revenues in exploring and developing new domestic oil supplies for this country. The conference report will take away much of the capital needed for this purpose and make the United States even more dependent upon costly, insecure imported crude oil.

Over 180 House members signed H.R. 6206 (copy attached) favoring an exemption for independents. During the House consideration of the conference report, 185 members voted for the independent exemption. We are confident that Senate conferees can prevail on this issue in a second conference and urge your support of actions to achieve this result.

Sincerely,

HENRY BELLMON.
DAVID L. BOREN.
BOB DOLE.

Mr. BELLMON. Mr. President, we are willing to accept the fact—in fact, I voted against the original bill because it put a tax on stripper oil, which I think was a great mistake. But if the bill comes back from a second conference close to where it was when it left the Senate the first time, I would be compelled to vote for it, because I realize how much better off we were then than we are now.

Furthermore, I say to the distinguished majority leader, normally in a conference, you get a better deal than the original bill. Here, we had a 1,000-barrel exemption for independents in the Senate bill, before the conference, and we come back with zero now. I think it is extraordinary when the Senate gives up such an important provision in its bill and has nothing to show for the original position the Senate took. I think this is another reason for us to take a little more care than the ordinary in discussing this bill to see why it is that this feature, which a good many of us thought was the key to our position, has now been lost.

So I would agree that, in due course, a time agreement can be reached on it, but I join my Republican colleagues in resisting establishing that date today.

Mr. ROBERT C. BYRD. I shall not press further today, Mr. President. I would though, again, express very strongly the hope that the Senate will not have to wait until next Tuesday, which is a week from yesterday, for the Republican conference to decide on whether or not it wants to enter into an agreement as to an agreed time and date to vote on the conference report. The Senate does not have that much time. I do not think it requires that much time. I would hope, as I said earlier, that there could be agreement reached this week on a date next week on which the Senate will have an up-or-down vote on the conference report.

Incidentally, with respect to the talk about a filibuster, I have never said that the Senator from Oklahoma is going to filibuster the conference report. I have had no indications, no evidence, of that fact. I have heard some say that the Senator might, but I have said in response that the Senator is a reasonable man and has shown a lot of statesmanship already and that I do not think we would have that kind of problem out of HENRY BELLMON.

Mr. President, I am willing to leave it at that. The distinguished Republican leader has assured me and so has the Senator from Kansas and the Senator from Oklahoma of their effort to reach an agreement. But I say again to the distinguished Republican leader, I plead with my colleagues on that side of the aisle not to wait until next Tuesday to decide whether or not we can have an agreement.

I do not want to wait until next Tuesday to file a cloture motion. I do not want to go the cloture route. I prefer not to. That is always my preference. But if there is any thought of delaying this unduly, then we just have to do the best we can to bring it to a vote. But I think that reasonable men can come together and decide as to the appropriate length of time for debate on this very important conference report and reach an agreement so that the Senate will be on notice as to that date and time.

Mr. BAKER. Mr. President, I do not want to prolong this. I just wanted to correct one impression that I believe the majority leader has. I did not mean to say, and if I did say, I misspoke myself, that the Republican conference will decide that issue. I rather meant to suggest that Tuesday is our regular Policy Committee meeting and luncheon and that serves as a convenient time to discuss this matter. There is no intention on my part to make a submission of this question to the Republican conference. I shall be perfectly happy to expedite the business of canvassing our side to ascertain the attitude of our Members. The next Tuesday suggestion was made by me because I thought it would be a reasonable and proper length of time.

Mr. ROBERT C. BYRD. I thank the distinguished Republican leader, and I am very satisfied with that.

Mr. DOLE. Mr. President, the Senator from Tennessee has indicated that we prefer to work it out rather than that we just stand here and talk through Friday and Saturday and Monday, because sooner or later, we are going to have to vote on something. I think once that decision is made and once those Senators who feel strongly about some portion of the conference report have had an opportunity to speak—or, if not speak, at least indicate to the minority leader or to me or to someone what their intentions are—then we can certainly be happy to report that to the majority leader.

No one is more frustrated about the windfall profit tax than the Senator from Kansas. There are 76 days wrapped up in this little program so far. That is about 15 weeks, I guess, if you take 5-day weeks. I do not want to spend another 3 or 4 weeks on it. But I do believe that there are such strong feelings, and I know of some on the other side, that at least, we would like to have some expression through a vote, which we may or may not win. That is what we are trying to figure out, which is the best strategy to follow, if these is a successful strategy.

Mr. ROBERT C. BYRD. I thank the Senator.

Mr. HEINZ. Mr. President, I would like to know if I could enter into a colloquy in the near future with the senior Senator from Louisiana on some parts of the windfall profits.

Mr. DOLE. He will be back soon.

Mr. HEINZ. Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. BOREN. Mr. President, after very careful consideration of this matter, I join in the conclusions of my distinguished colleagues from Oklahoma (Mr. BELLMON), from Kansas (Mr. DOLE), that it is in the interest of this Nation that the conference committee report on the windfall profit tax bill be rejected, and that we seek further a conference to try to improve that bill.

I reached that conclusion because of my feelings about what, fundamentally, is in the national interest and not through any disrespect for or lack of appreciation for the efforts of those, particularly, in the Senate who served on the conference committee.

While I think this is an unwise piece of legislation, I would say quite readily that the bill would have been far worse had we not had on the conference committee several able representatives of the Senate position, not the least of whom was the able chairman of the Senate Finance Committee, the Senator from Louisiana (Mr. LONG), who in his 30 years in the Senate has perhaps done more than any other individual Member to encourage and to provide proper incentives for the domestic production of energy in this country.

It certainly reflects no lack of appreciation on my part for the tremendous contribution which he has made in the past and this year on this piece of legislation to the cause of energy independence in this country that I take a position in opposition to the bill.

Nor does it reflect a lack of appreciation for the able Senator from Texas (Mr. BENTSEN), who worked as a member of the conference committee to retain the exemptions for the independent producers which he helped place in that bill on the Senate floor.

Nor does it express any lack of appreciation for the efforts of the able Senator from Kansas (Mr. DOLE), who represented my colleagues on the other side of the aisle on that conference committee.

It is well known that he was engaged and involved in other political activities on the national scene at that time. As one Senator without regard to partisan position, I want to say that I have seen him put aside his own personal ambitions to spend hour after hour fulfilling his duties as a Member of the Senate, particularly working hard as a member of that conference committee.

I have great respect for the Senator from Kansas, for his statesmanship, for the fact that he worked for what he saw as the national interest, ahead of any of his own personal ambitions in this situation.

I also understand the problems that have been well outlined by the distinguished majority leader, the Senator from West Virginia.

There are two Houses in this Congress. All of us realize that the Senate cannot have its way on all matters in dispute between the two Houses and that no one can work miracles and sway the conferees from the other side to adopt completely the viewpoints of the Senate.

There are, as I have said, many features to this bill that undoubtedly would not have been there had it not been for the very diligent work of the Senate conferees under the leadership of Senator LONG.

The conference committee did preserve the depletion allowance for independent producers, a very important incentive for additional production of energy in this country. It did preserve the Senate repeal of the carryover basis as a method for determining inheritance tax liability, and that also is an important contribution, one which will help to prevent massive injustice from being perpetrated on many citizens across this country, particularly those in small businesses and family farms who are endeavoring to keep them intact.

In addition, the bill also contains a very worthwhile provision to provide for an exemption from income taxes of the first $200 of interest earned by small savers.

Mr. President, there are some good elements to the conference committee report, and they are a testimony to the work, hard work, by those who represented the Senate position on that conference.

But even considering all of those factors which I have mentioned, all of the positive aspects of the report, I still must conclude that on balance this is a bad piece of legislation, not just for the citizens of the State that I try to represent in the U.S. Senate, but for the entire Nation, because I think along the way as we have debated this windfall profit tax measure, we have gotten confused about our objective, the objective of an energy policy for this country.

As expressed by the President and many others, it has been to reduce our dependence upon overseas sources for the vital energy which this country needs, to reduce our dependence upon those unreliable sources in other parts of the world, in areas like the volatile Middle East where developments have recently so gravely threatened our national security.

We have learned, Mr. President, that those who have warned us about the need for energy independence for this country in the past have told us the truth. We have learned that they were right when they said that energy independence for this country and national independence and security are intimately interwoven.

Our goal then must be to conserve the use of energy and to produce more energy within the boundaries of the United States, all forms of energy, to produce more here at home so that we will not be so dependent on overseas sources for the energy which we need.

Our goal must be more energy for Americans, more domestically produced energy. Yet, as this debate moved along, it seemed that the focus of the debate shifted to another issue. Journalists, in fact, began to report about this bill in very different terms, by a very different measuring stick. They began to describe the bill as strong or as weak, not on the basis of how much energy it would produce for the American people, the proper standard, a strong bill being one that would produce the most energy for this country. They began, instead, to weigh the merits or demerits of this bill by how much revenue it would produce, how much additional taxes on the American people it would produce.

They began, in a misguided way, to describe the bill as stronger as it began to raise more and more taxes and not as it began to produce more and more energy.

Mr. President, that is a serious mistake. Our goal must be not to produce more taxes; it must be to produce more energy.

Mr. HELMS. Mr. President, will the Senator yield?

Mr. BOREN. I yield.

Mr. HELMS. Is it not a fact, in referring to the taxes, that much of the media coverage has obscured the fact that the consumer is the one who is going to pay the tax?

Mr. BOREN. The Senator is absolutely correct.

There is no free lunch, as the Senator well knows. Ultimately, the person who is going to pay for this tax is going to be the average American citizen, the consumer, the person buying the gas and using the electricity.

Mr. HELMS. I would have no objection to what the judgment of the American people would be about this piece of legislation if they fully understood that it is they who are being taxed and not some paper corporation, way out yonder, referred to commonly as the big oil companies.

Mr. BOREN. The Senator is correct, and I appreciate his pointing out that there has been an attempt to fool the American people.

Mr. HELMS. They have been fooled.

Mr. BOREN. I think the Senator is correct. I believe that, one of these days, they will wake up and realize that they are footing the bill. Then they will ask who passed this most massive tax increase on them in the history of this Nation.

Mr. BELLMON. Mr. President, will the Senator yield for a question?

Mr. BOREN. I yield.

Mr. BELLMON. Mr. President, I ask my colleague from Oklahoma to repeat for the Senate a statement he made on another occasion about how much capital it is going to take to invest in the energy industry in order to work our way out of this situation. I think it is an impressive figure, when we realize how much it costs to drill the additional hundreds of thousands of wells that will have to be drilled, plus building the plants and the refineries and everything else needed.

The Senator might tell us what the impact of this bill is going to be on the efforts of the industry to solve our Nation's energy problems.

Mr. BOREN. My distinguished colleague is absolutely right in saying that there are immense capital needs if we are going to meet the energy problem we have.

If we are going to maintain full employment in this country, we will have to have sufficient supplies of energy to move the products we are producing. We will have to have sufficient energy to ship the farmers' wheat and corn, to move the industrial products of this country. We will have to have sufficient energy to keep the turbines turning and the machinery operating in the plants.

According to the best estimates of experts, people such as Dr. Winger and others, it is going to take $1 trillion—a figure that literally boggles the mind—of additional investment over and above the present amount being invested in energy production in this country, by the year 2000, if we are going to have enough energy to maintain full employment in this country.

The shocking thing about what we are doing right now is this: It has been estimated that the decontrol of domestic energy prices could generate—if oil were in excess of $40 a barrel over the same period of time—approximately $1 trillion over this period. Yet, what are we doing with this $1 trillion that the experts say is needed in capital investment if we are going to produce more energy? In connection with this bill, when we consider how much the Government is going to take in additional income tax collection, Federal and State; when we consider how much the States will collect in additional severance taxes; and then when we add the windfall profit tax now being discussed, on top of the other taxes that are going to be collected over the same period of time, the windfall profit tax plus the income taxes will take approximately $1 trillion into the coffers of the Government.

In other words, it is exactly the same amount of money we need to produce the energy to give full employment for this country, the same amount of money being generated by decontrol, which could be used by the private sector to do the job to produce the energy, and we take it away and put it into the coffers of Government. Then we say, as this report indicates, that we might use 15 percent of it to produce the energy we need in this country. We will use 85 percent of it for other purposes. That means we will only use $150 billion out of the $1 trillion that we are going to need in order to have full employment.

There is no magic way to produce energy. I think the citizens of this country are smart enough to know it. I believe that, in many cases, those who are involved in politics are underestimating the intelligence of the American people.

How are we going to get more energy for this country? How are we going to build more solar panels in the United States? How are we going to dig more coal mines? How are we going to drill more oil wells or deep gas wells, such as those in the western part of Oklahoma, where it costs as much as $10 million per well to drill, or in Alaska, where the figure can reach as much as $50, $75, or $100 million to develop a relatively small area?

Where is that money going to come from? There are only two places it can come from. The private companies, private enterprise, can produce the energy. Where do they get the money? It has to come from profits. They have no other way of getting the money. The only other group or entity that might produce the energy for this country is the Government. Where does the Government get the money? Not out of the sky. The Government gets the money from taxes.

So we really have two choices. If we want to have more energy produced in this country, there are only two things we can do about it; and under both choices, the average American citizen pays the bill. Let us not be fooled about that, either. The average American citizen is going to pay the bill to produce the additional energy we need. The question is, which way will they pay it?

Will they pay it out of the profits of private enterprise, which then uses it to produce more energy, or will they pay it in the form of higher taxes the Government will use to produce more energy? For this Senator, the choice is clear. When we compare, in general, the efficiency of free enterprise to produce something with the efficiency of the Government to produce something, I will come down on the side of free enterprise every time.

I believe that the cost to the American citizen ultimately will be far less if we have free enterprise do the job instead of having Government do the job.

For example, as many know, it costs more to transport a letter from Houston, Tex., to New York City—10 times more with the Government doing the job—than it costs free enterprise to move a barrel of oil from Houston, Tex., to New York City.

Mr. President, as I started to say in explaining why I have reached a decision to vote against the conference report, if we had too much energy being produced in this country, an overabundance, a surplus of energy; if we did not have enough government in this country; if we did not have enough bureaucracy; if we did not have enough spending programs; if taxes were too low, I would vote for this bill; because that is what we are going to get from this bill, higher taxes and more government on the one hand and less energy production on the other.

So if our goal is higher taxes and more government and less energy production in the United States and more dependence on the Middle East, more dependence on overseas sources, more threats to our national security, the kind of dependance that looms so large that the young people in this country even today are worrying about whether or not their lives are going to be disrupted so that we can make a display of force that may be necessary to preserve those vital oil supplies in the Middle East, then this is a strong bill because it certainly raises taxes more than any other bill in the history of the United States. It certainly is going to give us more Government, more Government bureaucracy, more regulation. It is a strong bill in that sense. And if our goal is to produce less energy here at home, to dry up the sources of capital for the private sector, to have more reliance on government and more reliance on those sources in the Middle East, then this is a strong bill.

But in my opinion those are not our goals. Quite obviously they should not be the goals of the people of this country. And I have to conclude that it is a weak bill and a bill that is simply not in the national interest.

I can give several examples. It has been estimated we could produce 4 million barrels a day of additional energy if we just had decontrol, without imposing an additional tax, if we could have had decontrol with some kind of appropriate plowback provision that would have encouraged reinvestment of the profits that resulted from decontrol. By passing this kind of legislation we are going to drastically cut the amount of energy that can be produced.

It has been estimated that it may take back ultimately in income taxes and windfall tax put together close to 90 percent of all the money generated as a result of decontrol.

And it literally sets up the private industry to be the fall guys when we have the next serious energy problem in this country, to be the fall guys when the whole house of cards come tumbling down because what we are doing is saying we have decontrolled and that then makes it easy for Government to point the finger of blame at private industry, at the private sector every time the prices go up. And yet because the Government is taking back with one hand what it has given with the other, because it is taking back 90 percent of everything it gives through decontrol, we are depriving the companies of the capital they need to do the job to solve the energy problems in this country.

So we set the private companies up to take the blame for the higher prices. We deprive them of the means to meet the problem and to produce the additional energy so that we make it very, very likely that they will fail. That sets the stage to make them national scapegoats, when, Mr. President, instead we should be setting the stage for solving in a realistic way America's energy problems.

Mr. President, there are several specific things that give me special concern with the conference committee report.

First of all, as the Senator from Kansas and my colleague from Oklahoma have already pointed out, this bill ends up hurting most of all not the large companies, not those companies that operate internationally whose profits have been widely reported with banner headlines in the daily newspapers. It ends up hurting most of all people who have been discussed very little during this debate. It ends up hurting people who I believe many of my colleagues here in the Senate do not even know about. One group that it is going to end up hurting is literally hundreds of thousands, even millions of small royalty owners all across this country, the people who own the minerals. In the State of Oklahoma, for example, there are over 200,000 different individual royalty owners, more than 10 percent of the population. Many of these people are in the lower income groups. Many of them are elderly. They have made investment decisions for their retirement to purchase mineral interests and now in a way that is totally unexpected to them they are being hit with a 70 percent tax on those royalty incomes.

It is hurting the independent producer, the very people who here in the Chamber received a vote of confidence from the Members of the Senate when my colleagues recognized the very special role that the small independent producers play in this country by adopting an exemption on the first thousand barrels a day of production by independent producers. By "independent producers" we are talking again not about the large integrated oil companies, but about those people who do not own retail outlets, who do not own refineries, who do not own pipelines, and who do not have production overseas. We are talking about the smaller producers who simply explore for, drill, and produce the oil in this country and do not have operations in other places. The Senate quite correctly recognized the special contribution of the independent producers and passed an exemption for these producers. And yet what has happened?

After all of the talk and all of the rhetoric about the huge profits that were being made by the international oil companies, who ends up bearing the heaviest burden under this tax? Not the big companies, not the overseas operations. No. Under this bill those who will bear the heaviest burden in terms of taxes and in terms of new bureaucratic regulations that they are to small to cope with are the royalty owners and the independent producers.

To turn around and tax the smaller producers and mineral owners here in the United States because there are some who are dissatisfied because of the profits of the large international companies just does not make any sense.

It is like saying we are upset about all the oil that is being produced overseas and about profits being made on oil produced overseas; our solution is we are going to put a new tax on all the oil produced inside the United States. That is exactly what this bill does. It is not a tax on the profits of the big oil companies, and the press should so report that it is not a profits tax. There is nothing in this bill, there is nothing in this conference report, not one word, that imposes one penny of tax on profits. If anyone can show where there is one word in this bill that imposes one penny of tax on profits or puts one penny of tax on any international operations or other operations, I wish to see what it is. I wish to see in what section of the bill it is found. It is not there.

There is not one penny of tax on profits in this bill. We know what it is a tax on: Only on oil, not on companies, on oil being produced inside the United States.

And especially it is going to hurt the small independent oil producers, the individual citizens who own royalty and it is going to eventually come out of the pocket not of the oil companies, not out of their profits; it is going to come out of the pockets of the average American citizen.

So let us call it what it is, not a profits tax, but a domestic oil excise tax, and it makes just about as much sense as saying we are alarmed that the domestic automobile industry is in trouble, that too many people are buying cars produced overseas and that it is hurting our automobile industry here in the United States. Many of us are concerned about that problem.

Well, do you know what we would do to help the auto industry here in the United States if we are going to follow the very same policy that we follow here in this bill? Why, we would come up with a program to put a tax on automobiles. No, not a tax on automobiles produced overseas; a tax on automobiles produced here at home. That is what this bill does.

We are concerned because we are getting too much oil from overseas. What are we going to do about it? We are going to tax the oil producers in the United States. It would be like saying we are concerned about producing too many automobiles overseas. What are we going to do? Put a $5,000 tax on every car produced in the United States. That sure would help Chrysler, Ford, General Motors, and American Motors and our other domestic auto producers.

That is about as illogical as this policy reflected in this bill really is. If we want more energy for this country, I wish someone could explain to me how we are going to get more energy by putting a tax on the independent producers. These small producers last year went out and found 89 percent, they drilled 89 percent of the exploratory wells. They found 75 percent of the new wells. They spent during the last decade 105 percent of their wellhead revenues. In other words, for every dollar they earned in new wellhead revenues, these independent producers spent $1.05 looking for more oil.

Some people might say how is that possible? How could you stay in business by spending $1.05 out of every dollar that you earned? Well, of course, what they did when they found new oil and they had a new oil deposit, they ran down to the bank and said, "We pledge the new oil we found as security to borrow money from you to go out and drill more oil wells." That is, exactly what they did.

So when you can get $1.05 of new drilling and new production out of every dollar those companies earned, if you want to have more oil production inside the United States, what should you do? It does not take anyone of great insight to figure that out. You try to improve their cash flow because you know that the more dollars you can get into their hands, particularly if we can write an appropriate plowback provision in this bill that would give them tax incentives for every dollar we could put into the hands of these producers, obviously we would end up giving ourselves $1.05 of additional energy production.

But this so-called strong bill does not do that. It is a weak bill. If it were strong it would encourage cash flow and get more energy production for this country. Instead it opts to get more taxes.

What about the stripper wells, the small wells that are near the break-even point economically? These are wells that make 3, 4, 5, up to 10 barrels a day. Back in the days when we used to control the prices of these wells, what happened? Hundreds of them, thousands of them, were prematurely plugged. We lost precious energy resources for this country prematurely because these wells were abandoned.

You are making $2, $3, $5 a day from a well like that, $100 a month, and let us say all of a sudden that well breaks down, and you know oil wells break down, equipment breaks down in the oil field just like it does anywhere else, and you find out it is going to cost $3,000 to work that well over or maybe you find out it is going to cost $17,000 to get a new pumping unit on that well. A new surface pump costs $17,500, and you are making $50 or $100 a month on that well. What are you going to do, particularly if you are about ready to be hit with a new 60 percent tax on it that you did not expect before?

You are not going to spend the $17,000 and have a payout over a century, over 50 years, who knows how long, because of this tax. Why, you are going to plug that well, you are going to shut it down. Who loses? Not just the producer but the American people lose because that is oil that is lost forever once that well is plugged.

We learned that lesson back in 1975 when this Congress very wisely decontrolled the price of oil for stripper production. Do you know what happened as a result of that wise policy followed by Congress? The plugging rate, the abandonment rate, of stripper wells went down by 500 percent. Five times as many wells were saved and continued in existence as was the case previously.

So what have we done, followed a wise policy we have learned in giving special treatment to stripper wells? No. Under this bill we impose a tax on stripper production that will result in a rollback of anywhere from $6 to $10 a barrel on the revenue for oil coming from stripper oil wells.

So, Mr. President, I have to conclude that I cannot vote for the conference committee report in spite of the hard work of my colleagues on the conference committee, and they have worked hard, in spite of the very able leadership on that committee of the senior Senator from Louisiana who has made such a great contribution to the encouragement of energy production in this country, in spite of the very valiant efforts they made.

While recognizing that what the majority leader said earlier is true, that there is no guarantee that if we go back and seek further conference with the House that we can prevail, there is no guarantee we can do any better than we have done before, because we realize that when there is a difference of opinion between the two houses there has to be a compromise struck, in spite of all those factors, and considering all those factors, Mr. President, I simply have to conclude that we should try, that we owe it to the country to try, because our goal must be not to produce more taxes, not to produce more government, not to put and not to foist new bureaucracies on the American people, but our goal must be to try to produce more energy, to try to make it less likely that our young people might be drawn into some kind of violent eruption in the Middle East because of our dependence on oil supplies there, because it is our duty to try to strengthen our Nation's security, to strengthen our Nation's economy.

Mr. President, I said when we were considering this bill earlier in the Senate that at this critical period it is time for Congress to do what is economically right for this country without regard to whether or not it brings short-term political advantage. At that time I quoted Mark Twain when he said something that I have always liked, in fact it is something I have framed and have hung on my wall. He said an important admonition that I think we should remember, "Always do right," Mark Twain said. "It will gratify some people and astonish the rest."

I think that is a wise saying and a good challenge for us to keep in mind in these times. Mr. President, I think it is time for the Congress to astonish the people and to do what is right for the country and, in my sincere opinion, it would be right for us to reject this conference committee report and try again to come up with a bill that, in a genuine sense, will be stronger, will be better, for this country in the sense that it might be a bill that would reflect as its goal more energy production, less energy dependence, instead of just higher taxes on the American people.

(Mr. SARBANES assumed the chair.)

Mr. WALLOP. Will the Senator from Oklahoma yield?

Mr. BOREN. I am happy to yield.

Mr. WALLOP. Mr. President, does the Senator recall when the windfall profit proposal first surfaced that some of us tried to do what we thought was a reasonable, sensible approach to this tax. We tried to apply uniformly on all oil an excise tax, whether it was imported oil or domestic production, whether it was newly discovered, stripper oil, heavy oil, or whatever, but uniformly applied? Does the Senator recall that effort?

Mr. BOREN. I do recall that.

Mr. WALLOP. Mr. President, does the Senator recall that the administration at the time said that that was an impractical thing; the public would never tolerate it?

Mr. BOREN. The Senator is correct.

Mr. WALLOP. Now, we are taking a look at where we have gotten with the windfall profit tax, punitive in the extreme. The public is going to pay, both in terms of diminished production, where they could have had more, and in terms of prices at the pump; and now another 10 cents a gallon on their gasoline because of the $4.62 import fee which the President, in his wisdom, has decided to impose.

It strikes me that the public would be astonished to know that they could have no new oil import tax, that the windfall profit tax could be reduced and would produce more money. It would provide energy at a lower rate of inflation if we just went back to that simple theory and provided the tax that was equitable and just on foreign and domestic oil and foreign and domestic oil producers.

The interesting thing is that this $4.62 per barrel import fee is supposed to bring in $10 billion a year and help balance the budget on the backs of the poor consumer. A more logical approach would be to go now to immediate decontrol instead of postponing it until 1981. We could forego the $4.62 per barrel fee and the 10 cent increase in the price of a gallon of gasoline, and raise $19 billion the next year instead of $10 billion. And there would be more money in the domestic productive sector which would help us produce our way out of this oil shortage.

Mr. BOREN. Mr. President, I think the Senator from Wyoming has a good suggestion and I regret that it did not get the proper serious consideration that it deserved earlier.

I think the Senator is absolutely right; that we should try to find ways that will hold down the tax burden on the citizens that will be a simple procedure—that is something else that ought to be considered—not a highly complex regulatory scheme.

We have all heard again and again what has happened with all the complex programs developed in the past. Again, complex programs do not hurt the large, sophisticated companies nearly as much as they hurt the average citizen, the small operator, the little company that is trying to operate.

Also, it would be a program, the way the Senator has outlined it, that would not discriminate against those who are doing the job of producing oil here in the United States.

Again, I go back to the point I was making earlier: It just does not seem logical or fair to me that we put the major part of the burden for additional taxes on the backs of those people who have been here in the United States producing energy here at home, only on the domestic producers, and particularly the small producers, when we have been standing up and saying: "It's your duty. It's your duty. Produce oil here at home."

How do we reward them for producing oil here at home? Why we say, "Tax them. Don't put any tax on anybody overseas producing oil. Let's take those little companies that have been staying here in the United States producing the energy, with the sources of energy here to be secured here in the United States. Let's tax them."

Mr. WALLOP. They are not going to tax big oil. They are just going to tax the consumer. Ultimately, it is still the better venture for anybody with good business sense to search for and produce and to broker foreign oil than it is to search for it within our own boundaries and within our own shores.

But the ridiculous fraud of all of this is that there has not been real decontrol and there is not going to be real decontrol. This tax simply transfers controls from the Department of Energy, to the IRS. DOE was not very adept at imposing controls but would certainly be better than the Bureau of Internal Revenue Service.

Mr. BOREN. The Senator is correct. And it is going to be massively complicated.

I talked with a small producer just yesterday who was saying he was trying to figure out how in the world to figure out all of the different aspects of the various kinds of oil that he is producing. One barrel you are producing is taxed at 30 percent; one barrel at 60 percent; one barrel at 70 percent. And it depends on when it was produced. And not only is it taxed at 70 percent, but one is at 70 percent on a $13 base and one on a $15 base; and all these various exemptions.

If we just did our best to try to create a program that is doomed to fail, I think we have done it. And the sad thing is not only have we produced a program that is guaranteed to fail, we have also devised one that is going to cost the American people more money than any other program that I have ever figured out and it is going to be less cost-effective than any program that I think we could possibly devise.

Mr. WALLOP. Mr. President, I wonder if the Senator will yield to me for a minute. I see the distinguished chairman of the Finance Committee appears to be pulling up stakes. I wonder if I could ask the Senator from Louisiana a couple of questions about the conference report.

Mr. BOREN. Mr. President, I am happy to yield to the Senator from Wyoming.

Mr. WALLOP. Mr. President, will the Senator from Louisiana answer a couple of questions for me on this conference report?

Mr. LONG. Yes.

Mr. WALLOP. Mr. President, I suppose the Senator may be aware of the effort in the House yesterday, whereby they were seeking to roll back the severance taxes that some States charged for the production of coal. In that dog and pony show, they assumed that the ad valorem taxes of local units of government are severance taxes. And in the national gas policy tax the ad valorem taxes of local units of government were severance taxes.

But it is my understanding that the conferees, for the purposes of the windfall profit tax, decided it is not. Is that the correct understanding?

Mr. LONG. Mr. President, it is my understanding that we agreed that the State severance taxes can be deducted. In both the House and Senate bill they can deduct the State severance taxes. But we deal with ad valorem taxes.

Mr. WALLOP. Well, I would refer to the conference report on page 105. It would appear to eliminate any chance of a county ad valorem tax being viewed as a severance tax for the purposes of this bill. If that is the case, I think that is a drastically shortsighted move on the part of the conferees. I wonder if I could be reassured that that is not the case.

Mr. LONG. If I understand it, the House bill and the Senate bill both said that the producer could deduct the severance tax being charged by his State. Of course, it is my understanding that from the income tax one pays, he can deduct an ad valorem tax that is charged by the State against an income tax.

But, really, if we wanted to permit them to deduct the ad valorem tax from the windfall profit tax, then I suppose we were all derelict on both the House and the Senate side because no one suggested it.

Mr. WALLOP. It was this Senator's understanding, when it left here—and I think the hearing record and markup will clearly indicate that it was our understanding that that was all. Senator BENTSEN is the author of that very same severance tax proposal on the Senate side, and that came up as an issue between us.

It was decided that the local ad valorem taxes were determined to be a severance tax for the purposes of computing the total State severance tax.

Mr. LONG. Here is the way I understand the situation: The severance tax deduction was in the House bill. The staff who did much of the work on it are represented here. And in doing the work for the Senators, their impression was that, in preparing the amendments that Senators wanted, that they simply picked up what the House had with regard to the deduction of the State severance tax. There really was not much debate about the matter.

As far as Louisiana is concerned, I must report that Louisiana relies in this area heavily on severance taxes and we do not provide for ad valorem taxes in the oil and gas industry. From our point of view, it is logical that we simply would not have been planning one way or the other because it does not really affect us. If a State wants to change its ad valorem tax over to a severance tax, they have the right to do it. If they want to do that, the producer can deduct it.

Mr. WALLOP. But the process that is involved there is a 3-year process of changing a State constitution. It may be a matter of convenience for those States who levy separate taxes straight through but for other States it is not.

As long as we have his issue before us, we would like to have the assurances of the Senator from Louisiana that when such a bill hits the Finance Committee, and it is drafted, it can be assumed that we will treat ad valorem taxes as local ad valorem taxes for the purposes of computing the total amount of State severance tax just the way we have in this bill. Or will we revert and call those local ad valorem taxes severance taxes for the purpose of putting a cap on the State severance taxes?

Mr. LONG. Offhand, as far as the Senator from Louisiana is concerned, if someone had wanted to suggest that one should be permitted to deduct an ad valorem tax on oil as far as the Senator from Louisiana is concerned he would have no particular objection to it. But I do not recall that coming up. Therefore, from the point of view of the Senator from Louisiana, we just did not deal with it because the point was not made.

Mr. WALLOP. I know the Senator from Louisiana is a fair man and also known for his consistency in what I am hoping I am getting him to understand, that we should not differentiate in our treatment as far as local ad valorem taxes.

Mr. LONG. As far as I am concerned, I do not think there would be a problem. I do not think I would have any objection if someone wanted to propose that you should be permitted to deduct an ad valorem tax on oil from the windfall profit tax.

Mr. WALLOP. But would the Senator be willing to refer it back to the committee so that can be taken care of?

Mr. LONG. At this stage I cannot support a motion to recommit the bill.

Mr. WALLOP. Can we look forward to having a reasonably consistent approach? The reason I am asking this is because the next question I hoped to address to the Senator was what possible reason was there in taxing Federal royalty oil and the States straight 50-percent royalty on windfall profit tax? At the very time that we are seeking to remove or eliminate revenue sharing and we are now saying that our counties can, without increasing the burden on the energy production on this country, continue levying their ad valorem taxes, we are taking an awful lot of money out of the hands of local government here and now we are going to tax royalties, too. I wondered what the rationale was for taxing their share of the Federal royalty which was a commitment made by this Congress just 8 years ago.

Mr. LONG. I am just not familiar with an effort to tax State royalties.

Mr. WALLOP. Federal royalty oil, including oil production from the national petroleum reserves, and royalties from Federal leases is subject to taxes under the bill, and the conference agreement would follow the House bill with respect to royalties on oil. Am I misconstruing what the conference report has adopted? I would certainly be grateful if I was.

Mr. LONG. I believe what we are talking about there was we put an amendment on the bill, and I believe I played a part in this—yes, I offered the amendment—and we thought we were simply affirming the existing practice when we did it. We did not think that we ought to tax the Federal royalty. We did not think there was any point in doing it. It would just be taking the money out of one pocket and putting it in another pocket. We did not think we should tax the royalty payments to the Federal Government from Federal lands. That would be the Federal Government taxing the Federal Government at that point.

I offered an amendment to say that would not be the case. The Senator from Missouri (Mr. DANFORTH) inquired about the matter. He wanted to be sure that we were not changing the situation then before the Senate. My impression at that time was that we were not.

When we got to conference with it, the point was made that this did have the effect of changing that situation and it would make it work out differently than it would have worked out in the absence of the amendment. Therefore, we yielded on the amendment merely because we felt, or I know that I felt, that to do otherwise would be not to keep the faith, when one said we were not changing the situation then before the Senate when we offered the amendment and later on when it appeared that the situation was changed.

From the point of view of the Senator from Louisiana I simply wanted to make it clear that the situation would remain the same as we thought it was and in view of the fact that it would seem to be a substantive change we felt we should yield on it.

Mr. WALLOP. By how much will it reduce the States' 50 percent share of the royalties?

Mr. LONG. I do not have the figures. At the moment they are not available to me. It may be that we can get them for the Senator.

Mr. WALLOP. What I do not understand is that the Mineral Leasing Act of 1920 gave the States 50 percent royalty and now they have the 50 percent royalty less the windfall profit tax. It seems to me we changed the existing law and did not stand by it.

Mr. LONG. I will be glad to look into the matter further and advise the Senator and try to give him the figures he is seeking, perhaps tomorrow. I do not have them right now and there is no one here who can give them to me.

Mr. WALLOP. But will it reduce what the States were otherwise getting as a matter of a royalty payment from the Federal Government?

Mr. LONG. Yes, to the extent of the tax that would be the case. I will be glad to get that information for the Senator.

Mr. WALLOP. It is my opinion that the conference felt that the States would have the right at least to expect what they had been entitled to as a matter of law. We decided on the one hand that we would not tax the States' royalties on their own oil, and the agreement that the Federal Government had made to the States before was that that, too, was theirs, or 50 percent of it. Now it seems to me that there is a direct walkout on a commitment of some 50 years standing.

Mr. LONG. When I brought the amendment up its purpose was to protect against taking money from one Federal pocket and putting it in another.

Mr. WALLOP. I know.

Mr. LONG. I did not feel at the time that I was changing the situation then before the Senate; I felt that I was merely confirming it.

Mr. WALLOP. I think the Senator was.

Mr. LONG. But in conference the argument was made that what we were doing with that amendment was to change the situation and that it made much more of a difference than I explained here on the Senate floor, and in order to make clear that we were not seeking to change the situation, we thought that we would have to yield on that.

Mr. WALLOP. Could I ask the Senator a question. I believe what he personally believes to be the case. I wonder if staff could provide him with an answer so that, before we get to the end of this, we might see what kind of possible change could have been in existence from the way the Senate had it. There was no tax on royalties, and I do not know what kind of change the conferees could have been referring to. It is a matter of mystery to me and I am sure it is to the Senator from Louisiana, because I think the first way was dead right.

Mr. LONG. When I offered the amendment, I thought it was dead right. I did not think I was changing the situation that then existed on the Senate floor by doing it, and I so assured the Senator from Missouri (Mr. DANFORTH) that it seemed to me what we were doing was merely confirming the situation to be what I thought it was all the time.

I shall be glad to give the Senator some further information about the matter tomorrow, because I do not expect to vote today. I should like to vote today, but by tomorrow, I can give more detailed information on what the Senator wants. I shall be glad to do that.

Mr. WALLOP. I would appreciate that, because this is a matter of some concern. Here, the great born-again budget balancers have suddenly emerged from the woodwork in the last several weeks and have taken after it with the idea in mind—which I generally support—of eliminating State revenue sharing. But we cannot eliminate State revenue sharing and tax their royalty, which has never been taxed before, and expect them to have the ability to deal with their problems like the rest of this energy-hungry country. It just does not make sense.

I hope the Senator can appreciate the fervor of somebody from a State like mine, which has problems of impact from one end to the other. We are trying to provide the country with coal and oil from the overthrust belt, where I have school districts that have 500 kids one day and 2,000 at the end of that month. Then to start taking all the revenue from the States—not only that which we have been given but that which we had already possessed. It is not as though the State of Wyoming were one of the seven sisters or some big, hungry oil company. We are just a little State oil company trying to provide the rest of the country with energy which it so badly needs and which it so fervently desires to produce.

Mr. LONG. As the Senator knows, I think he has made a very fine contribution to the debate, both in passing the bill in the committee and on the floor. He is making a very good contribution here. I am sure the Senator knows that as far as the Senator from Louisiana is concerned, he has not been in favor of taxing Government royalties, period.

Mr. WALLOP. I understand that, I am trying to get at the heart of the conference report and by no stretch of the imagination am I inferring for the Sentor from Louisiana anything but the same kind of sensitivity as the Senator from Wyoming.

Mr. LONG. Furthermore, the Senator from Louisiana is not in favor of taxing State governments and I know the Senator from Wyoming is also opposed to taxing State governments. It did not make a lot of sense to the Senator from Louisiana for the Federal Government to put a tax on the State government. So far as the Senator from Louisiana is concerned, the whole idea of taxing royalties did not make much sense then, any of it, and does not now. But in trying to pass a bill, we have to make some compromises and some of those we make, we would not make if it were not that we have to give some in turn to those on the other side.

Mr. WALLOP. It would be easier if we would abandon this whole idea of the $4.62 a barrel import fee and abandon this complicated tax and just slip one simple tax through that would raise the amount of money they are looking for. That would be an excise tax on each barrel of oil consumed in the country.

Mr. LONG. I believe the Senator has a good idea and I think I have been known to endorse it.

Mr. WALLOP. Is it not strange that the country is not able to take a simple course when it is available to us and we have to go to the hard way? I understand the Senator's position on this, but I just cannot believe that we have in our hand the ability to do something simple, to raise the money the country needs.

At any rate, Mr. President, the Senate vote on the conference report of the Windfall Profit Tax Act of 1980 will ultimately end nearly a year of congressional debate on the largest peacetime tax imposed on a single industry in the history of the United States. It is interesting to note that this same President is going to put even a greater tax on the consumers of American energy with the import fee. Two of them together amount to a monument to taxation that will not soon be forgotten, I hope, by the American taxpayer.

Congress will finally be able to set this contentious legislation aside so that it can address other pressing issues. The challenge of this Congress and of the 1980's is to find answers to the problems posed by our growing dependence on foreign oil, the oppressive burden of inflation, and the need to insure the security of this country and of our allies. Unfortunately, the Windfall Profit Tax Act will only make it more difficult for Congress and the American people to find solutions to these problems. The vote on this conference report will end our work on the tax, but the enactment of this bill will only signal the beginning of a series of problems that we create for the domestic petroleum industry and the economy in general.

An undisputed priority for the Nation is to lessen our dependence on insecure foreign oil supplies. By taxing the production of domestic oil, this bill will reduce the amount of money that industry will be able to reinvest in domestic oil exploration and development. The media, bless their little hearts, have focused on the $227 billion raised by the windfall tax, but little attention has been given to the fact that over the next decade, the oil industry will pay some $360 billion in income taxes and royalties in addition to the windfall tax. When all taxes and royalties are combined, domestic oil producers will be left with only 18 percent of the increased revenues resulting from decontrol.

The impressive track record of the domestic oil industry in reinvesting profits in oil exploration and development indicates that in the absence of the windfall tax, additional billions would be reinvested in domestic energy development. The independent segment of the industry has a strong record of reinvesting 100 percent of its profits and then borrowing additional funds to finance the search for more oil. By comparison, the conference report dedicates only 15 percent of the revenues from the windfall profit tax to energy development and conservation.

Now, what a disgraceful way for the Congress of the United States to behave. Fifteen percent of the money to be raised by this is going into relieving our problems of dependence on unreliable foreign oil supplies? It is a disgraceful and unaccountable way to act. I cannot believe that anybody in either party can justify 15 percent of these revenues to try to relieve America of its dependence. Our dependence on oil has driven the situation in Iran, driven the situation in Afghanistan, leaves us vulnerable all over the Middle East, driven all the countries in the world to take a straight look at us and say we are a puny giant, unable and unwilling to deal with our own problems.

So we tax and tax and tax, try to balance the budget on the back of a single industry, do nothing about getting on with the business of securing our energy independence, and then hold up our heads and say it is important and responsible and accountable to the American public that we pass this monstrosity.

(Mr. **ZORINSKY** assumed the chair.)

Mr. **WALLOP**. Mr. President, after months of committee action and floor debates, we find that less than one-sixth of the tax revenue will be dedicated to the emergency energy programs that justified the enactment of a new tax.

The tragedy is that the American people will be paying more for gasoline, fertilizer, home heating oil, and all products made from petrochemicals, but they will not enjoy the full benefits of increased domestic supplies that could accrue to the Nation if greater incentives were allowed for production. To the extent that the tax deters domestic oil production, the Nation will import more foreign oil.

This tax does not tax foreign oil—and the oil import fee is not going to tax foreign oil—it is only going to tax consumers—the poor American citizen is going to sit here and have no reduction in his dependence, no reduction on the fearsome problems that he faces in trying to look up to his Nation as a leader in the world. Indeed, who can tell me where this tax is going to hit the big oil companies? It is the consumer that will ultimately pay this tax.

Last year, the Nation experienced a 30 percent price increase on imported oil. Is there any wonder that we have unacceptable levels of inflation at home when we depend upon foreign producers for 47 percent of our oil and international oil prices continue to climb out of control?

Where is it going to happen? We are taxing domestic oil producers; we are taxing the consumers with an import fee, but nobody will tax the foreign oil profits we see listed in the New York Times and the Wall Street Journal, which labor union leaders, Presidents, and leaders in the Senate and the Congress point to as obscene, disgusting, and otherwise horrendous phrases.

Nowhere in this bill are those profits going to be taxed. And we have done something we say is accountable and responsible?

I cannot believe anybody here can believe the American public will long remain in total ignorance of what we do here. It is unfortunate but true that in many respects the conference report has blended some of the most destructive tax provisions of the Senate, House, or administration versions of this bill. There may be some that can recall the days when the President called for 50 percent windfall profit tax, explaining that a 50-percent tax provides a balance between capturing windfalls and providing incentives for increased energy production.

Everybody has long since forgotten about increased energy production, whether with synthetic fuels, or domestic products available to us.

The balance was forgotten in an effort to raise more revenue, which led the conference to impose a 70-percent tax on old oil. By imposing a 70-percent tax on oil discovered before 1979, we have removed the incentive to make the costly investments required to arrest the decline in production in old oil reservoirs. In my State of Wyoming, nearly two-thirds of the oil was discovered prior to 1973. Many of these fields are over 40 years old, but with increased infield drilling, well workovers, and other investments the declining production from these old oilfields could be reversed. Unfortunately, the windfall tax creates economic conditions that only discourage oil companies from recovering the oil in these old reservoirs.

I am equally disappointed in that the bill does not recognize the economics of stripper well production and provide a lower rate of tax for that category of oil. Congress has traditionally exempted stripper production from price control, allowing it full incentives to keep this oil flowing. Although stripper accounts for only 5 percent of the production in Wyoming, stripper oil represents 15 percent of the daily oil production in the United States. Again, the tax can only discourage the costly investment required to keep these marginal wells operating.

Mr. President, long, difficult battles were fought on the floor of the Senate to exempt the incentive categories of oil; newly discovered tertiary and heavy oil. Many Members of the Senate were willing to pass a high tax on flowing oil in exchange for an exemption for the categories of oil whose production must be expanded if we are to replenish depleting reservoirs and guarantee the maximum possible recovery of existing reserves. There is great promise of finding new oil reserves in places like the overthrust belt of Wyoming or the offshore oil platforms in the Gulf of Mexico or the Baltimore Canyon.

It is possible that the oil and gas reserves from the overthrust belt may equal that already found in America today, excluding Alaska. Yet, we have done the best we can, not only through this preposterous tax, but through the machinations of the Secretary of the Interior, to see to it that we have brought exploration and leasing in that part of the world to an absolute standstill.

If anybody can explain where this administration's commitment to relieving our dependence on foreign oil is, I would be happy to read it and evaluate it, because the public is being fooled.

There is not one responsible soul in this administration who is dedicated to permitting this country to explore for and develop its oil resources.

Yet we say here we have some kind of a cohesive, well-balanced energy program.

In the future, oil will be discovered in difficult to reach areas that demand increasingly costly techniques to unlock the oil found in complex geologic formations. Similar high costs and risks will be met by those who try to extract old oil through tertiary recovery techniques. Finding and producing newly discovered, heavy, and tertiary oil demands large investments and greater incentives, yet we have saddled producers with a 30-percent tax on the production of these types of oil. Imposing a tax on newly discovered oil extends the disincentives and the complexity of price and profits controls into the future. Where oil was previously controlled by the Department of Energy through the regulation of price, future controls will be maintained through a tax mechanism.

The IRS is going to be the controlling mechanism. Let nobody in the American public mistake it; there has not been decontrol. They have simply transferred the mechanism of control. As a result of this tax we will find and recover less oil, forcing us once again to import more foreign oil.

I regret that the conference also failed to exempt the owners of royalty interests in domestic oil. Many royalty owners are farmers and small landowners who look to their oil revenues not only to augment their income but to compensate for the very real disruption such activities create on the land, and the very real one of permitting that activity to exist in competition with their agricultural pursuits.

This tax was originally proposed as an effort to prevent major oil companies from reaping enormous windfalls at the expense of the public. Unfortunately, in taxing the oil companies the bill also hurts many small royalty owners who do not share in the real windfalls that major oil companies earn on their international operations. Small royalty owners do not reap windfall profits, and should have been exempted from this tax.

The imposition of the windfall profit tax on the independent oil producers is undoubtedly the most harmful change made in the Senate bill. The Senate originally provided full recognition of the aggressive oil exploration efforts of the independent oilmen. Subjecting independents to this tax guarantees that less money will be spent on domestic exploration and production. This tax is placed on the small independents at a time when they face another significant increase in their tax burden through the scheduled decline in the percentage depletion rate. The percentage depletion rate is scheduled to decline from 22 to 15 percent by 1985. This represents a cut of a producer's depletion deduction of as much as 32 percent compared to the 20-percent reduction when the rate dropped from 27½ percent in 1969 to 22 percent in 1970. This means that we are placing another tax on the independents just as they are trying to cope with dramatic changes in the calculation of percentage depletion. Consequently, I call on my colleagues to support my legislative effort to prevent the scheduled decline in the percentage depletion rate and freeze the rate at 22 percent.

The loss of the independent producer exemption is tragic because it will drain additional resources from the companies that invest all of their profits in oil exploration, and whose track record reliably demonstrates that commitment. It is equally destructive to sound energy policy that the tax will subject independent producers to the administrative complexities of this tax. The life of the dependents to this tax guaranntees that cate pricing formulas of oil price controls will appear to be carefree in comparison to the complexity of the windfall profits tax. The tax bears no relationship to profit levels, but it depends upon calculations of base prices, adjusted for inflation, adjusted for differences in gravity, location, decline curves, and real price escalators. If this bill passes, the independent producers will not only pay more in taxes, but they will pay more for accountants, lawyers, consultants, and computers in an effort to comply with this tax.

Many of the complex provisions have been written without hearings and with little time for thorough consideration and discussion in conference. I submit, Mr. President, that more attention has been paid to meeting symbolic revenue targets than to the practical applications and effects of the provisions on the taxpayer. It should be made perfectly clear that I direct no criticism toward the conference and staff who had the difficult task of blending the two extremely complex bills into a consensus.

Throughout the long deliberations on the windfall profit tax, the staff of both the Finance Committee and the Joint Committee on Taxation have done an outstanding professional job for which we owe them our thanks. It is inevitable however, that there will be provisions in this mammoth, complex bill that will need clarifying. My concern is that provisions may exist which upon further study are unworkable or have unintended results, with possible adverse impact on domestic energy production. We must also recognize that the Department of Treasury is being handed extensive discretionary authority in drafting regulations to enforce this new law.

To enforce this tax properly without inflicting unintended harm on domestic producers, the Department of Treasury will have to develop an understanding and expertise in the affairs of the oil industry that as of yet has not been demonstrated at the Department of Energy. I predict that the combined efforts of the Departments of Energy and Treasury in implementing this legislation will create so many complexities that this law will employ as many accountants and lawyers as it puts oilmen out of business. At least, we will not suffer an increase in our unemployment statistics.

I fear that even the interim rules provided in this conference report to guide in implementing the law before final regulations can be published will lead to many unintended results that deter production. Mr. President, I call on the distinguished chairman and the ranking minority member of the Finance Committee to hold hearings on this bill and its possible technical problems, whether or not we get it passed in the immediate future, because we undoubtedly have created some nightmares of which we yet know nothing. These questions must be addressed if this law is to be enforced equitably and without unintended adverse impacts on domestic oil production.

Mr. President, I will not list the many deficiencies in this bill without praising the sensible measures which the conference report chose to retain. First, the decision to retain the Senate phaseout of the tax will provide greater promise that this tax will end and usher in an era of full incentives for domestic oil production. The argument for the windfall profit tax was that we are in an era of transition from subsidized energy prices and hazardous dependence on foreign oil to an economy based on the true cost of energy and increased energy security. The tax is supposedly needed to raise revenues to fund specific energy production and conservation programs that will assist the Nation in making such a transition. Once sufficient revenue has been raised, the tax should be phased out; because, again, a commitment of but 15 percent of these revenues to the production of energy from all sources is an utterly irresponsible route for Congress to take.

Clearly, the spending target adopted by the conference is already too high, and goes far beyond the funds the President requested for this tax. I will remind my colleagues that the President requested $144 billion over the decade from the windfall profit tax, and he provided a very rough outline of how he would allocate this Federal windfall to various energy and low-income assistance programs. Congress has acquiesced to the President's demands for more revenue from this tax, without ever asking how he plans to spend $227 billion; $83 billion more than the President ever requested. In spite of the fact that this tax will raise more revenue than what is really needed, and will be in effect too long, we can find some comfort in the fact that there will be an end to this disincentive to domestic oil production.

The conference should also be commended for retaining the amendment to allow independent oil producers to calculate percentage depletion on the full decontrolled price of a barrel of oil. Under the House bill, independent oilmen would calculate percentage depletion as if the price of oil remained under controls. As inflation boosts the cost of production and exploration, the independent would have found the usefulness of the percentage depletion deduction frozen by the House amendment. This provision, combined with the scheduled decline in the rate of percentage depletion, would severely complicate producers cash flow problems at a time when they need additional financing for their domestic exploration efforts. Retention of the Senate amendment in the conference report will allow the independent to take full advantage of what is left of the percentage depletion deduction.

Mr. President, there were some beneficial provisions in this conference report which have no relationship to energy issues, but they are long awaited changes that have had my enthusiastic support. Anyone who knows of the estate tax problems faced by all individuals, particularly owners of farms and small businesses, shares my relief that the conference agreed to a repeal of the carryover basis provision. The carryover basis provision was a nightmare for any estate tax planner. It made it nearly impossible for the owners of small family farms or ranches or small businesses to pass on their estate to the next generation. Such laws can only accelerate the decline of family owned enterprises and guarantee that large businesses will dominate private enterprise in the future. The repeal of the carryover basis provision was a long awaited reversal in tax laws that threaten the survival of small businesses. I look forward to hearings scheduled in the Taxation and Debt Management Subcommittee on other necessary changes in the estate tax laws affecting family owned businesses.

Finally, the increase in the interest and dividend exclusion from $100 to $200 is a welcomed first step in removing the bias against saving. Support for this type of action has been growing over the years, especially as people began to compare the rate of savings and economic performance of other industrial countries to our own. Countries with high rates of economic performance, such as Japan and West Germany, are those that save and invest in industry. I supported this change in the treatment of saving and dividend income, and I will continue to support legislation that removes the tax bias against saving, investment and capital formation.

Despite all the rhetoric about this massive $227 billion tax on oil producers, one fact is absolutely certain: This tax will not produce a single additional barrel of oil. Standing alone, this tax will make no positive contribution of any kind to the ultimate resolution of a national energy problem that can no longer be viewed as anything other than a "crisis."

It is not only tragic but also outrageously irresponsible that only 15 percent of the revenue raised by this "energy" tax has been set aside to provide incentives for the production of alternative fuels, the conservation of energy or the conversion to coal. The Senate and House have just completed work on legislation that will encourage the production of synthetic fuels, but the results of these efforts will not have a significant impact on domestic energy production until the 1990's. If the windfall tax conference report is approved, the way in which we use the additional tax revenues will determine in large measure whether the 1980's will be viewed as a decade of progress in energy or as yet another period of missed opportunities. The necessary progress of which I speak requires that we act to develop and implement an effective national energy policy both for the short term and the long term.

In the short term, an essential ingredient of our national policy must be to promote energy conservation by industry. Both the Senate Energy Committee and the Senate Finance Committee have heard testimony describing how industrial energy conservation measures can provide the largest and most immediate effect on lessening our dependence on foreign oil. Professors Stobaugh and Yurgin in their highly acclaimed book, "Energy Future," estimate that a balanced energy conservation program could lead to a reduction of imports of 8 million barrels a day by the end of this decade. It is time for the Congress to focus on developing an accelerated conservation program to help the Nation form an energy bridge through the 1980's to the increased supplies of the 1990's.

While American industry has made great strides in the area of energy efficiency, I am convinced that even more progress can be made with existing technology if funds are available to meet the massive capital investment that will be required. Last September, I introduced legislation to provide the needed financial incentives. The bill was also introduced as a floor amendment to the windfall profit tax, and subsequently withdrawn after the distinguished chairman and ranking minority member of the Finance Committee agreed that hearings would be held on the issue of industrial energy conservation this year.

As many of my colleagues are aware, Mr. President, my bill seeks to provide a variable tax credit incentive to industries that undertake major energy conservation or coal conversion projects. By encouraging business to make the necessary capital investments at the earliest possible date, the energy efficiency gains that result will benefit the Nation at a time when the need is greatest. This legislation has three principal features. First, it uses the existing and effective investment tax credit mechanism. Second, it contains provisions designed to screen out from the incentive program those projects which are already sufficiently attractive to business from a financial standpoint. Third, the bill provides for incentives only in those cases where they will be cost effective to the Nation.

As the conferees on the windfall profit tax bill have worked over the past few months, so too have we. Based upon our work, I expect to introduce shortly a new bill which will contain provisions designed to make S. 1819 more effective and to expand its coverage to include industrial conservation projects not covered by the original bill. In 1978, we agreed to provide limited tax incentives for industrial energy conservation and the pending conference report provides for some improvements in the 1978 rules. But more significant incentives are necessary if we are to do the job we can and must do in the conservation field. The substantial targeted tax incentives contemplated by S. 1819, and the revised bill now nearly ready for introduction, can and should be enacted this year.

The Finance Committee should address itself to this issue and hold hearings in the near future on legislation to provide incentives for industry to undertake accelerated energy conservation programs. It is critical that we not permit ourselves to find false hope that passage of the windfall profit tax conference report will resolve our national energy crisis. It will not. If we are to impose this tax let us at least make sure that some of the revenues are spent wisely on programs that make our energy future more secure. Let us not try to pay for programs and future dreams of spending agencies on the backs of the American taxpayer once again.

Mr. President, I yield the floor.

Mr. GRAVEL. Mr. President, we here in Congress have wrestled with the problem of increasing energy costs for some time. Every President since 1970 has supported controls or taxes of some type on the price of domestic oil in the face of price increases by OPEC. The justification for these controls has been that energy prices are being established by a cartel of foreign producers and bear no relationship to free market conditions. We tend to lose sight of the fact that for the 25 years following the Second World War America benefited from cartel pricing by the major oil companies. It was as a result of their successful efforts to keep the price of foreign crude oil low that OPEC was formed. We have enjoyed cheap energy for 25 years because the major oil companies were doing an effective job.

Control of the pricing of oil has shifted from the producing companies to the producing countries. This shift occurred because of growing world oil consumption and an awakening of the producing countries to their own potential in an oil short world. Cartel economics worked to keep the price of oil low during a period of relative abundance and cartel economics is now making oil dear during a time of relative scarcity. We have chosen to castigate those who did a good job for us for 25 years, to blame the messenger for the message of higher oil prices. We have found a scapegoat in the oil producers, but scarcity is the problem, the cornerstone of OPEC.

In response to the growing crises in energy we have failed to enact policies which would discourage consumption of foreign energy and encourage the production of domestic energy. While this failure has been most apparent in the production and consumption of oil and oil related products such as gasoline the problem has been evident in other areas as well. By limiting the use of tax-exempt financing we have discouraged the development of our remaining hydroelectric resources. In a similar manner through price controls we have thwarted the development of natural gas and gas delivery systems. Unnecessarily complex environmental statutes with interminable review make it difficult to develop major energy projects or transportation systems. The trans-Alaska pipeline, which provided United States access to its only major new source of oil in the decade of the 1970's, required congressional termination of the environmental process in order to expedite its construction.

Without congressional action, approved by a single vote, the TAPS line might still be under litigation in the courts over environmental questions. Yet, after 2 years of operation objective and knowledgeable people concede that the pipeline has not had the unfavorable impact on the environment which was projected prior to its construction.

One look at the record of energy production in the United States over the last two decades tells the story. In spite of, or perhaps because of, massive Government involvement in energy production and distribution we have failed miserably to keep up with the demand for energy in America. We clearly have an energy crisis in the United States, but it is a crisis of our own making. More than any other entity, the Government of the United States has contributed to the current and potential shortfall in energy availability in the United States. Misguided programs proposed by the President and considered by Congress have been implemented by shortsighted bureaucrats and the result is chaos. Yet, the solution proposed is more Government, more controls, more taxes. This is not the way to solve our problems.

To deal with the problem of scarcity we need to return to basic economics. Allowing the price of a product to the producer to increase encourages more people to invest in production. Since 1954, when we began to regulate natural gas the United States has kept the price of energy below the market price encouraging consumption and discouraging production. The flow of capital into the oil and gas industry has been retarded by price controls and production of domestic resources has been stifled. The obvious solution is to allow oil prices to rise to a market clearing level thereby encouraging new domestic production while discouraging unnecessary consumption. Instead, this Congress is attempting to repeal the fundamental law of supply and demand.

The issue at hand is the "windfall profit tax." The deception surrounding this legislation begins with its title. It is not a tax on windfall profit; it is not even a tax on profits. It is an excise tax on revenues resulting from the termination of price controls on domestic oil production. In addition, it levies an excise tax on some categories of oil the price of which has never been controlled, resulting in a price rollback on these categories. But, the relaxing of price controls does not create a windfall to the producers of a product except in the most convoluted of thinking. It simply allows fair market value compensation for the deregulated goods. Regulation results in lost revenues to which producers are entitled in a market economy. Deregulation simply restores the proper economic relationship between the value of a goods and its cost of production.

The deception regarding this bill has continued as Congress considered the legislation. We have been prodded continually to pass this bill in order to provide the Nation with a "rational" energy policy. But, this bill has almost nothing to do with energy except to tax its production. The bill will simply redistribute over $200 billion from the energy industry (and ultimately those who purchase energy) in America to another group of consumers and taxpayers. The bill will raise at least $227.3 billion from the domestic oil industry in new Federal taxes and will invest less than 10 percent of that sum in new conservation and production measures.

This windfall profit tax is particularly insidious. It has been billed as a tax which will be paid by the oil companies of America. But, corporations do not pay taxes, they collect taxes. The windfall profit tax will fall on the consumers of America who will not see the tax except in higher prices for oil products which politicians and the press will blame on the oil companies and OPEC. Although the tax is hidden from those who actually pay it the conferees decided to set aside half the revenues from the tax to be used in income tax cuts. Thus, we return to the consumer half of what the oil companies tax away on our behalf. The other half goes to Government for additional programs. This is like taking blood from the taxpayer's leg and putting it in his arm. He thinks he is getting a transfusion, but cannot understand why his health is not improving.

The proposed tax reductions in this bill are the right medicine in the wrong place. The revenues from the windfall profit tax should not go toward general tax cuts where they can only spur consumption. If we must have this tax its revenues should be dedicated to increased production. Income tax cuts must be undertaken to encourage increased productivity in America. However, cuts in taxes must be accompanied by intelligent reductions in Government spending. Only in this way can we assure increased productivity accompanied by a balanced Federal budget.

No wonder we have an energy crisis. We tax those who are successfully producing domestic energy supplies making it relatively less attractive to produce energy in the United States and we use the revenues to increase the disposable income of consumers reducing the impact of inevitably higher energy prices allowing consumption to continue unabated. I submit that this is not a "rational" energy policy, but a policy guaranteed to bring us an ever increasing shortfall between the demand for and the production of energy in the United States. It is a blueprint for creating an energy crisis, for exacerbating the already critical problem. Discourage production and encourage consumption. This bill will lead America to economic disaster.

THE TAX

Before entering into a detailed discussion of the conference committee bill I would like to point out three fundamental errors which were committed by the conference. First, prior to the adjournment of the first session of the 96th Congress the conferees, in an attempt to show progress on the bill, agreed to target a revenue figure of $227.3 billion over the period through 1990. That number was arrived at with no thought as to its impact on the production of energy in the United States. Thus, as the first major step in a bill designed as the cornerstone of our national energy policy, energy production was disregarded entirely; the production of revenue became the goal of this bill. Throughout the conference this target revenue figure was used as a justification for decision after decision, impairing the ability of the domestic oil industry to raise capital for the expansion of oil production in the United States. It was a grievous error for the conferees to begin with a revenue target rather than a target for the production of oil.

Second, throughout the consideration of this bill in both Houses of Congress and in the conference committee, great weight was given to the providing of incentives for the production of new and high cost oil. These categories were given special lower tax rates in an effort to encourage their development. But no thought was given to the question of how this new exploration and development was to be financed. In the oil industry exploration and development is financed out of existing production. To the extent that you reduce revenues from existing production, you reduce the ability of producers to explore and develop new fields. This is exactly what the 70-percent windfall profit tax on existing production will do. All the incentives in the world will not encourage investment in new production if the capital for that investment is unavailable. Several years from now we will wonder why our incentives have failed to produce major new reserves. The reason will be the flawed assumption in this bill that incentives alone are sufficient to bring on new production in the face of heavy taxation of the capital sources for exploration and development.

Finally, the conferees appear to have been laboring under the misapprehension that, regardless of price, adequate supplies of domestic oil are not available. Some believe that geology has limited our resources in such a way that we cannot produce enough oil for our own needs. Testimony before the Finance Committee suggests that such is not the case. Conventional and unconventional sources of oil in the United States are sufficient for many years to come, but these sources cannot be developed economically at the controlled prices which have prevailed and will continue to prevail under this legislation. If we must have a tax on oil it should not be an excise tax on the oil directly, but an income tax on the profits from that production. Then, at least, we would assure ourselves that production of the oil itself would not be made unprofitable by imposition of the tax. The conference, however, rejected the notion that domestic production should be strongly encouraged through price deregulation without an excise tax.

DEREGULATION AND THE TAX

I applaud the decision of President Carter to deregulate the price of domestically produced oil. The only way to effectively encourage production of a resource in a market economy is to allow that resource a market price. The argument that the price for oil is not a market price, but one set by a producer cartel, does not wash; for it seems clear that long-term projected demand for oil outstrips supply and, in such a case, price can be expected to rise rapidly. In fact, some OPEC nations have shown considerable restraint in pricing, to their own detriment.

While I support deregulation of oil and the termination of price controls on other forms of domestically produced energy, I cannot support this tax which the President has made part of his energy package. The windfall profit tax is simply the continuation of price controls on domestic oil in another form. The effect of the tax will be to prevent the producer of domestic oil from receiving the full fair market value for his product. At the same time, redistribution of the revenues from the tax to consumers will increase disposable income, some of which can and will be used for energy consumption. The net result will be that through this very complex piece of legislation oil producers and consumers in America will not be much better off than before the decontrol of oil.

Make no mistake. I am not suggesting that in order to encourage the production of domestic oil, we exempt producers from all tax. Producers should pay tax on their income just like everyone else. What I do object to is the levying of an excise tax, unrelated to income, on a domestic resource, the production of which we ought to be encouraging. Such an excise tax reduces the incentives for production and the access to capital for further exploration and development exacerbating the shortage and contributing to the scarcity which engendered the high prices. The tax also increases dramatically administrative costs and overhead associated with oil production forcing manipulation of production and subjecting the industry to charges of dishonesty when it fails to comply with Government requirements which even those charged with enforcement cannot understand nor explain. If the income of domestic oil producers is "too high" then let us tax that income, but we should not tax the resources themselves for we risk making their production uneconomic.

Because of its broad coverage and important consequences this tax warrants careful scrutiny. I should like to take this opportunity to review and comment upon some of its provisions.

COMBINED TIERS

Under price controls, old oil (tier 1) had a controlled price of about $6 per barrel, while new oil (tier 2) was controlled at about $13 per barrel. The windfall profit tax would tax away 70 percent of the amount received for a barrel of oil in excess of the old controlled price, adjusted for inflation and allowing for an annual growth in the real price of 2 percent. In the interests of simplification the conferees agreed to combine tier 1 and tier 2 oil and use a base price of approximately $13 for this new combined tier. This means that the owners of old oil receive approximately $7 in price increases from deregulation which will be free from the tax on windfall profit. It is very interesting that the largest single tax-free boost in price under this bill goes to the category of oil which needs it the least. I support this move because I oppose the tax, but I find the anomaly most interesting.

STRIPPER OIL

Stripper oil, oil from wells producing 10 barrels a day or less, was exempt from price controls. But, stripper is not exempt from the windfall profit tax, even though this tax has been rationalized as a means of recovering some of the profits accruing to producers as a result of price decontrol. Under the conference committee bill the revenues earned by producers of stripper oil will be taxed; 60 percent of everything a stripper producer receives for his oil in excess of $15.30 per barrel will be paid to the Federal Government. This amounts to a price rollback for the producers of stripper oil. For the first time we have effectively levied price controls on stripper oil.

This tax cannot help but reduce the amount of stripper oil produced in the United States. Stripper oil is not speculative, it is not oil which must be found, it is not oil for which large exploration costs must be incurred. Stripper oil is in the ground and identified, the facilities are in place to pump it, but the returns from such production are not great and the costs can be high. What we do through this bill is to take a stripper well which, under price controls is producing oil at $30 per barrel (because stripper prices are not subject to regulation) and, through the windfall profit tax reduce the revenue per barrel from that well to $21.18 per barrel, nearly a 30-percent reduction in price to the producer. Common sense tells us that this cannot help but reduce the amount of stripper oil produced in the United States. This is what we are doing to reduce our reliance on OPEC.

NEWLY DISCOVERED OIL

As if the decision to tax stripper oil and thereby impose price controls on that resource for the first time were not absurd enough in these times of short supply, the conference committee bill taxes new oil. Again one has to ask how a windfall profit can occur as a result of the price deregulation of a resource the price of which was never controlled? And what of energy production? Newly discovered oil holds out our only short term solution to the problem of shortages and rising energy prices. Yet, we choose to tax this resource, assuring a tax wedge between what consumers pay for newly discovered oil and what producers receive. Both producers and consumers are cheated in the process.

Producers get less than they are entitled to for their product and consumers, in spite of high prices, will be faced with shortages because the production which should be encouraged by high consumer prices will not reflect those prices, but will reflect the lower price caused by the payment of the windfall profit tax to the Federal Government. Of all the unreasonable provisions of this bill, the decision to tax new oil, oil which is yet to be discovered, is probably the worst. In the name of additional Government revenues we are destroying our domestic sources of oil, discouraging the production of existing oil and the discovery of new oil. The energy crisis has become a self-fulfilling prophecy as a result of misguided Federal energy programs such as this windfall profit tax.

SEVERANCE TAXES

The conference committee bill allows as a deduction against the windfall profit tax amounts paid as State severance taxes up to 15 percent, to the extent that the tax is levied uniformly across the entire barrel of oil. It denies any deduction at all for local or tribal severance taxes. There are two aspects of this provision which I believe establish unfortunate precedents. The committee agreed to disallow any deduction against the windfall profit tax for severance taxes in excess of 15 percent. This flies in the face of longstanding Federal policies allowing deductions for State income and severance taxes thereby preventing double taxation of income, recognizing the State's first right to tax the revenues produced within a State. In effect, by this limitation on severance tax deductibility, the committee is saying to the States that, even if you levy a severance tax in excess of 15 percent on this particular type of resource within your State, the Federal Government will disregard its traditional position and refuse to allow a deduction for that amount.

This is an unnecessary and unwelcome invasion of the right of States to tax their own resources. It is an effort on the part of the Federal Government to dictate State tax policy through Federal penalties on State citizens and producers. It will bear fruit in further attempts by the Federal Government to limit the ability of States to levy severance taxes on their natural resources. If limitations on the deductibility of severance taxes on oil are appropriate, why not similar limits on the deductibility of severance taxes on coal, copper, iron ore, and even personal income taxes?

The attempts to limit State severance taxes on natural resources is an aspect of the most acrimoniously debated and most divisive issue in this entire bill: The question of a State's right to control and benefit from its own resources. This issue was hotly debated in both the Senate Finance Committee and on the Senate floor during consideration of an exemption from the tax for State royalty oil. The question has been thoroughly discussed and I seek to add nothing here other than the observation that the regionalism and acrimony which surfaced during consideration of this issue holds out the promise of great economic disruption if we fail to recognize that each State has special benefits and resources which could be taxed by the Federal Government if we seek to create economic uniformity among the several States. But any such attempt can only be divisive and result, in the end, in all of us being poorer than before.

INDEPENDENT PRODUCERS

Nonintegrated oil producers have provided this country with the vast majority of its new oil exploration efforts in the search for domestic reserves. Between 1969 and 1973, independents drilled nearly 90 percent of the wildcat wells, found 75 percent of the new fields, and discovered 54 percent of the reserves added during that period. These figures have held relatively constant over time, suggesting that independent producers contribute significantly to the discovery and production of new domestic oil reserves.

Independent producers as a group are generally much smaller than integrated oil companies and, as such, have fewer resources upon which to draw in their search for new oil reserves. Since the exploration for oil is a high-risk venture, financial institutions are unwilling to finance new exploration without security in addition to any potential finds uncovered by the exploratory drilling.

As a result independents must finance oil exploration out of cash flow or through the pledge of their existing production. To the extent that the cash flow from or the value of their existing production is impaired, the ability of independents to explore for new reserves is reduced. The windfall profit tax does just that.

Independent producers have been enthusiastic in their search for new oil in the United States. Traditionally they have invested in exploration and development amounts in excess of their net income from production. Unlike major integrated oil companies, virtually all of the exploration and development undertaken by independents is within the United States, developing domestic rather than foreign reserves. Independent producers are a special group, doing exactly what needs to be done in order to resolve or ameliorate the energy supply problems we are experiencing. The response of the conference committee to this group was to levy a stiff excise tax on their existing and new production. True, the committee agreed to provide a special lower rate of tax on the first 1,000 barrels of existing production owned by independents. The rates were reduced from 70 to 50 percent on flowing oil, and from 60 to 30 percent on stripper oil. But this is a mere token. Every dollar of capital that is taxed away from independent producers is one less dollar which the independent producer can reinvest in the exploration for and development of domestic oil reserves.

There has been considerable discussion of a complete exemption from the windfall profit tax for the first 1,000 barrels of production owned by independents. This approach would clearly have been preferable to the minor concessions adopted by the conference committee, but a complete exemption of independents from the windfall profit tax would have been the best solution for the future of energy production in America. It is an unfortunate aspect of this legislation that the conference lost sight of the goal of energy production in its rush to raise revenue.

ALASKA OIL

The administration, in its original proposals regarding the windfall profit tax, exempted from the tax production in Alaska. This was a wise decision upon which Treasury later reversed itself. Once it became clear that the Ways and Means Committee was willing to tax production from Alaska, the administration reversed its position and began supporting the taxation of current and future Alaska production. In spite of this change by the administration, the justification for exempting all Alaska oil from the windfall profit tax remains.

Under the conference bill, production from Prudhoe Bay is subject to tax at a rate of 70 percent. This is the highest cost-of-production oil in America. It is also the largest single addition to our reserves in the past decade. The costs of exploration, development, and transportation in Alaska are all extremely high, and in order to encourage further exploration and development in Alaska we must leave the revenues from Alaska production with those in the industry who can bring us new discoveries from Alaska.

The cost of drilling a well in Alaska is 15 times greater than the cost of drilling a well in the rest of the United States. The chart below shows the average cost of drilling in Alaska compared to the lower 48 States. These are average costs and many remote wells have costs far in excess of those expressed here.

	United States	Alaska	Alaska Multiple
1977	$227,181	$3,603,075	15.86
1976	191,615	3,004,827	15.68
1975	177,792	2,708,275	15.23
1974	138,718	2,301,667	16.59
1973	117,152	1,349,687	11.52
1972	106,424	1,777,308	16.70
1971	94,708	1,396,176	14.74
1970	94,885	1,762,603	18.58
1969	88,554	2,087,470	23.57
1968	81,463	1,512,404	18.56
1967	72,902	1,399,079	19.19

The cost per hour of a production worker on the North Slope of Alaska is more than four times that of a comparable worker elsewhere in the United States. The lower 48 worker costs approximately $9 per hour while the same worker on the North Slope costs approximately $41 per hour. These additional costs in Alaska come from several factors. Salaries on the North Slope must be much higher because of its remoteness, hard weather, and isolation. Employees have a built-in overtime component because of the hours worked while on the Slope. In addition, employees must be specially housed and fed and provided special clothing. Costs for these items exceed $150 per employee per day. Finally, an employee must be transported from Anchorage 800 miles to the work site and back 25 times per year at employer expense.

Transportation costs for Alaska North Slope crude oil are another high cost element running as much as 20 times the cost of getting a barrel of oil to market in the continental United States. Transportation for North Slope crude has two components, the trans-Alaska pipeline tariff, which is about $6.25 per barrel; and a marine component varying from $1 per barrel for west coast delivery to as much as $4 per barrel for east coast delivery.

Presently about 900,000 barrels per day of Alaska North Slope crude oil are being shipped to the west coast, 250,000 barrels per day are being shipped to the Gulf Coast, and about 100,000 to 175,000 barrels per day are being shipped to refineries in the Carribean and the east coast. Thus, Alaskan crude oil benefits all consumers throughout the United States by providing domestic oil to domestic refineries and supplanting foreign oil and foreign product. And yet, in spite of the major contributions made by Alaska North Slope crude oil, the conferees agreed to tax this very high-cost source of domestic production at the highest rate under the windfall profit tax.

The companies which developed Prudhoe Bay have contributed an additional 1.5 million barrels per day to domestic production. This major addition to U.S. reserves was made only at great expense. So great was the cost for one of the participants that control of the company was sold in exchange for financial assistance in completing its share of the development. But much work is yet to be done in order to fulfill the full potential of Prudhoe Bay. Extensive capital investment will be required to maintain Prudhoe Bay production at high levels. Estimates of the future capital requirements range from $15 to $19 billion. These capital expenditures will be made for such items as continued developmental drilling and secondary recovery through water flood. But, much of the capital necessary for this further developmental work on the Prudhoe Bay field will be taxed away from the petroleum producers by the windfall profit tax.

The conferees continually looked to the question of "incentive" for greater production, coming to the conclusion that the price for oil net of the windfall profit tax provided sufficient incentive to encourage new production and sustain existing production. This conclusion is erroneous generally and especially so for Alaska where costs are many multiples of those experienced elsewhere in the United States. In Alaska, and Alaska is not unique in this, producers will receive less than 10 cents from a dollar increase in the price of oil due to deregulation instead of the 40 cents which they would have received without this new tax. As a result of this tax, producers in Alaska will have 75 percent less to invest in new exploration and development in this extremely high-cost, high-potential area.

In an effort to recognize the high costs in Alaska and to encourage exploration and development there, the conference agreed to exempt from the windfall profit tax new production north of the Arctic Circle and new discoveries more than 75 miles from the Trans-Alaska Pipeline south of the Arctic Circle and north of the Alaska range and Aleutian mountains chain. While I applaud this attempt on the part of the conferees to provide "incentives" for exploration and development in these remote and difficult regions, I cannot help but look to the heavy tax on existing production in Alaska and wonder where the capital will come from to finance such high cost exploration.

NATIVE OIL EXEMPTION

The Senate voted to exempt from the windfall profit tax Native owned oil and, after reconsideration by the House conferees, the conference agreed to the Senate provision. Failure to include this exemption in the bill would have been a breach of the traditional relationship between American Natives and the Federal Government. The trust relationship between the natives and the Federal Government has a long history with consistent congressional reaffirmation.

Federal courts have often held that Native trust resources are exempt from tax and the IRS has ruled that the tribe is not a taxable entity. Under treaty and statute the Federal tax immunity of Native trust assets is protected by the Constitution and in recognition of this fact Congress has never imposed Federal tax on Native assets. The exemption in the windfall profit bill has a negligible revenue impact in terms of total revenues and is a strong reaffirmation that vested treaty and statutory rights will be respected by Congress.

Especially encouraging is the recognition of the unique status of the Alaska Native Claims Settlement Act (ANCSA) corporations and the continuing Federal responsibility toward the shareholders of those corporations. Considerable discussion occurred during Senate consideration of the bill regarding the question of whether these corporations and their shareholders should be included within the exemption for American Native oil lands. The conferees recognized that the creation of the ANCSA corporations did not sever the special relationship between the United States and the Alaska Native people. Indeed, this special relationship has been recognized again and again in Federal legislation and court cases. In recognition of the corporations' role ANCSA and subsequent Federal legislation included ANCSA corporations within the definition of Indian tribe. As an example, the Indian Self Determination and Educational Assistance Act encompasses Alaska Natives and their corporations within the goals of economic development and self-determination for Native Americans. The Federal Government provides health care, educational opportunities and other services to Alaska's Natives in spite of the formation of the Native corporations.

The ANCSA corporations were simply a vehicle through which the United States paid a settlement to the natives in exchange for the release of their aboriginal claims to all Alaska. Thus, ANCSA is a modern version of the earlier treaty agreements by which native groups relinquished claims to American lands in exchange for compensation and clear title to certain lands.

ANCSA does not create a reservation system with a long term trust. However, a 20-year transition period was included in ANCSA during which Alaska Natives, and their corporations, are to enjoy the protections of a Federal trust relationship so that they may organize the corporations and begin the management of their assets. For example, ANCSA corporation shares are inalienable for 20 years and the shares are not subject to Federal estate tax. The windfall profit tax will not apply to these corporations during this transitional period scheduled to terminate in 1990. If the tax should not be phased out by 1990 and the period of stock inalienability is extended it would be appropriate and within the intent of the native exemption from the windfall profit tax to extend the exemption from windfall profit tax for ANCSA corporations until the shares actually become transferrable.

NET INCOME LIMITATION

The windfall profit tax is an excise tax, a flat tax per barrel of oil produced. The tax does not take into consideration the cost of producing the barrel of oil, and because of this the tax may reduce the return to a producer nearly to zero. If it were not for the net income limitation provision in this bill, the windfall profit tax could cause oil producers to realize actual losses on the production of oil solely as a result of the tax. To assure that this does not happen the bill prevents the windfall profit tax from taxing away more than 90 percent of the net income from a property.

An example might help to illustrate how the net income limitation works. Assume a producer has 20 stripper wells on a property each of which is producing 5 barrels of oil per day. He has spent a considerable amount of money working over these wells to maintain his production and he finds that it costs him $25 per barrel to produce oil from these wells. He sells the oil at the world price of $30 per barrel making a $5 profit or a return of 20 percent on his costs.

However, once the windfall profit tax is figured in the numbers change drastically. Our producer will receive a $15.30 base price on his stripper oil for purposes of the windfall profit tax. Everything he receives in excess of $15.30 per barrel will be subject to tax at a rate of 60 percent. Since our producer receives $30 per barrel for his oil he will be subject to a tax of 60 percent on $14.70 or $8.82 per barrel. Subtracting that tax from his selling price of $30 per barrel we find that our producer gets to keep $21.18 per barrel after tax, an amount that does not even cover his production costs. The windfall profit tax takes him from a modest profit on his 100 barrels a day to a loss. Unless some adjustment is made he will be forced to close down his wells or operate at a loss.

The net income limitation steps in at this point to rescue our producer, sort of. The net income limitation limits the windfall profit tax to no more than 90 percent of the net income from the property. In our example this means that the per barrel windfall profit tax on our producer could not exceed 90 percent of his $5 per barrel net income. Thus, instead of a windfall profit tax of $8.82 per barrel our producer would pay only 90 percent of $5 or $4.50 per barrel windfall profits tax. However, this is cold comfort to our producer who now has a profit on each $30 barrel of oil of 50 cents. The windfall profit tax has reduced his reasonable 20 percent return on costs to 2 percent, a 90-percent reduction in his return.

This producer will certainly not be eager to involve himself in the development of new stripper wells and will probably be unwilling to work over his existing wells when their production begins to fall off. He can get a better return on his money by simply depositing it in a savings account.

The net income limitation is touted by the proponents of the windfall profit tax as the means by which we insure no oil becomes uneconomic as a result of the tax. "Producers," they say, "are always entitled to 10 percent of the net income from all their properties." I submit that we are kidding ourselves if we believe that a tax rate of 90 percent, which is in effect the rate imposed on high cost oil under this bill through the net income limitation, leaves producers with sufficient incentive to do further oil development. We refuse to levy personal income taxes above 70 percent for fear of reducing incentives, but in this bill we are willing to tax the income from marginal oil production at 90 percent. Such a rate of tax cannot help but reduce the amount of oil produced in the United States in the future.

PRODUCTION AND CONSERVATION INCENTIVES

The incentives for production of alternative sources of energy and the conservation of existing supplies in this bill can be summed up in a single word: Insufficient. The bill pulls about $227.3 billion out of the domestic energy industry over the next 10 years, but allocates less than 10 percent of that amount, a mere $14 billion, to conservation and production of new energy sources. This is a disgrace. Not only will this bill discourage the production of oil, the energy resource on which we rely most heavly, but it fails to sufficiently encourage either conservation of existing supplies or the development of new sources of energy such as geothermal, shale oil, and hydroelectric. The Senate bill was clearly preferable to the conference committee bill in nearly every aspect of conservation and production.

RESIDENTIAL ENERGY CREDITS

The Senate adopted an increase in the residential solar energy credit to 50 percent of the first $10,000 of expenditures for residential solar installations. The conferees reduced this amount to 40 percent and failed to increase the home insulation credit.

The expansion of the residential solar energy credits reflect an anomaly apparent not only in this bill, but in earlier energy legislation as well. We hope to encourage energy conservation expenditures through these credits, an admirable goal. But, by adding the credits gradually and refusing to make them retroactive we have rewarded those taxpayers who have chosen not to make conservation expenditures until now.

Thus, a taxpayer who purchased a solar installation in March of 1977 at a cost of $2,000 received no tax credit at all. If he waited until March of 1978 to purchase his solar installation he received a credit of $600. However, if he waited until March of 1980 to purchase the $2,000 of solar equipment he receives a tax credit of $800. We have rewarded those who delayed and penalized those who acted in the manner we sought to encourage. This problem plagues the entire energy incentive portion of this bill. Eligibility for credits and incentives is cut off in such a way as to exclude those individuals and corporations who were leaders in the field. We have penalized those who have done what we wanted and rewarded those who have waited.

BUSINESS TAX INCENTIVES

The 10-percent business energy credits for solar, wind and geothermal are expanded to 15 percent by this bill and extended through 1985. This is an appropriate step, but a mere token when compared to both the needs and potential of this source for savings in oil consumption. In dealing with the business energy tax credits the bill fails to address the confusion and irrationality regarding what is and is not eligible for the credit. For example, the bill makes it clear that petroleum coke and pitch, products of petroleum refining, are not petroleum products for purposes of the provisions denying the 10-percent investment tax credit to boilers fired by oil products. It also makes it clear that the 10-percent energy investment credit is allowed to equipment producing solid fuel from biomass. Much confusion has been engendered by unnecessarily strick interpretations of statutes authorizing these credits such that many products and projects which displace foreign oil are not eligible for the credits.

The credits have been adopted piecemeal with each special source of alternative energy clamoring for attention within the budget limitations. There was clearly room within the fiscal constraints of the windfall profit bill to rationalize the business energy tax credits in such a manner that any new equipment which reduces our reliance on foreign supplies of oil is eligible for the credits. However, the conferees did not choose this approach, but instead opted for continuance of the confusing and inequitable system currently in place while squabbling over the size and extent of particularly credits. The complexity and confusion within this part of the Internal Revenue Code must be laid at the feet of the Congress, the administration and the conference committee.

DOUBLE DIPPING

The business energy tax credits include a provision which prevents double dipping, that is if one is eligible for an energy tax credit on a project his credit will be cut in half if he uses tax exempt industrial development bonds to finance any part of the project. This provision reflects the inroad of an insidious policy which has been developing for some time at the administrative levels of our government. The policy is an outgrowth of the traditional antipathy of the Treasury Department toward tax exempt State and municipal bonds. Failing in its effort to remove the historical tax exemption of municipal financing we find the Treasury and other departments within the administration attacking this traditional congressional policy through indirect means.

The business energy investment credits are intended to stimulate investment in alternative energy sources. This goal is unrelated to the question of whether or not a particular project is financed through the use of industrial development bonds. Thousands of projects are financed each year using industrial development bonds as a result of specific provisions in the Internal Revenue Code placed there by the Congress after careful review. If these IDB provisions are no longer appropriate, or are inappropriate for the development of alternative energy projects, then Congress should repeal or amend them rather than taking cheap shots at them through the energy investment credits.

The provision on "double dipping" is premised on the notion that the tax exempt bond provisions of the Code represent a Federal subsidy to individual developers. However, the truth is that these provisions arose out of constitutional limitations on the right of the Federal Government to tax the States and simply constitute a Federal recognition of the right of the States to be free from Federal taxes on their assets. This is the same principle recognized by the conferees in their decision not to impose the windfall profit tax on oil owned by State and local governments.

Viewed in this context the rules on "double dipping" simply thwart the goal of the business energy tax credits in those situations where tax exempt financing has been used historically. The relative attractiveness of any given investment is based on the expected overall rate of return, a component of which is the cost of financing. The "double dipping" rules will simply lower the overall rate of return for certain projects making those on the margin uneconomic, assuring that they will not be built. We will all be energy poorer as a result of this indirect attack on industrial development bonds.

HYDROELECTRIC POWER

From 1930 to 1950 hydroelectric power supplied about 30 percent of the electric energy produced in the United States. Today hydroelectric accounts for only half that percentage and only 4 percent of all energy consumed in our country. This failure to develop our hydroelectric resources in the face of a national energy shortage is a disgrace.

Hydroelectric power is the cleanest, cheapest and most environmentally sound of the available conventional alternatives for major new sources of domestic energy supplies. Hydroelectric projects do not consume fuel, freeing consumers from reliance on oil and other hydrocarbon resources. Compared to alternatives such as coal, oil and nuclear fired powerplants hydroelectric facilities are nonpolluting. Hydroelectric facilities have long useful lives with very low operating costs. Often hydroelectric development is compatible with the development of water resources for other purposes such as recreation, water supply and flood control. In spite of all these benefits the Federal Government, in its push to solve the energy crises, continues to disregard and even thwart the development of hydroelectric power.

At the beginning of 1976 hydroelectric projects in the United States had an annual capacity of 57,000 megawatts. This is the equivalent of 250 million barrels of oil annually; 40 percent of United States developed capacity is in the Pacific Northwest and, as a result of this heavy emphasis on hydropower, that region has the lowest electricity costs in the country. In some cases power costs in the Northwest are only one-fifth the cost of power in major northeastern cities.

The theoretical limit for U.S. hydroelectric production under existing technology is approximately 390,000 megawatts. Practical limitations suggest that the real available capacity is in the neighborhood of 170,000 megawatts. Thus, we have over 120,000 megawatts of undeveloped hydroelectric capacity in the United States. Full development of this potential could reduce oil consumption in the United States by nearly 1½ million barrels per day.

Environmental constraints have temporarily prevented the development of some of this potential as was pointed out by the FPC staff in a 1974 report titled "The Role of Hydroelectric Developments in the Nation's Power Supply":

> A number of potential projects, aggregating about 6,500 megawatts of capacity and capable of producing some 21 billion kilowatt-hours annually, are in river reaches being studied as possible wild or scenic rivers and their development may be precluded by legislation. It is recognized that some of these rivers may be found not suitable for inclusion in the national system and the projects may ultimately be developed. However, similar legislation has already prohibited the development of projects with a total capacity of about 7,200 megawatts with a potential annual generation of 23 billion kilowatt-hours, and these projects have been removed from the inventory. Incidentally, the 44 billion kilowatt-hours of annual generation that could be produced by the above two categories of projects would require about 70 million barrels of oil annually to generate in thermal plants.

The FPC report goes on to point out that, disregarding these projects, there remain 470 projects over 25 megawatts with capacity of 36,000 megawatts which have good potential for development. These projects could substitute for nearly one-half million barrels of oil per day.

If hydroelectric power is such a good source of energy one might ask why it has not been more fully developed. There are three factors involved: Environmental opposition, high initial cost and governmental apathy verging on antipathy.

Environmental opposition to hydroelectric development has been strong. The opposition has argued that major hydroelectric developments are unnecessary as the alternatives of small hydro, solar and wind generation can provide all the energy we need if effective conservation programs are in place. Thus, environmental groups do not oppose major hydroelectric development while supporting alternatives such as coal or nuclear fired plants. The alternative favored by these groups is the consumption of less energy obviating the need for any major new capacity.

While I appreciate these arguments and believe that conservation programs are important it appears that the majority of Americans seek expanded energy supplies at lower cost in order to improve their life styles. For this reason I believe that the development of environmentally sound hydroelectric power is the best of the available alternatives for new power sources. In addition, laws are in place to assure that any hydroelectric development which takes place will be consistent with a clean and healthy environment and the protection of plant and animal wildlife. As we all know, court and congressional battles have been fought to protect the environment from destructive hydroelectric development and these battles have been won. Now we must move ahead with those projects which are acceptable under the standards which have been established.

In spite of its long term low cost of power, hydroelectric development generally has a high initial or front end cost. Hydro projects are designed to take advantage of particular natural sites with specific maximum generating potential. Because expansion of containment facilities is very expensive hydro projects tend to be built to capacity at the time of initial construction. In most cases this means that during the early years a project will be overbuilt. It will be capable of generating more electricity than can be sold.

While this represents good planning for the future and effective use of the site resources it also means that the project is difficult to finance. The market for power in the area of the project at the time of construction cannot support the excess capacity which will be required for the future, but which must be financed during construction along with the rest of the project.

An illustration might be helpful in explaining why it is difficult to finance hydroelectric projects compared to conventional oil-fired generating capacity. Assume that a local government estimates power requirements in the year 2000 to be 100 megawatts more than existing demand. The city is at the limit of its generating capacity and must add additional capacity to service its current needs. The city has a hydro site a few miles from town which could be used for a hydroelectric facility generating 100 megawatts.

But the city would not need that much additional capacity until 2000. Right now it only needs an additional 25 megawatts of capacity which can be supplied by an oil fired facility with a much lower cost of construction. The city can add an additional oil facility every 5 years and have its additional 100 megawatts by 2000. In spite of the high fuel costs for these oil fired facilities their lower initial capital cost and the ability to phase in capacity mitigates against the hydro facility except in the most farsighted and financially secure communities.

Until 1969 State and local governments could use tax exempt municipal bonds to finance hydroelectric development. The use of tax exempt financing allowed communities to lower the overall cost of financing hydroelectric facilities and made many projects possible which would otherwise have been beyond the financial reach of the communities involved. Since then a set of rules has developed governing the issue of tax exempt bonds seriously thwarting efforts to develop hydroelectric power. These rules may be found in the industrial development bond provisions of the Internal Revenue Code. The provisions are among the more complex of tax rules and I should like to take a moment to describe them.

Generally, the interest on a bond issued by a State or local government is exempt from Federal income tax. However, if such a bond is an industrial development bond the interest will be taxable, requiring a higher interest rate which results in higher financing costs.

An industrial development bond is one the proceeds of which are to be used in a trade or business not carried on by the Government and payment of which is secured by property used in a trade or business. On its face this definition seems acceptable, but interpretations of the statute hold that proceeds are used in a business not conducted by the governmental unit if 25 percent of the benefits (power output) are used by a nongovernmental buyer.

Thus, if a city builds a hydroelectric project and sells the power to a privately owned distribution system for resale to residents the city may not use tax exempt bonds to finance the project because it sells more than 25 percent of the power to a nongovernmental user for use in a business. However, if the distribution system were owned by the city and commercial users made up less than 25 percent of the market, tax exempt financing would be available.

As a result of the business use limitation most State and local government bonds to finance hydroelectric development are classified as industrial development bonds. But, there is another door through which some projects can squeeze into tax exempt financing. Even if bonds would be industrial development bonds the interest will continue to be exempt from Federal tax if the funds are used for an exempt activity, one of which is the local furnishing of electric energy. Local furnishing means the furnishing of power to no more than two contiguous counties or one city and one county.

The one-city one-county rule was added several years ago to allow tax exempt financing for power projects in New York City. Thus, we find that hydro, coal, and oil fired powerplants for major metropolitan areas serving millions of people qualify for tax exempt financing while a modest hydroelectric facility serving three counties and 50,000 people in a semi-rural area will not.

A final aberration created by the two county rule is that sale of excess power from a project onto a grid for use elsewhere will usually violate the rule and disqualify the project.

Thus, rather than selling the surplus power from a project onto a grid, increasing energy supplies elsewhere in the Nation, projects financed under the exempt activity rule with tax exempt bonds must simply waste any excess electricity which is generated for fear of violating the two county rule.

The combination of the business use test and the two county rule has served to eliminate tax exempt financing for all but the very smallest hydroelectric projects. These two rules draw irrational distinctions between different projects and minor variations in circumstances can result in dramatic increases in the cost of financing comparable projects. Thanks to these provisions restricting the rights of States to be free from Federal taxes the development of hydroelectric power has been thwarted.

The Senate recognized these problems and acted, in the windfall profit bill, to correct them. In an attempt to facilitate the use of tax exempt financing for the development of hydroelectric power and rationalize the treatment of industrial development bonds for hydroelectric projects the Senate bill provided that interest on industrial development bonds used to provide facilities the primary function of which is the generation of hydroelectric power is exempt from Federal income taxation. This provision applied to rehabilitation of existing sites under 25 megawatts and all new sites. It was a great step forward in the development of America's undeveloped hydroelectric potential.

The provision was deleted in conference. In its place the conferees adopted a watered down version applying only to existing projects of less than 125 megawatts allowing the use of industrial development bonds for the first 25 megawatts of additional capacity. The conference committee bill does nothing to promote the construction of new hydroelectric facilities nor to assist in their financing. The deletion of the Senate provision was a serious mistake by the conference, one which should be corrected at the earliest possible opportunity in order to expedite the construction of hydroelectric power projects in the United States.

CONCLUSION

This has been a rather long discussion of the windfall profit tax bill, but I do not apologize. Legislation of this importance warrants careful consideration and full discussion. As a member of the conference on this bill and a strong opponent of many of its provisions, it is incumbent upon me to state clearly my positions. I hope that I have done so here.

This bill does just the opposite of what should be done in this time of national crises. It discourages energy production while assuring higher prices. It is a fraud on consumers because it assures that, in spite of higher energy prices, through lack of capital, production of domestic oil and gas will decline. As a result we will face domestic shortages resulting in ever increasing prices, rationing and continued economic dislocation.

It does not have to be that way. If we were to return to the market principles which made this country great, the higher prices paid by consumers would encourage additional domestic production, reducing shortages and improving supplies. At the same time, billions in additional revenues from the corporate income tax, an issue entirely avoided by the conferees, could be used to encourage the production of alternative sources of energy such as shale, solar, wind, geothermal and hydroelectric.

I strongly oppose this bill, but I fear it will pass and in passing confirm predictions of energy disaster, insuring an energy insufficient future. The sad fact is that we are causing our own energy shortages; we are doing it to ourselves. I can only quote the statement attributed to the cartoon character Pogo: "We have met the enemy and he is us."

Mr. SCHMITT. Mr. President, unfortunately this body is still considering the issue of a windfall profit tax. I suspect it will still be considering it for some days now.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. PRYOR). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AVOID A CARTER DEPRESSION

Mr. MELCHER. Mr. President, Congress will enact a balanced Federal budget which will probably reduce the rate of inflation by four-tenths of 1 percent or more. It will be evidence of determination by Congress and the Nation to curb inflation but it will not be nearly enough to avoid a severe depression.

Senators will, like good troopers, curb our expectations in Federal programs and troop to the floor to vote to make the necessary cuts, but if that is all we do, we will be like a Boy Scout troop working for merit badges. These are tough times and it is time for tough talk and tough action.

These high interest rates—now at 20 percent—are killing us—killing the United States. When I hear Federal Reserve Board Chairman Volcker's platitudes on the need for high interest rates to control inflation or Secretary of the Treasury Miller's low-key explanations, it occurs to me that I cannot recall names of their predecessors in the Hoover administration. As a youth, I vividly recall the bitter resentment of the American people in the 1930's aimed at former President Hoover. A generation of Americans knew the great depression as the Hoover depression. They knew him neither as the great humanitarian he was, nor as a highly competent engineer but as the designer and the executioner of the greatest fall in the American economy in our history.

President Carter in these troubled times is heading full speed ahead into another great depression which, if not turned around, will be the Carter depression. Recent news accounts refer to a 6-percent decrease in housing starts. That is just wishful thinking—there are no housing starts today financed with mortgage money pressing 20 percent. American car sales are down 12 percent, and we can only wish that it will not get worse. Savings are down—we can wish they were higher but they will go much lower as Americans without jobs, or with inflation eating them alive, withdraw savings to pay living costs.

Balancing the budget and tinkering with credit terms and credit cards may be something, but not nearly tough enough. We have to get tough on imports so that the American dollars stay here rather than going abroad. We have to get tough on imports so that Americans have jobs and start to rebuild the U.S. economy. We have to get tough on imports to at least balance with exports.

We have to get tough with near-term energy supplies—synfuels are way down the road. We need gasohol which is near term and modified hydroelectric facilities for more electricity, which is near term, and coal conversion, which is also near term.

When I talk to my colleagues who favor the status quo on trade and they point out that their constituents have an interest in foreign trade opportunities, I can only warn them that we can no longer afford to drift into a great depression where their constituents' main concern will be the lack of a domestic U.S. market to sell their products. When plants are shut down, U.S. producers have no market for their products for lack of purchasing power in the U.S. economy. That is what happened in the last Great Depression and that is where we are rapidly heading again.

There is little time left to avoid that economic catastrophe. We must be tough enough on import of products and tough enough on lowering interest rates to save ourselves, including President Carter, from the Carter depression.

ANATOLY SHCHARANSKY

Mr. STEWART. Mr. President, I would like to take a moment today to remind us all of a most unfortunate event which took place just about exactly 3 years ago. We cannot forget that it has been that long since the arrest of Anatoly Shcharansky, a Soviet Jew whose plight made headlines throughout the free world. This man is a symbol of the desire we all have to cling to the basic freedoms to which we all have a right.

Rather than describe all the details of his personal nightmare, let me just say that he was a Jewish activist who tried to insure emigration rights for his fellow Jews. His goal was to promote, not alter, Soviet law; but his Soviet superiors did not see the situation quite the same way. The secret police were intent on destroying the Jewish emigration movement, and they would not allow Anatoly Shcharansky to stand in their way.

He has since suffered greatly at a Soviet labor camp and a prison for criminals. His health continues to deteriorate; he has been denied visits and letters from his family; and his bride, Avital, to whom he had been married just 1 day, awaits their reunion in Israel.

As lawmakers in a nation which knows well how dangerous oppression can be, we cannot allow the world to forget the nightmare of Anatoly Shcharansky. We must commit ourselves to attaining freedom for this man and insuring his right to rejoin his wife in Israel.

"HURRY-UP" HIRING

Mr. COHEN. Mr. President, at this very moment Federal personnel offices are scrambling to implement one of the administration's latest cost-cutting measures—a freeze on hiring of new employees. The freeze was announced only last Friday, and it will be some time before the dust finally settles. But, when it does, the story that will emerge is likely to be less than satisfying.

Rumors of an imminent freeze had been winding their way through the halls of executive agencies for weeks. One might have hoped that, given the likelihood of a freeze, agencies would have proceeded with caution in bringing on new employees until a final policy was announced.

Unfortunately, precisely the opposite seems to have occurred.

The Office of Personnel Management reports being inundated with requests to accelerate the certification of applicants for civil service positions in the 2 weeks before last Friday's announcement. Officials there said that requests for certification during the last pay period were running 20 percent above normal. On top of that, OPM officials said the number of employment positions included in each request had also increased significantly.

OPM's situation seems to be only the tip of the "hurry-up" hiring iceberg. While the final results would not be in for another month, a survey by my staff reveals that nearly every Federal agency engaged in accelerated hiring before the announcement of the freeze.

At the Department of Health, Education, and Welfare, the number of new, permanent, full-time employees on the payroll during the last pay period was up by 18 percent over that for an average 2-week pay period. Even more staggering, the number of commitments issued for future hires during the period skyrocketed by over 100 percent.

Officials at the Veterans' Administration estimated that, during the last 2½ weeks, their agency brought on between 500 and 900 more employees than is the norm, a potential 200-percent increase.

At the central office of the Bureau of Mines, in the Department of the Interior, hiring actions increased by 100 percent prior to the freeze.

At the Department of Transportation, a personnel official said, "there definitely was a boost to fill" positions still available because the agency was staffed under its hiring ceiling. Officials at the Department of Agriculture reported similar "increased activity."

And, at the Department of Commerce, a personnel official had this to offer concerning the situation: "There was an increase in activity as soon as the rumors started. It's like the cherry blossoms coming out when it gets warm in the spring. It always happens, and we don't make any attempt to track it or tame it."

To the President's credit, the guidelines governing new hires require agencies to count employees hired since February 29 against the limits imposed by the freeze. The obvious motive behind this retroactive provision in the order is to "punish" those agencies that participated in the hiring binge. Since the President's order requires agencies to lose two employees through attrition from their pre-March totals before they can hire one new employee, offices that engaged in "hurry-up" hiring will be waiting quite a while before they can begin hiring again.

But the real loser is not going to be the program manager who hired too many, too fast, and perhaps too inefficiently; the loser will be the taxpayer. It will be the taxpayer who will bear the brunt of program delays caused by inefficient staffing during the hiring binge. And, if OMB decides to grant exceptions to the freeze in order to expedite Government programs, it will be the taxpayer who will foot the bill.

It is perhaps not too late to ameliorate the worst effects of the "hurry-up" hiring spree. HEW Secretary Patricia Roberts Harris yesterday ordered an immediate moratorium on appointments made from commitments issued during the 2 weeks prior to the hiring freeze. Only in hardship cases, where, for example, an individual had sold his home or quit an old job in anticipation of Government employment, will exceptions be granted.

I think other agencies not only would be well advised, but should be compelled, to follow the example of Secretary Harris. If the President's inflation program is to work, it requires, at the very least, the cooperation of the executive branch itself. In a number of respects, that cooperation seems to be lacking lately.

Mr. President, I ask unanimous consent that Secretary Harris's order concerning "hurry-up" hiring be printed in full in the RECORD.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

Department of Health,
Education, and Welfare,
Washington, D.C.

Memorandum to Assistant Secretaries, Heads of OS Staff Offices, Heads of Principal Operating Components.

Subject: Restrictions on HEW Employment.

This Department will act immediately to carry out the President's restrictions on Federal employment announced in his special message on combatting inflation. The restrictions limit hiring after February 29, 1980 to filling one of two vacancies which occur after February 29, 1980.

Effective immediately, agencies or offices are to make no new commitments for filling any full-time, permanent position within the Department of Health, Education, and Welfare by a new hire. This includes filling positions by new appointment, transfer from other federal agencies, reinstatement, or a conversion action which changes an employee's appointment from one with a time limit to one without a time limit. There are to be no exceptions to this policy, which will remain in effect until more detailed guidelines are prepared.

Also, effective immediately, agencies or offices are to make no appointments from commitments made prior to March 14, 1980, pending a review of the commitments and the overall status of employment within the Department. Exceptions have been authorized for appointments in accordance with firm commitments made in writing by agency personnel officers prior to March 1, 1980. The Assistant Secretary for Personnel Administration, in consultation with the Assistant Secretary for Management and Budget, is authorized to approve exceptions in individual cases of hardship based on commitments made subsequent to February 29, 1980.

The Assistant Secretary for Personnel Administration and the Assistant Secretary for Management and Budget will develop guidelines to implement all parts of the President's directive. I intend to define a policy for the Department to insure that all hiring permitted under the President's anti-inflation program supports the Department's most urgent needs and priorities. I ask for your complete cooperation and support.

Patricia Roberts Harris.

ANATOLY SHCHARANSKY'S CONTINUING IMPRISONMENT

Mr. HEINZ. Mr. President, I join my colleagues in marking the third anniversary of the arrest of Anatoly Shcharansky.

I think there is little doubt that Mr. Shcharansky was meant by the Soviet Union to serve as an example. His arrest was intended to check the increasing efforts of Soviet Jews to secure their long-violated rights to freedom of religious expression. Mr. Shcharansky was, after all, perhaps the best known and most effective publicist of the problems of Soviet Jewry.

First as a spokesman for the Jewish emigration movement (himself having been denied permission to emigrate) and later for a group of monitoring Soviet compliance with the Helsinki Accords, he became, thanks in part to his fluent English, a translator and trusted liaison man for Western correspondents and diplomats. There was never any question that his activities displeased Soviet authorities; he prudently took special precaution to stay within the limits of Soviet law. But the disclosure that his one-time roommate in Moscow had worked briefly for the CIA provided the long-sought pretense for his arrest, on the charge of spying for the United States. President Carter's explicit denial that Shcharansky had any connections with the CIA was not enough to prevent a sentence of 13 years in prison and labor camps.

The arrest of Anatoly Shcharansky had additional purposes beyond internal control. It was meant to serve notice to the Soviet people that dissent could be equated with treason. And it was meant as a message to the people of the United States that their concern for human rights in countries other than their own could be construed as subversion.

I propose that we Members of the United States Senate also make an example of Anatoly Shcharansky. I propose that we redouble our efforts to call the attention of the world to Mr. Shcharansky's unforgivable imprisonment. Through the example of this one man, we can show our continued concern for the welfare of all Soviet Jews. And we can give notice, through our efforts, that veiled intimidation will not dissuade us from speaking out on behalf of the cause of Soviet Jewry. The work that I and so many of my colleagues have in the past devoted to Anatoly Shcharansky must be continued until he is free. Let us make Shcharansky into an example of a very different sort from what the Soviet Union has made of him.

MONONGAHELA RIVER WATERWAYS IMPROVEMENT ACT

Mr. HEINZ. Mr. President, on February 28, I joined my distinguished colleagues from West Virginia (Mr. Robert C. Byrd and Mr. Randolph) and the senior Senator from Pennsylvania (Mr. Schweiker) in introducing S. 2369, the Monongahela River Waterways Improvement Act.

This legislation would authorize replacement of lock and dam Nos. 7 and 8 on the Monongahela River in Pennsylvania near the West Virginia border. Replacement of these obsolete and undersized facilities is essential to the efficient operation of the entire Ohio River navigation system, which is vital to the regional economy and the transport of increased quantities of coal as part of our national program of energy independence.

Because of the need for work on these projects to begin just as soon as possible, the cosponsors of this legislation have requested that our distinguished colleagues on the Water Resources Subcommittee, Committee on Environment and Public Works, include this authorizing legislation as part of S. 703, the omnibus water projects authorization bill.

I direct the attention of my distinguished colleagues on the subcommittee and in the full Senate to a recent newspaper article dramatizing the impact of these aging and inadequately sized navigation facilities on the industrial base of the region. I ask unanimous consent that this article from the March 9, 1980, Pittsburgh Press be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Decay on the Waterway

(By Rich Gigler)

If groceries moved on barges, maybe people would be more worried about the old brass bushings holding up the gates of the Emsworth locks.

When one of the decades-old fittings wears out, the gates can't function, can't seal the lock chamber off from the river around it, and Pittsburgh's vital Ohio River freeway is closed—for hours . . . or days . . . or sometimes weeks.

A one-week shutdown can tie up 378,000 tons of industrial products and raw materials, but the consumer doesn't feel it directly.

In fact, in his daily travels he may not even see any of the 23 locks and dams that make Pittsburgh's three rivers navigable. Unlike supermarkets, potholed roads and crumbling bridges, they are for the most part off the beaten track. But many of the locks and dams are crumbling, too.

Take the Emsworth complex, for example. One of three sets of locks and dams on the Pennsylvania headwaters of the Ohio, the Emsworth locks lift or lower about 54,000 tons of coal, steel, steel by-products, chemicals, raw and finished products and fuels daily.

Perhaps 40 times a day, seven days a week, the 108-ton timber and steel frame gates swing open on a lock channel two football fields long to move 400-ton towboats and their strings of 100-foot barges exactly 12 feet, up or down.

CLOSED BY CRUMBLING

The hydraulic-powered hinges on these house-sized gates turn on steel posts the size of tree trunks, which revolve in bushings mounted in about 75,000 cubic feet of steel-reinforced concrete. And because of continued deterioration of the 44-year-old locks and dams, they are closed an average of seven to 10 days every year.

A $20-million repair job is set to begin at Emsworth next year, and that will result in two 45-day shutdowns of the larger lock in 1982.

Tucked away on the Monongahela River, in the heart of the Steel Valley, just upstream of Elizabeth, are the 73-year-old Monongahela Locks and Dam No. 3.

One of six on the Pennsylvania course of the Monongahela, old Lock No. 3 is one of the smallest yet busiest on the district's waterways—a chronic bottleneck in the flow of river traffic, because its lock chambers are only 56 feet wide, while most others on the Mon have at least one large 110-foot chamber.

ONE CHANNEL OPEN

Last year No. 3 bore 21.3 million tons of cargo, mostly the coal, limestone and chemicals to make steel and finished products of the Mon Valley steel mills. Yet, last year one of its two chambers was closed for rehabilitation, doubling the bottleneck of river barge traffic that has existed there for years.

Of course, all most people understand about a river traffic jam is that it doesn't make them late for work. But to local industry, time is money, and the time that barges stand idle waiting to pass through No. 3 represents quite a lot of money. River operators estimate they lose $1 million every day that an important link in the chain of 23 locks and dams is broken. There is no reliable way to calculate the monetary losses to local industry for delayed delivery of raw materials or shipment of finished goods.

In 1907 the U.S. government opened Lock No. 3 at a cost of nearly $1.7 million. Building the locks and the 670-foot dam took two years. Sorely needed rehabilitation work started in 1977. So far, nearly $12.4 million has been allocated for repairs to the eroding concrete chambers, and work is 53 percent complete.

U.S. Army Corps of Engineers' records show old No. 3 holds the duration record in the 23-link chain of locks and dams in the corps' Pittsburgh district—70 years' continuous operation before a major rehabilitation.

But now the concrete walls of the lock chambers look like huge brown and gray sponges—riddled with holes, crevices and gouges where the cement and gravel have taken on the consistency of a dunked doughnut and melted away. The fallen concrete bares the steel reinforcement bars, once thick as a wrist, now rusted to the size of a finger.

After 73 years of collecting and expelling about 350,000 cubic feet of water, roughly 7,000 times every year, the lock chambers are simply eroding away, like a sand castle.

NO IMPROVEMENT

The Corps of Engineers expects to spend a total of $16 million to turn back the tide at Lock No. 3. The work should be complete by June, 1981. But after four years and $16 million, Lock No. 3 will remain a major bottleneck on the Monongahela.

"The repair work will not make any significant improvement in the ability to handle tows. It won't be any smoother or faster," says John Reed of the Corps of Engineers. "This work simply extends the life of the existing project."

Even as reconstruction continues, Lock No. 3's operable chamber is closed about once a month for some type of temporary repair, and acres of coal barges are regularly parked above and below the locks wating for a chance to get through this weak link in the chain.

But old Lock No. 3 is making a comeback. The rehabilitation should extend its life 20 years. It is not the weakest link in the chain.

Tucked away on a wooded hillside along the Mon at the Greene-Fayette County line, near Point Marion and the West Virginia border is Lock and Dam No. 8, in a state of antiquity and deterioration beyond repair.

Lock No. 8, and No. 7 just 5.8 miles downstream near Greensboro in Fayette are the only two single-channel locks remaining on the Mon. Like the half-operable No. 3 closer to Pittsburgh, they are persistent bottlenecks stalling the flow of river traffic, even though the traffic is much lighter in that coal-mining area.

No. 8, completed in 1926, is overburdened with coal shipped downstream from those mines and coal heading to the Fort Martin electric power plant, just upstream. In a year, it lifts or lowers (a distance of 8.2 feet) about 8 million tons, mostly coal but other necessities like gasoline and fuel oil for the Morgantown, W. Va., area.

The Corps of Engineers declared Nos. 7 and 8 outmoded in 1972, recommending complete replacement. As the use of coal increases in the 1980s, the bottleneck they created on the Mon for at least the last eight years becomes more evident and serious, not only to steel mills which burn coal, but to homeowners who use electricity from coal-powered generators.

The gates of No. 8 swing on hinges that are pulling away from their concrete and steel moorings. Even the replacement concrete of many temporary repairs has fallen away.

Corps of Engineers men who are employed at 7 and 8 say both the narrow old locks are "almost always working, and almost always being worked on."

Like any piece of machinery subject to wear and, especially, to the destructive capability of water, just delaying the effects of age and deterioration is a 24-hour-a-day job. The workmen dutifully polish the antique brass fixtures of 55-year-old dynamos and grease the unsteady hinges and gears, but they can't prevent the old concrete and steel superstructure from slowly, gradually eroding from age.

While Lock No. 3 is under reconstruction, and $6 million recently was allocated to start rebuilding the Emsworth locks and dams over the next four years, local officials are only now in the process of asking Congress for the money necessary to replace Locks 7 and 8.

Lock and Dam No. 8 were built in three years for less than $2.1 million; No. 7 cost $2.6 million to build, also in three years.

But today, while the Corps of Engineers can obtain funds for repairs or reconstruction and complete such projects in about four or five years, building an entirely new link to the chain can take more than 10 years, and the cost has more than doubled four times over. Replacing Locks 7 and 8 is expected to cost about $130 million—at today's prices. The actual price tag over the course of 10 years is incalculable.

U.S. Sen. John Heinz, after touring Locks 7 and 8 recently and declaring them "ancient," promised to push legislation to pay for replacements. It was his second tour of the locks and second call for government funds to replace them in the last 12 months. Heinz estimated it will take at least nine years after the funds are allocated to build the new facilities.

The senator said after his tour that he considered nine of the 10 locks and dams on the entire Monongahela "obsolete."

SOONER OR LATER

Unless they are completely replaced or at least temporarily rehabilitated, "then sooner or later they will become unserviceable," Reed of the Corps of Engineers notes.

Only then would a substantial number of Western Pennsylvanians obtain direct insight into the importance of the locks and dams on the district's rivers.

Since just one link in the river chain can upset the progress of the entire system, just one lock broken down, beyond repair and awaiting a 10-year governmental process for relief, could upset the entire area's economy.

About 85,000 workers, mostly employees of the steel mills and the barge companies, could be directly and almost instantly affected—put out of work until the chain was reunited. Twice that many eventually could be laid off because their jobs are directly tied to the same mills, indirectly dependent on the river channel.

Of course, an extended breakdown in the chain would force Pittsburgh industry to adopt alternate methods of shipping, by rail or truck.

On the rivers, our most massive form of mass transit, one gallon of diesel fuel can transport one ton of cargo 300 miles. By rail, the same cargo could travel 180 miles; by truck, only 50 miles. Switching from barges to trucks would mean a six-fold increase in fuel costs alone.

Increased costs mean increased prices and it is here that the importance of the tucked away, seldom seen chain of locks and dams through Pittsburgh's rivers reaches a level that the average consumer can appreciate.

The river transportation system, privately operating under the publicly owned handicap of deteriorating locks and dams, is the key to Western Pennsylvania's industrial nucleus. Inexpensive transport of raw materials and finished goods still provides area mills and manufacturers with an edge over more modern plants in better, landlocked climates.

But right now that edge is crumbling.

WAR ON INFLATION REQUIRES MORE THAN RHETORICAL POP-GUNS

Mr. HEINZ. Mr. President, I rise today to express my extreme disappointment with the anti-inflation program announced by the President on Friday. If we are to win this war on inflation—which looms as the single greatest threat to our national security today—we need more than a paper draft registration; we need to call up the economic reserves and equip them with the best possible weapons to fight inflation on all fronts.

During hearings held by the Banking Committee on Monday, I outlined several ways in which a major offensive on inflation could be launched on each of the five fronts on which the President has said the war on inflation must be waged:

First, constraining Federal spending;

Second, restraining the growth of credit;

Third, disciplining the escalation of wage and price increases;

Fourth, cushioning the inflationary impact of energy price increases; and

Fifth, making basic structural changes in our economy to increase productivity, savings, and research and development.

I am not convinced that we have to accept the "Finlandization" of our economy by inflation and would like to share my battle plan for winning the war on inflation with my distinguished colleagues. I therefore ask unanimous consent that the text of my remarks before the Banking Committee be printed in full in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HEINZ. Since the Banking Committee hearings, two editorials have appeared in the Wall Street Journal which bear out two points I made in my statement: One, that the administration is "balancing" the budget by increasing taxes and juggling the books; and two, the so-called balanced budget does not control the most alarming trend in the growth of the Federal Government: Federal credit activities in the form of loans and loan guarantees. I ask unanimous consent that these editorials be printed in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Mar. 18, 1980]

ONE-DAY BUDGET CUTS

We were wrong to suggest in these columns yesterday that the Carter administration would take back its budget cuts after the November election. It has taken them back already.

We pride ourselves in a healthy measure of skepticism, but we were taken in by the administration's propaganda barrage about cuts of $2 billion this fiscal year and $13 billion in the year starting in October 1. We failed to notice that in releasing its new spending totals the White House also made "revisions" to the spending estimates it offered back in January. The March figures are the January figures, plus revisions, minus "cuts."

The sharp pencils were out along Wall Street yesterday, and Morgan Stanley's H. Erich Heinemann discovered that once you offset the revisions and the cuts and aggregate the two fiscal years, to effect on expenditures of the new crisis budget is: precisely zero.

In one of its tables, the White House is perfectly honest about this. If you take the mid-points of the ranges in the table, and add the totals for the two fiscal years, it looks like this:

OUTLAYS

[In billions of dollars, fiscal years]

	1980	1981	Total
January	564	616.0	1,180
Plus revisions	6	9.5	
Minus cuts	2	13.5	
March	568	612.0	1,180

While we were naive in not spotting Mr. Carter's budget cuts as an even bigger fraud than we suspected, we were right in identifying his program as a tax increase. Even here, however, we underestimated. The revenue table looks like this:

REVENUES

[In billions of dollars, fiscal years]

	1980	1981	Total
January	524	600.0	1,124.0
Plus revisions	5	11.5	
New withholding	0	3.0	
Oil import fee	3	10.0	
March	532	624.5	1,156.5

In the seven weeks between the two budgets, the government's tax take went up $32.5 billion over the two years. The increase in tax revenues from one fiscal year to the next soared to $92 billion from the $76 billion already predicted in January. With the large tax boosts already proposed in January, Mr. Heinemann calculates that you have the biggest peace-time tax boost in history; taxes will rise from 20.5 percent of GNP in calendar 1980 to 21.9 percent in calendar 1981.

Thanks to these gigantic tax increases, you can say the budget is in balance, provided (1) you ignore the government's off-budget credit activities, see below, and (2) you can persuade yourself there won't be any more spending revisions like the ones in the last seven weeks.

[From the Wall Street Journal, Mar. 15, 1980]

Controlling Federal Credit

The purpose of balancing the budget is to take some pressure off interest rates and money creation by getting the federal government out of the credit market. But balancing the budget isn't going to count for much when you consider that the bulk of federal borrowing is not even included in the budget.

In an important study of federal credit activity, the Congressional Budget Office reports that federal credit assistance in the form of direct loans and loan guarantees has been growing much more rapidly than federal spending. New direct loans by off-budget entities such as the Federal Financing Bank grew 70 percent between 1976 and 1979—twice the rate of growth in federal spending—and loan guarantees increase by 108 percent.

The size of this activity and its impact on the economy are enormous. In 1981 the federal government will be making new credit commitments of $162 billion. If you add to that $97 billion in lending by government sponsored enterprises with direct access to private credit markets, like Fannie Mae (FNMA), Sally Mae (SLMA), Freddy Mac (FHLMC) and the Farm Credit Administration, you have a 1981 economy burdened with a total of $269 billion in federal credit activity. These are gross figures. Net of loan repayments in the various programs, federal loans and guarantees will be adding $46.9 billion to credit demand in 1981, and government sponsored enterprises will add $13.8 billion.

What do these figures mean? For one thing they mean that the expenditures budget greatly understates the government's impact on the economy. In addition to outlays you have to count all the resources the government claims through its credit activities. For another thing they mean that even if the President and Congress succeed in balancing the budget in 1981, $60.7 billion in federal credit activity still has to be financed at the expense of private investment.

In other words, when you count all the lending the federal budget is 44 percent bigger than it looks, and the deficit is $60.7 billion even if the unified budget is balanced. As much anguish as Congressmen and agency heads are expressing over the President's proposal to reduce 1981 spending by $13 billion, somehow we don't see them rushing to apply the axe more than four times as hard to their favorite credit programs—especially since most are hidden off-budget.

Without any doubt the large federal credit deficit is going to complicate Fed Chairman Volcker's efforts to rein in money growth and break inflation expectations, coming as it does on top of heavier than usual corporate and budgeted Treasury credit demands in the next several months. Bob Reid of the New York firm, McCarthy, Reid, Crisanti & Maffei reports that within the next three months $40 billion of corporate tax liabilities are due, the bulk of which cannot be met internally out of corporate cash flow.

In addition the Treasury is facing a greater than usual imbalance of expenditures over receipts as a result of IRS over-withholding individuals' 1979 income taxes by $8 to $10 billion.

All of this borrowing will push short-term interest rates higher. That will do more damage to the savings & loans and housing, putting more pressure on the Fed. The clamors will increase for more controls, making it all the harder to encourage the capital formation and productivity necessary for real economic growth.

Years of uncontrolled federal spending and credit programs have brought the economy to its current perilous state. Inflation is raging, productivity is declining and a large chunk of the scant savings available for investment is drawn off by federal credit programs. In typical fashion Washington has proposed credit controls and higher taxes for the private sector in order to minimize cutting back on its own activities. If Washington takes as long to face up to the deficit in its credit budget as it has to deal with its expenditures deficit, the economy will remain in the woods for a long time to come.

Exhibit 1

Opening Statement of Senator John Heinz

Mr. Chairman, the purpose of the hearings today would seem to be not only reauthorization of the Council on Wage and Price Stability but also the general question of what sorts of inflation policies we ought to be pursuing and whether the President's anti-inflation program which he announced on Friday represents a credible attack on an inflation rate now nearing the 20 percent mark.

We are very fortunate to have before us today two very able and expert witnesses from the Administration—Alfred Kahn and Robert Russell—whom I trust are prepared to explain more fully this latest shift in the Administration's economic policy and what results this anti-inflation program might reasonably be expected to produce, and when. Before the Committee hears from our witnesses, I would like to spend a few minutes outlining some of the concerns that I have about the President's program in the hopes that the witnesses can address some of these concerns in their testimony today.

At the outset, let me state that I basically agree with President Carter that our anti-inflation efforts need to be focused on the following five areas:

(1) Constraining Federal spending;

(2) Restraining the growth of credit;

(3) Disciplining the escalation of wages and prices;

(4) Cushioning the inflationary impact of energy price increases; and

(5) Making basic structural changes in our economy to increase productivity, savings, and research and development.

Having outlined the major fronts on which our war on inflation must be waged, the President has, however, unfortunately failed to develop a battle plan for launching a major offensive in each of these five areas. If we are to win this war on inflation—a foe which looms as the greatest threat to our national security today—we need more than draft registration; we need to call up the reserves and equip them with the best possible weapons.

In evaluating what the President has proposed, I have found invaluable a set of principles set forth by the Republican Conference for a serious, prolonged attack on inflation. These principles are:

(1) Federal outlays as a percentage of GNP must be limited, and this percentage should be 21 percent for 1981.

(2) The FY 1981 Federal budget should be balanced without tax increases, recisions should be made in spending for FY 1980, and a long-term commitment to a balanced budget must be made.

(3) Federal taxes must be reduced and tax laws changed to encourage greater individual and business savings, investment, output and productivity and thus more jobs for Americans.

(4) America's energy dependence on foreign imports must be reduced by 50 percent over the next decade through conservation and domestic energy production.

(5) An immediate program of regulatory reform must be undertaken.

(6) A real export drive must be implemented.

(7) The formation of appropriate labor-management committees to deal with the programs of worker morale and of youth and structural unemployment must be encouraged to improve the participation and productivity of the U.S. work force.

If the Chairman will indulge me for a moment, I would like to spend a few minutes describing the ways in which these seven principles could be incorporated into a major offensive against inflation on each of the five fronts which the President has outlined.

(1) CONSTRAINING FEDERAL SPENDING

First, in the area of fiscal policy, the President's belated recognition of the need for a balanced budget represents at least a step in the right direction—the direction of reining in the massive inflationary increases in the money supply and in Federal borrowing necessary to finance the Federal deficit. But although I have yet to see the specifics of the President's budget-cutting proposals, what I have seen suggests none of the fiscal discipline which all six of the former chairmen of the Council of Economic Advisers said was a necessary prerequisite for stopping inflation. Instead, the President seems to be proposing a one-time series of cuts and deferrals which may lead to higher outlays in future years. I was very distressed last week to hear Alan Greenspan's analysis of the FY 1981 budget, which though touted as model of fiscal restraint actually projects significant acceleration in Federal spending in future years.

Outlays for fiscal year 1984, for example, have been increased $165 billion since last year's budget. None of this would suggest the type of long-range budgetary discipline necessary to show that we are in fact serious about combatting inflation. Increasingly, I am convinced that only a constitutional mandate will result in this needed discipline—which should include, as Herbert Stein has suggested, congressional budget resolutions setting budgetary targets for expenditures for the next five years.

In other aspects as well, the President's commitment to fiscal discipline is less than convincing. Speeding up the rate of tax collection as a means of balancing the budget would seem to be the budgetary equivalent of putting one's thumb on the scale. In this regard, I am also distressed by the calculations of the Congressional Budget Office that the President's original budget for FY 1981 underestimated Federal expenditures by about $15 billion—an amount roughly equal to this latest series of proposed "cuts".

All rhetoric about fiscal discipline aside, the fact remains that this year's budget does nothing to stem the alarming trend of the growth of Federal spending relative to the private sector of our economy. As Walter Heller testified before this Committee, the so-called restraint in this year's budget proposal merely reflects the fact that taxes are increasing faster than Federal spending. Without tax cuts, the 1981 budget reflects over $40 billion in net "new taxes: $12 billion of "inflation tax" as individuals are pushed into higher tax brackets; $18 billion in increased payroll taxes; and at least $10 billion in so-called windfall taxes on oil producers. These figures do not include, of course, the roughly $11 billion which would flow into the Federal coffers as a result of the new tax on imported oil which the President announced on Friday.

In short, the 1981 budget reflects an increase in the dollar amount of Federal expenditures above their current level of roughly $580 billion and an increase in the Federal share of GNP to about 22 percent. Nor do these totals reflect the massive, inflationary costs which the Federal government imposes on the private sector through intervention in the allocation of credit and through regulation of private business activity.

(2) RESTRAINING THE GROWTH BUDGET

A second area identified by the President as a target for anti-inflation efforts is restraining the growth of credit. In proposing selective credit controls on certain types of consumer borrowing, the President seems to be ducking the critical issue which emerged during last week's appearance by the former presidential economic advisers. That issue is: the Federal Reserve's policy of what I call "expensive easy money." Such a policy is clearly doomed to failure unless interest rates were to be increased above the rate of inflation. Given the devastating impact which the high interest rates of the past few months have already had on the housing industry and what remains of the domestic automobile industry, further action by the Fed to increase interest rates—a prime factor in the inflationary spiral—would not seem particularly prudent. Instead, the focus needs to be on the rate of increase of the monetary and credit aggregates.

In placing selective controls on the growth of consumer credit, the Federal Reserve has taken action which may solve part of the problem. But largely ignored is the role which Federal credit activities—both on and off budget and both direct lending and loan guarantees—have played in fueling the fires of inflation. The economic effects of Federal allocation of credit have been well documented, most recently in a study released by the Congressional Budget Office last month. Even more alarming is the rate of increase of Federal credit activity. From 1971 to the present, new commitments for Federal credit have grown from a level of under $50 billion per year to over $160 billion estimated for 1981. Between 1976 and 1979, direct Federal loans which do not appear in the budget approved by Congress each year grew by 70 percent—a rate twice that of the increase in Federal spending. At the same time, Federal loan guarantees increased even more rapidly—by 108 percent. If commitments made by the Federal Financing Bank—which handles over 90 percent of Federal off-budget credit activities—were included in the budget, the deficit for fiscal year 1981 would increase by over $16 billion.

In short, to make the fight against inflation credible Congress and the President must subject these allocations of credit to the same sort of direct scrutiny which direct outlays are supposed to receive. In his speech before the nation on Friday the President said that for the first time he had submitted to Congress a credit budget covering Federal loans and loan guarantees. What the President did not say was that his proposed Federal credit budget places limitations on only about 45 percent of total new direct loan obligations and 40 percent of total loan guarantee commitments. As the Chairman of this Committee has suggested, the Budget Committees need to include in their budget resolutions aggregate ceilings on Federal credit activity. But as the Committee with jurisdiction over most Federal loan and loan guarantee programs, we on the Banking Committee must exercise our authority to compensate for the shortcomings of the President's proposals in this area.

(3) DISCIPLINING THE ESCALATION OF WAGE AND PRICE INCREASES

A third weapon in the President's proposed arsenal to fight inflation is the system of "voluntary" wage and price standards administered by the Council on Wage and Price Stability, whose reauthorization is now being considered by this Committee. Just like the TFX fighter jet—one of the greatest Defense Department boondoggles in history—voluntary wage and price standards just will not fly.

As much as I agree with the President's stated intention not to seek authority to impose mandatory controls, I disagree with his assertion that tripling the staff of the Council of Wage and Price Stability will somehow have a meaningful impact on the rate of inflation in this country. In fact, one could argue that there is a direct relationship between the budget authorizations for the Council on Wage and Price Stability—which this Committee tripled about this same time last year—and the rate of inflation. As Barry Bosworth testified before this Committee on Friday, merely increasing the monitoring of wage and price increases does little, if anything, to stop those increases. Whatever psychological value this monitoring effort and the admonitions of COWPS might have would seem to be overshadowed by actions of the Council which merely ratify increases that have already taken place. A case in point is the latest retreat sounded from the battle against inflation: the action recommended by the Pay Advisory Council to liberalize allowable wage increases to as much as 9½ percent.

At best the monitoring and jawboning efforts of the Council would seem to be ineffective. But they may actually be detrimental in that they divert significant attention and resources away from combatting the root causes of inflation, including excessive Federal spending, lending, and regulation of the private sector and the stifling effects on investment, savings, and productivity improvements that the combination of inflation and short-sighted tax policy has worked to produce. In extending the life of the Council for another year in 1979, Congress directed COWPS to shift the emphasis of its anti-inflation efforts to focus on productivity improvements and regulatory reform. Whether the Council has in fact fulfilled its congressional mandate I do not know but would be most interested to find out from our witnesses today. It is important to note in this respect that a ten or even a twenty percent wage increase is only inflationary if it is not matched by a commensurate increase in productivity.

(4) CUSHIONING THE INFLATIONARY IMPACT ON ENERGY PRICE INCREASES

A fourth element of the President's renewed war on inflation is action to combat the inflationary impact of energy price increases, specifically, by promoting conservation. Before examining the merits of the President's proposals in this area, let me first state that I believe the President has been using the OPEC oil price increases as a cover for the failures of the Administration's economic policies. As convenient a scapegoat as the OPEC countries make, the fact is that energy prices are not the primary cause of the current inflationary spiral. According to the latest report of the President's own Council of Economic Advisers, only 2¼ percentage points of the 13 percent rise in the inflation rate last year can be attributed to energy prices.

Still the need to minimize the economic dislocations wrought by the spiraling price of imported oil is very real. How does the President propose to do this? The major thrust of his energy program—imposition of the windfall profits tax—represents a tax on new domestic production. And despite the rhetoric about conversion of oil fired power plants in the Northeast to coal—a proposal in which I am heavily involved as the representative of a state with the potential to double its annual coal production—the fact remains that the Administration has yet to make up its mind on the key element of the coal conversion program. Upon this key element—the extent to which environmental restrictions on converted plants will be eased, if at all—hinges on the success of the entire coal conversion program.

It is the final element of the President's attack on the energy component of inflation, however, which I find most troubling: the so-called energy conservation "fee" on imported oil. In fact, the likely result of this action will be to further fuel the fires of inflation by increasing taxes—in the amount of $11 billion per year—and by increasing gasoline prices. This additional increase in the price of gasoline will not, recent experience suggests, significantly reduce gasoline consumption. What it will do, however—besides increase the Federal tax bite—is result in a significant increase in the price of gasoline to consumers. This increase will be much greater than the ten cents per gallon amount of the "fee" or tax because the various middlemen involved in the distribution process—including refiners who are not subject to price controls—will mark up the amount of the tax just as they mark up any other cost of production.

(5) STRUCTURAL CHANGES TO INCREASE PRODUCTIVITY, SAVINGS, RESEARCH AND DEVELOPMENT

It is the specifics of the fifth element of the President's anti-inflation plan, however, which I find most troubling. These involve proposals to restructure our tax and other incentives to increase our alarmingly low rates of saving, investment, and productivity growth. Assuming that we are successful in our other battles against inflation—the battle against excessive Federal spending, the battle against unrestricted credit growth, the battle to end the escalation of wage and price increases, and the battle to eliminate the disruptions caused by the increased cost of imported oil—the long run success of our anti-inflation war effort will be decided on this front. So crucial is the need for immediate action on this front—even though results may not be apparent for a few years down the road—that several of the former economic advisers who testified before the Committee last week stated that stimulative tax cuts should be enacted as part of the FY 1981 budget even if this were to mean sacrificing the goal of a balanced budget. As Walter Heller suggested, Congress should avoid the short run, expedient course of income tax rebates and other stimuli to consumption and instead opt for incentive-boosting measures such as investment tax inducements and relief from payroll tax increases.

It was my sincere hope that in his message to the nation on Friday the President would demonstrate the same leadership and resolve to push for changes necessary to increase productivity that he has demonstrated in pushing for higher taxes on domestic oil producers and for loan guarantees to financially troubled and politically powerful domestic automakers. Instead, the President chose to rehash past efforts for decontrol of selected industries and to direct the Presidental Commission for a National Agenda for the Eighties to recommend ways of increasing the nation's productivity.

Whatever other worthwhile functions the Presidental Commission for a National Agenda for the Eighties might be performing, neither it nor any other presidential commission needs to spend any more time analyzing the situation and printing voluminous reports. The legislative proposals necessary to turn around the decline in the saving rate to less than three percent, to restore our productivity growth rate to its historic high levels—as compared to a current negative rate—are already on the table.

These proposals—which can be conveniently lumped under the ruberic of "supply side" politics—have gained widespread attention, are cited in the latest report of the President's own Council of Economic Advisers, and have been endorsed by the bipartisan leadership of the Joint Economic Committee of the Congress. These proposals include:

(1) Revisions in depreciation schedules for investment so that businesses are not penalized for investing in new plant and equipment; this objective is reflected in the Capital Cost Recovery Act—popularly known as "10–5–3"—now before Congress;

(2) Modifications in our tax system to encourage savings and investment by easing the tax burden on these activities;

(3) Devotion of a greater share of the Federal budget to research and development;

(4) Enactment of a comprehensive regulatory reform bill which would include sunset provisions, requirements for cost-benefit analysis and that regulations be cost-effective, and elimination of overlapping and duplicative Federal regulations. As an example of the ways in which the objectives of the various Federal regulatory agencies are frequently at odds with one another, USDA inspectors instructed the Parks Sausages plant in Baltimore to wash its floors six times daily; at the same time, OSHA was telling Parks that to prevent accidents its floors had to be kept dry;

(5) A regulatory budget to place the costs imposed on the private sector by the Federal government under a budget ceiling similar to that employed for direct Federal outlays and that proposed for Federal credit activities; and

(6) Adoption of a comprehensive export policy so that we increase sales of American products abroad at the same time that we import jobs: such a policy is crucial because every $1 billion in exports creates 50,000 jobs.

These are not "pie-in-the-sky" proposals; these are substantive pieces of legislation whose potential to simultaneously increase the nation's output of goods and services and reduce inflation have been amply demonstrated. By concentrating on these supply side policies, we can bring the rate of inflation down significantly without resorting to inducing a recession—"wringing" inflation out of the economy by throwing millions of persons out of work. In fact, a supply side model of the economy recently developed by Dr. Otto Eckstein of Data Resources Institute and the Joint Economic Committee demonstrated that such modest supply side tax cuts as a 2.7 percent increase in the investment tax credit and a reduction in the average tax lifetime of producers' durable equipment by four years would, within a decade:

Reduce the CPI by four percent;

Increase productivity by 3.3 percent;

Increase real business fixed investment by 15.6 percent; and

Increase the capital stock by 7.2 percent.

I will not be convinced that this Administration is serious about a prolonged attack on inflation until I see the same kind of effort that was mobilized to secure loan guarantees for Chrysler mobilized in support of proposals such as I have outlined.

CLOSING

To summarized, Mr. Chairman, I am not convinced that we have to accept the "Finlandization" of our economy by inflation. Our economic system and business structure remain surprisingly strong. But we need to act quickly to shore up our productive capacity and correct the various short-sighted Federal policies I have previously mentioned which are largely responsible for our current predicament. The war on inflation can and must be won; but it cannot be won with rhetorical popguns about OPEC price increases and more presidential commissions to produce more volumes of reports about the problem. It can only be won by adopting a "hard line" on inflation and by launching a major offensive on each of the five fronts I have outlined in my remarks today.

Thank you.

HALTING OF LANCE–I PRODUCTION

Mr. HELMS. Mr. President, S. 2235, a bill to authorize the Secretary of the Army to convey the Michigan Army Missile Plant to the State of Michigan is under study in the Senate Committee on Armed Services. Similar legislation is pending in the House of Representatives.

I oppose enactment of S. 2235, and I find it astonishing that following the invasion of Afghanistan the Congress would be considering a measure to close down a missile plant to enable its eventual transfer to Volkswagen of America for the production of Rabbit automobiles.

The Lance–I missile is a valuable tactical nuclear and conventional weapon of great importance to the U.S. Army. The administration has ordered termination of Lance-I production no later than September 30, 1980, presumably to clear the way for Volkswagen.

This plan is typical of an administration which terminated Minuteman production, destroyed the machinery for producing the Minuteman ICBM, ended Minuteman–II modernization, cancelled the B–1 bomber, canceled the neutron bomb, delayed the development of Trident–I, refuses to develop Trident–II, vetoed a nuclear carrier, delayed Cruise missile development by at least 2 years, cut naval shipbuilding by half, cut the size of the Army, Navy, and Air Force, withdrew troops from Korea, and relinquished the Panama Canal.

At present, Russia enjoys a seven to one advantage in tactical missiles comparable to the Lance–I system. Russia is planning the massive deployment of additional tactical nuclear missiles and is expected to produce massive numbers of the new Russian SS–21 and SS–22 weapons for large-scale European deployment.

The administration decision to subsidize the production of Volkswagen Rabbits by closing the Lance–I missile facility is the last straw in almost 3½ years of systematic dismantling of the most significant strategic and theater nuclear weapons programs required to regain our lost position of parity with Russia in the European theater and elsewhere. Enough is enough.

The national security cannot afford any further damage of this short-sighted variety.

No doubt some would argue that Lance–I has been produced in sufficient quantity to justify closing the facility. I disagree. Moreover, there are several other facts which warrant maintaining this facility even if immediate Army requirements for Lance–I have been satisfied.

First, if the Lance–I production line is closed, the administration plans to sell to the highest bidders the machinery used for making the missile. These sales would make impossible a resumption of Lance–I production once the line is dismantled and dispersed.

If a future administration elected to produce additional Lance–I missiles in a new effort to close the gap between our tactical missile forces and the overwhelming numerical superiority of comparable Russian forces, then that future administration would find the task either impossible as a practical matter or at least highly expensive in acquiring and reestablishing a missile plant from scratch.

Second, the Michigan Army missile plant is a Government-owned, contractor-operated facility containing some 2.1 million square feet of industrial plant operating space. The military production base of the United States has eroded to an alarming extent. Whatever the merit or demerit of terminating Lance–I production, there can be no justification for closing yet another industrial facility available for general defense production.

I can understand why officials of the State of Michigan would seek title to the Michigan Army missile plant for subsequent conveyance to Volkswagen. Construction of a comparable facility would be extremely expensive, and perhaps prohibitively expensive, for Volkswagen. However, the same magnitude of expense would necessarily be borne by the taxpayers of the United States in order to build a comparable defense production facility as a replacement for the Michigan Army missile plant.

I wish the very best for the State of Michigan and its citizens. I sincerely hope that Volkswagen will locate a plant for the production of Volkswagen Rabbits in Michigan. The economy of Michigan and the national economy would benefit. Certainly, I shall do all that I can to help short of harming the national security interest of the United States.

I shall oppose enactment of S. 2235.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

NATIONAL HOUSING PRODUCTION REPORT—MESSAGE FROM THE PRESIDENT—PM 186

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Banking, Housing, and Urban Affairs:

To the Congress of the United States:

I herewith transmit the 1980 National Housing Production Report as required by Section 1603 of the Housing and Urban Development Act of 1968, as amended (42 U.S.C. 1441c).

Jimmy Carter.

The White House, *March 19, 1980.*

REPORT ON THE STATUS OF FEDERAL ADVISORY COMMITTEES—MESSAGE FROM THE PRESIDENT—PM 187

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Governmental Affairs:

To the Congress of the United States:

In accordance with the provisions of Section 6(c) of the Federal Advisory Committee Act (Public Law 92-463), I am transmitting the eighth annual report on the status of Federal advisory committees.

This report reflects a continuation of the efforts to achieve the objectives I set in 1977: to assure that unnecessary committees are terminated, and new committees are established only when they are essential to meet the responsibilities of the government. At the end of 1979:

—The total number of committees was 820;

—Although the number of committees required by statute increased (from 312 to 338), the number established under agency authority decreased (from 246 to 222); and

—Since the beginning of 1977 the total number of committees has been reduced by 339 (from 1,159).

Jimmy Carter.

The White House, *March 19, 1980.*

PRESIDENTIAL APPROVALS

A message from the President of the United States reported that on March 17, 1980, he had approved and signed the following acts:

S. 643. An act to amend the Immigration and Nationality Act to revise the procedures for the admission of refugees, to amend the Migration and Refugee Assistance Act of 1962 to establish a more uniform basis for the provision of assistance to refugees, and for other purposes; and

S. 1792. An act to authorize the President of the United States to present on behalf of the Congress a specially struck gold medal to Simon Wiesenthal.

MESSAGES FROM THE HOUSE

At 12:04 p.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that the House has passed the following bill, without amendment:

S. 1682. An act to amend the act of August 9, 1955 (69 Stat. 539, 25 U.S.C. 415), as amended, to authorize a ninety-nine-year lease for the Moses Allotment Numbered 10, Chelan County, Washington.

The message also announced that the House insists upon its amendments to the bill (S. 2269) to extend the Emergency Agricultural Credit Adjustment Act of 1978, and for other purposes, disagreed to by the Senate; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. Foley, Mr. Jones of Tennessee, Mr. Harkin, Mr. Huckaby, Mr. Glickman, Mr. Hance, Mr. Brown of California, Mr. Richmond, Mr. Baldus, Mr. Bedell, Mr. English, Mr. Panetta, Mr. Daschle, Mr. Wampler, Mr. Madigan, Mr. Jeffords, Mr. Kelly, Mr. Coleman, Mr. Marlenee, and Mr. Hopkins were appointed as managers of the conference on the part of the House.

The message further announced that the House has agreed to House Resolution 611, expressing the condolences of the House on the death of Representative Slack.

The message also announced that the House has passed the following bill, with an amendment in which it requests the concurrence of the Senate:

S. 2222. An act to extend the time for commencing actions on behalf of an Indian tribe, band, or group, or on behalf of an individual Indian whose land is held in trust or restricted status.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

At 3:47 p.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that the Speaker has signed the following enrolled bills and joint resolution:

S. 1682. An act to amend the act of August 9, 1955 (69 Stat. 539) (25 U.S.C. 415), as amended, to authorize a ninety-nine-year lease for the Moses Allotment Numbered 10, Chelan County, Washington;

H.R. 2782. An act for the relief of John H. R. Berg;

H.R. 4013. An act for the relief of Jozef Swiderski; and

H.J. Res. 414. Joint resolution authorizing the President to proclaim May 1, 1980, "National Bicycling Day."

The enrolled bills and joint resolution were subsequently signed by the President pro tempore (Mr. Magnuson).

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BAYH, from the Committee on the Judiciary, without amendment:

S. 2446. An original bill to amend the patent laws, title 35 of the United States Code. Ordered placed on the calendar.

PATENT LAW AMENDMENTS ACT OF 1980

Mr. BAYH. Mr. President, the Judiciary Committee unanimously reported out the Patent Law Amendments Act on March 18, 1980. This legislation is identical to S. 1679 which the Committee also unanimously reported out on February 19, 1980, with report No. 96-617.

The present bill is different only in that it contains an effective date of October 1, 1980. S. 1679 did not contain any effective date which raised a concern in the Senate Budget Committee that it could possibly impact on the fiscal year 1980 budget. The present bill meets that objection by becoming effective in fiscal year 1981.

The committee decided in order to save printing costs not to file an identical report to that already filed on S. 1679. This report is still pertinent to the present legislation with the addition of the effective date.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. LONG, from the Committee on Finance.

William J. Driver, of Virginia, to be Commissioner of Social Security.

John L. Palmer, of Virginia, to be an Assistant Secretary of Health, Education, and Welfare.

Abraham Katz, of Florida, to be an Assistant Secretary of Commerce.

(The above nominations from the Committee on Finance were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. HAYAKAWA:

S. 2437. A bill to amend section 4067 of the Revised Statutes to define further the circumstances under which certain aliens within the United States may be treated as alien enemies; to the Committee on the Judiciary.

By Mr. STEVENS:

S. 2438. A bill to provide for certain vessels to participate in transporting salmon to on-shore processing plants in Alaska; to the Committee on Commerce, Science, and Transportation.

By Mr. DOMENICI:

S. 2439. A bill to place pharmacy robberies under Federal jurisdiction; to the Committee on the Judiciary.

By Mr. NUNN (by request):

S. 2440. A bill to amend the Military Selective Service Act to allow the registration of both men and women; to the Committee on Armed Services.

By Mr. BAYH:

S. 2441. A bill to amend the Juvenile Justice and Delinquency Prevention Act of 1974, and for other purposes; to the Committee on the Judiciary.

By Mr. BAYH (by request):

S. 2442. A bill to amend the Juvenile Justice and Delinquency Prevention Act of 1974, and for other purposes; to the Committee on the Judiciary.

By Mr. MOYNIHAN (for himself and Mr. Javits):

S. 2443. A bill to authorize the Department of Energy to carry out a high-level liquid nuclear waste management demonstration project at the Western New York Service Center in West Valley, N.Y.; to the Committee on Energy and Natural Resources.

By Mr. CHURCH (by request):

S. 2444. A bill to amend the "Department of State Authorization Act, Fiscal Years 1980 and 1981" to provide additional authorization for fiscal year 1980, and for other purposes; to the Committee on Foreign Relations.

S. 2445. A bill to provide additional authorization for fiscal year 1981, to authorize appropriations for fiscal year 1982, and for other purposes; to the Committee on Foreign Relations.

By Mr. BAYH (from the Committee on the Judiciary):

S. 2446. A bill to amend the patent laws, title 35 of the United States Code. Original bill reported and ordered placed on the calendar.

By Mr. STEWART:

S. 2447. A bill for the relief of Jose P. de la Rosa, Jr., M.D.; to the Committee on the Judiciary.

By Mr. JEPSEN (for himself and Mr. HEFLIN):

S. 2448. A bill to amend the Internal Revenue Code of 1954 to provide explicitly for the exclusion of social security benefits from taxable income; to the Committee on Finance.

By Mr. PRYOR (for himself, Mr. STEVENS, Mr. RIBICOFF, and Mr. PERCY):

S. 2449. A bill to amend chapter 83 of title 5, United States Code, to improve the operation of the disability retirement program, and for other purposes; to the Committee on Governmental Affairs.

S. 2450. A bill to amend section 8340 of title 5 of the United States Code to reduce cost-of-living increases of Federal annuitants attributable to months prior to the month in which the commencing date of an annuity occurs; to the Committee on Governmental Affairs.

By Mr. LONG (for himself and Mr. DOLE):

S. 2451. A bill to amend the Internal Revenue Code of 1954 to revise the rules relating to certain installment sales; to the Committee on Finance.

By Mr. GARN (for himself and Mr. HATCH):

S. 2452. A bill to amend the Clean Air Act with respect to requirements which adversely affect employment; to the Committee on Environment and Public Works.

S. 2453. A bill to amend the Federal Water Pollution Control Act with respect to requirements which adversely affect employment; to the Committee on Environment and Public Works.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HAYAKAWA:

S. 2437. A bill to amend section 4067 of the Revised Statutes to define further the circumstances under which certain aliens within the United States may be treated as alien enemies; to the Committee on the Judiciary.

(The remarks of Mr. HAYAKAWA when he introduced the bill appear earlier in today's proceedings.)

By Mr. STEVENS:

S. 2438. A bill to provide for certain vessels to participate in transporting salmon to onshore processing plants in Alaska; to the Committee on Commerce, Science, and Transportation.

● Mr. STEVENS. Mr. President, the State of Alaska in this year's upcoming salmon season will be blessed with the greatest run in its history. It is anticipated that Bristol Bay will produce an incredible 54 million fish. Given the poor status of salmon stocks in other parts of the United States, we in Alaska are indeed fortunate.

Our newly found bounty of salmon, however, does not come without its problems. We must go to extraordinary efforts to market all of this fish and our equipment, both in terms of vessels and onshore processing plants, will be taxed to their limits.

The Governor of the State of Alaska some months ago appointed a task force to try and sort out these numerous difficult problems. Governor Hammond's task force found that we have a sufficient number of fishing vessels and onshore processing plants in Alaska to handle this year's record run. We do not, however, have enough transport ships to move that salmon from Bristol Bay to processing facilities in other parts of the State of Alaska where this year's run will not be as good. The Governor's task force has, in fact, conducted a nationwide search for transport vessels and found that there are not enough available U.S.-flag vessels to meet Alaska's needs this season.

I send to the desk legislation designed to waive the Nicholson Act for the 1980 Alaska salmon season. The Nicholson Act provides, among other things, that no fish may be transported on a foreign-flag transport or tender vessel from a U.S.-flag fishing vessel outside the territorial sea of the United States to a processing plant inside the United States. This one-time waiver would allow us to use foreign-flag transport and tender vessels for this season only. Under the provisions of this act, the Secretary of Commerce would be required to develop regulations that would insure that U.S.-flag tender and transport vessels would not be displaced by the foreign-flag vessels.

All U.S.-flag tender and transport vessels wishing to participate in this year's fishery are more than welcome by the State of Alaska. We would far prefer to use U.S.-flag vessels. Because we are dealing with a perishable product, Alaska salmon, we cannot suffer delays in shipping. If, as anticipated, U.S.-flag vessels are not available to participate in this trade, we must utilize foreign-flag vessels.

In closing, I would point out to each of my colleagues that this act is not intended to in any way modify the Jones Act. I would urge each of my colleagues here in the Senate to assist the State of Alaska and the fishermen of the Northwest by granting this one-time waiver.●

By Mr. DOMENICI:

S. 2439. A bill to place pharmacy robberies under Federal jurisdiction; to the Committee on the Judiciary.

● Mr. DOMENICI. Mr. President, each year there are more than 1,700 holdups of pharmacies nationwide. These robberies are for drugs, either by junkies for personal use or dealers for a supply to peddle on the streets. Often they are violent.

In Carlsbad, N. Mex., a pharmacist and his wife were recently shot. She is dead, he is recovering. Most other pharmacists have either hired security guards or installed security devices, to curb the crime wave. The robberies are still occurring.

Narcotics are under strict Federal control. It is time to put those who steal them under Federal jurisdiction. The problem has grown beyond the pale of a local police matter and has become a national problem.

Mr. President, it is my hope that when the Senate moves to the consideration of the codification of the criminal code, this serious problem will be likewise discussed and debated.●

By Mr. NUNN (by request):

S. 2440. A bill to amend the Military Selective Service Act to allow the registration of both men and women; to the Committee on Armed Services.

● Mr. NUNN. Mr. President, at the request of the administration, I am today introducing the President's proposal to amend the Military Selective Service Act to require the registration of young women.

My purpose in introducing this measure is to provide a specific legislative proposal to facilitate discussions on the registration of women and to inform my colleagues of the specific proposal.

By introducing this bill, I do not intend to imply my support for changing the current Military Selective Service Act requirement for registration limited to men, but merely as an administrative convenience for the Senate and the Armed Services Committee. I oppose this measure but, having been proposed by the President, it deserves the consideration of the Senate.●

By Mr. BAYH:

S. 2441. A bill to amend the Juvenile Justice and Delinquency Prevention Act of 1974, and for other purposes; to the Committee on the Judiciary.

By Mr. BAYH (by request):

S. 2442. A bill to amend the Juvenile Justice and Delinquency Prevention Act of 1974, and for other purposes; to the Committee on the Judiciary.

ACCOUNTABILITY, EFFICIENCY, AND VIOLENT JUVENILE CRIME CONTROL FOCUS ON BAYH JUVENILE JUSTICE REAUTHORIZATION BILL

● Mr. BAYH. Mr. President, today I am introducing the Violent Juvenile Crime Control Act of 1980, which is designed to strengthen and stabilize our 6-year congressional commitment to the Juvenile Justice and Delinquency Prevention Act of 1974, (JJDPA) while at the same time mandating that the Administrator of the Office of Juvenile Justice and Delinquency Prevention (OJJDP) has final accountability and responsibility for implementing the Juvenile Justice provisions of this act. The Runaway and Homeless Youth Act is retained and administered by HEW's Youth Development Bureau, Runaway and Homeless Youth Division.

JUVENILE JUSTICE ACT HISTORY

In 1974, the Congress established juvenile crime prevention as the Federal crime priority. The 1974 act was the product of a 4-year bipartisan effort, which I was privileged to lead, to improve the quality of juvenile justice throughout the United States and to overhaul the Federal response to juvenile delinquency. The 1974 act was passed by a vote of 88 to 1 in this body.

In 1977, the Congress, by a unanimous vote, reauthorized the Juvenile Justice Act for 3 additional years to stabilize and revitalize our juvenile crime program. The bipartisan nature of this act's support from 1970 to the present is reflected in the act's cosponsors in this body over the years—Mr. Hruska, Mr. MATHIAS, Mr. Cook, Mr. McClellan, Mr. Fong, Mr. Phillip Hart, Mr. Hugh Scott, Mr. KENNEDY, Mr. THURMOND, Mr. BURDICK, Mr. Gurney, Mr. Abourezk, Mr. Bible, Mr. Brock, Mr. Case, Mr. CHURCH, Mr. Clark, Mr. CRANSTON, Mr. GRAVEL, Mr. Hubert Humphrey, Mr. McGee, Mr. Montoya, Mr. Moss, Mr. Pastore, Mr. RANDOLPH, Mr. RIBICOFF, Mr. MONDALE, Mr. CANNON, Mr. Eastland, Mr. CULVER, Mr. DECONCINI, Mr. HATFIELD, Mr. LEAHY, Mr. MAGNUSON, Mr. MATSUNAGA, Mr. METZENBAUM, Mr. PELL, Mr. STEVENS, and Mr. HEINZ.

I originally introduced this measure as S. 3148 during the 92d Congress when it received strong support from youth-serving organizations and juvenile delinquency experts around the country. I reintroduced S. 821 on February 8, 1973, and S. 1021 on March 17, 1977.

The Senate Subcommittee to Investigate Juvenile Delinquency of which I was chairman, held extensive hearings that demonstrated the desperate need for this legislation. Expert witnesses, including State and local officials, representatives of private agencies, social workers, sociologists, criminologists, judges, and criminal justice planners testified on the terrible problems of the juvenile justice system which did not provide individual justice, effective help to juveniles, or protection for our communities. In particular, they repeatedly emphasized that large custodial institutions such as reformatories and training schools were nothing more than schools of crime, where juveniles learned the skills of the experienced criminal.

A clear consensus emerged supporting strong incentives for State and local governments to develop community-based programs and services as alternatives to training schools for many youngsters. This consensus was further expressed by the National Advisory Commission on Criminal Justice Standards and Goals which recommended that no new major institutions for juveniles should be built under any circumstances. The Commission provided additional support for the philosophy of the legislation that many delinquents, but especially noncriminal status offenders and neglected or dependent children, who had previously been institutionalized, could be helped successfully in community settings.

State officials testifying before the subcommittee stressed the need for effective, coordinated Federal funding to assist the States in carrying out their efforts to treat juveniles in the community. The former Governor of Massachusetts, the Honorable Francis Sargent and the former Governor of Ohio, the Honorable John Gilligan, were eloquent in describing the urgent need for this legislation. The deputy director of the Kentucky Department of Child Welfare, confirmed the feeling of many State administrators in urging passage of this bill:

> Quite frankly, when I first read the bill and Senator Bayh's comments in the Congressional Record, I wanted to shout "Alleluia," somebody has finally developed a comprehensive piece of legislation that makes sense. It should provide a real opportunity for all of us if we want to be serious about resolving problems facing youthful offenders. I was shocked by the flagrant maltreatment of offenders, by the brutal incarceration of noncriminal runaways and by the bureaucratic ineffectiveness which had marked the grossly inadequate Federal approach to the prevention of delinquency.

During the early 1970's the hearings and investigations in Washington and throughout the country by the Subcommittee to Investigate Juvenile Delinquency (abolished in 1979 with the juvenile jurisdiction transferred to the Subcommittee on the Constitution) led me to two important conclusions.

The first is that our past system of juvenile justice was geared primarily to react to youthful offenders rather than to prevent the youthful offense.

Second, the evidence was overwhelming that the system failed at the crucial point when a youngster first got into trouble. The juvenile who took a car for a joy ride, or vandalized school property, or viewed shoplifting as a lark, was confronted by a system of justice often completely incapable of responding in a constructive manner.

However, during the late 1980's and this new decade, we have begun to build on our past experiences with the act making substantial progress not only at the Federal level, but especially at the State and local level. We intend that the Juvenile Justice Office be an advocate for the families and youth of our States, while at the same time protecting their human, constitutional and legal rights.

THE 1980 AMENDMENTS: THE VIOLENT JUVENILE CRIME CONTROL ACT

Mr. President, the bill I am introducing today extends the Juvenile Justice and Delinquency Prevention Act of 1974 for 5 years. It also specifically delegates all final authority for juvenile justice programs to the Administrator of the Office of Juvenile Justice and Delinquency Prevention (OJJDP). I have long believed that this delegation of authority is a necessary factor in any efficient and coordinated effort to adequately confront the problems of the juvenile justice system. The individual who bears the responsibility for managing this Office and coordinating all Federal juvenile justice programs should also have the authority to carry out that responsibility. Since 1974 the Congress has stressed this fact in conference reports and debate on the floor of both Houses of Congress. In this reauthorization, we will specifically mandate this proper delegation of authority for the Administrator of OJJDP. The bill also requires the appointment of two deputies and one legal advisor to insure that the Administrator of OJJDP will be able to carry out this authority.

Mr. President, one of the primary reasons for my introduction of the original Juvenile Justice Act in 1971 was my concern with the increasing problem of juvenile crime. I have long believed that the best method of controlling violent crime is to prevent it in the first place. If we can take the first-time minor offender and prevent him or her from committing even more serious offenses we will have gone a long way toward controlling our problem with violent offenders. In the same vein, however, I firmly believe that some youthful offenders must be removed from their communities for society's sake as well as their own. The secure incarceration of youthful offenders should be reserved for those youths who commit serious, violent offenses and cannot be handled by other alternatives.

It was shocking for me to learn through our hearings over the past 10 years, that often the juvenile justice system actually incarcerates the nonviolent, noncriminal status offender as well as the neglected and abused child more often than those who are charged with or convicted of criminal offenses. Status and nonoffenders are actually more likely to be detained, more likely to be institutionalized, and once incarcerated, more likely to be held in confinement for longer periods of time than those who are charged with or convicted of criminal offenses.

One of the underlying precepts of the Juvenile Justice Act is to reorder these misplaced policies and priorities. I do believe, however, that the problem of the violent offender should be given an increased focus. These relatively few individuals cause a disproportionate amount of suffering and fear among the adult population.

A major new study by Pennsylvania State University, where 88 percent of 2,000 elderly citizens were surveyed, found that they actually cross the street or change their direction of travel just to avoid teenagers. Elderly persons living in cities are so afraid of teenagers that many remain indoors after 3 p.m. and do not go to senior citizen centers, parks and other places they would normally go.

The study found that 66 percent of the persons surveyed said fear of crime has greatly affected their use of facilities designed for the elderly.

Past surveys have shown that many older people are afraid to leave home after dark, but I was surprised to find that 3 p.m. is now the cut-off time.

About one-fifth of the elderly in the study wanted to be home, indoors, by the time school let out. Nine percent of the elderly in the study had been crime victims within the 12 months before the survey. Most had been robbed or had their homes burglarized. A total of 33 robberies, 22 assaults, and 5 other crimes had been committed against the elderly in the study while they were en route to senior citizen centers.

The amendments I am introducing today are designed to bring increased attention to the violent offender. These amendments, entitled, the "Violent Juvenile Crime Control Act of 1980," would retain the 19.15-percent maintenance of effort provision and at the same time mandate that these funds be targeted for programs aimed to curb violent crime committed by juveniles. For those offenders who are charged with the violent crimes of murder, forcible rape, robbery, aggravated assault, or arson involving bodily harm this legislation establishes programs to identify, apprehend, speedily adjudicate, sentence, and rehabilitate these individuals in a humane fashion. In addition, this bill would require the Administrator to provide a detailed evaluation of "Scared-Straight" type programs and their potential for rehabilitating juvenile offenders.

VIOLENT JUVENILE OFFENDERS: MYTH OR REALITY?

Mr. President, we are all too familiar with the litany of violence reported daily by the press and the media. We have all heard witnesses testify of their horrible, brutal attacks by young people, including our elderly victims. Noteworthy, however, is the fact that the victims of violent juvenile crime are more likely to be juveniles themselves. The National Advisory Commission on Criminal Justice Standards and Goals reported that:

> Victims of assaultive violence in the cities generally have the same characteristics as the offenders: victimization rates are generally highest for males, youths, poor persons and blacks.

Of course, these reports are of little comfort to the frightening numbers of Americans who have personally been victims of violent crimes. An ever-increasing percentage of our citizens—young and old—find their daily lives directly affected by the fear of violence in their communities. Recent polls reveal that half of our citizens are afraid to walk alone at night in their neighborhoods, nearly 20 percent do not feel safe in their own homes and nearly 33 percent of our young people are afraid in their own schools.

RUNAWAY AND HOMELESS YOUTH ACT

Mr. President, one of the key features of our efforts in the juvenile justice area has been the Runaway and Homeless Youth Act.

The Runaway and Homeless Youth Act is designed to provide assistance to States, localities, and nonprofit private agencies to operate temporary shelter care facilities in areas where runaways tend to congregate. These programs, over 167 funded by HEW last year, deal primarily with the immediate needs of runaway youth or otherwise homeless young people in a manner which is outside the traditional law enforcement structure and juvenile justice system.

When the Runaway Youth Act was first passed in 1974, it did not include assistance for homeless youth, or those who are dependent, neglected, and abused. However, the 1977 amendments to the act incorporated homeless, neglected, and abused youth in the category of those to be assisted under the act. It is my opinion, and those of us in Congress, that there are many young people who have no home from which to run, or who are so abused or neglected that leaving home is a rational alternative. The programmatic focus of the act should continue to reflect these concerns.

There are approximately 1 million runaways each year, with the average age of these youngsters being 15. In addition, in the last few years there have women running away from home. We have also discovered that a growing number of young runaways are forced from their homes by physically abusive and neglectful parents.

The runaway and homeless youth program is designed to offer necessary emergency medical care and counseling for both the young people and their families, so these young people can be helped before they end up incarcerated in juvenile institutions or even, unfortunately in many cases, adult jails.

The cornerstone of the Juvenile Justice/Runaway and Homeless Youth Act is prevention. The Runaway and Homeless Youth Act provisions are directed toward the prevention of juvenile crime, a reduction in the substantial law enforcement problem of communities inundated with runaways, and short-term placement for homeless youth.

VIOLENT JUVENILE CRIME CONTROL ACT: KEY PROVISION TO ASSIST OUR HOMELESS, NEGLECTED, ABUSED AND RUNAWAY YOUNG PEOPLE

Mr. President, a key provision of the amendments I am introducing today, requires that appropriated funds under the Juvenile Justice Act, not obligated, by the end of each fiscal year shall be transferred to programs funded under title III—the Runaway and Homeless Youth Act. Historically the juvenile justice program had a rocky beginning which resulted in its failure to properly obligate its funds, even though the necessary program applications were available to OJJDP. Fortunately, in 1978 the 3-year backlog of funds was obligated and off the Washington desk at the Office of Juvenile Justice. However, within the past year the obligation rate has diminished substantially, with the prospect of a significant carryover. In order to assure that appropriated funds obtained in these belt-tightening times are obligated in a timely manner, my bill will transfer any such carryover to the title III program which, to date, has not experienced such problems.

Mr. President, it is true that the Office of Juvenile Justice is tragically understaffed. By the Department's own survey, the Office should have at least 150 staff in order to carry out this program effectively, efficiently, and with responsibility. But, the necessary staff has not been provided to get the job done. Hopefully, we in Congress will be able to overcome this pitfall.

Violent juvenile crime must be put into perspective. Yet, in no way do I wish to minimize the tragedy and horror experienced by the victims of violent offenses.

Mr. President, the Federal Government can play an important role in delinquency prevention, but not in isolation. Solutions to youth crime cannot be provided exclusively by the Federal Government. These problems will not be solved by simply passing a bill, issuing a report, holding a hearing or signing a law in Washington. The most valuable assets in our efforts to prevent juvenile crime are the family, the church and our schools. Any successful preventive Federal juvenile justice effort must rely heavily on the commitment of interested citizens, community groups, State and local leaders, juvenile court judges, social workers, school personnel, religious leaders and, most importantly, on the family.

It is imperative to keep the legislative process and statutes in this perspective. Legislation is never a solution or cure in itself; it is a framework within which a problem can be attacked. The better the legislation, the better the chance the system will meet and respond appropriately. These amendments are one step in attacking the problem of juvenile crime in a prudent manner. Equitable resources, in relation to our current juvenile population, potential, and expertise must be committed to our juvenile offenders and nonoffenders, if we are to make any gains in addressing these problems in the 1980's.

CONCLUSION

Mr. President, in summary, this bill extends the act for 5 years at $200 million for each of fiscal years 1981 through 1983 and $225 million for each of fiscal years 1984 and 1985; delegates all final authority to the OJJDP Administrator; requires the Administrator to appoint two deputies, and one legal advisor; requires the Administrator to provide a detailed evaluation of "Scared-Straight" programs; increases citizen participation in the operation of the program; retains the 19.15 percent maintenance of effort provision, but mandates that it be spent for programs aimed at curbing violent crimes committed by juveniles; requires the Administrator to implement the maintenance of effort, formula grant, discretionary grant and other initiatives in OJJDP; provides adequate administrative support for the Office; extends the Runaway and Homeless Youth Act for 5 years at $25 million for each of fiscal years 1981 through 1983 and $30 million for each of fiscal years 1984 and 1985, and mandates that any carryover funds from the Juvenile Justice Act be transferred to the Runaway and Homeless Youth Act by January 1 of each subsequent fiscal year.

The Juvenile Justice and Delinquency Prevention Act and these 1980 amendments will provide the stability so vital to the continuation of this congressional initiative. The 5-year extension, with the adequate funding provided, when coupled with full implementation of the provisions of the 1974 and 1977 acts will help address crime's cornerstone in this country—juvenile crime and violence. Although the amounts authorized to date have been very frugal relative to the task of each of the participating States, such resources provided in a stable. continuous fashion will do wonders to achieve the mandate of the 1974 act. As we all know, $100 today is only worth $70 of 4 years ago.

Mr. President, I could not conclude without expressing a debt of gratitude to the numerous private agencies and public groups who have been most actively involved in assisting us with this act and its amendments. If there ever has been a citizen's measure, it is this one. More than 75 organizations—across-the-board philosophically, and across-the-country knowing no geographical bounds have participated in these efforts. Without their help we could not have gotten the act passed in 1974, drafted the 1977 provisions, tested the provisions, and developed the necessary support for the 1980 provisions. I ask unanimous consent that the list of organizations endorsing the JJDPA of 1974 be printed in the RECORD.

I urge my colleagues to support this extension and I look forward to working with you and those in the House of Representatives toward our mutual goals.

Mr. President, I ask unanimous consent that the bill, section-by-section analysis, along with a partial list of those who support this act, and a portion of the annual report of the Runaway and Homeless Youth Division at HEW be printed at this point in the RECORD.

Mr. President, today I am also introducing, by request, the administration bill to amend the Juvenile Justice and Delinquency Prevention Act of 1974. I ask unanimous consent that the Vice-President's letter, bill, and sectional analysis be printed following my materials in the RECORD.

ORGANIZATIONS ENDORSING THE JUVENILE JUSTICE AND DELINQUENCY PREVENTION ACT OF 1974 (PUBLIC LAW 93-415, AS AMENDED IN 1977, PUBLIC LAW 95-115)

American Federation of State, County, and Municipal Employees.

American Institute of Family Relations.

American Legion, National Executive Committee.

American Parents Committee.

American Psychological Association.

B'nai B'rith Women.

Children's Defense Fund.

Child Study Association of America.

Chinese Development Council.

Christian Prison Ministries.

AFL-CIO Department of Community Services.

AFL-CIO, Department of Social Security.

American Association of Psychiatric Services for Children.

American Association of University Women.

American Camping Association.

American Federation of Teachers.

American Occupational Therapy Association.

American Optometric Association.

American Parents Committee.

American Psychological Association.

American Public Welfare Association.

American School Counselor Association.

American Society for Adolescence Psychiatry.

Association for Childhood Education International.

Association of Junior Leagues.

Emergency Task Force on Juvenile Delinquency Prevention.

John Howard Association.

Juvenile Protective Association.

National Alliance on Shaping Safer Cities.

National Association of Counties.

National Association of Social Workers.

National Association of State Juvenile Delinquency Program Administrators.

National Collaboration for Youth: Boys' Clubs of America, Boy Scouts of America, Camp Fire Girls, Inc., Future Homemakers of America, Girls' Clubs, Girl Scouts of U.S.A., National Federation of Settlements and Neighborhood Centers, Red Cross Youth Service Programs, 4-H Clubs, Federal Executive Service, National Jewish Welfare Board, National Board of YWCAs, and National Council of YMCAs.

National Commission on the Observance of International Women's Year Committee on Child Development, Audrey Rowe Colom, Chairperson Committee Jill Ruckelshaus, Presiding Officer of Commission.

National Conference of Criminal Justice Planning Administrators.

National Conference of State Legislatures.

National Council on Crime and Delinquency.

Boys' Clubs of America.

Boy Scouts of the USA.

Child Welfare League of America.

Family Impact Seminar.

Family Service Association of America.

Four-C of Bergen County.

Girls Clubs of America.

Home and School Institute.

Lutheran Council in the U.S.A.

Maryland Committee for Day Care.

Massachusetts Committee for Children and Youth.

Mental Health Film Board.

National Alliance Concerned With School-Age Parents.

National Association of Social Workers.

National Child Day Care Association.

National Conference of Christians and Jews.

National Council for Black Child Development.

National Council of Churches.

National Council of Jewish Women.

National Council of State Committees for Children and Youth.

National Jewish Welfare Board.

National Urban League.

New York State Division for Youth.

Palo Alto Community Child Care.

Philadelphia Community Coordinated Child Care Council.

The Salvation Army.

School Days, Inc.

Society of St. Vincent De Paul.

United Auto Workers.

United Cerebral Palsy Association.

United Church of Christ—Board for Homeland Ministries, Division of Health and Welfare.

United Methodist Church—Board of Global Ministries.

United Neighborhood Houses of New York, Inc.

United Presbyterian Church, USA.

Westchester Children's Association.

National Federation of State Youth Service Bureau Associations.

National Governors Conference.

National Information Center on Volunteers in Courts.

National League of Cities.

National Legal Aid and Defender Association.

National Network of Runaway and Youth Services.

National Urban Coalition.

Public Affairs Committee, National Association for Mental Health, Inc.

Robert F. Kennedy Action Corps.

U.S. Conference of Mayors.

Big Brothers/Big Sisters of America.

National Youth Workers Alliance.

National Council of Juvenile and Family Court Judges.

National Council of Criminal Justice Planners.

Youth Network Council.

American Bar Association.

American Civil Liberties Union.

National Juvenile Law Center.

National Coalition for Children's Justice.

Children's Express.

Children's Defense Fund.

Coalition for Children and Youth.

SECTION-BY-SECTION ANALYSIS

Section 1 provides that the Act shall be cited as the "Violent Juvenile Crime Control Act of 1980."

Section 101 amends Title I of the Juvenile Justice and Delinquency Prevention Act of 1974 to add an additional declaration of purpose. The new section 101(a)(8) adds a Congressional declaration of purpose that the justice system should give additional attention to the problem of violent crimes committed by juveniles, particularly to the areas of identification, apprehension, speedy adjudication, sentencing and rehabilitation.

Section 102(a) repeals paragraphs (4) and (5) of section 103 which are no longer pertinent.

Section 102(b) amends section 103(7) to list additional territories that qualify as "States" eligible for funding under the Act.

Section 102(c) amends section 103(9), a technical amendment.

Section 201 amends Title II, Part A of the Act in three ways:

(1) It delegates all final authority to the Administrator of the Office of Juvenile Justice and Delinquency Prevention (OJJDP).

(2) It requires the Administrator of OJJDP to appoint the two statutory Deputies, as well as the newly created Legal Advisor.

(3) It requires the Administrator of OJJDP to provide a detailed evaluation of "Scared-Straight"-type programs to the United States Senate Committee on the Judiciary and the United States House of Representatives Committee on Education and Labor, by December 31, 1980.

Sections 202 and 203 amend Title II, technical amendments.

Sections 204 and 205 amend Title II, Part B, Subpart I related to block grant Federal Assistance for State and Local Programs, technical amendments.

Section 206 amends Title II, Part B, Subpart II related to discretionary grant Federal Assistance for Priority Juvenile Prevention and Treatment Programs, technical amendments.

Sections 207 and 208 amend sections 225 (b) (5), (6), and (8) to increase citizen participation in the operation of the program.

Sections 209 and 210 amend section 228 (g) and 241(c), technical amendments.

Section 211 amends Title II, Part D, Administrative Provisions, in four ways:

(1) It provides a five-year authorization with an appropriation level of $200 million for each of fiscal years 1981, 1982 and 1983 and $225 million for each of fiscal years 1984 and 1985, section 261(a).

(2) It requires that appropriated funds not obligated by the end of each fiscal year shall revert to programs funded under the Runaway and Homeless Youth Act, by January 1 of the next fiscal year, section 261(a).

(3) It requires that maintenance of effort funds, 19.15% of the total appropriation of Title I of the Justice System Improvement Act, shall be targeted for programs aimed to curb violent crimes committed by juveniles, namely: murder, forcible rape, robbery, aggravated assault, and arson involving bodily harm, particularly to the areas of identification, apprehension, speedy adjudication, sentencing and rehabilitation, section 261(b).

(4) It requires the Administrator of OJJDP to implement and be responsible for section 261(b).

Section 212 amends section 262, to provide adequate administrative support for the Office.

Section 213 amends section 263 to require that amendments made by the Violent Juvenile Crime Control Act of 1980 shall take effect on the date of enactment.

Sections 301, 302 and 303 amend Title III of the Act to reflect the 1977 Act's homeless youth program authority.

Section 304 amends section 311 to authorize the Secretary to make grants to link runaway and homeless youth with their families and service providers through the use of a National hot-line telephone network.

Sections 305 and 306 amend sections 312 (a), (b)(5) and section 315(1) to reflect the 1977 Act's homeless youth program authority.

Section 307 amends Title III, Part D, Authorization of Appropriations, to provide a five-year authorization with an appropriation level of $25 million for each of fiscal years 1981, 1982 and 1983 and $30 million for each of fiscal years 1984 and 1985.

Sections 401 and 402 amend Title 5 and Title 18 of the United States Code, technical amendments.

Section 403 amends section 1002 of the Justice System Improvement Act of 1979, a technical amendment.

Section 404 amends the Act to carry out the delegation of authority for the Administrator of the Office.

EXCERPTS FROM THE ANNUAL REPORT OF THE RUNAWAY AND HOMELESS YOUTH ACT/HEW

The 1976 Annual Report addressed questions of causation with regard to the runaway youth problem in the Nation. The National Statistical Survey documented the runaway youth problem as being extensive, persistent, and a result of multiple causes which explain its nature and incidence. The Survey found that approximately 733,000 youth ages 10 to 17 leave home annually without parental permission for at least overnight. A major contributing factor to youth leaving home was that of family conflict.

In addition, the Survey presented evidence that large numbers of homeless and neglected youth often go unserved by the traditional social service agencies. Two priority areas were identified in which continued efforts were required to further strengthen the programs funded under the Runaway Youth Act.

These two objectives were (1) Service Delivery—to continue programmatic efforts designed to improve the service and administrative capability of the funded runaway youth projects to deliver effective services to runaway youth and their families; and (2) Research and Evaluation—to continue research efforts into the problems and special needs of runaway youth, the causes and complexities of runaway behaviour, and to conduct a national evaluation of the projects funded under the Runaway Youth Act.

In the 1977 Annual Report, the Department reported more fully on the characteristics of the National Runaway Youth Program and several important conclusions were reached:

The runaway youth projects are serving a greater proportion of "vulnerable youth" as defined by the variables of age, sex, and situational status;

The runaway youth projects are increasingly becoming utilized as a resource by youth and families in crisis, of which the actual event of running away from home is only one symptom of the problems that are being experienced;

Projects funded under the Runaway Youth Act are providing more comprehensive services to runaway youth and their families than in the past; and the nature of the runaway youth problem is more complex, longer term and severe than just being on the run;

The projects funded under the Runaway Youth Act are rapidly becoming legitimate and stable members of the social service system and are providing more than temporary shelter and crisis counseling within their facilities;

Runaway youth are staying closer to their home communities during the runaway episode;

There are growing needs for expanded aftercare services, (intermediate and long-term care) because many of the youth have family related and long standing unresolved problems;

There are an increasing number of homeless youth who are seeking services from the runaway youth projects.

On the basis of these findings, the Department recommended: that priority should be given to the further development of aftercare services for runaway youth; that there should be exploration into the development of expanded services in local runaway centers; that intergovernmental relations should be developed to facilitate these services; and that the network of the runaway service delivery system in local communities should be expanded.

During FY 1978 three significant events occurred. First, with reauthorization of the Runaway Youth Act, an amendment was included which called for the transfer of the National Runaway Youth Program from the Youth Development Bureau of the Department of Health, Education, and Welfare to the Office of Juvenile Justice and Delinquency Prevention within the Department of Justice or the ACTION Agency. Secondly, House of Representatives Oversight Hearings were conducted on the administration of the Runaway Youth Act by the Department of Health, Education, and Welfare; and third, the Government Accounting Office was directed to review the administration of the Runaway Youth Act with the Department. The GAO report focused on the following areas:

The general management and administration of the Runaway Youth Act by the Administration for Children, Youth and Families;

The adequacy of the program evaluation conducted by the Administration for Children, Youth and Families to determine its strengths and weaknesses;

The disposition of children sheltered by the runaway programs supported in whole or in part by program funds; and

The extent to which the program has reduced the involvement of runaways in the formal juvenile court system.

On March 7, 1978, House Oversight Hearings were conducted and the General Accounting Office report was presented. While the report revealed several problems, the administration of the National Runaway Youth Programs remained with the Department of Health, Education, and Welfare.

The 1978 Annual Report to Congress reviews the findings and conclusions of the 1976 and 1977 reports and addresses the strengths and weaknesses identified by the General Accounting Office and the House Oversight Committee. The major focus and thrust of the Annual Report is on the identification of major issues and needs which will influence the future administration of the Runaway Youth Act by the Department. However, while this Report is designed to report on the status and accomplishments of the National Runaway Youth Program, it is also intended to document the activities conducted by the Department of Health, Education, and Welfare during Fiscal Year 1978 to strengthen and to administer the overall goals of the Runaway Youth Act.

The primary accomplishments of the National Runaway Youth Program in FY 1978 include:

Funding of 166 runaway youth programs which have provided services to over 32,000 runaway youth and their families located in 48 States, Puerto Rico, the District of Columbia and Guam;

Awarding of seven demonstration grants to Runaway Youth Act funded programs to enable them to more comprehensively address the needs of youth and families in crisis by expanding the range of services provided and the types of clients served;

Strengthening of the administrative structure within the Department of Health, Education, and Welfare to increase the capability for providing better services under the Runaway Youth Program;

Implementation of a Management Information System which is based on the Intake and Service Summary Forms within the Department designed to provide a data base of empirical information on runaway youth served by the programs;

Funding of the National Toll-Free Communications System to serve runaway, other homeless youth and their families;

Development of Intra- and Inter-Agency agreements for the purpose of expanding services under the National Runaway Program;

Development of model regulations, consistent with the Secretary's "Operation Common Sense," which eliminates inefficient and unnecessary reporting requirements, rules, and regulations within the Department; and

Identification of the National Runaway Youth Program as one of the foci for the Secretary's Major Initiative Tracking System which requires a quarterly review.

Based upon the data submitted by the programs on the clients served, and the results of program development and research efforts conducted by the Department, several conclusions can be drawn about the implementation of the Act. These conclusions are summarized below and discussed more completely in the overall report.

Most of the runaway youth programs have developed multiple service components addressing emerging needs of young people in the local community.

The runaway youth programs are serving a greater portion of vulnerable youth with long standing, unresolved family problems. The number of homeless or abandoned youth seeking services has increased.

The runaway youth programs are increasingly being utilized as a resource by both youth and families in crisis.

The runaway youth programs are becoming viewed as legitimate members of the community social service network and are being utilized by social service agencies and the law enforcement/juvenile justice system as a resource for youth and families.

Leaving home without parental permission continues to be a major problem for youth in this country. The National Statistical Survey on Runaway Youth conducted in 1975 found that approximately 733,000 youth leave home annually without parental permission. In addition, there has been increasing evidence of large numbers of homeless, neglected, and abused youth going unserved by traditional social service agencies. In order to more effectively meet the needs of these youth, the Runaway Youth Act authorizes the Secretary of the Department of Health, Education, and Welfare to make grants to local communities for the purpose of developing programs which deal primarily with the immediate needs of runaway and otherwise homeless youth in a manner which is outside the law enforcement structure and juvenile justice system. Services provided must include temporary shelter, counseling, and aftercare services. The legislative goals of these grant programs are:

(1) to alleviate the problems of runaway youth;

(2) to reunite youth with their families and to encourage the resolution of intrafamily problems through counseling and other services;

(3) to strengthen family relationships and to encourage stable living conditions for youth; and

(4) to help youth decide upon a future course of action.

Through the implementation of these four legislative goals, the National Runaway Youth Program is impacting significantly on the lives of many vulnerable runaway and homeless youth and their families. Through its community-based projects the Runaway Youth Program served 32,000 youth and their families during FY 1978.

Through the National Runaway Youth Program, youth and families now have access to a network of community-based service programs designed to address youth needs while they are away from home and to provide services for youth and their families on an aftercare bases as required. Further, the National Toll-Free communication system which is designed to provide a neutral channel of communications between, and a vehicle for reuniting runaway youth with their families, served 135,880 youth.

The Youth Development Bureau also has a responsibility to improve the administrative and organizational capabilities of runaway youth programs to plan and deliver services to runaway and otherwise homeless youth. To this end, YDB has developed a technical operations manual which presents 13 program performance standards integral to a program of services to effectively deal with the crisis needs of runaway and otherwise homeless youth.

YDB also provides, through a contract, technical assistance to local programs in the area of organizational development as well as short-term training to increase the information and skills of youth workers to deliver services within their programs. Additionally, YDB has responsibility to develop models for dissemination on the provision of specific services such as prevention, aftercare, and health services.

There being no objection, the bills and material were ordered to be printed in the Record, as follows:

S. 2441

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

Section 1. This Act shall be cited as the "Violent Juvenile Crime Control Act of 1980".

TITLE I—AMENDMENTS TO TITLE I OF THE JUVENILE JUSTICE AND DELINQUENCY PREVENTION ACT OF 1974

Sec. 101. Section 101(a) of the Juvenile Justice and Delinquency Prevention Act of 1974 is amended—

(1) by striking out "and" immediately after the semicolon in paragraph (6);

(2) by striking out the period at the end of paragraph (7) and inserting a semicolon and "and"; and

(3) by adding at the end thereof the following:

"(8) the justice system should give additional attention to violent crimes committed by juveniles, particularly to the areas of identification, apprehension, speedy adjudication, sentencing, and rehabilitation.".

Sec. 102. (a) Paragraphs (4) and (5) of section 102 of that Act are repealed.

(b) Section 103(7) of that Act is amended by inserting after "Pacific Islands" the following: "the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands,".

(c) Section 103(9) of that Act is amended by striking out "law enforcement" and inserting "juvenile justice".

TITLE II—AMENDMENTS TO TITLE II OF THE JUVENILE JUSTICE AND DELINQUENCY PREVENTION ACT OF 1974

Sec. 201. (a) Section 201 of the Juvenile Justice and Delinquency Prevention Act of 1974 is amended to read as follows:

"Sec. 201. (a) There is hereby established within the Department of Justice under the general authority of the Administrator of the Law Enforcement Assistance Administration, the Office of Juvenile Justice and Delinquency Prevention (referred to in this Act as the 'Office'). The Office shall be under the direction of an Administrator, who shall be nominated by the President by and with the advice and consent of the Senate. The Administrator shall administer the provisions of this Act through the Office. The Administrator shall have final authority to award, administer, modify, extend, terminate, monitor, evaluate, reject, or deny all grants, cooperative agreements and contracts from, and applications for, funds made available under this title.

"(b) The Administrator may prescribe, in accordance with section 553 of title 5, United States Code, such rules and regulations as are necessary or appropriate to carry out the purposes of this title."

(b) Section "201(e)" of that Act is renumbered "201(c)" and amended by striking out "of the Law Enforcement Assistance Administration".

(c) Section "201(f)" of that Act is renumbered "201(d)".

(d) A new subsection "(e)" is added to read as follows:

"(e) There shall be established in the Office a Legal Advisor who shall be appointed by the Administrator whose function shall be to supervise and direct the Legal Advisor Unit whose responsibilities shall include legal policy development, implementation, and dissemination and the coordination of such matters with all relevant departmental units. The Legal Advisor, when appropriate, shall consult with the Lew Enforcement Assistance Administration and the Office of Justice Assistance, Research, and Statistics on legal nonpolicy matters relating to the provisions of this Act.".

(e) Section "201(g)" of that Act is renumbered "201(f)" and amended by striking out "-five" and inserting "-six".

(f) A new subsection "(g)" is added to read as follows:

"(g) The Administrator shall provide the United States Senate Committee on the Judiciary and the United States House of Representatives Committee on Education and Labor with a detailed evaluation of the Rahway Juvenile Awareness Project, the so-called 'Scared-Straight' program or other similar programs, no later than December 31, 1980.".

Sec. 202. (a) Section 204(b) of that Act is amended by striking out ", with the assistance of Associate Administrator,".

(b) Section 204(g) of that Act is amended by striking out "Administration" and inserting "Office".

Sec. 203. Section 208(d) of that Act is amended by striking out "Corrections" and inserting "Justice".

Sec. 204. (a) Section 222(a) of that Act is amended by striking the last "and" and inserting immediately after "Pacific Islands" the following: ", the Commonwealth of the Northern Mariana Islands, and any territory or possession of the United States,".

(b) Section 222(b) of that Act is amended by striking out "the Virgin Islands, American Samoa, Guam, and the Trust Territory of the Pacific Islands" and inserting "as defined in section 103(7),".

Sec. 205. (a) Section 223(a) of that Act is amended to read as follows:

"(a) In order to receive formula grants under this part, a State shall submit a plan for carrying out its purposes in accordance with regulations established under this title, such plan must—".

(b) Section 223(a)(3)(iii) of that Act is amended by striking out "established pursuant to section 203(c) of the Omnibus Crime Control and Safe Streets Act of 1968, as amended".

(c) Section 223(a)(3)(iv) of that Act is amended by striking out "section 520(b) of the Omnibus Crime Control and Safe Streets Act of 1968, as amended," and inserting "section 1002 of the Justice System Improvement Act of 1979,".

(d) Section 223(a) of that Act is amended by striking out the last sentence.

(e) Section 223(c) of that Act is amended by striking out ", with the concurrence of the Associate Administrator,".

(f) Section 223(d) of that Act is amended by striking out ", in accordance with sections 509, 510, and 511 of title I of the Omnibus Crime Control and Safe Streets Act of 1968,".

Sec. 206. The Juvenile Justice and Delinquency Prevention Act of 1974 is amended by substituting "Priority Juvenile" for "Special Emphasis" each time it appears.

Sec. 207. Section 225(b) (5) and (6) of that Act is amended by striking out "planning agency" and inserting "advisory group".

Sec. 208. Section 225(b)(8) of that Act is amended by striking out "agency" the first time it appears and inserting "advisory group".

Sec. 209. (a) Section 228(b) of that Act is amended by striking out "not funded by the Law Enforcement Assistance Administration,".

(b) Section 228(g) of that Act is amended—

(1) by striking out "part" and inserting "title"; and

(2) by striking out "or will become available by virtue of the application of the provisions of section 509 of the Omnibus Crime Control and Safe Streets Act of 1968, as amended".

Sec. 210. Section 241(c) of that Act is amended by striking out "Law Enforcement and Criminal".

Sec. 211. (a) Section 261(a) of that Act is amended to read as follows:

"(a) To carry out the purposes of this title there is authorized to be appropriated $200,000,000 for each of the fiscal years ending September 30, 1981, 1982, and 1983, and $225,000,000 for each of the fiscal years ending September 30, 1984, and 1985. Appropriated funds not obligated by the end of each fiscal year, shall revert to the Secretary for the purposes of Title III, no later than January 1, of the subsequent fiscal year.".

(b) Section 261(b) of that Act as amended by section 1002 of the Justice System Improvement Act of 1979 is amended by striking all after the last "appropriations" and inserting, "under the Justice System Improvement Act of 1979, for programs aimed to curb violent crimes committed by juveniles, namely, murder, forcible rape, robbery, aggravated assault, and arson involving bodily harm, particularly to the areas of identification, apprehension, speedy adjudication, sentencing, and rehabilitation. Implementation, including guidelines, of this subsection shall be the responsibility of the Administrator of the Office.".

Sec. 212. Section 262 of that Act is amended to read as follows:

"Sec. 262. Of the appropriation for the Office under this Act, there shall be allocated an adequate amount for administrative expenses other than those support services performed for the Office by the Office of Justice Assistance, Research, and Statistics.".

Sec. 213. Section 263 (a), (b), and (c) of that Act are amended to read as follows:

"Sec. 263. The amendments made by the Violent Juvenile Crime Control Act of 1980 shall take effect upon enactment.".

TITLE III—AMENDMENTS TO THE RUNAWAY YOUTH ACT

Sec. 301. Amend the caption "TITLE III—RUNAWAY YOUTH" by inserting "AND HOMELESS" immediately after "RUNAWAY".

Sec. 302. (a) Section 301 of the Juvenile Justice and Delinquency Prevention Act of 1974 is amended by inserting "and Homeless" immediately after "Runaway,".

Sec. 303. (a) Section 302(1) of that Act is amended by adding "or who are otherwise homeless" after "permission".

(b) Section 302(2) of that Act is amended by adding "and homeless" after "runaway".

Sec. 304. (a) Section 311 of that Act is amended by inserting "(a)" immediately after "Sec. 311.".

(b) Section 311 of that Act is amended by adding at the end thereof the following:

"(b) The Secretary is authorized to make grants for the purposes of providing a national telephone communications system to link runaway and homeless youths with their families and with service providers.".

SEC. 305. (a) Section 312(a) of that Act is amended by striking the period and inserting "or who are otherwise homeless.".

(b) Section 312(b)(5) of that Act is amended by inserting "and homeless" after "runaway" the first time it appears.

SEC. 306. Section 315(1) of that Act is amended by adding "and homeless" after "runaway".

SEC. 307. (a) Section 341(a) of that Act is amended to read as follows:

"(a) To carry out the purposes of part A of this title there is authorized to be appropriated $25,000,000 for each of the fiscal years ending September 30, 1981, 1982, and 1983, and $30,000,000 for each of the fiscal years ending September 30, 1984 and 1985.".

(b) Section 341(b) is amended by striking "Omnibus Crime Control and Safe Streets Act of 1968, as amended." and inserting "Justice System Improvement Act of 1979.".

TITLE IV—MISCELLANEOUS CONFORMING AMENDMENTS

SEC. 401. Section 5316 of title 5, United States Code, is amended by striking out "Associate Administrator, Office of Juvenile Justice and Delinquency Prevention" and inserting "Administrator, Office of Juvenile Justice and Delinquency Prevention,".

SEC. 402. Section 4351(b) of title 18, United States Code, is amended by striking out "Associate".

SEC. 403. Section 1002 of the Justice System Improvement Act of 1979 is amended by striking out all that appears after "title" and inserting the following: "for programs aimed to curb violent crimes committed by juveniles, namely, murder, forcible rape, robbery, aggravated assault, and arson involving bodily harm, particularly to the areas of identification, apprehension, speedy adjudication, sentencing and rehabilitation.".

SEC. 404. (a) The Juvenile Justice and Delinquency Prevention Act of 1974 is amended by striking out "Associate" each time it appears.

OFFICE OF THE DEPUTY
ATTORNEY GENERAL,
Washington, D.C., May 15, 1979.

The VICE PRESIDENT,
U.S. Senate,
Washington, D.C.

DEAR MR. VICE PRESIDENT: It is my pleasure to forward for your consideration a legislative proposal entitled the "Juvenile Justice Amendments of 1980."

This proposed bill would amend the Juvenile Justice and Delinquency Prevention Act of 1974 and extend the authority of the Law Enforcement Assistance Administration to administer the Act, through its Office of Juvenile Justice and Delinquency Prevention, for an additional four years. The bill would provide continued funding to the Law Enforcement Assistance Administration to coordinate Federal juvenile delinquency programs and activities and to assist States, units of general local government, and private non-profit agencies, organizations and institutions in their efforts to combat juvenile delinquency and improve the juvenile justice system.

The amendments proposed are few in number and are directed toward making improvements in the existing program. The amendments were drafted in anticipation of the enactment of the Justice System Improvement Act (S. 241 and H.R. 2061) during the current session of Congress. Because that Act would thoroughly restructure the existing program under the Omnibus Crime Control and Safe Streets Act, it is possible that a modification of this bill would be necessary after the enactment of the Justice System Improvement Act. The Justice System Improvement Act establishes the Office of Justice Assistance, Research and Statistics as the coordinating mechanism for the Federal justice system improvement program. The Office will be made up of three separate organizational entities responsible for the three major functional areas of financial assistance, research, and statistics. Under the new structure, the Juvenile Justice Act program will remain a part of the financial assistance program administered by the Law Enforcement Assistance Administration.

The legislative proposal would target additional attention and resources on the problem of the serious, violent, and chronic repeat delinquent offender. The bill begins with a finding that the juvenile justice system should give additional attention to this type of offender from apprehension through rehabilitation. New formula and Special Emphasis program authority is added through a series of amendments proposed in the bill that authorize a broad range of programmatic efforts directed toward this significant, but neglected, juvenile offender population.

The legislative proposal includes a number of amendments designed to strengthen activities to coordinate Federal juvenile delinquency efforts. The Federal Coordinating Council would be given staff capability to assist in carrying out its statutory duties. The Council would be responsible for reviewing and making recommendations on all joint funding efforts undertaken by the Office of Juvenile Justice and Delinquency Prevention with member agencies.

In order to increase representation of State advisory groups on the 21 member National Advisory Committee for Juvenile Justice and Delinquency Prevention, the proposal would require that the President appoint at least two State advisory group members to the Committee in each group of seven appointments.

The proposal would clarify the important Section 223(a) (12) (A) deinstitutionalization requirement of the Act through a definition of the term "juvenile detention or correctional facilities." The definition would prohibit the placement of juveniles who have not been charged with or adjudicated for offenses that would be criminal if committed by an adult in facilities that are secure or that are used for the lawful custody of adult offenders. This change, coupled with the Act's emphasis on the establishment of small community-based alternatives, should permit States to continue their progress toward full deinstitutionalization of noncriminal juveniles while at the same time freeing additional resources for the accomplishment of other important objectives of the Act.

The proposed bill continues the National Institute for Juvenile Justice and Delinquency Prevention. However, the Institute's authority in the area of basic research into the causes of juvenile delinquency would be removed. The basic research function would be performed by the National Institute of Justice under the Justice System Improvement Act.

Finally, the proposal would provide authorization of such sums as are necessary for Juvenile Justice Act programs in each of fiscal years 1981, 1982, 1983, and 1984. The submission of this bill underscores the Administration's continuing commitment to juvenile justice and delinquency prevention programming at the Federal level.

I recommend the prompt and favorable consideration of the proposed "Juvenile Justice Amendments of 1980." In addition to the bill, there is enclosed a section-by-section analysis.

The Office of Management and Budget has advised that there is no objection from the standpoint of the Administration's program to the submission of this legislation to the Congress and that its enactment would be consistent with the Administration's objectives.

Sincerely,

BENJAMIN R. CIVILETTI,
Deputy Attorney General.

AMENDMENT

Mr. BAYH (by request) introduced the following bill, which was read twice and referred to the Committee on the Judiciary.

A bill to amend the Juvenile Justice and Delinquency Prevention Act of 1974, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Juvenile Justice Amendments of 1980."

SEC. 2. Title I of the Juvenile Justice and Delinquency Prevention Act of 1974 is amended as follows:

(1) Section 101(a)(4) is amended by inserting the words "alcohol and" after the word "abuse" and before the word "drugs".

(2) Section 101(a) is further amended by striking out the word "and" at the end of paragraph (6), by striking out the period at the end of paragraph (7) and inserting "; and" in lieu thereof, and by adding at the end thereof the following new paragraph:

"(8) the juvenile justice system should give additional attention to the problem of the serious juvenile offender, particularly in the areas of apprehension, identification, speedy adjudication, sentencing and rehabilitation."

(3) Section 103(7) is amended to read as follows:

"(7) the term "state" means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Trust Territory of the Pacific Islands, and the Commonwealth of the Northern Mariana Islands;"

(4) Section 103(12) is amended to read as follows:

"(12) the term "juvenile detention or correctional facilities" means any secure public or private facility used for the lawful custody of accused or adjudicated juvenile offenders or non-offenders or any public or private facility, secure or non-secure, which is also used for the lawful custody of accused or convicted adult criminal offenders; and".

PART A—JUVENILE JUSTICE AND DELINQUENCY PREVENTION OFFICE

SEC. 3. Title II, Part A of such Act is amended as follows:

(1) Section 206(c) is amended by inserting at the end thereof the following new sentence: "The Council shall review and make recommendations on all joint funding efforts undertaken by the Office of Juvenile Justice and Delinquency Prevention with member agencies of the Council."

(2) Section 206(e) is amended to read as follows:

"(e) The Chairman of the Council shall, with the approval of the Council, appoint a staff director, an assistant staff director, and such additional staff support as the Chairman considers necessary to carry out the functions of the Council."

(3) Section 207(d) is amended by inserting after the second sentence thereof the following new sentence: "Each group of appointments for four year terms shall include at least two appointees who are members of a State advisory group established pursuant to section 223(a)(3) of this Act."

PART B—FEDERAL ASSISTANCE FOR STATE AND LOCAL PROGRAMS

SEC. 4. Title II, Part B of such Act is amended as follows:

(1) Section 223(a)(10) is amended by striking the word "and" before the words "to establish and adopt", and by inserting

after "juvenile justice standards" the following words: ", and to identify, adjudicate, and provide effective institutional and community-based treatment alternatives for the serious, violent, or chronic repeat juvenile offender".

(2) Section 223(a)(10)(A) is amended by inserting after "rehabilitative service" the following: "including programs and services targeted to the treatment and rehabilitation of serious, violent, or chronic repeat juvenile offenders".

(3) Section 223(a)(10) is further amended by adding at the end thereof the following new subparagraphs:

"(J) projects designed to identify and work with criminally involved juvenile gangs in order to channel their energy to constructive and lawful outlets;

"(K) programs designed to identify and focus resources upon the serious violent, or chronic repeat juvenile offender;

"(L) special institutional units or programs to provide intensive supervision and treatment for violent juvenile delinquent offenders;"

(4) Section 224(a)(10) is amended by striking the word "and" at the end thereof.

(5) Section 224(a)(11) is amended by striking the period at the end and inserting "; and" in lieu thereof.

(6) Section 224(a) is further amended by adding at the end thereof the following new paragraph:

"(12) develop and implement programs designed to increase the ability of the juvenile justice system to gather information on violent or serious juvenile crime, to assure due process in adjudication, and to provide resources necessary for informed dispositions of juvenile offenders."

Part C—National Institute for Juvenile Justice and Delinquency Prevention

Sec. 5. Title II, Part C of such Act is amended as follows:

(1) Section 243(1) is amended by inserting the word "applied" after the word "coordinate".

(2) Section 243(5) is amended by inserting the word "applied" after the words "private agencies, such".

(3) Section 245 is amended by striking the words "Associate Administrator" and inserting the words "Deputy Associate Administrator for the National Institute for Juvenile Justice and Delinquency Prevention" in lieu thereof.

Part D—Administrative Provisions

Sec. 6. Title II, Part D of such Act is amended as follows:

(1) The first sentence of Section 261(a) is amended to read as follows:

"To carry out the purposes of this title there is authorized to be appropriated such sums as are necessary for each of the fiscal years ending September 30, 1981, September 30, 1982, September 30, 1983, and September 30, 1984."

(2) Section 261(b) is amended to read as follows:

"(b) In addition to the funds appropriated under Section 261(a) of the Juvenile Justice and Delinquency Prevention Act of 1974, the Administration shall maintain from the appropriation for the Law Enforcement Assistance Administration, other than funds earmarked for research, evaluation and statistics activities, each fiscal year, at least 20 percent of the total appropriations for the Administration, for juvenile delinquency programs. The Administration shall provide an adequate share of research, evaluation and statistics funding for juvenile delinquency programs and activities and is encouraged to provide funding for juvenile delinquency programs over and above the 20 percent maintenance of effort minimum. The Associate Administrator of the Office of Juvenile Justice and Delinquency Prevention, subject to the review and approval of the Administration, shall publish guidelines for the implementation of this subsection."

(3) Section 261 is further amended by adding at the end thereof the following new subsection:

"(c) A reasonable amount of the total annual appropriation under this title shall be allocated and expended by the Administration for the purpose of planning and implementing joint interagency programs and projects authorized under Part A."

Sectional Analysis

Section 1 provides that the Act may be cited as the "Juvenile Justice Amendments of 1980."

Section 2 amends Title I of the Juvenile Justice and Delinquency Prevention Act of 1974 to add additional findings and to modify two definitions.

(1) Section 101(6)(4) is amended to recognize that alcohol abuse is an increasing problem among juveniles.

(2) Section 101(a) is further amended to add a congressional finding that the juvenile justice system should give additional attention to the problem of the serious juvenile offender.

(3) Section 103(7) is amended to list the jurisdictions that qualify as "States" eligible for funding under the Act.

(4) Section 103(12) is amended to define the term "juvenile detention or correctional facilities," as this term is used in Section 223(a)(12)(A), in order to specify that juveniles who have not been charged with or adjudicated for offenses that would be criminal if committed by an adult may not be placed in facilities that are secure or, whether secure or non-secure, are used for the lawful custody of accused or convicted adult criminal offenders.

Section 3 amends Title II, Part A of the Juvenile Justice and Delinquency Prevention Act of 1974 in three ways:

(1) Section 206(c) is amended to provide that the Coordinating Council review and make recommendations on all joint funding proposals undertaken by the Office of Juvenile Justice and Delinquency Prevention with member agencies of the Council.

(2) Section 206(e) is amended to require that the Chairman of the Council, with the approval of the Council, appoint a staff director, an assistant staff director, and such additional staff support as the Chairman considers necessary to carry out the Council's statutory functions.

(3) Section 207(d) is amended to specify that at least two appointees out of each group of seven appointees to the National Advisory Committee for Juvenile Justice and Delinquency Prevention shall be current members of a State advisory group established under the Act.

Section 4 amends Title II, Part B of the Act through six separate provisions related to Federal assistance programs.

(1) Section 223(a)(10) is amended to add to the list of advanced technique program areas under the formula grant program those that identify, adjudicate, and provide effective institutional and community-based treatment alternatives for the serious, violent, or chronic repeat juvenile offender.

(2) Section 223(a)(10)(A) is amended to include programs and services targeted to the treatment and rehabilitation of serious violent, or chronic repeat juvenile offenders to the listing of examples of advanced technique community-based programs and services.

(3) Section 223(a)(10) is further amended by adding three new subparagraphs that give further examples of advanced technique project activities related to serious juvenile offenders.

Subparagraph (J) authorizes projects designed to identify and work with criminally involved juvenile gangs in order to channel their energy to constructive and lawful outlets.

Subparagraph (K) authorizes programs that are designed to identify and focus resources on the serious, violent, or chronic repeat juvenile offender.

Subparagraph (L) authorizes the funding of special institutional units or programs to provide intensive supervision and treatment for violent juvenile delinquent offenders.

(4) Section 224(a)(10) is the subject of a technical amendment.

(5) Section 224(a)(11) is the subject of a technical amendment.

(6) Section 224(a) is further amended by adding a new paragraph that authorizes Special Emphasis prevention and treatment funding for programs designed to increase the ability of the juvenile justice system to gather information on violent or serious juvenile crime, to assure due process in adjudication, and to provide additional resources necessary to make informed dispositions of juvenile offenders.

Section 5 amends Title II, Part C of the Act through three amendments related to the National Institute for Juvenile Justice and Delinquency Prevention.

(1) Section 243(1) is amended to limit the scope of the Institute's research authority to applied research into all aspects of juvenile delinquency. Basic research into the causes of crime and delinquency will be conducted by the National Institute for Law Enforcement and Criminal Justice or its successor.

(2) Section 243(5) is also amended to specify that studies prepared by the Institute with respect to the prevention and treatment of juvenile delinquency shall be applied studies related to the development of effective programs and projects.

(3) Section 245 is amended to provide that the Institute Advisory Committee directly advise the Deputy Associate Administrator for the Institute.

Section 6 amends Title II, Part D of the Act, Administrative Provisions, through three amendments to Section 261.

(1) Section 261(a) is amended to provide a four-year authorization with an appropriation level of such sums as are necessary for each of fiscal years 1981, 1982, 1983, and 1984.

(2) Section 261(b) is amended to provide for changes in the required maintenance of effort of Crime Control Act funds for juvenile delinquency programs. The requirement is made applicable to all such funds except funds earmarked for research, evaluation and statistics activities. These latter activities must receive an adequate share of available funds. The maintenance of effort level is set at 20 percent and language added to encourage the Administration to provide funding for juvenile delinquency programs over and above the minimum 20 percent level. Guidelines for implementation of maintenance of effort shall be formulated by the Associate Administrator of OJJDP and, following review and approval by the LEAA Administrator, published in the Federal Register.

(3) A new section 261(c) is added to require that a reasonable amount of the total annual appropriation under Title II shall be allocated and expended for the purpose of planning and implementing jointly funded interagency programs and projects in accordance with the joint funding authority provided under the Part A Concentration of Federal Efforts program.●

By Mr. MOYNIHAN (for himself and Mr. Javits):

S. 2443. A bill to authorize the Department of Energy to carry out a high-level

liquid nuclear waste management demonstration project at the Western New York Service Center in West Valley, N.Y.; to the Committee on Energy and Natural Resources.

WEST VALLEY DEMONSTRATION PROJECT

● Mr. MOYNIHAN. Mr. President, I rise today, joined by my distinguished colleague from New York, to introduce a bill authorizing the Department of Energy to carry out a high-level liquid nuclear waste management demonstration project at the Western New York Service Center in West Valley, N.Y.

West Valley is the site of this Nation's only commercial nuclear fuel reprocessing plant. Over 75 percent of the high-level waste at West Valley is from Federal facilities or commercial reactors under contract with the former Atomic Energy Commission. The high level wastes at West Valley are the only such wastes in the United States that are not managed by the Federal Government. New York State does not belong in the nuclear waste business. It is important that the facility be under the care and management of the Department of Energy which possesses the necessary technical resources to oversee the solidification and safe removal of the wastes.

The need for a strong Federal role at West Valley has already been established. On March 8, 1977, the GAO recommended that the Nuclear Regulatory Commission develop criteria for handling the waste and decommissioning the site. The GAO report also recommended that the NRC and the Department of Energy develop a policy of Federal assistance to New York for the site. On March 15, 1978, the DOE Task Force for Review of Nuclear Waste Management stated that "DOE should accept responsibility for the high level waste at West Valley."

Over a year later, Secretary James Schlesinger wrote to Gov. Hugh Carey expressing DOE's willingness to accept overall management responsibility and bear a portion of the costs of a program of high-level liquid waste solidification, storage, transfer to a Federal repository for solidified wastes, and decommissioning of all facilities associated with these activities. As recently as September 21, 1979, Secretary Duncan wrote to Governor Carey expressing his desire to reach a final agreement on arrangements for beginning the waste solidification project at West Valley. However, the Department of Energy cannot proceed on the project without the proper authorizing language. That is the intention of our bill.

This is not the first time Mr. JAVITS and I have introduced legislation that would initiate a nuclear waste solidification program at West Valley and bring the facility under the technical management of the Department of Energy. Indeed, the West Valley demonstration project passed the Senate on June 18, 1979 as an amendment to the 1980 DOE military authorization bill only then to be rejected in conference because the House considered it to be a civilian program. We then introduced the demonstration project as an amendment to the 1980 DOE civilian authorization bill. However, at this late date, the likelihood of the DOE bill coming to the Senate floor appears to be dim.

Therefore, in the interest of public health and safety, Mr. JAVITS and I have decided that we should make every effort to move the West Valley project as a separate bill. Congressman STANLEY LUNDINE is offering the identical bill in the House of Representatives today. We look forward to working with our colleagues on the Energy Committee to produce a piece of legislation that will be beneficial to the nuclear waste management program in this country and at the some time address the most pressing need to safely dispose of the high-level nuclear waste at West Valley.

Mr. President, I ask unanimous consent that a chronology on West Valley be printed in the RECORD, together with the text of the bill.

There being no objection, the bill and chronology were ordered to be printed in the RECORD, as follows:

S. 2443

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "West Valley Demonstration Project".

SEC. 2. (a) The Secretary of Energy (hereinafter in this Act referred to as the 'Secretary') shall carry out, in accordance with the provisions of this Act, a high-level liquid nuclear waste management demonstration project at the Western New York Service Center in West Valley, New York (hereinafter referred to as 'the project'). The Secretary shall carry out the project by vitrifying the high-level liquid nuclear wastes located at such Center or by employing the most effective technology for solidification available. The Secretary shall, as part of the project, also (1) as soon as feasible transport such solidified wastes, in accordance with applicable provisions of law, to an appropriate Federal repository for long term burial, and (2) decontaminate and decommission facilities, materials, and hardware used in connection with the project.

(b) During the fiscal year ending September 30, 1980, the Secretary shall:

(1) prepare a plan for safe removal of such wastes from tank numbered 8D-2 and any other storage tank at the Center containing such wastes, including safely breaching the tanks, operating waste removal equipment, and sluicing techniques,

(2) determine the feasibility of immobilization and waste handling techniques required by the unique situation of such wastes at the Center, including initiation of detailed engineering and cost estimates as well as safety analyses and environmental impact analyses, and

(3) Title to the high level liquid wastes at the Center shall be transferred to the United States upon payment by the State of New York and other appropriate persons of an appropriate fee, as determined by the Secretary, for the perpetual care and maintenance of such wastes.

SEC. 3. There is authorized to be appropriated to the Secretary not more than $5,000,000 for the fiscal year ending September 30, 1980, for the project. Funds authorized and appropriated in subsequent fiscal years for the project shall not be used by the Secretary for such purpose until the Secretary, the State of New York, and other appropriate persons enter into such contracts and agreements as may be required—

(a) to provide for the transfer of title of such wastes and the payment therefor,

(b) to enable the Secretary to utilize property and facilities at the Center for the project,

(c) to share the costs of the project, except that the non-Federal share of such costs shall be limited to no more than 10 per centum thereof and in determining such share the Secretary shall consider the utilization of such Center by the Secretary for the project, the amount of money in the existing perpetual care fund originally designated to provide, for ultimate disposition of the high-level liquid nuclear waste at the Center, and such other factors as the Secretary deems appropriate, and

(d) to otherwise provide for the conduct of the project in a timely manner.

SEC. 4. In carrying out the project, the Secretary shall consult with the Nuclear Regulatory Commission, the Administrator of the Environmental Protection Agency, the Secretary of Transportation, the Director of the Geological Survey, the State of New York, and the commercial operator of the Center.

SEC. 5. Not later than February 1, 1981, and on February 1 of each calendar year thereafter during the term of the project, the Secretary shall transmit to the Committee on Science and Technology, the Committee on Interior and Insular Affairs, and the Committee on Interstate and Foreign Commerce of the House of Representatives and the Committee on Energy and Natural Resources of the Senate an up-to-date report containing a detailed description of the activities of the Secretary in carrying out the project, including the costs incurred, and the activities to be taken in the next fiscal year and the costs thereof. Any contract or agreement executed under Sec. 3 of this Act, together with summaries thereof, shall be promptly transmitted to such committees for their information and review.

SEC. 6. Other than the costs and responsibilities established by this Act for the project, nothing in this Act shall be construed as affecting any rights, obligations, or liabilities of the commercial operator of the Center, the State of New York, or any person, as is appropriate, arising under the Atomic Energy Act of 1954 or under any other law, contract, or agreement for the operation, maintenance, or decontamination of any facilities or property at the Center or for any wastes at the Center. Nothing in this Act shall be construed as affecting any applicable licensing requirements of the Atomic Energy Act of 1954 or the Energy Reorganization Act of 1974. The provisions of this Act shall not apply or be extended to any facility or property at the Center which is not used in conducting the project.

WEST VALLEY CHRONOLOGY

1954: Atomic Energy Act. Stated purpose: "widespread participation in the development and utilization of atomic energy for peaceful purposes." The AEC (Atomic Energy Commission) actively encouraged private industry to enter the field of nuclear power.

1959: New York's interest in attracting atomic development led to the creation of the Office of Atomic Development (OAD), an independent agency responsible for coordination of atomic regulatory and development functions within the state. To encourage nuclear development, OAD required the creation of the West Valley site in 1961. This came to be designated WNYNSC (Western New York Nuclear Service Center). The Center's purpose was to store nuclear fuels and radioactive wastes and to be available for related industrial development.

1966–1972: Nuclear Fuel Services (NFS) reprocessed fuel at WNYNSC (the plant is currently maintained in a shutdown condition). Approximately 640 metric tons of nuclear fuel were processed at WNYNSC.

April 1976: NFS notified New York State Energy Research and Development Authority of its intention to exercise its right, under the Waste Storage Agreement, to surrender responsibility for all wastes at WNYNSC to the New York State Energy Research and Development Agency.

March 8, 1977: GAO report (EMD–77–27) recommended that the NRC develop criteria for handling the waste and decommissioning the site. Also the report recommended that NRC and DOE develop a policy of federal assistance to New York for the site.

Feb. 25, 1978: Effective date for DOE FY 1978 Authorization. Act instructed DOE to carry out a study of options for the future of WNYNSC at West Valley. DOE was also directed to recommend allocation of existing and future responsibilities of the Center for the federal government, New York State, and the present industrial participants. Report was to be submitted to the Senate Subcommittee on Energy Research and Development one year after enactment of act.

Mar. 29, 1978: Senator Moynihan wrote Secretary of Energy Schlesinger. Moynihan supported the statement in the Report of the DOE Task Force for Review of Nuclear Waste Management (March 15, 1978): "DOE should accept responsibility for the high level waste at West Valley." But Moynihan also stated that for DOE to bargain for a waste repository is unacceptable.

June 20, 1978: Secretary Schlesinger wrote to Senator Moynihan stating that the Report of the Task Force for Review of Nuclear Waste Management is not necessarily administration policy regarding the federal responsibility at West Valley.

June 7, 1979: Secretary Schlesinger wrote to Governor Carey expressing DOE's willingness to accept overall management responsibility and bear a portion of the costs of a program of high-level liquid waste solidification, storage, transfer to a Federal repository for solidified wastes, and decommissioning of all facilities associated with these activities.

June 18, 1979: Moynihan Amendment to the DOE Military Authorization bill passed the Senate.

June 26, 1979: Senate Energy Committee reported out the DOE Civilian Authorization bill (S. 688) with no authorization included for West Valley.

August 17, 1979: Governor Carey responded to Secretary Schlesinger's letter of June 7, 1979. The Governor reiterated New York's concern that the West Valley issue not be linked with DOE's consideration of West Valley or any other place in New York as a site for future storage of spent nuclear fuel.

September 21, 1979: Secretary Duncan wrote to Governor Carey expressing his desire to reach a final agreement on arrangements for beginning the waste solidification project at West Valley.

September 25, 1979: Energy and Water Development Appropriation Bill of 1980, containing a $5 million appropriation for West Valley, was signed by the President.

October 24, 1979: House passed the DOE Civilian Authorization Bill with the Lundine amendment for the West Valley authorization.

November 30, 1979: Conference on DOE Military Authorization Bill convened. House refused to accept the Senate language on the West Valley authorization.

December 7, 1979: Senator Moynihan met with Dr. John Sawhill and agreed that DOE would work with the Senate Energy Committee to draft language for a Moynihan-Javits floor amendment to the DOE Civilian Authorization bill. Senator Jackson agreed to accept a floor amendment.

January 22, 1980: Moynihan and Javits introduce their amendment to the DOE Civilian Authorization bill.

As of March 19, 1980: It appears that the Senate will not bring the 1980 DOE bill to the floor. Nuclear waste management bills also appear to be stalled.●

By Mr. CHURCH (by request):

S. 2444. A bill to amend the "Department of State Authorization Act, Fiscal Years 1980 and 1981" to provide additional authorization for fiscal year 1980, and for other purposes; to the Committee on Foreign Relations.

● Mr. CHURCH. Mr. President, I introduce, by request, a bill to amend the Department of State Authorization Act for fiscal years 1980 and 1981 to provide additional authorization for fiscal year 1980 and for other purposes.

The bill has been requested by the Assistant Secretary of State for Congressional Relations and I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when the matter is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill be printed in the RECORD at this point, together with the section-by-section analysis and the letter from the Assistant Secretary of State to the President of the Senate dated February 8, 1980.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 2444

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—ADDITIONAL AUTHORIZATION FOR FISCAL YEAR 1980

SEC. 101. This Act may be cited as the "Department of State Additional Authorization Act of 1980".

SEC. 102. (a) Section 102(a) of the "Department of State Authorization Act, Fiscal Years 1980 and 1981" is amended in paragraph (2) by striking out "$502,945,000" and inserting in lieu thereof "$530,234,000".

(b) The same Act is amended by striking out in its entirety subsection (b) of Section 102.

(c) The same Act is amended by striking out in its entirety subsection (c) of Section 102.

TITLE II—EX GRATIA PAYMENT

SEC. 201. Of the amount appropriated under paragraph (1) of Section 102(a) of the "Department of State Authorization Act, Fiscal Years 1980 and 1981", $81,000 shall be available for payment *ex gratia* to the government of Yugoslavia as an expression of concern by the United States Government for the injuries sustained by a Yugoslav national as a result of an attack on him in New York City.

SECTION-BY-SECTION ANALYSIS

Sec. 101. Short Title.

This title may be cited as the "Department of State Additional Authorization Act of 1980".

Sec. 102. Additional Authorization for Fiscal Year 1980.

Subsection (a)—This subsection authorizes additional appropriations for fiscal year 1980 under the heading "International Organizations and Conferences". This authorization will provide funds sufficient to meet prior year U.S. arrearages to three particular international organizations and to meet the anticipated shortfall in the United States assessed contributions to various other international organizations in calendar year 1980.

Subsection (b)—This amendment would remove the ceilings imposed on the Department's authorization levels for both fiscal years 1980 and 1981. The amended aggregate amount appropriated under paragraphs (1), (2), and (3) of subsection (a) in P.L. 96–60 will exceed the ceiling of $1,369,401,000 in fiscal year 1980 and $1,547,778,000 in fiscal year 1981. In order to meet supplemental requirements in fiscal year 1980 and insure that sufficient resources are available in fiscal year 1981, the Department must exceed the legislated ceilings for fiscal years 1980 and 1981.

Subsection (c)—This amendment would remove the provision which prohibits payment by the United States of its assessed contributions for two U.N. units pertaining to Palestinians. If the prohibitive provision continued to remain in force, it would cause the United States to fall into arrears in its assessed contribution to the United Nations. Such an action is contrary to Article 17 of the United Nations Charter. Moreover, the Congress in the United Nations Participation Act (22 U.S.C. 287e) specifically authorized annual appropriations to the Department of State for such sums as may be necessary for payment by the United States of its share of the expenses of the United Nations as apportioned by the General Assembly in accordance with Article 17 of the Charter. The treaty obligation, therefore, has the full support of statute.

Sec. 201. Ex Gratia Payment.

This section provides an *ex gratia* payment to the Yugoslav Government on behalf of a foreign national of Yugoslavia who was injured as the result of an attack while on assignment at the Yugoslav mission to the U.N. in New York City.

DEPARTMENT OF STATE,
Washington, D.C., February 8, 1980.

Hon. WALTER F. MONDALE,
President of the Senate,
U.S. Senate.

DEAR MR. PRESIDENT: There is transmitted herewith a proposed amendment for fiscal year 1980 to Public Law 96–60, the "Department of State Authorization Act, Fiscal Years 1980 and 1981", which authorized appropriations for fiscal years 1980 and 1981 for the Department of State to carry out its authorities and responsibilities in the conduct of the foreign affairs of the United States and for other purposes authorized by law.

The prime purpose of the amendment is to provide additional authorization of $27,289,000 in fiscal year 1980 to cover the costs associated with our supplemental request for the Contributions to International Organizations Appropriation. An analysis further explaining the proposed legislation is enclosed.

The Department has been informed by the Office of Management and Budget that there is no objection to the presentation of this proposed legislation to the Congress and that its enactment would be in accord with the program of the President.

Sincerely,

J. BRIAN ATWOOD,
Assistant Secretary for Congressional Relations.●

By Mr. CHURCH (by request):

S. 2445. A bill to provide additional authorization for fiscal year 1981, to authorize appropriations for fiscal year 1982, and for other purposes; to the Committee on Foreign Relations.

● Mr. CHURCH. Mr. President, I introduce, by request, a bill to amend the Foreign Relations Authorization Act of 1981, and to authorize appropriations for fiscal year 1982 and for other purposes.

The bill has been requested by the Assistant Secretary of State for congressional relations and I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when the matter is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill be printed in the RECORD at this point, together with the section-by-section analysis and the letter from the Assistant Secretary of State to the President of the Senate dated February 8, 1980.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 2445

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—DEPARTMENT OF STATE

ADDITIONAL AUTHORIZATION OF APPROPRIATIONS FOR FISCAL YEAR 1981

SEC. 101. (a) Section 102 of the "Department of State Authorization Act, Fiscal Years 1980 and 1981", as amended, in subsection (a) is amended—

(1) by striking out "$1,009,815,000" and inserting in lieu thereof "$1,029,815,000",

(2) by striking out "$525,082,000" and inserting in lieu thereof "549,978,000"; and,

(3) by striking out "$457,798,000" and inserting in lieu thereof "$552,209,000".

(b) The same Act is amended by striking out in its entirety subsection (b) of Section 102.

AMERICAN INSTITUTE IN TAIWAN

SEC. 102. (a) Section 16 of the Act entitled "Taiwan Relations Act", approved April 10, 1979, is amended by striking out "1980" and inserting in lieu thereof "1981".

(b) Of the amounts authorized to be appropriated by section 102(a)(1) of this Act for the fiscal year 1981, $6,582,000 shall be available only for the necessary expenses to carry out the Taiwan Relations Act, Public Law 96–8 (93 Stat. 14).

ASSESSED CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

SEC. 103. Section 24(a) of the Act entitled "An Act to provide certain basic authority for the Department of State", approved August 1, 1956, as amended (22 U.S.C. 2696), is amended by inserting immediately after "law"—"and U.S. assessed contributions to international organizations".

AUTHORIZATION OF APPROPRIATIONS FOR FISCAL YEAR 1982

SEC. 104. There are authorized to be appropriated to the Department of State for fiscal year 1982 such sums as may be necessary to carry out the authorities, functions, duties, and responsibilities of the United States in the conduct of foreign affairs and for other purposes authorized by law.

PAN AMERICAN INSTITUTE OF GEOGRAPHY AND HISTORY

SEC. 105. Paragraph (1) of Public Resolution 42, 74th Congress, approved August 2, 1935, as amended (22 U.S.C. 273), is amended by deleting ", not to exceed $200,000 annually.".

INTERNATIONAL INSTITUTE FOR THE UNIFICATION OF PRIVATE LAW AND HAGUE CONFERENCE ON PRIVATE INTERNATIONAL LAW

SEC. 106. Section 2 of Public Law 88–244 approved December 30, 1963, as amended (22 U.S.C. 269g-1), is amended—

(1) by inserting "after 1978" immediately after the words "any year"; and

(2) by striking out "7" immediately following the word "exceed," and inserting in lieu thereof "10".

BUYING POWER MAINTENANCE

SEC. 107. There is hereby authorized to be appropriated to the Department of State for transfer by the Secretary of State to appropriations available for the overseas operations of the Department of State for any fiscal year when necessary to maintain the approved level of operations and to eliminate substantial losses to appropriations caused by fluctuations in foreign currency exchange rates or overseas wage and price changes: $20,000,000, to be available without fiscal year limitation. In order to eliminate substantial gains to approved levels of overseas operations, the Secretary may be authorized through appropriation acts to transfer to the "Buying power maintenance" account amounts in other accounts which are determined by the Secretary to be excessive to the needs of an approved level of operations due to foreign currency exchange rates or overseas wage and price changes.

TITLE II—INTERNATIONAL COMMUNICATION AGENCY

ADDITIONAL AUTHORIZATION OF APPROPRIATIONS FOR FISCAL YEAR 1982

SEC. 201. There are authorized to be appropriated to the International Communication Agency for the fiscal year 1982 such sums as may be necessary to carry out international communication, educational, cultural and exchange programs under the United States Information and Educational Exchange Act of 1948, the Mutual Educational and Cultural Exchange Act of 1961, and Reorganization Plan Numbered 2 of 1977, and other purposes authorized by law.

TITLE III—BOARD FOR INTERNATIONAL BROADCASTING

ADDITIONAL AUTHORIZATION OF APPROPRIATIONS FOR FISCAL YEAR 1981

SEC. 301. Subsection (A) of Section 8(a)(1) of the Board for International Broadcasting Act of 1973 (22 U.S.C. 2877(a)) is amended to read as follows:

"(A) $81,917,000 for the fiscal year 1980 and $98,835,000 for the fiscal year 1981, of which $4,500,000 shall be available only for the purpose of transferring RFE/RL positions to the United States in accordance with recommendations of the Board for International Broadcasting; and"

AUTHORIZATION OF APPROPRIATIONS FOR FISCAL YEAR 1982

SEC. 302. There are authorized to be appropriated to the Board for International Broadcasting for the fiscal year 1982 such sums as may be necessary to carry out the purposes of the Board for International Broadcasting Act of 1973 (22 U.S.C. 2877(a)), as amended.

SECTION-BY-SECTION ANALYSIS

Sec. 101. Department of State—Additional Authorization for Fiscal Year 1981.

Subsection (a)—This subsection provides additional authorization to cover the Department's revised budget estimates for fiscal year 1981. These revised estimates reflect the impact of our fiscal year 1980 supplemental appropriations and new requirements which were unforeseen at the time of preparation of our 1981 authorization request.

Subsection (b)—This amendment would remove the ceilings imposed on the Department's authorization levels for both fiscal years 1980 and 1981. The amended aggregate amount appropriated under paragraphs (1), (2), and (3) of subsection (a) of P.L. 96–60 will exceed the ceiling of $1,369,401,000 in fiscal year 1980 and $1,547,000 in fiscal year 1981. In order to provide for unforeseen 1980 supplemental appropriation requests, the effect of these supplemental requirements in 1981, and to meet new program needs for 1981, the Department must exceed the legislated ceilings.

Sec. 102. American Institute in Taiwan.

Subsection (a)—This provision would amend P.L. 96–8 (Taiwan Relations Act) to authorize funds for fiscal year 1981. The Act presently authorizes funds for 1980 only.

Subsection (b)—This provision authorizes appropriation of $6,582,000 in fiscal year 1981 to cover the costs associated with the expenses of the American Institute in Taiwan.

Sec. 103. Assessed Contributions to International Organizations.

This section provides authorization of such sums as may be necessary for mandatory increases resulting from adjustments in U.S. assessed contributions to international organizations. These mandatory adjustments only become evident as budgets for international organizations are refined and have a material impact on the fiscal resources of the Contributions to International Organizations Appropriation. Without this authority, the Department would be required to seek additional authorization each fiscal year to cover any supplemental appropriations necessary to fulfill obligations for assessed contributions.

Sec. 104. Department of State—Authorization of Appropriations for Fiscal Year 1982.

This section provides a generic authorization of appropriations for the Department of State in accordance with the provisions of Section 407(b) of the Foreign Assistance Act of 1971 and Section 607 of P.L. 93–344, the Congressional Budget Act of 1974.

Sec. 105. Pan American Institute of Geography and History (PAIGH).

This section would delete the limitation on the United States contribution to the PAIGH which is $200,000 annually. The U.S. contribution has been assessed at $274,005 since 1979. This amendment would permit the U.S. to pay the difference between past assessments ($148,010 cumulative arrearage for 1979 and 1980) and the $200,000 limitation.

The U.S. first participated in the Institute of Geography and History in 1935 and has been a member in good standing ever since. In order to meet the assessments applied to the U.S. as a member, the Department of State has had to request periodically an increase in the ceiling on annual contributions. To end such adjustments, it is requested that the ceiling be lifted completely, especially in view of the fact that the PAIGH General Assembly only meets once every four years and determines budget levels for the four ensuing years.

Sec. 106. International Institute for the Unification of Private Law and Hague Conference on Private International Law.

This amendment would provide legal authority for the United States to pay arrearages in its assessments for 1979 and 1980 and to meet fully the anticipated assessments in 1981 and beyond.

Sec. 107. Buying Power Maintenance.

This section would authorize an appropriation to offset losses in other appropriations due to fluctuations in foreign currency exchange rates or overseas wage and price changes unanticipated in annual Department budget requests. Any gains in other appropriations due to favorable exchange rate and overseas wage and price fluctuations would be transferred to the new appropriation to offset future losses.

Management of the Department would be enhanced by the availability of funds to meet unbudgeted overseas inflation and foreign currency exchange rate losses. Under present arrangements, rapidly fluctuating foreign exchange rates and rampant overseas inflation are seriously disruptive to operations. Supplemental appropriations are often required and timely responses to ongoing mandatory fund requirements cannot be made. The new appropriation would provide the means for the Secretary to maintain necessary and approved levels of activities.

Sec. 201. International Communication Agency—Authorization of Appropriations for Fiscal Year 1982.

This section provides a generic authorization of appropriations for the International Communication Agency in accordance with the provisions of Section 607 of P.L. 93-344, the Congressional Budget Act of 1974.

Sec. 301. Board for International Broadcasting—Additional Authorization of Appropriations for Fiscal Year 1981.

This section provides additional authorization to cover the Board's revised budget estimates for fiscal year 1981. These revised estimates reflect the impact of increased general operating costs, principally employee compensation and electric power. The sum of $4,500,000 has been provided to reduce by $3,000,000 the annual level of RFE/RL personnel costs by selective transfers of personnel from the Federal Republic of Germany to the United States and a limited reduction in force, as recommended by the Board's report to the Congress.

Sec. 302. Board for International Broadcasting—Authorization of Appropriations for Fiscal Year 1982.

This section provides a generic authorization of appropriations for the Board for International Broadcasting in accordance with the provisions of Section 607 of P.L. 93-344, the Congressional Budget Act of 1974.

DEPARTMENT OF STATE,
Washington, D.C., February 8, 1980.

Hon. WALTER F. MONDALE,
President of the Senate,
U.S. Senate.

DEAR MR. PRESIDENT: There is transmitted herewith for the Department of State and at the request of the Director of the International Communication Agency and the Chairman of the Board for International Broadcasting, a proposed amendment to Public Law 96-60 requesting additional appropriations authorization for fiscal years 1980 and 1981 and appropriations authorization for fiscal year 1982 as required by Section 607 of P.L. 93-344, the Congressional Budget Act of 1974.

The prime purpose of this amendment is to provide in fiscal year 1981 additional authorization of $139,307,000 for the Department of State and $12,048,000 for the Board for International Broadcasting.

For the Department of State, this authorization will cover the costs associated with: 1) additional requirements totalling $24,896,000 for the Contributions to International Organizations Appropriation; 2) a $20,000,000 appropriation necessary for establishing a buying power maintenance fund; and 3) $94,411,000 for additional requirements in the Migration and Refugee Assistance Appropriation. The $12,048,000 additional authorization requested for the Board for International Broadcasting will cover increased general operating costs, principally employee compensation and electric power.

Finally, there is contained in this amendment a request on behalf of all three agencies for new authorization of such sums as may be necessary for fiscal year 1982. A section-by-section analysis further explaining all of the proposed legislation is enclosed.

The Department has been informed by the Office of Management and Budget that there is no objection to the presentation of this proposed legislation to the Congress and that its enactment would be in accord with the program of the President.

Sincerely,

J. BRIAN ATWOOD,
Assistant Secretary for Congressional Relations.●

By Mr. JEPSEN (for himself and Mr. HEFLIN):

S. 2448. A bill to amend the Internal Revenue Code of 1954 to provide explicitly for the exclusion of social security benefits from taxable income; to the Committee on Finance.

● Mr. JEPSEN. Mr. President, contrary to popular belief, social security benefits are not subject to tax as a matter of law, but because of a 1951 IRS revenue ruling. Recently, the Advisory Council on Social Security argued that this revenue ruling was incorrect and that half of social security benefits should be subject to tax. A recent book, "The Tax Treatment of Social Security" by Mickey Levy, also recommended that social security benefits be made taxable. Indeed, certain liberal economists, such as Henry Aaron, Joseph Pechman, and Gardner Ackley, dissented from the Advisory Commission report, in this respect, on the grounds that 83 percent of social security benefits should be made taxable, rather than only half.

It is difficult for me to see the rationale for such action, except that the insatiable appetite of Government for more revenue does not even exclude those on social security—some of the poorest members of our society. Taxing of social security benefits would mean an increase in taxation on our elderly population of $6.9 billion. This works out to close to $300 per year for every person over 65 in the United States.

Such a massive increase in taxation on those people who can least afford it is indefensible. This is why I am introducing legislation today to explicitly make social security benefits free of taxation as a matter of law. I am aware that there is no sentiment in the Congress for the taxation of social security benefits, but many of my constituents fear that the IRS might reverse its revenue ruling without the necessity of legislation. In order to make it perfectly clear to them that taxes will not be imposed on their benefits, I feel that the best thing to do is simply spell it out in law. Since there is obviously no revenue impact from this bill, since it merely confirms current practice, I would hope that my colleagues will support me and help get this legislation passed as quickly as possible.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2448

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EXCLUSION PROVIDED.

(a) IN GENERAL.—Part III of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to items specifically excluded from gross income) is amended by redesignating section 128 as section 129 and by inserting after section 127 the following new section:

"SEC. 128. SOCIAL SECURITY BENEFITS.

"Gross income does not include benefits paid under title II of the Social Security Act.".

(b) CLERICAL AMENDMENT.—The table of sections for such part is amended by striking out the last item and inserting in lieu thereof the following:

"Sec. 128. Social security benefits.

"Sec. 129. Cross reference to other Acts.".

SEC. 2. EFFECTIVE DATE.

The amendments made by the first section of this Act shall apply to all taxable years to which the Internal Revenue Code of 1954 applies.●

By Mr. PRYOR (for himself, Mr. STEVENS, Mr. RIBICOFF, and Mr. PERCY):

S. 2449. A bill to amend chapter 83 of title 5, United States Code, to improve the operation of the disability retirement program, and for other purposes; to the Committee on Governmental Affairs.

Mr. PRYOR. Mr. President, today I am introducing legislation to make certain needed changes in the civil service disability retirement program. This legislation, in my opinion, is long overdue and its enactment will save taxpayers a substantial amount of money by eliminating waste and abuses which are tolerated under the present law. Such legislation is also needed to redefine the goals and objectives of the Federal disability retirement program, which has been neglected by the Congress for more than 2 decades.

On July 12, 1979, the Subcommittee on Civil Service and General Services, which I chair, held an oversight hearing on the operation of the civil service retirement system. The civil service retirement system covers more than 2.7 million Federal employees and provides pension coverage for more than 1.4 million annuitants and survivors. Currently the liabilities of the retirement system exceed $100 billion and its reserves amount to approximately $50 billion. This system is important to this country, not only because of its size, but also because it has an impact on the development of policies that affect current Federal employees and many older Americans.

During the hearing I was appalled to learn from the General Accounting Office that 32 percent of all those employees who retired in fiscal year 1978 qualified for disability benefits. In fact, at the end of fiscal year 1978, there were approximately 323,000 disabled retirees who collect annuities totaling more than $2.2 billion annually.

Based upon the findings of the July 12 hearing and the recommendations of the September 1979 Office of Personnel Management (OPM) Staff Paper on the Civil Service Disability Retirement Program, which was released to me in response to my hearing request, I have developed legislation which addresses a number of serious deficiencies in the disability system.

The original civil service retirement act, enacted in 1920, provided for the retirement of any employee who, before reaching mandatory retirement age, had served at least 15 years and had become totally disabled for useful and efficient service in his or her position. Major modifications of the disability retirement program were adopted by the Congress in 1930, 1942, and 1949. The last significant revision of the disability retirement program, however, occurred in

1956, more than 20 years ago. Since then, virtually no congressional action has taken place, despite major changes in demographics, retirement perceptions, and economics, in general.

According to OPM, total disabilities under the civil service retirement in recent years have included 5,000 to 12,000 each year who could be properly classified as voluntary retirees. Many such employees choose the disability benefit because of its tax advantages and when such advantages are removed or curtailed, the retirees have requested to be removed from the disability rolls. In order to curb such abuses this bill will prohibit employees who are eligible for voluntary retirement from applying for disabiilty retirement benefits.

I am also concerned with the determination of when, under the current law, an employee is considered to be economically recovered. The law now provides that a disability annuitant is considered restored to earning capacity if, in each of 2 successive calendar years his earnings from wages, and/or self-employment, exceed 80 percent of the current salary of the position from which he retired. According to the OPM staff paper on disability, the program is flawed because annuitants on the disability roll can manipulate the earnings limitation for disability annuitants. No other income, including interest, dividends, bonds, pensions, or annuity is considered for purposes of restoration to earning capacity. However, if the restored annuitant's earnings subsequently fall below the 80-percent limitation during a calendar year, he can have his annuity restored (provided that he is still suffering from the same disability for which he retired).

While the majority of disability retirees report no income from wages or self-employment, some manipulate the system. The GAO reported examples of annuitants who earned from $17,000 to $42,000 more in 2 years than their Government job would have paid but were continued on the disability rolls because they did not exceed the 80-percent maximum in each of the 2 years. For example, GAO found one retiree who was determined to be disabled for a job paying $22,000 a year and who earned $16,777 and $47,480 in other employment in 2 consecutive years. The annuitant continued to receive his disability annuity, because he was not economically recovered under the law.

This bill changes the test period for earning-capacity restoration from 2 years to 1 year and will make manipulation more difficult, while still protecting the interests of annuitants who are able to work for short periods or who derive windfall earnings over the short term, but are unable to sustain them.

This bill would also grant OPM limited authority to verify disability retirees' income through indexed wage credits reported to the Social Security Administration. Authority to conclusively confirm income reported by disability annuitants would greatly improve OPM's capacity to police the annuity roll. The policing aspects would also be expanded by the provision permitting the office access to military retired pay and Office of Workers' Compensation Program pay records in order to detect cases of dual payments.

Today, many individuals are concerned that civil service disability standards are loosely administered and too permissive. According to a General Accounting Office study, ("Civil Service Disability Retirement," FPCD–76–61), approximately 15,000 annuitants receiving disability benefits in 1975 were probably capable of performing other types of work at the time of retirement. Moreover, according to the Congressional Budget Office (CBO) in their December 1978 report entitled "Options for Federal Civil Service Retirement: An Analysis of Costs and Benefit Provisions," under existing civil service disability criteria nearly 98 percent of disability applications are eventually approved in a process that relies almost entirely on certification from the applicant's employer and doctor.

Stricter eligibility standards are used for determining eligibility for disability in the private sector, generally following social security criteria, and denying disability benefits if the employee is able to work at another job assignment. Although civil servants are much more likely to receive disability benefits than employees in the private sector because of the differences in the eligibility standards, the level of benefits received by the civil servant is noticeably lower than in the private sector. Once again, according to the CBO study, the probability of civil service males, ages 30 through 50, receiving disability is at least 50 percent greater than if private standards were used. That table, No. 3, page 12, of the report follows:

TABLE 3.—PROBABILITY OF MALES RECEIVING DISABILITY BENEFITS UNDER CURRENT CIVIL SERVICE ELIGIBILITY STANDARDS AND UNDER THOSE USED IN PRIVATE SECTOR

	Rate of disability per 100 employees		Percentage by which CSC rate is greater than private rate
	CSC standard[1]	Private standards[2]	
Attained ages:			
30	0.0014	0.0009	55.6
40	0.0056	0.0037	51.4
50	0.0137	0.0091	50.5
55	0.0231	0.0159	45.3
58	0.0302	0.0232	30.2
60	0.0342	0.0285	20.0
63	0.0452	0.0377	19.9
65	0.0564	0.0470	20.0

[1] Disability rates are based on actual tables obtained by Hay Associates from Civil Service Commission data. The actual number of new beneficiaries will vary at any given time from the actuarial rates.

[2] Rates of disability under private standards are taken from CSC experience when eligibility provisions were administered consistent with private sector standards, which do not accept disability as "total and permanent" if the individual can accept another job.

In comparison a civil servant earning $25,200 and disabled in 1979 after 23 years of service would receive disability benefits amounting to 40 percent of final pay, while his or her private sector counterpart would receive disability benefits amounting to 56 percent of final pay. That table, No. 4, page 15, of the CBO report, follows:

TABLE 4.—COMPARATIVE EXAMPLES OF CIVIL SERVICE AND PRIVATE SECTOR BENEFITS AND DEDUCTIONS FOR AN EMPLOYEE DISABLED IN 1979 AT A FINAL SALARY OF $25,200, BEFORE AND AFTER TAXES

[In dollars [1]]

	Civil Service		Private insurance and social security	
	Single	With 2 additional dependents	Single	With 2 additional dependents
Final salary	25,200	25,200	25,200	25,200
Disability income	[2] 10,000	[2] 10,000	14,000	18,300
Disability income as a percent of final salary:				
Before taxes	(39.7)	(39.7)	(55.6)	(72.6)
After taxes	(59.1)	(55.0)	(84.0)	(99.5)

	Civil Service		Private insurance and social security	
	Single	With 2 additional dependents	Single	With 2 additional dependents
Deductions while employed:				
Final salary	25,200	25,200	25,200	25,200
Withholding for retirement	−1,800	−1,800	−1,400	−1,400
Income taxes [3]	−7,500	−5,600	−7,500	−5,600
Final salary after taxes	15,900	17,800	16,300	18,200
Tax deductions while disabled:				
Disability income	10,000	10,000	14,000	18,300
Income taxes [3]	−600	−200	−300	−200
Disability income, after taxes	9,400	9,800	13,700	18,100

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[1] Estimates have been rounded to the nearest $100.

[2] Benefits assume 23 years of federal service.

[3] Combined federal and representative state income taxes. State income taxes based on rate for the State of Colorado, July 1, 1976.

This legislation makes a number of necessary changes in the disability retirement system. However, additional changes should be considered. As pointed out in OPM's staff report, serious consideration needs to be given to revising the antiquated 1926 definition of disability so that more employees, who may be disabled for their particular job, but who have the ability to succeed in other assignments, can be retained.

As chairman of the Governmental Affairs Subcommittee on Civil Service and General Services, I intend to give careful consideration to all issues affecting disability retirement. In my opinion the Federal disability retirement system has been neglected by the Congress and the executive branch for too long. I believe that this legislation will go a long way toward improving many of the serious deficiencies in the disability system and restore public confidence in the effective operation of the Federal Government. I invite the support of my colleagues in joining me in this effort. I ask unanimous consent that the text of this legislation be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2449

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 8337 of title 5, United States Code, is amended—

(1) by inserting before the period at the end of the first sentence of subsection (a) the following: ", except that an employee shall not be retired under this section if the employee, as of the date he becomes eligible to receive a disability retirement annuity, is entitled to receive an annuity under subsections (a) through (f) of section 8336 of this title";

(2) by striking out "each of 2 succeeding calendar years" in the last sentence of subsection (d) and inserting "any calendar year"; and

(3) by adding at the end thereof the following new subsection:

"(h) Notwithstanding any other provision of law, the Director of the Office of Personnel Management shall, for the purpose of insuring the accuracy of information utilized in the administration of this section, be entitled upon request to receive from—

"(1) the Secretary of Health, Education, and Welfare or his delegate, information contained in the records of the Social Security Administration;

"(2) the Secretary of Labor or his delegate, information on benefits paid under subchapter I of chapter 81 of this title; or

"(3) the Secretary of Defense or his delegate, information on retired pay benefits under title 10.

The Director shall request only such information he determines is necessary to carry out his functions under this section. The Director, in consultation with each Secretary, shall establish such safeguards as are necessary to insure that any information made available under the provisions of this subsection is used only for the purposes authorized.".

Mr. STEVENS. Mr. President, as ranking member of the Subcommittee on Civil Service and General Services, I join in support of the bill introduced by the distinguished chairman, DAVID PRYOR.

Realizing that we have an obligation to reduce the cost of Government, this bill concerning disability retirement is an effort to achieve savings in a responsible and equitable manner. Instead of jeopardizing the financial security of retired Federal employees, our aim is to cut waste.

In recent years the civil service disability plan has been criticized as a "giveaway" program conducted by the Government. This is a gross overstatement. But there are some basic problems with the present law.

The first section of the proposed bill would permit only those employees who are not eligible for optional retirement to apply for disability retirement. The present law allows an annuitant to float between the optional or disability retirement program depending upon which was most convenient or advantageous at that time.

The second section of this bill would allow a closer policing of an annuitant's earnings. The test is changed from a 2-year period to a 1-year period to determine whether an employee is restored to full-earning capacity. This would alleviate the loophole of annuitants making widely varying amounts on alternate years.

Mr. President, there have been specific recommendations by some to reduce benefits for all retirees. Upon such a recommendation last year our subcommittee carefully weighed the different alternatives open to us that would save money and yet protect the interests of those concerned. At a hearing last summer, the testimony we received revealed the danger of making sweeping cuts into retirees' incomes. Hence, the changes that this bill and the proration bill attempt to make carefully balance the needs of the taxpayer versus the needs of Federal retirees.

The passage of these two bills enables the civil service to better serve the public interest while still protecting the system's honor.

By Mr. PRYOR (for himself, Mr. STEVENS, Mr. RIBICOFF, and Mr. PERCY):

S. 2450. A bill to amend section 8340 of title 5 of the United States Code to reduce cost-of-living increases of Federal annuitants attributable to months prior to the month in which the commencing date of an annuity occurs; to the Committee on Governmental Affairs.

Mr. PRYOR. Mr. President, today I am introducing legislation to correct what I believe to be an unintended oversight in current retirement law, which is wasting millions of taxpayer dollars each year.

On November 17, 1977, the U.S. General Accounting Office (GAO) recommended that the Congress enact legislation to make the cost-of-living adjustment process for Federal retirees more rational and less costly by repealing the provisions of existing law which permit retiring employees and new retirees to receive higher starting annuities because of changes in the Consumer Price Index (CPI) which occur before their retirement. In order to correct this apparent oversight, this legislation will provide that new retirees' cost-of-living adjustments be prorated to reflect only CPI increases which occur after the date of their retirement.

This problem takes on new meaning today due to the pay compression problems experienced by a number of high-level civil servants, as stated by the Comptroller General in a January 30, 1980, letter to Senator RIBICOFF, a copy of which I ask unanimous consent to be inserted in the RECORD following my remarks. Although this legislation will not end salary compression, this bill should encourage continued service and save the American taxpayer millions of dollars in windfall annuity benefits which would otherwise be received by retiring executives.

I firmly believe that it is the responsibility of a pension plan, particularly the civil service retirement system to maintain the benefits of former workers. All Americans have been hard hit by rapidly rising inflation and retirees who have worked many years for the Federal Government deserve to have their purchasing power maintained. As a result, the annuities of those under civil service retirement and other Federal retirement systems are automatically adjusted each March 1 and September 1 for the respective increase in the CPI during the preceding 6-month period ending December 31 and June 30.

Under this law, which was enacted in 1976, cost-of-living adjustments are applicable to all annuities payable on the effective date of the increase. However, this statute allows currently retiring Federal employees to benefit from increases in the CPI which occur while they are still employed. As a result of this oversight, new Federal retirees receive higher starting annuities which reflect the preceding annuity cost-of-living adjustment and, depending on timing of their retirement, may be eligible for an additional adjustment immediately. These increases escalate the already high cost of Federal retirement by inflating the basic annuity upon which succeeding adjustments are applied and encourage valuable, experienced employees to retire at an earlier date.

This problem can perhaps best be illustrated by the following example: If an employee retired on August 31, 1979, he would have included in his basic annuity calculation the March 1, 1979—3.9 percent—increase which represented the percentage rise in the CPI from June 1978 through December 1978. For such an employee the resulting starting annuity was greater than an annuity based solely on salary and service. Additionally, the new retiree would also have received the full 6.9-percent annuity increase for September 1, 1979, which was based on the percentage change in the CPI for the 6-month period which ended June 30, 1979.

This legislation corrects this oversight in the law by providing that the cost-of-living increases be reduced by the percentage change in the CPI for those months prior to the month in which the annuity starts. As a result new retirees will have their initial cost-of-living increase reduced by that portion of such percent change, adjusted to the nearest one-tenth of 1 percent, which is attributable to any month prior to the month in which the commencing date of such annuity occurs.

This bill should instill greater confidence in the civil service retirement system by insuring that all future retirees receive only those cost-of-living increases which they earn. Although I personally support the retention of the twice-a-year cost-of-living adjustment formula, I believe it is an inequity that certain Federal employees who retire shortly before the date of a cost-of-living adjustment are eligible to receive the full amount of an increase, even though they were not retired for the full 6-month preceding period. My legislation, by simply providing that new retirees receive only a prorated adjustment based upon the percentage of the adjustment actually granted while an employee is retired will save the American taxpayer money and insure that all new retirees receive an equitable cost-of-living adjustment based strictly on their retirement time.

According to the GAO, this inequity has acted to overcompensate newly retired Federal employees, while unfairly adding to the overall cost of financing the retirement system. According to GAO estimates, proration of the annuity adjustments of new retirees would save over $800 million in annuity payments over the remaining lifespans of approximately 230,000 Federal employees now eligible to retire.

Enactment of this proposal will encourage valuable employees who are considering retirement to remain in the Federal service and also serve to increase the public's confidence in the retirement program. I encourage my colleagues to support enactment of this legislation.

I ask unanimous consent that the text of this legislation be printed in the Record.

There being no objection, the bill and letter were ordered to be printed in the Record, as follows:

S. 2450

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That paragraph (1) of section 8340(c) of title 5, United States Code, is amended to read as follows:

"(1) In the case of an annuity which is payable from the Fund to an employee or Member, or the widow or widower of a deceased employee or Member, the percent change by which such annuity is increased under subsection (b) shall be reduced by that portion of such percent change, adjusted to the nearest 1/10 of 1 percent, which is attributable to any month prior to the month in which the commencing date of such annuity occurs.".

Sec. 2. The amendment made by the first section of this Act shall apply with respect to annuities commencing on or after the date of the enactment of this Act.

Comptroller General of the
United States,
Washington, D.C., January 30, 1980.

Hon. Abraham Ribicoff,
Chairman, Committee on Governmental Affairs, U.S. Senate.

Dear Mr. Chairman: Recent publicity on the number of high-level civil servants who are expected to retire next month concerns me greatly. These officials have deduced, correctly I might add, that their retirement benefits will be much greater if they retire now rather than waiting until some future date. This anomaly is symptomatic of the long-standing concerns we have had over the unrealistically low salary levels paid to top Federal officials and the unnecessarily costly cost-of-living adjustment mechanism that is used to maintain retirees' purchasing power.

This problem can only worsen if executive pay levels are not adjusted soon. I realize this has been a difficult goal to attain. In the interim, I urge that the incentive to retire be minimized by prorating new retirees' annuity cost-of-living adjustments to eliminate any portion of those adjustments representing increases in the cost of living that occurred while they were still employed.

Last October, top officials' pay was increased by 5.5 percent (their first raise since March 1977) while other Federal employees received 7 percent raises. Moreover, Federal retirees received two increases totaling 10.8 percent in 1979 and are scheduled to get another 6 percent increase on March 1. Thus, it is not hard for an employee whose pay has been adjusted infrequently, and in smaller amounts than others, to realize that he or she is better off to retire as soon as eligible and begin to receive the cost-of-living increases that are granted to Federal retirees every 6 months.

I should point out that the imminent retirements of many top-level employees represent only a small part of an overall problem that is being caused by the retirement systems' cost-of-living adjustment mechanism. Correction of this problem along the lines we have recommended, and are hereby calling for again, would greatly alleviate the situation.

As you know, we have long been concerned about the inequities, illogical and inconsistent benefits, and the affordability of Federal staff retirement systems. The method by which the first cost-of-living adjustment for a new Federal retiree is determined is one of several unnecessarily costly and generous special features which raise serious questions about the continued viability of those systems. It inflates the basic annuity upon which succeeding adjustments are applied and can encourage valuable, experienced employees to retire.

As explained in our November 17, 1977 report ("Cost-of-Living Adjustments For New Federal Retirees: More Rational and Less Costly Processes Are Needed," FPCD–78–2), cost-of-living adjustments are intended to protect the purchasing power of Federal annuitants, but existing law permits new retirees to benefit from cost-of-living increases that occurred while they were still employed. They can receive a higher starting annuity which reflects the preceeding annuity cost-of-living adjustment and, depending on the timing of their retirement, may be eligible for another adjustment immediately.

Cost-of-living adjustments are applicable to all annuities payable on the effective dates of an increase, March 1 and September 1. Also, retiring employees are guaranteed a basic annuity at least equal to the annuity they would have received if they had retired as of the effective date of the last cost-of-living adjustment. Employees who retire before March 1, 1980, will have the September 1, 1979, annuity increase of 6.9 percent, which represented the percentage rise in the Consumer Price Index (CPI) from December 1978 through June 1979, considered in their basic annuity calculation. Additionally, they will receive the March 1, 1980, adjustment of 6 percent which represents the percentage change in the CPI for the 6-month period ended December 31, 1979. Thus, they will benefit from CPI increases that occurred while they were still working.

But this has not always been the case. Before 1965, retirees had to be on the retirement roll for a year to be eligible for a cost-of-living adjustment. A 1965 law (Public Law 89–205) removed that requirement and provided that cost-of-living adjustments were to be applicable to all annuities payable on the effective date of the increase. This led to large numbers of employees, particularly those whose pay rates were frozen, retiring immediately before scheduled annuity adjustments. In an attempt to correct this anomaly, the law was changed in 1973 (Public Law 93–136) to provide retiring employees the higher of (1) an annuity based on their average salary and length of service at retirement or (2) an annuity based on their salary and service at the time of the preceding annuity cost-of-living adjustment, plus that adjustment which they would have received if they had retired at that time. Although the 1973 amendment may have moderated the number of retirements occurring immediately before a scheduled annuity cost-of-living adjustment, it has not eliminated the financial incentive for retirement-eligible employees, particularly executives who have received relatively small, infrequent pay raises, to retire rather than to continue working.

Our November 1977 report recommended that the Congress enact legislation making the cost-of-living process more rational and less costly by:

Repealing the provisions of existing law which permit new retirees to receive higher starting annuities because of changes in the CPI before their retirement.

Providing that new retirees' cost-of-living adjustments be prorated to reflect only CPI increases after their retirement.

Such a policy would insure higher basic retirement annuities for continued Federal service and should encourage valuable employees who are considering retirement to remain. A similar policy exists for the Federal workers' compensation program—to be eligible for a cost-of-living adjustment a beneficiary's work-related disability must have occurred more than 1 year before the effective date of the adjustment.

At the time the November 1977 report was prepared, we estimated that prorating new retirees adjustments would save the retirement fund over $800 million in annuity payments over the expected remaining lifespans of the civil service employees who were expected to retire in 1978. With double-digit inflation, today's estimates would be even higher.

According to available information, about 230,000 Federal employees are now eligible to retire, including many top officials who, because of the unrealistic salary levels in effect, will have special financial incentives to retire before March 1. Those executives who do not retire before that time stand to lose hundreds of dollars a year in their eventual retirement annuities.

Correction of the cost-of-living adjustment problem is not the entire answer, but it should go a long way toward its resolution. Time is of the essence. I would be happy to discuss this important issue further.

This letter is also being sent today to the Chairman, House Committee on Post Office and Civil Service. Copies are being sent to the Senate Subcommittee on Civil Service and General Services and the House Subcommittee on Compensation and Employee Benefits.

Sincerely yours,

James B. Staats,
Comptroller General.

Mr. STEVENS. Mr. President, as ranking member of the Subcommittee on Civil Service and General Services, I join in support of the bill introduced by the distinguished chairman, David Pryor. In recent years, the civil service retirement system has been under a state of siege. With the advent of popular calls to reduce Federal employee benefits during this period of inflation, proposals to cut Federal retirement benefits are being seriously considered. Many of them, however, have not been subject to sufficient review to enable the proponents to know what their impact will be.

In contrast, this bill seeks to close a loophole in the retirement system without injuring those retirees who are economically dependent upon their annuities. Presently, Federal employees can retire just days before a cost-of-living adjustment takes effect on Federal annuities and benefit by collecting the full increase. The inequity is that the increase accrued during the period in which the employee was employed, not retired.

This bill will reduce an annuitant's first cost-of-living increase by the number of months he or she was a Federal employee during the period in which the cost-of-living adjustment accrued. Although seemingly small, this change is expected to save the Government millions of dollars annually, while protecting the needs of present annuitants.

By Mr. LONG (for himself and Mr. Dole):

S. 2451. A bill to amend the Internal Revenue Code of 1954 to revise the rules relating to certain installment sales; to the Committee on Finance.

INSTALLMENT SALES

Mr. LONG. Mr. President, last spring I described a program for the review of our tax laws from the standpoint of simplification and technical clarification. We introduced two bills on the subject, one of which dealt with relatively minor points of tax administration and the other with installment sales.

The bill which simplified the administrative provisions was enacted last December as part of Public Law 96-167 and has been well, if rather quietly, received.

The bill on installment sales proved more controversial. At the House and Senate hearings the general concept of the bill was vigorously applauded, but one specific provision was generally conceded to be mistaken, and there were many proposals for expanding the coverage of the bill.

Since the hearings many hours of staff and Treasury time have been spent on this subject, and we have received many hours of assistance from bar association groups and from the American Institute of Certified Public Accountants.

The result of all of this effort has been a revised bill covering the general subject of sales for deferred payments which I am introducing today in the Senate. An identical bill is being introduced in the House of Representatives.

Because the revised bill is so changed from the original, new hearings on it are to be held. The public will be given an opportunity to comment on the changes, and it may be that still further revisions will be needed, given the difficulty of the subject matter. It is clear, however, that a tremendous amount of work has been done in response to the comments received last year and that the bill as ultimately enacted will represent the end product of a cooperative process between Congress, the Treasury, and the private tax community, in which we can all take pride.

Mr. DOLE. Mr. President, I am pleased to join the distinguished chairman of the Finance Committee in introducing revised legislation to simplify the tax treatment of installment sales. This bill is one more step in the continuing process of tax simplification that we undertook last year.

The revised bill incorporates an important revision, resulting from legitimate concern raised by witnesses last year at both House and Senate hearings. Specifically, a new paragraph of the bill provides that, as long as tax avoidance is not a principal purpose, the installment sales accounting method will not be adversely affected when a related purchaser subsequently disposes of property.

The provision will allow a farmer or another small businessman to sell the family business to his son, for example, and not lose installment sales treatment if the son decides to change the focus of the business by selling some property and replacing it with other business property. It would also protect a father's installment sales treatment if the son were soon forced to sell the business because of economic reversal.

I believe that the addition of this provision makes this bill a sound addition to our ongoing effort to bring fairness and certainty to the tax system. While I am sure we will learn much from public comments on the bill, I believe this bill provides a worthy starting point for further discussion. I particularly invite the comments of farmers and small businessmen.

Mr. GARN (for himself and Mr. Hatch):

S. 2452. A bill to amend the Clean Air Act with respect to requirements which adversely affect employment; to the Committee on Environment and Public Works.

S. 2453. A bill to amend the Federal Water Pollution Control Act with respect to requirements which adversely affect employment; to the Committee on Environment and Public Works.

● Mr. GARN. Mr. President, today Senator Hatch and I, together with Congressmen Gunn McKay and Dan Marriott on the House side, are introducing legislation to provide a small measure of relief from overly strict provisions of clean air and clean water legislation.

Over the years, Mr. President, I have many times stood on this floor to argue that a set of national standards could not possibly take into account the many particular circumstances that occur in local situations. I have consistently argued that locally-elected officials should have the power to make adjustments in the national standards, to take those local circumstances into account.

Never have I asked that any standard be relaxed to the point that it would endanger human health, and I do not make that request today. The bills we are introducing very clearly state that no facility can be permitted to endanger human health and safety. That principle must be kept intact.

However, there are facilities which are only marginally economic, only marginally profitable, which will lose that margin of profitability if they are required to meet a very strict national emission standard. In general, the companies operating such facilities are willing to make an investment to clean these plants up. But they are not willing to make an investment that will have the effect of closing them down.

Mr. President, we live in times of rising prices. The President is tearing out his hair, to know what to do about inflation. Our balance of payments is out of control as foreign steel floods the U.S. market. This is not the time we want to impose on marginal steel producers an environmental cleanup burden beyond what is required to protect the health and safety of our people.

As it happens, there is such a marginal facility in my State: Geneva Steel, located in Orem, Utah. Geneva is located far from its markets not because of bad management decisions but because it was originally built by the Government during World War II, and it needed to be removed from vulnerable coastal areas. Nevertheless, it is a marginal facility, in fact, kept even marginal only because of the dedication and restraint of its 7,000 employees. U.S. Steel, the parent company of Geneva, has made an enormous investment in pollution control equipment, and is prepared to do even more. But again, there is no point in requiring such a cleanup as to take the facility beyond the margin of profitability. To do so would cost the Nation jobs, would cost the Nation steel, would worsen a balance-of-payments problem, and contribute substantially to inflation in the long run.

These amendments are relatively simple. They do not gut the clean air and water acts now on the books. They simply provide that, where health and safety can be protected with an investment in pollution control equipment somewhat less than that required by the absolute national standards, the Governor of the State be empowered to reduce that absolute requirement somewhat. There is no question of an absolute exemption; there is no question of a danger to health and safety; this is not a gift to the company, which will already have made substantial expenditures. This is simply a recognition of commonsense, of weighing in the balance two conflicting societal needs.

Now it is true that Utah does have a facility that might well be affected by these amendments, but certainly Utah is not the only State. We learn from the specific experiences of our constituents, and I am confident that others of my colleagues will have brought to their attention similar situations, where this kind of relief is needed on a case-by-case basis. At the proper time, Senator Hatch and I will be seeking cosponsors for this legislation, and I hope Senators will look to their States, and to the States around them for examples of this need.

Mr. President, the Nation has made enormous strides in cleaning up the environment. There is no need to halt the process, or worse yet, reverse it. But it is important to recognize the limits of reality, and not to afflict our productive industry with more regulation than it can bear. This legislation will preserve the right balance of environmental and productive factors.

Mr. President, I ask unanimous consent that the two bills referred to be printed at this point in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 2452

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 321 of the Clean Air Act is amended by striking out subsection (d) and inserting in lieu thereof the following new subsections:

"(d) In the case of any finding under subsection (b) of an adverse effect on employment, the Administrator, the States or political subdivisions thereof, shall implement the recommendations of the Administrator made under subsection (b) by modifying or withdrawing any requirement imposed or proposed to be imposed under this Act.

"(e) If the Governor of any State advises the Administrator that the State has determined that an existing source in either an attainment or a nonattainment area will be adversely affected by the requirements imposed under this Act to an extent that a closing of the source is threatened, and the Governor advises the Administrator that an exception to the requirements of this Act must be made for such source, and the Governor proposes a State Implementation Plan revision which establishes less stringent emission limitations applicable to that source and also, in the case of a nonattainment area, demonstrates reasonable further progress toward attainment and maintenance of ambient air quality standards, the Administrator shall approve the revision. If the Administrator has not acted on the proposed revision within ninety days from receipt, the revision shall be deemed approved.".

S. 2453

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 507(e) of the Federal Water Pollution Act is amended by striking out the last sentence and inserting in lieu thereof the following: "In the case of any finding of an adverse effect on employment, the Administrator shall implement his recommendations by modifying or withdrawing any effluent limitation or order issued under this Act.".

(b) Section 507 of such Act is further amended by adding at the end thereof the following new subsection:

"(f) If the Governor of any State advises the Administrator that the State has determined that employment at a plant or facility will be adversely affected by any effluent limitations or any order issued under this Act to an extent that a closing of the plant or facility is threatened and the Governor advises the Administrator of the extent of the exception that must be made for such plant or facility, the Administrator shall modify or withdraw such effluent limitation or order accordingly. If the Administrator has not acted to grant the requested modification or withdrawal within ninety days from receipt, the requested modification or withdrawal shall be deemed granted.".●

ADDITIONAL COSPONSORS

S. 1631

At the request of Mr. RANDOLPH, the Senator from Alabama (Mr. HEFLIN), and the Senator from Alaska (Mr. GRAVEL) were added as cosponsors of S. 1631, a bill to provide additional funds for certain projects relating to fish restoration, and for other purposes.

S. 1794

At the request of Mr. MELCHER, the Senator from North Dakota (Mr. YOUNG), and the Senator from West Virginia (Mr. RANDOLPH) were added as cosponsors of S. 1794, a bill to amend the Public Health Service Act to provide for research concerning Reyes' Syndrome, and for other purposes.

S. 1858

At the request of Mr. BAYH, the Senator from Texas (Mr. BENTSEN), and the Senator from Minnesota (Mr. DURENBERGER) were added as cosponsors of S. 1858, a bill to amend title 28, United States Code, to provide that the Federal tort claims provisions of that title are the exclusive remedy in medical malpractice actions and proceedings resulting from federally authorized National Guard training activities, and for other purposes.

S. 2071

At the request of Mr. COHEN, the Senator from Oklahoma (Mr. BELLMON) was added as a cosponsor of S. 2071, a bill to provide cancellation of student loans made or guaranteed under the Higher Education Act of 1965 for military service, and for other purposse.

S. 2080

At the request of Mr. RANDOLPH, the Senator from Washington (Mr. JACKSON) was added as a cosponsor of S. 2080, a bill to establish public buildings policies for the Federal Government, to establish the Public Buildings Services in the General Services Administration, and for other purposes.

S. 2221

At the request of Mr. WEICKER, the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of S. 2221, a bill to amend the Internal Revenue Code of 1954 to increase from 60 percent to 80 percent the deduction allowed to individuals with respect to net capital gain from investment in small business.

S. 2374

At the request of Mr. BAUCUS, the Senator from Maryland (Mr. MATHIAS) was added as a cosponsor of S. 2374, a bill to amend the Congressional Budget Act to limit the growth of Federal taxation and spending and to achieve balanced budgets, and for other purposes.

SENATE CONCURRENT RESOLUTION 60

At the request of Mr. JEPSEN, the Senator from Pennsylvania (Mr. HEINZ) was added as a cosponsor of Senate Concurrent Resolution 60, a concurrent resolution expressing the sense of the Congress with respect to the treatment of Christians by the Union of Soviet Socialist Republics, and for other purposes.

SENATE CONCURRENT RESOLUTION 61

At the request of Mr. JEPSEN, the Senator from Pennsylvania (Mr. HEINZ) was added as a cosponsor of Senate Concurrent Resolution 61, a concurrent resolution expressing the sense of the Congress with respect to the treatment of Christians by the Union of Soviet Socialist Republics, and for other purposes.

AMENDMENT NO. 1649

At the request of Mr. HATCH, the Senator from Utah (Mr. GARN) was added as a cosponsor of amendment No. 1649 intended to be proposed to S. 688, a bill to authorize appropriations to the Department of Energy for civilian programs for fiscal year 1980 and fiscal year 1981, and for other purposes.

NOTICES OF HEARINGS

SUBCOMMITTEE ON INTERNATIONAL FINANCE

● Mr. STEVENSON. Mr. President, the Subcommittee on International Finance of the Committee on Banking, Housing, and Urban Affairs will hold hearings on March 31 and April 16 on proposed legislation to: First, increase the U.S. quota in the IMF (S. 2271); second, authorize appropriations to meet the international affairs expenses of the Department of the Treasury; and third, control Government purchases and sales of gold (S. 1963). Hearings will begin at 10 a.m. each day in room 5302 of the Dirksen Senate Office Building.

Among the subjects to be addressed in the hearings are the following: The proposed IMF quota increase; the IMF's conditionality policies; proposals to create an IMF substitution account; the impact of the OPEC oil price increase upon the developing countries; the ability of commercial banks to continue to provide the bulk of the developing countries' financing; and, alternative methods of providing such financing.

Persons interested in testifying or desiring further information may contact Robert W. Russell, Counsel to the International Finance Subcommittee (224-0819), or Paul Freedenberg, minority professional staff member (224-0891).●

SUBCOMMITTEE ON EAST ASIAN AND PACIFIC AFFAIRS

● Mr. CHURCH. Mr. President, I wish to announce that the East Asian and Pacific Affairs Subcommittee, of the Committee on Foreign Relations, will hold hearings on Southeast Asia, focusing on the Kampuchean conflict and its implications, and on Southeast Asian refugee issues.

The hearings will be held on Monday, March 24 at 10 a.m., and on Tuesday, March 25, at 2 p.m., in room 4221 of the Dirksen Senate Office Building. Administration witnesses will testify on March 24, and representatives of voluntary agencies working with refugees will testify on March 25. Anyone interested in testifying should contact Mr. William Barnds (224-5481), or Miss Dee Dee Kenworthy (224-1439) of the committee staff.●

SUBCOMMITTEE ON RURAL HOUSING AND DEVELOPMENT

● Mr. MORGAN. Mr. President, I wish to announce that the Subcommittee on Rural Housing and Development, of the Committee on Banking, Housing and Urban Affairs, will hold a hearing on rural housing authorizations for fiscal year 1981.

The hearing will be held on Tuesday, April 1, 1980, beginning at 10 a.m., in room 5302, Dirksen Senate Office Building.

Anyone wishing further information concerning this hearing should contact Mr. Robert Malakoff, of the subcommittee staff at 202-224-7391.●

SUBCOMMITTEE ON TAXATION AND DEBT MANAGEMENT

● Mr. HARRY F. BYRD, JR. Mr. President, the Subcommittee on Taxation and Debt Management of the Senate Finance Committee will hold a series of hearings centering on various tax proposals recommended by the White House Conference on Small Business.

The hearings will be held on Monday, March 24, Friday, March 28, and Tuesday, April 1.

The hearings will be held in room 2221 of the Dirksen Senate Office Building, and will begin at 10 a.m. on March 24 and 9 a.m. on March 28 and April 1.

The first hearing on Monday, March 24, will center on the Federal estate tax and its impact on the American family.

Although a number of other bills amending various estate and gift tax provisions have been introduced, the scheduled hearing will concentrate primarily on S. 1825, S. 1984 and S. 2220.

S. 1984, introduced by Senator Wallop, would also remove the limitation on the marital deduction and raise the annual gift tax exclusion from $3,000 to $6,000.

Senator Nelson, together with Senators Baucus, Heinz, and Stewart, have introduced S. 2220, the Family Business Protection Act of 1980, which is designed to aid the continuation of family businesses during the transition period following the death of a key family member. Senator Nelson, along with Senators Pell, Roth, Cranston, Packwood, Melcher, Thurmond, and Jepsen have also introduced S. 1825 which would increase the unified estate tax credit to $70,700, thereby increasing the estate tax exemption to $250,000.

The following witnesses have been scheduled to testify at the hearing:

The Honorable Donald Lubick, Assistant Secretary for Tax Policy, Department of the Treasury.

A panel consisting of: James Powell, chairman, tax committee of the National Cattlemen's Association; Steven Wolf of the National Family Business Council; Frank S. Berall, cochairman, estate and gift tax committee, American College of Probate Counsel; Dave L. Cornfeld, vice chairman for publications of the American Bar Association's tax section; J. Thomas Eubank, last retiring chairman of the American Bar Association's real property, probate, and trust law section; and Edward C. Halbach, Jr., chairman-elect of the American Bar Association's real property, probate, and trust law section.

It is expected that the panel of witnesses will appear on behalf of themselves rather than as representatives of their organizations. If public interest in this area of law is sufficiently great, the subcommittee may consider an additional morning of hearings.

The subcommittee would be pleased to receive written testimony from those persons or organizations who wish to submit statements for the record. Statements submitted for inclusion in the record should be mailed with five copies by Monday, April 1, 1980, to Michael Stern, staff director, Committee on Finance, room 2227, Dirksen Senate Office Building, Washington, D.C. 20510.●

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. BUMPERS. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry be authorized to meet during the session of the Senate today to consider legislation to provide grain embargo relief to the American farmer.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON MANPOWER AND PERSONNEL

Mr. BUMPERS. Mr. President, I ask unanimous consent that the Subcommittee on Manpower and Personnel of the Committee on Armed Services be authorized to meet during the session of the Senate today to hold hearings on the President's proposal to require the registration of women under the Military Selective Service Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

HAVE ANOTHER ARSENIC

● Mr. HUMPHREY. Mr. President, the Wall Street Journal recently analyzed the President's so-called anti-inflation initiatives and found his program to propose little more than further increased taxes. As the Journal correctly points out, this Nation's fiscal policy must stop the drain of our resources from the private to the public sector. Until this essential policy is followed, our economy will struggle under the double burden of inflation and slowed growth.

I submit the article for the Record. The article follows:

Have Another Arsenic

Predictably enough, we suppose, inflation reaching a "crisis stage" has become the latest excuse for raising taxes.

To be sure, President Carter proposes, all the while talking of "pain," to trim the fingernails of the federal budget. But consider the context of this budget-cutting rhetoric: Mr. Carter wants to cut a budget he billed as "prudent and responsible" when he announced it less than seven weeks ago. The change is necessary, he explained, because of "rapid changes in world events and economic prospects." Translation: The voters looked again at Chappaquiddick.

The details of the cuts, while already discussed with congressional leaders, will be made public "by the end of the month," which is to say, after the Illinois and New York primaries. In any event, the proposed cuts come to $13 billion, little more than a third of the *overrun* in the current year's budget. The administration rejected the one big-ticket item it considered, a recalculation of the consumer price index that would slow the growth rate of government transfer payments. The budget director explained that the change could not be legislated in time for the Social Security benefit increase for July; so forget it, though most of the other proposals affect the fiscal year starting in September.

In fact, only $2 billion will be cut from the current year's budget, which covers the time period in which the Volcker attack on money creation and inflation will succeed or fail. The $13 billion will be cut in the next fiscal year, which is to say, after the November election. Yes, we're told, the first three Carter anti-inflation programs faded away, but this time he's really serious.

The new tariff on oil, meanwhile, was effective at midnight last Friday. The administration that has been telling us for three years that inflation is caused by high oil prices now proposes to fight inflation by raising oil prices. One hopes, without much confidence, that at least we won't have to listen again to the oil-price theory of inflation. The $10 billion in revenues from this tax will be "held in reserve" for unforeseen contingencies, such as the administration changing its mind about the spending cuts after the election.

In addition to the oil tariff, the administration proposes to raise perhaps $3 billion in revenues through the nuisance of withholding taxes on interest and dividends. Also, the new reserve requirements on credit cards, money market funds and so on are a tax on financial institutions. Like other taxes, these will be passed along to customers. Like the other taxes, they will raise costs, diminish standards of living and add to the political constituency for more inflation.

All of which leaves the real battle against inflation back where it was a week ago: with the Federal Reserve and Chairman Volcker. The efforts to restrain money creation seem to have met with some success these past few weeks, at least so to judge by the strength of the dollar in the foreign exchange markets and the fall in the price of gold. But because this credit restraint has been accompanied by the additional credit demands of a large federal deficit, the price in high interest rates has been considerable.

The soaring interest rates threaten to destroy some of our financial institutions, in particular the thrift institutions and small banks. This is the reason for the split discount rate, 13 percent for small banks and 16 percent for large ones. While we sympathize with the Fed's plight, both the split discount rate and new reserve requirements are gimmicks, at best temporarily useful. What the Fed needs is a supportive fiscal policy to ease government demand in the credit markets. The crisis is now, and the relief is promised, if you choose to believe, after September.

Now, we hope Mr. Volcker can stay the course, and if he succeeds in moderating the inflation rate as the year progresses, no doubt Mr. Carter will rush to claim credit for his new program. But even if monetary policy single-handedly does start to curb inflation, fiscal policy will be draining resources from the private sector and imposing new disincentives on production and investment. If the price is not paid in inflation, it will be paid in slower growth in the years ahead.

So laying aside the transparent political expediency, the most distressing part of the Carter program is the knee-jerk tax impulse. The taxes in Mr. Carter's new budget come atop some $40 billion in tax increases already built into his old budget. Our economy's biggest problem is high and increasing rates of taxation to support runaway government expenditures. Yet for each symptom, the prescription is the same: An energy problem, increase taxes. A Social Security problem, increase taxes. An inflation problem, increase taxes. Falling hair, shortness of breath, internal bleeding. Have another arsenic.●

TRANSPORTATION FORECASTS AND THE 1980s

● Mr. BAUCUS. Mr. President, I would like to submit for the Record a recent article on transportation that appeared in the Milling and Baking News. The article describes one expert's view of what the transportation network of this country will look like in the 1980's. I found the article informative, especially in light of my State's transportation needs.

Although the article offers no panacea for revitalizing our transportation system, it does reflect a great deal of thought—thought that provokes as well as begets new thoughts.

The article follows:

A FORECAST FOR THE 1980's

NEW YORK, January 28.—In an analysis of "Transportation in the '80's," John V. Pincavage, a research authority at Paine Webber Mitchell Hutchins Inc., declared, "Intermodalism will be key to future success in the freight business, as flexibility of the truck is married to the more energy-efficient, longer haul railroads, allowing the cost of service to reflect the efficiencies." He noted, "Capital will develop as an ever more important competitive force because big multimodal transportation conglomerates will need to be created."

From Mr. Pincavage's point of view, the U.S. transportation distribution system by 1990 "will look very different than it does as we begin the decade." He said, "The pre-1980 system was founded on cheap and abundant liquid energy and tightly regulated transportation subgroups. These fundamental conditions have, or are, changing radically, creating a new competitive environment with opportunities for some and problems, perhaps extinction, for others."

CLIMBING FUEL A MAJOR FORCE

He listed the following as the "main differences" between the old transportation/distribution environment and what will unfold in the new decade just begun:

Fuel prices are certain to be unstable and increase at a pace faster than general rate of inflation. By the mid 1980's, diesel fuel is likely to be triple the current 80 cents a gal as the price per barrel of crude moves toward $50 a barrel from $26.

Fuel availability will be more uncertain given our inability to control the OPEC producers. This tight supply/demand relationship, which may be managed by OPEC, will keep spot prices headed higher and put more oil in the spot market and less under contract.

Transportation regulation will be less, as more legislation is passed. The barriers to competition between modes will crumble before the absolute need to create a more energy efficient distribution system. Intermodalism is the key description of the trend of transportation in the 1980's.

Capital will be an increasingly important competitive factor as larger units are put together to achieve the desired efficiencies.

Learning to work with a labor force that is older and more job-security conscious in a society with lower expectations.

A real economic growth rate of 2-3 percent annually in the U.S. compared to approximately 3–3.5 percent in the 1970's. The 1980's will be a period where inefficiencies in all areas of business become too costly to continue and will be terminated. There will be a tremendous amount of corporate restructuring with many traditional industries in contraction. New industries based on new energy saving and information processing and communications technologies will be emerging with different distribution needs. This argues that growth of shipments that are highly valued and smaller should accelerate faster than the overall growth rate.

REDESIGN FOR CURRENT SYSTEMS

As a result of that environment, Mr. Pincavage presents the following overall view of both opportunities and risks:

Transportation is going to cost more and the rate of increase may outpace overall rate of inflation because of ever-increasing energy costs.

Current sophisticated shipper distribution systems will have to be redesigned with more emphasis on reducing rate of acceleration of transportation costs. Transportation costs are likely to advance faster than the cost of money used as working capital to finance inventories. The current distribution systems of sophisticated shippers have been designed to reduce the amount of working capital tied up in inventories because the cost of money has been greater than the cost of transportation. Thus, a high service level, while more expensive than slower modes, kept inventories lower than a slower system (i.e. truck vs. rail).

Intermodal operations offer a method to hold the short haul (under 400 miles) flexibility of the truck with the long haul efficiencies of the railroads. The railroads appear to be the most energy efficient mode, meaning that their relative advantage grows each time fuel prices increase.

The breaking down of artificial barriers to intermodal competition and ownership is beginning, which should allow railroads to enter the trucking industry, facilitating intermodal development.

Ability to raise capital to finance acquisitions and equipment purchases to allow intermodal expansion or to achieve optimum energy efficiencies is becoming critical competitive factor. It will be even more critical as larger units are aggregated which have the capital resources compared to smaller competitors that do not.

MORE COAL, GRAIN MOVES BY RAIL

Following up on this analysis, Mr. Pincavage said he expects many railroad to show above-average (two to three times the 2 to 3% real rate) real growth and to regain some market share in the 1980's for several reasons. Among the major ones of these is the following:

"Increased carriage of commodities like coal and grain over long distances to utilities or ports. Coal has to play an important part in reaching less dependence on outside energy sources. Grain or foodstuffs will be important to help reduce our balance of payments deficits."

Other elements of changes in rail transportation envisioned by Mr. Pincavage include an increased share of general merchandise traffic, including full truckload lots of general commodities, via piggy-backing; increased share of market from railroads entering the trucking business with use of trucking as an extension of the railroads to serve new areas beyond truckage rights where connecting service is poor; increased efficiencies because of the elimination or abandonment of many miles of underutilized track and absorption by healthy railroads of profitable operations of weaker railroads.

SLOW FOR MERGER OF RAILROADS

"Large mergers within the railroad industry may or may not take place," he said. "At least for the first half of the decade, absorption of midwest bankrupts and perhaps a small merger are the most likely outcomes. The latter half of the decade may see some larger railroad mergers, as the need to control larger geographic regions, more traffic and more capital becomes more apparent."

He predicted that railroads "should become the operating core of the emerging transportation conglomerates because of their possession of the most energy efficient means to move large traffic quantities to inter-city lanes."

RAILROADS TO OWN LESS EQUIPMENT

Another Pincavage forecast included the following:

"The railroad of the future may not own much of its equipment, perhaps only locomotives and cabooses. Flat cars are supplied by Trailertrain, tank cars by lessors, coal cars are shipper or utility owned or leased, hopper cars shipper owned or leased, and the box cars are likely to find diminishing need as intermodal operations develop."

Along that line, he said transportation companies will have to spend $200 billion to $300 billion during the 1980's for new and replacement equipment, assuming a 2–3% real GNP growth rate and an average 7–8% rate of inflation for the period. "There is little question that most transportation subgroups will be unable to generate this much capital from internal sources, assuming past returns on investment continue, and thus will have to boost debt and/or lease equipment," he said. He broke down the expected capital spending in the decade as $65 billion to $75 billion for railroads, $60 billion to $70 billion for trucks, and $70 billion to $90 billion by airlines.

CONGLOMERATE TO HANDLE TOTAL NEEDS

He concluded by setting out the following characteristics as being likely for the "supermodal transportation conglomerate" of 1990:

The ability to handle the total transportation needs of a shipper allowing the shipper to choose the service level and to pay the value of that service. Next day service equals a high price, one week a lower price, and quantity discounts for larger volume regular movements.

The ability to cover a market area extensively and to control pickup and delivery operations tightly so that many small shipments can be efficiently consolidated into full trailerloads for inter-city rail movements where feasible.

The ability to control large complex operations with computerized management information systems.

The ability to raise large amounts of capital to finance the newest equipment. Minute improvements in energy efficiency and productivity will yield big returns.●

THE AMERICAN WOMEN'S 1980 EXPEDITION TO DHAULAGIRI

● Mr. WALLOP. Mr. President, the State of Wyoming has always been proud of the leadership and courage its women have displayed throughout history. The partnership role of ranch and farm wives in settling the West laid the foundation for Wyoming to become the first Territory and State to give women the right to vote. Wyoming was also the first State to elect a woman Governor, Nellie Tayloe Ross.

The women of Wyoming continue to take a leadership role in this country as witnessed by the two Wyoming climbers who will join six other women to form the American Women's 1980 Expedition to Dhaulagiri. Lucy Smith and Cyndy Simer of Lander, Wyo., will travel to Nepal this October in an attempt to climb the sixth highest peak in the world. If they reach the summit of Dhaulagiri, it will be the highest peak any American woman has ever climbed. They hope to take a route to the summit that has never been successfully climbed, even though several attempts have been made in the past.

The State of Wyoming is widely known for the beauty of its splendid peaks. For these young women, the mountains of our State have provided the training ground for the skills that will take them to the heights of the Himalayas. Cyndy Simer and Lucy Smith have not only learned their mountaineering skills in Wyoming, but for several years they have taught mountaineering at the National Outdoor Leadership School.

Mr. President, the American Women's Expedition to Dhaulagiri will soon approach a peak and challenge that has never been attempted by women. Over the duration of their summit attempt, they will face physical difficulties that people formerly believed were to be met only by men. But the awesome dangers and hardships involved with this expedition transcend issues of sex or experience. The courage and resolve demanded of the members of this expedition provides an example of leadership for men and women alike. I am sure my colleagues in the Senate will join me in commending these Wyoming women and the other members of the American 1980 Expedition to Dhaulagiri. Our prayers will be with them for a successful climb and a safe return.●

PAUL CRAIG ROBERTS ON FOREIGN POLICY—1

● Mr. HATCH. Mr. President, the debacle in Iran has made it indisputable that in the last few years the United States has suffered a geopolitical defeat of staggering magnitude—what the Russian writer Alexander Solzhenitsyn has described as our loss of the Third World war.

Aspects of this defeat have been explored recently in an incisive series of related articles by Dr. Paul Craig Roberts, associate editor of the Wall Street Journal.

In the article I am presenting today, Dr. Roberts examines the current situation in Iran, points out the direction that the Russians' long-term strategy and military doctrine of massive force implies they will go, and concludes that our neglect of military forces and our irresponsible foreign policy has left us with "no good options."

I ask that Dr. Roberts' article entitled "Iran, Afghanistan, and Soviet Military Doctrine," be printed in the Record.

The article follows:

[From the Wall Street Journal, Jan. 16, 1980]

Iran, Afghanistan and Soviet Military Doctrine

(By Paul Craig Roberts)

The Soviet invasion of Afghanistan clearly surprised U.S. policymakers. Why would the Soviets risk so much—grain and technology, their favorable relations with the "Third World," and the lull of detente that was gradually eroding alliances against them—for the sake of a land-locked mountain kingdom of troubles?

This puzzle has led to all sorts of speculations. Some State Department officials, embarrassed by the event, concluded that this could not have been the work of Soviet leader Leonid Brezhnev, a man committed to detente and SALT. Therefore, he must have lost control to younger hawks who took advantage of his age and illness. Others less gullible concluded that the Soviets, misled by signals of weakness from President Carter, miscalculated and seriously misjudged the response to such naked aggression.

That is certainly a possibility. But on the other hand it may be that it is the U.S. that has miscalculated.

Key elements of the Afghan roadways were built by the Soviets, who some years ago took care to literally pave the way for their recent invasion. Other roads lead west into Iran, and it is only 300 miles across almost empty country from the Afghan border to the strategic Strait of Hormuz through which most of the West's imported oil flows. In contrast, from the Soviet's northern border with Iran it is a much longer distance to the strait through more heavily populated and more difficult terrain.

The Soviets have another opportunity in the Baluchi dissidents whom they have sponsored. Baluchistan overlaps areas of Afghanistan, Iran and Pakistan, and a separatist movement could invite the Soviets in.

If the Soviets were to seize Iran, the Persian Gulf would become, de facto, Soviet territorial waters and no oil could flow unless the Soviets permitted it. Under such conditions the Soviet Union could reasonably expect Western Europe and Japan to accommodate its foreign policy, and they could make it very uncomfortable for any President who tried to put teeth into a U.S.-Chinese military alliance. They would have achieved a long-sought goal: "to lay down the direction of international politics," as Soviet Foreign Minister Andrei Gromyko has put it.

When you look at their opportunity in terms of Soviet military doctrine, it makes you wonder what the Soviets might do next. Unlike our doctrine which emphasizes deterrence and the controlled use of military moves for political signaling purposes, Soviet doctrine emphasizes the primacy of the offensive, stunning surprise and lightning attack, which has as its major aim the prevention of an effective response by opponents. As Jeffrey Record, defense aid to Senator Sam Nunn, has said in a Brookings Institution study, "Sizing Up The Soviet Army," "the Soviet army appears eminently capable of responding to the demands of its doctrine."

Even against NATO forces Soviet doctrine postulates its armored and motorized rifle divisions to reach the Rhine in less than 48 hours. Against disintegrated Iranian forces, tied down in rebellions by non-Persian nationalities, Soviet forces could reach the Strait of Hormuz before the U.S. could react.

Last Friday The New York Times reported that "Soviet military units appear to be concentrating their efforts on securing newly established bases and staging areas, and clearing highways and other land routes west toward Iran." More recent UPI reports say that Soviet forces are assembling in Afghanistan near the Iranian border. According to a UPI dispatch from Kabul, Western correspondents have been given suspicious reasons for repeated cancellations of flights to Herat, and have been unable to reach the site to confirm the suspected activities.

If these reports are accurate, they explain why the Afghan guerrillas are having such an easy time in the northeast regions. The guerrillas are simply not the focus of the Soviet invasion.

The reports also cast some speculative light on why the Soviet Union is positioning itself as Iran's protector and on the possible reasons for the takeover of the U.S. embassy in Tehran. If the hostages were to be tried or killed, the President would have to move, if only verbally, toward a military reprisal or be booed out of office, and the Soviets could enter Iran on the pretext of protecting the country from an American invasion.

If events in days ahead lend any credence to these speculations, it could mean that an American policy of even greater restraint toward Iran is necessary whatever the provocations. The President has lost the option of any decisive action against Iran in the name of the hostages. By dilly-dallying in the UN, President Carter gave the Soviets two months to position themselves in Afghanistan to seize Iran once any belligerent act on our part provides a pretext.

Of course the Iranians and the Carter administration could figure out what's going on before the Soviets have a chance to pull it off, and work together to defuse the situation. But at this point prospects for such cooperation don't look good. It has been a year since the shah departed, a long time for the KGB to do its work. It's not clear whose hands the hostages are in, or how Khomeini could reverse the anti-American basis of his revolution.

Another cardinal rule of Soviet doctrine is not to stand by and lose the advantage after you have gained it. Poised on the West's jugular, the Soviets may not let go. On Nov. 30, The Jerusalem Post reported extensive Soviet military maneuvers "in which some 10,000 airborne soldiers were transferred from Soviet territory via the Middle East to Ethiopia and back, quickly and successfully." If such a maneuver took place, it obviously was a test of timing and strike capability beyond what it would take to seize Afghanistan.

If we should come out of this crisis whole and these ominous prospects turn out to be only possibilities on paper, there is nevertheless a lesson to be learned. Our position in the world is too dangerous for us to place more trust in Soviet words than in American power. The three year drift in Carter administration foreign policy has left us dangerously exposed, and left the President with no good options.●

FIFTIETH ANNIVERSARY OF THE INAUGURATION OF HERBERT HOOVER TO BE THE 31ST PRESIDENT OF THE UNITED STATES

● Mr. HATFIELD. Mr. President, last summer, Martin L. Fausold, professor of history at the State University of New York, directed an 8-week seminar at the Hoover Presidential Library on the subject of reform and the Republican era of the 1920's. The existence of the seminar, which was sponsored by the National Endowment for the Humanities, is another example of the widespread interest among scholars in a reassessment of the policies of President Hoover.

Professor Fausold has submitted a short essay, summarizing the findings of the seminar, for publication as part of the series commemorating the 50th anniversary of the inauguration of Hoover in 1929. Running through his analysis of the individual papers is a discussion of the balance between liberty and order which were adopted by the Presidents of this era. Fausold finds that Hoover's own balance, favoring liberty, was inadequate for dealing with the Great Depression.

Mr. President, I request that Professor Fausold's essay, and a brief biographical sketch of the author, be printed in the Record.

The material follows:

Biographic Sketch—Martin L. Fausold

Born: November 11, 1921.

Education: A.B., Gettysburg College, 1945; D.S.S., Syracuse University, 1953.

Professional experience: State University College, Cortland, New York: from assistant professor to professor, social studies, 1952–58; State University College, Geneseo, New York: professor and chairman department, 1958–1965, professor history and government, 1965–1970, professor of history, 1970.

Memberships: American Historical Association; Organization of American Historians.

Publications: Author: Gifford Pinchot, Bull Moose Progressive, Syracuse University, 1961; J. S. Wadsworth, Sr. and the Meat Inspection Act of 1906, New York Hist., 1970; Hoover Farm Policies, Hoover Presidential Library, 1975; James W. Wadsworth, Jr., The

Gentleman from New York, Syracuse University, 1975.

Editor: The Hoover Presidency: A Reappraisal, State University, New York, 1974.

HERBERT HOOVER, THE REPUBLICAN ERA AND AMERICAN REFORM

To this date the 1920s is the Republican Era of the 20th Century. No other period saw such Republican domination of the three branches of national government and a majorly of the state houses. As if to underscore that fact, Harding's 1920 popular majority of 60.2% was the largest in the nation's history; the Republican margin in the House of Representatives was the largest in its party's history; the Supreme Court would shortly be under new exclusive Republican control; and Republicans would dominate state governments in numbers not equalled in the 20th Century. Republicans, many of whom had defected to the Progressive Party in the prior decade, swarmed home in 1920. And, Democrats retreated to their southern enclave from where they would do battle in the 1920s, not just with Republicans, but often with Democrats from the urban North.

To most historians the Republican Era is not congruent with reform—even considering the long recognized impact of western insurgents in the party, and the more recent revisionists views of Harding, Coolidge, and especially Hoover. The scandals of the Harding Presidency and the association of the Depression with Hoover have been almost too much to overcome. Both seemed to make the Era the converse of reform.

The categorization of the 1920s as the converse of reform was an inclination even among twelve National Endowment for the Humanities Fellows convened in West Branch, Iowa, for Purposes of relating the Republican Era to American Reform. There, in an eight weeks Summer N.E.H. Seminar at the home, museum, and library of the best-known political figure of the Era, Herbert Hoover, the problem of relating the Era and reform was compounded by that of defining reform. In a pause from research and deliberations to define American reform a splendid chaos ensued. Some declarations about reform were: "Societal responses . . . to disequilibrium" in the form of "consensus"; reform is that which "admired historians" have so often considered—usually a manifestation of presentism; reform has been "forging a polity which has promoted the falsehood that capital and labor shared a common interest"; "twentieth century reform . . . proceeds from Cleveland's base of . . . a neutral state to increased degrees of statism"; American reform "seeks . . . to secure comparatively limited goals"; reform is multifaceted—a series of impulses: democratization, rationalization, purification, etc.; American reform is a "slight alteration of older values and institutions"; ". . . reform will not violate the interests . . . of groups and institutions which wield disproportionate economic and political power"; reform is an attempt by government to equate "labor and business"; American reforms are elitist causes; reform is the revolution from voluntarism to coercion. And, so the definitions went—reflecting the gamut of mentors and historical schools; new left, liberal, conservative, Marxist, consensus, radical. Nor, over the summer, was the confusion of the definition allayed by the superb historians who graced the many seminar sessions with their presence and conversation.

It is ironic that as the Fellows spiritedly disputed the definition of reform, their researches were in fact defining reform and relating it to the Republican Era. And, in the process, they were answering the plea of one of the Fellows that "we ought to try to develop a definition of reform that applies across time"—"a definition that provides flexibility for debate within its parameters."

The Seminar papers which focused on important domestic policies of the Republican Era manifest a search for balance between liberty and order. This, then, becomes their definition of reform, a definition broad enough to bring out long neglected continuities running through history, including the Progressive, Republican, and New Deal eras. While such an analysis of the evolving attempts to better America during its cyclical swings from liberty to order might suggest something of George Bancroft's view of the divine destiny of America, it connotes more political reality. As periods of liberty ("Critical", "Jeffersonian", "Whig", "Social Darwinist") were followed by periods of order ("Hamiltonian", "Jacksonian", "Lincolnian", "New Nationalist") they reflected political demands to draw on the goodness of the past in creation of a new society better than had existed in the past, to reform America. Of course, such analysis does not rule out other kinds of political motivation. But it emphasizes that a majority of Americans believed they were correcting wrongs and meeting modern needs with new methods of government as the nation moved back and forth from liberty to order.

The tensions in this process clearly manifested themselves within Progressivism. Wilson was elected President on a New Freedom platform, but realized that New Nationalism was the "order" of the day; and pragmatically reflecting the peoples' will, he soon returned the nation to the New Nationalist track. Then, during World War I, order prevailed—order, in this case, not only to restore America to the goodness of its past, but to save and reorder the nation and the western world.

With World War I begins the story of the Republican Era and American Reform. For the order that won the war was perceived by many leaders in the decade that followed as having been a balancing of order and liberty, a successful combination of elitist direction and voluntary cooperation. This was particularly the case with the structures that Herbert Hoover had created as wartime food administrator. And Hoover would attempt during the Republican Era to continue this balance of liberty and order, first as Secretary of Commerce and then as President. Few historians have pointed up the relationship of World War I leadership and the Republican Era as has Ellis Hawley of the University of Iowa. The Seminar had the advantage not only of his recently published monograph, "The Great War and the Search for a Modern Order," but also of his presence, with other senior historians, in the dialogue on the Republican Era and American reform.

Reform here—as it has emerged from the Seminar—is taken beyond Hoover's associational Progressivism and liberal corporatism and is defined in more universal terms of time and parameters. By transforming Hoover's perceived World War I and 1920s corporatist harmonizing of the public, capital, and labor to a balancing of liberty (the cooperation of the three segments) and order (the regulation of business and labor by government) the reform of the Republican Era can be analyzed in a broader historical perspective.

The seminar papers point up, time and again, how Hoover attempted to use the machinery of government to aid the people, usually through their various and sundry organizations, to rationalize and stabilize their conditions.

James Cebula addresses the important subject of Hoover's relation with labor, beginning with his leadership in Wilson's second Industrial Conference in 1919 and ending with his signing of the Norris-LaGuardia Anti-Injunction Act on March 23, 1932. His paper demonstrates that while Hoover's corporatist/associational approach was both sympathetic and helpful to labor's organizing efforts, including its right to strike, his efforts on behalf of capital vis-a-vis labor seemed far more strenuous. Also illustrative of Hoover's support of capital was his massive program as Secretary of Commerce to eliminate industrial waste through standardization and simplification. William Tanner, who analyzes through the first half of the decade the work of the newly formed Division of Simplified Practices, notes how the efforts faltered at the decade's midpoint, and concludes that the savings accomplished by the program probably accrued more to the advantage of capital than to that of labor and the consumer. William Robbins also focuses on a similar phenomenon. Analyzing the corporatist/associational relationship between Hoover's Commerce Department and the lumber industry, he demonstrates the ends to which government went to aid an industry irrationalizing its economy without government regulation. In the end this cooperative effort failed, Robbins concludes, because it did not bring under control "the blight, waste and exploitation" caused by an "impersonally operating market." David Lee's paper on the relationship between Hoover's Commerce Department and the fledgling aviation industry reconstructs one of the most successful examples of government-industry cooperation during the period. The success, he believes, was largely attributable to government's willingness, in this rather isolated instance, to carry its aid and regulation much further than Hoover was usually willing to go.

Carl Krog's paper, "Organizing the Consumption of Leisure," shows a successful continuity of the federal government's recreation and conservation activities from Hoover's Commerce Secretaryship to his Presidency. But, here, consistent with Hoover's approach of balance, regulation was eschewed for the government's offer of expert service. Larry Grothaus analyzes another kind of Hooverian activity, his efforts as Secretary of Commerce and President to improve the conditions of American blacks. Here the same formulas were applied, the results being that Hoover achieved little credit for some rather radical proposals and was often criticized for an "old-fashioned" and rigid approach to black problems. David Horowitz's paper is one of two examining congressional responses to Hoover's ideas and policies. It shows how Gerald P. Nye, an important western Senator who was rather representative of insurgent Republicans from the region, reluctantly accepted Hoover's solutions, largely because the President usually had the political upper hand.

The remaining papers deal with Herbert Hoover during his Presidency or post-Presidency. Roger Corley's examination of Hoover's judicial appointment procedure reveals how an apolitical "reform" effort proved naive and how Hoover was forced into a political role in which he was uncomfortable. The paper illustrates Hoover's lack of political pragmatism. Roger Lambert's paper on the drought in the mid- and south-West shows the ultimate failure of Hoover's concept of balance—his inability to carry government to the point of federal grants for the feeding of destitute humans—although he supported relief in the form of seed grants and animal feed. Bernard Klass also examines the "Corporatist" failure in agriculture in his portrayal of the Federal Farm Board. He shows, however, that the experience of the Board, with its stabilization corporations and its campaign for voluntary acreage reduction, had an important impact on the New Deal's more statist farm program.

David Porter's paper describes the Iowa Congressional delegation as a microcosm of rural America during the Hoover Presidency and the early New Deal period. He argues that the delegation was more reform minded (in a statist sense) than Herbert Hoover and usually supported Roosevelt's New Deal reform measures. The book concludes with a paper by Nile Norton which attempts to demonstrate that Hoover's campaign posture in 1932 was closely tied to the conclusions in the Report of the Committee on Recent Social Trends—an important exception being the Committee's call for an increased "scope and role of the central government."

The papers demonstrate that in striving to balance order and liberty Hoover and his supporters were attempting to do what had not been done as strenuously before in the whole sweep of American history. Reform in the past had tended to emphasize either order or liberty, whichever seemed needed to countervail the emphasis on the other during the previous period. Post-Civil War reform was a libertarian response to Lincolnian statism. (While that liberalism was frequently perverted, the Liberal Republicans and Cleveland Democrats still defined reform in non-statist terms.) Progressivism was a search for order, mostly in reaction to the industrial chaos of the 1890s. (And, while the advocates of the New Freedom questioned the hegemony of New Nationalism, they soon became politically pragmatic and returned to the ordered approach.) When Harding was overwhelmingly elected in 1920 America wanted reform in non-statist terms ("normalcy, not political nostrums") to countervail the statism of Theodore Roosevelt and Woodrow Wilson. But, Hoover, the dominant member of the Administration, was so impressed by the ideas of harmonizing order and liberty that he administered his office and articulated his political philosophy with this harmony ever in mind. He articulated it, in 1922, in a treatise "American Individualism," which must have perplexed Warren Harding. The happiest nation, wrote Hoover, is not that which governs least but that which governs most. But, had Harding read on he would have been pleased that Hoover's purpose for "the most government" was to pursue individualism and economic freedom, albeit an economic freedom tempered by "the vigorous arm of government." In practice, Harding gave Hoover great latitude to try to effect his New Federalism, for balancing order and liberty. And for his own reasons Calvin Coolidge, though he "grunted and grumbled," was almost as lenient toward Hoover.

As the papers indicate, Hoover's New Federalism seems to be working—at least in the public perception. His large 1928 Presidential plurality was viewed almost universally as a national vote of confidence in his system. In fact, however—as noted also in the papers—Hoover's New Federalism frequently did not work. Before the Great Crash, the "vigorous arm of government" frequently meant favors for capital over labor, and after the Crash, Hoover's formulas for preserving individualism clashed with popular demands for using the state to deal with economic distress. Within certain bounds, Hoover's New Federalism allowed him to create new instruments of government—to wit, the Federal Farm Board, the stabilization conferences, the President's Emergency Committee on Employment, the President's Organization on Unemployment Relief, the Reconstruction Finance Corporation, public works administration, and the Debt Moratorium machinery. But it blocked those kinds of action that he regarded as threats to the balance of liberty and order. Franklin Roosevelt would have no such conpunction. "If we are to go forward," the new President declared on March 4, 1933, "we must move as a trained and loyal army willing to sacrifice for the good of a common discipline. . We are ready and willing to submit our lives and our property to such discipline, because it makes possible a leadership which aims at a larger good."

Taken as a whole, these papers illustrate Herbert Hoover's attempts at harmonizing the great tenets of liberty and order—at implementing a New Federalism, which revisionist historians have called associationalism or corporatism. The papers also place the Republican Era in the context of a larger historical pattern of evolving and changing reform activities. More important, while the papers recognize the depth of Hoover's reform thought and action they also recognize the limitations—first, that his conceptions of a new social harmony tended to favor large capital over small business, American labor, racial minorities, and consumer interests; and second, that when in the crisis of Depression the people demanded order to relieve their economic conditions, Hoover's concept of balancing order with liberty proved inadequate.

(Martin L. Fausold, Professor of History, State University of New York, Geneseo, New York; Director, Seminar, National Endowment for the Humanities, Herbert Hoover Presidential Library, Summer, 1979.) ●

ADDRESS BY SENATOR HEINZ ON THE NEED FOR A NATIONAL EXPORT POLICY

● Mr. STEVENSON. Mr. President, my colleague from Pennsylvania, Senator Heinz, recently addressed the Pittsburgh Chamber of Commerce on the need for a national export policy. His remarks identify a number of areas where new legislation is needed. The Senate Export Caucus, which now has 65 members, will be drawing together a number of proposals into a National Export Policy Act. As an active participant in the caucus and as ranking member of the International Finance Subcommittee of the Senate Banking Committee, Senator Heinz is making a major contribution to U.S. export policy.

I submit the Senator's remarks for the Record.

The remarks follow:

Remarks of Senator John Heinz

Seventeen years ago, President John F. Kennedy called for sacrifice in his State of the Union Address. He said, "The cost of freedom is always high, but Americans have always paid it."

Tonight in his State of the Union Address, President Carter will discuss the current cost of freedom. A few days from now he will add meat to the bones of tonight's speech by submitting his budget for fiscal 1981. That budget will probably propose a deficit of around $16 billion, a reduction from this year's anticipated deficit by almost 50%.

What that budget will not tell you, however, is that last year's trade deficit is $9 billion larger than the proposed budget deficit.

What it will also not tell you is why. It will not show you that exports represent only 7% of our GNP, less than half the level of most industrialized countries.

Nor will it tell you that our export profile is even worse if you leave out agriculture, and is a complete disaster from the standpoint of small business.

These facts are important. The administration claims we have an export policy in this country. That our trade picture has improved.

In fact, our export policy is as muddled and indecisive as our foreign policy, even though our export options are clear and the resources are there. We can understand, though not approve, the President not knowing what to do in Iran. There is no effective government. There is no rational person in control. There is no excuse, though, for our lack of an export policy, a policy which makes such good economic and political sense.

Twenty-five billion dollars or a 14 percent increase in exports—would eliminate our trade deficit, strengthen the dollar, and boost our economy. Since every billion dollars of exports creates 40,000 to 50,000 jobs and since every 1 million jobs produces $22 billion in tax revenue, that 14 percent increase would give us a federal budget surplus of $8 billion and eliminate all existing cyclical unemployment.

But equally important are the political consequences. Expanding exports enhances our presence and position in the world. A presence that has been weak and uncertain for the past 3 years, as the President has practiced crisis management rather than leadership.

It is axiomatic that business needs certainty. A stable international climate—which we certainly don't have now—is essential to the expansion of trading relationships. Careening from passivity to overaction, as the President has done, sends the mixed, confused signals and creates the very uncertainty we so badly need to avoid.

In contrast, by emphasizing the continuing presence and superior quality of American products and technology in the worldmarketplace, an aggressive export policy projects an image of strength and constancy.

If you need any evidence of the dramatic decline in American prestige and power in the world, just look at the price of gold in the past few months and the value of the dollar over the past 3 years.

Reversing this situation demands positive steps to promote exports. And it demands a review of the negatives. Those elements of law and policy that put our businessmen in a straitjacket. Today, I want to discuss three specific areas of concern:

Export controls.
Financing limitations.
Shortsightedness.

EXPORT CONTROLS

First and most obvious, export control problems are direct restrictions on exports for human rights or national security purposes.

I have always been a strong supporter of human rights. So are we all. But it is simply foolish and counterproductive to penalize Americans for the behavior of others. By cutting off exports we do just that. Particularly when other countries less motivated by conscience continue to sell the same products.

It makes much more sense, instead of punishing ourselves, to devise a policy that will have a real impact on the nations whose policies we are trying to affect. One such policy would restrict their products coming into our country. Without such a policy, we will continue to punish the wrong people, our own businessmen.

Recent events, however, demonstrate that the case of the Soviet Union is a special one, one where national security considerations must be paramount. The Soviet invasion of Afghanistan reminds us all that competition between superpowers is a fact of life; that threats to peace and freedom exist; and that our technology can be used against our interests by those to whom it is sold.

In these circumstances an export embargo, such as President Carter has on grain and certain high technology products, is appropriate if it meets certain criteria:

(1) It must have potential impact. The products we embargo must be important, and we must be the major producers.

(2) We must be able to protect our citizens who might be harmed by the embargo.

(3) We must have multilateral cooperation so that it is effective.

(4) We must have a goal. We must know what we want and how far we are willing to go to achieve it.

Based on hearings the Banking Committee held on January 22, this embargo has a chance of passing the first three tests. A clearly defined goal, however, is still in doubt. The hearing showed that the administration has given little thought to the duration of the embargo; to what actions the Soviet Union might take to cause us to lift it; or to what the implications of ending it would be.

This lack of clearly articulated policy goals is typical of the Administration's foreign policy, and it reminds us that we should all be alert to the real danger of overreaction now to make up for non-action in the past. I am sorry to have to say it, but the Carter Administration has ignored every opportunity it has had for the past 3 years to take meaningful action against their attempts to disrupt international stability and gain advantage through the use of force. The Administration has even rationalized for the Soviets, and thus proceeded to unilaterally throw away many of our best defenses. The result has been a foreign policy so naive and weak that the Russians—and others—are encouraged to take risks, and we have few options remaining to us.

The Soviets must understand that aggression entails both risk and high costs, so at this time of crisis, responsibility demands that we support the President's actions. But, at the same time, we must recognize the weakness of will that has led to them, and we must insist that our government take firm control of the future.

Beyond the recent embargo, our other export control activities have been like our foreign policy: ambiguous, uncertain, and plagued with delays in important cases. Our vacillation discourages our customers, encourages our competition, and sends no reliable signal to our adversaries.

In considering controls, we must also remember that the United States no longer has a monopoly on advanced technology. In fact, other nations have been growing faster in research and development as well as in exports. This leads us to another lesson. Controls cannot be effective without multilateral cooperation—cooperation we have not been very good at obtaining.

FINANCING LIMITATIONS

Limitations on our ability to finance exports are another major restraint. Periodic reviews by ExIm Bank officials show that our competitiveness in financing rates and terms has improved, but we are still running behind some of our most aggressive competitors such as the French and Japanese.

Unfortunately, the growing fondness for government subsidies for the production and export of goods has also created a variety of predatory practices in the financing of those exports. Subsidized interest rates, exceedingly long repayment terms, and mixed credits have all contributed to repeated losses of sales by American firms.

I have been deeply troubled for some time about predatory foreign trade practices. Last spring, as many of you know, I helped write the MTN legislation, but, while the MTN tackled the subsidy problem, hopefully with some success, it made no progress at all on predatory export financing practices.

SHORTSIGHTEDNESS

In addition to these major institutional obstacles, the Congress and the Administration have also placed our exporters in a legal and moral straightjacket.

The Foreign Corrupt Practices Act, an effort to impose U.S. moral standards on the rest of the world, has not appreciably uplifted anybody else, but its vague definitions and uncertain enforcement have left American businessmen in a state of confusion.

Don Stingel, a director of the Export-Import Bank, has discussed recent efforts to impose our environmental standards on exports and pointed out that this battle may have to be fought again. As usual with this kind of law, it is not simply the concept that is necessarily at fault. Rather, it is the vague language used in law and regulation and the uncertain enforcement by bureaucrats who don't know anything about the business they seek to regulate.

We have also made it difficult for Americans to do business abroad through changes in our tax laws for Americans working overseas. One of this country's greatest assets is its people. American know-how and management skills are unparalleled, widely recognized abroad, and an important selling point for many projects. Yet as Congress has rewritten them and the IRS has interpreted them Sections 911 and 913 of the Tax Code force us to keep our people home.

Finally, we have created special handcuffs for our small businessmen. Just as small business provides the greatest potential for increased employment in this country, it also provides real potential for export growth.

But, small businessmen all too frequently lack both knowledge and resources to get into international business. Federal antitrust law discourages businesses from working together to market their products abroad. And the Federal Government provides no effective assistance to companies that want to seek out foreign markets.

The problem with all these restrictions is not just lost sales. Above all, it is the uncertainty and delays that they generate. We are sending a message to our potential customers, and that message is very simply that the United States is neither a reliable nor a serious trading partner.

This impression, which reflects ambivalence and ambiguity in our foreign policy as well as our trade policy, is growing at the very time we are facing increased threats to our competitiveness and technological superiority.

The days when American technology and workmanship were unchallenged are long gone. We now have to fight for every export dollar against competitiors who often are as good as we are and are also willing to bend and break the rules to their advantage.

These challenges require a new attitude and some new tools. And there are a number of us in the Congress ready to provide them. The Senate Export Caucus led by Senators on the appropriate committees who are concerned about exports, now has 65 members. We are now hard at work reviewing legislative options. We plan shortly to announce the introduction of an Omnibus National Export Policy Act of 1980. It will be the first comprehensive attempt to remove the straightjacket and to reshape our laws, regulations, and even attitudes about trade and exporting.

I expect this bill to include provisions dealing with each of the problems I have described.

With respect to export controls, the bill should reflect a fine tuning of the new Export Administration Act Amendments which became law late in 1979. This law reduces the number of controlled items and focuses security controls on "critical technologies" that would add to the military capabilities of our adversaries. It provides for indexing the performance levels of high technology products, so that items which become so common they can be purchased at Radio Shack (such as a $12.95 microprocessor brought to my attention at a recent hearing) would not remain on the controlled list. Unilaterally controlled items will be subject to annual review, and the license review process itself is streamlined. If these changes don't work as Senator Stevenson and I intend them, you will see additional changes proposed.

Similarly, the Export-Import Bank is taking major strides forward, as Director Stingel has mentioned. We are hopeful of increasing its FY 1980 appropriation, now in conference, from $4.1 billion to $6 billion.

The Bank's 1978 reauthorization gives it authority to offer mixed credits to meet foreign competition. The Bank has been cautious in using this, and we would like to see it used more in the future.

I have been working closely with a group organized by the National Chamber of Commerce to develop two new initiatives to broaden the Bank's authority. One will set up a special fund for higher risk countries which lack access to normal credit markets. The other will give the Bank additional resources to fight the predatory tactics of others. These measures should be part of the omnibus bill as well. They will help create a stronger Bank and a freer, healthier competitive climate.

Other legislation now being revised will permit businesses to group together for export purposes without all of the restrictions currently applied to such associations. It will provide for assistance from the government to help these new trading companies get started, so that smaller businesses will be able to market their products effectively.

The President's Export Council has strongly recommended changes in Sections 911 and 913 of the Internal Revenue Code that will make it possible once again for Americans to work overseas. I endorse those recommendations, and you can expect to see proposals embodying them. While we don't want to subsidize living abroad, neither should our law effectively prevent it.

I also anticipate the omnibus bill including changes in the Foreign Corrupt Practices Act to make it more realistic. To more clearly define the term "corrupt practice," and to clarify enforcement responsibilities. The law is uncertain and vague. As often happens, we have let our good intentions get ahead of our logic.

All these measures are signs of hope . . . That the Congress understands the importance and scope of your problems . . . That we are prepared to make export policy a matter of the highest priority . . . And that we are prepared to act on that priority . . . With the goal of giving the American businessman the resources and tools he needs to compete effectively in the world marketplace. There is no doubt in my mind that if we compete we can win. But first we must untie the straitjacket. The National Export Policy Act will represent a major step in that direction. I urge your support of it. And I assure you of my support for what you are trying to do. Together, we can and will reassert the dominance of the "Yankee Trader" in the world marketplace.●

STATE DEPARTMENT SOVIET AFFAIRS ADVISER REPORTEDLY KNOWS NOTHING ABOUT SOVIET FORGERIES

○ Mr. HUMPHREY. Mr. President, Senator HELMS and I have been trying since last November to get the State Department to tell the elected representatives of the American people about Soviet forgeries which have done enormous damage to U.S. foreign policy interests around the world. We are still trying to get the briefing.

The Carter administration's reluctance to brief Senators on Soviet forgeries is contradicted by President Carter's own stated policies. In the wake of the Soviet invasion of Afghanistan, President Carter on January 3, 1980, requested that the Senate "delay consideration of the SALT II treaty on the Senate floor." The reason the President gave for this delay was to allow the President and specifically the Congress to "assess Soviet actions and intentions."

President Carter also stated that Soviet President Brezhnev had lied to him about Soviet actions in Afghanistan, and that President Carter had learned more about duplicitous Soviet intentions in the first few days after their invasion of Afghanistan than he had in the previous 3 years of his Presidency.

The American people are increasingly aware of the massive Soviet campaign of forgeries and deception directed against the United States. Because the President himself has urged the Senate to focus upon Soviet intentions and Soviet deception in all bilateral United States-Soviet relations before proceeding with the SALT II ratification debate, we are genuinely puzzled about State Department reluctance to brief Senators on Soviet forgeries.

Accordingly, Mr. President, we ask that the following letter to Secretary of State Vance, be placed in the Record.

The letter follows:

Washington, D.C., March 18, 1980.

Hon. Cyrus Vance,
Secretary of State,
Department of State,
Washington, D.C.

Dear Mr. Secretary: Senator Helms and I have been trying for over three months to get the State Department to brief a group of Senators on Soviet forgeries designed to damage the interests of the United States. We think that your Special Advisor for Soviet Affairs, Ambassador Marshall Shulman, is the man most qualified to brief us. We therefore have requested that Ambassador Shulman brief us.

We have now been told by the State Department Congressional Affairs Office that Ambassador Shulman will be unable to brief us, on the remarkable grounds that he does not know anything about Soviet forgeries.

I have been informed, however, that about a year ago Ambassador Shulman prevented the CIA from briefing the Congress on Soviet forgeries. The reported reason he gave in disapproving the briefing was that such a briefing would adversely affect the SALT II negotiations and harm détente. Ambassador Shulman's reported disapproval of the briefing suggests at least some knowledge of Soviet forgeries on his part.

Would you please advise me about the reasons why Ambassador Shulman is unavailable to brief Senators on Soviet forgeries, and whether he blocked any previous briefing of Congress on this subject? Further, would you try to arrange a briefing for Senators on Soviet forgeries as soon as possible?

Sincerely yours,
Gordon J. Humphrey,
U.S. Senate.●

S. 2401—THE DEPARTMENT OF JUSTICE LITIGATION POLICY OVERSIGHT ACT

● Mr. BAUCUS. Mr. President, last week I introduced legislation which addresses an area of longstanding congressional neglect: The manner in which the Federal Government conducts litigation. As a member of the Judiciary Committee, I am concerned that Congress is becoming increasingly insensitive to the essential role of the Department of Justice in the area of Government litigation. At the same time, my experience as an attorney for an independent regulatory commission has made me sensitive to the concerns of Federal agencies in this area. In my view, a strong Department of Justice is in the best interest of the Federal Government. The growing tension between the Department and other agencies over litigation authority is counterproductive and largely attributable to inadequate oversight by Congress.

The legislation I have introduced is a first step toward improving congressional oversight of Government litigation. My bill addresses some of the current factors which have led to the fracturing of litigation authority at the Federal level.

CONGRESSIONAL DELEGATION

Congress recognized the need for the Government to speak with a single voice in legal matters when it established the Department of Justice in 1870. However, this single voice concept has never existed in practice. Exceptions have always been provided by statute, and there are presently approximately 27 agencies with some degree of independent litigation authority.

Several pieces of legislation have been introduced in the 96th Congress that would give additional litigation authority to specific agencies. The problem is that Congress examines each of these proposals within the context of the individual agency but has not examined the larger picture of Government litigation as a whole. Often the Judiciary Committees will not be aware of the impact of a bill until it reaches the floor of the Senate or House. This almost occurred when the Senate Commerce Committee recently considered legislation to increase the Interstate Commerce Commission's litigation authority. Due to the efforts of Senator Heflin, who is a member of both the Commerce and Judiciary Committees, this legislation was amended tc retain the Commission's present authority.

S. 2401 would require the Attorney General to submit to the Senate or House Judiciary Committees a written statement on any legislation introduced which affects the litigation authority of the Department of Justice. In this way, the Judiciary Committees will be fully informed and aware of the impact of proposed legislation on the Department's authority. This would be a first step in creating a congressional structure that would more effectively review Government litigation policy.

An additional step in needed, however, which is the requirement that every piece of legislation affecting the Department's litigation authority be referred to the Senate and House Judiciary Committees prior to floor consideration by either the full House or the Senate. Two years ago, Senators Eastland, Thurmond, and Kennedy urged the majority leader to adopt such a policy. I believe their request was a sound one; and I intend to work with Senators Kennedy and Thurmond and the Senate leadership to revive the discussions of this proposal.

EXECUTIVE ORDERS

Most recently, President Carter has attempted to counteract the growing disorganization of Government litigation by means of an Executive order. The Executive order created the Federal Legal Council to explore a variety of issues related to problems of Federal litigation and to improve communications betwen the Attorney General and general counsels. Unfortunately, the Congress has not adequately reviewed the Executive order or monitored its implementation.

S. 2401 would require the Attorney General to report annually to Congress on efforts made to coordinate activities and resolve conflicts between the Department and other Federal agencies with respect to Government litigation. In an effort to improve oversight in this area, the Senate Judiciary Committee has scheduled a hearing for March 27 that will examine the current efforts of the Federal Legal Council.

MEMORANDUM OF UNDERSTANDING

Another important way to address the problem of Government litigation has taken the form of agreements between the Department and individual agencies. Often these memoranda of understanding determine which agency will litigate and under what circumstances. But in many instances, these memorandums of understanding tend to be ambiguous or unnecessarily complex. Consequently, a substantial degree of agency time and legal resources may be spent solely on interpretation of such memorandum. In this regard, I am aware that there are ambiguity problems with the memorandum of understanding between the Justice Department and the Department of Energy.

For the most part, Congress has had no voice in reviewing these memorandums. In some cases, specific committees have had an interest in these memorandums, but the Senate and House Judiciary Committees have not been able to insure that these memorandums are in the best interests of Government litigation policy as a whole.

S. 2401 requires the Attorney General to submit to Congress a copy of any agreement with any other agency that affects the basic litigation authority of the Department. Moreover, the bill would require that the Attorney General submit such agreements no later than 60 days prior to their effective date. This provision is not intended to provide for a congressional veto of memorandums of understanding. Rather, this provision will substantially increase congressional awareness of agreements made which affect Government litigation authority. In this way, ample opportunity will be provided for congressional consultation.

ATTORNEY GENERAL AUTHORITY

Finally, my bill provides the Attorney General with the authority to resolve all legal disputes between Federal agencies with respect to litigation authority. Curren law implicity grants the Attorney General the authority. In my view it is important to make this authority explicit. As chief legal officer of the United States, the Attorney General is best able to resolve disagreements or uncertainties about litigation authority. This provision will result in more efficient use of tax dollars and Federal legal resources by eliminating costly court battles between agencies who are trying to decide which agency has jurisdiction to litigate. The need for this statutory authority is evidenced by the findings of the President's reorganization project study on Federal legal representation. That study found that in 1977 there were at least 150 cases filed in court where two Government agencies were litigating against each other.

I want to make clear that my bill is not offered as a panacea to Government litigation problems. Rather, this legislation represents a constructive, flexible approach to deal with an increasingly uncoordinated government litigation policy.

A copy of S. 2401 follows:

S. 2401

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Department of Justice Litigation Policy Oversight Act".

SEC. 2. (a) Section 516 of title 28, United States Code, is amended by inserting "(a)" immediately before "Except as otherwise authorized".

(b) Section 516 of such title is amended by adding at the end thereof the following new subsections:

"(b) The Attorney General shall submit a copy of any agreement with any other agency which affects the litigation authority of the Department of Justice with respect to types or categories of cases to the Committees on the Judiciary of the Senate and the House of Representatives no later than 60 days before such agreement is effective.

"(c) Unless specific statutory authority for litigation responsibility is otherwise provided, the Attorney General shall resolve all legal disputes between two or more agencies, including which agency shall litigate an action.

"(d) No later than 60 days from the date of introduction of any bill or joint resolution which affects the litigation authority of the Department of Justice, the Attorney General shall submit written comments with respect to such bill or joint resolution to the Committees on the Judiciary of the Senate and the House of Representatives.

"(e) If, during the course of any litigation conducted by the Department of Justice, the Attorney General determines that provisions of any Act of Congress which are relevant to such litigation impede the ability of the Department of Justice to effectively represent the interests of the United States, the Attorney General shall, upon completion of the litigation, submit to the Committees on the Judiciary of the Senate and the House of Representatives a description of such provisions, an explanation of the problem, and specific legislative recommendations.

"(f) The Attorney General shall report annually to the Committees on the Judiciary of the Senate and of the House of Representatives with respect to—

"(1) the status of litigation authority in the Federal Government, including the extent to which agencies other than the Department of Justice are authorized to litigate and whether such agencies are conducting litigation by formal or informal agreement with the Department of Justice;

"(2) the efforts the Attorney General has undertaken in the preceding year and the efforts the Attorney General expects to undertake during the forthcoming year to coordinate activities and resolve conflicts between the Department of Justice and other Federal agencies, and to increase the efficient and effective operation of Federal litigation resources.".

SEC. 3. Section 515 (b) of title 28, United States Code, is amended by striking out the third sentence thereof.●

AFFIRMATIVE ACTION VERSUS EQUAL PROTECTION—IX

● Mr. HATCH. Mr. President, when the Supreme Court held that quotas were lawful in Weber, Prof. Carl Cohen, of the University of Michigan, analyzed the decision in the September 1979 issue of Commentary magazine. Since he had already exploded the majority's rationale in the June issue before the ruling came down, he adopted the technique of an exhaustive survey of the Civil Rights Act and its legislative history. The cumulative effect is devastating. It would be hard to follow Professor Cohen's argument without sharing his intellectual outrage:

> To argue, as the majority does, that Congress cannot have intended to forbid all discrimination because some racial discrimination might also serve their larger purposes, does not do credit to a high appellate court . . .

Professor Cohen ends by indicating the narrowness of the Weber decision. His final words are a challenge to us all:

> It may be that by egregiously misreporting the intent of Congress, and then boldly expressing their own willingness to sacrifice the interests of one race to advance the interests of another, the majority in Weber has taken those provocative steps that will lead eventually to more emphatic legislative insistence upon the equal protection of the laws.

I recommend this article to my colleagues, and ask that it be printed in the RECORD.

The article follows:

JUSTICE DEBASED: THE WEBER DECISION

(By Prof. Carl Cohen)

A racial quota in the allotment of on-the-job training opportunities among competing employees, instituted by management-union agreement, was held lawful by the Supreme Court in the recent case of Steelworkers v. Weber.[1] This was an important decision, and a very bad one. Its badness lies not only in the substantive result, upholding preference in employment by race, but also in the reasons given by the Court in defending that result, and in the abuse of judicial discretion manifested.

The precise question decided was this: does Title VII of the Civil Rights Act of 1964 forbid employers and unions in the private sector from adopting racially preferential employment programs like the one adopted by Kaiser Aluminum and the steelworkers union? The answer was no. The evaluation of that answer requires a brief description of the quota plan approved, and a brief review of the statute in question.

The plan, adopted as part of a collective bargaining agreement between Kaiser Aluminum & Chemical Corporation and the United Steelworkers of America, provides that, in filling apprentice and craft jobs, "at a minimum not less than one minority employee will enter for every non-minority employee entering" until the percentage of blacks in craft jobs equals the percentage of blacks in the local work force—about 39 percent at the Grammercy, Louisiana, plant where Brian Weber works. Seniority in the plant was the criterion on which employees competing for admission to on-the-job training vacancies were ranked. But two seniority lists were maintained pursuant to this agreement, one for whites and one for blacks; vacancies were filled alternately from the top of the two lists. Weber, a white employee with about five years' seniority in that plant at that time, was refused admission to three different training programs—although, because of the quota plan in force, some nonwhite employees having less seniority than Weber were admitted. Believing that he had been displaced only because he was white, Weber brought suit against Kaiser and the union, in behalf of himself and all white employees at that plant similarly situated. His target was the racial preference in that job-training scheme.

The law in question, Title VII of the Civil Rights Act of 1964, reads in pertinent part as follows:

> It shall be an unlawful employment practice for an employer—
>
> (1) to fail or refuse to hire or discharge any individual, or otherwise to discriminate against any individual with respect to his compensation, terms, conditions, or privileges of employment, because of such individual's race, color, religion, sex, or national origin; or
>
> (2) to limit, segregate, or classify his employees or applicants for employment in any way which would deprive any individual of employment opportunities or otherwise adversely affect his status as an employee, because of such individual's race, color, religion, sex, or national origin.

It seems hardly possible to deny that this statute does plainly prohibit racially preferential programs of the kind described above. Thus, as one would expect, Weber won his case in the Federal District Court, and won again, on appeal, in the Federal Circuit Court.

That result has now been reversed by the Supreme Court. The opinion of the five-member majority, delivered by Justice Brennan, is devoted almost entirely to an explanation of why, in their view, Title VII does not prohibit the plan in question. This explanation cries out for response. Response is given in two dissenting opinions, one by Chief Justice Burger which is crisp and condemnatory, a second by Justice Rehnquist which is scathing and detailed. Justice Rehnquist's tightly woven, thirty-seven page treatise, to which I will be referring, utterly demolishes the majority position. Its cogency is acknowledged by the majority itself.

On what grounds does the majority reach its result? The intent of Congress, say they, in enacting Title VII, was not to forbid racial preference having the wholesome purpose this program did. The key to the problem, says the majority, is not the "literal" meaning of the statute, but its "spirit." If, by studying the history of the Act, one can discover the purposes of Congress in its adoption, and if this plan advances those purposes, the plan will be, if not "within the letter of the statute," yet still "within its spirit," "within the intentions of its makers." Now the aims of Congress in passing this legislation can be readily discovered. In a nutshell, Congress aimed to counteract black unemployment, to protect and promote the opportunities of blacks to get decent jobs. In legislative debate Senators Humphrey, Clark, and others contended that, without such a bill, discrimination against blacks would become a source of social unrest and intolerable injustice. The majority's defense of their interpretation of Title VII rests principally upon the fact that the proponents of the bill repeatedly insisted upon the importance of jobs for minority groups. That having been the goal, they continue, it cannot have been the case that Congress intended to prohibit private parties "from taking effective steps to accomplish the goal that Congress designed Title VII to achieve" (Brennan, p. 8).

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[1] Decided June 27, 1979. Actually three cases were decided together: *United Steelworkers of America, AFL-CIO-CLC,* v. *Brian F. Weber et al.* (No. 78-432); *Kaiser Aluminum & Chemical Corporation* v. *Brian F. Weber et al.* (No. 78-435); and *United States et al.* v. *Brian F. Weber et al.* (No. 78-436). There are four opinions in all: that of the majority written by Justice Brennan; a concurring opinion of Justice Blackmun; a dissent by Justice Burger; and a second dissent by Justice Rehnquist with which Justice Burger joins. Because these opinions have not yet received their formal pagination, my references below will be to the printed sheets issued by the Court, identifying only the author and page number of that author's opinion.

The argument of the majority, in effect, is this: "We know the purpose of Congress; we know the purpose of this plan; they are fully consonant. It must be, therefore, that Congress did not intend to forbid this plan. If the literal language of Congress says otherwise, we must interpret that language to mean what it did not say, while saying what it did not mean."

What Congress really did intend with this statute is a matter about which I shall have much to say. Before turning to that historical question, however, I want to say something about the logic of the majority's argument. The majority blunders seriously by confusing purpose with intent. That the purpose of Congress was to promote employment opportunities for blacks is beyond doubt. It certainly does not follow that any special scheme having that purpose was intended to be permitted. Different persons, or different pieces of legislation, may share the same aim yet differ greatly in what are believed the wise or the just steps properly taken to achieve that aim. This simple but important point is what underlies the common homily: "The end doesn't justify the means." The aphorism is imperfect, of course; ends do serve to justify means. But the moral point of the aphorism is sound: ends, even very good ones, don't justify any means that may be thought effective in achieving them. That ends are shared is no proof that there will be agreement on the justice or the desirability of particular instruments or programs for their attainment.

Consider this hypothetical example, also in the sphere of legislative action. Suppose funds were appropriated to explore alternative sources of energy, one of the major purposes of the appropriation being, in the minds of most members of Congress, to reduce dependence on foreign oil. By adopting some measures clearly having that objective Congress would not warrant the inference that every measure having the same tendency had thereby been permitted. Suppose the expenditure of the funds appropriated for the exploration of alternative energy sources, although having the larger aim of energy independence, were also restricted by the provision that these funds were not to be spent on the development of nuclear energy. It would not then have been rational to conclude that a plan to spend the funds on the development of nuclear energy was "within the intentions" of the legislature because (as Justice Brennan says of the racial quota in Weber) "the purposes of the plan mirror those of the statute" (Brennan, p. 12). To find out whether Congress intended to advance its larger purposes in that way we would have had to read the enacted statute. If they were to have said: "It shall be unlawful to expend any of these funds on the development of nuclear energy," we might or might not have thought them wise in that restriction. But it does not take great profundity to distinguish between their purpose in legislating and their intent in that law—between what they would have hoped to accomplish and what they would actually have proposed to do.

In seeking to advance employment opportunities for blacks in 1964. Congress adopted legislation forbidding all racial discrimination in employment. To argue, as the majority does, that they cannot have intended to forbid all discrimination because some racial discrimination might also serve their larger purposes, does not do credit to a high appellate court.

What opens the question of congressional intent? Under what circumstances is it appropriate for any court to inquire into the intent of a legislature in enacting the legislation being applied? When the applicability of the language of the statute is unclear, or its wording is ambiguous, that inquiry may be very much in order. Such circumstances commonly arise. New conditions, unforeseen by the legislature at the time of a law's enactment, may create issues of interpretation that cannot be resolved by its language alone. A court may then be obliged to construe what the legislative intent might most reasonably have been in order to determine fairly the bearing of the statutory language upon the new conditions. Sometimes, in a different vein, legislation may be formulated in deliberately ambiguous language for assorted political reasons. Courts may later be obliged to apply that language to cases treated equivocally in the statute, having then to construe some reasonable legislative intent to guide them.

Nothing like either of these circumstances arises in the present case. The language of Title VII, as Chief Justice Burger observes, exhibits "no lack of clarity, no ambiguity" (Burger, p. 2). The Kaiser quota plan, as all agree, discriminates against individual white employees seeking admission to on-the-job training programs simply because they are white. That under the very plain language of the statute, is "an unlawful employment practice."

Could it be, perhaps, that the operative meaning of the language of the statute is unclear because it has been sometimes construed by the Court, in past instances, to prohibit discrimination against blacks, but not discrimination against whites? No, that was put out of the question by this Supreme Court in 1976, explicitly interpreting this Title of this statute. White employees who who were dismissed after being charged with misappropriating company property brought suit under Title VII because black employees, similarly charged, had not been dismissed. This Supreme Court then concluded, from the "uncontradicted legislative history," that "Title VII prohibits racial discrimination against the white petitioners in this case upon the same standards as would be applicable were they Negroes . . ." (*McDonald* v. *Santa Fe Trail Transportation Co.*, 427 U.S. 273, at 280).

So there is no doubt that Title VII does—or did—apply equally to all races. That is what the Supreme Court has repeatedly affirmed. Title VII, they earlier insisted, "prohibits all racial discrimination in employment, with exception for any group of particular employees" (ibid., p. 283; emphasis in original). A few years earlier, in a landmark interpretation of Title VII, the Supreme Court had agreed unanimously on a definitive account of the legislative intent of Title VII: "The objective of Congress in the enactment of Title VII is plain from the language of the statute. It was to achieve equality of employment opportunity. . . . Discriminatory preference for any group, minority or majority, is precisely and only what Congress has proscribed" (Griggs v. Duke Power Co., 401 U.S. 424, at 429 and 431 [1971]). And just one year before Weber the very same point was hammered home by the same Court in the context of employment ratios. "It is clear beyond cavil that the obligation imposed by Title VII is to provide an equal opportunity for each applicant regardless of race, without regard to whether members of the applicant's race are already proportionately represented in the work force" (Furnco Construction Corp. v. Waters, 438 U.S. 567 [1978]; emphasis in original).

There is no vestige, no trace of ambiguity or unclarity, either in the language of the statute or in the interpretation repeatedly given to that language, respecting the question whether Title VII protects whites as well as non-whites. There is, therefore, no justification for entering the question of legislative intent. Justice Rehnquist, understandably infuriated, calls attention to the Court's oft-repeated principle applied in another case just as Weber was being decided: "Our duty is to construe rather than rewrite legislation" (Rehnquist, p. 3).

Beyond opening the question of legislative intent where that is not proper, and beyond the muddling of congressional intent with congressional purpose, the majority has given an unbelievably obtuse reading of that legislative intent. Though it is not appropriate in this case even to ask whether Congress intended to permit some racial discrimination with Title VII, the task of answering that factual, historical question is exceedingly easy. The lengthy debates in the House and the Senate are open to us in the Congressional Record; majority and minority committee reports of the House on the proposed bill are also open to us; a lengthy, scholarly study of the legislative history of precisely this Title of this Act is available to us.[2] There can be no genuine doubt—in the mind of one who has examined these materials—about the intent of the Congress in choosing the language they did choose. Democrats and Republicans both, conservatives and liberals both, insisted repeatedly and at great length, illustrating their explanations with detailed examples, that H.R. 7152 (which eventually became the Civil Rights Act of 1964) would forbid all racial preference for any race.

In the House of Representatives the bill was amended by the Committee on the Judiciary to include Title VII because no compulsory provisions to deal with private discrimination in employment had been included in its original form. It was added, the committee noted, "to eliminate . . . discrimination in employment based on race, color, religion, or national origin" (H.R. Reports, No. 914, p. 26). That title was further amended on the floor of the House to include a Section, 703(d), which specifically addressed the prohibition against discrimination (already formulated in 703(a) quoted above) to on-the-job training! Section (d) of 703 reads as follows:

"It shall be an unlawful employment practice for any employer, labor organization, or joint labor-management committee controlling apprenticeship or other training or retraining, *including on-the-job training programs*, to discriminate against any individual because of his race, color, religion, sex, or national origin in admission to, or employment in, any program established to provide apprenticeship or other training" [42 U.S. Codes 2000e–2(d); emphasis added].

Included with the Report of the Judiciary

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[2] The congressional debates appear in Volume 110 of the Congressional Record of 1964, extending intermittently over exactly thirteen thousand pages (p. 1,511 to p. 14,511) of ten massive tomes. The House reports appears in House of Representatives Reports, No. 914, 8th Congress, First Session, 1963. With the majority and minority reports are printed additional views of particular members of the committee, and views of groups of Representatives, on the bill being reported. The Senate having decided to take up the bill directly, it was not submitted to committee there, hence there are no Senate reports beyond the actual Senate debate, which was very long. The study referred to, used both by Justice Rehnquist and myself, is by Francis J. Vaas, "Title VII: Legislative History," in Volume 7 of the Boston College Industrial and Commercial Law Review, pp. 431-58. Vaas records the tortuous path of the Civil Rights Act through Congress with meticulous attention to detail, and makes this striking comment: "Seldom has similar legislation been debated with greater consciousness of the need for 'legislative history,' or with greater care in the making thereof, to guide the courts in interpreting and applying the law" (p. 444).

Committee were the lengthy "Additional Views on H.R. 7152" of a group of its advocates, Representative McCulloch and others, which incorporated a passage referred to by Vaas as fairly stating the consensus of the civil-rights proponents as they guided the bill toward adoption. This representative passage includes these sentences:

"Internal affairs of employers and labor organizations must not be interfered with [under Title VII] except to the limited extent that correction is required in discrimination practices. Its [the Equal Opportunity Employment Commission's] primary task is to make certain that the channels of employment are open to persons regardless of their race and that jobs in companies or membership in unions are strictly filled on the basis of qualification" [H.R. Reports, No. 914, pt. 2, p. 29; Vaas, p. 437].

The major objection faced by Title VII in the House (and again later in the Senate) was the claim that under it racial proportionality in employment might subsequently be required by some federal agency, acting under color of that law. This fear was epitomized in the Minority Report which suggested, as one serious concern, that an employer, under Title VII, *"may be forced to hire according to race,* to 'racially balance' those who work for him *in every job classification* or be in violation of Federal law" (H.R. Reports, No. 914, p. 69; emphasis in original). That fear had to be allayed; proponents of the bill strenuously and repeatedly reassured their colleagues that no such racial balancing was contemplated, and that none would be required or even permitted under this Title.

Representative Celler, one of the sponsors of the bill and chairman of the Committee on the Judiciary, at the opening gun of the debate in the House, made the intent of the language of 703(a) unmistakable. The fear that it would require or permit hiring or promotion on the basis of race resulted, he said, from a description of the bill that was "entirely wrong." He continued:

"Even . . . the court could not order that any preference be given to any particular race, religion or other group, but would be limited to ordering an end to discrimination. The statement that a Federal inspector could order the employment and promotion only of members of a specific racial or religious group is therefore patently erroneous. . . ."

The Bill would do no more than prevent a union, as it would prevent employers, from discriminating against or in favor of workers because of their race, religion, or national origin.

It is likewise not true that the Equal Employment Opportunity Commission [established by Title VII] would have power to rectify existing "racial or religious imbalance" in employment by requiring the hiring of certain people without regard to their qualifications simply because they are of a given race or religion. Only actual discrimination could be stopped [110 Cong. Rec., p. 1518].

This theme was echoed repeatedly in the course of the debate in the House of Representatives. Representative Lindsay of New York, among others, took up the defense of Title VII:

"This legislation . . . does not, as has been suggested heretofore both on and off the floor, force acceptance of people in schools, jobs, housing, or public accommodations because they are Negro. It does not impose quotas or any special privileges of seniority or acceptance. There is nothing whatever in the bill about racial balance. . . . What the bill does do is prohibit discrimination because of race . . ." [110 Cong. Rec., p. 1540].

With that clear understanding the bill passed the House, 290 to 130, on February 10, 1964.

In the Senate, the expression of legislative intent was voluminous and unequivocal. Again the fear of opponents was that some federal inspector might one day impose racial balance under color of this law. Again and again and again and again—the defenders of the bill replied with reassurance, insisting vehemently that such fears were totally unfounded. The key term, "discrimination," appearing in Sections 703(a) and 703(d) and elsewhere in the bill, was examined minutely on the Senate floor. Could it be taken to mean (the critics asked) only numerical imbalance? Answer: definitely not. Could it have been, for the framers of the legislation, a technical term, whose hidden meaning was "discrimination against blacks" but not "discrimination against whites"? No, definitely not. Senator Humphrey put that suggestion permanently to rest: "[T]he meaning of racial or religious discrimination is perfectly clear. . . . [I]t means a distinction in treatment given to different individuals because of their different race, religion, or national origin" (110 Cong. Rec., p. 5423). The only freedom of employers that the bill limits, he emphasized, is the freedom to take action based on race, religion, sex, or national origin.

When the Senate took up the substance of the Act directly, after deciding not to submit it to committee, it again became essential for the bill's advocates to answer the complaint that the bill would lead to racial preference. Not so, they insisted. Senator Humphrey again:

"That bugaboo has been brought up a dozen times; but it is nonexistent. In fact, the very opposite is true. Title VII prohibits discrimination. In effect, it says that race, religion, and national origin are not to be used as the basis for hiring and firing. Title VII is designed to encourage hiring on the basis of ability and qualifications, not race or religion."

In the same speech Senator Humphrey gives a series of examples that ". . . make clear what is implicit throughout the whole title; namely, that employers may hire and fire, promote and refuse to promote for any reason, good or bad, provided only that individuals may not be discriminated against because of race, religion, sex, or national origin." He repeats himself so that even the deaf may hear: "The truth is that this title forbids discriminating against anyone on account of race. This is the simple and complete truth about Title VII" (110 Cong. Rec., p. 6549). Humphrey was majority whip and the floor leader for the Civil Rights Act in the Senate. In his support rose Senator after Senator to give the same explanatory assurances about the intent of the legislation.

Senator Kuchel, the minority whip, emphasized that the seniority rights of workers already employed would not be affected by Title VII. He said:

"Employers and labor organizations could not discriminate in favor or against a person because of his race, his religion, or his national origin. In such matters, the Constitution, and the bill now before us drawn to conform to the Constitution, is colorblind" [110 Cong. Rec., p. 6564].

Senators Clark and Case were floor captains in the Senate for Title VII specifically. To them fell the task of explaining that Title, what it meant and did not mean, what it permitted and what it prohibited. Their chief task was to refute the charge that Title VII would result in preference for racial minorities. In a memorandum prepared for the Senate they expressed the intent of Title VII unequivocally:

"[A]ny deliberate attempt to maintain a racial balance, whatever such a balance may be, would involve a violation of Title VII because maintaining such a balance would require an employer to hire or to refuse to hire on the basis of race. It must be emphasized that discrimination is prohibited as to any individual" [110 Cong. Rec., p. 7213].

A different memorandum, prepared by the U.S. Department of Justice at Senator Clark's request, also makes the point that there is no need to fear employers' being required to maintain racial balance:

"No employer is required to maintain any ratio of Negroes to whites, Jews to Gentiles, Italians to English, or women to men. The same is true of labor organizations. On the contrary, any deliberate attempt to maintain a given balance would almost certainly run afoul of Title VII because it would involve a failure or refusal to hire some individual because of his race, color, religion, sex, or national origin. What Title VII seeks to accomplish, what the civil rights bill seeks to accomplish is equal treatment for all" [110 Cong. Rec., p. 7207].

Senators Smathers and Sparkman, granting that the bill did not require the use of hiring quotas, put the attack against Title VII more subtly. Under it, they suggested, employers might be coerced, by federal agencies, into giving preference by race. Would that not be permitted under this law? The answer, this time from Senator Williams, was an emphatic negative. Opponents, he replies:

". . . persist in opposing a provision which is not only not contained in the bill, but is *specifically excluded from it.* Those opposed to H.R. 7152 should realize that to hire a Negro solely because he is a Negro is racial discrimination, just as much as a "white only" employment policy. *Both forms of discrimination are prohibited by title VII of this bill.* The language of that title simply states that race is not a qualification for employment. . . . [A]ll men are to have an equal opportunity to be considered for a particular job. Some people charge that H.R. 7152 favors the Negro, at the expense of the white majority. But how can the language of equality favor one race or one religion over another? Equality can have only one meaning, and that meaning is self-evident to reasonable men. Those who say that equality means favoritism do violence to commonsense" [110 Cong. Rec., p. 8921; emphasis added].

Still the fear that racially preferential hiring would somehow be encouraged or permitted under Title VII would not down. Once again the floor leader, Humphrey, took up the battle:

"The title [Title VII] does not provide that any preferential treatment in employment shall be given to Negroes or to any other persons or groups. It does not provide that any quota systems may be established to maintain racial balance in employment. *In fact, the title would prohibit preferential treatment for any particular group, and any person, whether or not a number of any minority group,* would be permitted to file a complaint of discriminatory employment practices" [110 Cong. Rec., p. 11848; emphasis added].

How could the majority of the Supreme Court, in Weber, escape the force of this parade of unequivocal accounts marching across the printed record of the process of its adoption? Could they contend, perhaps, that although racial preference was indeed prohibited, that prohibition did not bear upon efforts to overcome the effects of past discrimination upon the seniority rights of employees? At one point, conceding that it was the intent of the Senate to forbid the maintenance of racial balance, the majority grasps at a straw: this Kaiser quota plan was not introduced to maintain racial balance, they contend, but to "eliminate a manifest racial imbalance" (Brennan, p. 11 and p. 13). Can the net of clear congressional intent be thus eluded, by making the distinction between "maintaining" racial balance and "eliminating" racial imbalance, holding that Title VII forbids the former but not the latter?

Not a chance. Explicating Title VII, its most thorough congressional students, Senators Clark and Case, wrote in their joint memorandum:

"Title VII would have no effect on established seniority rights. *Its effect is prospective and not retrospective.* Thus, for example, if a business has been discriminating in the past and as a result has an all-white working force, when the title comes into effect the employer's obligation would be simply to fill future vacancies on a nondiscriminatory basis. He would not be obliged—*or indeed, permitted*—to fire whites in order to hire Negroes, or to *prefer Negroes for future vacancies, or once Negroes are hired, to give them special seniority rights at the expense of the white workers hired earlier*" [110 Cong. Rec., p. 7213; emphasis added].

The Justice Department had earlier drawn the same conclusion: Title VII could not be used to alter seniority entitlements because of discrimination in employment before its adoption:

"Title VII would have no effect on seniority rights existing at the time it takes effect. . . . This would be true even in the case where owing to discrimination prior to the effective date of the title, white workers had more seniority than Negroes. . . . [A]ssuming that seniority rights were built up over a period of time during which Negroes were not hired, these rights would not be set aside by the taking effect of Title VII. Employers and labor organizations would simply be under a duty not to discriminate against Negroes because of their race" [110 Cong. Rec., p. 7207].

The distinction between "maintaining" and "achieving" racial balance was, manifestly, never part of the understanding of the legislature that adopted Title VII.

That distinction, moreover, would have been and is specious from the point of view both of advocates and critics of racial preference. If, after the achievement of racial balance through racial preference, craft jobs again were to become predominantly white, the advocates of racial preference would certainly not be content. Convinced that such imbalance is in itself wrong, they would, understandably, then insist that if racial preference be permitted for the achievement of racial balance, it must be permitted for its reachievement.

The claim that such instruments are only "temporary" is a fiction. It will be of little consequence to its advocates that the majority in *Weber* leaned on a tenuous distinction which it will be in their interest to ignore. And the opponents of racial preference—including the 88th Congress of 1964—may rightly insist that if preference by race is in principle wrong, it is no less wrong in the one case than in the other. Indeed, both the Justice Department and the floor captains for Title VII in the Senate very carefully pointed out that maintaining racial balance would be forbidden *"because* it would involve a failure or refusal to hire some individual because of his race . . ." (see above, p. 47; emphasis added). The reference in these arguments is to the actual words of Section 703(a) cited on page 43 above. Adverse effects upon an employee or applicant because of race would result whether the goal had been the maintenance of racial balance or the achieving of it.

The argument that the Congress intended Title VII to permit racial preference in achieving racial balance, but forbade it for maintaining racial balance, and that therefore once proportionality is achieved all such preference will increase, is unworthy of the Supreme Court; it is a sop designed to placate critics with unreliable assurances that the instrument approved will be only "temporary." In fact ethnic preference, once ensconced, is likely to be nearly impossible to eradicate. To mitigate its unfairness more and different ethnic preference will be introduced—as already they are being introduced.

Those who condemn racial favoritism condemn it both for achieving and for maintaining racial balance; those who support racial favoritism will not object to its use in either role. That distinction cannot serve to render plausible the majority's interpretation of congressional intent in enacting Title VII of the Civil Rights Act.

As debate over the Civil Rights Act continued in the Senate it became evident that the bill would have to be amended to make absolutely clear the fact that it could not later serve as the justification, by any federal agency, of the imposition of racial preference. Only thus might the repeated objections of its most implacable opponents be successfully met. A bipartisan coalition, made up of Senators Dirksen, Mansfield, Humphrey, and Kuchel, cooperating with leaders in the House of Representatives, devised the "Dirksen-Mansfield" amendment, ultimately adopted. Among the changes thus introduced was a clarifying addition, Section 708(j), very specifically addressing the critics' fears of imposed racial balancing. This section provides that nothing in the entire Title shall be interpreted to require the giving of preferential treatment to any individual because of race. It reads:

"Nothing contained in this subchapter shall be interpreted to require any employer, employment agency, labor organization, or joint labor-management committee subject to this subchapter to grant preferential treatment to any individual or to any group because of the race, color, religion, sex, or national origin of such individual or group on account of an imbalance which may exist with respect to the total number or percentage of persons of any race, color, religion, sex, or national origin employed by any employer, referred or classified by any employment agency or labor organization, or admitted to, or employed in, any apprenticeship or other training program, in comparison with the total number of persons of such race, color, religion, sex, or national origin in any community, State, section, or other area, or in the available work force in any community, State, section, or other area" [42 U.S.C. 2000e–2(j)].

Now, in an ironic and extraordinary turn, the Supreme Court majority in *Weber* uses the langauge of this section to infer (relying upon what Justice Burger calls a "negative pregnant") that since it bars the requirement of racial preference, but does not specifically prohibit racial preference, it must have been the intention of Congress not to prohibit it! The majority writes:

"The section does *not* state that "nothing in Title VII shall be interpreted to *permit*" voluntary affirmative efforts to correct racial imbalances. The natural inference is that Congress chose not to forbid all voluntary race-conscious affirmative action" [Brennan, p. 10; emphasis in original].

This inference is either disingenuous or obtuse. The objection this added section was designed specifically to meet was that racial preference would somehow be required. No one thought it would or could be introduced voluntarily because "voluntary" racial preference precisely had been forbidden by the plain language of the earlier key section, 703 (a), cited above on page 43. Debate in the Senate went on for almost three full months. Never in that entire period was it argued, *by either side*, that employers could, of their own accord, give preference by race. Both proponents and opponents made perfectly clear their understanding that voluntary racial preference by employers, for blacks or for whites, was entirely precluded by the flat and unambiguous wording of those earlier passages, forbidding *any* employment practice that would "discriminate against any individual" because of that individual's race. To add that prohibition yet again, in 703(j), would have been entirely redundant—and more importantly, it might have diluted the intended force of that particular passage, aimed narrowly at the objection that racial preference would otherwise someday be imposed by government.

That it was so aimed is made exquisitely clear by the difference in the phrasing of 703(j) from that of the earlier, central section of the Title. The earlier sections, prohibiting racial discrimination in employment universally, are directed specifically at the employer, and therefore begin: "It shall be an unlawful employment practice for an employer. . . ." Section 703(j) is directed specifically at *possible federal enforcement agencies*, commissions, or courts, and therefore begins with language indicating that kind of target: "Nothing contained in this subchapter shall be interpreted . . ." Now to infer, from the fact that this section does not repeat the prohibition already several times explicit in earlier sections, that it was the intention of Congress not to prohibit racial preference, is a transparently unsound defense of so grave a decision.[3]

Lest there be any doubt, however, about the intent of the Congress *after* the addition of 703 (j), we can return to the debate itself. Senator Saltonstall, defending the Dirksen-Mansfield amendment including 703(j), says of it, very plainly: "The legislation before us today provides no preferential treatment for any group of citizens. In fact, it specifically prohibits such treatment" (110 Cong. Rec., p. 12691; emphasis added).

And yet again, in defending the amended bill against Senator Ervin's criticism that it "would make the members of a particular race special favorities of the laws," Senator Clark answers: "The bill does not make anyone higher than anyone else. It establishes no quotas." Employers, labor unions, employment agencies, remain free, Clark points out, to use normal judgment in their business activity—but:

All this is subject to one qualification, and that qualification is to state: "In your activity as an employer, as a labor union, as an employment agency, you must not discriminate because of the color of a man's skin. . . ." That is all this provision does. . . . It merely says, "When you deal in interstate commerce, you must not discriminate on the basis of race. . . ."

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[3] The argument called a "negative pregnant" is technically described as one having the form *modus tollens:* if p entails q, and q is false, then p must be false. The form is valid, of course—but in this application of it the argument (in either of two possible reconstructions of it) is built upon a false premise.

Version A: "If Congress had intended to forbid all racial preference they would have said that explicity. They did not say that explicitly. Hence they did not intend that." In this version the second premise is plainly false; the congressional ban against racial preference in Section 703(a) is perfectly explicit.

Version B: "If Congress had intended to forbid all racial preference they would have expressed that intention explicitly in Section 703(j). They did not express that intention there. Hence they did not have that intention." In this version the second premise is true but the first is false. There was no need for Congress to repeat, in Section 703(j), the ban it had already made explicit earlier, and there was good reason not to do so.

Arguments relying upon false premises, even when valid in form, are not sound.

In the event this be somehow misunderstood, he repeats himself in that speech:

"All it [Title VII] does is to say that no American, individual, labor union, or corporation, has the right to deny any other American the very basic civil right of equal job opportunity" [110 Cong. Rec., pp. 13079–80].

Senator Cooper, anxious to make the force of what was soon to become law unmistakably clear, also responds to Senator Ervin's concerns, saying:

"As I understand Title VII, an employer could employ the usual standards which any employer uses in employing—in dismissing, in promoting, or in assigning those who work for him. There would be only one limitation: he could not discriminate, he could not deny a person a job, or dismiss a person from a job, or promote on the sole ground of his color, or his religion, other factors being equal" [110 Cong. Rec., p. 13078].[4]

But how one asks, can the majority not have been fully aware of all this? They must have seen the draft of Justice Rehnquist's dissent, which makes the same points vividly. Did they, perhaps, find other evidence within the record of the debates in Congress, evidence that has here been left unmentioned, which might somehow permit a reading of congressional intent to permit racial preference? No, no evidence has been suppressed here. Like Vaas and Justice Rehnquist, upon whose guidance I have relied, I have scoured the pages of the Congressional Record; like them I have registered only a fraction of the evidence against the majority's interpretation. If, in all those pages there were evidence that any Senator of Congressman had the intent that the majority ascribes to the whole Congress, we may be certain it would have been dug up and registered within the majority opinion. No such evidence appears there. Here again we may indeed rely upon a negative pregnant. In this majority opinion, in which every quotation from the congressional debates is presented that might contribute, even with arguments far-fetched or unsound, to an excessively strained interpretation of congressional intent, the absence of any passages that actually express that intent is very revealing.[5]

The plainest proof that the members of the majority in Weber cannot have been in ignorance of the actual intent of Congress, and after searching could find no evidence of contrary intent, is given by Justice Marshall himself. In a 1976 opinion, writing for the Court, he presents a careful analysis of the intent of Congress in Title VII. He quotes Representative Celler, saying Title VII was intended to "cover white men and white women and all Americans" (110 Cong. Rec., p. 2578). He cites Senator Humphrey, Senator Clark, Senator Case, and Senator Williams in passages like those quoted above. Justice Marshall concludes that "Its [Title VII's] terms are not limited to discrimination against members of any particular race." He then substantiates this judgment by extended reference to the interpretation of Title VII given by the Equal Employment Opportunity Commission:

"The EEOC, whose interpretations are entitled to great deference, . . . has consistently interpreted Title VII to proscribe racial discrimination in private employment against whites on the same terms as racial discrimination against non-whites, holding that to proceed otherwise would "constitute a derogation of the Commission's Congressional mandate to eliminate all practices which operate to disadvantage the employment opportunities of any group protected by Title VII, including Caucasians."

Justice Marshall explains, representing the Court, that the history of legislative intent in adopting Title VII is "uncontradicted" (*McDonald* v. *Santa Fe Trail Transportation Co.*, 427 U.S. 273, at 278–80, 283; emphasis added).

Members of the House and Senate are quoted by the majority, to be sure. But the quotations serve to establish matters only tenuously related to the central point at issue. Repeated citations from the debates are given to establish that it was the larger purpose of Congress, in tackling this legislation, to promote employment opportunities for blacks. That, as we have seen, is not at issue, and does not speak to the question of what prohibitions were intended. Several citations are given to show, correctly, that one major concern in the Senate when introducing Section 703(j), which precludes the requirement of racial preference by the enforcers, was to reduce the likelihood of federal interference with private business. That was an aim of many Senators; but showing that does not prove, or even tend to confirm the thesis, that Title VII as a whole was designed to permit nongovernmental racial preference.

One other citation by the majority deserves attention. To give credence to the claim that the distinction between private racial favoritism and federally required racial favoritism was before the congressional mind, the majority quotes from the House Committee report favoring the original bill. The passage says that "the enactment of Federal legislation dealing with the most troublesome problems [of social discrimination] will create an atmosphere conducive to voluntary or local resolution of other forms of discrimination." The majority fastens on this sentence, even adds emphasis to the final phrase, suggesting that it proves that a voluntary racial quota in employment is one of those "other forms" for which the Civil Rights Act had created the atmosphere (Brennan, p. 8).

Fallacious would be the gentlest way to describe this argument—in view of the failure, not likely to be accidental, to quote the lines immediately following the cited passage. An explanation is given there of the distinction between "the most serious types of discrimination" and those other varieties for which voluntary attention might be encouraged. The serious types, types this House report there suggests will be dealt with by this bill, specifically include voting, public accommodation, and employment. The omitted passage reads:

"It is, however, possible and necessary for the Congress to enact legislation which prohibits and provides the means of terminating the most serious types of discrimination. This H.R. 7152, as amended, would achieve in a number of related areas. . . . It would prohibit discrimination in employment" [H.R. Reports, No. 914, p. 18].

The forms of discrimination it was hoped might yield to voluntary action were those other than discrimination in employment, voting, and the like. Indeed, employment discrimination is mentioned repeatedly in the report as being of the most serious kind, the kind for whose prevention this legislation was specifically designed.

There is not a shred of evidence in this passage that the report actually envisaged voluntary racial preference of any kind, or that would have suggested to the House that such preference—especially in employment—was permissible under this Act.

One hates to flog a dead horse. But this horse came to life in an extraordinary opinion of a Supreme Court majority—so I report, finally, the understanding of the Civil Rights Act of 1964 as that understanding was registered in the final hours of debate on the Senate floor—after which it was returned to the House and approved as amended. The legislative decision was at hand. The advocates of the bill, now under cloture, had to give their final defenses and interpretations. On the point at issue here their remarks were unmistakably clear.

Senator Muskie:

"It has been said that the bill discriminates in favor of the Negro at the expense of the rest of us. It seeks to do nothing more than to lift the Negro from the status of inequality to one of equality of treatment" [110 Cong. Rec., p. 14328].

Senator Moss:

"The bill does not accord to any citizen advantage or preference—it does not fix quotas of employment or school population—it does not force personal association. What it does is to prohibit public officials and those who invite the public generally to patronize their businesses or to apply for employment, to utilize the offensive, humiliating, and cruel practice of discrimination on the basis of race. In short, the bill does not accord special consideration; it establishes equality" [110 Cong. Rec., p. 14484].

Very self-consciously, aware that it was making history, the Senate passed the amended Civil Rights Act on June 19, 1964, by 73 to 27, every member voting. The struggle in that body, as Vaas describes it, had been "titanic and protracted." The meaning and force of every line, every phrase in the bill had been intensely scrutinized and explained with scrupulous care. The legislators knew precisely what they were prohibiting with this legislation, and we know exactly what they understood themselves to be doing because they took care, very deliberately, to put their explanatory accounts on record.

No impartial judge, properly attentive to the abundant evidence that establishes dispositively the true intent of Congress, could honestly conclude that its intent was to permit private racial preference in employment. Yet that is what the majority has concluded, in a decision that is, taken all in all, simply shocking.

Are there no redeeming features of the majority's decision? Yes, there are several—

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[4] That Congress intended its prohibition of racial preference expressed in 703(a) to be a general, to ban preference for minorities as well as for the white majority, is strongly confirmed by the striking fact that in the one case in which they did wish to make an exception, permitting one very special kind of preference in one very special setting, they identified that exceptional case and delimited it narrowly in Section 703(i), with carefully chosen words: "Nothing contained in [Title VII] shall apply to any business or enterprise on or near an Indian reservation with respect to any publicly announced employment practice of such business or enterprise under which preferential treatment is given to any individual because he is an Indian living on or near a reservation."

From the specific inclusion of that one exception it is manifest that only by such specific language did Congress intend exceptions to be justified. No other such exceptions appear. Here is a negative pregnant—a valid modus tollens argument—worthy of respect: "Where Congress intended an exception to the general ban on racial preference it identified the excepted case explicitly. It identified no exception for private employers or unions save that regarding Indians on or near a reservation. Hence it intended no exception but this one." In this case the premises are all true and the argument is sound.

[5] Again the valid argument is in the form of modus tollens, and again its premises are true: "If Congress had intended to permit private racial preference in employment there would have been clear expression of that intention by at least some defenders of the Act in the course of lengthy debate. No such expressions appear. Hence Congress cannot be supposed to have had that intent." There is nothing wrong with modus tollens; its effectiveness in argument, however, depends upon the truth of the premises relied upon.

all respects in which the impact of the decision is explicitly limited. "We emphasize at the outset," writes the majority, "the narrowness of our inquiry" (Brennan, p. 4).

Although the impact of the decision will prove very substantial, it is, indeed, narrow in a technical sense. Its narrowness is a consequence of the explicit intention of the majority to decide the case entirely as one of statutory interpretation. What the majority decided about the Kaiser quota plan, it will be recalled, is no more than that Title VII of the Civil Rights Act does not forbid it. Restricting themselves to an interpretation of the statute was possible for the majority because, they said, "this case does not present an alleged violation of the Equal Protection Clause of the Constitution." It does not, they explain, because the racially preferential quota in question was entirely within "the private sector." The plan did not involve "state action" [ibid.].

This view of the Kaiser plan is at once reasonable and ironic. It is ironic because although this racial quota surfaced only in a labor-management agreement, it had been introduced there as a result of threats of contract cancellation by a federal enforcement agency. Threats why? Because Kaiser's work force was not racially balanced. In the language of the Office of Federal Contract Compliance, minorities were being "underutilized" by Kaiser. By devising job-training racial quotas in submission to that threat, Kaiser and the union showed how well-grounded were the fears of those who had wished to preclude not only the federal requirement of racial preference, but the federal coercion of it. The addition of Section 703(j) sought to guard against the first of these dangers. Now its very language is used to realize the second, accomplishing indirectly what that language was designed to prevent directly.

In a historical aside that would be amusing if it did not reflect upon the highest court in the land, Justice Rehnquist cites a remark by Senator Sparkman in projecting the uses to which Title VII may one day be put: "Certainly the suggestion will be made to a small business that may have a small government contract . . . that if it does not carry out the suggestion that has been made to the company by an inspector, its government contract will not be renewed" (110 Cong. Rec., p. 8618).

Yet the Court's distinction between state action and private action remains reasonable. However pernicious racial discrimination may be, it is right to distinguish between immoral acts done by private parties (even when arguably coerced) and the same acts done directly by a representative government. To accept that distinction is not to suggest that the majority is correct in holding this private racism lawful. Under any plausible reading of the Civil Rights Act, it is not. But not all private nastiness is public business, and we are wise to agree that, where state action is clearly involved in racial preference, the problem rises to a different and higher level of gravity.

Because the majoritv puts substantial emphasis on the distinction, introducing it at several points in its opinion, it is reasonable to conclude not only that the majority opinion does not cover public employers, but that public employers—government agencies, public universities, etc.—cannot rely in any way upon the permission here being given to a private employer.

Private employers also, as a matter of morality, might reasonably refrain from engaging in practices believed to be forbidden to public employers. There is an odious quality in conduct narrowly held lawful but which, if pursued by government, would create at least a serious question of constitutional right. Sooner or later the fundamental question will arise again in a context obligating a full-blooded constitutional response by the full Court. When that happens we may hope for a wiser result.

What is the likelihood of an eventual constitutional reversal of Weber? No one can say with confidence. The present Court is deeply divided on this cluster of issues. Weber was decided by a vote of 5 to 2. Justice Stevens, author of the opinion in support of Allan Bakke in that analogous case, excused himself because he had once served as an attorney for Kaiser. Justice Powell was kept from presence at the oral argument by illness, and also took no part in Weber. In any later constitutional resolution in which Justices Stevens and Powell participate it is exceedingly likely that both would find racial preference of every kind unacceptable. Powell has vigorously expressed his condemnation of racial preference, rejecting any "two-class" theory of the Equal Protection Clause. Justices Marshall and Brennan, the most vigorous defenders of racial preference on the present Court, are not in good health. When this matter is faced afresh, in the demand that no state "deny to any person under its jurisdiction the equal protection of the laws," the complexion of the Court may well have changed.

The majority opinion is narrow in the further sense that it gives almost no guidance to those who might wish to expand racial preference. No principles of acceptability for racial preference are advanced. The majority explicitly refrains from defining in detail "the line of demarcation between permissible and impermissible affirmative-action plans." It holds only that this plan, which gives preference to blacks over whites for job-training opportunities but not for employment itself, "falls on the permissible side of the line" (Brennan, p. 12). Any racially preferential program, therefore, that goes in any way beyond this one might immediately lose the support of one or more of the five members of the majority, thus failing on subsequent test. What is learned in Weber is that the Supreme Court now holds this precise plan not to be forbidden by Title VII of the Civil Rights Act of 1964—no more than that.

Finally, there will be political repercussions from *Weber*, partly because they have been invited by the Court, and partly because the decision of the Court is very likely to provoke them.

Political response is invited by the fact that the majority opinion hangs entirely on its interpretation of the intent of Congress. It remains open to Congress to register its true intent so clearly that even this majority could not fail to perceive it. Justice Blackmun, exhibiting troubled reluctance in his concurring opinion, and reiterating his hopes for an early end to racial preference he had himself (in his *Bakke* opinion) called "ugly," concludes his opinion with an explicit invitation to the Congress: "And if the Court has misperceived the political will, it has the assurance that because the question is statutory Congress may set a different course if it so chooses" (Blackmun, p. 8).

That the intent of Congress to forbid all racial preference in employment already appears in the unambiguous words of Title VII, Section 703(a), quoted above (p. 43) is indisputable. Yet it is possible that formal congressional reemphasis of its intent would cause the Court to desist in its efforts to rewrite the legislation to its taste. Congressional efforts to accomplish just this objective are likely to be undertaken, but the success of any such legislative shoring-up of Title VII is doubtful.

There is a provocative aspect of the majority opinion in *Weber*, however that may actually drive the Congress to underscore its earlier demand for equal treatment of the races. This is a feature of the decision which, upon reflection, appears even more insensitive than the misreading of congressional intent. I refer to the callousness, manifest in the majority opinion, toward the interests of ordinary working-class people. Allan Bakke was ordered admitted to the medical school at Davis; blatant racial discrimination against him was not tolerated. Brian Weber, a working man without skills or influence, and without the organized support of the intellectuals, can be left to bear the burden, even though his rights may be infringed upon. The majority is explicit on this point. To advance the racial balancing they think good it may be necessary, they say, to "*trammel the interests of the white employees*" (Brennan, p. 12; emphasis added).

Five members of the Supreme Court may find this a comfortable position in which to rest; most elected legislators will not. It may be that by egregiously misreporting the intent of Congress, and then boldly expressing their own willingness to sacrifice the interests of one race to advance the interests of another, the majority in *Weber* has taken those provocative steps that will lead eventually to more emphatic legislative insistence upon the equal protection of the laws.●

A SUBMINIMUM WAGE FOR YOUTH

● Mr. STEVENSON. Mr. President, among the measures that would help to control inflation is a subminimum wage for youth. I have introduced a bill, S. 1107, that would authorize employers to pay teenagers 85 percent of the minimum wage.

A youth differential would permit businesses to reduce labor costs. The minimum wage, now $3.10 per hour, makes it expensive to hire marginal workers. A subminimum wage would also create jobs for youths and stimulate business expansion, particularly expansion by small businesses.

In the past, the Government has created unemployment by such means as the minimum wage and then created employment with expensive jobs programs. If now it cuts funds for jobs programs, as the economy sinks into recession and unemployment rises, it becomes even more necessary to take structural measures to increase employment, while aiding small businesses and stabilizing prices.

Two recent articles highlight the failures of current youth policies. The first, in the New York Times, reports that an unpublished Department of Labor survey indicates youth unemployment is substantially higher than the level revealed by official data. Based on interviews of youths in the spring of 1979, the DOL survey showed that overall youth unemployment was 19.3 percent and unemployment among black youths was 38.8 percent. According to the article, a substantial number of youths said they would work at a subminimum wage. The second article, in the Washington Post, recites the litany of programs that have failed to reduce teenage unemployment to tolerable levels. The article notes that annual spending for youth employment programs has escalated over the past 3 years from $2.5 to $4 billion.

Mr. President, I ask that these articles be printed in the Record.

The articles follow:

[From the New York Times, Feb. 29, 1980]

U.S. Study Hints at More Jobless in Youth Ranks

(By Philip Shabecoff)

Washington, February 28.—An unpublished Government report indicates that unemployment among American youth is much higher than the official figures show and that the unemployment gap between white and black young people is even wider than had been thought.

The report, based on a long-term Labor Department survey of youths, also tends to refute the widely held opinion that unemployment among young people, particularly those from minority groups, is high because they will not accept low-paying jobs or work considered menial. A summary of the report was obtained by The New York Times.

The official data published by the Labor Department's Bureau of Labor Statistics, based on a monthly survey of a sample of households, showed a 14.1 percent jobless rate among all 16- to 21-year-old youths and a 28 percent rate among black youths of the same age in the spring of 1979.

MAGNITUDE OF PROBLEM

But the unpublished long-term survey of young people indicated that overall youth unemployment in the same period was 19.3 percent, while black youth unemployment was 38.8 percent. For young black people in school but seeking work, the official Labor Department jobless figure was 36.9 percent, while the long-term survey showed a rate of 55.4 percent.

However, the survey suggests that the problem is of even greater magnitude than these rates indicate, because it shows a higher participation rate in the labor market than the monthly Labor Department report and, therefore, a much higher absolute number of young people seeking work. According to the survey, there were 775,000 16- to 21-year-olds seeking jobs last spring, while the regular monthly report showed 478,000 young job-seekers.

The results of the survey suggest that youth unemployment in general and unemployment among minority youth in particular, already recognized as a major social and economic problem, is even more severe than generally believed.

According to a summary of the report, "Its major findings are of critical importance in the formulation of youth policies for the 1980's."

The report represents the first results of the Labor Department's National Longitudinal Survey, which is following a representative sample of 12,693 youths over an extended period, with particular attention paid to their training and employment experiences.

The results directly challenge the contention made by a number of manpower economists that the Labor Department's monthly reports overstate unemployment among black teen-agers.

The unpublished report says that the disparity between the long-term survey results and the monthly household survey used for the Bureau of Labor Statistics' regular reports on employment and unemployment stems from the fact that the youth involved in the long-term survey were interviewed rather than the head of a household.

The report states that "it has been documented" that responses differ significantly when the youth is asked directly and that the evidence suggests that the direct youth interviews are more accurate.

The survey indicates that the labor force participation rate—those who either have jobs or are looking for them—for 16- to 21-year-olds is 11 percent higher than that reported by the monthly survey and that the participation rate for blacks is 27.5 percent higher.

It also said that while the racial differentials in rates in employment and unemployment are "massive," they are "only the most visible dimensions of relative deprivation."

"In almost every aspect of their labor market experience, black and Hispanic youth are significantly worse off than white youth," it added.

OTHER IMPACTS CITED

In addition to having higher unemployment rates, the survey indicated, black and Hispanic-American youths are consigned to lower-wage, lower-skill jobs than whites. Young minority group workers must travel longer to reach their jobs and derive less satisfaction from their work. They also tend to be laid off more often than their white counterparts.

Young women workers, regardless of color, tend to be laid off more often than their white counterparts. Young women workers, regardless of color, tend to lag well behind white males in most employment categories.

The report states that contentions that youths will not take available jobs because they demand higher wages, find the nature of the work unacceptable, or simply do not like to work are often used "to gainsay the seriousness of youth labor market problems."

But such arguments are now "deflated" by the survey results, the report asserted.

The survey found that a majority of the young people would be willing to take low-paying jobs in such areas as fast-food restaurants, cleaning establishments, supermarkets as well as dishwashing. A substantial number of the young people surveyed said they would work at below the minimum wage.

The survey suggests that the younger the worker the lower the wage and level job he or she is willing to accept. It also indicates that young minority group workers will take lower level work than young white people.

"The evidence suggests that the majority of these young people are not unsuccessful because of inflated expectations," the report states.

Finally, the survey found that "employment and training programs are an important factor in mitigating the problems of disadvantaged and minority youth."

The full report is 400 pages long. It was prepared for the Labor Department by the Center for Human Research of Ohio State University.

[From the Washington Post, Mar. 8, 1980]

WAR ON YOUTH UNEMPLOYMENT: DISPIRITING NEWS FROM THE FRONT

(By Kathy Sawyer)

Royal Johnson, 19, stood on the street with his back to Cardozo High and its sweeping view across some of the city's worst slums to the sun-touched white of the Capitol dome.

That was an alien world to him and he neither knew nor cared that, over there, Congress was debating whether to pop for another $2 billion to "motivate" and train youths like him under President Carter's only "major new domestic legislative initiative" for 1980.

Johnson dropped out of Cardozo two years ago and, most days, he does not show up for the work he got through a government jobs program—unloading boxes and carrying out trash for a Northeast auto parts dealer.

"That job ain't nothin'. Just nothin'. That job ain't worth ——," he said, throwing his shoulders restlessly. "I do that job, days I feel like it. I do better on the street, most days."

He reads at about fourth-grade level, according to a community worker who knows him. His mother, on welfare, has another child at home.

In Hartford, Conn., Calvin Philips, 21, slumped into a chair during a break from his job as a dishwasher and told what he thinks about the kids like Johnson who do not know a break when they see one.

"Their mother ain't brought 'em up right. They lazy," he said, eyes smiling faintly. Phillips had been branded a troublemaker before he went through a federally funded work program and, incidentally, took up with a community basketball team.

Now he's working and going to night classes to finish high school. He hopes to go into a construction trade. Community workers say he might actually have a shot at it.

Such are the painful increments by which "success" is often measured on the front lines of this tense and dispiriting battle.

Government officials, job specialists, teachers, employers and just plain taxpayers all say they want poor black and other minority kids to have jobs, and they've poured billions into programs for them. The kids, for their part, almost all say they want to work.

Yet between a third and half of them have grown up to be an ugly blot on the country's record of social progress.

Overall unemployment among teenagers is about 14 percent. But among Black and other minority kids, it averages about 35 percent, by government estimate and is at 50 percent or higher in some impoverished inner cities.

All through the '70s, while the federal money flowed and a growing portion of white youngsters got jobs, the line on the graph for young blacks plummeted. The battle intensified.

Now comes the Carter contingent to take another stab at it, throwing $2 billion more into a bureaucratic stew where the success rate to the extent it can be measured meaningfully at all, remains frustratingly low.

Carter officials and other supporters of the new plan argue that the alternative is to write off a whole group of kids and just "throw up our hands." Skeptics mutter that it's just another sop to conscience, or to a powerful black constituency, and that this money will follow other billions down a rat-hole.

Here are more dispatches from the front:

Hebert Jones, assistant personnel manager for People's Drug Stores: "We call the various community organizations and say we've got 10 or 12 vacancies. We get maybe five to seven applicants . . . They say yes, okay. Then you schedule them for training. But half of them don't show up. I grew up in this area and I don't understand it."

Mattie Taylor, D.C. Department of Labor: "Each year, this building is torn apart by kids who come here looking for jobs, but are told there are none."

James McClure, guidance director, T. C. Williams High School, Alexandria, Va.: "We're talking about the kind of a kid that NOBODY wants to fool with . . . It's a full-time job [working with them]. I get discouraged with federal programs . . . The people in these programs are very idealistic. They make a lot of promises. But you better be able to keep those promises or you've lost the kid . . . It's not money these programs need more of."

William Stewart, welding shop teacher, Phelps Vocational Training School, D.C.: "Friday a dozen [students] jimmied the door to my classroom; they were shooting craps and smoking herbs . . . One time they set [the roll sheets] on fire on top of my desk." Because of administrative squabbles, lack of supplies, unheated classrooms and students "just not showing up, 13 out of 17 of them just got their second F, which means they won't pass for the year . . . It's complete chaos here most of the time."

Vernon Johnson, an administrator of Maverick, a federally subsidized work program in Hartford: "These kids from low-income housing do not see the link between what they do today and what they'll be able to do tomorrow. They don't think that long range. They are living for today."

While the absolute number of unemployed black youngsters is relatively small—about 380,000 out of a workforce of 103 million—the impact in terms of human pain, crime, welfare, public guilt and other costs to society have been felt disproportionately on the political Geiger counter.

In January, White House domestic affairs adviser Stuart Eisenstat unveiled the program with the warning that without it, the problem "may get worse in the 1980s."

While the number of all young people will go down with the decline in the birth rate, he said, the percentage of all youngsters who are black and Hispanic youngsters will increase significantly.

When Carter took office, the Republicans were spending $2.5 billion a year on youth programs. Since then Carter has raised the level to $4 billion and is asking Congress to raise that to $6 billion over the next two years.

The smallest, most heavily supervised and most costly of the existing programs, such as Job Corps, have shown some successes. But for the programs that most disadvantaged kids wind up in, the results have been doubtful at best.

A parade of manpower experts has urged the government to lower public expectations for these programs and to focus on improving existing ones rather than adding new ones.

There is an argument without a resolution going on. Some people say there are jobs available but that some youngsters refuse to do them, some say the jobs exist but the kids have not been equipped with the skills to do them and some say there simply aren't enough jobs.

Why haven't the alphabet soup of programs—CETA, YACC, YETP, YCCIP, YIEPP, YEDPA—had more impact on the neediest poor kids they are aimed at? Books have been written. Theories and observations about that abound:

Many employers are racists.

Teen-age boys, more than girls, are restless and rambunctious and troubled in the best of circumstances, and bound to be so when faced with rotten, dead-end jobs, on top of poverty and illiteracy. Some will grow out of this phase and become employable.

Today's black teen-agers, having had their consciousness raised, expect more and seem angrier, more hostile, and more freightening to some employers than their parents' generation.

Many employers discriminate on the basis of class, not race. Black Harvard graduates have no trouble getting jobs. In a conformist teen-age culture, all inner-city kids dress alike and a middle-class employer "can't tell whether he's interviewing a mugger or a good kid."

An underground labor economy—running numbers, selling dope, painting houses, repairing cars—employs many youngsters who appear in the unemployment statistics.

Bureaucratic screw-ups and red tape discourage employers, kids and just about everybody involved with the programs.

The schools, especially poor urban ones absorbing the brunt of one of the greatest social upheavals in our history, integration, have failed to teach the kids to read, write, add or subtract.

The kids come from a welfare background in which work habits are alien and parent(s) are too tired or ignorant to give them the instruction they need.

White kids have an informal network of relatives, friends, etc., that leads them naturally into jobs. Poor black kids don't.

And so on.

Nobody is making any dramatic promises about what the new Carter proposal will accomplish. But the alternative, its supporters say, is to do nothing more than now. Already, the tightening budget and pressure from inflation threaten to choke the plan off altogether.

Bill Spring, a White House domestic aide who is expert in the subject, acknowledges the limits of the program, especially in an economy where adults are facing layoffs.

"It is a zero sum game. We can't provide jobs through training. But we can try to equalize the weight of unemployment on various groups."

Among the improvements the program will try to make is to put great emphasis on how well the kids perform in the programs, where in the past that was avoided for fear of scaring off the less able. "You've got to have a touch of the Marines," Spring said.

A key difference in the administration's new plan is that it would target about half the money to schools in 3,000 of the country's poorest school districts for remedial teaching at the junior and senior high level, rather than directing it all to work programs. The money would be channeled through the new Department of Education as well as the Labor Department.

When he announced the proposal, Eisenstat said, "The literacy gap which we identified was absolutely staggering."

In a society where jobs increasingly demand white-collar skills such as reading and arithmetic, he pointed out, "Forty-two percent of recently surveyed black 17-year-olds are functionally illiterate."

The proposal would not merely offer busywork to keep kids off the streets, he said, but also would try to provide basic skills to those who might otherwise face a lifetime of joblessness.

The plan would call on schools and jobs programs to work together to link learning with the world of work.

On Capitol Hill, powerful competing interest groups in education and labor, jealous of their appropriations, have geared up to protect their turf and, as one education lobbyist said, "there'll be some name calling" over whose fault the youth problem is.

But supporters and opponents alike agree on the need to help the severely distressed inner-city schools. Until now, virtually all federal funds have gone to the lower elementary grades, not to junior and senior high levels where the turned-off kids drop out.

Rep. Gus Hawkins (D-Calif.) criticized the proposal for pouring money into the schools for the purpose of "doing what they've already been given money to do at a lower level." That is, teach reading, writing and arithmetic.

But his main objection, he said, is that the proposal won't be effective until 1982. "We should be doing something right now."

Rep. Parren Mitchell (D-Md.), leader of the Congressional Black Caucus, called the plan too little, too slow. "The problem is so enormous, I'd make it No. 1 priority. . . . This doesn't begin to address the real need."

Royal Johnson, meanwhile, continues to to learn the lessons of the street.●

A FAREWELL TO THE AMERICAN FAMILY FARMER?

● Mr. BAYH. Mr. President, I fear that we are on the verge of a great unintended experiment that will have very serious consequences for succeeding generations of Americans—the American family farmer is on the endangered species list. If this trend continues, it could have a tremendously adverse impact on our future ability to feed ourselves and much of the world.

America's agricultural community has been one of the most reliable sectors of our economy. Year after year the American family farmer has proven to be our most efficient producer. Yet a number of factors beyond his control are threatening the farmer's very existence. It is well to reflect on the fact that a critical element of our real wealth has been the ability of the farmer to feed not only our own population but that of the rest of the world. The small, independent farmer is also the rock around which the Founding Fathers built our democratic system of government.

Today we see the farmer facing spiraling fuel prices which cut into his narrow profit margin. Our farmers' productive capacity threatens to glut the market and reduce farm prices. The price of farmland is increasing at a tremendous rate, while farm credit is drying up. This problem is aggravated by the attractiveness of farmland as an investment for foreign speculators and large, domestic corporations who serve to keep the pressure on farm prices because our productive farmland is one of the best investments that any businessman can make. Too many well intentioned farm programs have wound up encouraging the giant farm corporations to expand while making it more and more difficult for the family farmer to compete. And this is true despite the many studies which have proven conclusively that the American family farm is the most efficient agricultural unit. Year by year we have stood idly by while our priceless farmland eroded at an ever increasing rate.

We are now facing a situation where the average age of our farmers is approximately 55 years old—the oldest age for any occupation—while young farmers are unable to choose this way of life because of the tremendous costs involved in modern farming and the limited amount of credit available to get started. Even when young farmers mortgage their futures to get started, they frequently experience a boom and bust cycle in the farm markets that is ruinous to their financial security. The recent grain embargo has turned a promising agricultural year into a time of increasing uncertainty for our farmers. This is not to imply that our farmers do not recognize the threat of Soviet aggression. They do. But they rightly insist that the farmers not shoulder this burden alone.

I fear that unless this Congress and the administration take forceful actions soon we will face a future that becomes more and more controlled by a food OPEC. These large corporations will not be willing to work the long, thankless hours for meager pay that our family farmers routinely put in. A food policy that attempts to produce cheap food at the sacrifice of our farmers is one that is doomed to fail and eventually hurt everyone far worse then the costs of helping the farmers now.

Legislation has been introduced to address many of these problems. I have introduced S. 334, the Family Farm Antitrust Act, which would prohibit foreign speculators and large, nonfarm corporations from investing in farmland in competition with our farmers. I have introduced S. 2354, the Energy Independence Grain Reserve Act, which would permit our large agricultural capacity to serve both our food and fuel needs. It would establish a grain reserve for alcohol fuel producers to guarantee our fledgling gasohol industry a dependable source of production and establish a new, dependable domestic market for our farmers so that they can get back to doing what they do best—growing crops.

I have also asked the Census Bureau to undertake another special agricultural survey of large corporate involvement in farm ownership. The 1974 special survey that was conducted in this area needs to be followed up if we are to effectively monitor current trends. I am sure that many of my colleagues hear the same kind of rumors that I hear from Hoosiers about nonfarm investors seeing farmland as an irresistible target for speculation.

Finally, I think that the Senate Agriculture Committee is to be commended for the speed with which it is seeking to address the problems attendant to the recent grain embargo. The swift action that the committee and the Senate took to extend the economic emergency loan program for another year, with an additional $2 billion in lending authority, will be of significant help in allowing our farmers to obtain much needed farm credit.

The committee last week reported out legislation which will allow all farmers to become eligible to participate in the announced USDA programs to alleviate the problems caused by the grain embargo and to allow embargoed corn to be sold much more easily for gasohol production. We are making progress in addressing the problems of the family farm, but we must not relax our efforts. Time is growing short.

Mr. President, I recently came across an excellent article on the farm situation which appeared in the March 2, 1980, edition of the Chicago Tribune entitled "Farmers: The New Hired Hands." This article portrays quite forcefully the kinds of problems that our farmers are facing right now and is important reading for all of us who are concerned about the continuation of the American family farm as the foundation of our economic wealth and of our political freedom.

I submit this article for the RECORD. The article follows:

FARMERS: THE NEW HIRED HANDS

(By R. C. Longworth)

DES MOINES, IOWA.—It is the promised land of farming—the rich area of northwestern Iowa, with its black soil and rolling hills, its bumper crops and prosperous farms. The towns are clean and quiet, the farms boast red barns, white houses, and soaring blue silos.

It all looks just as God and the painter Grant Wood intended. If a farmer can't make it here, he can't make it anywhere.

But looks deceive. Two-thirds of the farms in northwestern Iowa are owned by absentee landlords: Two-thirds of its farmers are tenants, hired hands working for somebody else.

The Roman Catholic diocese of Sioux City surveyed six counties in northwestern Iowa as the start of a project to find out who really owns the Middle West. It found 64 per cent absentee ownership—up to 76 per cent in Pocahontas County and 73 per cent in Webster County.

"This is a bad situation," a church statement concluded. "Not only for beginning farmers but for all who believe in the family farm concept. Farmers who can't own their land have very little chance of surviving.

"As a nation, we were founded on the premise that individuals should be able to own the land."

There have been warnings for years that the family farm is dying. If the situation in northwestern Iowa is a reflection of the rest of the Midwest, the family farm may be all but dead—with a permanent impact on our economy, our diet, and on the values and philosophy of the entire region.

Even many urban Midwesterners have in the past identified with the independent spirit and self-sufficient individualism of the family farmer: if the typical farmer turns out to be a sharecropper, what does that say about us?

James Rhodes, a University of Missouri economist, has noted that this process may be creating a class and a problem that the United States, almost alone among nations, has never had—a "landed aristocracy."

There has been much printed about the rape of the land in other parts of America. We know that the eight largest energy companies own 64.6 million acres of American land, that railroads hold questionable title to 23 million acres, that 80 percent of Maine is owned by absentee landlords, that the 25 biggest landowners in California (mostly corporations) hold 58 per cent of that state's land.

We also know that this concentration has severe consequences for those areas—the deaths of small towns as huge corporate farms replace smaller spreads, the creation of large numbers of unemployed in cities of the North as corporations force Southern blacks off their lands, the transformation of whole counties into the fiefdoms of powerful coal companies, and the cultivation of the square tomato and other tasteless food by corporations more interested in profit than nutrition.

The situation in the Middle West is entirely different—but, no less serious.

There is some ownership of Midwestern land by big corporations, but their total holdings appear small. Instead, the absentee owners in Iowa and other Midwestern states are often local people—rich farmers who buy neighboring farms and rent them out, or retired farmers who rent out their holdings and move into town, or local doctors and lawyers who buy farm land as a tax shelter.

Is this so terrible? It is, for reasons that are just now becoming visible.

Farm land has become another investment commodity, and a particularly valuable one. In the Midwest, crop land costs $2,000, $3,000, or more per acre. The size of the average American farm, once about 160 acres, is now 400 acres and growing fast: the number of farms under 500 acres is shrinking while the number over 500 is growing.

This means it costs $1 million or more to buy a farm. No young farmer has that kind of money, nor can he afford to borrow it at current rates of interest. Farming is still a profitable business, but speculators have bid up the price of land to three times its value in crops produced.

So the young man rents. Sometimes he is the farmer's son. Once upon a time, he would have taken over the farm from his father.

But farmers, like everybody else, are living longer: the average age of Midwestern landowners these days is an incredible 57 years. More and more, farmers are holding on to their land, even after they retire.

Farm groups report an increasing number of farmers' sons who remain in tenancy to their fathers until they are 50 or older. Often the sons, weary of such servitude, simply leave the farm and the old man rents to somebody else.

Then one day, the old farmer dies and leaves the land to his children. But inheritance taxes on $1 million worth of farm land are murderous. Even if the family has forestalled the tax problem through family corporations or other devices, most of the heirs have already left the land and want only to sell their inheritance and take the money.

At this point, a neighboring farmer, wealthy and able to borrow $1 million, steps in and buys the land. Many Iowa and Illinois farmers have spreads of 2,000 acres or more and are looking for more.

And so the neighboring farmer buys. Two family farms are incorporated into one. A farm family leaves the land.

Time passes and the wealthy farmer ages. He has farmed part of his holding, rented out the rest. When he dies, the tax burden is crushing. If he has one heir who already owns land, the farm may stay in the family. But if there are several heirs or if all the heirs have left the land, the pressure to sell is strong.

But a farm of this size costs millions. A wealthy buyer is sought—and often found among businessmen, doctors, or lawyers in town. Sometimes a syndicate of such investors buys the land, and rents it out.

Now the process is complete. Land that once was owned a century ago by some 50 families, and was consolidated over the years until it was owned by just one family, now is owned by no family at all.

"So a farmer, by wanting more and more land, is actually cutting his grandson's throat," says Curt Sorterberg, assistant to the president of the National Farmers Organization.

As the statistics on northwestern Iowa show, this process already is far advanced. The next step probably is the arrival of the really big money from corporations and conglomerates.

"These kinds of corporations, like Tenneco, are legally banned from Iowa," Sorterberg says. "But our suspicion is that there's some corporate financing behind some of the land buying here."

The ramifications resound throughout the Midwest.

One is in sheer farm production. Despite assumptions that big is bountiful, the few available studies indicate that the most productive farm on a per-acre basis is about 320 acres—or it would be if government policies were not so tilted toward big holdings.

Absentee landlords, with less thought of the future, encourage more use of chemical fertilizers and more intensive use of the land, promoting both pollution and erosion.

Studies on Midwestern towns also show that as family farms die out, so do the local businesses that support them. For every six family farms that are swallowed up, one local business expires—and Iowa alone is losing some 4,000 farms each year.

When a farm gets big enough, it finds it easier to bypass local businesses altogether. Instead of dealing with the local feed dealer, implement salesman, bank, or grain elevator, it goes directly to the head office, buying in bulk from a big supplier hundreds of miles away.

Absentee landlords skew local economies and local tax rolls. In 1968, the Department of Agriculture reported that two-thirds of the 66,000 richest persons reporting farm income claimed a net farm loss.

And money that local investors are using to speculate in farm land is money not available for other forms of more useful investment—for instance, in small-scale industry which is an increasingly important source of jobs in rural areas.

"Something is wrong," Sen. Birch Bayh (D., Ind.) has said, "when a young farmer is unable to establish himself due to skyrocketing land prices that have increased 300 percent since 1970. Something is wrong when rural communities fade away even though they are surrounded by fertile, productive agricultural land.

"Something is wrong when a farmer, who has hundreds of thousands of dollars invested and works 12 to 15 hours per day, can't earn enough to support his family and has to sell part of his farm to make ends meet."

Among experts in the field, there is no dispute at all about what is wrong. The culprit is decades of federal and state laws that have had the result—intended or not—of encouraging big farms, penalizing small or medium-sized farms, and driving family farms off the land.

On this, even Secretary of Agriculture Bob Bergland agrees.

"The truth is, we really don't have a workable policy on the structure of agriculture," Bergland admitted before the National Farmers Union convention last year.

Past policies created an American food-producing system "that is the envy of the world," Bergland said. But he said this system, for all its fecundity, seems to "have worked to the disadvantage of small and medium-sized farmers."

The pressure is on for "larger and larger and fewer and fewer farms that will increasingly dominate and control production," Bergland said.

He told of 21 farmers who came to Washington recently to lobby for higher price supports "to save the family farm." Yet 20 of these farmers had annual sales of more than $200,000 and several claimed that a farm should have sales of at least $100,000—a minimum level that would eliminate 90 percent of all U.S. farms.

Bergland quite clearly shares the view of almost all land reformers—that well-intentioned federal policies, designed to increase farm output, have inadvertently driven small farmers out of business and created a cult of bigness.

These policies include the inheritance tax laws. They include other tax policies that encourage land ownership by non-farmers as a tax shelter. They include tax laws that encourage big farmers to buy yet more land.

The policies include farm research carried out by land grant colleges that focuses on produce and machinery intended to increase profits on big farms.

They include government credit policies that favor big farmers, with a reluctance to lend to smaller, less profitable, farmers.

They include, especially, farm price supports. In 1976, 36.5 per cent of these payments went to the richest 5.5 per cent of American farmers.

There are steps being suggested to correct these policies. But the first chore is obvious—a really good investigation of who owns Amerca's land.

According to the available literature, only two intensive land-ownership studies have been made in the United States—the one by the Sioux City diocese showing 64 percent absentee ownership, the other by the U.S. Department of Agriculture in 1974 which showed that only 14 per cent of the land in highly rural Rappahannock County, Virginia, was actually owned by farmers.

This startling result prompted the Agriculture Department to make a larger, less rigorous survey last year showing that farmers own 56 per cent of all U.S. farm land; the survey was based on voluntary questionnaires. Using similar methods, a major USDA book published in December said that about 40 per cent of Midwestern farm land was rented—an obvious underestimate that appears ridiculous in light of the Iowa survey.

Clearly, the problem exists. The government's first step should be to find out how bad it is.●

PUBLIC INTEGRITY

● Mr. HATCH. Mr. President, last year during the Department of Justice authorization and oversight hearings, I submitted various interrogatories requesting information in regard to that Department's Public Integrity Section.

One of the interrogatories asked specifically:

> What analysis, if any, has been made of the effectiveness of the Public Integrity Section since its creation? What are its accomplishments and shortcomings? Has the Justice Department conducted any audits or official review of the Section's efficiency? Please cite any such efforts. What were their conclusions?

Mr. President, in response to this interrogatory, the Department in part replied that:

> While no formal external evaluation of the Public Integrity Section has been conducted . . . this Section has been successful in assembling a highly trained and qualified staff of legal talent possessing an expertise in the investigation and prosecution of what are highly visible, delicate and complex and socially significant cases. Experience has demonstrated over the years that the successful prosecution of public corruption cases requires the devotion of significant amounts of attorney manpower and imaginative use of prosecutive theories.

The answers I received back from the Department of Justice, although not wholly satisfactory, persuaded me at that time that they had at least been forthright and candid in their response.

However, my belief in that assumption has waned considerably in the past year. What little credibility remained has been severely shaken by a series of articles appearing in the current edition of the Federal Times.

If the reports contained therein are true, I am very much chagrined by the attitude of the Department of Justice and appalled by the performance of the Public Integrity Section.

Apparently, their response to what they termed "highly visible, delicate and complex and socially significant cases" has been during the 4 years of its existence to maintain a highly invisible presence.

I am certain that the members of the Judiciary Committee will be anxious to scrutinize more than just answers to interrogatories during this year's current Department of Justice Authorization and oversight hearing in relation to the allegations leveled at the Public Integrity Section and its chief.

I ask that these two articles from the Federal Times be printed in the RECORD.

The articles follow:

SENSITIVE CASES LEFT HANGING

(By Inderjit Badhwar and Sheila Hershow)

Thomas H. Henderson Jr.'s controversial record at the helm of the Justice Department's Public Integrity Section has sparked concern about his future performance in the most sensitive investigative job in the federal bureaucracy—special counsel to the Merit Systems Protection Board.

As the first and only chief of Public Integrity, Henderson was assigned to crack down on white-collar crime by federal, state and local officials. As MSPB special counsel, he will be expected to enforce merit rules throughout the federal government, protect whistleblowers from energy reprisals, and punish federal officials who commit illegal personnel actions or cover up fraud and mismanagement.

President Carter nominated Henderson for the special counsel post recently. The Senate Governmental Affairs Committee has not yet scheduled a date for the confirmation hearing.

After the Henderson appointment was announced, Federal Times reviewed his handling of significant Public Integrity cases over the past four years. These cases involve allegations of criminal misconduct by federal executives, Pentagon generals, governors, federal judges and minor officials.

The records often revealed delays, little or no investigative work and a reluctance to bring cases before a jury despite considerable evidence of white-collar crime.

In a series of interviews, FBI agents, U.S. attorneys, assistant U.S. attorneys and congressional investigators complained that, under Henderson, Public Integrity was slow and slipshod in its conduct of major investigations.

"I found Henderson's shop unresponsive, unconcerned, with a curious inability to pursue cases that seemed to me obvious," a Capitol Hill investigator said. And a prominent U.S. attorney said that numerous lawyers who attended a San Diego workshop for federal prosecutors were openly critical of Public Integrity.

He said, "The general impression was that if you want a case properly prosecuted and handled, give Public Integrity a wide berth. Go it alone."

None of the sources interviewed by this newspaper suggested that Henderson is corrupt or venal. One assistant U.S. attorney described him as "polite, personable and charming."

Others with first-hand knowledge of his operation said that Public Integrity is a lightweight outfit, staffed by novice lawyers, and, in one well-respected prosecutor's words, "long on public relations and short on legal analysis."

"The trouble with that shop," he said, "is that Tom hired people with very little legal experience who know nothing about preparing for trials. And Tom has no ability to teach or train them. I think it's a question of his competence and his desire to bid up cases in order to make his numbers look good and then not take them to trial."

The following cases are often cited by Henderson's critics. They say the records illustrate Henderson's lack of judgment, lack of prosecutory zeal and willingness to back away from politically sensitive issues.

FILE LANGUISHED

On June 19, 1978 the Energy Department's inspector general asked the Justice Department to consider leveling criminal charges against William S. Heffelfinger, DoE's director of administration. The case was sent to the Public Integrity Section.

Investigations by the DoE inspector general, the House energy and power subcommittee, other congressional panels, and Federal Times had disclosed evidence that Heffelfinger falsified his job resume, lied under oath to Energy investigators, served as a Nixon administration hatchetman at the Department of Transportation, threatened Transportation contractors, condoned merit violations, ordered the shredding of government documents and bullied members of the independent National Transportation Safety Board.

The Heffelfinger file languished at Public Integrity for more than a year and a half. While awaiting the Justice Department decision, DoE took no administrative action against Heffelfinger.

On February 15 Henderson wrote a one-paragraph letter to DoE Inspector General J. Kenneth Mansfield declining prosecution of the Heffelfinger case. He said he was refusing to bring criminal charges because "no prosecutive merit exists in regard to any of those allegations."

Henderson did not explain why it took Public Integrity 19 months to reach this conclusion.

THREE-YEAR DELAY

On October 1, 1979, Henderson personally recommended that the Justice Department drop efforts to bring criminal charges against Kenneth L. Dupuy, a former Federal Energy Administration regional chief who accepted gourmet meals, rental cars, airplane trips, board for his horse and dog, a sojourn at a plush Florida beach house and the frequent use of an apartment from oil companies he was assigned to regulate.

The Dupuy case was under review at the Justice Department for three years before Henderson turned it down.

In a memo he argued that criminal charges were inadvisable because a jury might believe Dupuy "actually advanced government interests" by taking gifts from companies seeking to curry his favor "and then leaving them high and dry."

Henderson added that a jury might even view Dupuy "in a favorable light" for "teaching the oil companies a well-deserved lesson."

The Dupuy case was referred to the Justice Department by Michael F. Butler, then FEA general counsel. The referral cited evidence that Dupuy accepted gifts including the rent-free use of an Atlanta apartment from William E. Corey, a gasoline retailer. According to sworn statements, Dupuy visited the liquor-stocked flat twice a week between December 1974 and May 1975 for sexual liaisons with his administrative assistant and also with an FEA secretary.

In return for Corey's generosity, Butler wrote, Dupuy ordered revisions in FEA rules that gave Corey's company "substantial increases" in gasoline allocations during the oil-scarce period following the Arab oil embargo. Allocations for one gas station leaped from 432,000 gallons a year to three million gallons and in another case from 1.02 million gallons to three millions gallons.

The gratuity section of the federal bribery law bars a public official from accepting "anything of value . . . for, or because of, any official act performed or to be performed by him." The penalty is two years in prison, a $10,000 fine or both prison and a fine.

When Butler learned that Henderson had tossed out the Dupuy case on the grounds that a jury might approve of Dupuy's actions, he said, "You've got to be kidding." A Capitol Hill investigator who reviewed the FEA file on Dupuy called Henderson's refusal to prosecute "an outrage."

The congressional agent charged that the Justice Department "did not want to go after Dupuy because they were afraid of raking up information that would be politically damaging to President Carter." Evidence in the Dupuy file indicates that Lewis Spruill, who was appointed Georgia state energy chief by then-Governor Jimmy Carter, accepted gifts from Corey and gave preferential treatment to gas stations owned by Corey and Billy Carter, the President's brother.

Dupuy, Spruill and Billy Carter have denied any wrongdoing.

URANIUM PROBE

On March 19, 1979, the deputy inspector general at the Department of Energy asked the Justice Department to consider bringing perjury charges against Robert W. Fri, the former chief of the Energy Research and Development Administration.

The DoE referral said that Fri "may have made intentionally misleading statements" to the House energy and power subcommittee when he testified that significant quantities of bomb-grade uranium had never been diverted from a nuclear plant in the United States.

Fri gave his sworn testimony in August 1977 after at least one U.S. intelligence agency had reported that enough government-owned high-grade uranium had been taken from an Apollo, Pa., nuclear plant in the mid-1960's to fuel all the nuclear weapons believed to be in Israel's arsenal.

The Fri matter was considered politically sensitive because several members of Congress had accused ERDA, DoE and the Nuclear Regulatory Commission of downplaying U.S. vulnerability to nuclear theft by terrorists, criminals and foreign agents.

On April 27, 1979, Deputy Assistant Attorney General John C. Keeney, Henderson's boss, declined to prosecute Fri on the grounds that the DoE referral "contains insufficient evidence." The Justice Department's Public Integrity Section never interviewed Fri, never questioned subcommittee members or staff, and apparently never made any effort to add to the "insufficient evidence" forwarded by DoE.

Federal employees who "knowingly and willfully" make false statements to Congress may be punished with a $10,000 fine and five years in prison.

CSC INVOLVED

In 1976, following an exhaustive investigation of widespread merit system violation, favoritism and corrupt personnel practices within the federal bureaucracy—stemming from the Watergate investigation—the House Post Office and Civil Service Committee forwarded a report to the Justice Department for prosecution.

Among the allegations contained in that report were that high officials of the then-Civil Service Commission who had participated in illegal patronage practices had perjured themselves and destroyed documents that may have shed more light on these practices.

The Public Integrity Section under Henderson sat on the case for nearly two years without investigating despite repeated congressional prodding. It was only after a politically embarrassing story was published, a story pointing out that CSC officials whose names had been forwarded to the Justice Department were involved in writing the President's civil service reform legislation, that Public Integrity ordered an investigation.

The probe was assigned to a single FBI agent shortly before the statute of limitations ran out. The agent speedily established that thousands of files had been stripped of damaging information and took the matter before a grand jury. The agent was not allowed to testify before the grand jury. And, according to reliable sources, all chances for indictments were dashed when the Justice Department—with Henderson's concurrence apparently—persuaded the heretofore eager grand jury to drop the case.

FITZGERALD SAGA

The 10-year-old saga of A. Ernest Fitzgerald, the Air Force whistleblower who revealed a multibillion-dollar cost overrun on the C–5A aircraft, took an unexpected turn in 1978 when the FBI launched an investigation of perjury, falsification of official records, and concealment of material facts involving top Air Force officers.

In particular the inquiry focused on Gen. Hans Driessnack, who is now Air Force comptroller. New information had come to light indicating that Driessnack may have doctored an affidavit to conceal his role in leveling false and defamatory charges against Fitzgerald in 1969 in a covert campaign designed to smear Fitzgerald and drive him from his job. The Driessnack affidavit directly conflicts with the versions of events given—in some cases under oath—by at least five other Air Force officials. And the affidavit conflicts with a draft version of Driessnack's sworn statement found in the Air Force files.

According to FBI sources, the agent in charge of the investigation was told at every turn by Justice officials that the case against the general was a "hot potato." The agent was dissuaded from pursuing it, sources say. The agent persisted, interviewing Driessnack and other principals in the case. While the agent was in the process of writing his report, a senior Justice official, Donald Campbell, and the U.S. attorney for the District of Columbia, Earl Silbert, re-interviewed Driessnack and wrote an opinion exonerating him.

Sensing a cover-up, the FBI sought the help of Rep. John D. Dingell, D-Mich., to pressure Justice to reopen the matter. With Dingell's backing, the FBI made a second try and submitted a report of the investigation directly to Public Integrity hoping, a source said, "that Public Integrity would give it a good shake." But Public Integrity sat on the FBI report and recommended later that no action be taken. Shortly thereafter, Driessnack, who had been nominated for his third star, received his promotion.

BLANTON ACCUSED

The FBI successfully investigated this public corruption case despite Public Integrity's initial reluctance. In early 1979 the FBI arrested three top aides to former Tennessee Governor Ray Blanton—in a scandal that rocked the entire state—and charged them with accepting money for freeing state prisoners convicted of serious crimes. The case could have surfaced earlier had Public Integrity not dragged its feet.

The man who had begun the investigation, Charles Hill Anderson, the Republican U.S. attorney, could have obtained indictments as early as 1977 if Public Integrity had acted swiftly. Anderson, who is now adjutant general of the state's national guard, told Federal Times that he had sent a report to Public Integrity summarizing his evidence and recommending indictments shortly before he left office.

"I got no negative feedback from them," Anderson said, "but I just don't know what they did with my report. As far as I know no action was taken." The Washington Post reported last year that a grand jury looking at the evidence in that case expired without returning indictments "because the Justice Department refused to approve proposed indictments being pushed by the FBI because the evidence was not strong enough." Notwithstanding this setback, FBI agents continued their probe and were later able to make arrests on their own.

SHAPP FUNDS

The Milton J. Shapp Campaign Corruption Case allowed Public Integrity to boast of its effectiveness.

Some fund-raisers for former Pennsylvania Governor Shapp were convicted in 1978. But this newspaper's investigation indicates that Henderson—acting at the behest of then-deputy attorney general Ben Civiletti—personally interceded in the probe. This action had the effect, according to sources, of limiting the damages in the case whereby the major figures—including Shapp who was, at one point, not even subpoenaed after Civiletti's personal intervention—went free while minor functionaries were indicted.

The Shapp case was the first test of whether the criminal provisions of the new federal election campaign laws could be enforced. The investigation stemmed from charges that Shapp fraudulently entitled himself to matching federal money for his 1976 presidential campaign by issuing false reports about money collected by his fund raisers. Shapp later had to reimburse the government $300,000.

Sources close to the investigation said that the U.S. attorneys in Philadelphia and Pittsburgh—who had laid the groundwork in the case and had the best trained FBI agents and the most experienced prosecutors—were completely excluded from the case. The case was transferred to the Harrisburg-Scranton area where prosecutors, one source said, "had never done a major political corruption case before."

Washington—through Public Integrity—assumed overall jurisdiction of the investigation. "The case was just yanked," one federal prosecutor remarked.

According to this source, U.S. attorneys from Pittsburgh and Philadelphia were told by Henderson that there was to be "no interference' from them in the case. They were precluded not only from assisting but also from providing information they were willing to offer that could have helped indict more people.

"We were effectively cut off at the pass," said Blair Griffith, who was then U.S. attorney in Pittsburgh. "I suspect a political motivation. The investigation's pace was slowed down which at least afforded the potential defendants time to get their acts together to resist it. Public Integrity is supposed to be an ongoing aid to prosecutors. In this case, it was a deterrent."

According to documents obtained by this newspaper, FBI agent Neil Welch who was then in Philadelphia and who later ran the Abscam sting operation, criticized the movement of the case to Harrisburg on the ground that his best agents would no longer be able to handle it, and he said he was frustrated by delays and lack of direction from Washington.

PLOT CHARGED

Jack Nard is a private contractor and a Pittsburgh resident. For eight years he has been trying to force the Justice Department to investigate charges that he is a victim of a criminal conspiracy involving a federal judge, a large corporation, and Pennsylvania Gov. Richard Thornburgh as well as the subject of harassment by the Internal Revenue Service. Nard and Armour and Co., meat packers—subsidiary of Greyhound bus system—had sued each other over a breach of contract involving timetables and cost overruns on construction projects Nard was handling for Armour in Pittsburgh and Sioux City, Iowa.

Pittsburgh Judge Joseph Weis found both Armour and Nard were to blame but penalized only Nard with a heavy fine. A Senate investigator for Sen. Orrin Hatch, R-Utah, found after a year-long study of that decision that the judge had ignored relevant evidence in the case. Nard charges that he is a victim of the Pennsylvania political machine created by former Sen. Hugh Scott. Scott appointed Judge Weis who, Nard says, ruled in Armour's favor because it was represented by a law firm with important Republican connections. Some of the evidence Nard presented was used by the Justice Department to prosecute Greyhound in an unrelated case.

But Nard's other charges—influence peddling with a federal judge, perjured testimony during his trial, that Thornburgh, as former U.S. attorney in Pittsburgh helped direct the IRS probe against him—were dismissed by Justice as unsupportable following what Thomas Henderson has characterized as a "thorough and exhaustive investigation."

Thornburgh later became head of Justice's Crime Division with Senator Scott and, Nard charges, pressured a U.S. attorney in Iowa to drop an investigation of Nard's case. This Iowa probe was based on charges of corruption made by Nard that stemmed from his business dealings with Armour in Sioux City.

A new U.S. attorney in Iowa, James Reynolds, is now presenting evidence in the Nard case to a grand jury in that state. According to reliable sources, Reynolds, like his predecessor, was also pressured by Justice Department officials to drop the case when he insisted on interviewing Thornburgh. Even though Henderson maintains he had nothing to do with investigating the Nard case he participated in the meeting during which this alleged pressure was put on Reynolds to back off.

The curious twist in this case, according to sources is that assurances by Henderson once given to Reynolds that the case had been exhaustively investigated before being dismissed and that the investigative files would be turned over to Reynolds Public Integrity did not have over the appropriate files. A source revealed that the investigative files cannot be found. "They were either never there or they have disappeared," he said. Also missing, according to reliable sources, are the files on Senator Scott and his government patronage-related artivities that were turned over to Justice by the Watergate prosecutor. The files are believed to be relevant to the Nard case.

Justice Department officials also apparently provided false information to the Senate Judiciary Committee in a critical area of the Nard investigation last year. They said that as part of their investigation of the case they had interviewed Thornburgh. But later, in a written response to questions from Senator Hatch, Justice officials changed their story and said they had not interviewed Thornburgh.

LOBBYIST PROBED

On May 4, 1979, the DoE deputy inspector general asked the Justice Department to investigate conflicting statements made under oath by three Energy Department employees and an American Petroleum Institute lobbyist who routinely obtained advance copies of DoE pricing rules from his agency sources.

Sen. Howard M. Metzenbaum, D-Ohio, had conducted hearings on the DoE leaks. When the DoE referral was sent to Public Integrity, Metzenbaum urged then-Attorney General Griffin Bell to give "top priority" to probing possible perjury by John Iannone, the oil industry lobbyist, and his DoE contacts.

Henderson informed the DoE inspector general's office on July 26 that "prosecution for perjury would be inappropirate due to several practical considerations." He explained that "many of the statements are not actually conflicting, those statements which do conflict involve an 'oath against oath' situation . . . and one of the sources of the inconsistencies is a letter from the API employee . . . that does not appear to have been prepared under oath."

Henderson never interviewed Iannone or his DoE contacts. He limited his investigation to reviewing documents sent to him by the inspector general's staff at DoE.

Despite this apparent lack of investigative zeal, Keeney, Henderson's boss, assured Metzenbaum that the "highest priority" had been given to the Iannone case because of the "immense importance of the issues" raised.

SALT LAKE INQUIRY

In 1977, Public Integrity was asked to supervise two investigations of Salt Lake City District Judge Wills Ritter. The first was an embezzlement case involving Judge Ritter's personal secretary who allegedly was paid a salary while absent from work. The second case, according to Justice Department documents, indicates Ritter "may have committed criminal violations" by giving preferential treatment to clients of a prominent law firm, and who had allegedly falsified the time and attendance records of his personal secretary.

Public Integrity at first dropped the embezzlement case without a comprehensive investigation but was forced to revive it after the U.S. attorney in Salt Lake City, Ramon Child, wrote a letter of complaint to Henderson that he had dropped the case without even examining all the relevant files.

Greg Rushford, a Washington writer, who investigated the situation, said that FBI agents were preparing to crack the case during the second go-around by using the technique of simultaneous interviews of court house employees, but were dissuaded from doing so by Henderson, who then quashed the case without the judge's connections with the law firm ever being investigated. No reason was given.

RECORD ALTERED

Columnist Jack Anderson revealed last year that District of Columbia federal Judge John H. Pratt had covered up an impropriety on the bench by altering an official court report and then tried to cover up the investigation by pressuring the FBI to call it off. Even though Anderson did not subsequently report this, he learned from FBI sources that a comprehensive inquiry of Pratt's alleged illegal conduct was "stalled" under direct orders from Public Integrity.

CONCEALMENT ALLEGED

An investigation by the inspector general of the Treasury Department determined last year that several highly-placed employees in the Bureau of Government Financial Operations may have violated 18 U.S.C. 1001 (2017)—criminal concealment, removal, or mutilation of records and reports—in order to dodge a Freedom of Information request filed by the National Treasury Employees Union. Treasury referred the matter to the Justice Department for prosecution.

But Henderson "declined to prosecute," a Treasury memo says, "indicating that his office had determined that the facts as developed in this matter did not warrant further criminal investigation . . ."

The Right Man?

Much space in this newspaper this week involves an investigation of the professional qualifications of Thomas H. Henderson Jr. to head the Office of Special Counsel of the Merit Systems Protection Board. Henderson was nominated for that post recently and needs only the approval of the Senate before taking over this key federal personnel position.

We think such a lengthy study is right and proper because—as a reading of the Civil Service Reform Act of 1978 will prove—the Special Counsel has great power and his job is called the most sensitive in the federal bureaucracy. Indeed, the success of the reform act, as it pertains to merit rules and illegal personnel actions, depends to a large extent on just how the Special Counsel does his job.

A former executive director of the Civil Service Commission, who at first opposed the civil service reform bill but later found reason to support it, told us shortly after the bill was passed by Congress that whether or not the new merit promotion system would work will necessarily depend upon who has the Special Counsel post. We did not agree with him on his general support of the reform bill—this newspaper opposed it for many reasons—but we did agree with him on the importance of getting the right man as Special Counsel. An establishment, management protector, distrustful of whistleblowers, one who would willingly shy away from politically sensitive issues, simply would not do. With such a Special Counsel, merit protection would be a bad, and sad, joke. Many others familiar with the merit system—whether they were for or against the reform bill—strongly agreed.

The importance of the post is spelled out in Public Law 95-454 (the Civil Service Reform Act):

"The Special Counsel shall receive any allegation of a prohibited personnel practice and shall investigate the allegation to the extent necessary to determine whether there are reasonable grounds to believe that a prohibited personnel practice has occurred, exists, or is to be taken . . .

"The Special Counsel may, in the absence of an allegation, conduct an investigation for the purpose of determining whether there are reasonable grounds to believe that a prohibited personnel practice has occurred, exists, or is to be taken . . . [He must rule on any case involving] disclosure of information by an employee or applicant for employment which the employee or applicant reasonably believes evidences a violation of any law, rule or regulation, or mismanagement, a gross waste of funds, an abuse of authority, or a substantial and specific danger to public health or safety . . ."

And all that only begins to indicate the nature of the Special Counsel's job.

The first Special Counsel, H. Patrick Swygert Jr., did his job well, we thought, as we noted in an editorial late last year when he resigned "for personal reasons" after suffering a significant setback at the hands of the Merit Systems Protection Board in the U.S. Marshals case.

Swygert did not lack the will to prosecute, no matter who advised him to lay off. He did not hesitate, for example, to take on the mighty Justice Department in the marshals case. He ran his office like a law firm of prose-cuting attorneys and always seemed to be aware of his job's potential for righting wrongs. He cared about the guy stomped on illegally by the powers-that-be. When he left, we said that he would be missed and guessed that the administration would be strongly tempted to find a "responsive, politically pliable *known* quantity, as they say in Washington, to replace Pat Swygert."

We do not now say that Tom Henderson is such a responsive, politically pliable lawyer. We must mention, too, that Swygert holds Henderson in high regard and told us so once he learned that we were investigating Henderson's performance as chief of the Justice Department's Public Integrity section.

At Justice, Henderson had the job of cracking down on white-collar crime by federal, state and local officials. As Special Counsel he will be involved with similar cases. Obviously, how he handled federal personnel cases at Justice is eminently worthy of study.

Is Tom Henderson the right man to be Special Counsel?

To help answer that question, writers Inderjit Badhwar and Sheila Hershow have taken a look at his track record. And in an interview this week, Henderson defends that record.

We make no final judgment on Henderson as Special Counsel. But we do hope that members of the Senate, who will be called upon to make such a judgment, will find time to study his record as a crime fighter before consenting to his appointment to one of the toughest jobs in federal government, one that directly or indirectly affects every federal employee.●

SACCHARIN STUDIES

● Mr. NUNN. Mr. President, a thoughtful editorial in the Atlanta Constitution of Tuesday, March 11, 1980, entitled, "New Saccharin Studies," calls on the Food and Drug Administration to reexamine its position with respect to saccharin, the artificial sweetener.

As the editorial correctly asserts, saccharin is an important health agent which has proven itself to be of invaluable assistance to those suffering from diabetes and other sugar-related problems.

I certainly understand the FDA's concern as to a possible relation between saccharin consumption and cancer. However, if the recent studies conducted by the National Cancer Institute, Harvard University's School of Public Health, and the American Health Foundation are proven valid, the FDA should begin a new and intensive study of its own into the effect of saccharin use. The results, whatever they might be, should be disseminated as widely as the original negative reports on saccharin.

Mr. President, I ask that the editorial be printed in the RECORD, and I commend it to the reading of my colleagues.

The article follows:

NEW SACCHARIN STUDIES

There is some sweet news out for diabetics and others with sugar-related health problems. Three major studies indicate that the artificial sweetener, saccharin, is responsible for little, if any, cancer of the urinary tract and bladder.

The studies were conducted by the National Cancer Institute, Harvard University's School of Public Health and the American Health Foundation.

The Food and Drug Administration has moved to restrict or ban the use of saccharin, contending that earlier studies indicate it is a cancer-causing substance. The FDA based its action, which Congress has delayed, on studies showing the high incidence of cancer in rats which consumed large quantities of saccharin.

The studies which virtually absolved saccharin as a cancer-inducing chemical involved more than 4,000 human subjects.

We do not wish to castigate the FDA for trying to follow the law and restrict or ban the use of agents that may cause cancer. We believe the FDA has done valuable work in this field.

But, at the same time, saccharin is a valuable health agent in itself. It helps diabetics and others with sugar-related problems live relatively normal lives. If the current studies are valid—and we have no reason to believe they are not—the FDA should consider abandoning its attempts to deprive the public of use of this important artificial sweetener.●

THE U.N. VOTE ON THE OCCUPIED TERRITORIES

● Mr. JEPSEN. Mr. President, I rise today to express my concern about the matter of U.S. policy in the Middle East and the status, present and future, of our relationship with Israel.

There are several issues which need to be explored in the wake of the administration's recent vote in the U.N. concerning Israeli settlements in the occupied territories. These issues include the possibility of a shift in U.S. policy, the potential losses which may have been incurred to U.S. foreign policy in general, and the timing of this grave diplomatic error in the context of instability elsewhere in the region.

As I understand it, the essence of this administration's attitude toward Israeli settlements in the occupied territories has been that they are undesirable in the context of continuing negotiations, unwarranted in general, and, in fact, illegal according to international law. Whatever disagreement I may have with this policy, it has been the policy of our Government to carry out this debate in private rather than in public. We are all aware of the administration's efforts to dissuade Israel behind the scenes from continuing their settlement policy in the occupied territories. If this remains our policy, then we are faced with a serious question of competence; for it is now apparent that the administration has been unable to carry out that policy. With the recent U.N. vote, the private protestations of this administration have become public in a highly politicized international forum.

From the administration's own point of view the belated retraction and explanation seems likely to strengthen Israel's resolve in the autonomy talks, and will undermine the administration's efforts to influence Israel behind the scenes. By their own standards, the vote may have backfired. This will result in a net loss from where the administration's policy began, that is, trying to use quiet diplomatic channels to influence Israeli settlement policy.

However, there remains a legitimate concern in the Congress and among the people that rather than being a "diplomatic blunder" this vote may foreshadow a significant underlying shift in U.S. policy. Putting the question of Jerusalem aside, there are too many other references in the resolution, such as the call for dismantling of all existing settlements, which suggest a conscious political break with past policy as opposed to a mere foul-up in communications. There is concern that the United States has decided to push Israel publically on this issue, and that the United States is actively encouraging increased U.N. intervention into the very sensitive autonomy talks.

It is well known that in response to similar resolutions in the past, our policy has been to abstain. This pattern has now been broken. It is hard to believe that after all the efforts made by President Carter to achieve a negotiated settlement in the Mideast that the adminisration would pursue a course of action which so clearly undermines the autonomy talks formulated under the Camp David accords.

I fear, Mr. President, that in the wake of this error there will be tangible losses for U.S. foreign policy in this region. Now more than ever, Israel questions real U.S. intentions both with respect to the determination of this administration to bitterly oppose Israeli settlement policy, and in the sincerity of our overall bilateral relationship. In addition, our relations with Egypt will not be unaffected by these developments. Egypt will be afforded the opportunity to point to U.S. support of the U.N. resolution in its efforts to gain Israeli concessions. At the same time, however, the administration's backpedaling will leave doubts as to what U.S. policy really is. In either case, it seems likely that some strain in United States-Egyptian relations will be unavoidable. In sum, it is difficult not to reach the conclusion that our role as "honest broker" in the Camp David peace process has been compromised.

Finally, I have deep reservations about the administration's handling of this sensitive issue in the context of regional instabilities in the Persian Gulf. At a time when there remains a crisis in Southwest Asia—Iran, Afghanistan, and Pakistan—it would seem only prudent that we avoid a diplomatic crisis with allies in the Middle East. At precisely the time when we are beginning to appreciate the strategic value of Israel as a staunch ally of the United States—at a time when we need the diplomatic and perhaps material support of more moderate Arab nations such as Egypt—we have unnecessarily muddied the waters of the Camp David peace process and have jeopardized our relations with those countries so anxious to be our friends.

As hearings begin before the Senate Foreign Relations Committee, I urge the administration to submit a full and complete explanation of U.S. policy on this issue, and to reaffirm its commitment to the orderly negotiating process established under the Camp David accords—a process free from the undue pressure of those unaffected by the outcome.●

PROPOSED ARMS SALES

● Mr. CHURCH. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million or, in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

In keeping with my intention to see that such information is immediately available to the full Senate, I submit the notification I have just received.

The notification follows:

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., March 12, 1980.
Hon. FRANK CHURCH,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 80–48, and under separate cover the classified portions thereto. This Transmittal concerns the Department of the Army's proposed Letter of Offer to Egypt for defense articles and services estimated to cost $454.1 million. Shortly after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

Sincerely,
ERNEST GRAVES,
Lieutenant General, USA,
Director.

[Transmittal No. 80–48]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective purchaser: Egypt.

(ii) Total estimated value: Major defense equipment,* $409.1 million; other, $45.0 million; total, $454.1 million.

(iii) Description of articles or services offered:

Two hundred forty-four (244) M60A3 tanks with related communications equipment, armament, ammunition, spare parts, support equipment, training and associated services. The estimated total cost is $454.1 million.

(iv) Military department: Army (UBB).

(v) Sales commission, fee, etc. paid, offered or agreed to be paid: None.

(vi) Sensitivity of technology contained in the defense articles or defense services proposed to be sold: See Classified Annex.

(vii) Section 28 report: Case not included in Section 28 report.

(viii) Date report delivered to Congress: March 12, 1980.●

AFL–CIO SUPPORT FOR RFE/RL

● Mr. PELL. Mr. President, on February 1, I addressed the Senate on the question of the Soviet invasion of Afghanistan. On that occasion, I stated that the administration had overlooked one very important nonmilitary retaliation option—a stepped up capability of Radio Free Europe and Radio Liberty to broadcast news about the Soviet invasion.

Subsequent to my address, the Executive Council of the AFL–CIO met in Bal Harbour, Fla., and adopted a very strong statement of support for Radio Free Europe and Radio Liberty. The council also stated, as I did in the Senate, that there is an urgent need to increase the number of transmitters beamed at Soviet central Asia, Siberia, European Russia, and the Ukraine.

I support that proposal and ask that the full text of the AFL–CIO statement, which I commend highly to my colleagues, be printed in full in the RECORD.

The statement follows:

STATEMENT BY THE AFL–CIO EXECUTIVE COUNCIL ON RADIO FREE EUROPE AND RADIO LIBERTY

Radio Free Europe and Radio Liberty broadcasts, like those of the Voice of America, provide complete and timely news and analysis to the captive people who live behind the Iron Curtain. Without this source of information, these people have little or no access to the truth.

The broadcasts of Radio Free Europe and Radio Liberty serve as a lifeline of communication to those who courageously defend human rights in Eastern bloc countries. The airwaves provide protection for Andrei Sakharov and others who have no other defense except for public prominence.

The AFL–CIO Executive Council is deeply concerned by the continued slow disintegration of these broadcasting organizations. The reach of their message is being restricted by cuts in transmitter power and hours, and reductions in staff and program resources.

Bureaucratic delays have prevented the positioning of important new transmitters to reach Soviet Central Asia and Siberia, and there is a demonstrated need to increase the number of transmitters beamed at the heartlands of European Russia and the Ukraine.

We call upon the Congress and the Administration to work together to provide the leadership and resources necessary to continue the vital mission of Radio Free Europe and Radio Liberty.●

THE AFGHAN INVASION: SOVIETS USE GERM WARFARE

● Mr. DOLE. Mr. President, for quite some time now the Senator from Kansas has urged that the administration press the U.N. Committee on Disarmament for an investigation into the use of nerve gas warfare by the Soviet Union in Afghanistan. There are several reports coming out of that invaded, but not yet conquered, country that the Russians have used soman, a deadly nerve gas, in their attempt to suppress further Afghan resistance. This is a monstrous disregard for international law and tradition—an inhuman tactic to which even Hitler refused to resort.

The U.S. defense intelligence agency, by intercepting Soviet communications, believes the Soviets may also be waging germ warfare in their confrontations with the Afghan freedom fighters—and the innocent civilians who live in this testing ground for Russian military atrocity.

The Soviets, of course, deny this callous and flagrant breach of civilized values and inhibitions. But reports have leaked to the Western European press of industrial accidents in the U.S.S.R. involving biological weapons. Yesterday, the State Department confirmed that the United States was discussing the available evidence with the Soviets in Geneva. It is something the United States must take a firm stand against; no one can possibly "win" if NBC warfare (nuclear-biological-chemical) is ever employed.

HUNDREDS DIE

Perhaps the Soviets may find this out. Evidently, hundreds of Soviet citizens in Novosibirsk and Sverdlovsk died in 1979, after an explosion leaked virulent bacteria into the atmosphere. Only the isolation of the area from the outside world perhaps prevented a widespread plague. But in the Soviet Union, where the Communist elite holds the population in bondage, controls the press, and even prevents free movement by the citizens within the country—we cannot expect the Russians to refrain from further manufacture and use of biological weapons, even after these disasters.

ALLIES MUST JOIN UNITED STATES IN CONDEMNATION

Mr. President, the unprovoked invasion of Afghanistan was an affront enough to the values of the global community, which condemned by a massive vote in the United Nations the Soviet action. The invasion is also a serious challenge to U.S. and Western interests in the oil-rich Southwest Asian region. The threat of further Soviet incursions across the borders of Iran or Pakistan calls for the strongest of U.S. counteractions. We must be aware that the calculated desperation and determination that led the Russians to use nerve gas and germ warfare in Afghanistan is proof of the deadliness of Soviet purpose.

In his state of the Union speech, President Carter spoke loudly and firmly against the Soviet invasion, serving warning on the Kremlin that the United States would not tolerate an attack on the Persian Gulf. Since then, unfortunately, the administration has spoken only in symbols, taking little preventive action.

The United States must take heed that the rest of the world, particularly the Soviet Union, does not come to perceive that we are all bluster and bravado. Yesterday, Presidential Emissary and former Secretary of Defense Clark Clifford testified before the Senate Foreign Relations Committee, reminding all of us that the situation we face now in Southwest Asia bears striking resemblance to the situation Europe faced in the 1930's with the rise of Hitler. The same threat to world peace may result if we indulge in appeasement or "business as usual," the attitude which seems to characterize most of our European allies now. Secretary Clifford put the European attitude in proper perspective, saying:

> I believe they're engaged in a policy of wishful thinking, and they hope it will all go away . . . I would hope there would be a better understanding of the price we will have to pay if we do not stand up to the Soviet Union.

As the horror of Soviet "military" techniques in Afghanistan begins to sink in, as we learn more and more about the Russians' dangerous experiments in germ and gas warfare, the United States and our Western allies must soon realize just how important it is to stand up firmly to the Soviet Union. This is no occasion for business as usual, but for horror-stricken reaction. Every effort must be made to impress the U.S.S.R. of the world's condemnation of it. From the symbolism of moving the Olympics out of Moscow to the real crunch of meaningful restrictions on trade and technology transfer, we must act firmly and in concert.●

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* As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

SENATOR MILTON YOUNG

● Mr. BAYH. Mr. President, I wish to commend Senator Milton Young in his completion of 35 years in the U.S. Senate. For several of those years I have had the privilege of serving with him on the Appropriations Committee. Milton is honest, reliable, warm and friendly to all. He is a gentleman and a truly faithful servant of the people of North Dakota. But of even greater note than his devoted service to his home State, Milton Young's calm and patient presence has made a great contribution to the Nation and to the U.S. Senate during his career on Capitol Hill.

Milton, we all join in wishing you well and thank you for being such a good friend and warm colleague.●

ANATOLY SHCHARANSKY STILL A PRISONER OF CONSCIENCE

● Mr. PELL. Mr. President, last Saturday was the third anniversary of the imprisonment of Anatoly Shcharansky. Three years ago, on March 15, 1977, the Soviet KGB arrested this young Jewish activist and in July of the next year, he was sentenced to a total of 13 years of incarceration—3 years in prison and then another 10 years in the harshest category of labor camp.

He was convicted of the political crime of "anti-Soviet agitation and propaganda" and the trumped-up charge of "treason." At his trial—which was little more than a farce—the authorities claimed that Anatoly Shcharansky had worked with the CIA, a completely unfounded accusation that President Carter explicitly denied.

Anatoly Shcharansky's real crime was that he was a Soviet Jew who wanted to leave the country but whose government would not let him. First refused permission to emigrate in 1973, this articulate young mathematician became a spokesman for the Jewish emigration movement in the Soviet Union. His commitment to basic human rights for all of his countrymen—not just Jews—soon led him to become one of the founding members of the Moscow Helsinki Monitoring Group. Along with Yuri Orlov, Aleksandr Ginzburg and the other monitors, he worked to promote his government's compliance with the 1975 Helsinki Final Act.

We can now see that Anatoly Shcharansky's arrest and trial marked only the beginning of yet another brutal official crackdown on freethinking in the Soviet Union. Thirty-eight Helsinki monitors are now in prisons or exile in the U.S.S.R.; in 1979 alone, 13 members of the Helsinki groups and their affiliated committees were arrested.

In the last few months, the KGB has stepped up its drive to silence all critics of the Soviet regime. Some observers are calling the end of 1979 and the beginning of 1980 one of the worst periods of repression since the modern Soviet human rights movement originated in the mid-1960's. Valiant figures representing all facets of dissent in the Soviet Union have been punished. Political activists, religious believers, workers' rights advocates, nationalists, dissident authors and would-be emigrants—all have paid a heavy price for speaking out for what they believe. As recent events have shown, not even Nobel Peace Prize laureate Andrei Sakharov was able to escape this latest campaign of repression.

Last Saturday, Anatoly Shcharansky began his 4th year as a prisoner of conscience in the Soviet Union. Reports coming out of Chistopol Prison, where he is currently serving his term, indicate that his health is rapidly deteriorating.

We must not forget Anatoly Shcharansky and the others like him who are now suffering in Soviet jails, forced labor camps and psychiatric hospitals. Their tragic fates are potent reminders that the Soviet Union continues to violate the many human rights covenants that it has signed. On this sad anniversary, I must once again call on the Soviet Government to honor the pledges it made at Helsinki 5 years ago and live up to its agreement to respect the human rights and fundamental freedoms of its citizens.●

FIFTIETH ANNIVERSARY OF THE INAUGURATION OF HERBERT HOOVER AS THE 31ST PRESIDENT OF THE UNITED STATES

● Mr. HATFIELD. Mr. President, Vaughn Davis Bornet, who recently retired as professor of history and social sciences at Southern Oregon State College, has prepared an essay entitled "An Uncommon President" for inclusion in the series of essays commemorating the 50th anniversary of the inauguration of Herbert Hoover. Dr. Bornet is coauthor with Edgar Eugene Robinson of a 1975 study of Hoover entitled "Herbert Hoover: President of the United States."

The title of the essay, "An Uncommon President," perfectly characterizes Dr. Bornet's view of Hoover. The essay broadly examines every facet of his Presidency—foreign and domestic policy, style, methodology, politics, and principles. Dr. Bornet takes issue with attempts in recent years to brand Hoover with traditional political labels:

> In my judgment, there are serious flaws in calling him a "conservative", a "liberal", and especially a "progressive". He did consider himself a liberal in the 19th century sense but not in the 20th century usage of turning to the National Government to finance and regulate solutions to innumerable problems. His contemporaries in the financial community by no means included him as a conservative . . . the progressive officeholders in his party did not consider him one of them . . . he deeply resented being called an exponent of the 19th century "laissez-faire", calling it in 1933 a long-forgotten thesis.
>
> Hoover in office behaved somewhat as a modern "moderate". One should not be deceived on Hoover the President by focusing too long on Hoover in later years when he was in opposition to a rival political figure and party. The description "reactionary" is, to say the least, totally inappropriate. Hoover believed in "Capitalism with a human face".

Dr. Bornet also discusses Hoover's style and methodology, and here expands on one reason that Hoover was not more successful in the White House:

> The engineer-President of 1929–1933 tried to root his every act in orderly study and firm facts. This was commendable, but at the same time it must be admitted that it made for inevitable caution and delay. Wrote a confidant from Hoover's relief-giving years in Belgium:
>
> "He was an engineer, and an engineer has an entirely different type of mind from that of a lawyer. An engineer deals with concrete, exact facts—mathematics. And, inevitably, as a very successful engineer, his mind was of that nature, and did not admit of the compromise, the trading, and the give-and-take, which is characteristic of a legal mind . . . it ran counter to his innate feeling of what was right and proper". It is no surprise that he was not given to sloganeering or to image-making—but these have become essential to effective Presidential performance.

Mr. President, Dr. Bornet's essay is rich with such glimpses of the Presidency of a truly extraordinary man. I request that the essay, "An Uncommon President," be printed in the Record, along with a brief biographical sketch of the author.

The material follows:

AN UNCOMMON PRESIDENT

(By Vaughn Davis Bornet)

On March 4, 1929, over fifty years ago, Herbert Hoover took the oath of office as President of the United States. On March 4, 1933, he left Washington on a train for New York City, having predicted, "I am going to sleep for 36 hours." His had been a remarkable four years in office, during which he focused his powers of mind and spirit for the public good. There had been interaction with great leaders in and out of office, from overseas and at home, to seek solutions to national and world problems. The President had totally sacrificed personal considerations to the daily necessities of government leadership.

At the outset it will be well to offer once again the words of the evaluation of the President which concluded our book. Herbert Hoover: President of the United States (Palo Alto, California: Hoover Institution Press, 1975) and on which Edgar Eugene Robinson and I were agreed; I have no reason to modify the assessment: "Herbert Hoover, as President of the United States, conducted himself as an enemy of war and its armaments; as a friend of constitutional government; as a supporter of voluntary methods; and as a preserver of a partially regulated capitalist system that could hold its own in the face of such rival ideologies of the day as fascism, socialism, and communism. There would be for America no collapse or revolution; on the contrary, despite the economic emergency, there was a real record of accomplishment. President Hoover in the White House was, above all, a determined spokesman for the traditional American virtues, hopes, and ideals of individual opportunity, personal freedom, and love of country."

One should not delay in placing on the record the basic beliefs held at the time by the 31st President. A week before leaving office he summarized in a formal letter to the chairman of the Republican National Committee the "fundamentals and safeguards" that he believed to be absolutely essenial if the American system were to keep its high place among others in the world. He wrote: "They embrace rigid adherence to the Constitution; enforcement of the laws without respect to persons; assurance of the credit of the Government through restraint of spending and provision of adequate revenue; preservation of the honor, and integrity of the Government in respect to its obligations, its securities, and its sound currency; insistence upon the responsibilities of local government; advancement of world peace; adequate preparedness for defense; the cure of abuses which have crept into our economic and political systems; development of security to homes and living; persistence in the initiative, equal opportunity and responsibilities of individuals and institutions; and finally every encouragement to the development of our intellectual, moral, and spiritual life." Then he added, "Upon these foundation lies the freedom, the welfare, and the future of every citizen in the country."

A presidency is a blend of ideas, policies, actions, and techniques all of which have their due effect on foreign and domestic affairs. To reconstruct any of this intricate variety of patterns is one of the most challenging and difficult to be found in the arena of historical investigation and recording. The Hoover presidency is made no easier by the gap that has long existed between the relatively contemporary versions of events by participants, the capsulized sloganeering of political opponents then and since, and the accounts framed in due course by the academic fraternity.

The basic volumes by "those who were there" are the second volume of the Memoirs of Herbert Hoover, The Hoover Policies by Ray Lyman Wilbur, Secretary of the Interior, and Arthur M. Hyde, Secretary of Agriculture, The Hoover Administration by William Starr Myers, an historian, and Walter H. Newton, secretary to the President, and Hoover Off the Record by Theodore G. Joslin, special presidential secretary. Ranking with these, but less generally available, is the original manuscript diary of Henry Stimson, Secretary of State, which can be purchased on microfilm. Six volumes of Hoover's public papers, in two sets, are in print. Together, these volumes give the reader the definite impression that he is present on the scene, 1929 to 1933. Today, the scholar also has the manuscript collections of the Hoover Institution at Palo Alto and the Hoover Library in West Branch, Iowa, subject to the limitations of personal talent in research and living costs while at work.

Serious and dedicated investigators can also ransack contemporary magazines and newspapers, seek out other manuscript collections, read hundreds of recorded reminiscences ("oral history"), and read, to their confusion, scores of footnoted books and articles on various aspects of the Hoover incumbency. From all of this can be gathered facts in vast numbers and interpretations which cannot be reconciled with one another. To write a simple narrative about this president, therefore, is an exercise in enormous psychological strain, without the final satisfaction of assurance that one has fully recreated reality or judged fairly. Nevertheless, the story of President Herbert Hoover in office, technically a citizen of the United States but actually a citizen of the world both for the contents of his mind and the esteem in which he was held at the time, is one worthy of the effort. For this American was sui generis.

The foreign policies of President Hoover were not of the dramatic kind that are long remembered. Naval disarmament was one of his causes; the economic stability of European governments was another. A policy of goodwill toward Latin American countries began in earnest almost at once after his election, as he set sail for nations to the south and in speeches and actions sought to erase memories of past slights and injustices, real and imagined. The legacy of European monetary obligations dating from World War I was taken by him as a presidential responsibility, so that progress was made on the debt problem. Person to person diplomacy was practiced with heads of state, some of whom for the first time came to Washington to visit a leader who long since had spent fruitful periods in their countries.

A special problem demanding attention during the years 1929 to 1933 emerged when the Japanese invaded and occupied Manchuria. As a mining engineer with a worldwide clientele that took him to such remote places as South Africa, Australia, Russia, and China, Herbert Hoover brought to his relations with Japan a worldview and a profound knowledge of conflicting ideologies and cultures. His Secretary of State, Henry Stimson, wrote privately of him, "As a matter of fact, Mr. Hoover's knowledge of the Far Eastern situation, from his visits and his long residence there, from his experiences at Versailles and after made him probably the best informed man in Washington on Oriental questions." Faced with the plain fact of bald aggression by Japan against China, the President could bring to bear vast experience on the causes and consequences of war and the long-range results of provocative actions rashly taken in time of peace.

Contemplating the international situation that obtained in 1931, when major nations seldom cooperated for the common benefit, one notes with interest the Hoover assessment on the Manchurian crisis: "The United States has never set out to preserve peace among other nations by force. . . . Our whole policy in connection with controversies is to exhaust the process of peaceful negotiation. But in contemplating these we must make up our minds whether we consider war as the ultimate if these efforts fail. Neither our obligation to China, nor our own interest, nor our dignity requires us to go to war over these questions." Thus, "We will not go along on war or any of the sanctions either economic or military, for those are the roads to war." But he did have a program short of such action.

In 1929 the President had discussed with former Secretary of State Frank Kellogg the possibility of adding "moral teeth" to the Kellogg-Briand Pact. "The proposal I made to him was non-recognition of spoils or territory seized, withdrawal of embassies, united public denunciation by other powers, exclusion of membership to such aggressive powers in world conferences, etc." This Hoover Doctrine of nonrecognition was followed during his administration. (A similar policy has sometimes been pursued by this and certain other governments since then.) Hoover himself admitted that "it did not restore Manchuria," but he did feel that it might have played a role in the ultimate halt of Japan's attack on central China and so expedited their withdrawal from that area. Stimson felt at the time that he had enough clues to the Hoover mind to guess that in the event of a miraculous uniform agreement by the great powers or the League of Nations in favor of sanctions that his leader might well have gone along. In any case, Stimson would pursue the imposition of sanctions against Japan much later in the decade with results that are known to every reader of books on the various causes of the fateful Japanese attack on Pearl Harbor.

Few statesmen have acquired the deep and moving knowledge of war's capability for inhumanity and devastation that Hoover possessed. This insight was decidedly related to his cautious response to Japan's aggression, and it also motivated his desire to limit armaments. He said, ". . . certainly we want no military establishment for the purpose of domination of other nations." On another occasion he noted, "Ours is a force of defense, not offense." No foreign soldier should ever be allowed to land on our soil; at the same time, he thought it urgent "that legislation should be passed conferring upon the President authority in his discretion to limit or forbid shipment of arms for military purposes. . . ." He saw vast armaments as not only a burden upon the economic recuperation of the world, but also as a source of constant threats and fears. It is wholly futile to speculate as to how Herbert Hoover would now handle questions of national defense and protection of democratic nations, but it is worth recording that in 1945 he would be critical of the use of the atomic bomb on Japan.

Every presidency is tested by posterity, usually in an astonishingly simplistic manner: on a single subject, in response to a single question, or only after a single (and mandatory) emphasis in assessment. Those who dig deeply into history in order to pass judgment are free, of course, to set up their own criteria and to pass judgment much as they please. So it is not unfair, perhaps, to ask of President Washington, "Did you manage to unite public feeling in the country?" Or of President McKinley, "Did you resist to the end the moral pressures to take the country to war against Spain?" Or of President Wilson, "Having planned and sacrificed to create a League of Nations, did you maneuver opinion and your opponents so that your own country joined?" One could even ask of President Roosevelt, "Did you bring the Depression to an end with your programs?" (But that question is far more often directed at Herbert Hoover!)

Hoover was a peacetime president. The waging of war, more or less successfully, has been a major characteristic of those presidents customarily ranked high in the esteem of our historians. It is, in part, Washington the General in charge of revolutionary armies who is really being ranked among the top ten presidents, is it not? Then there is President Lincoln who by accepting war saved the Union. President Wilson rose to the heights entering war to make the world safe for democracy. President Truman, well regarded, kept South Korea and the United Nations intact with his "police action." Even President Polk, who expanded the nation to the Pacific through a divisive war with Mexico, does well when space is allocated in our history books and praise is doled out.

Such peacetime presidents as Cleveland, Taft, Coolidge, Eisenhower, and Hoover, who sought or accepted no war and never had the chance to whip up lasting national emotions in a fervent crusade are ranked well down the list of presidents. Thus is our penchant for quick and easy judgment exposed. Yet such unfair consistency is held up to puzzling display when we judge certain other presidents (Jefferson, Madison, McKinley, and three recent ones) who also waged war for Causes but certainly have not been much rewarded for posterity for doing so. We grow accustomed to speaking of certain presidents as having been in office "during a time of peace." We take it for granted. Better, perhaps, that we say that while in office they did nothing to take the nation into war.

There has been little attention paid to the issue of prohibition during the Hoover presidency. (There may now be some analogy with the thorny marijuana liberalization question.) Prohibition then was more than a question of enforcing the Volstead Act; it was for the chief executive a constitutional question, for the 14th Amendment was part of the Constitution. During the campaign of 1928 Hoover said, "Whoever is elected President takes an oath not only to faithfully execute the office of the President, but that oath provides still further that he will, to the best of his ability, preserve, protect, and and defend the Constitution of the United States. I should be untrue to these great traditions, untrue to my oath of office, were I to declare otherwise."

Furthermore, "the first duty of the President of the United States is to enforce the laws as they exist. That I shall continue to do to the utmost of my ability. Any other course would be the abrogation of the very guarantees of liberty itself." When urged by intimates in 1932 to be unclear or unsure rather than oppose a beer bill—thus winning wide support among the voters—Hoover replied, "If I have to resort to such tactics, I do not want to be in public life."

A sitting president, he judged, had no business advocating a change in the Constitution which he had taken an oath to defend; after all, there was a fully constitutional procedure for changing that document: "the President has no part in it, and should not have." So he told reporters, "regardless of what you believe will be the effect upon my political fortunes, and however right you may be, that is of no consequence. . . ."

The Hoover relationship to the Smoot-Hawley Tariff legislation has not been conveyed with full accuracy or balance in our textbooks. There has been much concentration on the higher rates of some products. But to the President, a major accomplishment of the legislation was its addition of flexibility in rate making by a new bipartisan Tariff Commission. He considered that body to be a way of getting an "eternally corrupting influence out of American life," that is, of minimizing log rolling and lobbying efforts exerted on partially informed Congresses.

The famous 1930 petition of a thousand economists was really directed at protective tariffs as such, not just at higher rates. It was written and distributed well before a bill on the tariff ever emerged from the Congress; thus the petition was a call to the Congress not to pass as well as to the President not to sign Smoot-Hawley. This has been little understood. Also forgotten is the fact that the new President in office felt strongly that not to sign would be to violate a campaign pledge that there would be a new tariff law; it was for Hoover a matter of honor.

When concentrating on the apparent causes of the Great Depression, many forget the great Mississippi flood of 1927 which devastated so much of the South Central part of American farm country, and the terrible problem of the 1930 drought. Moreover, grain prices had collapsed in Europe: there was Soviet dumping on the market; and European restrictions impeded trade. The Hoover policies designed to aid the farmer were extensive and meaningful, so that when speaking in 1932 the President could tell farmers, "Let no man tell you that it could not be worse. It could be so much worse that these days now, distressing as they are, would look like veritable prosperity." Thus, "Many of these battles have had to be fought in silence, without the cheers of the limelight or the encouragement of public support, because the very disclosure of the forces opposed to us would have undermined the courage of the weak and induced panic in the timid, which would have destroyed the very basis of success."

President Hoover felt that the farmer's problems should be solved with various forms of aid but not with subsidies from the government; and no special fee or tax should be imposed on him. Unlike many intellectuals then and since, he saw the tariff as a necessity in protecting American agriculture. He had high hopes for a new Farm Board, but the collapse in the stock market and subsequent deterioration of the economy turned that body for the most part into an emergency relief unit which used price supports to avert disaster. The long-range pluses, lowered income as consumers, losses in foreign markets, unemployment and migration, and the disappearance of world purchasing power—had emerged in the 1920's and continued on in the Hoover years. They certainly proved singularly stubborn and impervious to a variety of remedies for many years after 1929–1933.

It will be no surprise to those who recall Herbert Hoover the bonefish and fly fisherman that his long term as Secretary of Commerce, 1921 to 1928, and his period as President, were a time of growing federal interest in conservation. There was study at Hoover's initiative of such now-familiar problems as water purity, fish propagation, flood control, enhancement of the public domain, and other areas now of concern to the environmental movement. This story does not seem at this writing to have attracted its definitive biographer, although the outlines of accomplishment are emerging. His distinguished Secretary of the Interior, Ray Lyman Wilbur, observed in 1930, "We need to accept wise guidance if we are not to lose much of our heritage."

Among constructive policies pursued by the Hoover Administration was a major study of the national forests, and unrestricted lumbering came under control. The area of national parks and monuments was expanded by 40 percent. The President was personally responsible for activities which would later lead to the creation of Shenandoah National Park and the Skyline Drive. But the Congress and the public lagged behind the President in his concern, and much of what he wished was thwarted. His administration was worried about overgrazing on the public lands. Hoover took a particular interest in fisheries conservation, saying, "Pollution of the coastal waters by industrial wastes is yearly becoming a graver menace to the fisheries, shipping, and use of our pleasure beaches." Flagrant oil pollution was becoming damaging, he said. Meanwhile, as early as 1921 he had noted that salmon runs were disappearing, the sturgeon and shad were becoming extinct on the Atlantic Coast, and the lobster catch had declined by more than two-thirds.

Conservation of the nation's oil, however, got somewhat more publicity during the presidential years, but the effort seems to have been forgotten. Early in his term Hoover said, "There will be no leases or disposal of Government oil lands, no matter what emergency they may lie in, of Government holdings or Government controls, except those which may be mandatory by Congress. In other words, there will be complete conservation of Government oil in this administration." In words that ring well today, he observed that the people of the West were aware that there must be conservation of oil resources, for "they know that there is a limit to oil supplies and that the time will come when they and the nation will need this oil much more than it is needed now. There are no half measures in conservation of oil. The Government must cease to alienate its oil lands if we are to have conservation." Consequently hundreds of thousands of acres of oil leases on which drilling had not commenced were cancelled. (At the time, imports comprised 11 percent of American consumption, while 16 percent of national production was exported.)

Vast public works began or were furthered during the Hoover presidency, including major construction in the District of Columbia. The Boulder Canyon Project (which would lead to Hoover Dam) and the Grand Coulee Dam project on the Columbia River were expedited. The President's confrontation with Senator George Norris over the Tennessee Valley activity then known as Muscle Shoals has been much noted, since the President used the veto to block government production and distribution of electricity from water power and the manufacture of fertilizers. He saw little chance that a board appointed through the political process could ever provide "competent management" for such an enterprise. While in time both TVA and Bonneville would provide examples of government activity in the power business, the basic structure of power production in the nation remained in the private sector. That this result has met with little acclaim in books in the social sciences, and that Norris and his posture enjoy great stature in such circles, is altogether evident.

One public relations disaster of the Hoover presidency is always given prominence in discussion of the Depression years. This is the fate of the remnants of the veterans' Bonus Army in summer, 1932. There is new literature on this episode; two books, articles, and a summary treatment in Chapter 16 of the book, Herbert Hoover: President of the United States. In later years Washington would become accustomed to mass marches, sit-ins, and demonstrations, but at the time the encampment of some 20,000 veterans and others (including some Communists) was an event. As time dragged on, the President quietly initiated a bill to make loans available to provide transportation home for bona fide veterans. Many left, but the massed threat continued. Some veterans refused to leave buildings being demolished to make room for new construction; after that, police enforcing the law were wounded, and two veterans died. The District Commissioners now requested federal aid, in writing, so that Hoover reluctantly took over local administration, saying, "There is no group, no matter what its origins, that can be allowed to violate the laws of this city or to intimidate the government." But there was no martial law and the army did not take over the capital.

Even though the army officers and men were as good as the nation had at the time, and the orders of the Secretary of War said to "use all humanity consistent with the due execution of this order," General Douglas MacArthur, then Chief of Staff, took his small army across the Potomac River to Anacostia Flats (the BEF residence area) despite previous orders from the President to the Secretary of War that this not be done. The general thought there was "incipient revolution in the air." Unfortunately, the Bonus Army's camp was now burned by marchers with various motives and by the Army in the interests of sanitation and finishing the job. Hoover privately upbraided MacArthur; but neither then nor later did he take steps that would damage the career of the famous military figure. Thus the nation's leader accepted responsibility for what soon was portrayed as an unnecessary action executed with raw vigor.

Although no veterans were killed and no infants died (both false charges that linger)—indeed, no shots were fired—the reputation of a President who boasted a humanitarian record of long standing was besmirched. It was a tragedy that the President's initial desire that the troops carry only sticks and no firearms had been thwarted by the military—who quite properly worried that some humiliating event might then take place. Photographs of mounted cavalry and ragged bonus marchers made a lasting impression on the public consciousness; here was a cross for Herbert Hoover to take into the fall election and live down through the years.

A political legacy of the Hoover administration is the lesson that a President with a divided political party in the Congress, a substantial part of which is unwilling to follow his lead on ideological grounds, is one who cannot expect to exert optimum leadership in a crisis situation. The so-called Progressive Republicans, William E. Borah, Hiram Johnson, and others in the Senate and House, agreed with Hoover too seldom on important foreign and domestic policy issues. Thus his program for a New Day legislative approach and an emphasis on economic rather than political considerations could not fully prevail. The National Committee of his party, moreover, was for the most part out of step with his modern, scientific approach to government.

It is difficult to concur with many who now, fifty years after the Hoover incumbency, are inventing new labels to describe his sophisticated ideology. In my judgment there are serious flaws in calling him a "conservative," a "liberal," and, especially, a "progressive." He did consider himself a liberal in the 19th-century sense but not in the 20th-century usage of turning to the national government to finance and regulate solutions to innumerable problems. His contemporaries in the financial community by no means included him as a conservative, for they supported an appropriate opponent in the 1928 primary. The Progressive office holders of his party did not consider him one of them, and they knew that the recent Robert M. LaFollette campaign on a Progressive ticket in 1924 (in which the Socialists joined) found him on the opposing side. Unlike them he spent little time expounding on "monopoly" as a battle-cry, nor did he seek government ownership and production in competition with private business. His faith in the courts was greater than theirs. Since he did admire Theodore Roosevelt as president, he could be viewed as an "old progressive."

Knowledgeable scholars have offered such labels as "associational progressive" and "corporate liberal" for him and "cooperative capitalism" for his program. Two of his own terms virtually disappeared during the presidency: "American Individualism" (in contrast to socialism and communism) from his 1922 book and "The New Day" from the 1928 campaign. His November 6, 1928 call that America not lose its "rugged individualism" was grossly distorted by collectivist opponents for political purposes. He deeply resented being called an exponent of 19th-century "laissez-faire," calling it in 1933 a long forgotten thesis.

Hoover in office behaved somewhat as a modern "moderate." One should not be deceived on Hoover the President by focusing too long on Hoover in later years when he was in opposition to a rival political figure and party. The description "reactionary" is, to say the least, totally inappropriate. Hoover believed in "capitalism with a human face."

If President Hoover's personality had possessed more sparkle in public, or if he had possessed skills in public relations which in our day have become prerequisites to seeking and achieving the office in the first place, he might have been able to overcome to a great extent the lack of Republican majorities in Congress after the midterm election of 1930. Yet his success with vetoes was nearly complete.

The fact that Hoover received 1,126½ votes out of 1,154 in his 1932 nominating convention shows support, but it does not tell the story of division and disunity in his party, which was split into units and blocs, just as it had been for a quarter of a century. He had entered office without the support of Wall Street on the one hand, and Progressives on the other. He was not favored by "wets." The Republican Party, as an organization, was responsible neither for his nomination nor his election in 1928, for he had built his own personal following and captured the public imagination during World War I relief activities and the administration of food production and distribution; still others would enlist during his outstanding performance as Secretary of Commerce. But a president needs a strong party organization. So in 1932 Hoover faced the nation, inescapably linked in many minds with the stock market crash whose roots went back in time and were international in origins, with the failure of Prohibition, and with the bonus fiasco; he was severely handicapped.

The President developed and carried out a program against the Depression; there can be no doubt on the matter, whatever the joviality once directed at his insistence on balancing the budget and fighting against inflation. The point of view he held, and the measures he chose quite naturally not those to be provided two or four or six years later when it was fully recognized that the Depression was no temporary thing—as had been the case so often in decades past. Although he inherited a miserably weak office from his predecessor, had only a minute secretarial and clerical staff, and could not extract from Congress the power to reorganize government offices as he thought vital, he passed a strong and activist office on to his successor.

Hoover at work used the method of extensive personal conference with top leaders in business, labor, and finance as one who was the peer of all he consulted; and he did get results. The President relied, initially, on major organizations in being—voluntary groups, the Community Chest movement, and the American National Red Cross—in an effort to get Americans at the grass roots to share fully in aiding their countrymen. Over and over the leaders of these bodies told him, in 1930 and during most of 1931, that what they were doing, and were capable of doing, would be sufficient to meet all immediately impending relief needs. It must be admitted that he was trapped to an extent by their inexperience; they also did not entirely trust one another; and the gap between the cities and rural America was vast in the extent of need and its remedy.

Secretary of Commerce Hoover had striven to develop new systems for making the government more effective in preventing boom and bust and coping with economic dislocations. In 1927, for example, he wrote a trusted subordinate that he wanted a department commission set up on the Present Business Cycle, with its members given "as much relief" as possible from other duties. The committee should study the past; how much mitigation of the cycle had been achieved; where we are in the present cycle; and what new statistical services would be required "to more clearly give warnings or indications of the position." A two-volume study, Recent Economic Changes, appeared in 1928 and, together with other Hoover efforts at assessment of industrial America, has been credited with being a pioneering effort to give the ship of state a compass and sextant.

The President believed, as was the general conviction at the time, that states and local governments were the next level of responsibility after voluntary agencies reached their limits. Governor Roosevelt spent most of his term of office with a similar belief, and both men then said and believed that government budgets should be balanced. The next recourse, Hoover thought, was for the national government to underwrite the efforts of state and local governmental units, provided they could demonstrate that their taxing and borrowing capacities were extended to the limit. It was at this level that the famous Reconstruction Finance Corporation could be effective: it could serve to keep giant employers from going under, thus maintaining employment, and it would play a vital role in saving overextended banks from disaster. Congressional insistence, led by John Nance Garner, that RFC loans be publicized was a sword in the heart of public confidence.

As his term in office began, Hoover determined that there should be a White House Conference on the Health and Protection of Children, saying that the nation was fundamentally concerned with equality of opportunity for every child—and that meant health and protection. The first such conference since the Roosevelt and Wilson efforts, it was financed by a half million dollars from private sources. By social workers it was considered "one of the most significant events of the year." From the conference came a famous Children's Charter, in which Herbert Hoover took a personal interest. Very early he drafted some poignant notes for it in the broad pencil handwriting in which he wrote memoranda and all of his speeches.

Those Hoover notes on society's obligations to children tell much about the man. He wrote:

1. Adequate care at maternity.

2. Frequent medical inspection—(a) By family doctor (b) By School or Community Clinic.

3. Adequate hospital or clinic treatment for cure of deficient children.

4. Adequate room, diet, sleep and play.

5. Decentralized County, State, National organizing against communicable disease.

6. Rigid inspection and control of food and water against infection.

7. Adequate facilities of recreation and play.

8. Education in Health for child and parenthood.

9. Special education for deficiencies ("Handicapped" was jotted nearby).

On another draft Hoover wrote, "Every child is entitled to the feeling that he has a home. The extension of the service of the community should supplement and not supplant parents." To the 5,000 who attended this conference-style learning experience the President said, "If we could have but one generation of properly born, trained, educated, and healthy children, a thousand other problems of government would vanish." Thirty books grew from the conference, and follow-up meetings were held in most states, after which much state legislation emerged.

A perceptive view of aid for the needy in the 1930's is to see help being given in ascending sequence at various levels and through many methods, with the amount of help and the degree of organization and centralization increasing gradually through the Hoover and Roosevelt administrations in response to expanding needs. It is foolish to suggest that Hoover should have led a crusade for old age pensions or unemployment insurance, for the groundwork in experts' minds was only beginning to be laid in the second and third year after the Crash. (The Survey magazine of Paul Kellog was then conceded to be in the forefront of social work thought; yet only in December, 1931 did editor Kellog make his first public social insurance suggestions, and it was spring, 1932 when a "planning" issue finally appeared.)

Back in his early days as Secretary of Commerce Hoover had circulated a memorandum on old age pensions, but as President he says he judged that "the height of the world's greatest depression was no time to introduce such ideas, even had we possessed the leisure time to formulate the plans. Our first job was recovery of employment . . ." Yet a conference in the White House on September 28, 1929 was designed to interest insurance executives in the problem of old age income support. (It might be borne in mind that the Social Security Act did not ameliorate the Depression. It was passed in August, 1935, but the first checks went out only in 1939.)

The engineer-President of 1929–1933 tried to root his every act in orderly study and firm facts. This was commendable, but at the same time it must be admitted that it made for inevitable caution and delay. Wrote a confidant from Hoover's relief-giving years in Belgium: "He was an engineer, and an engineer has an entirely different type of mind from that of a lawyer. An engineer deals with concrete, exact facts—mathematics. And, inevitably, as a very successful engineer, his mind was of that nature, and did not admit of the compromise, the trading, and the give-and-take, which is characteristic of a legal mind. I've always felt that he had very little sympathy for that type of dealing. He could get along with it, but it ran counter to his innate feeling of what was right and proper." It is no surprise that he was not given to sloganeering or to image-making—but these have become essential to effective presidential performance (hollow though they may seem to those of serious mind).

Hoover held the loyalty of subordinates through a long lifetime. He did not always distinguish between his responsibilities and theirs, but he did not go around officials to their subordinates. His method in conference was to argue the opposition's case, so that those on his team had to produce counter arguments. Ultimately, he would make up his mind and then turn to action, says Stimson, "with great courage." He had the habit of first seeing and outlining the dark side of a proposition. This naturally did not make life any easier or pleasanter; thus Stimson recorded in 1931 that he was "clean discouraged and tired out. I don't think he realizes how hard it is to work for him," for the President interfered with every detail, whereas Coolidge had just turned subordinates loose. With Hoover, he noted in his diary, one didn't dare plan to go ahead a step without looking around.

The President viewed his governmental duties with the utmost seriousness. A colleague once heard him say that he knew how to make money, for he had learned that in the London financial market—and it didn't interest him any more; "but public service did interest him, and the humanities interested him; therefore, he had no interest in making more money." So those affiliated with him knew that theirs was a vitally important role in the eyes of The Chief. A correspondent for the New York Herald-Tribune in those years said later, "he was a general in a war—marshalling the forces to meet each new assault of business decline, unemployment, distress of people and of financial institutions, as well as economic blows from abroad." Neither subordinates nor the public could fully relax with such a man.

President Hoover's speeches in office are a compendium of glowing, heart-felt statements in recognition of needs, in praise of volunteerism, and of the essential nature of people-to-people effort. He did not use ghost writers. Said he, "By every means that is available as Chief Executive I have for the past three years summoned every private and public agency to cooperate in making certain that no man, woman, or child of all our people should go hungry or cold through a lack of forehanded provision." Again, "It is unthinkable that any of our people should be allowed to suffer from hunger or want. The heart of the nation will not permit it." Wrote the Salvation Army's Evangeline Booth to him, "May I venture to add that once more you are expressing to the world your great heart of feeling for those who are caught in the malestrom of tragic misfortune."

It is clear that the President's chosen methods, as they expanded, were appropriate to the winters of 1930–31 and 1931–32. They still further expanded to fit the needs of winter, 1932–33. They clearly would not have sufficed as the Depression tightened its grip in 1933–34 and what had been a seasonal problem became a twelve-month ordeal. It is insulting to the Hoover mind and spirit even to intimate that the man who had expanded world and national action for the needy in response to changing circumstances would not have continued to do so had he been kept in office. Still, he probably would not have retreated from his belief that it was his job "to maintain the bedrock principle of our liberties by the full mobilization of individual and local resources and responsibilities" even while expanding old and developing new relief mechanisms.

The partisan who is insistent on condemning Herbert Hoover in perpetuity for not having founded a WPA, CCC, NYA, or the equivalent should in fairness judge his successor for not having developed, say, legal aid, Medicare, or federal aid to education as did the Lyndon Johnson administration years later. In history all know that everything must await its time: needs must be demonstrated; ideas must be born; advocates must do their work; that is—circumstances must be ripe. Jefferson spent little time on equal rights for women, Lincoln virtually no effort on social rights for freedmen, Gompers no vigor incorporating negroes into his beloved AFL, and Wilson no major force in cutting down the 60-hour workweek (as Hoover would do, successfully, for the steel industry in 1921).

One of the President's great plans early in his term was that a carefully chosen team of thoughtful social scientists should spend several years studying American society in all of its aspects. Thus the groundwork would be laid for progressive effort by himself and others in what (he then had every right to expect) would be his second term. Recent Social Trends and a dozen other commercially published books emerged from this privately financed effort. The central volume of the work was given enormous—really unexampled—front page attention by the nation on and after New Year's Day, 1933. This fact-filled study clearly had a profound effect in facilitating changes in the next decade, especially since it was quietly transmitted to a central official of the incoming administration's "brains trust" for his and Roosevelt's attention; it almost certainly influenced the president-elect's inner circle. For some years Recent Social Trends would be a textbook in college classrooms, and most commentators and scholars preeminent in its area of concern reviewed the book or commented thoughtfully on its findings. (In social science it was a pioneering collaborative research effort, so that in its manner of execution it was a forerunner of the technique of systems analysis relied on in our own day.)

The Hoover defeat for reelection in 1932 although fully anticipated by the incumbent executive, was nevertheless a strain, not just on the President but on those intimates who had absolutely no thought of abandoning him as a person or symbol. Wrote Frank Kellogg to a State Department official on November 18, 1932, "I have been so stunned by the election that I haven't had any disposition to write to anybody. The President made a splendid speech in St. Paul, had a wonderful reception, the Auditorium was packed for a couple of hours before he spoke and thousands turned away. However it was of no use. Nobody could have been elected on the Republican ticket this year. Depression and beer swamped us absolutely." Many there were among the nation's best educated men of affairs who felt much the same way.

There seems to be little point in further review in this place of the terrible period in the Hoover administration between Election Day, 1932 and the inauguration of Franklin Roosevelt on March 4, 1933. That the incoming President deliberately did not cooperate with the incumbent is clear and amply on the record. Roosevelt's motives and his methods as he bided his time while the financial situation deteriorated (in considerable part because of wide uncertainty over future government financial policies) are, even so, in permanent dispute among those who have read the dismal record. Many believed then, and more should believe now, that any bank holiday beyond that already declared in many states was entirely unnecessary. Hoover certainly was convinced of this.

Thus the dramatic crisis of the first days of the new administration was an unnecessary but very frightening trauma. An account of these facts appeared in 1955 in Edgar Eugene Robinson's widely noted book The Roosevelt Leadership, 1933 to 1945 (for which I had the privilege of being research associate), but research and writing on the matter have continued, for the questions are difficult ones of propriety, good faith, ethics, judgment, economic predilections, and both Democratic and Republican partisanship.

The people had spoken. As the time to depart arrived, the New York Times said editorially, "Herbert Hoover ought to be remembered for his abilities, his successes as well as his failures. Through all the great crisis he certainly displayed great qualities. No President ever worked harder in the hope of helping people escape from their troubles. Into his coming retirement the American people will follow him with respect. They will regret that he fell upon evil days wherein his usual powers could not be rightfully appreciated or made completely effective."

To consider the Hoover administration in perspective, one turns to several who could judge expertly because, like Hoover, they occupied the presidential office. Asked if the former president's help in the 1952 campaign would have posed a problem because of his "depression background," Dwight D. Eisenhowever replied, "No, because first of all I have never thought that he had the slightest thing to do with the development of that depression. He was made the goat, very unfortunately, and it took the American people a long time to free themselves of the influence of demogogic statements that had been made over the years about the 'Hoover depression.'" Then he added, "These things happen. It has been sometimes happenstance that wars have broken out; it was a happenstance that this depression came along so quickly after Mr. Hoover was elected." Harry Truman's regard for Hoover is well-known, for he relied heavily on him.

Another White House occupant, Lyndon Johnson, would judge, "The more I see of his record of public service the more I respect his genuine dedication to what was best for the people of this country and the world. I think he gave a good deal more in the way of talent and dedication than he has received credit for. I think he endured many cruel moments during his lifetime by being pictured as a heartless man. I believe history will correct these things." (Perhaps it was with some such thoughts in mind that Joseph P. Kennedy was so anxious in December, 1960—in the words of his wife—"to arrange that the first meeting of our son, the President-elect, had with any public official was that which he arranged for him with Herbert Hoover. At that conference, the newly elected President asked and received all sorts of personal advice from Hoover.")

Sometimes it is observed that Herbert Hoover would have made a magnificent president at some time other than when he entered upon that responsibility. The implication is that somebody else would have done better, 1929 to 1933. This is strongly to be doubted, even though the name of Alfred E. Smith is remembered with respect. The main task at that time was to keep the ship of state afloat with American economic integrity, civil liberties, and families intact. Democracy was then lost in the Soviet Union and Italy, and it quickly disappeared in Germany. At a time when communism and fascism were on the march, President Hoover strove mightily—and successfully—to save democratic capitalism. (The unfairness and the stridency of some criticism of him in the past leads one to believe that this very success on his part is one reason why some will never forgive him. Indeed, a noted historian who later became a major figure as a presidential aide once wrote that a problem with the way Roosevelt handled the bank crisis is that in spring, 1933 he had the opportunity to nationalize the banks of America but let the chance slip from his fingers. Those who like socialism in whole or in part are unlikely ever to like Hoover for the right reasons.)

To think back on President Hoover in the perspective of a half-century is to recall one who was dedicated to the idea that America should be a land marked by equality of opportunity. Strains placed on children by the Depression were a constant concern, and his faith in the family and moral training never wavered. He acted in office as one who believed as did the founding fathers in the federal system and in separation of powers. The executive branch had a role clearly spelled out in the Constitution. The chief executive of a great nation could and should be a leader in world affairs, leading both by conference and example. War had proven itself to be no solution for international problems, so the time for general reduction in armaments was at hand.

Finally, when considering this President of long ago, we will want to bear in mind that Herbert Hoover was an idealist at a time when ideals had not yet risen to the (sometimes unrealistic) heights of our own day. He was a realist who did not have at hand the machinery of fact-finding or the array of specialists and electronic machinery now available. He was a leader in office who had to lead at a time of drastically changing communications practices.

Shortly before his retirement from office the bone-tired President confided to his secretary Joslin, "What I have tried to do during these years has been to save the American people from disaster. They do not know what they have missed. Because they don't know what they have missed, they are dissatisfied with what has been done. In such circumstances, they turn to other leaders. A former European official recently observed that statesmen, in trying to prevent disaster, kill themselves off. He might say that my tactics have been wrong, that I should have waited until the American people were half-drowned and then have waded in and tried to save them. In such an event, they would, of course, have known what it was all about. But it would have meant catastrophe."

Neither the last of the old presidents nor the beginning of the new, not a defender of an Old Order nor a forerunner of the New Deal, Herbert Hoover as President of the United States created his own parameters for democratic government. He was a dedicated man who worked unbelievable hours on behalf of his countrymen. His presidency, like others, is by no means beyond critical evaluation and telling comparisons unhelpful to his historical stature, nor should it be. At the same time, he is entitled to fulsome praise for what he tried to do, and he deserves appreciation for what he achieved during only four years in the White House. The United States will always need and must have leaders of his intelligence, energy, fidelity to duty, sense of propriety, and determination to serve the best interests of their fellow countrymen. Herbert Hoover was an uncommon President.

VAUGHN DAVIS BORNET

Born, Philadelphia, Penna., October 10, 1917, married Mary Elizabeth Winchester of Susanville, Calif., December 28, 1944, children Barbara Lee Riggs (grandchildren Dana and Susan), Stephen Folwell Bornet. Lived Bala Cynwyd, Penna. to 1933, Miami Beach, Fla. to 1935; graduated Ida M. Fisher High School; Bachelor of Arts With Honors, Emory University, Ga., 1939, Master of Arts, 1940, doctoral work, University of Georgia, 1940–41; U.S. Navy, 1941–45 and reservist, Yeoman First Class to Commander (ret.); faculty, Mercy University, 1946, University of Miami (Fla.) 1946–48; enrolled, Stanford University, 1948–51, Doctor of Philosophy, history, 1951. Lived subsequently in Menlo Park, Calif., 1951–56, Glen Ellen, Ill., 1956–59, Santa Monica, Calif., 1959–63, since 1963 in Ashland, Oregon at 365 Ridge Road (97520).

Grants and awards: Emory University Alumni scholarship, 1935–37, Senior scholarship, 1939, Graduate fellow, 1939–40, University of Georgia fellow, 1940–41, Carson fellow (Stanford), 1951, Ford Foundation fellow, 1951–52, Volker Foundation fellow, 1956, Lyndon Baines Johnson fellow, 1977, Oregon Committee for the Humanities awards, 1978, 1979; grants, Foundation for Economic Education, Merrill Center for Economics, others. Received Meritorious Service Medal, Oregon Heart Association, Distinguished Service Medal, American Heart Association; selected Visiting Professor of History, World Campus Afloat around-the-world trip, 1969.

Employers after doctorate: Commonwealth Club of California, 1953–56, Stanford University (research associate, Institute of American History), 1952–53, Encyclopaedia Britannica, 1957, American Medical Association, 1958. The RAND Corporation, 1959–63, Southern Oregon State College, 1963–79 (Professor of History and Social Science), Emeritus, 1980– , (Chairman, Social Sciences Division, 1963–74).

Author: Of the books California Social Welfare: Legislation, Finances, Services, Statistics (Prentice Hall, 1956); Welfare in America (University of Oklahoma Press, 1960); Labor Politics in a Democratic Republic (Spartan Press, 1964); with Edgar Eugene Robinson, Herbert Hoover: President of the United States (Hoover Institution Press, 1975). For the Committee on Future Role, American Heart Association, The Heart Future (1961). Editor for Herman Kahn's On Thermonuclear War (1960). Research associate for E. E. Robinson's The Roosevelt Leadership, 1933 to 1945 (1955). Author 23 documents and reports for The RAND Corporation, and the article "United States" for Encyclopaedia Britannica Yearbooks, 1956 and 1957. Author of limited edition book Speaking Up for America: A Bicentennial Voice from the Rogue River Valley (1975). Author of numerous articles and book reviews.

Listed in: Contemporary Authors, Who's Who in the West, Who's Who in America, others.●

HANDGUN CONTROL—ALLARD LOWENSTEIN

● Mr. JAVITS. Mr. President, this is not the first time I call to my colleague's attention another tragic illustration of the need for gun control. Today we bury Allard Lowenstein, a former colleague, fellow New Yorker, and civil rights activist.

Among his varied causes, advocacy for handgun control was prominent. Lowenstein may have been saddened, but not surprised, to know that the man accused of his murder bought the weapon in a Connecticut gun shop, using only a drivers license as identification. This purchase took place despite the fact that the man buying the pistol had been confined to a mental institution in the same State. As is so common in these cases, no one bothered to check.

Connecticut does have one of the stricter gun control codes in the Nation. New York's laws are still stricter. Yet, over 90 percent of the handguns used in New York City come from out of State. Every year, 250,000 citizens are assaulted with handguns. Of these, 9,000 are murdered. Allard Lowenstein was 1 of the 24 deaths a day that are attributable to handguns.

Only when we have strong Federal legislation will we be able to abate these apalling statistics. The tragedy is that it is now too late for Allard Lowenstein to continue helping in this effort.

I would also like to call my colleagues' attention to an editorial from the New York Times on this subject that appeared yesterday.

The editorial follows:

THE SHADOW OF THE GUNMAN

Last Thursday, Allard Lowenstein offered this urgent advice to Senator Kennedy's New York campaign aides: Don't forget gun laws; be sure that one of the Senator's taped commercials includes a plea for Federal control of handgun sales. On Friday, the former New York Congressman was fatally shot in his office. The man accused of the killing had bought a pistol in a Connecticut gunshop, using a driver's license for identification. The purchase was perfectly legal, even though the purchaser had been committed to a mental institution in the same state.

"Guns don't kill people. People kill people." That bumper-sticker slogan of the gun lobby is nonsense. Many impulsive murders would never occur if the attackers lacked easy access to handguns. America is the only industrial society without effective national controls on the sale of firearms. The distinction would end if Congress passed Senator Kennedy's handgun control bill. One provision would authorize the police to block the sale of handguns to persons with a history of mental disorder. It would have prevented the man charged with murdering Mr. Lowenstein from buying a Spanish-made weapon with $120 and a driver's license.

A sound Federal gun law alone would not keep felons or the deranged from acquiring firearms. But the absence of such a law also undercuts the gun-control measures of states like New York, whose neighbors persist in lax standards. In thwarting the desire of a majority of Americans, as expressed in a multitude of polls the firearms zealots ignore the shadow of the gunman on American life.

Al Lowenstein was a gallant crusader for a hundred causes, some of them lost, but none ignoble. He was that rare character, the impassioned but moderate liberal. His single term in Congress, despite many tries, was insufficient measure of his influence on his chosen constituency, the young. Like his hero, Norman Thomas, he was an agent of ferment. His death by violence is the more scarring because the only weapon he ever used was the sharp language of debate.●

NATIONAL HISPANIC CAMPAIGN TO FREE AMERICAN HOSTAGES IN IRAN

● Mr. GRAVEL. Mr. President, I wish to call to the attention of my colleagues the outstanding work of the National Hispanic Campaign to Free American Hostages in Iran, headed by Mr. Jose Aceves, president of Hartec Enterprises. The National Hispanic Campaign has set a goal of 100,000 signatures from Hispanic Americans on petitions demanding the immediate release of their fellow Americans being held hostage in Tehran. Once the signatures have been collected, the campaign will deliver them to Iranian officials both in the United States and in Iran.

This effort to express to Iranian leaders the united position of all Americans on the fate of our fellow countrymen is especially significant, coming as it does from within the Hispanic community. Iranian leaders and the militants holding the Americans captive have often tried to suggest that members of American minority groups would be sympathetic to their actions agains the United States and its citizens because of an alleged similarity between the suffering of these minorities and the suffering of the Iranian people at the hands of the U.S. Government. The National Hispanic Campaign makes abundantly clear the speciousness of that allegation, and as Mr. Aceves made clear in his statement before the National Press Club on March 12, the American people are quickly losing whatever sympathies they might initially have been inclined to have toward the Iranian people because of alleged actions by the Shah.

Mr. President, the National Hispanic Campaign has received the endorsement of the President, and I know my colleagues will want to join me in endorsing this fine effort as well. I ask that a statement by Jose Aceves which explains the campaign more fully be printed at this point in the RECORD.

The statement follows:

STATEMENT MADE BY JOSE ACEVES

The more than 20 million Hispanic people in the United States have united together in the universal effort to free the American hostages now being held captive in Iran. Let it be known that we will not sit still on this issue.

We officially launched the National Hispanic Campaign to free the American hostages in Iran one month ago today. Thousands of members of the Hispanic community have signed petitions in support of this movement. I have with me some of these signatures—signatures that have been pouring in from Florida, Puerto Rico, Texas, Nebraska, Illinois, New York, New Jersey, California, Connecticut, Wisconsin, Colorado, Minnesota, Arizona and New Mexico just to name a few.

National organizations such as image, the American G.I. Forum, the Latin American Manufacturers Association, the National Economic Development Association, the Association of Spanish Speaking Certified Public Accountants and the League of Latin American Citizens are just a few of the organizations supportive of this national effort.

We will show the Iranians visible proof of our united effort by delivering these petitions to representatives of their Government. Mr. Lupe Saldana, chairman of the American G.I. Forum and a decorated ex-Marine officer, will present copies of the names to the Iranian Embassy here in Washington. At that same time, our campaign's national steering committee will select four nationally recognized Hispanic leaders to present the signatures to the Iranian delegation at the United Nations in New York.

Visas for travel to Iran have been applied for through the Iranian Embassy and these same Hispanic leaders shall endeavor to deliver the signed petitions to Iranian Government officials in Tehran.

We are outraged at the Moslem students' takeover of the American Embassy and the lack of sensitivity shown by the Ayatollah Khomeini in regard to these hostile actions on the part of the students. It is very clear that the fate of the hostages hangs on the will of these militants who continue to ignore President Bani-Sadr's wishes thus making it very difficult to identify where the power and authority lies in Iran.

Americans must now evaluate Bani-Sadr. Is he a puppet?—or the President? Is the Ayatollah Khomeini really in charge?—or are there other elements manipulating this self-imposed ruler? Very simply—what the hell is going on? What do the Iranians think will happen if they continue to play games with human lives? It is true that we are known as a forgiving nation, but in this situation, our patience is quickly running out.

It is time that the American people realize that the Ayatollah Khomeini, the student militants and perhaps Bani-Sadr never intended to resolve this problem and will continue to change their minds over and over again just to keep us hanging. It appears that they are trying to use American internal politics to eventually tear our confidence in our own leaders and in our brothers.

America provides support to many governments in their efforts to promote democracy and human rights. Americans can no more accept responsibility for all actions by the heads of the many countries we support and maintain friendly relations with, than we can be responsible for the actions taken by the Soviets in Afghanistan.

The Ayatollah Khomeini has stated many times over that the Americans are being held prisoner because of the many "acts of aggression" on the part of the United States towards the Government of Iran. We ask ourselves, "What acts of aggression?" For years our country has been supporting the economic growth of Iran. Over 59,000 Iranian students are currently enrolled in many of America's colleges and universities. These students graduate and return to their country to better understand, to deal with, and to better the economic growth of their country. Are these "acts of aggression?" We say, "no"—and we ask ourselves "why?"—why is the Government of Iran placing itself in such a precarious position with the United States? Iranian demands include the return of the Shah and his wealth. If the Iranians want the Shah and his wealth—let Iran go and get them. We are not their messengers or their servants.

With the takeover of the American Embassy in Tehran, Iranians have established a dangerous precedent that is spreading to many other places endangering the lives of many innocent people. A precedent that is in violation of their own Holy Laws of Islam. They themselves are killing their own brothers just a few hundred miles away—and in the name of the Ayatollah Khomeini!

I consider myself fortunate that I live in this great country. I think that all of us are fortunate to live in this democracy. We must not take this international humiliation and abuse of our people from the Iranians. We must take a message from the American people—no more games! Iran has nothing to gain by holding the Americans any longer. They must know that they are losing whatever sympathy Americans may have had at one time felt for them because of past actions by the Shah. Americans are angry and it appears that if we allow Iran to make us crawl, they still won't release the hostages.

While we respect our Government's efforts in their negotiations, the American Hispanic community feels that this injustice has gone on long enough. We must now demand the immediate release of all the American hostages.

God only knows of the torment these people have experienced over the last 130 days. Free our people—and let us all get on with the business of life.

STATEMENTS

The following is a statement from Mrs. Louisa Kennedy, wife of Moorhead Kennedy. Mr. Moorhead Kennedy is the United States Embassy's economic officer now being held captive in Iran.

I am outraged at the containment of international diplomats on United States owned property in Tehran.

Hopefully, this situation will be resolved in a responsible manner by the powers that be.

My many thanks go out to the National Hispanic Campaign for making clear their support for these innocent people.

Read at the National Press Club on March 12, 1980 during the National Press Conference given by the National Hispanic Campaign to Free the American Hostages in Iran.

The following is a statement from Mr. Jesse Lopez, father of James Lopez, now being held captive in the American Embassy in Tehran.

It is hard to tell who is in charge anymore in Iran. I only hope that the people of Iran realize that they have nothing to gain by holding the American hostages.

My family and I are constantly praying for the safe return of my son. I would like to thank all of you who have joined us in our prayers.

Let me also take this opportunity to thank the National Hispanic Campaign for their wonderful work in their efforts to release all the hostages.

Read at the National Press Club on March 12, 1980, during the National Press Conference given by the National Hispanic Campaign to Free the American Hostages in Iran.

The following is a statement from Dick and Teresa Gallegos, parents of William Gallegos, now being held prisoner at the American Embassy in Tehran, Iran:

We would like to thank everyone for their support and especially to the National Hispanic Movement for their deep concern. We have seen evidence of their signature campaign out here in Colorado and approve wholeheartedly.

We hope that this situation will be resolved peacefully—and very soon.

Read at the National Press Club on March 12, 1980, during the National Press Conference given by the National Hispanic Campaign to Free the American Hostages in Iran.

THE WHITE HOUSE,
Washington, D.C., March 5, 1980.

Mr. JOSE ACEVES,
c/o National Hispanic Campaign to Free American Hostages in Iran, Washington, D.C.

DEAR JOSE: President Carter has asked me to respond to your letter of February 12, 1980, in which you set out the structure of the National Hispanic Campaign for the release of American hostages held in Iran. On behalf of the President I would like to extend to you his deepest appreciation for this manifestation of support and confidence in his strategy to free our brothers and sisters held in Teheran.

It is efforts such as the National Campaign that will signal to the students holding the American hostages that we as a people stand united, confident and strong in our resolve that we will not yield to terrorist tactics as a means to dealing with international problems.

I have enjoyed working with you in the past and look forward to a long and fruitful relationship in the future.

Warmest regards.

Sincerely,

Esteban E. Torres,
Special Assistant to the President for Hispanic Affairs.

February 12, 1980.

Mr. Daniel Archuleta,
Executive Director, American Association of Spanish Speaking Certified Public Accountants, Los Angeles, Calif.

Dear Mr. Archuleta: Thank you for becoming directly involved in the National Hispanic Campaign to Free American hostages in Iran. As I may have mentioned, this effort represents an expression of deep concern by Hispanics for their fellow Americans being held hostage in Iran. We are currently engaged in obtaining signatures from individuals and leaders of this nation's Hispanic community. Our target is 100,000 signatures from all Hispanic communities throughout the nation.

We are asking that you assist us by obtaining signatures from members of your organization, your immediate family, and your family of friends. Enclosed are signature forms to be filled out and returned to us at your earliest convenience. As time is a vital factor in this process, hopefully you will be able to return them within 10 days. Please feel free to make copies as the need arises.

We have been assured that this effort will be well received and strongly supported by our government.

Como siempre,

Jose Aceves,
National Coordinator.

Illinois Federation of Hispanic
Chambers of Commerce,
February 11, 1980.

Gentlemen: Over 400,000 citizens of Hispanic Ancestry living in this city, most of them members of various Chambers of Commerce and Associations, are whole hearted endorsing President Carter's request to Iran, to free the Hostages immediately for the sake of Human Rights.

The imprisonment of innocent people, can never be justified in discrepancies of Governments.

Whatever the Government of Iran has to claim against the U.S. Government, let them do so, thru the innumerable legal international channels of the civilized world. Laws and methods of the jungle, have long ago, been abolished.

Jose Cardoso,
President.
Macial Villarreal,
Chairman.●

ORDER TO RESUME CONSIDERATION OF THE CONFERENCE REPORT ON WINDFALL PROFIT TAX ACT OF 1980 AT 11 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at 11 o'clock tomorrow morning the Senate resume consideration of the pending conference report.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 10 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR THE RECOGNITION OF VARIOUS SENATORS ON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized under the standing order on tomorrow Mr. Harry F. Byrd, Jr., of Virginia, Mr. Helms, and Mr. Tsongas be recognized for not to exceed 15 minutes, after which the Senate then resume consideration of the pending conference report.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Orders Nos. 664, 666, 669, and 678.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, reserving the right to object—and I will not object—the purpose of the reservation is to advise that the four items identified by the majority leader are cleared on our calendar, and we have no objection to their consideration and passage.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Republican leader.

PRIVATELY DONATED FUNDS FOR NATIONAL HISTORIC PLACES PROPERTY

The Senate proceeded to consider the bill (H.R. 126) to permit the National Park Service to accept privately donated funds and to expend such funds on property on the National Register of Historic Places, which had been reported from the Committee on Energy and Natural Resources with amendments as follows:

On page 2, beginning with line 9, strike through and including line 12, and insert in lieu thereof the following:

"(b) In expending said funds, the Secretary shall give due consideration to the following factors: the national significance of the project; its historical value to the community; the imminence of its destruction or loss; or the expressed intentions of the donor.

On page 2, line 19, after "Act" insert a comma and "but the recipient of such funds shall be permitted to utilize them to match any grants from the Historic Preservation Fund established by section 108 of this Act";

On page 2, line 24, strike "National Park Service" and insert "Secretary for the purposes of the National Park Service";

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act entitled "An Act to establish a program for the preservation of additional historic properties throughout the Nation, and for other purposes", approved October 15, 1966 (80 Stat. 915; as amended, 16 U.S.C. 470a), is further amended by adding a new section 109 as follows:

"Sec. 109. (a) In furtherance of the purposes of this Act, the Secretary may accept the donation of funds which may be expended by him for projects to acquire, restore, preserve, or recover data from any district, building, structure, site, or object which is listed on the National Register of Historic Places established pursuant to section 101 of this Act, so long as the project is owned by a State, any unit of local government, or any nonprofit entity.

"(b) In expending said funds, the Secretary shall give due consideration to the following factors: the national significance of the project; its historical value to the community; the imminence of its destruction or loss; or the expressed intentions of the donor. Funds expended under this subsection shall be made available without regard to the matching requirements established by section 102 of this Act, but the recipient of such funds shall be permitted to utilize them to match any grants from the Historic Preservation Fund established by section 108 of this Act.

"(c) The Secretary is hereby authorized to transfer unobligated funds previously donated to the Secretary for the purposes of the National Park Service, with the consent of the donor, and any funds so transferred shall be used or expended in accordance with the provisions of this Act.".

Amend the title so as to read: "An Act to permit the Secretary of the Interior to accept privately donated funds and to expend such funds on property on the National Register of Historic Places.".

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report (No. 96–625), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

H.R. 126 authorizes the Secretary of the Interior to accept donations of funds in order to assist in the acquisition, restoration, or preservation of properties listed on the National Register of Historic Places owned by a local governmental unit or nonprofit corporation.

The Secretary of the Interior currently maintains the National Register of Historic Places, which identifies sites and structures significant in American history. Congress has enacted statutes which provide various means of fostering the preservation of properties listed on the National Register. H.R. 126 authorizes an additional tool which the Secretary may use to promote historic preservation, by permitting donations to be accepted and applied to register properties owned by local governments or nonprofit corporations. Funds previously donated to the National Park Service could be transferred into this account, and any donations would be expended only after consideration of the projects' historical value, threat to the resource, and the donor's intentions.

CONFEDERATED TRIBES OF SILETZ INDIANS OF OREGON

The Senate proceeded to consider the bill (S. 2055) to establish a reservation for the Confederated Tribes of Siletz Indians of Oregon, which had been reported from the Select Committee on Indian Affairs with an amendment on page 6, line 24, after "Reservation" insert "or the addition of lands to the reservation in the future," so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, subject to all valid existing rights-of-way, reciprocal road rights-of-way agreements, licenses, leases, permits, and easements, all right, title, and interests of the United States in the land described below is declared to be held in trust for the Confederated Tribes of Siletz Indians of Oregon:

WILLAMETTE MERIDIAN OREGON

Township 9 South, Range 9 West

Section 13: Southeast quarter northwest quarter;

Section 14: Northeast quarter northeast quarter;

Section 15: Lot 2;

Section 20: East half east half northeast quarter, east half northeast quarter southeast quarter;

Section 21: South half northeast quarter, southeast quarter northwest quarter, northeast quarter southwest quarter;

Section 22: North half northwest quarter northeast quarter, northeast quarter northwest quarter, south half northwest quarter;

Section 23: Lots 3, 4, 5, southwest quarter northeast quarter, northwest quarter southeast quarter;

Section 24: Northeast quarter southwest quarter;

Section 25: Lot 3, lot 7, southeast quarter northeast quarter, southeast quarter northwest quarter, east half southwest quarter, southeast quarter;

Section 26: Southeast quarter;

Section 27: South half northeast quarter northeast quarter, south half northeast quarter, south half southwest quarter northwest quarter, southeast quarter northwest quarter, north half southeast quarter;

Section 31: Lot 20, southeast quarter northeast quarter;

Section 32: North half lot 21;

Section 34: East half west half northwest quarter, east half northeast quarter southeast quarter, east half southwest quarter southeast quarter, southeast quarter southeast quarter;

Section 35: North half southwest quarter, southwest quarter southwest quarter, northwest quarter southeast quarter, southeast quarter southeast quarter;

Section 36: Southwest quarter southeast quarter.

Township 10 South, Range 9 West

Section 2: North half of lot 7, north half of lot 8;

Section 3: Lots 1, 2, 3, and 14;

Section 4: East half east half southwest quarter, east half southeast quarter, east half northwest quarter southeast quarter, southwest quarter northwest quarter southeast quarter, southwest quarter southeast quarter;

Section 6: East half southwest quarter southwest quarter;

Section 8: Lot 3;

Section 9: Lots 1, 2, 3, and the east half of lot 4;

Section 13: Southwest quarter southeast quarter;

Section 15: Lot 1;

Section 16: Southeast quarter southeast quarter;

Section 17: Lot 4;

Section 18: Lot 1;

Section 20: Lot 11;

Section 21: Lots 5 and 8;

Section 22: Lots 4, 5, and 17;

Section 24: Lots 1, 2, and 12;

Section 25: West half northeast quarter;

Section 26: Southwest quarter southeast quarter.

Township 10 South, Range 10 West

Section 13: East half northwest quarter;

Section 14: Southeast quarter southwest quarter;

Section 15: South half northeast quarter and east half southeast quarter northwest quarter;

Section 20: Lot 1 lying south of the south boundary of the former Siletz Indian Reservation;

Section 23: Lot 6 and lot 7;

Section 24: Lot 8.

Township 10 South, Range 8 West

Section 18: Southeast quarter northwest quarter, southeast quarter southeast quarter;

Section 20: South half southeast quarter;

Section 22: Southwest quarter northeast quarter;

Section 30: Lot 1.

Containing 3,630 acres, more or less.

SEC. 2. The Secretary of the Interior, acting at the request of the Confederated Tribes of Siletz Indians of Oregon, shall, subject to all valid existing rights-of-way, licenses, leases, permits, and easements, accept any deed or other instrument conveying to the United States the land conveyed to the city of Siletz on July 27, 1956, known as Government Hill, and hold such land in trust for the Confederated Tribes of Siletz Indians of Oregon. Such land is described as:

WILLAMETTE MERIDIAN, OREGON

Township 10 South, Range 10 West

Section 4: South half of lot 32,

Section 9:

North half of lot 1,

North half of lot 2,

(except that portion of School Board Tract 62, described as:

Beginning at the 1/16 corner of the section line common to sections 4 and 9, this being the northwest corner of lot 2, and the true point of beginning, thence north 89 degrees 17 minutes east, 100 feet, thence south 0 degrees 01 minutes east, 660.31 feet, thence south 89 degrees 31 minutes west, 100 feet, thence north 0 degrees 01 minutes west, 659.84 feet, to the place of beginning),

Cemetery tract 61 described as:

Beginning at the section corner common to sections 3, 4, 9, and 10, thence south 0 degrees 34 minutes east, 664.74 feet, to the true point of beginning, thence south 89 degrees 31 minutes west, 1335.60 feet, thence south 59 degrees 44 minutes east, 1299.25 feet, thence north 89 degrees 45 minutes east, 54.2 feet, thence north 0 degrees 34 minutes west, 598.98 feet, thence north 89 degrees 45 minutes east, 165 feet, thence north 0 degrees 34 minutes west, 65.76 feet, to the true point of beginning.

Containing 35.03 acres, more or less.

SEC. 3. The lands described in the first section and (upon conveyance to the Secretary) section 2 of this Act shall constitute the reservation of the Confederated Tribes of Siletz Indians of Oregon and shall be subject to the Act of June 18, 1934 (48 Stat. 984; 25 U.S.C. 461 et seq.), and other provisions reapplied to such tribes pursuant to section 3 of the Siletz Indian Tribe Restoration Act (91 Stat. 1415; 25 U.S.C. 711a). Such lands shall be subject to the right of the Secretary of the Interior to establish without compensation to such tribes, such reasonable rights-of-way and easements as are necessary to provide access to or serve adjacent or nearby Federal lands.

SEC. 4. The establishment of the Siletz Reservation or the addition of lands to the reservation in the future, shall not grant or restore to the tribe or any member of the tribe any hunting, fishing, or trapping right of any nature, including any indirect or procedural right or advantage, on such reservation.

SEC. 5. The State of Oregon shall have civil and criminal jurisdiction with respect to the Siletz Reservation and persons on the reservation in accordance with section 1360 of title 28 and section 1162 of title 18, United States Code.

The amendment was agreed to.

● Mr. HATFIELD. Mr. President, I am pleased that the Senate will act today on S. 2055, the bill to establish a reservation for the Confederated Tribes of the Siletz Indians of Oregon. The Siletz Tribe was terminated in 1954, was restored to Federal recognition in 1977 and now owns less than 10 acres of land.

This bill is the result of a plan presented to Congress by the Secretary of the Interior. The creation of a reservation plan was provided for in the Siletz Restoration Act of 1977 and is the result of 2 years of careful study by the Siletz Tribe, the Department of the Interior, and the State of Oregon. It will provide that 3,360 acres of Bureau of Land Management land be taken into trust for the Tribe to contribute a timber resource from which the tribal members can operate a lumber sales operation and fund the tribal government. It also authorizes the transfer of a 36.5-acre tract of land from the city of Siletz to the tribe. Prior to termination it was tribal trust property and was the headquarters of tribal operations. The tribe will return the land to its original use.

I am pleased to report that this legislation has the strong support of the Department of the Interior, Gov. Vic Atiyeh of Oregon and Mayor Roy Weaver of the city of Siletz. Devising a plan for a new reservation is a unique task and I commend the parties involved for accepting the challenge. The acreage is small compared to the 1.1-million acres once occupied by the members' ancestors, but it will provide an adequate foundation to get the tribe back on its feet. I am delighted with the action the Senate will take on this significant piece of legislation to the Confederated Tribes of Siletz Indians of Oregon.●

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 96-626), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

The purpose of this act is to establish a reservation for the Confederated Tribes of the Siletz Indians of Oregon.

The Confederated Tribes of Siletz Indians of Oregon are comprised of a number of tribes and bands of Indians whose home has always been the Oregon coast. The U.S. Government treated the various groups as one confederation when it negotiated a treaty with them in 1855. The terms of the treaty were that the Indians would move from their aboriginal land to a 1.1 million acre reservation located on the most rugged portion of the Pacific Coast. In return for the cession of land, the Siletz Tribe was to receive economic development assistance, education and health benefits, food, shelter and clothing. The treaty was never ratified by the Senate but the reservation was eventually created by Executive Order and the Tribe did not receive the services from the government.

In later years, with the encroachment of the white settlers, the U.S. Government, without providing compensation, opened up the reservation land for sale to non-Indians. The Siletz Tribe was terminated in 1954 and now owns less than ten acres.

The Tribe was restored to federal recognition in 1977 and section 7 of the Restoration Act provided that the Secretary of the Interior submit to Congress a reservation plan within two years of its enactment. It is the following plan that was introduced as S. 2055.

The tribal members worked diligently with the Bureau of Indian Affairs and an engineering firm to study proposals for the establishment of the reservation. After considering many means to provide for economic self-sufficiency, a timber sales operation was decided upon which will provide the tribal government with approximately $600,000 annually. Bureau of Land Management land was selected as the acreage to acquire because of its value to Lincoln County, relative to Forest Service and O&C lands and because of its proximity to the City of Siletz. Only 5 percent of the timber revenues from BLM land accrues to the county and the Tribe has agreed to continue payment of these revenues to the county for 25 years. The BLM land is available in scattered parcels only and that included in the plan totals 37 parcels and amounts to 3,630 acres.

In addition to the BLM lands, a 36.55 acre tract within the City of Siletz is included in the plan. The area is known as Government Hill and was the tribal headquarters until it was donated to the city at the time of the Tribe's termination. The citizens of the city voted in a poll to turn back the land to the Tribe. The Tribe plans to return the area to its original use as a tribal center and anticipates construction of a tribal office, a medical and dental clinic, recreational facilities and a community hall which will be shared with the residents of Siletz. As required by the Siletz Indian Tribe Restoration Act, thorough consultation was conducted with the Tribe and State and local government officials as well as other interested parties. The Governor of Oregon, Vic Atiyeh, established a task force to assist the Tribe in this endeavor.

LAWS RELATING TO TRADE BETWEEN INDIANS AND CERTAIN FEDERAL EMPLOYEES

The Senate proceeded to consider the bill (H.R. 3979) to repeal and amend certain laws regulating trade between Indians and certain Federal employees, which had been reported from the Select Committee on Indian Affairs with amendments as follows:

On page 2, line 6, beginning with the comma" strike through and including line 7, and insert in lieu thereof "in such officer, employee, or agent's name, or in the name of another person where such officer, employee, or agent benefits appears to benefit from such interest";

On page 2, line 14, after "service" strike "of" and insert "or";

On page 2, line 25, strike "employee" and insert "officer, employee, or agent";

On page 3, line 5, strike "employee" and insert "officer, employee, or agent";

On page 3, line 8, beginning with "for" strike through and including line 10, and insert in lieu thereof" of any real or personal property (or any interest therein) for the purpose of commercially selling, reselling, trading, or bartering such property; or";

On page 3, line 20, strike "employee" and insert "officer, employee, or agent";

On page 3, line 24, strike "employee" and insert "officer, employee, or agent";

On page 3, line 25, strike "engage in such a purchase or sale" and insert "have such an interest";

On page 4, line 3, strike "employee" and insert "officer, employee, or agent,";

On page 4, line 5, strike "employee" and insert "officer, employee, or agent,";

On page 4, line 8, strike the semicolon and "or" and insert a colon and the following: *Provided further*, That (1) any such designee may not be a relative by blood or marriage of the officer, employee, or agent engaging in such purchase or sale; (2) with respect to purchases or sales by any officer, employee, or agent employed at the reservation, agency, or service unit level, such designee must be employed at not less than one grade level higher than such officer, employee, or agent at the Washington, District of Columbia, central office or at an area office installation other than that with authority over such reservation, agency, or service unit; (3) with respect to purchases or sales by any officer, employee, or agent employed at the area office level, such designee must be employed at not less than one grade level higher than such officer, employee, or agent at the Washington, District of Columbia, central office; and (4) the Secretary must approve purchases or sales by any officer, employee, or agent employed at the Washington, District of Columbia, central office; or

On page 5, line 10, strike "employee" and insert "officer, employee, or agent";

On page 5, line 15, strike "employee" and insert "officer, employee, or agent";

On page 6, line 6, strike the quotation mark and the last period;

On page 6, beginning with line 7, insert the following:

"(e) For purposes of this section, the term 'Bureau of Indian Affairs' means the Bureau of Indian Affairs and the Office of the Assistant Secretary for Indian Affairs, both in the Department of the Interior.".

On page 6, line 15, after the comma insert "other than one involving the sale of property held in trust or subject to a restriction against alienation imposed by the United States,";

On page 6, line 21, after "valid" insert "subject to all valid transactions subsequent to such time";

On page 7, beginning with line 9, insert the following:

SEC. 5. (a) On and after the effective date of this Act, the following tract of land shall be held in trust for the Wa-He-Lute Indian School for its beneficial use as an Indian school and community center for educational or cultural purposes:

Part of Government lot 2, section 8, township 18 north, range 1 east, Willamette meridian, Thurston County, Washington, described more particularly as follows: Government lot 2, section 8, township 18 north, range 1 east, Willamette meridian, Thurston County, Washington, except excluding that portion which begins at the northeast corner of the William Packwood Donation Claim Numbered 37, thence south along the east line of said claim, 655 feet to the point of beginning, thence south 655 feet; thence east 420 feet; thence north 655 feet; thence west 420 feet to place of beginning; all in section 8, township 18 north, range 1 east, Willamette meridian, except including a strip of land 0.7 foot in width, lying along the north boundary of said excluded tract, acquired by the United States of America on February 23, 1942, by Declaration of Taking filed in United States District Court, Western District of Washington, Southern Division.

(b) Legal title to the land described in subsection (a) shall remain in the United States under the administration of the Secretary of the Interior who shall hold the above-described tract of land in trust for the Wa-He-Lute Indian School so long as it is used for any of the above-mentioned purposes, and the beneficial title of the Wa-He-Lute Indian School shall terminate and full title shall revert to the United States if such school ceases to use such land for educational or cultural purposes.

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 96–629), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

The purpose of H.R. 3979 is to repeal and amend certain laws regulating trade between Indians and certain Federal employees.

Laws restricting trade between Federal employees, except as lawful representatives of the United States Government, and Indians were enacted in the 1800's and early 1900's. Such restrictions were intended to protect individual Indians and Indian tribes and organizations from the undue influence which Federal employees might exert by reason of their positions.

These federal laws have served a critical need in protecting Indians at a time when they were less educated and untutored in commercial transactions. Federal employees who approve or disapprove the use or disposition of Indian trust assets or who approve or disapprove the disbursement of Indian trust funds are in a unique position to use that power to coerce Indians into commercial transactions which may not be advantageous to the Indians. However, Indians have now become better educated and more sophisticated in business practices and are better able to engage in arms-length transactions with non-Indians than they were when these statutes were enacted for their protection. Indians are now more aware of their legal rights and the avenues for enforcement of these rights against Federal employees who might try to use their positions for economic gain in trading or contracting with Indians.

Although there may still exist possibility that Federal employees may exert undue influence on Indians in commercial transactions, there is no longer need for the stringent Federal prohibitions and penalties for such employees engaging in trade with Indians. Many transactions are conducted between Federal employees and Indian individuals at locations far removed from Indian reservations, yet these Federal employees risk serious consequences because of the penal nature of the law which must be strictly construed regardless of the extenuating circumstances of the transactions. The employee faces the penalties under current law when engaging in trade with individual Indians who possess equal or better business acumen and without knowing of the legal prohibitions and penalties.

These laws with their severe penalties have served their purpose to protect Indians. For the most part, Indians now have reached a level which indicates such stringent measures are not necessary and these laws should be modernized.

H.R. 3979, as passed by the House of Representatives, and referred to the Senate, amends Section 437 of Title 18 and repeals both Section 2078 of the Revised Statutes and the Act of June 19, 1939. The bill maintains the ban against trade between Indians and persons employed by the Bureau of Indian Affairs or the Indian Health Service but otherwise authorizes the President to permit such trade, with certain exceptions, under the regulations promulgated by him or his designee. The bill further permits the Secretary of the Interior to ratify any transaction occurring prior to enactment of this legislation which would otherwise be a violation under existing law but which would be legal under the provisions of this bill.

NATIONAL SMALL BUSINESS WEEK

The Senate proceeded to consider the joint resolution (S.J. Res. 146) designating the week of May 11 through May 17, 1980, as "National Small Business Week," which had been reported from the Committee on Judiciary with an amendment on page 2, line 5, after "17," insert "1980".

The amendment was agreed to.

The joint resolution was ordered to be engrossed for a third reading, was read the third time, and passed.

The preamble was agreed to.

The joint resolution, with its preamble, follows:

Whereas the success and vibrancy of the American free enterprise system and economy is dependent upon the health of small business;

Whereas small business comprises over 96 per centum of all American businesses, employs the majority of all working Americans, and accounts for 43 per centum of the gross national product;

Whereas small business has developed over one-half of this country's major innovations over the past two decades, produces inventions four times as efficiently as their big counterparts, and has provided for 96 per centum of the newly created jobs in the last decade;

Whereas the Members of the United States Congress and the members of the Small Business Committees of each House of said Congress all recognize that the founding, growth, and mature strength of small businesses is mandatory for the continued improvement of the employment, economic security, and standard of living of every American: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States is requested and authorized to designate, by proclamation, the week of May 11 through 17, 1980, as "National Small Business Week", and exhort all citizens in the various States, the national and all local governments and groups and organizations therein, to give recognition, by appropriate celebration and ceremony, to the independence, initiative, and motivation of the small businessmen and businesswomen who have made America great.

The title was amended so as to read:

A joint resolution designating the week of May 11 through May 17, 1980, as "National Small Business Week."

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the bills and the joint resolution be considered en bloc and that they be passed en bloc, and that the motion to reconsider the vote en bloc be laid on the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER VITIATING THE ORDER FOR RECOGNITION OF SENATOR PROXMIRE ON TOMORROW AND ORDERING HIS RECOGNITION ON MARCH 25, 1980

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for Mr. PROXMIRE to be recognized on tomorrow morning be vitiated, and that on Tuesday, March 25, Mr. PROXMIRE be recognized for not to exceed 15 minutes, after the two leaders or their designees are recognized under the standing order.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE DEATH OF REPRESENTATIVE JOHN SLACK OF WEST VIRGINIA

Mr. ROBERT C. BYRD. Mr. President, I send to the desk a resolution on behalf of myself and my senior colleague, and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the resolution by title.

The legislative clerk read as follows:

Senate Resolution 386, a resolution relative to the death of Representative John Slack, of West Virginia.

The PRESIDING OFFICER. Is there objection to the consideration of the resolution?

There being no objection, the resolution was agreed to as follows:

Resolved, That the Senate has heard with profound sorrow the announcement of the death of the Honorable John Slack, late a Representative from the State of West Virginia.

Resolved, That a committee of two Senators be appointed by the Presiding Officer to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit an enrolled copy thereof to the family of the deceased.

Resolved, That when the Senate recesses today, it recess as a further mark of respect to the memory of the deceased.

The PRESIDING OFFICER. Pursuant to the resolution just agreed to, the Chair appoints the two Senators from West Virginia as the committee on the part of the Senate.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there may now be a period for the transaction of routine morning business for not to exceed 10 minutes, and that Senators may speak therein up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

BOXERS' DEATH

Mr. STEVENS. Mr. President, last Friday, March 14, a tragic air disaster occurred in Warsaw, Poland. All 87 people on board that flight were killed instantly and included on that flight were 14 young athletes and 8 officials and coaches of the U.S. amateur boxing team. The group was en route to represent our country in matches against the Polish national team. They were, in a very real sense, ambassadors of the United States. Our Nation is deeply saddened by this terrible accident. We extend our deepest sympathies to all of the families and loved-ones of these Americans and we share their grief.

The boxers include:

David Rodriguez of Pomona, California.
Lonnie Young of Philadelphia, Pa.
Jerome Stewart of Norfolk, Va.
Byron Lindsay of San Diego, Calif.
Lemuel Steeples of St. Louis, Mo.
George Pimentel of Flushing, N.Y.
Gary Clayton of Philadelphia, Pa.
Paul Palomino of Westminster, Calif.
Chuck Robinson of Auport Townsend, Wash.
Andre McCoy of New Bedford, Mass.
Walter Harris of San Francisco, Calif.
Elliott Chavis of Ft. Bragg, N.C.
Kelvin Anderson of Hartford, Conn.
Bryon Payton of Troupe, Tx.

The coaches and officials include:

Tom "Sarge" Johnson of Indianapolis, Ind.; Head Coach.

Joseph Bland of High Point, N.C.; Team Manager.

Junior Robles of National City, Calif.; Asst. Coach.

Bernard Callahan of Carlisle, Pa.; Referee-Judge.

John Radison of St. Louis, Mo.; Referee-Judge.

Steve Smigiel of Boca Raton, Fla.; Asst. Manager.

Dr. Ray Wesson of Ocean Springs, Miss.; Team Physician.

Mrs. Dolores Wesson, wife of Dr. Wesson; Team Nurse.

Mr. President, I ask unanimous consent that an article that appeared in Newsweek, March 24, 1980, regarding these young boxers, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BOXERS' DEATH

"We don't have much to offer our young boxers," said Bob Surkien, national boxing chairman of the U.S. Amateur Athletic Union. "No college scholarships, no fancy cars. What we can offer them is a chance to see the world." Surkien fought back tears as he spoke: he had just learned that 14 members of a U.S. amateur boxing team, flying from New York City to matches in Cracow and Katowice, had died in the crash of a Polish IL–62 jetliner near Warsaw's Okecie Airport. The disaster, which took the lives of all 77 passengers and ten crew members, was the worst air crash in Poland's history.

The dead boxers included some of America's finest non-professionals. Lemuel Steeples, 23, from St. Louis, was considered by many to be the leading amateur welterweight in the U.S. "We looked for him to win a gold medal at the Olympics," said Ed Silverglade, chairman of the A.A.U. international selection committee. Andre McCoy, 20, of New Bedford, Mass, was touted among the nation's top three light heavyweights. Also killed was the team's coach, Thomas ("Sarge") Johnson, 58, who trained the U.S. boxing squad that won five gold medals at the 1976 Olympics in Montreal.

There have been other tragic air accidents involving American athletes. In 1961, 18 figure-skating stars, bound for the world championships in Prague, were killed in the crash of a Sabena jet near Brussels. In 1970, 30 members of the Wichita State University football team died when their chartered jet hit a mountainside in Colorado. Seven years later, 14 University of Evansville basketball players, returning home from a game in Nashville, died when their DC-3 crashed on takeoff.

ORDER FOR RECESS FROM TOMORROW UNTIL 10 A.M. ON FRIDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business on tomorrow it stand in recess until 10 a.m. on Friday.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL TOMORROW AT 9:45 A.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand recessed until the hour of 9:45 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS TOMORROW AND CONSIDERATION OF CONFERENCE REPORT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that following the orders for the recognition of Senators on tomorrow there be a period for the transaction of routine morning business of not to exceed 15 minutes and that Senators may speak therein up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at the close of routine morning business tomorrow, the Senate then return to the consideration of the conference report on the windfall profit tax.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 9:45 A.M., THURSDAY, MARCH 20, 1980

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered and as a further mark of respect to the memory of the deceased Representative, the late John Slack, a Representative from the State of West Virginia, that the Senate stand recessed until the hour of 9:45 tomorrow morning.

The motion was agreed to; and, at 5:23 p.m., the Senate recessed until Thursday, March 20, 1980, at 9:45 a.m.

HOUSE OF REPRESENTATIVES—*Wednesday, March 19, 1980*

The House met at 3 p.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Gracious Lord, King of the Universe and Protector of all who trust in You, we express thanks for the lives of all Your servants, who, in their course on Earth, have sought to serve You and those committed to their care. We remember with love and affection, our colleague, John Slack, who has entered into Your eternal kingdom.

We give thanks for his life and for his contributions to the work of this House, for his commitment to those things that are right and just, for the respect and kindness he showed to all people. May the faithfulness of his service inspire others to continue in their lives the ideals of public service he held dear. May Your blessing be with his family and may Your peace that passes all human understanding keep us all in Your grace until our last day. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment bills and a joint resolution of the House of the following titles:

H.R. 2782. An act for the relief of John H. R. Berg;

H.R. 4013. An act for the relief of Jozef Swiderski; and

H.J. Res. 414. Joint resolution authorizing the President to proclaim May 1, 1980, "National Bicycling Day."

The message also announced that the Senate recedes from its amendment No. 67 to the bill (H.R. 2797) "An act to make technical corrections related to the Revenue Act of 1978," and agrees to the bill with a further amendment.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 662) entitled "An act to provide for increased participation by the United States in the Inter-American Development Bank, the Asian Development Bank, and the African Development Fund," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. CHURCH, Mr. PELL, Mr. SARBANES, Mr. JAVITS, and Mr. LUGAR to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 2222) entitled "An act to extend the time for commencing actions on behalf of an Indian tribe, band, or group, or on behalf of an individual Indian whose land is held in trust or restricted status," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MELCHER, Mr. DECONCINI, Mr. INOUYE, Mr. COHEN, and Mr. HATFIELD to be the conferees on the part of the Senate.

The message also announced that the Senate had passed bills and a joint resolution of the following titles, in which the concurrence of the House is requested:

S. 1466. An act to provide for the distribution of certain funds appropriated to pay judgments in favor of the Delaware Tribe of Indians and the absentee Delaware Tribe of Western Oklahoma in Indian Claims Commission dockets 27-A and 241, 289, and 27-B and 388, and for other purposes;

S. 1998. An act to provide for the United States to hold in trust for the Tule River Indian Tribe certain public domain lands formerly removed from the Tule River Indian Reservation; and

S.J. Res. 131. Joint resolution designating April 10, 1980, as "ORT Centennial Day."

IT'S THE SAME OLD TUNE—"SMOKE GETS IN YOUR EYES"

(Mr. ROUSSELOT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROUSSELOT. Mr. Speaker, the administration's latest "prudent and responsible" budget is nothing but a smokescreen.

The administration claims to have cut $2 billion from this year's budget and $13 billion from next. What they fail to note is that they have also made "revisions" in the spending estimates they made back in January. The "new" figures are the "old" figures, plus "revisions," minus "cuts." When you offset the revisions and the cuts and aggregate the 2 years, the effect on Federal spending is a big fat zero.

What the administration has given us is an additional tax increase—$32.5 billion over the January estimate for 1980 and 1981. Taxes will rise from 20.5 percent of the GNP in calendar year 1980 to 21.9 percent in calendar 1981—the biggest peacetime tax boost in history.

I urge my colleagues—do not let the smoke get in your eyes. Support a budget balanced with real spending reductions and tax cuts in 1981.

NEEDLESS BUDGETARY AGONY

(Mr. PAUL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PAUL. Mr. Speaker, the agony over budgetary reduction has started. But the pain can be avoided, while we easily reduce the budget by a much greater amount than proposed by the administration or Congress.

Many of our domestic programs waste money and fail to provide the services intended. But we can reduce the budget and eliminate the deficit—both on- and off-budget—without placing the burden on Americans who depend on these programs. Needed reforms can come later.

Today, we need immediate, large reductions that would be strongly endorsed by the American taxpayer.

We can achieve this by: First, eliminating all foreign aid, a savings of $17 billion; our poor receive no benefit from foreign aid, yet they help finance it through inflation; second, decreasing corporate welfare by a modest $23 billion; third, cutting foreign military welfare to wealthy allies. Over one-half of the $146 billion military budget will go for the defense of well-to-do countries like Germany and Japan. We could easily reduce this expenditure; we certainly do not need to increase it. With a $50-billion cut in foreign military subsidies, we could increase U.S. defense spending by $30 billion—for an ABM system, for example—and decrease the overall DOD budget by $20 billion.

With these three proposals, we could cut the 1981 budget by $60 billion, raise American defense spending, and not change one domestic social program. Raising taxes or closing so-called loopholes to balance the budget would damage the economy.

I challenge any Congressman or pollster to test this proposal with the people. I am convinced Americans would wholeheartedly support such a reform.

ALLARD LOWENSTEIN

(Mr. GREEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GREEN. Mr. Speaker, we mourn the senseless and untimely death of a former Member of this House, Allard Lowenstein. His mortal remains are today being laid to rest in Arlington Cemetery.

I knew Allard Lowenstein for some three and one-half decades. We went to high school together at the Horace Mann School in New York City.

☐ 1510

It is a measure of the breadth and constancy of Allard Lowenstein's concern for human freedom that one of my earliest memories of him is attending with him a mid-40's rally attacking the Franco regime in Spain, and one of my last memories of him is a meeting we had

☐ This symbol represents the time of day during the House Proceedings, e.g., ☐ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

last year so that I could get the benefit of what he had learned during his trip to Zimbabwe-Rhodesia and of his advice as to the role the United States should play with respect to that country.

We shall miss him.

FEDERAL RESERVE SHOULD OFFER SPECIAL CONSIDERATION FOR AGRICULTURAL PAPER

(Mr. GRASSLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GRASSLEY. Mr. Speaker, everybody knows that there is a credit crunch in America. Everybody knows that that credit crunch hits small business and farmers especially hard, and especially farmers at this time of the year, because of the seasonal credit needs of agricultural America.

The Federal Reserve Board has the authority to offer special discounts for agricultural paper. I call upon the Federal Reserve Board to so do that under the provisions of its existing authorizing legislation.

In pursuit of this request, I am introducing today a House concurrent resolution expressing the sense of Congress that the Federal Reserve Board offer this special consideration to agricultural paper.

APRIL FOOL'S TAX

(Mr. LUNGREN asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. LUNGREN. Mr. Speaker, spring has almost sprung on us, and with it a new leak in Federal credibility.

At the same time the Government is putting a stiff new gasoline tax to discourage consumption, the Feds are busy gorging themselves at the gas pump.

I just read a report on Federal energy conservation put out by the Government Operations Committee which says that efforts to get the Government to use less energy have been a dismal failure.

The entire Federal Government managed to cut gasoline consumption by less than 1 percent in the 2 years preceding fiscal year 1978.

Moreover, the second largest energy consumer in the Federal Government is the Department of Energy itself.

The American public has a much better record than this.

They cut gasoline consumption voluntarily by 7 percent in the last year alone.

I think it is ironic, to say the least, that the President is proposing a new gas tax for the private sector when it is the public sector which cannot conserve energy.

And to add insult to injury, the agency spearheading the President's new conservation plan is the DOE, which has one of the worst records in the Federal Government for conserving energy.

With a record like this it is no wonder the President is having a hard time mustering credibility for this gas tax, and for his new budget.

With April 1 just around the corner, perhaps we should call this the April Fool's Tax.

DECLINE IN PRODUCTIVITY IS THE ROOT OF ECONOMIC PROBLEMS

(Mr. TAUKE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TAUKE. Mr. Speaker, today it seems that a lot of people in a policymaking position at the Federal level have discovered a new word—productivity. The President talks about productivity; the Chairman of the Federal Reserve talks about productivity; even the leaders of the majority party in Congress talk about productivity. And they are all paying lipservice to it.

Productivity is down. And now people in Washington are starting to worry about it. But it has only been a few courageous people on the Republican side of the aisle who had the vision and the understanding a long time ago to recognize that a decline in productivity was at the root of our economic problems.

And although the President and the Democrats in Congress have now learned to throw the word around whenever possible, the policies that are being pursued differ little from those they pursued even before productivity assumed its rightful place alongside such political rhetorical standbys as motherhood and apple pie.

No, the Democrats who have controlled both Houses of this Congress for the past 25 years, have not changed their policies. Even at a time when they cry for increased productivity, they raise taxes on energy. Even at a time when they call for more Americans to save more dollars, they suggest withholding taxes on the interest earned on savings accounts.

Productivity just does not happen. It is the result of Federal policies which, first of all, permit it, and second, encourage it.

It does not appear as if we will find those policies among the proposals of the majority party.

CORRECTIONS MUST BE MADE TO SOCIAL SECURITY SYSTEM

(Mr. SAWYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SAWYER. Mr. Speaker, we have all been concerned with the well-being of our social security system. While taxes have increased, we have not seemed to have made much progress.

I recently checked in my district where we have one small reformatory and find that we have 33 people who are fully housed, fed, and clothed by the Government, drawing full social security, some of the people up to $300 a piece.

One example of the $300 is a 17-year-old-boy, and he merits it, because he is an orphan; and he is an orphan because he is there for killing both his parents.

Now, how can we hope to get credibility for this system while we let this kind of thing exist?

The gentleman from Virginia (Mr. WHITEHURST) has a bill in to correct this error. I would like some of this body to join in getting a little pressure for some action on that bill.

POSSIBLE VIOLATION OF BIOLOGICAL WEAPONS CONVENTION

(Mr. LEACH of Iowa asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEACH of Iowa. Mr. Speaker, today's New York Times carries a disturbing report of an accident on April 3, 1979, in a factory in Sverdlovsk, U.S.S.R. An explosion reportedly occurred which released into the air a bacteriological agent carrying the lethal disease anthrax. Some 300 to 500 local residents of Sverdlovsk reportedly died within hours of inhaling the anthrax bacteria.

Under the terms of the 1972 Biological Weapons Convention, which I helped draft and negotiate, the Soviet Union agreed never to develop, produce or stockpile biological agents for military purposes. The Soviet Union also agreed to destroy or divert to peaceful purposes existing stockpiles of biological agents and weapons.

Mr. Speaker, biological agents are unthinkable instruments of war and, as this incident may demonstrate, can have disastrous consequences for countries that choose to experiment or otherwise handle such lethal materials.

Mr. Speaker, I urge the administration to pursue forthrightly this possible violation of the Biological Weapons Convention. Should we conclude that a treaty violation has occurred, then a complaint should immediately be lodged with the United Nations Security Council, as provided under article VI of the convention.

Today's report, combined with the growing evidence of the use of lethal chemical weapons by Soviet surrogate forces in Laos and Kampuchea and by Soviet units in Afghanistan, is a cause of grave concern. It is imperative that all available information held by our Government be made public.

THE DANGERS OF AGENT ORANGE

(Mr. BONIOR of Michigan asked and was given permission to address the House for 1 minute and to revise and extend his remarks).

Mr. BONIOR of Michigan. Mr. Speaker, we just heard my good friend from Iowa (Mr. LEACH) talk to us about a problem that the Soviets are having with biological warfare.

I would suggest before we start picking on the Soviets, we clean up our own house and address the problem of agent orange, a herbicide and toxic poison used in Vietnam and which we are now finding thousands and thousands of our own U.S. soldiers having difficulty with, rashes, nervous disorders, liver ailments, and yes, cancer.

Agent orange is an issue which not only concerns the people who fought in Vietnam, but the spouses and children who are very concerned about effects.

The gentleman from South Dakota, Thomas Daschle, has introduced legislation cosponsored by the Vietnam veterans in Congress and 40 other Members of this body. This legislation is a major step in remedying the effects of agent orange exposure.

Mr. DOWNEY. Mr. Speaker, will the gentleman yield?

Mr. BONIOR of Michigan. I yield to the gentleman from New York.

Mr. DOWNEY. I want to congratulate the gentleman on the work he has done.

The herbicide clinics, and all that has been done by the VA for the Vietnam era combat veterans today is a fraud, and unless we pass the Daschle legislation we are going to leave Vietnam veterans who were exposed to agent orange in a life of uncertainty and suffering.

PERMISSION TO HAVE UNTIL MIDNIGHT, FRIDAY, MARCH 21, 1980, TO FILE CONFERENCE REPORT ON H.R. 4986, DEPOSITORY INSTITUTIONS DEREGULATION AND MONETARY CONTROL ACT OF 1980

Mr. REUSS. Mr. Speaker, I ask unanimous consent that the managers may have until midnight, Friday, March 21, 1980, to file a conference report on the bill (H.R. 4986) to amend the Federal Reserve Act to authorize the automatic transfer of funds, to authorize negotiable order-of-withdrawal accounts at depository institutions, to authorize federally chartered savings and loan associations to establish remote service units, and to authorize federally insured credit unions to maintain share draft accounts, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, if we do object, what then happens?

Mr. REUSS. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Wisconsin.

Mr. REUSS. Unpleasant things.

Mr. ROUSSELOT. I am sure that is true.

Mr. REUSS. Well, April 1 would roll around, and thereupon usury statutes which effectively prevent the granting of loans in some 23 of our States would rise from the dead to plague us. If objections were heard, it would have the additional consequence of throwing out of the scene the entire ATS service of the banks, the remote transfer service of the savings and loans, and shared drafts.

Mr. ROUSSELOT. Those are the court decision items.

Mr. REUSS. Along with many other untoward consequences.

□ 1520

Mr. ROUSSELOT. Mr. Speaker, further reserving the right to object, the gentleman knows full well that those court decision problems can clearly be extended in time, just like we have done before, so that we would extend the time before those go into effect. We did that before. We did it by unanimous consent right here.

Mr. REUSS. I did it because I promised the gentleman I would. That promise is not renewed.

Mr. ROUSSELOT. Fine; if the gentleman wants to be responsible for all that, what the implications of that would be, maybe I could ask unanimous consent and we would extend it.

What I am saying is that a catastrophe would not necessarily occur as it relates to court decisions, with respect to which I agree that either timeframe should be extended or we should take legislative action.

Now, that portion of the conference I have no problem with. My problem still relates to understanding what is in the conference. The last time the gentleman and I talked, the gentleman was still negotiating and writing the draft of what was in fact in this conference.

Can the gentleman tell us in general all the things in this giant conference omnibus bill that has been matched up with the Senate?

Mr. REUSS. Yes, in general, the bill arms the Federal Reserve System with the power to control the monetary aggregates and thus do its part in the battle against inflation.

Mr. ROUSSELOT. Mr. Speaker, further reserving the right to object, let me comment on that.

Mr. REUSS. Yes.

Mr. ROUSSELOT. It gives the Federal Reserve Board power to determine what aggregates, monetary aggregates are, so that is a new power given to them.

Mr. REUSS. No, no. That is the essence of the Federal Reserve power. That is what caused it to come to life in 1913.

Mr. ROUSSELOT. I am very familiar with the 1913 Act.

Mr. REUSS. And merely to see to it that the banking system is responsive to the Federal Reserve's inherent power.

Mr. ROUSSELOT. What else does it have in it?

Mr. REUSS. As I have said, it puts to one side various State usury statutes, which however well intentioned are now having the effect of drying up mortgage loans, small business and agricultural loans.

Mr. ROUSSELOT. I am very familiar with that. The whole House is, too, because of the great anti-inflationary policies of this great administration. I appreciate that.

Mr. REUSS. A third thing the bill does is to reinstate those powers of banks, mutual savings banks, savings and loans, and credit unions with respect to ATS's, share drafts, and remote transfers, which powers were divested by the order of the court of appeals of some months ago.

The conference report further makes a worthwhile reform in regulation Q. For the first time it will permit savers to get a fair market return on their savings, but does it in a way which will not cause intermediate havoc with the thrift industry.

Mr. ROUSSELOT. Mr. Speaker, further reserving the right to object, in other words, they can ratchet upwards, as I understand.

Mr. REUSS. The word "ratcheting" is not used.

Mr. ROUSSELOT. Well, that is what my senior Senator used.

Mr. WYLIE. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. Mr. Speaker, further reserving the right to object, just a moment. I am reserving the right to object. I am yielding to my colleague to give us the laundry list of all the things that I know my colleague, the gentleman from Ohio, is familiar with, all these things in the conference.

Mr. REUSS. I will just continue briefly.

Mr. ROUSSELOT. Yes.

Mr. REUSS. Just to say that the truth in lending law passed some years ago by this body, like so many other regulatory measures, has turned out to be unnecessarily cumbersome and burdensome.

Mr. ROUSSELOT. Yes; the gentleman will remember I tried to get that in the conference last year.

Mr. REUSS. Therefore, we have improved the truth in lending law. We have not thrown out the baby with the bath; but I think we have provided something that the financial institutions can work with that is still fair to the consumer.

We have furthermore, and I think the gentleman will particularly like this, put in a general regulatory simplification law which will require madcap regulators to weigh the consequences of their acts in terms of cost-benefit analysis. I think it is a very constructive thing.

We have liberalized the power for banks to hold and improve real estate and many other good things.

Mr. ROUSSELOT. Further reserving the right to object, Mr. Speaker, the gentleman well knows that as it relates to the truth in lending amendments, the gentleman from Ohio and I tried to get that in a conference report last year, or 1978, when we sat in the cloakroom there and tried to negotiate for many hours. It was passed by the Senate and the gentleman's side refused to let it go into play; so I am very familiar with that. It is a positive reduction of unnecessary rules and regulations in truth in lending and I very much favor that.

Mr. REUSS. The gentleman states it so accurately; thus, I am confident that the gentleman will not by untimely or unseemly objections prevent our side from doing that which the gentleman wants and loves.

Mr. ROUSSELOT. Well, further reserving the right to object, I want to be as unseemly as possible.

Can the gentleman assure us or give us some indication of what day this giant conference report will be up, whether we will have adequate time to consider it and understand what we are doing, because as the gentleman well knows, it is a very, very major piece of legislation. It affects the overwhelming number of financial institutions in this country in all categories. For example, I understand that it gives the Federal Reserve the power to impose reserves upon depository institutions which are not members of the Fed and which are not currently required to hold reserves at the Fed. We only have the debate time of an hour on the conference report. Can the gentleman assure us that adequate notice will be given and that we will not be crowded by having the thing come up late in the day or some other thing, so that we cannot really know what is in it?

Mr. REUSS. I am glad to respond to the gentleman's request. I will give the gentleman the categorical assurance that the gentleman and other Members will have a full opportunity to get their minds on this important bill. Specifically, we will be filing it, if we can, on Friday.

Mr. ROUSSELOT. Friday, right.

Mr. REUSS. It will then be available in toto.

We will also be getting out today a lengthy compendious encyclopedic study of the entire bill, so that the gentleman even before it formally appears can have the advantage of that. We then hope to go before the House Committee on Rules on Tuesday and to appear, with the approval of the leadership, of course, on the floor here a week from today or the day after, which will mean that for practical purposes the gentleman will have a week to pore over it, and I will say as always my door is open to the gentleman and I will stay through the watches of the night with him.

Mr. ROUSSELOT. The watches of the night?

Mr. REUSS. To explain anything the gentleman may want to know about it.

Mr. ROUSSELOT. Further reserving the right to object, Mr. Speaker, could the gentleman when the gentleman goes to the Committee on Rules ask for permission for a 2-hour discussion period?

Mr. REUSS. I would certainly think that a 2-hour discussion period is absolutely reasonable, and while I cannot speak for the Committee on Rules——

Mr. ROUSSELOT. I certainly know the gentleman would not try to do that.

Mr. REUSS. I can speak for myself. I would ask that and I am sure my colleague, the gentleman from Ohio (Mr. WYLIE) and the gentleman from Ohio (Mr. STANTON) will join me.

Mr. WYLIE. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I would be glad to yield.

Mr. WYLIE. Mr. Speaker, I might say that the gentleman from Ohio (Mr. STANTON) and I are in agreement with the procedure which the chairman of the full committee is now attempting to take. We have been meticulous, I think, in going over the report. There has been a lot of give and take. It is a very worthwhile compromise to my way of thinking on many, many complicated subjects, one of which is the truth in lending law.

Mr. ROUSSELOT. The simplification of which we both support.

Mr. WYLIE. Which we both support. I would say, yes, this is an important enough bill, it is such a milestone piece of legislation, that 2 hours discussion is in order.

Mr. ROUSSELOT. I appreciate that, and the gentleman will go to the Committee on Rules and ask for that?

Mr. WYLIE. I certainly would and I am sure the gentleman from Ohio (Mr. STANTON) will.

Mr. ROUSSELOT. Mr. Speaker, further reserving the right to object, will the time be equally divided on that?

Mr. REUSS. Oh, yes.

Mr. ROUSSELOT. I appreciate that.

Well, let me say, Mr. Speaker, further reserving the right to object, I am very appreciative of the time my distinguished chairman of the Banking Committee (Mr. REUSS) has taken to discuss this issue. It is a highly complicated piece of legislation. I know the gentleman was there and very much involved in the negotiations between this body and the Senate.

□ 1530

Unless my colleague from Ohio, the ranking member of the subcommittee, has an additional comment he wishes to make, I will probably just fade away like a good soldier.

Mr. WYLIE. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. Further reserving the right to object, I am glad to yield.

Mr. WYLIE. The gentleman is merely asking unanimous consent that the report be filed, and I would, under the circumstances, respectfully suggest the gentleman not object.

Mr. ROUSSELOT. Mr. Speaker, on the basis of that outstanding discussion I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

RESIGNATION AS MEMBER OF COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

The SPEAKER laid before the House the following resignation as a member of the Committee on Public Works and Transportation:

> HOUSE OF REPRESENTATIVES,
> *Washington, D.C., March 19, 1980.*
>
> Hon. THOMAS P. O'NEILL, Jr.,
> *The Speaker, House of Representatives, Washington, D.C.*
>
> DEAR MR. SPEAKER: I herewith submit my resignation as a member of the Committee on Public Works and Transportation, effective immediately.
>
> Respectfully,
> EARL HUTTO.

The SPEAKER. Without objection, the resignation is accepted.

There was no objection.

PERMISSION TO HAVE UNTIL MIDNIGHT FRIDAY, MARCH 21, 1980, TO FILE CONFERENCE REPORT ON S. 2269, EMERGENCY AGRICULTURAL CREDIT ADJUSTMENT ACT OF 1980

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that the managers may have until midnight Friday, March 21, 1980, to file a conference report on the Senate bill (S. 2269), the Emergency Agricultural Credit Adjustment Act of 1980.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, can the gentleman tell us why this is necessary?

Mr. FOLEY. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Washington.

Mr. FOLEY. This is the Emergency Agricultural Loan Amendments of 1980 which the House passed by an overwhelming vote. The conference was concluded yesterday. All members of the conference committee on both sides of the aisle signed the conference report and it is felt that there is an urgent need that this bill be signed and implemented as soon as possible so that farmers throughout the country that are in desperate need of emergency financing can be accommodated by this bill. It is a matter of urgency from that standpoint, I believe, and was so recognized by the conference report.

Mr. ROUSSELOT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

ELECTION AS MEMBER TO CERTAIN STANDING COMMITTEES OF THE HOUSE

Mr. FOLEY. Mr. Speaker, as chairman of the Democratic Caucus and on the authority and direction of the Democratic Caucus, I send to the desk a privileged resolution (H. Res. 614) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 614

Resolved, That the following-named Members be, and are hereby, elected to the following standing committees of the House of Representatives:

Committee on Armed Services: Earl Hutto, Florida,

Committee on House Administration: Al Swift, Washington,

Committee on the Judiciary: Billy Lee Evans, Georgia,

Committee on Veterans' Affairs: Thomas J. Downey, New York.

The SPEAKER. Without objection, the resolution is agreed to.

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, I only do so for the purpose of asking would the Speaker entertain soon a quorum call or a motion for a call of the House?

The SPEAKER. The Chair would do so.

Mr. ROUSSELOT. I appreciate that.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Without objection, the resolution is agreed to.

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

APPOINTMENT OF CONFEREES ON S. 662, INCREASED PARTICIPATION IN INTER-AMERICAN DEVELOPMENT BANK, ASIAN DEVELOPMENT BANK, AND AFRICAN DEVELOPMENT FUND

Mr. GONZALEZ. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 662) to provide for increased participation by the United States in the Inter-American Development Bank, the Asian Development Bank, and the African Development Fund, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, if the gentleman could help me, I remember there were quite a few amendments on that bill when it was on the House floor. By agreeing to go to conference with the other body are we in any way jeopardizing our ability to stand fast for those fine amendments that were passed in the House Chamber?

Mr. GONZALEZ. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman.

Mr. GONZALEZ. We will not be able to do anything unless we do agree to have a conference. And then, naturally, we will take up the House position in lieu of the action taken by the House on that bill through amendments.

Mr. ROUSSELOT. Further reserving the right to object, the gentleman can assure us that he will stand very, very tough for the position and the many amendments that were passed by the House? Also that he will encourage the conferees to stand by those substantial votes that we had?

Mr. GONZALEZ. If the gentleman will yield further, I wish to assure the gentleman from California of my fealty and loyalty to the clearly expressed majority opinion of the House and the bill as passed by the House.

Mr. ROUSSELOT. I appreciate the gentleman's confirmation.

Mr. Speaker, you will be happy to learn that I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Texas? The Chair hears none, and appoints the following conferees: Messrs. REUSS, GONZALEZ, LAFALCE, CAVANAUGH, STANTON, and HYDE.

APPOINTMENT OF MEMBERS TO ATTEND THE FUNERAL OF THE LATE HONORABLE JOHN M. SLACK

The SPEAKER. Pursuant to House Resolution 611, the Chair appoints as members of the Funeral Committee of the Late Honorable John M. Slack the following Members on the part of the House:

Mr. STAGGERS of West Virginia, Mr. O'NEILL of Massachusetts; Mr. WRIGHT of Texas; Mr. MOLLOHAN of West Virginia; Mr. RAHALL of West Virginia; Mr. WHITTEN of Mississippi; Mr. BENNETT of Florida; Mr. PERKINS of Kentucky; Mr. STEED of Oklahoma; Mr. BOLAND of Massachusetts; Mr. CONTE of Massachusetts; Mr. ROSTENKOWSKI of Illinois; Mr. SMITH of Iowa; Mr. STRATTON of New York; Mr. ADDABBO of New York; Mr. MURPHY of New York; Mr. PATTEN of New Jersey; Mr. ROYBAL of California; Mr. HAMILTON of Indiana; Mr. HANLEY of New York; Mr. MCEWEN of New York; Mr. BEVILL of Alabama; Mr. MYERS of Indiana; Mr. ALEXANDER of Arkansas.

Mr. BIAGGI of New York; Mr. CHAPPELL of Florida; Mr. COUGHLIN of Pennsylvania; Mr. PREYER of North Carolina; Mr. STOKES of Ohio; Mr. OBEY of Wisconsin; Mr. MCKAY of Utah; Mr. ROBINSON of Virginia; Mr. SPENCE of South Carolina; Mr. YOUNG of Florida; Mr. BURGENER of California; Mr. GINN of Georgia; Mr. MOAKLEY of Massachusetts; Mr. O'BRIEN of Illinois; Mrs. BOGGS of Louisiana; Mr. MURTHA of Pennsylvania; Mr. DUNCAN of Oregon; Mr. EARLY of Massachusetts; Mr. ZEFERETTI of New York; Mr. ERTEL of Pennsylvania; Mr. HOLLENBECK of New Jersey; Mr. LIVINGSTON of Louisiana; Mr. CHENEY of Wyoming; Mr. SENSENBRENNER of Wisconsin; Mr. THOMAS of California.

If there are any other Members who would care to go to the funeral of John Slack, if they would kindly contact the Sergeant at Arms, the Chair would be happy to put them on the committee.

PERMISSION TO HAVE UNTIL MIDNIGHT FRIDAY, MARCH 21, 1980, TO FILE CONFERENCE REPORT ON S. 662, INCREASED PARTICIPATION IN INTER-AMERICAN DEVELOPMENT BANK, ASIAN DEVELOPMENT BANK, AND AFRICAN DEVELOPMENT FUND

Mr. GONZALEZ. Mr. Speaker, I ask unanimous consent that the managers may have until midnight Friday, March 21, 1980, to file a conference report on the Senate bill (S. 662) to provide for increased participation by the United States in the Inter-American Development Bank, the Asian Development Bank, and the African Development Fund.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
March 19, 1980.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House received in the Clerk's Office at 11:55 a.m. on Wednesday, March 19, 1980, and said to contain a message from the President wherein he transmits the 1980 National Housing Production Report.

With kind regards, I am,

Sincerely,
EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.
By W. RAYMOND COLLEY,
Deputy Clerk.

THE 1980 NATIONAL HOUSING PRODUCTION REPORT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Banking, Finance and Urban Affairs.

(For message, see proceedings of the Senate of today, March 19, 1980.)

□ 1540

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
March 19, 1980.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House received in the Clerk's Office at 11:55 a.m. on Wednesday, March 19, 1980, and said to contain a message from the President wherein he transmits the Eighth Annual Report on the Status of Federal Advisory Committees.

With kind regards, I am,

Sincerely,
EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.
By W. RAYMOND COLLEY,
Deputy Clerk.

EIGHTH ANNUAL REPORT ON STATUS OF FEDERAL ADVISORY COMMITTEES—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Government Operations.

(For message, see proceedings of the Senate of today, March 19, 1980.)

GENERAL ACCOUNTING OFFICE ACT OF 1979

Mr. BROOKS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 24) an act to improve budget management and expenditure control by revising certain provisions relating to the Comptroller General and the Inspectors General of the Departments of Energy and Health, Education, and Welfare, and for other purposes, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause, and insert:

That this Act may be cited as the "General Accounting Office Act of 1980".

TITLE I—GENERAL ACCOUNTING OFFICE PROVISIONS

UNVOUCHERED EXPENDITURES

SEC. 101. Section 117 of the Budget Accounting Procedures Act of 1950 (31 U.S.C. 67) is amended by adding at the end thereof the following new subsection:

"(f)(1) Notwithstanding any provision of law which permits an expenditure to be accounted for solely on the approval, authorization, or certificate of the President of the United States or an official of an executive agency, the Comptroller General shall have access to such books, documents, papers, records, and other information relating to any such expenditure as may be necessary to enable him to determine whether the expenditure was, in fact, actually made and whether such expenditure was authorized by law. The provisions of this paragraph may be superseded only by a provision of law enacted after the date of enactment of this paragraph which specifically repeals or modifies the provisions of this paragraph. In the case of an expenditure under section 102, 103, 105(d) (1), (3), or (5), or 106(b) (2) or (3), of title 3, United States Code, the provisions of sections 102, 103, 105(d), and 106(b) of such title shall govern the examination of such expenditures by the Comptroller General in lieu of the provisions of this subsection.

"(2) With respect to any expenditure accounted for solely on the approval, authorization, or certificate of the President of the United States or an official of an executive agency and notwithstanding any provision of law, no officer or employee of the General Accounting Office may release the findings of its audit of such expenditure or disclose any books, documents, papers, records, or other information concerning such expenditures to anyone not an officer or employee of the General Accounting Office, except to the President or the head of the agency concerned or, in the case of unresolved discrepancies, to the Committee on Governmental Affairs of the Senate, the Committee on Government Operations of the House of Representatives, and to the Committees of the House and the Senate having legislative or appropriations oversight with respect to the expenditure in question.

"(3)(A) Nothing in this subsection shall be construed as affecting the authority contained in section 8(b) of the Central Intelligence Agency Act of 1949.

"(B) The President may exempt from the provisions of paragraph (1) of this subsection financial transactions which relate to sensitive foreign intelligence or foreign counterintelligence activities, or sensitive law enforcement investigations if an audit proceeding pursuant to the provisions of paragraph (1) of this subsection would expose the identifying details of an active investigation or endanger the safety of investigative or domestic intelligence sources involved in such law enforcement investigations. An exemption under this subparagraph may be given for a class or category of financial transactions.

"(C) Information concerning financial transactions taken pursuant to section 8(b) of the Central Intelligence Agency Act of 1949 and information concerning financial transactions exempted from the provisions of paragraph (1) pursuant to subparagraph (B) shall be reviewable by the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate.

"(4) Not later than sixty days after the beginning of each fiscal year starting on or after October 1, 1980, the Director of the Office of Management and Budget shall submit to the chairmen of the Committees on the Budget and the Committees on Appropriations of the Senate and the House of Representatives, the Committee on Governmental Affairs of the Senate, the Committee on Governmental Operations of the House of Representatives, and to the Comptroller General, a report listing every account potentially subject to audit by the Comptroller General under paragraph (1).".

ENFORCEMENT OF ACCESS TO RECORDS

SEC. 102. Section 313 of the Budget and Accounting Act, 1921 (31 U.S.C. 54), is amended by designating the existing paragraph as subsection (a) and by adding at the end the following new subsections:

"(b)(1) When access to any books, documents, papers, or records of any department or establishment is not made available within a reasonable period of time, the Comptroller General in his discretion may make a written request to the head of the department or establishment concerned. Any such request shall set forth any authority in addition to subsection (a) for such access and the reasons such access is desired. The head of the department or establishment concerned shall have a period of twenty days from the date of receipt to respond to the written request of the Comptroller General. The response shall describe any books, documents, papers, or records withheld and the reasons therefor. If within such twenty-day period full access to such books, documents, papers, or records has not been afforded the Comptroller General or any of his designated assistants or employees, the Comptroller General may file a written report of the matter with the President of the United States, the Director of the Office of Management and Budget, the Attorney General, the head of the department or establishment concerned, and with the Speaker of the House of Representatives and the President of the Senate.

"(2) Subject to subsection (d) the Comptroller General, through any attorney designated by him in writing, may, after twenty calendar days after the filing of a written report under paragraph (1), apply to the United States District Court for the District of Columbia for any order requiring the head of the department or establishment concerned to produce the material withheld. The Attorney General is authorized to represent the defendant official in such proceedings. Any failure to obey an order of the court under this subsection may be treated by the court as a contempt thereof.

"(c)(1) Subject to subsection (d), the Comptroller General may require by subpena the production of books, records, correspondence, memoranda, papers, and documents of contractors, subcontractors, or other non-Federal persons to which he has access by law or by agreement of the non-Federal person from whom access is sought. Subpenas may be issued under the signature of the Comptroller General and shall identify the material sought and the authority on which access is based. Service of a subpena issued under this subsection may be made by anyone authorized by the Comptroller General (A) by delivering a copy thereof to the person named therein, or (B) by mailing a copy thereof by certified or reigstered mail, return receipt requested, addressed to such person at his residence, or principal place of business. A verified return by the person so serving the subpena setting forth the manner of service or in the case of service by certified or registered mail, the return post office receipt signed by the person so served, shall be proof of service.

"(2) In the case of contumacy or refusal to obey a subpena issued under paragraph (1) of this subsection, by any person who resides, is found, or transacts business within the jurisdiction of any district court of the United States, such court, upon application made by the Comptroller General through any attorney designated by him in writing, shall have jurisdiction to issue to such person an order requiring such person to produce the matter requested. Any failure of any such person to obey such order of the court may be treated by the court as a contempt thereof.

"(d) The Comptroller General may not bring an action under subsection (b) for an order or issue a subpena under subsection (c) requiring the production of material—

"(1) if such material relates to activities designated by the President as being foreign intelligence or foreign counterintelligence activities;

"(2) if such material is specifically exempted from disclosure to the Comptroller General by statute provided that such statute (A) requires that the material be withheld from the Comptroller General in such a manner as to leave no discretion on the issue, or (B) establishes particular criteria for withholding from the Comptroller General or refers to particular types of matters to be withheld from the Comptroller General; or

"(3) if the President or the Director of the Office of Management and Budget within twenty days after the filing of a report under subsection (b)(1), certifies in writing to the Comptroller General, the Speaker of the House of Representatives, and the President of the Senate, that (A) such material consists of matters which could be withheld from disclosure under section 552(b)(5) or 552(b)(7), of title 5 United States Code and (B) the disclosure of such material to the Comptroller General could reasonably be expected to substantially impair the operations of the Federal Government. Such certification shall be nondelegable by the President or by the Director of the Office of Management and Budget and shall be accompanied by a full explanation of the rationale therefor.

"(e) Any written information, books, documents, papers, or records made available to the Comptroller General pursuant to this section shall be subject to the same level of confidentiality as is required of the agency from which obtained. The officers and employees of the General Accounting Office shall be subject to the same penalties prescribed by statute for unauthorized disclosure or use as the officers or employees of the agency from which such material was obtained. Information described in section 552 (b)(6) of title 5 of the United States Code obtained by the Comptroller General shall be maintained in a manner designed to prevent unwarranted invasions of personal privacy.

"(f) Nothing in this section shall be construed as authority to withhold information from Congress.".

AVAILABILITY OF DRAFT REPORTS

SEC. 103. Section 312 of the Budget and Accounting Act, 1921, (31 U.S.C. 53) is amended by adding at the end thereof the following new subsection:

"(f)(1) No portion of any draft report prepared by the General Accounting Office shall be submitted to any agency for comment thereon for a period in excess of thirty days unless the Comptroller General determines, upon a showing by such agency, that a longer period is necessary and is likely to result in improvement in the accuracy of such report.

"(2) Failure of an agency to return comments by the conclusion of the comment period established under paragraph (1) of this subsection shall not result in the delayed delivery of any such report.

"(3) Whenever an agency is requested to comment on a draft report, the Comptroller General shall—

"(A) in the case of any report initiated, pursuant to subsection (b) of this section or otherwise, at the request of either House of Congress or by any committee or member thereof, make such draft report available on request to such House, committee, or member; or

"(B) in the case of any other report, make such draft report available on request to the Committee on Governmental Affairs of the Senate and to the Committee on Government Operations of the House.

"(4) The Comptroller General shall prepare and issue with the final version of any report of the General Accounting Office a statement of (A) any significant changes, from any prior drafts of such report, in the findings, conclusions, or recommendations which were based on an agency's comments on such a draft, and (B) the reasons for making such changes.

"(5) Procedures followed pursuant to this subsection shall be subject to statutory and Executive order guidelines for the handling and storage of classified information and material.".

APPOINTMENT OF THE COMPTROLLER GENERAL AND THE DEPUTY COMPTROLLER GENERAL

SEC. 104. (a) Section 302 of the Budget and Accounting Act, 1921 (31 U.S.C. 42) is amended by inserting "(a)" before "There" and by adding at the end thereof the following new subsection:

"(b) (1) Whenever, after the date of enactment of this subsection, a vacancy occurs in the Office of Comptroller General or in the Office of Deputy Comptroller General, there is established a commission to recommend individuals to the President for appointment to the vacant office. Any such commission shall consist of—

"(A) the Speaker of the House of Representatives,

"(B) the President pro tempore of the Senate,

"(C) the majority and minority leaders of the House of Representatives and the Senate,

"(D) the chairman and ranking minority member of the Committee on Government Operations of the House of Representatives and of the Committee on Governmental Affairs of the Senate, and

"(E) in the case of a vacancy in the Office of Deputy Comptroller General, the Comptroller General of the United States.

"(2) Any commission established under paragraph (1) shall submit to the President for consideration the names of not less than three persons for the Office of Comptroller General. The President, within his discretion, may request that additional names be submitted.".

(b) (1) The first paragraph of section 303 of such Act (31 U.S.C. 43) is amended by striking out the first sentence and inserting in lieu thereof the following: "Except as otherwise provided in this section, the Comptroller General shall hold office for fifteen years and the Deputy Comptroller General shall hold office from the date of his appointment until the date on which an individual is appointed to fill a vacancy in the Office of Comptroller General. The Deputy Comptroller General may continue to serve until his successor is appointed.".

(2) The amendment made by paragraph (1) shall not apply to the person occupying the position of Deputy Comptroller General on the date of enactment of this Act, but shall apply with respect to any vacancy in such position occurring on or after such date, and shall apply to any person appointed to fill such a vacancy.

TITLE II—CONFORMING AMENDMENTS WITH RESPECT TO THE INSPECTORS GENERAL OF THE DEPARTMENT OF ENERGY AND HEALTH, EDUCATION, AND WELFARE

AMENDMENT TO THE ACT OF OCTOBER 15, 1976

SEC. 201. Section 203(b) of the Act of October 15, 1976 (90 Stat. 2430; 42 U.S.C. 3523), is amended to read as follows:

"(b) In carrying out the responsibilities specified in subsection (a) (1), the Inspector General shall—

"(1) comply with standards established by the Comptroller General of the United States for audits of Federal establishments, organizations, programs, activities, and functions;

"(2) establish guidelines for determining the appropriate use of non-Federal auditors;

"(3) take appropriate steps to assure that any work performed by non-Federal auditors complies with the standards established by the Comptroller General as described in paragraph (1); and

"(4) shall report expeditiously to the Attorney General whenever the Inspector General has reasonable grounds to believe there has been a violation of Federal criminal law.".

AMENDMENT TO THE DEPARTMENT OF ENERGY ORGANIZATION ACT

SEC. 202. Section 208 of the Department of Energy Organization Act (42 U.S.C. 7138) is amended by adding at the end thereof the following new subsections:

"(h) In carrying out the responsibilities specified in subsection (b) (1), the Inspector General shall—

"(1) comply with standards established by the Comptroller General of the United States for audits of Federal establishments, organizations, programs, activities, and functions;

"(2) establish guidelines for determining the appropriate use of non-Federal auditors; and

(3) take appropriate steps to assure that any work performed by non-Federal auditors complies with the standards established by the Comptroller General as described in paragraph (1).

"(i) In carrying out his duties and responsibilities under this section, the Inspector General shall give particular regard to the activities of the Comptroller General with a view toward avoiding duplication and insuring effective coordination and cooperation.

"(j) In carrying out his duties and responsibilities under this section, the Inspector General shall report expeditiously to the Attorney General whenever the Inspector General has reasonable grounds to believe there has been a violation of Federal criminal law.".

Mr. BROOKS (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendment be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. HORTON. Mr. Speaker, reserving the right to object, would the gentleman from Texas explain the content of the Senate amendment to H.R. 24.

Mr. BROOKS. If the gentleman will yield, most of the changes are minor language and technical changes. In addition, the Senate amendment adds a provision to the unvouchered expenditures section permitting exemption of financial transactions relating to sensitive law enforcement investigations and requiring the Director of OMB to submit a report of unvouchered accounts potentially subject to audit by the Comptroller General. In section 102, the Senate amendment prohibits the Comptroller General from bringing an action to enforce access to records under two additional situations: First, if a statute absolutely requires withholding materials; and, second, if the President or Director of OMB certifies that the material is included in the internal memorandum or law enforcement exemptions of the Freedom of Information Act and that disclosure could reasonably be expected to substantially impair the operations of the Federal Government. It also requires that material obtained under the section be subject to the same level of confidentiality as is required of the agency from which it was obtained.

Mr. HORTON. Further reserving the right to object, Mr. Speaker, since the passage of H.R. 24 by the House, a vacancy has occurred in the Office of Deputy Comptroller General. Is it the understanding of the gentleman from Texas that the new procedure for selection of the Deputy Comptroller General which is provided for in section 104 of H.R. 24 would apply to the filling of this vacancy?

Mr. BROOKS. Yes; that is our intention. In addition, I have received a letter from the Director of OMB which reinforces this understanding. I agree with the interpretation contained in the attachment to the Director's letter and I include the letter and the attachment at this point.

EXECUTIVE OFFICE
OF THE PRESIDENT,
OFFICE OF MANAGEMENT AND BUDGET,
Washington, D.C., March 1, 1980.

Hon. JACK BROOKS,
Chairman, Committee on Government Operations, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: As you are aware, Deputy Comptroller General Robert F. Keller resigned effective February 29, 1980, and a vacancy therefore currently exists in that Office. H.R. 24 and its counterpart in the Senate, S. 1878, would, if enacted, change the statutory term and the procedures for appointment of the Deputy Comptroller General. It is not certain from the language of those bills whether these new procedures would apply to the filling of the existing vacancy in the Office of Deputy Comptroller General. I would urge that you offer the statement attached to this letter at the time of the consideration of the Senate amendments by the House to ensure that the new procedures, if enacted, would apply to filling the existing vacancy.

Sincerely,
JAMES T. MCINTYRE, Jr., *Director.*

ATTACHMENT

Section 104(b)(1) provides that the Comptroller General shall hold office for fifteen years, and the Deputy Comptroller General shall hold office from the date of his appointment until the date on which an individual is appointed to fill a vacancy in the Office of Comptroller General. The Deputy Comptroller General may continue to serve until his successor is appointed.

Section 104(b)(2) provides that the foregoing amendment shall not apply to the person occupying the position of Deputy Comptroller General on the date of enactment of this bill, but shall apply with respect to any vacancy in such position occurring on or after such date, and shall apply to any person appointed to fill such a vacancy. The question has arisen whether the phrase, "occurring on or after" enactment of the bill, is intended to mean "taking place on or after" enactment. This question arises because, at this particular time, there is already a vacancy in the office of the Deputy

Comptroller General. In this legislation the intended meaning of the phrase "occurring on or after" enactment is the same as "existing on or after" enactment, not the same as "taking place on or after" enactment. This use of the phrase "occurring on or after" enactment leads to the result that the person appointed to fill the presently existing vacancy in the office of Deputy Comptroller General would be covered by the provisions of § 104(b)(1). Accordingly, the person appointed to fill the presently existing vacancy in the office of Deputy Comptroller General will have a term of office beginning on the date of appointment and running until the date on which an individual is appointed to fill a vacancy in the Office of Comptroller General. The Deputy Comptroller General may continue to serve until his successor is appointed.

Mr. HORTON. I thank the gentleman.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Texas (Mr. BROOKS) that the Senate amendment be considered as read and printed in the RECORD?

There was no objection.

The SPEAKER. Is there objection to the initial request of the gentleman from Texas?

There was no objection.

A motion to reconsider was laid on the table.

CALL OF THE HOUSE

Mr. ROUSSELOT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members responded to their names:

[Roll No. 148]

Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N. Dak.
Annunzio
Anthony
Ashbrook
Atkinson
AuCoin
Badham
Bafalis
Bailey
Barnard
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Butler
Byron
Campbell
Carney
Carr
Carter
Cavanaugh
Chappell
Cheney
Chisholm
Clausen
Cleveland
Clinger
Coelho
Coleman
Collins, Tex.
Conable
Conte
Conyers
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Dellums
Derrick
Derwinski
Devine
Dicks
Dixon
Donnelly
Dornan
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Frenzel
Frost
Garcia
Gaydos
Gephardt
Giaimo
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harkin
Harris
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCormack
McDade
McEwen
McHugh
McKay
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, Pa.
Murtha
Myers, Ind.
Natcher
Nedzi
Nelson
Nichols
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Paul
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Porter
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roth
Rousselot
Roybal
Royer
Rudd
Runnels
Russo
Sabo
Satterfield
Sawyer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Steed
Stenholm
Stockman
Stokes
Stratton
Studds
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Thompson
Traxler
Trible
Ullman
Van Deerlin
Vander Jagt
Vanik
Volkmer
Walgren
Walker
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

□ 1550

The SPEAKER pro tempore (Mr. MONTGOMERY). On this rollcall, 383 Members have recorded their presence by electronic device, a quorum.

Pursuant to the rule, further proceedings under the call are dispensed with.

□ 1600

APPOINTMENT OF CONFEREES ON S. 2222, EXTENDING TIME FOR INDIAN CLAIMS

Mr. DANIELSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 2222) to extend the time for commencing actions on behalf of an Indian tribe, band, or group, or on behalf of an individual Indian whose land is held in trust or restricted status, with Senate amendments thereto, insist on the House amendment and agree to the conference asked by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, can the gentleman from California explain why this particular request is needed at this time?

Mr. DANIELSON. I will be glad to if the gentleman will yield?

Mr. ROUSSELOT. I will be glad to yield.

Mr. DANIELSON. The consent is needed because the Senate has requested a conference on the bill, S. 2222, which passed the House in a version different from that in which it passed the Senate. It is necessary, of course, for the two bodies to come together on agreed terms.

Mr. ROUSSELOT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California? The Chair hears none, and, without objection, appoints the following conferees: Messrs. DANIELSON, MAZZOLI, HUGHES, HARRIS, BARNES, GLICKMAN, SYNAR, MOORHEAD of California, MCCLORY, and KINDNESS.

There was no objection.

REPORT ON RESOLUTION PROVIDING FUNDS FOR EXPENSES OF INVESTIGATIONS AND STUDIES TO BE CONDUCTED BY SELECT COMMITTEE ON OUTER CONTINENTAL SHELF

Mr. MINISH, from the Committee on House Administration, submitted a privileged report (Rept. No. 96-834), on the resolution (H. Res. 610) providing funds for the investigations and studies to be conducted by the Select Committee on the Outer Continental Shelf, which was referred to the House Calendar and ordered to be printed.

APPOINTMENT OF CONFEREES ON H.R. 10, RIGHTS OF INSTITUTIONALIZED PERSONS

Mr. KASTENMEIER. Mr. Speaker, I ask unanimous consent that the House disagree to the amendment of the Senate to the bill (H.R. 10) to authorize actions for redress in cases involving deprivation of rights of institutionalized persons, and request a conference with the Senate thereon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin? The Chair hears none and, without objection, appoints the following conferees: Messrs. KASTENMEIER, DANIELSON, MAZZOLI, GUDGER, HARRIS, CARR, RAILSBACK, MOORHEAD of California, and SAWYER.

There was no objection.

PROVIDING FOR CONSIDERATION OF H.R. 5741, THE MORTGAGE SUBSIDY BOND TAX ACT OF 1979

Mr. FROST. Mr. Speaker, by direction of the Committee on Rules, I call up

House Resolution 517 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. Res. 517

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5741) to amend section 103 of the Internal Revenue Code of 1954 to provide that the interest on mortgage subsidy bonds will not be exempt from Federal income tax, and to exempt interest on certain savings from Federal income tax, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Way and Means, the bill shall be considered as having been read for amendment under the five-minute rule. No amendments to the bill shall be in order except: (1) amendments recommended by the Committee on Ways and Means, and said amendments shall not be subject to amendment except pro forma amendments for the purpose of debate and (2) an amendment printed in the Congressional Record of December 20, 1979, by, and if offered by, Representative Glickman of Kansas, and said amendment shall not be subject to amendment except pro forma amendments for the purpose of debate. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER pro tempore. The gentleman from Texas (Mr. Frost) is recognized for 1 hour.

Mr. FROST. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from Mississippi (Mr. Lott), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 517 provides for the consideration of H.R. 5741, the Mortgage Subsidy Bond Tax Act of 1979. The resolution provides for 2 hours of general debate to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means. Mr. Speaker, as is customary during the consideration of complex legislation amending the Internal Revenue Code, the Committee on Rules agreed to grant the request of the Ways and Means Committee limiting the amendments that may be offered to H.R. 5741. In this instance, the only amendments that may be considered by the House are committee amendments, of which there are two major amendments, and an amendment to be offered by Mr. Glickman of Kansas.

I should like to take a few minutes to give my colleagues a short history of the evolution of H.R. 5741 so that they might better understand both how the Rules Committee came to grant this modified closed rule, and how the Committee on Ways and Means came to report this particular version of the Mortgage Subsidy Bond Tax Act.

Early last year, the esteemed chairman of the Committee on Ways and Means and several other Members of this House became concerned about the proliferation over a short period of time of the use of tax-free municipal bonds for single family mortgages and the resulting loss of revenue to the U.S. Treasury. In response to this concern, Chairman Ullman, along with Mr. Conable, the ranking minority member of the Ways and Means Committee, introduced H.R. 3712, which amended section 103 of the Internal Revenue Code of 1954 to provide that the interest on mortgage subsidy bonds would no longer be exempt from Federal income tax. The bill which was introduced on April 25, 1979, effectively ended the tax-free status of these bonds on that date, but did provide that obligations sold prior to April 25 could continue in their tax-free status.

During committee consideration, Ways and Means adopted an amendment which permitted the continued issuance of tax-free bonds for an additional 3 years from the date of enactment of the bill, but under new, very limited circumstances. The committee also amended the transition rule to make more explicit which obligations in the "pipeline" prior to April 25 would be eligible to be committed and issued under transition authority.

However, the members of the Ways and Means Committee found themselves divided over what amendments should be offered to the section of H.R. 3712 containing the so-called "permanent rule." The committee was divided over the question of continuing the tax-free bond program in its limited form, providing a small savers incentive, or a tax credit for first time home buyers. It became evident to the Rules Committee during hearings on the rule for H.R. 3712 that the Ways and Means Committee was unable to reach a consensus on these questions, and as such, the Rules Committee voted not to grant a rule and thereby effectively recommitting the bill to the Ways and Means Committee to allow its members to reach some satisfactory conclusion to the question.

On October 30, 1979, Chairman Ullman and Mr. Conable introduced H.R. 5741, the bill we have before us today. As introduced, H.R. 5741 removed the language adopted by the committee earlier in H.R. 3712 which related to the "permanent program" and substituted the small savers incentive: A $100 tax exclusion on savings interest, or $200 in the case of a joint return. The new proposal also contained transition authority language that had been further refined from the committee amendment adopted to H.R. 3712.

When Ways and Means met to consider the new bill, the committee adopted two major amendments: The first, now popularly known as the Downey amendment, which provides for the continued issuance of tax-free bonds, again, under very limited circumstances, for a period of 2 years; and the second, now known as the Gephardt amendment, which expands the transition rules to include several rules which apply to specific instances around the country in which municipalities and other government entities had taken some action toward the issuance of mortgage bonds prior to April 25, 1979, but due to a variety of circumstances, were not covered by the general transition rule language. I would like to make clear to my colleagues that if the Downey amendment is adopted, it will supersede the small savers interest exclusion.

Those two amendments are the major questions the House will decide, and the Rules Committee, when it granted this rule, agreed that those choices would be the only ones the House would consider. We do have an additional amendment, however, made in order under this resolution, which will be offered by Mr. Glickman of Kansas. That amendment is an addition to the rules incorporated in the Gephardt amendment and applies to the issuance of bonds in the State of Kansas under transition authority. I am sure that during the general debate on H.R. 5741, the principal proponents of these amendments will more fully explain them to my colleagues.

I should like to point out to my colleagues, however, that since H.R. 5741 was reported from the Committee on Ways and Means the situation surrounding the provisions of this bill have dramatically changed.

In the first instance, as I am sure my colleagues are aware, one of the provisions of the conference report on the Windfall Profit Tax Act provided for a $200 tax exclusion on savings interest and dividends, or in the case of a joint return, $400. Since the House passed the conference report last week, and the Senate is expected to complete consideration on the report this week, the section in H.R. 5741 as introduced containing the $100/$200 tax exclusion on savings interest probably will no longer be relevant, assuming the windfall profit tax is passed by the Senate and not vetoed by the President. This is an important point to keep in mind when a vote occurs on the Downey amendment, which as I stated earlier, would, if adopted, supersede the small savers tax exclusion contained in H.R. 5741 as introduced.

The second instance of the changed situation is the compelling need to provide some mechanism to enable Americans to find financing for homes. If anything at all, the economic events of the past few months, weeks, and even days, have only increased the need for a continued program of providing low-interest mortgages to Americans seeking to buy a single-family home.

As my colleagues well know, credit-tightening activities of the past few months have had a devastating effect on the housing market in the country. The Congressional Research Service cites startling statistics: Sales of new houses dropped sharply in November and December of last year to rates 23 percent below those of the third quarter of 1979, and 28 percent below the same 2 months of 1978. The Washington Post reported this morning that overall starts on new housing fell 6.3 percent last month to a new annual rate of 1.3 million units, the lowest rate since December 1975. This plunge the Post reports, "virtually parallels the recent surge in home mortgage rates and came almost entirely in single-family house construction which declined 23.1 percent over the month." The Federal Home Loan Bank Board reported that in December 1979, the effective nationwide mortgage rate was 11.89 percent; however, as they reported on March 6, during the first 5 days in February, that rate had jumped to 12.63 percent. The loan to price ratio, or downpayment requirements, stood at 27.6 percent. And that was just in the first 5 days of February. Quotas from the lending industry given me yesterday are unbelievable: the maximum FHA and VA rates were set at 13 percent per annum with 9 to 10 discount points, producing an effective yield of approximately 14¼ percent over the life of a 30-year loan. In my own State of Texas, the conventional market is charging 16 to 16¼ percent per annum; in Washington, a major lending institution has set its rates at 17 percent, in California those rates are at 16 percent and above, and in Florida, the rates have gone to 16.5 percent. To make matters worse, the Wall Street Journal recently estimated that 30 to 35 percent of the savings and loan institutions in the country are not making any mortgage loans, despite these historically high interest rates. And in the secondary market, the only buyer from whom a quote can be obtained is FNMA (Fannie Mae), whose average rate on sales yesterday was 17.003 percent per annum with one point each to the buyer and seller. In one case, a lending institution bought Fannie Mae money at 17.875 yesterday. In comparison, even with the yield on tax-exempt bonds also increasing, mortgage bond programs are currently making mortgage money available at rates between 10¾ and 11 percent.

What this means, is that without programs such as these, Americans are now, for the most part, unable to afford to buy a home, and even if they can find the money in their own pockets to meet a monthly mortgage payment, they will be truly fortunate if they can find a lending institution willing to make a loan. It is for this reason—a reason vital to the economic health of our Nation—that issuance of tax-free bonds to provide mortgage money should be permitted to continue under the new restrictions set forth in the Downey amendment.

The new restrictions on mortgage bonds contained in the Downey amendment are sufficient to curb the anticipated proliferation of mortgage bonds which I understand was a principal reason for the decision to introduce this legislation. Furthermore, the new restrictions contained in the Downey amendment are designed to direct the benefits of the program to those persons who need them the most. Finally, only last night, at a meeting at the White House, Treasury Secretary William G. Miller told 100 Members of this House that this bill is very important to the administration's fight against inflation. We owe this legislation to the citizens of our Nation.

Mr. Speaker, to do less would be irresponsible. I would urge my colleagues to adopt this rule, adopt the amendments recommended by the Committee on Ways and Means, and pass H.R. 5741.

□ 1610

Mr. LOTT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the rule making in order the Mortgage Subsidy Bond Tax Act of 1979 is a closed rule allowing 2 hours of general debate. The rule would make in order only amendments recommended by the Committee on Ways and Means and these amendments are not subject to amendment except for pro forma amendments for the purpose of debate. In addition, one other amendment printed in the CONGRESSIONAL RECORD of December 20 and if offered by Representative GLICKMAN is made in order and is not subject to amendment except pro forma amendments. There is one motion to recommit.

H.R. 5741 as considered by the Ways and Means Committee provided that interest on savings be exempt from Federal income tax, but that interest on mortgage subsidy bonds not be exempt. The committee, however, reported the bill with two amendments to the text. The first amendment (the Gephardt proposal) liberalizes the transition rules for mortgage bonds already in the pipeline. The other amendment (the Downey amendment) would replace the savings incentive plan with provisions similar to the original Mortgage Subsidy Bond bill, H.R. 3712. H.R. 3712 restricted the use of tax-free mortgage bonds to low-income buyers. It also contained a sunset provision killing the program after 3 years. The Downey amendment limits the program to 2 years and allows one-third of the mortgages issued in target areas earned by the homebuyer. A vote for the Downey amendment would be a vote to phase out the mortgage bond program.

I am very pleased that the House has included in the recently passed Windfall Profit Tax Act a $200 tax exclusion for interest earned on savings accounts for single taxpayers and a $400 exclusion for couples. Consequently the issue now under consideration is solely that of the phase-out of the mortgage subsidy bond.

□ 1620

To start debate on this, I yield 5 minutes to the gentleman from Alaska (Mr. YOUNG).

Mr. YOUNG of Alaska. Mr. Speaker, I am disappointed with the legislation before us today. Although this bill has been the subject of numerous hearings and committee markups, the product does not adequately address many of the problems that exist around the country. Rather than consider the problems endemic to certain regions, and address them to the fullest extent, this legislation creates totally unacceptable "permanent" rules that will virtually eliminate meaningful activity by many State agencies.

My own State of Alaska exemplifies the problem with H.R. 5714. Interested Alaskans made trip after trip to Washington, D.C., in an attempt to educate the Members as to the need for mortgage revenue bond financing within the State of Alaska. H.R. 5714 as approved by the committee would terminate the activity of the Alaska Housing Finance Corporation in rural Alaska and drastically curtail mortgage purchases in Anchorage, the only SMSA in Alaska. A large portion of AHFC's mortgage financing occurs in rural Alaska where housing stock is inadequate and little mortgage activity takes place.

The Corporation has been supplying an essential public need in rural Alaska where it is virtually the sole provider of mortgage loans. The bill, as reported from the committee, would cut off mortgage financing in these fragile areas of my State. This is the type of situation that needs special consideration in the legislation. Despite pleas by the State of Alaska, uniform rules were created.

Further, the permanent rules of H.R. 5741 fail to distinguish between the legitimate public purpose activities of State housing finance agencies and other issuers which have served upper middle and high income home purchasers since mid-1978. Rather than identify the misuses of a few and correct the problem, this legislation will end legitimate activity. In Alaska, the Alaska Housing Finance Corporation began its activity in 1972 under legislative mandate to make mortgage loans to lower and moderate income persons and persons living in rural Alaska. Other State agencies throughout the Nation have also become active pursuant to similar State legislative authorization. There are now 34 State agencies. State agencies have been issuing single-family mortgage revenue bonds for the benefit of lower and moderate income homebuyers since 1971. The respective State legislatures regulate these programs closely and have generally forbidden the State agencies from servicing households able to afford conventional financing. State agencies control all major aspects of bonds financing and loan underwriting and servicing through responsible boards of directors, experienced staffs and complete regulations. Unfortunately, the Ways and Means Committee failed to distinguish between the legitimate use of the tax-exempt borrowing privilege availed of since 1971 by State agencies and certain upper income mortgage revenue bond financings initiated by other entities since 1978.

H.R. 5741, as reported by the Ways and Means Committee on December 3, 1979, and its predecessor H.R. 3712 which was reported by the committee on August 31, 1979, have very seriously dislocated an established and appropriate State financing mechanism. Although the permanent rules of H.R. 5741 appear less restrictive than the bill as introduced, the permanent rules in fact will permit very little State agency financing activity and then only after State agencies in many instances have successfully surmounted elaborate new Federal regulatory hurdles. For example, the Secretary of HUD and the Secretary of the Treasury must make a determination as to areas of chronic economic distress in order for a nonqualified census tract to constitute a targeted area and thus receive somewhat less restrictive treatment under the bill. The result will be that the areas most in need of financing will have the most difficulty obtaining it.

H.R. 5741 is exceedingly complicated because it is an attempt to prescribe Federal uniformity for the diverse circumstances that have caused the various States to legislate State housing finance programs. Besides limiting all mortgage revenue bond financing to 5 percent of the market, it contains income limitations, purchase price tests and other restrictions and terminates all mortgage revenue bond financing 2 years from the date of enactment. These restrictions apply to all 50 States, create an entirely unworkable situation. As my colleagues know, it is virtually impossible to apply uniform rules across 50 different States.

The fact that it is unworkable is shown by the concentration of lobbying efforts on securing liberal transitional rules designed to permit "one-more" financing. The transitional rules are necessary of course because of the retroactive effect of H.R. 5741. The committee amendment to the bill's original transitional rules is designed to accommodate the needs of particular local issuers and permits State agencies to issue $150 million in mortgage bonds after April 24, 1979, and before the permanent rules take effect. The unduly restrictive nature of the permanent rules created the need for liberal transitional rules, and the committee amendment containing the transitional rules should be approved.

The committee amendment containing the permanent rules applicable to mortgage revenue bond programs is far less than perfect legislation. State agencies were not responsible for the abuses which prompted introduction of H.R. 5741, however under the permanent rules, they will suffer harshly. The lower and moderate income mortgage financing activities of these 34 States that have State agencies should be permitted to go forward. Although I introduced a bill to allow bonafide State agencies to continue legitimate activity, no acceptable provision permitting such activity is contained within the present legislation. Since an amendment permitting an exemption for State agencies is not acceptable under the rule, the committee amendment containing the permanent rules should be rejected.

Mr. LUJAN. Mr. Speaker, will the gentleman yield?

Mr. YOUNG of Alaska. I yield to the gentleman from New Mexico.

Mr. LUJAN. Mr. Speaker, I want to congratulate the gentleman. I did some figuring a little while ago as to what the effect of someone qualifying for housing would be.

If you took a $40,000 house, for example, with a 10-percent down payment, that leaves $36,000 to be financed. The payment at 14 percent—let us say it is a 30-year loan—is $426. With taxes and insurance, it is going to be $488. To qualify for a loan of that size, with that kind of payment, someone has to have an income of $23,000. That is what the interest is going to be, 14 percent, if we do not get the tax-free bonds.

With these available, you can have interest at about 10 percent, somewhere in there. In that case, the income level can be as low as $17,000, perhaps $15,000. So you are just disqualifying people between the $15,000 and $23,000 income level if this piece of legislation is passed. I think that we ought to defeat it. I agree with the gentleman. I compliment him on his comments.

Mr. YOUNG of Alaska. I thank the gentleman for his kind support.

Mr. Speaker, again, this bill is a bill which will be a detriment to the people who need the housing. I say let us kill the rule, let us send the bill back, let us leave it where it belongs, and let us let the housing industry go on the way it has been.

Mr. FROST. Mr. Speaker, I yield 5 minutes to the gentleman from Connecticut (Mr. GIAIMO).

Mr. GIAIMO. Mr. Speaker, I rise in support of the bill which the Committee on Ways and Means is reporting today. And I want to tell my colleagues that we are presently marking up on the budget for 1981. We are going to come here soon with a budget which will truly be in balance. We are going to cut $16 billion in real spending out of that budget, and in addition to that we in the House will have to cut an additional $5 billion as called for in the President's legislative reform package. That is $21 billion in programs, many of which are good and worthwhile programs. We are not going to be able to balance the budget if we do not tighten our belt on spending and also if we do not resist revenue losses which are not justifiably required.

As I understand this bill, the bill will help the poor and the disenfranchised and those in distressed areas. But you have to tighten up on this reform type tax-free bond legislation. You have to. Because if you do not support this bill of the Ways and Means Committee, we will lose in revenues over $400 million toward that balanced budget which I am talking about and which we are all trying to achieve.

I plead with the Members and urge the Members to support this legislation. I know the pressures that are coming along to defeat this bill, and most of them are coming from the bond salesmen and those who are in the bonding business. I am urging Members to repudiate them because their arguments are not meritorious. This is a good reform which this committee is trying to accomplish. If you and I are going to get control of the Federal programs and the Federal spendings, we have to look at the revenue side also. We have to make certain that regarding the tax expenditures which are made and the tax-free revenues which are ordered by Congress, we have to make certain that they are worthwhile. That is what this committee is trying to do. It is trying to save the taxpayers by reforming this bond-free legislation, and it deserves the support of the Members. I plead with the Members, in the interest of all of you who are trying to find a balanced budget, who are trying to reduce Federal expenditures, to begin here today. This will not be the only day. Every day this year we are going to be called upon to tighten our belts. But we have to start today. And if you do not, we will lose $400 million of that balance.

Mr. DOWNEY. Mr. Speaker, will the gentleman yield?

Mr. GIAIMO. I yield to the gentleman from New York.

Mr. DOWNEY. I thank the gentleman for yielding.

Mr. Speaker, I think the gentleman has addressed one of the critical concerns that all of us have who have dealt with mortgage revenue bonds and its impact on the Treasury and the loss of revenue.

The fact is that because of interest rates rising, the impact will be more like $600 million and not $400 million. So the gentleman is correct. The outyear expenditures rise very rapidly, to $2 billion, to $4 billion and $8 billion in the next few years unless we place some restrictions on the bill.

I would prefer, frankly, a little more liberal bill than the one we have worked out, but I think it is a suitable compromise, it recognizes the exigencies of balancing the budget and also the need of the individuals to have homes.

Mr. GIAIMO. Mr. Speaker, I plead with the Members to support the committee in this effort.

Mr. LOTT. Mr. Speaker, I yield 5 minutes to the gentleman from New York (Mr. CONABLE).

Mr. CONABLE. Mr. Speaker, I think it is important to understand what has happened here. I personally support the bill and I support the rule. I hope every Member will support it also.

Three years ago you never heard of revenue bonds for mortgage financing. Now we are told that the housing industry will collapse unless we have these bonds in almost unlimited amounts.

I think the housing industry is in bad shape; but not because of this bill. It is because of the very high interest rates and the problems that are attendant on the financing of mortgages through conventional means.

I think we should move very cautiously to extend the tax-exempt financing of mortgage money during a critical period of this sort because it could rapidly result in an alteration of our procedures for mortgage financing permanently, moving it outside the tax system completely and virtually eliminating the need for the thrift institutions which have been the conventional source of mortgage money.

What happened that brought about the original filing of the restricted bill was that Chairman ULLMAN and I, at the beginning of last year, looked at the figures and were horrified to see the dramatic upswing that was occurring in the issuance of revenue bonds for mortgage financing. We put in a bill prohibiting it. The effect of it, under a very restrictive transitional rule, would have been to limit the total amount of bonds issued to some $200 million, those that were actually in process at that time.

☐ 1630

In the Committee on Ways and Means over a period of time, we found strong support for the idea of liberalizing the original bill that we had filed.

So in progressive steps we authorized the issuance, under various transitional rules of first an additional $6.8 billion of these bonds, then an additional $3.8 billion, then an additional $3.5 billion, until under the bill as reported, we would permit a total of $14.3 billion of revenue bonds to be issued.

Frankly, I think that is too liberal, but that is the compromise that was necessary to get this bill to the floor. And thus, it constitutes a very modest restriction, indeed, upon the issuance of revenue bonds.

Now let us look at what has happened to tax-exempt housing bonds as a percent of total tax-exempt bonds. During the seventies, it has been less than 3 percent up until 1978. Very few States availed themselves of this device.

In 1978, 7 percent of the tax-exempt bonds issued were tax-exempt housing bonds.

In 1979, after we had filed our bill and had this process of liberalization of the transition rules, these bonds continued to come out under the rules set out in our bill, and in 1979, 21 percent of the tax-exempt bonds issued were housing bonds.

During the first 2 months of 1980, 40 percent of the tax-exempt bonds issued were tax-exempt housing bonds.

Now quite frankly, if this pattern continues, it is going to be terribly disruptive not only to traditional municipal finance, but to industrial development bonds and other types of bonds that are issued into the tax-exempt market.

It seems to me we have to have some restriction. We have been very liberal in the restrictions placed in this bill, and it is my hope that my colleagues will support both this rule and support the bill.

Mr. ULLMAN. Mr. Speaker, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from Oregon.

Mr. ULLMAN. I thank the gentleman for yielding.

I want to commend the gentleman.

Since he joined me in introducing the bill last April 25, this has been one of the most difficult and onerous matters to come before our committee since I have been in the Congress.

This is a reasonable resolution, but above all, we must get back to some certainty; and this is the only way we can move back to certainty in this very difficult area. It is a very equitable and fair bill. I commend the gentleman.

Mr. CONABLE. I thank the chairman for his contribution. I am pleased to associate myself with his effort. I hope that at this time, when the Nation is really calling for fiscal discipline and restraint, my friends in this body naturally concerned about the housing industry, naturally looking to the opportunities of tax-exempt housing bonds as one way to finance our way out of this problem, will accept this very modest, indeed, degree of restraint that this bill represents.

Unless we do this, I am afraid, Mr. Speaker, that we will see dramatic changes in the whole process of mortgage financing, to the permanent detriment of the conventional mortgage lending institutions.

Mr. LOTT. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota (Mr. Frenzel).

Mr. FRENZEL. Mr. Speaker, this is a pretty awful rule. In many respects, it is a pretty awful bill, too. And yet I have to reluctantly concur in at least some of the remarks of the distinguished ranking minority member of the Committee on Ways and Means, the gentleman from New York (Mr. Conable), and the distinguished chairman of the Committee on Ways and Means, the gentleman from Oregon (Mr. Ullman).

We somehow do have to staunch the gaping wound in Federal revenues that has been caused by the large increase in tax-exempt municipals for housing purposes.

On the other hand, I think the version of the Committee on Ways and Means is too restrictive, and I would hope to see the 5-percent cap expanded when the bill moves on to the other body.

However, for now, I think we face today a very important test of the House will to see whether it really wants a balanced budget, or whether it, on the other hand, would prefer, in defeating this bill, to allow extreme losses of revenue to our Treasury.

I will be personally very interested in seeing how the Members of this body vote in that regard.

It seems to me that it is on the very important point of fiscal responsibility this question turns today.

Mr. Speaker, I hope the rule will be passed despite its imperfection and restriction. I hope the same applies to the bill, that is if the Downey amendment is accepted, as it looks like it will be. I urge an aye vote on the rule.

Mr. LOTT. Mr. Speaker, I yield 5 minutes to the gentleman from Wisconsin (Mr. Sensenbrenner).

Mr. SENSENBRENNER. Mr. Speaker, I rise in opposition to this rule.

Adoption of this rule will prevent the offering of an amendment which will allow the Wisconsin veterans housing program to continue, as passage of H.R. 5741 will prevent my State from issuing revenue bonds to continue a highly successful program.

In 1975, the voters of Wisconsin overwhelmingly amended the State constitution to permit the State to issue general obligation bonds to finance first mortgages of qualified veterans. Later that year, the State legislature authorized issuance of general obligation bonds for veterans' housing. The program has been remarkably successful. In less than 5 years, over $1 billion in loans were made.

The economic impact of the Wisconsin program goes far beyond merely helping young veterans become homeowners. It has directly provided more than 7,000 new homes in the past 5 years. Directly and indirectly, it has been responsible for an increase of 15,000 new units to Wisconsin's housing inventory. It has broadened tax bases and increased employment. Users of the program have been low- to middle-income veterans, primarily young, first-time home buyers with median combined family income in the past 18 months of about $16,600.

Even though general obligation bonds were used to provide the funds utilized in this program, the loans are secured by first mortgages and thus no tax funds have been used or are likely to be used to continue the program.

Last year, the Wisconsin Legislature enacted a law which switched the financing of the program from general obligation bonds to revenue bonds. This change was made since the huge success of the veterans' housing program brought the State close to its constitutional yearly debt limit, thus placing in jeopardy the State's high bond rating and increasing interest rates on borrowing for State construction not related to the veterans' program.

This change was clearly in the public interest since general taxes were not intended to be used to repay the principal and interest on the veterans bonds.

The Wisconsin Legislature will only remain in session until April 2, 1980. If this bill is finally enacted after that date, the highly successful Wisconsin program will be put out of business.

Gov. Lee Sherman Dreyfus has requested that this bill be amended. Unfortunately, the rule before us today prohibits the amendment suggested by the Governor. For that reason, this rule should be voted down.

I include the Governor's letter as well as that of Ron Schultz, chairman of the Council on Veterans Programs of the Wisconsin Department of Veterans Affairs be included in the Record at this point.

State of Wisconsin,
Office of the Governor,
Madison, Wis., November 28, 1979.

Hon. F. James Sensenbrenner, Jr.,
U.S. Representative,
House Office Building,
Washington, D.C.

Dear Jim: I wish to reiterate my concerns over the provisions of the Mortgage Subsidy Bond Tax Act proposals (H.R. 3712 and H.R. 5741). The most significant problem for Wisconsin lies in the requirement that veterans' programs be funded solely through general obligation bonds. I believe this language should be broadened to permit Wisconsin to use revenue bonding as provided in law adopted here less than four months ago.

The following language could be used to modify Section 2(c) (3) (B) of H.R. 3712 so that both general obligation and revenue bonds are exempt for veterans' programs.

"(B) the payment of the principal and interest on which is secured by the general obligation or the pledging of specific revenues to be received by a State, and"

The bill currently provides:

"(B) the payment of the principal and interest on which is secured by the general obligation of a State, and" (Page 7, lines 5–7)

This change would permit Wisconsin to sustain its debt capacity and move in directions the Legislature and I deem in the state's best long-term interest. Our approach is predicated on the principle that those who benefit from particular bonds should bear the risk; the state should bear the risk when all its citizens benefit.

I am sure you understand our desire to manage our limited bonding capacity in a way that best serves all our citizens. Your attention to this concern will be most appreciated.

Sincerely,

LEE SHERMAN DREYFUS,
Governor.

STATE OF WISCONSIN,
DEPARTMENT OF VETERANS AFFAIRS,
Madison, Wis., September 25, 1979

Hon. F. JAMES SENSENBRENNER,
Washington, D.C.

DEAR CONGRESSMAN SENSENBRENNER: The State's direct home loan program for veterans has been used extensively by Wisconsin home builders in the past 5 years. Until this year, when rising building costs made the program limits increasingly unrealistic, about one-fourth of all loans under the program were made for new construction or builders inventory homes. That share of the action is now reduced to 17%, and is still going down.

We know that in many parts of the state the tight money situation has made home builders and home sellers increasingly dependant upon the veterans direct home loan program. A builder from Green Bay said that in his area the veterans program was the only thing builders had going for them.

Legislation has been introduced to adjust program cost and income limits to the realities of the market place. You should be warned, however, that pending federal legislation, coupled with the program shift earlier this year from general obligation to revenue bonding, is likely to wipe out the veterans direct home loan program next year, no matter what changes are made in program limits.

Based upon all information now available to the department, it is estimated that passage of H.R. 3712 now pending in Congress would reduce the veteran loan program in 1980 to as little as 10% of present loan value.

Since the provision in the federal bill exempting state veterans home loan programs which are funded by general obligation bonds would not apply to Wisconsin once the remaining general obligation bonding authorization is exhausted next January, the Wisconsin veterans loan program faces being caught "between the rock and the hard place."

If H.R. 3712 passes Congress in its present form, young Wisconsin veterans will have their chances to become homeowners greatly reduced. Moreover, the shelter industry in Wisconsin will not be able to look again to the state loan program for support as it did during the housing recession of 1974 and 1975.

Sincerely yours,

RON SCHULTZ,
Chairman, Council on Veterans Programs.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentleman from Maryland (Mr. MITCHELL).

Mr. MITCHELL of Maryland. Mr. Speaker, I ask for the time to propound a question to the distinguished chairman of the committee.

I am advised, and I hope it is incorrect advice, that during the general debate there will be no response to specific requests which might be raised with regard to specific programs in various political subdivisions.

□ 1640

If that is going to be the procedure, obviously that is going to affect the way in which I want to vote on the rule; so I am asking the chairman to please clarify for me whether there will be an opportunity to respond to a question or engage in a dialog vis-a-vis any particular programs.

Mr. ULLMAN. Mr. Speaker, will the gentleman yield?

Mr. MITCHELL of Maryland. I would be delighted to yield.

Mr. ULLMAN. Mr. Speaker, I will say to the gentleman, I am sure the gentleman is referring to a problem in the transition rule.

Mr. MITCHELL of Maryland. That is correct.

Mr. ULLMAN. The chairman of the Committee on Ways and Means is going to make it a rule in this debate not to engage in colloquies on the transition rule, simply because the bonding houses might take a position and try to move on the sale of bonds when, in fact, the interpretation, any interpretation that I might make here, would not be valid under the law. The IRS will rule on the application of the transition rule based on the statute, and not in accordance with any colloquy that I may have here. When we talk about what is permitted under the transition rule, with respect to a specific set of circumstances, we must look to what is written in the bill and the accompanying explanation in the committee report.

Now, the chairman of the Committee on Ways and Means will not be able to make a determination on factual interpretations on the floor of the House. That will have to be done in the proper way as the law is administered. Thus, the chairman of the Committee on Ways and Means will not be able to engage in colloquy on your issue.

Mr. MITCHELL of Maryland. Mr. Speaker, I thank the gentleman. It makes it exceedingly difficult for me to vote for the rule under that circumstance.

Mr. LOTT. Mr. Speaker, I yield 5 minutes to the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Speaker, I rise in opposition to the rule. One of the major reasons was just brought out by my colleague, the gentleman from Maryland.

Now, my good chairman, in an effort to be helpful during the many months we were working on this bill, was nice enough to write letters to individuals who questioned the application of the legislation to various bond issues. Now, because there are so many programs out there in need of interpretation, I say to the gentleman from Maryland (Mr. MITCHELL), the chairman does not want to talk about it on the floor. We do not want to write a legislative history on it, because we do not know how the bill, permanent rule and transition rule, will work. We had a minimum of three different transition rules. We had to keep going back to the committee to rewrite the legislation. And why? Because more and more people in more and more communities are finding out how badly affected they are by this bill, especially the transitional provisions.

There is tremendous confusion out there by the bond counsels, by the housing authorities, and by a lot of other people as to what the Ways and Means Committee has really done.

Now, many of my colleagues claim to have faith in the Senate and in that body's ability to "clean up" H.R. 5741, to fix the bill and correct the very serious defects which remain in the committee bill. That is crazy. The way to handle this legislation is to vote against the bill. Send it back to committee and straighten out the problems now.

Mr. MITCHELL of Maryland. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. Now I will be glad to yield to my colleague.

Mr. MITCHELL of Maryland. Mr. Speaker, I would call the attention of the Members of the House to a most unusual circumstance that seems to be developing. It looks like there is a Mitchell-Rousselot alliance forming here with regard to the rule, which is highly unusual. I would hope that someone on the committee could offer me some counterarguments against the very persuasive and eloquent arguments of my comrade, the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Well, I will yield in just a minute for those persuasive arguments. I want to make some other points.

Mr. ULLMAN. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I will in just a minute. How much time does the gentleman have left here? I want to make my points here.

Mr. ULLMAN. We would be glad to extend time to the gentleman.

Mr. ROUSSELOT. The gentleman has made his points and I have a lot of other points I want to make.

Mr. ULLMAN. Mr. Speaker, to clarify the record, would the gentleman yield?

Mr. ROUSSELOT. Well, if it will not take too much time.

Mr. ULLMAN. Mr. Speaker, let me just say that when we started out under H.R. 3712, as introduced, we had $200 million in bonds under the transition rule. By the time the committee reported H.R. 3712, the amount of bonds covered under the transition rules had risen to $7.0 billion.

Mr. ROUSSELOT. The gentleman is talking about revenue loss.

Mr. ULLMAN. Then in H.R. 5741 we moved to an additional $3.8 billion of bonds, and then an additional $3.5 billion under the revised rules. We now have $14.3 billion of bonds under the transition.

Mr. ROUSSELOT. Which I understand very well.

Mr. ULLMAN. We have been accepting almost every argument during the past 8 months on that.

Mr. ROUSSELOT. Mr. Speaker, I want to say that my chairman has been very fair in writing letters to various parties as to the gentleman's interpretation of what the transitional rule will or will not do. I am not being overcritical of the gentleman; the gentleman has had a horrendous task in dealing with this particular legislation. We have this bill here today because the Treasury wants it. The Treasury keeps talking about revenue loss. They came over here and scared the hell out of the members of the committee, that there is all this money out there somehow being utilized in tax-exempt bonds. To do what? Build housing for low- and moderate-income people. And because some communities abused it, in Chicago, Redondo Beach, Calif., and a couple other places, we are going to change the current law, which I say is good. The reason I oppose the bill, and the rule, is that the current law is right. Most States have moved by State action to prevent abuses. California has, New York has, Minnesota has. The abuses can be prevented by State law.

I want to speak to the issue of revenue loss. Do you think for 1 minute, that investment money prevented from being used for mortgage revenue bonds will simply sit in an account somewhere and wait for the IRS to find it and tax it? Of course not. The smart investment money will simply move to other tax shelters, indeed, other types of tax-exempt bonds.

What we have done here is set up a mechanism to deprive local communities of a tool to provide low- and moderate-income housing for its residents.

Now, I was going to ask my colleague from Connecticut, and I am sorry the gentleman has left, if the gentleman did anything in the Budget Committee to cut down on unnecessary subsidized housing. I will bet the gentleman did not, and I submit, as a former member of the Banking Committee which has jurisdiction over HUD housing programs, that there is more waste and drain on the Federal Treasury through those programs than through tax-exempt mortgage bonds. I would also submit that tax-exempt mortgage financing will prove a more effective, efficient tool for providing housing.

The SPEAKER pro tempore. The time of the gentleman from California (Mr. ROUSSELOT) has expired.

Mr. LOTT. Mr. Speaker, I yield 3 additional minutes to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, I appreciate my colleague yielding.

Now, the people who build these homes have stated, and they ought to know, that if we pass this legislation the way it is, there is going to be a severe loss of jobs.

Mr. HOPKINS. Mr. Speaker, will the gentleman yield on that?

Mr. ROUSSELOT. Yes, I will yield to my colleague.

Mr. HOPKINS. Mr. Speaker, could the gentleman give me some idea of how many jobs the gentleman is talking about, if this bill passes, that will be in jeopardy?

Mr. ROUSSELOT. Well, my recollection is that there are about 1.5 million jobs, give or take a few, that would be badly and adversely affected.

Mr. HOPKINS. A million jobs?

Mr. ROUSSELOT. That would be adversely affected if we pass this legislation.

Mr. HOPKINS. Is that not more than were involved in the Chrysler bailout?

Mr. ROUSSELOT. Yes, of course. Oh, I am glad the gentleman brought that out. Yes, it is.

Now, there are only 1.5 million jobs involved in this bill.

Mr. HOPKINS. How about the drop in units? Could the gentleman tell me approximately how many units will drop if this bill passes?

Mr. ROUSSELOT. I think the estimates are a drop of about a million in housing units.

Mr. HOPKINS. That is the worst since what year? Does the gentleman recall?

Mr. ROUSSELOT. Well, I think it has been 44 years since we have dropped that low.

Mr. HOPKINS. Mr. Speaker, I thank the gentleman for yielding.

Mr. ROUSSELOT. You ought to vote against the rule and send it back to committee. We really need to do some more homework on this thing. We had at least three transitional rules.

You had better call your State agencies, your community agencies, your mayors, and see how you are affected. I have been informed that well over 300 Members of this House will be adversely affected, because this is an imperfect transition rule; yes, imperfect is the word. I want to send it back to my beloved committee and get it corrected. I am willing to spend a little extra time to do that.

By the way, I agree with my colleague, the gentleman from Minnesota (Mr. FRENZEL), a strong, active member of this committee. This is an awful rule. This is an awful bill. The gentleman is going to vote for it whether it helps him or not. I just do not think we ought to do that.

□ 1650

If it is an awful bill and an awful rule, send it back to the committee. That is all.

Mr. DOWNEY. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I yield now to my colleague from New York, a very active member of the committee.

Mr. DOWNEY. The gentleman knows we were both in favor of mortgage revenue bonds.

Mr. ROUSSELOT. Both of us agreed that the current law is correct.

Mr. DOWNEY. If the gentleman would allow me to characterize my own opinion, I would very much appreciate it. I think the gentleman should apprise the Members of the House that our beloved members of the committee almost killed this.

The SPEAKER pro tempore. The time of the gentleman from California has expired.

Mr. FROST. Mr. Speaker, I yield 4 minutes to the gentleman from New York (Mr. DOWNEY).

Mr. DOWNEY. I thank the gentleman for this time.

The gentleman understands that the Ways and Means Committee almost killed this bill twice to end completely mortgage revenue bonding. That is clear. That happened and it was a result of some of the work of the gentleman from California and others that we were able to save it.

Mr. ROUSSELOT. Because we believed in the current law and tax-exempt mortgage bonds.

Mr. DOWNEY. It is my time and I will be happy to yield to the gentleman. The fact is there have been some terrible abuses of this bill.

Mr. ROUSSELOT. Correct.

Mr. DOWNEY. The gentleman's State of California in Redondo Beach financed $200,000 condominiums and is currently interested in financing a large condominium project of about $125,000.

Mr. ROUSSELOT. And only half of that housing went for the low- and moderate-income people.

Mr. DOWNEY. It is my time, if the gentleman will indulge me. The fact is what we have attempted to do, those of us in favor of mortgage revenue bonding, is to recognize the realities of the Ways and Means Committee that has been steadfastly opposed to it, No. 1, and also appreciate the fact that if we allow the doors to open, the bond people may consume themselves with a flood of this sort of financing. I think they will do irreparable harm to themselves.

So what we have done, and it has been very painful, is try and take some cognizance of the costs and also to do some targeting. It is not a perfect bill. I would prefer rather than a 5-percent cap that it be more like 10 or 20 percent. But the committee, if we send it back to the committee, will probably kill this bill and it will not come up with a better version. It seems to me that my colleagues should be aware of that before they send it back to the committee.

Mr. MITCHELL of Maryland. Mr. Speaker, will the gentleman yield?

Mr. DOWNEY. I yield to the gentleman from Maryland.

Mr. MITCHELL of Maryland. I appreciate the gentleman yielding. I hope the gentleman will be sympathetic and empathetic with my position. I have a city that I have a responsibility toward. If I vote for this rule I might be voting for something that is ultimately adverse to my city, and I will not even have an opportunity to raise a question as to whether it is good or bad for my city. How can I square that with my community?

Mr. DOWNEY. I would tell my friend from Maryland that in my amendment, which is the permanent rule, we can go over substantially some of the rule changes in the permanent rule that I am sure apply to the city of Baltimore, No. 1. No. 2, unless I am very mistaken, the permanent rule will provide wide latitude for refurbishing the downtown area within certain income types.

So I can only tell the gentleman if he wants to see more mortgage revenue bonding, as I do, by sending it back to committee he does not insure himself the opportunity to do that.

Mr. MITCHELL of Maryland. I thank the gentleman for yielding. What this gentleman really wants is a hard answer, yes or no. Does Baltimore fit or does it not?

Mr. ROUSSELOT. No, it does not. The best thing to do is to vote against the rule.

Mr. DOWNEY. I would be happy to yield to the gentleman.

Mr. ULLMAN. Mr. Speaker, will the gentleman yield?

Mr. DOWNEY. I am happy to yield to the gentleman.

Mr. ULLMAN. I want to say to my friend from Baltimore that the legislative process is not helped in any way by trying to write law on the floor of the Congress when the facts are very complicated. I will say to the gentleman that the chairman of the Ways and Means Committee would be happy to work with him on the other side, in the other body, to clarify any matters that would be helpful to the gentleman. This is a tough, tedious process. We have been working on it now, as the gentleman knows, for almost a year, and we have been working with hundreds and hundreds of communities, and quite a number of Members of Congress. I would be very happy to work with the gentleman and try to get it clarified before it is finally enacted into law.

But, we cannot do it here on the floor of the House.

● Mr. GLICKMAN. Mr. Speaker, I rise in support of the rule for consideration of H.R. 5741, but quite frankly I do so with some hesitation. As my colleagues are aware, the rule will allow one amendment beyond those incorporated by the committee, and that amendment is one that I will be offering. I certainly appreciated the fact that the Rules Committee made my amendment in order since it is of considerable importance to my State. I am convinced that my amendment is fully justified on the basis of equity alone.

I am also aware that a number of my colleagues from other States have become aware over the last few months of bond proposals that were being developed in their States prior to the April 24, 1979 deadline set in the bill which, for any number of reasons, would be blocked from proceeding under the transition rule incorporated into the bill we will be considering here this afternoon. However, I do want to reemphasize that the situation in my State is indeed unique. Last year, the Kansas State Legislature considered and enacted legislation restricting the home rule authority of its local governments with regard to their ability to issue mortgage revenue bonds. It is the only State in the Union which was working on legislation to restrict longstanding authority to issue those bonds without question.

In fact, the State legislature was aiming at achieving the same goal as the legislation before us: To tighten up on the use of these bonds at a time when they were becoming increasingly popular. And, I would note, according to many the Kansas law is considered to be model legislation for other States to emulate. However, the fact that that legislation was pending became a double-edged sword when H.R. 3712, the precursor of the bill before us, was introduced last April 24. Municipalities in Kansas which had begun the process of issuing bonds held back in terms of finalizing their proposals so they could see what kinds of restrictions the State would impose. Those municipalities were acting in a responsible manner to make sure that they were in compliance with State law in spite of the fact that they could have gone ahead with their plans under home rule authority.

Unfortunately, the State legislation was not signed until April 22, 1979, and did not go into effect until April 26, 1979. When H.R. 3712 was introduced on April 24, they had been caught. They had not had time to finalize their plans in the 2 days since the State legislation was signed. Therefore, they had not taken the necessary official action to meet the the criteria required under the proposed Federal legislation. It is just not fair to penalize those local governments which were trying to be responsible in waiting to comply with intent of State legislation by blocking their proposed bond issues instead of incorporating them into the Federal legislation's transition rule. My amendment—which this rule makes in order—would do just that.

I urge you to support the rule and, subsequently, my amendment.●

Mr. LOTT. Mr. Speaker, I have no further requests for time, and yield back the balance of my time.

Mr. FROST. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, there has been a great deal of heated discussion on the rule, and I think before we vote on the rule it should be clear what this bill does do and what it does not do. This is a compromise piece of legislation.

This bill continues, if the Downey amendment, committee amendment is adopted, this bill will continue the mortgage bond program, but in a modified form. It does not eliminate the mortgage bond program; it continues it, but with some restrictions which will be explained by the gentleman from New York (Mr. DOWNEY) during the discussion and the debate on the bill.

This bill does another thing. It stems the loss of revenue to the Treasury and it also provides for housing, for housing bonds for low- and moderate-income people under the Downey amendment. So this bill does not eliminate the mortgage bond program, it cleans up the mortgage bond program. With the Downey amendment it permits it to continue and to go forward.

I would only repeat the point made by Chairman GIAIMO and by the gentleman from Minnesota (Mr. FRENZEL) on the other side. If, in fact, we in this body are serious about balancing the Federal budget, the time to begin is today on this piece of legislation.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. FROST. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 271, nays 133, answered "present" 1, not voting 26, as follows:

[Roll No. 149]

YEAS—271

Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Ashley
Aspin
AuCoin
Bafalis
Bailey
Barnard
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Brademas
Brinkley
Brodhead
Brooks
Brown, Calif.
Broyhill
Burlison
Burton, John
Burton, Phillip
Butler
Byron
Carr
Carter
Cavanaugh
Chisholm
Clay
Clinger
Coelho
Conable
Conte
Conyers
Corman
Cotter
D'Amours
Daniel, Dan
Danielson
Daschle
Dellums
Derrick
Dicks
Diggs
Dixon
Donnelly
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
English
Erlenborn
Ertel
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Frenzel
Frost
Garcia
Gephardt
Giaimo
Gibbons
Gilman
Ginn
Glickman
Gore
Gradison
Gramm
Gray
Guarini
Gudger
Guyer
Hall, Ohio
Hamilton
Hammerschmidt
Hance
Hanley
Harkin
Harris
Heckler
Hefner
Heftel
Holland
Hollenbeck
Holtzman
Horton
Howard
Hughes
Hutto
Hyde
Ireland
Jenkins
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kildee
Kogovsek
Kostmayer
LaFalce
Latta
Leach, Iowa
Leath, Tex.
Lederer
Lehman
Leland
Long, La.
Long, Md.
Lowry
Luken
Lundine
McClory
McCloskey
McCormack
McEwen
McHugh
McKay
Maguire
Markey
Martin
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Minish
Moakley
Moffett
Mollohan
Montgomery
Moorhead, Pa.
Mottl
Murphy, N.Y.
Murtha
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Pepper
Perkins
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rinaldo
Roberts
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Russo
Scheuer
Schroeder
Sebelius
Seiberling
Shannon
Sharp
Shelby
Simon
Skelton
Smith, Iowa
Snowe
Solarz
Spellman
Spence
St Germain
Stack
Staggers
Stanton
Stark
Steed
Stockman
Stokes
Stratton
Studds
Swift
Synar
Thompson
Traxler
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Walgren
Wampler
Watkins
Waxman
Weiss
White
Whitehurst
Whitley
Whittaker
Wilson, Tex.
Winn

Wirth
Wolff
Wolpe
Wright
Wyatt
Wylie
Yates
Young, Mo.
Zablocki
Zeferetti

NAYS—133

Ashbrook
Atkinson
Badham
Bauman
Beard, Tenn.
Bowen
Breaux
Broomfield
Brown, Ohio
Buchanan
Burgener
Campbell
Carney
Chappell
Cheney
Clausen
Cleveland
Coleman
Collins, Tex.
Corcoran
Coughlin
Courter
Crane, Daniel
Daniel, R. W.
Dannemeyer
Davis, Mich.
Davis, S.C.
Deckard
Derwinski
Devine
Dickinson
Dornan
Edwards, Ala.
Edwards, Okla.
Emery
Erdahl
Evans, Del.
Forsythe
Fowler
Gaydos
Gingrich
Goldwater
Gonzalez
Goodling
Grassley
Green
Grisham
Hagedorn
Hall, Tex.
Hansen
Harsha
Hightower
Hillis
Hinson
Holt
Hopkins
Hubbard
Huckaby
Jacobs
Jeffords
Jeffries
Johnson, Colo.
Kazen
Kemp
Kindness
Kramer
Lagomarsino
Leach, La.
Lee
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Lott
Lujan
Lungren
McDade
McDonald
Madigan
Marks
Marlenee
Marriott
Michel
Mitchell, N.Y.
Moore
Moorhead, Calif.
Murphy, Pa.
Myers, Ind.
Natcher
Pashayan
Paul
Petri
Porter
Quayle
Quillen
Rhodes
Ritter
Robinson
Roth
Rousselot
Royer
Rudd
Runnels
Sabo
Satterfield
Sawyer
Schulze
Sensenbrenner
Shumway
Shuster
Smith, Nebr.
Snyder
Solomon
Stangeland
Stenholm
Stump
Symms
Tauke
Taylor
Trible
Vento
Volkmer
Walker
Weaver
Whitten
Williams, Mont.
Williams, Ohio
Wydler
Yatron
Young, Alaska
Young, Fla.

ANSWERED "PRESENT"—1

Mitchell, Md.

NOT VOTING—26

Abdnor
Anderson, Ill.
Archer
Baldus
Collins, Ill.
Crane, Philip
de la Garza
Dingell
Dodd
Dougherty
Edwards, Calif.
Fish
Fuqua
Hawkins
Ichord
Jenrette
Kelly
McKinney
Murphy, Ill.
Myers, Pa.
Richmond
Santini
Stewart
Thomas
Wilson, Bob
Wilson, C. H.

□ 1710

The Clerk announced the following pairs:

On this vote:

Mr. Richmond for, with Mr. Archer against.

Mr. Baldus for, with Mr. Bob Wilson against.

Mrs. Collins of Illinois for, with Mr. Dougherty against.

Mr. Hawkins for, with Mr. Thomas against.

Mr. Fish for, with Mr. Kelly against.

Until further notice:

Mr. Charles H. Wilson of California with Mr. Abdnor.

Mr. Fuqua with Mr. Philip M. Crane.

Mr. Edwards of California with Mr. Dingell.

Mr. Jenrette with Mr. Andrews of Illinois.

Mr. Santini with Mr. Dodd.

Mr. de la Garza with Mr. McKinney.

Mr. Myers of Pennsylvania with Mr. Stewart.

Mr. Ichord with Mr. Murphy of Illinois.

Messrs. GOLDWATER, SAWYER, and WYDLER changed their votes from "yea" to "nay."

Ms. MIKULSKI changed her vote from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. FROST. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the resolution just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

FURTHER LEGISLATIVE PROGRAM

(Mr. CONABLE asked and was given permission to address the House for 1 minute.)

Mr. CONABLE. Mr. Speaker, I take this time to find out the schedule for the rest of the evening. There is some confusion as to what we are doing.

I would inquire of the distinguished chairman of the Committee on Ways and Means (Mr. ULLMAN) what are his intentions with respect to this bill and any other bill that may be coming up?

Mr. ULLMAN. Mr. Speaker, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from Oregon.

Mr. ULLMAN. The gentleman from Illinois (Mr. ROSTENKOWSKI) will bring up the technical corrections bill which has been agreed to, I believe, on both sides of the aisle. We will then go forward with the general debate on this bill. We will conclude general debate except for 5 minutes on each side. We will then go over until next week for the vote on the housing bond bill.

Mr. CONABLE. Mr. Speaker, will the gentleman also answer a question on the technical corrections matter. Is that a measure that has been passed in identical form by the Senate?

Mr. ROSTENKOWSKI. Mr. Speaker, will the gentleman yield to me?

Mr. CONABLE. I yield to the gentleman from Illinois.

Mr. ROSTENKOWSKI. With the exception of one technical amendment to which we expect to agree, and that concludes consideration.

Mr. CONABLE. Do I have the word of the gentleman that there is no substantive change of any substantial degree?

Mr. ROSTENKOWSKI. None whatsoever. As a matter of fact, this is what was in controversy and the Senate has agreed to take the substantive portion of the amendment out.

Mr. CONABLE. Is there some reason for taking this up now rather than later?

Mr. ROSTENKOWSKI. No; it is just to expedite the matter.

Mr. CONABLE. Because there is no substantive change it was felt we could get it out of the way now; is that correct?

Mr. ROSTENKOWSKI. The gentleman is correct.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from California.

Mr. ROSTENKOWSKI. Mr. Speaker, I ask my colleague, the distinguished ranking member of the Committee on Ways and Means this question, as I understand it these are technical corrections to a 1978 bill?

Mr. CONABLE. Mr. Speaker, this is a technical corrections bill previously passed by the House. It has now been passed by the Senate I am told with one modest change of a technical nature. There is no need to go to conference and they are asking that it be brought up by unanimous consent and disposed of tonight.

Mr. ROUSSELOT. And I am perfectly willing to do that.

Do we know what that technical correction is?

Mr. CONABLE. May I inquire of the gentleman from Illinois (Mr. ROSTENKOWSKI) does it require an explanation?

Mr. ROSTENKOWSKI. The gentleman from Illinois is prepared to explain that when we get into the unanimous-consent request.

Mr. CONABLE. Mr. Speaker, I thank the Speaker for his indulgence.

TECHNICAL CORRECTIONS ACT OF 1979

Mr. ROSTENKOWSKI. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 2797) to make technical corrections related to the Revenue Act of 1978, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the Senate amendment, as follows:

Page 38, after line 25, insert:

(C) USE OF FACILITIES IN CASE OF INDEPENDENT CONTRACTORS, ETC.—

(i) IN GENERAL.—Subsection (a) of section 274 of the Internal Revenue Code of 1954 (relating to disallowance of certain entertainment, etc., expenses) shall not apply to expenses paid or incurred by the taxpayer for goods, services, and facilities to the extent that the expenses are includible in the gross income of a recipient of the entertainment, amusement, or recreation who is not an employee of the taxpayer as compensation for services rendered or as a prize or award under section 74 of such Code.

(ii) INFORMATION RETURN REQUIREMENT.—Clause (i) shall not apply to any amount paid or incurred by the taxpayer if such amount is required to be included in any information return filed by such taxpayer under part III of subchapter A of chapter 61 of such Code and is not so included.

(iii) APPLICATION OF SUBPARAGRAPH.—This subparagraph shall only apply with respect to expenses paid or incurred during 1979 or 1980.

□ 1720

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

Mr. CONABLE. Mr. Speaker, reserving the right to object, and I do not object, I reserve the right for the purpose of asking the distinguished gentleman from Illinois if he will explain briefly what the Senate change is so that we can see that it is not of any major substance.

Mr. ROSTENKOWSKI. Mr. Speaker, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman.

Mr. ROSTENKOWSKI. Mr. Speaker, H.R. 2797 contains technical, clerical, conforming, and clarifying amendments to tax provisions enacted in 1978.

As passed by the Senate on February 26, 1980, the bill contained an amendment to provide an exception to the rules for the disallowance of deductions for expenditures attributable to certain entertainment facilities which were enacted under the Revenue Act of 1978. Under the amendment, the disallowance rule would not have applied if the amount paid by the payor is includible in the recipient's gross income and any required information reporting was satisfied. It is understood that this amendment was designed to deal with problems raised by several companies engaged in the trade or business of arranging incentive award programs in connection with sales promotions, including the Maritz Corp. of St. Louis, Mo. In general, the proposed solution would have dealt with an unintended consequence of the 1978 legislation to the extent that the provision would have insured that there would be no disallowance of the payor's deductions for expenditures when the recipient was taxable on the amount of the expenditures.

However, the solution under the Senate amendment appeared to be overly broad. Consequently, the amendment was considered as being substantive in nature because it could have had the effect of nullifying congressional intent under the 1978 act to disallow deductions for certain entertainment facilities. For this reason, the Treasury Department objected to this provision during consideration of the bill by the Senate Finance Committee.

Because of its controversial nature and possible substantive impact, the House rejected the Senate amendment when it considered this bill on February 28, 1980. The Senate has now adopted a more limited amendment dealing with this problem on an interim basis for 1979 and 1980. As revised, the amendment would appear to have no long-term substantive effect and would maintain current law reporting requirements with respect to the payment of incentive compensation.

Since a permanent solution to this problem may involve matters of a more substantive nature, its Senate sponsor has agreed to consider this issue as part of a separate bill. In this way, the Congress can give appropriate consideration to the information reporting problems raised where incentive compensation is paid in forms other than cash, particularly where payment is made by someone other than the direct employer.

Now that agreement has been reached on this final point of controversy, I urge the House to agree to the revised Senate amendment to avoid further delay in the passage of this legislation. It is essential to permit the Internal Revenue Service to resume processing of certain 1979 income tax returns which are affected by the pending technical corrections bill.

Mr. CONABLE. Mr. Speaker, then as I understand it, it is a substantive change but a very modest change relating to reporting requirements, and does not do violence to the purpose of the correction.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

A motion to reconsider was laid on the table.

THE MORTGAGE SUBSIDY BOND TAX ACT OF 1979

Mr. ULLMAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5741) to amend section 103 of the Internal Revenue Code of 1954 to provide that the interest on mortgage subsidy bonds will not be exempt from Federal income tax, and to exempt interest on certain savings from Federal income tax.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Oregon (Mr. ULLMAN).

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. LEWIS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 365, nays 10, answered "present" 2, not voting 54, as follows:

[Roll No. 150]

YEAS—365

Addabbo
Akaka
Albosta
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, John
Butler
Byron
Carney
Carr
Carter
Cavanaugh
Chappell
Cheney
Clausen
Cleveland
Clinger
Coelho
Coleman
Collins, Tex.
Conable
Conte
Conyers
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
Deckard
Dellums
Derrick
Devine
Dickinson
Dicks
Dingell
Dixon
Donnelly
Dornan
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fowler
Frenzel
Frost
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Hagedorn
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Harkin
Harris
Heckler
Hefner
Heftel
Hinson
Holland
Hollenbeck
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ireland
Jeffords
Jeffries
Jenkins
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kemp
Kildee
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Lundine
Lungren
McClory
McCloskey
McCormack
McDade
McEwen
McHugh
McKay
Madigan
Markey
Marks
Marlenee
Marriott
Martin
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Natcher
Neal
Nedzi
Nelson
Nichols
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Porter
Preyer
Price
Pritchard
Quayle
Quillen
Rahall
Railsback
Ratchford
Regula
Reuss
Rhodes
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rostenkowski
Roth
Roybal
Royer
Rudd
Runnels
Russo
Sabo
Satterfield
Sawyer
Scheuer
Schroeder
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Simon
Skelton
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stokes
Stratton
Studds
Stump
Swift
Symms
Synar
Tauke
Taylor
Thompson
Traxler
Trible
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walker
Wampler
Watkins
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Ohio
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—10

Derwinski
Hansen
Holt
Kindness
Luken
McDonald
Mikulski
Mitchell, Md.
Rousselot
Wydler

ANSWERED "PRESENT"—2

Campbell
Rosenthal

NOT VOTING—54

Abdnor
Alexander
Anderson, Ill.
Applegate
Archer
Baldus
Boggs
Brown, Calif.
Burton, Phillip
Chisholm
Clay
Collins, Ill.
Crane, Philip
de la Garza
Diggs
Dodd
Dougherty
Edwards, Calif.
Fish
Fuqua
Guyer
Hall, Ohio
Harsha
Hawkins
Hightower
Hillis
Ichord
Jacobs
Jenrette
Kelly
McKinney
Maguire
Miller, Calif.
Murphy, Ill.
Myers, Pa.
Nolan
Paul
Pursell
Rangel
Richmond
Rose
Santini
Schulze
Shuster
St Germain
Stewart
Stockman
Thomas
Vander Jagt
Walgren
Waxman
Williams, Mont.
Wilson, Bob
Wilson, C. H.

□ 1740

So the motion was agreed to.

The result of the vote was announced as above recorded.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 5741, with Mr. LAFALCE in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from Oregon (Mr. ULLMAN) will be recognized for 1 hour, and the gentleman from New York (Mr. CONABLE) will be recognized for 1 hour.

The Chair recognizes the gentleman from Oregon (Mr. ULLMAN).

Mr. ULLMAN. Mr. Chairman, I yield myself 10 minutes.

Mr. RHODES. Mr. Chairman, will the gentleman yield?

Mr. ULLMAN. I yield to the distinguished minority leader.

Mr. RHODES. I thank my good friend, the gentleman from Oregon, for yielding, and I asked him to yield for the purpose of inquiring of the gentleman from Illinois (Mr. ROSTENKOWSKI), the distinguished acting majority leader, as to whether or not it is possible to have the program for next week given at this time.

Mr. ULLMAN. I yield to the gentleman from Illinois for that purpose.

LEGISLATIVE PROGRAM

Mr. ROSTENKOWSKI. Mr. Chairman, the conclusion of the debate on the Mortgage Subsidy Bond Tax Act will conclude the work of today. There will be a pro forma session tomorrow and there will be no session on Friday.

The schedule for the week of March 24, 1980, is as follows:

On Monday the House will meet at noon. There are no District bills, but there will be three suspension bills. The votes on the suspension bills will be postponed until the end of all suspensions. The suspension bills are as follows:

H.R. 5043, Bankruptcy Tax Act of 1980;

H.R. 4088, sale of obsolete vessels; and

H.R. 6410, Paperwork Reduction Act of 1980.

We will also complete consideration of H.R. 5741, the Mortgage Subsidy Bond Tax Act of 1979.

On Tuesday, March 25, the House will meet at noon. There are no suspension bills scheduled.

The House will consider House Resolution 549, Standing Committee on Energy, with a modified rule and 1 hour of debate. The rule has already been adopted.

On Wednesday, March 26, the House will meet at 3 p.m. for the consideration of House Joint Resolution 510, continuing appropriations for FTC, subject to a rule being granted; and H.R. 6554, maritime authorizations, subject to a rule being granted.

On Thursday and the balance of the week, March 27 and 28, the House will meet at 11 a.m. and will consider House Resolution 608, authorizing investigation and inquiry by Committee on Standards of Official Conduct.

Also scheduled is the conference report on H.R. 4986, Consumer Checking Account Equity Act of 1979;

Conference report on S. 662, International Development Banks;

Conference report on S. 2269, Extend Emergency Agriculture Credit Adjustment Act of 1979;

H.R. 6837, Passenger Railroad Rebuilding Act of 1980, subject to a rule being granted;

H.R. 4960, gold medal for Jerry Speiss, subject to a rule being granted; and

H.R. 5563, permit use of Spanish language in Federal courts in Puerto Rico, subject to a rule being granted.

The House will adjourn by 3 p.m. on Friday and by 5:30 p.m. on all other days except Wednesday.

Conference reports may be brought up at any time.

Any further program will be announced later.

Mr. RHODES. I thank the distinguished acting majority leader and I thank the gentleman from Oregon for yielding.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield for a question to the gentleman from Illinois (Mr. ROSTENKOWSKI)?

Mr. ULLMAN. I yield to the gentleman from Maryland.

Mr. BAUMAN. The gentleman said that Tuesday there would be the resolution creating the Standing Committee on Energy. Is that quite definite? I heard some rumors that that resolution might be pulled off, in view of difficulties with voting.

Mr. ROSTENKOWSKI. I am sorry, but I am unaware of any contemplated removal of that resolution. As of this discussion, it is my understanding that the Standing Committee on Energy will be up on Tuesday.

Mr. BAUMAN. I thank the gentleman.

Mr. LEVITAS. Mr. Chairman, will the gentleman yield?

Mr. ULLMAN. I yield to the gentleman from Georgia.

Mr. LEVITAS. I thank the gentleman for yielding.

I would like to inquire of the acting majority leader: Regarding House Joint Resolution 510, continuing appropriations for FTC, it is my understanding that that was the resolution reported this past week by the Committee on Appropriations, but that it was contemplated that another bill would be introduced which did not violate the Budget Act.

Is it the understanding of the acting majority leader that if there is such a new bill reported and if a rule is granted, it will occupy the same slot on the calendar?

Mr. ROSTENKOWSKI. The gentleman is correct.

Mr. LEVITAS. I thank the gentleman.

Mr. FORD of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. ULLMAN. I yield to the gentleman from Tennessee.

Mr. FORD of Tennessee. I thank the gentleman for yielding.

Mr. Chairman, when we complete the 2 hours of general debate on H.R. 5741 today, this bill will be moved over until next week, according to the majority leader. Will we have any time for the two amendments that will be offered on this bill today, for debate on those amendments?

Mr. ULLMAN. Let me say to the gentleman that we will reserve 10 minutes of time. We anticipate taking the rest of the debate time today, but we will reserve 10 minutes on each side. Hopefully, we can allocate to the proponents and to the opponents of the amendments enough time so that they can state the case.

Mr. FORD of Tennessee. So we will dispose of those two amendments without any debate?

Mr. ULLMAN. That is right.

Mr. FORD of Tennessee. So all of the general debate will be today?

Mr. ULLMAN. The rule did not provide for any debate, except it does allow for pro forma debate on the Glickman amendment.

Mr. FORD of Tennessee. I thank the chairman very much.

Mr. ULLMAN. Mr. Chairman, this bill is very important if we are serious about balancing the budget. The issuance of tax-exempt bonds for owner-occupied housing has grown rapidly during 1978 and 1979, and has seriously impaired efforts to control inflation and balance the Federal budget. In 1976, tax-exempt housing bonds comprised only 1.8 percent of all tax-exempt bonds issued. In 1978, housing bonds comprised nearly 7.5 percent of all tax-exempt bonds issued. In 1979, the percentage had increased to 21 percent.

Unless meaningful restrictions are placed on the issuance of mortgage subsidy bonds, the resulting revenue loss will substantially impair our chances of balancing the budget in our efforts to control inflation. It was estimated in 1979 that the further proliferation of these bonds without the limitations contained in H.R. 5741, as reported, would result in a revenue loss of $1.8 billion in 1981, increasing to $11.7 billion in 1984. Thus, in the absence of this legislation, substantial cuts will have to be made in other parts of the budget if the Congress is to deliver on its promise to the American people that we will balance the budget in fiscal year 1981.

In this regard, I want to emphasize that the President's fiscal year 1981 budget, submitted last January, assumes a substantial revenue gain of $800 million from the anticipated enactment of a meaningful mortgage subsidy bond bill. The revenue estimates contained in H.R. 5741, as reported, showed a pick-up in revenue for fiscal year 1981 of $618 million compared to present law. However, due to the change in economic conditions and higher interest rates, the potential revenue loss will be greater and therefore all of those revenue estimates must now be revised.

□ 1750

The unrestricted issuance of mortgage subsidy bonds will also drive up the interest rates that States and municipalities must pay on bonds used to finance the construction of schools, mass transit facilities, and other facilities which have been traditionally financed by tax-exempt bonds. Finally, the unrestricted use of these bonds will undermine other segments of our anti-inflation policy. The administration's monetary policy attacks inflation by limiting credit and letting interest rates rise. The use of mortgage subsidy bonds permits one segment of our economy, housing, to escape this monetary policy and, in turn, creates greater hardships on business investments.

Under present law, there are, in general, no restrictions on the use of tax-exempt bonds for housing. H.R. 5741, as introduced, would have prohibited the further issuance of tax-exempt bonds for owner-occupied housing. In addition, it would have provided a permanent $100 exclusion—$200 in the case of joint returns—for interest earned on saving deposits in financial institutions that make home mortgage loans.

H.R. 5741, as reported, contains two committee amendments to the substantive portions of the bill and one amendment to the title of the bill. The first committee amendment replaces the $100 interest exclusion with rules which would permit the limited use of tax-exempt bonds for owner-occupied housing for 2 years—1981 and 1982. This amendment is essentially the same as the provisions contained in H.R. 3712, as reported by the Ways and Means Committee. This amendment, in general, limits tax-exempt housing bonds for owner-occupied housing to bonds which provide mortgage money to first-time homeowners.

In order to insure that the bonds benefit only low- and moderate-income persons, the committee amendment imposes income and purchase price limitations. It also requires that 75 percent of the mortgage funds made available from the bonds be used to provide low downpayment loans. Finally, the committee amendment limits the amount of bonds which may be issued with respect to any State to the greater of $50 million or 5 percent of the average of all mortgage on single-family residences originated in that State in the preceding 3 years.

The committee amendment would retain the rule in H.R. 5741, as introduced, that would restrict the use of tax-exempt bonds to provide multifamily rental projects in which at least 20 percent of the units are occupied by individuals of low or moderate income.

The second committee amendment expands the transitional rules which were contained in H.R. 5741 as introduced. As amended, these generous transitional rules would cover every case that could reasonably be considered within the pipeline that came to the attention of the committee prior to reporting H.R. 5741 to the House.

In general, the transitional rules of the committee bill permit housing bonds to be issued if there is written evidence before April 25, 1979, that the governing body of the issuing authority had made a decision before such date to issue a specific bond issue where the issuing authority had the power to issue such bonds on the date of that decision. In addition, the transitional rules permit the issuance of limited amounts of housing bonds to be issued in certain situations if there is written evidence before April 25, 1979, that the governing body of the authority had made a decision to establish a bond program or to issue tax-exempt bonds for owner-occupied housing even though the issuing authority did not have the power to do so on April 25, 1979.

Moreover, these transitional rules also would provide a reasonable amount of tax-exempt bonds to State housing agencies and State and local governments to operate during 1980 until the Senate has had an opportunity to consider the bill.

If we are serious about balancing the budget, attacking inflation and restricting inefficient tax expenditures, it is imperative that we pass this legislation.

This is the first test as to whether the House is serious about balancing the budget. Therefore, I urge the adoption of this bill as amended by the committee amendments.

I have just received a letter for Secretary Miller supporting the committee amendments without any change. The Secretary's letter states the following:

THE SECRETARY OF THE TREASURY,
Washington, D.C., March 19, 1980.

Hon. AL ULLMAN,
Chairman, Committee on Ways and Means, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: The consideration by the House of Representatives of H.R. 5741, the Mortgage Subsidy Bond Bill, has assumed increased importance because of current economic conditions. This bill is a major test of Congress willingness to balance the budget for 1981.

Enactment of this bill would mean $600 million in legislative savings, which is already $200 million below the figure in the Administration's budget for 1981. Any weakening of the transition rule could readily double the revenue loss for 1981, making it still more difficult to achieve our common goal of a balanced budget. Such action, unless offset by a commensurate cut in direct spending programs, would compound the difficulties of dealing with inflation.

This is to urge that the bill be enacted without a weakening of the transition rule. Like the substantive provisions of the bill relating to mortgage subsidy bonds, the transition rule reflects lengthy and conscientious deliberations. It represents a constructive and well-considered effort to strike a difficult balance between strongly felt opposing views. At this late date, any attempt to redesign the transition rule would be highly counterproductive.

Sincerely,

G. WILLIAM MILLER.

Mr. ROBERTS. Mr. Chairman, will the gentleman yield?

Mr. ULLMAN. I yield to the gentleman from Texas.

Mr. ROBERTS. I thank the gentleman for yielding.

I would like to ask one question of the distinguished chairman.

The CHAIRMAN. The time of the gentleman from Oregon (Mr. ULLMAN) has expired.

(By unanimous consent, Mr. ULLMAN was allowed to proceed for 2 additional minutes.)

Mr. ROBERTS. If the gentleman will continue to yield, it just hit me, and when the gentleman said that 75 percent of them had to be used for the veterans for homes, I see nothing that is going to affect the veterans adversely in that regard, but there are States now that issue bonds and make loans for veterans' farms. Is this going to preclude that? I do not believe it does.

Mr. ULLMAN. I say to the gentleman, there are absolutely no limitations on general obligation bonds that the States could issue for the purpose of financing veterans' housing. That in the past has always been interpreted as housing in the country or in the city.

Mr. ROBERTS. I thank the gentleman for his statement, and I appreciate his explanation. I see nothing adversely affecting the veterans.

Mr. ULLMAN. Mr. Chairman, I reserve the balance of my time.

□ 1800

Mr. CONABLE. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, I join Chairman ULLMAN, in urging the House to approve H.R. 5741 as it was reported out of the Committee on Ways and Means.

Mr. Chairman, we are living at a time when the Nation is calling for fiscal discipline and restraint. Many politicians have been echoing this theme of collective austerity as a necessary condition for restoring economic stability.

But there is a big difference between talking discipline and voting discipline. The reason that H.R. 5741 has advanced at such an agonizing pace is that it requires the Members to vote for discipline and restraint.

The ability of cities and States to issue tax-exempt municipal bonds at low rates and lend the proceeds for home loans is a true bonanza. The issuing entity does not pledge its full faith and credit for the repayment of the bonds. The bonds are secured only by the mortgages on the homes. Accordingly the community is not legally responsible for repayment of the bonds.

From the perspective of a local housing official, everyone is a winner in a mortgage subsidy bond program. The home buyer receives a home mortgage at a rate at least several percentage points below prevailing conventional rates. The bond underwriters receive substantial commissions directly "off the top" of the bond proceeds for work which is often of a routine "cookie cutter" nature. Local bond counsel is cut in for a piece of the action by means of substantial legal fees, also paid off the top of the bond proceeds. The local lending community can be induced or coerced to participate in placing and servicing the mortgage loans.

But best of all, the issuing community can do very well for itself on the arbitrage profits earned on the reserve fund. The typical reserve fund is 12 percent of the lendable proceeds which can be invested in long-term U.S. Treasury obligations yielding about 12½ percent. The 4-percent spread between the 12½ percent U.S. Treasury interest and the 8½ percent municipal bond debt service is a windfall benefit to the issuing community.

Everyone is a winner with mortgage subsidy bonds, except the U.S. Treasury and the 220 million taxpayers who subsidize those few persons lucky enough to be in the right place at the right time in order to get a subsidized mortgage. The revenue effect of the unchecked use of housing revenue bonds will reach and exceed $12 billion per year by 1984.

Beyond the revenue loss effect, the unchecked issuance of mortgage subsidy bonds threatens to jeopardize all municipal bond financing. The tremendous volume of mortgage subsidy bonds would swamp the market if nothing were done to restore balance. The high interest rates paid to investors by mortgage subsidy bonds will force up the interest rates on all municipal obligations.

A principal reason for this legislation is that a number of communities did not have the discipline and restraint to structure a responsible housing bond program. In several States the programs supposedly were restricted to low- and middle-income persons, defined as those with adjusted gross incomes (AGI) of less than $40,000. Since the income criteria is correlated to adjusted gross income it meant a person might have a gross income of $150,000, but his above the line tax shelter deductions could rereduce his AGI to $40,000.

In some Southern States persons were using housing bond programs to purchase a string of investment properties with a mortgage subsidy. On the west coast bond proceeds were being lent to subsidize luxury ocean front condominiums.

Single family mortgage subsidy bonds have existed for only a few years, yet they have spread at such a rapid pace that they were on the verge of spiraling out of control. H.R. 5741 is needed to bring order and discipline to this area. The relatively short existence of this financing device makes it impossible for anyone to argue that the bill intrudes on a traditional financing mechanism. Three years ago no one knew what a mortgage subsidy bond was; now some would have us believe that all housing will stop unless mortgage subsidy bonds continue at full throttle.

It would be nice to believe that the cities and States would restrain their own actions, but that was not the pattern which was developing. Why should a community restrain itself from exploiting a loophole in the tax law if the Congress cannot muster the will power to control the situation?

H.R. 5741 establishes a number of safeguards and restraints with which a community must comply in order for its mortgage susbidy bonds to be tax-exempt. Some provisions are meant to direct the mortgage subsidy to needy persons and for modest homes. In general, the family income of a participant may not exceed 115 percent of median family income in the area. In addition, at least 50 percent of the proceeds must go to families with incomes 90 percent or lower than median income. The mortgage subsidy is eligible only for homes costing no more than 80 percent of the average housing price in the area. The income limitation is increased to 140 percent and the purchase price limitation to 110 percent in special targeted areas.

Other provisions are aimed at instilling discipline into the financial opportunism and gamesmanship which communities are tempted to pursue. There is a 1-percent cap on the permissible arbitrage profit; any arbitrage profit in excess of 1 percent must benefit the mortgagors. There may be no advance refunding of mortgage subsidy bonds which will have to be in register form. And the bonds will have to be retired in a pattern which approximates the prepayment pattern of the mortgage pool.

One provision is aimed at putting a ceiling on the total revenue loss caused by these bonds. It provides that no State may issue mortgage subsidy bonds in an aggregate amount in excess of 5 percent of the total average residential mortgage market for the preceding 3 years within its boundaries. This rule first applies at the local level and works up to the State level. There is a $50 million minimum level to protect States for whom the operation of the 5-percent ceiling would result in an amount below $50 million.

The mortgage subsidy bonds for single family owner occupied homes have a 2-year sunset. After 2 years no more single family mortgage subsidy bonds may be issued. This provision will not affect the tax-exempt status of bonds which are issued before the sunset occurs.

The bill also addresses the less controversial topic of mortgage subsidy bonds for multifamily rental projects. Here H.R. 5741 provides that bonds issued for multifamily rental programs will be tax exempt as long as at least 20 percent of the units are rented to persons earning no more than 80 percent of median income in the area. The 2-year sunset does not apply to multifamily rental bonds.

Municipal bond programs whose proceeds subsidize veterans housing are exempt from most of the bill's restrictions if they are general obligation bonds backed by the full faith and credit of the State. Veterans bonds must comply with the registration and advance refund requirements of H.R. 5741.

The transition rules in H.R. 5741 originally were intended to address those bond programs which were in the "pipeline" when this legislation was introduced and whose sales were thereby disrupted. What has ensued is an almost unseemly scramble by communities to fit under the transition rule. Why is it so attractive to be covered by the transition rule rather than the permanent rule in this bill? Because bonds issued under the transition rule do not have to comply with all the safeguards and restrictions which the bill otherwise imposes on future housing bonds. The transition rule bonds may be used for housing programs with no income limits on the participants, with no ceiling on the purchase price, and with the ability to earn windfall arbitrage profits for the communities.

Thus bonds issued under the transition rule allow communities one last unrestrained bite at this Federal apple. That is why communities are salivating to be under the transition rule. To the extent a community has a truly restrained bond program then it probably would find the permanent rule in H.R. 5741 easy to accommodate. To the extent a community's bond program is excessive then it must vie for coverage by the transition rule because the permanent rule would have a serious effect on it.

The inability of some communities to discipline themselves is evident even with the transition rules. Periodically the committee was approached by someone seeking transition rule coverage for a community's bond program. A closer inspection of the documentation often revealed that a bond program that originally was contemplated at a $100 million level had grown to $150 or $200 million overnight. Naturally they sought to have the padded bond program grandfathered.

Very often communities could restructure their programs to comply with the permanent rule in H.R. 5741 with relative ease, but the lobbyists still insist on inclusion under the transition rule. Why? Those are the cases where expenses have been incurred by bond promoters which will not be reimbursed unless the bonds are issued under the transition rule because their commissions can only come from the windfall arbitrage permissible under the transition rule. The bottom line for them is that no transition rule coverage means no commission.

The restrictions and safeguards contained in H.R. 5741 are of the character which a State would include in a responsible program. I should point out that not all bond programs indulged in the excesses which created the need for this legislation. Some States had structured their own programs with limitations similar to the restrictions in the bill.

I urge the Members to support the committee bill as a reasonable compromise to permit responsible mortgage subsidy bond programs to continue on a restrained basis.

□ 1810

Mr. ULLMAN. Mr. Chairman, I yield 5 minutes to the gentleman from New York (Mr. DOWNEY).

Mr. DOWNEY. Mr. Chairman, first I want to commend the chairman and ranking minority member for supporting this legislation. This has been a difficult task for them and the staff and I hope when we deal with this on Monday we can dispense with it and send it over to the other body where they might be able to wrestle with it for a while. In a way it is our way of wishing them good cheer for the new year to have to deal with this in a substantive manner.

This is important legislation. It is a shame no one is here to hear that because we have wrestled with it in the Ways and Means Committee and with the problems of the budget, tax exemptions for small savers, and also whether or not we are going to try and balance the budget with this legislation.

Two major factors govern the ability of persons at lower income ranges to purchase homes: First, their ability to make the necessary downpayment; and second, their ability to afford the monthly payment.

Mortgage Revenue Bond Tax Act, H.R. 5744 with committee amendments sets aside 75 percent of the proceeds from mortgage revenue bonds to make mortgages available with only a 5-percent downpayment. Under conventional financing, an individual earning between $15,000–$20,000 must make a downpayment of $12,000 on a $60,000-home. However, by using mortgage revenue bonds, this same individual would require only a $3,000-downpayment in order to qualify for a loan.

H.R. 5741 would also lower the interest rate on the home and lower the monthly mortgage payment thus allowing low- and moderate-income families to qualify for a loan. For example, on a $60,000 mortgage with conventional interest rate (15 percent), a household would have to earn ($32,500) to qualify for a loan. However, by financing with mortgage revenue bonds, the lower interest rate (11 percent) would enable a household earning $24,488 to qualify.

MORTGAGE REVENUE BONDS STIMULATE NEW CONSTRUCTION

The shortage of new housing has been one of the major factors in the spiraling cost of housing in the United States. Unlike any tax credit proposal, mortgage revenue bonds create a supply of new mortgage money for new housing, that is continual. This supply of money available for construction loans is available at less than conventional interest rates, thus allowing developers to build housing affordable for low- and moderate-income households.

MORTGAGE REVENUE BONDS HELP NEIGHBORHOOD REVITALIZATION

Revitalization of blighted areas depends heavily on new construction. In order to induce quality developers to undertake projects in these areas, where the market risks are substantial, it is essential that there be available a pool of cash to make loans for the construction of these new homes. H.R. 5741 with amendments, allows new construction loans for developers at lower than conventional interest rates to encourage the revitalization of blighted areas.

Developers also need assurance that the housing they build will be sold. Mortgage revenue bonds allow lower and moderate income households to purchase homes because of the lower downpayment required and the lower monthly payments—caused by lower interest rates. Revitalization of neighborhoods with mixed housing insures stability. Through the use of mortgage revenue bonds, developers know that their lower income housing can be purchased by lower and moderate income families.

All mortgages must be for single-family residences which can reasonably be expected to become the principal residence of the mortgagor. Such residences must be located within the jurisdiction of the issuing authority.

Each mortgagor cannot have been a homeowner within the previous 3 years, except for recipients of rehabilitation loans, home improvement loans, and mortgages placed in targeted areas.

The income of each mortgagor cannot exceed 115 percent of the median family income in the standard metropolitan statistical area (SMSA) or county—if it is not in an SMSA—in which the mortgage is placed, except in targeted areas. In targeted areas, one-third of the residences financed from the issue are exempt from the 115 percent requirement. With respect to the remaining residences located within a targeted area, a mortgagor's income may not exceed 140 percent of the median family income for the State or the SMSA, whichever is higher. In both targeted and nontargeted areas, half the mortgage funds must go to families with incomes of 90 percent or less of the median income of the SMSA.

Targeted areas are census tracts in which 70 percent of the families have incomes of less than 80 percent of the statewide median income or areas defined by the Treasury and Housing and Urban Development Departments as chronically distressed.

The purchase price of each residence cannot exceed 80 percent of the average purchase price for homes in the preceding year in the SMSA in which the mortgage is placed. Purchase prices in targeted areas cannot exceed 110 percent of the average price for homes in the SMSA.

None of the bond proceeds may be used to acquire or replace an existing mortgage, except for construction-period loans, bridge loans, or similar temporary initial financing.

At least 75 percent of the lendable proceeds (not including rehabilitation or home improvement loans) must be used for mortgages which finance 95 percent of the value of the house. Certain graduated-payment mortgages which finance 90 percent of the value fall within the requirement.

Individuals who assume a mortgage originally financed with tax-exempt bonds must meet the principal residence requirement, the 3-year requirement, the purchase price limitation, and the income limitation.

States cannot issue more than $50 million in housing bonds or 5 percent of the average of all mortgages originated in that State in the preceding 3 years, whichever is the greater. The limit must be allocated among governmental units within the State.

An issuing jurisdiction that includes a targeted area must make available at least 20 percent of the lendable proceeds from a bond issue for 1 year for mortgage loans in the targeted area. It may not issue more than 40 percent of the mortgages in targeted areas.

The effective interest rate on mortgages to homeowners is limited to 1 percent above the yield to maturity to the purchasers of the bonds. Arbitrage is not permitted on reserves that exceed 150 percent of the annual debt service on the bonds. (State and local governments can issue tax-free bonds at low rates and, under certain circumstances, invest the proceeds in higher-yield, taxable securities. The difference between the interest rates is referred to as arbitrage). Arbitrage earnings above the 1 percent limit must be returned to the mortgagor.

Mr. CONABLE. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Louisiana (Mr. Moore).

Mr. MOORE. Mr. Chairman, as coauthor of additional views in the committee report on H.R. 5741 with the gentleman from California (Mr. Corman), I rise to reference and clarify those remarks in light of acceptance of language I had intended to be a part of H.R. 5741 that now is contained in the conference report on H.R. 3919, the windfall oil profit bill as cleared by the House. During Ways and Means Committee work on both drafts of the mortgage bond bill, I advanced a $100 per individual, $200 per couple filing jointly, interest income exclusion as a means to build mortgage capital in conventional lending institutions and thereby restrain runaway interest rates. A modified version of this exclusion allowing a $200 per individual, $400 per couple filing jointly, exclusion for combined interest and dividend income now awaits only final Senate approval of H.R. 3919 and the President's signature.

Absent certain approval of the exclusion in the windfall oil profit bill, I would today demand a separate vote on the committee amendment offered by the gentleman from New York (Mr. Downey) urging in its place support for my original exclusion language found in section 4 of H.R. 5741 as introduced. Under present circumstances I will not demand this separate vote. It is with some reluctance that I have reached this decision for the language I introduced as section 4 of this bill is superior to that approved in the conference report on H.R. 3919 in two important respects. It begins 6 months earlier and is a permanent change. The interest and dividend exclusion in H.R. 3919 applies only to tax years 1981 and 1982. In addition, I will not object to the committee amendment by the gentleman from New York (Mr. Downey) due to support he and others who support his position gave to my efforts for an interest income exclusion as part of H.R. 3919.

In addition, I would also suggest to those who view H.R. 5741 as the answer to the depressed home building industry, there is little solace to be found here. The present bond market is already saturated and as more communities compete for a dwindling supply of mortgage bond buyers, all bond sales including those for public construction will suffer. A viable alternative is an expansion of the interest exclusion I have successfully advanced as it would revitalize conventional borrowing by increasing savings deposits.

The home building industry is in a very serious state of decline. This is the result of an erroneous but deliberate decision by the Federal Reserve System to raise interest rates to make the citizen pay the price for Government mistakes which caused inflation. The true solution is to attract capital back to our lending institutions to be used for home purchasing, get the Government out of the financial market by balancing the budget, and reverse the Government decision to raise interest rates. Until these things are done, no amount of tax-free bond will appreciably solve the problem.

Mr. ULLMAN. Mr. Chairman, I yield 5 minutes to the gentleman from Tennessee (Mr. Ford).

Mr. FORD of Tennessee. Mr. Chairman, I, too, would join with the chairman of the Ways and Means Committee and the ranking minority member and commend them for the fine job the two of them have done working together to bring this bill to the House floor, along with my other colleagues on the House Ways and Means Committee.

Mr. Chairman, the bill as reported by the House Ways and Means Committee would restrict the mortgage bond program under which cities and States sell tax free bonds to raise money for home mortgages. Cosponsors of the mortgage bond bill have expressed concern that the proceeds of these bonds are not reaching low- and moderate-income people.

In addition, the increased use of such bonds has resulted in substantial losses to the Treasury.

Mr. Chairman, this bill would phase out the use of such bonds for single-family housing over the next 2 years, and during this time such bonds would be tax exempt only if the proceeds were targeted to low- and moderate-income families.

After the 2 years, only single-family houses for veterans could be financed through the proceeds from the sale of the bonds. State housing agencies can continue to finance multifamily rental housing with these bonds if 20 percent of the units in a development are set aside for low- and moderate-income families.

There are, I think, three reasons, Mr. Chairman, I would like to point out as to why we should end this program.

□ 1820

First, the interest on these bonds is tax-exempt. There is no Federal taxation on the interest. The tax exemption is, therefore, a form of Federal assistance for housing.

Second, the expansive use of the tax-free bonds will result in a substantial revenue loss to the Federal Government, and the revenue loss for each $1 billion of outstanding bonds is approximately $23 million, according to the Congressional Budget Office.

Third, this is a step toward the balancing of the budget, on which I have heard so many of my colleagues talk in the last few years. In 1981 alone passage of this legislation, as has been said earlier, will result in an increased revenue of approximately $600 million.

So I urge my colleagues to join with me in support of the two amendments that will be offered on this legislation, in the passage of those two amendments, and the final passage of H.R. 5741.

Mr. CONABLE. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Colorado (Mr. Kramer).

Mr. KRAMER. Mr. Chairman, I rise in opposition to H.R. 5741.

This bill has been introduced and considered by the committee with the best of motives, but under current housing and economic conditions, it is one of the worst pieces of legislation we could pass today. It will put the final nail in the coffin of the housing industry.

Last year, less than one-third of all American families could afford to buy a home. Today, less than 5 percent have the income necessary to buy the average new house, and that is assuming that mortgage money is even available. In some areas, less than half of all lending institutions are even considering granting new loans for home buyers.

Housing starts have already dropped to the lowest rate in over 6 years, to an annual rate of slightly over 1 million starts. If housing starts drop below 1 million starts, that will represent the lowest volume of housing construction in 44 years. This is at a time when we need to be building more than 2 million new housing units annually merely to keep up with the number of young adults entering the housing market.

I can certainly understand the committee"s feelings that the use of tax-exempt revenue bonds for housing may not be the best way to finance housing, particularly single-family housing for moderate- or high-income families. And I would agree wholeheartedly that such bonds should be restricted to moderate- and low-income families. Building $150,000 condominiums with tax-exempt bonds is neither good economic policy nor a good practical use of the funds generated.

In my own State of Colorado, however, the use of these tax-exempt bonds has recently been the only way for many moderate-income families to obtain mortgage money for housing.

With current mortgage rates at 17 percent, only about 2½ million American families can afford the average new home, priced at $65,000, and to do so means mortgage payments in excess of $700 monthly. Put in another perspective, the mortgage payments on a new house are greater than the total income of more than 20 percent of all American families.

In a perfect world, tax-exempt mortgage bonds would not be the best way to finance housing. In the world we face, they are one of the few ways left.

But the needs of the average family are not the only consideration. Homebuilding is one of the principal industries in America. Even as this bill is considered, housing starts are down and construction workers are being laid off. When they are laid off they will begin to collect unemployment benefits, possibly AFDC–UF benefits, and food stamps.

According to figures from the National Association of Homebuilders, if housing starts drop below the annual rate of 1 million units, the result will be a loss of 1.4 million jobs, $25 billion in lost wages, and $6.7 billion in lost tax revenues to State and Federal Governments.

At a time when the Federal policy has pushed interest rates in excess of 18 percent, mortgage money, when available, to more than 15 percent, for us to close off one of the few remaining ways to continue providing housing to low- and moderate-income families seems not only unwise economically, but fiscally. The tax revenues recouped by this legislation would have been $155 million for 1979 if this bill had been in effect then. Yet we will see far greater losses to the Treasury and to the average family if this legislation is passed.

I would like to point out that the figures used by the committee in estimating lost revenue are clearly and patently absurd. On page 22 of the committee report, the committee states that a revenue loss of $23 million would result from each $1 billion in bonds issued. The committee then estimates that the annual revenue loss would be $11.7 billion by 1984. That would mean that $508 billion in bonds would be issued in that year alone for housing. Under current rates, that would require the building of between 8 and 10 million housing units in that year. The best year in housing starts in our history totaled less than 3 million units. Even if the estimate refers to the cumulative total, $508 billion would represent half the total mortgage debt in the United States today. Use of such blatantly false figures amounts to nothing less than a baseless scare tactic, and calls into question the stated purpose of this bill.

Even assuming that there are some problems with the use of mortgage revenue bonds for housing, this is a classic case of throwing the baby out with the bath water. Because of a few reported "abuses," the committee has reported a bill which would create problems far greater than the ones H.R. 5741 would purport to solve.

H.R. 5741 should be defeated. If its total impact on the economy is assessed, it will not increase tax revenues and it will further reduce availability of housing and increase its costs at a time when we need more housing than ever before.

Mr. CONABLE. Mr. Chairman, I reserve 10 minutes of my time, and yield back the remainder of my time.

Mr. ULLMAN. Mr. Chairman, I reserve 10 minutes of my time and yield back the remainder of my time.

Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. LaFalce, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 5741) to amend section 103 of the Internal Revenue Code of 1954 to provide that the interest on mortgage subsidy bonds will not be exempt from Federal income tax, and to exempt interest on certain savings from Federal income tax, had come to no resolution thereon.

APPOINTMENT OF ADDITIONAL MEMBERS TO ATTEND THE FUNERAL OF THE LATE HONORABLE JOHN M. SLACK

The SPEAKER. Pursuant to House Resolution 611, and without objection, the Chair appoints as additional members of the Funeral Committee of the late Honorable John M. Slack, the following Members on the part of the House: the gentleman from Indiana (Mr. BRADEMAS), the gentleman from Florida (Mr. BAFALIS), and the gentleman from Pennsylvania (Mr. BAILEY).

There was no objection.

ADJOURNMENT TO MONDAY, MARCH 24, 1980

Mr. RAHALL. Mr. Speaker, I ask unanimous consent that when the House adjourns on Thursday, March 20, 1980, it adjourn to meet at noon on Monday, March 24, 1980.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. RAHALL. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

AUTHORIZING THE CLERK TO RECEIVE MESSAGES FROM SENATE AND THE SPEAKER TO SIGN ENROLLED BILLS AND JOINT RESOLUTIONS DULY PASSED, NOTWITHSTANDING ADJOURNMENT

Mr. RAHALL. Mr. Speaker, I ask unanimous consent that, notwithstanding adjournment of the House until Monday, March 24, 1980, the Clerk be authorized to receive messages from the Senate, and that the Speaker be authorized to sign any enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

CHAIRMAN ROBERT GIAIMO LEADS HOUSE TOWARD BALANCED BUDGET

(Mr. BRADEMAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BRADEMAS. Mr. Speaker, one of the most urgent tasks facing Congress this year, as part of our national effort to stem inflation, is to balance the Federal budget for the 1981 fiscal year.

Although, Mr. Speaker, each Member of the House of Representatives and the Senate and, indeed, each citizen of our country must play his or her part in this enterprise, a major burden of leadership will be born by our colleague from Connecticut, the Honorable ROBERT N. GIAIMO, the distinguished chairman of the House Budget Committee.

Mr. Speaker, today Chairman GIAIMO unveiled his own proposal for a fiscal 1981 budget, a proposal that would provide for the first balanced budget in 12 years and only the second one in the last 21 years.

Mr. GIAIMO's proposals are not painless but neither are they careless. The recommendations of Chairman GIAIMO show the same intelligence and judgment that have characterized his service to the people of his district and his home State of Connecticut as well as to the entire Nation.

The budget proposed by Mr. GIAIMO would reduce Federal expenditures considerably without violating the responsibility of our Government to provide for the well-being of the American people or for the defense of our country.

Mr. Speaker, I have known BOB GIAIMO since 1959—the year that both of us began our service in the House of Representatives—so that it comes as no surprise to me to see the care, diligence. and dedication with which he is undertaking the monumental task—a task common to us all—of providing the Nation a balanced budget.

HOUSE-SENATE-ADMINISTRATION GROUP URGES BALANCED BUDGET

I might here note, Mr. Speaker, that I was one of a group of Members of the House of Representatives who several days ago met for several straight days, and for several hours a day, with some of our colleagues in the Senate as well as with President Carter's top economic advisers, all of us dedicated to the search for a balanced Federal budget for fiscal year 1981.

Under the chairmanship of the distinguished majority leader of the Senate, the Honorable ROBERT C. BYRD, of West Virginia, and with the leadership of our own distinguished majority leader in the House, the Honorable JIM WRIGHT of Texas, our group met in the day after day effort to find ways to bring the budget into balance. Although our judgments were advisory in nature, not binding, I believe they were nonetheless significant.

Participating in these discussions were Secretary of the Treasury, William Miller; Office of Management and Budget, Director James McIntyre; Chairman of the President's Council of Economic Advisers, Charles Schultze; and Chairman of the President's Council on Wage and Price Stability and Special Assistant to the President on Inflation, Alfred E. Kahn.

Among those who played a particularly vigorous role in our deliberations were the distinguished chairman of the Senate Budget Committee, the Honorable EDMUND S. MUSKIE of Maine, and Chairman GIAIMO of our House Budget Committee.

I can, therefore, Mr. Speaker, speak from personal observation when I say to my colleagues here today that in BOB GIAIMO we have a chairman of our Budget Committee who is deeply committed to the effort to keep our country economically strong and, therefore, to pressing the fight against inflation and undertaking the steps essential to achieving that objective.

Mr. Speaker, it was particularly gratifying to me to note that last weekend two of the Nation's leading newspapers recognized the accomplishments of Chairman GIAIMO and I shall insert these articles by Judith Miller of the New York Times and Art Pine of the Washington Post, in the CONGRESSIONAL RECORD.

Before doing that, however, I would like first to include the text of Chairman GIAIMO's statement today, March 19, 1980, in which he outlined his proposals for a balanced fiscal 1981 budget, proposals which, by the way, are in large part based on the recommendations of the informal advisory group discussions to which I have earlier referred.

I urge my colleagues to give careful attention to Mr. GIAIMO's statement, which follows:

STATEMENT BY CONGRESSMAN ROBERT N. GIAIMO, CHAIRMAN, COMMITTEE ON THE BUDGET, MARCH 19, 1980

I am proposing today that the Federal Budget, for the first time in 12 years and for only the second time in the last 21 years, be brought into balance.

Runaway inflation, which in the first month of this year stood at an annual rate of nearly 18 percent and which threatens the security of every American and the foundations of our system, makes a balanced budget imperative.

Can Congress wipe out the deficit? Of course we can.

Will Congress succeed? That question cannot be answered today. It will depend on our actions in the weeks and months ahead as we vote on the budget resolution and then on the spending bills that will follow.

I am presenting today one way in which the budget can be balanced. My recommendations will serve as the starting point for the committee markup of the first budget resolution for fiscal year 1981, which will establish spending targets for the year and a target revenue floor.

BUDGET AGGREGATES

I propose the following budget aggregates:

Budget authority: $695.0 billion.
Outlays: $612.4 billion.
Revenues: $617.3 billion.
Surplus: $4.9 billion.

I want to emphasize that the surplus in my recommendations comes about primarily through spending cuts, not revenue increases.

The President's budget as reestimated calls for outlays of $628.3 billion. It assumes $5.5 billion in reductions through legislative savings, which my recommendations also endorse and assume. I am also recommending $15.9 billion in additional cuts for a total of $21.4 billion in spending reductions from the President's reestimated outlays.

On the revenue side, my recommendations call for an additional $3.4 billion through withholding on interest and dividends—not a new tax. In addition, I recommend that the Ways and Means Committee report measures to raise an additional $3.5 billion primarily from the affluent and users of Government facilities whose use is now subsidized.

As a means of holding spending and revenues to the targets, I am recommending reconciliation as a part of this resolution. Reconciliation language in the budget resolution will direct House and Senate committees to report the legislation necessary to balance the budget. I also am recommending a provision in the budget resolution requiring that any spending bill that exceeds our subcommittee targets (section 302 allocations) will be held at the desk and not immediately enacted.

PAINFUL CHOICES

The recommendations represent some painful choices. They call for cuts in a wide range of programs below the level in the President's austere budget as reestimated. They call for deferral of some worthwhile programs. They will require sacrifice from millions of Americans. They will anger many groups and many beneficiaries of Federal programs. They will engender much controversy. But there is no painless way to balance the budget.

These recommendations grew out of the unprecedented and prolonged discussions in recent days among House and Senate leaders and administration officials.

These were remarkable meetings, bringing together those most directly concerned with budget and fiscal matters in the two branches of government. They were dominated by an uncommon spirit of cooperation and dedication toward a single goal—putting the Federal fiscal house in order. While these are my recommendations and while I cannot speak for any other of the participants in the meeting, including the representatives of the President, there was a broad consensus on most of these proposals.

As you know, we will not have the administration's specific recommendations for another week. Nonetheless, I believe the Budget Committee must proceed with consideration of the budget on an accelerated schedule. In addition to the committee's deliberations on the fiscal year 1981 budget is consideration of the ceilings set in the Second Budget Resolution for fiscal year 1980. Spending for the current fiscal year has already reached those ceilings, not because the Congress has been irresponsible, but because raging inflation—particularly soaring fuel costs—high interest rates, higher than expected spend-out rates in Defense, and other factors have driven spending relentlessly upward.

REFINED RECOMMENDATIONS

My recommendations have been refined through discussions with my colleagues on the Budget Committee—majority and minority alike—and with other members. They are an attempt to spread the painful burden of spending restraint as equitably as possible throughout our population.

I do not argue that my recommendations are the only way to bring the budget into balance. As we proceed through markup, I will entertain changes in these recommendations. But whatever changes are wrought, the result must be a balanced budget as the first step in a long series of steps Congress and the American people must take in the months and years ahead.

Why is a balanced budget so imperative?

My answer is that the budget is the one area in the U.S. economy that Congress can directly control. If we are really serious about controlling inflation, the time to show the American people that we are serious is here and now. Restraint in fiscal policy can relieve some of the anti-inflation burden that has been carried by monetary policy and which has pushed interest rates to record high levels.

I believe a balanced budget, after years of chronic deficits, can have a major impact on the psychology of inflation. It will say to workers, to consumers, and to businessmen—from all of whom we are asking restraint—that the Federal Government will also restrain itself because it wants to break the inflationary spiral.

If we continue on the spending binge that we have perpetuated at the Federal level for so long, we will only encourage further consumer spending aimed at hedging against future higher prices, further speculative investment and the other forces which have helped to make inflation the crisis that it is today.

LONG RUN IMPACT

I have heard estimates that a balanced budget will shave the inflation rate only minimally. I believe it can have a more powerful impact, particularly in the long run. Coupled with the kinds of anti-inflation steps the President has outlined and with others the Congress may take, I believe it can turn the tide. And I believe the American people are demanding just that.

We expect the inflation rate to moderate from an average of 13 percent in calendar 1980 to 9.6 percent in calendar 1981. That figure is still too high, but it will be a welcome relief, if we can achieve it, from the devastating double-digit rates we have experienced.

The other major economic assumptions underlying my recommendations are an unemployment rate averaging 7.5 percent for calendar 1981, compared to 6.8 percent in 1980, and a rate of real growth in gross national product averaging 1.1 percent for calendar year 1981, compared to zero for calendar 1980.

Just as important as balancing the budget is how we balance it.

We must do so as fairly as possible, spreading the burden throughout society.

We must do so primarily through spending cuts, not the expediency of raising new taxes on an already tax-burdened population. In this connection, my recommendations call for no new taxes, although they call for more timely payment of some existing taxes. The oil import fee, which the president has announced he will impose, has not been used in my recommendations to balance the budget. Instead, it is assumed that it is being held in abeyance—in escrow, in effect, that will permit some modest tax reductions that would not be inflationary or that would encourage productivity, or both.

On the spending side, my recommendations call for reductions from the president's January requests as now reestimated for economic assumptions and other factors in virtually every budget function, including defense.

FORTHRIGHT, REALISTIC

Finally, we must balance the budget honestly and forthrightly, not with tricks or gimmicks or mirrors, not with rosy and unrealistic revenue estimates or phony economic assumptions. That is what my recommendations attempt.

Congress this year has an historic opportunity.

I am optimistic that this committee can report a balanced budget and that the House can adopt one.

The real test—of courage and of commitment—will come after the target resolution is in place and spending bills come to the floor of the House.

We will have accomplished nothing—save for a massive deception of the American people—if we adopt a balanced budget, but then fail to live within the targets when it comes to individual votes on individual spending programs with their individual constituencies and interest groups behind them.

Should we fail in that test, we can forget about the budget process. Congress will have demonstrated abundantly its inability and unwillingness to discipline its spending appetites. More importantly, we can forget about winning the war against inflation.

[From the New York Times, Mar. 16, 1980]

How Connecticut's Giaimo Is Tackling the Budget

(By Judith Miller)

WASHINGTON.—Margaret Ross, Representative Robert N. Giaimo's secretary, is very busy these days canceling appointments. She tells a series of callers in a courteous but firm tone that Mr. Giaimo will not be able to attend the breakfast . . . or the lunch . . . or the dinner . . . or the meeting.

Meanwhile, reporters are escorted efficiently into his cluttered office for 15-minute interviews. Bob Giaimo shuffles papers, paces around the room and glances nervously at the clock.

"Volcker," he mutters. "I must hear Paul Volcker."

Bob Giaimo leaps to his feet and rushes to yet another meeting.

Representative Bob Giaimo is under siege.

Three years ago, few outside of Capitol Hill even knew how to pronounce his name. (It's JY-mo). But as the budget has suddenly come into the limelight, so has Mr. Giaimo. Today, he is one of Congress's most influential and significant players. Whether Congress ultimately accepts some or all of the budget cuts President Carter proposed on Friday depends in large measure on Mr. Giaimo's powers of persuasion. And, the consensus is in Washington, those powers are considerable.

Mr. Giaimo, a Democrat, is chairman of the House Budget Committee. He is Congress's foremost budgeteer—a true believer in the necessity of fiscal discipline and spending constraints.

"We will balance the budget," Mr. Giaimo asserted flatly in a short interview. "There's just too much damn spending out there."

EFFECTIVE

Mr. Giaimo is not long on words. He is blunt, opinionated, a savvy practitioner of old-style politics in behalf of his new cause. And, by virtually all accounts, he is effective.

"He's super," concluded Alice Rivlin, director of the Congressional Budget Office, Congress's budget monitoring agency. "He has really been very successful at pulling things together, at forging a consensus on budget issues, which is very hard to do in the Congress. He's sensible."

Another way of putting it is that Mr. Giaimo is a conciliator and a pragmatist.

A colleague said: "Bob comes over to you on the floor or at a committee meeting, wraps his arm around you and says, 'Isn't there some way we can deal with this?' It's hard to say no."

Mr. Giaimo is a late addition to the short list of Congressional heavyweights. Now 60, Representative Giaimo was first elected to Congress from southern Connecticut in 1958. He served on several subcommittees of the powerful House Appropriations Committee, but failed to become chairman of any of them.

"It must have been a little frustrating for him to watch members junior to him becoming chairman," said a colleague.

In January 1977, the Democratic Caucus selected him over Representative Thomas L. Ashley of Ohio by a vote of 139 to 129 to head the two-year-old Budget Committee.

SENSE OF MISSION

Several of his colleagues said they believed Mr. Giaimo was rescued from relative anonymity in the House by this event. "He hadn't really spent a lot of time burning the midnight oil until then," said a colleague. His predecessor, Brock Adams, who left Congress to become President Carter's first Transportation Secretary, had gained widespread acclaim for his diplomatic skill in getting the House to accept the new budget-making process. Some Congressmen initially feared that Mr. Giaimo, with his more abrasive manner, would not be as successful. But for the first time, Mr. Giaimo had a true power base and soon his colleagues learned that he also had a sense of mission and purpose.

Does he favor across-the-board cuts in agency spending? "That's a fake," Mr. Giaimo. "The Administration would only return later in the year to seek additional funds for essential programs."

Should defense spending be immune from budget-shrinking efforts? "We must resist [defense] budget add-ons," he said. "Some defense spending can be deferred, if not eliminated. Some of the spending has nothing to do with readiness."

Is he concerned about Congress's resistance, despite a surge in balance-the-budget rhetoric, to abandoning pet spending programs? "I hope the American people will look at that in November," he said: "The people will not be fooled by those who vote for a balanced budget resolution and then bust the budget for veterans programs or defense."

Is he worried about House Speaker Thomas P. O'Neill, Jr.'s endorsement of continued spending for social welfare programs? "I love Tip O'Neill," he answered. "I'm sure he will do everything necessary to help balance the budget."

DIFFICULT JOB

Mr. Giaimo's job is extremely difficult. In the House, unlike the Senate, Republicans vote as a block against the budget resolutions, on grounds that they will not support anything except a totally balanced budget. This means that the budget targets, the so-called first budget resolutions, and the second resolutions, adoption of actual ceilings, almost never pass the House by more than five votes. Since he became chairman, Mr. Giaimo has lost only one key vote—on a second budget resolution two years ago.

In addition to determination, Mr. Giaimo is known for his temper. A colleague, and admirer, recalls one tantrum during a round of golf, one of Mr. Giaimo's passions. "He's a good golfer until he gets mad," the colleague said. "When Bob gets angry, he can't even hit the ball. Naturally, I used to try to needle him."

During a game a few years ago, the ruse worked. By the 18th hole, Mr. Giaimo's dander was up. His shot landed in a pond.

"Bob picked up all his clubs, shoved them into his golf bag, and threw the bag in the water," his partner said. "Then he stomped off to his car and discovered that his car keys were in the golf bag. It didn't phase him a bit. He went back to the pond, fished his keys out of the golf bag, and threw the bag and clubs back in."

Mr. Giaimo's temper will be placed under wraps, his aides say, when he begins to lobby his colleagues in earnest on the new third budget resolution, to add funds for defense and inflation-related program increases, and for the spending cuts ahead.

In fact, Mr. Giaimo and at least 30 other lawmakers have become convinced that Congress must enact some form of formula spending-limit plan, if it is to agree on or implement major spending cuts. The power of special-interest groups, Mr. Giaimo argued in a recent *Congressional Quarterly* article, would make the Budget Committee's task clear: "Defending Congress's preordained ceiling against individual temptations."

Mr. Giaimo's spending cut proposal would limit both direct spending and tax expenditures (tax breaks designed to encourage activities like home ownership or business investment) to 28.5 percent of the gross national product in 1981, 28 percent in 1982, and 27.5 percent in 1983. It would also provide that a majority of both houses could overturn the limit upon the recommendation of the President. Finally, the measure would phase in limits on Government credit programs.

Mr. Giaimo's is one of four major artificial spending ceiling proposals being seriously examined by Representative Anthony C. Beilenson, the California Democrat who has been appointed by the Rules Committee to recommend a single spending limit proposal to the full panel.

It is somewhat ironic that Mr. Giaimo now finds himself in this position of influence over budgetary matters. Little in his background prepared him for it. His financial experience was limited to working several summers as a teller in his immigrant father's small New Haven bank for $15 a week. He graduated from Fordham University, later studied law, and went into politics. Today, he lives quietly with his wife, the former Marion Schuenemann of Windsor, Conn., in a modest townhouse. His daughter, Barbara Lee, is grown now, but the family remains very close, just as his own Italian family was.

There has not been a lot of time lately for golf, and his 6-foot 4-inch frame looks as if it could use a touch more exercise, nor is there occasion to croak out an aria in Italian, which he speaks fluently, from Verdi's "La Traviata," another of his passions. For the next few weeks, passion will have to be limited to a set of numbers that Congress may or may not approve depending in large part on Mr. Giaimo.

[From the Washington Post, Mar. 16, 1980]

GROWING INTO THE JOB

(By Art Pine)

When Rep. Robert N. Giaimo (D-Conn.) took over as chairman of the still-fledgling House Budget Committee four years ago, there were few among professional Congress-watchers who had great expectations.

Although the bulky North Haven lawyer had spent 17 years in Congress before taking the budget post, he never had played a very visible role. His reputation had been mainly as a foot soldier. And he knew little about budgetary issues.

Particularly in the wake of Rep. Brock Adams (D-Wash.), who had headed the new committee in its first two years, Giaimo seemed to many to be decidedly mediocre. There was muttering in some quarters that he was not up to the job.

This week, Giaimo will preside over the beginning of Congress' long-awaited budget-balancing effort with the key role as the House's budgetary conscience and an enhanced status among his colleagues that belies all earlier skepticism.

Over the past four years, the 60-year-old New Englander has acquired widespread respect as one of the toughest and most effective committee chairmen in Congress, knowledgeable about the issues and a good negotiator, to boot.

Facing a continual splintering of factions within his committee and an often chaotic situation on the floor, Giaimo has rescued the new budget process from defeat several times, to the admiration of friends and critics alike.

FOREFRONT OF EFFORTS

Moreover, he's been at the forefront of the recent push to force Congress to cut back on spending, proposing tough new measures to keep outlays down and to tighten the five-year-old congressional budget process.

"He's grown tremendously in the job," says an admiring House colleague who was one of the skeptics when Giaimo took over the budget post. "He's a great politician," coos a younger member. "He can deal with all sides."

It hasn't been easy for Giaimo, who was a late bloomer by any standard. For one thing, his newfound respect has come only in recent years. His first few months as chairman were lackluster and sometimes awkward.

For another, Giaimo too often has been left in the shadow of Senate Budget Committee Chairman Edmund S. Muskie (D-Me.), whose resounding good-guy, bad-guy floor confrontations have made him a folk hero to some Congress-watchers.

But to many, those impressions are overdone.

Although it's true that Giaimo was a slow starter, taking over the Budget Committee chairmanship was his first big-time congressional post. Before 1977, he never even had held a full-dress, nonlocal press conference.

And Giaimo supporters warn that any comparisons with Muskie should be viewed in perspective. First, the differences between the two chairmen seem more a function of personal style than a matter of effectiveness.

Muskie, more traditionally senatorial, tends to portray budget issues as more starkly black and white, and to take them on in rhetoric-filled public floor fights—a panache that has given him an image as a swashbuckler.

SKILLFUL BUILDER

Giaimo, by contrast, is more the coalition builder and behind-the-scenes man, skilled at putting together support for a package, but not given to flowery floor speeches. He's also not given to explosive temper tantrums.

Then, too, virtually all sides concede that in practical terms Giaimo has a much tougher row to hoe with the contentious House than Muskie faces in the Senate.

For one thing, Giaimo does not enjoy the bipartisan support in committee that Muskie now reaps under ranking minority member Henry M. Bellmon (R-Okla.). Republicans on the House Budget panel often are hostile and divided themselves.

For another, the House itself is splintered into far more volatile factions, with liberals and conservatives rarely able to agree and unwilling to indulge in the I'll scratch-your-back tactics that save the Senate from chaos.

When the two houses meet in conference, it's usually Giaimo who paves the way for a break in the stalemate, quietly soothing opposing factions until the various sides finally agree on a compromise.

Although Muskie seems the more intellectual, House backers note smugly that "the end product in both houses is about the same." In truth, the House and Senate recommendations are rarely very far apart.

Giaimo's record on specific issues isn't bad by any measure. Although the chairman has suffered some setbacks in the now-commonplace House rejections of the budget resolution, he also has won some significant victories.

Last autumn, for example, Giaimo doggedly rode herd on squabbling House members during a conference with the Senate on the final budget resolution and deftly engineered a compromise that broke a six-week impasse.

A few months before, he successfully pushed through a sizable cut in the widely criticized $2-billion-a-year small business "disaster aid" program, beating back vigorous opposition from constituent committees.

Other examples abound.

HEIGHTENED INFLUENCE

Giaimo has managed to heighten his influence in the Budget Committee by remaining open to all factions, particularly younger Democrats and Republicans, who often are pulling in decidedly different directions.

Last autumn, for example, the Budget chairman endorsed a spending-limit proposal proffered by conservative Rep. Jim Jones (D-Okla.), despite opposition by both the Carter administration and the House Democratic leadership.

And he continually has cajoled the committee's often-dogmatic Republican bloc to moderate its hard-line views enough to become a potent force in committee deliberations. So far, he's had few takers on that score.

Giaimo occasionally has been criticized for being far too good a soldier for some tastes, too willing to serve as a spear carrier for the House Democratic leadership and the White House on budget issues.

To a point, Giaimo is unabashedly a party man, almost instinctively steeped in the loyalty of old-line New England politics. When there's a choice, he'd rather avert public squabbling among Democrats.

But he's also displayed some independence as well.

In early 1977, for example, Giaimo sharply attacked Carter for knuckling under to pressures for increased farm subsidies, warning that the White House could not continue to talk balanced budgets and cave in on individual items.

Later that year, after the Pentagon tried an end run and undercut his budget resolution, Giaimo rasped: "This is not the Georgia legislature. . . . You don't call up from downtown and say, 'Write a budget resolution'."

A serious-minded, yet good-humored man, Giaimo combines a dogged liberalism on civil rights issues with no-nonsense conservatism on spending and the question of continued growth of government.

PROUD OF HERITAGES

Fiercely proud of his Italian-American heritage, Giaimo is quick to jump to the defense of minority groups of all kinds at the slightest hint of so much as a slur. But he's also convinced many social programs are a waste.

"One thing about this job—it has filled me with a lot of unhappiness and disgust at the way the government has done business," Giaimo recalled last week. "There's a lot of squandering. We're not lean and efficient anymore."

In an interview between House-Senate negotiating sessions, Giaimo spoke passionately of some of his frustrations over Congress' handling of budgetary issues and outlined some of his ideas for dealing with them.

"I'm fairly optimistic that we'll be able to report out a balanced budget in committee, and that the members will vote for it" intact in the initial May budget resolution, Giaimo said.

"What I'm fearful of this year is that thereafter they will go their merry way on spending and entitlement programs and wind up in September in disarray," he added.

In Giaimo's view, the "real flaw" in the five-year-old congressional budget process is "that is doesn't have the necessary teeth to get the job done." Budget targets set in the spring are overridden in the fall.

What Giaimo hopes to push through is a procedural change in which the resolution passed in the spring also would direct key congressional committees to trim current spending to meet the just-passed targets.

PROCEDURAL CHANGES

The chairman also is trying to persuade the leadership to take drastic new action if the appropriations bills Congress passes this summer overstep the spending targets voted in the spring budget resolution.

He wants the Speaker to sit on all the new money bills and not send them to the President for signature until the total is pared to the initial May spending target. Budget Committee parliamentarians say the move is legal.

The Budget chairman also wants to take a stab at persuading the lawmakers to trim the cost-of-living increases granted in Social Security and other benefits, which currently are tied to the now-distorted consumer price index.

Although the step was rejected in last week's marathon House-Senate negotiating sessions, Giaimo believes it is important. "The fight has to be made, even if we lose it," he said. The change would save about $7 billion.

For now, Giaimo is determined to try to push Congress into balancing the budget despite the political pain and inevitable bloodletting that may occur, if only because he believes the situation demands it.

"There's a real crisis out there," Giaimo said of the current inflation scare. To those who raise fears that the cutbacks will produce a recession, he shrugs: "It is not written in stone that we always have to have good times."

Despite the past few weeks' budget-balancing fever, it's still not certain that Congress actually will go along with the President's plan. Skeptics point out that the lawmakers have rejected most of the proposed cuts before.

Still, the consensus is that if the cutbacks can be pushed through at all, this is the year to accomplish them, while public pressure for the reductions is strong. Giaimo almost certainly will face his toughest test.

FIRST ANNIVERSARY OF LIVE TELEVISED COVERAGE OF HOUSE OF REPRESENTATIVES

(Mr. FISHER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FISHER. Mr. Speaker, I am pleased to mark today the first anniversary of live televised coverage of the House of Representatives by the Cable Satellite Public Affairs Network—C–Span.

Most importantly, the potential for use in the classroom already has begun to be realized. I am proud that the pioneering effort has been made in Arlington's Yorktown High School, located in my congressional district.

During the first semester of the 1979–80 school year, approximately 130 Yorktown students have viewed and evaluated televised sessions of the House as part of a unit on the Constitution emphasizing the nature and the role of representative government.

I would like to paraphrase the closing paragraph in a report on this Congress in the classroom unit by Mrs. Sara Jane Knight, Yorktown instructor who worked on the project with Mr. Brian Lamb, president of C–Span:

The constitutional mandate to keep the public informed of congressional activities has been updated with the addition of television. If students can learn to observe and evaluate representative government through the medium, it could help make their participation in citizenship a lifelong habit.

I applaud the first step Yorktown High School has taken toward this goal and submit for the RECORD some excerpts from Mrs. Knight's report and comments from participating students.

CONGRESS IN THE CLASSROOM

(Excerpts from a Report by Mrs. Sara Jane Knight, Instructor, Yorktown High School, Arlington, Va.)

INTRODUCTION

C-Span will soon bring the House proceedings to all areas of the country and to many of its school systems. We hope that our report will provide initial feedback to our representatives from the student point of view.

PREPARATION OF THE STUDENTS

An orientation was necessary to prepare students for watching unedited segments of House sessions and to motivate them to watch with several purposes in mind. These included instruction in basic House procedure, and some initial discussions/activities geared to the issues being raised. These activities were also devised to show the complexities which representatives meet daily in the decision-making process.

A sampling of our activities included:

(1) Inductive lessons in which students were given hypothetical problem-solving, worked out solutions, then watched a House debate on a similar topic.

(2) Reading "factual" newspaper accounts and commentaries about an issue we had watched previously. Comparisons were made between the reports and our own findings and conclusions.

(3) Role-playing in which students portrayed a congressman confronting a different moral/economic issue, representing a divided constituency.

(4) Researching the political philosophies, committee assignments, and voting records of members we observed.

All students responded in writing to several basic questions. A student steering committee summarized these responses under three major headings.

STUDENT RESPONSE

How much more do you know about the role of government after viewing televised sessions of the House of Representatives?

Students views were generally complimentary. Several commented: "I had the impression that government was too far away from the people to help them, but now I know this is wrong". The debates opened our minds to different opinions and viewpoints. It also showed how a member of Congress must throw himself into his work. They realized the complexity of considering and passing a bill into law. One said: "We could see that passing a bill is tedious and time-consuming . . . but we could see how everything worked and that gave us a better understanding of government". There was more satisfaction about who runs the government and how. When viewing a roll call vote students soon noticed that often a majority of House members were not present at first. This and other events prompted discussion of procedures.

(2) What was your first impression of the House of Representatives, its procedures, its members?

Many students found the procedures totally unfamiliar or confusing, but as we watched a definite pattern emerged. Often background noise or activity seemed disruptive, just like the classroom, but members themselves seemed anything but disorganized when speaking on an issue. They seemed to have an amazing amount of information to back up their positions. That was probably the most impressive factor to students whether representatives presented their case with sarcasm, emotion, or factually. The overall impression was one of confidence and concern. They showed an intense personal interest in the issue which they debated. Sometimes issues were regional, other times of national importance. Students commented that they felt more representatives should be involved in national issues even when they are not the most important ones to their constituents. They noticed that members who wanted to speak, no matter how controversial, did so and that said one student, "That is crucial to our democracy".

(3) What do you think are the most important qualities for members of the House of Representatives?

Before C–Span most members of the House were unknown outside their own districts and certainly less so than senators who are more often seen in the media. After viewing a number of sessions students listed both the qualities they belived they observed as well as those which they see are needed to be an effective representative. Students saw some qualities as innate and some acquired. They divided them into three categories, personal, educational, and those which pertain to representing a particular constituency.

In personal qualities students rated honesty high as well as determination, diplomacy, and patience. They wanted representatives to see all sides of an issue but to be forceful, to get his point across, and to be able to persuade others to his viewpoint. They rated speaking and debating skills high but emphasized as well the ability to handle the pressures of the job. Students felt that education and knowledge of the issue were vital to members of Congress. While they did not suggest how much schooling should be required, student responses more often reflected the complex nature of issues today and the need to have excellent information. The Representatives' choice of staff and ability to select the best information to present it effectively were rated highly.

One of the interesting areas of student response concerned the representatives' duty to his district. They felt that a member of Congress must speak out for his constituency by knowing the geography, people, and problems of his district. They also felt that the opportunity that most constituents have now of watching their representative in televised sessions could positively affect his performance and better show his effectiveness.

POTENTIAL USE IN THE CLASSROOM

While we realize that our project is a very small beginning we are pleased to be able to share what we have learned with other history and government classes. We are in the process of producing a videotape of our discussions along with clips from the House of Representatives to show in other classes and workshops.

CONCLUSION

Citizenship education is the heart of the social studies. Students in the Washington area have a unique laboratory setting for studying the role of representative government. Nevertheless, the government has become faceless and seemingly unresponsive to many Americans. Television, the favorite and ever present companion of students, now brings the House of Representatives into homes and classrooms. To see the institution live allows scrutiny of its members, most faces and names unknown, wrestling with the issues of the day. Regional interests, dialects, and biases emerge. National interest sometimes overrides. As we observed and evaluated this process, students were asked if the opportunity to watch Congress would affect their daily lives. Most felt that if the issue related directly to them (an example given was reinstituting the draft) they would turn on House sessions just as they would listen to televised news or read a newspaper.

Throughout the unit students were reminded that the House of Representatives is the national elected body closest to the people.

Finally the Constitution requires that the Congress keep a journal of its proceedings and to publish it. This mandate to keep the public informed has been updated with the addition of television. If students can learn to observe and evaluate representative government through the medium, it could help make their participation in citizenship a lifelong habit.

Following are excerpts from student essays on C-Span coverage of the U.S. House of Representatives.

"I have learned the way the House of Representatives functions and the procedures it uses to act on the proposed bills."—Charles Biro.

"I have more confidence in the House of Representatives with every bill so carefully researched and argued."—R. Spencer.

"I have seen there is a tone of sarcasm at times, a touch of humor, and always the ever present sense of urgency, to get the job done."—Andrea Cumpston.

"Because of the arguments that they have on different problems, you could really get into it."—Mike Windsor.

"It is very complicated, yet if watched for awhile, it is easy to understand."—Marianne Piecha.

"I'm not too sure I'd watch any of C–Span on my own. If it were directly dealing with me now, like schools, I might watch."—Cardie Coleman.

"I would not want to be in Congress because it would be so hard to make a positive decision when everyone makes a good point about a subject."—Malia Schultz.

"I feel that the House of Representatives and its procedures are more important than most people think."—Julia Longergan.

"C–Span got me more interested in current events that were important to the country."—Peter Prominski.

"The debate opened our minds to different opinions and viewpoints. We could see that passing a bill or amendment is tedious and time consuming."—Chip Schindler.

"I'm encouraged to see the House. I realize now there are often heated debates."—Jan Van der Veer.

"C-Span allows us students to become better acquainted with the individual members and the House procedures."—Andrea Cumpston.

"I think this has opened up a new interest in government in me and made me realize what an uninformed citizen I am."—Kathy Courtney.

"It helped me to see all sides and to see why the outcome is what it is."—Tracy Bond.

"It helps to keep the public informed on what's going on."—Mike Cronin.

"If in the future C–Span is playing on a subject I am familiar or concerned about, I will appreciate it very much to see it."—Julie Stiers.

"I didn't know they could be so funny the way they debated."—Paul Aerni.

"I was impressed by the way the speakers were talking to each other. They all seemed very smart."—Diana Caravetta.

"The House of Representatives viewings have made me begin to see things more clearly."—Beth Edett.

"I thought it was interesting, but it didn't really make any difference in what I know."—Susan Allin.

"I like the way everything is run so orderly and how all the members have good manners."—Lauri LaCorte.

"Seeing the way they discuss the various issues is much more impressionable than if it were just spelled out in a textbook."—Margaret Bickley.

"The use of C-Span would allow the public to check on issues that may affect them, and also see the abilities of their congressman."—Eric Ramirez.

"Watching the House of Representatives has made me more interested in what they are doing for our state."—Clay Wooldridge.

"The people that vote ought to be able to see the work that their congressman is doing and where he stands on the situation."—Tony Watson.

"I think having watched C-Span will help me to follow the issues."—Hilary Daniel.

"My first impression of the members was that not enough of them participated."—Greg Druffel.

"The members' attitudes were sarcastic, but they were seriously trying to get something done."—Rita Chaale.

"I feel more secure in seeing my representative directly in action instead of reading of his actions in the newspaper."—Fiona Muelkin.

"The members took the issues as if it was their own problem and wanted to solve it fast."—Ben Landas.

"I learned a lot about all the issues because they give you an inside detailed description of the issues from many viewpoints."—Steve Wingate.

"I didn't realize that they have the power that they do."—Paula Skillman.

"I had the general impression that the government was too far away from the people to help, but I know this is wrong now."—Davyne Roeckel.

"A very beneficial thing to view on television. Very undecided and sometimes quite crazy."—Janet Davis.

"The members seem to be quite flippant and debated as if in a casino."—Claire Smith.

"I feel that I know more and have a better understanding of the House of Representatives."—Penny Buell.

"I would not be a congress person after viewing the House because politics bores me to death."—Barbara Blincoe.

"As a congressman, I think that I would maybe try not to make a fool out of myself in front of the camera and would try to be articulate."—Kris Zimic.

"Taping the House is an advantage to the voters but a disadvantage to the Congress person."—Doug Sanford.

"I did not know that being in Congress involved so much work."—Susan Weetman.

"I saw strength in beliefs, knowledge, and dedication."—Maria Nicholson.

"Watching the House of Representatives has changed my opinion of politics in that I used to think it was quite a boring profession. Now, I think I might enjoy working in politics in the future."—Cyndy Rea.

"The members were serious and more concerned than I expected."—Ann Marie Victor.

"By watching the House of Representatives, I see more viewpoints than reading it in a newspaper."—Byron Cook.

"The representatives talk too long and their talk is boring."—Trey Goulden.

"The scene was rather changeable; often times, the place turned into a battleground of personal feelings, members arguing out personal dislikes rather than issues."—F. Wiggins.

"I think 'taping' the House is a great advantage so that everyone can see what's going on and it further protects the people's rights."—Laurie Spencer.

"Nationwide viewing would aid the people in making their choices during elections but may also hurt a candidate during election."—Todd Rooney.

"See the House of Representatives in action has made me appreciate their jobs a little."—Frank Lorino.

"People in the House of Representatives are just as much human as the rest of us."—Stuart Riggs.

"The people in Congress knew all about what they were talking about. That is very important."—Laurie Barber.

"I would not want to be in Congress after watching these sessions. There would be too much pressure for what they were paying me."—Matthew Davis.

"The disadvantage of televising the House would be that people might misinterpret what congressmen say."—Penny Bagnel.

"The thing that impressed me most about how issues were debated or discussed was the way they timed and yielded to each other."—Karen Emery.

"I know now how our laws are made."—David Ricardo.

LOS ANGELES COUNTY BOARD OF SUPERVISORS SUPPORTS WAGE AND PRICE CONTROLS

(Mr. **WEISS** asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. **WEISS.** Mr. Speaker, on March 11 the Board of Supervisors of Los Angeles County adopted a resolution requesting the President and the Congress to enact wage and price controls. The board in its resolution points to the 20 percent pace of inflation and keenly observes that wage and price controls can halt the spiraling rise of inflation."

The resolution states:

> Like sandbags during a flood, wage and price controls can protect our economy from collapse until more permanent and structurally sound solutions to the rising tide of inflation can be found.

I believe that the board has accurately analyzed our economic crisis and I applaud them for their decisive action.

I include the cover letter and the resolution from the board to follow my remarks:

> BOARD OF SUPERVISORS,
> *County of Los Angeles, March 12, 1980.*
>
> *Each Member of the U.S. Congress:*
>
> At its meeting held on March 11, 1980, on motion of Supervisor Kenneth Hahn, the Board of Supervisors adopted the attached resolution relative to the enactment of wage and price controls, as a means of fighting inflation.
>
> Very truly yours,
> JAMES S. MIZE.

> BOARD OF SUPERVISORS,
> *County of Los Angeles, March 11, 1980.*
>
> RESOLUTION
>
> Whereas, America is facing an economic crisis with inflation running at a 13 percent rate in 1979, an 18 percent annual rate in January and predictions that it will reach up to 20 percent in 1980, and
>
> Whereas, home mortgage loans are over 15½ percent and expected to go higher, thereby forcing the dream of homeownership to vanish for millions of our young people and raising unemployment even higher due to reduced housing construction, and
>
> Whereas, Wage and Price Controls, although not a permanent solution to our number one domestic problem, can halt the spiraling rise in inflation (it should be noted that the Safeway and Ralphs grocery store chains have placed voluntary price controls on their food items); like sandbags during a flood, wage and price controls can protect our economy from collapse until more permanent and structurally sound solutions to the rising tide of inflation can be found.
>
> Now, therefore, be it resolved that the Board of Supervisors of Los Angeles County, representing 7 million Americans, a population greater than that of 45 states, requests the President and the Congress to enact wage and price controls as a means of fighting inflation and restoring order to the nation's economy.

□ 1830

HON. ALLARD K. LOWENSTEIN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman for New York (Mr. STRATTON) is recognized for 60 minutes.

Mr. STRATTON. Mr. Speaker, I take this special order today, on behalf of the New York State Delegation, to enable the House to pay its formal tribute to our late colleague and friend, a renowned and respected civic activist, Allard K. Lowenstein, whose energetic and dynamic life was brought to a sudden, untimely, and tragic end last week by bullets fired by an apparently deranged and unstable former associate.

Al Lowenstein served in this body for just one brief term, in the Ninety-First Congress, as a resident of Long Beach, on Long Island. Already a well-known leader and civil rights activist, and the man who is generally credited with sparking the drive that forced President Lyndon Johnson to retire from the Presidency because of the Vietnam war, Al Lowenstein had sought a more formal political base from which to pursue his manifold political and social interests. But in the process he had become a controversial figure, and his frenetic travels around the country had left him without any kind of permanent political base. He spoke and worked in the House for the causes to which he was committed, and he did it with a deft touch that won the respect of Members, like myself, for example, who did not always share his views or approve of the tactics he used.

But in 1970 Al Lowenstein failed to win reelection to the House, and several later attempts to come back to Congress were also aborted. Nevertheless Al continued to remain active—continued to fight for civil rights and continued to enlist the active support in his causes of the Nation's young people, who had only recently obtained the right to vote.

The authoring of tributes from so many persons of diverse views and beliefs that came at his funeral and memorial services in New York attested to the widespread respect and support for his efforts and his approach.

My own association with Al Lowenstein was somewhat limited, but three things in it stand out which may—I gather now—reflect his complex nature rather precisely.

A "gentle tornado" was the way our colleague from Indiana, ANDY JACOBS, characterized Al Lowenstein in his eulogy in New York City yesterday. That was hitting the nail right on the head. Al Lowenstein came to this House with the reputation of being a political tornado—all kinds of civil rights battles in the South behind him, plus the credit, or blame, for having toppled from office a President of the United States who just 4 years earlier had been elected with the largest majority in American history. Yet I remember how startled I was to see that in those few times when Al Lowenstein took the well of the House to make a speech, he talked so softly one could hardly hear him. No shouting, no screaming, no posturing, as some other political activists who have served in this chamber used to do. Just sweet reasonableness, and a calm demeanor. And they worked.

I noticed in one of the stories about Al that appeared over the weekend that he was quoted as having said that one of his reasons for deciding to fight for the down-trodden and the neglected in American political life was that as a child he had been called "funny looking" by his playmates, and for that reason used to get beaten up regularly. So, Al was quoted as saying, he decided he had to build himself up physically to fend off those attackers.

I saw that build-up when I first ran across Al in the House gym. With his intensity and his fairly strong glasses he gave the impression of a kind of retiring intellectual. But that was another mistake. Obviously he had spent a good deal of time in body building, building up his arms and shoulders, and was in the gym almost every afternoon —either working out or wrestling—sometimes, as someone has recently observed, even with another former colleague, Donald Rumsfeld, later Secretary of Defense in the Ford cabinet.

Al might have looked like a "grind," but anyone who tangled with him would have been very quickly disabused.

My last substantial association with Al Lowenstein came last spring as the Rhodesian elections, under the so-called internal solution, were being assessed in this country. Al had served the Carter administration on the Human Rights Commission. But when these elections, in an area he had long had a very deep interest in, got underway, Al resigned his Government post and, along with Bayard Rustin and other civil rights activists, went to Zimbabwe-Rhodesia to see for himself whether those elections were, in fact, free and fair.

Almost before the results, electing the Muzorewa government, were in the U.S. State Department, and its supporters in Congress, were crying that the elections were not free, and that America should not lift its sanctions.

But Al Lowenstein, who had actually been on the spot, came back home and said, yes, those elections were fair. And yes, the Muzorewa government did represent a step forward. And so he maintained we ought to give some recognition to this new government, under terms that would make use of this initial progress to work out an eventual settlement of the long guerrilla war.

Al was suddenly castigated by some of his former liberal colleagues as a turncoat. But he stuck to his guns. I remember meeting with him at the time, because I shared his views on the subject. He did not bluster, but he worked quietly in Washington in an effort to modify the stiff hostility of the State Department to the Muzorewa government. In the end he failed to persuade the Department to change its mind.

But, characteristically, the quiet, reasoned, nondoctrinaire line, which Al Lowenstein had laid out and which he had failed to sell to his own Government, later became the basis for the formula developed by Lord Carrington and the Thatcher government in England. So in a very real sense Al Lowenstein did pioneer what now at least appears to be a fairly peaceful resolution of one of the most complex political mazes that have faced us in this latter half of the 20th century.

BIOGRAPHY OF ALLARD K. LOWENSTEIN

Allard K. Lowenstein was born in Newark, N.J., on January 16, 1929, and he grew up in Harrison and Scarsdale, Westchester County, N.Y. In childhood Lowenstein followed with intense partisanship the day-to-day progress of the Loyalist, or anti-Franco, army in the Spanish Civil War and the Allied forces in World War II.

Lowenstein was educated at the Horace Mann School in New York City, the University of North Carolina (B.A., 1949), and the Yale Law School (LL.B., 1954). As vice president of the student legislature at the University of North Carolina he assisted university president Frank Graham in his efforts to integrate the campus. When Graham became a United States Senator, Lowenstein went to Washington as his special assistant, in 1949. During the early 1950's Lowenstein presided over the National Student Association and chaired a national organization of student volunteers for Presidential candidate Adlai Stevenson. Following 2 years of service with the United States Army in Germany, he became educational consultant to the American Association for the United Nations, where he formed a close working and personal relationship with Eleanor Roosevelt, whom he deeply admired. In 1958, the year he was admitted to the New York bar, he worked as foreign policy assistant to Senator Hubert H. Humphrey.

In 1959 Lowenstein toured South-West Africa, an international territory under the jurisdiction of the Republic of South Africa, to investigate racial oppression there in the hope of "arousing the conscience of the world." In a report to the United Nations Trusteeship Council he described the condition of blacks in the territory as even more wretched than in South Africa itself and recommended the imposition of economic sanctions against the government. His impassioned, pessimistic narrative of his journey, "Brutal Mandate," was published by Macmillan in 1962. Reviewing the book in the New York Times, July 16, 1962, Orville Prescott called Lowenstein "a capable writer, * * * a fiery idealist, a zealous crusader for social and political righteousness." His interest in southern Africa remained intense throughout his life, and last year he again went to that part of the world as a member of the Freedom House Delegation to observe the April 1979 elections in Rhodesia.

He was a civilian observer of the elections held in the Dominican Republic in 1966 and in South Vietnam in 1967. After his return from Vietnam he founded the Conference of Concerned Democrats and the Coalition for a Democratic Alternative, organizations opposed to Lyndon B. Johnson's war policy and dedicated to blocking his renomination for President. To muster support for an alternative candidate he visited hundreds of cities and campuses across the United States. His call rallied an "army" of young people, ready to serve as volunteers for a Democratic peace candidate.

GENERAL LEAVE

Mr. STRATTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of our late colleague, Allard K. Lowenstein.

The SPEAKER pro tempore (Mr. RAHALL). Is there objection to the request of the gentleman from New York?

There was no objection.

● Mr. BINGHAM. Mr. Speaker, once again we rise in tribute to a great American taken away from us by an act of insane violence. John Kennedy, Martin Luther King, Bob Kennedy—now Al—it is as if the hopes and dreams of an entire generation have been destroyed by mindless violence, by uncontrolled guns. As legislators, we must put a stop to the proliferation of these deadly weapons and the epidemic of assassination and murder which plagues, and threatens to destroy, our society.

Al Lowenstein was a dedicated idealist who never stopped waging the good fight—for peace, civil rights, and social and economic justice. In 1980 Al was somewhat out of step with the mood of the times. The cold and bloodless rhetoric of sledgehammer budget balancers and cold warriors was not Al's. He was always concerned with people and not just numbers; with justice not pretensions of toughness. He did not feel the need to compromise his ideals to gain acceptance. He was an outsider, like the people he championed, and yet he succeeded in retiring one President and in speeding the end of an unjust war. Simply put, Al Lowenstein made a difference to this Nation and he did so on his own terms. He was a very good man.

Al served one term in this House and when he left in 1971—he lost the election after being redistricted—I made a statement about Allard Lowenstein that I would like to share with you today. It sums up my feelings about a man I shall miss very much in the days ahead:

ALLARD K. LOWENSTEIN

Mr. BINGHAM. Mr. Speaker, I suspect that no freshman Member of the House since Henry Clay—and not excluding Abraham Lincoln or John F. Kennedy—has made more of an impression on this body than has Allard K. Lowenstein.

I have found it a rare privilege to get to know AL LOWENSTEIN and to work with him here. His has been an eloquent voice for peace, for a better life for Americans, and for improvement in the cobwebbed rules and customs of this House.

Before January 1969 I knew Al mainly by reputation—as a young idealist who had courageously led a civil rights crusade in Mississippi and who had set in motion another crusade which had enormous impact on our national leadership and on the war in Vietnam.

Since January 1969 I have come to know this young man as one of the most generous, thoughtful, and kindly human beings I have ever known. It was a measure of these qualities that won Al the affection and respect of so many in this House, including many who were opposed to him on virtually every issue.

I hope very much that Al Lowenstein will return to these Halls in the 93d Congress, if not before. But I know that, whatever he chooses to do, this country—and indeed the world—will be the better for it.

● Mr. ADDABBO. Mr. Speaker, yesterday in Washington, D.C., our former colleague Allard Lowenstein was buried in Arlington Cemetery. It is tragic that this vital and compassionate human being should have his life ended at 51. It is particularly sad that this man who throughout his life fought the forces of violence should die at the hand of violence.

So much has been said and printed about Al's accomplishments and causes that I will not add to them here. But let it be noted that up to the day he died, Al Lowenstein never wavered from his determinations. Most people remember Al for his political activities, and well they might, because he was totally political. He used the political process to effect change, as did his idol and longtime friend Norman Thomas.

But what was so unique about Al Lowenstein was that his causes went far beyond the boundaries of politics. He would travel at his own expense wherever he heard a cry for help, and he would do what he could, even when intelligent men would write off the cause as hopeless. That, perhaps, was the difference between Al Lowenstein and his contemporaries. Al never accepted the fact that tilting against windmills was a useless exercise. And he was the only one not surprised when a few of the windmills came down.

There is a need for the willingness to fight against insurmountable odds for the things in which you believe, as was the philosophy of Al Lowenstein.

He was not a perfect human being. Al made mistakes too. He made errors in judgment at times, sometimes listened to bad advice, too often neglected the things and people he loved most to devote himself to intellectual battles. He was a human being with the frailties of a human being, and he suffered deep distress from those failures.

The media portrayed Al as a leader of the young and the idealistic, and he was that. Few people, no matter how opposed they might be to what he believed in, could dislike Al Lowenstein for very long. He would listen as well as talk; he believed that in an exchange of ideas, the good in men would rise to the surface.

Such was the character of Al Lowenstein that, had he lived, he would have forgiven the man who shot him. He was that kind of man. I do not have that much forgiveness in my heart, and because I do not have an Al Lowenstein to sit with me and argue ceaselessly about the futility of hatred, I probably will never find forgiveness for this senseless act of violence. In his memory, I will try, but it will be much harder without him here.●

● Mr. SCHEUER. Mr. Speaker, as a Member of Congress, as a member of the Democratic Party, as a New Yorker—indeed, as one who believes in social justice—I share the loss of Allard Lowenstein.

Al was tireless in his efforts and wide-ranging in his concerns. From the plight of the downtrodden blacks in South Africa or in the United States, he made his presence and his commitment felt.

Al was a man with a sense of compassion; colleague quick to share his insights; and a companion with a good sense of humor. Those who were privileged to work with him are poorer for his passing.●

● Mr. MONTGOMERY. Mr. Speaker, I first met Al Lowenstein on the House Agriculture Committee. He had just been assigned to the committee and I had the privilege of sitting next to him.

I really got to know Al better after he left the Congress. He would come back to the Hill on occasions, and I would have the opportunity to talk with him during some of his visits.

He had a genuine love for his fellow man, whether conservative, moderate, or liberal; he really did not seem to care. He could disagree with you but in a pleasant manner.

Al was a mover. He wanted to get things done, and he was constantly pushing himself. However, there was always time for his friends.

We will miss him on the Hill.●

● Mr. ROSENTHAL. Mr. Speaker, in the tragic death of my friend Allard Lowenstein, America and the world community have lost a very special brother and champion.

Al Lowenstein was special because he passionately believed. He believed in the essential integrity and rights of human beings. He believed, as no one else I have ever met, that one man can make a difference and have an effect on this world. He was a remarkable leader because he was able to genuinely inspire and transmit those beliefs.

Al had a unique effect on young people. For two generations of American students, he was the voice of activism and caring. In many ways he was the Pied Piper of America's youth, especially in the troubled 1960's.

He viewed the world and the human condition from the depths of his compassion. Compassion was the key to his personality. Whether it was injustice in Southwest Africa or in Selma, Ala., Al reacted with elemental personal compassion. Injustice and prejudice were not to be tolerated and youth and inspiration were his ever-present weapons.

Allard Lowenstein, the scholar and activist, was a man of peace. His conviction that peaceful solutions were always possible and preferable, never wavered. An early leader of the opposition to America's involvement in the war in Vietnam, Al refused to accept violence as a tactic. As an early leader in America's struggle for civil rights, Al continued to reject violence in any cause he was associated with. He built his life on the accomplishment of peaceful solutions.

The irony of his being taken from us by wanton, senseless violence, only highlights the ideals of peace he stood for. The people he touched and the society he affected will long remember the hope and ideals of Allard K. Lowenstein.●

● Mr. AMBRO. Mr. Speaker, it is with deep regret and a profound feeling of sadness that I rise this afternoon to join with my colleagues in paying tribute to the late Allard K. Lowenstein. It is a particularly bitter irony that this man who devoted so much of his life to a crusade against violence should have been taken from us in such a brutal and violent fashion.

Lowenstein was born in Newark, N.J., the son of a professor at the Columbia University School of Physicians and Surgeons. He was educated at the Horace Mann School in New York City, the University of North Carolina, and Yale University Law School. His exposure to the finest educational systems and the economic and intellectual elite at these institutions did not create in him an unconcern and an insensitivity to those less fortunately endowed. On the contrary, it bred in him a passion for the human rights and civil liberties of all peoples. It was in pursuit of these goals that he dedicated and lived his entire life. At various stages of his life a political campaigner, a teacher, a lawyer, a consultant to various government officials and committees, a U.S. Congressman, and a United Nations Ambassador, Lowenstein was that very rare kind of person who changed—for the better—the lives of thousands of people throughout our Nation.

Once, in 1968, Robert Kennedy scribbled a note to Lowenstein aboard a bus. It read:

> For Al, who knew the lesson of Emerson and taught it to the rest of us: "That a single man plant himself on his convictions and there abide, the huge world will come around to him."

Perhaps the most appropriate comment made about Allard Lowenstein came from Bill Moyers, the Public Television commentator and former top aide to former President Lyndon Johnson, the target of much of Lowenstein's public activity. Movers said:

> He was one of the few men I have ever met who had no price. He couldn't be bought—not by flattery, not by charm, not by adulation, not by money, not by seduction—when he was in pursuit of an ideal he considered to be right.

Mr. Speaker, I join with my colleagues today in mourning the untimely passing of this compassionate American crusader and in extending my heartfelt condolences to his bereaved family.●

● Mr. BOLAND. Mr. Speaker, the death of Allard Lowenstein was a profound shock to those of us who served with him in this House. He was a man genuinely committed to the struggle for freedom and justice in this country and around the world. His career has affected the lives of every American, and his memory will serve to remind us of the noble causes for which he fought over the years.

Al Lowenstein's phenomenal ability to arouse the interest and action of this country's citizens demonstrated time and again that everyone who participates can affect the political process in this Nation. His early accomplishments in civil rights, and his leadership of the antiwar movement in the 1960's are enduring symbols of his conviction that the American system works. His dedication will serve as an example to future generations of the kind of leadership and individual participation which makes this country great.

Al Lowenstein won the respect and admiration of all those whose lives he affected, irrespective of political philosophy, party affiliation, and cultural heritage. He was often able to unite opposing interests in concerted efforts to solve problems.

Lowenstein was always determined to achieve his goals through the democratic process. For this reason, it is especially tragic that his life was ended by a former student of his who sought to subvert that process. Allard Lowenstein's death has come at a time when America is facing some of the most difficult tests in its history. Solving the problems which face our country today will prove to be a harder task without the leadership, courage, and support which Al gave us throughout his brilliant career.

I join my colleagues in mourning the tragic death of our friend, and I extend my deepest personal sympathy to his family.●

● Mr. MOORHEAD of Pennsylvania. Mr. Speaker, all of America knows by now that Allard Lowenstein was murdered in Manhattan last week. He will be buried today in Arlington National Cemetery, an apparent victim of a madman.

Allard Lowenstein was a very rare breed of man—an idealist who lived his ideals. He had courage and he had conviction. He had the sense that if something was wrong that it was not enough to talk about it or grumble about it or simply find blame. You had to do something about it. He was his brother's keeper, which, I suppose, is about the most noble thing one can say about another.

America needs leaders with courage and with compassion. Allard Lowenstein was the embodiment of such a leader. His activism began as a boy, when he solicited contributions for the loyalists in the Spanish Civil War. He was then 8 years old.

We should learn from death, with the lessons being determined by what we have lost. With the passing of Allard Lowenstein, we have lost a man who did know whether he could make a difference but knew he had to try. We have lost a man whose efforts to try were not deterred by the difficulty of the task, such efforts being shaped only by personal conviction. We have lost a man who gave his all in trying to make a difference. We have lost a man who often did make a difference.

How many people in America care whether they make a difference? How many people try? How many people are not deterred by the difficulty of the task? How many people in trying would give their all? How many people really make a difference?

With the murder of Allard Lowenstein, we lost one of the few—one of the very few.●

● Mr. COLLINS of Texas. Mr. Speaker, all of us in Congress who knew Al Lowenstein extend our sincerest sympathy to the family on the loss of Al. When I served with Al in Congress, I cannot recall offhand a single time that we agreed on a key issue. But I was always impressed with the sincerity and dedication of Al Lowenstein.

He presented his views with a dynamic spirit and a strong belief in the principles for which he stood. Al was a gentleman and would listen to the other side, as he was most fair as an adversary.

I always admire a man when I know exactly where he stands. In Al's case, I can never remember him being neutral on anything. I always thought he had more heart than commonsense. Al was certainly a man of heart and compassion.

Our country lost a man with unlimited energy. Al was a person of tremendous vitality and stirring enthusiasm. He had a great capacity to move young people and motivate them for action. I always enjoyed talking with Al because he had such a friendly, engaging manner. I liked visiting with him because it was a stimulating experience to hear his views and his concepts. Al Lowenstein was one of the most outstanding liberals who ever served in Congress. He will always be remembered for his brilliant mind and his forthright advocacy in behalf of every liveral crusade this country has seen during the past two decades.●

● Mr. **PHILLIP BURTON.** Mr. Speaker, I have struggled to find words to describe my grief and sense of loss over the assassination of Allard Lowenstein. The following thoughtful article by David Broder expresses my sentiments better than I could myself:

Vintage Lowenstein

(By David S. Broder)

In what proved to be his last battle, as in so many of his earlier fights, Allard K. Lowenstein came up with a line that was so right, so funny and so barbed that you just savored it.

Representing Sen. Edward Kennedy in a surrogates' debate in Bangor, Maine, just before the February Caucuses, he was talking about the folly in the war fever the Carter administration was whipping up about the Persian Gulf, about the ridiculous spectacle of national security adviser Zbigniew Brezinski rushing over the Pakistan-Afghan border and waving an automatic rifle melodramatically toward the Soviet invaders.

"I expected any minute," Lowenstein jibed, "to hear him shout, 'Ich bin ein Khyber Passer.' "

I complimented him on the line when I saw him a few days later at a similar debate in New Hampshire and, looking a bit pleased with it himself, he introduced his young son, who was out campaigning with him that evening.

I saw him again, for the last time, on television in Florida, talking to the Jews in Miami, telling them they should reject Carter, not on the narrow grounds of the snafu on the U.N. resolution, but because his social and economic policies contradicted the values for which they had stood for years.

That, too, was vintage Lowenstein, motivating people to act, but insisting that they base their action on the broadest context of principle and, yes, morality—not on narrow self-interest.

That is how I first remember him, more than 30 years ago, the strange, intense youth from the University of North Carolina who came to the University of Chicago to drum up interest in a National Student Association, whose purpose, he insisted, would not be merely the protection of student rights, but the struggle for racial and economic justice in the nation and the world.

Ours was a campus full of activists, but none of us had seen quite the demonic intensity, the 24-hour-a-day purposefulness of this visitor. The girl I then dated and later married succumbed, and went off with Lowenstein to a convention in Ann Arbor, convinced she was about to save the world.

Up in Maine, six weeks ago, I met another young woman who, quite starry-eyed, disclosed that she had spent the previous weekend driving Lowenstein on his ceaseless round of meetings. I thought—but did not say—"He's bewitched you, just as surely as he bewitched a woman old enough to be your mother."

That quality in Lowenstein was a bit vexatious to those of us contemporaries who lacked his capacity for perpetual rejuvenation. To a greater extent than any public man I have ever known, Lowenstein was constantly and inseparably linked to the young people of this society, drawing his energy from them and giving them back inspiration and direction. From his NSA days, to the civil rights and anti-war movements, to the dump-Johnson campaign, and until the moment of his death, it is beyond dispute that he brought more young people into American politics than any other individual of our times.

His opinions and attitudes were often as outrageous as his habit of scheduling a midnight appointment—then arriving four hours late and pounding indignantly on your door if you had fallen asleep.

His enthusiasms often led him to wildly inconsistent positions. As his devoted friend, Sam Brown, pointed out in a New Hampshire debate, Lowenstein may have been unique as a democrat who had campaigned with passionate conviction, but at different times, for all three of this year's Democratic candidates—Jimmy Carter, Jerry Brown and Ted Kennedy.

But he was more eclectic than that. Encountering George Bush in New Hampshire, he told his former House colleague that he was "anxious to get together" with him. Lowenstein would try to convert anyone to his cause.

Strange as it is to say of a man with such a legion of devoted friends, individuals were less important to him than causes. That may explain why his friendships ranged so broadly. Don Rumsfeld, the hawkish former secretary of defense, was a House gym wrestling buddy of Lowenstein's and a friend. Conservative Bill Buckley was another friend, and wrote a courageous column defending Lowenstein against the Red smears that were invariably used against him in his many losing House campaigns.

They responded, as did almost anyone who ever met Lowenstein, to the irresistible appeal of a man who shared with everyone his own intense enjoyment of the political arena and his unquenchable faith that in this nation, politics might bring defeat, but never despair.

The passion for the good cause, well-fought, that Al Lowenstein brought to every battle, will live on, despite the bullets that stopped his strong heart.

It is his legacy to the uncounted thousands he enticed, cajoled, badgered and bulldozed into the political life of America. As long as they fight for their causes, his spirit will live on.●

● Mr. **VAN DEERLIN.** Mr. Speaker, one cold evening at the height of our involvement in Vietnam, my daughter Elizabeth came bursting through the front door in great excitement. She was effusive in praise of a speaker she had heard at a Wilson High School assembly here in Washington. She had not caught his name, only the number of the New York congressional district he represented.

I checked the directory and, upon reflection, realized I need not have. Among my many colleagues in the early seventies, perhaps only Allard Lowenstein had such power to awaken idealism in our young people and move them to political activity.

I doubt I am the only Member of Congress who was exposed to Mr. Lowenstein's views through my children. This was his genius and his contribution to the Republic. He helped move an entire generation toward politics, tapping the best of our youth in the struggle for a just and peaceful society.

The activities of those he interested in the battle for social justice will, as they continue to make contributions throughout their lives, stand as a most fitting monument for the fine man whose loss we mourn.●

● Mr. **RODINO.** Mr. Speaker, I am, like many of the friends, associates, and admirers of Allard Lowenstein, deeply saddened by his death. The tremendous impact that Allard Lowenstein had on the lives of individuals and on the Nation is reflected to some degree in the numerous heartfelt tributes paid to him over the past several days.

I would like to call to the attention of my colleagues a story written by columnist David Broder which I believe captured the meaning of Allard Lowenstein's many crusades for social justice. The American political system and its government rely on the activism of people committed to principles, and Allard Lowenstein instilled such an activism in all those he touched.

Mr. Speaker, Mr. Broder's story appears in today's Washington Post, and I ask that it be printed in the Record as follows:

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LEGISLATION AUTHORIZING DOE TO CARRY OUT NUCLEAR WASTE SOLIDIFICATION DEMONSTRATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. LUNDINE) is recognized for 15 minutes.

● Mr. LUNDINE. Mr. Speaker, today I am introducing as a separate bill legislation to authorize the Department of Energy to carry out a nuclear waste solidification demonstration project on the 600,000 gallons of high-level radioactive liquid nuclear waste situated at the Western New York Nuclear Service Center at West Valley, N.Y.

This proposal has once been approved by the House as an amendment to the 1980 Department of Energy authorization bill after a consensus was developed on this issue by the Science and Technology, Interior and Insular Affairs, and Interstate and Foreign Commerce Committees in the House. Unfortunately, it has not yet received approval by the Senate.

I am taking this action because I believe it is critical that this project move forward as expeditiously as possible. I am increasingly disturbed by reports that the Senate has no intention of moving forward to pass their version of the 1980 DOE authorization bill. Senators MOYNIHAN and JAVITS share my concern in this regard and therefore are introducing an identical bill today for separate consideration by the Senate as well.

The West Valley project is an important first step in this country's efforts to find an acceptable resolution of our nuclear waste management problem. The project can provide the Nation with a cost-effective opportunity to scale-up technologies that will be necessary to ultimately deal with our larger national problem.

I commend this proposal once again to the attention of my colleagues in the House and urge your continued support for final approval.

H.R. 6865

A bill to authorize the Department of Energy to carry out a high-level liquid nuclear waste management demonstration project at the Western New York Service Center in West Valley, New York

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "West Valley Demonstration Project".

SEC. 2. (a) The Secretary of Energy (hereinafter in this Act referred to as the 'Secretary') shall carry out, in accordance with the provisions of this Act, a high-level liquid nuclear waste management demonstration project at the Western New York Service Center in West Valley, New York (hereinafter referred to as 'the project'). The Secretary shall carry out the project by vitrifying the high-level liquid nuclear wastes located at such Center or by employing the most effective technology for solidification available. The Secretary shall, as part of the project, also (1) as soon as feasible transport such solidified wastes, in accordance with applicable provisions of law, to an appropriate Federal repository for long term burial, and (2) decontaminate and decommission facilities, materials, and hardware used in connection with the project.

(b) During the fiscal year ending September 30, 1980, the Secretary shall:

(1) prepare a plan for safe removal of such wastes from tank numbered 8D-2 and any other storage tank at the Center containing such wastes, including safely breaching the tanks, operating waste removal equipment, and sluicing techniques,

(2) determine the feasibility of immobilization and waste handling techniques required by the unique situation of such wastes at the Center, including initiation of detailed engineering and cost estimates as well as safety analyses and environmental impact analyses, and

(3) title to the high level liquid wastes at the Center shall be transferred to the United States upon payment by the State of New York and other appropriate persons of an appropriate fee, as determined by the Secretary, for the perpetual care and maintenance of such wastes.

SEC. 3. There is authorized to be appropriated to the Secretary not more than $5,000,000 for the fiscal year ending September 30, 1980, for the project. Funds authorized and appropriated in subsequent fiscal years for the project shall not be used by the Secretary for such purpose until the Secretary, the State of New York, and other appropriate persons enter into such contracts and agreements as may be required—

(a) to provide for the transfer of title of such wastes and the payment therefor,

(b) to enable the Secretary to utilize property and facilities at the Center for the project,

(c) to share the costs of the project, except that the non-Federal share of such costs shall be limited to no more than 10 per centum thereof and in determining such share the Secretary shall consider the utilization of such Center by the Secretary for the project, the amount of money in the existing perpetual care fund originally designated to provide, for ultimate disposition of the high-level liquid nuclear waste at the Center, and such other factors as the Secretary deems appropriate, and

(d) to otherwise provide for the conduct of the project in a timely manner.

SEC. 4. In carrying out the project, the Secretary shall consult with the Nuclear Regulatory Commission, the Administrator of the Environmental Protection Agency, the Secretary of Transportation, the Director of the Geological Survey, the State of New York, and the commercial operator of the Center.

SEC. 5. Not later than February 1, 1981, and on February 1 of each calendar year thereafter during the term of the project, the Secretary shall transmit to the Committee on Science and Technology, the Committee on Interior and Insular Affairs, and the Committee on Interstate and Foreign Commerce of the House of Representatives and the Committee on Energy and Natural Resources of the Senate an up-to-date report containing a detailed description of the activities of the Secretary in carrying out the project, including the costs incurred, and the activities to be taken in the next fiscal year and the costs thereof. Any contract or agreement executed under Sec. 3 of this Act, together with summaries thereof, shall be promptly transmitted to such committees for their information and review.

SEC. 6. Other than the costs and responsibilities established by this Act for the project, nothing in this Act shall be construed as affecting any rights, obligations, or liabilities of the commercial operator of the Center, the State of New York, or any person, as is appropriate, arising under the Atomic Energy Act of 1954 or under any other law, contract, or agreement for the operation, maintenance, or decontamination of any facilities or property at the Center or for any wastes at the Center. Nothing in this Act shall be construed as affecting any applicable licensing requirements of the Atomic Energy Act of 1954 or the Energy Reorganization Act of 1974. The provisions of this Act shall not apply or be extended to any facility or property at the Center which is not used in conducting the project.●

COAL SEVERANCE TAX

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. TAUKE) is recognized for 5 minutes.

● Mr. TAUKE. Mr. Speaker, the development of solutions to our energy problems, particularly our dependence on imported oil, presents us with some of the most serious and critical challenges that we, as a nation, have ever faced. It is imperative that we reduce our consumption of foreign oil and better utilize our own plentiful national energy resources. Because coal is our most abundant fuel resource, we must develop it as one viable alternative to oil in our attempts to become energy independent.

Federal legislation and administration efforts are aimed at developing a national policy of coal utilization. In May 1979, the President said:

> Coal, the nation's most abundant fossil energy resource, should be used in place of oil whenever economically and environmentally feasible. Programs that increase the use of coal as a substitute for oil will receive the highest priority.

The President has now followed up this declaration with a proposal to provide incentives to utilities to encourage them to switch from the use of oil to the use of coal in their production of electricity.

My objective here is not to argue the merits of increased coal usage. I feel that case has already been made, and quite convincingly, I might add. Rather, my purpose is to point out that actions by a few States, notably Montana and Wyoming, are detrimental to our national interest and contrary to national energy policy. These two States have attempted to take inordinate advantage of the increases in coal production by imposing excessive severance taxes on the extraction of coal. The taxes—30 percent and 17 percent, respectively—far exceed the costs these two States might incur during the extraction process. As it is now, coal producers pay the costs of reclaiming coal-producing land, and the Federal Government helps subsidize States which incur costs during the development of coal from Federal land.

The issue is one of equity. I can understand why legislators in Wyoming and Montana believe it is their responsibility to enact new taxes to help offset the impact of mining on local communities, to protect the natural resources of their States, and to encourage research for alternative energy resources. And I can also understand the desires of these people to have a voice in the development of a Federal policy regarding coal production. However, the taxes levied by Wyoming and Montana are so substantial that they are deterimental to consumers in other States. Out-of-State consumers must bear the brunt of the cost pass-throughs that occur from the time the coal is extracted until the time it reaches them in the form of electricity. Iowans, alone, paid over $5 million to Montana and Wyoming in coal severance taxes in 1978.

I cannot argue with the right of and necessity for Montana and Wyoming to implement some kind of severance tax. Generally, severance taxes are levied to compensate a State for the costs associated with production activities. However, when the tax is excessive and results in unjustified increases in consumer utility costs, then it should be criticized. Montana does not even use a great portion of its tax revenues. In fact, it places about 50 percent of its coal severance taxes into a trust fund for future use. Not all States have enacted excessive severance taxes. For example, Kentucky and West Virginia, two of our largest coal-producing States, have not attempted to profiteer from exorbitant severance taxes on their coal. These States tax coal extraction at the rate of 4.6 percent and 3.5 percent, respectively. In fact, with the exception of Alaska, Wyoming, and Montana, there is not a State in this Union that imposes a severance tax on coal, oil, or natural gas that is over 10 percent.

The resource-rich States of this Nation should share their valuable commodities with the rest of the country and receive a fair price in return. The last thing we need is a damaging conflict between the States involved in the production and usage of coal. It would be most unfortunate, for example, if my State of Iowa put a tax on corn production to offset the high costs its citizens must eventually pay for coal.

As a result, I favor a policy that would limit the size of any State severance tax to 12.5 percent, a figure that is fair to those who are so dependent on utilities for their supplies of electricity. This ceiling will prevent the inequitable and unnecessary exploitation of national resources by a few States.●

PRESIDENT'S YOUTH INITIATIVE BILL SHOULD BE AMENDED TO SERVE NEEDS OF UNEMPLOYED NEEDY YOUTH

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Vermont (Mr. JEFFORDS) is recognized for 5 minutes.

● Mr. JEFFORDS. Mr. Speaker, on March 5 I joined with other Members as a cosponsor of the President's youth initiative bill, H.R. 6711, in the belief that we may not again, in this decade, have a similar opportunity to foster ties between the employment/training and education communities. But I do not believe that the President's bill, as written, satisfies all my concerns. While it is a step toward bringing school and work together it does not do nearly enough.

I have often noted that Congress has historically established education and work programs which are almost mutually exclusive. By dividing these programs we have encouraged institutional jealousy, turf fights, and suspicion. Unless we can develop a plan which merges these two elements toward the common resolution of youth unemployment problems, we will never deal with youth unemployment successfully. And unless the youth initiative that comes to this floor fulfills this basic requirement, I will simply not be able to support this bill given the budgetary limitations we face this year. I simply cannot see how the Congress will accept anything less, particularly when we will be looking at reductions in existing worthy programs.

In sum, I support the concept behind H.R. 6711, but I will not support the bill until it is amended to really bring education and labor together to serve the needs of unemployed needy youth.●

A FORTRESS AGAINST INFLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. REUSS) is recognized for 20 minutes.

● Mr. REUSS. Mr. Speaker, today I testified before the Economic Stabilization Subcommittee of the House Committee on Banking, Finance and Urban Affairs on the President's request for extension and expansion of the Council on Wage and Price Stability.

Wage and price monitoring, fiscal and monetary restraint, and higher gasoline prices to encourage conservation, are not enough. What we need is comprehensive reform of our ramshackle economic structure, including overhaul of specific sectors of the economy which contribute to inflation.

I have been making this point for some time in statements and articles. I include at this point in the RECORD my testimony today and make reference to an article in the Los Angeles Times of March 2 entitled "Our Allies Show Us a Way To Escape Inflation's Spiral" (CONGRESSIONAL RECORD, p. 4525, of March 4, 1980); remarks to the Women's Economic Round Table in New York entitled "Structural Reform: Economics for the 1980's" (CONGRESSIONAL RECORD, p. 38209 of December 10, 1979); supplementary views in the Joint Economic Report entitled "A Program for Fighting Inflation" (CONGRESSIONAL RECORD, p. 4357 of February 28, 1980); and my proposal for "A Department of Industry and Trade To Improve Our Economic Structure" (CONGRESSIONAL RECORD, p. 5075 of March 10, 1980).

[Statement of Chairman HENRY S. REUSS]

FIGHTING INFLATION: WE NEED A MIGHTY FORTRESS

The President's new anti-inflation program begins well, with an outline of the five major elements to a comprehensive policy. They are:

(1) increased discipline in the federal budget

(2) restraints on credit

(3) wage and price actions

(4) greater energy conservation

(5) economic structural changes to encourage productivity, savings, research and development

I like to conceive of these elements as the five parts of an economic fortification that we must build. The mighty fortress on the hill is Economic Structural Change. With far-reaching structural reform, all is possible; without it, nothing is. The other four elements—fiscal restraint, monetary restraint, energy conservation, and wage-price actions—are outworks, barbicans that must be put in place to hold the terrain while the citadel can be built.

So I am pleased with the general outline of the Administration's anti-inflation policy. Chairman Schultze of the Council of Economic Advisors has even told me, in testimony Monday before the Joint Economic Committee, that he finds my fortress metaphor congenial.

The problem is that, having erected this magnificent edifice, the Administration has, like Beau Geste, manned the crenelations with dead legionnaires. Only the barbicans representing fiscal and monetary restraint have live soldiers inside. And these alone are not enough.

In fact, the President's program is as likely to increase the rate of inflation as to reduce it, for five reasons:

1. There is no evidence that $14 billion in expenditure cuts—in an economy of $2 trillion—will shave even half a point off the rate of inflation. Over one year ago the

Congressional Budget Office estimated that expenditure cuts of $25 billion would cut inflation by less than a point. With growth and inflation, the effect of $14 billion in expenditure cuts now is probably less than half of the effect $25 billion in cuts would have had a year ago.

According to press reports, the President believes that a balanced Federal budget will have a profound psychological impact on the American public, and presumably on the financial markets. This is unlikely because:

a. As part of a comprehensive program, a balanced budget is indeed a useful symbol. But it is one thing to use symbols in conjunction with substance. It is quite another thing to use symbols instead of substance. The harsh truth is that things won't get better until a truly comprehensive anti-inflation policy is in place.

b. The budget ought to be balanced in fact, and not merely on paper. If the new policies have any perceptible impact, it will be on output first, and only through falling output will there be an effect on prices. If so, the attempt to balance the federal budget in fiscal 1981 will fail. If output and demand slow to the point of recession, thereby triggering the large increase in transfer payments and countercyclical spending, and the large revenue shortfall, that recessions invariably produce, the balanced budget will disappear into a recessionary deficit.

2. The President has imposed limits on the use of consumer credit. Loans for housing, automobiles, furniture and appliances are exempt. The connection between this step and the rate of inflation is, to speak gently, remote. People do not use credit cards to buy houses, or heating oil, or gold, or health care, or antiques, or silver, or molybdenum, or chrome, or even groceries. The principal effect of credit card restrictions will be on purchases of hotel rooms, restaurant meals and small-ticket manufactured goods. Three less significant sources of our present inflation would be hard to find.

3. The President's recommendations on wages and prices amount to no more than a mild beefing up of the existing voluntary guidelines. This comes only a day after the President's own Pay Advisory Board certified the near-total failure of the present policy. More doses of the same medicine will not bring the dead legionnaires on the parapets back to life.

4. The increase in the price of imported oil will add to inflation—at least half a point. In the last five years or so gasoline prices have risen from 30¢ to $1.50 a gallon, with little decrease in gasoline's pleasure uses. Now the Administration proposes to add another 10 cents per gallon to the price. We have not yet been told how this increase in basic consumer price is supposed to lead to a decrease in the general price level.

5. The fifth and greatest gap in the Administration's plan is the citadel itself. Aside from Regulatory and Financial Institutions reform, which are good things but hardly the whole job, the Administration simply has nothing to propose. We are told to wait for the recommendations of the Presidential Commission for a National Agenda on the Eighties. They are due one week after the November election.

The President's fortress, in sum, is manned by too few live soldiers. It will not reduce inflation to manageable proportions.

Is there an alternative? I believe there is.

Some believe that ending inflation is simple. Many think a balanced budget alone will do the trick; those people will now have their hypothesis put to a definitive test. Others argue that the Federal Reserve alone, by controlling the money supply, can achieve the New Jerusalem. This hypothesis is now undergoing its definitive test in the United Kingdom, so far with dismal results. And there are some, of particular interst to this Subcommittee, who believe that a quick and dirty wage-price freeze can end inflation. I advise you to consign this view to the same intellectual dustbin as all the others.

Wage and price controls cannot work if they are enacted alone. A price-wage freeze is not an end in itself. In a matter of weeks after enactment, a go-it-alone wage-price freeze would begin to hurt. Small businesses, caught between costs that are frozen too high and prices that are frozen too low, would begin to fail. Uncontrollable costs and prices would wreak havoc with business margins. Workers caught out in the collective bargaining process would be unfairly impoverished. Speculators would begin to move exportables, like timber, across the Canadian frontier for reimport at uncontrolled prices. And pressures to remove the controls would begin to build up. When, at length, these succeeded, there would be a wave of catch-up price increases, and we would find that at an enormous expenditure of effort little or nothing had been achieved.

In truth, the only anti-inflation strategy that can work in the long run is one that builds for the long run. We need to begin now to rebuild our economic structure, from the ground up.

In broad outline, our inflation problem is the result of a gradual but steady decline in economic performance over the past 15 years: in productivity, in manufacturing output, and in product design. In sector after sector, we produce insufficient quantities of badly designed products at too high a cost. As a result, we are losing market shares in the world at large as well as at home. The consequence: rising unemployment, inadequate profits and therefore reduced investment, still worse productivity, a falling dollar and still worse inflation.

Our goal must be to restore the productivity and competitiveness of U.S. industry, and our other major economic sectors, in domestic and world markets. To do this, we must undertake the most fundamental reassessment of our economic structure since 1932—or perhaps of all time.

I am not being hyperbolic. We face an economic future of unforgiving bleakness—unless we act. Present policies—alternating macroeconomic stimulus to fight unemployment with restraint to fight inflation—are a proven failure. The road of decline on which we now travel is a long and grim one. It's time for a change.

Structural policy must be the great fortress at the heart of our economic defenses. As I see it, that central fortress has five towers, corresponding to the five policy areas in which we must have major, long-term reform. Government-business-labor cooperation in sectoral indicative planning and structural problem-solving can be a key technique in that reform.

Industry is the first tower. We must massively reorient our economy toward investment in competitive, innovative and high-productivity enterprise, and out of the declining sectors in which other nations, particularly in the third world, now have a commanding comparative advantage.

In steel, we need massive new investment in continuous casting technology, to overcome our technological lag and to recover the ground lost in recent years to foreign producers.

In autos, we need to persuade more foreign manufacturers to follow Volkswagen, Honda and Renault in decisions to establish manufacturing plants in this country. We need to assure the transformation of the Chrysler operation into a viable, energy-efficient producer, and to reverse Ford's North American decline.

In consumer electronics, semiconductors, motorcycles, and a dozen other sectors, we need to restore American production.

In textiles, shoes, and many other declining sectors, we need to make a definitive choice: either rebuild for full-fledged competitiveness in world markets, or phase out altogether, providing alternative jobs to workers in these industries in new industries that are world-competitive as the agreed price of adjustment. We cannot afford to waste scare fiscal resources propping up a legion of industrial cripples.

To get the job of re-industrialization done, I have proposed that the Department of Commerce be replaced by a Department of Industry and Trade, which could provide the central coordination and leadership that the situation requires. Such a Department would adopt the present export-promotion functions of the Treasury Department, and add the incentives to modernize decrepit U.S. industry and to attract foreign capital to our shores that are needed to get the job done.

Transport is the second tower. We need to rationalize and rebuild our railroads before they literally crumble away. The once-great Midwestern lines are in danger of complete collapse. If government inaction allows the rights of way of these systems to disappear, an irreplaceable part of our transportation base will be lost.

We also need a coordinated effort to resurrect urban mass transit. The federal government should help create a market for a mass-produced, made-in-USA light rail transit car.

The third tower is our cities. A city that is a bad place to live is also a bad place to work in. For too long, urban reconstruction has been the last thing added to the federal budget, and the first thing taken away. Our cities must now go to the top of the list.

The fourth tower is our food supply. We can no longer afford to waste our resources to keep farmers in the production of sugar beets, rock-hard tomatoes, and other crops that could be more cheaply imported from our southern neighbors. Farmers should be helped to shift to the sectors where we have a comparative advantage. We also need a substantial revision of our inefficient food processing and distribution network.

The fifth tower is health care. We need a comprehensive national health program, coupled with rigorous cost control, and we need it now.

Such is the citadel of a new economic structure that we must build. But though we must start today, it takes time to build the castle. The Administration has designed a network of barbicans to hold the fort while construction is in progress. What we need is some live soldiers in all four barbicans, as follows:

Gasoline rationing, providing enough for essential business, agriculture and commuting use, but cutting back heavily on discretionary use. The Administration acknowledges that a major saving in our oil bill could be made at once by such a measure.

Fiscal restraint, with a priority for jobs. We must cut out unnecessary federal spending, such as for revenue-sharing to states and so-called impacted-areas educational assistance. We should close loopholes in the tax code. But we should not use fiscal restraint as an excuse to eliminate jobs programs so urgently needed by the urban poor. If anything, these should be expanded, to keep the lid on social peace until structural reforms bear fruit in terms of long-term job opportunities for those in pockets of poverty, urban and rural.

Monetary restraint, with a priority for investment. The Federal Reserve could, for example, require banks to increase periodically the proportion of their portfolios devoted to capital investment loans. This would help lower interest rates for worthy uses of funds, while keeping them high for unproductive or speculative uses.

Wage and price controls. In the absence of a thorough-going program to reform our economic structure, mandatory wage-price controls merely intensify structural rigidities. But in the presence of such a program, controls can play a useful bridging role. In the long run, structural reform can liquidate the need for controls, as gain in rates of productivity permit the payment of higher wages without contributing to inflation.

I have presented a complex program. I do not expect the Administration to rush to my banner. But present policy is clearly inadequate. I believe that this Committee should send the Administration a clear signal of our demand for firm, comprehensive action. Since the legislation before us, to extend the life of the Council on Wage Price Stability by one year, contains no indication that the Administration contemplates any such action, I see no compelling reason to extend the Council's writ. Without a tough-minded and broad-ranging program, COWPS hardly seems worth the money it costs. Thus, we would be doing our duty, I suggest, if our Committee simply reports the Administration's request to the House floor without our endorsement.●

TREASURY LOSES BILLIONS OF DOLLARS A YEAR IN ITS FAILURE TO TAX COMMODITY MARKET GAMBLING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 5 minutes.

● Mr. VANIK. Mr. Speaker, today when the administration and the Congress are considering procedures and programs of retrenchment to balance the budget, I want to suggest a means of increasing governmental revenues to help balance the budget.

The biggest untaxed game in town is the commodities market in which the transactions last year totaled hundreds of billions of dollars in 11 commodity markets. These tremendous profits in speculation have propelled inflation about as much as any other factor. These speculative profits almost completely escape the tax collector. It is my understanding that only two or three people in the IRS are qualified to review commodity profit transactions. I estimate that the Treasury loses $2 to $3 billion per year in its failure to properly tax the huge speculative profits in the commodity market.

If every corporate dividend and savings interest income is to be withheld, why not require commodity brokers to file transaction statements with the Internal Revenue Service to determine whether taxes are being paid.

The tremendous gambling in the commodity markets has created huge fortunes which should not be tax free.●

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. OTTINGER) is recognized for 5 minutes.

● Mr. OTTINGER. Mr. Speaker, on March 18 I attended the funeral of the late Honorable Allard Lowenstein and was absent for several votes on the floor. Had I been present I would have voted as follows:

Rollcall Vote No. 144, Indian land claims, H.R. 6631, "yes."

Rollcall Vote No. 145, Medal to A. Philip Randolph Institute, H.R. 5625, "yes."

Rollcall Vote No. 146, Rule for S. 2222, Indian claims, House Resolution 606, "yes."

Rollcall Vote No. 147, Indian claims, S. 2222, "yes." ●

INSTALLMENT SALES REVISION ACT OF 1980

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. ULLMAN) is recognized for 5 minutes.

● Mr. ULLMAN. Mr. Speaker, today, my colleagues, BARBER CONABLE, DAN ROSTENKOWSKI, JOHN DUNCAN, and I are introducing a bill to revise the tax rules for reporting gain under the installment method for sales of real property and personal property other than inventory. This bill was developed as a result of the suggestions and comments received in connection with another bill, H.R. 3899, which Mr. CONABLE and I had introduced last year.

In comparison with the bill introduced today, the earlier bill was more limited in its scope in dealing with the problems arising under the present law installment sale provision. Under the earlier bill, the requirement that the seller receive no more than 30 percent of the selling price in the year of sale to qualify for installment sale reporting would have been eliminated. Also, that bill would have extended installment sale reporting to otherwise qualifying sales which are made for a single deferred payment and thus reverse the Internal Revenue Service position that only sales for two or more payments qualify for installment reporting. Both of these changes were intended to eliminate traps for the unwary. That bill also would have increased the selling price qualification requirement for casual sales of personal property from $1,000 to $3,000. To deal with a tax avoidance problem under present law, the bill would have denied installment sale reporting for sales between certain related parties. Finally, the bill provided that the installment obligation disposition rules could not be avoided by bequeathing an obligation to the obligor.

A hearing was held by the Subcommittee on Select Revenue Measures of the Ways and Means Committee on the provisions of H.R. 3899 in July 1979. Senate hearings were also held on an identical bill, S. 1063, which had been introduced by Senators LONG and DOLE. At the hearings, most of the provisions of the bill were supported by the witnesses.

However, a number of modifications to the bill provisions were suggested and a number of additional problems were raised for consideration. After the hearings, the staff was directed to develop a revised bill to reflect appropriate changes to simplify and improve this area of the tax law by taking into account the comments and testimony received. In developing the revised bill, the staff worked closely with the Treasury Department, the tax section of the American Bar Association, and the Federal tax division of the American Institute of Certified Public Accountants. In addition, comments and suggestions were received from a number of other professional organizations, including the New York City and State Bar Associations, and the Illinois and California Bar Associations. Also, several trade associations, including the American Bankers Association and representatives of farm groups, made comments and suggestions.

As under the original bill, the revised bill would eliminate the 30-percent initial payment requirement and the two or more payments requirement. Instead of increasing the $1,000 selling price requirement as under the original bill, the revised bill would eliminate any selling price requirement for casual sales of personal property.

Although the original bill dealt with potential abuses of installment sales to related parties in the simplest way, that bill went too far in prohibiting installment reporting in all cases. There are family sale situations where it is appropriate to permit installment reporting of the gain. A typical case is where a parent uses the installment sale method to transfer a family farm or business to his child who will continue to operate the farm or business. In these cases the child will retain the transferred business assets, therefore the unrealized appreciation in the assets transferred by the parent has not been reduced to cash within the family group without the current payment of income taxes. Thus, the real abuse, which is the resale of the transferred property by the related party, does not occur.

Accordingly, the revised bill contains a related party sale rule which focuses on the subsequent resale. Under the bill, the amount realized upon a resale by the related party installment purchaser would trigger recognition of gain by the initial seller, based on his gross profit ratio, only to the extent the amount realized from the resale exceeds actual payments made under the installment sale. In other words, acceleration of recognition of the installment gain from the first sale would generally result only to the extent additional cash and other property flows into the family group as a result of a second disposition of the property which had been sold to a relative.

In this way, the usual turnover of some of the assets of a trade or business would not result in any consequences to the installment seller. To make compliance as practical as possible, only the excess of any amount realized from resales over payments received on the first sale as of the end of a taxable year would be taken into account. Thus, the tax treatment would not turn on the strict chronological order of when resales or payments are made. If, under these rules, a resale results in the recognition of gain to the initial seller, subsequent payments actually received by that seller would be recovered tax-free until they equaled the amount realized from the resale which resulted in the acceleration of recognition of gain.

Another significant liberalization of

the related party rule is incorporated in the revised bill by applying the resale rule only for resales of property other than marketable stock and securities occurring within 2 years of the initial installment sale. The existence of economic risks during this period of time would discourage interfamily transactions undertaken solely for tax avoidance purposes. In the case of marketable stock and securities, the resale rule would apply without a time limit for resales occurring before the installment obligation is satisfied.

The revised bill also contains several exceptions to the application of these rules. Since gain from the sale of a corporation's treasury stock is nontaxable and therefore its basis in the stock is irrelevant, the related party rule will not apply to any sale or exchange of stock to the issuing corporation. In addition, there generally would be no acceleration of recognition of gain as a result of a second disposition which is an involuntary conversion of the property or which occurs after the death of the installment seller or purchaser. Finally, the resale rules would not apply in any case where it is established to the satisfaction of the Internal Revenue Service that none of the dispositions had as one of its principal purposes the avoidance of Federal income taxes.

For purposes of the related party rules, the revised bill adopts a definition of related parties which will exclude brothers and sisters. It is believed that it is unnecessary to cover brothers and sisters because usually the existence of conflicting economic interests would preclude the use of installment sales primarily for tax avoidance purposes. However, it is to be understood that the omission of a specific family relationship is not intended to preclude the Internal Revenue Service from asserting the proper tax treatment to transactions that are shams.

The bill reverses the manner of electing installment sale treatment by providing that all qualifying sales are covered by the provision unless the taxpayer elects otherwise. In certain cases, the taxpayer may wish to report the entire gain for the year of sale, that is, in cases where expiring carryovers can be used against the gain or as credits against the tax on the gain. The election under the bill would provide this flexibility.

The bill would also permit installment sale reporting for sales for a contingent selling price. Under present law, these sales are not eligible for installment reporting. In extending eligibility, the bill does not prescribe specific rules which would apply to every conceivable transaction. Rather, the bill provides that the specific rules will be prescribed under regulations.

However, it is intended that, for sales under which there is a stated maximum selling price, the regulations will permit basis recovery on the basis of a gross profit ratio determined in reference to the stated maximum selling price. In cases where the sales price is indefinite but payable over a fixed period of time, it is generally intended that basis of the property sold would be recovered ratably over that fixed period. In cases where the selling price and payment period are both indefinite, it is intended that the regulations would permit ratable basis recovery over some reasonable period of time. Also, in appropriate cases, it is intended that basis recovery would be permitted under an income forecast type method.

The bill also provides that the receipt of like-kind property in connection with a transaction will not be taken into account in determining gain recognized for installment sale reporting purposes. Under the present Internal Revenue Service position, the receipt of like-kind property results in the recognition of installment gain before cash is received by the taxpayer because the value of such property is treated as a payment received. The bill reverses this rule.

The bill provides nonrecognition of gain treatment for a shareholder who receives installment obligations as liquidating distributions from a corporation liquidating within 12 months of adoption of the plan of liquidation. In general, this rule would apply to obligations arising from sales by the corporation during the 12-month period. Obligations from the sale of inventory would qualify only if the inventory of each trade or business is sold in bulk. The gain realized by the shareholder on his stock would be recognized as payments are received on the installment obligation. Thus, in most significant aspects, the tax consequences to a shareholder would then be essentially comparable no matter whether the corporation sells its assets and then distributes installment obligations in liquidation or the shareholder makes an installment sale of the stock.

The bill also makes it clear that the cancellation of an installment obligation other than by death is treated as a disposition of the obligation. The bill also provides that an executor or beneficiary who receives an installment obligation from a decedent will succeed the decedent for purposes of qualifying for nonrecognition treatment if the property sold is reacquired in cancellation of the obligation.

In general, the bill is to be effective for sales occurring after the date of enactment. However, the related party installment sale rules would apply to sales after March 31, 1980. Following the introduction of the earlier bill, a substantial number of related party installment sales and resales have apparently been structured in anticipation of possible enactment of rules dealing with those transactions designed primarily to avoid income tax. Thus, I believe these rules should be effective at an early date. With the introduction of this bill and the fact that the earlier bill was introduced in 1979, reasonably prudent taxpayers and practitioners are on notice that related party installment sales involving tax avoidance would be dealt with.

It is my hope that this bill can be expeditiously considered this year. I believe this bill contains very meaningful and worthwhile changes to simplify and improve the area of installment sale reporting. I am grateful for the invaluable assistance provided by the representatives of the various professional groups who have so generously given of their time in working with the staff.●

BUDGET OF COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION DOES NOT DESERVE CRITICISM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. Johnson) is recognized for 5 minutes.

● Mr. JOHNSON of California. Mr. Speaker, 2 weeks ago when 21 committee funding resolutions were considered on the House floor, a great deal of criticism was raised by some Members. Because of this criticism, which was unfocused and general in nature, I want to address myself to one of the resolutions which was considered and approved, House Resolution 545, the budget resolution for the Committee on Public Works and Transportation, which I chair.

With the support of our six subcommittee chairmen (Aviation, Glenn Anderson; Economic Development, Robert A. Roe; Oversight and Review, Norman Y. Mineta; Public Buildings and Grounds, Elliott H. Levitas; Surface Transportation, James J. Howard; and Water Resources, Ray Roberts) all of whom have shared and sustained my efforts to hold down committee expenses, and with the excellent leadership and assistance of Bill Harsha, our ranking minority member, the Committee on Public Works and Transportation has put the lid on increased spending. We have done this while still discharging our immense jurisdictional responsibilities.

After much reflection, checking and rechecking our figures, and projecting our expenses in 1980 as closely as it is possible to do so in a time of economic uncertainty, I requested in House Resolution 545 the identical amount which was approved in 1979. We are holding the line on any requested increase in order to translate into concrete action our words and feelings of support to the House of Representatives in our common effort to hold down the cost of the Congress. We are holding the line at a time when expenses in every category in our budget are going up, often at a galloping rate.

During my chairmanship, this committee has experienced over a 14-percent decline in staff. This has not been easy to achieve, and it has meant that the remaining members of the staff have had to work very hard to handle our broad jurisdiction and its increasing workload. I believe our committee and its excellent staff have proven that quality and not quantity is the answer when it comes to committee staff operations.

I expect 1980 to be a very busy year for this committee. Included among those things which we must complete action on are H.R. 4788, the Water Resources Development Act of 1979 and H.R. 2064, the National Economic Development and Public Works Act of 1979.

We expect as well to initiate action beyond the hearing stage on a large number of matters, including: Coal slurry pipeline legislation, regulatory reform of trucking and intercity buses, extension and revision of the airport and airway development program, truck safety and household goods legislation, public transit and highway legislation, reauthorization of the hazardous materials transportation program and the National Transportation Safety Board, and consideration of public buildings prospectuses and other public buildings and grounds matters.

In the oversight area, we will be keeping a watchful eye on our entire jurisdiction with probable emphasis on mass transportation, water pollution control programs, aviation safety, highways and highway safety, disaster relief, and economic development.

I believe that our budget request is not only highly responsible but reflects the utmost effort on our part to do everything we possibly can to hold our expenses to a minimum while discharging the vast responsibility with which our committee is charged. Rather than criticism, I believe this committee and its subcommittees should receive recognition and acclaim by the House of Representatives and by the public for setting a strong example of frugality and budgetary restraint.●

ENERGY MOBILIZATION BOARD WAIVER OF STATE AND LOCAL LAWS RETURNS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Colorado (Mr. Wirth) is recognized for 5 minutes.

● Mr. WIRTH. Mr. Speaker. the House-Senate conference committee on the President's proposed Energy Mobilization Board legislation has reached a critical juncture in its deliberations. After more than 3 months of negotiations on other provisions of the House and Senate bills, the conference committee is now faced with the critical question of whether to allow three appointed Federal officials to waive Federal laws which apply to priority energy projects.

As my colleagues will recall, this issue was debated at length in the House, both during Commerce Committee consideration of the legislation in September and on the floor a month later. Ultimately the House approved a version of the legislation permitting waivers of Federal law for energy projects which, in the Board's view, were of national importance.

The votes on this issue reflected a serious concern on the part of my colleagues: By an overwhelming margin, the House adopted an amendment which eliminated provisions in the Commerce Committee bill which specifically authorized waivers of State and local law. It was overwhelmingly clear that the House sought to preserve the legitimate role of State and local governments in critical energy development decisions which would broadly affect the quality of life within their jurisdictions. The House explicitly rejected provisions which constituted a direct attack on the fundamental structure of our 200-year-old federalist system of government.

During the floor debate on that amendment, Members were repeatedly assured that the power of State and local governments to enact statutes protecting their constituencies was preserved and protected by its provisions.

However, in the conference committee's deliberations, those statements have been clarified and extensively refined—a rude awakening for some Members.

We are now told that the Commerce Committee bill's provisions for waiver of Federal law also authorize the waiver of a broad spectrum of State and local statutes and regulations. In authorizing the waiver of Federal law, it is being argued that the House voted to permit the waiver of any State or local statute derived from Federal law.

While the House voted to narrow the authority the Commerce Committee legislation would grant the Board, the bill is now being interpreted to carry broad authority to waive State and local laws and regulations ranging from State implementation plans promulgated by State governments under the Clean Air Act to coastal zone management plans authorized under the Federal Coastal Zone Management Act to State hazardous waste requirements adopted pursuant to Federal grants of authority.

Mr. Speaker, over the past 10 years the Federal Government, in legislation enacted by this body, has assumed a broad spectrum of powers, particularly in the area of public health and safety. In virtually every one of those statutes, the House has exhibited a clear intention that State and local governments be provided an extensive role in meeting federally set standards, and allowing State and local governments in many cases the latitude to impose requirements more stringent than those outlined in Federal statutes. In short, in establishing national policy toward a variety of public health hazards we have sought to provide guidance to State and local governments but to allow much direct power to remain in the hands of State and local governments.

The House bill's waiver provisions particularly as they have now been redefined by the conference leadership, would empower a three-member Federal board in Washington to override decisions of State and local governments, as well as to waive application of virtually any Federal law to a new energy facility.

Mr. Speaker, the New York Times and the Washington Post both yesterday carried excellent lead editorials which reflect a careful assessment of the broad implications of the waiver provisions being discussed in the conference committee. I commend them to my colleagues' attention.

The editorials follow:

[From the Washington Post, Mar. 17, 1980]

Energy: Safe v. Sorry

Last summer, while most of Washington was leaping onto the synthetic fuels bandwagon, a remarkably bad idea was proposed by the Carter administration and passed by the House. This was the proposal to create an Energy Mobilization Board that would have the power to put the construction of new energy facilities on a "fast track." The EMB, so the argument went, would cut through all the red tape and the "10,000 foolish regulations" and speed the arrival of national energy self-sufficiency.

So far so good: cutting red tape and eliminating redundant government reviews are fine goals—if applied across the board. But the four presidential appointees who would constitute the EMB would have the power to speed up only certain select projects, thereby distorting the marketplace by handing an enormous competitive advantage to a lucky few. This arrangement would certainly provoke lawsuits from all sides.

Even worse is the proposal, now being considered by the House-Senate conference, to give the EMB authority to waive substantive federal laws, including all environmental, health and safety laws—the product of a decade of study and debate. Such a waiver could have very bad consequences, because synthetic fuel plants—most likely to need and therefore receive the EMB's help—pose big environmental problems.

Consider a few examples: Oil shale has already been found to contain a known carcinogen, and scientists expect that, because of their similar nature, other synthetic fuels will as well. Oil shale plants are expected to produce about one *ton* of solid waste for every barrel of oil they produce. This waste, if not properly disposed of, could pollute the West's scarce water supply, ultimately producing a hazardous waste problem that would make today's Love Canals look like nothing. Mistakes would be extraordinarily painful since the water—contaminated, for example, by poisonous arsenic or cadmium—might be essential for irrigating next year's crops. Air pollution—including sulfur dioxide (which causes acid rain), dioxin and other possible carcinogens—may be equally serious. Land disruption and soil erosion could be widespread.

All this is not to say that synthetic fuels shouldn't be developed. But it should be clear that they and all other energy sources must be developed with caution, and with environmental and health protections in place. Painful experience has taught that the costs of repairing environmental damage, whether to people or to resources, is always much higher than the cost of avoiding the damage in the first place. The EMB may well end up slowing energy development instead of speeding it up (one lawyer, long an expert in this field, calls it "the most litigious piece of legislation I've seen"). But if Congress is bent on approval, it should at least leave its own health and environmental laws intact by dropping the substantive waiver provision and the phony "compromise" grandfather clause along with it.

[From the New York Times, Mar. 17. 1980]

An Impasse Over Energy Impasses

Months have passed since the House and Senate voted to create an Energy Mobilization Board, to cut Government red tape on important energy projects. But the conference committee, which must reconcile differences between the two houses, has remained deadlocked on one critical issue: the Board's power to demand substantive changes in environmental safeguards. We think the Senate's more limited approach strikes a reasonable balance between speedy energy development and protecting the air and water against ill-considered degradation.

The conference committee has already agreed on a basic framework for the new board. The three members would be able to designate any nonnuclear construction, like refineries and synthetic fuel plants, as "priority energy projects." The board would then set a decision schedule for each, requiring local, state and Federal authorities to rule on permit applications within one year. If they fail to meet the schedule, the board could go to Federal court to force compliance. It could also pre-empt the regular decision process and decide itself whether a project meets the requirements of law. Challenges against its legal interpretations of statutes would be significantly limited.

Where the House and Senate bills diverge is over obstacles that arise not from procedural delay but from the substance of laws. In the Senate version, the board would have no power to override legal requirements like, say, a limit on sulphur emissions decreed by the Environmental Protection Agency. The board could waive the limit only if it had been tightened after construction on a project is begun. In the House bill, the board could recommend lifting any Federal legal requirement that blocked a priority project. If the President concurred, a simple majority in Congress would then complete the override.

We see no difficulty with the "grandfather" provision in the Senate bill; private industry needs protection against constant mid-construction changes in regulation. But the House's substantive override is another matter. It would let Congress change environmental laws without formal hearings. It would also give the Energy Mobilization Board a case-by-case role in shaping environmental safeguards, a role that it would not be well equipped to play impartially.

Supporters of the House bill argue that the substantive override would be invoked rarely, if ever. If so, there is no need for it. If they are wrong, it would be far better to have left legislative initiative where the Constitution put it: with Congress.

The country needs the Energy Mobilization Board because it cannot afford to wait four or five years to make decisions about energy that could be made as well in one. But there is a fine line between unnecessary delay and undue haste. The House bill is an invitation to cross that line.●

THE PRODUCTION OF ALCOHOL FUELS DOES NOT POSE A "FOOD VERSUS FUEL" DILEMMA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. BEDELL) is recognized for 5 minutes.

● Mr. BEDELL. Mr. Speaker, I would like to take just a few minutes of my colleagues' time to draw their attention to a recently released report done by the well known Worldwatch Institute entitled "Food or Fuel: New Competition for the World's Cropland." The past few days have witnessed a flurry of publicity arising from some of the report's conclusions, most notably that "Using food crops to produce alcohol (for fuel) will undermine the global disparities in income as perhaps nothing else has." These are serious, and in fact, overdrawn, statements, and I would like to briefly point out where the report has erred.

First of all, Mr. Speaker, the report's author, Lester Brown, the president of the Worldwatch Institute, correctly identified ethanol as "the most attractive short-run alternative to gasoline in the eighties." The use of a 10-percent blend of ethanol with 90 percent gasoline as gasohol is well known, and steps are gradually being taken to increase its production. Not only does ethanol serve both as a domestically produced gasoline extender, as well as a valuable octane enhancer, it is the only synthetic fuel that can be brought "on-line" in significant quantities in the near term.

I like to call alcohol produced from renewable resources the "Sun-thetic" fuel, because it can be readily derived from many materials that depend on the Sun for life, especially grains, forestry materials, and other forms of biomass. Currently, the technology is best developed for the fermentation of sugar and root crops, as well as all of the major cereals, especially corn and wheat.

Where Mr. Brown has seriously erred in his report, Mr. Speaker, is his ready assumption that the diversion of cereal crops, like corn, to alcohol production will mean their total disappearance from the food/feed stream. He writes:

> If cropland is shifted to the production of fuel for automobiles, it will come at the expense of grain for export. Reaching the U.S. annual production goal of 2 billion gallons of ethanol by the mid-eighties would require 20 million tons of corn or its equivalent—one fifth of the current exportable grain surplus. In the absence of surplus production capacity, the U.S. agricultural fuel program will affect directly the price and availability of grain for scores of food importing countries.

This statement is simply not true for the following reasons: One bushel of corn yields 2.5 gallons of ethanol. Taking Mr. Brown's target of 2 billion gallons of ethanol for fuels, that would mean approximately 800 million bushels of corn.

During the 1979–80 crop year, the American farmer produced over 7.5 billion bushels of corn. Of this amount, approximately 4.35 billion bushels will go strictly for feeding livestock and poultry in this country. Another 615 million bushels is expected to be used domestically for food, seed, and industrial purposes. Exports will account for approximately a third of the total U.S. corn crop, at 2.275 billion bushels, with the bulk of this again being used for feeding purposes overseas. Finally, it is projected that carryover stocks of corn will exceed 1.8 billion bushels.

The above breakdown makes it clear that it is a misnomer to talk about a "food versus fuel" tradeoff when using corn for the production of alcohol fuel. Rather, if one existed, it would be a "feed versus fuel" tradeoff. Even this is fallacious, as is clearly borne out when one examines just exactly what the fermentation of alcohol from grains yields. For the sake of convenience, it might be useful to look at the corn wet milling process used by the largest producer of fuel-grade alcohol in the United States, ADM in Decatur, Ill. This facility, using corn at 15.5 percent moisture, extracts the following components from a bushel of corn (47.32 lbs. dry solids, which is 7 to 9 percent protein): 9.2 pounds of 21 percent feed protein; 2.7 pounds of 60 percent gluten meal; 3.5 pounds of germ; 31.5 pounds of starch, which yields 2.5 gallons of anhydrous ethanol.

As you can see, all that is lost of the bushel of corn is the starch portion; ADM exports much of the rest of the high value components which help to further reduce the cost of producing a gallon of ethanol.

While it is clear that this process yields a valuable string of coproducts, the most impressive facts are yet to come. In carefully constructed livestock feeding tests performed by experts at Land O'Lakes Cooperative, the Universities of Kentucky and Nebraska, and Iowa State University, it was demonstrated that the feeding of the coproducts from alcohol production can actually displace corn in the ration on a 1-to-1 basis, provided that abundant, low-value additives like corn stover are used. Due to the "high by-pass" characteristics of the corn gluten meal, a ration of corn cobs, alfalfa, a minimal amount of corn, molasses, and urea resulted in a feeding gain of approximately 2.3 pounds per day, with the additional benefits of less fat and higher quality grade of beef. Thus, there is no "feed" versus fuel trade-off.

The "high by-pass" characteristics are also shared by the dried distillers grain and solubles that are left from the production of alcohol in the smaller, on-farm facilities. The DDGS, as it is called, is from 27- to 30-percent protein, and once again only the starch from the original corn is used up in the production of alcohol. It should be stressed that the high protein byproduct from alcohol production is actually superior to corn for feeding livestock and that, as long as the starch portion is replaced by other, very abundant waste and residual materials, the production of alcohol results in no loss of feeding value.

It should also be mentioned that many nutritionists are pointing to the high-protein byproduct as a very versatile and promising human food material. In fact, there are now designs for plants that would include in the cogeneration stream a high-protein material that would be jeopardized. It is clear that the problem with food aid today is not the availability of food (the United States has been in surplus for the last several years in a row), but in the ability of the transportation systems and food-deficit countries to ship and store the needed grains. Shipment of the high-protein byproduct, which would offer the same amount of protein in only one-third of the space because of its concentrated form, would help to solve many of these problems, and actually benefit world food aid efforts, not detract from them as

Mr. Brown suggests. Here again, it needs to be acknowledged that the world is protein, not starch, deficient and that the energy portion of the original grain can easily be made up from other sources.

All of this is not to say that if the entire U.S. corn crop were to be used to produce alcohol there would not be a clash with food and feed demands. Such an extreme occurrence is very unlikely, however, in light of the fact that economically viable methods of transforming abundant cellulose (wood residues, crop residues, urban wastes) into alcohol are only several years away. Even now, the designs for larger alcohol production facilities include plans for the eventual addition of a front-end unit that would enable the facility to use cellulose feedstocks rather than rely solely on grains.

Mr. Speaker, I commend Lester Brown for his effective campaign to heighten our awareness of the dangers of cropland loss and food productivity declines. However, I sincerely believe that in this instance, he has failed to acknowledge the flexibilities inherent in the production of fuel alcohol from grains. There is no likely "food against fuel" crisis involved. Without an effective alcohol fuels program in this country, however, he is right about one thing: "The price of oil may soon set the price of food." Even now, American agriculture draws 93 percent of its energy requirements from petroleum-based fuels. The skyrocketing production costs that this dependence has brought will ultimately result in either of two unacceptable scenarios: The American family farmer driven into bankruptcy and replaced by conglomerates, or eroded productivity of our farmlands. Either one will surely bring the explosion in food costs that he ascribes to the production of alcohol.

Alcohol fuel is but one of the variety of renewable energy resources that our farmlands and rural communities can deliver in abundance. It is "do-able" right now and deserves all the support we can give it. Certainly, it deserves far better than to be dismissed on the basis of unsubstantiable "doomsaying" about "food against fuel" dangers.

Thank you.●

SHIRLEY M. HUFSTEDLER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. BRADEMAS) is recognized for 5 minutes.

● Mr. BRADEMAS. Mr. Speaker, the newest member of the Cabinet, Shirley M. Hufstedler, was sworn in December 6, 1979, to head the newest Department of the Government, the Department of Education. An article in the Chicago Tribune last Sunday provided readers of that newspaper with an interesting and informative profile of Secretary Hufstedler which I commend to the attention of my colleagues. The article follows:

[From the Chicago Tribune Magazine, Mar. 16, 1980]

Giving Education a New Federal Home

(By Arthur Siddon)

From the back of the auditorium at the Department of Health, Education, and Welfare, she is little more than a speck behind the lectern, her head barely visible over the microphones.

Shirley Mount Hufstedler is a small, matronly woman in a black dress, her hair—black with its few strands of gray—tied in a schoolmarm's bun.

Spread out before her are rows of upturned faces belonging to federal bureaucrats, employes of the old federal Office of Education now caught up in the transition to the new Department of Education. Some appear apprehensive, some hopeful, but all are attentive.

Education, Hufstedler is reminding them, has been the stepchild of the federal government, often ignored and shuttled from department to department like a poor relation. It has never had a home, an identity, or even a direction of its own.

"I am very tender in my mercy to orphans," she says with a smile, adding that as the country's first secretary of education, she intends to change that situation. But she will need their help. "Of issues there are many. Of answers there are few," she says.

As the 54-year-old Hufstedler speaks, it becomes obvious she quickly has picked up the bureaucratic rhetoric. But there is a note of sincerity to her voice. Much like President Carter three years ago, she appears to believe she actually can go to Washington and make things happen.

A FOUNDATION OF EXCELLENCE

"My first priority is to set the Department of Education on a foundation of excellence." Hufstedler now is in her office, sitting spine-straight in a wing-backed chair that, rather than dwarfing her 5-foot-2-inch frame, gives her the illusion of stature.

It is also vital, she says, "to encourage individuals of diversity and talent to come aboard, and to encourage those persons who are career bureaucrats. I want an atmosphere in which attractive and able people will be encouraged to develop. I want to find ways to fulfill vigorously the mandates of the law and equal access to education."

Hufstedler's appointment came as something of a shock in Washington. She represented none of the power centers of education and was virtually unknown outside judicial circles. Her nomination was greeted coolly by professional educators, but from those who know her, the reaction was strongly positive.

A brilliant lawyer, an outstanding judge, a champion of women's and minority rights, an ardent backpacker who has walked some 1,200 miles through the Himalayas in the last 10 years, she brings an unusual background to the troubled new department.

Born Aug. 24, 1925, in Denver, Shirley Mount grew up in Albuquerque, N.M., the daughter of a construction worker and a school teacher. Diagnosed early as a bright, possibly brilliant child, she rushed through the University of New Mexico, receiving a bachelor's degree in business administration in two and a half years.

That was in the closing stages of World War II. She was 20 years old, and wasn't sure what she wanted to do next. She taught part time at a commercial school in Albuquerque, and then a family friend—Ernie Pyle, the famed war correspondent who would be killed later that year on Okinawa—found her a job as executive secretary to Hollywood stars Burgess Meredith and Paulette Goddard.

She worked for them for a year, during which Meredith made two movies—"The Yank Comes Back" and "The Story of G.I. Joe," and Miss Goddard (then Mrs. Meredith) also appeared in a movie celebrating the Allied victory, "Proudly We Hail."

While in California, she applied to the Stanford University Law School and was one of only two women accepted that year. At Stanford she met Seth Hufstedler, a young Oklahoman who was to graduate first in their class and today is one of California's most prominent attorneys.

And two months after graduation in 1949, Shirley Mount and Seth Hufstedler were married.

Shirley practiced law alone for a short period and then joined her husband's firm, Beardsley, Hufstedler & Kemble, where she stayed for 10 years.

"Fortunately, Shirley and I never have had trouble working together, her husband says. "We practiced together. I know some husbands and wives can't do that, but she became interested in the judiciary, and I have simply never been interested in being a judge. It's never been a problem. We complement each other rather than compete."

When their son, Steven, was born in 1953, Hufstedler surprised her friends by electing not to give up her career, an almost unheard of thing to do at that time. "The reaction to my decision was one of total shock or disapproval," Hufstedler says, thinking back with a smile. "To continue to work was simply not done. I was abusing my child. But I ignored the criticism. I knew my son was being well taken care of."

ADVOCATE OF CAREER

Hufstedler moved her law practice into her Pasadena home to spend as much time as possible with her new baby. She and her husband set up a law library in the house so she could do everything but client interviews and deposition work at home.

Her experience has made her a strong advocate of a woman's right to pursue a career and motherhood at the same time. She said she was very pleased to find a nursery school operating within the department.

"Each woman has to work out the pattern of work and child care depending on her own situation," says Hufstedler. "I was lucky. I could work at home. Most women, even today, don't have that option. Millions of women don't even have the option of whether or not to work. They must work."

She is unwilling, however, to endorse a bill pending in Congress calling for federal funding for child care, including the establishment of child care facilities in the schools. She is not familiar enough with the legislation, she explains.

"Within the resources of the local schools, arrangements can be made, but they cannot be forced if the schools or the parents do not want them. The federal government already is involved in Head Start. We could be involved in child care in the school setting."

Hufstedler eased her way back into the mainstream of her career by going to work in 1960 as a special legal counsel to the California attorney general.

In 1961, California Gov. Edmund "Pat" Brown, the father of the current governor, appointed her to the Los Angeles County Superior Court. In 1966, he moved her up to the California Court of Appeals, and in 1968, President Johnson nominated her to the United States Court of Appeals for the Ninth Circuit, making her the second woman in history to serve on a federal appellate court.

ABLE, HARD WORKING

As a judge, Hufstedler earned a reputation for being able and hard working, and colleagues described her opinions as well reasoned and well written. She was considered a moderate to liberal judge, particularly in the areas of individual rights and liberties.

Yet in 1978 she wrote an article in which she deplored the "explosion of litigation" resulting from people looking to the courts to handle any and all personal and social problems.

"We now expect courts to end racial tensions, sweep contaminants from the globe, and bring about an armistice in the battle of the sexes," she wrote. "We expect courts to assure us of a right to be born and a right to die.

"Americans have expectations about what the courts can do that cannot be fulfilled. Courts are primarily deciders, not supervisors or social problem solvers. . . . Evils do not vanish with the wave of a court decree."

Hufstedler was a natural for women's rights organizations. As early as 1972 when Pat Nixon was promoting the idea of appointing a woman to the United States Supreme Court, women's groups had Hufstedler at the top of their lists.

Indeed, President Ford seriously considered her for the high court in 1975 before naming Judge John Paul Stevens of Chicago to replace the retiring Justice William O. Douglas.

Hufstedler long has coveted being the first woman on the Supreme Court and has directed her energies toward that goal. So it stunned virtually everyone, including Hufstedler, when President Carter decided last November to nominate her as first secretary of Education.

"When the White House called, they kept asking me about her interests in education," says Douglas Cater, a former assistant Army secretary and now director of the Communications Project for the Aspen Institute for Humanistic Studies, a think tank.

"Finally, I asked them what that had to do with the Supreme Court. I never imagined they had anything else in mind for her. When they explained it to me, I thought, 'My god. What a superb, inspired appointment.' At the time, I had the impression she was a long shot, that they had not yet approached the President with the idea."

SITTING ON A GLACIER

While the White House was making its checks, Hufstedler and her husband were with a group of friends somewhere in Nepal. As Hufstedler put it, "I was on vacation sitting on a glacier in a remote area of the Himalayas. The view from that roof of the world was very grand, but from it I could not see one thing that went on in Washington."

Five times in the last 10 years Hufstedler and her husband have organized small groups of friends for treks through parts of the Himalayas. Bit by bit, they hope eventually to cover most of the vast mountain range.

When they returned from the Himalayas in late October, Hufstedler received a telephone call from a former law clerk. "She said the White House had been accumulating data about me, but I assumed it had to do with some presidential commission on the judiciary.

"But a week later, the White House called and said the President wanted me to accept the post of secretary of Education. It was like a lightning bolt—completely unexpected."

Hufstedler lights her third cigaret in an hour and explains that she did not give an immediate answer. For almost four weeks she thought it over, discussing it with her husband whenever they found a few private moments.

Meanwhile, Carter had made up his mind. He wanted her for secretary of Education. Her appointment would provide him with an out from a very difficult situation.

BRUISING BATTLE

The very creation of the Department of Education had been a bruising battle. Although the Senate had approved the initial bill by a vote of 72 to 2, the House had passed it by only 4 votes.

The battle had been marked by bitter infighting within the education community and the federal bureaucracy for control of the new department. Once the department became a fact, the various groups focused their attention on the choice of the new secretary.

To get out from under the pressure and to avoid making enemies in an election year, Carter latched onto Hufstedler. He reasoned that only a noneducator could pull together the department's elements representing elementary, secondary, and higher education constituencies that for years had competed fiercely with one another for federal funds.

Hufstedler, he reasoned, appeared invulnerable to criticism from the various warring factions. Her pluses included the fact she was a woman and an outstanding judge with a good record in cases involving minorities, and she possessed the mind of a pragmatist. The White House began tightening the screws on Hufstedler.

"I was asked to encourage her to take the job," says Sen. Alan Cranston (D., Cal.) "I did wonder whether this would sidetrack her from the Supreme Court, but, although nobody ever really said it, I got the impression it would not."

Mayor Tom Bradley of Los Angeles said he wasn't very encouraging when the White House called him. "I told them she was a superb person, but I warned they would have a big job of convincing her to take the job."

Hufstedler had two reservations about the job. One was personal and the other centered on her qualifications and future options.

"I knew it would greatly disrupt my personal life. Seth and I have a close marriage. He has a large legal practice in California, and it would mean long periods of separation."

From that rainy, rather dismal, Thanksgiving Day when Hufstedler arrived in Washington to prepare for her Senate confirmation hearing until the middle of January, Seth Hufstedler made seven round trips across the country to see his wife.

The longest time they were together during that period of about a month and a half was three days at Christmas, spent with their son—now a medical student at the University of California at Irvine—in an 18th-Century house in Williamsburg, Va., where Hufstedler has been a trustee of the Colonial Williamsburg Foundation since 1973.

Her other concern, about her qualifications, was put to rest by the White House. She was, they convinced her, exactly what the President wanted.

SUPREME COURT

Hufstedler insists the subject of the Supreme Court did not come up during her conversation with Carter, but Rex Granum, deputy White House press secretary, said at the time that Hufstedler was assured by Carter she would not be precluded from consideration for the court. Vice President Mondale told reporters it was Hufstedler herself who raised the question.

"We did not discuss that," Hufstedler says, her voice taking on a firm edge. "Of course, I've thought about the court. Anyone who spends a certain amount of time on the federal bench will speculate that one day the star might fall on one's head."

In the end, she was convinced. "Very few of us can resist a call from the White House. What else could I do?" she asks, leaning forward in her chair and turning her hands palm up.

In the end, most of the education establishment and its allies in Congress decided to accept Hufstedler's appointment, grateful that the post didn't go to one of the rival factions.

Those who had opposed the creation of the Department of Education in the first place were relieved. The Washington Post, which had editorialized vigorously against the department, lavishly praised her in an editorial.

Hufstedler was confirmed by the Senate by a vote of 81 to 2. Only Sen. John Tower (R. Texas) and Sen. Jesse Helms (R., N.C.) voted no. Tower explained his vote simply. Although he had nothing against Hufstedler, he opposed the department and so could not vote for her. Helms, however, said he had basic differences with the judge and attacked her for her association with the Aspen Institute for Humanistic Studies, which he implied is atheistic and oriented toward a global society.

BRINGING LEADERS TOGETHER

The institute defines itself as trying to bring together leaders in industry, government, and education to participate in "a deepening and broadening of public debate on vital social issues; to specific recommendations for new national and international policies and institutions in government, academia, and private enterprise. . . ."

It was born out of an international convocation held in Aspen, Colo., in 1949 to celebrate the bicentennial of the birth of Johann Wolfgang von Goethe and was organized by three Chicagoans—Prof. Giuseppe Antonio Borgese of the University of Chicago, Robert M. Hutchins, then president of the university; and Walter Paul Paepeke, a Chicago businessman.

From that convocation grew the institute, which now has facilities in New York City, Maryland, Massachusetts, Washington, D.C., California, and New Jersey as well as Aspen. Hufstedler has been a trustee since 1973 and through it has met many key people she is now turning to for help.

"Aspen has provided her with a window on the world and has given her the contacts that are important now," said Dr. Richard Gilman, an old friend who has become a close adviser at the Department of Education.

Gilman, president of Occidental College, where Hufstedler has been a trustee for the last seven years has been acting as her right hand man in the new department, a post he insists is just temporary. "I don't intend to leave Occidental, so I will have to leave the department soon."

She also has turned to others from that group Gilman mentioned.

John Gardner, former head of Common Cause and HEW secretary under Lyndon Johnson, said she sought his advice on the department, and he warned her to avoid the chaos that entangled both HEW and the Department of Energy at their births.

"It doesn't bother me at all that she doesn't have the experience in education," Gardner said. "When I came to HEW, all I knew was education. I had to learn the rest. It can be done."

"The important thing is to get the department in place, She's got an opportunity to build something new. She has a chance to leave her mark."

BRAIN STORMING

Gardner was among a group of former HEW secretaries and commissioners of education invited to a brain picking session at the Aspen Institute's Maryland retreat. Others included former education commissioner Francis Keppel and former HEW secretaries David Mathews and Wilbur Cohen.

"I wanted to profit from other people's mistakes," Hufstedler says. "I wanted to know of the pitfalls of running a bureaucracy."

Hufstedler's staff is upset at early news reports that the department has been unnecessarily slow in getting under way. It simply has not been her fault, they insist.

"Things are moving along well," said Liz Carpenter, who has taken on the job of Hufstedler's press agent. "There are 16 task forces at work, and the secretary has been interviewing people daily for the top jobs in the department. In addition, she has had to familiarize herself with the new budget so she can defend it on Capitol Hill."

The real problem, Carpenter admits, is that Hufstedler ignored the press during the early days. She refused to brief reporters on the progress being made in the department and did not begin to grant requests for interviews until the middle of January.

The arrival of Carpenter, a former press secretary to Lady Bird Johnson, changed that, but also drew criticism from some of Hufstedler's advisers. They warned her that hiring the outspoken Carpenter, a personality in her own right, might tend to eclipse the secretary.

"That's all right by me," Hufstedler responded. "There's plenty of room around me for tall oaks."

But in 18 years on the bench, Hufstedler developed certain traits. Among them is that she prefers to work things out in private and then present them as accomplished facts. She does not relish having reporters looking over her shoulder.

EDUCATIONAL DREAM

Hufstedler has a dream of involving the total community, all of society in the education of children. As a first step, she asked Los Angeles Mayor Bradley to form an education committee of parents, educators, and other elements in the community as a pilot program.

"She said there are large numbers of young people who have not yet been touched by court decisions and school integration," says Bradley. "She said she wanted to know how she can reach them. She was looking for new ways. I agreed to put together the committee to try to find new ways."

When asked about her concept, Hufstedler responds with enthusiasm. "I found out on the bench that judges only talk to other judges, prosecutors talk to prosecutors, defense lawyers to defense lawyers, and the police talk to other policemen. We really don't know what the other person is thinking. Yet each of these people has so much to add to the judicial system. It is the same way with education.

"Obviously, we cannot have a cacaphony of a million voices, but we do know that we do have to have structures in which these voices can be heard," she had explained during her confirmation hearing. Under her the department will not "see children as categories of statistics," she pledged.

Later at a press reception, she put it differently. "There is an enormous reservoir of talent and good will in this country that could be harnessed at all levels to aid education." ●

NATIONAL SERVICE COMMISSION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. PANETTA) is recognized for 5 minutes.

● Mr. PANETTA. Mr. Speaker, Congressmen McCLOSKEY, CAVANAUGH, and I are today introducing important legislation to establish a Presidential commission to examine the question of national service and to develop a comprehensive national service program. It is my strong belief that we should take advantage of the current debate on the registration issue to examine alternative opportunities for national service in this country. We should begin to address the question of what kinds of service we may require our youth to register for.

I had previously introduced a concurrent resolution calling on President Carter to establish such a commission. But since that time I have decided that it would be appropriate to devise legislation which would actually authorize the establishment of such a commission. Quite frankly, I was anxious to begin to set the parameters and to define the goals of the commission more explicitly to insure that the work of the commission is well-focused to be of maximum benefit in the debate about mobilization and military manpower needs. To consider registration without addressing the many alternatives for national service, it seems to me, would be a disservice to the young people of this Nation. And so I am urging the relevant committees to give this proposal expeditious attention, for any delay now will almost surely condemn the people of this country to an incomplete and unsatisfactory debate on registration which will lead ultimately to a return to the mistakes and the injustices of past military drafts. We must look to the future with new thoughts, new ideas, and new hopes for meeting the challenging problems of the 1980's.

I hope our colleagues will join us in supporting a thorough examination of service opportunities so that we do not shortchange the American people on an issue of such importance.

A copy of our legislation follows for your convenience.

H.R. 6868

A bill to establish a commission to examine existing volunteer service opportunities, including opportunities under the Domestic Volunteer Service Act of 1973, to examine alternative comprehensive national service programs, and to develop a comprehensive national service program

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Presidential Commission on National Service Act of 1980".

ESTABLISHMENT

SEC. 2. There is established a Presidential commission to be known as the Presidential Commission on National Service (hereafter in this Act referred to as the "Commission").

DUTIES OF COMMISSION

SEC. 3. The Commission shall examine existing volunteer service opportunities, alternative comprehensive national service programs, the role of women in any national service program, the necessity for drafting individuals into any national service program, and the role of military and civilian service in any national service program and shall develop a comprehensive national service program to meet national and local needs and the manpower needs of the armed forces, reserves, and National Guard of the United States.

MEMBERSHIP

SEC. 4. (a) NUMBER AND APPOINTMENT.—The Commission shall be composed of not more than 25 members appointed by the President from among individuals who are broadly representative of private volunteer organizations, higher education, business, organized labor, organizations and groups with a primary interest in service opportunities for youth and older Americans, social services organizations, minority group and ethnic organizations, and Federal, State, and local governments including—

(1) not less than 7 individuals who are between 17 and 25 years of age on the date of their appointment to the Commission;

(2) not less than 3 individuals who are United States Senators;

(3) not less than 3 individuals who are Members of the House of Representatives of the United States; and

(4) at least one individual who is an active duty member of the armed forces of the United States.

(b) CONTINUATION OF MEMBERSHIP.—If any member of the Commission who was appointed to the Commission as a Member of the Congress or the armed forces leaves that office, he may continue as a member of the Commission until his successor is appointed.

(c) VACANCIES.—A vacancy in the Commission shall be filled in the manner in which the original appointment was made.

(d) TERMS.—Members of the Commission shall be appointed for the life of the Commission.

(e) BASIC PAY.—

(1) Except as provided in paragraph (2), members of the Commission shall each be paid at a rate equal to the daily equivalent of the maximum annual rate of basic pay in effect for grade GS–18 of the General Schedule for each day (including travel time) during which they are engaged in the actual performance of duties vested in the Commission.

(2) Members of the Commission who are full-time officers or employees of the United States or Members of the Congress shall receive no additional pay, allowances, or benefits by reason of their service on the Commission.

(f) QUORUM.—13 members of the Commission shall constitute a quorum but a lesser number may hold hearings.

(f) CHAIRMAN.—The Chairman of the Commission shall be designated by the President not later than 30 days after the date of the enactment of this Act.

(h) MEETINGS.—The first meeting of the Commission shall be held not later than 30 days after the appointment of a majority of its members on a date established by the Chairman or a majority of its members. All other meetings of the Commission shall be at the call of the Chairman or a majority of its members.

SEC. 5. (a) EXECUTIVE DIRECTOR AND STAFF OF THE COMMISSION.—The Commission shall have an Executive Director who shall be appointed by the Chairman of the Commission and who shall be paid at a rate not to exceed the maximum rate of basic pay payable for GS–18 of the General Schedule.

(b) STAFF.—Subject to such rules as may be prescribed by the Commission, the Chairman of the Commission may appoint and fix the pay, at a rate not to exceed the maximum rate of basic pay payable for GS–18 of the General Schedule, of such additional personnel as the Chairman considers appropriate.

(c) APPLICABILITY OF CERTAIN CIVIL SERVICE LAWS.—The Executive Director and staff of the Commission may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, except that no individual so appointed may receive pay in excess of the annual rate of basic pay payable for GS–18 of the General Schedule.

(d) EXPERTS AND CONSULTANTS.—Subject to such rules as may be prescribed by the Commission, the Chairman of the Commission may procure temporary and intermittent services under section 3109(b) of title 5 of the United States Code, but at rates for individuals not to exceed the daily equivalent of the maximum annual rate of basic pay payable for GS–18 of the General Schedule.

(e) STAFF OF FEDERAL AGENCIES.—Upon request of the Commission, the head of any Federal agency is authorized to detail, on a reimbursable basis, any of the personnel of such agency to the Commission to assist the Commission in carrying out its duties under this Act.

POWERS OF COMMISSION

SEC. 6. (a) HEARINGS AND SESSIONS.—The Commission may, for the purpose of carrying out this Act, hold such hearings and conferences, sit and act at such times and places, take such testimony, and receive such evidence, as the Commission considers appropriate.

(b) POWERS OF MEMBERS AND AGENTS.—Any member or agent of the Commission may, if so authorized by the Commission, take any action which the Commission is authorized to take by this section.

(c) OBTAINING OFFICIAL DATA.—The Commission may secure directly from any department or agency of the United States information necessary to enable it to carry out this Act. Upon request of the Chairman of the Commission, the head of such department or agency shall furnish such information to the Commission.

(d) GIFTS.—The Commission may accept, use, and dispose of gifts or donations or services or property.

(e) MAILS.—The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

(f) ADMINISTRATIVE SUPPORT SERVICES.—The Administrator of General Services shall provide to the Commission on a reimbursable basis such administrative support services as the Commission may request.

(g) CONTRACTS.—The Commission through its Chairman may enter into any contract which the Commission deems is necessary.

REPORT

SEC. 7. (a) The Commission shall transmit a final report to the President and to each House of the Congress not later than the date occurring 12 months after the first meeting of the Commission or 18 months after the date of the enactment of this Act, whichever occurs first. The final report shall contain a detailed statement of the findings and conclusions of the Commission, together with its recommendations for such legislation as it considers appropriate.

(b) The Commission may develop and submit recommendations to carry out its findings to the President and the Congress after it has submitted the final report pursuant to subsection (a).

TERMINATION

SEC. 8. The Commission shall cease to exist 180 days after submitting its final report pursuant to section 7(a).

PRESIDENTIAL REPORT

SEC. 9. Not later than 180 days after the submission of the final report pursuant to section 7(a), the President shall submit to each House of the Congress a report which includes—

(1) an analysis of the desirability, feasibility, and cost of implementing the recommendations of the Commission contained in such final report;

(2) a statement of the actions taken or needed to implement the recommendations by the Commission contained in such final report;

(3) recommendations with respect to legislation recommended by the Commission; and

(4) recommendations for any other legislation needed to implement the recommendations of the Commission contained in such final report.

AUTHORIZATION OF APPROPRIATIONS

SEC. 10. There is authorized to be appropriated to the Commission such sums as may be necessary to carry out this Act.●

DAVID G. BALDWIN HONORED

(Mr. HANLEY asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. HANLEY. Mr. Speaker, last night, David G. Baldwin, a distinguished member of the Washington press community was honored at a retirement dinner at the Georgetown Club. I want to add my best wishes to those which were extended on that occasion. For several years Mr. Baldwin has served as the Washington director of Public Relations for the American Medical Association. His career, however, covers the gamut of journalism.

A witty and articulate storyteller, Dave has delighted Washington audiences for years; yet, Mr. Speaker, his vivacious presence belies the toughness and integrity of a onetime pilot and World War II hero.

I hope that you will join me in offering best wishes to Dave and his beautiful wife Tite.●

CONGRESSIONAL AMICUS CURIAE BRIEF

(Mr. HYDE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HYDE. Mr. Speaker, over 240 Members of the House and Senate have joined in filing an amicus curiae brief in the matter of Harris against McRae now pending before the U.S. Supreme Court. This litigation involves the Court challenge to the annual antiabortion funding restriction which arises out of the U.S. District Court for the Eastern District of New York. This funding restriction has been enacted every year in the Labor-HEW appropriations bill since 1976.

This brief does not deal with the issue of abortion, but is solely concerned with the separation of powers doctrine which was violated by the court's order that unappropriated funds be spent notwithstanding a specific congressional refusal to appropriate such funds.

It should be noted that due to time constraints of printing, other Members of Congress do not have their names listed as amici in the brief, but they will be added later by leave of court. These additional names are Senator BARRY GOLDWATER, Arizona; ROBERT WHITTAKER, Kansas; and JACK BRINKLEY, Georgia.

The brief follows:

[In the Supreme Court of the United States, October Term, 1979, No. 79-1268]

BRIEF OF REP. JIM WRIGHT, REP. JOHN J. RHODES, REP. ROBERT H. MICHEL, REP. LINDY BOGGS, REP. MARY ROSE OAKAR, SENATOR WILLIAM PROXMIRE, Senator THOMAS F. EAGLETON, SENATOR EDWARD ZORINSKY, AND CERTAIN OTHER MEMBERS OF THE CONGRESS OF THE UNITED STATES AS AMICI CURIAE

(Patricia R. Harris, Secretary, United States Department of Health, Education, and Welfare, Appellant, Cora McRae, Jane Doe, Mary Doe, Susan Roe, Ann Moe, Individually and on Behalf of All Others Similarly Situated; Planned Parenthood of New York City, Inc.; and Irwin B. Teran, M.D., Jane Hodgson, M.D., David B. Bingham, M.D., Hugh Savage, M.D., Edgar W. Jackson, Lewis H. Koplik, M.D., Individually and on Behalf of All Others Similarly Situated; Women's Division of the Board of Global Ministries of the United Methodist Church, Theressa Hoover, Its Associate General Secretary, Ellen Kirby, Its Executive Director, Appellees, and Senators James L. Buckley and Jesse A. Helms, Congressman Henry J. Hyde and Isabella M. Pernicone, Esq., Intervenors-Appellees, and New York City Health and Hospitals Corporation, Appellee)

John T. Noonan, Jr., 474 Boalt Hall, University of California School of Law, Berkeley, CA 94720; Basile J. Uddo, 3715 Vincennes Place, New Orleans, LA 70125; William B. Ball, Ball & Skelly, 511 North Second Street, P.O. Box 1108, Harrisburg, PA 17108, Attorneys for Amici Curiae.

MARCH 18, 1980.

INTEREST OF THE AMICI CURIAE

The *amici curiae* consist of 238 members of the Congress, including more than a majority of the members of the House of Representatives, as follows:

Abdnor, James, S. Dak., 2nd; Albosta, Donald Joseph, Mich., 10th; Ambro, Jerome A., N.Y., 3rd; Andrews, Mark, N. Dak., AL; Annunzio, Frank, Ill., 11th; Applegate, Douglas, Ohio, 18th; Archer, Bill, Texas, 7th; Ashbrook, John M., Ohio, 17th; Aspin, Les, Wis., 1st;

Atkinson, Eugene V., Pa., 25th; Badham, Robert E., Calif., 40th; Bafalis, L. A. (Skip), Fla., 10th; Bailey, Don, Pa., 21st; Baldus, Alvin, Wis., 3rd; Barnard, Doug, Ga., 10th; Bauman, Robert E., Md., 1st; Beard, Edward P., R.I., 2nd; Beard, Robin L., Tenn., 6th; Bedell, Berkley, Iowa, 6th; Benjamin, Adam, Jr., Ind., 1st; Bereuter, Douglas K., Nebr., 1st; Bethune, Ed, Ark., 2nd;

Bevill, Tom, Ala., 4th; Biaggi, Mario, N.Y., 10th; Boggs, Lindy, La., 2nd; Boland, Edward P., Mass., 2nd; Boner, William Hill, Tenn., 5th; Bonior, David E., Mich., 12th; Bouquard, Marilyn Lloyd, Tenn., 3rd; Bowen, David R., Miss., 2nd; Breaux, John B., La., 7th; Broomfield, William S., Mich., 19th; Brown, Clarence J., Ohio, 7th; Burgener, Clair W., Calif., 43rd;

Burlison, Bill D., Mo., 10th; Byron, Beverly B., Md., 6th; Campbell, Carroll A., Jr., S.C., 4th; Carney, William, N.Y., 1st; Cavanaugh, John J., Nebr., 2nd; Chappell, Bill, Jr., Fla., 4th; Cheney, Richard Bruce, Wyo., AL; Clausen, Don H., Calif., 2nd; Clinger, William F., Jr., Pa., 23rd; Collins, James M., Texas, 3rd; Conte, Silvio O., Mass., 1st;

Corcoran, Tom, Ill., 15th; Coughlin, Lawrence, Pa., 13th; Corrada, Baltasar, P.R., Res. Com.; Courter, James A., N.J., 13th; Crane, Daniel B., Ill., 22nd; Crane, Philip M., Ill., 12th; D'Amours, Norman E., N.H., 1st; Daniel Dan, Va., 5th;

Daniel, Robert W., Jr., Va., 4th; Dannemeyer, William, Calif., 39th; Davis, Robert, Mich., 11th; de la Garza, E., Texas, 15th; Deckard, H. Joel, Ind., 8th; Derwinski, Edward, Ill., 4th; Devine, Samuel, Ohio, 12th; Dickinson, William, Ala., 2nd; Donnelly, Brian, Mass., 11th; Dornan, Robert, Calif., 27th; Dougherty, Charles, Pa., 4th;

Duncan, John, Tenn., 2nd; Early, Joseph, Mass., 3rd; Edwards, Jack, Ala., 1st; Edwards, Mickey, Okla., 5th; Emery, David, Maine, 1st; Erdahl, Arlen, Minn., 1st; Erlenborn, John, Ill., 14th; Evans, Billey Lee, Ga., 8th; Fary, John G., Ill., 5th; Fish, Hamilton, Jr., N.Y., 25th; Fithian, Floyd, Ind., 2nd; Fuqua, Don, Fla., 2nd; Gephardt, Richard, Mo., 3rd; Gibbons, Sam, Fla., 7th;

Gingrich, Newt, Ga., 6th; Goldwater, Barry M. Jr., Ca., 20th; Goodling, William, Pa., 19th; Gradison, Willis D., Jr., Ohio, 1st; Gramm, Phil, Texas, 6th; Grassley, Charles, Iowa, 3rd; Grisham, Wayne, Calif., 33rd; Guarini, Frank, N.J., 14th; Guyer, Tennyson, Ohio, 4th; Hagedorn, Tom, Minn., 2nd; Hall, Sam B., Jr., Texas, 1st; Hammerschmidt, John Paul, Ark., 3rd;

Hanley, James M., N.Y., 32nd; Hansen, George, Idaho, 2nd; Heckler, Margaret, Mass., 10th; Hillis, Elwood, Ind., 5th; Hinson, John, Miss., 4th; Hopkins, Larry J., Ky., 6th; Hubbard, Carroll, Jr., Ky., 1st; Huckaby, Jerry, La., 5th; Hutto, Earl D., Fla., 1st; Ichord, Richard, Mo., 8th; Ireland, Andy, Fla., 8th; Jacobs, Andrew, Jr., Ind., 11th; Jeffries, Jim, Kansas, 2nd;

Jenkins, Ed, Ga., 9th; Kazen, Abraham, Jr., Texas, 23rl; Kelly, Richard, Fla., 5th; Kemp, Jack, N. Y., 38th; Kildee, Dale, Mich., 7th; Kindness, Thomas, Ohio, 8th; Kramer, Ken, Colo., 5th; LaFalce, John, N. Y., 36th; Lagomarsino, Robert, Calif., 19th; Latta, Delbert, Ohio, 5th; Leach, Claude, La., 4th;

Leach, Jim, Iowa, 1st; Lederer, Raymond F., Pa., 3rd; Lee, Gary, N. Y., 33rd; Lent, Norman, N. Y., 4th; Lewis, Jerry, Calif., 37th; Livingston, Robert L., La., 1st; Loeffler, Thomas, Texas, 21st; Long, Gillis, La., 8th; Lott, Trent, Miss., 5th; Lujan, Manuel, Jr., N. M., 1st; Luken, Thomas, Ohio, 2nd; Lungren, Dan, Calif., 34th; Markey, Edward, Mass., 7th; Marlenee, Ron., Mont., 2nd; Marriott, Dan, Utah, 2nd;

Mavroules, Nicholas, Mass., 6th; Mazzoli, Romano, Ky., 3rd; McClory, Robert, Ill., 13th; McDade, Joseph, Pa., 10th; McDonald, Larry, Ga., 7th; McEwen, Robert, N. Y., 30th; McHugh, Matthew, N. Y., 27th; McKay, Gunn, Utah, 1st; Mica, Dan, Fla., 11th;

Michel, Robert, Ill., 18th; Miller, Clarence, Ohio, 10th; Minish, Joseph, N. J., 11th; Mitchell, Donald, N. Y., 31st; Moakley, John, Mass., 9th; Montgomery, G. V. (Sonny), Miss., 3rd; Moore, W. Henson, La., 6th;

Moorhead, Carlos, Calif., 22nd; Mottl, Ronald, Ohio, 23rd; Murphy, Austin, Pa., 22nd; Murphy, John, N. Y., 17th; Murphy, Morgan, Ill., 2nd; Murtha, John, Pa., 12th; Myers, John, Ind., 7th; Myers, Michael, Pa., 1st; Nichols, Bill, Ala., 3rd; Nowak, Henry, N. Y., 37th;

O'Brien, George, Ill., 17th; Oakar, Mary Rose, Ohio, 20th; Oberstar, James, Minn., 8th; Pashayan, Charles, Jr., Calif., 17th; Patten, Edward, N. J., 15th; Paul, Ron, Texas, 22nd; Perkins, Carl, Ky., 7th; Petri, Thomas, Wis., 6th; Porter, John, Ill., 10th; Price, Melvin, Ill., 23rd; Quayle, Dan, Ind., 4th; Quillen, James, Tenn., 1st; Rahall, Nick Joe II, W. Va., 4th;

Regula, Ralph, Ohio, 16th; Rhodes, John, Ariz., 1st; Rinaldo, Matthew, N. J., 12th; Robinson, J. Kenneth, Va., 7th; Roe, Robert, N. J., 8th; Rostenkowski, Dan, Ill., 8th; Roth, Toby, Wis., 8th; Rousselot, John, Calif., 26th; Royer, William, Calif., 11th; Rudd, Eldon, Ariz., 4th;

Runnels, Harold, N.J., 2nd; Russo, Martin, Ill., 3rd; Santini, Jim, Nevada, AL; Sawyer, Harold, Mich., 5th; Schulze, Richard, Pa., 5th; Sebelius, Keith, Kansas, 1st; Sensenbrenner, F. James, Jr., Wis., 9th; Sharp, Philip R., Ind., 10th; Shelby, Richard, Ala., 7th;

Shumway, Norman, Calif., 14th; Shuster, E. G. (Bud), Pa., 9th; Simon, Paul, Ill., 24th; Smith, Virginia, Nebr., 3rd; Snyder, Gene, Ky., 4th;

Solomon, Gerald B., N.Y., 29th; Spence, Floyd, S.C., 2nd; St Germain, Fernand, R.I., 1st; Stangeland, Arlan, Minn., 7th; Stanton, J. William, Ohio, 11th; Stenholm, Charles, Texas, 17th; Stockman, Dave, Mich., 4th;

Stratton, Samuel S., N.Y., 28th; Stump, Bob, Ariz., 3rd; Symms, Steven, Idaho, 1st; Tauke, Thomas, Iowa, 2nd; Taylor, Gene, Mo., 7th; Thomas, William, Calif., 18th; Traxler, Bob, Mich., 8th; Trible, Paul S., Jr., Va., 1st; Vander Jagt, Guy, Mich., 9th; Volkmer, Harold, Mo., 9th;

Walker, Robert, Pa., 16th; Wampler, William, Va., 9th; Whitehurst, G. William, Va., 2nd; Williams, Lyle, Ohio, 19th; Wilson, Bob, Calif., 41st; Winn, Larry, Jr., Kansas, 3rd; Wright, Jim, Texas, 12th;

Wydler, John, N.Y., 5th; Wylie, Chalmers, Ohio, 15th; Yatron, Gus, Pa., 6th; Young, C. W. Bill, Fla., 6th; Young, Don, Alaska; Young, Robert, Mo., 2nd; Zablocki, Clement J., Wis., 4th; Zeferetti, Leo C., N.Y., 15th.

Boren, David L., Okla.; Church, Frank, Idaho; Eagleton, Thomas F., Mo.; Exon, J. James, Nebr.; Garn, Jake, Utah; Hatch, Orrin G., Utah; Roth, William V., Jr., Del.; Humphrey, Gordon J., N.H.; Jepsen, Roger W., Iowa; Laxalt, Paul, Nev.; Lugar, Richard G., Ind.; McClure, James A., Idaho; Proxmire, William, Wis.; Stone, Richard (Dick), Fla.; Zorinsky, Edward, Nebr.[1]

The *amici curiae*, as members of the Congress of the United States, are vested, by Article I, Section 1, of the Constitution, with all legislative powers granted in the Constitution. It is their sworn duty and common purpose to "support and defend" the Constitution of the United States.

Article I, Section 9, Clause 7 of the Constitution provides: "No Money shall be drawn from the Treasury but in Consequence of Appropriations made by Law." The Congress is the sole law-making body under the Constitution. Clause 7 establishes the appropriations power in the Congress and the Congress alone.

In the present case, a judge of the United States District Court for the Eastern District of New York has held an appropriation act of the Congress unconstitutional and ordered the Congress to spend monies not appropriated.

It is the interest herein of the *amici curiae*, as members of the Congress, to protect the constitutional powers of that body over appropriations. Closely related to that interest, and of profound concern to the *amici*, is their interest in the preservation of that essential principle in the American Constitution known as the separation of powers.

The *amici* desire to point out to the Court that their interest in presenting this brief is not with respect to the question of abortion. The *amici* consist of members of the Congress who have voted for the Hyde Amendment (restricting the funding of abortions) and who have voted against that amendment.

The unique interests of the *amici* in protecting both the Congressional power of the purse and the principle of separation of powers have not been presented by other parties in this case. Counsel for all parties have consented to the filing of this brief.

SUMMARY OF ARGUMENT

Independently of any other issue involved in this appeal is the primary concern of the members of Congress who are *amici* here, with respect to the separation of powers, the law-making power of the Congress, and the fact that the judgment of the court below violates the appropriations power of the Congress as given in Article I, Section 9, Clause 7 of the Constitution. The enactment known as the "Hyde Amendment" is an appropriations act according to long-established Congressional, executive and judicial understanding of the nature of appropriations. The district court erred in treating that enactment otherwise.

The appropriation and expenditure of tax funds is inherently a political question and therefore was explicitly left to that branch of our government which is closest to the people and most responsive to its needs and sensitivities. The frequent refusal of Congress to appropriate (as seen in riders to annual appropriations bills) points clearly to the inherently political nature of the appropriations process.

The case at bar involves an express refusal by the Congress to appropriate moneys in the exercise of an explicit constitutional grant of power. U.S. Const., art. I, § 9, cl. 7. This Court has never taken the position that the judiciary may oversee the appropriations process or set itself up as the ultimate arbiter of federal fiscal policy.

To so hold would embroil the judiciary in a process which would require constant and ongoing judicial balancing of competing political demands for limited financial resources. Such power was explicitly left to Congress by the founding fathers and any change should come pursuant to the Article V Amendment process, not by judicial decree.

ARGUMENT

I. The District Court's Order Violates the Approriations Clause of Article I.

The Constitution, Article I, Section 9, Clause 7, provides:

"No Money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law; and a regular Statement and Account of the Receipts and Expenditures of all public Money shall be published from time to time."

This language is plain and has been faithfully observed since its adoption. Until the instant case, it had governed the conduct of our government and marked an essential difference between the judicial and legislative branches.

The Court has before it a judicial order that challenges this section of the Constitution. That the order of the district court draws money from the Treasury, or attempts to draw it, can scarcely be denied. That, however, it appropriates money "by Law" must be denied. "By Law" refers to the legislative power, all of which is vested by Article I, Section 1, in the Congress. The district court's order, not, of course, being an appropriations bill, cannot draw money from the Treasury.

The district court's position can be paraphrased thus: "Congress appropriated the money for Medicaid with a condition which we find unconstitutional. We strike the condition. The appropriation already made by Congress now operates without the restriction which the condition had attached and funds the very activity for which the condition denied appropriations." That response, however, ignores the nature of the appropriations power, disregards the practice and the precedents of Congress, and in the most fundamental way subverts the Constitution of the United States by making meaningless the reservation to Congress of the right to determine when "Money shall be drawn from the Treasury."

The Three Deficiencies of the District Court's Order.

1. That the Act before the Court is an appropriations act is beyond cavil. It is the annual Act appropriating money for the Departments of Labor and Health, Education and Welfare. Whether in the form of a regular appropriations act as in 1976 and 1978 or in the form of a Continuing Resolution as in 1977 and 1979, it supplies money. It originates in the House of Representatives. It is the object of deliberations by the Committee on Appropriations of the House. Like many other appropriations acts it says in so many words what it is appropriating money for and what it is not appropriating money for. In explicit terms it says it is not appropriating money to pay for abortions except in certain specific situations. Except for these situations, the Act says, "None of the funds contained in this act shall be used to perform abortions." The court below held the invalidated provision (the Hyde Amendment) to have effected a substantive change in the Medicaid Act, 42 U.S.C. § 1996, *et seq.* Slip op. 282–283. Accord, *Preterm, Inc.* v. *Dukakis*, 591 F. 2d 121 (1st Cir. 1979). While other courts have recently held to the contrary, *e.g., Doe* v. *Busbee,* 471 F. Supp. 1326 (N.D. Ga. 1979), *Hodgson* v. *Board of County Commissioners*, No. 4-78 Cic. 525 and No. 3-79 Civ. 56 (D. Minn. 1979), *Planned Parenthood Affiliates of Ohio* v. *Rhodes,*—F. Supp.— (S.D. Ohio 1979), *amici* consider the point irrelevant. Whatever its relationship to other enactments, the Hyde Amendment was part

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[1] Senator Jesse Helms, N.C., and Rep. Henry J. Hyde, Ill., 6th District, are not listed as *amici* solely because they are intervenors-appellees.

of an appropriation bill and an exercise of the appropriation power of the Congress.

"None of the funds contained in this act" is the language by which Congress has frequently refused to appropriate money for a specific purpose. For example, such language is used in 92 Stat. 1025 (1978), the general appropriations act for the State Department, to refuse to appropriate money for the promotion of the doctrine of one world government. The appropriations act for Labor and Health, Education and Welfare for that year uses the same language to refuse to appropriate money for any activities on behalf of any alien who is illegally in the country. 92 Stat. 1571 (1978). The same appropriations act uses the same language to refuse to appropriate money for a loan or salary to any individual at an institution of higher education who had used force to attempt to change the curriculum. 92 Stat. 1589 (1978).

Language of this kind is negative. It rejects a drawing from the Treasury. The negative cannot be converted by judicial magic into something positive. The refusal to draw cannot be made into a mandate to draw plus a condition.

The order of the court below treats "none of the funds contained in this act shall be used" as a condition. The wording is not the wording of a condition. Nothing in the Act, says, "Money is appropriated on condition that it not be spent for abortion." The only "conditions" in the act are the exceptions which specify the conditions under which abortion may be funded. If these exceptions are struck as too restrictive, there remains only the negative prohibition. Excising the exceptions which are stated leaves simply an absolute refusal to appropriate for abortion.

Under Rule XXI of the Rules of the House of Representatives, the language of refusal could not have been voted on in connection with an appropriations bill if the House had not deemed it to be language "retrenching expenditure." Constitution, Jefferson's Manual and Rules of the House of Representatives, Sec. 835 (ed. Deschler, 1967). Substantially the present form of the retrenchment rule known as the "Holman Rule" had been adopted in 1876 and employed till 1885. It was revived in 1912 and has continued in effect until the present. *Ibid.* There is a substantial body of precedents indicating the House's understanding of the Rule. These precedents indicate that a limitation on the use of appropriated funds constitutes a decision not to appropriate for that purpose. See, *e.g.*, Ruling of the Chair, January 27, 1931 (limitation offered by Fiorello La Guardia). Cannon, Precedents of the House of Representatives, 7.

In dozens of rulings on amendments offered under the Holman Rule, the House for over a century has taken the position that amendments so offered becomes, if accepted, part of the appropriations act itself. See, C. Cannon, *supra*, secs. 1431–1560 (1935). They are not considered separate legislation. If they are voted in, the appropriations act is limited by the words of the amendment. Consequently, when the Act says "None of the funds contained in this act shall be used . . . ," the Act no longer contains an appropriation for the purpose for which "none of the funds" can be used. Simply put, there are *no* funds appropriated for the proscribed purpose, and *none can become available unless Congress appropriates them anew.*

There can hardly be disagreement that it has always been understood that the formula used in a Holman Rule amendment is an *explicit* declaration that Congress is not appropriating for a use that might otherwise be thought to fall within the appropriation. After such an amendment has been accepted, no law exists by which an appropriation for this use has been made.

The district court's order, therefore, ignores the nature of the appropriations power. The order assumes that there is some general sum appropriated with a variety of conditions attached which federal judges are free to alter if they think it constitutionally desirable. But the assence of the appropriations power is the ability to appropriate or not appropriate. Congress exercises that power when it says it is appropriating money and when it says it is not appropriating money. The power is fully and effectively exercised when Congress says it is not appropriating. Under our Constitution no federal judge is empowered to turn that negative into an affirmative.

2. The district court's order also disregards the practice and the precedents of Congress. For over a century, amendments of the Holman Rule type have been a central part of the appropriations process in Congress. The Democratic Study Group has observed that this kind of restriction has been used for a vast variety of purposes from controlling water projects to ending police activities in Vietnam and preventing the Central Intelligence Agency from destabilizing foreign government. See Democratic Study Group of the United States, House of Representatives, "The Appropriations Rider Controversy," Special Report No. 95–12, February 14, 1978, p. 6. The explicit refusal to appropriate money for a specific purpose is an essential tool of democratic control of the business of bureaucratic government. To treat such explicit refusals to appropriate as conditions which a single federal judge may brush aside is to pay neither respect nor attention to the experience of a coordinate branch of government.

3. Finally, the district court's order subverts Article I, Section 9, of the Constitution. In an age marked by an immense increase in constitutional litigation it is remarkably easy to convert any disappointment on policy into a claim that a constitutional right has been infringed. If the court below is right, any group which has lost a legislative battle so completely that appropriations have been explicitly denied them is free to rush into the federal courts—as the appellees did—obtain an injunction requiring the expenditure of money for the purpose for which Congress has explicitly refused to appropriate, and through the agency of a single federal judge achieve what the Constitution had committed to the care of Congress.

The district court's theory gives a power something like a line item veto to the federal judiciary. Given the ease with which policy disputes may be converted into constitutional questions, a loser in the legislative process can acquire a new forum by asking a federal judge to strike any specific refusal to appropriate, and on the theory of the court below the non-appropriation will become an appropriation. The power which a federal judge can thereby exercise is greater than the veto power of the President. The President can only reject entire acts, and he can never turn a non-appropriation into an appropriation. The district court's theory permits a federal judge to pick a specific provision, invalidate it, and by the very invalidation make appropriated what Congress had declined to appropriate.

Indeed if a federal court is empowered to change a refusal to appropriate into an appropriation because of a judge's constitutional misgivings, why not the President, too? The President is sworn to uphold the Constitution. If he deems a restriction in an appropriations act unconstitutional, why may he not, on the district court's theory, ignore the restriction and treat as appropriated what Congress had refused to appropriate? Neither in logic nor in practice could the Executive branch be asked to limit itself if the district court's view of the appropriation power is sound. Every federal district judge and the President and the President's appointees would have a charter to treat funds as appropriated in accord with their own understanding of the Constitution. If the integrity of the appropriations process as a power belonging to Congress is to be preserved, there can be no picking and choosing by President or court among provisions of an appropriations act. If an appropriations act is unconstitutional, let a court so say. But the appropriations power of Congress is gone if a court or the President may amend an appropriations act and turn a non-appropriation into an appropriation.

President Nixon, it may be recalled, picked and chose among provisions of an appropriations act and declared that he was impounding certain appropriated funds. This impoundment of over eight billion dollars was characterized as exercise of "a line item veto," and legislation was soon introduced to correct it. See 119 Cong. Rec. 5086 (1973). It was noted that the President's action was contrary to the advice he had received from the Assistant Attorney General in charge of the Office of Legal Counsel. *Ibid.* It was observed that the President's action hurt "America's most disadvantaged groups" and at the same time destroyed the separation of powers. The President, it was pointed out, "is not empowered to sign the bill and then substitute an amount of his own choosing for that specified in the law." *Id.* at 10160. This invasion by President Nixon of the appropriations power was characterized as an "abuse of his powers" and given as an example of how President Nixon "systematically arrogated to himself the powers of Congress." See Additional Views of Rep. Holtzman, Report of the Committee on the Judiciary, House of Representatives, Impeachment of Richard M. Nixon, President of the United States, 93rd Cong., 2nd Sess. Report No. 93–1305 (1974) p. 301; see also Additional Views of Mr. Conyers. *Id*, at p. 291. But what President Nixon did was far less than the district court did when it not only exercised a line item veto but turned a negative into an affirmative.

This is not a case like the *School Desegregation Cases* where the federal judiciary is enforcing the paramount law of the land against individual States and where, absent Eleventh Amendment problems, the Constitution poses no barrier to this Court's requiring the States to provide a remedy. Even in such a case a federal court order may have a "profoundly disturbing" financial impact, Powell, J., concurring in judgment, *Milliken v. Bradley*, 433 U.S. 267, 298, n. 3 (1977). This is a case where there is an express constitutional provision protecting a co-ordinate branch of the federal government.

THE EXTENT OF THE CHALLENGE TO THE CONSTITUTIONAL AUTHORITY OF CONGRESS

This issue is not limited to the abortion question; the inviolable and exclusive power of the purse is one that touches on all of what Congress does. To tamper with that exclusive power is to tamper with the very essence of constitutional, representative government. Once done, Congress could become a mere bookkeeper for a judiciary, or even executive, that has arrogated unto itself a power denied it by the framers of our system.

So clearly has this been understood that some of the harshest language ever used to describe a violation of the separation of powers has been used with respect to this problem. Montesquieu wrote:

"Again, there is no liberty, if the judiciary power be not separated from the legislative and executive. Were it joined with the legislative, the life and liberty of the subject would be exposed to arbitrary control; for the judge would be then the legislator. Were it joined with the executive power, the judge might behave with violence and oppression."

The Spirit of the Laws, 154 (6th ed. 1792, T. Nugent, trans.).

Madison was even more direct on the proper view of the appropriations power in his Federalist Paper No. 58:

"The House of Representatives cannot only refuse, but they alone can propose the supplies requisite for the support of government. They, in a word, hold the purse—that powerful instrument by which we behold, in the history of the British Constitution an infant and humble representation of the people gradually enlarging the sphere of its activity and importance, and finally reducing, as far as it seems to have wished, all the overgrown prerogatives of the other branches of the government. This power over the purse may, in fact, be regarded as the most complete and effectual weapon with which any constitution can arm the immediate representatives of the people, for obtaining a redress of every grievance, and for carrying into effect every just and salutary measure."

The Federalist No. 58 at 380 (Modern Library ed.) (J. Madison). Hamilton was equally adamant in his Federalist Paper No. 78:

"The legislature not only commands the purse but prescribes the rules by which the duties and rights of every citizen are to be regulated. The judiciary, on the contrary, has no influence over the sword or the purse; no direction either of the strength or of the wealth of the society, and can take no active resolution whatever. It may truly be said to have neither Force nor Will but merely judgment; and must ultimately depend upon the aid of the executive arm even for the efficacy of its judgment.

Id. at 504. Congress' exclusive power of the purse, therefore, has its roots in clear and unambiguous history.

With unblemished consistency this Court, and the federal courts in general have understood and respected this very basic separation of powers between Congress and Court. Whenever the issue has been raised this Court has concluded that an appropriation by Congress is required before moneys may be drawn from the federal Treasury. ***Knote v. United States,*** 95 U.S. 149 (1877); ***Austin v. United States,*** 155 U. S. 417 (1894); ***Hart v. United States,*** 118 U. S. 62 (1868); ***Reeside v. Walker,*** 52 U. S. (11 How.) 623 (1850). And see ***Cincinnati Soap Co. v. United States,*** 301 U.S. 308 (1937); ***United States v. Lovett,*** 328 U. S. 303 (1946).

The Civil War gave this Court several opportunities to confront the appropriations question. After that war numerous controversies arose over Congressional attempts to limit the payment of the claims of persons who had aided the Rebellion, but who had subsequently received Executive pardons. In ***Knote v. United States, supra,*** President Johnson pardoned petitioner Knote for his part in the Civil War and relieved him of all disabilities and penalties attaching to his rebellion. Pursuant to that pardon Knote sought to recover the proceeds of his property previously condemned and sold under an earlier confiscation act. At the time of his claim the proceeds had already been paid into the U. S. Treasury.

Counsel for Knote raised the issue squarely: "The proceeds of the sale of the claimants' property are held by the government. . . . His right to them under the pardon imposes legal obligations on the government, and *may be judicially enforced." Knote v. United States, supra,* at 151 (emphasis added). This Court's reply was equaly clear: Undoubtedly Knote had a right to the restoration of his property, but ". . . if the proceeds have been paid into the treasury, the right to them has so far become vested in the United States that they can only *be secured to the former owner of the property through an act of Congress. Moneys once in the treasury can only be withdrawn by an appropriation by law."* (Id. at 154) (emphasis supplied).

Contrary to the argument of the petitioner's counsel, this Court held that no judicial remedy could draw funds from the Treasury; such was beyond the control of the Court: *See also, **Austin v. United States,*** 155 U.S. 417 (1894); ***United States v. Klein,*** 13 Wall. (80 U.S.) 128 (1872) and ***Hart v. United States,*** 118 U.S. 62 (1886).

In ***Reeside v. Walker, supra,*** the estate of James Reeside sought and won a set-off of its claims against those of the United States. The jury found that the government was, in fact, indebted in the amount of $188,496.06. In an attempt "[t]o save future expense and litigation in [the] case, with a view to obtain[ing] the desired judgment" this Court articulated the clear and unambiguous rule that a court may not order the Treasury to pay out unappropriated moneys:

"No officer, however high, not even the President, much less a secretary of the treasury or treasurer is empowered to pay debts of the United States generally, when presented to them. If, therefore, the petition in this case was allowed so far as to order the verdict against the United States to be entered on the books of the treasury department, the plaintiff would be as far from having a claim on the secretary or treasurer to pay it as now. The difficulty in the way is the want of any appropriation by congress to pay this claim. It is a well-known constitutional provision, that no money can be taken or drawn from the treasury except under an appropriation by congress. See Constitution, Art. I, § 9, I Stats. at Large, 15.

"However much money may be in the treasury at any one time, not a dollar of it can be used in the payment of any thing not thus previously sanctioned. Any other course would give the fiscal officers a most dangerous discretion.

"Hence, the petitioner should have presented her claim on the United States to congress, and prayed for an appropriation to pay it. If congress after that make such an appropriation, the treasury can, and doubtless will, discharge the claim without any *mandamus.* But without such an appropriation it cannot and should not be paid by the treasury, whether the claim is by a verdict or judgment, or without either, and no *mandamus* or other remedy lies against any officer of the treasury department, in a case situated like this, where no appropriation to pay it has been made. 52 U.S. (11 How.) 626-28 (emphasis by the Court).

Thus, even in the face of a binding obligation or judgment, or an unconstitutional withholding of funds in the Treasury, no court may order the funds to be paid where not authorized by Congress. ***Stitzel-Weller Distillery v. Wickard,*** 118 F. 2d 19 (1941); ***Collins v. United States,*** 15 Ct. Cl. 22 (1878); ***Doe v. Matthews,*** 420 F. Supp. 865 (D. N. J. 1976). And see ***Cincinnati Soap Co. v. United States,*** 301 U.S. 308 (1937); ***Spaulding v. Douglas Aircraft Co., Inc.,*** 60 F. Supp. 985 (S. D. Cal. 1945). In the case at bar, appellees are requesting precisely such relief since they seek not merely a declaration of rights, but an order to spend funds expressly not appropriated.

Again, in ***United States v. Lovett, supra,*** this Court and the Court of Claims had occasion to apply the rule against court-ordered appropriations. *Lovett* was a challenge to an appropriations measure that provided that certain named government employees not be paid their salaries unless Congress confirmed their continued employment. The three named individuals continued to work despite the Congressional act and sued for their compensation in the Court of Claims. That court decided that the claimants were entitled to the money, but did not entertain the illusion that it could order the Treasury to pay, or the Congress to appropriate, the funds:

"Congress, by enacting Section 304, did not foreclose itself from thereafter appropriating for the payment of these salaries. Congress even now *may* appropriate, and authorize a selected disbursing agency to pay them. Claims therefor, presented to Congress, *may* be satisfied by an appropriation to pay them, as claims. Judgments, recovered here, *may* be satisfied by any appropriation out of which the judgments *may* be by Act of Congress, payable."

Lovett v. *United States,* 66 F. Supp. 142, 147 (Ct. Cl. 1945) *affirmed on other grounds, United States* v. *Lovett,* 328 U.S. 303 (1946). (Emphasis supplied.) The order of the Court of Claims that the plaintiffs were "entitled to recover" specific dollar amounts was the authorization of payment; but as with the usual congressional authorization, an appropriations act was necessary to provide the money.[2]

This Court affirmed the Court of Claims and held the salary prohibition an unconstitutional bill of attainder. But again, no order was made to appropriate or pay the funds. That determination was properly left to Congress. This Court did not reach back to the appropriation, strip it of the salary prohibition, and order payment as though the funds had been appropriated and illegally constrained.

In Congress there was at first disinclination to provide the funds to meet this Court's judgment. The most outspoken congressman in favor of honoring the judgment admitted that it was within the power of Congress to provide the money or not. Congressman Javits, for example, urged that the Deficiency Subcommittee "again consider this matter" 93 CONG. REC. 2977 (1947). Congressman Gwynne observed: "Of course we have the power to refuse to appropriate the money" while urging that it was "duty of Congress to vote the money." *Id.* at 2990. Congressman John F. Kennedy suggested that it was "a question of whether the House should honor a decision of the Supreme Court." *Id.* at 2989; and he went on to say:

"If because we have the power in this chamber to do so, we should hold back part of this money and not honor the decision of the Supreme Court, we would be breaking down that division [of the three powers] . . . this claim should be honored." *Id.* at 2990. Congressman Keating, also speaking in favor of providing money to satisfy the judgment, observed as to the successful plaintiffs: "The only way they can translate their piece of paper called a judgment into cash in hand is through an appropriation made by this Congress." *Id* at 2990. The plaintiffs would never have been compensated had not a nearly evenly divided House—after long debate—subsequently voted 99–98 to pay the amount due under the decision. 93 Cong. Rec. 2973–75, 2977, 2987–91 (1947).

The long-standing respect for the appropriation power evidenced in the opinions of this Court has been similarly reflected in lower court decisions. On the very issue raised by the case at bar one district court judge reached the exact opposite conclusion of the court below. In *Doe v. Matthews,* 420 F. Supp. 865 (D. N.J. 1976) Judge Buinno faced a challenge to the Hyde Amendment; his opinion reached the heart of the issue:

"[None of the cases relied on deal with one obvious question raised by the challenge to the Hyde Amendment, namely, the impact of the provision in the United States Constitution, Art. I § 9 cl. 7 that:

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[2] See Rule XXI, Constitution, Jefferson's Manual and Rules of the House of Representatives, ed. Deschler, sec. 837.

" 'No money shall be drawn from the Treasury but in consequence of appropriations made by law'

"Neither the complaint, the moving papers nor the initial brief discusses this question. Yet it cannot be avoided because, on the record before the Court, the Congress simply has not appropriated any moneys for fiscal 1977 to reimburse Medicaid States with a federal share for elective abortions." *Id.* at 870.

Judge Buinno has stated well the rule that must govern this case. No court has ever done what the court below has done.

THE SOURCES OF THE DISTRICT COURT'S ERROR

When the district court first ruled in the instant case, twenty-two days after the law went into effect in 1976, and ordered the Secretary of HEW to pay for abortions throughout the country contrary to the appropriations act, the court was under the impression that it had a precedent in the *Lovett* case. See opinion of Dooling, J., in *McRae* v. *Matthews*, 421 F. Supp. 533, 540–541 (E.D. N.Y. 1976). Plainly, however, the court misread *Lovett* and reached a result directly counter to the self-restraint exercised by the judiciary in *Lovett*. Ruling again in the instant case almost four years later, the court below has put its chief reliance on a very recent decision of this Court which, arising after his initial ruling, seems now to it to justify its extraordinary action in October, 1976, and its return to it in January, 1980. The district court has invoked *Califano* v. *Wescott*, — U.S. —, 61 L. Ed. 2d 382 (1979), decided by a vote of five to four. The court has, however, ignored two vital differences between this recent case and the instant case: First, in *Wescott*, the appropriations issue was not argued to this Court. As the Court observed, the federal appellant did "not question the relief ordered by the District Court." *Id.* at 387 (L. Ed. 2d). Consequently *Wescott* cannot be construed as having disregarded a section of the Constitution and as a departure from an old and settled line of decisions. Second, in the act there under consideration there had been no exercise by Congress of the *appropriations* power. Congress had restricted certain benefits to unemployed fathers. It had not refused to appropriate money for unemployed mothers. It had inserted a broad severability clause, 42 U.S.C. sec. 1303. A single federal judge was not commanding, where Congress had said "No appropriation", that an appropriation be made.[3]

The district court's extraordinary action is based not only on its misreading of *Lovett* and *Wescott*, but also on its belief, disclosed in its opinion, that the ability of a federal judge to declare a portion of an appropriations act unconstitutional is "the inescapable responsibility of the judiciary." (Slip op. 291–292). This confuses the power of judicial review with the power to appropriate money.

The court below goes on to cite five cases—*The Abortion Cases* (*Wade* and *Bolton*) and *The Abortion Funding Cases* (*Beal, Maher* and *Poelker*)—to show that the federal courts can pronounce on the constitutionality of law dealing with abortion. While no one would deny that, none of the cases cited has any bearing on the power of a single federal judge to appropriate money or draw it from the Treasury of the United States.

In the court's opinion appears to lurk the fear that if a federal judge cannot control a Congressional appropriation, Congress will appropriate money for all sorts of unconstitutional purposes without check or balance from the other branches of government. But as *Lovett* makes clear, if an appropriations act does offend against an express command of the Constitution, there is adequate check and balance in the power of the judiciary to declare the act unconstitutional. What the Constitution forbids in Article I, Section 9, is not judicial review but judicial intrusion into the legislative powers and judicial usurpation of the power of the purse.

If this Court should find that a provision of the Appropriations Act for the Departments of Labor and HEW transgresses a command of the Constitution, the Court is free to declare that provision of the Act unconstitutional, leaving Congress the option of not funding these departments or complying with the Court's criteria of constitutionality. Such a remedy, while harsh, is far from vain. It is what in actuality is the appellees' remedy if they are correct in their claim that the appropriations act is unconstitutional. What it has not power to do is to make a non-existent appropriation into an appropriation.

The judicial power of injunctive relief, exercised negatively, goes to the very limit of encroachment on the appropriations power yet still does not convert a non-appropriation into an appropriation; but injunctive relief, exercised selectively and positively as in the instant case, creates an appropriation where none was intended, where indeed an appropriation was denied. The power is a great power which, no doubt, will be exercised sparingly because of the possibility of catastrophic ramifications; the denied power is a great power which, as in this case, may be exercised mistakenly and must inevitably substitute judges for legislators as the holders of the power of the purse.

But the question may then arise, whether a declaration of unconstitutionality without an order of payment is an illusory remedy. Clearly, it is not. If an act of Congress is truly so extreme that it violates the Constitution, and this Court exercises its power to so indicate, it cannot be supposed that Congress would be insensitive to such teaching of this Court. But it is not within the constitutional power of this Court to compel Congress to appropriate where it chooses not to appropriate.

The "inescapable responsibility of the judiciary" is to exercise the judicial responsibility entrusted to judges by Article III of the Constitution. It is ironic that a district court, invading the power of Congress to appropriate, should defend its action as observing what "is intrinsic to the separation of powers." (Slip op., 292). What is intrinsic to the separation of powers is that each branch of government exercise responsibly the power entrusted to it by the Constitution. Each branch, as this Court has stated, "must initially interpret the Constitution, and the interpretation of its powers by any branch is due great respect from the others," but the basic powers of each branch, such as the veto power of the Executive, cannot be shared. *United States v. Nixon*, 418 U.S. 683, 704 (1974). The power to appropriate is unshareable.

II. The District Court Erred in Not Dismissing the Action as Nonjustifiable in That It Presented a Political Question.

In the first part of this brief, *amici* have assumed, *arguendo*, that *U.S. v. Lovett, supra*, applies, and that this therefore was the kind of case in which judicial review of an appropriations act is in order. In this second part of the brief, *amici* put aside that assumption. *U.S. v. Lovett* dealt with a rare kind of appropriations act—an act of Congress found to be in violation of a specific provision of the Constitution and in violation of the rights of three named persons. Like a court order, that act operated upon those persons immediately and directly, and, as the court held, without trial and unjustly, to divest them of individual rights. The act there in question was very different from the appropriations act now before this Court. For the reasons stated below, *amici* submit that *U.S. v. Lovett* does not govern here, and that the issue presented in this case, because it presents a political question, is nonjusticiable.

The "political question" doctrine has long informed this Court's decisions on the justiciability *vel non* of certain constitutional issues. The most thorough and oft-cited description of this doctrine is that of Mr. Justice Brennan in *Baker v. Carr*, 369 U.S. 186 (1962). The essence of the doctrine is "the relationship between the judiciary and the coordinate branches of the Federal Government . . ." *Id.* at 210. Further, "[t]he nonjusticiability of a political question is primarily a function of the separation of powers." *Ibid.* Justice Brennan defined the doctrine in the following language:

"Prominent on the surface of any case held to involve a political question is found a textually demonstrable constitutional commitment of the issue to a coordinate political department; or a lack of judicially manageable standards for resolving it; or the impossibility of deciding without an initial policy determination of a kind clearly for nonjudicial discretion; or the impossibility of a court's undertaking independent resolution without expressing lack of the respect due coordinate branches of government; or an unusual need for unquestioning adherence to a political decision already made; or the potentiality of embarrassment from multifarious pronouncements by various departments on one question."

Id. at 217. While the doctrine requires that only "one of these formulations [be] inextricable from the case at bar" in order to effect a "dismissal for nonjusticiability on the ground of a political question's presence", the instant case involves five of these criteria.

The view of the district court that this case is an act ruled by *U.S.* v. *Lovett, supra*, is plainly erroneous. That case concerned an extraordinary provision refusing to appropriate salaries for three named persons, an act amounting to a bill of attainder. Like a court order it operated to punish these persons. The appropriation in question there involved standards entirely manageable by a court. It did not involve, as does this case, a broad issue of social policy on which the electorate and the elected members of Congress have repeatedly expressed themselves.

1. Textual Commitment of the Power to Congress.

The appropriations clause of the Constitution is found under Article I thereof which defines legislative powers. The appropriations power is textually committed to Congress. In addition, the statement in that clause, "made by Law", plainly refers to appropriations made by and through the prescribed Congressional procedures. Article I, Section 1, vests all law-making powers ("[a]ll legislative powers") in the Congress. Consequently, there is no clearer statement in the Constitution that a power is textually committed to a coequal branch. It is similar to the statement of Article I, Section 8, Clause 16 which vests in Congress the power "[t]o provide for organizing, and disciplining, the militia. . ."

In *Gilligan* v. *Morgan*, 413 U.S. 1 (1973) this Court held that this "militia power" was exclusive to Congress and that the Court could not, as plaintiffs asked, evaluate the training of the Ohio National Guard to see whether it was constitutionally deficient under the due process clause. This Court's reasons for finding nonjusticiability in *Gilligan* are similar to the reasons why the action brought by the plaintiffs below should have been dismissd as nonjusticiable:

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[3] The District Court had also invoked the teaching of Mr. Justice Harlan, concurring in *Welsh* v. *United States*, 398 U.S. 333 (1970), on a court's power to extend the exemptions of a statute. But neither Mr. Justice Harlan in *Welsh*, a case involving exemptions for conscientious objectors, nor this Court in *Wescott*, a case involving an authorization statute with a severability clause, had addressed the appropriations power or contemplated a challenge to the exercise of that power by Congress.

"It would be difficult to think of a clearer example of the type of governmental action that was intended by the Constitution to be left to the political branches, directly responsible—as the Judicial Branch is not—to the elective process. Moreover, it is difficult to conceive of an area of governmental activity in which the courts have less competence." *Id* at 10. This Court went on to say that such issues must remain "[t]he ultimate responsibility [of] branches of the government which are periodically subject to electoral accountability." *Ibid.*

Those words seem tailored for the instant case. The judicial branch has been consciously excluded from the appropriation decision both because it lacks competence in that area, and because such decisions *must* be made by popularly elected representatives who can reflect the will of their constituencies.

2. Lack of Judicially Manageable Standards.

Once it should be held that the appropriations power may be usurped by the courts, the use of that power will predictably not be limited to abortions. A multitude of financial and budgetary questions will be laid at the courthouse door. Every loser in the representative processes will seek a judicial appropriation for his program. Consequently, the courts will consistently be asked to allocate scarce financial resources—allocations that should be made by the elected representatives of the people of the United States.

Consider the examples cited earlier from appropriations acts of 1978. The appropriations act for the State Department says that "None of the funds appropriated in this title shall be used . . . for the promotion, direct or indirect, of the principle or doctrine of one world government," 92 Stat. 1025 (1978). Surely the advocates of one world government have a right of free speech guaranteed by the First Amendment which is no whit inferior to the right to free exercise of religion which the court below has made one basis for its order commanding that public money be spent for abortions. (Slip op. 326–328.) Under the holding of the district court, an advocate of one world government may now challenge the constitutionality of the State Department appropriations act because it denies him money to support his constitutional right of speech.

Or consider the language of the Labor-HEW Appropriations Act cited earlier, which operates to deny federal unemployment benefits to an alien illegally in the country. 92 Stat. 1571 (1978). As an alien has certain constitutional rights, he may now, under the teaching of the court below, litigate to strike such a provision and collect his unemployment pay on the ground that denial of appropriations for this purpose is a denial to him of the very means of subsistence.

Or take the language of the same Act forbidding loan or salary to a student who after 1969 used force to attempt to change college policy on curricula. 92 Stat. 1589. No doubt such a student has a case to make that such discrimination is a penalty imposed without due process of law. Is he free, it may be asked, to litigate his claim and succeed in getting his benefit if somewhere in this country he finds a federal judge who thinks Congress' refusal to appropriate was unconstitutional?

There are as many differences and distinctions drawn in appropriations acts as there are in tax laws. The very recent study by Fisher on the authorization-appropriations process[4] provides a multitude of examples of the essentially political process of appropriating and refusing to appropriate. Unless this Court is to command uniformity of treatment in the name of Due Process or Equal Protection, each distinction and each difference can be turned so as to present a constitutional difficulty. This Court and the lower federal courts will have to enter wholeheartedly into the appropriations process and weigh and determine a vast variety of cases.

3. Impossibility of Deciding Without a Policy Determination of a Kind Clearly for Nonjudicial Discretion.

Nothing can be clearer than the fundamentally legislative nature of appropriations decisions. Who shall be funded and who shall not is at the heart of the legislative process. Any judicial appropriation for abortions requires an initial policy decision that something else not be funded. Any judicial order to expend money for abortion puts the federal judiciary squarely in the legislative area. See J. Noonan, A Private Choice, 112–117 (1979).

4. Expression of Lack of Respect Due a Coordinate Branch of Government.

Almost a century ago an acute observer of our institutions, James Bryce, wrote: "There remains the power which in free countries has long been regarded as the citadel of parliamentary supremacy, the power of the purse. Congress has the sole right of raising money and appropriating it to the service of the state." Bryce, The American Commonwealth, 158 (Macmillan, 1905). It is the citadel which the district court's order has subverted, and this Court is asked to ratify that subversion.

The Majority Leader of the House, Congressman Jim Wright an *amicus* here, has expressed the deep concern the House has felt at this sudden challenge to its basic power:

"Whatever one's feeling may be as to the social ethics involved, surely the right of Congress to enact a specific limitation on the use of tax moneys for any such purpose is a right long established. It is a right without which Congress could not perform its duty to the American taxpayer.

"That right is indispensable to the legislative branch in carrying out its constitutional responsibility, and I trust that the Supreme Court will speedily and decisively reaffirm that right in this case."

126 Cong. Rec. 1062 (1980). Abortion aside, the lower court ruling treats Congress as the stepchild in our constitutional system.

5. Unusual Need for Unquestioning Adherence to a Political Decision Already Made.

Here again the words of Madison are of value: "This power over the purse may, in fact, be regarded as the most complete and effectual weapon with which any constitution can arm the immediate representatives of the people, for obtaining a redress of every grievance, and for carrying into effect every just and salutary measure." The Federalist No. 58, at 380 (Mod. Lib. ed.) (J. Madison). The amount of money affected by the district court's order may be estimated, on the basis of earlier experience, as at least $88 million (see *The Washington Post*, February 20, 1980, A 14). If this money is used for the purpose rejected by Congress and required by the court below, less money will be available for needs for which Congress did appropriate. It does not seem to lie within the competence of the judiciary to determine the seriousness of the needs Congress sought to meet—no data on them has been presented in this process. Nor does the judiciary appear to have the competence to determine what needs will then go unmet or to forecast the response of Congress to a judicial redistribution of federal funds.[5] There is an unusual need, therefore, for the judiciary to adhere to the political decision already made as to the appropriation.

A more obvious example of a political question is difficult to imagine. Not one, but five, of Mr. Justice Brennan's criteria are met in the case at bar. Overriding all is his admonition that primarily the doctrine is concerned with the separation of powers. A judicial usurpation of the appropriations power is no less a threat to the separation of powers than would be a usurpation of the militia power, or the war power, or the taxing power. These are simply not powers that were intended for the judiciary. They were intended for the people's most immediate representatives: the Congress of the United States.

The very first words of Article I of our Constitution are: "All Legislative Powers herein granted shall be vested in a Congress of the United States. . . ." A matter that has been hotly contested within each body of the Congress and between the two bodies, a matter which has been an issue in municipal and state and national legislatures is indisputably legislative, and it is difficult to believe that any issue could be more political. No doubt members of the federal judiciary have strong views as to what the right outcome of the political contest should be. A number of these judges have not concealed their opinions. Members of the judiciary are called, not to further the political cause they think is right, but to respect the foundations of our government of separate and limited powers, of which the power of the purse is democratically entrusted to the Congress.

CONCLUSION

For all of the foregoing reasons, it is respectfully requested that the judgment of the district court, violating Article I, Section 9, Clause 7 of the Constitution, violating the principle of separation of powers, and representing an exercise of jurisdiction to resolve a political question contrary to Article III, be reversed.

Respectfully submitted,

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MARCH 18, 1980.

CERTIFICATE OF SERVICE

I hereby certify that on this 18th day of March, 1980, three copies of the Brief *Amicus Curiae* were mailed, postage prepaid, to Wade H. McCree, Jr., Esq., Solicitor General of the United States, Department of Justice,

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[4] L. Fisher, the Authorization-Appropriations Process: Formal Rules and Informal Practices (Congressional Research Service, Library of Congress, 1979).

[5] The statement of Mr. Justice Stewart is apropos:

"We do not decide today that the Maryland regulation [limiting total amounts allotted to families with dependent children under Title IV of the Social Security Act] is wise, that it best fulfills the relevant social and economic objectives that Maryland might ideally espouse, or that a more just and humane system could not be devised. Conflicting claims of morality and intelligence are raised by opponents and proponents of almost every measure. . . . But the intractable economic, social and even philosophical problems presented by public welfare assistance programs are not the business of this Court." *Dandridge v. Williams*, 397 U.S. 471, 487 (1970).

Constitution Avenue between Ninth and Tenth Streets, N.W., Washington, D.C. 20530, Richard P. Caro, Esq., 225 Cadman Plaza East, Brooklyn, N.Y. 11201, counsel to appellee, Rhonda Copelon, Esq., 853 Broadway, New York, N.Y. 10016, Janet Benshoof, Esq., 22 East 40th Street, New York, N.Y. 10016, Sylvia A. Law, Esq., 40 Washington Square South, New York, N.Y. 10012, Jill Laurie Goodman, Esq., 22 East 40th Street, New York, N.Y. 10012, Nadine Taub, Esq., 14 Washington Street, Newark, N.J. 07102, counsel for appellee women and medical doctors and for appellee Women's Division of the Board of Global Ministries of the United Methodist Church, Harriet F. Pilpel, Esq., 437 Madison Avenue, New York, N.Y. 10022, counsel for appellee Planned Parenthood of NYC, Inc., Ellen Kramer Sawyer, Esq., 125 Worth Street, No. 523, New York, N.Y. 10013, counsel for appellee New York City Health and Hospital Corporation, Patrick A. Trueman, Esq., AUL Avenue, Chicago, Ill. 60601, counsel to intervenors-appellees. I further certify that all parties required to be served have been served.

William B. Ball, Ball & Skelly, 511 N. Second Street, Harrisburg, PA 17108.

ACTIONS TO PERMIT COAL TO SUPPLY INCREASING SHARE OF OUR NATION'S ENERGY NEEDS

(Mr. RAHALL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. RAHALL. Mr. Speaker, recently representatives of the United Mine Workers of America, the National Coal Association, the Bituminous Coal Operators Association, and the American Mining Congress came to an agreement on six broad objectives which unite miners and coal operators. They further went on to adopt 18 specific recommendations which would enable coal to play a larger role in our energy future.

Unity and cooperation within the coal industry is at an alltime high as was evidenced at last Friday's Coal Day at the White House. The wildcat strikes of past years no longer exist. Even at this time, negotiations are under way to develop a new contract so that a strike can be avoided.

Mr. Speaker, mining coal and burning coal reduces our reliance on foreign energy sources, restores jobs for unemployed miners and invests in our Nation's security.

I urge my colleagues to review the recommendations set forth by this labor-management coalition and join me in working toward the enactment of legislation which will enable us to utilize our vast coal reserves. Remember, coal is, indeed, America's ace in the hole.

Actions That Should Be Taken Now by the Government to Permit Coal to Supply an Increasing Share of Our Nation's Energy Needs

THE OPPORTUNITY

This nation has the coal to supply an increasing share of our nation's rising energy needs, to reduce the dangerous and debilitating dependence on imported oil, and to assure continuing economic growth. Despite this opportunity, the demand for coal has not kept pace with the capability of the miners and operators of America's coal industry to meet these needs. As a result, 20,000 miners remain unemployed and 100 million tons of unused capacity exists while imports of oil are draining $80 billion annually from the wages and profits that have fueled America's power and prosperity.

There is no need for the shortages of vital energy supplies, unemployment and inflationary prices that have characterized the past decade and that will face this nation in the eighties unless the continuing dependence on insecure imported oil can be ended. America's coal reserves are abundant and the coal can be mined safely, delivered cheaply and burned cleanly. Progress has been made in laying the foundation for increased use of coal, in the many years of confusion and controversy over energy policy, but the effort to build upon this foundation continues to be hesitating and half-hearted.

Events in Iran and the dangers posed by the Soviet invasion of Afghanistan underscore the need for the nation to seize firmly and decisively the opportunity presented by coal. Accordingly, America's coal miners and operators join in calling upon their government to establish coal as the cornerstone of America's energy policy. Whatever the differences that have divided us in the past the area of agreement between us is broad, deeply felt and shared by millions of Americans outside the coal industry who seek the secure, abundant and cheap source of energy that is available from coal.

POLICY OBJECTIVES

Six broad objectives unite miners and operators. If adopted, these objectives would establish coal as the cornerstone of America's energy policy. These are:

First, that the use of coal be rapidly increased in the electric utility industry where the substitution of coal for oil and natural gas is most readily accomplished;

Second, that the Clean Air Act, Surface Mining Control and Reclamation Act, Resource Conservation and Recovery Act and other environmental laws be implemented in a practical and sensible fashion that recognizes the need for proper balance among national goals such as the pursuit of a clean environment, an adequate energy supply at reasonable costs, a strong and secure national defense and expanded opportunities for gainful employment;

Third, that a private, competitive synthetics fuel industry be established expeditiously;

Fourth, that the use of coal in the industrial sector be vigorously expanded by providing reasonable environmental regulation and incentives for investment in coal-burning equipment and for revitalization of the American steel industry;

Fifth, that vigorous efforts be made to secure export markets to strengthen the nation's balance of trade and to reduce our allies' dependence on endangered oil supplies; and

Sixth, that a strong program of research, development and demonstration of new coal technology be pursued.

THE RECOMMENDATIONS

The government has an important role to play—particularly by removing unnecessary constraints and allowing and encouraging increased use of coal.

This paper outlines 18 specific actions that should be taken by the government. Briefly, the actions involve:

Expediting new coal-fired utility plants.

Encouraging conversion of existing utility plants to coal.

Reducing utilities' use of oil and natural gas.

Increasing industrial use of coal.

Converting government facilities to coal.

Expediting use of coal-oil mixtures.

Encouraging the construction by the steel industry of increasing capacity to produce coke.

Increasing coal exports.

Encouraging commercialization of synthetic fuels from coal.

Changing certain air quality requirements.

Amending certain parts of the Clean Air Act.

Making it practicable to get government permits and approvals for coal-related facilities.

Avoiding unnecessary and duplicative regulations which unnecessarily increase cost and impede coal use.

Reducing railroad regulation while providing adequate service and reasonable rates.

Undertaking waterways and ports projects necessary for coal movement.

Increasing federal funding for coal-related R&D.

Increasing federal funding for research on biomedical and environmental effects of coal use.

DETAILED RECOMMENDATIONS

A. Increasing the demand for coal

The principal emphasis in these recommendations is on actions that would increase the demand for coal. Because of current large excessive capacity to produce coal, thousands of miners are out of work or working short work weeks.

Domestic coal consumption is estimated to have reached about 673 million tons in 1979, an annual increase of 4.1% over the last two years. U.S. production in 1979, according to DOE estimates, reached about 770 million tons, an annual average increase of 5.5% over 1977. Exports were up slightly in 1979 after 2 years of decline. Domestic stocks of coal increased substantially.

While these increases are promising, they are far less than the potential and represent little progress in increasing the share of total energy needs supplied from domestic coal resources from its level of 19%. Rapid increases in the future are dependent upon aggressive actions to increase the demand for coal.

Utilities currently make up almost 80% of the domestic market for coal and offer the best opportunity for early and large increases in coal demand.

Utilities' consumption of coal in 1979 is estimated to have reached about 530 million tons, up from 476 million tons in 1977 (an average increase of 5.6% per year over the past 2 years). There are several opportunities for increased use of coal by utilities, industry and the government.

1. Expediting new coal-fired utility plants. Utility plans call for bringing 271 new coal-fired generating units on line during the 10-year period from 1979–1988. By 1988, these 271 new units would be consuming about 400 million tons of coal annually. Depending on electricity demand, it is likely that at least another 200 units requiring about 300–350 million tons of coal would be added between 1989 and 1995. New utility plants alone represent a tremendous potential for increasing coal use (an additional 700–750 million tons by 1995), but siting, construction and operation of these units depends heavily on the reasonableness of government requirements and on timely permits and approvals.

Recommendation No. 1: Federal, state and local governments should review all planned new coal-fired powerplants and take the steps needed to avoid unnecessary and duplicative requirements and to expedite granting of all necessary permits and approvals. (Priority energy project designation should be granted to these plants. See Recommendation No. 11.)

2. Encouraging conversion of existing utility plants to coal. Some existing utility plants were constructed with the capability to use coal but are now using oil or natural gas. Federal and state energy and environmental officials have been slow to identify plants that can and should be converted to coal. DOE recently has identified some units for voluntary or mandatory conversion to coal and has announced plans to proceed with proposed prohibition orders for additional conversion over the next two years.

According to DOE, conversions—voluntary or mandatory—offer an opportunity to increase coal use by 25–50 million tons.

Recommendation No. 2: DOE, EPA and State officials (including PUC's) should proceed promptly to identify existing oil and gas-fired units that should be converted to coal. State public utility commissions should make changes needed in their policies to encourage conversions (such as recently done by the Pennsylvania PUC), State and federal environmental officials should grant approvals necessary to permit conversions. Federal law should be changed to treat equally both mandatory and voluntary conversions with respect to relief from new source performance standards and non-compliance penalties. Federal financial assistance should be provided to utilities that convert from oil or gas to coal.

3. Reducing utilities use of oil and natural gas. Utilities used an estimated 570 million barrels of oil and 3.2 trillion cubic feet of natural gas during 1979. Utilities consumed about 9.5 percent of all the oil used in the U.S. in 1979. Reduced utility oil consumption represents a prime opportunity to lessen dependence on imported oil. However, the limited financial capability of affected utilities and rate treatment by public utility commissions impedes or prevents faster displacement of oil and natural gas. Recent DOE estimates suggest utility coal consumption could be increased some 50 million tons by 1995—over and above conversions of existing facilities. Utilities' plans of one year ago call for steadily reducing dependence on natural gas to about 1.2 trillion cubic feet by 1988, but DOE has recently proposed a number of regulatory steps which would encourage continued or expanded utility use of natural gas.

Recommendation No. 3:

The Federal government should provide substantial financial incentives in the form of tax incentives, grants and loans, to enable utilities to construct more new coal-fired generating plants to permit early retirement or early reduction of usage of existing oil and natural gas fired plants.

These financial incentives should be used to encourage State public utility commissions to recognize the lower long term costs to rate payers and the national security advantages of reducing oil use and to take steps to encourage construction of new coal-fired plants for use in lieu of oil and natural gas-fired plants.

DOE should withdraw all proposals for regulatory actions which would increase the use of natural gas as a utility boiler fuel.

4. Increasing industrial use of coal. While President Carter's April 1977 Energy Message called for nearly a four-fold increase in industrial use of steam coal by 1985, little has happened to encourage increased industrial coal use. Industry efforts have lagged for a variety of reasons including concerns about stringent environmental requirements and issuance of EPA of potentially more stringent new source performance standards, failure of Treasury Department to issue regulations implementing the investment tax credit for coal-fired industrial boilers authorized in the Energy Tax Act of 1978, and the difficulty in getting necessary governmental permits and approvals. Furthermore, DOE has taken several steps to encourage industrial use of natural gas which appear to be impeding increased coal use.

Recommendation No. 4:

The Government should avoid any unnecessary requirements in forthcoming air quality requirements for industrial facilities and proceed promptly with issuance of those requirements.

The authorization for the additional 10 percent energy investment tax credit should be extended and Treasury Department should issue the long-overdue implementing regulations.

DOE should withdraw proposals for increasing industrial use of natural gas which contribute to confusion over government energy policy and impede substitution of coal for oil and natural gas.

5. Converting government facilities to coal. The Federal government owns or operates a large number of facilities (e.g., at military installations or contractor establishments) which are now using oil or natural gas and which could be converted to coal. While the Administration has encouraged conversion of industry and utility facilities, it has done little to proceed with conversion of government-owned facilities.

Recommendation No. 5: The President should issue an Executive Order assigning clear responsibility to DOE and other agencies to identify all candidates for conversion, and to undertake the design and planning needed to obtain authorizations and appropriations. The President should establish special arrangements to assure that necessary funding is requested in his annual Budget and that conversions proceed promptly.

6. Expediting use of coal-oil mixtures. For those existing facilities that cannot be converted from oil to coal, the use of coal-oil mixtures appears to be a promising way of substituting coal for as much as half of the current oil requirements of those facilities. Federal incentives for the use of coal-oil mixtures and prompt government action may be needed in some cases for the facilities to produce and transport the required coal and oil.

Recommendation No. 6: DOE should take all practicable steps in cooperation with industry and utilities to expedite utilization of coal-oil mixtures in various types of facilities.

Federal incentives (tax incentives, grants, loans, etc.) should be provided to encourage early use of coal-oil mixtures.

Government permits and approvals necessary for coal-oil mixture production, transportation and use should be handled promptly.

7. Encouraging the steel industry to build additional coking capacity. Over the past ten years, a substantial portion of the steel industry's coking facilities have been closed down because of environmental requirements. Largely due to the limited coking capacity, the steel industry has found it necessary to import coke, thus contributing to the slack demand for metallurgical coal from domestic sources.

Recommendation No. 7: House and Senate Conferees on H.R. 3919 should adopt the provisions of the Senate passed bill which would extend to investments in new coking capacity the additional 10 percent investment tax credit provided for in the Senate-passed version of the tax bill.

8. Increasing coal exports. A number of foreign countries, particularly Japan and countries in Western Europe, are showing interest in securing steam coal from the U.S. In addition, the U.S. continues to be a prime source for metallurgical coal to the extent that the prices for such coal are competitive in the face of rapidly rising costs of its production and transportation—due primarily to government actions. As exports increase, there will be a need for additional capacity for storing and handling coal at U.S. ports and potentially additional transportation capacity to move coal from mines to ports.

Recommendation No. 8:

The Government should continue and expand its efforts to encourage increased foreign country interest in importing U.S. coal and should avoid actions which contribute unnecessarily to the increased cost of producing and transporting U.S. coal so that it can be competitive with coal from other producing nations.

The Government should take the steps needed to assure that it proceeds promptly on all actions necessary to the expansion of port handling capacity and related transportation facilities.

9. Encouraging commercial-scale production of synthetic fuels from coal. The conversion of coal to synthetic gas and liquid for energy and chemical feedstock uses offers the potential for greatly extending the capability of coal to supply a larger share of the nation's needs—well beyond its existing markets which are limited primarily to boiler fuel and coke for steelmaking. A range of Federal incentives and subsidies are needed to overcome the unusual risks associated with the commercial-scale development of complex new synthetic fuels technologies and to permit obtaining the large amount of capital (perhaps $2 to $4 billion) needed for a commercial-scale facility.

Recommendation No. 9:

DOE should proceed promptly to make available the $1.5 billion for purchase and price guarantees; $1.5 billion in loan guarantees, and $200 million in assistance for facility planning and design work for commercial-scale synfuels projects which was made available by P.L. 96–126, November 27, 1979.

The House-Senate Conferees should agree to accept the tax incentives for synthetic fuels from coal provided in the Senate-passed version of H.R. 3919.

The House-Senate Conferees should report favorably the comprehensive legislation providing long term federal assistance for synthetic fuels from coal along the lines of the Senate-passed version of S. 932.

10. Changing certain air quality requirecents. A number of actions could be taken, without changing the Clean Air Act, to reduce the adverse impact of existing federal and state air quality requirements and permit increased use of coal in industrial and utility facilities. These steps could be taken without violating air quality standards set to protect public health.

Recommendation No. 10:

The government should proceed with the following actions—all of which are possible without changing the Clean Air Act:

Adopt new procedures for promptly revising existing state air quality implementation plans (SIPs) which are now more stringent than necessary to achieve goals of the Act and which limit increased coal use.

Encourage states that have not yet done so to evaluate major fuel burning sources, determine environmental requirements and set emission limits on a plant-by-plant basis—rather than maintaining existing across-the-board requirements (such as limits on sulfur content of fuel applicable to all facilities in the state or area).

Accelerate EPA's program to review, modify and reissue air quality criteria and ambient air quality standards.

Utilize those portions of the Act which would allow coal to replace petroleum products in major fuel-burning stationary sources where replacement will prevent or minimize significant local or regional economic disruption or unemployment (Sec. 125).

Encourage consistency in computing sulfur dioxide emissions for enforcement purposes, using in all cases a 30-day rolling average as in recent New Source Performance Standards.

Reevaluate and revise the geographic boundaries of air quality regions when existing boundaries (set without modern data on airsheds and airstreams) unnecessarily prevent increased coal use.

Improve current modeling techniques and develop new, more reliable programs.

11. Amend certain parts of the Clean Air Act. Changes in the Clean Air Act could make a major contribution in permitting increased coal use without violating air quality standards necessary to protect human

health. Under the existing act, a number of requirements are making it difficult or impossible to convert existing facilities to coal or to construct new coal-fired utility and industrial facilities. For example, the four-month limit on temporary exemptions from state air quality implementation plans discourages making investments needed for conversion. Also, requirements relating to the "Prevention of Significant Deterioration" (PSD) of air quality—which go far beyond any protection needed for public health—may prevent the siting of new coal-fired facilities in many areas of the country or prevent conversions.

Recommendation No. 11:

The authority to permit delays in meeting air quality requirements in the case of facilities ordered to convert to coal (provided by Sec. 113(d) of the Clean Air Act should be extended to facilities where the user wishes voluntarily to convert.

The period of time for temporary exemption from state air quality implementation plans for conversions to coal now provided in Section 110(f) of the Clean Air Act should be extended from 4 months to 5 years—so that costs of conversion can be spread over a longer period of time.

All existing or new facilities which meet applicable air quality emission requirements or standards of performance should not be subject to more stringent requirements for a period of 10 years, or until depreciated or amortized. (As proposed in S. 1358).

B. Making it more practicable to get Government permits and approvals

1. Energy Mobilization Board. At present, dozens or even hundreds of permits and approvals may be needed from federal, state and local governments to site, construct and operate facilities needed for the production, transportation, conversion or use of coal. In some cases, existing government requirements impede, prevent or unnecessarily increase the cost of such facilities.

Recommendation No. 12:

Proceed with creation of an Energy Mobilization Board (FMB) along the lines of the House and Senate—passed versions of S. 1308 (H.R. 4985), but provide it with authority to overcome unnecessary obstacles to increased coal use, including authority to waive requirements of existing federal laws and regulations where necessary to proceed with facilities. Such waivers should not include mine health and safety anti-trust, civil rights, labor, water rights or criminal laws).

Provide automatic priority energy project designation for new coal-fired utility plants or conversion of existing plants, together with related mining, preparation and transportation facilities.

2. Avoid unnecessary and duplicative government regulations which unnecessarily increase cost and impede coal use. A wide variety of government policies and requirements have been established during periods when the need to increase dependence on coal was not recognized. Such existing requirements and proposals for new requirements often unnecessarily increase cost and impede coal use.

Recommendation No. 13: Federal, state and local governments should systematically review and revise existing laws and regulations and avoid proposed new legislation and regulations which unnecessarily impede increased coal production and use or which do not reflect a reasonable balance among national security, energy, employment, and environmental requirements.

C. Coal transportation

1. Reducing railroad regulation while providing adequate service at reasonable costs. In some cases, railroads have been hampered in providing essential rail services and raising capital needed to provide the capacity required to transport coal on an efficient and timely basis by burdensome regulatory requirements. Substantial changes and reductions in regulatory requirements can be made while still providing necessary protection for "captive" coal shippers in order to assure adequate service at reasonable rates. In recent years, rail rates for hauling coal have increased rapidly and contributed to the reduced economic competitiveness of U.S. coal in both domestic and foreign markets.

Recommendation No. 14:

The Congress should proceed with reducing railroad regulation but such legislation should assure adequate protection for captive coal shippers in service and rates.

The ICC should avoid approving rates which are excessive and thus interfere with the competitiveness of U.S. coal in domestic or foreign markets.

2. Undertaking waterway and port projects necessary for coal movement. There are several critical bottlenecks to increased coal movement on inland waterways with respect to locks, loading facilities and rail-waterway transloading installations, and considerable potential (as indicated above under exports) for bottlenecks in handling facilities for coal at U.S. deepwater ports for both exports and coastal shipments (e.g., important to increased coal use in New England and in some middle and southern Atlantic areas).

Recommendation No. 15:

The Federal Government should promptly authorize and fund inland waterway projects necessary to provide efficient water movement of coal.

The Federal and State governments should promptly review the need for expanded facilities at ports for storing and handling coal for export and coastal movements, undertake appropriate government-funded projects, and provide prompt approvals for new or expanded privately-owned facilities.

D. Avoiding unnecessary surface mining restrictions

Many of the regulations issued by the Office of Surface Mining go beyond the requirements of the Surface Mining Control and Reclamation Act of 1977, are not technically justifiable, involve unnecessary costs, or are otherwise unnecessarily restrictive. Furthermore, OSM's delay in issuing acceptable regulations has interfered with the ability of states to develop their own programs as authorized in the Act. OSM has recently acknowledged many deficiencies in its regulations by withdrawal of many of them for reconsideration and revision.

Recommendation No. 16:

Interior Department should continue its reassessment of the regulations it has issued and promulgate only those that are justified and necessary to meet requirements of the Act.

The House of Representatives should pass S. 1403, as passed by the Senate in July, 1979, to make necessary changes in the Surface Mining Act, allowing extensions of time for submission, review and approval of State programs and eliminating any requirement that state regulations mirror OSM's regulations.

E. Increasing Federal funding for coal-related R. & D., particularly coal mining technology

The Carter Administration has held down funding for coal utilization R&D and reduced funding for coal mining technology development in the President's budget requests. Furthermore, upon creation of the DOE, coal mining technology programs formerly located in the Bureau of Mines were unwisely split between the Bureau and the DOE. Mining technology and related programs are now found in several departments and agencies, with many gaps, significant overlapping efforts and general lack of coordination. Mining technology development has suffered.

Recommendation No. 17:

Federal funding for R&D for direct utilization of coal and synthetic fuels should be increased.

The new cut in funding for coal mining technology development being proposed in the President's FY 1981 budget should be restored. Funding for FY 1981 should be increased substantially rather than reduced.

Coal mining technology programs should be consolidated or coordination substantially improved.

F. Biomedical and environmental efforts

Existing environmental standards have been set without benefit of adequate research findings. Federal funding levels for research on biomedical and environmental effects of coal use (e.g., on effects of sulfur dioxide) have been inadequate and funds that are available are concentrated primarily in the environmental office of the DOE (where the primary focus has, for years, been focused on nuclear energy) and EPA. Availability of additional, objective research information could contribute significantly to setting environmental standards which are neither unnecessarily lax (permitting unacceptable health or environmental impacts) or unnecessarily stringent (imposing unnecessary costs, limiting energy supplies, increasing dependence on foreign energy sources).

Recommendation No. 18:

The Federal Government should increase funding for research on biomedical and environmental effects of coal production and use and base environmental standards on objective scientific evidence.

Federal funding should be provided through various agencies, including the National Science Foundation and National Institute of Environmental Health Sciences, to improve the objectivity and credibility of research results.●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. Baldus (at the request of Mr. Wright), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Lewis) to revise and extend their remarks and include extraneous material:)

Mr. Tauke, for 5 minutes, today.

Mr. Jeffords, for 5 minutes, today.

(The following Members (at the request of Mr. Rahall) to revise and extend their remarks and include extraneous material:)

Mr. Reuss, for 20 minutes, today.

Mr. Gonzalez, for 15 minutes, today.

Mr. Annunzio, for 5 minutes, today.

Ms. Holtzman, for 5 minutes, today.

Mr. Vanik, for 5 minutes, today.

Mr. Ottinger, for 5 minutes, today.

Mr. Lundine, for 5 minutes, today.

Mr. Ullman, for 5 minutes, today.

Mr. Johnson of California, for 5 minutes, today.

Mr. Wirth, for 5 minutes, today.

Mr. Bedell, for 5 minutes, today.

Mr. Panetta, for 5 minutes, today.

Mr. Brademas, for 5 minutes, today.

Mr. Foley, for 60 minutes, on March 20, 1980.

Mr. Downey, for 15 minutes, on March 24, 1980.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Hyde, and to include extraneous matter, notwithstanding the fact that it exceeds 2 pages of the Congressional Record and is estimated by the Public Printer to cost $2,456.25.

Mr. Rahall, to extend his remarks in the body of the Record, notwithstanding the fact that it exceeds 2 pages of the Congressional Record and is estimated by the Public Printer to cost $1,277.25.

(The following Members (at the request of Mr. Lewis) and to include extraneous matter:)

Mr. Tauke.
Mr. Ritter.
Mr. Campbell.
Mr. Sensenbrenner.
Mr. Carter in two instances.
Mr. Michel in two instances.
Mr. Ashbrook in two instances.
Mr. Conable.
Mr. Hansen.
Mr. Goodling.
Mr. Symms in two instances.
Mr. Livingston.
Mr. Myers of Indiana.
Mr. Wydler.
Mr. Dornan in two instances.
Mr. McCloskey.
Mr. Green.
Mr. Pursell.
Mr. Gilman in three instances.
Mr. Schulze.
Mr. Collins of Texas in two instances.

(The following Members (at the request of Mr. Rahall) and to include extraneous matter:)

Mr. Mavroules.
Mr. Roe.
Mr. Conyers in two instances.
Mr. Young of Missouri.
Mr. Santini.
Mr. Hamilton.
Mr. Clay in two instances.
Mr. Phillip Burton.
Mr. Bonior of Michigan.
Mr. Alexander.
Mr. Rodino in two instances.
Mr. Shelby in five instances.
Mr. Ottinger.
Mr. Harris.
Mrs. Schroeder in three instances.
Mr. Ratchford.
Mr. Levitas.
Mr. Gaydos in two instances.
Mr. Skelton.
Mr. Gephardt in two instances.
Mr. Dingell in two instances.
Mr. Oberstar.
Mr. Wright.
Mr. Synar.
Mr. Panetta.
Mr. Long of Louisiana.
Mr. Garcia.

SENATE BILLS AND A JOINT RESOLUTION REFERRED

Bills and a joint resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1466 An act to provide for the distribution of certain funds appropriated to pay judgments in favor of the Delaware Tribe of Indians and the absentee Delaware Tribe of western Oklahoma in Indian Claims Commission dockets 27–A and 241, 289, and 27–B and 338, and for other purposes; to the Committee on Interior and Insular Affairs;

S. 1998. An act to provide for the United States to hold in trust for the Tule River Indian Tribe certain public domain lands formerly removed from the Tule River Indian Reservation; to the Committee on Interior and Insular Affairs; and

S.J. Res. 131. Joint resolution designating April 10, 1980, as "ORT Centennial Day"; to the Committee on Post Office and Civil Service.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1682. An act to amend the act of August 9, 1955 (69 Stat. 539) (25 U.S.C. 415), as amended, to authorize a 99-year lease for the Moses Allotment No. 10, Chelan County, Wash.

ENROLLED BILLS AND A JOINT RESOLUTION SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 2782. An act for the relief of John H. R. Berg;

H.R. 4013. An act for the relief of Jozef Swiderski; and

H.J. Res. 414. Joint resolution authorizing the President to proclaim May 1, 1980, "National Bicycling Day."

ADJOURNMENT

Mr. STRATTON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 35 minutes p.m.), the House adjourned until tomorrow, Thursday, March 20, 1980, at 11 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3812. A letter from the Deputy Assistant Secretary of Defense (Military Personnel Policy), transmitting the annual report for calendar year 1979 on special pay for duty subject to hostile fire, pursuant to 37 U.S.C. 310(d); to the Committee on Armed Services.

3813. A letter from the Freedom of Information Act Administrator, International Boundary and Water Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1979, pursuant to 5 U.S.C. 552 (d); to the Committee on Government Operations.

3814. A letter from the President and Chief Executive Officer, United States Railway Association, transmitting a report on the Association's activities under the Freedom of Information Act during calendar year 1979, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3815. A letter from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

3816. A letter from the General Counsel, Export-Import Bank of the United States, transmitting a report on the Bank's activities under the Government in the Sunshine Act during calendar year 1979, pursuant to the Committee on Government Operations.

3817. A letter from the Acting Chairman, Federal Mine Safety and Health Review Commission, transmitting a report on the Commission's activities under the Government in the Sunshine Act during calendar year 1979, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

3818. A letter from the president, American Academy and Institute of Arts and Letters, transmitting the annual report of the academy-institute for calendar year 1979, pursuant to section 4 of its charter; to the Committee on House Administration.

3819. A letter from the Secretary of Health, Education, and Welfare, transmitting the annual report on the administration of sections 304 through 309 of the Public Health Service Act, and the current state and progress of health services research, health statistics and health care technology, pursuant to section 308(a)(1) of the act; to the Committee on Interstate and Foreign Commerce.

3820. A letter from the Secretary of Transportation, transmitting the Department's annual report for calendar year 1979 on administration of ocean dumping activities, pursuant to section 112 of Public Law 92–532, as amended; to the Committee on Merchant Marine and Fisheries.

3821. A letter from the Assistant Secretary of the Army (Civil Works), transmitting a Corps of Engineers report on the Miller River water supply project, in partial response to the requirement for a Northeastern United States water supply study enacted under title I of Public Law 89–298 (H. Doc. No. 96–284); to the Committee on Public Works and Transportation and ordered to be printed.

3822. A letter from the Assistant Secretary of the Army (Civil Works), transmitting a Corps of Engineers report on the Northfield Mountain water supply project, in partial response to the requirement for a Northeastern United States water supply study enacted under title I of Public Law 89–298 (H. Doc. No. 96–285); to the Committee on Public Works and Transportation and ordered to be printed.

3823. A letter from the Administrator of General Services, transmitting a prospectus proposing the construction of the San Luis Border Station, San Luis, Ariz., pursuant to section 7 of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

3824. A letter from the Administrator of General Services, transmitting a prospectus proposing the construction of the Otay Mesa Border Station, San Diego, Calif., pursuant to section 7 of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

3825. A letter from the Administrator of General Services, transmitting a prospectus proposing the extension, repair and alteration of the U.S. Post Office-Courthouse, Little Rock, Ark., pursuant to section 7 of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

3826. A letter from the Chairman, U.S. Metric Board, transmitting the first annual report of the Board, pursuant to section 6(10) of the Public Law 94–168; to the Committee on Science and Technology.

3827. A letter from the Comptroller General of the United States, transmitting a report on the impact of illegal aliens on the United States, (PAD–80–22, Mar. 14, 1980); jointly, to the Committees on Government Operations and the Judiciary.

3828. A letter from the Secretary of Energy, transmitting the third comprehensive program and plan for Federal energy education, extension, and information activities, pursuant to section 508 of Public Law 95–39; jointly, to the Committees on Interstate and Foreign Commerce and Science and Technology.

3829. A letter from the Secretary of Health, Education, and Welfare, transmitting the third in a series of evaluation reports on the professional standards review organization program; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BROOKS: Committee on Government Operations. H.R. 5935. A bill to protect the privacy of medical information maintained by medical care facilities, to amend section 552a of title 5, United States Code, and for other purposes; with amendment (Rept. No. 96–832, pt. 1). Ordered to be printed.

Mr. ULLMAN: Committee on Ways and Means. H.R. 5043. A bill to amend the Internal Revenue Code of 1954 to provide for the tax treatment of bankruptcy, insolvency, and similar proceedings, and for other purposes; with amendments (Rept. No. 96–833). Referred to the Committee of the Whole House on the State of the Union.

Mr. BRADEMAS: Committee on House Administration. House Resolution 610. Resolution to provide for the expenses of investigations and studies to be conducted by the Select Committee on the Outer Continental Shelf; with amendment (Rept. No. 96–834). Referred to the House Calendar.

Mr. BROOKS: Committee on Government Operations. H.R. 6410. A bill to reduce paperwork and enhance the economy and efficiency of the Government and the private sector by improving Federal information policymaking, and for other purposes; with amendment (Rept. No. 96–835). Referred to the Committee of the Whole House on the State of the Union.

REPORTED BILLS SEQUENTIALLY REFERRED

Under clause 5 of rule X, bills and reports were delivered to the Clerk for printing, and bills referred as follows:

Mr. THOMPSON: Committee on House Administration. H.R. 5424. A bill to amend title 44, United States Code, to provide for improved administration of public printing services and distribution of public documents; with amendments and referred to the Committee on Government Operations and to the Committee on Rules for a period ending not later than June 19, 1980, for consideration of such provisions of the bill and amendment as fall within the jurisdictions of those committees under clause 1(i) and clause 1(q), rule X, respectively (Rept. No. 96–836, pt. 1).

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. APPLEGATE:

H.R. 6854. A bill to amend the Internal Revenue Code of 1954 to eliminate the changes made by the Tax Reform Act of 1976 in the exclusion from gross income of sick pay; to the Committee on Ways and Means.

By Mr. BAFALIS:

H.R. 6855. A bill to amend the Internal Revenue Code of 1954 to tax certain homeowners associations as corporations; to the Committee on Ways and Means.

By Mr. DANNEMEYER:

H.R. 6856. A bill to require the Bureau of Labor Statistics to collect and report data concerning available but unfilled jobs in certain employment fields, and for other purposes; to the Committee on Education and Labor.

By Mr. DONNELLY (for himself, Mr. Traxler, Mr. Patten, and Mr. Jones of North Carolina):

H.R. 6857. A bill to amend title 17 of the United States Code to provide that certain performances and displays of profitmaking educational institutions and nonprofit veterans' and fraternal organizations are not infringements of the exclusive rights of copyright owners; to the Committee on the Judiciary.

By Mr. DOWNEY:

H.R. 6858. A bill to amend the Internal Revenue Code of 1954 to modify the credit allowed for expenses for household and dependent care services necessary for gainful employment to include credit to individuals for expenses for the care of a mentally or physically handicapped child of such individual and to provide for the exemption from taxation of trusts established to provide care for such children except to the extent of distributions and to provide a deduction for contributions to such trusts; to the Committee on Ways and Means.

By Mr. GEPHARDT (for himself, Mr. AuCoin, Mr. Dellums, Mr. Goldwater, and Mr. Stratton):

H.R. 6859. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income of an employee the value of public transit passes provided by his employer, to provide a refundable tax credit to an employer in an amount equal to 5 percent of the cost of public transit passes provided by such employer to his employee, and for other purposes; to the Committee on Ways and Means.

By Mr. GREEN (for himself, Mr. Fish, Mr. Hinson, Mr. Ottinger, Mr. Mitchell of Maryland, Mr. Dellums, Mr. Charles H. Wilson of California, Mr. John L. Burton, Mr. McKinney, Mr. Rosenthal, Mr. Stokes, Mr. Peyser, Mr. Donnelly, Mr. Yatron, and Mr. Hollenbeck):

H.R. 6860. A bill to improve Federal housing programs which provide mortgage insurance for multifamily rental housing, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. HANSEN (for himself and Mr. Symms):

H.R. 6861. A bill to amend the Occupational Safety and Health Act of 1970 to concentrate enforcement activities on hazardous workplaces, to exempt family farms from the act, to encourage self-initiative in improving occupational safety and health, to provide the procedures by which the Secretary of Labor may procure a search warrant for the pupose of conducting inspections at the workplace of an employer pursuant to the act, and for other purposes; to the Committee on Education and Labor.

By Mr. HANSEN (for himself, Mr. Symms, and Mr. McDonald):

H.R. 6862. A bill to exempt nonhazardous businesses from the Occupational Safety and Health Act of 1970, and for other purposes; to the Committee on Education and Labor.

By Mr. JOHNSON of California (for himself, Mr. Roberts, and Mr. Clausen):

H.R. 6863. A bill to amend the Disaster Relief Act of 1974 to provide for authorization of appropriations thereunder through fiscal year 1983; to the Committee on Public Works and Transportation.

H.R. 6864. A bill to authorize appropriations for the administration of the Deepwater Port Act of 1974; jointly, to the Committees on Public Works and Transportation and Merchant Marine and Fisheries.

By Mr. LUNDINE:

H.R. 6865. A bill to authorize the Department of Energy to carry out a high-level liquid nuclear waste management demonstration project at the Western New York Service Center in West Valley, N.Y.; jointly, to the Committees on Interstate and Foreign Commerce, Interior and Insular Affairs, and Science and Technology.

By Mr. McKAY (for himself and Mr. Marriott):

H.R. 6866. A bill to amend the Federal Clean Air Act with respect to requirements which adversely affect employment; to the Committee on Interstate and Foreign Commerce.

H.R. 6867. A bill to amend the Federal Water Pollution Control Act with respect to requirements which adversely affect employment; to the Committee on Public Works and Transportation.

By Mr. PANETTA (for himself, Mr. McCloskey, and Mr. Cavanaugh):

H.R. 6868. A bill to establish a commission to examine existing volunteer service opportunities, including opportunities under the Domestic Volunteer Service Act of 1973, to examine alternative comprehensive national service programs, and to develop a comprehensive national service program; jointly, to the Committees on Education and Labor and Armed Services.

By Mr. PRICE (for himself and Mr. Bob Wilson):

H.R. 6869. A bill to amend title 10, United States Code, to authorize officers of flag rank to serve in the Medical Service Corps of the Navy, and for other purposes; to the Committee on Armed Services.

By Mr. QUAYLE:

H.R. 6870. A bill to make certain laws relating to equal employment opportunity, labor-management relations, fair labor standards, occupational safety and health, public information, and social security applicable to the Federal Government and the Congress; jointly, to the Committees on Education and Labor, Government Operations, and Ways and Means.

By Mr. QUILLEN:

H.R. 6871. A bill to amend Public Law 874, relating to Federal impact aid, to provide for the use of current assessed values of Federal property in determing eligibility for assistance under such act; to the Committee on Education and Labor.

H.R. 6872. A bill to provide for payments in lieu of real property taxes, with respect to certain real property owned by the Federal Government; to the Committee on Government Operations.

H.R. 6873. A bill to amend the Internal Revenue Code of 1954 to increase the accumulated earnings credits, to increase the amount of used equipment eligible for the investment tax credit, and to allow certain small businesses to use the cash method of accounting without regard to inventories; to the Committee on Ways and Means.

H.R. 6874. A bill to assist small business concerns by increasing Federal expenditures for research and development which go to such concerns; by providing tax incentives including accelerated depreciation, investment tax credit for used equipment, deferral of capital gains from investment in such concerns and a corporate income tax rate reduction; by awarding attorneys' fees where such concerns are successful in a suit with the Federal Government and by providing for Federal regulatory flexibility with respect to such concerns, and for other purposes; jointly to the Committees on Small Business, the Judiciary, Ways and Means, and Government Operations.

By Mr. RODINO (by request):

H.R. 6875. A bill to establish a center for defense services, and for other purposes; to the Committee on the Judiciary.

By Mr. ROE (for himself and Mr. Murphy of Illinois):

H.R. 6876. A bill to amend title 38, United States Code, to provide for the payment of supplemental tuition allowances to certain veterans pursuing educational programs for the purposes of offsetting the differences in State educational costs, and to extend the delimiting period for veterans enrolled in educational programs; to the Committee on Veterans' Affairs.

By Mr. ROSE (for himself, Mr. Jones of North Carolina, Mr. Daschle, Mr. Bedell, Mr. English, and Mr. Fithian):

H.R. 6877. A bill to amend the Agricultural Act of 1949 by increasing loan rates for corn and wheat, and for other purposes; to the Committee on Agriculture.

H.R. 6878. A bill to amend the Agricultural Act of 1949 by providing encouragement for greater participation in the farmer-held reserve program for corn and wheat, and for other purposes; to the Committee on Agriculture.

By Mr. STAGGERS:

H.R. 6879. A bill to establish a procedure for the certification and regulation of coal pipeline carriers, to provide for the regulation by the Federal Energy Regulatory Commission of certain prices of pipeline-transported coal, and for other purposes; jointly, to the Committees on Interior and Insular Affairs, Public Works and Transportation, and Interstate and Foreign Commerce.

By Mr. STAGGERS (by request):

H.R. 6880. A bill to extend and revise various provisions of law concerned with health; to the Committee on Interstate and Foreign Commerce.

By Mr. SYNAR:

H.R. 6881. A bill conferring jurisdiction on certain courts of the United States to hear and render judgment in connection with certain claims of the Cherokee Nation of Oklahoma; jointly, to the Committees on Interior and Insular Affairs and the Judiciary.

By Mr. UDALL (by request):

H.R. 6882. A bill to establish competitive oil and gas leasing in favorable areas within producing geologic provinces; to the Committee on Interior and Insular Affairs.

By Mr. ULLMAN (for himself, Mr. Conable, Mr. Rostenkowski, and Mr. Duncan of Tennessee):

H.R. 6883. A bill to amend the Internal Revenue Code of 1954 to revise the rules relating to certain installment sales; to the Committee on Ways and Means.

By Mr. WALKER:

H.R. 6884. A bill to amend title 39, United States Code, to authorize a lower postal rate for agencies established by school districts to collect taxes for schools; to the Committee on Post Office and Civil Service.

By Mr. YOUNG of Alaska:

H.R. 6885. A bill to provide for certain vessels to participate in transporting salmon to onshore processing plants in Alaska; to the Committee on Merchant Marine and Fisheries.

By Mr. WHITTEN:

H.J. Res. 514. Joint resolution making additional funds available by transfer for the fiscal year ending September 30, 1980, for the Federal Trade Commission; to the Committee on Appropriations.

By Mr. GOLDWATER:

H.J. Res. 515. Joint resolution to provide for the convening of an International Conference on Communication and Information, and for other purposes; to the Committee on Foreign Affairs.

By Mr. PANETTA (for himself, Mr. Addabbo, Mr. Beard of Rhode Island, Mr. Bedell, Mr. Blanchard, Mrs. Bouquard, Mr. Brodhead, Mr. Carter, Mrs. Chisholm, Mr. Corrada, Mr. Cotter, Mr. Danielson, Mr. Dodd, Mr. Donnelly, Mr. Dougherty, Mr. Duncan of Oregon, Mr. Fazio, Mr. Fisher, Mr. Flippo, Mr. Frenzel, Mr. Gore, Mr. Gray, Mr. Guarini, Mr. Hollenbeck, Mr. Horton, Mr. Hughes, Mr. Lagomarsino, Mr. Markey, Mr. Mazzoli, Mr. Neal, Mr. Pepper, Mr. Quillen, Mr. Rousselot, Mr. Royer, Mr. Russo, Mr. Scheuer, Mr. Shumway, Mr. Simon, Mr. Spence, Mr. Stokes, Mr. Symms, Mr. Thomas, Mr. Thompson, Mr. Traxler, Mr. Weaver, Mr. Weiss, Mr. White, Mr. Wolpe, and Mr. Wyatt):

H.J. Res. 516. Joint resolution designating the week beginning February 1, 1981, as "National Scleroderma Week"; to the Committee on Post Office and Civil Service.

By Mr. GRASSLEY (for himself, Mr. Tauke and Mr. Leach of Iowa):

H. Con. Res. 304. Concurrent resolution to express the sense of the Congress that the Board of Governors of the Federal Reserve System should establish the discount rate for agricultural paper at a rate which is less than the rate established for commercial and industrial paper; to the Committee on Banking, Finance and Urban Affairs.

By Mr. JACOBS:

H. Con. Res. 305. Concurrent resolution expressing the sense of the Congress that no U.S. citizen should be a participant in or otherwise attend the 1980 summer Olympic games in Moscow; to the Committee on Foreign Affairs.

By Mr. STRATTON (for himself, Mr. Michel, Mr. Ichord, Mr. Kemp, Mr. White, Mr. Beard of Tennessee, Mr. Chappell, Mr. Abdnor, Mr. Andrews of North Dakota, Mr. Applegate, Mr. Archer, Mr. Ashbrook, Mr. Atkinson, Mr. Bafalis, Mr. Bailey, Mr. Barnard, Mr. Bauman, Mr. Bennett, Mr. Bereuter, Mr. Bethune, Mr. Bevill, Mrs. Bouquard, Mr. Bowen, Mr. Breaux, Mr. Brinkley, Mr. Burgener, Mrs. Byron, Mr. Campbell, Mr. Carney, Mr. Carter, Mr. Cheney, Mr. Clausen, Mr. Cleveland, Mr. Clinger, Mr. Collins of Texas, Mr. Corcoran, Mr. Courter, Mr. Daniel B. Crane, Mr. Philip M. Crane, Mr. Robert W. Daniel, Jr., Mr. Dannemeyer, Mr. Davis of South Carolina, Mr. Deckard, Mr. de la Garza, Mr. Derwinski, Mr. Devine, Mr. Dickinson, Mr. Dornan, Mr. Dougherty, Mr. Duncan of Tennessee, Mr. Edwards of Alabama, Mr. Edwards of Oklahoma, Mr. Erlenborn, Mr. Evans of Georgia, Mr. Evans of Indiana, Mr. Fish, Mr. Flippo, Mr. Fountain, Mr. Fuqua, Mr. Gilman, Mr. Gingrich, Mr. Ginn, Mr. Gradison, Mr. Gramm, Mr. Grassley, Mr. Grisham, Mr. Gudger, Mr. Guyer, Mr. Hagedorn, Mr. Hall of Texas, Mr. Hance, Mr. Hanley, Mr. Hansen, Mr. Harsha, Mr. Hefner, Mr. Hillis, Mr. Hopkins, Mr. Hubbard, Mr. Huckaby, Mr. Ireland, Mr. Jeffries, Mr. Jenkins, Mr. Johnson of California, Mr. Jones of Oklahoma, Mr. Kindness, Mr. Kramer, Mr. Lagomarsino, Mr. Leach of Louisiana, Mr. Leath of Texas, Mr. Lewis, Mr. Livingston, Mr. Lloyd, Mr. Loeffler, Mr. Lott, Mr. Lujan, Mr. Lungren, Mr. McClory, Mr. McDonald, Mr. McEwen, Mr. Madigan, Mr. Marriott, Mr. Mathis, Mr. Miller of Ohio, Mr. Mollohan, Mr. Montgomery, Mr. Moore, Mr. Moorhead of California, Mr. Murtha, Mr. Neal, Mr. Nichols, Mr. Paul, Mr. Pashayan, Mr. Quillen, Mr. Ritter, Mr. Robinson, Mr. Roth, Mr. Rousselot, Mr. Rudd, Mr. Schulze, Mr. Shelby, Mr. Shumway, Mrs. Smith of Nebraska, Mr. Snyder, Mr. Solomon, Mr. Spence, Mr. Stangeland, Mr. Stenholm, Mr. Stump, Mr. Symms, Mr. Synar, Mr. Taylor, Mr. Thomas, Mr. Vander Jagt, Mr. Walker, Mr. Wampler, Mr. Whitehurst, Mr. Whittaker, Mr. Charles Wilson of Texas, Mr. Winn, Mr. Won Pat, Mr. Wyatt, Mr. Yatron, Mr. Young of Missouri, Mr. Zeferetti, Mr. Anthony, and Mr. Goldwater):

H. Con. Res. 306. Resolution to express the sense of the Congress that the foreign policy of the United States should reflect a national strategy of peace through strength; to the Committee on Foreign Affairs.

By Mr. MICHEL (for himself, Mr. Mineta, Mr. Jones of Oklahoma, Mr. Panetta, Mr. Gephardt, Mr. Latta, Mr. Broyhill, Mr. Conable, Mrs. Holt, Mr. Regula, Mr. Shuster, Mr. Frenzel, Mr. Rudd, Mr. Rhodes, Mr. Quillen, Mr. Anderson of Illinois, Mr. Lott, Mr. Bauman, Mr. Myers of Indiana, Mr. Devine, Mr. Whitehurst, Mr. Jacobs, Mr. Stockman, Mr. Thomas, Mr. Runnels, Mr. Hall of Texas, Mr. Hinson, Mr. Coelho, Mr. Davis of South Carolina, and Mr. Breaux):

H. Res. 615. Resolution amending the Rules of the House of Representatives to establish a special calendar to which all reported bills involving certain violations of the Congressional Budget Act must be referred for a specified period prior to their consideration by the House, and to impose additional reporting requirements on committees to expedite referrals to such calendar and facilitate its use; to the Committee on Rules.

MEMORIALS

Under clause 4 of the rule XXII, memorials were presented and referred as follows:

384. By the SPEAKER: Memorial of the Legislature of the State of Washington, relative to proposed legislation providing for the cession and conveyance to the States of certain Federal lands; to the Committee on Interior and Insular Affairs.

385. Also, memorial of the Legislature of the State of Indiana, urging the Congress to determine and fix the boundaries of the Indiana Dunes National Lakeshore Park; to the Committee on Interior and Insular Affairs.

386. Also, memorial of the Legislature of the State of Indiana, urging enactment of legislation to expand the use of the AM radio band; to the Committee on Interstate and Foreign Commerce.

387. Also, memorial of the Legislature of the State of Indiana, urging the Congress to enact legislation giving married persons the option of filing either joint or individual Federal income tax returns; to the Committee on Ways and Means.

388. Also, memorial of the Legislature of the territory of Guam, relative to the status of U.S. citizenship for residents of the Northern Mariana Islands; jointly, to the Committees on Interior and Insular Affairs and the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. RANGEL introduced a bill (H.R. 6886), for the relief of Franchet Ludlow Byfield, which was referred to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 654: Mr. Fazio and Mr. Garcia.

H.R. 809: Mr. Bedell.

H.R. 2676: Mr. Dougherty.

H.R. 3057: Mr. Whitehurst.

H.R. 4990: Mr. Murphy of Pennsylvania and Mr. Weiss.

H.R. 5099: Mr. Montgomery.

H.R. 5134: Mr. Nolan.

H.R. 5293: Mr. Daschle.

H.R. 5433: Mr. Hughes, Mr. Bailey, Mr. Bedell, Mr. Lloyd, and Mr. Mollohan.

H.R. 5529: Mr. Ford of Michigan.

H.R. 5594: Mr. Edgar.

H.R. 5844: Mr. Whitehurst, Mr. Long of Maryland, Mr. Gilman, Mr. Vento, Mr. Beilenson, and Mr. Ottinger.

H.R. 5862: Mr. Petri, Mr. Sebelius, Mr. Edwards of Oklahoma, Mr. Lee, Mr. Forsythe, Mr. Aspin, and Mr. Gradison.

H.R. 5995: Mr. Leach of Louisiana.

H.R. 6012: Mr. Simon, Mr. Shumway, Mr. Bevill, Mr. Huckaby, Mr. Lott, Mr. Fauntroy, Mr. Frost, Mr. Hansen, and Mr. Anderson of California.

H.R. 6077: Mr. Oberstar.

H.R. 6314: Mr. Daniel B. Crane.

H.R. 6345: Mr. Courter, Mr. Weaver, Mr. Synar, Mr. Luken, Mr. Howard, Mr. Gilman, and Mr. Coleman.

H.R. 6389: Mr. Jenkins.

H.R. 6410: Mrs. Byron, Mr. Seiberling, Mr. Gilman, Mrs. Boggs, and Mr. Lagomarsino.

H.R. 6451: Mr. Stark, Mr. Conyers, Mr. Beilenson, and Mr. Ottinger.

H.R. 6577: Mr. Quayle and Mr. Tauke.

H.R. 6614: Mr. AuCoin.

H.R. 6616: Mr. AuCoin.

H.R. 6645: Mr. Ginn, Mr. Guyer, Mr. Applegate, Mr. Won Pat, and Mr. Lujan.

H.R. 6725: Mr. Wyatt.

H.J. Res. 504: Mr. Winn, Mr. Kemp, Mr. Fazio, Mr. Evans of the Virgin Islands, Mrs. Chisholm, Mr. Mazzoli, Mr. Scheuer, Mr. Kildee, Mr. Vento, Mr. Beard of Rhode Island, Mr. Wolpe, Mr. Harkin, Mr. Moakley, Mr. Jeffords, and Mr. Brodhead.

H.J. Res. 505: Mrs. Smith of Nebraska, Mr. Gilman, Mr. Goodling, Mr. Winn, Mr. Spence, Mr. Robert W. Daniel, Jr., Mr. Goldwater, Mr. Corcoran, Mr. Philip M. Crane, Mr. Lott, Mr. Fuqua, and Mr. Martin.

H. Con. Res. 225: Mr. Patten, Mr. Matsui, Mr. Wyatt, Mr. Seiberling, and Mr. Wolpe.

H. Con. Res. 290: Mr. McClory, Mr. Bethune, Mr. Grisham, Mr. Carney, and Mr. Oberstar.

H. Con. Res. 294: Mr. Derwinski, Mr. Forsythe, Mr. Guyer, Mr. Whitehurst, Mr. Stark, Mr. Winn, Mr. Lagomarsino, Mr. Coelho, Mr. Rahall, Mr. Jenrette, Mr. Carter, Mr. Howard, Mr. Scheuer, Mr. Diggs. Mr. Young of Florida, Mr. Ertel, Mr. Evans of Georgia, and Mr. Stenholm.

H. Con. Res. 298: Mr. Badham, Mr. Burgener, Mr. Butler, Mr. Evans of Georgia, Mr. Hansen, Mr. Hyde, Mr. Lott, Mr. Tauke, and Mr. Clausen.

H. Res. 525: Mr. Gradison.

H. Res. 594: Mr. Bailey, Mr. Broyhill, Mr. Burgener, Mr. Carter, Mr. Collins of Texas, Mr. Duncan of Tennessee, Mr. Ertel, Mrs. Fenwick, Mr. Forsythe, Mr. Hinson, Mr. Lagomarsino, Mr. Marks, Mr. Ritter, Mr. Schulze, Mr. Walker, Mr. Whitehurst, and Mr. Whittaker.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

309. By the SPEAKER: Petition of the City Council, Middleburg Heights, Ohio, relative to proposed rate increases by the Cleveland Electric Illuminating Co.; to the Committee on Interstate and Foreign Commerce.

310. Also, petition of State Senator Tony Gabaldon, Phoenix, Ariz., and others, relative to benefits for surviving spouses of retired railroad employees; to the Committee on Interstate and Foreign Commerce.

311. Also, petition of the City Council, Youngstown, Ohio, relative to the proposed breakup of the Conrail system; to the Committee on Interstate and Foreign Commerce.

312. Also, petition of Coronado Library Board of Trustees, Coronado, Calif., relative to proposed legislation to define obscene materials; to the Committee on the Judiciary.

313. Also, petition of the Board of Directors, Non-Commissioned Officers Association of the United States, Washington, D.C., relative to "National Solidarity Day"; to the Committee on Post Office and Civil Service.

EXTENSIONS OF REMARKS

TRIBUTE TO ALLARD LOWENSTEIN

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 19, 1980

● Mr. BIAGGI. Mr. Speaker, it was a sad day for America yesterday when Allard Lowenstein was laid to rest. His violent murder was a shock to us all but especially sad to his colleagues in Congress and his friends.

Al Lowenstein was the epitome of an activist. He never shunned controversy in the pursuit of what he felt was right. He was a man of principle and commitment. To him public service was an honor and no one worked harder or more effectively at it than Al Lowenstein.

Eulogies for Al Lowenstein were many and they were made by those whose lives he touched. He was an advocate for civil rights for all in this Nation and human rights for those around the world. President Carter appointed Al Lowenstein to be our Nation's representative to the United Nations Commission on Human Rights. He distinguished himself and our Nation through his work in this area and helped to make human rights the cornerstone of our foreign policy.

I began my congressional career as Al Lowenstein was ending his. Al Lowenstein as the Representative of the Fifth Congressional District made notable contributions in a very short time in Congress.

An important voice in America has been stilled. Another man of principle has fallen to an assassin's bullet. It is truly sad.

At this point in the RECORD I insert a tribute to Al Lowenstein by the highly respected political correspondent of the Washington Post, David Broder. Broder's tribute captures those elements of Al Lowenstein which endeared him to so many throughout his life.

The tribute follows:

VINTAGE LOWENSTEIN

In what proved to be his last battle, as in so many of his earlier fights, Allard K. Lowenstein came up with a line that was so right, so funny and so barbed that you just savored it.

Representing Sen. Edward Kennedy in a surrogates' debate in Bangor, Maine, just before the February caucuses, he was talking about the folly in the war fever the Carter administration was whipping up about the Persian Gulf, about the ridiculous spectacle of national security adviser Zbigniew Brzezinski rushing over to the Pakistan-Afghan border and waving an automatic rifle melodramatically toward the Soviet invaders.

"I expected any minute," Lowenstein jibed, "to hear him shout, 'Ich bin ein Khyber Passer.'"

I complimented him on the line when I saw him a few days later at a similar debate in New Hampshire and, looking a bit pleased with it himself, he introduced his young son, who was out campaigning with him that evening.

I saw him again, for the last time, on television in Florida, talking to the Jews in Miami, telling them they should reject Carter, not on the narrow grounds of the snafu on the U.N. resolution, but because his social and economic policies contradicted the values for which they had stood for years.

That, too, was vintage Lowenstein, motivating people to act, but insisting that they base their action on the broadest context of principle and, yes, morality—not on narrow self-interest.

That is how I first remember him, more than 30 years ago, the strange, intense youth from the University of North Carolina who came to the University of Chicago to drum up interest in a National Student Association, whose purpose, he insisted, would not be merely the protection of student rights, but the struggle for racial and economic justice in the nation and the world.

Ours was a campus full of activists, but none of us had seen quite the demonic intensity, the 24-hour-a-day purposefulness of this visitor. The girl I then dated and later married succumbed, and went off with Lowenstein to a convention in Ann Arbor, convinced she was about to save the world.

Up in Maine, six weeks ago, I met another young woman who, quite starry-eyed, disclosed that she had spent the previous weekend driving Lowenstein on his ceaseless round of meetings. I thought—but did not say—"He's bewitched you, just as surely as he bewitched a woman old enough to be your mother."

That quality in Lowenstein was a bit vexatious to those of us contemporaries who lacked his capacity for perpetual rejuvenation. To a greater extent than any public man I have ever known, Lowenstein was constantly and inseparably linked to the young people of this society, drawing his energy from them and giving them back inspiration and direction. From his NSA days, to the civil rights and anti-war movements, to the dump-Johnson campaign, and until the moment of his death, it is beyond dispute that he brought more young people into American politics than any other individual of our times.

His opinions and attitudes were often as outrageous as his habit of scheduling a midnight appointment—then arriving four hours late and pounding indignantly on your door if you had fallen asleep.

His enthusiasms often led him to wildly inconsistent positions. As his devoted friend, Sam Brown, pointed out in a New Hampshire debate, Lowenstein may have been unique as a Democrat who had campaigned with passionate conviction, but at different times, for all three of this year's Democratic candidates—Jimmy Carter, Jerry Brown and Ted Kennedy.

But he was more eclectic than that. Encountering George Bush in New Hampshire, he told his former House colleague that he was "anxious to get together" with him. Lowenstein would try to convert anyone to his cause.

Strange as it is to say of a man with such a legion of devoted friends, individuals were less important to him than causes. That may explain why his friendships ranged so broadly. Don Rumsfeld, the hawkish former secretary of defense, was a House gym wrestling buddy of Lowenstein's and a friend. Conservative Bill Buckley was another friend, and wrote a courageous column defending Lowenstein against the Red smears that were invariably used against him in his many losing House compaigns.

They responded, as did almost anyone who ever met Lowenstein, to the irresistible appeal of a man who shared with everyone his own intense enjoyment of the political arena and his unquenchable faith that in this nation, politics might bring defeat, but never despair.

The passion for the good cause, well-fought, that Al Lowenstein brought to every battle, will live on, despite the bullets that stopped his strong heart.

It is his legacy to the uncounted thousands he enticed, cajoled, badgered and bulldozed into the political life of America. As long as they fight for their causes, his spirit will live on.●

SKELTON COSPONSORS PROLIFE MEASURE

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 19, 1980

● Mr. SKELTON. Mr. Speaker, recently, the constitutionality of a congressional prohibition against the use of Federal funds for abortions was challenged by a Federal judge in New York. Since that time, millions of tax dollars have once again become available for abortions, and thousands of defenseless unborn children will lose their lives in the next 12 months alone.

As I have stated before, I am now, and have always been, personally opposed to abortion. It is my sincere belief that life begins at the moment of conception. I do not believe that Government, either at the State or Federal level, should do anything to promote or encourage abortions, particularly elective or nontherapeutic abortions. In my view, indiscriminate abortion cheapens the value of each individual life and degrades society. As a member of the Missouri State Senate and now as a Member of the U.S. Congress, my votes have consistently reflected these views.

Inasmuch as congressional efforts to prohibit the use of Federal funds for abortions may prove to be ineffective, and because of my own objections to abortion, I feel that the right to life for the unborn must now be addressed as a constitutional issue. For this reason, I have cosponsored House

Joint Resolution 139, a bill to amend the Constitution of the United States to assure that "no unborn person shall be deprived of life". I believe that this constitutional amendment is essential for the protection of countless unborn infants, and I will work for the success of this measure.●

NO WOMEN, NO DRAFT REGISTRATION?

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 19, 1980

● Mrs. SCHROEDER. Mr. Speaker, the Library of Congress American Law Division released a study on the constitutional considerations of a males-only draft registration.

Would the exclusion of women from draft registration "constitute unconstitutional sex discrimination against either women or men? The answer to that question, unfortunately, is not at all clear cut."

We could look forward to years of spirited litigation.

The study follows:

INCLUDING WOMEN IN REGISTRATION PROCEDURES UNDER THE SELECTIVE SERVICE ACT?

CONSTITUTIONAL CONSIDERATIONS

(By Karen J. Lewis)

On February 9, 1980, when President Carter proposed that both young men and women be required to register for possible military service, he said, "My decision to register women is a recognition of the reality that both women and men are working members of our society . . . It confirms what is already obvious—that women are now providing all types of skills in every profession. The military should be no exception." It should be noted, however, that President Carter said when, and if, a draft should actually become necessary, women would be drafted for noncombat duty only.

The President already has the statutory authority to reinstitute registration for males between the ages of 18 and 26. He has only to go to the Congress for the appropriations needed to begin the male registration procedure. The registration section of the Military Selective Service Act, suspended for the past few years, is the source of the President's authority. (See 50 U.S.C. App. 453.)

Registration of women, however, is a new legal question. They have never been required by law to register for induction, or to serve involuntarily in the armed forces. In November, 1942, the War Department considered drafting women because it foresaw a need to relieve the manpower shortage, especially in the army, during World War II. The War Department proposed to the Congress this inclusion of women in the draft. The proposal was rejected. Therefore, if Congress approves Carter's plan, it will be the first time in American history for women to be subject to draft registration.

Almost certainly, debate will arise in Congress over whether to change past policy and amend the existing law to include women in registration procedures under the Selective Service Act. A central question before Congress, and the topic of this paper, is whether, in the reinstatement of the standby draft registration, the continued exclusion of women would constitute unconstitutional sex discrimination against either women or men. The answer to that question, unfortunately, is not at all clear-cut.

The key to determining whether the exclusion of women from the registration requirements for the draft would constitute unconstitutional sex discrimination appears to lie in the standard of review a court would apply to the gender-based classification in its analysis of a case involving an equal protection challenge brought under the Fifth Amendment.

"Classification" in this context refers to the fact that in the past, only men as a "class" were subject to registration for the draft. The question remains whether women as a "class" should also be subject to draft registration.

In the process of hearing and deciding cases involving equal protection challenges, the Supreme Court has developed three standards of review. There is the 1) traditional standard, which mandates restrained or passive review. There is a second standard that has evolved requiring 2) active review, or strict scrutiny, and the application of a more stringent test. And, in the case of gender-based discrimination, 3) an intermediate standard has also been articulated by the Court.

Each standard of review, when applied to legislative classifications (i.e., all men, all women, all taxpayers, all farmers being subject to disparate treatment under the law), has a different result. For example, when passive review is used, it is fairly likely that the legislative classification will be upheld. However, when the more stringent test of active review is used, there is a greater burden of proof on the Government to justify the classification adopted. Then, unless the Government can show compelling state interest at stake in the use of the classification, the legislation involved will not pass constitutional muster.

When the third test is used—the intermediate standard applicable in gender-based cases such as the registration of women for the draft—the Government must meet a standard of proof higher than that for passive review, but not as rigorous as that needed for active review. In this instance, then, for the Government's classification to be deemed constitutional, all that must be demonstrated is that the governmental objectives served by the classification are important and that use of the classification is "substantially related" to the achievement of recognized Government goals.

In December, 1976, the Supreme Court formulated the intermediate standard of review in *Craig* v. *Boren*, 429 U.S. 190. *Craig* is the Court's most definitive statement on sex discrimination with respect to the standard of review to be applied in equal protection cases. *Craig* clearly establishes that legislative distinctions based on sex fall just short of demanding application of the active review standard.

The earlier draft cases had upheld the exclusion of women because the classification met a rational basis justification under the passive review analysis. The exclusion did not violate the Fifth Amendment's equal protection guarantee because military necessity, national defense and security, maximizing efficiency and minimizing costs were all reasonable objectives. In another draft case, a court applied the stronger judicial standard, i.e. strict scrutiny, and upheld the gender-based classification in the draft law and dismissed the defendant's argument that it was "invidiously discriminatory." The court found that such classifications are justified by the compelling government interest to provide for the common defense. (See *U.S.* v. *Dorris*, 319 F. Supp. 1306 [W.D. Pa. 1970].) These earlier cases illustrate courts' inconsistency in review prior to the establishment of the intermediate standard in *Craig*.

A recent case relating to women and the military in which the intermediate standard of review was applied is *Owens* v. *Brown*, 455 F. Supp. 291 (D. D.C. 1978). This case involved a challenge to the statutory ban on assignment of female personnel to duty on navy ships other than hospital ships and transports. Judge Sirica held that an absolute ban on the assignment of female personnel to sea duty, except certain ships, abridged the equal protection guarantee embodied in the due process clause of the Fifth Amendment. In addition, the classification was found not to be substantially related to the achievement of important governmental objectives. In striking down as unconstitutional 10 U.S.C. 6015, Judge Sirica did not, however, order an immediate equality of men and women at sea, but left it to the Navy to decide "with measured steps" how and when to begin deploying women aboard ships. Up to now, cases in which the Supreme Court has struck down gender classifications have largely, but not wholly concerned secondary issues of public importance.

Can the exclusion of women from draft registration meet the intermediate standard of review test? In any legal analysis regarding the constitutionality of excluding women from registration procedures under the Selective Service Act, one must consider the implications not with respect just to registration but also with regard to the draft, i.e. actual induction, and then ultimately to combat activity. In this scale of progression, registration is at the lower end, with induction in the middle and combat at the top. In assessing the constitutionality of excluding women at each level, the intermediate standard of review would be applied to ascertain if the equal protection guarantee of the Fifth Amendment has been violated. The Government, for its part, must show that it has "substantial" interests at stake. The two most frequently used governmental justifications for the exclusion of women from the draft and from combat advanced in the past generally include: (1) national security, linked to military necessity and military preparedness contentions and (2) maximizing military efficiency and minimizing disorder, discipline problems and decline in morale. These governmental objectives would be accorded different weight at each level of consideration, from registration, to induction, to combat.

It is worth noting that discrimination against women in a military context has been upheld by the U.S. Supreme Court for varied reasons. (See *Schlesinger* v. *Ballard*, 419 U.S. 498 [1975] and *Personnel Administrator of Massachusetts* v. *Feeney*, 47 U.S.L.W. 4650 [June 5, 1979].) The interesting point about *Feeney* is that the Court was upholding a veteran's preference system in Massachusetts which clearly impacted on women in a negative way, i.e. exclusion of a very high percentage of women from civil service positions in the State Government, because most veterans are men. Excluding women from registration would tend to exacerbate the current impact of veteran's preference systems on women.

In summary, in order to analyze the problem of whether the exclusion of women from the registration system would constitute unconstitutional sex discrimination, one could well begin with the broad proposition that any gender-based classification must meet the intermediate standard of review as articulated by the Supreme Court in *Craig* v. *Boren*. This standard is easier to meet than is the strict scrutiny—compelling state interest standard applied in race discrimination cases. Then, since the question regarding women's exclusion from draft registration involves the military, the concept of military necessity must be considered and weighed in the application of the intermediate standard of review. If there is a challenge to the exclusion, it will probably be brought by a male claiming that his Fifth Amendment guarantees for equal protection and due process have been violated. He will assert he has been burdened by the exclusion of women from the registration system because his individual chance of being drafted has thereby been increased via the smaller selection pool. One can conceive, however, of cases being brought by excluded women.

A court hearing the male challenge will probably apply the *Craig* standard of review and decide whether the Government's objectives of assuring military necessity, maximizing military efficiency, and minimizing the costs of maintaining an expert military force are sufficiently substantial government interests to warrant the exclusion of women from registration requirements for the draft.

Another point is that as one moves up the scale from registration, to the actual induction, and ultimately to combat, the Government may have an increasingly easier time in meeting the intermediate standard in defense of the exclusion of women. This is true, in part, because simultaneously as one moves up the scale, the military necessity and administrative military efficiency justifications appear stronger. It is arguable, however, that one can view registration as part of the entire process rather than as a separate isolated stage, i.e. necessary in preparation for rapid mobilization. If that is the approach taken, then the Government's justification would be accorded greater weight even at the registration stage.

Still, the question as to whether the exclusion of women for the purposes of registering for the draft constitutes unconstitutional sex discrimination is an issue which does not lend itself to easy determination. On the basis of recent precedent, it would seem to depend on how the Court weighs the Government's justifications in light of the present intermediate standard of review applicable in sex discrimination cases where an equal protection challenge can be made.●

AMERICA'S NATIONAL DEFENSE: TIME TO TURN THE TIDE

HON. LARRY J. HOPKINS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 19, 1980

● **Mr. HOPKINS.** Mr. Speaker, on March 10 I was privileged to succeed our former colleague, Dave Treen, on the House Armed Services Committee.

To be sure, in such a short period of time I certainly have not become an instant expert on national security matters. But, Mr. Speaker, you do not have to be an expert to realize that this country is in serious trouble militarily.

As I have looked more closely at our national defense situation in recent weeks, I have been alarmed by the number of glaring deficiencies to be found in both military personnel and equipment. I would not take the time of my colleagues to review all of those problems today, but let me share just a few:

You do not have to be an expert to realize that, with respect to new recruits, numbers alone cannot guarantee the military preparedness of our standing forces.

As weapons systems grow more complex, we hear reports that the mental aptitude test scores of new recruits are dropping. If that is not a serious problem already, simple logic suggests that it soon will be.

You do not have to be an expert to realize that a car in the shop is about as useful as no car at all. And yet, in the Air Force at least, we have got as many planes in the shop as we have ready to fly. The reason: Not enough spare parts.

At least in this nonexpert's view, it seems reasonable to suggest that the Air Force spend some money maintaining the planes it already has before coming back to Congress to request more money for new ones.

You do not have to be an expert to realize that a chain is only as strong as its weakest link. Some of the most vital links in America's national defense chain, its Reserve and National Guard units, are seriously understrength and, in my opinion, represent key links waiting to be broken.

I am especially concerned by reports that current shortfalls in our individual Ready Reserve range from 200,000 to 500,000 depending on whether your source is the Department of the Army or the Secretary of Defense.

You do not have to be an expert to know that if you are retiring warships faster than you are building new ones, your Navy is not growing, it is shrinking.

In our case, the numbers add up to a formula for potential disaster; in just 12 years America's seagoing fleet has been cut in half; during the Carter administration alone, the number of U.S. naval vessels has declined by more than 200. All this while the Soviet Navy has been growing at an unprecedented rate.

How did we get into such sad shape? To start with, you have to go back to the early 1970's when America was recovering from its involvement in Vietnam. At that time, Congress began diverting funds previously spent on defense to newly enacted social programs. This continued throughout the decade until in 1979 U.S. defense spending, after inflation, had fallen to its lowest level in 15 years.

Defense spending, as a proportion of our gross national product, has now dropped to such a low point that a 100-percent increase would be necessary just to return to the 1960 level, in "real" terms. On the other hand, the Soviet Union has outspent us on defense by $100 billion during the last decade.

CIA analysts estimate the Soviet Union now spends approximately 50 percent more than the United States annually on defense. To counter this growing Soviet military threat President Carter proposed in his state of the Union message what he termed a "strong defense" budget for 1981 which included a real—after adjustment for inflation—increase of just 5.3 percent. Many of my colleagues on the House Armed Services Committee and throughout this Chamber have described the President's proposed defense budget as woefully inadequate to counter the Soviets sustained military buildup. Some have countered with proposals for as much as 20 percent in real spending increases for defense. Still others are demanding a quick fix for our defense ills, no matter what the cost.

The temptation in any crisis is to make overambitious commitments. This Congress, for instance, is famous for biting off more than it can chew.

There is no doubt in my mind that getting our national defense up to par and keeping it that way is going to require increased funding. However, before we go off trying to solve this problem in traditional Washington fashion, that is by simply throwing a lot of money in the hope it will go away, I believe Congress should first assess calmly what is really needed to protect our national interest and then decide how to spend scarce defense dollars in the most effective way. Our goal should be nothing less than to support the strongest, most capable military force possible, within the financial limits of an already overburdened Federal budget. Yes; we need to spend more; but we also need to spend more carefully.

As my colleagues and constituents well know, I am one Member of Congress who truly believes the best way to fight the inflation which is strangling America's economy is to drastically reduce Federal spending and balance the Federal budget immediately.

Inflation can be fueled just as much by excessive Government spending on defense as by excessive Government spending on social programs.

Clearly, there is waste and inefficiency to be found in defense programs. Therefore, one of my highest priorities as a member of the Armed Services Committee will be to cut out this fat, while leaving the muscle.

Care should be used when evaluating glamorous and expensive new weapons systems, which typically fascinate certain Members of Congress as much as overeager military planners. We must avoid what has become a habit here in Congress: An overemphasis on these glamorous items at the expense of important but more mundane items, without which even the most sophisticated weapons would be useless. The danger, of course, is that unless we start taking care of such things as spare parts, adequate pay, routine maintenance, and ammunition, we will find ourselves the proud owners of ships without crews, planes without fuel, and tanks without ammunition.

For example, 5 years and an estimated $1 million is required to train an Air Force pilot to fly a highly sophisticated F-15 aircraft worth nearly $30 million. Yet, salaries for military pilots are so inferior to their civilian counterparts that we are losing our military pilots at an alarming rate.

And this is not just true of pilots. Across the board we are losing competent personnel for lack of career incentives, including sufficient pay.

Perhaps voting military personnel a much-needed pay raise might not be as sexy as funding the latest nuclear aircraft carrier, but in the long run it may prove to be a far better investment.

Mr. Speaker, these certainly are not all the problems the House Armed Services Committee will face in the weeks and months ahead. But I hope this short summary has helped to demonstrate the magnitude of the challenge before us.

I have great confidence in my colleagues on the committee, and I pledge my willingness to play an active role in this important effort. I am hopeful that together we can fulfill our responsibility to the American people. Together we must fashion for our country the strongest possible national defense. Together we must turn the tide.●

DONALD P. MILLER: A DRIVING FORCE IN THE LEHIGH VALLEY

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 19, 1980

● Mr. RITTER. Mr. Speaker, on March 27, the Minsi Trail Boy Scout Council will honor Donald P. Miller of Allentown with its Distinguished Citizen Award for his economic and cultural contributions to the Lehigh Valley, the Commonwealth of Pennsylvania, and to the Nation, and for his contributions to the scouting program.

Mr. Miller has been a giant force not only in his community, but also far beyond, for several decades. His counsel has been sought and will continue to be sought for the betterment of his community and his fellow man.

His energy belies his 74 years. His strength and vitality present an awesome challenge to others who join with him in seeking to better their community.

He has built his career on the highest ideals. As a young boy, he carried newspapers to get his first exposure to business and the publishing industry. He became a Boy Scout on his 12th birthday, and became the first Eagle Scout in Lehigh County.

That interest in Scouting has never diminished. He has seen the Scouting program mold young men, and today he continues as an active member of the Minsi Trail Advisory Committee.

This remarkable man completed 45 years in the newspaper industry when he retired last September 30 as publisher of the Call-Chronicle Newspapers, Inc., of Allentown, one of Pennsylvania's major newspapers. His father, the late David A. Miller, had founded the Morning Call in 1894.

Today, Donald P. Miller continues in an active role as publisher emeritus, having turned the helm of the newspapers over to his son, Edward D. Miller, the third-generation member of the family to serve as published.

Donald P. Miller was instrumental in making the Call-Chronicle a pioneer in production techniques, especially with electronic equipment, and his management skills helped create a business operation studied by newspapermen around the world.

And his efforts knew no bounds when it came to his community service. As an example, 30 years ago he pioneered park and shop, a program to establish parking lot spaces within easy walking distance of any downtown store. Today, there are 8,000 parking spaces in the center city area, and the network of lots and parking decks handles more than 1 million cars a year. He has also actively pushed plans for a hotel conference center in the business district.

His interest in the community's cultural well-being is reflected in his contributions to the Allentown Public Library, the Allentown Art Museum, Muhlenberg and Cedar Crest Colleges, Allentown Symphony Hall, United Way, and the Miller Blood Bank, to name but a few. Despite his demanding schedule, he always finds time to work quietly and diligently for deserving projects. Satisfaction of a job well done is the only reward he seeks.

Donald P. Miller has been successful in motivating people to work together. When asked how he brings diverse interests together, he modestly answers:

> I never gave much thought to it. Go out and ask people to help. That's all. We have a lot of very strong people in the Lehigh Valley who work hard. It's amazing how much time people commit to community efforts.

Mr. Speaker, Donald P. Miller is a man from whom we can all learn. He is an unselfish citizen, giving of himself for the betterment of his fellow man. I am honored to join this salute.●

SHOULD THE WEST TAKE THE OFFENSIVE?

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 19, 1980

● Mr. DORNAN. Mr. Speaker, I would like to submit for the RECORD an aide-memoire authored by Dr. Stefan Possony of the American Council for World Freedom concerning Communist aggression.

There is no reason why the United States and the rest of the free world need be on the defensive in the struggle against Communist totalitarianism. All we need is the will to exert our influence. The West has on its side the unquenchable human desire for freedom. The ACWF has suggested we take the offensive. I ask my fellow colleagues to seriously consider these recommendations.

INTERIM STRATEGIC ACTIONS BY THE UNITED STATES; AN AIDE-MEMOIRE PREPARED BY AMERICAN COUNCIL FOR WORLD FREEDOM

Now that the U.S. has a new doctrine to deter Soviet aggression against the Middle East and South Asia, it is imperative that we know how to make the USSR "pay a concrete price for their aggression", to quote President Carter's State of the Union Address. We must realize that deterrence cannot be revitalized unless (a) U.S. military might is restored to power levels superior to Soviet strengths, and (b) the U.S. puts an end to the Soviet practice (which we condoned) of using proxies to conquer foreign territories and pursue the step-by-step encirclement of the U.S.

The following interim strategy can be initiated fairly promptly:

1. Blockade Aden and South Yemen until Soviet, East German, Cuban and other Communist bloc elements are removed.

2. If Soviet use of poison gas in Afghanistan is confirmed, retaliation is mandatory; verbal protest will remain ineffective. Retaliatory measures should be directed against Soviet targets in proxy areas, e.g. airbase and port facilities in South Yemen and Ethiopia, plus radar and radio.

We should not at this time increase risks by taking on the Soviets themselves. The approach suggested here will drive a wedge between the USSR and its satellites, and will take away from the Soviets some of their ill-gotten gains.

3. Tell Cuba that it must withdraw its troops from positions in foreign countries, especially in the Middle East, or initiate a quarantine of the island and the disrupting and stopping of Cuban air and sea movements. (In this context: stop commercial air traffic between USSR and U.S.)

4. Step up the U.S. naval presence in Central America, disrupt ship movements to local communist or pro-communist governments, and destabilize those.

5. Reorient U.S. psychological warfare efforts, with the following initial steps:

a. Inform Moslems in the USSR about the Kremlin's continuing attitude against religion;

b. Disclose the latest data on Gulag;

c. Publish a map on current concentration camps in the USSR utilizing satellite photography;

d. Make major psychological efforts to prevent a take-over of the government by the Stalinists. The real meaning of the Soviet Afghanistan operation is to settle Brezhnev's succession and get Stalinist elements of the military and the KGB into power. The stopping of this attempt must be regarded as the top priority mission of the U.S.

6. Lose not one more day in the establishment of a strong U.S. capability with neutron weapons.●

MORE READINESS PROBLEMS

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 19, 1980

● Mrs. SCHROEDER. Mr. Speaker, the other day we were warned of the readiness problems facing our fleet in the Indian Ocean; today we are warned of similar problems facing our aircraft, both in the Air Force and the Navy. How often do we have to be told that our defense dollars are being misspent before we wake up and take action?

The material follows:

[From the Washington Post, Mar. 17, 1980]

SHORTAGES OF PARTS HAMSTRING WARPLANES

(By George C. Wilson)

About half the nation's first-line warplanes cannot fly because over the years the Pentagon has concentrated on buying new ones rather than fixing up the old ones.

This policy has forced mechanics to take the parts off one plane and put them on another, a constant process of cannibalization that the Navy figures takes up the equivalent of 610 men doing nothing else for one year.

Besides not being ready to go to war, the high percentage of broken planes means that Air Force and Navy pilots must fly fewer hours, prompting many of them to quit in disgust.

These are the findings of Rep. Jack Edwards (R-Ala.) ranking minority member of the House Defense Appropriations subcommittee, who has personally investigated the problems of aging equipment and inoperative planes.

"This is unacceptable," Edwards said. "People are lulled into the feeling that we've got an Air Force hot to go. But what we've really got are hanger queens all over the country."

There are, Edwards found, scores of warplanes in the shop waiting to be repaired.

He cited two examples he said are typical. Only 53 percent of the Air Force's hottest fighter, the F15 Eagle, were ready for combat at any one time last year, and only 53 percent of the Navy's F14 Tomcat fighter. The percentages for forward-deployed aircraft, such as F15s based in Europe, were not much better, he added.

At least 70 percent of the planes should be ready to go at any given time, the congressman contends.

Defense Secretary Harold Brown, under questioning by the House Defense Appropriations subcommittee this year, acknowledged that the problem is serious, but neither Brown nor his predecessors has taken the problem seriously enough to spend more money on spare parts and less on new planes, Edwards complained.

Edwards displays a chart of Pentagon figures to make his point. The Air Force plans to spend twice as much money to buy new tactical aircraft in fiscal 1983 than in fiscal 1975, from $4.2 billion to $8.4 billion in comparable fiscal 1980 dollars. But no extra money is budgeted to keep the planes flying. The operating account for repairs remains at $7.4 billion in 1983, as it was in 1975. The budget plan for Navy fighter planes shows a similar trend.

"The combat readiness of our firstline fighters like the F14 and F15 is poor," Edwards wrote. "The underlying cause for this problem is quite simple: inadequate provisions of spare parts."

Half the time, Edwards continued, mechanics are forced to rip a part of one plane to fix another or else must use parts supposedly reserved for wartime. To keep one F14 flying 100 hours, he said, the maintenance crews have to take parts off another F14 from 40 to 50 times.

"It makes no sense whatsoever," Edwards wrote, "to buy all these very costly aircraft without also buying all the other necessary parts and weapons that make these aircraft an effective combat system."

Operation and maintenance funds, which include money for spare parts, have traditionally lost out to new airplanes. Defense contractors lobby the Pentagon and Congress to buy new planes, not to fix up the ones already purchased, Edwards noted.

Air Force Gen. David C. Jones, chairman of the Joint Chiefs of Staff, has accused Congress of cutting the funds the military has requested in the past for operating and maintaining planes and other weaponry. That is a "bad rap," Edwards said.

"What I found out for the first time this year," he said, "is that the careful cuts our committee had directed the Pentagon to make in those accounts were not made."

Instead, he continued, Pentagon leaders notified field commanders, including the head of the Strategic Air Command, that they were getting less money for operation and maintenance. It would be up to the commanders to make the cuts where they saw fit.

Edwards has written letters to the chairmen of the House and Senate Armed Services committees urging them to join the Appropriations subcommittee in forcing the Pentagon to shape up.

"It's easier for a member of Congress to go back home and say I got you another 10 planes than say I spent money to make them ready," Edwards added.

It will not be easy to reorder the priorities, Edwards conceded, "but I would rather build half as many planes if I could turn the money saved into readiness. The situation we find ourselves in now is totally unacceptable."●

FRANK P. FITZPATRICK

HON. WILLIAM R. RATCHFORD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 19, 1980

● Mr. RATCHFORD. Mr. Speaker, I rise today to express my deep sense of sadness and loss as a result of the recent death of former Ansonia, Conn., Mayor Frank P. Fitzpatrick.

Mr. Fitzpatrick served ably as mayor of Ansonia from 1948 to 1952. Under his administration, the city experienced remarkable growth and prosperity, and many important new programs were developed.

Prior to his first mayoral election, he served as the city's police commissioner. Mayor Fitzpatrick's other civic duties included: membership on the Ansonia Democratic Town Committee; membership on the board of directors of both the Cheshire Reformatory and the Griffin Hospital; an incorporator of the Union New Haven Trust Co.; a member of the State Constitutional Convention; past president of the Ansonia Rotary Club and the Connecticut Automobile Trade Association; and a member of the Valley Council of the Knights of Columbus.

The depth and value of his active committment to the community cannot be understated. Mayor Fitzpatrick has for so long been a major force in the steady development of the city of Ansonia, and will surely be missed. I join so many other members of the community in extending my heartfelt condolences to his family, and am certain that his deep sensitivity to the problems of the community and their solutions will serve as a model for others to follow. Thank you, Mr. Speaker.●

NEW YORK CITY OFFICE OF SCHOOL FOOD SERVICES—SETTING AN EXAMPLE FOR THE NATION

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 19, 1980

● Mr. BIAGGI. Mr. Speaker, I wish to bring to the attention of my colleagues testimony presented today before our House Education and Labor Committee from the director of the New York City Office of School Food Services, Elizabeth Cagen. As you may know, our Subcommittee on Elementary, Secondary and Vocational Education has been holding hearings on the reauthorization of many of our child nutrition programs, and today we received testimony on the Commodity Distribution program.

While there are proposals before this body to drastically reduced funding levels for our school feeding programs, I strongly feel that my own State of New York provides a vivid example of the necessity and the effectiveness of these programs which have brought millions of nutritious, low-cost meals to school children across this country. In light of our current budgetary situation, I feel that we can provide State and local educational agencies with examples of programs which work, like the New York City program, so that we insure that all our child feeding programs are as cost-effective as possible.

New York State has worked closely together with the U.S. Department of Agriculture to develop and promote child feeding programs which deserve the attention of all who are interested in maintaining the integrity of these programs. New York City has formed a working partnership with its State distribution agency and the USDA—a blend of urban and rural interests—to create a school food service community. Our Federal Commodity Distribution program can work. New York is living proof.

Testimony of Elizabeth Cagan follows:

TESTIMONY OF ELIZABETH CAGAN

Mr. Chairman; Honorable members of the Subcommittee on Elementary, Secondary, and Vocational Education: My name is Elizabeth Cagan. I am the Chief Administrator of the Office of School Food Services for the New York City Board of Education. My function and responsibility encompasses the overall administration and supervision of more than 1,200 feeding sites, a budget that totals more than $100,000,000, and a food service program that provides approximately 100,000 breakfasts and 550,000 lunches on any given school day to eligible children.

I want to take this opportunity to thank you Mr. Chairman and the Honorable Members of the Subcommittee for affording me the time to speak on what I feel is one of the most important school feeding issues that this Congress or any Congress has ever addressed. This is the survival of the USDA Commodity Food Program and vis-a-vis our School Lunch Program.

Let me make it perfectly clear that I fully support the current commodities food program as it is administered in New York State. The program provides the New York City program with all of the foods we desire. It does not force upon me any foods which we do not have a need for, and affords me the opportunity to provide varied and rich menus to the children of New York.

When I was initially introduced to the commodity letter of credit plan as sponsored by the National Frozen Food Association, I was told of tremendous cost savings and increased product quality and variety. This I confess, found me most receptive, as would be all other responsible school food service directors. The day in and day out business of school food service is to control costs while offering quality foods and increased menu variety.

Well, that was my first impression! After reading the printed National Frozen Food Association rationale, and bill, we began to analyze its real effect on costs and quality. My initial impression was dramatically reversed and it is not obvious to me that if the commodity letter of credit plan is made law, it will bankrupt the school lunch program, do financial harm to the smaller distributor, and open the door for wholesale cheating on such a broad level that there would be extreme difficulty in program monitoring and overall accountability. The commodity letter of credit system would open up a Pandora's Box of corruption that would make summer lunch problems seem minor. Specifically, the proposed program subdelegates USDA's responsibility for specification adherence, timely bidding processes and specific accountability to a broad local base.

Before I go further into the specific reasons for my position, I pose that it seems impossible for the commodity letter of credit system, as defined, to meet the objectives of price support and removal of agricultural surpluses. By definition, removal of surplus must occur before the commodity enters the market. As it is, when the commodity enters the market, the effect of a glut depresses prices and reduces returns to the farmer. It is basic economics that if these products are permitted to enter the market no support will take place. Additionally, by attempting to support prices by pulling commodities through the supply system using letters of credit, prices will be inflated at the local level to the advantage of the distributor with no benefit to the farmer or the school system.

The statement by the National Frozen Food Association that the commodity letter of credit system will result in considerable savings is just not so. In their analysis of U.S.D.A. purchases of ground beef and frozen french fried potatoes, NFFA, used the example of commodities distributed in California. California is atypical. Their state warehouse and handling charges are vastly higher than those of New York and all other States. In the example of ground beef, California charges $14.75 per 55 pound case. New York charges $.55 per case. Refer to "Appendix A" for an analysis of New York State costs vs those offered as typical by NFFA.

NFFA states that local schools can and do purchase better than USDA. This is the rare exception rather than the rule. NFFA adds that excessive storage and transportation charges are incurred in commodity handling. This may be a valid point in states where the program is inadequately administered. In New York State the commodity program runs as it was intended to. This accrues to our benefit. Our State Distribution Agent, Mr. Ernest Berger is a professional, interested in improving the program to better meet the school systems needs. New York State has entered into many further processing contracts where the commodity is shipped directly from the point of pack to the contract processor, then to the local distributors who service the schools. I defy NFFA to find any waste in that. Refer to "Appendix B" for a comparative analysis of transportation and warehouse flow.

A consideration this committee may wish to take is to use the example of a well run state program, of which there are many. Using these examples, U.S.D.A. should then set overall guidelines and training programs for state distribution agencies not yet performing at the optimum. To scrap the present commodity program for a controversial unknown would be unwise. The present program is viable and improving.

The commodity letter of credit system can and will hurt the small distributor. He does not have the financial resources to service the financial and inventory requirement of the program. For example, when commodity letters of credit are distributed for an annual pack item, i.e., peaches, corn, flour, etc. the distributor would have to commit a full school year supply of that product. Few if any distributors can do that. In reality many local distributors are second or third handlers of these commodities, making their purchases from traders (mainly large distributors) that specialize in such items. As I see it, the business will be to the singular benefit of the large distributor. NFFA has stated that the commodity letter of credit system will save school systems money in product and storage. It would be naive for anyone to assume that the high costs of borrowing money to cover inventories and storage would not be passed on to school systems.

In New York City, we do the majority of our business through local distributors, including the distribution of commodities and those products manufactured from commodities. We value our relationship with distributors and they provide the products and service we require. We see local distributors as an integral part of our supply chain. They are strongly supportive of our program. (See attachments.)

The National Frozen Food Association has stated that the commodity further processing business is the privy of a few companies. This is just not so! Our purchasing of processing services is open to all who can meet the requirements of the New York State contract and the specifications of the New York City Board of Education. We deal with major corporations as well as small local producers. We encourage competition; it would be counter productive not to.

I know that members of the National Frozen Food Association are not unified in their support of this legislation. The fact is, many NFFA members are dead against the commodity letter of credit system. Furthermore, the American Food School Service Association has of late last week added their name to the list of those opposed to this program. This is most important. It is ASFSA members who are often most critical of the commodity program though there may be a few ASFSA members who do not understand the insidious ramifications of the letter of credit system. Dr. John Mosley, Executive Director of The American School Food Service Association, last week stated that the official position of ASFSA is one against the commodity letter of credit system. Strange indeed and most noteworthy that those cited by NFFA as beneficiaries don't want vouchers.

It has been stated that the quality of the products purchased by U.S.D.A. is poor. We take a great deal of exception to that statement. We utilize our entire allocation and for the products I use, the product quality is excellent. In the past, when we had problems, they were worked out with our State Distribution Agency. For example, we in New York City have limits on the amounts of sugar we will accept in our products. Canned fruits in heavy syrup considerably exceeded our limits. Our state agency arranged through U.S.D.A. to make available canned fruits in light syrup or natural juice. This cooperation can be expected from U.S.D.A. by any state with a distribution agency willing to speak up and ask for what they want.

As for overall quality in New York, it is known that our specifications are more stringent than most. In addition, I have made it mandatory that we child test all our products before they are introduced into the lunch program. For it is the child who is the ultimate recipient of the food and the most discerning about quality, taste and appearance. Products which are child tested and approved end up in their stomachs, not in the garbage cans. Commodities and products processed from commodities are highly accepted by the children and have helped the city enjoy a substantial savings, without which we, in New York, could not offer the types and variety of menus which we now offer. It is unrealistic to think that the same savings would be enjoyed under the commodity letter of credit system.

Before you, we have on display an example of the commodities we receive and the products we make from them. We have used not only the more desirable commodities, i.e., beef, cheese and poultry but have used the non-fat dry milk, flour, tomato paste, and even the dreaded and much talked about lemon juice. Would you care for a lemonade?

During the 1978-1979 school year, in New York City alone we used 2,563,123 cases of USDA commodities in our feeding of 111,000,000 meals, saving New York City millions of dollars of taxpayers' money. May I impress upon you that without those commodities I would not have been able to do the job as well or within my drastically reduced budget.

In summary may I cite some of the pitfalls of the commodities letter of credit approach:

1. Program accountability.
2. Added costs to school food service.
3. Potential wholesale corruption and cheating.
4. Threat to the small distributor.
5. The time specific nature of the program.
6. Failure to meet the objectives of price support and surplus removal.

We, therefore, strongly urge you to continue to support and improve the present commodity program and to reject in its totality the proposed alternative.

Thank you.●

FREDERICK W. MONNISH

HON. RICHARD C. SHELBY

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 19, 1980

● Mr. SHELBY. Mr. Speaker, last weekend in a small ceremony in my hometown of Tuscaloosa, Ala., a small park received a new name, and appropriate honor was finally bestowed on a gentleman who has meant much to Tuscaloosa.

When Eastwood Park became Monnish Park, the town of Tuscaloosa formally recognized Frederick William Monnish, the original owner of the site later donated by his widow, Lillian. Mr. Monnish arrived in this country from Germany in 1876 at the age of 17. After landing in New Orleans, he made his way to Coaling, Ala., where he worked arduously in his uncle's commissary living a frugal existence and saving all his hard-earned funds.

Within a few years, Monnish had organized a lumber company and, with his young wife, moved to Tuscaloosa. There in 1900, Frederick Monnish became superintendent of the Tuscaloosa Belt Railway Co. which provided local folks with vital transportation to nearby football and baseball games and to the mainline railroad stations.

Frederick Monnish was truly a pillar in local society, adopting Tuscaloosa as his home and bestowing upon it the benefits of his success which he could never transfer to his native country. As member of the Alabama State Land Congress Advisory Committee, Monnish traveled extensively in Europe seeking funding for agricultural loans. He served as a director of the Merchants Bank & Trust Co., while carrying out the duties as president first of the Tuscaloosa Coal, Iron & Land Co., then of the East End Realty Co.

Tragedy struck Frederick and Lillian Monnish when their only son died at the age of 19. Monnish built a church in Sage's name at that time but when the congregation erected a larger place of worship a few years later, the family insisted the name be changed. Thus, while constantly giving to the town of Tuscaloosa, Frederick and Lillian Monnish were always reluctant to accept recognition for their gifts. It is only fitting then that the man who personally attended to the planting of many young seedlings throughout the community of Tuscaloosa should be remembered with a park in his name. It is rare when generosity is accompanied by humility, but Frederick W. Monnish possessed both. I join with the city of Tuscaloosa in a posthumous salute to Frederick W. Monnish; we are all glad he chose Tuscaloosa as his home away from home.●

BALTIMORE SUN DEFENDS FTC

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 19, 1980

● Mr. OTTINGER. Mr. Speaker, I would like to call to my colleagues' attention an article from the March 12 Baltimore Sun on the Federal Trade Commission and its pending authorization legislation. The article, by Mark Reutter, entitled "Up in a Pall of Smoke—II," describes an agency performing its job too well for its own good. It describes an agency undercut by Congress because of the influence of the industries the FTC is mandated to regulate.

As I have said before, the issue facing the FTC authorization conference, of which I am a member, is the very integrity of Congress. Observers are describing this bill as a test—a test of our ability to withstand the onslaught of special interests. If we fail this test, it is the public interest which will suffer.

I urge my colleagues to read this article, and consider the sentiment it represents.

The article follows:

THE FTC: UP IN A PALL OF SMOKE—II

(By Mark Reutter)

WASHINGTON.—Is the Federal Trade Commission the "juggernaut" of "bureaucratic arrogance" portrayed by columnist James J. Kilpatrick? Is it an agency which, according to Time, "has come to epitomize all the problems of government regulation run amuck"?

As the newest buzz word, "overregulation," echoes through this city, reporters have stumbled over the same words in pursuit of pejoratives to describe the FTC—"controversial," "activist," "zealous," even "notorious," a label conveniently supplied by a Chamber of Commerce lobbyist.

All this verbiage is leveled at an organization allotted $65.3 million last year to protect Americans from unfair and monopolistic business practices. As a juggernaut, the FTC ranks on the scale of Afghanistan's tribal warriors. It commands the financial capacity to run the U.S. Department of Defense for 4 hours, 28 minutes of the year.

Its funding is equal to 0.145 per cent of the $45 billion in business advertising last year, one of many areas under its purview. Or to be more precise: Ralston-Purina and its conglomerate brethren spent more putting dog food commercials on TV last year than the government spent supporting its designated bulwark against deceptive business practices.

Regardless of its size, has the agency shackled businessmen with picayune rules and mounds of paperwork? A study by the Business Roundtable, a major corporate lobbying organization, indicates otherwise. FTC regulations, the 1978 study found, cost large businesses the least of six federal agencies examined, a mere 1 per cent of the $2.6 billion tabulated. (In keeping with its political objectives, the Roundtable study avoids detailing the benefits—the cheaper goods, saved lives, cleaner air, less discrimination, etc.—that accrue from actions by the FTC and other public-oriented agencies.)

The White House Regulatory Council recently rated the FTC as the federal agency which does the best job of planning its activities and supporting its plans with cost-benefit studies. And in testimony before a Senate subcommittee last September, the chairman of the Administrative Conference of the United States said the FTC was fulfilling its legislative mandate "efficiently and fairly. It is doing a good job of administration."

Stanley Cohen agrees with these assessments. Hardly an FTC partisan, the Washington editor of Advertising Age says the current attack on the agency is the "most mindless piece of politics" be has seen in his 36 years as a reporter here. Mr. Cohen is particularly disturbed by Senate and House bills (now in conference committee) which would stop the FTC from requiring morticians to disclose the prices of funeral services and auto dealers to issue warranties on used cars. But potentially more disastrous, Mr. Cohen says, is a provision in the Senate bill that would curb the FTC's ability to regulate advertising that intentionally manipulates the consumer.

"If the FTC is put in its place by Congress, we're going to see a resurgence of a new generation of marketplace abuses," he says flatly, adding, "When you weaken the FTC, you undercut self-regulation by business."

In his Ad Age columns, Mr. Cohen has tried unsuccessfully to dissuade trade groups from picking apart the FTC. Often he pitches his appeals to the self-interest of his readers: "If we return to the kind of FTC which is acceptable to used-car dealers, funeral directors and the like, how long will it be before the ad business finds itself confronting another Ralph Nader?"

Eleven years ago Ralph Nader released the first Nader Raider report. It was on the Federal Trade Commission and it depicted an agency of sometimes boozing, sometimes snoozing, bureaucrats who waged solemn war on wool imports and foreign-made watchbands. The report impelled President Nixon to call for a formal study of the agency. Rejuvenate the FTC or abolish it, the study by the American Bar Association reported back.

Thus began a slow process whereby the FTC was given the legal tools it needed to fulfill its 1914 mandate of making the marketplace competitive and non-deceptive. The process culminated with the Magnuson-Moss Act of 1975.

For the first time, the FTC could get a real handle on the marketplace by establishing trade rules for entire industries instead of the previous practice of issuing cease-and-desist orders on an individual case basis. The agency also could examine professional societies and standard-setting groups which affect commerce.

Under the Nixon and Ford administrations, the agency initiated proceedings against various businesses with a history of high costs or sleazy sales practices, including credit companies and mobile home manufactures, Anti-trust activities were stepped up, with investigations of the auto, cereal, cigarette, agricultural and oil industries.

But, perhaps more significantly, the agency began to delve into the economic structure of Main Street. Under proposed rules, health spa operators, used-car dealers, and undertakers would have to disclose their products and prices fully. Lawyers, dentists, and other professional groups were told to end bans on advertising that the FTC said artificially restrained free competition. The agency also began investigating the high costs of medical care, especially the interlocks between doctors and health care plans.

Within short order the FTC managed to tread on the canopy of upper middle class privilege, aggravating not only the corporate executive but those who fill the power slots of a local community—the lawyer active in county politics, the doctor who sits on the hospital board, the funeral director who rises early for the Optimist meeting.

"If you look at every poll," says Michael Pertschuk, "you'll find broad and uniform support for the very kinds of things this agency is doing, and that support is not eroding." But when the chairman of the FTC goes over to Capitol Hill these days, armed with polls and other data, he hears the same refrain from his erstwhile allies: "Maybe you're right, Mike, but the funeral directors will remember at election time and the consumer won't."

Chairman Pertschuk says the agency is caught in the political crossfire that strafes any regulatory agency which "takes its mandate from Congress seriously"—its actions are "of primary financial interest" to well-organized business groups but only of "tangential interest, one of thousands of interests, to the consumer."

The resulting imbalance, the tendency of special-interest agitation to smother public-interest proposals, has widened as voters have grown disillusioned with the government's ability to solve problems, Mr. Pertschuk says.

"We are not in the business of telling doctors, dentists, or optometrists what they must do," Mr. Pertschuk continues. "What we are trying to do in free up those who want to advertise prices, free up lawyers who want to develop alternative low-cost services, suggest that the exclusion of paraprofessionals from the performance of certain functions is anti-competitive and not justified on quality grounds. Our aim is to decrease costs by letting the marketplace work, and the results, the lower costs, are tangible. Maybe that's part of the problem."●

REGULATION OF ANIMAL EXPERIMENTATION

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 19, 1980

● Mrs. SCHROEDER. Mr. Speaker, yesterday I introduced legislation, H.R. 6847, to regulate animal experimentation. A similar bill was introduced in the Colorado State Legislature last year and was supported by the assistant dean of the College of Veterinary Medicine at Colorado State University and by the chancellor of the University of Colorado Medical School.

My bill does not eliminate research and testing on animals. It insures that research be conducted in a manner that precludes pain. The present Animal Welfare Act does not address how research and testing is done. Thus there is no humane protection for animals. My legislation covers the actual use of animals for research, testing, teaching, or the production of certain medical or veterinary products and thus fills this gap in the Animal Welfare Act.

The introduction of this legislation will spark a lively debate on the issue of painful animal experimentation. In this spirit, I would like to submit the following letter from John H. Wood of Hoffmann-La Roche, Inc.:

HOFFMANN-LA ROCHE INC.,
Nutley, N.J., March 11, 1980.

Hon. PATRICIA SCHROEDER,
U.S. House of Representatives,
Washington, D.C.

DEAR MS. SCHROEDER: Hoffmann-La Roche respectfully submits comments on amendments you are considering to the Animal Welfare Act. We recognize, and support, your objective to ensure the humane treatment of animals in research, testing and teaching. In our own research, proper and ethical treatment of animals has always been, and shall remain, a principal factor in the design and execution of our research activities. At the same time, we are concerned that the proposed amendments unintentionally could interfere with, and possibly even eliminate, important medical research, as well as compromise the quality of medical education and training in our nation's schools.

Our most important concerns arise from the definition of "pain" proposed in Section 2(k), combined with proposed Section 13a of the bill which would require that all "painful" research be conducted under anesthesia. The definition of pain—including the reference to "debilitation and significant physical and behavioral distress"—is so broad that most biomedical research could be adversely subjected to Section 13 requirements. The administration of an anesthetic in certain non-surgical research projects could interfere with conduct of the study. For example, in chronic and acute toxicity studies, eye or skin irritation tests, many pharmacologic screens, range-finding studies, nutritional deficiency projects, chronic hypertension or cardiac failure studies, animals may experience debilitation or distress. These, however, are precisely the types of effects scientists must be able to observe in order to evaluate the true effects of a particular compound. Masking debilitation or distress by administration of anesthetics would seriously compromise the validity and value of the research.

Moreover, use of an anesthetic introduces a secondary drug into research and could distort test results pertaining to the primary drug being investigated. For this reason, such research data could prove unacceptable to the Food and Drug Administration. Companies might be placed in the untenable position where compliance with the standards of the amendments could render them out-of-compliance with the testing requirements established by other government agencies.

We also believe that the proposed amendments would unnecessarily expand the authority of the Department of Agriculture. The Department would be empowered, under proposed Section 5, to promulgate "proper" (as opposed to "minimum") standards pertaining to animal care. This could require the development of standards for each and every experimental procedure conducted in biomedical research, thereby proving highly impractical.

The requirement of proposed 13a(a)(2) for animal care committee review and certification of research involving the infliction of disease and possible use of anesthetics and analgesics appears impractical and unreasonable. It could only be effectively accomplished in a very small research institution conducting few studies. Even more burdensome is the requirement of 13a(b)(2) providing for review and documentation by the internal animal care committee of "each proposed project" involving the use of animals. Such a requirement would impose extreme administrative burdens on a facility like Roche which conducts a large number of research projects. Finally, these requirements incorrectly assume that senior research investigators cannot, and do not, review each project for compliance with good animal care practices.

It is our strong feeling that modern biomedical research involving the use of animals is not conducted needlessly or cruelly. Rather, it proceeds from legitimate, compelling and entirely ethical concerns—increasing mankind's knowledge so as to enable us to overcome disease and promote human, as well as animal health and safety. Extraordinary benefits have resulted from this type of research. Literally millions of people owe their health—and in many cases, their very lives—to animal research. As the National Institutes of Health has observed, the chances are that if a person has ever had a serious medical problem, research with animals has probably helped in restoring good health. Accordingly, unreasonable interference with efficient and effective conduct of such research could impose needless suffering on human beings and possibly deprive society of otherwise available health care benefits and protection.

Sincerely,

JOHN H. WOOD,
Assistant Vice President,
Department of Public Affairs.●

OSHA REFORM—THE TIME HAS COME

HON. GEORGE HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 19, 1980

● Mr. HANSEN. Mr. Speaker, the Occupational Safety and Health Administration (OSHA), despite costs of over $25 billion in compliance to American businessmen and over $1 billion to American taxpayers, has failed to achieve a significant positive impact on employee injury and illness rates.

As one who has taken the lead in Congress and the Nation to stop OSHA's bureaucratic bungling, I am pleased to take this opportunity to discuss my concept of effective health and safety measures for America's 100 million person work force.

After 8 years of major investment in OSHA, Americans can only wonder where is the return on that investment; has OSHA protected workers by significantly decreasing workplace deaths and injuries?

The unfortunate answer: OSHA has not been effective in protecting the American work force. Not only has OSHA failed to reduce serious injuries and fatalities in the workplace, the number of severity of serious injuries and the number of fatalities have sharply increased in recent years despite OSHA's massive regulatory efforts.

Nevertheless, OSHA advocates continue to insist that the Agency has had a positive impact and that without OSHA, worker injuries and fatalities would be even higher. Their argument is that what is needed is not less OSHA, but more OSHA; more inspectors, more standards, more dollars.

However, the records of industry and OSHA itself strongly refute this contention. A good barometer of industry's performance is a comparison of the worker injury/illness rates prior to OSHA's inception with the rates in the comparable period after its inception.

Since 1971, when OSHA began operations, there have been significant increases in the number of serious injuries and the severity of these injuries, and a more recent upswing in worker fatalities. Conversely, National Safety Council (NSC) statistics for the 8-year period prior to 1971, when industry was handling safety and health concerns itself, show a steady decline in these categories.

For the 8 most recent pre-OSHA years, deaths per 100,000 workers dropped from 21 fatalities in 1964 to 17 fatalities in 1971, average workdays lost per temporary total disability declined from 27 days to 23 days, fatal injury rates dropped from 0.07 to 0.05, and permanent partial disability rates decreased from 0.35 to 0.33, based on the Z16.1 standard per million manhours of exposure. NSC statistics show a steady post-World War II 25-year decreasing injury and fatality rate trend for industry, which only began increasing in the 1970's during the years of OSHA regulation enforcement.

As the American work force has increased, injuries and fatalities have also increased, but the rate of these accidents' frequency did not increase proportionately until they came under OSHA's counterproductive regulatory system.

The disappointing performance of this regulatory nightmare does not warrant providing increased responsibility, but rather it mandates reevaluation and reform.

OSHA's poor performance clearly demonstrates that voluntary safety and health preservation programs through employers incentives are more certain to protect workers than costly Government regulations geared to rigidity rather than results.

Without the arbitrary and bureaucratic barriers presented by OSHA with it inflexible and nitpicking regulations and the exorbitant paperwork and administrative burdens it places on businesses, industry would be able to effect even greater protection for workers through its own efforts. Although industry can be aided by Government encouragement, incentive, and consultation, the ultimate source of protection of worker safety and health must be through the employers themselves with good employee cooperation.

Not only has OSHA failed to produce demonstrable benefits in workers' safety, it has created extraordinary public controversy. Just 9 years ago, the proposed act slipped through the House and passed the Senate by a vote of 83 to 3, and it was not long until the Occupational Safety and Health Administration, the agency created to administer the law, had become the most despised and ridiculed agency in the Federal Government. In recent years, the erosion of public and political support has been evidenced by several congressional votes in favor of blanket exemptions for broad classes of employers. In a free society, it has been often proved that no law can be effective if its administration and enforcement are widely viewed as illegitimate and nonproductive.

Nine years ago Congress cast the Government in a policeman's role establishing a system of crime and punishment for over 4 million workplaces in the United States. Although there may be a valid policeman's role in a limited number of apparent cases of criminal negligence, the vast majority of workplaces should not be subjected to such militant enforcement conditions because they are not hazardous, or at least not criminally so. In short, there is a more reasonable and productive way for the Federal Government to meaningfully participate in improving the occupational safety and health of America's workers.

The better way is for the Government to redirect its policeman's role to functions where it is really needed to deter and correct grave occupational hazards, to provide useful research and information, and to stimulate employer and employee cooperation and initiatives to improve workplace safety and health.

It is becoming increasingly apparent that drastic reform of OSHA is overdue. It is toward this end that I am working on all fronts, through the Congress, the courts and administrative offices of Government.

We have successfully curbed OSHA abuses in dozens of State and Federal court cases across the Nation including the celebrated Barlow Supreme Court victory in May of 1978. We have forced OSHA administrators into a large reduction of arbitrary regulations and other reforms and we are also experiencing increasing successes in legislative relief to OSHA oppression.

Current legislative efforts include a measure S. 2153 introduced on December 19, 1979, by Senator RICHARD SCHWEIKER of Pennsylvania known as the Occupational Safety and Health Improvements Act of 1980. I am introducing similar legislation in the House. These measures offer the first and best opportunity for significant OSHA reform in 1980.

This legislation will improve the original OSHA Act by redirecting the agency's enforcement activities from the ineffective shotgun approach to the effective rifle approach and create needed incentives for encouraging initiatives by employers and employees to make their workplaces more safe and healthful.

The Schweiker and Hansen bills are extensions of successful actions already taken by Congress last year in an amendment offered by the Senator and sponsored by me in the House which passed in the 1980 Labor-HEW appropriations bill. This 1-year provision dealt with small firms of 10 or fewer employees, establishing the principle that OSHA should leave nonhazardous small businesses alone, while preserving essential OSHA authority where needed for enforcement in hazardous circumstances.

S. 2153 seeks to incorporate permanently into the OSHA Act this same positive and responsible approach, but expanded for businesses of all sizes. Additionally, the legislation proposes writing into the law for the first time, nonpunitive incentives for improving safety and health in the workplace. The Hansen bill goes even further in exempting employers with continuing good safety records from OSHA inspections.

Basically then, this new legislative approach provides that workplaces with good safety and health records will be exempt from most OSHA inspections. Thus OSHA will be forced to direct enforcement activities more efficiently to hazardous firms, and create incentives for businesses to establish a good safety record. Under the Schweiker bill, OSHA retains authority to inspect for certain very serious problems, such as health hazards, employee complaints of imminent danger, and the like, whereas the Hansen provision allows OSHA in only if the employer self-correction safety record fails.

To minimize paperwork, the bill seeks to utilize worker's compensation reports already legally required by employers with the State compensation agency. Employers with no injuries reported to the agency over a given period of time will qualify for the exemption. Bureau of Labor Statistics data happily indicate roughly 85 percent of all workplaces would qualify through this method—if all State agencies participate—without additional paperwork for the employers.

Workplaces not identified as safe through the worker's compensation records—including employers in States without adequate workers' compensation data—will qualify by filing an affidavit that the workplace had no occupational deaths and acceptable minimal injuries resulting in lost workdays.

The bills propose additional incentives for workplaces eligible for inspection through penalty exemptions and reductions:

(1) In the more restrictive Senate proposal, the safe workplaces, exempted by the House bill, with more than 10 employees at which are maintained advisory safety committees and advisory consultation programs, and safe employers of 10 of fewer employees, will be exempt from most safety penalties (but not for willful or repeat violations).

(2) Under both proposals, workplaces which do not qualify for the inspection exemption will not be assessed safety penalties greater than $700 for serious violations and $300 for nonserious violations if the employer maintains a responsible advisory safety committee and advisory consultation program.

Mr. Speaker, advisory safety committees and advisory consultation programs as specified are now widely used, and have been productive in improving safety and health. The bills include basic structural requirements to insure meaningful employee participation on the committee and competency in the consultation program.

The Schweiker and Hansen proposals specifically preserve essential OSHA authority to deal with other hazards which cannot be identified by reference to safety performance records. Additionally, both bills also preserve full direct or indirect OSHA authority to investigate serious accidents, deal with imminent dangers and protect employees against discrimination based against exercising their rights under the law.

I fervently hope that a beleaguered American free-enterprise system will rise up to demand this necessary relief from the burdensome regulations of OSHA so that employers and employees can once again, with increasing safety, provide consumers with the low-cost, high-quality abundance we have been losing over the past decade.●

THE NEED TO INCREASE THE RESOURCE LIMIT FOR SUPPLEMENTAL SECURITY INCOME (SSI) RECIPIENTS

HON. THOMAS J. TAUKE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 19, 1980

● Mr. TAUKE. Mr. Speaker, the Supplemental Security Income program, established in January of 1974, is designed to assist the needy aged, the blind, and the disabled—persons who are in the most financial need. In order to qualify for benefits, an individual may not have resources exceeding $1,500, and a couple cannot have resources in excess of $2,250. Although resources does not include one's home and a car with a retail value of $1,200 or less, it does include the money one has in a bank or savings account, one's jewelry, and certain other effects. It is not difficult—particularly in these high inflationary times—to exceed that limit. In fact, since the limits were initially set, inflation has nearly doubled, and this year we expect to see at least a 10 percent rise.

Therefore, today I am sponsoring a bill to amend the Social Security Act to increase the dollar amount of the resources an individual or a couple may have and still qualify for SSI benefits. I urge my colleagues to join in cosponsoring the legislation.

The bill follows:

H.R. —

A bill to amend title XIV of the Social Security Act to increase the dollar amount of the resources which an individual or couple may have and still be eligible for SSI benefits, and to provide for periodic cost-of-living increases in such dollar amount

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1611(a) of the Social Security Act is amended—

(1) by striking out "$1,500" in paragraph (1)(B) and inserting in lieu thereof "$3,000"; and

(2) by striking our "$2,250" in paragraphs (1)(B) and (2)(B) and inserting in lieu thereof in each instance "$4,500".

SEC. 2. Section 1617 of the Social Security Act is amended by inserting "subsections (a)(1)(B) and (a)(2)(B) of section 1611," after "1611,".

SEC. 3. The amendments made by the first section of this Act shall apply with respect to benefits for months after the month in which this Act is enacted. The amendment made by section 2 shall apply with respect to determinations made (under section 215(i) of the Social Security Act) after the date of the enactment of this Act.●

1978 FRESHMEN SCORE POORLY ON 1928 EXAM

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 19, 1980

● Mr. MICHEL. Mr. Speaker, it is always fun, if not always enlightening, to match the achievements of the present against those of the past. Could Muhammed Ali beat Jack Dempsey? What would happen if Babe Ruth faced a Nolan Ryan fast ball? These and similar questions are usually the kind of thing that leads to friendly debates and nothing more.

But 2 years ago someone asked a similar, much more important question about the present versus the past. How would today's college freshmen do on a test that was given 50 years ago to the college freshmen of 1928?

The results were further evidence that today's educational establishment has failed in its job. Today's class did poorly on the tests when measured against the achievements of the class of 1928.

This certainly suggests, as one of the test-givers stated that:

> We are becoming "headline learners," giving less and less attention to substance and the beauty of the language.

At this point I wish to insert in the RECORD, "1978 Freshmen Score Poorly on 1928 Exam" from the New York Times, March 18, 1980:

1978 FRESHMEN SCORE POORLY ON 1928 EXAM

(By Fred M. Hechinger)

Charges that today's young people are poorly educated and counterclaims that the schools are better than ever tend to be carried on without benefit of facts. Missing from the debate is a yardstick by which to measure and compare the performance of students—then and now.

One such yardstick has just become available, and it shows that apprehensions about the decline in reading skills may be fully justified. The instrument that provides the disconcerting evidence is a test given to 865 incoming freshmen at the University of Minnesota in 1928 and again in 1978, exactly 50 years later. The comparative results, which have just been correlated, were obtained by The New York Times last week.

In the 1920's Alvin C. Eurich, now President of the Academy For Educational Development, a nonprofit organization of educational research and services, designed experiments to improve the reading abilities of freshmen. At the time, as a research assistant in educational psychology, he prepared and administered two standardized reading tests.

In the intervening years, Dr. Eurich has served as a professor and ultimately as acting president of Stanford University, a Navy Commander in charge of a testing and training program, Chancellor of the State University of New York and head of the Ford Foundation's education division.

While listening to the debate over student performance, Dr. Eurich recalled his Minnesota test experience and decided, with the university's cooperation, to administer the same tests to the 1978 freshmen. "The conditions," he said in an interview, "were especially favorable for a comparison."

Then, as now, the university had open admission for any graduate of an accredited high school. In 1928, moreover, the tests were administered not only to the 1,313 freshmen in the liberal arts college but to 4,191 high school seniors in the Minneapolis and St. Paul public schools. A spot check of the test by The New York Times indicates that the meaning of the words used on it has changed little, if any, since 1928.

In the 1978 rerun, only college freshmen, both in the more selective college of liberal arts and the new general college were tested. Today's college freshmen failed to match the performance of both the 1928 samples—college and high school.

The first of the two tests consisted of two parts: a vocabulary test in which students had to define 100 words by selecting the correct meaning from five choices, and a reading comprehension test, which asked students to select, from a series of statements, the one that correctly interpreted a paragraph. In the second, a "speed of reading" test, students were allotted six minutes to read 38 paragraphs, and were required to cross out the one extraneous or absurd phrase in each paragraph.

On the vocabulary test, the 1978 freshmen scored significantly lower (28.75 out of 100) than the 1928 freshmen (34.90). Approximately 50 percent of the 1978 freshmen scored below 26, compared with only about 40 percent of the 1928 freshmen. (The figures used are derived from the mean scores based on the number of items answered correctly by the tested groups.)

In reading comprehension, the pattern was similar. About 50 percent of the 1978 freshmen fell below a score of 12, compared with only 40 percent of the 1928 high school seniors and 30 percent of the 1928 college freshmen.

In the speed-reading test, about 54 percent of the 1928 freshmen scored 20 or below; 81 percent of the 1978 group did so. This was "a striking and highly significant statistical difference," Dr. Eurich commented.

Critics of the comparison say that no two samples separated by 50 years can be considered truly comparable, which Dr. Eurich concedes. For example, in 1928 a considerably smaller proportion of students finished high school and went on to college. Thus, the sample tested that year was more select—many low achievers had already dropped out.

Still, Dr. Eurich's findings block any defense that may try to absolve schools and society from all responsibility by blaming the declining achievements on the fact that today more not-so-bright youngsters make it all the way to college. Most striking, he said, is "the noticeable decline by 1978 in the performance of the most gifted students—the top 1 percent."

In 1978, he said, no student scored higher than 75, a drop of some 20 points from the highest score in 1928; and only one student out of 100 in 1978 scored near 60, a score obtained by five out of 100 in 1928. The top 1 percent in academic ability within the student population is fair game for a then-and-now comparison.

What does all this mean? To Dr. Eurich it means that freshmen today cannot cover as much ground in a given time as students half a century ago, or comprehend what they read as well. Textbooks tend to adjust to students' lower capacities, thus speeding the downhill slide.

Dr. Eurich cites the observation by Prof. Jeanne Chall, a noted reading specialist at Harvard University, that while educators often claim that easier books enhance students' ability to comprehend new concepts, the fact is that such texts do not challenge students sufficiently to stretch their capacity.

Indications of students' declining test scores over a shorter period of time have led to much guessing at the reasons, without many convincing conclusions. Dr. Eurich is content with raising some questions: "Can it be that we are placing less and less emphasis on the importance of reading and other more traditional modes of learning? Can it be that through our technological means of communication, we are becoming 'headline' learners, giving less and less attention to substance and the beauty of language?"●

GREENVILLE-SPARTANBURG, S.C., MAKE WALL STREET JOURNAL'S WINNERS LIST

HON. CARROLL A. CAMPBELL, JR.

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 19, 1980

● Mr. CAMPBELL. Mr. Speaker, I would like to call the attention of this body to an article which appeared on the front page of the Wall Street Journal last Friday. Headlined "Those Who Rate Cities as Business Sites Like Mid-Size Sun Belt Ones," the report notes that experts pick Greenville-Spartanburg, S.C., high in the top six best bets for business location or expansion in the coming decade.

The experts, who look for strong growth potential and a high quality of life, found fertile hunting ground in the Fourth District, which I am privileged to represent. In fact, Mr. Speaker, they discovered the same rich potential which the international business community, more than 50 European companies strong in the area, has long recognized. This includes a skilled work force which believes in and practices the tenets of the work ethic, abundant academic opportunity, and a cultural environment of national and international renown.

High in this list of attributes is a business community which is creative, accommodating and aggressive. As described in the Journal article, "Long known as a domestic textile center, Greenville-Spartanburg is drawing industry from all over the world partly because of aggressive campaigns by its chambers of commerce."

Mr. Speaker, I am proud to see these accomplishments in the headlines and salute the people of the Fourth District who have established this well deserved hospitable reputation.

The excerpt from the Wall Street Journal follows:

Greenville-Spartanburg (metropolitan-area pop. 560,000). How many cities can boast a foreign consulate? Spartanburg has two. Why here, in the rugged Piedmont section of northwest South Carolina? "Because it's an international town," says Jacqueline Dietrich, the French consul, who operates out of her house in Spartanburg. More than 50 European companies have offices in town.

Some 26 miles down the pike in Greenville, Michelin, the French tire company, has its U.S. headquarters. So does Dan River, the American textile giant. J. P. Stevens, the second-largest textile company in the country, employs about 8,000 people across Greenville County. Electronics firms like Digital Equipment are moving into Greenville, too.

Long known as a domestic textile center, Greenville-Spartanburg is drawing industry from all over the world partly because of aggressive campaigns by its chambers of commerce. Spartanburg solicited consuls from the French and Swiss governments, while Greenville trumpets that unions represent less than 3% of its labor force and touts South Carolina's right-to-work law. The area also benefits from a successful state-financed program that trains workers to meet the needs of any company locating in South Carolina.●

CONGRESSIONAL SALUTE TO THE NORTH JERSEY DISTRICT WATER SUPPLY COMMISSION UPON THE 50TH ANNIVERSARY OF THE DELIVERY OF WATER FROM WANAQUE RESERVOIR TO THE NORTHEASTERN REGION OF NEW JERSEY

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 19, 1980

● Mr. ROE. Mr. Speaker, on Thursday, March 20, 1980, the residents of my congressional district and State of New Jersey will join together in a commemorative salute of the North Jersey District Water Supply Commission of the State of New Jersey in Wanaque, N.J., upon the celebration of the 50th anniversary of the North Jersey District Water Supply Commission's delivery of water for the first time from the reservoir at Wanaque.

Mr. Speaker, it is indeed my privilege and honor to commend to you the distinguished commissioners, officers, technicians, and staff of the North Jersey District Water Supply Commission who have earned the respect and esteem of our people for their outstanding public service and administration of this most important regional water supply facility. The current commissioners and officers are as follows:

Commissioners: Frank A. Orechio, chairman; Salvatore L. Barone; Samuel Berger; Elton Hill; and Gregory Komeshok.

Officers: E. Albert Mandel, comptroller; George J. Minish, counsel; Dean C. Noll, executive director and chief engineer; and C. William Searle, secretary.

Mr. Speaker, we all agree that a good, clean, safe water supply is basic and essential to the health of our people. It is also apparent that the material improvement of our overall water supply and distribution systems is critically important to sustain our economic leadership and achieve our fullest industrial growth potential.

The Wanaque Reservoir is the key controlling reservoir of the northeastern region of our State. I insert at this point in our historic journal of Congress, a brief chronology and profile of the history, development, and potential of the North Jersey District Water Supply Commission's Wanaque and Ramapo cooperative water supply development projects which most eloquently sets forth the dedication and sincerity of purpose of the men and women whose exemplary professional expertise have contributed to the goals and objectives of the commission in conserving and nurturing our water resources for the benefit of our people. This profile on the noteworthy characteristics and achievements of the commission reads as follows:

NORTH JERSEY DISTRICT WATER SUPPLY COMMISSION OF THE STATE OF NEW JERSEY

HISTORY

Water needs of the populous areas of northeastern New Jersey have been recognized for one hundred years. One of the first studies of water supply from the various rivers in this area was made in 1879 for the City of Newark.

In 1911, the Wanaque[1] project was proposed as a joint supply for Newark and Paterson and in 1916 the North Jersey District Water Supply Commission was granted the right to divert 50 million gallons daily for Newark, Paterson and other communities. Increasing demands for water led others to join in the development, and eventually a supply estimated at 100 million gallons[2] daily was planned for eight municipalities.

PARTICIPANTS AND ALLOTMENTS

Municipality	Percent
Newark	40.50
Paterson [1]	20.00
Kearny	12.00
Passaic [1]	11.00
Clifton [1]	6.75
Montclair	5.00
Bloomfield [2]	4.00
Glen Ridge	0.75
Total	100.00

[1] Represented by Passaic Valley Water Commission.

[2] Bloomfield transferred its allotment to Newark.

DESCRIPTION OF WANAQUE PROJECT

This system was created by the construction of Raymond Dam across the Wanaque River in Wanaque Borough, Passaic County, N.J. Pertinent information regarding the supply is contained in the following tabulation:

Elevation of water surface (full) above sea level.	300.3.
Elevation of water surface with flashboards	302.25.
Capacity of reservoir (at elevation 302.25)	29,600 million gal.
Area of water surface	2,310 acres.
Length of reservoir	6.6 mi.
Greatest width	1.2 mi.
Average width	½ mi.
Greatest depth	90 ft.
Average depth	37 ft.
Length of main dam	1,500 ft.
Type of main dam: Earth fill (with concrete core-wall to bedrock) containing.	1,000,000 yd.^{3}
Length of seven secondery dams	6,100 ft.
Area owned	6,650 acres.
Length of shoreline	30 mi.
Watershed area	94.4 sq. mi.
Length of aqueduct	21 mi.
Size of aqueduct	14 mi. of twin 74-in. mains; 2 mi. of 7-ft. tunnel; 5 mi. of single 74-in. main.

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[1] The valley in which the Wanaque water supply system is located was called by the Indians, "Wyanockie," meaning "Sassafras Place."

[2] Subsequent studies and droughts revealed the yield to be substantially less.

Ground broken for Raymond Dam	Nov. 23, 1920.
Gates closed and filling of reservoir began	Mar. 23, 1928.
Reservoir filled first time	Mar. 4, 1929.
First delivery of water through aqueduct	Mar. 30, 1930.

HEADWORKS

Buildings comprising the Headworks of the Wanaque Supply are located in front of Raymond Dam. They include the following structures and facilities:

Administration Building—administrative and engineering offices, and laboratory.

Pumping Station—five 23 million gallons daily (M.G.D.) pumps and one 11 M.G.D. pump operating at 2,300 volts from a 33,000 volt substation.

Lower Gate House—auxiliary chlorinators and valves to control flow to aqueduct, aerator and pumping station.

Upper Gate House—sluice gates and screens for intake penstocks.

Control House—valves and mechanisms for regulating flow to aerator.

Garages and Machine Shop.

Storage and Maintenance Building.

Some of these structures are being altered in conjunction with new treatment facilities under construction.

The grounds are formally landscaped and the aerator pool serves the function of permitting a fountain display to discharge compensation water returned to Wanaque River.

AQUEDUCT

Water is delivered to the participants through two 84-inch diameter tunnels totalling over two miles and 14 miles of twin 74-inch diameter steel pipes, plus 5 miles of single 74-inch diameter steel pipe.

Connections to this aqueduct are located at Wayne, Little Falls, Montclair and Belleville.

RAMAPO PROJECT

Increasing needs of the area, emphasized by the drought of 1949 and 1950, convinced the participants that additional water was required.

Application for diversion rights in the Ramapo River was made to the State Water Policy and Supply Council. Permission for these rights was received in 1950.

To develop this resource, four 25 MGD pumps have been provided at a pumping station located at Pompton Lakes on the Ramapo River to deliver water through a 72" diameter steel pipeline, to the south westerly part of the Wanaque Reservoir.

The Ramapo project was completed in 1953 at a cost of $5,000,000 and increased the yield of the Wanaque Reservoir by 25 MGD to a total of 94 MGD. This project also included a treatment facility for introduction of chlorine into the incoming Ramapo water, as well as chlorine, lime and ammonia into the outgoing water being delivered to the partner communities.

THE WANAQUE WATER TREATMENT PLANT

In 1966, the New Jersey Department of Health ordered the Commission to improve its water treatment facilities inasmuch as the delivered water did not meet Federal and State standards. Some of the member municipalities opposed the order and court actions lasted until 1974 when it was ruled that the plant shall be built by the Commission at Wanaque.

Work has been started on what will be, when completed, one of the most modern water treatment plants in the country. This project has a nominal capacity of 100 MGD and is capable of treating peak flows in excess of 160 MGD. The treatment facilities provide for low lift pumps, premixing, reaction basins, rapid mixing, slow mixing, coagulation and two story settling basins, chemical feed equipment for introduction of chlorine, powered carbon, alum, lime, potassium permanganate and zinc phosphate, rapid sand filters, a six million gallon clear water storage reservoir, a half million gallon wash water tank, a waste wash water basin and sludge lagoons, emergency generators, instrumentation, including a computer facility, an office building and laboratory facilities. The lump sum bid price for the project is $26,335,000 and completion is projected for September 1980.

NEW PROJECTS COMPLETED OR UNDER CONSTRUCTION AND FUTURE PLANNING

In the middle 1960's, New Jersey and the rest of the eastern seaboard suffered through the most severe drought on record. This drought pointed up, in a most dramatic manner, the serious water shortages existing in northeastern New Jersey.

Raritan Valley project

The State of New Jersey constructed the Round Valley Reservoir and Spruce Run Reservoir. The original Round Valley concept was developed by the North Jersey District Water Supply Commission in the early 1950's. When the State constructed the reservoirs, it was the intention of this Commission to buy raw water, treat it, and deliver it to the participating municipalities through miles of pipelines.

In 1972, the 70 MGD Raritan Valley project, as conceived by this Commission, was rejected by the State and municipal partners primarily becuase of delays which increased the cost of the project beyond reason.

Monksville project

In December 1973, the Commission petitioned the State for permission to develop the Monksville project which could be quickly built as a stop-gap measure.

This project envisioned additional pumping from the Ramapo River and construction of a seven billion gallon reservoir on the Wanaque River in Ringwood and West Milford. This project would develop a yield of 25 MGD. The subscribers to the project, Bayonne, Bloomfield, Cedar Grove, Elizabeth, Kearny, Newark, Nutley and Wayne, totaling 58 MGD, far exceeded the capabilities of the system. In addition, the Hackensack Water Company objected to the project claiming it was prepared to develop the Ramapo River as a source of water for its growing needs in Bergen County bordering this stream.

During the Monksville hearings, the Hackensack Water Company petitioned the State for permission to divert water from the Pompton and Passaic Rivers for its needs. It became apparent that both projects would be bogged down and the State requested that all parties, including the State, develop a compromise proposal.

Two Bridges Ramapo project

The Commission, the Hackensack Water Company, the partner municipalities, Passaic Valley Water Commission and the State met many times and hammered out the Two Bridges proposal.

This project envisioned increasing the size of the existing Ramapo Pumping Station as contemplated in the Monksville Report. A second station of 250 MGD capacity was to be constructed at the confluence of the Pompton and Passaic Rivers in Wayne with a single intake favoring the Pompton River. The water would be transported to the Wanaque Reservoir through an eleven mile pipeline, nine feet in diameter, laid in most part along the existing aqueduct right-of-way of this Commission.

This project would develop 79 MGD, one-half for the Commission's Two Bridges participants, and the remainder for the Hackensack Water Company. Permission to construct this project was received from the State in 1979 with some modifications from the original proposal. The water would be developed for the benefit of Bayonne, Bloomfield, Cedar Grove, Kearny, Newark and the Hackensack Water Company.

This project also has the potential for further development from the Raritan Valley project, the Delaware River, and even the Hudson River since it lies at the focal point of these future projects.

Mr. Speaker, the destiny and economic future of our Nation depend in the greatest measure on an essential basic staff of life; namely, good clear water supply—in quantity and quality. For the North Jersey District Water Supply Commission's contributions to our people in providing this life-giving resource—ever seeking the highest standards of excellence in their personal commitment to help improve the quality of life in their daily endeavors, we do indeed salute the commissioner, officers, technicians, and staff of the North Jersey District Water Supply Commission of the State of New Jersey as they celebrate the 50th anniversary of the first formal opening of the Wanaque aqueduct and delivery of its water supply to the residents of the northeastern region of our State of New Jersey.●

THE STATE OF IDAHO SPEAKS OUT FOR THE RIGHTS OF THE STATE OF ALASKA

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 19, 1980

● Mr. SYMMS. Mr. Speaker, I recently received the attached copy of the Idaho Legislature's House Joint Memorial No. 21, which indicates that the sentiments of the people of Idaho aline with those of the people of Alaska in their efforts to obtain a voice in the management of the lands within their State boundaries.

When the House considered H.R. 39, which I feel is one of the greatest travesties this body has ever enacted, I noted then that the people of the West, whose land is managed by the Federal Government, are distressed with the seeming indifference paid to them and their local economies by the Congress of the United States. I believe this memorial is evidence of that unrest by the Western States, and I commend its message to the Members of this body. The memorial and its cover letter from the Idaho House of Representatives read as follows:

MARCH 7, 1980.

Representative STEVEN D. SYMMS,
Rayburn Building,
Washington, D.C.

DEAR STEVE: Enclosed is a copy of HJB 21, which we would hope that you would carefully consider. I am sure that the people of all the states in the West, join with Alaska in trying to get some say in the control of the public lands in their states.

The memorial is certainly self-explanatory. It was adopted by a wide majority in both the House and Senate of the Idaho Legislature.

The people in the Public Land States feel frustrated and consequently support the Sage Brush Rebellion, and also the endeavors of the State of Alaska, because they feel something must be done.

I would hope that you would do everything in your power to help grant the people of the Public Land States what they desire.

Yours truly,

WALTER E. LITTLE,
Majority Leader, House of Representatives, State of Idaho.

HOUSE JOINT MEMORIAL NO. 21 BY RESOURCES AND CONSERVATION COMMITTEE IN THE HOUSE OF REPRESENTATIVES

A joint memorial to the Honorable President of the United States, Jimmy Carter, to the honorable Senate and House of Representatives of the United States in Congress assembled, and to the honorable congressional delegation representing the State of Idaho in the Congress of the United States

We, your Memorialists, the House of Representatives and the Senate of the State of Idaho assembled in the Second Regular Session of the Forty-fifth Idaho Legislature, do hereby respectfully represent that:

Whereas, Section 17(d)(2) of the Alaska Native Claims Settlement Act of 1971 directed the Secretary of the Interior "to withdraw from all forms of appropriation under the public land laws, including the mining and mineral leasing laws, and from selection under the Alaska Statehood Act . . . up to, but not to exceed, 80 million acres of unreserved public lands in the State of Alaska . . . which the Secretary deems suitable for addition to or creation as units of the National Park, Forest, Wildlife Refuge, and Wild and Scenic Rivers Systems"; and

Whereas, the same 1971 Act required Congress to act upon the Secretary's recommendations within seven years; and

Whereas, both the United States House of Representatives and the United States Senate have had under consideration legislation responding to the recommendations of the Secretary entered in accordance with the mandate of the 1971 Act, but Congress has failed to agree on a single version of Alaska national interest lands legislation; and

Whereas, the President, Secretary of the Interior, and Secretary of Agriculture, acting in accordance with authority purportedly granted by the Antiquities Act (16 U.S.C. 431), the Federal Land Policy and Management Act (43 U.S.C. 1701), and other statutory bases for land withdrawals and reclassifications, have reserved or reclassified more than 110 million acres of Alaska land, compromising Statehood Act selection rights and threatening or severely restricting, if not altogether precluding, both traditional land and resource use activities and opportunities for resource development throughout much of Alaska; and

Whereas, the Legislature of the State of Idaho desires to support the earnest petition of the Legislature of the State of Alaska that the matters remaining unresolved be given the necessary Congressional review and speedy disposition. Now, therefore, be it

Resolved by the members of the Second Regular Session of the Forty-fifth Idaho Legislature, the House of Representatives and the Senate concurring therein, that the Legislature of the State of Idaho supports and concurs with the Legislature of the State of Alaska in the following seven points:

(1) Congress should revoke each and all of the 1978 executive or administrative orders withdrawing lands in Alaska;

(2) By legislation, Congress should convey to Alaska its full entitlement of federal lands authorized by the Alaska Statehood Act, and to Alaska Natives the full entitlement of public lands authorized to Alaska Natives by the Alaska Native Allotment Act, 48 U.S.C. 357 (Act of May 17, 1906), as amended, and by the Alaska Native Claims Settlement Act, as amended;

(3) Congress should provide for a rational means of providing access to state and private lands across any federal enclaves created;

(4) State management of fish and game on all lands in Alaska should be continued;

(5) Congress should exempt highly valuable mineral deposits and other commodity resources from inclusion in federal systems which obviate development;

(6) Traditional land uses on all lands in Alaska should continue; and

(7) The President and the Secretary of the Interior should be precluded from establishing or adding to any conservation system unit within Alaska by means of any executive or administrative authority. Be it further

Resolved, That the Chief Clerk of the House of Representatives be, and she is hereby authorized and directed to forward copies of this Memorial to the President of the Senate and the Speaker of the House of Representatives of Congress, and the honorable congressional delegation representing the State of Idaho in the Congress of the United States.●

GREEN INTRODUCES RENTAL HOUSING ASSISTANCE ACT OF 1980

HON. S. WILLIAM GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 19, 1980

● **Mr. GREEN.** Mr. Speaker, "A potential housing crisis exists today. We have seen a number of indications that the Nation faces a severe shortage of rental housing, one that will grow increasingly serious in the near future." I am not quoting housing lobbyists that are attempting to alarm, but rather I am quoting a recent letter I received from an Assistant Secretary of the Department of Housing and Urban Development.

Many factors are working together to create the problem we confront today; insufficient and unaffordable rental housing. While the exact status of the present crisis may be difficult to ascertain, it is easy to look at many indicators and sense future trouble for rental housing in the United States. Consider the following:

Rents are at record levels, but this extraordinary demand appears to be producing no response on the supply side.

Nationwide multifamily construction in 1979 will be only 500,000 units, and two-thirds of these will be built directly or indirectly by the Government. This percentage is expected to increase.

In spite of the shortage of rental units, housing abandonment continues apace, and, according to a recent report of the Coalition of Northeastern Governors, as the costs of fuel and interest rates climb, abandonment of rental housing will increase.

One hundred and forty-five thousand rental units will be lost in 1980 as they are converted to cooperatives and condominiums, according to a "U.S. Housing Market Study" by the Advance Mortgage Corp., of Detroit.

The apartments that remain as rental units will face skyrocketing energy costs, rising maintainence expenses, and a tax code that discourages middle-income renters from remaining. New construction of rental housing faces phenomenal finance and construction costs, making it almost impossible to build affordable rental housing.

This situation is not a recent development. Almost 1 year ago today, on March 23, 1979, the former Secretary of HUD, Patricia Harris, noted to her top advisers in a memo entitled "The Crisis in Multi-Family Housing":

> I am now convinced that unless the Department takes significant action in this area that this crisis will cause a serious shortage of available and affordable rental units for low, moderate, and middle income Americans.

Seven months later, last November, the Government Accounting Office warned that:

> The rental housing problem is so severe that it requires the immediate attention of and action by the Congress and the Administration.

Mr. Speaker, I agree with the former HUD Secretary and the GAO, we must take action now or ignore very crucial human needs in this country. Those who rely on rental housing the most, the elderly and lower and moderate income families, will be the hardest hit by any rental housing crisis, but the ramifications of worsening conditions would spread throughout our economy.

The increased demand for limited rental housing will force middle-income families to pay even more on rent when rents are already outpacing their incomes. Businesses will encounter difficulties in hiring and transferring employees, and new industry will be reluctant to relocate in areas with inadequate rental housing. In short, rental housing is crucial to a healthy nation.

Mr. Speaker, today, with 14 of our colleagues, I am introducing the Rental Housing Assistance Act of 1980, and I urge my colleagues to join me in cosponsoring this bill. This legislation is not a new, expensive program, but rather it works with existing programs, fine tuning them to make them more effective. A summary of this bill follows my statement.

This bill will assist the often ignored middle-income family that cannot afford to buy a home—and take advantage of major tax breaks—nor can qualify for rental assistance provided by HUD because its income is too high. The Rental Housing Assistance Act will improve the ability of the Federal Government to assist in the construction and, most importantly, the retention of rental housing.

I insert at this point a summary of the Rental Housing Assistance Act of 1980, the letter I received from the Assistant Secretary of HUD, and the memo from former Secretary of HUD, Patricia Harris, for the interest of my colleagues.

SUMMARY OF THE RENTAL HOUSING ASSISTANCE ACT OF 1980

Sec. 1: Findings and purpose.

Sec. 2: Enables nonsubsidized FHA insured buildings to participate in the GNMA Tandem program by setting GNMA ceilings equal to the FHA mortgage ceilings and allowing the Secretary to lessen the subsidy somewhat for them.

Sec. 3: Sets up a demonstration program and required HUD study to the feasibility of instituting a comprehensive replacement cost system for determining FHA mortgage ceilings that are presently set through legislative action. In the past, long delays in legislative action to adjust FHA mortgage ceilings to reflect inflation have severely curtailed the ability of the FHA to function effectively in assisting development of rental housing.

Sec. 4: Allows apartment buildings that need moderate upgrading to receive the assistance of the GNMA Tandem program by allowing GNMA to purchase section 241 insured supplemental loans. This will enable these buildings to remain sound so that they will not face abandonment or the need for deep Federal subsidies in the future. The RHAA will amend title III of the Housing Act to allow GNMA to purchase these section 241 loans, making money available to lenders for this purpose as well as lowering the interest on the loan.

Sec. 5: Amends the new Moderate Rehabilitation section 8 program to make it workable by extending the contract discretionary authority of the Secretary beyond the present statutory limitation of 15 years, which is simply not enough to amortize the costs of the rehabilitation contemplated by the program.

Sec. 6: Asks HUD to study the tax code to determine the effect that the IRC has on rental housing. It is interesting to note that the President's budget last year detailed a homeownership subsidy (through mortgage interest and property tax deductions) of $15.9 billion, and this year's budget contains a homeowner tax subsidy of over $23 billion, a 50 percent increase. This enormous subsidy has caused the relative costs of renting versus owning to change to the point that upper middle income renters are almost forced into ownership. This encourages the conversion of rental buildings to cooperatives and condominiums, thus shrinking the rental market. Concern has also been expressed that our tax code rewards construction of and, through rapid depreciation, neglect of rental buildings.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, OFFICE OF THE ASSISTANT SECRETARY FOR LEGISLATION AND INTERGOVERNMENTAL RELATIONS,
Washington, D.C., January 28, 1980.

Hon. WILLIAM GREEN,
House of Representatives,
Washington, D.C.

DEAR MR. GREEN: I am replying to your letter of November 14, 1979, on behalf of Mr. Paul Wollman concerning conversions of rental housing.

The Department recognizes that a potential housing crisis exists today. We have seen a number of indications that the nation faces a severe shortage of rental housing, one that will grow increasingly serious in the near future. National vacancy rates are at a record low. Production of rental housing lags demand significantly, and there is little reason to expect improvement in the unsubsidized market. Builders, lenders, and investors are reluctant to commit to multifamily development because of high construction and financing costs, the threat of rent control, the prospect of increasing operating costs, and the slow growth of renter incomes.

One component of the shortage is the growing trend in conversions of rental housing to condominium or co-operative ownership, a trend which can reduce the available stock of existing rental units. We are concerned with this as well as with the displacement implications of conversions. As your constituent points out, tenants whose units are being converted often face very difficult choices regarding moving or buying into the project. And, with rent levels and prices what they are today, it is sometimes the case that few options are economically feasible for displacees.

While the conversion phenomenon appears to be growing, we do not know its exact magnitude. Pursuant to Congressional directive and our own concern, we have undertaken a study to determine the extent of condominium conversions, the attendant problems involved in the conversion process, and the effects upon the rental market. This already has begun. Results should be coming in shortly and will provide a sound basis for determining what Federal action is appropriate.

As a long-term strategy, the Department believes that we must increase the overall supply of rental housing stock in order to alleviate current shortage conditions. This is receiving priority attention in the Department and the Administration.

Thank you for the opportunity to respond to Mr. Wollman's views.

Sincerely,

DURKEN CHERRY,
Acting Assistant Secretary.

WASHINGTON, D.C.,
March 23, 1979.

Memorandum for: Lawrence B. Simons, Assistant Secretary for Housing, FHA Commissioner.

Subject: "The Crisis in Multi-Family Housing."

I am deeply concerned at the indications you and I have received recently that the Nation is facing a serious and growing crisis in the multi-family rental housing market. I am now convinced that unless the Department takes significant action in this area that this crisis will cause a serious shortage of available and affordable rental units for low, moderate and middle income Americans. Specifically, I am concerned about the following indicators:

The high and growing dependence of the multi-family construction market upon Federally subsidized or insured construction. In this connection, recent estimates project that more than 40 percent of the multi-family starts in 1980 will be HUD subsidized and more than 50 percent will be HUD subsidized or insured. Additionally, of the multi-family rental starts, as much as 60 percent may be HUD subsidized and more than 70 percent may be subsidized or insured.

The two-fold pressure of inflation on multi-family rental housing: increased construction and operating expenses on the one hand and the loss of middle income renters to the homeownership market because of increasing tax benefits and the expectation of appreciation on the other.

The loss of rental units through 30,000–40,000 condominium conversions annually and the estimates that as many as 200,000 of the 550,000 multi-family construction starts predicted in 1980 will be condominiums or cooperatives.

The steady drop in rental unit vacancy rates over the past five years, producing a nationwide rate below five percent, an effective nation-wide rate of two percent to three percent, and effective rates in some cities of one percent and below.

The continued abandonment of large numbers of rental units in declining urban areas, and the shortage of rental housing in rural areas.

These indicators lead me to believe that HUD will have to take the lead to increase the supply of moderately priced rental units for working families and, in particular, for minorities who wish to leave racially impacted areas.

As we begin the Fiscal Year 1981 budget process, I would like your views on the gravity of this apparent crisis, and how the Department may best respond to it. One particular concern must be to produce the maximum housing benefit for the smallest possible cost and budget impact. In this connection, we have both noted that the high subsidy costs of the Section 8 new construction program, however successful our efforts to limit development and operating costs, place serious limits on the political willingness and financial ability to support large numbers of additional units.

You should therefore explore innovative approaches to production assistance, as well as budgetary and financial mechanisms that have the least possible fiscal impact as part of our 1981 budget package.

To expedite this process, I ask that you convene and chair an intra-departmental working group consisting of the following individuals: Assistant Secretary Embry; Assistant Secretary Shalala; William White, General Manager, New Communities; Fred Taylor, Executive Assistant, GNMA; Stephen Coyle, Executive Assistant to the Secretary/Under Secretary; Dale Riordan, Special Assistant to the Secretary/Under Secretary; Al Kliman, Director, Office of Budget; and Edward Norton, Acting General Counsel.

You should also consult with a number of outside individuals whose expertise in the field of multi-family rental housing production would be useful in your deliberations.

I ask that you provide me with the working group's preliminary report by April 15, and that your final recommendations be made to me no later than June 8, 1979.

PATRICIA ROBERTS HARRIS.●

COMMODITY LETTER OF CREDIT PROPOSAL

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 19, 1980

● Mr. GOODLING. Mr. Speaker, I am pleased to cosponsor with my colleague, Representative WILLIAM D. FORD, the chairman of the Postsecondary Education Subcommittee, a bill to streamline the system by which agricultural commodities are made available to local schools. This legislation proposes to establish a more efficient commodity delivery mechanism while simultaneously contributing to the goal of a balanced budget.

Currently, school districts rely on U.S. Department of Agriculture (USDA) donated commodities for about 20 percent of their food requirements, with the remaining 80 percent being purchased locally. To supply this 20 percent, USDA buys foods at market prices under its commodity price support and surplus removal programs, and then has these commodities moved to various locations within the States. In addition to the USDA purchase price and initial transportation costs, States and local school districts must pay substantial amounts for warehousing, handling, and transportation of these products. The present system of purchasing, processing, warehousing, distribution, handling, and storage of these USDA-bought foods operates largely outside the normal channels of trade. These foods move in a separate USDA food system in which there is, at best, limited competition and in which the costs are enormous.

What our legislation would do is replace the USDA national purchase and distribution of commodities with a letter of credit system to permit local school districts to buy their foods at the local level.

The savings involved can be achieved without any child now eating a school lunch being denied access to the program. These savings can be achieved without any reduction in the number of pounds of price support and surplus agricultural foods moved to these school lunch programs. These savings can be achieved simply by going from the separate expensive and inefficient USDA food system to using the existing private food system to make a share of our agricultural production available to the Nation's school lunch programs.

Use of a commodity letter of credit system will maintain the role of the Congress and USDA in determining which commodities are in need of price support and surplus removal. It will retain the right of Congress and USDA to determine the pounds of these commodities which should be moved off the market. It will retain the responsibility of the USDA to give the schools help in making them intelligent buyers. Such a system will move at least the same number of pounds, but it will do it in a more efficient and more timely fashion than the present USDA food system since the private food sector will do the job.

The commodity letter of credit system will not jeopardize, in any way, the funds which the USDA has requested and the Congress has approved for commodity assistance to the national school lunch and other programs. These same funds will still be used for commodities. They will still be used for the same price support commodities probably with roughly the same pounds and dollars as now. They will still be used for many of the same surplus removal operations. The dollars and pounds will remain about the same there, too. How many dollars and how many pounds of USDA commodities should be moved off the market to the schools will continue to be decided by the USDA as it is now with the policy direction of Congress. Quality and price guidance on price supported and surplus commodities will also be provided by USDA.

A commodity letter of credit improves the flexibility that schools and other agencies have. Under a commodity letter of credit system, the local school lunch programs will be buying 100 percent of their food needs at competitive bid prices from local vendors rather than the present 80 percent. What the school lunch programs had been getting in USDA-bought foods through the expensive and inefficient USDA food system will be replaced by the same commodities bought from local vendors in the same pounds and in the same quality and for the same or less dollars. There would be one extremely important difference—the local school lunch programs could use their allotment of commodities to buy the specified commodities in a form which they can readily use in their programs. They would no longer have the USDA in Washington deciding in what form they should receive their commodities. USDA would, however, indicate the quality specifications and provide price guidance. USDA could also issue a commodity letter of credit for a specific product.

Congress over the past few years has steadily provided alternatives to the Federal commodity programs. Food stamps replaced the family commodity distribution program. In the Nation's Elderly Feeding program, local agencies were given the option of receiving cash instead of commodities and are doing so in large numbers. The same holds true for child care programs.

I agree with the bipartisan stand taken by the Committee on Education and Labor against the administration's proposal to cut the child nutrition programs by millions of dollars. For example, the administration's proposal to cut the school lunch program would jeopardize the viability of many school lunch programs which are currently operating on a thin line of survival. Yet given the deep economic troubles facing our Nation, we have a responsibility to seek alternative means to reduce the budget. I feel that the commodity letter of credit proposal offers such an alternative without jeopardizing any school food service program and without cutting off any child's ability to receive a nutritious school meal. I am urging consideration of this commodity letter of credit proposal, because I think it will improve the existing programs. I hope that all of the parties involved will come forward in a spirit of cooperation and will offer constructive suggestions to help make this legislation a true improvement over the cumbersome and inefficient delivery system currently in use.

In the current climate of fiscal austerity, if we cannot use our talents to devise improvements and weed out inefficiencies, many great programs will be jeopardized. We have a responsibility to the children of this Nation to preserve the school food programs. We also have a responsibility to the Nation to provide for efficient, cost-effective programs. I believe this proposed legislation allows us to achieve both goals.●

ARE THEY EVER GOING TO LEARN?

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 19, 1980

● Mr. ASHBROOK. Mr. Speaker, I once again have to inform my colleagues that the born again anticommunism of Mr. Carter that was so proudly displayed only 2 short months ago has to be called into question. It seems that the administration wants to reward the growth of the Soviet auto industry by allowing the U.S.S.R. to sell cars in America. I am sure the news of thousands of Soviet-built cars flowing into America will bring great cheer to all of those autoworkers who are on layoff because of Japanese and German imports.

The wonder car of communism is called the Lada. It is a 76-horsepower subcompact with a Fiat body. The car will sell for $4,500 or under the price of most American models. American buyers will be able to buy this vehicle thanks to the Satra Corp., an East-West trading firm.

Will the car meet Environmental Protection Agency standards? You bet. Thanks to the Carter administration the EPA has been helping Soviet technicians for 3 years to make sure the Lada was fuel efficient and met environmental guidelines. EPA labs tested the car and has sent the data to eager Soviets at the factories in the U.S.S.R. So that the car can have any last minute adjustments, Mr. Carter's home State of Georgia has a plant in Savannah that the Ladas will be shipped to and then dispersed to dealers around the country.

Mr. Speaker, will they ever learn? Is it not bad enough that we shipped the Soviets the technology to build better trucks, tanks, and missiles? Must we now provide an open market for the products of slave labor and stolen American technology? While the President's home State will benefit from the Communist import at that factory in Savannah what about the millions of autoworkers in Michigan, California, Ohio, and other States that do not have the privilege of living in Georgia? There has been all of this talk about getting tough against the Soviets and of protecting American firms from foreign competition. A lot of the talk came from the White House. I guess it only applies when and where Jimmy, or one of his friends, wants it to apply. I enter into the RECORD a recent article on this latest embarrassment:

From Russia With Wheels

(By Martha M. Hamilton)

A New York trading company that specializes in Soviet-American trade plans to introduce a non-frills Russian-built economy car for sale in the United States, possibly in early 1981.

The chairman of Satra Corp. said in an interview this week that he believes the company is within six months of complying with Environmental Protection Agency and safety regulations that must be met before the car can be imported.

The car in question is the Lada, a 76-horse-power subcompact car with a body design similar to the Fiat but an engine and suspension system of Soviet design. The Lada is already being imported by Satra to England and West Germany.

With sales still at least a year off, the company does not quote an exact price but said the car will sell for "in excess of $4,500"—a price that puts it in the range of other small imported economy cars.

Satra expects to import 5,000 cars initially, building up to imports of 50,000 to 60,000 within five years, said chairman Ara Oztemel. Imports at that level would give the Lada approximately .05 percent on the American car market.

The cars will be imported through Savannah, Ga., where Satra plans to build a plant to put finishing touches on the cars for sale in the U.S. market. "Eventually we must have an import center in the New York-New Jersey area as well," said Oztemel.

Oztemel said Satra has not completed arrangements with distributors yet but that a large number have expressed an interest in selling the car, including "some of the major U.S. auto makers."

The car is produced in a Soviet factory built in conjunction with Fiat, whose body design the car follows. What distinguishes the car, according to Satra officials, is its suspension system—"designed to meet the Soviet Union's rugged road conditions"—and its uncomplicated engineering.

"It's bought by people interested in a reliable, uncomplicated and economical-to-service car," said Oztemel.

Oztemel said that Satra has been working with U.S. agencies for approximately three years on meeting the requirements that will make the Lada eligible for import.

"We've done a lot of work with EPA We've done a lot of work in our emission control lab in New Jersey," said Oztemel. "As the tests are performed, the results are taken to the Soviet Union and implemented in the factory."

Satra, a publicly traded company which is about 70 percent owned by Oztemel, was founded in the early 1950s. Initially the company was principally involved in importing chrome ore and other ores and metals to the United States.

"The subject of chrome was what took me to the Soviet Union," said Oztemel. An Armenian whose family lived in Turkey, Oztemel came to the United States to attend the Massachusetts Institute of Technology and went into business here while he was in school.

Oztemel began trade with the Soviet Union in a time when it was almost nonexistent. With an office in Moscow that employs approximately 26 workers, Satra is one of some dozen U.S. companies accredited to do business in the Soviet Union. The company's volume in 1979 was approximately $312 million.

The company has three major divisions, including its auto division. Another division runs three plants that produce ferroalloys, a product used in the production of stainless steel and items that are heat and corrosive resistant. The plants—in Steubenville, Ohio; Charleston, S.C., and Vargon, Sweden—consume large quantities of the chrome Satra exports from the Soviet Union and elsewhere.

Satra also has a trading division, which handles the trade in metals and ores and imports other items to the Soviet Union, including synthetic rubber and medical supplies.

During the early 1970s, Satra Consulting Co., also represented some 50 American blue chip companies in their dealings with the Soviet Union.

Through its trading division, Satra has also been involved in selling U.S. movies to the Soviet Union and bringing Soviet films here, including a massive production of "War and Peace." Satra also imports Russian icons and antiques and sells them through Parke-Bernet.

The company also negotiated for the broadcast rights to the 1980 Olympics, rights which ultimately went to NBC. However, Satra retained videotape and other rights to the games, said Oztemel.

The chill in Soviet-American relations has not seriously hurt Satra's business, although the company suffered some when dockworkers refused to unload ships coming from the Soviet Union, Oztemel said.

But he predicted that the long-term results of partial trade embargoes may injure American interests in the long run. "I sensed frustration and some surprise during a recent visit to Moscow," he said.

"In terms of trade, I felt some very serious damage has been done," he said. "I think it will be a long time before the Soviets will consider buying for the long-term—or buying products that need spare and replacement parts—from the United States, because trade can be interrupted," Oztemel said.

For instance, computers purchased from American firms are now idle because the Soviets cannot get parts, he said.●

TRIBUTE TO CONGRESSMAN TIM LEE CARTER

HON. JOHN T. MYERS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 19, 1980

● Mr. MYERS of Indiana. Mr. Speaker, the Lincoln Club of Kentucky recently honored Congressman Tim Lee Carter for the 15 years of service he has rendered the people of the Fifth Congressional District and of the State itself.

Our colleague from Kentucky, of course, has announced he will retire at the end of this Congress.

At the Lincoln Club dinner in Louisville, Ky., on March 7, Congressman M. G. "Gene" Snyder had the honor of introducing Congressman Carter as the main speaker for the evening.

I include for the Record a copy of Congressman Snyder's remarks in tribute to Congressman Carter:

I hate to say anything too nice about Tim Lee just yet. I'm still trying to convince him that he should get his name on the ballot before the second of April deadline.

Of course, if he does insist on hanging up his congressional hat and going back to Tompkinsville, we will miss him in Washington. I think that goes without saying. And it won't be just those of us on the minority side of the aisle who miss him.

You know, when Tim Lee starts off a floor statement, he almost always starts off by addressing the Members of the Chamber as "Dear Friends"—and most—if not all—of them really are his friends. And I know for a fact that most of us—on both sides of the aisle—have learned to depend on his advice—whether it be advice on how to take care of a nagging head cold or advice on a major piece of legislation.

When you have a man with such a range of interests and experience—a man who has coached basketball. Who has instructed soldiers on the care and feeding of an M-1 carbine. Who won a Bronze Star and a Combat Medical Badge in war and who ferried across flood swollen rivers to deliver babies in peace. A man who watches birds in his spare time and raises Black Angus cattle on the Cumberland, you have a man whose presence will have to be missed in Congress.

There simply aren't many people around with that wealth of experience.

And his legislative experience and knowledge will be missed too. In his fifteen years—going on sixteen now—in the House of Representatives, Congress has not enacted a single piece of health legislation which did not bear the imprint of his compassion and common sense.

And I am not talking through my hat when I say that—because I'm not the first to say it. It was said on the floor of the House of Representatives during a heated debate, and it was said by the primary defender of a piece of legislation which Doctor Carter was methodically cutting to ribbons at that very moment—the hospital cost containment bill which we managed to defeat last year largely becuse of Dr. Carter's common sense assault on the whole concept—the basic premise that HEW could do a better job of containing health costs than the hospitals themselves.

And I can tell you from experience—that when you can take time out during the middle of an argument with somebody on the floor of the House, who is trying to defeat a measure you have put two or three years of work into, and you tell that man how much you respect him—that fellow must be worth respecting.

Of course, as a Republican in a legislative battleground where Republicans are badly outnumbered, Tim Lee had to serve as the spoiler for quite a few pieces of bad legislation, like the cost containment bill and he did it well. But to his credit as a minority Congressman, he also has been very successful at initiating and moving legislation. I know he is particularly proud—as he should be—of his contributions to preventive health and health planning laws, and especially to the Child Health Assurance Act passed by Congress this year, in which he played such a pivotal role.

So Congress will definitely miss Tim Lee Carter—and I will definitely be sorry to see him go.

But on the other hand, I am happy that he is going out in style—going out the way he came in—a winner. So many of our colleagues who leave office these days, leave dejected, rejected, or indicted. Not Tim Lee. He will leave the puzzle palace on the Potomac with his integrity intact, his grip still firm. With his constituents behind him enough to give him an 80 percent of confidence, and he will leave secure in the knowledge that he has contributed to the future health and well being of every American.

He has turned in a record that he should be proud of—the constituents of the Fifth Congressional District should should be proud of—and which all of us as Kentuckians can be proud of.●

OZETAR GASKINS

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 19, 1980

● **Mr. CLAY.** Mr. Speaker, the daily press is filled with accounts about the world's so-called movers and shakers. Our society is decidedly geared toward celebrating the accomplished who promise to inscribe their names in the chronicles of history. The movers and the shakers manage to capture our attention whether they ignite the forces of good or evil. And in this narrow view, we tend to become so engrossed in the contest to be counted among the movers and the shakers, that sometimes we forget to acknowledge the real contributions of our unsung heroes who manage to move the world without ever shaking it.

However, on March 3, 1980, the Washington Post singled out one of our unsung heroes, Mr. Ozetar Gaskins of Washington, D.C. Mr. Gaskins is an ordinary man performing an ordinary job exceptionally well. This in itself is good reason to pay him tribute. But, Mr. Gaskins is also a happy man who is proud of his achievement and this is an accomplishment which is not so ordinary. In our fast-paced world of ever-rising expectations, it seems more and more difficult to realize this kind of personal satisfaction.

Mr. Gaskins is a man who has achieved dignity, integrity, and self-respect in a world where such personal resources are becoming ever scarcer. Mr. Gaskins is a mover, but not a shaker. And for this reason we seldom have the opportunity to read his story. I commend it to all of my colleagues in the U.S. Congress.

A SPECIAL MOMENT FOR AN EVERYDAY MAN

(By Dorothy Gilliam)

When the alarm awoke him at 5 a.m., he was deep in a dream of shiny floors. Thick fingers brushed through his mutton-chops as he ambled from the little bedroom, threw the several locks on the apartment door and reached for a copy of "Spotlight," a little paper that circulates in his Southeast Washington neighborhood. He is washing off when he remembers this is not an ordinary day.

Most of the time, Ozetar Gaskins, janitor, is noticed only when he is absent. For when he's not there, butt-laden ashtrays and wastebaskets with mountains of trash *are* there. But today is different.

"Snap" Gaskins, as he's called, is one of the tens of thousands of office cleaners in this paper city. He may be in the minority, but he finds purpose and satisfaction in the sweat of his brow. And if the texture of his life is polyester, not silk, he still laughs, loves a woman, pats a full belly and feels a sense of fulfillment.

There is no simple way to judge a man like Gaskins, even on a day when he will be lifted momentarily from invisibility. For while our society pays lip service to the worth of working with one's hands, it pays homage to working with one's mind. Many people feel it is uncreative and boring to labor. How many workers, they may ask, have left an imprint on the sands of time? Workers often feel put down and they know they're often not seen, not remembered for their work. So while their story largely is of limited opportunity, disaffection may be largely in the eyes of the viewer.

Before he leaves for work, Gaskins gets the trash ready to take out, has a cup of coffee and pulls on washable work pants and sneakers. His wife, a clerk at Real Cleaners, is asleep. By 6:15, he is on his way to catch the bus to get to the Superior Court Building at Third Street and Indiana Avenue NW.

On this evening, Gaskins' employer, United Services Inc., which contracts with the D.C. Superior Court for cleaning services, will honor him and 80 others for outstanding work. Mrs. Gaskins will be absent tonight. She is taking their son, Michael, 4, on a visit to North Carolina.

At 7 a.m. Gaskins punches the clock in the basement. He makes his morning checks for trash outside, and inside, checks the judges' chambers, then grabs his big No. 42 red dustmop to begin the first of endless back-and-forths across the floors. His age is only 33.

"It's rather exciting because you have all these people from the courts in the lobbies. I have to ask some of them to move to keep dusting. Sometimes they don't want to move. I get 'em eating lunch. My job is to rush over and get things up."

Gaskins gets a little nervous thinking about the award tonight, the applause and all. But he's proud of his work. Yet at times, people have thrown lighted cigarettes in front of his mop, apparently just out of meanness.

"It's when people in the big suits do it that I resent it most. I figure a man wear a suit like that he wouldn't do a thing like that at home. That's not giving me any respect at all."

By 8:30 a.m., the courthouse is ablaze with people. Sunlight pours in through a front window. Gaskins picks his way around the buzzing secretaries, lawyers and witnesses. He uses a smaller mop now—the No. 42 is too big.

"I'm actually very comfortable with what I'm doing," he says, tooling along. "If I was a supervisor there would be a lot of things you have to ask people to do. Right now, I'm not ready."

"I never got to finish high school—stopped at junior high. But my father died and there were six of us and we didn't have proper clothing. That's the main reason I went looking for a job. My mother didn't want me to do it but when the money started coming in she stopped complaining. I told her I would go back. Later I went to work in New York City. I worked with the port authority and then I learned service work with a company called Perfect Building Maintenance. It's just honest hard work. I'm proud of helping my sisters finish school.

"When I was a boy [growing up in the Shaw area], each holiday my mother loved to have the floors cleaned. Sometimes I took two days—scrubbing, shellacking, shining. Everybody in the neighborhood wanted to know how I did it. I learned to strip and buff, I really enjoyed it."

At lunch, the crew laughs and talks about the Bullets. "I'm so proud of him," says a woman. Gaskins literally beams.

In the afternoon, he cleans the lobby ashtrays. "My big boss always recognizes me," he says. "They have certain people who clean judges' chambers. . . . They always say you did a nice job."

There is an emergency around 3 p.m. A fire in a trash can is smoldering in an office. Gaskins handles it deftly. Then he takes the escalator to the basement, to the janitorial headquarters.

"I used to work at the telephone company. People there were nice," he continues. "They'd clean behind themselves so they wouldn't make so much work for me. . . ."

"Did you learn any secrets when you walked into executive offices?" he is asked.

"Not many, not many." His silence seems a code of honor.

Gaskins earns $540 monthly, just enough to get by. Television is his culture; the Kennedy Center is as distant as Spain. He has neither transportation nor family doctor; no house and no hope of one.

At 6 p.m., Gaskins is hailing a cab to go from his home on 15th Street SE in Washington to the Gramercy Inn on Rhode Island Avenue. He's wearing slacks and sport shirt, V-neck sweater and cream-colored jacket. He picks up a coworker. It is quiet in the hotel hall as the dignitaries gather. There is Jerry Davis, president of the minority-owned Unified janitorial services firm, and Courtland Cox, the city's minority business opportunities director, representing the mayor.

"Each one doing a good job creates a building block toward the growth of this minority firm," somebody says. Unified has grown from a staff of one to 500 since 1971.

Gaskins savors the prime rib, sips the red wine. When it is his time to step onstage, he's jittery. Then he calms down. He wants to say how much he appreciates the people he works with. But nobody else speaks, so he doesn't either.

As he steps down, he can't resist a hard look at the terrazzo dining-room floors. He frowns slightly, too polite to say what he's thinking as the limelight snaps off him, ending his big day in a flash. He's thinking that the prime rib was fit for an executive, but he could have done better on the floors.●

TRADE SHOWS

HON. PHILLIP BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 19, 1980

● **Mr. PHILLIP BURTON.** Mr. Speaker, I am pleased to share with my colleagues an article describing the trade shows which resulted from the United States-China Trade Exhibitions Agreement last year. The Chinese show will open in San Francisco in September and will later travel to Chicago and New York. The U.S. exhibition will open in Peking in November.

The article follows:

[From the Christian Science Monitor, Mar. 12, 1980]

CHINA AND UNITED STATES SCHEDULE EXCHANGE OF TRADE SHOWS

(By Thomas Watterson)

In the Chinese calendar, this is the Year of the Monkey. But for those doing business with China, it could be called the "Year of the Trade Show."

China and the United States will be trading trade shows this fall, with a display of American industry in Peking in November and a show of Chinese industry, culture, and arts traveling to three US cities from September to December.

Although the trade shows are part of a joint US-China agreement, they will be as different as the countries they represent.

In addition to examples of Chinese industry, the show in the US will feature displays of Chinese cooking where chefs from Peking will show people what Chinese cooking is really like (chop suey is not Chinese), and demonstrations of Chinese arts and crafts where people can buy the results.

For those interested in Chinese art, the first showing of contemporary Chinese artists will be on display where they can be compared with some examples of older Chinese art forms. Chinese craftsmen will be on hand to carve jade and bamboo and complete highly complicated versions of paper cutouts. There will even be some Chinese acrobats.

In China, however, the US show will be almost entirely industrial, with emphasis on farm, transportation, petroleum, textile, and power generation equipment. The Peking show will feature some of the biggest representatives of American industry, including Boeing, Lockheed, International Harvester, General Motors, and John Deere.

The reciprocal shows are the result of the Sino-US Trade Exhibitions Agreement, signed last May by then-Secretary of Commerce Juanita Kreps and Li Qiang, China's minister of foreign trade.

The exhibit in Peking, running from Nov. 17 to 28, is the first exclusive US industrial show in the People's Republic of China, a Commerce Department official said.

All the Chinese at that show, says Brian Reardon, manager of sales to socialist countries for International Harvester, will be invited and they will have a reason for being there—they will be customers, or potential customers, at least. They may be officials of communes responsible for selecting farm equipment, or local, district, or national government officials who might be ordering equipment. The "man on the street" will have to stay on the street.

The US shows, by contrast, while limited to industry representatives from 10 a.m. to noon, will be open to the general public from noon to 9 p.m. Adults can get in for $4; tickets for children are $2.

"This is the first time China has had a major trade fair in the United States," said Arne de Keijzer, an official of the China Exhibition Corporation, manager of the US shows.

The Chinese exhibit, officially called the Exhibition of the People's Republic of China, will be held at Fort Mason in San Francisco from Sept. 13 to 28, at Navy Pier in Chicago from Oct. 25 to Nov. 9, and at the New York City Coliseum from Dec. 6 to 21. The US National Exhibition will be held in Peking from Nov. 17 to 28.

For the American companies who bring their products to Peking, the results could be well worth the trip.

"We expect to gain an increased awareness and a higher level of recognition on the part of officials of the People's Republic," Stephen Newhouse, a spokesman for Caterpillar Tractor Company, said. The company expects to see people who are mainly interested in buying or at least learning more about the firm and "not a lot of people just kicking tires," Mr. Newhouse said.

More than a quarter million visitors are expected at the Peking show, he added.

While these exhibits are one-shot affairs for now, officials from the agencies and industries involved hope they can be continued somehow and made into a regular exchange of trade shows.●

CONTROLLING GOVERNMENT SPENDING

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 19, 1980

● Mr. HAMILTON. Mr. Speaker, I insert my Washington report for Wednesday, March 19, 1980, into the CONGRESSIONAL RECORD:

Six recent visitors to my office urged me to support outlays for specific federal programs, and each one made a compelling case for the expenditure. As each visitor left, I asked whether he favored a balanced budget. Without exception, each one answered "yes".

Everyone agrees that one way to slow inflation is to get serious about reducing government spending. In past weeks Congress has been in a budget-cutting mood. The change is not so much in rhetoric. Lip service to spending restraint has always been strong. The genuine change is in the willingness to grapple with individual items in the budget.

No one thinks that spending reductions will be made easily. To control spending Congress will have to "apply the brakes" over a period of years. Many expenditures to be made this fiscal year—about 72 percent, to be exact—result from decisions reached in earlier Congresses. In recent years an increasing share of outlays has escaped the annual congressional process of appropriation. A step Congress must take to rein in spending is to enlarge the portion of the budget subject to direct congressional control. Congress will have to trim spending for some immensely popular programs as well. The major spending increases projected for 1981 support national defense and transfer payments to individuals (social security, retirement, medicare, etc.). Both areas have strong proponents, and cuts will be stoutly resisted.

Government spending can be reduced in several ways. Deficiencies in management can be corrected by ending duplication, abuse, and waste in welfare and other programs. The budget can be "targeted" better by providing benefits only to the most needy in scholarship, nutrition, and other programs. More responsibility can be shifted to state and local governments, the authorities best equipped to handle initiatives like support of the National Guard or support of mass transit. More demands can be diverted to the private sector in the form of user charges or the elimination of subsidies to such agencies as the Postal Service. Other measures can also be pursued. Many transfer payments have been indexed to rise with inflation as calculated by the Consumer Price Index (CPI). Since the CPI apparently overstates the inflation rate by several percentage points a year, beneficiaries are overcompensated. Therefore, a more accurate CPI would reduce this spending.

The main attention of Congress is focussed on the budget for fiscal year 1981, which begins October 1. The 1981 budget was presented to Congress six weeks ago with a deficit of $15.8 billion. One of the primary goals of Congress is to bring the budget into balance. I believe that Congress should commence its budget-cutting work by subtracting at least $20 billion from the $616 billion that President Carter has proposed to spend next year. A cut of such proportions, however, may be impossible to carry out if national defense and transfer payments are exempted. In my opinion, spending reductions are also needed in this year's budget, which at present is showing a deficit of about $40 billion. It will be hard to trim the 1980 budget because the fiscal year is almost half gone and the momentum to spend is strong.

Some economists doubt that balancing the budget will have a significant effect on inflation. They do not share the widely held ideas that deficits are inflationary in all circumstances and that a cure for deficits will also be a cure for inflation. They think that a balanced budget will cool the economy and increase unemployment while it reduces the inflation rate by a negligible one-tenth to three-tenths of one percent . The counterargument, which I subscribe to, is that a balanced budget symbolizes not only the government's ability to control inflation, but also the economy's general health. If people think that the government is displaying the discipline necessary to balance the budget, then they will come to expect that inflation will slow. In this view, a balanced budget would have a mysterious but important role to play in restoring confidence and dampening the expectation that prices will rise.

Many proposals to reduce spending will antagonize substantial blocs of voters. As Congress gets serious about budget cuts, the supporters of endangered programs will counterattack. The real question is whether Congress, despite its new spirit of frugality, will blink when it comes time to vote on actual budget reductions.

I think that the people want to see evidence of a strong determination to fight inflation. There can be no better evidence than reduced spending and a balanced budget. The drive to balance the budget will encounter formidable obstacles. New programs will have to be postponed; old ones will have to be contained. Even the defense budget will have to be re-examined; after all, the strength of the economy is a factor in our national security, too. Tax cuts will have to be deferred; the burden of spending reduction will nave to be borne by all.

Success or failure in controlling spending will determine not only the fate of political candidates this fall, but also the economic future of the nation.●

THE LEGAL ROOF CAVES IN ON THE FTC

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 19, 1980

● Mr. ASHBROOK. Mr. Speaker, next week the House may consider an emergency funding resolution to prolong the life of the Federal Trade Commission. At that time there will probably be impassioned speeches on how this agency must be allowed to continue and that the much heralded sunset efforts by Congress cannot be used through simply stopping the flow of funds to this renegade bureaucracy. For those of my colleagues who want to vote for funding of the FTC, I want to call their attention to four recent court rulings concerning this agency. In all four cases Federal courts ruled that the FTC was violating legal practices, congressional mandates, or the U.S. Constitution. In my opinion any agency that insists on continually proving its arrogance and contempt for the very underpinnings of the United States and the Federal Government does not deserve another dime of taxpayer support. The Congress has the power to put an end to the FTC and to start with a clean slate in addressing the need for protecting consumers in the marketplace. I think my colleagues should consider this course of action. The controversy over the FTC has dragged on for several years. It may be better to release this Chamber and the Nation from the excess baggage of this disruptive agency and begin fresh.

The four court cases started on December 12, 1979, with a case before the U.S. Court of Appeals for the Second Circuit. The FTC had attempted to regulate the "Proprietary Vocational and Home Study Schools" in the country by formulating rules designed to establish "requirements prescribed for the purpose of preventing" unfair practices. The vocational schools took the FTC to court. The appeals court upheld the lower court in calling the FTC rules unlawful and totally inadequate in the face of current law.

The court stated:

> Petitioners contend, and we agree, that in order to comply with section 57a(a)(1)(B) the Commission must define with specificity in the Rule those acts or practices which are unfair or deceptive and may include requirements for preventing them. Petitioners contend further, and again we agree, that the challenged Rule does not comply with these statutory provisions. Instead of defining with specificity those acts or practices which it found to be unfair or deceptive, the Commission contented itself with treating violations of its "requirements prescribed for the purpose of preventing" unfair practices as themselves the unfair practices. We think that Congress expected more than this.
>
> Requirements designed to prevent unfair practices are predicated upon the existence of unfair practices. These unfair practices, which are the statutorily required underpinning for the Commission's "requirements", should have been defined with specificity.

Such shoddy workmanship on the part of the FTC translate into increased costs and uncertainty for the industry they are regulating. Not only should the Congress expect better work than this, the taxpayers and consumers should.

On February 6, 1980 the U.S. Court of Appeals for the District of Columbia ruled against the FTC in a case related to the regulation of the advertising practices of optometrists and ophthalmologists. The FTC stated that nonadvertising of fees was imposing additional costs on the consumer. The FTC discussed a vague concept of consumer search costs and how anything short of full disclosure would somehow increase these costs. The court threw out the rule because the FTC, in effect, had stood the Constitution on its head. Instead of allowing the States and private associations to regulate professions the FTC, by its own rule, had set itself up as the arbiter of States' and professional rights, a clear violation of the Constitution.

On January 9, 1980 the Fifth Circuit Court of Appeals threw out an FTC attempt to subpena the financial records of Glenn Turner, the head of "Dare to be Great," before the agency was to decide on civil damages. The court ruled that such a subpena "constituted impermissible pretrial discovery and exceeded the scope of the FTC's investigative authority." The court went on to say, "The FTC errs, however, in failing to distinguish investigations seeking information concerning wrongs done consumers from investigations into the practicality of pursuing a remedy for those wrongs." In effect, the FTC violated both congressional intent and the rules of legal procedure.

On February 26, 1980 an appeals court ruled against the FTC in its attempt to issue a complaint against Standard Oil Co. of California. The FTC argued that its actions were not reviewable by Federal courts until after it had taken some action against a company. Standard Oil, acting out of the frustration many businesses have over the arbitrary fishing expeditions of the FTC, argued that judicial review should come as soon as the FTC begins its activities, thereby saving the company, and inevitably the consumer, millions of dollars in legal fees and years of uncertainty. The court ruled that the capriciousness of the FTC warranted judicial review early in the investigative process. The court stated that the FTC did not have any basis for its investigation against Standard Oil, but was only reacting to pressure to "do something about oil companies."

Mr. Speaker, even the Federal courts are beginning to realize that the FTC represents a public menace. I think it is about time the Congress also realizes that by funding this group of zealots we are only providing more opportunities for them to make nuisances of themselves. The protection of the consumer and of the merchant is too important a responsibility to allow such an irresponsible bureaucracy to exist with jurisdiction over the matter. We as a Congress have the opportunity to act, once and for all, against the abuse of power by the FTC. We should follow the mandate handed us by the outraged businesses and the voters, and the new warnings given us by the courts, to end FTC funding and start anew.●

RESTORING TRUST IN FOREIGN POLICY

HON. BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 19, 1980

● Mr. CONABLE. Mr. Speaker, our former colleague, Ambassador George Bush, recently addressed the Chicago Council on Foreign Relations on the evident collapse of the Carter administration's diplomatic efforts to secure the release of our Embassy hostages in Tehran through the efforts of the United Nations.

Ambassador Bush was critical of the administration's diplomacy of symbolism and proposed a firm, but moderate series of actions that would avoid the extreme, unrealistic alternatives being offered by others. For these reasons, I commend Ambassador Bush's speech to all who share our common concern about the fate of our hostages and I am pleased to include his remarks in the RECORD:

ADDRESS OF AMBASSADOR GEORGE BUSH. BEFORE THE CHICAGO COUNCIL ON FOREIGN RELATIONS, FRIDAY, MARCH 14, 1980

I welcome the opportunity to appear before this distinguished forum to discuss my views regarding the role of the United States as leader of the free World during the decade of the eighties.

Under your organization's lecture format, I look forward to your questions regarding the state of American foreign policy today and the future shape of our country's relations with the world under a Bush administration.

However, for the theme of my remarks today, I think it appropriate, as a candidate for president, to comment on the foreign policy issue uppermost in the minds of most Americans—the events of this past week and the apparent collapse of the Carter administration's diplomatic efforts to being about the release of 50 embassy hostages in Tehran through the offices of the United Nations.

A little less than two weeks ago I said in a speech in Boston that after four months of restraint in public criticism on the subject, the time was soon approaching when the President and his Secretary of State would be called upon to answer outstanding questions regarding the hostage crisis in Iran.

With the developments of this past week, I believe that time has now arrived.

It is true that the President and his Secretary of State alone have all the information available to make the necessary decisions in any foreign policy crisis. But as we learned during the Vietnam War, it is also true that in a free society no administration can expect—nor should it receive—unqualified, unquestioning support, over an indeterminate period of time, regarding foreign policy issues that concern the national interest as well as American lives.

For months now the Carter Administration has given conflicting signals to the American people regarding its policy and the progress being made to bring about the release of our 50 hostages in Tehran. After an initial period of what can best be described as a policy of bluff, bluster and political symbolism, the President and his Secretary of State relinquished American diplomatic initiative in dealing with the hostage crisis to the United Nations.

So it was that the White House and State Department, after initially calling for an embargo on Iranian products, backed away from that proposal. The public was told that with diplomatic progress being made by the U.N. to effect the freeing of the hostages, we did not wish to antagonize the Iranians or risk upsetting delicate negotiations taking place between U.N. Secretary Waldheim and the newly-elected government in Teheran.

As recently as ten days ago, news reports coming out of the White House and State Department offered the hopeful prospect that the administration's policy of doing nothing to upset the Ayatollah was about to pay dividends. The public was even given a scenario of how the hostages would be released in stages.

First, they would be turned over to the Iranian Revolutionary Council; then they would be flown to Algeria; finally, after a propaganda show to appease the Iranian militants, they would be released, to return home.

With this prospect in mind, a great deal of fanfare was given the selection of a U.N. panel to act as the intermediary in negotiating the hostages' release. A euphoria settled across the country, as newspapers and evening television news reported on the departure of the U.N. panel, its arrival in Tehran, and the strong, almost certain possibility that a solution to the crisis was at hand.

Nor did the Carter administration do anything to discourage that euphoria. Indeed, by their daily actions and statements, the President and his foreign policy spokesmen gave powerful encouragement to the idea that within days, weeks at the most, America's hostages would be on their way home.

The shattering of those hopes, as well as the collapse of the Carter administration's policy of relying on the United Nations to resolve this crisis, became bitterly apparent this past week.

In the end, the White House strategy of surrendering our own initiative to the UN to free the Hostages proved as meaningless in terms of the harsh reality of the situation in Teheran as the President's symbolic refusal to turn on the National christmas tree lights last December.

But now it is March and we are apparently no closer to effecting a release of the hostages today than we were on the day they were seized. The Carter administration's reliance on symbols and catchphrases as a substitute for policy has proven as ineffective in dealing with the Hostage crisis as it was earlier shown to be in dealing with Soviet Aggression in Afghanistan—and for much the same reason—President Carter's failure to see the world as it is rather than the world as he would wish it to be.

The President now says that the Bani-Sadr regime misled him, his diplomatic representatives and those of the United Nations during recent weeks. This is becoming a familiar refrain from the Carter White House. Jimmy Carter, it seems, has an infinite capacity to be misled in the area of America's Foreign Policy.

He had been misled by the leaders of the Soviet Union—or so he himself admitted following the Soviet invasion of Afghanistan. Incredible as it might seem a President of the United States, at this juncture in twentieth century history, was seen on television, publicly stating that he had learned more about the true intentions of Soviet leadership in the ten days following the Russians' aggression against Afghanistan than he had ever before known.

Now President Carter is taking lessons—and expensive lessons they are—regarding the true nature of Iran's leadership.

It is difficult, however, to understand why such lessons should be needed, Indeed, as columnist George Will has said, the Ayatollah Khomeini has many shortcomings, but lack of clarity isn't one of them.

From the outset of this crisis, the outrage of the storming of our embassy in Teheran in early November, it has been abundantly clear that we are dealing with a Government—If that is what the current regime in Iran can aptly be called—which operates beyond the bounds of international law.

Other then President Carter's wishful thinking, there has never been any real basis to believe that normal diplomatic initiatives could ever be effective in dealing with such a regime.

That being said, what steps could now be taken under a realistic administration program to bring the hostages home?

I disagree with several of my opponents in this Presidential race in approaching this question.

On the one hand, Senator Kennedy and Congressman Anderson take what might be termed the American guilt approach to dealing with the Iran crisis. They, in their own way, are as misled as President Carter regarding the realities of the world in which we live, believing as they do that the source of this crisis was America's support for what they perceive to be the immorality of the Shah's regime.

I make no defense of human rights violations which took place in Iran under the Shah. But at the same time, I know that if we apply our own standards of human rights as the sole criterion to determine whether to ally ourselves with other countries, America will soon find itself isolated in dealing with the Third World.

Thus, I reject the American guilt approach to dealing with the current crisis in Iran—or for that matter, in dealing with the foreign policy problems facing our country anywhere in the world.

Far from seeing any reason to apologize for America's policy in Iran, I believe that we as a people can and should take pride in our role since the end of World War Two in helping weak and underdeveloped nations not only defend themselves against the threat of Soviet imperialism but raise the living standards of their people.

For all the criticism of the Shah's regime, that was the aim of our policy regarding Iran for nearly three decades. And the wisdom of that policy has been reinforced by the events which have taken place in Iran since the fall of the Shah.

Let those who speak of American guilt in Iran answer these questions:

Are the Iranian people more free today, under the repressive Khomeini regime, than they were under the Shah?

The answer is a resounding no.

Is there more respect for human rights in Iran today than there was under the Shah? Are the women in Iran freer today? Is the press free? Is revolutionary kangaroo court justice fairer?

The answer again is a resounding no.

Is the standard of living in Iran today, under the so-called "revolutionary" government there, any higher today than it was under the Shah?

The answer is that the economy of Iran today is shattered and the Iranian people, who were making progress toward modernization and a higher living standard under the Shah's regime, are the primary victims of the Ayatollah Khomeini's benighted 12th century economic policies.

Finally, we may ask whether the security of Iran and its independence as a nation bordering the Soviet Union are more assured today than it was prior to the coming of the Khomeini regime?

Again, the answer is no. Indeed, one of the ironies of the current crisis in Teheran is that only American power deters the Soviet Union from the same kind of aggressive action against Iran as has occurred in neighboring Afghanistan.

This deterrent factor has been the linchpin of American-Iranian relations since the end of World War Two, when President Truman took action to shore up Iran's defenses against its expansionist neighbor to the north. It was the situation that prevailed through the years when the Shah ruled Iran. And whether or not the present regime in Teheran recognizes this fact of geopolitical life, the same situation prevails today.

Without the threat of American counterforce as a deterrent, the Iranian people would be swallowed by the Soviet Union, their culture and religion extinguished under the suffocating blanket of Soviet community hegemony.

Such are the geopolitical facts-of-life in Iran—and they are the realities of the world balance of power across the globe, in Europe, the Middle East, Africa, Asia and Latin America.

The power of the United States—and the only power of the United States—stands as a deterrent to Soviet expansionism.

To recognize that fact is not to reflect, as some spokesmen maintain, a cold war mentality. It is merely to appraise realistically, the world as it is, not as we would wish it to be.

Thus to indict America for its role in supporting regimes throughout the world that do not wish to fall within the Soviet sphere—and to do so on the basis of a double-standard of human rights morality that finds fault in a Pahlavi dictatorship but closes its eyes to Communist repression—is not only short-sighted but hypocritical.

I reject the American guilt approach to dealing with the Iranian crisis and the problems that face our country overseas in the coming decade.

At the same time, I reject the line-in-the-dust position taken by Governor Reagan in his approach to solving the hostage crisis in Tehran.

Governor Reagan's position, which he again stated in our condidate debate last night, is that as President he would give the Iranian militants a deadline for the release of the hostages—in effect, draw a line in the dust—and take firm action if that deadline were not met?

Let's call it the Reagan secret plan for ending the Iranian hostage crisis. Whatever it comprises, I would hope the Governor has taken into consideration the fact that we are dealing in Iran with volatile, irrational forces. This is to say that whatever the threat made under the Reagan secret plan, it is possible—indeed probably—that the zealots running the show in Tehran would ignore his deadline—and then what?

I think Governor Reagan, as the front-running candidate for the Republican nomination to the Presidency, owes the American people a better explanation of his proposal to set a deadline, then take action in the Iranian crisis, than the explanation he gave last night.

In the decade of the eighties, a foreign policy based on bluff is as ineffectual as it is dangerous.

At the same time, Governor Reagan and I are in solid agreement on the matter of the significance of the seizure of the embassy in Teheran in terms of the larger danger it poses to American embassies throughout the world.

What should the Carter administration have done, up to now, to respond to this crisis?

A good beginning would have been to forego the empty symbolism that characterized so much of the President's early actions following the Embassy seizure. Foreign policy is not a public relations or publicity exercise. Symbolic gestures make for good domestic politics in the short run, but sooner or later, the absence of the substantive policy becomes apparent to the people and disillusion, then frustration sets in.

If I am any judge, this is what has happened across the country in recent days. President Carter has had a four month ride on the crest of public support for whatever he did dealing with the Iranian hostage crisis. That period is now coming to an end.

The American people will no longer be placated by symbolism and the holding out of false hopes based on obscure tealeaf readings taken in the inner sanctum of the State Department or the UN.

What specific action can and should then be taken? Unlike Governor Reagan, my own recommendations on what should be done with regard to the hostage crisis shall not be kept secret.

I would draw no line in the dust. I would give no ultimatum. Instead, as President, I would act to apply increasing pressure on Iran, so that the irresponsible powers there, be they mullahs or militants, understand that there is a price to be paid for endangering American lives and violating international law.

First, I would take the fundamental step—not yet taken by the Carter White House—of breaking off all relations with the purported Government of Iran. It defies reason that at this late stage, the administration has yet to take this step against a regime which defies all rules of international law and civilized conduct among nations.

The Iranian Embassy in Washington should be closed and all representatives of that purported government should be sent home—an action that should have been taken long months ago.

In this same, vein, the Carter administration's avbivalent policy regarding Iranian nationals in this country must be set right. Despite the publicity generated several months back concerning the deportation of Iranian students, there are in fact as many Iranian nationals in the United States today as there were on the day the hostages were seized in Tehran.

But breaking off relations with Iran is only a first step toward bringing United States policy into line with reality as regards that country. More important, we must proceed with the stringent application of economic sanctions—economic warfare, if you will—against all products proceeding to and from Iran. This is the embargo that the Carter administration pledged, then abandoned, in its early handling of this crisis. It is ridiculous to be selling Iran home heating oil and spare parts today.

The embargo I propose would, as I say, be stringent and across the board. Maximum support from Japan and our Western European allies is required.

The United States bears the heavy burden of defending the free world and has carried that burden for nearly a quarter-century. It is time that the nations we have helped become free and prosperous while we carried that burden began to recognize that an alliance is a two-way street. I am confident they would join us if they knew we would not vacillate and pull back once the decision was made.

In short, if the United States is expected to come to the aid of our allies in times of international crisis, then our allies have an obligation both practical and moral to support our interests when they are endangered.

Short run, our allies must understand we need and expect their support on Iran.

Long run, we must re-build trust and confidence by developing a new foreign policy—

A policy in which America's word is good and our determination to defend our interests and freedom is never underestimated.

This, I deeply believe, is the key to freeing our hostages in Iran. It is also the key to a sound, realistic, American foreign policy in all areas of the world as we move forward in our effort to guarantee world order and peace in the decade of the eighties.

I thank you.●

ISSUES OF AMERICAN CITIZENS ABROAD

HON. BILL ALEXANDER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 19, 1980

● Mr. ALEXANDER. Mr. Speaker, I would like to continue with the insertion of issues as defined by the American Citizens Abroad. These two issues deal with the problem of taxation, which is probably the major concern of our nationals living and working abroad.

The material follows:

Issue No. 29

Short title: American Tax Practices Impede the Purchase of U.S. Goods Abroad

Summary of the problem: In its first report, ACA showed how the present method of taxing Americans living overseas can impede the purchase by overseas Americans of U.S. made goods. The argument was based upon the fact that U.S. goods, after import duties and transportation have been paid, usually cost more abroad than locally produced goods. If the American needs to earn more marginal income to purchase an American source goods he will already have a disincentive to purchase this good. If, in addition, he incurs an additional U.S. tax liablility because of this extra income, he is even less motiviated to make a purchase of American goods.

ACA'S question: ACA asked why, if the United States persists in its misguided policy of taxing overseas Americans, it doesn't do something within the confines of this misguided policy to encourage more purchase overseas of American source goods. ACA proposed that a credit against U.S. income taxes be given for foreign duty and sales tax that must be paid for the purchase abroad of a U.S. source good. ACA reasoned that an American at home would not have to pay either for this duty or heavy sales tax, and would in any case be given a deduction for the sales tax paid to his State.

The President's reply: The president chose not to reply to this question.

ACA'S renewed question: Since promoting U.S. exports is such a high priority issue, and since the use of U.S. products abroad by American citizens is a good way to demonstrate these goods to foreigners, why does the U.S. not give a tax incentive to Americans abroad to purchase U.S. goods?

Issue No. 30

Short title: Taxation of Phantom Income Generated by Exchange Rate Movements Abroad.

Summary of the problem: During the last few years, the international economic order has been profoundly changed. One of the most significant new facts of life is the daily fluctuation of exchange rates between one currency and another. Some Americans working abroad, whose local currency incomes do not vary, find that they have greatly increased U.S. tax liabilities because exchange rate movements give the appearance of dollar value salary increases. Thus, while the actual ability to pay U.S. taxes has not increased because there is no extra income abroad in an economically real sense, the American must nevertheless be prepared to find extra resources to meet an inflated U.S. tax bill.

ACA's question: Why should the tax liability of an overseas American increase from one year to the next when his overseas income does not move in the local currency in which it is denominated?

The President's reply: "When income or capital gains are reported for U.S. tax purposes, the value is expressed in U.S. dollars. Due to fluctuating exchange rates, the value of income or an asset which remains constant in foreign currency terms will vary in U.S. currency terms. In countries where the currency has strengthened relative to the dollar, a U.S. taxpayer may report a higher U.S. dollar income or inflated capital gain, even though his foreign currency income or foreign property value has remained constant. To alleviate situations such as these, a cost of living differential deduction, which reflects variations in exchange rates, is allowed under the Foreign Earned Income Act of 1978. While exchange fluctuations work both ways, the cost of living differential rule operates only when foreign costs are higher in dollar terms and does not increase "income" when foreign costs are lower. Thus, there is no negative deduction in the low cost of living country."

We don't know whether the President meant this response to be serious or whether he was having fun. We were already told that the cost-of-living deduction was supposed to cover sales taxes and VAT that we are denied abroad. Apparently this deduction also is meant to cover phantom income inflation as well, and no doubt it has a triple function of recognizing that there are real cost of living factors also which are not due to either of these other issues!

There are a number of problems in trying to make the COL deduction function as an effective deflator for the phantom income problem. First, the COL is calculated once each year based upon costs at a given moment in time. The phantom income generator, however, operates throughout the entire year. Given the right currency fluctuation cycle, the phantom income rise could reach its peak six months after the COL had been calculated and fall again to the previous currency equivalent a year after the COL calculation date. In this case the new COL would have no cognizance at all of what had happened during the intervening twelve months. This also shows that any reflection of phantom income generation of a cyclical nature rather than a trend nature is fortuitous.

ACA's renewed question: ACA would like to ask that the President address the phantom income generation problem once again. COL deductions are not an effective remedy and are already overworked from other causes anyway. Phantom income taxation is a fact of life. Its most appropriate remedy would be for the U.S. to conform to the overseas tax practices of other countries.●

REMEDYING THE EFFECTS OF AGENT ORANGE

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 19, 1980

● Mr. BONIOR of Michigan. Mr. Speaker, agent orange is an issue which concerns many of us in the Congress. It is also a problem which lies heavily on the minds of millions of our servicemen who served in Vietnam and who fear they might have been exposed to this dangerous herbicide. This fear and anxiety is also conveyed to the spouses of our servicemen who are concerned that the effects of chemical exposure to their husbands will have a serious health effect on their children.

Mr. Speaker, Congressman TOM DASCHLE has introduced legislation cosponsored by the Vietnam veterans in Congress and 40 other Members of this body. This legislation is a major step in remedying the effects of agent orange exposure and I urge your support.

Pertinent information follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., March 18, 1980.

Dr. HANS MARK,
Secretary of the Air Force, Department of Defense Building, The Pentagon, Washington, D.C.

DEAR MR. SECRETARY: As Chairman and Vice-Chairman of the Vietnam Veterans in Congress (VVIC), we have been deeply involved in the unique problems facing the Vietnam veteran. However, we have encountered no problem as complex and distressing as the health hazards associated with herbicide exposure.

As the magnitude of this problem becomes increasingly evident each passing day, it becomes equally clear that substantive solutions will be needed even more quickly.

As we attempted to tackle the problems of veterans exposed to these herbicides, we were confident and hopeful that we would have a strong ally and supporter in the Air Force. The Air Force's extensive research facilities, its participation in the original decision to use herbicides in Vietnam, and the significant reliance of other governmental agencies, including the VA, on Air Force resources, seemingly mandates a continuous commitment.

Recently, however, we have begun to express serious doubts about the ability of the Air Force to deal with this problem in a forthright manner. A memorandum (enclosed) has come to our attention which crystallizes these doubts.

In light of past statements made by Air Force representatives, and explicit content of the memorandum, we are extremely concerned that:

(1) The Air Force is, in fact, aware of chronic health hazards associated with herbicide exposure, and (2) Material unfavorable to the position of the Air Force has been withheld.

On October 11, 1978 the Deputy Surgeon General of the Air Force testified that, beyond chloracne, there is no evidence of chronic health hazards associated with the exposure of veterans to herbicides. Yet, the memo clearly states that Agent Orange and Agent Blue cause several chronic health problems.

These discrepencies take on added significance because the "Captain Young" referred to in the memorandum has appeared before the House and Senate representing the Department of Defense. He was introduced, for example, by the Deputy Surgeon General of the Air Force to the House Veterans Affairs Committee on October 11, 1978 as "probably one of the world's leaders in knowledge of plant herbicides".

The clear conflicts between the memorandum and the Air Force statement invite questions challenging the integrity of Air Force herbicide policy. Given the catastrophic nature of the disabilities, even the appearance of impropriety must be removed. Accordingly, we are requesting a complete explanation of the discrepancies between the memo and official policy.

The memorandum agrees with the testimony of the Department of Health, Education and Welfare in February, and the regulatory conclusions of the Environmental Protection Agency, which found evidence that exposure to 2,4,5-T contaminated by dioxin causes liver damage. The Air Force's own October, 1978 Technical Report found "suggestions" that TCDD causes liver damage. Yet the Air Force's testimony on October 11, 1978 failed to mention liver damage at all, reinforcing the general impression that Agent Orange is harmless.

But of greater concern, the memorandum clearly states that exposure creates two specific and overwhelming problems: birth defects and cancer. Yet the Air Force's 1978 testimony states, "The tumorgenicity, teratogenicity, or mutagenicity of dioxin have not been substantiated in humans; . . ." and then adds the qualifier, "however, as with many other chemical compounds routinely found in the environment today, the long term effects of even the slightest exposure to dioxin cannot be unequivically defined at this time."

The Environmental Protection Agency found specific cause for concern that TCDD may be a mutagen but could not reach a final conclusion in its 1978 Rebuttable Presumption Against Registration of 2,4,5-T. What further studies underlie the conclusions in the memorandum? Particularly, in what systems has its mutagenicity been tested? Have animal or human studies been done? What protocols were used? Was an unequivocol cause and effect relationship found or mere correlation?

We are particularly concerned that after nearly two years of testimony, we are now hearing for the first time, that Agent Blue may pose significant health hazards, in particular, that it may be carcinogenic.

What documentation of the human carcinogenicity of cacodylic acid does the Air Force possess? Are the findings the result of an epidemiological study? If so, what protocols were used? Again, was an unequivocal cause and effect relationship found?

Concerns about the possible carcinogenicity of Agent Blue are deepened by the existing policy dispute between the Air Force and the Environmental Protection Agency. While the Air Force continues to maintain that there is not adequate reason for concluding that TCDD is a human carcinogen, the Environmental Protection Agency has temporarily suspended 2,4,5-T, in part, precisely because its contaminant, TCDD is carcinogenic. Why has the Air Force rejected the conclusions reached by the Environmental Protection Agency?

In general, the memorandum raises the question of whether the Air Force has conducted any pre-Vietnam or later studies, which have not yet been published and which bear on the health related impact of the herbicides. To the extent that any such studies do exist, we are requesting that copies be provided to our offices.

A quick and thorough reply to all the aforementioned questions will be appreciated.

Sincerely,

DAVID E. BONIOR,
Member of Congress.
THOMAS DASCHLE,
Member of Congress.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., March 18, 1980.

Mr. MAX CLELAND,
Administrator, Veterans Administration, Washington, D.C.

DEAR MR. ADMINISTRATOR: As Chairman and Vice-Chairman of the Vietnam Veterans in Congress (VVIC), we have been deeply involved in the unique problems facing the Vietnam veteran. However, we have encountered no problem as complex and as distressing as the health hazards associated with herbicide exposure.

As the magnitude of this problem becomes increasingly evident each passing day, it becomes equally clear that substantive solutions will be needed ever more quickly.

As we attempted to tackle the problems of veterans exposed to these herbicides, we were confident and hopeful that we would have a strong ally and supporter in the Veterans Administration. Recently, however, we have begun to express serious doubts about the Veterans Administration's ability to solve this problem forthrightly. A memorandum (enclosed) has come to our attention which crystallizes these doubts.

In light of past statements, made by yourself and other representatives of the Veterans Administration, and the explicit contents of the memorandum, we are extremely concerned that:

(1) The Veterans Administration is, in fact, aware of chronic health hazards associated with herbicide exposure, and

(2) Materials unfavorable to the position of the Veterans Administration have been withheld.

The questions raised in the memorandum require that the circumstances surrounding the memorandum be immediately clarified. Therefore, we are requesting that you respond to the following questions:

Who wrote the memo?

To whom was the memo addressed?

To whom else has it been circulated? In particular, has the VA Advisory Committee on Agent Orange had this information? If not, why not?

As recently as February 25, 1980, you testified that there is no evidence of chronic health hazards associated with the exposure of veterans to herbicides. In so doing, you reiterated the VA statement of October 11, 1978 that "the only human disorder which can be linked to herbicide exposure is chloracne." Yet, the memorandum states that Agent Orange and Agent Blue cause several chronic health problems.

These discrepancies take on added significance because the "Captain Al Young" referred to in the memo has appeared before the House and Senate Veterans Affairs Committees representing the Department of Defense. He was introduced, for example, by the Deputy Surgeon General of the Air Force to the House Veterans Affairs Committee on October 11, 1978, as "probably one of the world's leaders in knowledge of plant herbicides."

Given these conflicts, the surfacing of a 1977 memo only in 1980, and then only through non-official channels, creates the appearance that significant material on herbicides in the VA's possession has not been made public.

The clear conflicts between the memorandum and VA policy statements, coupled with non-disclosures, invite questions challenging the integrity of VA policy on Agent Orange. Given the catastrophic nature of the disabilities, even the appearance of impropriety must be removed. Accordingly, we are requesting a complete explanation for the discrepancies between the memo and official VA policy.

The memo agrees with the testimony given by the Department of Health, Education and Welfare on February 25, 1980, and the regulatory conclusions of the Environmental Protection Agency, which found evidence that 2,4,5-T, contaminated by dioxin, causes chloracne and liver damage. Nevertheless, in your February 25, 1980 testimony, you stated that "there are no scientifically validated data yet available to show increased frequency among Vietnam veterans of (chloracne) or other diseases . . ." You continued in your oral remarks to emphasize that the VA is not granting compensation for chloracne on the grounds of its relation to dioxin exposure.

This, despite your statement that, "the only clearcut health related finding is that such exposure may be followed by the development of a skin condition known as chloracne". In addition, you then stated with regard to liver damage that "the proof of these relationships remains elusive".

What is of even greater concern is that the memo clearly states that exposure creates two specific and overwhelming health problems: birth defects and cancer. In your February 25, 1980 testimony, however, you stated, "there is an absence of validated scientific information to relate these occurrences to human exposure to Agent Orange".

The Environmental Protection Agency found specific cause for concern that TCDD may be a mutagen but could not reach a final conclusion in its 1978 Rebuttable Presumption Against Registration of 2,4,5-T. What further studies underlie the conclusions in the memo? Particularly, in what systems has its mutagenicity been tested? Have animal or human studies been done? What protocols were used? Was an unequivocal cause and effect relationship found or mere correlation?

We are particularly concerned that after nearly two years of testimony, we are now hearing for the first time, that Agent Blue may pose significant health hazards, in particular, that it may be carcinogenic.

What documentation of the human carcinogenicity of cacodylic acid does the VA possess? Are the findings the result of an epidemiological study? If so, what protocols were used? Again, was an unequivocal cause and effect relationship found?

Concerns about the possible carcinogenicity of Agent Blue are deepened by the existing policy dispute between the VA and the Environmental Protection Agency. While the VA continues to maintain that there is not adequate reason for concluding that TCDD is a human carcinogen, the Environmental Protection Agency has temporarily suspended 2,4,5-T precisely because its contaminant, TCDD, is carcinogenetic. Why has the VA rejected the conclusions reached by the Environmental Protection Agency?

A quick and thorough explanation to all the questions raised in the letter will be deeply appreciated.

Sincerely,

DAVID E. BONIOR,
Member of Congress.
THOMAS DASCHLE,
Member of Congress.

[From the New York Times]

GENETIC PROBLEMS LINKED TO 2 VIETNAM DEFOLIANTS

(By Karen DeWitt)

WASHINGTON, March 18.—Two Congressmen, both veterans of the Vietnam War, today released copies of what they said was a Veterans Administration memorandum describing the carcinogenic and genetics-altering aspects of the herbicides Agent Orange and Agent Blue, defoliants used by American troops in Vietnam to destroy enemy ground cover.

The memorandum appeared to contradict testimony given to Congress by officials of the Veterans Administration and the Department of Defense that no evidence had been found to link the herbicides with human health problems.

A copy of the memorandum had "U.S. Government" written across the top, but there was no indication who wrote it or to whom it was sent, or that it came from the veterans' agency.

A V.A. spokesman declined to say whether such a memorandum had originated within the agency, but added that a copy of the memorandum, along with a letter from the Congressmen, had been forwarded to the agency and that Max Cleland, the Administrator of Veterans Affairs, would reply to the Congressmen.

"I'm angry and frustrated," Representative David E. Bonior, Democrat of Michigan, said at a news conference this morning when copies of the memorandum were released. Mr. Bonior, who is chairman of the Vietnam Veterans in Congress, was accompanied by the organization's vice chairman, Representative Thomas A. Daschle, Democrat of South Dakota.

The memorandum, dated Oct. 12, 1977, described Agent Orange and Agent Blue, then said: "They are mutagens and tetratogenics. This means that they intercept the genetic DNA message process to an unborn fetus, thereby resulting in deformed children being born. Therefore, the veteran would appear to have no ill effects from exposure but he would produce deformed children due to this breakage in his genetic chain."

Veterans' groups have long maintained that Agent Orange has caused a variety of illnesses and cancer among servicemen exposed to the defoliants, as well as genetic defects in their offspring. The Government contends that there is no documented evidence of this, and thus pays no disability benefits to veterans who have been exposed to the defoliants.

CONFLICTS OF INTEREST CHARGED

In the letter to Mr. Cleland, Mr. Bonior and Mr. Daschle said that the memorandum raised doubts about the Veterans Administration's ability to solve the defoliant problem and health problems experienced by Vietnam veterans.

"The clear conflicts between the memorandum and V.A. policy statements, coupled with nondisclosures, invite questions challenging the integrity of V.A. policy on Agent Orange," the letter said.

The Congressmen also maintained that the memorandum had "added significance" because the only name on it was that of Capt. Alvin S. Young of the Air Force, now a major stationed at Kelly Air Force Base in San Antonio, Tex. Major Young, an expert in plant herbicides, recently testified before Congress that there was no evidence that Agents Orange and Blue caused significant health problems to humans.

Major Young's name appeared at the top of the memorandum after the words "person contacted." The Major said in a telephone interview that the veterans' agency had sent him a copy of the memorandum, adding that he had never seen the memo before receiving it today.●

HERO IN LIFE

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 19, 1980

● **Mr. CLAY.** Mr. Speaker, I would like to take this opportunity to pay tribute to a gentleman from my district whose life was a monument to education, dedication, and hard work. Hugh James White was a model citizen for young men nationwide to emulate. A man of great determination, intelligence, and integrity, he rose to the forefront as a leader in the St. Louis community. His list of achievements were the culmination of a life of courage, honesty, self-respect, and ingenuity.

Mr. White was a native of St. Louis and grew up in the Carondelet area of the city. A product of St. Louis public schools, he began his undergraduate studies at Stowe Teachers College only to have them interrupted by World War II. One of the first black fighter pilots trained at Tuskegee, Ala., Hugh White displayed leadership abilities both on the ground and in the air. He flew with the famous all-black 99th Pursuit Squadron of the 332d Fighter Group in the European theater.

After 35 successful missions, his P-51 Mustang airplane was shot down over northern Italy. He was taken captive and remained a prisoner of war until Germany's surrender. When British troops entered northern Italy, his captors surrendered to him. At war's end, Hugh White had earned the rank of captain. He received the Air Medal, the Presidential Unit Citation, the Distinguished Flying Cross, and the Purple Heart for acts of heroism in service to this country.

His association with his military comrades became a lifelong pursuit which resulted in the founding of Tuskegee Airmen, Inc., a national association of black fighter pilots and ground crewmen who fought in World War II. They recently received national attention on the NBC television program, "Real People." Hugh White was among those interviewed for the program and viewers got a glimpse of his raw wit and sense of humor. After the war, Mr. White resumed his studies at the University of California and later received a law degree from the Cleveland Marshall School of Law in Cleveland. He maintained his law practice on a part-time basis with the firm of Collier & Dorsey.

In the late 1950's he emerged as one of the community's leading civil rights advocates. He participated in several demonstrations including the Jefferson Bank sitins demanding jobs for blacks. Mr. White served two terms in the Missouri General Assembly representing the 16th district of St. Louis. In the late 1960's he served as director of technical services for the St. Louis Model City Agency. He later directed his energies to early childcare centers for children of working families. He served as executive director of the early child care development program in St. Louis at the time of his death.

Mr. Speaker, it is with uncontrollable emotion that I speak of Hugh. He and I were personal friends. In ghetto language, that would be interpreted as "bosom buddies." Hugh was our inspiration during the civil rights movement. He was like the tree standing by the water, he could not be moved. Hugh James White died Friday, December 14, 1979, in St. Louis, Mo. He made our lives richer by his presence. It was both a pleasure and honor to have known him and call him friend. He is survived by his wife, Clara; a son, Beryl Anthony; a daughter, Lauren Virginia; two grandchildren, Laurel and Shannon; one brother, Frank White; and four sisters, Sadie Daggs, Marie Dowdy, Carole Kimbel, and Florence Billups. Though we now pay tribute at his death, Hugh White was a hero in life.●

GAR-FIELD HIGH SCHOOL—VIRGINIA BASKETBALL CHAMPIONS

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 19, 1980

● Mr. HARRIS. Mr. Speaker, recently the varsity basketball team of Gar-Field Senior High School of Woodbridge, Va., which I represent, completed a perfect 25 to 0 season, and captured the Virginia State basketball championship.

I want to take this opportunity to congratulate the players and coaches of the basketball team, and all Gar-Field students, teachers, and supporters, on this tremendous accomplishment.

Certain members of the Gar-Field team have won recognition for their outstanding abilities beyond their victory in the State championship tournament. Two players, Steve Perry and Othell Wilson, will play in the McDonald's Classic basketball tournament for area teams, and two others, Steve Smith and Kevin Smith, will play in the Virginia-Maryland High School All-Star game.

I am proud of Gar-Field High School, its academic program, and its basketball team. I would like to take this opportunity to insert into the CONGRESSIONAL RECORD the names of the members of this championship team:

Coach, Rick France; captains, Steve Perry, George Suggs; team members, Othell Wilson, Steve Smith, Mike Wilkins, Kevin Smith, Scott Johnson, Derrick Washington, Warren Thompson, Leonard Hamilton, Mike Wilson, Bobby Schwier, and John Bazyk.●

SUPPORT FOR FUNDING OF DOMESTIC VIOLENCE PROGRAMS

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 19, 1980

● Mr. OBERSTAR. Mr. Speaker, at this time, while the administration's budget cuts are open to discussion, it is extremely important to speak out in support of adequate funding for the Domestic Violence Prevention and Services Act and in opposition to any proposed budget cuts for this program. This act, passed by the House in December 1979, authorized $15 million to provide grant moneys for shelters and prevention programs, to continue or expand their present programs, and create new shelters.

As the administration proceeds with its review of candidates for budget cutting, my concern is that programs not yet established will be prime targets of the budget cutting. The domestic violence prevention and services program is severely threatened. In fact, this program has already been reduced by one-third from the original $15 million to $10 million in the President's first budget proposal. That modest level is even further endangered.

The program is not just another social services program that can be erased with the wave of a hand. Current shelters are meagerly and sporadically funded. Most towns have no aid or prevention centers at all. These programs fight to aid those who are the victims of a violence that is rarely acknowledged, yet affects millions of family members in this Nation. It also cripples our society. It is the forerunner of many crimes and deaths. Of all police deaths, 23 percent occur during responses to domestic violence calls. In addition, child abuse occurs in over one-half of the families with known spouse abuse. One-third of all murders occur within the family and husband-wife murders account for one-half of these. We cannot ignore these facts and the social ramifications of domestic violence.

Congress recognized the importance of this legislation when it passed this act by a 292 to 106 vote. I am hopeful that President Carter will also recognize the need for the provisions of this act.

I urge each of my colleagues to join me in appealing to the President not to jeopardize the safety and health of thousands. We must not miss this unique opportunity to launch an effective program of prevention of domestic violence and services to those who are the unfortunate victims.●

THE CAMBODIAN WANDERING ORPHANS

HON. NICHOLAS MAVROULES

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 19, 1980

● Mr. MAVROULES. Mr. Speaker, in the midst of the crisis in Cambodia that has so shocked the world, we are reminded of the truly innocent victims of that ongoing holocaust. Any measure of human compassion commands our attention to the plight of thousands of orphaned children who, without forethought or malice, find themselves cast into a devastating struggle for life and freedom. Mindful of this tragedy, one of my constituents, Theodore Safine of Peabody, Mass., has composed a graphic piece entitled, "The Cambodian Wandering Orphans." I commend this piece to my colleagues:

THE CAMBODIAN WANDERING ORPHANS

Overhead the shots were raging
As we huddled there alone.
In a barn near Proman
Where Kim Cha and I were born.
Terror seized my little sister,
I was scarcely less afraid
As we huddled close together
While so fervently we prayed.
The Cambodian Communist hordes had taken
Both our parents from our side
Then we had but wandered homeless
Since our mother dear had died.
As every deadly bomb exploded
We heard shrieks of those in pain
I tried to soothe my frightened sister
And with tears I'd pray again.
The darkness came and all alone
We crouched in gnawing fear.
Alone, for even rats had fled;
No other sign of life was near.
The hay, where cattle once had fed,
Supplied our only precious heat.
Two days we had been hiding there
With not a bite to eat.
I held her close within my arms
To quell her fears I'd try
It would be easier thus, I thought,
If one of us must die.
And then a larger bomb than all
Crashed just above our heads
The barn walls crumbled up like rags
And my little sis was dead.
Still she lay within my arms
Her golden head was crushed.
I kissed her lips a fond goodbye
And from that blasted barn I rushed.
Out among the shell and fire
I ran and cared for naught.
In that horror died within me
All the good that I'd been taught.
I swore vengeance on the guerrillas
I vowed to kill Fran Kuchu Piser:
Though only ten years old I was
I had faith that I was wiser.
Through the bloodied streets I ran
Over bodies dead and torn
Nude and shattered by the hundred
Stripped of every shred they'd worn.
Some of them were breathing still
Crushed and bleeding thru and thru.
How I wished that I could help them
But my thought was futile too.
On and on I ran, on murder bent
To avenge my sister's wrong
When the healing sun bursts forth
To heal my wounds with brilliant song.
By the river I found some Boat People.
Young and old cried from joy.
Soon each saddened human heart
Changed to happiness in the Boat Sa[illegible]y.
I was gathered in their folding
Gentle, caring arms so fine
I was just another orphan
Added to the mighty orphan's line.
Though my sister has departed
It is perhaps for her the best
That rather than an orphan's life
She found peace and soulful rest.●

FATHER DRINAN COMES TO ISRAEL

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 19, 1980

● Mr. GILMAN. Mr. Speaker, one of the more gratifying aspects of my responsibilities as a member of the Committee on Foreign Affairs has been the opportunities to work hand in hand with other Members of Congress in constructive efforts to promote respect for human rights and individual liberties as an integral part of our Nation's foreign policy.

As the ranking minority member of the Subcommittee on Inter-American Affairs, I was pleased with the role I was able to fulfill in helping to secure the release of Jacobo Timerman, the highly respected Argentine editor, publisher, and human rights advocate. As a result of the efforts of concerned citizens around the globe, Mr. Timerman, who had been held illegally by the Argentine Government for more than 2 years, was finally allowed to join his family in exile abroad. Today he has resumed his role as a journalist and defender of human rights as a freelance writer from his new home in Israel.

In a recent newspaper article in Israel, Mr. Timerman drew attention to a Member of this body whose efforts in his behalf and the cause of human rights is well known in the Congress and throughout the world. The article, entitled "Father DRINAN Comes to Israel," pays tribute to the consistent long-time efforts in this area by our good friend and colleague, the gentleman from Massachusetts, ROBERT DRINAN. As one who has worked closely with Father DRINAN in seeking Mr. Timerman's release, I wish to join in praise his efforts and dedication to the cause of human rights. So that my colleagues may share his views, I am inserting at this point in the RECORD the entire text of Mr. Timerman's article.

The article follows:

FATHER DRINAN COMES TO ISRAEL

(By Jacobo Timerman)

In a conference held in Oxford a couple of years after World War II, a tall and thin Jesuit talked in dramatic tone, with pathetic words, of the Christian responsibility in the Holocaust.

This conference was one of the first Jewish-Christian conferences inspired by the horrors discovered in the Nazi concentration camps, and this in turn led to a permanent conference which called for Jewish-Christian collaboration.

Since then, Father Robert Drinan has been close to the Jewish people in the struggle for the absorption of refugees during the Palestinian Mandate, the creation of the State, through all the problems Israel has confronted for its survival. His most recent book—he is the author of many—is titled: "Honor The Promise, America's Commitment to Israel."

Since 1970, Father Drinan, a Democrat, has been a Member of the House of Representatives, representing Massachusetts. He used that forum many times, to support Israel, criticize the P.L.O. and accuse Palestinian terrorism.

Israel and Judaism constitute one of Father Drinan's greatest passions. He is a loyal friend. An honest friend.

A man committed to his generation, none of humanity's drama is alien to him. His last public appearance was on the frontiers of Cambodia and Laos, trying to help their refugees.

Yes, Father Drinan is a man who could be found in Southeast Asia with the refugees, in Moscow trying to interview the dissidents, going to Cuba to take prisoners from Castro's jail, and in Israel bringing his support in defense of Jewish security. I met him in Buenos Aires.

Father Drinan came to Buenos Aires as a representative of Amnesty International. I was the only newspaper editor that received him. The rest accepted the insinuation of the Argentine government that it was inconvenient to receive a delegate of a "Communist" organization such as Amnesty International. We had a long conversation and we discovered that we shared the same opinions about a lot of things, especially human rights. We also discovered our admiration for Zionism—as a national liberation movement.

Later, Father Drinan fought during long months for my liberty. I saw him recently in Washington, while in Congress, and I hope I can receive him soon in my Tel Aviv home.

Nobody can be surprised to see Father Drinan belonging to Amnesty International. In today's world, it is the appropriate place where he belongs. Because if we had to characterize today's world, shouldn't we say that this is the dissidents' world? Has anyone reached greater moral stature in today's world than the dissidents? Lonely fighters against powerful dictatorships, they are independent and don't form part of any political party and their only ideology is the liberty of conscience. In Russia or Uruguay, in France or Argentina, in Czechoslovakia or Chile, in Albania or El Salvador they try, by their action and individualistic example, to construct a democratic force, tolerant and pluralistic. And in every case they have managed to do it. It is true that those who remain alive generally go into exile, from a Kuznetsov to a Hubert Mattos, but are replaced.

Next to them, in democratic countries, appear men and organizations that accompany them in their solitary struggle. One of them that never fades, is Father Robert Drinan. One organization that always accompanies that fight is Amnesty International. Amnesty International is integrated by many men like Father Drinan. It has saved the lives of thousands of dissidents, getting them out of all types of jails.

With that typical obsession of the Israelis, who look to their own navel more than to the world that surrounds them, the Amnesty International report about Israel motivated attacks against that organization in the Israeli press. Amnesty's conclusions about the situation of the prisons and the military and police interrogation in Israel could be discussed, and Amnesty will accept gladly any criticism. But what seems ridiculous is to discuss the intention and the objectivity of this institution and the seriousness with which it has dedicated its time to study the Israeli situation in the human rights area.

To point out that there are no comparisons between the small Israeli violation of human rights—that want to be justified because of the permanent threat of Arab terrorism—with the great violations committed in other countries, especially by the P.L.O., is ridiculous. Amnesty does not have to compare, nor does it have to justify, any violation of human rights, no matter how small it may be. The same we have to do in Israel, if we want to continue to affirm that we are the democratic island in a region of all types of extremism. We Jews have many reasons to be thankful for the existence of Amnesty International, in a world where intolerance and repression constitute a permanent threat to the minorities and to the dissidents. We have to be thankful to an institution that is made up of men like Jesuit Father Robert Drinan. Looking all day at our navel is not the best way to interpret the complex reality of today's world.●

PERSONAL EXPLANATION

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 19, 1980

● Mr. BARNES. Mr. Speaker, I was absent from the House yesterday, Tuesday, March 18, due to illness. I place in the RECORD at this point my position on votes conducted on that day.

Rollcall No. 144, a motion to suspend the rules and pass the bill H.R. 6631, Cayuga Indian Claims Settlement Act of 1980. The motion failed, 187 to 201. I would have voted "aye."

Rollcall No. 145, a motion to suspend the rules and pass the bill H.R. 5625, to authorize the President to present a gold medal to the A. Philip Randolph Institute. The motion was agreed to, 333 to 61. I would have voted "aye."

Rollcall No. 146, on House Resolution 606, the rule providing for the consideration of the bill S. 2222, extending the statute of limitations with respect to Indian land claims. The rule was adopted, 380 to 2. I would have voted "aye."

Rollcall No. 147, the final passage of S. 2222. The bill was passed, 250 to 134. I would have voted "aye."●

HOUSE TELEVISION HITS PRIME TIME: WETA INTRODUCES "THE LAWMAKERS" WITH PAUL DUKE

HON. GILLIS W. LONG

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 19, 1980

● Mr. LONG of Louisiana. Mr. Speaker, House television will reach an important new audience Thursday, March 20, at 9:30 p.m., with the debut of "The Lawmakers," a new public television program, in which Paul Duke will comment on Congress. The half-hour show will feature House broadcasting coverage, interviews with Members of the House and Senate, and portions of congressional hearings.

I congratulate the officials of WETA and public broadcasting for undertaking this major new initiative. Paul Duke has been a Congresswatcher for many years. He understands the legislative process and will furnish objective insight to the television audience at a time when the public needs to have a better understanding of how public policy is forged. I hope that "The Lawmakers" will soon be widely distributed among public television stations across the country.●

JOB VACANCY DATA: CORRECTING A STATISTICAL BIAS

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 19, 1980

● **Mr. DANNEMEYER.** Mr. Speaker, in these days of big budgets, persistent deficits, and rising inflation, there is an understandable and growing preoccupation with Government statistics. Not only are these figures a measure of how bad things are but, in a perverse sort of way, they contribute to making things worse. It's a vicious cycle: As inflation and unemployment indices rise, they trigger spending and entitlement programs which, in turn, increase the very budget deficits that promote inflation—and, on occasion, unemployment.

Testifying before the House Budget Committee not too long ago, the President's chief inflation fighter, Alfred Kahn, alluded to this problem when he argued that the methodology employed in computing the cost-of-living index in 1979 was misleading and caused that index to be 2 percent higher than appropriate. Such a distortion, he further argued, cost the taxpayer $2 billion in the form of bigger social security benefit checks for some 35 million beneficiaries. While one is tempted to discount these arguments as a purely political effort to shift the blame for rising inflation away from the current administration, the fact of the matter is that not only can the cost-of-living index become outdated by circumstances but other indices as well. Likewise, the argument that Mr. Kahn inferentially makes about out-of-date statistics costing the taxpayers money has broader applicability, most notably to the unemployment indices. Thus, Mr. Kahn's comments should not be disregarded; rather, they should suggest a reevaluation of all program related indices and, with the inflation rate having risen, in January, to a rate of 18.2 percent on an annualized basis, the sooner the better.

Judging by the number of programs that are tied to, and the amount of money that is spent as a result of, the Federal unemployment index, that index should be one of the first to be reevaluated. For years, the Government has been keeping unemployment statistics—not just the number of people unemployed but the number working, the number of so-called discouraged workers, the rate of unemployment as expressed as a percentage and various other statistical measures. Over that time, the way of calculating that index has changed, but the changes have not kept up with the changes in three other factors—the composition of the work force, increases in unemployment compensation and welfare benefits coupled with the requirement that one must register for work to receive them, and the growth of the subterranean economy. For instance, the growth in the number of people seeking part-time work results in an overestimation of unemployment; if, as is the case, nearly 25 percent of all those classified as unemployed are seeking part-time work, which they are, then the extent of unemployment in January 1980 is being estimated as being 32.1 million man-hours higher than would be worked if all the unemployed got jobs—based on a total unemployment figure of 6.42 million and an estimate that the 25 percent seeking part-time work wanted an average of 20 hours a week of work. Concurrently, the failure to take into account the subterranean economy—the size of which is estimated at anywhere from $184 to $542 billion a year—results in an underestimation of the number of people actually working, which also has the effect of raising the unemployment rate. And, finally, the increase in unemployment compensation or welfare benefits, coupled with the requirement that people must register for work to receive them, encourages people either to classify themselves as unemployed when they aren't really looking for work or to work in the subterranean economy while claiming they are unemployed.

That these factors have such an effect in not mere speculation; a growing number of economic analyses have come to the same conclusion. For instance, Dr. Phillip Cagan of Columbia University has estimated that the addition of women and young people in increasing numbers of the work force has added 0.46 percentage points to the average unemployment rate from 1956 to 1973 while another economist, Paul O. Flaim, has estimated the impact of women and young people at 1.03 percentage points a year from 1957 to 1977. Dr. Peter Gutmann, professor of economics and finance at City University of New York, has indicated that counting people seeking part-time employment as if they were looking for full-time work added 0.22 percentage points to the unemployment rate in April 1978. Dr. Gutmann also estimated that failing to account for those working in the subterranean economy and those influenced by work registration requirements added 0.35 and 0.88 percentage points respectively to the unemployment rate at that same time.

Other statistics lend credibility to these estimates. For instance, the Joint Economic Committee, in a 1973 study, pointed out that people in the food stamp program had nearly a 6-percent higher unemployment rate than those participating in food distribution programs. Also, as Profs. Kenneth Clarkson and Roger Meiners have pointed out in their recent study "Distortions in Official Unemployment Statistics: Implications for Public Policy Making" (Center for Education and Free Enterprise, Texas A. & M. University), the August special current population survey indicated that the unemployment rates for those on welfare programs with work registration requirements had an average unemployment rate of 11.66 percent as compared to a 4.13 percent unemployment rate for everyone else. And, as if that were not enough, the same two professors also noted a sharp increase in unemployment among welfare mothers after the AFDC work registration requirements were imposed in 1972. Compared to 1971, when the unemployment rate of welfare mothers was 1.2 percentage points below the unemployment rate as a whole, the unemployment rate for that same category of people in 1973 was 5.5 percentage points above the official unemployment rate. Implication: The existence of work requirement provisions was causing many more people to classify themselves as unemployed for welfare eligibility purposes than previously, even though they were not really looking for work.

That is not to suggest that we should do away with work requirements for welfare benefits or unemployment compensation benefits; far from it. What it does suggest is that we need to recognize two things. One is that changes in our laws and the nature of our work force make previous perceptions of our unemployment rates out of date. And the second is that the survey method of determining the unemployment rate assumes that respondents to the survey will tell the surveytaker the truth when many of them, because of the aforementioned circumstances, have a considerable incentive to do just the opposite. For instance, someone who has claimed he or she is looking for work in order to qualify for welfare or unemployment compensation benefits is not likely to tell a Government surveytaker that he or she is not actually job hunting. Nor is someone who is collecting welfare, food stamps, or unemployment compensation likely to admit that he or she is actually working "off the books." In short, the methodology used in taking the survey in no way contradicts the estimates of those economists, such as Dr. Gutmann and Dr. Cagan, who argue that our official unemployment rate is disproportionately high. For his part, Dr. Gutmann has twice estimated—in both 1978 and 1979—that the official unemployment rate, due to the aforementioned factors, is 1.5 percentage points higher than it should be, and Dr. Cagan has calculated in his article, "The Reduction of Inflation and the Magnitude of Unemployment," Contemporary Economic Problems (Washington, D.C., 1977), that from 1956 to 1977, the official unemployment rate averaged 1.9 percentage points above what it would have been otherwise. Based on these calculations, Dr. Gutmann, in an article for the September-October issue of the Financial Analysts Journal entitled, "Are the Unemployed, Unemployed?" concludes:

> Unless government revises its calculation of the official unemployment rate, it will

continue to follow mistaken economic policies. The money market, the securities markets, the balance of payments and the general economy will suffer the consequences. It is time to recognize reality and remove the bias from our most important policy guide.

To understand how appropriate this advice is at this point in time, one only need look at the Federal programs based on current unemployment statistics. These programs include the Public Works and Economic Development Act of 1965, the Public Works Employment Acts of 1976 and 1977, and Comprehensive Employment Training Acts of 1973 and 1978, the Emergency Jobs and Unemployment Assistance Act of 1974 as amended, the Youth Employment Act of 1977, the Economic Opportunity Act of 1964 and the Appalachian Regional Development Act of 1965. To this list might well be added the Humphrey-Hawkins Act, which established a goal of 4 percent unemployment by 1983 and, if signed into law, both H.R. 2063, the Economic Development and Public Works Act of 1979 and H.R. 5980, the Countercyclical Fiscal Assistance Act of 1979.

Impressive as this list is in terms of length, what is even more significant is the relationship of their cost to increases in the official unemployment rate. For example, the National Commission on Unemployment and Unemployment Statistics, in its fall 1979 report, indicated that the cost of unemployment rate related programs rose from just under $1 billion per year at the beginning of the 1970's to just over $10 billion per year by the end of the decade. But, even that does not tell the whole story. For, as the Commissioner of Labor Statistics, Janet Norwood, has admitted, in fiscal 1977, when the unemployment rate stood at 7 percent, the cost of unemployment rate related programs was $16 billion—Dr. Gutmann estimates $15.7 billion. But, the next year, when the unemployment rate was 6 percent and the year after when it was 5.8 percent, spending on these programs was in the neighborhood of $10 billion—Dr. Gutmann's estimate is $10.3 billion for fiscal 1978 and the Federal Reserve Bank of San Francisco estimated $10 billion in Federal grants under these programs for fiscal 1979. Thus, it might be inferred that a 1-percent drop in the unemployment rate—which is considerably less than the aforementioned overstatement of the real unemployment rate—was responsible for at least part of the $5.5 billion plus reduction in Federal spending for unemployment related programs in fiscal 1978.

In light of the conclusive evidence that our official unemployment rate is indeed inflated and that the cost of this distortion runs into the billions of dollars each year, the question then becomes—how do we correct the flaw? And, in this case, the answer seems relatively straightforward; develop an index of job vacancies that could be used independently as well as in conjunction with the current unemployment indices. Such an index would tell us not only what percentage of jobs there were available in relation to the work force but whether or not job training and counseling programs were effective, or needed, in a given area or at a given time.

There are other advantages to having job vacancy data. It would forecast business trends; it would aid business and industry in job recruiting and in their manpower policies; it would help young people choose college majors, focus job searches, and evaluate career opportunities; and it would make Government programs less costly and more efficient. In areas where such data would indicate labor shortages, the data could also be used to help implement a "guest worker" program that would deal, in a mutually beneficial way, with the current problems posed by the influx of illegal aliens. In short, there are many advantages to having such statistics; by comparison, there are relatively few disadvantages.

With these advantages in mind, I am today introducing a bill that would require the Bureau of Labor Statistics to collect and report data concerning job vacancies and to do it in such a way that the resulting information could be meaningfully compared with currently collected unemployment data. Were this bill to pass, not only would economic analysis and job training programs be improved, but we would also be able to compensate for the flaws and exaggerations that exist in unemployment rates as presently calculated. What better way of factoring out those who are being counted as unemployed, even though they are either secretly working or are not even looking for a job, than to peg Federal programs currently based on unemployment data, to the rate obtained by subtracting a job vacancy rate from the unemployment rate as presently calculated. Adjustments for areas where structural unemployment was evident—to wit, areas where a reading of job vacancy and unemployment data suggested that job skills and/or job training programs might not match jobs available—could be made on a localized or regionalized basis, if that were deemed desirable.

In order to compare the unemployment rate with this prospective job vacancy rate, it is essential that the two be as symmetrical as possible. That is to say, the two rates should use as close to identical criteria as possible so that we are not comparing apples and oranges. Thus, the bill states that 29 U.S.C. 2 is amended by inserting "derived from a data base which permits meaningful comparison of the statistics" after the phrase "complete statistics." More specifically, the idea is to insure that similar time frames are used to eliminate, as much as possible, the prospect of double counting. Thus, if unemployment is to be calculated as of a certain date, then job vacancies should be calculated as of that date also. Likewise, if someone who has been laid off but has been told he will be going back to work in 30 days is to counted as unemployed, then the job to which he is expected to return should be considered vacant (either that or the person should not be considered unemployed and the job should not be considered vacant). Similarly, if a person, who has been hired for a specific job in the future, is to be considered unemployed while the position for which he has been hired is unfilled awaiting his arrival, then it should be considered a job vacancy. Moreover, if people seeking part time and temporary positions are to be considered as unemployed, then all part time and temporary positions that are unfilled should be considered job vacancies. In the same view, wage standards should not become a criteria in counting either persons unemployed or jobs vacant or, if they are to become a criteria, then the same level should apply to each side of the equation. And finally, if people on strike are not considered unemployed, then the jobs they are striking should not be considered vacant.

Of course, one recognizes that it may be impossible to achieve perfect symmetry in every instance, but coming as close as possible will offer a far better measure of the severity of unemployment than simply treating the current distortions as if they did not exist. Thus, while it is tempting to either count a job for which a person has been prospectively hired as a vacancy, or to not count that person as unemployed, the fact remains that, as of the time frame in question, no job vacancy exists and the worker-to-be is still unemployed. The only exception would be if the previous occupant has vacated the job as of the day of the survey. Therefore, the requirements that the job be unoccupied and immediately available make sense if it is also provided that a person must be searching for and immediately available for work. The key is that, at a given moment in time, we have a reasonable measure of the opportunities for, as well as the lack of, employment.

Lest anyone get the wrong impression, the proposal I am making here today is not really new. The idea got its start as the brainchild of the Metropolitan Life Insurance Co. which, back in 1927, began collecting labor turnover data. Two years later, that firm turned over the task to the Bureau of Labor Statistics, which expanded its publication of labor turnover data to 30 manufacturing industries by 1939. During World War II, and again during the Korean war, job vacancy data was collected at a Federal level, and after that, by some States. Then, in 1962, the so-called Gordon committee recommended a study be done to prepare the way for the gathering of job vacancy data on a national basis. Several studies, private as well as public were done and, in

1968, amendments to the Manpower Training and Development Act were passed requiring the Secretary of Labor of collect job opportunities data. The result was the job opening-labor turnover (JOLT) program, which was carried out in 50 metropolitan areas from 1969 until 1973, at which time the job vacancy data—and a number of foreign nations have job vacancy data collection programs as well.

The primary reasons given for discontinuing the JOLT program in 1973 were that it didn't contribute to individual job placement efforts and the date could not be compared with unemployment data. But, relevant to the first point, the lack of individual data in no way lessens the need for governmentalized job-vacancy information—as the subsequent rise in the cost of unemployment rate based Federal programs indicates. As for the second point, the bill I am introducing addresses the problem by setting forth the basic principle of symmetry that should be followed. Within those statutory guidelines there is every reason to believe the Bureau of Labor Statistics should be able to work out something suitable—especially in light of previous experience both in this country and abroad.

I should also note that, by entrusting the Bureau of Labor Statistics with the task of collecting job vacancy data, and by giving the Bureau guidelines for its development and some idea as to its purpose, another objection to the collection of such data—the lack of a centralized program with direction—may be overcome. But, perhaps the biggest obstacle is not so much how the program will work but the opposition of organized labor to the publication of such data at all. However, it should be noted that improved economic analysis potential will help the individual worker assess the labor market and may improve his or her chances for job training, to say nothing of the fact it might prove useful to union leaders during contract negotiations. Furthermore, just because organized labor has a vested interest in the expansion of public sector jobs programs is not sufficient reason to block the development of information that might benefit many other segments of society.

The need for a job vacancy program is underscored by a newspaper headline that appeared a while back in my home State of Califorina—"Not Enough Help; Jobs Go Waiting at Ski Resort in Inyo County." Reading further, it turned out that it was not just a few jobs but hundreds of jobs were available in hotels, motels, restaurants, and stores, jobs that were paying from $3 to $4 an hour at a time when California's official unemployment rate was 7.2 percent. And this is hardly an isolated instance; all of us have heard of jobs going begging even at times of high unemployment. In fact, in 1971, when the unemployment rate had risen to a 10-year high of 5.9 percent, the job vacancy rate was 0.5 percent. And, in Wisconsin, in March of last year, with an unemployment rate of 4.3 percent, the job vacancy rate was 0.6 percent. Now, 0.5 percent or 0.6 percent may not seem like much, but when you recall that a 1-percent drop in the unemployment rate from 1977 to 1978 was accompanied by a $5 billion plus reduction in Federal spending on unemployment related programs, its significance becomes apparent.

Mr. Speaker, I could go on, but rather than doing so, just let me mention one more thing now that the inflation rate has hit 18.2 percent, we are hearing calls from just about every quarter—including some that have not been part of the chorus before—for cuts in Federal spending. Forty-three Members of the other body have cosponsored a resolution calling for a $25 billion spending cut and my personal belief is the cut will have to be higher than that. After all, with off-budget items included, the Federal deficit will approach $40 billion in fiscal 1981 and the least that is required is to balance the budget. The problem is—what to cut—and those choices are never easy. However, the bill I am introducing today could be the first step in making them easier; following it up with legislation basing unemployment programs on a net unemployment rate instead of the current unemployment rate would make a considerable cut in spending possible without the necessity of scrapping a particular program. It would simply be a reflection of an approach that is fair to all concerned. I urge my colleagues to consider this measure and to enact it into law as soon as possible. We simply cannot afford to continue permitting statistics to result in an excessive expenditure of funds under what amounts to false pretenses.●

ST. LOUIS: A GATEWAY TO SPACE

HON. RICHARD A. GEPHARDT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 19, 1980

● Mr. GEPHARDT. Mr. Speaker, my hometown, St. Louis, is known to many as the "Gateway to the West." However, many people are not aware of the important role St. Louis has played in the field of aviation. I would like to share with my colleagues an article that appeared recently in the St. Louis Post-Dispatch. This article, written by Eugene J. Hanses of McDonnell Planetarium, chronicles the significant contributions made by St. Louisans that support the statement, "St. Louis: A Gateway to Space."

The article follows:

ST. LOUIS: A GATEWAY TO SPACE

Few cities throughout the world have demonstrated such responsiveness to man's ever-present desire to fly and have achieved such far-reaching consequences as St. Louis has.

For well over a century St. Louis has been a city of flight and gateway to space—from the experimental balloon flights in the 1830s to space exploration in the 1960s and 1970s.

On May 17, 1836—the same year that the Texans in the Alamo were besieged by Santa Anna—Richard Clayton made a six-mile balloon flight, one of the earliest recorded ascensions in St. Louis, from Fourth and Market streets near the Old Courthouse.

In 1841, on Oct. 9, a balloonist named S. Hobart made a 10-mile trip with a Miss Day, a 14-year-old girl who holds the title of St. Louis's first woman aeronaut. Other women would follow, but not for some years.

In 1890 a Madam Crawford actually piloted balloon ascensions at Fairgrounds Park, and by 1908, when balloons had become a rather common sight in St. Louis skies, Capt. Harry E. Honeywell made a 77-mile trip with his wife and two other women.

The year 1859 is best remembered for abolitionist John Brown's seizure of the armory at Harpers Ferry, but in St. Louis on July 1 of that year, perhaps the single most important aerial voyage ever begun in St. Louis took place—the flight of John Wise in his gigantic hydrogen balloon, "Atlantic," from Clark and Twelfth streets.

With Wise when he cast loose the restraining line were John La Mountain, O. A. Gager, and a reporter from the Daily Missouri Republican, William Hyde. They established a world record for balloon by traveling 826 miles from St. Louis to Henderson, N.Y. The hectic voyage ended when the Atlantic collided with a tree near Lake Ontario.

Hyde's account of the trip gives us some idea of how crews traveled:

"The cargo consisted of nine hundred pounds of sand in bags, a large quantity of cold chickens, tongue, potted meat, sandwiches, etc.; numerous dark colored, long-necked vessels, containing champagne, sherry, sparkling catawba, claret, madeira, brandy and porter; a plentiful supply of overcoats, shawls, blankets and fur gloves, a couple or three carpet bags, chock full of what is expressed in that convertible phrase, 'a change', a pail of iced lemonade and bucket of water; a compass, barometer, thermometer and chart; bundles of the principal St. Louis newspapers; an express package directed to New York City; cards of candidates for clerkships in several of the Courts, tumblers, cups and knives, and perhaps other articles which have escaped me"

There is doubt that the express package was the first mail ever carried by air, but Wise could certainly claim being the first air express package carrier.

Capt. Wise, often called the greatest balloonist of the nineteenth century, later obtained additional experience during the Civil War making reconnaissance observations. At that time, Count Von Zeppelin was a Prussian Army observer, also in the ranks of Lincoln's army, witnessing the achievements of Thaddeus Lowe's famous Balloon Corps in directing artillery fire.

When the World's Fair closed on Dec. 1, 1904, about 18,740,000 persons had attended and the $150,000 in prizes for aerial flights and exhibitions at the World's Fair was the first real prize money of consequence ever offered in the interest of aeronautics: St. Louis was established as an international aviation city.

Gov. David R. Francis, president of the Exposition, could look at the aeronautic activities as of major significance even though very few of the cash prizes were awarded. For the first time in the United States, wireless telegraphy was used to a free balloon from the ground; for the first time in the world, kite competitions were held; first aeronautic congress ever conducted and mass airship contest organized; and first time in the United States, meteorological balloon experiments were carried out.

The Louisiana Purchase Exposition also saw a 120-pound youngster named A. Roy Knabenshue, in the cigar-shaped "California Arrow," demonstrate sustained controlled flight for the first time in St. Louis. Thomas S. Baldwin's dirigible, powered by a motorcycle engine, had a catwalk suspended below the air bag on which Knabenshue controlled movements by walking back and forth.

In the next few years, Albert Bond Lambert and Lewis D. Dozier formed the Aero Club of St. Louis. Dozier, a cracker company tycoon, was the first president, and Lambert, a young millionaire and pharmaceutical company president whose main product was Listerine, was honorary secretary.

Morris A. Heimann, an appliance manufacturer, was the colorful promoter of the rival Aero Club of South St. Louis. In 1908 he made the world's largest balloon, "Chicago," for C. A. Coey of that city. He also constructed the racing balloon "South St. Louis" and the little "South St. Louis, Jr."

The "dean of American balloonists," Harry Eugene Honeywell, made more than 600 flights and covered more than 25,000 miles in the air, an achievement that helped make St. Louis the center of free ballooning in America at the turn of the century.

It was Daniel C. Nugent of a local dry goods company, who knew nothing about balloons, who was responsible for bringing to St. Louis the 1907 James Gorden Bennett International Balloon Race. (A year earlier, in France, a St. Louisan, Lt. Frank Lahm-ahd piloted the winning balloon at the first International.)

One hundred thousand persons saw the entrants from Germany, France, Belgium and England start the race in Forest Park, near the present site of the Barnes Hospital complex. On Kingshighway, near Clayton Road, a grandstand seating 10,000 was built and spectators were charged 50 cents.

A 28-year-old German, Oscar Erbsloeh, pilot of the "Pommern," won the race, but it was so close that the War Department engineers had to take measurements to decide that the German had won over the French entry, the "Ile de France."

During the next few years the airplane began to take over. In 1909, Louis Bleriot flew across the English Channel from Calais to Dover in 37 minutes, and Glenn H. Curtiss, an American, established a speed record of 47.8 miles an hour at Rheims, France.

On Oct. 7 of the same year, St. Louis entertained Curtiss, who made the first airplane flight to take place here. It lasted only a few seconds, but crowds of up to 300,000 watched his flight exhibitions in Forest Park throughout the week.

It was not long before Kinloch Park airfield was established. Other fields at 7400 North Broadway, 6700 North Broadway, and Fairgrounds Park were also early sites before Lambert-St. Louis Field was completed in 1923.

With the airplane firmly established by the 1910 International Air Meet, Arch Hoxsey set a nonstop record of 87 miles from Springfield, Ill., to a golf course at St. Louis Country Club; and Theodore Roosevelt became the first President to fly, on Oct. 11, in the Curtiss Biplane with Hoxsey. Other local aviators with planes at Kinloch were Benoist and Lambert. Lambert and Walter Brookings also demonstrated for the Army the possibilities of using aircraft with a mock bombing of a model battleship.

The Post-Dispatch offered Capt. Thomas Baldwin $5,000 in 1910 to fly along the Mississippi Riverfront from Baden to Carondelet, and over and under Eads Bridge. Baldwin safely completed the flight with his shoes in his pockets, but the next day he wrecked his "Red Devil" plane when it hit a telegraph pole.

There were then 700 members in the St. Louis Aero Club and after Dozier resigned, Lambert was elected president. The early dean of air-conscious St. Louisans was the natural leader to guide aviation during some of its most productive years.

Very few lists of the pioneers of American aviation include Thomas W. Benoist; yet from 1910 to 1917 he was involved with some of the most important aviation developments in the United States. He came from Irondale, Mo., to St. Louis in 1893 and worked as a moulder. Benoist, with his brother, later owned the first Aeronautical Supply Company in America, at 3934 Olive street.

With Capt. John Berry, Benoist designed a parachute; and on March 1, 1912, at about 3 p.m., Berry's son Albert made the world's first parachute jump from the Benoist Biplane piloted by Antony Jannus. After falling about 1500 feet, Barry landed on the snow-covered grounds of Jefferson Barracks.

Benoist and Jannus became involved in many endeavors, from delivering Lemp beer to the 1912 St. Louis Fair (first consignment of freight via airplane), to designing the first rapid-fire machine gun expressly for an airplane.

On New Year's Day, 1914, they inaugurated the world's first scheduled commercial airline between St. Petersburg and Tampa. During World War I, Benoist sought a contract from the British to produce military planes, but Curtiss, because he owned the only real aircraft company, was awarded the contract. However, St. Louis Car Co., with which Benoist was associated, built 450 of the JN-4B Curtiss "Jennies" under contract with the American government. Benoist, before the end of the war, left the St. Louis Car Co. and joined Roberts Aircraft in Sandusky, Ohio.

This aeronautical genius died in 1917 at the age of 42, the victim of a freak streetcar accident. Had Benoist lived, he might have been ranked as the equal of the Wright brothers, Curtiss, Martin, Boeing, Douglas, and McDonnell.

In 1923 Calvin Coolidge was catapulted into the presidency upon the death of Warren Harding. That same year at the International Air Race held at Lambert Field more than 100,000 spectators jammed the viewing area to see such events as Navy Lt. Al G. Williams, the former New York Giant's baseball pitcher, set a world's speed record of 243.812 miles an hour and a parachute drop by a youth named Harland (Bud) Gurney from a dilapidated plane flown by a young man from Little Falls, Minn., named Charles A. Lindbergh. (The parachutist Bud Gurney now lives in Woodland Hills, Calif.)

In 1925 the Robertson Aircraft Corp. was awarded one of the first five U.S. airmail routes. The Robertson brothers hired Lindbergh as chief pilot of the St. Louis-to-Chicago route. With the experience obtained flying the mail in almost impossible weather, Lindbergh decided to seek the $25,000 prize that Raymond Orteig, a New York hotel owner, was offering to the first person to make a nonstop solo flight across the Atlantic.

It was Harry F. Knight, a young St. Louis broker, to whom Lindbergh turned in desperation when trying to find backers for his flight. Knight sent Lindbergh to Albert Bond Lambert, who gave him his first $1,000. With the assistance of others, including William B. Robertson, Harry Hall Knight, Harold Bixby, E. Lansing Ray, Earl Thompson, J. D. Wooster Lambert and Frank Robertson, Lindbergh had Mahoney-Ryan Aircraft of San Diego build a special monoplane with a Wright J-5 Whirlwind engine at a cost of $10,580. Lindbergh's plane was completed in 60 days and named "The Spirit of St. Louis" by Harold Bixby, head of the St. Louis Chamber of Commerce at that time.

In 1932, on the international scene, Amelia Earhart Putnam flew the Atlantic alone. Five years later, she vanished under a cloak of mystery in an attempt to circle the world.

The Air Races and International Aerobatic Competition was staged at Lambert Airport during May of 1937. It was the first such program ever held and St. Louis's last major air meet. The thunderclouds of war in Europe would soon end all peaceful international endeavors.

With the onset of World War II, the aviation industry in St. Louis mushroomed into major proportions. The three major companies were Curtiss-Wright, Robertson and the recently established McDonnell, founded on July 6, 1939.

Ironically, the city's greatest native aviation operator, William B. Robertson, met his death along with nine other passengers on Aug. 1, 1943, in a CG-4A glider built by his company. The reform Republican mayor of St. Louis, William Dee Becker, was another victim, but Albert Bond Lambert just missed the take-off of the glider because he stopped briefly at a hangar at another part of the field.

After World War II, St. Louis saw an unequaled growth in aviation, with McDonnell Aircraft becoming one of the major aviation and spacecraft companies in the world. The Phantom and other McDonnell planes dominated the jet fighter scene, holding world records for almost three decades.

But McDonnell's real contribution to mankind and to making St. Louis first in space were the Mercury and Gemini spacecrafts, which were the vehicles that prepared man for his voyage to the moon. When John Glenn on Feb. 20, 1962, became the first American to orbit the earth, he was in a St. Louis-built Mercury spacecraft, the Friendship 7.

Thus, St. Louis has written a fascinating story of man's increasing mastery of the air—from the early attempts to present-day accomplishments; from the first balloon flights, which merely drifted with the wind, to the Apollo moon landings.●

A BLM DILEMMA—THE EXPERTS RETIRE

HON. JIM SANTINI

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 19, 1980

● Mr. SANTINI. Mr. Speaker, the alarming state of disarray of the Bureau of Land Management's minerals management program is receiving criticism from respected officials from within the agency. I ask my colleagues to read Ed Montgomery's statement upon his retirement and look at the leasing charts.

Ed Montgomery, a leader in BLM minerals study and president of the Mineral Professions Association, was highly respected but forced to early retirement largely by the changing direction of BLM's minerals programs. Mr. Montgomery's statement encloses a memorandum by former State Director Edwin Zaidlicz which also details BLM's dilemma.

The charts—charts not printed in the RECORD—show the track record of Federal leasing, both competitive and noncompetitive, for coal, potash, sodium, and phosphate between 1961 and 1975. Virtually, no leases have been issued since 1975, with exception of some small bypass and emergency leases for coal operations running out of reserves. The long-term effect of mismanagement of the Nation's fuel and nonfuel minerals will be devastating and must be corrected before any true cure for our present inflationary problems can be achieved.

The remarks follow:

REMARKS BY ED MONTGOMERY[1]

It has been a real pleasure to serve as your President for the last 18 months or so. It is with sadness that I must become an associate member in MPA since I am taking a "semi-forced" early retirement from BLM.

In those 18 months I think MPA has become a viable professional organization and I look forward to its future accomplishments under new leadership.

I am leaving BLM for several reasons:

I am very concerned about the direction BLM's minerals program is taking. There seems to be very little inclination for treating minerals as a real resource under true multiple-use management. Rather, the emphasis seems to be to treat minerals as a problem or something negative or to equate minerals management with surface protection only.

I am very concerned with what appears to be lack of leadership in the top so-called "minerals" positions within the Bureau. We have gone from where BLM was proposing programs to the Department (EMARS) to complete abdication of leadership to the Department and of BLM responsibilities to other agencies (e.g. National Park Service, Forest Service, Geological Survey, etc.).

I am very concerned about the continuing decline in the in-house capabilities in the Minerals Professions. Our capabilities to handle validity examinations, mineral patent work, even mineral resource inventory continues to decline. More and more of the technical minerals work is being taken over by other agencies. Instead of BLM doing the minerals work for which it has responsibility, including work for other agencies, we may soon be in a position of having to contract with other agencies to do our own work. BLM is losing more and more of our best people. While many of the recent Minerals Professionals are excellent employees, the emphasis in recent years to equate an experienced person educated in earth sciences generally with an experienced mining or exploration geologist or mining engineer does not make good professional sense.

I am very concerned with the lack of career ladders, training, meaningful professional jobs, and opportunity to attend and participate in professional societies (including MPA) etc., within BLM. BLM's actions do not match the words of the Director and others. The study, which hasn't even been started yet, initiated by the Montana SO's memo of May 25, 1979, (see Newsletter No. 6) on the loss of mineral expertise, will probably be as meaningless as the numerous previous studies on the same subject. Action, rather than more study, is what's needed and BLM's "leadership" seems more inclined to bury or even aggravate the problem rather than try to solve it. The American Mining Congress has apparently done more about Ed Zaidicz's memo than BLM. It has sent out copies to all its membership.

I am very concerned with the lack of recognition for outstanding or even very competent minerals professional work within BLM. In all too many cases our supervisors would not know good professional work if someone hit them over the head with it. This is why I believe the Technical Excellence Awards given by MPA are so meaningful and why the award given me by my peers in MPA means so much to me. It is unfortunate, but it seems that the only way a minerals professional can receive a meritorious Service Award (which are routinely awarded to virtually all persons in positions of power) is to be dying of cancer.

I am not convinced that our minerals leadership understand, or if they do understand, care enough to do anything about these problems. In many cases their actions (which do after all mean more than words) tend only to make problems worse.

I am very disappointed that a Minerals Professional was not selected as the Assistant Director—Energy and Minerals. While the person selected obviously should not be prejudged and should be given a chance to prove himself, I do not believe a Non-Minerals Professional has the necessary education to fully understand minerals resources and their management or to properly manage the minerals program with minerals professionals and others. The same situation would not be tolerated for top Forestry and Range positions.[2]

I do not believe that one person, however dedicated, in the relatively insignificant position offered me, can change the whole system around.

Therefore, I have chosen to retire and to attempt to change things from the outside.

If the previous recitation seems to reinforce the need for MPA it is more than a coincidence. To me, MPA is more important than ever and I look forward to MPA's contributions to better, more professional management of the public's mineral resources.

Good luck and best wishes to all of you. I hope you will call me when the opportunity arises at (303) 973-1291.

U.S. DEPARTMENT OF THE INTERIOR MEMORANDUM

MAY 25, 1979.

To: Director (100).
From: State Director.
Subject: Professional Minerals Expertise—A BLM Dilemma.

As you may recall at the recent Personnel Management Conference, I made an issue of the two areas personnel-wise where I felt BLM would experience grave shortcomings in the near future. These areas are administration and minerals.

Upon arriving in Billings, I find an immediate problem facing me which vividly illustrates the above point concerning the Montana Minerals Program. We have a vacancy in the position of Mining Staff Leader, Branch of Lands and Minerals Operations. This position was classified as that of Mining Engineer/Geologist, GS-880/1350-12. A vacancy announcement was circulated and resulted in a list with two names: (1) from the private sector, a geologist, past 60 years of age who many years ago worked 18 years for the Soil Conservation Service reaching the GS-7 level, and (2) a student who had previously worked for BLM but with only slight experience in examination of mining claims. There is no reason to believe that readvertising will get any better results. We are alarmed, in this instance, because this is the top job in the State for a technical minerals expert working directly or indirectly with the mining activity. It is this position which has the delegated authority and responsibility to review and decide the adequacy of all mineral reports in the 3-state area, whether written by BLM, the Forest Service, or other Federal agency mineral experts. In many instances, he must review and pass judgment on the work of mineral examiners from other agencies who are GS-12, 13, and 14's. At a minimum, the job demands that he be as experienced and capable as those whose reports he must approve or disapprove. His decisions determine whether lands are passed from Federal ownership or whether contest proceedings are initiated. These decisions involve mineral resources worth many millions of dollars.

BLM is the sole agency in the Federal Government with responsibility and authority to dispose of mineral resources by lease, sale, or patent. No other agency makes this final determination. Yet, at this time, the professional mineral capabilities of BLM in the mining law area is at an all time low. In recent years, the mineral expertise, capability, and grade levels of other agencies have been increasing at a time when the same elements in the BLM minerals program have been deteriorating and at an alarming rate. Not many years ago, BLM was *the* mining and mineral law agency in the Federal Government. Now, BLM is in a secondary position to many of the other agencies which have developed their own minerals expertise. As an example, the Forest Service which makes no final decision on mineral disposal by lease or patent, but has only a recommending role, has recently established in at least three regional offices a Director of Mineral Resources, GS-14, with a cadre of GS-13's under his direction. In this Region, the most experienced of these 13's in the mining field is a very well trained ex-BLM mining engineer. Montana's BLM Mining Staff Leader, GS-12, must review and approve the work of this Forest Service Staff—and there is no hope that I can find a *qualified* person for the job under existing circumstances.

The Forest Service is not the only source of BLM minerals expertise problems. The list of other agencies which are building minerals staffs include the Geological Survey, Bureau of Mines, National Park Service, Office of Surface Mining, Environmental Protection Agency, etc. These agencies are literally stripping BLM of its expertise by hiring our best, most highly skilled minerals personnel. As a matter of fact, this has largely already occurred. This exodus from BLM has been going on for several years. I have surfaced the problem on many past occasions, both verbally and in written memoranda but to no avail. BLM must take a close look at our competition, recognize what is happening, then do what is necessary to effectively compete with these agencies and the industry.

Of all the agencies presently employing minerals expertise, BLM should have the greatest attraction for the professional mining oriented geologist or mining engineer. It is BLM who has the action, who gets out on the ground, works with mining claimants, evaluates mining properties, makes the decisions, passes judgment upon the mining work of all other agencies, and requires professional expertise in judicial hearings.

Many factors are stirring at the present time which will greatly increase the minerals workload in the near future. Prices of gold, silver, copper, and other base metals are experiencing dramatic increases in price and consequently we see much more activity on mining claims by large companies and individual prospectors. Contacts with this office indicate we will be receiving a large increase in mineral patent applications. Talk of changing the 1872 Mining Law to a leasing system has the industry scurrying. The energy crunch and deregulation of oil and gas, if it happens, will greatly increase the domestic efforts to explore for and find these commodities at home rather than relying on foreign sources. BLM must be in a position to handle these increased demands within the planning system using a true multiple use approach. Without qualified minerals expertise at the field and state office levels, the mineral resource will not receive the needed attention. Because of the environmental problems caused by mineral extraction, other resource disciplines tend to treat the mineral resource as a negative factor to be discouraged or eliminated. These tendencies need balance in the planning process. The only balance available is to provide strong, well trained, mature minerals expertise in the district office staffs. Because of the competition for these qualified people as described above, we simply cannot hold the expertise in the positions where they are needed.

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[1] These remarks represent my personal views and not, necessarily, those of MPA.

[2] While the person selected apparently has not been approved by the Office of Personnel Management and will not take office, nevertheless, he was selected by BLM and my comments remain valid—unless a minerals professional is selected next time.

In reality there is only one solution to this problem and that solution is grade level. We have explored many avenues such as organization, the Phoenix Training Program, etc., but in each situation come back to the basic realization; if we are to attract and hold qualified personnel, we must meet the competition with equal pay. Mining engineers in BLM are almost nonexistent; yet, we need mining engineers. BLM cannot be the leading minerals agency without these people. The mining industry is paying $18,000 to $20,000 per year with a promise of big raises in 6 months to 1 year for mining engineers fresh from the universities and with no previous experience. Comparable grade levels in other Government agencies are consistently at least one level and in some cases two levels higher than BLM. Our young minerals specialists reach the top grade level in a district office (GS-11) in 2 to 3 years after completing the Phoenix training. They then have two choices for advancement: (1) another agency with a higher grade structure and advancement possibilities, or (2) leave the technical field and try for managerial positions. It might be argued that the minerals field is no different from any other discipline, but one only has to look at what has happened to BLM minerals expertise to refute that argument. Mineral specialists do have alternatives. If better jobs were not available elsewhere, our problem would be considerably lessened.

In summary I feel the situation has become so critical in the technical minerals and mining field that BLM has reached the point that it can no longer meet and exercise its authority and responsibilities. The only solution is to meet the competition from both the Federal and private sector with a career ladder and grade structure at both the state office and district office levels which will attract and hold the expertise we must have to carry out the Bureau's minerals mission. As a solution to my immediate problem, I intend to fill this key mining position at the GS-13 grade level and am asking for necessary support from the Washington Office in doing so. A position description supporting this action will be submitted in the next few days for classification. A copy of this document will be forwarded to the Washington Office.

EDWIN ZAIDLICZ.●

COBALT AND STEEL—A VITAL LINK

HON. AUSTIN J. MURPHY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 19, 1980

● Mr. MURPHY of Pennsylvania. Mr. Speaker, the steel industry plays a key role in the Pennsylvania business community, and the steel industry is dependent upon the availability of certain strategic and critical materials. Cobalt is one of the indispensable materials that is vital to steel production.

JAMES D. SANTINI, chairman of the Interior Subcommittee on Mines and Mining, recently sent a letter to the members of the Steel Caucus concerning the importance of cobalt to the steel industry. I believe that all Members of the House should read Chairman SANTINI's letter to better understand the relationship between steel and cobalt.

The letter follows:

COMMITTEE ON INTERIOR
AND INSULAR AFFAIRS,
U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C., March 12, 1980.

DEAR STEEL CAUCUS COLLEAGUE: No one disputes that cobalt is a vital, indispensable component of America's increasingly sophisticated national defense system. Essential in the production of high speed, high performance aircraft, missile controls, tank precision rollers, armor piercing shells and conventional and nuclear propulsion systems, cobalt use has historically increased dramatically during periods of defense mobilization.

What few recognize, however, is the integral role of cobalt in the production of steel. Cobalt, as you know, is used in a number of specialty steels from the superalloys we hear most about to a wide variety of alloys such as high speed tool steels, abrasion resistant plate, and tool and die steels. Cobalt adds important properties necessary in drawing, forming, extrusion and forging dies. It is used in component parts of rolling mills, punch and forging mills, presses of various kinds and in high-stress sheering and cutting machines. Cobalt is vital in much of what America's steel industry does or produces.

It is imperative that America have a continued, secure source of cobalt. Unfortunately, nearly 100 percent of our cobalt is imported, 73 percent of which comes from Zaire and Zambia—hardly secure sources given internal and external uncertainties of the former and the recent Soviet arms agreement with the latter. America has but one source of economically mineable cobalt—near the Blackbird mine in Idaho. Unfortunately, efforts are currently underway to include in wilderness about one-half of the "cobalt trend" near that mine, thus making impossible the full exploration and development of that resource.

The Interior Committee recently voted 23-15 to exclude that area from wilderness to ensure that exploration and development of deposits within the area will have a reasonable opportunity to take place. In order to protect the role of America's steel industry while assuring the viability of our national defense system, I urge you to vote to preserve the Interior Committee decision to keep cobalt out of wilderness.

Sincerely,

JAMES D. SANTINI,
Chairman, Subcommittee
on Mines and Mining.●

LEVITAS AND THE WINDMILL

HON. JIM WRIGHT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 19, 1980

● Mr. WRIGHT. Mr. Speaker, there is a movement in this country toward regaining control of the enormous bureaucracy which runs our Government, and that movement is gaining momentum as more and more people realize that the rules governing their lives and livelihoods are made, not by their elected and accountable legislators, but by unelected and unaccountable bureaucrats.

One of the leaders of this movement to restore accountability to Government is my good friend and colleague, Congressman ELLIOTT LEVITAS of Georgia. I have been working closely with him in these efforts over the past 5 years. The fact that more than 230 Members of Congress are cosponsors of his legislative veto bill, aptly numbered H.R. 1776, clearly evidences the support which this idea has in Congress.

The concept of the legislative veto is important because it returns to the people, through their elected representatives, control of the laws and rules which govern their lives. And make no mistake—bureaucratic rules and regulations are laws. They have the same force and effect as a law passed by Congress. At this time, there are virtually no checks and balances to bureaucratic regulations. These rules and regulations are written by those persons who do not suffer the inconvenience of having to run for public office every several years, and therefore who have no constituency to whom they are accountable.

Mr. LEVITAS' legislative veto is a simple mechanism which brings the Congress back into the legislative process of writing rules and regulations. It would allow the Congress, the elected legislators, to veto rules and regulations which are arbitrary, go beyond the intent of the law, or are just plain silly. It means that the Congress—and the people—will have some say-so in the rules which govern us.

Therefore, it was with much interest and pleasure that I read a column in the Atlanta Journal/Constitution which described the fight for control and which particularly noted the leadership displayed by our colleague, Congressman LEVITAS.

I expect these efforts to be successful, and if they are, much of the credit must go to Congressman LEVITAS along with the gratitude of us all.

The article follows:

LEVITAS AND THE WINDMILLS

(by Durwood McAlister)

When Elliott Levitas went to Washington as a first-term congressman he sounded a lot like a lot of other first-term congressmen, talking bravely about whittling down federal bureaucracy and reducing the size of government.

It was hard to decide then whether he was just another cynical politician saying what he knew his constitutent wanted to hear or a naive Don Quixote, honestly and foolishly taking aim on a field full of concrete windmills. Either way, few serious observers gave him any chance of accomplishing the improbable task he had set for himself.

That was five years ago, and a lot of us who were ridiculing his Don Quixote act then are ready now to acknowledge that the windmills of overgrown government and entrenched bureaucracy are beginning to look a little shaky. If they topple, Elliott Levitas is due a lion's share of the credit.

Obviously, he couldn't do the job by himself, but his leadership is credited with bringing Congress to the point of a historic confrontation with the executive branch, and many feel that confrontation will actually result in significant curbs on the growth of government.

The lance that Levitas is using to tilt at those bureaucratic windmills is the legislative veto.

It is a weapon that has been around for a long time—since the days of Herbert Hoover, in fact—but it has been used very sparingly until recent years, and then only as an attachment applying only to specific bills.

Levitas and his allies have used the strategy of attaching the veto provision to individual bills in the past, but they are shooting much higher now. They're aiming to get enacted into law a provision that will give Congress veto power over all federal agency actions.

The Carter White House is fighting tooth and nail to head off the Levitas offensive, but the Georgia congressman is confident that some form of legislative veto will emerge during this session.

"It took a while to do something," he said Friday. "First of all we had to reverse a direction in which this great, huge steamroller of government was moving. We had to slow it down and reverse it, and it took a long time to educate the members of Congress and to get public support and create the right atmosphere."

He says all that has been accomplished "through raising the issues, fighting them time and time again, and then doing a little parliamentary slugging."

A prime example of that "parliamentary slugging" is going on right now and there is a good chance that a controversial Federal Trade Commission is going to be severely chastised in the process. It could even be put out of business.

The FTC has been operating for two years under temporary funding. That authorization expired yesterday and the Levitas forces have drawn the line—any bill to provide funding will be defeated, they say, unless it includes provision for a congressional veto of FTC regulations.

Levitas says he has the votes. The bill will include legislative veto, he says, or "no question about it, there will be no FTC bill."

The skirmish over the FTC is only prelude, however, to the big battle that will be fought during the next few weeks. That will determine if all federal agencies will be subjected to oversight by a Congress with effective veto power. Levitas is confident of victory.

"One of the consequences of this," he said, "is going to be a reduction, in my opinion, of the number of civilian employees in government.

"I think we're going to scale down; we're going to balance budgets; we're going to reduce bureaucracy; we're going to make it more accountable. And I think this has been the year, this has been the session of Congress when the turning point occurred."

If he is right on everything else, there's a good chance he is wrong on that last point. The real turning point may well have occurred five years ago when Levitas climbed on his horse and rode off to do battle with the windmills of Washington.●

MX MISSILE PROGRAM

HON. THOMAS J. DOWNEY

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 19, 1980

● Mr. DOWNEY. Mr. Speaker, I would like permission to include in the RECORD the second in a series of three articles by Newsday writer Jim Klurfeld on the subject of the MX missile program. I believe that my colleagues will be interested in the analysis presented by Mr. Klurfeld in this article, entitled: "The MX: Matching the U.S.S.R. for a Shaky Balance," of the deliberations within the administration and the Pentagon during the year 1978 concerning MX. Considerations of the strategic balance between the United States and the Soviet Union are particularly well documented and clearly presented. I want to provide my colleagues with the opportunity to gain a valuable insight into the origins of the MX debate, as I have, through Mr. Klurfeld's articles.

The article follows:

[From Newsday, Feb. 4, 1980]

THE MX: MATCHING THE USSR FOR A SHAKY BALANCE

(By Jim Klurfeld)

It is 1981. The United States and the Soviet Union are involved in a major confrontation over the Persian Gulf. The Soviet leader has just sent the President a secret message: Back down in your support of Israel or be prepared to face the consequences. Both understand the implications of the warning. The Soviets are threatening nuclear war.

In years past, that might not have been a credible threat. For years, the Soviets had been behind the United States in nuclear weapons. During the 1970s, there had been a balance of power. But, by 1981, both countries knew there had been a shift in the balance. It is a slight shift, but one that the Soviets are now trying to exploit. The Soviets could now wipe out the U.S. Minuteman force—America's 1,054 land-based intercontinental ballistic missiles. The United States would not have a comparable capability.

The President is in a difficult position. Some might say untenable. If he believed the Soviets were about to launch a nuclear attack and he did not want to lose his land-based missiles, he would have two options.

The first would be to launch the Minuteman missiles before the Soviet missiles arrive—a "launch on warning." The President, once told that Soviet missiles are on their way, would have less than 24 minutes to make the decision; he would not have enough time to determine if the warnings were false or whether the Soviets were bluffing. That would mean the President would be the one to start a nuclear war. Most strategic planners say a president would never take that step.

The alternative would be to call the Soviets' bluff. The Soviet attack would kill from 2 million to 10 million Americans, most by fallout from the attack. The U.S. would respond by launching an attack with its submarine-based missiles and its nuclear bombs carried on B-52s. Because these are not highly accurate weapons, they would be aimed at Soviet centers of industry and population. It would mean the death of perhaps 80 million Soviets. And it would bring a similar Soviet counterattack, which would cost the lives of an additional 100 million Americans.

But would the President launch that counterattack under those circumstances? His nation already would have sustained great damage and a counterattack would cost him 10 to 50 times as many lives. Or, knowing all that, would there be a third option? Would the President avoid such a confrontation at all costs? Would he avoid getting into a crisis by giving in to Soviet demands?

Washington—In the fall of 1978, President Carter began to come to grips with the MX missile.

In a series of formal and informal meetings, the President and his top national security advisers debated the future of the U.S. strategic arms program. Carter met with his top aides over breakfast in the Oval Office and he listened to heated and sometimes bitter debates in large gatherings in the cabinet room. He read briefing papers and top-secret documents outlining the Soviet nuclear capability. One meeting, on Sept. 29 in the cabinet room, scheduled as a budget review, turned into a four-hour debate on the future of U.S. strategic programs.

And always in the back of the discussion was that scenario. What would a president do in a crisis? What would a president do in case of nuclear showdown? Thinking the unthinkable—it was something a president had to do every day.

"The point is that this is not a simple question of whether the president orders an attack or not," a national security aide said. "It is important to ask how you get into a crisis in the first place and assess how anxious or willing your side is to get into a crisis in the first place. If you are more fearful, you might take steps at the outset to avoid a crisis and give in to the other side. If our fear of crisis is worse than their fear of crisis, we are in a worse position. There must be a balance of fear of crisis."

At the center of the debate was a new fact of the nuclear age: The Soviet Union would, by the early 1980s, be able to wipe out the existing U.S. land-based force in a surprise attack. The immediate question before Carter was whether to spend $33 billion on a new intercontinental ballistic missile that would not be vulnerable to Soviet attack—the mobile, blockbuster missile experimental: the MX.

But beyond that issue was a more basic question: Was it time to re-evaluate and change the United States' basic concepts on how a nuclear war could be deterred? Had the theory of mutual assured destruction—the doctrine that the United States had relied on, in one form or another, for two decades—become obsolete?

That involved a difficult choice for the President. The United States had long had the ability to build large, highly accurate missiles that would threaten the Soviets' missiles, but Presidents Johnson, Nixon and Ford had resisted making that decision. If the Soviets' missiles were threatened, the balance of power might be less stable. Far less stable.

If the Soviets, who rely more heavily than the United States on land-based missiles, believed their ICBMs were vulnerable, they might not wait to find out if the United States had actually launched an attack: They might launch on warning—in a Kremlin version of the scenario—before their missiles were destroyed. Or, without warning, they might even launch a pre-emptive attack on U.S. missiles. That was the hair trigger that so concerned arms control advocates.

When he took office, Carter had opposed construction of the MX. He wanted to end the arms race and to rid the world of nuclear weapons, not to up the ante. To him, the MX represented an undesirable escalation. But by the spring of 1979, he decided to go ahead with the project.

All those who worked with Carter say he came to that decision only reluctantly and with considerable anguish. But for military and political reasons, he concluded that he had little choice.

"I think that the President felt great consternation when he was first presented with the land-based vulnerability problem. He was appalled by the situation and the choices he would have to make," said Air Force Gen. Kelly Burke, who is in charge of research and development for the Air Force. "Everyone is appalled at first. There is no clear, easy, cheap answer. It takes time to get used to."

The process was gradual, evolutionary, according to National Security Adviser Zbigniew Brzezinski and others. No one event changed Carter's mind. Indeed, Defense Secretary Harold Brown said many months later that Carter remains as viscerally opposed to nuclear weapons as ever.

The first step toward a decision had come in November, 1977, when new intelligence information suggested that the Soviets would achieve missile accuracy capable of destroying the Minuteman force by the early 1980s. Until then, the Carter administration had minimized the problem.

The fall, 1978, meetings were the second step, the building of a philosophical foundation for the final decision.

The third step would come during the spring and summer of 1979, with the decision on what type of MX system to build.

"I can't point to any one meeting in which the decision was make to build the MX," said Brown, who most agree was Carter's most influential adviser on the matter. "The President was not committed publicly or privately until the spring of 1979. But those discussions in the fall of 1978 had a big effect subsequently. There is no question about that. After those meetings it really became an issue of *how* you respond to the needs rather than *do* you respond."

IS MX NEEDED?

Throughout the debate, Carter's top advisers were divided over the meaning of the crisis scenario..

One group included Secretary of State Cyrus Vance; Vance's top arms control advisers, Paul Warnke, the head of the arms control agency, and Leslie Gelb, the head of the bureau of politico-military affairs, and Dr. Frank Press, the President's science adviser.

They argued that the scenario did not make any sense. No Soviet leader in his right mind would ever take the risk of threatening nuclear war as long as he knew the United States could respond in a devastating manner with its submarine-based and air-borne nuclear weapons.

That was the traditional argument in the nuclear debate. As long as one side could respond to a nuclear attack in a devastating manner, the other side would never take the chance, the reasoning went. It is the theory of mutual assured destruction. During the 1960s, it had been the basis for American nuclear strategy. The criteria—devised by then-Defense Secretary Robert McNamara—had been to wipe out one-third of the Soviet population and two-thirds of its industrial capacity.

"No matter what scenario you start with, you always wind up with both sides destroyed," Warnke said. "It always comes down to mutual assured destruction."

The new accuracy of Soviet missiles was a problem, that group conceded, but not a major problem not one that warranted a massive new military spending program. They also questioned whether in practice the Soviets believed that they could launch such an attack. None of these immense nuclear systems had actually been used except for limited testing. U.S. officials, in fact, now concede that for a period in the 1960s the Minuteman missiles had faulty guidance system and probably could not have been fired successfully. Would the Soviets ever believe they could coordinate a strike that would require such accuracy?

Even if the Soviets did believe they could pull off a successful attack, Warnke and others argued, the missiles based on submarines and B-52s were more than sufficient deterrence.

Warnke, a 59-year-old lawyer with a sonorous voice and a smooth, almost officious manner that alienated many in the bureaucracy, would be the most vociferous dove inside the administration: A former Pentagon official in the Kennedy-Johnson years and Clark Clifford's law partner before returning to the Government, he had become a member of the Washington establishment who was known to argue either side of an issue with equal intensity. But he was indentified as a dove: a supporter of George McGovern and advocate of arms control. His appointment had been attacked by hawks such as Sen. Henry Jackson (D-Wash.) with a bitterness unusual for Washington insiders. He and Brown and Vance had all served under McNamara.

The other group, lead by Brown, Brzezinski and the Joint Chiefs of Staff, believed that something had to be done.

They argued that nuclear deterrence was a psychological concept and that, even if the Soviets had only a *perceived* advantage, it could not be ignored.

The Soviets did not agree with the theory of mutual assured destruction, they argued. Soviet military doctrine was based on an entirely different premise: The Soviets were prepared to fight and win a nuclear war. The winner of a nuclear war—if there could be such a thing—would be the nation that was able to recover its industrial capacity more quickly, they argued. Limiting damage and destroying the other side's missiles then become important criteria.

Brown—who had spent his adult life either building the bomb or trying to find ways to deter its use—conceded that the chance that the Soviets would try to exploit an apparent advantage was very small. He believed that a "limited" nuclear conflict would be highly implausible. He knew that even an attack on U.S. missile silos could kill from 2 million to 10 million Americans. But he asked whether, when the stakes were so high, the implausible was the impossible. And there was one question that bothered him and that he could not answer.

"The question was why the hell are they building what they are building," Brown said. The Soviet ability to attack the Minuteman force, the defense secretary felt, might lead them to believe that they could conduct a war principally by attacking U.S. missiles. "I don't think they should be tempted to do that," he said.

Brown added another technical argument. The U.S. deterrence had always been based on three different systems, the "triad" of land-based missiles, submarine-based missiles and missiles carried by the B-52 force.

"The idea of the triad was that if one leg gets weak, you concentrate on building it up while the other two are strong," Brown said. "But if you let one leg of the triad go to hell, you are telling the Soviets, fine, you can now concentrate on the other two legs."

There was also a powerful political argument. Carter was already under attack for being weak on national defense. He had canceled the B-1 bomber, had declined to deploy the neutron warhead in Europe, had announced plans to withdraw U.S. ground forces from Korea. By the fall of 1978, he was trying to complete the negotiations for a new strategic arms limitation treaty with the Soviets. He was well aware that SALT II was in trouble in the U.S. Senate, where he needed a two-thirds vote for ratification. Could he ignore the threat to the Minuteman force and still expect the treaty to be supported? More specificially, he knew that he had to have the support of the Joint Chiefs of Staff for the treaty. And the chiefs wanted the MX.

"It was clear that we had to have the chiefs on board," Warnke said. "Forget the other arguments. Politically, there was no choice."

There was never an explicit deal between the Carter administration and the military, officials on both sides say. But Warnke points out that there did not have to be. The situation was obvious.

Outside the administration, the political pressure did not build spontaneously, however. A group of congressmen, academic experts and citizens kept up a steady fire of criticism at Carter and at the SALT negotiations. But nobody was as influential, according to both hawks and doves, as Paul Nitze, a slight, white-haired, 73-year-old, soft-spoken former stockbroker, former deputy secretary of defense and former chief negotiator at the strategic arms talks. A hawk, but a hawk who felt that the only way to avoid a nuclear holocaust was to be firm with the Soviets. Some would call him zealous, but few would doubt his seriousness or his influence, especially with the elite who knew about the bomb.

Through his Committee on the Present Danger, Nitze had helped define the SALT debate. And one of the first points he had made was that land-based vulnerability was a serious problem. When Brown and Perry worried that the intelligence information would leak, they worried that one of Nitze's contacts would feed him. That is what happened. And Nitze knew how to use the information.

The decision on the MX is closely interwoven with the negotiations on SALT II. Before Carter had even come to a decision on whether he wanted to build the missile, he realized that he had to make it clear that he was preserving the option in the treaty to build it. It was an attempt to nautralize the argument of treaty opponents—Nitze chief among them—that he was giving the Soviet Union too many advantages and was not sufficiently concerned about land-based vulnerability. In July, 1978, the administration told the Soviet Union that the treaty provisions did not prevent the United States from deploying a mobile missile after 1982. When the Soviets secretly objected to that in Geneva, Brown made a public speech in New Orleans stating the U.S. determination to maintain the option to build the MX.

Even before the fall discussions, Carter and his top aides were aware of the political need to keep the MX option open. Even those who were philosophically opposed to the MX would not oppose keeping the option to build it. Eventually the plan adopted for the MX, the racetrack, would be designed with SALT II in mind. Now that SALT is in limbo, awaiting Senate action, the specific MX plans will have to be re-evaluated and maybe even scrapped, according to some national security officials.

"By the fall [of 1978]," Brown said, "I think most of the principals had come to the conclusion, as much as we disliked it, that we could not opt out of the competition."

HOW BIG A MISSILE?

There was yet another decision, perhaps more important than the first: What type of missile should be built?

That was a philosophical question: It was technically possible to redesign the Minuteman and place it in a mobile basing. But the Air Force, since the early 1970s, wanted to make the MX the biggest, most powerful, most accurate missile possible. It wanted a missile that would give the United States the same capability that the Soviets had developed: to wipe out most, if not all, of the USSR's land-based nuclear missiles. The Air Force wanted to give the United States counter-silo capability.

If the United States could accomplish that, it would represent a major change in strategic policy that could also make for a less stable world.

The Soviets have 70 per cent of their nuclear forces on land, compared with 30 per cent land-based forces in the United States. A U.S. threat to Soviet ICBMs would be a far more difficult problem for the Soviets than the Soviets' threat to the U.S. ICBMs. The Soviets' submarines, their other major nuclear force, are not as quiet as the U.S. fleet and therefore easier to locate. There would be much greater pressure on a Soviet leader to use his missiles before they were lost in a U.S. pre-emptive strike.

Brown and others said that only if the Soviets were threatened in that way would they seriously consider drastic cuts in land-based missile systems, or else make their own missiles mobile. And if both sides were mobile, Brown said, that, too, would make for a more stable nuclear balance.

But, critics asked, why take the chance on Soviet behavior? Who could possibly predict what the Soviets would do when they felt threatened? Why not build a smaller missile, one that would not threaten the Soviets? As long as the U.S. missile was not susceptible to attack, the balance of power would be stable.

A missile system that could threaten the Soviets was a controversial matter. And yet it was never debated head on, administration officials said. The second decision was essentially a by-product of the first decision: to build a mobile missile.

Administration officials offer two reasons the decision to build a missile with counter-silo capability was not debated in a formal, structured way: It was technologically inevitable, and having such a debate would have been harmful.

Brown felt the technology was inevitable. Counter-silo capability is primarily a function of accuracy, not of missile size. And accuracy improvements involve only small, relatively inexpensive changes to a missile.

"It is naive to believe that we could build a missile less capable than its potential," Brown said. "It is not the same kind of decision (as the basing mode) because it only has to do with guidance accuracy. It does not double the cost of the system, or anything like that. It is naive to think it can be controlled—you are only talking about software and small component parts."

The chairman of the Joint Chiefs of Staff, Gen. David Jones, said: "Even if we did build a less capable missile, the Soviets would never believe it. They would still act as if we could attack their missiles."

It was Brzezinski who wanted to change U.S. strategic doctrine. And he did not believe that could be accomplished by a head-on debate—the topic was too controversial, the feelings on it too strong.

"I had long felt that the doctrine of mutual assured destruction was no longer usable—both psychologically and politically," he said. "The idea that we could threaten the Soviets in a great spasmodic response just did not have credibility any longer. It was a tenable doctrine only so long as the United States had nuclear superiority. But once we no longer had superiority, it no longer made sense."

As much as Warnke was a dove, Brzezinski was a hawk. He was a Polish emigre who had fled his homeland at the time of the Soviet invasion. Some of his critics said his attitude toward the Soviets was more visceral than intellectual. Among his beliefs was that anybody in the White House had to be prepared to press the button—to use nuclear weapons—and that a nuclear war between the United States and Soviet Union would not mean the end of humanity.

"That's baloney," he said in an interview two years ago. "The fact of the matter is that, if we used all our nuclear weapons and the Russians use all their nuclear weapons, about 10 per cent of humanity would be killed. Now, that is a disaster beyond the range of human comprehension. It is a disaster which is not morally justifiable in whatever fashion. But descriptively and analytically, it is not the end of humanity . . ."

Some administration experts on nuclear war consider Brzezinski's views oversimplified and unsophisticated. They point out that the United States never had a policy of pure mutual assured destruction and that, since the early 1970s, missile targeting had been designed so that a president would have flexible options in case of a war. In fact, the United States had always had some counter-missile capability.

But Brzezinski's view had more to do with international politics than with pure military strategy. He argued that the United States must have a response for every potential Soviet action: If the Soviets structure their forces so they can fight a limited nuclear war, so must the United States. Balance of power depended on perceptions, he felt.

Brzezinski knew that he could not change U.S. strategic doctrine directly. It was too controversial. How you felt about the bomb was like your religion, and you did not give in easily. Instead, the national security adviser brought the President and his administration along by a series of incremental steps. Those steps included studies of the U.S. defense posture and the steady, unremitting growth of Soviet defense forces in the last 18 years (since the Cuban missile crisis), a new study of nuclear weapons targets, and an overall study of Minuteman vulnerability.

"The President was particularly impressed by the assessment of Soviet military capability," said a White House military expert. "When we presented him the paper that showed how far ahead the Soviets were, it made him stop. It was important in the final decision."

Brzezinski was consistently challenged by Warnke and Gelb. Both felt that, because the Soviets were so dependent on land-based missiles, the MX would represent a dangerous threat, one that would make the balance of power less stable. And both felt that the emphasis on perceptions was a fallacy.

"Things are the way you look at them," Gelb argued. "It is only important that the Soviets can do something and we can't if we say it is."

Warnke and Gelb both left the administration before the final MX decisions were made—departures that were not unwelcome to Brzezinski.

Other figures in the administration who had opposed counter-silo capability in the past found their opinions changing for different reasons, including arms control reasons. Some adopted the Brown argument that the only way to achieve arms control in the future was to threaten the Soviets in the same manner that they now could threaten the United States.

One arms control advocate in the administration found himself somewhat bewildered by his own support of that position. "I'm not saying that any of these choices are good—they're all lousy," he said. "But one things you learn inside the government, as opposed to being in a think tank: You must deal with the problems of the real world and you can't be as theoretical or cavalier in your judgments."

And, of course, building the blockbuster missile was attractive politically. It would gain votes for SALT. Once again, the arms control treaty was being promoted by an escalation of the arms race.

While all the theoretical work was going on, the Air Force and various scientific panels were trying to design a basing system for the MX. The Air Force had dropped its plan to locate the missile in long, underground tunnels when scientists found the tunnel would magnify the shock waves from an atomic blast. The new plan was a variation on the shell game concept: building more missile silos than missiles and forcing the Soviets to guess under which cover the missile had been located.

That would not be the final proposal. It would take almost another year to find a way to base the MX. Even then, nobody would be happy.●

FRANCE ACCELERATES NUCLEAR PROGRAM

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 19, 1980

● Mr. WYDLER. Mr. Speaker, the Wall Street Journal carried an interesting article on February 29 which outlined the advances which the French are making toward becoming the Western World's leading nuclear power.

In previous entries in the Record, I have documented the growth of nuclear programs in the Soviet Union, the United Kingdom, and Japan. The French are making an all-out nuclear commitment and I thought it was worthwhile bringing the details of their program to the attention of my colleagues in the House.

The following are excerpts from the article in the Wall Street Journal:

Atomic Speed—France Pursues Drive To Replace Oil Imports With Nuclear Energy

(By Jonathan Spivak)

Loyettes, France.—Along the lovely Rhone River here in Southern France—an area known locally as "nuclear valley"—the huge cooling towers of the Bugey Central

Nuclear Station drape cottony puffs of white fog around Western Europe's largest nuclear complex.

Bugey's five government-built and government-operated reactors already produce over half of France's nuclear energy and one-tenth of all its electrical power. But in a determined drive to reduce dependence on foreign oil, France will soon start installing nuclear plants almost half again as large and put into operation a long-awaited breeder reactor that produces more nuclear fuel than it consumes.

By 1985, if all goes as planned, France will be far and away the Western world's leading nuclear power, producing 55% of the nation's electricity from the atom, more than three times the present proportion. The banks of the Rhone River from the Swiss border to Marseilles will then be dotted with 40 reactors, helping France surpass the combined nuclear-power production of Japan and West Germany, its closest nuclear competitors.

"For us, nuclear power isn't a matter of prestige—it's a necessity," says Maurice Barberger, the man in charge of building France's pioneering but controversial fast-breeder reactor, the Super Phoenix. On a recent nationwide radio broadcast, President Valery Giscard d'Estaing boasted that the French nuclear program "places us in a position of great security" in energy supplies.

SUM OF $8 BILLION A YEAR

France's all-out nuclear commitment, currently costing $8 billion a year, makes it a fascinating economic and technological proving ground for nuclear energy. The results could not only be critical to France but also determine energy policy throughout the Western industrial world.

Set in motion chiefly as a matter of national prestige more than two decades ago, France's nuclear-power program is the heart of a government drive to achieve faster industrializing and rising consumer living standards. Official plans for a 5% to 6% annual increase in electricity consumption and a real decline in electricity prices depend entirely on nuclear power.

Despite recent discovery of a flaw in the construction of reactor vessels—the program's first potentially serious safety problem—the French nuclear-power effort is also providing support for wavering nuclear plans in other Western European countries. The political pendulum in Europe seems to be swinging back toward nuclear power after a series of setbacks over the past two years.

Popular referendums had blocked operation of an Austrian nuclear plant and tied tight safety requirements to the Swiss nuclear program. The German program was bogged down in arguments over reactor safety and waste disposal. The British Labor government was hostile to nuclear power. And then the Three Mile Island episode in the U.S. caused the Netherlands and several other European countries to consider abandoning nuclear power altogether.

PLANS REAFFIRMED

Recently, however, Germany, Spain and Italy have either reaffirmed previous nuclear plans or even accelerated them. The British government has just announced its intention to start construction in 1982 of a series of plants similar to the French ones. And nuclear-power advocates are suddenly more hopeful about the likely results of a March 23 referendum in Sweden to determine whether that country builds six more nuclear plants or phases out the six it already operates.●

DRAFT RETURN LOOMS

HON. CARL D. PURSELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 19, 1980

● Mr. PURSELL. Mr. Speaker, the issue of draft registration is obviously a very controversial one on America's college campuses. As the representative of the district with the largest percentage of college students in the country, I think it is important to listen to the voices, pro and con, of the citizens most directly affected by the President's draft registration proposal.

One important source of student opinion in my district is the Eastern Echo, the student newspaper at my alma mater, Eastern Michigan University. I offer an editorial on draft registration from a recent issue of the Echo so my colleagues can consider this point of view in balance with others they are receiving on this issue.

Of particular relevance, in my opinion, is the contention of the editors that our failure to free America from dependence on foreign oil is at the base of many of the foreign policy and national security problems we now face.

This concept has been central to my own thinking and to my personal legislative program since I came to Congress. I would suggest again that my colleagues examine and support H.R. 2288, which I have reintroduced in this Congress, to establish a national energy trust fund to accelerate development of the broad range of sources which must form our energy supply for the future.

The article follows:

DRAFT RETURN LOOMS

Greetings.

It may not be long before Americans aged 18 through 26 will receive such salutations from the U.S. Government. It is an introduction to a way of American life that faded away in 1973. Now, the revival of a selective service system seems imminent.

Gov. Edmund Brown put the potential of President Carter's proposal into perspective when he said, "There's never been a registration without a draft. There's never been a draft without a war."

When Carter stood before national cameras and made his State of the Union address, we feel he guided the United States in its first steps toward war.

The issue, we feel, of whether or not the draft should come into effect is a mere fringe of the greater problem. What is central in all of the ruckus is the question of war's validity.

Without war, the Selective Service System has no purpose.

Morally, we believe it is wrong to resolve problems through murder. We think the energies that are being expended in preparation for a military confrontation could be better directed to focus upon opening diplomatic channels.

Eventually, it seems inevitable to us, that as right or wrong as the Olympic boycott may be, it will be slapped back in Americans' faces as a gauge of their feelings toward the Soviet invasion of Afghanistan.

This measurement is untrue.

It is discouraging to us that the United States will banish the memory of Vietnam and its horrors so quickly and so readily. The outrage that the youth of America reflected, the return of a generation's paranoia and the mere idea of the federal government keeping track of individuals' whereabouts all seem to be impending historical moments that will rise from their graves.

The ulterior motive behind the government's decision and the driving force internationally focuses upon energy. We will consider an invasion upon the Persian Gulf an invasion upon America, Carter said.

This alone speaks to the motivating force behind our actions.

We feel strongly that money and action should be put into an effective energy program for this country. We can no longer approve of minor solutions to major problems—and the focus of international affairs has proven to us that this is a major problem.

It would be far more responsible for the government of this nation to ask its people for assistance in generating solutions to problems we are facing at home because of dependency abroad.

However, we believe that this will be the last step taken.

Instead Americans will be wooed and weaned about the necessities for war. The dire straits that will befall America will be magnified to generate enthusiasm and support behind a bloodthirsty and vicious pursuit.

It will be America's decision. But who will allow whom to make that decision?

We think past issues on Eastern's campus have been indicative of the attudinal acceptance people have of governing bodies' judgments. For months, a handful of students have voiced their opinions on such topics as the intramural/recreational complex and a proposed physical education reduction.

Too many other students stood silent.

We think it is time to act now.

The strongest indication of intent that can be given to legislative representatives is a letter voicing your view on the subject.

We no longer ask you to write. We plead with you to write.

Write as if your life depends uoon it—because indeed it may.●

WORKPLACE FATALITIES

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 19, 1980

● Mr. GAYDOS. Mr. Speaker, while it is generally recognized that underground coal mining operations are extremely hazardous, many people are not cognizant of the dangerous nature of surface stone mining and sand and gravel mining operations. These operations have consistently had more than half of the fatalities of all metal and nonmetal mining fatalities. Injury-severity rates for sand and gravel operations have been above those for overall metal and nonmetallic mining. Also, disabling injury frequency rates for stone operations have been higher than all other mining operations since 1976.

The Federal Mine Safety and Health Act was passed in 1977. It was a substantial upgrading of the protection afforded workers under the 1966 Metal and Nonmetallic Mine Safety Act. Among the workers receiving the advantages of the new act were those working in sand, gravel, and stone mining operations. Since the passage of the 1977 act, the Mine Safety and Health Administration—MSHA—has been working to improve the health and safety of the work environments in these industries. The following are the results of MSHA accident investigation reports of various workplace fatalities which have occurred in the stone mining and sand and gravel mining industries.

MSHA investigated the July 27, 1979, death of a 30-year-old employee of a stone quarry located 6 miles east of Front Royal, Va. The victim died of head injuries sustained in a rockfall at a 100-foot high quarry wall that he was working under. MSHA found that the cause of the accident was the failure of management to properly evaluate ground conditions in the quarry and follow adequate ground control procedures.

MSHA investigated an accident leading to the August 8, 1979, death of a 55-year-old employee of a sand and gravel operation in Ventura County, Calif. The victim died of a heart attack as the result of an accident in which he was buried with sand while trying to clean material from the feed chute of a conveyor system. MSHA found that the direct cause of the accident was the failure to use safety belts and lines and the failure to have a second person tend the lines while persons are working in feed chutes.

MSHA investigated the September 7, 1979, death of a 19-year-old employee of a sand and gravel operation located near Casa Grande, Ariz. The victim, who was attempting to adjust the water hose at the top of the crusher, was electrocuted when he came in contact with the top of the crusher. While the other employees tried to revive the victim, none had been trained in CPR. The company had an MSHA-approved training program, but had not put it into effect at the time of the accident. MSHA found electrical violations by the company to be the cause of the accident.

MSHA investigated the September 20, 1979, death of a 45-year-old employee of a stone mining operation located near Clifton, Tex. The victim was crushed by a steel conveyor frame that fell when it was being loaded onto a flat bed trailer. MSHA found that the cause of the accident was the failure to secure the frame before placing an additional load on top of it.

MSHA investigated the September 7, 1979, death of a 28-year-old employee of a stone mining operation located near Staunton, Va. The victim was electrocuted when the bed of the truck he was operating struck a powerline. The accident occurred when the bed of the truck was raised in order to be washed out. MSHA's investigation report stated that hoses for washing out truck beds should be placed in areas away from overhead powerlines. It also stated that highly visible markers should be placed on all overhead powerlines.

MSHA investigations into accidents, such as the above, are of vital importance in determining causes of fatal accidents which serves to educate the employer and the employee as to hazardous situations which must be avoided. But post mortem investigations are only a part of the role performed by MSHA. Rather, MSHA by continually monitoring worksites through its consultation and inspection activities can save lives by finding imminent danger situations and having them abated. Surely, working men and women in this Nation have the right to a safe and healthful work environment. Agencies, such as the Mine Safety and Health Administration, working in conjunction with employers and labor organizations, provide a key element in the struggle for the goal of safe and healthful working conditions.●

INCREMENTAL PRICING: THE ISSUES

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 19, 1980

● Mr. DINGELL. Mr. Speaker, a number of Members have introduced legislation, H.R. 5862, to repeal title II of the Natural Gas Policy Act of 1978 (NGPA). I believe such legislation would be premature inasmuch as the Federal Energy Regulatory Commission has not yet completed making its decisions implementing the incremental pricing provisions of title II. Nevertheless, I have prepared the following rebuttal to those arguments that have been advanced in support of the repeal of title II. Once the Commission has completed its decisionmaking process with respect to whether the nonboiler fuel industrial use of natural gas will be included in the incremental pricing program, the NGPA provides that the Commission's decision will be subject to a one-House veto. Accordingly, consideration of repeal legislation would not be timely until the Congress has had a chance to consider the Commission's implementation decision, which must be submitted to Congress by May 9, 1980.

The text of the rebuttal follows:

INCREMENTAL PRICING OF NATURAL GAS: THE ISSUES

INTRODUCTION AND SUMMARY

The Natural Gas Policy Act of 1978 (NGPA) phases out controls on the wellhead price of natural gas. The price decontrol schedule as set forth in the NGPA slowly raises the controlled maximum, or ceiling, wellhead prices for most categories of gas until 1985, when nearly all wellhead price controls are lifted entirely. These provisions, which virtually guarantee higher gas prices, are necessary (it has been argued) to encourage increased supplies of new, high cost gas and to promote conservation.

But decontrol leaves open the question of who should pay what fraction of the higher prices. And decontrol leaves open the possibility of very high prices for some new gas. In order to deal with these questions, the Congress developed incremental pricing provisions in the NGPA, requiring certain industrial gas users to pay the "incremental" higher gas costs resulting from decontrol. It therefore assigns the increased costs to those users who have traditionally paid the lowest gas prices, and who can exert the most influence over pipeline companies to keep decontrolled prices from escalating too rapidly.

Without incremental pricing, the high prices for relatively small quantities of decontrolled new gas would be averaged in with the far greater quantities of much cheaper old gas. The prices produced by this averaging-in process would disguise the high costs of new gas—whose prices could, therefore, easily be bid up to excessive levels. This had occurred in the past: during the gas shortfall in the winter of 1976–77, interstate pipeline companies paid $4.00/Mcf for small quantities of available synthetic natural gas (SNG), a price well in excess of the then average price paid by pipelines of $.70/Mcf.

With incremental pricing, large industrial gas users pay the major portion of the undisguised high prices for new gas. Industries can therefore make more rational decisions, based more nearly on the "marginal" costs of additional gas supplies. And industries can prevent too-rapid escalation of gas prices by their willingness-to-pay arguments to gas suppliers. In these ways, the natural gas market maintains some "order" during the decontrol period. Incremental pricing is, therefore, justified principally as a "market ordering" mechanism.

Further, incremental pricing recognizes that large industrial gas users are the first to benefit from the new supplies of decontrolled gas (since they are the first to be curtailed in a shortage). They should, therefore, pay the true costs of the extra supplies that they receive.

At the same time, higher prices for industrial gas customers reduce the current disparity between industrial and residential gas prices. Residential users subsidize industrial users by paying higher prices, yet do not have any significant capacity to conserve or substitute for gas. Under incremental pricing, residential customers will be protected from the new higher gas prices as their prices and industrial prices are brought more into line with each other.

Wellhead price decontrol means that industry's natural gas prices will rise to the price of alternative fuels—with or without incremental pricing. Incremental pricing simply establishes an orderly and equitable procedure for price decontrol by assigning a portion of the higher prices of the additional gas supplies to the beneficiaries: industrial customers. Incremental pricing ends the unfair subsidization of industrial energy use by residential gas customers, and requires industrial users to pay the true costs of the energy they use. Naturally, industrial customers would like to have the benefit of additional supplies of gas without paying their higher costs.

The following discussion addresses the arguments often made against incremental pricing.

Argument: Incremental pricing is inflationary.

Response: Since the NGPA gradually decontrols wellhead prices of some categories of natural gas, gas prices will rise. The inflationary impact of these increases can be minimized if the higher prices induce conservation—greater efficiencies of gas use, less energy-intensive industrial processes, or switches to cheaper fuels (*e.g.,* coal). Incremental pricing is designed to encourage precisely these anti-inflationary possibilities. Wellhead price decontrol may be inflationary; incremental pricing is not.

By charging large industrial customers the incremental costs of new natural gas, incremental pricing signals these customers to use energy more efficiently, and this the industries can do in a great many cases. Further, they can shift to the cogeneration of heat and power—a very attractive option in many cases and one that is exempted from incremental pricing.

It is not likely, as some contend, that all industrial gas users will simply "pass through" to customers the increased incremental costs by raising the prices of their manufactured products. There are two reasons for this. First, competition: those industries that can keep their manufactured product prices lower by absorbing the increased gas costs with greater efficiencies or "productivity" will gain a competitive advantage. Thus, increases in product prices can be expected to be lower than increases in gas prices caused by incremental pricing. Second, market restraint: large users of natural gas can exert pressure on their pipeline company suppliers to keep gas prices from rising too rapidly; small users (e.g., residences) do not have similar leverage. This restraint on market prices will tend to moderate the inflationary tendencies of wellhead price decontrol.

These two deflationary tendencies of incremental pricing benefit residential consumers. Without incremental pricing, residential gas customers would share, with industrials, the new high gas costs; and they would still receive some passthrough of high gas prices in manufactured product prices. The net effect on residences would be more inflationary without incremental pricing then with it.

A study by Wharton Econometric Forecasting Associates (WEFA) concludes that incremental pricing is, in fact, inflationary. However, this study contains acknowledged errors; WEFA is in the process of correcting these and reporting its new conclusions—which will show lower, but still positive, inflationary effects. Still, one should be skeptical. In a statement to the Federal Energy Regulatory Commission, the Council on Wage and Price Stability contends that incremental pricing is not likely to be inflationary and that the WEFA assumptions, specifications and methodology are poorly suited to calculating the effects of price changes in a subsection of the economy.

Argument: Incremental pricing is recessionary.

Response: The higher prices for natural gas which result from gradual price decontrol may well have recessionary effects—as most any other price rises would. Incremental pricing seeks to moderate these effects by encouraging industrial customers to make more productive investments—investments which were not made during a period of artifically low gas prices. These investment dollars work through the economy, off setting many of the possible recessionary effects of the increased gas costs.

Argument: Incremental pricing will cause natural gas to be displaced by foreign oil.

Response: Some users of natural gas may switch to oil as gas prices rise. Others will switch to gas because gas prices will stay below the price of any oil substitute. The net effect will be more natural gas use and less use of foreign oil.

As the price of natural gas rises, the first customers to switch away from gas will be those who can use the cheapest substitute: coal. The gas replaced in this way will not remain unused; other customers will back out sources like distillate fuel oil and purchase the newly available cheaper-than-fuel-oil gas. The net effect will be more coal use (consistent with national policy), more gas use, and less fuel oil use.

As gas prices continue to rise during the gradual decontrol period, some gas customers might switch to high sulfur residual fuel oil. The gas not used by these consumers would also not remain unused; other customers would back out low sulfur residual fuel oil or home heating oil, and purchase the newly available cheaper-than-fuel-oil gas. The net effect would be the more efficient use of natural gas, the greater use of coal, and the reduced use of oil products.

Argument: Incremental pricing will actually result in residential users paying more for their gas than without incremental pricing, because industrial users will (with incremental pricing) switch to alternate fuels, leaving residential consumers to pick up the fixed gas transmission system costs traditionally paid by industrial customers.

Response: First, it is unlikely that industrial gas users will switch in large quantities to alternate fuels. Incremental pricing keeps industrial gas prices below oil substitutes; and any industrial switching to coal, or as a result of conservation, clearly benefits the Nation and the economy.

Second, should there be any significant reduction in industrial gas use before 1985 as a result of incremental pricing, the newly available supplies would in all likelihood be sold at lower, not higher, prices—as in any case of excess supplies. Also, the fixed system costs now paid by industrials are not large; spreading these costs over all residential customers will produce only very small (if any) price increases—which should easily be offset by the downward price pressure of the extra supplies.

Actually, without incremental pricing, there would be a serious possibility of large numbers of industrial customers switching away from natual gas suddenly in 1985, when price controls are lifted and gas prices escalate rapidly to market levels. Incremental pricing seeks to avoid this disruption in the market—and the resulting boost in residential gas prices—by gradually bringing industrial gas prices closer to alternate fuel levels before 1985.

Argument: Prices of natural gas to industrial customers will immediately rise to distillate fuel oil prices as a result of incremental pricing.

Response: The Federal Energy Regulatory Commission only sets the ceiling price that industrial users can be required to pay. The price that industrial customers will pay depends upon the prices paid by pipeline companies for new gas in the field. If pipeline companies exercise restraint in bidding for new gas supplies, there is no reason why prices to industrial users need ever reach the ceiling established by the Commission. Industrial customers, therefore, should encourage their pipeline suppliers to bid responsibly for new gas supplies.

Argument: Incremental pricing requires industrial customers to pay more than their fair share of increased gas costs.

Response: Industrial gas users are the beneficiaries of the additional supplies which will result from gradual decontrol. The cost of these "marginal" supplies should, therefore, be initially allocated to the marginal consumers: industries. As the price of additional gas supplies rises further, incremental pricing will have a broader and broader set of users pay the incremental costs. Industrial customers do not absorb all of the incremental costs now, and their share will decrease over time.

By moving to correct a major regulatory irregularity—the distinction between interstate and intrastate natural gas markets—the NGPA caused substantial quantities of natural gas, formerly sold intrastate, to be made available to interstate markets. This gas is not subject to incremental pricing. The following example shows how industrial users receive this gas, while residential users pay for it.

Producers charge interstate pipelines approximately $2.40/Mcf for this gas. Adding an average of $1.00 per Mcf for transportation and delivery charges, the cost to the industrial consumer should be $3.40/Mcf. However, industrial customers pay about $2.60 for this gas. The remaining 80 cents per Mcf is being paid by residential and commercial customers, even though they do not use any of this gas. Incremental pricing eliminates the possibility of this happening for other sources of gas by ending the residential customer's subsidy of the industrial user.

Argument: Incrementally priced users are subject to the whims of OPEC pricing.

Response: Incrementally priced gas users are more subject to the whims of OPEC than are users of any other uncontrolled energy source. Every time OPEC raises its price, all users who are dependent on imported oil—or on any energy source whose additional supplies compete with imported oil—must pay the OPEC price. This will continue until some new, additional energy source can replace OPEC oil at a lower price; this is not likely to happen soon.

Ultimately, wellhead price decontrol will cause gas prices to rise to their replacement-cost level. Replacement-cost pricing ensures that energy conservation opportunities are seen and that productivity is improved. Replacement-cost pricing, so long as OPEC controls marginal supplies, is more or less subject to OPEC whims.

Incremental pricing will not worsen this situation for anyone. Incremental pricing does not mandate that industrial gas users pay OPEC equivalent prices, nor does it mandate that prices must reach the ceiling levels. Prices paid by incrementally priced users will rise only to the levels bid by pipeline companies for gas in the field. OPEC has nothing to do with that.

Argument: Industrial user shifts from natural gas to oil will have an adverse impact on air pollution.

Response: Because incremental pricing results in no loss of overall consumption of natural gas, there will be no increase in pollution from the burning of alternate fuels.

Price decontrol raises prices to bring on additional gas supplies whose use would reduce air pollution. Incremental pricing will not affect this net increase in gas use.●

H.R. 6504, NATIONAL HERITAGE POLICY ACT

HON. AUSTIN J. MURPHY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 17, 1980

● Mr. MURPHY of Pennsylvania. Mr. Speaker, I am pleased to join in cosponsoring the administration's National Heritage Policy Act, H.R. 6504, which has been introduced by my colleague from California, Mr. BURTON, and on which hearings will be held in the Subcommittee on National Parks and Insular Affairs on March 17 and 18. This very timely and worthwhile piece of legislation would provide something long needed in terms of the effort to conserve the best of the American environment: coordination. Rather than starting up a major new Federal land purchase program, this bill will simply provide for increased coordination among the various activities which are now operating at all government levels and in the private sector to find and conserve significant examples of America's natural and historic heritage.

The heart of the bill will establish a National Register of Natural Areas to parallel the existing National Register of Historic Places. Nominations of areas to the natural register of areas identified for their exemplary biological or geological qualities would come primarily through a system of State natural heritage programs, just as the State historic preservation programs which now operate in each of the 50 States nominate areas to the National Register of Historic Places. A major portion of the proposed natural register already exists, in the form of the National Registry of Natural landmarks which was begun in 1963.

More than 25 States now have voluntarily started such a State heritage program. This bill would help other interested States to begin complementary programs. More importantly, it will provide a form of formal recognition for the areas that these States have identified and will continue to identify, through the National Register of Natural Areas. This recognition is also a means of protecting these irreplaceable areas from the unforeseen impacts of Federal actions. Under the bill, Federal agencies will be asked to respect the wishes and decisions of the States by attempting to insure that during the conduct of their activities as little damage as possible is done to areas listed on the Natural Register. This provision will not prevent or unnecessarily delay needed development activity. It is merely designed to serve as a tool for Federal agencies to help them plan their activities in ways which will not conflict with State priorities.

A large percentage of the more than 500 historic landmarks and over 400 natural landmarks which have been identified to date are maintained in private ownership. Many of these owners have voluntarily agreed to conserve the significant qualities of these landmarks for the benefit of all Americans, while still keeping the property or site in active use. Unfortunately, an average of about 10 percent of the total number of all national landmarks are reported to the Congress each year as being threatened by outside impacts. In my district, Friendship Hill, home of Albert Gallatin during his years in the Congress and as Secretary of the Treasury, has provided an unfortunate example of what can happen to these landmarks when left without protection. Friendship Hill was privately owned until January of this year, when the National Park Service finally obtained the funds to purchase the property. This purchase was made necessary because the house was in a seriously deteriorated condition as a result of vandalism. Purchase by a Federal agency is not the only nor necessarily the most desirable way to conserve these national landmarks. It would be better to keep as many as possible in private ownership. But we must have more effective protective tools for landmarks and more incentives made available for the private owners of landmark properties if we are to conserve the unique qualities for which these sites have been selected.

I was very disturbed to learn recently that each year more than half of the national landmarks reported as being threatened are located on Federal property or are being threatened by some Federal activity. This is a sad example of the right hand not knowing what the left hand is doing: Federal agencies engaged in destroying what other Federal agencies have identified as being nationally significant resources. The heritage bill will not stop Federal or federally sponsored development activities, but it will insure that our right hand is always aware of the importance of what the left hand is doing.

The National Heritage Policy Act will allow us to continue to develop and grow in the ways we must to survive as a Nation. It will also enable all Americans to work together to see that, when we survive, we survive with our priceless national heritage intact. I am pleased and proud to join in cosponsoring this legislation.●

MAYOR KAY CALAS OF CARSON HONORED

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 19, 1980

● Mr. ANDERSON of California. Mr. Speaker, on the evening of March 28, 1980, many friends and associates will gather on San Pedro's *Princess Louise* to honor Kay Calas, the mayor of Carson, Calif.

Mayor Calas is a widely respected leader in the 32d Congressional District, which I represent, and I would like to share with my colleagues in the U.S. House of Representatives some of her outstanding accomplishments. While her work is well known in the 32d District, it certainly merits wider recognition.

Kay Calas has been a resident of Carson for more than 30 years. She and her late husband, Councilman John Calas, were very active in the growth and development of the Carson area. Through their work with the Carson Homeowners Association, they helped with the movement that made possible the incorporation of Carson as an independent city. After her husband passed away in 1975, she continued her active involvement in civic affairs.

She has served as president of the Carson Democratic Club and as president of the Keystone Women's Club, one of the oldest women's service organizations in the entire South Bay area. Kay Calas has also cochaired the chamber of commerce annual Miss Carson Beauty Pageant; been a member of the Carson Float Association, and the Graffiti Committee; and has served as director of the Carson Chamber of Commerce.

Law enforcement is another area where Mayor Calas has devoted much of her time. Last year she was appointed chairperson of WE TIP, an organization dedicated to the reduction of drug traffic in the local community. In addition, she has worked with civic organizations and the police department to improve police-community relations.

Her work for the Democratic Party has been strong, dedicated, effective, and consistent over the years. In 1968 she conducted important organizational work for the Presidential campaign of the late Senator Hubert Humphrey. The contribution of her talents to the party has earned her formal recognition, as she has been named a Democratic key woman.

As a businesswoman, Kay Calas has also achieved success. She handles business rentals for Calas Investments, a firm she and her husband operated for many years. This and her other ventures in the business world have been productive for her, her family, and the community.

My wife, Lee, joins me in congratulating our good friend Kay Calas on all her achievements. By her good work, she has brought honor to her family and to her community. We send our best wishes to Kay and all her children; her five sons, Chuck, John Jr., Frank, Jim, and Tom. We hope the future brings them many more years of good fortune and happiness.●

CHEROKEE NATION AND LOSS OF MINERALS

HON. MIKE SYNAR

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 19, 1980

● Mr. SYNAR. Mr. Speaker, today I introduced legislation in the House which confers jurisdiction on certain courts in the United States to hear, determine, and render judgment for the damages caused to the Cherokee Nation of Oklahoma for the loss of minerals from the Arkansas riverbed.

The history of this claim against the United States has been a long and painful one for the Cherokee Nation. Congress agreed in 1946 to dredge, dam, and change the course of the Arkansas River to make it navigable frpm Tulsa to the Mississippi River. In 1966, the Cherokees filed suit against the State of Oklahoma seeking compensation for losses of land, oil, gas, sand, gravel, and other resources in the riverbed that had been destroyed by construction. The Choctaw and Chickasaw Indian Nations joined the Cherokee in this suit.

While two lower courts ruled against the Cherokee Nation, the U.S. Supreme Court held in 1970 that the tribes did in fact own the riverbed. Following that decision, Congress ordered the Interior Department to determine the value of the land and resources, and appropriated funds for these studies in 1973, 1974, and 1975. Based on those studies, the Interior Department entered into negotiations with the three tribes to reach a settlement agreement with respect to the property interests of the tribes in the bed of the Arkansas River.

In negotiations with the Cherokee Nation, an informal agreement was reached between the tribe and the Interior Department for payment by the U.S. Government in the amount of $8,453,818.88 as full compensation for all losses sustained by the Cherokee Nation for sand and gravel deposits in the Arkansas riverbed between the Grand and Canadian Rivers. In a June 16, 1978, letter from Secretary of the Interior Cecil Andrus to Congressman Yates, as chairman of the Appropriations Subcommittee on Interior, Secretary Andrus stated;

> * * * we believe this negotiated settlement represents fair and just compensation for the losses sustained by the Cherokee Nation in the taking of their mineral assets from the Arkansas riverbed.

The Secretary further stated:

> Our current plans are to consider this item in the development of the 1980 Budget.

But, Mr. Speaker, a request for funds for payment of this negotiated settlement was not included in the fiscal year 1980 budget submitted by the administration. In a March 16, 1979, letter from Secretary Andrus to Chairman Yates, the secretary states:

> You have requested the basis for the Administration's refusal to support the payment of $8.4 million to the Cherokee Indian Nation for the destruction of its sand and gravel deposits in the Arkansas Riverbed. The justification for this Administrations's positon in this matter is based on conclusion that the United States is not *legally* obligated to compensate the Cherokee Nation for the loss of its sand and gravel deposits.

The Interior Department and the Office of Management and Budget have now decided that the United States can claim the powers and rights of navigational servitude to confiscate the riverbed without compensation to the Cherokee Nation. This new policy decision was made despite the prolonged negotiations with the tribe, and despite the fact that an informal negotiated settlement between the tribe and Interior was reached.

Mr. Speaker, it has been almost 10 years since the U.S. Supreme Court ruled that the Cherokee Nation owned the portion of the Arkansas riverbed for which they now seek compensation. The tribe has consistently acted in good faith with the Federal Government in negotiating a fair and just settlement for the loss of their minerals. Up until last year, it appeared that the Interior Department also intended to act in good faith on this matter. Now, however, we are faced with a complete turnaround by the Government, and the Cherokee Nation appears to have no alternative but to file suit against the Government for just compensation for its losses from the Arkansas River project.

I believe the Cherokee Nation should have an opportunity to let the courts make a final determination on this matter, and the bill I have introduced today will simply allow them to file such a claim.

I hope the House of Representatives will take expeditious action on this legislation.●

TRIBUTE TO AL LOWENSTEIN

HON. PAUL N. McCLOSKEY, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 19, 1980

● Mr. McCLOSKEY. Mr. Speaker, under the leave to extend my remarks in the Record, I include the following:

STATEMENT OF REPRESENTATIVE PAUL N. McCLOSKEY, JR., ON AL LOWENSTEIN'S DEATH, CENTRAL SYNAGOGUE, NEW YORK CITY

In forty years of study and reverence for American history, the words of five men have moved me more deeply than most. One of them we honor today.

In 1865, Abraham Lincoln used the phrase: "With malice towards none and charity for all . . ." Those words pretty well represented Al Lowenstein's philosophy of life.

In 1874, Oliver Wendell Holmes, Jr. suggested: "A man should share the action and passion of his time at peril of being judged not to have lived. . . ." Al did that.

In 1961, President Kennedy, in his inaugural address called for a concept of service to one's country, and a duty to offer that service. Al recognized that duty.

In 1966, in Capetown, South Africa, Bobby Kennedy said that "Many of the world's great movements of thought and action, have flowed from the work of a single man. . . . Few will have the greatness to bend history itself, but each of us can work to change a small portion of events. . . .

"Each time a man stands up for an ideal, or acts to improve the lot of others, or strikes out against injustice, he sends forth a tiny ripple of hope. . . ."

In the snows of New Hampshire a few days ago (each of us, as usual, working in difficult, if not hopeless, causes), I spoke to Al about those words of Bobby Kennedy in Capetown, and the inspiration I had taken from them. He grinned and said that he had helped a little with their preparation.

Indeed, those words fairly well represent Al's service to us all.

I don't have many similar quotations from Al, but his words and actions have affected me as deeply as those of Lincoln and Holmes and John and Robert Kennedy.

Al's words of love and peace and forbearance were uttered in a hundred places where I was present—asking people to have faith in our system, to work within that system, in peace rather than with violence.

I recall one occasion on the House floor during the height of the Viet Nam War when shooting had broken out on a small rural college in Tennessee. A student veteran of the Civil Rights movement had called Al and told him that he alone might be able to cause the students to renounce retaliation and the police to forbear from further violence.

In the last hours of the evening of a long day of particularly angry and frustrating debate, with a similar day to follow, Al came over to me and said, "Pete, there's a plane leaving for Memphis in half an hour. We can take a bus from there and reach the campus by 2:00 in the morning. Will you come with me to see if we can calm things down?" I begged off. The work of the Congress and the fatigue of the trip seemed too much.

Al went. He tried. There was no good cause in my memory that Al would not espouse. There was no place he wouldn't go, no discomfort he wouldn't cheerfully bear, if he would bring good will and quiet advocacy to bear on a choice between national alternatives and violence.

I remember a particularly bitter debate on the House floor in those days when there were no more than a handful of Members questioning our policy in Viet Nam. Feelings were running high.

There were harsh words from Republicans and even harsher criticism from some of the great orators we then had on the Democratic side.

At the height of the bitterness, Al, a freshman, took the podium, and rather quietly remarked that the proudest achievement of his life was to be a Member of the House of Representatives.

For a moment, the House was hushed. Al had managed to touch the best in each of us. For a moment we were able to remember the privilege of public service . . . of being participants in the American political system . . . that there might be a duty of reasoned debate to accompany that privilege. The House chamber became a better place.

The tragedy of Al's death is not in our grief . . . it is in the realization that the rest of us who were privileged to know him are finally brought face to face with our own failures to live up to his example.

There are causes we have set aside . . . battles we should have fought, but have not . . . political issues we have shied away from because they were painful . . . something Al never did.

If there were ever a gentle warrior in our midst, it was Al Lowenstein. If there were ever a warrior who battled fiercely but loved and did not hate his enemy, it was Allard.

His friend, Don Riegle, called me last night to suggest we remember that there's a lot of Al Lowenstein that is alive and well today, in each of us who knew him and the millions who cannot be here, but took faith and hope from Al during his lifetime.

I think Don is right. I think we will all act for a time with a renewed sense of duty to participate in at least one of the causes for which Al gave his best. In my case, it will be to try and finally curb handguns. Others may choose differently, but it seems to me it is time to end the wide and uncontrolled possession of lethal weapons that can be concealed on the person. Al once asked me: "How many great leaders do we have to lose to a deranged person because we retain this romantic nostalgia for wild west days when the handgun was carried openly to settle disputes, and when right and wrong seemed easier to discern?"

I would not raise this issue at a gathering of friends who loved Al Lowenstein but for the certain knowledge that Al would want us to go forth from this holy place with passion and commitment rather than with sadness.

His service to us in life was to motivate us to do our best rather than the mediocre . . . most of all, to participate rather than to stand aside. In justice to his memory and the priceless gifts he left us, his friendship, his support and his love, I hope each of us can carry on Al's tradition of choosing the hard fights and making them with faith, love and good humor.

We can't replace Al, but we can try to live up to his example.●

THE FEAST OF ST. PATRICK

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 19, 1980

● Mr. DORNAN. Mr. Speaker, in March, the ecclesiastical calendar is graced by the feast days of two outstanding leaders of the Christian faith. I think that it is especially fitting that today, March 19, the feast day of St. Joseph, the foster father of Christ, I would submit for the RECORD a remarkable speech concerning both the March 17 feast day of St. Patrick, the Patron Saint of Ireland and the father of Irish Christianity, and the contributions of the Irish people to our civilization.

Mr. Speaker, it was my distinct pleasure to be invited to attend the banquet hosted by my fellow Irish Americans, the Friendly Sons of St. Patrick at the Beverly Hilton Hotel and hear Msgr. John V. Sheridan beautifully commemorate "The Day We Celebrate." I was deeply moved by the experience and impressed with the depth of his scholarship. Those of us whose ancestors hail from that "dear land across the sea" owe a great debt to America and the parents and grandparents who have kept the spirit of faith and liberty, so precious to the Irish people, alive in a rapidly changing society.

Along with Monsignor Sheridan's remarks, we were treated to an inspiring speech by the incomparable James Murray and the gripping address by one of America's outstanding military heroes, Vice Adm. James Bond Stockdale, a survivor of the prison camps of Hanoi. Monsignor Sheridan broadened our perspective on the day and its deeper meanings.

I consider it an honor to submit Monsignor Sheridan's remarks for the RECORD:

THE DAY WE CELEBRATE

(Msgr. John V. Sheridan)

We are entering the second decade of the bicentennial of the founding of the Society of the Friendly Sons of St. Patrick. Thus, The Day We Celebrate has something special to say to each of us in this gathering. Officially instituted in Philadelphia on March 17th, 1771, the Society of the Friendly Sons was from the beginning ecumenical in outreach, patrician in tone and tradition. "Catholics, Presbyterians and Quakers were united like a band of brothers," so said the Philadelphia Intelligencer about the Society's inaugural celebration. Stephen Moylan, a distinguished officer in Washington's army, and a brother of an equally reputable Catholic bishop of Cork, was the Friendly Sons' first president; Daniel McCormick, a Presbyterian, was the president of the Friendly Sons of New York, who met for the first time on March 17th, 1784, thirteen years after the Philadelphia foundation.

We have records of St. Patrick's celebrations in what is now the U.S. dating back to 1690, but the Society of the Friendly Sons has had a distinctively American as well as Irish flavor. The Irish found the growing American experience responsive to their tastes and hungers, as well as to their gifts of humor and courage. They held Washington in special veneration as they did a number of the founding fathers, like their own Charles Carroll, whose patrician ways were unspoiled by the pomp and pretentiousness of the lords and squireens who had robbed them of their ancestral lands at home, and at the same time looked down on them as second-class citizens. Washington's closeness to the Irish began while he was a young land surveyor; it was cemented during his command of the army of Virginia and later during his generalship of the Revolutionary Army. He selected a lot of officers from among the Irish, and during the difficult years of 1776, '78 and '80 he ordered the army to celebrate appropriately the feast day of Ireland's national apostle, St. Patrick. From his camps in Valley Forge and in Morristown, New Jersey in 1778 and 1780 he directed that "all fatigue and working parties cease on St. Patrick's Day . . . in deference to a brave and generous people." The password for the day was "Patrick," the thirteen-stripe flag with the Irish harp was flown over the camps, and the atmosphere was one of music, humor and song.

In his last Will Washington named a number of Irish neighbors and friends whom he wanted to participate in his funeral. A third of the American Revolutionary Army were either born in Ireland or of Irish stock; but what is hard for an Irishman to admit is that a third of the British regiments were also Irish, some pressed into service, some unable to find any other kind of outlet in life, and some willing instruments of colonization. The British major delegated by the haughty Cornwallis to surrender his sword to the victorious Washington in Yorktown was a rascal from Galway named O'Meara. Too proud to go through such a humiliating ceremony, Cornwallis did what the Irish expected a British general to do when in difficulty—use an Irishman. Cornwallis returned to England, was appointed Viceroy in Ireland and, after putting down the 1798 rebellion there, he had a hundred rebels hanged in a garden close to my ancestral home. He issued some amnesties, too, which came to be called "Cornies." They are mentioned off and on through Maria Edgeworth's historical novels.

In harmony with their cosmopolitan makeup, the Friendly Sons welcomed Yankees and Southerns, Whigs and Federalists, Democrats and Republicans, and tried, but did not always succeed, in keeping out of the heated partisan and political embroilments of the day. In 1828 John Quincy Adams, a de facto member of the Friendly Sons, was challenged by Andrew Jackson in a particularly bitter and flamboyant race for the presidency of the United States; the majority of the Irish backed Jackson and New York's (1827) local elections were the testing grounds for the final outcome of the presidential campaign. Here are a couple of direct quotes from a contemporary newspaper's account of the New York elections:

"In the eighth Ward, 200 huge Irishmen were led to the polls by a Jackson candidate. Brandishing two loaded pistols, he marched without stopping into the polling booth where each of the 200 Irishmen voted for the Jackson candidate three times a piece. In the sixth Ward a Kilkenny Irishman and a Vermont Yankee fought for 5 hours and 58 minutes outside the polling booth, diverting attention from the polls." There is no record as to whether either of these gentlemen belonged to the Friendly Sons.

In more recent years, but far enough removed to not involve any of us here tonight, James Shields, an Irish scholar, Civil War general and a U.S. Senator who had the unique distinction of being elected to the Senate by the people of three different states, began his career as Treasurer of the Territory of Illinois. There he felt compelled to challenge Abraham Lincoln to a duel for satirical, if not calumniating, letters written to a local newspaper which Shields traced to Lincoln, his girlfriend and future wife, Mary Todd, with her pal, Julia Jayne. The two men appeared with their seconds for the duel, but called it off after Lincoln offered his apologies; they became lifelong friends, and Friendly Sons of St. Patrick. Last week Mike Royko, a columnist, and would-be Mr. Dooley, for the Chicago Sun Times, picked up on an inelegant reference to the president and his place of birth, allegedly made by the Chicago mayor's husband and press secretary. Royco claimed to have been in a seance in which a deceased mayor was consulted as to who could legitimately join the Windy City's St. Patrick's Day parade. Even a converted Orangeman could join, Royco discovered. Royco may not have known that George Bernard Shaw, a writer also, covered the ground before. In an off-the-side to Sean O'Casey, his fellow Dubliner, Shaw said, "I am the most authentic kind of Irishman. I feel in my blood the humours of Celt, Norman and Saxon. My father was an Orangeman, my auntie was a Roman Catholic abbess, I had an uncle hanged as an Irish rebel and I speak English so fluently, I might say, so intimidatingly, that last time I told a British Tory 'go to hell' he went out and had all his clothes fireproofed."

Oscar Wilde, a Dubliner too, defined a humourist as an Irishman laboring to take himself seriously. Tim Healy was Wilde's kind of humourist. Once after a speech in the House of Commons Healy proceeded to sit down on Joseph Chamberlain's top hat. When Chamberlain protested that "the honorable member from Louth" was crushing his hat, Healy rose and apologized saying he had hoped Chamberlain's head was in it.

Comedy is humour in action. The Irish of the nineteenth century were pretty heavy drinkers, but the only one in history to whom the City of New York gave a banquet where toasts were drunk with glasses of water was the Irish Father Theobald Mathews, the famous apostle of temperance. Weeks after the banquet a Dublin cartoonist featured an Irish railroad worker with a glass of water in his hand and a frown on his face. The caption read, "What the hell kind of concoction is this?"

The last real, this is, non-ceremonial, party held in Independence Hall, Philadelphia, was in 1829; it was the celebration of Catholic emancipation, a bill restoring to the Catholics of the British Isles their rights as citizens, master-minded and pushed through the House of Commons by the famous Daniel O'Connell. The celebration was so enthusiastic that the floor of the Hall buckled and the Liberty Bell cracked. A Boston Irish cartoonist drew a picture of the bell cracked up in laughter, with an Irishman pointing at it, saying, "The craythur couldn't take the excitment."

Humour, like humility, is grounded in faith; and courage is faith in action. The courage to be, to go on in spite of what seems like insuperable obstacles. That kind of courage involves not the mere animal instinct to survive. It involves some kind of hope, some kind of appreciation for the value, the worthwhileness of life. Humour can be and often is an aid to, as well as a reflection of, that feeling of worthwhileness, that vision of our own littleness, our own weaknesses against the vastness of what we can be when we allow ourselves to be touched by and sensitized to God's abiding love. It is a historical fact that people like the Jews and the Irish who have suffered, that they have developed a rich kind of humour. In that sense St. Patrick set the stage for all the great humourists, all the men of faith and courage. To survive, to go on and do what he did in fifth century Europe was what Daniel Rops called the miracle of Ireland. After shaking the Chinese empire, the Huns, cut a swath of blood destruction all the way up to the Volga and Danube where they joined the Allans and Ostrogoths, ransacked the Balkans and on New Year's morning in the year 407 slipped over the Rhine to pillage France and Spain and turn what is now Western Europe in to a nightmare of brutality in which Roman generals, barbarian chiefs and peasant insurgents tore each other to death with the ferocity of jungle beasts.

It was the century in which Augustine lay dying in his See City of Hippo as the vandals were tearing it to shreds, the century in which from his cave in Bethlehem Jerome was crying: "Everything from the Julian Alps to the Black Sea is in chaos." And it was the century in which Patrick was wrenched by a group of Irish tribesmen from the home of his Roman officer father, somewhere in the province of Britain, to spend the precious years of his youth herding sheep on the cold Irish slopes and keeping vigil with Christ in prayer and fasting. It was during those terrifying years he heard the voice of the Spirit calling him to tread those chaos-ridden roads of Europe down into France or Italy, there to become a priest and bishop and return to transform his erstwhile masters and the island which he learned to love into a center of spirituality that was to last for 500 years as a seedbed of pilgrim scholars who kept the light of civilization alive in the darkest hours of European history.

When Pope John Paul II was visiting Ireland last September his most nostalgic moments, according to his own account, was his impromptu helicopter landing on the site of one of Europe's oldest and most famous monastic schools, that of Clonmacnois. Standing among the ruins of Celtic crosses and old lichened walls covered with ancient Ogham and Latin inscriptions, he held aloft a tenth century cross and prayed, "I thank God I have come here—here to kneel amidst the ruins of an ancient school, two of whose missionary graduates helped to evangelize my native Poland." The Pope talked of the incredible wanderings and achievements of those Irish monk mystics who, in the spirit of St. Patrick, spanned Europe from the Bay of Biscay to the steppes of Russia, from Iceland to the shores of the Mediterranean. The Vikings came and the Normans, and the Anglos—and they all played a part in the odyssey of a people, a people and an island with whom we identify on March 17th, a people like their Friendly Sons whose roots are myriad and who in the spirit of Patrick are most truly themselves when they play host to all peoples. Perigrinantes pro Christo, wanderers for Christ, the earliest Irish missionaries called themselves, and so indeed they were, and they were men of humour too—this golden age of Irish history.

A gloss on an eighth century manuscript in the Monastery of St. Paul, Carinthia, Austria, has a poem describing the antics of the scribe's cat whose name was Pangur Ban:

> I am Pangur Ban, my cat,
> 'Tis a like task we are at
> Hunting mice is his delight
> Hunting words I sit all night.
> Better far than praise of men,
> 'Tis to sit with book and pen
> 'Tis a merry thing to see
> At our tasks how glad are we.

It's a long way from Pangur Ban, the monastery cat, and its monk writer to us, us with our computers, our space ships, our intercontinental missiles, our bioengineering and test tube babies. But there is a continuity. There is a continuity between all of us, all of us who, like the Canterbury storytellers, bend our pilgrim steps, lighting the way a little with our own little spurts of laughter, of story and song.

Societies like ours, with their ecumenical outreach, their Patrician tone, their feeling of kinship with all humans, celebrations like ours with their memories and evocations—they can cheer us on the way, help us to appreciate that the littlest things we do for the least of our brothers we do for all of them, all of them and all of us Friendly Sons of a common Father. Thomas McDonough, Irish poet-patriot, wrote these lines. It was 1916 and he was on his way to death in a Dublin prison. You and I can make them our very own:

> His songs were a little phrase of eternal song,
> Drowned in the harping of lays,
> More loud and long,
> His deed was a single word, called out alone,
> In a night when no echo stirred, to laughter or moan,
> But his song's new souls shall thrill, the loud harps dumb
> And his deed the echoes fill, when the dawn is come.●

INFLATIONARY EFFECT OF INCREMENTAL PRICING

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 19, 1980

● Mr. DINGELL. Mr. Speaker, several Members have cosponsored a bill, H.R. 5862 to repeal the incremental pricing provisions of the Natural Gas Policy Act of 1978 based, in part, on the results of a Wharton Econometric Forecasting Associates Study, which concludes that incremental pricing is inflationary.

However, this study has acknowledged a number of errors; WEFA is in the process of correcting these and reporting its new conclusions which will show lower, but still positive, inflationary effects. Still, one should be skeptical. In a letter to the Federal Energy Regulatory Commission, the Council on Wage and Price Stability (COWPS) contends that incremental pricing is not likely to be inflationary and that the WEFA assumptions, specifications and methodology are poorly suited to calculating the necessary effects of price changes in a subsection of the economy. I commend the COWPS letter to my colleagues as an instructive analysis of incremental pricing.

The text of the letter is as follows:

COUNCIL ON WAGE AND PRICE STABILITY,
Washington, D.C.

Re Docket No. RM 80-10.

Hon. CHARLES B. CURTIS,
Chairman, Federal Energy Regulatory Commission, Washington, D.C.

DEAR CHAIRMAN CURTIS: In recent weeks, the Council on Wage and Price Stability has reviewed the Federal Energy Regulatory Commission's proposal for implementing Phase II of its incremental pricing program for natural gas. While we have not reached a firm conclusion about the proposal's overall merits and are uncertain about its efficiency benefits, we are persuaded that it is unlikely to increase inflation significantly.

The Council strongly supports moving toward replacement-cost pricing for energy resources. Below-cost pricing is ultimately inflationary because it induces market distortions and inefficient energy use. By contrast, replacement-cost pricing at the margin better ensures that opportunities to conserve energy or improve its productivity are utilized.

Pricing of natural gas under Title II of NGPA essentially accelerates the movement of prices towards replacement cost for one class of users, and decelerates it for other classes. If there are net efficiency gains from this approach, they are difficult to ascertain. We suggest that the Commission's decision on which users should be incrementally priced, and on what the alternative-fuel price cap should be, should turn on whether the transition to universal replacement-cost pricing will thereby be eased or made more difficult.

A well designed pricing program might help smooth the transition to natural gas deregulation in 1985. On the other hand, incremental pricing entails some problems of its own. We are particularly concerned about possible imbalance between inter- and intra-state prices both before and after 1985, about the likely conflict between avoiding load loss and minimizing future curtailments, and about possibly severe disruptive effects on particular industries or individual users. While we have not analyzed these issues fully, we suggest that you proceed cautiously with Phase II, and seek ways to mitigate the proposal's possible adverse effects.

One controversial issue that is of particular concern to us is the proposal's effect on inflation. The several analysts who have reviewed this question disagree sharply. Our own analysis of the issue leads us to the following conclusions.

The short-term effect of the proposal on the general price level should be either negligible or anti-inflationary. While the proposal would increase gas costs for affected industries, some of the increase is likely to be absorbed in reduced profits, rather than passed through to consumers. Since the increased revenues from incrementally-priced users would be used to hold down gas prices for high-priority users (including final consumers), the net short-term effect should be negligible or anti-inflationary.

Over the longer term, it is conceivable that other effects might become important. The American Gas Association (AGA) has argued that the industries affected by the Phase II proposal have special characteristics that will lead gas price increases to have a high GNP multiplier, and a similarly aggravated effect on inflation. In particular, it has argued that these industries are highly gas-intensive, highly capital-intensive, have high rates of productivity growth, produce goods whose prices have increased relatively slowly, and have the power to pass cost increases through in final product prices.

However, we have seen no convincing data to substantiate that the industries affected by the Phase II proposal actually possess all these characteristics. We are, moreover, skeptical that these characteristics would lead to results as dramatic as those predicted by the AGA.

The results of AGA's Wharton Model runs have not convinced us to alter these conclusions. While carefully performed macro-economic analyses might help in evaluating AGA's arguments, we feel that macromodels are generally poorly suited to determining the effects of price changes in a subsector of the economy. Moreover, in the course of our meetings with AGA staff and consultants, it became clear that their modeling results are based on assumptions and specifications with which we cannot agree. In short, we give little weight to AGA's modeling results thus far; we understand, however, that AGA is planning additional analyses that may address some of these problems.

I have attached, for the record, copies of materials we have received from, and summaries of meetings we have had with, people outside the Executive Office of the President concerning incremental pricing since February 8 that are not yet on the record.

In sum, the effect of the proposal on the long-term efficiency objective of replacement-cost pricing is unclear. Moreover, while the evidence thus far is by no means conclusive, we are unconvinced that the proposal is inflationary.

Sincerely,

R. ROBERT RUSSELL,
Director.●

REGULATIONS STRANGLE STEEL

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 19, 1980

● Mr. COLLINS of Texas. Mr. Speaker, the chairman of United States Steel, David Roderick, says that capital formation is the most critical problem facing the steel industry. High cost environmental controls, energy policy, and inadequate depreciation allowances are principal obstacles to the flow of capital needed for technological modernization and the maintenance of our competitive edge.

It came as a surprise to me that 30 percent of United States Steel's expenditures on facilities in the eighties will go for environmental controls, with $550 million a year required for the steel industry. We know that the steel industry has already spent over $6 billion just through 1978 for pollution control and has made great improvements, as any visitor to Pittsburgh can testify. You would now expect declining cost for control of pollution. But this is not the case.

United States Steel has about 80 water discharges from its 5 Monongahela River plants near Pittsburgh. After spending some $150 million on controls the company has reduced pollutants by 70 percent. Further expenditures now being made under the best practical control technology will eliminate 98 percent of the pollution. To reach EPA's standard of best available control technology would cost $100 million more, would eliminate only 1 percent more pollution and their expenditure will not result in measurable improvements in the river water quality. Can this EPA requirement, at a cost of $100 million to the ultimate consumer, possibly be justified in the public interest?

A similar heavy penalty is being levied by EPA on the coke industry. Largely because of environmental regulations a number of marginally profitable yet productive coke ovens were shut down prematurely between 1974 and 1978. The lost capacity totaled about 8.4 million tons, or 14.3 percent of the 1974 total. This loss in domestic coke capacity required the import of 5.3 million tons of coke in 1978 and it threw 5,000 coke oven workers and 9,500 coal workers out of a job and made us more dependent on imported coke. Furthermore, it shut off a volume of coke oven byproducts such as tar, distillates, and synthetic gas equivalent to 46 million barrels of imported oil per year.

When the industry has not the capital funds to install EPA's most stringent controls on ovens with say less than 5 years of useful life remaining, it would make sense to let them continue running under best practical water and air pollution controls.

The steel industry has been working hard as pollution caused by charging coke into ovens has been reduced 90 percent in the past 10 years. But environmental controls have reduced productivity by 15 percent.

Operating costs of pollution control measures are extremely heavy. Annual operating costs of mandated pollution controls at United States Steel will reach $500 million by 1984. This means higher selling prices and lets foreign steel undersell us.

This is happening while the Japanese have surpassed American steel productivity. By 1975 the Japanese had attained production of a ton of steel with 9.2 man-hours of work while the American industry required 10.9 man-hours, or 18.5 percent more. Since then, Japan has increased its lead by building integrated mills. And it is said that the oldest blast furnace operating in Japan was built as recently as 1962.

If EPA is insensitive to the productivity, profitability, energy and employment effects of its rigid pollution controls, the Internal Revenue Service's depreciation allowances are too little for capital formation. IRS rules allow no faster rate of depreciation than 18 years for capital intensive facilities such as the steel industry's. A battery of coke ovens that cost $25 million in the 1950's costs $100 million today.

I believe Congress should support a sensible depreciation policy such as the 10-5-3 bill defines for this acute need. We should also insist upon full chargeoff in 1 year for mandated environmental control expenditures.

I have cosponsored a bill repealing the incremental pricing of natural gas. This provision could cost the steel industry over $1 billion per year starting in 1981. Steel is an energy intensive industry—fortunately over two-thirds of their energy is coal based. However, Federal energy policy will have a significant adverse impact on our steel industry that will further drain limited capital from needed productive investments.●

THE ROAD TO PRODUCTIVITY AND ECONOMIC GROWTH, PART V—ADDRESS AT THE WHARTON SCHOOL OF FINANCE

HON. RICHARD T. SCHULZE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 19, 1980

● Mr. SCHULZE. Mr. Speaker, last Friday, I had the distinct pleasure to speak before approximately 200 members of the Securities Industry Institute of the Wharton School of Finance, University of Pennsylvania, in Philadelphia.

These individuals have been selected by their firms as those who are going places in the securities industry and they have been employed within the industry for at least 5 years.

While they are students in the sense that their formal training is ongoing at Wharton, they are in fact the future financial experts and analysts of this Nation.

I was very pleased that I could participate in furthering their education and was thrilled at the reception I received concerning the Individual Investors Incentive Act of 1980.

The text of my statement follows:

REMARK OF CONGRESSMAN RICHARD T. SCHULZE

Thank you very much for the opporunity to be here with you today. It is indeed a pleasure.

Two years ago the House of Representatives took the first step to encourage investment by overwhelmingly approving the Revenue Act of 1978. As we all know, the act reduced the maximum Federal capital gains tax rates from 49 to 28 percent.

The development began the reversal of past misguided economic policies. These were the policies which resulted in our government so heavily taxing profits and dividends . . . savings and capital . . . sales and income . . . and all the other rewards of risk taking . . . that the risks were no longer worth the taking.

Capital gains tax reduction is only the first step toward reversing the nation's declining productivity growth by encouraging individuals to invest their savings in America's future.

This country has a problem. For many years the United States has failed to put as much as other leading industrial nations building new industrial plants and equipment. Today . . . the United States has the lowest rate of savings among all of the major industrialized nations of the world . . . and subsequently . . . one of the lowest rates of capital investment. In the last ten years . . . at least 6 million investors have left the stock market . . . and every group of individuals . . . except those 65 or older . . . have opted not to invest their savings in American industry.

This mass defection of individual shareholders . . . and the resulting drop in risk capital has had a devastating effect on the equity capital market for small and newer enterprises. The United States is losing its innovative and technological superiority lead . . . which it has enjoyed for years around the world. The capital crunch has created a dramatic trend among the smaller businesses in this country . . . causing many to merge with larger firms in order to survive. This crunch has also led to a number of our high-technology firms being acquired . . . or at least partially taken over . . . by foreign investors.

Despite all this evidence . . . our government still structures its tax laws to motivate individuals not to invest . . . yet . . . the government is the biggest winner in the end when individuals do invest. A recent analysis of the tax revenue effect of investing equal funds in equity securities and consumption shows a dollar invested in equities worth anywhere from 28 to 33 times as much in producing federal tax revenues as a dollar spent in consumption.

The results of our failure to put more money into productive capacity has been harmful to most American citizens. There has been no real increase in our standard of living for almost ten years. The increase in the amount of goods produced per hour of labor has been declining for years . . . and is now lower than that of any of the major free world powers. As our rate of productivity has fallen . . . the inevitable has occurred . . . inflation is soaring . . . and now stands at just under 20 percent.

In response to this problem . . . I have introduced H.R. 6300 . . . the individual investors incentive act of 1980. This bill would increase productivity . . . create jobs . . . provide additional capital for research and development . . . and strengthen our Nation's ability to compete overseas. H.R. 6300 accomplishes this by providing a ten percent tax credit of up to $1,000 for individuals . . . or $2,000 to married couples filing a joint tax return . . . for new or additional investments in stocks . . . bonds . . . and mutual funds investing in domestic corporations.

The bill also encourages investment in all types of businesses by stipulating that there would be no limit on the size of a company whose stock would be a permissable investment. It provides for a minimum twelve month holding period in order to qualify for the tax credit . . . thus encouraging investment rather than speculative trading. Finally . . . the tax credit would not be limited to new stock issues . . . due to the fact that secondary markets are no less important than the sale of new issues.

The ability of this legislation to produce billions of dollars of new capital . . . and cause millions of people to invest . . . has been clearly demonstrated. It was modeled after the monory law . . . enacted in France in 1978. Since enactment . . . French equity capital raised by companies in that country has increased ten-fold. One million frenchmen have availed themselves of this tax incentive . . . and surprisingly about half of the participants were first time investors.

Similar legislation in Sweden and Quebec also show dramatic positive results . . . and Great Britain is seriously considering similar legislation. Results from these participating countries suggest that in the larger U.S. economy . . . five to ten million people might be encouraged to provide $25 to $50 billion of new capital a year. This new capital would create new businesses . . . help modernize our industrial plants . . . and produce tens of thousands of new jobs.

Nine months after the French legislation took effect . . . prices on the bourse were up 44.4 percent . . . and recently they were up 66 percent.

Taking a conservative outlook and hoping for half of the increase that occurred in the french market . . . we are talking about a staggering amount of new capital. There is nothing in this legislation which any interest group could find objectionable . . . unless they object to increased productivity . . . the creation of new jobs . . . additional capital for research and development . . . and improved efficiency in American industry.

Here is a golden opportunity to put the economy back on the track that has gotten us this far . . . and produced the greatest economic experiment that the world has ever known.

Thank you.●

NATIONAL SCLERODERMA WEEK

HON. LEON E. PANETTA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 19, 1980

● Mr. PANETTA. Mr. Speaker, I am today, along with 48 cosponsors, reintroducing a resolution urging the President to proclaim National Scleroderma Week. This new resolution calls for the designation of the week of February 1 through 7, 1981, as National Scleroderma Week.

Scleroderma is a painful and debilitating disease that attacks the skin and multiple organs of the body. In its most serious form, scleroderma can strike the esophagus, intestines, lungs, heart, or kidney, causing fibrosis, inflammation, and atrophy of normal functioning tissues. Localized scleroderma causes hardening and thickening of the skin, particularly of the hands and fingers, along with painful ulcerations.

This disease affects some 300,000 people. A full 80 percent of these cases occur in women of childbearing age. The full total may be even higher, because misdiagnosed cases are common.

Unfortunately, the cause of scleroderma is unknown, and there is no cure for the disease. Therefore, a great deal of work remains if we are going to overcome its destructive effects.

Not nearly enough attention has been focused on this disease, and the result is a significant shortage of funding for research into a possible cure. I believe a National Scleroderma Week would bring the attention to the disease that is needed to help find a cure and lend comfort to its hundreds of thousands of victims.

I would also note, Mr. Speaker, that 1981 has been designated as the Year of the Disabled. This makes the creation of a National Scleroderma Week in 1981 all the more appropriate.

I strongly believe enactment of this resolution will bring closer the day when a cure is found for scleroderma. I urge the House to join me and the resolution's 48 cosponsors in this effort.

Following is the text of my resolution:

H.J. RES 516

Joint resolution designating the week beginning February 1, 1981, as "National Scleroderma Week".

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week beginning February 1, 1981, is designated as "National Scleroderma Week" and the President is requested to issue a proclamation calling upon the people of the United States to observe such week with appropriate ceremonies and activities.●

INTERNATIONAL CONFERENCE ON COMMUNICATION AND INFORMATION

HON. BARRY M. GOLDWATER, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 19, 1980

● Mr. GOLDWATER. Mr. Speaker, I am pleased to introduce a resolution today calling for the United States to host an international conference on communication and information.

Traditionally, this Nation has supported the concept of minimum restrictions on the flow of goods and information, believing as we do that this freedom is vital to the continued socioeconomic growth of all people. As a result, the United States has emerged as the world's major information producer. We manufacture more communications gear, computers, and satellites than any other nation. We produce more movies, television programs, news, and economic data than anyone else—and we transmit and process all this information on more computer hardware than any other nation.

There is now little question that the information stored in advanced communications and computer technology is the lifeblood of governments and industry. As with any resource of such importance, the potential for abuse is great. The passage of privacy and data protection legislation by many industrialized nations, including the United States, during the past several years has been, to some extent, a reaction to this potential for abuse

Many of these laws were intended to protect the privacy of individuals who might be compromised if personal data were transmitted outside the country in machine-readable form. However, I think we are now seeing the emergence of national privacy legislation which is actually aimed at erecting new trade barriers. Sweden, France, and West Germany in particular have all enacted laws establishing some form of national data board to monitor the use and storage of information. They have discovered the simple fact that to block data flow in the 1980's is to block trade.

As a result, multinational corporations face vast difficulties in transferring necessary data between countries in which they conduct business. This could adversely affect their operations and might unfairly restrict markets for the world information and telecommunications industry which is predominantly U.S. owned. It is little wonder that American business and government interests have become alarmed.

Perhaps worst of all, the building of information walls around a nation in the name of "privacy" has led to a hodge-podge of differing requirements which are incompatible. While I believe that nations may have the sovereign right to regulate information, I also believe that such national laws must be harmonized in order to strike the proper balance between privacy protections and the free interchange of information.

Accordingly, I believe it is time to convene an international conference on communications and information. This resolution directs the President to convene such a conference by January 1, 1982, and to report to Congress the recommendations it might make.

Mr. Speaker, throughout history all nations have benefited significantly from information exchange of all kinds. The long tradition of free speech in the Western World is the very foundation of international understanding and has been fundamental to the arts, science, media, and commerce. It is my hope that this convention will help keep this tradition alive.●

TAX TIPS FOR SENIOR CITIZENS

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 19, 1980

● Mr. GILMAN. Mr. Speaker, tax time is once again upon us. While every American must pay his full share of taxes as his civic duty, one is not required to pay even a penny more than his fair share.

Our Nation's senior citizens are often at a disadvantage at tax time because they may not be willing or able to consult with outsiders about their tax situation. If recently widowed, they may not be used to having to prepare their own returns.

It is for this reason that I ask that a series of tax tips for senior citizens be inserted in the RECORD, so that seniors may have the benefit of the latest tax information when preparing their returns. Citizens with further questions should either contact the Internal Revenue Service, which will give confidential, free advice in person or by telephone over local or toll-free lines, or they should consult a reputable tax preparation or accountancy firm.

Mr. Speaker, I would like to take this opportunity to restate my opposition to the recent proposal to tax the social security payments received by senior citizens. In my view, such a move would be most unfair and most unwise. I urge my colleagues to join me in an effort to prevent it from becoming law.

PROTECTING OLDER AMERICANS AGAINST OVERPAYMENT OF INCOME TAXES

CHECKLIST OF ITEMIZED DEDUCTIONS FOR SCHEDULE A (FORM 1040)

Medical and dental expenses

Medical and dental expenses (unreimbursed by insurance or otherwise) are deductible to the extent that they exceed 3 percent of your adjusted gross income (line 31, Form 1040).

Insurance premiums

One-half of medical, hospital or health insurance premiums are deductible (up to $150) without regard to the 3 percent limitation for other medical expenses. The remainder of these premiums can be deducted, but is subject to the 3 percent rule.

Drugs and medicines

Included in medical expenses (subject to 3 percent rule) but only to extent exceeding 1 percent of adjusted gross income (line 31, Form 1040).

Other medical expenses

Other allowable medical and dental expenses (subject to 3 percent limitation):

Abdominal supports (prescribed by a doctor). Acupuncture services. Ambulance hire. Anesthetist. Arch supports (prescribed by a doctor). Artificial limbs and teeth. Back supports (prescribed by a doctor). Braces.

Capital expenditures for medical purposes (e.g., elevator for persons with a heart ailment)—deductible to the extent that the cost of the capital expenditure exceeds the increase in value to your home because of the capital expenditure. You should have an independent appraisal made to reflect clearly the increase in value.

Cardiographs. Chiropodist. Chiropractor. Christian Science practitioner, authorized. Convalescent home (for medical treatment only). Crutches. Dental services (e.g., cleaning, X-ray, filling teeth). Dentures. Dermatologist. Eyeglasses.

Food or beverages specially prescribed by a physician (for treatment of illness, and in addition to), not as substitute for, regular diet; physician's statement needed.

Gynecologist. Hearing aids and batteries. Home health services. Hospital expenses. Insulin treatment. Invalid chair. Lab tests. Lipreading lessons (designed to overcome a handicap). Neurologist.

Nursing services (for medical care, including nurse's board paid by you). Occupational therapist. Ophthalmologist. Optician. Optometrist. Oral surgery. Osteopath, licensed.

Pediatrician. Physical examinations. Physical therapist. Physician. Podiatrist. Psychiatristis. Psychoanalyst. Psychologist. Psychotherapy.

Radium therapy. Sacroiliac belt (prescribed by a doctor). Seeing-eye dog and maintenance. Speech therapist. Splints. Supplementary medical insurance (Part B) under Medicare. Surgeon.

Telephone/teletype special communications equipment for the deaf.

Transportation expenses for medical purposes (8¢ per mile plus parking and tolls or actual fares for taxi, buses, etc.).

Vaccines. Vitamins prescribed by a doctor (but not taken as a food supplement or to preserve general health). Wheelchairs. Whirlpool baths for medical purposes. X-rays.

Expenses may be deducted only in the year you paid them. If you charge medical expenses on your bank credit card, the expenses are deducted in the year the charge is made regardless of when the bank is repaid.

Taxes

Real estate. General sales. State and local income. Personal property.

If sales tax tables are used in arriving at your deduction, ordinarily you may add to the amount shown in the tax tables the sales tax paid on the purchase of the following items: automobiles, trucks, motorcycles, airplanes, boats, mobile homes, and materials used to build a new home when you are your own contractor.

When using the sales tax tables, add to your adjusted gross income any nontaxable income (e.g., Social Security, Veterans' pensions or compensation payments, Railroad Retirement annuities, workmen's compensation, untaxed portion of long-term capital gains, dividends untaxed under the dividend exclusion, interest on municipal bonds, unemployment compensation and public assistance payments.)

Contributions

In general, contributions may be deducted up to 50 percent of your adjusted gross income (line 31, Form 1040). However, contributions to certain private nonprofit foundations, veterans organizations, or fraternal societies are limited to 20 percent of adjusted gross income.

Cash contributions to qualified organizations for (1) religious, charitable, scientific, literary or educational purposes, (2) prevention of cruelty to children or animals, or (3) Federal, State or local governmental units (tuition for children attending parochial schools is not deductible).

Fair market value of property (e.g., clothing, books, equipment, furniture) for charitable purposes. (For gifts of appreciated property, special rules apply. Contact local IRS office.)

Travel expenses (actual or 8 cents per mile plus parking and tolls) for charitable purposes (may not deduct insurance or depreciation in either case).

Cost and upkeep of uniforms used in charitable activities (e.g., scoutmaster).

Purchase of goods or tickets from charitable organizations (excess of amount paid over the fair market value of the goods or services).

Out-of-pocket expenses (e.g., postage, stationery, phone calls) while rendering services for charitable organizations.

Care of unrelated student in your home under a written agreement with a qualifying organization (deduction is limited to $50 per month).

Interest

Home mortgage. Auto loan. Installment purchases (television, washer, dryer, etc.).

Bank credit card—can deduct the finance charge as interest if no part is for service charges, loan fees, credit investigation fees, or similar charges.

Other credit cards—you may deduct as interest the finance charges added to your monthly statement, expressed as an annual percentage rate, that are based on the unpaid monthly balance.

Points—deductible as interest by buyer where financing agreement provides that they are to be paid for use of lender's money and only if the charging of points is an established business practice in you area. Not deductible if points represent charges for services rendered by the lending institution (e.g., VA loan points are service charges and are not deductible as interest). Not deductible if paid by seller (are treated as selling expenses and represent a reduction of amount realized).

Penalty for prepayment of a mortgage—deductible as interest.

Revolving charge accounts—may deduct the separately stated "finance charge" expressed as an annual percentage rate.

Casualty or theft losses

Casualty (e.g., tornado, flood, storm, fire, or auto accident provided not caused by a willful act or willful negligence) or theft losses—the amount of your casualty loss deduction is generally the lesser of (1) the decrease in fair market value of the property as a result of the casualty, or (2) your adjusted basis in the property. This amount must be further reduced by any insurance or other recovery, and, in the case of property held for personal use, by the $100 limitation. Report your casualty or theft loss on Schedule A. If more than one item was involved in a single casualty or theft, or if you had more than one casualty or theft during the year, you may use Form 4684 for computing your personal casualty loss.

Miscellaneous

Appraisal fees to determine the amount of a casualty loss or to determine the fair market value of charitable contributions.

Union dues.

Cost of preparation of income tax return.

Cost of tools for employee (depreciated over the useful life of the tools).

Dues for Chamber of Commerce (if as a business expense).

Rental cost of a safe-deposit box used to store income-producing property.

Fees paid to investment counselors.

Subscriptions to business publications.

Telephone and postage in connection with investments.

Uniforms required for employment and not generally wearable off the job.

Maintenance of uniforms required for employment.

Special safety apparel (e.g., steel toe safety shoes or helmets worn by construction workers; special masks worn by welders).

Business entertainment expenses.

Business gift expenses not exceeding $25 per recipient.

Employment agency fees under certain circumstances.

Cost of a periodic physical examination if required by employer.

Cost of installation and maintenance of a telephone required by your employment (deduction based on business use).

Cost of bond if required for employment.

Expenses of an office in your home if used regularly and exclusively for certain business purposes.

Political campaign contributions

You may claim a credit (line 38, Form 1040), for campaign contributions to an individual who is a candidate for nomination or election to any Federal, State, or local office in any primary, general, or special election. The deduction or credit is also applicable for any (1) committee supporting a candidate for Federal, State, or local elective public office, (2) national committee of a national political party, (3) State committee of a national political party, or (4) local committee of a national political party. The amount of the tax credit is one-half of the political contribution, with a $50 ceiling ($100 for couples filing jointly).

Presidential election campaign fund

Additionally, you may voluntarily earmark $1 of your taxes ($2 on joint returns) for the Presidential Election Campaign Fund.

Additional information

For any questions concerning any of these items, contact your local IRS office. You may also obtain helpful publications and additional forms by contacting your local IRS office.

OTHER TAX RELIEF MEASURES

Filing status	Required to file a tax return if gross income is at least—
Single (under age 65)	$3,300
Single (age 65 or older)	4,300
Qualifying widow(er) under 65 with dependent child	5,400
Qualifying widow(er) 65 or older with dependent child	6,400
Married couple (both spouses under 65) filing jointly	5,400
Married couple (1 spouse 65 or older) filing jointly	6,400
Married couple (both spouses 65 or older) filing jointly	7,400
Married filing separately	2,700

Additional exemption for age

Beside the regular $1,000 exemption, you are allowed an additional exemption of $1,000 if you are age 65 of older on the last day of the taxable year. If both a husband and wife are 65 or older on the last day of the taxable year, each is entitled to an additional exemption of $1,000 because of age. You are considered 65 on the day before your 65th birthday. Thus, if your 65th birthday is on Janaury 1, 1980, you will be entitled to the additional $1,000 exemption because of age for your 1979 Federal income tax return.

"Zero bracket amount"

The "zero bracket amount" is a flat amount that depends on your filing status. It is not a separate deduction; instead, the equivalent amount is built into the tax tables and tax rate schedules. Since this amount is built into the tax tables and tax rate shedules, you will need to make an adjustment if you itemize deductions. However, itemizers will not experience any change in their tax liability and the tax computation will be simplified for many itemizers.

Tax tables

Tax tables have been developed to make it easier for you to find your tax if your income is under certain levels. Even if you itemize deductions, you may be able to use the tax tables to find your tax easier. In addition, you do not have to deduct $1,000 for each exemption because these amounts are also built into the tax table for you.

Multiple support agreements

In general, a person may be claimed as a dependent of another taxpayer, provided five tests are met: (1) support, (2) gross income, (3) member of household or relationship, (4) citizenship, and (5) separate return. But in some cases, two or more individuals provide support for an individual, and no one has contributed more than half the person's support. However, it still may be possible for one of the individuals to be entitled to a $1,000 dependency deduction if the following requirements are met for multiple support:

1. Two or more persons—any one of whom could claim the person as a dependent if it were not for the support test—together contribute more than half of the dependent's support.

2. Any one of those who individually contribute more than 10 percent of the mutual dependent's support, but only one of them, may claim the dependency deduction.

3. Each of the others must file a written statement that he will not claim the dependency deduction for that year. The statement must be filed with the income tax return of the person who claims the dependency deduction. Form 2120 (Multiple Support Declaration) may be used for this purpose.

Sale of personal residence

You may exclude from your gross income some or all of your gain from the sale of your principal residence, if you meet certain age, ownership, and occupancy requirements at the time of the sale.

These requirements, and the amount of gain that may be excluded, differ depending on whether you sold your home before July 27, 1978, or on or after that date. The exclusion is elective, and you may elect to exclude gain only once for sales before July 27, 1978, and only once for sales on or after that date.

If you sold your home before July 27, 1978, and you were age 65 or older before the date of sale, you may elect to exclude the gain attributable to $35,000 of the adjusted sales price if you owned and occupied the residence for 5 of the 8 years ending on the date of sale. If you sold the home after July 26, 1978, and you were age 55 or older before the date of sale, you may elect to exclude $100,000 of gain on the sale if you owned and occupied the residence for 3 of the 5 years ending on the date of sale (or 5 of 8 years under certain circumstances). Form 2119 (Sale or Exchange of Personal Residence) is helpful in determining what gain, if any, may be excluded.

Additionally, you may elect to defer reporting the gain on the sale of your personal residence if within 18 months before or 18 months after the sale you buy and occupy another residence, the cost of which equals or exceeds the adjusted sales price of the old residence. Additional time is allowed if (1) you construct the new residence; (2) you were on active duty in the U.S. Armed Forces; or (3) your tax home was abroad. Publication 523 (Tax Information on Selling or Purchasing Your Home) may also be helpful.

Credit for the elderly

You may be able to claim this credit and reduce taxes by as much as $375 (if single), or $562.50 (if married filing jointly), if you are:

1. Age 65 or older, or

2. Under age 65 and retired under a public retirement system.

For more information, see instructions for Schedules R and RP.

Credit for child and dependent care expenses

Certain payments made for child and dependent care may be claimed as a credit against tax.

If you maintained a household that included your dependent child under age 15 or a dependent or spouse incapable of self-care, you may be allowed a 20 percent credit for employment related expenses. These expenses must have been paid during the taxable year in order to enable you to work either full or part time.

For detailed information, see the instructions on Form 2441.

Earned income credit

If you maintain a household for a child who is under age 19, or is a student, or is a disabled dependent, you may be entitled to a special payment or credit of up to $500. This is called the earned income credit. It may come as a refund check or be applied against any taxes owed. Generally, if you reported earned income and had adjusted gross income (line 31, Form 1040) of less than $10,000, you may be able to claim the credit.

Earned income means wages, salaries, tips, other employee compensation, and net earnings from self-employment (generally amount shown on Schedule SE (line 13, Form 1040)). A married couple must file a joint return to be eligible for the credit. Certain married persons living apart with a dependent child may also be eligible to claim the credit.

For more information, see instructions for Form 1040 or 1040A.

Energy Tax Act

The Energy Tax Act of 1978 is directed at providing tax incentives for energy conservation measures and for conversion to renewable energy sources.

A credit of up to $300 may be claimed for expenditures for energy conservation property installed in or on your principal residence, whether you own or rent it. The residence must have been substantially completed by April 20, 1977. Items eligible for the credit are limited to the following: insulation (fiberglass, cellulose, etc.) for ceilings, walls, floors, roofs, water heaters, etc.; exterior storm (or thermal) windows or doors; caulking or weatherstripping for exterior windows or doors; a furnace replacement burner which reduces the amount of fuel used; a device to make flue openings (for a heating system) more efficient; and electrical or mechanical furnace ignition system which replaces a gas pilot light; an automatic energy-saving setback thermostat; and a meter which displays the cost of energy usage.

A maximum credit for renewable energy source property is $2,200. Equipment used in the production or distribution of heat or electricity from solar, geothermal, or wind energy sources for residential heating, cooling, or other purposes may qualify for this credit.

Energy credits may be claimed by completing Form 5695 and attaching it to your Form 1040. Credit for expenditures made after April 19, 1977, and before January 1, 1979, must be claimed on your 1978 tax return. Do not file an amended 1977 return to claim a credit for expenditure in 1977.

Examples of items which do not qualify for energy credit are the following: carpeting, drapes, wood paneling, exterior siding, heat pump, wood or peat fueled residential equipment, fluorescent replacement lighting system, hydrogen fueled residential equipment, equipment using wind energy for transportation, expenditures for a swimming pool used as an energy storage medium, and greenhouses.

For further information, consult the instructions for Form 5695 and IRS Publication 903, Energy Credits for Individuals.

Capital gains deduction

The Revenue Act of 1979 increased from 50 to 60 percent the portion of a capital gain that may be deducted from gross income. For example, an individual selling stock or securities held for more than one ear would be eligible to claim this deduction. Capital gains and losses are reported on Schedule D (Form 1040).●

THE DRAFT AND THE MILITARY—SOME PATRIOTS VIEWS

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 19, 1980

● Mr. GARCIA. Mr. Speaker, as the debate continues on the issue of registration and the draft, I think it appropriate to hear some views of the Founding Fathers of this Nation.

The voices of 1776 spoke loud and clear. Americans were no longer willing to subject themselves to a corrupt, oppressive government and an economic system that concentrated the great wealth of the country in the hands of a small landed aristocracy. They pledged their lives, fortunes, and sacred honor to creating new institution that would serve their God-given rights. The American Revolution signalled a great moment in the history of humankind.

The principles and ideals of the first American Revolutionaries have provided inspiration and direction for our people and for revolutionary movements throughout the world these past 200 years. Their words are of crucial importance to every American today as we measure our institutions against the principles of 1776.

The material follows:

THE MILITARY

I join with you most cordially in rejoicing at the return of peace. I hope it will be lasting, and that mankind will at length, as they call themselves reasonable creatures, have reason to settle their differences without cutting throats; for, in my opinion, there never was a good war, or a bad peace.—BEN FRANKLIN, 1783.

When we take a survey of mankind, we cannot help cursing the wretch who, to the unavoidable misfortunes of nature, shall wilfully add the calamities of war. One would think there were evils enough in the world without studying to increase them, and that life is sufficiently short without shaking the sand that measures it.—THOMAS PAINE, The Crisis, No. 5.

Justice is as strictly due between neighbor nations as between neighbor citizens. A highwayman is as much a robber when he plunders in a gang as when single; and a nation that makes an unjust war is only a great gang.—BENJAMIN FRANKLIN.

No man can pretend to say that the peace and good order of the community is so secure with soldiers quartered in the body of a city as without them. Besides, where military power is introduced, Military Maxims are propagated and adopted, which are inconsistent with and must soon eradicate every idea of Civil Government. Do we not already find some persons weak enough to believe, that an officer is oblig'd to obey the orders of his superiors, tho' it be even against the law?—SAMUEL ADAMS, Boston Gazette, October 17, 1768.

The spirit of this country is totally adverse to a large military force.—THOMAS JEFFERSON to Chandler Price, 1807.

A writer of celebrity has observed, that 'military commanders acquiring fame, and accustomed to receive the obedience of armies are in their hearts generally enemies to the popular equality of republics.' Thus, the first step taken in the United States for the aggrandizement of particular families by distinguished orders, and assumed nobility, appeared to originate in the army; some of whom, as observed of the ancient barons of England, 'soon forgot the cause and the patriotism of their ancestors, and insensibly became the servants of luxury and government.'—MERCY WARREN, American Revolution, 1805.

Even in the publick military service, or warlike expeditions by national authority, the law manifestly requires the soldier to think for himself; to consider before he acts in any war, whether the same be just, for, if it be otherwise, the Common Law of the Kingdom will impute to him Guilt of Murder.—GRANVILLE SHARP, 1773

* * * Hence likewise they will avoid the necessity of those overgrown military establishments, which under any form of government are inauspicious to liberty, and which are to be regarded as particularly hostile to Republican Liberty. In this sense it is, that your Union ought to be considered as a main prop of your liberty, and that the love of the one ought to endear to you the preservation of the other.—GEORGE WASHINGTON, Farewell Speech, 1796.

He has affected to render the military independent of an superior to the Civil power . . .

He is, at this time, transporting large Armies of foreign mercenaries to complete the Works of Death, Desolation, and Tyranny, already begun with circumstances of Cruelty and Perfidy, scarcely paralleled in the most barbarous Ages, and totally unworthy of the Head of a civilized Nation.—Declaration of Independence, July 4, 1776.

But in this country the aggravation is heightened by a new combination of affecting circumstances. America was young, and, compared with other countries, was virtuous. None but a Herod of uncommon malice would have made war upon infancy and ignorance; and none but a people of the most finished fortitude dared, under those circumstances, to have resisted tyranny . . . The time, sir, will come when you, in a melancholy hour, shall reckon up your miseries by your murders in America.—THOMAS PAINE, The Crisis, No. 5, Dedicated to Lord Howe, 1778.

It is the inherent right of every free man to vote and elect the officers who are to command them in a military character, and he who dares to attempt a contravention of the right forfeits all protection from this country is a tyrant and a despot, and an enemy of the people—Resolution of the Franklin Society of Pendleton, South Carolina.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an interim procedure until the computerization of this information becomes operational, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, March 20, 1980, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MARCH 21

9:30 a.m.
Labor and Human Resources
To resume oversight hearings on the implementation of the Occupational Safety and Health program.
4232 Dirksen Building

10:00 a.m.
Appropriations

HUD-Independent Agencies Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for the Environmental Protection Agency, and for the Council on Environmental Quality.

1318 Dirksen Building

Foreign Relations

To continue hearings on proposed legislation authorizing funds for fiscal year 1981 for foreign assistance programs.

4221 Dirksen Building

Select on Intelligence

Budget Authorizations Subcommittee

To continue closed hearings on proposed legislation authorizing funds for fiscal year 1981 for intelligence activities of the U.S.

S-407, Capitol

MARCH 24

9:30 a.m.

Environment and Public Works

Nuclear Regulation Subcommittee

To hold hearings on S. 2358, authorizing funds for fiscal years 1981 and 1982 for the Nuclear Regulatory Commission.

4200 Dirksen Building

10:00 a.m.

Banking, Housing, and Urban Affairs

International Finance Subcommittee

To resume hearings on the U.S. embargo of grain and technology exports to the Soviet Union.

5302 Dirksen Building

Commerce, Science, and Transportation

Surface Transportation Subcommittee

To hold oversight hearings on the implementation of rail safety laws by the Federal Railroad Administration, focusing on the area of hazardous materials regulations.

235 Russell Building

Energy and Natural Resources

To hold oversight hearings on the activities of the Department of Energy.

3110 Dirksen Building

Finance

Taxation and Debt Management Generally Subcommittee

To hold hearings on miscellaneous tax proposals

2221 Dirksen Building

Special on Aging

To hold oversight hearings on the implementation of mandated studies and activities as outlined in Public Law 95-478, Older Americans Act.

6226 Dirksen Building

11:00 a.m.

Labor and Human Resources

Business meeting, to resume consideration of S. 1076, to improve the regulation of multi-employer pension insurance plans, and to provide sufficient funds to pay benefits; and to begin markup of S. 2337, authorizing funds through fiscal year 1983 for the Legal Services Corporation.

4232 Dirksen Building

2:00 p.m.

Appropriations

State, Justice, Commerce, the Judiciary, and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Bureau of the Census, general administration, and economic and statistical analysis, Department of Commerce.

S-146, Capitol

2:30 p.m.

Energy and Natural Resources

Energy Research and Development Subcommittee

To resume hearings on S. 2332, authorizing funds for fiscal years 1981 and 1982 for civilian programs of the Department of Energy.

3110 Dirksen Building

MARCH 25

8:00 a.m.

Armed Services

Research and Development Subcommittee

To resume closed hearings on S. 2294, authorizing funds for fiscal year 1981 for military procurement programs of the Department of Defense.

224 Russell Building

9:30 a.m.

Agriculture, Nutrition, and Forestry

Rural Development Subcommittee

To hold oversight hearings to examine housing and energy aspects of the Small Community and Rural Development Policy.

1224 Dirksen Building

Appropriations

Agriculture, Rural Development, and Related Agencies Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Agriculture.

S-128, Capitol

*Commerce, Science, and Transportation

To hold joint hearings with the Energy and Natural Resources Subcommittee on Energy Resources and Materials Production on S. 2119, to provide for the protection of fishery resources on the Georges Bank (on the Outer Continental Shelf) from the environmental degradation due to oil and gas well drilling activities.

235 Russell Building

*Energy and Natural Resources

Energy Resources and Materials Production Subcommittee

To hold joint hearings with the Committee on Commerce, Science, and Transportation on S. 2119, to provide for the protection of fishery resources on the Georges Bank (on the Outer Continental Shelf) from environmental degradation due to oil and gas well drilling activities.

235 Russell Building

Environmental and Public Works

Nuclear Regulation Subcommittee

To continue hearings on S. 2358, authorizing funds for fiscal years 1981 and 1982 for the Nuclear Regulatory Commission.

4200 Dirksen Building

Governmental Affairs

Intergovernmental Relations Subcommittee

To resume oversight hearings on the scope of the general revenue sharing program.

3302 Dirksen Building

Judiciary

Business meeting, to consider pending nominations and legislation.

2228 Dirksen Building

Labor and Human Resources

Health and Scientific Research Subcommittee

To hold hearings on proposed authorizations for the National Science Foundation.

4232 Dirksen Building

10:00 a.m.

Appropriations

Foreign Operations Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for certain programs of the Agency for International Development; the international narcotics control program of the Department of State; and for the Inter-American Foundation.

1318 Dirksen Building

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for certain programs of the Department of Energy.

1223 Dirksen Building

Appropriations

State, Justice, Commerce, the Judiciary, and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Economic Development Administration, and Regional Planning Commission, Department of Commerce.

S-146, Capitol

Banking, Housing, and Urban Affairs

Housing and Urban Affairs Subcommittee

To hold hearings on proposed legislation authorizing funds for fiscal year 1981 for housing, community development programs and the Urban Development Action Grant of the Department of Housing and Urban Development.

5302 Dirksen Building

Energy and Natural Resources

*Parks, Recreation, and Renewable Resources Subcommittee

To receive testimony from Administration officials on the following land conveyance and other measures affecting the Forest Service and the Bureau of Land Management; S. 1506, 2261, 1923, 1972, 1985, 1997, 2209, 1910, 1715, 2307, H.R. 1762, 3928, 1967, and 920.

3110 Dirksen Building

Finance

Business meeting, to resume consideration of pending health proposals.

2221 Dirksen Building

Labor and Human Resources

Education Arts, and Humanities Subcommittee

Business meeting, to resume consideration of S. 1839, authorizing funds through fiscal year 1985 for programs under the Higher Education Act.

357 Russell Building

2:00 p.m.

Appropriations

Foreign Operations Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for certain programs administered by the Department of State.

1318 Dirksen Building

Appropriations

Legislative Branch Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Cost Accounting Standards Board, and the General Accounting Office.

S-128, Capitol

Conferees

On S. 932, authorizing funds to establish the production of synthetic fuels, gasohol, solar energy, renewable resources, geothermal energy, to establish an energy conservation program and energy supply targets, and to extend the Defense Production Act until September 30, 1986.

Room to be announced

MARCH 26

9:00 a.m.

Labor and Human Resources

Child and Human Development Subcommittee

Business meeting, to mark up S. 1843 and H.R. 2977, proposed Domestic Violence Prevention and Services Act; and proposed legislation to establish Commissions on National Youth Service and Volunteerism.
4232 Dirksen Building

10:00 a.m.

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Office of Water Research and Technology.
1223 Dirksen Building

Appropriations
State, Justice, Commerce, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Industry and Trade Administration, Minority Business Development Agency, and the U.S. Travel Service, Department of Commerce.
S-146, Capitol

Banking, Housing, and Urban Affairs
Housing and Urban Affairs Subcommittee
To continue hearings on proposed legislation authorizing funds for fiscal year 1981 for housing, community development programs and the Urban Development Action Grant of the Department of Housing and Urban Development.
5302 Dirksen Building

Budget
To begin consideration of the first concurrent budget resolution setting forth recommended levels of total budget outlays, Federal revenues, and new budget authority.
6202 Dirksen Building

Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on proposed legislation authorizing funds for programs of the U.S. Fire Administration in the Federal Emergency Management Agency and the Center for Fire Research in the Department of Commerce.
S-128, Capitol

Energy and Natural Resources
Energy Research and Development Subcommittee
To resume hearings on S. 2332, authorizing funds for fiscal years 1981 and 1982 for civilian programs of the Department of Energy.
3110 Dirksen Building

Environment and Public Works
Resource Protection Subcommittee
Business meeting, to mark up proposed legislation authorizing funds for fiscal year 1981 for environmental research and development programs of the Environmental Protection Agency.
4200 Dirksen Building

Finance
Business meeting, to continue consideration of pending health proposals.
2221 Dirksen Building

Rules and Administration
To hold hearings on proposed legislation authorizing funds for fiscal year 1981 for the Federal election commission.
301 Russell Building

11:00 a.m.

Appropriations
Agriculture, Rural Development and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Agriculture.
1223 Dirksen Building

2:00 p.m.

Appropriations
Military Construction Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.
1224 Dirksen Building

Appropriations
State, Justice, Commerce, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the National Oceanic and Atmospheric Administration, Department of Commerce.
146, S-Capitol

2:30 p.m.

Conferees
On H.R. 2313, authorizing funds for fiscal years 1980 and 1981 for the Federal Trade Commission.
S-207, Capitol

MARCH 27

9:30 a.m.

Appropriations
Agriculture, Rural Devlopment and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Agriculture.
S-128, Capitol

Commerce, Science, and Transportation
To hold hearings on proposed legislation authorizing funds for fiscal year 1981 for the National Transportation Safety Board.
235 Russell Building

Judiciary
To resume hearings on S. 2377, authorizing funds for fiscal year 1981 for programs administered by the Department of Justice.
2228 Dirksen Building

Veterans' Affairs
To hold hearings to receive legislative recommendations for fiscal year 1981 from AMVETS, Paralyzed Veterans, Blinded Veterans, WWI Veterans, and Military Orders of the Purple Heart.
1202 Dirksen Building

10:00 a.m.

Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the National Science Foundation.
1318 Dirksen Building

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Smithsonian Institution.
1223 Dirksen Building

*Appropriations
State, Justice, Commerce, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Patent and Trademark Office, and science and technical research, Department of Commerce.
S-146, Capitol

Budget
To continue consideration of the first concurrent budget resolution setting forth recommended levels of total budget outlays, Federal revenues, and new budget authority.
6202 Dirksen Building

Energy and Natural Resources
To hold hearings on S. 1784, to improve the electric generating efficiency of joint Federal-civilian pooling practices in Alaska.
3110 Dirksen Building

Finance
Business meeting, to continue consideration of pending health proposals.
2221 Dirksen Building

11:00 a.m.

Armed Services
Procurement Policy and Reprograming Subcommittee
To resume hearings on S. 1687, to eliminate certain limitations imposed on excess profits from contracts with the Department of Defense for the construction of aircraft or naval vessels, and S. 2232, to exempt from accounting requirements those contracts of $1 million or less with the Department of Defense for the construction of aircraft or naval vessels.
1224 Dirksen Building

2:00 p.m.

Appropriations
Military Construction Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.
1318 Dirksen Building

Appropriations
State, Justice, Commerce, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the National Telecommunications and Information Administration, and the Maritime Administration, Department of Commerce.
S-146, Capitol

Commerce, Science, and Transportation
To hold hearings on the nomination of Peter N. Teige, of California, to be a Federal Maritime Commissioner for the remainder of term expiring June 30, 1980, and for a term of five years expiring June 30, 1985.
457 Russell Building

Judiciary
To hold hearings on pending nominations.
2228 Dirksen Building

MARCH 28

9:00 a.m.

Finance
Taxation and Debt Management Generally Subcommittee
To resume hearings on miscellaneous tax proposals.
2221 Dirksen Building

Judiciary
To hold hearings on S. 1790, proposed Privacy Protection Act.
2228 Dirksen Building

9:30 a.m.

*Energy and Natural Resources
To resume hearings to assess the political, military, economic, and social factors affecting world oil production and consumption over the next decade.
3110 Dirksen Building

Labor and Human Resources
To resume oversight hearings on the implementation of the occupational safety and health program.
4232 Dirksen Building

10:00 a.m.

Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the National Science Foundation, and for the Office of Science and Technology Policy.
1318 Dirksen Building

Budget
To continue consideration of the first concurrent budget resolution setting forth recommended levels of total budget outlays, Federal revenues, and new budget authority.
6202 Dirksen Building

MARCH 31

9:30 a.m.

Judiciary
To resume hearings on S. 2377, authorizing funds for fiscal year 1981 for programs administered by the Department of Justice.
2228 Dirksen Building

10:00 a.m.

*Banking, Housing, and Urban Affairs
International Finance Subcommittee
To hold hearings on proposed authorizations for fiscal year 1981 for the international affairs programs of the Department of the Treasury; and on proposed legislation to increase the U.S. quota in the International Monetary Fund.
5302 Dirksen Building

Budget
To resume consideration of the first concurrent budget resolution setting forth recommended levels of total budget outlays, Federal revenues, and new budget authority.
6202 Dirksen Building

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on S. 1151, proposed Rail Restructuring Assistance Act.
235 Russell Building

2:00 p.m.

Appropriations
State, Justice, Commerce, the Judiciary and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Chrysler loan guarantee program.
S-146, Capitol

APRIL 1

8:00 a.m.

Appropriations
Agriculture, Rural Development and Related Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Agriculture.
S-128, Capitol

9:00 a.m.

Finance
Taxation and Debt Management Generally Subcommittee
To resume hearings on miscellaneous tax proposals
2221 Dirksen Building

9:30 a.m.

Judiciary
Business meeting, to consider pending calendar business.
2228 Dirksen Building

10:00 a.m.

Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for foreign assistance programs.
1318 Dirksen Building

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Office of Territorial Affairs.
1224 Dirksen Building

Appropriations
State, Justice, Commerce, the Judiciary and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Commerce.
S-146, Capitol

Banking, Housing, and Urban Affairs
Housing and Urban Affairs Subcommittee
To resume hearings on proposed legislation authorizing funds for fiscal year 1981 for housing, community development programs and the Urban Development Action Grant of the Department of Housing and Urban Development.
5302 Dirksen Building

Budget
To continue consideration of the first concurrent budget resolution setting forth recommended levels of total budget outlays, Federal revenues, and new budget authority.
6202 Dirksen Building

Commerce, Science, and Transportation
Business meeting, to consider pending calendar business.
235 Russell Building

Energy and Natural Resources
Energy Research and Development Subcommittee
To resume hearings on S. 2332, authorizing funds for fiscal years 1981 and 1982 for civilian programs of the Department of Energy.
3110 Dirksen Building

Labor and Human Resources
To resume oversight hearings on the implementation of the occupational safety and health program.
4232 Dirksen Building

APRIL 2

8:00 a.m.

Appropriations
Agriculture, Rural Development and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Agriculture.
S-128, Capitol

9:30 a.m.

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on S. 1393, authorizing funds for fiscal years 1981 and 1982 for programs under the National Earthquake Hazard Reduction Act.
235 Russell Building

Judiciary
To resume hearings on S. 2377, authorizing funds for fiscal year 1981 for programs administered by the Department of Justice.
2228 Dirksen Building

*Veterans' Affairs
Business meeting, to consider S. 1188, to revise the vocational rehabilitation program administered by the Veterans' Administration.
412 Russell Building

10:00 a.m.

*Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the National Commission on Air Quality, the American Battle Monuments Commission, and U.S. Army cemeterial expenses.
1318 Dirksen Building

Appropriations
Interior and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Office of Territorial Affairs.
1224 Dirksen Building

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.
S-126, Capitol

Banking, Housing, and Urban Affairs
Housing and Urban Affairs Subcommittee
To continue hearings on proposed legislation authorizing funds for fiscal year 1981 for housing, community development programs, and the urban development action grant of the Department of Housing and Urban Development.
5302 Dirksen Building

Budget
To continue consideration of the first concurrent budget resolution setting forth recommended levels of total budget outlays, Federal revenues, and new budget authority.
6202 Dirksen Building

Commerce, Science, and Transportation
To hold hearings on proposed legislation authorizing funds for hazardous materials programs of the Department of Transportation.
235 Russell Building

Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

1:00 p.m.

Office of Technology Assessment
The Board to hold a joint meeting with the Technology Assessment Advisory Council on pending business items.
EF-100, Capitol

2:00 p.m.

*Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.
1318 Dirksen Building

APRIL 3

9:30 a.m.

Appropriations
Agriculture, Rural Development, and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Agriculture.
S-128, Capitol

Judiciary
To continue hearings on S. 2377, authorizing funds for fiscal year 1981 for programs administered by the Department of Justice.
2228 Dirksen Building

Labor and Human Resources
Health and Scientific Research Subcommittee
To hold hearings on S. 500, proposed Consumer-Patient Radiation Health and Safety Act.
6226 Dirksen Building

10:00 a.m.

Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Federal Home Loan Bank Board, and the National Institute of Building Sciences.
1318 Dirksen Building

Appropriations
Interior and Related Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for cer-

tain programs of the Department of Energy.

1224 Dirksen Building

Commerce, Science, and Transportation

To hold hearings on proposed legislation authorizing funds for ocean pollution research and monitoring programs.

235 Russell Building

Energy and Natural Resources

To hold hearings on the climatic effects of carbon dioxide buildup in the atmosphere.

3110 Dirksen Building

2:00 p.m.

Judiciary

To hold hearings on pending nominations.

2228 Dirksen Building

APRIL 15

9:30 a.m.

Labor and Human Resources

To hold hearings on S. 2153, 1486, and 1572, bills to provide an exemption from OSHA regulation for certain workplaces with good safety and health records.

4232 Dirksen Building

10:00 a.m.

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Federal Inspector for Alaska pipeline, and the Energy Information Administration, of the Department of Energy.

1223 Dirksen Building

Appropriations

Transportation Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.

1224 Dirksen Building

Appropriations

Treasury, Postal Service, and General Government Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Department of the Treasury.

1318 Dirksen Building

Banking, Housing, and Urban Affairs

*International Finance Subcommittee

To hold hearings on S. 2097, proposed Joint Export Marketing Assistance Act, and on the substance of S. 2040, proposed Small Business Export Expansion Act and S. 2104, proposed Small Business Export Development Act.

5302 Dirksen Building

*Energy and Natural Resources

Energy Regulation Subcommittee

To review those items in the President's budget for fiscal year 1981 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee, receiving testimony from officials of the Federal Energy Regulatory Commission and for the Office of Hearings and Appeals.

6226 Dirksen Building

2:00 p.m.

Appropriations

Transportation Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.

1224 Dirksen Building

APRIL 16

9:30 a.m.

Labor and Human Resources

To continue hearings on S. 2153, 1486, and 1572, bills to provide an exemption from OSHA regulation for certain workplaces with good safety and health records.

4232 Dirksen Building

Labor and Human Resources

Health and Scientific Research Subcommittee

To hold hearings on S. 1424, proposed International Health Act.

6226 Dirksen Building

*Veterans' Affairs

To hold hearings on the recruitment and retention of qualified health-care professionals to staff the Veterans' Administration's health-care facilities.

412 Russell Building

10:00 a.m.

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the National Gallery of Art, and the Commission of Fine Arts.

1223 Dirksen Building

Appropriations

Treasury, Postal Service, and General Government Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of the Treasury.

1318 Dirksen Building

Banking, Housing, and Urban Affairs

International Finance Subcommittee

To resume hearings on proposed authorizations for fiscal year 1981 for the international affairs programs of the Department of the Treasury; and on proposed legislation to increase the U.S. quota in the International Monetary Fund.

5302 Dirksen Building

Commerce, Science, and Transportation

Surface Transportation Subcommittee

To hold hearings on S. 2193, authorizing funds for fiscal year 1981 for the United States Railway Association.

235 Russell Building

Energy and Natural Resources

Business meeting, to consider pending calendar business.

3110 Dirksen Building

Judiciary

To resume hearings on S. 2377, authorizing funds for fiscal year 1981 for programs administered by the Department of Justice.

357 Russell Building

2:00 p.m.

Appropriations

Military Construction Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.

1224 Dirksen Building

APRIL 17

9:30 a.m.

Commerce, Science, and Transportation

Science Technology, and Space Subcommittee

To hold hearings on S. 1391, authorizing funds for fiscal years 1981 and 1982 for the National Climate Program.

235 Russell Building

Labor and Human Resources

To continue hearings on S. 2153, 1486, and 1572, bills to provide an exemption from OSHA regulation for certain workplaces with good safety and health records.

4232 Dirksen Building

*Labor and Human Resources

Child and Human Development Subcommittee

To hold oversight hearings on the development of children who benefit from adoption by facilitating their placement in adoptive homes.

457 Russell Building

10:00 a.m.

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Forest Service, Department of Agriculture.

1223 Dirksen Building

Appropriations

Transportation Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.

1224 Dirksen Building

Appropriations

Treasury, Postal Service, and General Government Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of the Treasury.

1114 Dirksen Building

Energy and Natural Resources

Parks, Recreation and Renewable Resources Subcommittee

To hold hearings on S. 1842, proposed National Heritage Policy Act.

3110 Dirksen Building

2:00 p.m.

Appropriations

Military Construction Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.

1318 Dirksen Building

Appropriations

Treasury, Postal Service, and General Government Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of the Treasury.

S-146, Capitol

APRIL 18

10:00 a.m.

Appropriations

HUD-Independent Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Federal Emergency Management Agency.

1318 Dirksen Building

2:00 p.m.

Appropriations

Military Construction Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.

1223 Dirksen Building

APRIL 21

10:00 a.m.

Judiciary

To resume hearings on S. 2377, authorizing funds for fiscal year 1981 for pro-

grams administered by the Department of Justice.
2228 Dirksen Building

APRIL 22

10:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Economic Regulatory Administration, Department of Energy.
1223 Dirksen Building

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of the Treasury, and on the U.S. Postal Service.
1318 Dirksen Building

2:00 p.m.
Appropriations
Military Construction Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.
1224 Dirksen Building

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of the Treasury.
S-146, Capitol

APRIL 23

10:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the National Endowment for the Arts.
1223 Dirksen Building

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Executive Office of the President.
1318 Dirksen Building

Commerce, Science, and Transportation
To hold hearings on proposed legislation authorizing funds for fiscal year 1981 for the U.S. Coast Guard.
235 Russell Building

Rules and Administration
To receive testimony on Senate Resolution 207, to create a Select Committee on Narcotics Abuse and Control; and to consider other legislative and administrative business.
301 Russell Building

2:00 p.m.
Appropriations
Military Construction Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.
1224 Dirksen Building

APRIL 24

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the National Aeronautics and Space Administration.
1318 Dirksen Building

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Bureau of Land Management.
1223 Dirksen Building

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Executive Office of the President.
1114 Dirksen Building

2:00 p.m.
Appropriations
Military Construction Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.
1224 Dirksen Building

APRIL 25

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the National Aeronautics and Space Administration.
1318 Dirksen Building

APRIL 28

9:30 a.m.
*Judiciary
To resume hearings on S. 2377, authorizing funds for fiscal year 1981 for programs administered by the Department of Justice.
2228 Dirksen Building

10:00 a.m.
*Energy and Natural Resources
Energy Regulation Subcommittee
To review those items in the President's budget for fiscal year 1981 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee, receiving testimony from officials of the Economic Regulatory Administration, and the Energy Information Administration.
3110 Dirksen Building

APRIL 29

10:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Heritage Conservation and Recreation Service.
1224 Dirksen Building

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Office of Personnel Management, Merit Systems Protection Board, Federal Labor Relations Authority, U.S. Tax Court, and President's Commission on Pension Policy.
1318 Dirksen Building

2:00 p.m.
Appropriations
Military Construction Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.
1223 Dirksen Building

APRIL 30

9:30 a.m.
*Veterans' Affairs
Business meeting, to consider proposed legislation on the recruitment and retention of qualified health-care professionals to staff the Veterans' Administration health-care facilities, S. 759, to provide for the right of the United States to recover their costs of hospital, nursing home, or outpatient medical care furnished by the Veterans' Administration to veterans for nonservice-connected disabilities to the extent that they have health insurance or similar contracts, and S. 1523 and H.R. 4015, proposed Veterans Senior Citizen Health Care Act.
412 Russell Building

10:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for conservation programs of the Department of Energy.
1224 Dirksen Building

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Federal Elections Commission, Advisory Commission on Intergovernmental Relations, Advisory Committee on Federal Pay, Committee for Purchase From the Blind and Other Severely Handicapped and the Administrative Conference of the U.S.
1318 Dirksen Building

2:00 p.m.
Appropriations
Military Construction Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.
1223 Dirksen Building

MAY 1

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Department of Housing and Urban Development.
1318 Dirksen Building

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Land and Water Conservation Fund of the Heritage Conservation and Recreation Service.
1224 Dirksen Building

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the General Services Administration.
1114 Dirksen Building

*Judiciary
To resume hearings on S. 2377, authorizing funds for fiscal year 1981 for programs administered by the Department of Justice.
2228 Dirksen Building

*Labor and Human Resources
Child and Human Development Subcommittee

To hold hearings on issues Congress might consider which would affect youth in the coming decade.
6226 Dirksen Building

MAY 2

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Housing and Urban Development.
1318 Dirksen Building

MAY 6

9:30 a.m.
Appropriations
Agriculture, Rural Development, and Related Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Agriculture.
1318 Dirksen Building

2:00 p.m.
Appropriations
Military Construction Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for military constructon of the DOD.
1223 Dirksen Building

MAY 7

10:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the U.S. Geological Survey.
1224 Dirksen Building

MAY 13

10:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the National Park Service.
1224 Dirksen Building

MAY 14

10:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Department of the Interior.
1223 Dirksen Building

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.
1224 Dirksen Building

MAY 15

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Housing and Urban Development, and Independent Agencies.
1318 Dirksen Building

Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.
1224 Dirksen Building

MAY 16

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Housing and Urban Development, and Independent Agencies.
1318 Dirksen Building

MAY 21

9:00 a.m.
*Veterans' Affairs
To resume hearings on the Federal Government's efforts to assist Vietnam-era veterans in readjusting to society, and the use of excepted appointments for disabled veterans.
412 Russell Building

MAY 22

9:30 a.m.
Labor and Human Resources
Child and Human Development Subcommittee
To hold oversight hearings to examine issues affecting infant mortality, and preventable birth defects.
4232 Dirksen Building

MAY 29

9:30 a.m.
*Veterans' Affairs
To hold hearings on proposed legislation to establish a cost-of-living increase for service-connected disability compensation.
412 Russell Building

JUNE 11

9:30 a.m.
*Veterans' Affairs
To hold oversight hearings on the activities of the Inspector General of the Veterans' Administration.
412 Russell Building

CANCELLATIONS

MARCH 21

9:00 a.m.
Energy and Natural Resources
To resume hearings to assess the political, military, economic, and social factors affecting world oil production and consumption over the next decade.
3110 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed legislation authorizing funds for fiscal year 1981 for programs under the National Climate Program Act.
235 Russell Building

Judiciary
To continue hearings on S. 2377, authorizing funds for fiscal year 1981 for programs administered by the Department of Justice.
2228 Dirksen Building

MARCH 25

10:00 a.m.
Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimate for fiscal year 1981 for the Department of Transportation.
1224 Dirksen Building

MARCH 26

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

MARCH 27

10:00 a.m.
Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for the Department of Transportation.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
Consumer Affairs Subcommittee
To resume hearings on S. 1928, proposed Fair Financial Information Practices Act, and S. 1929, proposed Privacy of Electronic Fund Transfers Act.
5302 Dirksen Building

11:30 a.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.
1224 Dirksen Building

MARCH 28

10:00 a.m.
Banking, Housing, and Urban Affairs
Consumer Affairs Subcommittee
To continue hearings on S. 1928, proposed Fair Financial Information Practices Act, and S. 1929, proposed Privacy of Electronic Fund Transfers Act.
5302 Dirksen Building

MARCH 31

9:00 a.m.
Energy and Natural Resources
To resume hearings to assess the political, military, economic, and social factors affecting world oil production and consumption over the next decade.
3110 Dirksen Building

APRIL 2

10:00 a.m.
*Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To resume hearings on title II, proposed Youth Education and Training Act, of S. 2385, proposed Youth Act.
4232 Dirksen Building

APRIL 3

10:00 a.m.
Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To continue hearings on title II, proposed Youth Education and Training Act, of S. 2385, proposed Youth Act.
4232 Dirksen Building

HOUSE OF REPRESENTATIVES—*Thursday, March 20, 1980*

The House met at 11 a.m. and was called to order by the Speaker pro tempore (Mr. LaFalce).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

Washington, D.C.,
March 19, 1980.

I hereby designate the Honorable John J. LaFalce to act as Speaker pro tempore on Thursday, March 20, 1980.

Thomas P. O'Neill, Jr.,
Speaker of the House of Representatives.

PRAYER

Rev. Edward G. Latch, D.D., former Chaplain of the U.S. House of Representatives, offered the following prayer:

Let your light so shine before men, that they may see your good works, and glorify your Father who is in heaven.—Matthew 5: 16.

"Breathe on us breath of God,
Fill us with life anew,
That we may love what Thou dost love,
And do what Thou wouldst do."

In this hour of our national life strengthen our faith, renew our courage, make us great in goodness and good in our greatness that we may triumph over every evil intention and conquer every wayward thought.

Help us to build our national life upon the deep foundation of moral integrity that with vision clear, faith true, and spirit strong we may face the duties of this day unafraid and undismayed.

Strengthen our prisoners held abroad. May they soon return to our country and to their loved ones. Amen and amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate agreed to the following resolution:

S. Res. 386

Resolved, That the Senate has heard with profound sorrow the announcement of the death of the Honorable John Slack, late a Representative from the State of West Virginia.

Resolved, That a committee of two Senators be appointed by the Presiding Officer to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit an enrolled copy thereof to the family of the deceased.

Resolved, That when the Senate recesses today, it recess as a further mark of respect to the memory of the deceased.

PERMISSION FOR COMMITTEE ON MERCHANT MARINE AND FISHERIES TO HAVE UNTIL MIDNIGHT TOMORROW, FRIDAY, MARCH 21, 1980, TO FILE REPORT ON H.R. 6614, NATIONAL SEA GRANT PROGRAM AUTHORIZATION, 1981, 1982, AND 1983

Mr. STUDDS. Mr. Speaker, I ask unanimous consent that the Committee on Merchant Marine and Fisheries may have until midnight Friday, March 21, 1980, to file a report on the bill (H.R. 6614) to authorize appropriations to carry out the national sea grant program for fiscal years 1981, 1982, and 1983, and for other purposes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

CONFERENCE REPORT ON S. 662, INTERNATIONAL FINANCIAL INSTITUTIONS

Mr. CAVANAUGH submitted the following conference report and statement on the Senate bill (S. 662) to provide for increased participation by the United States in the Inter-American Development Bank, the Asian Development Bank, and the African Development Fund:

Conference Report (H. Rept. No. 96–837)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 662) to provide for increased participation by the United States in the Inter-American Development Bank, the Asian Development Bank, and the African Development Fund, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

TITLE I—INTER-AMERICAN DEVELOPMENT BANK

Sec. 101. The Inter-American Development Bank Act (22 U.S.C. 283 et seq.) is amended—

(1) by redesignating section 29 as section 28; and

(2) by adding at the end thereof the following new section:

"Sec. 29. (a) The United States Governor of the Bank is authorized to vote for two resolutions which were proposed by the Governors at a special meeting in December 1978 and are pending before the Board of Governors of the Bank. These resolutions provide for (1) an increase in the authorized capital stock of the Bank and additional subscriptions thereto, and (2) an increase in the resources of the Fund for Special Operations and contributions thereto. Upon adoption of these resolutions, the United States Governor is authorized on behalf of the United States (A) to subscribe to two hundred twenty-seven thousand eight hundred and ninety-six shares of the increase in the authorized capital stock of the Bank, of which two hundred ten thousand eight hundred and four shall be callable and seventeen thousand and ninety-two shall be paid-in, and (B) to contribute to the Fund for Special Operations $700,000,000; except that any commitment to make such subscriptions to paid-in and callable capital stock and to make such contributions to the Fund for Special Operations shall be effective only to such extent or in such amounts as are provided in advance in appropriation Acts.

"(b) In order to pay for the increase of the United States subscription and contribution provided for in this section, there are authorized to be appropriated, without fiscal year limitation, for payment by the Secretary of the Treasury (1) $2,749,207,988 for the United States subscription to the capital stock of the Bank, and (2) $700,000,000 for the United States share of the increase in the resources of the Fund for Special Operations.

"(c) For the purpose of keeping to a minimum the cost to the United States, the Secretary of the Treasury shall pay the United States contribution to the Fund for Special Operations authorized by this section by letter of credit in four annual installments. The Secretary of the Treasury shall take the steps necessary to obtain a certification from the Bank that any undisbursed balances resulting from drawdowns on such letter of credit will not exceed at any time the United States share of expected disbursement requirements for the following three-month period.

"(d) None of the funds authorized to be appropriated by this section may be used for any form of assistance to any country which is not a member of the Bank.".

Sec. 102. The President shall evaluate a proposal for joint action by the countries of the Western Hemisphere and other countries which participate in the Inter-American Development Bank to increase exploration for and exploitation of energy and mineral resources of the Western Hemisphere through multilateral incentives, administered by the Inter-American Development Bank, to private investment in such resources. The President shall report his findings to the Congress not later than September 30, 1980, together with such recommendations as he considers appropriate.

☐ This symbol represents the time of day during the House Proceedings, e.g., ☐ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

TITLE II—ASIAN DEVELOPMENT BANK

SEC. 201. The Asian Development Bank Act (22 U.S.C. 285 et seq.) is amended by adding at the end thereof the following new sections:

"SEC. 24. (a) The United States Governor of the Bank is authorized to contribute on behalf of the United States $445,000,000 to the Asian Development Fund, a special fund of the Bank, except that any commitment to make such contribution shall be made subject to obtaining the necessary appropriations.

"(b) In order to pay for the United States contribution to the Asian Development Fund provided for in this section, there are authorized to be appropriated, without fiscal year limitation, $445,000,000 for payment by the Secretary of the Treasury.

"(c) For the purpose of keeping to a minimum the cost to the United States, the Secretary of the Treasury shall pay the United States contribution to the Asian Development Fund authorized by this section by letter of credit in four annual installments. The Secretary of the Treasury shall take the steps necessary to obtain a certification from the Bank that any undisbursed balances resulting from drawdowns on such letter of credit will not exceed at any time the United States share of expected disbursement requirements for the following three-month period.

"SEC. 25. It is the sense of the Congress that it is the policy of the United States that Taiwan (before January 1, 1979, known as the Republic of China) shall be permitted to retain membership in the Asian Development Bank and that the United States Executive Director of the Bank shall notify the Bank that a serious review of future United States participation, including any future payments to the Asian Development Fund, would ensue if Taiwan were excluded from the Bank.".

TITLE III—AFRICAN DEVELOPMENT FUND

SEC. 301. The African Development Fund Act (22 U.S.C. 290g et seq.) is amended—

(1) by redesignating section 212 as section 211; and

(2) by adding at the end thereof the following new section:

"SEC. 212. (a) The United States Governor of the Fund is authorized to contribute on behalf of the United States $125,000,000 to the Fund as the United States contribution to the second replenishment of the resources of the Fund, except that any commitment to make such contribution shall be made subject to obtaining the necessary appropriations.

"(b) In order to pay for the United States contribution provided for in this section, there is authorized to be appropriated, without fiscal year limitation, $125,000,000 for payment by the Secretary of the Treasury.

"(c) For the purpose of keeping to a minimum the cost to the United States, the Secretary of the Treasury shall pay the United States contribution to the African Development Fund authorized by this section by letter of credit in three annual installments. The Secretary of the Treasury shall take the steps necessary to obtain a certification from the Fund that any undisbursed balances resulting from drawdowns on such letter of credit will not exceed at any time the United States share of expected disbursement requirements for the following three-month period.".

TITLE IV—EXPORT OPPORTUNITY ENHANCEMENT

SEC. 401. The Secretary of the Treasury shall instruct the United States Executive Directors of the Inter-American Development Bank, the Asian Development Bank, and the African Development Fund to take all possible steps to assure that information relative to potential procurement opportunities for United States firms is expeditiously communicated to the Secretary of the Treasury, the Secretary of State, and the Secretary of Commerce. Such information shall be disseminated as broadly as possible to both large and small business.

TITLE V—HUMAN RIGHTS REPORTING

SEC. 501. (a) Section 701 of the Act of October 3, 1977 (Public Law 95-118; 22 U.S.C. 262g), is amended in subsection (c)—

(1) by inserting "(1)" immediately after "(c)"; and

(2) by adding at the end thereof the following new paragraph:

"(2) (A) The Secretary of the Treasury shall report quarterly on all loans considered by the Boards of Executive Directors of the institutions listed in subsection (a) to the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate. Each such quarterly report shall include a list of all loans considered by the Boards of Executive Directors of such institutions and shall specify with respect to each such loan—

"(i) the institution involved;

"(ii) the date of final action;

"(iii) the borrower;

"(iv) the amount;

"(v) the project or program;

"(vi) the vote of the United States Government;

"(vii) the reason for United States Government opposition, if any;

"(viii) the final disposition of the loan; and

"(ix) if the United States Government opposed the loan, whether the loan meets basic human needs.

"(B) The information required to be reported under subparagraph (A) also shall be included in the annual report to the Congress of the National Advisory Council on International Monetary and Financial Policies.".

(b) Such section is further amended by adding at the end thereof the following new subsection;

"(g) (1) The Secretary of the Treasury, in consultation with the Secretary of State, shall report quarterly to the chairmen and ranking minority members of the Committee on Banking, Finance and Urban Affairs of the House of Representatives, the Subcommittee on International Development Institutions and Finance of such Committee, and the Committee on Foreign Relations of the Senate, in each instance in which the United States Executive Director of an institution listed in subsection (a) opposes any loan, financial assistance, or technical assistance for reasons regarding human rights. Each such report shall include—

"(A) the reasons for such opposition;

"(B) all policy considerations taken into account in reaching the decision to oppose such loan, financial assistance, or technical assistance;

"(C) a description of the human rights conditions in the country involved;

"(D) a record of how the United States Government voted on all other loans, financial assistance, and technical assistance to such country during the preceding two years; and

"(E) information as to how the decision to oppose such loan, financial assistance, or technical assistance relates to overall United States Government policy on human rights in such country.

"(2) The Secretary of the Treasury or his delegate shall consult frequently and in a timely manner with the chairmen and ranking minority members specified in paragraph (1) to inform them regarding any prospective changes in policy direction toward countries which have or recently have had poor human rights records.".

(c) Title VII of the Act of October 3, 1977, is amended by adding at the end thereof the following new section:

"SEC. 705. The President shall direct the United States Governor of the International Bank for Reconstruction and Development, the United States Governor of the International Finance Corporation, the United States Governor of the International Development Association, the United States Governor of the Inter-American Development Bank, the United States Governor of the Asian Development Bank, and the United States Governor of the African Development Fund, to consult with the other Governors of those institutions concerning adoption of an amendment to the Articles of Agreement of their respective institutions to establish human rights standards to be considered in connection with each application for assistance.".

TITLE VI—USE OF RENEWABLE RESOURCES FOR ENERGY PRODUCTION

SEC. 601. The Congress finds that—

(1) without an adequate supply of energy at affordable prices the world's poor will continue to be deprived of jobs, food, water, shelter, and clothing, and poor countries will continue to be economically and politically unstable;

(2) dependence on increasingly expensive fossil fuel resources consumes too much of the capital available to poor countries with the result that funds are not available to meet the basic needs of poor people;

(3) in many developing countries the cost of large central generators and long distance electrical distribution makes it unlikely that rural energy by means of a national grid will contribute to meeting the needs of poor people;

(4) only one of eight rural inhabitants lives in an area which has access to electricity and even fewer rural inhabitants actually have or can afford electricity;

(5) wood, animal and agricultural waste, and other "noncommercial" fuels still supply about half the total energy in developing countries and all but a seventh in rural sectors;

(6) growing dependence of the world's poor on wood for heating and cooking has forced the overcutting of forests and as a consequence erosion and loss of available agricultural land; and

(7) recent initiatives by the international financial institutions to develop and utilize decentralized solar, hydro, biomass, geothermal, and wind energy should be significantly expanded to make renewable energy resources increasingly available to the world's poor on a wide scale.

SEC. 602. (a) The United States Government, in connection with its voice and vote in the Inter-American Development Bank, the African Development Fund, and the Asian Development Bank, shall encourage such institutions—

(1) to promote the decentralized production of renewable energy;

(2) to identify renewable resources to produce energy in rural development projects and determine the feasibility of substituting them for systems using fossil fuel;

(3) to train personnel in developing technologies for getting energy from renewable resources;

(4) to support research into the use of renewable resources, including hydropower, biomass, solar photovoltaic, and solar thermal;

(5) to support an information network to make available to policy makers the full range of energy choices;

(6) to broaden their energy planning, analyses, and assessments to include consideration of the supply of, demand for, and possible uses of renewable resources; and

(7) to coordinate with the Agency for International Development and other aid organizations in supporting effective rural energy programs.

(b) For purposes of this section, the term "renewable resource" means any energy resource which—

(1) meets the needs of rural communities;

(2) saves capital without wasting labor;

(3) is modest in scale and simple to install and maintain and which can be managed by local individuals;

(4) is acceptable and affordable; and

(5) does not damage the environment.

(c) The Secretary of the Treasury, in consultation with the Director of the United States International Development Cooperation Agency, shall report to the Congress not later than six months after the date of enactment of this Act and annually thereafter on the progress toward achieving the goals set forth in this title.

HENRY S. REUSS,
HENRY GONZALEZ,
JOHN J. LAFALCE,
JOHN J. CAVANAUGH,
J. W. STANTON,
HENRY J. HYDE,
Managers on the Part of the House.

FRANK CHURCH,
CLAIBORNE PELL,
PAUL SARBANES,
JACOB K. JAVITS,
RICHARD G. LUGAR,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 662) to provide for increased participation by the United States in the Inter-American Development Bank, the Asian Development Bank, and the African Development Fund, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The House amendment struck out all of the Senate bill after the enacting clause and inserted a substitute text.

The Senate recedes from its disagreement to the amendment of the House with an amendment which is a substitute for the Senate bill and the House amendment. The differences between the Senate bill, the House amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

TITLE I—INTER-AMERICAN DEVELOPMENT BANK

The House amendment provided for an authorization of $1,649,900,000 for the United States subscription to the capital stock of the Inter-American Development Bank. The Senate bill provided for an authorization of $2,749,207,988 for that purpose. The House recedes to the Senate.

The House amendment provided for an authorization of $600,000,000 for the United States share of the increase in the resources of the Fund for Special Operations. The Senate bill provided for an authorization of $700,000,000 for that purpose. The House recedes to the Senate.

The conference agreed to the Senate figures with the recognition that the terms of the replenishment agreements for which these contributions are authorized have led to actual reductions in U.S. contributions to the Fund for Special Operations from previous replenishments and that the U.S. share of the contributions are equal to or less than the levels included in the sense of the Congress resolutions (contained in P.L. 95–481, Foreign Aid Appropriations Act for 1979, and in P.L. 95–118, increasing U.S. participation in the multilateral development banks). Furthermore, the conferees agreed that acceptance of the House figures would necessitate a renegotiation of the current agreements leading to prolonged interruptions in bank lending activity and adversely affecting assistance to countries vital to our national security.

For the purpose of keeping the cost of participation in the Inter-American Development Bank to a minimum, the conferees agreed that the Secretary of the Treasury should pay the amounts required for U.S. subscriptions to the paid-in capital of the Bank by letter of credit in four annual installments. The Secretary of the Treasury is instructed to obtain a certification from the Bank that drawdowns of the letters of credit will be deferred until the funds are needed by the Bank.

The House amendment required the Secretary of the Treasury to obtain a certification from the Bank that it would not drawdown the United States contributions to the Fund for Special Operations before they are needed. The conferees agreed that this change in procedure will prevent the institutions from maintaining dollar balances in excess of their needs, thereby reducing the outlays from the U.S. Treasury for fiscal year 1980 and succeeding fiscal years. The Senate recedes to the House.

The House amendment provided that none of the funds authorized under this section may be used for any form of assistance to a nation that is not a member of the Bank. The Senate bill contained no similar provision. The Senate recedes to the House with the understanding that this amendment would not limit the authority of the Bank to lend to the Caribbean Development Bank under Article III, Section 1, of the Articles of Agreement of the Inter-American Development Bank.

The House amendment required the President to evaluate a proposal for joint action by members of the Bank to increase exploration and exploitation of energy and mineral resources of the Western Hemisphere through investment insurance administered by the Bank and through other methods. The amendment also required the President to submit a report and recommendations on this matter by September 30, 1980. The Senate bill contained no similar provision. The Senate recedes to the House with an amendment that deletes the reference to investment insurance.

TITLE II—ASIAN DEVELOPMENT BANK

The House amendment provided for an authorization of $180,000,000 for the United States share of the increase in the resources of the Asian Development Fund. The Senate bill provided for an authorization of $445,000,000 for that purpose. The House recedes to the Senate for reasons expressed in the explanation of Title I.

The House amendment required the Secretary of the Treasury to obtain a certification from the Bank that it will not drawdown the United States contribution to the Fund before they are needed. The Senate bill contained no similar provision. The Senate recedes to the House.

The House amendment authorized the United States to contribute up to $100,000,000 to a special refugee fund to be administered by the Bank and authorized $100,000,000 in appropriations for that purpose. The House amendment also required the President to encourage other countries to support the establishment of the fund. The Senate bill contained no similar provisions. The House recedes to the Senate with the understanding that the authorizing committees and the Secretary of the Treasury will study the feasibility of having the multilateral development banks assist member countries of first asylum for refugees and to aid in permanent resettlement of refugees in third countries in South and Southeast Asia.

The House amendment provided that the United States may not make any contribution to the Asian Development Fund if Taiwan is excluded from membership in the Asian Develpoment Bank. The Senate bill contained no similar provision. The Senate recedes to the House with an amendment reaffirming the position of the Congress as set forth in the Taiwan Relations Act which provides for the protection of Taiwan's interests in the Asian Development Bank, and expressing the sense of Congress that future U.S. participation would be threatened if Taiwan were ever to be expelled from the Bank.

TITLE III—AFRICAN DEVELOPMENT FUND

The House amendment required the Secretary of the Treasury to obtain a certification from the Fund that it will not drawdown the United States contribution to the Fund before they are needed. The Senate bill contained no similar provision. The Senate recedes to the House.

TITLE IV—EXPORT OPPORTUNITY ENHANCEMENT

The House amendment required the Secretary of the Treasury to instruct the United States executive directors of the Inter-American Development Bank, the Asian Development Bank, and the African Development Fund to assure that information relating to export opportunities is communicated to the Secretaries of State and Commerce. The amendment also required the information be broadly disseminated to large and small businesses. The Senate bill contained no similar provisions. The Senate recedes to the House.

TITLE V—HUMAN RIGHTS REPORTING

The House bill contained a Committee amendment which required the Secretary of the Treasury to report on loans made by the multilateral development banks and any United States actions taken on human rights grounds with respect to those loans. The bill was amended on the House Floor to require the United States to propose amendments to the articles of agreement of the multilateral development banks that would establish human rights standards to be considered in connection with each application for assistance from those institutions. The Senate bill contained no similar provisions. The Senate recedes to the House on the Committee amendment and recedes on subsection (c) with an amendment directing the U.S. Governor of the Banks to consult with the other governors of the Banks concerning adoption of an amendment to the articles of agreement to establish human rights standards for assistance.

TITLE VI—USE OF RENEWABLE RESOURCES FOR ENERGY PRODUCTION

The House amendment required the United States to encourage the Inter-American Development Bank, the African Development Fund, and the Asian Development Bank to promote the development of renewable energy resources. The Senate bill contained no similar provisions. The Senate recedes to the House with technical amendments.

HENRY S. REUSS,
HENRY GONZALEZ,
JOHN J. LAFALCE,
JOHN J. CAVANAUGH,
J. W. STANTON,
HENRY J. HYDE,
Managers on the Part of the House.

FRANK CHURCH,
CLAIBORNE PELL,
PAUL SARBANES,
JACOB K. JAVITS,
RICHARD G. LUGAR,
Managers on the Part of the Senate.

PERMISSION FOR COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE TO FILE REPORT ON H.R. 6837

Mr. FLORIO. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce have until midnight tonight to file a report on H.R. 6837, which was reported by the committee yesterday.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

THE LABEL GROWS LONGER AND LONGER

(Mr. WAMPLER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. WAMPLER. Mr. Speaker, on December 19, 1979, the Food and Drug Administration of the Department of Health, Education, and Welfare, the Food Safety and Quality Service of the U.S. Department of Agriculture, and the Bureau of Consumer Protection of the Federal Trade Commission announced their tentative positions on a variety of food labeling issues. That announcement moved these three Federal agencies toward a major change in food labels to allegedly tell buyers more about the main ingredients, preservatives, flavoring and other contents of the foods they buy.

The question I have is this: Is there a rational basis in the habits of the consuming public to draw the conclusion that ordinary consumers, faced with long-established products now on the market would read these new labels where the only change in the product they are buying is the new information on the label? In a recent case in the Federal Courts, Federal Judge William C. Stuart ruled—in a somewhat parallel food-labeling case—to stop USDA from going ahead with the labeling regulations that would have made no distinction between no-nitrite products that look and taste like the traditional products processed with nitrites. In his ruling Judge Stuart noted, "It has long been recognized that few consumers read all the information on labels and many cannot read labels at all."

More recently, editor emeritus of the National Hog Farmer, Neal Black, writing in the March 15, 1980, edition of that farm magazine, sets forth some interesting data and conclusions as just what these new food labeling rules would mean to farmers, food processors, and consumers. Inasmuch as most of my colleagues do not have access to the Hog Farmer and because these regulations, if allowed to be promulgated as currently conceived, would have a severe economic impact on our farmers, food processors and consumers, I request Mr. Black's article be printed in the CONGRESSIONAL RECORD, immediately following my statement. The article follows:

THE LABEL GROWS LONGER, AND LONGER

(By Neal Black)

The regulators are threatening to force food into nothing smaller than jumbo packages, just to include all the information required on the label.

In many cases now, the package is worth more than the contents. We throw away a tremendous amount of paper and plastic in packaging. The regulators want to increase that waste, while dramatically increasing the cost of food.

Three agencies of government have issued a joint threat on this subject. USDA, FDA and FTC have announced their labeling plans, including requirements the bureaucrats believe they have authority for now, as well as additional authority they intend to seek from Congress.

If they get everything they ask for, we may go back to distributing food in barrels, just to have enough room for all the stuff required on the label—information nobody uses but the bureaucrats want.

USDA said it intends, within the next few months, to require that labels on meat products which it regulates must contain, in addition to the information now required:

Percentage labeling for significant ingredients;

A statement that ingredients are listed in descending order of predominance (they are now and every consumer knows it);

All foods containing 10 percent fat must declare the specific source of the fat (maybe a hot dog label should say: "contains fat from a 220-lb. crossbred Hamp-Duroc barrow raised in central Iowa");

Nutrition labeling, including information on calories, fat, carbohydrates, protein, cholesterol, sugars, sodium and "other nutrients of public health concern," on foods about which nutrition claims are made or to which nutrients are added;

Open dating on perishable and semiperishable foods.

These requirements would apply to most packaged meat. FDA plans to require the same information on foods it regulates.

The agencies indicated in a Federal Register notice that they plan to seek legislation to "clarify their authority to require nutrition labeling on all foods." Presumably, that would include fresh meat.

Who wants all this stuff? The trained seals who respond on such issues when Carol Foreman or one of the other consumerites snaps her fingers. At a series of hearings and in written comments, only about half the 12,000 consumers, many professional consumer "commenters," even discussed nutrition labeling. And only a few wanted mandatory nutrition labeling. That wasn't enough support, so USDA funded a consumer survey. Only about 1 percent of those respondents expressed any concern about the nutritional value of food or wanted more nutrition information on the label, and most of them probably were dieters, since they mentioned calorie information.

But the regulators don't intend to stop with those requirements. They noted that some consumers think food processors should not be allowed to include such information as recipes, cooking instructions, advertising or promotional information, special gift or coupon offers or "fanciful" labeling. To make room for all the stuff required by big brother, they propose that the processor would be severely limited on what he could include.

But the opinions of a few consumers will result in expenditure of millions to fulfill the objectives of the regulators. Oh yes, probably Carol Foreman's husband and Ralph Nader's wife want nutritional information, too.

In case you're prompted to think this is all some kind of never-never land fantasy dreamed up by a columnist, hearings were held early this month on these proposals and the comment period closes March 20. The regulatory proposals will follow, starting in about 60 days.

WILL CONGRESS CUT EXPENSES?

(Mr. COLLINS of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COLLINS of Texas. Mr. Speaker, the big question is whether Congress will cut expenses, balance the budget, and thereby end the 18-percent inflation. The discouraging answer is "No." We find Congress will be lacking when it comes to voting for sacrifices and austerity. Basically, my colleagues in Congress are a bunch of nice guys. They are friendly, likable, and they all want to be popular. Here in Congress we have a lot of jawbone because we are good at talking. In Congress we have a lot of wishbone because we are idealistic and optimistic dreamers. But on backbone we are mighty, mighty short.

I will vote for most budget cuts except in the field of defense which affects our national security and in social security where our senior citizens are completely dependent. But this country could cut its budget today by $50 billion and have a much stronger economy and be a more efficient working force. This would end the 18 percent inflation when we cut the budget by $50 billion. Remember that the budget was $366 billion when Jimmy Carter was running for President. Now the country is looking at Carter's budget of $616 billion plus. If we cut this budget

$50 billion we would be spending on a $566 billion budget which is still $200 billion more than Jimmy Carter experienced as a budget when he was campaigning.

The responsibility for a balanced budget is with Congress. It is essential for America's future that we end this 18-percent inflation. The only answer is to have less jawboning, less wishboning, and more backbone. How can we get the good guys, and they are really nice guys who serve in Congress, to cast these unpopular votes? How can we get the votes for sacrifice and austerity that we need for a stable economy?

AMERICAN HOSTAGES ARE BEING TORTURED—AND THE CARTER ADMINISTRATION WILL NOT TELL US

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, on December 1, 1979, 3½ months ago, I stated publicly that under the current definition of torture adopted by the United Nations, our hostages in Iran are being tortured.

U.N. Resolution 3452, adopted by the 30th General Assembly in December 1975, defined torture as—

> An act by which severe pain or suffering, either physical or mental, is intentionally inflicted, by, or at the instigation of a public official or person for such purposes as obtaining . . . information or confessions, punishing him for an act he had committed or is suspected of committing or intimidating him or other persons.

I brought this to the attention of the Carter White House. The President, however, has never mentioned this fact to the American people. Now we learn that the International Court of Justice has charged the Iranian terrorists with behavior that falls under the definition of torture.

What is the President doing about this? His policy has not solved anything. He will not even tell the American people our hostages are being tortured. Why? Is it because such an admission would force him to action?

THE PRESIDENT—A "BORN AGAIN BUDGET BALANCER"

(Mr. DEVINE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DEVINE. Mr. Speaker, the people of America are screaming to high heaven about the economy, about inflation, about the high cost of living, and about the high interest rates, and they have a right to do so.

Our President has suddenly become a "born again budget-balancer." We are glad he recognizes the problem. After 25 years of one-party control of Congress, they have run the inflation up to where it is today, and they are now trying to highjack the Republican issue that we have talked about for years and years and years—a balanced budget.

Mr. Speaker, welcome to the club.

□ 1110

FILING ANTIDUMPING SUITS

(Mr. BUCHANAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BUCHANAN. Mr. Speaker, the Department of Commerce on yesterday informed my office of its intention to discontinue the administration of the trigger price mechanism upon the initiation of any antidumping suits by domestic steel companies.

It is rumored that one of the major companies may do this sometime soon as is their right to do under the law. For the administration to say that if a major company seeks to protect the livelihoods of those who work for it and protect its own vital interests which may be in turn vital to the Nation's security and economy by filing antidumping suits to try to respond to predatory foreign competition, the administration will then withdraw mechanisms designed to help the entire steel industry in a time of distress, it will be an unconscionable policy that violates promises of the President himself.

The people who will be truly hurt will be small companies not represented in the actions of one of the major companies and they will be grievously injured by removing from them this mechanism of needed protection.

TPM has not worked perfectly nor been vigorously enforced, but it has provided at least some protection against dumping in the American market by foreign competitors. Its suspension cannot but further injure an industry already in distress.

I am particularly angered that this threat flies in the face of assurances given at the time of the passage of the multilateral trade implementation legislation, which I and others supported in good faith.

Such a Government policy is not only a violation of promises solemnly made to Members of Congress, labor leaders, and industry officials. It is also an abandonment of the rights and the interests of thousands of American citizens whose livelihoods are clearly at stake.

A TRIBUTE TO THE LATE HONORABLE ALLARD LOWENSTEIN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. JACOBS) is recognized for 60 minutes.

GENERAL LEAVE

Mr. JACOBS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and include extraneous matter, on the subject of the life, character, and public service of the late Honorable Allard K. Lowenstein.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. JACOBS. Mr. Speaker, on Friday last in the city of New York a gentle teacher was taken from us by the brute force of violence. Allard K. Lowenstein was cut down by gunfire and in that one moment of horror was added to the tragic list of American martyrs in the cause of social and political and human justice in our country and in the world.

One thinks of Ghandi. One thinks of Lincoln. One thinks of Evers, Kennedy, King, Kennedy again, and now one thinks of our dearly departed colleague, Al Lowenstein. Upon the death of Mahatma Ghandi, Nehru said:

> The light of our life has gone out of our lives.

On the occasion of the death of President Kennedy, little Pogo, the politician, said, "We have lost so much," and his little friend replied, "We didn't lose it. We just gave it back after borrowing it a while."

Jonathan Livingston Seagull said, "Only the good die young."

One wonders if the most dangerous thing on this Earth to do is preach love and kindliness.

Al Lowenstein was at war with war and his weapon was peace.

Abraham Lincoln had said:

> I shall do nothing out of malice. What I deal in is too vast for malice.

That is something with which Al Lowenstein agreed, not only in words and thoughts, but in deeds and in influence over the wide breadth of two generations.

Gerald Johnson, the historian, wrote of the pacifist in World War I:

> They had no objections at all to fighting the police.

But Al Lowenstein had objections to fighting the police. Al Lowenstein had objections to tearing apart the institutions which he knew were indispensable for the safety of civilization, however imperfect they might be.

Mr. WEISS. Mr. Speaker, will the gentleman yield?

Mr. JACOBS. I yield to the gentleman from New York.

Mr. WEISS. Mr. Speaker, first of all, I want to express my sincere appreciation and thanks to the gentleman in the well for requesting this special order in which we can pay our respects and express our sentiments about our departed friend, Al Lowenstein. The most impressive thing that has reemerged as we went through these past few days with the outpouring of grief and sorrow and the recollections of joy at the life of Al Lowenstein from the moment of the news of Al's shooting and as some gathered at

St. Clare's Hospital in New York where he was taken for the operation which ultimately proved unsuccessful, through the memorial services in New York and Washington, to the funeral services in Arlington was that vast numbers of people both at high levels in American society and rank and file Americans who because of Al Lowenstein became involved and engaged in the processes of democracy.

☐ 1120

On the plane to New York, for example Anne Wexler, who is one of the President's top advisors, recounted that she became active in the National Student Association at the same time that Al Lowenstein did, and that he turned her on to a lifetime of political involvement. There were similar comments by many others throughout these past 6 or 7 days.

It seems to me that at a time when we tend sometimes to despair of democracy and its future, we must remember the role that Al Lowenstein played in making people feel that there was a basis for hope, and that if people individually became involved, there was a chance to influence the system and to turn it in directions toward social justice and for the betterment of humanity.

Mr. Speaker, that was probably the greatest of many significant contributions he made to the world in which he lived and in which he played such an important role.

Mr. WALGREN. Mr. Speaker, will the gentleman yield?

Mr. JACOBS. I yield to the gentleman from Pennsylvania.

Mr. WALGREN. Mr. Speaker, to add a point on that, the most amazing thing about Allard was how he involved all these people in the political process.

David Broder, in his article in memoriam yesterday, used a word that described well what Al did. Mr. Broder said that we were "bewitched." That word has a magic that does Al justice. He did "bewitch" us into extending ourselves in pursuit of helping the disadvantaged.

The thing that most intrigues me is how he "bewitched" us. He did it by expressing a real affection for the individuals with whom he came in contact. He was a toucher of sorts. He was not afraid to put his arm around somebody, and in his restless travels around the whole country, the thing that intrigued the people that he met was the very direct affection that he had for them. They in turn, as best I can figure out, simply did not want to let him and his values down.

As a result, we look around today, after 30 years of that activism, and find literally thousands of young people, 40 years of age and under, who are involved in politics directly, either because their fate led them to be elected to public office or to be involved in public service, or who are just good citizens with a true conscience. We have Al to thank for all those people.

Mr. Speaker, I thank the gentleman for yielding.

Mr. JACOBS. Mr. Speaker, I thank the gentleman for his contribution.

I might add that the song goes: "Bewitched, Bothered, and Bewildered." Anybody who knew Al knew that he could do the other two to you just as easily as the first.

Mr. BUCHANAN. Mr. Speaker, will the gentleman yield?

Mr. JACOBS. I yield to the gentleman from Alabama.

Mr. BUCHANAN. I thank the gentleman for yielding and for taking this special order.

Like so many thousands of people, I have a sense of deep personal loss and grief in the passing of Allard Lowenstein. He was a very rare human being, a man who combined qualities of high ability and integrity with great courage—courage that was tempered with compassion and with kindness.

He was a fearless fighter for the things in which he believed: for things like civil rights in the United States and human rights in the world. He put himself on the line repeatedly for the causes he so tirelessly and fearlessly served. And, yet, everyone who knew him knew that he was a warm, compassionate human being who did what he did out of deep conviction and with compassion both for those for whom he labored and for those with whom he disagreed.

The world sustains a real loss when such a person passes. With his death the world has lost a little of its most precious gold.

It is written in Ecclesiastes:

To everything there is a season, and a time to every purpose under the heaven.

It seems to me quite clear that the death of Allard Lowenstein is a time for tears.

Mr. FOLEY. Mr. Speaker, will the gentleman yield?

Mr. JACOBS. I yield to the gentleman from Washington.

Mr. FOLEY. Mr. Speaker, I want to join with my colleagues to publicly mourn the passing of Allard Lowenstein.

It it difficult for any of us who knew him well not to say again the things that have been said again and again by his friends and by the hundreds and thousands of people who knew him, even briefly.

He was a man of piercing intelligence, of deep conviction, but, as Members have said, he was a man of affection, kindness, and compassion. He was driven by his hatred of war, his hatred of poverty and disease, and his hatred of discrimination and violation of human rights wherever it may be seen.

But at the same time he was a man of such breadth of human affection and compassion and love that he confounded some who, joining in his causes, would like to reach to methods that he found abhorrent, and he immediately set himself apart from those who, in the height of their opposition to the Vietnam war, were themselves calling for violence, violence against the organs of the state, violence against police, and violence against universities. Those people were immediately opposed again by Al Lowenstein, who refused to allow his opposition to what he considered the great violence of Vietnam to justify or sanctify domestic violence at home.

He believed in the political system, and he called on so many who were touched and motivated by his enthusiasm for change to see that that change occurred within the political system so it could be sustained and nurtured and made permanent.

He served for a short time in this House. He served with great distinction and with the widest respect of those who had an opportunity to serve with him. But he has made a much bigger mark on our public life than through his service in the House, both before and after that service. He has, I hope, set a standard for those of us who serve in an official capacity, as well as all who have a concern for their country, of what it means to be involved as a concerned citizen and of what it means to strive for goals in which one believes deeply, and do it with great honor and the great integrity and holding to all of the high ideals that marked every day of Al Lowenstein's life.

Mr. JACOBS. Mr. Speaker, I thank the gentleman from Washington (Mr. FOLEY).

Mr. ECKHARDT. Mr. Speaker, will the gentleman yield?

Mr. JACOBS. Mr. Speaker, I will yield to the gentleman from Texas, but I will ask the gentleman to suspend for just a moment.

A thought occurs to me that there were some words written by John Gardner that seem appropriate. He said:

> If this civilization—

Meaning our country—

> ever fails, it will be because those who defended its institutions did so without criticism and those who criticized its institutions did so without love.

Because of Al Lowenstein, on that basis, it seems our civilization and all the things we hold dear and serve as well have been served through Al Lowenstein.

Mr. Speaker, I yield to the gentleman from Texas (Mr. ECKHARDT).

Mr. ECKHARDT. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, there are certain persons in our society who might be likened to the engineers and the troops to establish a better world. They are the ones who go ahead and prepare the beachhead, and their casualties are heavy.

Al Lowenstein was one of these tough persons who was able to do his job, and yet he was an extremely tender man, a very lovable person.

I can remember on the floor when Al was fighting against the Vietnam war and attacking militarism, he could still joke with Mendel Rivers. He could engage in the kind of pleasantries that could forward his program, which was itself extremely dedicated and tough. That was a very unusual quality in any man that Al had.

Mr. Speaker, I have largely taken the floor to include two little statements about Al Lowenstein. One is from a dear friend of his, Ronnie Dugger, who is also a dear friend of mine, formerly editor of the Daily Texan, and who later established the Daily Observer.

Mr. Speaker, I would also like to include what I think is an extremely sensitive appraisal of Al Lowenstein by Dave Broder that appeared in the Washington Post.

Mr. Speaker, the two items to which I have referred are as follows:

REMARKS BY RONNIE DUGGER

Al and I became fast friends in 1951. I was editor of the student newspaper at the University of Texas in Austin and he was the president or former president of the National Students Association. He came in and out of Austin to help me campaign to get U.T. to join N.S.A. We lost 2–1, but that was the way of it with Al: you fought, you lost, but the ground was broken and those coming after you could till it again. The harvest, then, belonged to Al as much as it did to the ones who actually reaped it.

Since Al's murder, which hit me as hard as the murders of the Kennedys and King, I have been limning in my memory a time maybe twenty years ago when Al and I sat in a room somewhere, I think in Washington, making a compact, an agreement. Each of us, knowing that the directions of the human race and our country, were set toward a cataclysm for civilization, pledged to the other to do as individuals whatever we could, and all we could, to help to change those directions. Al probably made such pacts with many people; it was a way to fix us together in the work of reform. He was the godfather of both my children, Gary and Celia, as he was probably the godfather of fifty children. He had so much love, he acknowledged no limit to its reach and embrace. His death, then, has the effect on me that is in the nature of the best effect any of us can hope for our own deaths to have:

The night he was dying, I wrote out as if he were speaking toward me from his death bed, "Tell him he has to come on in now." That is what every great death says to us one way or another, the voice from the dead one saying, "You know what I was trying to do. Now I am gone, and you must take over where I'm leaving off—you must carry on for us both." From such few deaths we each do secretly and privately draw our greatest strength to continue.

Not the Kennedys' deaths, not King's, but Al's signifies to me the end of the period in American history that began in the 1930's. The best in each of them is in us; in this way it really is true that they are not dead. Al is not. He will always be the godfather of my children, and he will always be one of the few godfathers of my conscience.

VINTAGE LOWENSTEIN

(By David S. Broder)

In what proved to be his last battle, as in so many of his earlier fights, Allard K. Lowenstein came up with a line that was so right, so funny and so barbed that you just savored it.

Representing Sen. Edward Kennedy in a surrogates' debate in Bangor, Maine, just before the February caucuses, he was talking about the folly in the war fever the Carter administration was whipping up about the Persian Gulf, about the ridiculous spectacle of national security adviser Zbigniew Brzezinski rushing over to the Pakistan-Afghan border and waving an automatic rifle melodramatically toward the Soviet invaders.

"I expected any minute," Lowenstein jibed, "to hear him shout, 'Ich bin ein Khyber Passer.' "

I complimented him on the line when I saw him a few days later at a similar debate in New Hampshire and, looking a bit pleased with it himself, he introduced his young son, who was out campaigning with him that evening.

I saw him again, for the first time, on television in Florida, talking to the Jews in Miami, telling them they should reject Carter, not on the narrow grounds of the snafu on the U.N. resolution, but because his social and economic policies contradicted the values for which they had stood for years.

That, too, was vintage Lowenstein, motivating people to act, but insisting that they base their action on the broadest context of principle and, yes, morality—not on narrow self-interest.

That is how I first remember him, more than 30 years ago, the strange, intense youth from the University of North Carolina who came to the University of Chicago to drum up interest in a National Student Association, whose purpose, he insisted, would not be merely the protection of student rights, but the struggle for racial and economic justice in the nation and the world.

Ours was a campus full of activists, but none of us had seen quite the demonic intensity, the 24-hour-a-day purposefulness of this visitor. The girl I then dated and later married succumbed, and went off with Lowenstein to a convention in Ann Arbor, convinced she was about to save the world.

Up in Maine, six weeks ago, I met another young woman who, quite starry-eyed disclosed that she had spent the previous weekend driving Lowenstein on his ceaseless round of meetings. I though—but did not say—"He's bewitched you, just as surely as he bewiched a woman old enough to be your mother."

That quality in Lowenstein was a bit vexatious to those of us contemporaries who lacked his capacity for perpetual rejuvenation. To a greater extent than any public man I have ever known, Lowenstein was constantly and inseparably linked to the young people of this society, drawing his energy from them and giving them back inspiration and direction. From his NSA days, to the civil rights and anti-war movements, to the dump-Johnson campaign, and until the moment of his death, it is beyond dispute that he brought more young people into American politics than any other individual of our times.

His opinions and attitudes were often as outrageous as his habit of scheduling a midnight appointment—then arriving four hours late and pounding indignantly on your door if you had fallen asleep.

His enthusiasm often led him to wildly inconsistent positions. As his devoted friend, Sam Brown, pointed out in a New Hampshire debate, Lowenstein may have been unique as a Democrat who had campaigned with passionate conviction, but at different times, for all three of this year's Democratic candidates—Jimmy Carter, Jerry Brown and Ted Kennedy.

But he was more eclectic than that. Encountering George Bush in New Hampshire, he told his former House colleague that he was "anxious to get together" with him. Lowenstein would try to convert anyone to his cause.

Strange as it is to say of a man with such a legion of devoted friends, individuals were less important to him than causes. That may explain why his friendships ranged so broadly. Don Rumsfeld, the hawkish former secretary of defense, was a House gym wrestling buddy of Lowenstein's and a friend. Conservative Bill Buckley was another friend, and wrote a courageous column defending Lowenstein against the Red smears that were invariably used against him in his many losing House campaigns.

They responded, as did almost anyone who ever met Lowenstein, to the irresistible appeal of a man who shared with everyone his own intense enjoyment of the political arena and his unquenchable faith that in this nation, politics might bring defeat, but never despair.

The passion for the good cause, well-fought, that Al Lowenstein brought to every battle, will live on, despite the bullets that stopped his strong heart.

It is his legacy to the uncounted thousands he enticed, cajoled, badgered and bulldozed into the political life of America. As long as they fight for their causes, his spirit will live on.

Mr. JACOBS. Mr. Speaker, I thank the gentleman from Texas (Mr. ECKHARDT) for his contribution.

Mr. ECKHARDT. Mr. Speaker, I thank the gentleman in the well for taking this time, and I appreciate the opportunity to have been here.

Mr. JACOBS. Mr. Speaker, I might add that I am sure those who are closest to Al, his family, his three children and the rest of his family, his brother Larry and the others, are profoundly grateful, particularly on this day when attendance in the House is not compelled by ordinary House business, that Members have lingered or gone to the trouble to ask that their remarks be inserted in the RECORD. It is a measure, I am sure, of great comfort to the family.

☐ 1120

Mr. Speaker, I yield to the gentleman from Pennsylvania (Mr. WALGREN).

Mr. WALGREN. Mr. Speaker, I thank the gentleman.

Reminiscing about Al's major accomplishments, what he did in life was a direct result of the kind of person he was. His accomplishments reflected the quality of his person. Only Allard could have done what he did.

Because of his activism among young people in the National Student Association, he was able to bring the kids to McCarthy.

No one single person in America was as responsible as Allard for ending America's participation in the violence in southeast Asia. It was not that he did it singlehandedly, because no one could do that singlehandedly. But he was the prime mover behind the many individuals who did it as a movement. Like Robert Kennedy, Allard truly "saw war, and tried to stop it." He succeeded beyond the wildest imagination. And our country is far better for that.

But it did not end there. He served as one of our ambassadors to the United Nations and served as a representative of the United States at the Conference on Human Rights in Geneva. I remember him talking about the U.S. position in the Conference on Human Rights on questions dealing with Israel and the PLO.

The United States was not well thought of in the underdeveloped world, and particularly in Africa, compared to the PLO. We were oftentimes not listened to, rejected out of hand, because we were the haves and not the have-nots. Allard knew he would be going into a hostile room, until lo and behold on the other side of the table, representing part of southern Africa was a tribal chieftain that he had met in 1959, 18 years before, when he went as a private citizen to South-West Africa to gather evidence on human rights to be presented to the United Nations.

I was told that Allard had the distinction of being the only private citizen to ever formally address a body of the United Nations when he returned from South Africa with evidence, literally smuggled out of the country, of the treatment of blacks by South Africa in governing territories entrusted to them by international mandate.

The world sort of came full circle for Allard. He was able, by his personal qualities, to let those in Africa, who had no ability to understand the values of the United States, know that the commitment to human rights by the United States was substantial and trustworthy. Because it was Al Lowenstein who represented the United States, U.S. influence for good was strengthened and the resolutions by the international community tempered.

Mr. Speaker, I thank the gentleman for yielding.

Mr. JACOBS. Mr. Speaker, I yield to the gentleman from New York (Mr. Weiss).

Mr. WEISS. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, at the very moving memorial service that was held for Al Lowenstein in the Central Synagogue in New York on Tuesday, one of the speakers was our colleague, the gentleman from California (Mr. McCloskey). In his eulogy he reminded us that Al would have been very disappointed if we just marked his death with a series of fine statements and eulogies and did not use the occasion to further some of the many causes that remain to be fought and won. One of those causes Al was most deeply involved in was the effort to eliminate the proliferation of handguns which have resulted in so many tragic deaths and which ultimately claimed Al's own life.

Mr. Speaker, there is a great urgency for moving ahead on this cause.

Mr. Speaker, I want to join with our colleague from California (Mr. McCloskey) to urge that we in Congress take action against the crisis in America that is to a great extent responsible for the loss of that great human being who was buried yesterday at Arlington Cemetery. The crisis of which I speak is the widespread and virtually uncontrolled proliferation of handguns in this country.

Ever since his tragic and senseless murder on Friday thousands of Al Lowenstein's friends, followers, and coworkers have expressed their grief over the passing of this "one man demonstration for civil rights," as Senator Kennedy recently called him. Allard Lowenstein would be proud, as we are proud for him, to be remembered as "a man who mattered," by the Nation's leading newspapers, and as one whose life was "devoted to justice and reason" by the President. But Al Lowenstein would be disturbed and upset to know that a tragedy such as his death was reacted to only in the form of eulogies. He believed in the power of action, not of idle talk.

When Allard Lowenstein learned of injustice, whether it was in Alabama, South Africa, the jungles of Far East Asia, or the streets of Manhattan, he took action. Al Lowenstein studied problems, made others aware of them, and then took steps to tackle them with the help of his many, many friends.

His tragic murder is perceived as infinitely more tragic when one realizes that it might not have occurred if the strict handgun controls that he advocated had been enacted during his lifetime. He was well aware of the menace that the handgun presents to the safety of the American people and of the terrible toll in lives and suffering that it inflicts upon us each year. Although appalled by the death and destruction in the Vietnam war, he knew that in the 10 years between 1963 and 1973, nearly twice as many Americans were murdered with handguns within the United States than were killed in the Southeast Asia tragedy. Allard Lowenstein was an early and active supporter of the movement to ban handguns, because he knew that something had to be done to stop this domestic carnage.

The circumstances surrounding Allard Lowenstein's murder are all too common in America. The similarities among handgun crimes in America point out the inadequacies of the 1968 Gun Control Act. The provisions of this law are so lax that Dennis Sweeney was able, legitimately and legally, to purchase his murder weapon.

The Gun Control Act of 1968 increased the categories of persons ineligible to buy firearms to include: Minors, convicted felons, fugitives, mental defectives, drug addicts, alcohol abusers, and out-of-State residents. Unfortunately the 1968 act's purchase procedure required only that a prospective buyer prove residence in the same State as the dealer and that he or she attest by filling out the federally required form 4473 that he or she was not among the ineligible categories of purchasers.

Current Federal law does not require a firearms dealer to verify the information given by a customer. Sales are essentially made on the customer's word of honor. In this case, as in many others, the customer, Dennis Sweeney, was apparently in no position to judge the state of his own mental health. This statute is so easily evaded that to call it handgun control is to misuse the term.

Allard Lowenstein's death is also exasperatingly typical of another category of murder made possible by the loopholes of the Gun Control Act. Under present Federal law, States may, and do, vary drastically in the stringency of their firearms statutes. A BATF study of handguns used in crime found that "stringent local law has as a primary effect the funneling of local firearms purchasers to outside sources" not of limiting or eliminating handguns in that area.

The State of New York is well known for having one of the strictest handgun control codes in the country. It is also well known for its handgun crime rate. Where do the guns come from? Of the 2,546 criminally used handguns successfully traced in a 1973 Bureau of Alcohol, Tobacco, and Firearms study, 96 percent came from outside of New York State.

Twelve years ago, the American people demanded tough controls on handguns. They received a shadow of what they wanted with the passage of the 1968 Gun Control Act. They made it known to the world that they were appalled by the senseless violence that had recently claimed the lives of Martin Luther King and Robert F. Kennedy. Since 1938, all the major public opinion polls have shown that the majority of Americans favor stricter handgun controls and in 1968 the people proved this to be the case. Americans do not want murderers and assassins to purchase their instruments of death as easily as a gardener might purchase insecticide. Thanks to the gun lobby, the desires of the majority of Americans were essentially thwarted in 1968.

Allard Lowenstein's murder is proof positive that the American people's demand for adequate handgun controls have not been answered by existing Federal legislation. I urge all Americans, and especially the Congress, to take action to insure all of our safety and that of generations to come by working for the passage of strict and effective Federal handgun controls. I know Allard K. Lowenstein would be doing so if he were still alive.

Mr. Speaker, if the gentleman would yield further for just another moment, it seems to me that sometime in the course of our fond reminiscence of someone who was as active and as loving and as beloved as Al Lowenstein was, we may tend to underestimate or not recall clearly enough that as gentle a warrior as he was for the causes which he led and fought for, he was, indeed, a warrior. He fought with determination and skill and tenacity. All of the fights he engaged in, not just the ones he won, were fought with the intention of winning.

I had the privilege of being a friend and an associate in some of the causes he was engaged in over the course of the last quarter of a century. Although we were on the same side on most occasions, sometimes we fought for the same issue, from different perspectives.

Indeed, in 1966, I had the privilege of contesting him for a designation for the right to go into a congressional primary in New York. What a marvelous experience that was. Because Al himself was such a dynamic speaker and personality the three of us who participated in that contest with him exceeded our own awareness of our capacities. Al brought us up to the highest levels of achievement of which we were capable. I think he did that to the literally thousands and thousands of people who became involved with him.

Jim Woolsey was telling us on the trip back from New York how in one 7-hour marathon all-night session in late 1967 Al Lowenstein not only turned him around on the issue of the Vietnam war, but got a commitment from him to operate a local campaign headquarters for President at one of the major northeastern universities, for a nonexistent and unnamed candidate. Al was absolutely certain that he would get someone into the field against Lyndon Johnson, and got Woolsey to accept and share that certainty. That is the kind of strength and capacity that he had.

In many ways Al Lowenstein demonstrated the strengths and ideals of three of the people he most admired—Norman Thomas, with whom Al shared a commitment to the achievement of economic justice; Roger Baldwin, with whom Al shared his commitment to civil liberties for all, and Eleanor Roosevelt, with whom he worked—a commitment to social justice and human rights.

As we say farewell to him, we remember him for his ideals, and for the effective fighter that he was for those ideals. We know that the world is a better place because of his life.

Mr. JACOBS. Mr. Speaker, I thank the gentleman, and as long as the gentleman is listing names of people with whom Al worked, I think it is useful to point out some other names of not exactly the same persuasion; William F. Buckley of New York, for example, and Al.

M. Stanton Evans of Indiana probably hates the word "conservative," because it sounds too liberal to him. He and Al, I believe, worked on a matter together and found common ground.

One of the great strengths of this blazing talent was the capacity to bring together warring factions on common ground, where there were no land mines and find a better way of settling things than hollering at one another, turning down the heat, turning on the light.

"The meek shall inherit the Earth." For all those who hear the words that are spoken here today or who may read the words that are spoken here today, know this, that above all, Al Lowenstein was meek. He was a humble man.

□ 1140

Kipling wrote:

> If you can talk with crowds and keep your virtue,
> Or walk with Kings—nor lose the common touch,
> If neither foes nor loving friends can hurt you,

And so on. That also describes Al to a great extent.

Solon, the Giver of Laws, is supposed to have said approximately this: "Civilization is impossible until the unconcerned are as outraged as the victims."

Al had a capacity to be as concerned as the victims, but that did not always, in his sense of justice, bring him down with any particular political group in this country. I suspect that after all is said, Al would probably agree, even though he was known generally as a liberal, that to call him strictly a liberal or a conservative in the economic-political sense or, in the sense of war and peace, a hawk or a dove would be the kind of pigeonholing that he would reject. That would be something he would gently reject altogether.

Al lost a lot of elections, but he won a lot of hearts, and in the process he helped save the soul of our country.

Mr. WALGREN. Mr. Speaker, will the gentleman yield?

Mr. JACOBS. I yield to the gentleman from Pennsylvania.

Mr. WALGREN. Mr. Speaker, thinking of Al as a humble person, I cannot help but recall that he did lose a lot of attempts to come to Congress. That was a reflection of how important he felt the Congress was.

When I think of him, I always think of when Pogo ran for President in 1952 and lost the election. One of the other characters came running in with the news, and the news is: "A victory! A victory! A moral victory! Pogo lost!" Well, the truth is that all of Al's campaigns were, in his own way "moral victories" because of what he brought to them.

He was the kind of person who always turned humor on himself. I remember being told of when he was elected to the House of Representatives in 1968 after a terrible election fight, a battle that took every ounce of strength that he and his family could muster with all his friends coming from all over the country to campaign for him in the New York area. Victorious under the most difficult circumstances, Al Lowenstein was elected to the House of Representatives. He himself said years later that the thing that made him proudest of himself was to have been a Member of the House of Representatives of the United States.

On his first day in the House, the Speaker involved him in the formality of closing the House for the day. It was a great honor, in its own way, that they gave him that mantle and that formal recognition. And he was proud as a peacock. Here he was, after all that struggle, recognized, to boot, by the powers that be. His wife Jennie was up in the gallery, and Al completed his task.

Then he went out and down the hall and he met Jennie out here in the back. He expected her to be beaming from ear to ear with pride. Instead there was this incredible disbelief in her eyes, and she said, "You idiot, do you mean to tell me that, after all we have been through to get you into the House of Representatives, you finally have the microphone in your hand and all you can think of to say is 'I move that the House do now adjourn'?"

Mr. WEAVER. Mr. Speaker, will the gentleman yield?

Mr. JACOBS. I yield to the gentleman from Oregon.

Mr. WEAVER. Mr. Speaker, I want to express my sorrow and the sorrow of many of my constituents for the death of Allard Lowenstein.

When Al Lowenstein was at the University of North Carolina, he met and befriended two people, now husband and wife, who are now among my closest friends, Benton and Miriam Johnson. They grieve for their old and good friend.

My first meeting with Al came at the Conference of Concerned Democrats in Chicago in 1967. The conference was organized by Al to launch a Presidential campaign based on opposition to the Vietnam war policies of Lyndon Johnson. Perhaps the greatest, most brilliant speech I have ever heard came at that conference, given by Al—so good that Eugene McCarthy, who was to be the featured speaker, at first did not want to follow such an overwhelming presentation.

But the rest is history. We, all of us, owe much to this good man.

Mr. MONTGOMERY. Mr. Speaker, will the gentleman yield?

Mr. JACOBS. I yield to the gentleman from Mississippi, a dear friend of our departed colleague, Al Lowenstein.

Mr. MONTGOMERY. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I feel that I was a very close friend of Al Lowenstein's. I certainly agree with what the gentleman in the well has said, in that Al Lowenstein really did not let party lines or even philosophies color or interfere with his love for mankind. He quite frankly loved us all.

He was liberal in some ways. Our conservative views would cross, but when they did, he would behave in a pleasant manner when he would talk to us.

He was a mover. He was always on the go. He always had time to talk to his friends, and I certainly appreciated that.

The Members might know of one story that might not have been told here today about Al. One night I was at home at 10:30, and I received this call from the White House operator saying that Congressman Lowenstein was having a reception for one of his kin people in a certain hotel in town and the reception was going to be at 12 o'clock at night.

That was the thing that Al would do. He was always moving ahead. He enjoyed life.

Mr. Speaker, I certainly appreciate the gentleman's giving me this opportunity to express my kind feelings toward Al Lowenstein.

Mr. JACOBS. Mr. Speaker, I thank the gentleman for his contribution. I am sure that Al's family appreciates it, and again I repeat that I know Al's family is grateful to all the Members who have come here and expressed their sympathy.

Mr. MAGUIRE. Mr. Speaker, will the gentleman yield?

Mr. JACOBS. I yield to the gentleman from New Jersey.

Mr. MAGUIRE. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I want to thank the gentleman for taking this special order and also for the eloquent and loving statement which I heard him make last evening at the memorial service here in Washington, D.C., in memory of Allard K. Lowenstein. I want to mention also the moving words of the gentleman from Pennsylvania (Mr. Walgren) at that same service.

Al Lowenstein's passing really cannot be measured by any of the words that any of us have said in these last few days or even by our thoughts. Certainly there is no way of calculating the loss that all of us will feel each week and each month and each year in the future as we think about the standard that this man would have continued to set had he lived.

I do not think there are very many people that one can call to mind that have constantly set such a standard for each one of us against which we would have to test, if we were honest, our own commitment, or against which we would test our passion.

I think that one of the things we sometimes lose in this House is our passion to change the things that we know are not as they should be. And, of course, there was the constant test that Al Lowenstein always posed for any of us who were trying to make a difference—the test of sheer strategic and tactical brilliance in anything that he chose to undertake.

There are not very many people that one can find to whom one can always look for such standards of commitment, and passion, and brilliance.

I was told yesterday—and I do not know what the exact words were—that Ted Kennedy said something that also for me hit right on the mark as we think about what Al Lowenstein represented. That was that "Al was the last person to close the door on anyone, and that is why he died."

☐ 1150

Al was always willing and always ready to give another bit of time, which he above all people, given the things that he was always doing, probably had less of than anyone else, but he was always willing to give that extra bit of time, whether to a friend, to someone in need, to someone who believed they had an idea, to someone who was seeking a foothold in the political arena in order to try to do some of the things that he or she believed in—which I think was the first experience with Al of the gentleman from Pennsylvania, Doug Walgren, as it was mine. The loss of Al Lowenstein is just incalculable.

Mr. Speaker, I thank the gentleman for yielding.

Mr. JACOBS. Mr. Speaker, I thank the gentleman for his profoundly eloquent statement.

Mr. WALGREN. Mr. Speaker, will the gentleman yield?

Mr. JACOBS. I yield to the gentleman from Pennsylvania.

Mr. WALGREN. Mr. Speaker, I just wanted to add, when the gentleman from New Jersey recalled what Ted Kennedy said about Allard, that in the service in New York Senator Kennedy referred to Al's death as having lost a "brother." I think that that is true in more ways than we can ever realize.

Allard was active politically around the Kennedys. He was never an intimate friend of either John or Robert, but he was known to them. In the last half year of Robert's life, Al had worked to nominate Gene McCarthy for President instead. Bobbie had made arrangements to call Allard after the returns from the California primary to make some plans to go forward together from there. But when the call came, instead of news of the future, it was news of the end.

After that, Allard's life focused on overcoming the damage to our values caused by the assissinations of the 1960's. I do not think it is any accident that he wrote what may be the best article on the meaning of Robert Kennedy on the 10th anniversary of his assassination.

Mr. Speaker, I would like to include in the Record at this point a copy of that article.

The article is as follows:

[From the Washington Star, June 5, 1978]

ALLARD LOWENSTEIN: ANNIVERSARY OF AN ASSASSINATION

And now suddenly it is 10 years since Robert Kennedy was killed; another anniversary in a season of little-noticed 10th anniversaries that remind us, when we think about them at all, how much a country can change in a decade, and how inadequate a substitute nostalgia is for hope.

How long ago it seems since the three most beloved and promising figures on America all died within five years, all murdered strangely, all having lived only half their lives. And how easy it is to think that what has happened to us since then was somehow envitable, to forget that those deaths changed the national mood and direction, and that much that has happened might not have happened were it not for this series of events that left us haunted by great absences through years made difficult in part by those absences.

Perhaps because Robert Kennedy was the last of the three to die, his death seemed the cruelest—bearing the cumulative freight of what had gone before, multiplying the doubt that there was any place for hope in a society where the best spokesmen for hope could not survive.

He was not a prophet like Martin Luther King Jr., not a president like his brother, but he touched his countrymen in a special way, reaching large numbers of people who were least sure that they belonged, and so were hardest to touch. That was a boom to this country, and to democracy itself.

Robert Kennedy meant as much as he did to as many as he did partly because he was his brother's brother, and his death hurt as much as it did partly because he died so early and so wrongly. But the totality of loss was far greater than these parts, for with him went the spirit of a generation.

When he was killed, so was something generous and electric in us and in the nation, something not yet reborn and possibly not to be reborn in our lifetime. We were left instead with a scar too close to the heart and with leaders whose bleakness was to remind us continually through a damaging decade of what might have been.

As a politician, Robert Kennedy was less than heroic, and as a hero he was uncomfortable and uncertain. But by the end he was blending in common purpose not just the rich and poor and black and white and young and old that he invoked too often during his last campaign, but toughness and gentleness, and the pragmatic and the uplifting as well.

More than anyone since FDR, he brought people together at the price of driving others away. But in a time of great divisions he brought more people together than any of his contemporaries, and he made more people believe that they could, as he liked to say, "make a difference."

He wanted everyone to see what seemed so obvious to him: that if people couldn't be roused to try to make a difference in the effort to "reclaim" their country, they would make a difference anyway by not trying.

Before and better than anyone else, he understood the realities of power in the United States. Almost alone he saw the nature of the lasoes that were hobbling the machinery of democracy, and he set out to weaken the hobblers and strengthen the hobbled.

And somehow, through all the commotion, he managed to keep growing, to become a presence as well as a politician, an American resource beyond the glitter of mere celebrity. He was the midwife of the uncertain arriving future, trendy, moody, in motion, but he called us as well to the abiding values of stabler times.

The Robert Kennedys enjoyed it when they played together and meant it when they prayed together, and they made us want to enjoy each other and to believe that we could pray together too. Their grace through devastating grief helped everyone with lesser griefs to endure, and Robert Kennedy's words after Martin King's death would turn out to be among those few words whose power increased as their immediacy faded.

And then Robert Kennedy died too, just when the sense of promise that he inspired was overtaking the resentments and suspicions that he aroused. He was getting better as the nation's problems were getting worse, and in retrospect almost everyone would realize that he was needed more than anyone had understood until he was gone.

I was never close to Robert Kennedy. Our relationship was political, and started out in rather adversary circumstances at that. Of the only year I knew him at all well, it would be accurate to say that I spent one half arguing that he should run for president when he wouldn't, and the other half supporting an opponent when he did. Yet he meant more to me, as to so many others, than any other public figure of the time, and the awful fact of his unnatural death will shadow events as long as we are a part of them.

And in that shadow we still struggle with the problem connected to so many others—the problem of how to revive enthusiasm and excite energies, of how a spirit once aborted can be born again. Old battle cries drift back, but they are harder to hear now through the years of My Lai and wheat deals and Elizabeth Ray and Spiro Agnew and Tongsun Park and expletives deleted.

The mind wanders past jaded words, there is not radiance, nothing is clear cut. We have learned that Camelot was not quite Camelot, and that America is neither as innocent nor as easily changed as we once thought. It has become sensible to be cynical.

But anybody who thinks about it knows that it is sensible, too, to remember that greater sophistication is not the same thing as greater wisdom, that an immobilizing cynicism is no cure for what has gone wrong.

And anybody who finds himself wishing on this occasion that Robert Kennedy were still around knows what Robert Kennedy would be saying if he were—knows that we have dallied long enough, and that it is past time to try again to do better, to make a difference; past time to dream again of things as they ought to be, and to ask again why they are not.

Mr. Speaker, will the gentleman yield further?

Mr. JACOBS. I yield to the gentleman from Pennsylvania.

Mr. WALGREN. Mr. Speaker, when I think about all the leaders we have lost since President Kennedy, and wonder what each of these lost people meant to our country and to each of us, it strikes me that others made clear statements of political values and pointed toward policies, causes and goals; that was true of Allard. But, more than some of the others, his determination to keep going, his refusal to despair, the energy of his last 12 years was showing us that, somehow or other, human beings can find the personal strength to overcome deep personal loss and not be stopped or defeated by death. In that sense, he was teaching us by his living example what we must now do.

A poem of Robert Frost's described how bereft we feel.

Where had I heard this wind before
Change like this to deeper roar? . . .
Summer was past and day was past.
Sombre clouds in the west were massed . . .

Something sinister in the tone
Told me my secret must be known;
Word I was in the house alone

Somehow must have gotten abroad,
Word I was in my life alone,
Word I had no one left but God.

Allard Lowenstein was buried on the last day of winter. Now it is spring.

Mr. JACOBS. Mr. Speaker, I thank the gentleman for his contribution.

Mr. Speaker, we mentioned a few moments ago Al's participation in opposing the policy of intervention in Southeast Asia by the United States, a position with which I think most Americans agree now in retrospect, that the United States had done precisely what General MacArthur advised against, that is, to say that the United States had somehow gone into the quicksands of Asia.

There were many public demonstrations in those days and sadly, some of those public demonstrations for peace were not peaceful themselves, but Al believed that any public demonstration for peace which itself was not peaceful was public hypocrisy and he rejected it.

□ 1200

And he caused an awful lot of those demonstrations by young firebrands to be cooler and, I must say, more effective because of it, in the sense of persuading the great jury, the American electorate, the American opinionmakers, to accept those gentle thrusts that throughout recorded history have always proved in the long run to be the effective means for change. It was true of Christ. It was true of Gandhi. It was true of Martin Luther King. The firebrands insisted on violence, the synaptical change immediately, but all of these good people knew that there were at play more than one issue, more than the issue of changing the institutions for people, but also the issue of preserving the people who enjoy those changed institutions—the nonviolent revolution or the nonviolent even evolution.

Al was really not a household word in this country. In fact, he was not a household word in this country right up to the finish. He had that capacity for building so many personal relationships with people all over this country, not in a loud way, but in a very concerned and very personal way.

The reason that Al could do that better than most people is his unlimited physical stamina. He slept not at all. He traveled by night. He helped people. He helped people in the sense of the old song: "And with a smile he turned my tears to laughter." He was that sort of person. Yet at the finish, that huge synagogue in New York was not huge enough to hold the people who cared enough to come that far from all over the United States to mourn this loss.

Everybody that he ever touched in any significant way was in a very real sense Al's best friend. No one of us could claim more or less in our relationships with him. Al believed that "Do as I say, not as I do" would not do as leadership. He led a very humble life. In that sense he was Christlike. In that sense he was Gandhilike. In that sense he was Martin Luther Kinglike. He did not enjoy great possessions. He could have, with a brilliant mind of that kind, been fabulously wealthy if he had chosen that role in life, but he did not.

I am reminded of a line from Pasternak's novel, "Dr. Zhivago," where the extremely popular general rushes by in his armored locomotive, and the peasants shout his name, "Strelnikov!" And one peasant lady turns to the other and says, "They say he eats the same rations as his men." That is the zenith of effective statecraft. That is the zenith of effective parenting. Do not tell the child; show the child by your own example. That is the quintessence of the rabbi, of the teacher, of the person who seeks in us what is best in us, and it is there in all of us and all that we need from time to time is to be reminded to remember, not to forget, that it is there. And when things seem the darkest and the valley the lowest, if someone will come to show the way, as the song says, that person has made the contribution for human happiness.

I think that another one of Al's best friends was Gen. David M. Shoup. The gentleman from California (Mr. McCloskey) knows that General Shoup, the former Commandant of the U.S. Marine Corps, winner of the Medal of Honor at the Battle of Tarawa in World War II, was the first of what Esquire called the "Brass Lambs" in the United States to say that this was folly for us to get in this back alley knife fight in Southeast Asia. A great and powerful nation has more important things to do in terms of its survival and improving the lot of all mankind than engaging itself in a civil war in Southeast Asia. General Shoup said;

We are here to help each other and have a little fun before the end.

That could very well characterize Al Lowenstein's life.

Shelley wrote that the great secret of morals is love; a man or a woman to be greatly good must imagine deeply and comprehensively. He or she must put himself or herself in the place of others, of many others. The pleasures and the pains of the species must become his or her own. This was Al Lowenstein.

Edward R. Murrow said once that the pain from the cut of a little finger would render more sensation to some people than the knowledge that their fellow man is being cut to ribbons elsewhere in the world. Anything that hurt anybody whom Al knew by name or only knew by circumstance hurt him and actuated him to give up another night's sleep. And even though the "woods were lovely, dark, and deep," we would push on those miles that he had to cover before he slept.

I as one Member of the Congress was not always with Al on the issues, but I was always for Al as the human being who could in that famous term in an effective way bring us together.

Mr. MAGUIRE. Mr. Speaker, will the gentleman yield?

Mr. JACOBS. I yield to the gentleman from New Jersey.

Mr. MAGUIRE. I thank the gentleman for yielding again. His comments have prompted a few additional thoughts.

First of all, I think many of us would agree with Senator Alan Cranston when he said yesterday that no other person was more responsible for ending our involvement in Vietnam than Al Lowenstein, and that no other white person in the United States has had more of an impact on civil rights than Al Lowenstein.

I was thinking back to when I was in college in the late 1950's and how, with all the passion and commitment that I had then on a whole series of issues, my thought was that what I wanted to do was get my qualifications in order and move into the institutions of government and policymaking, and that is where one would have the most influence. Of course, in college I participated in various demonstrations, but after college I generally took the approach that carrying placards was not necessarily the best way to influence the system and the decisions that were made within the system.

I learned from Al and from others in those years of the 1960's that there has to be a constant tension between calling the institutions of our system to account from a position of outside criticism and then, on the other hand, taking that passion and commitment into the institutions themselves. I joined in the demonstrations in the 1960's on civil rights and against the war in Vietnam, which the gentleman from Indiana (Mr. JACOBS) referred to a moment ago. I think all of us learned in those years that when the system and its institutions finally are so far from the objectives and the principles that our Nation and our people stand for, some corrections have to be made and some pressures have to be brought to bear, and that it is important to organize to do that.

But Al also understood that it was important to be inside, which is why he so valued being a Member of the Congress of the United States, as the gentleman from Pennsylvania (Mr. WALGREN) pointed out, and why he wanted to continue to work in this body.

So my final additional thought would simply be that Al showed us how important it is in a democracy, particularly in our country, to have a creative tension between a well-thought-out and well-organized critique from outside our institutions of power and to have people on the inside working as hard as they can for those same objectives. This is how our system works best; this is how it can correct itself. I think that is what the gentleman from Indiana (Mr. JACOBS) and the gentleman from Pennsylvania (Mr. WALGREN) and myself—and an awful lot of other Members who now sit in this body—have as part of our intellectual and political backgrounds, and which we owe significantly to Al.

Al had enormous impact on events and on values. He was one of the most important leaders of our time. Cabinet Secretaries, corporation executives, Congressmen and Senators come and go, and maybe some of them have some impact on some things. But few if any individually, and most even if taken together as groups, have had less influence—certainly less positive influence—than did Al. Al helped shape the course of history in the 1960's and 1970's—and hopefully for many years to come.

Mr. JACOBS. I thank the gentleman for his contribution.

Adlai Stevenson wrote of Eleanor Roosevelt:

> She thought of herself as an ugly duckling, but she walked in beauty in the ghettoes of the world.

Al thought of himself really in the same way, and the words that were applied to Mrs. Roosevelt could be applied quite aptly to Al and his life as well.

Al began his career in Washington working for other officeholders and then he became one. And, as most Americans, he wept tears of gratitude as one by one our martyrs came to be by ceasing to be, and then Al became a martyr himself, a civil saint forever.

It is noteworthy that the leaders of our country made it possible for the burial of Al Lowenstein yesterday in Arlington, that he be buried equidistant, as the gentleman from California (Mr. McCLOSKEY) pointed out, from the Eternal Flame with Robert Kennedy.

Mr. WALGREN. Mr. Speaker, will the gentleman yield?

Mr. JACOBS. I yield to the gentleman from Pennsylvania.

Mr. WALGREN. I thank the gentleman for yielding. I have just one thought—and I hate to keep asking to interject. But I was never prouder of my country than of the way they buried Al Lowenstein. Al was buried in Arlington National Cemetery. There was something about the military ceremony, with lone sentries standing at attention interspersed on the hillsides, that symbolized the protection and respect our Nation must and does provide to people who respect reason, peace, and nonviolence. Particularly for somebody who represented to so many people the best quality in a citizen of a democracy. Particularly for someone who stood before groups of young people who had been abused by racial discrimination in the South and who could barely restrain themselves from responding to force with violence and said, as Al did, "Believe in your country."

People should be encouraged to go over to Arlington sometime, especially Members of the House. You can find Al there, immediately to the right of John Kennedy. From that point, there is a clear, unobstructed view of the Capitol. In a very real sense, Al is keeping his eye on the Congress more than Will Rogers could ever have hoped for.

Mr. MAGUIRE. Mr. Speaker, will the gentleman yield?

Mr. JACOBS. I yield to the gentleman from New Jersey.

Mr. MAGUIRE. I thank the gentleman for yielding.

Just very briefly I think it should be said here that DOUG WALGREN, as a Member of Congress and as a friend of Al's, worked with the family, the White House, and the administrator at Arlington National Cemetery in selecting the appropriate and very special site where Al was buried yesterday.

Mr. McCLOSKEY. Mr. Speaker, will the gentleman yield?

Mr. JACOBS. I yield to the gentleman from California.

Mr. McCLOSKEY. I thank the gentleman for yielding.

As some of us were standing at Al Lowenstein's grave yesterday and the military honor guard fired the customary three rounds, followed by taps, there was a little discussion on the question of whether it was appropriate and fitting that a military salute with weapons be used at the burial of a man who had stood for peace and peace advocacy during his entire life. But, as the gentleman from Pennsylvania (Mr. WALGREN) pointed out, I think it was entirely fitting and appropriate that Allard be buried in that manner under the flag of the Nation that he served in peace as the others buried there have served in both peace and war.

I think the idea that that watchful eye across the Potomac, as the rabbi said, would be watching the House of Representatives, and that the House might be a better place because of that watchful eye, could also be extended to the others buried there, to President John Kennedy, his brother Robert, who was buried about the same distance from Jack Kennedy's grave, as Al Lowenstein's grave now occupies. I think we also might recognize that Robert E. Lee's house on that hill represents the eye of one of the great men of peace in America, a man who was also a warrier in his own right, and that the combination of peace and war represented in Arlington Cemetery reminds us of all that is best in this Nation when combined together. I know Allard would be proud indeed to have known that he would share a permanent watch over the Capitol with Robert E. Lee, John Kennedy, and Robert Kennedy.

Mr. JACOBS. I thank the gentleman for his contribution.

Al certainly knew the difference between strength and brutality. Secretary Stimson said on his deathbed, speaking of young people and their quest to do good in life—

> Let them not turn aside from what they must do or think that criticism excuses inaction, for there is good as well as evil, and the young person who works for his or her goal, believing in its eventual attainment, while he may or she may suffer setback, or even disaster, will never know defeat. The only deadly sin I know is cynicism.

In the film "I Never Sang for My Father," these words were spoken at the close:

> Death ends a life, but it does not end a relationship.

Al Lowenstein's relationship with all of those of us who knew him, and all of those of us who will find out about him through his recorded words, will not end so long as each of us continues to live, and because of that we are apt to do some rather good things ourselves now and then.

Our hearts go out to Al's family, to Frankie—who once said, by the way, when Al was gerrymandered out of Congress, "They have rearranged my father's seat"—and Tommy and Kate, and Larry—beloved brother, so proud and so devoted to his brother Al—and to Jenny, and to all of the rest of his family, his mother. And I think that Al would also want us to say at this time that our hearts go out to the family of our dear departed collegaue, John Slack, as well, who was taken from our midst by natural death only hours ago.

Mr. HARKIN. Mr. Speaker, will the gentleman yield?

Mr. JACOBS. I yield to the gentleman from Iowa.

Mr. HARKIN. I thank the gentleman for yielding.

I do not know that I can really add very much to all that has been said here about Al. Like so many thousands of Americans who came to know him and were touched by him, I was also one of those. I will never forget the first time I met Al Lowenstein. I think it might be appropriate to talk about that because it was so in keeping with what he was like as an individual. I remember that I was a staff member here in the Congress. I had gone with a committee to Vietnam, and on that trip with another individual we found the so-called tiger cages as they came to be known. I remember when I came back I was faced with the choice of either letting it become known publicly or keeping it private.

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I decided to go the first route. As a result, of course, I lost my job. I was told by some I would never again work in the House of Representatives.

I remember about a day after that happened I got a phone call from Congressman Lowenstein. I had never met Congressman Lowenstein in my life. He asked me to come to his office, and I did. It was late in the afternoon. He introduced himself, and he said:

> Sit down. Tell me what happened. What did you do over there? What is this all about? I want to find out the truth.

I will never forget that when I was talking with him, he was reaching in one of his closets and pulling out a paper sack. He was reaching in and pulling out a shirt, changing his shirt and getting ready to go someplace else. He was pulling this shirt out of his paper sack and talking to me about this matter.

After that he became a very close friend of mine and a supporter in so many ways during that period in my life.

After that, I went back to Iowa. I will never forget that, running for Congress the first time I ran in 1972, I was campaigning out in my district in western Iowa and I was at a gathering one evening when a farm couple came up to me and said, "We just received a letter from someone we know very closely who really wants to work in your campaign."

The letter was from Al Lowenstein in New York City. It seemed that he had spent a summer working on the farm in the past.

Mr. Speaker, I know that time is running out, but there are two other things I want to mention. I will never forget that when I did not win the election in 1972, one of the first phone calls I got was one from Al telling me not to give up.

After the election that I won in 1974, one of the first calls I got was one from Al. He did not even say, "Congratulations." He said, "We have got to get busy and stop the war in Vietnam. Have you contacted that person? Have you contacted this person or that person? What are you doing, Harkin?"

That is what he was like. He was getting us moving, he was getting us motivated in the right direction.

Mr. Speaker, that is the memory of Al Lowenstein that will always remain with me.

● Mr. OTTINGER. Mr. Speaker, many of us participated in memorial services Tuesday in New York or Wednesday in Washington to pay our last respects to Allard Lowenstein. Today on this floor, we rise to speak in his honor.

We mourn the death of Allard Lowenstein for many reasons: we mourn the senseless death of a man; we mourn the loss of a friend; we mourn the demise of an example to all of us. For Allard Lowenstein was an example of what one man could do with an idea, and a willingness to make that idea his cause.

Allard Lowenstein's cause was human rights; the right of all people to live in peace, both with themselves and with others.

We all remember what Al was able to do with his cause. He was able to inspire thousands to work. He was able to remind us that while we are a government of laws, we are a nation of people; people who should control their own lives and have the power to make those lives better.

Allard was a whirlwind, a dynamo, a one-man organization. At the flick of a telephone, he could get hordes to pursue his causes. He influenced more lives in a day than most will do in a lifetime.

Allard was perhaps foremost a man of peace. His most notable achievement was his prominent role in ending the Vietnam War, but he also contributed greatly toward peace in his U.N. efforts and his work to bring about peace and justice in Africa.

There is a bitter irony that this man of peace should have been gunned down in violence. One memorial we can and must erect in his memory is strict handgun control legislation.

It is particularly ironic that one of Allard Lowenstein's last political acts was his effort to persuade Senator Kennedy to make the need for gun control an issue in this year's Presidential campaign. His own death was the horrible proof that he was right: the registration of guns is hardly enough. Registration merely allows us to know what gun killed Allard Lowenstein and where it came from. What are needed are strong measures to control handguns and their owners.

It is one of the grisly political truths in this country that the adoption of strict gun control laws becomes most likely immediately after the violent death of someone famous. During other times, more comfortable times, we listen to the myths, and if we do not believe them, we do not make the effort to strike them down. Myths tell us that people need handguns to defend themselves. Myths tell us that guns do not kill people, people kill people.

Allard Lowenstein's death reminds us that such notions are nonsense. Allard Lowenstein's death reminds us that while we repeat the myths, more people die, more people are sacrificed to our ignorance.

The fact is that guns kill people. The fact is that when guns are not available, fewer people die. There is no greater cause than the cause of preserving human life.

If the politics of gun control is grisly, then so be it. Let us see that more of our people, great and ordinary, do not die because of the indiscriminate availability of guns. Let us allow Allard Lowenstein one last political cause: the cause of saving lives, and banning the unnecessary possession of weapons that serve only to end lives.●

● Mr. RHODES. Mr. Speaker, the tragic and violent death of our former colleague, Allard Lowenstein, is a reflection on our unsettled times.

Although he served but briefly in the House, he was a nationally recognized figure, who was an activist, and who fought vigorously for the causes in which he believed. He came to symbolize the turbulent era of confusion and social confrontations that characterized the uneasy decade of the 1960's.

I share with my colleagues our shock and regret at this senseless act of violence, and offer my condolences to his family.●

● Mr. EDWARDS of California. Mr. Speaker, I want to express my appreciation to ANDY JACOBS not only for arranging this special order today but also for his moving words both at the New York and the Washington services of our beloved former colleague, Allard Lowenstein. ANDY had a special relationship with Allard, and his eulogies had special qualities that described best this remarkable and creative American.

Of the billions of people who have lived on this Earth, a few leave it a better place. Some are composers, or poets, or painters. We can also include the people who strive to protect the Earth itself, its atmosphere, its water and its plant and animal life.

Once in a great while comes someone who blesses the world with ideas about people treating each other better, about abolishing war, bigotry, and hunger. Allard Lowenstein was one of these rare persons. He not only expressed the ideas, he followed through with programs and actions.

My personal association with Al goes back nearly two decades. In the early sixties, we both were in Mississippi, trying to be of some encouragement to the young men and women who were registering black Americans to vote. Allard was arrested. My son Len and I departed from the freedom house in Macomb 2 hours before it was bombed. I was later national chairman of the Americans for Democratic Action, a job Allard was to hold a few years later.

Throughout these many years, Allard was an inspiration to me and also a dear friend. It was always comforting to know that somewhere out there, in Europe, Africa, Asia, or in our own country, Allard Lowenstein was there—indefatigable, nonviolent, articulate—working for a better present and future for men and women, everywhere in this world.●

● Mr. BARNES. Mr. Speaker, I rise in tribute to a friend, a friend with whom I shared a few personal experiences, a friend with whom I shared many dreams and convictions. I mourn the loss of Al Lowenstein and the denial to our country and the world of one of humanity's most ardent believers in democracy, liberty, and the value of every human being.

Al Lowenstein now is buried among our Nation's heroes. The memorial services have been held. The moisture in our eyes is drying. Life goes on.

But our colleague, the gentleman from California (Mr. McCLOSKEY), on Tuesday challenged each of us, as living memorials to Al, to choose just one of his causes to now retain as our own, so that from the hundreds of pebbles which Al Lowenstein tossed into the pond, all of the ripples will continue to spread.

I join with Mr. McCLOSKEY in embracing one particular cause which, if only we had triumphed in it earlier, would have left Al Lowenstein alive today. And Robert Kennedy. And thousands of other Americans, great leaders and everyday people, who have fallen victim to the insanity of violent impulse. I am so terribly angry, Mr. Speaker, that once again a whole nation mourns a loss, and shares in the grief which scores of families suffer every day, because this Nation invites its citizens to pick up a gun and murder their friend or their neighbor or their parent or their child, and we call this invitation a constitutional right and liberty. Murder is no right. And violence on impulse or by the unstable or the deranged is no liberty. To make handguns so readily available, and to thus encourage their concealment and their use as an expression of anger, of crime, or of politics, is neither freedom nor democracy. It is anarchy.●

● Mr. CONYERS. Mr. Speaker, Allard Lowenstein was a rare human being. His lifelong vocation was service in the public interest, particularly in behalf of those citizens who through no fault of their own were placed at a disadvantage by history and society. His mission was the pursuit of justice, whether he was marching for civil rights for black Americans, defending the rights of working men and women, or organizing the citizen movement to put an end to American involvement in Vietnam. He never slowed down or gave up. On the contrary, he provided leadership over a generation. Allard was cut from the same cloth as Dr. Martin Luther King, Jr., whom he worked with closely throughout the civil rights movement.

Allard Lowenstein's life and spirit were best characterized by remarks of the late Senator Robert Kennedy to South African students in Cape Town in 1966:

> Let no one be discouraged by the belief that there is nothing one man or one woman can do . . . (because) from numberless diverse acts of human courage the history of man is written.

Allard represented the best there is in public life.●

● Mr. DIGGS. Mr. Speaker, a man who cared is dead, and the world is poorer for it. Al Lowenstein, who served as a Member of the House from New York, and who committed his life to the betterment of others' lives, has been tragically and senselessly slain. I join with my colleagues in expressing my shock and sorrow to Al's family, to his friends and supporters around the country and around the world.●

● Mr. DRINAN. Mr. Speaker, every Member in this body laments the tragic passing of Allard K. Lowenstein. Al left us a legacy of accomplishments and restlessness which will continue to spur our conscience for a long, long time to come.

Al Lowenstein graduated from the University of North Carolina and Yale Law School. He became a member of the faculty of Stanford University and from time to time lectured at the New School of Social Research in New York, the John F. Kennedy School of Government at Harvard, and the Yale School of Urban Studies.

He was a special assistant to Senator Frank C. Graham in 1949 and was a foreign policy assistant to Senator Hubert Humphrey in 1959.

At almost every moment of his life, Al Lowenstein represented a driving force to bring about a better world. His voice and his vision will be missed by all of those who had deep affection and admiration for him.

Just a few hours before he died, Allard Lowenstein offered advice to people in New York State that they should not forget the urgency of enacting gun control laws. He specifically mentioned the Kennedy-Rodino bill. It is tragic and ironic beyond description that Allard K. Lowenstein was fatally shot in his office by a man who, if the Kennedy-Rodino bill had been the law of the land, would not have been able to purchase his pistol in a Connecticut gun shop using a driver's license for identification. One provision of the Kennedy-Rodino bill would authorize the police to block the sale of handguns to persons with a history of mental disorder—as was true in the instance of the assailant of Al Lowenstein.

Al Lowenstein was a crusader almost in the old-fashioned sense for scores of causes. His death by violence hopefully may serve to remind all of us that the United States is the only industrial society in the entire world that lacks effective national controls on the sale of firearms.●

● Mr. MAZZOLI. Mr. Speaker, I did not have the pleasure of serving in the House with Al Lowenstein. However, I have long known of his many activities in the political sector.

His brand of commitment to a cause, of determination to see a battle through and of compassion for those whom society has all too often ignored will be missed, Mr. Speaker.

I join with all my colleagues in extending to Al's children and family sincerest condolences and sympathies.●

A TRIBUTE TO THE LATE HONORABLE ALLARD K. LOWENSTEIN—THE NEED FOR GUN CONTROL LEGISLATION

(Mr. McCLOSKEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks, and include extraneous matter.)

Mr. McCLOSKEY. Mr. Speaker, I want to put in the record the eulogy that I was privileged to give for Al Lowenstein in New York on Tuesday, and I would like to add one thing to the remarks that have gone before.

Mr. Speaker, it seems to me that one of the great creative achievements of this Congress was in 1964 when, following the death by assassination of President John Kennedy in 1963, we finally enacted the great civil rights legislation of 1964, followed by the Voting Rights Act of 1965.

I would hope that with the stimulation of the death of Allard Lowenstein, the House of Representatives might now push ahead finally with handgun control legislation so that we might in 1980 add a fitting memorial to Al's presence among us.

He was a man who caused us all to be prouder of our service in this House and who in debate on the floor of this House was able to change rancor and bitterness and harshness into reasoned debate on more than one occasion.

Mr. Speaker, I think the legislation to which I referred might be a fitting memorial to our colleague.

Mr. Speaker, the eulogy to which I referred is included as follows:

ON AL LOWENSTEIN'S DEATH, CENTRAL SYNAGOGUE, NEW YORK CITY, MARCH 18, 1980

In forty years of study and reverence for American history, the words of five men have moved me more deeply than most. One of them we honor today.

In 1865, Abraham Lincoln used the phrase: "With malice towards none and charity for all . . ." Those words pretty well represented Al's philosophy of life.

In 1874, Oliver Wendell Holmes, Jr. suggested: "A man should share the action and passion of his time at peril of being judged not to have lived. . . ." Al did that.

In 1961, President Kennedy, in his inaugural address called for a concept of service to one's country, and a duty to offer that service. Al recognized that duty.

In 1966, in Capetown, South Africa, Bobby Kennedy said that "Many of the world's great movements of thought and action, have flowed from the work of a single man. . . . Few will have the greatness to bend history itself, but each of us can work to change a small portion of events. . . .

"Each time a man stands up for an ideal, or acts to improve the lot of others, or strikes out against injustice, he sends forth a tiny ripple of hope. . . ."

In the snows of New Hampshire a few days ago (each of us, as usual, working in difficult causes, if not hopeless causes), I spoke to Al about those words of Bobby Kennedy in Capetown, and the inspiration I had taken from them. He grinned and said that he had helped a little with their preparation.

Indeed, those words fairly well represent Al's service to us all.

I don't have many similar quotations from Al, but his words and actions have affected me as deeply as those of Lincoln and Holmes and John and Robert Kennedy.

Al's words of love and peace and forbearance were uttered in a hundred places where I was present—asking people to have faith in our system, to work within that system, in peace rather than with violence.

I recall one occasion on the House floor during the height of the Viet Nam War when shooting had broken out on a small rural college in Tennessee. A student veteran of the Civil Rights movement had called Al and told him that he alone might be able to cause the students to renounce retaliation and the police to forbear from further violence.

In the last hours of the evening of a long day of particularly angry and frustrating debate, with a similar day to follow, Al came over to me and said, "Pete, there's a plane leaving for Memphis in half an hour. We can take a bus from there and reach the campus by 2 in the morning. Will you come with me to see if we can calm things down?" I begged off. The work of the Congress and the fatigue of the trip seemed too much.

Al went. He tried. There was no good cause in my memory that Al would not espouse. There was no place he wouldn't go, no discomfort he wouldn't cheerfully bear, if he would bring good will and quiet advocacy to bear on a choice between national alternatives and violence.

I remember a particularly bitter debate on the House floor in those days when there were no more than a handful of Members questioning our policy in Viet Nam. Feelings were running high.

There were harsh words from Republicans and even harsher criticism from some of the great orators we then had on the Democratic side.

At the height of the bitterness, Al a freshman, took the podium, and rather quietly remarked that the proudest achievement of his life was to be a Member of the House of Representatives.

For a moment, the House was hushed. Al had managed to touch the best in each of us. For a moment we were able to remember the privilege of public service . . . of being participants in the American political system . . . that there might be a duty of reasoned debate to accompany that privilege. The House chamber became a better place.

The tragedy of Al's death is not in our grief . . . it is in the realization that the rest of us who were privileged to know him are finally brought face to face with our own failures to live up to his example.

There are causes we have set aside . . . battles we should have fought, but have not . . . political issues we have shied away from because they were painful . . . something Al never did.

If there were ever a gentle warrior in our midst, it was Al Lowenstein. If there were ever a warrior who battled fiercely but loved and did not hate his enemy, it was Allard.

His friend, Don Riegel, called me last night to suggest we remember that there's a lot of Al Lowenstein that is alive and well today, in each of us who knew him and the millions who cannot be here, but who took faith and hope from Al during his lifetime.

I think Don is right. I think we will all act for a time with a sense of duty to participate in at least one of the causes for which Al gave his best. In my case, it will be to try and finally curb handguns. Others may choose differently, but it seems to me it is time to end the wide and uncontrolled possession of lethal weapons that can be concealed on the person. Al once asked me: "How many great leaders do we have to lose to a deranged person because we retain this romantic nostalgia for wild west days when the handgun was carried openly to settle disputes, and when right and wrong seemed easier to discern?"

I would not raise this issue at a gathering of friends who loved Al Lowenstein but for the certain knowledge that Al would want us to go forth from this holy place with passion and commitment rather than with sadness.

His service to us in life was to motivate us to do our best rather than the mediocre . . . most of all, to participate rather than to stand aside. In justice to his memory and the priceless gifts he left us, his friendship, his support and his love, I hope each of us can carry on Al's tradition of choosing the hard fights and making them with faith, love and good humor.

We can't replace Al, but we can try to live up to his example.

TRIBUTE TO JIM LEA

(Mr. ICHORD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ICHORD. Mr. Speaker. I regret that I missed the opportunity earlier in the session to pay tribute to one of the House's most dedicated and loyal employees, James W. Lea, upon his retirement, after 25 years of distinguished service as Clerk of Official Reporters of Debates. I rise to rectify my omission.

No institution could have had a finer employee than Jim Lea and we all cherish the wonderful memories of our times together in this Chamber, tempestuous and irritating though they have sometimes been. Jim Lea was one of those people who insured that an institution like this runs smoothly and efficiently and he demonstrated remarkable patience and wisdom throughout his tenure here. I have been in this House almost as long as Jim served it and I know how much help he was to all of the Members, freshmen and veterans alike. Many of the younger Members have expressed their gratitude for his advice and counsel when they began their service here.

Most of all, those of us who knew him well will miss Jim's splendid sense of humor and catalog of anecdotes. Maybe what most troubles our political dialog is the lack of a sense of proportion so often provided by high good humor. This Jim possessed in abundance. It is what that House will miss most of all about this most dedicated of public servants, who not only served his Government with loyalty and distinction, but who also served his Nation at a time of maximum peril, during World War. To men like Jim Lea, this Nation is in its eternal debt.

Beyond restating our institutional gratitude to Jim, Mr. Speaker, may I also express my own deep personal friendship to him. With all sincerity I can say that the times we have shared together have been among the highlights of my congressional career. No one will miss Jim more than I and I wish him every happiness and satisfaction during what I hope will be a long and healthful retirement.

INTRODUCTION OF A BILL: TO REVITALIZE MARITIME POLICY, REORGANIZE CERTAIN GOVERNMENT AGENCIES, AND REFORM REGULATION OF MARITIME AFFAIRS IN THE UNITED STATES

(Mr. MURPHY of New York asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

● Mr. MURPHY of New York. Mr. Speaker, today I, along with Congressmen McCLOSKEY and SNYDER and other colleagues are pleased to introduce a revised version of the omnibus maritime bill, formerly H.R. 4769. This is the most comprehensive initiative on maritime legislation since 1936, and it promises to trigger a major debate on national maritime policy.

Dramatic action is required. Recent years have witnessed a severe erosion of the Nation's martime strength. Despite substantial Federal assistance, one major shipyard has recently been closed and over half of the remaining major yards may face closure in the mid-1980's. U.S.-flag ship operators are faring no better. U.S.-flag ships now carry less than 5 percent of our Nation's foreign commerce. Two of our major liner operators have gone bankrupt since 1978 and more are facing that prospect in the coming years. The continual erosion of our maritime strength creates balance-of-payments problems, reduces maritime employment and dramatically affects our national security posture.

Alarming testimony by military experts before the Merchant Marine and Fisheries Committee has established that the United States is incapable of supporting its overseas military commitments with its present fleet. This bill presents an opportunity to reverse this intolerable state of affairs with decisive congressional action this year.

In these days of high inflation it is imperative that we be mindful of the cost of Government programs, and I believe that this legislation is compatible with the "cost-conscious" environment in which we must legislate.

Before discussing what this package will do, let me emphasize for a moment what it does not do.

This is, first and foremost, not an authorization bill which will authorize any appropriations. In fact, its effective date will be January 1, 1981.

Second, any outlays ultimately programed under its provisions will be subject to the fiscal "brake," if you will, of the annual executive/budget and legislative/appropriations processes.

The omnibus maritime bill does contemplate enough subsidized ship construction to maintain our shipyard mobilization base and an ultimate increase in the subsidized merchant fleet. Under optimal circumstances, these desperately needed improvements will not occur for several years. Consequently, short-term Federal costs will be minimal. In the interim, annual maritime appropriations will increase marginally.

In short, this is emphatically not an expensive new program to prime the subsidy pump. It is, however, an ambitious, bipartisan attempt to streamline and improve existing programs originally developed during World War I (the Shipping Act of 1916) and the Great Depression (the Merchant Marine Act of 1936).

SUMMARY OF TITLE II

Title II of the omnibus maritime bill is the first major revision of the laws which regulate our maritime trades in 64 years. This title will help to improve our trade and international relationships by modernizing our laws so that they conform with the prevailing practices of our trading partners.

During the past 64 years, the international liner industry has changed due to new technology, particularly containerization. Many different nations with varying economic motives serve our trades. Our efforts to maintain order by having limited unclear antitrust immunity for conferences and having the Federal Maritime Commission approve every conference agreement has led to unacceptable delays and confusion.

Title II of the omnibus maritime bill clearly outlines the extent of antitrust exemptions.

The Federal Maritime Commission is given the power to oversee these exemptions and to act as an independent regulatory body. Under the new provisions, agreements are presumed approved unless the FMC disapproves them within 2 months.

Carriers are authorized to organize and rationalize services within conferences. These strong liner conferences are counterbalanced by the authorization of shippers' councils which can bargain collectively on general rate levels and practices. In this manner, excessive Government regulation is supplanted by commercial negotiation.

Expedited procedures for filing and hearings before the FMC will minimize delay and avoid the current cumbersome process.

Ports are specifically authorized to be kept informed of new conference agreements that may affect them and to intervene in such proceedings.

The present provisions of the controlled carrier bill, which was enacted to prevent predatory shipping practices by Eastern bloc nonmarket-oriented liner fleets, have been included.

A specific list of prohibited and unfair shipping practices is provided for carriers, shippers, and freight forwarders. The FMC is provided with authority to award reparations to persons injured and enforce any violations with appropriate civil penalties. Within liner conferences there is reserved the right of independent action.

Conferences must engage independent neutral bodies to police their member lines obligations under the conference agreement. Both freight forwarders and nonvessel-operating common carriers will require licensing and bonding by the FMC.

This bill reflects the committee's resolve to establish a regulatory maritime policy that will work and endure.

The promotional features of the omnibus bill address the observed failure of our current subsidy program by minimizing, wherever possible, the strictures which are placed upon U.S. operators by our differential subsidy system. The bill recognizes the great disparity between the aids, both overt and hidden, given to shipbuilders and ship operators in other countries and aids given U.S. shipbuilders and operators.

In order to raise our fleet from its current dismal position, we allow, for the first time, the acquisition of foreign-built vessels, under certain limited conditions and allow for subsidy in the operation of those vessels. To carry strategic raw materials, more than 79 of which must be imported by ocean carriage, we encourage the growth of the bulk fleet by easing the restrictions on granting operating subsidy for new and used bulk tonnage which is of foreign construction. At the same time, the omnibus bill strengthens the economic structure of our vital shipbuilding industry by measuring the construction differential subsidy against the true costs of construction of ships in foreign yards.

Governments are increasingly intruding into commercial maritime arrangements. We have seen bilaterals stuck between nations which eliminate all competition on the high seas. UNCTAD has developed a Code of Lines Conduct which would, among other things, divide cargo carriage among trading partners, leaving a small share for the competitive cross-trader.

The omnibus maritime bill reiterates the proposition that cargo reservation is not favored and provides for negotiation, wherever possible, to reverse or mitigate action by other nations which would eliminate competition. In the event such negotiations are unsuccessful, this legislation provides the mechanisms to protect U.S. interests in accordance with U.S. policies and international law.

Central to the philosophy behind the provisions of this legislation is the premise that with a healthy fleet, unhampered by unnecessary Government intrusion, the need for subsidy by either builder or operator, will diminish. It is the sincere belief of the authors that by the turn of the century our subsidy system need only be a standby to insure that in time of emergency our fleet and the shipyard mobilization base will be available.

There are essentially three tax proposals in the bill. First, we seek accelerated depreciation for ships, 5 years in the case of an American-built ship and 10 years with respect to a foreign-built vessel. Second, we would encourage the availability of a full investment tax credit for ships. Finally, we would permit earnings from foreign vessels under American ownership to be deposited in the tax deferral account known as the Capital Construction Fund.

H.R. 3829 CONFEREES SELL OUT HOUSE SPENDING CUTS

(Mr. BAUMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BAUMAN. Mr. Speaker, in all the talk about balancing budgets and cutting back on retirement benefits and social security in order to bring our economic house in order, I have not heard one of the so-called new leaders of the balanced budget movement say anything about cutting foreign aid, not one word about reducing the billions for foreign aid.

Last week this House in a rare display of good judgment cut $2.5 billion off the international lending institution bill, H.R. 3829, and on rollcall votes the amendments to reduce spending passed by a very healthy majority. The conferees did not even pay lip service to the House action; they simply restored every last dollar to the bill so that no cut was made and they weakened restrictions imposed by the House. This to me is a breach of faith with the House of Representatives. Some of us are going to use every parliamentary device at our command to make sure that those who disregard the will of the House are put on record so the people will know where budget cuts ought to be made and who prevents them.

At this point I include an analysis of the conference action which clearly shows how the House position was abandoned.

Changes made by the conferees to amendments adopted on the floor of the House are as follows:

First, Ashbrook amendment as amended by the Cavanaugh amendment, prohibiting the use of funds authorized for the Inter-American Bank for any form of assistance to any nonmember nation. The conferees retained this amendment with the proviso that loans can still be made to the Caribbean Development Bank. Cuba is not a member of this bank at this time.

Second, Bauman amendment reducing the authorization for the U.S. contribution to the Inter-American Bank and the Fund for Special Operations by $1.2 billion. The conferees restored full funding.

Third, Wolff amendment that directs the President to encourage other countries to support and contribute to a special refugee fund administered by the Asian Development Bank. The conferees altered this provision to simply provide for a feasibility study.

Fourth, Rousselot amendment reducing the authorization for the U.S. contribution to the Asian Development Fund. The conferees restored full funding.

Fifth, Solomon amendment prohibiting payments to the Asian Development Bank if Taiwan is excluded from membership. The conferees altered this provision to simply state the sense of the Congress.

Sixth, Committee amendment requiring the President to direct the U.S. Governors to formerly propose for adoption an amendment to the Articles of Agreement of their respective institutions, to establish human rights standards to be considered in connection with each application for assistance. The conferees changed this provision to require that the Governors consult with other Governors rather than actually propose an amendment.

Seventh, Long of Maryland amendment requiring the United States, through its voice on the various banks, to encourage the banks to promote the development of renewable energy resources. This provision was unchanged by the conferees.

DOES THE NATIONAL DEBT REALLY MATTER?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. COLLINS) is recognized for 15 minutes.

Mr. COLLINS of Texas. Mr. Speaker, we often hear from liberal economists that our ever-increasing national debt really does not matter, as we can just keep on rolling it over and will never have to face up to paying it. Let us look at the record and examine the real effect of our escalating national debt.

The official debt, as amended by the OMB, is estimated at about $16 billion for President Carter's new budget. That is steep enough, but when you figure in all of the projected outlays and "off-budget" areas, we find that the actual Federal funds deficit will be closer to $50 billion.

Actually, any deficit at all in the 1981 budget will be plainly illegal, as a direct violation of Public Law 95-435, which President Carter signed into law on October 10, 1978. The law stated:

> Beginning with fiscal year 1981, the total budget outlays of the Federal Government shall not exceed its receipts.

Right now President Carter is preparing to break that law, and with his 1981 deficit will raise our gross national debt to an estimated $939 billion. If the trend continues, our debt will top $1 trillion within the next year or two.

We can understand how badly the debt has shot up when we compare this $939 billion projection with America's past fiscal history. In 1916 the debt was still only $1 billion; it rose to $25 billion during World War I, then was reduced down to $17 billion under the succeeding three Republican administrations. F. D. R.'s New Deal brought it up to $51 billion in 1940, and it rose to $271 billion in 1946 after fighting a full-scale world war for 4 years.

It took 24 years, from 1946 to 1970, for that postwar debt to increase another $100 billion, an average increase of only $4 billion a year. But in the 10 years since 1970 we have added $550 billion more—an average increase of over $50 billion per year with the big-spending Congresses of the past decade.

Now what effect do these deficits have on the average American citizen? Interest alone on the national debt will come to over $80 billion next year, and that certainly does affect the taxpayer—in fact, it increases his Federal individual and corporate income tax bill.

An even greater effect of the national debt on the average citizen comes through its contribution to inflation. This occurs because the massive debt must be financed by equally massive equity borrowing. Next year, the Government will require not only $50 billion to finance new debt, but also more than $200 billion to roll over old debt.

There are two basic ways that the Government can finance these annual shortfalls. First, it can enter the private sector credit market and soak the $250 billion off the top, thus driving up interest rates drastically due to the scarcity of credit for private enterprise. Few politicians are ready to take the blame for worsening a recession by doing that.

So instead, they usually take the second option. The Federal Reserve Board authorizes an increase in the basic money supply to cover the shortfalls. They just turn on the printing presses and let a few hundred billion in new greenbacks come rolling out, resulting in massive inflation. Then the same liberal economists who began by saying that "deficits don't matter" now rush to the scene and solemnly discuss the need to face up to the crisis with wage and price controls, which have never worked in human history, going all the way back to Hammurabi and Diocletian.

The national debt does matter; Thomas Jefferson put it best over 150 years ago:

> To preserve our independence, we must not let our rulers load us with perpetual debt. We must make our election between economy and liberty, or profusion and servitude. If we run into such debts, we must be taxed in our meat and in our drink, in our necessities and our comforts, in our labors and our amusements, for our callings and our creeds, as the people of England are, then our people, like them, must come to labor sixteen hours in the twenty-four, and give the earnings of fifteen of these to the government for their debts and daily expenses . . . this is the tendency of all human governments . . . the fore horse of this frightful team is public debt. Taxation follows that, and in its train wretchedness and oppression.

The true answer today is neither the cure of invading the private credit market to drive up interest rates, nor the cure of printing more money to increase inflation. The answer is prevention in the first place, by beginning with a balanced budget.

To reduce inflation and reduce interest rates we must go back to the source, and put the Government's fiscal house in order by eliminating the increases in our national debt.

HANDGUN CONTROL ESSENTIAL TO LAWFUL SOCIETY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. PORTER) is recognized for 5 minutes.

Mr. PORTER. Mr. Speaker, I have today introduced legislation to control the proliferation of handguns in the United States. The vast majority of the American people recognize that violent crime in our country is out of control. Handgun murders have increased year after year without any response by the Congress.

Mr. Speaker, we profess to be a country dedicated to the rule of law and governed by majority rule and yet we have the highest level of violent crime of almost any country, and a small, but vocal minority has repeatedly thwarted any action in this area even though it is clearly supported by the majority.

The legislation I have introduced is realistic, practical, and possible of enforcement. It does not seek to register handguns, nor to confiscate those in existence, nor to make handgun ownership unlawful. All of these approaches are, in my judgment, not practical and would result either in another costly and useless bureaucracy or simply place another law on the books impossible of general enforcement. The legislation I have introduced rather seeks to end trafficking in handguns by banning their manufacture, sale, and importation. Exceptions are made for police and military purposes.

Mr. Speaker, no handgun legislation will change crime statistics overnight. Rather it will make a national statement that we really are committed to the rule of law and violent crime will no longer be tolerated in civilized society. This legislation will make that statement and ultimately reduce the number and availability of handguns.

Handgun legislation, alone, of course, is not enough. State and Federal laws providing for mandatory additional penalties for crimes committed with handguns or, indeed, with any deadly weapon, are also necessary. In addition, and probably most importantly, it is essential that all levels of government select judges who view the killing or maiming of a human being with a handgun or other deadly weapon as a matter so serious that the perpetrator receives the most serious form of punishment. Each of these approaches is essential.

The legislation I have introduced today is a small, but important part of the whole concept that our society must reject violent crime and embrace the rule of law as the basis of our conduct and interaction.

Mr. McCLOSKEY. Mr. Speaker, will the gentleman yield?

Mr. PORTER. I yield to the gentleman from California.

Mr. McCLOSKEY. Mr. Speaker, I want to commend the gentleman from Illinois (Mr. PORTER) for the statements he has just expressed and say also that in view of the dialog that preceded his discussion, the gentleman from Illinois, who is our newest Member, may have the privilege of having the first hearings before the House, because a number of us are going to try to ask the chairman of the Committee on the Judiciary, the gentleman from New Jersey (Mr. RODINO), to immediately hold hearings on handgun legislation. I hope the gentleman from Illinois will be primary among those who will participate.

Mr. PORTER. Mr. Speaker, I thank the gentleman from California (Mr. McCLOSKEY), and I look forward to that opportunity.

PERMISSION FOR COMMITTEE ON MERCHANT MARINE AND FISHERIES TO HAVE UNTIL MIDNIGHT TOMORROW, FRIDAY, MARCH 21, 1980, TO FILE REPORT ON H.R. 6554, THE MARITIME ADMINISTRATION AUTHORIZATION BILL

Mr. McCLOSKEY. Mr. Speaker, I ask unanimous consent, on behalf of the majority, that the Committee on Merchant Marine and Fisheries may have until midnight tomorrow, Friday, March 21, 1980, to file a report on H.R. 6554, the Maritime Administration authorization bill.

Mr. Speaker, as the ranking minority member, I am pleased to make this request and join in the request.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

MARCH 20—AGRICULTURE DAY 1980

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington (Mr. FOLEY) is recognized for 60 minutes.

● Mr. FOLEY. Mr. Speaker, today is March 20—"Agriculture Day, 1980."

Local communities all across the country are sponsoring special activities to salute agriculture's many essential contributions to the Nation. It is a special day for all Americans to recognize and pay tribute to bedrock of the U.S. economy.

I would like to draw my colleagues attention especially to a new program being coordinated by the Agriculture Council of America (ACA) and the Agriculture Day Foundation. It is a nationwide educational effort to communicate an important point too often missed in our society: America is the world's superpower of food.

People from all walks of life are invited to participate. The program offers a complete format and a wide range of materials to communicate the facts effectively about U.S. agriculture. Already, sponsors include a growing number of individual farmers and ranchers, agribusiness employees, local farm businessmen, farm and commodity organizations, and national agribusiness firms. They are taking a positive step together to speak with a unified voice to the American people.

The centerpiece of the program is called the Food Globe—a unique disk with a dial top that compares the food performance of the United States with major nations around the world. I do not know of a more fascinating way to learn that the United States is No. 1 in agriculture around the world. Let us look at a few of the comparisons the "Globe" features:

The typical Russian works 60 minutes to earn a pound of beef to just 16 minutes for an American.

Sixty-five percent of India's population is involved in agriculture, compared to only 2 percent in the United States.

The U.S. net food trade balance—exports over imports—exceeds Japan's, whose total economy consistently records a large net surplus, by $28 billion.

The "Globe" is just one of many creative materials being offered by ACA to the public. They are all designed for effective and practical implementation at the community level.

I would like to commend everyone involved in this fine effort. With double-digit inflation causing so much uncertainty in our economy, it is time to vigorously promote on the real basic strengths of our Nation. Every American can and should be proud of this country's unparalleled record in food performance which gives us a solid foundation to build for the future.

In closing, I would like to mention that our office is getting personally involved in this effort, and I strongly encourage my colleagues to do so as well. We are featuring the "How high is your agricultural IQ" in our newsletter to build better understanding among constituents. The test like the rest of the program provides a much needed framework for the American people to learn about agriculture—the industry that means so much to our Nation's past, present, and future.

LETTER FROM THE TRUTH ABOUT ROMANIA COMMITTEE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. STRATTON) is recognized for 5 minutes.

● Mr. STRATTON. Mr. Speaker, I am inserting in the RECORD a letter written by the Truth About Romania Committee to the Permanent Representative of the Soviet Union to the United Nations protesting the continued annexation of three provinces in the Soviet Union.

I believe that although the letter was sent out some weeks ago, its basic philosophy is still pertinent, and merits the attention and consideration of Members of the Congress.

TRUTH ABOUT ROMANIA
COMMITTEE,
New York, N.Y., March 31, 1979.

H. E. Mr. OLEG ALEKSANDROVICH TROYANOVSKY,
Ambassador Extraordinary and Plenipotentiary, Permanent Representative of the U.S.S.R. to the United Nations, New York, N.Y.

Mr. AMBASSADOR: The Romanian Community of Greater New York is demonstrating to protest the forcible annexation by your country, the Soviet Union, of three Romanian provinces inhabited by over 3½ million Romanians and to re-assert the rights of these people to self-determination.

You will certainly recall that on June 26, 1940, your government, taking advantage of the turbulent situation then prevailing in Europe, addressed an ultimatum to Romania demanding the cession, within four days, of the Romanian provinces of Bessarabia, Northern Bukovna and the Hertza district. Without awaiting the reply of the Romanian government, the Soviet armed forces invaded these territories the next day. Romanian troops were disarmed and the civilian population was prevented from fleeing.

This brutal and unprovoked act of aggression was devoid of any historic or ethnic justification. It was the direct consequence of the Non-Aggression Pact Stalin and Hitler concluded on August 23, 1939. By a secret protocol appended to the Pact, the two powers bearing responsibility for the outbreak of World War II, partitioned Poland and the Baltic countries. Germany declared herself disinterested in the fate of Bessarabia, while the Soviets affirmed their own interest in these Romanian lands.

France and Great Britain had given a guarantee to Romania, but were no longer in a position to honor it: France lay prostrate and Britain was in the process of evacuating its last troops from the continent. These were the conditions in which a whole province (Bessarabia), half of another (Bukovina) and the district of Hertza involuntarily came under Soviet rule. These were overwhelmingly Romanian inhabited territories. They had formed the eastern half of the Principality of Moldavia from its very beginnings in the 14th century.

Following the incorporation of these lands, the Soviet Government undertook a brutal drive to russify its inhabitants. The Cyrillic (Russian) alphabet was substituted for the Latin in order to render more difficult the contact of the younger generation with Romanian culture; ancestral customs were prohibited; cultural ties with Romania were broken; hundreds of thousands of Romanians were deported to distant areas of the USSR, while other nationality groups were brought in to replace them.

The rape of Bessarabia, Northern Bukovina and the Hertza region stands out as an undeniable example of Soviet imperialism, of Soviet callousness toward weaker nations and, in the post-World War II years, of Soviet brutality in dealings with other "socialist" states. It stands as a permanent indictment of the Soviet rulers and their propagandistic slogans "about peace" and friendship among peoples."

Americans of Romanian descent and Romanians residing in the U.S. strongly protest the continued colonialist subjugation of 3.5 million Romanians of Bessarabia, N. Bukovina and the Hertza region. They demand that the Soviet Government respect:

1. The 1711 Treaty of Lutzk betwen Tsar Peter the Great and Dimitrie Cantemir, ruler of Moldavia by which the river Nistru (Dniester) was recognized as the border between the Russian Empire and the Principality of Moldavia;

2. The decision of the freely elected representatives of the people of Bessarabia which on March 27, 1918 proclaimed that "by virtue of historic and national rights and on the basis of the principle that every people has the right to determine its fate, hereafter and forever unites with the Mother Country, Romania"; as well as the similar decision taken by the duly authorized representatives of Bukovina, on November 15, 1918;

3. The Declaration of the Ukrainian Rada of June 26, 1919, which recognizes the river Nistru as the final border with Romania;

4. The Charter of the United Nations which sets forth the fundamental right of people to self-determination (Chapter I, article 1, para. 2).

We believe to be speaking for the silenced people of Romania in declaring:

That the Romanian people never recognized and shall never recognize the incorporation of Bessarabia, North Bukovina and the Hertza region by the Soviet Union;

That the only way to redress the injustice inflicted on the Romanian people is to restore to the people of the aforelisted lands the full exercise of their human rights including self-determination;

That there can be no friendly relations between the Romanian and Russian peoples as long as justice is not done.

ROMANIAN COMMUNITY IN NEW YORK.●

FAILURE TO APPOINT SPECIAL PROSECUTOR TO INVESTIGATE VIOLATIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. HOLTZMAN) is recognized for 5 minutes.

● Ms. HOLTZMAN. Mr. Speaker, on February 13, 1980, I wrote Attorney General Benjamin Civiletti urging him to appoint a special prosecutor to investigate Treasury Secretary G. William Miller's possible involvement in violations of Federal criminal law. Allegations made by the Securities and Exchange Commission in its complaint and consent decree involving Textron, Inc., raise the possibility that Mr. Miller may have committed perjury before the Senate or violated securities laws because of a failure to disclose overseas bribery and kickbacks by Textron.

On March 11, 1980, the Attorney General refused to appoint a special prosecutor. I am very disappointed by the

Attorney General's response and his reasoning. He had used a loophole in the special prosecutor legislation to avoid appointing an independent prosecutor. He said that the act does not apply because all information regarding possible criminal violations was known to the Department of Justice before the effective date of the act or before the 6-month transition period. Therefore, he asserts, he is "without statutory authority" to appoint a special prosecutor.

This is no answer. In fact, the Attorney General has the power to appoint a special prosecutor under preexisting law, as was done during Watergate when Archibald Cox was appointed. Another option open to the Attorney General is appointing a "special counsel" as was done to investigate President Carter's warehouse dealings.

The Carter administration ought to be assuring the public that when Cabinet officials are involved in wrongdoing, justice will be done. Who will believe, in an election year, that one political appointee can impartially investigate another political appointee? Secretary Miller can only be cleared by an independent prosecutor. I urge the Attorney General to reconsider his decision.

The text of my letter to the Attorney General and his response follow:

House of Representatives,
Washington, D.C., February 13, 1980.
Mr. Benjamin Civiletti,
Attorney General, Department of Justice, Washington, D.C.

Dear Mr. Attorney General: Allegations made by the Securities and Exchange Commission in a complaint and consent decree involving Textron Inc. have raised serious questions about Treasury Secretary G. William Miller's possible involvement in violations of federal criminal law.

The SEC alleged, and Textron did not deny, that between 1971 and 1978, when Secretary Miller was first president and then chairman of Textron, the company expended at least $5.4 million in bribery and kickbacks overseas. Although such payments were not in themselves illegal at that time, it is a violation of securities law not to disclose them. In 1976, Secretary Miller claimed in a report to Textron's stockholders, "There have been no payments that are illegal or improper anywhere throughout the company." The SEC noted these assurances and added that he "had no reasonable basis" for making them.

In addition, while under oath at Senate hearings for confirmation of his appointment as Chairman of the Federal Reserve, he asserted, "My company did not bribe anybody." If there were "no reasonable basis" for his earlier statements to his stockholders, there clearly was no reasonable basis for this statement. This raises questions of possible perjury.

As members of the House Judiciary Committee, which developed and has jurisdiction over the special prosecutor legislation, we urge you to appoint a special prosecutor to investigate these possible criminal violations. It is precisely this kind of case that falls within the special prosecutor legislation. That law requires the appointment of a special prosecutor in cases involving a member of the Cabinet accused of committing a federal crime other than a petty misdemeanor unless the matter is "so unsubstantiated that no further investigation or prosecution is unwarranted."

Mr. Miller is clearly a member of the Cabinet and the crimes involved are not petty misdemeanors. The failure to appoint a special prosecutor therefore amounts to saying that the allegations of incomplete disclosure to stockholders and perjury to Congress are so unsubstantiated as to not warrant investigation. Such a claim is belied by the facts. The SEC, after a lengthy and thorough investigation, raised the possibility of Miller's involvement in illegal actions. Its suggestions were not denied by Textron. The law places little discretion in the hands of the Attorney General in such a case. Its mandate is clear: a special prosecutor must be appointed. This is the only way to avoid the appearance that a political judgment entered into the decision not to prosecute. We urge that you act in good faith and comply with this mandate.

Finally, in light of your decision to appoint a special prosecutor to investigate allegations of cocaine possession made against Hamilton Jordan, the President's chief political advisor, we do not believe you can fail to appoint a special prosecutor here. In that case, the allegations were made against Jordan by two admitted criminals whose veracity might easily be questioned. In this case, the allegations were made by the SEC. Furthermore, Jordan was charged only with a personal crime. Here the allegations go to the very functioning of the government.

Sincerely,
Elizabeth Holtzman,
John Conyers, Jr.,
Robert Drinan,
Members of Congress.

Office of the Attorney General,
Washington, D.C., March 11, 1980.
Hon. Elizabeth Holtzman,
House of Representatives,
Washington, D.C.

Dear Congresswoman Holtzman: By letter of February 13, 1980, you have requested that I apply for appointment of a special prosecutor under the Ethics in Government Act of 1978 to investigate allegations involving Treasury Secretary G. William Miller. I must respectfully decline that request.

The Criminal Division of the Department of Justice has been conducting an investigation since early 1978 into whether Mr. Miller and others committed perjury or obstructed justice in the course of February 1978 Senate Banking Committee hearings on Mr. Miller's confirmation as Chairman of the Federal Reserve Board. The information cited in your letter, and all other material received in this investigation relative to Secretary Miller, was known to the Department of Justice either prior to the effective date of the Ethics in Government Act of 1978 or prior to the completion of the 180-day statutory transition period of the Act. 28 U.S.C. 591 note. Section 604 explicitly states that the Special Prosecutor provisions of the Ethics in Government Act "shall not apply" where information is received during or prior to the transition period. Since all relevant information was received prior to the completion of the 180-day period, I am without statutory authority to appoint a special prosecutor.

We have reviewed the SEC complaint filed January 31, 1980 and the SEC staff report, as well as the testimony before the Committee on Banking, Housing and Urban Affairs during the 1978 confirmation hearing and that Committee's staff report. Throughout the course of the SEC investigation, attorneys for the Criminal Division were kept informed of the nature of the material developed by the SEC, and they are, as nearly as we can tell, familiar with the evidence that formed the foundation for the SEC action. We have also had the attorney in charge of the investigation attend the testimony before the Senate Committee on Banking, Housing, and Urban Affairs in February.

I can assure you that our investigation into this matter has been, and will continue to be, impartial, thorough and vigorous. The evidence gathering process in a foreign payments case is necessarily cumbersome, in that it involves seeking evidence abroad. In this connection, we have sought, and continue to seek, the assistance of foreign governments and unfortunately, due to the nature of the requests, all could not be made simultaneously.

The continuing investigation of the Criminal Division has not revealed evidence that Mr. Miller was informed by anyone of improper payments by Textron and Bell Helicopter, or that Mr. Miller learned about such payments in any other way. There is some evidence that certain Textron and Bell Helicopter officials who reported to Mr. Miller were told of information relating to some payments. However, all but two of them have denied under oath any recollection of being told. Of the remaining two, each has testified that he did not believe the information and, in any event, did not tell Mr. Miller. In fact, none of the assertions that Secretary Miller has committed a criminal violation has been substantiated by the investigation conducted since early 1978.

This investigation has taken longer than we would like; however, thorough criminal investigation in matters such as this take time. I have directed the Criminal Division to proceed with all possible speed. Should substantial new evidence be developed which makes the provisions of the Special Prosecutor Act applicable, please be assured that I will have no hesitancy in invoking its provisions.

Sincerely,
Benjamin R. Civiletti,
Attorney General.●

STATE AND LOCAL FISCAL ASSISTANCE ACT OF 1972

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oklahoma (Mr. Jones) is recognized for 10 minutes.

● Mr. JONES of Oklahoma. Mr. Speaker, I am today introducing legislation to amend the State and Local Fiscal Assistance Act of 1972 (Public Law 92–512), often referred to as the Revenue Sharing Act, to accomplish the following goals:

First, curtail general revenue sharing to State governments;

Second, extend general revenue sharing to local governments for 1 year rather than 5 years, in the form of an annual authorization subject to appropriations; and

Third, require a study by the GAO of the relative value and duplication of Federal direct grant programs versus Federal revenue sharing programs to State and local governments.

This bill, Revenue Sharing Amendments of 1980, recognizes the simple fact that when the Federal Government is operating with a budget deficit, there simply is no revenue to share—there is only debt. With the fiscal year 1980 Federal deficit estimated at some $40 billion or more, we are in no position to spend nearly $6.9 billion of the taxpayers' money each year on an item such as this.

Recently we have heard that tax relief is not timely because we need to balance the budget. But we also hear that balancing the budget is difficult because about three-fourths of it is "uncontrollable" due to entitlement programs.

General revenue sharing is just such an entitlement program. If it is extended for 5 years, as some have proposed, Congress will have no control over this budget item during that period, and as a consequence some $6.9 billion a year will be added to the Federal deficit. We cannot fairly call the budget uncontrollable if we refuse to control it.

Revenue sharing to the States alone accounts for about $2.3 billion of the annual total, despite the fact that at least 45 of the 50 States have experienced budget surpluses consistently in recent years—something the Federal Government has not had since 1969. Even if future economic conditions change this situation, States have the power, just as they always have, to increase taxes or reduce spending in order to keep their budgets balanced. They too must accept their responsibility.

Revenue sharing to local governments is a different case, since they do not enjoy the same powers as the States when it comes to raising revenues. Likewise, their recent fiscal history has not been as favorable as that of the States. Nevertheless, I believe this portion of the revenue sharing program should be removed from the entitlement category, and funded as a annual appropriation by the Congress, in order that spending priorities for all Federal programs can be considered. However worthy their case may be, local governments' revenue sharing money also comes from taxes. If we are to control taxes and spending, this aspect of revenue sharing must receive the same strict scrutiny as the State portion.

Overall, my opposition to revenue sharing is based on three major points. First, revenue sharing has not replaced other Federal expenditures aimed at the States and localities—it has supplemented them. This additional money comes from additional taxes. For every "plus" sign, in this case revenue sharing money, there is also a "minus" sign somewhere, in this case in our pocketbooks. We are paying for these programs through higher taxes.

My second reason for opposing revenue sharing is that the program has not functioned entirely as originally intended. As the Ways and Means Committee noted in its report accompanying the original revenue sharing act, "the funds made available to State governments are designed to encourage them to expand their revenue sources. In other words, the bill helps the States to help themselves." But as we have seen, the exact opposite has resulted. Instead of enhancing their revenue-raising procedures, States have used their share of revenue sharing funds to offset what otherwise would have been reduced State spending levels.

In many cases, the States' share of revenue sharing funds has actually been used to finance a reduction in the level of State taxation. If the States need additional funds, let them raise their taxes. If they want to reduce taxes and costs, take advantage of some economy of scale by adopting the Federal tax base as their own and electing to participate in the "piggybacking" system envisioned by title II of the 1972 law.

Finally, it is my firm belief that the government which spends the revenue ought to raise the revenue. This simple maxim holds the key to this whole situation. It is totally wrong to say that revenue sharing has no strings attached—it does.

The Federal Government may not tell the State and local governments how to spend that money, but the Federal Government provides it. Revenue sharing money is nothing more than another tie to Washington and the Federal trough, however disguised it may be. And that trough is filled with tax dollars from all of us.

The Federal money machine, which has given the States something of a free ride with revenue sharing, is not the answer to our problems; continued inflation and the general state of the economy has shown that clearly.

It is time to turn off the money machine. If we really want to give back to State and local governments the right to determine their own affairs, we should begin by letting them raise and spend their own money, establish their own priorities for these processes, and explain to the voters who elected them why they did it. This sort of self-determination and accountability would be healthy for all concerned.

I realize that limiting the continuation of revenue sharing will be very difficult in this presidential election year. However, all of us suffer from inflation and a weakened economy, and I am hopeful that concerned, forward-looking State and local officials will be willing to join us in taking a positive step toward controlling Federal spending. Congress must exert leadership in demanding fiscal responsibility in Federal spending.

I urge your review of this legislation, and welcome any cosponsors who might wish to join in this effort. I believe there is considerable sentiment for measures such as this.●

LANDMARK FINANCIAL INSTITUTIONS LEGISLATION BEFORE HOUSE NEXT WEEK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. REUSS) is recognized for 20 minutes.

● Mr. REUSS. Mr. Speaker, next week the House will have before it the conference report on H.R. 4986, the Depository Institutions Deregulation and Monetary Control Act of 1980—the most comprehensive legislation affecting financial institutions, and the users of their services, since the 1930's.

This legislation has been several years in the making, and has now won the support of nearly all major segments of the financial institution industry. Following are statements of support:

TELEGRAM FROM AMERICAN BANKERS ASSOCIATION

By an overwhelming vote the leadership conference of the American Bankers Association has voted to support the conference report of the House Senate Conference Committee on H.R. 4986 in accordance with our understanding of the language. This meeting was attended by approximately 300 bankers meeting in Atlanta.

Thank you for your leadership.

C. C. HOPE, Jr.,
President, American Bankers Association.

LETTER FROM UNITED STATES LEAGUE OF SAVINGS ASSOCIATIONS

On behalf of the United States League of Savings Associations and its 4,400 member savings and loan associations nationwide, I would like to compliment you personally and express our general approval for H.R. 4986, the "Proxmire-Reuss Depository Institutions Deregulation and Monetary Control Act of 1980".

This legislation is truly a landmark for the savings and loan business, and certainly the most significant set of changes in our Federal statutes since the '30s. Though, understandably, we would differ with some of the compromises reached in the final product, it is a fitting culmination to almost a decade of hard work by you and your Committee colleagues.

Again, I wish to convey our compliments on the successful completion of the Conference on H.R. 4986 and urge its prompt processing on the House floor.

Sincerely,

EDWIN B. BROOKS, Jr.,
President.

LETTER FROM NATIONAL SAVINGS & LOAN LEAGUE

The Banking Committees have done an outstanding job in producing the Depository Institutions Deregulation and Monetary Control Act of 1980. As chairman of the House Banking Committee, the National Savings and Loan League urges you to proceed as expeditiously as possible in bringing the conference report to a vote in the House.

We want to assure you of the National League's continued strong support for the legislation despite a few reservations on specific provisions.

The National League, as a trade group representing the nation's leading savings and loan associations, was an early advocate of many of the reforms contained in this historic legislation. More than a year ago, the National League began developing its "Action Plan for the '80s," a program to insure the future economic viability of the savings and loan industry. Many of the plan's recommendations have been incorporated into this landmark bill.

We believe the bill is the most significant financial legislation for consumers and the savings and loan industry since the original Home Owners Loan Act. And we urge the House to act expeditiously so that the President may sign this historic act before March 31.

Sincerely,

JONATHAN LINDLEY,
Executive Vice President.

LETTER FROM THE NATIONAL ASSOCIATION OF MUTUAL SAVINGS BANKS

I want to take this opportunity to advise you that on March 10, 1980, the Board of Directors of this Association unanimously endorsed H.R. 4986, as that bill was approved by the conferees on March 5. In our view, it represents a balanced and constructive approach to the problems that beset financial institutions today, and we plan to do all we can to secure its speedy passage.

We are grateful for the leadership you provided, and we commend you for achieving agreement on the most important piece of banking legislation since the depression era.

Sincerely,

SAUL G. KLAMAN,
President.

LETTER FROM CREDIT UNION NATIONAL ASSOCIATION

The Credit Union National Association (CUNA) supports H.R. 4986 in its entirety and recognizes the still-growing importance of the bill in light of the recent economic initiatives by the administration and financial institution regulators.

In addition to providing permanent statutory authority for credit union share drafts, and loan rate relief for credit unions, the package will work to lessen inflation, restore order to the flow of credit, and goes to great lengths to provide that savers will in the future be treated equitably in relation to borrowers.

LETTER FROM THE NATIONAL ASSOCIATION OF FEDERAL CREDIT UNIONS

The Board of Directors, members and staff of the National Association of Federal Credit Unions (NAFCU)—the only national trade association exclusively representing the interests of our nation's Federal credit unions—applaud the action taken by you and your colleagues when meeting in conference on H.R. 4986, the "Depository Institutions Deregulation and Monetary Control Act of 1980".

Providing Federal credit unions with permanent share draft authority and allowing Federal credit unions to respond with greater flexibility to their members' requests for loans will permit Federal credit unions to continue fulfilling their statutory mandate to promote thrift and serve as a source of credit for provident or productive purposes. Significantly, enactment of H.R. 4986 will retain the hallmark of democratic self-determination which has characterized Federal credit unions since their inception nearly one-half century ago.

NAFCU's more than 5,730,000 individual credit union members urge prompt Senate and House approval of the Conference Committee Report on H.R. 4986, in order that this necessary piece of legislation may be sent to the President and signed into law prior to March 31, 1980—the expiration of the grant of authority contained in Public Law 96-161.

Sincerely,

JOHN J. HUTCHINSON,
President.

Skyrocketing interest rates and gyrations in the money markets lend urgency to this legislation. Moreover, if this bill is not passed by March 31, credit union share drafts, automatic transfer accounts, and remote service units of savings and loan associations will end abruptly. These were extended only until March 31 by action of the Congress on December 28, 1979, following a court decision which said there was no legislative basis for such services. Additionally, the suspension of State usury ceilings on mortgages and on business and agricultural loans over $25,000 would end, creating havoc among lenders and borrowers.

H.R. 4986 is timely and crucial legislation. A summary of major points of the Senate-House conference agreement follows:

SUMMARY

I. TITLE

The short title of the bill will be: "Depository Institutions Deregulation and Monetary Control Act of 1980."

II. TRANSACTION ACCOUNTS

Authority for share drafts of credit unions, automatic transfer accounts at commercial banks, and remote service units at federal savings and loans (which were affected by an April 1979 Federal court decision) is made permanent.

NOW accounts will be authorized for all federally insured depository institutions effective December 31, 1980. Federal thrift institutions will be permitted to offer preauthorized extensions of credit tied to NOW accounts.

III. REGULATION Q AND CEILINGS ON INTEREST PAID ON SAVINGS DEPOSITS

Authority to set interest rate ceilings, by majority vote, is given to a committee composed of the heads of the Federal Reserve Board, Federal Deposit Insurance Corporation, Federal Home Loan Bank Board, National Credit Union Administration, and the Secretary of the Treasury, with the Comptroller of the Currency serving as a nonvoting member. The NCUA will continue to set ceilings for credit unions. The committee, to be known as the Deregulation Committee, will meet in public session at least quarterly.

All authority for interest rate ceilings on all types of deposits will end in six years. The Deregulation Committee is given a strong directive to phase out the ceilings as expeditiously as economic conditions and viability of depository institutions permit. A "target" phase-out rate is established as follows: one-quarter percentage point increase in the ceilings within 18 months; another ½ percent within the next 18 months; and ½ percent each year for the following three years.

The committee may phase the ceilings out either faster or slower than the "targets."

The conferees agreed that the phase-out must be accomplished in a way that ensures equity for small savers, and ensures competitive equity among financial institutions. It must also be accomplished with due regard for the financial condition of depository institutions.

During the 6-year phase-out period, the quarter-point differential for thrift associations will remain in effect.

IV. POWERS OF THRIFT INSTITUTIONS

(a) Investment authority is expanded to enable thrifts to earn more in order to pay higher interest rates on deposits. Federal savings and loans will be able to invest up to 20 percent of assets in consumer loans, commercial paper, and corporate debt securities; to offer credit cards and line of credit; and to offer trust and fiduciary services.

Savings and loans associations will be permitted to invest in open-end investment companies (essentially, money market funds). The bill removes the geographical lending restrictions; authorizes second trust loans; expands the authority to make acquisition, development and construction loans; and removes the present $75,000 limit on mortgages and instead allows institutions to lend up to 90 percent of the value of a residence (or more, if covered by mortgage insurance).

(b) Shares of certificates of open-end investment companies registered with the SEC can be included in the list of assets currently eligible to satisfy liquidity requirements.

(c) A state-chartered stock savings and loan may convert to a federal stock charter if it never had a mutual form.

(d) Federal S & L's are authorized to issue mutual capital certificates (essentially, preferred stock). The certificate will pay "dividends" rather than "interest." Mutual capital certificates may be counted as assets eligible for inclusion in the Federal Insurance Reserve. The Federal Insurance Reserve requirements will be changed from 4 percent to a range of 3-6%.

(e) A three-month study of the problems faced by thrift institutions holding large amounts of low-yielding mortgages will be conducted, under the aegis of the Home Loan Bank Board.

V. MUTUAL SAVINGS BANKS

Federal mutual savings banks are permitted to invest up to 5 percent of their assets in commercial loans within the state, or within a 75-mile radius of the home office. They may accept demand deposits from corporate customers with whom they have a loan relationship.

VI. CREDIT UNIONS

In addition to permanent authorization of share drafts, the bill permits an increase in the usury ceiling from 12 percent to 15 percent and permits the National Credit Union Administration to raise the ceiling above that for periods of up to 18 months under certain conditions.

Authority to set ceilings on interest paid on deposits is retained by the NCUA rather than ceded to the new six-member committee.

Federal credit unions will be permitted to make loans on individual cooperative housing units.

VII. INSURANCE OF ACCOUNTS

The limit on federal deposit insurance is increased from $40,000 to $100,000. The FDIC may change its assessments to cover its increased exposure.

VIII. BANK RESERVES AND FEDERAL RESERVE MEMBERSHIP

Membership in the Federal Reserve remains voluntary.

Reserve requirements are imposed uniformly for all depository institutions on transaction deposits (checking and checking-type accounts such as NOW accounts, share drafts and automatic transfers) and on non-personal time deposits.

On transaction accounts, the initial rate is 12 percent (with a range of 8-14%) on deposits above $25 million, and 3 percent on the first $25 million. This includes telephone transfer accounts. Vault cash counts toward meeting the reserve requirement.

On non-personal time deposits of all maturities, the initial rate is 3 percent (with a range of 0-9%).

The Federal Reserve may impose reserve requirements outside the statutory limits, in extraordinary circumstances, for up to 180 days.

The Federal Reserve is also given authority to impose a supplemental reserve requirement on transaction accounts of 0-4 percent. A vote of at least 5 members of the Board is required to do this. The Federal Reserve willl pay interest on these supplemental reserves at the rate it earns its own portfolio, currently 8.5 percent.

Reserve requirements for non-Fed members will be phased in over 8 years. Members will have their requirements phased down over 4 years. The phasing will begin immediately. Any new types of accounts that may be authorized will be subject to full reserve requirements. That includes NOW accounts except in the 8 states where they already exist.

If a bank was a member of the Federal Reserve as of July 1, 1979, and has left subsequent to that date, reserve requirements are reimposed the same as on member banks.

A pricing system for Federal Reserve services, and charges for float, will commence within 18 months after enactment.

All institutions with transaction deposits will be given access to the discount window and to Federal Reserve services.

The new provisions are calculated to give the Federal Reserve $15.9 billion in reserves without the supplemental, and up to $27.1 billion with the supplemental. This compares with approximately $31 billion today.

The effect is to reduce reserve requirements on member banks and spread the burden evenly among competing institutions. Reserves will have to be posted at the Federal Reserve by 4,165 non-member banks, 1,360 S & L's, and 70 mutual savings banks that now have no such requirement.

IX. STATE USURY CEILINGS

State usury ceilings are preempted permanently for mortgage loans, unless the state acts within three years to reimpose ceilings.

Ceilings on all business and agricultural loans over $25,000 are preempted for three years, after which state law shall prevail. The ceiling may go as high as 5 percentage points above the Federal Reserve discount rate (including any surcharge). During the three year period the state may act to reimpose ceilings on such loans.

In addition, the bill permits all federally-insured institutions to do what national banks are already permitted; namely, on any loan (consumer loans, second mortgages, etc.) they may charge 1 percentage point over the Federal Reserve's basic discount rate regardless of state usury limitations. The preemption is permanent, but the states may restore these usury ceilings whenever they wish.

X. TRUTH-IN-LENDING SIMPLIFICATION

The bill simplifies truth-in-lending requirements in the interest of both the borrower and the lender. It standardizes and simplifies the form to be used. It requires a creditor to disclose the items that make up the total amount the consumer is borrowing including the loan proceeds, upon request of the consumer.

If misleading information is given, the consumer could be reimbursed, but the institution would no longer be subject to damages beyond that amount.

For the first time, an agency is empowered to require a creditor to repay a consumer for overcharges that have occurred, so that the consumer would not have to go through a lawsuit to obtain restitution. Such payments would not be required if they would cause the creditor to go bankrupt. An agency could order partial restitution, however, if it did not cause bankruptcy. On bankruptcy cases for loans begun after enactment of this legislation, full repayment is required but the creditor could stretch out payments to avoid bankruptcy.

Current law which permits no margin for error in numerical disclosures is amended to allow for very minor errors.

Agricultural loans are exempted.

The legislation allows a consumer three days to cancel an application for a credit card, if the card is secured by his home. Present law also allows a consumer three days to cancel any purchase made with a credit card which is secured by his home. That provision is rescinded for a 3-year trial period.

XI. FOREIGN ACQUISITION OF U.S. FINANCIAL INSTITUTIONS

A GAO study on this subject is due in July, and a moratorium on foreign acquisitions of U.S. depository institutions is placed in effect until July 1, 1980. Exemption is provided for banks smaller than $100 million, and in cases of bankruptcy and insolvency, and for applications pending before March 5, 1980.

XII. INTERSTATE TRUST OPERATIONS

A moratorium is placed on new interstate trust operations until October 1, 1981, with existing trust operations grandfathered.

XIII. FINANCIAL REGULATION SIMPLIFICATION

The bill requires Federal financial institution regulatory agencies to insure that their regulations are needed; that the public and interested parties are given an opportunity to air their views; that alternatives to the regulations are considered; that costs and burdens are minimized; that regulations are written clearly and simply; and that conflicts, inconsistencies, and duplications are avoided.

XIV. MISCELLANEOUS PROVISIONS AFFECTING BANKS

National Bank Real Estate Holding Authority. The Comptroller of the Currency is given the authority to extend the current 5 year period during which a national bank is permitted to hold real estate for an additional 5 years.

Bank Holding Company Real Estate Activities. A two-year extension of time for the divestiture of real estate or interests in real estate required to be divested by December 31, 1980 is provided.

National Bank Preferred Stock Dividends. The 6 percent on national bank preferred stock dividends is removed.

Revocation of National Bank Trust Powers. The Comptroller of the Currency is given authority to revoke the trust powers of a national bank when he determines, after hearing, that those powers are exercised unlawfully or unsoundedly or that the bank has failed to exercise its trust powers for 5 consecutive years.

National Bank Holidays. The Comptroller of the Currency is authorized, in the event of a natural calamity or emergency, to proclaim a legal banking holiday for the national banks so affected.

Appraisal Rights of Dissenting Shareholders. Dissenting shareholders are allowed to select an appraiser for their shares by majority, rather than unanimous, vote when a national bank intends to convert, merge, or consolidate and the resulting bank will be State-chartered.

Delegation of Authority by the Comptroller. The Comptroller is authorized to delegate any of his powers.

Rule-Making Authority of the Comptroller. The Comptroller of the Currency is granted authority to provide rules and regulations to carry out his responsibilities, except that no authority is granted to permit otherwise impermissible activities, specifically in reference to the McFadden and Glass-Steagall Acts.

National Bank Examinations. The Comptroller of the Currency is allowed to establish the timetable for examination of national banks and to authorize the Comptroller to examine foreign operations of State member banks upon request from the Board of Governors of the Federal Reserve System.

Directors' Qualifying Shares. Directors of national banks are allowed to own bank holding company stock instead of having to own bank stock if the national bank is controlled by a holding company.

Investment in Bankers' Banks. The national banks are allowed to invest in the stock of a bank, insured by the FDIC, owned exclusively by other banks.

Formation of One-Bank Holding Companies. The Board of Governors is prohibited from rejecting applications to form one-bank holding companies solely because the transaction involves a bank stock loan with a repayment period of not more than 25 years.

National Bank Closed Receivership Fund. The National Bank Closed Receivership Fund is terminated.●

BIPARTISAN AGREEMENT ON ESTABLISHING A COMMMITTEE ON ENERGY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Hampshire (Mr. CLEVELAND) is recognized for 10 minutes.

● Mr. CLEVELAND. Mr. Speaker, I am pleased to inform our colleagues that bipartisan agreement has been reached on the language of a substitute amendment for House Resolution 549, to establish a standing Committee on Energy in the House.

This agreement represents a reasoned compromise between the distinguished chairman of the Select Committee on Committees (Mr. PATTERSON), the distinguished gentleman from Minnesota (Mr. FRENZEL), and myself as ranking minority member of the select committee.

The agreement preserves the essential features of both House Resolution 549, as reported by the select committee, and of the Cleveland-Frenzel substitute in the form of a motion to recommit with instructions.

Our compromise will retain the language of the Cleveland-Frenzel substitute which transfers jurisdiction over nuclear regulatory policy from the Committee on Interior and Insular Affairs to the Committee on Energy. At the same time, it confirms the purpose of House Resolution 549 in assigning to the Interior Committee jurisdiction over the enviornmental aspects, not within the jurisdiction of other standing committees, of all energy matters, specifically including nonmilitary nuclear energy.

In the implementation of this language, Mr. Speaker, it is our intention that the grant of authority to Interior—

Conveys a grant of secondary referral jurisdiction only, subject to the customary time limits;

Does not shift or diminish the present environmental jurisdiction or authority of any standing committee; and

Will not result in the change of reference of amendments to existing environmental statutes; that is, NEPA, Clean Air Act, and so forth, which originated within the jurisdiction of another committee.

Essentially, Mr. Speaker, the compromise agreement assures that nuclear regulatory issues will be considered, together with other energy issues, in the Energy Committee, and that the environmental impact of nuclear policy will be reviewed independently in the Interior Committee.

Otherwise, our compromise substitute combines the jurisdiction originally proposed for the Energy Committee in House Resolution 549 with the additions proposed in the Cleveland-Frenzel substitute: consolidation of all jurisdiction over energy resources on the Outer Continental Shelf, and joint jurisdiction with the Interior Committee over energy resources on public lands. The compromise also confirms that the effective date will be the beginning of the 97th Congress, January 3, 1981.

This agreement will have further practical effect when the House considers House Resolution 549 next week. It will allow the House to focus more clearly on two principal options, the Bingham substitute and the Cleveland-Patterson-Frenzel substitute which will be offered as a recommital motion.

Mr. Speaker, the parties to this understanding are deeply pleased that we have reached agreement. We believe it substantially enhances the prospects that the House will approve the establishment of a standing Committee on Energy and thereby equip itself to deal more effectively and expeditiously with an issue which is central to the concerns of all Americans.●

THE ENERGY COMMITTEE MUDDLE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. FRENZEL) is recognized for 10 minutes.

● Mr. FRENZEL. Mr. Speaker, next week the House of Representatives is expected to consider a resolution, proposed by the Select Committee on Committees, to establish a standing Committee on Energy.

Few members would deny that energy jurisdictions are entangled and ensnarled within the present committee system. According to the select committee's own tabulations, responsibility for energy legislation is aimlessly scattered among 83 committees and subcommittees. Lacking any legislative point of convergence for the formulation of energy policy, the House—as an institution—is often thwarted in asserting a vigorous leadership role on this issue. The prevailing structural disarray leads only to confusion, conflict, and inaction.

The select committee's proposal for an Energy Committee, although well intentioned, offers only cosmetic changes. House Resolution 549 merely elevates one subcommittee (Energy and Power) of the Interstate and Foreign Commerce Committee to full committee status. In addition, only two negligible jurisdictional splinters are transferred, from Interior and Public Works respectively, to the new unit. Although this proposed Energy Committee is not the toothless cheerleader that some critics contend, its limited scope suggests few discernible improvements in the conduct of legislative business.

In response to the perceived shortcomings of House Resolution 549, three major alternatives have been advanced which, pursuant to the rule, will be in order. One substitute, drafted by Representative GRAMM, would create a seemingly monolithic Energy Committee. This would encompass virtually every aspect of energy policy from tariffs and quotas on energy imports to rural electrification, from the naval petroleum reserves to the transmission and marketing of electrical energy generated from water power. At least eight standing committees would stand to lose substantial elements of jurisdictional authority. With such an extensive disruption of the committee fabric, however, this option apparently lacks any realistic opportunity for success.

A second substitute, to be offered by Representative BINGHAM, would rename the Interstate and Foreign Commerce Committee, the Committee on Energy and Commerce; would more clearly define the energy terminology of the Commerce Committee; and grant that committee jurisdiction over "national energy policy generally."

At first glance, the proposal appears to add some beneficial clarity to the language in the House rules while merely reaffirming the existing jurisdictional status quo. In recommending no meaningful reorganization, the Bingham substitute fails to achieve any consolidation of presently fragmented energy jurisdictions.

However, on closer inspection, the Bingham substitute bears the potential of greatly expanding the current authority of the Commerce Committee. If the grant of "national energy policy generally" is liberally interpreted, then Commerce would be able to request a joint or sequential referral of virtually all energy matters. This would substantially increase the workload of one of the busiest committees in the House—a committee which is presently responsible for a weighty range of issues from health to communications, consumer protection to railroads, as well as energy. Such an aggrandizement of the Commerce Committee's role in the energy field seems ill-suited to any rationalization of the committee system and may foster serious legislative logjams.

A third substitute, to be offered by Representative CLEVELAND and myself, will be incorporated into a motion to recommit with instructions. Our proposal, which has been cosponsored by select committee members FRANK HORTON, JIM LEACH, and GERRY SOLOMON, would establish a standing Committee on Energy and include several key features of the select committee's proposal:

Transfer all energy jurisdiction from the Interstate and Foreign Commerce Committee and its Energy and Power Subcommittee to the new Energy Committee;

Provide jurisdiction over "national energy policy generally," thus enabling the new committee to share jurisdiction—through joint and sequential referrals—over energy matters assigned to, or reported by, other committees; and

Grant jurisdiction over measures relating to the production, supply, marketing, pricing, regulation, and conservation of energy resources to the new committee.

In addition, the substitute would augment the new committee's jurisdictional scope by—

Transferring nuclear regulatory jurisdiction from the Interior Committee to the new Energy Committee;

Transferring jurisdiction over energy resources on the Outer Continental Shelf from Interior, Judiciary, and Merchant Marine and Fisheries to the new Energy Committee;

Allowing the Energy Committee to share jurisdiction over energy resources on the public lands with Interior; and

Modifying the select committee's added grant of environmental review authority to the Interior Committee.

We believe that this motion to recommit with instructions offers a middle way, a balanced approach for establishing an effective framework for the consideration of energy policy. The House needs a viable and accountable Energy Committee. Without the adoption of such a reform, there is little question that the response of the House to energy priority needs of the new decade will be disjointed, bewildered, and slow.

In order to illustrate the impact of each of the four initiatives I have included a table outlining the contemplated jurisdictional gains and losses:

JURISDICTIONAL GAINS/LOSSES SUSTAINED UNDER THE CLEVELAND-FRENZEL, GRAMM, AND BINGHAM SUBSTITUTES AND THE SELECT COMMITTEE RESOLUTION (H. RES. 549)

Committee	Gramm substitute	Select Committee resolution	Cleveland-Frenzel substitute	Bingham substitute
Agriculture	Loses rural electrification. Loses jurisdiction over production and marketing of agricultural commodities and products utilized as energy resources (e.g., gasohol).	No jurisdictional loss	No jurisdictional loss	No jurisdictional loss.
Armed Services	Loses conservation, development, and use of naval petroleum and oil shale reserves.	No jurisdictional loss	No jurisdictional loss	No jurisdictional loss.
Banking, Finance, and Urban Affairs.	Loses jurisdiction over energy resources in the context of (a) defense production and (b) the control of the price for commodities, rents and services. Loses jurisdiction over financial aid to commerce and industry as it involves energy matters.	No jurisdictional loss	No jurisdictional loss	No jurisdictional loss.
Interior and Insular Affairs.	Loses transmission and marketing of electrical energy. Loses jurisdiction over mineral land laws, mining resources of the public lands, and mining interests generally, as such jurisdiction relates to energy resources. Loses jurisdiction over nuclear energy regulation. Loses jurisdiction over petroleum conservation on the public lands. Loses jurisdiction over OCS energy resources.	Loses jurisdiction over coal on private lands, but retains jurisdiction over the Surface Mining Control and Reclamation Act or any other strip mining measure. Gains jurisdiction over environmental aspects of all energy matters, except those of standing committees with specific jurisdiction over environmental matters under existing laws.	Loses jurisdiction over coal on private lands, but retains jurisdiction over the Surface Mining Control and Reclamation Act or any other strip mining measure. Loses jurisdiction over nuclear energy regulation. Loses jurisdiction over OCS energy resources. Gains jurisdiction over environmental aspects, not within the jurisdiction of other standing committees, of all energy matters, specifically including nonmilitary nuclear energy.	No jurisdictional loss.

JURISDICTIONAL GAINS/LOSSES SUSTAINED UNDER THE CLEVELAND-FRENZEL, GRAMM, AND BINGHAM SUBSTITUTES AND THE SELECT COMMITTEE RESOLUTION (H. RES. 549)—Continued

Committee	Gramm substitute	Select Committee resolution	Cleveland-Frenzel substitute	Bingham substitute
Interstate and Foreign Commerce.	Loses all energy jurisdiction	Loses all energy jurisdiction	Loses all energy jurisdiction	Gains revised and possibly expanded energy jurisdiction language; committee renamed "Energy and Commerce."
Judiciary	Loses jurisdiction over interstate energy compacts. Loses jurisdiction over OCS energy resources.	No jurisdictional loss	Loses jurisdiction over OCS energy resources.	No jurisdictional loss.
Merchant Marine and Fisheries.	No jurisdictional loss	No jurisdictional loss	Loses jurisdiction over OCS energy resources.	No jurisdictional loss.
Public Works and Transportation.	Loses transmission and marketing of electrical energy generated by water power.	Loses transmission and marketing of electrical energy not generated by federally chartered, regional power authorities (there is considerable debate whether Public Works in fact possessed any jurisdiction in this area).	Loses transmission and marketing of electrical energy not generated by federally chartered, regional power authorities (there is considerable debate whether Public Works in fact possessed any jurisdiction in this area).	No jurisdictional loss.
Science and Technology	Loses all energy jurisdiction	No jurisdictional loss; clarification that energy research and development includes demonstration, and all federally owned or operated nonmilitary energy labs, and research, development, and demonstration projects.	No jurisdictional loss; clarification that energy research and development includes demonstration, and all federally owned or operated nonmilitary energy labs, and research, development, and demonstration projects.	No jurisdictional loss; clarification that energy research and development includes demonstration, and all federally owned or operated nonmilitary energy labs, and research, development, and demonstration projects.
	Note: Pursuant to the language of the substitute, a broad definition of "national energy policy generally" anticipates that the new Energy Committee could seek a sequential referral of any energy-related measure reported by any committee of the House, except for the specified exclusions noted in the substitute.	Note: Pursuant to the language of the resolution, a broad definition of "national energy policy generally" anticipates that the new Energy Committee could seek a sequential referral of any energy-related measure reported by any committee of the House.	Note: Pursuant to the language of the substitute, a broad definition of "national energy policy generally" anticipates that the new Energy Committee could seek a sequential referral of any energy-related measure reported by any committee of the House.	Note: Pursuant to the language of the substitute, a broad definition of "national energy policy generally" anticipates that the Energy and Commerce Committee could seek a sequential referral of any energy-related measure reported by any committee of the House.

Note: Energy oversight gains/losses are not discussed above. ●

CRITICAL MINERALS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Idaho (Mr. SYMMS) is recognized for 10 minutes.

● Mr. SYMMS. Mr. Speaker, earlier this week I placed in the RECORD an article from the Washington Star regarding the recent trip by the Mines and Mining Subcommittee, on which I serve, through southern Africa in order to ascertain America's interests in the strategic and critical minerals located there. As I noted at that time, the article highlighted for the first time in recent memory the critical nature of the minerals in central and southern Africa and their importance to the free world. I noted at that time that the U.S. Department of State had led America down the primrose path regarding our true interest in the continent of Africa. My point was simple: America has real and vital interests in that continent, interests critical to our national survival. Those interests relate to manganese, to chrome, to cobalt, to platinum. Yet the Department of State has set those needs aside and emphasized other concerns, concerns of the heart, not concerns of the head.

Mr. Speaker, I bring today to the House another example of the manner in which the State Department has taken America down the long lonesome road to mineral oblivion. It was reported yesterday in the Washington Post that Prime Minister Mugabe plans to nationalize Zimbabwe-Rhodesia nickel, copper, chrome, and cobalt mines. It is an outrage, a crime that he does so.

There are two essential elements to the development of Zimbabwe-Rhodesia's vast mineral wealth: foreign investment and skilled work force—mining engineers, mine operators, a force that can only come, in the near term, from expatriots. The nationalization of the Rhodesian mineral industry by Mugabe will assure that these two essential elements will never be present. We know what has happened in other nations that have chosen to nationalize and to bleed dry certain vital segments of their economy. It appears clear that the same shall take place in Zimbabwe-Rhodesia.

I would be delighted, Mr. Speaker, to learn of the reaction of those outspoken advocates of Mugabe's election in the State Department in the face of this new development. I would love to know what Foggy-Bottom-flim-flam they would give the Congress in order to assure us that this does not mean the end of Rhodesian chrome, that this does not mean the end of Rhodesian nickel, that this does not mean the end of Rhodesian copper or lithium. A few days ago they were pleased with Mugabe's victory and now it appears America's only real interest in that nation has been lost.

How much longer will we continue this myopic obsession in the way we treat foreign nations? When will we learn that only by helping ourselves can we help our friends? When will we learn that without the energy to burn, without the minerals to utilize, this Nation, its industry, its economy, its defense will collapse. To paraphrase word of song, Mr. Speaker, if we do not quickly and dramatically reassess and revise our foreign policy, our African policy, we shall find that that primrose path down which the State Department has led us is a long lonesome road to nowhere.

DISRUPTION IN STEEL TRADE: ADMINISTRATION MAKING UNWISE DECISION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 5 minutes.

● Mr. VANIK. Mr. Speaker, It has come to my attention that the administration is about to suspend the trigger price mechanism, the program established in December 1977 to alert Government officials to possible dumping and unfair trade practices in steel imports. TPM is not a protectionist device—it is a program to improve the administration of the Nation's antidumping laws.

Despite criticisms, the program has generally been very successful. It has reduced the incredible array of price discounting and dumping which was the hallmark of world steel trade. Dumped imports have been a significant factor in American steel plant closings, reduced earnings for the U.S. companies, and thus the inability of American firms to modernize. TPM, on the other hand, has helped bring some stability to world steel trade at a time when the developed world's industry is going through major restructuring.

The administration claims it is suspending the TPM because United States Steel Corp. is in the process of filing a number of antidumping complaints—as is their right under the law and under international agreements—against European steel, steel which in most cases probably is being dumped in the United States, despite the TPM. The TPM has, however, significantly reduced the dumping margins on Europeans steel.

But to suspend the whole TPM program because of the exercise of a right under the Nation's trade laws is a gross overreaction which will cause chaos and confusion among the smaller domestic steel firms and in world steel trade.

A suspension of the TPM will probably mean a return to price indexing and dumping as the Japanese jockey for market position with their closest competitors, the Koreans and Canadians. The result could be a serious decline in the operation of the American west coast steel mill operations (where imports already have captured 50 percent of the market). The administration's unwise overreaction to the move by the Nation's largest steel mill will probably hurt a number of the new mini-mills whose small size prevents them from effectively bringing antidumping complaints in their product line areas. The temper tantrum response of the administration to United States Steel's pending filing will probably result in enough confusion in the steel trade to cause the layoff of thousands of workers and the collapse of several smaller American firms—thus possibly increasing United States Steel's dominant position in the American market.

Furthermore, suspension of the TPM may well force other U.S. steel producers to file antidumping complaints matching the scope of the petitions filed in late 1977. Such an action will create uncertainty in the market in the short run and, if successful, will significantly reduce the volume of European steel exports to the United States. This in turn will have a disastrous effect on the industry rationalization programs initiated by the European producers.

The American steel industry is also going through a major effort to invest and modernize, even in the face of a major decline in orders from its principal customer, the auto industry. The TPM serves as a valuable tool in providing the industry with a market environment conducive to such modernization. Far from encouraging industry to continue moving in this direction, the administration's actions are destructive to these efforts. Misguided economic policy advice offered by administration officials with little understanding of the Nation's trade laws and the problems facing the steel industry, both here and abroad, has apparently convinced the President to throw away this tool. I urge the President to listen to his trade advisers who, aware of the important role played by the TPM during this modernization phase and of the consequences of its suspension, strongly support retention of the TPM.●

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Marlenee) to revise and extend their remarks and include extraneous material:)

Mr. Hansen, for 60 minutes, today.

Mr. Collins of Texas, for 15 minutes, today.

(The following Members (at the request of Mr. Coelho) to revise and extend their remarks and include extraneous material:)

Mr. Stratton, for 5 minutes, today.

Mr. Gonzalez, for 15 minutes, today.

Mr. Annunzio, for 5 minutes, today.

Ms. Holtzman, for 5 minutes, today.

Mr. Jones of Oklahoma, for 10 minutes, today.

Mr. Reuss, for 20 minutes, today.

(The following Members (at the request of Mr. Buchanan) to revise and extend their remarks and include extraneous material:)

Mr. Cleveland, for 10 minutes, today.

Mr. Porter, for 5 minutes, today.

Mr. Frenzel, for 10 minutes, today.

Mr. Symms, for 10 minutes, today.

(The following Member (at the request of Mr. Walgren) to revise and extend his remarks and include extraneous material:)

Mr. Vanik, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. Marlenee) and to include extraneous matter:)

Mr. Cheney.

Mr. Kemp in two instances.

Mr. Frenzel in two instances.

Mr. Carter in two instances.

Mr. Andrews of North Dakota.

Mr. Collins of Texas in two instances.

Mr. Dannemeyer in three instances.

Mr. Wydler.

Mr. Courter.

Mr. Hopkins.

(The following Members (at the request of Mr. Coelho) and to include extraneous matter:)

Mr. Mollohan.

Mr. Seiberling in 10 instances.

Mr. Conyers.

Mr. Mattox.

Mr. Rodino.

Mr. Mazzoli.

Mr. Ireland.

Mr. Pease.

Mr. AuCoin.

Mr. Jones of Oklahoma.

Mr. LaFalce.

Mr. Synar.

Mr. Roe.

Mr. Corrada.

ADJOURNMENT

Mr. WALGREN. Mr. Speaker, as Al Lowenstein once said, "I move that the House do now adjourn."

The motion was agreed to; accordingly (at 12 o'clock and 28 minutes p.m.), under its previous order, the House adjourned until Monday, March 24, 1980, at 12 o'clock noon.

CONTRACTUAL ACTIONS, CALENDAR YEAR 1979, TO FACILITATE NATIONAL DEFENSE

The Clerk of the House of Representatives submits the following report for printing in the Congressional Record pursuant to section 4(b) of Public Law 85-804:

National Aeronautics
and Space Administration,
Washington, D.C., March 12, 1980.

Hon. Thomas P. O'Neill, Jr.,
Speaker of the House of Representatives, Washington, D.C.

Dear Mr. Speaker: This is a report to the Congress pursuant to Section 4 of the Act of August 28, 1958 (Public Law 85-804; 50 U.S.C. 1431-35), submitted to the Speaker of the House of Representatives pursuant to Rule XL of that House.

The National Aeronautics and Space Administration, acting through its Contract Adjustment Board, did not grant any request for extraordinary contractual adjustment during calendar year 1979.

Very truly yours,

Robert A. Frosch,
Administrator.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3830. A letter from the Assistant Secretary of the Navy (Manpower, Reserve Affairs and Logistics), transmitting notice that a study has been conducted of converting the function of providing family housing maintenance service at the Naval Training Center, Orlando, Fla., and that a decision has been made that performance under contract is the most cost-effective method of accomplishing it, pursuant to section 806 of Public Law 96-107; to the Committee on Armed Services.

3831. A letter from the Assistant Secretary of the Navy (Manpower, Reserve Affairs and Logistics), transmitting notice that a study has been conducted of converting the function of providing key punch services at the Naval Supply Center, Pearl Harbor, Hawaii, and that a decision has been made that performance under contract is the most cost-effective method of accomplishing it, pursuant to section 806 of Public Law 96-107; to the Committee on Armed Services.

3832. A letter from the Assistant Secretary of the Navy (Manpower, Reserve Affairs and Logistics), transmitting notice that a study has been conducted of converting the custodial services function at the Naval Hospital, Cherry Point, N.C., and that a decision has been made that performance under contract is the most cost-effective method of accomplishing it, pursuant to section 806 of Public Law 96-107; to the Committee on Armed Services.

3833. A letter from the Assistant Secretary of the Navy (Manpower, Reserve Affairs and Logistics), transmitting notice that a study has been conducted of converting the function of providing buildings and structures maintenance service at Marine Corps Air Station, Beaufort, S.C., and that a decision has been made that performance under contract is the most cost-effective method of accomplishing the function, pursuant to section 806 of Public Law 96-107; to the Committee on Armed Services.

3834. A letter from the Deputy Assistant Secretary of Defense (Administration), transmitting a report on negotiated contracts for experimental, developmental, test or research work, or for industrial mobilization in the interest of the national defense, covering the period April through September 1979, pursuant to 10 U.S.C. 2304(e); to the Committee on Armed Services.

3835. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of District of Columbia Act 3-164, to order the closing of a public alley abutting on lots 819, 817, 816, 815, and 820 in Square 488, between F Street, Fifth Street and Sixth Street NW (S.O. 74–325) (Ward 2), pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

3836. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of District of Columbia Act 3–166, to authorize the Mayor of the District of Columbia to enter into a franchise agreement for the installation and maintenance of bus shelters, and for other purposes, pursuant to section 602(c) of Public Law 98–198; to the Committee on the District of Columbia.

3837. A letter from the Secretary of Commerce, transmitting a semiannual report on export administration, covering the fourth quarter of 1978 and the first quarter of 1979, pursuant to section 10 of the Export Administration Act of 1969, as amended; to the Committee on Foreign Affairs.

3838. A letter from the Secretary of Commerce, transmitting a semiannual report on export administration, covering the second and third quarters of 1979, pursuant to section 10 of the Export Administration Act of 1969, as amended; to the Committee on Foreign Affairs.

3839. A letter from the Administrator, National Aeronautics and Space Administration, transmitting a report that NASA granted no requests for extraordinary contractual adjustment during calendar year 1979, pursuant to section 4 of Public Law 85–804; to the Committee on Government Operations.

3840. A letter from the Vice President for Government Affairs, National Railroad Passenger Corporation, transmitting a report on the Corporation's activities under the Freedom of Information Act during calendar year 1979, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. CAVANAUGH: Committee of conference. Conference report on S. 662 (Rept. No. 96–837). Ordered to be printed.

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. H.R. 6837. A bill to amend the Railroad Revitalization and Regulatory Reform Act of 1976 to authorize additional appropriations for the Northeast corridor improvement project and to require the Secretary of Transportation to begin development of energy-efficient rail passenger corridors, to provide for the protection of the employees of the Rock Island Railroad, and for other purposes; with amendment (Rept. No. 96–839). Referred to the Committee of the Whole House on the State of the Union.

REPORTED BILLS SEQUENTIALLY REFERRED

Under clause 5 of rule X, bills and reports were delivered to the Clerk for printing, and bills referred as follows:

Mr. UDALL: Committee on Interior and Insular Affairs. S. 2009. A bill to designate certain public lands in central Idaho as the "River of No Return Wilderness," to designate a segment of the Salmon River as a component of the National Wild and Scenic Rivers System, and for other purposes. With amendment, and referred to the Committee on Agriculture for a period ending not later than March 21, 1980 for consideration of such provisions of the bill and amendment as fall within the jurisdiction of that committee under clause 1(a)(13), rule X, and ordered to be printed (Rept. No. 96–838, pt. 1).

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CARTER (by request):

H.R. 6887. A bill to amend the Public Health Service Act to revise the program of assistance for health professions schools in financial distress; to the Committee on Interstate and Foreign Commerce.

By Mr. EDWARDS of California:

H.R. 6888. A bill to amend section 106 of the Civil Rights Act of 1957 to authorize appropriations for the Commission on Civil Rights for the fiscal year 1981; to the Committee on the Judiciary.

By Mr. GLICKMAN (for himself, Mr. HARKIN, Mr. OTTINGER, Mr. GOLDWATER, Mr. ROE, Mr. FOLEY, Mr. BLANCHARD, Mr. ERTEL, Mr. BROWN of California, Mr. SCHEUER, Mr. LUNDINE, Mr. WATKINS, Mr. WINN, Mr. ANTHONY, Mr. DAVIS of Michigan, Mr. CARNEY, and Mr. HANCE):

H.R. 6889. A bill the Methane Transportation Research, Development and Demonstration Act of 1980; to the Committee on Science and Technology.

By Mr. JOHNSON of California (by request):

H.R. 6890. A bill to amend the Urban Mass Transportation Act of 1964 to provide for authorizations, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. JONES of Oklahoma:

H.R. 6891. A bill to extend the State and Local Fiscal Assistance Act of 1972 for 1 year, to terminate payments to State governments under that act, to subject appropriations for such act to the congressional budgetary process, and for other purposes; to the Committee on Government Operations.

By Mr. PORTER:

H.R. 6892. A bill to amend title 18, United States Code, to prohibit licensed importers, licensed manufacturers, and licensed dealers from selling or otherwise transferring ownership of handguns to any person or entities who are not licensed importers, licensed manufacturers, licensed dealers, or governments; to the Committee on the Judiciary.

By Mr. PRICE:

H.R. 6893. A bill for the relief of the State Community College of East St. Louis; to the Committee on the Judiciary.

By Mr. WOLFF:

H.R. 6894. A bill to amend title 38, United States Code, to provide a comprehensive program of improved benefits for veterans of the Vietnam era by providing a program of career development, advancement, and training, by providing for a conditional extension of the delimiting period with respect to educational assistance, by improving and modernizing the vocational rehabilitation program for disabled veterans, by providing for the payment of tuition expenses under the GI bill through an educational loan discharge program, by providing a needs-based 15-percent increase in the rates of educational assistance allowances under the GI bill, by expanding and improving the effectiveness of outreach programs, psychological readjustment assistance, educational and occupational counseling, and employment programs, by establishing an interagency Veterans Advisory Task Force and a Presidential Commission on Veterans' Affairs, by providing for the identification, treatment, and compensation of veterans suffering from diseases or disabilities attributable to exposure to toxic substance, chemical or biological agents, or radiation, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. LEACH of Iowa:

H. Res. 616. Resolution expressing concern over the Kaohsiung incident in Taiwan; to the Committee on Foreign Affairs.

By Mr. ROE (for himself, Mr. ROTH, Mr. SEBELIUS, Mr. ALEXANDER, Mr. BLANCHARD, and Mr. GLICKMAN):

H. Res. 617. Resolution to express the sense of the House regarding the immediate need for expedited Federal action on programs to aid domestic alcohol fuels production; jointly, to the Committee on Agriculture and Interstate and Foreign Commerce.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

389. By the SPEAKER: Memorial of the Senate of the Commonwealth of Massachusetts, relative to revenue sharing; to the Committee on Government Operations.

390. Also, memorial of the Senate of the Commonwealth of Massachusetts, relative to funding for basic biomedical research; to the Committee on Interstate and Foreign Commerce.

391. Also, memorial of the Senate of the Commonwealth of Massachusetts, relative to establishment and maintenance of an honor squad to participate in the burial of certain veterans; to the Committee on Veterans' Affairs.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 1603: Mr. GRISHAM, Mr. HORTON, and Mr. HUCKABY.

H.R. 2158: Mr. MCCORMACK.

H.R. 2291: Mr. MARKS and Mr. BEARD of Rhode Island.

H.R. 3929: Mr. STANGELAND.

H.R. 5569: Mr. KOSTMAYER.

H.R. 6052: Mr. PICKLE and Mr. MATTOX.

H.R. 6338: Mr. BEDELL, Mr. OTTINGER, Mr. WYATT, Mr. VAN DEERLIN, Mr. GRAY, Mr. ADDABBO, and Mr. CONTE.

H.R. 6552: Mr. ABDNOR and Mr. DASCHLE.

H.R. 6756: Mr. ADDABBO, Mr. DERWINSKI, Mr. LAGOMARSINO, Mr. MATTOX, Mr. MITCHELL of Maryland, Mrs. SCHROEDER, Mr. STARK, and Mr. WON PAT.

H.J. Res. 471: Mr. RINALDO, Mr. WOLFF, Mr. BEARD of Rhode Island, Mr. BRODHEAD, Mr. ERTEL, Mrs. FENWICK, Mr. DASCHLE, Mr. HARSHA, Mr. MCKINNEY, Mr. HUBBARD, Mr. WOLPE, Mr. COTTER, Mr. WEAVER, Mr. EDGAR, Mr. PEYSER, Mr. ADDABBO, Mr. ABDNOR, Mr. CORMAN, Mr. D'AMOURS, Mr. DAN DANIEL, Mr. DUNCAN of Tennessee, Mr. GRAY, Mr. AKAKA, Mr. APPLEGATE, Mr. BRINKLEY, Mr. BOWEN, Mr. HOPKINS, Mr. JONES of Tennessee, Mrs. SNOWE, Mr. TRAXLER, Mr. EVANS of Delaware, Mr. DE LA GARZA, Mrs. BOUQUARD, Mr. SATTERFIELD, Mr. LOWRY, Mr. BUTLER, Mr. RAHALL, Mr. MOFFETT, and Mr. HANLEY.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

314. By the SPEAKER: Petition of the Board of Supervisors, County of Los Angeles, Calif., relative to wage and price controls; to the Committee on Banking, Finance and Urban Affairs.

315. Also, petition of the County Legislature, County of Monroe, N.Y., relative to the State and Local Cost Estimate Act of 1979; to the Committee on Rules.

SENATE—*Thursday, March 20, 1980*

(Legislative day of Thursday, January 3, 1980)

The Senate met at 9:45 a.m., on the expiration of the recess, and was called to order by Hon. J. JAMES EXON, a Senator from the State of Nebraska.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Almighty God, unto whom men in all ages have lifted their prayers as incense from contrite and wistful souls, speak to our longing hearts as we open our lives to Thy searching gaze.

We would test our thoughts, our words, and our deeds not against the imperfect lives of our contemporaries but with our eyes upon the transparent glory of the Man of Nazareth. In these dangerous days help us to find peace and wisdom in the midst of the storm. Show us that the greatest contribution we can make to the world is a good personal life—clean, strong, honest, trustworthy, and serviceable. So we would put our lives on the line for Thy kingdom, lay them on Thy holy altar for this day and eternity. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., March 20, 1980.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable J. JAMES EXON, a Senator from the State of Nebraska, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. EXON thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE ACTING MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The Chair recognizes the acting majority leader.

THE JOURNAL

Mr. RIEGLE. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. RIEGLE. Mr. President, I understand that the Senator from Wisconsin desires some time. I would like to yield 4 minutes to him.

Does the minority leader wish to proceed first?

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. The minority leader is recognized.

A TIME FOR COMMONSENSE ABOUT OUR ECONOMIC PROBLEMS

Mr. BAKER. Mr. President, anyone who filled the car with gas today, knows it. Anyone who went to the store today, or opened the electric bill, or dreamt about the dream house, or read the newspaper, knows it. Our country is in trouble.

We are in trouble around the world. And we are are in trouble right here at home.

For a few moments, let us try to talk some commonsense about our economic problems. And let us try to do it without all those heated words that those in politics sometimes seem to use. The people are worried. They do not want name calling. They want answers.

And we want to suggest some. But real answers are possible only if we understand how real our economic problems are. Every single indicator says this country is on a one-way trip to disaster. Let us not understate it: Recession seems certain; depression seems possible.

Do you remember when the scare word was "double-digit" inflation? 10 percent inflation is double-digit inflation. Now we are close to doubling that.

We remember a few years ago when Congress was studying organized crime and we were told by the experts that loan-sharking was when the interest charged was as high as 20 percent. But Tuesday the prime lending rate of the most reputable banks in the country went up to 19 percent—and that is only for their best (that is their richest) customers. Everybody else pays more.

New housing starts are way down—a sure sign of trouble in the past—a sure sign of trouble to come.

People are not saving any money. Most people do not have any to save. And those who do try to save lose money to inflation and taxes alike.

With the President's recent proposals, Federal revenues from all sources will be a higher proportion of our gross national product than at any time in our history, including World War II.

America is riding for a big, big fall.

To know what to do, we have to know how we got here.

The President says that skyrocketing inflation is a worldwide phenomenon—that it is not his fault. That is wrong. It is his fault. And it is not worldwide. West Germany does not have the problem. Belgium does not have the problem. Japan does not have the problem. Our inflation is near 20 percent, theirs is under 5.8 percent. So let us be honest enough not to blame the rest of the world.

The President says that the real culprit is OPEC and its higher oil prices. That, too, is not true. OPEC and oil do contribute maybe a quarter of our inflation, but those same three countries (West Germany, Belgium, Japan) are even more dependent on foreign oil than we are. They do not have an inflation crisis but we do. Nobody in this Congress much likes OPEC, but OPEC is not the problem.

The President says private credit is a large part of the problem—that the American people buy too much on credit—that the American people owe too much money. He says the people cause inflation by spending money they do not have. That is not true. What is true is that Government causes inflation by spending money that it does not have.

Sure the people borrow money. Sure they buy on credit. They do it to meet their needs. But what is Government's excuse? It has borrowed and spent $200 billion it did not have in just the last 3 years since President Carter took office.

Too much Government spending. That is where inflation comes from. Cutting Government spending is essential to cutting inflation. The people know it. We know it. And surely the President must know it, too, or he would not now, finally, be talking about budget cuts.

Now, will the President's program get the job done? Frankly, the answer is "No." It will not even come close. It is, as this administration has always been, too little too late.

For 3 years the President's policies tempted the Russians with defense cuts and timid leadership. When the Russians invaded Afghanistan, the White House was surprised and tried to turn things around with bold words—dangerously little, dangerously late.

Now we have the same pattern on inflation. For 3 years the President's policies tempted the fates with reckless spending and timid leadership. Now inflation has soared, the White House is surprised and trying to turn things around with bold words—dangerously little, dangerously late.

He says he is going to cut $13 billion out of the budget. From what we hear we do not think the cuts are big enough or are in the right places. We do not know, because he apparently wants to get through a few more primaries before he tells anybody what he has cut. In a

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

minute we will tell you where we will cut the budget, and we are willing to bet it is not where he has cut the budget. But we will have to wait and see.

The President says his program is based on a balanced budget. But his balanced budget does not come from budget cuts, it comes from increased taxes. Overall taxes will go up $100 billion next year. Every American ought to ask this question: Would not your income tax be higher still next year. Mr. Carter's balanced budget comes not from his lower budget but from the people's higher taxes.

In fact, his new program adds still another tax. His new import fee on oil is a tax; and the people will pay it with 10 more cents on every gallon of gas.

We are all for energy conservation, but we all know that 10 cents more per gallon of gas will make all of us mad but it will not produce conservation.

We are all for balancing the budget—but by cutting the budget—not by increasing taxes.

We are all for fighting inflation, but we do not see how you fight high prices by driving them higher. If the problem is high gasoline prices, as Mr. Carter says it is, how can the solution be even higher gasoline prices?

Finally, the President proposes some credit controls with fairly unpredictable results. The Congress will study them, but as one of the President's former economic advisers has suggested, this part of the program looks like "a solution in search of a problem." Surely the credit control that is needed is control on Government spending. The Government should put its own house in order by cutting its budget before it reaches into America's homes to reshape their budgets.

Do the Republicans have answers? Yes, we do. They are simpler. They are better. They will work. We suggest four big steps.

Step one is to cut the budget where it should be cut. You can not really make much progress in cutting the budget unless you cut Government itself; you cannot cut Government unless you cut the bureaucracy—the administrative costs of Government.

This President was elected on a promise to do that. He said the American people could depend on it. But he has not done it yet. There are 50,000 more civilian employees of the Federal Government today than 3 years ago. The White House staff itself is larger than 3 years ago. The President's appointees have shelved the civil service reform that could have pruned incompetence from the bureaucracy. The anonymous bureaucracy grows and grows. It affects each and every American's life each and every day. And yet the President, when he finally gets around to cutting the budget wants to cut programs rather than to cut the administrative overload which makes those programs inefficient.

We propose that every department, every agency, every office of Government cut its administrative costs by 10 percent. Personnel should be cut 10 percent; salary allowances should be cut 10 percent; travel and printing and telephones and Government forms and office space and furniture and consultants should all be cut 10 percent.

And we are talking about every Government operation except the uniformed military. It means every department, every agency, every office, including the Congress and the White House itself. We honestly do not think a single Government program would suffer. Most jobs now done by 10 people could probably be done better by 9. We call it enforced efficiency. And the result would be savings of over $20 billion. That is the way to cut the budget and make Government work at the same time.

Step two is an across-the-board tax cut for all Americans. The Republicans in Congress have been united on this proposal for 3 solid years. The President says money is tight; too much of it is tied up in credit. The answer, Mr. President, is to get more money into the people's hands by giving them back some of the money they earn and the Government takes away. Instead of increasing taxes as the President wants, we should be cutting taxes, getting more money out of the wasteful bureaucracy's hands and into productive personal and private resources.

Step three is a major new commitment to reforming and reducing Government regulation, which now costs more than $100 billion a year and seriously inhibits improvements in productivity. Declining productivity means increasing inflation.

There is one more step we should be taking. It has been said before but it should be said again: The President should summon a bipartisan summit of the Nation's political and economic leadership to seek together a united economic policy for this country. The price of a go-it-alone White House is too high. The price of partisan politics is too high. The future of this country is on the line, and all of us who share leadership responsibilities must meet those responsibilties together.

We are ready to work with the President. We want to work with the President—to chart a rational and steady course toward economic recovery—to give our people a confidence in their future and in their country's future. Only the President can summon such a unity summit.

None of us alone has the wisdom or the votes to get the job done. The time is late, but it is not too late if we have the courage to leave partisan politics behind in the midst of crisis. The united national leadership should be speaking with one voice on a steady and rational course.

The time is late; the crisis is real; but the problems are not as complicated as some politicians or economists seem to believe.

If Government spending is too high, and it is, cut the administrative costs of Government that should be cut anyway.

If there is not enough money in circulation, and there is not, cut taxes across the board and give the people back their money.

If a spirit of national unity is necessary for national confidence, and it is, partisan politics in the White House and in the Congress should give way to a rational and national economic policy.

The Republicans in Congress are ready to help.

Mr. President, I have no further need for my time, and find no request for it. I am prepared to either yield it to the acting majority leader if he has a use for it, or to yield it back.

Mr. RIEGLE. Mr. President, I know of no request, but perhaps it is best if the minority leader will yield the time to me and we will have it in reserve.

Mr. BAKER. Mr. President, I will be happy to do that.

Mr. President, I yield my time under the standing order to the acting majority leader.

Mr. RIEGLE. Mr. President, I yield 4 minutes to the Senator from Wisconsin.

Mr. PROXMIRE. I thank the acting majority leader.

THE GENOCIDE CONVENTION: A FITTING MEMORIAL TO GENOCIDE VICTIMS

Mr. PROXMIRE. Mr. President, the recent graphic descriptions of the slaughter of innocent victims in Cambodia must put to rest for all time the skepticism that has often greeted refugee reports from that country.

Life magazine published articles in both January and March on Cambodia. I would like to quote a small part of John Bryson's March article:

> The exclusive photographs on these pages show the scars left from a period in which a whole culture teetered on the edge of annihilation. Almost half a population of eight million was exterminated as Pol Pot and his henchmen sought to transform a Buddhist kingdom into a Marxist fantasyland. The new Cambodian rulers, backed by Vietnamese occupation troops and Russian guns and money, do not want the horror forgotten.

What is so graphic about the Life article is not the commentary. Mere words cannot capture the horror of genocide. It is the pictures. Can you imagine an entire generation of children put to death? The very thought repels the civilized mind. More sobering yet is a photograph of tiny skulls heaped into a large mound. A picture adds a sense of reality and concreteness to this grim thought because it forces us to accept the fact that these horrible events did indeed take place.

Even the most skeptical observer cannot dispute this graphic evidence. Tragically, the skepticism that greeted early accounts of the Cambodian slaughter recalls world opinion and actions during World War II. Nazi atrocities did not become real until Allied forces captured Auschwitz and Dachau and saw with their own eyes the horrors inflicted on the Jewish people.

The parallels between Nazi Germany and Cambodia are disquieting. That such a holocaust should occur twice within 50 years is certainly a stain on all humanity.

The obvious comparisons between Cambodia and Germany extend further. The Life article does not dwell ghoulishly on the past. In the later pages, Bryson asks what follows such horror. He speaks of small gains in relief efforts that bode more impressive future victories in the fight to save an entire people.

Our concern and the concern of the Cambodian Government is rightfully with the survivors. In addition, Bryson tells how the Government is preserving the prison camps of the butchering Khmer Rouge. Although the occupying Vietnamese do this out of political expediency, they nonetheless do the world a favor. In raising a memorial to the millions who died during the bloody reign of the Khmer Rouge, they preserve proof of the possibility of genocide today.

This memorial is perhaps the most disquieting aspect of a comparison between Nazi Germany and Cambodia. The Jewish people have already erected testaments to the possibility of genocide in the modern world. Both peoples look to the future, but they never want to forget their past.

Mr. President, do we need two holocaust memorials to remind us that genocide can occur today? One should have been enough. We must act to prevent further occurrences of genocide.

What can we do? We can express the collective moral outrage of the American people by ratifying the Genocide Convention.

What does the convention do? The Genocide Convention recognizes and prescribes penalties to punish genocide as an international crime. And it is an international crime. Genocide affronts the principles of any civilized nation.

Most importantly, ratification of the Genocide Convention is a fitting and necessary memorial to the victims of genocide. No more appropriate memorial exists than a convention to attest our hope and pledge our efforts that genocide never happen again.

Mr. President, every major country in the world—83 nations have made this pledge. President Truman, President Eisenhower, President Kennedy, President Nixon, President Ford, President Johnson, as well as President Carter have asked Senate consent for this treaty. I strongly urge my colleagues to ratify the Genocide Convention.

I thank my good friend from Michigan, the acting majority leader.

ORDER OF PROCEDURE

The ACTING PRESIDENT pro tempore. The Chair recognizes the acting majority leader.

Mr. RIEGLE. Mr. President, I yield 3 minutes of my time this morning to the Senator from Virginia (Mr. HARRY F. BYRD, JR.). That would be added to his 15 minute special order, which he would then be able to control according to his own wishes.

Mr. President, I see no other requests and I know of no other requests. I now yield back the remainder of my time and the time that was yielded to me by the minority leader, so we may move to special orders.

RECOGNITION OF SENATOR HARRY F. BYRD, JR.

The ACTING PRESIDENT pro tempore. All time having been yielded back under the majority and minority leaders' time under the order this morning and adding 3 minutes to the 15 minutes that had previously been ordered to the request of the Senator from Virginia, the Chair now recognizes the Senator from Virginia.

Mr. HARRY F. BYRD, JR. Mr. President, I thank the acting majority leader (Mr. RIEGLE) for giving me part of his time.

CUTTING THE PRESIDENT'S BUDGET

Mr. HARRY F. BYRD, JR. This morning, Mr. President, I want to put in the RECORD a letter which I have written to the chairman of the Committee on the Budget, the distinguished senior Senator from Maine (Mr. MUSKIE). This is in reply to a letter Senator MUSKIE wrote to me seeking recommendations as to where the President's 1981 budget could be reduced. I have made specific recommendations totaling more than $26 billion.

President Carter has proposed to increase Government spending by $65 billion over the amount which Congress approved for fiscal 1980. On January 28, in submitting his budget to the Congress of the United States, President Carter proposed spending totaling $616 billion for fiscal year 1981. Last Friday, March 14, in a speech to the American people, he reduced that spending request from $616 billion to $613 billion. The press has indicated, and Mr. Carter himself explicitly declared, that he was cutting his budget by $13 billion. The figures do not substantiate that.

I say again that his request on January 28 for fiscal year 1981 was $616 billion; his current request—March 14—is for $613 billion. This latter figure is $65 billion more than the total approved in the congressional budget resolution for fiscal 1980.

If we are to get Federal spending under control and thus help, in a great way, to get inflation under control, we simply must reduce the tremendous increase which President Carter has proposed in Government spending. I do not know how optimistic to be that this will be done. The Speaker of the House of Representatives, Mr. O'NEILL, has publicly stated that he was not enamored of a balanced budget and that, in order to achieve a balanced budget, many of the projects that he had fought for through the years would have to be reduced. Well, I think they will have to be reduced.

When we get to the Senate side, I want to commend the distinguished majority leader of the Senate, my dear friend, Mr. ROBERT C. BYRD, of the State of West Virginia. Last week, in speaking informally to a group of Senators, he made what, to my mind, was the ablest and most eloquent speech detailing and emphasizing the need to get Federal Government spending under control. It was a magnificent address and made a great impression on the Senator from Virginia.

If this Congress moves to get Federal spending under control, if this Congress achieves a balanced budget without increasing taxes—and I use the word "if," because I am not convinced it will be done—much of the credit should go to the able majority leader of the Senate (Mr. ROBERT C. BYRD). He has taken a strong, firm stand.

Mr. President, in working up a list of where I believe there can be reductions in spending, I do not contend that this can be done without some discomfort to those who feel they have a vested interest in whatever figures the President has sent to the Congress for spending.

An alcoholic cannot drink himself sober; he can return to the real world only by self-denial and discomfort. A spend-a-holic government cannot spend itself rich; it can return to sanity only by painful decisions. There is no easy way.

I have gone through the budget and I have recommended reductions in virtually every function, precise reductions in virtually every function of Government, with the exception of Defense.

I made recommendations from function 150, international affairs, through function 850, general purpose fiscal assistance.

These recommendations total $26,651 million.

Mr. President, having 10 times been on the ballot successfully, I believe I can say that I am not a total stranger to the weird world of politics. I realize full well that in documenting, specifying, and putting in the record areas of the budget that, in my judgment, can and should be reduced will bring down upon my head a storm of protest from various pressure groups throughout the country. So I am not under any illusions about this matter.

I do believe very strongly, though, that rhetoric, such as we have been getting from the President, is not going to balance the budget and is not going to get spending under control. Cosmetics and gimmicks are not going to get spending under control. There must be precise cuts in the tremendous increase in spending proposed by the Carter administration. I say again, he proposes increases totaling $65 billion. I would cut that increase by a minimum of $26 billion. If other Senators and Members of the House of Representatives have better areas to cut the gigantic increase in spending proposed by the administration, better suggestions than I have, most certainly I would want to work with them in that regard.

But I am prepared today, and I will today go on record in specifying $26,651 million in cuts in the proposed Carter budget.

My letter to Senator MUSKIE, dated March 18, says:

U.S. SENATE,
Washington, D.C., March 18, 1980.

Hon. EDMUND S. MUSKIE,
Chairman, Committee on the Budget,
Washington, D.C.

MY DEAR MR. CHAIRMAN: In response to your request of March 13, I enclose proposed reductions in the President's budget of January 28 totaling more than $26 billion.

I am working on additional reductions in spending to total or exceed $6 billion, which could be made as necessary. However, I have not yet reached a decision as to which combination of such possible reductions would be equitable.

Among the major cuts which I am proposing is abolition of CETA public service jobs programs, the subject of severe criticism since their inception, and phasing toward programs to encourage more meaningful, long-term employment in the private sector.

I also believe that we must maintain the existing statutory ceiling on the food stamps program which otherwise would mushroom to $9.7 billion in 1981, or 56 percent above the ceiling of $6.2 billion.

Among other proposals you will find in my tabulation are a federal hiring freeze, with consequent reduction of the government work force by attrition; elimination of the proposed $1 billion for "countercyclical" assistance; and a cut of more than $1 billion in various forms of foreign aid.

Furthermore, I am suggesting elimination of $1.8 billion, across the board in categorical grants to the states. I believe this approach is superior to elimination of state revenue sharing, because it will preserve greater state autonomy in use of funds. But I could support either course of action.

Of course I am aware that these and other reductions I am suggesting will cause discomfort. But all of us must recognize that there is no painless way to reduce the galloping growth rate in federal spending, with all its inflationary consequences.

With best wishes, I am,

Sincerely,

HARRY F. BYRD, JR.

Mr. President, I feel that the Congress and the executive branch of Government have a great responsibility to the American people in regard to taking effective steps to get Government spending under control. These effective steps can only be accomplished by willingness to vote reductions in the huge increases in the funds sought by the administration.

I see no great groundswell on the part of the public for a reduction in taxes, high as they are. But I do see deep concern—deep concern—by the individual citizen in the runaway cost of Government, leading to runaway inflation and historically high interest values.

If Government spending is to be brought under control, it is important to recognize that it must be a joint effort. I do not think the Congress can reasonably or logically say to the President, "You do the job. We are not going to run the political risk of doing so ourselves." Nor can the President on his part say to the Congress, "You do it. I am not willing to take the political risk. I am in a campaign for the Presidency and I am not willing to advocate significant reductions."

I think this must be a joint effort. I am prepared to work closely with officials of the executive branch, President Carter, the Secretary of the Treasury, the Budget Director, and any others involved, to the end that this huge increase in spending be reduced, and sharply reduced.

There is a significant article, commentary, today in the Washington Post, written by Hobart Rowen, a distinguished economist who specializes in the economic field. It is a rather devastating—I will not necessarily use the word "attack"—but a rather devastating piece commenting on what the President has done, or, more accurately, what he has not done, to get spending and inflation under control. I will read a few paragraphs and then ask to have the entire article printed in the RECORD.

Mr. Rowen, who, by no stretch of the imagination, could be considered a conservative columnist, starts out this way:

> Now that President Carter has unveiled his fourth "anti-inflation" program in three years, we can be quite sure that it's not his last. A fifth, maybe a sixth, swing at the problem will be needed.
>
> The cold-blooded assessment of financial experts is that Carter may have partially assuaged the anguish of the bond markets, but he has yet to deal a meaningful blow to inflation.
>
> His promise to balance the fiscal 1981 budget with $13 or $14 billion in program reductions is still mostly rhetoric. He has revealed only $3.1 billion in actual, proposed cuts. The rest of it—$10 billion—isn't specified. The exercise to date gives every appearance of a sleight-of-hand political maneuver, and deserves to be so regarded until proven otherwise. After all, Carter has been promising a balanced budget for fiscal 1981 ever since 1976.

Now I will read the last three paragraphs of the Rowen article:

> The fact is that the present crisis was triggered by Carter himself. When he sent to Congress a guns-and-butter budget for fiscal 1981, he was telling the world that his budget was out of control, that there would be no end to double-digit inflation. Hence, the collapse of the bond market.
>
> He was proposing to have his Treasury and assorted federal agencies borrow close to $90 billion this calendar year, pushing interest rates skyward. He had no anti-inflation program—except a hope for a recession steep enough to hold back the price avalanche, but mild enough to keep Sen. Kennedy in his place.
>
> Worse, Carter and his advisers either didn't understand what they were doing or thought the mere repetition of words like "prudent" and "responsible" would disguise the reality of a dangerous and imprudent course. They didn't. Now the words include "tough" and "pain." They won't fool anybody, either.

I agree with Mr. Rowen that when President Carter sent to Congress a guns-and-butter budget for fiscal 1981, he was telling the world that his budget was out of control, that there would be no end to double-digit inflation.

There must be a sharp reduction in the huge increases provided by President Carters' budget.

Mr. President, I ask unanimous consent that my proposed budget reductions exceeding $26 billion, and the Rowen article, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Proposed reductions in budget outlays, (fiscal year 1981)

[Millions of dollars]

Function and Description:	*Amount*
150. International affairs:	
Reduce bilateral programs of the Agency for International Development by 25 percent	296
Reduce contributions to international organizations by 25 percent	173
Deny request for "makeup" contributions to multilateral development banks; reduce other replenishments	300
Eliminate 52 percent increase in P.L. 480 outlays	386
Subtotal, International Affairs	1, 155
400. Transportation:	
Delay commencement of President's initiatives in public transportation investment, automobile use management, fuel economy standards, and automotive research	617
Eliminate federal aid for large hub airports	100
Reduce mass transit operating subsidies	200
Reduce Amtrak capital grants	200
Subtotal, Transportation	1, 117
450. Community and Regional Development:	
Eliminate 103% increase in Urban Development Action Grants	185
Eliminate 20% increase in rural development and business assistance	128
Deny FY 1980 expansion of economic development funds and fund FY 1981 at 1979 level	414
Eliminate 10% increase in Community Development Block Grants	305
Sub-Total, Community and Regional Development	1, 032
500. Education, Training, Employment and Social Services:	
CETA: (1) Phase out public service jobs programs (Titles II–D and VI); (2) use part of remaining funds for private sector job search and increase in Title VII private sector program; (3) do not fund President's youth employment initiatives	3, 800
Enact S. 1600 (student loan reform) and cap basic educational opportunity grants at $1,800	200
Lower spending cap on Social Services to $2.0 billion	1, 023
Subtotal, Education, Training, etc.	5, 023
550. Health:	
Do not fund Medicaid and Medicare expansions	569
Enact H.R. 934 (Medicaid/Medicare reforms)	300
Limited Medicaid/Medicare payments for institutional services	300
Regulatory reforms in Medicaid/Medicare	200
Subtotal, Health	1, 369
600. Income security:	
Establish national, monthly system of retrospective income reporting for public assistance programs	325
Eliminate national trigger for extended unemployment benefits	1, 000
Eliminate duplication of trade adjustment assistance and unemployment benefits	150
Maintain spending cap on food stamps	3, 500
Regulatory reforms in food stamps	500
Eliminate increase in fuel bill assistance payments	800
Deny increase in housing assistance programs	800
Deny increase in refugee assistance	100
Improve targeting of school lunch and child nutrition programs	400
Subtotal, Income Security	7, 575

	Amount
750. Administration Terminate Legal Services Corp. of Justice	250
Subtotal, Administration of Justice	250
850. General Purpose Fiscal Assistance:	
Do not fund countercyclical fiscal assistance	1,000
Subtotal, General Purpose Fiscal Assistance	1,000
900. Debt interest:	
Adjustment of debt interest because of elimination of FY 1981 deficit (assumes reduction of $5 billion in FY 1980 outlays below figures in 1/28/80 budget document)	*1,500
Subtotal, Debt Interest	1,500
800. General Government:	
Reduce outlays from Legislative Branch accounts	100
Subtotal, General Government	100
Various:	
Repeal Davis-Bacon Act	130
Institute hiring freeze for all Federal General Schedule positions under Office of Personnel Management	2,000
Reduce categorical grants-in-aid to the states by pro-rated amounts totaling the amount of the state share of general revenue sharing	1,800
Reduce departmental overhead expenditures for travel, transportation, printing, reproduction, public relations and equipment	2,300
Reduce budgets of the regulatory agencies by 10 percent	300
Subtotal, Various Functions	6,530
Grand total, all functions	26,651

*OMB estimate, March 14, 1980.

[From the Washington Post, Mar. 20, 1980]

TRY, TRY AGAIN

(By Hobart Rowen)

Now that President Carter has unveiled his fourth "anti-inflation" program in three years, we can be quite sure that it's not his last. A fifth, maybe a sixth, swing at the problem will be needed.

The cold-blooded assessment of financial experts is that Carter may have partially assuaged the anguish of the bond markets, but he has yet to deal a meaningful blow to inflation.

His promise to balance the fiscal 1981 budget with $13 or $14 billion in program reductions is still mostly rhetoric. He has revealed only $3.1 billion in actual, proposed cuts. The rest of it—$10 billion—isn't specified. The exercise to date gives every appearance of a sleight-of-hand political maneuver, and deserves to be so regarded until proven otherwise. After all, Carter has been promising a balanced budget for fiscal 1981 ever since 1976.

In fact, the most specific thing the president produced last week was a back-door membership in OPEC by imposing what economist Walter Heller aptly labeled "that miserable 10-cents-a-gallon tax on gasoline" through a fee on imported oil.

Economic Council Chairman Charles Schultze, a strong advocate of the import fee, admits that it will add four-tenths of a point to the Consumer Price Index plus two-tenths of a point in indirect price increases. Those are probably underestimates, since Carter's import fee, like OPEC price increases, will have secondary effects as it works its way through wage and price escalators. Some anti-inflation gesture!

Once again, Carter has left the job of fighting inflation to the Federal Reserve Board, increasing its power to curb credit expansion by banks, department stores and credit-card companies. This may have some benefits. Yet a major part of the Fed's effort, in the absence of a stronger fiscal or, wage-price policy, will be based on ever-higher interest rates.

As a test of how the Carter program would match expectations, I asked a few well-posted financial market analysts and economists—just hours before the details were to be made public—what would be the minimum requirements for a credible anti-inflation effort from Carter.

All stressed an honest-to-God budget balance. Wall Street also hoped for business-tax reductions and an end to a full indexing of Social Security and other transfer payments. Until the indexation process is modified, there can be no conclusion except that the nation has decided to live with inflation rather than fight it.

On the wage-price front, the big step the president took was a joke: he authorized a new wage guideline that moves from 7 percent to an outer limit of 9.5 percent. As to prices, some big firms—not all—will let the government know in advance about some of their price increases—not all. That is, if they choose to, since it's all voluntary.

On the budget-cutting side, Carter had been urged to cut fat out of the fiscal 1980 budget, which has been allowed to swell $41 billion over its original estimate. "If they want credibility," Henry Kaufman of Salomon Bros. told me before the program was announced, "they better not delay until the start of the new fiscal year Oct. 1."

But, of course, delay is just what has been ordered. Despite an official "leak" that $4 billion would be trimmed out of the current budget, Carter promised only $2 billion—and didn't say where that was coming from.

Perhaps the most disturbing thing about the whole exercise—apart from the serious condition of the economy—is the willingness of administration officials to shade the truth. President Carter and Treasury Secretary G. William Miller insisted, for example, that the new budget was a response to changed conditions.

Thus, Miller said that the recent extraordinary jumps in the inflation indexes were unexpected. By contrast, a candid Fed Chairman Paul Volcker remarked that no one should have been surprised. The increases this year were a consequence of the oil price hikes and mortgage cost increases late in 1979, he said.

The fact is that the present crisis was triggered by Carter himself. When he sent to Congress a guns-and-butter budget for fiscal 1981, he was telling the world that his budget was out of control, that there would be no end to double-digit inflation. Hence, the collapse of the bond market.

He was proposing to have his Treasury and assorted federal agencies borrow close to $90 billion this calendar year, pushing interest rates skyward. He had no anti-inflation program—except a hope for a recession steep enough to hold back the price avalanche, but mild enough to keep Sen. Kennedy in his place.

Worse, Carter and his advisers either didn't understand what they were doing or thought the mere repetition of words like "prudent" and "responsible" would disguise the reality of a dangerous and imprudent course. They didn't. Now the words include "tough" and "pain." They won't fool anybody, either.

Mr. HELMS. Mr. President, I should like to yield some of my time to the distinguished Senator from Virginia.

Mr. HARRY F. BYRD, JR. I am grateful to the Senator from North Carolina.

The PRESIDING OFFICER. The Senator from North Carolina is recognized for that purpose.

Mr. HELMS. Mr. President, I take this occasion to compliment the Senator from Virginia for his usual perspicacity. He has been a leader in the Senate, ever since he has been here, in terms of economy in government.

I have watched him, time and time again, stand up and cast a difficult vote, knowing full well that the fires of protest would roll down upon his head, from all around the country, from pressure groups. As he indicated earlier in his remarks, by spelling out some of the reductions in Federal spending that he is willing to support, he expects that he will be criticized again. But the Senator from Virginia did not come here expecting a rose garden. He came here to stand for fiscal responsibility, and that he has done, just as his distinguished father did before him.

I say to my friend from Virginia how this little game around here works. A couple of weeks ago, I discovered in the food stamp program an overlapping and duplication of a program that is already wasteful and corrupt beyond any comparison. I asked the Congressional Budget Office to give me its closest conservative estimate on what this overlap, this duplication, is costing the American people each year.

I ask the Senator from Virginia to guess how much it is costing. He cannot guess, because he does not even know specifically what I am talking about. But it is costing the American taxpayer $629 million a year in duplication. We are not talking about food for the needy. We are not talking about cutting off food for anybody. We are talking about waste, extravagance, duplication.

In the Agriculture Committee, I submitted an amendment to cut out this $629 million of spending, and it was adopted by a two-vote margin.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator yield?

Mr. HELMS. I yield.

Mr. HARRY F. BYRD, JR. I have not been aware of that particular figure, but I do know that the budget submitted by President Carter proposes to increase spending for food stamps by 56 percent over and above the $6.2 billion cap.

Mr. HELMS. Exactly.

As I was saying, Mr. President, my amendment to reduce this waste by $629 million was approved by the committee by a two-vote margin.

I wish the Sentaor from Virginia had been there so he could have seen the Federal bureaucrats rush out of the committee room, in anger. They went back to their little governmental offices and got on their governmental telephones, and they began calling the pressure groups all over this country. Within 24 hours, there was a virtual avalanche of telegrams, including telegrams from my own State, replete with nonsense.

Two days later, the Agriculture Committee, in continuing its consideration of the authorization bill, reconsidered the Helms amendment; and by a one-vote margin backed up and said. "Well, we will make it $300 million instead of $629 million."

I am going to take this fight to the Senate floor, I say to the Senator from Virginia. We are going to talk about the $629 million instead of $300 million.

This is an illustration of what happens here, right on this floor. Inflation begins where we work, on the floor of the U.S. Senate.

Mr. HARRY F. BYRD, JR. If the Senator will yield, I say, first, that the Senator from Virginia certainly will support the position of the able Senator from North Carolina when that fight does come to the floor.

Speaking of waste, the Senator from North Carolina will recall that, 2 years ago, the Inspector General of the Department of Health, Education, and Welfare, in his official report, stated that that one department misspent, through waste, mismanagement, and fraud, between $6.3 billion and $7.2 billion.

Mr. HELMS. That is correct.

Mr. HARRY F. BYRD, JR. The then Secretary of Health, Education, and Welfare, Mr. Califano, said that the Inspector General was not exactly correct, that it was only $6 billion that had been misspent.

Mr. HELMS. And that information was fleetingly dissemenated among the people, but in such a way that it was almost like a ship passing in the night. But, admittedly, a minimum of $6 billion was wasted in 1 year.

Then I hear all these voices say, "Oh, we cannot balance the budget this year. We must balance it next year."

We have been hearing that how long? Twenty years? Thirty years?

Mr. BAKER. All my life.

Mr. HELMS. The Senator from Tennessee says he has heard it all his life, and he is a man of much experience.

Mr. HARRY F. BYRD, JR. We have been hearing it a long time.

Mr. HELMS. I thank the Senator from Virginia, not only for his statements this morning but also for the principles for which he has stood as a Senator from the great State of Virginia.

CONGRESS SHOULD FEEL THE BUDGET PINCH

Mr. HELMS. Mr. President, obviously, everybody's mind is on the Nation's economic crisis, but the question is whether the will to do something about this crisis is in our hearts. When I say "our hearts," I refer primarily to the distinguished Members of the U.S. Senate and to our counterparts in the House of Representatives It boils down to this: It is up to us, each of us, to recognize the part that each of us plays in the inflation that is plaguing this Nation.

The plain and unvarnished fact is that inflation starts right here in Congress. Here is where the deficits have been approved year after year. Here is where the bloated, big spending bills are rushed through year after year. Every time Congress authorizes and appropriates extravagant amounts for Federal spending programs, inflation grows higher. When I say "extravagant," I mean any amount in excess of the money taken in by the Federal Government. Excessive Federal spending and excessive Federal borrowing have virtually destroyed the dollar and in the process have made credit in the private section unavailable.

That is why we have a Federal debt approaching $850 billion—almost a trillion.

Small wonder that the Nation's economy is on the brink of chaos. At the present time, the United States is devoting a larger share of the GNP to Government programs and handouts than at any period except at the height of World War II.

Despite the political rhetoric calling for a balanced budget next year, the fact is that the administration's proposals will actually increase spending. These proposals will actually raise taxes because of the growth in inflation in the past several weeks. As the Wall Street Journal pointed out Tuesday, the President's proposed budget cuts are scheduled only after upward revisions for inflation have been tacked on. So it is a shell game. For fiscal year 1980 and fiscal year 1981, the add-ons total $15.5 billion, and then the administration budget cutters came around and said, "We are going to cut $15.5 billion." So they added on and then they cut back, and they were exactly where they were in the first place. It is a little bit like an unscrupulous merchant who doubles his prices before marking the items "half off."

By the same token, gross tax receipts will increase by some $32.5 billion, because inflation is pushing people into higher and higher tax brackets. Taxes are up, not down. And the American taxpayer is worse off, not better.

It gets around to this, Mr. President: What are we and Members of Congress going to do about this? We can talk, we can say, "We favor a balanced budget." I doubt that there is one Senator who has not been home in the last few weeks and held up his hands and said, "I favor a balanced budget," and the people believe him. But it is not what he says when he is home that counts. It is how he votes when he is here that counts.

So I think it is time for us to demonstrate that Members of Congress personally understand the hardships that the American people are facing. We must demonstrate that when we talk about making cuts in the Federal Government we are ready to begin with that branch of Government which is closest to us; that is, our own, the legislative branch.

So, Mr. President, I propose that Congress reduce the salaries of Senators and House Members by 10 percent and reduce the overall level of legislative branch spending by 20 percent not next year. Do it now.

If we are going to limit the growth of Federal bureaucracy, let's start with our own bureaucracy.

I never have been able to see how in good conscience any Member of Congress could vote to insulate himself or herself from the inflation that is caused right here in Congress. But we have this little deal, which I vigorously oppose, of an automatic pay increase unless Congress decides overtly to vote against that automatic pay increase. So this has happened time and time again.

Let us look at what has happened to legislative appropriations, going back first 5 years and then 10 years and 15 years:

	Legislative appropriations	Number of staff	Member's salary
Fiscal year:			
1965	$210,000,000	25,000	$30,000.00
1970	345,000,000	30,000	42,500.00
1975	765,000,000	38,000	44,600.00
1980	1,170,000,000	41,000	60,662.50

It cost $210 million to operate this Congress in 1965. By 1970 the cost of operating this Congress had increased $345 million. In 1975 it cost $765 million. And this year it is going to cost $1,170,000,000 to operate Congress and all of its various entities.

How about staff members? Oh, we talk about holding the line. In 1965 there were roughly 25,000 people employed by Congress. By 1970 it had grown to 30,000. In 1975 it had gone to 38,000 and then this year it is 41,000 people employed by Congress.

The salaries of Senators and staff members have increased proportionately.

If we look at this legislative spending, and this is our own backyard, Mr. President, it represents a 457-percent increase in 15 years.

Who are we to talk? Let us ask ourselves do we need to have so many staff members around here?

HERMAN TALMADGE so often has said that this Congress is no longer being run by Senators and Representatives; it is being run by staff members, 41,000 of them.

If we look at the legislative spending, we see a 457-percent increase in the past 15 years.

So let us ask ourselves: Do we need to have so many staff persons? Do our constituents really demand all of these services which cost so much? Would not they regard lower taxes as more important than any services Senate offices provide? Can we justify having our salary increases tied automatically to Federal wage increases generally? Why do we not stand up and demand rollcall votes on salary increases?

Or better yet, why not actually cut our salaries to demonstrate that Congress means business in cutting the budget? The Senator from North Carolina has already received many letters from special interests who say they favor balancing the budget, but still demand handouts because their own pet projects are so important. If we cut our own salaries, and our own legislative appropriations, we can demonstrate a willingness to do something about inflation instead of just talking about it.

So, Mr. President, why not actually reduce our salaries as a matter of good faith to demonstrate that Congress really does mean business in cutting the

Federal budget? If we do that in our own bailiwick then no Senator and no Representative should have any reluctance whatsoever to just look carefully at all of these billions upon billions of dollars in appropriations bills that have come and will come to us for consideration.

But Mr. Carter's plan to fight inflation, illusory as it is and deceptive as it is, has already set off a nervous titter all around the country among various pressure groups and beneficiaries of Federal largess.

I could not tell you, Mr. President, how many letters I have already received from my State and other States of people who say, "Cut the other people but do not cut us."

A great many of my friends were here from the County Commissioners Association and a little later on the League of Municipalities, and I may be one of the few Senators in this body who has served as a city councilman and I understand the problems of local government.

But they came here and they had receptions, and they visited Senators and they put the bee on us for Federal revenue sharing.

I said, "Fine, but we do not have any revenue to share."

The PRESIDING OFFICER. The Senator's time has expired.

Mr. HELMS. I thank the Chair.

I yield the floor.

RECOGNITION OF SENATOR TSONGAS

The PRESIDING OFFICER. Under the previous order, the Senator from Massachusetts is recognized for not to exceed 15 minutes.

POLITICAL PRISONERS IN SOUTH AFRICA

Mr. TSONGAS. Mr. President, I take great pride today in announcing the political prisoner project of the Congressional Ad Hoc Monitoring Group on Southern Africa.

The Ad Hoc Monitoring Group on Southern Africa is a bicameral, bipartisan congressional organization devoted to the promotion of political, social, and economic justice in southern Africa. Forty-eight Members of Congress are members of the group. The political prisoner project has been organized by Congressman Tom Downey. The project fulfills one of the core responsibilities of the ad hoc monitoring group—that is to monitor the cases of political dissidents who are detained, imprisoned, or banned by the South African Government.

Congressman Downey and his staff have compiled a list of 200 South African dissidents. From that number 56 have been selected as candidates for adoption by Members of Congress. All 56 have been accused or convicted of political, as opposed to violent, crimes. Congressman Downey has sent a packet of information on an adoptee to each member of the Ad Hoc Monitoring Group. The member is invited to correspond with the prisoner and his family, to write to the appropriate South African official on his behalf, to publicize his plight, and generally to promote the safety and ultimate release of the prisoner.

The project is designed in part to prevent a recurrence of what happened to Steven Biko in 1977. Biko was a political prisoner in South Africa and died from injuries sustained during his detention. Like most of the dissidents in South Africa, his crime was to oppose apartheid politically and prominently. He was not a revolutionary. His death was a tragedy because Biko was the kind of leader who offered the best hopes for a peaceful transfer of power to the black majority. In the future, such prisoners will not be anonymous. Thanks to Congressman Downey and my colleagues in the Ad Hoc Monitoring Group, dissidents in South Africa will be monitored by an American Member of Congress. Before officials decide to torture or murder a political prisoner, there will be a realization that here in the U.S. Congress, a Senator or a Congressman knows the situation, is following it closely, and is ready to respond.

Beyond the humanitarian reasons for this project, there are very pragmatic purposes for monitoring political prisoners. The South African Government faces a growing threat of revolutionary violence from the disenfranchised and dispossessed black majority. The response of the minority government has been consistent over the years—clamp down on all forms of black opposition, from the moderates advocating peaceful change to the radicals who urge violence.

None of the members of the Ad Hoc Monitoring Committee want to see a violent, radical resolution of the racial crisis in South Africa. Nor do we support those who advocate a violent resolution. To the contrary, we see the moderate opponents of apartheid as absolutely critical to a relatively peaceful transition to majority rule. If the moderates are suppressed, only the radicals remain. This pattern of political radicalization and polarization is all too familiar to students of South African politics. The moderates try to effect change through the system. But they gain no concessions from an intractible government. In frustration, they turn to sharper criticism of apartheid. The Government responds with a banning order, detention, or imprisonment. And so another moderate leaves the scene, silenced by government repression, and ready to abandon his moderate approach.

The political prisoner project is, in my view, a very effective way to slow this process of radicalization and polarization in South Africa. The project imposes a political cost on political persecution of moderates. The South African Government now must recompute the price of political repression. Nothing we do here will end the Government's instinct for self-destruction, but we can play a role, a constructive and I hope expanding role, in the promotion of peaceful change. We must forge a larger dialog between America and South Africa. We must demonstrate our concern and commitment to racial justice. We must do our part to encourage and protect the moderates. The political prisoner project is an effective and timely vehicle.

Congressman Downey has asked me to adopt Winnie Mandela. Winnie Mandela is best known as the wife of Nelson Mandela, the black nationalist leader now serving a life sentence in a South African prison. But Winnie Mandela is a lifelong antiapartheid activist in her own right. Now in her 60's, she has endured many years of official persecution and harassment. She is currently under a 5-year banning order which has "rusticated" her, as the official euphemism goes, to a remote rural location some 350 kilometers from her home in Johannesburg. The rustication has effectively isolated Mrs. Mandela from most visitors, including myself during my recent visit to South Africa. I request unanimous consent that her biography prepared by Congressman Downey be printed in the Record at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. TSONGAS. The Ad Hoc Monitoring Group on Southern Africa fills an important function in the Congress. It has grown steadily since its inception in 1977. Congressman Downey has authored a short history of the group, and I think that my eminent colleagues might find it useful and informative. I request unanimous consent that this document appear in the Record at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. TSONGAS. Over the next few years South Africa will become an ever more important part of the American security calculation. The Ad Hoc Monitoring Group is well placed to play a vital role in the American-South African dialog. We have a large supply of political prisoners up for adoption. I invite my distinguished colleagues to consider associating themselves with the group.

Let me add, Mr. President, that of the 48 members of the Ad Hoc Monitoring Group, two of us are U.S. Senators and 46 are House Members. I would hope there would be more Senators who would be willing to join the group and participate in the attempt to bring about a peaceful transition in South Africa.

EXHIBIT 1

WINNIE MANDELA

Winnie Mandela, one of the best-known leaders of black opinion in South Africa, has suffered a long history of political persecution. The wife of Nelson Mandela, the African National Congress (ANC) leader now serving a sentence of life imprisonment under maximum security on Robben Island, Mrs. Mandela is a major political figure in her own right.

A social worker by profession, Mrs. Mandela was first detained in 1958, while pregnant, for participating in a demonstration against the pass laws. First banned in 1963, she has been jailed several times. In 1969, Mrs. Mandela and 21 others were charged under the Suppression of Communism Act. They were alleged to have undertaken activities on behalf of the banned ANC. During the course of the trial, various defendants and state witnesses alleged torture and ill-treatment by security police, and the State withdrew all charges against the 22 accused in February 1970. However, before they could leave the court, they were all re-detained under Section 6 of the Terrorism Act. In May, all but three of the detainees were again charged, this time under the Terrorism Act. They were acquitted in September but Mrs. Mandela was then placed under house arrest and other restrictions under a 5-year banning order.

Mrs. Mandela was constantly harassed and intimidated by the security police. She was charged on several occasions with contravening the terms of her banning order and was jailed for six months for this offense in October 1974.

Mrs. Mandela's banning order was not reimposed by then-Minister of Justice James Kruger when it expired in September 1975. However, following the outbreak of the Soweto riots, Mrs. Mandela was detained under the preventative detention clause of the Internal Security Act on August 13, 1976. She was held, along with other women detainees, at the Fort Prison in Johannesburg until the end of December 1976. At the time of her release, a new 5-year banning order was imposed to restrict her once more to the Soweto area. The terms of the order were amended in May 1977 to provide for her restriction to the small town of Brandfort in the Orange Free State, some 350 kilometers from her Soweto home.

New charges of contravening the terms of her banning order was brought against her in late August 1977. She was charged with five counts of receiving visitors at her home in Brandfort. Her trial, which was held in Bloemfontein, concluded on February 9, 1978, with Mrs. Mandela being convicted on two counts. She was sentenced to 6 months imprisonment on both counts, but the sentence was suspended for four years. During the trial, four women called as state witnesses refused to give evidence against Mrs. Mandela and were themselves sentenced to jail terms as well.

In September, Mrs. Mandela won her appeal against the conviction and sentence, but she had in the meantime been charged with contravening the order once again. In August, she was charged with contravening the ban on two occasions and with obstructing the police. She was acquitted in early November.

Exhibit 2

The Congressional Ad Hoc Monitoring Group on Southern Africa

Origins: On September 12, 1977 black South African civil rights leader Steven Biko died in his cell as a result of injuries received while in the custody of South African police. Before his death Biko wrote that "the blacks in South Africa have nothing to lean on * * * and very much to be afraid of in the future."

Biko's death in prison and the wave of arrests and detentions of civil rights and religious leaders which followed brought home to many members of the United States Congress a clear vision of the extent to which the government of South Africa was prepared to go in repressing dissent. Previous to these events there had been some perception in the United States that South African authorities were preparing to soften their racial positions in order to win favor in world opinion. The worldwide attention generated by Biko's death and the arrest of other prominent civil rights leaders in South Africa proved the fallacy of these perceptions and highlighted the apparent intention of the South African government to take an increasingly hard-line stance against activism and social dissent.

It was in this atmosphere in the autumn of 1977 that three U.S. Members of Congress, Thomas J. Downey (D-NY), Andrew Maguire (D-NJ), and Edward J. Markey (D-Mass.), sent a letter to their colleagues on September 28 inviting them to join a congressional monitoring group on South Africa. This letter pointed out that in the past 18 months 21 political prisoners, including Steve Biko, had died while under arrest by South African police, and explained the rationale for an outside monitoring group concerned with events in South Africa.

As you know, very effective monitoring systems have been established to watchdog political prisoners in other countries. It is our intention to set-up a similar ad hoc group in Congress to oversee the fate of other political prisoners in South Africa.

It is possible that had such a Congressional group been in existence a month ago to protest the arrest and treatment of Steve Biko, he might still be alive today to help lead South Africa towards social reconciliation.

Several days before this "Dear Colleague" was drafted eleven concerned Members of Congress met with South African Ambassador Donald Sole in Washington to discuss the Biko case and the treatment of other prisoners in police custody. This meeting was followed up on October 7 by a letter to Ambassador Sole informing him that "Following a meeting with you on September 23, a number of Members of Congress decided to form an ad hoc monitoring group concerned about the fate of a reported 2,500 political prisoners currently in South African jails."

Maguire, Downey and Markey were joined in signing this letter by William Brodhead (D-Mich), Bob Carr (D-Mich) and Less AuCoin (D-Oreg). In this first official act of the congressional monitoring group, the South African Ambassador was asked for specific information concerning Peter Jones, who was arrested and detained with Steve Biko on August 19, 1977. Specific information was also requested about twenty other political detainees who had died in custody since March 1976.

With the subsequent arrest of approximately 50 prominent church, political and civil rights leaders on October 19 by the Vorster government, individual members of the ad hoc group decided to seek legislative sanctions in Congress against South Africa while continuing to work for information about and the release of individual political prisoners.

ORGANIZATION AND MEMBERSHIP

By January 1978 there were thirty members of what had been named the Ad Hoc Monitoring Group on South Africa (AHMG). The membership was, and is, bipartisan and predominantly liberal to moderate, with many of the members belonging to the young, post-Watergate election class of 1974. As of January 1980 the membership had grown to 48, though several founding members had failed to win reelection in 1978. The group was also expanded in 1979 to include two members of the Sente, Mark Hatfield (R-Oreg.) and Paul Tsongas (D-Mass.), who had previously been a member of the group in the House.[1] In 1979 the name of the group was changed to the Congressional Ad Hoc Monitoring Group on Southern Africa to reflect an expanded concern about events in all of southern Africa, which was taken to include South Africa, Namibia, Zimbabwe/Rhodesia, Mozambique, Botswana, Angola and Zambia.

The AHMG is ad hoc in every sense. The leadership role is assigned to four co-coordinators, two Democrats and two Republicans—currently they are Downey and Paul McCloskey (R-Cal.), on the House side and Senators Tsongas and Hatfield. However, initiatives for legislation, meetings, letters, and other projects are encouraged from all members of the group. There is no central office, no dues obligation and no professional staff. Staff coordination and the day-to-day functions of the group are performed mainly by assigned members on the personal staffs of the group co-coordinators.[2] Letterhead stationery has been printed, and mailings are done and materials provided at the members' own expense.

The AHMG is made up primarily of Members of Congress who do not sit on the Foreign Affairs Committees, and one intended purpose of the group has been to provide an outlet and information vehicle for those Members of Congress who have a personal interest in southern African affairs but no official position or duties in this regard within the Congress. The membership has expanded to include six of the nine members of Africa Subcommittee, including its Chairman Steven Solarz (D.-N.Y.), as well as a majority of the Congressional Black Caucus. However, the AHMG remains a separate and distinct group, with none of its leadership holding positions on either the Foreign Affairs Committee or in the Black Caucus, though the group relies very much on the cooperation and expertise of the members and staff of these two groups.

AIMS AND GOALS

An original intention of the founding members of the AHMG was to make a study of the complex legal powers of the South African Minister of Justice and security police, and to monitor the arrest, trial and detention of political dissidents in South Africa.

A majority of these arrests result from provisions of the Terrorist Act of 1967, which broadly defines "terrorism" as any activity designed to endanger the maintenance of law and order in South Africa.

Section Six of the Terrorist Act provides for the indefinite detention, without charge, of any person suspected of terrorism. The burden of proof under the Act is upon the accused to prove they are not terrorists. No court is allowed to question the validity of a detention order, nor is a court empowered to order a prisoner's release.

The Internal Security Act adopted in June of 1976, contains a clause providing for indefinite preventive detention. In other words, persons even suspected of terrorism may be arrested under the Security Act. Detention orders must be reviewed only every 12 months.

Since 1963, at least 50 political detainees have died in South African jails. According to Ministry of Justice Records 20 of these 50 detainees committed suicide. Several other prisoners reportedly died when they "slipped in the shower", "fell seven floors during interrogation," or "fell down stairs."

It was the death of the black activist Steve Biko, leader of the so-called Black Consciousness Movement which drew international attention to the broad powers given to the South African police by the Terrorism Act.

Despite his stature, Biko was arrested in late August of 1977, and after several weeks in jail, the government announced his death. Many people in South Africa and abroad felt that if the Vorster government was willing to risk Biko's death while in detention, other, less well-known political prisoners might suffer the same fate.

Donald Woods, editor of the South African newspaper, the Daily Dispatch, talked to Biko shortly before his arrest and noted that "we had a pact. If he died in detention, and if one of four specific causes of death was alleged I would know it to be untrue. The four were: self-inflicted hanging, suffocation, bleeding or starvation." Initial reports by the South African government indicated that Biko had been on a hunger strike just prior to his death and the inquest that followed heard evidence that Biko had suffered severe head wounds. The official inquest into Biko's death fixed no blame for his death, but noted massive injuries to his body.

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[1] See Appendix A for a complete membership list as of January 1, 1980.

[2] The original staff coordinators included Philip Sparks, David Hoffman and Peter Knight. Since 1979 they have been David Smith, Ann McLane, Rick Rolf and Chris Chamberlain.

The treatment of Biko prior to his death also serves to illustrate South African treatment of its political dissidents. In 1973 the government banned the publication of the writings of Biko and prohibited him from being quoted in the press; in 1976 he was detained by the South African police and redetained in August of the same year under provisions of the Terrorist Act. One year later, Biko was again detained and he died two weeks later in prison.

Throughout the 95th Congress the AHMG pursued its monitoring activity with regard to political prisoners and a number of inquiries were made of the South African Ambassador and the Ministry of Justice. However, the difficulty of gathering the up-to-date information on trials and detentions required to pursue adequate follow-up of these inquiries made the success of this activity less than satisfactory.

The AHMG is prepared to renew its efforts in this direction in 1980 with the initiation of a new project of inquiry and monitoring on behalf of political detainees in South Africa. With the help of groups such as Amnesty International, the American Friends Service, the World Council of Churches, the Lawyers Committee For Civil Rights Under Law, and the U.S. State Department, biographies have been prepared, and will be maintained, on several hundred political prisoners in South Africa. These individuals may be "adopted" by members of the AHMG and other interested Members of Congress, who will make inquiries about their legal rights, fair treatment and the welfare of the prisoners and their families during detention or imprisonment. The AHMG will act as a clearinghouse for information on political prisoners, but the adoption procedure should be somewhat self-sustaining through the efforts of individual Members of Congress and their staffs.

In short, this and the other activities and goals of the Monitoring Group may be summed up as follows:

1. Political prisoners: letter writing and monitoring the cases of political dissidents in detention or under banning orders.

2. Information: briefings for Members and their staffs on current events in southern Africa. This function of the group provides one of the main sources of information on African affairs for those Members who do not serve on Foreign Affairs Committees in the House or Senate. In conjunction with the Department of State Visitors Program, meetings are arranged between AHMG members and Africans visiting this country, Americans recently returned from Africa and other area experts.[3]

3. Discussion: formal and informal discussions among AHMG members are arranged when issues affecting southern Africa are being debated or about to be debated in the House.

4. Press conferences group actions to comment on specific events: In light of the State Department's occasional reluctance to make public protestations, the AHMG can serve as a body representative of the feelings of millions of Americans in protesting abuses of human rights in South Africa. While these conferences often do not receive the attention of the American press, they generally receive extensive coverage in South Africa. Also, these protests, when they do receive American press coverage, serve to educate an American public that is generally uninformed about Africa and that is, at the same time, subjected to an extensive effort on the part of the South African government to influence American opinion.

5. Legislation: the initiation of and lobbying for legislation that effectively promotes human rights and legitimate American interests in southern Africa has become one of the most important and most prominent functions of the AHMG.

As a general rule, letters, press statements, lobbying efforts and other public pronouncements are not undertaken in the name of the AHMG as a whole. Members are invited to participate or lend their names to Monitoring Group activities or not as they choose. This is intended to promote a diversity of views on specific issues and to encourage the participation in this ad hoc group by Members of Congress of both parties and of various shades of political background and opinion.

Unanimity is required only in acceptance of the general statement of purpose of the Ad Hoc Monitoring Group:

Given the importance of Southern Africa to our national interest and to world peace now and in the future, the purpose of the Ad Hoc Monitoring Group on Southern Africa is to monitor developments in Southern Africa, to make available information on Southern Africa and to work for the attainment of social, economic and political justice in Southern Africa.

Activities and Accomplishments: In January 1978 the AHMG sponsored a three hour seminar entitled, "South Africa In Perspective" as an introduction of the new Monitoring Group to the Congress. The program included background briefings for Members and their staffs by Martin Ennals, Secretary General of Amnesty International, Dennis Keogh, Deputy Director of the State Department Office of Southern African Affairs, and Clagett Taylor, South African Desk Officer at the Department of State.

Mr. Ennals presented the findings of a major study by Amnesty International on political prisoners in South Africa, and the State Department experts briefed the group on the consequences of the election which had recently returned Prime Minister Vorster to power in South Africa.

This first meeting of the newly formed monitoring committee became the subject of a serious controversy when it was discovered that an officer of the South African Information Ministry had attended the closed briefing. Attendance at the AHMG meeting was clearly restricted on the printed agenda and in the opening remarks of the speakers, but information on the meeting, including the names of South African parliamentarians the State Department speakers felt might be amenable to social change, was leaked to a pro-government newspaper in South Africa. The AHMG protested in very strong terms to the South African Ambassador, informing him that his "staff has seriously deceived the Ad Hoc Committee by attending our meeting."

On January 26 the Johannesburg newspaper The Star carried a front page headline—"U.S. Rebuke Over SA 'Spying' on Committee." A Downey aide was quoted as saying that relations between the South African Embassy and the AHMG had been seriously damaged and that the group would do what it could to have South African Embassy officials labelled persona non grata on Capitol Hill. The Rand Daily Mail also carried the story on January 27 under the banner, "Row Looms Over SA 'Spy' in Washington." In referring to the coverage of the affair by the more conservative South African press, the Rand Daily Mail article said:

The outcry in some South African papers that the ad hoc committee is trying to 'subvert' (South African) parliamentarians is privately thought by U.S. officials to be somewhat exaggerated.

The 'spy' scandal, however, did not end there. On January 31, 1978 the AHMG was addressed by Donald Woods, the former editor of the East London Daily Dispatch, one of the most prominent journalists in South Africa and a close friend of Steve Biko before his death. Woods was put under a banning order for his opposition to apartheid, and he fled to the United States after escaping house arrest in South Africa. Once again this meeting was restricted to Members of Congress and their staffs and this restriction was announced several times and posted at the door. Nevertheless, the closed meeting was attended by a registered agent of the South African Ministry of Information, Eva Neterowicz, a paid lobbyist for DeKeiffer and Associates. When asked to identify herself at the meeting Ms. Neterowicz claimed that she worked for U.S. Representative Dan Rostenkowski, when in fact she had left his employ three months earlier.

Another strong letter was sent to Ambassador Sole protesting the presence of a registered lobbyist at the closed AHMG meeting which "was both an affront to our Group and to the Congress which her firm and your government seek to communicate with."

A further controversy followed when Eugene Hugo of the Washington Bureau of the Johannesburg Star was recalled to South Africa. Members of the AHMG protested his recall, which they believed was due to South African government pressure as a result of Hugo's reporting on the activities of the AHMG in the Star article referred to above. Ambassador Sole denied any responsibility on the part of the South African government either for Mr. Hugo's recall or for the attendance of South African representatives at AHMG meetings. Relations between the South African Embassy and the Monitoring Group have remained cool since this interchange, though there has been no repetition of incidents involving unauthorized attendance at the AHMG meetings by South African agents of Embassy personnel.

Following this controversial beginning, the AHMG began planning a package of legislative measures designed to make clear to South Africa the strong disapprobation of the United States regarding the apartheid system. Legislation was introduced by Monitoring Group Members to put economic as well as moral pressure on the South African government, including the following bills:

To deny credit or deductions for U.S. businesses for taxes paid or accrued in South Africa.

To prohibit any extension of credit to South Africa by the Export-Import Bank.

To prohibit the importation of South African goods produced by work which was subject to discriminatory wage scales or job classifications.

To prohibit the sale of so-called "gray areas" items to South Africa, such as "civilian" aircraft which could be converted to a military application.

The most successful of these legislative measures was an amendment proposed by Rep. Tsongas to the Export-Import Act of 1945, which, as enacted in November 1978, prohibits Ex-Im loans, loan guarantees insurance, or credit for:

1. Exports which could be used to enforce apartheid.

2. Any exports to South African government agencies unless the President determines that significant progress has been made toward the elimination of apartheid.

3. Exports to purchasers in SA who do not adhere to an acceptable code of fair employment practices.

Members of the AHMG continue to monitor the interpretation of this amendment by the Secretary of State, while more effective means are sought to encourage movement toward equitable employment practices in South Africa. Increasingly, emphasis is being put on economic measures in planning a strategy against apartheid.

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[3] Appendix B lists a number of the guest speakers and visitors with the AHMG since 1977.

In 1978 the United States became South Africa's number one trading partner by buying 70 percent more goods from South Africa than in the previous year. Furthermore, the balance of this trade was $422 million in South Africa's favor. According to the most recent Library of Congress study, United States investment in South Africa totals nearly $6 billion, which constitutes more than 20 percent of the total foreign investment in that country. Moreover, American investment is heavily concentrated in the most modern, high technology areas of the economy, from which it is estimated that South Africa derives approximately 60 percent of her economic growth. Because of growing problems of global recession, rising oil costs, and social and political unrest it is essential for the South Africans to maintain a high level of foreign investment. This places a lever in the hands of the opponents of apartheid in the United States and elsewhere, and members of the AHMG and others in the U.S. Congress are prepared to support the use of economic sanctions to promote peaceful social change in South Africa.

Some progress has been made in persuading more than 100 of the approximately 312 U.S. corporations in South Africa to sign a code of employment conduct known as the Sullivan Principles. This code is based on principles of equal pay for equal work, desegregation in the workplace, collective bargaining rights, and improvements in training, housing and advancement opportunities for black workers. However, adherence to these principles is entirely voluntary and difficult to monitor in practice. In meetings with Sullivan Group representatives of American companies, members of the AHMG have made it clear that they have only minimal faith in a voluntary Sullivan Code system. Furthermore, because the Sullivan Principles make no reference to political change, and are therefore acceptable to South Africa, there is some question as to whether the Sullivan Code is actually a statement against apartheid or whether it may eventually provide an accommodation with that system for American business.

One success the AHMG participated in on behalf of black workers was the cancellation indefinitely of a South Africa government plan to demolish the homes of 20,000 blacks in the "illegal" community of Crossroads near Cape Town in the autumn of 1978.

Several members of the Monitoring Group visited Crossroads before the demolition order was revoked, and the Group issued a strong statement against its destruction. The blacks living in the Crossroads community were considered to be in violation of laws requiring black workers in "white" areas to live in dormitory housing apart from their wives and families. Crossroads was established by squatters in 1975 to circumvent these harsh restrictions; a health clinic and basic refuse removal were installed in 1976, and by 1978 there were two schools and various civic and social groups in the community. The Congressmen who visited Crossroads in 1978 were impressed by the good health, community spirit and the industrious attitude of the residents—73 percent of the men and 24 percent of the women were formally employed. After protests by the AHMG and other concerned groups the government bulldozers were halted in November 1978. The Financial Mail reported in the following March that South African Foreign Minister Pik Botha was "reliably understood to have cautioned against rash moves against the 'squatters' because of the international outcry which would follow."

The role the AHMG will continue to fulfill is that of lending the voices of a significant number of concerned Members of Congress to the "international outcry" against injustice and repression in southern Africa. The area demanding the primary attention of the Group throughout 1979 was Zimbabwe Rhodesia. The fight in the Congress was divided into two parts: 1. Should the United States send observers to the April elections in Rhodesia? 2. After the elections, should the United States lift economic sanctions against the new government?

The great majority of the AHMG opposed both these propositions and continued to argue for the convening of an all-parties conference and an internationally supervised election which would be truly "free and fair" and include the nationalist parties banned from the April election process. Members of the AHMG joined many others in speaking on the floor on these issues, and the Group held numerous behind-the-scenes strategy meetings with members of the Africa Subcommittee, Foreign Affairs Committee, the Black Caucus, Members of Congress for Peace Through Law (MCPL) and others opposing the lifting of sanctions against Rhodesia. Two sanctions lifting proposals were soundly defeated on the floor of the House, and a masterful compromise was eventually worked out by the Chairman of the Africa Subcommittee calling on the President to lift sanctions on November 15, 1979 unless he judged that it was not in the interests of the United States at that time. The passage of this measure prevented a premature lifting of sanctions which might well have made the Rhodesian government intractable to the remarkably successful settlement procedure then being pressed upon them by the British.

With the denouncement of the Rhodesian question, the focus of the AHMG and other liberal groups in the Congress has turned to Namibia, where a very similar problem exists, and to the many human rights and economic considerations of our dealings with South Africa. So long as the political and social repression inherent in the apartheid system continues to function, there will be a need for groups in the United States such as the Ad Hoc Monitoring Group on Southern Africa to speak out strongly and with consistency. The injustice in South Africa remains one of the foremost issues in the minds of the nations of the Third World, whose friendship becomes more important to the United States every year. Rapid movement toward a peaceful settlement in that area of the world is of great importance not only to the AHMG, but to the vital interests of the United States. The painful lessons we are learning from instability, revolution and bloodshed in the Middle East and Asia must not be ignored in our dealings with Africa.

APPENDIX A

CONGRESSIONAL AD HOC MONITORING GROUP ON SOUTH AFRICA

(96th Congress Membership List
(February 1, 1980))

Co-Coordinators: 1. Senator Paul Tsongas, 2. Senator Mark Hatfield, 3. Thomas J. Downey, M.C., 4. Paul McCloskey, M.C., 5. Joseph Addabbo, M.C., 6. John Anderson, M.C., 7. Les AuCoin, M.C., 8. Don Bailey, M.C., 9. Michael Barnes, M.C., 10. Berkley Bedell, M.C., 11. Don Bonker, M.C., 12. William Brodhead, M.C.

13. John Buchanan, M.C., 14. Robert Carr, M.C., 15. Cardiss Collins, M.C., 16. Silvio Conte, M.C., 17. John Conyers, M.C., 18. Charles Diggs, M.C., 19. Julian Dixon, M.C., 20. Robert Drinan, M.C., 21. Don Edwards, M.C., 22. Melvin Evans, M.C., 23. Millicent Fenwick, M.C., 24. Benjamin Gilman, M.C.

25. William Gray, M.C., 26. Thomas Harkin, M.C., 27. Harold Hollenbeck, M.C., 28. Elizabeth Holtzman, M.C., 29. Dale Kildee, M.C., 30. Mickey Leland, M.C., 31. Michael Lowry, M.C., 32. Andrew Maguire, M.C., 33. Edward Markey, M.C., 34. Parren Mitchell, M.C., 35. Richard Ottinger, M.C., 36. Leon Panetta, M.C.

37. Donald Pease, M.C., 38. Charles Rangel, M.C., 39. Patricia Schroeder, M.C., 40. Stephen Solarz, M.C., 41. Gladys Spellman, M.C., 42. Pete Stark, M.C., 43. Bruce Vento, M.C., 44. Henry Waxman, M.C., 45. Ted Weiss, M.C., 46. Charles Wilson (TX), M.C., 47. Howard Wolpe, M.C., and 48. Lester Wolff, M.C.

APPENDIX B

The following is a partial listing of the visitors and guest speakers who have met with members of the Congressional Ad Hoc Monitoring Group on Southern Africa since January 1978:

1. Martin Ennals, Director of Amnesty International.
2. Donald Woods, former Editor of the East London Daily Dispatch.
3. Dr. C. P. (Connie) Mulder, South African Minister of Information and of Plural Relations and Development.
4. Tim Smith, Director of the Interfaith Center for Corporate Responsibility.
5. Joseph Latagomo, Associate Editor of The Johannesburg Post.
6. Chief Gatsha Buthelezi of the Zulu.
7. Robinson Makayi, News Editor of the Times of Zambia.
8. Colin Eglin, leader of the South African Progressive Federalist Party (PFP).
9. Daniel Kwelagobe, Minister of Information and Public Service, Botswana.
10. Student youth leaders from ZAPU, SWAPO, ANC, and the International Union of Students.
11. Justin Nyoka, prominent black Rhodesian journalist.
12. Richard Moose, U.S. Assistant Secretary for African Affairs.
13. Dr. Pieter Koornof, South African Minister of Cooperation and Development.
14. Prof. Nicholas Wiehahn, leader of the South African Commission of Inquiry into Labor Legislation.
15. A. M. Rosholt, Executive Chairman of Barlow Rand Limited, and executives of Barlow Rand, Anglo-American Corp., and Caterpillar Tractor Co.

MOZAMBIQUE TO REVIVE ROLE OF PRIVATE SECTOR

Mr. TSONGAS. Finally, Mr. President, today in the Washington Post there appeared an article entitled "Mozambique To Revive Role of Private Sector."

I have been arguing to my colleagues for a year and a half now that there is indeed hope of peaceful transition in southern Africa and that, indeed, the free enterprise system has an appeal that would eventually prevail.

The greatest problem I have always seen is our attempt to engage in rhetoric and, if you will, to discount people before we have a chance to know anything about them, the instinct being to go for labels and not one's true politics.

Let me read from the article in today's Washington Post.

> MAPUTO, MOZAMBIQUE, March 19.—President Samora Machel disclosed yesterday that his government was cuting back sharply on its pervasive role in the country's economy.
>
> Machel called on the thousands of small industrialists and shopkeepers who fled the country at the time of its independence in 1975 to return again and take over businesses again. Since their exodus, the enterprises

have been run by the government with indifferent success.

In a 4½-hour speech outlining radical changes in Mozambique's heretofore rigidly Marxist economic policy, Machel also said that in the future nationalized industries will be expected to make profits and that prices to farmers will be increased. Essential consumer goods will be rationed in the larger cities, he said.

Mozambique gained independence from Portugal with a minimum of violence but the exodus of 250,000 Portuguese who dominated trade, * * * disrupted the economy.

With foreign exchange earnings dependent mostly on sales of cashew nuts in the West, the Machel government has steadily strengthened ties to the United States as well as South Africa, while maintaining its firm ideological allegiance with the Communist Bloc.

Despite aid from the Soviet Bloc and Western Europe, the economy has remained stagnant. It was further damaged by punitive raids from Rhodesia against guerrillas harbored here during the just-ended war in the neighboring country.

Machel interrupted his speech yesterday to sing, whistle, tell jokes and compliment ministers on their clothes. Yet the speech itself was serious and concentrated on issues of direct concern to his audience of 50,000 in Independence Square: economic problems and long lines at shops. Indeed, the biggest applause was for the simple announcement that no one, not even the military, was to have priority in the lines.

Machel stressed that Mozambique is still committed to socialism. "The state must involve itself with large development projects and the major social sectors of education, health, housing, and justice," he said. "The state should not sell matches."

This represents the most dramatic change in policy. Previously Mozambique was committed to maintaining all of the shops and industries that existed at Independence. So when thousands of shopkeepers and other businessmen left, the new government just took over. There are state run bars, restaurants, boutiques, shoemakers, hairdressers, and garages.

Many run well. But the food and clothing shops put together into a national chain of "people's shops" have failed. Those who run them are paid more than nurses, Machel noted, but do little to find goods to sell. Their shops are often empty while neighboring private shops have goods for sale.

Some small businesses, including some "people's shops," will be returned to private ownership, Machel said. He added that 10,000 Mozambicans in South Africa, Swaziland and Rhodesia wrote to say they wanted to return. He promised special incentives for them to come back and invest in shops, restaurants, farms and other activities.

Machel stressed that they must agree with Mozambique's socialist objectives but "the state will create the conditions to support private traders, farmers, and industrialists. Private activity has an important role to play in straightening out our country."

If the "people's shops" were a mistake, cooperatives have proved to be much more effective—probably because much of the organization is done by local residents rather than by civil servants. Thus many of the people's shops will be turned over to consumer co-ops. Any not wanted by private traders or the co-ops are to be closed.

The economic shakeup comes after a two-month offensive against incompetence, negligence, and corruption that led to more than 100 arrests.

Mr. President, it is my view that the United States, with its free enterprise system and its capacity to bring in technology, has a major role to play in Mozambique. I, for one, intend to begin the process of putting that linkage between Mozambique and the United States in place. The United States has the capacity to meet the developmental needs of Mozambique through our free enterprise system. It is an opportunity from which it would be foolish to retreat.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for transaction of routine morning business for not to exceed 15 minutes, with statements therein limited to 5 minutes each.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

WINDFALL PROFIT TAX ACT OF 1980—CONFERENCE REPORT

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of the pending business, the conference report on H.R. 3919, which the clerk will now report.

The assistant legislative clerk read as follows:

> A conference report on H.R. 3919, an act to impose a windfall profit tax on domestic crude oil.

The Senate resumed consideration of the conference report.

Mr. RIEGLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SCHMITT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SCHMITT. Mr. President, we are experiencing today, this week, next week, and maybe a little bit longer, another act in the theater of the absurd, where we are in the throes of a major energy crisis, primarily a crisis brought on by inadequate domestic production of oil and gas and other energy sources. At the same time, Congress, for several years, has assisted the present administration in doing everything possible to prevent increased production of domestic oil and gas and other energy sources. In the process of preventing that increased production and making us more dependent than ever on foreign supply, they have increased the burden on the consumer, on the little people of this country, to a point where energy cost is a major component of this insane inflation that we are experiencing.

There is no one else who is to blame but the administration and the Congress of the United States. We can try to find scapegoats in big oil—and they contributed; there is no question about that. But we allowed the whole thing to happen. We, in fact, encouraged the whole thing to happen.

Recently, small royalty owners in New Mexico—that is, people who obtain royalties from oil and gas production on small pieces of land they may own—have found that they are the ones that are going to pay this tax and, as the Albuquerque Journal reported in an article by Ana Marie Fenimore:

> There just about wasn't any way they could have understood what was going to happen to them with the windfall profits tax. For the most part, they're plain people, small ranchers and farmers. They happen to have a little land that has an oil well or two. The money helps these people get through the economic problems of the times.
>
> They never thought about what the windfall profits tax on crude oil might mean to them. They didn't understand what even industry experts with their lawyers' help haven't been able to figure out.
>
> Besides, most of the time, the talk was about how the tax would hit the big oil companies. Sometimes it was about how it might affect the smaller independent producers.

Nobody talked much about how it would affect the little people continuing:

> So many people don't understand a lot of the legislation passed. . . . "The public can associate with the reaction of common people to a situation they really don't understand."

As one family said:

> The President of the United States came out on TV and told us the windfall profit tax was to tax the oil companies' profits. He didn't tell us that it was going to tax mineral right owners and didn't say it was going to raise prices at the pumps."

(Mr. STEWART assumed the chair.)

Mr. SCHMITT. Well, Mr. President, many people, unfortunately a minority, but many people in Congress have been trying to tell the media and, through them, the people of this country that the big oil companies are not going to pay this tax.

The little people, the independents, the royalty owners and, most importantly, the consumers are going to pay this tax.

This so-called windfall profit tax issue, before us today, is beyond "sticking it to big oil." It has become a knife in the back of our economy. It has become a knife in the back of the American consumer. It has become a knife in the back of the small royalty owners, the independent oil and gas producers, and all others, business and consumer alike, who make this great country work.

If this is how we fight with the "moral equivalent of war," our casualty lists, the casualty lists of Americans, surely now far outnumber that of the enemy.

This excise tax—and that is what it is, Mr. President, it is an excise tax on production—has nothing to do with profits whatsoever. This excise tax will end up taking over $227 billion from the American economy over the next 11 years, if the projections are anywhere near correct.

We should remember that this is $227 billion on top of other major tax increases that will be paid directly or indirectly by the American consumer and taxpayer.

The list of those taxes is frightening; $360 billion in Federal taxes and royalties due to the decontrol of oil prices under current Federal law; $130 billion in State taxes and royalties due to the decontrol of oil prices and current State law; $1 trillion—$1,000,000,000,000, approximately—due to inflation-caused increases in income taxes—inflation-caused increases over which the Congress has presided, but never voted; $330 billion due to new social security taxes; $110 billion due to the 10 cents a gallon gasoline tax, unbelievably touted as an anti-inflationary measure just proposed by the President.

These six new taxes will result in a total 11-year burden on the American taxpayer of over $2 trillion—Mr. President, $2 trillion.

Another way to view this insanity is that, on the average, over $225 billion will be taken out of the taxpayers' pockets, every year, while the most optimistic estimates predict less than $50 billion annual increase to the gross national product. Four or five times greater increase in taxes than increase in the value of goods and services.

I ask, Mr. President, does that make any sense whatsoever? How do we explain that to the American people when they start finally to figure it out on April 15 of every year?

The full consensus of this vast transfer of personal and business income will be as profound as they are unpredictable. At the very least, there will be increased inflation because of tax money diverted from savings and investment to consumption and taxes added to the price of goods and services. There will be inflation because there will be no comparable increase in the production of goods and services as a result of those taxes. In fact, there will be decreases in the production of goods and services and decreases in productivity.

There will be increased inflation because of less total productivity due to less money for new investment and modernization. There will be a loss of jobs with more production by foreign competitors and more favorable tax of regulatory environment.

There will be, believe me, Mr. President, more bureaucratic government to collect and spend the taxes. If there is the last thing the American people need, it is more government.

I am afraid we have lost sight of, one, the original objective of this piece of so-called energy legislation, as bad as that objective may have been; and, two, the seriousness of our total energy situation.

We are merely continuing to produce energy paperwork and tax revenues that will worsen our present situation, rather than create more energy, which is what we really need to do.

This so-called windfall profit tax is just one more lousy decision that this Nation has made to get us into this present sad state of affairs. That litany of lousy decisions began in 1954, Mr. President.

In 1954, the U.S. Supreme Court imposed price controls on domestic natural gas which held that price below the cost of finding new gas. These artificially low prices encouraged domestic consumption because gas was cheap, but discouraged efforts to find new gas supplies because we could not make any money on it, and forced U.S. oil investments to move abroad to compete in the energy marketplace with artificially low-cost natural gas.

The result, in 1954, there were 20,000 independent explorers and producers of oil and natural gas in the petroleum industry.

Traditionally, these independents have found over 80 percent of new domestic oil and gas. But today, Mr. President, there are only 12,000 such independents.

In 1966, 12 years later, the Federal Government suspended the leasing of Federal lands for oil and gas exploration and production. This action was the beginning of a systematic Federal policy of restricting or denying access to potential domestic energy supplies under federally managed lands.

In spite of our peril, this policy continues in effect today, not only with respect to oil and gas, but also for coal, uranium, and geothermal energy. Not only does it continue in effect, but the Secretary of the Interior has just recently aggravated that policy by restricting Federal lands even further than they were previously.

The result of these 1966 and subsequent actions, instead of being self-sufficient in energy, we import nearly 50 percent of our oil requirements at prices two to three times what they would be if we produced it domestically.

We import an increasing amount of natural gas at prices three to four times domestic cost.

We cannot convert from imported oil to abundant domestic coal for the production of electricity because not enough coal will be available in the future through mining, and as far as the prospect of being dependent—I repeat, dependent—on imports of uranium to fuel as much as 25 percent of our nuclear power production at the end of this century.

I hope it is clear to anyone listening and reading these remarks that we are moving backward when this great country has the capacity to move forward so fast it will make the heads of the rest of the world swim. But let us proceed with history.

In 1968: For the first time, domestic consumption of crude oil exceeded domestic production, an event that only a few geologists seem to notice and wept at the time.

In 1970: Congressional passage of the National Environmental Policy Act, whose worthy aims, in the absence of a truly national interest perspective, began a decade of activities that prevented even rational domestic energy development.

The result of the 1970 passage of the National Environmental Policy Act, however worthy its aims may have been, was that the act and its regulations and court interpretations still served to obscure offshore and onshore drilling for oil and gas, obstruct refinery and powerplant siting, obstruct pipeline construction, obstruct coal mining and coal conversion, and obstruct many other activities necessary to energy independence and national survival.

1971: Price controls were imposed on domestically produced crude oil, serving to reinforce the adverse effects of the earlier controls on domestic natural gas prices. As the costs of finding and producing new oil exceeded the price that could be charged, the U.S. oil investors accelerated their move abroad, where costs were much lower and stockholders could receive better returns on their investment.

This, of course, was encouraged by the then unorganized countries that now make up OPEC. One has to believe that they knew exactly what they were doing and laughed secretly at what we were doing.

The result of the 1971 actions, aggregated with preceding actions, was that by the end of 1971, U.S. drilling had dropped to 27,300 wells, from a high of more than 58,000 in 1956.

By 1973, the United States had become dependent on imports for one-third of its crude oil needs.

1973: The first OPEC oil embargo. Has it been that long? OPEC's control of production and our dependency on imports reached the point where OPEC could control both world energy prices and world economic policy. If anybody does not think that OPEC is controlling the economic policy of the world right now—certainly, of the free world—then they are not paying attention.

1974: Some people will remember the much heralded "Project Independence" which was begun—including, unbelievably, the continuation of price controls on domestically produced oil and gas, exactly the wrong thing to do. The result—disaster.

The decline of the search for new domestic oil and gas accelerated; and by the end of 1976, 3 years after the OPEC embargo, rather than importing a third of its crude oil needs, the United States was importing 40 percent of its crude oil needs.

1977: Our new President, Jimmy Carter, declared war on energy. His moral equivalent of war has been more regulation and taxation, acquiesced in by Congress, in spite of the feelings of their constituents. Neither regulation nor taxation contain any promise of victory in this war on energy. The only promise of victory will come through domestic production.

As a result of the war on energy, by the end of 1979, the United States was importing more than 45 percent of its oil needs, at a cost to the consumer of about $65 billion; that is, $65 billion not reinvested in the U.S. economy, much less in U.S. energy production.

Oil imports were up by more than 5 percentage points in 3 years. Inflation was up by more than 10 percentage points in 3 years and now is approaching a 20-percent inflation rate—a significant proportion of which is because of our dependency on foreign imports.

That is not a very good measure of Congress. Clearly, we have failed.

Mr. President, we still have a chance to change the route we unfortunately are following, to take a bold step in trying to get the message to the American people, to let the public know that a rejection of this conference report is not giving in to big oil but is an effort to encourage the development of our national energy supplies, particularly those that are under the control of the little people—the independents, the royalty owners, and, in fact, the consumers.

There is a gross misunderstanding about the oil industry and the so-called windfall profit tax. The oil industry is made up of many components: The little people at the bottom; the independents, who find most of the domestic oil and gas; the largely domestically owned and managed large oil companies; and the multinational oil companies, who are not domestically owned and managed. We must try to distinguish among these various components of the so-called oil industry as we try to get control and increase domestic production.

Many small royalty owners are only beginning to understand the impact of this bill on their personal fortunes. It has been estimated, for example, that there are approximately 2,000 to 3,000 land and royalty owners in New Mexico alone. I know that the numbers in other States are far higher than this. I think Oklahoma has approximately 300,000 such royalty owners. These thousands of people will be paying this windfall profit tax, or at least a significant portion of it.

Also, there are about 10,000 independent oil producers who will be paying this windfall profit tax because it will be much more difficult for them to attract investment capital to continue the search for new oil and gas supplies. Yet, the public is being told by the President and others that this bill will prevent the major oil companies from having record profits like those they had last fall.

I would like to know how to answer the public—and how my colleagues who vote for this measure will answer the public—when the profits of the major oil company continue to be high and when we see the tax they are paying passed on at the pump, as almost certainly is going to happen, and for which there is no alternative.

I would like to know what answers they will give when the public wonders and asks why we continue to import as much or more foreign oil, compared to the situation prior to the passage of the windfall profit tax.

When prices continue to go up and domestic production continues to decrease, what will be the answers of my colleagues? Do we tell them that Congress "thought" this bill actually would affect the major oil companies? Are we going to be man and woman enough to stand up and admit we were wrong, when we never have admitted it before? I think not. Do we tell them that we had to punish the independent producer and the royalty owner and the consumer? That is what we are doing, but we seem unwilling to admit it.

Do we tell them, when these questions are asked, that this is not really a profit tax but an excise tax on all oil produced in this country, and therefore on the people who use that oil in one way or another?

Do we dare tell them that we really did not know what the impact of this bill would be when the warnings have been around for several months?

I wish for the Senate to tell them now, Mr. President, not after this bill is passed. For once let us be honest with the American people. Let us tell them that this is a bad bill; it was a bad idea, well-intentioned but bad. Let us tell them that it will discourage investment in our natural resources. Let us tell them it will make us more dependent on uncertain foreign supply of petroleum and other energy resources. Let us tell them that when taken in a context of a deteriorating defense and foreign policy situation this is the last thing we should be doing; that is, discouraging the development of domestic energy resources.

Let us tell them that it will hurt all the people of this country and hurt them without any compensating benefits to their welfare, not just the people who live in the oil-producing States, the people who live in all the States and are dependent on this extraordinarily and adversely high-priced imported foreign oil, a price that will continue to go up so long as we allow OPEC to control production.

These people are the investors in the energy production capacity of our Nation, not just those who are out drilling the wells and pumping the oil or investing in drilling the wells or pumping the oil but those who must buy and use energy. They are the investors, and they are the ones who are being hurt.

I hope that the Senate will reject this conference report and will continue this debate for as many days as possible, so that not only will the American people have a chance to understand what we are doing to them but maybe some Members of this body will begin to understand what we are doing to our constituents.

To reject this report obviously would be a bold step given all the rhetoric and misinformation that has been foisted upon the American people. It is a particularly bold step in an election year, but I think it is clearly an election year in which the people are demanding honesty as well as good policy.

But if we do not begin now, Mr. President, next year may be too late. We need to join together to get this country back on its feet.

Mr. President, there have been some interesting analyses made of the present tax and regulatory situation with respect to the oil and gas industry.

I have been trying to understand some of these analyses, and I am not entirely a novice in the business of mineral exploration and mineral production. I grew up in that business in New Mexico and have followed it closely for many years. When I read some of these analyses even by people who are in the business and who are trying to make it simple for members of their business and for royalty owners and others, I must confess that I cannot understand it. Let me read part of an introductory paragraph from a report entitled "A Summary of Selected Provisions of Crude Oil Price Decontrol Regulations and the Windfall Profit Tax Act of 1980," produced by the Independent Petroleum Association of America.

This association represents to a large degree the interests of the 10,000 to 12,000 independent oil and gas producers and to some degree also the royalty owners that I mentioned earlier.

This first quote that I will read is the caveat and the warning that the IPAA gives to their membership and others who read this pamphlet:

> Every producer, every royalty owner, every holder of an economic interest in crude oil production, is urged to seek expert advice concerning application of specific regulations and statutory provisions to particular fact situations. There are many nuances and pitfalls for the unwary. It is probable that without careful analyses and consideration of all relevant facts, regulations and laws in each situation, a producer may unintentionally overprice his crude oil production thereby subjecting himself to excess tax liability and potential refund orders and penalties from the Department of Energy.

And I should add the Department of the Treasury, continuing:

> Conversely, it is just as likely that crude oil may be underpriced, thereby denying the producer the full income to which he is entitled and subjecting him to possible claims and legal action from other interested owners who may be affected by his decisions.

Clearly, Mr. President, this part of a paragraph is an alert not only to every producer, every royalty owner, and every holder of an economic interest in crude oil production but to the lawyers that they are going to have to employ in order to get through the next decade of tax and regulatory swamps. Clearly the windfall tax is probably going to be a windfall for lawyers and accountants as well as a windfall for the Federal Government out of the pockets of the taxpayer and the consumer.

The introductory page of this pamphlet goes on as follows:

> It is of utmost importance to the reader to understand that the Windfall Profit Tax Act provisions do not in any way change or supersede crude oil price control regulations. The windfall tax provisions are imposed on top of the existing crude oil price control regulatory system. When crude oil price controls terminate at midnight, September 30, 1981, the regulations will be considered as continuing in effect indefinitely to the extent reference to them is required to administer windfall profit tax provisions. For example, beginning October 1, 1981, all domestically produced crude oil will be free of price controls and may be sold at whatever price the market may bear. For windfall tax purposes, however, crude oil which prior to October 1, 1981, had been classified as lower tier or upper tier production will remain subject to tier 1 windfall profit tax provisions until the windfall profit is amended or terminated; consequently, it is important that production and continuing records developed for crude oil price control purposes be continued after expiration of price controls September 30, 1981.

How would you like to be a royalty owner or an independent producer today? Let us see what they are putting up with right now in absence of the windfall profit tax and its regulations.

The pamphlet mentioned a moment ago lower tier and upper tier categories of oil.

Let us look at one of these, at least, what is lower tier oil under the present situation in the absence of the windfall tax?

> Lower Tier Oil. Lower tier or "old oil" is oil produced from properties which had production in 1972 and which is not in excess of the adjusted Base Production Control Level (BPCL). Effective June 1, 1979, producers were allowed a one time election to update BPCL to reflect average daily production for the six month period ending March 31, 1979. If (but only if) such election was made, the revised BPCL was reduced by 9 percent effective June 1, 1979 and reduced 1½ percent per month thereafter. If no election was made, BPCL was continued based on average monthly production in 1975. In either case, a reduction of 3% per month may be applied effective January 1, 1980. Effective October 1, 1981, any remaining lower tier production (which should not exceed 19 percent on any property) will be released from price controls. Until October 1, 1981, all production on a property in excess of the reduced BPCL is released to the upper tier while production below the reduced BPCL remains subject to lower tier ceiling prices. Lower tier ceiling prices for the first quarter 1980 are: Jan. $6.18; Feb. $6.22; Mar. $6.26.
>
> Effective June 1, 1979, all current cumulative deficiencies were eliminated, but new deficiencies can accumulate if for two consecutive months total sales from a property exceed the BPCL total and any of such excess is certified as upper tier oil.

Mr. President, I submit that it would take any intelligent human being a great deal of effort to figure out what in the world all of that means, and that is just one aspect, one of many, that our independent oil industry is having to put up with at the present time.

Just to complete the record, I might also put in the definition of upper tier oil:

> Upper Tier Oil. Upper tier oil is production in excess of the BPCL for a property, but which is not uncontrolled oil. It therefore includes production in excess of the lower tier BPCL declining at 3% per month and production from properties first coming on production in the period 1973–1978. It also includes "marginal property" production described above. Some upper tier production will exist until price controls terminate Sept. 30, 1981. Upper tier ceiling prices for the 1st Quarter 1980 are: Jan. $13.81; Feb. $13.90 and Mar. $14.00.

Mr. President, the IPAA has attempted to analyze the provisions of the windfall profit tax as it is superimposed on the existing regulatory and environmental conditions of the oil and gas industry. I think it is important to realize as one goes through this publication that the conference committee does not seem to have considered the impact of the various provisions in any significant way.

First of all, I do not think they had time to consider them; secondly, I am not sure it is possible for people not involved in the industry itself to analyze the impact of what they have done in the complex area of tax and regulation such as this. One would have to assume by the way the conference was conducted, by the initial agreement to instantaneously add some $50 billion to the tax, that this so-called windfall profit tax on oil, whatever its original motivations may have been, has just become a revenue-producing measure.

The computation of tax is extremely complex, at least it appears complex to this Senator, and apparently also to the independent producers.

The tax is applied, according to the IPAA, to each separate barrel or fraction of a barrel removed from the premises. The concept of removal is identical to that provided in percentage depletion provisions. The elements necessary for calculating the tax are:

First. The removal price, which is the selling price. Second. The adjusted base price. Third. Severance tax adjustment. Fourth. Windfall profit tax rate. Fifth. The number of barrels sold.

The base price and tax rate are both dependent on a specific category production. The tax rate also is dependent on the status of the producer and whether he qualifies as an independent producer.

The full formula for computing the tax is given by the IPAA, and, if one can figure out what should be entered into that formula, presumably a solution is possible.

However, again superimposed on this tax calculation are a large number of special rules, each of which is going to cause a great deal of difficulty not only for producers but for royalty owners and others involved in this operation.

I see that the distinguished Senator from Louisiana (Mr. LONG) is here. He and I discussed yesterday the need to try to get some new meat out here on the floor so that we can understand this bill. I think it is unfortunately likely that, barring any great increase in understanding by the Members of this body and by others outside this body, of the impact that this windfall tax will have, that we are more than likely going to see it enacted into law.

Whether that unfortunate action can ever be overturned in the next year or two as the real impact of the tax is realized, I do not know. I think everyone in this body who has been for or against the tax is trying to do the best thing. I do not think there is any question about that. However, in the process of trying to reach this compromise and that compromise we have created a very difficult law to administer, a very, very difficult law to just deal with at the production end.

The Senator from Louisiana has been involved in these kinds of measures for more years than he, perhaps, likes to remember, certainly far more than the Senator from New Mexico has, and I wonder if he would be willing to answer a few questions about the tax and what he sees as its impact not on the major oil companies, because I think they are going to have the resources of accountants and lawyers and the integrated capacity to pass this tax onto the consumers, but the independents and the royalty owners, those people who are not quite as flexible as the major oil companies are in how they handle these kinds of things.

Is the Senator willing for the next few minutes to discuss some of what he perceives as the impact of the tax on the independents and the royalty owners?

Mr. LONG. Will the Senator repeat his question?

Mr. SCHMITT. I just want to know if the Senator is willing to discuss this and, if so, I would like to discuss it with him.

Mr. LONG. If the Senator wants to ask a question or two, I would be glad to answer if I can.

Mr. SCHMITT. What is the responsibility of a royalty owner, somebody with a couple of wells that have been drilled on their land, who have, up until now, been receiving a check from a major or independent producer and suddenly have found that that check is going to be smaller than it was? What is their responsibility? Do they have any specific responsibility under this bill, other than to receive a smaller check?

Mr. LONG. Well, Mr. President, the Senator from Louisiana would prefer not to have any tax on royalty owners. Likewise, the Senator from Louisiana voted to exempt all the independent producers. So, there is a difference between what he would prefer and what we had to work out in conference.

When one looks at the overall result that we came forward with from conference, we must recognize that the tax is a price we must pay for decontrol.

Now, in terms of royalty owners, we have to look at two different situations. One is a royalty owner who is drawing a royalty check from a well that has more than 10 barrels a day production. In a case of that sort, I have computed the tax and cash flow, assuming that the well produces old oil that is in tier 1. In that situation the person would pay the most tax, assuming that the producer is in the highest individual income tax bracket. Assuming that such a person has the same number of barrels production with a tax in effect that he had prior to that time, my calculations show that he would have a significant increase in income, up to 70 percent.

Now, that is a lot of income, a 70-percent increase. Those who will complain will undoubtedly be those who have a well with 10 barrels or less, the so-called stripper well. Those people were given a benefit of deregulation under a previous bill that we had passed. And after they were deregulated, the price went up. It went up more than twice, almost three times what it was before. So they are getting a lot more income than they would have been receiving.

Royalty owners are not required to pay any additional production expense. They do not pay the expenses. The expenses are paid by those with the working interest. And so, by virtue of the tax, it is true that they would receive a smaller check.

When you look at the relative merits of the various situations, the Senator from Louisiana would prefer not to put the tax on the tertiary recovery. But, as between the situation where someone is getting 10 barrels a day and where he is getting perhaps somewhat more than that by pumping carbon dioxide or soapsuds down into the well, perhaps 8 barrels of soapsuds for every barrel of oil he is getting out, one can make an even stronger case for the tertiary production than he can for the stripper well.

Those with the stripper wells did have

the benefit of the decontrol without a tax. That being the case, they will be dismayed to find that they will pay a tax when they have been deregulated.

But it is hard to say that you have had a windfall on behalf of somebody who has a well getting 11 barrels a day and you have not had a windfall on someone getting 10 or 9 barrels a day.

The price has gone up. To the extent that one regards that as a windfall because of the world situation and the OPEC cartel and all of the rest of it, it is just as much a windfall to have an increase in the price of stripper oil as it is an increase in the price of tertiary oil or an increase in the price of a well that produces somewhat more than the 10 barrels.

I know that royalty owners will be dismayed that they do not get as much. But there comes a point when we exhaust our ability to do as much for each royalty owner and each producer as we would like to do.

I would like to do better by them. But I voted that way. And my position is clear. If I had my way, they would be exempt. But at some point we have to compromise our differences. And between having no decontrol and having decontrol with a tax, I am confident that the industry would be better off with a decontrol and a tax.

I have had very little complaint, Mr. President, from people who know about it. I have not had any complaint from the large companies. I have had no complaints from large independents. I have had at least one small independent come to me and complain about the matter. And I assume that anybody with a stripper well who is drawing a royalty check under a stripper well would prefer not to have a tax. But they are still going to make a lot more money.

It is true that those who were decontrolled—and I voted to decontrol them when we deregulated those stripper wells some years ago—will be dismayed that they will pay a tax. But there is nothing immutable about all this.

When you are thinking in terms of a windfall—if you want to think about it in those terms, and the majority of the Senate chooses to think in those terms—it is hard to see how someone who had a small well producing, let us say, 9 barrels a day, or even 5 barrels a day, is not enjoying a windfall when the price trebles and he is getting a lot more income.

I think you have got a stronger case for a producer who has a lot of expenses than you have for a royalty owner who does not have those expenses.

But, in either event, I do not have anything to quarrel with the Senator about, as far as whether I would like to see them pay a tax. I would prefer to exempt all royalty owners.

Mr. SCHMITT. Mr. President, I realize the Senator had those positions on the individual measures that he has mentioned.

But I think one has to view the royalty owner, as well as the independent and others that invest in oil production as sort of a resource within the economy. However they may be affected individually, there is a strong tendency for all of those people to reinvest a great deal of what they make back into the oil and gas business. And it is the restriction on the level of reinvestment that is disturbing to me on a national scale, as well as on individual royalty owners or independents.

I would say the windfall—if you want to call it a windfall—ought to be looked at as a windfall for the Nation to reinvest in domestic production. Unfortunately, the Government is going to take most of that, or a good deal of that windfall—most of it—and use it for other purposes, rather than seeing that it is reinvested in domestic oil and gas production.

Mr. LONG. Mr. President, if the Senator will yield, I wish to mention one other item from the point of view of the Senator from Louisiana, as a conferee, which confronted me and confronted the other Senate conferees. When the Bentsen amendment was agreed to on the floor, it would have exempted the independents and royalty owners under an independent's wells. If we had more time to think about it and more time to work on it, I believe we should have offered legislation to exempt all the royalty owners, certainly under all the small wells, if we could, the so-called 10-barrel-a-day wells or stripper wells.

But when we went to conference, we had a Senate bill that exempted only those royalty owners who had their royalty beneath wells as independents. It did not exempt royalty owners who had their royalty under wells being produced by the larger companies.

I am told that six out of every seven of those royalty owners have their royalty under wells being produced by major companies. So that only one in seven of those royalty owners could have been exempted.

In other words, if we had our way 100 percent, you would have about six people complaining and wanting to know why their neighbor escaped the tax while they had to pay it. You would have six of them like that.

You would have had six of them like that for every one you had who was able to say, "I am not paying the tax."

Mr. SCHMITT. Maybe we should have taken more time.

The PRESIDING OFFICER. Will the Senators suspend?

Mr. SCHMITT. We can talk about this a little later. I thank the Senator for his answers.

Mr. BENTSEN. Mr. President, almost a year after President Carter introduced his energy program, the Senate is about to play out the last act in the debate over the windfall profit tax. I shall vote against acceptance of the conference report, as I have previously voted against the tax in the Finance Committee and on the floor of the Senate.

After all the months of debate in the Finance Committee, on the floor of the Senate, and in conference, there remain certain irrefutable facts about the windfall profit tax that clearly warrant its defeat. First, it will consume at the very minimum $228 billion in revenues over the next 10 years that would otherwise be invested to reduce our reliance on energy imports. To the extent that there is a windfall involved in this tax, it will accrue to the Federal Government. Second, the windfall profit tax will undeniably have an adverse impact on domestic energy production during the coming decade when we desperately need every drop of oil we can produce in America.

Estimates of lost domestic production as a result of the tax vary from 400,000 to 1.7 million barrels per day, but the fact that we will produce less American energy with the tax is not in dispute. A tax that diminishes our ability to produce more American energy—and thereby invites increased dependence on foreign sources of supply—does not square with my notion of sound energy policy for the future.

For years, Mr. President, myopia has been the hallmark of American energy policy. After the 1973 OPEC oil embargo we went to a system of domestic crude oil price controls that had the effect of stimulating consumption by insulating consumers from the true price of energy. The controls also discouraged exploration and production in this country by denying producers a fair market price for their product and draining capital resources from the domestic industry.

The true cost of controls and decreased domestic production became apparent in December 1978 when the Iranian revolution temporarily deprived consumers of 4 percent of world production and turned an impending energy "glut" into a shortage of crisis dimensions.

That crisis, in turn, sparked dramatic increases in world energy prices, with the United States—as the world's leading oil importer—the primary victim.

Had we pursued a policy of free market energy pricing over the years the loss of 600,000 barrels per day of Iranian oil would not have precipitated a crisis. Our supply position would not have been nearly as precarious and our consumption not so great. But as a result of our history of controls American consumers will pay hundreds of billions more for energy in the decade ahead.

President Carter has taken an important first step in the right direction by phasing out controls on domestic crude production. But what is the single most important benefit of decontrol? It is the incentives for additional domestic energy production. That benefit will be substantially reduced if the Senate votes to approve the windfall profit tax.

The windfall profit tax is the spiritual reincarnation of the disastrous energy policies that have led us to our current crisis. It is just one more sorry example of the Government offering the carrot of decontrol and then taking it away with the stick of punitive taxation.

Last December I voted against the windfall profit tax in the Senate because it took $178 billion that would be used over the next decade for exploration and production and diverted it to the U.S. Treasury for unspecified purposes. I voted against a bill that would have imposed a 10-percent windfall tax on oil not yet discovered. I voted against a bill that would have placed a 20-percent windfall tax on hard-to-produce heavy and tertiary oil—the very sort of production we should be encouraging.

Today we are considering a windfall profit tax $50 billion higher than the one I opposed in December; the tax on tertiary oil has been increased to 30 percent; the tax on heavy oil has been increased to 30 percent; the tax on stripper oil is higher, and I am going to vote against it.

Mr. President, I fail to understand the logic of applying a "windfall" tax to future oil discoveries. A windfall, by definition, is an unexpected, unearned increase in the value of someone's property. How can anyone seriously suggest that the notion of windfall should apply to property not yet acquired? To oil that has not been found?

I also fail to see the logic of taxing a barrel of tertiary oil that may cost $30 to produce when we appear willing to provide Government subsidies to produce $40 synthetic crude. According to the Office of Technology Assessment, U.S. tertiary production could exceed 2 million barrels per day by 1990 given the proper regulatory and pricing climate. That amount exceeds even the most optimistic projections for synthetic fuel production. There is no escaping the conclusion, Mr. President, that by taxing tertiary oil you are going to get less of it and it will cost more. That, in my opinion, is the sort of energy policy this Nation can no longer afford.

The conference bill also imposes a $22.5 billion tax burden on the Nation's 12,000 independent producers while the Senate version exempted independents completely. We have seen over the years that America's independent producers drill almost 90 percent of the exploratory wells and find 75 percent of the new oil and gas fields in this country. Over the past 5 years independents have reinvested 105 percent of their gross wellhead revenues in exploration and production activities. If this conference bill is passed, America's independents will have $23.6 billion less to invest in domestic production over the next decade. As a result we will produce less energy in America and import more from abroad.

The conference bill, Mr. President, is worse in every respect than the legislation passed in December by the Senate over my objections. There is little to be said in its favor except that it demonstrates the impossibility of turning a bad idea into sound policy.

As bad as the windfall profit tax is, Mr. President, we must also understand that it could well have been a lot worse. And, had it not been for the skill and efforts of the chairman of the Senate Finance Committee we could be debating today the disasterous proposal sent over by the other body last June.

We could be looking down the barrel of a $278 billion bill with no exemptions for independents, and even higher rates of taxation on new, heavy, tertiary, and stripper oil.

I worked on this bill with Senator LONG in the Finance Committee, the floor of the Senate, and in conference, I can attest to how hard and effectively he has worked to salvage some production incentives from the windfall profit tax. The fact that this bill is better—substantially better—than the one passed by the House is due in no small part to his efforts, and I commend him for his leadership.

The fact that we have won some significant battles in the windfall profit tax war does not. However, negate the basic fact that the tax itself is ill-advised, proceeds from false assumptions and will inhibit domestic energy production. For these reasons I shall vote against the conference bill and urge my colleagues to join in the effort to defeat it.

EXECUTIVE SESSION

PROTOCOL, WITH ANNEX, AMENDING THE 1953 HALIBUT FISHERY CONVENTION WITH CANADA

PROTOCOL WITH CANADA TO AMEND THE CONVENTION FOR THE PROTECTION, PRESERVATION, AND EXTENSION OF THE SOCKEYE SALMON FISHERIES IN THE FRASER RIVER SYSTEM, AS AMENDED

CONVENTION ON PSYCHOTROPIC SUBSTANCES

AGREEMENT ON THE INTERNATIONAL CARRIAGE OF PERISHABLE FOODSTUFFS AND ON THE SPECIAL EQUIPMENT TO BE USED FOR SUCH CARRIAGE

The PRESIDING OFFICER. Under the previous order, the hour of 12 noon having arrived, the Senate will now go into executive session and proceed to the consideration of Treaty Calendars Nos. 1, 2, 3, and 4 (under 1980). Debate on these treaties shall be limited to a total of 10 minutes, to be equally divided and controlled by the Senator from Idaho (Mr. CHURCH) and the Senator from New York (Mr. JAVITS), with a vote en bloc on the resolutions of ratification to occur immediately thereafter.

Mr. CHURCH. Mr. President, I urge my colleagues to vote in favor of giving Senate advice and consent to the ratification of:

The protocols with Canada amending the 1953 Halibut Fishery Convention (Ex. DD, 96–1) and the Sockeye Salmon Convention (Ex. G, 95–1);

The Agreement on the International Carriage of Perishable Foodstuffs (Ex. B, 96–1); and

The Convention on Psychotropic Substances (Ex. G, 92–1).

These protocols, agreement, and convention are of a noncontroversial nature and have the full support of the various industries upon which they will have an impact.

I ask unanimous consent that the following summaries of each of these international agreements be printed in the RECORD at this point.

There being no objection, the summaries were ordered to be printed in the RECORD, as follows:

THE PROTOCOL, WITH ANNEX, AMENDING THE 1953 CONVENTION BETWEEN THE UNITED STATES OF AMERICA AND CANADA FOR THE PRESERVATION OF THE HALIBUT FISHERY OF THE NORTHERN PACIFIC OCEAN AND THE BERING SEA (EX. DD, 96–1)

The primary purpose of the protocol is to bring the 1953 Convention Between the United States and Canada for the Preservation of the Halibut Fishery of the North Pacific Ocean and the Bering Sea into conformity with the terms of the U.S. Fishery Conservation and Management Act of 1976 (FCMA) and a Canadian Proclamation of 1977. The FCMA and the Canadian Proclamation extended the exclusive fisheries jurisdictions of each country to a point 200 miles off their coasts.

In addition to the above, the Agreed Minutes and Exchange of Notes accompanying the Protocol will:

(1) limit Canadian fishing in U.S. controlled waters to 1.2 million pounds of halibut in 1980;

(2) allow U.S. trawling in Canadian waters for 3,250 metric tons of groundfish in 1980; and

(3) continue the joint management of transboundary halibut through the International Pacific Halibut Commission.

The only cost attributed to this protocol will be the continuation of the annual $500,000 appropriation necessary to pay the U.S. share of the expenses of the International Pacific Halibut Commission.

THE PROTOCOL BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF CANADA TO AMEND THE CONVENTION FOR THE PROTECTION, PRESERVATION, AND EXTENSION OF THE SOCKEYE SALMON FISHERIES IN THE FRASER RIVER SYSTEM (EX. G, 95–1)

The primary objective of this Protocol is to increase the size of the Advisory Committee to the International Pacific Salmon Fisheries Commission from six members from each country to seven members from each country, to enable the United States to provide for a native Indian adviser.

The Sockeye Salmon Convention, negotiated in 1930, provides for a Commission to regulate salmon fishing in the Fraser River System. Protocols to this Convention created an Advisory Committee which is invited to all nonexecutive meetings of the Commission and gives advice on all the orders, regulations, or recommendations proposed by the Commission. The members of the Advisory Committee represent the various branches of the salmon industry—purse seine, gill net, troll, sport fishing, processing, and reef net fishermen. The additional member added by the Protocol will enable the U.S. section of the Advisory Committee to add a representative of the American Indian Fishing interests.

This Protocol is the result of a 1974 ruling of a U.S. District Court. In the case of *U.S.* v. *Washington*, the Court held that treaty Indian fishermen must have the opportunity to fish for up to one-half of any run of fish that normally would pass through their traditional off reservation fishing sites, with various adjustments for fish caught beyond State jurisdiction and for subsistence and ceremonial fishing. The ruling also stated that U.S. treaty Indians were subject to the regulations of the International Pacific Salmon Fisheries Commission. Thus, the

Protocol is an attempt by the Administration to accommodate the Court's recognition of Indian rights within the framework of the 1930 Convention.

The Agreement on the International Carriage of Perishable Foodstuffs and on the Special Equipment To Be Used for Such Carriage (Ex. B, 96–1)

The primary objective of this Agreement is to establish uniform inspection requirements for the transportation equipment which moves perishable foodstuffs across national borders.

The Agreement was negotiated under the auspices of the Economic Commission for Europe (ECE). The interest of the original conferees, all members of the Eureopean Community, who first met in 1950, was to investigate ways to prevent the spoilage of perishable foodstuffs moving in Europe.

The Agreement requires that insulated, refrigerated or heated transportation equipment used to move perishable foodstuffs into contracting states be tested, certified and marked to ensure that such equipment is properly insulated and capable of maintaining a prescribed temperature within the equipment.

The United States did not initially participate in the working group meetings. However, with the advent in the mid-1960's of refrigerated and insulated intermodal freight containers, owned and operated by United States flag carriers and operated within the European commercial market, the United States, in particular the Department of Agriculture, became interested in the ongoing dialogue and started to participate in ECE meetings regarding the agreement then being drafted concerning transportation of perishable foodstuffs.

The Agreement came into force on November 21, 1976, following its ratification or accession by France, the Federal Republic of Germany, Spain, the Union of Soviet Socialist Republics, and Yugoslavia. Since then, Denmark, Austria, Italy, Luxembourg, Bulgaria, Sweden, Norway, Belgium, the United Kingdom, and the Netherlands have become party to the Agreement. American containerized shipping companies serve almost all these nations. It should be noted that American owned and operated equipment consistently exceeds the specifications required of this Agreement.

Under the Agreement, signatory nations may impose national law on containers belonging to citizens of non-signatory countries. Because the United States has not yet become a signatory, its citizens can and have been subject to harassment of signatory governments having slight variances with the U.S. in their specification requirements. Discrimination can occur notwithstanding the fact that U.S. containers exceed the requirements imposed by the Agreement.

Once the United States ratifies the Agreement, it can, as a signatory, invoke Article 5 which exempts containers engaged in foreign commerce with sea-crossings greater than 150 kilometers.

This exemption would apply to all U.S. containers. Future harassment by other Nations party to the Agreement would then be unlikely. Furthermore, once a Signatory, the U.S., under Article 18, would have veto power over any proposed change which would not be in its best interests.

The Convention on Psychotropic Substances (Ex. G, 92–1)

The purpose of this Convention is to place psychotropic (mind altering) drugs under international controls which would: (1) ban the use of hallucinogenics, except under direct governmental supervision for research purposes in medical or scientific institutions; and (2) require nations to limit by measures which they consider appropriate the manufacture, export, import, distribution, use, and possession of all psychotropic substances to medical and scientific purposes.

It should be noted that, during the Conference at which the Convention was negotiated, the United States delegation supported inclusion of a provision in Article 32 whereby a state can make a reservation exempting from the severe controls of Article 7 plants which grow wild and from which a Schedule I substance may be obtained, if the substance is traditionally used by certain small, clearly determined groups in religious rites. The substance peyote is used in religious ceremonies of the Native American Church of the United States and such use has been excepted from the control of United States Law. Since mescaline, a derivative of the peyote cactus, is included in Schedule I of the Convention, and since the inclusion of peyote itself as an hallucinogenic substance is possible in the future, the instrument of ratification includes a reservation with respect to peyote harvested and distributed for use by the Native American Church in its religious rites.

Mr. CHURCH. Mr. President, I have come from a hearing of the Foreign Relations Committee at which the Secretary of State is testifying relating to American policy in the Middle East. The able Senator from New York (Mr. Javits) is presently questioning the Secretary of State and thus was unable to come to the floor. He asked me to submit a statement on these four treaties supporting each and to urge in his name the ratification of the four treaties by the Senate.

In accordance with his request, I submit on behalf of Senator Javits a statement he has prepared relating to these treaties.

● Mr. JAVITS. Mr. President, I recommend that the Senate give its advice and consent to the four treaties before us.

The first two treaties are routine amendments to longstanding fisheries agreements with Canada. The amendment to the Halibut Agreement is required because of new 200-mile fisheries zones established by each country several years ago. It is essential to bring this agreement into force as soon as possible since the halibut fishing season began on the first of March. The Salmon Convention amendment simply adds an American Indian member to the International Pacific Salmon Fisheries Commission in response to a judicial mandate to recognize traditional Indian fishing rights in the northwest.

The second two treaties are important multilateral agreements. The Psychotropic Substances Convention deals with controls over such drugs as LSD, mescaline, amphetamines, barbituates, and tranquilizers. It establishes common practices and protections by the member States against the abuse of these substances and is a compliment to the 1961 Convention on Narcotic Drugs. Our resolution of ratification includes a reservation recommended by the administration which exempts from article 7 of the convention the drug used in religious rites of the Native American Church.

Finally, the agreement on the carriage of perishable foodstuffs brings the United States into an agreement already in force among major European countries. It protects U.S.-flag carriers of perishable goods who might otherwise be the subject of discrimination in the European market.

I am not aware of opposition to any of these treaties and urge their swift approval.●

Mr. CHURCH. Mr. President, I am prepared to yield back the remainder of my time.

The PRESIDING OFFICER (Mr. Boren). Is all time yielded back?

Mr. COHEN. Mr. President, I have no request for time. I yield back our time.

The PRESIDING OFFICER. The clerk will state the first resolution of ratification.

PROTOCOL, WITH ANNEX, AMENDING THE 1953 HALIBUT FISHERY CONVENTION WITH CANADA

The legislative clerk read as follows:

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Protocol, with Annex, Amending the 1953 Convention Between the United States of America and Canada for the Preservation of the Halibut Fishery of the Northern Pacific Ocean and Bering Sea, signed at Washington on March 29, 1979 (the Protocol). (Executive DD, 96th Congress, first session.)

Mr. MAGNUSON. Mr. President, the protocol amending and extending the 1953 International Pacific Halibut Convention is an important step in our efforts to continue sound management of our marine fisheries. The Halibut Commission has demonstrated the great success that can result from cooperative arrangements with the Canadians. The Halibut Commission has not only been successful in guiding the great Pacific halibut fishery back to recovery, but it has won the universal respect of the fishermen whom it regulates. The extension of this Commission's authority for the next season is imperative.

The Commission is scheduled to expire at the end of this protocol, Mr. President. We have only one more season presently planned under this organization. It is therefore imperative that the State Department, in consultation with the affected industry, begin immediately to consider what mechanisms can be formulated to continue the dialog with the Canadians over transboundary Pacific fisheries of mutual concern. The importance of continuing such a dialog is important not only for the fishery resources, but also to the fishing industry.

Finally, Mr. President, I want to thank the chairman of the Foreign Relations Committee, Mr. Church, for his assistance and cooperation in assuring that this protocol has received Senate approval prior to the April 1 termination of the existing regime.

The PRESIDING OFFICER. The question is on agreeing to the resolution of ratification on Executive DD, 96th Congress, 1st session, the protocol, with annex, amending the 1953 Halibut Fishery Convention with Canada. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Alaska (Mr. GRAVEL), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Hawaii (Mr. INOUYE), and the Senator from Massachusetts (Mr. KENNEDY) are necessarily absent.

I further announce that the Senator from West Virginia (Mr. ROBERT C. BYRD) and the Senator from West Virginia (Mr. RANDOLPH) are absent on official business, attending the funeral of the late Congressman John Slack.

I further announce that, if present and voting, the Senator from West Virginia (Mr. RANDOLPH) would vote "yea."

Mr. STEVENS. I announce that the Senator from Missouri (Mr. DANFORTH) and the Senator from Maryland (Mr. MATHIAS) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The yeas and nays resulted—yeas 92, nays 0, as follows:

[Rollcall Vote No. 57 Ex.]

YEAS—92

Armstrong
Baker
Baucus
Bayh
Bellmon
Bentsen
Biden
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd, Harry F., Jr.
Cannon
Chafee
Chiles
Church
Cochran
Cohen
Cranston
Culver
DeConcini
Dole
Domenici
Durenberger
Durkin
Eagleton
Exon
Ford
Garn
Glenn
Goldwater
Hart
Hatch
Hatfield
Hayakawa
Heflin
Heinz
Helms
Hollings
Humphrey
Jackson
Javits
Jepsen
Johnston
Kassebaum
Laxalt
Leahy
Levin
Long
Lugar
Magnuson
Matsunaga
McClure
McGovern
Melcher
Metzenbaum
Morgan
Moynihan
Muskie
Nelson
Nunn
Packwood
Pell
Percy
Pressler
Proxmire
Pryor
Ribicoff
Riegle
Roth
Sarbanes
Sasser
Schmitt
Schweiker
Simpson
Stafford
Stennis
Stevens
Stevenson
Stewart
Stone
Talmadge
Thurmond
Tower
Tsongas
Wallop
Warner
Weicker
Williams
Young
Zorinsky

NOT VOTING—8

Byrd, Robert C.
Danforth
Gravel
Huddleston
Inouye
Kennedy
Mathias
Randolph

The PRESIDING OFFICER. Two-thirds of the Senators present and voting having voted in the affirmative, the resolution of ratification is agreed to.

Mr. CHURCH. Mr. President, I move to reconsider the vote by which the resolution of ratification was agreed to.

Mr. JAVITS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The clerk will state the second resolution of ratification.

PROTOCOL, WITH CANADA TO AMEND THE CONVENTION FOR THE PROTECTION, PRESERVATION, AND EXTENSION OF THE SOCKEYE SALMON FISHERIES IN THE FRASER RIVER SYSTEM, AS AMENDED

The resolution of ratification of Executive G, 95th Congress, 1st session, was read as follows:

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Protocol Between the Government of the United States of America and the Government of Canada to Amend the Convention for the Protection, Preservation, and Extension of the Sockeye Salmon Fisheries in the Fraser River System, as amended, signed at Washington on February 24, 1977. (Executive G, 95th Congress, first session.)

The PRESIDING OFFICER. The question is on agreeing to the Resolution of Ratification on Executive G, 95th Congress, first session, the protocol with Canada to amend the Convention for the Protection, Preservation, and Extension of the Sockeye Salmon Fisheries in the Fraser River System, as amended. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Alaska (Mr. GRAVEL), the Senator from Kentucky (Mr. HUDDLESON), the Senator from Hawaii (Mr. INOUYE), and the Senator from Massachusetts (Mr. KENNEDY) are necessarily absent.

I further announce that the Senator from West Virginia (Mr. ROBERT C. BYRD) and the Senator from West Virginia (Mr. RANDOLPH) are absent on official business. Attending the funeral of the late Congressman John Slack.

I further announce that, if present and voting, the Senator from West Virginia (Mr. RANDOLPH) would vote "yea."

Mr. STEVENS. I announce that the Senator from Missouri (Mr. DANFORTH) and the Senator from Maryland (Mr. MATHIAS) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The yeas and nays resulted—yeas 92, nays 0, as follows:

[Rollcall Vote No. 58 Ex.]

YEAS—92

Armstrong
Baker
Baucus
Bayh
Bellmon
Bentsen
Biden
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd, Harry F., Jr.
Cannon
Chafee
Chiles
Church
Cochran
Cohen
Cranston
Culver
DeConcini
Dole
Domenici
Durenberger
Durkin
Eagleton
Exon
Ford
Garn
Glenn
Goldwater
Hart
Hatch
Hatfield
Hayakawa
Heflin
Heinz
Helms
Hollings
Humphrey
Jackson
Javits
Jepsen
Johnston
Kassebaum
Laxalt
Leahy
Levin
Long
Lugar
Magnuson
Matsunaga
McClure
McGovern
Melcher
Metzenbaum
Morgan
Moynihan
Muskie
Nelson
Nunn
Packwood
Pell
Percy
Pressler
Proxmire
Pryor
Ribicoff
Riegle
Roth
Sarbanes
Sasser
Schmitt
Schweiker
Simpson
Stafford
Stennis
Stevens
Stevenson
Stewart
Stone
Talmadge
Thurmond
Tower
Tsongas
Wallop
Warner
Weicker
Williams
Young
Zorinsky

NOT VOTING—8

Byrd, Robert C.
Danforth
Gravel
Huddleston
Inouye
Kennedy
Mathias
Randolph

The PRESIDING OFFICER. Two-thirds of the Senators present and voting having voted in the affirmative, the resolution of ratification is agreed to.

Mr. CHURCH. Mr. President, I move to reconsider the vote by which the resolution of ratification was agreed to.

Mr. JAVITS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The clerk will state the third resolution of ratification.

CONVENTION ON PSYCHOTROPIC SUBSTANCES

The resolution of ratification of Executive G, 92d Congress, 1st session, was read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Convention on Psychotropic Substances, signed at Vienna, February 21, 1971 (Executive G, 92nd Congress, first session), subject to the following reservation:

That in accord with paragraph 4 of Article 32 of the Convention, peyote harvested and distributed for use by the Native American Church in its religious rites is exempted from the provisions of Article 7 of the Convention on Psychotropic Substances.

● Mr. BIDEN. Mr. President, I strongly urge my colleagues to approve the Convention on Psychotropic Substances.

As chairman of the Subcommittee on Criminal Justice, I recently chaired hearings on the issue of national and international narcotics control. Every witness agreed that the most effective means of controlling our domestic drug problem is through a coordinated global strategy. In recognition of that goal the United States has ratified a number of multilateral drug treaties including the Single Convention on Narcotic Drugs.* The Convention on Psychotropic Substances has as its focus the international control of substances that are not included under any of the existing multilateral drug treaties. Those treaties are directed at international control of opium and other narcotic substances. This treaty expands internationally controlled substances to include substances which produce central nervous system stimulation or depression with resulting disturbances in behavior, perception, and thinking. These drugs include hallucinogens such as LSD, mescaline and PCP, amphetimines, barbituates and certain tranquilizers.

At the Criminal Justice Subcommittee hearings the Assistant Secretary of State for International Narcotics Matters, Ms.

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*Ratified in 1961.

Mathea Falco, and the Administrator of the Drug Enforcement Administration, Mr. Peter Bensinger, both strongly urged prompt ratification of the treaty. President Carter has also indicated his support for the convention on several occasions before the Congress and U.N. bodies.

The treaty is also important because it addresses a problem of alarming proportions in the United States. The nonmedical use of psychotropic substances, particularly by young people, has steadily increased in the last decade. Dramatic evidence of the increase is contained in the nationwide household survey conducted by the National Institute on Drug Abuse from 1972–77. That study concluded that among 18- to 25-year-olds nonmedical use of sedatives was up from 12 percent of the population in 1972 to 21.2 percent in 1977. In real numbers this means that some 6.4 million 18- to 25-year-olds had used sedatives for nonmedical reasons as of 1977. Equally alarming is the study's finding that some 10 million Americans have used hallucinogens for nonmedical purposes.

The convention on psychotropic substances was signed by the President in 1971. Hearings were held and enabling legislation has been in effect since 1978. On February 7 the Foreign Relations Committee unanimously approved the treaty.

I urge my colleagues to join the more than 60 nations which have already signed the convention to demonstrate that we are sincere in our efforts to develop a global strategy for eradication of every form of drug abuse.●

● Mr. CULVER. Mr. President, I rise in support of ratification of the Convention on Psychotropic Substances. As former chairman of the Subcommittee on Juvenile Delinquency, I sponsored the enabling legislation for the convention.

This convention is similar in structure to the Single Convention on Narcotic Drugs which was ratified by the United States in 1967. It provides a framework of international controls over the manufacture, distribution, transfer, and use of certain psychotropic drugs and substances to help curb their use for purposes other than legitimate medical and scientific ones. The drugs and substances which would be controlled under the convention include hallucinogens (such as LSD and mescaline), amphetamines, and barbiturates. Many of these drugs can be equally as harmful as the opium derivatives (such as heroin and morphine) which are controlled under the single Convention on Narcotic Drugs.

The convention does not seek to unduly restrict legitimate scientific research or medical use. Rather it is designed to control the illicit diversion of these substances which has received much attention in the last several years. It is important that the United States ratify this convention since we are a major producer of these substances. Congress has enacted legislation on the domestic level to restrict diversion from licit to illicit chanels under the Controlled Substances Act. However, it is common practice for traffickers to establish themselves in a country with minimal regulation of psychotropic substances and then order in bulk form from the United States or any other manufacturing country. The drugs are then sold illegally. The convention would require parties to make reports on the legitimate manufacture and trade of psychotropic substances to the International Narcotics Control Board.

The diversion of legally produced drugs for uses other than legitimate ones is a serious problem. I am especially concerned about the increased availability and use of some of these drugs by young people. Many of these young people are unaware of the damage to their minds and bodies that these drugs can cause. Ratification of this convention is an important step toward control of the illicit distribution and use of these substances which threaten severe damage not only to the youth of our Nation but our whole society as well.●

The PRESIDING OFFICER. The question is on agreeing to the Resolution of Ratification on Executive G, 92d Congress, first session, the Convention on Psychotropic Substances. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Alaska (Mr. GRAVEL), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Hawaii (Mr. INOUYE), and the Senator from Massachusetts (Mr. KENNEDY) are necessarily absent.

I further announce that the Senator from West Virginia (Mr. ROBERT C. BYRD) and the Senator from West Virginia (Mr. RANDOLPH) are absent on official business, attending the funeral of the late Congressman John Slack.

I further announce that, if present and voting, the Senator from West Virginia (Mr. RANDOLPH) would vote "yea."

Mr. STEVENS. I announce that the Senator from Missouri (Mr. DANFORTH) and the Senator from Maryland (Mr. MATHIAS) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The yeas and nays resulted—yeas 92, nays 0, as follows:

[Rollcall Vote No. 59 Ex.]

YEAS—92

Armstrong
Baker
Baucus
Bayh
Bellmon
Bentsen
Biden
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd, Harry F., Jr.
Cannon
Chafee
Chiles
Church
Cochran
Cohen
Cranston
Culver
DeConcini
Dole
Domenici
Durenberger
Durkin
Eagleton
Exon
Ford
Garn
Glenn
Goldwater
Hart
Hatch
Hatfield
Hayakawa
Heflin
Heinz
Helms
Hollings
Humphrey
Jackson
Javits
Jepsen
Johnston
Kassebaum
Laxalt
Leahy
Levin
Long
Lugar
Magnuson
Matsunaga
McClure
McGovern
Melcher
Metzenbaum
Morgan
Moynihan
Muskie
Nelson
Nunn
Packwood
Pell
Percy
Pressler
Proxmire
Pryor
Ribicoff
Riegle
Roth
Sarbanes
Sasser
Schmitt
Schweiker
Simpson
Stafford
Stennis
Stevens
Stevenson
Stewart
Stone
Talmadge
Thurmond
Tower
Tsongas
Wallop
Warner
Weicker
Williams
Young
Zorinsky

NOT VOTING—8

Byrd, Robert C.
Danforth
Gravel
Huddleston
Inouye
Kennedy
Mathias
Randolph

The PRESIDING OFFICER. Two-thirds of the Senators present and voting having voted in the affirmative, the resolution of ratification is agreed to.

Mr. CHURCH. Mr. President, I move to reconsider the vote by which the resolution of ratification was agreed to.

Mr. JAVITS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The clerk will state the last resolution of ratification.

AGREEMENT ON THE INTERNATIONAL CARRIAGE OF PERISHABLE FOODSTUFFS AND ON THE SPECIAL EQUIPMENT TO BE USED FOR SUCH CARRIAGE

The resolution of ratification of Executive B, 96th Congress, first session, was read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Agreement on the International Carriage of Perishable Foodstuffs and on the Special Equipment to be Used for Such Carriage (ATP), done at Geneva on September 1, 1970, under the Auspices of the Economic Commission for Europe (ECE). (Executive B, 96th Congress, first session.)

The PRESIDING OFFICER. The question is on agreeing to the resolution of ratification on Executive B, 96th Congress, first session, the Agreement on the International Carriage of Perishable Foodstuffs and on the Special Equipment to be used for such carriage.

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Alaska (Mr. GRAVEL), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Hawaii (Mr. INOUYE), and the Senator from Massachusetts (Mr. KENNEDY) are necessarily absent.

I further announce that the Senator from West Virginia (Mr. ROBERT C. BYRD), and the Senator from West Virginia (Mr. RANDOLPH) are absent on official business attending the funeral of the late Congressman John Slack.

I further announce that, if present and voting, the Senator from West Virginia (Mr. RANDOLPH) would vote "yea."

Mr. STEVENS. I announce that the Senator from Missouri (Mr. DANFORTH) and the Senator from Maryland (Mr. MATHIAS) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The yeas and nays resulted—yeas 92, nays 0, as follows:

[Rollcall Vote No. 60 Ex.]

YEAS—92

Armstrong
Baker
Baucus
Bayh
Bellmon
Bentsen
Biden
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd,
Harry F., Jr.
Cannon
Chafee
Chiles
Church
Cochran
Cohen
Cranston
Culver
DeConcini
Dole
Domenici
Durenberger
Durkin
Eagleton
Exon
Ford
Garn
Glenn
Goldwater
Hart
Hatch
Hatfield
Hayakawa
Heflin
Heinz
Helms
Hollings
Humphrey
Jackson
Javits
Jepsen
Johnston
Kassebaum
Laxalt
Leahy
Levin
Long
Lugar
Magnuson
Matsunaga
McClure
McGovern
Melcher
Metzenbaum
Morgan
Moynihan
Muskie
Nelson
Nunn
Packwood
Pell
Percy
Pressler
Proxmire
Pryor
Ribicoff
Riegle
Roth
Sarbanes
Sasser
Schmitt
Schweiker
Simpson
Stafford
Stennis
Stevens
Stevenson
Stewart
Stone
Talmadge
Thurmond
Tower
Tsongas
Wallop
Warner
Weicker
Williams
Young
Zorinsky

NOT VOTING—8

Byrd, Robert C.
Danforth
Gravel
Huddleston
Inouye
Kennedy
Mathias
Randolph

The PRESIDING OFFICER. Two-thirds of the Senators present and voting having voted in the affirmative, the resolution of ratification is agreed to.

Mr. CHURCH. Mr. President, I move to reconsider the vote by which the resolution of ratification was agreed to.

Mr. JAVITS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CHURCH. Mr. President, I ask that the President be immediately notified.

The PRESIDING OFFICER. The President will be immediately notified.

LEGISLATIVE SESSION

The PRESIDING OFFICER (Mr. Bayh). Under the previous order the Senate will now return to legislative session.

WINDFALL PROFIT TAX ACT OF 1980—CONFERENCE REPORT

The Senate resumed the consideration of the conference report.

Mr. DOLE. Mr. President, what is the pending business?

The PRESIDING OFFICER (Mr. Boren). The pending business is the conference report on the windfall profit tax.

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. Boren). Without objection, it is so ordered.

Mr. DOLE. Mr. President, it is my understanding that the pending business is the conference report on the windfall profit tax.

The PRESIDING OFFICER. The Senator is correct.

Mr. DOLE. There are a number of Members of the Senate who want to be heard on the conference report. The difficulty now is getting them to the floor. That is not unprecedented, but it does pose a problem. As long as no one strongly objects, maybe we can continue a quorum call.

The distinguished Senator from Oklahoma (Mr. Bellmon) will be available in the next few minutes either to speak or have someone speak to the merits, or in his case the demerits, of the windfall profit tax.

I would say, knowing the majority leader is unavoidably absent today, that there will not be any effort on this side to make any parliamentary maneuvers on this bill today. It is the hope of the Senator from Kansas that we can reach an agreement to vote on this proposal by, perhaps, next Thursday. Those negotiations are underway, led by the Senator from Kansas and the distinguished minority leader, Senator Baker.

I will say for the record, for the benefit of Senator Byrd of West Virginia, the majority leader, that we are making a good-faith effort to reach some time agreement. It could be that, hopefully, by Thursday there might be a couple of procedural votes and then a vote on final passage of the conference report. The distinguished Senator from Oklahoma (Mr. Bellmon) may have at least one procedural vote; the Senator from Kansas may have another. I am not aware of others, although certainly more could develop as the days pass.

But it is not the intention of this Senator or anyone I can find on this side of the aisle or, for that matter, on the other side of the aisle, to discuss the windfall profit tax conference report to the point where it could become a filibuster.

The Senator from Kansas has had a lot of experience on the windfall profit tax—more experience than I had on the campaign trail. I am not complaining about that, because it may have been for the best. There are four or five portions of this report that are not in accord with the wishes of this Senator, particularly the portions relating to royalty owners and, to some extent the portions relating to independents, although I may not feel as strongly as Senator Bellmon.

I am also concerned whether the tax may be counterproductive. It may discourage exploration and it may be a disincentive to production. As I understand or understood it, that certainly was not the purpose of the windfall profit tax when it was first considered many, many months ago.

I know that there are Members who are disturbed about the allocation formula. Whether or not the allocation formula is meaningful is open to question. Nevertheless, I know the distinguished Senator from New Mexico (Mr. Domenici) and others will be discussing the allocation formula—whether there should be a certain percentage for tax cuts, a certain percentage for low-income assistance, a certain percentage for development of alternative sources, tax credits or transportation. Since this is a matter of some concern, it is hoped that with a thorough discussion we may provide some guidance to those who will be required to administer the program in the next several years—in fact, for the next decade, and undoubtedly beyond.

So there is a great deal of good that will come from a discussion of the conference report. It is a very massive piece of tax legislation. It is the largest single tax bill, as far as this Senator knows, in the history of this country.

So it is something about which we should proceed with cautiously. It should be discussed thoroughly, and we should address the very important features of the bill.

There are positive features of the bill. I notice the distinguished acting manager of the bill, Senator Harry Byrd, from Virginia, is on the floor. Certainly one of those big pluses in this legislation is his efforts to repeal the carryover basis rule. This provision alone may be a reason to vote for the conference report. As I understand it, the repeal of carryover basis was the reason that many House Members chose to vote for the conference report on the House side.

There are other provisions dealing with exclusion of interest and dividend income from taxation. That is a positive step toward reducing the tax bias against savings.

We have in some ways minimized the tax on heavy oil, tertiary, newly discovered and stripper production, stripper production meaning wells that produce less than 10 barrels or less per day. It is the hope of this Senator that we have not gone too far on the tax side to discourage production.

Having said that, I would again say for the record and for the benefit of the distinguished majority leader, who is unavoidably absent, that we are in the process of trying to work out some time agreement. The Senator from Kansas will be unavoidably absent until late Monday afternoon. But it is my hope that on Tuesday, following the Republican policy luncheon, we can come to the floor and reach an agreement on when we shall have the final vote on the conference report and on any other procedural motions.

It is the hope of this Senator that we just do not use up all the time between now and Tuesday just talking about the proposal. On Monday there will be Senators available to talk. I am not certain about Friday. I do not think it would add much for a single Senator to talk and a single Senator to listen all day tomorrow. It is fine with me. But I will not be here to either talk or listen.

But if that is an exercise that somebody wants to pursue, we have, I think, Senator Domenici, Senator McClure, and Senator Schmitt, who are prepared to talk at length tomorrow about some of their reservations.

I wanted to indicate for the record and let the staff of the majority leader know in his absence that we are not just wasting time. We are trying to reach some agreement, and we hope we can do that early next week.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BELLMON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BELLMON. Mr. President, there are many aspects of this legislation which clearly deserve the attention of the Senate. We talked about some of them yesterday. Today there are two others I would like to call to the attention of the Members.

First is the fact that unless an investor receives enough when he sells a product to replace that product, then there will no longer be investments because the capital will not be adequate to cover the cost of bringing new products to market. It is the same with a merchant who might pay, say, $10 for a product and then sell it for $5, which means that within a very short time that merchant would no longer have that product to offer for sale.

This has been going on for a long time in the energy business. There are various estimates of what it now costs to find a new barrel of oil. I have seen estimates that go up as high as $37 a barrel. A very distinguished counselor to energy producers in our State has a computation that shows it costs something like $37 a barrel now to find a new barrel of oil.

There are many other more conservative estimates but most of them hit at least the $15 range.

At the present time, before decontrol, when oil was selling at $13 a barrel and using the customary one-eighth royalty, or 12.5 percent, a State severance tax of 12 percent, lifting costs of $5 a barrel, calculating State income tax at 12 percent, giving credit for percentage depletion of 22 percent, using Federal income tax at 70 percent, that gives us a net income of $3.07 per barrel. It figures this way: The selling price of a barrel of oil is $13; the royalty which the operator must pay to the owner of the land or the owner of the royalty costs about $1.625; the State severance tax is $1.365; the lifting cost is $5; the State income tax figures out to be 60 cents per barrel; the percentage depletion, which cancels out, is $2.50 a barrel; the Federal income tax is $1.33 per barrel.

When you subtract all those costs from the $13, it leaves the producer of that oil $3.05. Realizing that it costs a minimum of $15 to go out and find a new barrel of oil to replace the barrel that has been sold, this means that the producer, under controls, is forced to find and produce some five barrels of oil in order to have enough capital to go out and discover and bring into production one new barrel. So a producer, under these circumstances, is going out of business at an extremely rapid rate.

I submit, Mr. President, that this is one reason that, since oil price controls were enacted back in 1973, the industry in this country has not been able to find oil as fast as it is being produced. We have been able to keep our production about on line with where it was back in 1973, largely because of the development of the Prudhoe Bay field in Alaska. That oil had already been discovered. It was discovered in 1969. The wells were not drilled until the 1970's. And, of course, the pipeline was not constructed and it did not come into production until a couple of years ago. So if you leave that 1.5 million barrels a day out, this country is now producing some 2 million barrels a day less oil than it was 6 years ago.

The reason is very simple, Mr. President. We have had price controls in place. Those price controls have been at levels that did not return to the producer enough money so that the producer could go out and find more oil, so, in effect, they have been selling down their inventories and not replacing those inventories. The result is that we have now come to the place where we are importing roughly half the oil we use and, of course, we are spending or will spend this year some $90 to $100 billion to repay the costs.

It is interesting that, since we have put this in place, our level of imports has gone from 2 million barrels a day to 8 million barrels a day. It is a matter of simple arithmetic to see that we are forcing the producers to replace the oil at less cost than they have to produce it.

Let us look at what happens when this windfall tax becomes law. If that happens—and here, I give President Carter credit. He has recognized the unworkability and the folly of the control program. I give him high marks for this. He has taken executive action to bring on decontrol. For this, he has had some criticism and has taken some political lumps. But the fact is that he has done the right thing. In that action, he started us on the road to solving the energy crisis.

But he went in exactly the opposite direction when he recommended, and both Houses of Congress have now approved, a windfall profit tax. And, of course, we now have the conference report before us.

One of the terms of the windfall profit tax as it now stands in the conference report, and assuming not the $30 price in the conference report, but the realistic $40 price which is common in most of the country—as a matter of fact, the Federal Government is selling its Elk Hills oil at more than $40 a barrel and it is selling oil from Teapot Dome at from $40 to $60 a barrel. So the $40 price is a little conservative, depending on the part of the country where the oil is being produced. But using the $40 figure, again calculating the royalty at one-eighth, to be 12½ percent, the same lifting cost, the same State income tax and the like, we start off with $40 for the oil. The royalty owner gets $5. The State severance tax gets $4.20, the lifting cost is $5, the windfall profit tax for majors on old oil at 70 percent is $16.09. That is the severance tax.

The State income tax is $1.16; the Federal income tax is 60 cents. When you subtract all those from the $40, you come down to $7.95 left for the operator to go out and look for a new barrel of oil.

Mr. President, the $7.95 that an operator gets for one barrel of oil is about enough to go out and find a half barrel. So for those who will be paying the 70-percent tax under this bill, they will be selling two barrels of oil in order to have enough capital to go out and find one additional barrel, which means that, day by day, the producers of this country are going to be selling down their inventory twice as fast as they replace it and at some fairly definite day out in the future, they will be out of the oil business completely.

If you look at decontrol and the windfall profit tax on new oil at 30 percent, we come up with a somewhat better set of figures. The selling price is $40, royalty $5, State severance tax $4.20, lifting costs $5, windfall profit tax at 30 percent is $5.78 a barrel. The State income tax is $2.40, the depletion allowance, which cancels out, the Federal income tax is $6.94. Under that set of circumstances, the producer has $10.68 left from the barrel that was sold in order to go out and find a new barrel, which will cost him $15 to find.

Under that set of circumstances, the producer is forced to sell three barrels of oil in order to get enough money to find one. As I say, that $15 figure can be challenged. There are some who use a much higher figure, some who use a lower one. But that seems to be about average for the industry and it is one that the Senator from Oklahoma finds acceptable.

(Mr. HARRY F. BYRD, JR., assumed the chair.)

Mr. BELLMON. Mr. President, what I am saying by these figures is that if we go through with this windfall profit tax bill and take from producers the capital that they simply must have to plow back into looking for and developing new oil supplies, we can absolutely guarantee that this country is going to continue to be dependent upon foreign crude oil, which we cannot afford and cannot depend upon. If Congress passes this bill, if we accept this conference report, we can guaranttee that the energy crisis is here to stay, that this will become a permanent condition, that we shall have given up hope as far as working our way to energy independence and that, as the years go by, the situation will not get better; rather, it will get worse and worse.

Mr. President, I submit that the consumers of this country, who are going to be paying the increased price under decontrol, would far rather have that money they pay go to producers, who can take the money and go out and find new oil, perhaps invest it in syncrude plants or tertiary recovery plants or coal liquefaction plants or gasification plants and in that way, give the consumer more energy for those billions of dollars than they would pay the high price, have the Federal Government tax the money away from the producers, and then use that money for the kind of programs that are set forth in this bill.

That brings me to the other point I want to make, Mr. President. This bill, in my opinion, includes some of the most dangerous departures from what I consider to be good fiscal policy of any bill that has ever been before the Senate. When the bill came before the Senate at an earlier date it contained three trust funds, an entitlement program, and several refundable tax credits. At that time, Senators MUSKIE, MAGNUSON, YOUNG, and I cosponsored the Magnuson amendment, which deleted all refundable tax credits, changed the entitlement program for low-income energy assistance to an authorization for appropriations, and eliminated the low-income energy assistance trust fund and the mass transit trust fund. We left the taxpayer trust fund in the bill, although backers of the Magnuson amendment had originally planned to strike it as well. We decided, under urging from the Democratic leadership, to leave that provision in the bill, although personally, I feel we would have been much better off if we had eliminated it as well.

The Magnuson amendment, Mr. President, was adopted by a vote of 81 to 14, so it is very plain to me that the Members of this body do not want to earmark revenues from the crude oil excise tax. The reason is quite simple. Of the revenues which come into this Government, 74.5 percent are already earmarked. That includes $224.9 billion in payments to individuals, which is 45.6 percent of the budget. These numbers are taken from fiscal year 1979, the latest year for which we have complete data.

Interest and other fixed costs account for $61.2 billion, which is 12.4 percent of the budget.

Outlays from prior contracts and obligations are $80 billion, or 16.2 percent of the budget.

When one includes Federal personnel costs, which are not actually earmarked, but which are not easily reduced then $74.5 billion, or 15.1 percent of the budget, must also be counted in the total for uncontrollable spending.

When we are through with this, we find that $440.6 billion, or 89.2 percent of the budget is earmarked. When we take the figure I gave earlier and add in the military and civilian personnel costs, we get to 89.2 percent of the budget, which is already earmarked and unavailable to meet national needs as they arise.

The conference agreement on H.R. 3919 worsens the situation. If this conference agreement is passed, we will actually leave in general revenues less than the Government collects in net revenues.

In other words, we are earmarking every dime of the revenues raised by this tax plus several additional billions of revenues. This additional spending occurs because the conference agreement on H.R. 3919 provides for certain residential energy credits, certain business energy incentives, an interest and dividend exclusion, and some other provisions that, in effect, earmark general fund revenues which are presently not earmarked.

So this bill not only further ties the hands of the appropriations and budget process by earmarking all revenues the bill raises, but it dips into the existing funds that go to the Treasury and earmarks several million dollars a year of those funds as well.

Mr. President, I doubt very seriously that Members of the Senate are aware of this. It is our hope to try to get this information out in the days ahead. But I have often heard Members virtually beat their chests about how Federal spending is uncontrollable and that we ought to do something to make spending come before Congress for annual authorization and appropriation so we can reestablish priorities and make certain that programs are actually working, and filling a national need.

Then we come along with this bill, which is going under the title of windfall profit, and has taken on a kind of religious force it would not have earned on its merits. Consequently, we are now violating every principle of good fiscal management the Senator from Oklahoma has been taught in his years in government. We are about to tie our hands so that year after year this Congress will only have control over roughly 10 percent of our revenues.

When we take into account some other costs of the defense program, and assume that cannot be seriously changed, the amount available for annual authorization and appropriations is a great deal less than 10 percent.

I hope to go into this more when the distinguished floor manager of the bill is on the floor. But I think it is worthwhile to call the attention of the Senate to the fact that this is probably the biggest earmarking bill that has ever come before the Congress. If we go in this direction, and insist on passing this conference report, we tie our hands and make it more difficult, if not impossible, for us to deal with changes in the needs of our country in future years.

Mr. President, we are expecting the Senator from Wyoming to come to the floor. He is not here at the moment.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LONG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 2 P.M.

Mr. LONG. Mr. President, I move that the Senate stand in recess until 2 p.m. today.

The motion was agreed to, and at 1:43 p.m. the Senate recessed until 2 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. HART).

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. BELLMON. Mr. President, the bill we have before us has been discussed a great deal already, and there will be some additional comments made about it in the days ahead. But there are many features of it that I will want to discuss with the distinguished floor manager who is here.

Right now I would like to call attention to the fact that we seem to be heading in the wrong direction so far as providing both the incentive and the capital to deal with the energy problem.

Those who support this bill, and I think some who will vote for it, do it not because they really support the concept of a tax on domestic crude oil production, but because they feel the political situation is such that we have got to have something called a windfall profit tax bill.

There is one feature of this legislation that I think needs to be repeated over and over again: the fact that the bad political situation we are in developed because of the reports by international oil companies over the recent months of how large their profits have been, how much more profit they have made in the most recent quarter as compared to the same quarter last year.

Some of those who support the bill with which this conference report deals feel they are actually taxing away some of those excessively large profits that the major oil companies are making.

The opponents say that we cannot afford to tax away profits that are necessary if we are going to go ahead and produce more oil. This is one time when there is, I think, some merit on both sides.

It might be that we can figure a way to do it so that we take away some of the profits the major companies are making in places like Saudi Arabia or Kuwait or Abu Dhabi or some of the Persian Gulf countries, by requiring some of those companies to come back to the United States and make investments here.

I think most of us recognize that when the international oil companies went abroad they did it because the best prospects were abroad, and they went there because they could produce oil far more cheaply in a place like Saudi Arabia, where the average production from a well is some 3,000, 4,000, 5,000 barrels per day as compared to a place like Oklahoma where the average production per well is less than 6 barrels per day. It makes no sense at all from the investors' standpoint to spend a lot of money drilling for oil in an area that has already been picked over when new prospects, very prolific prospects, such as those found in the Persian Gulf area are available.

So I am not criticizing the big companies. What they did was natural and, under the circumstances, totally to be expected and, probably beneficial. If they had not ventured into international supplies, then obviously the whole world would have run short of oil at a much earlier date.

But this bill does not tax away the

profits that the international companies make on foreign oil, and since those companies make most of their money on this foreign production, they are largely going to be untouched by this bill.

Those companies produce in foreign countries. They own refineries, they own pipelines, they own marketing systems, they own chemical companies. They have all sorts of ways of making money.

Where this bill will have its greatest impact will be on the small independent who is one business and one business only, and that is the business of seeking, finding, and producing oil in the United States. This is a domestic crude oil excise tax not a windfall profit tax. It is going to hit the people, the producers, who had the confidence and know how to stay in this country to find oil that the big companies would not fool with, and who are now in the position to continue finding that oil.

The major companies have more or less demolished their capabilities to develop undiscovered, small fields.

They no longer have geologists trained to look for small structures; they no longer have the technology that the small companies have built up over the years that helps to produce from zones that are in many cases thin and tight. The job of developing domestic oil supplies is one that the independents are uniquely prepared to undertake. They are the ones who need the capital, and yet they are the ones we are going to take the capital away from.

I have seen the Senate do a lot of things I thought were wrong-headed, Mr. President, but this absolutely is the worst I have ever seen. We are mad at the big companies, we think they are making excess profits, and so we start writing a bill to take some of those profits away from them. We wind up writing a bill that almost totally exempts those profits because it does not touch domestic oil. and that succeeds in taxing profits made by companies that are in position to develop our national petroleum supplies.

Now then, this bill makes about as much sense as imposing a tax on firewood. There was an article written in the Wall Street Journal that deals with this. It is a parody on a tax on firewood. It says:

TAX THE WINDFALL PROFITS ON FIREWOOD!

(By David Hale)

There is an urgent need for the federal government to impose price controls and a windfall profits tax on New England firewood.

Congress has done its best to protect the northeastern states from greedy oil and gas companies, but so far it has ignored the economic injustices being inflicted upon the region by the profit hungry woodlot barons of northern New England.

The price of firewood has practically tripled since 1973. The cord of Vermont wood which once fetched $30 now sells for $80–$90 locally and almost twice as much in Manhattan. The forest lords of New England are making obscene profits at the expense of both fireplace lovers in the big cities and their own village neighbors.

One-half of all homes in Vermont, New Hampshire, and Maine now have wood burning stoves or furnaces, but only a small number of homeowners have their own private woodlots. Most are totally at the mercy of local lumber men who charge whatever the market will bear for firewood. In some cases they also insist upon bargaining only in French.

Despite their courageous attacks on the oil industry, northern New England Congressmen have refused to speak out against the firewood price gouging. The political and financial power of the woodlot barons is so great that they have intimidated local politicians into complete silence. In fact, a few Congressmen have become nothing more than mouthpieces for the firewood lobby. But as the price of firewood today testifies, there is a strong argument for federal intervention in the industry as soon as the New Hampshire primary is out of the way.

First, Congress needs to establish a Department of Renewable Resources to regulate the growing, harvesting and marketing of firewood in New England and other regions where it is now commonly used. The present Department of Energy has only about 20,000 employes and is too busy regulating the oil industry to be saddled with responsibility for managing firewood supplies. It will take at least five hundred federal foresters to police the woods of Vermont and New Hampshire, alone, plus a support staff of several thousand lawyers, accountants, and public relations experts to interpret and administer the government's new firewood laws on a nationwide basis.

Secondly, Congress needs to draft a price control code for firewood. It could use several different formulas to determine firewood prices, but federal oil legislation probably provides the best model for how to proceed. The price of firewood should be a function of a tree's age.

Firewood from trees which started growing before 1973 should be priced at the lowest possible level in order to prevent New England woodlot barons from taking advantage of the 12-fold increase in oil prices since that time. Most New Englanders with old trees did not foresee the current scarcity of energy, so they should not be allowed to charge a high price for their wood today. A maximum retail price of $35 per cord plus some modest inflation adjustments would be perfectly reasonable.

Firewood from trees planted after 1973 should be priced according to a sliding scale. The younger the tree, the higher the allowed price for its firewood. There should be no price controls at all on trees planted after 1980 in order to encourage woodlot owners to plant new ones.

Because of transportation problems, the federal government also will have to develop a flexible pricing code for wood from remote locations. The new Department of Renewable Resources should create geographic sub-classifications such as mountain wood, ledge wood, swamp wood or wood stunted by acid rain.

The federal government permits the petroleum industry to charge a high price for Alaskan oil. Congress might officially designate Maine's Indian reservations as new Alaskas for purposes of firewood price control.

Whatever the exact particulars of the new price control code, though, Congress should not spend more than one session writing it. Federal auditors will want to begin marking New England trees with spray paint for price control compliance by this summer.

History shows that price controls usually create shortages, so Congress will want to back up the price controls program with severe penalties for violators. The government should punish first time offenders by making them keep a federal auditor on their payroll, imprison second time offenders, and burn down the trees of third time offenders.

The best way to punish greedy forest owners and people willing to pay firewood prices above officially proscribed levels is by reducing the amount of wood available to everyone. As many forward-thinking Massachusetts politicians have noted in past debates about federal oil policy, the smaller the supply of wood or any other form of energy in the nation, the easier it will be for the government to regulate it.

If this policy causes wood shortages to become a serious political problem in New England—say people freeze to death—the federal government can import wood from Quebec and finance it with a windfall profits tax on firewood from trees planted after 1980.

Like the proposed windfall tax on oil, this levy should not actually be a tax on firewood profits. It should be an excise tax on firewood sales. Such a tax will guarantee the government some revenues even if inflationary cost pressures and federal price controls put most woodlot harvesting operations out of business.

The United States government can't prevent Arabs and French Canadians from taking advantage of the fact that energy is now a scarce commodity, but we certainly don't want any New Englanders who are not on the federal payroll to look for solutions to the problem. Such efforts might lead to private profiteering, arouse strong public resentment, and reduce the ability of our political leaders to control energy supplies.

The energy policies which are good enough for the nation's oil industry are more than generous enough for New England's firewood barons.

The point of this editorial is that it is so ridiculous for Congress to single out one industry and imposing an unbelievably complex tax on it. We have succeeded in greatly complicating the lives of the small producers who do not have staffs of lawyers or platoons of accountants and who are not able to cope with all the regulations that will follow the enactment of a bill such as that which we have before us.

I was hopeful, as I am sure others in the body were, that when we finally got rid of controls on oil prices that we would get back to a situation where the market would set the price of oil.

I remember working with the distinguished floor manager of this bill many years ago on the so-called oil equalization tax. I think, in retrospect, those who worked on that proposition will now realize that that would have been a much wiser way to go than we are going on this bill. Because we would finally be able to, over the course of several months or a few years, get rid of price controls and get rid of all the various categories, then the producers would no longer have to deal with all the redtape and try to figure out how to abide by a lot of controls that they do not understand or, in some cases, do not now exist.

Now we are in the process to freeze those same complications into our tax structure not, in my opinion, for 10 years. but forever. Once we begin to collect the $30 billion or $40 billion or $50 billion a year in revenues that this bill is going to generate, then I can assure the Members of the Senate that every Member here 10 years from now is going to find it impossible politically to let this bill expire and lose those revenues. It is politically impossible to allow a $40 billion source of revenue to disappear unless you replace it. And the idea of replacing those revenues by terminating a tax on the oil industry and placing the tax on other citizens of the country, who are probably not looked upon as being as wealthy as oil producers, is politically impossible.

So to talk about this tax being temporary, to talk about it phasing out in either 1988 or 1989 or 1990, or whenever, is totally beside the point. It is not going to phase out. Once we get the tax, ways will be found to keep it in operation for as long in the future as anyone can realistically foresee.

What we are doing here, Mr. President, is, in effect, preserving an administrative monstrosity. We are preserving a major disincentive for production. We are taking away from producers the capital they need to solve this country's energy problem. We are undoubtedly going to look back a few years from now to the passage of this bill, just as we are now able to look back to 1973 when we passed the Energy Policy and Conservation Act, and say that time that we made a horrible mistake. By then, it will be too late to do very much about it.

If we had not passed the Energy Policy and Conservation Act in 1973, I believe we would have worked ourselves well out of the energy crisis and be on the way toward a permanent solution.

This would have happened because the price of oil would have gone up as the years went by; people would have consumed less; they would have conserved more. Because the industry would have had both the incentive and the capital available to drill more wells to start tertiary recovery projects, to begin to turn to other types of fuel, this country would now not be importing 8 million barrels a day at a cost that this year will total some $90 billion or $100 billion.

There just is not any way, Mr. President, to pass this bill and pretend that we are solving the energy problem. What we are doing if we pass this bill is to make certain that the problem will be with us forever.

Mr. President, I think the Members of the Senate honestly would like to see this country again be independent of undependable, unaffordable foreign sources of oil.

There is the growing knowledge, that this country, supposedly the leader of the free world, even today is not the master of its own foreign policy. We know that much of what we need to do in the area of foreign relations has to be tempered by our absolute necessity for keeping the oil out of the Middle East flowing and for making certain that the percentage of it that we need comes to this country.

Over the last several weeks, I have had the opportunity to participate in numerous hearings before the Energy Committee at which different agencies of the Government have come before us and talked about the world's energy supply situation. We most recently had such a hearing this morning where the CIA and the State Department and the Department of Energy sent their experts up to talk to us about what is happening in the so-called LDC's, the lesser developed countries.

The picture, Mr. President, is frightening. Those countries are rapidly increasing their use of energy. While the industrialized world has almost now stabilized its energy requirements, the lesser developed countries are growing in their energy consumption at a rate of some 6 percent per year. This means that over the course of about 10 years or so those countries' demand for crude oil, practically all of which has to be imported, will double.

If you looked ahead to 1985 or 1990, in addition to the United States, Japan, Germany, and other industrialized countries importing large quantities of oil, a great deal of additional oil will be going to the smaller countries which, at the present time, are primarily relying upon such things as wood and other indigenous materials to take care of their energy needs.

So the world, not just the United States and not just the Soviet Union, is facing an enormous shortage in the amount of energy available. This, Mr. President, is another reason—if we needed another reason—why we should put complete emphasis not on raising revenues, as this bill does, but upon getting rid of the inhibitions to produce, getting rid of the redtape that takes so much of the time and energy of those who are in the business, and leave in the hands of those who know how to use it the capital that is required to drill thousands and thousands of additional oil wells that this country has to have, as well as move in on other forms of energy production.

Mr. President, I have often felt strongly about legislation that comes before this Senate. I do not believe, in the years I have been here, that I have ever seen a bill that I considered to be so much contrary to the national good as this bill in its present form.

I felt, initially, when the bill had in it the 1,000-barrel exemption for independents and for some royalty owners, that it was a bad bill. But at that time at least it would have provided capital to the independents who drill most of the wells and who find most of the new fields and who operate most of the strippers.

If it was a bad bill then, as I felt that it was and I voted against it at that time, it is an infinitely worse bill now without the 1,000-barrel exemption. The lack of the exemption simply means that those who are most experienced and most successful in wildcatting, in finding oil in the old fields where oil is so hard to find, will now no longer have available the capital that they need for these expensive undertakings.

In addition to that, by having taken away the 1,000-barrel exemption, this bill will cause the shutting down of many stripper wells, because most of those small wells are operated not by the big companies with their high overheads, but by the independents who can look after a well that makes one or two barrels a day and, in many cases, do so at a profit.

Mr. LONG. Mr. President, will the Senator yield?

Mr. BELLMON. Mr. President, I am happy to yield to my friend from Louisiana.

Mr. LONG. Mr. President, the Senator from Pennsylvania (Mr. HEINZ) has some questions he wishes to ask of me.

Mr. HEINZ. Mr. President, this will be very brief. On November 26, 1979, the Senate adopted the Heinz amendment to the windfall profit tax bill making coke ovens eligible for the alternative energy property investment tax credit contained in the Energy Tax Act of 1978. More recently, House and Senate conferees considered and then adopted this amendment. I would like to clarify and reconfirm my understanding of this amendment by asking several questions of the chairman.

First, is the credit available for new equipment and for the reconstruction and rehabilitation of existing equipment?

Mr. LONG. Yes.

Mr. HEINZ. I thank the Senator. Clause (iii) of section 48(l)(3)(A) defines alternative energy property as equipment for converting an alternative substance into a synthetic fuel. It is my understanding that this clause would make the credit available for coke ovens, required pollution control equipment (including desulfurization facilities), and other equipment required to convert coal and coke oven products into a useable fuel.

Mr. LONG. That is correct.

Mr. HEINZ. I thank the Senator. Clause (v) of section 48(l)(3)(A) deals with coal-derived feedstocks rather than fuels. The first part of this clause contains the phrase "any nonmarketable substance." Since all substances have some value, I assume any nonmarketable substance derived from coal would include liquid, gaseous, and solid products of coal processing operations requiring further processing to be regularly salable in commercial markets. Further, raw coke oven gas would be considered a nonmarketable substance.

Mr. LONG. This is correct.

Mr. HEINZ. Finally, clause (v) would make the credit available to coke ovens. It would also make the credit available to other equipment which would be necessary to convert coke oven products into commercially marketable feedstocks to the same extent that this credit is available for other coal processing technologies. Is this correct?

Mr. LONG. Yes.

Mr. HEINZ. I thank my colleagues for their agreement. I especially appreciate their efforts within conference to have my amendment favorably considered by the conferees and made a part of the final windfall profits tax bill.

Mr. LONG. Mr. President, on yesterday we discussed the matter of tax on Federal royalties. I explained to the Senator from Wyoming (Mr. WALLOP) that I would get more information on the subject and make it available to him.

At the time that I offered the amendment to exempt Federal royalties from the tax, the Senate had agreed that there would be no amendments which would involve substantial revenue losses or gains. At that time, there was no exemption for Federal royalties in the Senate bill, and I assured the Senator from Missouri that my amendment to exempt

Federal royalties would not increase or decrease the revenues from the bill or which accrue to the States. At that time, I also assured the Senator that if I learned anything to the contrary that the Senate amendment could be changed in conference.

During the conference, it came to our attention that one-half of Federal royalties are paid to the States. Thus, exempting Federal royalties would have the effect of increasing the amount of oil going to the States without taxation. This, contrary to my strongest intentions and desires that State royalties not be affected by the tax, breached the commitment to the Senator from Missouri and to other Senators. Thus, the Senate receded in the conference on this point. If Federal royalties were to be exempt, the budget impact would be $2 billion.

Mr. BELLMON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. STENNIS). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LONG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 4 P.M.

Mr. LONG. Mr. President, I move that the Senate stand in recess until 4 p.m. today.

The motion was agreed to; and at 2:34 p.m., the Senate recessed until 4 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. TSONGAS).

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a period for the transaction of routine morning business, and that Senators may speak therein up to 5 minutes each, and that the period not extend beyond 20 minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The Senator from Virginia.

AMERICAN HOSTAGES IN TEHRAN

Mr. HARRY F. BYRD, JR. Mr. President, the 50 Americans being held captive in Iran are becoming the forgotten people. It is a long period of time between November 4, when the Americans were interned, and today, March 20.

The situation has not improved. It appears to have worsened. The Americans in Iran undoubtedly are suffering severely.

In driving to work this morning I was impressed with an editorial from WRC Radio. The editorial opinion was that of Frank Scott, vice president and general manager of WRC Radio.

I think it is a fine presentation concerning the course of action or inaction which has been taken in regard to our fellow Americans in Iran, and I ask unanimous consent that this editorial opinion of Frank Scott, vice president and general manager of WRC Radio, be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

EDITORIAL

Remember last fall when the Iranians first imprisoned those American hostages in Tehran?

Remember President Carter's tough talk about economic embargoes, expulsion of Iranian Diplomats, and immigration reviews for Iranian students?

I'm WRC vice president and general manager, Frank Scott with the editorial opinion that Mr. Carter's tough talk was apparently just that . . . talk. And nothing more.

The economic sanctions about which we heard so much were never imposed. Apparently the Carter administration is afraid that full-fledged economic warfare might somehow offend the Ayatollah. After a brief delay in court, the immigration checks of Iranian student visitors did get underway, but apparently tracked down few students.

The expulsion of Iranian diplomatic personnel was deliberately put on the back burner by administration officials. As several stories here on WRC have revealed, there are more than a hundred Iranian diplomats who have just plain disappeared. Instead of declaring the Iranians personna non grata last fall, the Carter administration turned the cases over to the immigration and naturalization service.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. STENNIS. Mr. President, as I understand it, I have not over 5 minutes?

The PRESIDING OFFICER. That is correct.

THE ADEQUACY OF THE U.S. NAVY TO MEET THE CHALLENGES AND DEMANDS OF THE FUTURE

Mr. STENNIS. I thank the Chair for recognizing me.

Mr. President, along with other members of our Committee on Armed Services, I have been seriously concerned about the adequacy of the U.S. Navy to meet the challenges and demands of the future. This concern has grown as events in Afghanistan and the surrounding area have reemphasized the need for an American fleet big enough to keep parts of it in these farflung areas for a considerable time.

Mr. President, there is no doubt of the influence that the aircraft carriers had when we were able to send them expeditiously to the Indian Ocean and to keep them there. There is no doubt that the carriers and their escorts have been a tremendous factor in keeping things restrained to the extent that they have been.

That was the immediate effect on Iran and the hostages there long before Afghanistan was invaded. These carriers and their escorts could not have been a stronger confirmation of or illustration of the belief of those of us who have thought that this is where a great part of our influence and deterrence rests.

During the 1970's Americans watched the steady buildup of Russian naval capabilities and argued about, its purposes and directions, and whatever their intention might be. Even now this continuing increase in the sophistication, strength, and reach of their maritime forces presents growing challenge to our navy.

Mr. President, I am confident that our Navy continues to be superior. I am further confident that if we do not keep expanding its strength, that we will lose superiority. I am confident, too, that we shall meet that test. We will keep this part of our military preparedness right up to strength. This comes at this troubling time of Soviet military adventurism and increasing U.S. and Western dependence on the seas for the free movement of trade and critical raw materials, especially oil.

It is a sad thought to me to think that we have had 7 years now since what happened in 1973 to our normal oil supply. We have done so little besides talk about getting ready for the developments that are already on us. I am not referring to military preparedness alone, but I am referring primarily to our failure to augment and supply additional and alternative sources of energy so that we would grow more independent of foreign oil than we had been in 1973. Instead we have grown more dependent, Mr. President, on foreign oil when it comes to the amount and percentage we have imported.

We must reverse the unfavorable trends in the maritime balance between the United States and the Soviet Union as now progressing, and regain that clear overwhelming superiority that we carried so long in the maritime field with our naval forces. We may be incapable, we can become incapable, of protecting our own vital interests and working with our allies in times of need. That certainly is a big part of the picture. Our main allies, include West Germany and Japan, the industrial giants beyond us of the free world. They are almost totally dependent on outside sources for their oil and many other things that go to make up their energy and fuel supplies. Therefore, they are dependent on us.

Japan has a small Navy which is the result of their constitution proposed years ago. As to its navy, West Germany is not permitted to arm itself fully, and that is also because of our demands. So there they are, our allies, and we, under our terms, have demanded that they continue in this situation, and that we would supply them.

For decades, U.S. fleets have been the glue that held our geographically dispersed alliances together and served to connect the flanks of NATO to the center region.

U.S. NAVAL FORCES ARE STRETCHED THIN

It has been our rapid and powerful naval deployments to the Indian Ocean in recent months that have renewed the understanding and appreciation of the Navy's capacity to respond quickly to crises without the political and military risks associated with the instant use of land facilities. While our naval forces have met the immediate need in the Indian Ocean, they are stretched thin by today's demands. Moreover, tomorrow's demands are likely to be greater. The spread of instability around the globe, economic problems in developing countries and insurgencies supported by the Soviets and their proxies are certain to increase the number of international crises and challenges to U.S. interests. In the future, our naval forces are likely to be more involved in responding to international incidents. Without augmentation of its current numerical strength—especially carrier force levels—our Navy may fail to meet these needs.

We are fortunate that our prior caution led us to put aside for another day older ships which have years of useful service remaining. These mothballed ships represent a tremendous resource at this time of need. They provide a chance to get real additional power at sea soon and at relatively low cost. The inactive ships with the greatest potential are the *Oriskany*, a light carrier of the *Essex* class, and four *Iowa* class battleships, including the *New Jersey*.

The great demands on available defense dollars require that we "make do" with available equipments where possible. Using these off-the-shelf combatants fits this need. It would be an efficient and effective use of scarce dollars and visibly augment our naval capabilities in the near term.

All five of these candidates for reactivation possess powerful warfighting capabilities that can sail in harm's way. The facts concerning the *Oriskany* aircraft carrier are well developed and fully support a call for her reactivation now. The *Oriskany*, which displaces 40,600 tons, was commissioned in 1950 and retired in 1976, and has at least 5 years of useful service remaining. It would take almost 30 months to reactivate her at a cost of about $250-$300 million. I urge that the *Oriskany* be returned to active service as quickly as posible. I am also enthusiastic about the potential of the four battleships. However, additional facts need to be gathered to show the full worth of these ships. What we know now is promising, but we must find out more.

Likewise, programs to provide sealift and afloat prepositioning in support of the Rapid Deployment Force can also benefit from "making do" with available commercial ships. At least three commercial ship alternatives could help provide this support: Namely two *Maine* class roll-on/roll-off ships, eight SL–7 commercial containerships and one Sea Barge. All of these ships are relatively new and have about 25 years of service life remaining. Yet, they were constructed prior to the substantial increases in shipbuilding costs, and therefore, can be obtained at bargain basement prices. These commercial ship alternatives should also be vigorously pursued.

CARRIERS ARE THE HEART OF U.S. NAVAL FORCES

While "making do" should be the theme of our immediate naval augmentation efforts, there is one new construction initiative—a program to build a new class of several light carriers—that is particularly attractive at this time. Aircraft carriers are the heart of U.S. naval forces. They are the single most powerful and formidable force sailing the world's oceans—today and tomorrow. Fortunately, we will have a force of 12 large-deck carriers through the year 2000. But we need more carriers. With only 12 carriers, we will not be able to continue our current operating tempo much longer. Moreover, we would be strained to appropriately respond with carriers to another international incident while maintaining our Indian Ocean presence. We must augment our carrier force not only to maintain an adequate forward deployed force and a rapid crisis response capability, but also to counter Soviet naval advances.

We do not need, however, to buy additional large-deck carriers with their high unit cost. Our large carriers provide the framework for developing other air-capable ships of lesser capability and cost which can effectively complement their might. For many years now the Navy has been studying lesser alternatives to the large carriers. These studies have identified the value and future potential of smaller air-capable ships operating with STOL and VSTOL aircraft. Particularly attractive is a light carrier design in the 40,000-ton range. The *Oriskany*, which is a light carrier, and the battleships would also fit effectively into this large carrier framework.

CAPABILITIES AND COSTS OF A LIGHT CARRIER

A 40,000-ton light carrier, operating about 40 VSTOL aircraft, could make substantial contributions in the power projection role, as well as in war at sea. When operating with a large-deck carrier that could provide air defense, a light carrier could devote its airwing to attack aircraft and thereby match the attack sorties of the large-deck carrier. This tandem operation of a large and light carrier makes sense.

In low threat environments, light carriers could operate independently. While not as capable as a large-deck carrier, they would pack a punch and would be clearly superior to current Soviet carriers. Moreover, employment of future VSTOL technology will permit substantial growth in the warfighting capabilities of these light carriers. As a side note, they could also be used to offset the current and projected shortfall in air-capable amphibious ships.

The cost of a light carrier would be less than $1 billion and only about 40 percent of the cost of a newly constructed large-deck carrier. This is a real bargain. To fill out the warfighting framework provided by our large-deck carriers, we should construct new light carriers in addition to reactivating existing ships.

While we construct new light carriers, we could use a reactivated *Oriskany* as an experimental platform for VSTOL aircraft and thus provide substantial experience for construction and operation of similar-sized light carriers.

We also are looking beyond this 40,000-ton carrier that I have been referring to. We are looking towards other ways of strengthening and our naval forces against the more versatile naval threat without spending so much on each item that may be added such as $2 billion cost for a large carrier.

CALL FOR CONSTRUCTION OF LIGHT CARRIERS

Given the current and projected international situation and the shortcomings of our current carrier force level, I am calling for a new program to construct a new class of several light carriers to help secure maritime superiority and required crisis response forces for the United States in the future. It has been reported that the Joint Chiefs of Staff, in their Joint Strategic Planning Document, have recommended construction of four VSTOL carriers.

Now is the time for such a program: The need is evident; the shipbuilding capacity is available; the necessary technology is at hand and improved technology is evolving; the studies are completed; and the concepts have been validated. Moreover, by reactivating the Oriskany aircraft carrier, we can augment the carrier force in the near term and provide a valuable lead element to a construction program of light carriers.

CONCLUSION

We must augment the inadequate numerical strength and capabilities of the U.S. Navy and soon. I urge my colleagues to seriously study the proposals to reactivate the Oriskany and the four battleships, to acquire commercial ships to support the Rapid Deployment Force and to build light carriers to complement existing carrier capabilities. I believe that they will find these proposals an efficient and effective use of available funds and worthy of congressional support.

So Mr. President, I call attention, with pride, to what our committee and the House Armed Services Committee are trying to develop together with encouraging the Navy to develop new approaches to modernizing our naval forces.

These are not large spending programs, but will fill out what I think, and many with me think, is the most needed part to maintain our very strong, very capable superior Navy.

Mr. STEVENS. Mr. President, a parliamentary inquiry: Does that finish morning business?

The PRESIDING OFFICER. There are 8 minutes remaining in morning business.

S. 2443—WEST VALLEY DEMONSTRATION PROJECT

Mr. JAVITS. Mr. President, the subject matter contained in this bill, namely the cleanup of the nuclear wastes at West Valley, N.Y., has passed the Senate before as part of the Armed Services Committee's authorization for fiscal year 1980 national security programs of the Department of Energy. The conference committee on that measure decided the West Valley clean-up program is more appropirately dealt with in the legislation authorizing DOE's civilian program for fiscal year 1980. However, this bill has yet to come to the Senate floor so my colleague and I are introducing the same proposal as a separate measure. This language, as my colleague has said, has passed the House of Representatives in the DOE civilian measure.

The West Valley project must proceed with all deliberate speed. There now exists an intolerable threat to innocent residents of Erie County who could face exposure to radiation dangers as a result of the Nation's ignorance in the early years of our nuclear program about nuclear weapons waste storage and management.

Adoption of this bill at last would be proof of the Congress concerns for the problems of the high level waste disposal which have arisen as storage sites at the now inoperative reprocessing plant owned by Nuclear Fuel Services have begun to deteriorate. With its adoption, the Federal Government assumes its proper responsibility for helping New York pay the cost of the clean-up.

The bill earmarks $5 million for the Department of Energy to begin to assume title to the wastes and to carry on a nuclear waste management demonstration program to solidify wastes now at West Valley, and to transport the wastes to an appropriate Federal repository. This amount has already been appropriated. This authorization also contains a provision for the Department of Energy to decontaminate and decommission the facilities used for the project. The entire project will eventually cost around $200 million and will take 10 years to complete.

The need for this project is truly compelling. The only commercial nuclear fuel reprocessing plant ever to operate in the United States is located at West Valley, N.Y., approximately 30 miles from Buffalo, on a 3,345-acre site owned by the New York State Energy Research and Development Authority. It was established as a joint venture among New York State, a private commercial operator (Nuclear Fuel Services, a wholly-owned subsidiary of Getty Oil Co.) and the Atomic Energy Commission, which was then promoting the commercialization of nuclear fuel reprocessing generally in the United States.

It has been shut down since 1972, but intense public concern continues regarding the future of the site and facilities, and the nuclear waste contained therein.

New York State faces two major problems at West Valley. The most immediate is that on January 1, 1981, the New York State Energy Research and Development Authority (NYSERDA) could become responsible for the management and safety of this very complex and potentially dangerous NRC-licensed facility.

It is important to realize that NYSERDA is a small State agency whose present mission is the promotion of research in alternative energy technologies. The agency does not possess either the technical or financial resources to manage the facility. Consequently, it is imperative that some agent which does possess the technical resources to manage this site, to wit: The Federal Government, assume possession of the facility prior to this January 1, 1981 deadline.

The State of New York is working on agreements with DOE on matters relating to the transfer of high level wastes at West Valley to the Federal Government. This issue touches upon both the question of title to the wastes and the question of costsharing.

We are seeking to insure that New York does not become the only entity, other than the Federal Government, which may be responsible for management of high level nuclear waste.

The enactment of the West Valley bill into law should furnish the necessary mandate for the Department of Energy to go full steam ahead with the Nation's first major high-level nuclear waste disposal effort and thus rid the overburdended people of West Valley of this unjust and unwarranted menace.

USDA TURNS ITS BACK ON MAINE FARMERS

Mr. MUSKIE. Mr. President, today, March 20, is National Agriculture day. In recognition of the importance of American agriculture, the producers of Maine potatoes have presented each Member of Congress with a 5-pound bag of Maine potatoes. I am sure my colleagues will find these potatoes of excellent quality and nutritional value. I hope each of my colleagues enjoys them as if they were his last. Because without exaggeration, the Maine potato industry is in danger of extinction.

Imports of subsidized Canadian potatoes are forcing prices down and keeping unsold inventories high. And the U.S. Department of Agriculture has offered this solution. It has recommended that 25 percent of the industry go bankrupt.

For the third consecutive year, Maine potato farmers face crushing financial losses. Canadian imports of potatoes into the Eastern markets are 70 percent higher than a year ago. Because of this tremendous increase in potato imports, there remain 19.8 million hundredweight of potatoes in storage in Maine—66 percent of the total Maine crop for 1979.

Packaging, transportation, fertilizer, labor and energy costs are all on the increase. The total cost to the farmer to produce a 5-pound bag of potatoes is approximately 25 cents. For his effort, a Maine producer could get about 9 cents for a 5-pound bag this week—a loss of 16 cents for every 5 pounds of potatoes harvested.

The bottom line is that unless markets can be found for the potatoes still in storage, the potato industry in Maine will lose $84 million.

On February 7, in an attempt to minimize the loss, the Maine potato industry asked their Government for a diversion program. After all, a diversion would be financed by a tariff on agricultural imports under the USDA's "section 32" program. Canadian imports are harming Maine agricultural goods. The program is designed specifically for this purpose. There is now $210 million in the section 32 fund. A Maine diversion program would have cost only $15 million.

Nevertheless, on March 14, Secretary Bergland informed the Maine potato industry that the administration would not establish a diversion program for Maine. This decision is a staggering blow to the potato industry of Maine. It will cause, severe economic consequences to the largest county in Maine. And I fear that the economic repercussions will rival the difficulty of the Great Depression.

Conservative estimates are that without a diversion program one in four Maine potato growers will not be able to harvest next year. This means that the growers will decline in number from just less than 1,000 farmers to 750. Twenty-five years ago, in 1954, when I was Governor of Maine, there were 5,000 potato farmers.

Moreover, Maine is the only area of the country which has substantially reduced its potato acreage during the past 25 years.

For example, North Dakota, acreage up 28 percent; Washington State, acreage up 186 percent; Idaho, acreage up 96 percent; and Maine, during the same 25-year period, down 18 percent. Maine has done more than its share to reduce the national production of potatoes.

Further, I might add that this dramatic increase in potato acreage in the Western States is primarly due to federally funded irrigation projects. Similar projects have not benefited my area of the country.

And, so this last week potato farmers in Maine's northernmost county began acts of civil disobedience. They are frustrated and worried. Most of these people are small family farmers who do not want a Government handout, but a chance to make a profit, and hopefully pass their farm on to their children.

Instead, approximately 250 farmers may lose their farms because of the unfavorable decision on the diversion program. The Farmers Home Administration, which finances approximately 70 percent of the growers in Aroostook County, Maine, may stand to lose $25 million in defaults. There will be increased welfare, food stamp, and other costs as these independent people are forced onto the dole.

One agency's costs may not be the concern of another, particularly when all agencies are being asked to cut back. But they ought to be of concern to the Congress.

Maine potato farmers sought help from the Government because governmental policies have contributed mightily to their problems. New trade policies have made it possible for Canadian potatoes—grown under Government subsidy—to undersell our own product in the Boston market. Relief under the Trade Act is at least 3 months away—too far away to save this year's crop. Our trade policies are of benefit to potato farmers in Western States. They hurt Maine.

Yet the USDA had the gall to tell Maine farmers that their request was denied because farmers in other States did not want a diversion program this year. USDA had the gall to suggest in a letter to me that acreage reductions were the answer. In other parts of the country where huge agribusiness corporations operate, "acreage reduction" does not mean bankruptcy. In Maine, in these lean years, it does.

The Department of Agriculture has offered only one solution: In its informational literature, it is telling food buyers that potatoes are cheap. At the same time, it is buying processed Idaho potatoes for use in Maine school lunch programs.

Maine's farmers deserve better treatment from their Government. I will work to see that they get it.

ZIMBABWE

Mr. McGOVERN. Mr. President, contrary to the expectations of many observers, Prime Minister-designate Robert Mugabe has adopted a moderate and humane policy of reconciliation since the results of his landslide victory in the February elections in Zimbabwe were announced. Mr. Mugabe has appointed General Walls, the commander of the white-led Rhodesian security forces—and Mugabe's chief enemy during the war—to preside over the integration of the armed forces. He has assured the whites in Rhodesia, who represent 3 percent of the population, that they are welcome in the country. He has guaranteed the pensions of white civil servants and told the 5,000 white farmers who provide the bulk of the country's agricultural output that their land will not be expropriated. Only unused and undeveloped land will be redistributed. Moreover, Mugabe has provided assurances to South Africa that he will not allow his territory to be used as a base by guerrillas to attack South Africa.

In further pursuit of his policy of national reconciliation, Mugabe has appointed two whites to key economic posts in his cabinet, including David Smith, the former Minister of Finance under the regime of Ian Smith who will be the Minister of Commerce and Industry. Four members of ZAPU, Joshua Nkomo's party, have also been included in the cabinet.

Mr. Mugabe is not required to share power in his cabinet. He captured 57 out of 100 seats, with a 93 percent turnout of the electorate. That is a comfortable parliamentary majority and a clear electoral mandate.

I congratulate Mr. Mugabe on his victory and on his political wisdom at this sensitive period in the history of Zimbabwe. It is my hope that the United States will extend a warm hand of friendship to Mr. Mugabe and will play a major role in helping the new nation get on its feet. It could well become a model paving the way for multiracial solutions to the problems of minority rule in the rest of southern Africa.

Mr. President, I ask unanimous consent to have two articles printed in the RECORD providing more detail on Mr. Mugabe's actions.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post, Mar. 6, 1980]

MUGABE AND NKOMO TO FORM COALITION

(By Jay Ross)

SALISBURY, RHODESIA, March 5.—Prime Minister-designate Robert Mugabe and fellow guerrilla leader Joshua Nkomo agreed today to form a coalition government when Rhodesia becomes the independent nation of Zimbabwe, probably later this month.

A spokesman for Mugabe, who won a landslide victory in elections last week for a black-majority government, said the two leaders met this morning and set up a working group of their two parties to determine cabinet positions and other details of the coalition. Mugabe won 57 of the 80 seats in Parliament and Nkomo won 20.

The spokesman, Justin Nyoka, said Mugabe plans to set up a national front government that would expand the coalition by "coopting" other elements. The purpose would be to arrange for a government that will inspire confidence of the white minority as well as of the blacks.

Since confirmation yesterday of his victory, Mugabe has sought to reassure the 200,000 whites.

Last night he announced that Gen. Peter Walls, commander of the security forces that fought a war with Mugabe's guerrillas, had been appointed to preside over the integration of the two guerrilla forces with the Rhodesian military.

Mugabe, an avowed Marxist, also said civil service pensions would be abrogated. There are expectations that he will ask the white finance minister, David Smith, to remain in that post as a means of reassuring the business community.

Mugabe is also planning a formal session with the white former prime minister, Ian Smith, to discuss with his longtime foe the role of whites in the government. A time has not been set. The two met Monday night when Mugabe's victory became known.

Nyoka said top officials in all government departments had agreed to remain in office under Mugabe.

Salisbury returned to normal today after exuberant black celebrations yesterday of Mugabe's victory. Many of the white troops so much in evidence had been removed.

Many whites said they were shocked over Mugabe's 63 percent vote to only 8 percent for Abel Muzorewa, who had received white support, in the previous government. But the general attitude seemed to be to wait and see what happens.

Britain, which temporarily resumed power as the colonial authority in December, continued seeking to reassure the whites.

Gen. John Acland, head of the British cease-fire monitoring force, said Britain may maintain a military presence in the country for "several years" if invited to do so. Mugabe has called for the monitoring force to stay and British officials have said this is possible depending upon negotiations with the new government.

The British governor, Lord Soames, is known to be impressed by Mugabe's sensitivity to the need to reassure the whites and avoid their abrupt departure—a development that would disrupt the economy.

Britain has made it clear that the transition to independence should not be rushed, a shift from Soames' previous policy. He had said, for instance, that the now completed elections had to be held as soon as possible. It is now expected that independence day, probably to be attended by a member of the British royal family, will occur toward the end of the month.

[From the Washington Post, March 12, 1980]

MUGABE APPOINTS CABINET DESIGNED TO PLACATE WHITES

(By Jay Ross)

SALISBURY, RHODESIA, March 11.—Prime Minister Robert Mugabe today named a broadly based Cabinet for the independent nation of Zimbabwe, including two key whites to reassure businessmen and farmers of the white minority that the advent of black rule will not lead to revolutionary changes.

The composition of the 35-member Cabinet demonstrated Mugabe's apparent concern that his government, scheduled to take power soon following last week's landslide election victory, should lay to rest the bitterness and divisions after seven years of guerrilla war.

Mugabe gave four of the 22 ministry portfolios to members of the Patriotic Front party of Joshua Nkomo, his fellow guerrilla leader and now government coalition partner. Nkomo got the key position of home affairs minister, which includes control of the police and correspond to the post of interior minister elsewhere.

David Smith, longtime finance minister under the governments of Ian Smith and Abel Muzorewa, was named minister of commerce and industry, while Dennis Norman, head of the white Commercial Farmers' Union was given the post of agriculture minister.

The two appointments apparently were aimed at placating white fears of nationalizations and land seizures and seemed designed to carry out Mugabe's pledge not to make rapid changes in the economy despite his avowed Marxist ideology.

Whites, 3 percent of the population, dominate business and agriculture, so the appointments should help to ease fears of major, sudden changes and also please Western governments and lending institutions that are expected to play a significant role in helping to restore the war-torn economy.

Having won 57 of the 100 parliamentary seats in the election, Mugabe could have confined the choice of the 22 ministers and 13 deputy ministers to his party, the Zimbabwe African National Union.

Instead he formed a coalition with Nkomo's Patriotic Front, which holds 20 seats. He then acceded to suggestions by the temporary British colonial administration that the minority whites, who have controlled the country for 90 years, be given a share of power.

So far, the moderation shown by Mugabe, long regarded by most whites as the one man they could not tolerate as prime minister, has pacified the minority community to the extent that there has been no noticeable white flight.

Mugabe presented his list of Cabinet appointments to the British governor, Lord Soames, who then formally appointed the nationalist leader prime minister. The Cabinet will be sworn in shortly but Mugabe's government will not attain power until formal independence, expected next month.

Aside from the four posts for Nkomo's party and two that went to whites, all other heads of ministries will be members of Mugabe's party. Two deputy ministers are Nkomo's men and the other 11 are Mugabe's.

Mugabe retained the Defense Ministry and thus will share responsibility for security with his fellow guerrilla leader, Nkomo.

Nkomo's appointment especially brings home the change the country will undergo. Just weeks ago, he was public enemy number one to most whites because his guerrilla organization shot down two civilian airliners in the last 18 months, killing more than 100 persons. Now Nkomo will be responsible for the 8,000-man police force and 35,000 reservists, a key element in protecting the population, both black and white.

Nkomo turned down the figurehead position of president before Mugabe gave him the Home Affairs Ministry. The president has not yet been selected.

Mugabe's Cabinet represents other major changes from the largely black government of Muzorewa that ruled briefly last year but with substantial elements of white control. The 24-member Muzorewa Cabinet included six whites, and the Rhodesian Front Party of Ian Smith, who led the country to unilateral declaration of independence in 1965, was part of what was called a government of national unity.

Mugabe has named two whites to his government in technocratic roles, but the Rhodesian Front will play no part in the government nor will it be able to greatly influence legislation, since the Mugabe-Nkomo alliance has 77 of the 100 seats.

David Smith, longtime vice president of the front, said he is remaining in the party and Ian Smith participated in the decision for him to join the Cabinet. David Smith, however, has frequently, if privately, criticized his party leader since the onset of last year's British-orchestrated negotiations in London which led to a peace agreement and elections.

Norman has never been a member of the Rhodesian Front, but both he and Smith did support its policies during the period of unilateral independence and did much to help circumvent the impact of international economic sanctions.

In other Cabinet positions, Mugabe rewarded many long-time party loyalists. Four members of the Central Committee dating back to the 1950s and early 1960s were given key posts.

Party Vice President Simon Mzenda was named deputy prime minister and minister of foreign affairs. Enos Nkala, the only candidate to be banned from campaigning by Soames because of alleged inflammatory remarks, is to be finance minister despite having little experience in the field.

Sydney Sekeramayi will be minister of lands, resettlement and rural development, a key position because of African demands for redistribution of land since most of the more fertile property is owned by whites. The important Ministry of Mines, which oversees much of the country's potential export income, went to Morris Nyabumgo.

Edgar Tekere, the hard-line secretary general of Mugabe's party, will be minister of manpower planning and development, which will deal with serious unemployment problems. American-educated Eddison Zvobgo, who was Mugabe's spokesman at the London talks, was named minister of local government and housing.

Another American-educated politician, Nathan Shamuyarira, is to be minister of information. His book, "Crisis in Rhodesia," is still banned here as is the newspaper, African Times, that he edited.

The only woman minister is Teurai Nhongo, the wife of military commander Rex Nhongo. She is to be minister of youth and sports.

Many of the 20 black ministers are unknown to their countrymen. Only nine are listed in the major biography of national leaders in Rhodesia.

"It's hard to tell how they will do," one observer said. "They haven't had any opportunity for experience—they've been too busy fighting a war."

THE MX ICBM IS A BAD INVESTMENT FOR AMERICAN SECURITY

Mr. McGOVERN. Mr. President, Dr. Herbert Scoville, a former Deputy Director of the Central Intelligence Agency, recently analyzed the proposed MX–ICBM and the racetrack basing mode. He concludes that the MX in the long run will undermine American security and will increase the danger of nuclear conflict. One of his key conclusions is that the MX will create a hair trigger on nuclear weapons. Soviet knowledge that the MX could destroy Soviet land-based missiles could increase Soviet incentives to strike first—to use their missiles before they lose them to MX. Similarly, the MX's hard-target accuracy is of value only if Soviet silos are struck before the missiles are launched.

The MX basing plan is an incredibly expensive, disruptive, and unreliable scheme. But in the debate over whether the basing scheme will work, we should not lose sight of the equally important question of whether we will be more secure even if it works. I am deeply troubled by the strategic consequences of the MX's silo-busting capabilities.

I ask unanimous consent that the text of Dr. Scoville's article, "The Monstrous MX," from the March 20 issue of the New York Review, be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

The Monstrous MX—America's Greatest Construction: Can It Work?

(By Herbert Scoville, Jr.)

Although the SALT II Treaty is now in limbo and may never be resurrected in its present form, a furious debate is still continuing over the MX missile, the latest brainchild of the Pentagon planners and scientists. This will be the most expensive weapon ever produced—some estimates run as high as $100 billion to deploy 200 missiles. Building its "race track" bases will involve the largest construction project in US history. Because the MX threatens a first strike at the heart of the Soviet strategic forces—its land-based ICBMs—it could increase risks of a nuclear Armageddon. Because it could lead the Soviet Union to build strategic missile systems that we cannot verify, it could also undercut all future attempts to control strategic weapons, and could result in the US and the Soviet Union running blindfolded in an endless nuclear arms race.

WHAT IS IT?

The MX missile that President Carter approved for full-scale development is the largest of all designs that were being considered for a new land-based intercontinental ballistic missile (ICBM). (Figure 1 compares it with the Minuteman III ICBM.) The MX will weigh 190,000 pounds and will initially be capable of launching to the Soviet Union ten of the new models of the Minuteman III nuclear warhead, each with an explosive force, or "yield," of about 350 kilotons. An even higher yield will be substituted in the 1980s. The missile will have a range of 6,000 nautical miles and a new guidance system which will give it an accuracy significantly better than that of the advanced Minuteman III. As currently proposed the full MX deployment will comprise 200 missiles with 2,000 warheads, powerful and accurate enough to threaten the entire Soviet ICBM force of 1,400 missiles.

Carter has also approved the so-called "race track" scheme to provide bases for these missiles. Each of the 200 missiles will be assigned to its own road loop with twenty-five blast-resistant shelters. These twenty-three shelters will be separated by a minimum of 7,000 feet in order to ensure that a single Soviet warhead cannot destroy more than one shelter. (See Figure 2.) Thus, unless the Soviets have a way of knowing which shelter in a "race track" holds the single missile, they would have to destroy all twenty-three hardened shelters in order to be sure of disabling the missile. Success depends on fooling the Russians in a multi-billion-dollar shell game. Depending on local terrain the "race tracks" will be deployed in Nevada and Utah in clusters of about four with a single external assembly area. (See Figure 3 for a typical deployment area.)

After having been assembled outside the "race track" the missile will be placed horizontally on a transporter-erector-launcher (TEL) 180 feet long and weighing 670,000 pounds, and then moved into its "race track" by a special railroad. In order to show the Russians that only one missile is in each "race track," a barrier will be placed across the railroad after the missile and TEL are inside. This is supposed to prevent additional missiles from being moved secretly onto the track in violation of a SALT ceiling—should we ever again agree to such a ceiling. Final assembly and maintenance of the missile will be conducted within this barrier.

The TEL with the missile aboard will be covered with a 210-foot shield weighing 140,000 pounds to conceal the missile from external observation as it moves along the road loop from one shelter to another. Thus the total weight of the TEL, missile, and shield, which must be transported around the "race track," will be more than one million pounds. The missile and TEL will be dropped off in one of the shelters, but the shield will slowly lumber on to all twenty-three shelters so that the Soviets cannot know which shelter houses the actual missile. To make the deception more effective, it may at a later time be necessary to substitute a concrete dummy under the shield to simulate the weight of the missile and TEL. But each shelter will have four portholes in the roof which can be opened from time to time to permit a Soviet observation satellite to see that only a single shelter in a "race track" contains a missile and that all others are empty.

The transporter and the missile without the shield will be designed to move unmanned and by remote control along the road at a speed of thirty miles an hour, so that even after warning that the Soviets have launched an attack, a missile could, in theory, be moved to any one of the twenty-three shelters in the twenty minutes before the Soviet warhead arrives. It will be possible to fire a missile from the TEL while on the open "race track" as well as directly from the shelters.

Each "race track" will be approximately fifteen miles long and cover an area greater than thirty square miles. Thus 200 MX "race tracks" will cover an area of at least 6,000 square miles; considerable additional land will be needed for other facilities, exterior roads, and rail lines. Construction camp areas will also be required. According to the Environmental Impact Statement more than 20,000 square miles may be involved for this system. Security fencing will only be provided for an area of about 2½ acres around each shelter so the Defense Department claims that only about twenty-five square miles of the entire complex will be denied to public use. However, this would appear somewhat disingenuous since the remainder of the area will be covered with roads capable of handling or moving a TEL vehicle weighing a million pounds—hardly ideal campgrounds. Even if it is not fenced, the entire area will need some type of security to prevent sabotage.

The construction necessary for this system will be stupendous and will dwarf any other in the sparsely inhabited states of Utah and Nevada. Some 10,000 miles of heavy duty roadway will be required, and perhaps 5,000 additional miles of road. This is more than one third the length of the total Federal Interstate Highway System which has been built since the 1950s. The MX will thus require the biggest construction project in the nation's history, bigger than the Panama Canal and much bigger than the Alaskan pipeline. Recent studies show that some 172 billion gallons of water will be required for construction and twenty years of operation of the system in a region where water is precious. (Indeed the four senators from Nevada and Utah have recently urged President Carter to seek alternatives to the MX "race track" basing scheme.)

The cost of the entire system with two

hundred MX missiles is now officially estimated to be $33 billion, but we can be sure this estimate is low. Only very preliminary work has been done on the detailed design of these systems. The history of other military programs suggests the costs will be at least twice as large. Senator Helms, an eager supporter of most military appropriations, has estimated them at over $100 billion.

THE DECISION

The MX program shows how erratic the Carter administration has been in its nuclear security policies. In 1977 and 1978 Carter's officials expressed skepticism about the MX, but as SALT began to run into political trouble, the MX program was increasingly viewed as a "bargaining chip" to appease senators who opposed the treaty. Then on June 8, 1979, and only eleven days before Carter signed the SALT II Treaty in Vienna, his administration announced the decision to develop the MX missile. Although the White House vigorously denied it, there seems no doubt that their decision was made to reduce opposition in the Senate to the SALT II Treaty. But even if the treaty had been promptly ratified, the decision to build the MX would have done much to make SALT unworkable.

How was the MX justified? The administration argued that without the MX our current Minuteman ICBMs would become vulnerable to a Soviet attack in the 1980s. Yet Carter's decision of June 1979 did not deal with the method of basing the MX—which is what determines vulnerability—only with the characteristics of the MX missile itself. The administration, moreover, chose a 190,000-pound missile, the largest of all the proposed new MX designs, and the one that makes invulnerability more difficult to achieve, since the larger the missile the more difficult and expensive it would be to make it mobile and to build a number of hardened launch points from which it could be fired.

The only rationale for so huge a missile would be to carry more warheads with greater explosive power. Along with the higher accuracy of the new missiles, this will give the United States for the first time the power to threaten all of the Soviet Union's landbased ICBMs. Since ICBMs comprise more than 70 percent of the entire Soviet strategic force, the US will be viewed by the Soviet Union as seeking the power to make a first strike on the Soviet deterrent. Administration spokesmen deny that this is our intention. They claim that there are other blast-resistant targets in the USSR besides ICBM silos—such as command posts or nuclear weapon storage sites—that would require MX warheads. However the small number of such targets would not require us to build 2,000 MX warheads. They could be adequately dealt with by our existing Minuteman III missiles with their new guidance system and their new warheads of higher explosive power. The conclusion is inescapable that the military wants the MX in order to threaten Soviet ICBMs.

Carter's National Security Adviser Zbigniew Brzezinski argues that the improved strategic power of the MX will "reduce Soviet incentives to initiate an attack against our forces by giving us the ability to respond in kind." This argument makes no sense at all. First, the knowledge that US missiles could destroy their silos would increase, not decrease, Soviet incentives to make a preemptive attack in the first stage of any conflict. Next, a silo-busting force is of value only for a "first strike" since an attack in response would only hit empty silos. The Soviets would have launched some of their missiles from their silos in their first strike, and they would fire any remaining missiles when their radars detected that the US was launching its retaliatory strike. Why should they leave their ICBMs in their silos to be destroyed after a large-scale nuclear war has broken out?

Defending the MX decision, Brzezinski claimed that "proceeding with this new system should improve Soviet incentives in SALT III by demonstrating our determination to maintain essential equivalence." One might have hoped that after the sad experience of Nixon and Kissinger in buying weapons as negotiating bargaining chips, the Carter administration would not fall into the same trap. In the early 1970s the US refused in the SALT I negotiations to limit MIRVed missiles—missiles that can launch multiple warheads at separate targets. Instead it deployed MIRVed missiles for several years before the Soviets had even tested their first model. This deployment, it was argued, would pressure the Soviets into favorable negotiations in SALT II.

But of course the opposite happened. Inevitably, the Soviets followed in our footsteps with a MIRV program of their own. In 1973, a year after SALT I was signed and five years behind the United States, the Soviets tested their first MIRV's and in 1975 began deploying them on their ICBMs. Because their missiles were larger than our Minutemen, they could put more warheads on them, with higher yields, and thus would have a potential advantage over the U.S. For example their heavy SS–18 missile has been tested with ten warheads, and intelligence experts say it could carry thirty. The lighter SS–19 has been tested with six but could carry twelve. With their currently tested numbers of warheads, the SS–18 and SS–19 would in theory be able to knock out our Minuteman force. With the increased numbers of warheads that they can be designed to carry, the MX "race tracks" themselves would be threatened.

Although Secretary Kissinger opposed including MIRV limits in SALT I, he later admitted that he wished he had understood the MIRV problem better. Now he and the Carter administration profess to be alarmed and Carter is prepared to spend well over $30 billion to make our ICBMs invulnerable—mainly because we did not halt the MIRV race before it got out of hand.

The Carter administration did not choose the "race track" basing system—the key element in reducing vulnerability—until September 7, 1979. A year earlier the Defense Department favored a quite different scheme: each missile would be moved in a vertical position in its launch canister from one empty blast-resistant silo to another on a random basis. Thus if the deception were good enough, the Soviets would never know which silo held the missile—the old shell game. More careful analyses however demonstrated that this approach was literally full of holes. It was probably not verifiable by the USSR and probably contravened the SALT Treaty limiting the number of launchers. In the past years a number of other schemes have been circulated and found wanting. Although the "race track" scheme is now said to have been firmly decided on, the more this plan is scrutinized, the more likely it is that it too may be superseded by some other scheme.

THE CONSEQUENCES

The White House has been caught in contradictions over the MX decision. On the one hand the administration has, until the recent Afghanistan crisis, wanted to present the ratified SALT II Treaty as its major accomplishment in foreign policy. Yet Carter also wanted to appease the "hardline" critics of SALT II and to counter potential Republican presidential candidates by showing how tough he was toward the Soviet Union. Concerned about arguments emphasizing the power of the huge Soviet ICBMs and their alleged threat to our smaller Minuteman ICBMs, the administration sought to match this Soviet capacity even as it claimed that large ICBMs are of no military significance. The attempts to buy off opposition to SALT by premature commitments to the MX had little success. Neither the June nor the September decisions to develop the MX quieted SALT's critics.

The "hardliners" are never satisfied. Next Carter agreed to a rise of 3 percent in the defense budget as part of price for the SALT treaty. Now his new defense budget is 5.4 percent higher this year even after allowing for inflation. The Afghanistan crisis will drive it even higher.

In September SALT opponents used such excuses as the presence of 3,000 Soviet combat troops in Cuba to delay a vote on the treaty. Next the crisis in Iran put off the Senate floor debate into 1980, and recently, on January 3, President Carter has asked Senator Byrd to delay Senate consideration in light of the Soviet invasion of Afghanistan. Although Carter once protested that SALT should not be linked to other Soviet actions, that is precisely what he has done.

SALT II will almost certainly be deferred until after the election and in its current form the treaty is probably dead. The opportunity for limiting strategic weapons has been frittered away even though President Carter still professes to believe that SALT II is in the national security interest.

THE THREAT

The primary military argument for the MX is that it will, in the 1980s, eliminate the potential vulnerability of our fixed land-based ICBMs to a Soviet attack using ICBMs of unprecedented power and accuracy. However this threat is more theoretical than real. It is one thing for the Soviet Union to have a missile warhead able to knock out a single blast-resistant silo. It is quite another to be confident of destroying 1,000 US silos with 1,000–2,000 warheads in a near simultaneous attack at a time specified well in advance. The opportunities for failure are enormous, particularly since additional warheads cannot be fired at the same target to compensate for warheads that don't reach their target. The explosion from the first salvo, even if inaccurate, would destroy the others. Furthermore, even were such an attack completely successful, the US would still be in a position to destroy most Soviet military targets, its industry, and its society with its thousands of submarine- and aircraft-launched missile warheads.

In his Annual Report for Fiscal 1979 of February 2, 1978, Secretary of Defense Harold Brown cogently explained why the vulnerability of the Minutemen ". . . would not be synonymous with the vulnerability of the United States, or even of the strategic deterrent." He wrote:

"In recognizing that the MINUTEMAN vulnerability problem is a serious concern for us, we also realize that the Soviets would face great uncertainties in assessing whether they would have the capability we fear—and still greater uncertainties as to its military or political utility.

"On all the technical judgments—how accurate the missiles are, how reliable, how well the system would work in actual practice, whether they could explode two reentry vehicles on each silo without excessive fratricide, or only one—we, quite properly, are conservative, from our point of view.

"Similarly, the Soviets must make cautious assumptions from their perspective. In particular, they must recognize the formidable task of actually executing (as planned) a highly complex massive attack in a single cosmic throw of the dice.

"Even if such an attack worked exactly as predicted, the Soviets would face great risks and uncertainties.

"First, they would necessarily have to consider whether the US missiles would still be in their silos when the attack arrived, or whether, given our capability to have unambiguous confirmation of a massive attack, we would launch from under the attack.

"Second, and more important, an attack intended to destroy US silos could kill at least several million Americans and would leave untouched at least the alert bombers and at-sea SSBNs with thousands of warheads. The Soviets might—and should—fear that, in response, we would retaliate with a massive attack on Soviet cities and industry. The alleged irrationality of such a response from a detached perspective would be no consolation in retrospect and would not necessarily be in advance an absolute guarantee that we would not so respond.

"In any event, any Soviet planner considering US options would know that, besides massive retaliation, the surviving US forces would also be capable of a broad variety of controlled responses aimed at military and civilian targets and proportioned to the scale and significance of the provocation."

Thus the administration's principal spokesman argued that the Soviet threat to our current ICBMs was open to grave doubt. Although the Soviet forces will be greater in the 1980s than when he made that statement, its logic will be equally applicable then.

US strategy still depends on a "triad" of submarine missiles, intercontinental bombers, and land-based missiles. Carter, by emphasizing the invulnerability and mobility of the Trident submarines, could have made a powerful argument that the US would remain secure even if one leg became potentially vulnerable. However, now that our land-based missiles—and only our land-based missiles—are becoming theoretically vulnerable because we failed to limit MIRVs in SALT I, Carter has allowed his administration to be stampeded into building a premature, expensive Rube Goldberg system that in the long run will not work.

THE BASING SYSTEM

If the MX system were to be installed by the early 1980s, one might argue that—in view of the Soviet forces estimated for those years—it could protect the land-based missiles on its "race track" loops. But the entire MX system will not be in operation until the end of the 1980s and it would have to remain effective in the 1990s if its deployment is to be justified.

In fact, the MX will, before very long, be outmoded. Its effectiveness depends on having more launch points than the Soviets have ICBM warheads to attack it. The SALT II Treaty would have put a finite limit of approximately 6,000 on such Soviet warheads. This was probably not enough to give the Russians confidence they could destroy the 4,600 shelters on the proposed MX "race track" loops. But even if ratified, SALT II would have expired in 1985, some five years before the MX system will be fully in operation. Pity the poor US SALT negotiator in the 1980s having to persuade his Soviet counterpart that the USSR must sign or extend a treaty in order to make our MX program, costing between 30 and 100 billion dollars, an effective weapons system. If SALT II is not ratified, no multiple launch point scheme has a chance of assuring invulnerability. It will be out of date before the first MX can be deployed in 1986. By that time, according to official US estimates of Soviet MIRV capacity, the Russians could easily have 10,000 warheads, more than enough to hit every shelter that is planned for every MX "race track."

Furthermore, since the MX missile threatens the Soviet ICBM force, more than 70 percent of its deterrent, the Soviet Union will almost certainly make some response to it, even if this means renouncing the SALT II Treaty. Efforts to limit strategic weapons would collapse.

During the next ten years, moreover, Soviet technological advances could easily render pointless some of the key features of the "race track" scheme. An important element raising the cost of the system will be the requirement for the TEL, carrying its one missile, to move unmanned at thirty miles an hour around the "race track" from shelter to shelter as soon as word comes that the Soviets have launched a strike. In such a situation the missile will not be covered by a shield and its location will be exposed to satellite observation. Today's technology already would permit a missile to attack such a moving target. The US has for several years had under development a maneuverable missile reentry vehicle (MARV), which could change its course as it approaches the target area and so could attack any point within the "race track." Such Soviet MARV's could be directed by a satellite in a very high geosynchronous orbit, 22,000 miles above the earth. The satellite could maintain continuous observation of US ICBM fields and guide the reentry vehicle to the spot where the MX missile is located.

This is not *Star Wars* technology: the US knows how to use such a satellite today and the Soviet Union could certainly do so by the 1990s. In that event the vast machinery designed to keep the MX invulnerable would be useless.

VERIFICATION

Many features of the "race track" basing scheme are designed to avoid Soviet claims that the system will violate the SALT Treaty provisions forbidding both sides to conceal weapons from the technical devices used by the other side for verification. The open road loops, the external missile assembly facilities, the barriers on the rail track entering the road loop, and the portholes in the shelters—all are there to counter Soviet claims that missiles are concealed from verification. And perhaps the Soviet strategists will be satisfied that only one missile is in each "race track," confident that any significant U.S. cheating would be leaked, either through Aviation Week or other sources.

However the problem for the U.S. is not Soviet verification of U.S. missiles but U.S. verification of Soviet missiles. The U.S.S.R. will be under strong pressure to make its own ICBMs less vulnerable since the MX missile is designed specifically to threaten the ICBM part of the Soviet deterrent. The Soviet leaders may also turn to a "multiple launch point" system although it may be impossible for their scheme to meet U.S. standards for verification.

All currently deployed Soviet ICBMs, with the exception of a few almost obsolete SS-13s, still use liquid fuel, unlike the U.S. missiles which use solid fuel. These large liquid-fueled ICBMs cannot be transported in a horizontal position with their fuel aboard. Fueling takes many hours. The Soviets might feel forced to adopt a different type of multiple launch point system in which the missile was transported from one silo to another in a vertical position and then fueled in place. This was an idea earlier considered by the U.S. and discarded because it could not be made verifiable and because it might contravene the SALT ceilings on the number of launchers. The Soviets, if they decide they have to take some action to reduce the vulnerability of the ICBM to the new MX missile, may risk building a system in which numbers are unverifiable. The SALT II Treaty, even if ratified, would have expired before the Russians could begin to deploy such a system.

Unfortunately for the U.S., its MX will be vulnerable to a Russian attack unless some type of arms limitation can be counted on to continue to place an upper limit on the number of Soviet warheads. Without an agreed upper limit the U.S. "race track" scheme—or any other involving multiple launch points—will sow the seeds of MX self-destruction—and most important would destroy the entire SALT process for many years. Since there will be no reliable way of determining how many missiles either nation has, we may expect an unending arms race with both participants blindfolded.

If the SALT II Treaty is not in effect and the Soviets considerably increase the number of their warheads aimed at our silos, as they easily could do by 1985—just by putting more warheads on each missile—then the U.S. would have to increase the size of the MX basing scheme in order to match the increase in Soviet warheads. A race would take place in which the U.S. would build more hardened launch points and the Russians more warheads. Secretary Harold Brown admitted in his White House briefing on the MX on September 7, 1979, that it might cost more for the U.S. to build more shelters than for the Soviets to put more warheads on their missiles.

Instead of increasing the size of our "race track" basing scheme, we might try to supply an ABM defense for it. Lt. General Thomas Stafford, Air Force Deputy Chief of Staff for Research and Development, testified that this was a useful solution for maintaining the invulnerability of the "race track" system, since the system could be designed to defend only the occupied shelters, ignoring the unoccupied ones. However, additional ballistic missile defenses are banned by the ABM Treaty of 1972. Renegotiating that agreement would open a Pandora's box. If the Soviets were free to deploy ABMs, this could undermine confidence in the submarine missile component of our deterrent triad as well as the ICBM one. Thus President Carter's decision to proceed with the MX "race track" may in the long run not only prevent meaningful limitations on offensive strategic weapons but also destroy the ABM Treaty as well.

A promising alternative to the landbased MX and its many dangers has recently been proposed,* this would consist of cheap mini-submarines carrying two missiles and deployed from one to three hundred miles from the American coast. Since the location of the submarines would be unknown to the Soviets, the missiles on them could not be attacked. There would thus be no incentive for a race in which the U.S. would build more and more launchers and the Soviets would add more and more warheads. The submarines would be deployed outside U.S. territory, thus reducing destruction in the event of war. The Soviets could verify the numbers of both submarine and missiles by the same satellite observations and other means now used for deep ocean submarines such as the Polaris.

The system, moreover, could be so designed that it would not threaten the Soviet Union's own deterrent missiles and would not therefore upset the strategic balance. Such submarines, unlike ocean-going submarines, could be in direct communication with command authorities. They could carry two MX missiles, but the smaller Trident I missile would be available earlier, and would be less expensive and less threatening. As each new submarine came into operation, it would add to the ability of the U.S. deterrent forces to survive attack. With any multiple launch point land-based system, no gain will result until the number of launch points approaches the number of Soviet warheads. And relying on mini-submarines for deterrence would obviously avoid all the threats to American land and environmental resources that are posed by the vast construction required for the MX multiple launch point basing system.

That MX system can only lead to vast, uncontrolled arms competition that will undermine the security of the U.S. and increase the dangers of nuclear conflict. Perhaps the greatest test facing Carter now is whether he has the political courage to confirm the facts and implications of this monstrous project and bring it to a halt.

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* See for example "SUM" by Sidney Drell, in *Arms Control Today*, Sept. 1979.

ENERGY SECURITY AND NORTH-SOUTH RELATIONS

Mr. McGOVERN. Mr. President, Mr. Peter Peterson, who served in the Nixon administration as Secretary of Commerce, proposed an international strategy for greater energy security which rests on the recommendations of the Brandt Commission. In an article in the Washington Post on Sunday, Mr. Peterson suggests that a new attempt should be made to negotiate solutions to major energy and economic problems based on the shared interests of the oil consumer and producer nations. I strongly favor the thrust of his recommendations, and I will be proposing a similar strategy in the coming weeks.

Since Mr. Peterson's proposals deserve serious consideration, I ask unanimous consent to have his article, "It's Time To Make a Deal With the OPEC Nations," printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

It's Time To Make a Deal With the OPEC Nations

(By Peter G. Peterson)

The greatest crisis of the remaining part of this century may well be not in the confrontation between East and West but in the confrontation between North and South. It is a confrontation waged across a huge and widening gap of hunger, bankruptcy and despair—and one that inevitably leads to hostility, frustration and, ultimately, violence.

Of all the causes of this confrontation, the most immediate and most dangerous concerns the price and supply of oil. Paying for oil at rapidly rising prices is driving the nations of the Third World toward a massive economic problem, and their rapidly rising debts now threaten the whole international financial system. And, as we all know, when economics gets important enough, it becomes passionately political.

Some figures are instructive. The debt of the non-OPEC developing countries was approximately $250 billion at the end of 1979. Conservative estimates are that it could rise, by 1985, to an astonishing $650 billion, albeit in inflated dollars.

What that means, among other things, is that by 1985 about one-third of all income—on the average—of these desperately poor lands from exports would have to go to service that debt. If one-third of your gross income went to service your earlier loans, you would be broke—and. equally as important to the financial structure, so would your creditors. Western commercial banks, for example, have been the source of about 55 percent of this rapidly pyramiding debt.

It is widely and wisely said that some developing countries will have to make "adjustments" in their economies—which can easily be a euphemism for a further cut in their already low standard of living; that is, by reducing their imports significantly. But we are all in this together—the rich countries as well as the poor. For developing country imports are increasingly developed country exports. In the case of the United States, we now export more to the oil-importing developing countries than to the European Community. In the case of developed countries generally, virtually all of the growth in manufactured exports since 1974 is explained by the growth of exports to developing countries.

By contrast, when one looks at the oil-exporting countries—the members of OPEC—one sees an extraordinary balance of payments surplus ($50 billion in 1979 and a projected $120 billion this year!). For easy but perhaps painful reference, the total value of all common and preferred stocks on the New York Stock Exchange at the end of February 1980 was about $1 trillion. Conversely, the oil-importing developing nations will run a combined deficit just this year of between $60 and $70 billion, zooming up from about $40 billion last year. (To put that one-year figure in its ominous perspective, it represents nearly a quarter of their 1979 imports and approximately 5 percent of their entire GNP.)

If oil prices rise somewhat further, or even stay at present levels in real terms, the OPEC surplus would continue to cumulate relentlessly at over $120 billion a year—$10 billion a month—for the next several years. Developing country deficits would then relentlessly be transformed into rapidly cumulating debts. Thus, the transfer of resources is not only unprecedented but has come so suddenly as to make necessary either unparalleled adjustments in reduced standard of living on the one hand, or, on the other, in productive, long-term investments—or, of course, in both.

The oil-exporting countries have yet to become—or, truth to tell, have yet to be asked in a coherent and sustained way to become—a significant part of the solution to the immense, agonizing problem in the undeveloped world, where nearly a billion people live in what the World Bank calls "absolute poverty." The skyrocketing prices of oil, the mushrooming debt of the poor countries in order to pay those prices and the increasing share of their incomes those poor countries must pay in order to service that debt—all of that has clearly made the oil-exporting countries an important part of the problem. Indeed, some would even argue they are the problem, and I would argue that there can be no solution without them.

Furthermore, the very burdens with respect to debt service—and interest rates which seem to rise as rapidly as the price of the oil to pay for which the money is being borrowed—suggest increasingly that many private banks will decide no longer to advance loans, at least to some countries, in the amounts required. There are better investments elsewhere, and the many borrower countries are becoming simply too far extended to make them any longer a sound commercial risk—particularly given the absence of any sense of security about our oil future, either as to the price of the oil or the price of the money.

Some unworried analysts have said that with a little belt-tightening and drawing on reserves, developing countries can get through this year without crisis. But if the 1980 projected deficit continues year in, year out in 1981, 1982, 1983 . . . then no banker can find cheer in the news that we might just squeak by this year. In addition, even those commercial lenders who might wish to continue financing oil-related debts by the developing countries may find themselves up against severe practical restrictions, whether in the form of the banks' declining capital-asset ratios, country lending limits, basic creditworthiness and the like. We may, I believe, no longer rely on the commercial banks to assume the burdens and the risks of a significant share of this debt.

So, if the governments of the United States and the other industrial countries can't do it, if the international lending institutions don't do it, the result could be such economic chaos as to be—in a word much in vogue—"unthinkable." But we must think about it, if only because the alternatives are truly unthinkable, and because there remains, it seems to me, one broad line of attack which has yet to be tried, at least seriously.

What is urgently needed is the convening of an international conference to work out a true international "concordat" in which the three groups participating would be the developed countries, the oil-importing countries and—the new key player—the oil-exporting countries. One hopes that the latter would find it hard to refuse at least an invitation to sit down and talk about how to ease the burden of oil purchases which now fall so heavily on the southern countries, the poor countries, most of them nonwhite. I think it might be difficult for the chief oil exporters to turn down such an invitation because, without exception, they call themselves friends—indeed brothers—of the developing world. In fact, OPEC countries count themselves as members of the nonaligned nations, as southerners in the North-South conflicts.

Now, the relative inactivity of the oil exporters on behalf of their beleaguered brothers to help alleviate the financial misery in the Third World to which they have certainly contributed—this anomaly has not gone unnoticed. To be sure, some oil-exporting countries have certainly begun significant efforts in this direction by increasing their direct foreign aid to the poor nations. In the aggregate, however, these relatively small amounts given by individual oil-exporting countries are of little help in a situation in which the developing country debt rises 10 to 20 times faster than this increase in aid.

If such meeting were to be convened, culminating in a summit conference, the agenda should be a relatively simple one: not another "global agenda," please. If possible—and it certainly won't be easy—it should be focused on the related issues of oil prices, demand and supply, and how the oil-exporting countries and the industrialized consumers can help to ease the financial burden on the oil-importing developing countries caused by the increasing cost of petroleum.

The oil-exporting developing countries should be encouraged to join in at least the following efforts, forming a part of what the Brandt Commission calls the 1980–85 "emergency program":

1. Substantially increased direct budget-support aid—grants, almost certainly—to the poorest countries, in which the industrialized countries would also agree to participate. The precise shares of such contributions, the recipients and qualification standards, would remain a matter for negotiation:

2. Direct lending to middle-income oil-consuming developing countries.

3. The lending "consortia" would also jointly share loan guarantees of the oil-importing developing countries. This would be done through much expanded resources at multilateral institutions (such as the World Bank or the International Monetary Fund) and/or, a separate fund in which the developed countries and the oil-exporting countries would contribute.

On the subject of energy and oil, as part of this "concordat," a package involving the following elements would be negotiated for this 1980–1985 period:

1. Increased security of supply: Oil-exporting countries would assure levels of production and agree not to reduce production arbitrarily or suddenly unless circumstances were truly beyond their control. Special arrangements would assure that the poorer developing countries would receive the amounts of oil they need.

2. More predictable and gradual price increases in real terms: These could be indexed

to acceptable international measures of inflation. In the past, we have not accepted the idea of indexing in international trade, least of all in petroleum. But today's economy, domestic and international, is in such a state of shock and crisis that the need for some measure of stability and predictability now warrants, in my view, the most serious consideration of this concept.

Furthermore, I was taught at the University of Chicago that if one has no alternative, one has no problem. The blunt fact is that over the next five years we do not have any other alternative for significant increases in supply from other energy alternatives. Even with vigorous domestic oil exploration development programs, we will be lucky to keep U.S. oil production even at its current level.

3. More stringent conservation: If these two other elements were coupled with rigorous agreements with respect to conservation, by both developed and developing societies, the oil-exporting countries would clearly be more inclined to go along.

4. Major investments in energy exploration and development in developing countries: There are benefits here for everyone. For a variety of reasons, of which the key point is almost always some variant of political instability and risk, the drilling ratios in the United States as against the developing nation have been estimated to be astonishing 140 to 1. In other words, where the geological and other analyses are equally favorable, it has been estimated there are about 140 times more wells drilled in this country than in developing countries.

And, globally—and those are the terms in which we must think—a barrel of oil is, after all, a barrel of oil. As matter of fact, a barrel of oil produced outside a cartel is better than a barrel of oil produced by a member. For the poorer nations, it is obviously better to have oil to sell than to buy. And to the investors from the industrialized and the oil-exporting countries, the quid pro quo of sharing in the investment pool would have to be an increasing responsibility of the South—the Third World—in a structure and rules to encourage both exploration and production, and, to the extent possible, to protect those investments.

Both the tactical and practical questions are endless. Clearly, any summit conference would require intensive preparatory discussions among, for example, financial experts from governments, international financial institutions and the private sector.

The issue of a "transfer of power" vs. a "transfer of resources" will persist. It will not be realistic for us to want to appear to control something we don't have—that is, oil—when we are unwilling to share more control in what we do have—that is, money and the related monetary institutions.

Is the basic proposition practical? No one can be sure about anything, except to say that while this "concordat" is certain to be very difficult, it might also be equally rewarding. (We don't, incidentally, have too many options that even have the opportunity of being very rewarding.)

From the standpoint of the developed countries, there should be enough here to get us to the table—that is, if anything can during our own economic emergency.

How about the developing countries? With mutual interests come mutual responsibilities, and I would hope they come to the table in that spirit. Enough of the conventional, strident and, in my view, counter-productive rhetoric of the "New International Economic Order," with its irksome asymmetry, whereby "we" are assigned the duties and "they" acquire the rights. As Jean Monnet once said to me, "We must learn to attack our problems instead of each other."

Part of that kind of attack is for developing countries to take a leadership role in supporting this conference. For example, the developing countries might take the initiative in specifying their own responsibilities. They might also play the decisive role in getting the oil-exporting countries to join this table—and in keeping the players at the table to a manageable (i.e., small) number.

From the standpoint of the oil exporters, I'm sure this will take equal measures of persuasion, statesmanship and the longer view. Would oil-producing countries be willing to make a tight enough deal, particularly in the context of unresolved political problems, such as insufficient "progress" on the Palestinian issue? We shall have to see. And even if all that could be obtained, in the absence of political concessions that we or others are not prepared to make, were a "declaration of principles" and an agreement to help the poor nonproducers, it might well be worth it as a start toward a solution.

Oil exporters are likely to want additional assurance on such things as their own post-oil economy and financial security of their assets (and, indeed, the military security of their countries), so that they would be willing to continue to sell oil at the levels we need in exchange for some other asset that maintained its value in an inflationary world and was secure from arbitrary political action by other nations.

The central point, in my view, is that we must be willing to get into a real and long overdue dialogue with oil-producing countries.

One more purely western effort by the highly industrialized nations to convene a conference in order to impress others with their responsibility to the poorer nations will simply not do. We can cooperate, we can advise and ultimately we can join with the oil exporters and the developing countries in whatever agreements emerge—but it cannot be *our* conference. My southern friends on the Brandt Commission kept reminding me that in this highly ambivalent helper/helpee role, *how* one aids in the process is at times as important as the aid itself.

We must also make it clear to our own people—and to our developed, industrialized, petroleum-consuming allies—that there are no guarantees on the road to economic development and economic security. The Brandt Commission has offered not an insurance policy against failure but a tentative road map to a future which might yield some relief from the frightening spiral of price jolts, borrowing, debt, deficits—and then more price jolts. Along the way, there may well be more Irans; some governments may fall even as their economies grow stronger. But it is an uncertain world, and we must try. The stakes are too high to do anything else.

TRIBUTE TO ART JONES

Mr. McGOVERN. Mr. President, the February 1980 Basin Electric Report carried an article entitled "A Tribute to Art Jones." I ask unanimous consent that the text of the article honoring this fine man be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A TRIBUTE TO ART JONES

Art Jones is a Britton, SD farmer, and has been all his life.

It's been nearly 40 years since he called that first meeting of his Marshall County neighbors. His message was. Yes, it can be done. Central station electricity can become a reality in our rural area. All we have to do is organize a cooperative and the REA in Washington will fund construction of the lines.

What Jones didn't foresee that winter evening in 1941 was that his participation in that meeting was just the tip of the iceberg in relation to his future rural electric involvements.

Jones went on to help incorporate a distribution cooperative for Marshall and Day counties, Lake Region Electric in Webster, SD. He has served on its Board from the beginning. In 1956 Jones was asked to represent his local co-op on the Board of East River Electric, a generation and transmission cooperative headquartered in Madison, SD and organized by several South Dakota distribution systems when a firm power supply was no longer available from the power companies. Jones retains his position on that Board today.

And in the 1960s, when it was announced that the Missouri River dams would soon be unable to meet the growing power needs of the region's rural electric power needs of the region's rural electric cooperatives, Jones was in the thick of the battle fighting for the development of a power supply cooperative that could supply a reliable supply of future energy throughout the region. Basin Electric Power Cooperative was incorporated in 1961 and Jones served as its first Board President for 15 years. He retired as a director in 1979.

Reflecting on his years of rural electric involvement Jones confesses, "Serving rural electrics became almost a religion to me, but I think I got much more out of those years than I put in. I didn't expect to get something out of all this that served my needs. It's been an education for me. Looking back," Jones adds, "the years have passed like a day."

"I'll never forget that first meeting," reminisces Jones, "it was held at our local country school. I'm sure most of my neighbors who attended thought what I had to say about rural electricity was pretty far-fetched. I remember one fellow in particular. Ole was his name. It seemed everything I said Ole ridiculed, making me look foolish."

Jones admits he felt deflated with the lack of support he received that first night—but he wasn't defeated. "I just knew we could do it," he says, "and I wasn't going to give up."

The longer Jones's neighbors thought about his idea the less far-fetched it seemed. "I couldn't believe it when I awoke the morning after the meeting to find Ole at our door," says Jones. I don't know what changed his mind, but he wanted to pay his $5 and sign up as a member. He also wanted his electricity right now."

That order Jones discovered took awhile to fill. Lake Region Electric was incorporated in 1941 but due to World War II materials were almost impossible to obtain. Most members had to wait until the war was over for electricity.

Jones's wife, Wilma, vividly remembers the day electricity finally made it to their farm. "It was the day before Thanksgiving, 1946." For Wilma electricity meant a new washing machine, one that would run even when the wind wasn't blowing. For years he had been using a washer powered by a wind charger. "But if the batteries weren't charged and the wind didn't blow, I couldn't wash," says Wilma.

For several years Lake Region and other small distribution systems like it purchased electricity from local power companies. But as the needs of the cooperatives grew electricity became more difficult to obtain. Power companies would provide cooperatives only excess capacity—or power they did not need for their own consumers.

In October 1949, twenty-two South Dakota rural electric cooperatives formed East River Electric. Working together through one cooperative they would build the necessary generation and transmission facilities to serve their needs until power was available from the Missouri River dams. Jones was named to East River's Board in 1956 and served as the Cooperative's president from 1958–73.

Power from the dams became available in the early 1950s. "I believe we must have had the idea that we would never be able to use up all the power that was going to come off the river," says Jones. Consumers were encouraged to use more and more electricity. At East River's 1952 annual meeting General Manager Virgil Hanlon said, "After talking about a shortage of power, it seems a little odd to think that we are now in the study of a complete load building program. We feel that for the financial good of East River and its member cooperatives, it is going to be necessary for all concerned to unite in the common goal of building loads. We are not trying to have farmers purchase electrical equipment that does not benefit their standards of living, but we do want to be able to see that they become aware of all the advantages of their new abundant fuel—electricity."

But the abundance of electricity was not to last.

The Bureau of Reclamation announced that by 1980 the dams would no longer be able to meet the growing needs of cooperatives.

"It was about this time that Leland "Le" Olds came into the picture," says Jones. Olds was a former chairman of the Federal Power Commission and had been hired by rural electric cooperatives in South Dakota and the Missouri Basin as a consultant on power supply and rates. "Speaking at the Mid-West Electric Consumers Association meeting in 1953, Olds made it pretty clear to us that consumer-owned systems should take advantage of giant power-large-scale generating and transmission systems," recalls Jones. "He tried to make us see," adds Jones, "that building one large plant was more economical than several small ones."

"I guess we took Le Olds message to heart," remarks Jones. East River and other regional rural electric leaders were instrumental in the formation of Basin Electric Power Cooperative—one cooperative to serve the power needs of many consumers throughout the entire Missouri Basin region. Art Jones was one of the prime movers in Basin Electric's development. In 1961 he was named the Cooperative's first President.

As President of the Board Jones played a big part in securing the REA loan to build Basin Electric's first 216,000 KW generating plant. There were many trips to Washington, D.C. "Virg Hanlon, our East River manager, was constantly on the phone with me," grins Jones, "telling me how to approach those guys in Washington. And I can still hear REA Administrator Norman Clapp tell me, "If I give you this loan, Art, it won't be the last of it,'" recalls Jones. "I guess he knew something I didn't. Goodness, I thought, we are building the biggest lignite-burning generating plant in the Western Hemisphere and he's talking about building another plant," Jones continues. Little did we know that before we would complete Leland Olds Unit 1 we'd be planning a second 440,000 KW unit. And we've been building ever since."

Jones continues to live today on his farm in Marshall County. He and his four sons have formed a family corporation and in addition to farming manage a cattle and hog feeding operation.

Besides his past farming and rural electric affairs, Jones also sreved as a South Dakota State Senator for nearly 20 years.

Jones's many contributions to his community and rural electrics have not gone unnoticed. South Dakota's Rural Electric Association named him their "Man of the Year" in 1960. Mid-West Electric Consumers Association presented him their Distinguished Service Award. And in 1970 the Western States Water and Power Consumers Conference honored him with the Leo Carmody Award. The words inscribed on the plaque he received describe Jones well, "To Art Jones, farmer, rural electric leader, legislator, and horse trader in the behalf of the people, for a life dedicated to creating a world in which people are valued above machines, wise husbandry above profit, and love above power."

Jones believes rural electrics face challenges in the future greater than those faced in the past, "but we ought have no fear that we can meet them. People working for the benefit of rural people make a force that is overwhelming," confides Jones. "Each of us is a little cog in the wheel and there's no stopping what we can do. The programs we have started will go on through succeeding generations. There is a strength in the rural community to meet the challenge of the day and the time."

RICHARD BARNET PROPOSES "STRATEGY FOR SURVIVAL"

Mr. McGOVERN. Mr. President, in an article last week in the New York Times, Richard Barnet proposed a diplomatic strategy for survival. He advocates a series of new security principles which recognizes that East-West issues are now inextricably linked to North-South issues. Unless we deal well with both of these sets together, we may not be able to deal effectively with either set by itself. All of Mr. Barnet's points deserve serious consideration by us in the weeks ahead.

I ask unanimous consent to have his article, "A Strategy for Survival," printed in the RECORD, to bring his analysis to the attention of Congress.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Mar. 7, 1980]

A STRATEGY OF SURVIVAL

(By Richard J. Barnet)

WASHINGTON.—Although President Carter was indulging in Nixonian hyperbole when he called the invasion of Afghanistan the greatest threat to world peace since World War II, the extremely serious danger of nuclear war in the 1980's is being underestimated. With the breakdown of United States-Soviet negotiations, the two countries appear to be on a collision course in which events beyond the control of either will push them into further confrontation.

The opportunities for the Russians and us to misread each other's signals are multiplying. The most probable locus of a major war is not the Persian Gulf but rather the Soviet-Chinese border. The United States is moving rapidly toward a military alliance with China that would virtually assure our involvement in such a conflict.

It is more urgent than ever to develop a strategy of survival for the 80's. In my view, this ought to include the following considerations.

1. Negotiations with the Soviet Union on the control of weapons should be resumed promptly.

The projected United States military buildup will be matched by the Russians, and at the end of it we will both be less secure. They have an obvious economic interest in avoiding the next round of military expenditures and in preventing the increased threat of United States military power in prospect by the end of the decade. Therefore, SALT II should be ratified promptly and negotiations for a comprehensive test ban concluded. As part of SALT III, negotiators ought to consider a three-year freeze on further testing and deployment of nuclear-weapons systems. A freeze is verifiable and will help build the confidence to negotiate significant cuts in the nuclear arsenals.

2. New ground rules on using military power that apply equally to both superpowers must now be explicitly established.

The old tacit cold war ground rules that permitted the United States to deploy forces around the world and kept the Russians confined to the area previously occupied by the Red Army have broken down with the Afghanistan invasion. New rules will be forged either by confrontation or by explicit agreement. Both superpowers should agree not to deploy their forces in any country in which they are not now situated. The freeze would expressly include proxy armies and the acquisition of bases. The fact that the United States is considering taking over the old Soviet base in Somalia suggests something about the stability of superpower bases in today's world. United States plans to establish a military presence in Egypt, Israel or the Persian Gulf area will succeed in inflaming the Islamic world against us further, widening the war in the region, and, as in Iran, creating a symbol of foreign interference that will catalyze revolutionary fervor.

3. Soviet expansionism can be contained only by creating a regional and global political consensus that builds confidence in the stability of existing frontiers, meets legitimate Soviet security concerns, and creates incentives, positive and negative, for respecting weak nations' sovereignty.

The United States' strength to accomplish these security objectives is political, not military. (In the end, the only military response is to heighten the threat of nuclear war; rapid-deployment forces are totally inadequate to meet a major Soviet military challenge.) But a realistic foundation of a new security system is the burning desire of every nation to be independent of all the big powers—the Russians, the Chinese, and ourselves. If the United States is willing to accept the same restrictions on its future conduct in the third world that we wish to see imposed upon the Russians, there is a chance to make the nonaligned movement truly nonaligned.

4. The process of great-power nonintervention must begin with Afghanistan.

It is in the interests of world peace that the Russians leave promptly. Arming the guerrillas will prolong the war, increase Soviet casualties, and at some point cause them to conclude that they have shed enough blood there to justify staying—particularly if the Chinese involvement grows. The European Economic Community proposal for neutralization of Afghanistan is a good start. All Afghanistan borders should be recognized and monitored by United Nations forces. The long-time interest of some Asian nations in a zone of peace and neutrality should be explored. An Afghanistan settlement might become the starting point for a wider regional-security system of nonaligned countries.

5. Secure access to oil requires a political, not military strategy.

The greatest national-security vulnerability of the United States and the West is our dependence on Persian Gulf oil. Oilfields are easy to seize but hard to operate in the face of sabotage by hostile workers or terrorists. Here again imaginative diplomacy, not outmoded military-strike forces, is our only hope. We should build on the strong mutual interest of the producer countries, the Russians, the West and Europeans, the Japanese, and ourselves to keep the oil flowing. Secure access to vital resources on equitable terms should be established as a principle of international security. The principle should be implemented by a multilateral agreement that would include a formula for determining the price for a fixed number of years and for allocating the share among the consuming countries. America should commit itself to a steadily declining share and should implement a crash domestic energy program, including rationing, where necessary, to meet the goal of significantly reduced imports by 1990. A similar agreement on grain should be negotiated. It would be explicitly agreed that access to vital resources would not be interfered with under any circumstances except in the case of overt military aggression.

Hopes for navigating the dangerous 80's lie in a new world-security system that integrates the familiar East-West issues and the critical North-South issues—the crushing debt burden, energy costs, unemployment and instability that threaten the world economy—for which solutions must now be found.

PRIORITIES, MANAGEMENT, AND INFLATION ARE IMPORTANT MILITARY BUDGET ISSUES

Mr. McGOVERN. Mr. President, a strong military defense for the United States involves more than determining an abstract percentage figure for real growth in the military budget. It also involves a reasoned and dispassionate debate over military priorities, sound defense management of resources and personnel, and a better understanding of the relation between domestic and military budget decisions.

I am concerned that not enough attention is being given to these factors. Our military debate must not be reduced to a contest of symbols that ignores the realities of defense planning, strategies and management.

Mr. President, several articles have recently appeared which draw attention to these problems.

The first problem is the question of military priorities as reflected in the budget. Former Secretary of Defense Melvin Laird makes a convincing argument that the military budget is shortchanging the All-Voluntter Force and, I might add, the Reserves as well. The All-Volunteer Force and the Reserves require a financial commitment to determine whether this personnel structure is viable and to make sure that the men and women serving in our Armed Forces can do so with dignity and some financial security.

I have not too often agreed with Melvin Laird on defense issues, but I think he is absolutely correct to say that people, not hardware, are the highest defense priority. Spending enormous sums for the MX ICBM to create more nuclear overkill instead of using the funds to insure a decent pay scale and a stronger Reserve Force represents the kind of mistaken defense priorities which we can no longer afford.

The second question is whether there is sufficient management at the Defense Department to effectively oversee the vast sums and programs funded in the defense budget. An article in the Washington Post from March 10 suggests that there are serious problems with the worldwide computer system built for command and control operations in the event of a national emergency. Similarly, the highly-touted "Nifty Nugget" exercise concerning mobilization capacity concluded, apparently, that the major problems were in the areas of interagency communication, computer updating, coordination of planning responsibilities and other interservice and management areas. The problem was not primarily a lack of hardware or the absence of draft registration.

Management problems suggest that more money can be spent without getting a sufficient return on the dollar if there are management weaknesses. More spending may not lead directly to more capability. In addition, management reforms may produce important improvements which do not cost more money.

I hope that we will not give up the search for meaningful and cost-effective management reforms in the context of a rising military budget.

The third question is the relation between military spending and the rest of our economy. The fact is that inflation is eroding the buying power of each military dollar just as it erodes each housing, health care and food dollar as well. The Pentagon recently reported that the cost of its major weapon systems rose by $29 billion or a 13-percent cost growth above original projections. The Pentagon attributes more than half of this 13-percent increase to the use of higher inflation estimates.

Inflation in the form of unanticipated fuel costs for the Defense Department will reach more than $3 billion for this fiscal year and even more for fiscal year 1981. These increases will come either from new taxes, from cuts in domestic programs or from other Defense Department programs.

Unless we grapple with inflation, it will be both futile and counterproductive to engage in the game of pretending that real growth percentage increases will strengthen our position in the Middle East or anywhere else. Inflation must be brought under control if we are to get a grip on relating defense outlays to military capabilities.

Mr. President, I ask unanimous consent to have a series of articles on these issues printed in the Record for the purpose of encouraging a more realistic debate on the nature of military spending in the new budget.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the Washington Post, Mar. 10, 1980]

THE ALL-VOLUNTEER FORCE—IT'S TIME FOR A BIG PAY RAISE . . .

(By Melvin R. Laird)

Congress and the Carter administration should act now to drastically increase the pay and benefits of U.S. military personnel.

This action—more than any being proposed by the president to upgrade our defense posture—is necessary to restore the services to the effective forces that this nation demands and deserves. The All-Volunteer Force is beset with severe and growing problems of both quality and quantity. And these problems are directly attributable to our failure to keep military compensation comparable with the civilian sector.

In January 1973, one of my last acts as secretary of defense was to end draft calls. With that step, the United States embarked on one of the more important ventures in its recent history: we would endeavor to become the first nation in modern times to maintain a large standing military on an all-volunteer basis. It would make up about 2.5 percent of the labor force and rely completely on the equitable considerations of the competitive marketplace.

My confidence that this would succeed was based on the expectation that the president, Congress and the American people would honor a commitment to provide a meaningful standard of living and quality of life for men and women who volunteered, and for their families. We have reneged on this commitment.

Since 1972, the Consumer Price Index has risen 75 percent, while military compensation has risen only 51 percent. This means a decline of over 14 percent in purchasing power for all military personnel, and a decline approaching 25 percent for some enlistees in the lower grades. The average compensation for an enlisted person, including pay and benefits, currently is $9,900. That is 17 percent below the "lower" standard of living for a family of four as calculated by the Bureau of Labor Statistics. At least 100,000 and possibly 275,000 military families qualify for welfare payments. (Many who qualify are too proud to apply; they leave the service instead.) Military commissaries take in over $10 million a year in food stamps.

A few concrete examples are even more shocking. An E4 plane handler on the nuclear carrier Nimitz, deployed to the Indian Ocean during the Iranian crisis, normally works 16 hours a day, or about 100 hours per week. He handles the F14 aircraft, which costs $25 million, and helps operate a $2 billion ship. Yet he makes less per hour than a cashier at McDonalds, lives below the poverty level, is eligible for food stamps and probably has not seen his wife and child for six months. A chief petty officer on that same ship with 17 years' service makes the same salary as a janitor on union scale and puts in twice as many hours.

It is little wonder, then, that the services last year fell short of their recruiting goals by 25,000 people. They have experienced qualitative as well as quantitative shortfalls. Nearly 50 percent of all male volunteers tested mentally in the lower half of the U.S. population. Five years ago that figure was 32 percent.

Yet recruiting is only half of the military's personnel dilemma. Retaining qualified people after their first, second and third enlistments is an acute problem and will get worse unless remedial action is taken. The services have been losing over 75 percent of those completing their first enlistment since 1976. About 30 percent of males enlisting do not even complete the first term.

To restore our defense readiness and meet our commitment to the All-Volunteer Force concept, I propose the following specific actions:

An across-the-board 17 percent pay increase for all military grades to make up for the loss in purchasing power since 1972.

Legislation indexing increases in military pay to increases in the Consumer Price Index.

A mandate that pay levels be applied to all forms of compensation—basic pay, housing allowance and subsistence (food). Presently, a portion of an increase may be applied to housing or subsistence, and basic pay does not increase by the full amount.

Separation, or decoupling, of the computation of military pay from that of federal civil service workers. The demand for jobs in the federal civil service far outweighs the supply, and civil service workers generally are not subject to long hours of unpaid overtime, frequent moves and family separation.

A variable housing allowance keyed to actual housing costs in the local area, and a crash program to build more military housing. Government housing is available to only 20 percent of the enlisted force; it should be available to 50 percent.

Reimbursement to military families for the full cost of their moves. The present entitlement is 10 cents per mile; the actual cost is about 21 cents per mile.

Special skill pay to enlisted and officer ratings where shortfalls are expected—narrowing the gap, for example, between what an enlistee receives and what he or she could earn on the outside in areas such as computer programming.

Improved medical benefits and coverage, which have been reduced for dependents.

An increased bonus to $5,000 (now $2,500) for joining the combat arms, and indexing future increases to the CPI.

A cost-of-living allowance for all personnel stationed overseas, even if they live in military barracks.

These initiatives will be expensive—several billion dollars per year. But the amount will be offset to some degree through decreased costs of recruiting and training. More important, we will have taken some necessary steps toward restoring and maintaining our required military capability.

The United States must provide these individuals and their families with a quality of life commensurate with the sacrifices we demand from them. The primary ingredient in providing that quality is competitive pay and benefits.

TO GET CITIZEN-SOLDIERS

(By Lowndes F. Stephens)

COLUMBUS, S.C.—Americans may be confused about the quality of our military forces because of front-page reports about recruiting violations, illiterate soldiers and mismanagement in the armed services. Any decision on conscription depends on the success of the all-volunteer force and the readiness of our reserve forces.

The Defense Department says that overall the all-volunteer force is working, but its own statistics clearly show that it is not working for the reserve components. The individual-ready-reserve pool is at an all-time low. Combined National Guard and Reserve enlisted forces are manned at about 80 percent of their peacetime authorizations, but 28 percent of all Army selected reserve companies and equivalent units are manned at less than 70 percent.

If the citizen-soldiers were "ready on call," could they make a difference? Yes, because under its total-force concept the Defense Department is placing emphasis on the mobilization assets of the reserves. For example, Army Reserve components account for 67 percent of the Army's tactical support, 65 percent of the combat-engineer battalions, 58 percent of the artillery battalions, 57 percent of the Special Forces units, 54 percent of the deployable forces, 52 percent of the infantry and armor battalions, and 45 percent of the Army's aviation assets.

So why aren't our reserve forces at full strength?

At least 28 motivational studies on why people avoid or join the Guard or Reserves have been conducted or sponsored by Defense Department agencies in the last three years. They indicate that youth are generally not interested in military service. Supporting evidence comes from independent sources as well. Two University of Michigan researchers recently reported that less than 10 percent of the 17,000 high school seniors in their 1979 survey thought that military service was a desirable form of work. Among those who did anticipate enlisting, more were inclined to serve in the National Guard or Reserves than in the other five services. Military service is used to prepare for civilian life, and the Reserve components apparently provide benefits that are compatible with longer-range civilian goals. Those who join the Guard or Reserves do so because of additional income, social ties, variety from civilian life, opportunities to learn new skills, promotion possibilities, and retirement benefits.

Unfortunately, initial enlistment motivations seldom become the gratifications of serving in the Guard or Reserves. Traditional economic incentives don't make good copy for Army advertising campaigns intended to encourage enlistment or re-enlistment because military pay scales are significantly behind civilian private-sector wages. Prospects don't depend as much on the news-media advertisements in making enlistment decisions as they do on friends in the Guard or Reserves, and too many of these friends are dissatisfied.

These citizen-soldiers leave because of poor training, poor leadership, interference with personal and business activities, ineffective command information programs.

Despite the negative findings of these motivation studies, there are some outstanding Guard and Reserve units that are ready and well-qualified for combat.

Too much research attention may have been given to determining what incentive packages "sell" military service the best (variable terms of enlistment, enlistment and re-enlistment bonuses, tax deductions, educational assistance). Policy choices made on the basis of this kind of research may have fostered the notion that military service is just another occupation.

The few significant studies of why reservists stay in the program indicate that retention is strongly correlated with meaningful training, respect for other soldiers and respect for organization. Never mind that economic incentives may be necessary conditions for recruiting citizens into the profession of arms; a respect for and belief in traditional military values may be sufficient conditions for making and retaining soldiers.

Future evaluation research on manpower-procurement and retention problems should focus on lessons learned from successful military organizations that hinge on traditional military values (discipline, esprit de corps, personal sacrifice, etc.).

We should not give up on the all-volunteer force until policy makers have had a chance to review the evidence on what makes the best of our military organizations successful—both active and reserve component commands.

PENTAGON WARNING SYSTEM DEFECTIVE, EXPERTS CLAIM

(By Michael Putzel)

The worldwide computer system built to warn the president of an enemy attack or international crisis is prone to break down under pressure, according to informed sources who have worked on or examined the system.

The system already has failed in at least two critical situations, the sources said.

A team of government auditors concluded that the computers, installed nearly a decade ago, are deficient in design and cannot be used effectively for military command purposes.

The auditors say the Pentagon has spent $1 billion trying to make its World Wide Military Command and Control System work, yet the system—called Wimex—remains unacceptably slow and unreliable.

The manufacturer agrees the system does not work very well but says it could be modified to improve performance.

James F. May, one of several experts from industry brought in to survey Pentagon computer operations, said the Wimex system is "at best very fragile."

And John H. Bradley, an electronic engineer who helped test the computer network during development, says he was fired after he went over his bosses' heads to warn the White House that the president should not depend on Wimex to tell him of a Soviet attack.

The Defense Department says the president does not depend solely on Wimex because there are two other faster systems designed to detect a nuclear strike. However, a task force reporting to the president's Office of Management and Budget found that at least one of those "suffers frequent power interruptions due to electrical storm activity in Colorado."

The Wimex system was designed to warn the president and military chiefs of an enemy attack or security crisis such as the seizure of an embassy. The system also should provide up-to-date information about U.S. forces and options in any area or situation.

Wimex consists of 35 Honeywell 6000-series computers at military bases or in underground vaults at 27 sites, connected by a complex network of coding and decoding devices, ultra-sophisticated sensors and various processing machines.

In a crisis, information pours into Wimex from a variety of sources; it should be quickly distilled to give needed information while cutting out unreliable or irrelevant data. Once decisions are made, Wimex should send orders to military commands so that personnel, weapons, supplies and aircraft or other transportation equipment all arrive in the right place at the right time.

However, according to the General Accounting Office, Wimex simply does not work when it is needed most.

And a Pentagon document defending the system said that generally the "computers render effective support. The principal exception occurs in crisis situations, when commanders need quick answers to a broad range of possible questions."

Though details are classified, sources said Wimex computers "crashed" during the combined Navy, Marine Corps and Air Force operation to free the crew of the American merchant ship Mayaguez after it was captured off Cambodia in 1975.

A Pentagon spokesman contends that during the Mayaguez incident the computers were little used and performed adequately. He added, however, that during another, unidentified crisis about the same time, the Wimex operator put off normal maintenance and the computers broke down. Superiors were told it would take 20 minutes to resume operations; it actually took more than two hours.

The GAO reported that following the 1978 Jonestown, Guyana, slaying of Rep. Leo Ryan, the Joint Chiefs of Staff lost contact with their crisis team for more than an hour. A brief power outage was blamed for the initial break in communications, but after power was restored, Wimex refused to reconnect the two groups, insisting they already were talking to each other.

"This condition occurred more than once," the auditors reported.

[From the Wall Street Journal, Mar. 6, 1980]

COST OF PENTAGON'S WEAPON SYSTEMS ROSE 13 PERCENT IN FINAL QUARTER

(By Daniel Freedman)

WASHINGTON.—The projected cost of the Pentagon's 48 major weapon systems rose $28.76 billion in the final quarter of last year to $256.11 billion.

In its quarterly estimate of the cost to develop and purchase major weapons, the Pentagon attributed more than half of the 13% cost growth to the use of higher inflation projections. Because some of the programs can take a decade to complete, a change in inflation assumptions over that period has a major impact on costs.

The latest selected-acquisition report also discloses some changes in the Pentagon's acquisition plans. The Air Force plans to buy a total of 825 Fairchild Industries Inc. A10 attack plans, up from the prevously planned purchase of 733, at a total cost of nearly $6 billion. The Navy has reduced by 30 its planned purchases of Grumman Corp. F14 fighters to 491 at a total projected cost of $11.6 billion.

The report also showed that the Navy plans to purchase 14 Trident ballistic-missile-launching submarines, one more than previous planned. The total cost of the General Dynamics Corp. boats and Lockheed Corp. missiles is $28.27 billion. The Navy incrased by two, to 40, the number of Los Angeles-class nuclear-powered attack submarines it plans to buy at a total cost of $11.93 billion. These subs are made by General Dynamics and the Newport News Shipbuilding & Dry Dock Co. unit of Tenneco Inc.

Planned purchases of the Navy's new frigate, the FFG7, fell by four, to 55 at a total cost of $11.43 billion. The ships are made by the Bath Iron Works Corp. unit of Congoleum Corp. and Todd Shipyards Corp. One reason for the cut is that the Navy wants to buy two more cruisers made by Litton Industries Inc. armed with sophisticated antiaircraft equipment made by RCA Corp. The cost of the 18-ship DC–47 program is $17.13 billion.

The Army reduced by 2,379 to 6,882 its planned purchase of new infantry fighting vehicles designed to accompany tanks into the battlefield. The projected cost of the FMC Corp. program is $7.44 billion.

Planned purchases frequently change over the life of a weapons program as the Pentagon makes adjustments for changes in tactics, funding constraints and technological developments.

[From the Philadelphia Inquirer, Mar. 5, 1980]

Fuel Prices May Increase Defense Costs by $3 Billion

(By Fred S. Hoffman)

Washington.—Defense fuel costs are likely to increase by more than $3 billion over previous estimates this year and by more than that next year, Pentagon sources said yesterday.

Those unanticipated fuel cost boosts are reported to be major factors in Pentagon planning for new requests to Congress that would increase defense spending beyond this fiscal year's budgeted $127.4 billion.

There also is a likelihood of a separate Pentagon bid to raise the $142.7 billion proposed by President Carter for fiscal 1981, which starts Oct. 1.

Officials said a $3 billion rise in Pentagon spending would increase to about $8 billion the total outlays for fuel to run military planes, ships, tanks and other vehicles this year.

Pentagon officials are grappling with this problem at a time when President Carter has ordered his administration to trim spending in an effort to cut the prospective fiscal 1981 budget deficit.

Pentagon spokesman Tom Ross noted that, unlike other federal departments, "we have not been asked to submit any budget cuts for fiscal 1981."

In line with administration pledges, Carter said the Pentagon still was aiming for a 5 percent "real growth" in military programs in fiscal 1981. Real growth is calculated after allowing for inflation.

Ross told a briefing that "we are working on a supplemental budget request for fiscal 1980." He said Pentagon analysts and budget officers had not yet begun the process of drafting spending increase proposals for fiscal 1981.

The moves toward increased spending come less than two months after Carter submitted his $142.7 billion defense spending budget for next year.

At the time, Defense Secretary Harold Brown warned that the administration might have to return to Congress with a supplemental budget request "as a result of our continuing review of actions to be taken in light of events that have occurred in the world after the fiscal 1981 budget was finalized in late December."

That was an obvious reference to the aftereffects of the Soviet invasion of Afghanistan, which brought a Carter assertion that the United States would repel any Soviet effort to gain control of the Persian Gulf oil-producing area.

However, much of the fiscal 1980 budget supplement now being drafted in the Defense Department is attributable to higher-than-expected inflation.

Ross acknowledged that, beyond the question of increases in fuel costs, "a number of things are under consideration" for inclusion in a budget add-on request. He did not elaborate, but he said this in the context of questions relating to increased readiness of U.S. military forces.

Ross refused to discuss any internal estimates of fuel-cost increases, saying that an official estimate has not yet been reached.

However, other officials said privately that their calculations point to a boost of more than $3 billion in fuel costs this year. Some sources have suggested that the next fiscal year's fuel expenses might rise by more than $4 billion above calculations made while the 1981 budget was in preparation.

AFGHANISTAN IS TURNING INTO A SOVIET "VIETNAM"

Mr. McGOVERN. Mr. President, as the strike last week by shopkeepers in Kabul demonstrates, the Soviet Union is facing an increasingly difficult political and military challenge in Afghanistan. A report in the Washington Post, on February 10, summarizes the intensifying and open resistance by the Afghanis to Soviet control. Reading this article reminded me of some early accounts of the Vietnam war. Too often the analysis of these issues rests solely on quantitative factors while underestimating the importance of the qualitative ones. A number of commentators have suggested, for example, that the Soviet Union will be able to evade a quagmire in Afghanistan because there is no jungle cover for the rebels or because there is no big power supplier like China or the Soviets to play the role vis-a-vis the rebels that they played vis-a-vis Vietnam.

But these accounts almost ignore the will of the population to resist the Soviet take-over. Just as there was a strong anti-colonial sentiment in Indochina, there is also a strong cultural tradition in Afghanistan which is both anti-foreign and anti-communist. The strike of the Kabul shopkeepers is the kind of well-organized civil disobedience which depends not so much on jungle cover or big power suppliers but on the inherent and indestructible determination of a people to resist external control. No matter how much firepower the Soviets bring into Afghanistan, no matter how many villages they claim to have pacified, no matter how many strategic hamlets they count as being under their control, the Soviets will face disappointment, frustration and eventual defeat.

Ambassador George Kennan recently testified to the Foreign Relations Committee on the Afghanistan situation. I was struck by his evaluation of the fact that the Soviets now have upwards of nine divisions tied down in Afghanistan and probably will be moving in even more. This represents an enormous percentage of the total Soviet force in the region. Ambassador Kennan's comment was, "How can anyone claim that the Soviets have gained a new strategic asset when they are bogged down politically, militarily and diplomatically in Afghanistan?"

Among its many other effects, the Vietnam War inflicted two major costs on the United States. It diverted resources into a futile and unacceptable war which left much of our military structure in shambles, or military forces in disarray and our NATO forces in sore need of modernization. And it had an extraordinarily disruptive impact on our economy—almost single-handedly causing the inflation we are still experiencing today—and on our political institutions. One has only to see the harsh reaction of Soviet authorities to the anti-war dissent of Andrei Sakharov to know that a peace movement can be a politically powerful force even in a society which lacks the great democratic freedoms which we enjoy in the United States.

I anticipate that the Soviet Union will encounter similar major costs in Afghanistan.

The tragedy, of course, is that innocent civilians in Afghanistan will also be suffering major costs. Counter-insurgency wars in the 20th century have been among the most cruel and bloody the world has ever seen. A strong American reaction is necessary both to bring about Soviet withdrawal and to establish new rules of international behavior which prevent future Afghanistans or Vietnams. The United States learned an important lesson in Vietnam. Now that the Soviet Union is about to learn it as well is no reason for us to discard this lesson.

But as we evaluate the new international environment after Afghanistan, we cannot ignore the possibility that the Soviet Union will be a weaker and more isolated government because of it. This will be an important factor to take into consideration as our foreign policy debate progresses in the weeks ahead.

Mr. President, I ask unanimous consent to have the text of the article, "Soviets Grapple with Popular Wrath in Afghanistan," from the Washington Post, printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Soviets Grapple With Popular Wrath in Afghanistan

(By Stuart Auerbach)

New Delhi, March 9.—As resentment intensifies and open resistance grows to the Afghan government of Babrak Karmal and his Soviet masters, they find themselves facing a dilemma: every move they make to gain control over the country further enrages the already rebellious population.

In the view of senior diplomatic analysts and intelligence sources here, the smoldering hatred of the Soviets and the Babrak government they installed in power Dec. 27 poses a far greater threat to Moscow's aims than the sporadic, hit-and-run attacks by rebel groups.

These groups still appear to be fragmented and too poorly armed to be more than a nuisance to the Soviet forces.

According to reports reaching here, authorities are more preoccupied with a mood of protest by shopkeepers and civil servants in the Afghan capital, Kabul, that has continued since a weeklong general strike ended there 10 days ago. In an indication of this official concern, threats are scattered through daily programming on Radio Afghanistan, warning merchants to open for business or face losing their shops.

These threats are not contained in the more closely monitored news bulletins, which continue to report business as usual in Kabul's bazaar, but in the regular programs.

These factors complicate international efforts to find a face-saving way for the Soviets to pull out of Afghanistan. Diplomats here and in Washington believe the Soviet invasion has become far costlier than Moscow anticipated a little more than two months ago.

Analysts here expect to see an intensification of civil disobedience, fueled by an increasing hatred of the estimated 80,000 Soviet troops trying to pacify Afghanistan.

"The problem is the more force the government uses to try and put down these uprisings, the more unpopular the Babrak government becomes," one Western diplomat here said.

The lack of support for the government is becoming increasingly clear from reports of travelers arriving here.

They say rebel groups stop traffic on key roads and look specifically for government officials and Soviet troops. The Soviets, according to reports reaching here from Kabul, dare not travel by road; they take helicopters around the country.

There are also reports here that bus traffic between Kabul and Pakistan has been stopped because of rebel ambushes.

Adding to the Soviets' problem is the continued disintegration of the Afghan Army, many of whose members have taken their weapons and joined rebel bands.

It is widely believed here that Moscow was surprised by the depth of resistance to Soviet troops and to the Babrak government, especially since Babrak had been viewed as a popular figure in Afghanistan.

Whatever popularity he had was eroded by the way he was installed by the Soviets. Among a fiercely independent people, he is seen as a Soviet stooge.

"Anyone they put in will be similarly tainted," said one diplomat here.

According to some diplomats, the big question is how badly the Soviet plan has been damaged by the popular resistance of the Afghan masses.

"I believe their game plan was to move in, stabilize the institutions such as the Army, the party and the government and then get out, maintaining Afghanistan in everything but name as a mini-Soviet republic," said one well-informed Western diplomat. "If that was their game plan they must be terribly disappointed."

The Soviets first must rebuild the Afghan Army, however, and the mass desertion may in fact help them by cleansing the force of disloyal elements.

There are signs that the Soviets are moving in vast amounts of military supplies for a spring offensive against the rebels once the snow melts in the mountains in about a month.

Analysts here differ, however, over who will have the advantage once the weather clears—the Soviet army or the rebel forces.

One view holds that the Soviets' vast superiority in manpower and equipment—especially the heavy firepower of the MI24 helicopter gunships—will then allow them to make short work of the lightly armed rebels hiding in the mountains and fighting 19th century-style battles.

The Soviet troops have shown themselves to be utterly baffled by guerrilla attacks. According to observers, they lack rudimentary training in how to react to an ambush. Instead of taking cover, they tend to gather in groups with fixed bayonets, which makes them all the more vulnerable.

However, some experts believe the past two months have given the Red Army leaders a chance to refine their tactics for dealing with guerrilla warfare. Moreover, they are gaining an opportunity to see how their modern weapons perform under battle conditions.

On the other hand, the Afghans are masters of ambushes and hit-and-run raids, tactics that drove the British from Afghanistan in the 19th century. The terrain favors the insurgents, some analysts believe, because the rebels know the mountains and valleys where the Soviet tanks cannot reach them.

This school of thought sees the coming of spring as an aid to the rebels, opening their mountain hideaways.

A major question though, is how much damage the heavy firepower from the MI24 helicopter gunship, being used here in combat for the first time, will inflict on the rebels. It clearly is the most powerful weapon on the Soviets' side, and one the rebels have not been able to counter.

ADDRESS BY EDDIE ALBERT ON HUNGER AND MALNUTRITION

Mr. McGOVERN. Mr. President, for many years, Eddie Albert, the talented actor, has been a leader in the national effort to eliminate hunger and malnutrition, and to preserve our environment and resources.

When I served as Food for Peace Director in President John Kennedy's administration, Mr. Albert was an active member of our citizens' council. That council supported the effort to increase public awareness of the dimensions of the challenge we confront in dealing with world hunger and the need for Government and private interests to respond to it. He gave generously of his time and effort on a volunteer basis.

Since those years, I have come to the Senate and Mr. Albert has continued his career as an actor. But he has also continued to tell the story of how this Nation can and must conserve our resources. He and I still see eye-to-eye on that challenge.

On February 12 of this year, Mr. Albert was a keynote speaker during the National Association of Conservation Districts' annual meeting in Houston, Tex. Reports I have of that meeting are that his valid and timely message was met with a standing ovation by those who know the truth of what Mr. Albert told them. That message must be spread to others who do not know that truth. It is a message that I, myself, am committed to spreading.

Therefore, Mr. President, I ask unanimous consent that Mr. Albert's message, "To Rebuild the Earth," be printed at this point in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

To Rebuild the Earth

You'll be surprised when I tell you what I'm talking about. It's dirt, or what some people refer to as dirt. I call it topsoil. It's that precious razor-thin skin of earth that covers our earth in most places. It averages around eight inches in depth, on which the life, the health and the happiness of every human being on earth depends. Even you and me. Every morsel of food we eat; bread, meat, cereals, oatmeal, Big Macs, Alpo, Twinkies, carrots, peas, beans, fish, Kentucky Fried, Hersheys, bubblegum, tacos, popcorn; all of our clothes, cotton, wool, silk, nylon, buttons, shoes, cowboy boots, galoshes, ballet slippers, Adidas, joggers; our houses, timber, brick, wallpaper, furniture, bedding, rugs, curtains, ropes, strings; records, files, books, magazines, newspapers, Bibles, ballots for voting, blueprints for building, books of medicine, agriculture, laws, science; marriage licenses, birth and death certificates, passports, divorce papers, paper money, stocks and bonds; fuel for transportation, getting us to work, to school, to church, to the grocery, to visit, to vacation, to find each other; to keep us warm or cool, and to cook our food; coal, oil, gas, kerosene, charcoal, kindling, the very oxygen we breathe, they all come from plants, trees and—that eight inches of topsoil!

When we arrived on this continent a few years back, our topsoil averaged around 18 inches in depth. With our intensive agricultural practices we have eroded it down to around eight inches. Eight inches of topsoil are left between us, starvation, and world disaster. When that eight inches goes, you and I go.

There are innumerable examples of civilizations which have already travelled this route. For thousands of years, rich, powerful empires, their kings and governments have sold off the sources of their wealth and power, their oil, trees, land, metals, other precious resources, in order to extract for themselves, dollars, votes and security. They didn't know any better. We do! Or—we had better learn it—fast!

Trees were the first to go. It always started with the trees. As the local populations grew, wood was needed for warmth and cooking, wood for lime burning, timber for housing. Solomon cut the famous Cedars of Lebanon for his great temples. Alexander and the others cut trees to build their warships. They sold trees for money for their treasuries. Rome deforested southern Europe from Spain to Palestine. The whole north of Africa was ripped off to plant more wheat for the expanding Roman population. Replanting was unheard of. When the trees were gone, the topsoil exposed to the rain and wind and sun lost its organic matter, its humus, its soil life, the spongy quality that gives the soil its ability to hold water through droughts. The soil dried out, became dead dust, and the next wind blew it away, or the next rain washed it down the river, and the land died. The plants and trees could not survive, the climate changed as the rain cycle slowed down with the deforestation, and the remaining trees expired. The wild grass that came was soon demolished by goats, who ate roots and all, and the once glorious lands of trees, lakes, rivers, cities, palaces, universities, families, artists, millions upon millions of healthy, working, creating, achieving people quietly blew away. Splendid civilizations collapsed, and are now visible only as footnotes in the history books, or a few fragments of pots on a museum shelf.

The cycle was always the same. Man comes, the trees go, the topsoil goes, the civilization goes, the desert comes.

Herodotus records, "One could walk across the north of Africa from the Atlantic to the Indian Ocean, always in the shade of trees." Today, desert sands, no trees, and famine stretch from the Atlantic to the Indian Ocean.

As I said, Egypt, Tunisia, Ethiopia, Algeria were once rich nations, granaries of wheat, cities, fine trees. No more. The rich, unprotected soil of Ethiopia has gone down the river and is now silting up the Aswan Dam in Egypt. Egypt is 96% desert.

A few summers ago a quarter of a million people starved to death in Ethiopia. Four percent of the trees remain and the chainsaws are working on those, accelerating the dying of this once great country.

Plato lamented the loss of the topsoil of ancient Greece. "Our land, compared with what it was, is like the skeleton of a body wasted by disease, the soft parts are gone. All that remains is the bare carcass." Greece never recovered.

Homer, 3,500 years ago, said "There is an island called Crete. A fair, rich land, begirt with water, in the midst of the wine-dark sea. And in it are ninety cities, and many men, past counting." Not any more.

In Asia I looked down on an area that had once supported half a million people. Years ago it was covered with trees, houses, people, and today you see only coarse sand, gravel, and gullies. Thousands of gullies, caused by water erosion and deforestation, a wide, sickening expanse of gullies, stretching to the horizon, gashing and cutting the once rich farmland, their only harvest—dust and endless desert. Even the goats are gone. It was not a climate change that doomed these ancient civilizations, it was mismanagement of the land. I repeat, mismanagement of the land. We are following that path.

It takes centuries of the weathering of rocks to grow an inch of topsoil, and thousands, even millions of years to create a deep, fertile layer. On shallow sloping hillsides one great rainstorm can gash and gully a slope down to bare rock in an hour. When nature's protecting cover of plants and trees is cut down, or the carpet of grass with interlocking roots is cut open by the plow, the destroying power of rain or wind is multiplied a thousand times.

In our western lands there are now over 200 million gullies advancing through the countryside like long arms of an octopus. As these gullies eat their way across the fields, farmers, already desperate for land, continue to till what's left, right up to the very edge of the gully, feeding its progress across the countryside.

Even good land between the gullies is often lost because you can't get the big machinery in over the gullies. Some of these gullies today are miles long. One of them is pointing right at the heart of Tucson. We Americans are destroying our land a thousand times faster than any people who ever lived. Man, deforestation, soil erosion, abandonment is the cycle. Another word follows inevitably after "erosion". The word is "famine".

In Central Africa one group of parents recently implored a U.S. official not to send drugs when an epidemic of diphtheria broke out. It was better, they explained, for their children to die straight off than to suffer further from hunger, or to grow up with their minds stunted, and their spirit crippled by lingering malnutrition.

In India the trees have been stripped of leaves and twigs for food and charcoal. Newspapers carry nightmarish stories of entire families that have committed suicide to end the agony of slow death by starvation. The India press relates stories of distraught fathers drowning young children in the river to prevent the anguish of their starving.

Fifteen thousand children go blind each year from malnutrition.

Not long ago I remarked to my wife that a lot of people would be drowned in Bangladesh in five or six days. A week later she looked at me strangely and asked, "How did you know? The radio just announced that hundreds of people were drowned by floods in Bangladesh." I explained that a week before I had read that there were heavy monsoon rains in Nepal. Nepal is mountain country, and on the slopes the soil is very thin. When the trees which anchor that soil are cut down by the growing population, the unprotected soil can be washed down the hill in one storm. It takes about a week for the floods and silt to make the trip down the river to Bangladesh.

Millions of tons of eroded silt are carried down the rivers of the world and as the river slows down, the silt falls to the bottom, clogs up the center channel, the river floods over its banks, spreads out over the countryside, creating deep gullies, washing away farms, herds, villages, fathers, mothers and children.

A typical clipping: "One Thousand People Die in Monsoon Hit India." The Luni River overflowed its banks, 400,000 head of cattle gone, thousands of people and their houses gone, 100,000 acres of rice destroyed, etc.

Here's another clipping a little closer to home. "May 12, 1979, Grand Forks, N.D., Los Angeles Times. The flood of the century . . . Red River of the North . . . Thousands of acres of prime farmland destroyed . . . hundreds of homes in dozens of towns . . . Losses in No. Dakota, Canada, Minnesota, exceed 72 million . . . There is a small but growing number who suggest that this region may be contributing to its own destruction by developing and cultivating too much marginal land, and cutting too much forest."

Secretary Bergland of Agriculture states, "We are headed for disaster."

We have hundreds more of the Red River type of disaster standing by in our own country . . . the Atchafalya River Basin, Louisiana, one of the most beautiful areas in America is drying up because of erosion and siltation. Like many other rivers the channel is clogged with eroded topsoil, the result of tree cutting and over-farming in the north. Unfortunately, the Basin is the key floodway for the Mississippi River. In case of heavy floods it must divert the dangerous floodwaters away from the populated centers of Baton Rouge, Lafayette and New Orleans to prevent loss of life and property. With the silting up of the main channel, the river cannot be controlled. It seeks a way out by overflowing its banks, spreading over the countryside, digging gullies, destroying thousands of acres, and spreading destruction.

Our population explosion is at the heart of our problem. We can't increase our food production as fast as our world population increases. Three new mouths to feed each second, 230,000 new mouths to feed each day. But with each passing day we have less land to work with. To meet this growing demand farmers are forced to put unbearable pressure on the soil, pressures our soil is unable to sustain.

Rotation of crop, wheat, soybeans, alfalfa, has been replaced by monoculture. (one-crop) corn, corn, corn, or wheat, wheat, wheat. Everyone knows this method will exhaust the organic matter, the life in the soil, and increase pest infestation, but people are hungry and the cash register is jingling. For every bushel of corn we harvest, we lose two bushels of topsoil. Topsoil is crucial to crop production, because it contains most of the organic matter, and the major share of nutrients required by the plants.

Terracing, and contour plowing, both water-holding and erosion-preventing practices are being dropped. The big new machines are too wide for terracing.

The use of large, heavy machines causes soil compaction. The pressure of the wheels hardens the soil so that air and water cannot penetrate and maintain the soil's organic health, which prevents erosion. In addition, this harder soil creates the need for larger, heavier tractors to pull the plows, resulting in more compaction, and more erosion. Compaction wastes water when the soil's hard surface permits the rainwater to rush off the hard surface into the soil by the vegetable cover. A 4-inch rain on organic, humus-rich topsoil causes little or no runoff. One-half an inch of rain on humus-poor land can cause runoff, flooding and heavy erosion.

Allowing the soil to lie fallow for a season, to rest, to restore the erosion-slowing organic matter is disappearing. The need for food is increasing, the market is high, the bank loan is due, and the farmer finally has a chance to get even with the bank.

Because of the current high price for grain, there has been an appalling rush to put under cultivation millions of acres of the wrong land, marginal land we call it, and farm it in the worst, non-conservation way. By marginal we mean grassland, for example, meant only for grazing stock, or sloping land, or land with too little rainfall, requiring heavy irrigation. For example, ask any farmer how many crops he can get off steep land before he has to abandon it because of erosion, and he will reply, five or ten, perhaps twenty at the outside, and the topsoil is finished.

Three or four years ago we added around 9 million of such acres of marginal land, but less than half was put under good conservation practices. The following year we lost, through the resulting erosion, sixty million tons of rich, vital topsoil; gone forever—sixty million tons. Can you calculate how many starving children could live off that?

In the past thirty or forty years the heavy use of synthetic fertilizers, anhydrous ammonia, nitrates, pesticides and herbicides, DDT, etc. have doubled and tripled the yield of grain per acre, but at the expense of the organic matter in the soil.

After the Oklahoma Dust Bowl disaster in the thirties, a disaster that occurred because of cultivating "marginal" land, the government ordered trees to be planted, green belts that would slow down the eroding wind and protect the topsoil. Millions of trees were planted and for forty years the trees did their job of protection. However, when the high grain prices hit in 1973, the Secretary of Agriculture ordered the green belt trees cut down. "Plant fencerow to fencerow," he said, and down crashed the green belts.

"It was a short-sighted thing they did," said Professor Timmons of Iowa State, "but we got an exhortation from Washington to increase yields, so farmers went out and plowed up everything."

"Between '73 and '74, fifty-one million acres were taken out of the federally subsidized soil bank program and converted into cropland without soil preparation or good conservation practices. Soil losses from 50 to 200 tons per acre resulted." Now it's even ruined for grazing cattle. How many families will go hungry because of that loss? It will take twenty-five years to restore the green belts. In many areas all the topsoil will be blown away in that time.

When the marginal land lacks sufficient rainfall, the farmer must resort to irrigation. He often pumps up the ancient water from the underground pools. It took nature millions of years to fill these pools and we are emptying some of them in an eye-blink of time, faster than they can be recharged.

The Ogallala acquifer irrigates millions of acres in Texas and neighboring states. Heavy pumping, I am told, has lowered the water table as much as 700 feet. Some of the wells around Lubbock have gone dry and land has been abandoned, left as potential desert. California has 6,000 new wells this year and the water table is dropping at the rate of 6 feet per month. In other words, the water pools are being mined, like coal. Eventually, they will be empty. It should be remembered that mining always ends in abandonment, and more desert.

Land between Phoenix and Tucson has dropped seven to twelve feet in some areas. In the Trans-Pecos area of Texas, water must be raised as much as 300 feet. Texans are consuming their children's water. Irrigation makes rich fathers but poor sons.

Los Angeles Times, November 3, 1979, "U.S. Water Crisis Seen in Five Years."

The cost is prohibitive. In Nebraska irrigation requires ten times the amount of fuel that is needed to till, plant, cultivate and harvest a crop. What will happen to this irrigated land when oil reaches $60 a barrel? It will be abandoned eventually as cropland and ruined as grazing land, because of salinization.

Irrigation often brings salinization (salt). In some irrigated areas a few feet below the surface, there is hard pan, usually a layer of clay which prevents normal underground draining. Water, unable to trickle downward, soon builds up and waterlogs the soil, impairing root-growth and settling in pools on the surface where it evaporates, leaving a layer of soil-destroying salt. The organic matter and humus die, the soil dies, the land is abandoned, useless, lost for centuries as a food producer of any kind. The whole Middle East has millions of acres of salt deserts covering what was once the land that gave birth to the human race, the Garden of Eden. The ruins of the once-great cities and palaces are still to be seen dotting the empty desert.

The U.S. Soil Conservation Service reports that the soil washed out and blown out of the fields of the U.S. each year would load a modern freight train long enough to reach around the world eighteen times. If it ran twenty miles an hour, continuously, it would take three years to pass your station. That amount is now being lost each year. How long? How long can you write checks if you deposit nothing in the account?

Put it another way. Each day we are losing thirty one-hundred acre farms down the river, ten thousand farms a year, 15 tons of topsoil a second, a yearly loss of one ton for each person on earth.

Good flat farmland is also lost, being taken over for city development. We in the U.S. lose another two million acres yearly with the building of dams, oil refineries, strip mining, housing development, shopping centers, highways, parking lots, freeways, air fields, military uses, etc. etc., all good arable flatlands, necessary for food production, two million acres yearly.

Even recreational lands are suffering painfully. Armies of dune-buggies, ski-mobiles, motorcycles, by the tens of thousands, four-wheel drive vehicles, campers, motorhomes, and trailers, regularly descend on the desert areas, devastating the vegetation, compacting the soil, littering the streams, stirring up clouds of dust, setting fires, frightening and killing wildlife, killing the shrubs that hold the topsoil, and starting more soil erosion.

We are a wasting people. In 1970, I was in the midwest studying the corn blight. In a group of farmers I asked a man I hadn't met, "Are you a farmer?" He answered proudly, "I'll say. I've used up three farms." He spoke with pride that his energy, his hard work, and his yields had exhausted the soils of three farms. His friends nodded respectfully at his strength. We still think there is always more land to the west.

The United Nations estimates that it will take forty years and twenty billion dollars just to reclaim land lost to desert in the past 25 years.

We in America have lost about one-third of our arable land since we arrived here. At the rate we are going we will lose another third in the next dozen or so years, while the population almost doubles. Today each acre feeds barely one person. At the turn of the century, twenty years from now, with the loss of acreage, and our increased population, not one, but three people will be trying to eat off each acre that's left. Our children are going to be very hungry.

When we haven't got quite enough food to go around, this is what happens. Out in Minnesota, Gary Paulsen puts it this way, "There is no surplus left. What that really means is that if a farmer loses his wheat crop, or even if his yield is just down slightly, or if he has to plow under his corn, or disease wipes out his cattle, or coyotes take a chunk out of his sheep—if any of those things happens—somebody, somewhere in the world will die; not just get sick, or feel a little lean after dinner, or have to cut back on supper—but die! It is that critical, that vital, that all-important."

In the recent weeks I have been in Peru, Colombia, Hong Kong, Mexico City, Manila, Malaysia, Kenya, and in each city I've seen tens of thousands of acres of shacks made from flattened kerosene cans and cardboard, millions of families with little food, water, no jobs, no sewage disposal, no medical care and no hope. In twenty years Mexico City and Tokyo will each have thirty million people. How will they get water? Where will the food be grown? How will it be delivered through the crowded streets? These people will not be mere numbers, statistics. They will be suffering babies, screaming children, weakened gasping mothers and fathers with no hope for the end of pain, but death. And each day, 230,000 more hungry mouths.

By 1930, the great topsoils of America which had enriched and sustained our American people had been thrashed, poisoned, pounded, over-grazed, over-cut, irrigated, water-logged, salted, over-farmed, and over-populated. The land was now ready for the great dust storms.

Here is a quote from the Oklahoma Extension News, January, 1928: "Five years ago there was not a gully on the place . . . now it is badly cut by gullies . . . all the soil washed away, leaving nothing but clay . . . if not terraced the gullies will cut deeper until the rocks are touched, or until all the clay soil is gone . . ."

Nature finally rebelled. In May, 1934, she made her first move. At that time I had left the wheatfields of Minnesota to become an actor in New York. One day New York awoke to find the city in darkness. Car headlights were on at noon. The town was choking with dust, wondering what had happened. The New York Times "cleared the air"; partly.

"New York obscured, Washington and East coast overhung with thick clouds of dust." That "dust" turned out to be the hard-won, family farms of Oklahoma, blowing through the high air all the way to the East coast to drown somewhere out in the Atlantic Ocean.

On May 11, 1934, 350 million tons of Oklahoma's tired topsoil, hit by a duster, exploded in huge clouds up into the transcontinental jet stream. Ships 300 miles out at sea were covered with Oklahoma. Twelve million tons hit Chicago alone. In Washington, D.C. dust particles seeped in through the windows and settled on the Congressional desks. Senator Gore observed, "The most tragic, the most impressive lobbyists ever to come to this capitol."

The big wind of May 11, 1934 carried away an estimated 350 million tons of topsoil from Oklahoma, Kansas and neighboring states. This one duster in one day took the equivalent of 3,500 one-hundred acre farms out of food production. The real victims were, as usual, the farmers, their wives, their children. They had spent 30 years trying to build a good life for themselves on land which should never have been cropped. Now they watched their lives blow away with their soil's fertility. Thirty years, but thousands of lifetimes down the drain. They pulled themselves together, shook the dust of their dead soil out of their hair, spit the dust of their dead farms out of their teeth, piled their kids into their old jalopies, and headed for California to pick fruit. Thousands of Okies from the Dust Bowl! When the soil goes—we go!

History records that this was responsible for the Soil Conservation Service being taken seriously, and the planting of the green belts. Incidentally, the first survey of the SCS showed already over 100,000,000 acres of our best cropland had been ruined for cultivation.

My father used to say, "We learn from history that we learn nothing from history." We are devout in pursuing the same suicidal behavior of exploitation of the land, deforestation, refusal to study the needs of our precious topsoil, and indifference to the health, the survival of our grandchildren, and our future generations.

What can we do? Fortunately, the road ahead, if we wish to travel it, is well charted. It is difficult, but well charted.

We can slow down the birth rate. You're all familiar with that problem. No need to repeat. We can stop our waste of food. The food we throw away daily could feed over 100 million hungry people. We in the U.S. are about 6 percent of the world's population but we use up 38 percent of the world's energy and food.

When we look at that photo of our little earth, taken from the moon, the earth looks small and beautiful. It is, but it also looks lonely. It is. The nearest neighbor is light years away. We are all by ourselves, and there is only so much land, only so much water, oxygen, space, and that's it. There isn't ever going to be any more, and there is no place next door where we can go to borrow. We must learn to love and respect this beautiful earth, and learn to protect and conserve what we have left.

There isn't a whole lot of time. The eminent historian, Toynbee, who has spent a lifetime studying the birth and death of civilizations, puts it this way. He says, "I am not sure whether it is my daughter, or my granddaughter who will witness the death of this civilization."

Now, what can we do? What can ordinary folks, students, families, individuals do, who want to help; how can we contribute to the solution of a world problem that has been building up for centuries? That's not an easy question to answer. It's a job for nations working together. But let me make a small suggestion.

What about trees? Almost any of us can plant a tree. Your class and your school could plant hundreds of them, maybe thousands. What about your churches, your clubs, your scout troops? If we could start the ball rolling and publicize it well, we might start a real movement, vitally necessary, of tree planting. What about families planting a tree on anniversaries? Could we recycle our old tree-planting holiday?

What about fruit trees and nut trees to provide food for us, and pod trees, like the honey-locust, food for both man and beast; avocado, palm or coconut, to grow on poor agricultural land or sloping land, to hold the hillsides?

Let me tell you a little about a tree. First, the roots put a halt to that terrible problem of wind and rain erosion. And, did you know that three-fourths of the rain comes from the moisture exhaled by trees? By planting trees we could bring back rain in dry desert areas, turning them once again into fertile agricultural soil. Israel turned one of the worse deserts in the world into a land of milk and honey. Using water from the Sea of Galilee, they now grow roses for the Amsterdam market, and oranges, apricots and avocados and winter vegetables for Europe.

Their greenhouses are plastic domes that use one-twentieth of the water and one-tenth of the area. They also use plastic as a covering, a mulch, to protect the soil. With powerful hoses they spray the desert sand with a light film of oil which forms a thin crust that holds the soil and in which they plant their trees. Where there was once a desert, six years later they have a forest of tamarisk trees. Where their water is too salty, they breed salt-tolerant crops.

And if you are into solar energy, the tree is, far and away, the most efficient solar engine ever devised, and the leaf is the most efficient photovoltaic cell, and the finest storage battery.

Cattle have a hard time in the deserts. Camels love it. So they are trying to breed a good-tasting camel. They have already crossed a goat with a desert-loving Ibex. They call it a goabex. Deserts can be reclaimed. It can be done.

There are moments in the history of the world when a new time begins. Usually it's at a time of desperate crises. We are at such a moment of great change in our history, and we must be aware of it. We have a choice. We can stand off and let history repeat itself and watch the death of our hard-earned country; or we can pull ourselves together, go into action and solve the problems of food and soil. We have the know-how, the technology. We need discipline and courage, both good American words, but we also need a new awareness and greater vision.

There is a specific moment which we can look to as the beginning of this new Age of Awareness. Do you remember the first time you saw the photograph of the earth from space? That was the moment, the Apollo shot. We can never be the same. That photograph showed us that this earth is our home, that we are indeed one family, that we are in this together and we have a fight on our hands. We know that there is enough for everyone's needs, but not for everyone's greed. We must use our knowledge now for the survival of the human family.

Our task is—to rebuild the earth.

AMERICAN AGRICULTURE DAY

Mr. BOREN. Mr. President, today is American Agriculture Day, a day set aside to honor the American farmer and the invaluable contribution he has made to American society.

Thomas Jefferson correctly described our farmers as among our most valuable citizens. He said, "They are the most vigorous, the most independent, the most virtuous, and they are tied to their country and wedded to its liberty and interests by the most lasting bonds."

The family farm unit has contributed immeasurably to the maintenance of basic American values. Individual initiative and a strong code of moral values have been nurtured on the farm.

We owe the farmers a great deal. The tremendous productive capacity of our farmers, who comprise less than 4 percent of our population, has not only provided the American people with the best food bargain in the world, but also has provided food for millions of others throughout the world. However, we should not expect our farmers to continue to produce under conditions of short-sighted "cheap food" policy which in the long run will force small farmers out of production and end up hurting the consumer as well.

Producing food is one of the things which the United States consistently does better than any other country. With our agriculture research and technology, rich farmlands, and the hard work of the American farmer, we truly have become the breadbasket of the world. United States agricultural exports are the only products which give any significant positive weight to our balance of trade.

Yet, while productivity and efficiency of the farmer and rancher may have increased greatly over the years, these individuals have received little reward for their efforts. Farm income has not kept pace with the rising costs of production. Today, there is very little profit in agriculture. Net farm income for this year is expected to be 25 percent less than last year. No business can continue to operate without earning a fair and reasonable return on investments and labor.

Family farms are being especially hard-hit by today's agricultural economic conditions. They are continuing to decline in number. In 1935 there were 6.8 million farms; today there are only 2.8 million.

In my State of Oklahoma, we have lost one-third of our family farms during this same period of time. This trend is a very tragic one, and one which must not continue.

The farmers have kept our Nation afloat and they deserve our support. It is paramount to our Nation's economic well-being that we have an agriculture policy that supports, not hurts, the American farmer.

At present, there is much discussion about the changing structure of American agriculture. One fundamental reason for it has been that agriculture producers have not been able to survive long-term cash-flow problems even with more liberal credit. As we continue to discuss the farm structure issue and consider changes in agriculture policy in preparation for the rewriting of the agriculture bill next year, we must be sure that our agriculture producers are given an opportunity, as well as an incentive, to earn a liveable income. More credit is not a real answer. Only fair prices will enable our farmers to stay in business and halt the decline in the numbers of family farms.

The farmer is economically important to this Nation. Yet, no other group has been so left out of America's economic progress. Agriculture is not only the No. 1 industry in my State of Oklahoma, it is and always has been the cornerstone of the American economy. When the farmer suffers, America suffers. Our farmers must never be forgotten by the rest of us.

I, for one, intend to do my part to rectify the serious problems confronting our farmers, and I urge all my colleagues to join me in working to insure that our farmers are treated fairly.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 10:42 a.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that the House agrees to the amendment of the Senate to the bill (H.R. 24) to improve budget management and expenditure control by revising certain provisions relating to the Comptrolled General and the Inspectors General of the Departments of Energy and Health, Education, and Welfare, and for other purposes.

The message also announced that the House agrees to the further amendment of the Senate to the bill (H.R. 2797) to make technical corrections related to the Revenue Act of 1978.

The message further announced that the House insists upon its amendment to the bill (S. 662) to provide for increased participation by the United States in the Inter-American Development Bank, the Asian Development Bank, and the African Development Fund, disagreed to by the Senate, agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. Reuss, Mr. Gonzalez, Mr. LaFalce, Mr. Cavanaugh, Mr. Stanton, and Mr. Hyde were appointed as managers of the conference on the part of the House.

The message also announced that the House insists upon its amendment to the bill (S. 2222) to extend the time for commencing actions on behalf of an Indian tribe, band, or group, or on behalf of an individual Indian whose land is held in trust or restricted status, disagreed to by the Senate; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. Danielson, Mr. Mazzoli, Mr. Hughes, Mr. Harris, Mr. Barnes, Mr. Glickman, Mr. Synar, Mr. Moorhead of California, Mr. McClory, and Mr. Kindness were appointed as managers of the conference on the part of the House.

The message further announced that the House disagrees to the amendment of the Senate to the bill (H.R. 10) to authorize actions for redress in cases involving deprivations of rights of institutionalized persons secured or protected by the Constitution or laws of the United States; requests a conference with the Senate on the disagreeing votes of the two Houses thereon; and that Mr. Kastenmeier, Mr. Danielson, Mr. Mazzoli, Mr. Gudger, Mr. Harris, Mr. Carr, Mr. Railsback, Mr. Moorhead of California, and Mr. Sawyer were appointed as managers of the conference on the part of the House.

The message also announced that the House had passed the following bills, in which it requests the concurrence of the Senate:

H.R. 5625. An act authorizing the President of the United States to present a gold medal to the A. Philip Randolph Institute; and

H.R. 5751. An act to more adequately protect archeological resources in southwestern Colorado.

HOUSE BILLS REFERRED

The following bills were each read by their titles and referred as indicated:

H.R. 5625. An act authorizing the President of the United States to present a gold medal to the A. Philip Randolph Institute; to the Committee on Banking, Housing, and Urban Affairs.

H.R. 5751. An act to more adequately protect archeological resources in southwestern Colorado; to the Committee on Energy and Natural Resources.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, March 20, 1980, he presented to the President of the United States the following enrolled bill:

S. 1682. An act to amend the act of August 9, 1955 (69 Stat. 539) (25 U.S.C. 415) as amended, to authorize a 99-year lease for the Moses Allotment Numbered 10, Chelan County, Wash.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-3250. A communication from the Secretary of Agriculture, transmitting, pursuant to law, the evaluation of the economic and social consequences of the programs of the Cooperative Extension system; to the Committee on Agriculture, Nutrition, and Forestry.

EC-3251. A confidential communication from the Director of the Defense Security Assistance Agency, transmitting, pursuant to law, a report on the proposed letter of offer to Egypt for defense articles estimated to cost in excess of $25 million; to the Committee on Armed Services.

EC-3252. A communication from the Secretary of the Navy, transmitting a draft of proposed legislation to amend the Department of Defense Appropriation Authorization Act, 1978 (Public Law 95-79, 91 Stat. 323) concerning a congressionally mandated reduction of numbers of civilian employees within the Department of Defense; to the Committee on Armed Services.

EC-3253. A communication from the Administrator of the General Services Administration, transmitting, pursuant to law, the statistical supplement to the stockpile report to the Congress for the period ending September 30, 1979; to the Committee on Armed Services.

EC-3254. A communication from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting, pursuant to law, a report on four construction projects to be undertaken by the Army Reserve; to the Committee on Armed Services.

EC-3255. A communication from the President of the United States, transmitting, pursuant to law, conclusions on the survivability, cost effectiveness, and combat effectiveness of any new ship requested and whether the ship should be nuclear or conventionally powered; to the Committee on Armed Services.

EC-3256. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Models, Data, and War: A Critique of the Foundation For Defense Analysis"; to the Committee on Armed Services.

EC-3257. A communication from the Chairman of the Board of Governors of the Federal Reserve System, transmitting, pursuant to law, the fifth annual report on the Board's functions with respect to section 18(f) of the Federal Trade Commission Act for calendar year 1979; to the Committee on Banking, Housing, and Urban Affairs.

EC-3258. A communication from the Secretary of Transportation, transmitting, pursuant to law, a report on the study of alternative methods of distributing, by formula, funds apportioned for bus-related capital purposes; to the Committee on Banking, Housing, and Urban Affairs.

EC-3259. A communication from the Secretary of Commerce, transmitting, pursuant to law, a report on actions that have been taken to assure insofar as possible that direct and adequate service is provided by United States flag commercial vessels to each of the Nation's four seacoasts; to the Committee on Commerce, Science, and Transportation.

EC-3260. A communication from the Secretary of Transportation, transmitting a draft of proposed legislation to authorize appropriations for the Coast Guard for fiscal years 1981 and 1982, and for other purposes; to the Committee on Commerce, Science, and Transportation.

EC-3261. A communication from the Chairman of the Interstate Commerce Commission, transmitting, pursuant to law, a report on the effectiveness of the Rail Passenger Service Act of 1970; to the Committee on Commerce, Science, and Transportation.

EC-3262. A communication from the Vice President for Government Affairs of the National Railroad Passenger Corporation, transmitting, pursuant to law, a report on the average number of passengers per day and the on-time performance of each train operated by the Corporation for the month of December 1979; to the Committee on Commerce, Science, and Transportation.

EC-3263. A communication from the Vice President for Government Affairs of the National Railroad Passenger Corporation, transmitting, pursuant to law, a report on the total itemized revenues and expenses of each train operated by the Corporation; to the Committee on Commerce, Science, and Transportation.

EC-3264. A communication from the Assistant Secretary of Energy for Resource Applications, transmitting, pursuant to law, the annual report of the Bonneville Power Administration for calendar year 1979; to the Committee on Energy and Natural Resources.

EC-3265. A communication from the Secretary of the Interior, transmitting, pursuant to law, a report on certain activities carried out by the Geological Survey outside of the national domain during calendar year 1979; to the Committee on Energy and Natural Resources.

EC-3266. A communication from the Secretary of the Interior as Chairman of the National Park Foundation, transmitting, pursuant to law, the annual report of the National Park Foundation for calendar year 1979; to the Committee on Energy and Natural Resources.

EC-3267. A communication from the Secretary of Transportation, transmitting, pursuant to law, the first report on the progress of the Highway Cost Allocation Study; to the Committee on Environment and Public Works.

EC-3268. A communication from the Assistant Secretary of the Army (Civil Works), transmitting, pursuant to law, a report on the status of local cooperation agreements on water resource projects; to the Committee on Environment and Public Works.

EC-3269. A communication from the Administrator of the General Services Administration, transmitting, pursuant to law, a report of building project survey proposing construction of a courthouse and federal office building in Ashland, Ky.; to the Committee on Environment and Public Works.

EC-3270. A communication from the Administrator of the General Services Administration, transmitting, pursuant to law, a proposed prospectus for alterations at the Menlo Park, Calif., Building No. 1, U.S. Geological Survey; to the Committee on Environment and Public Works.

EC-3271. A communication from the Administrator of the General Services Administration, transmitting, pursuant to law, a proposed prospectus for a succeeding lease for space presently occupied in the Peachtree 25th Building, at 1720 Peachtree Street, N.W., Atlanta, Ga.; to the Committee on Environment and Public Works.

EC-3272. A communication from the Administrator of the General Services Administration, transmitting, pursuant to law, a proposed prospectus to consolidate the Department of Housing and Urban Development in San Francisco, California; to the Committee on Environment and Public Works.

EC-3273. A communication from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, the third in a series of Departmental evaluation reports on the Professional Standards Review Organization Program; to the Committee on Finance.

EC-3274. A communication from the Assistant Legal Advisor for Treaty Affairs of the Department of State, transmitting, pursuant to law, a report on international agreements, other than treaties, entered into by the United States in the sixty days prior to March 13, 1980; to the Committee on Foreign Relations.

EC-3275. A communication from the Assistant Administrator for Legislative Affairs of the Agency for International Development, transmitting, pursuant to law, a report on the establishment of the Minority Resource Center within the Office of Small and Disadvantaged Business Utilization; to the Committee on Foreign Relations.

EC-3276. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Coordination Of Federal Arms Control Research Program To Be Improved"; to the Committee on Foreign Relations.

EC-3277. A communication from the Administrator of the General Services Administration, transmitting, pursuant to law, a report on the recommendations contained in the report of the National Advisory Council on Women's Educational Programs of March 1978; to the Committee on Governmental Affairs.

EC-3278. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Program To Follow Up Federal Paperwork Commission Recommendations Is In Trouble"; to the Committee on Governmental Affairs.

EC-3279. A communication from the District of Columbia Auditor, transmitting, pursuant to law, certain reports of the District of Columbia Auditor; to the Committee on Governmental Affairs.

EC-3280. A communication from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend title 5, United States Code, to provide that certain benefits to which employees of the United States stationed in Alaska, Hawaii, Puerto Rico, or a territory or possession of the United States are entitled may be terminated under certain conditions; to the Committee on Governmental Affairs.

EC–3281. A communication from the Deputy Assistant Secretary of the Interior, transmitting, pursuant to law, a report on a proposed new system of records for the Department of the Interior for implementing the Privacy Act; to the Committee on Governmental Affairs.

EC–3282. A communication from the Secretary of Commerce, transmitting a draft of proposed legislation to amend the Federal Property and Administrative Services Act of 1949, as amended, relating to the disposal of foreign excess property and for other purposes; to the Committee on Governmental Affairs.

EC–3283. A communication from the Administrator of the General Services Administration, transmitting, pursuant to law, the annual report of the Administration under the Freedom of Information Act for calendar year 1979; to the Committee on the Judiciary.

EC–3284. A communication from the Acting Director of the Office of Procurement Management, Department of Energy, transmitting, pursuant to law, a report on certain disbursement and contractual actions of the Department of Energy for calendar year 1979; to the Committee on the Judiciary.

EC–3285. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Illegal Aliens: Estimating Their Impact On The United States"; to the Committee on the Judiciary.

EC–3286. A communication from the Executive Director, the Deputy General Counsel, and the Executive Director of the Federal Service Impasses Panel, United States Federal Labor Relations Authority, transmitting, pursuant to law, the annual report of the Authority under the Freedom of Information Act for calendar year 1979; to the Committee on the Judiciary.

EC–3287. A communication from the Chairman of the Federal Energy Regulatory Commission, transmitting, pursuant to law, the annual report of the Commission under the Freedom of Information Act for calendar year 1979; to the Committee on the Judiciary.

EC–3288. A communication from the Freedom of Information Act Officer of the Office of the United States Trade Representative, Executive Office of the President, transmitting, pursuant to law, the annual report of the Office of the United States Trade Representative under the Freedom of Information Act for calendar year 1979; to the Committee on the Judiciary.

EC–3289. A communication from the Executive Secretary of the Administrative Conference of the United States, transmitting, pursuant to law, the annual report of the Conference under the Freedom of Information Act for calendar year 1979; to the Committee on the Judiciary.

EC–3290. A communication from the Chief Commissioner of the Trial Division, United States Court of Claims, transmitting, pursuant to law, the report of the Trial Commissioner and the report of the Review Panel in the case ISC Metals Inc. (formerly United States Forgecraft Corporation v. United States; to the Committee on the Judiciary.

EC–3291. A communication from the Administrator of the National Aeronautics and Space Administration, transmitting, pursuant to law, a report on extraordinary contractual adjustments made by NASA during calendar year 1979; to the Committee on the Judiciary.

EC–3292. A communication from the Secretary of Transportation, transmitting, pursuant to law, the annual report of the Department under the Freedom of Information Act for calendar year 1979; to the Committee on the Judiciary.

EC–3293. A communication from the Governor of the Farm Credit Administration, transmitting, pursuant to law, the annual report of the Farm Credit Administration under the Freedom of Information Act for calendar year 1979; to the Committee on the Judiciary.

EC–3294. A communication from the Director of ACTION, transmitting, pursuant to law, the annual report of ACTION under the Freedom of Information Act for calendar year 1979; to the Committee on the Judiciary.

EC–3295. A communication from the Acting Chairman of the Federal Mine Safety and Health Review Commission, transmitting, pursuant to law, the annual report of the Commission under the Freedom of Information Act for calendar year 1979; to the Committee on the Judiciary.

EC–3296. A communication from the General Counsel of the Civil Aeronautics Board, transmitting, pursuant to law, the annual report of the Board under the Freedom of Information Act for calendar year 1979; to the Committee on the Judiciary.

EC–3297. A communication from the Chairman of the United States Office of Personnel Management, transmitting, pursuant to law, the annual report of the Office of Personnel Management under the Freedom of Information Act for calendar year 1979; to the Committee on the Judiciary.

EC–3298. A communication from the Secretary of Labor, transmitting, pursuant to law, a report on the exemption from the overtime provisions of the Fair Labor Standards Act for any employee of a carrier by air subject to the provisions of Title II of the Railway Labor Act; to the Committee on Labor and Human Resources.

EC–3299. A communication from the U.S. Commissioner of Education, Department of Health, Education, and Welfare, transmitting, pursuant to law, final regulations—Nationals Direct Student Loan, College Work-Study, Supplemental Educational Opportunity Grant Programs; to the Committee on Labor and Human Resources.

FOREIGN CURRENCY REPORTS

In accordance with the appropriate provisions of law, the Secretary of the Senate herewith submits the following reports of standing committees of the Senate, certain joint committees of the Congress, delegations and groups, and select and special committees of the Senate, relating to expenses incurred in the performance of authorized foreign travel:

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, COMMITTEE ON APPROPRIATIONS, EXPENDED BETWEEN OCT. 6 AND 8, 1979 (AMEND REPORT DATED JAN. 9, 1980)

		Per diem		Transportation		Miscellaneous		Total	
Name and country	Name of currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Lawton M. Chiles:									
Colombia, S.A	Peso	6, 444	150. 00					6, 444	150. 00
George L. Patten:									
Colombia, S.A	Peso	6, 444	150. 00					6, 444	150. 00
Total			300. 00						300. 00

Feb. 12, 1980.

WARREN G. MAGNUSON,
Chairman, Committee on Appropriations.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, COMMITTEE ON APPROPRIATIONS, EXPENDED BETWEEN OCT. 1 AND DEC. 31, 1979

		Per diem		Transportation		Miscellaneous		Total	
Name and country	Name of currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Steven R. Perles:									
Japan	Yen	[1]182, 457	776. 00					182, 457	776. 00
Germany	Mark			2, 694	1, 403. 00				1, 403. 00
Total			723. 64		1, 403. 00				2, 126. 64

[1] Returned per diem—12,480 yen ($52.36).

Feb. 2, 1980.

WARREN G. MAGNUSON,
Chairman, Committee on Appropriations.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, COMMITTEE ON APPROPRIATIONS, EXPENDED BETWEEN JUNE 1 AND AUG. 31, 1979 (AMEND PREVIOUS REPORT)

		Per diem		Transportation		Miscellaneous		Total	
Name and country	Name of currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Ted Stevens:									
France	Franc	1,174.50	270.00					1,174.50	270.00
	Dollar				956.00				956.00
Total			270.00		956.00				1,226.00

WARREN G. MAGNUSON,
Chairman, Committee on Appropriations.

Feb. 22, 1980.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, COMMITTEE ON THE BUDGET EXPENDED BETWEEN APR. 26 AND MAY 7, 1979

		Per diem		Transportation		Miscellaneous		Total	
Name and country	Name of currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Delegation expenses (supplemental):									
Poland	Zloty					6,144	200.92	6,144	200.92
Total							200.92		200.92

EDMUND S. MUSKIE,
Chairman, Committee on the Budget.

Feb. 1, 1980.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE COMMITTEE ON THE BUDGET EXPENDED BETWEEN NOV. 23 AND DEC. 17, 1979

		Per diem		Transportation		Miscellaneous		Total	
Name and country	Name of currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Richard N. Brandon:									
United States					6.25				6.25
Japan			472.78		51.02		6.00		529.80
China[1]			1,221.33				6.00		1,227.33
Hong Kong			217.00		23.00				240.00
Airfare from Washington, D.C. to Japan, China, Hong Kong and return.					1,402.00				1,402.00
Total			1,911.11		1,482.27		12.00		3,405.38

[1] Lump sum billing from the Republic of China no breakdown for per diem and transportation at time of filing.

EDMUND S. MUSKIE,
Chairman, Committee on the Budget.

Feb. 1, 1980.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS, EXPENDED BETWEEN JAN. 1 AND DEC. 31, 1979

		Per diem		Transportation		Miscellaneous		Total	
Name and country	Name of currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Mike Gravel:									
Panama			468.75						468.75
Total			468.75						468.75

JENNINGS RANDOLPH,
Chairman, Committee on Environment and Public Works.

Feb. 14, 1980.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS, EXPENDED BETWEEN JAN. 1 AND DEC. 31, 1979

		Per diem		Transportation		Miscellaneous		Total	
Name and country	Name of currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U S dollar equivalent or U.S. currency
Senator Mike Gravel:									
Japan	Yen	95,836	388.00					95,836	388.00
Total			388.00						388.00

JENNINGS RANDOLPH,
Chairman, Committee on Environment and Public Works.

Feb. 4, 1980.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, COMMITTEE ON GOVERNMENTAL AFFAIRS, EXPENDED BETWEEN AUG. 5 AND 28, 1979

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Dorothy Fosdick:									
China	Yuan	1,671.74	1,085.62	1,691.40	3,056.06			3,363.14	4,141.68
Dwight Perkins:									
China	Yuan	1,847.24	1,199.58	1,988.40	2,319.25			3,835.64	3,518.83
Total			2,285.20		5,375.31				7,660.51

ABRAHAM RIBICOFF,
Chairman, Committee on Governmental Affairs.

Feb. 1, 1980.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, COMMITTEE ON GOVERNMENTAL AFFAIRS, EXPENDED BETWEEN OCT. 6 AND 8, 1979

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Martin L. Steinberg:									
Colombia, S. A.	Peso	6,444	150.00					6,444	150.00
Total			150.00						150.00

ABRAHAM RIBICOFF,
Chairman, Committee on Governmental Affairs.

Feb. 4, 1980.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, COMMITTEE ON FOREIGN RELATIONS, EXPENDED BETWEEN OCT. 19 AND DEC. 22, 1979

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
William B. Bader:									
England	Pound	155.64	354.86						354.86
Belgium	Franc	4,876	170.60						170.60
United States	Dollar				766.00				766.00
Scott Cohen:									
Switzerland	Swiss franc	820.00	500.00					820.00	500.00
United States	Dollar				918.36				918.36
Philip Cook:									
Switzerland	Swiss franc	820.00	500.00					820.00	500.00
United States	Dollar				918.36				918.36
Alexander D. Crary:									
Portugal	Escudo	75.00	450.00						450.00
United States	Dollar				689.00				689.00
Janice M. O'Connell:									
England	Pound	156.46	345.00						345.00
Belgium	Franc	15,038	535.00	626	22.27			15,664	557.27
United States	Dollar				158.00				158.00
Rudolph Rousseau:									
Thailand	Baht	5,302.71	260.00					5,302.71	260.00
Total			3,115.46		3,471.99				6,587.45

FRANK CHURCH,
Chairman, Committee on Foreign Relations.

Feb. 12, 1980.

REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, MINORITY LEADER'S OFFICE, EXPENDED BETWEEN JAN. 13 AND JAN. 22, 1980

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
G. Cranwell Montgomery:									
Saudi Arabia	Riyal	1,532.16	456.00						456.00
	Jordan dinars			68.10	232.01				232.01
Egypt	Egypt pounds	131.25	187.50						187.50
	Riyal			888	264.00				264.00
Jordan	Jordan dinar	51.65	176.00	86	293.00				469.00
Israel	U.S. dollars		150.00						150.00
Total			969.50		789.00				1,758.51

G. CRANWELL MONTGOMERY,
Minority Leader's Office.

Feb. 20, 1980.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, JOINT ECONOMIC COMMITTEE, EXPENDED BETWEEN JAN. 3 AND 16, 1980

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Lloyd Bentsen:									
United States (Hawaii)	Dollar		200.00				6.25		206.25
Philippines	Peso	1,669.50	225.00			102.99	13.88	1,772.49	238.88
Hong Kong	Dollar	1,822.80	372.00			19.99	4.08	1,842.79	376.08
Taiwan [1]	Dollar	2,272.50	63.16					2,272.50	63.16
Korea	Won	1,536.07	264.84			126.61	21.83	1,662.68	286.67
Clarence J. Brown:									
United States (Hawaii)	Dollar		200.00						200.00
Philippines	Peso	1,669.50	225.00					1,669.50	225.00
Hong Kong	Dollar	1,822.80	372.00			34.64	7.07	1,857.44	379.07
Taiwan [1]	Dollar	2,028.19	56.37					2,028.19	56.37
Korea	Won	1,575.45	271.63					1,575.45	271.63
Senator William V. Roth, Jr.:									
United States (Hawaii)	Dollar		75.00						75.00
Philippines	Peso	1,669.50	225.00					1,669.50	225.00
Hong Kong	Dollar	894.25	182.50			62.13	12.68	956.38	195.18
John H. Rousselot:									
United States (Hawaii)	Dollar		200.00				17.68		217.68
Philippines	Peso	1,669.50	225.00			1,004.89	135.43	2,674.39	360.43
Hong Kong	Dollar	1,413.55	288.48					1,413.55	288.48
Taiwan [1]	Dollar	2,549.54	70.86					2,549.54	70.86
Korea	Won	1,013.49	174.74					1,013.49	174.74
John M. Albertine:									
United States (Hawaii)	Dollar		194.12						194.12
Philippines	Peso	1,159.08	156.21			185.50	25.00	1,344.58	181.21
Hong Kong	Dollar	1,083.29	221.08			357.41	72.94	1,440.70	294.02
Taiwan [1]	Dollar	1,760.14	48.92					1,760.14	48.92
Korea	Won	894.01	154.14			226.90	39.12	1,120.91	193.26
J. S. Kimmitt:									
United States (Hawaii)	Dollar		200.00				10.00		210.00
Philippines	Peso	1,669.50	225.00			50.01	6.74	1,719.51	231.74
Hong Kong	Dollar	1,294.43	264.17					1,294.43	264.17
Taiwan [1]	Dollar	1,979.98	55.03					1,979.98	55.03
Korea	Won	616.31	106.26					616.31	106.26
Charles Bradford:									
United States (Hawaii)	Dollar		200.00				0.35		200.35
Philippines	Peso	1,240.85	167.23			98.31	13.25	1,339.16	180.48
Hong Kong	Dollar	1,030.91	210.39			30.82	6,29	1,061.73	216.68
Taiwan [1]	Dollar	1,760.14	48.92					1,760.14	48.92
Korea	Won	901.32	155.40			4.18	.72	905.50	156.12
Jane Bennett:									
United States (Hawaii)	Dollar		191.93						191.93
Philippines	Peso	987.75	133.12					987.75	133.12
Hong Kong	Dollar	1,051.59	214.61					1,051.59	214.61
Taiwan [1]	Dollar	1,760.14	48.92					1,760.14	48.92
Korea	Won	792.40	136.62					792.40	136.62
Gail S. Martin:									
United States (Hawaii)	Dollar		191.37				.35		191.72
Philippines	Peso	985.60	132.83					985.60	132.83
Hong Kong	Dollar	1,042.77	212.81					1,042.77	212.81
Taiwan [1]	Dollar	1,760.14	48.92					1,760.14	48.92
Korea	Won	891.98	153.79					891.98	153.79
Louis C. Krauthoff:									
United States (Hawaii)	Dollar		199.03						199.03
Philippines	Peso	977.07	131.68			111.30	15.00	1,088.37	146.68
Hong Kong	Dollar	1,000.53	204.19			86.34	17.62	1,086.87	221.81
Taiwan [1]	Dollar	1,760.14	48.92					1,760.14	48.92
Korea	Won	863.79	148.93					863.79	148.93
Charles Morrison:									
United States (Hawaii)	Dollar		75.00						75.00
Philippines	Peso	1,364.13	183.86			83.40	11.24	1,447.64	195.10
Hong Kong	Dollar	368.48	75.20					368.48	75.20
Delegation expenses:									
United States (Hawaii)	Dollar						1,172.95		1,172.95
Philippines	Peso					14,157.66	1,908.04	14,157.66	1,908.04
Hong Kong	Dollar					17,545.28	3,580.67	17,545.28	3,580.67
Taiwan [1]	Dollar					63,803.69	1,773.31	63,803.69	1,773.31
Korea	Won					18,587.55	3,204.75	18,587.55	3,204.75
Department of Defense (transportation and related expenses).							3,707.16		3,707.16
Total			8,630.18				15,784.40		24,414.58

[1] Excess foreign currencies utilized—22 U.S.C. 1754(b).

Mar. 14, 1980.

LLOYD BENTSEN,
Chairman, Joint Economic Committee.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, SASSER DELEGATION TO THAILAND TO REVIEW CAMBODIAN REFUGEE SITUATION, OCT. 19–24, 1979

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Jim Sasser:									
Thailand	Baht	1,499.89	73.54					1,499.89	73.54
Senator Max Baucus:									
Thailand	Baht	4,588.89	225.00					4,588.89	225.00
Craven Crowell:									
Thailand	Baht	4,273.89	209.56					4,273.89	209.56
Marjorie Niehaus:									
Thailand	Baht	4,588.89	225.00					4,588.89	225.00

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, SASSER DELEGATION TO THAILAND TO REVIEW CAMBODIAN REFUGEE SITUATION, OCT. 19–24, 1979—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Allen Moore: Thailand	Baht	4,588.89	225.00					4,588.89	225.00
Delegation expenses including direct payments and/or reimbursements to the Embassies and Department of Defense under sec. 502B of the Mutual Security Act of 1954, as amended by sec. 22 of Public Law 95–384, and S. Res. 179, agreed to May 25, 1977, for transportation and in-flight expenses on aircraft, clerical supplies and control room expenses, communications, baggage handling, and other necessary expenses of the Delegation.					2,525.76		2,485.58		5,011.34
Total			958.10		2,525.76		2,485.58		5,969.44

Note: Senator John C. Danforth (R-Missouri) was authorized by the majority and minority leaders to be a member of this delegation, but received no foreign per diem funds; Rudolph Rousseau o the Foreign Relations Committee staff was authorized by the Foreign Relations Committee to be a member of this delegation; his per diem expenses are not included in this report, but will be reported by the Foreign Relations Committee.

JAMES R. SASSER,
Chairman, Sasser Delegation to Thailand on Cambodian Refugees.

Jan. 30, 1980.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. CANNON (for himself and Mr. Laxalt):

S. 2454. A bill directing the Secretary of the Interior to convey certain lands to the city of Henderson, Nev.; to the Committee on Energy and Natural Resources.

By Mr. CHILES:

S. 2455. A bill to discontinue or amend certain requirements for agency reports to Congress; to the Committee on Governmental Affairs.

By Mr. DOMENICI:

S. 2456. A bill to amend the Public Rangelands Improvement Act of 1978 to establish a pilot program for range improvements on public lands; to the Committee on Energy and Natural Resources.

By Mr. BAYH (for himself and Mr. Nelson):

S. 2457. A bill to provide access to small businesses and to other persons of information concerning rules applicable to such businesses or persons; to the Committee on the Judiciary.

By Mr. RIBICOFF (for himself and Mr. Sasser):

S. 2458. A bill to extend the reorganization authority of the President under chapter 9 of title 5; to the Committee on Governmental Affairs.

By Mr. CANNON (by request):

S. 2459. A bill to provide authorization for programs of the National Transportation Safety Board for fiscal years 1981 and 1982, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. HART:

S. 2460. A bill to amend chapter 5 of title 37, United States Code, to revise the special pay provisions for medical officers in the Armed Forces and to extend the special pay provisions for other health professionals in the uniformed services, and for other purposes; to the Committee on Armed Services.

By Mr. McGOVERN:

S. 2461. A bill to authorize the establishment of a wheat reserve in order to meet emergency food needs in developing countries under the Agricultural Trade Development and Assistance Act of 1954, and for other related purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. ROBERT C. BYRD (for Mr. Kennedy):

S. 2462. A bill to authorize appropriations for activities for the National Science Foundation for fiscal years 1981 and 1982, and for other purposes; to the Committee on Labor and Human Resources.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CANNON (for himself and Mr. Laxalt):

S. 2454. A bill directing the Secretary of the Interior to convey certain lands to the city of Henderson, Nev.; to the Committee on Energy and Natural Resources.

● Mr. CANNON. Mr. President, I introduce for myself and my distinguished colleague (Mr. Laxalt) a bill to provide for the conveyance of some 5,885 acres of public lands to the city of Henderson, Nev. The land would be sold to the city at the appraised fair market value and would thereby benefit both the city and the Federal Government.

This land is necessary for the city's natural expansion. The land involved is all located within the incorporated city boundaries of Henderson and is in an area checkerboarded with private and public land parcels. The estimated present population of this fast-growing city is about 21,000 but is projected to nearly double by 1985. This undeveloped area represents almost 15 percent of the total city area and must be counted on heavily to help accommodate the expected growth of the next few years. The city has already expended great effort in analyzing environmental impacts, cataloging the natural resources and making preliminary plans for expansion.

The logical growth patterns will depend to a great extent on this land being available on a timely basis and I am hopeful the Senate will act expeditiously to provide this benefit to the city.●

By Mr. CHILES:

S. 2455. A bill to discontinue or amend certain requirements for agency reports to Congress; to the Committee on Governmental Affairs.

REPORTS ELIMINATION ACT OF 1980

● Mr. CHILES. Mr. President, excessive and unnecessary paperwork means more costs for businesses, citizens, State and local governments and at a time when the economy can least afford it.

I have been working with my colleagues and with the administration on the Paperwork and Redtape Reduction Act of 1979, soon to be marked up by the Committee on Governmental Affairs. This bill will streamline the way the executive department checks for duplication of paperwork requests and eliminates all exemptions from central clearing controls for reporting burdens.

President Carter signed an Executive order in November of 1979 that expresses his commitment to paperwork reduction. First of all, it creates a "paperwork budget," which is an annual estimate submitted by each agency of the number of hours required to fill out all of its forms.

The order also establishes a Federal information locater system and mandates a "sunset" process for paperwork, whereby each form is eliminated after 5 years unless a new decision is made to continue its use.

As part of his program on paperwork reduction, President Carter has submitted to Congress the Reports Elimination Act of 1980. This legislation would eliminate or modify 18 percent of the executive branch reports to Congress, saving at least $5.5 million per year. The purpose of this bill is to eliminate those executive branch reports to Congress that are no longer needed, but are required by statute.

Mr. President, I think this as well as other paperwork reduction legislation is sorely needed and I invite my colleagues to join me in cosponsoring the Reports Elimination Act of 1980.

Mr. President, I ask unanimous consent that the bill be printed in the Record at this point.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2455

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act be cited as the "Congressional Reports Elimination Act of 1980".

TITLE I—ELIMINATIONS

REPORTS BY MORE THAN ONE AGENCY

Sec. 101. (a) Section 404 of Federal Property and Administrative Services Act of 1949 (40 U.S.C. 514(d); 63 Stat. 398), is amended by striking out subsection (d) and redesignating subsection (e) as subsection (d).

(b) Section 304 of the Intergovernmental Cooperation Act of 1968 (42 U.S.C. 4224; 82 Stat. 1102) is repealed.

(c) Section 3104(b) of title 5, United States Code, is amended by striking out "The" and inserting in lieu thereof "Except for the Secretaries of Health and Human Services, Education, and Agriculture, and the Librarian of Congress, the".

(d) Section 4396 of the Revised Statutes (16 U.S.C. 744; 24 Stat. 523) is amended by striking out "He shall submit annually to Congress a detailed statement of expenditures under all appropriations for 'propagation of food fishes.' ".

REPORT BY THE EXECUTIVE OFFICE OF THE PRESIDENT

SEC. 102. Section 202(f) of the Legislative Reorganization Act of 1970 (31 U.S.C. 1152 (f); 88 Stat. 328) is repealed.

REPORTS BY THE DEPARTMENT OF AGRICULTURE

SEC. 103. (a) Section 1303(d) of the Food and Agriculture Act of 1977 (7 U.S.C. 2011, note; 91 Stat. 980) is repealed.

(b) Section 2(b) of the Act of July 31, 1947, entitled "An Act to provide for the disposal of materials on the public lands of the United States" (30 U.S.C. 602(b); 76 Stat. 588), is repealed.

(c) Paragraph (a) of the Act of March 4, 1913, entitled "An Act making appropriations for the Department of Agriculture for the fiscal year ending June thirtieth, nineteen hundred and fourteen" (16 U.S.C. 502; 37 Stat. 843), is amended by striking out the second sentence.

(d) Section 3 of the Act of September 18, 1972, entitled "An Act to provide for the acceleration of programs for the planting of trees on national forest lands in need of reforestation, and for other purposes" (16 U.S.C. 576e; 86 Stat. 678), is repealed.

(e) Section 302 of the Rural Development Act of 1972 (7 U.S.C. 1010a; 86 Stat. 670) is amended by striking out the last sentence.

(f) Section 27 of the Poultry Products Inspection Act (21 U.S.C. 470; 82 Stat. 807) is repealed.

(g) Section 17 of the Wholesome Meat Act (21 U.S.C. 691; 81 Stat. 600) is repealed.

(h) Section 26 of the Egg Products Inspection Act (21 U.S.C. 1054; 84 Stat. 1634) is repealed.

(i) Section 201(b) of the Agricultural Act of 1956 (7 U.S.C. 1851(b); 70 Stat. 198) is repealed.

(j) Section 901(b) of the Agricultural Act of 1970 (42 U.S.C. 3122(b); 84 Stat. 1383) is amended by striking out the second sentence.

(k) Section 901(c) of the Agricultural Act of 1970 (42 U.S.C. 3122(c); 84 Stat. 1383) is repealed.

(l) Section 901(d) of the Agricultural Act of 1970 (42 U.S.C. 3122(d); 84 Stat. 1383) is repealed.

(m) Section 11 of the Emergency Livestock Credit Act of 1974 (7 U.S.C. prec. 1961 note; 88 Stat. 391) is repealed.

(n) Section 609 of the Agricultural Act of 1970 (7 U.S.C. 1350a; 84 Stat. 1378) is repealed.

(o) Section 9 of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590i; 50 Stat. 329) is amended by striking out the second sentence.

(p) Section 602(f) of the Act of August 28, 1954, entitled "An Act for greater stability in agriculture: to augment the marketing and disposal of agricultural products; and for other purposes" (7 U.S.C. 1762(f); 90 Stat. 1500) is amended by striking out the last sentence.

(q) Section 13 of the Commodity Credit Corporation Charter Act (15 U.S.C. 714k; 62 Stat. 1073) is amended by inserting a period after the word "account" and by striking out the remainder of such section.

REPORTS BY THE DEPARTMENT OF COMMERCE

SEC. 104. (a) Section 213 of the Merchant Marine Act, 1936 (46 U.S.C. 1123; 49 Stat. 1991) is amended by striking subsection (c).

(b) Section 13 of the Merchant Ship Sales Act of 1946 (50 U.S.C. app. 1746; 60 Stat. 50) is repealed.

(c) Section 9(a) of the Fish and Wildlife Act of 1956 (16 U.S.C. 742h(a); 70 Stat. 1123) is repealed.

(d) Section 5(a) of the Fish and Wildlife Act of 1956 (16 U.S.C. 742d(a); 70 Stat. 1121) is amended by striking out ", prepare and disseminate information, and make periodical reports to the public, to the President, and to Congress," and inserting in lieu thereof "and prepare and disseminate information".

(e)(1) Section 4396 of the Revised Statutes (16 U.S.C. 744; 24 Stat. 523) is amended by striking out "; and shall report upon the same to Congress".

(2) The Act of March 3, 1887, entitled "An Act making appropriations for sundry civil expenses of the Government for the fiscal year ending June thirtieth, eighteen hundred and eighty-eight, and for other purposes" (16 U.S.C. 744; 24 Stat. 509, 523), is amended by striking the second paragraph under the heading "STEAM-VESSELS, FOOD-FISHES".

(f) The first section of the Act of June 16, 1948, entitled "An Act to provide safety in aviation and to direct a study of the causes and characteristics of thunderstorms and other atmospheric disturbances" (15 U.S.C. 313, note; 62 Stat. 470), is amended by striking the last sentence.

(g) Section 502 of the Automotive Products Trade Act of 1965 (19 U.S.C. 2032; 79 Stat. 1025) is repealed.

REPORTS BY THE DEPARTMENT OF DEFENSE

SEC. 105. (a) Section 203(c) of the Department of Defense Appropriation Authorization Act, 1971 (10 U.S.C. 2358, note; 84 Stat. 905) is amended to read as follows:

"(c) The Secretary of Defense shall submit an annual report to the Congress on or before March 15 of each year the latest available Defense Contract Audit Agency statistics, estimated to the extent necessary, on the independent research and development or bid and proposal payments made to major defense contractors during the preceding calendar year.".

(b) Section 2390 of title 10, United States Code, is repealed.

(c) Section 1081 of title 10, United States Code, is amended by striking out the second sentence.

(d) Section 410(d) of the Act of November 19, 1969 (50 U.S.C. 1436(d); 83 Stat. 212), is repealed.

(e) Section 310(d) of title 37, United States Code, is repealed.

(f) Section 2110(b) of title 10, United States Code, is amended by striking out "The Secretary of each military department shall report to Congress in April of each year on the progress of the Flight Instruction Program.".

(g) Section 686 of title 10, United States Code, is repealed.

(h) Section 2662(b) of title 10, United States Code, is repealed.

(i) Section 2677(c) of title 10, United States Code, is repealed.

(j) Section 1 of the Act of July 26, 1956, entitled "An Act to authorize the interchange of lands between the Department of Agriculture and military departments of the Department of Defense, and for other purposes" (16 U.S.C. 505a; 70 Stat. 656), is amended by striking out: ": *Provided*, That no such interchange of lands shall become effective until forty-five days (counting only days occurring during the regular or special session of the Congress) after the submission to the Congress by the Secretaries of notice of intention to make the interchange".

(k) Section 5(c) of the Defense Department Overseas Teachers Pay and Personnel Practices Act (20 U.S.C. 903(e); 73 Stat. 214) is repealed.

(l) Section 7 of the Act of March 3, 1899, entitled "An Act making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes" (33 U.S.C. 549; 30 Stat. 1150), is repealed.

REPORTS UNDER THE DEPARTMENT OF ENERGY

SEC. 106. (a) Section 14 of the Electric and Hybrid Vehicle Research, Development, and Demonstration Act of 1976 (15 U.S.C. 2513; 90 Stat. 1270) is repealed.

(b) Section 421 of the Energy Conservation and Production Act (42 U.S.C. 6871; 90 Stat. 1158) is amended to read as follows:

"SEC. 421. The Secretary of Energy shall include in his annual report information describing the weatherization assistance program carried out under this part or any other provision of law including the results of the periodic evaluations and monitoring activities required by section 416.".

(c) Section 365(c) of the Energy Policy and Conservation Act (42 U.S.C. 6325(c); 89 Stat. 935) is repealed.

(d) Section 547(a) of the National Energy Conservation Policy Act (42 U.S.C. 8257 (a); 92 Stat. 3279) is repealed.

(e)(1) Section 547(b) of the National Energy Conservation Policy Act (42 U.S.C. 8257 (b); 92 Stat. 3279) is repealed.

(2) The first sentence of section 547(c) of the National Energy Conservation Policy Act (42 U.S.C. 8257(c); 92 Stat. 3279) is amended to read as follows: "Each Federal agency operating Federal buildings shall select, based in part on preliminary energy audits conducted by such agency, appropriate Federal buildings for retrofit measures to improve their energy efficiency in general and to minimize their life-cycle cost.".

(f) Section 508(c) of the National Energy Extension Service Act (42 U.S.C. 7007(c); 91 Stat. 199) is repealed.

(g) Section 7(c)(4) of the Electric and Hybrid Vehicle Research, Development, and Demonstration Act of 1976 (15 U.S.C. 1206; 90 Stat. 1263) is repealed.

(h) Section 509(c) of the National Energy Extension Service Act (42 U.S.C. 7008(c); 91 Stat. 200) is repealed.

(i) Section 206 of the Energy Conservation and Production Act (42 U.S.C. 6806; 92 Stat. 3534) is repealed.

(j) Title II of the Act of June 16, 1972, entitled "An Act to authorize appropriations to the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes" (86 Stat. 226) is repealed.

(k) Section 607 of the Congressional Budget Act of 1974 (31 U.S.C. 11c; 88 Stat. 325) is repealed.

(l) Section 21(c) of the Federal Energy Administration Act of 1974 (15 U.S.C. 780(c); 88 Stat. 112) is repealed.

(m) Section 203 of the Department of Energy Act of 1978—Civilian Applications (22 U.S.C. 2429; 92 Stat. 59) is repealed.

(n) Section 746 of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. 8456; 92 Stat. 3291) is repealed.

(o) Section 18(d) of the Federal Energy Administration Act of 1974 (15 U.S.C. 777; 90 Stat. 1130) is repealed.

(p) Section 15 of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5914; 88 Stat. 1894) is repealed.

(q) Section 7434 of title 10, United States Code, is repealed.

(r) Section 601 of the Public Utility Regulatory Policies Act of 1978 (16 U.S.C. 2621 note; 92 Stat. 3164) is repealed.

(s) Subsection 19(l) of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5919(l); 92 Stat. 69) is repealed.

(t) Section 20(d) of the Federal Nonnuclear Energy Research and Development

Act of 1974 (42 U.S.C. 5920(d); 92 Stat. 85) is amended by striking out paragraphs (2) and (3).

(u) Section 310(a) of the Department of Energy Act of 1978—Civilian Applications (15 U.S.C. 2709(a); 92 Stat. 83) is repealed.

(v) Section 11(a) of the Natural Gas Act (15 U.S.C. 717j(a); 52 Stat. 827) is amended by striking out ", to make public and report to the Congress information so obtained, together with such recommendations for further legislation as may appear to be appropriate or necessary to carry out the purposes of such proposed compact and to aid in the conservation of natural gas resources within the United States and in the orderly, equitable, and economic production, transportation, and distribution of natural gas".

(w) Section 11(b) of the Natural Gas Act (15 U.S.C. 717j; 52 Stat. 827) is amended by striking out ", to make such information public, and to report to the Congress, from time to time, the information so obtained, together with such recommendations as may appear to be appropriate or necessary to promote the purposes of such compact".

(x) Section 12(d) of the Solar Heating and Cooling Demonstration Act of 1974 (42 U.S.C. 5510(d); 88 Stat. 1076) is repealed.

(y) Section 403(c) of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. 8373; 92 Stat. 3318) is repealed.

REPORTS BY THE DEPARTMENTS OF EDUCATION AND HEALTH AND HUMAN SERVICES

SEC. 107. (a) Section 418 of the General Education Provisions Act (20 U.S.C. 1226d; 88 Stat. 564) is repealed.

(b) Section 971 of the Higher Education Act of 1965 (20 U.S.C. 1134r-2; 90 Stat. 2164) is repealed.

(c) Subsection 981(f) of the Higher Education Act of 1965 (20 U.S.C. 1134s(f); 86 Stat. 380) is repealed.

(d) Section 182(a)(3) of the Vocational Education Act of 1963 (20 U.S.C. 2412(a)(3); 90 Stat. 2206) is repealed.

(e) Section 423 of the General Education Provisions Act (20 U.S.C. 1231b; 84 Stat. 167) is repealed.

(f) Subsection 403(c)(3) General Education Provisions Act (20 U.S.C. 1221c(c)(3); 88 Stat. 560) is repealed.

(g) Section 653 of the Education of the Handicapped Act (20 U.S.C. 1453; 84 Stat. 187) is amended by striking out subsection (c).

(h) Section 731(c) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 3241(c); 92 Stat. 2278) is amended by striking out all but the last sentence.

(i) Section 134 of the Higher Education Act of 1965 (20 U.S.C. 1015c; 90 Stat. 2089) is repealed.

(j) Section 308 of the Age Discrimination Act of 1975 (42 U.S.C. 6106a; 92 Stat. 1556) is repealed.

(k) Section 8 of the Fair Packaging and Labeling Act (15 U.S.C. 1457; 80 Stat. 1300) is repealed.

(l) Section 317(h) of the Public Health Service Act (42 U.S.C. 247b(h); 58 Stat. 682) is repealed.

(m) Section 336 of the Public Health Service Act (42 U.S.C. 2541; 90 Stat. 2277) is repealed.

(n) Section 1315 of the Public Health Service Act (42 U.S.C. 300e-14; 87 Stat. 914) is repealed.

(o) Section 1210 of the Public Health Service Act (42 U.S.C. 300d-9; 87 Stat. 603) is repealed.

(p) Section 227 of the Public Health Service Act (42 U.S.C. 236; 84 Stat. 1297) is repealed.

(q) Section 360D of the Public Health Service Act (42 U.S.C. 2631; 82 Stat. 1185) is repealed.

(r) Section 1106 of the Public Health Service Act (42 U.S.C. 300b-5; 90 Stat. 409) is repealed.

(s) Section 511 of the Public Health Service Act (42 U.S.C. 229; 58 Stat. 711) is repealed.

(t) Section 308(a)(1) of the Public Health Service Act (42 U.S.C. 242m(a)(1); 88 Stat. 368), is amended by striking out "(A) the administration of sections 304 through 307 and section 309 during the preceding fiscal year, and (B)".

(u) Section 788(g)(4) of the Public Health Service Act (42 U.S.C. 295g-8(g)(4); 90 Stat. 2322) is repealed.

(v) Section 1200 of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (42 U.S.C. 3509; 84 Stat. 1296) is repealed.

(w) Section 329(f)(5) of the Public Health Service Act (42 U.S.C. 247d(f)(5); 92 Stat. 3551) is amended by striking out the last sentence.

(x) Section 330(e)(5) of the Public Health Service Act (42 U.S.C. 254c(e)(5); 92 Stat. 3559) is amended by striking out the last sentence.

(y) Section 231(b)(1)(B) of Community Mental Health Centers Act (42 U.S.C. 2689q(b)(1)(B); 89 Stat. 328) is amended by striking out the second sentence.

(z) Section 511(b) of the Federal Mine Safety and Health Act of 1977 (30 U.S.C. 958(b); 83 Stat. 803) is repealed.

(aa) Section 27 of the Toxic Substances Control Act (15 U.S.C. 2626; 90 Stat. 2003) is amended by striking out subsection (c)(1) and redesignating subsection (c)(2) as subsection (c).

(bb) Section 1881(c)(6) of the Social Security Act (42 U.S.C. 1395rr(c)(6); 92 Stat. 312) is amended by striking out the last sentence.

(cc) Section 1114(f) of the Social Security Act (42 U.S.C. 1314; 76 Stat. 190) is amended by striking out the last sentence.

(dd) Section 502 of the Marihuana and Health Reporting Act (42 U.S.C. 242, note; 84 Stat. 352) is repealed.

(ee) Section 723(a)(2) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 3233(a)(2); 92 Stat. 2276) is amended by striking out the last sentence.

REPORTS BY THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

SEC. 108. (a) Section 244 of the National Housing Act (12 U.S.C. 1715z-9; 88 Stat. 679) is amended by striking subsection (f) and redesignating subsection (g) as subsection (f).

(b) Section 505 of the Housing and Urban Development Act of 1970 (12 U.S.C. 1701z-4; 84 Stat. 1787) is amended by striking subsection (f).

(c) Section 803(b)(2) of the National Housing Act (12 U.S.C. 1748b; 63 Stat. 571) is amended by striking "The Secretary shall report to the Committees on Banking and Currency of the Senate and the House of Representatives each instance in which he has required the Secretary of Defense to guarantee the General Insurance Fund, with reasons therefor.".

(d) Section 704(c) of the Housing and Urban Development Act of 1965 (42 U.S.C. 3104(c); 79 Stat. 491) is amended by striking "unless the Secretary (1) determines that due to unusual circumstances a longer period of time is necessary and in the public interest, and (2) reports such determination promptly to the Committees on Banking and Currency of the Senate and House of Representatives.", and inserting in lieu thereof "unless the Secretary determines that due to unusual circumstances a longer period of time is necessary and in the public interest.".

REPORTS BY THE DEPARTMENT OF THE INTERIOR

SEC. 109. (a) Section 1(d) of the Act of October 15, 1966 (42 U.S.C. 1900(d); 80 Stat. 951) is repealed.

(b) The second paragraph under the heading "SURVEYING THE PUBLIC LANDS" of section 1 of the Act of March 2, 1895, entitled "An Act making appropriations for sundry civil expenses of the Government for the fiscal year ending June thirtieth, eighteen hundred and ninety-six, and for other purposes" (43 U.S.C. 886; 28 Stat. 937) is amended by striking out ", and the Secretary of the Interior shall report to each regular session of Congress what has been done under the foregoing provisions" in the last sentence thereof.

(c) Section 1 of the Colorado River Storage Project Act (43 U.S.C. 620; 70 Stat. 105), is amended by striking out "*Provided*, That construction of the Uintah of the Central Utah project shall not be undertaken by the Secretary until he has completed a feasibility report on such unit and submitted such report to the Congress, along with his certification that, in his judgment, the benefits of such unit or segment will exceed the costs and that such unit is physically and financially feasible, and the Congress has authorized the appropriation of funds for the construction thereof:".

(d) Section 4(c) of the Act of September 7, 1964, entitled "An Act to provide for the construction of the Lower Teton division of the Teton Basin Federal reclamation project, Idaho, and for other purposes" (43 U.S.C. 616qq(c); 78 Stat. 926), is repealed.

REPORTS BY THE DEPARTMENT OF JUSTICE

SEC. 110. (a) Section 670 of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3795; 84 Stat. 1889) is repealed.

(b) Section 19(d) of the Act of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5919; 92 Stat. 64) is repealed.

REPORTS BY THE DEPARTMENT OF LABOR

SEC. 111. Section 76 of the Act of April 30, 1900, entitled "An Act to provide a government for the Territory of Hawaii" (31 Stat. 155), is repealed.

REPORTS BY THE DEPARTMENT OF STATE

SEC. 112. (a) Section 103(b) of the Mutual Defense Assistance Act of 1951 (22 U.S.C. 1611(b); 65 Stat. 645) is amended by striking out ", and the President shall at least once each quarter review all determinations made previously and shall report his conclusions to the foregoing committees of the House and the Senate, which reports shall contain an analysis of the trade with the Soviet bloc of countries for which determinations have been made".

(b) Section 302(b) of the Mutual Defense Assistance Act of 1951 (22 U.S.C. 1613(b); 65 Stat. 647) is amended by striking out "from time to time but not less than once every six months recommending action".

(c) Section 652 of the Foreign Assistance Act of 1961 (22 U.S.C. 2411; 84 Stat. 1943) is repealed.

(d) Section 8(d) of the Act of January 12, 1971, entitled "An Act to amend the Foreign Military Sales Act, and for other purposes" (22 U.S.C. 2321b(d); 84 Stat. 2055) is repealed.

(e) Section 33 of the Arms Export Control Act (22 U.S.C. 2773; 88 Stat. 1815) is amended by striking out "and promptly so reports to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate".

(f) Section 204(b)(8) of the Fishery Conservation and Management Act of 1976 (16 U.S.C. 1824; 90 Stat. 344), is amended by inserting "and" at the end of subparagraph (B), by striking out "; and" at the end of subparagraph (C) and inserting in lieu thereof a period, and by striking out subparagraph (D).

REPORTS FROM THE DEPARTMENT OF TRANSPORTATION

SEC. 113. (a) The Mineral Lands Leasing Act of 1920 (30 U.S.C. 185; 41 Stat. 449), is amended by striking out sections 28(w)(3) and 28(w)(4).

(b) Section 3(b) of the Airport and Airway Development Act of 1970 (49 U.S.C. 1702(b); 84 Stat. 219) is repealed.

(c)(1) Section 112(b) of title 23, United States Code, is amended by striking the second sentence.

(2) Section 307(b) of title 23, United States Code, is amended by striking out "and he shall report from time to time to the Committees on Public Works of the Senate and of the House of Representatives on the progress and findings with respect to such studies".

(d) Section 9(d) of the Department of Transportation Act (49 U.S.C. 1657(d)(2); 80 Stat. 944), is amended by striking out paragraph (2) thereof.

(e) Section 306(f) of title 37, United States Code, is repealed.

(f) Section 1124(g) of title 10, United States Code, is amended by striking out the second sentence thereof.

(g) Section 475(e) of title 14, United States Code, is amended by striking out "(c),".

(h) Section 303(e) of the Federal Aviation Act of 1958 (49 U.S.C 1344(e); 84 Stat. 234) is amended by striking out the last sentence.

(i) Section 1309 of the Federal Aviation Act of 1958 (49 U.S.C. 1539; 72 Stat. 805) is repealed.

(j) Subsections (a) and (b) of section 10 of the Act of September 30, 1965, entitled "An Act to authorize the Secretary of Commerce to undertake research and development in high-speed ground transportation, and for other purposes" (49 U.S.C. 1640(a), (b); 79 Stat. 895), are repealed.

(k) Section 10 of the Emergency Rail Services Act of 1970 (45 U.S.C. 669; 84 Stat. 1978) is amended—

(1) by striking out the first sentence;

(2) by striking out "also" in the second sentence; and

(3) by inserting "except the Central Railroad Company of New Jersey and the Penn Central Transportation Company," immediately after "railroad" in the second sentence.

REPORTS BY THE DEPARTMENT OF THE TREASURY

SEC. 114. (a) Section 402 of the Act of November 13, 1966, entitled "An Act to provide equitable tax treatment for foreign investment in the United States, to establish a Presidential Election Campaign Fund to assist in financing the costs of presidential election campaigns, and for other purposes" (31 U.S.C. 757f; 80 Stat. 1590), is repealed.

(b) Section 3(c)(1) of the Black Lung Benefits Revenue Act of 1977 (30 U.S.C. 934a (c)(1); 92 Stat. 13), is amended to read as follows:

"(c)(1) It shall be the duty of the Secretary of the Treasury to hold the fund.".

(c) Section 208(e)(1) of the Airport and Airways Revenue Act of 1970 (49 U.S.C. 1742 (e); 84 Stat. 250), is amended to read as follows:

"(1) MANAGEMENT.—It shall be the duty of the Secretary of the Treasury to hold the Trust Fund.".

(d) Section 411(c) of the Trade Act of 1974 (19 U.S.C. 2441(c); 88 Stat. 2066), is repealed.

(e) Section 209(e)(1) of the Highway Revenue Act of 1956 (23 U.S.C. 120nt(e)(1); 70 Stat. 399), is repealed.

REPORT BY ACTION

SEC. 115. Section 405 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5045; 87 Stat. 409) is amended by striking out subsection (c).

REPORTS BY THE AGENCY FOR INTERNATIONAL DEVELOPMENT

SEC. 116. (a) Section 408(b) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736b(b); 80 Stat. 1537) is amended by striking out the first sentence thereof.

(b) Section 620(i) of the Foreign Assistance Act of 1961 (22 U.S.C. 2370(i); 77 Stat. 387) is repealed.

REPORT BY THE CONSUMER PRODUCT SAFETY COMMISSION

SEC. 117. Section 14(b) of the Flammable Fabrics Act (15 U.S.C. 1201(b); 81 Stat. 573) is amended by striking out the last sentence.

REPORT BY THE EXPORT-IMPORT BANK

SEC. 118. Section 1(c) of the Act of July 7, 1968, entitled "An Act to enable the Export-Import Bank of the United States to approve extension of certain loans, guarantees, and insurance in connection with exports from the United States in order to improve the balance of payments and foster the long-term commercial interests of the United States" (12 U.S.C. 635j(c); 82 Stat. 297), is repealed.

REPORT BY THE FEDERAL COMMUNICATIONS COMMISSION

SEC. 119. Section 5(e) of the Communications Act of 1934 (47 U.S.C. 155(e); 66 Stat. 714), is amended by striking out, "; and the Commission shall promptly report to the Congress, each such case which has been pending before it more than such three- or six-month period, respectively, stating the reasons therefor".

REPORT BY THE INTERNATIONAL COMMUNICATIONS AGENCY

SEC. 120. Section 1008 of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1439; 62 Stat. 6) is repealed.

REPORTS BY THE NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

SEC. 121. (a) Section 6 of the National Aeronautics and Space Administration Authorization Act, 1970 (42 U.S.C. 2462; 83 Stat. 199), is repealed.

(b) Section 206(b) of the Act of October 4, 1961, entitled "An Act to increase the limitation on the number of positions which may be placed in the top grades of the Classification Act of 1949, as amended, to provide certain additional research and development positions, and for other purposes" (42 U.S.C. 2473a; 75 Stat. 791) is repealed.

REPORT BY THE NATIONAL SCIENCE FOUNDATION

SEC. 122. Section 10 of the National Science Foundation Authorization Act, Fiscal Year 1978 (42 U.S.C. 1873a; 91 Stat. 834), is amended by striking out subsection (c).

REPORTS BY THE VETERANS' ADMINISTRATION

SEC. 123. (a) Section 210 of title 38, United States Code, is amended (1) by striking out "(A)" in subsection (c)(3), and (2) striking out clause (B) of such subsection (c).

(b) Section 1001 of title 38, United States Code, is amended by striking out "and to Congress" in the last sentence thereof.

(c) Section 5001 of title 38, United States Code, is amended by striking out the comma and all that follows after "provided such care or services" in the last sentence of paragraph (2) of subsection (a), and inserting a period in lieu thereof.

(d) The Act of October 22, 1975, entitled "An Act to amend title 38, United States Code, to provide special pay and incentive pay for certain physicians and dentists employed by the Department of Medicine and Surgery of the Veterans' Administration in order to enhance the recruitment and retention of such personnel, and for other purposes" (38 U.S.C. 4118 note; 89 Stat. 669), is amended by (1) striking out section 3, and (2) striking out subsection (h) of section 4.

REPORTS BY THE OFFICE OF PERSONNEL MANAGEMENT

SEC. 124. Section 1308 of title 5, United States Code, is amended by striking out subsections (a) and (b) and redesignating subsections (c), (d), and (e) as subsections (a), (b), and (c), respectively.

REPORT BY THE NATIONAL MEDIATION BOARD

SEC. 125. Section 4 of the Railway Labor Act (45 U.S.C. 154, 48 Stat. 1193) is amended by striking out the last sentence of the second paragraph.

TITLE II—MODIFICATIONS

REPORT BY THE EXECUTIVE OFFICE OF THE PRESIDENT

SEC. 201. Section 305 of the Drug Abuse Office and Treatment Act of 1972 (21 U.S.C. 1165; 86 Stat. 70) is amended by striking out "of each year" and inserting ", 1979 and every other year thereafter" in lieu thereof.

REPORTS BY THE DEPARTMENT OF AGRICULTURE

SEC. 202. (a) Section 5 of the Act of August 13, 1970, entitled "An Act to establish a pilot program in the Departments of Interior and Agriculture designated as the Youth Conservation Corps, and for other purposes" (16 U.S.C. 1705; 88 Stat. 1068) is amended by striking out the last three words and inserting in lieu thereof "each program year through 1979".

REPORTS BY THE DEPARTMENT OF COMMERCE

SEC. 203. (a) Section 12 of the Shipping Act, 1916 (46 U.S.C. 811; 39 Stat. 732), is amended (1) by striking out "It shall, on or before the first day of December in each year, make a report to the Congress, which shall include" and inserting in lieu thereof "The Secretary of Commerce shall include in the annual report pursuant to section 208 of the Merchant Marine Act, 1936,"; and (2) by striking out "its" each place it occurs in the last paragraph and inserting in lieu thereof "her".

(b) Section 809(a) of the Merchant Marine Act, 1936 (46 U.S.C. 1213(a); 49 Stat. 2015), is amended by striking out "Not later than March 1, 1976, and annually thereafter, the Secretary shall submit to Congress" and inserting in lieu thereof "The Secretary shall include in the annual report pursuant to section 208 of this Act".

(c) Section 804(e) of the Merchant Marine Act, 1936 (46 U.S.C. 1222(e); 84 Stat. 1034), is amended by striking out "shall, at the beginning of each regular session, make a report to the Congress" and inserting in lieu thereof "shall include in the annual report pursuant to section 208 of this Act, a report".

(d) Section 904(b) of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3244(b); 88 Stat. 1165) is amended—

(1) by striking out "The Secretary shall provide an annual consolidated report to the Congress," and inserting in lieu thereof "The Secretary shall include in the annual report pursuant to section 707 of this Act a consolidated report"; and

(2) by striking out the second sentence thereof.

(e) Section 204(b)(2) of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3144(b)(2); 90 Stat. 2333) is amended—

(1) by striking out "The Secretary shall provide an annual consolidated report to the Congress," and inserting in lieu thereof "The Secretary shall include in the annual report pursuant to section 707 of this Act a consolidated report"; and

(2) by striking out the second sentence thereof.

(f) Section 112(d) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1382(d); 86 Stat. 1042), is amended by striking out "forthwith submit to Congress" and inserting in lieu thereof "include in the annual report to the public and the Congress required under section 103(f) of this Act".

(g)(1) Section 202(c) of the Marine Protection, Research, and Sanctuaries Act of 1972 (33 U.S.C. 1442(c); 86 Stat. 1061), is amended—

(A) by striking out "this section" and inserting in lieu thereof "this Act"; and

(B) by inserting at the end thereof the following sentence: "The Secretary shall include in this report the report to Congress of activities of the Department of Commerce under section 5 of the Act of March 10, 1934 (16 U.S.C. 665; 48 Stat. 401), required by that section.".

(2) Section 302(d) of the Marine Protection, Research, and Sanctuaries Act of 1972 (16 U.S.C. 1432(d); 86 Stat. 1062) is repealed.

REPORTS BY THE DEPARTMENT OF DEFENSE

SEC. 204. (a) Section 1812 of the Revised Statutes (40 U.S.C. 50), is amended by (1) striking out "in time to accompany the annual message of the President to Congress, a report of his operations for the preceding year" and inserting in lieu thereof "within nine months after the end of a fiscal year, a report of the Chief of Engineers operations for that year" and (2) by striking out "his charge" and inserting in place thereof "the Chief of Engineers charge".

(b)(1) Section 808(a)(1) of the Department of Defense Appropriation Authorization Act, 1978 (50 U.S.C. 1520(a)(1); 91 Stat. 334) is repealed.

(2) Section 409(a) of the Department of Defense Appropriation Act, 1970 (50 U.S.C. 1511(a); 83 Stat. 209) is amended by adding the following sentence at the end thereof: "The report shall include a full accounting of all experiments and studies conducted by the Department of Defense in the preceding year, whether directly or under contract, which involve the use of human subjects for the testing of chemical or biological agents.".

(c) Section 603(f) of the Military Construction Authorization Act, 1979 (92 Stat. 581), and the similar requirement included in prior enacted Military Construction Authorization Acts, is amended by striking out "each individual project" in the first sentence and inserting "those projects which have not been previously reported to the Committees on Armed Services of the Senate and House of Representatives under the provisions of subsections (c), (d), or (e) of this section".

(d) Section 306(f) of title 37, United States Code, is amended by striking out the first sentence and inserting in lieu thereof "The Secretary of Defense shall report to Congress by March 1 of each year following a calendar year in which special pay is disbursed under this section. Negative reports need not be submitted.".

(e) Section 43(b) of the Act of August 10, 1956, entitled "An Act to revise, codify, and enact into law, title 10 of the United States Code, entitled 'Armed Forces', and title 32 of the United States Code, entitled 'National Guard'" (50 U.S.C. App. 2285; 70A Stat. 636) is amended by striking out "quarterly" and inserting in lieu thereof "annually".

REPORTS FROM THE DEPARTMENT OF ENERGY

SEC. 205. (a) Section 400I(b) of the Energy Policy and Conservation Act (92 Stat. 3253) is amended by striking out "within one year after the date of enactment of this part" and all that follows thereafter to the end of such subsection and inserting in lieu thereof "include in his annual report a detailed description of the actions taken under this part in the preceding fiscal year and the actions planned to be taken in the subsequent fiscal year. Such description shall show the allocations made (including the allocations made to each State) and include information on the technical assistance carried out with funds allocated, and an estimate of the energy savings, if any, achieved.".

(b) Section 399(b) of the Energy Policy and Conservation Act (92 Stat. 3247) is amended by striking out ", within one year after the date of enactment of this part" and all that follows thereafter to the end of such subsection and inserting in lieu thereof "include in his annual report a detailed description of the actions taken under this part in the preceding fiscal year and the actions planned to be taken in the subsequent fiscal year. Such description shall show the allocations made (including the allocations made to each State) and include information of the types of conservation measures implemented, with funds allocated, and an estimate of the energy savings achieved.".

(c) Section 254 of the National Energy Conservation Policy Act (42 U.S.C. 8233; 92 Stat. 3237) is amended by striking out "President" wherever it appears and inserting "Secretary" in lieu thereof.

(d) Section 11(c)(2) of the Energy Supply and Environmental Coordination Act of 1974 (15 U.S.C. 798; 89 Stat. 960) is amended by striking out "file quarterly reports with the President and the Congress" and substituting in lieu thereof "include in reports filed pursuant to section 57(a) of the Federal Energy Administration Act of 1974 information", and by striking out the last sentence of the subsection.

(e) Section 209 of the Public Utility Regulatory Policies Act of 1978 (16 U.S.C. 824a–2; 92 Stat. 3143) is amended by striking out in subsection (a) "and submitted to the President and the Congress not later than 18 months after the date of the enactment of this Act" and inserting in lieu thereof "and included in the annual report submitted at the end of fiscal year 1979"; and by striking out in subsection (b) "report to the Congress in its annual report or in the report required under subsection (a) if appropriate" and inserting in lieu thereof "shall include in his annual report".

(f) Section 306 of the Public Utility Regulatory Policies Act of 1978 (15 U.S.C. 3206; 92 Stat. 3152) is amended by striking out in subsection (a) "study and report to Congress on gas utility rate design within 18" and inserting in lieu thereof "include in his annual report a study on gas utility rate design within 24"; and by striking out in subsection (c) "transmitted, together with any legislative recommendations, to each House of Congress no later than 6 months after the date of submission of the study under subsection (a).", and inserting in lieu thereof "included together with the study in the annual report as provided in subsection (a)."

(g) Section 602(f) of the Public Utility Regulatory Policies Act of 1978 (16 U.S.C. 824a–4(f); 92 Stat. 3165) is amended by striking out "annually" and inserting in lieu thereof "on request", thereby eliminating the annual report required by such subsection.

(h) Section 204(d) of the Geothermal Energy Research, Development, and Demonstration Act of 1974 (30 U.S.C. 1144(d); 88 Stat. 1088) is amended by striking out "shall be submitted to the Congress by the head of the designated agency annually upon the completion of an appropriate accounting period." and inserting in lieu thereof "for periods shall be included in the annual reports required by subsection 302(a).".

(i) Section 908(d) of the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1328; 92 Stat. 531) is amended by striking out "On December 31 of each calendar year, the Secretary shall report to the Congress on" and inserting in lieu thereof "The Secretary shall include in the report filed annually pursuant to section 7 of the Act of July 7, 1960 (30 U.S.C. 667; 74 Stat. 337) a summary of".

(j) Section 13 of the Solar Energy Research Development and Demonstration Act of 1974 (42 U.S.C. 5562; 88 Stat. 1437) is amended to read as follows:

"SEC. 13. A summary of all actions taken under the provisions of this Act and action planned for the ensuing year shall be included in the annual report required by section 657 of the Department of Energy Organization Act (42 U.S.C. 7267).".

(k) Section 522 of the Energy Policy and Conservation Act (42 U.S.C. 6392; 89 Stat. 961) is amended by striking out "Federal Energy Administration" and "Administrator" wherever they appear therein, and inserting, respectively, "Department of Energy" and "Secretary of Energy" in lieu thereof, and by amending subsection (b)(2) to read "(2) report annually to the Congress with respect to such disclosures and the actions taken in regard thereto during the preceding fiscal year".

(l) Section 308 of the Act of June 3, 1977, entitled "An Act to authorize appropriations to the Energy Research and Development Administration in accordance with section 261 of the Atomic Energy Act of 1954, as amended, section 305 of the Energy Reorganization Act of 1974, and section 16 of the Federal Nonnuclear Energy Research and Development Act of 1974, and for other purposes" (42 U.S.C. 5816a; 91 Stat. 189), is amended by striking out "Energy Research and Development Administration", "Administration", and "Administrator" wherever they appear therein, and inserting respectively, "Department of Energy", "Department", and "Secretary of Energy" in lieu thereof, and by amending subsection (b)(2) to read "(2) report annually to the Congress with respect to such disclosures and the actions taken in regard thereto during the preceding calendar year".

(m) Section 308 of the Act of December 31, 1975, entitled "An Act to authorize appropriations to the Energy Research and Development Administration in accordance with section 261 of the Atomic Energy Act of 1954, as amended, section 305 of the Energy Reorganization Act of 1974, and section 16 of the Federal Nuclear Energy Research and Development Act of 1974, and for other purposes" (42 U.S.C. 5801, note; 89 Stat. 1074), is amended by striking out "by June 30, 1976, and by the end of each fiscal year thereafter, submit a report to the Committee on Science and Technology of the House of Representatives and the Committee on Interior and Insular Affairs of the Senate," and inserting in lieu thereof "include, in the report required by section 204(b) of the Department of Energy Act of 1978—Civilian Applications (42 U.S.C. 7256, note; 92 Stat. 60), information"; and by striking out "Administrator" wherever it appears therein and by inserting in lieu thereof "Secretary of Energy".

(n) Subsection (b) of section 204 of the Department of Energy Act of 1978—Civilian Applications (42 U.S.C. 7256, note; 92 Stat. 60), is amended to read as follows:

"(b) The Secretary of Energy shall submit annually to the appropriate committees of the House of Representatives and the Senate a full report on the actions taken in carrying out subsection (a) duing the preceding year, including the extent to which small business concerns are participating in the programs involved and in projects and activities of various types and sizes within each such program, and indicating the steps currently taken to assure such participation in the future. Such report shall also contain such information as may be required by section 308 of the Act of December 31, 1975 (42 U.S.C. 5878a; 89 Stat. 1074).".

(o) Subsection (a) of section 602 of the Nuclear Non-Proliferation Act of 1978 (22 U.S.C. 328; 92 Stat. 151), is amended to read as follows:

"(a) The annual report to the Congress by the Commission which is otherwise required by law shall also include views and recommendations regarding the policies and actions of the United States to prevent proliferation which are the statutory responsibility of that agency.".

REPORTS BY THE DEPARTMENTS OF EDUCATION AND HEALTH AND HUMAN SERVICES

SEC. 206. (a) Section 112(c) of the Vocational Education Act (20 U.S.C. 2312(c); 90 Stat. 2187) is amended by striking out "The Commissioner shall prepare and submit annually to the Congress, within nine months of the termination of each fiscal year, a report on the status of vocational education in the country during that fiscal year," and inserting in lieu thereof, "The Commissioner shall include in the Commissioner's annual report a report on the status of vocational education in the country."

(b) Section 507 of the Rehabilitation Act of 1973 (29 U.S.C. 794(c); 92 Stat. 2982) is amended by striking out "each" and inserting in lieu thereof "every other".

(c) Section 316(f) of the Public Health Service Act (42 Stat. 247a(f); 92 Stat. 3588) is amended by striking out "annually" and inserting in lieu thereof "biennially".

(d) Section 5(h) of the International Health Research Act of 1960 (22 U.S.C. 2103(h); 74 Stat. 368) is amended by striking out "each" and inserting in lieu thereof "every other".

(e) Section 439(e) of the Public Health Service Act (42 U.S.C. 289c–6(e); 88 Stat. 2223) is amended—

(1) by striking out "annual" and inserting in lieu thereof "biennial";

(2) by striking out "each" and inserting in lieu thereof "every other"; and

(3) by adding the following sentence at the end of the section: "The Secretary shall submit the first biennial report at the end of fiscal year 1980.".

(f) Section 434(f) of the Public Health Service Act (42 U.S.C. 289c–1(f); 88 Stat. 2224) is amended—

(1) by striking out "each" and inserting in lieu thereof "every other";

(2) by striking out "preceding fiscal year" and inserting in lieu thereof "preceding two fiscal years"; and

(3) by adding the following sentence at the end of the section: "The Director shall submit the first biennial report at the end of fiscal year 1980.".

(g) Section 440(j) of the Public Health Service Act (42 U.S.C. 289c–7(j); 90 Stat. 2646) is amended—

(1) by striking out "each" and inserting in lieu thereof "every second";

(2) by striking out "year" in paragraphs (1), (2), and (3) and inserting in lieu thereof "years"; and

(3) by striking out "annual" and inserting in lieu thereof "biennial".

(h) Section 435(b) of the Public Health Service Act (42 U.S.C. 289c–2(b); 88 Stat. 376), is amended—

(1) by striking out "annual" and inserting in lieu thereof "biennial,";

(2) by striking out "each" and inserting in lieu thereof "every second"; and

(3) by adding the following sentence at the end of the section: "The Secretary shall submit the first biennial report on or before September 30, 1980.".

(i) Section 8(a) of the Federal Cigarette Labeling and Advertising Act (15 U.S.C. 1337 (a); 84 Stat. 89) is amended by striking out "annually" and inserting in lieu thereof "biennially".

(j) Section 1172 of the Social Security Act (42 U.S.C. 1320c–21; 91 Stat. 1190) is amended by striking out "not later than April 1 of".

(k) Section 1881(g) of the Social Security Act (42 U.S.C. 1395rr; 92 Stat. 314) is amended by striking out "April 1 of".

(l) Section 1903(g)(6) of the Social Security Act (42 U.S.C. 1396b(g)(6); 91 Stat. 1207) is amended—

(1) by striking out "such calendar quarter" and inserting in lieu thereof "each calendar year,"; and

(2) by striking out "the calendar quarter" and inserting in lieu thereof "each quarter in the year.".

(m) Section 405(b) of the Drug Abuse Prevention, Treatment, and Rehabilitation Act (21 U.S.C. 1172(b); 86 Stat. 78) is amended—

(1) by striking out "a report to the President and the Congress with respect to each fiscal year" and inserting "a biennial report to the President and the Congress"; and

(2) by striking out the second sentence.

(n) Section 102(1) of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 (42 U.S.C. 4552(1); 84 Stat. 1848) is amended by striking out "annual" and inserting in lieu thereof "biennial,".

(o) Section 183(g) Elementary and Secondary Education Act of 1965 (20 U.S.C. 2833 (g); 92 Stat. 2189) is amended by striking the words "no later than February 1, 1980, 1982, and 1984.".

REPORTS BY THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

SEC. 207. (a) Section 1234 of the National Housing Act (12 U.S.C. 1749bbb–10d; 84 Stat. 1790) is amended by inserting immediately after "shall include" the phrase "at least biennially".

(b) Section 1320 of the National Flood Insurance Act of 1968 (42 U.S.C. 4027; 82 Stat. 476) is amended—

(1) by striking out "include" and inserting in lieu thereof "biennially submit";

(2) by striking out "in the annual report"; and

(3) by striking out "required by section 8 of the Housing and Urban Development Act".

REPORTS BY THE DEPARTMENT OF THE INTERIOR

SEC. 208. (a) Section 1(1) of the Act of March 3, 1885, entitled "An Act making appropriations for sundry civil expenses of the Government for the fiscal year ending June thirtieth, eighteen hundred and eighty-six, and for other purposes" (16 U.S.C. 743a; 23 Stat. 494), is amended by striking the first sentence of subsection (c) thereof, and inserting in lieu thereof the following sentence; "The Director of the United States Fish and Wildlife Service shall make a report to Congress at the end of any fiscal year that the provisions of this section are utilized, which describes the use of the provisions of this section, and the additional cost, if any, to the Federal Government resulting therefrom."; and striking out "annual" in the second sentence.

(b) Section 1 of the Act of August 19, 1976, entitled "An Act to provide for the establishment of the Ninety Six National Historic Site in the State of South Carolina, and for other purposes" (16 U.S.C. 46, note; 90 Stat. 1196), is amended in the last sentence thereof by striking out "After advising the Committees on Interior and Insular Affairs of the United States Senate and House of Representatives in writing, the", and inserting in lieu thereof "The".

(c) Section 1(a) of the Act of June 30, 1976, entitled "An Act to authorize the Secretary of the Interior to establish the Klondike Gold Rush National Historical Park in the States of Alaska and Washington, and for other purposes" (16 U.S.C. 410bb; 90 Stat. 717) is amended in the last sentence thereof by striking out "After advising the Committees on Interior and Insular Affairs of the Congress of the United States, in writing, the", and inserting in lieu thereof "The".

(d) Section 2(a) of the Act of July 4, 1976, entitled "An Act to authorize the Secretary of the Interior to establish the Valley Forge National Historical Park in the Commonwealth of Pennsylvania, and for other purposes" (16 U.S.C. 410aa–1; 90 Stat. 796), is amended in the last sentence thereof by striking out "After advising the Committees on Interior and Insular Affairs of the United States Congress, in writing, the", and inserting in lieu thereof "The".

(e) Section 101 of the Act of August 15, 1978, entitled "An Act to authorize the establishment of the Chattahoochee River National Recreation Area in the State of Georgia, and for other purposes" (16 U.S.C. 460ii; 92 Stat. 474), is amended in the fourth sentence thereof by striking out "Following reasonable notice in writing to the Committee on Interior and Insular Affairs of the United States House of Representatives and to the Committee on Energy and Natural Resources of the United States Senate of his intention to do so, the", and inserting in lieu thereof "The".

(f) Section 6(b) of the Act of August 18, 1978, entitled "An Act to authorize appropriations for certain insular areas of the United States, and for other purposes" (16 U.S.C. 410cc; 92 Stat. 492), is amended in the second sentence thereof by striking out "Following ninety-days notice to the Committee on Interior and Insular Affairs of the House of Representatives and to the Committee on Energy and Natural Resources of the Senate, the", and inserting in lieu thereof "The".

(g) Section 314(b)(1) of the National Parks and Recreation Act of 1978 (16 U.S.C. 45f; 92 Stat. 3479) is amended in the last sentence thereof by striking out "After advising the Committee on Interior and Insular Affairs of the United States House of Representatives and the Committee on Energy and Natural Resources of the United States in writing, the", and inserting in lieu thereof "The".

(h) Section 507(c)(1) of the National Parks and Recreation Act of 1978 (16 U.S.C. 460kk; 92 Stat. 3501) is amended in the last sentence thereof by striking out "After advising the Committee on Interior and Insular Affairs of the United States House of Representatives and the Committee on Energy and Natural Resources of the United States Senate, in writing, the", and inserting in lieu thereof "The".

(i) Section 511(b) of National Parks and Recreation Act of 1978 (16 U.S.C. 461, note; 92 Stat. 3510) is amended in the last sentence thereof by striking out "Following timely notice in writing to the Committee on Interior and Insular Affairs of the House of Representatives and the Committee on Energy and Natural Resources of the Senate of his intention to do so, the", and inserting in lieu thereof "The".

(j) Section 201(a) of National Parks and Recreation Act of 1978 (16 U.S.C. 410ff; 92 Stat. 3637) is amended in the last sentence thereof by striking out "After advising the Committee on Energy and Natural Resources of the United States Senate and the Committee on Interior and Insular Affairs, of the United States House of Representatives, in writing, the", and inserting in lieu thereof "The".

(k) Section 3(e) of the Act of October 2, 1968, entitled "An Act to establish a Redwood National Park in the State of California, and for other purposes" (16 U.S.C. 79c(e); 82 Stat. 933), is amended by striking the last sentence thereof, and inserting in lieu thereof the following sentence: "Acquisitions and contracts or cooperative agreements executed by the Secretary pursuant to the provisions of this subsection will be described and included in the annual report required pursuant to section 104(a) of the Act of March 27, 1978 (16 U.S.C. 79m; 92 Stat. 171)."

(l) Section 2(c) of the Act of October 2, 1968, entitled "An Act to establish a Redwood National Park in the State of California, and for other purposes" (16 U.S.C. 79b (c); 92 Stat. 163), is amended in the first proviso thereof by striking out "following notice to the Committee on Energy and National Resources of the United States Senate and the Committee on Interior and Insular Affairs of the House of Representatives.", and inserting in lieu thereof "such acquisitions will be described and included in the annual report required pursuant to section 104(a) of the Act of March 27, 1978 (16 U.S.C. 79m; 92 Stat. 171).".

(m) Section 6 of the Act of June 22, 1936, entitled "An Act to authorize the Secretary of the Interior to investigate and adjust irrigation charges on irrigation lands within projects on Indian Reservations, and for other purposes" (25 U.S.C. 389d; 49 Stat. 1804), is amended by striking the first sentence thereof, and inserting in lieu thereof the following sentence: "The Secretary shall include in the report to Congress required pursuant to section 2 of this Act; a description of actions taken under the provisions of sections 1 to 6 of this Act during the preceding fiscal year.".

(n) The text of section 6 of the Guam Development Fund Act of 1968 (48 U.S.C. 1428d; 82 Stat. 1173) is amended to read as follows: "The Governor of Guam shall include in the annual report to Congress required pursuant to section 6 of the Guam Organic Act (48 U.S.C. 1422; 64 Stat. 386) a report on the administration of this Act.".

(o) Section 9(g) of the Act of July 22, 1954, entitled "An Act to revise the Organic Act of the Virgin Islands of the United States" (48 U.S.C. 1575(g); 68 Stat. 501), is mended to read as follows:

"(g) A listing of all laws enacted by the legislature each year shall be transmitted with the annual report to Congress required pursuant to section 11 of the Revised Organic Act of the Virgin Islands (48 U.S.C. 1591; 68 Stat. 503).".

(p) Section 16 of the Helium Act (50 U.S.C. 167n; 74 Stat. 923) is amended by striking out the word "annually", and inserting in lieu thereof "biennially".

REPORTS BY THE DEPARTMENT OF JUSTICE

Sec. 209. (a) Section 519 of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3767; 82 Stat. 208) is amended by striking out everything that follows the first sentence thereof.

(b) Section 204(d) of the Immigration and Nationality Act (8 U.S.C. 1154(d); 66 Stat. 179) is amended by striking out the first sentence and inserting in lieu thereof the following: "The Attorney General shall forward to the Congress a statistical summary of petitions for immigrant status approved by him under sections 203(a)(3) or 203(a)(6).".

REPORTS BY THE DEPARTMENT OF STATE

Sec. 210. (a) Section 204(b)(4)(C) of the Fishery Conservation and Management Act of 1976 (16 U.S.C. 1824; 90 Stat. 343) is amended by striking out "a copy of such material" and inserting in lieu thereof "a monthly summary of foreign fishing applications including a report on approved applications as described in paragraphs (6) and (7)".

(b) Section 23(d) of the International Security Assistance Act of 1978 (22 U.S.C. 2428b(d); 92 Stat. 744) is amended by striking out ", 120 days prior to each phase of troop withdrawal, a report on the viability of the withdrawal", and inserting in lieu thereof "a review of the viability of each phase of troop withdrawal as part of the annual report on Korea as required by section 668 of the Foreign Assistance Act of 1961 (90 Stat. 729; 22 U.S.C. 2428)".

(c) Section 23(e)(2) of the International Security Assistance Act of 1978 (22 U.S.C. 2428b(e)(2); 92 Stat. 745) is amended by striking out "Prior to any further withdrawal," and inserting in lieu thereof "In the annual report on Korea required by section 668 of the Foreign Assistance Act of 1961 (22 U.S.C. 2428; 90 Stat. 729),".

REPORTS BY THE DEPARTMENT OF TRANSPORTATION

Sec. 211. (a) Section 211(a) of the Federal Railroad Safety Act of 1970 (45 U.S.C. 440(a); 84 Stat. 976) is amended by striking out "May 1" and inserting "July 1" in lieu thereof.

(b) Section 14 of the Natural Gas Pipeline Safety Act of 1968 (49 U.S.C. 1683; 82 Stat. 728) is amended by striking out "March 17" and inserting in lieu thereof "June 15" and by striking out "3(e)" in paragraph (a)(13) and inserting in lieu thereof "3(f)."

(c) Section 109(e) of the Transportation Safety Act of 1974 (49 U.S.C. 1808(e); 88 Stat 2160) is amended by striking out "May 1" and inserting "June 30" in lieu thereof.

(d) Section 163(o) of the Federal-Aid Highway Act of 1973 (23 U.S.C. 130, note; 87 Stat. 280) is amended by striking out "annual" and inserting in lieu thereof "biennial".

(e) Section 152(g) of title 23, United States Code, is amended by striking out "September 30" and inserting in lieu thereof "December 30" and striking out "January 1" and inserting in lieu thereof "April 1.".

(f) Section 151(g) of title 23, United States Code, is amended by striking out "not later than September 30 of each year" and inserting in lieu thereof "not later than December 30 of each year" and by striking out "not later than January 1 of each year" and inserting in lieu thereof "not later than April 1 of each year.".

(g) Section 203(e) of the Federal-Aid Highway Act of 1973 (23 U.S.C. 130, note; 87 Stat. 283) is amended by striking out "not later than September 30 of each year" and inserting in lieu thereof "not later than December 30 of each year" and by striking out "not later than January 1 of each year" and inserting in lieu thereof "not later than April 1 of each year.".

(h) Section 311(a) of the Fishery Conservation and Management Act of 1976 (16 U.S.C. 1861(a); 90 Stat. 358) is amended by striking out "semiannually," and inserting "annually on June 30," in lieu thereof; and adding at the end of the subsection, before the period "during the preceding calendar year".

(i) Section 112 of the Marine Protection, Research, and Sanctuaries Act of 1972 (33 U.S.C. 1421; 86 Stat. 1060) is amended by striking out "the Secretary, and the Secretary of the department in which the Coast Guard is operating", "each individually", and "March 1" inserting in place of the last "June 1".

REPORT BY THE EXPORT-IMPORT BANK OF THE UNITED STATES

Sec. 212. The fourth, seventh, and eighth sentences of section 2(b)(1)(A) of the Export-Import Bank Act of 1945, (12 U.S.C. 635; 59 Stat. 526), are amended by striking out "semiannual" and inserting "annual" in lieu thereof.

REPORT BY THE GENERAL SERVICES ADMINISTRATION

Sec. 213. Section 11(a) of the Public Buildings Act of 1959 (40 U.S.C. 610; 73 Stat. 481) is amended—

(1) by striking out "The Administrator shall submit to Congress each January, promptly after the convening of Congress," and inserting in lieu thereof "Upon the request of either House of Congress, or any committee thereof, and within a reasonable time, the Administrator shall submit"; and

(2) by striking out "last preceding report made under this Act" and inserting in lieu thereof "request, or as of such other date as the request may designate".

REPORTS BY THE INTERNATIONAL COMMUNICATION AGENCY

Sec. 214. (a) Section 108(b) of the Mutual Educational and Cultural Exchange Act of 1961 (22 U.S.C. 2458; 75 Stat. 527) is amended to read as follows:

"(b) The President shall submit periodic reports to the Congress of activities carried on and expenditures made in furtherance of the purposes of this Act and of the United States Information and Educational Exchange Act of 1948, as amended.".

(b) The Center for Cultural and Technical Interchange Between East and West Act of 1960 (22 U.S.C. 2054; 74 Stat. 141) is amended by striking out "Secretary of State" and inserting in lieu thereof "Director of the International Communication Agency" and section 704(c) of the such Act (22 U.S.C. 2056(c)) is amended to read as follows:

"(c) The Director shall make periodic reports, as he deems necessary, to the Congress with respect to his activities under the provisions of this chapter, and such reports shall include any recommendations for needed revisions in this chapter."

REPORT BY THE LABOR MANAGEMENT RELATIONS BOARD

Sec. 215. Section 3(c) of the National Labor Relations Act (29 U.S.C. 153(c); 61 Stat. 139) is amended by striking out "stating in detail the cases it has heard, the decisions it has rendered, and an account of all moneys it has disbursed" and inserting in lieu thereof "summarizing significant case activities and operations for that fiscal year".

REPORT BY THE AGENCY FOR INTERNATIONAL DEVELOPMENT

Sec. 216. Section 408(b) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736b(b); 80 Stat. 1537) is amended by striking out "March 31," in the second sentence thereof.

By Mr. DOMENICI:

S. 2456. A bill to amend the Public Rangelands Improvement Act of 1978 to establish a pilot program for range improvements on public lands; to the Committee on Energy and Natural Resources.

● Mr. DOMENICI. Mr. President, every American consumer is aware of spiraling beef costs. The reason for these rapid rises in price of meat is obviously the increased cost of raising cattle. The skyrocketing cost of energy, interest rates for bank loans, feed, and so forth, which are common to all businesses, are affecting the stability of the ranchers as well.

It is becoming more evident that we must utilize our national lands and graze them at maximum potential in a sound environmental manner if we are going to keep beef on Americans' tables as a staple.

This will not be an easy task. The rangelands in many cases need improvements due to natural causes and in some cases improvident use. At the same time some Federal land managers are under court-ordered restraints which limit their ability to maximize range grazing.

The legislation I introduced today is meant to implement a pilot program to analyze and compare range improvement programs to determine the most cost-effective approach to increasing productivity.

While this legislation introduces an element of competition between agencies, it is meant to compare the various approaches to improving rangelands. This healthy competition will produce the most cost-effective programs for maximizing range improvements. Specifically, it is appropriate now to compare the BLM program with the agricultural conservation program as administered by the Agricultural Stabilization and Conservation Service of the USDA. The ACP program is national in scope and was authorized by the Soil Conservation and Domestic Allotment Act of 1936. The ACP provides cost-share assistance to farmers and ranchers to solve agricultural pollution and resource conservation problems, and is a joint effort by producers and the Government to restore, protect, and preserve the environment and our basic land resource.

Moreover, the ACP has three practices—permanent vegetative cover established, SL1; permanent vegetative cover improvement, SL2; and grazing land protection, SL6—which could be used to improve and protect the Federal rangelands.

Again, I must stress this is an experimental cost-effective study of 9 years' duration. But something needs to be done and done immediately to assist American ranchers. This approach will help in a small way to determine what the best approach is and at the same time intensively work to improve and protect the Federal rangelands.●

By Mr. BAYH (for himself and Mr. NELSON):

S. 2457. A bill to provide access to small businesses and to other persons of information concerning rules applicable to such businesses or persons; to the Committee on the Judiciary.

INFORMATION FOR SMALL BUSINESS

● Mr. BAYH. Mr. President, today I am pleased to introduce the Small Business Regulatory Information Act of 1980, a bill which will directly address a need of many businessmen, especially small businessmen. Today, ordinary business people who want to start a new business or manufacture a new line of products are faced with an initial difficult question: How to learn what Federal regulations and rules will apply to what they are trying to do? This proposal will provide them with a way to get an answer, directly and easily. It means that businessmen will be able to learn with a single inquiry all the rules with which they have to deal as they go forward in their future planning. It also means that for the first time, agencies will have to identify in their rulemaking the people who will be subject to their rule.

Mr. President, it is an unfortunate fact of life that the small businessman must overcome many obstacles to his success in this era of multiplying Federal regulation. Faced with a tide of over 7,000 new rules each year in a sea of already existing regulations, the head of a manufacturing firm finds it is a difficult and risky task to try to navigate his new operation. All of us in Congress have received pleas from businessmen in our States to help them find out with what agencies or regulations they will be dealing if they go ahead with a new business or new products. Every now and then there is the sad case of someone who has moved ahead in his planning, only to find that the costs will be greater than anticipated because there will be consequences from regulation which he had not counted on. We deal with these problems as best we can, but it is a telling commentary on the Federal bureaucracy which has become such a major factor in every businessman's life that it has not provided a way to let him know where and when its rules will touch him. Behind this phenomenon is the apparent disinterest on the part of the agencies to consider and identify in their own planning those who will be affected by what they do.

The bill which I introduce today is a simple one, and can be carried out without extra cost. It requires that agencies, when they are preparing a proposed or final rule for publication in the Federal Register, determine the kinds of manufacturing which will be subject to the rule and identify them according to the standard industrial classifications. The agencies then simply supply those as a separate information element and place it before the written description of the rule. The Federal Register publishes the rule with the SIC information and the information is also stored so that it can be retrieved by computer. The Director of the Register is directed to set up a Business Information Center whose job it is to make this information readily available.

From his end, the businessperson is now equipped to find what rules will apply to him. He already is familiar with the SIC because he is required to supply information about his SIC code to the Census Bureau and others. The SIC code breaks down categories of manufacturing to a fine degree.

Through the Small Business Regulatory Information Act, the businessman will be able, first, to look at proposed and final rules in the Federal Register and tell at a glance if the rule will affect him. This means that the small businessman will be alerted to upcoming rules and can take advantage of the public comment period before the rule goes into effect. Second, he will be able to contact the Small Business Information Center established under the direction of the Director of the Federal Register and retrieve a total listing of all rules which apply to him.

Mr. President, the Small Business Regulatory Information Act offers a practical solution to a practical problem. It goes a long way to give the business community a handle on how to work more easily and efficiently with Federal agencies. It provides a commonsense approach to answering a question: How to plan ahead with full knowledge of the rules and regulations which will have a bearing on those business plans.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2457

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Small Business Regulatory Information Act of 1980".

FINDINGS AND DECLARATION OF PURPOSE

SEC. 2. The Congress hereby finds that there is a serious problem regarding the ability of business to plan for the future because of the regulatory maze it finds itself in;

And, with over 7,000 new rules promulgated each year, notification of the application of these rules to a particular industry or industries is a necessary responsibility of the Federal government.

The Congress hereby determines that small businesses and other persons should have access to a central information source in order to conduct their future business planning in a coordinated and rational fashion, and in reliance on the proper information.

It is the policy of the Congress to ensure that business is able to function in a stable and predictable environment relative to government actions.

SEC. 3. For purposes of this Act—

(a) the term "agency" has the same meaning as in section 552(e) of title 5, United States Code;

(b) the term "rule" has the same meaning as in section 551(4) of such title, except that such term does not include a rule issued with respect to (A) a military or foreign affairs function of the United States, (B) agency management or personnel, or (C) agency organization, procedure, or practice; and

(c) the term "SIC" means the Standard Industrial Classification for industries as administered by the Office of Federal Statistical Policy and Standards.

SEC. 4. Each agency shall publish in the Federal Register with each rule proposed or promulgated after the date of enactment of this Act, the SIC code for such industry to which the rule applies.

SEC. 5. The Director of the Federal Register ("Director") shall establish in the Office of the Federal Register, A Small Business Information Center ("Center"). The Center shall provide to small businesses and other persons, a listing of the rules which apply to any industry or industries within a specified standard industrial classification.

(a) Within five years after the date of enactment of this Act, the head of each agency shall ensure that each proposed and final rule of the agency contains the SIC code for each industry or industries to which the rule applies.

(b) The head of each agency shall amend at least 20 percent of the rules of the agency to include the SIC code in each of the first five years after the date of the enactment of this Act.

(c) The head of each agency shall transmit such rules to the Director. The Director shall compile the rules received and incorporate them into the general index to the Code of Federal Regulations required by section 1510(b) of title 44, United States Code.●

By Mr. CANNON (by request):

S. 2459. A bill to provide authorization for programs of the National Transportation Safety Board for fiscal years 1981 and 1982, and for other purposes; to the Committee on Commerce, Science, and Transportation.

INDEPENDENT SAFETY BOARD ACT AMENDMENTS OF 1980

● Mr. CANNON. Mr. President, by request, I am introducing the attached legislative proposal to provide an authorization for the programs of the National Transportation Safety Board for fiscal years 1981 and 1982. The Senate Committee on Commerce, Science, and Transportation will hold hearings on the NTSB's authorization for those years on

March 27, 1980. I request that the attached letter be made part of the RECORD as well.

Mr. President, I ask unanimous consent that the text of the bill, together with the letter, be printed in the RECORD.

There being no objection, the bill and letter were ordered to be printed in the RECORD, as follows:

S. 2459

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Independent Safety Board Act Amendments of 1980."

SEC. 1. Section 304(a)(6) of the Independent Safety Board Act of 1974 is amended to read: "establish by regulation requirements binding on persons reporting accidents (and aviation incidents) subject to the Board's investigatory jurisdiction under this subsection;"

SEC. 2. Section 304(a) of the Independent Safety Board Act of 1974 is amended by renumbering paragraphs (2) through (9) as (3) through (10) and by inserting immediately following paragraph (1), the following paragraph:

((2) Any investigation conducted by the Board under paragraph (1), except subparagraph E, shall have priority over all other investigations conducted by Federal regulatory agencies: *Provided* that the Board shall make provision for the appropriate participation of such agencies in its investigation: and *Provided further,* that such agencies shall not participate in the Board's determination of cause, probable cause or causes of such accidents.)

SEC. 3. Section 304(b)(2) of the Independent Safety Board Act of 1974 is hereby amended as follows:

(2) Any employee of the Board, upon presenting appropriate credentials and a written notice of inspection authority, is authorized to enter any property wherein a transportation accident has occurred or wreckage from any such accident is located and do all things therein necessary for a proper investigation (, including taking custody for examination or testing of any vehicle, rolling stock, track, or pipeline facility or any part thereof which is determined to be requisite for the purpose of the investigation). The employee may inspect, at reasonable times, records, files, papers, processes, controls, and facilities relevant to the investigation of such accident. Each inspection (, examination, or test) shall be commenced and completed with reasonable promptness and the results of such inspection made available.

SEC. 4. Section 309 of the Independent Safety Board Act of 1974 (49 U.S.C. 1907) is amended by adding at the end thereof the following sentence:

(There are authorized to be appropriated for the purpose of this Act such sums as may be necessary for the fiscal years ending September 30, 1981, and September 30, 1982 and such sums shall remain available until expended.)

NATIONAL TRANSPORTATION
SAFETY BOARD,
Washington, D.C., February 29, 1980.

Hon. HOWARD W. CANNON,
Chairman, Committee on Commerce, Science, and Transportation, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Enclosed is a draft legislative proposal to provide an authorization for the programs of the National Transportation Safety Board for fiscal years 1981 and 1982. This proposal was sent to the President of the Senate and the Speaker of the House of Representatives on June 14, 1979.

In addition to authorizing appropriations for the Board for fiscal years 1981 and 1982, we have identified three areas which would improve the Board's accident investigation process. Accordingly, three perfecting amendments, the first since our original authorizing statute was passed in 1974, are being submitted. The first amendment would merely affirm the Board's historic practice of collecting reports of certain limited aircraft incidents. The second would reduce the potential for duplicative Federal accident investigations by officially recognizing in the law the traditional and de facto relationship between the Board and other Federal agencies when the Board conducts an accident investigation. It would incorporate the wording now contained in the Federal Aviation Act of 1958 into the Independent Safety Board Act and apply it uniformly in all modes except marine. This would acknowledge the Board's investigative primacy while clearly providing for formal participation by other government agencies in investigations conducted by the Board. The third amendment would specify more precisely in the law the Board's authority to acquire physical evidence for examination and testing, using the same language the Board currently has in the aviation mode under the Federal Aviation Act of 1958. The Board has been exercising these same authorities in the surface modes through reliance on its other more general statutory powers.

The Safety Board has determined that this proposed legislation will have no inflationary impact on the economy.

Sincerely,

JAMES B. KING,
Chairman.

AMENDMENTS TO THE INDEPENDENT SAFETY BOARD ACT OF 1974

Section 304(a)(6). This amendment will ensure the Board's ability to continue to augment accident-related data by affirming the Board's historic practice of requiring the reporting of certain selected types of aviation incidents. The Board currently uses its special investigation authority to investigate incidents. Confirmation of its authority to require notification of a limited number of such incidents will enable the Safety Board to identify problems before accidents occur and to establish priorities for accident prevention. Incidents only differ from accidents by the degree of damage and/or injuries incurred. Related incident data adds further substantiation to Board recommendations based on accident trends. It also facilitates differentiation between random occurrences and those accidents posing a recurring threat to the public safety.

Section 304(a). This amendment formally acknowledges the Board's authority as the primary Federal agency for investigating transportation accidents (except marine) and for determining probable cause. It will officially recognize that the role of the Board is the same in the surface modes as in aviation.

This amendment would recognize the needs of regulatory agencies for accident information by affording them participation in Board investigations. At present, in the surface modes, the Board's primacy is generally recognized by Federal agencies. In recognition of their regulatory responsibilities, the agencies participate in our investigations. The Board believes this arrangement should be incorporated in the statute for all modes (except marine) since it is already contained in the Federal Aviation Act of 1958 for aviation. This arrangement serves to avoid unnecessary duplication of effort by the regulatory agencies, yet assures them adequate information so they may carry out their responsibilities.

Section 304(b)(2). This amendment will clarify the Board's authority to acquire physical evidence for examination and testing in the surface modes in the same manner as in aviation. The proposed language parallels that contained in the Federal Aviation Act of 1958 and merely specifies more precisely those authorities the Board has been exercising through reliance on its other, more general statutory powers.

Often, information derived from laboratory testing is the only concrete evidence available for determining probable cause. Because of the sensitive nature of this type examination, the Board ensures that a thorough and unbiased testing is made, and that the results are provided to the affected parties and to the public. Parties to a Board investigation can participate in the examination and testing of such physical evidence and have direct access to the Board's findings, but the Board acts as a guardian to ensure that the physical evidence is not missed or tampered with. The Board's use of such authority has never interfered with the collection of evidence required by law enforcement agencies in criminal actions.

In the absence of precisely stated authority in this area in the past, the Board has relied upon state or local impoundment authority. Some state and local law enforcement agencies have the authority to impound evidence long enough to complete the investigation and will exercise this authority for the benefit of the Board's investigators. However, some either do not have the authority, or are not willing to exercise it for one reason or another. In the meantime, owners, insurance companies, or legal representatives want evidence moved before the investigation is completed. Moving can disturb the character of the physical evidence vital to the investigation.

This amendment would assure that all of the Board's accident investigations are conducted promptly, thoroughly, and professionally.

Section 309. This proposed amendment provides the authority to appropriate funds for the Safety Board for FY 1981 and FY 1982.

The Committee on Commerce, Science, and Transportation will hold hearings on this authorization legislation on March 27, 1980.●

By Mr. HART:

S. 2460. A bill to amend chapter 5 of title 37, United States Code, to revise the special pay provisions for medical officers in the Armed Forces and to extend the special pay provisions for other health professionals in the uniformed services, and for other purposes; to the Committee on Armed Services.

● Mr. HART. Mr. President, today I am introducing a revised version of legislation passed by the Senate and House last year to provide special bonuses to health care professionals of the uniformed services.

On March 11, President Carter vetoed H.R. 5235, the Uniformed Services Health Professional Special Pay Act of 1979. The President's veto message cited several specific objections to the bill as reported by the conference committee, and raised concerns about the fiscal impact on the fiscal year 1981 budget. Of particular concern to the President was the inclusion in H.R. 5235 of physicians of the Public Health Service and other nonphysician health care professionals.

The revision in today's bill should meet the primary objections raised by the President in his veto message and should insure his favorable consideration of the bill.

Today, the military Medical Corps of the armed services are critically short of qualified physicians. These serious shortages have made the ability of Medical Corps to meet their mobilization requirements woefully inadequate. In meeting its peacetime mission of medical care for active duty, dependents and retirees, the military health care system is now forced to either hire more expensive contract physicians to meet essential services or to send patients to the civilian sector for treatment under the civilian health and medical program of the uniformed services (CHAMPUS). CHAMPUS cost for this fiscal year will exceed $750 million and may reach as high as $1 billion if the high attrition rate of military doctors is not reduced.

Since I disagree with the President's veto of H.R. 5235, I am offering this compromise bill, in the interest of quickly taking action on legislation that is essential to the preservation of the military Medical Corps of the armed services. I urge immediate consideration by the Armed Services Committee and the full Senate. Similar legislation is now being considered by the House Armed Services Committee.●

By Mr. McGOVERN:

S. 2461. A bill to authorize the establishment of a wheat reserve in order to meet emergency food needs in developing countries under the Agricultural Trade Development and Assistance Act of 1954, and for other related purposes; to the Committee on Agriculture, Nutrition, and Forestry.

FOOD SECURITY ACT OF 1980

Mr. McGOVERN. Mr. President, I am today introducing a bill entitled the Food Security Act of 1980. Its purpose is to provide a framework within which wheat which would otherwise have been sold to the Soviet Union will be made available by the Commodity Credit Corporation for use in the Public Law 480 food for peace program.

All of us are aware of the major role played by U.S. food aid in the 25 years since Public Law 480 was enacted. The multiple objectives of the original act have been well served: To expand international agricultural trade, to combat hunger and malnutrition, and to promote in other ways the foreign policy of the United States.

In recent years significant changes have been introduced which strengthen the humanitarian and developmental objectives of the program. As the special task force on Public Law 480 of the U.S. Department of Agriculture reported to the Congress in 1978:

> Meeting human needs and encouraging long-term agricultural and economic development in developing countries have been elevated from minor to major goals of the U.S. food aid program.

Members will recall that again last year certain Public Law 480 amendments sponsored by Senator Dole, myself, and others, were enacted which reinforced the humanitarian and developmental aspects of our food aid program.

The legislation I am introducing today is a partial response to one of the major legislative recommendations of the USDA task force: That a modest sized wheat reserve be created to help provide continuity of supply to the Public Law 480 program. U.S. food aid levels have fluctuated according to commodity availability—from a high of 19 million tons in fiscal year 1962 to a low of 3.3 million tons in fiscal year 1974.

Foodstuffs are too important a resource to be treated as surplus commodities which we make available as aid when we have them in abundance yet withhold when supplies are tight. When the United States proves an unreliable supplier of food aid, our market development as well as our humanitarian objectives suffer.

My legislation would set up clear ground rules for holding and releasing wheat being acquired by the CCC in the wake of the embargo of additional grain sales to the U.S.S.R. The bill specifies that the food security stocks could be drawn down only in situations in which the Secretary of Agriculture has declared that adequate food commodities would not otherwise be available for the Public Law 480 program. Without ground rules such as my bill proposes, the CCC wheat could come back on to the U.S. commercial market to the detriment of U.S. producers.

My legislation specifies that stocks from the food security reserve could be used only through the Public Law 480 program. It provides for proper rotation and management of such stocks but does not allow their replenishment once they have been drawn down. While some have suggested that the United States needs an ongoing reserve to backstop Public Law 480, my bill would simply create a one-time stockpile of up to 4 million tons of wheat. If this stockpile proves useful and effective on a one-time basis, consideration could then be given to making such reserve food aid stocks an ongoing feature of U.S. agriculture and food aid policy.

Language to creat such an emergency reserve of grain was adopted by the Senate in 1977 at the suggestion of the late Senator Hubert Humphrey, but was later deleted in conference with the House. Taking advantage of the opportunity provided by the U.S.S.R. grain embargo to create such a reserve now would enhance the ability of the United States to continue as a dependable supplier of food aid to needy people. My bill would enable us to do so in a manner consistent with the interests of the Nation's wheat growers, who have done such an amazing job of producing this high quality foodstuff.

I intend to request the Agriculture Committee to review at the first available moment my proposal and any others along similar lines. We need to set in place without delay the statutory framework which will assure that the wheat now available from the U.S.S.R. grain embargo will serve purposes which we can all support.

I ask unanimous consent that the text of the Food Security Act of 1980 be printed at this point in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2461

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Food Security Act of 1980."

Sec. 2. The Congress hereby declares it to be the policy of the United States to develop a wheat reserve solely to provide for emergency food needs in developing countries.

Sec. 3. In order to carry out the policy and accomplish the objectives set forth in section 2 of this Act, the President shall establish a reserve stock of wheat of up to four million metric tons for the purposes specified in section 5 of this Act.

Sec. 4. Stocks of wheat for such reserve may be acquired (1) through purchases from producers or in the market if the Secretary of Agriculture (hereinafter referred to as the "Secretary") determines that such purchases will not unduly disrupt the market; and (2) by designation by the Secretary of stocks of wheat acquired by the Commodity Credit Corporation.

Sec. 5. Notwithstanding any other provision of law, stocks of wheat designated or acquired for the wheat reserve provided for by this Act may be released by the President to provide on a donation or concessional sale basis emergency food assistance to developing countries at any time that the domestic supply of wheat in the United States is so limited that quantities of the commodity cannot be made available under the criteria of section 401(a) of the Agricultural Trade Development and Assistance Act of 1954 for disposition under that Act, except for urgent humanitarian purposes, but any wheat removed from the wheat reserve for the purposes of this section shall not be replaced.

Sec. 6. Wheat released from the reserve for the purposes of section 5 shall be made available under the Agricultural Trade Development and Assistance Act of 1954, except section 401(a) of such Act, with respect to determinations of availability, shall not be applicable thereto.

Sec. 7. The Secretary shall provide for the management of stocks of wheat in the reserve as to location and class of wheat needed to meet emergency situations and for the periodic rotation of stocks of wheat in the reserve to avoid spoilage and deterioration of such stocks, utilizing programs authorized by the Agricultural Trade Development and Assistance Act of 1954 and any other provisions of law, but any quantity removed from the wheat reserve for the purposes of this section shall be promptly replaced with an equivalent quantity.

Sec. 8. Stocks of wheat in the reserve shall not be considered a part of the total domestic supply including carryover for the purposes of section 5 or for the purpose of administering the Agricultural Trade Development and Assistance Act of 1954 and shall not be subject to any quantitative limitations on export which may be imposed pursuant to section 3(2)(A) of the Export Administration Act of 1969.

Sec. 9. (a) The funds and authorities of the Commodity Credit Corporation shall be utilized by the Secretary in carrying out this Act, except that any restrictions applicable to the acquisition, storage, or disposition of Commodity Credit Corporation owned or controlled commodities shall not apply with respect to the acquisition, storage, or disposal of wheat for or in the reserve.

(b) The Commodity Credit Corporation shall be reimbursed from funds made available for carrying out the Agricultural Trade Development and Assistance Act of 1954 for wheat released from the reserve which is made available under such Act. such reimbursement to be made on the basis of actual costs incurred by the Commodity Credit Corporation with respect to such wheat or the export market price of wheat, as determined by the Secretary, as of the time the wheat is released from the reserve for such purpose, whichever is lower. Such reimbursement may be made from funds appropriated for that purpose in subsequent years.

SEC. 10. Any determination by the President or the Secretary under this Act shall be final.●

By Mr. ROBERT C. BYRD (for Mr. KENNEDY):

S. 2462. A bill to authorize appropriations for activities for the National Science Foundation for fiscal years 1981 and 1982, and for other purposes; to the Committee on Labor and Human Resources.

Mr. ROBERT C. BYRD. Mr. President, for the Senator from Massachusetts (Mr. KENNEDY), I introduced and send to the desk a bill authorizing appropriations for the National Science Foundation.

I ask unanimous consent that a statement by Mr. KENNEDY, together with the text of the bill be printed in the RECORD.

There being no objection, the statement and bill were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR KENNEDY

I today introduce the National Science Foundation Authorization Act for Fiscal Years 1981 and 1982. During the three decades of its existence, the National Science Foundation has made major contributions to the development and expansion of the United States' technologic and scientific resources. The programs of this agency have supported countless scientists and have accelerated their many discoveries regarding the basic nature of our planet and universe. During the time that I have had the privilege to serve in the Senate, it has been my pleasure to work closely with the leadership and staff of the National Science Foundation in considering the difficult and challenging questions of science policy, research directions, and resource allocations.

The scientific knowledge of the United States is a precious national resource. We as a nation are recognized as a leader in both the basic and applied sector of almost every scientific discipline. No small credit for the development of these scientific resources must go to the programs and scientists supported by the public and administered through the National Science Foundation. We have become so accustomed to scientific breakthroughs that it is sometimes difficult to appreciate the full scope of the major strides that science has made the last decade and of the impact and implications of these discoveries on our daily life. Consider, if you will, just a few of the scientific "breakthroughs" that have occurred since 1970:

The basic biologic constituents of the genetic code are now understood to the point that the application of this knowledge holds forth real promise for alleviating many of the present causes of man's illness and death.

We have had brought into our living rooms, via television satellite relay, close-up views of the once mysterious surfaces of the sister planets in our solar system.

Advances in the mathematical sciences, and the techniques of information storage and retrieval, have made possible the increasing availability of computerized assistance in our home and office environment.

Our understanding of the basic characteristics of the surface of our planet and its atmospheric environment have made it possible to predict with much greater accuracy the potential devastating occurrences of earthquakes and storms.

These examples of the recent accomplishments of science and their positive impact on our daily life could, of course, go on and on. But I use these examples simply to point out what major strides have been made in the past decade and of what practical, daily importance they are to us.

However, we must acknowledge that the area of science, both basic and applied, is entering a critical era. In spite of the accomplishments of the past, the institutions and programs of science will face increasingly critical scrutiny in the years ahead regarding their productivity and relevance. Recognizing this, I find it encouraging that the Administration has submitted to the Congress a proposal for the fiscal 1981 activities of the National Science Foundation, which would provide a 15.5 percent increase in its programmatic activities. I believe that such an investment in the basic research resources of our country is both wise and prudent in these difficult times.

My bill will provide a two-year authorization for the Foundation, with the first-year authorization level of $1,142,500,000 being consistent with the Administration's request. Specifically, my bill provides:

Increased support for all of the Foundation's research activities so that there is "real growth" in addition to keeping pace with inflation.

Support for an expanded effort directed at increasing the participation of women in science.

The continuation of a special program for small business.

The continuation of special programs in the science education directorate targeted at education in appropriate technology, ethics, and values in science and technology and programs for minorities, women and the handicapped in science.

S. 2462

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Science Foundation Authorization Act for Fiscal Years 1981 and 1982".

SEC. 2. (a) There are authorized to be appropriated to the National Science Foundation $1,142,500,000 for the fiscal year 1981 and $1,256,200,000 for the fiscal year 1982.

(b) Funds authorized for the fiscal year 1981 will be available for the following categories:

(1) Mathematical and Physical Sciences, $264,200,000.

(2) Astronomical, Atomspheric, Earth and Ocean Sciences, $241,300,000.

(3) United States Antarctic Program, $63,400,000.

(4) Ocean Drilling Programs, $27,300,000.

(5) Biological, Behavorial, and Social Sciences, $182,000,000.

(6) Science Education Programs, $85,700,000.

(7)(A) Engineering, $137,000,000.

(7)(B) Applied Science and Research Applications, $62,600,000, of which not less than 12.5 per centum shall be expended to small business concerns.

(8) Scientific, Technological, and International Affairs, $28,850,000.

(9) Cross-Directorate Programs, $51,950,000.

(10) Program Development and Management, $60,800,000.

SEC. 3. Appropriations made under authority provided in sections 2 and 5 shall remain available for obligation, for expenditure, or for obligation and expenditure for periods specified in the Acts making the appropriations.

SEC. 4. (a) From appropriations made under section 2(b) (other than amounts available for paragraph (6) of such section) not less than $25,000,000 shall be made available for programs designed to improve the participation of women in science.

(b) Of the total amount authorized under section 2(b)(6)—

(1) $1,000,000 is authorized for a program of education in appropriate technology;

(2) $2,250,000 is authorized for the program Ethics and Values in Science and Technology; and

(3) $2,500,000 is authorized for the program Minorities, Women and the Handicapped in Science.

(c) Of the total amount authorized under sections 2(b)(1), 2(b)(2), and 2(b)(5) for equipment and instrumentation, not less than 10 per centum shall be made available for grants to two and four year colleges for equipment and instrumentation costing $35,000, or less.

SEC. 5. From appropriations made under this Act, not more than $5,000 for fiscal year 1981 and such sums as may be necessary for fiscal year 1982 may be used for official consultation, representation, or other extraordinary expenses at the discretion of the Director of the National Science Foundation. His determination will be final and conlusive upon the accounting officers of the Government.

SEC. 6. Besides the sums authorized by section 2, not more than $5,500,000 for fiscal year 1981 and such sums as may be necessary for fiscal year 1982 are authorized to be appropriated for expenses of the National Science Foundation incurred outside the United States, to be drawn from foreign currencies that the Treasury Department determines to be excess to the normal requirements of the United States.

SEC. 7. (a) Funds may be transferred among the categories listed in section 2 (b), so long as the net funds transferred to or from any category do not exceed 10 per centum of the amounts authorized for that category in section 2.

(b) The Director of the Foundation may propose transfers to or from any category exceeding 10 per centum of the amounts authorized for that category in section 2. Such a proposal must be transmitted in writing to the Speaker of the House, the President of the Senate, and the Senate Committee on Labor and Human Resources and the House Authorization Committees on Science and Technology. The proposed transfer may be made only when—

(1) thirty calendar days have passed after submission of the written proposal, or

(2) the Chairmen of the House Committee on Science and Technology and the Senate Committee on Labor and Human Resources have both written the Director to the effect that the Committees have no objection to the proposed transfer.

SEC. 8. (a)(1) Section 15(c) of the National Science Foundation Act of 1950 is repealed.

(2) Subsection (d) of section 15 of such Act is redesignated as subsection (c).

(d) Section 16 of the National Science Foundation Act of 1950 is amended to read as follows:

"APPROPRIATIONS

"SEC. 16. To enable the Foundation to carry out its powers and duties, only such sums may be appropriated as the Congress may authorize by law.".

ADDITIONAL COSPONSORS

S. 1435

At the request of Mr. NELSON, the Senator from Mississippi (Mr. COCHRAN), and the Senator from North Dakota

(Mr. Young) were added as cosponsors of S. 1435, a bill to amend the Internal Revenue Code of 1954 to provide a system of capital recovery for investment in plant and equipment, and to encourage economic growth and modernization through increased capital investment and expanded employment opportunities.

S. 1543

At the request of Mr. Nelson, the Senator from Oregon (Mr. Packwood) was added as a cosponsor of S. 1543, a bill relating to tax treatment of qualified dividend reinvestment plans.

S. 1858

At the request of Mr. Bayh, the Senator from Washington (Mr. Jackson), and the Senator from Wyoming (Mr. Simpson) were added as cosponsors of S. 1858, a bill to amend title 28, United States Code, to provide that the Federal tort claims provisions of that title are the exclusive remedy in medical malpractice actions and proceedings resulting from federally authorized National Guard training activities, and for other purposes.

S. 1942

At the request of Mr. McGovern, the Senator from South Carolina (Mr. Hollings) was added as a cosponsor of S. 1942, a bill to provide for a Resource Conservation and Development Program in the Department of Agriculture, and for other purposes.

S. 2152

At the request of Mr. Nelson, the Senator from Michigan (Mr. Levin) was added as a cosponsor of S. 2152, a bill to amend the Internal Revenue Code of 1954 to provide a doubling of investment tax credit for using section 38 property by raising the $100,000 limitation on such property to $200,000.

S. 2283

At the request of Mr. Chafee, the Senator from Delaware (Mr. Roth), the Senator from New York (Mr. Javits), and the Senator from Washington (Mr. Jackson) were added as cosponsors of S. 2283, a bill to amend the Internal Revenue Code of 1954 with respect to the income tax treatment of earned income of citizens or residents of the United States earned abroad.

SENATE RESOLUTION 373

At the request of Mr. Pressler, the Senator from Arizona (Mr. Goldwater) was added as a cosponsor of Senate Resolution 373, a resolution relating to a total embargo on U.S. export sales to the Soviet Union.

SENATE RESOLUTION 383

At the request of Mr. Jepsen, the Senator from Alabama (Mr. Heflin) was added as a cosponsor of Senate Resolution 383, a resolution to encourage older Americans to participate in the taking of the 1980 Decennial Census.

AMENDMENT NO. 1675

At the request of Mr. Tsongas, the Senator from Rhode Island (Mr. Pell), the Senator from Washington (Mr. Jackson), the Senator from Montana (Mr. Baucus), the Senator from West Virginia (Mr. Randolph), the Senator from Hawaii (Mr. Inouye), and the Senator from California (Mr. Cranston) were added as cosponsors of amendment No. 1675 intended to be proposed to S. 1843, a bill to provide for Federal support and stimulation of State, local, and community activities to prevent domestic violence and provide immediate shelter and other assistance for victims of domestic violence, for coordination of Federal programs and activities pertaining to domestic violence, and for other purposes.

SENATE RESOLUTION 387 AND SENATE RESOLUTION 388—SUBMISSION OF RESOLUTIONS RELATING TO DOMESTIC ALCOHOL FUELS PRODUCTION

Mr. BAYH (for himself, Mr. Church, Mr. Hatfield, Mr. Dole, and Mr. McGovern) submitted the following resolution, which was referred to the Committee on Agriculture, Nutrition, and Forestry:

S. Res. 387

Whereas, alcohol fuels are the only practical alternative fuel that can in the immediate future reduce the nation's need for importing petroleum; and

Whereas, the technology for producing large quantities of alcohol fuel is available today; and

Whereas in most cases small scale alcohol fuel production facilities, such as would be constructed by a farmer or a group of neighboring farmers, may be constructed and in operation within six months, and that in many instances large scale alcohol fuel production facilities may be constructed and in operation within twenty-four months; and

Whereas there is more demand by consumers for gasohol and alcohol fuels than there is existing domestic capacity to produce alcohol fuels; and

Whereas the President has declared as a national goal the domestic production of 500 million gallons of ethyl alcohol in 1981; and

Whereas the achievement of this goal will require approximately a six fold increase in domestic alcohol fuel production capacity; and

Whereas the Farmers Home Administration currently has available $100 million for loan guarantees and $10 million for direct loans for alcohol fuel plant construction; and

Wheres achievement of the President's national production goal requires an aggressive commitment by federal agencies to ensure rapid and effective delivery of financial assistance from federal alcohol fuels programs to those individuals and companies prepared to immediately proceed with alcohol fuel projects: Now, therefore be it

Resolved, That it is the sense of the Senate that the Administrator of the Farmers Home Administration aggressively implement and promote public awareness of the $100 million loan guarantee and $10 million direct loan programs for alcohol fuel plant construction announced by the Secretary of Agriculture in January, 1980.

Section 2. The Secretary of the Senate shall transmit a copy of this resolution to the President, the Secretary of Agriculture and the Administrator of the Farmers Home Administration.

Mr. BAYH (for himself, Mr. Church, Mr. Hatfield, Mr. Dole, and Mr. McGovern) submitted the following resolution, which was referred to the Committee on Energy and Natural Resources:

S. Res. 388

Whereas alcohol fuels are the only practical alternative fuel that can in the immediate future reduce the Nation's need for importing petroleum; and

Whereas the technology for producing large quantities of alcohol fuel is available today; and

Whereas in most cases small-scale alcohol fuel production facilities, such as would be constructed by a farmer or a group of neighboring farmers, may be constructed and in operation within six months, and that in many instances large-scale alcohol fuel production facilities may be constructed and in operation within twenty-four months; and

Whereas there is more demand by consumers for gasohol and alcohol fuels than there is existing domestic capacity to produce alcohol fuels; and

Whereas the President has declared as a national goal the domestic production of 500 million gallons of ethyl alcohol in 1981; and

Whereas the achievement of this goal will require approximately a sixfold increase in domestic alcohol fuel production capacity; and

Whereas under Public Law 96–126 the Department of Energy currently has available $2.2 billion for an alternative fuels production program which includes alcohol fuels derived from biomass and industrial and municipal solid wastes; and

Whereas achievement of the President's national production goal requires an aggressive commitment by Federal agencies to ensure rapid and effective delivery of financial assistance from Federal alcohol fuels programs to those individuals and companies prepared to immediately proceed with alcohol fuel projects: Now, therefore, be it

Resolved, That it is the sense of the Senate that the Secretary of Energy expedite implementation of the $2.2 billion alternative fuels production program (Public Law 96–126) with special emphasis on alcohol as an alternative fuel derived from biomass, and industrial and municipal solid wastes.

Sec. 2. The Secretary of the Senate shall transmit a copy of this resolution to the President and the Secretary of Energy.

● Mr. BAYH. Mr. President, I am submitting today two Senate Resolutions which call for expedited Federal agency action on programs to aid domestic production of alcohol fuels. Senators Church, McGovern, Dole, and Hatfield, National Alcohol Fuels Commissioners, are joining me on this resolution.

This resolution specifically cites programs in the Department of Energy and in the Farmers Home Administration, for which funds have already been appropriated, that can immediately assist the private sector in constructing both on-farm and commercial scale alcohol fuel production plants. What is needed is aggressive implementation of these programs.

Early this year the President announced a national production goal of 500 million gallons of ethyl alcohol to be achieved in 1981. That is an ambitious goal, and the achievement of it will result in an approximate sixfold increase in domestic alcohol fuel production capacity. But if we are to have any chance to meet that goal agencies such as the Department of Energy and the Farmers Home Administration must move forward rapidly in providing the private sector with the financial assistance currently available.

Specifically, the Farmers Home Administration currently has available $100 million for loan guarantees and $10 million for direct loans for alcohol fuel plant construction. Additionally, last year the Congress appropriated $2.2 billion for the Department of Energy for an alternative fuels program which includes alcohol fuels derived from biomass and industrial and municipal solid wastes. This program can provide assistance for plant construction in the form of purchase agreements, price guarantees, cooperative agreements, and loan guarantees.

What is required, Mr. President, is an aggressive commitment by these Federal agencies to insure rapid and effective delivery of these various forms of financial assistance to those individuals, farmers and their cooperatives, and companies prepared to immediately proceed with alcohol fuel projects.

Mr. President, the Senate and House Budget Committees are fully prepared to support a balanced budget for the upcoming fiscal year. The administration has prepared revisions to its recently submitted budget to pare down Federal spending. This is important for putting a damper on the current inflationary spiral. It is imperative that the President and the Congress undertake appropriate steps to reduce inflation and alleviate the dislocations it causes for all Americans.

But an equally, if not more important, contribution to inflation is our continued reliance on imported petroleum. To the extent that we are able to reduce that reliance we will be strengthening our economy and combating inflation. Alcohol fuels are the only practical alternative fuel that can, in the immediate future, reduce the Nation's need for importing petroleum. The technology for producing large quantities of alcohol fuel is available today. Public acceptance of gasohol—a clean burning, octane boosting blend of alcohol and gasoline—has experienced tremendous growth in the last 2 years. But consumer demand far exceeds the existing domestic capacity to produce alcohol fuels. It is imperative therefore, for our efforts to combat inflation, that we make good on stated commitments to expand our domestic alcohol fuels industry. And soon.

Mr. President, this resolution is the result of discussions on March 4 at the meeting of the U.S. National Alcohol Fuels Commission, which I have the privilege to chair. The Commission is composed of 19 members: 7 public representatives appointed by the President, plus 6 Senators and 6 House Members on the Appropriations, Agriculture and Energy Committees. The Commission agreed at that time that there is a clear need for expedited implementation of the Federal Government's alcohol fuels programs. Vice Chairman Roe will be introducing a companion House resolution to coincide with the resolution I am submitting today.●

SENATE CONCURRENT RESOLUTION 82—SUBMISSION OF A CONCURRENT RESOLUTION RELATING TO INCREASED SOCIAL SECURITY BENEFITS

Mr. CHURCH submitted the following concurrent resolution, which was referred to the Committee on Finance:

S. CON. RES. 82

Whereas the rate of inflation for 1979 exceeded 13 per centum; and

Whereas under existing law the level of social security benefits is scheduled to be automatically increased by 13 per centum to reflect the rising cost of living, effective June 1, 1980; and

Whereas the President has recommended in his budget proposal for the fiscal year 1981 that this increase be allowed to occur as scheduled: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that this year's automatic cost-of-living increase in social security benefits under section 215(i) of the Social Security Act should be allowed to occur as scheduled, effective June 1, 1980, in accordance with the recommendations made by the President in his budget proposal submitted to the Congress on January 28, 1980.

BALANCING THE BUDGET: SOCIAL SECURITY IS NOT THE ANSWER

Mr. CHURCH. Mr. President, I am submitting a resolution to record the opposition of Congress to any attempt to reduce this year's social security cost-of-living increase.

I am the author of the law which created the annual cost-of-living increase in social security benefits. The purpose of this law is to make social security inflation-proof. It would be a terrible tragedy to weaken this protection for the elderly and disabled in a time when the burden of inflation is so great.

Mr. President, those on fixed incomes—the elderly and disabled—bear the greatest burdens of inflation. Congress acted wisely and with compassion when my annual cost-of-living provision was enacted in 1972. No one could then anticipate the staggering inflation the American people are now enduring, but it is simply wrong to retreat from the compact that Congress has made with older Americans who depend on the social security system.

An adequate income is the basic necessity of life for these Americans. Even with the present cost-of-living adjustment, their retirement benefits are severely squeezed by inflation, especially when, as today, inflation hits hardest those commodities they cannot do without: Fuel, food, and medical care.

Some have suggested that the Consumer Price Index (CPI) should be changed, arguing that it exaggerates the true rate of inflation. My cost-of-living provision is based on the CPI, but I do not argue that its present formulation must be considered inviolate. I do argue, however, that if it is to be changed, it should be changed for all, not just for the elderly.

Under existing law, this year's increase in social security is presently estimated at 13 percent, which is substantially less than the current rate of inflation.

Furthermore, any reduction in social security benefits would not directly affect our effort to balance the budget. Social security benefits are paid from trust funds which can be spent only for social security. These trust funds remain in surplus, so that any change would only enlarge that surplus, and not affect other parts of the Federal budget.

Older Americans are already anxious about the proposal by the Social Security Advisory Council to tax social security benefits. Although it stands no chance of being approved by Congress, it has left millions of senior citizens fearful and confused.

Now to propose a new formula to lower social security cost-of-living increases, coming on the heels of the taxation proposal, has redoubled these fears. Such a reduction, in my judgment, stands no chance of enactment. Therefore, I urge the Senate to join in my resolution. It is callous to burden the elderly with these baseless anxieties when they are having such a hard time coping with inflation.

My resolution is identical to House Concurrent Resolution 296 introduced in the House of Representatives by Congressman MARIO BIAGGI.

NOTICES OF HEARINGS

SELECT COMMITTEE ON SMALL BUSINESS

● Mr. NELSON. Mr. President, the Select Committee on Small Business will hold a hearing on the consideration of title I of S. 1860, the "Small Business Innovation Act of 1979."

The hearing will begin at 9:30 a.m., on Tuesday, March 25, 1980, in room 424 of the Russell Senate Office Building.●

AUTHORITIES FOR COMMITTEES TO MEET

COMMITTEE ON FOREIGN RELATIONS

Mr. RIEGLE. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate today to hold a hearing on the United States/Middle East policy.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. RIEGLE. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate today beginning at 2:30 p.m. to hear administration officials on the fiscal year 1981 foreign assistance request (Middle East).

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

A CENTENNIAL CELEBRATION AT PICATINNY

● Mr. WILLIAMS. Mr. President, one of the keys to making sure our nation enjoys a strong and viable defense is to guarantee that every tax dollar for defense is spent wisely and prudently.

We can enhance this effort by efficiency and thoroughness in our armament development and research labors. At Picatinny Arsenal in Dover, N.J. there has been a commitment to hard work and solid accomplishment for 100 years and the arsenal is now in the process of celebrating its centennial anniversary.

Mr. President, Members of the New Jersey delegation have had to work hard over the years to stress the important role Picatinny Arsenal plays in our overall defense posture, but I think our efforts have met with important success. Today, the arsenal serves as the headquarters for the U.S. Army Armament Research and Development Command (ARRADCOM) under its Commander, Maj. Gen. Allen H. Light, Jr.

Mr. President, the arsenal has a long and proud history and I would like to share a brief recounting of the arsenal's 100 years with my colleagues. In addition, General Light has prepared a proclamation in connection with Picatinny's 100th anniversary which I think my colleagues would find interesting. I ask that both items be printed in the Record and I ask, too, that we convey our warmest congratulations to the Army, General Light, and all the military and civilian employees of the Picatinny Arsenal on its 100th anniversary.

The material follows:

History

On 6 September 1880, the War Department issued Special Order No. 189 which established on this site the "Dover Powder Depot." Four days later, the post was renamed the "Picatinny Powder Depot."

The Army's first powder factory was constructed here in 1907 and later that year, because of its expanding activities, the post became "Picatinny Arsenal."

In 1926 an electrical storm initiated a tremendous explosion in an adjacent Naval depot's magazine storage area, destroying buildings, killing 19 persons and injuring 38. Modern Picatinny Arsenal dates from that explosion, after which the installation was rebuilt and expanded.

When World War II started, Picatinny Arsenal was the only plant in the United States capable of making ammunition larger than that for small arms. During the war more than 8,000 people were trained here in the specialized techniques of munitions mass production. At the peak of its WW II activities, the Arsenal employed in excess of 20,000 people on a three-shift per-day, seven-day-week basis.

In the years from Korea to Vietnam, the prime arsenal mission was to develop and improve large caliber conventional and nuclear munitions.

Today, Picatinny serves as the headquarters for the US Army Armament Research and Development Command and employs 6,000 highly skilled technicians, scientists and engineers engaged in the full range of armament research and development.

Proclamation: Centennial of Picatinny

Whereas, Department of the Army Special Order No. 189 dated 6 September 1880 established an Army powder depot on this site in Morris County, New Jersey, and

Whereas, this same site has been identified as Picatinny Arsenal during most of the past one-hundred years, and

Whereas, the year nineteen-hundred and eighty marks the one-hundredth anniversary of this installation, and

Whereas, for an entire century, this Picatinny installation has supported in a most distinguished manner the Armed Forces of the United States of America with ordnance materiel vital to this Nation's defense, and

Whereas, Picatinny's activities have typified the successful, combined contribution of military and civilian personnel to the national defense of the United States of America, and

Whereas, this combined effort illustrates the fundamental principles upon which this Republic was founded.

I, Major General Allen H. Light, Jr., Commander of the United States Army Armament Research and Development Command (ARRADCOM), headquarters at Dover, New Jersey, do hereby proclaim the period of celebration for the Centennial of Picatinny to be January through September 1980.

Further, I ask each segment of this Picatinny community to support, contribute to and participate in all special events and ceremonies scheduled throughout the celebration period.

In witness thereof, I hereby affix my signature on the Twelfth Day of December 1979.

Allen H. Light,
Major General, USA,
Commanding.●

COOPERATIVES HELP FIGHT INFLATION

● Mr. DOLE. Mr. President, in this period of persistent inflation, I am greatly concerned about the continuing erosion of American buying power, particularly as it affects moderate-income families, the poor, and the elderly.

As soaring energy costs fuel inflation, every family must spend a greater portion of its income for basic household necessities. This reduces the amount left for other vital needs traditionally associated with the American way of life.

That is why I have strongly supported voluntary and productive self-help programs. One of the most effective such efforts in the last 50 years has been carried out by America's farmer cooperatives.

Farmer-owned cooperatives market about one-third of America's food and fiber, supply about one-third of the petroleum products used by farmers and rural residents, and export about one-tenth of the grain sold to foreign countries. This benefits farmers and consumers, and is in the public interest.

Cooperatives are helping maintain our remarkably productive family farm system. They are one of our best assurances of an economical and reliable food supply, and one of our most effective checks on inflation.

I would oppose any attempt to weaken our family farm system through amendments to the Capper-Volstead Act.

On this Agriculture Day 1980, I am proud to salute America's farmer cooperatives for their contributions to the prosperity and economic well-being of this country, and their participation in the current fight against inflation.●

AGRICULTURE DAY, 1980

● Mr. BENTSEN. Mr. President, today has been designated as "Agriculture Day, 1980." On this occasion I would like to salute the vital role which agriculture plays in the economy of this Nation and in the lives of all its citizens.

Agriculture is a vital part of my home State of Texas, and we Texans are quite properly proud of our agricultural industry. Agriculture contributes over $30 billion annually to the Texas economy. Texas is the Nation's leading producer of cattle, sheep and goats, cotton, and grain sorghum, and is a major source of dozens of other crops ranging from corn, wheat, rice, peanuts, and soybeans to dairy, poultry, swine, citrus and other fruits, vegetables, and nuts.

Nationwide, agriculture touches the lives of every one of our citizens every single day. One out of every five jobs in the United States is involved in the food and fiber industry, and agricultural exports are the largest single positive contributor to our international balance of payments, amounting to over $30 billion. Agriculture is the bulwark and the strength of this country in times of crisis today as it has been throughout our Nation's history, and it is entirely fitting that we join with the Agricultural Council of America in recognizing and paying tribute to this vital industry.

AGRICULTURAL PRODUCTIVITY

Mr. President, as chairman of the Joint Economic Committee and as a citizen who is deeply concerned about the economic future of this country I have spent a great deal of time focusing in on the massive problems which we now have as a direct result of the lack of growth in productivity in this country. Inflation must be brought under control. Massive cuts in Federal spending in order to balance the fiscal year 1981 budget are a necessary first step, and I fully support such cuts. However, if inflation is to be controlled, we must go beyond that to increase the amount of savings, increase the amount of capital investment in this country, and thereby increase our productivity. The route to controlled inflation and a healthy economy lies not in curbing demand through a recession, but in addressing the supply side of the economy—in putting more goods, not less, on the shelf at a lower cost through increased productivity.

The productivity of agriculture is an example and a goal for all other sectors of the economy. Our current rate of productivity growth in agriculture is about 2 percent per year, compared to only about 0.3 percent for the U.S. economy as a whole. By contrast, Japan's productivity is increasing at over 3 percent per year.

PRODUCTIVITY AND AGRICULTURAL RESEARCH

In order to increase productivity in this country we must have an increase in capital investment—investment in research and development as well as in new plant and equipment. Agriculture is no exception. While the current 2 percent rate of productivity increase in agriculture is much better than the economy as a whole, it is well below the 3–3.5 percent rate of increase which agriculture experienced from 1930 to 1965. Agricultural research made possible this unprecedented boom in productivity, and we must maintain this research effort if our children are to live and eat as well as we have during our lifetimes.

Studies indicate that a 1-percent increase in funding for agricultural research will translate into a 3.7-percent increase in productivity over 13 years. We must recognize that these are the times horizons we are dealing with an agricultural research and plan accordingly. Dr. Jarvis Miller, president of Texas A. & M. University and former director of the Texas Agricultural Experiment Station, estimates that it takes 13 years to move from discovery of a new technology to its adoption and use, so we are now living on the fruits of research work done in the 1960's. Our research investments in agriculture are paying off handsomely—at an annual return on investment of 50 percent per year according to Dr. Robert E. Evenson of Yale University. Even at current interest rates that investment looks attractive.

The payoff to this country is both real and close to home. Consumers are the prime beneficiaries of the benefits of agricultural research. These benefits are passed directly through in the form of lower prices for higher quality food. As a result the average American spends only about 16 percent of his disposable income on food, and the wholesomeness, cleanliness, and quality of that food is the best in the world.

Agricultural research has also made major contributions in improving the quality of our environment. My home State of Texas is the Nation's leader in the area of integrated pest management, which has brought about major reductions in the use of pesticides while providing farmers with better pest control at a lower cost. In cotton alone, pesticide use in Texas has been reduced from 19.3 million pounds per year in 1964 to 2.3 million pounds in 1976. The percentage of acres treated with pesticides has dropped from 45 to 30 percent, and the average number of treatments fell from 3.8 to 2.9.

There is a growing need for agricultural research in nontraditional as well traditional areas. Aquaculture promises to become a major new industry in our coastal and wetlands areas. Synthetic rubber crops such as guayule may make a major contribution to the economy of our arid Southwest as well as to the security of our Nation as world rubber supplies become tighter in the 1980's and 1990's. And ethanol and methanol from agricultural biomass sources can make an important contribution toward reducing our dependence on costly and unreliable foreign suppliers of oil.

On this day we should look at the accomplishments of the past and recognize the opportunities of the future in agriculture. America's agricultural production capacity far outstrips that of any other nation in the world. This industry is the largest positive contributor to our balance of payments at the present time and will probably maintain that lead easily if we see to it that the industry has the necessary tools with which to do so—tools such as the hybrid plant varieties which have made this country the breadbasket of the world. These productive new innovations are the direct result of our investment in agricultural research, and the seeds of tomorrow's green revolutions are being planted by the research of today. We should all take note of this and work to see that agriculture continues to receive a proportionate share of our research investment in this country.●

INDIANA JEFFERSON AWARDS

● Mr. LUGAR. Mr. President, yesterday 10 Indiana residents who have dedicated themselves to helping others received Indiana Jefferson Awards for outstanding public service.

The recipients were selected from hundreds of nominees in the fourth year of the statewide program sponsored by the Indianapolis Star, and were honored at a special luncheon on Wednesday at the Indianapolis Athletic Club.

Mr. President, the achievements of these people represent many years of dedication and hard work in community service, often with great sacrifice and little public recognition. I would like to take this opportunity to share my appreciation with my Senate colleagues of the unselfish and unheralded acts of kindness and good deeds these outstanding Hoosiers have contributed.

Mr. President, I ask that an article which appeared in the March 16 Indianapolis Star entitled, "10 Hoosiers to be Cited for Community Service," illustrating the achievements of these Americans, be printed in the Record.

The article follows:

10 Hoosiers To Be Cited For Community Service

Ten Indiana residents who have dedicated themselves to helping others with little regard for fanfare will receive Indiana Jefferson Awards Wednesday for outstanding public service.

The winners—five from Indianapolis—were selected from hundreds of nominees in the fourth year of the statewide program sponsored by The Indianapolis Star.

Plaques from The Star will be presented at the invitation-only luncheon Wednesday in the Indianapolis Athletic Club. In addition, the recipients will be awarded bronze medallions by the American Institute for Public Service, sponsor of the national Jefferson Awards program named for President Thomas Jefferson.

The winners are:

Audra Bailey, 700 North Alabama Street.

Ed Conley, Terre Haute.

Ralph M. Dowe, 3900 North Shadeland Avenue.

Dr. Joseph W. Elbert, Petersburg.

Mrs. James Gambill, Carmel.

Edward O. Kellner, Buckskin.

Mrs. Richard J. Wheaton, Carmel.

D. Susan Wisely, 91 West 91st Street.

Mrs. John W. Wynne, 510 Forest Boulevard.

Willis N. Zagrovich, 7411 Snowflake Drive.

"It was a rewarding experience to read (in the biographical material submitted with the nominations) about the unselfish and unheralded acts of kindness and good deeds of so many people," remarked Gordon St. Angelo, senior program officer for Lilly Endowment Inc. and chairman of the Jefferson Awards panel of judges.

"We hear so much bad news. Being involved with the Jefferson Awards program exposes one to just part of the great volume of good news in our society."

Assisting St. Angelo were six judges who have served the program since it started in 1977. They are:

John V. Barnett, former president of the Indiana State Chamber of Commerce and trustee of Indiana Vocational Technical College.

Robert N. Brown, publisher of the Columbus Republic, Franklin Daily Journal and Greenfield Reporter.

Mrs. Howard J. Lacy, treasurer and board chairman of Lacy Diversified Industries.

Dr. Frank P. Lloyd, vice-president and director of medical research at Methodist Hospital.

James T. Neal, president and executive editor of Ledger Publications at Noblesville and former chairman of the Indiana Republican State Central Committee.

Doris Parker, regional relations coordinator for Indiana Vocational Technical College.

Gov. Otis R. Bowen, Mayor William H. Hudnut and Michael Carroll, special assistant to U.S. Sen. Richard G. Lugar (R-Ind.), will honor the winners at the luncheon.

Acknowledgement also will be given by Eugene S. Pulliam, publisher of Indianapolis Newspapers Inc., and Lawrence S. Connor, managing editor of The Star.

Biographies of the winners follow:

AUDRA BAILEY

Her leadership and countless hours devoted to the activities of community organizations almost too numerous to mention have brought this former Arlington High School math teacher the admiration of her colleagues and students.

For the last 40 years, Mrs. Bailey has worked to inspire young people in Indiana to improve their communities. "Her objective has always been to give the honor and publicity to the students and community and she has not sought it for herself," writes school spokesman Margaret Schroedle in her letter of nomination.

Although Mrs. Bailey retired from teaching in June, she was granted a Lilly Foundation stipend to return to Arlington as a public relations person. She is now an agent and regional manager for Third Century Venture (TCR), an energy corporation.

Mrs. Bailey received awards in the Keep America Beautiful program on state and national levels. She also served as chairman and won national awards for her participation in the School Program of the Freedoms Foundation.

She was also co-chairman of Culturama. an educational salute to International Conference on Cities. and involved with Knights on Parade, a program honoring Arlington High School graduates who have achieved national recognition.

Because of Mrs. Bailey's recommendations, the art department painted a mural, to be hung near its Bicentennial painting, honoring women who had made significant contributions to history in the past 200 years.

Her many honors include inclusion in Who's Who of American Women. Who's Who in the Midwest and the Dictionary of International Biography. She is also a member of the Phi Kappa Phi education honorary at Butler University and a recipient of the Freedoms Foundation Valley Teachers Medal.

Mrs. Bailey has been a member of the mathematics curriculum committee for the state of Indiana, the mathematics textbook committee, Indiana State Teachers Association math section, the Indiana Association of Women Dean, Administrators, Counselors, Special Events Committee for the 1968 National Convention. Mrs. Bailey organized a chapter of American Field Service at Kokomo and has served as its counselor and program director since 1964.

A native of Amboy, and the holder of a bachelor's degree from Indiana University and a master's degree in adminstration from Butler University, Mrs. Bailey taught at Mount Auburn, Waterloo and Kokomo before coming to Arlington.

The mother of one son, she is married to Dr. L. Rush Bailey, a professor of prosthodonics at the Indiana University School of Dentistry. She lives at 700 North Alabama Street. She was awarded scholarships from the national science foundation to attend Purdue University and an international Student Scholarship for travel in six European countries.

ED CONLEY

Ed Conley has been helping people all his life, and at the age of 71, he has no intention of quitting.

His good work goes back to his 12th year when he started playing the trumpet for the Salvation Army. Since then he has been responsible for forming seven Boy Scout troops, feeding and clothing hundreds of children at Christmas time, and building a Girl Scout lodge and a four-diamond baseball stadium.

When Conley was 23, he was teacher of a boys' Sunday school class at the Terre Haute Methodist Church. Because the children had no place to play basketball, Conley formed a league which eventually grew to four divisions and led to the construction of the Terre Haute YMCA.

Conley was also the first person to bring Cub Scouting to Terre Haute and established seven troops there. At 25, he was already the vice-president of the Junior Chamber of Commerce.

For 46 years, Conley remained in perfect attendance at the Terre Haute Noon Optimist Club. He helped start the Cloth the Child at Christmas program. The first year, the group clothed 22 children and last year the club clothed 558 boys and girls.

Ed Conley is perhaps best known for the Girl Scout lodge at Poland that bears his name. In 1953, when Conley learned that girls were sleeping on newspapers and under pup tents, he and the Optimist Club raised $120,000 in cash and building materials and solicited help from a labor union for a brick and concrete building that houses 120 girls each summer. He was given the highest award in Girl Scouting for his efforts.

Also thanks to his contributions, $16,000 was raised for the Beacon School of the Valley, where children with cerebral palsy are taught to be more self-sufficient.

The girls in Terre Haute also have Ed Conley to thank for his efforts in securing a four-diamond, 8-acre baseball stadium. He is now commissioner of the Indiana branch of Miss Softball America.

Conley, who is with the Vigo News Agency, lives at 840 Couth Ninth Street, Terre Haute.

RALPH M. DOWE

Setting aside selfish considerations to help others is nothing new to Ralph McKinley Dowe, who has been active in community concerns 17 years.

He dropped out of law school 11 years ago to devote more time to helping youth, and he's been too busy to make it back since.

Dowe was maintaining a heavy schedule of volunteer work when he applied for a job with the Indianapolis Boys' Club Association in 1969. He went on to become the first and only director of Wheeler Boys' Club, recognized as one of the top youth organizations in the nation.

Dowe's volunteer work began soon after his graduation from North Carolina State A. and T. University when he helped plan programs for low income youngsters in housing projects at Greensboro, N.C. A key concern was counseling teens to stay in school.

Moving here in 1969, Dowe volunteered at the Indianapolis Leadership Center, Flanner House and Dexter Community Center—besides enrolling at Indiana University Law School.

Law school lost out to youth work, however, and Dowe took a job as physical director at Gorman English Avenue Boys' Club in the near-Southeastside Fountain Square community.

His success there as a counselor and activities organizer won him a promotion to program director at the Southside Boys' Club There, he established a track record for innovation that featured, among other achievements, the founding of the merchant-supported Indianapolis Boys' Club Tackle Football program.

Membership ballooned at the Southside club under Dowe's aegis, and in 1971, he took up a new challenge. He was named first director of the Wheeler Boys' Club, which opened the following year on the Northeastside.

Dowe was instrumental in forming a branch board of local business people and other interested persons. He empaneled mothers' and fathers' clubs. He spent countless hours evangelizing the new center in the community.

The result: The new Boys' Club opened with 2,500 members and went on to win many national awards.

Wheeler programs honored in national competition dealt with such subjects as alcoholism, health and human relations. In 1976 and 1977, the club received Indiana Area Council Creative Awards for outstanding programming.

Dowe is a member of many committees locally and nationally, including the National Association of Keystone Clubs which serves more than 1,100 Boys' Clubs. He helped rewrite the Keystone Club's manual last year. He was the first recipient of the Paul Lemon Award for outstanding programming in Indiana. He is a member of "Who's Who in Black America."

But those are the formal things. They don't include the Christmas food baskets for needy families, the doctor's appointments for club members, the countless intercessions with juvenile court officers, the more than 150 youngsters Ralph Dowe has helped into college and vocational schools.

You might call them 150 trophies.

DR. JOSEPH ELBERT

The Cuban missile crisis of 1962 found Dr. Joseph Wesley Elbert in a familiar role—volunteering to perform a difficult but important job.

A member of the U.S. Public Health Service reserve since 1955, the Petersburg physician received a telegram saying the Coast Guard would have a crying need for doctors, should hostilities erupt over Cuba.

He volunteered immediately. It would not be the last time he offered free medical help to the Coast Guard.

In March of 1979, Elbert received the Coast Guard Commendation Medal for donating 13 years of medical service without pay as a Public Health Service reserve officer.

"I owe my country a debt that I can partially repay by this service," Elbert said. "I entered medical school on Sept. 15, 1941, and the Pearl Harbor attack occurred on Dec. 7, 1941. I was given the opportunity by my draft board to complete my medical education."

Dr. Elbert's peers and fellow community members feel they are the ones with a debt to repay.

His volunteer service to Petersburg, Pike County and the rest of the state is as "big" as the Indiana Comprehensive Health Planning Agency, which he directed seven years, and as "small" as the local Little Miss Catfish Contest, which he has directed 15 years.

A staff member of Good Samaritan Hospital at Vincennes and Daviess County Hospital at Washington, Elbert has provided free preschool immunizations and physical examinations for poor children, free physicals to Pike Central High School athletes, and free instruction to members of the Pike County Ambulance Service for certification as emergency medical technicians. He developed the ambulance service.

Besides his post on the state health planning council he has been director of the Southwestern Indiana Health Systems Agency, director of the Southwestern Indiana Medical Review Organization, and president and director of the Vincennes Community Mental Health Center. He has been Pike County health officer for the last 25 years.

He was director of the Indiana State Commission for the Handicapped for 10 years, is a member and past president of the Indiana State Osteopathic Association and last year was president of the Indiana Reserve Officers Association.

A Scoutmaster and leading Kiwanian, he is a member and past president of the Pike County Society for Crippled Children and Adults, Cancer Society, Heart Association and Shrine Club, among many other active memberships.

In the words of William A. Weathers, former principal and athletic coach at Petersburg High School and a longtime associate of Dr. Elbert, addition of a Jefferson Award to this long list of laurels would give him "well-deserved statewide recognition for the countless acts of unsung public services that he has performed for over 40 years."

MRS. JAMES GAMBILL

"When they said Judy had died, I felt that every part of me wanted to explode in every which direction. The death of a child is more devastating than any other loss. It throws them into a grief so awful that anyone who hasn't experienced it can't imagine its intensity."

Andrea Gambill has discussed the death of her 17-year-old daughter many times since that automobile accident on Aug. 25, 1975. Along the way, she has brightened the lives of hundreds of fellow bereaved parents.

During the 4½ months her daughter lay critically injured and unconscious, Mrs. Gambill experienced the suffering of many other patients and their families, and learned a lasting lesson: Grief shared is grief diminished.

She applied the lesson by founding the Carmel/Indianapolis Chapter of Compassionate Friends, part of an international organization of bereaved parents which has become this countrys' fastest-growing self-help organization.

For Andrea Gambill, Compassionate Friends started as a meeting of eight mothers in her home in April 1977. The local chapter now meets monthly in Faith Presbyterian Church, and with Mrs. Gambill's help has sprouted chapters at Greenwood, Anderson, Logansport and Columbus.

Mrs. Gambill is secretary to the board of directors of the national organization, and coordinated the second national convention of Compassionate Friends, held here last April.

"Meetings offer newly bereaved parents a chance to see there are others who have suffered the same loss, but managed to return to normal," Mrs. Gambill said.

She points out that the importance of dealing with grief extends beyond the inner feelings of the bereaved.

"The bereaved know they are grief-stricken but often they don't realize they are incapable of operating normally," she said. "They experience feelings so intense, some begin to wonder if they are losing their minds.

"Many find this heavy grief affecting their marriages. Ninety percent suffer marital difficulties. Seventy percent end in divorce. Friction builds as each thinks the other isn't affected as much."

Mrs. Gambill has carried her loving comfort and practical advice to the community at meetings and on television and radio talk shows, in addition to countless individual consultations. She is self-help directory project coordinator for the center for Death and Life Education, and last year was a panelist in a seminar on death and dying sponsored by the Indiana Commission on Humanities.

To the many grief-stricken parents who have thanked her for "loving them back to life again," Mrs. Gambill responds that she is as grateful as they for the shared experience of coping with loss.

"Because of that tender healing experience," she said in a speech, "I am able to stand today—and to reach out to others."

D. SUSAN WISELY

D. Susan Wisely, who has been devoting her own time to worthy causes since she was a teen-ager, now devotes her work time as well.

In 1973 she joined the staff of Lilly Endowment where she evaluates funded programs and is responsible for numerous grants in the areas of youth development, women's issues and assistance to American Indians.

Among her accomplishments in this role have been:

The first national study focusing on the needs and concerns of adolescent girls.

An extensive evaluation of a program designed to encourage Indian attorneys to return and practice in their home communities.

A major effort to protect the rights of Indian tribes in the Eastern states.

An analysis of the history, accomplishments and difficulties of the Indiana Juvenile Justice Task Force.

Initiation of seminars to encourage key staff members of nonprofit agencies in Indianapolis to develop skills in fund-raising and financial development.

Meantime, she has served as adviser to and member of numerous voluntary groups. She is particularly known for her contribution to the improvement of services to young women and assistance to voluntary organizations in Indianapolis and Marion County.

At various times during the last three years she has served as judge for National Program Awards Competition of Girls Clubs of America, member of an advisory committee for "How To Succeed at Tech," adviser to the Coalition of Volunteer Advocates in preparing a seminar on advocacy skills, member of the advisory committee for the Girls Clubs of America National Conference in Indianapolis.

Also, she is a member of Girls Clubs National Task Force on Today's Girls: Tomorrow's Women, the advisory committees of both the Indianapolis Coalition for Human Service Planning and of the Volunteer Bureau's Leadership Development Training Program and as a member of Women and Foundation/Corporate Philanthropy, a national organization to promote grant-making on behalf of programs for women and girls.

She has been speaker or resource person at seminars and conferences of many widely known groups. In recognition of her contributions to Girls Clubs of America, she received its national Advocate for Girls Award in 1979.

Ms. Wisely, who grew up in Indianapolis, is a 1968 graduate of Indiana University and was elected to Phi Beta Kappa in 1966. She earned a master's in sociology from I.U. in 1969. Before joining Lilly Endowment she was on the staff of the newly formed Metropolitan Manpower Commission, developing plans and grant applications which brought approximately $2.5 million in federal support to Indianapolis, as well as doing major social and economic research.

EDWARD KELLNER, SR.

His nomination says that "virtually every improvement in the community life of the small town of Buckskin, Ind., is due to Edward Oliver Kellner's efforts and determination, always unpaid and often unthanked."

And indeed, that is no overstatement. Since 1956, Edward Kellner has served as a one-man civic improvement association for Buckskin and has accomplished more than entire municipal governments in towns much larger.

When Kellner moved to Buckskin in 1956, the town had no telephone system . . . but he took care of that. Kellner went door to door enlisting the help of other men, and his makeshift crew purchased wires, poles and phones and strung a telephone system for the community. The same men maintained the system for five years until a more modern one could be built.

In 1960, Kellner helped spearhead a school consolidation effort with two nearby school systems to upgrade the quality of education in Barton Township. He carried petitions door to door and then helped form a holding company which raised funds for construction of additional facilities at the newly consolidated high school.

Kellner was also instrumental in bringing a modern water supply system to Buckskin. Again he traveled door to door, obtaining easements, rights-of-way and backing for a system that would bring water to communities previously reliant on cisterns and wells.

In his spare time, Kellner has served on the council of St. John's United Church of Christ and is a charter member of the Barton Township Lions Club. He is a district secretary for Lions International.

PATRICIA WHEATON

Reading a list of Patricia Wheaton's service activities for the disadvantaged would make anyone tired. The American Cancer Society. The Hamilton County Mental Health Association. The TLC program. The Hamilton County Association for Special Citizens. All this in addition to a job and a myriad of leisure-time activities. Whew!

In 1967, Mrs. Wheaton became a volunteer for the American Cancer Society. She made her way to the board of the Hamilton County chapter and served as area crusade leader, county crusade cochairman, vice-president, campaign committee chairman and president before leaving the board in 1973. She continued to serve the county unit as special events chairman until 1978.

In 1974, Mrs. Wheaton served on the board of the Indiana division and in 1976, she served on the division's Special Events Committee.

Needing something else to do, Mrs. Wheaton was in 1973 elected to the board of directors of the Hamilton County Mental Health Association, a position she held until 1979. During that time, she "adopted" a patient at Central State Hospital and has visited that patient every month since, taking her to lunch, movies, museums and other activities. She was elected to the board again this year.

Meanwhile, Mrs. Wheaton decided in 1977 and 1978 to volunteer to help with the swimming program at the Hamilton County Association for Special Citizens summer camp at Noblesville. During the month of July each year, she spent every day teaching retarded children the joys of swimming.

But that's not all. In 1979, the year she was on the Mental Health Association's board, Mrs. Wheaton spent more hours helping the mentally ill than ever before.

That commitment included the co-founding of a group called Together We Learn to Cope (TLC), which assists the families of the mentally ill in dealing with their problems. Mrs. Wheaton has talked endlessly with distraught parents and actually has found jobs and medical care for some, besides producing a monthly TLC newsletter.

Mrs. Wheaton also finds time to belong to five bridge groups, bowl and play tennis and cheer for the Purdue University and Carmel High School football teams. An Indianapolis native and the wife of Richard J. Wheaton, Mrs. Wheaton is a graduate of Broad Ripple High School and Purdue University. The Wheatons live at 768 Altam Avenue at Carmel and have two children.

BARBARA S. WYNNE

There is little or nothing concerning junior tennis in Indianapolis that has not involved the seemingly tireless Barbara Wynne. Her nomination lauded Mrs. Wynne for "unselfish dedication to working with youngsters 12 months a year and at any time of the day or night."

Mrs. Wynne's life has consisted of success after success. An Indianapolis native, she attended Goucher College and was elected class president there before transferring to Northwestern University, where she was graduated with honors.

Mrs. Wynne, the mother of six children, started the North Side Tennis Program in 1964 and has served as its director every year since. Now called the Washington Township Schools Community Tennis Program, it has helped thousands of youngsters since its inception.

In 1968, Mrs. Wynne got involved through then-Mayor Richard G. Lugar in setting up a similar program for inner city Indianapolis. The Riverside Tennis Program began in 1969 and has resulted in the complete renovation of 12 courts at Riverside Park. In 1970, Mrs. Wynne organized the Brookside Tennis Program.

In 1974, Mrs. Wynne founded the National Junior Tennis League of Indianapolis, part of a free program for junior development located in 140 cities nationwide. Mrs. Wynne now serves on the board of directors locally and is vice-president of the national board of directors.

She is on the Western Tennis Association board of directors and has served as chairman of the Western Closed Championships, which have been held at North Central High School for the past nine years. As if that was not enough, Mrs. Wynne has served on the staff of the Indianapolis Racquet Club since 1965.

She also spearheaded the drive to build the North Central Community Center, commonly known as the "tennis house." That project involved a decade of fund raising, which included sales and a variety of exhibitions. The tennis house became a reality last December.

Mrs. Wynne served on the board of directors of the Indianapolis-Scarborough Peace Games for four years. Her other civic involvements include membership on the board of directors of Clowes Hall Women's Committee, the Jordan Family YMCA and the Spring Mill School PTA.

Mrs. Wynne and her husband, John, live at 510 Forest Boulevard in Indianapolis.

WILLIS N. ZAGROVICH

A history of service and dedication to organized labor and state government has been the hallmark of Willis N. Zagrovich's life.

"His labor achievements are perhaps known to a few of his close friends and associates," says his nomination, "but his personal and private good deeds often go without public acclaim and recognition."

Zagovich joined the United Steelworkers of America (Union Local 1014) Gary Works, U.S. Steel Corp. in May 1937. After a stint of military service, he returned to U.S. Steel in 1946 and served as assistant grievance committeeman for the union and financial secretary.

He was elected vice-president of the Indiana State AFL-CIO in 1966 and president in 1968, a position he still holds today, 12 years and three elections later.

Zagrovich has been a life member of the Veterans of Foreign Wars and the American Legion, having served as public relations officer, historian, adjutant, financial officer and commander at the American Legion Slovak Post 367 at Gary.

His service to state government has included membership on the Malpractice Joint Study Committee, the Indiana Task Force on Health Care Costs, the Indiana Occupational Safety and Health Administration Standards Commission, the Joint Legislative Study Committee on Energy and Utilities and the Indiana Juvenile Justice Task Force.

Zagrovich also serves on the Governor's Youth committee and the Governor's Commission Energy.

He is a member of the Platform Committee of both the national and state Democratic Party organizations and has served for three years on Sen. Richard G. Lugar's (R-Ind.) Tomorrow's Leaders program.●

WHAT BAKERSFIELD AIRPORT IS SAYING ABOUT AIRLINE DEREGULATION

● Mr. CANNON. Mr. President, since there has been so much negative comment on the effects of airline deregulation at Bakersfield, Calif. and air service at Bakersfield is repeatedly being described as an example of why airline deregulation has not worked, I submit for the Record the attached which reflects what the Bakersfield Airport is saying about airline deregulation.

The statement follows:

[From the Golden Empire, Mar. 1, 1980]

Great Air Travel News at Meadows Field

Did you know that air travel is bigger and better than ever at Meadows Field??!!

There are now frequent and convenient schedules to connect with anywhere in the world. In the old days (before airline deregulation) the highest frequency of flights to Los Angeles was four (4), and to San Francisco three (3). Now we have twelve (12) daily roundtrips to Los Angeles and eight (8) to San Francisco, all with large pressurized aircraft of 48 seats or more. In addition where previously we only had one (1) daily roundtrip to Las Vegas, we now have three (3). These flights are either with 18 passenger pressurized Handley-Page Jet Streams or Swearingen Metro Liners. For Sacramento, there are two (2) daily roundtrips flown with the fast Swearingen Metro Liner. Something brand new to come along is service to Oakland with two (2) daily roundtrips by Metro Liners.

Along with this much greater frequency, believe it or not, there are some fare savings even with the general airline fare increases across the country. We suggest you contact your favorite travel agent or each airline to see what is available.

We are now seeing the Airline Deregulation Act at work. As you probably are well aware, Meadows Field has gone through a turbulent and traumatic transition period during the past year. There still may be some changing times ahead but the worst is over. Whatever transpires in the next year or so, will still give us much more frequency than what we had before deregulation. We are fortunate to have all this new frequent service; however, the only way the community is going to keep it, is if Meadows Field is used for air travel needs. In other words, if the community will support the airlines—the airlines will support the community.

The Kern County Department of Airports solicits your comments on any flights you make. For your convenience, there is an air service comment box across from the Aspen ticket counter in which you can give your comments, good or bad at any time. With this information, the Airports Department will know what the community's needs are and any problems that there are so that it can work with the airlines to have the best service available.

Please use Meadow Field—Try it, you'll like it!!

Don't Drive it—fly it, use Meadows Field, it's easier.●

YOUTH UNEMPLOYMENT AND THE PRESIDENT'S PROGRAM

● Mr. WILLIAMS. Mr. President, as we enter the new decade of the 1980's we are at the crossroads of one of the most critical problems this country faces—the problem of youth unemployment and its consequences for our economic future.

On Tuesday, March 11, 1980, a New York Times editorial addressed this problem in the context of current efforts to balance the budget with cuts in selected Federal programs. The editorial characterizes the critical unemployment situation among minority youth as "one of the most blatant failures of the American system," and warns that amid the budget-cutting excitement we must maintain a rational scheme of priorities. The editorial wisely argues that "there ought to be no higher priority than saving the next generation."

In 1977, the Congress enacted the Youth Employment and Demonstration Projects Act (YEDPA) which established a variety of innovative programs and projects to determine which combinations of programs and services hold the greatest promise for jobless youth.

The authorization for these programs expires on September 30, 1980. The past 3 years have provided us with a wealth of practical program experience and information on which we can build to improve the chances of success for disadvantaged youth in their transition from school to work.

On March 5, 1980, I introduced the President's youth employment initiative as S. 2385 together with Senators Randolph and Pell. The bill proposes a new coordination of programs and resources between education institutions serving disadvantaged youth and the employment and training programs under local CETA prime sponsors.

Normally, the prospect of an initiative to address this persistent and critical problem would be exhilarating. However, in the current climate of budget reviews to search out reductions that would achieve a balanced budget, we must ask ourselves some serious questions about domestic priorities.

Because the authorizations for current youth programs under YEDPA expire September 30, legislation to authorize existing youth programs is necessary. In my view, S. 2385 offers an opportunity to use what we have learned under YEDPA to refine the provisions of this act to insure that the limited resources available would be used for youth most in need under education, training, and employment programs of proven success.

To fail now to take advantage of this opportunity to invest in the future of our youth, the future of our productive work force, and the future health of our economy may prove to be a serious error in national policy.

Mr. President, the New York Times also printed two articles Sunday, March 9, on the problems of jobless youth and the programs needed to provide disadvantaged youth with the necessary skills for employment.

I ask that the editorial of March 11 be printed in the Record along with the two articles that appeared on March 9 by Philip Shabecoff and Edward Schumacher.

The articles are as follows:

[From the New York Times, Mar. 11, 1980]

The Wrong Place to Cut the Budget

Ten days ago, 5,000 teen-agers in Washington, D.C., trudged through winter's worst snowfall to sign up for summer jobs at the city's Labor Department. They waited in line for hours. But their hopes, and those of hundreds of thousands of other poor young Americans who want to work, may, any day now, be torpedoed. In its urgent effort to cut Federal spending, the Carter Administration has been eyeing manpower programs. In jeopardy are not only existing youth job projects but also the President's new employment and remedial education plans, announced with such fanfare only five weeks ago.

We acknowledge the need for new economies and recognize how hard it is at this hour to find cuts that will not be painful. But it is not special pleading to urge the Administration and Congress to look elsewhere. Cuts have to be made according to some rational scheme of priorities. And there ought to be no higher priority than saving the next generation. The best way to try to do that is not with welfare, which means a lifetime of dependency. The best way is with jobs.

Unemployment among minority youth is one of the most blatant failures of the American system. President Carter has responded so far with prudent, worthy programs. In 1977, he persuaded Congress to enact the Youth Employment and Demonstration Projects Act, which enlarged the successful Job Corps and established a range of experimental programs like job guarantees for drop-outs who return to school.

A year later, again at the Administration's urging, Congress approved tax credits and training subsidies to encourage private employers to hire unemployed teen-agers and other disadvantaged workers. The latest Carter plan would provide an additional $2 billion over the next two years to build on these programs, paying for remedial instruction in secondary schools and increasing support for other job efforts.

These plans could become a casualty of the general budget-cutting excitement. Labor Secretary Marshall says they won't. Still, his department has been asked to suggest cuts in existing programs. Among the rumored targets are summer jobs, which would be halved to 500,000, and the Young Adult Conservation Corps, whose 21,900 jobs would be eliminated.

The facts of unemployment among teenagers give no excuse for cutting back. As The Times recently reported, a Labor Department study confirms what groups like the National Urban League have long contended: the proportion of jobless black teen-agers is understated by official figures. In fact, the jobless rate for young blacks attending school may be 20 points higher than the 35 to 40 percent regularly reported by the department. Federal job programs are often the only way for youngsters to escape their rut. Nearly half the black and a quarter of Hispanic youths who held jobs in 1978 participated in some Federal program.

Some aspects of the Administration's new job proposals give us pause. But they are no reason to dump the program, as some Congressmen seem willing to do. Nor is the pressure of inflation a good enough reason for the Administration to capitulate on the new program or existing ones. In a budget of some $600 billion, there have to be better places to cut fat than from the already lean futures of poor young Americans.

[From the New York Times, Mar. 9, 1980]

Jobs for Youth: New Proposals for an Old Problem

(By Philip Shabecoff)

WASHINGTON.—Unemployment among young people—often black or Hispanic residents of urban slums or poor whites from rural areas—is one of the more serious domestic problems the nation faces.

Month in and month out, according to the Department of Labor's own figures, the jobless rate for all teenagers is close to 15 percent; at least a third of the black and Hispanic youth are without work. But a new survey, conducted for the Labor Department, concludes that the unemployment gap between whites and blacks is actually even worse than these bleak official reports had heretofore indicated.

The ponderous machinery of the Federal Government in recent years has attempted to end the disparity. Last week, the Carter Administration introduced legislation designed to overhaul the machinery and fuel it with more money. Parts of the private sector, too, have tried to find solutions, but in limited, scattershot fashion.

The Government's involvement has been anything but limited. A large proportion of public service jobs provided under the Comprehensive Employment and Training Act has gone to young people. Millions of youngsters have been given temporary employment by the Summer Jobs Program. For the most part, the programs have provided only temporary relief.

The Summer Jobs Program, for instance, took innercity kids off the streets and gave them some money. But, as one Government official said, "they mostly played basketball or moved leaves from one side of the street to the other." After a round of reforms, Summer Jobs participants now often perform socially useful tasks and gain practical work experience. But, in the end, rarely have they been prepared for permanent employment.

The staff of a White House Task Force on Youth Employment has in recent months talked to hundreds of private employers. "They told us two things," said Thomas P. Glynn, executive director of the task force. "First, that they couldn't find enough kids who could read and write and, second, that they wanted to have kids with a track record of employment in the private sector." Meanwhile, the Labor Department was spending several billion dollars on experimental "demonstration" programs. These programs included such things as "entitlement" programs that guaranteed young people jobs if they promised to continue or to return to school; a community conservation and improvement project that put youths to work at such tasks as weatherizing houses of the poor.

THE AIM IS LITERACY

One result of all this experimenting was last week's Administration legislation. The measure would add $2 billion to the $4 billion already spent on youth training and employment programs. By 1982, according to the White House, as many as 500,000 additional youths could be receiving job and educational help. The legislation would give half of the new funds to the Department of Education, under the theory that before young people can compete in the job market they must be literate. "There will be more job opportunities in the 80's, but they will require reading and writing and other higher skills," said William J. Spring, associate director of the White House domestic policy staff. "We have learned that job experience is not enough to prepare young people for permanent work. There has to be education, counselling and, for the older kids, help in finding a job," he added.

Teachers in community-based organizations would play a critical role in running the new programs. "This is no longer an income-maintenance program. We are going to make sure these kids give a good day's work for a good day's pay," said Robert Taggart, a Labor official. If the young people do not perform, he added, they will have to leave the programs. "There is no magic to what we will be doing—it is just a matter of common sense," he said.

The President's proposal has its critics. Some minority group leaders question the wisdom of channeling an extra billion dollars into the schools; what is needed is jobs for young people now, they say. Even within the Administration there is speculation that the rising concern over inflation and budget-balancing could spell trouble for the legislation, which the White House has called the President's major domestic initiative for 1980. Last week, Secretary of Labor Ray Marshall said that the new program will be cut-proof, as far as the Administration is concerned.

Meanwhile, business and industry have become increasingly concerned with the plight of "unemployable" youth—and the social and economic significance of their numbers. William H. Kolberg, president of the National Alliance of Businessmen, said that "dozens and dozens of firms" around the country have employment and training programs under way. Kaiser Aluminum, for one, has experimented with an "adopt a school program," he said, and the Control Data Corporation has set up manufacturing facilities in inner cities.

Foundations are devoting substantial resources to finding out what can be done to ease the youth employment situation. One program, an $82 million experimental "work experience" underwritten by the Ford Foundation and by several Federal agencies, has produced mixed results, according to an evaluation released late last month. The program, which involved projects in 15 cities, had not helped high school dropouts or ex-jail inmates find work, according to the report, but it had assisted welfare mothers and former drug addicts. Given the "experimental purpose and the severe handicaps of the groups," total success had never been anticipated, officials said. And the foundation will continue to be involved in youth programs. Mitchell Sviridoff, vice president of the Foundation for National Affairs, called youth employment "one of the two or three most critical problems this country faces."

No one is arguing that all of the youth programs could wipe out unemployment. Mr. Glynn noted that "Our very success would prevent it. Everytime we put a kid in the job it encourages two more kids to enter the labor market and look for work."

[From the New York Times, Mar. 9, 1980]

A New York Experiment Seems To Be Promising

(By Edward Schumacher)

Maria C. Torres was a high school dropout. She dropped out of Franklin K. Lane High School in Brooklyn a little more than a year ago because, she said, there was prejudice and violence there against Puerto Ricans. She became one more in the school system's 43 percent dropout rate.

Miss Torres went to work as a "floor girl" in a clothing store. She worked seven days a week, from 8:30 in the morning to 9:00 at night. For that, she brought home $90 a week. She soon quit. Maria Torres became another statistic, one of the more than 20 percent of unemployed teenagers in New York City, young people with few skills to contribute to either society or their personal futures.

But today the 18-year old Miss Torres may have escaped that cycle of despair. She has books under her arm, a high school diploma in her sight, and even a career so esteemed as being a lawyer in her dreams. What has made the difference is a school—a special sort of school where Maria Torres and about 200 other dropouts or potential dropouts like her now represent the hopes of the Federal Government as one successful way out of the mire of national youth unemployment.

The school is a two-year-old pilot one called the Career Intern Program and is run outside the public school system by Opportunities Industrialization Centers, a private, nonprofit job-training organization that works mostly with minorities nationwide. Located in the predominantly black community of Bushwick in Brooklyn, it is funded by the Federal Government as one of four such pilots in the country seeking to duplicate and test the success of an older school run by the same organization in Philadelphia. The school year is 11 months along and stresses basic literacy and general career orientation, instead of particular job skills as in traditional vocational high schools.

They also stress some intangible ingredients. Away from the regular school system that many of the dropouts had come to fear or resent, the Career Intern Program is an alternative run by a dedicated community-based organization that is demanding but caring. "I didn't think I was ever going to make it through high school," Miss Torres said. "I didn't like school enough. Now I want to go to college. I want to get a good education."

THEY TREAT YOU LIKE A PERSON

Nathaniel Kendell, an 18-year-old student who was on the verge of dropping out when he transferred from Bushwick High School, repeated a refrain common among his peers: "The classes are smaller and the teachers try to help you, you know, individually. Over here, they treat you more like a person." To enhance their self-respect, students are called "interns." They follow a dress code and are neat and polite, as if they were at work. Discipline is low-keyed but firm. The setting itself is plain—a labyrinth of back rooms in the Bushwick United Methodist Church—but clean. Graffiti is absent from the walls. Homework is demanded.

All this takes place under the strong leadership of the director, Edward A. Yarney, an anthropologist by training. Unhindered by teacher union contracts that would restrict their time and participation, he and his faculty appear to foster a spirit of goodwill and cooperation by working closely together as colleagues with a strongly defined mission. They work well past 3 o'clock, tutoring students and trying to meet with parents.

The students, aged 16 to 21, must be at least at the fifth grade reading level to be admitted. For many of them, their programs begin with the most basic study skill: learning how to sit. They work jigsaw puzzles and then, as their attention span grows, they do communication exercises and learn not to be afraid to ask any question. "The rest is motivation and encouragement," Mr. Yarney said.

In two years, almost 50 "interns" have graduated, passing all the requisite state and city exams. More surprising, almost 20 have gone on to college. All the others are working.

Having met the demand of most employers that beginning workers need only be literate and have a good work attitude, many of the graduates are now receiving on-the-job training to learn particular work skills. At the same time, almost 40 students have dropped out of the program. Some have gone to work, some to jail, some to hospitals to have babies.

The program operates with the blessing and cooperation of the school system. Its students are recruited or referred from three surrounding high schools and its graduates receive their diplomas from those schools. The faculty at the center is fully certified to teach but they are not members of the teacher's union.

The program operates on a budget of about $500,000 a year, almost of all of which is Federal money. Despite a smaller teacher-student ratio—classes have fewer than 20 students and tutorials are common—its costs per student are below those of the public schools because it has less equipment and fewer services.

If the reaction by the White House is indicative, the pilot formula has passed its own test. The school was visited last month by Stuart E. Eizenstat, President Carter's principal domestic adviser. The Administration now plans to make the school one of several models that it will fund and encourage other cities to adopt.●

HONORING PAUL MURPHY

● Mr. CULVER. Mr. President, one of the most courageous and sincere individuals I have met, Mr. Paul Murphy of Clinton, Iowa, was recently honored by being named "Handicapped Iowan of the Year."

Paul, whom I have known for 16 years, has been a close and valued friend, and I want to join his many associates in congratulating him on this well-deserved honor. Paul Murphy has dedicated his life to making others feel better, and his jovial, relaxed personality is a testament to this award.

He has been involved in a wide variety of community activities, including membership on the Clinton Park Board Advisory Committee, the area-wide Education and Transportation Committees, St. Mary's Alumni Association, and the Clinton County Democratic Committee. His long-time commitment to his community and his friends reflects his concern for others, a trait which will be useful as he promotes the needs of handicapped individuals as the "Handicapped Iowan of the Year."

Mr. President, I know Paul Murphy will wear this honor with great pride and dedication, and I ask that a copy of the Clinton Herald article announcing this award be made a part of the RECORD.

The article follows:

PAUL MURPHY IS HONORED AS HANDICAPPED IOWAN OF YEAR

Paul Murphy, 600 18th Ave. N., a familiar and popular figure in Clinton for many years, will have the opportunity to spread his own brand of warmth and courage throughout the state.

He was named "Handicapped Iowan of the Year" Tuesday. After being notified of the award by the office of Iowa Gov. Robert Ray, Murphy was reluctant to talk about the accomplishments which led to the honor.

Murphy said he was most pleased with the honor because "it will interest people in the Clinton area in problems faced by the handicapped person."

A familiar sight for many north end residents is Murphy sitting near the window of DeMong Insurance on Main Avenue where he handles claims.

Passersby are never disappointed when they expect a friendly wave, and if they have time, a joke, from this man who has been paralyzed from the chest down for more than half his life as a result of an automobile accident.

Murphy, who was named 1979 "North End Man of the Year" by the Lyons Retail Bureau, currently serves as chairman of the Clinton Board of Housing Appeals, the latest in a long string of community-oriented projects in which he has been involved.

He is a member of the area's Education and Transportation committees, both state-wide commissions. He has served as secretary of the Lyons Retail Bureau for 26 years, treasurer of the Lyons Retail Bureau for 20 years and has been president of St. Mary's Alumni Association for more than 20 years.

He has served on the Park Board advisory committee and is a member of the Clinton County Democratic Central Committee, currently serving as publicity chairman for that group.

Murphy is a member of the Clinton Lions Club, Knights of Columbus, the Moose Club, Izaak Walton League, Amvets and the Clinton Humane Society.

Patrick Lahey of DeWitt, who served as Murphy's campaign manager in the county when he was a candidate for Clinton County Clerk of District Court in 1976, said he was very excited about the honor being given his long-time friend.

"The thing has has always amazed me about Paul is that he doesn't sit back. He has been involved in so many organizations and has done so much good for the community. He is just a fantastic person—no question about it."

The official presentation of the award will take place at a banquet April 22 in Des Moines. Ray will make the presentation and Sister Marcella Marie from the Mount St. Clare hearing and speech clinic will give the benediction and invocation at the banquet.

Murphy will promote the cause of handicapped individuals throughout the state during his term as Handicapped Iowan.

"It will help to point out to people just how little it takes to make their homes, businesses or offices accessible to the handicapped," Murphy said.●

THOMAS "SARGE" JOHNSON

● Mr. BAYH. Mr. President, I know my colleagues were extremely saddened, as this Senator was, when he received news last Friday of the crash of a Polish airliner which claimed the lives of 87 persons, including 23 members of the U.S. amateur boxing team on tour. One of those who perished was the team's coach, Thomas "Sarge" Johnson, who would have been 59 years old next Wednesday. Sarge made his home in Indianapolis and was held in the highest esteem by not only his community, and those who were fortunate enough to know him, but through his outstanding and conspicuous contributions to the sport of amateur boxing the world over.

There is really little that we can add in eulogy to one whose life added so much to those who were fortunate enough to have Sarge in their corner as a coach and blessed to have him as a loving father and husband. The achievements and dedication of Sarge to the cause of human dignity and understanding through mastery of sports serves as a living monument. Those young men who know the toll and toil and inner character required to be competitive in the demanding endeavor of amateur boxing perhaps know better than any of the value of Sarge's spiritual strength and its importance in the rigors of training.

When those like Sarge Johnson are taken from us so abruptly we are numbed. Like a large oak against the horizon of a twilight hill, we came somehow to regard those like Sarge Johnson as indestructible, never expecting something as random as an airplane crash to claim such a life. So that great oak is now gone. But in its stead, and because it grew tall in the first place, many others will grow strong and true.

It seems somehow unfair that Sarge Johnson gave us so much that now we are left but with words. However, I know that the power of his memory and the eternity of his love touches, and will forever touch, all who knew him and all who care about hopes and dreams; about character and excellence; and who know the strong religious faith which gave Sarge Johnson a life which survived last Friday's tragedy.

Mr. President, I ask that two articles be printed in the RECORD concerning the contributions which Sarge Johnson made to the sport of amateur boxing. The first is by Jimmie Angelopolous of the Indianapolis News and the second by Mike Callahan of the Washington Star.

The articles follow:

[From the Indianapolis News]

SARGE BOXING AMBASSADOR

(By Jimmy Angelopolous)

Thomas "Sarge" Johnson of Indianapolis would have been 59 years old March 26 but his tragic death in the plane crash in Poland today was mourned today by members of the world-wide amateur boxing community.

Sarge was regarded as America's greatest international amateur boxing ambassador. From America's shores to Tripoli to Asia, and even recently in Pakistan, Sarge Johnson was well known in international amateur boxing circles.

Sarge worked for the State Department through America's golden age of amateur boxing, spreading American boxing techniques and good will. Sarge had returned recently from his last trip in Africa where he spent several weeks working with Africa's amateur boxing federations.

Sarge spread his cultural instructional boxing programs throughout the Far East, including Indonesia, where he trained boxers there for the Asian Games.

"I have been the goodwill ambassador for the State Department," Sarge would relate with unbribled pride. "I've always tried to spread good will through boxing and I never wanted to let politics interfere with boxing.

"We have accomplished a great deal of good with our boxing pragrams all over the world," Sarge would say, almost bellowing because of his pride as an amateur goodwill ambassador among the Third World countries.

Only last August Sarge was honored for his international boxing efforts by the International Communication Agency in Washington, D.C., when one of his most prideful moments came when he met President Carter.

Among Sarge's greatest amateur boxing achievement was his widely-lauded acclaim as the top assistant to Pat Nappi, coach of the great U.S. gold-medal winning Olympic team in Montreal.

"Sarge's influence with the U.S. boxers," related one national boxing authority, "was great. He had such rapport with the U.S. boxers."

Sarge would have been one of two or three top coaches considered for this year's Olympic boxing team.

He also coached the U.S. Pan Am team and, only recently, was in the corner when U.S. boxers fought Cuba's elite in New York.

Sarge wrote a widely-circulated manual on boxing techniques for several countries.

"Where we're hurting," Sarge once said, "is that there are not enough coaches to teach. What's hurt the growth is the poorly trained coaches and insufficient competition."

Sarge also developed Norm Goins, who retired after a good pro career as a lightweight, and assisted trainer Champ Chaney on occasion with the development of Marvin Johnson, only fighter to win the World Boxing Association and the World Boxing Council light-heavyweight crowns.

Sarge was born in Louisiana, joined the Army at age 17 and fought 30 amateur bouts.

World War II interrupted his career but he returned in 1945 to begin his great career as America's greatest amateur international boxing ambassador.

Sarge is survived by his widow, Emily; two sons, Alphonso and Thomas Jr. and a daughter, Betty.

The Indianapolis AAU Headquarters was swamped today by callers wanting information on the crash. But officials there had no information and referred all questions to other sources.

[From the Washington Star, Mar. 15, 1980]

IF YOU KNEW "SARGE," YOU HAD TO CRY A LITTLE YESTERDAY

(By Tom Callahan)

PHILADELPHIA.—The news from Poland hurts too much to think of basketball today. Adding to the usual sorrow of athletes dying young, these were such special athletes.

Boxing is the toughest kind of sport and almost requires a boxer to come from the toughest kind of life. Blacks, Chicanos, Puerto Ricans, whites—eternally poor, formerly desperate, presently hopeful of a way out that is wishful at best.

"If you never lived on onion sandwiches," Tom Johnson used to say, "you got some catching up to do to be a boxer."

Johnson died yesterday. "Sarge." If Sarge hadn't been a career Army man, the rank still would have fit him. He was a big, brown bear of a topkick sergeant. Any man who knew Sarge even slightly had to cry sometime yesterday.

Some men are so tough that they are gentle. That was Sarge. A man with a towel slung over one shoulder can have more dignity than a statesman.

"Sarge was an ambassador without portfolio," Rollie Schwartz said yesterday afternoon. Together, Rollie and Sarge coached the United States Olympic boxing team in Montreal. "I always thought of him that way—an ambassador of our country—but now I'm thinking of him just with the kids."

The kids never change. Their names are in the paper today. In 1976, they were named Leonard, Tate, Spinks and Davis. They slept 14 to a small room in Montreal. That was nothing new for most of them.

Athletes from other sports griped loudly about overcrowding, but, as Schwartz said, "that just made for more closeness among the boxers. There's no tighter family than a boxing team. Sometimes it seems that the kids who haven't had the benefit of great educations know things innately that those from fancy schools never learn."

Like Mac Wilkens, the discus thrower, who spent the Olympics complaining. Poor Mac was too sour to enjoy winning a gold medal.

Who is underprivileged?

The kids who died with Sarge represented mostly the 1984 class, presently third ranked, fourth or fifth. The first and second ranked fighters were home training for the national Golden Gloves at the end of this month.

"These kids were just getting some international experience," Rollie said, "though Lemuel Steeples is, was, the top 139-pound amateur boxer in the world. He won the gold medal at the Pan Am Games and was named the outstanding Pan Am boxer over all those great Cubans. If America went to the Olympics this summer, he was a cinch for the gold medal, absolutely."

Asked softly whether he had heard about Jimmy Clark, Rollie said softer still, "yes, yes, thank god." The Philadelphia heavyweight was scheduled to be the Warsaw heavyweight, but a snowstorm blew up in Philly and Clark couldn't get out.

Out of every city of a kid who died yesterday came a story of another kid who, for reasons of happenstance, didn't die. What kind of angel sits on the shoulder of a man who has to help determine such things? Rollie Schwartz wanted to know.

"Joe Bland was the team manager along on the trip," Rollie said. From Hyde Point, N.C. Never had an international trip before. Worked so hard—remember, they're all volunteers. Well, I was the one who said Joe Bland deserved to go. Can you imagine how I feel?"

As they always are, ironies were scattered like debris.

Bernie Callahan, one of the referees," Rollie said in dismay, disgust, "jumped on D-Day with the 82nd Airborne. He had just about every decoration you could have. To think of Bernie dying in an air plane now . . ."

It was easier to think of Sarge with his kids.

Tom Johnson was a bit of a bible-thumper. No, that's not true. He was a man with a biblical mind. Everyday events put Sarge in mind of bible stories that he must have told pretty entertainingly because they held the attention of Leon Spinks.

Not all of Sarge's kids went to church on their own time, but they all prayed when Sarge decided it was a good idea.

"Do you remember when Howard Davis' mother died and everyone was so down?" Rollie said. "That was right before Howard's first bout. We were all sick. The air had gone out of everyone's balloon."

They were all together and Sarge began to talk—to pray really, but to Sarge praying was just talking, plain-worded talking.

He didn't talk only about biblical characters this time. He talked about street kids trying to do the right things and how it has to turn out good for them in the end.

They presented themselves to God, but Sarge did the talking.

There was no mention of world titles for Leon Spinks, Sugar Ray Leonard and John Tate, or television contracts for Davis, or even gold medals for all. If Tate returned to his garbage truck in Tennessee, that was okay. He would head the truck in the right direction.

Because they were going the right way now and, not only that, they would be constantly going back for others. Sarge would be.

He's delivered a lot of people to heaven.●

SELECT COMMITTEE ON ETHICS REMINDER OF QUARTERLY REPORT UNDER SENATE RULE 49(6)

● Mr. HEFLIN. Mr. President, this will remind Senators and their staffs of the requirement to report to the Select Committee on Ethics certain employment of individuals in accordance with Senate rule 49(6) as follows:

"6. (a) The supervisor of an individual who performs services for any Member, committee, or office of the Senate for a period in excess of four weeks and who receives compensation therefor from any source other than the United States Government shall report to the Select Committee on Ethics with respect to the utilization of the services of such individual.

"(b) A report under subparagraph (a) shall be made with respect to an individual—

"(1) when such individual begins performing services described in such subparagraph;

"(2) at the close of each calendar quarter while such individual is performing such services; and

"(3) when such individual ceases to perform such services.

"Each such report shall include the identity of the source of the compensation received by such individual and the amount or rate of compensation paid by such source.

"(c) No report shall be required under subparagraph (a) with respect to an individual who normally performs services for a Member, committee, or office for less than eight hours a week.

"(d) For purposes of this paragraph, the supervisor of an individual shall be determined under paragraph 12 of rule XLV."

Please direct any inquiries and requests for forms to the Ethics Committee, 113 Carroll Arms, Telephone 224–2981.●

PAULINE TRIGERE

● Mr. RIBICOFF. Mr. President, Pauline Trigere is one of the world's outstanding designers. She is a woman of great talent and ability. Her clothes are known and sold not only in the United States but throughout the world. Ben Brantley wrote a most interesting profile of Pauline Trigere in Women's Wear Daily of March 12, 1980. I submit the article for the RECORD.

The article follows:

PAULINE TRIGERE

(By Ben Brantley)

NEW YORK.—Although the lunch-hour traffic on Park Ave. is even more snarled than usual, the taxi driver is grinning as though there were an endless vista of green lights. He's listening to a gravel-voiced woman in the back seat who, since he's announced he'll be vacationing in Paris, is telling him what to expect there. "The French women will swarm around when they learn you're American," she says, with self-amused theatricality. "They'll turn you upside down and shake you until the coins fall out of your pockets."

The woman delivers these prophecies in a voice that's low, rough-edged and unmistakably Gallic, suggesting a French Marlene Dietrich with a bad cold. She moves on to tell the cabbie of the exotic possibilities of air travel—including the sweetly submissive geishas of Air Japan and the Air India stewardesses, who sometimes wear diamonds in their noses. "And, perhaps, if you like, you can reach up and pluck one."

By the time the taxi pulls up at 550 SA, it is crowded with imaginary seductresses, created by the same woman who—at the beginning of the ride—had been asking hard-nosed questions about the possibility of a taxi strike. She steps out in a breeze of floral scent, two gold turtle brooches on the hem of her skirt flashing in the sun. The open-mouthed cabbie swivels his head to follow her departure and remarks to his remaining passenger, "I don't know who she is, but she's sure a terrific kibitzer."

The fantasy spinner in the back seat is Parisian-born designer Pauline Trigere—SA's tailor par excellence for decades and a woman who, even for the duration of a 10-minute taxi ride, is unlikely to sit quietly on the sidelines. While most fashion shows find designers pale and fidgety in the wings, Trigere is usually center-stage, genially discoursing on her collection in a freewheeling, impromptu monolog. At La Grenouille, her favorite lunchtime haunt, she's likely to be scanning the crowd with wide-eyed, but canny, amusement or interrogating the waiter in French on how he'd rate the looks of a young actress in the corner. Her son and business partner, Jean-Pierre Radley, says he's rarely known his mother to spend a quiet evening at home. And at her weekend house in Lewisboro, N.Y.—where she goes to "unwind"—there's often a small-scale party in progress, causing one neighbor to comment fondly, "I moved out there for the peace and quiet—that was before I met Pauline."

The combination of showmanship, gregariousness and raw energy has made Trigere, now in her 60's, one of the most durable designers and personalities, on SA. The Trigere label, nearly 40 years old, takes in about $4 million in ready-to-wear, with additional income from nine licenses. And the practicality and timeless (or "forever," as company advertising has it) elegance of her impeccably cut clothes continue to attract an unwavering faithful, affluent clientele, which includes the likes of Nancy Kissinger, Nellie Connally and Alice Tully.

"In terms of the technical aspect of the French dressmaker's school, she has no peer in the U.S.," says Dawn Mello, fashion director for Bergdorf Goodman, a Trigere bastion for years. And Lynn Manulis of Martha calls Trigere "a truly intellectual designer," and "the top coat designer in the industry."

The artisan's command of tailoring is Trigere's natural legacy. Born on the Place Pigalle to Russian immigrant parents—"fine, honest, simple people"—she grew up behind the shop of her father, a tailor, and earned pocket money by picking up scraps of fabric on the floor, to avoid waste. At 13, she had designed her first dress ("I could still sketch it for you"), and not too many years later was married to Lazar Radley, also a Russian refugee and a tailor.

With a characteristic lack of sentimentality, she describes the courtship. "This fellow came and decided he was going to marry me, so I married him; that's it. I was terribly young, and my mother, Jewish mother that she was, worried about a young woman alone. It's terribly simple—well, it wasn't, but it happened."

Trigere says she didn't particularly want to be a designer growing up, nor did she harbor any grand notions of clothesmaking as an art. "I lived with it." She preferred participating in amateur theatricals ("Maybe I could've been an actress—I sometimes can make people laugh telling a story—but I didn't push it"); and, perhaps inspired by the presence of scissors and knives, she decided she wanted to be a surgeon. To this day, tending to minor casualties in the workroom remains a source of great pleasure to her. Her assistant of 29 years, Lucie Porges, reports one of Trigere's great disappointments was, I didn't have either of my children in her workroom; she was hoping it would happen on the cutting table."

Her father made it clear "he didn't want me playing with cadavers" and Trigere settled down on the Rue de l'Opera to life with another tailor and had two sons. Because "Hitler was on the horizon, and my husband had vision," the Radleys left Paris in 1937 with the intention of migrating to Chile. Stopping to visit friends in New York, they decided to stay in Manhattan.

The Radleys opened a small business on West 47th St., along with Trigere's brother, Robert, whom Trigere remembers from childhood as her "mentor; he supervised my study, gave me my first Zola." When both the business and the Radleys' marriage broke up in 1941, Robert Trigere stayed. By 1942, the siblings were back in business, with Trigere holding the designing reins. By 1945, the name Trigere was entrenched as an important name in New York fashion.

"I didn't think of myself as a designer," recalls Trigere. "The dress business was the thing that gave me my livelihood, when I was feeding two kids and my mother. My motivation was everyday living. Later, as I grew into the business and the recognition came, it was very pleasurable. But it wasn't a question of ambition."

Throughout the phases of expanding the business—moving first to West 57th St., then to SA—Trigere says, "I was never denied anything because I was a woman." Indeed, one imagines, with her coolly composed handsomeness and blunt wit, she found her sex a distinct advantage in dealing with SA's financial toughs.

When Trigere needed money to move into 550 SA, on a day when it was "hot as blazes, I got all dolled up and walked to the bank. They asked me all kinds of questions. I told them I'd need $35,000 to $40,000. They said, 'You'll need at least $75,000.' I said, 'I do?' Well, that's what I got."

The charm that helped Trigere over those early financial hurdles remains an important part of her professional mystique. With unabashed feminine cajolery, a touch of Rabelaisian humor and a very French outspokenness, she makes a cursory conservation with a buyer sound like a particularly animated moment from a cocktail party. And her bluntness seldom seems to antagonize. When two Midwest retailers reverentially approach her in a restaurant after a show, Trigere asked politely, "Did you come to copy or to buy?" The retailers seem flattered by the question.

Behind the plain-spokenness is a strong sense of theater. Manulis remembers watching Trigere give a lecture on elegance: "I had the feeling there was a very great actress at the podium." And though she sips a good-sized scotch to steel herself beforehand, Trigere seems sublimely at home before the fur-clad assembly that fills Bergdorf's fourth-floor alcove for a recent personal appearance. Addressing her audience in an earthy rich woman-to-rich women tone ("This looks especially good with long pearls, which I'm sure you all have"), she turns the models who parade in front of her into an active supporting cast. Helping one of them off with her cape, she tells her, "You need a man around the house for this one," and she readjusts the necklace on another.

The flip side of the Trigere charm is a pyrotechnic temper. "There's a terrific contrast in Pauline," says Gillis McGill, head of the Mannequin modeling agency, who herself modeled for Trigere in the Fifties. "Sometimes she can be terribly feminine and flirtatious, and then just as soon turn around and lay a patternmaker out. She does not suffer a fool gladly; she yells because she feels people have let her down." But both McGill and Porges—who, on her first day of work, was told by Trigere, "There's room for only one prima donna here, and that's me"—say Trigere's eruptions, no matter how fierce, are short-lived.

Says Trigere: "It's true I have a terrible temper, but really it's because I don't have enough time. I expect a little too much of people, perhaps, and when they goof . . ." She adds she feels her temper is counterbalanced by her sense of humor. "I hope I can retain that till the last day. This business is nothing easy—I'm annoyed every day of my life. Sure, I go into rages, but five minutes later I can be perfectly happy telling a funny story."

The rages don't seem to cloud Trigere's designer's eye. Retailers praise the firm's efficiency in delivery and the consistency of the quality of the clothes. "My esthetics have always been to buy the best fabrics, even when we couldn't afford it," says Trigere. "I've always tried to create something a woman could keep in her closet for 10 years and take it out at any time."

One pertinent story, which Trigere says is apocryphal, "although it's a very good story": A young man comes up to Trigere at a restaurant and introduces himself as the son of a valued Trigere customer. Trigere asks how her client is and learns she has died recently and was buried in her favorite Trigere dress. Trigere expresses condolences and then, after the young man has left, says to her companion: "You see, in a Trigere you can go anywhere."

The clothes are designed today as Trigere has always designed them—by shaping fabric on a live model. Porges describes Trigere in action: "She's incredibly determined. She'll twist the fabric in every possible direction and just won't leave it until she gets it right." And while most designers demand solitude to create, Trigere is at her best, says Porges, in a room full of people. "Her way of designing is really the girl, the mirror, the audience—it's a feedback thing."

Porges describes Trigere at work as "very rough and tough, very no-nonsense, but the minute she gets out of the showroom, she's open to everything." The same fever-pitched energy and constant thirst for outside stimuli that she brings to her job find their nighttime outlet in a seldom-broken string of parties, dinners, jaunts to the theater, opera and ballet. Evenings are booked far in advance, not always as predictably as one might imagine. One recent week night found Trigere attending a symposium on beauty, a party honoring the Barbie doll, and dinner at the Palace, with a discussion on the ERA before an assembly of prominent businessmen scheduled for early the next morning.

She is on the board of the Oppenheimer Fund, and Leon Levy, the fund's president, credits the survival of First Women's Bank in large part to "Pauline's persistence." Friends describe her as honest, warm and indefatigably supportive. "It makes me terribly happy that I've got my health and an enormous stamina," says Trigere. "One of my greatest defects is that I fatigue everyone around me."

"Everyone around me" often includes some rather formidable names, names Trigere doesn't shrink from mentioning—there's a breakfast with Moshe Dayan, dinner with the Kissingers, lunch with a group that includes Meryl Streep. But in describing such encounters, Trigere avoids the smug, exaggerated first-name casualness that seems to predominate on SA. "It gives me pride to think I've met all these people somehow because of my work," she says at one point. Her tone is one of intense, almost ingenuous, curiosity—the same attitude she brings to discussing her reading, which is often contemporary biographies of people like the Windsors or the Korda brothers.

Trigere enjoys the ritual of being a hostess—cooking elaborately prepared meals when time permits ("I cook in an evening gown, and that's the God's honest truth") and spending as long as several hours arranging flowers. (Trigere says she knew she was a success "When I was able to buy as many flowers for my apartment as I wanted—more flowers than you've ever seen.")

She especially likes "to mix the people, and feel I give pleasure," and is relentless in making sure her parties don't become static. A recent dinner party at her Park Ave. apartment shows careful orchestration: drinks in the small "red room," then the first course in the living-dining room (guests' places are marked by gold matchbooks), with everyone rising to go to a buffet for the second course ("That way everybody has to mix"). Though Trigere, in black evening pajamas, never dominates the conversation, nearly every guest seems to have a favorite Pauline story. She laughs gustily, and when people begin to leave, she seems genuinely sorry, as fully laced with adrenaline as she was at 10 that morning. One doesn't wonder she often complains of sleepless nights.

Trigere moves through the whirl of parties and public appearances meticulously coiffed and clad, always looking as if she's about to pose for a "What becomes a legend most?" advertisement. The image is a necessary part of being "a woman representing my firm," she says, adding when she returns to the city from her country house "in a pair of old blue jeans, I certainly hope I don't meet anyone."

She says, in general, she's never felt constricted by other people's expectations of her—except perhaps that "I'm just as fragile as anyone else, and nobody believes me. Just because I do a lot, they think I'm a giant. I'd like to be taken for a little fragile flower." She laughs. "Well, that's exaggerating."

Trigere regroups her energies at La Tortue, her country house near New Canaan, Conn., every weekend. "I'm sort of crazy about this house," she says. "It's like my lover, my mistress," She spends hours landscaping her sloped yard, her Japanese rock garden, the green curtain of hemlocks that screens the white clapboard house from the road, the dogwood trees she's named after her closest friends. One year she planted a ribbon of 3,000 tulips across the yard and was enraged when deer ate a thousand of them: "The tears came down my face—it was very, very sad."

Statues of turtles, the Trigere trademark, are everywhere, in every size and substance. (Asked if she thinks turtles are an appropriate symbol, she says, "I don't know—they're slow and ugly; I know I'm not slow and I hope I'm not ugly. But they're also very sturdy.") She is always in the process of redecorating the house—which is furnished in a jubilantly eclectic manner—or planting new flowers, trees, vegetables. "There are so many projects," she says quietly, surveying her yard. "I hope there's enough time. There's never enough time."

Asked what she'd patricularly like to do that she hasn't yet, she is quick to enumerate: pollinating flowers; breeding cattle; traveling more, of course; re-learning to ski; climbing a mountain, "a really high peak, and do it like the real mountain climbers." She'd also be interested in "building a house from scratch," which she says she's planned in her mind "almost to the square foot." Its structure suggests Trigere's priorities: "One huge room, where every thing happens, and two to three stories of bedrooms on the side, looking out on what happens below."

She also dreams of taking some time to travel with her only grandchild, Karen, the daughter of her son, Philippe. "That's if my daughter-in-law trusts me with the child. She thinks I'm Auntie Mame. I don't mind that, really."●

ANATOLY SHCHARANSKY

● Mr. WILLIAMS. Mr. President, nothing quite equals the sense of frustration and anger which comes over me when I think about the fate of Anatoly Shcharansky and the dozens of courageous Soviet participants engaged in the fight for human rights. I would like to join my colleagues today in expressing my continued, heartfelt support of the efforts in our country and elsewhere to reaffirm the basic rights and freedoms of Soviet citizens who are being persecuted for their religious and political beliefs.

This week marks the third anniversary of Anatoly Shcharansky's imprisonment for the crime of speaking out against a government of repression. It is indeed difficult to believe that 3 years have passed since this brave and intelligent man was sentenced to 13 years of hard labor. Since his incarceration, so much has happened to distract our attention from his plight and from the harsh and restrictive conditions which dissidents face in the Soviet Union. And, in the midst of the Soviet invasion of Afghanistan, it is sometimes difficult to continue believing that our support and our pleas to Soviet officials are having an effect.

The passage of time and our feelings of futility, however, have a way of playing into the Soviets' hands. Simply ignoring world opinion, as has been Soviet policy, and turning a deaf ear to the very vocal and very critical messages being sent from free nations on behalf of all dissidents, will not relieve that nation of its responsibility and promise to honor human rights and uphold the conditions set forth in the Helsinki accords.

Mr. President, our task then is to keep the spirit of dissent alive within the Soviet Union. We must continue, through efforts such as today's, to pierce the veil of silence which has been raised over continued Soviet violations of basic human rights. We must reassert our strident concerns at every opportunity. If we do nothing else, at least our voices crying out in unison for the freedom of those so harshly and unfairly judged may help renew the faith of all Soviet citizens and give them the courage to go on. We must let them know that we stand behind them, and reassure them that their plight is not going unnoticed by the world.

Let not future generations criticize us for failure to do enough on behalf of our brothers and sisters who have been stripped of their freedoms. And let us all hope that we will not see another anniversary of Anatoly Shcharansky's imprisonment for the crime of treason against his country.●

GO HAWKS

● Mr. CULVER. Mr. President, the University of Iowa has much to be proud of, but if it is distracted this week from its accomplishments in teaching, research, and public service, it is understandable. This week Iowans are thinking sports. The wrestling team was crowned NCAA national champion last weekend. The basketball team reached the NCAA's final four and will play in Indianapolis this weekend for the national championship in that sport.

Iowa's wrestlers are making a habit of being the national champion. Coach Dan Gable, himself an Olympic gold medal winner in wrestling, led Iowa to its third consecutive NCAA national championship last weekend in Corvallis, Oreg. It is their fifth championship in 6 years.

Iowa is a dynasty in the wrestling world, but that does not mean that these national championships come easily. They are champions because the team receives first-rate coaching, because the wrestlers are dedicated to the pursuit of excellence, and because they enjoy the backing of informed and enthusiastic fans. Of course, their intrastate rivalry with perennial power Iowa State provides considerable additional motivation.

The path to a national championship often takes some disappointing turns before arriving at its destination, and this year's wrestling team exemplifies this pattern. Two of last year's individual national runners-up were lost to the team for medical reasons, but the team pulled together and rolled, tumbled, and pinned their way to a clear victory in the national championships. Even though they lost Mike DeAnna and Scott Trizzino early in the season, Iowa still managed to place eight wrestlers near the top of their weight class: Dan Glenn (second at 118 pounds), Randy Lewis (first at 134 pounds), Lenny Zaleski (fourth at 142 pounds), King Mueller (third at 150 pounds), Mark Stevenson (seventh at 158 pounds), Doug Anderson (eighth at 167 pounds), Ed Banach (first at 177 pounds), and Dean Phinney (third at heavyweight). Freshman Jeff Kerber also wrestled in the national meet.

As for the Hawkeye basketball team, you have probably heard of this group of young men, for they have taken the Eastern part of this country by storm. Exiled from the Midwest for finishing fourth in the Big Ten, they were assigned to go East and play the best of that region—Virginia Commonwealth, North Carolina State, Syracuse, and Georgetown. Their 81-80 victory over Georgetown in the Eastern regional finals was one of the most exciting contests I have ever seen.

For the basketball team, too, overcoming adversities is standard operating procedure. Numerous injuries, the crash of a plane that seriously injured assistant coach Tony McAndrews, and playing against the odds helped develop a team often described in terms of "guts," "heart," "dedication," "spirit," and "class."

Everyone knows the team, but few know the players. They are said to be a team without stars because a single player does not score most of the points or grab most of the rebounds game after game. All they do is to do their job—and if the job they are doing is not worthy of stardom, they would not be where they are today. Ronnie Lester, Steve Waite, Kenny Arnold, Vince Brookins, Kevin Boyle, Steve Krafcisin, Bob Hansen, and a strong supporting crew are stars in the eyes of Iowans.

Long after everyone else has written them off, they win. One very impressed Eastern sportswriter described the team this way:

> You blindfold it, line it up against the wall, give it a last cigarette, and you know what it says? It says, "Now we got them right where we want them. The firing squad is in real trouble now."

Going into the tournament this weekend, the oddsmakers have made them the longest shot to win it all—they have their opponents right where they want them now.

Mr. President, there is only one thing I want to add to that: "Go Hawks."●

DETERRING SOVIET ADVENTURISM

● Mr. BAYH. Mr. President, in the wake of the Soviet invasion of Afghanistan, a number of questions have been raised by those I represent reflecting both apprehension and anger over what the future holds for our country and our place in the world. I want to take this opportunity to express my own views on Soviet actions and the response this country must offer to deter such aggression in the future.

SOVIET TAKEOVER OF AFGHANISTAN OMINOUS

The armed takeover by the Soviet Union of a neighboring country is ominously similar to the brutal actions of Stalin's regime prior to World War II when Russia's army invaded Finland and, in collusion with Nazi Germany, annexed the Baltic States. The statements now coming from Soviet officials indicate a new boldness in terms of utilizing their military power to win new political influence. A Soviet official here in Washington is recently quoted in the West German publication Die Welt as proudly proclaiming that:

> We are setting up in Afghanistan our own "forward based systems" against the West. Nobody can prevent us from doing that.

Such a "forward-base" system, moving from Afghanistan on to Pakistan and Iran would represent a dangerous threat to our own economy and energy supplies, thus severely menacing our national interest. It could permit the Soviet Union to credibly threaten shipping lanes from the Middle East to Western Europe and Japan which carry the life-blood of oil which fuels the industrialized democracies of Europe and Asia. It is difficult to imagine a much more direct threat to ourselves, or the security of our allies and the NATO Alliance, short of an armed attack.

AMERICA'S RESPONSE: COMPREHENSIVE AND SUSTAINED

America's response to the present situation must be effective and unequivocal so as not to sow the seeds of miscalculation in the minds of the leaders in the Kremlin. We must respond to Soviet aggression in a comprehensive and sustained way. In my mind, such a comprehensive response should embody the following components:

First. In order to make our economic and diplomatic reprisals as costly as possible to the Soviet Union, we must have the active support and cooperation of our allies and other countries whose vital interests are also threatened;

Second. We must proceed with an adequate and efficient program of increased military spending specifically tailored to meet the threats posed to our national security by the Soviet Union. This will involve a critical review of what has and what has not been requested in Department of Defense budget. Programs which enhancement of rapid deployment capabilities and are unrelated to improving our national security should be discontinued, and weapons systems and technologies which contribute to the national security must be supported, and in some cases accelerated, to enable a timely response to the Soviets;

Third. Our intelligence-gathering capabilities must continue to be second to none and they must be better 1 year from now than they are today in order to keep pace with dangerous developments in a changing world.

Taken together, these categories of response are interdependent. They will help us draw a line—as President Carter did in his state of the Union address—in such a way which puts the Soviet Union on notice that they should keep "hands off the Persian Gulf." Such a course of action should properly define our interests without limiting our actions.

PROMOTING AN INTERNATIONAL COALITION

Success in making clear to the Soviet Union that their aggression in Afghanistan will not pay, and that future actions treading on our vital security interests will be met by a stern response, will depend upon united action on the part of all who oppose Soviet expansion.

The importance of effective U.S. sanctions against the Soviets for their invasion of Afghanistan will require that our allies and erstwhile friends do not undermine our efforts. The U.S. boycott of the summer Olympics in Moscow, the partial embargo of U.S. grain sales to the Soviet Union, the embargo on sales of high technology equipment and critical goods, as well as the announced requirement of validated export licenses for shipments of superphosphates to the Soviet Union can, together, have a decided impact.

Our unilateral actions will gain in impact if the response to such flagrant aggression is truly international. If such cooperation is not forthcoming voluntarily, we must use our own economic weight to encourage the cooperation necessary to achieve the withdrawal of Soviet troops from Afghanistan and send a clear signal that no further military adventures should be undertaken. I will soon introduce legislation which will permit the President, by proclamation, to increase duties on goods from countries which do not cooperate with our efforts. This legislation would also exclude from U.S. Government procurement under the International Government Procurement Code the products from such countries who refuse to cooperate.

While this step might seem heavy-handed to some theoreticians of international trade and politics, it is a useful signal which should be understood by those nations who see America's response to the Russian threat to world peace as a splendid opportunity for them to make a fast buck. Put simply, if a country insists on undermining our efforts by, say, selling millions of tons more corn to the U.S.S.R. than they normally do, when we are withholding supplies to punish the Soviets, then that country's exporters should face the likelihood of higher tariffs on their products exported to the United States as the price of their indifference to the presence of Soviet-manned tanks in Afghanistan. Nor should that country be permitted the benefits of selling their products to the U.S. Government under the terms of the International Government Procurement Code which permits the waiver of "Buy American" provisions of the law contingent on the principle of reciprocal access to a foreign market.

Mr. President, this legislation is only one part of the comprehensive and sustained response which this country must make if we are to deter further Soviet adventurism. But I think it is an important and appropriate part of that overall effort.

REGIONAL COOPERATION ALSO NECESSARY

In addition to our efforts to augment our own direct economic actions against the U.S.S.R., it is necessary that the countries in the Persian Gulf region also perceive and understand that aggression unchecked is likely to spread and affect them. We simply cannot expect to succeed in the implementation of the "Carter Doctrine" by going it alone. But neither can we stand and allow the consequences of Soviet aggression in Southwest Asia to run their course for they will surely run over us one day. Even though our vital economic interests are very much at stake, the vital interests—indeed the national survival—of those nations in the region are directly involved. These nations have an even greater interest in seeing that America's efforts do not fail. And our oil consuming allies must understand that their economies and prosperity depend far more than our own upon secure lines of supply from the gulf.

So what do we do? To be sure, the present situation requires a careful, balanced, and effectively directed effort to enlist assistance of other countries. Specifically, Saudi Arabia must provide Pakistan with financial resources to enable that country to pay for the modernization of its armed forces to meet the Soviet threat. Assurances ought be obtained from President Zia that these weapons not be used in another war with India. Our concern about stopping the spread of atomic weapons must continue. NATO should play a part.

The time has come to make our position clear. The United States expects its allies, for whom it provides a nuclear umbrella at great cost to our own taxpayers, to join in defending the Persian Gulf region from Soviet takeover or domination, and we do not intend to disregard flagrant attempts to undermine our own efforts to sustain the reprisals we have undertaken.

U.S. MILITARY COUNTER-BUILD-UP AND BETTER INTELLIGENCE GATHERING

Another area indispensable to meeting the present threat to the peace will be the defense capability the United States will have in the 1980's. It is disturbing to me to hear the criticisms leveled at the quality and capabilities of U.S. fighting forces. Some of these criticisms, however, are well-placed. Thus, in some areas of military competition with the U.S.S.R. we need to strengthen our capability. In others we hold commanding leads and are more likely to maintain these advantages if we are firm in our determination to shut off the high-technology pipeline in the U.S.S.R.

U.S.-SOVIET STRATEGIC BALANCE

The bedrock of our national security still resides in the survivability and devastatingly destructive power of our nuclear deterrent forces. Modernization of all three legs of the TRIAD (our bomber, land-based and undersea missile forces) are proceeding. The cruise missile program which is underway will further enhance not only the effectiveness of our strategic systems—ICBM's, submarine-launched ballistic missiles and bomber aircraft—but the deployment of ground-launched cruise missiles in Europe will help off-set a dangerous imbalance in Theater Nuclear Forces in the region, which has resulted from the deployment of the Soviet SS-20 mobile intermediate range ballistic missile. On balance these modernizations make sense although hard questions remain concerning how the MX ICBM will finally be based and its utility in a world without SALT II.

Because of the enduring sentiment by some in favor of restoring the B-1 bomber program, the Congress may consider funding this program again this year. I have opposed this program in the past because I think we should use our Federal defense dollars in more effective ways. To have sufficient funds to do what really needs to be done for the Defense Establishment in the near future, and retain any hope at all of balancing the Federal budget, a $100 million apiece airplane is not the way to go. The air-launched cruise missile—(ALCM) system which is on track, has a tremendous advantage in cost-effectiveness and survivability over the B-1. Defense against the cruise missile is considerably more difficult than is defense against manned aircraft. That is why I have favored aggressive development of the cruise missile rather than supporting the more glamorous B-1. I am convinced that the capability to launch many cruise missiles from a variety of aircraft, submarines, surface ships, or ground launchers can further enhance the effectiveness of this weapon in support of our nuclear attack capabilities.

In short, a cruise missile system can deliver more warheads at less cost, with less chance of a credible defense stopping our attacking forces than would be the case with the B-1 bomber.

RAPID DEPLOYMENT: HOW FAST AND WITH WHAT?

As in the past, my central concern in reviewing the DOD budget this year will be a good fit between expenditures and current defense needs. Too often the size of the defense budget becomes the major preoccupation of congressional debate. Too often many are content with whatever is requested by the Department of Defense as long as the price tag is big enough. Never before in the history of our country could such an attitude be more dangerous and more destructive to the difficult task of matching the right systems to the right requirements.

Proceeding from this central concern, the decision by the Department of Defense not to ask for funding for the AV-8B vertical short takeoff and landing (VSTOL) attack aircraft used to support ground forces against enemy tanks and artillery is especially disturbing. As my colleagues know, this version of the "Harrier" is superior in performance to the AV-8A currently in inventory with the Marine Corps. The Soviet Union does not presently posses an aircraft of comparable performance and capability. Their YAK-36 "Forger" is a verticle takeoff and landing (VTOL) aircraft with severely limited range, payload, and operational capabilities.

Even though the AV-8B is not an interceptor, it does have significant capability against enemy aircraft and would be a considerable test for any Soviet tactical fighter aircraft now in the Russian inventory. Even more important is the capability of the AV-8B to operate both from large-deck and other type of aircraft carriers, and certain other surface ships, to deploy near the forward edge of the battle area (FEBA) and survive while based on land. These characteristics make it a logical aircraft to support our development of an enhanced rapid deployment capability.

At the same time, the F/A-18 fighter program, which was earlier deemed superior in performance to the AV-8B by the Defense Department, is running into a complex series of cost, technical, and ground-support scheduling problems which suggest that production rates should be slowed. The Department of Defense has proposed $1.6 billion for procurement of 48 F/A-18's for fiscal year 1981. This works out to about $34 million per aircraft which is approximately twice the unit cost of the AV-8B. These difficulties and cost comparisons have led some to propose that we rethink the procurement schedule of the F/A-18 and, if it is to be procured at all, provide this aircraft in much smaller numbers to the Marine Corps in order to meet the interceptor requirements only of that service. The effect of this decision would be to give the corps greater flexibility consistent with the goals of the rapid deployment force concept.

I think it is also important to point out for purposes of understanding the shortcomings of the F/A-18 "Hornet" program that this aircraft was originally proposed to fill both the missions of intercepting and destroying hostile aircraft as well as providing close air support for troops on the ground. For the former mission, an aircraft must have rapid acceleration in order to outmaneuver enemy fighters, evade missiles or antiaircraft fire. For the ground-support role, an aircraft must be able to get to the target quickly with sufficient payload to allow heavy damage to be inflicted against wide variety of targets.

A February 14, 1980, report of the General Accounting Office noted that these concerns were especially important in considering the effectiveness of the F/A-18. In addition to the failure of the Hornet to meet its acceleration threshold, that report noted that:

> The aircraft's mission effectiveness is limited by the armaments its carries and by delayed development of its self-protection and all-weather capabilities.

And the same report indicated questions arising by the negation of the aircraft's ability to evade enemy aircraft because of present plans to equip the F/A-18 with radar-guided Sparrow missiles. This means that the F/A-18 must keep its radar locked on target until after the missile hits. This period of restricted maneuverability makes the F/A-18 more vulnerable to enemy fighters and thus diminishes its effectiveness in the air superiority role for which it has been designated.

These shortcomings may not mean that the F/A-18 does not have a mission at all. However, given the task of fleet air defense in terms of defeating both the sea-launched antiship cruise missile from Backfire bombers, a fighter with a superior "dog fighting" capability is not the right match for this type of long-range or sea-skimming threat.

Limited procurement of the F/A-18 to meet the air superiority needs of the Marine Corps once beach heads are secured and air strips have been built could make some sense only in terms of meeting the tactical threat posed by aircraft such as the Mig-21 or Mig-23. And even in this case there is evidence that the AV-8B would be a formidable match for these high-performance Soviet aircraft because of the likely envelop of engagement.

In the meantime, to meet the priority air defense requirements of the Navy necessary for dealing with the Soviet cruise missile threat, the Navy should consider procurement of all F-14 fighter force. The F-14, which is now being procured at $32 million per plane, has experienced its own problems, and efforts to correct engine-reliability performance are continuing. However, the F-14, because it is capable of simultaneously tracking and intercepting several targets at long range, remains the backbone of fleet air defense. Improvements must be made in the Phoenix missile system to enhance its own reliability, but the cost parameters here are fairly well known. The fact that the F-14 is a "force multiplier," capable of engaging many enemy aircraft and missiles at once, makes it superior in the interceptor role to the F-18. And while the F-18 could still have a mission, that mission would be with the Marines as a follow-on interceptor to the F-4 Phantom.

A LIGHT ARMORED CORPS?

Another concern which must be addressed, if the rapid deployment concept is to prove viable, is the type of armored support vehicles that can be airlifted in sufficient quantities to support troops and provide antitank and other protection until more substantial sea-borne assets arrive. Even if the XM-1 main battle tank were free of its engine and gun problems, it could not be airlifted in sufficient quantities to support forces flown into an area to protect our vital interests. That vehicle weighs over 60 tons and is air transportable only by our giant C-5A Galaxy transports. This is also the case with the M-60 medium tank. Neither tank can be carried aboard the C-141 Starlifter transport. These vehicles are also out of the question for transport by the workhorse C-130 Hercules.

It appears, however, that mechanized Marine brigades with proper air mobile/amphibious equipment may now be feasible. It is this likelihood that has prompted retired Marine Corps and retired Army generals to describe the possibility of development of a light-armored corps equipped with a "mobile protected weapon system" of low cost. At the present time a four-wheeled armored vehicle which could be fitted with a 90-mm. cannon and an 81-mm. mortar or missile launcher is being built by Cadillac Gage in this country and has been purchased by the Saudis. Its firepower, maneuverability, and versatility should commend this vehicle to the attention of the Department of Defense for our own forces. If we are really serious about bolstering our rapid deployment capabilities now, such a vehicle will be important to our overall efforts.

SOVIET CAPABILITIES AND INTENTIONS: THE NEED FOR A U.S. INTELLIGENCE CAPABILITY SECOND TO NONE

Mr. President, as the chairman of the Senate Select Committee on Intelligence, it has been my privilege to work with America's intelligence community to provide our country with the technology and talent which makes our capabilities in this area second to none in the world. The weapons system which I briefly discussed above could very much improve our present military capability. But without good intelligence, we would not know where to aim these systems or when to use them. For that reason, I have been in the forefront of the battle here in the Congress to make sure that sufficient resources are provided to make our ability to monitor Soviet military capabilities the best it can be. As we begin this second session of the 96th Congress, I can assure my colleagues here in the Senate, and the people I represent in Indiana, that my efforts to this end will be no less tireless.

Of course, the science of intelligence gathering also involves the art of assessment, making estimates not only of capabilities but also intentions. It is impossible to assess intentions with absclute certainty. Yet we must commit ourselves to the best effort possible to deduce the strategy and world view of those who are our adversaries and translate assessments into good political decisions.

MUST NOT LEARN THE WRONG LESSONS AT THE WRONG TIME

Mr. President, if all that our agonies in Southeast Asia have taught us is that we must retreat from the world, we will have learned little and we will be forced to suffer the consequences. The dynamics of world politics will not accommodate America by giving us a respite from involvement where our vital interests are at stake. Inertia is not the ordinary state of the world. We must not delude ourselves into thinking that the frustrations of developing nations, and the temptations to use force by totalitarian nations, will be suspended while we sort out our thoughts and proceed at a relaxed pace. Ominous trends are abroad in the world and we must not postpone facing up to them. Left unattended they will reach out for us and force us to confront them at times and places and in ways which are not of our choosing. Thus, with our allies, we must proceed with a comprehensive and sustained response to the events of the past few months.●

EAGLETON-BIDEN AMENDMENT ON SCHOOL BUSING AGAIN UPHELD

● Mr. BIDEN. Mr. President, on January 31, 1980, the U.S. Court of Appeals for the District of Columbia upheld the legality of the Eagleton-Biden amendments which prohibit the Department of Health, Education, and Welfare, now the Department of Education, from administratively ordering busing. The ruling affirmed a 1978 decision by U.S. District Court Judge John Sirica. The amendment prevents HEW from requiring "the transportation of any student to a school other than the school which is nearest the students home."

For the past 6 years I have been waging a fight to stop HEW from ordering the busing of school children. I am particularly pleased that the Eagleton-Biden language was again found by the courts to be constitutional. The Eagleton-Biden amendment has now withstood two challenges in the courts and four challenges in the Senate. I find these signs of support very gratifying for they clearly demonstrate that bureaucrats at an administrative agency, absent the findings of a court, are prohibited from ordering a community to bus its school children.

Judge David L. Bazelon in writing the opinion for the U.S. Court of Appeals found that the amendments were constitutional and that the intent of the amendment was to "take HEW out of the busing business" which insures that "mandatory busing orders come from the courts."

As in the earlier decision handed down by Judge Sirica HEW is not precluded from seeking legal action through the Department of Justice. In his opinion Judge Bazelon states that:

> As the amendments leave in place the enforcement options at the Department of Justice, we cannot find that on their face they "restrict, abrogate, or dilute" the guarantee of equal protection. Where a choice of alternative enforcement routes is available, and the preferred is not demonstrably less effective, Congress has the power to exercise its preference.

The last time the Eagleton-Biden amendment faced a challenge in the Senate was July 20, 1979. The amendment passed by a substantial margin of 58 to 35. I find the message of Congress and the court very simple and direct. The decision to order busing must come from the courts, not a Government agency.

However, I believe Congress should take an even greater role in limiting the conditions in which a Federal judge may order busing. That is why Senator ROTH and I have introduced legislation (S. 228) which is designed to create a congressional desegregation code. The bill is presently under consideration by the Senate Judiciary Committee.

Busing continues to be a useless remedy which disrupts the educational and social lives of children without improving the quality of their education.

I thereby ask that the text of Judge Bazelon's opinion be printed in the RECORD.

The opinion follows:

[United States Court of Appeals for the District of Columbia Circuit; No. 78–1864]

DARRYL W. BROWN AND DAVID BROWN, INFANTS, BY THEIR PARENT, JO ANN BROWN, ET AL., APPELLANTS V. JOSEPH A. CALIFANO, INDIVIDUALLY AND AS SECRETARY OF HEALTH, EDUCATION AND WELFARE, ET AL.

(Appeal from the United States District Court for the District of Columbia (D.C. Civil 75–1068))

(Argued February 12, 1979; Decided January 31, 1980)

Joseph L. Rauh, Jr. with whom *John Silard, Elliott C. Lichtman, William L. Taylor, James M. Nabrit, III, Bill Lann Lee and Eric Schnapper* were on the brief, for appellants.

Frank A. Rosenfield, Attorney Department of Justice with whom *Earl J. Silbert*, United States Attorney, *Barbara Allen Babcock*, Assistant Attorney General and *William Kanter*, Attorney, Department of Justice were on the brief, for appellee.

Before: BAZELON, *Senior Circuit Judge*, TAMM, *Circuit Judge*, and GESELL, *United States District Judge* for the District of Columbia

Opinion for the Court filed by *Senior Circuit Judge* BAZELON.

BAZELON, *Senior Circuit Judge*: Darryl and David Brown and sixteen other public school children, the appellants, challenge the constitutionality of amendments that restricts federal methods for assuring nondiscrimination in public schools receiving federal support. The amendments essentially prevent the Department of Health, Education, and Welfare (HEW) from requiring "the transportation of any student to a school other than the school which is nearest the student's home." The district court found that the existence of an alternative federal avenue to effect transportation remedies saves these amendments from constitutional challenge on their face. The district court explicitly left open the possibility of future challenges to the amendments as applied. For the reasons described below, we affirm.

I. BACKGROUND

Full understanding of this case requires a brief historical review of civil rights enforcement and of HEW's administrative scheme under Title VI before and after the challenged amendments were enacted.

A. Civil rights Enforcement

The guarantees of the Fourteenth Amendment proved elusive for nearly a century. Two effective litigative strategies finally bore fruit in the 1950's. First, *Brown v. Board of Education*, held that the Constitution demands the dismantling of dual school systems, intentionally segregated by race, Second, *Cooper v. Aaron* and related cases barred governmental support of unconstitutionally discriminatory institutions.

Both concepts were incorporated in the first sweeping federal commitment to civil rights enforcement, the Civil Rights Act of 1964 (the Act). Title VI of the Act prohibits discrimination on the ground of race, color, or national origin under any program receiving federal financial assistance. Each federal department can ensure compliance by 1) refusing financial assistance to any recipient found violating the prohibition after a finding on the record, with an opportunity for a hearing; or 2) "by any other means authorized by law." The Act specifically provides that enforcement efforts should not begin until the noncomplying party has been notified and given an opportunity to comply voluntarily. Thus the Act permits the Executive to avoid providing support to noncomplying public school districts, and to use the threat of fund-termination to persuade or induce recipients to dismantle vestiges of segregation.

B. HEW enforcement before the amendments

Through agreement with other executive departments, HEW assumed responsibility for Title VI enforcement with respect to most federal financial assistance to elementary, secondary and higher education and other specified health and social welfare activities. Between the passage of the Act and March of 1970, HEW diligently followed rules it promulgated under Title VI and brought some six hundred administrative proceedings against noncomplying districts. Then, between March 1970 and February 1971, HEW brought no enforcement proceedings. At the same time, HEW continued to advance federal funds to schools HEW found in violation of Title VI.

Based on factual findings of this sort, Judge Pratt in *Adams v. Richardson* and Judge Sirica in the earlier proceedings in this case ordered declaratory and injunctive relief requiring HEW to resume enforcement under Title VI. Those decisions disapproved of HEW's conduct but left its regulations in place to guide future enforcement. Under these regulations, HEW requires elementary and secondary school applicants and recipients to provide assurances of their compliance with desegregation plans. HEW can investigate actual compliance on its own initiative; it must investigate private complaints about noncompliance. Upon finding apparent violation of the assured compliance, HEW must notify the recipient and seek voluntary compliance. If voluntary compliance cannot be secured, HEW can pursue enforcement through fund termination proceedings within the agency, or through other means under law. The regulations specify the primary alternative to fund-termination: referral to the Department of Justice with a recommendation of appropriate legal action. Reflecting the regulations' emphasis on voluntary compliance, HEW informally resolved findings of noncompliance in nearly all cases between 1972 and 1978: funds were actually terminated in only one instance.

C. The effect of the amendments on the enforcement scheme

Enacted as floor amendments to appropriation bills, the amendments challenged here lack careful explanation or description of their intended effect on HEW's enforcement procedures under Title VI. (A lengthy footnote discusses the congressional debates over the amendments.) Their general purpose, however, is clear. Congress wanted to ensure that no student would be transported beyond the school nearest his home because of an HEW requirement.

Of course, as members of Congress were aware, HEW never had the authority to order any particular remedial plan. Its enforcement authority permits it only to require assurances of compliance from applicants, and to seek enforcement through fund-termination proceedings or referral to the Department of Justice. Nonetheless, as the legislative debates also acknowledge, the power to threaten fund-termination—the power that attaches strings to financial assistance—can often work coercively. Thus, Congress explicitly intended that HEW could not use this power to require, "directly or indirectly," student transportation beyond the school closest to their home. Nor may it pressure a district to restructure grade levels offered at particular schools, thereby changing the location of the nearest school "which provides the appropriate grade level" or "course of study pursued" by each student.

Although the sponsors maintained that HEW retains Title VI enforcement authority under the amendments, the extent of that authority is not entirely apparent. On the one hand, it is clear that the amendments leave intact HEW's entire administrative enforcement process, including fund-termination, for violations not calling for transportation remedies. But the legislative debates do not identify when and through what procedures HEW can avoid funding schools known to violate the Constitution and Title VI. Congress apparently intended HEW to retain the power to refer cases to the Department of Justice for appropriate legal action. Congress neglected, however, to specify the steps HEW may take before a referral. Thus, although it expressly wished HEW to continue its role in seeking voluntary compliance, Congress did not explain the extent of that role when transportation remedies are at issue. The effect of the amendments is especially ambiguous insofar as they modify the order outstanding from ealier proceedings in this case.

D. Opinion by the District Court

Appellants contended in the district court that the amendments impermissibly interfere with the two civil rights enforcement concepts introduced, respectively, in *Brown v. Board of Education, supra*, and *Cooper v. Aaron, supra*. They claimed both that the amendments inhibit desegregation and that they cause the federal government to provide support for segregated public education. Judge Sirica for the district court rejected both claims insofar as they attack the amendments on their face, not as applied. First he found no impermissible inhibition of desegregation because the amendments do not bar either local or federal action to desegregate the schools as required by *Brown v. Board of Education, supra*, and to adopt a transportation plan if necessary. Judge Sirica distinguished the instant case from *North Carolina State Board of Education v. Swann*, 402 U.S. 43 (1971), a case relied on by appellants, because the instant case does not involve a flat prohibition against involuntary busing. The amendments challenged here merely restrict one federal agency's ability to induce busing as a condition of receiving federal funds. Local school officials still may voluntarily employ transportation to desegregate, HEW can refer cases to the Department of Justice for litigation, and private suits may be brought. Thus, the court concluded, all reasonable desegregation methods remain available to school officials and to courts.

Judge Sirica similarly found the availability of other desegregation options dispels appellants' second objection. Through desegregation litigation brought by the Department of Justice, the government can avoid supporting illegal discrimination, as prohibited by *Cooper v. Aaron*, 358 U.S. 1, 19 (1958); *Kelsey v. Weinberger*, 498 F.2d 701, 709-10 (D.C. Cir. 1974), and similar cases. Judge Sirica observed that the litigation would avoid unconstitutional governmental support by assuring that recipients comply with the law. He rejected the claim that litigation would be less rapid than fund termination because the administrative procedures for fund termination are themselves "cumbersome" and time-consuming.

Central to the district court's conclusion was its view that "neither [amendment] operates by its express terms to foreclose the availability of remedies that may be necessary to guarantee federal rights in given instances." The court explicitly noted it would entertain attacks on the provisions as applied, if further proceedings show the litigation option is not a "workable instrument for effecting equal educational opportunities."

II. THE AMENDMENTS AND EFFECTIVE DESEGREGATION ENFORCEMENT

The amendments here at issue make no classification along impermissible lines, but that does not prevent an equal protection challenge. Interference with the remedies necessary to implement the promise of *Brown v. Board of Education*, 347 U.S. 483 (1954), could well rise to the level of impermissible discriminatory effect and purpose. In essence, that is appellants' claim here. Appellants argue that, by restricting HEW's ability to require busing remedies, the amendments demonstrate discriminatory intent to interfere with desegregation. Presumably, this claim attaches to HEW's statutory obligation under Title VI to achieve equality in federally-funded schools and to the Executive's duty to "take care that the Laws [are] faithfully executed."

Thus, appellants assert that the amendments, by their plain terms, effect and purpose, violate the fifth amendment by eliminating "the single, proven, and most effective remedy for desegregating schools receiving federal aid." There are actually two prongs to this claim: the amendments will effectively inhibit desegregation and thereby dilute the guarantees of the fifth amendment; and the amendments reflect an impermissible legislative motivation to inhibit desegregation. Because the amendments on their face leave open many apparently effective avenues for desegregation, we are not persuaded by either argument.

A. Construing the amendments

The traditional judicial practice of reaching statutory issues before constitutional ones, combined with deference to Congress, supports application here of the general rule that legislation "should be interpreted, if fairly possible, in such a way as to free it from not insubstantial constitutional doubts." The amendments can be interpreted here to advance a permissible purpose, with no general inhibition of desegregation. Although individual supporters broadly attacked busing as a desegregation remedy, we do not find these statements expressive of the entire legislature's intent. Were they representative, we would be confronted with grave constitutional difficulties. Instead, we recognize the primary focus of the congressional debates on the role of HEW as an enforcement agency. An explicit, major purpose of the amendments was to take "HEW out of the busing business." In other words, Congress wanted to ensure that mandatory busing orders derive either from local school officials or federal courts.

Accordingly, the amendments only restrain HEW from using its fund-termination authority to induce school districts to require student transportation beyond schools closest to their homes. They do not in any way restrict HEW's authority to threaten or actually terminate funds with respect to any other desegregation remedy which would suffice. Thus, HEW can reject fund applications which fail to provide for magnet schools, faculty desegregation, school construction or school closings that enhance desegregation, or other nontransportation remedies it deems necessary for compliance with Title VI and the Constitution.

For those noncomplying school districts which HEW believes require transportation remedies, the amendments clearly eliminate use of the fund-termination option to induce busing. At the same time, nothing in their language or legislative history impairs two HEW activities in this context. First, the agency still may negotiate with the noncomplying district to encourage adoption of a voluntary transportation plan. The second activity is obvious. As the district court concluded, nothing in the amendments precludes HEW from referring such cases to the Department of Justice, with recommendations for appropriate legal action. This option is especially meaningful, given the Department's historic role in civil rights enforcement, its experience in helping to develop desegregation plans, and its authority to intervene in private suits as well as initiate enforcement actions.

Appellants contest the sufficiency of this referral option by claiming that time-consuming litigation will impermissibly forestall the requisite remedy. This is an issue which clearly requires concrete development, and is not susceptible to resolution in the abstract. We cannot agree with the district court that litigation promises "great if not greater promptness" than fund-termination by the agency. Yet it is possible that litigation could conceivably stretch no longer or not much longer than the time period required by the administrative alternative. Thus, as a facial challenge to the amendments, appellants' argument cannot succeed. Further, the Department of Justice is not limited to a litigative strategy; it may conduct negotiations and seek settlements, where appropriate.

Finally, the Department is under a strict obligation to avoid delay. To avoid constitutional doubts, we must proceed on the assumption that Congress intended the Department of Justice to act with the greatest dispatch. Otherwise the amendments may be seen as a tool of delay to avoid dismantling unconstitutionally segregated school systems. The courts no longer countenance "all deliberate speed" as the time-frame for dismantling unconstitutionally segregated school systems. Instead, "the obligation of every school district is to terminate dual school systems at once."

This obligation to guard against delay applies with equal force to HEW when it seeks to procure compliance. The government argues that the amendments do not prevent HEW from threatening referral to the Department of Justice in order to increase HEW's leverage in persuading offending districts to "voluntarily" reassign students. We agree, with this proviso: HEW cannot delay in taking necessary steps to bring about compliance. In *Adams* v. *Richardson*, the district court held with our approval that if HEW fails "during a substantial period of time to achieve voluntary compliance, [it has] a duty to commence enforcement proceedings." In sum, HEW referral to the Department of Justice for action must not be hindered by delays due to either agency.

B. Dilution of equal protection guarantees

The amendments would be constitutionally flawed if they diluted rather than enforced equal protection guarantees. As construed, however, these amendments do not pose this problem. We concluded above that these amendments do not preclude the threat of fund-termination for non-complying districts except if deployed to induce a busing remedy. With that exception, HEW can still use this enforcement tool which appellants characterize as "the single most effective remedy for desegregating schools receiving federal aid." As the amendments also leave in place the enforcement options at the Department of Justice, we cannot find that on their face they "restrict, abrogate, or dilute" the guarantee of equal protection. Where a choice of alternative enforcement routes is available, and the one preferred is not demonstrably less effective, Congress has the power to exercise its preference.

C. Legislative motivation

Absent discriminatory effect, judicial inquiry into legislative motivation is unnecessary, as well as undesirable. Obviously, the foreseeable effect of these amendments is increased litigation for court-ordered desegregation, and settlements supervised by HEW and the courts—not unremedied segregation. Thus, statements by individual congressmen that reveal opposition to busing or to student assignment to achieve desegregation, do not by themselves establish constitutional flaws in the amendments.

III. PROHIBITION AGAINST GOVERNMENT SUPPORT FOR SEGREGATION

More problematic is appellants' charge that the amendments interfere with the government's obligation not to support segregated schools. The Constitution's prohibition against governmental support of schools practicing invidious discrimination is too obvious and well-established to require elaboration here. Distinct from its duty to enforce the law, the Executive must not itself participate in unlawful discrimination. This prohibition is embodied in Title VI and in numerous subsequent statutory schemes.

To avoid the cloud of constitutional doubt, we must assume that Congress did not intend the amendments to force federal financial support of illegal discrimination.

Thus, the amendments cannot be read to prevent HEW from fulfilling its obligation to assure no federal moneys support segregated schools. HEW has an obligation, as a government agency, not to participate in unlawful discrimination. In particular instances, HEW may be required to 1) refer a case to the Department of Justice for appropriate action; 2) terminate funds through HEW's administrative procedures; or 3) alert the President that a case may require Executive impoundment of funds. Appellants and other private individuals certainly are not barred from challenging HEW's failure to take any such steps.

The record in this case raises the issue of whether the amendments in fact permit HEW to discharge its obligation to assure that no funds are used by districts it has found out of compliance. At the time of the most recent affidavit submitted in this case, HEW was merely planning to or thinking about referring cases to the Department of Justice for enforcement.

Thus, from the record, we have no evidence that HEW has taken steps to avoid participation in unlawful segregation. We agree, however, with the district court that the record does not establish sufficient factual evidence to permit a review of the amendments as applied. Therefore, we affirm the district court's judgment that the amendments survive facial challenge. We assume that the district court retained jurisdiction to entertain further motions challenging HEW's actions under the amendments and we affirm.

Affirmed.●

IOWA FOCUSES ON NONGAME WILDLIFE

● Mr. CULVER. Mr. President, nongame or nonhunted wildlife constitutes over 90 percent of our Nation's fish and wildlife species, but these species, unless they are endangered, receive little direct management attention. All 50 States fish and wildlife agencies, however, have expressed a strong interest in conserving nongame wildlife, and several States have developed effective programs for protecting these species.

The Iowa Conservation Commission has energetically worked to protect nongame wildlife habitat and to conduct useful research on the habits of such wildlife in Iowa. Nongame wildlife in my State—marsh wrens, red-tailed hawks, mourning doves, and other birds and animals—bring much joy to many Iowans and should be the objective of any wildlife management program.

Recently the commission published an excellent article in its magazine, Iowa Conservationist, which outlines the attention and resources Iowa has devoted to nongame species. Entitled "Iowa's Living Resources—Aiding Nongame Wildlife," the article, written by David A. Newhouse, describes the studies and management projects undertaken by the Iowa Conservation Commission and lists the habitat areas available for nongame species.

As chairman of the Senate Resources Protection Subcommittee, I believe the article will be of interest to the Senate and ask that it be printed in the RECORD.

The article follows:

IOWA'S LIVING RESOURCES AIDING NONGAME WILDLIFE

(By David A. Newhouse)

The American pioneer perspective, regarding natural resources as inexhaustible, is unique—and shortsighted. Free land, clean water and abundant energy have all gone the way of the passenger pigeon, victims of over-exploitation. Generations of Americans have struggled to do, make and have more, seeking the good life. While income and possessions are gratifying, the quality of life depends as well upon recreation and enjoyment of our culture and environment.

We rely on others to provide facilities and opportunities for stimulating experiences that enliven us. Our lives are better when "Someone" furnishes us access to rivers and lakes, safe roads, interesting museums, inspiring parks, good schools and police, fire and military protection. "Someone" else supplies opportunities to indulge our tastes for bowling, movies, concerts, dining or races. We can see America, fly the friendly skies or shop and save through services provided by "Someone" else. Of course, we invest a smart part of our incomes (as taxes, user fees, admissions, tickets, etc.) in each "Someone" who affords us these services and benefits.

Without patrons, arts and amusements could not exist. Unfortunately, nongame wildlife is one of Iowa's living resources without a "Someone", without definite patrons (although it has many users and admirers). Responsibility for these appreciatively used animals and plants constituting Iowa's "Living Resources" has fallen upon the Fish & Wildlife Division, although it has heretofore been provided no funds to accomplish management or research. Other living resources are more fortunate.

The beautiful natural areas comprising our state parks and forests are provided and maintained by state general funds, assisted to a small extent by scant user fees and federal money. County conservation boards manage outdoor areas primarily for more active recreation, funded again by tax revenue, federal funds, and income from the new wildlife habitat stamp. Access to lakes and rivers is provided and patrolled at the expense of the Iowa public and federal government as well, with some costs offset by boat registration fees.

The Nature Conservancy and Iowa's new Heritage Conservation Foundation seek to acquire and preserve areas of unique natural resources, using private contributions. The Preserves Advisory Board performs a similar function with very limited public revenue. Persons involved in the wildlife resource through such organizations as National and State Audubon chapters, Iowa Ornithological Union and National and State Wildlife Federation chapters have been instrumental in raising public consciousness, and some limited habitat management and research in other states.

Iowa's living resources benefit more, however, from the patronage of hunters, anglers and trappers than from any other source. State and federal waterfowl stamp monies fund land acquisition, management and research for waterfowl both here and in Canada. Wildlife habitat stamp funds are earmarked for acquisition and management of land, and for providing incentives for demonstrations of wise private land management.

Trout anglers pay for their sport through the purchase of trout stamps, incidentally improving streams for other species and users. Since 1937 these resource users also have paid an 11 percent excise tax on sporting arms and ammunition (and more recently, on fishing equipment) to perpetuate the wildlife resource. These funds make hunting, fishing and trapping license monies go even further, and support greater management activities in behalf of Iowa's living resources.

If nongame wildlife has had any constituency, any "Someone" in Iowa, it has been among these consumptive recreationists. Federal nongame revenue programs similar to those for fish and wildlife have died in Congress the last few years, stymied in part by misguided opposition from trade unions and hikers' associations. Although some wildlife habitat has been acquired by federal and state general revenues under open spaces and protected water areas programs, the majority of land managed to benefit wildlife in Iowa has been acquired with the fees paid by hunters and anglers.

Marshes managed for ducks support massasaugas, Blanding's turtles and marsh wrens as well. Pheasant nesting cover also produces upland sandpipers, grasshopper mice and northern harriers. Broadwinged hawks and spring peepers make their homes with deer and turkeys in forested areas. Nongame wildlife has been a by-product of beneficent game management.

This is not to say that the Fish & Wildlife Division of the Iowa Conservation Commission has not been purposefully concerned with the welfare of nongame wildlife. Even prior to official designation of a nongame wildlife program, Commission personnel have been involved on a personal level with Iowa's living resources. They cooperate with various universities and state, federal and provincial agencies by reporting observations of marked nongame species. In January they assisted with the National Wildlife Federation's nationwide winter bald eagle survey. They participate in many local Audubon chapter Christmas Bird Counts, Breeding Bird Surveys, Cornell's Colonial Bird nesting and Nest Record Card programs, and the winter Raptor Survey established by state ecologist Dean Roosa. Their observations of rare or unusual species in winter, migration and nesting periods are collected to expand our knowledge of the abundance and occurrence of nongame wildlife. The Missouri River unit biologist, Neil Heiser, involves his summer workers in surveying the small mammal populations in the Loess Hills, providing important information on that unique land area.

Research conducted by Division biologists concerns nongame wildlife, either directly or indirectly. The nongame biologist at Boone has just completed a study of utilization of different habitats in winter by nongame birds, which documents the value of timber and shrub plantings. Over the first 9 km of habitat traversed, a new bird species was detected every 818 meters (on the average) in farmland, compared to 529 m in shrub-planted agricultural fields and 391 m in forest. New species continued to be found in diverse forest habitats during successive visits, while the few species wintering in farmland are soon detected, without additions. Nongame bird information is also being collected as part of a study evaluating pheasant and duck nesting habitat manipulation on the Ventura Marsh and McIntosh Wildlife Areas in northern Iowa. About 500 red-winged black birds, 20 boblinks, 30 yellowthroats, 50 goldfinches and many long-tailed weasels, mourning doves, dickcissels, meadowlarks and field and song sparrows were known produced last season on the McIntosh Area alone. About 50 white pelicans also summered in this area of habitat supposedly manipulated solely to benefit game species, like the teal, shovelers, mallards and coots nesting there.

Commission research biologists at Chariton have recently completed a 4-year study to evaluate reintroduced native grasses which could provide both wildlife nesting cover and very desirable warm-season livestock forage for the private landowner. Properly managed native grass pastures seeded to pure stands of switchgrass, Indian grass, or big bluestem provided suitable nesting cover for a variety of birds including ringnecked pheasants, red-winged blackbirds, eastern meadowlarks, dickcissels, yellowthroats and field sparrows.

Based on the results of this study, switchgrass is being widely planted on public lands in Iowa, and the Commission is currently planning to use some of the revenue from the sale of the new wildlife habitat stamps to cost-share the establishment of switchgrass pastures on private land. We believe cattlemen will be impressed with switchgrass and will continue to plant and include switchgrass in their grazing rotation programs even after cost-sharing ceases. Both game and nongame species of wildlife are expected to benefit from this program.

The upland wildlife research team is also currently conducting a mourning dove nesting ecology study in cooperation with the U.S. Fish and Wildlife Service. This study compares mourning dove nesting success in states which have a dove hunting season and in those which do not. The project also gives perfect opportunity to study nesting habits of many nongame and song birds. Five study plots of differing habitat types, including both coniferous and deciduous trees and shrubs, are searched intensively once each week. Nests which are found are monitored on a weekly basis until the fate of the nest is determined.

In 1978 and 1979 the mourning dove was the most common nester found in the study plots, accounting for 39 percent of the total nests. Other common nesters were brown thrashers, red-winged blackbirds, cardinals, robins, grackles, gray catbirds and black-billed and yellow-billed cuckoos. The black-billed cuckoos found to be common nesters are apparently quite rare in some parts of Iowa. In 1979, the nest of a long-eared owl, a threatened species in Iowa, was found on the study area and the nest was monitored until young successfully fledged. Several other unusual (green heron, rufous-sided towhee and cedar waxwing) nests have been found and monitored during the two years of the study. One whip-poor-will nest and one yellow-breasted chat nest have also been located. Iowa's nongame birds are an important resource which should not be overlooked when wildlife management plans are being formulated.

Besides saving wildlife habitat from the ravages of plow and paving machines, these land management activities for wildlife are the Wildlife Division's greatest contribution to nongame animals. Much of the quality wildlife habitat in Iowa would not exist, were it not under Commission stewardship. Rather than being managed for a biologically depauperate monoculture of corn or beans, wildlife management areas are managed in a *synecological* way. This means that many different types and ages of vegetation are maintained in, and considered as, one management unit. Such diversity of habitat results in use by diverse wildlife species, which we enjoy consumptively and/or nonconsumptively.

What follows is an annotated catalog of habitat areas available to Iowa's living resources, drawn from the responses of Iowa's 20 wildlife management biologists. These managers most intimately familiar with wildlife habitats have quantified the amount of land they control in each of eight general habitat categories. They have also noted nongame wildlife species they feel are indicative residents and users of each of those habitat types.

LAKE

The most extensive habitat managed by the Wildlife Division, lakes cover over 49,000 acres (20,000 hectares) of the 20 wildlife management units (WMUs). In north-central and central Iowa, these are mostly natural glacial lakes which have survived widespread agricultural drainage. Along the major border rivers, lakes are frequently oxbows and now landlocked meanders of the mighty rivers. Elsewhere, lakes and ponds have been created by impounding streams; the largest of these are the federal reservoirs Saylorville, Red Rock, Rathbun and Coralville. Obviously, Fisheries and Waters Divisions are more involved in the open water resource, but lakes play an important part in the holistic approach the Wildlife Division applies to managing for wildlife.

Nongame species commonly associated with lakes are white pelicans, double-crested cormorants, painted turtles, herring gulls, pied-billed grebes, great blue herons and belted kingfishers. The endangered black-nose shiner has been found in Trumbull Lake, and migrating ospreys routinely visit lakes on wildlife management areas (WMAs) across Iowa. Bald eagles also scavenge fish from lakes, particularly around the wintering eagle concentrations near Missouri Valley and the Quad Cities. Woods and prairie pools in southeastern Iowa harbor the endangered central newt. Threatened spring peepers still chorus from eastern woods ponds, also.

MARSH

Unfortunately, only a tiny fraction of the prairie marshes that once dotted Iowa, giving rise to place names like Curlew, Mallard and Plover, still remain. Marsh habitat managed by the Wildlife Division has been rescued from agricultural tiling or recreated after ill-considered drainage. Our larger marshes are shallow flood-plain impoundments, watered by diversion from adjacent streams.

Here we find pied-billed grebes, American bitterns, yellow-headed blackbirds, long-winged blackbirds, great blue herons, snapping turtles and leopard frogs. Similar species (redwings, grackles, bobolinks, black terns, swamp sparrows and yellow-headed blackbirds) are documented from Illinois marshes. The Blanding's turtle is threatened, yet occurs in this limited habitat on the Big Sioux, Black Hawk, Coralville, Odessa and Sweet Mash WMUs. Massasaugas, threatened rattlesnakes of vanished prairie marshes, now enjoy management which ensures their perpetuation, with several Natrix water snakes, on WMAs in Bremer and Louis counties. Eared grebes, threatened by loss of habitat, use marshes of northwestern Iowa. Cattle egrets and king rails visit Sweet Marsh. Endangered northern harriers were formerly called marsh hawks because they hunt rodents so extensively in this habitat, as do short-eared owls, now considered extirpated by habitat degradation. Blue-spotted salamanders, endangered even where they occur in east-central Iowa, use this habitat. Least shrews and long- and short-tailed weasels, though seldom seen, call marshes home. Fortunately, nearly 31,000 acres (12,400 ha) of such habitat is managed to their benefit.

STREAM

Approximately 306 miles (492 kilometers) of streams flow through WMAs. Most are warm-water streams of low gradient, lined with riparian timber considered later as a separate habitat type. About 47 miles (76 km) are cold-water ("trout") streams, all in the northeast, whose narrow valleys lined with upland hardwoods are also home to ruffed grouse. Fishing, boating and canoeing are the obvious open-water activities. Careful observers, however, note the activity of belted kingfishers, great blue herons, green herons, bank swallows and even flathead minnows typical of riverine habit.

Channelization, impoundment and siltation from erosion have altered the character of Iowa streams. Few rivers except in the northeast still support threatened river otters. Redside dace, considered extirpated, are known from the Maquoketa River. The endangered plains topminnow has been found in the Little Sioux River. Topeka shiners have held out in the Little Rock River, also in the northwest. Illinois mud turtles, piping plovers and least terns are endangered by alterations of major boundary rivers which remove the sandy areas they need. Red-eared and Blanding's turtles, both threatened, survive in quiet vegetated stream back-waters on WMAs like Odessa. Wood turtles, stinkpots and orangethroat darters may also find refuge in streams in WMAs, managed by enlightened conservation principles.

RIPARIAN FOREST

The forest growing along warm-water streams typically consists of elms, ashes and cottonwoods; willows and silver maple are also tolerant of the periodic flooding common in this habitat. Small mammals are obviously limited in such a flooding environment, but the highest quality habitat for birds, and for some amphibians and more mobile mammals, is located in or near floodplain forest. Dean Stauffer found that floodplain woodlands supported higher densities of breeding birds than herbaceous or upland woodland habitats in Guthrie County. My research has found more kinds of birds in this habitat in winter than in any other cover type studied. In fact, a new bird was seen every 53 m throughout this forest, on the average. Here, too, are found the snags (dead trees, usually victims of Dutch elm disease) vital to cavity-nesting birds like woodpeckers. Riparian hardwoods form protective migration corridors for many wildlife species. They also create thermal refuges, protecting wintering wildlife from whistling winds. Division biologists manage 36,500 acres (14,800 ha) of riparian forests, including Corps of Engineers lands.

Barred owls and turkey vultures nest almost exclusively in this environment. Other common inhabitants are blue jays, red-headed woodpeckers, common flickers, white-breasted nuthatches, great horned owls, red-tailed hawks, black-capped chickadees and short-tailed shrews. Cardinals and great-crested flycatchers frequent openings in this forest, as documented in Illinois. Endangered Indiana bats are known to use caves in eastern Iowa, and probably have maternity colonies in south-eastern riparian forests; more research is urgently needed. Endangered woodland voles and red-shouldered hawks are known from the Odessa and Upper Iowa WMUs, respectively. Endangered peregrine falcons have visited Red Rock and may use river valleys in the northeast.

UPLAND FORESTS

Upland forests in Iowa are typically oak-hickory stands, or maple-basswood in the northeast. Often they rise across rugged hills above riparian forests. Thus some plant and animal species may appear in both upland and lowland habitats. The edge between types is very rich in animal life; I encountered different birds every 12 m (average) along this edge in winter counts. Historically, prairie fires restricted forests to these timbered ridges and slopes, reinforcing this amalgamation of habitats and species. Upland forests are usually drier, but are certainly not deserts, as evidenced by their destruction for pastures and crops fields. In winter, I walked less than 77 m (on the average) between successive bird encounters in upland forest.

Blue jays, chickadees, great horned owls and redtails occupy upland forests as well as riparian timber. Downy woodpeckers, northern orioles, eastern chipmunks, white-footed mice and rose-breasted grosbeaks are also common in this upland timber. Graber and Graber also found indigo buntings an important inhabitant of upland forests in Illinois. Broadwinged hawks, though threatened, are known to use the Big Sioux, Rathbun and Red Rock WMUs. Spring peepers sing from forest ponds near Odesa and Volga River. Cooper's hawks, sharp-shinned hawks and long-eared owls visit WMUs along the length of the Des Moines River valley across Iowa. Five-lined skinks, black rat snakes and bobcats may all evade human contact in extensive northern forests.

Management in this forest type which retains or enhances additional vegetative layers (by restricting grazing or by all-age management, for example) increases the number of avian feeding associations using the area. Most winter resident birds found in my research are ground feeders, bark gleaners or probers, predators and adaptable generalists with variable diets. Loss of understory shrubs, predicts Dean Stauffer, would lead to reductions in rufous-sided towhees, ovenbirds, acadian flycatchers and wood thrushes. These same species require extensive blocks of timber habitat, as do American redstarts, tufted titmice, warbling vireos and scarlet tanagers. Large habitat blocks are most important to rare species that require that habitat type; many small blocks of essentially similar habitat are of much lower value. This highlights the importance of wildlife management planning for nearly 42,000 acres (16,900 ha) of upland forests, including some State Forest lands, by Division biologists.

SHRUB/TREE PLANTINGS

Although Iowa has relatively litle forest land, shrubs and trees are usually planted in open areas for reasons other than reforestation. Windbreaks, farm groves, fencerows, landscape plantings and Christmas tree farms begin in this way. Such plantings are used by nongame animals almost immediately. Here they find shelter from frigid winds, searing sun and aerial predators. They also utlize the strips of cover as avenues of travel and escape. An amazing number and variety of songbirds nest in these plantings, also. Installation of such cover to break the monotonous expanse of crop fields benefits both wildlife residents and human managers. Durward Allen (in The Farmer and Wildlife) and Wallace Anderson (in Making Land Produce Useful Wildlife) both point out that songbirds; raptors, weasel. *etc*. using shrub rows are efficient eradicators of agricultural pests (ground squirrels, insects, *etc.*). Deep-rooted, wind-breaking, perennial plantings also reduce the loss of wind- and water-borne soil by erosion.

The species commonly associated with shrub plantings are adaptable generalists, also found in forest edge situations. Brown thrasher nests are usually found in multiflora rose thickets by division researchers. Catbirds also utilize this cover, and Scots pine as well. Mourning doves, common grackles, song sparrows, American robins, yellow-billed cuckoos and white-footed mice also frequent hedgerows, and tree sparrows are common there in winter. Graber and Graber found field sparrows, indigo buntings, red-winged backbirds and American goldfinches in Illinois shrub/orchard plantings, as well. Hawthorn is used here for nesting by rose-breasted grosbeaks and eastern kingbirds. One of nature's little dramas, in which a threatened loggerhead shrike impales a captured vole upon a hawthorn spike for a later repast, is seldom witnessed by humans. Yellow and blue-winged warblers, subjects of concern, also nest in suitable brushy habitat, including plum thickets and willows.

Commission land managers have been dividing cropfields and grassland areas with wildlife plantings that provide food and/or cover. Over 4,100 acres (1680ha) have been planted to nine-bark, pine, honeysuckle, autumn and Russian olives and dogwood, with more planned each year. Private citizens may obtain these same plants to establish wildlife cover from the State Forest Nursery in Ames. As figures from my research show, enhancement of agricultural fields with strips of shrubs and trees has the effect of adding 50 percent more bird species in this improved habitat. Bird species diversity trebles, as well.

GRASSLAND

Native bluestem prairie originally covered raughly the northwestern three-quarters of Iowa. Much of that land is now managed for a taller annual grass with yellow seeds. Grasslands that presently cover most of the unglaciated southern half of Iowa were wrested in part from oak-hickory forests. Livestock, pheasants and coyotes have replaced bison, prairie chickens and red wolves as human use changed the character of the land. Now we commonly find meadowlarks, dickcissels, bobolinks, American goldfinches, plains pocket gophers, short-tailed shrews, thirteen-lined ground squirrels, upland sandpipers, meadow voles and deer mice in pastures and hayfields. Illinois accounts add redwings; house sparrows and grackles to these grassland nesters.

The continued existence of many species has been threatened as prairies died for corn. Endangered upland sandpipers and northern harriers both nest on the Rathbun WMU, however, and are known from Harrison and Monona counties and the Big Sioux, Blackhawk, Mount Ayr, Red Rock, Riverton and Saylorville WMUs. Grasshopper mice, pigmy shrews and burrowing owls are holding out on WMAs in the northwest. The threatened plains spadefoot toad and endangered plains pocket mouse survive along the Missouri River. Spotted skunks and least weasels are declining, and should be considered threatened by loss of habitat. Threatened ornate box turtles benefit from management along the Iowa River. And short-eared owls, considered extirpated or occasional migrants, are thought to nest in southcentral WMAs.

Commission biologists manage over 33,000 acres (13,500 ha) of grassland hay for nesting cover. Delayed first cutting of hay, to prevent destruction of pheasant hens and nests, and timing the last cutting to allow sufficient regrowth to provide winter cover, are essential management practices. Rotation of grazing between cool- and warm-season grass pastures, suggested earlier, also benefits wildlife, as shown by heavy nest densities of songbirds in big bluestem and Indian grass pastures.

CULTIVATED

Intensive agriculture manages Iowa's rich soil for one or two crops, to the unfortunate detriment of most other living resources. Since approximately 95 percent (34 of 35.8 million acres) of Iowa's surface is cultivated, this constitutes a major impact on wildlife. The few species we usually see in farmland are horned larks, meadowlarks, deer mice, thirteen-lined ground squirrels, killdeers and plains pocket gophers. House sparrows also abound where farm buildings provide nest sites

Why then should the Commission lease some of its land for cultivation? Not for the small amount of cash rent received, assuredly. Rather, management plans which follow wise-use principles allow Commission lands to become demonstration areas which private land managers can emulate. Crop rotation, erosion control, proper harvest timing and field fragmentation with wildlife cover are all practiced here. About 20 percent of the crop is left for wildlife food, also. This not only makes the WMA more attractive to wildlife, but reduces the impact of wildlife feeding on adjacent private crops. As a result, unflooded fields managed by cultivation, especially along our major reservoirs, benefit all kinds of wildlife (including least shrews) and recreationists alike.

SUMMARY AND OUTLOOK

These habitats also exist in State Parks, Forests, Preserves and fishing access areas. The management and recreational use of those lands is different from WMA's. From wildlife's standpoint, however, designated uses do not make habitats more or less desirable. Quantity, quality and type of habitat are the significant factors to our living resources. Wildlife habitat is a critical need in Iowa, yet the Wildlife Divison manages only 0.69 percent of the surface of Iowa for wildlife. This puts Iowa at the bottom of the list of states, in terms of public lands management. Fortunately, those 246,500 managed acres (99,700 ha) are unmatched for their benefits to nongame wildlife. They also benefit the general public; 40 percent of the use of WMAs is by nonlicensed recreationists, who spend 860,000 to 1,105,000 days each year observing and enjoying our living resources.

An effective program for the future nongame resource of Iowa is now being designed in the Wildlife Division. This laudable effort is being supported by hunters and anglers, the effective but unofficial patrons of nongame wildlife to date. A primary consideration, of course, is program funding. The people of Iowa, all of whom enjoy or benefit from our living resources, must assume leadership and responsibility in this area. Exact sources of the revenue are less important than their continuity and effective use. Money devoted to nongame wildlife must produce, manage or preserve habitat to ensure the existence of nongame wildlife in our state. "Wildlife has continually been relegated to areas that are difficult to cultivate or to intensively manage, and these areas continue to dwindle as new economic uses are discovered. There are two broad alternatives available to society. The first is to continue managing with a dwindling habitat base usurped by an expanding urban population and intensification of agricultural practices, or secondly, stimulate incorporation of habitat management practices in land use planning . . . "(*Evans and Probasco 1977:14-15*).

We clearly need to take an assertive stand for expanding the habitat of the living resources with whom we share this land, and who improve the quality of our life. The Iowa Conservation Commission's Wildlife Division, supported by hunters and anglers, has shown the way. We challenge you to claim and perpetuate your heritage of living resources.●

NONPROFIT THIRD-CLASS MAILING RATES FOR SERVICE CLUBS

● Mr. DOLE. Mr. President, recently I had the pleasure of joining my distinguished colleague from Alabama, Mr. STEWART, as an original cosponsor to S. 2399, which would extend special nonprofit third-class mailing rates to service clubs.

Congress has long provided special third-class mailing privileges to certain specified nonprofit organizations. The rationale behind this practice is to encourage the existence of those groups which actively promote community service functions through civic involvement. In my opinion, this is a very noble goal. It is essential that philanthropic, labor, and educational organizations—to name a few—be allowed to flourish in today's society—even if this means occasional preferential treatment by the U.S. Post Office.

Unfortunately, when the 81st Congress decided which groups would benefit from these special rates they made a glaring oversight. I am referring to their refusal to include such service clubs as Kiwanis, Rotary, Optimist, Lions, and many others, in those groups authorized to mail at the lower rate. In my opinion this is an error which deserves the immediate attention of the Congress.

As a long time Kiwanian, I can attest to the importance of service clubs to the local community. These groups, whether it be Kiwanis, Rotary, Lions, or Optimist, provide a forum where members can meet and discuss ways to better the surrounding community. Through their tireless devotion to a host of charitable causes, these local philanthropists provide the leadership necessary to assist those who are less fortunate. Each member, with a vested interest in his local community, is always willing to contribute his time and energy to those causes which will best serve his neighbors, regardless of political party, social status, or family background. Frequently, these organizations are behind many of the most charitable activities within a community.

In spite of this, the Postal Service has seen fit to deny these clubs the same privileges granted other nonprofit organizations. By singling out these groups the Post Office has severely hampered the service club's ability to use the mail as a viable way of keeping their members and the community informed of their activities. This disparity, for which there is no logical justification, must be addressed and corrected.

Therefore, I would like to take this opportunity to request the support of my colleagues to insure that civic organizations—Kiwanis, Lions, Rotary, Optimist, Civitan, and others—be allowed to continue their exemplary service to the local community uninhibited by outdated, inequitable postal regulations.●

ESTONIAN INDEPENDENCE DAY

● Mr. RIEGLE. Mr. President, on February 24, 1918, Estonia proclaimed itself an independent republic. We honor and remember this date in the United States despite the fact that Estonia has been forcibly occupied by the Soviet Union since 1944.

At a time when we are again fully cognizant of Soviet aggression, I think that it is right to remember the plight of the people of Estonia and their opposition to the occupation of their nation.

Soviet policy in Estonia for the past 40 years has been to deny basic human and national rights to Estonians. Much of the preservation of ethnic identity, therefore, is through national and local associations in the United States and elsewhere. In addition, the Estonians have suffered the humiliation of having to adopt the Russian language and culture in conjunction with a policy of settling Russians in Estonia and sending Estonians to other parts of the Soviet Union. Estonian dissidents opposed to such an outrageous state of affairs have been jailed.

As the 1980 Olympic games approach, Estonia will once again have to suffer indignity. The yachting regatta is to be held in Tallinn, the capital. It is of great importance to Estonians everywhere that this should not be interpreted as their acceptance of the Soviet domination. All of us who value our independence and freedom of speech must be made aware of this fact, particularly those nations that will participate in the regatta.

The people of the United States must keep a vigil on the actions of the Soviet Government and give encouragement to all those people around the world who are suffering the consequences of actions by that Government. February was the month in which we remember the right of freedom for the Baltic States. We, who enjoy our freedom, must not be selfish. The cause of Estonian independence is just and it is a cause to which I give my support.●

TARGETED JOBS CREDIT, OF H.R. 2797, THE TECHNICAL CORRECTIONS ACT OF 1979

Mr. STONE. Mr. President, on October 4, 1979, I introduced S. 1861, a bill to amend the Internal Revenue Code to include 19-year-olds under targeted jobs credit work-study programs. In November the Finance Committee, at the request of Senator MATSUNAGA, accepted a similar provision under section 7(g) of the Technical Corrections Act. The Senate and the House of Representatives completed their work on the bill this week, March 18 and 19 respectively.

The committee understood that by including 19-year-olds under the credit we could improve employment and training opportunities for an additional 50 percent of hard-to-employ teenagers who are enrolled in work-study programs. It is ironic that at the time the Senate was agreeing to improve the effectiveness of our effort to reduce hard-core unemployment, the Internal Revenue Service (IRS), or at least some members of its staff, as noted by Senator MATSUNAGA in his CONGRESSIONAL RECORD statement of February 26 which is reprinted below, was discussing a proposed regulatory interpretation of targeted jobs credit tax law that would decimate these programs. The concerned regulatory interpretation would deny the employer tax credit for as many as 90 percent of work-study students that Congress intended to cover.

I associate myself with the remarks of Senator MATSUNAGA, and, moreover, I am submitting for the RECORD a letter from IRS Commissioner Jerome Kurtz that further clarifies IRS's regulatory intent for section 51(d)(8)(B) of the targeted jobs credit tax law, and also the remarks of Senator MATSUNAGA.

The material follows:

[From the CONGRESSIONAL RECORD, Feb. 26, 1980]

CLARIFICATION OF SECTION 51(d) OF THE INTERNAL REVENUE CODE

Mr. MATSUNAGA. Mr. President, it has come to my attention that the provision on targeted job tax credit for youths participating in a qualified cooperative education program may be interpreted by the Internal Revenue Service to require the educational experience to match the job training. Under this interpretation, the credit would not apply to an auto mechanic student working in a nonauto mechanic job.

As a member of the conference committee which drafted the conference report on the Revenue Act of 1978 and as a member of the Senate Finance Committee which drafted the Technical Corrections Act of 1979, I am unaware of the intention to narrow the credit to job training matching the educational experience. Neither the conference committee nor the Senate Finance Committee in the Technical Corrections Act of 1979 intended to impose a matching requirement. Nor does the statutory language reflect any such intention.

The congressional intent was to give the provision wide application to work-study students. The provision would apply to students in work-study, distributive education, work experience, cooperative education, vocational education, industrial education, career exploration, apprenticeships, or any similar work-education program.

The Congress enacted this provision to encourage the employment of students who would participate in a planned, supervised program that alternates school and work in any occupational field. The work experience goes well beyond the specific task performed. The work and education experience imposes a needed sense of discipline, responsibility, cooperation, and confidence, necessary in any job. These are essential elements in anyone's preparation for employment.

Again, there was no intention on the part of the conferees to limit the credit to job training matching the educational experience.

Commissioner of Internal Revenue,
Washington, D.C., February 26, 1980.

Hon. Richard B. Stone,
U.S. Senate,
Washington, D.C.

Dear Senator Stone: You have raised a question of whether Section 51(d)(8) of the targeted jobs credit as applied to youths participating in qualified cooperative educational programs, requires that the youths employment be in the same field as his vocational training. You suggested that our regulations require, for example, that if a student is taking vocational training in carpentry his employment will only qualify for the credit if it is in the field of carpentry. Our regulations are not intended to impose any such rigid requirement. They intend only to reflect the provision of the law, Section 51(d)(8)(B) which says "but only if these two experiences [education and employment] are planned by the school and employer so that each contributes to the student's education and employability."

The final regulations will make clear that such test may be met through a variety of employments which need not be in the same technical field as the vocational education.

With best regards,
Sincerely yours,

Jerome Kurtz.●

REMARKS OF SENATOR EDMUND S. MUSKIE BEFORE THE NATIONAL CONVENTION OF THE FOOD MARKETING INSTITUTE

● Mr. HART. Mr. President, the distinguished Senator from Maine, Senator Muskie, recently made a speech before the National Convention of the Food Marketing Institute, which succinctly summarizes some of the problems facing the Congress as it seeks ways to balance the budget in fiscal year 1981.

Senator Muskie's statements focus on the dilemma of how to set responsible budget targets for our national defense in a time of significant international tension—while at the same time address the crucial domestic issues of inflation and energy. The theme of our distinguished colleague's remarks is pertinent to all functions of the Federal budget, not just the national defense function.

The fight against inflation is a national one and we must all be prepared to evaluate needs along the lines stressed by the Senator. I believe his remarks deserve wide attention, and I ask that they be printed in the Record.

The remarks follow:

Remarks of Senator Edmund S. Muskie Before the Food Marketing Institute, March 11, 1980

Samuel Gompers was a founder and leading spokesman of the American labor movement. A reporter once asked him "What does labor want?"

His reply was pointedly brief: "More."

Sadly for the art of budget management, not all such questions are answered so succinctly; nor with such disarming candor.

Each year, as the Federal budget takes shape, agencies of Government plead their cases for new resources. They are eloquent. They are persuasive. Their deprivations are indexed by computer.

But it all comes down in the end to a simple, one syllable request: "More."

Unfortunately, however, budget makers must be content with unhappy realities. Resorces are limited. Demands are not.

And so, a great debate ensues on the proper distribution of the Federal dollar.

The congressional budget process is a forum for that debate and a channel through which competing interests are weighed and balanced. It is a testing place. And those who argue for a larger share of funds must do so in the face of three fundamental restraints: The effort to balance the budget; the effort to limit taxation; and competing demands from other quarters.

Each spring, groups and associations assemble in Washington to participate in that argument. That is a useful contribution. You know the needs and challenges of your industry far better than legislators do. It is important for us to understand your concerns and to appreciate their relevance to spending and budgeting decisions.

In any given year, spending constraints and those competing demands for Federal attention impose limits on what any interest group can hope to realize in the Federal budget picture. But this year, those constraints are more severe than ever.

We are facing an economic crisis which will impose the harshest kind of restraint on Federal spending. We are facing very real and much justified demands for a balanced budget. And we are also facing heightened international tensions which create strong new pressures for an expansion of military spending—an expansion which will further contrain the domestic budget.

As representatives of one of America's most important industries, you are concerned about the health of our economy. As Americans, as citizens, and as parents, you are concerned about the state of our defenses and prospects for peace in the world.

Both concerns are intimately linked to the current debate regarding military spending. I would like to focus on that debate in the course of these remarks. It is a debate which will determine a great deal about our role in the world and our prosperity at home. Unfortunately, the debate has too often been framed in misleading terms.

Some demand an after-inflation increase of three percent in military spending. Others argue that five percent is needed. Still others insist that twice that amount would barely cover necessities.

Particularly during election years, such arguments tend to degenerate into simple-minded one-upsmanship.

"If a five percent increase will make us stronger, ten percent will be twice as effective."

This frantic game of bidding up percentage points is a deeply flawed analysis of needs. In fact, it is no analysis at all. It begins with conclusions and works back to questions. It settles on a level of investment, then looks for things to buy.

Logic demands a reversal of that process. So does a rational defense spending plan. There is no room for panic in the treatment of this issue.

Dispassionate analysis may well determine a need for a substantial military spending increase. But until that analysis is made, no one can say how much is enough—let alone assign percentage points.

Any student of mathematics knows that solutions can't be found until problems are stated correctly. We must begin to solve our military problems by asking the right questions—questions about the ends we want to achieve and the means required to achieve them.

Military power is not an end but a means—a means for securing our defense and for advancing our foreign policy interests. Arbitrary comparisons of United States and Soviet military spending bear no necessary relationship to relative levels of strength.

"How much for defense?" is the ultimate question which we in Congress must address. But some important preliminary questions must be answered first. Too many observers are inclined to reach for the checkbook before asking questions like these:

What are our interests? How are they threatened? What do we need to defend ourselves? What can we afford to spend in pursuit of less vital interests? How can we do it with maximum efficiency and at minimum cost?

If those questions are to be answered responsibly, they must be approached in an effort to arrive at a conclusion, not to prove any preconceived notions. Unfortunately, there are no obvious answers.

The term "political science" is a poor characterization. In its most sublime moments, the process of Government can be raised to the beauty of an art, but never to the precision of a science.

Scientists enjoy the luxury of relying on solid assumptions and depending on reliable, reproducible formulas. Water will freeze at 32 degrees. You can count on it every time.

But America's security cannot be pegged to percentage points. It isn't that easy. Only a rigorous analysis of needs, capabilities, costs and benefits can build the foundation for well informed judgments. And even those judgments can only be tentative.

Beware of the practitioner of statecraft who designs his policies on a calculator.

In the late nineteenth century, Sir Josiah Stamp was the head of Britain's Inland Revenue Department. "The government is very keen on amassing statistics," he said. "They collect them, add them, raise them to the Nth Power, take the cube root and prepare wonderful diagrams. But you must never forget that every one of these figures comes in the first instance from the village watchman, who just puts down what he damn pleases."

Hopefully, the military and intelligence officers who provide us with statistics are more fastidious than the village watchman. But accurate statistics are useless and even misleading unless they are reviewed in the setting of an overall strategic context.

There are three basic elements of the setting within which defense spending must properly be considered—military, diplomatic, and economic. Let me review some basic assumptions about this broader setting, beginning with the military environment.

The world in which we live is indeed a dangerous place. There are forces at large who wish us ill. Some are capable of frustrating our ambitions and undermining our interests. A few are positioned to threaten our economy and erode the security of our allies.

But only one nation is powerful enough to threaten our very survival. It is the Soviet threat which concerns us most of all. It is the Soviet threat which dominates our strategic thinking and sets the pace for our military planners.

It is a real threat, and a sobering one. But it is not a threat which we are unprepared to meet.

In recent years, the Soviets have expanded and modernized their military at an unprecedented rate. They have built a formidable force. The statistically inclined have constructed startling tables with disconcerting comparisons of tanks, aircraft and soldiers.

We have all seen colored maps of the world with the Soviet Union and its spheres of influence boldy shaded in red. But somewhere in the Kremlin, a similar map disquiets the commissars.

Our military planners are rightly concerned about the strength of Soviet arms and the nature of Soviet intentions. Preliminary evidence suggests some dangerous disparities that must promptly be redressed in various categories of Soviet and American forces.

But the world is not a chessboard with 32 squares on each side and equal access to the center of the game. And disparities in numbers are not the only measures of strength.

The Soviets are ringed on the east, west and south by resentful satellites, a powerful Chinese enemy, and a strong NATO alliance.

We have no enemies at our borders.

We are allied with powerful friends. On whom can the Soviets rely? Taken together, NATO, Japan and the United States are clearly superior to the Soviet bloc.

And if the order to attack came down from Moscow to the satellites, no one is sure at whom they would aim.

Beyond such comparisons, a nation's power is the sum of many ingredients. In every significant nonmilitary match-up, the Soviets come up short.

In a moment of candor, Leon Trotsky once observed that the Soviet Union is the only nation on earth where the work is done by hand and the books are written by machine.

Let me assure you that we are still the strongest nation in the world.

Our strategic nuclear missiles, bombers, and submarines are superior to those of the Soviets. We retain the capability to devastate the Soviet Union—even if they shoot first.

Our Navy is unsurpassed around the world. The Soviet Navy is superior only in Soviet home waters where we would go only as a last resort.

We and our NATO allies have enough ground and air forces to deter a Soviet attack on Europe.

Our military options are limited only in Afghanistan and in other areas where geography and a long term Soviet presence have given them a substantial edge.

Iran is not such an area. The Soviets would retain geographic and logistical advantages. But they could not be confident of victory. They could depend on paying a very high price for their aggression.

None of this suggests that the west has nothing to fear from the Communist superpower. The invasion of Afghanistan has taught us a valuable lesson. But the evidence indicates that their experience with aggression has taught the Soviets some lessons as well.

It is said that all they understand is force. But they also understand the cost of a sudden shutdown in the flow of western technology. They understand the propaganda consequences of a widespread boycott of the Moscow olympics. They understand what their brutality has cost them in the perceptions of the Third World.

Perhaps they do not yet fully understand the price of military adventurism. That is one reason why we may be compelled to strengthen our own defenses.

But it is essential that we keep in mind another context for strategic decision-making: The economic setting.

We cannot provide for the common defense with insufficient arms. But a valid assessment of our national security goes well beyond an inventory of firepower.

Understandably enough, Soviet brutality has distracted our attention from problems closer to home.

But Soviet troops are not destroying confidence in the value of the dollar. Inflation is doing that.

Soviet bayonets are not eroding the American standard of living. Inflation is doing that.

Soviet bombs are not demolishing the foundations of our economy. Inflation is doing that.

The Soviet Union is a serious threat to important American interests. But no foreign enemy is nearly strong enough to attack us here in our homes. Inflation is the only enemy with the power to make that conquest—not in some uncertain period of future vulnerability, but today. Now.

Let those who speak glibly of a ten-percent increase in military spending for the next five years think once or twice about that.

Who are the Members of Congress who scream loudest about the inflationary impact of the Federal deficit? They are the very same Members who demand that we spend one hundred billion more than the President has requested in an already expanded military budget for 1981 through 1984.

There are program managers in the Pentagon today who must be convinced that they've died and gone to heaven.

Just a short time ago, the Pentagon was designing a "high-low" mix for both ships and aircraft. The "high" mix of expensive, sophisticated ships and planes would perform the more difficult tasks. The "low" mix of less expensive systems would be perfectly adequate for less demanding missions.

But the scent of cash is in the air. The high-low mix is no longer fashionable. Military planners are concentrating now on the most expensive ships and planes.

Super sophistication and high technology is certainly valuable in some combat scenarios. But not every mission demands such capabilities.

In the area of military planning, as in many other endeavors, it sometimes seems that our cleverness has surpassed our wisdom. Why should we buy the most expensive ships or aircraft when cheaper and less sophisticated weapons will meet the standard? In many tactical missions, numbers are more important than gimmicks.

It is more than just thrift and prudence which recommends efficient military spending. Inflation is doing a great deal more than making the nickel candy bar extinct. In just one year, the production cost of many major aircraft has increased by 50 percent. Next year, the average carrier-based tactical aircraft is expected to cost twenty-seven million dollars.

Inflation drains our national strength. It erodes our ability to influence international events. It aids and comforts our enemies.

Our security is threatened by many dangers, and the price of military weakness is a very alarming one. But so is the price of gold. In working to counteract one of these threats, we cannot afford to aggravate the other.

Let me turn finally to the third important factor which underlies the defense spending issue—the international situation and American foreign policy.

There is no time here for a thorough review of our many foreign interests. But let me focus for a moment on the most important of these—access to foreign oil in adequate supply and at tolerable cost.

Military resources play an important role in the pursuit of that interest in the Middle East. The loss of free access to that vital oil would stagger our economy. And it would all but destroy the very independence of our NATO and Japanese allies.

The Soviet threat to those oil fields has been heightened by the invasion of Afghanistan. The region's instability has been aggravated by events in Iran. All of this calls for a renewed American and allied effort to strengthen our defenses.

But it was not the Soviet Union and it was not the Ayatollah who forced us into such dependence on Middle Eastern oil. We did that to ourselves.

Military power may keep at bay a growing threat to Middle Eastern oil. But only the enhancement of energy independence can provide a lasting solution. That is not a military problem.

The Shah's great armies and sophisticated weapons failed to protect him from the consequences of his mistakes. Neither can they save us from the consequences of ours.

We in the Congress will be looking for answers to the serious question, "How much is enough for the military defense of the Persian Gulf?" We must be prepared to pay the price. But we must be prepared for more than that. We must look beyond the simplistic assumption that military spending alone can buy us real security.

Weapons are essential, but so is a lesser dependence on foreign oil and a more effective foreign policy.

And so we proceed with the serious business of designing a military budget. Like the labor leader I mentioned at the outset, the Pentagon tells us that the military needs more. In an increasingly dangerous world, more it will probably be.

But let us not distort our perspective.

More may be needed to meet the military threat—but not to meet some arbitrary percentage point.

More may be needed to advance our interests abroad—but not without regard for prices at home.

More may be needed to protect the oil of the Middle East—but weapons and soldiers cannot fill the need for an effective energy plan and a viable foreign policy.

The ultimate point is this: Military spending cannot stand apart from the rigorous scrutiny imposed on other investments—not merely because a tight defense budget will enhance our fiscal integrity—but also because it will enhance our security and contribute to our strength.●

CONCLUSION OF MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that morning business be closed.

The PRESIDING OFFICER. Without objection, it is so ordered.

WINDFALL PROFIT TAX ACT OF 1980—CONFERENCE REPORT

The Senate continued with the consideration of the conference report.

Mr. STEVENS. Mr. President, are we now back on the conference report?

The PRESIDING OFFICER. The Senator is correct.

Mr. STEVENS. Mr. President, I would like to take this opportunity to express my opposition to this conference report. I voted for the windfall profit tax bill as it passed the Senate in order to express my point of view that the Senate balance was much fairer than that in the House and in order to give the Senators who represented us in conference the strongest possible position on the bill in conference.

Last week, however, the House adopted the conference report and that report is now before us. The negotiations that worked out the final compromise were tough; there is no question about that. It took 2 months of deliberation to get this bill back before us in the form of this conference report. There is no question that Senator LONG and Senator DOLE and their counterparts in the House and the other conferees tried as hard as possible to produce a conference report that was fair and had some sense of balance.

This report is a compromise. As I understand it, none of the conferees got everything they wanted. A conference is a tough job for all of us and there is no question that this is one of the toughest subjects that was ever assigned to a conference committee. I want to start out by commending all of those who worked so hard over such a long period of time to bring back a conference report.

However, once the job is over, I think it is our individual responsibility to take a good hard look at the very concept of the windfall profit tax on oil producers and to determine what impact it will have on our energy situation, our economy, and, most importantly, on the people of the country individually.

We have to ask the question of whether the effects of the imposition of this new tax will be offset by substantial improvement in our energy situation, as the administration would lead us to believe. It is my opinion, when the end product before us is weighed against the questions such as those I have posed, Mr. President, that the only conclusion can be that this is a very flawed proposal, one that should not be approved by the Senate.

If the primary aim of the administration was to establish an energy program to increase the availability of a domestic supply of energy to help our country get away from its dangerous dependence upon foreign sources of oil, then the administration is going about it in a completely counterproductive manner.

How much oil is this tax going to produce? How much will it affect our private enterprise? What is going to be, really, the net effect of this new type of tax?

I agree with previous speakers that once the great insatiable monster that we know as the Federal Government is fed this kind of money, it is going to be very, very hard to get it to go on a diet.

This tax, in my opinion, will deprive us of some 1.6 billion barrels of oil per day by 1990. There is really little disagreement with the fact that increased production will be retarded by this tax.

This tax will not increase production; it will retard production. It is fundamental to me that when Government taxes an activity, the result is that there will be less activity.

For several years, many of us here in Congress and in the private sector have strongly urged the decontrol of oil. We recognized that decontrol is the only way to encourage the development of additional domestic oil and gas supplies, as well as at the same time let the American people know the real value of the precious resource we have all gone on using with so little regard for their finite quantity. It would have meant that domestic producers could have spent the money on developing these supplies rather than allowing it all to go to OPEC, and it probably would have also given the needed boost to get production of alternative energy sources going. There is no question that the history of this country shows that when the price of one energy form goes up, the ingenuity of the American people is stimulated to develop alternative sources.

That has not been possible under a situation where the price of oil and gas has been controlled so as to encourage prices far below the actual basic Btu value of the energy being consumed.

We started phase decontrol last April. Then in a move that defies all economic logic and defeats the whole concept of decontrol, the President dealt a devastating blow to the concept of decontrol by announcing his support for a windfall profit tax.

It is interesting to note that when he did, he specifically mentioned the concept of a plowback, of taking part of the money developed by such a tax and giving credit to those who would put money back into the ground to develop and produce our very extensive reserves and potential reserves of oil and gas.

But it is a step backward in our effort to get a firm energy policy in place to put into effect the largest tax in the history of the United States and apply it to the one commodity that is in increasing short supply as far as domestic production is concerned.

As I said, earlier, rather than producing more energy, this conference report simply insures that we will have less. But if it does not produce more energy, what does it do to deal with the energy crisis, a crisis which grows day by day?

It does one good thing in that it mandates some money—25 percent of the proceeds from the tax—to help the poor and unfortunate in this country to offset the rising cost of energy. I do not think anyone disagrees that this is needed.

We are facing very hard times, and they are going to be doubly hard for those who cannot afford the prices that we are already facing. They certainly deserve some help.

The problem really is that the impact of the tax most assuredly will be to increase once again the price of our energy supplies.

Beyond that, the report mandates 60 percent for income tax cuts which may be a help to those trying to cope with the heavy impact of inflation—heaven knows it has surely skyrocketed under this administration. However, there is no connection I can see here with an energy policy as far as that allocation.

It would be better, in my opinion, if we found a way to stimulate additional production of domestic supplies of energy, to stimulate additional alternative supplies of energy, and have competition reenter our economy with the net effect of bringing energy prices down.

We have actually seen this happen in terms of gas in the southwestern part of the United States, but everyone says that is just temporary, that it is a gas bubble. But that gas bubble, people forget, was brought about because there was, in fact, a move toward decontrol of gas, and there was some hope that with the freedom of the marketplace investors could be assured of getting at least a fair return on their very risky investment in the exploration and development of new gas supplies.

Finally, we are left with 15 percent of the revenues to be spent on energy and transportation programs.

I think the Senate should consider that. A tax of 70 percent of everything received in excess of $13 a barrel is placed on energy and yet only 15 percent of the tax is to be applied to energy and transportation programs, and there is no concept of a plowback involved in this bill.

When the bill was before the Senate, as Senators will recall, I tried to get the concept of a plowback applied to the reinvestment of income derived from the production of oil and gas in my State, particularly for the investment in transportation facilities to bring Alaska's natural gas to market.

Mr. President, in Alaska we have 10 percent of the known supply of natural gas in the United States. It was discovered in 1968 and has been proven, and it sits there.

In that same period of time, the gas that was discovered in additional quantities in Mexico has been transported to the United States. In the same period of time, gas that was discovered in additional supplies in Canada is being moved into the United States.

In the same period of time, there have been vast discoveries throughout the world. The North Sea oil production was fully developed and has been brought to shore to assist the economy of England. And yet we sit with 10 percent of the Nation's known reserve of gas, some of it being produced with our North Slope oil and being reinjected in the ground for storage because there is no transportation facility to bring Alaska's natural gas to market.

Some people seem to think that by exporting our dollars to Mexico or exporting our dollars to Canada we are increasing the capability of our economy to recover. To me, it makes no difference whether our dollars are sent to our neighbor countries or whether they are sent abroad to the Middle East or to Venezuela and to Indonesia. Dollars that go out of the country for energy we could produce for ourselves, dollars that represent hardearned money earned by our working people and paid for energy to enable them to get to work, to heat their homes, and to use the various advantages of our style of living—those dollars should stay in this country and continue to circulate in this country to the maximum extent possible.

That would be possible to a much

greater extent, if we were using Alaska's known gas supply rather than increasing our importation of gas, even to the extent of increasing our importation of liquefied gas from abroad.

It is hard for this Senator from Alaska to realize that for some reason there is a reticence on the part of the capital markets of this country and of the Government itself to bring to the market, what we call the south 48, the vast potential for energy resource development in Alaska, and, instead, we have a tax coming along which actually will take $36 billion from the revenues earned by the producers of oil from the Prudhoe Bay-North Slope area and put it into the Treasury.

It will go into the Treasury rather than into the ground in Alaska where it could produce much more oil, much more gas, and even develop alternative sources of energy, such as our vast coal supplies.

I find it very difficult to understand why only 15 percent of our revenues from this new tax should be dedicated to energy and transportation programs.

What will happen to the grants doled out if this promising new technology for providing energy in 1995 or that one for providing it by 2000 does not pan out? Many questions enter my mind at the prospect of this program for increasing our energy production.

Basically, one of the reasons that I question this bill is that it allocates so little money to developing alternative energy supplies. I would rather see, if we are going to have a tax like this, 100 percent of the money allocated to the development of the solar option, to the development of geothermal energy, to the development of additional hydropower, to the development of the new techniques for using our vast coal supplies.

If we used our coal option and other options to use our own energy resources, we could decrease the importation of oil from offshore—not increase it. I predict the impact of this bill will be an ever-increasing demand for foreign energy production.

I do not know how we can pay for it. In a period of time when we see 18-plus-percent inflation, when we see our discount rate at 19.5 percent, where are we going to get the money to pay an additional $10, $15, $20 billion to foreign producers of energy when we could produce that same energy here at home if we had just addressed the fact that it takes money to develop new domestic energy resources?

This program certainly does not bolster my confidence in the ability of this administration to understand the very complex problems that have led us to the verge of fiscal and monetary collapse.

Mr. President, I do not believe that a windfall profit tax bill is either timely or wise or needed or in the best interest of the people of the United States.

Mr. President, I continue to believe, and believe very strongly, that increasing production of conventional sources of energy we know how to get—that is oil, coal, and gas—is absolutely critical in order to get us through what promises to be a rocky transition period until the 1990's when alternative sources of energy can begin to make an appreciable contribution to our ever-increasing demand for energy.

If the administration would just allow the private sector to invest money derived from the production of oil and gas in the development and production of additional domestic supplies of energy, and if the price of oil were allowed to rise to the point where demand and supply in a private enterprise economy came into balance, I think we could make the transition.

I realize and fully acknowledge the fact that my State of Alaska got very fair treatment by the conference, all things considered. But that is just if you believe this kind of law is necessary in the first place. We are talking about big money that is going into the Treasury from production from my State as a result of the windfall profit tax. The figure we are talking about is in the range of $24 billion over the 10-year period of the tax.

By the amendments I offered here on the floor which were adopted by the Senate and have survived the conference, newly discovered oil in the northwestern part of Alaska, the high-risk area of Alaska, will not be subject to this tax. That is justifiable. Those areas are areas where the ports are frozen during a large part of the year. In order to transport any newly discovered oil or gas in those areas, it would be necessary to build a pipeline north and east in order to deliver it south to an ice-free port. That is a very logical exemption.

We are talking about a tremendous amount of money in order to have any newly discovered oil produced in that part of Alaska.

This bill results in tremendous sums of money going to the Treasury from existing production in my State. I would rather see a bill that would require money that comes from production in my State to be reinvested in Alaska, to bring about the additional production.

Only last week, the geological survey almost doubled its estimate of the potential recovery from offshore Alaska. For onshore Alaska, we do not have enough information. We have not really had the ability to get to most of our onshore lands to make the estimates, with some seismic activity, to determine what is the true potential for onshore production.

The figure we are talking about in this bill, as I said, is in the range of $24 billion to $36 billion, over a 10-year period. That amount will come from production of oil from one Prudhoe Bay reservoir alone.

Roughly 33 cents out of every incremental dollar of revenue will go to the Federal Government under this tax from that area. That is a tremendous amount of money that will not be spent on development of more expensive oil- and gasfields that we know are out there. With that kind of money the Alaska Natural Gas Pipeline could be financed, built, and gas could be on its way down to the lower 48 well before 1990.

That is a fantastic amount of money to take from the producers of that oil who have obvious places to reinvest this money in Alaska in the normal course of business.

The producers built the largest pipeline ever in the history of man. The cost of that pipeline, $7.6 billion, was incurred on the basis that everyone felt there would be additional production of oil from northern Alaska.

The question is not whether there will be oil produced. I think there will be oil produced eventually from there. The question is will it be produced in time to fill the pipeline if the production from Prudhoe Bay declines?

We all know the production from this field will decline within 7 to 8 years, but it should be filled.

That pipeline has the capacity of 2 million barrels a day. Today it is delivering somewhat more than 1.4 million barrels a day.

The money invested in that pipeline means the people buying oil today from Alaska, oil that is going through that pipeline, are paying more than they would have to pay if the pipeline were filled, because it is obvious when 1.4 million barrels a day pays the operating expenses of a pipeline that is built to carry 2 million barrels a day, each barrel of oil is paying more than would be paid if the pipeline were operating at full capacity.

Even more than that, under the amendment I offered, the Alaska natural gas pipeline could have been built and financed on credits against this tax. It was the kind of offer the producers could not have refused. It would have built the pipeline, to bring that 10 percent of our known supply of gas to markets in the south 48.

As people are laid off in Detroit, as people are laid off throughout the Ohio River Valley, into Pennsylvania, in the vast steel industry and the automobile industry, I think they ought to ask their Congressmen and they ought to ask their Senators why there was not a plowback provision in the windfall profit tax bill, why we did not have the ability to take some of this money that is going to be paid by the consumers of oil and gas in this country, and use it to build the pipeline that would have brought a known supply of gas to be used. We would not have to buy so much from Mexico and we would not have to buy so much from Canada.

Mr. President, I cannot emphasize too strongly my opposition to the administration's proposal to implement what it calls an energy policy through the vehicle of a windfall profit tax.

Furthermore, I think it is an unconstitutional tax. I hope this is tested in the courts. It is not a tax that applies to every producer equally. It is not a tax that is within the constitutional system. It is certainly not an income tax. There is no credit against this tax for expenses.

It is an excise tax. An excise tax, I always believed, and I think the Constitution provides, must apply to all persons similarly situated, no matter where they are in the United States.

There is no energy policy in this bill that will withstand a strong constitutional attack, in my opinion.

I cannot support a proposal such as this. I would support a bill that would have recognized constitutional principles of equality and would have recognized the concept of a plowback. With a plowback, we would have had the incentive to go into the massive investment needed to drastically improve and increase our U.S. oil production.

The easy oil has long ago been discovered and produced. What we are left with in the United States is production from the frontier sources, the remote areas of my State, such as the northern part, the Arctic area, and the Outer Continental Shelf of the United States.

When we talk about the Outer Continental Shelf, we are talking about an area, 70 percent of which is off Alaska. So, basically, we are talking about the most high risk, high cost areas we could be attacking.

The cost to produce energy on easier finds are staggering. In the south 48, an onshore rig runs about $185,000. An offshore rig will cost $1.6 million.

In Alaska, the cost of completing a development well after discovery runs about $3 million. The dry hole drilled in the Gulf of Alaska was capped at a cost of about $45 million.

Mr. President, just where is the money coming from for the people who know how to locate, how to explore, how to develop, produce, and transport the new resources? That is the oil industry.

Some people seem to think the oil industry ought to be the target of legislation. I think we ought to find some ways to make the oil industry even more productive. It has spent $15 billion since 1969, not taking into account inflation, in my State alone to try to develop additional energy supplies for this country. This is a staggering sum.

The cost to complete development going on now at Prudhoe Bay is $15 billion. That is what it will cost to complete the wells just to produce what we already have discovered. That does not include the cost to produce two others, Kaparuk and Lisburne.

Mr. President, the only sound way that I think companies will be able to finance the investment needed to bring us new energy supplies is through after-tax dollars. We did away with the depletion allowance. Sometime, someone ought to examine the impact of that decision alone.

In previous days, we took before-tax dollars and used those for exploration and development. Now we take after-tax dollars. They are the only sums available for investment, to find additional oil and gas supplies.

That means the consumer has to pay almost twice as much for gasoline, by definition, in order to have the same amount of money remaining—the 27.5 percent remaining—that we used to allow in before-tax dollars for exploration and development.

Since we have eliminated the depletion allowance, this Nation has become more and more and more dependent upon foreign sources of oil. The changes that have been brought about theoretically to protect the consumer have led the consumer now to pay not 30 cents a gallon, which he used to pay when we had the depletion allowance, but up to $1.50 a gallon for gasoline.

Somewhere, somehow, someone has to take a look at the whole concept of financing the exploration that is necessary and the development that is necessary to increase our domestic supplies of oil and gas. It certainly will not be done by approving a windfall profit tax bill that will place on the American consumer the largest tax burden in the history of the United States.

To conclude Mr. President, I reiterate my opposition to the administration's proposal to implement an energy policy through a vehicle such as the windfall profit tax. This is no energy policy at all and I shall reserve my support until such time as the folks downtown see fit to send a real energy proposal up here to us.

Mr. BELLMON. Mr. President, I congratulate the distinguished Senator from Alaska for his remarks and for the insight he has given the Senate into the difficulties in bringing new production to the market, from Alaska, which is probably the most promising province remaining in this country for developing domestic petroleum supplies. It is a State much larger than Texas. It has had very few wells drilled.

My own State of Oklahoma has had more than 400,000 wells drilled, and we still are finding new oil. There are enormous quantities of oil to be found and produced in Alaska; but from what the Senator has said, it is obvious that we are about to make that work much more difficult and probably will make it impossible, under the terms of this bill.

Mr. President, my purpose in speaking at this time is to insert in the RECORD three charts which, I must confess, have been put together rather hurriedly, but which I think will shed light on some of the problems this bill creates.

These charts are intended to show the effect of the tax expenditures and earmarking provisions of this bill.

The first chart, which consists of two pages, shows the amount of money we are earmarking through the tax expenditures system for various types of activities: First, for residential energy credits which, during the 10-year period 1980 to 1990, will earmark a total of some $600 million.

The business energy incentives through 1990 will earmark a total of $8.297 billion.

The second chart shows additional earmarking to be paid for out of general revenues. This, to me, is probably the most frightening chart of all, because it shows that during the years between 1980 and 1990, if this bill becomes law, this bill will earmark roughly $33.6 billion of funds that are now general revenues and therefore subject to appropriation by Congress each year. This is in addition to the $227.7 billion in net tax receipts already set aside by this legislation, if we go ahead with the program outlined in this conference report.

We all have been complaining bitterly about the amount of earmarking and the amount of what we call uncontrollables in the Federal budget. The net result of this bill is not only to control all the revenues the bill raises but also to make $35.89 billion of general revenue funds uncontrollable during the next decade.

The third chart shows the controllability of budget outlays as of 1979. When we look at this chart, we find that the so-called open-ended programs—that is to say, the entitlement programs—in 1979 amount to $214.5 billion, or 43.4 percent of the revenues available to Congress. Interest and other fixed costs, over which we have virtually no control, totaled $61.2 billion, or 12.4 percent of available revenues. Nondefense outlays from prior-year contracts and obligations were $49.1 billion, or 9.9 percent. Civilian personnel costs, which, for all practical purposes, particularly from the political standpoint, are uncontrollable, were $28 billion, or 5.8 percent.

That gives a total of $53.6 billion, or 71.5 percent of the total Federal budget.

As a result, almost three-fourths of the Federal budget is uncontrollable and this figure does not include the defense numbers which, for the last 10 years, have been almost constant, in constant dollars.

When we look at defense, the personnel costs are $45.7 billion, or 9.3 percent of the Federal total; military retired pay, $10.4 billion, or 2.1 percent; prior year contracts and obligations, $30.9 billion, or 6.3 percent; other defense outlays, $30.7 billion, or 6.2 percent.

When we add the defense totals, it amounts to 23.9 percent of the budget.

When we add the 71.5 to the 23.9 and take into account the $13.4 billion that will be earmarked by the first full year of this bill, we come to the realization that if this bill becomes law, Congress will have made 2.1 percent of the Federal budget with which to make decisions and set priorities.

For years, we have been going in the direction of trying to cut back on uncontrollables. Yet, in one fell swoop, we are about to tie the hands of Congress further, to the point that, according to this calculation which may need slight adjustments—Congress will have to deal with a budget that is 97.9 percent uncontrollable because of prior earmarking.

Mr. President, I believe this is a dramatic demonstration of one of the major weaknesses in this conference report.

I ask unanimous consent to have these tables printed in the RECORD.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

CHART 1

ENERGY TAX EXPENDITURES—CRUDE OIL EXCISE TAX CONFERENCE REPORT

[In billions of dollars]

Description	Revenue loss: Fiscal year 1980	Revenue loss: Fiscal year 1981	Revenue loss: 1980–90
Residential:			
Solar, wind, and geothermal credit, 40 percent	0.006	0.042	0.533
Energy tax credits to landlords, 15 percent	.001	.002	.067
Business energy investment credits:			
Solar and wind property, 15 percent	.003	.015	1.058
Geothermal equipment, 15 percent	(1)	.002	.029
Ocean thermal equipment, 15 percent	(1)	(1)	.005
Small-scale hydroelectric facilities, 11 percent	.002	.011	1.797
Cogeneration equipment, 10 percent	.009	.046	.356
Petroleum coke and pitch, ITC plus accelerated depreciation	.008	.031	.532
Feed stock equipment			.110
Alumina electrolytic cells, 10 percent	.006	.001	.012
Coke ovens, 10 percent	.011	.047	.277
Biomass equipment, 10 percent	(1)	.002	.648
Intercity buses, 10 percent	.002	.005	.036
Affirmative commitments transition rule			1.152
Alternative fuel production:			
Devonian shale gas, special rule	.003	.018	.080
Qualifying processed wood, phaseout suspension	.001	.007	.069
Steam for agricultural byproducts, phaseout suspension	(1)	.001	.011
Alcohol fuels provision	.001	.004	1.574
Industrial development bonds:			
Solid waste disposal facilities	(1)	.001	.048
Alcohol from solid waste facilities			.006
Small-scale hydroelectric facilities	(1)	(1)	.283
Additions to certain existing hydroelectric facilities			.006
State renewable resource programs	(1)	.001	.068
Tertiary injectants	.004	.014	.079
Total			8.897

[1] Less than $1,000,000.

CHART 2

ADDITIONAL EARMARKING TO BE PAID FOR OUT OF GENERAL REVENUES

[In billions of dollars; price assumption: $30 plus 2 percent]

	Fiscal year— 1980	1981	1982	1983	1984	1985	Total 1980–90
Residential credits	0.007	0.004	0.055	0.074	0.105	0.148	0.600
Business incentives	.050	.206	.274	.567	.985	1.426	8.297
Repeal carryover		(1)	.036	.095	.163	.238	4.302
Interest and dividend exclusion		.314	2.278	(2.200)	(2.200)	(2.200)	[1](20.192)
Involuntary liquidation of LIFO inventories			.085	.085	.080		.250
Taxing inventory profits at corporate liquidation			+.112	+.250	+.250	+.250	+2.250
Total	.057	.564	2.728	3.021	3.533	4.012	33.640
Plus total already earmarked	3.172	13.436	19.543	19.958	21.144	22.227	227.723
Net effect on revenues available for appropriations	−.057	−.564	−2.728	−3.021	−3.533	−4.012	[1]−33.640

[1] Assume continuation of the small saver exclusion.

CHART 3

CONTROLLABILITY OF BUDGET OUTLAY (FISCAL YEAR 1979)

[Dollars in billions]

Uncontrollables	Actual spending	Percent of Federal budget
Open-ended programs:		
Payments to individuals	$214.5	43.4
Interest and other fixed costs	61.2	12.4
Non-Defense outlays from prior year contracts and obligations	49.1	9.9
Civilian personnel costs	28.8	5.8
Subtotal	353.6	71.5
Defense:		
Personnel costs	45.7	9.3
Military retired pay	10.4	2.1
Prior year contracts and obligations	30.9	6.3
Other Defense outlays	30.7	6.2
Subtotal	117.7	23.9
Domestic crude oil excise tax [1]	13.4	2.5
Total uncontrollable	484.7	97.9
Total controllable	9.0	7.1
Total budget outlays	493.7	100.0

[1] Assumes 1st full-year impact of the domestic crude oil excise tax at $35 plus 2 percent per barrel, and reduces estimates by 25 percent to adjust for the difference between fiscal year 1979 outlays and estimated fiscal year 1981 outlays, so figures should be roughly comparable.

Mr. BOREN. Mr. President, I recently read an interesting article by Frank M. Burke, Jr., partner of Peat, Marwick, Mitchell & Co., Dallas, Tex. The article casts doubts about the constitutional validity of taxes obtained by a windfall profit tax as now written. Serious legal issues raised in this paper is one reason why it would be wise to have the conference committee reconsider the action which it has taken on this tax bill.

I ask unanimous consent to have the article printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE WINDFALL PROFIT TAX—THE POWER OF TAKING OF PROPERTY?

After a tattered political history beginning in 1973 when first proposed by the Nixon administration, a Windfall Profit Tax (WPT) was agreed by the Conference Committee on February 26, 1980 and presumably will be signed into law by President Carter in March. Despite the fact that the complexities of the WPT will make administration and enforcement chaotic for both producers and the government, Congress has created the WPT to raise revenues for certain Federal programs, including support for low income families and possibly the Social Security system, and a general income tax reduction. Incredible as it may seem, only a rather insignificant part of the tax revenues will be utilized to assist in solving our country's energy problems.

Many commentators have correctly observed that the tax is not being imposed on profits resulting from decontrol of crude oil prices, but rather is being imposed upon the removal of crude oil from the reservoir and measured by a portion of the actual or constructive gross receipts resulting from decontrol attributable to such crude oil. Little attention has been given, however, to the facts that: (1) crude oil reserves or the rights thereto are vested properly rights; (2) the WPT is assessed on the act of removal of crude oil from the reservoir, not upon the sale or use of such crude oil; (3) the WPT does not apply uniformally to crude oil throughout the United States, but rather treats certain crude oil differently based upon geographic location (i.e., certain Alaskan crude oil is not taxed because of geographic location); (4) the WPT will now presumably be retroactive as to removals occurring from March 1, 1980 to the date the tax becomes law; and (5) the increased value of crude oil removed from the reservoir represents the value determined by our free market system, not an artificial or falsely inflated value. These facts require that the oil industry and the legal profession carefully examine the WPT from a Constitutional viewpoint, recognizing in the process that taxpayers have been notably unsuccessful in challenging tax statutes on a Constitutional basis. Some general questions regarding the WPT are raised in the following paragraphs which highlight the need for immediate legal analysis of the Constitutionality of the WPT.

The WPT is specifically identified as an "excise" tax in the statute. Such a tax is generally defined as a tax on a privilege, including the privilege of selling; or using property. The only stated Constitutional requirement for an excise tax is that it be geographically uniform. On the other hand, if a tax is a direct tax, it must be apportioned based upon population or must qualify as an income tax under the Sixteenth Amendment.

The WPT does not appear to be an excise tax on a privilege such as selling or using crude oil since it is imposed on, the removal of crude oil, not upon the privilege of selling or using such crude oil. The actual or constructive selling price merely provides a measure of the tax imposed on removal.

Since lifting and removal of crude oil are not privileges readily separable from the ownership of crude oil reserves and, in fact, are in many cases merely fulfillment of previously existing legal obligations and relationships, there seems to be little basis for classifying the WPT as an excise tax. Further, since crude oil may be subject to the WPT or not subject to the WPT depending upon geographical location, the WPT appears not to be geographically uniform. If the foregoing observations are valid, could a court find the WPT to be a Constitutional excise tax?

If a court found the WPT to be a valid excise tax, the question of retroactivity would have to be considered before the Constitutionality of the tax could be finally ascertained. As indicated above, an excise tax is a tax on a privilege. If the tax is imposed by Congress after a privilege is exercised, such a tax appears to be a demand against property resulting from exercise of the privilege and hence a direct tax. Assuming for the moment that removal is a privilege rather than a property right or legal obligation, a tax imposed on the removals—which occur between March 1 (assuming that is the effective date of the WPT) and the date the WPT becomes law—would appear to be a tax on the property resulting from the exercise of the privilege, not on the exercise of the privilege itself. How would a court treat the retroactivity of the WPT from a Constitutional standpoint?

A more proper classification of the WPT may be as a tax on the vested property rights represented by crude oil reserves measured at the time of removal. As such, it would be a tax on the ownership of crude oil reserves and should be tested under the Constitution as a direct tax. Since the WPT is not apportioned based upon population, it does not appear to be a direct tax unless it qualifies under the Sixteenth Amendment. Since the WPT is measured by gross receipts, not by taxable or net income as presumably required by the Sixteenth Amendment, and since Congress, by definition, did not intend it to be an income tax, the WPT does not appear to qualify under the Sixteenth Amendment. As asked above regarding its status as an excise tax, could a court find the WPT to be a Constitutional direct tax if the foregoing observations are valid?

If the WPT does not qualify as either an excise tax or a direct tax under the Constitution, one might inquire as to whether the WPT actually constitutes a taking of part of the value of vested property rights as measured by the free market for the benefit of the Federal government. Certainly, the tax has the appearance of a royalty interest created by Congress out of existing private oil reserves in favor of the Federal government. However, the Fifth Amendment of the Constitution provides that private property may not be taken by the Federal government without just compensation. Obviously, no compensation has been paid the oil industry for creation of the WPT. Accordingly, does the Fifth Amendment provide any relief from the WPT?

Based upon a literal reading of the Fifth Amendment, one might conclude that the taking of part of the presently accrued free market value of crude oil by what may be an invalid tax is a taking of property subject to the requirements of such provision. However, before making such an observation it is necessary to briefly review the attitude of the courts toward the impact of the Fifth Amendment on the taxing power. The Supreme Court has indicated that the Fifth Amendment does not limit the taxing power except in rare and special instances. On the other hand, the Court has indicated that what appears to be an exercise of the taxing power may, in reality, constitute confiscation of property without due process of law under the Fifth Amendment. Hence, there appears to be at least an implied limitation on the taxing power which prevents arbitrary and grossly unjust exactions contrary to the principles of the Fifth Amendment. Would a court apply such implied limitation to the WPT?

In reviewing the WPT, a court might be justified in allowing a questionable extension of the taxing power in a case where a person is realizing artificial or falsely inflated prices and profits. However, allowing a free market price for crude oil does not create the same need for a "windfall profit tax" mechanism as did the Silver Act of 1934 in which Congress mandated that the price of silver be raised to $1.29 per ounce at a time when the market price was considerably less than that amount. A "windfall profit tax" of 50 per cent of the profits realized from speculating in silver was included in that legislation. Of current interest is the fact that such tax was carefully designed to avoid Constitutional taking of property problems. No similar precaution appears to have been taken by the Administration or Congress with respect to the WPT. Should such precaution have been taken in designing the WPT?

Unfortunately, much of the impetus for the WPT is the general public's view that the increased gross revenues automatically create excess profits which should bear more than the ordinary tax burden. Perhaps this attitude would be corrected and the general public's focus on vested property rights would be sharpened if Congress placed a so-called excise tax on a specified portion of the appreciation above original cost of personal residences to fund a national mortgage interest program which would allow low-income families to receive favorable mortgage interest rates on new homes. Would such a tax be Constitutional?

Without question the power of the Federal government to raise taxes is, and of right should be, broad. Our government should, however, have the capability of supporting itself and its programs without having to exact the vested free market value of private property through means other than the income tax allowed by the Sixteenth Amendment. Certainly the fact that additional taxable income resulting from the increased revenues from decontrol is already subject to income taxation (as is taxable income from the realization of other vested property rights) should be a significant enough penalty to the realization of the free market value of crude oil. If not, a special income tax or unreinvested cash flow resulting from decontrol might be appropriate.

If the WPT becomes law, it is hoped that the oil industry and the legal profession will pursue the questions raised above and the other Constitutional impediments which may exist in the WPT legislation realizing, as stated earlier, that taxpayer successes are few in Constitutional matters. Such activity might, at a minimum, have the remedial effect of protecting the rights of other property owners in the United States in the years to come. It must be established that no "windfall" results from the mere realization by a property owner of the value of his vested property rights where outside influences, such as inflation and the free market, have resulted in increased values. If one examines the WPT legislation unemotionally, it becomes clear that the only "windfall" involved is the proliferation of government jobs and costs necessary to administer and enforce this unwieldy legislation. Hopefully, our Constitution will protect us not only from expansion of the bureaucracy, but also from this unfortunate attempt to expand the taxing power.

● Mr. CULVER. Mr. President, I want to state my strong support for the conference report on H.R. 3919, the windfall profit tax bill. I particularly support the provision of H.R. 3919 which makes railroad rehabilitation a "permissible use" of windfall profit revenues.

The decline of the midwestern railroads in recent years has placed a heavy burden on farmers, shippers, businessmen, and consumers throughout Iowa and the region. There has been an unchecked downward spiral of car shortages, "deferred maintenance," bankruptcies, and abandonments. One of the basic causes of this condition is the lack of capital to maintain track and equipment in sound condition. The industry faces a potential capital shortfall of as much as $16 billion by 1986, which would disrupt transportation and the economy of the Midwest even more drastically.

In order to help avoid this situation, I coauthored the amendment to the Senate windfall profit tax bill reserving $1 billion in revenues for the rehabilitation of railroads. Investing in railroad improvement will not only help strengthen the industry but will also promote energy conservation as well. Railroads are the most energy-efficient mode of transportation, if track and equipment can be kept in sound condition. With an energy future of even higher prices and reductions in imported oil, we can achieve substantial energy savings by improving the efficiency of the transportation sector which currently uses almost 25 percent of all the oil consumed in the United States.

Those of us who supported this amendment on the Senate side worked hard to have the conferees retain this provision. I am pleased that the conference report retains the principle of using windfall revenues for railroad rehabilitation. The report establishes a $34 billion energy and transportation fund that can be used for several kinds of projects and improvements. During the consideration of this provision, the conferees explicitly stated that some of the revenues from this fund could be used for rail rehabilitation and the exact amount and manner by which the revenues will be spent will be determined through the authorization and appropriations process.

I believe that windfall revenues can profitably be used to assure farmers, shippers, and consumers the sound and modern rail system we need for the future: One with no service disruptions, fewer abandonments, and more reliable transportation for our critically important agricultural and industrial goods.

I urge my colleagues to approve the conference report on H.R. 3919.●

Mr. BELLMON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MATSUNAGA. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE GREATEST HONOR

Mr. MATSUNAGA. Mr. President, in reading the Congressional Record yesterday, I was pleasantly surprised, if not amazed, to find an article headed "Spark Matsunaga, The Senate Dynamo."

It was the caption to an introductory statement made on the Senate floor by the distinguished senior Senator from Wisconsin (Mr. Proxmire), in inserting into the Record an article written by Rudy Maxa, a syndicated national columnist.

In reading my dear friend's remarks I felt as though I was attending my own funeral listening to the eulogy. [Laughter.] Truly, the good things that were being said about me I had never expected to find in print while I was still alive.

The article writen by Mr. Maxa, as one friend of mine put it, was so complimentary that it reminded him of what Adlai Stevenson once said when he was running for President. He said he would be willing to make a deal with the Republicans, that if they would stop telling lies about him, he would stop telling the truth about them. [Laughter.]

And my friend continued and said: "You know, for once, the paper wrote the truth about you." And that, of course, heightened the value of that article written by Mr. Maxa.

I wish to thank my dear friend Bill Proxmire from Wisconsin, for his kind thoughts about this junior Senator from Hawaii. I deeply appreciate his taking the time and making the effort to insert the Maxa article into the Congressional Record where it will undergo even wider distribution.

I know now that my reelection has been assured because the papers have finally carried the truth about me. [Laughter.]

I also want to thank Mr. Rudy Maxa for having made such keen observations about this Senator from Hawaii. [Laughter.]

Mr. President, it is said that the greatest honor that can be paid to any person is one which is bestowed upon him by his peers and in his own community. So, to be recognized by my own colleagues, as I was by my colleague from Wisconsin, I feel greatly honored and I thank him profusely. I hope that I will have the opportunity—and I am sure I will in a not too distant future—to reciprocate.

If I could adequately express my gratitude by sending Hawaiian pineapples to the Senator from Wisconsin, I would; but Hawaii does not grow enough pineapples to fully compensate him for his generosity of expression and gesture of friendship. [Laughter.]

So let me say to my good friend and colleague from Wisconsin, "Thank you, thank you very much Bill. Maholo nui a Lao, meke aloha pumehana."

Mr. TSONGAS addressed the Chair.

The PRESIDING OFFICER (Mr. Bradley). The Senator from Massachusetts.

Mr. TSONGAS. Mr. President, I would only say that Senator Proxmire has good taste in his choice of Senators to compliment.

I would also like to know who the Senator's press secretary is. I might want to interview that person for my own staff. [Laughter.]

H.R. 2440: NOISE ABATEMENT OR NOISE PRESERVATION?

Mr. TSONGAS. Mr. President, I wish to relate to my colleagues and my constituents my extreme disappointment that the Congress has approved the conference report for H.R. 2440. Unfortunately since there was no warning that H.R. 2440 was to be brought to the floor, I was not present to air my grievances and call for a rollcall vote on the conference report. I know several of my colleagues shared my interest in this important issue and are equally displeased that we were not given advance notice of consideration of the conference report.

But let me turn to the heart of the matter, the so-called Aviation Noise Abatement Act of 1979. While proponents of this would have us believe that the Aviation Noise Abatement Act would substantially reduce the impact of aviation noise on residents living in neighborhoods adjacent to airports, I wish to point out that the bill does exactly the opposite. By exempting two-engine jets from the Federal Aviation Administration's regulations which had required compliance by 1983 to minimum noise standards, Congress has determined that the citizens of Boston and other noise impacted cities will be subjected to at least a 5-year delay in compliance with these standards.

Now I ask, how can a 5-year deferral of compliance with noise standards be considered a noise abatement program? It would seem to me that a more appropriate name would be the Noise Preservation Act of 1979. In the city of Boston, over 30 percent of the daily jet service into Logan International Airport is two-engine aircraft. This bill, passed by the Congress, insures that the over 750,000 residents of Boston who had anticipated relief by 1983 from the noise created by two-engine aircraft must now wait an additional 5 years for relief.

And how do I answer my constituents from Boston when they ask if there will be an additional extension of the compliance date beyond 1988? After all, they can legitimately argue that the Federal Aviation Administration, after 20 years of deliberation enacted the regulations which were to be the final noise compliance deadlines. So what assurance can I give them that later there will be no further exemptions or extensions of the deadlines? None, other than the assurances offered by the Commerce Committee members and the Secretary of Transportation who have said there will be no further extensions.

I find the passage of this bill particularly discouraging because in Massachusetts, extensive efforts are being made at the local level to protect the rights of the people living in neighborhoods surrounding Logan Airport. Massport, the State agency charged with managing the airport, has done an excellent job of working with the Citizens Against Airport Noise to develop a local noise abatement policy. Massport has worked with the airlines to schedule the quieter aircraft which meet FAR 36 noise requirements to fly into Logan. They have fortunately met with some success, to the airlines credit. And members of the Massachusetts Congressional Delegation, in conjunction with Massport, have sought to develop new flight patterns for arrivals and departures which will fly over the water instead of people's houses. The efforts of both Massport and the Citizens Against Airport Noise are laudable and should be recognized.

It is discouraging to see these intense local efforts being made in vain because the Congress controls regulation of the source of aviation noise—the aircraft, which can most easily be quieted. In this case, I am particularly frustrated because Congress was not even faced with enacting new, tougher noise legislation: all that was needed was to maintain the present Federal Aviation Administration's regulations. I jointed with several of my colleagues in writing a letter to the conferees asking that they delete the exemption for two- and three-engine aircraft and that they remove the waiver for four-engine aircraft. Had the conferees heeded our request and the Federal Aviation Administration's regulations been left intact, and the new noise provisions in H.R. 2440 were passed, I might better have appreciated the meaning of the name Aviation Noise Abatement Act.

I wish to raise only one more issue. I can only assume that my colleagues in the House and Senate who supported this legislation did not have airports with people living close-by in their districts, for their constituents rightfully would not have supported the "pro-noise" provisions of this bill. I just wish to point out to my colleagues who have smaller airports in their districts that the present trend in the major airports is moving toward a slot system to resolve the problems of busy traffic flow. Overflow traffic will be diverted to the smaller airports. Those of my colleagues who feel that you have no noise problems today, may find yourselves several years down the road with a noise problem—a noise problem which could have been solved had H.R. 2440 not extended the compliance date until 1988. Perhaps only then will you understand the plight of those who live near airports in noise impacted areas and must constantly listen to the rumble of aircraft flying overhead.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE TOMORROW

Mr. ROBERT C. BYRD. Mr. President, what is the time set for convening tomorrow?

The PRESIDING OFFICER. The time set for convening is 10 a.m.

Mr. ROBERT C. BYRD. I thank the Chair.

Mr. President, are there any orders for the recognition of Senators on tomorrow?

The PRESIDING OFFICER. There are no orders.

ORDER FOR RECOGNITION OF SENATOR DOMENICI TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized under the standing order on tomorrow, Mr. DOMENICI be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

FEDERAL CROP INSURANCE ACT OF 1979

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. TALMADGE, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 1125.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 1125) entitled "An Act to improve and expand the Federal crop insurance program, and for other purposes", do pass with the following amendment:

Strike out all after the enacting clause, and insert: That this Act may be cited as the "Federal Crop Insurance Act of 1979".

CAPITAL STOCK

SEC. 2. (a) Effective October 1, 1980, section 504(a) of the Federal Crop Insurance Act is amended by striking out "$200,000,000" and inserting in lieu thereof "$500,000,000".

(b) Section 504 of such Act is amended by adding after subsection (c) a new subsection (d) as follows:

"(d) The Secretary of the Treasury, within thirty days after the date of enactment of the Federal Crop Insurance Act of 1979, shall cancel, without consideration, receipts for payments for or on account of the stock of the Federal Crop Insurance Corporation outstanding on such date of enactment and such receipts shall cease to be liabilities of the Corporation.".

BOARD OF DIRECTORS: MEMBERSHIP AND COMPENSATION

SEC. 3. (a) Section 505(a) of the Federal Crop Insurance Act is amended by—

(1) amending the second sentence to read as follows: "The Board shall consist of the manager of the Corporation, two other persons employed in the Department of Agriculture, two persons experienced in the crop insurance business who are not otherwise employed by the Federal Government, and two active farmers who are not otherwise employed by the Federal Government."; and

(2) adding at the end thereof a new sentence as follows: "The Secretary, in appointing the two active farmers who are not employed by the Federal Government, shall ensure that such members are policyholders and are from different geographic areas of the United States, in order that diverse agricultural interests in the United States are at all times represented on the Board.".

(b) Section 505(b) of such Act is amended by striking out "three" wherever that word appears therein and inserting in lieu thereof "four".

(c) The second sentence of section 505 (c) of such Act is amended to read as follows: "The Members of the Board who are not employed by the Federal Government shall be paid such compensation for their services as directors as the Secretary of Agriculture shall determine, but such compensation shall not exceed the daily equivalent of the rate currently effective for grade GS-18 pursuant to section 5332 of title 5 of the United States Code per day when actually employed and actual necessary traveling and subsistence expenses, or a per diem allowance in lieu of subsistence expenses, as authorized by section 5703 of title 5 of the United States Code for persons in Government services employed intermittently, when on the business of the Corporation away from their homes or regular places of business.".

GENERAL POWERS FOR THE CORPORATION

SEC. 4. Section 506 of the Federal Crop Insurance Act is amended by—

(1) in subsection (c), striking out "make contracts and";

(2) in subsection (d), inserting immediately before the semicolon at the end thereof "; Provided, further, That the Corporation may intervene in any court in any suit, action, or proceeding in which it has an interest";

(3) in subsection (f), striking out "free";

(4) in subsection (h), striking out the semicolon and inserting the following: ", and may conduct research surveys, pilot programs and investigations relating to agriculture-related risks and losses including, but not limited to, insurance on losses involving reduced forage on rangeland caused by drought and by insect infestation, livestock poisoning and disease, destruction of bees due to the use of pesticides, and other unique problems of special risk related to, but not limited to, fruits, nuts, vegetables, aquacultural species forest industry needs including appreciation, and other agriculture products as determined by the Board: Provided, That no such programs may be undertaken if insurance protection against such risks is generally available from private companies. The Corporation shall report annually to Congress the results of its operations on each pilot program undertaken and shall not expand beyond the pilot program without the approval of the House Committee on Agriculture and the Senate Committee on Agriculture, Nutrition, and Forestry;"; and

(5) at the end of subsection (j), striking out the period and inserting in lieu thereof "; and", and adding at the end of section 506 a new subsection (k) as follows:

"(k) may enter into and carry out contracts or agreements necessary in the conduct of its business, as determined by the Board. State and local laws or rules shall not apply to contracts or agreements of the Corporation or the parties thereto to the extent that such contracts or agreements provide, that such laws or rules shall not apply, or to the extent that such laws or rules are inconsistent with such contracts or agreements.".

USE OF PRIVATE INSURANCE COMPANIES

SEC. 5. Section 507 of the Federal Crop Insurance Act is amended by—

(1) amending subsection (c) to read as follows:

"(c) In the administration of this title, the Board shall, to the maximum extent possible, (1) establish or use committees or associations of producers and make payments to them to cover the administrative and program expenses, as determined by the Board, of cooperating in carrying out this title, (2) contract with private insurance companies and reimburse such companies for the administrative and program expenses incurred by them, under terms and provisions consistent with those generally prevailing in the industry and respecting rates of compensation, and (3) encourage the sale of Federal crop insurance through licensed private insurance agents and brokers and give the insured the right to renew said insurance for successive terms through such agents and brokers, in which case the agent or broker shall be reasonably compensated for said sales and renewals recognizing his function to provide continuing services while the insurance is in effect. The Board shall provide such agents and brokers with indemnification, including costs and reasonable attorney fees, from the Federal Crop Insurance Corporation for errors or omissions on the part of the Corporation or its contractors for which the agent or broker is sued or held liable, except to the extent the agent or broker has caused the error or omission.";

(2) adding a new subsection (f) as follows:

"(f) The Board should utilize, to the fullest extent possible, the resources, data, boards, and the committees of (1) the Soil Conservation Service, in assisting in land classification of risk, production capability and in developing acceptable conservation practices; (2) the Forest Service, in assisting the Board in the development of a timber insurance plan; (3) the Agricultural Stabilization and Conservation Service, in assisting in the determination of individual producer yields and in serving as a local contact point for farmers where the Board deems necessary; and (4) other Federal agencies in any way the Board deems necessary in carrying out this Act."

FEDERAL CROP INSURANCE, EXPANSION, AND COVERAGE

SEC. 6. Effective with respect to the 1981 and subsequent crops, section 508(a) of the Federal Crop Insurance Act is amended by—

(1) in the first sentence, striking out "Commencing with crops planted for harvest in 1948, for" and inserting in lieu thereof "For";

(2) in the second sentence, inserting immediately after "tobacco," the phrase "and aquacultural species;";

(3) striking out the third sentence beginning with the words "In 1948 insurance", the fourth sentence beginning with the words "Beginning with crops", the sixth sentence beginning with the words "Reinsurance for private", and the ninth sentence beginning with the words "Counties selected by";

(4) in the seventh sentence by striking out *"Provided,"* and all that follows down through the period at the end of the sentence and inserting in lieu thereof *"Provided,* That a minimum of three levels of coverage shall be offered: (1) 50 per centum of the recorded or appraised average yield, (2) 65 per centum of the recorded or appraised average yield, and (3) 75 per centum of the recorded or appraised average yield."; and

(5) inserting immediately after the seventh sentence the following: "The Corporation shall offer other levels of yield coverage to be selected at the option of each producer and offer insurance coverages to individual farmers based on actual 5 year production history for the farm if available, and if not, offer insurance coverage based on the average county yield in the county where the farm is located. One of the price elections offered shall approximate (but be not less than 90 per centum of) the projected market price for the commodity involved, as determined by the Board.".

PREMIUM SUBSIDY, REINSURANCE, AND SPECIFIC RISK PROTECTION

SEC. 7. Effective with respect to the 1981 and subsequent crops, section 508 of the Federal Crop Insurance Act is further amended by—

(1) amending subsection (b) to read as follows:

"(b) To fix adequate premiums for insurance at such rates as the Board deems sufficient to cover claims for losses on such insurance and to establish as expeditiously as possible a reasonable reserve against unforeseen losses. The producer may elect to have deleted from the Corporation's policy of insurance the coverage against losses caused by both hail and fire and to obtain coverage therefor from a private insurer. Upon notice of such election in writing to the Corporation and submission of evidence of such substitute coverage on the commodities insured than that provided by the Corporation's policy, the producer's premium as calculated by the corporation shall be reduced by 25 per centum, but not to exceed the premium for the substitute coverage. For the purpose of encouraging the broadest possible participation in the insurance program, 30 per centum of each producer's premium, as calculated by the Corporation on any coverage on the Corporation's policy of insurance up to a maximum of 65 per centum of the recorded or appraised average yield, shall be paid by the Corporation. The producer's share of such premiums shall be collected at such time or times, or shall be secured in such manner, as the Board may determine. The Board may enter into agreements with any State or agency of a State pursuant to which such State or agency may pay to the Corporation additional premium subsidy to further reduce the portion of the premium paid by farmers in such State. The Board may also require that the Corporation pay additional and/or graduated premium subsidy to further reduce the portion of the premium paid by operators of small farms: *Provided*, That eligibility for classification as a small farm shall be based on the maximum potential exposure of the Corporation on all commodities eligible for insurance at a limit determined by the Board.";

(2) in subsection (c), striking out the second sentence which begins, "The Corporation shall provide,"; and

(3) striking out subsection (f) and adding new subsections (f), (g), and (h) to read as follows:

"(f) And directed, notwithstanding any other provision of this Act, to reinsure to the maximum extent practicable, upon such terms and conditions as the Board may determine to be consistent with section 508 (a) and (b) and sound reinsurance principles, insurers including private insurance companies or pools of such companies, and reinsurers of such companies, or any State or local governmental entity, including any territory or possession or political subdivision thereof, which insure producers of any agricultural commodity under a plan or plans acceptable to the Corporation including a test program made available, to the maximum extent possible, not later than the 1982 crop year. In order to provide equity among producers purchasing crop insurance, whenever the Corporation provides reinsurance under this subsection to any such insurers, the Corporation shall pay a portion of each producer's premium for such insurance so reinsured. Each such payment shall cover the same per centum of the premium, and be subject to the same restrictions regarding payments of premiums for crop insurance on commodities, as provided in subsection (b) of this section for Federal partial payments of Federal crop insurance premiums. The Corporation shall also pay operating and administrative costs to insurers of policies on which the Corporation provides reinsurance to the same extent that such costs are covered by appropriated funds on the Corporation's policies of insurance. Insurers of policies on which reinsurance is provided shall make use of licensed private insurance agents and brokers on the same basis as provided for policies of the Corporation under section 507(c)(3).

"(g) To provide insurance or reinsurance for production of agricultural commodities in the Commonwealth of Puerto Rico, the Virgin Islands of the United States, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and the Trust Territory of the Pacific Islands in the same manner as provided under this section for producers in the several States.

"(h) To offer separate protection against specific risks including, but not limited to, prevented planting, wildlife depredation, tree damage and disease, and insect infestation, under such terms and conditions as the Corporation may determine providing adequate coverage is not available from private companies.".

DELETION OF AUTHORITY FOR ADVISORY COMMITTEES

SEC. 8. Section 515 of the Federal Crop Insurance Act is hereby repealed.

APPROPRIATIONS FOR OPERATING AND ADMINISTRATIVE EXPENSES

SEC. 9. Section 516(a) of the Federal Crop Insurance Act is amended to read as follows:

"SEC. 516. (a) There are hereby authorized to be appropriated such sums as may be necessary to cover the operating and administrative costs of the Corporation, including agents' commissions, interest on Treasury notes and other obligations, Federal premium payments, and the direct cost of loss adjusters for crop inspections and loss adjustments, which shall be allotted to the Corporation in such amounts and at such time or times as the Secretary of Agriculture may determine. Expenses in connection with the purchase, transportation, handling or sale of the agricultural commodity, agents' commissions, interest on Treasury notes and other obligations, Federal premium payments, and the direct cost of loss adjusters for crop inspections and loss adjustments may be paid from premium income and other Corporation funds, and any such expenses may be restored by appropriations in subsequent years. No more than two hundred additional permanent full-time employees, in excess of the number of full-time employees employed by the Corporation on the effective date of the Federal Crop Insurance Act of 1979, may be employed to implement the provisions of this Act, except in the case of, and only during, emergencies.".

EMERGENCY FUNDING IN CASE OF INSUFFICIENCY

SEC. 10. Effective October 1, 1980, section 516 of the Federal Crop Insurance Act is amended by adding a new subsection (c) as follows:

"(c) If at any time the moneys available to the Corporation are insufficient to enable the Corporation to discharge its responsibility of indemnifying producers for losses under this title, the Corporation shall issue to the Secretary of the Treasury notes or other obligations in such forms and denominations, bearing such maturities, and subject to such terms and conditions, as may be prescribed by the Secretary of the Treasury. Redemption of such notes or obligations shall be made by the Corporation from moneys available from premiums or the issuance of capital stock under section 504 of this title. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, which shall be not less than a rate determined by taking into consideration the average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of the notes or other obligations. The Secretary of the Treasury shall purchase any notes or other obligations issued hereunder and for that purpose is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act and the purposes for which securities may be issued under that Act are extended to include any purchase of such notes or obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by the Secretary of the Treasury under this subsection. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States. The borrowing authority provided for in this section may be exercised by the Corporation only to such extent or in such amounts as are provided in appropriation Acts.".

REAUTHORIZATIONS REQUIRED, EFFECTIVE OCTOBER 1, 1982

SEC. 11. Section 516 of the Federal Crop Insurance Act is amended by adding at the end thereof a new subsection (d) as follows:

"(d) Notwithstanding any other provision of law, effective October 1, 1983, appropriations and borrowing from the United States Treasury authorized under this section shall not exceed such amounts as may be authorized by law after the date of enactment of the Federal Crop Insurance Act of 1979.".

AGRICULTURAL COMMODITY

SEC. 12. Section 518 of the Federal Crop Insurance Act is amended to read as follows:

"SEC. 518. 'Agricultural commodity', as used in this title, means wheat, cotton, flax, corn, dry beans, oats, barley, rye, tobacco, rice, peanuts, soybeans, sugar beets, sugar cane, tomatoes, grain sorghum, sunflowers, raisins, oranges, sweet corn, dry peas, freezing and canning peas, forage, apples, grapes, potatoes, timber and forests, nursery crops, citrus, and other fruits and vegetables, nuts, tame hay, native grass, aquacultural species (including, but not limited to, any species of finfish, mollusk, crustacean, or other aquatic invertebrate, amphibian, reptile, or aquatic plant, propagated or reared in a controlled or selected environment), or any other agricultural commodity, excluding livestock and stored grain, determined by the Board pursuant to subsection 508(a) of this Act, or any one or more of such commodities, as the context may indicate.".

EFFECTIVE DATE

SEC. 13. Except as otherwise provided in this Act, the provisions of this Act amending the Federal Crop Insurance Act shall become effective October 1, 1979, or the date of enactment of this Act, whichever is the later.

EXTENSION OF DISASTER PAYMENT PROGRAMS; APPLICABILITY

SEC. 14. Section 1001 of the Food and Agriculture Act of 1977 (7 U.S.C. 1309) is amended by adding at the end thereof a new subsection (c) as follows:

"(c) Notwithstanding any other provision of law, the low yield and the prevented planting disaster payment provisions for rice, upland cotton, feed grains, and wheat contained in sections 101(h)(4), 103(f)(5), 105A(b)(2), and 107A(b)(2), respectively, of the Agricultural Act of 1949, which are presently effective only for the 1978 and 1979 crops shall be effective as well with respect to the 1980 and 1981 crops of such commodities. Notwithstanding any other provision of law, producers on a farm shall not be eligible to receive low yield or prevented planting disaster payments on any such commodity for the 1981 crop year if the producers elect to cover their acreage of such commodity with crop insurance, part of the premiums for which is paid by the Federal Crop Insurance Corporation under the provisions of section 508(b) or 508(e) of the Federal Crop Insurance Act.".

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. TALMADGE, I move that the Senate disagree to the amendment of the House, request a conference with the House on the disagreeing votes of the two Houses, and that the Chair be authorized to appoint the conferees on the part of the Senate.

Mr. STEVENS. There is no objection.

The motion was agreed to; and the Chair appointed Mr. TALMADGE, Mr. MCGOVERN, Mr. HUDDLESTON, Mr. STONE, Mr. ZORINSKY, Mr. HELMS, Mr. LUGAR, and Mr. COCHRAN conferees on the part of the Senate.

THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Nos. 671, 679, and 683.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMPENSATION OF COUNSEL FOR JURORS CLAIMING VIOLATION OF CERTAIN RIGHTS

The bill (S. 1187) to amend title 28 of the United States Code with regard to the appointment and compensation of counsel for jurors claiming a violation by their employers of certain rights guaranteed by such title, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1875(d) of title 28, United States Code, is amended—

(1) by inserting "(1)" immediately after "(d)"; and

(2) by amending paragraph (2) to read as follows:

"(2) In any action or proceeding under this section, the court may award a prevailing employee who brings such action by retained counsel a reasonable attorney's fee as part of the costs. The court may tax a defendant employer, as costs payable to the court, the attorney fees and expenses incurred on behalf of a prevailing employee, where such costs were expended by the court pursuant to paragraph (1) of this subsection. The court may award a prevailing employer a reasonable attorney's fee as part of the costs only if the court finds that the action is frivolous, vexatious, or brought in bad faith.".

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 96-630), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

The purpose of the bill is to allow the court to tax, as costs payable to the court, against a defendant employer who has violated section 1875(d) of title 28, United States Code, the attorney fees and expenses incurred on behalf of a prevailing employee represented by court-appointed counsel compensated with Government funds.

NATIONAL DIABETES WEEK

The Senate proceeded to consider the joint resolution (H.J. Res. 463) designating the week of October 5 through 11, 1980, as "National Diabetes Week."

● Mr. SCHWEIKER. Mr. President, House Joint Resolution 463 designates the week of October 5-11, 1980, as National Diabetes Week. It corresponds to Senate Joint Resolution 128, which I introduced last December and which has been cosponsored by a number of Senators on both sides of the aisle who share my deep concern about the need to focus public awareness on diabetes. House Joint Resolution 463 passed the House of Representatives on March 3.

All of us know someone who has diabetes, Mr. President. For a long time, however, most Americans thought diabetes was an "OK" disease—all you had to do was take your pills or insulin. That attitude toward diabetes is beginning to change. The observance of National Diabetes Week will serve an important function in focusing attention on the importance of diabetes as a major public health problem and what can be done, now and in the future, to increase public and professional awareness of diabetes and improve the lives of our Nation's 10 million diabetics.

Diabetes is not an "OK" disease. Insulin is an important, life-preserving therapy, but it is not a cure. Diabetes is a leading killer of Americans, and there is no cure. The life expectancy of persons with diabetes is about one-third less than the general population. In 1975, the National Commission on Diabetes identified diabetes as the third leading cause of death by disease in this country. New statistical analyses released last fall show that diabetes is still grossly underreported.

One of the reasons for underreporting is a lack of understanding about diabetes' devastating, disabling, and sometimes fatal complications. Half of juvenile diabetics die of kidney failure within 25 years of diagnosis. Diabetes leads to heart disease and stroke. Its crippling effects include gangrene leading to amputation. It is the leading cause of adult blindness in the United States.

These grim facts make it clear that diabetes and its complications take a tremendous human toll in this country. Estimates of the economic costs exceed $5 billion each year.

Armed with a better understanding of the significance of diabetes as a major public health problem, what can be done about it? First, we can aim at prevention by reducing risk factors, such as obesity. The chance of being diabetic more than doubles for every 20 percent of excess weight. We can encourage screening to identify diabetes, alert the public to its warning symptoms, and educate diabetic patients about proper diet and medication to improve self-care and better control of the disease. Private voluntary organizations, notably the Juvenile Diabetes Foundation and the American Diabetes Association, can perform vital services in this area.

Most importantly in the long run, we can intensify our commitment to the fight against diabetes and its complications, through research and the application of research results to medical practice. Since I first introduced diabetes legislation in 1972, we have made great progress. Over the years, Congress and the private sector have responded to the need to do more. At the National Institutes of Health, a vigorous, multidisciplinary, multi-institute diabetes program is well underway. Congressional appropriations have increased from about $40 million in fiscal year 1976 to more than $135 million in this fiscal year. These efforts are beginning to bear fruit. The National Eye Institute has pioneered new techniques to restore and preserve the sight of diabetics who a few years ago faced the near certain prospect of blindness. Building on basic research in the field of recombinant DNA technology, much of which was supported by the NIH, scientists in the private sector are working toward eventual commercial production of human insulin through recombinant DNA technology. In animal models, there have been advances in pancreatic islet cell transplantation across genetic barriers without rejection of the transplant, an achievement with important implications for all kinds of transplants. Progress is being made in identifying genetic and viral factors associated with the development of some forms of diabetes.

As the ranking Republican member of the Health and Scientific Research Subcommittee and its parent Committee on Labor and Human Resources, as well as the Labor-HEW Appropriations Subcommittee, I intend to continue my efforts to see that the fight against diabetes remains a high-priority effort. Our future progress in finding a cure for this disease should be of vital concern to all Americans—because the average American born today has a better than 1 in 5 chance of developing diabetes, unless a means of prevention is found. If our fight against diabetes is to be successful, we will need the dedicated efforts of researchers, Federal officials, educators, health professionals who treat diabetics, patients and their families, and an aware and informed public.

I urge my colleagues in the Senate to join me in enhancing public awareness of diabetes and its complications by supporting the observance of National Diabetes Week, as provided in House Joint Resolution 463.●

The joint resolution was ordered to a third reading, read the third time, and passed.

The preamble was agreed to.

PATENT LAW AMENDMENTS ACT OF 1980

The Senate proceeded to consider the bill (S. 2446) to amend the patent laws, title XXXV of the United States Code.

Mr. BAYH. Mr. President, the Judiciary Committee unanimously reported out the Patent Law Amendments Act on March 18, 1980. This legislation is identical to S. 1679 which the committee also unanimously reported out on February 19, 1980, with Report No. 96-617.

The present bill is different only in that it contains an effective date of October 1, 1980. S. 1679 did not contain any effective date which raised a concern in the Senate Budget Committee that it could possibly impact on the fiscal year 1980 budget. The present bill meets that objection by becoming effective in fiscal year 1981.

The committee decided in order to save printing costs not to file an identical report to that already filed on S. 1679. This report is still pertinent to the present legislation with the addition of the effective date.

Mr. THURMOND. Mr. President, some time ago, I was pleased to cosponsor S. 1679, a bill to amend the patent laws of the United States. This bill, S. 2446, is identical to S. 1679.

This legislation would establish procedures that would permit the Patent and Trademark Office (PTO) examiner to find all the pertinent patents and publications having a bearing on the question of patentability, thus providing a less expensive alternative to litigation.

The reexamination procedure of S. 2446 will permit placing before the PTO a prior patent or a prior publication which the examiner did not record or notice as having been before him or was known to him when he was examining the application on which the principal patent to be reexamined was issued. This will upgrade the system while saving much time, expense, and, also, relieving our courts of the burden of extensive patent litigation.

The explosive rate of increase in patents and publications to be handled by the PTO makes it difficult, if not impossible, to search in a reasonable amount of time the almost 100,000 applications per year it examines. Although the PTO is doing a good job and is able to eliminate up to about 30 percent of the applications which are filed and to restrict claims in many of the applications which are issued as patents, there are, however, an important number of commercially attractive inventions which have been found by the courts to be covered by patents. They have then been held invalid simply because a patent or publication has become available which was not available to the PTO examiner when he considered the application prior to issuing the principal patent.

At this time in our country's history, it is being recognized more readily that invention and innovation are important to our economic, as well as military posture. Thus, the patent system upon which the incentive to invent and to innovate is based, should be upgraded as soon as possible.

Yet, it appears that such improvements in the patent system will be years and many millions of dollars away. Increased resources are not now available to the PTO to reestablish the integrity of its search files and to enable it to examine them more quickly. It has been reported to the Congress that some of the PTO search files are about 28 percent incomplete due to missing copies of patents. When one considers that the PTO maintains files of patents from virtually all countries in the world, as well as a huge library of technical literature and information, it is easy to see why the job of searching and updating these patents is an insurmountable one.

Mr. President, we need a reexamination operation which will upgrade the operation of the PTO examining function. Under the bill, anv person may ask for reexamination based upon a prior art patent or a prior art publication which that person can cite to the PTO explaining its pertinency. Then, the Commissioner of the PTO will be able to determine quickly whether a substantial new issue is raised concerning the patentability of the invention covered in the issued or principal patent. The reexamination of the claims of the patent for their patentability by the Patent Office will result in an outcome virtually the same as that outcome would have been had the examiner had before him earlier the cited prior art patent or publication. This is all the reexamination is intended to do.

It is helpful to illustrate some of the situations in which reexamination would expedite matters, saving many man-hours of time and effort, as well as expense, and in many cases remove an ex post facto determination of patentability from the burdened courts.

Whenever a person or organization is to enter, or to continue to proceed in, during the effective life of a patent, a field in which the exclusive right has been secured by one or more patents issued to others, that person or organization may find it necessary for success that an examination also be made in an area where the exclusivity of the patent has been secured. If the party finds that the patent stands in his way, he may secure a license, redesign to avoid the patent if possible or, as is the usual case, have searched and studied the validity of his claim as a first step.

One can also ignore the patent, proceed to infringe the patent claims, wait until he is sued for infringement and then defend with the patent or publication of which he knows, but the examiner did not have when he examined the application resulting in the principal patent. Or, he can enter into negotiations for a license under the principal patent. A small business may wish to take a license because it does not have the personnel and funds to wage a costly legal battle.

The holder of the principal patent, however, may not wish to license. He may desire to use his exclusive right, which the patent secures to him to manufacture or operate the patented invention, thus to build his own business or to expand or to protect an existing one. Thus, the would be licensee faces a dilemma. He cannot innovate, and if he wishes to proceed, he must run the risk of an expensive, time-consuming lawsuit on a claim or claims of the principal patent.

Mr. President, it appears, in my view of the matter, that S. 2446 would, inexpensively, permit the would-be licensee or manufacturer to ask the PTO to reexamine patented claims in light of the earlier patent or publication. By so doing, he would request the PTO Commissioner to order a reexamination, if he sees a substantial new question of patentability affecting any claim of the principal patent concerned.

Under current statutory authority, the Commissioner of the Patent and Trademark Office may establish rules under any law resulting from enactment of S. 2446 needed to insure an equitable proceeding in the PTO, while keeping in mind the purpose of the underlying purpose of the legislation.

Thus, the relatively simple procedure of reexamination in the PTO as provided for in S. 2446 will insure a quick, inexpensive determination of patentability. The principal problems which we now face—inflation, energy shortages, job creation through capital investment, improved processes and products with which to meet the challenge of worldwide competition in which we must participate, improving our military preparedness, as well as developing new or improved means to protect our national interests, and other points too numerous to mention here—cannot be solved without invention and innovation. There must be a continually improved climate for invention and innovation, and S. 2446 can make a difference in achieving that goal.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Patent Law Amendments of 1979".

SEC. 2. (a) Title 35 of the United States Code, entitled "Patents", is amended by inserting immediately after chapter 29 the following:

"Chapter 30—PRIOR ART CITATIONS TO PATENT OFFICE AND REEXAMINATION OF PATENTS

"Sec.
"301. Regulations established by Commissioner of Patents.
"302. Citation of art.
"303. Request for examination.
"304. Determination of issue by Commissioner of Patents.
"305. Reexamination ordered by Commissioner of Patents.
"306. Response or amendment by patent owner.
"307. Appeals.
"308. Certificate of patentability; unpatentability and claim cancellation.
"309. Reliance on art in court.
"310. Stay of court proceedings to permit Office review.

"§ 301. Regulations established by Commissioner of Patents

"The Commissioner shall establish regulations for—

"(1) the citation to the Office of prior art patents or publications pertinent to the validity of patents; and

"(2) the reexamination of patents in the light of such prior art patents or publications.

"§ 302. Citation of art

"Any person may at any time cite to the Office prior art patents or publications which may have a bearing on the patentability of any claim of a patent. If the person citing such prior art patents or publications identifies in writing any part of the prior art patents or publications considered pertinent and the manner of applying the prior art patents or publications to at least one claim of the patent, such prior art patents or publications shall become a part of the official file of the patent.

"§ 303. Request for examination

"Any person may, at any time within the period of enforceability of a patent, request reexamination of the patent as to the patentability of any claim thereof in the light of any prior art patents or publications cited under the provisions of section 302 of this chapter, by filing in the Office a written request for such reexamination accompanied by a reexamination fee prescribed according to this title, a statement of the relation of such prior art to the patentability of the claim or claims involved, and a statement which identifies a material reason for the request for reexamination. Unless the requesting person is the patent owner, the Commissioner shall promptly send a copy of such request and statement to the patent owner appearing from the records of the Office at the time of the filing of the request.

"§ 304. Determination of issue by Commissioner of Patents

"(a) Within 90 days following the filing of a request for reexamination under section 303 of this chapter, the Commissioner shall make a determination as to whether a substantial new question of patentability affecting any claim of the patent concerned, not previously considered in examination or reexamination of such claim, is raised by the consideration, with or without any other prior art patents or publications, of the prior art patents or publications which have been cited in relation to the patent according to section 302 of this chapter. The Commissioner on his own initiative may make such a determination at any time.

"(b) A record of the Commissioner's determination under subsection (a) of this section and the reason for the determination shall be made in the file of the patent, and a copy of the record and reasons for the determination shall be sent promptly to the patent owner and each person requesting reexamination, and a notice of that determination shall be promptly published.

"(c) A determination by the Commissioner pursuant to subsection (a) of this section that such a new question of patentability is not so raised shall be final and nonappealable.

"§ 305. Reexamination ordered by Commissioner of Patents

"If, in a determination made pursuant to subsection (a) of section 304, the Commissioner finds that a substantial new question of patentability affecting a claim or claims of the patent is raised by consideration of the prior art patents or publications that have been cited in relation to the patent according to section 302 of this chapter, he shall order a reexamination of the patent for the resolution of the question, and shall proceed to resolve it as though the claim or claims involved were present in a pending application. The patent owner shall be given a reasonable period after the filing of the reexamination order within which he may file a statement on such question for consideration in the reexamination. The patent owner shall serve a copy of such statement on any person who has requested examination according to section 303 of this chapter and such person shall have the right, within a period of two months from such service, to submit a reply to the patent owners statement. Any reexamination proceeding, including appeals to the Board of Appeals, shall be conducted with special dispatch and shall be completed within one year within the Office, unless the Commissioner determines on a case-by-case basis that the one-year period is not sufficient.

"§ 306. Response or amendment by patent owner

"The patent owner shall be provided an opportunity in any reexamination proceeding under this chapter to amend any claim of his patent in order to distinguish the claim from the prior art patents or publications cited according to section 302 of this chapter, or in response to a decision adverse to the patentability of the claim, but no amendment enlarging the scope of a claim shall be permitted in a reexamination proceeding under this chapter.

"§ 307. Appeals

"The owner of a patent involved in a reexamination proceeding under this chapter may seek court review of a final decision in such proceeding adverse to the patentability of any claim, or amended claim, of the patent in accordance with chapter 13 of this title.

"§ 308. Certificate of patentability; unpatentability and claim cancellation

"When in a reexamination proceeding under this chapter the time for appeal has expired or any appeal proceeding has terminated, the Commissioner shall issue and publish a certificate canceling any claim of the patent finally determined in such proceeding or on appeal therein to be unpatentable, confirming any claim of the patent so determined to be patentable, and incorporating in the patent any amended claim thereof so determined to be patentable. Any such amended claim is subject to the provisions of section 252 of this title.

"§ 309. Reliance on art in court

"(a) No prior art patents or publications may be relied upon as evidence of nonpatentability in a civil action involving the validity or infringement of a patent unless—

"(1) such prior art patents or publications were cited by or to the Office during prosecution of the application for the patent or submitted for consideration by the Office in accordance with sections 302 and 303 of this chapter, and actually considered in accordance with section 304, or

"(2) the court, upon motion, concludes that the interests of justice would be furthered by adjudication of the issue of validity or infringement without such submission and reconsideration.

"(b) The limitation provided by this section shall not apply to any prior art patents or publications in the official file of the patent as it existed on the date of commencement of such action. However, a party may rely upon prior art patents or publications cited after the commencement of such action if—

"(1) such prior art patents or publications were included in a request for reexamination under the provisions of section 303 of this title which was filed in the Office during a stay ordered by the court under the provisions of section 310 of this title, or

"(2) the court, in a case in which a stay requested under the provisions of section 310 of this title is denied, finds that such prior art patents and publications continue newly discovered evidence which by due diligence could not have been discovered in time to be cited to and considered by the Office within the period of a stay that was or could have been secured under the provisions of section 310(a) of this title.

"§ 310. Stay of court proceedings to permit Office review

"(a)(1) Except as provided in paragraph (2), any party to a civil action against whom a pleading presents a claim for infringement or for adjudication of the validity of a patent shall have the right, by motion brought before any responsive pleading, to secure a stay of all proceedings in the action by order of the court for a period, not more than four months, sufficient to enable such party to search for and cite patents or publications considered pertinent to the patent and to request reexamination of the patent in view of such prior art according to sections 302 and 303 of this chapter. If such party files a request for such reexamination in the Office and serves on the other party and files a copy of it in the action within the period of the stay provided by such order, the stay may be extended by further order of the court. Injunctive relief shall not be denied solely on the basis of such request for reexamination.

"(2) The court shall not grant a stay of the proceedings on the basis of a motion brought under paragraph (1) if the proceeding or motion relates to a temporary restraining order or preliminary injunctive relief, or any other protective order necessary to protect the rights of the parties.

"(b) The court, on motion and upon such terms as are just, may at any time stay the proceedings in a civil action in which the validity of a patent is in issue for a period sufficient to enable the moving party to cite to the Office newly discovered additional prior art in the nature of patents or publications and to secure final determination of a request for reexamination of the patent in the light of such additional prior art, provided the court finds that such additional prior art, in fact, constitutes newly discovered evidence which by due diligence could not have been discovered in time to be cited to and considered by the Office within the period of a stay. of such proceedings that was or could have been secured according to subsection (a) of this section.".

(b) The table of chapters for title 35, and for part III of title 35, of the United States Code, are amended by inserting immediately after the item relating to chapter 29, the following:

"30. Prior Art Citations to Patent Office and Reexamination of Patents."

SEC. 3. This Act, and the amendments made by this Act, shall become effective on October 1, 1980.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

S. 1679 AND SENATE JOINT RESOLUTION 128 INDEFINITELY POSTPONED

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Calendar No. 658, S. 1679, be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I ask unanimous consent that Calendar No. 68, Senate Joint Resolution 128, be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATE RESOLUTION 389—SUBMISSION OF A RESOLUTION TO CONSOLIDATE AND RENUMBER CERTAIN STANDING RULES OF THE SENATE

Mr. ROBERT C. BYRD (for himself, Mr. BAKER, Mr. STEVENS, and Mr. HELMS) submitted the following resolution, which was ordered held at the desk and to be printed:

S. RES. 389

Resolved, That the Standing Rules of the Senate as amended and adopted on November 14, 1979, be revised as follows: Rules IV and V be consolidated into one rule and be numbered Rule IV, with the paragraphs properly renumbered; Rules XI, XXIX and XXX be consolidated into one rule and be numbered Rule XI, with the paragraphs properly renumbered; Rules XIV, XV and XXIII be consolidated into one rule and be numbered Rule XIV, with the paragraphs properly renumbered; and that Rules XVII, XVIII, XXI and XLI be consolidated into one rule and be numbered Rule XV, with the paragraphs properly renumbered.

SEC. 2. Paragraph 2 Rule XXXII shall be added as paragraph 2 of Rule XL and Rule XL as thus amended shall be renumbered Rule V, with the paragraphs properly renumbered.

SEC. 3. Paragraphs 6 (a), (b) and (c) and paragraph 7 of Rule XXVII shall be transferred and inserted at the end of paragraph 10 of Rule XXVI and be numbered paragraphs 11 and 12, and the present paragraph 11 of Rule XXVI be renumbered paragraph 13.

SEC. 4. Rules XXXIII shall be amended to add the words "and members of the European Parliament" at the end of the line reading "Members of National Legislatures of foreign countries" so that the line would then read: "Members of National Legislatures of foreign countries and Members of the European Parliament." Rule XXXIII should then be renumbered Rule XXIII.

SEC. 5. Rule XXVII as herein amended shall be renumbered Rule XVII; Rule XXXII as herein amended shall be renumbered Rule XVIII; Rule XXXV shall be renumbered Rule XXI; Rule XXXI shall be renumbered Rule XXVII; Rule XXXVI shall be renumbered Rule XXIX; Rule XXXVII shall be renumbered Rule XXX; Rule XXXVIII shall be renumbered Rule XXXI; Rule XXXIX shall be renumbered Rule XXXII; Rule XXXIV shall be renumbered Rule XXXIII; Rule XLII shall be renumbered Rule XXXIV; Rule XLIII shall be renumbered Rule XXXV; Rule XLIV shall be renumbered Rule XXXVI; Rule XLV shall be renumbered Rule XXXVII; Rule XLVI shall be renumbered Rule XXXVIII; Rule XLVII shall be renumbered Rule XXXIX; Rule XLVIII shall be renumbered Rule XL; Rule XLIX shall be renumbered Rule XLI and Rule L shall be renumbered Rule XLII.

SEC. 6. Any cross references set forth in the existing rules shall be corrected to refer to the appropriate rule as renumbered and on line 2 of Rule XLII as renumbered the word

SEC. 7. In the preparation for reprinting of the Standing Rules of the Senate as herein authorized to be revised and renumbered the titles of the twelve rules to be consolidated into four shall be modified so as to describe properly the contents of each of those four rules.

Mr. ROBERT C. BYRD. Mr. President, I send to the desk a resolution on behalf on behalf of myself, Mr. BAKER, Mr. STEVENS, and Mr. HELMS, and ask that it be held at the desk until Monday.

I ask unanimous consent that on Monday, after the two leaders have been recognized under the standing order, and after any orders for Senators to be recognized are consummated, the Senate proceed to the consideration of the resolution; that there be a time limitation thereon of 1 hour, 10 minutes for me and 50 minutes for the minority leader or his designee; that if a rollcall vote be ordered thereon, the rollcall vote be put over until Tuesday; that no amendments and no motions be in order.

The PRESIDING OFFICER. Is there objection?

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the resolution be printed.

Mr. STEVENS. There is no objection to that agreement.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, reserving the right to object—and I will not object—Mr. President, I want to express my regrets to the distinguished majority leader for having detained him so long. We have been involved in a meeting of the Committee on Ethics. The moment I left we no longer had a quorum, and that is the reason I was so long getting to the floor.

But I want to pay my respects to the distinguished majority leader for his consideration toward those of us who have reservations about changing the rules of the Senate. These changes are not really substantive, but they will facilitate the activity of the Senate and, for that reason, I intend to support them.

In our discussion the able majority leader and I and others talked about computerization of the precedents of the Senate. It is my understanding that the distinguished majority leader looked with favor on that proposal; is that correct?

Mr. ROBERT C. BYRD. The Senator is correct. I will offer a resolution at a future date which should be referred to the Committee on Rules and Administration providing for such computerization of the standing precedents of the Senate.

Mr. HELMS. I thank the Senator.

Mr. President, I do not object to the unanimous-consent request, and I thank the Senator.

Mr. ROBERT C. BYRD. I thank the distinguished Senator.

Mr. STEVENS. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. STEVENS. Mr. President, I shall not be here on Monday, but I want to make sure that the RECORD sets forth that I have discussed this resolution with the majority leader, with the minority leader, with Dr. Riddick, and others on our side of the aisle, and I believe it is a resolution that really brings about some noncontroversial editing changes in terms of the rules.

I am grateful to the majority leader for his patience in allowing us to go through this to make certain that there would be no substantive changes in the rules, and that these changes would not lead to new interpretations of the substantive rules of the Senate.

I just want to express that now because I will not be here on Monday when the discussion takes place.

Mr. ROBERT C. BYRD. I thank the distingiushed acting Republican leader.

Mr. HELMS. Did the Chair rule on the unanimous-consent request?

The PRESIDING OFFICER. Yes. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I think a word of explanation should be made at this point so that Senators who read the RECORD may fully understand what the resolution does.

The pending resolution does not propose any changes in the language of the existing Standing Rules of the Senate, with one minor exception which proposes to allow members of the European Parliament, Senate floor privileges, a privilege already enjoyed by members of national legislatures of foreign countries.

All of the proposals set forth in the pending resolution have been considered and approved by the Committee on Rules and Administration as set forth in Senate Report 96–562 which the committee filed with the Senate on January 30, 1980.

The main objective of this resolution is to consolidate 12 of the standing rules into 4, so as to bring together all like subject matter of the 12 rules into 1 of the 4 new consolidated rules.

It is proposed here that rules IV, commencement of daily session, and V, journal, to be consolidated into one rule; that rules XI, objection to reading a paper, XXIX, printing of papers, et cetera, and XXX, withdrawal of papers, be consolidated into another; that rules XIV, bills, joint resolutions, and resolution XV, bills—commitment and consideration barred, and XXIII, preambles, be brought together into another; and that rules XVII, tabling of amendments, XVIII, amendments—division of a question, XXI, motions and amendments, and XLI, committee amendments not within its jurisdiction, be pulled together into another.

This would reduce the total number of rules by eight without changing any language in any one of the rules. If this is done, however, it becomes necessary to renumber many of the standing rules, since it is proposed that no change be made in content or number of rules VII, VIII, XXII, XXV, and XXVI. The rearrangement and renumbering of the rules is designed to present them in an orderly fashion according to subject matter in accordance with the procedure by which the Senate conducts its business.

Again I emphasize that this resolution proposes no change in any language in the rules as now found in the recodification adopted on November 14, 1979. The sole purpose of adopting this resolution is to put together more of the same subject matter within the same rule making it easier to locate related proposals of the rules.

The proposed substantive change in rule XXXIII which the Rules Committee voted to approve would add the words "and Members of the European Parliament" at the end of the phrase reading "Members of National Legislatures of foreign countries." This sentence of rule XXIII would then read "Members of National Legislatures of foreign countries and Members of the European Parliament."

In addition to the consolidation of 12 rules into 4, the resolution would transfer paragraph 2 of rule XXXII, relative to the continuity of the rules of the Senate, to the present rule XL which is concerned with suspension and amendment of the rules, and then rule XL would be renumbered rule V. The resolution would also transfer paragraphs 6 and 7 of rule XXVII to rule XXVI. These two paragraphs are concerned with the contents of reports which must be complied with before the bills or resolutions would be eligible for Senate consideration, and some of the paragraphs would be properly renumbered.

Section 5 of the resolution merely proposes renumbering many of the standing rules in order to make them dovetail into an orderly fashion.

Sections 6 and 7 would merely make corrections in cross references and modify titles of various rules so as to indicate the contents of the rules involved.

Mr. President, in the event the Senate adopts the resolution which I have sent to the desk, and ask for it to remain at the desk until Monday, at which time it will come up automatically following the order for the recognition of Senators, I make the following request:

ORDER FOR PRINTING OF 2,000 COPIES OF THE STANDING RULES OF THE SENATE, AS REVISED

Mr. President, I ask unanimous consent that the Standing Rules of the Senate, as thus revised, be printed as a Senate document, and that there shall be printed an additional 2,000 copies of this document for the use of the Committee on Rules and Administration.

Mr. STEVENS. There is no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, did we establish in the consent agreement now a firm and precise time for the vote on the resolution on Tuesday?

Mr. ROBERT C. BYRD. No. May I respond?

Mr. STEVENS. Yes.

Mr. ROBERT C. BYRD. I merely stated that if a rollcall vote is ordered on the resolution on Monday at the close of debate that that vote will be put over until Tuesday.

Mr. STEVENS. I thank the majority leader.

THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Orders Nos. 680 and 681.

The PRESIDING OFFICER. Without objection, it is so ordered.

HERMAN F. BACA

The bill (S. 162) for the relief of T. Sgt. Herman F. Baca, U.S. Air Force, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 162

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Technical Sergeant Herman F. Baca, United States Air Force, the sum of $8,703.72, in full satisfaction of all claims of Technical Sergeant Herman F. Baca against the United States for compensation for loss of personal property, such sum representing the difference between (1) the amounts paid to Technical Sergeant Herman F. Baca under the Military Personnel and Civilian Employees' Claims Act of 1964, and (2) the amount approved by the Secretary of the Air Force as the total value of his personal property.

SEC. 2. No part of the amount appropriated by this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same is unlawful, any contract to the contrary notwithstanding. A violation of this section is a misdemeanor punishable by a fine in an amount not to exceed $10,000.

Mr. ROBERT S. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 96–637), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

The purpose of the bill is to pay out of any money in the Treasury not otherwise appropriated, to T. Sgt. Herman F. Baca, U.S. Air Force, the sum of $8,703.72, in full satisfaction of all claims of Technical Sergeant Herman F. Baca against the United States for compensation for loss of personal property.

FRED W. SLOAT

The Senate proceeded to consider the bill (S. 551) for the relief of Fred W. Sloat of Salt Lake City, Utah, which had been reported from the Committee on the Judiciary with amendments as follows:

On page 1, line 6, strike "$19,000, plus interest accruing March, 1978," and insert "$4,728.24";

On page 2, line 7, strike "in excess of 15 per centum thereof";

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Fred W. Sloat of Salt Lake City, Utah, the sum of $4,728.24 as reimbursement for back military pay (plus accrued interest) which was withheld from the said Mr. Sloat by the United States Army as payment for a vehicle which was commandeered from the said Mr. Sloat in Luxembourg during World War II.

SEC. 2. No part of the amount appropriated by this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, any contract to the contrary notwithstanding. Any violation of the provisions of this section is a misdemeanor punishable by a fine not to exceed $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President. I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 96–638), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

The purpose of the bill is to pay to Fred W. Sloat of Salt Lake City, Utah, the sum of $4,728.24, as reimbursement for back military pay (plus accrued interest) which was withheld by the United States Army as payment for a vehicle which was commandeered from Mr. Sloat in Luxembourg during World War II.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the motion to reconsider en bloc the vote by which the bills were passed be laid on the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR STAR PRINT OF SENATE REPORT NO. 96–628

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. MELCHER I ask unanimous consent that there be a star print of Senate Report No. 96–628.

Mr. STEVENS. There is no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS AND CONSIDERATION OF CONFERENCE REPORT ON WINDFALL PROFIT TAX ACT OF 1980 TOMORROW

Mr. ROBERT C. BYRD. Mr. President, on tomorrow after the orders for the recognition of Senators have been disposed of, I ask unanimous consent that there be a brief period for the transaction of routine morning business not to extend beyond 30 minutes with Senators being allowed to speak 5 minutes each; following that period for the transaction of routine morning business, that the Senate resume its consideration of the conference report on the windfall profit tax.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move that the Senate stand in recess, in accordance with the previous order, until the hour of 10 o'clock tomorrow morning.

The motion was agreed to; and at 5:49 p.m., the Senate recessed until Friday, March 21, 1980, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate March 20, 1980:

UNITED NATIONS

Joan Edelman Spero, of New York, to be the Representative of the United States of America on the Economic and Social Council of the United Nations, with the rank of Ambassador.

INTER-AMERICAN FOUNDATION

The following-named persons to be Members of the Board of Directors of the Inter-American Foundation for the terms indicated:

David Bronheim, of Connecticut, for the remainder of the term expiring September 20, 1982, vice Carolyn R. Payton, resigned.

William G. Bowdler, of Florida, for a term expiring September 20, 1984, vice Viron P. Vaky, resigned.

NATIONAL COUNCIL ON EDUCATIONAL RESEARCH

Robert E. Nederlander, of Michigan, to be a Member of the National Council on Educational Research for the remainder of the term expiring September 30, 1980, vice Betsy Levin, resigned.

Robert E. Nederlander, of Michigan, to be a Member of the National Council on Educational Research for a term expiring September 30, 1983, (reappointment).

EXTENSIONS OF REMARKS

CARTER IRAN POLICY AT A STANDSTILL

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 20, 1980

● Mr. PORTER. Mr. Speaker, during the course of my campaign for Congress in the special election in Illinois this fall and winter, I steadfastly refused to criticize the President in his handling of the hostage crisis in Iran. I have also refrained from criticism as a Member of Congress for the past 7 weeks. I have done so believing that neither a candidate nor elected official should attempt to second-guess the President on so delicate a matter where the lives of 50 Americans are at stake and where the President is doing all he can to save those lives and to bring the hostages home safely.

But, Mr. Speaker, I no longer see the President acting. I no longer see any avenues being approached through which the release of the hostages might be accomplished. Other than pursuing the matter in the International Court of Justice, which has no power to enforce its decrees, the Carter administration seems bankrupt of policy and paralyzed of action. This simply will not do, Mr. Speaker. There are many approaches that can be pursued and must be if we value not only the lives of these Americans but the lives of other diplomatic personnel who will be threatened or lost in the future unless we show we care enough to defend the Iranian hostages. The Chicago Tribune, in two editorials, and Joseph Kraft, in his column, have suggested some directions for our President to take:

[From the Chicago Tribune, Mar. 12, 1980]

Time for Sanctions in Iran

There is no longer any reason whatsoever to continue negotiating with Iran, a country whose leaders have compounded their violation of international law by breaking a series of promises made to the United Nations. The embassy kidnapers, with the support of a public declaration of Ayatollah Khomeini, refused to transfer the American hostages to the control of the apparently powerless government of Iran. They similarly refused to permit a five-man U.N. commission to pay a "humanitarian" call on the hostages as had been agreed when the commission was established.

The commission's mandate was proper, and it was proper for the United States to wait patiently for the mandate to be carried to completion. But now that the commission has departed from Tehran in failure, it is time to stop useless talking and begin applying sanctions that have been held in abeyance too long.

The sanctions should be tough and they should be international. Every nation that respects international law and desires friendly relations with the United States should immediately close its diplomatic and commercial offices in Tehran. Trade, including the purchase of oil, should be suspended. Iranian assets abroad should be frozen. Iranian embassies abroad should be closed, and Iranian diplomats sent home.

It may be too much to expect that many of America's putative allies will go along with sanctions that cause them serious inconvenience, but no U.S. diplomatic effort can be spared in wresting from them whatever support can be obtained. Iran has now defied the World Court and the U.N. as well as the U.S. Two of the commission members are from fellow Moslem states. Will they ignore this defiance?

The compelling reason for stern, immediate, comprehensive action against Iran is the condition of the hostages in the embassy. There is no certainty that all of them are well—or even alive. It is hard to imagine the psychological pressure they must be bearing, but it is enough that there have been reports of a suicide attempt by at least one of the hostages. It would be surprising if the terrible uncertainties of their incarceration have not produced more than one such attempt.

Another powerful reason for action is the opportunity the continuing crisis affords the Soviet Union to pursue its designs on Southwest Asia. One Iranian "government" after another has come to grief over its inability to settle the crisis. This has kept the country in a constant state of anarchy which the Soviets are bound to exploit.

Mr. Bani-Sadr tried the route of conciliation, and the United States and the U.N. went along with him. That would have been the easy way, but the ayatollah has rejected it. Now we must do it the hard way.

[From the Chicago Tribune, Mar. 14, 1980]

We've Waited Long Enough

The U.N. mission to Iran is in a shambles and U.S. Embassy hostages are still suffering the torments of imprisonment, yet the Carter administration can come up with no better policy than one of "watchful waiting." That is no policy. That is paralysis. It rests on the assumption that if we wait long enough, something may come along to get us out of this mess.

Patience was justified as long as what passes for Iran's government could hold out the hope of an early solution, but even that hope is now gone. The unlawful seizure of the embassy and its diplomats gradually drifts from crisis to permanence. The embassy with its implacable captors are becoming the only stable, permanent institution in a politically fragmented country. Governments come and go, but the captured embassy remains firm and unchanging.

Behind the wrought-iron embassy fence it has become business as usual. The guard shifts change regularly. The hostages go through their routine of enforced silence, every-other-day showers, and the constant, mind-destroying pressures of incarceration. The demonstrations have become as regular and ritual as the daily prayers. It is less an act of violence than a Kafkaesque bureaucracy.

This bizarre normality must be shattered. Iranians, from the ordinary people to the sickly old zealot at their head, must be made to realize that the kidnapers' criminality is harmful to their revolution and to the future of their country. Rather than waiting for another commission to be formed and another promise to be broken, the United States should be moving vigorously to obtain harsh international sanctions against Iran.

Our allies have not been asked, as yet, to impose a diplomatic and commercial quarantine upon Iran. So for them, too, this unprecedented violation of international law has become normal. Iranian embassies function normally in the world's capitals, including Washington. Ships unload at Iranian ports, planes land at Tehran's Mehrabad Airport, and trucks rumble over the long road from Europe.

To break this pattern of normality a shock wave of international revulsion must sweep across Iran. Embassies in Tehran, especially those of Islamic countries, must be closed or reduced to skeleton staffs. Trade must be curtailed, assets frozen, and Iranian diplomats expelled. Iranian President Abolhassan Bani-Sadr—who is being astute enough to see the damage being done to his country—must be able to show his people, his ayatollah, and the hostage-holders that their revolution is being discredited in the world instead of being vindicated.

It is no use waiting for the U.N. commission to return to Tehran. The members departed in a state of near-panic, with shouting fanatics shoving documents at them and chasing them to the airport on motor scooters. They must have feared that they, too, might become hostages in that insane capital. They will not be eager to return. .

Nor is there any point in waiting for elections that can only produce a parliament that will spend months in chaotic wrangling before any help can be given the hostages—months in which the mental health of the captives will continue to deteriorate.

So no more watching. No more waiting. Let us go to the civilized world and ask whether its leaders will help us save our people, or will they condone and thus in effect recognize the criminal institution in Tehran. There is only one honorable answer.

[From the Washington Post, Mar. 17, 1980]

Who's Conning Whom?

(By Joseph Kraft)

The latest bad news from Iran offers this country an opportunity to make a fresh start on the hostage problem. The administration can break off the negotiations, assert a new freedom to take ominous action and let Tehran begin to worry about what Washington will do instead of the other way around. But such a change would compromise the con game that has served Jimmy Carter's domestic political interests so well.

The con game consists of the notion—sedulously cultivated by the White House and the State Department flacks—that Iran is run by a bunch of crazy weirdos capable of doing anything at any time. Matters are so delicate, the argument goes, that only the president can manage the affair. To criticize Carter on Iran is to seem to be playing fast and loose with the lives of innocent Americans.

The Iranian political situation in fact is not a mad scene. If nothing else, there is a clear top man. Ayatollah Khomeini, and he alone, has the power to loose the hostages.

The ayatollah, to be sure, has political problems. He rules as the well-nigh divine

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● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

embodiment of a nationalist revolution. He has to keep the revolutionary fires burning bright to hold his followers behind him.

He is also the head of a semi-modern state heavily dependent on trade with the outside world. He has to maintain some people in government who can manage affairs and keep other countries interested in doing business with Iran.

The hostages have at all times been the plaything of that dual requirement. When they were seized back in November, the revolutionary flame was burning low in Iran. Troubles were breaking out on all the borders, and a moderate government under Prime Minister Mehdi Bazargan sought to assuage the difficulties by compromise. The seizure of the hostages, which the ayatollah set in motion and then endorsed, put an end to that season of mellowness. There was a new surge of revolutionary fervor. The Bazargan government was ousted. The ayatollah swept a referendum for a new Islamic constitution.

Briefly the United States threatened economic sanctions and some kind of military reprisal. The Iranians then surfaced with Secretary General Kurt Waldheim the idea of a United Nations tribunal to assess their compliants against the shah and the United States.

The Carter administration accepted the tribunal. Thereafter, working through President Abol Hassan Bani-Sadr, the ayatollah pushed the United States down a slippery slope where one retreat followed another.

First the United States implicitly accepted the principle of an international group sitting in judgment on the actions of past American presidents. Then it agreed that it would be appropriate that the tribunal be made up of Third Worlders and left-wingers sympathetic to the Iranian revolution. Then it accepted the idea that the commission would first look into Iranian complaints and then take up the affair of the hostages. Finally, it accepted the principle that the ultimate release of the hostages would be up to a parliament that has not even been elected.

Having won point after point after point, the ayatollah refused even to let the commission see the hostages. In desperation, the commission left Iran. Now time is out, and a new course is possible.

Breaking off the negotiations is the obvious course open to the United States. Washington could then sit back, arms folded, and say that since the Iranians had violated normal diplomatic rules in the most flagrant manner, there could be no further dealing until the hostages had been released. Simply by that step, the administration would at least arrest the steady erosion of the American position. It would end the automatic, and costless, accretion of more and more power to the ayatollah.

Pressures, though better had they been applied earlier, could still be brought to bear. International transfer of funds can be made more difficult. Distribution of essentials inside the country could easily be sabotaged.

The mere threat of such measures would make the ayatollah and those around him feel the backs of their necks. Third countries—notably the Europeans and Japan—dependent on oil from Iran would carry the message that all kinds of trouble was in the offing unless the ayatollah became a little more reasonable.

Unfortunately, such a change cannot come easily to the administration. The president would have to admit in mid-campaign that he has had no strategy for Iran except appeasement. He would have to acknowledge that he has been the principal dupe of the Iranian con game.●

STANDBY FEDERAL EMERGENCY ENERGY CONSERVATION PLAN—PROPOSED BAN ON POWERBOATS COUNTERPRODUCTIVE

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 20, 1980

● Mr. DANNEMEYER. Mr. Speaker, together with many of my constituents, I oppose the Department of Energy's proposed restriction on recreational watercraft under the standby Federal emergency energy conservation plan. This proposal extracts a high cost from the communities and jobs of this one industry for a very little and disputed benefit in motor-fuel savings.

The rationale for this measure is weak. Estimated energy savings cited in the 1978 Coast Guard study—used in this proposal—are now disputed by a 1979 Department of Transportation study which finds that those figures are high by half. Where the 1978 study estimated that each powerboat would consume 350 gallons per year by 1981, the estimate is now projected at 180 gallons per year. And that figure is disputed by industry data. This means that at best this measure would reduce national fuel consumption by less than 1 percent.

Indeed, the project manager at MIT, whose group constructed this and other measures in this proposal, admitted to one of my aides that the principal issue here is not fuel savings but equity.

Let us look then at how equitable this measure is. We need look no further than the proposal's "Key Impacts" section which states that this measure would "severely impair the economic stability of marinas, boatyards, and retailers. * * * The manufacturing industry * * * a very large number of small firms * * * could be seriously injured. In some cases entire towns are dependent upon such business for their economic survival."

It seems to be a clean sweep. The fact that this measure is a proposal at this time and would be optional with the States and the President if finalized, does not lessen the potential for jeopardy to this industry. The possibility for the legalized sinking of this industry would be nevertheless cast in regulatory concrete.

Let this be clear. This is not a brief approving of 40-foot pleasure boats cruising around in the middle of a serious energy crisis. If the owner wants to spend his ration coupons—if it comes to that—on a cruise, so be it. But this proposal, in its misguided symbolic intent, reaches beyond the boatowner and attacks an entire industry, the jobs, services and communities that make up that industry.

There is a sigh of frustration in the proposal's statement that this measure "has an important symbolic purpose." Symbolism is the last resort of ineffective policies. Basically this measure has not been thought through very well. How do you enforce it? By increasing local taxes to pay for additional police in new helicopters to daily patrol thousands of lakes? How much fuel would they burn up?

This proposal is fatally flawed. It can only be improved by being removed. This measure only succeeds in giving conservation a bad name. It reinforces the popular image of conservation as a symbolic effort, as sacrifice without result or as sacrifice for someone else's ideals. For that reason alone, this measure should be judged counterproductive to the intent of a true conservation program and should be dropped.

In a crisis, the American people respond. In fact, we have cut fuel consumption in this country. The best conservation measure relies on the American people, the leadership of communities, and an economic system free enough to respond.●

AMERICAN PEOPLE HAVE HAD ENOUGH

HON. LARRY J. HOPKINS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 20, 1980

● Mr. HOPKINS. Mr. Speaker, the American people have told us time and time again that they want a balanced budget, that they desperately need a cut in their personal income taxes, and that the relentless pressure of inflation is dragging them under the surface one paycheck at a time. Finally, it seems the President had heard their call.

But no, read his speech again. The President has not at last begun fighting the fires of inflation, he has simply called on America's taxpayers to fight an even greater share of the battle.

Look at the numbers: Taxes are up over last year, so are Government spending and Federal regulations, in the form of consumer credit controls. We have even been given a totally new tax to pay: A 10-cent levy on gasoline. In fact, the only thing we can be sure will be going down this year is the "real" after-tax income of American families. This is a sham.

The President is not balancing the Federal budget, the taxpayers are; and in my opinion, they will not stand for it.

They are tired of tightening their belts so the bureaucrats can loosen theirs. During the last 10 years the after-tax income of the average family has actually dropped by 2 percent. During the same 10-year period, Federal spending has not only outpaced inflation, it has tripled.

The President tells us he has taken tough steps, but he has not. He has given up and thrown the ball back into the taxpayers' court with this message: "Don't produce, don't consume, don't save, just pay more taxes." Mr. President, we have had enough.●

THE MIDDLE EAST CRISIS

HON. DAVID R. OBEY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 20, 1980

● Mr. OBEY. Mr. Speaker, I have been known in the past to speak out when Israel made mistakes in the conduct of its policy on the West Bank and probably will do so again.

However, I believe that it is a mistake for the European governments to short circuit Camp David by giving the PLO instant legitimacy without giving the Camp David process a chance to work and without receiving anything from the Palestinians in return.

Stephen Rosenfeld, in a recent article on the subject in the Washington Post, points out that both the PLO and Israel must depart from their recent position if peace negotiations are to have any chance for success.

The article also emphasizes that the Europeans would make a significant mistake if their actions make inevitable a lack of progress in the Camp David negotiations without having any firm, achievable alternative to replace that process, and none now is in sight.

I think that Mr. Rosenfeld's article is accurate and insert it in the RECORD:

THREE BLOWS

The fuss at the United Nations conceals the true dimensions of the crisis building in the Middle East. Its basis is that the Camp David agreement, once thought of as the single diamond in President Carter's crown, may be turning to paste, and nothing is now available to replace it.

Camp David is staggering from three blows. Carter delivered the cruelest by approving a Security Council resolution that prejudges the central issue—the "final status" of the West Bank—that under Camp David was to be negotiated by the parties over a five-year period once "autonomy" had been established.

In a vote whose real effects are scarcely softened by the administration's subsequent about-face, the United States publicly accepted that the land in question is "Palestinian" and that Israeli settlements should be dismantled—and that Jerusalem should be redivided.

Thus has the administration invited all Palestinian and Arab bargaining from here on in to *start* from those positions. Why would any Palestinian negotiator now agree to "pay" Israel, in, say, recognition and security—which is the way Israel should be paid—to retreat to positions that Israel's sole patron has already yielded? This goes to the fundamentals of negotiating. How could Cyrus Vance not have understood something so elementary?

The second blow to Camp David is, of course, the one Menachem Begin has been delivering by his West Bank settlement policy from the day Camp David was signed. Inexcusably, Jimmy Carter never nailed Begin down on this issue, so he has been an accessory to an Israeli policy that, even while pledged formally to hold open the "final status" of the West Bank, has steadily compromised that pledge. The administration only compounded the damage by its ham-handed catch-up efforts at the United Nations.

Begin's response was to replace the departed foreign minister, Moshe Dayan, a man promising imaginative exploration of the possibilities lying between the lines, with Yitzhak Shamir, a neanderthal who voted against both Camp David and the peace treaty with Egypt.

The third blow is currently being prepared by the West Europeans, led by the craven French. France would give the PLO the status and recognition it seeks without asking the PLO to make even faintly matching concessions in return. The British formula for a new U.N. resolution is cut from the same cloth.

The European approach cuts directly across the Camp David effort to draw West Bank and Gaza Palestinians into a give-and-take negotiation. It can only help spoil what slight chances remain for Egypt and Israel to pick up the pace of the autonomy talks by the "target date" of May 26. The Europeans, who speak for many in the American bureaucracy, insist that these talks are doomed. They are helping doom them.

In a situation in which everyone has acted badly, the temptation is to take it out on one party. This is what the administration did at the United Nations. Any Arabist worth his salt can justify it and make the case that, in the face of a stalemate, there is geopolitical cause to show sympathy for the PLO, even if no real results flow from it.

I would argue, however, that policy should offer at least some delivery on the Camp David promise to fit the Palestinians into a Middle East peace. The Camp David consensus, always fragile, is buckling. But nothing is at hand to replace it. That should sober serious people. It should make them more, not less eager to squeeze drops of progress out of the autonomy talks. It should interest them in effective ways, not self-defeating ones, to get Israel to reverse its destructive settlements policy. It should quicken the search for ways to draw the Palestinians—that means the PLO, in one form or another—into negotiations.

With Israel in negotiations and the Palestinians not, all attention gets put on forcing changes in the Israeli position. Seeing this, Palestinians avoid negotiations, which necessarily bring painful internal conflicts. Begin understands: he may prefer stalemate, even confrontation with the United States, to real negotiations with Palestinians. But the American interest still lies in drawing Palestinians in—not French style, kissing their hand, but pressing them to make the kind of rending changes that the Israelis must make, too.

This cannot be done by May 26, nor by Nov. 4. Probably it cannot be done by Begin, perhaps not by Carter. But it is the only thing in the Middle East worth trying to do and meanwhile there is no point in making things worse.●

FEDERAL FINANCIAL ASSISTANCE TO MINORITY HEALTH PROFESSIONS EDUCATIONAL INSTITUTIONS

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 20, 1980

● Mr. CARTER. Mr. Speaker, as the Congress begins consideration of the reauthorization of various health professions education assistance programs, I believe special attention should be given to the financial problems of minority schools and schools which have significant enrollments of students from disadvantaged backgrounds.

While the financial problems of some health professions education institutions have reached crisis proportions, I believe that minority schools are among the most vulnerable to these problems. Moreover, the financial difficulties of some of these schools are deeply rooted and do not appear susceptible to short-term solution. Because it is essential in my view to have a balanced representation of all economic, ethnic, and racial backgrounds enrolled in our health professions schools and serving in our health manpower work force, I believe we must do all we can to help these schools remain viable.

Today I am introducing legislation that revises and expands existing law's authority to provide Federal support to schools in financial distress. To date, several schools have been receiving assistance under existing authorities, but it has been apparent that the level of available funding is not sufficient to resolve these problems. Under this proposal, financial distress grants would be available to any school of medicine, osteopathy, dentistry, or public health in serious financial need, but special consideration shall be given to such schools that have significant enrollments of students from ethnic or racial minorities, or from low-income families. In addition, this proposal would authorize annual appropriations of $25,000,000, up from $10,000,000 in current law; provide a 5-year authority instead of 3 in current law; provide that the amount of subsequent year grant awards could be the same as the initial grant; and provide multiyear grant authority with advance funding.

Mr. Speaker, I have introduced this legislation for consideration by my colleagues as one approach designed to help preserve and strengthen our minority health professions educational institutions. Other proposals have been introduced in the Senate which deserve careful consideration. I look forward to working with the members of the Health and Environment Subcommittee to develop the best possible solution to this pressing problem.●

PEASE VOTING RECORD

HON. DONALD J. PEASE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 20, 1980

● Mr. PEASE. Mr. Speaker, it has become my practice to periodically list in the CONGRESSIONAL RECORD the key votes I have cast in the U.S. House of Representatives.

This list of my key votes is arranged as follows: Each item begins with the rollcall number of the vote, followed by the number of the bill or resolution, and a description of the question on which the vote was taken. This is followed by my own vote on the issue, either "Y" (for "yes"), "N" (for "no"), or "NV" (for "not voting"). Finally, the vote of the entire House of Representatives is indicated by "passed" or "rejected," followed by the yea-nay vote totals.

The list printed here includes key votes taken between August 2, 1979, and the end of the 1st session of the 96th Congress on December 20, 1979.

KEY VOTES

446. HR4473. Passage of the bill to appropriate $7.7 billion for foreign aid programs in FY80. Y, passed 224-183.

447. HR3236. Passage of the bill to revise the Social Security Disability Insurance program by placing a cap on the amount of benefits received by workers who become disabled in the future and providing additional assistance to disabled workers who attempt to return to work. Y, passed 235-162.

462. HR4040. Amendment to delete the provision in the bill as reported by the Armed Services Committee requiring mandatory draft re registration and providing for a presidential study of the issue. Y, passed 259-155.

465. HR4040. Amendment, as a substitute for the committee amendment, to authorize $1.8 billion for an oil-power aircraft carrier instead of $2.1 billion for another nuclear-powered carrier. N, rejected 96-309.

467. HR4040. Amendment to delete $670 million for development of the M-X missile. N, rejected 86-305.

472. HR4040. Passage of the bill to authorize $41.45 billion for FY80 weapons procurement, military research and civil defense programs. Y, passed 282-46.

484. HConRes186. Amendment to increase 1980 defense spending to $141.2 billion in budget authority and $129 billion in outlays (an increase of $3 billion and $400 million respectively over the levels recommended by the House Budget Committee). N, rejected 191-221.

485. HConRes186. Amendment to decrease budget authority and outlays by $550 million, respresenting elimination of funds included in the budget for anti-recession fiscal assistance programs for state and local governments. Y, rejected 183-220.

488. HConRes186. Adoption of the amended concurrent resolution to set 1980 budget totals as follows: budget authority, $631.8 billion; outlays, $548.6 billion; revenues, $519.2 billion; and deficit, $29.3 billion. Y, rejected 192-213.

505. HJRes404. Passage of the joint resolution to continue appropriations for existing programs, through December 31, 1979—the end of the first quarter of FY80, of federal agencies for which appropriations bills had not been enacted before Ocotober 1, 1979, and to raise pay 5.5 percent for members of Congress (to $60,662.50 from 57,500), federal judges and other top-level federal workers. Y, passed 208-203.

506. HR4034. Amendment to allow exports of Alaskan oil in exchange for oil imports from Mexico unless the major oil-producing nations impose severe restrictions on the export of oil to the United States. N, rejected 61-340.

509. HR111. Adoption of the conference report on the bill to implement the Panama Canal treaties, by establishing a Panama Canal Commission and providing for the operation and maintenance of the canal through 1999. Y, passed 232-188.

511. HR5369. Passage of the bill to increase the public debt limit to $879 billion through May 31, 1980. Y, passed 219-198.

513. SConRes36. Substitute amendment to establish the following budget totals for FY 80; budget authority, $631.8 billion; outlays, $548.2 billion; revenues, $519.3 billion; and deficit, $28.9 billion. Y, passed 212-206.

515. S210. Adoption of the conference report on the bill to create a new cabinet-level Department of Education. Y, passed 215-201.

532. HR5224. Motion to suspend the rules and pass the bill to prohibit the Treasury Department from issuing final regulations governing taxation of fringe benefits or commuting expenses until June 1, 1981, and to extend a special rule for taxation of state legislators' travel expenses until January 1, 1981. Y, passed 347-14.

536. HJRes413. Amendment to prohibit use of federal funds for abortion except where the life of the mother would be endangered, or in cases of reported rape or incest, or where two physicians certified that the continued pregnancy would cause severe and long-lasting physical damage to the mother. Y, rejected 162-234.

548. HR3000. Amendment to prohibit use of funds appropriated by the bill for expenditures related to lifting price controls on certain types of domestic crude oil. N, rejected 135-257.

551. HR3000. Amendment to prohibit the use of funds to allocate or control the price of gasoline. N, passed 191-188.

553. HR3000. Amendment, to the Gramm, D-Texas, amendment, to authorize the president in an emergency to reimpose the gas allocation system and price controls. Y, rejected 182-191.

567. HR2061. Passage of the bill to create a National Institute of Justice and a Bureau of Justice Statistics to handle the research and statistical functions of the LEAA and authorize $800 million annually for FY80 through FY82 for the three agencies. N, passed 220-54.

568. HR5288. Motion to suspend the rules and pass the bill to revise the vocational rehabilitation program for disabled veterans, to allow the Veterans' Administration to release information to private debt collection agencies, and to make changes in the administration of GI Bill educational benefits. Y, passed 405-1.

577. S832. Amendment to (1) limit the amount a House candidate may receive from political action committees (PAC) during a two-year election cycle to $70,000 and to $85,000 if the candidate also faced a runoff election; (2) limit the amount a PAC could contribute to a House candidate to $6,000 for primary and general elections combined, and $9,000 for a primary, runoff and general election; and (3) prohibit a House candidate from using campaign funds to repay a personal loan of more than $35,000 from the candidate to his campaign. Y, passed 217-198.

594. HR3000. Amendment to require the Energy Department to acquire and share with the public information on the oil company activities. Y, passed 264-143.

595. HR3000. Amendment to prohibit the use of funds to allocate or control the price of gasoline. N, rejected 189-225.

603. HJRes430. Passage of the joint resolution to make a $1.35 billion FY80 supplemental appropriation to help poor people pay their heating bills, to be distributed by the Department of Health, Education and Welfare and the Community Services Administration. Y, passed 290-105.

606. HR4955. Passage of the bill to authorize $207.3 million in FY80 and $203.6 million in FY81 for assistance to refugees, and $30 million in FY80 for emergency aid to relieve starvation in Cambodia. Y, passed 301-69.

610. S428. Adoption of the conference report on the bill to authorize for FY80 an active duty military force of 2,051,700 and $41.39 billion for Department of Defense military procurement programs, including $27.8 billion for procurement, $13.5 billion for research and development and $106.8 million for civil defense. Y, passed 300-26.

623. HR4985. Amendment to eliminate the authority of the Energy Mobilization Board to waive substantive laws. Y, rejected 153-250.

624. HR4985. Passage of the bill to establish an Energy Mobilization Board to expedite construction of priority energy projects. N, passed 299-107.

634. HR4904. Passage of the bill to establish a national minimum welfare benefit, require states to provide coverage to unemployed two-parent families with children reduce state costs, and make administration changes designed to reduce benefits to some recipients. Y, passed 222-184.

637. SConRes36. Motion to approve binding FY80 budget levels recommended by Senate-House conferees, but excluding Senate reconciliation instructions that directed various committees to achieve $3.6 billion in spending cuts (the conference version of the resolution set the following budget levels: budget authority, $638 billion; outlays, $547.6 billion; revenues, $517.8 billion; and deficit, $29.8 billion). Y, passed 205-190.

640. HR4167. Passage of the bill to extend until September 30, 1981, the requirement that the price of milk be supported at not less than 80 percent of parity (parity is an index designed to maintain farmer's buying power at the same level as the 1910-14 base period). Y, passed 310-64.

648. HR4930. Motion that the House concur in a Senate amendment with an amendment to specify a formula weighted toward states with colder weather to be used to distribute $1.35 billion in fuel assistance funds to the poor. Y, passed 182-103.

651. HR5461. Motion to suspend the rules and pass the bill to designate January 15, Martin Luther King Jr.'s birth date, a legal public holiday. Y, rejected 252-133.

655. HJRes440. Amendment to prohibit the use of any funds provided in the resolution for military or economic aid to Iran. Y, passed 379-0.

665. HR2063. Passage of the bill to extend public works and development financing programs for economically depressed areas for two years, through FY81; authorizing regional development commissions to replace the existing system of regional action planning commissions; extend the Appalachian Regional Development Act; and establish a standby local public works program to be activated in periods of high unemployment. N, passed 301-99.

666. HR2313. Amendment to prohibit the Federal Trade Commission from regulating the funeral home industry. N, passed 223-147.

668. HR2626. Substitute amendment, to the Commerce Committee substitute, to establish for three years a national study commission on hospital costs, and to authorize $10 million in FY80 and sums as needed for FY81-82 to state hospital cost control programs. N, passed 234-166.

669. HR2626. Passage of the bill to create a national study commission on hospital costs, and to authorize $10 million in FY80 and such sums as needed in FY81-82 for grants to state hospital cost control programs. Y, passed 321-75.

683. HR2313. Passage of the bill to authorize the operations of the F.T.C. for FY1980-1982, with a one-House legislative veto of agency regulatory proceedings. Y, passed 321-63.

687. SConRes53. Adoption of the resolution setting binding budget levels for FY1980 (Budget authority, $638 billion; out-

lays, $547.6 billion; revenue, $517.8 billion; deficit, $29.8 billion). Y, passed 206-186.

693. HR2608. Amendment to put a moratorium on NRC issuance of nuclear plant construction permits until April 1, 1980. N, rejected 135-254.

711. HR5870. Udall motion to suspend the rules and pass the bill to improve the second career training program for air traffic controllers. Y, rejected 200-180. (A two-thirds majority is needed in order to pass bills brought up under suspension of the rules.)

721. S423. Passage of the bill to authorize $10 million annually for FY1980 through FY1984 for a federal grant program to help states develop local systems to settle minor domestic and consumer disputes and to authorize $1 million annually for the same time period to create a dispute resolution resource center within the Justice Department. N, passed 207-195.

725. HR2977. Passage of the bill to establish a new, three-year program authorized at a total of $65 million, for grants to states and local efforts to prevent domestic violence and aid its victims. Y, passed 292-106.

739. HR5980. Amendment to reduce the targeted fiscal assistance program from $250 million to $150 million. Y, passed 184-153.

740. HConRes221. Passage of the resolution calling for appropriate financial compensation for the U.S. hostages being held in Tehran. Y, passed 369-4.

746. HR5860. Passage of the bill to authorize $1.5 billion in loan guarantees to the Chrysler Corporation. Y, passed 271-136.●

SUMMER OLYMPIC GAMES

HON. BALTASAR ÇORRADA

OF PUERTO RICO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 20, 1980

● Mr. CORRADA. Mr. Speaker, I would like to insert in the Record a resolution approved on the 19th day of February 1980 by the municipal government of Juana Diaz, P.R., endorsing the request by the President of the United States of America and the Governor of Puerto Rico to not participate in the summer Olympic games to take place in Russia.

As the elected representative of the people of Puerto Rico in Congress, I commend all of those who in one way or another take a stand in censuring the intervention of Russia in Afghanistan.

Resolution No. 41

COMMONWEALTH OF PUERTO RICO, MUNICIPAL GOVERNMENT OF JUANA DIAZ—SERIES 1979-80 OF THE MUNICIPAL ASSEMBLY OF JUANA DIAZ, P.R., TO ENDORSE THE REQUEST BY THE PRESIDENT OF THE UNITED STATES OF AMERICA AND THE GOVERNOR OF PUERTO RICO TO NOT PARTICIPATE IN THE SUMMER OLYMPIC GAMES TO TAKE PLACE IN RUSSIA

Inasmuch as the intervention of Russia in Afghanistan is humiliating for that nation and defiant of other nations;

Inasmuch as the United States has passed over many challenges, especially from radical countries. That policy has led to the fact that some countries lack respect for the great American Nation;

Inasmuch as the nonparticipation of the United States in the Olympic games to be held this year would be a diplomatic way to show the feelings of the American people to those countries;

Inasmuch as President Jimmy Carter's position has been endorsed by famous athletes and faithful believers in sports, such as Mohammed Ali (Cassius Clay), the U.S. Olympic Committee and the Government of Canada;

Inasmuch as day by day other countries are joining the boycott, China being the last of them;

Inasmuch as in his recent message to the legislature the Governor of Puerto Rico, Hon. Carlos Romero Barcelo, expressed himself along that line;

Inasmuch as this assembly, as part of the system of Government of the United States, wants to support the position of our President and our Governor: Therefore the Municipal Assembly of Juana Diaz, P.R.

Resolves That section 1: To endorse the request of the President of the United States of America and the Governor of Puerto Rico to not participate in the summer Olympic games to be held in Russia.

Section 2: This resolution will go into effect immediately upon its passage.

Section 3: In the event that this resolution is finally approved, a copy will be sent to the President of the United States, the President of the Senate, the President of the House of Representatives, the Administrator of Muncipal Services, the Olympic Committee of Puerto Rico and the Office of Public Parks and Recreation.

José Joaquín Rodríguez,
Mayor.
Pedro A. Colón Santiago,
President, Municipal Assembly.●

NICARAGUAN GOVERNMENT BLASTS $75 MILLION U.S. LOAN

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 20, 1980

● Mr. BAUMAN. Mr. Speaker, I hope my colleagues will read the Nicaraguan news dispatches concerning the proposed $75 million U.S. loan to that country. Unfortunately, these were not isolated examples of the Sandinistas' view of our loan to them. Here are a few more examples of the view the Sandinista-Nicaraguan government takes of the loan, and the kind of half-truths and propaganda to which the Nicaraguan people are being subjected at the expense of the United States:

Radio Sandino Reports on U.S. Loan Approval

(Managua Radio Sandino, February 28, 1980)

[Text] The U.S. House of Representatives has approved the $75 million loan to Nicaragua. We reiterate that this loan should be granted with no conditions attached.

The Voice of America reported not long ago that the U.S. House of Representatives had approved the $75 million loan to the Nicaraguan government. The radio station did not say that the United States had placed any conditions on granting the loan. During the secret meeting held by the House of Representatives, the reactionary sectors—friends of Somoza who work in complicity with the CIA—were trying to place conditions on the loan.

Our people, government and vanguard—the Sandinist National Liberation Front—have said many times that the only condition we accept in receiving this loan is that no conditions be attached to it. We have also said that the Sandinist revolutionaries do not sell out or surrender.

Barricada Criticizes U.S. Handling of Loan

[Text] Managua, February 28—The way the U.S. Congress handled the $75-million loan to Nicaragua, approved yesterday after several postponements and secret sessions, is described today by the Sandinist paper Barricada as "a new form of intervention."

The editorial of the official mouthpiece of the Sandinist National Liberation Front (FSLN), "Hands Off Nicaragua," begins with a quote from Gen. Augusto Cesar Sandino which states: "All foreign intervention in Nicaragua's domestic affairs brings only a loss of peace and the wrath of the people."

The paper notes that the United States agreed to establish a new kind of relationship with the Nicaraguan people based on mutual respect and the self-determination of this country, and that several U.S. representatives who visited Managua promised they would not permit further intervention of any kind.

"However," Barricada says, "The House of Representatives is endorsing new formulas for intervention in Nicaragua by discussing in 'secret' a report by CIA spies on alleged 'communist infiltration' into our country." The paper adds: "That, gentlemen, is purely and simply a form of intervention in our internal affairs, because the CIA is not just an information agency; it is a center for hatching plots and destabilization plans like those which led to the overthrow of Mossadeq in Iran (1952), Arbenz in Guatemala (1954), the Dominican Government (1965), and Allende's Popular Unity government in Chile (1973), just as it intervened against Lumumba and Cabral in Africa, Sukarno in Indonesia and many other Third World leaders, including the glorious Cuban revolution."

After saying that the U.S. Congressmen "reserve the right to endorse CIA intervention in Nicaragua," Barricada challenges President Carter's government to publish the CIA report.

"Let them release the names of their agents in Nicaragua and the content of their plans, which, given that agency's history, must be designed to destablilize us," the paper adds. Barricada says: "Let our security forces not be considered aggressive for arresting their agents here and subjecting them to the full weight of the law."

According to Barricada, the reactionary members of the U.S. Congress discussed amendments that violate our national sovereignty "for the loan (not gift) of $75 million. The only acceptable condition is that there be no conditions," our leaders have said, and all the people of Nicaragua agree. We do not accept subtle forms of intervention. We are not a colony of the United States," the newspaper states.

Barricada recalls that on a recent trip to the United States, Sandinist commanders Jaime Wheelock and Victor Manuel Tirado said: "We have economic needs, but we would be prepared not to receive a single dollar in exchange for respect for the right of self-determination, not only of Nicaragua, but of all Latin America."

The editorial concludes with a quotation from Tomas Borge, the influential interior minister and member of the FSLN Directorate: "We can be excellent friends, but also excellent enemies."

BAYARDO ARCE COMMENTS ON U.S. CONDITIONS FOR GRANTING LOAN

(Paris AFP, Feb. 29, 1980)

[Text] Managua, February 28 (AFP)—The conditions established by the U.S. House of Representatives for granting Nicaragua a $75-million loan were termed absurd by Commander Bayardo Arce of the Sandinist National Liberation Front National Directorate.

Arce stated that the conditions that the money not be used to pay Cuban personnel and that freedom of the press be maintained in Nicaragua are as childish as asking us not to assemble a rocket to go to the moon.

The Sandinist leader remarked that the loan, approved on Wednesday by a margin of five votes during a secret session of the U.S. House of Representatives, has lost its political value.

He also maintained that the conditions that were imposed were the last desperate effort of the U.S. Central Intelligence Agency (CIA) to intervene in the domestic affairs of Nicaragua. Arce also said that the U.S. espionage agency is currently conducting large-scale work in Nicaragua through elements of the extreme left, the extreme right and labor union leaders. The presence of the CIA in Nicaragua, he said, is confirmed through the determination of U.S. Representative Robert Bauman to keep the discussion of the loan secret.

We have some specific portions of the CIA's plan to destablize the economic recovery and to stop the flow of aid to Nicaragua, he said. A special law is being prepared that would bring to trial any national or foreign agent at the service of espionage agencies of other countries and which will be considered a serious crime against the revolution, Arce concluded.●

GRAIN EMBARGO AND ECONOMIC SANCTIONS

HON. JIM MATTOX

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 20, 1980

● Mr. MATTOX. Mr. Speaker, when President Carter, in response to the Soviet invasion of Afghanistan, proposed a grain embargo and other economic sanctions, including the curtailment of high technology exports to the Soviet Union, I supported him wholeheartedly.

I felt that if we demonstrated the will to uphold these sanctions, then Soviet economic growth would be slowed. We would also have the satisfaction of knowing we were not helping to establish any more truck factories like Kama River that ended up producing military vehicles used in the assault of Afghanistan.

The sanctions should be painful enough to produce in the Russian people a strong feeling of dissatisfaction, even revulsion, with the aggressive policies their Government is pursuing to the detriment of their country's welfare.

I was keenly disappointed to learn in January that the Commerce Department had drafted proposals to provide a very large number of exemptions to various business for the export of high technology goods to the Soviet Union, despite the administration's ban. In the Commerce Department, it seemed to be business as usual.

It was heartening, then, when administration officials were quoted this week as saying they were ready to take a tougher posture on the control of exports to the Soviet Union. I welcome this news, because sanctions without teeth are worse than no sanctions at all.

The entire problem of technology transfer—the military and economic ramifications—deserves closer scrutiny. I have touched on some of the areas that concern my constituents and me in the following letter to the Deputy Administrator of NASA, Dr. Alan M. Lovelace:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
March 19, 1980.

DR. ALAN M. LOVELACE,
Deputy Administrator, Code A, National Aeronautics and Space Administration, Washington, D.C.

DEAR DR. LOVELACE: Our meeting the other day about the space shuttle was most informative and I enjoyed it. However, I am perturbed about the possibility that the technological advances made by NASA can fall into the hands of the Soviet Union. This would be to our disadvantage not only because it might give them an edge in military superiority but also because of the economic benefit that might accrue to them at our expense.

I am all for stimulating our international trade and export capabilities but I don't think the way to do this is to make available the fruits of American technology for the whole world to harvest.

I am especially sensitive to this because a high technology industry in my district recently filled a contract it had with the National Science Foundation, through the Associated Universities Incorporated (AUI), to build a number of uniquely designed telescopes. This project was funded largely by the U.S. government and partly by the industry. The project was so successful that foreign scientific communities requested and were supplied with copies of the design and engineering of the telescopes—at no cost. Had this not been done, the American industry could have manufactured them at home for sale abroad.

Because of cases like this, I think there is a need to redraw the line between spreading scientific advances around for the benefit of all mankind and giving away technology that, properly exploited, could provide jobs for Americans and tilt the balance of trade, now running at a deficit of about $30 billion a year, in our favor.

In other words, it seems that in many instances we are giving away technological know-how to our industrial competition or—we are sharing it one way or the other with the Soviet Union where it will be diverted to military use.

The administration just recently indicated its intentions to impose tough new controls limiting the export of high technology products and industrial know-how to the Soviets. These restrictions will also be proposed to our NATO allies and Japan, through the Coordinating Committee on Export Controls (COCOM). Their cooperation will be essential if any policy of export control is to be effective. It's quite possible we won't get their cooperation, and the effects of the trade embargoes imposed as a result of the Afghanistan invasion will be negated.

But with or without allied cooperation, we can tighten our own policies. NASA would be a good place to begin. The chartering legislation for NASA provides, under Section 203(a)(3) "for the widest practicable and appropriate dissemination of information concerning its activities and the results thereof."

This kind of unrestricted dissemination can harm us militarily and economically. Unfortunately, "one giant step for mankind" was not quite giant enough to distance us from the sound of marching armies and rolling tanks.

In light of present world conditions and new tensions, we have to re-examine our previous openness. We have been too forthcoming for our own good. I would be very interested in having your opinion on the best way to go about protecting the national interest by seeing that the advances we make in space age technology do not end up in the hands of the Russians. If it is going to take legislation to accomplish this, I would be pleased to have your recommendations.

Sincerely,

JIM MATTOX.●

THE VITAL NEED FOR A NEW BOMBER

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 20, 1980

● Mr. KEMP. Mr. Speaker, in June 1977, the Carter administration elected to cancel production of the B-1 bomber, though it retained the option to restart B-1 production if the international climate worsened. In the intervening years, the magnitude of the Soviet threat has worsened considerably to the point where essential equivalence can no longer be maintained at its 1977 level, as current policy requires, even if the MX ICBM, the air-launched cruise missile, and the Trident I missile are deployed at their current schedule.

According to testimony by the Commander of the Strategic Air Command widely reported in the press, only a new bomber can meet the requirements of essential equivalence during the early 1980's. As a consequence, there has been a revival of interest in a restart of B-1 production to meet the shortfall in our deterrent forces.

A book published in 1977 by Francis P. Hoeber entitled, "Slow to Take Offense" by the Georgetown University Center for Strategic and International Studies was a landmark study of the policy issues surrounding the manned bomber. A second edition of this volume has now been published reflecting the considerable changes in the international environment that have emerged since that time. The author's preface provides a useful guide to the major policy issues concerned with the manned bomber controversy, and deserves careful consideration as the Congress reviews the appropriateness of the administration's fiscal year 1981 defense budget requests.

Mr. Hoeber's preface follows:

SLOW TO TAKE OFFENSE: BOMBERS, CRUISE MISSILES, AND PRUDENT DETERRENCE

AUTHOR'S PREFACE TO SECOND EDITION

The first edition of Slow to Take Offense, in February 1977, was intended to be a contribution to the debate on the B-1, the cruise missile, and a potential cruise missile carrier. On June 30, 1977, the President announced his decisions to cancel the program to procure the B-1 bomber and to deploy the air-launched cruise missile, initially on existing B-52 bombers and possibly later on a to-be-developed cruise missile carrier. These decisions appeared to make the issues addressed in this volume moot. The President added, however, that the B-1 research, development, and test program should be continued and that "if at the end of a few years the relations with the Soviets should deteriorate drastically, then it may be necessary for me to change my mind."[1]

Since those 1977 decisions, it is clear that relations with the Soviets have deteriorated drastically, indeed dramatically, in two ways:

1. In the short run: most notably in the Middle East, in the brutal Soviet invasion of Afghanistan, meddling in Iran and Saudi Arabia, and supporting the PLO, South Yemen, and, now, North Yemen. There has also been continued interference in many parts of Africa, plus defiant actions ranging from "internal exile" of Sakharov to forcing President Carter to back down in the confrontation over an armed brigade in Cuba.

2. In the longer run: in the continued deterioration of the strategic nuclear balance in the early 1980s, because of both the continued Soviet buildup and continued delays in U.S. programs.[2]

It is therefore more important than ever to modernize the airborne leg of the Triad of U.S. strategic offensive forces. This second edition of Slow to Take Offense is intended to contribute to the reevaluation of ways to restore our strategic position. We have chosen not to delay issue of the second edition by the writing and production time that would be required for a revised edition. The basic arguments and even most of the details have remained valid.[3] The most significant changes since the first edition appeared have been:

1. Serious delays in the cruise missile program, primarily because of failures in the testing of both of the missiles being considered;

2. Difficulties and delays in the development of a B-52 modification to a cruise missile carrier, estimated costs of $12-20 billion for such modification, and virtual abandonment of the alternatives of a stretched FB-111 or a wide-bodied transport as a cruise missile carrier;[4]

3. Significant developments in the continued B-1 R&D program:

a. An immensely successful test program with the four airplanes actually built;

b. Development of a family of aircraft, derived from the B-1 design, utilizing a "core" of common elements that permit taking advantage both of the $5.9 billion of past ("sunk") R&D expenditures on the basic B-1 (which would have to be repeated and exceeded to develop a new bomber and a new cruise missile carrier) and of the "learning curve" savings on the bulk of the production costs as several versions are built in the same facilities. This family of aircraft options for several missions includes:[5]

The current, high-performance, fully-tested B-1 penetrator;

A cruise missile carrier more efficient than alternatives studied to date;[5]

A fixed-wing penetrator, some 30 percent cheaper, optimized for high-altitude subsonic cruise with minimum fuel consumption and tanker requirements; and,

A high-altitude version with the Mach 2.2 high-altitude supersonic capability originally planned.

This mix would stress Soviet air defenses to the maximum, retaining the low-altitude penetration capability, with short-range attack misiles (SRAMs) for defense suppression, adding the standoff cruise missile capability versus non or lightly-defended targets, and retaining the capability for high-altitude attack to force the flushing of interceptors early (to avoid destruction on the ground) and thus disrupt to defense planning. The program would also decrease the burdensome and risky tanker requirments. All versions of the B-1 derivative aircraft would have the advantage of greater prelaunch survivability against SLBM attack, for which the original B-1 was designed (with nuclear hardness; quick takeoff, and the ability to use shorter, more numerous runways than the B-52).

It appears that the first aircraft from the above family could be delivered within three years of a procurement decision. This is as fast as the less cost-effective modified B-52 or stretched FB-111. Moreover, the writer believes the three-year estimate represents "peacetime thinking." A sense of urgency and the granting of "DX" defense production priorities to the contractor and subcontractors should permit acceleration of at least four to six months. Moreover, the full production rate, originally planned to be four per month, is a matter of choice. A more rapid rate might, for example, permit early release of some B-52s for other missions, such as land-based antiship warfare, conventional "show of force,"[6] conventional bombing, and conversion to tankers.

* * * * *

The United States faces the most dangerous decade in its history. It is going to have to cope with an aggressive Soviet Union that is exploiting opportunities in many parts of the world and is threatening to gain control of the major oil supplying area of the West. It may have to learn to live in a SALT-free world (even though the President has said he intends to abide by the terms of the SALT II Treaty as long as the Soviets do—although the latter are not today in compliance with the total launcher limitation of the treaty). Such a world will include a period of U.S. nuclear inferiority. There may also be accelerated nuclear proliferation, which in the past has proceeded much more slowly than had been widely predicted, in large part because of the strength of and confidence in the now-eroded U.S. nuclear guaranties.

It is not suggested here that a new manned bomber alone will solve all of our problems in such a world. Other measures will have to be considered. Many "quick-fix" options (feasible in "1000 days," or three years, as is the B-1 option) were suggested by the writer and colleagues last year.[7] Measures for both offensive and defensive forces were considered. Moreover, since this country may never accept an intensive civil defense program, it may have to consider abrogation of the ABM Treaty (if the Soviets do not do so first). And since the strategic nuclear umbrella has been permitted to become leaky, increased conventional forces and mobilization capability will also be required.[8]

But the writer continues to believe that a modern, efficient bomber force is an essential component of U.S. security. The argument of Chapter II stands: it is useful, and may prove crucial, to have a "slow" nuclear-response weapon that can be recalled if, in a crisis, the world can be brought back from the nuclear brink, or if a nuclear war can be terminated before it becomes "all-out."

Similarly, the political-military arguments of Chapter VII have stood the test of three years. Cancelling the B-1 program before SALT II was negotiated greatly weakened the U.S. position and, the writer strongly believes, the treaty terms. Moreover, the unilateral gesture did not save us from the restrictions on long-range surface-launched cruise missiles and on technology transfer that, whatever the ultimate fate of SALT II, have already, at a minimum, strained NATO cohesion and European trust in the United States.

The President has said that he has reevaluated Soviet intent and that we will have to intervene with any means necessary, including force, if our vital interest in Mideast oil is jeopardized. He has submitted a new defense budget and Five-Year Defense Plan that starts to reverse the decade of U.S. retreat. Three valuable years have been lost, but deploying one or more lower-cost derivations of the B-1 is still one of the relatively small set of timely actions available to show U.S. resolve to close the gap with Soviet strategic superiority. If we concede this strategic superiority, we will not be able to take effective conventional action to protect our vital interests, we will not retain the support of strong allies, and we may never be able to close the gap.

The technical arguments in this volume also remain valid. The B-1 and its derivatives are still the best bomber option available to the United States by 1983. They have the highest prelaunch survivability, the greatest ability to penetrate Soviet air defenses, and the best cruise missile carrier capability. The cruise missile remains a potentially useful weapon, not as a bomber substitute (a red herring that should never have been waved under the President's nose) but as a possible supplementary armament to increase bomber reach, "footprint," and, possibly, accuracy. It may also have greater promise as a surface-launched weapon, without an expensive airborne launch platform and with theater missions less demanding than the strategic mission of assured penetration of Soviet air defenses.

The writer earnestly hopes that this short work will be read by those who will both influence and make the decisions on which the survival of the United States and the West will depend in the 1980s and beyond—

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[1] President Carter at a Press Conference on June 30, 1977, as reported in Aviation Week and Space Technology, July 4, 1977, p. 16.

[2] See the charts on the strategic balance, "Department of Defense Annual Report, Fiscal Year 1980," p. 115.

[3] Some of the details were challenged by Archie L. Wood in "International Security" (Spring 1977), pp. 163-169, but a review article in the same issue, pp. 47-58, by Admiral Elmo R. Zumwalt, Jr. strongly supported the position of the writer.

[4] Speech by Hon. William J. Perry, Undersecretary of Defense for Research and Engineering, before the American Institute of Aeronautics and Astronautics, January 30, 1980.

[5] The advantages of a B-1 derivative as a cruise missile carrier appear to stem from five factors: (1) its high-load carrying capability; (2) its capability for penetration after standoff launch of the cruise missile; (3) its high prelaunch survivability; (4) the fact that the large flat bottom surface of the fusilage permits external carriage of the cruise missile (possibly with slight recessing into the fusilage, with flaps, or doors, that would restore the contours after the cruise missile was dropped, without the high-drag pylons necessary for mounting on the wings of a B-52); and, (5) its reduced dependence on tankers.

[6] As in the recent Indian Ocean flyover.

[7] See "Strategic Options for the Early Eighties: What Can be Done?," William R. Van Cleave and W. Scott Thompson, eds. (New York: National Strategy Information Center, 1979).

[8] See "Arms, Men, and Military Budgets: Issues for Fiscal Year 1981," Francis P. Hoeber and William Schneider, Jr., eds. (New Brunswick: Transaction Books, 1980).

the public, the Congress, and the Executive. The need for a revitalized manned-bomber force is urgent. It is high time to take offense.●

NORTH DAKOTA RURAL ELECTRIC HOUSE ORGAN

HON. MARK ANDREWS

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 20, 1980

● Mr. ANDREWS of North Dakota. Mr. Speaker, while we in the House are well aware of the important contributions made by the media to our well-informed society, another major journalistic endeavor takes place in the area of trade journals, sometimes called house organs.

What brings these comments to mind, as one representing perhaps the most agricultural State in the United States, is the recent high honor paid to Mr. Leland "Chub" Ulmer, editor of the North Dakota Rural Electric Magazine.

The statewide REC publication is a major source of information vitally important to the many thousands of rural people in North Dakota. It is truly a professional and impressive magazine as evidenced by its selection earlier this month as the Nation's outstanding REC publication.

Mr. Speaker, this is hardly new for Chub Ulmer and the fine staff that publishes the magazine. It is, in fact, the sixth year it has claimed the George W. Haggard Memorial Journalism Award, sponsored by the National Rural Electric Cooperatives Association. The award was made at NRECA's annual meeting in New Orleans, where I was honored to be one of the speakers.

No other statewide publication has won it so many times in the 18-year history of the award, and we in North Dakota are very proud of this accomplishment.

This magazine is 1 of 31 similar publications around the country. They have a total circulation of about 5 million. The North Dakota magazine's circulation is 67,600—making it far and away the most widely circulated and read publication in my State.●

LOW-LEVEL NUCLEAR WASTE BILL

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 20, 1980

● Mr. WYDLER. Mr. Speaker, I wanted to bring to the attention of my colleagues a bill which I recently introduced, H.R. 6570, low-level nuclear waste bill. The bill is the first in a series of four which I intend to introduce on nuclear topics in this 2d session of the 96th Congress.

The bill follows:

H.R. 6570

A bill to provide Federal assistance, through research and development and otherwise (including the use of Federal grounds by States on a transitional basis), for the development by the States of grounds for the burial of low-level radioactive wastes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Low-Level Radioactive Waste Burial Act of 1980".

FINDINGS

SEC. 2. The Congress finds that—

(1) there is a critical shortage of low-level radio-active waste burial facilities throughout the country, and the development of such burial facilities in adequate numbers and locations is essential to the national security of the United States and to the health, safety, and welfare of its people;

(2) the Nation has only three commercial burial facilities currently accepting low-level radioactive wastes (two of which are subject to restrictions on what wastes are accepted and two of which were recently closed temporarily by the governors of the states involved), necessitating the transportation of low-level wastes through needlessly long distances;

(3) more extensive low-level radioactive waste research and development can improve knowledge of low-level radioactive wastes and improve techniques for site selection and for construction and operation of low-level radioactive waste facilities;

(4) there are numerous locations throughout the United States that are technologically and geologically suitable for development of low-level waste burial facilities;

(5) low-level radioactive wastes result from common medical practices in all fifty states with nuclear materials used for treatment of about half of all hospital patients in the United States; similar amounts of low-level radioactive wastes result from industrial and nuclear-energy applications;

(6) the governors of two of the states currently operating burial facilities for low-level radioactive wastes, along with the Chairman of the Nuclear Regulatory Commission, have testified that, since all states generate low-level radioactive wastes, each either individually or through regional associations should bear the responsibility for burial of its wastes;

(7) The Department of Energy is currently operating many low-level radioactive waste burial facilities at various locations geographically distributed throughout the Nation, and if these were used on an interim basis for commercial low-level waste burial, they would significantly reduce the transportation required from source to burial;

(8) the primary criteria for choosing transportation routes for low-level radioactive wastes should be enhancement of public health and safety and economic efficiency. The public health and safety is endangered when low-level radioactive waste transportation is moved on circuitous routes as a result of transportation restrictions by states and localities.

PURPOSE

SEC. 3. It is the purpose of this Act—

(1) to provide for the development by the Federal Government of methods for helping individual states to establish and operate facilities for burial of low-level radioactive wastes;

(2) to provide on-site federal assistance and advice to states in identifying sites for low-level radioactive waste burial facilities, developing the burial procedures, and evaluating the operation of such facilities and the effectiveness of such procedures;

(3) to provide for the conduct of federal research and development relating to the identification, design and construction of these burial facilities and the evaluation of their operation, when requested by the states; and

(4) to provide, on a transitional basis, during specified periods of time, permanent burial of civilian low-level radioactive wastes at federal burial facilities while the states are identifying, designing, and constructing their own burial facilities for such wastes.

USE BY STATES OF FEDERAL BURIAL FACILITIES DURING TRANSITIONAL PERIOD

SEC. 4. (a) The Secretary of Energy (hereinafter in this Act referred to as the "Secretary") shall use one or more federal burial facilities for burial of civilian low-level radioactive wastes, and provide necessary services in connection therewith, on the conditions and for the transitional period or periods specified in this section.

(b) The Secretary shall permit one or more federal burial facilities to be used for burial of civilian low-level radioactive wastes from specified geographical areas within the United States for a period of 18 months beginning on the date of his approval of a signed statement from the governor of a state, declaring the intention of that state to have in operation within its borders within three and one half years a facility or facilities for burial of future wastes from those areas over a reasonable period of time. The statement shall assure that the intended burial facilities when developed and placed in operation shall accept low-level radioactive wastes of all types and from all sources within the specified geographical area, subject only to such restrictions based upon the risks or dangers inherent in particular wastes as the Secretary may approve.

(c) The Secretary shall permit an 18-month extension of the burial arrangement for such wastes upon fulfillment of the conditions—

(1) approval by the Secretary of a plan provided by the governor of such state for the development of the facility and a schedule for carrying out the plan; and

(2) satisfactory evidence that all license applications required by law with respect to the burial facility or facilities have been properly prepared and submitted to the appropriate licensing agency.

(d) The Secretary shall permit an additional 6-month extension of burial arrangements in (b) for such wastes upon his determination that the license application or applications in (c) have been approved and that the site or sites for the burial facility or facilities have been selected and acquired by the state defined in (b).

(e) Upon the specific request of the governor of the state in (b), any of the periods specified in (b), (c) and (d) may be extended for a cumulative total of six months upon a finding by the Secretary of extenuating circumstances.

(f) Any state which uses a federal burial facility for low-level radioactive wastes during the transitional period under this section shall be required to pay a fee therefor in an amount equal to the higher of (1) an amount equal to the full cost to the federal government of providing the services involved, or (2) the current fair market value in the United States of comparable commercial radioactive waste burial services, as determined by the Secretary.

(g) As a condition of any state using a federal burial facility for low-level radioactive wastes during the transitional period under this section, the governor of the state from which the wastes originated shall provide satisfactory assurances that the transportation of wastes involved will not be unduly impeded by state or local law, ordinance, or practice, with realistic progress being made toward eliminating any restrictions on or impediments to such transportation.

(h) The necessary arrangements for the use of any federal facility for the burial of low-level radioactive wastes originating in any state during the transitional period under this section may be negotiated by the governor or other appropriate officer of the state or, with the approval of the governor, by the person or persons originating the wastes, but only upon a determination by the Secretary that the state has been unable to acquire a commitment for disposal of these wastes at existing commercial or state-operated burial facilities which are in the same geographical region as the source of the wastes.

(i) The Congress hereby gives its consent to any compact or agreement which may be entered into between states in any region for the burial of low-level radioactive wastes at commercial or state-operated burial facilities located in that region, with or without preference for wastes originating in that region, whether such burial grounds are developed and operated with assistance under this Act or otherwise.

RESEARCH, DEVELOPMENT, AND OTHER ASSISTANCE TO STATES

SEC. 5. (a) In order to assist states in selecting sites for low-level radioactive waste facilities, and in planning, designing, constructing, developing, testing, and operating such facilities, the Secretary at the request of one or more states or on his own initiative, may—

(1) conduct research and development specifically designed to assist states in selecting sites for facilities and performing engineering and testing activities with respect thereto;

(2) provide on-site assistance to states with respect to site evaluation, site development, and any related demonstrations;

(3) conduct research studies with respect to the quantities and types of low-level radioactive wastes which are expected to be generated in various states and regions, and provide each state with the relevant information derived from such studies; and

(4) take such other actions, conduct such other activities, and disseminate such other information as may be necessary or appropriate to carry out the purposes and achieve the objectives of this Act.

(b) In addition, the Secretary shall accelerate the conduct of research and development and the performance of related activities with respect to the compacting and immobilization of low-level radioactive wastes to aid states in their planning and related activities under this Act.

SPECIAL PROVISIONS RELATING TO ENVIRONMENTAL IMPACT STATEMENTS

SEC. 6. For purposes of assisting in preparation of any environmental impact statements which may be required by law in connection with development of low-level radioactive waste facilities as described in this Act—

(1) the planning activities in preparation for the selection of a site for such burial grounds shall not be considered as a major federal action under such law;

(2) alternative means of disposing of low-level radioactive wastes need not be considered in any such statement; and

(3) any action brought in any court in connection with such statement shall be assigned for hearing and completed at the earliest possible date, and shall to the greatest extent possible take precedence over all other cases then pending before the court and such actions shall be expedited by such court.

MISCELLANEOUS PROVISIONS

SEC. 7. Notwithstanding any other provision of law, the Secretary shall keep the appropriate committees of the House of Representatives and the Senate fully and currently informed with respect to all activities under this Act.

DEFINITIONS

SEC. 8. Facility shall include the low-level radioactive waste burial site and all buildings, equipment, plant, utilities, machinery, and improvements to land on that site related to handling and burial of those wastes.

APPROPRIATIONS

SEC. 9. There are authorized to be appropriated to the Secretary to carry out this Act the sum of $1,000,000 for the fiscal year 1980, and such sums as may hereafter be provided for in annual authorization Acts for the fiscal year 1981 and subsequent fiscal years.●

ANOTHER ENDORSEMENT FOR CAPITAL COST RECOVERY ACT

HON. JAMES R. JONES

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 20, 1980

● Mr. JONES of Oklahoma. Mr. Speaker, yet another major American manufacturer has joined the ranks of those supporting the Capital Cost Recovery Act. The Armstrong Cork Co., in a letter to its shareholders from Harry A. Jensen, president, has strongly endorsed passage of H.R. 4646.

Since my colleague, BARBER CONABLE, and I introduced H.R. 4646, large and small businesses all across the country have voiced their support for this bill. They recognize that this legislation is essential to bolster our faltering economy.

By encouraging increased capital formation and investment this legislation will help reverse our sagging rate of productivity, stimulate the general economy, and provide more jobs for the unemployed.

I am delighted that almost 300 of my colleagues have added their names as cosponsors to this important initiative. I am equally pleased that it is receiving such broad-based support from members of the business community, like Armstrong Cork Co. I extend my thanks to Armstrong Cork, and at this point in the RECORD, I include the letter from Mr. Jensen to the stockholders, commending his comments to my colleagues' attention.

ARMSTRONG,
February 29, 1980.

To our shareholders:

The economic vigor of the United States is impaired by record-high rates of inflation, inadequate job creation, and a lack of real growth. In part, these critical elements in the economy are symptoms of the more basic problem that experts have identified as a decline in the rate of growth of productivity.

This declining rate of productivity growth can be traced, in large measure, to a lack of adequate savings and investment. Historically, there is a high correlation between new capital formation (savings and investment) and productivity growth. We must renew upward growth in productivity to reduce inflationary pressures, to provide job opportunities, and to assure a higher standard of living for all of our citizens.

The Capital Cost Recovery Act (HR 4646, S 1435) is now pending in Congress. Already cosponsored by more than 300 Senators and Congressmen, it would help reduce the tax bias against investment and would produce a streamlined system for a more rapid recovery of business investment in productive assets. The bill would extend incentives and lend encouragement to the expansion and updating of America's now-aging productive plant.

If you believe, as we do, that such changes in our tax laws are needed, appropriate contacts with your Senators and Congressmen could be most beneficial. Sentiment among legislators is leaning toward some revision in these laws in order to encourage economic expansion.

As a shareholder and citizen, you could help to influence the forthcoming debate on this critical public policy by expressing your views to your representatives.

Sincerely,

HARRY A. JENSEN,
President.●

THE IMPORTANCE OF EMERGENCY MEDICAL SERVICES

HON. ROBERT H. MOLLOHAN

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 20, 1980

● Mr. MOLLOHAN. Mr. Speaker, I venture to say that very few of my colleagues really understand what is meant by the term "emergency medical services or EMS." One reason, of course, is because, until we passed the Emergency Medical Services Systems Act of 1973, there was very little in the way of coordinated emergency care available in this country. But as a result of this low-cost, highly effective program, dramatic improvements are being made in the way we handle life-threatening medical emergencies in many parts of the country. In fact, I am convinced that the Emergency Medical Services Systems Act, which we in the Congress late last year renewed for 3 more years, is one of the best health care bargains in the Federal Establishment today.

An acknowledged leader in the EMS field has been the State of Maryland. Recently, Dr. R. Adams Cowley, who heads up the Maryland EMS effort, testified to a Senate Appropriations Subcommittee on behalf of adequate fiscal year 1980 and fiscal year 1981 funding for the program. What he had to say about the value of the program and what remains to be done is something each of us in this body should fully understand and appreciate as we confront the very difficult budgetary and spending challenges that lie ahead. I therefore want to take this opportunity to share with all of my colleagues Dr. Cowley's expert testimony and would urge them to refer to it as an excellent primer on the importance of the EMS program in saving lives and dollars:

TESTIMONY OF R. ADAMS COWLEY, M.D.

Mr. Chairman, members of the Committee, I am Dr. R. Adams Cowley, director of the Maryland Institute for Emergency Medical Services Systems, and the director of Emergency Medical Services in Maryland. I am also president of the Mid-Atlantic Emergency Medical Services Council, the purpose of which is to foster complete, compatible, Emergency Medical Services systems throughout the region which encompasses the states of Maryland, Delaware, Pennsylvania, West Virginia, Virginia, and the city of Washington, D.C. I appreciate the opportunity to appear before you today to discuss the federal appropriations for the development of EMS systems throughout the country.

I come to you today knowing that Congress and the President have as recently as three months ago, with the passage and signing into law of the Extension of Assistance for Emergency Medical Services Systems Act, renewed their commitment to the completion of a nationwide system for emergency medical services.

I am also aware of the fact that the national economy now dictates that all programs funded with federal dollars must be viewed with a critical eye. The President and the Congress must look carefully at all programs, from those that deliver care to the individual, to those that build waterways and highways, and make a judgment on where the placement of federal dollars will produce the most beneficial results.

In order for there to be no misunderstanding, let me state for you what an EMS system is and what its components are. A system is an arrangement of personnel, facilities and equipment for the effective and coordinated delivery of health care services in an appropriate geographical area under emergency conditions. It is a five phase operation: rescue and immediate aid; communication, via a communication network, with a medical command center; transportation to a definitive care center; provision of all those components necessary for survival in a medical center; and finally, rehabilitation. So many people believe EMS is just a program of building hospitals and buying fancy ambulances and other hardware to haul the patient to the nearest hospital. EMS systems should spend very little on hardware. They must concentrate their dollars on better management of existing facilities and on upgrading facilities and manpower capabilities wherever necessary.

In arriving at your decision on proper funding for these systems, I would like you to keep three points in mind:

They save lives.

They save money.

They bring the best medical care to all individuals in the system at whatever level it is needed.

First, and foremost, EMS systems save lives—with immediacy. They deal with life and death, and the adequacy of the system the victim is in can determine which of those two alternatives—life or death—will be the victim's fate. There is no other program funded which produces such immediate consequences. No other health program deals as critically with life and death consequences as this one does.

Second, EMS systems will save money for the taxpayer. As I have testified before, and do so again now, the United States government cannot afford not to fund EMS systems. Today we do not have systems and we are paying for this dearly. Let me cite some statistics to illustrate what I mean.

In 1978 there were 104,500 accidental deaths in the United States. There were 10,200,000 disabling injuries, 51,500 deaths in vehicles. Those injured in their early lives may have to live with disability for more than 30 years and may require some sort of public subsidy—paid for by the taxpayer. Many of these will require extensive hospital care at great expense to the taxpayer. In 1978 the cost of these accidents was a staggering $68.7 billion. Of this amount $19.3 billion was in lost wages. The amount of lost dollars in productivity soars.

A war must be waged against this gruesome story. I am convinced the winning of that war can only come through full development of EMS system. I have seen proof of this in Maryland. There, due to a statewide system being in place the mortality rate from accidents is down from 70 percent to 20 percent. Morbidity rates have been decreased dramatically. Because of the system which provides immediate care to the victim and takes him through rehabilitation, we are returning victims to productive lives. They are not dependent on the taxpayers subsidy, they are not a drain on society, but are productive useful citizens. We have shown that the dreadful statistics I just mentioned need not be.

EMS systems therefore are an investment with measurable returns in the productive lives and dollars saved. The question is, are a relatively few dollars spent now to build a national network of systems, or do we continue to pay billions of dollars and lose countless years of productive services of victims due to a lack of proper EMS systems and the care they produce? This country can spend $58,000,000 in fiscal year 1981, the amount the legislation authorizes, and continue working towards the development of systems or continue to pay $62,000,000,000+ in 1981 because we have no systems. $58,000,000 is less than .1 percent of the proposed fiscal year 1981 budget for all health programs and .01 percent of the entire budget. Yet the amount spent due to neglect by no systems equals 10 percent of the dollar amount proposed for the 1981 budget. The Congress stated emphatically last year that the authorization level in the extension legislation was being lowered to insure that appropriations would equal authorization. That was only three months ago. That must be done now.

EMS systems address not only the critically injured, but they have a great rippling effect, which leads me to my third point. They are the answer to health delivery at all levels of care; primary, secondary, and beyond. Because they must be highly disciplined in order to insure patient survival from the scene of the accident, during transportation to the proper and most sophisticated facility or care, it produces a categorization of facilities as well as response and medical capabilities. This ultimately identifies all care facilities for their proper use. Emergency rooms are no longer used for every injury or malady from a cut finger to a massive heart attack. Facilities are sorted out and this produces nonduplication, which saves money.

EMS systems involve local and state persons and governments and generate dollars from these sources on an average of $3 from State and local sources for every $1 from Federal sources. Not many other federal programs can boast of such a record. Once these systems are established they are 100 percent supported from State and local funds.

The EMS systems program needs several more years of federal support to get the job done. Never in the history of the program has it been adequately funded or properly staffed. That must be corrected. The systems would be completed now throughout the country had these two problems not existed. I have recently traveled across this wonderful country holding hearings for the Department of Transportation, examining the adequacy of EMS systems and I find that we do not have systems today. We have made a start. I am told by HEW officials that over 134,000,000 persons in this country are covered by basic or advanced life support and that in the Mid-Atlantic region there are over 32,000,000 covered, which is the best record of any federal region. But those figures are rather meaningless to me unless the systems are in place. They do indicate to me a start, and a good one. But without total coverage in this country, a person covered by this support might well find himself in an area with no system and with a need for one desperately. The job is not complete until the entire country, and every citizen in it, is protected with a system. If the federal appropriations are not forthcoming, the danger is we will have no nationwide system.

It must be noted too that EMS systems are critical to this country's defense. I read that no budget cuts are contemplated for our defense efforts; indeed we can probably expect a budget increase here. All defense plans that I am aware of—and I am aware of many—require medical response capability. This will be impossible without EMS systems in place.

The same holds true for all disaster preparedness and response capability. Last year, when the Three Mile Incident occurred, it was the Maryland system that Pennsylvania and all concerned looked to for emergency medical assistance and evacuation response. A solid EMS system provided the answer to their immediate problems.

I am painfully aware that the EMS story has not been properly set forth. Many people do not know what is meant when we speak of an EMS system. Better information is needed. I have recently called for the formation of a national EMS Association that will address this deficiency. I expect it to be in place by the end of this coming summer and in the future you will have better material.

This morning I had a very pleasant drive from Baltimore to Washington. I passed many cars—people going to work. Maybe I passed some of you here. Chances are some of those people did not have a nutritious breakfast—maybe no breakfast at all. They will not die because of that. Chances are some will need counseling, more education, or want a wider, better paved road to drive on—but they will not die from these needs. There is also a good likelihood that one of these persons will be in a serious accident; car or work, before this day ends, and from that they may die or be critically injured. If the accident is in Maryland, the chance of survival, if the victim is alive, and a return to normalcy is greater than in any other state because the Maryland EMS system is in place. Maryland is the only state in the Union where that can be said. That need not be.

* * * * * *

This testimony has taken about 10 minutes to deliver. During this time two people have died in this country from accidental death and 200 were critically injured. During this time over $500,000 has been spent on people who have been in accidents who did not die. During the next hour and every hour throughout the year, 1160 disabling injuries will occur and $1.3 million will be spent addressing injuries. There will be 12 accident related deaths. A clean kill presents no problems—the surviving victim is the problem and the challenge. The statistics I have cited throughout this testimony will only continue to grow. There will be over 500,000 disabilities in this country this year and over $63 billion spent and until there are systems throughout the Nation there can be no management and correction of this problem.

The budget level is critical to the solution of this problem. I know this Committee, the Congress and the President have many problems with budget issues. But few, I suggest, involve life and death situations with such enormous financial costs and hours of pain and suffering, if left unaddressed. The job of developing systems has only begun in this country, and unless completed will never be adequate. Total completion can only be done with proper funding. I can think of no greater priority than full appropriations for this program.

Thank you.●

SUBCOMMITTEE ON CRIME TO HOLD FIFTH HEARING ON H.R. 4973, CORPORATE CRIMINAL LIABILITY FOR KNOWING COVERUP OF HAZARDOUS PRODUCTS AND BUSINESS PRACTICES

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 20, 1980

● Mr. CONYERS. Mr. Speaker, on Monday, March 24, 1980, at 9:30 a.m., in San Francisco, Calif., in the ceremonial courtroom of the Federal building, 19th floor, 450 Golden Gate Avenue, the Subcommittee on Crime of the House Committee on the Judiciary will hold its fifth in a series of hearings which began last November on H.R. 4973. This bill, sponsored by the Honorable GEORGE MILLER, Democrat of California, and now cosponsored by 55 colleagues of both parties in the House, creates corporate criminal liability for knowing coverups of serious dangers associated with products or business practices.

The witnesses at the hearing will include Jerry Demeao, Ted Bricker, and Jack Hodges, DBCP workers; Dr. Don Whorton; Willie Jackson, and Willie Gordon, asbestos workers; Eddie Story, Asbestos Union Local No. 16; Dr. Harvey Collins, chief of the hazardous material management section for the California Department of Environmental Health Services; Victor Van Bourg, a labor lawyer; Dr. Phillip Polakoff, Western Institute for Occupational and Environmental Sciences; Aletta Belin, Esq., Center for Law In Public Interest; Ralph Lightstone, Esq., California Rural Legal Assistance Corp.; John Johnson, an investigative reporter for the Fresno Bee; Mary Shinoff, a respresentative for the Public Media Center and Coordinating Committee on Pesticides; Eddie Albert, an actor who is active in environmental concerns; George Kilbourne, Esq., and Steven Kazan, Esq., lawyers representing asbestos workers; Peter Weiner, special assistant for toxic substances control for the California Governor's office; and John Henning, executive secretary for the California Labor Federation.

All interested persons or organizations wishing to submit testimony for the record of the hearings on H.R. 4973 or desiring further information should address their communications to the Subcommittee on Crime, Committee on the Judiciary, 207E Cannon House Office Building, Washington, D.C. 20515. Telephone: (202) 225-1695.●

BUDGET TIGHTENING AND PROGRAM REDUCTION

HON. ANDY IRELAND

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 20, 1980

● Mr. IRELAND. Mr. Speaker, earlier this week my good friend Joe Marshburn, executive vice president and general manager of Citrus World, Inc., a major agricultural cooperative in Florida, was here testifying about the national school lunch program and the USDA commodities program.

Joe Marshburn is nationally and internationally known for his work in the citrus field and here at home especially for his work in the national school lunch program. His testimony raises a number of important issues and offers a means of effecting substantial savings in the national school lunch program.

In this period of budget tightening and program reduction I hope that our colleagues will take a moment to read this testimony and to consider the points Joe raises.

Thank you, Mr. Speaker.

The article follows:

STATEMENT OF JOSEPH MARSHBURN

Mr. Chairman and Members of the Subcommittee, I am Joseph Marshburn of Lake Wales, Florida. I am Executive Vice President and General Manager of Citrus World, Inc. of Lake Wales which is an agricultural cooperative of 1,200 Florida citrus growers. We have a processing facility that markets about $150 million annually in consumer citrus products. These products include frozen citrus concentrates, single strength citrus juices, chilled citrus sections and salads, dehydrated citrus fruit, and cattle feed which we market in the southeastern United States and western Europe. Citrus World is the only company that produces a full line of all processed citrus products. Through our distributors and through the USDA commodity program, we have been and continue to sell a product which is used in school lunch and school breakfast programs as well as other government food programs throughout the nation. I might also add that I have served on the School Lunch Marketing Committee of the Florida Citrus Commission where I have gotten a first hand look at the USDA commodity program and the market for food in schools.

I am appearing before you today as a producer of an agricultural commodity the USDA has historically bought for the National School Lunch and other food programs. I am also appearing today as Chairman of the National Frozen Food Association's Government and Industry Relations Committee. For your reference, the National Frozen Food Association is composed of almost 1,400 companies plus their divisions and subsidiaries. Those companies are either processors or packers, wholesale distributors, or food brokers. In addition, NFFA has some food service operators, warehousemen, transportation companies and retailers.

In both my capacity as a producer at Citrus World and as the spokesman for the National Frozen Food Association, I fully endorse the Commodity Letter of Credit refinement of the present USDA commodity program. The Commodity Letter of Credit approach to the USDA commodity program is in the best interests of farmers, the school children of our nation, federal and state governments and local school boards, and the food industry.

The Commodity Letter of Credit system is not a dismantling, but a refinement of the present USDA commodity program because it makes only one change in the present system. Under the Commodity Letter of Credit system, the USDA does all the things it does now. It decides what commodities need surplus removal and price support; it decides how much of these commodities can be used without waste in the National School Lunch and other domestic feeding programs; it decides on quality standards for the commodities; where timing of removal from the market is important, USDA decides that, too; and USDA also provides price guidance on these commodities. The only change that the Commodity Letter of Credit system makes is in how the commodities are moved off the market and into school lunch programs. Here the Commodity Letter of Credit system refines the present system by no longer having Washington, D.C. decide what the best form of chicken is for 90,000 school lunch programs in 50 states and the territories. Rather, the Commodity Letter of Credit system has local school foodservice directors making the decisions on what form to buy the commodities. Certainly, these local school foodservice directors are in the best position to make these choices, not federal officials far removed from knowledge of local needs and tastes.

Under the Commodity Letter of Credit system schools can get around beef either in the present 55 bulk cases USDA now buys or in smaller more manageable cases. They can also get the ground beef in patties. When the commodity is turkey, they can buy it as turkey roll, whole turkeys or some other turkey product. They could buy chicken in any one of a dozen ways. They can get mozzarella for 22 cents a pound cheaper than they are now paying. They can reduce their costs for french fries and get the type that suits the foodservice equipment in their schools. They can buy frozen, fresh, canned, or chilled items for their programs depending on availability and needs. The bottom line for local school foodservice directors is that a Commodity Letter of Credit will increase the flexibility of local school lunch programs in using the agricultural commodities which the USDA decides need support or removal; their menus will have greater variety; their meals will be more appetizing and nutritious; and there will be less plate waste.

The National Frozen Food Association knows that we all have to tighten our belts in these tight economic times. We know that we have an obligation to suggest ways of reducing spending which does not hurt children. The Commodity Letter of Credit system does this. We want to maintain and enhance the nutritional and educational integrity of the child nutrition programs by having the USDA do what it does best, the schools do what they do best and the food industry do what it does best. We know also that there are legitimate farm price support and surplus removal needs which must be met. We know that the persons in the best position to decide what children will and will not eat are not in Washington, D.C., but at the local level. And we know for sure that it is a whole lot cheaper to move a paper Commodity Letter of Credit than it is to move a rail car of food across this nation.

Under the Commodity Letter of Credit system, the same number of pounds of commodities can be moved with the same quality as under the present system. But this can be done with a reduction in the federal budget of between $130 and $160 million this year.

When the National Frozen Food Association testified before this Subcommittee last November against reductions in Section 4 funding for the National School Lunch Program, we promised the Subcommittee that we would suggest how savings in the USDA budget could be achieved through an upgrading, streamlining, and an increased responsiveness of the USDA commodity program for schools. I believe that in the Commodity Letter of Credit approach, we have carried forward this promise to the Subcommittee. I do want to add that this is not the first time that the National Frozen Food Association, nor I personally, have appeared before this Subcommittee and urged that you consider a refinement in the way in which the commodity program operates. I was fortunate enough to appear before you in March of 1977, three years ago, and testify on this same subject.

Three years ago the Commodity Letter of Credit was an idea. Now it is a proposed law. I urge you to consider it carefully and approve it as one way to improve the Child Nutrition Programs and save money without reducing participation in these programs in the process.

The Subcommittee knows that the $666 million which USDA spent for foods for the National School Lunch Program for school year 1979 represents only the tip of the iceberg in spending for the commodity program. In addition to these USDA expenses, the individual states, territories and outlying areas, as well as local school districts spent $140.7 million during the 1979 school year in warehousing, handling, transportation and storage charges for these foods to get them to school lunch kitchens. An additional $45 million was spent by the states and local school lunch programs to take these USDA bought foods and have them processed into usable end products for school lunch.

The present system of purchasing, processing, warehousing, distribution, handling and storage of these USDA bought foods operates mostly outside the normal channels of trade. These foods move in a separate USDA food system in which there is, at best, limited competition and in which the costs are enormous.

Over 5 cents per school lunch was spent during the 1979 school year to literally move USDA bought foods from place to place with intermittent storage, handling and processing. This means that $236 million was spent on school lunches which did not contribute one bit to improved nutrition. Almost 3.5 cents per school lunch of this spending was unnecessary and would be eliminated through the Commodity Letter of Credit system.

In 1975, long before full cost accounting was mandatory for school lunch programs, the Senate Select Committee on Nutrition and Human Needs did a study which USDA compiled on these programs. One of the findings of that study was that on average schools were charging the USDA for at least some donated transportation costs as part of their requests for meal reimbursement. This, of course, means USDA pays higher reimbursements. Mr. Chairman, I have attached an excerpt from that study for your information. There now is full cost accounting for school lunch and we are 100 percent sure that the escalation in schools qualifying for the highest reimbursement rate USDA pays is due in large measure to the fact that these schools are charging the USDA for as much of their commodity, transportation, storage, handling and processing costs as they can. It is for this reason that we can say with assurance that a Commodity Letter of Credit System would save the federal government the sums outlined.

We are sure that this Subcommittee knows the difference between the Commodity Letter of Credit approach and cash in lieu of commodities. The Commodity Letter of Credit system is not cash in lieu of commodities. It moves commodities in the form of Commodity Letters of Credit to school lunch programs. It does not make the schools of our nation a dumping ground for commodities which are provided in unusable forms. It allows these commodities to make a meaningful contribution to more effective school feeding programs.

A Commodity Letter of Credit system is not new to USDA. As long as twenty years ago, the USDA funded a full year effort by a core group of individuals who met four times for four solid weekends at a dude ranch in Arizona to construct such a system at USDA expense. Nothing has ever been seen of that report. Further, in 1974, the USDA did a series of reports on cash in lieu of commodities, the existing system and a system very much like the Commodity Letter of Credit. All these USDA reports concluded that the present system cannot work effectively and that both a cash in lieu system or a voucher system would be at least as effective.

The Commodity Letter of Credit will eliminate situations where one school district receives processed American cheese and its neighbor does not. It will eliminate the kind of intimidation a state commodity director can bring down on a food service director who complains about the commodities received or not received. Under the present system, too often troublemakers don't get the preferred commodities in a state while those that don't make waves get more ground beef than the others. This has to stop. And it will under a Commodity Letter of Credit system.

Would there be a lot of paperwork under a Commodity Letter of Credit system? If you or I want the system to work, the answer is no. If we don't, the answer is yes.

Will schools buy foreign product rather than the domestic commodities stipulated in the bill and in regulation? They will if they don't care about the stiff criminal penalties provided in the bill for abuse. We are convinced that school foodservice directors, their buyers and the food industry are basically honest people and that if the law and the Commodity Letter of Credit says domestic product, that is what they will buy. There are also a number of safeguards which would be built into the system to further discourage any such activity.

In 1977, this Committee directed that the USDA study cash in lieu of commodities as an alternative for the National School Lunch Program. The directive was that this study be limited to not more than 10 school districts and one state be compared to the State of Kansas which has gotten cash in lieu of commodities for a number of years. You have copies of both the study done by USDA comparing one month under commodities with one month under cash and a study done for the National Frozen Food Association and other industry groups by Kansas State University comparing a full year under cash with a full year under commodities. Whatever else anyone says about these reports, one thing is clear, they both show that from the largest to the smallest district, local school foodservice people can and do buy as cheaply as USDA. We would be pleased to discuss these reports with the Committee, if you wish, but we believe it should be clear that the issue to us is not cash in lieu of commodities but the Commodity Letter of Credit.

The present system of commodity procurement and distribution is costly and cumbersome. I have attached to my testimony several charts which show the flow of commodities, the charge points along the way, and who pays them. I have also attached a chart which shows that given the present rate of increase in food costs, the costs of moving the commodities around will exceed the cost of purchasing them within 5 years.

I would like to talk for a minute about why the present system is not accountable. I have included with my testimony a recent audit done by the USDA Office of the Inspector General on donated commodity processing. Commodity processing means very simply taking a donated food and processing it, for a fee, into a usable end product for the school lunch program.

Through the commodity processing system, the federal government pays for the processor's inventory and provides him with a cash float of as few as three and as many as nine months. The product that the school receives is reduced in price by the value of the commodity or commodities in it. Commodity processing does help make the commodities get used but at what price to accountability and at what energy costs for transportation and handling? The USDA Office of the Inspector General could not track what was going on in commodity processing in just the small sample of States and companies looked at. That should not be surprising. Let me give you some idea of why. Please remember our rail car and how much it costs to move that as opposed to a Commodity Letter of Credit.

THE TURKEY/CHEESE SANDWICH

(1) USDA buys whole turkeys from a company in Alabama and then has them shipped to, among other places, the State of Pennsylvania's commodity warehouse in Pittsburgh.

(2) USDA buys flour from a company in Indiana and has it shipped to the State of Pennsylvania's commodity warehouse in Pittsburgh.

(3) USDA buys cheese from a company in Wisconsin, has it transported to one of its warehouses for aging, lets a contract to reprocess the bulk cheese into 5 lb. loaves, and moves that cheese from its warehouse to the State of Pennsylvania's warehouse in Pittsburgh.

(4) The flour, cheese and turkeys are moved from the state warehouse in Pittsburgh to a school district leased warehouse outside Pittsburgh.

(5) The turkeys move from the school district warehouse to New York State where these turkeys become turkey luncheon meat. The flour and cheese stay in the school district's leased warehouse while this occurs.

(6) After the turkeys have become luncheon meat and are sent on their way back toward Pittsburgh, the school district sends out cheese and flour to meet the turkey luncheon meat on the way by Pittsburgh and all three commodities wend their way toward Wisconsin.

(7) In Wisconsin, the flour, cheese and turkey luncheon meat are joined together to make a turkey/cheese sandwich which is then shipped from Wisconsin back to our Pittsburgh, PA area school district warehouse.

(8) When the turkey/cheese sandwich arrives at the school district warehouse, it is then loaded for delivery to school lunch

program kitchens where the sandwich is used for school lunches.

(9) The school district pays for the turkeys to be processed into luncheon meat—the school district pays for the cheese and flour and turkey being made into a turkey/cheese sandwich plus the addition of other ingredients. The price of the sandwich is the regular market price less the value of the donated foods contained in it plus transportation costs.

Mr. Chairman, under a Commodity Letter of Credit System, this same school district would purchase the same sandwiches, paying for them partially from commodity letters of credit for flour, cheese and turkey and partially from the school food services account. Sandwiches would certainly be gotten quicker under this system and for at least the same, and probably a lower price. The same amount of commodity would be used. The same quality of commodity would be used. The accountability would be there. USDA would have set the value of that commodity—not the case now.

We can show you peanut butter bought in Georgia and going to New York State, where it goes into a state leased warehouse, from there to a school district warehouse, from there to Ohio to be made into peanut butter/jelly roll and from there back to the school district warehouse and then on to school lunch kitchens.

We can show you ground beef bought in Kansas, going to Northern Michigan into a state warehouse and from there to a local warehouse; from there to California to be made into beef patties; and from there back to the local Michigan school district warehouse; and from there to school lunch programs.

Finally, how about chicken purchased in Alabama going to a state warehouse in California, from there to a local school district warehouse; from there to Arkansas to be processed; from there back to the local warehouse in California; and from there to school lunch programs.

The whole system of the commodity program truly is one hell of a way to run a railroad. It makes all state and local school directors, truck, storage and handling experts. And at what cost? And at what benefit? Is it any wonder that USDA's Inspector General found accountability difficult. We encourage the Subcommittee to talk with schools about paperwork in this commodity program. You will be astonished.

Without commodity processing, there are 10 charge points for USDA commodities on average. States and schools pay nine and USDA pays one. With processing, there are as many as 17 for one processor, with the states and schools paying for 16. In our turkey/cheese sandwich example, there are about 45 charge points with USDA paying for seven and the remaining 37 paid for by the school district.

When you get spoiled or defective foods at the grocery store, you take them back and they are replaced. When schools get crushed spaghetti, or a leaking can of peaches or bent or swollen cans in a case, they are thrown out and not replaced under the commodity program. Why, because the vendor is some distant and sometimes unknown company.

Schools tell us if they do report bent cans and the like, the state commodity directors assume it's the schools fault and bill them a second time for the commodities involved.

You can be sure that a school lunch program that buys a product from a local vendor and gets bent or swollen cans, leaking cans or crushed product, returns that product for full value. Why, because the vendor wants a satisfied local customer and repeat business.

While the commodity Letter of Credit will save money, it will provide a welcome shot in the arm for the local economy of our nation. Schools which now buy 80 percent of their food needs locally, will now buy 100 percent. This means more full trucks and lower energy costs per trip. It also means that local contracts will be honored because of the commodity program not broken because of it, as is now the case.

Will the Commodity Letter of Credit take care of regional surpluses? Yes. If Oregon has a surplus of apples and a Commodity Letter of Credit is issued for apples, will that apple surplus be relieved? Yes. Through this Commodity Letter of Credit, apples will be taken off the market and out of the food pipeline allowing the Oregon apples to enter and taking care of the surplus.

Mr. Chairman, if the present USDA system for projecting crops and school needs works, the Commodity Letter of Credit system will work.

Under the Commodity Letter of Credit system, producers are protected, the federal government saves money, local school lunch programs participate fully in a share of our nation's agricultural abundance; states and school districts save money; local school food service directors have a choice of the form in which they use the commodities, and existing channels of trade are used to make the system work rather than the present inefficient USDA food system.

We urge the Subcommittee to approve the Commodity Letter of Credit proposal.

Thank you very much.●

A TRIBUTE TO DR. CHARLES M. KOURI

HON. MIKE SYNAR

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 20, 1980

● Mr. SYNAR. Mr. Speaker, this week marks the end of 29 years of service to his community for Dr. Charles M. Kouri of Chelsea, Okla. In that 29-year period, Dr. Kouri has proved that in America, as in no other country on Earth, one man can make a difference. I think it is appropriate then to call to the attention of this body the outstanding record of public service which this immigrant's son has achieved.

Dr. Kouri's father came to Oklahoma from Lebanon in the early years of this century to begin a new life in a country where his children could grow and prosper according to their own abilities. He came here, not because of any guarantees of success, but only for a fair chance for himself and his family. And like so many others who arrived in our country, he found that fair chance.

Born in 1921, Charles Kouri attended local schools, played football, baseball, and basketball, and graduated from his local Chelsea High School. He went on to college and later to dental school, married his college sweetheart, and served his country with distinction in World War II. After the war, he returned to Chelsea to practice dentistry and to raise a family of his own. Most men might have been content with these achievements—a professional career, a beautiful wife, and a fine family. But Charles Kouri felt he needed to do more. Charles Kouri wanted to return to his community some of the benefits he had received as an immigrant's son growing up in America.

For the last 29 years, Dr. Kouri has devoted his life to improving the educational opportunities available to the young people of Chelsea, Okla. As a member of the Chelsea Board of Education, and later as its president, Dr. Kouri worked tirelessly to improve the quality of education in his hometown. As a result of his efforts, Chelsea has been able to build a new grammar school, a new junior high, a new wing at the high school, a new vocational education building, and a new athletic field for the students. And, despite the pressures on his time, he was able to maintain a respected dental practice, while serving on the board of directors and as president of the Oklahoma Dental Association.

In short, Dr. Kouri has proved—as a father, a professional, and an active member of his community—that one man can make a difference. I know I join the entire community of Chelsea in thanking him for his years of devoted service and in wishing him happiness and fulfillment in the future.●

THE NICARAGUA GOVERNMENT'S ANGRY REACTION TO $75 MILLION LOAN HOLDUP IS A TELLING TALE, INDEED

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 20, 1980

● Mr. BAUMAN. Mr. Speaker, the purpose of the $75 million loan to Nicaragua recently approved by the House is, according to its supporters, to prevent Nicaragua from becoming another Cuba. Its opponents, myself included, argued that it is already too late. The debate hinged on the question of what Nicaragua is today.

Is Nicaragua a Cuban puppet? Or is it, as its leaders claim, a nonalined nation interested in good relations with all countries? One way to tell is to read what its controlled press says about any given issue, to see if the Government reflexively follows the Cuban/Soviet line or does, indeed, chart its own course.

Take the loan issue, for example. Read translations of Nicaraguan Government-controlled radio and newspaper accounts of the progress of the loan, as I have done every day, and you get quite an education about what the Sandinistas really think of us, in what disdain they hold the United States and its money. Read these and you see how incredible is the contention that we can buy Nicaragua's salvation or even its friendship. See how every failure of its revolution is blamed on that alltime favorite bogeyman, the U.S. Central Intelligence

Agency. Even the simple fact that the foreign aid appropriations bill, to which the Nicaragua loan was attached, had to be postponed because of Budget Act limitations was further proof to the Nicaraguans that the CIA somehow runs Congress.

I think it would be of interest and use for my colleagues to read for themselves the Nicaraguan dispatches, and with that in mind I shall today and in the days ahead insert those dealing with the loan issue into the RECORD.

The dispatches follow:

[From the Radio Managua Domestic Service, Feb. 26, 1980]

UNITED STATES AGAIN DELAYS LOAN BILL DEBATE

The reactionary Yankees have shamelessly revealed how the CIA, through the U.S. Congress, is trying to obstruct our revolutionary process. For the third time the House of Representatives has postponed its vote on the $75 million loan for Nicaragua.

Reactionary sectors in the U.S. Congress, accomplices of the crimes and pillages of the Somozas in this poor country, are trying through every possible means to block this loan which will help to reconstruct the country they helped destroy with their support of the criminal Somozist dictatorship.

Robert Lagomarsino, a Republican representative, in today's session asked for a private review of the documents submitted by the CIA, the U.S. intelligence agency, which allegedly prove the existence of Cuban and Soviet influence in our country. With wicked intent, the imperialist reactionaries in the U.S. Congress are thus setting a precedent by requesting this secret session. This is the second time this has happened in the U.S. Congress—the first time was during the discussion of the Panama Canal issue. These enemies of mankind in the Yankee government have gone so far as to submit an amendment to a bill which would allow the President of the United States to suspend the loan to Nicaragua if, in his opinion, certain freedoms, which they themselves deny, are limited in our country.

The group of reactionaries, besides Lagomarsino, include three other representatives, namely, Edward Derwinski, Bill Young and Robert Bauman, a known agent of the CIA.

The leaders of our revolution, however, have already declared that they shall never see us on our knees for a few dollars. The Sandinistas neither sell themselves nor surrender. Free fatherland or death!

[From the Managua Radio Sandino, Feb. 26, 1980]

PAPER REJECTS CONDITIONS IMPOSED ON U.S. LOAN

The newspaper La Prensa of Managua today described as blackmail the pretensions of U.S. politicians who are asking that a loan of $75 million to Nicaragua carry conditions.

These pretensions are not only a form of blackmail, but an act of stupidity, says the main portion of the paper's editorial in today's issue. We need the loan to make our reconstruction process less difficult, but if it is not forthcoming, we will still reconstruct the country, the paper's editorial maintains. We will never agree to this blackmail just as the United States would never agree to having Iran impose as a condition for the release of the U.S. hostages, for example, the demand that the United States expel all pro-shah Iranians, who under U.S. domestic legislation are refugees in that country, the paper said.

The La Prensa editorial states that if some incorrigible traitor indicated to Bauman that the $75 million loan should be subject to prior conditions, it would be useful for the U.S. Government, Congress and people to know that the great majority of Nicaraguans are the embodiment of Sandino's belief: "We will neither sell out nor surrender; a belief, which, according to La Prensa, played a very important role in the struggle against the dictatorship.●

WHAT IS THE BASIC CAUSE OF INFLATION?

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 20, 1980

● Mr. DANNEMEYER. Mr. Speaker, most Americans realize that something is seriously wrong with our economic system. Consumers are shocked by price increases seen in grocery stores from week to week. Businessmen are uncertain how long they can continue to pass on one price increase after another. Before attempting to deal with some of the claimed causes of inflation, it would be well to define the term "inflation." The dictionary defines "inflation" as: "an increase in the volume of money and credit relative to available goods resulting in a substantial and continuing rise in the general price level."

Among commonly cited causes of inflation are large, continuing, Federal deficits, expansionary monetary policy, the increasing vulnerability of the U.S. economy to events abroad such as oil price rises and food shortages, the momentum of the wage-price spiral as inflationary expectations deepen, rising payroll taxes and expanding regulations on job safety and the environment.

HOW DOES THE PUBLIC PERCEIVE THE CAUSE?

The public is far ahead of politicians when it comes to assessing the cause of inflation. In October 1978, Gallup reported that 51 percent blamed government, 20 percent blamed labor, and 13 percent blamed business. In January 1979, a national survey conducted by the Los Angeles Times found 43 percent selected government as "the one thing" most responsible for inflation, while 9 percent named business, 24 percent named labor unions, 9 percent named consumers, and 8 percent named foreign nations. Democrats and members of trade union families were almost as likely to blame inflation on government as were Republicans.

About one out of three Americans polled by Gallup in February 1978 ranked inflation as the most important problem facing America; by election day that number increased to two out of three. A survey taken in December 1978 by the Associated Press and NBC asked which—among eight—issues "do you think the new Congress should act on first?" Inflation led the list with 32 percent, while cuts in Federal spending, an inflation-related issue, was second with 16 percent.

FEDERAL DEFICITS—PAPER MONEY—INFLATION

The spending practices of the Federal Government are a shared responsibility between the Congress and the President. The President proposes but Congress disposes. Our system places on the House of Representatives the responsibility to originate appropriation measures. The 2-year term of House Members places this duty under the shortest time leash among Federal office holders for reasons of accountability. Our constitutional system gives Congress the exclusive authority to coin money.

Since Congress is so deeply involved in Federal spending policies, the 435 voting House Members were polled to determine their opinions on the basic cause of inflation; 96 of the 159—60.3 percent—Republicans and 78 of the 276—28.2 percent—Democrats responded.

QUESTIONS

The principal cause of inflation is:

1. Price increases by producers of goods and services.
2. Increase in labor costs by organized workers in the workforce.
3. Cost-of-living escalating clauses in various labor contracts in the public and private sectors.
4. Federal government deficits which cause the Federal Reserve System to expand the money supply to finance them.
5. The expansion of the money supply at a rate greater than the increase in goods and services in the economic system.
6. Increase in the cost of energy.
7. Other ———.

QUESTIONNAIRE RESULTS

[In percent]

	Agree strongly		Agree somewhat		Do not agree	
	Republican	Democrat	Republican	Democrat	Republican	Democrat
Question:						
1	6	22	38	55	51	19
2	11	17	49	55	33	23
3	16	18	50	60	28	19
4	93	37	5	51	2	9
5	85	51	10	36	1	12
6	40	79	39	15	19	5

Other reasons cited by Democrats included Government regulations; an unbalanced Federal budget; declining productivity; rising health care and food costs; and lack of long-range economic planning.

Other reasons cited by Republicans included decreased productivity; decline in value of dollar overseas; Government regulations; inflationary expectations; taxes eating away capital and eroding incentive; and lack of incentive to invest and save.

There is an obvious, significant difference between the two parties in response to questions 4 and 5. Thirty-seven percent of the Democrats agreed strongly with the statement that Federal Government deficits cause the Federal Reserve System to expand the money supply to finance them; 93 percent of the Republicans agree strongly with that position. Similarly, 51 percent of the Democrats agreed strongly with the statement that the expansion of the money supply at a rate greater than the increase in goods and services in the economic system was the principal cause of inflation; 85 percent of the Republicans agreed with that statement.

The following two tables show the relationship between (a) M_1 growth rates and real GNP, and (b) percent growth of money and the rates of inflation between 1947 and 1976.

TABLE I.—POST-WORLD WAR II TRENDS IN NOMINAL AND REAL GROSS NATIONAL PRODUCT AND IN MONEY STOCK (M_1 AGGREGATE) 1947-77

[All figures in billions]

Year	Nominal GNP	Money stock M_1 aggregate	Real GNP in 1972 dollars
1947	$232.8	$113.1	$468.3
1948	259.1	111.5	487.7
1949	258.0	111.2	490.7
1950	286.2	116.2	533.5
1951	330.2	122.7	576.5
1952	347.2	127.4	598.5
1953	366.1	128.8	621.8
1954	366.3	132.3	613.7
1955	399.3	135.2	654.8
1956	420.7	136.9	668.8
1957	442.8	135.9	680.9
1958	448.9	141.1	679.5
1959	486.5	143.4	720.4
1960	506.0	144.2	736.8
1961	523.3	148.7	755.3
1962	563.8	150.9	799.1
1963	594.7	156.5	830.7
1964	635.7	163.7	874.4
1965	688.1	171.3	925.9
1966	753.0	175.7	981.0
1967	796.3	187.3	1,007.7
1968	868.5	202.2	1,051.8
1969	935.5	208.8	1,078.8
1970	982.4	219.6	1,075.3
1971	1,063.4	233.8	1,107.5
1972	1,171.1	255.3	1,171.1
1973	1,306.6	270.5	1,235.0
1974	1,413.2	283.1	1,214.0
1975	1,516.3	294.8	1,191.7
1976	1,692.4	311.9	1,265.0
30 yr. average annual growth rate (percent)	7.1	3.6	3.5

Notes.—

M_1 growth rates: 1947-57—1.9 percent; 1957-67—3.3 percent; 1967-76—5.8 percent.

Real GNP growth rates: 1947-57—3.8 percent; 1957-67—4.0 percent; 1967-76—2.6 percent.

Data from various government sources as given in the 1977 Economic Report of the President.

TABLE II.—MONETARY GROWTH AS AN INDICATOR OF INFLATION

Period	(1) growth rate of money in percent	Period	(2) growth rate of prices in percent	(1) minus (2)
1947-52	2.3	1953	1.5	0.8
1948-53	2.7	1954	1.4	1.3
1949-54	3.2	1955	2.2	1.0
1950-55	3.3	1956	3.1	0.2
1951-56	2.7	1957	3.4	−0.7
1952-57	1.8	1958	1.6	0.2
1953-58	1.5	1959	2.2	−0.7
1954-59	2.0	1960	1.7	0.3
1955-60	1.3	1961	0.9	0.4
1956-61	1.5	1962	1.8	−0.3
1957-62	1.8	1963	1.5	0.3
1958-63	2.2	1964	1.6	0.6
1959-64	2.2	1965	2.2	0.0
1960-65	3.1	1966	3.3	−0.2
1961-66	3.6	1967	2.9	0.7
1962-67	4.0	1968	4.5	−0.5
1963-68	4.8	1969	5.0	−0.2
1964-69	5.2	1970	5.4	−0.2
1965-70	5.1	1971	5.1	0.0
1966-71	5.5	1972	4.1	1.4
1967-72	6.1	1973	5.8	0.3
1968-73	6.2	1974	9.7	−3.5
1969-74	6.1	1975	9.6	−3.5
1970-75	6.2	1976	5.2	1.0
1971-76	6.0	1977	5.9	0.1

Note.—Table reproduced from p. 9. December 1978 Review of the Federal Reserve Bank of St. Louis, "Is Inflation all Due to Money?"

A simple comparison between the growth of M_1 money stock and the growth of real GNP reveals that in the first two decades after World War II, M_1 grew at a slower rate than real GNP. However, in the 9 years from 1967 to 1976, growth in M_1 was more than double the real GNP growth—7.39 percent and 2.8 percent, respectively. The arithmetic indicates that we have increasingly expanded the money supply during the 1970's. A comparison of the relationship between the growth ratio of money supply, the growth in real GNP, the growth in prices and the growth in the average annual Federal deficit, as obtained from tables I, II, and III, shows the following:

[Dollars in billions]

Period	Percent: Average annual growth in M_1 money stock	Percent: Average annual growth in GNP	Percent: Average annual price growth	Average annual increase in federal deficit
1947-57	2.02	4.54	[1] 2.32	[2] 1.79
1957-67	3.78	4.80	[3] 1.97	5.08
1967-76	7.39	2.84	[4] 6.03	22.47
1947-76	6.06	5.87	[5] 3.66	7.78

[1] 1953-57.

[2] Surplus.

[3] 1957-67.

[4] 1967-77.

[5] 1953-77.

It is therefore difficult to deny that there is a significant relationship between the growth rate of money supply and the growth in prices, particularly where the money growth is greater than the growth in real GNP, as was the case between 1967 to 1976.

In the decade of 1967-76, the Congress appropriated funds resulting in an average annual deficit of $22.47 billion. The Federal Reserve System accommodated the financing of these deficits by expanding the money supply at an average annual rate of 7.39 percent. The average annual growth in the GNP was 2.84 percent. The price increase averaging 6.03 percent per year was the result.

Deficits since 1976 have been substantial. These deficits have likewise been financed with an expansion of the money supply. The inflation in 1980 of 18 percent plus is the result.

If the American people want to stop inflation, they must stop the irresponsible spending practices of a Democrat-controlled Congress. One sure way of doing this is to put Republicans in control of the Congress.

Table III (not printed in RECORD) shows the Federal budget and deficits for the period of 1970-79 and deficits only from 1947 to 1969.●

THE STATE DEPARTMENT'S COVERUP

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 20, 1980

● Mr. KEMP. Mr. Speaker, on Tuesday, March 18, Secretary of State Cyrus Vance testified before the Subcommittee on Foreign Operations of the House Committee on Appropriations, of which I am a member, on matters of foreign aid and concerning U.S. relations with nations in the Middle East, particularly Israel, Iran, and Afghanistan. With the Secretary's concurrence, most of the session was held in closed session over my public protest and my negative vote notwithstanding in spite of the fact that virtually none of the information discussed was classified. The public's right to know has thus been severely abridged, and chances for a bipartisan foreign policy jeopardized.

At least as serious, however, was the persistent refusal by the State Department—"stonewalling" might not be an inappropriate term—to respond to legitimate congressional requests for information concerning the administration's policy toward Israel and Iran. The aid program is both crucial to Israel and supportive of our vital interest and that of the free world. The recent debacle at the United Nations reveals more than it conceals about the attitude of the State Department policy toward Israel. Does the administration and the State Department recognize a prior claim by some Palestinian entity to east Jerusalem and the West Bank? Does the administration recognize a Palestinian/PLO claim to an independent state? Does the administration's failure to veto the U.N. resolution prejudge the ongoing negotiations about the status of the West Bank? A legitimate congressional inquiry bearing upon our policy and the expenditure of several billion dollars of the taxpayers' money were met with abject obfuscation by the Secretary of State with little assistance provided by the majority party in control of Congress and the committees of Congress.

The Congress needs to know what the content of administration policy is in this vital area of the world where so much American prestige, treasure, and national interest resides. The Congress is not going to provide the administration with a blank check either on its foreign assistance requests or its conduct of foreign policy. The Secretary's reluctance to testify candidly before the Congress about the content of American policy and our foreign assistance programs is jeopardizing congressional and public support far beyond the areas about which the Secretary refused to testify.

I have formally requested the subcommittee chairman, Representative CLARENCE D. LONG, to invite Secretary Vance to again testify before the Foreign Operations Subcommittee in a public session at the earliest possible date. I hope the Secretary will avail himself of such an opportunity before the subcommittee completes its consideration of the foreign assistance request for fiscal year 1981. Attempts to gag public understanding and discussion of these issues in the House and Senate as is currently the State Department's practice is dangerous to the future of American foreign policy and that of our allies.●

DOMESTIC ALCOHOL FUEL PRODUCTION MUST BE EXPEDITED NOW

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 20, 1980

● Mr. ROE. Mr. Speaker, today I am introducing, in my capacity as vice chairman of the U.S. National Alcohol Fuels Commission, a House resolution urging expeditious Federal agency action on programs to assist U.S. production of alcohol fuels. This resolution is the outgrowth of an agreement reached by the NAFC Commission on March 4. I am pleased to have my fellow House commissioners, Congressmen ALEXANDER, BLANCHARD, GLICKMAN, ROTH, and SEBELIUS join me as cosponsors. I greatly appreciate their bipartisan support.

The resolution addresses programs in the Department of Energy and in the Farmers Home Administration for which funding has already been approved by the Congress and the President. These moneys can play an immediate and integral role in aiding the private sector in the development of commercial and onfarm scale production facilities.

Specifically, the Farmers Home Administration presently has available $100 million for loan guarantees and $10 million for direct loans for alcohol fuel plant construction. In addition, Congress appropriated last year $2.2 billion for the Department of Energy for an alternative fuels program which includes alcohol fuels derived from biomass and municipal and industrial solid waste. This program can provide critically needed assistance for plant construction in the form of purchase agreements, price guarantees, cooperative agreements, and loan guarantees.

Earlier this year the President announced a national production goal of 500 million gallons of ethyl alcohol to be achieved in 1981. This is a laudable and ambitious goal which I fully support. Its achievement will depend in large measure on an aggressive and coordinated effort by the Congress, the administration, and the private sector. It serves to set forth for the first time—a national commitment—a vital first step in our long road to domestic energy independence.

Mounting concern that Government spending is fueling our staggering inflationary spiral has provided fresh impetus to the drive to cut spending and balance the Federal budget.

As an early cosponsor and vigorous supporter of legislation mandating a balanced Federal budget, I welcome this concerted attention to this goal by the administration and the Congress.

However, in our newly found determination and commitment to attack one of the major precursors of our economic dilemma, we must also address one of its fundamental, if not, root causes—the staggering effect of our reliance on imported oil and other fossil fuels. To the extent that as a Nation we can reduce that reliance—we will be strengthening our economy and combating inflation. Every gallon of oil or alternative fuel that we are able to produce in the United States will diminish that reliance.

The basic cost of energy as it relates to production in this country has put a Gordian-like stranglehold on economic viability. We must act now if we are to stabilize—and reverse—that disastrous trend.

Alcohol fuels are one of the major practical and available alternative fuels that can, in the immediate future, reduce our Nation's need for imported petroleum. Public acceptance of gasohol, as one example, has escalated dramatically in the last 2 years. Regrettably, however, consumer demand in this country far exceeds our existing domestic capacity to produce alcohol fuels.

The Congress and the administration have made the commitment to expand our domestic alcohol fuels industry. If we are to stabilize our economic volatility and dispassionately attack the inflationary curse which has plagued each and every one of us we must honor that commitment now. As responsible Members of Congress we can afford to do no less.●

WHAT IS AND WHAT IS NOT SUPPLY-SIDE ECONOMICS

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 20, 1980

● Mr. LAFALCE. Mr. Speaker, post-Second World War economic policies in this country have been dominated by demand-side economic theory, most of which can be in one way or another linked to Lord John Maynard Keynes. Massive across-the-board tax cuts and increased Federal spending have been frequently utilized, in order to stimulate demand and control unemployment.

During this period of double-digit inflation and declining productivity, demand-side economic policies are of little utility and could actually exacerbate those problems severely. Many have now focused attention on a different economic theory, which is supply-side economics. This school of economics attempts to encourage economic and productivity growth, without increasing the rate of inflation, which is vital in this age of economic stagflation.

However, the discussion of supply-side economics has led to some uncertainty about exactly what is supply-side economics. For example, advocates of a huge across-the-board cut in personal income taxes are claiming that such reductions would be supply-side economics, which is ludicrous. When Walter Heller, a classic and brilliant Keynesian, was trying to sell his across-the-board cuts in the early 1960's, he repeatedly emphasized that the aim of those cuts was the stimulation of demand among consumers. The last thing we need at the present is an explosion of consumer demand chasing scare and expensive goods and services.

Fortunately, Herbert Stein,—the A. Willis Robertson Professor of Economics at the University of Virginia, a senior fellow at the American Enterprise Institute, former chairman of the Council of Economic Advisers under Presidents Nixon and Ford and a member of the Wall Street Journal's board of contributors—in an article from the March 19 edition of the Wall Street Journal has quite successfully described what is and what is not supply-side economics. I commend that article to the attention of all of my colleagues because of the importance of those distinctions.

The article follows:

SOME "SUPPLY-SIDE" PROPOSITIONS

(By Herbert Stein)

There is a rising tide of literature and talk about supply-side economics. For the benefit of non-economists who may be wondering what this is all about, I will put down here my view of what are and are not "supply-side" propositions and what the current state of the evidence is.

The following are *not*, in my opinion, "supply-side" propositions. Although they all have to do with supply they were common currency long before the new school of thought emerged, about five years ago.

1. "Supply" is an important element in economic analysis. The first parrot who got a Ph.D. in economics for learning to say "supply and demand" knew that.

2. Increasing the supply of total output is important for individual welfare and national strength. This is what "The Wealth of Nations" (1776) is about.

3. The supply of output depends on the supply of resources, or inputs. The early economist who first said "land, labor and capital" knew that.

4. The supply of resources, and therefore total output, is affected by public policy. For example, economists 150 years ago argued against budget deficits on the ground that they diverted saving from productive investment. Moreover, the possibility of affecting output by policy remained an active element in public discussion. Thus, in the 1950s there was an intense public debate about economic growth, with presidential candidates competing to see who could offer the largest growth target. This was a debate about ways to increase total inputs.

TAXES AND TAX REDUCTIONS

5. The supply of resources will be influenced by the tax system. I remember learn-

ing about this in my high-school course in economics, which goes back almost 50 years.

6. A tax reduction will make the national income higher than it would otherwise have been, and the revenue loss from the tax reduction will therefore be less than if the national income had not been induced to rise. This was one of the pillars of Andrew Mellon economics.

7. A tax reduction will raise the national income by more than the amount of tax reduction. This was the essence of "trickle-down" theory as actively espoused by the Republican Congress in 1948 and 1954. If a tax cut did not increase the national income by more than the tax cut there would be nothing to trickle down from the immediate beneficiaries of the tax cut to the rest of the population. Whether this proposition was correct or not is unproved, but it is not a new idea.

8. A tax rate reduction will increase the total revenue. At this point we come to an idea that looks like the new supply-side economics and we must make a fine but important distinction. The idea that a tax rate reduction might increase the revenue has been a standard proposition in economics for many years—possibly 40—but it has heretofore been derived from "demand-side" or Keynesian reasoning. The argument has been that a cut of tax rates leaves more money in people's hands, as a result of which they spend more, and the total increase in spending exceeds the initial tax reduction, because the increased spending of one person raises the income of another person and induces him to spend more, and so on. Moreover, the increased demand thus created induces businesses to invest more. If these additional expenditures and investments are large enough they will raise the national income enough to yield an increased amount of revenue, even with reduced tax rates.

In a primitive form this was the "pump-priming" argument of the 1930s. In slightly more sophisticated form it became a key item in the New Economics of the 1960s.

A basic assumption of this line of argument is that there is a large quantity of unutilized resources available to be brought into production without any increase in real wage rates or in the return to capital. This makes it possible for the increase of demand to be translated into an increase of real output, and not simply to blow off in higher prices.

Valid or not, this proposition is old and surely not part of supply-side economics.

We may now turn from what, in my opinion, are not "supply-side" propositions to some that I believe do fit that category.

9. A tax reduction, not accompanied by a reduction of government expenditures, will raise the total revenue, and will do so by operating on the supply side of the economy. We visualize a state of affairs in which the total output is limited by the supply of resources—i.e., there are no unemployed resources—but there are more resources that would be supplied if the real rate of return to them was greater. A cut of tax rates will increase the after-tax return to productive resources, causing more of them to be supplied. That will increase the national income and the tax base. This increase in the tax base will yield more revenue at the reduced tax rate.

The basic point to note about this proposition is that it is not a proposition about ideology or even about economic theory but is a proposition about magnitudes. Theory does not even tell us whether a reduction of tax rates will increase or decrease the supply of labor or saving. But even if we bypass that argument, and stipulate that the effect is positive, the magnitude of the effect is all-important.

For example, suppose that we start with a tax system that takes 40% of the national income, leaving 60% as the after-tax return to the suppliers of productive resources. Then we cut the effective tax rate 10%, from 40% to 36%. That increases the after-tax return from 60% to 64%, or by 6⅔%. If the revenue is not be be reduced the national income must rise by 11.11%, so that the 36% tax rate will yield as much as the 40% formerly did. That means that a 6⅔% increase in the return to resources must yield an increase of 11.11% in output, or 1⅔ times as much.

Whether the quantitative relationships will be such that a cut of tax rates not accompanied by a cut of expenditures will increase the revenue is a question that we cannot answer with certainty. The answer surely depends on the kinds of taxes involved and on other circumstances. But one can be fairly confident that the relationships are not such that an across-the-board income tax rate cut will increase the revenues within any relevant period of time.

This form of the supply-side proposition is of critical importance for political reasons. That is, the tax-cutting prescription would be much less attractive if it were universally understood to be a recommendation for enlarged budget deficits or reduced government spending. Moreover, the proposition loses its claim to intellectual originality if it only says that taxes and spending should both be reduced, or that a tax cut will reduce the revenue "less than some people think."

10. Less political and ambitious supply-siders might be willing to settle for the proposition that a tax rate cut, not accompanied by an expenditure cut, will nonetheless increase real output, even if it also reduces total revenue.

But even this more modest proposition is not axiomatically true and depends on magnitudes whose size we don't know very well. Again granting that a tax rate cut would increase incentives to work and save, we must also recognize the effect of the tax cut in people's hands. If their increased demand for consumption exceeds their increased output, and government spending is not reduced, there must be less investment.

This point was made by Michael Evans, whose econometric studies are frequently cited as support for supply-side propositions: "To the extent that the increase in private sector saving generated by tax cuts is offset by a decrease in public sector saving, additional funds will not be available for investment." And if the increase in private sector saving is less than the decrease in public sector saving (the increase in the budget deficit resulting from the tax cut) private investment will be crowded out and there is no reason for counting on an increase in the long-run growth rate.

The conditions required for a tax cut to lead to some increase of output are less demanding than those required to get an increase in output sufficient to raise the revenue. But the evidence for the existence of even these less onerous conditions is not strong.

EXCESS OF DEMAND

11. An extreme, and currently very popular, version of supply-side economics is that the way to tackle the inflation problem is from the supply side, especially by cutting taxes. The argument is simply that inflation results from an excess of demand over supply, and there is no sense in correcting that by the painful method of restricting demand when it could be done by the pleasant way of raising supply. The answer is of course equally simple. What we can do on the supply side is not big enough to solve the problem. We have demand growing by about 12% a year and supply growing by about 2% a year, which yields 10% inflation. To increase the rate of growth of supply by 50% from 2% a year to 3% a year, which is a difficult task, would still leave an enormous inflation, especially if the increase of supply is accomplished by means like cutting taxes which at the same time increase demand.

What I have said here is not an argument for or against cutting taxes, or for or against any other policy. It surely is not meant to deny that cutting taxes and expenditures, or restructuring the tax system, can be beneficial in many respects. I am only making a plea for modesty in recognizing the difference between what one knows and what one doesn't know.

Despite the tone of much of the current argument, the propositions of supply-side economics are not matters of ideology or principle. They are matters of arithmetic. So far one must say that the arithmetic of any of the "newer" propositions is highly doubtful. Supply-side economics may yet prove to be the irritant which, like the grain of sand in the oyster shell, produces a pearl of new economic wisdom. But up to this point the pearl has not appeared.●

AMERICAN AGRICULTURE DAY

HON. WILLIAM C. WAMPLER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 20, 1980

● Mr. WAMPLER. Mr. Speaker, I and several of my colleagues on the House Committee on Agriculture today called for an American Agriculture Day, to be celebrated each year in honor of that hard-working band of producers and farmers who give the American consumers the best diet in the world at the lowest percentage of earned wages of any country. The statement accompanying the proposal is as follows:

Twelve Republican Members of the House Committee on Agriculture today called for establishment of a special holiday each year to salute American agriculture.

In a joint statement, the 12 Republican Committee Members said: "What we propose is not just another day set aside to salute American agriculture, but a national commemorative day as an annual event or a national holiday to be celebrated on a Saturday or Sunday each year.

"If we can pay tribute to such great leaders of the past as George Washington with a national holiday . . . if we can salute the nation's veterans to whom we owe so much on a special day each year . . . if we can honor working men and women on Labor Day, we suggest we can set aside one day each year to truly honor the American farmer and American agriculture.

"For agriculture in this country isn't simply our biggest industry nor our only source of food and fiber. It's not just our largest employer nor our most productive industry.

"Agriculture is the key to this nation's survival—for it produces the one essential of life we can't live without. It is the backbone of our economic strength—for its assets total close to the combined capital assets of all manufacturing corporations in the United States and it employs one of five Americans.

"What is amazing to us is that this one industry on which this nation was built had not been singled out long ago for a special holiday. We suggest a 'National Agriculture

Day' would be a most important reminder of what we need and expect from this vital segment of our economy in the future."

The Republicans signing this statement were Representatives William C. Wampler of Virginia, Ranking Republican Member of the Committee, Keith G. Sebelius of Kansas, Paul Findley of Illinois, Steve D. Symms of Idaho, Edward R. Madigan of Illinois, Margaret M. Heckler of Massachusetts, James M. Jeffords of Vermont, Richard Kelly of Florida, Charles E. Grassley of Iowa, Tom Hagedorn of Minnesota, Larry J. Hopkins of Kentucky, and William M. Thomas of California.●

THE NATIONAL HERITAGE POLICY ACT

HON. BOB ECKHARDT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 20, 1980

● Mr. ECKHARDT. Mr. Speaker, in June 1979, the Texas Legislature passed Senate bill 1131, establishing the Texas Conservation Foundation and assigning to them powers and duties to survey and collect data concerning the natural resources and areas of Texas, to create a register of Texas unique natural areas and resources, and to make timely acquisition of property to further the conservation of natural, scenic, historical, scientific, educational, inspirational, wildlife, or recreation resources for future generations of Americans. This bill received support from a broad cross section of State and local government officials, private conservation groups, and the academic community.

Texans have been chided for what is by some considered their inordinate pride in the history and resources of their State and the uniqueness of its landscape. Some even say Texas brag; but, as for me, I have never found the need to. The simple, unvarnished truth about our Texas heritage and resources is impressive enough.

I have been trying to tell and to show my friends in Congress that all Texas is not a great plain supporting only mesquite or grease weed, as they may seen it in their days in the Army Air Corps. It comprises a great variety of country, encompassing the Big Bend, with scenery rivaling the Royal Gorge, the deep piney woods of east Texas, the rolling pleasant live oak country of south central Texas, the brush country of south Texas, the wide-reaching beaches and bays of the gulf coast, the stone bottomed creeks, dwarf oaks, cedar breaks, and erosion hills of central Texas, the beauty of Palo Duro Canyon cuts below a vast and monotonous plain, the cross timbers of north Texas, and the stark rugged hills of El Paso del Norte.

The creation of the Texas Conservation Foundation is an expression of the commitment of the people of Texas to preserving such natural heritage. With an increasing population and changing land use patterns, we perceived the danger that examples of our natural heritage might be irretrievably damaged. The Texas Conservation Foundation will coordinate and improve the effectiveness of existing efforts to identify special resources and plan for their protection.

I am pleased to be a cosponsor of the National Heritage Policy Act, H.R. 6504, on which hearings were held by Congressman BURTON on March 17 and 18, 1980, in the chairman's National Parks and Insular Affairs Subcommittee. it would establish a national heritage policy which would lend support to the program in Texas and similar programs existing in 26 other States. It would enlist government and nongovernment participation in the identification of heritage resources, and make available resource information through State programs. This would improve the ability of Federal agencies, States, and private resource managers as well as developers to make informed decisions on resource use. The program would enrich our lives by identifying, recognizing, and protecting those very special places which illustrate the natural history of the American land.●

ANNIVERSARY OF THE BYELORUSSIAN DEMOCRATIC REPUBLIC

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 20, 1980

● Ms. OAKAR. Mr. Speaker, on March 25 the Byelorussian-American people will celebrate the 62d anniversary of the Proclamation of the Byelorussian Democratic Republic on March 25, 1918. Let me say that I support the major concern of the Byelorussian-American community this year, that being the release of their political prisoners. In that light I would like to draw the attention of the House to the National Resolution of the Byelorussian-American Association:

RESOLUTION

Resolved that the Byelorussian language be included in Voice of America programming.

The aforementioned resolution to be adopted by the Byelorussian American community at the March 23rd, 1980 rally commemorating the 62nd anniversary of the proclamation of the Byelorussian Democratic Republic which took place in Minsk, capital of Byelorussian, on March 25, 1918.

The Byelorussian-American community of New York is convinced that U.S. national security interests and world peace are well served when captive nations within the Soviet Union are informed of the nature of Soviet expansionism and the vitality of their respective cultural heritages in the United States. Indeed, these are major objectives of Voice of America broadcasts. For years, however, Byelorussians in the Soviet Union have not heard any VOA broadcasts in their own language.

The Byelorussian language, the language of one of the largest ethnic groups in the USSR and one of the oldest ethnic groups in the United States, is being discriminated against by the Voice of America as it does not include the Byelorussian language in its programming. We, the participants of this rally wish to once again express our long standing frustration at this discrimination; we ask that the administration of the VOA and other concerned government agencies recognize the inequity and unsoundness of VOA policy in this matter and move to include the Byelorussian language in VOA programming. Inclusion of the Byelorussian language in VOA broadcasts would foster closer relations with the Byelorussian people and the Byelorussian-American community.●

ENERGY COMMITTEE PROPOSALS

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 20, 1980

● Mr. FRENZEL. Mr. Speaker, the House of Representatives will soon consider a resolution, House Resolution 549, reported by the Select Committee on Committees, to create a standing Committee on Energy. Pursuant to the rule adopted on March 18, three additional options may be offered: the Gramm substitute, the Bingham substitute, and what has been referred to as the Cleveland-Patterson-Frenzel substitute. This last alternative will be the basis of a motion to recommit with instructions.

Like the select committee resolution, the Gramm and Cleveland-Patterson-Frenzel substitutes would create a standing committee on energy. In contrast, the Bingham substitute attaches new energy jurisdictional language to the Committee on Interstate and Foreign Commerce, and renames that unit the Committee on Energy and Commerce. As the scope of these four initiatives varies significantly, the following table presents a comparative overview to illustrate differences as well as similarities. The table sets forth the jurisdictional terms assigned to either a new energy committee—by House Resolution 549, the Gramm and Cleveland-Patterson-Frenzel substitutes—or, in the case of the Bingham substitute, to the Commerce Committee. The text of the Gramm and Bingham substitutes, from which these jurisdictional terms are drawn, appeared, respectively, in the CONGRESSIONAL RECORD of February 25, page 3662, and February 27, page 4135.

I. COMPARISON OF THE CLEVELAND-PATTERSON-FRENZEL, GRAMM AND BINGHAM PROPOSALS WITH THE SELECT COMMITTEE RESOLUTION, H. RES. 549

[The Select Committee Resolution (H. Res. 549), the Gramm substitute, and the Cleveland-Patterson-Frenzel substitute (incorporated in the motion to recommit) would create a Standing Committee on Energy. The Bingham amendment in the nature of a substitute adds expanded jurisdictional language to the Committee on Interstate and Foreign Commerce, renaming that unit the Committee on Energy and Commerce]

Energy policy	Gramm substitute	Bingham substitute	Cleveland-Patterson-Frenzel substitute	Select Committee resolution (H. Res. 549)
	National energy policy generally (1)(A) [1]	Identical provision (2) [1]	National energy policy generally (1) [1]	Identical provision (1) [1]
Energy resources	Measures relating to the exploration, development, production, storage, supply, marketing, pricing, and regulation of energy resources, whether or not on or from the public lands (including the Outer Continental Shelf) and including all fossil fuels, nonmilitary nuclear energy, solar energy, and other unconventional or renewable energy resources. (C). Note: The Gramm amendment refers to exploration and storage which are not listed in H. Res. 549. Also, the Gramm substitute includes "development" which is omitted from the Cleveland-Patterson-Frenzel, and Bingham versions. In contrast to the Cleveland-Patterson-Frenzel proposal and the Select Committee resolution, conservation of energy resources is mentioned in a separate subparagraph. (D).	Measures relating to the exploration, production, storage, supply, marketing, pricing, and regulation of energy resources, including all fossil fuels, solar energy, and other unconventional or renewable energy resources. (3). Note: Like the Cleveland-Patterson-Frenzel and the Gramm substitutes, the Bingham substitute does not exclude public lands energy resources. "Development," which is mentioned in the Gramm substitute, is omitted. No mention of nonmilitary nuclear power in the Bingham substitute's listing of energy resources. In contrast to the Cleveland-Patterson-Frenzel proposal and the Select Committee resolution, conservation of energy resources is mentioned in a separate subparagraph. (4).	Measures relating to the exploration, production, storage, supply, marketing, pricing, regulation, and conservation of energy resources including (A) all fossil fuels, (B) nonmilitary nuclear power, (C) solar power, and (D) other unconventional or renewable energy resources. (2). Note: By deleting the Interior Committee's jurisdiction over nuclear regulation, the Cleveland-Patterson-Frenzel substitute centralizes all such nonmilitary nuclear regulation within the new Energy Committee.	H. Res. 549 somewhat parallels the Cleveland-Patterson-Frenzel language with the following exceptions; the Select Committee resolution: Excludes public lands energy resources from the Energy Committee's primary jurisdiction; Allows the Committee on Interior and Insular Affairs to retain primary jurisdiction over the regulation of nuclear power; and Does not refer to either "exploration" or "storage" of energy resources. (2).
Electrical energy	Measures relating to the reliability, generation, interstate transmission, marketing of, and ratemaking for, all power, including rural electrification and the energy functions of federally-chartered or Federal regional power marketing authorities and the siting of generation facilities. (I). Note: Unlike the Cleveland-Patterson-Frenzel version and H.Res. 549, the Gramm substitute does not exclude rural electrification or energy functions of federally-chartered or Federal regional power marketing authorities.	Measures relating to (A) the generation and marketing of power (except by federally chartered or Federal regional power marketing authorities), (B) the reliability and interstate transmission of, and ratemaking for, all power and (C) the siting of generation facilities; except the installation of interconnections between Government waterpower projects. (7). Note: The language parallels Cleveland-Patterson-Frenzel, except that the Bingham substitute does not specifically exclude rural electrification.	Measures relating to (A) the generation and marketing of power (except by federally chartered or Federal regional power marketing authorities and for rural electrification), (B) the reliability and interstate transmission of, and ratemaking for, all power, and (C) the siting of generation facilities; except the installation of interconnections between Government waterpower projects. (4).	The transmission and marketing of all electrical energy, except by or through federally chartered regional or national power authorities and for rural electrification. (3). * * * and the regulation of interstate transmission of power, except the installation of interconnections between Government waterpower projects. (4). Note: No specific reference to reliability or siting of generation facilities●
Commercial application of energy technology	Interstate and foreign commerce relating to energy resources, including the promotion of commercial applications of energy technology. (B).	No specific reference to commerce relating to energy resources, but includes provision regarding "measures relating to the commercial application of energy technology." (5).	Measures relating to the commercial application of energy technology (3). No specific reference to interstate and foreign commerce relating to energy resources (as in the Gramm substitute) but the intent is that subparagraph (1) "national energy policy generally" would encompass this jurisdictional area.	No similar provision, although the intent is that subparagraph (1) "national energy policy generally" would encompass this jurisdictional area.
Interstate energy compacts	Interstate energy compacts. (J)	Interstate energy compact. (8)	All interstate energy compacts. (5)	Excludes interstate energy compacts involving the public lands. (4).
OCS energy resources	Reference to OCS energy resources in subparagraph (C) above.	The failure to exclude public lands energy resources from subparagraph (3) above would allow Energy and Commerce, at the least, to request a joint referral of measures relating to OCS energy resources.	All measures relating to energy resources on the Outer Continental Shelf. (6).	No similar provision. The resolution anticipates a sequential referral to the Energy Committee of measures relating to OCS energy resources under subparagraph (1)—"national energy policy generally" above.
Nuclear energy	Regulation of the domestic nuclear energy industry, including regulation of research and development reactors, nuclear regulatory research, and measures relating to the temporary and long-term storage of spent fuel and nonmilitary nuclear wastes. (E).	No similar provision. Regulation of domestic nuclear energy industry would remain within the jurisdiction of the Committee on Interior and Insular Affairs. The Commerce Committee would retain the nuclear jurisdiction it presently exercises.	Subparagraph (2) is intended to encompass the regulation of the domestic nuclear energy industry.	No similar provision. Regulation over domestic nuclear energy is to be retained by the Committee on Interior and Insular Affairs with sequential referral to the Committee on Energy.
Research development demonstration	All energy research, development, and demonstrations. (F).	The Committee on Science and Technology would retain primary jurisdiction over energy research, development, and demonstration; and federally owned or operated nonmilitary energy laboratories—Energy and Commerce could obtain sequential referrals of these measures under the grant "national energy policy generally" (subparagraph (2)) if this provision were liberally interpreted.	No similar provisions. The Committee on Science and Technology would retain primary jurisdiction over energy research, development, and demonstrations; and federally owned or operated nonmilitary energy laboratories—the Committee on Energy could obtain sequential referrals under strict time limits, of these measures pursuant to the grant "national energy policy generally" (subparagraph (1)).	No similar provisions. The Committee on Science and Technology would retain primary jurisdiction over energy research, development, and demonstrations; and federally owned or operated nonmilitary energy laboratories—the Committee on Energy could obtain sequential referrals of these measures under the grant "national energy policy generally" (subparagraph (1)).
Energy labs	All federally owned or operated nonmilitary energy laboratories. (G).			
Energy information	Measures relating to energy information generally. (H).	Identical provision. (6)	No similar provision. The Committee on Energy could obtain sequential referrals of these measures under the grant of "national energy policy generally."	No similar provision. The Committee on Energy could obtain sequential referrals of these measures under the grant of "national energy policy generally."
Tariffs and quotas	Tariffs, quotas, and other fees or limitations on the importation of energy resources. (K).	No similar provision. Energy and Commerce could obtain sequential referrals of these measures under the grant of "national energy policy generally" if this provision were liberally interpreted.	No similar provision. The Energy Committee could obtain sequential referrals of these measures under the grant of "national energy policy generally."	No similar provision. The Energy Committee could obtain sequential referrals of these measures under the grant of "national energy policy generally."
Management of DOE and FERC	Measures relating to the management of the Department of Energy, and management and all functions of the Federal Energy Regulatory Commission. (L).	Measures relating to general management of the Department of Energy, and the management all jurisdiction of the Federal Regulatory Commission. (9).	No similar provision. The expectation is that most, if not all, of this jurisdictional item would be embraced by the grant of "national energy policy generally."	No similar provision. The expectation is that most, if not all, of this jurisdictional item would be embraced by the grant of "national energy policy generally."
Jurisdictional exclusions	Specific jurisdictional exclusions (2)(A–D): Military applications of nuclear energy (remains with Armed Services); Nonproliferation of nuclear technology and nuclear hardware (remains with Foreign Affairs); Any matter relating to irrigation or reclamation in connection with federally chartered or Federal regional power marketing authorities (remains with Interior and Public Works); Revenue measures (except as specified in (1)(K)above—(remains with Ways and Means).	No similar provision. A broad definition of "national energy policy generally" anticipates that the Energy and Commerce Committee could seek a sequential referral of any nonmilitary energy-related measure reported by any committee of the House.	No similar provision. A broad definition of "national energy policy generally" anticipates that the new Energy Committee could seek a sequential referral of any nonmilitary energy-related measure reported by any committee of the House.	No similar provision. A broad definition of "national energy policy generally" anticipates that the new Energy Committee could seek a sequential referral of any nonmilitary energy measure reported by any committee of the House.

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[1] Reference to specific subparagraphs in the Cleveland-Frenzel, Bingham, and Gramm substitutes and the Select Committee Resolution.●

SEEK AND YE SHALL FIND "HIDE IN PLAIN SIGHT" AND TELL STORY OF BUFFALO MAN

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 20, 1980

● Mr. KEMP. Mr. Speaker, today is "Hide in Plain Sight Day" in Buffalo. This day honors Tom Leonhard—a Buffalo man whose life was destroyed by bureaucratic insensitivities in enforcing the Witness Protection Act—and his story as told in the new James Caan movie, "Hide in Plain Sight."

The movie is based on a true story which began in Buffalo in 1967. Tom Leonhard and his wife, Rochelle, had recently divorced with Rochelle granted custody of the children. Rochelle married a member of organized crime who was then convicted of bank robbery. He was given a choice between a 5- to 10-year prison sentence or an opportunity to become an informer for the Government. Under the auspices of the Witness Protection Act, he was offered new identities for his family, a job, and a chance to start a new life. He chose to disappear.

Tom Leonhard, however, had no idea that all this was going on and one day his children vanished from his life. It took 8 years for him to find his children who had by this time already grown up. In 1973, Tom Leonhard came to me with his attorney, Salvatore Martoche, and asked me to introduce legislation directing the Attorney General of the United States to transmit the Supreme Court of New York for Erie County, N.Y., any information which the Department of Justice had on the whereabouts of Tom's wife Rochelle, and their three children. The bill which I introduced also directed the Secretary of the Treasury to pay Tom $1 million in full settlement of all the claims of Tom Leonhard against the United States resulting from actions taken by the Department of Justice to relocate and provide new identities to Rochelle and the three children. Tom, however, was not to find the whereabouts of his children until July 4, 1975. The movie portrays his fight to locate his children.

When the city of Buffalo was approached 2 years ago about the possibility of filming Tom Leonhard's story in the "Queen City," the people of Buffalo opened their hearts to the cast and crew. The production staff spent 10 weeks in Buffalo and had only positive and favorable remarks to say concerning the city and its people. James Caan, the director as well as the star, felt that Tom Leonhard's story had to be told, and remarked that throughout the filming of the picture, the people of Buffalo were most cooperative. The producers of the film, Bob Christtensen and Richard Rosenberg, said that:

> The people were always kind and enthusiastic and tried to be as helpful as possible in any way. The entire situation was extremely enjoyable.

Tonight, Shea's Buffalo Theatre is hosting a benefit in honor of Tom Leonhard. The proceeds are going to Mr. Leonhard to assist him in paying some of his legal fees.

Tom's efforts now are to assure that what has happened to him will never happen again to an American citizen. No government should ever interfere with the right of parent and child to be together. Nothing can ever compensate Tom for the lost years of his children's lives. I urge my colleagues to see this movie, "Hide in Plain Sight," to reflect on the power of the Federal Government which can so easily damage the life of an average man.●

SENATE—*Friday, March 21, 1980*

(Legislative day of Thursday, January 3, 1980)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by Hon. DAVID L. BOREN, a Senator from the State of Oklahoma.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O God of the years that have been and of all the years yet to come, we thank Thee that Thou dost never leave us nor forsake us. We would draw near to Thee in this our morning prayer and stay with Thee until the shadows lengthen and our work is done.

Make this Nation mindful of Thy favor, obedient to Thy law and glad to do Thy will. Bless our land with honorable industry, sound learning, and pure religion. Save the inner life of the Nation from disloyalty, from discord and confusion, from pride and arrogance and from every evil way. Keep us steady and strong in the uncertain, dangerous days yet to come. Imbue with the spirit of wisdom those who, in these crucial times, have been trusted with high office. And may Thy kingdom come and Thy will be done on Earth. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., March 21, 1980.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable DAVID L. BOREN, a Senator from the State of Oklahoma, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. BOREN thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the majority leader, the Senator from West Virginia, is recognized.

TEHRAN HOSTAGES

Mr. ROBERT C. BYRD. Mr. President, for 139 days, Americans have been held hostage in our Embassy in Tehran. Each of us has vented his anger and frustration in private as the suffering of the hostages and the anguish of their families have been contemplated, and as we watched the antics of the mob in front of our Embassy on television.

However, with a very few exceptions, political leaders have chosen to moderate their public statements, recognizing that a cacaphony of voices could further complicate the prospects of winning the hostages' release. For the sake of the hostages, we have allowed the President to speak on behalf of a united nation.

The administration has sought to win the release of the hostages through diplomatic initiatives and some economic pressures. The administration has refused to rule out the resort to military force except as a last resort. The administration has sought and received the support of our major allies in many of its efforts, and we have won a surprising degree of support in the U.N. for our position.

Changes in Iran's domestic political situation and in the international situation have complicated the task of bringing pressures to bear on Iran. These changes have created new possibilities that can be pursued in efforts to win release of the hostages.

Slowly, it seems that an authoritative government is emerging in Iran. Until now, we have not had an interlocutor that has been able to carry out its commitments. This ability to carry out commitments is a key to any attempt to win the release of the hostages. There is no guarantee that the political forces that prevail will be the easiest to deal with—but it is certain that any authoritative government will be easier to deal with than the chaos that has prevailed up to now.

The Soviet intervention in neighboring Afghanistan is another change that must be taken into account. Increasingly there are those in Iran who perceive the threat that the Soviet intervention portends. And increasingly, there are those in Iran who believe that the hostage situation is an impediment to Iran's protection of its national security.

From time to time, it appears that the patience of some Americans grows thin. That is understandable. But that is when cool heads are most needed, when patience is thin.

It is easy to call for dramatic new steps when patience is thin. It is hard to counsel continued patience. But statesmanship requires taking hard counsel and refusing to bow to the passions of the moment.

Dramatic new pressures on Iran at this moment would seem to have two effects: First, such pressures would strengthen the hand of the most fanatically anti-American political factions. Second, such pressures would distract Iran from the threat posed by the Soviets in Afghanistan, perhaps giving the Soviets a pretext for meddling in Iran. Dramatic new pressures at this moment would not seem to have the effect of hastening the hostages' return.

Some of the dramatic steps that are now being proposed could take us a step closer to a possible military confrontation in the Persian Gulf. We must be ready for this possibility in the future.

The dramatic steps that are easily proposed but which could be very difficult to carry out can also be considered at a later time. There is time to consider such steps in the future, when we may be even better prepared to implement them if they become absolutely necessary. But I am concerned that the hostages might be the first to suffer from some of the proposals that have surfaced.

My patience has worn thin a long time ago, and so has the patience of my colleagues. We all want to see our hostages home soon. But we want to see them home alive. We want to see them unharmed. I am willing to try to continue to restrain myself, as most of my colleagues are, so that the Nation continues to speak in one voice in attempts to win the freedom of the hostages.

The support of the international community as it has manifested itself, the decisions that were reached at the Islamic Conference—these things and others indicate that patience counts and that patience can succeed.

I think that we ought to be willing to be patient a little longer and not, at this critical juncture, take actions that could exacerbate the already dangerous situation in Iran. Such actions would make more difficult the early release of the hostages and could serve to endanger them and create an even more difficult situation in the area.

There is plenty of time for a national debate on U.S. policy in Iran. But this is not the moment for proposals concerning dramatic action.

There is one thing the militants have not been able to accomplish as yet—to divide our Nation. Division would play into the hands of the terrorists who hold our hostages.

For too long, many people have thought of those terrorists as students. They are not students. They are militants, terrorists.

I think now is the time to keep our shirts on and our heads screwed on to our shoulders. This is not a time for a lot of hot air. There is always plenty of that. Let us keep our eyes on the hostages and not undermine the efforts of those in Iran who already see the Soviet Union as the real threat, and not the hostages as the threat. In time, I believe that patience will pay off.

I do not know of anything that can be done militarily to get those hostages out of Iran. We might not even be able to get them out dead, to say nothing

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

of getting them out alive. Any rash moves not only endangers their lives, but endangers the efforts that are continuing to be made and which I believe eventually will be successful in bringing about the release of the hostages. It is a critical period in that area of the world, a situation which is being taken advantage of by the Soviet Union.

So I urge patience and continued stick-to-itiveness in our efforts to bring about the release of the hostages at the earliest possible moment.

RECOGNITION OF THE ACTING MINORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the acting minority leader, the Senator from Alaska, is recognized.

THIRTY-SIXTH ANNUAL DINNER, RADIO AND TELEVISION CORRESPONDENTS ASSOCIATION

Mr. STEVENS. Mr. President, last evening it was my privilege to attend the 36th Annual Dinner of the Radio and Television Correspondents Association which honored and, at the same time, roasted Walter Cronkite. I am pleased to report to the Senate that we were very ably represented at the dinner. Those of us in attendance were entertained by quite an array of musical talent including a rendition of "Cotton Eye Joe" by our in-house virtuoso the Senate majority leader and a spirited but rather strange song entitled "Slipping Away" and which he dedicated to me and my Republican colleagues. There was also a presentation made to Phil Jones for his service as president of the Radio and Television Correspondents Association.

As for Walter Cronkite, our majority leader pointed out that a vast number of Americans identify with him because of his decency, patriotism and honesty. He represents what we as a people believe in most. Today he is the most trusted man in America because he represents an understandable view of the news in this age of world propaganda, and makes statements that are believable truths in the rush of events in which we live.

The program for the evening concluded by our listening to a new song, a new arrangement, entitled the "Baptism of Walter Cronkite."

We all enjoyed having the majority leader bring his mountain fiddle to the correspondents dinner and I was particularly entertained by all his songs with the exception of the one entitled "Slipping Away."

EUROPEAN ENVOYS SUGGEST A POSSIBLE BREAK WITH IRAN

Mr. STEVENS. Mr. President, on another subject and not to take issue with my good friend, I would like to put into the Record the article from this morning's New York Times by Flora Lewis, which points out:

> Ambassadors in Teheran representing the nine members of the Common Market and Greece have recommended that their governments consider breaking relations with Iran if all else fails to win the release of the American hostages, diplomatic sources here have disclosed.

The article points out that the Ambassadors have included in their message a sharp, if tacit, reminder to their governments that the United States has reversed its position on sanctions. The report states that the European governments will obviously want to make certain of U.S. policy and intentions before taking action.

I think we have tried. Some people have criticized me for maintaining the position that we can only speak with one voice abroad, and that is the voice of the Chief Executive.

Some people have indicated that that suggests implied support of the President as he seeks reelection. It certainly does not.

Nor does it mean that we should continue to support the President if he does not send a clear, concise, and understandable message to our allies outlining our intentions with regard to Iran if these negotiations continue to fail.

I believe it is incumbent upon the President to make clear the position of the United States with regard to these sanctions against Iran. What is the position of the United States with regard to the order that the Iranian Embassy here in Washington be limited in number of personnel? What is the position of the United States with regard to the continued presence of Iranian students in this country who should not be here in the first place since they have violated the terms of their visas.

I hope that the President will clarify these issues so that our friends around the world will be prepared to join us in those sanctions, including breaking relations with Iran if all else fails to secure the release of our hostages.

I ask unanimous consent that the article to which I referred be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

European Envoys Suggest a Possible Break With Iran

(By Flora Lewis)

Paris, March 20.—Ambassadors in Tehran representing the nine members of the Common Market and Greece have recommended that their governments consider breaking relations with Iran if all else fails to win the release of the American hostages, diplomatic sources here have disclosed.

The ambassadors were organized as a consultative committee recently to work out joint reports on the hostage situation and joint suggestions for their governments in keeping with efforts of the European Economic Community to establish a common front on certain diplomatic issues.

Their latest report was sent after the failure of the United Nations commission in Tehran. The commission nearly succeeded, they said, but its efforts finally collapsed because of the internal power struggle in Iran.

The failure put the issue of diplomatic immunity and respect for international law in the forefront once again, the ambassadors said, and would cause the question of sanctions against Iran to be revived.

A POLITICAL PROBLEM

It also showed, the ambassadors said, that the hostage problem is political, not economic, and the report concluded that it should be met with political rather than economic pressures.

Economic sanctions, particularly if they involve food and transport, are likely to be perceived by the Iranian people as Western collusion intended to make them suffer, and could wind up consolidating support for anti-Western extremists rather than solving the hostage issue, the diplomats said.

They suggested steps, including increasingly sharp warnings to the Iranian authorities, that in their view would provide a political approach to the problem. The final step, if nothing else worked, they suggested, should be a break in relations.

The report did not evaluate what effect that might have on the internal situation in Iran, nor did it attempt to analyze the intricate power relations between the Iranian factions.

U.S. REVERSAL NOTED

However, the ambassadors included in their message a sharp, if tacit, reminder to their governments that the United States has reversed its position on sanctions. The report states that the European governments will obviously want to make certain of United States policy and intentions before taking action.

United States shifts on dealing with Iran over the hostage issue is one of the points regularly raised by European officials in defending the reluctance of various countries to respond to American requests for clear and effective support against the Soviet military intervention in Afghanistan.

The officials pointed out that the European governments were getting ready to back sanctions on Iran proposed by the United States when Washington suddenly changed signals after the invasion of Afghanistan.

For a break in diplomatic relations to have real impact on Teheran, the ambassadors said, at least 20 nations should be ready to join in the move. This implies that at least some should be third world countries, so as to avoid the impression that only Westerners are concerned with the question of hostages.

EXPLORATION ON FEDERAL LANDS IN ALASKA

Mr. STEVENS. Mr. President, I have often spoken in the Senate about the foolish and indeed dangerous policy of our Government which prevents oil and gas exploration on Federal lands in Alaska and elsewhere. Even though our dependence on foreign oil causes prices for gasoline and home heating oil to soar and could even lead this country dangerously close to war in the Middle East, the current administration adamantly refuses to allow any onshore leasing of land with potential for oil and gas development in Alaska.

Milton Copulos, energy analyst for the Heritage Foundation, a nonpartisan public policy research group, has written a highly pertinent and well reasoned article which appears in the March 4, 1980, edition of the Oil Daily. Mr. Copulos is not an oil industry analogist. He is a well respected oil analyst and author of numerous studies and articles on energy policy. I ask unanimous consent that the article by Mr. Copulos be printed in its entirety in the Record and urge my colleagues to pay heed to its message.

There being no objection, the article was ordered to be printed in the Record, as follows:

All Common Sense Points Away From Lockup of Alaska Lands

(By Milton Copulos)

One can hardly pick up a newspaper or listen to a broadcast without being reminded of the tremendous toll our dependence on imported oil is extracting from our nation's economy. From the balance of payments to the price of home heating oil, from Christmas toys to airline tickets—in every aspect of our daily lives higher energy prices are making themselves felt.

As though the economic costs were not enough, it now seems that with each passing day our heavy reliance on imported oil is taking us further and further along the path to war. As our peril increases so too does the urgency of our search for a solution. It is nothing short of incredible then, that with a stroke of his pen Interior Secretary Cecil Andrus recently foreclosed one of the most promising avenues of escape from our dilemma.

On Feb. 6, Secretary Andrus put a freeze on 40 million acres of Alaska lands under the provisions of the Federal Land Policy Management Act. In so doing he effectively barred access to vast areas of Alaska, many of which are considered among the most promising for the discovery of additional supplies of oil and natural gas. Although there is some debate over the extent of the deposits, estimates of the size of potential deposits in just one of the areas, the Arctic Wildlife Range, run as high as 14 billion barrels of oil, or nearly one and one half times as much as was found at Prudhoe Bay.

LOCKUP

What is most disturbing about this most recent action is that it is only the latest in a series of moves in Washington aimed at locking away forever the vast resource potential of Alaska. Moreover, these actions directly contradict the expressed wishes of the majority of the residents of that state, and the vital interests of our nation.

To the average American, mention of Alaska conjures up romantic visions of Sergeant Preston of the Yukon chasing claim jumpers across the frozen tundra. This idealized image of a bygone era bears little resemblance to the realities of modern Alaskan life. Like most popular misconceptions though, it carries just enough of a grain of truth to remain firmly implanted in our collective subconscious.

What is not commonly understood is that Alaska may hold the key to unlock the bonds which tie our national survival so closely to the Persian Gulf. The trouble is that the bureaucrats in Washington and their friends in Congress are about to throw that key away.

POSSIBILITIES

While at present no comprehensive accounting of Alaska's energy resources exists, some reasonably educated guesses can be made. For example, it is credibly estimated that the state has undiscovered, recoverable reserves of from 59 to 100 billion barrels of oil using today's technology. This oil would be sufficient to offset all of our imports for the next 22 to 37 years at present levels. Assuming that a reasonable improvement in recovery methods takes place over time, we probably could double this estimate.

If that is the case, why aren't we developing this oil? For the same reason that we are not sure of the exact amount: Most of it lies on federally owned lands which have been closed to even basic exploration. Astounding as it may seem, to date a total of only 87 exploratory wells have been drilled in our 49th state. This compares with a total of 336,435 drilled in the lower 48 between 1947 and 1978.

Prior to the OPEC embargo, and the advent of increasing instability in the Middle East, some justification might have existed for the prohibition of oil exploration and development in our northernmost state, but under present circumstances, no such justification can possibly exist. Further, contemporary techniques for conducting initial exploration leave no lasting mark on the environment, and even the development of an oil field can take place without serious ecological effects. This contention has been borne out by both the Alaska pipeline, and the development of the oil field at Prudhoe Bay. It should be noted that a field the size of Prudhoe would take up less than 1.4 percent of the acreage contained in the Arctic Wildlife Range, and the actual drilling equipment and facilities an infinitesimal fraction of that.

A basis for comparison may be found in the fact that along its entire length, the Alaska pipeline takes up only 8.2 square miles out of the state's more than 350,000. There is also the Alcan highway, built 35 years ago, which stands as a clear demonstration that development can take place without ecological catastrophe.

Environment protection is a goal which all responsible citizens support. Such protection, however, should not be used as an excuse for hoarding. In spite of this, there appears to be a pervasive notion in Washington that the only way to protect the environment is to put it, in effect, in a deep freeze. This elitist approach is born of the mind-set which views the undeveloped regions of our nation as a private preserve to be held in pristine condition so that a privileged few can go backpacking two weeks out of the year. The trouble is, this notion is in direct conflict with the vital interests of our nation.

According to the State of Alaska, we could be receiving as much as 5 million barrels of oil a day from its fields within a reasonably short period of time, if only we allow it to be developed. This oil would equal two-thirds of our total imports, and be more than enough to eliminate our perilous dependence on the Middle East. Since this is the case, it would seem to make sense to utilize it.

Secretary Andrus, however, disagrees.

RONALD REAGAN

Mr. STEVENS. Mr. President, I am intrigued by two articles in this morning's paper concerning Gov. Ronald Reagan.

Stephen Rosenfeld's article, "Can an Ex-Governor Handle Foreign Policy?" is one that I think is fair and balanced and certainly is correct when it ends by saying, "People who dismissed Reagan out of hand in the past cannot avoid taking a second look now."

The other one is Mark Shields' article entitled, "Reagan May Get His Chance." It ends by stating:

But if the Reagan campaign can persuade voters that its man is a decisive, effective leader who successfully governed the State that is our most populous and that, on its own, would be the world's seventh largest economy, then Washington, the original company town, can start throwing out its grits and Gideons because the Gipper may win this big one.

I ask unanimous consent that those articles be printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

Can an Ex-Governor Handle Foreign Policy?

(By Stephen S. Rosenfeld)

A brief memoir: a few days after Jimmy Carter announced for president in 1974, I called him up—an aide named Jurdan, something like that, got him out of a shower in San Francisco—to ask whether a mere ex-governor could handle international affairs. He said sure and I went on to agree that the next president needn't be, and perhaps shouldn't be, a foreign policy expert, and suggested that he could rebuild foreign policy first at home.

In a superficial sense, this was wrong. Many of Carter's frustrations have arisen from his innocence and inexperience and the ways he sought to compensate. But in a deeper sense, it was perhaps wronger. The expectation that Carter would solidify a domestic base has not been fulfilled. He has neither assembled a workable domestic consensus for a liberal policy nor assuaged widespread security anxieties nor gotten on top of the policy-making process in Washington.

This brings us to Ronald Reagan, who, after the Illinois primary, must be accepted as possibly the next helmsman of American foreign policy. Once again, the question is whether an ex-governor with no national security experience can do the job.

Frankly, I have never been one of Reagan's fans. I have always identified him with the hard-core right: a jingoistic anti-communist carelessly offering simplistic military-oriented solutions to complex global problems. He is not subtle. He is not cool.

None of this is comforting. Yet in view of what has happened since 1976, it would seem necessary to ask if Reagan's conservative boosterism promises to be any less effective or reliable a guide to policy than the liberal guilt that was so prominent in Carter's baggage in the last campaign. I say this not because I think one is more cynical and opportunistic than the other. But Carter's initial approach did not produce results that either the public or—ultimately—he himself found acceptable, and so he reversed field, especially on the critical Soviet issue.

What results would a hard-line Reagan approach produce? How would he react if the results were disappointing? If we have learned anything in the last four years, it should have been to demand that our leaders respect the jagged orneriness of events and not simply follow the seamless contours of their own ideologies and hopes.

For just this reason, it's fine by me that Reagan was, as reported, generally bland and unspecific in his "major" foreign policy address in Chicago this week. That beats telling us how many troops he's going to pull out of an allied country he has neither consulted nor been briefed on. The details come later. And if, as Lou Cannon reported, the speech's "new conciliatory tone . . . was designed to show that he is not a warmonger," that's fine, too. That's just what he needs to show.

But the Chicago speech was more interesting for the "broad requirements" of foreign policy that Reagan listed. His first was "a clear vision of, and belief in, America's future," by which he means faith in American capitalism as the engine of our progress and as a potential model for others. A conservative cliché? Perhaps. But it's worth more than a liberal cliché in response. Not many Democratic hearts may go pitter-patter for Reagan's eminently Republican vision. But though it's arguable, it's not outrageous. There's something to be said for cheering one's system on—and making it work better. The relationship of free enterprise to political liberty is not accidental. Let's hear more.

Reagan's second foreign-policy "requirement" is a strong economy, which he would achieve by unleashing free enterprise. I leave the heavy economic lifting to others. But surely, given the debris around us, it makes sense to ask why, say, Germany and Japan can import far more of their oil and yet not suffer nearly as much inflation. And so on. Carter in 1976 suggested that an ethical or social regeneration was the proper base for rebuilding foreign policy. Reagan suggests economic regeneration. Who disagrees?

If Reagan really wants to convince people that he's not a warmonger, then he's right to keep his third priority—a strong defense, "adequate military power"—third. He asserts that his positions on foreign and defense policy are generally closer to the majority view in Congress than Carter's are. Carter, to be sure, has been moving right, especially since the Soviet invasion of Afghanistan. But whatever Reagan would do in national security, he does not labor under Carter's burden of having to prove he's not soft.

I am not simply trying here to be "fair" to Ronald Reagan. I am trying to figure out who can best take us where we want and ought to go in the world. People who dismissed Reagan out of hand in the past cannot avoid taking a second look now.

REAGAN MAY GET HIS CHANCE

(By Mark Shields)

Andy Robustelli, the home-town legend who used to spend autumn Sunday afternoons putting opposition running backs on the injured reserve list and himself in the Football Hall of Fame, introduced the presidential candidate.

John Davis Lodge, Henry Cabot's younger brother, who proved that pre-war performances on the back lot at Paramount in epics like "Murders at the Zoo" and "Queer Cargo" were not sufficient to disqualify him for election as Connecticut's governor in 1950, accompanied the candidate.

And the candidate, on the same day that Illinois Republicans were strongly endorsing him in their primary, did not disappoint Davis or Robustelli or anyone else in the lunch crowd at Laddin's Terrace in Stamford. That is, unless the canny Bob Strauss had a scout in the audience for the president's reelection committee. Because a scouting report would stop all the reported salivating at Carter headquarters over the probable November match-up with Ronald Reagan.

Reagan, the wise money around Washington tells us, is Jimmy Carter's guaranteed ticket to a second term. Reagan, with his narrow true-believer constituency, will be another Barry Goldwater. All Jimmy Carter has to do between now and Nov. 4 is be, and be seen as, the reasonable alternative. This July, the wisdom goes, the Republican convention at Detroit will be the world's largest kamikaze charter.

Running presidential campaigns by historical analogies can be very risky. Ronald Reagan is not Barry Goldwater. 1980 is not 1964. Then, the principal resentment with the Democratic president's policies was among white southerners. This year, resentment is not regional. Inflation has no fixed address and is limited to no one time zone. Reagan won twice in California with Democratic votes and his campaign's message in Connecticut indicates that will be his general election strategy this time.

What other campaign can boost that its candidate signed into law the "toughest water pollution control laws in the nation" and a 20 percent cut in "the oil and gas depletion allowance"? Reagan's own campaign literature trumpets his record as governor, he "increased welfare benefits to the truly needy by an average of 43 percent" and "granted annual cost-of-living increases to Aid to Families with Dependent Children recipients, the elderly and the infirm. . . ." This, of course, is the same candidate who tells his audience about cleaning up the welfare mess in Sacramento, where, when he became governor, "16 percent of all the welfare cases in the country were in California."

This emphasis of the Reagan campaign seems to have grasped an essential truth in American politics and the electoral problems of conservatives. American voters are compassionate people who want to be able to think of themselves as compassionate. But at the same time, and to the same degree, American voters do not want to taken for suckers by those who, they believe, are collecting from government programs for which they are not eligible.

In his Connecticut campaign, Reagan is responding to both impulses. He is telling voters that they can be simultaneously tough and compassionate, that they do not have to be defensive about objecting to rip-off programs. Too many unsuccessful conservative candidates have failed to address the compassion in voters' character and simply scratched the mosquito bite of their rage at being exploited.

What Bob Strauss and his colleagues in the Carter campaign should be concerned about is that in this year's primaries Reagan has consistently and overwhelmingly won that group of voters earning between $10,000 and $15,000 a year. If Ronald Reagan, the unchallenged tribune of working-class values, can perfect this message, he might very well be able to steal the base of the Democratic vote away from Jimmy Carter.

There are little signs of this in the Reagan speech to a majority Catholic crowd in Stamford. His Kemp-Roth tax-cut plan is the lineal descendant of what President John Kennedy ("over the objections of his economic advisers") proposed in 1963. It worked then and it can work again. Reagan avoids the verbal lodge handshake of Republicans by using the adjective "Democrat" to describe the opposition party. He apparently understands that when Republicans drop the "ic," it is almost as much of an insult as someone telling the neighborhood nun that he admires the work of the "Roman" church.

For voters who are voluntarily on the taxi squad of the Democratic Party, one element of the Reagan message is especially appropriate. Since Vietnam, the prevailing values of the majority party have been based on the premise that it is acceptable to be rich, it is virtuous to be poor and the only sin is to be in the middle class—you know, all those Archie Bunker types who go to bowling banquets and think ERA means earned run average.

In Connecticut, the Reagan campaign has welcomed these people with hospitality and honor. Not only John Davis Lodge, but Andy Robustelli and a lot of people who never played in Yankee Stadium are in the Reagan campaign. Of his 300-member state steering committee, 71 are Italian-Americans, as are four of the six statewide coordinators—and one of the other two is a female state senator who is an advocate in the legislature of the pro-choice position on abortion.

For these people and their families, the Reagan answer to a Democratic president who foresees a generation of sliding expectations is "to build a bigger pie." According to voter polls in the primary states, Carter is winning an overwhelming majority of the voters who believe a president cannot really do anything about inflation or the economy. In a reversal of historic roles, this year it is the Republican candidate who is telling voters that we can lick inflation and that tomorrow can be a lot better than yesterday. It is impossible to imagine the Carter campaign recycling the last successful incumbent's battle cry of "Four More Years."

If the Carter people can succeed in portraying the California conservative as someone too old or too impulsive to manage the nation's foreign policy in dangerous times, someone who would equip every second lieutenant with his own nuclear warhead, then the president and his stewardship will not be the pivotal issue this fall. Reagan will be the issue. And if that is the case or the popular perception, Jimmy Carter will probably be reelected regardless of economic conditions. But if the Reagan campaign can persuade voters that its man is a decisive, effective leader who successfully governed the state that is our most populous and that, on its own, would be "the world's seventh-largest economy," then Washington, the original company town, can start throwing out its grits and Gideons, because the Gipper may win the big one.

Mr. ROBERT C. BYRD. Mr. President, I yield back the remainder of my time, if I have any.

Mr. STEVENS. I similarly yield back the remainder of my time, if I have any.

VITIATION OF ORDER FOR RECOGNITION OF SENATOR DOMENICI

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the recognition of Mr. DOMENICI be vitiated.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business for not to exceed 30 minutes, with statements therein limited to 5 minutes each.

MODIFICATION OF TIME LIMITATION AGREEMENT—S. 1946

Mr. ROBERT C. BYRD. Mr. President, a proposed change in the time agreement dealing with Calendar Order No. 502, S. 1946, dealing with railroad regulation, has been reached and agreed to among various parties. I ask unanimous consent that there be 1½ hours, equally divided, on an amendment by Mr. TOWER dealing with reopening rate incentive cases; provided that the Tower amendment not be called up prior to disposition of the Long amendment on transportation rates and the Cannon substitute to the Long amendments.

Mr. STEVENS. There is no objection, Mr. President.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF PROCEDURE NEXT WEEK

CONFERENCE REPORT ON H.R. 3919

Mr. ROBERT C. BYRD. Mr. President, I had urged, on the day before yesterday, I believe, that efforts be made to reach a time agreement for a final vote on the windfall profit tax. The distinguished Republican leader (Mr. BAKER) indicated that he would take up this matter at his Republican policy conference on Tuesday. I expressed concern that the Senate should be forced to wait that long for a time agreement. The distinguished Republican leader indicated that, in the meantime, he would pursue efforts to reach an agreement, hopefully before Tuesday. May I inquire as to whether or not the distinguished acting Republican leader knows of anything that would indicate that efforts are being made to reach an agreement before Tuesday and, if so, what prospects will there be?

Mr. STEVENS. Mr. President, I say to my good friend that I did discuss the matter yesterday with the Senator from Oklahoma. I also am one of those who believes that we should explain fully our opposition to this conference report. Senator BELLMON and I have both indicated to the minority leader that we would be prepared to enter into an agreement next week for a vote. I hope that it will be sometime around Thursday, in order that people who are involved in various campaign efforts might return.

It was my understanding that the minority leader wished to discuss the subject at length in our conference, which is scheduled for Tuesday. Several of the principals involved in this discussion are not in town today and it is not possible for me to confirm that there will, in fact, be an agreement.

I can state to my good friend, the majority leader, that it is my belief that we shall be prepared to offer a unanimous-consent agreement for a vote, without the necessity of a cloture motion, sometime on Tuesday afternoon, following our conference.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished acting Republican leader. I have no doubt that he and the Republican leader will attempt to do that, even though I realize the distinguished acting leader is probably opposed to the conference reports; nevertheless, he is always willing to see the legislative process run its proper course and let the will of the Senate be heard. I am confident that he and Mr. BAKER will pursue their efforts to get agreement.

I also have heard indications directly from Mr. BELLMON and Mr. DOLE on the floor that they are willing, at some point in time, to vote on this matter and there is no desire to have a filibuster. In view of the fact that these efforts are being made, I shall not offer a cloture motion today.

I was prepared to offer one yesterday and had discussed the matter with Mr. LONG, the manager of the bill. Mr. LONG was agreeable to my offering the cloture motion at any time I am disposed to offer it. When he last talked with me, he said he was in perfect agreement to offering the cloture motion yesterday or today or Monday—whatever.

I always prefer to see things work out in an agreeable fashion and I think most times, it can be done more smoothly if we avoid the cloture route. However, I am not guaranteed, even by the good-faith efforts of Mr. BAKER, Mr. STEVENS, Mr. BELLMON, and Mr. DOLE, that there will be an agreement on Tuesday. I shall, therefore, feel constrained on Monday to offer the cloture motion. The vote would not occur on it until Wednesday, anyhow. This would give us time on Tuesday to see if an agreement could be worked out, in which case, the cloture vote could be vitiated. I prefer not to do that, even, but by virtue of the fact that I cannot be guaranteed an agreement on Tuesday, I shall have to offer the cloture motion on Monday. I do not want to do that.

Mr. STEVENS. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. STEVENS. Mr. President, as the acting minority leader, I can certainly understand the majority leader's position and the procedure he has outlined is eminently fair, from the position he is in, in seeking to get a vote on the conference report. I am grateful to him for not offering that motion today. I do think it will give us Tuesday to consider the matter without the pressure of a vote immediately after that conference. It will facilitate, I think, the agreement to a final vote on the conference report sometime near the time I have indicated.

Mr. ROBERT C. BYRD. I thank the distinguished acting minority leader.

ORDER FOR RECESS TODAY UNTIL MONDAY, MARCH 24, 1980

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 12 o'clock noon on Monday.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR RECESS ON MONDAY UNTIL 9:30 A.M. ON TUESDAY, MARCH 25, 1980

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, when the Senate completes its business on Monday, it stand in recess until the hour of 9:30 a.m. on Tuesday.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ROTH RESOLUTION

Mr. ROBERT C. BYRD. Mr. President, I am authorized by the order entered into to call up the Roth resolution. I am not mandated to call it up by that order, but I am authorized to call it up and I will call it up, because it was the understanding that it would be called up. I am authorized to call it up after consulting with the minority leader or the acting minority leader, whichever is the case, no later than next Tuesday. I should be very happy to call it up on Monday and dispose of it on Monday if the parties are agreeable. If Mr. ROTH, the sponsor of the resolution, is agreeable, I shall be very happy to call it up on Monday, or I can wait until Tuesday. If we do not call it up on Monday, it will be called up on Tuesday.

Mr. President, it would be the intention of the leadership to finish action on the Roth resolution Tuesday. There is a time agreement and it may require a long day on Tuesday. Hopefully, it will not.

But it is possible that the debate will go on quite at length, and possible that the full time under the agreement could be utilized.

May I ask the Chair to remind the Senate of the provisions of that agreement?

The ACTING PRESIDENT pro tempore. The clerk will read the agreement.

The assistant legislative clerk read as follows:

Ordered, That the Majority Leader, after consultation with the Minority Leader be authorized, not later than Mar. 25, 1980, to call up S. Res. 380, expressing the sense of the Senate relative to the first concurrent resolution on the Congressional budget for 1981, and that when he does so, debate on any amendment in the first degree shall be limited to 1 hour, to be equally divided and controlled by the mover of such and the manager of the resolution, the Senator from Delaware (Mr. Roth), debate on any amendment in the second degree shall be limited to 30 minutes, to be equally divided and controlled by the mover of such and the manager of the resolution, and debate on any debatable motion, including a motion to reconsider following final action on the resolution, appeal, or point of order which is submitted or on which the Chair entertains debate shall be limited to 20 minutes, to be equally divided and controlled by the mover of such and the manager of the resolution: *Provided*, That in the event the manager of the resolution is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the majority leader or his designee: *Provided* *further*, That no amendment that is not germane to the resolution as introduced or to a first concurrent resolution on the budget for fiscal year 1981 shall be received.

Ordered further, That on the question of agreeing to the said resolution debate shall be limited to 8 hours, to be equally divided and controlled by the Senator from Delaware (Mr. Roth) and the Senator from Maine (Mr. Muskie): *Provided*, That the said Senators, or either of them, may, from the time under their control on agreeing to the said resolution, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

Ordered further, That a motion to recommit or to table the said resolution shall be in order.

Ordered further, That no point of order against the resolution itself under the Budget Act shall be in order.

ORDER FOR CONVENING OF THE SENATE, MARCH 25, 1980, AT 9 A.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time for the convening of the Senate on Tuesday be changed from 9:30 a.m. to 9 a.m.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, as I say, that debate could go late into the evening. But it will be the intention of the leadership to finish that resolution if it takes all day until midnight that night to do it, or beyond, because I want the Senate to act on that measure, and I want the Senate to act on the excess profits tax conference report, and I want to afford all the time that is reasonably necessary for those who wish to debate the tax conference report.

But I am told that some of those who want to debate the conference report are out of town today, and it would be a good day to debate the conference report.

I would be very willing to come in tomorrow if there were Senators who wished to come in tomorrow to debate it.

If any Senator wishes to come in tomorrow to debate the conference report, I hope the respective cloakrooms will so inform me and the Senate will come in tomorrow to debate the conference report.

ORDER FOR RECESS TO 9 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, as a matter of fact, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 9 a.m. tomorrow, with the understanding that I can personally vitiate that request if no Senator asks me to come in tomorrow to debate the conference report.

The ACTING PRESIDENT pro tempore. Is there objection?

Without objection, it is so ordered.

Mr. ROBERT C. BYRD. If I get no request from any Senator to debate the conference report, I will vitiate the request before the day is over.

I doubt that the lights will be on in here tomorrow on Senate activities. But if any Senator on either side of the question, or either side of the aisle, wishes to come in tomorrow to debate the conference report, I will be here and the Senate will be in session. Otherwise, the Senate, at the close of business today, will go over until Monday.

ORDER FOR RECESS FROM SATURDAY, MARCH 22, 1980, TO MONDAY, MARCH 24, 1980

Now, in the event a Senator wishes to debate, or Senators wish to debate, the conference report tomorrow, the Senate will be in; in which case, I ask unanimous consent that when the Senate completes its business tomorrow, if it is in session tomorrow, it stand in recess at the close of business tomorrow until the hour of 12 noon on Monday.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I would hope then that an agreement could be reached on Tuesday, which would allow for the setting of a time and date for a vote on the conference report, and I have a great deal of confidence that such an agreement will be reached because I know efforts are being made to that end, and they are efforts in good faith.

But I would also say that if that agreement is not reached on Tuesday, then I will be forced, by virtue of my reluctantly having offered the cloture motion on Monday, the Senate will be forced to vote on the cloture motion on Wednesday. In which case, there would be repeated cloture votes each day until such time as cloture is gotten, even if it takes many days, which I would not anticipate being the situation.

ORDER TO VITIATE ORDER FOR SESSION ON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, lest there may be some feeling that I have taken advantage of the situation in which there is only one other Senator in the Chamber, that one being in the Chair, I ask unanimous consent that the order with respect to a possible session on tomorrow be vitiated.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask that morning business be closed, if no other Senator wishes to conduct further morning business.

The ACTING PRESIDENT pro tempore. There being no further morning business, morning business is closed.

WINDFALL PROFIT TAX ACT OF 1980—CONFERENCE REPORT

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of the pending business, the conference committee report on H.R. 3919, which the clerk will state.

The assistant legislative clerk read as follows:

A conference report on H.R. 3919, an act to impose a windfall profit tax on domestic crude oil.

The Senate resumed consideration of the conference report.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR RECESS UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. I now make the request as follows:

I ask unanimous consent that when the Senate completes its business today, it stand in recess until 9 o'clock tomorrow morning or 12 o'clock noon on Monday next, whichever the majority leader may deem fit, after consultation with the acting Republican leader; that a session tomorrow be had only if there is a request from at least one Senator who may wish to debate the windfall profit tax bill. The Senate will not be in to debate other things, but may debate only the windfall profit tax bill—if the Senate comes in.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. In this way, I will be allowed to recess over until tomorrow, only after consultation with the acting Republican leader, and only on one condition: that a Senator who feels it to be absolutely necessary, in the best interests of the Nation, that he be allowed to speak out, so that his voice may be heard from the Atlantic to the Pacific, may be able to use his oratorical, persuasive talents to convince the Senate and/or the Nation that his view is in the national interest with respect to the conference report. Only in that event will there be a session on tomorrow.

I think that is fair. I do not believe I have taken any advantage of the absence of other Senators. I have stood here, and I am willing to protect the interests of all, on both sides of this question. I will have nothing happen to it while Senators who wish to debate this conference report are out of town and are away. Or, if they are not out of town—if they are in their offices, busy in committee meetings, perhaps—I will not let anything happen that will prejudice the rights of any Senator on either side of the aisle, on either side of the question. I will stand here until I can no longer stand on my feet, until I have dropped to this carpet, limp, and until the last breath has left this body of clay, to protect the interests of my colleagues in this conference report.

This is a burning issue, this conference report, and there are Senators who wish to debate it at length. It will be my desire to protect their interests and to come in tomorrow, if need be, to stay as long today as they may wish to talk, if they wish to take advantage of the so-called rule allowing "unlimited debate" in the Senate.

Also, we could be here all day tomorrow. I would even be willing to cancel my press conference tomorrow, if necessary, and we could go into the evening tomorrow and debate the conference report on the windfall profit tax; and I would listen with bated breath, as I am sure others would, to what may be said in support of or in derogation of this conference report.

It wounds my heart to believe that we may be rushing to a decision on this conference report without allowing adequate time and opportunity for Senators to come to the floor and speak on the conference report. I do not like to see legislation rushed through the Senate in that fashion.

So I will do everything I can under the rules—I will not violate any law—I will to anything I can under the rules to protect the interests of those Senators who feel bound and compelled to debate the conference report; and I hope we will be in session a long time today. I am sorry to have to say that this might inconvenience the representatives of the fourth estate, but so be it. The public must hear what must be said by the elected representatives of the people. So we may be in a long time today, if Senators wish to discuss this matter.

I have eaten at the table late in the evenings many times. I have known the experience of having a midnight supper on a few occasions. But, painful as it would be, I would be willing to do this, if Senators wished to speak all day today, into the evening, and then begin early tomorrow, and throughout the day of Saturday. Saturday is only the sixth day, not the seventh—at least, so far as the Senate is concerned.

So we could debate the matter on tomorrow, and then on Monday we could come in earlier than 12. I have the time set for 12 o'clock noon. If any Senator wishes me to bring the Senate in earlier on Monday, I wish our cloakrooms would advise me, and we will come in earlier. We could come in at 9 o'clock. I am a 9 o'clock fellow in a 10 o'clock town, but we could come in at 9 on Monday, and we could stay late on Monday, late into the evening.

Regrettably, on Tuesday, we will not be able to debate this conference report, because the Senate will be considering the Roth resolution. But on Wednesday, I hope we will either vote for cloture or have an agreement that will allow for a final vote.

I can see from the youthful face of the distinguished Senator from Oklahoma (Mr. BOREN), who presides over the Senate today with a degree of skill and dignity and efficiency that is so rare as a day in June, that he is in full accord with everything I have said. He is willing to debate this matter, also.

I do not often make speeches on the floor, and I do not often talk long, but I just thought I would take the occasion to assure my colleagues who wish to debate the conference report that now is the time. Time is eternal; and even though it inconveniences the fourth estate, the Senate will be in session if Senators wish to discuss the conference report.

People are sitting on the edges of their seats in the galleries, waiting for this debate to break out, waiting to hear those who wish to excoriate the conference report and those who wish to report it, and I hope Senators will not disappoint them.

Mr. President, having said that—I do not feel that it is good to be repetitious too often—I take my Chair and suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

THE UNITED STATES SENATE

Mr. ROBERT C. BYRD. Mr. President, in 1989, the Senate will have reached its 200th anniversary.

The first Senate met in 1789, and over a month elapsed before a quorum was established. For the first 5 years of the Senate's existence, it met behind closed doors.

The Senate upon establishing a quorum appointed a committee of five to recommend rules for the Senate, and the committee of five recommended 19 standing rules that the Senate adopted on April 16, 1789.

They were approved and since that year of 1789 the Senate has operated with but a few rules. They have varied from time to time and in one form or another most of the original 19 rules are still among the current 50 standing rules of the Senate.

Like the common law, the Senate operates largely on the basis of precedents that have been built up over the intervening years, and those precedents are compiled in a book entitled "Senate Procedure." There are 1,040 pages in that book of procedure, including the appendixes but not the index.

Now those precedents largely guide the Parliamentarian as the Parliamentarian advises the Presiding Officer of the Senate.

The Senate, unlike the House of Representatives, is made up of two Members from each State. There being 50 States, there are 100 Senators.

The Senate, unlike the House of Representatives, has its Presiding Officer chosen by the people of the United States. The Presiding Officer of the Senate is the Vice President of the United States. And in the other body the Speaker, who is the presiding officer, is chosen by the elected representatives of the people in the other body. The Speaker of the House of Representatives does not have to be a Member of the House of Representatives. But there has never been a time when the Speaker chosen was not a Member of that body.

In the Senate, in the absence of the Vice President of the United States, the President pro tempore presides over the Senate. The President pro tempore is chosen by his colleagues and he is chosen to serve until he is replaced.

The majority leader of the Senate has to be chosen every 2 years. The majority whip, the minority leader, the minority whip, the other members of the leadership on both sides of the aisle are chosen every 2 years. The President pro tempore is not necessarily chosen every 2 years. He may serve his full 6-year term if not replaced by his colleagues in the meantime.

The Democrats sit on this side of the aisle; the minority sits on that side of the aisle, the Republicans at the present time.

There is one independent in the Senate and that independent is the Senator from the State of Virginia, HARRY FLOOD BYRD, JR., with whose illustrious father I served in the Senate.

So at the present time there are 58 Democrats, one independent, and 41 Republicans.

The Senate operates largely on the basis of unanimous-consent agreements, comity, courtesy, and understanding.

The House of Representatives has a more complicated set of rules and has more rules than the Senate.

As I say, the Senate is a body in which debate is said to be unlimited but it can be cut off by cloture motion. Unlimited debate is sometime referred to as a filibuster. There have been several filibusters in the history of the Senate. I once engaged in one myself. I spoke 16 hours, beginning at 6 o'clock, give or take a little, on one evening, and winding up my statement on the next day at about 10 o'clock in the morning.

Others have spoken longer. But there is a legislative tool which can be invoked to stop filibusters. That is rule XXII. Under rule XXII, which is the cloture motion rule, cloture today requires 60 Senators to shut off debate.

A Senator can stand on his feet as long as he wishes to stand, and talk. He can stand 2 days, 3 days. He has that prerogative, that privilege, to stand on his feet. But he is not allowed to sit down and speak except by unanimous consent.

He is not allowed to walk off this floor or he will lose the floor unless he does so by unanimous consent.

We have not had a filibuster for a while, and I hope we will not have one soon.

I say bills may originate in either body. Bills become law after passing both bodies precisely with the same language, being signed by the Speaker of the House and the Vice President of the United States, the President pro tempore or the Acting President pro tempore, sent to the President and signed by the President or if the President does not attach his signature they become law without his signature after 10 days have passed.

Joint resolutions perform the same purpose. They become law also if passed by both houses, are signed by the President or allowed to become law without his signature after 10 days.

Concurrent resolutions, however, are resolutions which deal with the business only of the two houses, the House and the Senate. A motion to adjourn is usually effectuated by a concurrent resolution originating in either body, going to the other body, and being adopted. As I say, it controls the business between the two houses.

A simple resolution is a Senate resolution which governs only the Senate itself or a House resolution which governs only the House. Those are housekeeping resolutions.

Thousands of bills are introduced every year in every session and in every Congress, but only a few hundred bills and resolutions finally become law.

The legislative process is based on the committee system. We have standing committees in the Senate, each committee having jurisdiction over certain subject matter, and each committee handles certain types of bills.

Committees conduct hearings on the bills, may report the bills unfavorably to the Senate or favorably; may amend the bills, may kill the bills.

When bills are reported to the Senate they are placed on this calendar of business and they are called up in due time, if at all, by the majority leader, and debated, and in many instances unanimous-consent agreements are gotten thereon so that there is a certain amount of time for debate and a certain amount of time for each amendment, and so on.

(Mr. HEFLIN assumed the chair.)

Mr. ROBERT C. BYRD. The Members of the Senate serve 6 years; Members of the House serve 2 years. If a Member of the House dies, the Governor of the State cannot appoint a Member of that body to fill the vacancy. There never has been a Member appointed to the other body.

In the Senate, if a Member dies or retires, the Governor of the State can appoint another person to fill that vacancy until the next election.

If the President vetoes a bill or a joint resolution, that bill can still become law if both Houses override the President's veto by a two-thirds vote.

In this Government of ours we have three separate, equal, and coordinate branches, the executive branch, the legislative branch, and the judicial branch.

The legislative branch has two equal and coordinate branches, the House and the Senate. The Presiding Officer of the Senate faces the Speaker of the House. The Speaker of the House faces the Presiding Officer of the Senate. The Presiding Officer of the Senate faces south; the Presiding Officer of the House faces north.

In the Senate for many years we did not have this public address equipment. When I first came to the Senate we did not use it. We spoke louder. People could hear us from the galleries. We did not have to have the public address system, and many of us resisted installing the public address system because we thought it would take something away from the Senate, from its tradition, from the dignity of the Senate, and so forth.

But it is best that we use these. We can be heard in our own offices so that at any time when there are schoolchildren in the galleries and they may wonder where their Senators are, why this Chamber is so empty, they may be assured that Senators are in their offices listening to what is being said or in the committee listening to what is being said. So it is a convenience to have this system.

I have advocated for a long time that we have electronic voting in the Senate. Back in the West Virginia House of Delegates where I once served we vote by pushing a little button. If we vote against we vote "no," and a red light shows on the wall. If we vote "aye," a green light shows.

Here in the Senate we do not have that electronic voting because we only have 100 Members and we can call the roll, the clerk can call the roll, in 15 minutes or 10 minutes, and Senators answer to their names or if the roll is completely called they may still vote. A Senator can vote until such time as the Chair announces the vote. Once the Chair announces the vote no Senator can vote.

The Senate, I think, is the greatest deliberative body in the world. It is the forum in which the States are represented equally. New York and California with their huge populations are represented equally with West Virginia with its population of less than 2 million. It has the same number of Senators that the State of New York has, the State of California has, and the State of Texas has. So each State has equal representation in the Senate.

In the other body the representation is based on the population of the States and according to a very complex formula of apportionment.

You will notice that in the Senate, over the Presiding Officer, are the words "E Pluribus Unum." I am told that means "All for one and one for all."

To my left over the Chamber door, are the words "Novus Ordo Seclorum." I am told that that means "A new order of the ages."

Over to my right are the words "Annuit Coeptis." I am told that that means "God is always watching over us."

And behind me are the words "In God We Trust."

So here on the walls of this Chamber are inscribed the words which indicate that running throughout the history of this country—and we find words all over the buildings and monuments and memorials in Washington—the men and women who founded this country believed in a divine being.

If we take a look at our $1 bill—and there went a quarter and a nickel and a dime on the floor. I will get them. I have one grandson who collects nickels. I must not let that nickel get away. I have another one who collects dimes and a couple of granddaughters who will take anything I give them, nickels, dimes, or quarters, whatever it may be.

Well, on this dollar bill, we find a picture of a pyramid, but we note that the top of the pyramid was never finished. And also we see over the top of that pyramid a picture of an eye. And on that we also see the words "annuit coeptis," "novus ordo seclorum," and "in God we trust."

I wonder why that pyramid was not finished. It was meant to remind us that our work is never finished as we serve this Republic. Our work is never done. And, therefore, again, we are reminded that an all seeing eye is always watching over this Nation. That is the purpose of the eye that we see on the dollar bill. And we are reminded that He doth bless our undertakings and that this Republic and this system does represent a new order of the ages.

Well, I see that my friend from Oklahoma seeks to conduct some morning business, so for the time being I will relent and relinquish. But suffice it to say that as long as the people have the U.S. Senate, as long as they have Congress—Congress is made up of both bodies. The Senator from Oklahoma is a Member of Congress. He is a Member of the Senate. Many people think of the Congress only as the other body. But Congress is made up of both bodies.

As long as the people have the Congress, they will have a republic. Without the Congress, as Franklin Roosevelt said, ours would cease to be a republic.

Congress is much maligned. It is a moving target. It is a faceless target. It is convenient. The cartoonists have always lampooned the Congress. The columnists have always lampooned the Congress.

People do not see it as an individual. They see it as a mass of individuals. There are 535 Members in these two houses; 100 here, 435 over there.

They see the President of the United States as a person, as an individual. They see the Senator from Oklahoma as an individual. The people of Oklahoma see him as their Senator, an individual. The people of Alabama see the distinguished Senator who now presides over the Senate, Mr. HEFLIN, who is formerly the chief judge of the Supreme Court of Alabama, as a Senator, as an individual.

They see the Senate and they see the Congress as just a mass of people. They do not criticize their individual Senators so much. Some do. But they are not as likely to criticize the individual as they are a mass of individuals.

So the Congress is the butt and the target of unfair criticism and sometimes the target of fair criticism.

We hear so much about Congress rating so low in the polls. Well, that is one of the reasons why. People just associate Congress as a mass of individuals. Unfortunately, some of us do not conduct ourselves in a way that would bring credit to the Congress. But, in the main, the great majority of the Members of both Houses are high-type individuals who are just as patriotic as anyone else is patriotic. They come from all walks of life.

I once welded in a shipyard. I once worked in a meatmarket; so did Shakespeare. He worked in his father's meat shop. And I play the fiddle; so did Thomas Jefferson. Some of us are coal miners, some are farmers, some are businessmen, some are ministers, and some are lawyers. We come from all walks of life. And we are just as good and just as bad as the people in all walks of life.

In the main, they have a higher public trust, though. They have a higher responsibility than does the average citizen. They have a public trust. And we should be held to higher standards.

But it is easy to criticize the Congress, and I am not bemoaning that fact. That is just a fact of life. I suppose Congress has been criticized in every age and in every era and in every season throughout its history.

But you go down there and ask that person, who is retired and on social security, who passed the social security laws in which he gets his monthly benefits? The Congress.

Go out and ask the veteran who passed the laws for his disability benefits or his GI education benefits? The Congress.

Talk to all walks of life. Ask the coal miner who made it possible for him to sit down and bargain collectively with management about his working hours, his wages, and his living conditions? Congress passed the laws.

So it is easy to just follow the herd instinct and criticize the Congress because everybody else seems to do it. But when one stops to think, Congress is just what the people make it.

I have found, may I say to the Presiding Officer, the Senator from Alabama, that people who usually grouse first, last, and most are the people who do not bother to go and vote on election day.

I often pride myself as one who has unlimited patience. But I see that the Senator from Oklahoma has had great patience today. As always, he has that smile that wins friends for him in the Senate and wins friends for him in Oklahoma. He is an inspiration to work with and a very pleasant colleague and a very effective one.

I apollogize to him for taking so much time here. But I thought that, while no Senator has shown up to debate the conference report on the windfall profit tax, I would just take this occasion to reminisce a little about the Senate.

I would like to talk more about it. I can go on and on and on, like Tennyson's brook, talking about the Senate.

We used to have cupspidors in the Senate. We do not have them anymore. Not many Senators chew tobacco.

There have been Senators who have been arrested on this floor for carrying guns. Back during the days of Martin Van Buren when he was presiding over the Senate there was a certain Senator who did not like Martin Van Buren and that Senator tried to engage Martin Van Buren in an argument, I suppose hoping to provoke the Presiding Officer. Later, the Senator was found to have been carrying a gun and he was arrested.

Senators have challenged other Senators to duels, and upon more than one occasion a Senator or Member of Congress has been killed in a duel.

There have been Members of Congress who have killed others in duels. At least in one instance I know of a President of the United States who shot another man in a duel and killed him, and a Vice President of the United States who killed a man.

Mr. BOREN. I wonder if the distinguished majority leader might yield to me, and I will say that my unanimous consent request will not bear upon dueling or present any challenge.

Mr. ROBERT C. BYRD. First, Mr. President, I ask that I may be allowed to speak out of order notwithstanding the Pastore rule.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I yield to the distinguished Senator from Oklahoma.

Mr. BOREN. I thank the majority leader. As always, it is a distinct privilege to listen to his words of wisdom. I do not think he has ever spoken with more wisdom and perspicacity than he has today. I am sure that those in their offices have interrupted their other work to listen to our distinguished majority leader today.

I would want to say to him that I hope that our colleagues who are concerned about the pending piece of legislation are meditating on it perhaps rather than speaking. Perhaps that is what is happening, that they are meditating on this piece of pending business.

(At this point Mr. Boren propounded a unanimous consent request with respect to a star print, which is printed elsewhere in today's Record.)

Mr. BOREN. Mr. President, I thank the distinguished majority leader for allowing this interruption. I will again say that as a Member of the Senate it has certainly been my observation that this body performs its work and meets its responsibilities in a much better fashion than it would otherwise because of his able leadership, because of his wisdom, because of his patience in working with the individual Members to move the business of the Senate forward.

Mr. President, I take this occasion to express my appreciation to him and to all of the wisdom which he has shared particularly with the new Members and for his willingness to share with us the benefit of his experience as a Member of the Senate of long standing and as the leader of the Senate. I am very, very appreciative of that and I deem it a great privilege to be able to recognize him as the majority leader of the Senate and to recognize him personally as a Member of the majority party, as my own leader. It is an honor and a privilege to serve with him.

Mr. ROBERT C. BYRD. Mr. President, if the Senator will yield, I would just like to say further that each Member of the Senate has a desk with his name on it. In the other body, the Members do not have desks. There are 435 Members who do not have desks. I might point out that the desk at which I am now standing was the desk of Jefferson Davis, the President of the Confederacy. It is now the desk of Senator John Stennis, of Mississippi.

Over here is the desk of Daniel Webster.

Senators will note that all these desks have hinges on them and a lid except the one I have just referred to. It has no hinge and no lid. It was the desk of Senator Daniel Webster. The Senator from New Hampshire (Mr. Durkin) presently sits at this desk.

Senators used to have snuff boxes. Many of the Senators in the olden days used snuff, Copenhagen or whatever. And they had the old quills with which to write. We still have the little containers. I think it is sand that is in that container. In the olden days when we did not have the fountain pens that we have today they used quills. There is still the ink container. They would dip the quills in the ink containers and write on their paper, and then this sand would blot the ink.

But the Senate has changed a little bit over the years. The old order changeth. Each day Senators have on their desk the Congressional Record. That Congressional Record has in it the proceedings of the previous day. On one day the House of Representatives will have the first part of the Record, followed by the Senate. The next day the Senate will have the first part of the Record, followed by the House.

In the back of the Record is the Daily Digest which is information as to the program for the day, as to what occurred the day before, as to what the program for the following day will be, what bills were introduced, what resolutions were introduced, what actions were taken on these measures, and so on. So it is a very convenient textbook for those who read it.

Now that the distinguished Senator from New Mexico (Mr. Domenici) has arrived in the Chamber, I have a feeling that he wishes to discuss the windfall profit tax conference report. I will desist until a later date from talking further about the Senate.

Mr. DOMENICI. Will the Senator yield for a unanimous-consent request?

Mr. ROBERT C. BYRD. I yield the floor.

Mr. DOMENICI. Since we are talking about how we do business and what our history is, I ask unanimous consent that Paul Gilman of my staff be granted the privileges of the floor.

The PRESIDING OFFICER. Hearing no objection, it is so ordered.

Mr. DOMENICI. This is our way of getting the U.S. Senate to agree to matters. If anyone wants to object, one single Senator can say, "I object" to that kind of request, regardless of whether it be involving a staff member or any diverse matter. It will not be granted.

I arrived here just at the end of the comments of the distinguished Senator from Oklahoma about the leader's very vital role in this deliberative body. I want to join that.

It is very difficult to run a democracy. It is often difficult to run an institution like ours with 100 men and women. You have given a little bit of the diversity in the history of this institution, but no one ought to think that there is not great diversity of opinion, philosophy, ideas, representation yet here today—whether it be a DOMENICI from New Mexico, or a JOHN DURKIN from New Hampshire, or a distinguished leader from West Virginia. It is to our credit and to your credit, Mr. Leader, that with all that diversity and difference of opinion and difficult parliamentary processes, we are still able to get things done.

I want to speak for a while on the windfall profit tax, but I certainly am not in any hurry. If you have other things you want to do or say at this point, I certainly would yield the floor to you.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator. I have nothing to say. I am very glad to have Senators appear at this time to discuss the pending business.

I appreciate the comments of the distinguished Senator.

Mr. DOMENICI. I thank the majority leader.

WINDFALL PROFIT TAX ACT OF 1980—CONFERENCE REPORT

The Senate continued with consideration of the conference report.

Mr. DOMENICI. Mr. President, I want to speak for a little while this morning about the pending legislation. Since this conference report has already passed the U.S. House and it is not before the Senate as an ordinary bill, but, rather, as a conference report—which means that Members of our body and the House have sat down and conferred on their differences and resolved them and sent back this conference report—it is not an easy process to try to call to the attention of the Senate and the people of this country what this bill is all about. We cannot amend it here, on the floor; we cannot propose amendments that will point up what it is all about and what some specific revisions in it might mean. We are just looking at the entire package; we vote yes or no.

I wondered what good purpose I could serve here today. I concluded that the best way is to open this short hour or so by the Senator from New Mexico with a letter that I received. It is a very short letter. It is from a lady named Sheila Seifert, of 315 Tyler Road, Northwest, in Albuquerque, N. Mex. She greets me and then says the following, in effect:

This is to oppose the windfall profit tax bill. I cannot believe the entire U.S. House approved this bill. The middle class is going to catch it again, as are the people who are receiving a small sum from royalties. I just cannot believe our great Government is going to be able to take as much as 70 percent of any profits that people like myself, a small royalty owner, might receive.

The Federal Government did it without explaining it in simple language so we lay people could understand. And now, I am told, it is too late.

I cannot believe what I am hearing and seeing. I am totally opposed to this tax, as are many of my friends—who did not understand it until it was apparently too late.

Mr. President, I ask unanimous consent that the letter from this good lady be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

ALBUQUERQUE, N. MEX.,
March 16, 1980.

DEAR SENATOR DOMENICI: This is to oppose the Windfall Profits Tax Bill. I can not believe the entire House approved of this Bill.

The middle class is going to catch it again as are the people who are receiving a small sum from royalties. I just can't believe the government is going to be able to take as much as 70 percent of any profits the people might receive.

The Federal Government did it without explaining it in simple language so we lay people could understand, now it is too late.

I am totally against this Tax as are a number of my friends.

Thank you,

MRS. SHEILA F. SEIFERT.

Mr. DOMENICI. Perhaps she could have added to her letter that Americans who listen to the political rhetoric about this bill assumed that the big oil companies were going to get taxed and that that did not make any difference, because we ought to tax them because they are making so much money, and it is not going to affect anybody else but them. They are, somehow, going to contribute in taxes $227 billion over the next 10 years and they should pay that tax; they are the ones who caused all the problems, the rhetoric went on to say, so let us tax them and let us get to the problem.

Well, they may be part of the problem, but the problem of America's energy dependence and the crisis that this great free democracy finds itself in today is that the life blood of our growth—that is, energy, and in particular, crude oil—comes from foreign countries that could not care less what happens to us and this oil comes to us in such quantities that we cannot do without it any longer. We are now in a position where it is true that countries in the world that most Americans cannot even say the name of properly and do not even know where they are already telling the United States, "You do this or we don't sell you any more oil." Or, "You do that and we will raise the price 30 percent more." Or, "You interfere with what we think is right or in any way get involved inconsistent with us and we will just make you cry 'uncle'."

That is true, we are in that position. And there is plenty of blame to go around. But if you have listened to the rhetoric of the last 8 or 9 months, this bill is going to solve all that. The cornerstone of an American energy policy: $227 billion in taxes, take it from the big oil companies.

The problem is, as we just heard from this one lady in my home city, we are not going to take it from big oil companies. We are going to take it from hundreds of thousands of royalty owners, who invested just like anyone else who has any kind of investment in this country, large and small. Some Americans have a savings account and they get interest on it. Some have a small business and they work at it and get some money from it. Some Americans buy a little stock in American companies and they expect to make some profit from it.

Well, hundreds of thousands of Americans are going to wake up in a few weeks and some of their royalty checks will begin to disappear. It will come to the Federal Government as part of this $227 billion energy tax, the so-called windfall.

Let me tell you, that lady who wrote to me and hundreds of thousands of others do not think they are getting any windfall in their royalty checks.

We are very worried about the elderly and inflation. Many of them have a little income coming in from this, that, or the other, and some have a little royalty income. Certainly, they did not understand that they are going to lose 70 percent of their future increases, all in this wonderful spirit of solving an American energy problem and of getting big oil to pay from what many thought was an excessive profit.

Then we find that 85 to 90 percent of all the new oil found in America—and God knows, we have to find more, not less, with 45 percent dependence on foreign countries. The American people would support wholeheartedly a national program that would encourage more, not less, development of American crude oil. And what do we find? Eighty to eighty-five percent has not been found by major oil companies but by independent oil companies—independent groups of men and women who take a lot of risk and a lot of chance.

They go out and find oil. And everybody ought to know they are going to pay this tax, too. Not big oil, but, literally, 13,000 independent oil producers. I submit most Americans would say, "Let them make money and produce oil. We would rather pay it to them than to Kuwait or Saudi Arabia, or some foreign country that we are paying it to, and that we will continue to pay it to."

Let me set that one into perspective. When Lyndon Johnson faced a point in his presidency that he had to send a budget to the U.S. Congress that broke $100 billion, he stewed and suffered over it and was concerned because the magic number was going to be broken. For the first time, we were going to spend a hundred billion dollars in our National Government's efforts.

This year we will spend $100 billion to buy oil from foreign countries. We will send hard-earned American dollars from our productivity to foreign countries to buy their oil to keep us alive.

While those independent businessmen that produce oil are growing smaller in number because of our policies—that was over 20,000 15 years ago and there are about 12,500 today—we tell the American people that we need this bill because we want to tax big oil.

This bill taxes, for all intents and purposes, each and every one of those 12,500 independent oil producers in America, for the most part, exactly the way we are going to tax Exxon, Standard of Indiana, and the other members of the Seven Sisters and the 20 top oil companies in the country.

The American people do not know that. This lady who wrote to me with reference to herself and hundreds of thousands of royalty owners who are getting taxed, and the American people did not understand that.

The people ask why we come down here to the floor to talk. Well, it is too late, in some respects. It seems rather inevitable. It seems rather inevitable that we are bound and determined to tax our way out of this energy problem. We have never heard of such a thing, but we seem bound and determined to do it.

We were also going to take this bill and all the money we got out of it, we would do a couple of things, help those that need help the most, our poor people that cannot afford energy bills, and then use the rest to develop energy.

That is a joke. Have we ever seen the Federal Government produce any energy? They produce a lot of it in terms of paperwork, rules and regulations, and speeches. But the U.S. Government does not produce any oil, does not produce any gas.

For the most part, its policies are counterproductive and cause us to produce less.

It looks now as though we will not even try to use substantial portions of this money to produce energy. This bill comes out of conference and it has three or four uses of the money, and the use of it to invest in alternate forms of energy by way of subsidizing some of them, research and development, and the like, are not even found to be among the biggest users of this tax as we move down the next 10 years and try to spend it for the purposes it was originally intended.

When this bill was considered here in the Senate, the issue of the independent oil producer was discussed in great detail.

I remember when we were talking about trying to create some kind of exemption in this new tax package to encourage, rather than discourage, independent producers of the United States. I remember people came to the floor with sheets of paper that were given them by the U.S. Department of the Treasury, the U.S. Department of Energy, and these experts out of Washington had all punched into their little computers that the independents do not need an exemption, they do not need any additional money to produce oil, if we do this it will not produce any more oil.

I remember that I came down here and said, "Who do you want to trust? Do you want to trust the prophets of gloom, or do you want to trust thousands of independent businessmen and women? Do you want to turn them loose? Say that we want them to make money and go out and find oil?"

How can we measure? I said, "How can you measure what that kind of activity is going to do? How can you measure what it would do if another 5,000, 6,000, or 7,000 independents were added to that group and went out and tried to find energy for the United States?"

Well, we prevailed in the Senate and we had an independent exemption. It, at least, lived up, to a small extent, to the rhetoric that had been thrown around the United States. It said that this would principally be a tax on major oil and we would give the independents an opportunity to prove that they are different from the major oil companies, that they do not have the ability to borrow, that they invest almost everything they get out of the ground back into energy.

Why do we want to take it away from them? That is precisely what we would want them to do.

I think the figures were then that the independent oil men of this Nation reinvested in energy 105 percent of the proceeds they got from oil. It seemed to me that that was a good measuring stick. Why take away 30 percent, or 70 percent, depending upon what tier they are in, and take it to this Federal Government which has not produced any oil?

But the bill that comes before us today wiped out that independent exemption. As I indicated, now the thousands of independent oil producers join with the hundreds of thousands of royalty owners, such as Mrs. Seifert from Albuquerque, N. Mex., who wrote me that letter, and they do not understand.

Remember, she said, "We didn't understand all the words that were being thrown around by our Government. We didn't know our royalty check was going to get taxed 70 percent."

Independent oil producers have some leaders who are well informed. But as to thousands of them I have just described, in terms of the backbone of America's energy production, at least crude oil and natural gas production, it is finally coming home to them that this bill, that we for so many months, that our President for so many months, talked about in terms of major oil companies, this windfall profit, is now coming home to roost. Knowledge is settling in that it is not major oil companies that are going to pay this tax.

Yes, they are going to pay it, but so are independent oil producers, and so are hundreds of thousands of average middle-income Americans, thousands of them retired. They are going to pay 70 percent—a good rule of thumb—on their royalty checks when we pass this cornerstone of America's energy policy and get ourselves out of the energy crisis with a huge new tax. It is incredible.

Mr. President, I have spoken a little here about how we have fooled some people in this country, a pretty large number, hundreds of thousands of royalty earners, more than 12,500 independent crude oil producers; but now we will get to the last point, the American consumer—everyone—the American consumer we are always worried about, the American consumer who is about to revolt because of 20 percent inflation. Let us talk about this bill and the American consumer.

Does it seem logical to anyone that we can collect $227 billion in taxes in the next 10 years and that it is not going to cost the American consumer anything? When we decided to put a tax on gasoline to pay for our highways, the American consumer paid for our highways. Gasoline went up 4 cents a gallon when we put a 4-cent tax on a gallon of gasoline.

As a rule of thumb, each of those pennies means a billion dollars today, so what we have is $227 billion; and people would have us believe that, somehow or other, we are going to take that away from hundreds of thousands of royalty owners, independent oil producers, major oil companies, but nothing is going to happen to the American consumer. Gasoline is not going to go up; diesel fuel is not going to go up; everything is just going to be the same. The Federal Government found this fantastic bird's nest on the ground—$227 billion.

That is the largest single new tax imposed on the American—let us say economy. I think it is probably better to say "on the American people." That is the largest single tax ever imposed in our history, by perhaps a couple of hundred percent. Can anyone really believe that we are going to find all that tax money out there and that the American consumer is not going to be affected at all?

All these experts came down here and told us, "Oh, this money is not needed by the independents. They will produce oil, anyway. This money is not needed by the oil people. They are going to produce the same amount of energy, anyway." Now we are trying to ask them how much the American consumers are going to be socked by this tax. It is pretty hard to get the same people, who know so much about the production of oil, to come to grips with telling the American people what $227 billion in taxes on the business of finding oil and producing it is going to do to the average American consumer.

The independents, the same group I have talked about, along with the royalty owners, have an association, the IPAA, and they have some experts. They try to represent their cause, just as many other causes try to find representation here in Washington. They have come up with the following, and they have been pretty accurate when they have told us things in the past.

Their conclusion is that those who consume gasoline—that is just about everyone—are going to be socked again. There will be a 16-cent-a-gallon increase in gasoline taxes attributable to this tax by 1990, in their opinion, for the simple reasons that there will be a reduced supply.

Remember, we started this exercise, as the cornerstone of America's energy policy. The independent producers say, "We will produce less rather than more when we have this tax in place, and that reduction in supply is going to cause us to have to import more than we would otherwise, not less."

Now we have come full circle on the great urgency for this bill and the extreme necessity for the propriety of its adoption. It was supposed to tax big oil, but it does not. It taxes independent oil producers and royalty owners, and then the great American working people, the producers in this country.

It taxes small businesses that are trying to get ahead; the mother who has to drive two or three children to school; the steel worker who has to drive 20 miles to his job; the carpenter in my State who might even have to drive 120 miles, where there is more work, and spend the week there and come back on the weekend. Now we have them in this. They will have to pay more for gasoline than they would have without this tax. And this 16 cents has nothing to do with the new Presidential proposal to tax imported oil, which is going to add another 10 cents a gallon to the cost of gasoline.

Someone might question why I would come here, when this is all finished and wrapped up—we are going to agree to this conference report this week or the week after—and waste the time. Well, I am not going to vote for it. I did not vote for it when the matter left the Senate, and it was much better then than it is now. Since I am not going to vote for it, I thought I would come here and give a few reasons why I am not and share a few thoughts that people have shared with me about what a hoax it is. I do not think it is a waste of time. I believe it is using the United States Senate and this floor, as I am entitled to do, in its best sense, to tell what a bill or a law is about, as understood by a Senator.

I have some additional letters here which I think will add appreciably to the history of this bill and to the Record.

I have a letter from a Mr. Osborne, an independent producer. I also have one from a Mr. R. G. Andersen, who has his own oil company, a small one. He is concerned about the small producers' exemption being eliminated from this bill.

I ask unanimous consent that these two letters be printed in the Record.

There being no objection, the letters were ordered to be printed in the Record as follows:

Lombard, Ill., *March 15, 1980.*

Re: "Windfall Profits Tax Bill."
Senator Pete V. Domenici,
U.S. Senate Office Building,
Washington, D.C.

Dear Senator Domenici: If the proposed "Windfall Profits Tax Bill" is passed by the Senate and signed by President Carter, as it stands, it is going to cause grave financial problems for thousands of little people, fractional oil and gas leaseholders, drillers, operators, etc. in all of the oil producing states. These are little people, not major oil companies or wealthy independent producers.

This "Windfall Profits Tax" will not solve the energy problem. In fact, if enacted, it can only worsen an already serious situation of our dependence on foreign oil. This proposed tax is an "Excise Tax", not a "Windfall" tax on profits.

Furthermore, there has been no consideration given to the enforcement of this "Excise Tax" on foreign oil producers, in a like manner, as it will be enforced upon domestic producers, large and small. Do we have a dual tax standard? If so, and as a legislator, I would have to question the constitutionality of this proposed tax bill.

Sincerely yours,

John Newberry Osborne.

Ragars Oil & Gas Co.,
Alice, Tex., March 17, 1980.

Hon. Pete Domenici,
Senate Office Building,
Washington, D.C.

Dear Senator Domenici: Being a small operator and producer I wish to convey some thoughts concerning the proposed Windfall Profit Tax (as agreed by the conferees). This tax, if enacted without some exemption for small domestic producers, will become an embarrassment to the elected officials that are charged with enactment of such measures.

There are many small operators unable to comprehend the governmental regulations and a state of rebellion to any further encroachment is very much in their minds and attitudes. It becomes a matter of survival to them and their survival in a harmonious relationship is imperative.

If this bill does not provide for some relief or exemption to these small producers, the supporters of this bill will find it most embarrassing to have the record reveal they contributed to aggravating and worsening measure to the detrimental of this nations needs.

You are urged to support some type exemption. It is worthy and wise to do so.

Very truly yours,

R. G. Andersen.

Mr. DOMENICI. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

(Mr. EXON assumed the chair.)

Mr. HEFLIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ABSCAM

Mr. HEFLIN. Mr. President, as chairman of the Ethics Committee I have submitted previously for the Record a letter from the Ethics Committee that authorized the chairman and the vice chairman to write to the Honorable Benjamin Civiletti, the Attorney General of the United States, pertaining to the position of the Ethics Committee in dealing with investigation of the so-called ABSCAM matter while the Department of Justice is pursuing the criminal prosecution aspect.

I wish to submit for the Record a letter which I have received, dated March 14, 1980, from the Honorable Philip B. Heymann, Assistant Attorney General in charge of the Criminal Division of the Justice Department, which is in answer to that letter.

I think this will complete the record concerning the exchange of correspondence between the Ethics Committee and the Department of Justice and the position of both in regard to the temporary conditional and segmentized deferment by the Ethics Committee to the Department of Justice pending the outcome of criminal prosecution.

Mr. President, I ask unanimous consent that the letter to which I have referred be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

U.S. Department of Justice,
Washington, D.C., March 14, 1980.

Hon. Howell Heflin,
Chairman,
Hon. Malcolm Wallop,
Vice Chairman, Select Committee on Ethics,
U.S. Senate, Washington, D.C.

Dear Senators: Thank you for your letter of February 28, to which the Attorney General has asked me to respond. We fully recognize the Committee's constitutional responsibility to inquire into potential misconduct by any Member of the Senate, and we appreciate your willingness to postpone your request for evidence to be used in criminal proceedings arising from the "ABSCAM" undercover operation and to avoid any action which would interfere with our efforts to achieve a fair and just conclusion in the criminal process.

We believe we can accommodate the concerns of the Committee raised in your letter:

1. We will proceed with these cases in an expeditious manner and, as we have indicated, will do everything we reasonably can to conclude grand jury proceedings by June 1, 1980. If for some reason grand jury work has not been completed by that date, we will be pleased to meet with the Committee to discuss the reasons we have been unable to meet this target date and to estimate any additional time required. Similarly, after any indictments are returned we will attempt to move through the trial stage as promptly as possible and continue to advise the Committee of tentative completion dates.

2. Upon final disposition of a criminal prosecution at any tme before or after trial and before any appeal, we will make available to the Committee all the Department's evidence and other materials relevant to your inquiry, except insofar as this information may relate to a case not yet concluded.

3. Even as we proceed with the investigation and any possible prosecutions, we will endeavor to share with the Committee certain limited materials of the types described in your letter. However, the precise nature of these materials and the terms and conditions of their disclosure must be explored between us and Committee counsel. We are simultaneously exploring this matter with counsel to the Standards of Official Conduct Committee of the House of Representatives.

4. Finally, I can assure you the leaks that have occurred in this investigation are a foremost concern to the Attorney General, and he has taken a number of steps to prevent their repetition in this or any other case. United States Attorney Richard Blumenthal of Connecticut has been appointed to conduct a special investigation into the sources and causes of the unauthorized disclosures that have occurred. The resources of the Department, including the FBI, have been placed at his disposal, and he and his assistants are conducting extensive interviews with all Department personnel involved in the "ABSCAM" investigation. On Wednesday, March 5, the Attorney General spoke to over 800 Department employees in two sessions to express his anger over the leaks, the importance of confidentiality to the work of the Department, and his determination to identify and discipline those responsible for any unauthorized disclosures. Video recordings and transcripts of this message will be circulated to Department employees around the country. The Attorney General has also ordered a complete review of all Department

regulations and guidelines governing information disclosure.

I trust this is responsive to your concerns. We look forward to working with you cooperatively in these matters in the months ahead.

Sincerely,

PHILIP B. HEYMANN,
Assistant Attorney General,
Criminal Division.

AMERICAN AGRICULTURE

Mr. HEFLIN. Mr. President, I wish to have printed in the RECORD a statement by the Honorable Goodwin L. Myrick, the president of the Alabama Farm Bureau Federation, which he delivered on March 18, 1980, to the Alabama congressional delegation here in Washington.

I think this is an excellent statement and I think it will be of benefit to all Members of the Senate. So, therefore, I ask unanimous consent that it be printed in the RECORD in its entirety.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY MR. GOODWIN L. MYRICK

Never in the history of mankind have so many owed so much to so few and paid so little to get it. Alabama's and the nation's agriculture is characterized by a paradox of efficiency. Comprising only three percent of the population in the United States, we are the most efficient producers of food and fiber the world has ever known.

Productivity is the main ingredient in this amazing farm story. Consumers in America have no greater champion than the American farmer. As the farmer increases productivity, the consumer spends a smaller and smaller percentage of disposable income on food—slightly over 17% today.

Industrial competition, minimum wage, permissive welfare and farm labor legislation have substantially removed hired labor from our farms. To counter these forces, agriculture has mechanized and become the productive wonder of the world. Investment in agriculture on a per capita basis now exceeds even the most capital intensive industries including oil, automobiles and high technology. These industries have a steadily decreasing record of per capita productivity.

Burdensome economic forces are causing a rapid deterioration in farmers' ability to continue high levels of capital investment. These forces include high interest rates, rampant inflation, disruptive market manipulations and weak farm commodity prices guided by cheap food policies. Lower capital investment and decreased productivity will surely result if our government fails to recognize the effect of its actions. Our nation cannot afford this. Therefore, it is essential that our government take immediate action which will strengthen the productivity and prosperity of the American farmer.

We are all aware that inflation is the number one problem facing farmers and the nation today. Inflation is slowly strangling our free enterprise system.

The major contributor to the current 20 percent annual inflation rate is deficit government spending. Imported oil also plays a significant role in the inflationary spiral. Our agricultural trade achieved a surplus of $15.8 billion which reduced the total U.S. trade deficit from $43 billion to $27.2 billion in 1979. Obviously farmers are making the most outstanding contribution toward the purchase of imported oil. At the same time, our agriculture production only consumes three percent (3%) of energy in the U.S.

Our policy has consistently called for balancing the budget. Spending by the federal government should be cut to a realistic percentage of the gross national product. The federal budget hasn't been balanced since 1969 and only twice in the past 21 years. The federal debt is $892.8 billion in 1980 or nearly 36 percent of the gross national product. The interest alone on the federal debt is $67.2 billion and growing each year. It is time for our government to take positive action to restore fiscal responsibility to our government.

Our second most critical challenge is energy. The United States has vast energy resources. We just lack programs and leadership in the energy field. We support consistent government programs that will move this nation closer to energy independence. We support the Rural Energy Independence Act. The opportunity to convert biomass, including agricultural and forestry products into alcohol encourages us. We also support the increased use of coal and wood as primary energy sources.

In Brazil, one of the major energy contractors for alcohol usage is an Alabama based engineering firm. We feel the need for using renewable sources of energy is apparent and that technology exists to support increased alcohol use. We do need help with tools and the capital. Therefore, we urge you to support legislation that will encourage increased production in the alcohol/fuel area.

Agricultural productivity is based on the scientific management of soils. Chemical fertilizers form the basis for much of this management. Recent increases in the cost of fertilizer causes farmers great concern. However, an even greater concern is the rapid consumption of this nation's phosphate reserves. Today nearly 50 percent of our annual production is exported. According to current reserve estimates, we face the depletion of our domestic phosphate supply by the year 2000. The existence of American agriculture rests in our ability to protect and extend our supply of this invaluable resource.

We are concerned with the increasing challenges to individual property rights or the "land use issue". Alabama farmers are the best stewards of the soil and their environment. We own our property rights and resent unjust criticism from government agencies, environmentalists and preservationists who question our integrity as stewards of the land.

We do not agree that property rights come in a package which are individually subject to negotiation. Government regulators should enter agriculture only when the demand for change or environmental abuses are proven under the law and constitution. Agriculture issues must be weighed on their scientific and economic merits. The cost of allowing bureaucrats and other non-agricultural interests to influence the basic structures of land ownership, agricultural operations or marketing activities, will ultimately result in the greatest social and economic disaster endured by this nation. I refer specifically to mandatory conservation practices, pesticide bans, endangered species designations, wilderness, trails and river designations and other such programs.

The economic health of the entire world depends upon mutually beneficial trade between nations. A graphic example exists in the United States and Alabama in the production and marketing of soybeans. In 1979, the increase in U.S. soybean acreage was equal to the entire production acreage of our largest competitor, Brazil. In 1979, we exported an amount nearly equal to the entire 1968 production—protein and oil for a starving world.

These contributions to U.S. and world economy have been made because soybean producers have been permitted to operate in a market oriented economy unencumbered by government meddling. We strongly support continuing this policy of no government controls, no embargoes except in proven national emergencies undergirded with research and market development and improved port facilities.

A growing problem and challenge for the cotton industry in Alabama and America is the regulatory actions of governmental agencies such as the EPA and OSHA. Of all of Alabama's crops, the cotton industry finds itself most threatened by these regulatory bodies. OSHA and its cotton dust standards will close many gins and result in damaging cotton's competitiveness in textile mills.

Recent EPA actions are leading several States and some parts of Alabama, to restrict aerial applications of chemicals on cotton and other crops. These undue and prohibitive regulatory actions severely threaten the industry's ability to produce efficiently and competitively.

The competitiveness of cotton today is more important than ever before due to heavy use of energy expensive synthetics. Preservation of cotton research and promotion program is directly related to producer income. We feel that buying products made from natural and renewable fibers such as cotton, would be one of the most positive and patriotic acts consumers could practice.

Alabama dairymen are attempting to secure a federal milk marketing order. We have filed for an order and appreciate the efficient and timely cooperation and support we have received from the dairy division of USDA.

The Federal milk marketing order system and the provisions of the 1937 act that created it, have stabilized and provided order to dairy markets. Milk should be classified and priced in accordance with the form or purpose for which it is used. We are concerned over the continual efforts of some to destroy this essential marketing tool under the guise of cheap food at the farmer's expense. It distresses dairy farmers to see government agencies in support of these counter-productive ideas.

We need to maintain the present Federal marketing system which sets minimums in accordance with supply and demand and allows producers to negotiate for over order premiums depending on local market conditions.

The present price support program should be maintained at 80 percent of parity for manufacturing grade milk. We support measures that will strengthen our ability to gain access to world markets.

American agriculture, if not restricted by Government controls, will continue to meet the food and fiber requirements of America and the world. You are all aware that our last three Presidents have each imposed embargoes on our agricultural products.

Each time these embargoes have been counter-productive for agriculture and the nation. Actions such as moratoriums or embargoes inhibit food production, destroy our credibility in foreign markets, foster inflation and reduce our ability to contribute to the balance of payments.

Therefore, we recommend a law that would prevent the executive branch of Government from imposing unilateral embargoes on our farm commodities unless a national emergency is declared and ratified by a two-thirds majority of the Senate. In any event, farmers should be adequately compensated for any loss of income.

We are opposed to a cheap food policy! We feel that a farmer has the same right to earn a profit as any other self employed businessman. We are concerned over the ever increasing meddling of government agencies into the so-called "structure of agriculture". We believe that the structure of agriculture is basically sound. In our opinion, the free market economy will provide the necessary checks and balances. The government should serve farmers to undergird their productivity and prosperity without infringing on their rights.

The Secretary of Agriculture said in a recent article in the Dothan Eagle and I quote, "Bergland, himself a farmer, questions the basic tenet that a farmer should pay for his farm during his lifetime." Who will pay if the farmer doesn't? His children? His estate? Statements such as this, along with the structure of agriculture issue causes us grave concern. Is our Government moving toward the development of socialistic "Moshav" type cooperatives? Are they advocating a return to subsistence farming? Why must a farmer be different from other types of U.S. businesses? Why shouldn't a farmer have a good opportunity to retire all of his farming debts during his lifetime?

Credit is becoming a serious problem. Some of our lending institutions in Alabama are now charging 18% interest for production money. Federal land bank rates are variable and rise with the cost of money. This happens at a time when prices for farm commodities continue to weaken. Again, cost of production is the major ingredient. Farmers are always cost conscious. We must be. However, these latest increases in interest rates are pushing many of us to the brink of disaster. We must receive farm prices that reflect the true input costs.

It should be kept in mind that farmers cannot pass on their increased costs. We buy on a seller's market and sell on a buyer's market. Farmers suffer the most severe hardship under a burdensome cost-price squeeze. Such a situation is presently approaching an alarming state. Unless farmers receive adequate support and ample opportunity to earn a profit the economy of our nation will suffer severely in the near future, as well as farmers.

We are concerned over the fact that individual savings in America is at an alltime low. It's due to inflation and a lack of incentive to save. To correct this, we encourage you to enact legislation that would influence people to save. In our opinion, all taxes on savings should be eliminated. We feel that this simple act would go a long way toward restoring some fiscal sanity to our troubled economy.

In closing, I would point to several consistent facts relative to the problems that confront farmers. Unpredictable weather, pests, disease, markets, and inflation always confront us. If we were able to eliminate these variables, there would be no need for disaster programs. However, recent experience in Alabama with hurricane Frederick graphically illustrates the need for programs to protect the property and productivity of our farmers. Disasters affect farmers and all Americans. We need your help to enter the marketplace freely. Second, protect our opportunity to earn a profit in the marketplace. Finally, support us when physical or unavoidable economic disaster strikes.

THE HONORABLE JOHN B. McMANUS, JR.

Mr. HEFLIN. Mr. President, it is with great sorrow, and a profound sense of loss, that I inform my colleagues of the passing some weeks ago of distinguished jurist, a great American, and my friend, the Honorable John B. McManus, Jr., a former chief justice of the Supreme Court of New Mexico.

Chief Justice McManus led a colorful and interesting life. His father, John B. McManus, Sr., was the State warden of New Mexico for many years and was later and adviser to President Franklin D. Roosevelt. With his father's encouragement, young John enrolled in law school at Georgetown University, where he gained the nickname "Black Jack" from the many new friends that he made there.

Jack interrupted his legal studies to serve the Nation during World War II. He received many honors as a Navy pilot and, by war's end, he had attained the rank of lieutenant.

He then resumed his study of law at Georgetown, where he graduated with honors. Upon his graduation he returned to Santa Fe, N. Mex., where he gained great respect among his peers in the legal profession. He was frequently mentioned as a possible contender for high political office, including the office of Governor, but his commitment to the law led him to the office of chief justice of the Supreme Court of New Mexico.

Chief Justice McManus was one of the most outstanding jurists in the Nation, and was a national leader of court modernization. He served as chairman of the Council of State Court Representatives of the National Center for State Courts in 1977 and 1978. Further, in 1978, the Georgetown University Alumni Association presented Chief Justice McManus with the John Carroll Award, the highest award that the University's alumni association confers upon its members. The award is given to honor an alumnus whose dedication to his profession, and whose very life is a bellwether for future generations to follow.

Jack was a good friend who had a warm and generous sense of humor. We had a close, mutual friend, E. E. "Red" Cox, of Cox Gap, Ala., who also has a great sense of humor and who was Jack's roommate when they lived in Washington in the 1940's. When "Red" and "Black Jack" got together, everyone in their presence enjoyed life to its fullest.

Jack's passing is a great loss to the State of New Mexico, to the American legal profession, to the Nation, and to his many friends. My sympathy goes out to his lovely wife Terry, and to his children, Nancy and Ricky.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. McCLURE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered. The Chair recognizes the Senator from Idaho.

WINDFALL PROFIT TAX ACT OF 1980—CONFERENCE REPORT

The Senate continued with the consideration of the conference report.

Mr. McCLURE. Mr. President, I want to take a few minutes this afternoon to go into some of the basic reasons why I and others are opposed to the conference report on the windfall profit tax, and intend to vote against it.

There is a danger in adopting such a position that some will immediately come to the conclusion that those who are opposed are opposed because they are tools of the oil industry.

That is not my motive at all. I am trying my best to represent the consumers of this Nation and, particularly, the consumers of my own State who must have an adequate supply of energy at reasonable cost if they are going to be able to cope in the world in which they will find themselves in the next year or two or three or four, the next decade or two.

The question must be asked if we do not have an adequate energy program of our own in this country then what will happen to the consumers in this country who must contend for ever-shortening supplies of energy, ever-increasing costs of that energy, and a decreasingly competitive position in the world markets?

Mr. President, it is not simply a question of whether or not oil companies are going to be able to produce or whether we are going to reduce their ability to produce. It is also a question, on the other side, of how, if a tax is to be levied, it is to be used, the proceeds are to be used, in financing a Government that continues to grow beyond reason.

My opposition to the windfall profit tax must be that the motivation for those who support it is, at least in part, on the part of some who want to finance an expansion of Government.

Mr. President, we are now engaged in a great debate in this country about whether or not we can halt inflation and what steps must be taken in that effort. The President has suggested there will be a balanced budget, and he suggests he is going to balance that budget on the backs of the taxpayers of this country by increasing the burden of taxation. That has to be made absolutely and abundantly clear, that the President is not proposing to balance a budget of the United States by reducing the burden on the taxpayer but by increasing the burden on the taxpayer.

It is useful to note that in January of this year when we had the first budget submission to us, the budget we are now being told is inadequate to the needs of this country in fighting inflation, that shortly after the January budget submission to the Congress the White House reestimated the expenses, the outlays, that would actually be, the money that would actually be spent under that budget, and reestimated them upward by $13 billion. Then 1 month later it comes in with a revised budget that says, "Now, to fight inflation we are going to reduce expenditures by $13 billion."

Mr. President, it is a shell game which is being played in which they promise—it is exactly like the merchant who plans to have a sale and marks the pricetags up so that on sale day he can mark them down and have a sale at the same price.

The President in January told us what he expected to spend, and after the spending cuts suggested in his latest talk, the spending will be exactly what he had suggested in January they would be. So the cuts are only from the increases that were estimated in February, and we have to understand that there is no real effort being made on the part of the administration to reduce expenditures. It is simply a way in which they can again convince the American people that they are doing something about inflation while not so quietly raising the burden of taxation.

Another statistic that is worth while noting and should be driven home to the American taxpayer is that in 1976 the revenues to the Federal Government—the revenues, not the expenditures—were $299.8 billion, just short of $300 billion. Does that sound like an awful lot of money to the average taxpayer?

Let them just look now at the revenues being projected for 1981—$615 billion, better than double the revenues to the Federal Government in just one 5-year period.

How many people in our society have had their incomes doubled in the last 5 years? How many people in our society will find themselves twice as well off in 1981 as they were in 1976? Yet that is the kind of a balanced budget we are aiming towards, a balanced budget with revenues better than double what they were in 1976.

The windfall profit tax, the so-called windfall profit tax, figures in that particular shell game as a part of the deception of the American people. "We will," they say, "not tax the American people. We will tax the oil companies."

Well, let us go back just a little way. Perhaps people ought to remember that just 4 years ago candidate Jimmy Carter was going around the country talking about balancing the Federal budget, an aim that he dropped within a year after he became President. But in that year, in which he dropped the talk of a balanced budget by the end of his first term, he added another part to his standard speeches, and that was a crude oil equalization tax.

The COET never found favor in Congress. Perhaps it should have. It is not as bad as this measure. It never found favor, but somebody in the White House, some political genius—not a financial genius, a political genius—came up with a new and real approach to the problem.

One of the problems with the crude oil equalization tax, the COET, aside from the fact that Congress itself would not buy it, was the fact that if that had been enacted the American consumer would have seen that Government action was the reason they were paying more for energy at the gas pumps. It would have been a direct taxation of the Government on domestic production of oil that caused the price at the pump to go up. Therefore, the Government would become responsible for the price increase.

And somebody down there, in a flash of genius, discovered the obvious truth; that it is much better to deregulate the price of oil, allow it to rise to the world price and then tax the money away from the oil companies. In that way, the rise in price gets blamed on the oil companies and the Government still gets the revenue.

As a matter of fact, they get more revenue this way. They get more revenue because now it is no longer related to profits in any direct way at all.

The crude oil equalization tax would have yielded about the same amount of money, but slightly less than this measure will yield over the next 10 years.

Just a moment ago, I made reference to the fact that the revenue to the Federal Government will have more than doubled for 1976 through 1981.

Let us take another measure of the size of this tax. The revenues to be raised under this new taxation, which the American consumer will pay, is greater than the revenue to the Federal Government from all sources from 1789 through the end of World War II. And that is the revenue projected over the next 10-year period from this tax and this tax alone.

The American consumer is going to pay and pay through the nose for the energy largely as a result of Government actions. Every action we take in the energy field creates greater dependence upon imported oil.

Take the composite of all of the actions that Government, imposed by Congress and by the administration, have taken over the last several years and we increase the strength of the OPEC cartel. Someday the American people are going to wake up to the fact that those who are in charge of energy policy in this country are working more for the interests of OPEC than they are for the interests of the American people.

Wittingly or unwittingly—and I will not charge that they intend that result—that is the result of these actions. It leads to the rational results that are condemned by people in this body when they see the results—results like one oil company buying the holding company that owns Montgomery Ward and they condemn them for doing that, when it was rational for that company to move their capital out of the energy field, which was very uncertain and which the returns on investment were very low, into a retailing area that was much more certain and of which the promise of return on investment was higher. It was not an evil conspiracy on the part of an oil company. It was a rational action looking at the economics of that particular company and their profit margin and their hope for profits.

And yet they are roundly condemned, if, as a matter of fact, they invest in retailing, because they did not put their money back into energy production. At the same time, they are roundly condemned, if they put their money back into energy production, for having monopolized energy production.

Now, you cannot have it both ways in this body, or at least you should not. But a good many people do have it both ways and that is a high art around here. And I understand that.

But there ought to be some consistency to the policy that does not make it rational for Ashland Oil to do what they have just done. They have gone out of the production of oil completely. They have sold off their producing properties. They only buy, refine, and merchandise oil today and oil products in this country.

Why did that happen? Because we have a curious little regulation known as entitlements to equalize the competitive position to those who produce oil in this country and those who import it overseas. Obviously, those who import it from overseas pay a much higher price because the domestic production is controlled in price. And those that market the product produced from foreign oil, as compared to those that market the product produced from domestic oil, would obviously not be able to compete in the marketplace.

So, in order to equalize the competitive positions of the imported oil and the domestic oil, we imposed the so-called entitlement program that says that those who import foreign oil are entitled to low-cost domestic oil from those who produce it in this country. A rational program; is it not? But the result is that for every barrel of oil you produce in this country, you have to give some of it away to your competitor at the controlled price. It is not a free gift. You just take all the risks for producing it and then tie up all your capital in producing it and then sell it at a controlled price to your competitor.

Ashland Oil, looking at that, decided that that did not make sense any more. They would get out of the production business completely, let somebody else tie their capital up, let somebody else take the risks of drilling oil wells, and they would simply get them oil from the person who took those risks and they would use their capital in a more efficient way for them.

So, whether it is Ashland Oil, or Mobil, or Gulf, or whomever it may be that is producing in this country, the incentive is to reduce the production in this country and buy more from overseas.

The windfall profit tax, so-called, is neither a windfall to the oil companies—it is a windfall to the Government—nor a profit tax, because it has nothing to do with profit. It is an excise tax on production. This will further the direction of encouraging people to produce overseas and have the further result of depressing the investment in production in this country.

We condemn major oil companies for taking those actions. But this proposal now pending before the Congress of the United States, the one that we are working on now, the excise tax on oil production, will inevitably drive more investment overseas and reduce investment in this country. Then we will be importing not 50 percent of our oil, but 60 percent or 65 percent of our oil from overseas. And the American public will again pay and pay dearly for a policy that is shortsighted in the extreme.

There are many, many reasons why this bill should be opposed. I was disappointed, as a matter of fact, when one of the financial incentives for an alternative form of energy, which was added here in the Senate when the bill was being originally considered, was dropped when it got to the conference. That was the investment tax credit with respect to electric vehicles.

We must begin to do things which will reduce our dependence on foreign oil. And yet here is a bill that increases our dependence on foreign oil and, at the same time, drops a provision which would reduce our dependence upon foreign oil.

In December of 1978, when the Shah of Iran fell, the world lost the Iranian oil production for less than 2 months; 7.6 million barrels a day. Since that time, they have restored production to the level of 3.6 million barrels a day. So the world has lost about 4 million barrels a day of production.

Before December of 1978, the free world was consuming about 55 million barrels of oil per day. The world productive capacity was 2 or 3 percentage points above that. So that there was a slight overcapacity. There was beginning to be a price softness in the market. The concessionary terms on delivery that were then evident in the marketplace were evidence of the pressures because the supply was slightly greater than the demand.

Even though since that time the consumption has gone down, the loss of 4 million barrels a day of Iranian production has converted the free world's supply from surplus to a deficit. And it was enough to force in the marketplace a doubling of the world's oil prices.

The American consumer is not immune from that dumping. Prices went up very rapidly in the period of December, January, February, and March of 1979, and it was that marginal reduction in the world oil supply which forced the price up. Yet here we take action that, instead of increasing the domestic supply, will reduce domestic supply by at least an amount equal to the loss of Iranian production because of that political event inside Iran.

The American consumer is again going to pay higher prices than they should have to pay because we again inhibit the domestic production of energy resources.

It is a tragedy that many of the incentives that we placed in the bill when it went through the Senate for the production of domestic energy resources have been deleted in the conference and we come back with a bill which is almost totally negative, which is almost totally on the side of taxation of production, and almost nothing on the side to enhance either conservation or increased production in this country.

Why can we not for a change begin to look at the incentives which are necessary for conservation, begin to look at the ways that we have to deal with production in this country? I am not just talking about oil and gas; I am talking about gasohol, about alcohol production that must begin to play a more important part in the energy mix.

Just yesterday we had representatives of the Department of Energy testifying before the Resources and Development Subcommittee of the Energy and Natural Resources Committee of the Senate. They were telling us that their goal was they thought we might produce 500 million gallons of alcohol in this country by 1986 or 1987.

That is a drop in the bucket, almost literally a confession of failure. What we need to be talking about is billions of gallons of alcohol. Even billions of gallons of alcohol only begin to be measured in days of liquid consumption of fuels in this country.

If we are going to break the grip of the cartel that is driving up the price of energy in this country, we have to deal with enhanced production in this country, not just of gas and oil but of all energy resources.

I think it is important for us to note against that 500 million gallons of alcohol production that they were talking about, we consumed last year in this country over 130 billion gallons of gasoline. What does 500 million gallons do to a market that consumes 130 billion gallons?

We simply must recognize that half measures, weak measures, will not solve our energy problems in this country.

But why, when we are faced with that kind of an energy problem in this country that some people think is a major factor in our inflationary pressures? I think that may be overstated, but many people think it is a large proportion of the reason that we have the 18- and 19-percent inflation rate in this country today, that it is tied back into energy costs. Yet in the face of that we pile more disincentives on production. We make it more difficult and less likely that we will produce more oil and gas and energy in this country. Therefore, wittingly or unwittingly, we play into the hands of the OPEC cartel that wants to continue to drive prices up.

This policy of defeat, this policy of dependence upon foreign sources of oil seems to me to be endemic in this Congress.

Let us look for a moment to perhaps what we should have done with taxation of the oil industry because of the so-called unearned profits resulting from world oil price increases.

What is a windfall profit? How can we define what is indeed a windfall?

Well, certainly a windfall could not be measured at levels that are less than the average rate of return on invested capital. Whether it is the oil industry or any other, they have to attract capital. There is a great deal of risk in drilling oil wells, particularly in this country where we have drilled so many already and the chances of recovery are, therefore, less than they would be in relatively virgin territory.

We must attract capital.

I might just note that if we are to meet the energy needs of the Western industrialized world so that we can meet the needs of our societies without economic and social chaos, we must invest over the next 10 years $1,600,000,000,000 in capital investment in energy production—$1,600,000,000,000. That is a large proportion of the total available capital within our society. It has to be a high priority or we will never make it.

In the face of that demand what does a tax over the same period of time of $225 billion mean? It means the difficulty of meeting the goal of raising $1,600,000,000,000 is increased.

While they are going to have difficulty marshaling enough capital assets to meet our energy needs, we siphon capital assets away to use for other purposes.

On the other side of that, aside from siphoning the money away, what does it say to potential investors who must put up that $1.6 trillion over the next 10 years? That is a rate much higher than any taxation we have been talking about.

It means that those investors must look to the possibility of after-tax return on their investment. If we look at the financial data that we should be looking at, we must look at the return to the 25 largest U.S. petroleum companies over the last several years to see whether or not they are going to be able to meet the requirements of the capital markets and attract the money that must be attracted, if they are going to drill more oil wells, if they are going to drill more gas wells, if they are going to build more refineries, if they are going to build more pipelines, if they are going to build more energy production facilities in the coal fields, in the nuclear powerplants, and so on, that must meet our future energy needs.

The 25 largest U.S. petroleum companies in 1968 had total revenues of $61 billion. That, by 1978, had risen to $273 billion. That is an increase of almost five times over the decade from 1968 to 1978.

Yet in that same period, their net income had risen from $5.8 billion to $13.2 billion, only about two and a half times, not the five times. So their net income was rising less than half as fast as their total revenues.

Their net income based on constant dollars, if you take the inflation factor out, rose from $5.8 billion in 1968 to $7.2 billion in 1978.

So the truth of the matter is that, for the 25 largest U.S. petroleum companies, their real income went up by less than 50 percent over a 10-year period—less than 5 percent a year. Meantime, in that same decade, their taxes had gone up from $8.7 billion to $37.4 billion. Their taxes had gone up almost five times over the same period of time. The net income as a percent of total revenues had declined from 9.5 percent in 1968 to 4.8 percent in 1978. So, measured as a percent of revenue, their income had been cut in half over the same 10-year period.

But not measured against revenues, just as a matter of fact, the taxes paid during that period of time totaled $240 billion, during that period from 1968 to 1978.

It seems to me if we are going to be looking at whether or not they made too much, we ought to be looking at how much they had made, how much their income has increased, to determine whether or not there is a true windfall, and whether or not there is a windfall, indeed, to be taxed. It is a little like saying to a farmer, out there raising wheat, "We are going to increase your taxes by 50 cents or $1 a bushel and we are going to tax you on more and more bushels of wheat, and you ought to get out and produce more bushels of wheat, and the more you produce, the more we will tax you, regardless of whether your profits go up or not." I ask how many farmers are going to go out there and bust their necks to produce more wheat when all we are going to do is increase their taxes without doing anything to their net profits? Farmers are a patriotic bunch, but they are not so patriotic that they are going to be that foolish, and I do not think oil producers are necessarily more or less foolish than farmers.

Let us look for a moment at the percent of return on investment as a measure of whether or not there is a windfall that ought to be taxed. Let us talk of net income as a percentage of stockholders' equity. That is one way of measuring profits. It is not a perfect way, but it is a way of comparing them against other corporations, other business enterprises in this country.

In 1968, the 25 largest petroleum companies made 12.6 percent net income as a percent of stockholders' equity. The City Bank Petroleum Group, which is a slightly different grouping of petroleum companies, made 13.1 percent, and the Chase Petroleum Group—again, another grouping of petroleum-related companies—made 11.7 percent. At the same time, all manufacturing, excluding petroleum, had a net return as a percent of stockholders' equity of 13.4 percent. The oil companies were behind the national average.

The same thing was true in 1969. In 1970, the income to all manufacturing fell off to slightly less than that that the petroleum companies were making, but it declined from 13.4 percent to 9.8 percent, while the 25 largest petroleum companies had declined from 12.6 percent to 10.9 percent. The recovery in other segments of our economy was more rapid. From 1970 through 1978, the average rate of return of all industrials had risen from 9.8 percent to 16.5 percent. Meanwhile, the return on stockholders' equity for oil companies, the 25 largest, had risen from the low of 9.8 percent in 1972 to a high of 13.6 percent in 1978; 13.6 percent compared to the average of everyone else in business in the country of 18.5 percent.

If you take the 1968 through 1978 average, an 11-year period, the average for the 25 largest petroleum companies over that 11-year period was 12.9 percent. The average for all other manufacturing in the country was 13.3 percent. Is that the picture of a windfall profit that ought to be taxed away? Is it a picture of an industry that has so bloated its profits at the expense of the consumers of this country that they ought to be singled out for favored treatment by taxing away their income, regardless of whether or not they have income?

As a matter of fact, the House bill, when it first came out, had in it a provision that the tax under this bill could not exceed 100 percent of profit because, as a matter of fact, there are conditions for some of the oil producers in this country, where there is the prospect that the production tax imposed by this measure will be greater than their net profits. They will be taxed out of business, literally. There may be an argument, and there have been arguments, raised about whether or not this is an unconstitutional taking of property, because they are taxed out of business, literally.

My concern is not so much what happens to the oil companies as what happens to the American consumer when that happens to oil companies. I think it is important for us to note again that it is oil company investment that produces gas and oil within this country, that must be invested if the consumer of this country is to be able to be freed of the high-cost oil that is flooding the country today.

In 1973, at the time of the first oil embargo occasioned by the Mideast war, we were importing slightly less than one-third of the total oil consumed in this country and less than 20 percent of the total was coming from the Persian Gulf. Today, after a period of 7 years of crisis in this country, we are now importing 50 percent of the petroleum that we consume in this country—in spite of the fact that in that period of time, Prudhoe Bay in Alaska has come on line and we are getting over a million barrels a day from that source.

When are the American people going to rise up in anger against their representatives in Government for having permitted—not only permitted, but caused—this increase in imported oil? Because it is Government policy forcing the increase in imported oil. It is Government policy that is depressing the production of energy within this country. Instead of developing policies which would increase domestic production, we are developing policies that directly minimize domestic production and directly increase the importation from foreign sources.

There is a great deal said about the Middle Eastern political situation and a great deal of concern about the security of the nation of Israel. I am very much dedicated, as nearly everyone else in this body is, to guaranteeing the security of Israel over the years in the future. But some of the greatest friends of Israel in this body are also increasing the clout of the Arab opponents of Israel. They are creating the conditions of great danger for the continuation of the independence of the nation of Israel as they strengthen the economic strength of the countries that are alined against Israel and, thereby, make much less likely the prospect for an accommodation, a settlement, and a peaceful solution to the Middle East political conflict.

Having said that, I do not want to be understood as being against the Arab countries. Most of the Arab countries that are producing oil have told us, time and time again, that we ought to be getting our own energy house in order, that we ought to be instituting conservation measures, that we should be doing more to produce more in our own country, rather than making ourselves more and more dependent upon them. There are a few countries in the world that have a currency surplus, that sell enough oil that they produce more revenue than they can usefully spend. Those countries, notably Saudi Arabia and the countries along the Persian Gulf—Kuwait, Abu Dhabi, Bahrain, the Emirates—these countries produce more oil and sell it for more money than they can usefully spend in their own country.

We are concerned about that imbalance, the outflow of tens of billions of dollars per year. It piles up in the hands of countries that cannot spend it well and must seek a place to invest it.

They have been telling us, "Please do not ask us to send more oil. We want to cut down our production."

There are those in this country who charge that the only reason they want to cut down the production is so that they can increase price. But I can say that they have absolute confidence that the future will see those oil prices high enough that they do not have to worry about the price today, tomorrow, or next year. Every policy they have seen us adopt so far guarantees that the oil left in the ground can be sold 5 or 10 or 15 years from now for more than it can be sold for on the market today. Or, as they will put it, why should they take oil out of the ground and exchange that oil for dollars, because the oil that stays in the ground goes up in value and the dollars they have go down in value.

The trouble is that we have educated a number of those people and they are perfectly capable of making rational decisions that, to them, say they should leave oil in the ground, not produce it, not produce more, when, as a matter of fact, the investments cause them trouble and lose their money. "Let us leave the oil in the ground. We will produce less and, therefore, have a better future for our own country."

So they have been urging us to reduce our consumption of their oil. Our policies head in a diametrically opposite direction—the Ashland Oil that cut out production completely, the companies that produce in this country that have every incentive to move their capital offshore to produce more in foreign countries where the risk is less and the opportunity is greater, every incentive that we build into a whole complex of policies, every one of which results in greater dependence and higher price.

The American consumer is eventually going to come to the correct conclusion, that is that the people who have been saying most about protecting them against high price have caused the high price.

There is only one way to get price down, and that is to reduce our dependence on imported oil. There are only two ways to reduce our dependence upon foreign oil, and that is to increase domestic production and to decrease domestic consumption.

Yes, we must be working on conservation measures. We must be reducing the amount of energy we otherwise would consume. But let us not fall for that siren's song that we could conserve our way out of this problem by itself. Conservation is an important factor in energy policy.

But the NAACP said it as well as anyone in their speech in December 1977, their policy statement, in which they rejected President Carter's energy policy as being a program of insufficiency, a program of reduction of economic growth in this country, a program that denied to the minorities of this country the opportunity to continue to grow and to share more fully in our society.

They said, as clearly as it has ever been said, what must be understood is the truth, that their people cannot expect to get a higher standard of living by taking that standard away from other people in our society, that their opportunity for growth must come out of a growth in the economy, and, if the economy does not grow, their opportunity for growth is less.

So they said, "We must have an expanding economy in which our people have the opportunity to move upward economically in our society."

Mr. President, a policy that is designed to reduce the standard of living of Americans is a negative policy. It is a policy that militates most against those who do not have.

We can return full circle to a brief look at the President's budget proposal of January of this year, the one that has now been discarded into the ash can— or, at least, it is said to have been discarded. We have not seen the results of any revisions, as yet, except the reductions in the projected increases. But, if we look at that budget carefully, it said that everybody who receives a check from Government will have that check increased to compensate for inflation. The only people who are not represented in that budget are the ones who have to pay their owns bills as well as paying for the increased checks to everyone who receives.

I am not talking about just people on welfare because there are many who do need more because inflation does rob them of a standard of living. I am talking about everybody in society, every group, every program, every bureaucrat, every person who receives a check from Government whose check was to be increased by the amount of inflation.

The ones who are paying taxes and not receiving from Government have the privilege of seeing their tax increased. They not only have to pay for their own increased living expenses, they also have to pay for the increase that everyone else will get when they get from the Government.

That is what the budget proposal was, and that is what a static-state economy must mean, an economy in which there is a permanent underclass, a frozen strata of society that will no longer have the opportunity that we have stood for throughout the centuries of the existence of this country.

We have celebrated our independence. We have been a nation for over 200 years. But for nearly 400 years the United States and the colonies on this continent, have been the beacon of freedom for people all over the world, the opportunity to break out of the chains of static societies, the opportunity to move into a new land, with new opportunities.

They did not seek new guarantees. They sought new opportunities. People by the tens of millions came to these shores. We built a great land that still has a great deal of opportunity for greater numbers of people than any other society in the history of the world.

Yet, a static-state society, a static-state economy, freezes people into the same kind of rigidity, into the same kind of permanent underclass, that we rejected, and our ancestors rejected by the score as they left those old societies and sought new freedoms in this land.

Are we to turn our back now upon the entire history and the entire meaning of the American experiment? Are we to turn our back now on the real successes of this country that have proven that any man and any woman can aspire to any position that they wish to aspire to?

Some do not make it, some do. But the most humble beginnings can end in the most notable successes, and those who have been on top of the heap do not necessarily stay there in our society.

In most other societies, in which we were born to position, we were expected to be what our father was. We were given no opportunity to be different than our parents had been.

Our society says to people, "You are free to make your own choices. You are free to decide what you want to do. You are free to succeed or to fail, according to your ability, your determination, your willingness to work, and, yes, perhaps even according to the luck of the draw. But you are free. You are not frozen into a society that says you must stay where you were born until you die, and your children must stay where they were born until they die, generation upon generation upon generation."

That is what some people who acclaim themselves as being modern liberals would have us do. They would have us turn back to that kind of static-state society, which I think has to be the most immoral of all policies, the most immoral of all strategies, to force upon the American people a renunciation of everything this country has stood for in the centuries of its existence.

The windfall profit tax is but a part of the strategy, an important part. It should be rejected, because it is wrong in taxing theory. It should be rejected because it is a fraud in its title.

If the Government were bound by the truth-in-packaging law that we put upon business, the Members of Congress who came up with the title for this bill could be indicted for fraud, because it is a fraudulent piece of business. It is not a tax upon windfalls; it is not a tax upon profits. But it is wrong because it is a part of the wrong strategy toward the wrong ends for a society that must do with less. It is a policy of defeat, of failure, a policy of cynicism and despair. It is a policy that denies the best aspirations of the most capable people in our society.

For that reason, I hope, as I hoped once before, that this so-called windfall profit tax will be rejected by the Senate.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. Baucus). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, there may be Senators who would wish to speak on the conference report, and they may be under the impression that the Senate is about to go out. But if Senators wish to come to the floor and discuss the conference report, there is plenty of time left today. There is no necessity for going out this early. It is only 22 minutes after 1 o'clock in the afternoon, and I would ask our respective cloakrooms to contact Senators to see if any Senator wishes to come to the floor to speak on the conference report either today or tomorrow.

I will put in another quorum call, and I should think 5 minutes would be sufficient time for the cloakrooms to determine how many Senators wish to come to the floor this afternoon.

There has not been too much said about the conference report so far today, and not very many Senators have spoken. There may be some Senators who are out of town today, who would be in town tomorrow, who would like to speak on it tomorrow. So the offer is still open in the event Senators wish to have the Senate come in tomorrow to debate the pending excess profit tax conference report.

So I would like at this time to determine whether or not there are any Senators who wish to avail themselves of the opportunity this afternoon. There is no standing in line at this point where there are Senators waiting to speak. It would be rather immediate matter for any Senator who wishes to address his remarks to the conference report to come over and be recognized. The afternoon has been set aside for discussion of the conference report. There is no other business, so Senators can come now to the floor and can speak for as long as they wish to speak and feel they will not be holding up any other business.

As I say, the cloakrooms should let Senators know that this opportunity is here, and also that tomorrow the Senate can be in session if there are those who feel compelled to wait until tomorrow and speak on the conference report.

I will now suggest the absence of a quorum while I await the action of Senators, if there are any. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, Mr. Proxmire will shortly address the Senate. I ask unanimous consent that upon his completing his remarks the Senate stand recessed awaiting the call of the Chair.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, I thank my good friend, the majority leader, for his generosity and I appreciate it very much.

GENOCIDE: THE UGLY DETAILS

Mr. PROXMIRE. Mr. President, the last time I spoke on the Genocide Convention I made the comparison between Nazi Germany and Cambodia. The immensity and horror of such wanton destruction of life is appalling. Six million Jews, and then 3 million Cambodians. At least 9 million victims stand as a legacy to genocide in the last 40 years alone.

But what do such numbers mean? Their immensity numbs the mind. The suffering and the agony of so many are incalculable, almost incomprehensible. Impersonal statistics blur our vision of the pain the victims suffer and emotionally separate us from it.

Take highway accidents as an example. What sort of feeling do you experience when you read the weekend fatality count? How differently you feel if a close friend is one of those statistics.

Let us take genocide at the same gut level. The Diary of Anne Frank made the horror of Nazi atrocities real. When reading the diary you feel and think and fear with somebody whose very life is at stake. Genocide is made real when we confront it on an individual basis. No cold, indifferent statistics separate us from genocide's ugly specter.

Unfortunately, we will never have testimony from many of those who would bear witness to this excruciating horror. They are silent. They are dead. That is why we must pay attention to the stories that do emerge.

Sydney Schanberg of the New York Times has just such a story. Schanberg's story which appeared in the New York Times magazine on January 20 concerns the long agonizing journey of his friend Dith Pran out of Khmer Rouge's Cambodia. I cannot hope to capture Schanberg's eloquence in a short quote. I will not try. I do urge my colleagues to read the entire piece.

The article is incredibly moving, descriptive, and finally heartening.

This is one of those rare occasions when this kind of a story has a happy ending. But that happy ending is tempered by the hell Dith Pran endured throughout his escape and by the knowledge that so many more endings in Cambodia were not happy but tragic.

Dith Pran's story is not a fairytale. He cannot live happily ever after having once endured this harrowing ordeal. We of the world have an obligation to censure those responsible for the destruction of his people. It is our moral duty to continue this story by formalizing procedures to punish those responsible for genocide.

Mass murder in Cambodia is staggering in its immensity, but somehow incomprehensible. Dith Pran saw brutal death close up, in all its disgusting, callous, brutal hideousness. We should gain perspective based on his suffering.

When I call for ratification of the Genocide Convention, I am not appealing to merely subjective, emotional arguments. Genocide appalls us at every level of rational thought. Nobody can disinterestedly rationalize genocide. It is an attempt to deny an entire group the right to life. We must formally condemn this despicable act. The Genocide Convention does this.

I ask that the Senate consider this intimate look at mass murder when they listen to arguments against ratification. The American Bar Association has no objections to this treaty. Supreme Court Justice Earl Warren called for ratification. Every President since Harry Truman—Democratic and Republican—has asked Senate consent for ratification. There simply are no valid moral or constitutional objections to this treaty that has been pending now for more than 30 years. It was originated by the United States at the United Nations and still awaits only Senate action for ratification, but has waited, as I say, for 30 years for action by this body.

The unsubstantiated arguments against the treaty appear puny when compared with the immensity of suffering by just one individual who survived. But how much more so when compared with the millions who died?

Mr. President, I urge my colleagues to read Sydney Schanberg's penetrating article. I am not going to ask that it be printed in the RECORD, because it is a very long article and I am conscious of the fact that we should do everything we possibly can to economize these days, even in the matter of saving a couple thousand dollars.

So I am not going to ask that the text be printed, but I once again call the attention of my colleagues to the fact that this article appears in the New York Times magazine on January 20 and is available if Members of Congress will request it from the Library of Congress or from their own files.

ARTHUR SCHOENHAUT

Mr. PROXMIRE. Mr. President, on the 29th of February, the U.S. Government lost one of its most valuable public servants. On that date Mr. Arthur Schoenhaut, Executive Secretary of the Cost Accounting Standards Board, retired. There can be no question that it is a retirement well earned. Mr. Schoenhaut was a tireless worker who devoted himself unstintingly to improving the world of financial management and Government procurement. Mr. Schoenhaut's career began in 1950 as a trainee with the General Accounting Office. Rising to Deputy Director of GAO's Civil Division, Mr. Schoenhaut was one of the driving forces that converted the GAO from an organization that largely performed voucher audits to one that comprehensively audits, investigates and reviews the efficiency and effectiveness of the myriad of Government programs.

Mr. President, yesterday I received a letter from the present head of the GAO who told me that it had saved $20 billion last year. This is an indication of the great benefit that this organization provides for the taxpayers.

Upon leaving the GAO, Mr. Schoenhaut became Deputy Controller of the then Atomic Energy Commission, and infused it with the same dedication, energy and skill that he had brought to the GAO.

During the past decade as the Executive Secretary of the Cost Accounting Standards Board, his achievements have been particularly notable. He was confronted with the formidable tasks of assembling for the newly created Board a competent staff, initiating programs that would accomplish the goals set by law, and ultimately producing cost accounting standards that could be used effectively in the Government procurement process. The CASB was created in 1971 by a bill which I had sponsored. It was charged with the responsibility to promote greater efficiency in Government contracting by developing cost accounting standards. This was a very challenging assignment and the staff of the CASB, under Art Schoenhaut's leadership has met the challenge. Each task was performed with thoroughness and precision. The Cost Accounting Standards Board has been so effective in carrying out its mission that in testimony before the Congress the Chairman of the Board recently was able to confirm "substantial completion of the major task assigned to it by Public Law 91–379." This record of accomplishment in very substantial part is attributable to the tenacious determination with which Mr. Schoenhaut approached the fulfillment of his responsibilities.

As chairman of the committee with principal oversight responsibility over the CASB I have on several occasions called upon Art Schoenhaut's expertise as a witness before the committee. Without exception, he has been candid, forthright, and illuminating in his descriptions of the CASB and its mission.

Although we wish him well in his retirement, we also recognize that we have lost a public servant of exceptional ability—one who will be difficult, if not impossible, to replace.

Mr. President, I understand that the Senator from Virginia (Mr. HARRY F. BYRD, JR.) will speak next, and then the Senate will recess subject to the call of the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

A BALANCED FEDERAL BUDGET

Mr. HARRY F. BYRD, JR. Mr. President, this week the Judiciary Committee of the Senate voted against sending to the Senate a proposed constitutional amendment to mandate a balanced Federal budget. The vote in committee was very close, with only a one-vote difference.

I had hoped that the Senate would have had the opportunity to vote one way or the other on this important matter. I recognize, of course, that the committee was exercising its own privileges and responsibilities in making the decision it did.

I heard today that an effort may be made in the committee to bring to the Senate floor a statute requiring a balanced budget.

I want to point out that such action would be totally superfluous. There is on the statute books now legislation mandating a balanced budget beginning with fiscal year 1981. That is Public Law 95–435, section 7. That legislation passed the Senate in the early fall of 1978. I introduced that amendment on the floor of the Senate. It was approved in a rollcall vote. The House of Representatives took the very unusual step of instructing its conferees to accept the Byrd amendment. The President of the United States signed that legislation, namely, Public Law 95–435, on October 10, 1979.

So we now already have on the statute books legislation requiring a balanced budget.

Of course, the constitutional amendment would be stronger than a statute. I think it would be well if the Senate and the various States could have an opportunity to express their views one way or the other on a constitutional amendment.

My only purpose in speaking today on this matter is that I want to point out that there is already on the statute books a statute. So there would be no point in enacting another statute on the same subject.

RECESS SUBJECT TO THE CALL OF THE CHAIR

Mr. HARRY F. BYRD, JR. Mr. President, I move that the Senate now stand in recess subject to the call of the Chair.

The motion was agreed to, and at 1:48 p.m. the Senate took a recess, subject to the call of the Chair.

The Senate reassembled at 1:56 p.m. when called to order by the Presiding Officer (Mr. BAUCUS).

CONSTITUTIONAL RIGHTS OF INSTITUTIONALIZED PERSONS

Mr. ROBERT C. BYRD. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on H.R. 10.

The PRESIDING OFFICER (Mr. BAUCUS) laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the bill (H.R. 10) to authorize actions for redress in cases involving deprivations of rights of institutionalized persons secured or protected by the Constitution or laws of the United States and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate insist upon its amendment and agree to the request of the House for a conference on the disagreeing votes of the two Houses thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. BAYH, Mr. METZENBAUM, Mr. DECONCINI, Mr. HEFLIN, Mr. HATCH, Mr. THURMOND, and Mr. COCHRAN as conferees on the part of the Senate.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations and a withdrawal, which were referred to the appropriate committees.

(The nominations and withdrawal received today are printed at the end of the Senate proceedings.)

REPORT OF THE UNITED STATES NUCLEAR REGULATORY COMMISSION—MESSAGE FROM THE PRESIDENT—PM 188

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Environment and Public Works:

To the Congress of the United States:

I hereby transmit the Fourth Annual Report of the United States Nuclear Regulatory Commission as required by Section 307(c) of the Energy Reorganization Act of 1974. This report covers the major activities of the Commission from October 1, 1977 through September 30, 1978, and briefly describes some additional actions through December 31, 1978.

Subsequent to the activities covered in this report, the March 1979 incident at Three Mile Island dramatically illustrated the shortcomings in the operations of the NRC. In April of 1979, I appointed the Presidential Commission on the Accident at Three Mile Island to conduct a comprehensive study and investigation of the accident involving that nuclear power facility. The Commission has submitted recommendations for extensive reform and reorganization of the operations of the NRC, many of which were outlined in my response to the Three Mile Island Commission's report on December 7, 1979. With the help of the Congress, the Commission's recommendations are being discussed and implemented. Future reports will reflect the steps that are now being taken.

JIMMY CARTER.

THE WHITE HOUSE, *March 21, 1980.*

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-3300. A communication from the Deputy Assistant Secretary of Defense (Military Personnel Policy) reporting, pursuant to law, relating to special pay for duty subject to hostile fire; to the Committee on Armed Services.

EC-3301. A communication from the Under Secretary of Defense, Research and Engineering, transmitting, pursuant to law, a report of Independent Research and Development and Bid Proposal Costs; to the Committee on Armed Services.

EC-3302. A communication from the Under Secretary of Defense, Research and Engineering, transmitting pursuant to law, annual reports on Independent Research and development and Bid and Proposal Costs; to the Committee on Armed Services.

EC-3303. A communication from the Secretary of Commerce, transmitting, pursuant to law, the Export Administration Report covering the fourth quarter of 1978 and the first quarter of 1979; to the Committee on Banking, Housing, and Urban Affairs.

EC-3304. A communication from the Chairman of the Federal Deposit Insurance Corporation, transmitting, pursuant to law, the fifth annual report of the Federal Deposit Insurance Corporation's Office of Compliance Programs; to the Committee on Banking, Housing, and Urban Affairs.

EC-3305. A communication from the Secretary of Energy, transmitting, pursuant to law, the third Comprehensive Program and Plan for Federal Energy Education, Extension and Information Activities; to the Committee on Energy and Natural Resources.

EC-3306. A communication from the Administrator, General Services Administration, transmitting, pursuant to law, a prospectus which proposes the construction of the Otay Mesa Border Station, San Diego, Calif.; to the Committee on Environment and Public Works.

EC-3307. A communication from the Administrator, General Services Administration, transmitting, pursuant to law, a prospectus which proposes the construction of the San Luis, Arizona, Border Station; to the Committee on Environment and Public Works.

EC-3308. A communication from the Administrator, General Services Administration, transmitting, pursuant to law, a prospectus which proposes the extension, repair, and alteration to the Little Rock, Ark., U.S. Post Office-Courthouse; to the Committee on Environment and Public Works.

EC-3309. A communication from the Secretary of Transportation, transmitting, pursuant to law, a report on administration of Title I, Marine Protection, Research, and Sanctuaries Act (MPRSA); to the Committee on Environment and Public Works.

EC-3310. A communication from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, a report on State Medicaid program compliance with section 1903(g) of the Social Security Act; to the Committee on Finance.

EC-3311. A communication from the Chairman, Nuclear Regulatory Commission, transmitting, pursuant to law, comments on the GAO report entitled "The Nuclear Regulatory Commission: More Aggressive Leadership Needed"; to the Committee on Governmental Affairs.

EC-3312. A communication from the Executive Director, Board for International Broadcasting, reporting, pursuant to law, with respect to the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC-3313. A communication from the General Counsel, Export-Import Bank of the United States, transmitting, pursuant to law, a report relating to the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC-3314. A communication from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting, pursuant to law, a report on a new system of records; to the Committee on Governmental Affairs.

EC-3315. A communication from the FOIA Administrator, International Boundary and Water Commission, United States and Mexico, transmitting, pursuant to law, a report relating to administration of the Freedom of Information Act; to the Committee on the Judiciary.

EC-3316. A communication from the President, United States Railway Association, reporting, pursuant to law, with respect to administration of the Freedom of Information Act; to the Committee on the Judiciary.

EC-3317. A communication from the Deputy Director for Administration, Central Intelligence Agency, transmitting, pursuant to law, a report on the administration of the Freedom of Information Act; to the Committee on the Judiciary.

EC-3318. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Nuclear Fuel Reprocessing and the Problems of Safeguarding Against the Spread of Nuclear Weapons," March 18, 1980; to the Committee on Energy and Natural Resources, the Committee on Foreign Relations, and the Committee on Governmental Affairs, jointly, by unanimous consent.

Mr. HEFLIN. Mr. President, I ask unanimous consent that a communication transmitted by the Comptroller General, relative to nuclear fuel reprocessing and safeguarding against the spread of nuclear weapons, be referred jointly to the Committee on Energy and Natural Resources, the Committee on Foreign Relations, and the Committee on Governmental Affairs.

The PRESIDING OFFICER. Without objection, it is so ordered.

EC-3319. A communication from the Chairman and Executive Director, Pension Benefit Guaranty Corporation, transmitting, pursuant to law, the corporation's fourth annual report; to the Committee on Labor and Human Resources and the Committee on Finance, jointly, by unanimous consent.

Mr. HEFLIN. Mr. President, I ask unanimous consent that a communication transmitting by the Chairman of the Board of Directors and the Executive Director, Pension Benefit Guaranty Corporation, transmitting the corporations annual report, be referred jointly to the Committee on Labor and Human Resources and the Committee on Finance.

The PRESIDING OFFICER. Without objection, it is so ordered.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table, as indicated:

POM-597. A petition adopted by the Senate of the State of Arizona; to the Committee on Labor and Human Resources:

"SENATE PETITION, STATE OF ARIZONA

"Whereas, under the Railroad Retirement Act of 1974 annuities are payable to surviving widows, widowers, children and certain other dependents and over three hundred thousand widows and widowers are currently on the Railroad Retirement Board's annuity rolls; and

"Whereas, the current law provides a reduced annuity for the surviving spouse of a retired annuitant in an amount that is below the poverty level as determined by the United States Labor Department; and

"Whereas, the impact of inflation and the lower benefits for the surviving spouse of a retiree have caused great hardship on the surviving spouse at a time when the spouse has lost the aid and companionship of a partner and must eke out an existence to the best of his ability;

"Now, therefore, be it resolved by the Senate of the State of Arizona that the United States Senate, the Senate Committee on Labor and Human Resources and the Arizona delegation to the Congress of the United States are requested to support the passage of Senate Bill 393 that will increase the benefits payable to the surviving spouse of a retired railroad employee to the same level as that paid to the employee prior to his death; and

"Be it further resolved that copies of this petition be transmitted to the President Pro Tempore of the United States Senate, the United States Senate Committee on Labor and Human Resources, the Speaker of the United States House of Representatives and to each member of the Arizona delegation to the Congress of the United States."

POM-598. A concurrent resolution adopted by the Legislature of the State of Utah; to the Committee on Environment and Public Works:

"CLEAN AIR ACT RESOLUTION 1980

"Be it resolved by the Legislature of the State of Utah, the Governor concurring therein:

"Whereas, the Federal Clean Air Act gives authority to the State of Utah to develop and adopt revisions in State Implementation Plans and the state has adopted such revisions; and

"Whereas, the Act provides that the Environmental Protection Agency shall approve revisions which meet the requirements of the Act; and

"Whereas, these amendments also confirm that the State of Utah has the primary responsibility to determine Reasonably Available Control Technology which is required as part of the plan revision.

"Now, therefore, be it resolved, that the Budget Session of the 43rd Legislature of the State of Utah, the Governor concurring therein, urge the Environmental Protection Agency to accept the definition of Reasonably Available Control Technology as outlined in the State Implementation Plan as determined by the State of Utah based on specific needs and circumstances consistent with the Clean Air Act of 1977.

"Be it further resolved that the Secretary of State forward copies of this resolution to each member of the Congressional delegation from the State of Utah, the Speaker of the United States House of Representatives, the President Pro Tempore of the United States Senate, and the President of the United States."

POM-599. A resolution adopted by the Legislature of the State of Massachusetts; to the Committee on Foreign Relations:

"RESOLUTION MEMORIALIZING THE CONGRESS OF THE UNITED STATES TO RECOGNIZE THE CONTRIBUTIONS OF THE IRISH PEOPLE TO OUR NATION

"Whereas, Recognizing the many contributions of men and women of Irish blood to the building of our great Nation and to the Cause of Freedom everywhere since the earliest times; and

"Whereas, Recognizing the fact that Ireland is artificially partitioned against the wishes of the overwhelming majority of the Irish people; and

"Whereas, Recognizing that Irish people in the six-county area known as 'Northern Ireland' are denied basic civil and human rights, and are unable to obtain adequate protection from attack or equal justice under law; and

"Whereas, The explosive situation in 'Northern Ireland' is an unreasonable threat to the peace and is therefore the legitimate concern of all men; and

"Whereas, It is in the best interests of the United States that there be a just and equitable solution to this problem; and

"Whereas, For humanitarian reasons, as well as out of respect for the principles of freedom, liberty, justice, natural law, and history, we hereby take notice of the deplorable state of affairs in Ireland; therefore be it

"Resolved, That the General Court of Massachusetts memorializes and petitions the Congress of the United States to express the opinion that the Irish people ought to be permitted to exercise the right of national self-determination, thus returning the disputed six counties to the Irish Republic, unless a clear majority of all of the people of Ireland in a free and open plebiscite, determine to the contrary; and be it further

"Resolved, That copies of these resolutions be sent forthwith by the Clerk of the House of Representatives to the President and Vice-president of the United States, the Secretary of State, the presiding officer of each branch of Congress and to the members thereof from this Commonwealth."

POM-600. A resolution adopted by the Senate of the State of Massachusetts; to the Committee on Veterans' Affairs:

"RESOLUTION MEMORIALIZING THE CONGRESS OF THE UNITED STATES TO ENACT LEGISLATION RELATIVE TO MEETING THE SPECIAL PROBLEMS OF THE VIETNAM VETERAN

"Whereas, the policy of the United States concerning veterans has been to grant assistance to resolve the ordinary and extraordinary problems which have arisen in their individual lives because of their military service to their country; and

"Whereas, A Veterans Administration study has recently been released which documents and accentuates the continuing adjustment problems and the inadequacies of the G.I. benefits granted to the Vietnam veteran to resolve such problems; and

"Whereas, Congress has become more aware of the needs of the Vietnam veterans in the fields of employment and health with a particular focus on diseases contracted by said veterans while in Vietnam, such as those causally related to the defoliant, agent orange, and also in the field of psychological problems arising from both their service in Vietnam and their readjustment upon their return to the country for which they fought; therefore be it

"*Resolved*, That the Massachusetts General Court respectfully urges the Congress of the United States to support the recommendations of its Subcommittees on Veterans Affairs in order to hasten the assistance needed by the Vietnam veterans; and be it further.

"*Resolved*, That Congress demand more constructive, diligent and forceful action on the part of the Veterans Administration in the implementation of laws enacted to assist veterans; and be it further

"*Resolved*, That copies of these resolutions be transmitted forthwith by the Clerk of the Senate to the United States Committee on Veterans Affairs, the Administrator of the Veterans Administration, the presiding officer of each branch of Congress and to each member thereof from this Commonwealth."

POM-601. A joint memorial adopted by the Legislature of the State of Idaho; to the Committee on Finance.

"SENATE JOINT MEMORIAL NO. 107

"Whereas, the Congress has enacted rigorous and inflexible provisions upon states concerning eligibility requirements for recipients of programs administered under the Social Security Act, and particularly for recipients of Medicaid benefits; and

"Whereas, these inflexible provisions have failed to provide eligibility sanctions upon aged, blind or disabled persons who dispose of real or personal property without receiving or making good faith effort to receive adequate monetary compensation for such property which could be used to meet medical needs thereby forestalling and reducing public expenditures to meet those needs; and

"Whereas, it is not in the best interests of the national government, the several states, all taxpayers, legitimately eligible recipients, or ineligible applicants for this practice to continue.

"Now, therefore, your Memorialists do petition the Congress of the United States to amend the Social Security Act to deny payment to persons who dispose of real property and other assets in order to qualify such persons for Medicaid payments or other benefits.

"It it further resolved that the Secretary of the Senate be, and she is hereby authorized and directed to forward copies of this Memorial to the President of the Senate and the Speaker of the House of Representatives of Congress, to the Chairman of the Senate Finance Committee, to the Chairman of the House of Representatives Ways and Means Committee, and to the Senators and Representatives representing the State of Idaho in the Congress."

POM-602. A concurrent resolution adopted by the Legislature of the State of Idaho; to the Committee on the Judiciary:

"SENATE CONCURRENT RESOLUTION No. 132

"Whereas, the Legislature finds it would be in the interest of the citizens of Idaho to have an amendment to the Constitution of the United States guaranteeing the right to life to all human beings from the moment of conception.

"Whereas, under Article V of the Constitution of the United States, upon the application of the Legislatures of two-thirds of the several states the Congress shall call a constitutional convention for the purpose of proposing amendments.

"Now, therefore, be it resolved by the members of the Second Regular Session of the Forty-fifth Idaho Legislature, the members of the Senate and the House of Representatives concurring, that we hereby make application and request that the Congress of the United States call a constitutional convention for the specific and exclusive purpose of proposing an amendment to the United States Constitution to consider the following:

"(a) From the moment of conception a person shall be guaranteed all personal rights extended to all individuals under the constitution and laws of the United States of America and the state or states of residence and only under extreme circumstances shall it be otherwise; namely, to save the life of the mother, or other extenuating circumstances where at least two consulting physicians, one not having previously been involved in the case, and after due and thorough consultation with all persons having the legal right to be involved, find it is necessary and just that the life of the unborn shall be terminated.

"(b) Provide that the several states shall have the power to enforce such an amendment, and establish priority of life by appropriate legislation.

"Be it further resolved that the Legislature of the State of Idaho proposes that the Legislature of each of the several states comprising the United States apply to the Congress requiring the Congress to call a constitutional convention for proposing such an amendment to the United States Constitution.

"Be it further resolved that the constitutional convention applied for herein shall be held for the sole purpose of considering a constitutional amendment as proposed herein. This application and request shall be deemed null and void, rescinded and of no effect in the event that such convention not be limited to such specific and exclusive purpose.

"Be it further resolved that this application by this Legislature constitutes a continuing application in accordance with Article V of the Constitution of the United States until at least two-thirds of the Legislatures of the several states have made similar applications pursuant to Article V, but if Congress proposes an amendment to the Constitution identical in subject matter to that contained in this resolution then this petition for a constitutional convention shall no longer be of any force or effect; and

Be it further resolved that the Secretary of the Senate be, and she is hereby authorized and directed to forward copies of this Resolution to the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States, the presiding officers of both Houses of the Legislature of each of our sister states in the Union, and the members of the delegation representing the State of Idaho in the Congress of the United States."

POM-603. A joint memorial adopted by the Legislature of the State of Idaho; to the Committee on Energy and Natural Resources:

"SENATE JOINT MEMORIAL No. 111

"Whereas, the United States is facing a severe crisis in energy production; and

"Whereas, the technology now exists in this country to substantially solve this energy lack; and

"Whereas, it has been demonstrated that a practical and economical method to achieve a higher degree of self-sufficiency in electrical energy production is through the use of fast breeder reactors to form a symbiotic system with light water reactors; and

"Whereas, the Idaho National Engineering Laboratory is an ideally located facility for a demonstration project.

"Now, therefore, be it resolved by the members of the Second Regular Session of the Forty-fifth Idaho Legislature, the Senate and the House of Representatives concurring therein, that the federal government proceed with all deliberate speed to plan, authorize, develop, construct, and operate a commercial sized fast breeder nuclear reactor, to produce electrical energy in commercial quantities for wholesale to utilities in the Intermountain West and the Pacific Northwest, at the Idaho National Engineering Laboratory.

"Be it further resolved that the Secretary of the Senate be, and she is hereby authorized and directed to forward copies of this Memorial to the President of the United States, Jimmy Carter, to the Secretary of the Department of Energy, Charles Duncan, to the Chairman of the Nuclear Regulatory Commission, John Ahearne, to the President of the Senate and the Speaker of the House of Representatives of Congress, and the honorable congressional delegation representing the State of Idaho in the Congress of the United States."

POM-604. A resolution adopted by the Senate of the State of Massachusetts; to the Committee on Appropriations:

"RESOLUTIONS MEMORIALIZING THE CONGRESS OF THE UNITED STATES TO PROVIDE ADEQUATE FUNDING FOR BASIC BIOMEDICAL RESEARCH

"Whereas, leaders in the field of medical research have affirmed that current medical technologies provide care at extremely high cost, and that definite technologies provide a cure and prevention at a relatively low cost; and

"Whereas, articles by Lewis Thomas, M.D., President, Memorial Sloan-Kettering Cancer Center, John H. Knowles, M.D., President, Rockefeller Foundation and others affirm that the solution of fundamental long range health problems of the aged must rest on an adequate program of biomedical research; Now, therefore be it

"*Resolved*, that the Massachusetts Senate respectfully urges the Congress of the United States to provide adequate funding for basic biomedical research for the establishment of definitive technologies that will bring about a cure, or that are preventive, to cope with chronic diseases and illness; and be it further

"*Resolved*, that a copy of these resolutions be transmitted forthwith by the clerk of the Senate to the Presiding Officer of each branch of Congress and to the members thereof from the Commonwealth."

POM-605. A resolution adopted by the Legislature of the State of Massachusetts; to the Committee on Finance:

"RESOLUTIONS MEMORIALIZING THE CONGRESS OF THE UNITED STATES TO ENACT LEGISLATION EXTENDING THE FEDERAL REVENUE SHARING PROGRAM BEYOND ITS PRESENT EXPIRATION DATE IN OCTOBER OF NINETEEN HUNDRED AND EIGHTY

"Whereas, Federal revenue sharing represents 7.2 percent of the total budget (excluding enterprises and education funds) of municipalities in Massachusetts; and

"Whereas, The last monies will be received in October, nineteen hundred and eighty unless Congress votes to extend this program in its present form; therefore be it

"Resolved, That the Massachusetts General Court respectfully urges the Congress of the United States to continue the federal revenue sharing program for municipalities beyond its present expiration date in October, nineteen hundred and eighty; and be it further

"Resolved, That copies of these resolutions be transmitted forthwith by the Clerk of the Senate to the President of the United States, the presiding officer of each branch of Congress and to the members thereof from this Commonwealth."

POM-606. A resolution adopted by the Legislature of the State of Massachusetts; to the Committee on Appropriations:

"RESOLUTIONS MEMORIALIZING THE CONGRESS OF THE UNITED STATES TO APPROPRIATE CERTAIN FUNDS TO ESTABLISH AND MAINTAIN AN HONOR SQUAD TO PARTICIPATE IN THE BURIAL OF CERTAIN VETERANS

"Whereas, As a tribute to our deceased veterans there should be, upon request of their families, an honor squad available to participate in the burial services of said veterans; therefore be it

"Resolved, That the Massachusetts General Court respectfully urges the Congress of the United States to enact legislation to appropriate funds to establish and maintain an honor squad to participate in the burial of deceased veterans; and be it further

"Resolved, That copies of these resolutions be transmitted forthwith by the Clerk of the Senate to the President of the United States, the presiding officer of each branch of Congress and to the members thereof from this Commonwealth."

POM-607. A resolution adopted by the Senate of the State of Massachusetts; to the Committee on Commerce, Science, and Transportation:

"RESOLUTIONS MEMORIALIZING THE CONGRESS OF THE UNITED STATES TO ENACT LEGISLATION REQUIRING ALL PUBLICLY LICENSED RADIO AND TELEVISION STATIONS TO BROADCAST ONE MINUTE OF PUBLIC INFORMATION ANNOUNCEMENTS IN EACH BROADCAST HOUR OF PROGRAMMING

"Whereas, there is a responsibility on the part of radio and television stations to use the public airwaves for the benefit of the public; and

"Whereas, there is a general lack of public knowledge concerning a host of health care issues such as birth defects, lead poisoning, nutrition, hypertension, immunization and child automobile safety; and

"Whereas, this lack of knowledge is a basic contribution factor to the high cost of health care; and

"Whereas, the present number of public service announcements and the hours they are broadcast are wholly inadequate for the purpose of educating the public; now therefore be it

"*Resolved*, that the Massachusetts Senate respectfully urges the Congress of the United States to enact legislation requiring all public licensed radio and television stations to broadcast one minute of public information announcements in each broadcast hour of programming; and be it further

"*Resolved*, that copies of these resolutions be transmitted forthwith by the clerk of the Senate to the President of the United States, to the Presiding Officer of each branch of Congress and to the members thereof from this Commonwealth."

POM-608. A concurrent resolution adopted by the Legislature of the State of Indiana; to the Committee on Commerce, Science, and Transportation:

House Concurrent Resolution No. 2

"Whereas, There are eighty-seven "AM" radio stations licensed by the Federal Communications Commission to serve the citizens of the State of Indiana; and

"Whereas, Fifty of these "AM" radio stations are forced by FCC regulations to shut down and cease serving their respective communities at sunset daily; and

"Whereas, Thirty-six of these stations are located in communities which have no other local "AM" broadcast service at night; and

"Whereas, These thirty-six stations are the only local "AM" service for approximately 1,200,000 of the citizens of Indiana; Therefore,

"Be it resolved by the House of Representatives of the General Assembly of the State of Indiana, the Senate Concurring:

"Section 1. That the Indiana General Assembly urges the Congress of the United States, to enact legislation which orders the Federal Communications Commission to examine the use of the amplitude modulation (AM) radio broadcast band and assign such spectrum and distribute licenses so as to ensure that each community in the United States, regardless of size, to be provided with the maximum local full-time radio broadcasting service.

"Sec. 2. That the Principal Clerk of the House of Representatives is directed to transmit copies of this resolution to the leadership of both Houses of Congress and to each member of Congress representing the people of Indiana."

POM-609. A concurrent resolution adopted by the Legislature of the State of Indiana; to the Committee on Finance:

"House Concurrent Resolution No. 44

"Whereas, The federal income tax laws are so unfair to married persons that some married couples are obtaining divorces to obtain a tax advantage; and

"Whereas, It ought to be the public policy of the United States to encourage the preservation of marriage by its laws, not to encourage the dissolution of that holy state; and

"Whereas, The Congress of the United States has the power to amend the tax laws to promote the preservation of marriages and provide fairness to all; Therefore,

"Be it resolved by the House of Representatives of the General Assembly of the State of Indiana, the Senate Concurring:

"Section 1. The General Assembly of the State of Indiana urges the Congress of the United States to enact legislation giving married persons the option of filing federal income tax returns jointly as a married couple or individually as single persons.

"Section 2. That the Principal Clerk of the House of Representatives is directed to transmit copies of this resolution to the leadership of both Houses of Congress, to each Member of Congress representing the people of Indiana, and to the Leader in each House of the Legislature in every state."

POM-610. A concurrent resolution adopted by the Legislature of the State of Indiana; to the Committee on Energy and Natural Resources:

"House Concurrent Resolution No. 82

"Whereas, there is presently pending in the United States Congress House Bill 2742 and Senate Bill 599, both of which seek to extend the boundaries of the Indiana Dunes National Lakeshore Park; and

"Whereas, the original boundaries of said Indiana Dunes National Lakeshore Park were fixed when the park was created in the early 1960's; and

"Whereas, in almost every session of the United States Congress since that date there have been attempts made to expand and redefine the boundaries of said Indiana Dunes National Lakeshore Park; and

"Whereas, the Indiana General Assembly has determined that said continual attempts to change and redefine said boundaries of the Indiana Dunes National Lakeshore Park are not in the best interests of the State of Indiana and especially the residents and industries located in proximity to and threatened by said expansion plans; and

"Whereas, the Indiana General Assembly is of a strong opinion that said boundaries should be defined once and for all so that all appropriate agencies of the Federal and State Governments can make appropriate plans based upon defined areas in which said Indiana Dunes National Lakeshore Park shall be located and the residents and industries near by will not be continually threatened by having their property condemned and their property values undermined by the constant threat of being taken over by the Indiana Dunes National Lakeshore Park; Therefore,

"Be it resolved by the House of Representatives of the Indiana General Assembly of the State of Indiana the Senate concurring:

"Section 1. The Congress of the United States is hereby memorialized by the Indiana General Assembly that the boundaries of said Indiana Dunes National Lakeshore Park should be finally determined and fixed by Senate Bill 599 and House Bill 2742 in the 1980 Session of Congress and that no further attempts be made to redefine the boundaries of said Indiana Dunes National Lakeshore Park.

"Sec. 2. The Principal Clerk is directed to send copies of this resolution to each member of Congress from the State of Indiana and to the Speaker of the House of Representatives and the President of the Senate of the Congress of the United States."

POM-611. A concurrent resolution adopted by the Legislature of the State of Indiana; to the Committee on Environment and Public Works:

"House Concurrent Resolution No. 13

"Whereas, The Environmental Protection Agency has proposed regulations for heavy duty engines manufactured in 1983 and after, and

"Whereas, The proposed regulations do not conform to the requirements established by Congress in the 1977 amendments to the Clean Air Act; and

"Whereas, The proposed regulations are wholly inconsistent with Congressional intent, or deny due process, or both; and

"Whereas, Because of the large expenditures which would be required, the regulations would contribute significantly to inflationary pressures, yet provide minimal air quality benefits; Therefore,

"*Be it Resolved by the House of Representatives of the General Assembly of the State of Indiana, the Senate concurring:*

"Section 1. That the Congress take appropriate measures to compel the Environmental Protection Agency to:

"(1) formally notify interested parties to treat the proposed emission regulations as an advanced notice of the agency's rulemaking intent;

"(2) either immediately propose 1983 standards based upon the existing test procedure or afford four years lead time for compliance with those regulations that are subsequently demonstrated to be necessary and sound; and

"(3) continue work to develop the other elements of a sound regulatory program and at such time as a meaningful and technically valid regulatory scheme is developed, repropose the regulation consistent with the tenets of fundamental due process, the requirements of the act, and with an effective date four years subsequent to the promulgation of the regulation.

"Sec. 2. That the Principal Clerk of the House of Representatives is directed to transmit copies of this resolution to the leadership of both houses of Congress and to each member of Congress representing the people of Indiana."

POM-612. A resolution adopted by the Senate of the State of Washington; to the Committee on Foreign Relations:

"Senate Resolution 1980—165

"Whereas, The members of the Washington State Senate believe that the continued Soviet aggression in and occupation of the nation of Afghanistan poses a grave threat to world peace; and

"Whereas, One hundred three other nations of the world have joined with the United States in calling for the immediate, unconditional ond total withdrawal of Soviet troops from Afghanistan; and

"Whereas, the Secretary General of the United Nations has declared the resolution calling for troop withdrawal from Afghanistan is "an appeal to the international community" to act; and

"Whereas, The Soviet Union has expressed complete contempt for and utter disregard of all international forums and their opinions; and

"Whereas, The 1980 Summer Olympics are scheduled to begin in Moscow on July 19, 1980; and

"Whereas, There is reason to believe that Soviet troops will, in the face of world wide condemnation, be occupying by aggression the Nation of Afghanistan on the starting date of the Summer Olympics; and

"Whereas, The leadership of the Soviet Union has demonstrated an inability or unwillingness to conform to at least a minimal level of civilized conduct; and

"Whereas, It would not be possible to provide for the security of our athletes and spectators, and the athletes and spectators of other countries at the Moscow games; and

"Whereas, The sixth, twelfth and thirteenth Olympiads were cancelled altogether due to World Wars; and

"Whereas, The only difference between the Soviet invasion of Afghanistan and a World War is one of scope not savagery;

"Now, therefore, be it resolved, That the Washington State Senate requests that the International Olympic Committee relocate the XXII Summer Olympiad to a country whose concept of civilized conduct more closely reflects the philosophy of the Olympics than does that of the Soviet Union; and

"Be it further resolved, That the Secretary of the Senate is hereby instructed to transmit copies of this resolution to the International Olympic Committee, the United States Olympic Committee, the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, and the Soviet Embassy in Washington, D.C."

POM-613. A resolution adopted by the Senate of the State of Washington; to the Committee on Labor and Human Resources:

"Senate Resolution 1980–184

"Whereas, Berry farming is an essential factor in the agricultural economy of the state of Washington that is placed in jeopardy without an available supply of berry pickers; and

"Whereas, Berry picking is primarily performed by the youth of this state; and

"Whereas, Berry picking provides numerous jobs for the youth of our state, especially near urbanized areas, which furnishes our youth with worthwhile activities to occupy their summer vacation time; and

"Whereas, Berry picking fosters a work ethic in our youth that is essential to our nation; and

"Whereas, Regulations by the United States Department of Labor preclude ten and eleven year old youths from picking berries because of the use of particular pesticides even though the Environmental Protection Agency has determined that such pesticides are not harmful;

"Now, therefore, be it resolved, By the Senate of the state of Washington, That jurisdiction over any restriction on berry picking which is based upon the alleged harmful effects of a pesticide, herbicide, or fungicide be removed from the Department of Labor and placed in the Environmental Protection Agency which has expertise in this area, that a public hearing on this matter be held to receive input from affected parties, and that this problem be resolved as soon as possible to avoid hardships in the forthcoming summer; and

"Be it further resolved, That copies of this Resolution be transmitted by the Secretary of the Senate to the Honorable Jimmy Carter, President of the United States, the President of the United States Senate, the Speaker of the House of Representatives, and each member of Congress from the state of Washington."

POM-614. A resolution adopted by the Senate of the State of Washington; to the Committee on Energy and Natural Resources:

"SENATE RESOLUTION 1980–193

"Whereas, The Yakima River System provides a vital supply of water for one of the state's most productive agricultural areas; and

"Whereas, Changing weather patterns, expanding populations, and the development of additional irrigated acres have resulted in water shortages as well as water of poor quality; and

"Whereas, This shortage has not only caused the loss of crops but also numerous costly lawsuits over the rights to the use of water of the river system, all of which are detrimental to the social and economic wellbeing of the Yakima Valley; and

"Whereas, The Department of Ecology of the State of Washington, working with the Yakima Indian Nation and others, has developed a proposed Yakima River Basin Water Enhancement Project for resolving the conflicts and suffering arising from water shortages by providing more water for agricultural uses as well as fishery, recreational, and other instream uses; and

"Whereas, The Legislature of the State of Washington has supported this meritorious project by submitting to the state's voters a $50 million bond issue, and has appropriated funding to facilitate an immediate study; and

"Whereas, On December 28, 1979, President Jimmy Carter signed Public Law 96–162 which authorizes the Secretary of the Department of the Interior to conduct a feasibility study of the Yakima River Basin Water Enhancement Project; and

"Whereas, The Department of Ecology of the State of Washington, by authority of Chapter 263, Laws of 1979 ex. sess., stands ready to transfer the sum of Five Hundred Thousand Dollars to the Secretary of the Department of the Interior for the purpose of financing the initial portion of that study;

"Now, therefore, be it resolved, By the Senate of the State of Washington, That the Senators urge the Honorable Cecil B. Andrus, Secretary of the United States Department of the Interior, to exercise the authority provided him in Public Law 96–162 by initiating immediately a feasibility study of the Yakima River Basin Water Enhancement Project by processing the study to completion as quickly as is reasonably possible; and

"Be it further resolved, That copies of this resolution be immediately transmitted by the Secretary of the Senate to the Honorable Jimmy Carter, President of the United States, to the President of the United States Senate, to the Speaker of the United States House of Representatives, to the Secretary of the Interior, and to each member of Congress from the State of Washington."

POM-615. A resolution adopted by the Legislature of the State of Washington; to the Committee on the Judiciary:

"SENATE RESOLUTION 1980–202

"Whereas, the majority of Americans have historically believed in seeking God's protection and guidance through prayer; and

"Whereas, The value of expressing spiritual convictions through public prayer has been recognized as a firm basis on which to conduct public proceedings; and

"Whereas, Supreme Court decisions during the early 1960's have had the effect of severely restricting the practice of any manner of public prayer, although these decisions simply addressed prescribed or compulsory prayer;

"Now, therefore, be it resolved, By the Senate of the state of Washington, that we urge the Congress of the United States to express its belief in the value of voluntary prayer in public schools and at other public gatherings; and

"Be it further resolved, That Congress propose an amendment to the Constitution of the United States to insure that our nation's public school children and participants in other public gatherings be permitted to voluntarily participate in prayer; and

"Be it further resolved, That copies of this Resolution be immediately transmitted to the Honorable Jimmy Carter, President of the United States, the Secretary of Education, the President of the United States Senate, the Speaker of the House of Representatives, and each member of Congress from the state of Washington."

POM-616. A resolution adopted by the Senate of the State of Washington; to the Committee on Veterans' Affairs:

"SENATE RESOLUTION 1980–171

"Whereas, The Fort George Wright National Cemetery Committee has been established to preserve the historic significance of Fort George Wright Military Cemetery through congressional legislation as a National Cemetery; and

"Whereas, In addition, the Fort George Wright National Cemetery Committee has requested the State of Washington to release to the Federal Government one hundred acres of land west of the present cemetery to provide additional burial spaces for our veterans inasmuch as the cemetery is now considered closed except for a few reserved spaces; and

"Whereas, As of December 31, 1977, there were one hundred eight National Cemeteries under the jurisdiction of the Veterans Administration, none of which are located in Washington, Idaho, Montana or North Dakota; and

"Whereas, There is limited space remaining in only sixty-two of these one hundred eight National Cemeteries; and

"Whereas, The need of a National Cemetery in the State of Washington will grow immeasurably to provide a final resting place for the men who served their country and for their wives and families:

"Now, therefore, be it resolved, By the Senate of the State of Washington, that the Fort George Wright National Cemetery Committee's purpose of preserving the historical significance of the Fort George Wright Military Cemetery through congressional legislation designating it a National Cemetery be and hereby is endorsed; and

"Be it further resolved, That copies of this resolution be immediately transmitted to the Honorable Jimmy Carter, President of the United States, the President of the United States Senate, the Speaker of the House of Representatives, and each member of Congress from the State of Washington."

POM-617. A resolution adopted by the Senate of the State of Colorado; to the Committee on Environment and Public Works:

"SENATE RESOLUTION NO. 6

"Whereas, The General Assembly of the State of Colorado is currently considering what measures would be the most appropriate to comply with the conditions of the federal "Clean Air Act" for a state implementation plan, including measures other than a periodic inspection-maintenance program for motor vehicles; and

"Whereas, The Environmental Protection Agency may be imposing economic sanctions against the state of Colorado if it does not adopt a strict periodic inspection-maintenance program for motor vehicles; now, therefore,

"Be It Resolved by the Senate of the Fifty-second General Assembly of the State of Colorado:

"That, we, the members of the Senate of the Fifty-second General Assembly of the State of Colorado, do hereby strongly urge the Congress of the United States to amend the "Clean Air Act" to make periodic inspection-maintenance programs for motor vehicles optional rather than mandatory upon the several states in adopting state implementation plans.

"Be It Further Resolved, That a copy of this Resolution be sent to Representatives David Satterfield and Dave Stockman, the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States, and to each member of the Congress of the United States from Colorado."

POM-618. A joint resolution adopted by the Legislature of the State of Colorado; to the Committee on Banking, Housing, and Urban Affairs:

"SENATE JOINT RESOLUTION NO. 7

"Whereas, A threat to our national security and to the independence of the people of Afghanistan exists because of the Soviet Union invasion; and

"Whereas, As a result of this aggressive action by the Soviet Union, the President of the United States has declared an embargo against the sale of United States grains to the Soviet Union as necessary for our national security; and

"Whereas, This embargo could create a severe financial burden for U.S. Agricultural producers that should be equally shared by all citizens of the United States; and

"Whereas, Agriculture is a basic industry in the United States and its financial well being is essential to the economy of this nation; and

"Whereas, The efficient production of food and fiber by American agriculture provides food for export as well as abundant supplies for domestic consumption; and

"Whereas, A vigorous and financially healthy agricultural industry must be based on an unencumbered market system which provides an equitable return for the labor, capital, and maintenance inputs of America's farmers and ranchers; and

"Whereas, The freezing of grain sales to the Soviet Union could cause this nation to lose billions of dollars and could cause the loss of the foreign market which has been developed at great cost to the industry: Now, therefore,

"Be It Resolved by the Senate of the Fifty-second General Assembly of the State of

Colorado, the House of Representatives concurring herein:

"That the President and Congress of the United States are strongly urged to carry out emergency measures to reduce the severity of the embargo through the following means:

"(1) Increasing the export credit budget;

"(2) Providing incentives to encourage production of alcohol fuels from farm products; and

"(3) Expanding the embargo to other items of export to make the embargo more effective and equitable.

"*Be It Further Resolved,* That copies of this resolution be transmitted to the President and Vice President of the United States, the Secretary of the United States Department of Agriculture, the United States House and Senate Agriculture Committees, each member of the Colorado Congressional Delegation, the President of the Senate and Speaker of the House of Representatives of each of the states of Alaska, Arizona, California, Hawaii, Idaho, Kansas, Montana, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Texas, Utah, Washington, and Wyoming and to the President of the Nebraska legislature."

POM-619. A joint resolution adopted by the Legislature of the State of Virginia; to the Committee on Finance:

"SENATE JOINT RESOLUTION No. 109

"Whereas, pursuant to the federal Clean Air Act and its subsequent amendments, states whose ambient air quality does not meet federally established standards are being required to implement vehicle emissions inspection and maintenance programs; and

"Whereas, states which are required to establish such programs but fail to do so face potentially drastic federal sanctions in the form of withheld highway construction and maintenance funds, sewage treatment funds, and denial of permits for the construction of certain types of industrial facilities; and

"Whereas, states which are thus being coerced into establishing vehicle emissions inspection and maintenance programs are told by the federal Environmental Protection Agency that they should do so out of a desire for clean air, not for fear of the federal sanctions; and

"Whereas, it would appear fair and equitable that if the Congress feels the improvement of the air quality nationwide is desirable and that such improvement can be achieved through vehicle emissions inspection and maintenance programs, then Congress ought to return to the states sufficient funds to enable the states to establish and implement such programs; now, therefore, be it

"Resolved by the Senate of Virginia, the House of Delegates concurring, That the Congress of the United States is hereby memorialized to return to the states sufficient funds to enable the states to establish and implement vehicle emissions inspection and maintenance programs required pursuant to the federal Clean Air Act and its amendments; and, be it

"Resolved further, That the Clerk of the Senate is hereby instructed to transmit copies of this resolution to the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of the Virginia delegation to the United States Congress in order that they may be apprised of the sense of this body."

POM-620. A resolution adopted by the House of Representatives of the State of Missouri; to the Committee on Foreign Relations.

"RESOLUTION

"Whereas, the members of the Missouri House of Representatives believe and support the integrity of the international Olympic movement as an example of international cooperation, goodwill and mutual respect; and

"Whereas, the International Olympic Committee has chosen the city of Moscow, the capital city of the Soviet Union, as the site for the 1980 Summer Olympic Games; and

"Whereas, the Soviet Union continues its flagrant and cruel military invasion of the small, independent, non-aligned nation of Afghanistan, in direct violation of international law and blatant disregard for the ideals and objectives of the international Olympic movement; and

"Whereas, the selection of the city of Moscow for the 1980 Games is cited by the Soviet Government as convincing evidence of the correctness of the course of Soviet foreign policy on the part of the world community; and

"Whereas, the Soviet government's control of information to its people strictly limits the world community's ability to express its outrage and frustration regarding this invasion; and

"Whereas, many nations of the world are looking toward the United States for resolute leadership regarding the Olympic Games;

"Now, therefore, be it resolved that we the members of the Missouri House of Representatives call upon the United States Olympic Committee to go on record, immediately, by an affirmative vote, to support the President's and the Congress' call for a boycott of the Moscow Summer Olympic Games; and

"Be it further resolved that this body urges the President, the Congress, and leaders throughout the world to act with haste to explore and establish alternatives for the Summer Games; and

"Be it further resolved that the Chief Clerk of the Missouri House of Representatives be instructed to prepare a properly inscribed copy of this resolution for the United States Olympic Committee, the President of the United States, the President of the Senate, the Speaker of the House of Representatives and all members of the Missouri delegation to the United States Congress."

POM-621. A resolution adopted by the Congress of the Federated States of Micronesia; to the Committee on Energy and Natural Resources:

"CONGRESSIONAL RESOLUTION No. 1-51

"Whereas, the Charter of the United Nations, in Article 73 of Chapter XI, relating to non-self governing territories, states that members of the United Nations which assume responsibilities for the administration of non-self governing territories recognize that the interests of the inhabitants of the non-self governing territories are paramount; and

"Whereas, the referenced article of the United Nations Charter also states that member nations which assume responsibility for the administration of non-self governing territories accept 'as a sacred trust' the obligation to promote 'to the utmost' the well-being of the inhabitants of non-self governing territories and to ensure the political, economic, social, and educational advancement of the inhabitants, in part, through the promotion of constructive measures of development; and

"Whereas, one of the basic objectives of the trusteeship system, as set forth in Article 76 of Chapter XII of the United Nations Charter, is the promotion of the political, economic, social and educational advancement of the inhabitants of a trust territory; and

"Whereas, the United States, as a party to the agreement with the United Nations to act as trustee for the inhabitants of the Trust Territory of the Pacific Islands, is legally obligated to promote the social and economic advancement of all inhabitants of the Trust Territory and may not discharge such legal obligation by the selective development and advancement of only the inhabitants of those islands which have become seats of government or major population centers; and

"Whereas, the inhabitants of the Trust Territory who reside on islands which are not seats of government or major population centers have a legal right to fair and equal treatment under the terms of the Trusteeship Agreement, which is law within the Trust Territory, as required by Section 7 of Title I of the Trust Territory Code, which forbids the denial of equal protection of the laws; and

"Whereas, the on-going capital improvement program is focused almost exclusively on the islands which are seats of government or which have become population centers, and does not address the needs of the large proportion of the inhabitants who do not reside on the islands which are seats of government or which have become population centers; and

"Whereas, the Office of Planning and Statistics within the Office of the High Commissioner coordinated the development of a program of capital improvements referred to as "second level" to meet some of the pressing needs of islands which are not seats of government or population centers; and

"Whereas, very shortly after the Office of the High Commissioner published the document entitled "Second Level Capital Improvement Program," the High Commissioner stated publicly that he did not intend to seek funding for the Program; and

"Whereas, it is the sense of the First Congress of the Federated States of Micronesia that the failure of the Secretary of Interior and the High Commissioner to pursue the funding necessary to meet the needs of the large proportion of the population of the Federated States of Micronesia who do not reside on the islands which are seats of government or which have become population centers, after such needs were formally identified and acknowledged in the course of developing the Second Level Capital Improvement Program, appears to disregard obligations and commitments central to the trusteeship concept generally and to the Trusteeship Agreement between the United Nations and the United States more specifically, as well as provisions of the United Nations Charter relating to non-self governing territories; and

"Whereas, it is the further sense of this Congress that the Trusteeship should not be terminated until the obligations assumed under the Trusteeship Agreement between the United Nations and the United States have been fulfilled or satisfactory provision made therefor; now, therefore,

"Be it resolved by the First Congress of the Federated States of Micronesia, Second Regular Session, 1979, that the Secretary of the Interior and the High Commissioner be respectfully urged to pursue all means necessary to assist in meeting the needs of those inhabitants of the Trust Territory who reside on islands which have been largely neglected in the area of infrastructure development during the Trusteeship by the completion of the capital improvement projects identified in the document entitled "Second Level Capital Improvement Program" published by the Office of the High Commissioner in August 1978; and

"Be it further resolved that certified copies of this Resolution be transmitted to the United Nations Trusteeship Council; United States Senators Warren Magnuson, Frank Church, Jacob Javits, John Glenn, Jesse Nelson, Milton Young, Robert C. Byrd, Theodore Stevens, Henry Jackson, Mark Hatfield, J. Bennett Johnston, Jr., Daniel K. Inouye, and Spark Matsunaga; members of the U.S.

House of Representatives Jamie Whitten, Silvio Conte, Sidney Yates, Joseph McDade, Clement Zablocki, William Broomfield, Lester Wolff, Tennyson Guyer, Morris Udall, Phillip Burton, Robert Duncan, Donald Clausen, Robert Lagomarsino, Daniel Akaka, Cecil Heftel, and Antonio B. Won Pat; Mr. Rodney Weiher and Mr. Ronald Cogswell in the Office of Management and Budget; Secretary of the Department of the Interior Cecil D. Andrus; Undersecretary of the Department of the Interior James A. Joseph; Mrs. Rues G. Van Cleve, Director of the Office of Territorial Affairs; other officials of the Department of the Interior Matthew Novick, Hugh Gallagher, William Bettenburg, and Larry Meierotto; Captain Weis, Office-in-Charge of Construction, Guam; Trust Territory High Commissioner Adrian P. Winkel; Trust Territory Budget Officer Haruo N. Willter; Trust Territory Planning and Statistics Officer Michael Rody; the President of the Federated States of Micronesia; the Director of each Department and Executive Office of the Federated States of Micronesia; the Governors and State Legislatures of the four States of the Federated States of Micronesia; the Chairman of the Commission on Future Political Status and Transition and the Washington Liaison Officer."

POM-622. A resolution adopted by the Legislature of Guam; to the Committee on Energy and Natural Resources:

"Resolution No. 494

"Whereas, the laws applicable to the Northern Mariana Islands are: the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States (U.S. Public Law 94–241, 90 Stat. 263); the Constitution of the Northern Mariana Islands; U.S. laws applicable to the Northern Mariana Islands; and rules and regulations issued pursuant to the aforementioned; and

"Whereas, Article III, Section 304 of the Covenant provides that citizens of the Northern Marianas will be entitled to all privileges and immunities of citizens in the several states of the United States; and

"Whereas, Section 304 prevents a state from discriminating against a person of the Northern Marianas if he travels to a state, or if he decides to live in a state; and

"Whereas, Article III, Section 304 of the Convenant becomes effective at the same time that the new Government of the Northern Marianas comes into effect in accordance with Article X, Section 1003(b) of the Covenant; and

"Whereas, Article III, Section 304 is modeled on Article IV, Section 2, Clause 1 of the United States Constitution, which assures citizens of each state the privileges and immunities of citizens in the several states; and

"Whereas, under Article V, Section 501 of the Covenant, Article IV, Section 2, Clause 1 of the United States Constitution will apply in the Northern Marianas as it does in the states, thereby assuring the citizens of the Northern Marianas that they will not be discriminated against in the United States; and

"Whereas, effective January 9, 1978, Northern Marianas citizens were accorded the privileges and immunities similarly accorded citizens of the United States, and were not required to possess an entry permit to enter the United States; and

"Whereas, pursuant to the abovementioned, the First Northern Marianas Commonwealth Legislature enacted a public law adopting rules and regulations concerning the application and procedures regarding the issuance of a special certificate of identity to citizens of the Northern Marianas; and

"Whereas, it has come to the attention of the citizens of the Northern Mariana Islands that the United States Department of Justice's Office of Immigration and Naturalization Services will no longer treat Northern Marianas residents as citizens of the United States as provided for in Article III, Section 304 (U.S. Public Law 94–241, 90 Stat. 263); and

"Whereas, such action on the part of the Federal government negating a freely negotiated Covenant between the United States and the Northern Marianas calls for a prompt re-evaluation of the political relationship between the Commonwealth of the Northern Mariana Islands and the United States; and

"Whereas, in light of the President's recent message to Congress concerning the territorial possessions of the United States, encouraging political development and self-government, such action would be a step backward in the slow march towards political self governance; and

"Whereas, such actions against the Northern Marianas will be a severe hindrance in Guam's attempts to straighten the economic, social and political ties with the Northern Marianas; and

"Whereas, so frequently, Federal rules and regulations are made and reversed by whim, and usually hindering economic, social and political ties; now, therefore, be it

"*Resolved*, that the Fifteenth Guam Legislature, on behalf of the people of Guam, hereby requests the President, the Department of Justice Immigration and Naturalization Service, all departments and agencies of the Federal government and Congress to abide and respect the Covenant establishing the Commonwealth of the Northern Mariana Islands; and be it further

"*Resolved*, that the Fifteenth Guam Legislature, on behalf of the people of Guam, commits itself to total support on behalf of the Commonwealth in its efforts to have United States Department of Justice abide by its previous rulings and commitments of the United States to the people of the Commonwealth of the Northern Marianas; and be it further

"*Resolved*, that the Speaker certify to and the Legislative Secretary attest to the adoption hereof and that copies of the same be thereafter transmitted to the President of the United States; to the Chief, U.S. Immigration and Naturalization Service; to the Attorney General of the United States; to the Secretary of the Department of Interior; to the President Pro-Tempore of the United States Senate; to the Speaker of the United States House of Representatives; to Representative Phillip Burton; to Senator J. Bennett Johnston; to the United States Ambassador to the United Nations; to the Chairman of the Department of Political Affairs for Asia/Pacific, and the Caribbean, Decolonization and Trusteeship of the United Nations; to the Northern Marianas Representative in Washington, D.C.; to the House and Senate Committees on Insular Affairs; to Guam's Delegate to the U.S. Congress; to the Governor of the Commonwealth of the Northern Mariana Islands; to the Speaker and President of the Northern Marianas Commonwealth Legislature; to the Chief of the Immigration and Naturalization Service on Guam; to all United States Presidential candidates; to the Chairperson of the First International Sovereignty Conference; to First Lady Rosalynn Carter; and to the Governor of Guam."

POM-623. A resolution adopted by the Legislature of Guam; to the Committee on Energy and Natural Resources:

"Resolution No. 479

"Whereas, the numerous reports and studies conducted over the last twenty (20) years have concluded that Guam's future economic stability is dependent on her ability to develop industries that capitalize on her strategic location; and

"Whereas, Guam is centrally located in this Pacific Basin; and

"Whereas, Guam could and should capitalize on her natural harbor and become the transshipment center of Guam; and

"Whereas, the land around Apra Harbor is especially suited for development as an industrial park; and

"Whereas, this industrial park could take advantage of the tuna transshipment in the harbor by establishing a fish cannery; and

"Whereas, other revenue and job generating indutsries such as a slaughterhouse, warehouses, oil storage facilities, etc., could be situated on the lands surrounding the Commercial Port; and

"Whereas, the Secretary of Defense, in conjunction with the General Services Administrator, have reviewed the U.S. Government's land holdings on Guam and concluded that a considerable number of federally owned properties and surplus to their needs; and

"Whereas, Guam's very informed and effective Representative in the U.S. House of Representatives, Congressman A. B. Won Pat, has introduced H.R. 6315 which proposes to have all surplus lands bordering Apra Harbor returned to the government of Guam; now, therefore, be it

"*Resolved*, That the Fifteenth Guam Legislature does hereby state its wholehearted support of the intent and introduction of H.R. 6315; and be it further

"*Resolved*, That the Fifteenth Guam Legislature does hereby respectfully request and recommend that the U.S. House of Representatives and the U.S. Senate pass H.R. 6315 relative to the conveyance of government of Guam properties adjoining Apra Harbor; and be it further

"*Resolved*, That the Speaker certify to and the Legislative Secretary attest to the adoption hereof and that copies of the same be thereafter transmitted to the Speaker, U.S. House of Representatives; to the President Pro Tem, U.S. Senate; to the Secretary of the Navy; to the Secretary of the Interior; to the Administrator, General Services Administration; to the Manager, Port Authority of Guam; and to the Governor of Guam."

POM-624. A resolution adopted by the Non Commissioned Officers Association of the United States, relating to National Solidarity Day"; to the Committee on the Judiciary.

POM-625. A resolution adopted by the City Commission of the City of Margate, Florida, requesting investigation of large oil corporations and power corporations to limit their profits in light of the hardship placed on the American people; to the Committee on Energy and Natural Resources.

POM-626. A petition from two private citizens, urging passage of an American Tax Reduction Act of 1980; to the Committee on Finance.

POM-627. A petition from a private citizen, relating to national security; to the Committee on Armed Services.

POM-628. A petition from a private citizen, relating to national security; to the Committee on Armed Services.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. EAGLETON, from the Committee on Government Affairs:

Karen Hastie Williams, of the District of Columbia, to be Administrator for Federal Procurement Policy.

(The above nomination from the Committee on Governmental Affairs was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

ORDER FOR STAR PRINT—S. 2335

Mr. BOREN. Mr. President, I ask unanimous consent that S. 2335, a bill to amend the Powerplant and Industrial Fuel Use Act to alter certain provisions relating to natural gas, be star printed to correct an error made in the title.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. HUMPHREY (for himself and Mr. THURMOND):

S. 2463. A bill to amend the survivor benefit plan provided for in chapter 73 of title 10, United States Code, to permit a person who has elected to participate in such plan to suspend that election when such person has been rated as totally disabled for a specified period of time, and for other purposes; to the Committee on Armed Services.

By Mr. SIMPSON:

S. 2464. A bill to amend section 562 of title 38, United States Code, to authorize the payment of a special pension to the surviving spouses of persons awarded the Medal of Honor, posthumously; to the Committee on Veterans' Affairs.

By Mr. SARBANES (by request):

S. 2465. A bill to amend the Securities Exchange Act of 1934 to authorize appropriations for the Securities and Exchange Commission for fiscal years 1981 through 1983; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. HART:

S. 2466. A bill to amend the Internal Revenue Code of 1954 to impose a tax on the importation of crude oil and refined petroleum products, to transfer the revenues from such tax, and from any oil import fee imposed by the President, to the social security trust fund, and to reduce social security taxes, and to expand lower income energy assistance; to the Committee on Finance.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HUMPHREY (for himself and Mr. THURMOND):

S. 2463. A bill to amend the survivor benefit plan provided for in chapter 73 of title 10, United States Code, to permit a person who has elected to participate in such plan to suspend that election when such person has been rated as totally disabled for a specified period of time, and for other purposes; to the Committee on Armed Services.

SURVIVOR BENEFIT PLAN IMPROVEMENTS

Mr. HUMPHREY. Mr. President, I am today introducing legislation to correct an inequity currently affecting many former members of our country's Armed Forces. Many veterans now pay into an insurance plan from which they receive no benefit. My bill will remove this inequity which results from separate enactments of legislative changes in the survivor benefit plan (SBP) and in the dependency and indemnity compensation (DIC) program.

I want to thank the distinguished Senator from South Carolina, STROM THURMOND, for cosponsoring this effort. He is a leader in helping our Nation's veterans and military retirees.

The SBP, administered by the Department of Defense, enables military members who die in retirement to insure that their dependent survivors will continue to have a reasonable level of income. The military retiree makes monthly payments into the SBP. Once the retiree elects participation in the SBP, he or she may not discontinue participation.

The DIC benefit, awarded by the Veterans' Administration, is a payment to the dependent survivor of a deceased military member whose death occurs as a result of a service-connected injury. This benefit is intended as partial income replacement and as reparation for the member's service-connected death.

Changes in the law affecting veterans and military retirees have created an inequity for certain veterans. Currently, the SBP annuity is integrated with the DIC benefit under the provisions of 10 U.S.C. 1450. The surviving spouse is eligible for SBP benefits only to the extent that her SBP entitlement exceeds her DIC entitlement. In many cases, however, the surviving spouse never receives any SBP benefit because the DIC benefit, paid by the VA, exceeds the SBP annuity.

The inequity arose 2 years ago when Congress enacted Public Law 95-479. This law liberalized the definition of service-connected deaths, thus expanding the population of potential DIC beneficiaries to include those whose spouses had previously enrolled in the SBP. At the present time, DIC benefits are paid not only to survivors of the veteran who is rated as totally disabled for a period of 10 or more years immediately preceding death, or if so rated for a lesser period, was so rated continuously for a period of not less than 5 years from the date of such veteran's discharge. Simply put, DIC payments may now be made in the case of deaths not service-connected when certain conditions are met.

The inequity affects those military retirees who, upon retirement, elect to participate in the SBP. If the veteran becomes totally disabled subsequent to this SBP election, he or she must continue the SBP payments even though the surviving spouse would receive DIC benefits greater than the SBP benefit. Therefore, the surviving spouse will never receive the SBP annuity, even though the military retiree has been paying into the SBP plan for years. Although there is a provision in the law that enables the surviving spouse to receive a lump sum refund equal to the amount of payments made into the SBP, this provision is merely a forced savings account—without interest.

My bill will simply allow this category of veteran to discontinue his payments to the SBP. Then, if his disability rating is later reduced by the VA, he can elect to return to the SBP. In today's inflationary times, many veterans need every penny to make ends meet. For these veterans, it makes little sense to pay into a plan from which they will receive no benefit. My bill will correct this inequity. Enactment into law of this proposal will be in the best interests of these veterans.

The Department of Defense informs me that there are at present 12,570 retirees in the category of totally disabled veterans participating in the SBP. Many of these veterans may find it in their best interest to discontinue their participation in the SBP because their survivors would be eligible for DIC benefits exceeding their SBP annuity.

Many veterans and military retiree groups support this legislation. These include:

Air Force Sergeants Association;

American Legion;

Amvets;

Association of the United States Army;

Chief Petty Officers Association, U.S. Coast Guard;

Chief Warrant and Warrant Officers Association, U.S. Coast Guard;

Fleet Reserve Association;

Marine Corps League;

National Association for Uniformed Services;

Naval Reserve Association;

Noncommissioned Officers Association;

Reserve Officers Association;

The Retired Officers Association; and

Veterans of Foreign Wars.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2463

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1452 of title 10, United States Code, relating to reduction in retired or retainer pay for the purpose of providing a survivor annuity, is amended by adding at the end thereof the following new subsection:

"(g)(1) Notwithstanding any other provision of this subchapter and subject to the provisions of paragraphs (2) and (3) of this subsection, any person who has elected to participate in the Plan and who is suffering from a service-connected disability rated by the Veterans' Administration as totally disabling and has suffered from such disability while so rated for a continuous period of ten or more years or, if so rated for a lesser period, has suffered from such disability while so rated for a continuous period of not less than five years from the date of such person's last discharge or release from active duty may suspend such person's election to participate in the Plan by submitting a notice of suspension in writing to the Secretary concerned. Upon receipt of such notice, the Secretary concerned shall, effective on the first day of the first month following the month in which such notice is received, discontinue the reduction being made in such person's retired or retainer pay on account of participation in the Plan (or if such person has been required to make deposits in the Treasury on account of such participation, such member may discontinue making such deposits effective on such date).

"(2) A person described in paragraph (1) of this subsection may not suspend such person's participation in the Plan without the written consent of the beneficiary or beneficiaries under the Plan.

"(3) The Secretary concerned shall furnish promptly to each person who requests suspension of participation in the Plan a written statement of the advantages of participating in the Plan and the possible disadvantages of suspending participation. A person may withdraw the suspension made under paragraph (1) of this subsection if it is withdrawn within 30 days after having been submitted to the Secretary concerned.

"(4) Any person described in paragraph (1) of this subsection who has suspended such person's election to participate in the Plan may again elect to participate in the Plan if (A) at any time subsequent to such suspension the Veterans' Administration reduces such person's service-connected disabiltiy rating to less than total, and (B) such person makes application to the Secretary concerned, within such period of time after the reduction in such person's service-connected disability rating has been made as the Secretary concerned may prescribe, to again participate in the Plan and includes in such application such information as the Secretary concerned may require. The Secretary concerned shall begin making reductions in such person's retired or retainer pay, or require such person to make deposits in the Treasury under subsection (d) of this section, as appropriate, effective beginning with the month in which the Secretary concerned receives the application for resuming participation in the Plan.".

By Mr. SIMPSON:

S. 2464. A bill to amend section 562 of title 38, United States Code, to authorize the payment of a special pension to the suriviving spouses of persons awarded the Medal of Honor, posthumously; to the Committee on Veterans' Affairs.

SURVIVING SPOUSE BENEFITS

● Mr. SIMPSON. Mr. President, I am pleased today to introduce legislation which would assure that the surviving spouse of any member of the armed services who is posthumously awarded a Medal of Honor shall be awarded a special pension. The pension would be at half the rate of the pension which would have been awarded to the service member, were that individual alive at the time of receipt of this Nation's highest award. This special pension would continue until such surviving spouse dies or remarries.

It is indeed ironic that this Nation appropriately accords a special gratitude and pension for the personal benefit of the military person who displays the extraordinary gallantry to qualify for such an award, but then denies the benefit of this pension to the immediate spouse of the deceased person whose heroism gave rise to the award. It is to correct this inequity that this legislation is presented.

Mr. President, I am of the belief that the surviving spouse of the decorated hero should receive the benefit of the award until that surviving spouse then dies or is remarried. It is often quite true that the spouse also displays a remarkable degree of courage—and I believe this special consideration should be expressed.

I would trust that my colleagues would agree that equity directs that a surviving spouse of an individual awarded the Medal of Honor, posthumouslv, be accorded one-half the pension that both would have benefited from if the award were made to a living recipient.

Mr. President, I ask unanimous consent that the text of this bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2464

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 562 of title 38, United States Code, relating to special pension for Medal of Honor recipients, is amended—

(1) by redesignating subsections (b), (c), and (d) as subsections (c), (d), and (e), respectively;

(2) by inserting after subsection (a) the following new subsection (b):

"(b)(1) The Administrator shall also pay to the surviving spouse of any person who has served on active duty in the armed forces of the United States and who has been awarded the Medal of Honor, posthumously, a special pension at the rate of $100 per month, beginning on the first day of the month after the date of application therefor under paragraph (2) of this subsection.

"(2) Applications for the pension referred to in paragraph (1) of this subsection shall be made in the form and under regulations prescribed by the Administrator. The Administrator may require such evidence as the Administrator determines necessary to establish that the applicant is the surviving spouse of a person described in paragraph (1) of this subsection.

"(3) A surviving spouse of a person described in paragraph (1) of this subsection who makes application for and receives the special pension under paragraph (1) of this subsection shall continue receiving such pension until death or remarriage."; and

(3) by striking out the period at the end of subsection (e), as redesignated by clause (1), and inserting in lieu thereof "nor shall the surviving spouse of any such person receive more than one special pension.".●

By Mr. HART:

S. 2466. A bill to amend the Internal Revenue Code of 1954 to impose a tax on the importation of crude oil and refined petroleum products, to transfer the revenues from such tax, and from any oil import fee imposed by the President, to the social security trust fund, and to reduce social security taxes, and to expand lower income energy assistance; to the Committee on Finance.

OIL IMPORT TARIFF

● Mr. HART. Mr. President, today I am introducing a proposal to establish a tariff on imported oil. This country must take the strongest action to reduce our Nation's dependence on oil from foreign nations. I believe we can reduce oil imports to zero by 1990 by conserving energy and developing domestic energy resources. Left to itself, our Nation's economic system will eventually conserve oil and develop more domestic resources. However, "eventually" is not soon enough. We must speed our investment in developing more domestic energy resources and in machines to promote more domestic energy conservation. Furthermore, all revenues raised by this oil import tariff — or any other — should be used to cut social security taxes.

PROVISIONS

The proposal I am introducing today will require the President to establish a tariff of at least $10 per barrel on imported oil and imported oil products. The President would also have the authority to increase this tariff up to $30 per barrel if it is judged that such a tariff is needed to eliminate oil imports by 1990.

The revenues gained from this oil import tariff would not be used to fund Federal spending programs. Instead, each dollar of new revenues would be used to reduce social security taxes paid by employers and employees.

In this proposal, the Secretary of the Treasury is instructed to cut social security tax rates to reduce social security tax collections by the amount of revenues gained from the oil import tariff, or any other oil import tax, such as proposed by the administration. Then, all revenues gained from the tariff will be put in the social security trust fund.

Mr. President, we do not know how high an oil import fee will have to be to eliminate oil imports. We have many Federal, State, and local energy programs designed to promote more domestic energy production and more energy conservation. These programs are working, but they are working slowly. An extremely rapid rise in oil prices will automatically work to increase the country's effort to produce more domestic energy and to conserve energy as well.

Higher energy prices will mean that we need to give more help to lower income people. For example, lower income people who heat their homes with oil, or who live in rural areas where automobiles are essential, will need help, especially if they do not work. Consequently, this proposal increases the lower income energy assistance program by $2 billion per year.

CONSERVATION IMPACTS

According to CBO, a $10-per-barrel oil import fee will reduce energy consumption by about 600,000 barrels per day by 1982 by promoting more conservation. Although quantitative estimates are not yet available, the higher energy prices for domestic energy sources will expand domestic energy production significantly. Just this conservation alone will reduce oil imports about 10 percent. The administration's oil import fee—passed on only to gasoline—will reduce imports by only 100,000 barrels per day, or less than 2 percent.

This legislative proposal will save more oil in the residential, commercial, and industrial sectors than in the transportation sector.

Each day this country burns roughly 19 million barrels of petroleum products. It burns 6.6 million barrels per day in gasoline, so conservation efforts certainly should be pointed toward gasoline. However, this country also burns 12.7 million barrels per day of petroleum products other than gasoline.

An oil import tariff focusing only on gasoline would give needed conservation incentives to only one-third of our petroleum uses. Conservation should be promoted in all areas of petroleum consumption.

For a 10-percent increase in energy prices, the consumption of fuel by the transportation sector declines by about 1.5 percent, according to CBO. However, the same price increase will decrease consumption by 2.5 percent in the industrial sector. Thus, a fee which is spread across all oil products can more effectively reduce oil imports.

REDUCTION IN SOCIAL SECURITY TAX

The $10 per barrel minimum tariff, which this proposal provides, would raise about $29 billion a year at the current rate of imports. This figure will more than offset the increased social security tax revenues arising from the increase in the wage base and the increased tax rate for social security taxes starting in 1981. Thus, this oil import fee will have the impact on firms and consumers of deferring the social security tax hike.

NEED TO REDUCE OIL IMPORTS

Mr. President, most people are already aware of the need to reduce oil imports. Last year, the cost of imported oil to this country was $65 billion. That means we exported the purchasing power of $65 billion from this country to the oil-exporting nations. Just what is $65 billion worth?

The combined value of the output of our agriculture, forestry, and fisheries industry is about $40 billion. The combined value of the entire construction industry in the United States is about $65 billion. Thus, the effect of purchasing so much oil from abroad is the equivalent of giving away our construction industry, or more than giving away our agriculture, forestry, and fisheries industries each year.

Last year, the consumer price index increased at over 13 percent. Two-and-a-half percentage points of that increase was due to higher energy prices brought by the higher oil prices from oil-exporting nations. Although the oil import tariff which I am proposing will contribute to more inflation in the short run, it is necessary to avoid the continued inflationary impact on our economy of higher world oil prices. The use of the revenues to defer the social security tax hike will be anti-inflationary.

INCREASE LOWER INCOME ENERGY ASSISTANCE

The Treasury will receive additional revenues from the corporate profits tax as domestic oil, gas, and coal prices rise in relationship to the oil import tariff. Part of the increased profits tax can be used for additional assistance for lower income people who live in homes heated by oil.

All forms of energy in this country will be rising faster as a result of the oil import tariff. All firms and households will be striving to conserve more energy. However, people cannot be expected to fully compensate for higher energy prices in reduced consumption. Lower income people especially must be protected, in particular those who heat homes with oil, or those who live in very rural areas where automobiles are a necessity. Therefore, the lower income energy assistance program must be increased, and this increase must be funded from the increases in the windfall profit tax revenues.

There should be legislation to expand the lower income assistance to people who need help, but do not meet the rigid income limits in existing law. The additional $2 billion in this proposal should be given to States for them to distribute in a way which best serves the needs of the people in that State.

SUMMARY

In summary, Mr. President, the oil import tariff which I am proposing can be viewed as amplifying the private market incentives to conserve domestic energy and to produce more domestic energy. The revenues from the oil import tariff shall be put in the social security trust fund. Social security tax rates will be decreased by an amount to compensate for the new revenues gained from the oil import tax. Every dollar of revenues raised from this measure will be returned to the American people. I believe the American people will use the additional take-home pay or retained corporate earnings to help pay for their new investments in energy conservation.

Mr. President, I ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2466

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Section 1. Imposition of Tax.

(a) In General.—Subtitle D of the Internal Revenue Code of 1954 (relating to miscellaneous excise taxes) is amended by adding at the end thereof the following new chapter:

"Chapter 46—Excise Tax on Imported Crude Oil and Products Thereof

"Sec. 4995. Imposition of tax.
"Sec. 4996. Definitions.
"Sec. 4997. Registration.
"Sec. 4998. Procedures; returns; penalties.

"Sec. 4995. Imposition of Tax.

"(a) Imposition of Tax.—In addition to any other tax imposed under this subtitle, an excise tax is hereby imposed on imported crude oil (and products thereof) which is sold in the United States.

"(b) Rate of Tax.—

"(1) Initial rate.—The tax imposed by subsection (a) shall be imposed at the rate of $10 per barrel.

"(2) Presidential authority to increase rate.—If the President determines that it is necessary to increase the rate of the tax imposed by subsection (a) in order to promote sufficient domestic energy conservation and domestic energy production to enable the United States to end the importation of crude oil by January 1, 1990, he may, after notifying the Congress of his determination and the reasons therefor, increase the rate of tax under paragraph (1) to a rate not greater than $30 per barrel. No such increase may take effect less than 30 calendar days after the date on which the President notifies the Congress of his determination.

"(c) Tax Paid By Importer.—The tax imposed by this section shall be paid by the importer of the crude oil.

"(d) Fractional Parts of Barrels.—In the case of a fraction of a barrel, the tax imposed by subsection (a) shall be the same fraction of the amount of such tax imposed on the whole barrel.

"(e) Refined Products.—

"(1) Refining begun before sale.—If the manufacture or conversion of imported crude oil into refined products begins before such oil is sold, the oil shall be treated as sold on the day on which such manufacture or conversion begins.

"(2) Application of tax to refined products.—

"(A) In general.—In the case of a refined product of imported crude oil, the tax imposed by subsection (a) shall be determined by multiplying the rate applicable under subsection (b) by the barrel-of-oil equivalent of the product attributable to imported crude oil.

"(B) Barrel-of-oil equivalent.—For purposes of subparagraph (A), the term 'barrel-of-oil equivalent' means 5.8 million Btu.

"(C) Refined product.—For purposes of subparagraph (A), the term 'refined product' means only refined oil, fuels, and chemical feed stocks.

"Sec. 4996. Definitions.

"For purposes of this chapter—

"(1) Imported crude oil.—The term 'imported crude oil' means crude oil other than domestic crude oil (within the meaning of chapter 45).

"(2) Barrel.—The term 'barrel' means 42 United States gallons.

"Sec. 4997. Registration.

"Every person subject to tax under section 4995 shall, before incurring any liability for tax under such section, register with the Secretary.

"Sec. 4998. Procedures; Returns; Penalties.

"For purposes of this title, any reference (other than in chapter 45) to the tax imposed by section 4986 shall be treated, except to the extent provided by the Secretary by regulation where such treatment would be inappropriate, as a reference to the tax imposed by section 4995.".

(b) Clerical Amendment.—The table of chapters for subtitle D is amended by adding at the end thereof the following new item:

"Chapter 46. Excise tax on imported crude oil and products thereof.".

(c) Deductibility of Imported Crude Oil Tax.—The first sentence of section 164(a) of such code (relating to deduction for taxes) is amended by inserting after paragraph (5) the following new paragraph:

"(6) The imported crude oil tax is imposed by section 4995.".

(d) Effective Date.—The amendments made by this section shall apply with respect to sales of imported crude oil or products thereof in calendar quarters beginning more than 30 days after the date of enactment of this Act.

Sec. 2. Transfer of Revenues to Social Security Trust Fund.

Section 201(a) of the Social Security Act (42 U.S.C. 401 (a)) is amended—

(1) by striking out the period at the end of clause (4) and inserting in lieu thereof a semicolon and "and",

(2) by inserting immediately after clause (4) the following new clause:

"(5) the sum of—

"(A) the tax imposed by section 4995 of the Internal Revenue Code of 1954 with respect to imported crude oil and products thereof, and

"(B) any fee imposed by the President under section 232(b) of the Trade Expansion Act of 1962 (19 U.S.C. 1862) to adjust imports of petroleum or petroleum products.", and

(3) by striking out "clauses (3) and (4)" each place it appears in the last sentence and inserting in lieu thereof "clauses (3), (4), and (5)".

Sec. 3. Reduction of Social Security Tax Rate.

Notwithstanding any other provision of law to the contrary, the Secretary of the Treasury shall, from time to time, reduce—

(1) the rates of tax imposed by sections 3101(a) and 3111(a) of the Internal Revenue Code of 1954 (relating to Old-Age, Survivors, and Disability Insurance), and

(2) the rate of tax imposed by section 1401 (a) of such Code (relating to Old-Age, Survivors, and Disability Insurance),

to the extent necessary to reduce the net revenue attributable to the taxes imposed by such sections for fiscal years beginning after the date of enactment of this Act by the net revenues from the tax imposed by section 4995 of such Code, or from any fee imposed by the President under section 232(b) of the Trade Expansion Act of 1962 (19 U.S.C. 1862) to adjust imports of petroleum or petroleum products, for such fiscal years. The rates of tax imposed by such sections, as reduced by the Secretary under the preceding sentence, shall be treated as the rates in effect for such sections for the periods designated by the Secretary at the time of such reductions.

Sec. 4. Aid to Lower Income Individuals Adversely Affected by Increased Energy Costs.

There is authorized to be appropriated to the President for the purpose of providing or increasing funding for any program of the United States under which financial assistance (including loans and loan guarantees) is provided to lower income individuals and families adversely affected by increased energy costs, an amount not in excess of $2,000,000,000 for each fiscal year beginning after the date of enactment of this Act. Amounts appropriated pursuant to the preceding sentence shall be obligated or expended only in connection with such programs as may be provided for by law.●

ADDITIONAL COSPONSORS

S. 219

At the request of Mr. Packwood, the Senator from Virginia (Mr. Warner) was added as a cosponsor of S. 219, a bill to amend the Internal Revenue Code of 1954 to allow the charitable deduction to taxpayers whether or not they itemize their personal deductions.

S. 1038

At the request Mr. Baucus, the Senator from Alabama (Mr. Heflin) was added as a cosponsor of S. 1038, a bill to improve the inspection and labeling of imported meat and meat products.

S. 2239

At the request of Mr. Packwood, the Senator from North Carolina (Mr. Helms) was added as a cosponsor of S. 2239, a bill to amend the Internal Revenue Code of 1954 with respect to the income tax treatment of incentive stock options.

S. 2360

At the request of Mr. Helms, the Senator from South Carolina (Mr. Thurmond), the Senator from New Hampshire (Mr. Humphrey), and the Senator from Texas (Mr. Tower) were added as cosponsors of S. 2360, a bill to reduce overlap between the food stamp and school lunch programs.

NOTICE OF HEARINGS

SUBCOMMITTEE ON ENERGY, NUCLEAR PROLIFERATION AND FEDERAL SERVICES

● Mr. GLENN. Mr. President, I wish to announce a hearing that will be held by the Subcommittee on Energy, Nuclear Proliferation and Federal Services of the Committee on Governmental Affairs. On Wednesday, March 26, 1980, the subcommittee will hold a hearing on S. 2366, a bill recently introduced by Senator Huddleston which would require adjustments in census population figures for aliens in the United States illegally so as to prevent distortions in the reapportionment of the House of Representatives, the legislative apportionment and districting of the States, and the allocation of funds under Federal assistance programs.

The hearing will be held in room 3302 of the Dirksen Senate Building at 10 a.m. If you have any questions regarding the hearing, please be in touch with Martha Volner of the subcommittee staff at 224-2627.●

ADDITIONAL STATEMENTS

CANCER INSURANCE: MORE EXPLOITATION OF THE ELDERLY?

● Mr. BAUCUS. Mr. President, yesterday the Senate Subcommittee on Antitrust, Monopoly and Business Rights of the Committee on Judiciary and the House Select Committee on Aging held joint oversight hearings on the cancer insurance industry. Over the past year, I have become keenly aware that many older Americans are being victimized and exploited by unscrupulous salesmen selling health insurance protection.

As I am sure you remember, the Senate recently passed legislation to provide protection to elderly Americans who purchase health insurance to supplement their medicare coverage. A decade of documented reports reveal flagrant abuses where the elderly are being sold duplicative worthless policies by unethical salesmen. In some cases, senior citizens were being sold 3, 4, 5 and in some cases as many as 90 duplicative medicare supplemental policies. These policies contain many fine print exclusions and afford little financial protection.

The elderly, facing ever-escalating health care costs and constantly decreasing medicare coverage, are particularly susceptible to slick sales pitches based on fear and deception. Cancer insurers claim that one in every four persons will have cancer. The American Cancer Society says that only 1 in every 280 persons will develop cancer and one-fourth of those cases will be inexpensive, curable, skin cancer.

Senior citizens, like most Americans, are uninformed about insurance. An insurance policy is a "blind" item—senior citizens seldom know the true value of what they are purchasing. They rely on the representation of agents. Senior citizens need guidance to avoid costly policies with low benefit returns. Company profit rates clearly indicate that consumers are being short changed. Cancer insurance companies, for example, typically keep from 60 to 80 cents on each premium dollar for themselves.

It is for these reasons that the Congress approved legislation requiring the Secretary of Health, Education, and Welfare to establish a voluntary program for certification of MediGap policies that meet certain minimum standards in States that do not apply equivalent or higher standards. This program of voluntary certification will enable consumers to make informed and intelligent choices about the policies they wish to purchase and will assure that policies of high quality are available.

The hearing conducted by the Subcommittee on Antitrust and the House Select Committee on Aging regarding cancer insurance is relevant to the Senate's recent action on MediGap health insurance. The thrust of the testimony was that something needs to be done to protect unaware consumers from the pitfalls of most cancer insurance policies.

While the voluntary certification program only affects medigap policies the Secretary of HEW is required to conduct a comprehensive study examining the other types of health insurance sold to the elderly. The purpose of the study is to consider the need for standards or certification of health insurance policies sold to medicare beneficiaries other than those that fill in gaps in medicare coverage.

The types of policies contemplated in this study include but are not limited to, dread disease and indemnity policies. It is expected, therefore, that the Secretary will consider expanding the reach of the voluntary certification program to include cancer or dread disease policies which are sold to the elderly.

This week the House Select Committee on Aging released a report entitled, "Cancer Insurance: Exploiting Fear for Profit." The investigation examines many aspects of the dread disease insurance industry. The major finding is that cancer policies are not good buys, that the tactics used to sell these policies are questionable, and that the elderly who are eligible for medicare and who have purchased a medicare supplementary policy should not purchase cancer insurance.

More specifically, the report found that most companies selling cancer insurance use fear tactics to induce people to buy. They belabor cancer costs and exaggerate misleading benefits. Cancer policies frequently include uncommon restrictions and limitations expressed in obtuse legal jargon. The study further found that many consumers seeking cancer insurance have high rates of denial or errors in their payments of claims.

I believe that the report conducted by the House Select Committee on Aging coupled with the fiindings of the oversight hearings on cancer insurance will be helpful to the Secretary of HEW in studying the feasibility of establishing standards of certification for health insurance policies sold to the elderly other than medicare supplemental policies.

I recommend the House Select Committee on Aging report to my colleagues. I am convinced that we must continue to be vigilant in protecting our senior citizens from flagrant abuses and improper sales tactics. We must focus more attention on the improprieties exposed by yesterday's hearings and seek the appropriate remedies.●

FEDERAL ELECTION COMMISSION CANDIDATE DEBATE REGULATIONS

● Mr. PELL. Mr. President, I have given careful consideration to the proposed candidate debate regulations submitted by the Federal Election Commission on December 20, 1979. Included in my review of the regulations have been the comments of my colleagues in Congress, representatives of the news media, the League of Women Voters, the Federal Communications Commission, the Federal Election Commission and other interested parties.

Last summer, the Federal Election Commission submitted rather extensive regulations governing the sponsorship and staging of candidate debates. They were rejected by the Senate because they would have discouraged the staging of debates by the imposition of extensive and inhibiting regulations on the conduct of such debates. It is my belief that candidate debates serve a vital purpose by educating the voters about the positions of the various candidates on current issues and should, therefore, be encouraged.

The debate regulations, as revised, reduce to a minimum the rules pertaining to the staging of a debate, and permit a sponsor wide discretion by requiring only that the debate include at least two candidates, and that it not advance or promote one contender over another.

However, the news media has expressed much concern, which I share to some extent, that, while the revised regulations reduce to a minimum the rules affecting the staging of debates, and thus overcome the objections I expressed about the original regulations, the FEC's interpretation of the regulations may unduly interfere with the exercise of a sponsor's discretion and editorial judgment in the presentation of a debate.

As a result of this concern regarding FEC interpretation, the Senate has been urged to veto those portions of the regulations pertaining to the sponsorship of debates by the news media. While I understand the concern of the media about the possible negative effect that restrictive interpretations may have on the staging of debates, I am more concerned that such a selective veto of the regulations may leave the corporate media sponsors without clear statutory authority to stage such public discussions. Absent this authority, the news media would effectively be discouraged from staging any debates at all.

With regard to broadcasters interested in sponsorship of this nature, I take specific note of the FEC's assurance in its statement accompanying the regulations that it will consider a broadcaster's compliance with FCC "equal time" and "reasonable access" regulations to amount to substantial compliance with the FEC "nonpartisan" requirement. Also, it is clear that the regulations in no way apply to a broadcaster that covers, as a news event, a debate sponsored by another.

On balance, I believe that it is preferable, and consistent with my view that debates be encouraged, that the Senate allow the regulations to become effective in their entirety. I will follow closely the Commission's interpretation of these regulations, and urge the FEC to apply a rule of reason, to the end that the FEC in no case substitutes its discretion and judgment for that of the sponsor.

Should it appear that the Commission fails to follow the rule of reason in its implementation of the regulations, or that a legislative solution appears necessary, I will initiate appropriate legislative action in the Senate.●

A SPECIAL TRIBUTE TO DENVER DICKERSON

● Mr. LAXALT. Mr. President, I am very pleased to have this opportunity to join with my colleagues in a special tribute to Mr. Denver Dickerson on the occasion of his retirement.

Denver is the son of a prominent Nevada Governor, and we shared a common home. We were both raised in Carson City, lived in the Governor's mansion and became good friends. Through his friendship and by his fine example, I grew to know a man I would always admire.

Denver's outstanding accomplishments in his service to his State and country have been as varied as they are great. As a former legislator, speaker of the house in Nevada, Lieutenant Governor of Guam, political columnist and president of the Nevada Press Association, Denver has, indeed, earned his well-deserved retirement.

Dedicated to being only the best in his field and producing only excellence, Denver's leadership as staff director of the Joint Committee on Printing will be greatly missed.

But, a man's public record is second only to his total person. Denver is a kind and compassionate man who has the rare and priceless gift of a tremendous sense of humor. The depth of his character measures the fine gentleman he is and the fine friend I shall greatly miss.

To you, your wife, Maxine, and your family I raise my cup, Denver, salud, amor, y pesetas. Y tiempo para gastarlas.●

UNITED STATES-SOVIET RELATIONS AND AFGHANISTAN INDEPENDENCE

● Mr. McGOVERN. Mr. President, the foreign policy frustrations inflicted on the United States in recent months have placed an extraordinary strain on our domestic political debate in this election year. I hope we will never allow our great democratic institutions to become hostage to foreign events. The American people understand that complex problems deserve complex answers. I believe we can formulate and debate new policy proposals even in the midst of a hard-fought Presidential campaign.

Yesterday at Columbia University in New York City, Senator EDWARD KENNEDY offered new foreign policy initiatives which deserve serious consideration by Congress and the executive branch. He presented a compelling analysis of our foreign policy problems.

Two specific proposals made by Senator KENNEDY deserve special consideration. The first is his proposal to establish a Select Commission on National Security Policy, made up of citizens from public and private life, which would examine America's military, diplomatic and economic policy options for the 1980's, with special reference to the future course of United States-Soviet relations.

An impressive number of distinguished Americans expressed support for this bipartisan effort to develop a new foreign policy consensus.

The second set of proposals concerns Senator KENNEDY's diplomatic strategy to restore Afghanistan to genuine independence and nonalignment—and to lessen superpower confrontation in this critical area of the world. Of course, no diplomatic strategy carries with it a guarantee of success, but it seems certain that there can be no success unless there is a clear set of goals and a workable strategy to accomplish them. An independent and nonaligned Afghanistan free of Soviet military forces on its soil should be our goal.

Senator KENNEDY states that resuming the effort to restrain the nuclear arms race is imperative for our national security policy. One of the most disappointing aspects of the election debate thus far is the failure of the candidates to address seriously the problem of the nuclear arms race in an era of heightened tensions and energy insecurity. I congratulate Senator KENNEDY for raising this question in his speech.

Mr. President, I ask to insert the text of Senator KENNEDY's important speech on foreign policy along with a list of Americans who have endorsed his proposal for a Commission on National Security Policy in the RECORD.

The material follows:

ADDRESS OF SENATOR EDWARD M. KENNEDY

I am honored to be here at Columbia University.

In its very name, this institution commemorates the coming of our freedom. Founded as King's College, it became Columbia at the time of the American Revolution. And from the beginning, the University has had a special concern for the role of a free America in foreign affairs. From Alexander Hamilton to Dwight Eisenhower, from the teachers who prescribed a wider international role for the nation after World War I to the students who protested the Vietnam War, Columbia has been an influential force in the making of foreign policy. For three decades, Columbia, on the West Side of New York, has had a close relationship with the United Nations, only the width of an island away.

And the students of this university have also had a healthy skepticism toward politicians. In 1952, when Dwight Eisenhower left the Presidency of Columbia to accept the Presidency of the United States, students here coined the phrase: "Columbia's gain is the nation's loss."

So I have come here today to talk with some skepticism about foreign policy as it is presently conducted—and with real hope for the possibilities of the future.

Over the course of recent months, I have described a strategy to strengthen our conventional forces and our energy security. I have spoken frankly on foreign policy because I believe we must honestly face the consequence of a policy of incompetence, surprises, and embarrassment.

In recent weeks that incompetence has brought a humiliating rejection from Pakistan of the Administration's plea to General Zia's regime to accept $400 million in American military and economic aid. General Zia quickly dismissed the sum as "peanuts". A prudent Administration would not have invited this public rebuff by publicly beseeching the Zia government to accept the aid, in a hasty, reflex reaction to the Soviet invasion of Afghanistan.

A careful Administration would not have sent the President's National Security Adviser to brandish a rifle at the Khyber Pass and to call on the Afghan rebels in Pakistan to "march on Kabul."

These are not isolated mistakes, but part of the continuing pattern of a foreign policy out of control. Indeed, in discussing the latest blunder, the American vote against Israel at the United Nations, the Administration not only admits incompetence; they earnestly plead their own incompetence as their only defense. For two days following that vote, the President's official spokesmen were steadfast in claiming that it was right. Then suddenly the White House announced that it was all a mistake. The excuse was that the President had not read the United Nations resolution—and that the Secretary of State, a lawyer accustomed to being careful with words, did not know what he was doing in this case.

In fact, this labored explanation only compounded the error of the original vote. It was not an isolated paragraph, but the entire resolution that was wrong. Voting for any part of it would undermine our relationship with Israel, our surest ally in the Middle East. After listening to the Administration's excuse that a phrase here and there should have been deleted, we must wonder whether the President actually read the resolution the second time around.

The reign of confusion in foreign policy takes its toll in a realm far wider than immediate events. We are nearing the point where no world leader knows what to expect of America from one week to the next. The world understands that we are still strong, but increasingly wonders if we have the wisdom to use rather than to misuse our strength. Too often other nations do not know what we intend to do—and they assume that the Administration does not know its own intentions.

An America that is not trusted in effect invites allies to disbelieve its word and to decline their obligations.

And a foreign policy that is not predictable invites adversaries to test and probe.

Nowhere has the incoherence and inconsistency of Administration policy been more dangerous and destructive than in our relations with the Soviet Union.

When he came to office, President Carter could have concluded a strategic arms limitation treaty that was all but completely negotiated by his Republican predecessor, with bipartisan support in the Senate. Instead he sought to scrap years of patient effort and renegotiate the entire treaty. His sudden initiative surprised the Congress, our allies, and the Soviet Union.

Three years later, the Administration has gained only limited improvement over the original treaty, while losing the votes in the Senate to ratify it. Last summer, there was a fragile consensus for ratification. But the Administration shattered it by denouncing the presence of a Soviet brigade in Cuba—and then announcing that the brigade was acceptable.

By itself, this episode made the ratification of SALT very difficult. It also sent the wrong message to the Soviet Union—and the next Soviet move doomed SALT, at least temporarily, to certain defeat in the Senate. The Soviets chose to ignore the Administration's weak protests about their escalating military involvement in Afghanistan, which is on their borders and 7,000 miles from the United States. They had seen the Administration charge up the hill and then back down in Cuba, only 90 miles from our shores.

So three months ago, over 100,000 Soviet troops finally occupied Afghanistan. This was not the first step, but the last act, in a process that started nearly two years ago with Russian military advisers coming into that country.

After the fact of the final Soviet occupation, the Administration reacted with exclamations of surprise—and with an array of empty threats.

In our relations with the Soviet Union, we now have the worst of both worlds. We have lost essential support for the arms limitation treaty. We have not dislodged the Soviets from Afghanistan. And we have strained our ties with our allies. Without consulting them, and before seeking a collective response, the Administration unilaterally declared an undefined Carter doctrine in the Persian Gulf.

There is a difference between deterrence and bluff. Deterrence depends on capability and credibility. Bluff is the mark of a foreign policy that no one can depend on.

America can no longer afford a policy that improvises from day to day, with no coherent, long-range strategy. It is time to think through a strategy that we can sustain, that our allies will support and the Soviet Union will respect.

Instead of relying on a policy that offers the Soviets neither stick nor carrot, we must re-establish a policy that gives them reason for both hope and fear in their relations with the United States. Pursued effectively, such a policy can lead to mutual restraint, which has eluded us for the last three years.

This requires that we recognize and respond to the reality of Soviet power. Let there be no wishful thinking that the Soviets have fundamentally changed. They are as tough today as they were when the cold war began. We must not take up the easy mythology that they see the world as we do, or that they are willing to play by the rules we prefer, or that they simply want to be our friends.

In the 1970s, detente did not give us a generation of peace or even an entire decade of lessening tensions. There is a nuclear balance of terror; but the arms race is still being run—and last December, for the first time, the Red Army occupied a country outside Eastern Europe.

The new decade of the 1980s demands a balanced view of the Soviet Union—a view without illusions and without over-reaction.

First we must counter Soviet power.

Politically and economically, we are stronger, with global ties that starkly contrast with the enemies or potential enemies that encircle the Soviet Union. But Soviet military power is now generally comparable to our own, stronger in some respects and weaker in others.

We must never permit the Soviets to develop military strength superior to ours. They have engaged in a steady build-up of forces. By spending $250 billion more than the United States on defense during the past ten years, they have multiplied their military capabilities beyond their security needs. This is a dangerous and provocative trend that we dare not ignore. But we need not try simply to outspend the Soviets. What will count is not what we pay, but what we buy. We must do what is necessary to defend and deter effectively, to recruit and retain skilled and professional military personnel, and to draw on our vast technological advantage.

We must not only insist on strategic stability; we must also insure a balance of forces at the key points of contact. The Administration's own Director of Selective Service has exposed registration for the draft as a meaningless gesture that will save virtually no time in the event of an emergency. Draft registration is a way of doing nothing while pretending to be tough.

Instead we must improve our existing forces to make them truly ready and reliable. We must end the incredible state of unpreparedness in which nearly half of our combat planes cannot fly and nearly half of our naval ships cannot sail on time. We must change a situation in which it would take at least six months to mobilize our ready reserve. We must be capable of deploying our military forces quickly where our vital interests are at stake. And in areas such as the Persian Gulf, where the interests of our allies are involved as much or more than our own, we should insist that they bear their fair share of the burden of collective security.

This requires a policy based on political as well as military strength. We must consult allies and friends, not dictate to them. We must negotiate multilateral approaches to our problems and our opportunities. As George Kennan has said, we must stop the Administration's habit of carrying a small stick while "thundering all over the place."

And we must not forget the most important political fact of all—that our influence in the world rests on a commitment to freedom and human rights. This is not just an ideal, but an inescapable reality. It determines the viability of the governments we aid. It is not in the nature of our system to prop up dictatorships for an indefinite period of time.

In all these ways, we can counter the Soviets—as we and our allies must. And in this context, we can pursue the possibilities of peace—which is a precondition of survival in the nuclear age.

President Kennedy spoke of "a nuclear sword of Damocles hanging (over the world) by the slenderest of threads." That thread has badly frayed during the last three years. The second imperative of our policy must be to resume the effort to restrain the arms race.

Yet it has become difficult to put the principles of both struggle and restraint into practice. Too often we are at odds among ourselves about the course of East-West relations. At times, it seems that we are reliving old quarrels and perpetuating old divisions over issues that have passed. Today's policy must not be made a metaphor for yesterday's battles. We must heed the warning of Winston Churchill: "If we open a quarrel between the present and the past, we shall be in danger of losing the future."

At no time has it been so important to shape a national consensus about the future of Soviet-American relations. We must recapture the strength and solidarity that rescued Europe during the post-war period, that broke the Berlin blockade, that created the Atlantic Alliance and removed Soviet missiles from Cuba.

Therefore, I am proposing a new effort, this year, to re-establish the basis for a bipartisan national security policy—a doubly bipartisan effort, between Democrats and Republicans, and within the Democratic Party.

The Administration and the Congress should establish a Select Commission on National Security Policy, consisting of distinguished citizens from public and private life, with experience and expertise in this area. By October, the Commission should submit recommendations to both branches of government on necessary nuclear and non-nuclear defense programs, and on economic and political initiatives to secure our national interest in future relations with the Soviets, our allies, and the non-aligned nations.

As a matter of the utmost urgency, the Commission should be specifically instructed to assess our defense needs in the absence of a SALT agreement, in the event of adherence to the treaty, or under any other conditions the Commissioners find preferable to these two alternatives. The findings of the Commission could provide the basis for Senate action on SALT II and for future efforts to achieve meaningful and effective nuclear arms control. Andrei Sakharov has written, "Averting thermonuclear war has absolute priority over all other problems of our time."

It is too easy to assume that the United States is incapable of conducting a serious review of even this life-and-death issue in any year when we are electing a President.

But I believe that the mutual mismanagement of American-Soviet relations carries in it the seeds of such imminent danger that on this issue we must demand of ourselves that we rise above partisan politics.

And there is an immediate issue that should not wait for the deliberations of the Commission. We must reduce the threat of a confrontation in the Persian Gulf region.

A collective response to Soviet aggression in Afghanistan must be matched by a collective effort to restore the independence and non-alignment of that nation, including the withdrawal of all foreign military forces.

Here the Soviet Union faces a basic choice. It can continue to seek a military solution to the conflict in Afghanistan, with the prospect of deeper involvement in a guerrilla war and further alienation of the Islamic world and other non-Communist countries. Or it can recognize the futility of such a course and seek a political solution, in which it commits itself to a complete withdrawal of its military forces to Soviet territory.

The United States must not leave it to the European Community to seek a political solution. The Administration's policy has reinforced perceptions that this country is interested only in military confrontation with the Soviets, and that our European allies are interested only in political accommodation. The leaders of the European community are right to do all they can to promote a political alternative in Afghanistan.

We must hear the words of West German Chancellor Helmut Schmidt: "We do not need nervousness, nor cries of excited or provocative speeches. What we need, instead, is carefully thought-out crisis management."

So today I am proposing a fresh political effort to restore Afghanistan to genuine independence and non-alignment, and to guarantee non-interference in its internal affairs. I have had two productive meetings with President Brezhnev, in 1974 and 1978, and I believe that he would now respond positively to American proposals which protect the essential interests of both our countries, of Afghanistan, and of its neighbors. I therefore call upon President Carter and President Brezhnev to begin negotiations as soon as possible, based on the following principles, to be implemented concurrently:

First, both sides would agree not to interfere in the affairs of Afghanistan and would pledge their best efforts to discourage any military support from other nations which would result in interference in the affairs of Afghanistan.

Second, in accord with the Soviet Union, the present government in Afghanistan would establish a coalition government with all political and religious factions that are prepared to participate, including representatives of the Afghan nationalist insurgents, and would broaden its political base to command the support of a majority of the people of Afghanistan.

Third, the Soviet Union would agree to withdraw all its military forces from Afghanistan no later than the end of 1980, based on a negotiated timetable for reducing Soviet military forces and U.S. military support.

Fourth, both sides would support the independence and non-alignment of Afghanistan and undertake not to conclude military alliances with its government.

Before such negotiations begin—and to establish the credibility of the negotiating process, the Soviet Union should demonstrate its interest in a political solution by making a substantial, unilateral reduction of its forces in Afghanistan—for example—on the order of 20,000 men immediately—and by affirming its readiness to withdraw all its forces in 1980 as part of this comprehensive agreement.

An independent and non-aligned Afghanistan would not accept foreign military forces on its soil. Its future would be determined solely by its own people—a status to be respected not only by the Soviet Union and the United States, but by all of its neighbors and by the international community as a whole. This status could be guaranteed by international agreement, and it could be supervised by the United Nations or by some other mutually agreed-upon multinational peace-keeping arrangement.

Afghanistan is the latest chapter in the long twilight struggle.

This is not primarily a struggle against any nation, but for human rights and human survival.

It is a struggle that requires both competence and courage. We must reclaim our credibility with the rest of the world. We must clearly define our interests and clearly perceive real dangers. We must exert all the leverage we can to influence Soviet policy toward peace. We must provide clear and convincing warnings where our vital interests are at stake, with the strength to make the warnings stick. We must recognize that fire-prevention is wiser than fire-fighting.

And we must reduce the risk that someday, by accident, or escalation, or an act of madness, we will fight, nation against nation, with the nuclear fire that could consume all the world.

This is not only an issue of the election year. It is the central question of our generation—and of history itself. We must hope, above all else, to leave behind us a human race to record that we, in our time, succeeded in staying the hand of humanity's final war.

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27 FOREIGN AND DEFENSE POLICY LEADERS SUPPORT KENNEDY'S PROPOSAL FOR SELECT COMMISSION ON NATIONAL SECURITY POLICY

The following foreign and defense policy leaders have supported the proposal for a Select Commission on National Security Policy, made by Senator Edward M. Kennedy at Columbia University today:

Admiral Worth Bagley, former Vice Chief of Naval Operations.

George Ball, former Under Secretary of State.

Jacob Beam, former U.S. Ambassador to the USSR.

Abram Bergson, Director, Russian Research Institute and Professor of Economics, Harvard.

Seweryn Bialer, Director, Research Institue on International Change, and Professor of Political Science, Columbia University.

Cyril Black, Director, Center of International Studies, and Professor of History, Princeton University.

Lawrence Caldwell, Professor of Political Science, Occidental College, Los Angeles.

Harlan Cleveland, Director, Aspen Institute Program in International Affairs, former Assistant Secretary of State, former U.S. Ambassador to NATO.

William Colby, Reid and Priest, and former Director of Central Intelligence.

Alexander Dallin, Professor of History and Political Science, Stanford University.

General James Gavin, Arthur D. Little Co. and former Ambassador to France.

Leslie Gelb, writer and lecturer, former Director of Political-Military Affairs, Department of State.

Marshall Goldman, Associate Director, Russian Research Center, Harvard University and Professor of Economics, Wellesley College.

Roger Hilsman, Professor of Government and International Politics, Columbia University and former Assistant Secretary of State.

Stanley Hoffman, Professor of Government, Harvard University.

Nicholas deB. Katzenbach, former Under Secretary of State and Attorney General of the United States.

Robert Legvold, Senior Fellow and Soviet Project Director, Council on Foreign Relations New York.

Carl Marcy, Co-Director, American Committee on East-West Accord and former Chief of Staff, Senate Foreign Relations Committee.

Richard Pipes, Professor of History, Harvard University.

Eugene Rostow, Professor of Law, Yale University, and former Under Secretary of State.

John Steinbruner, Director of National Security Studies, The Brookings Institution.

Malcolm Toon, former U.S. Ambassador to the Soviet Union.

Richard Ullmann, Editor, Foreign Policy, and Professor of International Affairs, Princeton University.

Paul Warnke, Clifford and Warnke, and former Director, U.S. Arms Control and Disarmament Agency.

Ambassador Seymour Weiss, consultant on national security affairs, and former Director of Political-Military Affairs, Department of State.

R. James Woolsey, Shea and Gardner, and former Under Secretary of the Navy.

Admiral Elmo Zumwalt, Systems Planning Corporation, and former Chief of Naval Operations.

EXCERPT

Following is the excerpt from Senator Kennedy's foreign policy speech with the text of the Select Commission proposal:

"At no time has it been so important to shape a national consensus about the future of Soviet-American relations. We must recapture the strength and solidarity that rescued Europe during the post-war period, that broke the Berlin blockade, that created the Atlantic Alliance, and removed Soviet missiles from Cuba.

"Therefore, I am proposing a new effort, this year, to re-establish the basis for a bipartisan national security policy—a doubly bipartisan effort, between Democrats and Republicans, and within the Democratic Party.

"The Administration and the Congress should establish a Select Commission on National Security Policy, consisting of distinguished citizens from public and private life, with experience and expertise in this area. By October, the Commission should submit recommendations to both branches of government on necessary nuclear and non-nuclear defense programs, and on economic and political initiatives to secure our national interest in future relations with the Soviets, our allies, and the non-aligned nations.

"As a matter of the utmost urgency, the Commission should be specifically instructed to assess our defense needs in the absence of a SALT agreement, in the event of adherence to the treaty, or under any other conditions the Commissioners find preferable to these two alternatives. The findings of the Commission could provide the basis for Senate action on SALT II and for future efforts to achieve meaningful and effective nuclear arms control. Andrei Sakharov has written, 'Averting thermonuclear war has absolute priority over all other problems of our time.'

"It is too easy to assume that the United States is incapable of conducting a serious review of even this life-and-death issue in any year when we are electing a President. But I believe that the mutual mismanagement of American-Soviet relations carries in it the seeds of such imminent danger that on this issue we must demand of ourselves that we rise above partisan politics." ●

CAMBODIA

● Mr. BAUCUS. Mr. President, this past week, the Washington Post ran a series of articles on Cambodia, written by the distinguished British journalist, William Shawcross. The articles are thoughtful and provocative, and provide a useful, often moving analysis of the situation in Cambodia today.

Perhaps most important, the articles help to bring the tragedy of Cambodia back into the public's mind.

Mr. Shawcross chronicles a decade of war, revolution, and political turmoil that devastated Cambodia and brought the Cambodian people to their knees. No single government or country can be blamed for the anguish of Cambodia. Nor can a single government or country, acting alone, revive Cambodia or its suffering people.

Certainly, political issues lie at the heart of Cambodia's anguish, and only a political solution will provide a fundamental answer to Cambodia's tragedy. Mr. Shawcross offers his own solution; other thoughtful persons propose their own. At this time, however, my primary concern is the lives of the Cambodian people that will be lost if the world neglects the relief effort it embarked upon so enthusiastically last fall.

Of course, there have been problems with the international relief effort. Perhaps the world was too cautious and slow to awaken to the tragedy 10 years of revolutionary turmoil wrought; perhaps the Phnom Penh authorities were overly suspicious and reluctant to accept Western aid; perhaps the efforts of international organizations were needlessly hampered by bureaucratic difficulties.

And of course, there are the widely reported problems of glutted warehouses, diverted supplies, and inadequate distribution efforts.

But these difficulties are not an excuse to abandon our efforts. Rather, they are inevitable obstacles that must be overcome if our humanitarian objective—the alleviation of the famine in Cambodia—is to be realized.

There are conflicting reports about the situation in Cambodia at the present time. Certainly, relief aid has played an extremely important and positive role in alleviating the famine that threatened to decimate the Cambodian population only last fall.

Just how extensive and effective these aid efforts have been, however, is still the subject of sharp dispute between relief officials, journalists, and governmental officers from all sides.

One thing remains clear. The rainy season rice planting that will take place very soon is of critical importance. Mr. Shawcross estimates that at least 30,000 tons of rice seed must be purchased, shipped, and distributed to Cambodian villages for this planting.

In addition, fertilizer and farm equipment are needed.

Besides these very important efforts to rebuild Cambodia's agricultural infrastructure and once again allow Cambodia to become food self-sufficient, there is an urgent need for at least 230,000 metric tons of food this year to meet the existing emergency.

U.N. Secretary Waldheim will conduct a U.N. pledging conference this Wednesday in an effort to raise over $260 million for the rest of 1980. The United States has already contributed over $70 million to the international relief effort, and it is essential that the United States continue to participate.

Our foreign aid bill is currently snagged by budget ceiling difficulties, but Members of Congress must strive to find a way to allow the United States to continue to play its crucial role in the Cambodian relief effort.

I urge my colleages to read Mr. Shawcross' eloquent and insightful view of the situation in Cambodia. The conscience of the world will not rest if we neglect or ignore the Asian holocaust that threatens to once again rear its horrible head in Cambodia.

I ask that Mr. Shawcross' articles be printed in the RECORD.●

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post, Mar. 16, 1980]

THE MAKING OF AN ASIAN HOLOCAUST

(By William Shawcross)

BANGKOK.—Ban Mak Mouen is a slum along the Thai-Cambodian border. One U.S. official who visited there was so appalled by its air of menace that he remembers thinking, "Mak Mouen is a Jonestown waiting to happen."

Tens of thousands of Cambodian refugees have been squatting in border encampments like Mak Mouen for months. It is a place of the utmost squalor. Thousands of small straw huts are crammed together, with no planning, no organization, on the edge of a dusty plain. This is the dry season, and a stream running through the camp contains only a foul-smelling slick of sewage.

There appears to be no concern for public health in the camp. Piles of rubbish, melon skins, chicken bones, beer bottles, empty tin cans, plastic bags lie everywhere.

Among the refuse, engulfing the camp like a cloud, are flies feeding off the garbage and the piles of human excrement with which it is mixed. A little girl squats to defecate: she is at once covered by a cloud of flies.

There is no running water and when the tanks filled daily by the Red Cross run dry—daily—people bathe and wash their clothes in the foul stream.

At least 60,000 Cambodians have crowded into this instant slum in recent months for one reason: food. They are the homeless survivors of a year of famine that has reduced their once prosperous and serene homeland to an international synonym for disaster and humanitarian concern.

The famine came on the heels of a decade marked by war, bloody revolution and foreign invasion—successive waves of destruction that began exactly 10 years ago this week, when the neutralist Phnom Penh government was toppled by a military coup and the Vietnamese war spilled across Cambodia's border.

Cambodia today resembles a broken mirror. Many of its pieces are missing; others do not match. Even assembled, the jagged shards reflect different views, different appearances.

Places such as Mak Mouen exist because they are distribution points for international food aid. They are one part of the reality of the Cambodian tragedy today; other parts are reflected in the thickly carpeted offices of international aid bureaucrats, in the war ministries of Hanoi and Peking, in American churches and synagogues where relief money is collected, and at other points on the globe touched by the Cambodian crisis.

The story of how food came to Mak Mouen, what happened to it there, and what the ultimate fate of its residents means for the world lies at the heart of the tangle of international politics and conflict that have created, and still prolong, Cambodia's suffering.

Even the most basic population figure—one that would reveal how many Cambodians have survived this Asian Holocaust—is a matter of mystery and fierce dispute among humanitarians and politicians.

But two things are clear:

Famine threatened to extinguish the people of Cambodia last year, and is now—after a period of abatement—again threatening the survivors. The new threat can be averted only by increased international aid and significant improvement in the way the Vietnamese occupiers of Cambodia respond to the continuing crisis.

About 250,000 Cambodian refugees now in camps just inside Thailand or along the Thai-Cambodian border risk being forced back into the war zones of their homeland unless the rest of the world can find what is called "a durable solution" for them.

The famine has no natural causes—Cambodia, unlike Bangladesh, is not a naturally impoverished land. The disaster was even foreseen. With an accuracy that is chilling in retrospect, a U.S. Agency for International Development team, in its final report upon leaving a collapsing Phnom Penh in April 1975, concluded:

"If ever a country needed to beat its swords into plowshares in a race to save itself from hunger, it is Cambodia . . . The prospects that it can or will do so are poor . . . Slave labor and starvation rations for half the nation's people will be a cruel necessity for this year and general deprivation and suffering will stretch over the next two or three years before Cambodia can get back to rice self-sufficiency."

The worst of these predictions, and more, came true. No matter how grim they thought their vision, the AID team members did not imagine the horrors that were to take place over the next five years and that continue today.

Cambodia's present predicament is confirmation that disasters, like fashions, have a short life in the popular attention that was gripped with anxiety over the plight of the Vietnamese boat people.

Only gradually, as television screens and newspapers in the early autumn became filled with the pictures of starving mothers and children, did the West become aware of the suffering Cambodia had endured for a decade. Hundreds of thousands of its people were surging in despair toward the Thai border, and reports from inside Cambodia spoke of a dreadful emptiness and desolation.

"Two million dead by Christmas" became a common slogan for international and private relief agencies that began to mobilize their resources as donations flooded in.

The famine that the world became aware of so suddenly in 1979 had, in fact, been a decade in the making. Although new crises in Iran and Afghanistan have pulled public attention away, Cambodia remains at the brink of ultimate disaster.

This series will explore the past year of famine, and the complex political, military and humanitarian issues that it raised for Cambodia, for Cambodia's neighbors and for the international community.

Food paid for by American churches and synagogues collecting special offerings have helped feed the overthrown, but still resisting army of Khmer Rouge leader Pol Pot, as well as starving villages. At the same time, evidence indicates that some food paid for by British schoolchildren who sold their toys for Cambodian relief has gone to sustain occupying Vietnamese forces.

Such circumstances invite questions as to how far the concern, the money and the programs have been effective in saving the lives of ordinary Cambodians. Such questions arouse heated disputes, however, not to mention propaganda barrages from all involved.

It now appears that the death toll before Christmas, while considerable, did not reach 2 million. But it is difficult to determine if that is because the original reports exaggerated the threat or because international aid averted it.

As soon as it came into public view, famine in Cambodia eclipsed similar past disasters in Biafra and Bangladesh as the instant synonym for starvation. The questions that surround it are political.

There were extensive reports of famine long before the relief agencies responded. What were the reasons for their delay, which inevitably caused deaths? Was it because of pressure from Western governments—particularly the United States—that did not wish to help the Vietnamese-installed government headed by Heng Samrin? Or was the delay caused by Vietnamese refusal both to admit that the famine existed and to allow the world to help?

Similar arguments are raised over the question of the distribution of the food that now has arrived. Some foreign relief workers and Western journalists who have recently visited Phnom Penh tend to be optimistic at this point about the situation inside Cambodia. They say they have been able to travel widely with few restrictions. They have seen international food aid taken from the warehouses and distributed to the needy. Thirty pounds of rice per person per month are available in Cambodia, they say.

But along the Thai-Cambodian border, where the international agencies also have been making rice available to Cambodians, the view is different. People come from the interior on oxcarts or bicycles to collect food. They complain that the Vietnamese are not allowing proper distribution of international aid. In some villages, they say, the monthly ration is one pound, not 30.

This "rice-across-the-border" feeding operation is sometimes seen in Hanoi and Phnom Penh as a U.S. weapon to "destabilize" Heng Samrin's government by acting as a magnet to draw people away from Phnom Penh and into border areas controlled by the remnants of the Khmer Rouge. The theory is that the United States is seeking revenge against Hanoi and playing the China card, joining Peking's support for Khmer Rouge—whom President Carter denounced in 1978 as "the world's worst violators of human rights."

U.S. officials in Bangkok and along the border vehemently deny such charges. Their effort is to feed starving Cambodians, not to help the Khmer Rouge, they say. They maintain that the border feedup program has kept 1 million Cambodians alive for several months.

Sorting out these disputes and questions is important not only because the Cambodian tragedy is an extraordinary piece of history, but also because continued disruption of the planting and harvest cycles inside the country indicate that another serious food shortage is about to develop.

More international aid than ever will be needed. Unless conditions inside Cambodia can be brought back to something approaching normalcy, the threat of famine is likely to become an annual occurrence.

Before its decade of war and revolution began on March 18, 1970, with a coup by Gen. Lon Nol against neutralist Prince Norodom Sihanouk, Cambodia was a peaceful country of 7 million people that was not only self-sufficient in rice, but exported it.

Between 1970 and 1975, when the Vietnamese war spilled over into Cambodia and created Cambodia's civil war, the agricultural system was completely destroyed—by fighting, by U.S. bombing and by subsequent labor shortages. About half of Cambodia's people fled the countryside and became refugees in the towns. Cambodia became almost totally dependent upon imports of American food aid.

That aid ended abruptly in April 1975, when the U.S.-backed government of Lon Nol was defeated by the communist Khmer Rouge—a group that had barely existed when the fighting began.

One of the seemingly more rational priorities of the Khmer Rouge, after their 1975 victory, was the attempt to restore rice self-sufficiency.

For nearly four years, the Khmer Rouge drove the population, with still unbelievable ferocity, to reconstruct the agricultural system—building dams, canals, reservoirs and dikes. Just how successful they were is still a matter of dispute; certainly the people never were given more than minimum rations.

No one knows how many people died under the Khmer Rouge. Figures as high as 3 million have been widely quoted. Whatever the number, there is no doubt that their regime was brutal. And there is little doubt that the vast majority of the survivors were relieved when the Soviet-backed Vietnamese invaded in January 1979 to replace the Chinese-backed Khmer Rouge with their own client government under Khmer Rouge defector Heng Samrin.

But according to refugees reaching Thailand, the popularity of the Vietnamese and their Cambodian collaborators was short-lived. Within months, the fact that Vietnam had traditionally been an enemy of Cambodia loomed more important than that the Vietnamese had liberated Cambodia from the Khmer Rouge. Food was one of the principal reasons.

In Cambodia, rice production, like fighting, is seasonal, governed by the yearly monsoon rains that begin in late May and end just before Christmas. Just as the January-to-May dry season is the traditional time for military campaigns in Indochina, so is the rainy season the time for planting and harvesting. Cambodia's principal rainy season crop, planted in May and June and harvested at the end of the year, normally provides 85 percent of the year's rice.

The 1978 harvest, planted under the Khmer Rouge, was expected to be plentiful. But it was disrupted by the Vietnamese invasion. When the Khmer Rouge fled Phnom Penh in January 1979, they took some rice stocks with them and destroyed others. In the chaos, the rest of the harvest was not properly gathered.

The most detailed study of what happened inside Cambodia during 1979 has been made by a young academic from Cornell University, Stephen Heder. He has spent months on the Thai-Cambodian border, interviewing some 250 Cambodians of different social, political and geographical backgrounds.

Heder's study was funded by the State Department "with the clear understanding that [he] would be completely free to draw and express his own conclusions whether or not these were in agreement with the views of the U.S. government." Heder has never been a supporter of the U.S. role in Indochina; until he began his research he was sympathetic to the Khmer Rouge.

Heder's study suggests that month by month through 1979, relief over liberation gave way to disillusionment and even opposition to the Vietnamese. In addition to the scarcity, this process was influenced by the fact that the Vietnamese failed to create a very powerful Cambodian administration though this was perhaps in part because so many cadres had been murdered by the Khmer Rouge.

After the January 1979 invasion the Vietnamese encouraged Cambodians to leave the work camps the Khmer Rouge had corralled them in and return to their traditional villages, This obviously was popular. But, together with the continued fighting between the Vietnamese and Khmer Rouge, it disrupted planting for the year.

Such food stores as existed, and were not seized by the Khmer Rouge, were often requisitioned by the Vietnamese or their allies, or removed by traveling Cambodians who needed to feed themselves en route home.

By early summer last year, the Vietnamese had established reasonable control over major road and river routes, as well as within the towns. But the agricultural system once more was in chaos. An attempt to reintroduce some collectivized farming in May did not work.

As food grew scarcer, a rationing system was imposed; inevitably, ordinary people did less well than soldiers or officials.

By the end of the summer, Heder believes, the majority of the people had decided that "when it came to organizing the feeding of the population, the Vietnamese were inferior" to the Khmer Rouge. Hundreds of thousands of people began to make for the Thai border.

By fall, Heder says, "it seemed highly unlikely that the Vietnamese could ever recover even the original support they had enjoyed" when they overthrew the Khmer Rouge.

This is not to say that the Khmer Rouge have become popular. Their armed strength now is said to be about 25,000 (no one knows exactly); the civilians they control, they control by force.

The speed of the Vietnamese invasion destroyed their preparations to withdraw into widely scattered resistance areas capable of supporting large numbers of civilians. They were, however, able to regroup into bases in both the northeast and the west of the country. Last spring, the Vietnamese mounted a second offensive on the western bases, causing a second chaotic evacuation.

A large number of the civilians fled into redoubts in the Cardamom Mountains of the southwest where there was no food at all, and where disease, particularly cerebral malaria. was endemic. By late August, enormous numbers of people, perhaps half of those under Khmer Rouge control, are believed to have died in the hills.

Last September, the Vietnamese tried once more to destroy the vestiges of the Khmer Rouge. Once more they failed. The effect was to push additional tens of thousands of dying people across the border into Thailand. They arrived just as the international agencies began masive relief operations there and in Phnom Penh.

[From the Washington Post, Mar. 17, 1980]

A SOCIETY WHOSE SINEWS WERE RIPPED OUT

(By William Shawcross)

NEW YORK.—For months a whisper of disaster had run through Southeast Asia. Reporters in Bangkok began writing of the specter of starvation stalking Cambodia. A great silence and emptiness spread through the center of the country as continued fighting and political chaos scattered an entire population.

But it was not until late June of last year that the Vietnamese-installed government in Phnom Penh agreed to let a two-man team from the International Committee of the Red Cross and from UNICEF enter the country, which had been sealed off from the West since 1975. Jacques Beaumont and Francois Bugnion headed for Cambodia prepared for a grim experience.

What they saw was worse than anything they could have expected. Cambodia was a society whose very sinews had been ripped out. Phnom Penh was not a city, but a shell in which a few thousand people were camping, Government offices were empty and Bugnion and Beaumont were told that most civil servants had been murdered over the past several years by the Khmer Rouge, who had exterminated most educated people.

The two men reacted in horror as they visited hospitals and orphanages where there were virtually no medical supplies and no trained personnel. They watched children dying for lack of care. Even government officials seemed hungry. The two had brought some rations with them, which they gave to their interpreters.

They described these scenes when they returned and triggered in the months that followed a massive international aid program for Cambodia that has been engulfed in bitter controversy and global political maneuvering.

Famine had been a long time in the making. But in those early crucial months of 1979, two key governments had failed to see it, or a least to acknowledge it. As late as June, just as Bugnion and Beaumont were leaving for Phnom Penh, State Department officials were blithely informing reporters that there was no serious danger. And the Vietnamese, who had invaded in January, had labeled stories of famine as Western propaganda.

In a starving nation, food is direct political power and the relief effort quickly became a hostage of differing political objectives. Hanoi seems determined to stay in Cambodia, while the United States, Thailand, China and others have shaped their policies around an overriding goal of Vietnamese withdrawal.

Allegations that the aid was intentionally delayed because the United States and other Western governments did not want to acknowledge the existence of the Vietnamese occupation government in Phnom Penh, let alone help it feed the people under its control, are matched by charges that the Vietnamese actually refused to respond to repeated international offers of help.

On both sides, grains of truth seemed to have been coated in propaganda. The reality behind each of these accusations is a great deal more complex than the charges have suggested. What actually happened—how this massive relief program was mounted and continues today—is at the very least an extraordinary tale of political and bureaucratic misunderstanding and obstruction.

Bugnion and Beaumont made their trip in mid summer; the flow of aid from their agencies did not start until fall. It is clear that if they had made their trip earlier, or—once the trip had been made—a program of aid had been organized more rapidly and efficiently, then tens, perhaps hundreds of thousands of Cambodians could have been saved.

The size of the relief program alone makes it significant. Since last October, international organizations have spent more than $205 million—$72 million of which was contributed by the United States. United Nations Secretary General Kurt Waldheim is now appealing for an additional $262 million for the rest of 1980. Where the earlier aid money has gone, and where these additional proposed allotments will go, are matters of international concern.

At the same time, the Cambodian story has wider implications.. The particular circumstances of Cambodia its decade of war, revolution, invasion, and four years of rule by what is almost universally recognized as one of the most brutal regimes in history—are virtually unprecedented. Probably never before has a society been so thoroughly destroyed.

But the need for the world community to mount massive emergency relief efforts is becoming more and more commonplace: Biafra, Bangladesh, the Sahel, Ethiopia, and now Cambodia. The litany of disaster becomes depressingly long.

There is no single villain or conspiracy that explains the disaster that has occurred. And it is not the international organizations and Western governments that deserve blame exclusively, as some accounts pretend. The origins of the tragedy extend back at least a decade.

Between 1970 and 1975, under the U.S. backed Lon Nol government, the Red Cross and many other agencies had been active in Phnom Penh. Lon Nol had even allowed the agencies to send supplies to his enemies, the Khmer Rouge, which on at least one occasion accepted them.

After the Khmer Rouge victory in 1975, the Red Cross offered to return to Cambodia, but the new government would never permit it. Two years later, less than a month after the Vietnamese invaded, drove the Khmer Rouge out and installed their own administration, the Red Cross approached the new Heng Samrin government with an offer to help. There was no response.

Red Cross officials say that other offers of help were made, both directly to the Phnom Penh government and through the Red Cross office in Hanoi, throughout the first six months of 1979. All of these overtures were ignored.

By late spring, predictions of famine had become commonplace as continued fighting between the Khmer Rouge and Vietnamese disrupted Cambodian harvests and food distributions. That officials made similar predictions and the U.S. Embassy in Bangkok sent constant warnings to Washington. In May, the Executive Board of UNICEF, the United Nations Children's Fund, decided to cooperate with the Red Cross in trying to mount a relief program.

But in Washington and Hanoi, the warnings appeared to fall on stony ground. The State Department saw no danger. Hanoi kept silent until the Heng Samrin government approved the trip of Beaumont and Bugnion.

The relief officials were allowed to stay just three days. They then went to Ho Chi Minh City (Saigon) and, with some difficulty, negotiated their return to Cambodia with a planeload of supplies in early August. On that trip they began to discuss with Heng Samrin officials the details of a vast relief program to feed some 2.5 million people then thought to be in danger of starvation.

It was at this point that bureaucratic politics clashed with political realities. The Red Cross is a large, international bureaucracy with established procedures. Similarly, UNICEF has its own strict rules.

Both organizations wanted to be able carefully to monitor the aid they brought—to see that it did not go to combatants instead of civilians. That is normal procedure. The sort of disaster which Bugnion and Beaumont believed threatened Cambodia usually would require an army of doctors, nurses, surveyors, nutritionists and administrators. To operate efficiently, they would need transport facilities, interpreters and communications systems, both within Cambodia and to the outside world.

It quickly became clear that the Heng Samrin government was not prepared to consider such an "invasion" of outsiders. It gave no answer to the proposals.

Red Cross officials in Bangkok now concede that the idea of allowing scores of Western officials into Cambodia must have been alarming for Cambodian officials—not to mention the Vietnamese. The government's cadres in all likelihood would have been completely outnumbered. The Ministry of Health, for example, at that time consisted of only a handful of officials. Few of the cadres in any ministry had any international experience, and their principal knowledge of the United Nations was that it still officially recognized the Khmer Rouge regime they continued to fight.

Once the original request for relief had been made by the government, other relief agencies were able to make their own arrangements with the Heng Samrin government and they began flying in supplies.

At the end of August, a planeload of relief supplies organized by a French communist group and paid for by the British Oxfam agency arrived. On board was Jim Howard, an Oxfam official, who was overwhelmed by the suffering he saw, and gave graphic, moving accounts of impending famine on his return home to England. Oxfam soon decided that, since UNICEF-Red Cross appeared unable to quickly start a large-scale feeding program—partly because of their insistence on monitoring food distribution—it would initiate a program.

Oxfam, organized as the Oxford Committee for Famine Relief in 1942, is nonprofit, nonsectarian and nonpolitical. Related committees have formed outside England over the years.

Red Cross-UNICEF also had difficulty getting their program approved by the Heng Samrin government at this stage because most of its senior officials were in Havana, at the summit conference of nonaligned nations. Khmer Rouge representatives also were there, and a furious battle erupted over which "government" should represent Cambodia within the movement. The issue was resolved by leaving the seat vacant, which Vietnam considered a victory because it kept the Khmer Rouge out.

When the same issue was debated later in September in the U.N. credentials committee, no such "compromise" was reached. Instead, the majority of committee members—many out of reluctance to legitimize the Vietnamese invasion of Cambodia—recognized the Khmer Rouge "government of Democratic Kampuchea" as the legitimate Cambodian representative. This was despite its listing and the fact that it controlled only a small portion of the country and people.

Inevitably, this rebuff of the Heng Samrin government created further problems for the Red Cross-UNICEF mission trying to overcome and deal with the suspicious and inexperienced officials in Phnom Penh.

Around the same time, in mid-September, flight of tens of thousands of Cambodians, most of them from areas under Khmer Rouge control, began toward the Thai border. On Sept. 17, Francois Perez, head of the Red Cross office in Bangkok, crossed a few miles into Cambodia with a nutritionist, and found at least 20,000 people in desperate need of help.

The Red Cross, unlike Oxfam, is required by its charter to be neutral, and to aid civilians on both sides of a civil war. Moreover, the Thai government, like other ASEAN (Association of Southeast Asian Nations) states, still recognized and was covertly aiding the Khmer Rouge. It insisted that any relief organization aiding the Heng Samrin side from Thailand must also send aid to areas near the border. There, Cambodians under the Khmer Rouge, and the Khmer Rouge themselves, would be most likely to benefit from it.

Red Cross officials understood that giving food to the Khmer Rouge side would not help them in Phnom Penh. It was agreed that no public announcement of the cross-border operation would be made. For unclear reasons, however, the UNICEF press office in Bangkok unilaterally announced it.

The operation predictably was denounced in Phnom Penh, but officials were encouraged by the fact that the Heng Samrin government did not break off negotiations with Red Cross-UNICEF.

On Sept. 26, Henri Labouisse, UNICEF's director, told donor nations in New York that a breakthrough had been made and that agreement was near.

Jubilation was premature. The Heng Samrin government then announced that no such agreement was at hand, mentioning both the agencies' insistence on monitoring and the border operations.

Oxfam, which had decided to operate its program out of Singapore rather than Bangkok, was under no such restraints to supply both sides. On Oct. 6, Oxfam director

Brian Walker signed an agreement with the Heng Samrin government pledging to give no aid to the Pol Pot side, and allowing all distribution to be done by Heng Samrin officials "in cooperation with" members of a small Oxfam team based in Phnom Penh.

Its first barge, laden with 1,500 tons of food, arrived at the Cambodian port of Kompong Som on Oct. 13.

Oxfam officials aboard the barge, the Asiatic Success, were moved and excited by the fact that theirs was the first large cargo of relief supplies to reach Cambodia from the West.

In England, Oxfam officials made no secret of their jubilation over arriving where Red Cross-UNICEF apparently feared to tread. As a result, some journalists characterized Oxfam as the only agency which cared for the Cambodian people—and Red Cross-UNICEF as heartless, bureaucratic stooges of the U.S. government. Oxfam did not do much to discourage such perceptions. Red Cross-UNICEF officials, for their part, tended to speak of Oxfam as credulously accepting whatever Heng Samrin and Vietnamese officials told them.

One of Oxfam's original premises had been that it, and the consortium of voluntary agencies it formed to back it, would alone be able to rush food into Cambodia, since Red Cross-UNICEF insisted both on rigid monitoring and on aiding the Khmer Rouge side. In fact, the Heng Samrin government did not demand that they accept the same terms to which Oxfam had agreed as the price of entry.

On Oct. 13, the same day that Oxfam's barge arrived at Kompong Som, Red Cross-UNICEF began a daily airlift of supplies to Phnom Penh. They still had no formal agreement with the Heng Samrin government. But they understood that they would not be prevented from bringing in supplies both by air and sea.

The airlift was made difficult by the fact that Phnom Penh authorities would not allow the plane to fly due east from Bangkok—apparently because this would carry it over the area where fighting with the Khmer Rouge was heaviest, and control was contested.

Instead the plane, lent by the British government, had to fly in a great arc over the South China Sea and up the path of the Mekong River. This meant that only one flight a day was possible. Offers to fly supplies directly to provincial airstrips were rejected.

Red Cross-UNICEF still sought a formal agreement with the Phnom Penh government. On Oct. 20 they submitted a new, comprehensive aid plan. The government refused to sign any document sanctioning the cross-border feeding operations. At the same time, however, Red Cross-UNICEF officials in Phnom Penh quietly dropped their demands for stringent monitoring; the organizations proceeded with their planning.

On Oct. 26, the first Red Cross-UNICEF barge of supplies arrived at Kompon Som. The next day, Heng Samrin's foreign minister, Hun Sen, told their men in Phnom Penh that the government would continue to deal with them. The UNICEF mission cabled New York to say, "We do not expect to receive written confirmation, though we shall keep open the possibility of receiving one. We shall consider the minister's clear verbal expression can be regarded as adequate basis for continued operation . . . whole meeting was businesslike and entirely without political reference or overtone . . . a clear advance in relationship of government and joint mission."

It was with this sort of informal, and hardly satisfactory understanding—nothing definite and nothing on paper—that Red Cross-UNICEF went ahead with their full-scale relief operation. Their plan called for bringing about 165,000 metric tons of food into the country over a six-month period. Seven more barges followed the first one into Kompong Som during November and December; by the end of last year, according to UNICEF officials, about 26,000 tons of supplies had been delivered by them to Cambodia.

Next: Who received the food?

[From the Washington Post, Mar. 18, 1980]

Food Aid: Tale of Deceit, Obstruction

(By William Shawcross)

Bangkok.—Just before Christmas last year, a senior official in the Vietnamese-installed administration in Cambodia joined the tide of refugees flooding across the border into Thailand. Once safe in a refugee camp he told Western relief officials a story that stunned, and disheartened, them.

This Cambodian had been highly placed in the Ministry of Commerce and had watched over the receipt and distribution of international food aid in Phnom Penh. He had represented the Heng Samrin government in meetings with foreign officials involved in the emergency relief effort.

One-half of all the international aid reaching the port of Kompong Som, the defector told Red Cross officials, was being trucked to Vietnam. Almost all of the rest was being warehoused, apparently for sale to the starving people of Cambodia once a currency had been reintroduced into the war-ruined nation.

The story of supplies withheld echoed in detail the tales of thousands of Cambodian peasants who had made the same trek and who also said that no food was being distributed in Cambodia despite the great international efforts. His story was shocking; Western officials reacted immediately.

The Cambodian defector (whose name is not being published for fear of reprisal against his family) was immediately shipped off to Paris and put under wraps. Reports of his account were marked confidential, and the relief agencies sought to keep the story from getting out.

This reaction was almost a reflex for relief officials who for several weeks had been uncomfortably aware that much of the food they were funneling into Cambodia was not reaching those for whom it was intended, but who did not want that generally known. They were aware that stories documenting this would upset their two most important constituencies—the donors in the West, who would cut gifts, and the Vietnamese, who if attacked might halt the largest, best coordinated attempts to save Cambodians from mass starvation.

In Geneva, the International Committee of the Red Cross now says that only a few hundred of the 26,000 tons of food delivered to Cambodia last year had been distributed from Kompong Som by the end of December. Most of the rest had been stored by the Heng Samrin authorities.

It was at that time that a teacher from Phnom Penh told a Western embassy official on the border:

"People are dying on the road and in the villages because they have no food, quietly dying of starvation."

Refugees from Kompong Speu Province were telling officials in Thailand then that 30 to 40 people a day were still dying in their districts. Suicide was said to be common.

That, however, was not the picture being painted by the Vietnamese or by many journalists and relief officials allowed to visit Cambodia. They reported instead that the famine was coming under control and Cambodia was coming back to life.

Only one explanation of the different views seems possible. Both are accurate. In some parts of Cambodia, the government has been handing out food in adequate amounts. Those are the parts that the government politically controls. In other areas—where insurgent Khmer Rouge and other anti-Vietnamese groups are active—they have not allowed relief distribution, even if starvation results.

Relief officials and independent observers agree that the situation inside Cambodia now seems to have improved. Since the beginning of the year, the Heng Samrin government has gained confidence in the agencies and the agencies, in response to criticism from home, appear to have been more insistent on on-site inspection of food distribution.

But the accounts of refugees, including the Ministry of Commerce defector, and the embarrassed silence by relief agencies during a critical period last year suggest that the possibility for new tragedy still exists in Cambodia, which remains balanced on a knife's edge.

Speaking in December, the defector asserted that very little food was reaching the people at all, because even what was being distributed from the warehouses remained in the hands of province chiefs. He also maintained that food sometimes was "distributed" merely to deceive visiting aid officials, who wanted evidence of distribution. As soon as they had left, the food was taken back again.

The Cambodian people liked the international agencies, the refugee said, and were grateful for their help. The Vietnamese did not like them however, and considered those Cambodians in contact with them to be enemies of the party. This was why he had fled.

His alarming account came at a bad time for the relief agencies, particularly for groups such as Britain's non-profit Oxfam, which had staked their reputations on the willingness and ability of the Cambodian government of Heng Samrin not only to receive, but also to distribute supplies. Yet the story was not a complete surprise to them.

Through November, more and more food had been brought into Kompong Som, and then into Phnom Penh, but relief officials became uncomfortably aware that the warehouses were not being emptied at nearly the speed at which they were being filled.

In most international relief operations of the Cambodian scale, the contributing agencies expect—or are automatically allowed—to monitor distribution of their food and other supplies. In the case of Cambodia, Oxfam, bowing to the political concerns of the Heng Samrin government, consciously had waived this right. The Red Cross and UNICEF had, in effect, made similar concessions, though less publicly. They also had agreed to run their programs with very small staffs—Oxfam had seven people in Phnom Penh; Red Cross-UNICEF had 12.

In late November, a furious debate erupted in the Western press. Were the Vietnamese and the Phnom Penh governments now withholding the food they had allowed to be sent—or even diverting it to Vietnam?

Vietnam was experiencing its own food shortage, and some charged that the food was simply unloaded in Cambodia, then trucked eastward across the Vietnamese border. Others said the Vietnamese were using the food as a political weapon inside Cambodia, withholding it from those who lived in zones still controlled by the Khmer Rouge.

The State Department announced its belief that the hold-ups in distribution were indeed deliberate. Francois Ponchaud, a French Jesuit who had diligently chronicled the destructiveness of the Khmer Rouge in his book "Cambodia, Year Zero," maintained that the Vietnamese were conducting a "new, subtle genocide" against the Cambodian people.

International aid officials hastened to disagree. On the contrary, they said, they had no evidence of deliberate obstruction by the Phnom Penh or Vietnamese authorities.

Malcolm Harper, Oxfam's man in Phnom Penh, said he was confident that aid was beginning to reach those for whom it was intended.

Oxfam also acknowledged, however, that its ability to make any real inspection of distribution was limited. Its aid was simply handed over to the relevant government ministry, and only occasional on-site inspections were permitted. Fortnightly reports were supposed to be submitted to the agencies concerned; Oxfam acknowledged the first of these reports to be "useless."

The aid officials argued that any shortcomings in distribution were because of logistical problems—the inevitable result of Khmer Rouge destruction. There were no forklift trucks at the airport; no cranes at Kompong Som. The few officials in Phnom Penh's skeletal government had almost no idea of how to handle large quantities of supplies. All planes and boats had to be unloaded by a weak and unskilled labor force.

The railway from Kompong Som to Phnom Penh was inefficient; the roads often were impassable because of the lack of bridges and repair. A journey that had taken a few hours before the war now took several days in many cases.

"Building up the transport capacity was a very serious and rather lengthy problem," said Jacques Beaumont of UNICEF, who is now back in New York. Like other aid officials, Beaumont tends to blame physical rather than political constraints for the slowness of food distribution at the end of last year.

Refugees, however, continued to tell a very different story.

They spoke of theft by the Vietnamese and said they sometimes were sold, rather than given, food provided free by the international agencies. Many said that Soviet corn was much more widely available than Western rice, but that it was of poor quality and required hours of boiling before it was edible.

Since 1975, when they first began to talk of Khmer Rouge atrocities, Cambodian refugees to Thailand have told alarming stories about conditions in their country. Their descriptions of Khmer Rouge behavior were found to have been largely accurate.

International relief agencies have two responsibilities: to the starving people they are supposed to assist, and to their donors—in Oxfam's case the hundreds of thousands of British schoolchildren who had sold their toys to send food to Cambodia.

To try to feed Cambodians, the agencies had accepted unusual restrictions and conditions on their operations. Once inside Cambodia, they were loath to acknowledge that their efforts were being undercut by the government in charge. To be able to stay, they apparently felt that they were not free to voice their frustrations openly.

Food does now appear to be more widely available than before Christmas.

The agencies remain cautious, however. Although many aid officials publicly criticized the February "March of Survival" organized by groups such as the International Rescue Committee and Joan Baez's Humanitas to protest poor food distribution, these same officials said privately that such continued pressure helped them make their point in Phnom Penh.

Although much more food seems to be leaving the warehouses of Kompong Som and Phnom Penh, there is now a dispute among aid organizations as to just how much food actually has been sent. According to the World Food Program, which is responsible for purchasing and shipping the food for the Red Cross UNICEF effort, 59,000 tons had arrived in Cambodia by the end of February. But J. P. Hocke, the director of the Red Cross operations, said recently that the figure was only 38,000 tons.

These figures have bearing on similar discrepancies in the amount of food actually shifted from the warehouses into the countryside. At the end of February, UNICEF in Bangkok declared that 26,000 tons had been distributed between Jan. 14 and Feb. 14. A few weeks ago, the Red Cross said that about 27,000 tons had been distributed between the end of October and the end of February.

Whichever figures one accepts, they confirm that distribution of food until the end of 1979 was minimal.

Inevitably this poor distribution killed many Cambodians. How many is not known. The original fears for "2 million dead by Christmas" may have been exaggerated, but one U. S. analyst now reckons that at least half a million people died of famine last year.

In January, new UNICEF director Jim Grant visited Cambodia and pronounced himself very impressed with progress made in distribution. Grant was especially encouraged that the authorities had allowed the wet season rice harvest (only about 15 percent of a normal year's crop) to remain in the villages.

Journalists who have visited Cambodia in recent weeks also have been impresed. Cambodia, they feel, is coming back to life under the Heng Samrin government. Yet refugees continue to tell of food being withheld, and thousands keep coming to the Thai border for supplies.

On one thing there is agreement: famine will recur on Cambodia unless a decent crop is planted and harvested this year. For this international supplies of seed and food must continue, and be adequately distributed, until at least the end of 1980. Otherwise the disaster will be repeated.

The poverty of Cambodian society today cannot be blamed on the Vietnamese. It is the product of 10 years of disruption and war and, in particular, of four years of rule by the Khmer Rouge. But at the same time, the Khmer Rouge cannot be blamed forever for the continuing problems of Cambodia.

There is no doubt that the Heng Samrin government is far more benign than that of the Khmer Rouge's Pol Pot. But questions about Vietnamese intentions remain.

Why did they wait until July, six months after taking over Cambodia, to appeal for help? Is paranoia over Western intentions toward them an adequate excuse for restricting the size of relief teams allowed into Phnom Penh? Is the destruction of the infrastructure by the Khmer Rouge sufficient explanation for the disparities in distribution? Most important, perhaps, why has it taken so long for them to put together an effective Health Ministry?

Throughout 1979, the Heng Samrin government asserted that all but 50 of the 500 doctors formely in Cambodia had been murdered by the Khmer Rouge. In any case, it was apparent to all visitors beginning last summer that medical care was dreadfully inadequate.

Yet the Ministry of Health remains one of the most ineffective government agencies in Phnom Penh. Its tiny staff spends much of its time receiving foreign delegations. In early December, Oxfam officials in Phnom Penh complained that the "January 7" Hospital still had no supplementary feeding facilities, even though there were plenty of supplies in Phnom Penh.

The government's refusal to allow an army of Red Cross bureaucrats into Cambodia may be explained by suspicion about Western intentions. But does this explanation also justify the government's refusal to allow Western doctors and nurses into the country? Since early last year dozens of groups—including Medecins San Frontieres, a French medical group that sends personnel all over the world—have sought to come and help. They have been consistently refused. It was only last month that the Red Cross was allow to bring 10 Soviet, five Hungarian and six Polish doctors and nurses into the country. Four East Germans are said to be on the way. Even when the 60 Vietnamese medical personnel and a Cuban team that have been in Cambodia since last summer are added, this is a very, very small, number for an exhausted, sick, starved population now thought to number around 5½ million. It is hardly indicative of a government which adequately cares for its people.

[From the Washington Post, Mar. 19, 1980]

THAILAND STILL WARY OF ACCEPTING SWARMS OF DESPERATE REFUGEES

(By William Shawcross)

BANGKOK.—The Vietnamese control most of Cambodia. But they do not control the largest Cambodian city. That is not in Cambodia at all, but in Thailand. Its name is Kao-I-Dung, and it is run by a young British journalist working for the United Nations High Commissioner for Refugees (UNHCR).

This is a time of runaway inflation in the refugee business, with about 12 million refugees scattered around the globe. UNHCR deals with a population bigger than that of many nations.

Refugees are citizens of a nether world, a fourth world that in international terms is an unwanted world—particularly in countries of the more fámiliar Third World to which most of today's refugees initially flee.

In the West, refugees arouse compassion—for a time—and some of them are given practical help—for a time. Often, though, Western attention moves on, before any real solution has been found for them. The country in which they have sought "first asylum" is forced to give them a permanent home. As a result, the principle of first asylum is being eroded. It is just too expensive.

The story of the tensions between UNHCR and the Thai government, which has not signed the U.N. Covenant on the Treatment of Refugees, is certainly dramatic, but it is not unique. It helps illustrate the difficulties faced by a sometimes inexperienced international agency when dealing with a government that is, at best, a reluctant host to the casualties of a neighboring disaster.

At the same time, the precarious position of the Cambodian refugees—at least 150,000 in makeshift camps along the Thai border as well as another 150,000 in UNHCR camps inside Thailand presents a serious long-term political problem not only for Thailand but also for the world. And American and other officials in Bangkok are terrified that if the West does not immediately find what UNHCR calls a "durable solution" for them, the Thai will act unilaterally and drive them all back by force—with terrible loss of life.

Twice last year, in fact, Thai authorities organized forcible mass repatriations of Cambodian refugees to their native battleground to face almost certain death.

Now fears for the refugees are being expressed with greater urgency every week by Western officials in Bangkok. The replacement of Prime Minister Kriangsak Chamanan last month by a government thought to be more hostile to the refugees is one reason. Another is the approach of the rainy season. Floods would provide the Thai government with a convenient excuse for clearing the refugee camps, none of which is well enough constructed to withstand the rains.

Some sort of crisis is imminent, insist State Department officials.

Lionel Rosenblatt, head of the U.S. Embassy's Kampuchea Emergency Group, is anxiously trying to find countries to take as many refugees as possible—now. It is a measure of his concern that he is even prepared to consider a scheme that strikes some relief officials as distasteful—the proposal of an American voluntary agency to resettle Cambodian refugees in Jonestown, Guyana.

Rosenblatt even has a memorandum identifying those areas of the world's oceans that are shallow enough to build artificial islands. The islands could then be used as havens for refugees. Rosenblatt also has considered the idea of creating self-supporting refugee communities on existing uninhabited islands.

Denial of refuge has been outlawed by the U.N. Covenant on Refugees. Yet governments have duties to their own citizens as well, and they often see these as conflicting with the claims of masses of homeless, indigent foreigners. All too often refugees threaten to become not just an economic burden but also a source of both internal and external political conflict.

One of UNHCR's primary responsibilities is to protect refugees from forced repatriation. As the Red Cross and UNICEF have tried to do on food aid to Cambodia UNHCR's international civil servants have chosen to refuse to publicize open Thai violations of this principle, in favor of trying to work quietly to get the Thais to change their attitudes about the Cambodian refugees.

In the process, lives have been lost. But international officials have argued that long-term interests have been served.

Refugees began to flee Vietnam, Laos and Cambodia as soon as the communists won victory in 1975. (Until then the war had created millions of refugees within those countries.) Between 1975 and 1979 Thailand, which borders both Laos and Cambodia, accepted about 150,000 refugees from those countries on the grounds that they were fleeing communist regimes. Immediately after the January 1979 Vietnamese invasion of Cambodia, thousands more refugees headed for Thailand.

The Thai government, however, announced that these refugees were different. Many of them, government officials asserted, were communists fleeing an internecine dispute between two communist factions, and therefore could not be allowed to stay. Those who did enter the country in the first few weeks of 1979 were put under military control rather than, as before, under the Interior Ministry. They were not given refugee status; instead they were labled "illegal immigrants."

UNHCR offered to help care for the new arrivals. The Thai government refused assistance. Refugees came in small numbers between January and April. Some were allowed to stay; many were pushed back into Cambodia by the Thai military.

In April, the Vietnamese mounted a new offensive against Khmer Rouge strongholds in Western Cambodia. This attack pushed about 40,000 people into Thailand. Again UNHCR offered its services; again the Thais refused. Thai officials made clear that they were unwilling to accept any "strings on the way they dealt with 'illegal immigrants'." They apparently felt that the very presence of UNHCR would raise the Cambodians' status.

On April 12, 1979, a group of about 1,700 "illegal immigrants" at the border town of Aranyaprathet—many of whom had relatives in Thai camps for pre-1979 "refugees"—were loaded by the Thai military onto buses. They were told they were being taken to another, better camp site. It was not true. They were forced at gunpoint back over the border into Cambodia where they faced death, from either starvation or the continued fighting.

UNHCR reaction was muted. No protest was made, except by the field officer for the Aranyaprathet area, David Taylor. When the Thais tried to force more refugees back over the border a few days later, Taylor rushed to the scene and dramatically barred the way. He saved one group.

Taylor's effort was written up critically—in the local press. Thai officials were furious at this "intervention in Thailand's internal affairs." They demanded Taylor's withdrawal from the border. His life was threatened.

Taylor was withdrawn, and UNHCR sent no one to replace him for several months. For much of 1979, the UNHCR office in Bangkok was also without a Regional Protection Officer, the post with overall responsibility for preventing forced repatriation. So neither on the border nor in Bangkok did UNHCR have officials dealing full time with the repatriation crisis.

At that time the official policy of the Bangkok office of the UNHCR was not to antagonize the Thias lest they treat the Cambodians even worse. Many junior UNHCR officials were strongly opposed to this seeming acquiescence in forcible repatriation. They felt it would only encourage the Thais, and they seem to have been right.

In May, U.N. Secretary General Kurt Waldheim visited Aranyaprathet. Cambodians there protested to him about the forcible repatriation of their kin, and he insisted on visiting 4,000 newly arrived "illegal immigrants."

Waldheim took the issue seriously and raised it with Kriangsak, then Prime Minister. He emphasized that as far as UNHCR was concerned these were genuine refugees who must not be forced back into Cambodia; UNHCR would do all it could to help. The Prime Minister made no commitment.

The government was obviously not impressed. The next repatriation was far worse.

In June the Thai military gathered some 40,000 refugees who were camped along the border (including the 4,000 whom Waldheim had visited), bused them away and then forced them, at night and at gunpoint, down a steep cliff, across a minefield and back into Cambodia. There was no water there. Many who tried to move forward were killed by mines. Many who tried to move back were shot by Thai soldiers. Thousands died.

The International Committee of the Red Cross (ICRC) issued a strong protest against this action. Once again UNHCR failed to do so. The head of the Bangkok office, Leslie Goodyear, argued that to criticize the government might provoke harsher measures. Some of the so-called "young Turks" in the office wrote to Geneva headquarters to complain.

Obviously the decision as to when forceful protests are required and when discretion is more valiant is difficult. Goodyear was not alone in believing caution to be the best course. The voluntary agencies in Thailand were also divided.

After the April repatriation the main coordinating group of the voluntary agencies protested to the Minisry of the Interior. The effect was, however, badly undercut when World Vision, one of the largest Christian agencies trying to work with Cambodians, wrote a letter to the Ministry of the Interior disassociating itself totally from the protest.

The forcible repatriation issue was one that Western embassies also found difficult to address. Few, if any, seem to have made any effective protest.

The U.S. Embassy, however, was able to rescue about 2,000 of the refugees involved. The U.S. Ambassador, Morton Abramowitz, has throughout the crisis been one of the most effective and energetic spokesmen for the Cambodians.

At this time Prime Minister Kriangsak told diplomats that the policy of repatriation would be stopped only if the world paid attention to Thailand's predicament at the forthcoming Geneva Conference on Indochinese refugees in July.

In the event, Thailand's problems were practically ignored, as was Cambodia itself, at Geneva. All through last summer attention was fixed only on the Vietnamese boat people. But at Geneva the United States raised its monthly quota of Indochinese refugees to 14,000 and promised that a large number would be Cambodians from Thailand. The Thai government seemed appeased.

By early September it was clear that conditions in western Cambodia were becoming more desperate than ever and that a massive flood of diseased, exhausted, starving people—far greater than any before—was about to swamp the border.

Until now voluntary agencies, particularly Catholic Relief Services, had been putting food across the border to feed Cambodians. Now the Thai government encouraged the international organizations to become more closely involved. This was not popular with some voluntary agencies, which felt they were doing an adequate job and that the international organizations were too steeped in diplomatic problems to be effective.

On Sept. 18, the Thai government's chief refugee coordinator, Air Marshal Sithi Sawetsila, called a meeting of 11 Western embassies and several international organizations. ICRC, despite its voluble protest over the repatriation of the 40,000, was invited. UNHCR, despite its lack of protect, was not. Sithi asked for help in coping with an imminent influx of 20,000 Cambodians, but little was promised.

Then Martin Barber and Pierre Jambor, two senior UNHCR officials in Bangkok, persuaded Geneva that it was essential for UNHCR to act. From now on UNHCR performance was much more effective. The agency went to Sithi and offered $500,000 as a first contribution toward meeting the crisis. The gift was accepted at once, with considerable ceremony.

By now the attention of the Western press was finally directed toward Thailand. Pictures of starving Cambodian mothers and children replaced those of boat people. Conscious of world attention, and at the urging of the U.S. Embassy, Thailand now adopted a new four-part policy:

UNICEF and ICRC were to be helped in running an assistance program to Phnom Penh from Bangkok.

These organizations must also, however, push food across the border in hopes that it would discourage at least some starving Cambodians from fleeing to Thailand.

Holding centers for "illegal immigrants" who crossed the border would be established.

Resettlement to third countries must be encouraged.

By mid-October there were at least 100,000 starving Cambodians on or along the Thai-Cambodian border. On Oct. 18 Kriangsak visited the area and, obviously moved by the misery he saw, expanded the government's new policy. Thailand would now have an "open door" and would allow entry to all Cambodians who wished to come. They could either stay along the border, where they would be fed or be moved into "holding centers."

From Washington, first Richard Holbrooke, assistant secretary of state for East Asia and the Pacific, and then Rosalynn Carter flew out to underline U.S. support of this new policy.

Three days later March Malloch-Brown, the English journalist who was David Taylor's eventual successor as UNHCR field officer for the Aranyaprathet area, was dispatched from Bangkok. "I had $1,000 in my bags and I was told to see if there was anything I could do to help the Thais." He was taken by Thai officials to an empty, monsoon-sodden field near a town called Sakeo, and told to build a camp.

Within five days, 30,000 refugees had been bused there from the border. Brown built a camp around them.

Conditions at first were dreadful. Many refugees—who were mostly Khmer Rouge partisans or civilians under Khmer Rouge control—died en route in the buses. About 40 others died every day for the first few weeks from cerebral malaria, malnutrition, or pneumonia. Housing initially was non-existent; sanitation worse. Everything was flooded.

UNHCR is an administrative, rather than operational agency, and it had to rely on volunteers and voluntary agencies for staff. Expanding to meet the demand was not easy. It was not until December that Brown was able to employ a full-time engineer; until then he had to rely on a U.S. Embassy aid officer, who was fortunately very efficient.

The speed with which UNHCR created a reasonable township at Sakeo clearly impressed the Thai authorities. On Oct. 30, Sithi asked the agency to coordinate plans for receiving up to 300,000 "illegal immigrants." Another site was found. This was Kao-I-Dung.

Drawing on the experience of Sakeo, Brown helped build a dry-season camp there, and through December and early January, about 112,000 Cambodians were moved in from border settlements, where at least another 150,000 remain.

The Thais now have officially closed Kao-I-Dung to new arrivals, but there is a fairly constant, surreptitious nighttime movement between the camp and the border, as the largest concentration of Cambodians in the world await decisions about their futures with obvious anxiety.

The chief fears are over Thai intentions, and over UNHCR's ability—and willingness—to protect them. The Thai and the Khmer people have never held each other in high regard, and giving sanctuary to the refugees wins a government no support in Thailand. Indeed, the "open door" policy contributed to the fall of the Kriangsak government last month.

In Bangkok, senior Thai officials privately speak of the refugees with contempt, even anger. Newspaper editorials demand their expulsion. Very little has been done by the Thais to prepare the camps for the monsoon. This adds to refugee fears.

An accident at Kao-I-Dung in January reveals Thai-Cambodian dislike. The Thai Red Cross decided to move almost 200 orphans to a special camp run by the Queen of Thailand. With the connivance of UNHCR and Catholic Relief Service officials the Cambodians emptied the orphanages, hiding the children among families. When the Thai Red Cross officials turned up with buses and armed soldiers, no children could be found. They were not amused and threatened to return.

At the moment, UNHCR has been discouraging the growth of a "resettlement mentality" in the camps. Officials argue that everything should be done to encourage their voluntary return to Cambodia. Cambodia will need them, and no other country can take many of them. To this end, Zia Rizvi, the energetic new UNHCR regional coordinator, visited Phnom Penh last month to discuss the issue with the Heng Samrin government.

When news of Rizvi's mission was broadcast over the Voice of America, there was instant panic in Kao-I-Dung. Hunger strikes, even suicides were threatened. Almost no one wishes to return under either the Vietnamese or the Khmer Rouge.

In an interview with the Washington Post a few days before his surprise resignation last month, Prime Minister Kriangsak gave a categorical assurance that Thailand would not repatriate any of the Cambodians against their will.

The attitude of the new government to the refugees is not yet really clear. But just yesterday one new minister made very threatening remarks about them.

Other aspects of Thai policy to Cambodia remain constant and are incompatible—at last in the short term—with creating the sort of stability that alone could make it attractive for the "illegal immigrants" to return to their homeland.

For one thing, the Thai government is directly aiding the Khmer Rouge and other groups to resist the Vietnamese occupation. That is not Thai policy alone. It is shared by all the ASEAN nations, by China and—especially since the Soviet invasion of Afghanistan—by many Western countries as well, in particular the United States.

[From the Washington Post, Mar. 20, 1980]

Opportunists Thrive in Camps' Squalor

(By William Shawcross)

Cardamon Mountains, Cambodia.—Son Sann is a thin, frail old man who walks through the forests of Cambodia's war zone supporting himself with a stick. He is a guerrilla leader, unlikely as that seems, who is stirring hope in Washington and other capitals that a third force is finally emerging in the struggle for Cambodia.

The idea of a third force in Indochina, neither communist nor corrupt, has always been attractive to the Westerners who have become involved here. Graham Greene ridiculed the notion in his book "The Quiet American" in the 1950s. Yet once again, the idea is being touted for Cambodia. Son Sann is now its symbol.

Sitting under a hurricane lamp in his well-ordered camp high in these densely wooded mountains, Son Sann talked to this reporter recently about his main concern of the moment, which is the same as the main concern of every other Cambodian: food.

Now 68 and in poor health, Son Sann was 17 times a Cabinet minister under deposed Prince Norodom Sihanouk in those halcyon days of the 1950s and '60s, when Sihanouk managed to keep war, hunger and geopolitics largely out of Cambodia.

Son Sann also ran the national bank; now he sends his supporters walking through the countryside telling villagers that his Khmer People's National Liberation Front offers an alternative to both Heng Samrin and the Khmer Rouge and will organize a food distribution system for this ravaged country.

"Our first aim is to try and get food to people in the interior," he said. "We don't think people should forever be encouraged to go to the [Thai] border for rice"—which is handed out in camps often controlled by remnants of the rightiest group that overthrew Sihanouk on March 18, 1970.

After spending most of the past decade in exile in Paris, Son Sann formed his front and returned to Cambodia last year. He now controls several villages in the west of the country. At his headquarters he has about 3,000 people, including about 100 Khmer Rouge defectors.

International food aid is brought in by porters every day from Thailand; only a few miles down the mountain. Land is being cultivated. He hopes to make the camp self-sufficient in rice and vegetables by the end of the year.

In those border camps that Son Sann hopes to keep his supporters away from, another group of former officials have risen from the ashes of Cambodia and are flourishing in a corrupt commercialism that the across-the-border feeding operation has encouraged.

The Thai border village of Aranyaprathet is a boom town now, thriving off the despair and misery of Cambodia.

Since the Cambodian refugees flooded into Thailand last fall, over 400 "farang," as foreigners are called here, have converged on the town. Doctors, nurses, nutritionists, spies, administrators, engineers, "disaster groupies"—all have been drawn to the crisis.

The local economy has been overturned. Richer Thai families have moved out to cash in. They rent their wooden homes to "farangs" for over $500 a month.

Other Thais make other profits. Thousands of traders flock daily to the border sites and "holding centers" to sell cloth, cigarettes, food, combs and soft drinks at inflated prices to their captive market.

The Cambodians are captive many times over, to the hostilities within their own country, to the politics of Thailand, to unpredictable superpowers maneuvers, and even to those who claim to represent them.

This is evident in Ban Mouk Mouen, the terrible slum a few miles north of Aranyaprathet. This squalid corner along the border has been a magnet for Cambodians who cannot find food in their country and who have heard that free food is available from international agencies here. The American Embassy says this food has reached and kept alive a million Cambodians in recent months.

At Mak Mouen, the ghosts of Cambodia's past still stalk the ground. And at Mak Mouen, the imperatives of international and Cambodian politics today intersect. It is a place where relief work by the international agencies has to coexist with intrigue and corruption.

The camp is controlled by a man named Van Saren, a 53-year-old former soldier in the army of Lon Nol, the American-backed rightest who overthrew Sihanouk in 1970. Van Saren claims to be the most "honorable" of the non-communist Cambodian leaders.

In fact, he is a teak smuggler, linked closely to corrupt Thai officials. He uses the camp, littered with piles of garbage and excrement, as a base for a variety of corrupt deals.

Van Saren walks around the camp in a pork pie hat, a large crucifix on a thick chain hanging around his neck. He is always accompanied by a troupe of young men armed with automatic rifles. A few months ago was always seen with a man who called himself (falsely) "Prince Norodom Suryavong" and claimed (falsely) to be related to Sihanouk. Journalists called him "The Mad Prince"; he has now disappeared, perhaps murdered.

In February the Mad Prince's place was taken by an eccentric American. This was a mid-30s Vietnam veteran from Arizona named Gary Ferguson. Van Saren made him his "Minister of Defense" and called him "my son."

Ferguson strode around the camp, shouting instead of talking, with a Colt 45 stuck in his waist. He claimed that Van Saren was his "father" and father of all Cambodia. He threatened to blow out the brains of anyone who demurred.

His most fierce battles were with the doctors and relief workers of the International Committee of the Red Cross, whom he accused of doing little to help the 60,000 or so refugees crammed into the camp. Finally the Thais also grew weary of his outbursts and shipped him out of the country earlier this month.

Van Saren remains and still controls the food that he claims is intended for "the 400,000 persons here who have answered my call." He cloaks his evident gangsterism in promises to return to Cambodia to overthrow the Vietnamese-installed government headed by Heng Samrin.

Much has been made, and with good reason, of the failure of the Vietnamese and the Heng Samrin government to distribute international relief within Cambodia. But the border feeding here has been no better monitored, and there is little to suggest that the rice handed over by the relief agencies to men like Van Saren has been any more fairly shared out.

Indeed, people in the camp claim that he sells them the food they are supposed to have free. Sometimes he sells it back to the Thais, who in turn sell it again to the Red Cross and to UNICEF the next day.

There are now about 20 sites along the border at which international food is distributed by the Joint ICRC-UNICEF program. Some are controlled by Khmer Serei, others by Khmer Rouge, still others by so-called "reawakened Khmer Rouge" who claim to be altogether more gentle than before.

In many of these sites the ICRC runs hospitals—in some they treat wounded Khmer Rouge soldiers who then return to Cambodia to fight another day. The medical care is intermittent because ICRC officials will not stay along the border at night.

Several voluntary agencies say they would be willing to do much more at the border if the ICRC would let them work in the camps. But Red Cross officials assert that Thailand has forbidden the organization to allow the voluntary agencies to run what would amount to free-lance relief programs.

Just north of Mak Mouen there is an encampment called Nong Samet. This is run by an anti-communist Khmer Seri leader called In Sakhan, who is 39. Here health conditions are slightly better. There is less of a feeling of menace.

In Sakhan, also a former Lon Nol soldier, is a narrow-eyed man who seems rather more purposeful than Van Saren. They used to be allies; now they hate each other.

But here too distribution of supplies has been haphazard at best. And Western food taken to the Khmer Rouge encampments along the border has undoubtedly directly sustained the remnants of their army—thus helping perpetute the group that Jimmy Carter called "the world's worst violators of human rights." Also helpful to the Khmer Rouge is medical treatment their wounded receive in some ICRC hospitals along the border.

The most successful distribution point is called Nong Chan, a few miles south of Mak Mouen. It was set up last year by yet another former officer of Lon Nol named Kong Sileah and a diligent ICRC official named Robert Ashe. Here food has been given rather than sold to Cambodians coming from the interior. Tens of thousands of people from the interior have come and still come to Nong Chan.

It is an extraordinary, touching sight. They come with bullock carts, old bicycles and on foot. They sit under the trees waiting for the ICRC-UNICEF rice. They are given about 45 pounds each—roughly enough to feed a family of five for a week—and then they return into the empty interior to a silence punctuated by artillery fire.

A total of about 27,000 tons of ICRC-UNICEF rice has been brought to the border since September (as against 59,000 delivered to the Heng Samrin regime) and, the American Embassy says, been distributed to over a million people inside Cambodia.

Some Red Cross relief workers question this figure. They say that the State Department exaggerates in order to show the Heng Samrin regime even more incompetent that it is.

Some go even further and say that the border feeding is not principally humanitarian but a political magnet to draw people away from their fields, from Heng Samrin control toward the resistance groups, and thus to continue the disruption of Cambodia.

Some relief workers, and some Western journalists also complain about the large number of American officials stalking the border, on political missions, but under the guise of monitoring food. UNHCR and ICRC officials complain that the Americans think they are still in Indochina rather than on its borders, that they are trying to avenge the defeat inflicted by Hanoi in 1975. Embassy officials, however, assert that their oversight stimulates the sluggish international organizations into action.

And, whatever mixture of motives ascribed to them, the Americans can convincingly argue that the efforts they back continue to save lives. About 116,000 people, according to UNICEF, are now coming every week to Nong Chan and other sites for supplies.

But this system is precarious. The free distribution at Nong Chan undercuts Van Saren's operation and also hurts Thai officials and traders profiting from sales of free rice. At the end of 1979 Nong Chan was attacked by Van Saren's soldiers and shelled by the Thai military. The attacks closed Nong Chan.

The free distribution was restored in January but in mid-February the local Thai commander, Col. Prachak, suddenly ordered it stopped again. He asserted that over 60 percent of the rice being taken back into the interior was being "taxed" by the Vietnamese Army.

The American Embassy protested fiercely. When Richard Holbrooke, Assistant Secretary of State for East Asia and the Pacific, visited Thailand last month, he remonstrated with the Thais about the closure. The feeding was resumed.

But that sequence only underscored how much power an official like Col. Prachak—a rising star in the Thai Army and thought to be even better placed with the new government—has over the precarious cross-border feeding. Despite the best efforts of the American Embassy and State Department, and even though at least half a million people are now dependent upon it, continuation of the feeding effort cannot be taken for granted.

The whole Cambodian relief effort can be at best only a temporary, time-buying proposition, one that will keep Cambodians alive long enough to arrive at a solution to their continuing political conflicts, which have grown even more intractable and horrible than Graham Greene and other prophets foresaw.

When Greene was writing, the protagonists in Indochina were involved against colonialism. There was no space for a third force. Now, nationalism has been subsumed by totalitarianism in Vietnam, and in Cambodia it has been consumed by Pol Pot's Khmer Rouge. In each case, nationalism has been horribly deformed. If Son Sann or other serious leaders could embody Cambodian nationalism, then there would be a possibility that their movements could yet play a significant role in Cambodia's evolution. But now, as ever in Cambodia, that evolution will be dominated by events and political priorities way beyond the control of the Cambodians themselves.

[From the Washington Post, Mar. 21, 1980]

FAMINE CONDITIONS WILL PERSIST UNTIL POLITICAL ACCORD IS FOUND

(By William Shawcross)

Damaged by 10 years of warfare and neglect, the ancient docks of Phnom Penh have sprung back to a busy life in the last three months. Thousands of tons of relief food have been shipped up the Mekong River and laboriously unloaded, often by hand, and placed in dilapidated warehouses in the still eerily empty Cambodian capital.

Last week, two of the port's three spindly wooden piers collapsed, shutting off the food flow for the foreseeable future. The accident has come at a crucial time for a $500 million international relief effort that seems at times to be resting on similarly uncertain foundations.

The Cambodia relief operation is now engulfed in several crises. Unless they are resolved immediately they threaten to undo all that international aid has so far achieved in these areas:

Seed. Unless 30,000 tons of rice seed is purchased, shipped to Cambodia and distributed to village level in the next two months, the 1980 wet season crop will not be planted. Last year's cycle of famine will recur, and huge international food shipments will be needed at least until the end of 1981. If it is possible to imagine, the condition of the people will be even more wretched than it is today.

Money. Unless the United Nations Children's Fund can raise another $80 million at once its whole program—not just rice seed—will be threatened. U.N. Secretary General Kurt Waldheim has called a meeting of potential donor countries for next Wednesday at the United Nations to raise $260 million to keep the U.N. program going. So far, little has been pledged.

Politics. The Soviet invasion of Afghanistan—and U.S. reaction—have made moves toward any political compromise by any of the parties more difficult still. Yet without compromise the very best the international relief effort can do is to keep Cambodia teetering on the brink of disaster.

At the present moment, the odds are extremely high that none of these overlapping races against time will be won. Bureaucratic inefficiency has helped slow the seed effort. Budget cutbacks and Western economic malaise appear to doom the drive for more money. And the political conflict shows no sign of abating.

That more tragedy will follow is a bitter truth for Cambodians. But it will weigh heavily also on a world that will have shown that it did not learn enough from the last year of disaster to find ways to halt the suffering now.

This series has sought to trace the humanitarian and political responses of the international community to the Cambodian tragedy, one of the great man-made disasters of our time.

In recent months, the plight of Cambodia has stirred emotions and action across the world. But a genuine outpouring of humanitarian concern has been constantly limited by political and bureaucratic constraints.

Inevitably the international system's response has been ad hoc—as it must be to any emergency. It has been well-intentioned in many respects, inadequate in others. International civil servants have careers to promote and parishes to protect. They also have to work within the rules laid down by governments with different priorities.

In the villages of central Cambodia, another rice crop—the small dry-season crop planted in the fall and due to be harvested now—has failed. There is now a race against time to get a wet season crop planted before the monsoon inundates the land in May and June.

The Food and Agriculture Organization (FAO) had planned to ship 30,000 tons of rice seed into Cambodia early this year. The U.N. agency planned to provide seed for a million acres of land in six provinces. In the 1960s, when Cambodia exported a rice surplus, 3 million acres were planted.

Every ton of seed, properly planted and harvested, provides six to 10 tons of rice. The FAO plan would give Cambodia a 200,000-ton harvest by the end of 1980. That seemed a realistic, and crucial target for Cambodia when FAO began planning its effort six months ago.

But now, the organization says it has not even purchased large quantities of seed, let alone shipped it. The explanation is that FAO is short of funds and that the appropriate seed is in woefully short supply.

Thus far, FAO has bought just 3,000 tons of seed in the Philippines and with the private British relief agency Oxfam is negotiating for another 15,000 tons in Thailand. The Thai government still has not granted an export license.

The arithmetic is this: only a fifth of the normal crop is to be planted this wet season; 30,000 tons of seed have to be found, bought, officially exported and either pushed across the border or shipped to Cambodia, unloaded, processed through the primitive distribution system and rushed out to farmers—in six to eight weeks. It could still just be done. But not at the present rate of progress.

Fertilizer and farming equipment are also badly needed. Some has been shipped in by the international relief plan and Oxfam. More is required.

At the same time more relief food than ever is urgently needed for the existing emergency. If rice seed alone is shipped to starving villages, it will be eaten, not planted. There are already reports of seed being eaten in villages. In the week this series has been running, U.S. Embassy officials along the border have been reporting to Washington worse stories of starvation. The breathing space has gone.

Back in January the International Committee of the Red Cross and UNICEF had planned to ship 200,000 tons of food into Cambodia this year. Latest reports from the field are that at least 230,000 tons will be needed—an increase of 15 percent.

Even if all these supplies can be bought and shipped in time, it looks unlikely that they can be landed and distributed. Even before the collapse of the Phnom Penh dock, the logistics of the country were under severe strain.

Warehouses at the port of Kompong Som are again clogged up. The Soviets have resumed large shipments; their ambassador in Phnom Penh has told UNICEF that Moscow will send 130,000 tons of food this year. (Until now the State Department estimates that the Soviets have sent about 67,000 tons, as against 59,000 tons from the West. The Heng Samrin regime says more—186,000 tons from the socialist bloc.)

The international organizations are desperately looking for new distribution routes. These include trucks from the port of Ho Chi Minh City (Saigon) and more use of river barges up the Mekong and Tonle Sap in Cambodia. The Heng Samrin government still refuses to allow a formal "land bridge" by either road or rail from Thailand or direct flights from Bangkok to provincial Cambodian airports.

Altogether, the outlook for this year's wet season crop is gloomy. One senior UNICEF official puts it at "less than 50–50." This means food dependence, and an expensive international aid program until at least Christmas 1981. By then the cost will be close to $1 billion.

And yet money is already running out. The international organizations have spent $205.5 million on Cambodian relief since September. The United States has been the largest contributor, providing $72 million. Waldheim is now seeking a further $262 million through the end of 1980. Financial cutbacks in the United States and elsewhere are combining with irritation over the distribution problems to make donor countries reluctant to be very generous.

The United States contribution is now hostage to the budget cuts decreed by President Carter and to the battle over the foreign aid bill in Congress. State Department officials say they still have no idea how much the United States will be able to pledge to the new appeal, but one said there is a serious danger it will only be "peanuts". Without a U.S. contribution at least as generous as before, the aid program could easily collapse.

That is true in part because the State Department has played a major moral as well as financial role in the relief effort. U.S. Ambassador to Thailand Morton Abramowitz was among the first officials anywhere to warn of impending famine.

Rosalynn Carter has attached her own and the president's prestige to the Cambodia effort, although some White House staff members—most particularly national security adviser Zbigniew Brzezinski—are widely thought by relief officials to have leaked negative and exaggerated reports on Soviet and Vietnamese obstructions as a way to move American policy closer to the more hard-line Chinese policy on Cambodia.

The impact of the "China card" effort and of the budget cuts on the relief effort is not yet clear. But officials at the State Department have been warning voluntary agencies that the United States may not still be able to take 14,000 refugees a month in fiscal 1981, despite President Carter's previous commitment. Any reduction in the number of refugees coming to the United States would seriously undercut Thai willingness to allow refugees to stay.

Over all the difficulties of seed procurement, distribution and finance loom the political problems. Without their solution the relief effort will continue to be obstructed—by all sides. And conversely, until and unless the political problems are solved, the relief effort will have to continue.

Ten years after the North Vietnamese, Richard Nixon and Henry Kissinger drew Cambodia into war, games are still being played with the country. The principal players inside Cambodia are:

The Heng Samrin government, installed in Phnom Penh by the Vietnamese after Hanoi's invasion 14 months ago. It is still utterly dependent on Vietnam—for example, the only telephone system is the Vietnamese Army line.

Pol Pot's Khmer Rouge. Reduced to at most 25,000 troops in the west and northeast, the fear of their return is a principal reason for some Cambodian tolerance of the Vietnamese occupation. The Khmer Rouge are mounting an extraordinary diplomatic campaign to capitalize on the anti-Sovietism which has followed Afghanistan—including requests to "forget the past" made at press conferences in luxurious jungle headquarters—but they are growing weaker, despite support from China through Thailand. Still, however, they are tying down the Vietnamese.

The Khmer Serei. The only serious group is Son Sann's Khmer People's National Liberation Front. Son Sann's army is run by Dien Del, one of the most effective commanders in Lon Nol's army from 1970–75. Son Sann is recruiting in the refugee camps in Thailand and has been given around $1 million by China. The United States is giving, at the very least, tacit support to his group.

The deposed Cambodian leader, Prince Norodom Sihanouk, is now touring the West arguing that he, and only he, can bring peace. Like the Pope, Sihanouk does not have many divisions and he has petulantly refused to align himself with Son Sann.

It is not easy to imagine the Vietnamese, who still have 200,000 troops in Cambodia, and their principal allies, the Soviets, accepting the international conference that Sihanouk says must be called to resolve the Cambodian conflict. Hanoi says the situation in Cambodia is "irreversible."

But the war is costing the Soviet Union $2 million a day. Vietnam's own economy is in shambles and it faces a 1980 food deficit of its own of at least 2 million tons. Until now the Soviet Union has sent food aid to Vietnam; this year, after the U.S. cutback of grain, Moscow has told Hanoi that no such aid will be available.

For China, the Cambodian war costs almost nothing to sustain. It ties down Vietnamese troops and bleeds the military and economic force of Hanoi. Peking seems prepared "to fight to the last Cambodian" by supporting the Khmer Rouge and other guerrilla resistance indefinitely. Unlike the Soviet Union, China has not sent any humanitarian aid to Cambodia.

Whether the new understanding between Peking and Washington extends to Cambodia is one of the keys to a resolution of the crisis of Southeast Asia.

One statement of the U.S. position was given in a background briefing to reporters in Bangkok by a U.S. official who accompanied Defense Secretary Harold Brown to Peking in January: "The U.S. shares common interests with China on Indochina," the official said. "That is to dilute the Soviet influence in Indochina and get the Vietnamese out of Cambodia. China's objective is to ensure maximum Khmer resistance, not necessarily only through the Khmer Rouge. They are looking to a lifespan of three to five years. It is in U.S. interests to see a neutral and independent Cambodia."

But he added that the United States understood that "any political settlement would have to take into account Vietnamese interests. That is that a government in Cambodia should not be hostile to Vietnam." That is not the Chinese position.

Other U.S. officials have said that the United States seeks a compromise and would willingly go to a conference if only others would attend. But that China, Vietnam and the Soviet Union show no sign of doing so.

A new international conference as such is not essential for Cambodia. Compromise is. There are formulas. The essential elements seem to include the following:

The West must recognize that Vietnam is the dominant power in Indochina by reason of numbers alone. (51 million Vietnamese, 3 million Lao, 5 to 6 million Cambodians.) Vietnam has legitimate security interests in Cambodia. Sihanouk understood that in the 1960s. His successors, Lon Nol and Pol Pot did not; and their assessment led to disaster.

If the Vietnamese were ever to withdraw some or all their troops, it would probably only be if a friendly government in Phnom Penh were guaranteed. One scenario is a broadening of the Heng Samrin government to include Son Sann and other independent politicians. Secret contracts are already rumored. A grand coalition could not include the Khmer Rouge, whose behavior has anyway surely forfeited them any right to return to power.

Whether or not the Vietnamese would tolerate the return of Sihanouk to Phnom Penh is not clear. But he is probably the only figure, battered though he is, whose presence there could persuade large numbers of refugees to return of their own free will to Cambodia.

As an incentive to the Vietnamese the West and Japan should offer a long-term relief and rehabilitation plan for all Indochina. And the United States could offer normalization of relations as part of the conference.

Such suggestions may seem utopian. But the overwhelming impression gained in a thorough examination of the problems of Cambodia today is that the only alternative to an imaginative political leap is a dismal downward spiral.

The leap could be made first by the United States and by the Association of Southeast Asian Nations taking a new "initiative" toward Hanoi. If ASEAN leads, the West, particularly the United States, would have to follow.

Every age has it symbols of horror. The destruction of Cambodia is symbolic of our own time. There are other contemporary disasters—in East Timor and Ethiopia to name but two. But for complex reasons—political, emotional and merely logistical—Cambodia has recently attracted more attention.

Precisely because of the concern it has belatedly aroused, Cambodia is now a vital test: When there is worldwide consensus that a human disaster has occurred, is occurring, and will, unless actively prevented, continue to occur is it possible for nations to agree that it must be prevented?

Or will short-term often hypothetical political concerns condemn not only Cambodians to death today but also the rest of mankind to be seen in history as accessories to another great crime of this century?

That is the issue. If the community of nations does not have the political will to save Cambodia, then that community cannot be confident of having the will ultimately, to save itself.

RECESS SUBJECT TO THE CALL OF THE CHAIR

Mr. ROBERT C. BYRD. Mr. President, I have no indications from the cloakrooms that any Senators want to speak tomorrow on the conference report. I therefore shall, after consulting with the distinguished acting Republican leader, recess the Senate later today over until Monday. But there may be Senators who still wish to speak this afternoon. There will be no other business today.

I, therefore, ask unanimous consent that the Senate stand in recess awaiting the call of the Chair.

Mr. STEVENS. I thank the Senator.

The motion was agreed to; and, at 1:58 p.m., the Senate recessed subject to the call of the Chair.

At 3:41 p.m., the Senate reconvened when called to order by the Presiding Officer (Mr. BURDICK).

WINDFALL PROFIT TAX ACT OF 1980—CONFERENCE REPORT

The Senate continued with the consideration of the conference report.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. SCHMITT. Mr. President, it is once again by great privilege to speak with the distinguished occupant of the chair and to further explore the consequences of the so-called windfall profit tax measure.

As I hope most recognize now, it is not really a taxation of profits but a taxation of production—in fact, a taxation on the removal of oil from the ground rather than any tax on the potential or the real benefits of having done that.

The consequences of such an excise tax are that the cost of the tax will be borne as a cost by the businesses so involved and the individuals so involved, and eventually be passed on to the consumer or borne as a loss of capital by those who would invest in new production and increased production from existing wells and reservoirs.

It is interesting, Mr. President, to look at some of the perceptions of the industry that is going to be most adversely affected, or the portion of the oil industry that will be most adversely affected, by this tax on production, that is, of the independent oil and natural gas firms and, particularly, those in the 11 Rocky Mountain region States where a great deal of the current and potential area for increased exploration and production exists.

A recent survey done by the Gladney Co. of Denver for the—well, it does not indicate here that it was done for anybody—but done by that company indicates that in those States of Colorado, New Mexico, Arizona, Wyoming, and others 82 percent of the companies that answered the questionnaire believe that the U.S. energy situation will be worse in the 1980's as a decade compared to the 1970's.

In their more detailed responses, the chief reason for this pessimism was that Government interference with the production of oil and gas was going to make it impossible to accelerate the availability of those commodities to the American people.

Fifty-two of the 128 firms, that is 40.6 percent, answering the poll said that Government laws, regulations, and the strangling bureaucracy together was the primary cause of their particularly adverse and pessimistic outlook.

Another 20 firms or 15.6 percent specifically cited the Government's proposed windfall oil profit tax.

A majority, 56.2 percent, said that this tax, if signed into law, will reduce their exploration and production activities in the next 3 years.

These firms also blame, in general blame, the U.S. Congress more than any other factor for the current U.S. energy crisis. Mr. President, although I am a new Member of this Congress and, I think, as enthusiastic and as protective of the institution of the Congress as anybody else, maybe more so on some occasions, I am afraid I would have to agree with those who think we are the principal cause of our present dilemma.

We have been, as a body, for decades unwilling to face up to real world of energy production and energy consumption, and instead have through a series of monumental blunders since 1954 allowed ourselves and administrations and the courts to gradually drive our oil and gas industry either out of business or abroad to produce oil and gas in foreign lands.

The net result, of course, was that in 1973 we were suddenly told by OPEC in no uncertain terms that they had control and were going to keep control unless we began to do something that would change that situation.

We have now had almost 7 years of opportunity since 1973 to do something about wresting control from the OPEC cartel, and I am sorry to say that we have done absolutely nothing but make ourselves either more dependent than we ever were on production and supply from other parts of the world and, particularly, the Middle East, an area of increasing instability, an area where reliability of supply is called into question every day.

Our situation is bad enough, but clearly the situation of our allies is far worse, and although there are some who would say "To heck with our allies, we will take care of ourselves, and if they don't want to help then we will go it alone," I am sorry to say, Mr. President, that that option no longer exists for the United States. We are the champion of the free world, there is no question about that. But without that free world it would be very, very difficult for this country to resist the pressures of oppression, the pressures of totalitarianism, on our national existence and freedom.

The United States had the luxury for 140 years of its existence to basically concentrate on the development of its resources, its own markets internally to build a nation, and during that time I think it was forgotten or at least not realized that we are clearly a maritime nation in all the true context of that word.

True, we are a very large maritime nation, one of continental dimensions, but there is no way to ignore the fact that we are dependent on the foreign supply of resources, on foreign markets for the health of our economy and for our national defense.

After that 140 years, we found for some 40 years that we suddenly had to recognize that the rest of the world existed, that the British fleet could no longer protect us indefinitely, and that we must be the protector and then the benefactor of freedom in this world, and we fought two World Wars as a consequence of that new international responsibility, however reluctantly we may have accepted such responsibility.

The unfortunate situation is that in the last 25 years or so we fell back on our own ways and concentrated on our own well-being and not on the well-being of our markets and sources of supply and suddenly we are dependent on those sources of supply for our very livelihood, our very national existence. But those sources of supply are no longer acquiescent to our needs, are no longer guaranteed as sources of supply.

How long is it going to take this Congress and this administration, and maybe the American people as a whole, to wake up to the fact that we must not only be independent of foreign sources, unreliable sources, for our essential needs, both economic and defense, but that we must do everything we can to expand our circle of friends in this world?

Certainly the events of the last several months, and particularly the last few weeks, do not indicate that the administration or Congress understand what it means to survive in a very hostile and, unfortunately, unstable world.

Mr. President, one of the issues that is coming up with increasing frequency during this debate is the issue of taxation of Federal royalty oil and the impact of that on taxation on the States. The distinguished Senator from Louisiana (Mr. LONG) referred to this on page 6062 of the CONGRESSIONAL RECORD for March 20, 1980.

In his remarks, he indicated that, although the Senate version of the bill had exempted Federal royalties from taxation, his agreement to such an exemption had been based on that it would have no revenue impact. When he realized that, apparently, there was revenue impact of something like, supposedly, $2 billion, he advocated, and successfully advocated, that the Senate recede to the House version which would allow the royalties to be taxed.

I think we must ask some questions—and I will allow a response, certainly, next week when the opportunity presents itself—of whether, in a conference, our conferees should be wedded to informal commitments or even formal commitments to other Senators when the welfare of the States they represent is at stake?

Certainly, from a philosophical point of view, one would have to raise the basis in the Constitution of the existence of the United States as a body that represents the States of the Union as well as the people of their individual States. I do not believe we would find in the Constitution any indication that Senators are obligated to represent other Senators, other than what is necessary to continue to see that the Senate operates on the basis of good will and, when necessary, unanimous consent in order to get the business done.

I realize there is need for being able to be a man of your word in the Senate. But, at times, I think we must also realize that we must represent our individual States.

Mr. President, this becomes an issue, of course, because the law requires—and this is U.S.C. 30, section 191—"All money received from sales, bonuses, royalties, and rentals of public lands under the provisions of this chapter and of the Geothermal Steam Act of 1970," shall be paid into the Treasury and "50 per centum thereof shall be paid by the Secretary of the Treasury as soon as practicable after March 31 and September 30 of each year to the State, other than Alaska, within the boundaries of which the leased lands or deposits are or were located."

The law goes on to say: "Said moneys paid to any such States on or after January 1, 1976, to be used by such State and its subdivisions as the legislature of the States may direct."

This is an important provision of law for many States; not all, but for many.

There is some indication in my State—and we are still trying to collect the relevant data—that 34 percent, almost 35 percent, possibly, of the so-called $2 billion that would be lost over a 10- or 11-year period to the windfall tax revenues would be at the expense of the State of New Mexico. I hope this is not true.

We are trying to verify these preliminary figures from the U.S. Geological Survey. When we have them, I am sure many of my colleagues will be very interested, particularly those from the States of Alaska, California, Colorado, Montana, Nevada, North Dakota, Utah, and Wyoming.

The Federal Government obtains a substantial amount of royalty income from the production in natural petroleum reserves and Federal leases. At least for onshore properties, the Federal Government shares a substantial portion of these royalties with the States in which Federal land is located.

For example, on the Teapot Dome National Petroleum Reserve, the Federal Government shares 50 percent of its net royalty income with the State of Wyoming. If the Federal royalties are subject to the windfall profit tax, the net amount to the Federal royalty income will be reduced and, consequently, State revenues will be reduced.

Under the House bill, Federal royalty oil was subject to the windfall profit tax. On the Senate floor, however, Senator Long added an amendment to H.R. 3919 which exempted all oil production owned by the Federal Government. At the time, Senator Long stated that this exemption involved only a bookkeeping change; it would reduce total windfall profit tax receipts, but it would increase Federal royalty receipts by the same amount.

Senator Long asserted, and I am certain asserted in good faith, that this exemption would involve no revenue loss, since it was merely shifting Federal money from one pocket to another.

As I indicated earlier, and as Senator Long has indicated in his remarks of March 20, when the bill was in conference, he learned that he had been in error in stating that the exemption for Federal royalty oil involved no revenue impact. To avoid any appearance that he had tried to gain an unfair advantage for the States, Senator Long moved that the Senate recede to the House bill on this point.

Senator Long's motion was accepted, as I understand it, without any lengthy discussion. And, accordingly, under the conference report, Federal royalty oil is subject to the windfall profit tax and the amount of revenue the States will receive from this source will be reduced accordingly.

The Joint Committee on Taxation, in a preliminary estimate, as I understand it, has suggested that the taxation of onshore Federal royalties will reduce the State income by approximately $2 billion from 1980 to 1990.

In fiscal year 1980 the States' loss is estimated to be $30 million; in 1981, $90 million; in 1982, $121 million; in 1985, $178 million; and in 1990, $320 million.

Mr. President, we have been trying to see whether these numbers are accurate, what the actual revenue loss is in total, and on a State-by-State basis. We are still trying to do that. This is clearly one of those areas of the bill that nobody fully understands. It is not the only one where we do not understand the total impact on the States, the country, and the consumer, but it is an important one.

If the States truly are going to lose revenue at the level that has been indicated by our preliminary information from the U.S. Geological Survey, then some of our States, including that of the distinguished occupant of the chair, are going to have to re-think some of their budgetary considerations for the future.

So that we can further discuss this issue next week with the distinguished Senator from Louisiana and others who are interested or concerned, I will ask at this point four questions which I hope they and their staffs will have a chance to study over the weekend and maybe on Monday, and then we can begin to study the issue here in debate as it should have been during the original consideration of the Senate bill.

The first question is:

What is the basis for the $2 billion estimate for revenue lost to the States as a result of the decision to tax Federal oil royalties?

I think it is important that that basis be as defined and in as much detail as possible, and with some indication of what the indirect effects are so that the aggregate revenue effort, both static and dynamic, on the Federal Treasury can be analyzed.

How will that $2 billion loss, if it is indeed an accurate figure, be distributed among the States affected, based both on historical data and on the projection through the effective period of the windfall tax?

Does not this particular provision discriminate against those States which have significant Federal landholdings within their boundaries?

If the royalties in question were directly owned by the States concerned, they would be exempt from taxation under the conference report. Clearly, Mr. President, this does imply a discrimination between those States which entered the Union without major Federal land being withheld and those which entered the Union with great amounts of Federal land withheld from State ownership.

If there is nothing that can be done to address this issue short of defeating the conference report, would the Finance Committee agree to consider promptly legislation to correct this inequity and to hold hearings in order to better define what the impact of the issue is and what that legislation should be?

Mr. President, I think it is important that we focus on this particular issue, as well as many others that I and my colleagues have raised connected with the windfall tax, because, if nothing else, Mr. President, you, I, and others, are going to have to explain this mess to our constituents. Frankly, in spite of my study of the issue, I am not yet fully prepared to explain what in the world we have done to them. Maybe it will only take time for them to realize the true impact of this piece of legislation.

Finally, Mr. President, a recent article by Frank Burke, Jr., of the accounting firm of Peat, Marwick, Mitchell & Co., raised some points that, to my knowledge, have not been focussed on as yet in this debate. For example, I will quote one paragraph. First, I will ask that the entire article be printed in the Record at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. SCHMITT. In one paragraph it states:

> Many commentators have correctly observed that the tax is not being imposed on profits resulting from decontrol of crude oil prices, but rather is being imposed upon the removal of crude oil from the reservoir and measured by a portion of the actual or constructive gross receipts resulting from crude oil decontrol. Little attention has been given, however, to the facts that: (1) crude oil reserves or the rights thereto are vested property rights; (2) the WPT is assessed on the act of removal of crude oil from the reservoir, not upon the sale or use of such crude oil; (3) the WPT does not apply uniformally to crude oil throughout the United States, but rather treats certain crude oil differently based upon geographic location (i.e., certain Alaskan crude oil is not taxed because of geographic location); (4) the WPT will now presumably be retroactive as to removals occurring from March 1, 1980 to the date the tax becomes law; and (5) the increased value of crude oil removed from the reservoir represents the value determined by our free market system, not an artificial or falsely inflated value.

The article goes on to talk about these property right related issues in considerable detail. I suggest that my colleagues take the time to read it.

One particularly important paragraph in which I believe our colleagues will be interested is as follows:

> Unfortunately, much of the impetus for the WPT is the general public's view that the increased gross revenues automatically create excess profits which should bear more than the ordinary tax burden. Perhaps this attitude would be corrected and the general public's focus on vested property rights would be sharpened if Congress placed a so-called excise tax on a specified portion of the appreciation above original cost of personal residences to fund a national mortgage interest program which would allow low-income families to receive favorable mortgage interest rates on new homes. Would such a tax be Constitutional?

I think Mr. Burke asks some important questions and it is certainly our responsibility to make sure that we are not creating law that subsequently will cause more confusion as it is tested in the courts based upon its constitutionality.

It might also be important next week for the various members of the Finance Committee who are supporting this measure, and others, to look at the constitutional questions raised by Mr. Burke and be prepared to at least explain to this Senator and others why they believe they are not valid issues.

EXHIBIT 1

THE WINDFALL PROFITS TAX—THE POWER OF TAXATION OR THE TAKING OF PROPERTY?

(By Frank Burke, Jr.)

(EDITOR'S NOTE.—The following article is an analysis of some of the Constitutional questions raised by the Windfall Profits Tax, as passed by the House-Senate conferees in February. When and if the excise tax becomes law, Frank Burke, of Peat, Marwick, Mitchell & Co., will present a detailed analysis of the provisions of the tax measure in "The American Oil & Gas Reporter.")

WASHINGTON, D.C.—After a tattered political history, beginning in 1973 when first proposed by the Nixon administration, the so-called Windfall Profits Tax (WPT) on crude oil was agreed upon by the Conference Committee on February 26, 1980 and presumably will be signed into law by President Carter.

Despite the fact that the complexities of the WPT will make administration and enforcement chaotic for both producers and government, Congress has created the WPT to raise revenues for certain federal programs, including support for low income families, and possibly a Social Security system, and a general income tax reduction. Incredible as it may seem, only a rather insignificant part of the tax revenues will be utilized to assist in solving our country's energy problems. (The bill passed by House-Senate conferees calls for 60 percent, or $136 billion, to be earmarked for income tax reductions, and 25 percent, or $57 billion, would be reimbursed to lower income Americans for higher fuel bills. Only 15 percent, or $34 billion, would finance development of unconventional energy sources.)

Many commentators have correctly observed that the tax is not being imposed on profits resulting from decontrol of crude oil prices, but rather is being imposed upon the removal of crude oil from the reservoir and measured by a portion of the actual or constructive gross receipts resulting from crude oil decontrol. Little attention has been given, however, to the facts that: (1) crude oil reserves or the rights thereto are vested property rights; (2) the WPT is assessed on the act of removal of crude oil from the reservoir, not upon the sale or use of such crude oil; (3) the WPT does not apply uniformly to crude oil throughout the United States, but rather treats certain crude oil differently based upon geographic location (i.e., certain Alaskan crude oil is not taxed because of geographic location); (4) the WPT will now presumably be retroactive as to removals occurring from March 1, 1980 to the date the tax becomes law; and (5) the increased value of crude oil removed from the reservoir represents the value determined by our free market system, not an artificial or falsely inflated value. These facts require that the oil industry and the legal profession carefully examine the WPT from a Constitutional viewpoint, recognizing in the process that taxpayers have been notably unsuccessful in challenging tax statutes on a Constitutional basis. Some general questions regarding the WPT are raised in the following paragraphs which highlight the need for immediate legal analysis of the Constitutionality of the WPT.

The WPT is specifically identified as an "excise" tax in the statute. Such a tax is generally defined as a tax on a privilege, including the privilege of selling or using property. The only stated Constitutional requirement for an excise tax is that it be geographically uniform. On the other hand, if a tax is a direct tax, it must be apportioned based upon population or must qualify as an income tax under the Sixteenth Amendment.

The WPT does not appear to be an excise tax on a privilege such as selling or using crude oil since it is imposed on the removal of crude oil, not upon the privilege of selling or using such crude oil. The actual or constructive selling price merely provides a measure of the tax imposed on removal. Since lifting and removal of crude oil are not privileges readily separable from the ownership of crude oil reserves and, in fact, are in many cases merely fulfillment of previously existing legal obligations and relationships, there seems to be little basis for classifying the WPT as an excise tax. Further, since crude oil may be subject to the WPT or not subject to the WPT depending upon geographical location, the WPT appears not to be geographically uniform. If the foregoing observations are valid, could a court find the WPT to be a Constitutional excise tax?

If a court found the WPT to be a valid excise tax, the question of retroactivity would have to be considered before the Constitutionality of the tax could be finally ascertained. As indicated above, an excise tax is a tax on a privilege. If a tax is imposed by Congress after a privilege is exercised, such a tax appears to be a demand against the property resulting from exercise of the privilege and hence a direct tax. Assuming for the moment that removal is a privilege rather than a property right or a legal obligation, a tax imposed on the removals—which occur between March 1 (assuming that is the effective date of the WPT) and the date the WPT becomes law—would appear to be a tax on the property resulting from the exercise of the privilege, not a tax on the exercise of the privilege itself. How would a court treat retroactivity of the WPT from a Constitutional standpoint?

A more proper classification of the WPT may be as a tax on the vested property rights represented by crude oil reserves measured at the time of removal. As such, it would be a tax on the ownership of crude oil reserves and should be tested under the Constitution as a direct tax. Since the WPT is not apportioned based upon population, it does not appear to be a direct tax unless it qualifies under the Sixteenth Amendment. Since the WPT is measured by gross receipts, not by taxable or net income as presumably required by the Sixteenth Amendment, and since Congress, by definition, did not intend it to be an income tax, the WPT does not appear to qualify under the Sixteenth Amendment. As asked above regarding its status as an excise tax, could a court find the WPT to be a Constitutional direct tax if the foregoing observations are valid?

If the WPT does not qualify as either an excise tax or a direct tax under the Constitution, one might inquire as to whether the WPT actually constitutes a taking of part of the value of vested property rights as measured by the free market for the benefit of the federal government. Certainly, the tax has the appearance of a royalty interest created by Congress out of existing private oil reserves in favor of the federal government. However, the Fifth Amendment of the Constitution provides that private property may not be taken by the federal government without just compensation. Obviously, no compensation has been paid the oil industry for creation of the WPT. Accordingly, does the Fifth Amendment provide any relief from the WPT?

Based upon a literal reading of the Fifth Amendment, one might conclude that the taking of part of the presently accrued free market value of crude oil by what may be an invalid tax is a taking of property subject to the requirements of such provision.

However, before making such an observation it is necessary to briefly review the attitude of the courts toward the impact of the Fifth Amendment on the taxing power. The Supreme Court has indicated that the Fifth Amendment does not limit the taxing power except in rare and special instances. On the other hand, the court has indicated that what appears to be an exericse of the taxing power may, in reality, constitute confiscation of property without due process of law under the Fifth Amendment. Hence, there appears to be at least an implied limitation on the taxing power which prevents arbitrary and grossly unjust exactions contrary to the principles of the Fifth Amendment. Would a court apply such implied limitations to the WPT?

In reviewing the WPT, a court might be justified in allowing a questionable extension of the taxing power in a case where a person is realizing artificial or falsely inflated prices and profits. However, allowing a free market price for crude oil does not create the same need for a "windfall profit tax" mechanism as did the Silver Act of 1934 in which Congress mandated that the price of silver be raised to $1.29 per ounce at a time when the market price was considerably less than that amount. "A "windfall profit-tax" of 50 percent of the profits realized from speculating in silver was included in that legislation. Of current interest is the fact that such tax was carefully designed to avoid Constitutional taking of property problems. No similar precaution appears to have been taken by the administration or Congress with respect to the WPT. Should such presentation have been taken in designing the WPT?

Unfortunately, much of the impetus for the WPT is the general public's view that the increased gross revenues automatically create excess profits which should bear more than the ordinary tax burden. Perhaps this attitude would be corrected and the general public's focus on vested property rights would be sharpened if Congress placed a so-called excise tax on a specified portion of the appreciation above original cost of personal residences to fund a national mortgage interest program which would allow low-income families to receive favorable mortgage interest rates on new homes. Would such a tax be Constitutional?

Without question the power of the federal government to raise taxes is, and of right should be, broad. Our government should, however, have the capability of supporting itself and its programs without having to exact the vested free market value of private property through means other than the income tax allowed by the Sixteenth Amendment. Certainly the fact that additional taxable income resulting from the increased revenues from decontrol is already subject to income taxation (as is taxable income from the realization of other vested property rights) should be a significant enough penalty to the realization of the free market value of crude oil. If not, a special income tax on unreinvested cash flow resulting from decontrol might be appropriate.

If the WPT becomes law, it is hoped that the oil industry and the legal profession will pursue these questions and the other Constitutional impediments which may exist in the WPT legislation realizing, as stated earlier, that taxpayer successes are few in Constitutional matters. Such activity might, at a minimum, have the remedial effect of protecting the rights of other property owners in the United States in the years to come. It must be established that no "windfall" results from the mere realization by a property owner of the value of his vested property rights where outside influences, such as inflation and the free market, have resulted in increased values. If one examines the WPT legislation unemotionally, it becomes clear that the only "windfall" involved is the proliferation of government jobs and costs necessary to administer and enforce this unwieldy legislation. Hopefully, our Constitution will protect us not only from expansion of the bureaucracy, but also from this unfortunate attempt to expand the taxing power.

Mr. SCHMITT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. HUDDLESTON). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SCHMITT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPOINTMENT BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, pursuant to Executive Order No. 12195, signed by the President on February 22, 1980, appoints the Senator from California (Mr. HAYAKAWA) to be a member of the President's Commission on United States-Liberian Relations.

Mr. SCHMITT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER THAT THE BANKING COMMITTEE MAY HAVE UNTIL MIDNIGHT TONIGHT TO FILE A REPORT ON H.R. 4986

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Banking Committee have permission to file a conference report until midnight tonight on H.R. 4986.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR PROXMIRE ON MONDAY, MARCH 24, 1980

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the recognition of Mr. PROXMIRE for not to exceed 15 minutes on Tuesday, March 25, be vitiated, and that the order be converted to Monday, March 24, immediately after the standing orders for the recognition of the two leaders or their designees.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CERTAIN ACTION TO BE TAKEN

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Senators may introduce statements and bills and resolutions in the RECORD until 6 p.m. today.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I make the same request for committees to file reports and conference reports.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS TO MONDAY, MARCH 24, 1980

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until the hour of 12 o'clock noon on Monday next.

The motion was agreed to; and at 4:22 p.m., the Senate recessed until Monday, March 24, 1980, at 12 noon.

NOMINATIONS

Executive nominations received by the Senate March 21, 1980:

DEPARTMENT OF EDUCATION

Steven A. Minter, of Ohio, to be Under Secretary of Education (new position).

FEDERAL RESERVE SYSTEM

Lyle Elden Gramley, of Missouri, to be a Member of the Board of Governors of the Federal Reserve System for a term of 14 years from February 1, 1980, vice Philip Edward Coldwell, term expired.

WITHDRAWALS

Executive nomination withdrawn from the Senate March 21, 1980:

Lyle Elden Gramley, of Kansas, to be a Member of the Board of Governors of the Federal Reserve System for a term of 14 years from February 1, 1980, vice Philip Edward Coldwell, term expired, which was sent to the Senate on March 18, 1980.

HOUSE OF REPRESENTATIVES—*Monday, March 24, 1980*

The House met at 12 o'clock noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Out of the concerns of our hearts and the depths of our souls, we reach out to you, O God, to lift us from any despair or sadness that may cloud the human spirit. May we learn to see the burdens of life in the light of Your countenance and Your eternal promises, that we may stand as witnesses assured of Your presence and pardon in our daily lives.

O Lord of Heaven and Earth, whose power has created each one of us and whose love will never let us go, encourage our spirits and sustain our faith, that we may better serve You and those committed to our care. In Your name we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H.J. Res. 463. Joint resolution designating the week of October 5 through October 11, 1980, as "National Diabetes Week."

The message also announced that the Senate had passed with amendments, in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 126. An act to permit the National Park Service to accept privately donated funds and to expend such funds on property on the National Register of Historic Places; and

H.R. 3979. An act to repeal and amend certain laws regulating trade between Indians and certain Federal employees.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 1125) entitled "An act to improve and expand the Federal crop insurance program, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. Talmadge, Mr. McGovern, Mr. Huddleston, Mr. Stone, Mr. Zorinsky, Mr. Helms, Mr. Lugar, and Mr. Cochran to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendment to the bill (H.R. 10) entitled "An act to authorize actions for redress in cases involving deprivations of rights of institutionalized persons secured or protected by the Constitution or laws of the United States," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. Bayh, Mr. Metzenbaum, Mr. DeConcini, Mr. Heflin, Mr. Hatch, Mr. Thurmond, and Mr. Cochran to be the conferees on the part of the Senate.

The message also announced that the Senate had passed bills and a joint resolution of the following titles, in which the concurrence of the House is requested:

S. 162. An act for the relief of T. Sgt. Herman F. Baca, U.S. Air Force;

S. 551. An act for the relief of Fred W. Sloat of Salt Lake City, Utah;

S. 1187. An act to amend title 28 of the United States Code with regard to the appointment and compensation of counsel for jurors claiming a violation by their employers of certain rights guaranteed by such title;

S. 2055. An act to establish a reservation for the Confederated Tribes of Siletz Indians of Oregon;

S. 2446. An act to amend the patent laws, title 35 of the United States Code; and

S.J. Res. 146. Joint resolution designating the week of May 11 through May 17, 1980, as "National Small Business Week."

APPOINTMENT AS MEMBERS OF U.S. GROUP OF NORTH ATLANTIC ASSEMBLY MEETING IN LUXEMBOURG

The SPEAKER. Pursuant to the provisions of section 1, Public Law 689, 84th Congress, as amended, the Chair appoints as members of the U.S. Group of the North Atlantic Assembly Meeting held in Luxembourg, June 6 to 8, 1980, the following Members on the part of the House:

Mr. Phillip Burton of California, chairman;

Mr. Hamilton of Indiana, vice chairman;

Mr. Brooks of Texas;

Mr. Annunzio of Illinois;

Mr. Rose of North Carolina;

Mr. Ireland of Florida;

Ms. Oakar of Ohio;

Mr. Garcia of New York;

Mr. Bob Wilson of California;

Mr. Broomfield of Michigan;

Mr. Findley of Illinois; and

Mr. Whitehurst of Virginia.

ANTIREGISTRATION PROTESTORS DO NOT REPRESENT VIEWS OF MAJORITY OF AMERICANS

(Mr. MONTGOMERY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MONTGOMERY. Mr. Speaker, the antiregistration protestors here Saturday, thank goodness, do not represent the views of the great majority of Americans on peacetime registration.

An AP–NBC poll, reported in the New York Times in February, showed 78 percent of the participants favored registration; 75 percent of the Americans aged 18 to 24 responding in a Newsweek poll favored draft registration; 79 percent of those participating in an ABC-Harris survey approved the President's registration plan.

Surveys taken at Purdue University, Penn State University, the University of Kansas, and Ohio State University indicate that a majority of their student bodies favor registration.

These results clearly indicate that the American public feels that our military preparedness needs upgrading and that peacetime registration is a step in the right direction.

SWEDISH NUCLEAR POWER REFERENDUM DESERVES EXAMINATION

(Mr. WEAVER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEAVER. Mr. Speaker, the referendum in Sweden yesterday on nuclear power deserves examination. First, all three choices given the voters required phasing out nuclear power. There was no ballot choice for unlimited nuclear development.

The nuclear industry sponsored choice provided building six more plants in addition to the existing six plants and then phasing out all nuclear after the lifetime of the plants, but with provisos which could allow further development. This choice received 19 percent of the vote.

The Socialist Party, which governed Sweden for 44 years until it fell several years ago, backed a second choice, similar to the first, except there were no provisos. Nuclear power would be phased out after 25 years. This choice received 39 percent of the vote.

The third choice was proposed by those, including the present Prime Minister, Thorbjorn Falldin, who wanted to build no more plants and to dismantle existing plants within 10 years. This choice received about the same number of votes as did the second choice, 39 percent.

We can all draw our own conclusions from these facts. Given that only 19 percent of the Swedish voters endorsed the nuclear industry choice, and that choice included phasing out nuclear, it would seem clear that a full vote of confidence

☐ This symbol represents the time of day during the House Proceedings, e.g., ☐ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

in nuclear power would have received very little support.

On the other hand, 39 percent of the voters supported doing away with nuclear power entirely. Certainly a majority of Swedish voters did endorse some use of nuclear power for the near future, with a 58-percent vote for the first two long-term, phaseout choices which did include building a limited number of new plants.

My own conclusion is that nuclear power is dying a slow, well-deserved death, and when the many alternatives for energy are available, which will be soon at substantially lesser costs, nuclear will be interred. Unfortunately, the more reliance on nuclear today, the more costly to the public will be that funeral.

THE CHOICE BEFORE THE HOUSE: THE BINGHAM SUBSTITUTE BEEFING UP THE COMMERCE COMMITTEE, OR THE RECOMMITAL MOTION, WITH BIPARTISAN BACKING, CREATING AN EFFECTIVE STANDING COMMITTEE ON ENERGY

(Mr. CLEVELAND asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CLEVELAND. Mr. Speaker, tomorrow the House will face a clear-cut choice between two alternatives regarding committee jurisdiction over energy policy. The Bingham substitute for House Resolution 549, which will probably be the subject of the first vote in the Committee of the Whole, would substantially broaden energy jurisdiction of an already seriously overworked Interstate and Foreign Commerce Committee.

The recommital motion which I shall offer, and which the distinguished gentleman from California (Mr. PATTERSON) now supports, has broad bipartisan support, including that of a bipartisan majority of the Select Committee on Committees. It would consolidate major aspects of energy jurisdiction in a standing committee on energy, and for the first time make a single committee accountable for coordinating energy policy in a rational and coherent way.

The choice can be restated in simpler terms: Preservation of the status quo in a way that compounds the present deficiencies of the committee system, or a creative response to the energy crisis which will enable House committees to address the energy problem effectively and expeditiously.

Adoption of the Bingham substitute, Mr. Speaker, will tell the American people that protecting committee turf is a higher priority in the House than improving energy policy.

Approval of the recommital motion will tell the American people that the House can respond to crisis, that we have the competence and the concern to correct our deficiencies and organize ourselves effectively.

Mr. Speaker, later today in a special order I will set forth in greater detail reasons in support of the recommital motion.

THIRTY-FIFTH ANNIVERSARY OF BATTLE OF IWO JIMA

(Mr. BADHAM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BADHAM. Mr. Speaker, I am introducing today a joint resolution which would designate the joint reunion of American and Japanese veterans on the island of Iwo Jima on June 11, 1980, as a national historic event. I am introducing this resolution at the same time it is being introduced on the Senate side by Senator HAYAKAWA, of California.

This would call attention to the fact that 35 years ago this June the battle for Iwo Jima was joined, and now, after 35 years, the participants who are still alive and remaining from those battles on Iwo Jima will meet on that site as friends, and now as allies.

I think it is fitting that this historic occasion should be noted by the United States of America, as it is being noted by the Japanese. I would encourage all my colleagues to sponsor this resolution.

□ 1210

THE LATE HONORABLE GEORGE H. FALLON OF MARYLAND

(Mr. LONG of Maryland asked and was given permission to address the House for 1 minute.)

Mr. LONG of Maryland. Mr. Speaker, it is my sad duty to advise the House of the death Friday, March 21, of former Representative George H. Fallon, who served 13 terms from 1944 through 1971—as Congressman from Maryland's Fourth Congressional District.

During much of my early terms in the House, he was dean of the delegate.

George Fallon was a genuine man, friendly and well liked. He came to Congress from the grassroots—the ninth ward of north and northeast Baltimore, the Democratic State Central Committee, city council, Baltimore's political clubs and associations. He built a record as a commonsense Representative in Congress.

As chairman of the Public Works Committee, he was nationally known for his sponsorship of the Fallon Act, under which the Federal Government embarked on a massive roads construction project.

George lived a full life to the age of 77. We are warmed by the memory of his friendship and concern for others.

Our sympathy goes to his widow, Willa Fallon; his daughter, Joyce O'Connor; a brother, Lawrence Fallon; a sister, Regina Fallon; and to his four grandchildren.

Services will be held at 10 a.m., Tuesday, March 25, at the Sts. Phillip and James Church in Baltimore.

ONE OUT OF EVERY 10 AMERICANS ON FOOD STAMPS

(Mr. RUDD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RUDD. Mr. Speaker, at the last meeting of the Committee on the Budget, held last Thursday evening, I was personally disappointed at the negative reaction to some 12 amendments that I proposed to reform the overlenient eligibility requirements of the nearly $10 billion food stamp program.

The food stamp program now has 20.2 million people as recipients. The figure for payout on this is approaching $10 billion.

It is inconceivable to me that 1 out of every 10 Americans in the United States is a recipient under the food stamp program. This means that 1 out of every 10 Americans cannot provide their minimum nutritional requirements without the taxpayers paying the food bills.

Mr. Speaker, we cannot accept this premise, which is the position taken by those who will not support responsible, needed reforms in order to limit food stamps to only the truly needy and deserving in our society.

CONFERENCE REPORT ON S. 2222, EXTENDING TIME FOR INDIAN CLAIMS

Mr. DANIELSON submitted the following conference report and statement on the Senate bill (S. 2222) to extend the time for commencing actions on behalf of an Indian tribe, band, or group, or on behalf of an individual Indian whose land is held in trust or restricted status:

CONFERENCE REPORT (H. REPT No. 96-843)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2222) to extend the time for commencing actions on behalf of an Indian tribe, band, or group, or on behalf of an individual Indian whose land is held in trust or restricted status, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

That (a) the third proviso in section 2415 (a) of title 28, United States Code, is amended by striking out "after April 1, 1980" and inserting in lieu thereof "after December 31, 1982".

(b) The proviso in section 2415(b) of title 28, United States Code, is amended by striking out "on or before April 1, 1980" and inserting in lieu thereof "on or before December 31, 1982".

SEC. 2. Not later than June 30, 1981, the Secretary of the Interior, after consultation with the Attorney General, shall submit to the Congress legislative proposals to resolve those Indian claims subject to the amendments made by the first section of this Act that the Secretary of the Interior or the Attorney General believes are not appropriate to resolve by litigation.

And the House agree to the same.

George Danielson,
R. L. Mazzoli,
William J. Hughes,
Herbert E. Harris,
Michael D. Barnes,
Dan Glickman,
Mike Synar,
Carlos J. Moorhead,
Robert McClory,
Thomas N. Kindness,
Managers on the Part of the House.
John Melcher,
Dennis DeConcini,
Daniel K. Inouye,
M. Hatfield,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers of the part of the House and the Senate at the Conference on the disagreeing votes of the two Houses on the amendment of the House to the bill S. 2222, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying Conference Report:

The House amendment to the text of the bill struck out all of the Senate bill after the enacting clause and inserted a substitute text.

The Senate recedes from its disagreement to the amendment of the House with an amendment. The House amendment differs from the Senate bill in two ways. First, the House extended the date of the statute of limitations applicable to contract and tort actions for money damages which accrued prior to July 18, 1966 and are asserted by the United States on behalf of Indians (28 U.S.C. 2415) to April 1, 1982. The Senate bill extended the statute until December 31, 1984. The Conference Report fixes the new date for the expiration of that statute of limitations at December 31, 1982. The Conferees agreed on this date as it is one that will fairly allow the relevant government agencies time in which to process the Indian claims, but still protect the rights of Indians and landowners as well who will be affected by this legislation.

The Conferees noted that this statute of limitations (28 U.S.C. 2415) bars the United States from bringing an action on behalf of an Indian tribe, band or group for money damages arising from tort or contract where the cause of action accrued prior to July 18, 1966. The Conferees acknowledged that there is a split of opinion on the question as to whether it will bar an Indian tribe, band, or group from bringing such an action on their own behalf.

Among the problems described to both the Senate and House committees are those in which there are conflicting surveys which make it difficult to determine land ownership at this time. The conferees recognized that under existing law, the United States is not barred from bringing an action on behalf of an Indian tribe, band or group when facts material to the right of action are not known and reasonably could not be known by an official of the United States charged with the responsibility to act in those circumstances. Thus, it was noted that the statute of limitations described in section 2415 would be tolled in situations where facts material to the right of action were unknown to the United States and impossible to ascertain.

The second difference between the Senate bill and the House amendment thereto is that section two of the Senate bill was struck and new language was inserted in its place by the House amendment. The Senate language would have required that the Secretary of the Interior identify all potential claims and publish them in the Federal Register by December 31, 1981. The language of the House amendment requires a report to be submitted to the Congress by the Secretary of the Interior, after consultation with the Attorney General, by June 30, 1981, which details legislative proposals to resolve those Indian claims that they feel are not appropriate to resolve by litigation. The Conference Report adopts the language of the House amendment. This language was agreed to by the Conferees to ensure that these claims are expeditiously and equitably resolved.

George Danielson,
R. L. Mazzoli,
William J. Hughes,
Herbert E. Harris,
Michael D. Barnes,
Dan Glickman,
Mike Synar,
Carlos J. Moorhead,
Robert McClory,
Thomas N. Kindness,
Managers on the Part of the House.
John Melcher,
Dennis DeConcini,
Daniel K. Inouye,
M. Hatfield,
Managers on the Part of the Senate.

REPORT ON RESOLUTION AUTHORIZING INVESTIGATION AND INQUIRY BY COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 96–844) on the resolution (H. Res. 608) authorizing an investigation and inquiry by the Committee on Standards of Official Conduct, which was referred to the House Calendar and ordered to be printed.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

Washington, D.C.,
March 24, 1980.

Hon. Thomas P. O'Neill, Jr.,
The Speaker, House of Representatives,
Washington, D.C.

Dear Mr. Speaker: I have the honor to transmit herewith a sealed envelope from the White House received in the Clerk's Office at 4:12 p.m. on Friday, March 21, 1980, and said to contain a message from the President wherein he transmits the fourth annual report of the Nuclear Regulatory Commission covering fiscal year 1978.

With kind regards, I am,
Sincerely,
Edmund L. Henshaw, Jr.,
Clerk, House of Representatives.
By W. Raymond Colley,
Deputy Clerk.

FOURTH ANNUAL REPORT OF THE U.S. NUCLEAR REGULATORY COMMISSION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Interstate and Foreign Commerce, the Committee on Interior and Insular Affairs, and the Committee on Ways and Means.

(For message, see proceedings of the Senate of Friday, March 21, 1980. page 6170.)

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Pursuant to the provisions of clause 3(b) of rule XXVII, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

After all motions to suspend the rules have been entertained and debated and after those motions, to be determined by "nonrecord" votes have been disposed of, the Chair will then put the question on each motion on which the further proceedings were postponed.

BANKRUPTCY TAX ACT OF 1980

Mr. ROSTENKOWSKI. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5043), to amend the Internal Revenue Code of 1954 to provide for the tax treatment of bankruptcy, insolvency, and similar proceedings, and for other purposes, as amended.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE: TABLE OF CONTENTS, AMENDMENT OF 1964 CODE

(a) Short Title.—This Act may be cited as the "Bankruptcy Tax Act of 1980".

(b) Table of Contents.—

Sec. 1. Short title; table of contents; amendment of 1954 Code.
Sec. 2. Tax treatment of discharge of indebtedness.
Sec. 3. Rules to title 11 cases for individuals.
Sec. 4. Corporate reorganization provisions.
Sec. 5. Miscellaneous corporate amendments.
Sec. 6. Changes in tax procedures.
Sec. 7. Effective dates.

(c) Amendment of 1954 Code.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1954.

SEC. 2. TAX TREATMENT OF DISCHARGE OF INDEBTEDNESS

(a) Amendment of Section 108.—Section

108 (relating to discharge of indebtedness) is amended to read as follows:

"SEC. 108. INCOME FROM DISCHARGE OF INDEBTEDNESS.

"(a) Exclusion From Gross Income.—

"(1) In General.—Gross income does not include any amount which (but for this subsection) would be includible in gross income by reason of the discharge (in whole or in part) of indebtedness of the taxpayer if—

"(A) the discharge occurs in a title 11 case,

"(B) the discharge occurs when the taxpayer is insolvent, or

"(C) the indebtedness discharged is qualified business indebtedness.

"(2) Coordination of exclusions.—

"(A) Title 11 exclusion takes precedence.—Subparagraphs (B) and (C) of paragraph (1) shall not apply to a discharge which occurs in a title 11 case.

"(B) Insolvency exclusion takes precedence over qualified business exclusion.—Subparagraph (C) of paragraph (1) shall not apply to a discharge to the extent that the taxpayer is insolvent.

"(3) Insolvency exclusion limited to amount of insolvency.—In the case of a discharge to which paragraph (1)(B) applies, the amount excluded under paragraph (1)(B) shall not exceed the amount by which the taxpayer is insolvent.

"(b) Reduction of Tax Attributes in Title 11 Case or Insolvency.—

"(1) In general.—The amount excluded from gross income under subparagraph (A) or (B) of subsection (a)(1) shall be applied to reduce the tax attributes of the taxpayer as provided in paragraph (2).

"(2) Tax attributes affected; order of reduction.—Except as provided in paragraph (5), the reduction referred to in paragraph (1) shall be made in the following tax attributes in the following order:

"(A) NOL.—Any net operating loss for the taxable year of the discharge, and any net operating loss carryover to such taxable year.

"(B) Certain credit carryovers.—Any carryover to or from the taxable year of the discharge of an amount for purposes of determining the amount of a credit allowable under—

"(i) section 38 (relating to investment in certain depreciable property),

"(ii) section 40 (relating to expenses of work incentve programs),

"(iii) section 44B (relating to credit for employment of certain new employees), or

"(iv) section 44E (relating to alcohol used as a fuel).

For purposes of clause (i), there shall not be taken into account any portion of a carryover which is attributable to the employee plan credit (within the meaning of section 48(o)(3)).

"(C) Capital loss carryovers.—Any net capital loss for the taxable year of the discharge, and any capital loss carryover to such taxable year under section 1212.

"(D) Basis reduction.—

"(i) In general.—The basis of the property of the taxpayer.

"(ii) Cross reference.—

"For provisions for making the reduction described in clause (i), see section 1017.

"(3) Amount of reduction.—

"(A) In general.—Except as provided in subparagraph (B), the reductions described in paragraph (2) shall be one dollar for each dollar excluded by subsection (a).

"(B) Credit carryover reduction.—The reductions described in paragraph (2)(B) shall be 50 cents for each dollar excluded by subsection (a).

"(4) Ordering rules.—

"(A) Reductions made after determination of tax for year.—The reductions described in paragraph (2) shall be made after the determination of the tax imposed by this chapter for the taxable year of the discharge.

"(B) Reductions under subparagraph (A) or (C) of paragraph (2).—The reductions described in subparagraph (A) or (C) of paragraph (2) (as the case may be) shall be made first in the loss for the taxable year of the discharge and then in the carryovers to such taxable year in the order of the taxable years from which each such carryover arose.

"(C) Reductions under subparagraph (B) of paragraph (2).—The reductions described in subparagraph (B) of paragraph (2) shall be made in the order in which carryovers are taken into account under this chapter for the taxable year of the discharge.

"(5) Election to apply reduction first against depreciable property.—

"(A) In general.—The taxpayer may elect to apply any portion of the reduction referred to in paragraph (1) to the reduction under section 1017 of the basis of the depreciable property of the taxpayer.

(B) Limitation.—The amount to which an election under subparagraph (A) applies shall not exceed the aggregate adjusted bases of the depreciable property held by the taxpayer as of the beginning of the taxable year following the taxable year in which the discharge occurs.

"(C) Other tax attributes not reduced.—Paragraph (2) shall not apply to any amount to which an election under this paragraph applies.

"(c) Tax Treatment of Discharge of Qualified Business Indebtedness.—In the case of a discharge of qualified business indebtedness—

"(1) Basis reduction.—

"(A) In general.—The amount excluded from gross income under subparagraph (C) of subsection (a)(1) shall be applied to reduce the basis of depreciable property of the taxpayer.

"(B) Cross reference.—

"For provisions for making the reduction described in subparagraph (A), see section 1017.

"(2) Limitation.—The amount excluded under subparagraph (C) of subsection (a)(1) shall not exceed the aggregate adjusted bases of the depreciable property held by the taxpayer as of the beginning of the taxable year following the taxable year in which the discharge occurs (determined after any reductions under subsection (b)).

"(d) Meaning of Terms; Special Rules Relating to Subsection (a), (b), and (c).—

"(1) Indebtedness of taxpayer.—For purposes of this section, the term 'indebtedness of the taxpayer' means any indebtedness—

"(A) for which the taxpayer is liable, or

"(B) subject to which the taxpayer holds property.

"(2) Title 11 case.—For purposes of this section, the term 'title 11 case' means a case under title 11 of the United States Code (relating to bankruptcy), but only if the taxpayer is under the jurisdiction of the court in such case and the discharge of indebtedness is granted by the court or is pursuant to a plan approved by the court.

"(3) Insolvent.—For purposes of this section, the term 'insolvent' means the excess of liabilities over the fair market value of assets. With respect to any discharge, whether or not the taxpayer is insolvent, and the amount by which the taxpayer is insolvent, shall be determined on the basis of the taxpayer's assets and liabilities immediately before the discharge.

"(4) Qualified business indebtedness.—Indebtedness of the taxpayer shall be treated as qualified business indebtedness if (and only if)—

"(A) the indebtedness was incurred or assumed—

"(i) by a corporation, or

"(ii) by an individual in connection with property used in his trade or business, and

"(B) such taxpayer makes an election under this paragraph with respect to such indebtedness.

"(5) Subsections (a), (b), and (c) to be applied at partner level.—In the case of a partnership, subsections (a), (b), and (c) shall be applied at the partner level.

"(6) Reductions of tax attributes in title 11 cases of individuals to be made by estate.—In any case under chapter 7 or 11 of title 11 of the United States Code to which section 1398 applies, for purposes of paragraphs (1) and (5) of subsection (b) the estate (and not the individual) shall be treated as the taxpayer. The preceding sentence shall not apply for purposes of applying section 1017 to property transferred by the estate to the individual.

"(7) Time for making election, etc.—

"(A) Time.—An election under paragraph (4) of this subsection or under paragraph (5) of subsection (b) shall be made on the taxpayer's return for the taxable year in which the discharge occurs or at such other time as may be permitted in regulations prescribed by the Secretary.

"(B) Revocation only with consent.—An election referred to in subparagraph (A), once made, may be revoked only with the consent of the Secretary.

"(C) Manner.—An election referred to in subparagraph (A) shall be made in such manner as the Secretary may by regulations prescribe.

"(8) Cross reference.—

"For provision that no reduction is to be made in the basis of exempt property of an individual debtor, see section 1017(c)(1).

"(e) General Rules for Discharge of Indebtedness (Including Discharges Not in Title 11 Cases or Insolvency).—For purposes of this title—

"(1) No other insolvency exception.—Except as otherwise provided in this section, there shall be no insolvency exception from the general rule that gross income includes income from the discharge of indebtedness.

"(2) Income not realized to extent of lost deductions.—No income shall be realized from the discharge of indebtedness to the extent that payment of the liability would have given rise to a deduction.

"(3) Adjustments for unamortized premium and discount.—The amount taken into account with respect to any discharge shall be properly adjusted for unamortized premium and unamortized discount with respect to the indebtedness discharged.

"(4) Acquisition of indebtedness by person related to debtor.—

"(A) Treated as acquisition by debtor.—For purposes of determining income of the debtor from discharge of indebtedness to the extent provided in regulations prescribed by the Secretary, the acquisition of outstanding indebtedness by a person bearing a relationship to the debtor specified in section 267(b) or 707(b)(1) from a person who does not bear such a relationship to the debtor shall be treated as the acquisition of such indebtedness by the debtor.

"(B) Members of family.—For purposes of this paragraph, sections 267(b) and 707(b)(1) shall be applied as if section 267(c)(4) provided that the family of an individual consists of the individual's spouse, the individual's children, grandchildren, and parents, and any spouse of the individual's children or grandchildren.

"(C) Entities under common control treated as related.—For purposes of this paragraph, two entities which are treated as a single employer under section 414(c) shall be treated as bearing a relationship to each other which is described in section 267(b).

"(5) Purchase-money debt reduction for solvent debtor treated as price reduction.—If—

"(A) the debt of a purchaser of property to the seller of such property which arose out of the purchase of such property is reduced,

"(B) such reduction does not occur—

"(i) in a title 11 case, or

"(ii) when the purchaser is insolvent, and

"(C) but for this paragraph, such reduction would be treated as income to the purchaser from the discharge of indebtedness, then such reduction shall be treated as a purchase price adjustment.

"(f) Indebtedness Satisfied by Equity Interest.—

"(1) Corporate rule.—For purposes of determining income of the debtor from discharge of indebtedness—

"(A) Stock-for-debt.—If a debtor corporation transfers its stock to a creditor in satisfaction of its indebtedness, such corporation shall be treated—

"(i) as not having transferred its stock, but

"(ii) as having satisfied the indebtedness with an amount of money equal to the fair market value of the stock.

"(B) Indebtedness contributed to capital.—If a debtor corporation acquires its indebtedness from a shareholder as a contribution to capital—

"(i) section 118 shall not apply, but

"(ii) such corporation shall be treated as having satisfied the indebtedness with an amount of money equal to the shareholder's adjusted basis in the indebtedness.

"(C) Exception for certain securities.—Subparagraph (A) shall not apply with respect to an evidence of indebtedness—

"(i) which had interest coupons or was in registered form on the later of—

"(I) the date on which issued in connection with the incurring of the indebtedness, or

"(II) October 1, 1979, and

"(ii) which constitutes a security for purposes of section 354.

The preceding sentence shall not apply to interest which has accrued on the indebtedness.

"(D) Stock of parent corporation.—For purposes of this paragraph, stock of a corporation in control (within the meaning of section 368(c)) of the debtor corporation shall be treated as stock of the debtor corporation.

"(E) Treatment of successor corporation.—For purposes of this paragraph, the term 'debtor corporation' includes a successor corporation.

"(2) Partnership rule.—Under regulations prescribed by the Secretary, rules similar to subparagraphs (A), (B), (D), and (E) of paragraph (1) shall apply with respect to the indebtedness of a partnership."

(a) Amendment of Section 1017.—Section 1017 (relating to discharge of indebtedness) is amended to read as follows:

"SEC. 1017. DISCHARGE OF INDEBTEDNESS.

"(a) General Rule.—If—

"(1) an amount is excluded from gross income under subsection (a) of section 108 (relating to discharge of indebtedness), and

"(2) under subsection (b)(2)(D), (b)(5), or (c)(1)(A) of section 108, any portion of such amount is to be applied to reduce basis, then such portion shall be applied in reduction of the basis of any property held by the taxpayer at the beginning of the taxable year following the taxable year in which the discharge occurs.

"(b) Amount and Properties Determined Under Regulations.—

"(1) In general.—The amount of reduction to be applied under subsection (a) (not in excess of the portion referred to in subsection (a)), and the particular properties the bases of which are to be reduced, shall be determined under regulations prescribed by the Secretary.

"(2) Limitation in title 11 cases or insolvency.—In the case of a discharge to which subparagraph (A) or (B) of section 108(a)(1) applies, the reduction in basis under subsection (a) of this section shall not exceed the excess of—

"(A) the aggregate of the bases of the property held by the taxpayer immediately after the discharge, over

"(B) the aggregate of the liabilities of the taxpayer immediately after the discharge.

The preceding sentence shall not apply to any reduction in basis by reason of an election under section 108(b)(5).

"(3) Certain reduction may only be made in the basis of depreciable property.—

"(A) In general.—Any amount which under subsection (b)(5) or (c)(1)(A) of section 108 is to be applied to reduce basis shall be applied only to reduce the basis of depreciable property held by the taxpayer.

"(B) Depreciable property.—For purposes of this section, the term 'depreciable property' means any property of a character subject to the allowance for depreciation, but only if a basis reduction under subsection (a) will reduce the amount of depreciation or amortization which otherwise would be allowable for the period immediately following such reduction.

"(C) Special rule for partnership interests.—Any interest of a partner in a partnership shall be treated as depreciable property to the extent of such partner's proportionate interest in the depreciable property held by such partnership.

"(c) Special Rules.—

"(1) Reduction not to be made in exempt property.—In the case of an amount excluded from gross income under section 108(a)(1)(A), no reduction in basis shall be made under this section in the basis of property which the debtor treats as exempt property under section 522 of title 11 of the United States Code.

"(2) Adjustment in basis of partnership interest must be reflected in basis of partnership assets.—Any reduction in the basis of a partner's interest in a partnership under this section by reason of the discharge of indebtedness of the partnership shall be accompanied by a corresponding reduction in the basis of the partnership property with respect to such partner.

"(3) Reductions in basis not treated as dispositions.—For purposes of this title, a reduction in basis under this section shall not be treated as a disposition.

"(d) Recapture of Reductions.—

"(1) In general.—For purposes of section 1245 and 1250—

"(A) any property the basis of which is reduced under this section shall be treated as section 1245 property or section 1250 property (whichever is appropriate), and

"(B) any reduction under this section shall be treated as a deduction allowed for depreciation.

"(2) Special rule for section 1250.—For purposes of section 1250(b), the determination of what would have been the depreciation adjustments under the straight line method shall be made as if there had been no reduction under this section."

(c) Amendment of Section 111.—Section 111 (relating to recovery of bad debts, prior taxes, and delinquency amounts) is amended by adding at the end thereof the following new subsection:

"(d) Increase in Carryover Treated as Yielding Tax Benefit.—For purposes of paragraph (4) of subsection (b), an increase in a carryover which has not expired shall be treated as a reduction in tax."

(d) Amendment of Section 382.—Section 382 (relating to special limitations on net operating loss carryover), as in effect before its amendment by section 806 of the Tax Reform Act of 1976, is amended by adding at the end thereof the following new subsection:

"(d) Certain Stock Received for Indebtedness.—

"(1) Subsection (a).—For purposes of subsection (a), stock in the corporation which is acquired by a security holder or creditor in exchange for the extinguishment or relinquishment (in whole or in part) of a claim against the corporation in a title 11 or similar case (within the meaning of section 368(a)(3)(A)) shall be treated as not acquired by purchase, unless the claim was acquired for the purpose of acquiring such stock.

"(2) Subsection (b).—For purposes of subsection (b), a creditor who receives stock in a reorganization described in section 368(a)(1)(G) shall be treated as a stockholder immediately before the reorganization."

(e) Technical Amendments.—

(1) Subsection (b) of section 703 (relating to elections of the partnership) is amended to read as follows:

"(b) Elections of the Partnership.—Any election affecting the computation of taxable income derived from a partnership shall be made by the partnership, except that any election under—

"(1) section 57(c) (defining net lease),

"(2) subsection (b)(5) or (d)(4) of section 108 (relating to income from discharge of indebtedness),

"(3) section 163(d) (relating to limitation of interest on investment indebtedness),

"(4) section 617 (relating to deduction and recapture of certain mining exploration expenditures), or

"(5) section 901 (relating to taxes of foreign countries and possessions of the United States),

shall be made by each partner separately."

(2) Subsection (c) of section 118 (relating to cross reference) is amended to read as follows:

"(c) Cross References.—

"(1) For basis of property acquired by a corporation through a contribution to its capital, see section 632.

"(2) For special rules in the case of contributions of indebtedness, see section 108(f)(1)(B)."

(3) Subsection (b) of section 1032 (relating to basis) is amended to read as follows:

"(b) Cross References.—

"(1) For basis of property acquired by a corporation in certain exchanges for its stock, see section 362.

"(2) For special rules in the case of transfers of stock in satisfaction of indebtedness, see section 108(f)(1)(A)."

SEC. 3. RULES RELATING TO TITLE 11 CASES FOR INDIVIDUALS.

(a) In General.—

(1) Addition of rules.—Chapter 1 (relating to normal taxes and surtaxes) is amended by adding at the end thereof the following new subchapter:

"Subchapter V—Title 11 Cases

"Sec. 1398. Rules relating to individuals' title 11 cases.

"Sec. 1399. No separate taxable entities for partnerships, corporations, etc.

"SEC. 1398. RULES RELATING TO INDIVIDUALS' TITLE 11 CASES.

"(a) Cases to Which Section Applies.—Except as provided in subsection (b), this section shall apply to any case under chapter 7 (relating to liquidations) or chapter 11 (relating to reorganizations) of title 11 of the United States Code in which the debtor is an individual.

"(b) Exceptions Where Case Is Dismissed, Etc.—

"(1) Section does not apply where case is dismissed.—This section shall not apply if the case under chapter 7 or 11 of title 11 of the United States Code is dismissed.

"(2) Section does not apply at partnership level.—For purposes of subsection (a), a partnership shall not be treated as an individual, but the interest in a partnership of a debtor who is an individual shall be taken into account under this section is the same manner as any other interest of the debtor.

"(c) Computation and Payment of Tax; Zero Bracket Amount.—

"(1) Computation and payment of tax.—Except as otherwise provided in this section, the taxable income of the estate shall be computed in the same manner as for an individual. The tax shall be computed on such taxable income and shall be paid by the trustee.

"(2) Tax rates.—The tax on the taxable income of the estate shall be determined under subsection (d) of section 1.

"(3) Amount of zero bracket amount.—The amount of the estate's zero bracket amount for the taxable year shall be the same as for a married individual filing a separate return for such year.

"(d) Taxable Years of Estates and Debtors.—

"(1) Estates.—The first taxable year of the estate shall end on the same day as the taxable year of the debtor which includes the commencement date.

"(2) General rule for debtors.—Except as provided in paragraph (3), the taxable year of the debtor shall be determined without regard to the case under title 11 of the United States Code to which this section applies.

"(3) Election to terminate debtor's year when case commences.—

"(A) In general.—Notwithstanding section 442, the debtor may (without the approval of the Secretary) elect to treat the debtor's taxable year which includes the commencement date as 2 taxable years—

"(i) the first of which ends on the day before the commencement date, and

"(ii) the second of which begins on the commencement date.

"(B) Spouse may join in election.—In the case of a married individual (within the meaning of section 143), the spouse may elect to have the debtor's election under subparagraph (A) also apply to the spouse, but only if the debtor and the spouse file a joint return for the taxable year referred to in subparagraph (A)(i).

"(C) No election where debtor has no assets.—No election may be made under subparagraph (A) by a debtor who has no assets other than property which the debtor may treat as exempt property under section 522 of title 11 of the United States Code.

"(D) Time for making election.—An election under subparagraph (A) or (B) may be made only on or before the due date for filing the return for the taxable year referred to in subparagraph (A)(i). Any such election, once made, shall be irrevocable.

"(E) Returns.—A return shall be made for each of the taxable years specified in subparagraph (A).

"(F) Annualization.—For purposes of subsections (b), (c), and (d) of section 443, a return filed for either of the taxable years referred to in subparagraph (A) shall be treated as a return made under paragraph (1) of subsection (a) of section 443.

"(4) Commencement date defined.—For purposes of this subsection, the term 'commencement date' means the day on which the case under title 11 of the United States Code to which this section applies commences.

"(5) Cross references.—

"(A) For allowance of 1 change of accounting period by the estate without consent of Secretary, see subsection (j)(1).

"(B) For other rules relating to change of accounting period by the debtor or by the estate, see section 442.

"(e) Treatment of Income, Deductions, and Credits.—

"(1) Estate's share of debtor's income.—The gross income of the estate for each taxable year shall include the gross income of the debtor to which the estate is entitled under title 11 of the United States Code.

"(2) Debtor's share of debtor's income.—The gross income of the debtor for any taxable year shall not include any item to the extent that such item is included in the gross income of the estate by reason of paragraph (1).

"(3) Division of debtor's deductions and credits.—Each item if deduction or credit of the debtor which is properly associated with gross income to which paragraph (1) applies shall be treated as a deduction or credit of the estate.

"(4) Rule for making determinations with respect to deductions, credits, and employment taxes.—Except as otherwise provided in this section, the determination of whether or not any amount paid or incurred by the estate—

"(A) is allowable as a deduction or credit under this chapter, or

"(B) is wages for purposes of subtitle C, shall be made as if the amount were paid or incurred by the debtor and as if the debtor were still engaged in the trades and businesses, and in the activities, the debtor was engaged in before the commencement of the case.

"(f) Treatment of Transfers Between Debtor and Estate.—

"(1) Transfer to estate not treated as transfer.—A transfer (other than by sale or exchange) of an asset from the debtor to the estate shall not be treated as a transfer for purposes of any provision of this title assigning tax consequences to a transfer, and the estate shall be treated as the debtor would be treated with respect to such asset.

"(2) Transfer from estate to debtor not treated as transfer.—In the case of a termination of the estate, a transfer (other than by sale or exchange) of an asset from the estate to the debtor shall not be treated as a transfer for purposes of any provision of this title assigning tax consequences to a transfer, and the debtor shall be treated as the estate would be treated with respect to such asset.

"(g) Estate Succeeds to Tax Attributes of Debtor.—The estate shall succeed to and take into account the following items (determined as of the first day of the debtor's taxable year in which the case commences) of the debtor—

"(1) Net operating loss carryovers.—The net operating loss carryovers determined under section 172.

"(2) Charitable contributions carryovers.—The carryover of excess charitable contributions determined under section 170 (d)(1).

"(3) Recovery exclusion.—Any recovery exclusion under section 111 (relating to recovery of bad debts, prior taxes, and delinquency amounts).

"(4) Credit carryovers, etc.—The carryovers of any credit, and all other items which, but for the commencement of the case, would be required to be taken into account by the debtor with respect to any credit.

"(5) Capital loss carryovers.—The capital loss carryover determined under section 1212.

"(6) Basis, holding period, and character of assets.—In the case of any asset acquired (other than by sale or exchange) by the estate from the debtor, the basis, holding period, and character it had in the hands of the debtor.

"(7) Method of accounting.—The method of accounting used by the debtor.

"(8) Other attributes.—Other tax attributes of the debtor, to the extent provided in regulations prescribed by the Secretary as necessary or appropriate to carry out the purposes of this section.

"(h) Administration, Liquidation, and Reorganization Expenses; Carryovers and Carrybacks of Certain Excess Expenses.—

"(1) Administration, liquidation, and reorganization expenses.—Any administrative expense allowed under section 503 of title 11 of the United States Code, and any fee or charge assessed against the estate under chapter 123 of title 28 of the United States Code, to the extent not disallowed under any other provision of this title, shall be allowed as a deduction.

"(2) Carryback and carryover of excess administrative costs, etc., to estate taxable years.—

"(A) Deduction allowed.—There shall be allowed as a deduction for the taxable year an amount equal to the aggregate of (i) the administrative expense carryovers to such year, plus (ii) the administrative expense carrybacks to such year.

"(B) Administrative expense loss etc.—If a net operating loss would be created or increased for any estate taxable year if section 172(c) were applied without the modification contained in paragraph (4) of section 172(d), then the amount of the net operating loss so created (or the amount of the increase in the net operating loss) shall be an administrative expense loss for such taxable year which shall be an administrative expense carryback to each of the 3 preceding taxable years and an administrative expense carryover to each of the succeeding taxable years.

"(C) Determination of amount carried to each taxable year.—The portion of any administrative expenses loss which may be carried to any other taxable year shall be determined under section 172(b)(2), except that for each taxable year the computation under section 172(b)(2) with respect to the net operating loss shall be made before the computation under this paragraph.

"(D) Administrative expense deductions allowed only to estate.—The deductions allowable under this chapter solely by reason of paragraph (1), and the deduction provided by subparagraph (A) of this paragraph, shall be allowable only to the estate.

"(i) Debtor Succeeds to Tax Attributes of Estate.—In the case of a termination of an estate, the debtor shall succeed to and take into account the items referred to in paragraphs (1), (2), (3), (4), (5), and (6) of subsection (g) in a manner similar to that provided in such paragraphs (but taking into account that the transfer is from the estate to the debtor instead of from the debtor to the estate). In addition, the debtor shall succeed to and take into account the other tax attributes of the estate, to the extent provided in regulations prescribed by the Secretary as necessary or appropriate to carry out the purposes of this section.

"(j) Other Special Rules.—

"(1) Change of accounting period without approval.—Notwithstanding section 442, the estate may change its annual accounting period one time without the approval of the Secretary.

"(2) Treatment of certain carrybacks.—

"(A) Carrybacks from estate.—If any carryback year of the estate is a taxable year before the estate's first taxable year, the carryback to such carryback year shall be taken into account for the debtor's taxable year corresponding to the carryback year.

"(B) Carrybacks from debtor's activities.—The debtor may not carry back to a taxble year before the debtor's taxable year in which the case commences any carryback from a taxable year ending after the case commences.

"(C) Carryback and carryback year defined.—For purposes of this paragraph—

"(i) Carryback.—The term 'carryback' means a net operating loss carryback under section 172 or a carryback of any credit provided by part IV of subchapter A.

"(ii) Carryback year.—The term 'carryback year' means the taxable year to which a carryback is carried.

"SEC. 1399. NO SEPARATE TAXABLE ENTITIES FOR PARTNERSHIPS, CORPORATIONS, ETC.

"Except in any case to which section 1398 applies, no separate taxable entity shall result from the commencement of a case under title 11 of the United States Code."

(2) Clerical amendment.—The table of subchapters for chapter 1 is amended by adding at the end thereof the following new item:

"Subchapter V. Title 11 cases."

"Subchapter V. Title 11 cases."

(1) Subsection (a) of section 6012 (relating to persons required to make returns of income) is amended by adding at the end thereof the following new paragraph:

"(9) Every estate of an individual under chapter 7 or 11 of title 11 of the United States Code (relating to bankruptcy) the gross income of which for the taxable year is $2,700 or more."

(2) Paragraph (4) of section 6012(b) (relating to returns of estates and trusts) is amended by striking out "an estate or a trust" and inserting in lieu thereof "an estate, a trust, or an estate of an individual under chapter 7 or 11 of title 11 of the United States Code".

(c) Disclosure of Returns.—

(1) Subsection (e) of section 6103 (relating to confidentiality and disclosure of returns and return information) is amended by striking out paragraph (4), by redesignating paragraphs (5) and (6) as paragraphs (6) and (7), respectively, and by inserting after paragraph (3) the following new paragraphs:

"(4) Title 11 cases and receivership proceedings.—If—

"(A) there is a trustee in a title 11 case in which the debtor is the person with respect to whom the return is filed, or

"(B) substantially all of the property of the person with respect to whom the return is filed is in the hands of a receiver,

such return or returns for prior years of such person shall, upon written request, be open to inspection by or disclosure to such trustee or receiver, but only if the Secretary finds that such trustee or receiver, in his fiduciary capacity, has a material interest which will be affected by information contained therein.

"(5) Individual's title 11 case.—

"(A) In general.—In any case to which section 1398 applies (determined without regard to section 1398(b)(1)), any return of the debtor for the taxable year in which the case commenced or any preceding taxable year shall, upon written request, be open to inspection by or disclosure to the trustee in such case.

"(B) Return of estate available to debtor.—Any return of an estate in a case to which section 1398 applies shall, upon written request, be open to inspection by or disclosure to the debtor in such case.

"(C) Special rule for involuntary cases.—In an involuntary case, no disclosure shall be made under subparagraph (A) until the order for relief has been entered by the court having jurisdiction of such case unless such court finds that such disclosure is appropriate for purposes of determining whether an order for relief should be entered."

(2) Paragraph (6) of section 6103(e) (as redesignated by paragraph (1)) is amended by striking out "or (4)" and inserting in lieu thereof "(4), or (5)".

(d) Technical Amendment.—Subsection (e) of section 443 (relating to cross reference) is amended by adding at the end thereof the following new sentence:

"For returns for a period of less than 12 months in the case of a debtor's election to terminate a taxable year, see section 1398(d)(3)(E)."

SEC. 4. CORPORATE REORGANIZATION PROVISIONS.

(a) Certain Transfers in Title 11 or Similar Cases To Be Included in Definition of Reorganization.—Paragraph (1) of section 368(a) (defining reorganization) is amended by adding at the end thereof the following new subparagraph:

"(G) a transfer by a corporation of all or part of its assets to another corporation in a title 11 or similar case; but only if, in pursuance of the plan, stock or securities of the corporation to which the assets are transferred are distributed in a transaction which qualifies under section 354, 355, or 356."

(b) Additional Rules for Coordinating Title 11 and Similar Cases With the General Reorganization Rules.—Section 368(a) is amended by adding at the end thereof the following new paragraph:

"(3) Additional rules relating to title 11 and similar cases.—

"(A) Title 11 or similar case defined.—For purposes of this part, the term 'title 11 or similar case' means—

"(i) a case under title 11 of the United States Code, or

"(ii) a receivership, foreclosure, or similar proceeding in a Federal or State court.

"(B) Transfer of assets in title 11 or similar case.—In applying paragraph (1)(G), a transfer of the assets of a corporation shall be treated as made in a title 11 or similar case if and only if—

"(i) such corporation is under the jurisdiction of the court in such case, and

"(ii) the transfer is pursuant to a plan of reorganization approved by the court.

"(C) Reorganizations qualifying under paragraph (1)(G) and another provision.—If a transaction would (but for this subparagraph) qualify both—

"(i) under subparagraph (G) of paragraph (1), and

"(ii) under any other subparagraph of paragraph (1) or under section 332 or 351, then, for purposes of this subchapter (other than section 357(c)(1)). such transaction shall be treated as qualifying only under subparagraph (G) of paragraph (1).

"(D) Agency receivership proceedings which involve financial institutions.—For purposes of subparagraphs (A) and (B), in the case of a receivership, foreclosure, or similar proceeding before a Federal or State agency involving a financial institution to which section 585 or 593 applies, the agency shall be treated as a court.

"(E) Application of paragraph (2)(E)(ii).—In the case of a title 11 or similar case, the requirement of clause (ii) of paragraph (2)(E) shall be treated as met if—

"(i) no former shareholder of the surviving corporation received any consideration for his stock, and

"(ii) the former creditors of the surviving corporation exchanged, for an amount of voting stock of the controlling corporation, debt of the surviving corporation which had a fair market value equal to 80 perecnt or more of the total fair market value of the debt of the surviving corporation."

(c) Transfers of Assets to Subsidiaries.—Subparagraph (C) of section 368(a)(2) (relating to transfers of assets or stock to subsidiaries in certain paragraph (1)(A), (1)(B), and (1)(C) cases) is amended to read as follows:

"(C) Transfers of assets or stock to subsidiaries in certain paragraph (1)(A), (1)(B), (1)(C), and (1)(G) cases.—A transaction otherwise qualifying under paragraph (1)(A), (1)(B), or (1)(C) shall not be disqualified by reason of the fact that part or all of the assets or stock which were acquired in the transaction are transferred to a corporation controlled by the corporation acquiring such assets or stock. A similar rule shall apply to a transaction otherwise qualifying under paragraph (1)(G) where the requirements of subparagraphs (A) and (B) of section 354(b)(1) are met with respect to the acquisition of the assets or stock."

(d) Use of Stock of Controlling Corporation.—Subparagraph (D) of section 368(a)(2) (relating to use of stock of controlling corporation in paragraph (1)(A) cases) is amended to read as follows:

"(D) Use of stock of controlling corporation in paragraph (1)(A) and (1)(G) cases.—The acquisition by one corporation, in exchange for stock of a corporation (referred to in subparagraph as 'controlling corporation') which is in control of the acquiring corporation, of substantially all of the properties of another corporation shall not disqualify a transaction under paragraph (1)(A) or (1)(G) of—

"(i) no stock of the acquiring corporation is used in the transaction, and

"(ii) in the case of a transaction under paragraph (1)(A), such transaction would have qualified under paragraph (1)(A) had the merger been into the controlling corporation."

(e) Treatment of Property Attributable to Accrued Interest.—

(1) Amendment of section 354.—Subsection (a) of section 354 (relating to exchanges of stocks and securities in certain reorganizations) is amended by striking out paragraphs (2) and (3) and inserting in lieu thereof the following:

"(2) Limitations.—

"(A) Excess principal amount.—Paragraph (1) shall not apply if—

"(i) the principal amount of any such securities received exceeds the principal amount of any such securities surrendered, or

"(ii) any such securities are received and no such securities are surrendered.

"(B) Property attributable to accrued interest.—Neither paragraph (1) nor so much of section 356 as relates to paragraph (1) shall apply to the extent that any stock, securities, or other property received is attributable to interest which has accrued on securities on or after the beginning of the holder's holding period.

"(3) Cross references.—

"(A) For treatment of the exchange if any property is received which is not permitted to be received under this subsection (including an excess principal amount of securities received over securities surrendered, but not including property to which paragraph (2)(B) applies), see section 356.

"(B) For treatment of accrued interest in the case of an exchange described in paragraph (2)(B), see section 61."

(2) Amendment of section 355.—Subsection (a) of section 355 (relating to distribution of stock and securities of a controlled corporation) is amended by striking out paragraphs (3) and (4) and inserting in lieu therof the following:

"(3) Limitations.—

"(A) Excess principal amount.—Paragraph (1) shall not apply if—

"(i) the principal amount of the securities in the controlled corporation which are received exceeds the principal amount of the securities which are surrendered in connection with such distribution, or

"(ii) securities in the controlled corporation are received and no securities are surrendered in connection with such distribution.

"(B) Stock acquired in taxable transactions within 5 years treated as boot.—For purposes of this section (other than paragraph (1) (D) of this subsection) and so much of section 356 as relates to this section, stock of a controlled corporation acquired by the distributing corporation by reason of any transaction—

"(i) which occurs within 5 years of the distribution of such stock, and

"(ii) in which gain or loss was recognized in whole or in part,

shall not be treated as stock of such controlled corporation, but as other property.

"(C) Property attributable to accrued interest.—Neither paragraph (1) nor so much of section 356 as relates to paragraph (1) shall apply to the extent that any stock, securities, or other property received is attributable to interest which has accrued on securities on or after the beginning of the holder's holding period.

"(4) Cross references

"(A) For treatment of the exchange if any property is received which is not permitted to be received under this subsection (including an excess principal amount of securities received over securities surrendered, but not including property to which paragraph (3) (C) applies), see section 356.

"(B) For treatment of accrued interest in the case of an exchange described in paragraph (3) (C), see section 61."

(f) Termination of Existing Provisions Relating to Insolvency Reorganizations.—Part IV of subchapter C of chapter 1 (relating to insolvency reorganizations) is amended by inserting before section 371 the following new section:

"Sec. 370. Termination of part.

"(a) General Rule.—Except as provided in subsection (b), this part shall not apply to any proceeding which is begun after September 30, 1979.

"(b) Exceptions.—Subsection (a) shall not apply to subsections (c) and (e) of section 374."

(g) Carryover of Section 381 Items in Section 368(a) (1) (G) Reorganizations.—Subsection (a) of section 381 (relating to carryovers in certain corporate acquisitions) is amended—

(1) by striking out "subparagraph (A), (C), (D) (but only if the requirements of subparagraphs (A) and (B) of section 354(b) (1) are met), or (F) of section 368(a) (1)" in paragraph (2) and inserting in lieu thereof "subparagraph (A), (C), (D), (F), or (G) of section 368(a) (1)", and

(2) by adding at the end thereof the following new sentence: "For purposes of the preceding sentence, a reorganization shall be treated as meeting the requirements of subparagraph (D) or (G) of section 368(a) (1) only if the requirements of subparagraphs (A) and (B) of section 354(b) (1) are met."

(h) Technical and Conforming Amendments.—

(1) Paragraphs (1) and (2) of section 354 (b) (relating to exception to general rule on exchanges of stock and securities in certain reorganizations) each amended by striking out "section 368(a) (1) (D)" and inserting in lieu thereof "subparagraph (D) or (G) of section 368(a) (1)".

(2) Paragraph (2) of section 357(c) (relating to liabilities in excess of basis) is amended to read as follows:

"(2) Exceptions.—Paragraph (1) shall not apply to any exchange—

"(A) to which subsection (b) (1) of this section applies,

"(B) to which section 371 or 374 applies, or

"(C) which is pursuant to a plan of reorganization within the meaning of section 368(a) (1) (G) where no former shareholder of the transferor corporation receives any consideration for his stock."

(3) Paragraph (1) of section 368(a) defining reorganization) is amended—

(A) by striking out "or" at the end of subparagraph (E), and

(B) by striking out the period at the end of subparagraph (F) and inserting in lieu thereof "; or".

(4) Subsection (b) of section 368 (defining party to reorganization) is amended—

(A) by striking out "or (1) (C)" in the third sentence and inserting in lieu thereof "(1) (C), or (1) (G)", and

(B) by striking out "paragraph (1) (A)" in the fourth sentence and inserting in lieu thereof "paragraph (1) (A) or (1) (G)".

(5) The table of sections for part IV of subchapter C of chapter 1 is amended by inserting before the item relating to section 371 the following new item:

"Sec. 370. Termination of part."

Sec. 5. Miscellaneous Corporate Amendments.

(a) Exception From Personal Holding Company Tax for Corporations in Title 11 or Similar Cases.—Subsection (c) of section 542 (relating to exceptions from definition of personal holding company) is amended by striking out the period at the end of paragraph (8) and inserting in lieu thereof "; and" and by adding at the end thereof the following new paragraph:

"(9) a corporation which is subject to the jurisdiction of the court in a title 11 or similar case (within the meaning of section 368(a) (3) (A)) unless a major purpose of instituting or continuing such case is the avoidance of the tax imposed by section 541."

(b) Redemption of Stock Issued in Railroad Reorganizations.—

(1) In general.—Subsection (b) of section 302 (relating to redemptions treated as exchanges) is amended by striking out paragraph (4) and by redesignating paragraph (5) as paragraph (4).

(2) Conforming amendments.—

(A) Subsection (a) of section 302 is amended by striking out "(2), (3), or (4)" and inserting in lieu thereof "(2), or (3)".

(B) Paragraph (4) of section 302(b)) (as redesignated by paragraph (1)) is amended—

(i) by striking out "(2), (3), or (4)" and inserting in lieu thereof "(2) or (3)", and

(ii) by striking out "(1), (2), or (4)" and inserting in lieu thereof "(1) or (2)".

(c) Section 337 To Apply Where Liquidating Corporation Is Insolvent.—Section 337 (relating to gain or loss on sales or exchanges in connection with certain liquidations) is amended by adding at the end the following new subsection:

"(g) Title 11 or Similar Cases.—

"(1) In general.—If—

"(A) a corporation in a title 11 or similar case (within the meaning of section 368(a) (3) (A)) adopts a plan of complete liquidation after the commencement of such case,

"(B) all of the assets of the corporation are transferred to creditors within the period beginning on the date of the adoption of the plan and ending on the date of the termination of the case, and

"(C) no shareholder of the corporation receives any consideration for his stock,

then subsection (a) shall apply to sales and exchanges by the corporation of property within the period described in subparagraph (B).

"(2) No nonrecognition for property acquired after plan is adopted.—

"(A) In general.—For purposes of paragraph (1), the term 'property' does not include any item acquired on or after the date of the adoption of the plan of liquidation.

"(B) Coordination with subsection (b) (2).—For purposes of paragraph (2) of subsection (b), if (but for this subparagraph) an item would be treated as described both in subparagraph (A) of this paragraph and in subparagraph (A) or (B) of subsection (b) (1), such item shall be treated as described only in subparagraph (A) or (B) of subsection (b) (1)."

(d) Estate of Individual in Title 11 Case Permitted To Be Shareholder of Subchapter S Corporation.—Section 1371 (defining small business corporation) is amended by adding at the end thereof the following new subsection:

"(f) Estate of Individual in Title 11 Case May Be Shareholder.—For purposes of subsection (a) (2), the term 'estate' includes the estate of an individual in a case under title 11 of the United States Code."

(e) Amendments of Section 351.—

(1) Section 351 (relating to transfer to corporation controlled by transferor) is amended by redesignating subsection (e) as subsection (f) and by striking out subsection (d) and inserting in lieu thereof the following new subsections:

"(d) Services, Certain Indebtedness, and Accrued Interest Not Treated as Property.—For purposes of this section, stock or securities issued for—

"(1) Services.

"(2) indebtedness of the transferee corporation which is not evidenced by a security, or

"(3) interest on indebtedness of the transferee corporation which accrued on or after the beginning of the transferor's holding period for the debt,

shall not be considered as issued in return for property.

"(e) Exceptions.—This section shall not apply to—

"(1) Transfer of property to an investment company.—A transfer of property to an investment company.

"(2) Title 11 or similar case.—A transfer of property of a debtor pursuant to a plan while the debtor is under the jurisdiction of a court in a title 11 or similar case (within the meaning of section 368(a) (3) (A)), to the extent that the stock or securities received in the exchange is used to satisfy the indebtness of such debtor."

(2) Subsection (a) of section 351 is amended by striking out the last sentence.

(f) Effects on Earnings and Profits.—Section 312 (relating to effect on earnings and profits) is amended by adding at the end thereof the following new subsection:

"(l) Discharge of Indebtedness Income.—The earnings and profits of a corporation shall not include income from the discharge of indebtedness to the extent of the amount applied to reduce basis under section 1017."

SEC. 6. CHANGES IN TAX PROCEDURES.

(a) Suspension of Running of Period of Limitations During Title 11 Cases.—Section 6503 (relating to suspension of running of period of limitation) is amended by redesignating subsection (i) as subsection (j) and by inserting after subsection (h) the following new subsection:

"(i) Cases Under Title 11 of the United States Code.—The running of the period of limitations provided in section 6501 or 6502 on the making of assessments or collection shall, in a case under title 11 of the United States Code, be suspended for the period during which the Secretary is prohibited by reason of such case from making the assessment or from collecting and—

"(1) for assessment, 60 days thereafter, and

"(2) for collection, 6 months thereafter."

(b) Coordination of Deficiency Procedures With Title 11 Cases.—Section 6213 (relating to restrictions applicable to deficiencies; petition to Tax Court) is amended by redesignating subsections (f) and (g) as subsections (g) and (h), respectively, and by inserting after subsection (e) the following new subsection:

"(f) Coordination With Title 11.—

"(1) Suspension of running of period for filing petition in title 11 cases.—In any case under title 11 of the United States Code, the running of the time prescribed by subsection (a) for filing a petition in the Tax Court with respect to any deficiency shall be suspended for the period during which the debtor is prohibited by reason of such case from filing a petition in the Tax Court with respect to such deficiency, and for 60 days thereafter.

"(2) Certain action not taken into account.—For purposes of the second and third sentences of subsection (a), the filing of a proof of claim or request for payment (or the taking of any other action) in a case under title 11 of the United States Code shall not be treated as action prohibited by such second sentence."

(c) Trustee of Debtor's Estate May Intervene in Tax Court Proceeding.—

(1) In General.—Part II of subchapter C of chapter 76 (relating to Tax Court procedure) is amended by redesignating section 7464 as section 7465 and by inserting after section 7463 the following new section:

"Sec. 7464. Intervention by Trustee of Debtor's Estate.

"The trustee of the debtor's estate in any case under title 11 of the United States Code may intervene, on behalf of the debtor's estate, in any proceeding before the Tax Court to which the debtor is a party."

(2) Clerical amendment.—The table of sections for part II of subchapter C of chapter 76 is amended by striking out the item relating to section 7464 and by inserting in lieu thereof the following:

"Sec. 7464. Intervention by trustee of debtor's estate.

"Sec. 7465. Provisions of special application to transferees."

(d) Cross References to Tax Determinations in Title 11 Cases.—

(1) Amendment of section 7430.—Section 7430 (relating to cross references) is amended by striking out paragraphs (1), (2), (3), and (4) and inserting in lieu thereof the following new paragraph:

"(1) For determination of amount of any tax, additions to tax, etc., in title 11 cases, see section 505 of title 11 of the United States Code."

(2) Amendment of section 6212.—Paragraph (2) of section 6212(c) (relating to cross references) is amended by adding at the end thereof the following new sentence:

"For provisions allowing determination of tax in title 11 cases, see section 505(a) of title 11 of the United States Code."

(3) Amendment of section 6512.—Section 6512 (relating to limitations in case of petition to Tax Court) is amended by adding at the end thereof the following new subsection:

"(c) Cross Reference.—

"For provisions allowing determination of tax in title 11 cases, see section 505(a) of title 11 of the United States Code."

(4) Amendment of section 6532.—Subsection (a) of section 6532 (relating to periods of limitations on suits) is amended by adding at the end thereof the following new paragraph:

"(5) Cross Reference.—

"For substitution of 120-day period for the 6-month period contained in paragraph (1) in a title 11 case, see section 505(a)(2) of title 11 of the United States Code."

(e) Relief From Certain Penalties in Title 11 Cases.—

(1) In general.—Subchapter A of chapter 68 (relating to additions to the tax and additional amounts) is amended by inserting after section 6657 the following new section:

"SEC. 6658. COORDINATION WITH TITLE 11

"(a) Certain Failures To Pay Tax.—No addition to the tax shall be made under section 6651, 6654, or 6655 for failure to make timely payment of tax with respect to a period during which a case is pending under title 11 of the United States Code—

"(1) if such tax was incurred by the estate and the failure occurred pursuant to an order of the court finding probable insufficiency of funds of the estate to pay administrative expenses, or

"(2) if—

"(A) such tax was incurred by the debtor before the earlier of the order for relief or (in the involuntary case) the appointment of a trustee, and

"(B)(i) the petition was filed before the due date prescribed by law (including extensions) for filing a return of such tax, or

"(ii) the date for making the addition to the tax occurs on or after the day on which the petition was filed.

"(b) Exception for Collected Taxes.—Subsection (a) shall not apply to any liability for an addition to the tax which arises from the failure to pay or deposit a tax withheld or collected from others and required to be paid to the United States."

(2) Clerical amendment.—The table of sections for subchapter A of chapter 68 is amended by inserting after the item relating to section 6657 the following:

"Sec. 6658. Coordination with title 11."

(f) Credit Against Federal Unemployment Tax Not Reduced in Certain Cases.—Subsection (a) of section 3302 (relating to credits against unemployment tax) is amended by adding at the end thereof the following new paragraph:

"(5) In the case of wages paid by the trustee of an estate under title 11 of the United States Code, if the failure to pay contributions on time was without fault by the trustee, paragraph (3) shall be applied by substituting '100 percent' for '90 percent'."

(g) Removal of Provision for Immediate Assessment in Certain Title 11 Cases.—

(1) In general.—Section 6871 (relating to claims for income, estate, and gift taxes in bankruptcy and receivership proceedings) is amended to read as follows:

"SEC. 6871. CLAIMS FOR INCOME, ESTATE, GIFT, AND CERTAIN EXCISE TAXES IN RECEIVERSHIP PROCEEDING, ETC.

"(a) Immediate Assessment in Receivership Proceedings.—On the appointment of a receiver for the taxpayer in any receivership proceeding before any court of the United States or of any State or of the District of Columbia, any deficiency (together with all interest additional amounts, and additions to the tax provided by law) determined by the Secretary in respect of a tax imposed by subtitle A or B or by chapter 41, 42, 43, 44, or 45 on such taxpayer may, despite the restrictions imposed by section 6213(a) on assessments, be immediately assessed if such deficiency has not theretofore been assessed in accordance with law.

"(b) Immediate Assessment With Respect to Certain Title 11 Cases.—Any deficiency (together with all interest, additional amounts, and additions to the tax provided by law) determined by the Secretary in respect of a tax imposed by subtitle A or B or by chapter 41, 42, 43, or 44, or 45 on—

"(1) the debtor's estate in a case under title 11 of the United States Code, or

"(2) the debtor, but only if liability for such tax has become res judicata pursuant to a determination in a case under title 11 of the United States Code, may, despite the restrictions imposed by section 6213(a) on assessments, be immediately assessed if such deficiency has not theretofore been assessed in accordance with law.

"(c) Claim Filed Despite Pendency of Tax Court Proceedings.—In the case of a tax imposed by subtitle A or B or by chapter 41, 42, 43, or 44, or 45—

"(1) claims for the deficiency and for interest, additional amounts, and additions to the tax may be presented, for adjudication in accordance with law, to the court before which the receivership proceeding (or the case under title 11 of the United States Code) is pending, despite the pendency of proceedings for the redetermination of the deficiency pursuant to a petition to the Tax Court; but

"(2) in the case of a receivership proceeding, no petition for any such redetermination shall be filed with the Tax Court after the appointment of the receiver."

(2) Amendment of section 6873.—Subsection (a) of section 6873 (relating to unpaid claims) is amended by striking out "or any proceeding under the Bankruptcy Act".

(3) Clerical amendments.—

(A) The table of sections for subchapter B of chapter 70 is amended by striking out the item relating to section 6871 and inserting in lieu thereof the following:

"Sec. 6871. Claims for income, estate, gift, and certain excise taxes in receivership proceedings, etc."

(B) The heading of subchapter B of chapter 70 is amended to read as follows:

"Subchapter B—Receiverships, Etc."

(C) The item relating to subchapter B in the table of subchapters for chapter 70 is amended to read as follows:

"Subchapter B. Receiverships, Etc."

(D) The heading of chapter 70 is amended to read as follows:

"Chapter 70—JEOPARDY, RECEIVERSHIPS, ETC."

(E) The item relating to chapter 70 in the table of chapters for subtitle F is amended to read as follows:

"Chapter 70. JEOPARDY, RECEIVERSHIPS, ETC."

(h) Repeal of Section 1018.—

(1) In general.—Section 1018 (relating to adjustment of capital structure before September 22, 1938) is hereby repealed.

(2) Clerical amendment.—The table of sections for part II of subchapter O of chapter 1 is amended by striking out the item relating to section 1018.

(i) Technical and Conforming Amendments.—

(1) Subsection (a) of section 128 (relating to cross references) is amended by striking out paragraph (1) and by redesignating paragraphs (2) through (9) as paragraphs (1) through (8), respectively.

(2) Subsection (c) of section 354 (relating to certain railroad reorganizations) is amended by striking out "approved by the Interstate Commerce Commission under section 77 of the Bankruptcy Act, or" and inserting in lieu thereof "confirmed under section 1173 of title 11 of the United States Code, or approved by the Interstate Commerce Commission".

(3) Paragraph (5) of section 422(c) (relating to certain transfers by insolvent individuals) is amended by striking out "under the Bankruptcy Act" and inserting in lieu thereof "under title 11 of the United States Code".

(4) Section 1023 (relating to cross references) is amended by striking out paragraph (2) and by redesignating paragraph (3) as paragraph (2).

(5) Paragraph (3) of section 6012(b) (relating to receivers, trustees, and assignees for corporations) is amended by striking out "trustee in bankruptcy" and inserting in lieu

thereof "trustee in a case under title 11 of the United States Code".

(6) Section 6036 (relating to notice of qualification as executor or receiver) is amended by striking out "trustee in bankruptcy" and inserting in lieu thereof "trustee in a case under title 11 of the United States Code".

(7) Paragraph (2) of section 6155(b) (relating to cross references) is amended by striking out "bankruptcy or".

(8) Subsection (c) of section 6161 (relating to claims in bankruptcy or receivership proceedings) is amended—

(A) by striking out "in bankruptcy or receivership proceedings" and inserting in lieu thereof "in cases under title 11 of the United States Code or in receivership proceedings", and

(B) by striking out "Bankruptcy or Receivership Proceedings" in the subsection heading and inserting in lieu thereof "Cases Under Title 11 of the United States Code or in Receivership Proceedings".

(9) Paragraph (1) of section 6216 (relating to cross references) is amended to read as follows:

"(1) For procedures relating to reecivership proceedings, see subchapter B of chapter 70."

(10) (A) Section 6326 (relating to cross references) is amended by striking out paragraphs (2), (3), (4), and (5) and inserting in lieu thereof the following:

"(2) For exclusion of tax liability from discharge in cases under title 11 of the United States Code, see section 523 of such title 11.

"(3 For recognition of tax liens in cases under title 11 of the United States Code, see section 545 and 724 of such title 11.

"(4) For collection of taxes in connection with plans for individuals with regular income in cases under title 11 of the United States Code, see section 1328 of such title 11."

(B) Section 6326 is amended by redesignating paragraphs (67 and (7) as paragraphs (5) and (6), respectively.

(11) Paragraph (2) of section 6503(i) (relating to cross references) is amended to read as follows:

"(2) Receiverships, see subchapter B of chapter 70."

(12) Section 6872 (relating to suspension period on assessment) is amended by striking out "any proceeding under the Bankruptcy Act" and by inserting in lieu thereof "any case under title 11 of the United States Code".

"(13) Section 7430 (as amended by this Act) is amended by inserting after paragraph (1) the following new paragraphs:

"(2) For exclusion of tax liability from discharge in cases under title 11 of the United States Code, see section 523 of such title 11.

"(3) For recognition of tax liens in cases under title 11 of the United States Code, see sections 545 and 724 of such title 11.

"(4) For collection of taxes in connection with plans for individuals with regular income in cases under title 11 of the United States Code, see section 1328 of such title 11."

(14) Paragraph (1) of section 7508(d) is amended by striking out "bankruptcy and receiverships" in the paragraph heading and inserting in lieu thereof "cases under title 11 of the united states code and receiverships".

SEC. 7. EFFECTIVE DATES.

(a) For Section 2 (Relating to Tax Treatment of Discharge of Indebtedness).—The amendments made by section 2 shall apply—

(1) to all transactions in any bankruptcy case or similar judicial proceeding commencing on or after October 1, 1979, and

(2) to any transaction not described in paragraph (1) which occurs after December 31, 1980 (other than in a proceeding under the Bankruptcy Act, or in a similar judicial proceeding, commenced before October 1, 1979).

(b) For Section 3 (Relating to Rules Relating to Title 11 Cases for Individuals).—The amendments made by section 3 shall apply to any bankruptcy case commencing more than 90 days after the date of the enactment of this Act.

(c) For Section 4 (Relating to Corporate Reorganization Provisions).—

(1) In general.—The amendments made by section 4 shall apply to any bankruptcy case or similar judicial proceeding commencing on or after October 1, 1979.

(2) Exchanges of property for accrued interest.—The amendments made by subsection (e) of section 4 (relating to treatment of property attributable to accrued interest) shall also apply to any exchange—

(A) which does not occur in a proceeding under the Bankruptcy Act, or similar judicial proceeding, commenced before October 1, 1979, but

(B) which occurs after December 31, 1980.

(d) For Section 5 (Relating to Miscellaneous Corporate Amendments).—

(1) For subsection (a) (relating to exemption from personal holding company tax).—The amendments made by subsection (a) of section 5 shall apply to any bankruptcy case or similar judicial proceeding commenced on or after October 1, 1979.

(2) For subsection (b) (relating to repeal of special treatment for certain railroad redemptions).—The amendments made by subsection (b) of section 5 shall apply to stock which is issued after September 30, 1979 (other than stock issued pursuant to a plan of reorganization approved on or before that date).

(3) For subsection (c) (relating to application of 12-month liquidation rule).—The amendment made by subsection (c) of section 5 shall apply to any bankruptcy case or similar judicial proceeding commenced on or after October 1, 1979.

(4) For subsection (d) (relating to permitting bankruptcy estate to be subchapter S shareholder).—The amendment made by subsection (d) of section 5 shall apply to any bankruptcy case commendced on or after October 1, 1979.

(5) For subsection (e) (relating to certain transfers to controlled corporations).—The amendments made by subsection (e) of section 5 shall apply as provided in subsection (a) of this section.

(6) For subsection (f) (relating to effect of debt discharge on earnings and profits).—The amendment made by subsection (f) of section 5 shall apply as provided in subsection (a) of this section.

(e) For Section 6 (Relating to Changes in Tax Procedures).—The amendments made by section 6 shall take effect on October 1, 1979, but shall not apply to any proceeding under the Bankruptcy Act commenced before October 1, 1979.

(f) Definitions.—For purposes of this section—

(1) Bankruptcy case.—The term "bankruptcy case" means any case under title 11 of the United States Code (as recodified by Public Law 95–598).

(2) Similar judicial proceeding.—The term "similar judicial proceeding" means a receivership, foreclosure, or similar proceeding in a Federal or State court (as modified by section 368(a)(3)(D) of the Internal Revenue Code of 1954).

The SPEAKER. Is a second demanded?

Mr. DUNCAN of Tennessee. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

The was no objection.

The SPEAKER. The gentleman from Illinois (Mr. Rostenkowski) will be recognized for 20 minutes, and the gentleman from Tennessee (Mr. Duncan) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Illinois (Mr. Rostenkowski).

GENERAL LEAVE

Mr. ROSTENKOWSKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill, H.R. 5043, presently under consideration.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 5043, the Bankruptcy Tax Act of 1980, deals with the Federal income tax aspects of bankruptcy, insolvency, and discharge of indebtedness.

In 1978, the 95th Congress enacted legislation to revise and modernize the substantive law of bankruptcy as well as bankruptcy court procedures. H.R. 5043 completes the process of reviewing and modernizing Federal bankruptcy laws by providing rules governing the tax aspects of bankruptcy.

This legislative effort began with the 1973 report issued by the Commission on Bankruptcy laws, established by the Congress. That report recommended changes and clarifications in both substantive rules and tax rules of bankruptcy. Accordingly, the tax bill has been developed over the past several years on the basis of extensive hearings, studies, and suggestions as to appropriate tax rules for bankruptcy and related tax issues. The bill has received the benefit of detailed and thoughtful comments from bar association groups, accounting groups, bankruptcy attorneys, and others as well as from the Treasury Department, Internal Revenue Service, and the Justice Department.

In brief summary, there are four principal topics covered by the bill:

First, the bill coordinates provisions of the Internal Revenue Code relating to assessment and collection procedures with rules enacted by the Congress in the 1978 bankruptcy law.

Second, the bill clarifies Federal income tax treatment of the bankruptcy estate of an individual debtor, and provides rules for allocating income and deductions between the debtor and the estate.

Third, the bill gives debtor corporations and creditors taking over such corporations more flexibility in structuring tax-free reorganizations and more favorable rules on carryover of tax attributes to the corporation that comes out of bankruptcy.

Fourth, the bill provides rules for Federal income tax treatment of debt discharge in the case of bankrupt or insolvent debtors, and makes related changes in the rules of present law for cancellation of indebtedness in the case of solvent taxpayers.

Mr. Speaker, I want to describe in more detail the debt discharge rules of the bill, since these rules reflect a compromise approach which was carefully worked out by the Subcommittee on Select Revenue Measures and approved by the Ways and Means Committee.

When the full committee first considered this bill, concerns were expressed about some provisions then in the bill concerning the Federal income tax treatment of debts which are discharged as part of a bankruptcy case and debts which are cancelled in transactions outside bankruptcy. These concerns were raised by the gentleman from Minnesota (Mr. FRENZEL) and by the gentleman from California (Mr. EDWARDS), the chairman of the Judiciary Subcommittee which developed the 1978 bankruptcy legislation. As a result, the subcommittee reconsidered and modified the debt discharge rules. The compromise approach is now supported by both the gentleman from Minnesota and the gentleman from California as providing a fair balance between flexibility in bankruptcy planning and legitimate tax policy concerns.

In the case of debt discharged in bankruptcy, the compromise approach allows the debtor to elect to apply the debt discharge amount first to reduce basis in depreciable assets, before applying any excess to reduce tax attributes. In the case of a solvent debtor, the bill retains the election under sections 108 and 1017 of the code, permitting reduction in asset basis instead of reporting ordinary income from debt cancellation, but limits basis reduction to depreciable assets only.

The committee believes that the compromise approach gives flexibility to the debtor to account for a debt discharge amount in a manner most favorable to the debtor's tax situation. For example, a bankrupt debtor which wishes to retain net operating losses will be able to elect to reduce asset basis in depreciable property. Similarly, a solvent taxpayer can continue to defer recognition of income by electing to reduce basis of depreciable assets.

At the same time, in developing the debt discharge rules of the bill, the committee recognized that under present law, taxpayers have been able to avoid completely, rather than to defer, the tax consequences of debt discharge. For example, present law permits taxpayers to reduce the basis of nondepreciable assets which may never be sold, such as stock in a subsidiary corporation or the land on which the company operates its business. The compromise approach of the bill gives debtors flexibility in accounting for the debt discharge amount, but insures that the deferred amount eventually will be recognized.

This bill was developed after several years' work, in cooperation with bar, bankruptcy, and accounting groups, and reflects a carefully developed and fair accommodation between bankruptcy policy and tax polcy. It is a consensus bill, which was reported by the Committee on Ways and Means without a dissenting vote. Mr. Speaker, I urge the adoption of H.R. 5043.

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Mr. DUNCAN of Tennessee. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 5043, the Bankruptcy Tax Act of 1980. The bill is one of the more significant bills to be passed by the Committee on Ways and Means and its Select Revenue Measures Subcommittee. I would like to commend Representatives FRENZEL and ROSTENKOWSKI for their efforts in reconciling the different points of views that developed during the bill's consideration.

In 1978, legislation was enacted that significantly amended the Federal bankruptcy laws (Public Law 95-598). These amendments generally became effective on October 1, 1979. Separate legislation was required to conform the tax laws to the new bankruptcy law. However, passage of the conforming tax changes was unfortunately delayed.

H.R. 5043 conforms the tax laws to the recently enacted bankruptcy provisions and establishes for the first time uniform statutory rules for taxpayers involved in bankruptcy or similar proceedings. In addition, the bill amends several other tax provisions to make it clear how these provisions shall apply in the case of taxpayers involved in bankruptcy or similar proceedings. For example, the bill: First, liberalizes the 12-month liquidation rules under code section 337 in the case of certain bankruptcy related liquidations; and second, makes it clear that the personal holding company penalty tax will not apply to corporate taxpayers involved in a bankruptcy or similar proceeding.

I have been informed that the Judiciary Committee, which developed the 1978 bankruptcy amendments, has not objected to the bill and the chairman of its Subcommittee on Civil and Constitutional Rights, DON EDWARDS, feels this is a fair bill.

In summary, H.R. 5043 balances tax and bankruptcy policies and I urge its immediate passage.

Mr. Speaker, I yield such time as he may consume to the gentleman from Virginia (Mr. BUTLER).

Mr. BUTLER. Mr. Speaker, as one who was active in writing the Bankruptcy Act of 1978, I have more than a passing interest in this legislation.

The bill as originally reported out by the Subcommittee on Select Revenue Measures contained several provisions which the bankruptcy community felt generally would adversely affect some of the policies implicit in the Bankruptcy Reform Act. These dealt with the treatment of income from the discharge of indebtedness and the exchange of stock for debt.

The bill was subsequently reworked, and in its reported form today the bill has taken positions regarding these matters which are compromises between the position contained in the bill originally and that urged by those in agreement and those in the bankruptcy community that I mentioned before.

In particular, where there is income from the discharge of indebtedness, the debtor can elect to reduce the basis of depreciable property in any order desired, to the extent of such income, and then, if there remains such income, reduce tax attributes, including net operating loss carryovers.

Also, where there is an exchange of stock for debt, the value of the stock is determinable by the parties, and the IRS will be bound by such a determination where it is reached as a result of adverse positions taken by the debtor and the creditor in seeking to reach such an agreement.

We would have been more satisfied had these provisions allowed for greater flexibility in the treatment of the net operating losses. However, it does constitute an acceptable compromise between the bankruptcy policy, as envisioned when the Bankruptcy Act was written, and tax policy. Therefore, as an acceptable compromise I would urge that it be voted favorably.

Mr. DUNCAN of Tennessee. Mr. Speaker, I yield such time as he may consume to the gentleman from Minnesota (Mr. FRENZEL), a member of the Committee on Ways and Means.

Mr. FRENZEL. Mr. Speaker, I want to thank the chairman of the subcommittee, the distinguished gentleman from Illinois (Mr. ROSTENKOWSKI), the ranking minority member, the distinguished gentleman from Tennessee (Mr. DUNCAN), and others who were so helpful in trying to resolve what looked like some very great difficulties with this bill. In my judgment, the bill represents a fine compromise in an attempt to reconcile the tax law to the new bankruptcy law which was passed in 1978. I hope the bill will be voted for by all Members of this body.

Mr. DUNCAN of Tennessee. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. ROSTENKOWSKI. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER. The question is on the motion offered by the gentleman from Illinois (Mr. ROSTENKOWSKI) that the House suspend the rules and pass the bill, H.R. 5043, as amended.

The question was taken.

Mr. ROSTENKOWSKI. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER. Pursuant to the provisions of clause 3, rule XXVII, and the Chair's prior announcement, further proceedings on this motion will be postponed.

SALE OF OBSOLETE VESSELS

Mr. MURPHY of New York. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4088) to authorize the Secretary of Commerce to sell two obsolete vessels to Coast Line Co. and for other purposes, as amended.

The Clerk read as follows:

H.R. 4088

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding any other provisions of the law, the Secretary of Commerce is authorized, within two years after the enactment of this Act: (A) to sell, subject to such conditions he deems are appropriate in the national interest, the two obsolete vessels C1–M–AV1 Private George Peters, and C1–M–AV1 Resolute, for the purpose of conversion and operation in the fisheries, or the domestic commerce of the United States, after due advertisement and upon competitive sealed bids, to the highest bidder, and (B) to allow obsolete vessels previously sold from the reserve fleet to be converted and operated in the fisheries of the United States *Provided*, That (1) any conversion work shall be performed in the United States; (2) The vessels shall be documented and operated under the laws of the United States; (3) if the vessels are scrapped, they shall be scrapped in the domestic market; and *Provided further*, That the Secretary shall not sell the vessels for less than their scrap value in the domestic market, (4) The vessels shall be purchased only by citizens of the United States or by a corporation organized under the laws of any of the United States whose shareholders comprise not less than seventy-five percent United States citizenry.

The SPEAKER. Is a second demanded?

Mr. SNYDER. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from New York (Mr. MURPHY) will be recognized for 20 minutes, and the gentleman from Kentucky (Mr. SNYDER) will be recognized for 20 minutes.

The Chair recognizes the gentleman from New York (Mr. MURPHY).

Mr. MURPHY of New York. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 4088, legislation which will authorize the Secretary of Commerce to sell two obsolete vessels, the *Private George Peters* and the *Resolute*.

This bill is necessary because section 510(g) of the Merchant Marine Act, 1936, prohibits the use of obsolete Government vessels for commercial operation. Thus, the Secretary of Commerce, although empowered to sell the obsolete vessels for scrapping or nontransportation usage, does not have the statutory authority to sell the vessels for commercial use.

H.R. 4088 as reported by the committee provides that the Secretary of Commerce may, after due advertisement and the solicitation of sealed bids, sell the vessels to the highest bidder. The Secretary shall not sell the vessels for less than their scrap value in the domestic market. The vessels shall be purchased only by citizens of the United States or by a corporation organized under the laws of any of the United States whose shareholders comprise not less than 75 percent U.S. citizenry.

This legislation also provides that any conversion work shall be performed in the United States, and the vessels shall be documented and operated under the laws of the United States. Further, if the vessels are scrapped within 5 years after the date of sale, they shall be scrapped in the domestic market.

This legislation will also allow the conversion and operation in the domestic fisheries of vessels previously sold from the reserve fleet.

The sale of these vessels will enlarge the domestic merchant marine fleet and stimulate U.S. trade. As the bill stands, up to $3 million per vessel will be spent for conversion of these vessels in U.S. yards. These sums will not be spent if H.R. 4088 is not enacted.

Mr. Speaker, I reserve the balance of my time.

Mr. SNYDER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the purpose of H.R. 4088 is to authorize the Secretary of Commerce to sell certain obsolete vessels from the reserve fleet for use in commercial operations. Under current law, while an obsolete Government vessel may be sold for scrap purposes, it may not be sold for commercial use. Consequently, this specific legislation is necessary in order to allow some enterprising American businessmen to buy these obsolete vessels and use them in our ocean commerce. Thereby creating new jobs for American workers.

Specifically, this bill authorizes the Secretary of Commerce to sell, by competitive bid, two obsolete vessels for use in either the domestic commerce or the fisheries of the United States provided; that any conversion work shall be performed in the United States, the vessels shall be documented and operated under the laws of the United States, if the vessels are scrapped they shall be scrapped in the domestic market, that they shall not be sold for less than their scrap value in the domestic market and that they shall only be purchased by citizens of the United States or by a corporation whose shareholders comprise not less than 75 percent U.S. citizenry.

In addition, this bill also permits vessels which have previously been sold from the reserve fleet to be used in the fisheries of the United States.

Finally, I would like to point out that our committee, under the strong leadership of the chairman and Congressman PAUL MCCLOSKEY, the ranking minority member on the full committee, has included within the Maritime Omnibus bill a provision that gives the Secretary of Commerce sufficient authority to sell obsolete vessels from the reserve fleet for commercial use, without first acquiring specific congressional approval.

I commend the chairman for his leadership in this area and I urge the passage of H.R. 4088.

Mr. Speaker, I have no further requests for time.

Mr. MURPHY of New York. Mr. Speaker, I have no further requests for time.

The SPEAKER. The question is on the motion offered by the gentleman from New York (Mr. MURPHY) that the House suspend the rules and pass the bill, H.R. 4088, as amended.

The question was taken.

Mr. ROUSSELOT. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER. Pursuant to the provisions of clause 3, rule XXVII, and the Chair's prior announcement, further proceedings on this motion will be postponed.

PAPERWORK REDUCTION ACT OF 1980

Mr. BROOKS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 6410) to reduce paperwork and enhance the economy and efficiency of the Government and the private sector by improving Federal information policymaking, and for other purposes, as amended.

The Clerk read as follows:

H.R. 6410

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Paperwork Reduction Act of 1980".

SEC. 2. (a) Title 44 of the United States Code is amended by striking out chapter 35 and inserting in its place the following new chapter:

"Chapter 35—COORDINATION OF FEDERAL INFORMATION POLICY

"Sec.
"3501. Purpose.
"3502. Definitions.
"3503. Office of Federal Information Policy.
"3504. Authority and functions of Director.
"3505. Assignment of tasks and deadlines.
"3506. Federal agency responsibilities.
"3507. Public information collection activities—submission to Director, approval and delegation.
"3508. Determination of necessity for information; hearing.
"3509. Designation of central collection agency.
"3510. Cooperation of agencies in making information available.
"3511. Establishment and operation of Federal Information Locator System.
"3512. Penalty for failure to furnish information.
"3513. Director review of agency activities; reporting; agency response.
"3514. Responsiveness to Congress.
"3515. Administrative powers.
"3516. Rules and regulations.
"3517. Consultation with other agencies and the public.
"3518. Effect on existing laws and regulations.
"3519. Access to information.
"3520. Authorization of appropriations.

"§ 3501. Purpose

"It is the purpose of this chapter to ensure that—

"(1) Federal information policies and practices shall be coordinated and integrated with each other and shall be uniform, as far as practicable, throughout the Federal Government;

"(2) information needed by agencies shall be obtained with a minimum burden upon persons and entities required to furnish the information, and obtained, used, and disseminated at a minimum cost to the Government;

"(3) information collected and tabulated by an agency shall, as far as practicable, be maintained in a manner to maximize the usefulness of the information to Congress, agencies, and the public;

"(4) the collection, maintenance, use, and dissemination of personal information by agencies shall be consistent with the Privacy Act of 1974 and other applicable laws; and

"(5) automatic data processing and telecommunications technology shall be acquired and used in a manner which improves service delivery and program management, increases productivity, reduces waste and fraud, and, where possible, reduces the information processing burden on the public and private sectors.

"§ 3502. Definitions

"As used in this chapter, the term—

"(1) 'agency' means any executive department, military department, Government corporation, Government controlled corporation, or other establishment in the executive branch of the Government (including the Executive Office of the President), or any independent regulatory agency; but does not include the General Accounting Office or the governments of the District of Columbia and of the territories and possessions of the United States, and their various subdivisions;

"(2) 'collection of information' means the obtaining or soliciting of facts or opinions for any purpose by an agency by the use of written report forms, application forms, schedules, questionnaires, reporting or recordkeeping requirements, or other similar methods calling for either—

"(A) answers to identical questions posed to, or identical reporting or recordkeeping requirements imposed on, ten or more persons; or

"(B) answers to questions posed to agencies of the United States which are to be used for general statistical purposes;

"(3) 'data element' means a distinct piece of information such as a name, term, number, abbreviation, or symbol;

"(4) 'data element dictionary' means a system containing standard and uniform definitions and cross references for commonly used data elements;

"(5) 'data profile' means a synopsis of the questions contained in an information collection request, and also such related items as the official name of the request, the location of information obtained through such request, a description of any compilations, analyses, or reports derived from such information, any record retention requirements associated with such request, the agency responsible for such request, the authorizing statute, and other information necessary to identify, access, and use the data contained in such information;

"(6) 'Director' means the Director of the Office of Management and Budget;

"(7) 'directory of information resources' means a catalog of information collection requests, containing a data profile for each request;

"(8) 'independent regulatory agency' means the Board of Governors of the Federal Reserve System, the Civil Aeronautics Board, the Commodity Futures Trading Commission, the Consumer Product Safety Commission, the Federal Communications Commission, the Federal Deposit Insurance Corporation, the Federal Election Commission, the Federal Energy Regulatory Commission, the Federal Home Loan Bank Board, the Federal Maritime Commission, the Federal Trade Commission, the Interstate Commerce Commission, the Mine Enforcement Safety and Health Review Commission, the National Labor Relations Board, the Nuclear Regulatory Commission, the Occupational Safety and Health Review Commission, the Postal Rate Commission, and the Securities and Exchange Commission, and other similar agencies designated by statute as independent regulatory establishments of the Federal Government;

"(9) 'information collection request' means a written report form, application form, schedule, questionnaire, or other reporting or recordkeeping requirement for the collection of information;

"(10) 'information referral service' means the function that assists officials and citizens in obtaining access to the Federal Information Locator System;

"(11) 'person' means an individual, partnership, association, corporation, business trust, or legal representative, an organized group of individuals, a State, territorial, or local government or branch thereof, or a political subdivision of a State, territory, or local government or a branch of a political subdivision; and

"(12) 'recordkeeping requirement' means a requirement imposed by an agency on persons to maintain specified records.

"§ 3503. Office of Federal Information Policy

"(a) There is established in the Office of Management and Budget an office to be known as the Office of Federal Information Policy.

"(b) There shall be at the head of the Office an Administrator who shall be appointed by, and who shall report directly to, the Director. The Director shall delegate to the Administrator the authority and responsibility to administer all functions under this chapter. The Administrator shall serve as principal adviser to the Director on Federal information policy.

"§ 3504. Authority and functions of director

"(a) The Director shall provide overall direction in the development and implementation of Federal information policies, principles, standards, and guidelines, including review and approval of information collection requests, the reduction of the paperwork burden placed on the public, Federal statistical activities, records management activities, privacy of records pertaining to individuals, interagency sharing of information, and acquisition and use of automatic data processing and other technology for managing information resources.

"(b) The general information policy functions of the Director shall include—

"(1) developing and establishing uniform information resources management policies and overseeing the development of information management principles, standards, and guidelines and promoting their use;

"(2) initiating and receiving proposals for changes in legislation, regulations, and agency procedures to improve information practices, and informing the President and the Congress on the progress made in effecting such changes;

"(3) coordinating, through the review of budget proposals and otherwise, agency information practices;

"(4) promoting, through the use of the Federal Information Locator System and the review of budget proposals, and otherwise, greater agency sharing of information (consistent with applicable laws) to enhance the usefulness of the information and limit the reporting burden on the public;

"(5) evaluating the agencies' information practices to determine their adequacy, efficiency, and compliance with policies, principles, standards, and guidelines promulgated by the Director; and

"(6) overseeing the planning of, and the conduct of research with respect to, Federal information collection, processing, storage, transmission, and use.

"(c) The information collection request clearance and other paperwork functions of the Director shall include—

"(1) reviewing and approving information collection requests proposed by agencies;

"(2) determining whether the collection of information by an agency is necessary for the proper performance of the functions of the agency and has practical utility for the agency;

"(3) designating, in accordance with section 3509, a collection agency to obtain information for two or more agencies;

"(4) setting goals for reductions of the numbers and burdens of Federal information collection requests;

"(5) overseeing action on the recommendations of the Commission on Federal Paperwork; and

"(6) designing and operating the Federal Information Locator System in accordance with section 3511.

"(d) The statistical policy and coordination functions of the Director shall include—

"(1) developing, in conjunction with the agencies, long range plans for the improved performance of Federal statistical activities and programs;

"(2) coordinating, through the review of budget proposals and otherwise, the functions of the Government with respect to gathering, interpreting, and disseminating statistics and statistical information;

"(3) overseeing the establishment of Government-wide policies, principles, standards, and guidelines covering statistical collection procedures and methods, statistical data classifications, and statistical information presentation and dissemination, and

"(4) evaluating statistical program performance and agencies' compliance with Government-wide policies, principles, standards, and guidelines.

"(e) The records management functions of the Director shall include—

"(1) providing advice and assistance to the Administrator of General Services to promote coordination in the administration of chapters 29, 31, and 33 of this title with the information policies, principles, standards, and guidelines established under this chapter;

"(2) reviewing compliance by Federal agencies with the requirements of chapters 29, 31, and 33 of this title and with regulations promulgated by the Administrator of General Services thereunder; and

"(3) coordinating records management policies and programs with related information programs such as information collection, statistics, automatic data processing and telecommunications, and similar activities.

"(f) The privacy functions of the Director shall include—

"(1) overseeing the development of and promulgating policies, principles, standards, and guidelines on information disclosure and confidentiality, and on safeguarding the security of information collected or maintained by agencies, or in conjunction with Federal programs;

"(2) providing agencies with advice and guidance about information security, restriction, exchange, and disclosure; and

"(3) monitoring compliance with the Privacy Act of 1974 (5 U.S.C. 552a) and related information management laws.

"(g) The automatic data processing and telecommunications functions of the Director shall include—

"(1) establishing policies, principles, standards, and guidelines for automatic data processing and telecommunications functions and activities, and overseeing the establishment of standards under section 111(f) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 759(f));

"(2) monitoring the effectiveness of, and compliance with, directives issued pursuant to sections 110 and 111 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 757, 759) and reviewing proposed determinations under section 111(g) of such Act;

"(3) providing, in coordination with the Administrator of General Services, advice and guidance on the acquisition and use of automatic data processing and telecommunications equipment, and coordinating, through the review of budget proposals and otherwise, agency proposals for acquisition and use of such equipment; and

"(4) promoting the use of automatic data processing and telecommunications equipment to improve the effectiveness of the use and dissemination of data in the operation of Federal programs; and

"(5) initiating and reviewing proposals for changes in legislation, regulations, and agency procedures to improve automatic data processing and telecommunications practices, and informing the President and the Congress of the progress made in effecting such changes.

"(h) Other functions of the Director shall include ensuring that, in developing rules and regulations, agencies—

"(1) utilize efficient methods to collect, use and disseminate necessary information;

"(2) provide an early and substantial opportunity for the public to comment on proposed means of collecting information related to such rules and regulations; and

"(3) make assessments of the consequences of alternative methods of implementing the statutory goals of such rules and regulations (including alternative methods of collecting information).

"(i) In any review of regulations by the Director authorized by law, the Director shall consider the relationship of such regulations to the policies, principles, standards, and guidelines established under this chapter.

"§ 3505. Assignment of tasks and deadlines

"In carrying out the authority and functions assigned by this chapter, the Director shall—

"(1) within one year after the date of enactment of the Paperwork Reduction Act of 1980—

"(A) establish standards and requirements for agency audits of all major information systems, assign the responsibility for conducting such audits, and assign the responsibility for conducting Government-wide or multiagency audits;

"(B) establish the Federal Information Locator System;

"(C) identify areas of duplication in information collection requests and develop a schedule and methods for eliminating the duplication; and

"(D) develop a proposal to augment the Federal Information Locator System to include data profiles of major information holdings of agencies (used in the conduct of their operations) which are not otherwise required by this chapter to be included in the System; and

"(2) within two years after such date of enactment—

"(A) establish a schedule and a management control system (including policies, principles, standards, and guidelines) to ensure that practices and programs of the various information handling disciplines, such as records management, are appropriately integrated with each other, and with the broad information policies established by this chapter;

"(B) identify initiatives which may achieve substantial productivity improvement in Federal operations using information processing technology;

"(C) develop a program to (i) enforce Federal information processing standards, particularly language standards, at all Federal installations; and (ii) revitalize the standards development program, separating it from peripheral technical assistance functions and directing it to the most productive areas;

"(D) complete action on recommendations of the Commission on Federal Paperwork, including development of legislation necessary to implement such recommendations;

"(E) develop, in consultation with the Administrator of General Services, a five-year plan for meeting the automatic data processing and telecommunications needs of the Federal Government in accordance with the requirements of section 111 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 759) and the purposes of the Paperwork Reduction Act of 1980; and

"(F) submit to the President and the Congress legislative proposals to remove inconsistencies in laws and practices involving privacy, confidentiality, and disclosure of information.

"§ 3506. Federal agency responsibilities

"(a) Each agency shall be responsible for carrying out its information management activities in an efficient, effective, and economical manner, and for complying with the information policies, principles, standards, and guidelines prescribed by the Director.

"(b) The head of each agency shall designate, within three months of the date of enactment of the Paperwork Reduction Act of 1980, a senior official who reports directly to such agency head to carry out the responsibilities of the agency under this chapter.

"(c) Each agency shall—

"(1) systematically inventory its major information systems and periodically review its information management activities, including planning, budgeting, organizing, directing, training, promoting, controlling, and other managerial activities involving the collection, use, and dissemination of information;

"(2) take steps to ensure that its information systems do not overlap each other or duplicate those of other agencies;

"(3) develop procedures for assessing the paperwork and reporting burden of its information collection activities and of proposed legislation and regulations related to such agency; and

"(4) assign to the official designated under subsection (b) the responsibility for the conduct of and accountability for any acquisitions made pursuant to a delegation of authority under section 111 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 759).

"(d) The head of each agency shall establish such procedures as he may deem necessary to ensure the compliance of his agency with the requirements of the Federal Information Locator System, including necessary screening and compliance activities.

"§ 3507. Public information collection activities—Submission to Director; approval and delegation

"(a) An agency shall not conduct or sponsor the collection of information unless, in advance of adoption or revision of the request for collection of such information—

"(1) the agency has taken appropriate steps, including consultation with the Director (A) to eliminate information collections which seek to obtain information available from another source within the Federal Government (through the use of the Federal Information Locator System and other means), (B) to reduce the compliance burden on respondents, and (C) to formulate plans for tabulating the information in a manner which will enhance its usefulness to other agencies and to the public;

"(2) the agency has submitted to the Director the proposed information collection request, copies of pertinent regulations and of other related materials as the Director may specify, and an explanation of measures taken to satisfy paragraph (1) of this section, and has caused a notice of such submission to be published in the Federal Register; and

"(3) the Director has approved the proposed information collection request, or sufficient time has elapsed as provided under subsection (c).

"(b) Any disapproval, in whole or in part, under subsection (a) of a proposed information collection request of an independent regulatory agency may be voided if the agency, by a majority vote of its members, overrides the Director's decision.

"(c) The Director shall, within sixty days of receipt of a proposed information collection request, notify the agency involved of his decision to approve or disapprove the request. If the Director determines that a request submitted for review cannot be reviewed within sixty days, he may, after notice to the agency involved, extend the review period for an additional thirty days. If the Director does not notify the agency of an extension, denial, or approval within sixty days (or, if he has extended the review period for an additional thirty days and does not notify the agency of a denial or approval within the time of the extension), his approval may be inferred and the agency may collect the information for not more than one year.

"(d) No approval of an information collection request shall be valid for a period of more than three years.

"(e) If the Director finds that a senior official designated pursuant to section 3506(b) has independence from any program responsibility and has sufficient resources to evaluate whether proposed information collection requests should be approved, the Director may, by rule subject to the notice and comment provisions of chapter 5 of title 5, delegate to such official his power to approve proposed requests in specific program areas, for specific purposes, or for all agency purposes. Such delegation shall not preclude the Director from reviewing individual information collection requests if the Director determines that circumstances warrant such a review. The Director shall retain authority to revoke such delegations of power, both in general and with regard to any specific matter. In acting for the Director, any official to whom approval powers have been delegated shall comply fully with the rules and regulations promulgated by the Director.

"(f) No agency shall be exempt from the requirements of this chapter.

"§ 3508. Determination of necessity for information; hearing

"Before approving a proposed information collection request, the Director shall determine whether the collection of information by an agency is necessary for the proper performance of the functions of the agency and has practical utility for the agency. Before making a determination the Director may give the agency and other interested persons an opportunity to be heard or to submit statements in writing. To the extent, if any, that the Director determines that the collection of information by an agency is unnecessary, for any reason, the agency may not engage in the collection of the information.

"§ 3509. Designation of central collection agency

"The Director may designate a collection agency to obtain information for two or more agencies if the Director is of the opinion that the needs of such agencies for information will be adequately served by a single collection agency, and such sharing of data is not inconsistent with any applicable law. In such cases the Director shall prescribe (with reference to the collection of information) the duties and functions of the collection agency so designated and of the agencies for which it is to act as agent (including reimbursement for costs). While the designation is in effect, an agency covered by it may not obtain for itself information which it is the duty of the collection agency to obtain. The Director may modify the designation from time to time as circumstances require.

"§ 3510. Cooperation of agencies in making information available

"(a) The Director may direct an agency to make available to another agency information obtained pursuant to an information collection request if—

"(1) the disclosure is not inconsistent with any applicable law;

"(2) it is disclosed in the form of statistical totals or summaries; or

"(3) the person who supplied the information consents to such disclosure.

"(b) If information obtained by an agency is released by that agency to another agency, all the provisions of law (including penalties which relate to the unlawful disclosure of information) apply to the officers and employees of the agency to which information is released to the same extent and in the same manner as the provisions apply to the officers and employees of the agency which originally obtained the information. The officers and employees of the agency to which the information is released, in addition, shall be subject to the same provisions of law, including penalties, relating to the unlawful disclosure of information as if the information had been collected directly by that agency.

"§ 3511. Establishment and operation of Federal Information Locator System

"(a) There is hereby established in the Office of Federal Information Policy a Federal Information Locator System (hereinafter in this section referred to as the 'System') composed of a directory of information resources, a data element dictionary, and an information referral service. The System shall serve as the authoritative register of all information collection requests.

"(b) In designing and operating the System, the Director shall—

"(1) design and operate an indexing system for the System;

"(2) promulgate rules requiring the head of each agency to prepare in a form specified by the Director, and to submit to the Director for inclusion in the System, a data profile for each information collection request of such agency;

"(3) compare data profiles for proposed information collection requests against existing profiles in the System, and make available the results of such comparison to—

"(A) agency officials who are planning new information collection activities; and

"(B) on request, members of the general public; and

"(4) ensure that no actual data, except descriptive data profiles necessary to identify duplicate data or to locate information, are contained within the System.

"§ 3512. Penalty for failure to furnish information

"Notwithstanding any other provision of law, no person shall be subject to any penalty for failing to provide information to any agency if the information collection request involved was made after December 31, 1981, in violation of section 3507.

"§ 3513. Director review of agency activities; reporting; agency response

"(a) The Director shall, with the advice and assistance of the Administrator of General Services, review, at least once every three years, by means of selective inspections, the information management activities of each agency to ascertain their adequacy and efficiency. In evaluating the adequacy and efficiency of these activities, the Director shall pay particular attention to whether the agency has complied with section 3506.

"(b) The Director shall report the results of the inspections to the appropriate agency head, the House Committee on Government Operations, the Senate Committee on Governmental Affairs, the House and Senate Committees on Appropriations, and committees of the Congress having jurisdiction over legislation relating to the operations of the agency involved.

"(c) Each agency which receives a report pursuant to subsection (b) shall, within sixty days thereafter, prepare and submit to the Director, the House Committee on Government Operations, the Senate Committee on Governmental Affairs, the House and Senate Committees on Appropriations, and the committees of the Congress having jurisdiction over legislation relating to its operations, a written statement describing any measures taken to alleviate or remove any problems or deficiencies identified in such report.

"§ 3514. Responsiveness to Congress

"(a) The Director shall keep the Congress and its committees fully and currently informed of the major activities under this chapter, and shall submit a report thereon to the President of the Senate and the Speaker of the House of Representatives annually and at such other times as may be necessary for this purpose. The Director shall include in such reports—

"(1) proposals for legislative changes needed to improve Federal information management, including, with respect to information collection, recommendations to ease the burden upon individuals and small organizations;

"(2) a compilation of legislative impediments to the collection of information which the Director concludes that an agency needs but does not have authority to collect;

"(3) an analysis by agency, and by such other categories as he may deem useful, describing the compliance burden of information collection requests of agencies on persons outside the Federal Government, as well as the costs to agencies;

"(4) a summary of accomplishments to reduce the burden of complying with Federal information collection requests by such means as reducing the time, cost, complexity, and incomprehensibility of Federal paperwork;

"(5) a tabulation of areas of duplication in agency information collection requests identified during the preceding year and any designations of central collection agencies made to preclude the collection of duplicate information;

"(6) a list of all violations of provisions of this chapter and rules, regulations, guidelines, policies, and procedures issued to this chapter; and

"(7) with respect to recommendations of the Commission on Federal Paperwork—

"(A) the specific actions taken on each recommendation which has been completely implemented;

"(B) the major actions still required to implement each remaining recommendation and the target date for completing each such action;

"(C) a detailed assessment of the status of and progress on each such action; and

"(D) an explanation of any delays and actions required to overcome these delays.

"(b) The preparation of these reports shall not increase the burden on persons outside the Federal Government of responding to mandatory requests for information.

"§ 3515. Administrative powers

"(a) Upon the request of the Director, each agency (other than an independent regulatory agency) shall make its services, personnel, and facilities available to the Director for the performance of functions under this chapter.

"(b) Upon the request of the Director, each agency shall, except when prohibited by law, furnish to the Director and give him access to all information in its possession which the Director may determine to be necessary for the performance of functions under this chapter.

"§ 3516. Rules and regulations

"The Director shall promulgate rules and regulations necessary to exercise the authority provided by this chapter.

"§ 3517. Consultation with other agencies and the public

"In the development of information policies, rules, regulations, procedures, and forms, the Director shall, from the beginning of each initiative, consult with persons outside the Federal Government and the agencies affected.

"§ 3518. Effect on existing laws and regulations

"The authority of an agency under any other law to prescribe policies, rules, regulations, procedures, and forms for Federal information activities is subject to the authority conferred on the Director by this chapter.

"§ 3519. Access to information

"The Director and personnel in the Office of Federal Information Policy shall furnish such information as the Comptroller General may require for the discharge of his responsibilities. For this purpose, the Comptroller General or his representatives shall have access to all books, documents, papers, and records of that Office.

"§ 3520. Authorization of appropriations

"There are hereby authorized to be appropriated to carry out the provisions of this chapter, and for no other purpose—

"(1) not to exceed $8,000,000 for the fiscal year ending September 30, 1981;

"(2) not to exceed $8,500,000 for the fiscal year ending September 30, 1982;

"(3) not to exceed $9,000,000 for the fiscal year ending September 30, 1983.".

(b) The table of chapters of title 44, United States Code, is amended by striking out

"35. Coordination of Federal Reporting Services."

and inserting in lieu thereof

"35. Coordination of Federal Information Policy.".

(c)(1) Section 2904 of title 44, United States Code, is amended by striking out paragraph (10) and inserting in lieu thereof the following:

"(10) report to the appropriate oversight and appropriations committees of the Congress and to the Director of the Office of Management and Budget annually and at such times as he deems desirable (A) on the results of activities conducted pursuant to paragraphs (1) through (9) of this section, (B) on evaluations of responses by Federal agencies to any recommendations resulting from inspections or studies conducted under paragraphs (8) and (9) of this section, and (C) on estimates of lost benefits or savings resulting from the failure of agencies to implement such recommendations.".

(2) Section 2905 of title 44, United States Code, is amended by redesignating the text thereof as subsection (a) and by adding at the end of such section the following new subsection:

"(b) The Administrator of General Services shall assist the Administrator of the Office of Federal Information Policy in conducting studies and developing standards relating to record retention requirements imposed on the public and on State and local governments by Federal agencies.".

SEC. 3. (a) The President and the Director of the Office of Management and Budget shall delegate to the Administrator of the Office of Federal Information Policy all their functions, authority, and responsibility under section 103 of the Budget and Accounting Procedures Act of 1950 (31 U.S.C. 18b).

(b) The Director of the Office of Management and Budget shall delegate to the Administrator of the Office of Federal Information Policy all functions, authority, and responsibility of the Director under section 552a of title 5 and under sections 110 and 111 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 757, 759).

SEC. 4. (a) Section 400A of the General Education Provision Act is amended by adding at the end thereof the following new subsection:

"(h) The authority provided and the responsibilities imposed by this section shall terminate on October 1, 1982.".

(b) Section 201 of the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1211) is amended by striking out subsection (e).

(c) Subsection (f) of section 708 of the Public Health Service Act (42 U.S.C. 292h (f)) is repealed.

(d) Section 5315 of title 5, United States Code, is amended by adding at the end thereof the following:

"Administrator, Office of Federal Information Policy, Office of Managment and Budget.".

SEC. 5. This act shall take effect on October 1, 1980.

The SPEAKER. Is a second demanded?

Mr. HORTON. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from Texas (Mr. BROOKS) will be recognized for 20 minutes, and the gentleman from New York (Mr. HORTON) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Texas (Mr. BROOKS).

Mr. BROOKS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 6410, with an amendment I propose, is the result of a growing concern that the way the Government collects, uses, and disseminates information must be improved. Inefficiencies in current Federal information practices drastically reduce the effectiveness of the Government while, at the same time, impose a substantial burden on the public.

The primary objectives of H.R. 6410 are: First, to reduce the information processing burden on the public and private sectors; second, to expand and strengthen Federal information management activities; and third, to decrease the paperwork burden on individuals, businesses, State and local governments, and others outside the Federal Government.

To accomplish these objectives the bill creates a new Office of Federal Information Policy within OMB which will be responsible for Government-wide information policy and oversight. The creation of the OMB office and assignment of functions under H.R. 6410 are based on recommendations of the Commission on Federal Paperwork, the President's Federal data processing reorganization project, and the General Accounting Office.

H.R. 6410 will require the development and implementation of uniform and consistent information policies and practices. It will also require the new OMB Office to periodically evaluate and report on the agencies' information activities. This reporting will provide the necessary feedback to stimulate continued improvements in the Government's information management activities.

In addition, the bill will create a Federal information locator system which will contain descriptions of all information requests made by Federal agencies to the public. The locator system will be managed and operated by the new OMB office.

Just prior to the committee's reporting the bill, the chairman of the Education and Labor Committee, Congressman CARL PERKINS, advised me of his concern over a provision of the bill which repeals the coordination and review procedure for education data collections. Chairman PERKINS believes that this procedure should not be repealed until OMB demonstrates its capability to assume this function.

While I believe data collections generated by all Federal agencies should be subjected to the same rules and scrutiny by the OMB office, I have proposed an amendment, suggested by Mr. PERKINS, which gives OMB time to integrate the education procedure into its own procedures. Mr. PERKINS has assured me that the language meets his concerns.

In summary, Mr. Speaker, the successful implementation of H.R. 6410 will achieve substantial savings by reducing the paperwork burden on the public and by improving Government efficiency through better management of its information resources.

I urge the House to support this bill.

☐ 1230

Mr. Speaker, I reserve the balance of my time.

Mr. HORTON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of H.R. 6410, the Paperwork Reduction Act of 1980.

Mr. Speaker, this bill provides for the implementation of a very important concept: That the Federal Government should treat information as a resource, not a free good, and manage information as it manages other resources. This concept has been near and dear to me ever since I learned, as chairman of the Commission on Federal Paperwork, how significant it can be. It should become near and dear to all the Members of this House as they realize the substantial economies its implementation can achieve.

The Paperwork Commission, which served this country from 1975 to 1977, went out of business on time, and turned back over a million dollars in unused funds to the Treasury, estimated that over $100 billion a year is spent in and out of Government on Federal information needs and handling. So paperwork is a big money item. And it is a problem that affects virtually every person and every critical issue in our Nation.

The Commission made 880 recommendations for lessening the Federal paperwork problem. One of the very most important of them was a proposal for establishing an institutional framework for managing the Government's information resources. As we pointed out—

> The real culprit of the (Federal) paperwork burden is mismanagement of information resources. * * * There must be established (in the executive branch) an Information Resources Management function incorporating and integrating many disparate but related information activities. * * * (These activities must be brought) together under a single management coordination umbrella.

This bill carries forward that recommendation in two fundamental ways. First, it places the authority for setting information policy in the Government's central management agency, the Office of Management and Budget. Second, it requires each agency to designate a senior official to be its information resource manager, reporting directly to the agency head and responsible for following the policies set by OMB.

To address specifically the paperwork burden imposed by the Federal Government on the public, H.R. 6410 also rewrites the Federal Reports Act of 1942, which governs the clearance of forms which are used to collect information. The bill makes that law clearer and makes all agencies subject to its provisions. The revised Federal Reports Act would require that agencies could not collect data from private businesses or other people unless their requests had been approved by OMB.

To help OMB decide which information requirements to approve, the bill establishes a Federal information locator system to contain descriptions of all requests made by Federal agencies for the collection of information from the public. The system will be used to identify duplication in existing or new reporting or recordkeeping requirements and to locate existing information that may meet the needs of any agency that wants to collect new data.

Mr. Speaker, enactment of this legislation would have several significant, specific benefits. Comptroller General Elmer Staats identified them in written comments he provided to the Government Operations Committee:

> A single control point for Federal information policy and oversight;
>
> An end to fragmented responsibility for controlling Federal paperwork burdens on the public;
>
> Visible and accountable officials for information management, both in OMB and in each agency;
>
> Uniformity and consistency in policies for acquisition and management of advanced information technology;
>
> Much needed visibility, authority, and accountability for statistical policy coordination and records management; and
>
> Development and implementation of a long-needed Federal information locator system.

Mr. Staats concluded—

> As I stated in my testimony, we believe that enactment of H.R. 6410 will mark the beginning of the long and arduous task to solve the many information management problems now existing. Successful performance of that task should result in improved information management and reduced paperwork burdens on the public fully justifying the relatively modest incremental costs associated with the bill.

Mr. Speaker, I urge my colleagues to keep in mind that last statement of the Comptroller General: Enactment of this bill, followed by effective implementation of it, "should result in improved information management and reduced paperwork burdens on the public fully justifying the relatively modest incremental costs associated with the bill." Join with me in supporting H.R. 6410.

● Mr. PERKINS. Mr. Speaker, I would like to take this opportunity to commend very highly Chairman JACK BROOKS and the entire Committee on Government Operations for the tremendous leadership they are showing today in trying to reduce the amount of Federal paperwork we are imposing upon our citizens. The Brooks bill which is before us is a fine attempt to make more sense out of the present morass of Federal rules, regulations and the resulting paperwork. I salute Chairman Brooks and his committee for reporting this bill to the House.

I also thank the chairman for accommodating the Committee on Education and Labor with one problem that we had with the bill. In 1978 our committee and the Senate Subcommittee on Education under the leadership of Senator Pell sought to relieve the amount of Federal paperwork in the area of education through creating a coordinating mechanism for all education-related paperwork emanating from throughout the Federal Government.

The coordinating mechanism which is now housed in the National Center for Education Statistics is just now beginning to get a good hold on this immense problem. Within the last year that unit has reduced the burden imposed on respondents by Federal agencies by more than 1-million person hours.

Our committee is still not satisfied that that unit is being hard enough on all Federal agencies in approving their paperwork requests. But, we are encouraged by the progress which has been achieved to date and by the promise of achieving even more substantial reductions in the near future.

H.R. 6410 which is before us today would have repealed the authority in our Federal education laws for the existence of that unit. The reason given for this repeal was that the authority and duties of the Office of Management and Budget were being strengthened sufficiently under the bill to deal with paperwork across the Federal Government, including the area of education.

The Committee on Education and Labor has no problem at all with the basic thrust of the Brooks bill in terms of placing OMB in the pivotal position of controlling paperwork throughout the Federal Government. However, we are concerned that until OMB achieves its full potential under this bill, which could be several years off, we could lose the momentum for controlling paperwork which we have achieved in the area of education if our legislative enactments of 1978 were immediately repealed.

Chairman Brooks has been very understanding of our concern in this regard, and he has agreed to amend his committee's bill to remove the repeal of our provisions and instead to place a termination date of October 1, 1982, into our laws for this education paperwork control unit.

We fully agree with that amendment; and we want to make clear that if OMB has achieved its full potential under the bill before us, within the next few years, it would be our expectation not to renew the authority for any such separate education unit. We would hope instead that all of the education-related duties would be folded into OMB's overall authority. If, however, OMB has not achieved the potential it has under this bill, then we would expect to review the situation and try to achieve some agreement on the best mechanism for controlling paperwork in the area of education.

In a nutshell, we do not want to lose the momentum for controlling paperwork which we have achieved in the area of education in the last 2 years through an immediate repeal of our education data control unit while we are all waiting for OMB to assume all of these new functions under the Brooks bill. But, we want to make clear that we do not have any specific predilection to any particular organizational structure in education in the long run. Our only concern is that there be an effective control of paperwork in the area of education.

For the sake of legislative history, I would like to make clear our exact agreement as regards Chairman Brooks' amendment to extend the life of the education data unit until October 1, 1982. We are aware of the fact that there are several earlier sections of the bill, such as the proposed new sections 3507 (f), 3512, and 3518, which have general provisions which on their face may seem not to fit exactly with the authority of the education data unit which would be extended later in the bill in section 4. It is our clear intention that the amendment extending the data unit which appears later in the bill controls the applicability of these earlier sections.

The only reason that we left those proposed provisions unamended was that we hoped by 1982 to be able to fold education into the general provisions and therefore we would not want to diminish their general applicability. We want to make clear, however, our adherence to the statutory principle that whichever provision appears later in a bill, controls an earlier provision which could be seemingly contradictory.

Mr. Speaker, the Brooks bill addresses a problem which is bothering millions of our citizens, namely, that the Federal Government is creating too much of a paperwork burden. Those of us responsible for Federal education programs know that this is true in our area of responsibility. And, we applaud Chairman Brooks and his committee for dealing with this problem in such a strong and forthright fashion, and we support him fully.●

● Mr. STEED. Mr. Speaker, I believe this legislation, of which I am a cosponsor, will be a substantial step forward in making more effective the never-ending battle against unnecessary Federal paperwork.

I had the honor of serving for this entire 2-year period of operation as one of the two House members of the Commission on Federal Paperwork. Under the chairmanship of our colleague Congressman Frank Horton we made the most intensive analysis yet attempted of this monstrous problem. And we were determined to approach it with steps that would be of practical help to the average businessman and the average citizen—not just by adding to the mounds of paperwork ourselves. This bill will carry out one of our objections.

H.R. 6410 will help by creating a central office in the Office of Management and Budget that will have specific authority and responsibility for government information policy and oversight. This office of Federal Information Policy will be responsible to the Congress, to the President and to the public. By focusing oversight power and responsibility in a single area it should facilitate the task of simplifying Federal paperwork. The office will be headed by an administrator appointed by the Director of the OMB. Its responsibility will include such vital areas as automatic data processing and telecommunications, paperwork clearance, records management, the Privacy Act and statistical policy.

Except for records management, since 1977 under the Department of Commerce, the OMB has supervisory functions in all these areas, but the bill will expand its management role in each of them as well as requiring specific actions by OMB to make certain our objectives are met on a timely basis.

A second major provision of the bill is the rewriting of the Federal Reports Act of 1942. This measure strengthens the clearance function, thus making it more feasible to hold the public reporting burden to a minimum. The power to approve agency data requests is consolidated under OMB, with an appropriate procedure by which the independent regulatory agencies can override an OMB disapproval by majority vote, thus safeguarding their status.

A third thrust of the measure comes with the establishment of a Federal information locator system. This system will contain summaries of all information requests made by Federal agencies, thus serving two functions—pinpointing duplication in reports required by the agencies and also identifying existing information that may meet the needs of Congress or the public.

Monetary benefits from the passage of H.R. 6410 will enormously exceed the cost. Additional authorizations would be approximately $4 million a year. The potential savings can be illustrated by a simple example given by the President's Federal data process reorganization project. This group asserts that the cost of administering the black lung program of the Department of Labor alone can be cut from $41 million to $17 million by automation.

Most important, as Comptroller General Elmer Staats has pointed out, the action will give much-needed visibility, authority and accountability for statistical policy coordination and records management.

Chairman Brooks and the Committee on Government Operations have performed splendidly in implementing some of the recommendations of the Commission on Federal Paperwork as well as those of the General Accounting Office and the Federal data processing reorganization project. I urge the adoption of this bill.●

● Mr. PREYER. Mr. Speaker, in October of 1977, there was a meeting in your office at which the Commission on Federal Paperwork presented its final report. At that time, Commission members expressed concern that their recommendations might end up, as have many other Government studies, gathering dust on some shelf. They were assured by all present that the Congress could not and would not allow that to happen.

The following week my Subcommittee on Government Information and Individual Rights held the first hearing on the Commission's recommendations. Since that time, I have worked closely, and had the opportunity to join with Chairman Brooks, Mr. Steed, and Mr. Horton in sponsoring a number of bills aimed at reducing the paperwork and redtape burden the Federal Government imposes on citizens. H.R. 6410 represents the product of this effort.

I think in terms of its potential for improving both the efficiency and effectiveness of Government, this bill is extraordinarily important. For example, the General Accounting Office says the bill could result in a savings of as much as $1 billion; a conservative OMB estimate points out that if the bill results in only a 3 percent reduction in time spent filling out Government forms we could save $200 million a year.

Everybody talks about reducing the paperwork and redtape burden. H.R. 6410 will give us results to go along with the talk. I urge my colleagues to support this proposal.●

● Mr. BROWN of California. Mr. Speaker, the passage by the House today of H.R. 6410, the Paperwork Reduction Act of 1980, will provide a good opportunity to examine some of the important issues in the management of our national information resources.

In my opinion, the title of this act is too modest—H.R. 6410 is really a Government Information Management Act. As such it represents a serious initiative in the planning and coordination of Federal information resources, for which my colleague Mr. Brooks and the members of his committee deserve our commendation. In particular, three steps taken by this act strike me as very useful responses to the problems of Federal information management.

The first of these is the establishment in the Office of Management and Budget of a focal point for information concerns, the Office of Federal Information Policy. This Office should play a key role in developing a unified approach to national information policy.

The second useful step is the creation of a Federal Information Locator System to locate existing information and identify duplication in agencies' reporting and recordkeeping requirements. The need for some such system is evident if we are to reduce the paperwork and response burden of both the public and private sectors.

Third, this act mandates improvements in the use of information technology throughout the Federal Government. This is a needed followup of important steps taken under the Brooks Act—Public Law 89-306—which established a framework for the central management and procurement of the Government's automatic data processing resources.

Mr. Speaker, I wish to point out, without in any way denigrating the value of H.R. 6410, that there are important information concerns, especially in the area of scientific and technical information, which are not addressed by this act or by previous legislation. H.R. 6410 is primarily aimed at information gathered from the public. A great deal of scientific and technical information is generated within the Government and in the research community under Government grants and contracts, and therefore is not within the purview of H.R. 6410. As with information management in general, approaches to the management of scientific and technical information have been ad hoc and piecemeal. Agencies have not considered in a systematic way the impacts of their actions on Government-wide information problems. Other legislative initiatives are needed which address the storage, access, and dissemination of scientific and technical information obtained through federally funded research.

Numerous Government reports over more than 20 years have identified a need for improved planning and coordination in this area. A recent GAO report entitled "Better Information Management Policies Needed: A Study of Scientific and Technical Bibliographic Sources" stated:

> Little attention is paid to coordinating scientific and technical information activities across agency lines. There are no Government-wide policies for its management, nor is there a central focal point for establishing such policies.

Mr. Speaker, I see a need for a strategic national plan for improving coordination of agency activities in information management, organizing and accessing data bases, and for assessing the significant social and economic impacts that all information technology will eventually have in many aspects of our lives. I hope to introduce such a comprehensive planning initiative in the near future. One likely component of such an initiative would be the designation of a single source to identify and profile existing scientific and technical data bases. The Federal Information Locator System established by H.R. 6410 could serve as a model here, and might even provide an organizational framework for the development of and access to integrated scientific and technical data bases. Another component is the centralizing of responsibility for scientific and technical information policy activities in an appropriate governmental unit. The management functions of OMB under H.R. 6410 will have to be carefully coordinated with the actions of the Office of Science and Technology Policy, which has statutory responsibility for research, planning and coordination of scientific and technical information activities under Public Law 94-282.

The Subcommittee on Science, Research and Technology, which I chair, has been studying the roles of different governmental agencies involved in scientific and technical information activities as part of our program in this area. Under the Brooks Act, the National Bureau of Standards has been mandated "to provide agencies with scientific and technological advisory services relating to automatic data processing and related systems and to make appropriate recommendations to the President relating to the establishment of uniform Federal automatic data processing, computer, and related systems." In the views written by my subcommittee to accompany the recent NBS Authorization Act, the Bureau is directed to develop a plan for a program of research and studies to "identify the problems associated with the growth of information technology in the next 20 years, including such issues as compatibility of data bases, regulatory needs and impact, and the cost and other impacts of this growth." The aims of this language seem to me very much in accord with the thrust of H.R. 6410, and it is our hope that the Bureau can play an increasingly active role in the improvement of Federal information management practices.

Finally, Mr. Speaker, I would like to point out that pricing policy for information is another important area which requires additional attention. We must come to grips with the idea of information as a valuable commodity in order to devise a sensible national information policy. The basic standards for agency pricing decisions are established in title 31 of the U.S. Code, and the responsibility for promulgating cost-recovery policy for information dissemination lies with OMB. The formulation and oversight of such policy would appear to be a natural function of the Office of Federal Information Policy created by H.R. 6410; it is important that this subject receive careful attention in the reorganized structure of OMB that will result from H.R. 6410.●

Mr. BROOKS. Mr. Speaker. I have no further requests for time, and I yield back the balance of my time.

Mr. HORTON. Mr. Speaker, I yield back the balance of my time.

The SPEAKER. The question is on the motion offered by the gentleman from Texas (Mr. Brooks) that the House suspend the rules and pass the bill, H.R. 6410, as amended.

The question was taken.

Mr. ASHBROOK. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Debate has been concluded on all motions to suspend the rules.

Pursuant to clause 3, rule XXVII, the Chair will now put the question on each motion on which further proceedings were postponed in the order in which that motion was entertained.

Votes will be taken in the following order, all by the yeas and nays: H.R. 5043, H.R. 4088, and H.R. 6410.

The Chair will reduce to 5 minutes the time for any electronic vote after the first such vote in this series.

BANKRUPTCY TAX ACT OF 1980

The SPEAKER. The unfinished business is the question of suspending the rules and passing the bill, H.R. 5043, as amended.

The Clerk read the title of the bill.

The SPEAKER. The question is on the motion offered by the gentleman from Illinois (Mr. ROSTENKOWSKI) that the House suspend the rules and pass the bill, H.R. 5043, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 324, nays 0, not voting 107, as follows:

[Roll No. 151]

YEAS—324

Abdnor
Addabbo
Akaka
Albosta
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Ashbrook
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Butler
Byron
Carr
Cavanaugh
Chappell
Chisholm
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Conable
Conte
Corman
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
Derwinski
Devine
Dickinson
Dicks
Dingell
Donnelly
Dornan
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Edwards, Ala.
Edwards, Calif.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fisher
Flippo
Florio
Foley
Ford, Tenn.
Forsythe
Fountain
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Ginn
Glickman
Gonzalez
Gore
Gradison
Gramm
Grassley
Grisham
Gudger
Guyer
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hansen
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hollenbeck
Holt
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hyde
Ireland
Jeffries
Jenkins
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lee
Lehman
Lent
Levitas
Lewis
Livingston
Lloyd
Long, La.
Long, Md.
Lott
Lujan
Luken
Lungren
McClory
McCormack
McDade
McDonald
McHugh
McKay
McKinney
Madigan
Markey
Marriott
Martin
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, N.Y.
Murphy, Pa.
Murtha
Natcher
Neal
Nedzi
Nelson
Nichols
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Patten
Paul
Pepper
Perkins
Petri
Peyser
Pickle
Porter
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Rinaldo
Ritter
Robinson
Roe
Rosenthal
Rostenkowski
Roth
Rousselot
Roybal
Royer
Rudd
Runnels
Sabo
Satterfield
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Spellman
Spence
St Germain
Stack
Stangeland
Stanton
Stark
Steed
Stenholm
Stockman
Stokes
Studds
Symms
Taylor
Thompson
Traxler
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walker
Wampler
Watkins
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Wilson, C. H.
Winn
Wirth
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Fla.
Young, Mo.
Zablocki

NOT VOTING—107

Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Anthony
Applegate
Ashley
Aspin
Atkinson
AuCoin
Bedell
Boland
Campbell
Carney
Carter
Cheney
Collins, Ill.
Collins, Tex.
Conyers
Corcoran
Cotter
de la Garza
Deckard
Dellums
Derrick
Diggs
Dixon
Dodd
Dougherty
Eckhardt
Edgar
Edwards, Okla.
Evans, Ind.
Fish
Fithian
Ford, Mich.
Fowler
Gingrich
Goldwater
Goodling
Gray
Green
Guarini
Hagedorn
Hall, Ohio
Hanley
Hightower
Hillis
Hinson
Holland
Holtzman
Hutto
Ichord
Jacobs
Jeffords
Jenrette
Johnson, Colo.
Kazen
Lederer
Leland
Loeffler
Lowry
Lundine
McCloskey
McEwen
Maguire
Marks
Marlenee
Mathis
Miller, Calif.
Mitchell, Md.
Moffett
Murphy, Ill.
Myers, Ind.
Myers, Pa.
Nolan
Panetta
Pashayan
Patterson
Pease
Rahall
Richmond
Roberts
Rodino
Rose
Russo
Santini
Sensenbrenner
Solarz
Solomon
Staggers
Stewart
Stratton
Stump
Swift
Synar
Tauke
Thomas
Walgren
Waxman
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, Tex.
Wolff
Young, Alaska
Zeferetti

□ 1250

The Clerk announced the following pairs:

Mr. Russo with Mr. Goldwater.
Mr. Hanley with Mr. Myers of Indiana.
Mr. Kazen with Mr. Pashayan.
Mr. Mitchell of Maryland with Mr. Hagedorn.
Mr. Moffett with Mr. Goodling.
Mr. Myers of Pennsylvania with Mr. Anderson of Illinois.
Mr. Panetta with Mr. Campbell.
Mr. Richmond with Mr. Carter.
Mr. Rodino with Mr. Corcoran.
Mr. Roberts with Mr. Jeffords.
Mr. Staggers with Mr. Hinson.
Mr. Waxman with Mr. Hillis.
Mr. Wolff with Mr. Dougherty.
Mr. Zeferetti with Mr. Edwards of Oklahoma.
Mr. Ambro with Mr. Marlenee.
Mr. Ashley with Mr. McCloskey.
Mr. Atkinson with Mr. McEwen.
Mr. AuCoin with Mr. Young of Alaska.
Mr. Guarini with Mr. Bob Wilson.
Mr. Ichord with Mr. Thomas.
Mr. Jenrette with Mr. Synar.
Mr. Boland with Mr. Tauke.
Mrs. Collins of Illinois with Mr. Gingrich.
Mr. Cotter with Mr. Green.
Mr. de la Garza with Mr. Hall of Ohio.
Mr. Dellums with Mr. Johnson of Colorado.
Mr. Santini with Mr. Fish.
Mr. Rose with Mr. Evans of Indiana.
Mr. Rahall with Mr. Cheney.
Mr. Patterson with Mr. Gray.
Mr. Diggs with Mr. Fowler.
Mr. Dodd with Mr. Collins of Texas.
Mr. Dixon with Mr. Loeffler.
Mr. Fithian with Mr. Marks.
Mr. Ford of Michigan with Mr. Walgren.
Mr. Stratton with Mr. Solomon.
Mr. Alexander with Mr. Aspin.
Mr. Hightower with Mr. Bedell.
Mr. Anderson of California with Mr. Carney.
Mr. Anthony with Mr. Eckhardt.
Mr. Hutto with Mr. Edgar.
Mr. Lederer with Mr. Miller of California.
Mr. Applegate with Mr. Mathis.
Mr. Conyers with Mr. Maguire.
Mr. Deckard with Mr. Lundine.
Mr. Derrick with Mr. Jacobs.
Mr. Leland with Ms. Holtzman.
Mr. Lowry with Mr. Holland.
Mr. Nolan with Mr. Pease.
Mr. Solarz with Mr. Sensenbrenner.
Mr. Stewart with Mr. Swift.
Mr. Stump with Mr. Williams of Montana.
Mr. Charles Wilson of Texas with Mr. Murphy of Illinois.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 3(b)(3) of rule XXVII, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device may be taken on all of the additional motions to suspend the rules on which the Chair has postponed further proceedings.

SALE OF OBSOLETE VESSELS

The SPEAKER pro tempore (Mr. MURTHA). The unfinished business is the question of suspending the rules and passing the bill, H.R. 4088, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. MURPHY) that the House suspend the rules and pass the bill, H.R. 4088, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 332, nays 0, not voting 99, as follows:

[Roll No. 152]

YEAS—332

Abdnor
Addabbo
Akaka
Albosta
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Ashbrook
Atkinson
Badham
Bafalis
Bailey
Baldus

Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Butler
Byron
Carr
Cavanaugh
Chappell
Chisholm
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Conable
Conte
Corman
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
Derwinski
Devine
Dickinson
Dicks
Dingell
Donnelly
Dornan
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edwards, Ala.
Edwards, Calif.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Fary
Fascell
Fenwick
Ferraro
Findley
Fisher
Flippo
Florio
Foley
Ford, Tenn.
Forsythe
Fountain
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt

Giaimo
Gibbons
Gilman
Ginn
Glickman
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Grisham
Gudger
Guyer
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hansen
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hinson
Hollenbeck
Holt
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ireland
Jeffries
Jenkins
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lee
Lehman
Lent
Levitas
Lewis
Livingston
Lloyd
Long, La.
Long, Md.
Lott
Lujan
Luken
Lungren
McClory
McCormack
McDade
McDonald
McHugh
McKay
McKinney
Madigan
Markey
Marriott
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl

Murphy, N.Y.
Murphy, Pa.
Murtha
Natcher
Neal
Nedzi
Nelson
Nichols
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Patten
Paul
Pepper
Perkins
Petri
Peyser
Pickle
Porter
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Rinaldo
Ritter
Robinson
Roe
Rosenthal
Rostenkowski
Roth
Rousselot
Roybal
Royer
Rudd
Runnels
Sabo
Satterfield
Sawyer
Scheuer
Schroeder
Sebelius
Seiberling
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Spellman
Spence
St Germain
Stack
Stangeland
Stanton
Stark
Steed
Stenholm
Stewart
Stokes
Studds
Taylor
Thompson
Traxler
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolpe
Wright

Wyatt
Wydler
Wylie

Yates
Yatron
Young, Fla.

Young, Mo.
Zablocki

NOT VOTING—99

Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Anthony
Applegate
Ashley
Aspin
AuCoin
Bedell
Campbell
Carney
Carter
Cheney
Collins, Ill.
Collins, Tex.
Conyers
Corcoran
de la Garza
Deckard
Dellums
Derrick
Diggs
Dixon
Dodd
Dougherty
Edgar
Edwards, Okla.
Evans, Ind.
Fazio
Fish
Fithian
Ford, Mich.

Fowler
Gingrich
Goldwater
Gray
Green
Guarini
Hagedorn
Hanley
Hillis
Holland
Holtzman
Ichord
Jacobs
Jeffords
Jenrette
Johnson, Colo.
Lederer
Leland
Loeffler
Lowry
Lundine
McCloskey
McEwen
Maguire
Marks
Marlenee
Martin
Mathis
Miller, Calif.
Mitchell, Md.
Moffett
Murphy, Ill.
Myers, Ind.
Myers, Pa.

Nolan
Panetta
Pashayan
Patterson
Pease
Rahall
Richmond
Roberts
Rodino
Rose
Russo
Santini
Schulze
Sensenbrenner
Solarz
Solomon
Staggers
Stockman
Stratton
Stump
Swift
Symms
Synar
Tauke
Thomas
Waxman
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wolff
Young, Alaska
Zeferetti

□ 1300

The Clerk announced the following pairs:

Mr. Russo with Mr. Young of Arkansas.
Mr. Alexander with Mr. Marlenee.
Mr. Jenrette with Mr. Corcoran.
Mr. Lowry with Mr. Cheney.
Mr. Lederer with Mr. Collins of Texas.
Mr. Dodd with Mr. Campbell.
Mr. Applegate with Mr. Hillis.
Mr. AuCoin with Mr. Hagedorn.
Mr. Hanley with Mr. Green.
Mr. Rodino with Mr. Pashayan.
Mr. Richmond with Mr. Gingrich.
Mr. Panetta with Mr. Goldwater.
Mr. Myers of Pennsylvania with Mr. Schulze.
Mr. Santini with Mr. Sensenbrenner.
Mr. Staggers with Mr. Solomon.
Mr. Stratton with Mr. McCloskey.
Mr. Waxman with Mr. McEwen.
Mr. Zeferetti with Mr. Symms.
Mr. Moffett with Mr. Synar.
Mr. Mitchell of Maryland with Bob Wilson.
Mr. Miller of California with Mr. Tauke.
Mr. Fazio with Mr. Anderson of Illinois.
Mr. Fithian with Mr. Bedell.
Mr. Ford of Michigan with Mr. Carney.
Mr. Diggs with Mr. Carter.
Mr. de la Garza with Mr. Dougherty.
Mrs. Collins of Illnois with Mr. Edwards of Oklahoma.
Mr. Ashley with Mr. Evans of Indiana.
Mr. Anderson of California with Mr. Fish.
Mr. Ambro with Mr. Fowler.
Mr. Guarini with Mr. Gray.
Mr. Ichord with Mr. Holland.
Mr. Mathis with Mr. Jeffords.
Mr. Rose with Mr. Marks.
Mr. Roberts with Mr. Martin.
Mr. Patterson with Mr. Murphy of Illinois.
Mr. Maguire with Mr. Myers of Indiana.
Mr. Anthony with Mr. Williams of Ohio.
Mr. Aspin with Mr. Thomas.
Ms. Holtzman with Mr. Swift.
Mr. Jacobs with Mr. Stump.
Mr. Conyers with Mr. Stockman.
Mr. Deckard with Mr. Lundine.
Mr. Leland with Mr. Edgar.
Mr. Dellums with Mr. Loeffler.
Mr. Derrick with Mr. Nolan.
Mr. Dixon with Mr. Pease.
Mr. Rahall with Mr. Solarz.
Mr. Wolff with Mr. Williams of Montana.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PAPERWORK REDUCTION ACT OF 1980

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill, H.R. 6410, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. BROOKS) that the House suspend the rules and pass the bill, H.R. 6410, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 328, nays 13, not voting 90, as follows:

[Roll No. 153]

YEAS—328

Abdnor
Addabbo
Akaka
Albosta
Ambro
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Ashbrook
Atkinson
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Butler
Byron
Carr
Chappell
Chisholm
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Conable
Conte
Corman
Cotter
Coughlin
D'Amours
Daniel, Dan
Daniel, R. W.

Danielson
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
Derwinski
Devine
Dickinson
Dicks
Dingell
Donnelly
Dornan
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edwards, Ala.
Edwards, Calif.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fisher
Flippo
Florio
Foley
Ford, Tenn.
Forsythe
Fountain
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Ginn
Glickman
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Grisham
Gudger
Guyer
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hansen
Harkin
Harris
Harsha
Hawkins
Heckler

Hefner
Heftel
Hightower
Hinson
Hollenbeck
Holt
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ireland
Jeffries
Jenkins
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lee
Lehman
Lent
Levitas
Lewis
Livingston
Lloyd
Long, La.
Long, Md.
Lott
Lujan
Luken
Lungren
McClory
McCormack
McDade
McHugh
McKay
Madigan
Maguire
Markey
Marlenee
Marriott
Martin
Matsui
Mattox
Mavroules
Mazzoli
Mikulski
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Moakley
Mollohan
Montgomery

Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, N.Y.
Murphy, Pa.
Murtha
Natcher
Neal
Nedzi
Nelson
Nichols
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Patten
Pepper
Perkins
Petri
Peyser
Pickle
Porter
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Rinaldo
Ritter
Robinson
Roe
Rosenthal
Rostenkowski
Roth
Rousselot
Roybal
Royer
Rudd
Runnels
Sabo
Satterfield
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Shannon
Sharp
Shelby
Shuster
Simon
Skelton
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stewart
Stockman
Stokes
Studds
Taylor
Thompson
Traxler
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Fla.
Young, Mo.
Zablocki

NAYS—13

Bonker
Cavanaugh
Courter
Crane, Daniel
Crane, Philip
Frenzel
Hopkins
McDonald
McKinney
Michel
Paul
Shumway
Symms

NOT VOTING—90

Alexander
Anderson, Calif.
Anderson, Ill.
Anthony
Applegate
Ashley
Aspin
AuCoin
Bedell
Campbell
Carney
Carter
Cheney
Collins, Ill.
Collins, Tex.
Conyers
Corcoran
de la Garza
Deckard
Dellums
Derrick
Diggs
Dixon
Dodd
Dougherty
Edgar
Edwards, Okla.
Evans, Ind.
Fish
Fithian
Ford, Mich.
Fowler
Gilman
Gingrich
Goldwater
Gray
Green
Guarini
Hagedorn
Hanley
Hillis
Holland
Holtzman
Ichord
Jacobs
Jeffords
Jenrette
Johnson, Colo.
Lederer
Leland
Loeffler
Lowry
Lundine
McCloskey
McEwen
Marks
Mathis
Mica
Miller, Calif.
Mitchell, Md.
Moffett
Murphy, Ill.
Myers, Ind.
Myers, Pa.
Nolan
Panetta
Pashayan
Patterson
Pease
Rahall
Richmond
Roberts
Rodino
Rose
Russo
Santini
Sensenbrenner
Solomon
Stratton
Stump
Swift
Synar
Tauke
Thomas
Waxman
Williams, Mont.
Williams, Ohio
Wilson, Bob
Young, Alaska
Zeferetti

The Clerk announced the following pairs:

Mr. Zeferetti with Mr. Gingrich.
Mr. Russo with Mr. Bob Wilson.
Mr. Rodino with Mr. Synar.
Mr. Richmond with Mr. Sensenbrenner.
Mr. Guarini with Mr. Murphy of Illinois.
Mr. Santini with Mr. Myers of Indiana.
Mr. Stratton with Mr. Goldwater.
Mr. Patterson with Mr. Fowler.
Mr. Panetta with Mr. Green.
Mr. Myers of Pennsylvania with Mr. Tauke.
Mr. Ford of Michigan with Mr. Thomas.
Mr. Hanley with Mr. McCloskey.
Mr. Jacobs with Mr. McEwen.
Mr. Jenrette with Mr. Marks.
Mr. Lowry with Mr. Edwards of Oklahoma.
Mr. Mathis with Mr. Evans of Indiana.
Mr. Mitchell of Indiana with Mr. Dougherty.
Mr. Miller of California with Mr. Fish.
Mr. Fithian with Mr. Carter.
Mr. Dodd with Mr. Cheney.
Mr. de la Garza with Mr. Campbell.
Mr. AuCoin with Mr. Anderson of Illinois.
Mr. Ashley with Mr. Gilman.
Mr. Applegate with Mr. Gray.
Mrs. Collins of Illnois wth Mr. Hillis.
Mr. Conyers with Mr. Holland.
Mr. Deckard with Mr. Jeffords.
Mr. Dellums with Mr. Johnson of Colorado.
Mr. Diggs with Mr. Loeffler.
Mr. Mica with Mr. Solomon.
Mr. Lundine with Mr. Williams of Ohio.
Mr. Lederer with Mr. Young of Alaska.
Mr. Leland with Mr. Williams of Montana.
Mr. Ichord with Mr. Swift.
Mr. Waxman with Mr. Nolan.
Mr. Rose with Mr. Pashayan.
Mr. Alexander with Mr. Anthony.
Mr. Anderson of California with Mr. Aspin.
Ms. Holtzman with Mr. Stump.
Mr. Rahall with Mr. Pease.
Mr. Moffett with Mr. Edgar.
Mr. Dixon with Mr. Corcoran.
Mr. Bedell with Mr. Carney.

Mr. LATTA and Mr. ROUSSELOT changed their votes from "nay" to "yea."

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

☐ 1310

GENERAL LEAVE

Mr. BROOKS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and to include therein extraneous matter on the bill just passed, H.R. 6410.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

A TRIBUTE TO THE LATE ARTHUR M. OKUN

(Mr. REUSS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. REUSS. Mr. Speaker, I am saddened to have to report the death at the age of 51, yesterday, of Arthur M. Okun. He was a fine man and a splendid economist.

He set the tone for the Council of Economic Advisers in what now seems its golden age, the 1960's. He was member of its staff in 1961 and 1962. He was a member of the Council from 1964 to 1969 and was chairman the last 2 years.

In the decade of the 1970's at the Brookings Institution, he was of inestimable assistance to all of us who try to translate sensible economics into political reality. He invented what was called Okun's Law, the idea that growth heralded and went in tandem with employment. When that thesis became a little less tenable as a result of the stagflation as a result of the increasing structural malfunctions of our economy, he addressed his mind to the new realities and at his death had all but completed a book, which Brookings will complete and which will be a trailblazer for the 1980's.

Mr. Speaker, Mr. Okun had not only a gifted mind but a heart that quickened to the problems of mankind. He fought for equality, and tried to see that our economics went in the direction of eliminating inequalities of income and wealth. His notion of tax incentives for wage-price stability is also a real contribution to modern economics.

We shall deeply miss Art Okun.

GENERAL LEAVE

Mr. REUSS. Mr. Speaker I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks regarding the late Arthur Okun.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

SLIDE PRESENTATION ON VIETNAM AND CAMBODIA

(Mr. HARKIN asked and was given permission to revise and extend his remarks.)

Mr. HARKIN. Mr. Speaker, all Members have in their office a "Dear Colleague" leter from me that went out last week about an interesting slide show that will be presented this afternoon in room 2325 of the Rayburn House Office Building. A friend of mine by the name of Don Luce went to Saigon last fall and with Jim Laurie of ABC News they rented a car and they drove from Saigon 3,000 miles to Cambodia, up along the Thai border, over to Angkor Wat, back down to the port city and back down to Phom Penh.

Mr. Speaker, this Saturday night there will be a 1 hour show on ABC regarding the trip they took. However, this afternoon in room 2325 of the Rayburn House Office Building, Don will be showing slides of that very fascinating trip. If you would like to see what Cambodia looks like from the standpoint of a very intricate journey through all of the backroads of Cambodia, I would urge everyone to come over and look at that slide show at 3:30 this afternoon.

REQUEST FOR CONSIDERATION OF CONFERENCE REPORT ON S. 2222, EXTENDING TIME FOR INDIAN CLAIMS

Mr. DANIELSON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the Senate bill (S. 2222) to extend the time for commencing actions on behalf of an Indian tribe, band, or group, or on behalf of an individual Indian whose land is held in trust or restricted status.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. FOLEY. Mr. Speaker, reserving the right to object, I would ask the distinguished chairman of the subcommittee (Mr. DANIELSON) what time would the report normally be eligible for consideration by the House?

Mr. DANIELSON. Would the gentleman please repeat the question.

Mr. FOLEY. Mr. Speaker, the gentleman asks unanimous consent for the immediate consideration of the conference report on the bill. I take it the conference report is not normally eligible under the rules for consideration without unanimous consent?

Mr. DANIELSON. Mr. Speaker, that is my understanding. It is my understanding the conference report would have to be printed and, I believe, available for 3 days before it could be considered, short of a unanimous-consent request being agreed to.

Mr. FOLEY. Mr. Speaker, can the gentleman explain to the House why this request is being made?

Mr. DANIELSON. Mr. Speaker, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from California?

Mr. DANIELSON. There are two reasons, one in particular. The statute of limitations under the current law will expire on April 1, 1980. This being March 24, 1980, it is a period of some 6 or 7 days before expiration.

Mr. Speaker, there is a degree of urgency attached in that the conference report must be passed by both Houses. The bill must go through certain channels and sent to the White House. There is little time for slippage and I do not want the time to expire.

Mr. FOLEY. In other words, the gentleman is concerned that the deadline is so pressing that the immediate consideration is necessary in order to possibly prevent the expiration of the deadline?

Mr. DANIELSON. That is correct, Mr. Speaker.

Mr. Speaker, if the gentleman will yield further, I have also heard a rumor, which may or may not be worth more than any other rumor, to the effect that we might not otherwise have a session on Thursday. Thursday would be the day for consideration and rather than compel the whole House to remain here to hear this on Thursday, it would seem to be an act of kindness to take it up today.

Mr. FOLEY. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California (Mr. DANIELSON)?

Mr. ASHBROOK. Mr. Speaker, reserving the right to object, I would ask my friend from California (Mr. DANIELSON) to refresh my memory. Is this the bill that the gentleman from California told me several years ago would never again come up?

☐ 1320

Mr. DANIELSON. Mr. Speaker, will the gentleman yield?

Mr. ASHBROOK. I will be glad to yield.

Mr. DANIELSON. Yes. I am humbled to report that this is that bill, and I might add that it seemed like a good idea at the time.

Mr. ASHBROOK. Mr. Speaker, further reserving the right to object, I reviewed the CONGRESSIONAL RECORD, and it is a funny thing when it gets into that cold, black type and it says something specific. I was just wondering if this was that bill. The gentleman was so sure and so specific that it would never come up again.

Mr. DANIELSON. Alas, it is the same bill.

Mr. ASHBROOK. We all make mistakes, Mr. Speaker. I will withdraw my reservation of objection.

Mr. DANIELSON. I thank the gentleman.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. SYMMS. Mr. Speaker, I object.

The SPEAKER pro tempore. Objection is heard.

A TRIBUTE TO THE LATE ARTHUR M. OKUN

(Mr. DOWNEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DOWNEY. Mr. Speaker, I want to associate myself with the remarks of the gentleman from Wisconsin (Mr. REUSS) in mourning the death of Mr. Okun. He was a giant in the field of economics, and he will be sorely missed.

HOUR OF MEETING ON WEDNESDAY, MARCH 26, 1980

Mr. WRIGHT. Mr. Speaker, I want to make a unanimous-consent request, but before doing so I should like to state the purpose of it so that everyone understands it.

On Wednesday we shall have the Mortgage Subsidy Bond Tax Act. In addition to that, we will have the Federal Trade Commission matter. If we are going to take care of those two matters on Wednesday, it is going to be necessary for us to come in earlier than 3 o'clock.

Therefore, I ask unanimous consent that when the House convenes on Wednesday, it convene at 1 p.m.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

Mr. ASHBROOK. Mr. Speaker, reserving the right to object, I say that I am sure that all of us want to cooperate with the majority leader. I wonder if the gentleman from Texas would be able or willing to say whether we are going to have a Friday session, and what the remainder of the schedule would be based on this accelerated schedule.

Mr. WRIGHT. If the gentleman would yield, I say to the gentleman that we hope not to have a Friday session. I am leery of making absolute commitments if there should be something that needs to be done, but it would be our purpose to conclude our business.

Tomorrow, we have only the Standing Committee on Energy, with the usual exception that a conference report, if it becomes ready, can be brought up at any time.

On Wednesday, we have the continuing appropriations for the FTC and the Mortgage Subsidy Bond Tax Act, to complete consideration. Then, if time remains, we will have the maritime authorizations, subject to the granting of a rule.

On Thursday and the balance of the week we will be meeting at 11 a.m. We have House Resolution 608, authorizing investigation and inquiry by Committee on Standards of Official Conduct.

We have three conference reports, as follows:

H.R. 4986, Depository Institutions Deregulation Act;

S. 662. International Development Banks;

S. 2269, Extend Emergency Agriculture Credit Adjustment Act of 1979.

Those are the conference reports. The only other matters we have are H.R. 6837, Passenger Railroad Rebuilding Act of 1980, subject to the granting of a rule. We may not get to that.

Then, H.R. 4960, gold medal for Jerry Speiss, subject to the granting of a rule and subject to the same possibility;

H.R. 5563, to permit use of Spanish language in Federal courts in Puerto Rico, subject to a rule being granted.

So, those are all the things we have. I would say to the gentleman that if we come in at 1 o'clock on Wednesday, we certainly would increase the chances of not having to be here on Friday.

Mr. ASHBROOK. I thank the majority leader for that response, and I would hope that all Members would assist him.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

Mr. LATTA. Mr. Speaker, reserving the right to object, I take this reservation to ask the majority leader if this means that we will not be considering the budget resolution on Friday.

Mr. WRIGHT. If the gentleman will yield, I do not think it is going to be timely for us to do it. There are some things that have to be understood clearly, as the gentleman from Ohio well knows. I say to the gentleman that if we get a complete understanding to the point where everybody wants to go on Friday with debate on the budget resolution, then we will do it, but otherwise we are not going to pull any surprises. The gentleman is not going to be surprised.

Mr. LATTA. Further reserving the right to object, will this mean that we will probably not take the budget resolution up before the Easter recess?

Mr. WRIGHT. There are 3 days in the following week, and I cannot speak for the chairman of the committee. I have been talking with him, but I am sorry to say that I have not asked his wishes in that regard. We usually respect the wishes of the chairman.

Mr. GIAIMO. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Connecticut.

Mr. GIAIMO. Mr. Speaker, the matter of scheduling is something that belongs to the leadership, the majority leader and the Speaker. So, they would ultimately have to schedule the matter. I have asked, if we were to try to come up before the Easter recess, we would have to get a rule. As the gentleman knows, he and I have talked about what would be in that rule, whether modified, closed rule making certain items in order. None of that has been worked out.

In addition, there is a bit of misunderstanding over one of the items we handled in the tax issue, which I hope that the gentleman and I and members of the committee may be able to work out this afternoon. So, it is a bit uncertain as to when I would suggest to the leadership that we try to schedule this matter.

Mr. LATTA. I thank the gentleman.

Mr. WRIGHT. Mr. Speaker, I should simply like to say that in addition to what has been said, I personally want to express my commendation to and my appreciation for the statesmanlike and responsible leadership that has been asserted by the gentleman from Ohio on this budget matter this year, and to say to him insofar as I have anything to say about it, there are not going to be any surprises sprung on the gentleman from Ohio.

Mr. LATTA. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

CONFERENCE REPORT ON S. 2222, EXTENDING TIME FOR INDIAN CLAIMS

Mr. DANIELSON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the Senate bill (S. 2222) to extend the time for commencing actions on behalf of an Indian tribe, band, or group, or on behalf of an individual Indian whose land is held in trust or restricted status.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. SYMMS. Mr. Speaker, I reserve the right to object, and I waive my objection.

The SPEAKER pro tempore. The gentleman withdraws his objection.

Is there objection to the request of the gentleman from California?

There was no objection.

Mr. DANIELSON. Mr. Speaker, I ask unanimous consent that the statement of the managers be read in lieu of the report.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of today, March 24, 1980.)

□ 1330

Mr. DANIELSON (during the reading). Mr. Speaker, I ask unanimous consent that the statement of the managers be considered as read.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The SPEAKER pro tempore. The gentleman from California (Mr. DANIELSON) will be recognized for 30 minutes, and the gentleman from California (Mr. MOORHEAD) will be recognized for 30 minutes.

The Chair recognizes the gentleman from California (Mr. DANIELSON).

Mr. DANIELSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the conference committee on the bill, S. 2222, has met and come to an agreement on a compromise of the bill as passed by the other body and by this body.

I might state that the bottom line is this: The bill which passed the House of Representatives differed considerably from the bill which originally passed the other body, but in the conference one change, and one change only, was made in the bill as it passed the House of Representatives. As the bill had originally passed the other body, it called for an expiration of the period of limitations on December 31, 1984. The bill was considerably amended in the House, but the pertinent portion called for expiration of the statute of limitations on April 1, 1982. We were 33 months apart.

As a result of the conference, the Senate acceded to the House position to the extent of giving up 2 full years—24 months—and the House met the Senate part way by giving up 9 months, so that the effective date of the period of limitations in the bill as recommended by the conference committee would be December 31, 1982, compared with the provision in the Senate bill which would have been December 31, 1984.

Mr. Speaker, in all other respects the bill is as it passed the House of Representatives. The conference committee report was signed by all members of our committee.

Mr. MOORHEAD of California. Mr. Speaker, will the gentleman yield?

Mr. DANIELSON. I am pleased to yield to the gentleman from California.

Mr. MOORHEAD of California. Mr. Speaker, I believe that in the conference committee the House position was sustained for the most part.

It was originally my amendment in committee that reduced the 4 years and 9 months that had been in the Senate bill to 2 years, and I think by increasing it up to 2 years and 9 months we have still made a very good settlement of this matter. Since this is all the time that both of the agencies of Government, the Department of the Interior and the Department of Justice, felt was necessary in order to bring this matter to a total conclusion, I think we should keep the fight to their teeth and not extend it beyond the time that is necessary so hopefully, for those individual land owners and property owners in the areas that are affected, they soon will have a clear title to their property and these Indian claims can all be filed and the matter terminated.

Mr. FOLEY. Mr. Speaker, will the gentleman yield?

Mr. DANIELSON. I yield to the gentleman from Washington.

Mr. FOLEY. Mr. Speaker, I wonder if the distinguished chairman of the subcommittee or the ranking minority Member would tell the House whether they feel the Justice Department has been expeditious in this matter and has carried out its responsibilities as promptly as was promised in the last legislation.

Mr. MOORHEAD of California. Mr. Speaker, if the gentleman from California (Mr. DANIELSON) will yield further, I will be happy to answer the question.

I think they have not done so. Too much time has gone by.

The gentleman from California (Mr. DANIELSON) is going to have oversight hearings in our subcommittee, we are going to keep the matter before us, and we are going to insist that they complete this matter. I hope they will not get another extension beyond the time we have given. To give them years and years beyond what is necessary is ridiculous, and I think our compromise is the best we can offer.

Mr. FOLEY. Mr. Speaker, I agree with that, but if the gentleman will allow me to say this, many of us were told—and the chairman has been frank and open in admitting this—that his ambitions and the ambitions of others for concluding this legislation have not been entirely fulfilled, and at the last 4-year extension of this act it was thought we could bring the matter to a conclusion on April 1, 1980.

I was one Member who reluctantly voted for a 2-year extension on the ground that the consequences of not voting for an extension would again lead to the assertion that many claims are going to be filed immediately, discomfiting if not seriously interfering with rights of landowners. Some might call that blackmail, by the way, but it is in fact a factor in this legislation.

But now we have the House going in and not holding firm. I think the gentleman's amendment was right, that it should have been 2 years and not a day more. That is enough time to put pressure on the Justice Department to get this matter concluded.

Mr. Speaker, we now have just 9 more months, and now the gentleman from California is hoping the matter can be concluded in 2 years and 9 months without an additional time extension. Admittedly that hope is not a conviction.

Mr. MOORHEAD of California. Mr. Speaker, if the gentleman from California (Mr. DANIELSON) will yield, I think, since there was a 33-month difference between the Senate and the House version, that holding it to 9 months was a substantial accomplishment by the House conferees.

Mr. FOLEY. Mr. Speaker, this is a delicate concern for the Senate position on bills that I have not often heard on the floor. In fact, the House assertion is usually that when the House thinks it is right, it ought to go in and fight for its position and not just divide the difference or do even a little better than divide the difference.

I understand the gentleman's problem. I have to go to conference, too. But it is not totally unheard of that the Senate has yielded entirely on certain issues, and the only issue at stake here is an issue of time.

Mr. MOORHEAD of California. Mr. Speaker, there is another issue also at stake which the House won completely.

Mr. FOLEY. Mr. Speaker, if the gentleman will reply to an inquiry, what is that issue?

Mr. MOORHEAD of California. We amended the Senate language in the second section of the bill which would have required Department to bring in a list of claims to us after a period of time—I forget the exact appointed time—and since that date came so close to the end of the period, there was really nothing that could be served by it, and the Senate agreed to give in to the House language on that particular issue.

Mr. FOLEY. Mr. Speaker, I am sorry that we have a difference of opinion about this. I know that many of us feel in the first place that perhaps each claim should be altered so that the suits are brought against the United States, not by the United States against individual landowners but against the United States, and first established in money damages before we start to negotiate their settlement.

Instead, what we are doing in many cases is using the U.S. Government to bring actions on behalf of some of its citizens against other citizens. The gentleman might agree that in many cases these claims are established in order to avoid injustice being done, and their suits are settled and negotiated before they are brought up and approved and before they are established by judicial process; is that not correct?

Mr. MOORHEAD of California. Mr. Speaker, if the gentleman will yield further, I happen to agree with the gentleman from Washington (Mr. FOLEY) on this matter. I would like to have voted against the extension, but it is just not the responsible thing to do in this case.

There is going to be too much loss to the property owners who will be immediately sued, and the U.S. Government has a responsibility to the Indians which it has not carried out.

Mr. FOLEY. Mr. Speaker, let me ask, is there any consideration of abolishing in-ground claims and substituting rights of action against the United States for money damages?

Mr. MOORHEAD of California. Mr. Speaker, I would hope that as this matter goes on beyond the present point, that is the course of action we will follow.

Mr. FOLEY. Mr. Speaker, I thank the gentleman from California (Mr. MOORHEAD).

Mr. DANIELSON. Mr. Speaker, I wish to add that there remains, without final resolution, the question of whether individual Indians and tribes would have the right to pursue contract and tort claims in their own behalf if the statute of limitations is not amended to extend the April 1, 1980, deadline. I requested an opinion on that point from the Attorney General some time ago and received the following answer by letter dated March 10, 1980:

U.S. DEPARTMENT OF JUSTICE,
ASSISTANT ATTORNEY GENERAL,
LEGISLATIVE AFFAIRS,
Washington, D.C., March 10, 1980.

HON. GEORGE DANIELSON,
Chairman, Subcommittee on Administrative Law and Governmental Relations,
Committee on the Judiciary,
House of Representatives,
Washington, D.C.

DEAR MR. CHAIRMAN: This responds to your request for the opinion of the Department of Justice on the rights of individual Indians and tribes to pursue contract and tort claims if the statute of limitations in 28 U.S.C. 2415 is not amended to extend the April 1, 1980 deadline.

There is no requirement that the United States be a party to suits designed to vindicate the rights of Indians or tribes. *Poafpybitty* v. *Skelly Oil Co.*, 390 U.S. 365 (1968). Thus individual Indians or tribes can initiate their own legal actions and do not have to be represented by the United States. A strict reading of 28 U.S.C. 2415 could lead one to believe that its provisions apply only to actions initiated by the United States and that they are not applicable to suits filed by Indians or tribes in their own right. However, the Ninth Circuit in *Captain Grande Band of Mission Indians* v. *Helix Irrigation District*, 514 F. 2d 465 (9th Cir., 1975), *cert. den.* 423 U.S. 874, and a federal district court in New York in *Oneida Indian Nation of New York* v. Oneida County, 434 F. Supp. 527 (N.D. N.Y., 1977) both have ruled that the federal statute rather than the relevant state statute, applied in cases brought by Indians on their own behalf.

If these two cases are correct, the expiration of the period of limitations set out in 28 U.S.C. 2415 would affect the ability of Indians to litigate their own claims to the same extent that it would affect the ability of the United States to litigate claims on their behalf.

Sincerely,

ALAN A. PARKER,
Assistant Attorney General.

There is one other point which I must make. The limitations imposed by section 2415 of title 28, U.S. Code, are all subject to the provisions of section 2416 of title 28. Section 2416 excludes from the computations of time under section 2415 all periods as follows:

§ 2416. Time for commencing actions brought by the United States—Exclusions

For the purpose of computing the limitations period established in section 2415, there shall be excluded all periods during which—

(a) the defendant or the res is outside the United States, its territories and possessions, the District of Columbia, or the Commonwealth of Puerto Rico; or

(b) the defendant is exempt from legal process because of infancy, mental incompetence, diplomatic immunity, or for any other reason; or

(c) facts material to the right of action are not known and reasonably could not be known by an official of the United States charged with the responsibility to act in the circumstances; or

(d) the United States is in a state of war declared pursuant to article I, section 8, of the Constitution of the United States.

Added Pub.L. 89–505, § 1, July 18, 1966, 80 Stat. 305.

Mr. Speaker, I have nothing further to add, but I would be glad to respond to questions.

Mr. Speaker, I yield back the balance of my time.

Mr. MOORHEAD of California. Mr. Speaker, I have no requests for time.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the conference report.

There was no objection.

The SPEAKER pro tempore. The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. ASHBROOK. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 209, nays 131, not voting 91, as follows:

[Roll No. 154]

YEAS—209

Abdnor
Addabbo
Akaka
Ambro
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Atkinson
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Beilenson
Bennett
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Brademas
Brinkley
Brodhead
Brooks
Brown, Calif.
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Byron
Carr
Chisholm
Clausen
Clinger
Coelho
Coleman
Conable
Conte
Corman
Cotter
Coughlin
Danielson
Daschle
Davis, Mich.
Davis, S.C.
Diggs
Dingell
Donnelly
Downey
Drinan
Early
Eckhardt
Edwards, Ala.
Edwards, Calif.
English
Erdahl
Ertel
Evans, Del.
Fary
Fascell
Fazio
Ferraro
Fisher
Flippo
Florio
Ford, Tenn.
Fountain
Frost
Garcia
Gephardt
Gilman
Ginn
Glickman
Gonzalez
Gore
Gradison
Grassley
Gudger
Guyer
Hall, Ohio
Hamilton
Hance
Hanley
Harkin
Harris
Hawkins
Heckler
Hefner
Heftel
Hightower
Hinson
Horton
Howard
Huckaby
Hughes
Jenkins
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
LaFalce
Leach, Iowa
Leach, La.
Lehman
Leland
Levitas
Lloyd
Long, La.
Lujan
Luken
McClory
McDade
Maguire
Markey
Marriott
Matsui
Mattox
Mavroules
Mazzoli
Mikulski
Miller, Ohio
Mineta
Mitchell, Md.
Mitchell, N.Y.
Moakley
Mollohan
Moorhead,
Moorhead, Calif.
Murphy, N.Y.
Murtha
Neal
Nedzi
Nowak
Oakar
Oberstar
Ottinger
Patten
Pepper
Peyser
Pickle
Porter
Preyer
Price
Pursell
Quillen
Rahall
Railsback
Rangel
Ratchford
Rhodes
Rinaldo
Roe
Rosenthal
Rostenkowski
Roybal
Royer
Runnels
Sabo
Scheuer
Schroeder
Schulze
Seiberling
Shannon
Sharp
Simon
Smith, Iowa
Solarz
Spence
St Germain
Stack
Staggers
Stark
Steed
Stewart
Studds
Traxler
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Watkins
Waxman
Weaver
Weiss
White
Wilson, Tex.
Wirth
Wolff
Wolpe
Wright
Wylie
Yates
Young, Mo.
Zablocki

NAYS—131

Archer
Ashbrook
Badham
Bafalis
Bauman
Benjamin
Bereuter
Bethune
Bonker
Bouquard
Bowen
Breaux
Broomfield
Brown, Ohio
Broyhill
Butler
Carter
Cavanaugh
Chappell
Cleveland
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Dannemeyer
de la Garza
Derwinski
Devine
Dickinson
Dicks
Dornan
Duncan, Oreg.
Duncan, Tenn.
Emery
Erlenborn
Evans, Ga.
Fenwick
Findley
Foley
Forsythe
Frenzel
Fuqua
Gaydos
Giaimo
Gibbons
Gingrich
Goodling
Gramm
Grisham
Hall, Tex.
Hammerschmidt
Hansen
Harsha
Hollenbeck
Holt
Hopkins
Hubbard
Hutto
Hyde
Ichord
Ireland
Jeffries
Kelly
Kramer
Lagomarsino
Latta
Leath, Tex.
Lee
Lent
Lewis
Livingston
Long, Md.
Lott
Lungren
McCormack
McDonald
McKay
McKinney
Madigan
Marlenee
Martin
Mica
Michel
Minish
Moore
Mottl
Murphy, Pa.
Natcher
Nelson
Nichols
O'Brien
Paul
Perkins
Petri
Pritchard
Quayle
Regula
Ritter
Robinson
Roth
Rudd
Satterfield
Sawyer
Sebelius
Shelby
Shumway
Shuster
Smith, Nebr.
Snowe
Snyder
Stangeland
Stanton
Stenholm
Stockman
Symms
Taylor
Trible
Vander Jagt
Walker
Wampler
Whitehurst
Whitley
Whittaker
Whitten
Winn
Wyatt
Wydler
Yatron
Young, Fla.

NOT VOTING—91

Albosta
Alexander
Anderson, Calif.
Anderson, Ill.
Anthony
Applegate
Ashley
Aspin
AuCoin
Beard, Tenn.
Bedell
Campbell
Carney
Cheney
Clay
Collins, Ill.
Collins, Tex.
Conyers
Corcoran
Deckard
Dellums
Derrick
Dixon
Dodd
Dougherty
Edgar
Edwards, Okla.
Evans, Ind.
Fish
Fithian
Ford, Mich.
Fowler
Goldwater
Gray
Green
Guarini
Hagedorn
Hillis
Holland
Holtzman
Jacobs
Jeffords
Jenrette
Johnson, Colo.
Lederer
Loeffler
Lowry
Lundine
McCloskey
McEwen
McHugh
Marks
Mathis
Miller, Calif.
Moffett
Montgomery
Murphy, Ill.
Myers, Ind.
Myers, Pa.
Nolan
Obey
Panetta
Pashayan
Patterson
Pease
Reuss
Richmond
Roberts
Rodino
Rose
Rousselot
Russo
Santini
Sensenbrenner
Skelton
Solomon
Spellman
Stokes
Stratton
Stump
Swift
Synar
Tauke
Thomas
Thompson
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Young, Alaska
Zeferetti

☐ 1350

The Clerk announced the following pairs:

Mr. Russo with Mr. Rousselot.

Mr. Zeferetti with Mr. Thomas.

Mr. Applegate with Mr. Goldwater.

Mr. Jacobs with Mr. Fish.

Mr. Lederer with Mr. Corcoran.

Mr. Obey with Mr. Cheney.

Mr. Panetta with Mr. Campbell.

Mr. Richmond with Mr. Beard of Tennessee.

Mr. Nolan with Mr. Jeffords.

Mr. Myers of Pennsylvania with Mr. Young of Alaska.

Mr. Montgomery with Mr. Bob Wilson.

Mr. McHugh with Mr. Myers of Indiana.

Mr. Moffett with Mr. McEwen.

Mrs. Spellman with Mr. Deckard.

Mr. Stratton with Mr. Edwards of Oklahoma.

Mr. Thompson with Mr. Green.

Mr. Williams of Montana with Mr. Hillis.

Mr. Charles H. Wilson of California with Mr. Hagedorn.

Mr. Santini with Mr. Collins of Texas.

Mr. Rodino with Mr. Anderson of Illinois.

Mr. Rose with Mr. Carney.

Mr. Skelton with Mr. Dougherty.

Mr. Stokes with Mr. Volkmer.

Mr. Dellums with Mr. Marks.

Mr. Conyers with Mr. McCloskey.

Mr. Ashley with Mr. Williams of Ohio.

Mr. Alexander with Mr. Tauke.

Mr. AuCoin with Mr. Sensenbrenner.

Mr. Aspin with Mr. Solomon.

Mr. Derrick with Mr. Pashayan.

Mr. Lowry with Mr. Anderson of California.

Mr. Guarini with Mr. Albosta.

Mr. Ford of Michigan with Mr. Anthony.

Mr. Fithian with Mr. Edgar.

Mr. Dodd with Mr. Fowler.

Mr. Evans of Indiana with Mr. Gray.

Mr. Mathis with Mr. Murphy of Illinois.

Mr. Patterson with Mr. Reuss.

Mr. Pease with Mr. Miller of California.

Mr. Jenrette with Mr. Lundine.

Ms. Holtzman with Mr. Holland.

Mr. Bedell with Mr. Dixon.

Mr. Clay with Mr. Stump.

Mrs. Collins of Illinois with Mr. Swift.

Mr. Roberts with Mr. Synar.

Mr. LATTA and Mr. HALL of Texas changed their votes from "yea" to "nay."

Mr. MURTHA changed his vote from "nay" to "yea."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. DANIELSON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks with respect to the conference report just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

A NEW ENERGY COMMITTEE

(Mr. PATTERSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PATTERSON. Mr. Speaker, I have had the opportunity to study the motion to recommit House Resolution 549, which will be offered tomorrow during the debate on the creation of a Standing Committee on Energy. Though it might be termed a substitute to 549, this recommital motion is actually a refinement of the select committee's original proposal.

The motion, as drawn by the distinguished ranking minority member of the select committee (Mr. CLEVELAND) and the distinguished gentleman from Minnesota (Mr. FRENZEL), takes House Resolution 549 and adds two of the amendments debated at length in the select committee during markup of the resolution and narrowly defeated after one of them initially had been approved.

I still believe that House Resolution 549 as reported by the select committee is a workable, practical, and effective way for the House to begin addressing the current national energy policy crisis. But compared to the alternative offered by our colleague from New York (Mr. BINGHAM) the recommittal motion is infinitely preferable.

I have read with interest the recent "Dear Colleague" letter signed by some 100 Members of this House in support of the Bingham proposal, and frankly, Mr. Speaker, I am appalled at the coalition. Members of both parties with diametrically opposed views on energy policy have joined together to surrender their jurisdictional prerogatives away. In so doing they have agreed to the creation of a monstrous "Committee on Energy and Commerce" against which all others will soon be rendered powerless and ineffective.

The Bingham proposal takes the six Commerce Committee subcommittees, all six of which are the very biggest spenders in the House, and increases their jurisdiction by 50 percent. Instead of spending twice as much as any other committee in the House, the Bingham proposal gives us a Commerce Committee three times the size of the average committee.

In the 95th Congress, under half of all the energy-related measures introduced in the House were referred to the Energy and Power Subcommittee. Under the proposal offered by the gentleman from New York, 100 percent of those same measures would go to a swollen, bloated Energy Subcommittee.

The Cleveland-Frenzel-Patterson recommital motion, on the other hand, seeks to even out the workload of the House by taking energy policy considerations away from the Commerce Committee and giving them to a new Committee on Energy. This would have the salutary additional effect of putting Commerce more on a par with the other legislative committees of the House.

The recommital motion likewise would preserve and enhance the integrity of the Interior Committee by granting it an independent review of the environmental aspects of nuclear energy as well as other energy matters generally. Under the Bingham proposal the Interior Committee, as with other legislative committees, is reduced to a de facto minor committee status in the shadow of the giant Commerce overlord committee.

Mr. Speaker, there really is no choice to be made on this issue. A standing, independent Committee on Energy is the only solution to the formulation of an effective national energy policy by the House of Representatives. A subcommittee by any other name is still a subcommittee, and the subcommittee dealing with energy matters on a new Energy and Commerce Committee will be no more able to formulate broad national policy than has the present Energy Subcommittee of the Interstate and Foreign Commerce Committee. It is for that reason that the Bingham substitute must be rejected.

SEQUENTIAL NONREFERRAL OF S. 2009 THE RARE II BILL FOR CENTRAL IDAHO

(Mr. SYMMS asked and was given permission to revise and extend his remarks and include extraneous matter and letters.)

Mr. SYMMS. Mr. Speaker, on Thursday, March 21, 1980, the Committee on Interior and Insular Affairs filed S. 2009, the RARE II bill for central Idaho, and an accompanying report with the Clerk of the House.

The bill was referred to the Committee on Agriculture "for a period ending not later than March 21, 1980."

On March 20, 1980, I had a letter hand delivered to the Speaker's office requesting a sequential referral of S. 2009 "to the Committee on Agriculture for an adequate time during which the latter committee could consider this legislation and make such recommendations as it deems appropriate on the basis of its jurisdiction." Congressman WAMPLER, the ranking minority member of the Committee on Agriculture, made a separate and similar but simultaneous request.

I wish to note my objection to this sequential referral which is made for a day, March 21, 1980, when the Congress was not in session, when no meeting was scheduled by the Committee on Agriculture to consider S. 2009, and on a day in which no quorum could have been expected to attend such a meeting.

In my opinion, the authority given to the Speaker in the rules of the House to sequentially refer bills "subject to appropriate time limits in the case of any committee" is too broad—as witnessed in this case—and does not permit a committee to which a bill is sequentially referred to "work its will" when the referral is only symbolic. Minimum periods should be established if the Speaker is to be given this broad authority so that the majority cannot autocratically and capriciously make mere symbolic referrals of bills.

I will insert in the RECORD my own letter and that of Mr. WAMPLER addressed to the Speaker and dated March 20, 1980.

Mr. Speaker, the letters to which I have referred are as follows:

COMMITTEE ON AGRICULTURE,
Washington D.C., March 20, 1980.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker of the House,
Washington, D.C.

DEAR MR. SPEAKER: This refers to your letter dated November 29, 1979, directed to Congressman Morris K. Udall, Chairman of the Committee on Interior and Insular Affairs, relative to that committee's jurisdiction over legislation addressing wilderness proposals made by the President pursuant to the Roadless Area Review and Evaluation (RARE II) study.

The President's recommendations under the RARE II study in my opinion were correctly referred to both the Committee on Agriculture and the Committee on Interior and Insular Affairs. As a member of both Committees, I feel confident that that opinion is shared by many of my colleagues on both Committees. Moreover, I concur in your observation that the Administration's recommendations were submitted pursuant to the Multiple-Use Sustained Yield Act of 1960 and the Forest and Rangeland Renewable Resources Planning Act which emanated from the Committee on Agriculture and reflect Committee on Agriculture jurisdiction.

The second goal of the Administration in submitting the RARE II study as stated in H. Doc. 96–119 (". . . by releasing some of the land for uses other than wilderness, we respond to our urgent need for energy, wood products, livestock forage, minerals, and a broad array of recreation opportunities") clearly reflects Agriculture Committee jurisdiction over the RARE II legislation considered in the House, particularly as it relates to multiple-use management. The joint referral of H.R. 6070, the "National Forest Multiple-Use Management Act of 1980" (which I cosponsored) and H.R. 6607, the "National Forest Roadless Area Act of 1980" reflect joint jurisdiction of both the Committee on Agriculture and the Committee on Interior and Insular Affairs over subject matter that affects both Committees.

Your letter of November 29, 1979, would appear to state your position that "legislation which only designates new wilderness areas in forests created out of the public domain will continue to be referred *only* to to the Committee on Interior and Insular Affairs" (emphasis mine).

It is requested that S. 2009, as referred to the Committee on Interior and Insular Affairs (as well as the Committee Substitute which will be filed with the House today), be sequentially referred to the Committee on Agriculture so that the Committee can act on those provisions which are within its jurisdiction.

I wish to call your attention to several portions of the Interior Committee's Substitute to S. 2009 to be filed with the House today by the Committee on Interior and Insular Affairs, which I believe are within the jurisdiction of the Committee on Agriculture:

1. Section 4(a) (2) of the Interior Committee's Amendment in the Nature of a Substitute to S. 2009 makes particular reference to actions required by the Secretary of Agriculture and to the National Forest Management Act of 1976. It directs, among other things, that a management plan shall be prepared by the Secretary of Agriculture "in coordination with the relevant national forest plans required by section 6 of the National Forest Management Act of 1976 (Public Law 94–588)."

2. In section 4(a) (3) of the Substitute, there is a cross reference to section 7(a) (3) of the Interior Committee's Substitute indicating that the Secretary of Agriculture's management plan, prepared as provided in the National Forest Management Act, should include a cultural resources management plan. The Secretary of Agriculture is required to provide for "protection from natural deterioration" and include a "public interpretation program" in the preparation of a management plan as required under section 6 of the National Forest Management Act.

3. Section 4(a) (5) of the Interior Substitute to S. 2009 provides that the Secretary of Agriculture's management plan "shall, among other things, address the need for, and alternative means of access to, the wilderness . . ."; and requires the Secretary to report to the Congress on the strategic significance of the materials and minerals found in the area. No doubt the "means of access" in many, if not all, instances involves multiple use or future planning portions of the National Forest system. And, the strategic significance of the materials, no doubt, includes "forest products," and the potential multiple use of such forest products under national emergency conditions.

4. Section 6 in the Interior Committee's Substitute to S. 2009 authorizes the Secretary of Agriculture, under specific sections of the Wilderness Act, to permit the grazing of cattle on certain of the lands designated as wilderness subject to certain reasonable regulations. Obviously, the amount of grazing for livestock that is permitted in these areas would have an impact on other agricultural decisions made by the Secretary of Agriculture under the Food and Agriculture Act of 1977, such as section 1004 which provides for a special grazing and hay program. In other words, if the grazing of livestock is limited in certain of these areas, it may well have an impact on the decision of the Secretary as it relates to the provisions in section 1004.

5. Section 7(a) (1) of the Interior Substitute to S. 2009 requires the Secretary of Agriculture "In furtherances of the purposes of . . . section 6 of the National Forest Management Act" to cooperate with the Secretary of the Interior in conducting a cultural resource management program. In this respect, I call to your attention Rule X, clause 1(a), which gives jurisdiction to the Secretary of Agriculture for the "protection of birds and animals in forest reserves."

6. Section 7(b) (2) of the Interior Substitute to S. 2009 calls for the Secretary of Agriculture to cooperate with the Secretary of the Interior and the agencies and institutions of the State of Idaho in conducting an inventory of, among other things, ranches and homesteads in the River of No Return Wilderness and within the Salmon River components of the National Wild and Scenic Rivers System.

Among other things, the Secretary is to cooperate in providing a report presumably on whether such ranches or homesteads shall be stabilized, restored, maintained or removed. It appears that there is a question of actually removing agricultural land from production, a matter which it appears comes under the Committee on Agriculture under Rule X, Clause 1(a) of the Rules of the House.

7. There are provisions contained in section 7 providing for the removal of sand and gravel in certain areas designated as wilderness, and it appears clear that the Forest Service has jurisdiction for the review, recommendation and special stipulations for surface and subsurface functions relating to the removal of the sand and gravel.

I would also call to your attention S. 2009, as referred to the Committee on Interior and Insular Affairs (and which is amended by the Interior Committee Substitute), which is my opinion impinges on the jurisdiction of the Committee on Agriculture as stated in Rule X of the Rules of the House in the following ways:

1. Section 2(a) (2) states as a purpose of the bill: "to end the controversy over which lands within the central Idaho region will be designated wilderness—thereby assuring that certain adjacent lands better suited for multiple uses other than wilderness will be managed by the Forest Service under existing laws and applicable land management plans—and by making a comprehensive regionwide land allocation decision" (emphasis supplied).

The clear implication in this purpose clause of the legislation appears to be the release of adjacent lands managed by the Forest Service "for multiple uses."

2. Section 10 of S. 2009 relating to the planning and management of lands not recommended for designation as wilderness or reserved for further study clearly should be referred to the Committee on Agriculture.

3. Section 5 refers throughout to the relevant national forest plans required by section 6 of the National Forest Management Act of 1976 and is within the jurisdiction of the Committee on Agriculture.

4. Several of the provisions referred to above with respect to the Interior Committee's Substitute apply with equal force to S. 2009 as referred to that Committee.

In summary, there is no question but what general recommendations for the "designation of wilderness areas within the national forests have an obvious impact on overall forest management." The Committee on Agriculture has authored and reported many of the statutes which address forest management practices throughout the National Forest System, and it appears that S. 2009 as reported by the Interior Committee and that Committee's Substitute should *at least* be sequentially referred to the Committee on Agriculture for an adequate time during which the latter Committee could consider this legislation and make such recommendations as it deems appropriate on the basis of its jurisdiction. Such a sequential referral is requested for this legislation, as provided in Rule X of the Rules of the House.

With kind regards.

Sincerely,

STEVEN D. SYMMS,
Member of Congress.

COMMITTEE ON AGRICULTURE,
Washington, D.C., March 20, 1980.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker of the House,
Washington, D.C.

DEAR MR. SPEAKER: I have received a copy of Congressman Symms' letter of this date addressed to you requesting the sequential referral of S. 2009, a bill to designate certain public lands in central Idaho as the River of No Return Wilderness, to designate a segment of the Salmon River as a component of the National Wild and Scenic Rivers System, and for other purposes, as well as the referral of the Amendment in the Nature of a Substitute thereto filed with the House today by the Committee on Interior and Insular Affairs.

I concur in Congressman Symms' request for the reasons, among others, as stated in his letter. An adequate period of sequential referral would be necessary to permit the Committee on Agriculture to exercise its legislative jurisdiction over this important piece of legislation.

With kind regards.

Sincerely,

WILLIAM C. WAMPLER,
Ranking Minority Member.

BYPASSSING CONGRESS: MR. CARTER'S PROPOSED ASSISTANT SECRETARY FOR NONPUBLIC EDUCATION

(Mr. ASHBROOK asked and was given permission to address the House for 1 minute.)

Mr. ASHBROOK. Mr. Speaker, one of the areas where this House has consistently disagreed with President Carter during the last 3 years is Federal policy toward private elementary and secondary schools. The House has voted to preserve and strengthen the independence of these institutions, blocking the Internal Revenue Service's attempt to saddle them with arbitrary and discriminatory regulations, and by passing tuition tax credits for the parents of private-school children. Mr. Carter has taken the opposite position on both these issues.

Mr. Carter favors the creation of an Assistant Secretary for Nonpublic Education. We discussed this idea last year when it was proposed as an amendment to the Department of Education bill, and we voted it down. One of the most important reasons for this decision was our fear that such an official might all too easily become yet another device for Federal intrusion into the decisions of independent educators.

But now we learn that the administration plans to crate such an Assistant Secretary through the back door, without consulting either the House or the Senate. Apparently the administration will claim that the Civil Service Reform Act of 1978 gives it the power to act on its own in this area.

Mr. Raymond Natter of the American Law Division of the Library of Congress has just completed an analysis of this claim. His report, entitled "Executive Branch Authority to Establish the Position of Assistant Secretary of Education for Nonpublic Education," is from the Congressional Research Service. Here is the key paragraph from his conclusion:

> Section 202 of the Department of Education Organization Act provides for the establishment of principal offices in the new Department, including six specifically named Assistant Secretaries and four additional officers. The Executive Branch apparently claims authority to establish an additional Assistant Secretary position under Section 3133 of the Civil Service Reform Act. While arguments exist for both viewpoints as to whether or not Section 3133 confers such authority on the Executive, the legislative history of Section 202 of the Department of Education Organization Act evidences a clear legislative intent to streamline the administrative bureaucracy of the new Department, and to limit the number of Assistant Secretaries. Therefore, we conclude that Section 202 may be read as a limitation on the number of Assistant Secretaries which, as a later enacted and more specific provision, effectively overrides any authority under the Civil Service Reform Act to increase the number of such Assistant Secretaries.

Even if Mr. Natter were wrong, I would argue that it would be unwise for the administration to move ahead without congressional action. Unlike all the other Assistant Secretaries in the new Department, a new one appointed by the power claimed under the Civil Service Reform Act would not have to be confirmed by the Senate. In an era when many private educators correctly view the Federal Government as a source of harassment rather than benefits, I do not believe that such a sensitive appointment should be made in such arbitrary fashion. If Mr. Carter cannot persuade a majority of both Houses to create this new post through the normal legislative process, he ought to drop the whole idea.

□ 1400

H.R. 6837, PASSENGER RAILROAD REBUILDING ACT OF 1980

(Mr. GRASSLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GRASSLEY. Mr. Speaker, I would like to take this opportunity to bring to the attention of my colleagues a matter of great importance, those sections in the Passenger Railroad Rebuilding Act of 1980 which deal with the Rock Island Railroad. Passage of the labor protection provisions contained in this measure is vital to a swift and orderly transition of Rock Island properties from the estate to new owners. I would urge my colleagues, during consideration of this bill in the near future, to weigh carefully the national impact of a serious interruption of rail service in the grain belt at the time when farmers are preparing for spring planting. If the labor issue is not resolved by us here in Congress, it will undoubtedly be taken to the courts, leaving the status of current purchase offers highly doubtful.

I realize that there are problems with the bill we will be considering. For one thing, I believe that the bill does not authorize sufficient funds to run even the limited directed service that it proposes. In addition, title I of the bill, containing additional appropriations for the Northeast corridor improvement project, is an unfortunate addition, since veto becomes a real possibility if the measure goes to the President with that provision. Finally, the Senate bill contained no such provision. A long, drawn out battle in conference is a definite possibility if title I passes.

I would urge my colleagues to consider this matter carefully when it comes up before this body. It is imperative that we pass a responsible, constructive measure which will bring about the best possible resolution to the situation.

CONGRESSMAN DOWNEY ANNOUNCES INITIATION OF POLITICAL PRISONER PROJECT

The SPEAKER pro tempore (Mr. MURTHA). Under a previous order of the House, the gentleman from New York (Mr. DOWNEY) is recognized for 15 minutes.

Mr. DOWNEY. Mr. Speaker, the Congressional Ad Hoc Monitoring Group on Southern Africa was founded in October 1977, soon after the death in detention of SA civil rights activist, Steven Biko. The Monitoring Group today is a bipartisan group of 48 Members of the House and Senate.

One original aim of the Group was to monitor political detainees to prevent this happening to anyone else.

Since 1963 at least 50 political detainees have died in South African jails. Of these, 20 are reported by the South African Ministry of Justice to have committed suicide. Others we are told "slipped in the shower," "fell down stairs," or "fell seven floors during interrogation."

South African justice operates on the principles of the Terrorism Act and the Internal Security Act of 1976, both of which allow for indefinite preventative detention, without charge, for anyone suspected of terrorism. To say that this gives the police and the courts broad leeway is to understate the issue.

Hundreds of opponents of apartheid, black, white and colored, are today suffering imprisonment, detention, banning or harassment because of their non violent expression of opposition to a political and societal system based on discriminate treatment of persons according their race.

It is with these unfortunate individuals in mind that I am proud to announce today the initiation of a political prisoner project sponsored by the Congressional Ad Hoc Monitoring Group on Southern Africa.

In the next few weeks letters will be sent by 56 Members of the House and Senate on behalf of 60 political prisoners in South Africa.

These letters will go to the South

African Prime Minister, Mr. Botha, the South African ministry of justice, and to various prisoners and their families in cases where those addreses are known.

The Monitoring Group will keep a file on each adopted prisoner in the project and files are already prepared on a further 150 political prisoners and banned persons in South Africa so that the project can be expanded.

I sincerely hope that other Members of the House and Senate will join the Monitoring Group and the Black Caucus in adopting a prisoner of conscience in South Africa.

In recent months there has been much talk from official circles in South Africa about reform. If there is truly a desire for reform on the part of the ruling party there, then we certainly want to encourage it.

The remarkably successful and remarkably peaceful settlement in Zimbabwe-Rhodesia has shown what is possible in South Africa. It has also highlighted what could occur if a peaceful settlement of the complaints of those desiring a meaningful majority voice in Government continues to be frustrated. Violent change is bound to result.

The South African Government must have this in mind. We must make sure they bear it in mind.

Because it is not only in the best interests of South Africa to promote peaceful change, it is most certainly also in the political, strategic and economic interests of the United States to see a peaceful settlement of differences and stability in South Africa.

The prisoners and persons suffering under banning orders in South Africa who have been chosen for sponsorship in our political prisoner project are those who still cling to the hope of nonviolent change. We cannot allow their hopes to be frustrated by continued and continual persecution, imprisonment and harassment because of their political views.

If we do not speak out on behalf of the moderates and the advocates of peaceful change, the field will be left only to the men of violence.

Once again other Members of Congress are invited to take part in this project.

So long as the political and social repression inherent in the apartheid system continues to function, there will be a need for groups in the United States, such as the Ad Hoc Monitoring Group to speak out strongly and with consistency. The injustice in South Africa remains one of the foremost issues in the minds of the Third World, whose good relations with this country become more important every year. The painful lessons we are learning from instability, bloodshed, and revolution in Asia and the Middle East, must not be ignored in our dealings with Africa.

The prisoner I am adopting is Ephraim Mogale, the President of the Congress of South African Students, an organization for black high school students. In November of last year he was detained on "unspecified charges" under the Terrorism Act. He is now in prison under "indefinite detention." I think Mogale could bear out what I have said today about the apartheid system and the imminent need for change. If the South African Government is serious about reform, they will respond. But from today forward they will know that there are Members of the U.S. Congress closely monitoring the treatment of Ephraim Mogale and others being punished for their political and social views in South Africa.

Mr. Speaker, I yield to my friend, the gentleman from California (Mr. EDWARDS).

Mr. EDWARDS of California. Mr. Speaker, I compliment the gentleman from New York (Mr. DOWNEY), who is one of the chief officers of this very valuable project, the political prisoner project of the Congressional Ad Hoc Monitoring Group.

I also commend the distinguished junior Senator from Massachusetts (Mr. TSONGAS) for his part in offering leadership in the other body.

Mr. Speaker, I am speaking today as a member of the Ad Hoc Monitoring Group on Southern Africa, and as one who is concerned about the system of apartheid in South Africa.

As a participant in the Ad Hoc Monitoring Group's political prisoner program, I am the sponsor of Nohle Mahapi, a resident of Johannesburg, South Africa. Nohle Mahapi was first detained on August 25, 1977, while working for the banned Black Peoples Convention and was held under section 6 of the Terrorism Act for almost 1 year until July 1978, when she was transferred to preventive detention under the Internal Security Act. She was released, uncharged, almost 1 year after her arrest, on August 9, 1978. However, only 4 weeks later, she was among some 15 friends and relatives of Steve Biko that were arrested on the eve of the first anniversary of his death while in detention. She remained in preventive detention until October 27, and was served with a 5-year banning order on December 18.

I intend to monitor the case of Nohle Mahapi, not only out of concern for her plight, but as one concerned for the rights of all those living under oppression. I hope this effort, as well as those of my other colleagues in the Southern Africa Monitoring Group, will serve as a reminder to the Government of South Africa of the deep concern of the Congress and the American people for the human rights of all South Africans and of our intention to continue our work to encourage respect and recognition of those rights by that government.

Mr. MAGUIRE. Mr. Speaker, will the gentleman yield?

Mr. DOWNEY. I yield to the gentleman from New Jersey.

Mr. MAGUIRE. Mr. Speaker, I thank the gentleman from New York (Mr. DOWNEY) for taking this important special order, and for his leadership on South Africa issues. It is essential that we take a further step in our efforts to prevent the continuing political and human rights abuses in South Africa by establishing a congressional adoption program similar to the one existing with respect to the Soviet Union.

So far, our attention has focused on the overall racial and political rights situation in South Africa. We know that the catalog of human misery in South Africa is long and revolting, that through personal intimidation South Africa can extend its tyranny over blacks very cheaply. It does so through the daily inequities of the pass laws, blacks being arrested nightly for not having their identity documents in order. It does so by segregation, by routine distinctions between who can eat, walk, sleep and dress in particular places. The best jobs are reserved legally for whites. No trade unions are effectively allowed for blacks, and certainly no black labor representatives have any real bargaining power.

We know that South Africa is a police state as far as blacks are concerned.

The Ad Hoc Monitoring Group on Southern Africa now chaired by the gentleman from New York (Mr. DOWNEY) was formed after the death of Steve Biko. We have, since then, focused on some specific policy decisions of the South African regime, such as their determination to destroy the thriving community of Crossroads. These and other efforts did have some impact. Growing international criticism of racial and human rights policies during 1978–79, International Anti-Apartheid Year, was accompanied by a serious internal dispute within the ruling Nationalist Party over the activities of the Department of Information. This dispute, termed the "Muldergate" scandal by the press, led to the disbanding of the Information Department and the resignation from the cabinet of Dr. Connie Mulder.

To some extent, the revelations about the information department indicated the Government's sensitivity to international criticism of apartheid and human rights violations. The controversy within the ranks of the Nationalist Party weakened the position of the Government. However, it appears to have had no appreciable effect on human rights. Even though the "Muldergate" scandal had shown the length to which the Government felt obliged to go in order to defend its policies in the face of international criticism, the Government did not respond by reexamining those policies or initiating measures to permit the black majority an effective voice in Government. Instead, as in previous years, the Government resorted to detention without trial, political imprisonment and restriction under banning orders to suppress effective black political opposition.

Waves of detention continued. In May, 1978, the leaders of the newly formed Azania People's Organization (AZAPO) were detained in Johannesburg. They included Lybon Mabasa and Ishmael Mhkabela, both of whom were held without charge until August 1978, when they were transferred to preventive detention under section 10 of the Internal Security Act. They were eventually released on December 1, 1978, but were immediately served with 5-year banning orders.

At least 30 members of the Young Christian Workers, a church youth organization, were also detained without trial for months. Four of them were subsequently prosecuted under the Sabotage Act, but the majority were released uncharged several months later. Others were held for even longer periods and made to give evidence as state witnesses in the trials of YCW members.

Series of arrests have been made every year in early September before the anniversary of Steve Biko's death in detention. Those detained included friends and relatives of Steve Biko and leading members of the Black Consciousness movement.

Another feature of human rights abuses is the use banning orders to effectively "banish" individuals to isolated parts of South Africa. Phindile Mfethi, a prominent trade unionist was served with a 5-year banning order in May 1977, which restricted him to the Germiston area near Johannesburg, and was deported to the Transkei in July 1978.

But human rights violations in South Africa are not limited to the worst racial discrimination of everyday life as well as the denial of the most basic political rights. Worse, the South African Government, over the last couple of years, greatly increased the number of executions. On April 6, 1979, 22-year-old Solomon Mahlangu, despite many international appeals for clemency, was executed, Mr. Mahlangu was the first political prisoner to be hanged in South Africa since the 1960's. He was one of five people to be executed on April 6, 1979.

In South Africa basic human rights are brutally violated. Violations occur this very moment. They occur despite congressional efforts such as those of the ad hoc Monitoring Group on Southern Africa, despite congressional inquiries about specific cases and individual prisoners. The impact we have had on South African internal policies, so far, has been very marginal. But I am confident that, in the long run, we will have some impact. I believe that we have to strengthen our efforts. "Adoption" of specific persons will certainly add a new dimension to our efforts and, thus, strengthen our ongoing project.

Much will have to happen before general conditions of life in South Africa comply with normal standards of human conduct. But without our contribution that might never be possible.

Mr. WEISS. Mr. Speaker, will the gentleman yield?

Mr. DOWNEY. I yield to the gentleman from New York.

Mr. WEISS. Mr. Speaker, I, too, want to take only a few moments to commend the gentleman from New York (Mr. Downey) on the leadership the gentleman has taken in calling attention to the terrible situation in the Union of South Africa and the holding of prisoners improperly and illegally and to indicate that I will be proud to join the gentleman and others of my colleagues in both the House and the other body in this effort.

Mr. WOLPE. Mr. Speaker, will the gentleman yield?

Mr. DOWNEY. I yield to the gentleman from Michigan.

Mr. WOLPE. Mr. Speaker, I, too, would like to join in commending the gentleman from New York and the ad hoc committee for undertaking this very important initiative.

It is an effort to focus attention on the violations of human rights and human dignity that are occurring every day within the regime of South Africa.

Aside from the very clear moral imperatives that are at stake in what is happening in that country, our own country, the United States, has a direct self-interest in becoming much more aggressively identified with the cause of political freedom and the movement that is underway within South Africa to throw off the apartheid regime.

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The human rights perspective and the perspective of American national self-interest coincide directly. It is in our national self-interest to be far more aggressive and far more decisive in the way we react and approach that regime. I think the initiative underway, and which I intend to participate in, will be helpful in moving us in that direction.

● Mr. EVANS of the Virgin Islands. Mr. Speaker, I join my colleagues today in denouncing a system of government which practices racial segregation, oppression, and exploitation. The system of government to which I speak is known as apartheid in the Union of South Africa. Under apartheid, the freedom of movement, as well as the political and socioeconomic rights of Africans, colored persons and Asians, are curtailed catastrophically. Most of the land is set aside for the white minority, approximately 4,760,000 persons compared to 18 million Africans. Africans cannot enter into an urban area unless they have a pass and no African is permitted to stay within that urban area longer than 72 hours unless a special permit is obtained from the South African Government. Because of these strict rules, African leaders have protested to the South African Government. Many of them have subsequently been jailed or banned from publicly speaking their views; they have become political prisoners. Their only crime is that they wish to be free in their native land.

Recently, however, Prime Minister Botha has taken some encouraging steps to review many of the laws applicable to the apartheid system. I urge my colleagues to encourage Mr. Botha to continue his effort to bring about change in South Africa which gives all of her citizens the right to live in peace and freedom. We must also flood the elected officials of South Africa with our letters stating that the Congress of the United States and the American people will support, with open arms, the removal of apartheid.

At this point, I would like to commend the government and peoples of Zimbabwe-Rhodesia for their strong effort to put down their guns and attempt to live together in peace. I only pray that the Union of South Africa will follow suit.●

● Mr. DRINAN. Mr. Speaker, I commend the gentleman from New York (Mr. Downey), the gentleman from California (Mr. McCloskey) and my fellow members of the Ad Hoc Monitoring Group on Southern Africa for arranging this opportunity to bring to the attention of the House, the Nation, and the world, the continuing abuses that are occurring in South Africa.

Political oppression has long been a way of life for a majority of the people of South Africa. The racist government has, in a systematic fashion, silenced those individuals who have had the courage to speak out in protest against apartheid.

Under terms of the Terrorism Act of 1967, a South African police officer on or above the rank of lieutenant colonel can arrest, without warrant or charge, anyone suspected of being a "terrorist," of having information pertaining to "terrorists" or of "terrorist" offenses. Detainees are held incommunicado, often in solitary confinement, until such time as the commissioner of police considers that the prisoner has answered all questions satisfactorily, or it is felt that further detention will serve no useful purpose. Terrorism is broadly defined to include any activity likely to "endanger the maintenance of law and order." The law and order the government seeks to protect is the law and order that sanctions racial segregation of transportation, housing, schools, government services, and jobs. The result is that the Terrorism Act authorizes the Government of South Africa, through its security police, to indefinitely detain without charge or trial individuals who disagree with the government's racist policies, and communicate that dissatisfaction to others. The result has been the "banning" of vocal opponents of apartheid. Such silencing must be strongly protested by our Government as a gross violation of the fundamental right of free speech and free association.

In the fall of 1978, I visited Johannesburg and talked for almost 2 hours with a heroic black priest, the Reverend Smangaliso Mkhatshwa. In October, 1977, the Pretoria Government issued a nonappealable decree that this priest, the executive secretary of the bishops' conference of eight southern African nations, was "banned" for 5 years. This meant that Father Mkhatshwa could not preach, write, or engage in any priestly activities. No newspaper, including Catholic periodicals, may quote him.

Father Mkhatshwa's banning was criticized by the Catholic Church which sent a strongly worded telegram of protest to then-Minister of Justice, James Kruger. Under the terms of his banning order, he is restricted to Pretoria and Mabopane East districts for a period of 5 years, and is subjected to partial house arrest between the hours of 6 p.m. and 6 a.m. each weekday, and from 12 noon on Saturdays until 6 a.m. Monday.

Mr. Speaker, the new Government in Zimbabwe has given new hope to the potential for majority rule in the rest of southern Africa. The political realities of the region dictate that the struggle for an end to racism there is not yet at hand. Our efforts in the House of Representatives to call attention to these injustices are an important part of the movement toward equality and justice for the people of South Africa.●

GENERAL LEAVE

Mr. WEISS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include therein extraneous material on the subject of the special order today by the gentleman from New York (Mr. Downey).

The SPEAKER pro tempore. Is there objection to the gentleman from New York?

There was no objection.

THE CHOICE BEFORE THE HOUSE: THE BINGHAM SUBSTITUTE BEEFING UP THE COMMERCE COMMITTEE, OR THE RECOMMITTAL MOTION, WITH BIPARTISAN BACKING, CREATING AN EFFECTIVE STANDING COMMITTEE ON ENERGY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Hampshire (Mr. Cleveland) is recognized for 10 minutes.

● Mr. CLEVELAND. Mr. Speaker, earlier today, in a 1-minute speech, I briefly discussed H.R. 549 and the alternatives facing the House tomorrrow. This special order permits a bit more detail in support of the recommittal motion and against the Bingham substitute. Members and their staffs should also note special orders in the Record of Thursday, March 20, 1980, offered by the gentleman from Minnesota (Mr. Frenzel) and myself (H2044–H2045 and H2046).

Mr. Speaker, if our colleagues vote on the basis of the convictions they have previously expressed, then the recommittal motion will prevail by an overwhelming margin.

The select committee conducted two surveys of the House membership on issues of committee organization to which we received more than 300 responses. Twenty-three House Members testified during our energy hearings. By more than 2 to 1, Members responding to the surveys said they wanted the kind of energy committee proposed by the recommittal motion. In our hearings, only one member—the chairman of the Energy and Power Subcommittee—indicated he was satisfied with the present energy jurisdictions.

By every standard or measure, Mr. Speaker, the recommittal motion would accomplish what large majorities of both parties have said they want. The Bingham substitute would not. Let me be specific:

The recommittal motion would establish a new Energy Committee. The Bingham substitute would not.

The recommittal motion would consolidate substantial overlapping jurisdiction. The Bingham substitute would not.

The recommittal motion would reduce fragmentation and proliferation in energy jurisdiction. The Bingham substitute would not.

The recommittal motion would reduce reliance on multiple referral of energy bills, which cause delay and confusion and added cost. The Bingham substitute would increase multiple referrals.

The recommittal motion would provide the full-time attention of a full committee to energy problems. The Bingham substitute would not.

The recommittal motion would permit more expeditious consideration of energy legislation. The Bingham substitute would create new logjams by forcing all energy legislation through a single, already overloaded subcommittee.

The recommittal motion would improve accountability and responsibility in the handling of energy policy. The Bingham substitute would not.

The recommittal motion would help balance the workloads of House Committees. Bingham substitute would make the present imbalance worse.

The recommittal motion would remove any need of future ad hoc committees to coordinate energy policy. The Bingham substitute would not.

The recommittal motion is based on extensive hearings, detailed consideration in markup, and a full public report. The Bingham substitute is based on none of these.

By more than 3 to 1, Members responding to the select committee survey rejected the option of continuing a system in which three committees—Commerce, Interior, and Science and Technology—divided up most energy jurisdiction. The Bingham substitute would continue and compound the very system our colleagues have declared obsolete and unsatisfactory. The recommittal motion would replace it.

Mr. Speaker, both majority and minority members of the select committee, including our distinguished chairman (Mr. Patterson), support this recommittal motion. It preserves the best of House Resolution 549 and enhances it with broadened jurisdiction. We invite our colleagues in both parties, who seek a positive and workable response to the energy crisis, to join us in supporting the recommittal motion.

The text of the recommittal motion follows:

Mr. Cleveland of New Hampshire moves to recommit the resolution (H. Res. 549) to the Select Committee on Committees, with instructions to report back forthwith with the following amendment:

Strike out all after the resolving clause and insert in lieu thereof the following:

That (a) clause 1 of rule X of the Rules of the House of Representatives, relating to committees and their jurisdiction, is amended—

(1) by redesignating paragraphs (h) through (v) as paragraphs (i) through (w), respectively; and

(2) by inserting after paragraph (g) the following new paragraph; "(h) Committee on Energy.

"(1) National energy policy generally.

"(2) Measures relating to the exploration, production, storage, supply, marketing, pricing, regulation and conservation of energy resources, including (A) all fossil fuels, (B) nonmilitary nuclear power, (C) solar power, and (D) other unconventional or renewable energy resources.

"(3) Measures relating to the commercial application of energy technology.

"(4) Measures relating to (A) the generation and marketing of power (except by federally chartered or Federal regional power marketing authorities), (B) the reliability and interstate transmission of, and ratemaking for, all power, and (C) the siting of generation facilities; except rural electrification and the installation of interconnections between Government waterpower projects.

"(5) All interstate energy compacts.

"(6) All measures relating to energy resources on the Outer Continental Shelf.

In addition to its legislative jurisdiction under the preceding provisions of this paragraph (and its general oversight functions under clause 2(b)(1)), such committee shall have the special oversight functions provided for in clause 3(h) with respect to all laws, programs, and Government activities affecting nonmilitary energy.".

(b) Clause 1(k) of rule X of such Rules (as redesignated by subsection (a) of this section) is amended by striking out "clause 1(p)(4)" in subparagraphs (4) and (5) and inserting in lieu thereof "paragraph (q)(4) of this clause".

Sec. 2. (a) Clause 1(l) of rule X of the Rules of the House of Representatives (as redesignated by subsection (a) of the first section of this resolution) is amended—

(1)(A) by inserting ", other than energy resources on the Outer Continental Shelf" after "public lands" in subparagraph (10);

(B) by inserting ", other than on the Outer Continental Shelf," after "public lands" in subparagraph (13); and

(C) by inserting "(but not including energy resources on the Outer Continental Shelf)" after "thereon" in subparagraph (15);

(2) by inserting "(except coal on private lands), including the Surface Mining Control and Reclamation Act of 1977 and amendments thereto" before the period at the end of subparagraph (11);

(3) by striking out subparagraph (17);

(4) by inserting after subparagraph (16) the following new subparagraph:

"(17) Environmental aspects, not within the jurisdiction of other standing committees, of all energy matters, specifically including the regulation of nonmilitary nuclear energy.";

(5) by striking out "nonmilitary nuclear energy and research and development including the disposal of nuclear waste" in the last sentence and inserting in lieu thereof "the environmental impact of nonmilitary nuclear energy".

(b) Clause 1(m) of rule X of such Rules (as so redesignated) is amended—

(1) by striking out subparagraphs (3) and (6), and redesignating subparagraphs (4), (5), and (7) through (12) as subparagraphs (3) through (10), respectively; and

(2) by striking out the last two sentences.

(c) Clause 1(o) of rule X of such Rules (as so redesignated) is amended by inserting "(but not including energy resources on the Outer Continental Shelf)" before the period at the end of subparagraph (2).

(d) Clause 1(q) of rule X of such Rules (as so redesignated) is amended by inserting before the period at the end of subparagraph (9) the following: ", except for the transmission and marketing of electrical energy not generated by federally chartered, regional power authorities".

(e) Clause 1(s) of rule X of such Rules (as so redesignated) is amended by inserting before the period at the end of subparagraph (11) the following: ", including demonstration, and all federally owned or operated nonmilitary energy laboratories and research, development, and demonstration projects".

SEC. 3. Clause 3 of rule X of the Rules of the House of Representatives is amended—

(a) by striking out "nonmilitary nuclear energy and research and development including the disposal of nuclear waste" in paragraph (e) and inserting in lieu thereof "the environmental impact of nonmilitary nuclear energy."

(b) (1) by striking out "Committee on Interstate and Foreign Commerce" in paragraph (h) and inserting in lieu thereof "Committee on Energy".

(2) by striking out "nuclear" in paragraph (h) and inserting in lieu thereof "nonmilitary".

SEC. 4. Clause 5 of rule X of the Rules of the House of Representatives is amended by striking out paragraph (e).

SEC. 5. The amendments made by this resolution shall take effect immediately prior to noon on January 3, 1981.

SEC. 6. The amendments made by this resolution are not intended to result in an increase in the amount of space or funds made available to the committees of Congress for staff, travel, and other expenses.●

SOVIET VIOLATIONS OF JEWISH HUMAN RIGHTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 15 minutes.

● Mr. GONZALEZ. Mr. Speaker, I would like to bring to the attention of my colleagues another example of the human rights violations occurring in the Soviet Union. This is the case of Igor Guberman, an author of popular books and articles.

Guberman, a 44-year-old Jewish activist, was arrested on August 13, 1979, after refusing to collaborate with the KGB. He was expected to go on trial March 11, 1980.

In December 1978, Guberman had applied to emigrate to Israel. Soon after he submitted this application, Guberman was approached by the KGB agents who wanted him to "keep an eye on emigrating Jews and to denounce and prepare provocations against Jewish activists." Refusing, the KGB proceeded to punish Guberman by having him arrested on August 13, 1979. He was falsely charged with the illegal purchasing and selling of icons, for he had been collecting medieval relics for many years, which is not forbidden by Soviet law.

Guberman has been actively involved in the Jewish movement there within the Soviet Union for several years. Mainly, he contributed to the unofficial publication, "Jews in the Soviet U.S.S.R.," a journal strictly devoted to the cultural and historical aspects of Jewish life in the Soviet Union. Jewish activists within the Soviet Union are expressing their fear to the National Conference on Soviet Jewry that Guberman's trial may become the first major step in a crackdown on Jewish activists.

Since Guberman was arrested he has not seen his wife; only a lawyer was permitted to see him in January 1980. He has been transferred from one prison in the Moscow area to another. The latest available information has shown that Guberman, whose trial was expected to begin on March 11, would be charged with "Acquisition or Marketing of Property Known to Have Been Criminally Acquired." (Article 208 of the RSFSR Criminal Code.) One important fact that must be noted is that the testimony of two criminals who were previously sentenced for stealing icons. The maximum sentence that can be given to Guberman is 7 years of subsequent exile.

The Jewish activists within the Soviet Union believe that the arrest of Igor Guberman is simply a pretext, a pretext of which the Soviet Government is using to control Jewish emigration and to stop the publication of the independent journal, "Jews in the U.S.S.R."

Mr. Speaker, from the information being received out of the Soviet Union, it appears that the crackdown to restrict Jewish emigration is more intense than ever. As this happens more and more violations of human rights, such as those of Igor Guberman, will continue to occur. The free world must continue to protest these actions and do whatever is in our power to come to the aid of those whom the Soviets falsely and maliciously try to imprison because of their belief in freedom.●

WOULD YOU VOTE FOR A BILL THAT LEGALIZES A 21-PERCENT INTEREST RATE?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, during my more than 40 years in politics I have always been a team player. I have never been one to go my own way or to fight the desires of the majority. But in everyone's political career there is one issue that is so important that it is necessary for a person to change their traditional habits and to fight from the outside. H.R. 4986, the Depository Institutions Deregulation and Monetary Control Act of 1980, is such an issue.

I would suggest that when someone who is a lifelong team player breaks ranks with that concept that the issue is indeed grave.

Of the 11 House and Senate Conferees on H.R. 4986, I was the only one not to sign the conference report. I debated for days as to whether or not I should sign the report, and unfortunately, Mr. Speaker, this legislation is so devastating to the American people that I could not sign the report.

As chairman of the Consumer Affairs Subcommittee I have strong objections to the Truth in Lending Simplification title of the legislation, but my objections to that section are pale compared to my outrage at the State usury provisions.

A provision was placed in the bill by the conferees overriding State usury laws on business and agricultural loans of $25,000 or more. It provided that anyone making such loans could charge an interest rate of 5 percent above the Federal Reserve's discount rate regardless of any State usury law establishing a lower limit. The discount rate is currently 13 percent, and a 5-percent override would have allowed an interest rate maximum of 18 percent. However, after the conferees had voted and the legislation was turned over to the staff for technical corrections, a provision was inserted in the legislation increasing the 18-percent ceiling to 21 percent.

The President has indicated that any bank using the Federal Reserve discount window on more than an occasional basis will be charged a 3-percent surcharge on top of the prevailing discount rate. Under present circumstances the 3-percent surcharge would establish the discount rate not at 13 percent but at 16 percent. And that basically was the language used in the conference bill.

Instead of merely allowing a charge of 5 percent over the discount rate, the bill was changed to allow a 5-percent charge above the discount rate including any surcharges. That small change means that Congress is putting its stamp of approval on a 21-percent interest rate for farmers and businessmen; particularly small businessmen.

Although I do not represent an agricultural district, I know that I could never explain to the small businessmen in my district why they would have to pay 21 percent for loans. It will be interesting to me to see how Members, particularly those in agricultural districts, explain to the voters why they support a rate that will require farmers and businessmen to pay out nearly a quarter of every dollar they earn in interest charges.

The original conference committee version of the legislation would allow any State that did not want to go along with the higher interest charges to either pass a new law or to reaffirm its old law. Thus, if a State had an 18-percent limit on business and agricultural loans, its State legislature, or by constitutional action as necessary, could maintain its 18-percent ceiling merely by reaffirming its position. But that section was also changed after the conferees voted. Now a State can control its own fate only if it specifically and explicitly votes to override the provisions of H.R. 4986. Even if 100 percent of the voters in a given State vote to keep their own State law in effect, that vote could be ruled null and void unless the ballot question is so carefully worded that not a comma or semicolon is misplaced.

I cannot understand why we make it so difficult for a State to set its own interest rates. Member after Member of this body has spoken on the House floor of the intrusion of the Federal Government in the domain of the States. Under this legislation the Federal Government is not only moving into the State's domain, but is making it virtually impossible for the States to get out from under Federal control.

As I mentioned earlier, I am also upset about the provisions of the truth-in-lending simplification section. Under the guise of simplification this legislation guts truth in lending. I am the first to admit there were problems with truth in lending because of the volume of paperwork associated with the legislation, but gutting this worthwhile law as is done in H.R. 4986, is not the answer.

You will be told that H.R. 4986 does not gut truth in lending but actually improves it. If that is the case, why is it that every consumer group has come out in opposition to the truth-in-lending simplification provisions in H.R. 4986. In fact, I do not know of a single consumer who supports the provisions.

At least one major provision of the truth-in-lending simplification section was placed in the bill following the vote of the conferees. I cannot comment on that section at any great length because I was never shown the provision before it was placed in the bill. I can only assume that it made certain that if there were any guts left in the bill that this final provision removed the last breath of life.

Mr. Speaker, in conclusion, I strongly suggest to my colleagues that you review the conference report on H.R. 4986 carefully. Ask detailed questions if you do not understand a particular provision in the bill, because I assure you there are more kickers in it than there are in the North American Soccer League.

Make certain you understand exactly what is in the legislation before you vote for it. If you vote the wrong way you could have a great deal of explaining to do to your constituents.●

RUSSELL BAKER ON THE ECONOMY AND THE DEMOCRATIC PARTY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. WEISS) is recognized for 5 minutes.

Mr. WEISS. Mr. Speaker, I believe that the distinguished writer and humorist, Mr. Russell Baker, in his column entitled, "You Could Look It Up" appearing in the New York Times on March 22, has captured the essence of the current economic and political crisis.

I have been urging the Congress to enact and the President to impose mandatory wage, price, and profit controls, but only a handful of Members and the American people seem to be supporting that idea at this time.

I believe that Mr. Baker has stated the sad and true reality that we are headed toward economic disaster as the result of the neo-Hoover (that's Herbert Hoover) policies that currently guide the country.

I commend this column to my colleagues, especially on the Democratic side, and hope that we will all profit from its wisdom.

YOU COULD LOOK IT UP

(By Russell Baker)

Watching Jimmy Carter and his economics philosophers sitting at the depot waiting for Old Man Hard Times to roll in, takes me back to my childhood, which is getting to be a right good spell ago.

It's true, Father William, I am so old that I can remember 1931, 1932, 1933. Even remember Herbert Hoover. Not very clearly, mind you. Nobody's that old anymore. But I remember him vaguely. Chubby-jowled fellow with dimples, nice face—like Jimmy Carter in that department, though it was sweet and avuncular rather than smiley nice.

Like Carter, Hoover also had a bad economic problem, consisting of the entire country being broke. The average wage for people who had jobs in 1932, and there weren't an awful lot of them, was about $16.25 (I'm not old enough to remember that; had to look it up).

In any case, what I do remember, and very clearly, was everybody from Hoover on down sitting at the depot waiting for prosperity to roll in. "Prosperity is just around the corner," they all said.

They sat there saying it through 1931 when things were terribly unprosperous and kept on saying it through 1932 when things were getting worse. And, of course, prosperity wasn't just around the corner. It wasn't even down in the next neighborhood. It wasn't even in town, and might never have showed up at all if World War Two hadn't come along eight or nine years later.

The old saw has it that history, in repeating itself, comes around the second time as farce. Thus, while Hoover's America was on the rocks for lack of money, Carter's is headed that way because of too much money.

There is so much money that nobody respects it anymore. It's like sand on a beach. When you get that much money lying around, it takes all the fun out of greed. People get bored with money. To perk them up, you have to tempt them with the metal in your bridgework.

Hoover's problem was to get more money on the beach, and his people kept saying there would be plenty more out there before long. "Prosperity is just around the corner."

Carter's problem is to rescue money's reputation from the disgrace it has suffered as a result of making itself too available.

His solution to this, heartily endorsed by most Democrats, is to bring back hard times, on the theory that if enough people can't lay hands on money, people who can will show more respect for it, and the country will avoid the rocks.

In short, where Hoover needed a boom to end the depression, Carter now finds himself in the absurd position of needing a depression to end the boom. Of course, we don't say "depression" anymore, although the word was originally coined as a sissified euphemism. Hoover—I had to look this up, too—decided to call the post-1929 event a "depression" because he thought it sounded less alarming than a precise descriptive term such as "financial crisis." Nowadays these things are called "recessions" because "recession" sounds less alarming et cetera.

The strange thing about the "recession" this time around, however, is that the prosperity won't go away. It's been a year or more now since the imminent arrival of "recession" was announced.

It was originally scheduled for last fall, but never showed up. Christmas came; no "recession." Wait until after the new year starts, the station agent said. January 1 came, and February 1. No "recession."

Where was the "recession"? Just around the corner, if you believed the economists. When it arrived, a lot of people would know what poor was once again, though not so keenly as in Hoover's time (fingers crossed under the table here), and the dollar would have its honor restored.

Nightly in the television news and matutinally in the newspapers we are assured that the latest economic arithmetic leaves no doubt that the "recession" is really, honestly on its way for sure this time. Maybe it is, though they have been promising it for months while it refused to come.

When—if—it comes, there will be hard times. You have to be old enough to remember Herbert Hoover to enjoy history's gift for taking a bow as farce. In time of hardship we all waited for prosperity, having been assured that prosperity was just around the corner.

Fifty years later, with prosperity galore, we pine for the hardship that refuses to arrive while Carter and his boys urge us to hang on. Their slogan could be almost the same as Hoover's: "Austerity is just around the corner."

How the worm doth turn. How like unto Hoover Republicans have become our gallant Democrats.

LEGISLATION AMENDING CERTAIN TITLES OF UNITED STATES CODE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. RODINO) is recognized for 5 minutes.

● Mr. RODINO. Mr. Speaker, today, I am introduced H.R. 6900, a bill to amend certain titles of the United States Code, to codify recent law, and to improve the United States Code. This bill will amend titles 10, 14, 32, 37, and 38, United States Code, which have been enacted into law, to reflect changes in the substance of those titles, bylaws, or reorganization plans which did not specifically amend those titles. The bill makes no change in the substance of existing law.●

LUMBER AND HOMEBUILDING INDUSTRY GOING BROKE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. WEAVER) is recognized for 10 minutes.

Mr. WEAVER. Mr. Speaker, this morning I received in the mail a letter from Steve King of Lebanon, Oreg., which is situated in the Fourth Congressional District of Oregon. The letter is rather unusual, Mr. Speaker. It is on a part of a 2 by 4 stud, sent certified mail and with a message on the back of it. The message reads "Help, I'm going broke."

Mr. Speaker, the lumber industry in the Northwest and the homebuilding industry in the entire Nation is going broke. The living high off the hog that this country has done for the past half dozen years, budgets that created deficits of tens of billions of dollars each year, the printing of money that led to the inflation that we have today has now come home to roost. We now find the homebuilding industry in this Nation completely shut down, and with it the lumber industry of Oregon which supplies the raw materials, the lumber and plywood for the housing industry.

We are heading for even worse times, Mr. Speaker, because once the housing industry goes down, the rest of the economy is soon to follow. I note that Steve King in sending this certified letter on this 2 by 4 stud spent $2.51 to send this to me here in Washington, D.C., so he still had a little money left, albeit he probably had to go in and get a pool going with the rest of the builders and people working in the lumber industry in order to raise that $2.51, because they do not have much money left. The mills are closing every single day in my district, thousands of people are being laid off.

Mr. King felt his message so urgent to be sent back here to Congress that he spent the $2.51, and so it is perhaps the best money he has spent. Unfortunately, Mr. Speaker, we should have gotten the message 3 years ago when we started rolling up these huge, huge deficits.

I voted for the last 3 years for a balanced budget. I voted to cut the spending because it was very clear what was going to happen, it was very clear we were going to be into double-digit and 20-percent inflation, and 20-percent interest rates that would bring our entire economy to its knees now because the longer these interest rates stay high, the longer the housing industry and the lumber industry are shut down, the deeper that recession is going to be until it will deepen into a depression of the 1930's kind. We are heading for economic disaster in this country.

Can my colleagues imagine here in the height of a boom that we have increased spending in fiscal 1980 by over $80 billion over fiscal 1979 spending, $80 billion of printed money creating the inflation, creating the panics in the bond and stock markets, creating the mortgage interest rates of 17.5 percent which has priced the American people completely out of the ability to buy homes, and soon to price the American people out of their jobs.

I do not know if we are aware, Mr. Speaker, of the economic disaster, the precipice we are on, but it is facing us today. We had better start countering it now. The miserable $2 billion they intend to cut out of this $80 billion deficit for fiscal 1980 is not enough. We should have cut that far, far more.

The other thing, Mr. Speaker, is the $80 billion to $90 billion we are going to be paying for foreign oil this year. When in God's name will this country learn that we must cut back on the purchase of this foreign oil or it will break us? We have $80 billion to $90 billion flowing out of this country, flowing out of the housing market, flowing out of the ability of our industries to create jobs here, flowing away from the people who buy the goods we do produce in this country, $80 billion to $90 billion flowing to the OPEC nations. Mr. Speaker, this will lead to economic collapse. Already other nations of this world, the industrial nations are raising their interest rates to match our own increases so their currencies will not weaken to the point where they will have to pay more for foreign oil.

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When will it stop? It will stop when we get some sense, when we do finally cut the budget. But it is too late now. We must now take far more stringent measures. But I ask this: Do not let the housing market completely die while Mr. King still has $2.51 left. Let us help the housing market. Let us help the lumber industry, but not by printing more money. Let us stop the purchase of our foreign oil, saving that money. Let us cut out the nonessentials in our budget, saving that money and put the American people back to work before unemployment reaches—and here I make a startling and grave prediction—before unemployment reaches the very heights that interest rates and inflation have reached today.

Thank you, Mr. Speaker.

GOD BLESS AMERICANS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. LaFalce) is recognized for 5 minutes.

● Mr. LaFALCE. Mr. Speaker, for more than 150 years, the most peaceful boundary between two countries has been the Canadian-American border. Despite a somewhat stormy beginning, relations between these two countries have been among the most friendly and cooperative in the world.

A fresh demonstration of those close relations, as we all know, happened in Tehran, when the Canadian Ambassador protected U.S. diplomatic personnel from the wrath of the Tehran mob and then spirited them out of the country in a spirit which would have made James Bond proud. Although he took this course of action at great risk to his own and other Canadians' personal safety, the Ambassador modestly minimized his own feat, when he returned to Canada.

While Americans reacted with huge outpourings and demonstrations of gratitude toward their northern neighbors, the Iranians appeared to be genuinely confused about this Canadian action. Perhaps, the Iranians cannot conceive of a relationship with another country, which would mandate close cooperation, whenever one of the countries is threatened.

A recent newsletter from the Royal Bank of Canada, entitled "God Bless Americans," helps explain Canadians' attitude toward this country; and I want to share this witty and insightful article with all of my colleagues.

The article follows:

ONE NEIGHBOR'S VIEW OF A "GENTLE" SUPERPOWER: GOD BLESS AMERICANS

An ardent Canadian nationalist might argue that there are no such things as benefits in our proximity to the land of the CJA, the hamburger chain and the multinational corporation. The overriding benefit under which all such argumentation takes place is so big and simple that it is easy to ignore. This is that we have lived in peace with the United States for more than a century and a half, which must be close to a record for a relatively small nation bordering on a great power. For all that time, while much of the earth was being ripped apart at intervals by guns and bombs, Canadians have remained safe from the terrors of warfare on their own territory. Nor has that safety been bought at the price of subservience. Canadians have been able to live cheek by jowl with a mighty military nation in a degree of political independence, security and prosperity that would be envied in many parts of the world.

For all that, even non-nationalistic Canadians are inclined to view the United States with mixed feelings. The extent of U.S. ownership in the Canadian economy and the pervasiveness of American culture have long been matters of political concern. Legislation to lessen American economic and cultural influence has received at least the tacit approval of the electorate. The desire among Canadians to maintain their differences from Americans should not be confused with anti-Americanism, although self-serving attempts to twist it into that shape are sometimes made.

In any case, it is the rare Canadian who has any kind of animosity towards individual Americans. Canadians in general have an affectionate regard for Americans, even though some might not approve of the Americans and the things they do. The Americans are those rough and ready heavyweights of world affairs, with their almighty dollars, their ubiquitous brand names, their political machinations in foreign lands, their nuclear warheads. Americans are those persons you meet who speak English with a slightly different accent from yours, who say faucet instead of tap and frosting instead of icing, who don't put vinegar on their French fries and who like their beer weak, their cigarettes strong and their tea ice-cold.

To use a standard Canadianism, they are nice people—nice to meet, nice to talk to, nice to have around you. Canadians find them easy to relate to on a personal level, because the two nationalities share a familiarity unparalleled anywhere. They travel more in each other's country than any other national neighbors, and they do more business together. The two countries historically have exchanged large parcels of population, such as the Franco-Americans of New England and the descendants of the American sod-busters and cow-punchers who played a large part in opening up the Canadian West. Until recently there was a free flow of immigration over the border in both directions. So there are innumerable ties of blood and personal acquaintanceship to add to the cultural, political and economic ties between the two vast lands.

A Canadian and an American may work for the same company, belong to the same labor union, cheer for the same team, drive the same kind of car, watch the same television shows and wear pretty much the same clothing. This is a cause of consternation among nationalistic Canadians, who apparently are unaware of places like Scotland, Austria, Belgium and Portugal, which are subject to similar conditions in relation to their kindred neighbors, but have no trouble in maintaining a cultural identity of their own.

Neither do they seem to know much about the attractiveness and potency of American culture around the world; blue jeans are prized in Eastern European countries, and a Coca-Cola machine graces the hallway of the French foreign ministry on the Quai d'Orsay. Much of the resistance to American culture in Canada seems petty and lacking in perspective. Fortunately, it is likely to fade as Canadians increasingly gain confidence in their own abilities and their nation's place in the world.

To see Americans at their hereditary best, one need look no further than their national pastime, the placid and poetic sport of baseball. It is a game that owes as much to brains as brawn, governed by a set of rules that could have been written by a Philadelphia lawyer. In the long stretches of seeming inactivity between the bursts of action, a fascinating war of strategy is being waged in every ball thrown and every move a player makes.

Baseball brings out a number of basic American characteristics. It is a game of individualism within the context of team-work. It is a democratic sport, in which the fans, managers and players deem it their right to loudly protest the judgments of that definitive figure of authority, the umpire. It is an enterprise that calls for hard work and dedication.

The game carries in it what might be called the American deception: it has a lop-ing, casual, lazy air which masks a thoughtfulness and seriousness of purpose. This apparent laxity has often deluded enemies of the United States: "I don't see much future for the Americans," Adolf Hitler once said. Even American political leaders have been fooled by the compatriots' apparent apathy and malleability. In the early 1950s, it looked as if Sen. Joseph McCarthy had entirely consolidated his grip on the national psyche by creating hysteria over the "Communist menace." But he underestimated the willingness of the American people to change course abruptly once they have realized they are going the wrong way.

McCarthy's pernicious power was destroyed by the final arbiter of U.S. political affairs, public opinion.

Not surprisingly, the sharpest critics of the American vox populi have themselves been Americans. The magnificent journalist H. L. Mencken coined the phrase "Boobus Americanus," dismissing the mass of his countrymen as a vulgar, avaricious, unenlightened rabble following third-rate leaders in a war against unconventional ideas. But that was in the complacent days of the 1920s, when Mencken was able to remark: "The American Republic, as nations go, has led a safe and easy life, with no serious enemies, either within or without, and no grim struggle with want."

That same palmy decade gave rise to Sinclair Lewis's Babbitt, the backslapping conformist from Gopher Prairie who was to become an American stereotype. The brash, crass Babbitts of this world believed implicitly in an ill-defined something called "the American dream." It was, as Lewis's contemporary, Eugene O'Neill, pointed out, mainly a dream of materialism. O'Neill lamented: "I sometimes think that the United States for this reason is the greatest failure the world has ever seen."

Much has happened since then to remove the bumptiousness from the American dream and to give it a more human dimension. The stock market crash and the Great Depression grimly demonstrated that the United States was not necessarily the Promised Land. The war with Japan and Germany taught that war was not something to look forward to. The Cold War that ensued with the Soviet Union gave the nation a taste of the loneliness of command in world affairs.

In the past few years Americans have had to come face to face with their own shortcomings. The disgraceful treatment of black Americans could no longer be overlooked as blacks and their white allies stood up for their civil rights. The questionable U.S. involvement in Vietnam, combined with the disenchantment of large sections of American youth, aroused mass dissent and disorder. The Watergate scandal brought home the message that an obsession with winning by any means can ultimately result in defeat.

Through it all, American public opinion has been divided. In a highly emancipated society made up of millions of opinions, a consensus is never easy to achieve. But in the final analysis there have always been enough Americans who truly believe in the humanitarian ideals enshrined in their Constitution to set their nation on the course of justice and honor.

"Boobus Americanus" and Babbit have died a natural death in the mature and concerned society that has grown up since their heyday. Even the frighteningly well-intentioned Quiet American of Graham Greene's novel of Indo-China in the 1950s appears to be breathing his last. In their place have emerged people who are coping with the rebuffs of history with all the resilience and determination that made them a great nation in the first place. They won the lasting friendship of Canadians long ago; in their recent adversity, they have won our lasting respect.●

A TRIBUTE TO KELVIN ANDERSON

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. COTTER) is recognized for 5 minutes.

● Mr. COTTER. Mr. Speaker, it is with great sadness that I inform my colleagues of the recent death of a very special young man from my district—Kelvin Anderson of Hartford, Conn.

Kelvin was a unique individual. A 19-year-old, he was the New England amateur heavyweight boxing champion and a member of the respected U.S. boxing team. He was the only unranked fighter at the National Sports Festival in Colorado last August, yet he won both his bouts and clinched the heavyweight gold medal.

Kelvin was more than an athlete. He was a scholar who wrote poetry and led his high school class as president of its student council.

He was on his way to box with the U.S. team in Poland when he was killed with 13 other American fighters when their plane crashed near Poland's Warsaw International Airport.

In a recent column in the Hartford Courant, sportswriter Owen Canfield penned a moving tribute to Kelvin. I am including it here for all my colleagues to read:

KELVIN ANDERSON LEFT A LOT OF GOOD BEHIND IN HARTFORD

His hard, handsome man's body concealed a young poet's soul. Kelvin Anderson might have become a great boxer or he might have become a great poet. He died in an airplane crash near Warsaw, Poland late Thursday night.

The boxing career, exciting in its precociousness, stopped, and the poem, hardly begun, ended.

He was not perfect, but Anderson touched people, moved them and left something good in Hartford.

"He will be missed."

People who measured and admired the unique cadence of his life say he will be missed. People who taught him and learned from him say he will be missed. People who only knew of him say, "He will be missed. A kid like that? Of course he'll be missed."

He was not a kid. He was only 19, but a man. He was the man 2,000 Hartford Public students elected last year to represent them as president of the student council. They wanted his gifts of class and common sense up front.

He behaved like a man. He thought and reasoned and spoke like a man. He worked like a man and boxed like a man. Naturally, he commanded a man's respect.

"He will be missed."

John Cuyler, the basketball coach, retired. It's two years now. The testimonal at Valle's honored a man who had given heartsblood to Hartford High. The president of the student body rose in his turn that night and spoke into the microphone. There were tears in Cuyler's eyes when Kelvin Anderson sat down, and tears in his voice when he remembered it Friday. The speech was spectacularly concise and unpretentious, its message clear.

"He made me feel good, as a man," Cuyler said. "It was a thing that would choke you up."

John Cuyler remembers a hero's picture plastered to the walls of the cafeteria. "He would walk through with his USA jacket on and people would stop and look."

"He will be missed."

Lindy Remigino said, "His personality dominated the team." Remigino coached Anderson for one full season in cross-country. "My Number One Man," Lindy said. "We were *very* close. You see, he was an extraordinarily bright individual. His peers looked up to him . . . a soothing influence . . . scholarship marks . . . an exemplary athlete. And when he boxed," and here Lindy paused knowing what he was about to say did not need saying, "it was only to win, never to hurt anybody. He was one of the most sensitive young men I ever knew. He would never hurt anybody.

"We ran a tough schedule, and he was our best. Just a leader."

"He will be missed."

"One of the awards he won," executive vice principal Joseph Dougherty said, "was the Sigmund Adler Award, and one of it's requirements is encouragement given to fellow students. He was a fine young man, conscientious of his school work and considerate of other people. He was a real influence, well liked and gentlemanly. And he had such an easy way of dealing with the faculty.

"His success extended to people in the way he treated them. Everybody followed him and looked up to him. He came by here eight or nine months after he graduated, just to say thanks for everything to teachers and advisors.

"Kelvin carried his responsibility well. He was good in his studies and never had a swelled head."

"He will be missed."

Margo Shollenkopf was shocked. "We've never been through this before," she said. Kelvin Anderson had worked four hours a day processing orders in the Supply Services Department she oversees at Connecticut Mutual Life. "He was pleasant and polite. We're all very shaken here."

"He will be missed."

Phillip Jones lives around the corner from Anderson but it was only when Kelvin came to work at Connecticut Mutual a few months ago that they became friends. "We got to be real good friends," said the 17-year-old Bulkeley student. "And when I heard about him today, it was like a rock fell on my head. We'd talk a lot about a lot of things. He was a guy you could talk to. If I had things on my mind, I knew I could talk to him. And we'd goof around, and kid around a lot, like you do.

"A lot of times when he got a minute he'd sit at a typewriter and write things. Just, you know, things. About life. Things. Just things that came to him.

"A lot of times, poems. He'd write poems."

He might have been a great boxer. He might have been a great poet. Or neither. But study the life of Kelvin Anderson, brief as a winter's cloudy breath, and there is a young *man's* greatness, unencumbered by six-ounce gloves.

"He made me feel good, as a man."

"He was our best. Just a leader."

"His success extended to people in the way he treated them."

"He was pleasant and polite."

"I knew I could talk to him."

He will be missed.

Kelvin devoted his life to boxing, and he will be greatly missed by his family, his friends, and his community. His death marks a great loss for the State of Connecticut and boxing.●

FUTURE NEEDS OF OUR STRATEGIC NUCLEAR FORCES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. FAZIO) is recognized for 5 minutes.

● Mr. FAZIO. Mr. Speaker, I would like to take this opportunity to share with my colleagues a letter I recently received from retired Adm. E. R. Zumwalt, Jr., truly one of the most outstanding naval officers in our Nation's history. Admiral Zumwalt, who had an exemplary career as the Chief of Naval Operations from 1970 to 1974, provides us all with some very valuable insights into the future needs of our strategic nuclear forces. I think the message of this great military thinker and public servant is particularly timely as we confront the issue of whether we procure a new manned bomber and, if so, what kind.

The text of the letter follows:

MARCH 12, 1980.

Hon. VIC FAZIO,
House of Representatives,
Washington, D.C.

DEAR REPRESENTATIVE FAZIO: I am sure it will come as no surprise to you that my lifelong interest in our country's defense has in no way diminished by reason of my absence from Washington or because I no longer occupy an official position in our defense establishment. My level of interest and my deep concern with respect to our ability to successfully defend our country today and in the future remains as a first consideration with me, above all others. For these reasons, I have followed the defense congressional testimony this year with great interest and would like to share with you some of my concerns.

The Secretary of Defense's Annual Report to Congress early in 1979 compared U.S. and Soviet strategic forces. In each of the three scenarios presented, the relative force size (1) before any attack is made, (2) after a Soviet first strike, and (3) following a U.S. retaliatory strike, the Soviet Union has a clear and distinct advantage lasting from this very moment on through 1986 or 1987. This will be a time of peril for the United States during which we can expect to be tested to the limit.

The above testimony was followed by what I believe to be some of the most significant and seemingly least-noticed testimony of the year. I refer to the statement of the Under Secretary of Defense for Research and Engineering, Dr. Perry. The details were classified, but the thrust of it was that last year we greatly underestimated what the Soviets could, and would do, to improve their strategic capability; and furthermore, the record shows that we have consistently underestimated them for the last ten years. A vitally important point to keep in mind.

Returning to the Defense Secretary's Annual Report, I'm struck by the fact that the period of strategic disadvantage we are now entering is the result of undisputed fact-of-life increases in Soviet strategic force size and qualitative improvements. Whereas, the forecast for U.S. recovery to a position of parity is conditioned upon events far less certain. For example, the successful development and deployment of the new MX ICBM, the new C–4 SLBM for the Trident submarine and the success of the cruise missile and its integration with the B–52G and its new avionics.

It would be gratifying indeed if all these systems become fully operational when planned, but is it something we can afford to wager everything on? I think not. We have all seen disappointments and delays in the development and deployment of such terribly complex weapons in the past. Additionally, consider that in a relatively short time, all three legs of the TRIAD will be undergoing major changes in weapon systems, and in the air breathing leg, the cruise missile represents a new operational concept as well. I fully support and endorse these new initiatives, but we must guard against the assumption that we know precisely when and how well we will recover strategic parity. There are too many uncertainties, ranging from our past over-optimistic estimates of Soviet actions to the "unknown unknowns" of weapon system development. In short, I fear there is a high probability that our strategic disadvantage could be worse than projected by the Secretary of Defense, and the time period of that disadvantage longer. We must keep in mind also that the 1986–1987 recovery is beyond the expiration date of the SALT II agreement, casting further doubt on the validity of such a forcast.

The seriousness of our strategic vulnerability in the early and mid 1980s demands wider recognition and a more serious consideration of the only carefully thought-out and supported plan to address the problem. I refer to the plan offered by General Ellis, Commander in Chief of the Strategic Air Command, the person responsible for all of the U.S. strategic operational planning, and for two-thirds of its execution. General Ellis has come forward with a total force approach to restructuring the plan for the air breathing leg of the TRIAD which he believes serves three important purposes. It increases our total strategic retaliatory capability; it is responsive to our needs in the mid 80s and, overall, saves some $15 billion over the current administration plan.

General Ellis' plan would increase cruise missile production, equipping B–52Hs as cruise missile carriers in addition to the B–52Gs already planned. The new Cruise Missile Carrier Aircraft would be deferred.

Of very particular interest is that part of General Ellis' plan that involves modernized FB–111, the FB–111B which can perform the penetrating bomber role very much more effectively than the B–52G it would replace.

If the FB–111B/C will in fact perform as anticipated, it will be able to carry out strategic and tactical missions that cover the broadest spectrum from surveillance of vital sea lanes through functioning as a replacement for the aging B–52s in virtually all of the missions now planned for that aircraft, as a tactical nuclear weapon for our NATO allies, a long-range tactical interdiction system for contingencies such as that now facing us in the Middle East, and as the only aircraft capable of performing a bombing or post-strike penetration mission that cannot today be performed by any other aircraft or by cruise missiles. All of these, notably, at a very much lower cost than any of the other systems being weighed by those responsible for these kinds of decisions. It is a rare occasion indeed to find a single system that responds so effectively to such a large range of problems, that offers solutions to so many needs.

It is interesting to note that the Congress is insisting on substantial increases in real terms for defense, but is not similarly insisting on specific programs, which the administration has yet to support General Ellis' proposal, leaving the one program most responsive to the nation's needs hanging without a commitment. It seems to me to be abundantly clear that it is up to the Congress to take quick action on the FB–111B since it is the keystone of the Ellis plan, but it paradoxically the biggest obstacle to clear vision by all parties.

The reason for this is probably quite simple: an administration which cancelled a new manned penetrating bomber finds great difficulty in recommending another, no matter how compelling the case. A Congress, resentful of that cancellation and having supported it only with great reluctance, finds equal difficulty in discarding past positions to look our current situation squarely in the eye.

Concerning the B–1, General Ellis has stated his view succinctly; it takes too long to get them and they come at a rate too low to be of any real operational value during the noted period of greatest danger and cost considerably more than the FB–111B.

When the B–1 was to be the sole means of delivering the weapons assigned to the air breathing leg of the TRIAD a number of large bombers was appropriate. With the advent of the cruise missile, carrying 3,000 of those warheads, the bomber requirement changes markedly. A manned penetrating bomber for this role must complement the cruise missile force, therefore a similar number of smaller, much less expensive, bombers is indicated.

To those in OSD who maintain that the FB–111B is too late to meet the need, and that simply buying more cruise missiles to deliver the same number of warheads is both quicker and cheaper, I would argue that:

The FB–111B program is too late only for those who can ignore the uncertainties of the yet-to-come systems.

Buying more cruise missiles would entail its own delays; and conversion of the B–52H is still another delaying factor that should occur only when something is available for the penetrating role.

The FB–111B may or may not be counted under SALT II, but if counted, it will fit in the non-mirved category where there is room under the 2,250 aggregate limit, thus contributing substantially to the total U.S. nuclear delivery capability.

More recent events have added to the case for the FB–111B with the need for substantially longer aircraft range to cover middle east problem areas in a conventional war scenario. The aircraft is particularly well suited for such contingency actions in roles the cruise missile is not a realistic, flexible or cost-effective solution.

I urge the consideration of General Ellis' total strategic force plan, and the recognition that its most controversial element, the FB–111B, is in fact the correct solution for the strategic problem in the 1980s, offering in addition the flexibility to fill conventional and theater nuclear roles for across-the-board utility. I am aware of no other system that offers such broad flexibility while best meeting the critical time needs for strategic delivery capability in the middle 1980s.

All best wishes.

Sincerely,

E. R. ZUMWALT, Jr.

ARLINGTON, VA.●

CONFERENCE REPORT ON H.R. 4986

Mr. REUSS submitted the following conference report and statement on the bill (H.R. 4986) to amend the Federal Reserve Act to authorize the automatic transfer of funds, to authorize negotiable order-of-withdrawal accounts at depository institutions, to authorize federally chartered savings and loan associations to establish remote service units, and to authorize federally insured credit unions to maintain share draft accounts, and for other purposes.

CONFERENCE REPORT (H. REPT. No. 96–842)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the amendment of the Senate to the bill (H.R. 4986) to amend the Federal Reserve Act to authorize the automatic transfer of funds, to authorize negotiable order-of-withdrawal accounts at depository institutions, to authorize federally chartered savings and loan associations to establish remote service units, and to authorize federally insured credit unions to maintain share draft accounts, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

SHORT TITLE

SECTION 1. This Act may be cited as the "Depository Institutions Deregulation and "Monetary Control Act of 1980".

TITLE I—MONETARY CONTROL ACT OF 1980

SHORT TITLE

SEC. 101. This title may be cited as the "Monetary Control Act of 1980".

REPORTING REQUIREMENTS

SEC. 102. Section 11(a) of the Federal Reserve Act (12 U.S.C. 248(a)) is amended—

(1) by inserting "(1)" after "(a)"; and

(2) by adding at the end thereof the following new paragraph:

"(2) To require any depository institution specified in this paragraph to make, at such intervals as the Board may prescribe, such reports of its liabilities and assets as the Board may determine to be necessary or desirable to enable the Board to discharge its responsibility to monitor and control monetary and credit aggregates. Such reports shall be made (A) directly to the Board in the case of member banks and in the case of other depository institutions whose reserve requirements under section 19 of this Act exceed zero, and (B) for all other reports to the Board through the (i) Federal Deposit Insurance Corporation in the case of insured State nonmember banks, savings banks, and mutual savings banks, (ii) National Credit Union Administration Board in the case of insured credit unions, (iii) Federal Home Loan Bank Board in the case of any institution insured by the Federal Savings and Loan Insurance Corporation or which is a member as defined in section 2 of the Federal Home Loan Bank Act, and (iv) such State officer or agency as the Board may designate in the case of any other type of bank, savings and loan association, or credit union. The Board shall endeavor to avoid the imposition of unnecessary burdens on reporting institutions and the duplication of other reporting requirements. Except as otherwise required by law, any data provided to any department, agency, or instrumentality of the United States pursuant to other reporting requirements shall be made available to the Board. The Board may classify depository institutions for the purposes of this paragraph and may impose different requirements on each such class.".

RESERVE REQUIREMENTS

SEC. 103. Section 19(b) of the Federal Reserve Act (12 U.S.C. 461(b)) is amended to read as follows:

"(b) RESERVE REQUIREMENTS.—

"(1) DEFINITIONS.—The following definitions and rules apply to this subsection, subsection (c), section 11A, the first paragraph of section 13, and the second, thirteenth, and fourteenth paragraphs of section 16:

"(A) The term 'depository institution' means—

"(i) any insured bank as defined in section 3 of the Federal Deposit Insurance Act or any bank which is eligible to make application to become an insured bank under section 5 of such Act;

"(ii) any mutual savings bank as defined in section 3 of the Federal Deposit Insurance Act or any bank which is eligible to make application to become an insured bank under section 5 of such Act;

"(iii) any savings bank as defined in section 3 of the Federal Deposit Insurance Act or any bank which is eligible to make application to become an insured bank under section 5 of such Act;

"(iv) any insured credit union as defined in section 101 of the Federal Credit Union Act or any credit union which is eligible to make application to become an insured credit union pursuant to section 201 of such Act;

"(v) any member as defined in section 2 of the Federal Home Loan Bank Act;

"(vi) any insured institution as defined in section 401 of the National Housing Act or any institution which is eligible to make application to become an insured institution under section 403 of such Act; and

"(vii) for the purpose of section 13 and the fourteenth paragraph of section 16, any association or entity which is wholly owned by or which consists only of institutions referred to in clauses (i) through (vi).

"(B) The term 'bank' means any insured or noninsured bank, as defined in section 3 of the Federal Deposit Insurance Act, other than a mutual savings bank or a savings bank as defined in such section.

"(C) The term 'transaction account' means a deposit or account on which the depositor or account holder is permitted to make withdrawals by negotiable or transferable instrument, payment orders of withdrawal, telephone transfers, or other similar items for the purpose of making payments or transfers to third persons or others. Such term includes demand deposits, negotiable order of withdrawal accounts, savings deposits subject to automatic transfers, and share draft accounts.

"(D) The term 'nonpersonal time deposits' means a transferable time deposit or account or a time deposit or account representing funds deposited to the credit of, or in which any beneficial interest is held by, a depositor who is not a natural person.

"(E) In order to prevent evasions of the reserve requirements imposed by this subsection, after consultation with the Board of Directors of the Federal Deposit Insurance Corporation, the Federal Home Loan Bank Board, and the National Credit Union Administration Board, the Board of Governors of the Federal Reserve System is authorized to determine, by regulation or order, that an account or deposit is a transaction account if such account or deposit may be used to provide funds directly or indirectly for the purpose of making payments or transfers to third persons or others.

"(2) RESERVE REQUIREMENTS.—(A) Each depository institution shall maintain reserves against its transaction accounts as the Board may prescribe by regulation solely for the purpose of implementing monetary policy—

"(i) in the ratio of 3 per centum for that portion of its total transaction accounts of $25,000,000 or less, subject to subparagraph (C); and

"(ii) in the ratio of 12 per centum, or in such other ratio as the Board may prescribe not greater than 14 per centum and not less than 8 per centum, for that portion of its total transaction accounts in excess of $25,000,000, subject to subparagraph (C).

"(B) Each depository institution shall maintain reserves against its nonpersonal time deposits in the ratio of 3 per centum, or in such other ratio not greater than 9 per centum and not less than zero per centum as the Board may prescribe by regulation solely for the purpose of implementing monetary policy.

"(C) Beginning in 1981, not later than December 31 of each year the Board shall issue a regulation increasing for the next succeeding calendar year the dollar amount which is contained in subparagraph (A) or which was last determined pursuant to this subparagraph for the purpose of such subparagraph, by an amount obtained by multiplying such dollar amount by 80 per centum of the percentage increase in the total transaction accounts of all depository institutions. The increase in such transaction accounts shall be determined by subtracting the amount of such accounts on June 30th of the preceding calendar year from the amount of such accounts on June 30th of the calendar year involved. In the case of any such 12-month period in which there has been a decrease in the total transaction accounts of all depository institutions, the Board shall issue such a regulation decreasing for the next succeeding calendar year such dollar amount by an amount obtained by multiplying such dollar amount by 80 per centum of the percentage decrease in the total transaction accounts of all depository institutions. The decrease in such transaction accounts shall be determined by subtracting the amount of such accounts on June 30th of the calendar year involved from the amount of such accounts on June 30th of the previous calendar year.

"(D) Any reserve requirement imposed under this subsection shall be uniformly applied to all transaction accounts at all depository institutions. Reserve requirements imposed under this subsection shall be uniformly applied to nonpersonal time deposits at all depository institutions, except that such requirements may vary by the maturity of such deposits.

"(3) WAIVER OF RATIO LIMITS IN EXTRAORDINARY CIRCUMSTANCES.—Upon a finding by at least 5 members of the Board that extraordinary circumstances require such action, the Board, after consultation with the appropriate committees of the Congress, may impose, with respect to any liability of depository institutions, reserve requirements outside the limitations as to ratios and as to types of liabilities otherwise prescribed by paragraph (2) for a period not exceeding 180 days, and for further periods not exceeding 180 days each by affirmative action by at least 5 members the Board in each instance. The Board shall promptly transmit to the Congress a report of any exercise of its authority under this paragraph and the reasons for such exercise of authority.

"(4) SUPPLEMENTAL RESERVES.—(A) The Board may, upon the affirmative vote of not less than 5 members, impose a supplemental reserve requirement on every depository institution of not more than 4 per centum of its total transaction accounts. Such supplemental reserve requirement may be imposed only if—

"(i) the sole purpose of such requirement is to increase the amount of reserves maintained to a level essential for the conduct of monetary policy;

"(ii) such requirement is not imposed for the purpose of reducing the cost burdens resulting from the imposition of the reserve requirements pursuant to paragraph (2);

"(iii) such requirement is not imposed for the purpose of increasing the amount of balances needed for clearing purposes; and

"(iv) on the date on which the supplemental reserve requirement is imposed, the total amount of reserves required pursuant to paragraph (2) is not less than the amount of reserves that would be required if the initial ratios specified in paragraph (2) were in effect.

"(B) The Board may require the supplemental reserve authorized under subparagraph (A) only after consultation with the Board of Directors of the Federal Deposit Insurance Corporation, the Federal Home Loan Bank Board, and the National Credit Union Administration Board. The Board shall promptly transmit to the Congress a report with respect to any exercise of its authority to require supplemental reserves under subparagraph (A) and such report shall state the basis for the determination to exercise such authority.

"(C) The supplemental reserve authorized under subparagraph (A) shall be maintained by the Federal Reserve banks in an Earnings Participation Account. Except as provided in subsection (c)(1)(A)(ii), such Earnings Participation Account shall receive earnings to be paid by the Federal Reserve banks during each calendar quarter at a rate not more than the rate earned on the securities portfolio of the Federal Reserve System during the previous calendar quarter. The Board may prescribe rules and regulations concerning the payment of earnings on Earnings Participation Accounts by Federal Reserve banks under this paragraph.

"(D) If a supplemental reserve under subparagraph (A) has been required of depository institutions for a period of one year or more, the Board shall review and determine the need for continued maintenance of supplemental reserves and shall transmit annual reports to the Congress regarding the need, if any, for continuing the supplemental reserve.

"(E) Any supplemental reserve imposed under subparagraph (A) shall terminate at the close of the first 90-day period after such requirement is imposed during which the average amount of reserves required under paragraph (2) are less than the amount of reserves which would be required during such period if the initial ratios specified in paragraph (2) were in effect.

"(5) Reserves Related to Foreign Obligations or Assets.—Foreign branches, subsidiaries, and international banking facilities of nonmember depository institutions shall maintain reserves to the same extent required by the Board of foreign branches, subsidiaries, and international banking facilities of member banks. In addition to any reserves otherwise required to be maintained pursuant to this subsection, any depository institution shall maintain reserves in such ratios as the Board may prescribe against—

"(A) net balances owed by domestic offices of such depository institution in the United States to its directly related foreign offices and to foreign offices of nonrelated depository institutions;

"(B) loans to United States residents made by overseas offices of such depository institution if such depository institution has one or more offices in the United States; and

"(C) assets (including participations) held by foreign offices of a depository institution in the United States which were acquired from its domestic offices.

"(6) Exemption for Certain Deposits.—The requirements imposed under paragraph (2) shall not apply to deposits payable only outside the States of the United States and the District of Columbia, except that nothing in this subsection limits the authority of the Board to impose conditions and requirements on member banks under section 25 of this Act or the authority of the Board under section 7 of the International Banking Act of 1978 (12 U.S.C. 3105).

"(7) Discount and Borrowing.—Any depository institution in which transaction accounts or nonpersonal time deposits are held shall be entitled to the same discount and borrowing privileges as member banks. In the administration of discount and borrowing privileges, the Board and the Federal Reserve banks shall take into consideration the special needs of savings and other depository institutions for access to discount and borrowing facilities consistent with their long-term asset portfolios and the sensitivity of such institutions to trends in the national money markets.

"(8) Transitional Adjustments.—

"(A) Any depository institution required to maintain reserves under this subsection which was engaged in business on July 1, 1979, but was not a member of the Federal Reserve System on or after that date, shall maintain reserves against its deposits during the first twelve-month period following the effective date of this paragraph in amounts equal to one-eighth of those otherwise required by this subsection, during the second such twelve-month period in amounts equal to one-fourth of those otherwise required, during the third such twelve-month period in amounts equal to three-eighths of those otherwise required, during the fourth twelve-month period in amounts equal to one-half of those otherwise required, and during the fifth twelve-month period in amounts equal to five-eighths of those otherwise required, during the sixth twelve-month period in amounts equal to three-fourths of those otherwise required, and during the seventh twelve-month period in amounts equal to seven-eighths of those otherwise required. This subparagraph does not apply to any category of deposits or accounts which are first authorized pursuant to Federal law in any State after April 1, 1980.

"(B) With respect to any bank which was a member of the Federal Reserve System during the entire period beginning on July 1, 1979, and ending on the effective date of the Monetary Control Act of 1980, the amount of required reserves imposed pursuant to this subsection on and after the effective date of such Act that exceeds the amount of reserves which would have been required of such bank if the reserve ratios in effect during the reserve computation period immediately preceding such effective date were applied may, at the discretion of the Board and in accordance with such rules and regulations as it may adopt, be reduced by 75 per centum during the first year which begins after such effective date, 50 per centum during the second year, and 25 per centum during the third year.

"(C)(i) With respect to any bank which is a member of the Federal Reserve System on the effective date of the Monetary Control Act of 1980, the amount of reserves which would have been required of such bank if the reserve ratios in effect during the reserve computation period immediately preceding such effective date were applied that exceeds the amount of required reserves imposed pursuant to this subsection shall, in accordance with such rules and regulations as the Board may adopt, be reduced by 25 per centum during the first year which begins after such effective date, 50 per centum during the second year, and 75 per centum during the third year.

"(ii) If a bank becomes a member bank during the four-year period beginning on the effective date of the Monetary Control Act of 1980, and if the amount of reserves which would have been required of such bank, determined as if the reserve ratios in effect during the reserve computation period immediately preceding such effective date were applied, and as if such bank had been a member during such period, exceeds the amount of reserves required pursuant to this subsection, the amount of reserves required to be maintained by such bank beginning on the date on which such bank becomes a member of the Federal Reserve System shall be the amount of reserves which would have been required of such bank if it had been a member on the day before such effective date, except that the amount of such excess shall, in accordance with such rules and regulations as the Board may adopt, be reduced by 25 per centum during the first year which begins after such effective date, 50 per centum during the second year, and 75 per centum during the third year.

"(D)(i) Any bank which was a member bank on July 1, 1979, and which withdraws from membership in the Federal Reserve System during the period beginning on July 1, 1979, and ending on the day before the date of enactment of the Depository Institutions Deregulation and Monetary Control Act, shall maintain reserves beginning on such date of enactment in an amount equal to the amount of reserves it would have been required to maintain if it had been a member bank on such date of enactment. After such date of enactment, any such bank shall maintain reserves in the same amounts as member banks are required to maintain under this subsection, pursuant to subparagraphs (B) and (C)(i).

"(ii) Any bank which withdraws from membership in the Federal Reserve System on or after the date of enactment of the Depository Institutions Deregulation and Monetary Control Act shall maintain reserves in the same amount as member banks are required to maintain under this subsection, pursuant to subparagraphs (B) and (C)(i).

"(E) This subparagraph applies to any depository institution which was engaged in business on August 1, 1978, as a depository institution organized under the laws of a State, which was not a member of the Federal Reserve System on that date, and the principal office of which was outside the continental limits of the United States on that date and has remained outside the continental limits of the United States ever since. Such a depository institution shall not be required to maintain reserves against its deposits pursuant to this subsection until the first day of the sixth calendar year which begins after the effective date of the Monetary Control Act of 1980. Such a depository institution shall maintain reserves against its deposits during the sixth calendar year which begins after such effective date in an amount equal to one-eighth of that otherwise required by paragraph (2), during the seventh such year in an amount equal to one-fourth of that otherwise required, during the eighth such year in an amount equal to three-eighths of that otherwise required, during the ninth such year in an amount equal to one-half of that otherwise required, during the tenth such year in an amount equal to five-eighths of that otherwise required, during the eleventh such year in an amount equal to three-fourths of that otherwise required, and during the twelfth such year in an amount equal to seven-eighths of that otherwise required.

"(9) Exemption.—This subsection shall not apply with respect to any financial institution which—

"(A) is organized solely to do business with other financial institutions;

"(B) is owned primarily by the financial institutions with which it does business; and

"(C) does not do business with the general public.

"(10) Waivers.—In individual cases, where a Federal supervisory authority waives a liquidity requirement, or waives the penalty for failing to satisfy a liquidity requirement, the Board shall waive the reserve requirement, or waive the penalty for failing to satisfy a reserve requirement, imposed pursuant to this subsection for the depository institution involved when requested by the Federal supervisory authority involved.".

FORM OF RESERVES

Sec. 104. (a) Section 19(c) of the Federal Reserve Act (12 U.S.C. 461) is amended to read as follows:

"(c)(1) Reserves held by a depository institution to meet the requirements imposed pursuant to subsection (b) shall, subject to such rules and regulations as the Board shall prescribe, be in the form of—

"(A) balances maintained for such purposes by such depository institution in the Federal Reserve bank of which it is a member or at which it maintains an account, except that (i) the Board may, by regulation or order, permit depository institutions to maintain all or a portion of their required reserves in the form of vault cash, except that any portion so permitted shall be identical for all depository institutions, and (ii) vault cash may be used to satisfy any supplemental reserve requirement imposed pursuant to subsection (b)(4), except that all such vault cash shall be excluded from any computation of earnings pursuant to subsection (b)(4)(C); and

"(B) balances maintained by a depository institution which is not a member bank in a depository institution which maintains required reserve balances at a Federal Reserve bank, in a Federal Home Loan Bank, or in the National Credit Union Administration Center Liquidity Facility, if such depository institution, Federal Home Loan Bank, or National Credit Union Administration Central Liquidity Facility maintains such funds in the form of balances in a Federal Reserve bank of which it is a member or at which it maintains an account. Balances received by a depository institution from a second depository institution and used to satisfy the reserve requirement imposed on such second depository institution by this section shall not be subject to the reserve requirements of this section imposed on such first depository institution, and shall not be subject to assessments or reserves imposed on such first depository institution pursuant to section 7 of the Federal Deposit Insurance Act (12 U.S.C. 1817), section 404 of the National Housing Act (12 U.S.C. 1727), or section 202 of the Federal Credit Union Act (12 U.S.C. 1782).

"(2) The balances maintained to meet the reserve requirements of subsection (b) by a depository institution in a Federal Reserve bank or passed through a Federal Home Loan Bank or the National Credit Union Administration Central Liquidity Facility or another depository institution to a Federal Reserve bank may be used to satisfy liquidity requirements which may be imposed under other provisions of Federal or State law.".

(b) The first sentence of section 5A(b)(1) of the Federal Home Loan Bank Act (12 U.S.C. 1425a(b)) is amended—

(1) by striking out "and" before "(D)"; and

(2) by inserting before the period at the end thereof the following: "; and (E) balances maintained in a Federal Reserve bank or passed through a Federal Home Loan Bank or another depository institution to a Federal Reserve bank pursuant to the Federal Reserve Act".

MISCELLANEOUS AMENDMENTS

SEC. 105. (a) The first paragraph of section 13 of the Federal Reserve Act (12 U.S.C. 342) is amended—

(1) by inserting "or other depository institutions" after "member banks";

(2) by inserting "or other items" after "payable upon presentation" the first and third place it appears therein;

(3) by inserting "or other items" after "payable upon presentation within its district";

(4) by inserting "or other depository institution" after "nonmember bank or trust company" each place it appears therein;

(5) by striking out "sufficient to offset the items in transit held for its account by the Federal reserve bank" and inserting in lieu thereof "in such amount as the Board determines taking into account items in transit, services provided by the Federal Reserve bank, and other factors as the Board may deem appropriate"; and

(6) by inserting "or other depository institution" after "prohibiting a member or nonmember bank".

(b)(1) The second paragraph of section 16 of the Federal Reserve Act (12 U.S.C. 412) is amended—

(A) by inserting before the period at the end of the third sentence the following: ", or assets that Federal Reserve banks may purchase or hold under section 14 of this Act"; and

(B) by adding at the end thereof the following:

"Collateral shall not be required for Federal Reserve notes which are held in the vaults of Federal Reserve banks.".

(2) Section 14(b)(1) of the Federal Reserve Act (12 U.S.C. 355), as such section is in effect on the effective date of this title and as it will be in effect on June, 1, 1981, is amended by inserting after "reclamation districts," the following: "and obligations of, or fully guaranteed as to principal and interest by, a foreign government or agency thereof,".

(c) The thirteenth paragraph of section 16 of the Federal Reserve Act (12 U.S.C. 360) is amended—

(1) by striking out "member banks" each place it appears therein and inserting in lieu thereof "depository institutions";

(2) by striking out "member bank" each place it appears therein and inserting in lieu thereof "depository institution"; and

(3) by inserting after "checks" each place it appears therein, the following: "and other items, including negotiable orders of withdrawal and share drafts".

(d) The fourteenth paragraph of section 16 of the Federal Reserve Act (12 U.S.C. 248(c)) is amended by striking out "its member banks" and inserting in lieu thereof "depository institutions".

(e) The first sentence of section 19(e) of the Federal Reserve Act (12 U.S.C. 463) is amended to read as follows: "No member bank shall keep on deposit with any depository institution which is not authorized to have access to Federal Reserve advances under section 10(b) of this Act a sum in excess of 10 per centum of its own paid-up capital and surplus.".

(f) The last subsection of section 19 of the Federal Reserve Act (12 U.S.C. 505) is amended by striking out "(j)(1)" and inserting in lieu thereof "(l)(1)".

ABOLITION OF PENALTY RATE

SEC. 106. Section 10(b) of the Federal Reserve Act (12 U.S.C. 374b) is amended by striking out the second sentence of the first paragraph.

PRICING OF SERVICES

SEC. 107. The Federal Reserve Act is amended by inserting after section 11 the following new section:

"PRICING OF SERVICES

"SEC. 11A. (a) Not later than the first day of the sixth month after the date of enactmnt of the Monetary Control Act of 1980, the Board shall publish for public comment a set of pricing principles in accordance with this section and a proposed schedule of fees based upon those principles for Federal Reserve bank services to depository institutions, and not later than the first day of the eighteenth month after the date of enactment of the Monetary Control Act of 1980, the Board shall begin to put into effect a schedule of fees for such services which is based on those principles.

"(b) The services which shall be covered by the schedule of fees under subsection (a) are—

"(1) currency and coin services;

"(2) check clearing and collection services;

"(3) wire transfer services;

"(4) automated clearinghouse services;

"(5) settlement services;

"(6) securities safekeeping services;

"(7) Federal Reserve float; and

"(8) any new services which the Federal Reserve System offers, including but not limited to payment services to effectuate the electronic transfer of funds.

"(c) The schedule of fees prescribed pursuant to this section shall be based on the following principles:

"(1) All Federal Reserve bank services covered by the fee schedule shall be priced explicitly.

"(2) All Federal Reserve Bank services covered by the fee schedule shall be available to nonmember depository institutions and such services shall be priced at the same fee schedule applicable to member banks, except that nonmembers shall be subject to any other terms, including a requirement of balances sufficient for clearing purposes, that the Board may determine are applicable to member banks.

"(3) Over the long run, fees shall be established on the basis of all direct and indirect costs actually incurred in providing the Federal Reserve services priced, including interest on items credited prior to actual collection, overhead, and an allocation of imputed costs which takes into account the taxes that would have been paid and the return on capital that would have been provided had the services been furnished by a private business firm, except that the pricing principles shall give due regard to competitive factors and the provision of an adequate level of such services nationwide.

"(4) Interest on items credited prior to collection shall be charged at the current rate applicable in the market for Federal funds.

"(d) The Board shall require reductions in the operating budgets of the Federal Reserve banks commensurate with any actual or projected decline in the volume of services to be provided by such banks. The full amount of any savings so realized shall be paid into the United States Treasury.".

EFFECTIVE DATES

SEC. 108. This title shall take effect on the first day of the sixth month which begins after the date of the enactment of this title, except that the amendments regarding sections 19(b)(7) and 19(b)(8)(D) of the Federal Reserve Act shall take effect on the date of enactment of this title.

TITLE II—DEPOSITORY INSTITUTIONS DEREGULATION

SHORT TITLE

SEC. 201. This title may be cited as the "Depository Institutions Deregulation Act of 1980".

FINDINGS AND PURPOSE

SEC. 202. (a) The Congress hereby finds that—

(1) limitations on the interest rates which are payable on deposits and accounts discourage persons from saving money, create inequities for depositors, impede the ability of depository institutions to compete for funds, and have not achieved their purpose of providing an even flow of funds for home mortgage lending; and

(2) all depositors, and particularly those with modest savings, are entitled to receive a market rate of return on their savings as soon as it is economically feasible for depository institutions to pay such rate.

(b) It is the purpose of this title to provide for the orderly phase-out and the ultimate elimination of the limitations on the maximum rates of interest and dividends which may be paid on deposits and accounts by depository institutions by extending the authority to impose such limitations for 6 years, subject to specific standards designed to ensure a phase-out of such limitations to market rates of interest.

ESTABLISHMENT AND AUTHORITY OF COMMITTEE

SEC. 203. (a) The authorities conferred by section 19(j) of the Federal Reserve Act (12 U.S.C. 371b), section 18(g) of the Federal Deposit Insurance Act (12 U.S.C. 1828(g)), and section 5B(a) of the Federal Home Loan Bank Act (12 U.S.C. 1425b(a)) or by any other provision of Federal law, other than section 117 of the Federal Credit Union Act (12 U.S.C. 1763), to prescribe rules governing the payment of interest and dividends and the establishment of classes of deposits or accounts, including limitations on the maximum rates of interest and dividends which may be paid on deposits and accounts, and the authority conferred by the provisions of section 102 of Public Law 94-200 (12 U.S.C. 461 note) are hereby transferred to the Depository Institutions Deregulation Committee (hereinafter in this title referred to as the "Deregulation Committee").

(b) The Deregulation Committee shall consist of the Secretary of the Treasury, the Chairman of the Board of Governors of the Federal Reserve System, the Chairman of the Board of Directors of the Federal Deposit Insurance Corporation, the Chairman of the Federal Home Loan Bank Board, and the Chairman of the National Credit Union Administration Board, who shall be voting members, and the Comptroller of the Currency who shall be a nonvoting member of the Deregulation Committee. The Deregulation Committee shall hold public meetings at least quarterly. All meetings of the Deregulation Committee shall be conducted in conformity with the provisions of section 552b of title 5, United States Code. The Deregulation Committee may not take any action unless such action is approved by a majority vote of the voting members of the Deregulation Committee.

(c) The authorities conferred by this title on the Deregulation Committee and its members may not be delegated.

DIRECTIVE TO THE COMMITTEE

SEC. 204. (a) The Deregulation Committee shall, by regulation, exercise the authorities transferred by section 203 to provide for the orderly phase-out and the ultimate elimination of the limitations on the maximum rates of interest and dividends which may be paid on deposits and accounts as rapidly as economic conditions warrant. The phase-out of such limitations may be achieved by the Deregulation Committee by the gradual increase in such limitations applicable to all existing categories of accounts, the complete elimination of the limitations applicable to particular categories of accounts, the creation of new categories of accounts not subject to limitations or with limitations set at current market rates, any combination of the above methods, or any other method.

(b) The Deregulation Committee shall work toward providing all depositors with a market rate of return on their savings with due regard for the safety and soundness of depository institutions. Pursuant to the authority granted by this title, the Deregulation Committee shall increase all limitations on the maximum rates of interest and dividends which may be paid on deposits and accounts to market rates as soon as feasible, except that the Deregulation Committee shall not increase such limitations above market rates during the six-year period beginning on the date of enactment of this title.

TARGETS

SEC. 205. (a) In order to assist the Deregulation Committee in establishing the limitations on the maximum rates of interest and dividends which may be paid on all deposits and accounts at market rates as soon as feasible and in order to provide maximum assurance that interest rate controls will be phased-out during the 6-year period following the date of enactment of this title, the Deregulation Committee shall vote, not later than 18 months after such date of enactment, on whether to increase the limitations on the maximum rates applicable to passbook and similar savings accounts by at least one-fourth of one percentage point during such 18-month period, and shall vote, not later than the end of each of the third, fourth, fifth, and sixth years after such date of enactment, on whether to increase the limitations on the maximum rates applicable to all categories of deposits and accounts by at least one-half of one percentage point.

(b) The Deregulation Committee may, consistent with the purposes of this title, adjust the limitations on the rates applicable to all categories of deposits and accounts to rates which are higher or lower than the targets set forth in this section.

REPORTS

SEC. 206. Each member of the Deregulation Committee shall separately report to the Congress annually after the date of enactment of this Act regarding the economic viability of depository institutions. Each such report shall contain—

(1) an assessment of whether the removal of any differential between the rates payable on deposits and accounts by banks and those payable by thrift institutions will adversely affect the housing finance market or the viability of the thrift industry;

(2) recommendations for measures which would encourage savings, provide for the equitable treatment of small savers, and ensure a steady and adequate flow of funds to thrift institutions and the housing market;

(3) findings concerning disintermediation of savings deposits from insured banks and insured thrift institutions to uninsured money market innovators paying market rates to savers; and

(4) recommendations for such legislative and administrative actions as the member involved considers necessary to maintain the economic viability of depository institutions.

TERMINATIONS

SEC. 207. (a) Section 7 of Public Law 89-597 (12 U.S.C. 461 note) is hereby repealed.

(b) Effective upon the expiration of 6 years after the date of enactment of this Act—

(1) section 102 of Public Law 94-200 (12 U.S.C. 461 note) is hereby repealed;

(2) the second sentence of section 18(g)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1828(g)(1)) is amended by striking out "payment and" and by striking out ", including limitations on the rates of interest and dividends that may be paid";

(3) the third, fifth, and eighth sentences of section 18(g)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1828(g)(1)) are hereby repealed;

(4) the first sentence of section 19(j) of the Federal Reserve Act (12 U.S.C. 371b) is amended by striking out "payment and" and by striking out ", including limitations on the rates of interest which may be paid";

(5) the second sentence of section 19(j) of the Federal Reserve Act (12 U.S.C. 371b) is hereby repealed;

(6) the third sentence of section 19(j) of the Federal Reserve Act (12 U.S.C. 371b) is amended by striking through "No member bank" and all that follows through "*Provided*, That, the" and inserting in lieu thereof "The";

(7) the first sentence of section 5B(a) of the Federal Home Loan Bank Act (12 U.S.C. 1425b(a)) is amended by striking out "payment and" and by striking out ", including limitations on the rates of interest or dividends on deposits, shares, or withdrawable accounts that may be paid";

(8) the second and fourth sentences of section 5B(a) of the Federal Home Loan Bank Act (12 U.S.C. 1425b(a)) are hereby repealed;

(9) the third sentence of section 5B(a) of the Federal Home Loan Bank Act (12 U.S.C. 1425b(a)) is amended by striking out ", including specifically the authority" and all that follows through "of that authority";

(10) section 117 of the Federal Credit Union Act (12 U.S.C. 1763) is amended by striking out ", pursuant to such regulations as may be issued by the Board,";

(11) section 501(a)(2) of this Act is amended by striking out "(A)" and by striking out subparagraph (B);

(12) section 527 of the Depository Institutions Deregulation and Monetary Control Act is amended by striking out ", except as provided in section 501(a)(2)(B)"; and

(13) Public Law 93-123 (12 U.S.C. 371b note) is hereby repealed.

ENFORCEMENT

SEC. 208. (a) Compliance with the regulations issued by the Deregulation Committee under this title shall be enforced under—

(1) section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818), in the case of—

(A) national banks, by the Comptroller of the Currency;

(B) member banks of the Federal Reserve System (other than national banks), by the Board of Governors of the Federal Reserve System;

(C) banks insured by the Federal Deposit Insurance Corporation (other than members of the Federal Reserve System), by the Board of Directors of the Federal Deposit Insurance Corporation; and

(2) section 5(d) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(d)), section 407 of the National Housing Act (12 U.S.C. 1730), and section 17 of the Federal Home Loan Bank Act, by the Federal Home Loan Bank Board (acting directly or through the Federal Savings and Loan Insurance Corporation), in the case of any institution subject to any of those provisions.

(b) For the purpose of the exercise by any agency referred to in subsection (a) of its powers under any Act referred to in that subsection, a violation of any regulation prescribed under this title shall be deemed to be a violation of a regulation prescribed under this title shall be deemed to be a violation of a regulation prescribed under the Act involved. In addition to its powers under any provision of law specifically referred to in subsection (a), each of the agencies referred to in such subsection may exercise, for the purpose of enforcing compliance with any regulation prescribed under this title, any other authority conferred on it by law.

TRANSITIONAL PROVISIONS

SEC. 209. All rules and regulations issued pursuant to any authority transferred by section 203 of this title shall remain in effect until repealed, amended, or superseded by a regulation of the Deregulation Committee.

TERMINATION OF AUTHORITY

SEC. 210. Upon the expiration of six years after the date of the enactment of this Act, all authorities transferred to the Deregulation Committee by this title shall cease to be effective and the Deregulation Committee shall cease to exist.

TITLE III—CONSUMER CHECKING ACCOUNT EQUITY ACT OF 1980

SHORT TITLE

SEC. 301. This title may be cited as the "Consumer Account Equity Act of 1980".

AUTOMATIC TRANSFER ACCOUNTS

SEC. 302. (a) Section 19(i) of the Federal Reserve Act (12 U.S.C. 371a) is amended by adding at the end thereof the following new sentence: "Notwithstanding any other provision of this section, a member bank may permit wtihdrawals to be made automatically from a savings deposit that consists only of funds in which the entire beneficial interest is held by one or more individuals through payment to the bank itself or through transfer of credit to a demand deposit or other account pursuant to written authorization from the depositor to make such payments or transfers in connection with checks or drafts drawn upon the bank, pursuant to terms and conditions prescribed by the Board.".

(b) Section 18(g) of the Federal Deposit Insurance Act (12 U.S.C. 1828(g)) is amended by inserting "(1)" after "(g)" and by adding at the end thereof the following new paragraph:

"(2) Notwithstanding the provisions of paragraph (1), an insured nonmember bank may permit withdrawals to be made automatically from a savings deposit that consists only of funds in which the entire beneficial interest is held by one or more individuals through payment to the bank itself or through transfer of credit to a demand deposit or other account pursuant to written authorization from the depositor to make such payments or transfers in connection with checks or drafts drawn upon the bank, pursuant to terms and conditions prescribed by the Board of Directors.".

NEW ACCOUNTS

SEC. 303. Section 2(a) of Public Law 93–100 (12 U.S.C. 1832(a)) is amended to read as follows:

"(a)(1) Notwithstanding any other provision of law but subject to paragraph (2), a depository institution is authorized to permit the owner of a deposit or account on which interest or dividends are paid to make withdrawals by negotiable or transferable instruments for the purpose of making transfers to third parties.

"(2) Paragraph (1) shall apply only with respect to deposits or accounts which consist solely of funds in which the entire beneficial interest is held by one or more individuals or by an organization which is operated primarily for religious, philanthropic, charitable, education, or other similar purposes and which is not operated for profit."

REMOTE SERVICE UNITS

SEC. 304. Section 5(b)(1) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(b)(1)) is amended by adding at the end thereof the following new sentence: "This section does not prohibit the establishment of remote service units by associations for the purpose of crediting savings accounts, debiting such accounts, crediting payments on loans, and the disposition of related financial transactions, as provided in regulations prescribed by the Board.".

SHARE DRAFTS

SEC. 305. (a) Section 101(5) of the Federal Credit Union Act (12 U.S.C. 1752(5)) is amended—

(1) by striking out "or share certificate" each place it appears therein and inserting in lieu thereof ", share certificate, or share draft account"; and

(2) by striking out "or 'share certificate' " and inserting in lieu thereof ", 'share certificate', or 'share draft' ".

(b) Section 107(6) of the Federal Credit Union Act (12 U.S.C. 1757(6)) is amended by striking out "credit unions serving" and all that follows through the end thereof and inserting in lieu thereof "credit unions serving predominately low-income members (as defined by the Board) payments on—

"(A) shares which may be issued at varying dividend rates;

"(B) share certificates which may be issued at varying dividend rates and maturities; and

"(C) share draft accounts authorized under section 205(f); subject to such terms, rates, and conditions as may be established by the board of directors, within limitations prescribed by the Board.".

(c) Section 117 of the Federal Credit Union Act (12 U.S.C. 1763) is amended—

(1) in the first sentence—

(A) by striking out "and" the second place it appears therein and inserting in lieu thereof a comma; and

(B) by inserting ", and at different rates on different types of share draft accounts" before the period at the end thereof; and

(2) in the second sentence, by striking out "and share certificates" and inserting in lieu thereof ", share certificates, and share draft accounts".

(d) Section 205 of the Federal Credit Union Act (12 U.S.C. 1785) is amended by adding at the end thereof the following new subsection:

"(f)(1) Every insured credit union is authorized to maintain, and make loans with respect to, share draft accounts in accordance with rules and regulations prescribed by the Board. Except as provided in paragraph (2), an insured credit union may pay dividends on share draft accounts and may permit the owners of such share draft accounts to make withdrawals by negotiable or transferable instruments or other orders for the purpose of making transfers to third parties.

"(2) Paragraph (1) shall apply only with respect to share draft accounts in which the entire beneficial interest is held by one or more individuals or members or by an organization which is operated primarily for religious, philanthropic, charitable, educational, or other similar purposes and which is not operated for profit.".

EFFECTIVE DATES

SEC. 306. The amendments made by sections 302, 304, and 305 of this title shall take effect at the close of March 31, 1980, and the amendments made by section 303 of this title shall take effect on December 31, 1980.

REPEAL OF EXISTING LAW

SEC. 307. At the close of March 31, 1980, the amendments made by sections 101 through 103 of Public Law 96–161 are hereby repealed.

DEPOSIT INSURANCE

SEC. 308. (a)(1) The following provisions of the Federal Deposit Insurance Act are amended by striking out "$40,000" each place it appears therein and inserting in lieu thereof "$100,000":

(A) The first sentence of section 3(m) (12 U.S.C. 1813(m)).

(B) The first sentence of section 7(i) (12 U.S.C. 1817(i)).

(C) The last sentence of section 11(a)(1) (12 U.S.C. 1821(a)(1)).

(D) The fifth sentence of section 11(i) (12 U.S.C. 1821(i)).

(2) The amendments made by this subsection are not applicable to any claim arising out of the closing of a bank prior to the effective date of this section.

(b)(1) The following provisions of title IV of the National Housing Act are amended by striking out "$40,000" each place it appears therein and inserting in lieu thereof "$100,000":

(A) Section 401(b) (12 U.S.C. 1724(b)).

(B) Section 405(a) (12 U.S.C. 1728(a)).

(2) The amendments made by this subsection are not applicable to any claim arising out of a default, as defined in section 401(d) of the National Housing Act (12 U.S.C. 1724(d)), where the appointment of a conservator, receiver, or other legal custodian as set forth in that section became effective prior to the effective date of this section.

(c)(1) The second sentence of section 207(c) of the Federal Credit Union Act (12 U.S.C. 1787(c)) is amended by striking out "$40,000" and inserting in lieu thereof "$100,000".

(2) The amendment made by this subsection is not applicable to any claim arising out of the closing of a credit union for liquidation on account of bankruptcy or insolvency pursuant to section 207 of the Federal Credit Union Act (12 U.S.C. 1787) prior to the effective date of this section.

(d) Section 7(d) of the Federal Deposit Insurance Act (12 U.S.C. 1817(d)) is amended—

(1) in the first sentence—

(A) by inserting "(1)" after "(d)";

(B) by striking out "December 31, 1961" and inserting in lieu thereof "December 31, 1980"; and

(C) by striking out "33⅓ per centum" and inserting in lieu thereof "40 per centum"; and

(2) by adding at the end thereof the following new paragraph:

"(2) Notwithstanding any other provision of this subsection—

"(A) whenever the Board of Directors determines that the ratio of the Corporation's capital account to the estimated insured deposits is less than 1.10 per centum, the Board of Directors shall increase the per centum of net assessment income to be transferred to the Corporation's capital account by such an amount, but not to exceed 50 per centum, as it determines will result in maintaining that ratio at not less than 1.10 per centum;

"(B) whenever the Board of Directors determines that the ratio of the Corporation's capital account to the estimated insured deposits exceeds 1.25 per centum, the Board of Directors may reduce the per centum of net assessment income to be transferred to the Corporation's capital account by such an amount as it determines will result in maintaining such ratio at not less than 1.25 per centum; and

"(C) whenever the Board of Directors determines that the ratio of the Corporation's capital account to the estimated insured deposits exceeds 1.40 per centum, the Board of Directors shall reduce the per centum of net assessment income to be transferred to the Corporation's capital account by such an amount as it determines will result in maintaining that ratio at not more than 1.40 per centum.".

(e) The amendments made by this section shall take effect on the date of enactment of this Act.

CREDIT UNION AMENDMENTS

SEC. 309. (a) The Federal Credit Union Act is amended—

(1) in section 107(5)(A)(i)—

(A) by inserting ", including an individual cooperative unit," immediately following "dwelling"; and

(B) by inserting "(except that a loan on an individual cooperative unit shall be adequately secured as defined by the Board)" after "thirty years";

(2) by striking out section 305(b)(3) and inserting in lieu thereof the following:

"(3) shall share in dividend distributions at rates determined by the Board. However, rates on the required capital stock shall be without preference; and";

(3) by striking out ", to the extent or in such amounts as are provided in advance in appropriation Acts" in section 307(15); and

(4) in title III, as so redesignated by subsection (b)(1), by striking out "Administrator" each place it appears and inserting in lieu thereof "Board".

(b) The Federal Credit Union Act is amended—

(1) by striking out the heading of subchapter III of such Act and inserting in lieu thereof "TITLE III—CENTRAL LIQUIDITY FACILITY:"

(2) in title III, as so redesignated by paragraph (1), by striking out "subchapter" each

place it appears therein and inserting in lieu thereof "title"; and

(3) in section 307(3), by striking out "subchapters I and II of this chapter" and inserting in lieu thereof "titles I and II of this Act".

INTEREST RATES ON CREDIT UNION LOANS

SEC. 310. Section 107(5)(A)(vi) of the Federal Credit Union Act (12 U.S.C. 1757(5)(A)(vi)) is amended to read as follows:

"(vi) the rate of interest may not exceed 15 per centum per annum on the unpaid balance inclusive of all finance charges, except that the Board may establish—

"(I) after consultation with the appropriate committees of the Congress, the Department of Treasury, and the Federal financial institution regulatory agencies, an interest rate ceiling exceeding such 15 per centum per annum rate, for periods not to exceed 18 months, if it determines that money market interest rates have risen over the preceding six-month period and that prevailing interest rate levels threaten the safety and soundness of individual credit unions as evidenced by adverse trends in liquidity, capital, earnings, and growth; and

"(II) a higher interest rate ceiling for Agent members of the Central Liquidity Facility in carrying out the provisions of title III for such periods as the Board may authorize;".

FEDERAL HOME LOAN BANK SETTLEMENT AND PROCESSING OF DRAFTS

SEC. 311. Section 11(e) of the Federal Home Loan Bank Act (12 U.S.C. 1431(e)) is amended—

(1) by inserting "(1)" after "(e)"; and

(2) by adding at the end thereof the following new paragraph:

"(2)(A) The Board may, subject to such rules and regulations, including definitions of terms used in this paragraph, as the Board shall from time to time prescribe, authorize Federal Home Loan Banks to be drawees of, and to engage in, or be agents or intermediaries for, or otherwise participate or assist in, the collection and settlement of (including presentment, clearing, and payment of, and remitting for), checks, drafts, or any other negotiable or nonnegotiable items or instruments of payment drawn on or issued by members of any Federal Home Loan Bank or by institutions which are eligible to make application to become members pursuant to section 4, and to have such incidental powers as the Board shall find necessary for the exercise of any such authorization.

"(B) A Federal Home Loan Bank shall make charges, to be determined and regulated by the Board consistent with the principles set forth in section 11A(c) of the Federal Reserve Act, or utilize the services of, or act as agent for, or be a member of, a Federal Reserve bank, clearinghouse, or any other public or private financial institution or other agency, in the exercise of any powers or functions pursuant to this paragraph.

"(C) The Board is authorized, with respect to participation in the collection and settlement of any items by Federal Home Loan Banks, and with respect to the collection and settlement (including payment by the payor institution) of items payable by Federal savings and loan associations and Federal mutual savings banks, to prescribe rules and regulations regarding the rights, powers, responsibilities, duties, and liabilities, including standards relating thereto, of such Banks, associations, or banks and other parties to any such items or their collection and settlement. In prescribing such rules and regulations, the Board may adopt or apply, in whole or in part, general banking usage and practices, and, in instances or respects in which they would otherwise not be applicable, Federal Reserve regulations and operating letters, the Uniform Commercial Code, and clearinghouse rules.".

Central liquidity facility settlement and processing of share drafts.

SEC. 312. Section 307 of the Federal Credit Union Act (12 U.S.C. 1795f) is amended—

(1) by inserting "(a)" after "Sec. 307."; and

(2) by adding at the end thereof the following:

"(b)(1) The Board may authorize the Central Liquidity Facility or its Agent members, subject to such rules and regulations, including definitions of terms used in this subsection, as the Board shall from time to time prescribe, to be drawees of, and to engage in, or be agents or intermediaries for, or otherwise participate or assist in, the collection and settlement of (including presentment, clearing, and payment of, and remitting for), checks, share drafts, or any other negotiable or nonnegotiable items or instruments of payment drawn on or issued by members of the Central Liquidity Facility, any of its Agent members, or any other credit union eligible to become a member of the Central Liquidity Facility, and to have such incidental powers as the Board shall find necessary for the exercise of any such authorization.

"(2) The Central Liquidity Facility or its Agent members shall make charges, to be determined and regulated by the Board consistent with the principles set forth in section 11A(c) of the Federal Reserve Act, or utilize the services of, or act as agent for, or be a member of, a Federal Reserve bank, clearinghouse, or any other public or private financial institution or other agency, in the exercise of any powers or functions pursuant to this subsection.

"(3) The Board is authorized, with respect to participation in the collection and settlement of any items by the Central Liquidity Facility or by its Agent members, and with respect to the collection and settlement (including payment by the payor institution) of items payable by members of the Central Liquidity Facility or of any of its Agent members, to prescribe rules and regulations regarding the rights, powers, responsibilities, duties, and liabilities, including standards relating thereto, of such entities and other parties to any such items or their collection and settlement. In prescribing such rules and regulations, the Board may adopt or apply, in whole or in part, general banking usage and practices, and, in instances of respects in which they would otherwise not be applicable, Federal Reserve regulations and operating letters, the Uniform Commercial Code, and clearinghouse rules.".

ALASKA USA FEDERAL CREDIT UNION

SEC. 313. Any person who is a member of the Alaska USA Federal Credit Union prior to any termination date which is contained in section 5 of the charter of such credit union and which would otherwise apply to such person may continue to be a member of such credit union on and after such date until the expiration of two years after the date of the enactment of this Act. For purposes of this section, the term "member of the Alaska USA Federal Credit Union" means any person who has an account at such credit union.

TITLE IV—POWERS OF THRIFT INSTITUTIONS AND MISCELLANEOUS PROVISIONS

FEDERAL SAVINGS AND LOAN INVESTMENT AUTHORITY

SEC. 401. Section 5(c) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(c)) is amended to read as follows:

"(c) An association may to such extent, and subject to such rules and regualtions as the Board may prescribe from time to time, invest in, sell, or otherwise deal with the following loans, or other investments:

"(1) Loans or investments without percentage of assets limitation: Without limitation as a percentage of assets, the following are permitted:

"(A) ACCOUNT LOANS.—Loans on the security of its savings accounts and loans specifically related to negotiable order-of-withdrawal accounts.

"(B) SINGLE-FAMILY AND MULTI-FAMILY MORTGAGE LOANS.—Loans on the security of liens upon residential real property in an amount which, when added to the amount unpaid upon prior mortgages, liens or encumbrances, if any, upon such real estate does not exceed the appraised value thereof, except that the amount of any such loan hereafter made shall not exceed 66⅔ per centum of the appraised value if such real estate is unimproved, 75 per centum of the appraised value if such real estate is improved by offsite improvements such as street, water, sewers, or other utilities, 75 per centum of the appraised value if such real estate is in the process of being improved by a building or buildings to be constructed or in the process of construction, or 90 per centum of the appraised value if such real estate is improved by a building or buildings. Notwithstanding the above loan-to-value ratios, the Board may permit a loan-to-value ratio in excess of 90 per centum if such real estate is improved by a building or buildings and that portion of the unpaid balance of such loan which is in excess of an amount equal to 90 per centum of such value is guaranteed or insured by a public or private mortgage insurer or in the case of any loan for the purpose of providing housing for persons of low income, as described in regulations of the Board.

"(C) UNITED STATES GOVERNMENT SECURITIES.—Investments in obligations of, or fully guaranteed as to principal and interest by, the United States.

"(D) FEDERAL HOME LOAN BANK AND FEDERAL NATIONAL MORTGAGE ASSOCIATION SECURITIES.—Investments in the stock or bonds of a Federal home loan bank or in the stock of the Federal National Mortgage Association.

"(E) FEDERAL HOME LOAN MORTGAGE CORPORATION INSTRUMENTS.—Investments in mortgages, obligations, or other securities which are or ever have been sold by the Federal Home Loan Mortgage Corporation pursuant to section 305 or 306 of the Federal Home Loan Mortgage Corporation Act.

"(F) OTHER GOVERNMENT SECURITIES—Investments in obligations, participations, securities, or other instruments of, or issued by, or fully guaranteed as to principal and interest by, the Federal National Mortgage Association, the Student Loan Marketing Association or the Government National Mortgage Association, or any other agency of the United States and an association may issue and sell securities which are guaranteed pursuant to section 306(g) of the National Housing Act.

"(G) BANK DEPOSITS.—Investments in the time deposits, certificates, or accounts of any bank the deposits of which are insured by the Federal Deposit Insurance Corporation.

"(H) STATE SECURITIES.—Investments in general obligations of any State or any political subdivision thereof.

"(I) PURCHASE OF INSURED LOANS.—Purchase of loans secured by liens on improved real estate which are insured under provisions of the National Housing Act, or insured as provided in the Servicemen's Readjustment Act of 1944 or chapter 37 of title 38, United States Code.

"(J) HOME IMPROVEMENT AND MANUFACTURED HOME LOANS.—Loans made for the repair, equipping, alteration, or improvement of any residential real property, and loans made for the purpose of manufactured home financing.

"(K) INSURED LOANS TO FINANCE THE PURCHASE OF FEE SIMPLE.—Loans as to which the association has the benefit of insurance under section 240 of the National Housing Act, or of a commitment or agreement therefor.

"(L) LOANS TO FINANCIAL INSTITUTIONS,

BROKERS, AND DEALERS.—Loans to financial institutions with respect to which the United States or an agency or instrumentality thereof has any function of examination or supervision, or to any broker or dealer registered with the Securities and Exchange Commission, secured by loans, obligations, or investments in which the association has the statutory authority to invest directly.

"(M) LIQUIDITY INVESTMENTS.—Investments which, at the time of making, are assets eligible for inclusion toward the satisfaction of any liquidity requirement imposed by the Board pursuant to section 5A of the Federal Home Loan Bank Act, but only to the extent that the investment is permitted to be so included under regulations of the Board or is otherwise authorized.

"(N) INVESTMENT IN THE NATIONAL HOUSING PARTNERSHIP CORPORATION, PARTNERSHIPS, AND JOINT VENTURES.—Investments in shares of stock issued by a corporation authorized to be created pursuant to title IX of the Housing and Urban Development Act of 1968, and investments in any partnership, limited partnership, or joint venture formed pursuant to section 907(a) or 907(c) of such Act.

"(O) HOUSING AND URBAN DEVELOPMENT GUARANTEED INVESTMENTS.—Loans as to which the association has the benefit of any guaranty under title IV of the Housing and Urban Development Act of 1968, under part B of the Urban Growth and New Community Development Act of 1970, or under section 802 of the Housing and Community Development Act of 1974 as in effect on or after the date of enactment of the Depository Institutions Deregulation and Monetary Control Act of 1980, or of a commitment or agreement therefor.

"(P) STATE HOUSING CORPORATION INVESTMENTS.—Investments in, commitments to invest in, loans to, or commitments to lend to any State housing corporation, provided that such obligations or loans are secured directly, or indirectly through an agent or fiduciary, by a first lien on improved real estate which is insured under the provisions of the National Housing Act and that in the event of default, the holder of such obligations or loans would have the right directly, or indirectly through an agent or fiduciary, to cause to be subject to the satisfaction of such obligations or loans the real estate described in the first lien or the insurance proceeds under the National Housing Act.

"(Q) INVESTMENT COMPANIES.—As association may invest in, redeem, or hold shares or certificates in any open-end management investment company which is registered with the Securities and Exchange Commission under the Investment Company Act of 1940 and the portfolio of which is restricted by such management company's investment policy, changeable only if authorized by shareholder vote, solely to any such investments as an association by law or regulation may, without limitation as to percentage of assets, invest in, sell, redeem, hold, or otherwise deal with. The Board shall prescribe rules and regulations to implement the provisions of this subparagraph.

"(2) LOANS ON INVESTMENTS LIMITED TO 20 PER CENTUM OF ASSETS.—The following loans or investments are permitted, but authority conferred in the following subparagraphs is limited to not in excess of 20 per centum of the assets of the association for each subparagraph:

"(A) COMMERCIAL REAL ESTATE LOANS.—Loans on security of first liens upon other improved real estate.

"(B) CONSUMER LOANS AND CERTAIN SECURITIES.—An association may make secured or unsecured loans for personal, family, or household purposes, and may invest in, sell, or hold commercial paper and corporate debt securities, as defined and approved by the Board.

"(3) LOANS OR INVESTMENTS LIMITED TO 5 PER CENTUM OF ASSETS.—The following loans or investments are permitted, but the authority conferred in the following subparagraphs is limited to not in excess of 5 per centum of assets of the association for each subparagraph:

"(A) EDUCATION LOANS.—Loans made for the payment of expenses of college, university, or vocational education.

"(B) COMMUNITY DEVELOPMENT INVESTMENTS.—Investments in real property and obligations secured by liens on real property located within a geographic area or neighborhood receiving concentrated development assistance by a local government under title I of the Housing and Community Development Act of 1974, except that no investment under this subparagraph in such real property may exceed an aggregate investment of 2 per centum of the assets of the association.

"(C) NONCONFORMING LOANS.—Loans upon the security of or respecting real property or interests therein used for primarily residential, or farm purposes that do not comply with the limitations of this subsection.

"(D) CONSTRUCTION LOANS WITHOUT SECURITY.—Investments not exceeding the greater of (A) the sum of its surplus, undivided profits, and reserves or (B) 5 per centum of the assets of the association, in loans the principal purpose of which is to provide financing with respect to what is or is expected to become primarily residential real estate where (i) the association relies substantially for repayment on the borrower's general credit standing and forecast of income without other security, or (ii) the association relies on other assurances for repayment, including but not limited to a guaranty or similar obligation of a third party. Investments under this subsection shall not be included in any percentage of assets or other percentage referred to in this subsection.

"(4) OTHER LOANS AND INVESTMENTS.—The following additional loans and other investments to the extent authorized below:

"(A) BUSINESS DEVELOPMENT CREDIT CORPORATIONS.—An association whose general reserves, surplus, and undivided profits aggregate a sum in excess of 5 per centum of its withdrawable accounts is authorized to invest in, lend to, or to commit itself to lend to, any business development credit corporation incorporated in the State in which the home office of the association is located in the same manner and to the same extent as savings and loan associations chartered by such State are authorized, but the aggregate amount of such investments, loans, and commitments of any such association shall not exceed one-half of 1 per centum of the total outstanding loans of the association or $250,000, whichever is less.

"(B) SERVICE CORPORATIONS.—Investments in the capital stock, obligations, or other securities of any corporation organized under the laws of the State in which the home office of the association is located, if the entire capital stock of such corporation is available for purchase only by savings and loan associations of such State and by Federal associations having their home offices in such State, but no association may make any investment under this subparagraph if its aggregate outstanding investment under this subparagraph would exceed 3 per centum of the assets of the association, except that not less than one-half of the investment permitted under this subparagraph which exceeds one per centum of assets shall be used primarily for community, inner-city, and community development purposes.

"(C) FOREIGN ASSISTANCE, CERTAIN GUARANTEED LOANS.—(i) Loans secured by mortgages as to which the association has the benefit of insurance under title X of the National Housing Act or of a commitment or agreement for such insurance.

"(ii) Investments in housing project loans having the benefit of any guaranty under section 221 of the Foreign Assistance Act of 1961 or loans having the benefit of any guaranty under section 224 of such Act, or any commitment or agreement with respect to such loans made pursuant to either of such sections and in the share capital and capital reserve of the Inter-American Savings and Loan Bank. This authority extends to the acquisition, holding, and disposition of loans having the benefit of any guaranty under section 221 or 222 of such Act, or of any commitment or agreement for any such guaranty.

"(iii) Investments under clause (i) of this subparagraph shall not be included in any percentage of assets or other percentage referred to in this subsection. Investments under clause (ii) of this subparagraph shall not exceed, in the case of any association, 1 per centum of the assets of such association.

"(D) STATE AND LOCAL GOVERNMENT OBLIGATIONS.—An association whose general reserves, surplus, and undivided profits aggregate a sum in excess of that amount which is determined by the Board for the purpose of the third sentence of section 403(b) of the National Housing Act is authorized to invest in obligations which constitute prudent investments, as defined by the Board, of its home State and political subdivisions thereof (including any agency, corporation, or instrumentality) if (i) the proceeds of such obligations are to be used for rehabilitation, financing, or the construction of residential real estate, and (ii) the aggregate amount of all investments under this subparagraph shall not exceed the amount of the association's general reserves, surplus, and undivided profits.

"(6) DEFINITIONS.—As used in this subsection—

"(A) the terms 'residential real property' or 'residential real estate' mean leaseholds, homes (including condominiums and cooperatives, except that in connection with loans on individual cooperative units, such loans shall be adequately secured as defined by the Board), combinations of homes and business property, other dwelling units, or combinations of dwelling units including homes and business property involving only minor or incidental business use, or property to be improved by construction of such structures;

"(B) the term 'loans' includes obligations and extensions or advances of credit; and any reference to a loan or investment includes an interest in such a loan or investment; and

"(C) the term 'State' means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, the Canal Zone, Guam, American Samoa, and any territory or possession of the United States.".

CREDIT CARDS

SEC. 402. Section 5(b) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(b)) is amended by adding at the end thereof the following new paragraph:

"(4) An association is authorized, subject to such regulations as the Board may prescribe, to issue credit cards, extend credit in connection therewith, and otherwise engage in or participate in credit card operations.".

TRUST POWERS

SEC. 403. Section 5 of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464) is amended by adding at the end thereof the following new subsection:

"(n)(1) The Board is authorized and empowered to grant by special permit to an association applying therefor, when not in contravention of State or local law, the right to act as trustee, executor, administrator, guardian, or in any other fiduciary capacity in which State banks, trust companies, or other corporations which come into competition with associations are permitted to act under the laws of the State in which the association is located. Subject to the rules and regulations of the Board, service corporations may invest in State or federally-chartered corporations which are located in the State in which the home office of the association is located and which are engaged in trust activities.

"(2) Whenever the laws of such State authorize or permit the exercise of any or all of the foregoing powers by State banks, trust companies, or other corporations which compete with association, the granting to and the exercise of such powers by association shall not be deemed to be in contravention of State or local law within the meaning of this section.

"(3) Associations exercising any or all of the powers enumerated in this section shall segregate all assets held in any fiduciary capacity from the general assets of the association and shall keep a separate set of books and records showing in proper detail all transactions engaged in under authority of this section. The State banking authority involved may have access to reports of examination made by the Board insofar as such reports relate to the trust department of such association but nothing in this section shall be construed as authorizing such State banking authority to examine the books, records, and assets of such associations.

"(4) No association shall receive in its trust department deposits of current funds subject to check or the deposit of checks, drafts, bills of exchange, or other items for collection or exchange purposes. Funds deposited or held in trust by the association awaiting investment shall be carried in a separate account and shall not be used by the association in the conduct of its business unless it shall first set aside in the trust department United States bonds or other securities approved by the Board.

"(5) In the event of the failure of such association, the owners of the funds held in trust for investment shall have a lien on the bonds or other securities so set apart in addition to their claim against the estate of the association.

"(6) Whenever the laws of a State require corporations acting in a fiduciary capacity to deposit securities with the State authorities for the protection of private or court trusts, associations so acting shall be required to make similar deposits and securities so deposited shall be held for the protection of private or court trusts, as provided by the State law. Associations in such cases shall not be required to execute the bond usually required of individuals if State corporations under similar circumstances are exempt from this requirement. Associations shall have power to execute such bond when so required by the laws of the State involved.

"(7) In any case in which the laws of a State require that a corporation acting as trustee, executor, administrator, or in any capacity specified in this section, shall take an oath or make an affidavit, the president, vice president, cashier, or trust officer of such association may take the necessary oath or execute the necessary affidavit.

"(8) It shall be unlawful for any association to lend any officer, director, or employee any funds held in trust under the powers conferred by this section. Any officer, director, or employee making such loan, or to whom such loan is made, may be fined not more than $5,000, or imprisoned not more than five years, or may be both fined and imprisoned, in the discretion of the court.

"(9) In passing upon applications for permission to exercise the powers enumerated in this section, the Board may take into consideration the amount of capital and surplus of the applying association, whether or not such capital and surplus is sufficient under the circumstances of the case, the needs of the community to be served, and any other facts and circumstances that seem to it proper, and may grant or refuse the application accordingly, except that no permit shall be issued to any association having a capital and surplus less than the capital and surplus required by State law of State banks, trust companies, and corporations exercising such powers.

"(10)(A) Any association desiring to surrender its right to exercise the powers granted under this section, in order to relieve itself of the necessity of complying with the requirements of this section, or to have returned to it any securities which it may have deposited with the State authorities for the protection of private or court trusts, or for any other purpose, may file with the Board a certified copy of a resolution of its board of directors signifying such desire.

"(B) Upon receipt of such resolution, the Board, after satisfying itself that such association has been relieved in accordance with State law of all duties as trustee, executor, administrator, guardian or other fiduciary, under court, private or other appointments previously accepted under authority of this section, may in its discretion, issue to such association a certificate certifying that such association is no longer authorized to exercise the powers granted by this section.

"(C) Upon the issuance of such a certificate by the Board, such association (i) shall no longer be subject to the provisions of this section or the regulations of the Board made pursuant thereto, (ii) shall be entitled to have returned to it any securities which it may have deposited with the State authorities for the protection of private or court trusts, and (iii) shall not exercise thereafter any of the powers granted by this section without first applying for and obtaining a new permit to exercise such powers pursuant to the provisions of this section.

"(D) The Board is authorized and empowered to promulgate such regulations as it may deem necessary to enforce compliance with the provisions of this subsection and the proper exercise of the trust powers granted by this subsection.

"(11) (A) In addition to the authority conferred by other law, if, in the opinion of the Board, an association is unlawfully or unsoundly exercising, or has unlawfully or unsoundly exericsed, or has failed for a period of five consecutive years to exercise, the powers granted by this section or otherwise fails or has failed to comply with the requirements of this subsection, the Board may issue and serve upon the association a notice of intent to revoke the authority of the association to exercise the powers granted by this subsection. The notice shall contain a statement of the facts constituting the alleged unlawful or unsound exercise of powers, or failure to exercise powers, or failure to comply, and shall fix a time and place at which a hearing will be held to determine whether an order revoking authority to exercise such powers should issue against the association.

"(B) Such hearing shall be conducted in accordance with the provisions of subsection (d)(7), and subject to judicial review as therein provided, and shall be fixed for a date not earlier than thirty days and not later than sixty days after service of such notice unless an earlier or later date is set by the Board at the request of any association so served.

"(C) Unless the association so served shall appear at the hearing by a duly authorized representative, it shall be deemed to have consented to the issuance of the revocation order. In the event of such consent, or if upon the record made at any such hearing, the Board shall find that any allegation specified in the notice of charges has been established, the Board may issue and serve upon the association an order prohibiting it from accepting any new or additional trust accounts and revoking authority to exercise any and all powers granted by this subsection, except that such order shall permit the association to continue to service all previously accepted trust accounts pending their expeditious divestiture or termination.

"(D) A revocation order shall become effective not earlier than the expiration of thirty days after service of such order upon the association so served (except in the case of a revocation order issued upon consent, which shall become effective at the time specified therein), and shall remain effective and enforceable, except to such extent as it is stayed, modified, terminated, or set aside by action of the Board or a reviewing court.".

CONVERSIONS

SEC. 404. The first sentence of section 5(i) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(i)) is amended by inserting ", and any State stock savings and loan type institution may (if such institution existed in stock form for at least the 4years preceding the date of enactment of the Depository Institutions Deregulation and Monetary Control Act) convert its charter to a Federal stock charter under this Act," after "Federal savings and loan association under this Act".

LIQUIDITY REQUIREMENTS

SEC. 405. Section 5A(b) of the Federal Home Loan Bank Act (12 U.S.C. 1425a(b)) is amended to read as follows:

"(b)(1) Any institution which is a member or which is an insured institution as defined in section 401(a) of the National Housing Act shall maintain the aggregate amount of its assets of the following types at not less than such amount as, in the opinion of the Board, is appropriate:

"(A) cash;

"(B) to such extent as the Board may approve for the purposes of this section, time and savings deposits in Federal Home Loan Banks and commercial banks;

"(C) to such extent as the Board may so approve, such obligations, including such special obligations, of the United States, a State, any territory or possession of the United States, or a political subdivision, agency or instrumentality of any one or more of the foregoing, and bankers' acceptances, as the Board may approve; and

"(D) to such extent as the Board may so approve, shares or certificates of any open-end management investment company which is registered with the Securities and Exchange Commission under the Investment Company Act of 1940 and the portfolio of which is restricted by such investment company's investment policy, changeable only if authorized by shareholder vote, solely to any of the obligations or other investments enumerated in subparagraphs (A) through (C).

"(2) The requirement prescribed by the Board pursuant to this subsection (hereinafter in this section referred to as the 'liquidity requirement') may not be less than 4 per centum or more than 10 per centum of the obligation of the institution on withdrawable accounts and borrowings payable on demand or with unexpired maturities of one year or less, or in the case of institutions which are insurance companies, such other base or bases as the Board may determine to be comparable. The Board shall prescribe rules and regulations to implement the provisions of this subsection.".

STUDY OF MORTGAGE PORTFOLIOS

SEC. 406. (a)(1) The President shall convene an interagency task force consisting of the Secretary of the Treasury, the Secretary of Housing and Urban Development, the Federal Home Loan Bank Board, the Board of Governors of the Federal Reserve System, the Board of Directors of the Federal Deposit Insurance Corporation, the Comptroller of the Currency, and the National Credit Union Administration Board. The task force shall conduct a study and make recommendations regarding—

(A) the options available to provide balance to the asset-liability management problems inherent in the thrift portfolio structure;

(B) the options available to increase the ability of thrift institutions to pay market rates of interest in period of rapid inflation and high interest rates; and

(C) the options available through the Federal Home Loan Bank system and other Federal agencies to assist thrifts in times of economic difficulties.

(2) In carrying out such study, the task force shall solicit the views of, and invite participation by, consumer and public interest groups, business, labor, and State regulators of depository institutions.

(b) Not later than three months after the date of enactment of this Act, the task force shall transmit to the President and the Congress its findings and recommendations for such action as it deems appropriate.

MUTUAL CAPITAL CERTIFICATES

SEC. 407. (a) Section 5(b) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464 (b)) is amended by adding at the end thereof the following:

"(5) (A) In accordance with rules and regulations issued by the Board, mutual capital certificates may be issued and sold directly to subscribers or through underwriters, and such certificates shall constitute part of the general reserve and net worth of the issuing association. The Board, in its rules and regulations relating to the issuance and sale of mutual capital certificates, shall provide that such certificates—

"(i) shall be subordinate to all savings accounts, savings certificates, and debt obligations;

"(ii) shall constitute a claim in liquidation on the general reserves, surplus, and undivided profits of the association remaining after the payment in full of all savings accounts, savings certificates, and debt obligations;

"(iii) shall be entitled to the payment of dividends; and

"(iv) may have a fixed or variable dividend rate.

"(B) The Board shall provide in its rules and regulations for charging losses to the mutual capital certificate, reserves, and other net worth accounts.".

(b) Section 403(b) of the National Housing Act (12 U.S.C. 1726(b)), is amended by adding at the end thereof the following: "Mutual capital certificates, subordinate to the rights of holders of savings accounts, savings certificates, and the Corporation, shall be deemed to be reserves for the purposes of this subsection in accordance with rules and regulations prescribed by the Corporation. The Corporation shall provide in its rules and regulations for charging losses to the mutual capital certificate, reserves, and other net worth accounts. In the event an insured institution fails to maintain the reserves required by this title, no payment of dividends on such certificates shall be made except with the approval of the Corporation.".

MUTUAL SAVINGS BANKS

SEC. 408. (a) Section 5(a) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464 (a)) is amended—

(1) by inserting "(1)" after "(a)";

(2) in the fourth and fifth sentences by striking out "(1)" and "(2)" each place they appear therein and inserting in lieu thereof "(A)" and "(B)", respectively; and

(3) by adding at the end thereof the following new paragraph:

"(2) A Federal mutual savings bank may make commercial, corporate, and business loans except that—

"(A) not more than 5 per centum of the assets of such a bank may be so loaned; and

"(B) such loans may only be made within the State where the bank is located or within 75 miles of the bank's home office."

(b) Section 5(a) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(a)) is amended by adding at the end thereof the following new paragraph:

"(3) In addition to the authority conferred by paragraph (1), Federal mutual savings bank may accept demand deposits in connection with a commercial, corporate, or business loan relationship.".

INSURANCE RESERVES

SEC. 409. The third sentence of section 403 (b) of the National Housing Act (12 U.S.C. 1726(b)) is amended by striking out "5 per centum" and inserting in lieu thereof therefor "an amount no greater than 6 per centum nor less than 3 per centum as determined by the Federal Home Loan Bank Board".

TITLE V—STATE USURY LAWS

PART A—MORTGAGE USURY LAWS

MORTGAGES

SEC. 501. (a) (1) The provisions of the constitution or the laws of any State expressly limiting the rate or amount of interest, discount points, finance charges, or other charges which may be charged, taken, received, or reserved shall not apply to any loan, mortgage, credit sale, or advance which is—

(A) secured by a first lien on residential real property, by a first lien on stock in a residential cooperative housing corporation where the loan, mortgage, or advance is used to finance the acquisition of such stock, or by a first lien on a residential manufactured home;

(B) made after March 31, 1980; and

(C) described in section 527(b) of the National Housing Act (12 U.S.C. 1735f–5(b)), except that for the purpose of this section—

(i) the limitation described in section 527 (b) (1) of such Act that the property must be designed principally for the occupancy of from one to four families shall not apply;

(ii) the requirement contained in section 527(b) (1) of such Act that the loan be secured by residential real property shall not apply to a loan secured by stock in a residential cooperative housing corporation or to a loan or credit sale secured by a first lien on a residential manufactured home;

(iii) the term "federally related mortgage loan" in section 527(b) of such Act shall include a credit sale which is secured by a first lien on a residential manufactured home and which otherwise meets the definitional requirements of section 527(b) of such Act, as those requirements are modified by this section;

(iv) the term "residential loans" in section 527(b) (2) (D) of such Act shall also include loans or credit sales secured by a first lien on a residential manufactured home;

(v) the requirement contained in section 527(b) (2) (D) of such Act that a creditor make or invest in loans aggregating more than $1,000,000 per year shall not apply to a creditor selling residential manufactured homes financed by loans or credit sales secured by first liens on residential manufactured homes if the creditor has an arrangement to sell such loans or credit sales in whole or in part, or if such loans or credit sales are sold in whole or in part to a lender, institution, or creditor described in section 527(b) of such Act or in this section or a creditor, as defined in section 103(f) of the Truth in Lending Act, as such section was in effect on the day preceding the date of enactment of this title, if such creditor makes or invests in residential real estate loans or loans or credit sales secured by first liens on residential manufactured homes aggregating more than $1,000,000 per year; and

(vi) the term "lender" in section 527(b) (2) (A) of such Act shall also be deemed to include any lender approved by the Secretary of Housing and Urban Development for participation in any mortgage insurance program under the National Housing Act.

(2) (A) The provisions of the constitution or law of any State expressly limiting the rate or amount of interest which may be charged, taken, received, or reserved shall not apply to any deposit or account held by, or other obligation of a depository institution. For purposes of this paragraph, the term "depository institution" means—

(i) any insured bank as defined in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813);

(ii) any mutual savings bank as defined in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813);

(iii) any savings bank as defined in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813);

(iv) any insured credit union as defined in section 101 of the Federal Credit Union Act (12 U.S.C. 1752);

(v) any member as defined in section 2 of the Federal Home Loan Bank Act (12 U.S.C. 1422); and

(vi) any insured institution as defined in section 408 of the National Housing Act (12 U.S.C. 1730a).

(B) This paragraph shall not apply to any such deposit, account, or obligation which is payable only at an office of an insured bank, as defined in section 3 of the Federal Deposit Insurance Act, located in the Commonwealth of Puerto Rico.

(b) (1) Except as provided in paragraphs (2) and (3), the provisions of subsection (a) (1) shall apply to any loan, mortgage, credit sale, or advance made in any State on or after April 1, 1980.

(2) Except as provided in paragraph (3), the provisions of subsection (a) (1) shall not apply to any loan, mortgage, credit sale, or advance made in any State after the date (on or after April 1, 1980, and before April 1, 1983) on which such State adopts a law or certifies that the voters of such State have voted in favor of any provision, constitutional or otherwise, which states explicitly and by its terms that such State does not want the provisions of subsection (a) (1) to apply with respect to loans, mortgages, credit sales, and advances made in such State.

(3) In any case in which a State takes an action described in paragraph (2), the provisions of subsection (a) (1) shall continue to apply to—

(A) any loan, mortgage, credit sale, or advance which is made after the date such action was taken pursuant to a commitment therefor which was entered during the period beginning on April 1, 1980, and ending on the date on which such State takes such action; and

(B) any loan, mortgage, or advance which is a rollover of a loan, mortgage, or advance, as described in regulations of the Federal Home Loan Bank Board, which was made or committed to be made during the period beginning on April 1, 1980, and ending on the date on which such State takes any action described in paragraph (2).

(4) At any time after the date of enactment of this Act, any State may adopt a provision of law placing limitations on discount points or such other charges on any loan, mortgage, credit sale, or advance described in subsection (a) (1).

(c) The provisions of subsection (a) (1) shall not apply to a loan, mortgage, credit sale, or advance which is secured by a first lien on a residential manufactured home unless the terms and conditions relating to such loan, mortgage, credit sale, or advance comply with consumer protection provisions specified in regulations prescribed by the Federal Home Loan Bank Board. Such regulations shall—

(1) include consumer protection provisions with respect to balloon payments, pre-

payment penalties, late charges, and deferral fees;

(2) require a 30-day notice prior to instituting any action leading to repossession or foreclosure (except in the case of abandonment or other extreme circumstances);

(3) require that upon prepayment in full, the debtor shall be entitled to a refund of the unearned portion of the precomputed finance charge in an amount not less than the amount which would be calculated by the actuarial method, except that the debtor shall not be entitled to a refund which is less than $1; and

(4) include such other provisions as the Federal Home Loan Bank Board may prescribe after a finding that additional protections are required.

(d) The provisions of subsection (c) shall not apply to a loan, mortgage, credit sale, or advance secured by a first lien on a residential manufactured home until regulations required to be issued pursuant to paragraphs (1), (2), and (3) of subsection (c) take effect, except that the provisions of subsection (c) shall apply in the case of such a loan, mortgage, credit sale, or advance made prior to the date on which such regulations take effect if the loan, mortgage, credit sale, or advance includes a precomputed finance charge and does not provide that, upon prepayment in full, the refund of the unearned portion of the precomputed finance charge is in an amount not less the amount which would be calculated by the actuarial method, except that the debtor shall not be entitled to a refund which is less than $1. The Federal Home Loan Bank Board shall issue regulations pursuant to the provisions of paragraphs (1), (2), and (3) of subsection (c) that shall take effect prospectively not less than 30 days after publication in the Federal Register and not later than 120 days from the date of enactment of this Act.

(e) For the purpose of this section—

(1) a "prepayment" occurs upon—

(A) the refinancing or consolidation of the indebtedness;

(B) the actual prepayment of the indebtedness by the consumer whether voluntarily or following acceleration of the payment obligation by the creditor; or

(C) the entry of a judgment for the indebtedness in favor of the creditor;

(2) the term "actuarial method" means the method of allocating payments made on a debt between the outstanding balance of the obligation and the precomputed finance charge pursuant to which a payment is applied first to the accrued precomputed finance charge and any remainder is subtracted from, or any deficiency is added to, the outstanding balance of the obligation;

(3) the term "precomputed finance charge" means interest or a time price differential within the meaning of sections 106(a)(1) and (2) of the Truth in Lending Act (15 U.S.C. 1605(a)(1) and (2)) as computed by an add-on or discount method; and

(4) the term "residential manufactured home" means a mobile home as defined in section 603(6) of the National Mobile Home Construction and Safety Standards Act of 1974 which is used as a residence.

(f) The Federal Home Loan Bank Board is authorized to issue rules and regulations and to publish interpretations governing the implementation of this section.

(g) This section takes effect on April 1, 1980.

PART B—BUSINESS AND AGRICULTURAL LOANS

BUSINESS AND AGRICULTURAL LOANS

SEC. 511. (a) If the applicable rate prescribed in this section exceeds the rate a person would be permitted to charge in the absence of this section, such person may in the case of a business or agricultural loan in the amount of $25,000 or more, notwithstanding any State constitution or statute which is hereby preempted for the purposes of this section, take, receive, reserve, and charge on any such loan, interest at a rate of not more than 5 per centum in excess of the discount rate, including any surcharge thereon, on ninety-day commercial paper in effect at the Federal Reserve bank in the Federal Reserve district where the person is located.

(b) If the rate prescribed in subsection (a) exceeds the rate such person would be permitted to charge in the absence of this section, and such State imposed rate is thereby preempted by the rate described in subsection (a), the taking, receiving, reserving, or charging a greater rate than is allowed by subsection (a), when knowingly done, shall be deemed a forfeiture of the entire interest which the loan carries with it, or which has been agreed to be paid thereon. If such greater rate of interest has been paid, the person who paid it may recover, in a civil action commenced in a court of appropriate jurisdiction not later than two years after the date of such payment, an amount equal to twice the amount of interest paid from the person taking, receiving, reserving, or charging such interest.

EFFECTIVE DATE OF PART B

SEC. 512. The provisions of this part shall apply only with respect to business or agricultural loans in amounts of $25,000 or more in any State during the period beginning on April 1, 1980, and ending on the earlier of—

(1) April 1, 1983; or

(2) the date, on or after April 1, 1980, on which such State adopts a law or certifies that the voters of such State have voted in favor of any provision, constitutional or otherwise, which states explicity and by its terms that such State does not want the provisions of this part to apply with respect to loans made in such State,

except that such provisions shall apply to any loan made on or after such earlier date pursuant to a commitment to make such loan which was entered into on or after April 1, 1980, and prior to such earlier date.

PART C—OTHER LOANS

INSURED BANKS

SEC. 521. The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 27. (a) In order to prevent discrimination against State-chartered insured banks, including insured savings banks and insured mutual savings banks, or insured branches of foreign banks with respect to interest rates, if the applicable rate prescribed in this subsection exceeds the rate such State bank or insured branch of a foreign bank would be permitted to charge in the absence of this subsection, such State bank or such insured branch of a foreign bank may, notwithstanding any State constitution or statute which is hereby preempted for the purposes of this section, take, receive, reserve, and charge on any loan or discount made, or upon any note, bill of exchange, or other evidence of debt, interest at a rate of not more than 1 per centum in excess of the discount rate on ninety-day commercial paper in effect at the Federal Reserve bank in the Federal Reserve district where such State bank or such insured branch of a foreign bank is located or at the rate allowed by the laws of the State, territory, or district where the bank is located, whichever may be greater.

"(b) If the rate prescribed in subsection (a) exceeds the rate such State bank or such insured branch of a foreign bank would be permitted to charge in the absence of this section, and such State fixed rate is thereby preempted by the rate described in subsection (a), the taking, receiving, reserving, or charging a greater rate of interest than is allowed by subsection (a), when knowingly done, shall be deemed a forfeiture of the entire interest which the note, bill, or other evidence of debt carries with it, or which has been agreed to be paid thereon. If such greater rate of interest has been paid, the person who paid it may recover in a civil action commenced in a court of appropriate jurisdiction not later than two years after the date of such payment, an amount equal to twice the amount of the interest paid from such State bank or such insured branch of a foreign bank taking, receiving, reserving, or charging such interest.".

INSURED SAVINGS AND LOAN ASSOCIATIONS

SEC. 522. Title IV of the National Housing Act (12 U.S.C. 1724 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 414. (a) If the applicable rate prescribed in this section exceeds the rate an insured institution would be permitted to charge in the absence of this section, such institution may, notwithstanding any State constitution or statute which is hereby preempted for the purposes of this section, take, receive, reserve, and charge on any loan or discount made, or upon any note, bill of exchange, or other evidence of debt, interest at a rate of not more than 1 per centum in excess of the discount rate on ninety-day commercial paper in effect at the Federal Reserve bank in the Federal Reserve district where such institution is located or at the rate allowed by the laws of the State, territory, or district where such institution is located, whichever may be greater.

"(b) If the rate prescribed in subsection (a) exceeds the rate such institution would be permitted to charge in the absence of this section, and such State fixed rate is thereby preempted by the rate described in subsection (a), the taking, receiving, reserving, or charging a greater rate of interest than that prescribed by subsection (a), when knowingly done, shall be deemed a forfeiture of the entire interest which the note, bill; or other evidence of debt carries with it, or which has been agreed to be paid thereon. If such greater rate of interest has been paid, the person who paid it may recover, in a civil action commenced in a court of appropriate jurisdiction not later than two years after the date of such payment, an amount equal to twice the amount of the interest paid from the institution taking or receiving such interest.".

INSURED CREDIT UNIONS

SEC. 523. Section 205 of the Federal Credit Union Act (12 U.S.C. 1785) is amended by adding at the end thereof the following new subsection:

"(g)(1) If the applicable rate prescribed in this subsection exceeds the rate an insured credit union would be permitted to charge in the absence of this subsection, such credit union may, notwithstanding any State constitution or statute which is hereby preempted for the purposes of this subsection, take, receive, reserve, and charge on any loan, interest at a rate of not more than 1 per centum in excess of the discount rate on ninety-day commercial paper in effect at the Federal Reserve bank in the Federal Reserve district where such insured credit union is located or at the rate allowed by the laws of the state, territory, or district where such credit union is located, whichever may be greater.

"(2) If the rate prescribed in paragraph (1) exceeds the rate such credit union would be permitted to charge in the absence of this subsection, and such state fixed rate is thereby preempted by the rate described in paragraph (1), the taking, receiving, reserving, or charging a greater rate than is allowed by paragraph (1), when knowingly done, shall be deemed a forfeiture of the entire interest which the loan carries with it, or which has been agreed to be paid thereon. If such greater rate of interest has been paid, the person who paid it may recover, in a civil action commenced in a court of appropriate jurisdiction not later than two years after the date of such payment, an amount equal to twice the amount of interest paid from the credit union taking or receiving such interest.".

SMALL BUSINESS INVESTMENT COMPANIES

SEC. 524. Section 308 of the Small Business Investment Act of 1958 (15 U.S.C. 687) is amended by adding at the end thereof the following new subsection:

"(i) (1) The purpose of this subsection is to facilitate the orderly and necessary flow of long-term loans and equity funds from small business investment companies to small business concerns.

"(2) In the case of a business loan, the small business investment company making such loan may charge interest on such loan at a rate which does not exceed the lowest of the rates described in subparagraphs (A), (B), and (C).

"(A) The rate described in this subparagraph is the maximum rate prescribed by regulation by the Small Business Administration for loans made by any small business investment company (determined without regard to any State rate incorporated by such regulation).

"(B) The rate described in this subparagraph is the maximum rate authorized by an applicable state law or constitutional provision which is not preempted for purposes of this subsection.

"(C) (i) The rate described in this subparagraph is the higher of the Federal Reserve rate or the maximum rate authorized by applicable State law or constitutional provision (determined without regard to the preemption of such State law or constitutional provision).

"(ii) For purposes of clause (i), the term 'Federal Reserve rate' means the rate equal to the sum of 1 percentage point plus the discount rate on ninety-day commercial paper in effect at the Federal Reserve bank in the Federal Reserve district in which the principal office of the small business investment company is located.

"(iii) The rate described in this subparagraph shall not apply to loans made in a State if there is no maximum rate authorized by applicable State law or constitutional provision for such loans or there is a maximum rate authorized by an applicable State law or constitutional provision which is not preempted for purposes of this subsection.

"(3) A State law or constitutional provision shall be preempted for purposes of paragraph (2) (B) with respect to any loan if such loan is made before the date, on or after April 1, 1980, on which such State adopts a law or certifies that the voters of such State have voted in favor of any provision, constitutional or otherwise, which states explicitly and by its terms that such State does not want the provisions of this subsection to apply with respect to loans made in such State, except that such State law or constitutional or other provision shall be preempted in the case of a loan made, on or after the date on which such law is adopted or such certification is made, pursuant to a commitment to make such loan which was entered into on or after April 1, 1980, and prior to the date on which such law is adopted or such certification is made.

"(4) (A) If the maximum rate of interest authorized under paragraph (2) on any loan made by a small business investment company exceeds the rate which would be authorized by applicable State law if such State law were not preempted for purposes of this subsection, the charging of interest at any rate in excess of the rate authorized by paragraph (2) shall be deemed a forfeiture of the greater of (i) all interest which the loan carries with it, or (ii) all interest which has been agreed to be paid thereon.

"(B) In the case of any loan with respect to which there is a forfeiture of interest under subparagraph (A), the person who paid the interest may recover from a small business investment company making such loan an amount equal to twice the amount of the interest paid on such loan. Such interest may be recovered in a civil action commenced in a court of appropriate jurisdiction not later than two years after the most recent payment of interest.".

EFFECTIVE DATE

SEC. 525. The amendments made by sections 521 through 523 of this title shall apply only with respect to loans made in any State during the period beginning on April 1, 1980, and ending on the date, on or after April 1, 1980, on which such State adopts a law or certifies that the voters of such State have voted in favor of any provision, constitutional or otherwise, which states explicitly and by its terms that such State does not want the amendments made by such sections to apply with respect to loans made in such State, except that such amendments shall apply to a loan made on or after the date such law is adopted or such certification is made if such loan is made pursuant to a commitment to make such loan which was entered into on or after April 1, 1980, and prior to the date on which such law is adopted or such certification is made.

SEVERABILITY

SEC. 526. If any provision of this Act or the application of such provision to any person or circumstance shall be held invalid, the remainder of this Act and the application of such provision to any person or circumstance other than that as to which it is held invalid shall not be affected thereby.

DEFINITION

SEC. 527. For purposes of this title, the term "State" includes the several States, the Commonwealth of Puerto Rico, the District of Columbia, Guam, the Trust Territories of the Pacific Islands, the Northern Mariana Islands, and the Virgin Islands, except as provided in section 501(a) (2) (B).

EFFECT ON OTHER LAW

SEC. 528. In any case in which one or more provisions of, or amendments made by, this title, section 529 of the National Housing Act, or any other provision of law, including section 5197 of the Revised Statutes (12 U.S.C. 85), apply with respect to the same loan, mortgage, credit sale, or advance, such loan, mortgage, credit sale, or advance may be made at the highest applicable rate.

REPEAL OF EXISTING LAW

SEC. 529. Effective at the close of March 31, 1980, Public Law 96–104, section 105(a) (2) of Public Law 96–161, and the amendments made by and the provisions of title II of Public Law 96–161 are hereby repealed, except that the provisions of such Public Law, the provisions of such section, the amendments made by such title, and the provisions of such title shall continue to apply to any loan made, any deposit made, or any obligation issued in any State during any period when those provisions or amendments were in effect in such State.

TITLE VI—TRUTH IN LENDING SIMPLIFICATION

SHORT TITLE

SEC. 601. This title may be cited as the "Truth in Lending Simplification and Reform Act".

DEFINITIONS

SEC. 602. (a) Section 103(f) of the Truth in Lending Act (15 U.S.C. 1602(f)) is amended—

(1) by striking out the first sentence and inserting in lieu thereof the following: "The term 'creditor' refers only to a person who both (1) regularly extends, whether in connection with loans, sales of property or services, or otherwise, consumer credit which is payable by agreement in more than four installments or for which the payment of a finance charge is or may be required; and (2) is the person to whom the debt arising from the consumer credit transaction is initially payable on the face of the evidence of indebtedness or, if there is no such evidence of indebtedness, by agreement. Notwithstanding the previous sentence, a person who regularly arranges for the extension of consumer credit, which is payable in more than four installments or for which the payment of a finance charge is or may be required, from persons who are not creditors is a creditor, and in the case of an open end credit plan involving a credit card, the card issuer and any person who honors the credit card and offers a discount which is a finance charge are creditors."; and

(2) by redesignating the references to sections 127(a) (6), 127(a) (7), 127(a) (8), 127 (b) (9), and 127(b) (11) in the next succeeding sentence as references to sections 127(a) (5), 127(a) (6), 127(a) (7), 127(b) (8), and 127(b) (10), respectively.

(b) The first sentence of section 103(g) of the Truth in Lending Act (15 U.S.C. 1602(g)) is amended to read as follows: "The term 'credit sale' refers to any sale in which the seller is a creditor.".

EXEMPTED TRANSACTIONS

SEC. 603. (a) Section 103(h) of the Truth in Lending Act (15 U.S.C. 1602(h)) is amended by striking out "household, or agricultural" and inserting in lieu thereof "or household".

(b) Section 103 of the Truth in Lending Act (15 U.S.C. 1602) is amended by redesignating subsections (s) and (t) as subsections (x) and (y), respectively, and by inserting after subsection (r) the following new subsections:

"(s) The term 'agricultural purposes' includes the production, harvest, exhibition, marketing, transportation, processing, or manufacture of agricultural products by a natural person who cultivates, plants, propagates, or nurtures those agricultural products, including but not limited to the acquisition of farmland, real property with a farm residence, and personal property and services used primarily in farming.

"(t) The term 'agricultural products' includes agricultural, horticultural, viticultural, and dairy products, livestock, wildlife, poultry, bees, forest products, fish and shellfish, and any products thereof, including processed and manufactured products, and any and all products raised or produced on farms and any processed or manufactured products thereof.".

(c) Section 104 of the Truth in Lending Act (15 U.S.C. 1603) is amended—

(1) by amending paragraph (1) to read as follows:

"(1) Credit transactions involving extensions of credit primarily for business, commercial, or agricultural purposes, or to government or governmental agencies or instrumentalities, or to organizations.";

(2) by amending paragraph (3) to read as follows:

"(3) Credit transactions, other than those in which a security interest is or will be acquired in real property, or in personal property used or expected to be used as the principal dwelling of the consumer, in which the total amount financed exceeds $25,000."; and

(3) by striking out paragraph (5).

OPEN END CREDIT PLAN

SEC. 604. Section 103(i) of the Truth in Lending Act (15 U.S.C. 1602(i)) is amended to read as follows:

"(i) The term 'open end credit plan' means a plan under which the creditor reasonably contemplates repeated transactions, which prescribes the terms of such transactions, and which provides for a finance charge which may be computed from time to time on the outstanding unpaid balance. A credit plan which is an open end credit plan within the meaning of the preceding sentence is an open end credit plan even if credit information is verified from time to time.".

MODEL FORMS

SEC. 605. Section 105 of the Truth in Lending Act (15 U.S.C. 1605) is amended by inserting "(a)" before "The", and by adding at the end thereof the following:

"(b) The Board shall publish model disclosure forms and clauses for common transactions to facilitate compliance with the disclosure requirements of this title and to aid the borrower or lessee in understanding the transaction by utilizing readily understandable language to simplify the technical nature of the disclosures. In devising such forms, the Board shall consider the use by creditors or lessors of data processing or similar automated equipment. Nothing in this title may be construed to require a creditor or lessor to use any such model form or clause prescribed by the Board under this section. A creditor or lessor shall be deemed to be in compliance with the disclosure provisions of this title with respect to other than numerical disclosures if the creditor or lessor (1) uses any appropriate model form or clause as published by the Board, or (2) uses any such model form or clause and changes it by (A) deleting any information which is not required by this title, or (B) rearranging the format, if in making such deletion or rearranging the format, the creditor or lessor does not affect the substance, clarity, or meaningful sequence of the disclosure.

"(c) Model disclosure forms and clauses shall be adopted by the Board after notice duly given in the Federal Register and an opportunity for public comment in accordance with section 553 of title 5, United States Code.

"(d) Any regulation of the Board, or any amendment or interpretation thereof, requiring any disclosure which differs from the disclosures previously required by this chapter, chapter 4, or chapter 5, or by any regulation of the Board promulgated thereunder shall have an effective date of that October 1 which follows by at least six months the date of promulgation, except that the Board may at its discretion take interim action by regulation, amendment, or interpretation to lengthen the period of time permitted for creditors or lessors to adjust their forms to accommodate new requirements or shorten the length of time for creditors or lessors to make such adjustments when it makes a specific finding that such action is necessary to comply with the findings of a court or to prevent unfair or deceptive disclosure practices. Notwithstanding the previous sentence, any creditor or lessor may comply with any such newly promulgated disclosure requirements prior to the effective date of the requirements.".

COMPONENTS OF FINANCE CHARGE

SEC. 606. (a) Section 106(a) of the Truth in Lending Act (15 U.S.C. 1605(a)) is amended by striking out ", including any of the following types of charges which are applicable" and inserting in lieu thereof the following: ". The finance charge does not include charges of a type payable in a comparable cash transaction. Examples of charges which are included in the finance charge include any of the following types of charges which are applicable".

(b) Section 106(d) of the Truth in Lending Act (15 U.S.C. 1605(d)) is amended by striking out paragraphs (3) and (4).

ACCURACY OF ANNUAL PERCENTAGE RATE

SEC. 607. (a) Section 107(c) of the Truth in Lending Act (15 U.S.C. 1606(c)) is amended to read as follows:

"(c) The disclosure of an annual percentage rate is accurate for the purpose of this title if the rate disclosed is within a tolerance not greater than one-eighth of 1 per centum more or less than the actual rate or rounded to the nearest one-fourth of 1 per centum. The Board may allow a greater tolerance to simplify compliance where irregular payments are involved.".

(b) Section 107(e) of the Truth in Lending Act (15 U.S.C. 1606(e)) is amended by striking out "(c) or".

(c) Section 107(f) of the Truth in Lending Act (15 U.S.C. 1606(f)) is hereby repealed.

RESTITUTION

SEC. 608. (a) Section 108 of the Truth in Lending Act (15 U.S.C. 1607) is amended by adding at the end thereof the following:

"(e)(1) In carrying out its enforcement activities under this section, each agency referred to in subsection (a) or (c), in cases where an annual percentage rate or finance charge was inaccurately disclosed, shall notify the creditor of such disclosure error and is authorized in accordance with the provisions of this subsection to require the creditor to make an adjustment to the account of the person to whom credit was extended, to assure that such person will not be required to pay a finance charge in excess of the finance charge actually disclosed or the dollar equivalent of the annual percentage rate actually disclosed, whichever is lower. For the purposes of this subsection, except where such disclosure error resulted from a willful violation which was intended to mislead the person to whom credit was extended, in determining whether a disclosure error has occurred and in calculating any adjustment, (A) each agency shall apply (i) with respect to the annual percentage rate, a tolerance of one-quarter of 1 percent more or less than the actual rate, determined without regard to section 107(c) of this title, except in the case of an irregular mortgage lending transaction, and (ii) with respect to the finance charge, a corresponding numerical tolerance as generated by the tolerance provided under this subsection for the annual percentage rate; except that (B) with respect to transactions consummated after two years following the effective date of section 608 of the Truth in Lending Simplification and Reform Act, each agency shall apply (i) for transactions that have a scheduled amortization of ten years or less, with respect to the annual percentage rate, a tolerance not to exceed one-quarter of 1 percent more or less than the actual rate, determined without regard to section 107(c) of this title, but in no event a tolerance of less than the tolerances allowed under section 107(c), (ii) for transactions that have a scheduled amortization of more than ten years, with respect to the annual percentage rate, only such tolerances as are allowed under section 107(c) of this title, and (iii) for all transactions, with respect to the finance charge, a corresponding numerical tolerance as generated by the tolerances provided under this subsection for the annual percentage rate.

"(2) Each agency shall require such an adjustment when it determines that such disclosure error resulted from (A) a clear and consistent pattern or practice of violations, (B) gross negligence, or (C) a willful violation which was intended to mislead the person to whom the credit was extended. Notwithstanding the preceding sentence, except where such disclosure error resulted from a willful violation which was intended to mislead the person to whom credit was extended, an agency need not require such an adjustment if it determines that such disclosure error—

"(A) resulted from an error involving the disclosure of a fee or charge that would otherwise be excludable in computing the finance charge, including but not limited to violations involving the disclosures described in sections 106 (b), (c) and (d) of this title, in which event the agency may require such remedial action as it determines to be equitable, except that for transactions consummated after two years after the effective date of section 608 of the Truth in Lending Simplification and Reform Act, such an adjustment shall be ordered for violations of section 106(b);

"(B) involved a disclosed amount which was 10 per centum or less of the amount that should have been disclosed and (i) in cases where the error involved a disclosed finance charge, the annual percentage rate was disclosed correctly, and (ii) in cases where the error involved a disclosed annual percentage rate, the finance charge was disclosed correctly; in which event the agency may require such adjustment as it determines to be equitable;

"(C) involved a total failure to disclose either the annual percentage rate or the finance charge, in which event the agency may require such adjustment as it determines to be equitable; or

"(D) resulted from any other unique circumstance involving clearly technical and nonsubstantive disclosure violations that do not adversely affect information provided to the consumer and that have not misled or otherwise deceived the consumer.

In the case of other such disclosure errors, each agency may require such an adjustment.

"(3) Notwithstanding paragraph (2), no adjustment shall be ordered (A) if it would have a significantly adverse impact upon the safety or soundness of the creditor, but in any such case, the agency may require a partial adjustment in an amount which does not have such an impact, except that with respect to any transaction consummated after the effective date of section 608 of the Truth in Lending Simplification and Reform Act, the agency shall require the full adjustment, but permit the creditor to make the required adjustment in partial payments over an extended period of time which the agency considers to be reasonable, (B) if the amount of the adjustment would be less than $1, except that if more than one year has elapsed since the date of the violation, the agency may require that such amount be paid into the Treasury of the United States, or (C) except where such disclosure error resulted from a willful violation which was intended to mislead the person to whom credit was extended, in the case of an open-end credit plan, more than two years after the violation, or in the case of any other extension of credit, as follows:

"(i) with respect to creditors that are subject to examination by the agencies referred to in paragraphs (1) through (3) of section 108(a) of this title, except in connection with violations arising from practices identified in the current examination and only in connection with transactions that are consummated after the date of the immediately preceding examination, except that where practices giving rise to violations identified in earlier examinations have not been corrected, adjustments for those violations shall be required in connection with transactions consummated after the date of the examination in which such practices were first identified;

"(ii) with respect to creditors that are not subject to examination by such agencies, except in connection with transactions that are consummated after May 10, 1978; and

"(iii) in no event after the later of (I) the expiration of the life of the credit extension, or (II) two years after the agreement to extend credit was consummated.

"(4)(A) Notwithstanding any other provision of this section, an adjustment under this subsection may be required by an agency referred to in subsection (a) or (c) only by an order issued in accordance with cease and desist procedures provided by the provision of law referred to in such subsections.

"(B) In the case of an agency which is not authorized to conduct cease and desist proceedings, such an order may be issued after an agency hearing on the record conducted at least thirty but not more than sixty days after notice of the alleged violation is served on the creditor. Such a hearing shall be deemed to be a hearing which is subject to the provisions of section 8(h) of the Federal Deposit Insurance Act and shall be subject to judicial review as provided therein.

"(5) Except as otherwise specifically provided in this subsection and notwithstanding any provision of law referred to in subsection (a) or (c), no agency referred to in subsection (a) or (c) may require a creditor to make dollar adjustments for errors in any requirements under this title, except with regard to the requirements of section 165.

"(6) A creditor shall not be subject to an order to make an adjustment, if within sixty days after discovering a disclosure error, whether pursuant to a final written examination report or through the creditor's own procedures, the creditor notifies the person concerned of the error and adjusts the account so as to assure that such person will not be required to pay a finance charge in excess of the finance charge actually disclosed or the dollar equivalent of the annual percentage rate actually disclosed, whichever is lower.

"(7) Notwithstanding the second sentence of subsection (e)(1), subsection (e)(3)(C)(i), and subsection (e)(3)(C)(ii), each agency referred to in subsection (a) or (c) shall require an adjustment for an annual percentage rate disclosure error that exceeds a tolerance of one quarter of one percent less than the actual rate, determined without regard to section 107(c) of this title, except in the case of an irregular mortgage lending transaction, with respect to any transaction consummated between January 1, 1977, and the effective date of section 608 of the Truth in Lending Simplification and Reform Act.".

(b) This section shall take effect on the date of enactment of the Truth in Lending Simplification and Reform Act.

(c) Effective one year after the date of enactment of the Truth in Lending Simplification and Reform Act, section 108(e)(1)(A)(i) and section 108(e)(7) of the Truth in Lending Act are amended by striking out ", except in the case of an irregular mortgage lending transaction".

EFFECT ON OTHER LAWS

SEC. 609. Section 111(a) of the Truth in Lending Act (15 U.S.C. 1610(a)) is amended to read as follows:

"(a)(1) Chapters 1, 2, and 3 do not annul, alter, or affect the laws of any State relating to the disclosure of information in connection with credit transactions, except to the extent that those laws are inconsistent with the provisions of this title, and then only to the extent of the inconsistency. Upon its own motion or upon the request of any creditor, State, or other interested party which is submitted in accordance with procedures prescribed in regulations of the Board, the Board shall determine whether any such inconsistency exists. If the Board determines that a State-required disclosure is inconsistent, creditors located in that State may not make disclosures using the inconsistent term or form, and shall incur no liability under the law of that State for failure to use such term or form, notwithstanding that such determination is subsequently amended, rescinded, or determined by judicial or other authority to be invalid for any reason.

"(2) Upon its own motion or upon the request of any creditor, State, or other interested party which is submitted in accordance with procedures prescribed in regulations of the Board, the Board shall determine whether any disclosure required under the law of any State is substantially the same in meaning as a disclosure required under this title. If the Board determines that a State-required disclosure is substantially the same in meaning as a disclosure required by this title, then creditors located in that State may make such disclosure in compliance with such State law in lieu of the disclosure required by this title, except that the annual percentage rate and finance charge shall be disclosed as required by section 122.".

ANNUAL REPORTS

SEC. 610. (a) Section 114 of the Truth in Lending Act (15 U.S.C. 1613) is amended by striking out "Not later than January 3 of each year after 1969," and inserting in lieu thereof "Each year".

(b) Section 18(f)(5) of the Federal Trade Commission Act (15 U.S.C. 57a(f)(5)) is amended by striking out "not later than March 15 of".

(c) Section 707 of the Equal Credit Opportunity Act (15 U.S.C. 1691f) is amended by striking out "Not later than February 1 of each year after 1976" and inserting in lieu thereof "Each year".

GENERAL DISCLOSURE REQUIREMENTS

SEC. 611. Sections 121 and 122 of the Truth in Lending Act (15 U.S.C. 1631 and 1632) are amended to read as follows:

"§ 121. General requirement of disclosure

"(a) Subject to subsection (b), a creditor or lessor shall disclose to the person who is obligated on a consumer lease or a consumer credit transaction the information required under this title. In a transaction involving more than one obligor, a creditor or lessor, except in a transaction under section 125, need not disclose to more than one of such obligors if the obligor given disclosure is a primary obligor.

"(b) If a transaction involves one creditor as defined in section 103(f), or one lessor as defined in section 181(3), such creditor or lessor shall make the disclosures. If a transaction involves more than one creditor or lessor, only one creditor or lessor shall be required to make the disclosures. The Board shall by regulation specify which creditor or lessor shall make the disclosures.

"(c) The Board may provide by regulation that any portion of the information required to be disclosed by this title may may be given in the form of estimates where the provider of such information is not in a position to know exact information.

"(d) The Board shall determine whether tolerances for numerical disclosures other than the annual percentage rate are necessary to facilitate compliance with this title, and if it determines that such tolerances are necessary to facilitate compliance, it shall by regulation permit disclosures within such tolerances. The Board shall exercise its authority to permit tolerances for numerical disclosures other than the annual percentage rate so that such tolerances are narrow enough to prevent such tolerances from resulting in misleading disclosures or disclosures that circumvent the purposes of this title.

"§ 122. Form of disclosure; additional information

"(a) Information required by this title shall be disclosed clearly and conspicuously, in accordance with regulations of the Board. The terms 'annual percentage rate' and 'finance charge' shall be disclosed more conspicuously and other terms, data, or information provided in connection with a transaction, except information relating to the identity of the creditor. Regulations of the Board need not require that disclosures pursuant to this title be made in the order set forth in this title and, except as otherwise provided, may permit the use of terminology different from that employed in this title if it conveys substantially the same meaning.

"(b) Any creditor or lessor may supply additional information or explanation with any disclosures required under chapters 4 and 5 and, except as provided in section 128(b)(1), under this chapter.".

RESCISSION

SEC. 612. (a)(1) Section 125(a) of the Truth in Lending Act (15 U.S.C. 1635(a)) is amended to read as follows:

"(a) Except as otherwise provided in this section, in the case of any consumer credit transaction (including opening or increasing the credit limit for an open end credit plan) in which a security interest, including any such interest arising by operation of law, is or will be retained or acquired in any property which is used as the principal dwelling of the person to whom credit is extended, the obligor shall have the right to rescind the transaction until midnight of the third business day following the consumation of the transaction or the delivery of the information and rescission forms required under this section together with a statement containing the material disclosures required under this title, whichever is later, by notifying the creditor, in accordance with regulations of the Board, of his intention to do so. The creditor shall clearly and conspicuously disclose, in accordance with regulations of the Board, to any obligor in a transaction subject to this section the rights of the obligor under this section. The creditor shall also provide, in accordance with regulations of the Board, appropriate forms for the obligor to exercise his right to rescind any transaction subject to this section.".

(2) Section 103 of the Truth in Lending Act (15 U.S.C. 1602), as amended by section 603(b), is amended by adding at the end thereof the following:

"(u) The term 'material disclosures' means disclosure, as required by this title, of the annual percentage rate, the method of determining the finance charge and the balance upon which a finance charge will be imposed, the amount of the finance charge, the amount to be financed, the total of payments, the number and amount of payments, and the due dates or periods of payments scheduled to repay the indebtedness.".

(3) Section 125(b) of the Truth in Lending Act (15 U.S.C. 1635(b)) is amended by striking out "ten days" each place it appears therein and inserting in lieu thereof "20 days".

(4) Section 125(b) of the Truth in Lending Act (15 U.S.C. 1635(b)) is amended by adding at the end thereof the following new sentence: "The procedures prescribed by this subsection shall apply except when otherwise ordered by a court.".

(5) Section 125(c) of the Truth in Lending Act (15 U.S.C. 1635(c)) is amended by inserting "information, forms, and" after "whom".

(6) Section 125 of the Truth in Lending Act (15 U.S.C. 1635) is amended by striking out subsections (e) and (f) and inserting in lieu thereof the following:

"(e)(1) This section does not apply to—

"(A) a residential mortgage transaction as defined in section 103(w);

"(B) a transaction which constitutes a refinancing or consolidation (with no new advances) of the principal balance then due and any accrued and unpaid finance charges of an existing extension of credit by the same creditor secured by an insert in the same property;

"(C) a transaction in which an agency of a State is the creditor; or

"(D) advances under a preexisting open end credit plan if a security interest has already been retained or acquired and such advances are in accordance with a previously established credit limit for such plan.

"(2) The provisions of paragraph (1)(D) shall cease to be effective 3 years after the effective date of the Truth in Lending Simplification and Reform Act.

"(f) An obligor's right of rescission shall expire three years after the date of consummation of the transaction or upon the sale of the property, whichever occurs first, notwithstanding the fact that the information and forms required under this section or any other disclosures required under this chapter have not been delivered to the obligor, except that if (1) any agency empowered to enforce the provisions of this title institutes a proceeding to enforce the provisions of this section within three years after the date of consummation of the transaction, (2) such agency finds a violation of section 125, and (3) the obligor's right to rescind is based in whole or in part on any matter involved in such proceeding, then the obligor's right of rescission shall expire three years after the date of consummation of the transaction or upon the earlier sale of the property, or upon the expiration of one year following the conclusion of the proceeding, or any judicial review or period for judicial review thereof, whichever is later.

"(g) In any action in which it is determined that a creditor has violated this section, in addition to rescission the court may award relief under section 130 for violations of this title not relating to the right to rescind.".

(b) Section 103 of the Truth in Lending Act (15 U.S.C. 1602) is amended by inserting after subsection (u) the following:

"(v) The term 'dwelling' means a residential structure or mobile home which contains one to four family housing units, or individual units of condominiums or cooperatives.

"(w) The term 'residential mortgage transaction' means a transaction in which a mortgage, deed of trust, purchase money security interest arising under an installment sales contract, or equivalent consensual security interest is created or retained against the consumer's dwelling to finance the acquisition or initial construction of such dwelling.".

OPEN END DISCLOSURES

SEC. 613. (a) Section 127(a) of the Truth in Lending Act (15 U.S.C. 1637(a)) is amended—

(1) by adding at the end of paragraph (1) the following new sentence: "If no such time period is provided, the creditor shall disclose such fact.";

(2) by striking out paragraph (5) and redesignating paragraphs (6), (7), and (8) as paragraphs (5), (6), and (7), respectively; and

(3) by amending paragraphs (5) and (6), as redesignated by paragraph (2), to read as follows:

"(5) Identification of other charges which may be imposed as part of the plan, and their method of computation, in accordance with regulations of the Board.

"(6) In cases where the credit is or will be secured, a statement that a security interest has been or will be taken in (A) the property purchased as part of the credit transaction, or (B) property not purchased as part of the credit transaction identified by item or type.".

(b) Section 127(b)(2) of the Truth in Lending Act (15 U.S.C. 1637(b)(2)) is amended to read as follows:

"(2) The amount and date of each extension of credit during the period, and a brief identification, on or accompanying the statement of each extension of credit in a form prescribed by the Board sufficient to enable the obligor either to identify the transaction or to relate it to copies of sales vouchers or similar instruments previously furnished, except that a creditor's failure to disclose such information in accordance with this paragraph shall not be deemed a failure to comply with this chapter or this title if (A) the creditor maintains procedures reasonably adapted to procure and provide such information, and (B) the creditor responds to and treats any inquiry for clarification or documentation as a billing error and an erroneously billed amount under section 161. In lieu of complying with the requirements of the previous sentence, in the case of any transaction in which the creditor and seller are the same person, as defined by the Board, and such person's open end credit plan has fewer than 15,000 accounts, the creditor may elect to provide only the amount and date of each extension of credit during the period and the seller's name and location where the transaction took place if (A) a brief identification of the transaction has been previously furnished, and (B) the creditor responds to and treats any inquiry for clarification or documentation as a billing error and an erroneously billed amount under section 161.".

(c) Section 127(b) of the Truth in Lending Act (15 U.S.C. 1637) is amended by striking out paragraph (7) and by redesignating paragraphs (8), (9), (10), and (11) as paragraphs (7), (8), (9), and (10), respectively.

(d) Section 127(a)(7) of the Truth in Lending Act (15 U.S.C. 1637(a)), as redesignated by subsection (a)(2), is amended by striking out "each of two billing cycles per year, at semiannual intervals" and inserting in lieu thereof "one billing cycle per calendar year, at intervals of not less than six months or more than eighteen months".

(e) Section 127(c) of the Truth in Lending Act (15 U.S.C. 1637(c)) is hereby repealed.

(f) Section 143 of the Truth in Lending Act (15 U.S.C. 1663) is amended by striking out "or the appropriate rate determined under section 127(a)(5)".

(g) Section 161(a) of the Truth in Lending Act (15 U.S.C. 1666(a)) is amended by redesignating the references to sections 127(b)(11) and 127(a)(8) as references to sections 127(b)(10) and 127(a)(7), respectively.

OTHER THAN OPEN END DISCLOSURES

SEC. 614. (a) Section 128(a) of the Truth in Lending Act (15 U.S.C. 1638(a)) is amended to read as follows:

"(a) For each consumer credit transaction other than under an open end credit plan, the creditor shall disclose each of the following items, to the extent applicable:

"(1) The identity of the creditor required to make disclosure.

"(2)(A) The 'amount financed', using that term, which shall be the amount of credit of which the consumer has actual use. This amount shall be computed as follows, but the computations need not be disclosed and shall not be disclosed with the disclosures conspicuously segregated in accordance with subsection (b)(1):

"(i) take the principal amount of the loan or the cash price less downpayment and trade-in;

"(ii) add any charges which are not part of the finance charge or of the principal amount of the loan and which are financed by the consumer, including the cost of any items excluded from the finance charge pursuant to section 106; and

"(iii) subtract any charges which are part of the finance charge but which will be paid by the consumer before or at the time of the consummation of the transaction, or have been withheld from the proceeds of the credit.

"(B) In conjunction with the disclosure of the amount financed, a creditor shall provide a statement of the consumer's right to obtain, upon a written request, a written itemization of the amount financed. The statement shall include spaces for a 'yes' and 'no' indication to be initialed by the consumer to indicate whether the consumer wants a written itemization of the amount financed. Upon receiving an affirmative indication, the creditor shall provide, at the time other disclosures are required to be furnished, a written itemization of the amount financed. For the purposes of this subparagraph, 'itemization of the amount financed' means a disclosure of the following items, to the extent applicable:

"(i) the amount that is or will be paid directly to the consumer;

"(ii) the amount that is or will be credited to the consumer's account to discharge obligations owed to the creditor;

"(iii) each amount that is or will be paid to third persons by the creditor on the consumer's behalf, together with an identification of or reference to the third person; and

"(iv) the total amount of any charges described in the preceding subparagraph (A)(iii)."

"(3) The 'finance charge', not itemized, using that term.

"(4) The finance charge expressed as an 'annual percentage rate', using that term. This shall not be required if the amount financed does not exceed $75 and the finance charges does not exceed $5, or if the amount financed exceeds $75 and the finance charge does not exceed $7.50.

"(5) The sum of the amount financed and the finance charge, which shall be termed the 'total of payments'.

"(6) The number, amount, and due dates or period of payments scheduled to repay the total of payments.

"(7) In a sale of property or services in which the seller is the creditor required to disclose pursuant to section 121(b), the 'total sale price', using that term, which shall be the total of the cash price of the property or services, additional charges, and the finance charge.

"(8) Descriptive explanations of the terms 'amount financed', 'finance charge', 'annual percentage rate', 'total of payments', and 'total sale price' as specified by the Board. The descriptive explanation of 'total sale price' shall include reference to the amount of the downpayment.

"(9) Where the credit is secured, a statement that a security interest has been taken in (A) the property which is purchased as part of the credit transaction, or (B) property not purchased as part of the credit transaction identified by item or type.

"(10) Any dollar charge or percentage amount which may be imposed by a creditor solely on account of a late payment, other than a deferral or extension charge.

"(11) A statement indicating whether or not the consumer is entitled to a rebate of any finance charge upon refinancing or prepayment in full pursuant to acceleration or otherwise, if the obligation involves a precomputed finance charge. A statement indicating whether or not a penalty will be imposed in those same circumstances if the obligation involves a finance charge computed from time to time by application of a rate to the unpaid principal balance.

"(12) A statement that the consumer should refer to the appropriate contract document for any information such document provides about nonpayment, default, the right to accelerate the maturity of the debt, and prepayment rebates and penalties.

"(13) In any residential mortgage transaction, a statement indicating whether a subsequent purchaser or assignee of the consumer may assume the debt obligation on its original terms and conditions.".

(b) Section 128(b) of the Truth in Lending Act (15 U.S.C. 1638(b)) is amended to read as follows:

"(b)(1) Except as otherwise provided in this chapter, the disclosures required under subsection (a) shall be made before the credit is extended. Except for the disclosures required by subsection (a)(1) of this section, all disclosures required under subsection (a) and any disclosure provided for in subsection (b), (c), or (d) of section 106 shall be conspicuously segregated from all other terms, data, or information provided in connection with a transaction, including any computations or itemization.

"(2) In the case of a residential mortgage transaction, as defined in section 103(w), which is also subject to the Real Estate Settlement Procedures Act, good faith estimates of the disclosures required under subsection (a) shall be made in accordance with regulations of the Board under section 121(c) before the credit is extended, or shall be delivered or placed in the mail not later than three business days after the creditor receives the consumer's written application, whichever is earlier. If the disclosure statement furnished within three days of the written application contains an annual percentage rate which is subsequently rendered inaccurate within the meaning of section 107(c), the creditor shall furnish another statement at the time of settlement or consummation.".

(c) Section 128(c) of the Truth in Lending Act (15 U.S.C. 1638(c)) is amended—

(1) by inserting "(1)" after "(c)";

(2) by striking out "deferred payment price" and inserting in lieu thereof "total sale price"; and

(3) by adding at the end thereof the following new paragraph:

"(2) If a creditor receives a request for a loan by mail or telephone without personal solicitation and the terms of financing, including the annual percentage rate for representative amounts of credit, are set forth in the creditor's printed material distributed to the public, or in the contract of loan or other printed material delivered to the obligor, then the disclosures required under subsection (a) may be made at any time not later than the date the first payment is due.".

(d)(1) Section 129 of the Truth in Lending Act (15 U.S.C. 1639) is hereby repealed.

(2) The table of sections at the beginning of chapter 2 of the Truth in Lending Act is amended by striking out the item relating to section 129 and inserting in lieu thereof the following:

"129. [Repealed].".

(e)(1) Section 126 of the Truth in Lending Act (15 U.S.C. 1636) is hereby repealed.

(2) The table of sections at the beginning of chapter 2 of the Truth in Lending Act is amended by striking out the item relating to section 126 and inserting in lieu thereof the following:

"126. [Repealed].".

(f)(1) The table of sections at the beginning of chapter 2 of the Truth in Lending Act is amended by striking out the item relating to section 128 and inserting in lieu thereof the following:

"128. Consumer credit not under open end credit plans."

(2) The section heading for section 128 of the Truth in Lending Act (15 U.S.C. 1638) is amended by striking out "Sales" and inserting in lieu thereof "Consumer credit".

CIVIL LIABILITY

Sec. 615. (a) Section 130 of the Truth in Lending Act (15 U.S.C. 1640) is amended—

(1) in subsection (a)(2)(B), by striking out "in such action" and inserting in lieu thereof "under this subparagraph in any class action or series of class actions arising out of the same failure to comply by the same creditor";

(2) in subsection (a)(3), by inserting "or in any action in which a person is determined to have a right of rescission under section 125" after "liability";

(3) by amending subsections (b), (c), and (d) to read as follows:

"(b) A creditor or assignee has no liability under this section or section 108 or section 112 for any failure to comply with any requirement imposed under this chapter or chapter 5, if within sixty days after discovering an error, whether pursuant to a final written examination report or notice issued under section 108(e)(1) or through the creditor's or assignee's own procedures, and prior to the institution of an action under this section or the receipt of written notice of the error from the obligor, the creditor or assignee notifies the person concerned of the error and makes whatever adjustments in the appropriate account are necessary to assure that the person will not be required to pay an amount in excess of the charge actually disclosed, or the dollar equivalent of the annual percentage rate actually disclosed, whichever is lower.

"(c) A creditor or assignee may not be held liable in any action brought under this section or section 125 for a violation of this title if the creditor or assignee shows by a preponderance of evidence that the violation was not intentional and resulted from a bona fide error notwithstanding the maintenance of procedures reasonably adapted to avoid such error. Examples of a bona fide error include, but are not limited to, clerical, calculation, computer malfunction and programing, and printing errors, except that an error of legal judgment with respect to a person's obligations under this title is not a bona fide error.

"(d) When there are multiple obligors in a consumer credit transaction or consumer lease, there shall be no more than one recovery of damages under subsection (a)(2) for a violation of this title.";

(4) in subsection (e), by adding at the end thereof the following new sentence: "This subsection does not bar a person from asserting a violation of this title in an action to collect the debt which was brought more than one year from the date of the occurrence of the violation as a matter of defense by recoupment or set-off in such action, except as otherwise provided by State law.";

(5) in subsection (f), by inserting ", section 108(b), section 108(c), section 108(e)," after "this section";

(6) in subsection (g), by adding at the end thereof the following new sentence: "This subsection does not bar any remedy permitted by section 125."; and

(7) by amending subsection (h) to read as follows:

"(h) A person may not take any action to offset any amount for which a creditor or assignee is potentially liable to such person under subsection (a)(2) against any amount owed by such person, unless the amount of the creditor's or assignee's liability under this title has been determined by judgment of a court of competent jurisdiction in an action of which such person was a party. This subsection does not bar a consumer then in default on the obligation from asserting a violation of this title as an original action, or as a defense or counterclaim to an action to collect amounts owed by the consumer brought by a person liable under this title.".

(b) Section 130(a) of the Truth in Lending Act (15 U.S.C. 1640(a)) is amended—

(1) by inserting ", including any requirement under section 125," immediately after "this chapter"; and

(2) by adding at the end thereof the following: "In connection with the disclosures referred to in section 127, a creditor shall have a liability determined under paragraph (2) only for failing to comply with the requirements of section 125, section 127(a), or of paragraph (4), (5), (6), (7), (8), (9), or (10) of section 127(b) or for failing to comply with disclosure requirements under State law for any term or item which the Board has determined to be substantially the same in meaning under section 111(a)(2) as any of the terms or items referred to in section 127(a) or any of those paragraphs of section 127(b). In connection with the disclosures referred to in section 128, a creditor shall have a liability determined under paragraph (2) only for failing to comply with the requirements of section 125 or of paragraph (2) (insofar as it requires a disclosure of the 'amount financed'), (3), (4), (5), (6), or (9) of section 128(a), or for failing to comply with disclosure requirements under State law for any term which the Board has determined to be substantially the same in meaning under section 111(a)(2) as any of the terms referred to in any of those paragraphs of section 128(a). With respect to any failure to make disclosures required under this chapter or chapter 4 or 5 of this title, liability shall be imposed only upon the creditor required to make disclosure, except as provided in section 131.".

LIABILITY OF ASSIGNEES

Sec. 616. (a) Section 131 of the Truth in Lending Act (15 U.S.C. 1641) is amended to read as follows:

"§ 131. Liability of assignees

"(a) Except as otherwise specifically provided in this title, any civil action for a violation of this title or proceeding under section 108 which may be brought against a creditor may be maintained against any assignee of such creditor only if the violation for which such action or proceeding is brought is apparent on the face of the disclosure statement, except where the assignment was involuntary. For the purpose of this section, a violation apparent on the face of the disclosure statement includes, but is not limited to (1) a disclosure which can be determined to be incomplete or inaccurate from the face of the disclosure statement or other documents assigned, or (2) a disclosure which does not use the terms required to be used by this title.

"(b) Except as provided in section 125(c), in any action or proceeding by or against any subsequent assignee of the original creditor without knowledge to the contrary by the assignee when he acquires the obligation, written acknowledgement of receipt by a person to whom a statement is required to be given pursuant to this title shall be conclusive proof of the delivery thereof and, except as provided in subsection (a), of compliance with this chapter. This section does not affect the rights of the obligor in any action against the original creditor.

"(c) Any consumer who has the right to rescind a transaction under section 125 may rescind the transaction as against any assignee of the obligation.".

(b) Section 115 of the Truth in Lending Act (15 U.S.C. 1614) is hereby repealed.

(c)(1) The table of sections at the beginning of chapter 1 of the Truth in Lending Act is amended by striking out the item relating to section 115 and inserting in lieu thereof the following:

"115. [Repealed].".

(2) The table of sections at the beginning of chapter 2 of the Truth in Lending Act is amended by striking out the item relating to section 131 and inserting in lieu thereof the following:

"131. Liability of assignees.".

LIABILITY OF CREDIT CARDHOLDER

Sec. 617. Section 133(a) of the Truth in Lending Act (15 U.S.C. 1643(a)) is amended to read as follows:

"(a)(1) A cardholder shall be liable for the unauthorized use of a credit card only if—

"(A) the card is an accepted credit card;

"(B) the liability is not in excess of $50;

"(C) the card issuer gives adequate notice to the cardholder of the potential liability;

"(D) the card issuer has provided the cardholder with a description of a means by which the card issuer may be notified of loss or theft of the card, which description may be provided on the face or reverse side of the statement required by section 127(b) or on a separate notice accompanying such statement;

"(E) the unauthorized use occurs before the card issuer has been notified that an unauthorized use of the credit card has occurred or may occur as the result of loss, theft, or otherwise; and

"(F) the card issuer has provided a method whereby the user of such card can be identified as the person authorized to use it.

"(2) For purposes of this section, a card issuer has been notified when such steps as may be reasonably required in the ordinary course of business to provide the card issuer with the pertinent information have been taken, whether or not any particular officer, employee, or agent of the card issuer does in fact receive such information.".

DISSEMINATION OF ANNUAL PERCENTAGE RATES

SEC. 618. (a) Chapter 2 of the Truth in Lending Act (15 U.S.C. 1631 et seq.) is amended by adding at the end thereof the following new section:

"§ 136. Dissemination of annual percentage rates

"(a) The Board shall collect, publish, and disseminate to the public, on a demonstration basis in a number of standard metropolitan statistical areas to be determined by the Board, the annual percentage rates charged for representative types of nonsale credit by creditors in such areas. For the purpose of this section, the Board is authorized to require creditors in such areas to furnish information necessary for the Board to collect, publish, and disseminate such information.

"(b) The Board is authorized to enter into contracts or other arrangements with appropriate persons, organizations, or State agencies to carry out its functions under subsection (a) and to furnish financial assistance in support thereof.".

(b) The table of sections contained at the beginning of such chapter is amended by adding at the end thereof the following new item:

"136. Dissemination of annual percentage rates.".

CREDIT ADVERTISING

SEC. 619. (a) Section 143 of the Truth in Lending Act (15 U.S.C. 1662) is amended to read as follows:

"§ 143. Advertising of open end credit plans

"No advertisement to aid, promote, or assist directly or indirectly the extension of consumer credit under an open end credit plan may set forth any of the specific terms of that plan unless it also clearly and conspicuously sets forth all of the following items:

"(1) Any minimum or fixed amount which could be imposed.

"(2) In any case in which periodic rates may be used to compute the finance charge, the periodic rates expressed as annual percentage rates.

"(3) Any other term that the Board may by regulation require to be disclosed.".

(b) Section 144(d) of the Truth in Lending Act (15 U.S.C. 1664) is amended by striking out paragraphs (1) through (4) thereof, and inserting in lieu thereof the following:

"(1) The downpayment, if any.

"(2) The terms of repayment.

"(3) The rate of the finance charge expressed as an annual percentage rate.".

CORRECTION OF BILLING ERRORS

SEC. 620. (a) Section 161(b) of the Truth in Lending Act (15 U.S.C. 1666(b)) is amended—

(1) by redesignating paragraph (6) as paragraph (7); and

(2) by inserting after paragraph (5) the following:

"(6) Failure to transmit the statement required under section 127(b) of this Act to the last address of the obligor which has been disclosed to the creditor, unless that address was furnished less than twenty days before the end of the billing cycle for which the statement is required.".

(b) Section 161(c) of the Truth in Lending Act (15 U.S.C. 1666(c)) is amended by inserting ", which may include finance charges on amounts in dispute," after "of statements of account".

CREDIT BALANCES

SEC. 621. (a) Section 165 of the Truth in Lending Act (15 U.S.C. 1666d) is amended to read as follows:

"§ 165. Treatment of credit balances

"Whenever a credit balance in excess of $1 is created in connection with a consumer credit transaction through (1) transmittal of funds to a creditor in excess of the total balance due on an account, (2) rebates of unearned finance charges or insurance premiums, or (3) amounts otherwise owed to or held for the benefit of an obligor, the creditor shall—

"(A) credit the amount of the credit balance to the consumer's account;

"(B) refund any part of the amount of the remaining credit balance, upon request of the consumer; and

"(C) make a good faith effort to refund to the consumer by cash, check, or money order any part of the amount of the credit balance remaining in the account for more than six months, except that no further action is required in any case in which the consumer's current location is not known by the creditor and cannot be traced through the consumer's last known address or telephone number.".

(b) The table of sections at the beginning of chapter 4 of the Truth in Lending Act is amended by striking out the item relating to section 165 and inserting in lieu thereof the following:

"165. Treatment of credit balances.".

GOVERNMENT EXEMPTION

SEC. 622. (a) Section 113 of the Truth in Lending Act (15 U.S.C. 1612) is amended to read as follows:

"§ 113. Effect on governmental agencies

"(a) Any department or agency of the United States which administers a credit program in which it extends, insures, or guarantees consumer credit and in which it provides instruments to a creditor which contain any disclosures required by this title shall, prior to the issuance or continued use of such instruments, consult with the Board to assure that such instruments comply with this title.

"(b) No civil or criminal penalty provided under this title for any violation thereof may be imposed upon the United States or any department or agency thereof, or upon any State or political subdivision thereof, or any agency of any State or political subdivision.

"(c) A creditor participating in a credit program administered, insured, or guaranteed by any department or agency of the United States shall not be held liable for a civil or criminal penalty under this title in any case in which the violation results from the use of an instrument required by any such department or agency.

"(d) A creditor participating in a credit program administered, insured, or guaranteed by any department or agency of the United States shall not be held liable for a civil or criminal penalty under the laws of any State (other than laws determined under section 111 to be inconsistent with this title) for any technical or procedural failure, such as a failure to use a specific form, to make information available at a specific place on an instrument, or to use a specific typeface, as required by State law, which is caused by the use of an instrument required to be used by such department or agency.".

(b) The table of sections at the beginning of chapter 1 of the Truth in Lending Act is amended by striking out the item relating to section 113 and inserting in lieu thereof the following:

"113. Effect on governmental agencies."

ORAL DISCLOSURES

SEC. 623. (a) Section 146 of the Truth in Lending Act (15 U.S.C. 1665a) is amended to read as follows:

"§ 146. Use of annual percentage rate in oral disclosures

"In responding orally to any inquiry about the cost of credit, a creditor, regardless of the method used to compute finance charges, shall state rates only in terms of the annual percentage rate, except that in the case of an open end credit plan, the periodic rate also may be stated and, in the case of an other than open end credit plan where a major component of the finance charge consists of interest computed at a simple annual rate, the simple annual rate also may be stated. The Board may, by regulation, modify the requirements of this section or provide an exception from this section for a transaction or class of transactions for which the creditor cannot determine in advance the applicable annual percentage rate.".

(b) The table of sections at the beginning of chapter 3 of the Truth in Lending Act is amended by striking out the item relating to section 146 and inserting in lieu thereof the following:

"146. Use of annual percentage rate in oral disclosures.".

CONSUMER LEASING

SEC. 624. Section 185(b) of the Truth in Lending Act (15 U.S.C. 1667d(b)) is amended by striking out "sections 115, 130, and 131" and inserting in lieu thereof "sections 130 and 131".

EFFECTIVE DATE

SEC. 625. (a) Except as provided in section 608(b), the amendments made by this title shall take effect upon the expiration of two years after the date of enactment of this title.

(b) All regulations, forms, and clauses required to be prescribed under the amendments made by this title shall be promulgated at least one year prior to such effective date.

(c) Notwithstanding subsections (a) and (b), any creditor may comply with the amendments made by this title, in accordance with the regulations, forms, and clauses prescribed by the Board, prior to such effective date.

TITLE VII—AMENDMENTS TO THE NATIONAL BANKING LAWS

PART A—NATIONAL BANKING LAWS

POWER TO HOLD REAL PROPERTY OR INTERESTS IN REAL PROPERTY

SEC. 701. (a) Section 5137 of the Revised Statutes (12 U.S.C. 29) is amended—

(1) by inserting before the period at the end of the last paragraph thereof the following: "except as otherwise provided in this section"; and

(2) by adding at the end thereof the following new paragraph:

"For real estate in the possession of a national banking association upon application by the association, the Comptroller of the Currency may approve the possession of any such real estate by such association for a period longer than five years, but not to exceed an additional five years, if (1) the association has made a good faith attempt to dispose of the real estate within the five-year period, or (2) disposal within the five-year period would be detrimental to the association. Upon notification by the association to the Comptroller of the Currency that such conditions exist that require the expenditure of funds for the development and improvement of such real estate, and subject to such conditions and limitations as the Comptroller of the Currency shall prescribe, the association may expend such funds as are needed to enable such association to recover its total investment.".

(b) Section 4(a) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(a)) is amended by adding at the end thereof the following: "Notwithstanding any other provision of this Act, the period ending December 31, 1980, referred to in paragraph (2) above, may be extended by the Board of Governors to December 31, 1982, but only for the divestiture by a bank holding company of real estate or interests in real estate lawfully acquired for investment or development. In making its decision whether to grant such extension, the Board shall consider whether the company has made a good faith effort to divest such interests and whether such extension is necessary to avert substantial loss to the company.".

DIVIDENDS ON PREFERRED STOCK

SEC. 702. The first sentence of subsection (a) of section 302 of the Act entitled "An Act to provide relief in the existing national emergency in banking, and for other purposes", approved March 9, 1933 (12 U.S.C. 51b), is amended by striking out "at a rate not exceeding 6 per centum per annum".

CONSIDERATION OF PREFERRED STOCK IN DETERMINING IMPAIRMENT OF CAPITAL

SEC. 703. The third sentence of section 345 of the Banking Act of 1935 (12 U.S.C. 51b–1) is amended by striking out "at a rate not exceeding six per centum per annum".

REVOCATION OF TRUST POWERS

SEC. 704. The first section of the Act of September 28, 1962 (76 Stat. 668; 12 U.S.C. 92a), is amended by adding at the end thereof the following new subsection:

"(k) (1) In addition to the authority conferred by other law, if, in the opinion of the Comptroller of the Currency, a national banking association is unlawfully or unsoundly exercising, or has unlawfully or unsoundly exercised, or has failed for a period of five consecutive years to exercise, the powers granted by this section or otherwise fails or has failed to comply with the requirements of this section, the Comptroller may issue and serve upon the association a notice of intent to revoke the authority of the association to exercise the powers granted by this section. The notice shall contain a statement of the facts constituting the alleged unlawful or unsound exercise of powers, or failure to exercise powers, or failure to comply, and shall fix a time and place at which a hearing will be held to determine whether an order revoking authority to exercise such powers should issue against the association.

"(2) Such hearing shall be conducted in accordance with the provisions of subsection (h) of section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818(h)), and subject to judicial review as provided in such section, and shall be fixed for a date not earlier than thirty days nor later than sixty days after service of such notice unless an earlier or later date is set by the Comptroller at the request of any association so served.

"(3) Unless the association so served shall appear at the hearing by a duly authorized representative, it shall be deemed to have consented to the issuance of the revocation order. In the event of such consent, or if upon the record made at any such hearing, the Comptroller shall find that any allegation specified in the notice of charges has been established, the Comptroller may issue and serve upon the association an order prohibiting it from accepting any new or additional trust accounts and revoking authority to exercise any and all powers granted by this section, except that such order shall permit the association to continue to service all previously accepted trust accounts pending their expeditious divestiture or termination.

"(4) A revocation order shall become effective not earlier than the expiration of thirty days after service of such order upon the association so served (except in the case of a revocation order issued upon consent, which shall become effective at the time specified therein), and shall remain effective and enforceable, except to such extent as it is stayed, modified, terminated, or set aside by action of the Comptroller or a reviewing court.".

EMERGENCY LIMITATIONS AND RESTRICTIONS ON BUSINESS OF MEMBER BANKS

SEC. 705. Section 4 of the Act of March 9, 1933 (48 Stat. 2; 12 U.S.C. 95), is amended—

(1) by inserting "(a)" after "Sec. 4."; and

(2) by adding at the end thereof the following:

"(b) (1) In the event of natural calamity, riot, insurrection, war, or other emergency conditions occurring in any State whether caused by acts of nature or of man, the Comptroller of the Currency may designate by proclamation any day a legal holiday for the national banking associations located in that State. In the event that the emergency conditions affect only part of a State, the Comptroller of the Currency may designate the part so affected and may proclaim a legal holiday for the national banking associations located in that affected part. In the event that a State or a State official authorized by law designates any day as a legal holiday for either emergency or ceremonial reasons for all banks chartered by that State to do business within that State, that same day shall be a legal holiday for all national banking associations chartered to do business within that State unless the Comptroller of the Currency shall by written order permit all national banking associations located in that State to remain open.

"(2) For the purpose of this subsection, the term 'State' means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Northern Mariana Islands, Guam, the Virgin Islands, American Samoa, the Trust Territory of the Pacific Islands, or any other territory or possession of the United States.".

PROCEDURE FOR CONVERSION, MERGER, OR CONSOLIDATION

SEC. 706. The second sentence of subsection (b) of section 2 of the Act of August 17, 1950 (64 Stat. 456; 12 U.S.C. 214a(b)), is amended by striking out "unanimous" and inserting in lieu thereof "majority".

DELEGATION OF AUTHORITY

SEC. 707. (a) Chapter 9 of title VII of the Revised Statutes (12 U.S.C. 1 et seq.) is amended by inserting after section 327 the following new section:

"SEC. 327A. The Comptroller of the Currency may delegate to any duly authorized employee, representative, or agent any power vested in the office by law.".

(b) The table of contents contained at the beginning of chapter 9 of title VII of the Revised Statutes is amended by inserting after the item relating to section 327 the following new item:

"327A. Delegation of authority.".

AUTHORITY TO PRESCRIBE REGULATIONS

SEC. 708. Chapter 4 of title LXII of the Revised Statutes (12 U.S.C. 21 et seq.) is amended by inserting immediately following section 5239 a new section 5239A to read as follows:

"SEC. 5239A. Except to the extent that authority to issue such rules and regulations has been expressly and exclusively granted to another regulatory agency, the Comptroller of the Currency is authorized to prescribe rules and regulations to carry out the responsibilities of the office, except that the authority conferred by this section does not apply to section 5155 of the Revised Statutes or to securities activities of National Banks under the Act commonly known as the 'Glass-Steagall Act'.".

EXAMINATION OF NATIONAL BANKING ASSOCIATIONS

SEC. 709. (a) Section 5240 of the Revised Statutes (12 U.S.C. 481) is amended by striking out the first two sentences and inserting in lieu thereof the following: "The Comptroller of the Currency, with the approval of the Secretary of the Treasury, shall appoint examiners who shall examine every national bank as often as the Comptroller of the Currency shall deem necessary.".

(b) Section 5240 of the Revised Statutes (12 U.S.C. 481) is amended by adding at the end thereof the following new sentence: "The Comptroller of the Currency, upon the request of the Board of Governors of the Federal Reserve System, is authorized to assign examiners appointed under this section to examine foreign operations of State banks which are members of the Federal Reserve System.".

OWNERSHIP INTEREST OF DIRECTORS OF NATIONAL BANKS

SEC. 710. The second sentence of section 5146 of the Revised Statutes (12 U.S.C. 72) is amended by striking out the second sentence and inserting in lieu thereof the following: "Every director must own in his or her own right either shares of the capital stock of the association of which he or she is a director the aggregate par value of which is not less than $1,000, or an equivalent interest, as determined by the Comptroller of the Currency, in any company which has control over such association within the meaning of section 2 of the Bank Holding Company Act of 1956 (12 U.S.C. 1841). If the capital of the bank does not exceed $25,000, every director must own in his or her own right either shares of such capital stock the aggregate par value of which is not less than $500, or an equivalent interest, as determined by the Comptroller of the Currency, in any company which has control over such association within the meaning of section 2 of the Bank Holding Company Act of 1956 (12 U.S.C. 1841).".

PURCHASE OF STOCK IN BANKERS' BANKS

SEC. 711. The paragraph numbered "Seventh" of section 5136 of the Revised Statutes (12 U.S.C. 24(7)) is amended by inserting before the period at the end thereof the following: ": *Provided further*, That, notwithstanding any other provision of this paragraph, the association may purchase for its own account shares of stock of a bank insured by the Federal Deposit Insurance Corporation if the stock of such bank is owned exclusively by other banks (except to the extent State law requires directors qualifying shares) and if such bank is engaged exclusively in providing banking services for other banks and their officers, directors, or employees, but in no event shall the total amount of such stock held by the association exceed at any time 10 per centum of its capital stock and paid in and unimpaired surplus, and in no event shall the purchase of such stock result in the association's acquiring more than 5 per centum of any class of voting securities of such bank".

INTERSTATE TRUST OPERATIONS

SEC. 712. (a) Section 5169 of the Revised Statutes (12 U.S.C. 27) is amended by adding at the end thereof the following: "Notwithstanding the provisions of the preceding sentence, a national banking association the operations of which are limited as provided in the preceding sentence shall be deemed an additional bank within the contemplation of section 3 of the Bank Holding Company Act of 1956.".

(b) Section 3(d) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(d)) is amended by inserting "(1)" after "(d)" and by adding at the end thereof the following:

"(2)(A) Except as provided in subparagraph (B), the restrictions contained in paragraph (1) regarding the acquisition of shares or assets of, or interests in, an additional bank shall apply to the acquisition of shares or assets of, or interests in, a trust company.

"(B) Subparagraph (A) shall not apply with respect to the acquisition of shares or assets of, or interests in, a trust company if such acquisition was approved by the Board on or before March 5, 1980, and if such trust company opened for business and was operating on or before March 5, 1980.

"(C) For the purpose of this paragraph, the term 'trust company' means any company whose powers are limited to the powers specified in subsection (a) of the first section of the Act entitled 'An Act to place authority over the trust powers of national banks in the Comptroller of the Currency', approved September 28, 1962 (12 U.S.C. 92a), for a national bank located in the same State in which such trust company is located.".

(c) The amendments made by this section are hereby repealed on October 1, 1981.

LOANS FOR THE FORMATION OF A ONE-BANK HOLDING COMPANY

SEC. 713. Section 3(c) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(c)) is amended by adding at the end thereof the following: "Notwithstanding any other provision of law, the Board shall not follow any practice or policy in the consideration of any application for the formation of a one-bank holding company if following such practice or policy would result in the rejection of such application solely because the transaction to form such one-bank holding company involves a bank stock loan which is for a period of not more than twenty-five years. The previous sentence shall not be construed to prohibit the Board from rejecting any application solely because the other financial arrangements are considered unsatisfactory. The Board shall consider transactions involving bank stock loans for the formation of a one-bank holding company having a maturity of twelve years or more on a case by case basis and no such transaction shall be approved if the Board believes the safety or soundness of the bank may be jeopardized.".

PART B—TERMINATION OF NATIONAL BANK CLOSED RECEIVERSHIP FUND

PURPOSE

SEC. 721. The purpose of this part is to terminate the closed receivership fund by—

(1) providing final notice of availability of liquidating dividends to creditors of national banks closed on or before January 22, 1934;

(2) barring rights of creditors to collect liquidating dividends from the Comptroller of the Currency after a reasonable period of time following such final notice; and

(3) refunding to the Comptroller the principal amount of such fund and any income earned thereon.

DEFINITIONS

SEC. 722. For purposes of this part—

(1) the term "closed receivership fund" means the aggregation of undisbursed liquidating dividends from national banks closed on or before January 22, 1934, held by the Comptroller in his capacity as successor to receivers of those banks;

(2) the term "Comptroller" means the Comptroller of the Currency;

(3) the term "claimant" means a depositor or other creditor who asserts a claim against a closed national bank for a liquidating dividend; and

(4) the term "liquidating dividend" means an amount of money in the closed receivership fund determined by a receiver of a closed national bank or by the Comptroller to be owed by that bank to a depositor or other creditor.

TERMINATION OF CLOSED RECEIVERSHIP FUND

SEC. 723. (a) The Comptroller shall publish notice once a week for four weeks in the Federal Register that all rights of depositors and other creditors of closed national banks to collect liquidating dividends from the closed receivership fund shall be barred after twelve months following the last date of publication of such notice.

(b) The Comptroller shall pay the principal amount of a liquidating dividend, exclusive of any income earned thereon, to a claimant presenting a valid claim, if the claimant applies to collect within twelve months following the last date notice is published.

(c) If a creditor shall fail to apply to collect a liquidating dividend within twelve months after the last date notice is published, all rights of the claimant against the closed receivership fund with respect to the liquidating dividend shall be barred.

(d) The principal amount of any liquidating dividends (1) for which claims have not been asserted within twelve months following the last date notice is published or (2) for which the Comptroller has determined a valid claim has not been submitted shall, together with any income earned on liquidating dividends and other moneys, if any, remaining in the closed receivership fund, be covered into the general funds of the Comptroller.

TITLE VIII—REGULATORY SIMPLIFICATION

SHORT TITLE

SEC. 801. This title may be cited as the "Financial Regulation Simplification Act of 1980".

FINDINGS

SEC. 802. The Congress hereby finds that many regulations issued by the Board of Governors of the Federal Reserve System, the Board of Directors of the Federal Deposit Insurance Corporation, the Comptroller of the Currency, the Federal Home Loan Bank Board, and the National Credit Union Administration Board (hereinafter in this title referred to as the "Federal financial regulatory agencies") often impose costly, duplicative, and unnecessary burdens on both financial institutions and consumers. Regulations should be simple and clearly written. Regulations should achieve legislative goals effectively and efficiently. Regulations should not impose unnecessary costs and paperwork burdens on the economy, on financial institutions, or on consumers.

POLICY

SEC. 803. Any regulation issued by the Federal financial regulatory agencies shall, to the maximum extent practicable, insure that—

(1) the need for and purpose of such regulation is established clearly;

(2) meaningful alternatives to the promulgation of such regulation are considered before such regulation is issued;

(3) compliance costs, paperwork, and other burdens on the financial institutions, consumers, and public are minimized;

(4) conflicts, duplication, and inconsistencies between the regulations issued by the Federal financial regulatory agencies are to be avoided to the extent possible taking into account differences in statutory responsibilities, the classes of financial institutions' regulation and methods of implementation of statutory or policy objectives;

(5) timely participation and comment by other Federal agencies, appropriate State and local agencies, financial institutions, and consumers are available; and

(6) any regulation issued shall be as simple and clearly written as possible and understandable by those who are subject to such regulation.

REVIEW OF EXISTING REGULATIONS

SEC. 804. The Federal financial regulatory agencies shall establish a program which assures periodic review of existing regulations to determine whether those regulations achieve the policies stated in section 803. Those regulations which are not in keeping with such policies shall be revised accordingly.

REPORTING

SEC. 805. Not later than six months after the date of enactment of this title and in subsequent annual reports, each Federal financial regulatory agency shall submit a report of its progress in implementing this title to the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate.

TERMINATION DATE

SEC. 806. This title is hereby repealed five years after the date of enactment of this title.

TITLE IX—FOREIGN CONTROL OF UNITED STATES FINANCIAL INSTITUTIONS

DEFINITIONS

SEC. 901. For purposes of this title—

(1) the term "domestic financial institution" means any bank, mutual savings bank, or savings and loan association organized under the laws of any State or of the United States;

(2) the term "foreign person" means any foreign organization or any individual resident in a foreign country or any organization or individual owned or controlled by such an organization or individual; and

(3) the term "takeover" means any acquisition of the stock or assets of any domestic financial institution if, after such acquisition, the amount of stock or assets held is 5 per centum or more of the institution's stock or assets.

MORATORIUM

SEC. 902. The Board of Governors of the Federal Reserve System, the Comptroller of the Currency, the Board of Directors of the Federal Deposit Insurance Corporation, and the Federal Home Loan Bank Board may not approve any application relating to the takeover of any domestic financial institution by a foreign person until July 1, 1980, unless—

(1) such takeover is necessary to prevent the bankruptcy or insolvency of the domestic financial institution involved;

(2) the application was initially submitted for filing on or before March 5, 1980;

(3) the domestic financial institution has deposits of less than $100,000,000;

(4) the application relates to a takeover of shares or assets pursuant to a foreign person's intrafirm reorganization of its interests in a domestic financial institution, including specifically any application to establish a bank holding company pursuant to such reorganization;

(5) the application relates to a takeover of the assets or shares of a domestic financial institution if such assets or shares are owned or controlled by a foreign person; or

(6) the application relates to the takeover of a domestic financial institution which is a subsidiary of a bank holding company under an order to divest by December 31, 1980.

And the House agree to the same.

HENRY S. REUSS,
FERNAND J. ST GERMAIN,
DOUG BARNARD, Jr.,
J. W. STANTON,
CHALMERS P. WYLIE,
Managers on the Part of the House.

WILLIAM PROXMIRE,
HARRISON A. WILLIAMS, Jr.,
ALAN CRANSTON,
JAKE GARN,
JOHN TOWER,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the House to the amendment of the Senate to the bill (H.R. 4986) to amend the Federal Reserve Act to authorize the automatic transfer of funds, to authorize negotiable order-of-withdrawal accounts at depository institutions, to authorize federally chartered savings and loan associations to establish remote service units, and to authorize federally insured credit unions to maintain share draft accounts, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment struck out all of the House bill after the enacting clause and inserted a substitute text.

The House amendment to the Senate amendment struck out all of the Senate amendment and inserted a substitute text.

The Senate recedes from its disagreement to the amendment of the House with an amendment which is a substitute for the House amendment and the Senate amendment. The differences between the House amendment, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

SHORT TITLE

The House amendment provides that the short title would be "Consumer Checking Account Equity and Monetary Control Act of 1979", while the Senate amendment provides that it would be "Depository Institutions Deregulation Act of 1970". The conferees agreed on the following short title: "Depository Institutions Deregulation and Monetary Control Act of 1980."

TITLE I—MONETARY CONTROL ACT OF 1980

The conference reported bill provides certain Federal Reserve requirements for all depository institutions. It does not, however, require any institution to be a member of the Federal Reserve.

Reserve Requirements. The bill provides a range on transaction accounts of 8 to 14 percent with an initial rate of 12 percent. These rates apply to all transaction accounts over $25 million. The reserve requirement on transaction accounts below $25 million is three percent. The base level of $25 million is indexed to change each year by 80 percent of the change in total transaction deposits.

The initial rate of required reserves on all non-personal time deposits regardless of maturity is 3 percent with a range of 0 to 9 percent.

These reserve requirements would apply to all depository institutions. Depository institutions are authorized to use balances maintained in Federal Reserve banks to satisfy liquidity requirements under the Federal Home Loan Bank Act and the Nation Credit Union Act.

The conferees indicated that in implementing the reserve requirement changes made by this Act, it was understood that the Federal Reserve would offset any changes in reserve availability through open market operations.

Phase-In of Reserve Requirements. Reserve requirements would be put into place over a period of eight years for non-member institutions and four years for member banks following the date of enactment of the bill. Any bank that was a member as of July 1, 1979, even though it left the Federal Reserve System after that date, is subject to reserve requirements as if it were a member bank.

The bill also provides that for any new types of deposits or accounts authorized after the reserve requirement provisions become effective there be no phase-in period for reserve requirements for either member banks or non-member depository institutions. This would apply to NOW accounts, except for NOW accounts in those eight states where they are currently authorized by law.

Reserves in Extraordinary Circumstances. The Federal Reserve Board is permitted to impose reserve requirements outside the statutory limits in extraordinary circumstances for a period of 180 days.

Supplemental Reserves. The Federal Reserve Board is permitted to impose a supplemental reserve on transaction accounts within a range of 0 to 4 percent if the Board finds that monetary policy cannot be effectively implemented with the reserve balances required under all other provisions of the legislation. An affirmative vote of five or more members of the Federal Reserve Board would be required for this power to be used. These reserves would be uniform for all depository institutions. The Federal Reserve shall pay interest on the reserves imposed by this authority at a rate up to the average rate earned on the securities portfolio of the Federal Reserve System.

The Federal Reserve must justify use of the supplemental in a report to the Banking Committees.

In adopting the supplemental provision the conferees intended to give the Federal Reserve Board the type of "insurance policy" or "safety net" that Chairman Volcker requested in his appearance before the Senate Banking Committee in September 1979. Thus, the conferees expect that before this authority is used its need will be fully justified, and that the case for the need for such supplemental reserves be based on the inadequacies of the reserve balances for monetary control, and for other purpose. The Board may impose a supplemental reserve only for the purpose of effectuating monetary policy. A supplementary reserve requirement shall not be imposed for the purpose of reducing the cost burdens resulting from the imposition of the other reserve requirements of section 19(b) of the Federal Reserve Act and may not be imposed for the purpose of increasing the amount of balances needed for clearing purposes.

The supplemental reserve provision may only be used if the basic reserves provided for this Act equal, in dollar amounts, the reserves that would be produced if the reserve ratios were maintained at 3 percent on non-personal time deposits and 12 percent on transaction accounts.

Access to the Federal Reserve's Discount Window. Any depository institution holding transactions accounts would have access under the same terms and conditions as member banks to the Federal Reserve discount window upon enactment of the bill.

Pricing of Federal Reserve Services. The House amendment includes a provision for the Federal Reserve to price services provided by the Federal Reserve Banks and open access to these services to all depository institutions on the same terms and conditions as member banks.

The pricing provisions of the House amendment were modified to require that the Board shall begin to put pricing of services into effect within 18 months after the date of enactment. The pricing principles shall give due regard to competitive factors. The Federal Reserve will charge depository institutions for float on checks within the system, and reduce Federal Reserve bank budgets in line with reductions in service volume.

As part of its annual report to the Congress, the Federal Reserve Board shall make a detailed report of the costs of providing each of its services, the means by which the fee charges for each such service were determined and the impact of its service offerings and the fees charged on competing or potentially competing service providers, depository institutions, and commercial and private consumers.

Currency. The bill expands the types of Federal Reserve assets that can be used to collateralize Federal Reserve notes and removes the requirement that Federal Reserve notes in the vaults of the Federal Reserve banks be collateralized.

TITLE II—DEPOSITORY INSTITUTIONS DEREGULATION

The Senate amendment to the House amendment provides for a two year extension of current Regulation Q authority. The Senate amendment further provides that beginning January 1, 1982, and ending January 1, 1989, the rate ceilings on all types of deposits would increase one-half of a percentage point every year; the Federal Reserve is given authority in consultation with the FDIC, the FHLBB, and the NCUA to postpone or reduce any increase in rates if it is found that economic conditions warrant or that such action is necessary to avoid a threat to the economic viability of depository institutions.

The Senate amendment also provides that the authority of the Federal Reserve Board, the FDIC, the FHLBB, and the NCUA to set interest rates on deposits would terminate on January 1, 1990. The Federal Reserve Board is given the power, in consultation with the FDIC, the FHLBB, the NCUA, to impose ceilings after that date upon a finding that an extreme economic emergency exists and that such action is necessary to maintain the economic viability of depository institutions.

The House amendment to the Senate amendment contains no similar provisions.

The conferees adopted a provision that transfers the authority to set interest rates on deposits under P.L. 89–597 from the Federal Reserve Board, the FDIC, and the FHLBB to a six-member Depository Institutions Deregulation Committee made up of the heads of those agencies plus the Secretary of the Treasury, the Chairman of the NCUA, with the Comptroller of the Currency as a nonvoting member. The committee will meet in public session no less than quarterly and will make its decisions by majority vote of the voting members. The committee will, therefore, conduct its business in conformity with the government in the Sunshine Act, P.L. 94–409. The conferees also intend that this committee will be subject to the Freedom of Information Act.

Authority to control the rates paid on deposits by depository institutions under P.L. 89–597 was provided for a term of six years from the date of enactment of the legislation in order to give thrift institutions time to incorporate the new powers granted to them so they may increase their earnings and be in a position to attract deposits by paying market interest rates. During the six-year period, the committee is directed to provide for a phase-out of Regulation Q just as soon as is possible by increasing the permissible rates paid to depositors on all accounts to market rates, by a phased elimination of all interest ceilings on particular classes of deposits by the creation of new types of deposits, not subject to ceilings or with ceilings linked to market rates, or by any combination of those approaches.

In order to provide assurance that the committee will by majority vote increase permissible deposit rate ceilings to market rates just as soon as possible, specific targets for increasing rates are set forth in the legislation. The legislation provides for a targeted increase of ¼ percentage point in the permissible passbook rate within eighteen months after enactment. The committee may increase any other rates during this period. Within the third, fourth, fifth and sixth years after enactment, the legislation provides for additional targeted increases of ½ percent on all classes of accounts. These targets are not limited to passbook accounts.

The committee is not bound by any target. It may exceed any target if economic conditions warrant; decide not to increase permissible rates at all; selectively increase or decrease permissible rates on any particular class of deposits or lower permissible rates on any and all accounts if economic conditions warrant. The committee may exercise this authority to increase or decrease rates at any time during the six year period.

The provisions of Section 102 of Public Law 94–200 remain in effect but all authority to administer its provisions is transferred to the committee. The committee may create new classes of accounts for all depository institutions and is not required to provide for a differential on permissible rates between thrift institutions and commercial banks on such accounts. As to the classes of accounts for which a differential may not be eliminated except in accordance with P.L. 94–200 (which requires Congressional action), the committee may increase permissible rates for all types of depository institutions on such accounts to a market rate, provided that a differential is maintained in compliance with P.L. 94–200. It is understood that a decision by any one regulator member of the committee shall not preclude the committee from increasing interest rate ceilings as agreed by a majority of the committee, since the conference reported bill eliminates the agencies' individual authority to set rates.

At the end of the sixth year after date of enactment of the bill, all Regulation Q authority expires. The legislation provides for a six-year extension of Regulation Q to permit thrifts to organize themselves to compete in a market environment. Thus, all the committee's authority will expire and the committee will go out of existence.

The conferees agreed that the phase-out must be accomplished in a way that ensures equity for depositors, especially those savers with small accounts, and ensures competitive equity among depository institutions, and between depository and non-depository institutions that compete for the savings dollar. The conferees also agreed that the phase-out must be handled with due regard for the financial viability of depository institutions.

The conferees' report retains those provisions of the law that permit the Federal Reserve Board, the FDIC, and the FHLBB to regulate depository institutions' advertising of interest rates.

The authority of NCUA to set interest rate ceilings for credit unions will expire six years after enactment, though NCUA's authority to regulate credit unions' advertising of interest rates will not be repealed. NCUA is expected to work toward parity of interest rates between share drafts and NOW accounts.

TITLE III—CONSUMER CHECKING ACCOUNT EQUITY ACT OF 1980

Short Title. The House amendment includes a short title for the transaction account title of the amendment as follows: "Consumer Checking Account Equity Act of 1979". The Senate amendment has no similar provision. The Senate recedes to the House with an amendment to change the year from 1979 to 1980.

Negotiable Order of Withdrawal Accounts (NOW accounts). The House amendment permits federally insured commercial banks, savings and loan associations, mutual savings banks and savings banks to offer NOW accounts nationwide. The Senate amendment contains similar language. The Senate recedes to the House on the technical differences between the two amendments. This provision is effective December 31, 1980.

Automatic Transfer Accounts at Commercial Banks. Both the House and Senate amendments make permanent the authority of commercial banks to offer these accounts as of March 31, 1980. The Senate recedes to the House on the technical differences between the two amendments. The permissable rate on ATS accounts is a matter within the discretion of the deregulation committee and the deregulation committee is expected to provide competitive equality between ATS and NOW accounts.

Remote Service Units at Federal Savings and Loan Associations. Both the House and Senate amendments make permanent the authority of federally chartered savings and loan associations to operate remote service units as of March 31, 1980. The House recedes to the Senate on the technical differences between the amendments.

Extension of Credit Linked to NOW accounts at Federal Mutual Savings Banks, and Federal Credit Unions. The House amendment permits federal savings and loan associations to offer preauthorized extensions of credit tied to NOW accounts. The Senate amendment contains a similar provision but only permits federal savings and loan associations, federal mutual savings banks, and federal credit unions to offer these extensions of credit upon the enactment of the Regulation Q phase-out. Such a phase-out is provided for in the conference reported bill. The House recedes to the Senate.

The conferees adopted a provision to permit Federal Home Loan Banks to process NOW account drafts and other instruments issued by their members or those eligible for membership. Such services would be priced in accordance with the pricing principles applicable to Federal Reserve Banks. This provision expands the Federal Home Loan Banks' existing authority to engage in the processing and settlement of negotiable orders or other instruments of payment. Such activity is a necessary concomitant of the continued viability of the Federal Home Loan Bank depository authority, a function which has greatly assisted the Bank System in serving for many years as an important source of funds for lending to members. Such deposits have been subject to withdrawal by check, money order and other instruments. In order for the Federal Home Loan Banks to continue to have deposits available to fund advances to member institutions, it is important that the Banks have the ability to service the broad and evolving financial service needs of their members.

The conference reported bill provides that the Federal Home Loan Banks will charge for services. Such services would be priced in accordance with the pricing principles applicable to Federal Reserve banks and shall be available to all eligible institutions on a nondiscriminatory basis.

Share Drafts at Credit Unions. The House amendment permits federally and state chartered federally insured credit unions to offer draft accounts. The Senate amendment permits only federally chartered credit unions to offer these accounts. The Senate recedes to the House thereby permitting all federally insured credit unions to offer these accounts as of March 31, 1980. The conferees adopted a provision to permit the Central Liquidity Facility to process share drafts and other instruments issued by CLF members, credit unions represented in the CLF by agent members, and those eligible for CLF membership. Such services would be priced in accordance with the pricing principles applicable to Federal Reserve banks and shall be available to all eligible institutions on a non-discriminatory basis.

Effective dates for transaction account authority

The House amendment provides that automatic transfer account authority, remote service unit operating authority, and share draft account authority will take effect on December 31, 1979. (Since P.L. 96–161 extended these authorities from December 31, 1979 to March 31, 1980, the House position would provide that the authority would take effect on the latter date.) The House amendment also provides that nationwide NOW account authority would take effect on September 30, 1980, 9 months after the effective date of ATS, RSU and share draft authorities. The Senate bill provided that NOW account authority for commercial banks would take effect upon enactment, and that similar authority for savings and loans and mutual savings banks, share drafts at credit unions and overdraft authority at thrift institutions would take effect upon enactment of a regulation Q phase-out.

The conferees adopted a provision which makes permanent ATS, RSU and share draft authority as of March 31, 1980, and authorizes nationwide NOW accounts as of December 31, 1980.

Alaska USA Federal Credit Union

The Senate amendment provides that any person who had an account at the Alaska USA Federal Credit Union prior to the termination date in the charter of that credit union could continue to be a member notwithstanding that termination date.

The House recedes to the Senate with an amendment extending for two years the termination date.

TITLE IV—POWERS OF THRIFT INSTITUTIONS AND MISCELLANEOUS PROVISIONS

Federal savings and loan investment authority

The Senate amendment provides various new investment authorities for federally chartered savings and loan associations. The House recedes to the Senate with an amendment.

The amendment allows savings and loans to invest up to an aggregate limit of 20 percent of assets in unsecured or secured consumer loans, commercial paper, and corporate debt securities.

The amendment allows savings and loans to permit associations to invest in, redeem, or hold shares or certificates of open-end investment companies.

The Senate amendment provides that Federal Savings and Loan Associations will be authorized to make residential real estate loans to the same extent as national banking associations. The House receded to the Senate with an amendment which removes the geographical lending restriction from the Home Owners Loan Act; removes the first lien restriction on residential real estate loans; authorizes second trust loans; expands the authority to make acquisition, development, and construction loans; and substitutes a 90% loan to value ratio requirement in place of the dollar limit (now $75,000) on residential real estate loans.

The amendment allows federal savings and loans to exercise trust and fiduciary powers and to offer credit card services.

Mutual capital certificates

The Senate amendment authorizes federal savings and loans to issue mutual capital certificates. The House receded to the Senate with an amendment permitting this but providing that the certificate will pay "dividends" rather than "interest", and that no dividend payment will be allowed prior to allocation for the Federal Insurance Requirements and net worth requirements.

Federal insurance reserves

The Senate amendment requires that mutual capital certificates be counted as assets eligible for inclusion in the Federal insurance reserve, and provides the FSLIC with authority to set insurance reserve requirements within a range of 3-6 per centum. The House recedes to the Senate.

Liquidity requirements for members of the Federal Home Loan Bank System

The Senate amendment would include shares or certificates of open-end management investment companies registered with the SEC in the list of assets currently eligible to satisfy liquidity requirement. The House recedes to the Senate.

Conversion of State stock savings and loan to Federal stock savings and loan

The Senate amendment authorizes the conversion of a state-chartered stock savings and loan to a Federal stock charter if the state institution has never had a mutual form.

The House recedes with an amendment which permits a state stock savings and loan to convert to a federal charter if the institution existed in a stock form for at least 4 years preceding the date of enactment of this Act.

Study of impact of low-yield mortgage portfolios on depository institutions

The Senate amendment requires a study of the problems faced by depository institutions with large numbers of low yield mortgages.

The House recedes to the Senate with an amendment providing for a study and recommendation on the options available to provide balance to the asset-liability management problems inherent in the thrift portfolio structure; the options available to increase the ability of thrift institutions to pay market rates of interest in periods of rapid inflation and high interest rates, and the options available through the Federal Home Loan Bank Systems and other federal agencies to assist thrifts in times of economic difficulties. The report will be completed in three months after enactment.

Federal mutual savings bank assets and liabilities

The Senate amendment would permit Federal mutual savings banks (MSBs) to invest up to 20 percent of their assets in loans or investments without regard to any limitations of Federal or state law provided that 65 percent of such investments are made within the state where the bank is located or within 50 miles of that state. The Senate amendment also permits Federal mutual savings banks to accept demand deposits from any source.

The House recedes to the Senate with an amendment. The amendment permits federally-chartered MSBs to hold up to 5 percent of their assets in commercial, corporate or business loans provided such loans are made within the state in which the MSB is located or made within 75 miles of the home office of the MSB.

Federal Credit Union Act amendments

The Senate amendment makes several amendments to the Federal Credit Union Act. These amendments would permit Federal credit unions to make loans on individual cooperative housing units, allow corporate central credit unions to purchase stock in the Central Liquidity Facility only for those members of the corporate central who want to participate in the CLF, strike the limitation on the contract authority on the CLF requiring appropriations, strike the term "Administrator" wherever it appears and insert "Board", and allow an agent member of the CLF to charge its members more than 12 percent if the CLF charges more than 12 perecnt.

The House recedes to the Senate with an amendment striking the language permitting corporate central credit unions to purchase stock only for its members who wish to participate in the CLF.

The conferees adopted a provision which would allow federal credit unions to raise their loan rates up to an annual rate of 15 percent subject to rules issued by the National Credit Union Administration. The legislation would also permit the National Credit Union Administration to raise the loan ceiling above 15 percent for periods not to exceed 18 months, after consultation with appropriate Congressional committees, the Department of Treasury, and the other federal financial regulatory agencies. This special authority could be invoked by the National Credit Union Administration Board only after the Board determines money market interest rates had risen over the preceding six-month period and when prevailing interest rate levels threatened the safety and soundness of individual credit unions as evidenced by adverse trends in liquidity, capital earnings and growth.

Insurance Accounts. The Senate amendment increases the limits on Federal deposit insurance from $40,000 to $50,000. The House recedes to the Senate with an amendment raising the limits on all Federal deposit insurance to $100,000 and permitting the FDIC to change its assessments.

TITLE V—STATE USURY LAWS

The Senate amendment contains various amendments providing for Federal overrides of state usury ceilings on business, agricultural and mortgage loans. Similar provisions were enacted as part of Public Law 96-161.

The House receded with an amendment which contains the following provisions:

State usury ceilings on first mortgage loans made by banks, savings and loans, credit unions, mutual savings banks, mortgage bankers and HUD-approved lenders under the National Housing Act will be permanently preempted, subject to a right of affected states to override the preemption if they act within 3 years.

State usury ceilings on business and agricultural loans above $25,000 made by any person will be preempted for 3 years, subject to a right of affected states to override the preemption. A ceiling of 5 percentage points above the discount rate (including any surcharge) in the Federal Reserve district where the institution is located will apply to such loans. The surcharge is to be included in computing the ceiling as long as it is prescribed by the Federal Reserve, regardless of whether or not it is actually collected against any institution.

State usury ceilings on all loans made by Federally insured depository institutions (except national banks), and small business investment companies will be permanently preempted subject to the right of affected states to override at any time and a ceiling of 1 percentage points above the appropriate Federal Reserve discount rate will apply, except to transactions subject to the preemptions of usury ceilings on mortgage loans and on business and agricultural loans above $25,000. Separate usury limits, administered by the Small Business Administration, will apply to small business investment companies.

In order for a state to override a federal preemption of state usury laws provided for in this title the override proposal must explicitly and by its terms indicate that the state is overriding the preemption. Under this requirement the state law, constitutional provision, or other override proposal must specifically refer to this Act and indicate that the state intends to override the federal preemption this Act provides. Since each of the bill's federal preemptions provides for a separate right of state override, the state's override proposal would be required to refer to the specific preemption, such as that on mortgage loans, on business and agricultural loans over $25,000, or that which permits federally-insured depository institutions to charge 1 percent over the Federal Reserve's discount rate on any loan.

Manufactured home financing

Manufactured home financing is covered by the mortgage usury preemption as long as such financing complies with consumer protection provisions specified in regulations of the FHLBB. The conferees intend that in developing these regulations the Bank Board should look for guidance to regulations, handbooks and circulars of the FHA and VA regarding mobile home lending, the provisions of the standard conventional mortgage forms of FHLMC and FNMA, and the provisions of the Uniform Consumer Credit Code. The conferees wish to emphasize that consumer protection provisions regarding manufactured home financing adopted in regulations of the Bank Board shall not preempt any state law which provides stronger protection to the consumer.

The conferees anticipate that the Federal Home Loan Bank Board will issue regulations describing the methods and assumptions to be used by creditors in calculating the refund of the unearned portion of the precomputed finance charge. In that connection, creditors should be permitted to make such calculations on the assumption that all payments actually received prior to prepayment were received as originally scheduled, or if deferred, as deferred. Under this assumption, prepayment shall be deemed to have been made on the next preceding or next succeeding installment due date, whichever is nearer to the date of prepayment. Alternatively, creditors should be permitted to make such calculations on the basis of the actual time the indebtedness was outstanding prior to the prepayment in full. However appropriate adjustments must be made for any late charges or fees previously collected by the creditor.

In addition to the required consumer protection provisions, the Bank Board is also given authority to include such other provisions as the Board may prescribe after a finding that additional protections are required. With respect to this authority to prescribe additional protections, the conferees intend that before exercising this authority, the Board should carefully, but expeditiously, study the implications of each additional requirement, including consideration of the economic impact on creditors and consumers of each requirement. At the time of publishing a proposed regulation to prescribe such additional protections, the Board should publish a report describing the information collected and reviewed and the Board's conclusion. However, if the Board finds that a particular blatant abuse exists, the conferees would not expect the Board to follow the process outlined above in enacting a provision to curb such abuses.

TITLE VI—TRUTH-IN-LENDING SIMPLIFICATION

The Senate amendment includes a number of provisions amending the Truth-in-Lending Act.

The House recedes to the Senate with an amendment which makes six changes in the Senate bill:

1. The Senate bill would not require an agency to order restitution if it would have a significantly adverse impact upon the safety and soundness of the creditor. It would permit an agency, however, to order partial restitution in an amount which did not have such an impact.

The House amendment would require full restitution to be made in such cases for loans begun after this legislation is enacted; however, a creditor could stretch the payments out over a period of times so as not to cause bankruptcy.

2. The Senate bill provides a detailed for-

mula for restitution payment relating to specific types of disclosure violations.

The House amendment accepts the Senate provision but adds that restitution shall be made on any APR disclosure error from 1977 until the date of passage of the new law, if such error exceeds one quarter of one percent less than the actual rate, notwithstanding the second sentence of subsection (e) (1), subsection (e) (3) (C) (i) and subsection (e) (3) (C) (ii).

3. The Senate bill allows the Federal Reserve Board to establish tolerances for numerical disclosures. If a creditor makes a mistake in quoting the monthly payment, the Federal Reserve Board could determine that the mistake was so small that it would not affect the consumer's rights and thus would not be a violation of the Act.

The House amendment allows for such authority, but tells the Federal Reserve Board that it must use it only to deal with minor mistakes.

4. The Senate bill removes the three-day cooling-off period for openend credit which is secured by real estate.

The House amendment would remove the three-day cooling-off period only for a three-year trial period to determine if such credit arrangements are beneficial to both consumers and businesses.

The Senate bill removes the requirement of disclosures of itemization of the amount financed.

The House amendment would require disclosure of the itemization of the amount financed upon request by the borrower. The conferees believe that an appropriate statement disclosing the consumer's right to obtain additional information regarding the components of the amount financed might read as follows: "(You may ask for an explanation of the amounts included in this item and, if you ask for it, you may get it in writing. Do you want this additional information in writing? Yes— No— (initial one)

If the creditor elects to provide the itemization of the amount financed as part of the regularly given disclosures on the same form without first getting an affirmative written indication from the consumer, of course it is expected that the creditor would not have to include the statement disclosing the consumer's right to obtain that itemization. In addition, the conferees anticipate that disclosures that comply with the requirements of the Real Estate Settlement Procedures Act would clearly fulfill the separate disclosure requirement contained in this subsection.

The conferees intend, with respect to the amounts paid by a creditor on behalf of the consumer from loan proceeds or amounts included in the cash price, that upon giving an affirmative written indication, the consumer will be provided with both the amount and identity of the payee receiving each amount. With respect to charges generally treated under the current law as "other charges," the Board may by regulation establish appropriate disclosure categories. For example, the Board may decide to create one category consisting of "amounts paid to public officials or agencies." In establishing these categories, the Board should consider the conferees' interest in providing simple and meaningful disclosures and facilitating compliance with this requirement.

The Senate bill provides the Federal Reserve Board with the authority to permit a greater tolerance for the disclosure of the annual percentage rate where irregular payments are involved.

The House amendment accepts the Senate provision but amends the restitution provision to provide that, for a period of one year from the date of the enactment of the restitution provision, the Federal Reserve Board may allow a tolerance increased by one quarter of one percentage point for calculation of the APR on irregular mortgage transactions. However, the tolerance shall be no greater than one half of one percent between the disclosed rate and the actual rate.

An irregular mortgage transaction is a loan secured by real estate for which the APR cannot be calculated using Volume I of the Federal Reserve System's Truth in Lending, Regulation Z, Annual Percentage Rate Tables.

TITLE VII—AMENDMENTS TO THE NATIONAL BANKING LAWS

The House recedes to the Senate with amendments.

National Bank Real Estate Holding Authority. The Senate amendment gives the Comptroller of the Currency the authority to extend the current 5 year period during which a national bank is permitted to hold real estate for an additional 5 years subject to the bank having made a good faith effort to dispose of the real estate within 5 years or a showing that disposal of the real estate within the 5 year period would be detrimental to the bank. In addition, upon clearly extenuating circumstances and subject to conditions and limitations prescribed by the Comptroller, a bank may expend funds to improve such real estate to enable it to recover its total investment. The House recedes to the Senate with an amendment. The amendment provides that the Senate language is amended to provide that a bank may expend funds for the development and improvement of such real estate, subject to such conditions and limits as the Comptroller of the Currency shall prescribe, if such expenditures are needed to enable the bank to recover its total investment.

Bank Holding Company Real Estate Activities. The Senate amendment amends the Bank Holding Company Act to authorize an extension of time for the divestiture of real estate or interests in real estate required to be divested by December 31, 1980. Such extension may be for up to 2 years and the Board of Governors of the Federal Reserve System must consider whether the company has made a good faith effort to divest such interests and whether such extension is needed to avert a substantial loss. The House recedes to the Senate.

National Bank Preferred Stock Dividends. The Senate amendment receives the 6 percent limitation on national bank preferred stock dividends.

The House recedes to the Senate.

Revocation of National Bank Trust Powers. The Senate amendment grants the Comptroller of the Currency authority to revoke the trust powers of a national bank when he determines, after hearing, that those powers are exercised unlawfully or unsoundly or that the bank has failed to exercise its trust powers for 5 consecutive years. The House recedes to the Senate.

National Bank Holidays. The Senate amendment authorizes the Comptroller of the Currency in the event of a natural calamity or emergency to proclaim a legal banking holiday for the national banks so affected. When an authorized State official declares a legal banking holiday, that day automatically becomes a legal holiday for national banks within the State as well unless the Comptroller of the Currency specifically countermands. The House recedes to the Senate.

Appraisal Rights of Dissenting Shareholders. The Senate amendment allows dissenting shareholders to select an appraiser for their shares by majority, rather than unanimous, vote when a national bank intends to convert, merge, or consolidate and the resulting bank will be State-chartered. The House recedes to the Senate.

Delegation of Authority by the Comptroller. The Senate amendment authorizes the Comptroller of the Currency to delegate any of his powers. The House recedes to the Senate.

Rule-Making Authority of the Comptroller. The Senate amendment grants the Comptroller of the Currency authority to provide rules and regulations to carry out his responsibilities under the Financial Institutions Supervisory Act of 1966. The House recedes to the Senate with an amendment which strikes the following words in Section 308 of the Senate version of H.R. 4986, "under the Financial Institutions Supervisory Act of 1966" and makes clear that the rule-making provision carries no authority to permit otherwise impermissible activities of national banks with specific reference to the provisions of the McFadden Act and the Glass-Steagall Act.

National Bank Examinations. The Senate amendment allows the Comptroller of the Currency to establish the timetable for examination of national banks and to authorize the Comptroller to examine foreign operations of State member banks upon request from the Board of Governors of the Federal Reserve System. The House recedes to the Senate.

Directors' Qualifying Shares. The Senate amendment amends 12 U.S.C. 72 which requires directors of national banks to own stock in the bank to allow such directors to own bank holding company stock instead of bank stock if the national bank is controlled by a holding company. The House recedes to the Senate.

Investment in Bankers' Banks. The Senate amendment allows national banks to invest in the stock of a bank, insured by the FDIC, owned exclusively by other banks (except for directors' qualifying shares required by state law), and engaged exclusively in serving other banks or their officers, directors, or employees. The total amount of stock owned may not exceed 10 percent of a national bank's capital account and no national bank may own more than 5 percent of the voting securities of such bank. The House recedes to the Senate.

Interstate Trust Operations. The Senate amendment prohibited the establishment, acquisition and operation of a trust company across state lines unless the law of the state in which the trust company was located specifically permitted the acquisition. Interstate trust companies in operation as of November 1, 1979 were grandfathered. The House receded to the Senate with an amendment which placed a moratorium on the direct or indirect establishment, acquisition, and operation of a trust company across state lines until October 1, 1981 unless the trust company was acquired and in operation on or before March 5, 1980.

Formation of One-Bank Holding Companies. The Senate amendment amends section 3(c) of the Bank Holding Company Act of 1956 to prohibit the Board of Governors from following a policy regarding applications to form one-bank holding companies if such policy would result in the rejection of an application solely because the transaction involves a bank stock loan with a repayment period of not more than 25 years.

The House recedes to the Senate with an amendment providing that the Board shall consider transactions involving bank stock loans of a period of twelve years or more on a case by case basis and no such transaction shall be approved if the Board believes the safety or soundness of the bank may be jeopardized.

National Bank Closed Receivership Fund. The Senate amendment terminates the National Bank Closed Receivership Fund. The House recedes to the Senate.

TITLE VII—REGULATORY SIMPLIFICATION

The Senate amendment requires Federal financial institution regulatory agencies to insure that their regulations are needed;

that the public and interested parties are given an opportunity to air their views; that alternatives to the regulations are considered; that costs and burdens are minimized; that regulations are written clearly and simply; and that conflicts, inconsistencies, and duplications are avoided.

The House recedes to the Senate with an amendment making it clear that the requirements of this provision will apply "to the maximum extent practicable". The conferees recognize that there may be some emergency situations such as monetary policy regulations or other regulation where compliance would be impracticable or unnecessary. Examples are (1) technical or clarifying amendments, (2) regulations designed to eliminate a loophole or reduce a burden where a delay would cause unnecessary harm, (3) regulations that would reformulate a proposal previously issued for public comment, and, (4) regulations subject to a short statutory deadline. The conferees agreed that the agencies must follow the requirements of this provision except in limited circumstances such as those listed above.

TITLE IX—FOREIGN CONTROL OF UNITED STATES FINANCIAL INSTITUTIONS

The Senate amendment provides for a moratorium on foreign acquisitions of United States depository institutions. The House amendment contains no similar provisions. The House recedes to the Senate with an amendment which provides for a moratorium to July 1, 1980. The conferees expect a GAO study, now in progress, to be completed by that date. Acquisitions of under $100 million were exempted as were corporate reorganizations and transfers of ownership interests already under foreign control. Applications pending on or before March 5, 1980 were exempted from the moratorium provisions but continue to be subject to existing statutory standards; also exempt is an acquisition of a financial institution which is a subsidiary of a bank holding company under orders to divest by December 31, 1980.

This moratorium is not designed to prejudice the case one way or the other but to provide a period for study and review by the Federal Reserve, the Administration and the Congress.

Henry S. Reuss,
Fernand J. St Germain,
Doug Barnard, Jr.,
J. W. Stanton,
Chalmers P. Wylie,
Managers on the Part of the House.

William Proxmire,
Harrison A. Williams, Jr.,
Alan Cranston,
Jake Garn,
John Tower,
Managers on the Part of the Senate.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Ford of Michigan (at the request of Mr. Wright), for today, on account of official business.

Mr. Tauke (at the request of Mr. Rhodes), for today, on account of official business.

Mr. Young of Alaska (at the request of Mr. Rhodes), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Shumway) to revise and extend their remarks and include extraneous material:)

Mr. Cleveland, for 10 minutes, today.

Mr. Hansen, for 60 minutes, today.

(The following Members (at the request of Mr. Downey) to revise and extend their remarks and include extraneous material:)

Mr. Vanik, for 5 minutes, today,

Mr. Gonzalez, for 15 minutes, today.

Mr. Annunzio, for 5 minutes, today.

Mr. Weiss, for 5 minutes, today.

Mr. Rodino, for 5 minutes, today.

Mr. Weaver, for 10 minutes, today.

Mr. LaFalce, for 5 minutes, today.

Mr. Staggers, for 60 minutes, on March 25.

Mr. Long of Maryland, for 60 minutes, on April 1.

Mr. Cotter (at the request of Mr. Weaver), for 5 minutes, today.

Mr. Fazio (at the request of Mr. Weaver), for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Perkins, to have his remarks on H.R. 6410 included following the remarks of Mr. Horton.

(The following Members (at the request of Mr. Shumway) and to include extraneous matter:)

Mr. Kramer.
Mr. Michel in three instances.
Mr. Rhodes.
Mr. Dornan.
Mr. Wydler in two instances.
Mr. Corcoran.
Mr. Ashbrook in three instances.
Mr. Gilman.
Mr. Derwinski.
Mr. Rudd.
Mr. Lagomarsino in three instances.
Mr. McKinney.
Mr. Whitehurst.

(The following Members (at the request of Mr. Downey), and to include extraneous matter:)

Mr. Anderson of California in 10 instances.
Mr. Gonzalez in 10 instances.
Mr. Brown of California in 10 instances.
Mr. Annunzio in six instances.
Ms. Holtzman in 10 instances.
Mr. Jones of Tennessee in 10 instances.
Mr. Boner of Tennessee in five instances.
Mr. Santini.
Mrs. Schroeder.
Mr. Mollohan.
Mr. Natcher.
Mr. Reuss.
Mr. Stark in two instances.
Mr. Murtha.
Mr. Leland.
Mrs. Spellman.
Mr. Wolpe.
Mr. Blanchard.
Mr Udall in two instances.
Mr. Young of Missouri.
Mr. Long of Maryland.
Mr. McDonald in five instances.
Mr. Jacobs.
Mrs. Chisholm.
Mr. Stark.
Mr. Sharp.

SENATE BILLS AND A JOINT RESOLUTION REFERRED

Bills and a joint resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 162. An act for the relief of T. Sgt. Herman F. Baca, U.S. Air Force; to the Committee on the Judiciary;

S. 551. An act for the relief of Fred W. Sloat of Salt Lake City, Utah; to the Committee on the Judiciary;

S. 1187. An act to amend title 28 of the United States Code with regard to the appointment and compensation of counsel for jurors claiming a violation by their employers of certain rights guaranteed by such title; to the Committee on the Judiciary;

S. 2055. An act to establish a reservation for the Confederated Tribes of Siletz Indians of Oregon; to the Committee on Interior and Insular Affairs;

S. 2446. An act to amend the patent laws, title 35 of the United States Code; to the Committee on the Judiciary; and

S.J. Res. 146. Joint resolution designating the week of May 11 through May 17, 1980, as "National Small Business Week"; to the Committee on Post Office and Civil Service.

BILLS AND A JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. THOMPSON, from the Committee on House Administration, reported that that committee did on March 21, 1980, present to the President, for his approval, bills and a joint resolution of the House of the following title:

H.R. 2782. An act for the relief of John H. R. Berg;

H.R. 4013. An act for the relief of Jozef Swiderski; and

H.J. Res. 414. Joint resolution authorizing the President to proclaim May 1, 1980, "National Bicycling Day."

ADJOURNMENT

Mr. WEAVER. Mr. Speaker, I move that the House do now adjourn.

The question was taken; and on a division (demanded by Mr. Bauman) there were—yeas 2, nays 1.

So the motion was agreed to; accordingly (at 2 o'clock and 22 minutes p.m.) the House adjourned until tomorrow, Tuesday, March 25, 1980, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3841. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to authorize civil penalties for violations of various laws for preventing the introduction and dissemination of livestock and poultry diseases, plant diseases, and plant pests; to the Committee on Agriculture.

3842. A letter from the Secretary of Health, Education, and Welfare, transmitting a report of a violation of the Anti-Deficiency Act, pursuant to section 3679(i)(2) of the Revised Statutes, as amended; to the Committee on Appropriations.

3843. A letter from the Comptroller General of the United States, transmitting his review of the proposed revised rescission proposal, the two new deferrals, and the two revised deferrals of budget authority contained in the message from the President dated February 20, 1980 (H. Doc. No. 96-270), pursuant to section 1014(b) and (c) of Public Law 93-344 (H. Doc. No. 96-286); to the Committee on Appropriations and ordered to be printed.

3844. A letter from the Assistant Secretary of the Army (Installations, Logistics and Financial Management), transmitting notice of the decision to effect the conversion of a commercial function from performance by Department of Defense personnel to private contractors at Fort Ord, Calif., Medical Department Activity, pursuant to section 806 (a)(2)(A) of Public Law 96-107; to the Committee on Armed Services.

3845. A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to authorize appropriations for the international affairs functions of the Department of the Treasury for fiscal years 1981 and 1982, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

3846. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting a report on loan, guarantee and insurance transactions supported by Eximbank during February 1980 to Communist countries; to the Committee on Banking, Finance and Urban Affairs.

3847. A letter from the Chairman, Federal Trade Commission, transmitting the Commission's second annual report on its administration of the Fair Debt Collection Practices Act of 1977, pursuant to section 815(a) of the act; to the Committee on Banking, Finance and Urban Affairs.

3848. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting his determination and certification that downward fluctuations in foreign currency exchange rates have made it necessary to provide additional funds to maintain the budgeted level of operations for Radio Free Europe/Radio Liberty, Inc., during the first quarter of fiscal year 1980, pursuant to section 3 of Public Law 94-350, as amended; to the Committee on Foreign Affairs.

3849. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the State Department's intention to consent to a request by the Government of the Republic of Korea for permission to transfer certain U.S.-origin defense articles to the Governments of Indonesia and Ecuador, pursuant to section 3(a) of the Arms Export Control Act; to the Committee on Foreign Affairs.

3850. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Ambassador-designate George Seignious, and by members of his family, pursuant to section 6 of Public Law 93-126; to the Committee on Foreign Affairs.

3851. A letter from the Director, Defense Security Assistance Agency, transmitting a proposed memorandum of understanding between the Governments of the United States, France, Germany, and the United Kingdom to establish a NATO cooperative project for certain defense systems (Transmittal No. 01-80), pursuant to section 27(c) of the Arms Export Control Act, as amended; to the Committee on Foreign Affairs.

3852. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense equipment to Egypt (Transmittal No. 80-50), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

3853. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Navy's intention to offer to sell certain defense equipment to Australia (Transmittal No. 80-47), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

3854. A letter from the Chairman and the General Counsel, National Labor Relations Board, transmitting their report on the Board's activities under the Freedom of Information Act during calendar year 1979, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3855. A letter from the Commissioner of Social Security, Social Security Administration, Department of Health, Education, and Welfare, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

3856. A letter from the Chairman, Federal Maritime Commission, transmitting a report on the Commission's activities under the Government in the Sunshine Act during calendar year 1979, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

3857. A letter from the Chairman, National Transportation Safety Board, transmitting a report on the Board's activities under the Government in the Sunshine Act during calendar year 1979, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

3858. A letter from the Secretary of the Interior, transmitting the annual report of the review and revision of royalty payments for fiscal years 1978 and 1979 for Federal onshore and Outer Continental Shelf oil and gas leases, pursuant to section 602 of Public Law 95-372; to the Committee on Interior and Insular Affairs.

3859. A letter from the Clerk, U.S. Court of Claims, transmitting a copy of the award by the Court in *Turtle Mountain Band of Chippewa Indians* v. *The United States, Nos. 113, 246, 191, 221;* to the Committee on Interior and Insular Affairs.

3860. A letter from the Secretary of Health, Education, and Welfare, transmitting a report on State compliance with medicaid utilization control requirements, pursuant to section 1903(g)(6) of the Social Security Act, as amended; to the Committee on Interstate and Foreign Commerce.

3861. A letter from the Secretary of Health, Education, and Welfare, transmitting a report on the effectiveness of the entities providing technical assistance to entities engaged in the planning, development, and/or operation of migrant health centers, community health centers, or any other centers for the delivery of primary health care, pursuant to section 106(b) of Public Law 95-626; to the Committee on Interstate and Foreign Commerce.

3862. A letter from the Secretary of Transportation, transmitting the annual report on the Secretary's activities under the Emergency Rail Services Act of 1970, and an evaluation of the financial condition of railroads which have outstanding certificates guaranteed under the act, pursuant to section 10 of the act; to the Committee on Interstate and Foreign Commerce.

3863. A letter from the Secretary of Transportation, transmitting a report on the financial condition and operations of the railroad rehabilitation and improvement fund and of the obligation guarantee fund during fiscal year 1979, pursuant, to section 515 of the Railroad Revitalization and Regulatory Reform Act of 1976; to the Committee on Interstate and Foreign Commerce.

3864. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to amend the Federal Railroad Safety Act of 1970 and other rail safety acts to extend authorization for appropriations, and for other purposes; to the Committee on Interstate and Foreign Commerce.

3865. A letter from the Chief Commissioner, U.S. Court of Claims, transmitting the reports of the Trial Commissioner and the Review Panel on Congressional Reference Cases 7-70 *Mocatta & Goldsmid, Ltd.; Sharps, Pixley & Co., Ltd.; and Primary Metal & Mineral Corp.* v. *The United States*, pursuant to 28 U.S.C. 2509; to the Committee on the Judiciary.

3866. A letter from the Assistant Secretary of State for Congressional Relations, transmitting proposed transfers of property under the Panama Canal Treaty of 1977, pursuant to section 1504(b) of Public Law 96-70; to the Committee on Merchant Marine and Fisheries.

3867. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to improve coastal zone management in the United States, and for other purposes; to the Committee on Merchant Marine and Fisheries.

3868. A letter from the Assistant Secretary of the Army (Civil Works), transmitting a draft of proposed legislation to amend the act approved August 8, 1972, Public Law 92-367, to authorize the Secretary of the Army to maintain and update periodically the National Inventory of Dams; to the Committee on Public Works and Transportation.

3869. A letter from the Assistant Secretary of the Army (Civil Works), transmitting a Corps of Engineers report on Matagorda Ship Channel, Tex., in response to a resolution by the House Committee on Public Works and Transportation; to the Committee on Public Works and Transportation.

3870. A letter from the Assistant Secretary of the Army (Civil Works), transmitting a Corps of Engineers report on New Jersey Coastal inlets and beaches, Sandy Hook to Island Beach State Park, together with other pertinent reports, in response to resolutions by the Senate Committee on Public Works and the House Committee on Public Works and Transportation and section 2 of Public Law 71-520; to the Committee on Public Works and Transportation.

3871. A letter from the Administrator of General Services, transmitting an amendment to a previously submitted prospectus proposing the construction of a U.S. courthouse in Madison, Wis.; to the Committee on Public Works and Transportation.

3872. A letter from the Administrator of General Services, transmitting a prospectus proposing the renewal of a lease for space in the World Trade Center, 350 South Figueroa Street, Los Angeles, Calif., pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

3873. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to establish a minority business development agency in the Department of Commerce, and for other purposes; jointly, to the Committees on Banking, Finance and Urban Affairs and Small Business.

3874. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to amend provisions of law concerned with Indian health care; jointly, to the Committees on Interior and Insular Affairs, and Interstate and Foreign Commerce.

3875. A letter from the Comptroller of the Currency, transmitting the annual report for calendar year 1979 on consumer activities of his office pursuant to section 18(f)(5) of the Federal Trade Commission Act, as amended; jointly, to the Committees on Interstate and Foreign Commerce and Banking, Finance and Urban Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[*Pursuant to the order of the House on March 20, 1980, the following reports were filed on March 21, 1980*]

Mr. MURPHY of New York: Committee on Merchant Marine and Fisheries. H.R. 6554. A bill to authorize appropriations for the fiscal years 1981 and 1982 for certain maritime programs of the Department of Commerce, and for other purposes; with amendments (Rept. No. 96–840). Referred to the Committee of the Whole House on the State of the Union.

Mr. MURPHY of New York: Committee on Merchant Marine and Fisheries. H.R. 6614. A bill to authorize appropriations to carry out the national sea grant program for fiscal years 1981, 1982, and 1983, and for other purposes; with amendment (Rept. No. 96–841). Referred to the Committee of the Whole House on the State of the Union.

Mr. REUSS: Committee of Conference. Conference report on H.R. 4986. (Rept. No. 96–842). Ordered to be printed.

[*Submitted March 24, 1980*]

Mr. DANIELSON: Committee of Conference. Conference report on S. 2222 (Rept. No. 96–843). Ordered to be printed.

Mr. DERRICK: Committee on Rules. House Resolution 608. Resolution authorizing an investigation and inquiry by the Committee on Standards of Official Conduct (Rept. No. 96–844). Referred to the House Calendar.

Mr. REUSS: Committee on Banking, Finance and Urban Affairs. H.R. 2255. A bill to amend the Bank Holding Company Act of 1956 to limit the property and casualty and life insurance activities of bank holding companies and their subsidiaries; with amendments (Rept. No. 96–845). Referred to the Committee of the Whole House on the State of the Union.

Mr. MURPHY of New York: Committee on Merchant Marine and Fisheries. H.R. 4088. A bill to authorize the Secretary of Commerce to sell two obsolete vessels to Coast Line Co., and for other purposes; with amendment (Rept. No. 96–846). Referred to the Committee of the Whole House.

Mr. EDWARDS of California: Committee on the Judiciary. H.R. 5563. A bill to amend title 28 of the United States Code to provide that certain judicial pleadings and proceedings in the Commonwealth of Puerto Rico may be conducted in the Spanish language, and for other purposes; with amendments (Rept. No. 96–847). Referred to the Committee of the Whole House on the State of the Union.

SUBSEQUENT ACTION ON A BILL SEQUENTIALLY REFERRED UNDER TIME LIMITATIONS

[*Submitted March 21, 1980*]

Under clause 5 of rule X, the following action was taken by the Speaker:

The Committee on Agriculture discharged from consideration of the bill (S. 2009) to designate certain public lands in central Idaho as the River of No Return Wilderness, to designate a segment of the Salmon River as a component of the National Wild and Scenic Rivers System, and for other purposes, and committed to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ADDABBO (for himself and Mr. Fish):

H.R. 6895. A bill to permit collective negotiation by professional retail pharmacists with third-party prepaid prescription program administrators and sponsors; to the Committee on the Judiciary.

By Mr. BEARD of Rhode Island:

H.R. 6896. A bill to amend the Occupational Safety and Health Act of 1970 to require employers to inform their employees regarding hazards associated with the handling and use of chemical substances, and for other purposes; to the Committee on Education and Labor.

By Mrs. CHISHOLM (for herself, Mr. Hawkins, Mr. Addabbo, Mr. Clay, Mr. Conyers, Mr. Diggs, Mr. Dixon, Mr. Fauntroy, Mr. Leland, Mr. Mitchell of Maryland, Mr. Murphy of Illinois, and Mr. Stokes):

H.R. 6897. A bill to amend the Elementary and Secondary Education Act of 1965 to establish a program of alternatives and worksite education; to the Committee on Education and Labor.

By Mr. GAYDOS:

H.R. 6898. A bill to amend the Clean Air Act to prohibit the Environmental Protection Agency from requiring motor vehicle inspection and maintenance until such time as each new motor vehicle is required to be separately tested for compliance with emission standards before its sale by the manufacturer, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MURPHY of New York (for himself, Mr. McCloskey, Mr. Biaggi, Mr. Snyder, Mr. Florio, Mr. Oberstar, Mr. Price, Mr. Zeferetti, Mr. Heftel, Mr. Fazio, Mr. Lowry, Mr. Clausen, and Mr. Stanton):

H.R. 6899. A bill to revitalize maritime policy, reorganize certain Government agencies, and reform regulation of maritime affairs in the United States; divided and referred as follows: titles I, II, III, and V to the Committee on Merchant Marine and Fisheries and title IV to the Committee on Ways and Means.

By Mr. RODINO:

H.R. 6900. A bill to amend certain titles of the United States Code, to codify recent law, and to improve the code; to the Committee on the Judiciary.

By Mrs. SPELLMAN:

H.R. 6901. A bill to amend the Internal Revenue Code of 1954 to deny the deduction of any expenditure of any oil company for advertising not directly related to the sale of products or services; to the Committee on Ways and Means.

By Mr. WAXMAN (for himself, Mr. Maguire, Mr. Walgren, Mr. Gramm, Mr. Leland, Mr. Shelby, Mr. Murphy of New York, and Mr. Carter):

H.R. 6902. A bill to amend the Public Health Service Act to revise and extend the authorities under that act relating to national research institutes, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ADDABBO:

H.J. Res. 517. Joint resolution to authorize and request the President to issue a proclamation designating September 3, 1980, as "National Postal Workers' Recognition Day"; to the Committee on Post Office and Civil Service.

By Mr. BADHAM:

H.J. Res. 518. Joint resolution designating the joint reunion of American and Japanese veterans on the island of Iwo Jima on June 11, 1980, as a national historic event; to the Committee on Post Office and Civil Service.

By Mr. EMERY (for himself and Mr. Jeffords):

H. Res. 618. Resolution to express opposition to a proposed import fee on crude oil; to the Committee on Ways and Means.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

392. By the SPEAKER: Memorial of the Legislature of the State of Michigan, relative to extending the authority provided in the Federal Home Mortgage Disclosure Act of 1975; to the Committee on Banking, Finance and Urban Affairs.

393. Also, memorial of the House of Representatives of the State of Arizona, relative to reimbursement to the States for the cost of certain Federal programs; to the Committee on Government Operations.

394. Also, memorial of the Legislature of the Territory of Guam, relative to proposed storage or dumping of nuclear waste on Guam or the Mariana Archipelago; to the Committee on Interior and Insular Affairs.

395. Also, memorial of the Legislature of the State of Alabama, relative to applying the revenues derived from the proposed windfall profits tax to the repair and revitalization of the National Defense Highway System; jointly, to the Committee on Ways and Means and Public Works and Transportation.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

Mr. JEFFORDS introduced a bill (H.R. 6903) for the relief of Gianlucca Tovini, which was referred to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 809: Mr. Chappell, Mr. Dougherty, Mr. Hansen, Mr. Waxman, and Mr. Wolpe.

H.R. 810: Mr. Spence, Mr. Rousselot, Mr. Stangeland, and Mr. Royer.

H.R. 990: Mr. Duncan of Tennessee.

H.R. 1600: Mr. Carter, Mrs. Snowe, Mr. Cleveland, Mr. Trible, and Mr. Wydler.

H.R. 2400: Mr. Howard.

H.R. 3609: Mr. Evans of Indiana, Mr. Gibbons, Mr. Huckaby, Mr. Hyde, Mr. Kostmayer, Mr. Miller of Ohio, Ms. Oakar, Mr. Quillen, and Mr. Ashbrook.

H.R. 4205: Mr. Daschle.

H.R. 5022: Mr. Downey.

H.R. 5858: Mr. Bevill, Mr. Chappell, Mr. Dicks, Mr. English, Mr. Forsythe, Mr. Ireland, Mr. Leach of Iowa, Mr. Miller of California, Mr. Royer, Mr. Seiberling, Mr. Sharp, and Mr. Watkins.

H.R. 5876: Mr. Ottinger.

H.R. 6148: Mr. Cheney, Mr. Oberstar, and Mr. Solomon.

H.R. 6380: Mr. Bereuter, Mr. Ford of Michigan, Mr. Frenzel, Mr. Mavroules, Mr. Vander Jagt, and Mr. Wirth.

H.R. 6551: Mr. Pepper.

H.R. 6624: Mr. Abdnor.

H.R. 6632: Mr. Walgren, Mr. Maguire, Mr. Fish, Mr. Ottinger, Mr. Martin, Mr. Madigan, Mr. Ford of Tennessee, Mr. Blanchard, Mr. Gibbons, Mr. Guarini, Mr. Davis of Michigan, Mr. Nelson, Mr. Shannon, Mr. Ertel, Mr. Rose, Mr. Murtha, Mr. Porter, Mr. Whitten, Mr. Young of Missouri, Mr. Glickman, Mr. Hollenbeck, Mr. Ritter, Mr. Watkins, and Mrs. Spellman.

H.R. 6657: Mr. Simon, Mr. Breaux, Mr. Burlison, Mr. Danielson, Mr. de la Garza, Mr. Frost, Mr. Hall of Texas, Mr. Hance, Mr. Murtha, Mr. Charles Wilson of Texas, Mr. Watkins, Mr. Whitley, Mr. Kogovsek, Mr. Volkmer, Mr. Levitas, Mr. Andrews of North Carolina, Mr. Benjamin, Mr. Hubbard, Mr. Yatron, Mr. Jones of Tennessee, Mr. Bevill, Mr. Glickman, and Mr. Gudger.

H.J. Res. 504: Mr. Phillip Burton, Mr.

Gradison, Mr. Kindness, Mr. Waxman, Mr. Frenzel, and Mr. Volkmer.

H. Con. Res. 295: Mr. Dickinson.

H. Con. Res. 298: Mr. Brown of Ohio, Mr. Edwards of Alabama, Mr. Edwards of Oklahoma, Mr. Lungren, Mr. Madigan, Mr. Stockman, Mr. Whitehurst, and Mr. Hinson.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

316. By the SPEAKER: Petition of the Suffolk County Legislature, Hauppauge, N.Y., relative to a peace conference for Ireland; to the Committee on Foreign Affairs.

317. Also petition of the City Commission, Margate, Fla., relative to limiting oil corporations' profits; to the Committee on Interstate and Foreign Commerce.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 6837

By Mr. MARKS:

—Title IX—Rail passenger corridors. On page 49, after line 21, insert the following new paragraph:

"(1) The Buffalo-Cleveland Corridor (between Buffalo, New York, and Cleveland, Ohio, via Erie, Pennsylvania).

Redesignate the succeeding paragraphs accordingly.

FACTUAL DESCRIPTIONS OF BILLS AND RESOLUTIONS INTRODUCED

Prepared by the Bill Digest Section, American Law Division of the Congressional Research Service, pursuant to clause 5(d) of House rule X. Previous listing appeared in the Congressional Record of March 4, 1980 (page 4529). Cumulative listing may be found in the Digest of Public Bills and Resolutions.

H.R. 6390. January 31, 1980. Interior and Insular Affairs; Interstate and Foreign Commerce. Amends the Atomic Energy Act of 1954 to prohibit issuance of nuclear powerplant construction and operating permits unless specified requirements are met.

Provides for improved State and local emergency response planning.

Directs the Secretary of Energy and the U.S. Geological Survey to issue a plan on the use of deep geological repositories for the storage of high-level nuclear waste.

Directs States to establish Nuclear Waste Repository Review Boards.

Provides for the handling of low-level nuclear waste.

Establishes the Nuclear Safety Board.

H.R. 6391. January 31, 1980. Agriculture. Directs the Secretary of Agriculture to make available, through the Commodity Credit Corporation, emergency operating loans to: (1) producers who will meet eligibility conditions for loans, purchases, and payments under the Agricultural Act of 1949 with respect to their 1980 crops; and (2) producers of livestock, dairy products, and poultry and poultry products whose farm income is derived primarily therefrom.

Sets forth conditions, purposes, amounts, interest rates, and repayment schedules relating to such loans.

Directs the Agricultural Stabilization and Conservation Service to administer, and the Secretary to issue necessary regulations for, this Act.

H.R. 6392. January 31, 1980. Agriculture; Ways and Means; Foreign Affairs; Interstate and Foreign Commerce. Establishes a National Board of Agricultural Governors to: (1) set parity prices and comprehensive cost of production prices for agricultural commodities (2) establish a national production goal and allocate acreage allotments or marketing quotas; (3) establish a program to acquire reserve stocks; (4) establish import quotas (5) conduct producer referendums on proposed regulations and (6) establish and administer all agricultural and marketing programs of the Federal Govenment.

Directs the Secretary of Agriculture to make loans available to producers of Board-selected commodities.

H.R. 6393. January 31, 1980. Ways and Means. Amends the Internal Revenue Code to allow individual taxpayers who have attained age 65 a limited income tax exclusion for interest income earned by such taxpayer on deposits or accounts in certain financial institutions.

H.R. 6394. January 31, 1980. Judiciary. Redesignates the United States Customs Court as the United States Court of International Trade. Expands the jurisdiction and powers of such Court and sets forth procedures with respect to actions in such Court. Replaces the Court of Customs and Patent Appeals with the Court of Appeals for International Trade, Patents, and Trademarks. Revises the appellate procedures in such Court.

H.R. 6395. January 31, 1980. Interstate and Foreign Commerce. Amends the Consumer Product Safety Act to eliminate a prohibition against regular officers or employees of the Consumer Product Safety Commission, above the GS-14 level, accepting employment or compensation from any manufacturer subject to such Act, for a period of 12 months after terminating employment with the Commission.

H.R. 6396. January 31, 1980. Ways and Means. Amends the Internal Revenue Code to allow individual taxpayers an income tax credit for energy saved during the taxable year with respect to the principal residence of the taxpayer.

H.R. 6397. January 31, 1980. Ways and Means. Amends the Internal Revenue Code to exempt from the motor fuels excise tax any alcohol fuel made from alcohol produced from coal.

H.R. 6398. January 31, 1980. Public Works and Transportation. Directs the Secretary of Transportation to establish and revise rules and regulations to assure that: (1) commercial motor vehicles are safely maintained, equipped, loaded, and operated; (2) the responsibilities imposed upon drivers of such vehicles do not impair a driver's ability to operate such vehicle safely; (3) the physical condition of such drivers will be adequate to enable them to drive safely; (4) the operation of such vehicles does not create deleterious effects on the physical condition of such drivers.

H.R. 6399. January 31, 1980. Judiciary. Authorizes the issuance of a visa to a named individual for permanent residence in the United States under the Immigration and Nationality Act.

H.R. 6400. January 31, 1980. Ways and Means. Amends the Internal Revenue Code to reduce the maximum rate of income tax for individuals.

Requires separate computation of personal service income and non-personal service (unearned) income.

H.R. 6401. January 31, 1980. Judiciary. Declares a named individual lawfully admitted to the United States for permanent residence under the Immigration and Nationality Act.

H.R. 6402. February 4, 1980. Ways and Means. Amends the Internal Revenue Code to: (1) increase the allowable amount of the tax deduction for charitable contributions to private foundations: (2) except certain grants made by private foundations from the excise tax on private foundation taxable expenditures: (3) permit the abatement of certain tax penalties imposed on private foundation: (4) redefine certain concepts relating to private foundation self-dealing and income distribution rules: and (5) exclude capital gain income from the tax on the investment income of private foundations.

H.R. 6403. February 4, 1980. Agriculture. Amends the Agricultural Act of 1949 to increase the minimum level of price support on quota peanuts for the 1980 and 1981 crops from $420 per ton to $502 per ton.

H.R. 6404. February 4, 1980. Judiciary. Permits clerks of the U.S. district courts and bankruptcy courts to live within 20 miles of their official stations.

H.R. 6405. February 19, 1980. Interstate and Foreign Commerce; Ways and Means. Establishes the Catastrophic Automatic Protection Plan under the Social Security Act to provide voluntary protection to families for catastrophic medical expenses.

Amends the Internal Revenue Code relating to amounts expended for medical care.

Amends title XVIII (Medicare) of the Social Security Act to, among other things, increase certain benefits.

Directs the Secretary of Health and Human Services to conduct certain studies and demonstration projects.

H.R. 6406. February 5, 1980. Armed Services. Revises provisions of the Uniform Code of Military Justice regarding status, jurisdiction, membership, organization, procedure, and administration of the Court of Military Appeals.

Provides for Supreme Court review of such Court's decisions.

Eliminates mandatory review by the Courts of Military Review and the Court of Military Appeals of sentences affecting general or flag officers.

H.R. 6407. February 5, 1980. Interior and Insular Affairs. Establishes the Women's Rights National Historical Park in Seneca Falls, New York, to preserve historical and cultural sites and structures associated with the beginning of the struggle for equal rights for women.

Establishes the Women's Rights National Historical Park Advisory Commission.

H.R. 6408. February 5, 1980. Veterans' Affairs. Establishes a program for making direct loans to veterans for solar energy systems and other energy conservation improvements.

H.R. 6409. February 5, 1980. Armed Services. Provides that a member of the Fleet Reserve or Fleet Marine Corps Reserve who is eligible for both retired pay based on nonregular service as a Reserve and retainer pay based on regular service shall be entitled to whichever pay is more favorable to such member.

H.R. 6410. February 5, 1980. Government Operations. Establishes the Office of Federal Information Policy to provide overall direction for Federal information collection and management policies.

Specifies the functions and duties of the Director of the Office of Management and Budget with respect to such policies. Requires the Director to develop a schedule for eliminating duplicative Government information collection requests. Requires agencies to assess the paperwork burden of their collection activities.

Establishes the Federal Information Locator System to serve as an authoritative register of all information collection requests.

H.R. 6411. February 5, 1980. Judiciary. Amends the Gun Control Act of 1968 to require additional prison sentences for anyone using or carrying a firearm during the commission of a felony which may be prosecuted in Federal court.

H.R. 6412. February 5, 1980. Science and Technology. Authorizes a supplemental appropriation for the National Aeronautics and

Space Administration for research and development.

H.R. 6413. February 5, 1980. Science and Technology. Authorizes appropriations to the National Aeronautics and Space Administration (NASA) for research and development, construction of facilities, and research and program management.

H.R. 6414. February 5, 1980. Education and Labor. Amends the Older Americans Act of 1965 to provide that area agencies on aging shall have authority to award funds to the providers of home delivered meals for older persons without requiring that such providers also furnish meals to older persons in a congregate setting.

H.R. 6415. February 5, 1980. Veterans' Affairs. Revises the eligibility requirements for certain veterans' employment and training programs.

H.R. 6416. February 5, 1980. Banking, Finance and Urban Affairs. Amends the mortgage amount, sales price, and interest rate limitations under the Government National Mortgage Association emergency home purchase assistance authority.

H.R. 6417. February 5, 1980. Public Works and Transportation. Authorizes appropriations for the construction of certain highways, for highway safety, and for mass transportation in urban and rural areas.

H.R. 6418. February 5, 1980. Public Works and Transportation. Amends Federal statutes with respect to regulation of motor carriers of property.

H.R. 6419. February 5, 1980. Post Office and Civil Service. Requires an executive agency to compare the costs of agency performance of a function to the costs of performance under a contract whenever renewal of a contract significantly increases contract costs.

Provides for an increase or decrease in an agency personnel ceiling to reflect the number of employees: (1) needed for agency performance of a function; or (2) not utilized because a function is contracted out.

Directs an agency to consider performance in administering personnel ceilings and following contracting procedures when evaluating the performance of senior executives and managers.

H.R. 6420. February 5, 1980. Armed Services. Amends the Military Selective Service Act to increase the maximum age for registration under such act from 26 to 55.

H.R. 6421. February 5, 1980. Armed Services. Revises to 45 the maximum age at which an individual may receive an original appointment as a commissioned officer of the Armed Forces.

H.R. 6422. February 5, 1980. Veterans' Affairs. Provides that Government life insurance shall be paid in accordance with any election of the insured. Stipulates that if at the time of death no such election has been made, the Administrator of Veterans' Affairs shall notify the beneficiary who shall elect whether to receive payment in a lump sum or in installments.

H.R. 6423. February 5, 1980. Judiciary. Authorizes the payment of fees and other expenses to prevailing parties in administrative adjudications and civil actions brought by or against the United States in certain circumstances.

H.R. 6424. February 5, 1980. Merchant Marine and Fisheries. Denies access to ports of the United States to Soviet vessels until the Soviet Union withdraws its military forces from Afghanistan.

H.R. 6425. February 5, 1980. Government Operations. Requires each Federal agency to prepare an annual employment impact statement for its proposed procurement practices.

H.R. 6426. February 5, 1980. Post Office and Civil Service. Declares that a National Guard technician who meets specified age and service requirements shall not be involuntarily separated from his or her technician position solely because he or she is separated from the National Guard.

Declares that military membership shall not be a qualification for any position of a National Guard technician.

H.R. 6427. February 5, 1980. Government Operations. Authorizes payment of the costs of transporting the remains, dependents, and effects of a Federal employee who dies while performing official duties: (1) outside the continental United States if the employee's home is within the continental United States; or (2) in any area other than the United States, State, territory, or possession outside the continental United States where the employee's home is located.

H.R. 6428. February 5, 1980. Agriculture. Amends the Agricultural Act of 1949 to direct the Secretary of Agriculture to establish land diversion payment programs for the 1980 crops of corn and wheat.

Requires, as a condition of eligibility for such payments, that grain producers devote to approved conservation uses, an amount of cropland not less than a percentage of their 1980 crop planted acreage (15 percent for corn and 10 percent for wheat).

H.R. 6429. February 5, 1980. Small Business; Judiciary. Amends the Small Business Investment Act to direct the Office of Advocacy within the Small Business Administration to assist the Attorney General, Federal agencies, and the Chairman of the Administrative Conference to facilitate relief afforded to small businesses under such Act.

Authorizes the payment of fees and other expenses to prevailing parties in administrative adjudications and civil actions brought by or against the United States in certain circumstances.

H.R. 6430. February 5, 1980. Interior and Insular Affairs. Extends the period of time within which the general management plan for the Chattahoochee River National Recreation Area in the State of Georgia shall be developed.

H.R. 6431. February 5, 1980. Post Office and Civil Service. Directs the Postmaster General to issue a special postage stamp in honor of older Americans in recognition of the 1981 White House Conference on Aging and the proposed 1982 World Assembly on Aging.

H.R. 6432. February 5, 1980. Interior and Insular Affairs. Directs the Secretary of the Interior to grant title to certain real property located in Lane County, Oregon, to persons who were deprived of title as a result of a survey by the Bureau of Land Management.

H.R. 6433. February 5, 1980. Judiciary. Directs that an immigrant visa be issued to a named individual for admittance to the United States for permanent residence under provisions of the Immigration and Nationality Act.

H.R. 6434. February 5, 1980. Judiciary. Authorizes a named individual to be naturalized under the Immigration and Nationality Act.

H.R. 6435. February 6, 1980. Ways and Means. Amends title XVI (Supplemental Security Income) of the Social Security Act to increase the amount of earnings to be disregarded in determining an individual's eligibility for supplemental security income benefits and in computing the amount of such benefits.

H.R. 6436. February 6, 1980. Government Operations. Changes the fiscal year of the Treasury of the United States to the period beginning on July 1 of each year and ending on June 30 of the following year.

H.R. 6437. February 6, 1980. Interstate and Foreign Commerce. Amends the Public Health Service Act to revise and extend the programs of the National Institutes of Arthritis, Metabolism, and Digestive Diseases relating to arthritis. Makes certain revisions in the membership of the National Arthritis Advisory Board.

H.R. 6438. February 6, 1980. Interstate and Foreign Commerce. Amends the Railroad Revitalization and Regulatory Reform Act of 1976 to authorize additional appropriations for the Northeast Corridor Improvement Project.

H.R. 6439. February 6, 1980. Ways and Means. Amends the Internal Revenue Code to permit individuals age 65 or older to exclude certain amounts of income from gross income. Reaffirms the nontaxability of social security benefits.

H.R. 6440. February 6, 1980. Foreign Affairs. Establishes priorities in the payment of claims against the People's Republic of China.

H.R. 6441. February 6, 1980. Veterans' Affairs. Increases the rates of veterans' compensation for: (1) wartime disability compensation; (2) additional compensation for dependents; and (3) clothing allowances paid to certain disabled veterans.

Increases the rates of veterans' dependency and indemnity compensation for: (1) a surviving spouse; (2) surviving children; and (3) supplemental children's benefits.

H.R. 6442. February 6, 1980. Ways and Means. Amends the Internal Revenue Code to exclude certain amounts of gain from the sale or exchange of foreign investment company stock from treatment as ordinary income.

H.R. 6443. February 6, 1980. Judiciary. Authorizes the Secretary of Commerce to make grants to State and local governments for up to 75 percent of the cost of projects to: (1) acquire, construct, or improve correctional facilities; or (2) improve programs and practices in correctional facilities.

H.R. 6444. February 6, 1980. Armed Services. Requires the Director of the Federal Emergency Management Agency to establish a pilot program of designing and constructing buildings to withstand nuclear explosions.

H.R. 6445. February 6, 1980. Banking, Finance and Urban Affairs. Requires the Secretary of Housing and Urban Development, in consultation with the Secretary of Energy, to conduct a study comparing the amount of energy expended in the manufacture and use of factory-built houses with onsite-built houses.

H.R. 6446. February 6, 1980. Public Works and Transportation. Directs the Secretary of Transportation, after consultation with appropriate State and local officials, to conduct a study of and report to Congress on the feasibility of adding high occupancy vehicle lanes to specified freeways in southern California.

H.R. 6447. February 6, 1980. Interstate and Foreign Commerce. Repeals the Emergency Petroleum Allocation Act of 1973.

H.R. 6448. February 6, 1980. Ways and Means. Amends the Internal Revenue Code to increase the amount of the exclusion from gross income of dividends received by individuals.

H.R. 6449. February 6, 1980. Interstate and Foreign Commerce. Directs the Interstate Commerce Commission to continue directed service over specified lines of the Rock Island Railroad and sets forth other measures to facilitate the purchase of portions of such railroad.

H.R. 6450. February 6, 1980. Ways and Means. Amends the Internal Revenue Code to: (1) reduce individual and corporate income tax rates; (2) increase the amount of the zero bracket amount for individual taxpayers; (3) allow an income tax credit for the payment of social security taxes and research and experimental expenditures incurred in connection with a trade or business; (4) revise rules for determining the useful life of a small business depreciable asset; and (5) raise capitalization limits on small business corporations with respect to the treatment of loss on the sale of small business stock as ordinary loss.

H.R. 6451. February 6, 1980. Public Works and Transportation. Amends the highway safety program to require all trucks using public roads to have installed and use a road speed governor limiting the speed of such trucks to 55 miles per hour.

H.R. 6452. February 6, 1980. Government Operations. Requires, under the Office of Federal Procurement Policy Act, that Federal agencies pay interest at an annual rate of at least 12 percent on any payment which is overdue by more than 30 days on a contract with a small business concern.

H.R. 6453. February 6, 1980. Ways and Means. Amends the Tariff Schedules of the United States regarding the rate of duty that may be proclaimed by the President with respect to sugar imports.

H.R. 6454. February 6, 1980. Judiciary. Directs the Administrator of Veterans' Affairs to pay a specified sum to a named individual in lieu of an award by the Administrator to such individual.

H.R. 6455. February 6, 1980. Judiciary. Declares a named individual's disabilities to be service-connected disabilities and authorizes compensation to such individual in satisfaction of any claims against the United States by such individual.

H.R. 6456. February 7, 1980. Public Works and Transportation. Amends the Federal Water Pollution Control Act to permit the discharge of dredged or fill materials into navigable waters in connection with the construction of improvements to currently serviceable structures and flood control projects.

H.R. 6457. February 7, 1980. Veterans' Affairs. Permits the Administrator of Veterans' Affairs to convey certain lands to the city of Cheyenne, Wyoming, for roadway expansion.

H.R. 6458. February 7, 1980. Post Office and Civil Service. Provides that commissions received by employees of the House of Representatives barbershop shall be treated the same as basic pay for civil service retirement purposes.

H.R. 6459. February 7, 1980. Education and Labor. Amends the Developmental Disabilities Assistance and Bill of Rights Act to entitle the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands to the minimum allotment of assistance to States in placing into effect systems to protect and advocate the rights of persons with developmental disabilities.

H.R. 6460. February 7, 1980. Government Operations; Small Business. Establishes within the Office of Management and Budget the Administrative Information Management Office. Amends the Small Business Act to establish a means of assessing the effectiveness of Federal paperwork reduction efforts with respect to small business enterprises.

H.R. 6461. February 7, 1980. Ways and Means. Amends the Internal Revenue Act, with respect to estate taxes, to reduce the value of any jointly held interest in a decedent's gross estate by up to 50 percent (not to exceed $500,000) of any real or tangible property devoted to use as a farm or to use in any other trade, or business, where the decedent's spouse and/or children materially participated in the operation of such farm, trade, or business.

H.R. 6462. February 7, 1980. Banking, Finance and Urban Affairs. Establishes the National Productivity Council and the National Productivity Council Advisory Board.

H.R. 6463. February 7, 1980. Public Works and Transportation. Amends the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 to require that relocation benefits be made available to all persons displaced by the commencement of a Federal or Federally assisted project by the head of the Federal agency administering or financing such assistance. Directs the President to designate an agency which shall establish a single uniform set of regulations and procedures for implementation by Federal agencies and by States, State and local agencies, and other recipients of Federal assistance. Requires such agency annually to adjust for inflation in housing costs.

H.R. 6464. February 7, 1980. Armed Services. Authorizes the Secretary of the Army to convey to the Michigan Job Development Authority (a Michigan public corporation) the lands and improvements comprising the Michigan Army Missile Plant in Sterling Heights, Macomb County, Michigan.

H.R. 6465. February 7, 1980. Interior and Insular Affairs; Interstate and Foreign Commerce. Amends the Energy Policy and Conservation Act with respect to coal mines development.

H.R. 6466. February 7, 1980. Interstate and Foreign Commerce. Amends the Clean Air Act to repeal the requirement that State implementation plans for meeting the national primary ambient air quality standard provide for periodic inspection and testing of motor vehicles.

H.R. 6467. February 7, 1980. Agriculture. Amends the Food and Agriculture Act of 1977 with respect to loan levels applicable to certain commodities when commercial export sales of such commodities are terminated by a member of the executive branch of the Government.

H.R. 6468. February 7, 1980. Interstate and Foreign Commerce. Amends the Public Health Service Act to establish the Reye's Syndrome Coordinating Committee to provide financial assistance to public and nonprofit private entities for a three-year project to establish two comprehensive Reye's syndrome diagnostic and treatment centers.

H.R. 6469. February 7, 1980. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a named individual for legal services performed on behalf of the United States.

H.R. 6470. February 7, 1980. Armed Services. Authorizes the President to award the Legion of Merit to a named individual in recognition of his outstanding service in the United States Army, notwithstanding any time limitations prescribed by law or regulation.

H.R. 6471. February 7, 1980. Judiciary. Authorizes the issuance of a visa to a named individual for permanent residence in the United States under the Immigration and Nationality Act.

H.R. 6472. February 11, 1980. Interstate and Foreign Commerce. Amends the Clean Air Act to repeal the requirement that State implementation plans for meeting the national primary ambient air quality standard provide for periodic inspection and testing of motor vehicles, unless the Administrator of the Environmental Protection Agency establishes separate inspection and testing of each new motor vehicle before the vehicle is sold by the manufacturer.

H.R. 6473. February 11, 1980. House Administration. Prohibits a candidate for Federal office or a person holding Federal office to use contributed funds to pay personal expenses or expenses of that office.

H.R. 6474. February 11, 1980. Ways and Means; Interstate and Foreign Commerce. Amends title XI (General Provisions) of the Social Security Act to abolish the Professional Standards Review Organizations which were established to review services covered under the Medicare and Medicaid programs.

H.R. 6475. February 11, 1980. Agriculture. Amends the Cotton Research and Promotion Act to prohibit: (1) the Secretary of Agriculture from appointing specified persons to the Cotton Board; and (2) specified uses of funds or information by the Board or a cotton producer organization under such Act, or the use of such information by others.

H.R. 6476. February 11, 1980. Appropriations. Rescinds, pursuant to the Impoundment Control Act of 1974, specified levels of budget authority contained in the message of the President of January 28, 1980 (H. Doc. 96-259).

H.R. 6477. February 11, 1980. Appropriations. Rescinds, pursuant to the Impoundment Control Act of 1974, specified levels of budget authority contained in the message of the President of January 28, 1980 (H. Doc. 96-259).

H.R. 6478. February 11, 1980. Interior and Insular Affairs. Amends the Mineral Lands Leasing Act to provide that the words "oil and gas" shall embrace all hydrocarbons, including native asphalt, solid and semisolid bitumen, and bituminous rock, but excluding gilsonite and those hydrocarbons which the Secretary of the Interior shall determine to lease as coal or oil shale, and the word "gas" also includes all naturally occurring gases, except helium and geothermal steam.

H.R. 6479. February 11, 1980. Judiciary. Amends the venue provisions of Federal law with respect to environmental litigation and appeals from agency actions relating to the environment.

H.R. 6480. February 11, 1980. Education and Labor. Repeals specified administrative provisions of the Education Amendments of 1978 which provided for: (1) the availability of reliable and comparative data on elementary and secondary education finance both public and nonpublic; (2) the conduct of studies to analyze trends and problems affecting such finance; (3) the development of recommendations for Federal policies to improve the equity and efficiency of Federal and State systems for raising and distributing revenues to support such education; and (4) the establishment of an Advisory Panel on Financing Elementary and Secondary Education.

H.R. 6481. February 11, 1980. Interior and Insular Affairs. Revises requirements under the Federal reclamation laws relating to acreage limitations, equivalency, and residency. Provides for validation of repayment contracts and written representations.

H.R. 6482. February 11, 1980. Judiciary. Relieves a certain individual of all liability to the United States for a specified amount claimed to have been overpaid to him pursuant to misinformation received by such individual from the United States Air Force.

H.R. 6483. February 12, 1980. Armed Services; Banking, Finance and Urban Affairs. Amends the Renegotiation Act of 1951 with respect to excess profits controls on defense contracts during time of war.

H.R. 6484. February 12, 1980. Ways and Means. Provides that the repeal of the earnings limitation under title II (Old Age, Survivors and Disability Insurance) of the Social Security Act of individuals age 70 and older, scheduled to take effect in 1982, shall instead become effective immediately.

H.R. 6485. February 12, 1980. Agriculture. Amends the Agricultural Act of 1949 to set new loan and purchase levels for the 1979 through 1981 crops for wheat, corn, cotton, and soybeans.

Prohibits the Commodity Credit Corporation from selling from its wheat or feed grain stocks at less than specified price levels, under specified conditions.

Amends the Agricultural Trade Development and Assistance Act of 1954 to require specified quantities of agricultural commodities to be distributed under food relief programs.

Directs the Secretary of Agriculture to: (1) set specified price support levels whenever export sales are suspended to any country: (2) implement cropland set-aside programs.

H.R. 6486. February 12, 1980. Veterans'

Affairs. Authorizes the President to call a White House Conference on Veterans not later than 30 months after enactment of this Act to develop recommendations for improving the administration of veterans' benefits and services.

Establishes a National Veterans Planning and Advisory Council, to be appointed by the Administrator of Veterans' Affairs.

H.R. 6487. February 12, 1980. Agriculture. Establishes a Board of Agricultural Producers to advise the Secretary of Agriculture on cropland set-asides and on cost of production formulas used in price support programs.

Directs the Secretary to conduct referenda of agricultural producers with respect to cropland set-aside programs.

Sets forth requirements for such set-aside programs.

Provides for civil penalties for noncompliance with set-asides.

H.R. 6488. February 12, 1980. Ways and Means; Judiciary. Amends the Internal Revenue Code to permit taxpayers to designate on their income tax returns that either $1 of any tax refund or $1 of any contribution which the taxpayer forwards with his return shall be payable to the United States Olympic Development Fund.

Establishes the United States Olympic Development Fund for the purpose of financing programs for the expansion and improvement of amateur athletics in the United States.

H.R. 6489. February 12, 1980. Ways and Means. Amends the Internal Revenue Code to allow an income tax deduction to high insurance risk business enterprises for contributions to their product liability loss reserve accounts.

H.R. 6490. February 12, 1980. Judiciary. Reduces the filing fee which a party must pay to institute any civil action in Federal district court from $60 to $30.

H.R. 6491. February 12, 1980. Appropriations. Authorizes a supplemental appropriation to the Environmental Protection Agency for reimbursement of the City of Bainbridge, Georgia.

H.R. 6492. February 12, 1980. Ways and Means. Imposes quotas on the importation of automobiles and trucks for a five-year period.

H.R. 6493. February 12, 1980. Armed Services. Authorizes certain construction at military installations for fiscal year 1981.

H.R. 6494. February 12, 1980. Ways and Means. Amends the Internal Revenue Code to: (1) exempt low-income rental housing construction from the amortization requirements applicable to real property construction period interest and taxes; (2) reduce the amortization period for such interest and taxes applicable to residential rental property; (3) permit accelerated depreciation for certain residential rental property; and (4) qualify low and moderate income rental housing for preferential tax treatment of recaptured depreciation.

H.R. 6495. February 12, 1980. Armed Services. Authorizes appropriations for fiscal year 1981 for military procurement and related defense matters.

H.R. 6496. February 12, 1980. Education and Labor. Amends the National School Lunch Act to allow schools or school systems which are not satisfied with the minimum nutritional requirements provided by such Act to opt to participate in a nutritionally superior lunch program.

Sets forth requirements which a school or school system must fulfill to qualify for the nutritionally superior program.

Requires that an additional payment of ten cents per superior lunch be paid to schools or school systems which opt and qualify for inclusion in the nutritionally superior lunch program.

H.R. 6497. February 12, 1980. Interstate and Foreign Commerce. Amends the Federal Railroad Safety Act of 1970 to authorize appropriations and to prohibit any employer railroad from discharging or discriminating against any employee who seeks or becomes involved in an enforcement action against such railroad or who refuses to work in an area which he determines to present an imminent danger to his health and safety.

H.R. 6498. February 12, 1980. Ways and Means. Amends the Internal Revenue Code to exclude from gross income interest income received by a seller of agricultural land pursuant to an insured loan under the Consolidated Farm and Rural Development Act which is extended to certain new farmers or ranchers.

H.R. 6499. February 12, 1980. Judiciary: Rules. Amends the Gun Control Act of 1968 to revise provisions relating to the licensing of manufacturers, dealers, and importers of firearms and ammunition and prohibited activities concerning firearms.

Repeals title VII (Unlawful Possession or Receipt of Firearms) of the Omnibus Crime Control and Safe Streets Act of 1968.

H.R. 6500. February 12, 1980. Education and Labor. Amends the Federal Mine Safety and Health Act of 1977 to exempt dredging operations carried out or required by any governmental entity for the processing or disposal of waste from coverage under such Act.

H.R. 6501. February 12, 1980. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a named individual in full satisfaction of his claims against the United States relating to his arrest and prosecution which resulted in a directed verdict for such individual.

H.R. 6502. February 12, 1980. Judiciary. Declares a named individual to be entitled to a survivor annuity.

H.R. 6503. February 13, 1980. Banking, Finance and Urban Affairs; Small Business. Preempts certain State usury laws as they apply to loans of federally insured banks, savings and loan associations, credit unions, mortgagees under Federal mortgage insurance programs, and small business investment companies. Establishes interest rate ceilings on such loans. Precludes specified financial institutions from raising rights and defenses under State usury laws.

H.R. 6504. February 13, 1980. Interior and Insular Affairs. Directs the Secretary of the Interior to establish a National Heritage program and an Historic Preservation Program. Directs the Secretary to establish and administer a National Register of Natural Areas. Directs the Secretary to expand and administer the National Register of Historic Places.

Renames the Advisory Council on Historic Preservation the Council on Heritage Conservation.

H.R. 6505. February 13, 1980. Interstate and Foreign Commerce. Repeals the Federal requirement on incremental pricing under the Natural Gas Policy Act of 1978.

H.R. 6506. February 13, 1980. Judiciary. Prohibits any refiner, producer, or marketer of motor fuel: (1) within six months after enactment from operating, acquiring, or controlling, either directly or indirectly, any service stations; and (2) within two years after enactment from owning or controlling any interest in a service station. Sets forth penalties for violations of this Act.

H.R. 6507. February 13, 1980. Ways and Means. Amends the Internal Revenue Code to require annual cost-of-living adjustments in individual and corporate income tax rates and in the estate and gift tax rates. Requires annual increases in the specified amount bases of certain excise taxes.

H.R. 6508. February 13, 1980. Education and Labor. Directs the Secretary of Labor to make arrangements for obtaining referrals to employment opportunities from various agencies and organizations for individuals aged eighteen or older who have been employed for not less than eight weeks preceding the date of application for employment assisted under this Act.

Authorizes the establishment of supplemental employment opportunities in connection with authorized agency financial assistance programs, including specified activities.

Directs the Office of Personnel Management to use specified funds available under this Act to establish supplemental employment opportunities in agencies which demonstrate the capacity to promptly use such funds for labor intensive employment programs.

H.R. 6509. February 13, 1980. Banking, Finance and Urban Affairs. Establishes in the Department of Energy and Energy Conservation Bank to provide financial assistance for loans made for the purpose of financing: (1) the purchase and installation of solar energy systems and energy conserving improvements in residential and small business buildings; and (2) solar energy programs undertaken by nonprofit groups.

H.R. 6510. February 13, 1980. Ways and Means. Amends title II (Old Age, Survivors and Disability Insurance) to permit a State to modify its coverage agreement to exclude election officials and workers whose remuneration is less than $300. Authorizes a State to make such exclusion effective in the calendar year preceding the delivery of its modification to the Secretary of Health and Human Services.

H.R. 6511. February 13, 1980. Public Works and Transportation. Designates the Federal Building at 75 High Street in Morgantown, West Virginia, as the Harley O. Staggers Federal Building.

H.R. 6512. February 13, 1980. Ways and Means. Amends title II (Old Age, Survivors and Disability Insurance) of the Social Security Act to prohibit the taxation of any title II benefits.

H.R. 6513. February 13, 1980. District of Columbia; Public Works and Transportation. Establishes the Washington Metropolitan Region Study Commission to study whether it would be advisable or appropriate for the District of Columbia, Virginia, and Maryland to enter into an interstate compact to establish a single intergovernmental authority to coordinate, finance, and manage the provision of mass transportation, air quality control, water, solid waste disposal, and sewer services (or any combination of services) in the Washington metropolitan region.

H.R. 6514. February 13, 1980. Interstate and Foreign Commerce; Ways and Means. Amends the Powerplant and Industrial Fuel Use Act of 1978 to prohibit specified powerplants from using petroleum and natural gas as their primary energy source. Limits the availability of certain exemptions under such Act. Authorizes a grant program and a tax deduction under the Internal Revenue Code to defray the cost of conversions to alternate fuels.

H.R. 6515. February 13, 1980. Merchant Marine and Fisheries. Authorizes appropriations for fiscal year 1981 from the Panama Canal Commission Fund for Panama Canal Commission expenses and the Panama Canal Emergency Fund.

H.R. 6516. February 13, 1980. Merchant Marine and Fisheries. Authorizes appropriations for fiscal years 1981 and 1982 from the Panama Canal Commission Fund for Panama Canal Commission expenses, the Panama Canal Emergency Fund, and other specified expenses.

H.R. 6517. February 13, 1980. Ways and Means. Amends the Internal Revenue Code to provide for annual cost-of-living adjustments to the individual income tax rates, the zero bracket amount, minimum filing requirements, and the $1,000 personal tax exemption.

H.R. 6518. February 13, 1980. Government Operations; Interstate and Foreign Commerce. Revises information practices in the insurance industry to protect the privacy of individuals.

H.R. 6519. February 13, 1980. Interstate and Foreign Commerce. Provides for the purchase of the Rock Island Railroad. Provides for the economic protection of the employees of the Rock Island Railroad who are adversely affected by such purchase.

H.R. 6520. February 13, 1980. Interior and Insular Affairs. Revises requirements under the Federal reclamation laws relating to acreage limitations, equivalency, and residency. Provides for validation of repayment contracts and written representations.

H.R. 6521. February 13, 1980. Agriculture; Interstate and Foreign Commerce; Science and Technology. Establishes the National Science Council to decide questions of scientific fact which arise in agency adjudications involving the restriction use of certain substances which are primarily used in food production, processing, or marketing and which may be harmful to human health.

H.R. 6522. February 13, 1980. Interstate and Foreign Commerce. Amends title IV (National Research Institutes) of the Public Health Service Act to set forth uniform authority for the National Institutes of Health and extend the authorization of appropriations for such institutes.

H.R. 6523. February 13, 1980. Agriculture. Amends the Commodity Credit Corporation Act to raise the limit on secured storage facility construction or remodeling loans and to change the basis for estimating the size of facilities for which such loans are made.

Amends the Agricultural Act of 1949 to raise the loan and purchase levels for the 1979 through 1981 crops of corn.

Directs the Secretary of Agriculture to make loans and purchases available for the 1979 crop of feed grains to otherwise ineligible producers, under specified conditions.

H.R. 6524. February 13, 1980. Small Business. Amends the Small Business Act to increase the solar energy and energy conservation loan authorizations for small business concerns.

H.R. 6525. February 13, 1980. Education and Labor; Ways and Means. Establishes Federal disclosure requirements and fiduciary standards for certain State and local government retirement plans.

Amends the Employee Retirement Income Security Act to establish the Employee Benefit Administration as an independent executive agency to administer employee benefit plan laws.

H.R. 6526. February 13, 1980. Judiciary. Declares a named individual lawfully admitted to the United States for permanent residence under the Immigration and Nationality Act.

H.R. 6527. February 13, 1980. Judiciary. Authorizes a named individual to be classified as a child for purposes of the Immigration and Nationality Act.

H.R. 6528. February 19, 1980. Interstate and Foreign Commerce. Prohibits the Secretary of Health and Human Services (formerly, the Secretary of Health, Education, and Welfare) from promulgating a proposed rule applicable to vitamin and mineral products for over-the-counter human use published on March 16, 1979, or from taking any other action which would have the same effect as such proposed rule.

H.R. 6529. February 19, 1980. Ways and Means. Amends the Internal Revenue Code to qualify business property located in areas of high unemployment for an additional investment tax credit.

H.R. 6530. February 19, 1980. House Administration. Amends the Federal Election Campaign Act of 1971 to prohibit any Member of Congress from using funds received as contributions to pay personal expenses.

H.R. 6531. February 19, 1980. Public Works and Transportation. Designates the Federal building in Indianapolis, Indiana, as the Minton-Capehart Federal Building.

H.R. 6532. February 19, 1980. Interstate and Foreign Commerce; Science and Technology. Establishes an interagency committee and an advisory council to examine and investigate the causes and effects of atmospheric fallout and requires the preparation of a plan to reduce such fallout.

H.R. 6533. February 19, 1980. Judiciary. Establishes procedures for the marketing of inventions arising from federally-supported research and development by nonprofit organizations and small business firms.

H.R. 6534. February 19, 1980. Veterans' Affairs. Establishes the Veterans' Administration Health Professional Scholarship Program.

H.R. 6535. February 19, 1980. Education and Labor. Amends the General Education Provisions Act to extend the authorization of appropriations for the National Institute of Education through fiscal year 1985.

H.R. 6536. February 19, 1980. Judiciary. Declares a named individual to be a veteran who served on active duty during WW II for the same period of time as her deceased husband for the purpose of determining eligibility for certain veterans' benefits.

H.R. 6537. February 19, 1980. Judiciary. Authorizes the classification of a named individual as a child for purposes of the Immigration and Nationality Act.

H.R. 6538. February 19, 1980. Interior and Insular Affairs. Authorizes and directs the Secretary of the Interior to reinstate a terminated oil and gas lease previously owned by a named individual.

H.R. 6539. February 20, 1980. Education and Labor. Amends the Occupational Safety and Health Act of 1970 (OSHA) to provide a partial exemption from OSHA regulation for certain workplaces with good safety records.

H.R. 6540. February 20, 1980. Ways and Means. Authorizes States to enter into agreements with the Secretary of Labor to make emergency compensation payments for specified emergency benefits periods to individuals who have exhausted all other unemployment compensation sources.

Directs the Secretary of the Treasury to make payments to States in amounts, as certified by the Secretary of Labor, equal to 100 percent of the emergency compensation paid to individuals by the States pursuant to such agreements.

H.R. 6541. February 20, 1980. Public Works and Transportation. Prohibits unfair or deceptive acts and practices of household goods carriers.

Provides for the fair, timely, and inexpensive resolution of household goods shipper disputes.

H.R. 6542. February 20, 1980. Agriculture. Amends the Food and Agriculture Act of 1977 to delete the requirement of a determination of short supply before the Secretary of Agriculture must set loan levels for agricultural commodities, the export of which has been suspended.

H.R. 6543. February 20, 1980. Ways and Means. Amends the Internal Revenue Code to provide a system of accelerated capital cost recovery for investment in business facilities and equipment.

H.R. 6544. February 20, 1980. Ways and Means. Amends the Internal Revenue Code to: (1) reduce corporate income taxes; (2) expand eligibility for small business deferral of estate tax payments; (3) eliminate the $100,000 ceiling for used property eligible for the investment tax credit; and (4) allow a tax credit for investment in small business incentive stock.

H.R. 6545. February 20, 1980. Post Office and Civil Service. Prohibits the appointment of any member of the Commission on Executive, Legislative, and Judicial Salaries prior to fiscal year 1984.

H.R. 6546. February 20, 1980. Interstate and Foreign Commerce. Directs the Secretary of Health and Human Services to establish a program of grants to applicant States for programs to: (1) identify women who received diethylstilbestrol (DES) while pregnant and the children of such women; (2) establish a voluntary registry of such women and children to help inform them of medical data, available assistance, and followup care; (3) provide periodic screening for cancer related to such drugs; and (4) provide information to health professions personnel.

Limits the amount of any such grant to 75 percent of the cost of the program.

H.R. 6547. February 20, 1980. Banking, Finance and Urban Affairs. Amends the Federal banking laws to prohibit any differential between the interest rates payable on newly authorized or modified accounts in banks and thrift institutions without congressional approval. Extends the authority to set maximum interest rates under Regulation Q until 1985. Expands the powers of Federal savings and loan associations. Requires federally insured associations to meet specified liquidity requirements. Expands the investment authority of Federal mutual savings banks and authorizes such banks to take deposits from any source. Increases Federal deposit insurance.

H.R. 6548. February 20, 1980. Veterans' Affairs. Authorizes the Administrator of Veterans Affairs to give preference in employment in certain positions in the Veterans' Administration to qualified disabled veterans and veterans of the Vietnam era.

H.R. 6549. February 20, 1980. Ways and Means. Amends the Internal Revenue Code to allow an income tax credit for expenditures to upgrade certain railroad property.

H.R. 6550. February 20, 1980. Public Works and Transportation. Amends the Act providing for the location of foreign government and international organization offices within a specified area in the District of Columbia to authorize the Secretary of State to develop, in coordination with the Administrator of General Services (GSA), or to exchange, as well as sell or lease, property in such area for such purpose. Increases the specified area available for such purpose.

H.R. 6551. February 20, 1980. Ways and Means. Amends the Internal Revenue Code to eliminate employer payment of social security taxes as a criterion for determining whether the employer discriminates against low-paid employees in providing pension benefits.

H.R. 6552. February 20, 1980. Public Works and Transportation. Designates a specified road between Ekalaka and Alzada, Montana, as a route on the Federal aid secondary system. Directs the Federal government to provide 100 percent of the construction costs for such highway.

H.R. 6553. February 20, 1980. Judiciary. Extends death benefit coverage under title I of the Omnibus Crime Control and Safe Streets Act of 1968 to emergency medical vehicle workers.

H.R. 6554. February 20, 1980. Merchant Marine and Fisheries. Authorizes appropriations for the Department of Commerce for specified maritime-related expenses for fiscal years 1981 and 1982.

H.R. 6555. February 20, 1980. Judiciary. Amends the Federal criminal code to authorize a Federal court to place an individual charged with a criminal offense under a program of community supervision in lieu of prosecution.

H.R. 6556. February 20, 1980. Science and Technology. Makes outstanding contributions in the behavioral and social sciences eligible for the National Medal of Science award.

H.R. 6557. February 20, 1980. Veterans' Affairs. Designates the Veterans' Administration hospital located at 1500 Weiss Street, Saginaw, Michigan, as the "Aleda E. Lutz Veterans' Hospital."

H.R. 6558. February 20, 1980. Armed Services. Increases the monthly subsistence allowance for Senior Reserve Officer Training Corps Cadets.

H.R. 6559. February 20, 1980. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to certain named individuals in full settlement of their claims against the United States relative to the death of their son, a member of the United States armed forces.

H.R. 6560. February 20, 1980. Judiciary. Authorizes the classification of a named individual as a child for purposes of the Immigration and Nationality Act.

H.R. 6561. February 20, 1980. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a named individual in full settlement of his claims against the United States relative to loss of personal property incident to change of station orders issued by the United States Navy.

H.R. 6562. February 20, 1980. Judiciary. Declares certain named individuals lawfully admitted to the United States for permanent residence under the Immigration and Nationality Act.

H.R. 6563. February 21, 1980. Ways and Means. Amends the Internal Revenue Code to provide that the $2,000 income tax credit for the purchase of a new principal residence will not be recaptured where the taxpayer replaces it with another principal residence.

H.R. 6564. February 21, 1980. Veterans' Affairs. Amends existing Federal legislation to restore the exemption of persons over the age of 72 from the requirement that income and resource reports be filed with the Administrator of Veterans' Affairs in determining eligibility for pension.

H.R. 6565. February 21, 1980. Education and Labor. Directs the Commissioner of Education to make grants to local educational agencies to cover the Federal share of the costs of: (1) alternative education programs for secondary school students who lack basic reading, communications, and mathematics skills or who are potential dropouts or juvenile delinquents; and (2) training programs for parents, teachers, and other educational personnel involved in such alternative education.

Establishes a National Clearinghouse on Alternative Education.

H.R. 6566. February 21, 1980. Interstate and Foreign Commerce. Amends title XIX (Medicaid) of the Social Security Act to provide for minimum reimbursement levels for physicians' services under the Medicaid program.

H.R. 6567. February 21, 1980. Interior and Insular Affairs. Amends the Atomic Energy Act of 1954 to modify the nuclear facility siting and licensing process.

Makes determinations made by State agencies having jurisdiction over nuclear facility siting or licensing or by governing bodies of nonregulated electric utilities as to the need for additional electrical energy and the choice of nuclear fuel over other energy options final, conclusive, and binding on the Nuclear Regulatory Commission.

H.R. 6568. February 21, 1980. Armed Services; House Administration. Provides that registrants under the Military Selective Service Act shall be automatically registered to vote in their local jurisdictions.

H.R. 6569. February 21, 1980. Armed Services. Amends the Military Selective Service Act to require the registration of all persons for military service.

H.R. 6570. February 21, 1980. Interior and Insular Affairs; Interstate and Foreign Commerce; Science and Technology. Authorizes Federal assistance for the establishment of low-level radioactive waste disposal facilities to be operated by the individual States.

Authorizes the Secretary of Energy to conduct research for such purposes and to provide States with on-site assistance in evaluating and developing sites for such facilities.

Permits States to use Federal low-level waste disposal facilities for a transitional period prior to the establishment of State-operated facilities.

H.R. 6571. February 22, 1980. Ways and Means. Amends the Tariff Act of 1930 to exempt from duty during a specified period the cost to a United States vessel of fish net and netting purchased or repaired in Panama.

H.R. 6572. February 22, 1980. Interior and Insular Affairs. Amends the Colorado River Basin Project Act to prohibit any Federal official from undertaking reconnaissance studies of any plan for importation of water into the Colorado River Basin.

H.R. 6573. February 22, 1980. Veterans' Affairs. Provides a bonus payment of $10,000 for each veteran of World War I.

H.R. 6574. February 22, 1980. Ways and Means. Repeals the requirement, under title II (Old Age, Survivors and Disability Insurance) of the Social Security Act, that the amount of monthly OSADI benefits payable to a spouse or surviving spouse be reduced by the amount such spouse or surviving spouse receives in monthly payments from a Federal or State pension fund.

H.R. 6575. February 22, 1980. Judiciary. Amends the Federal criminal code to specify prohibited activities with respect to the administration or use of a polygraph examination on behalf of an employer engaged in business affecting interstate commerce.

H.R. 6576. February 22, 1980. Ways and Means. Amends title II (Old Age, Survivors and Disability Insurance) of the Social Security Act to increase to $750 the amount of the lump-sum death payment allowed thereunder, in the case of an individual whose estate is valued at $5,000 or less.

H.R. 6577. February 22, 1980. Post Office and Civil Service; Judiciary. Directs the Secretary of Commerce to specify, in the tabulation of total population by States as required for the apportionment of Representatives in Congress to be completed within nine months after the decennial census date, the number of aliens in each State, including a separate accounting of those aliens not lawfully present in the United States.

Provides that such illegal aliens not be counted for purposes of such apportionment.

H.R. 6578. February 22, 1980. Ways and Means. Amends the Internal Revenue Code to provide an income tax credit for tuition.

H.R. 6579. February 22, 1980. Judiciary. Amends the Federal criminal code to specify prohibited activities with respect to the administration or use of a polygraph examination on behalf of an employer engaged in business affecting interstate commerce.

H.R. 6580. February 22, 1980. Interstate and Foreign Commerce. Amends the Securities Act of 1933 to permit limited offerings of the securities of small issuers without registration. Exempts certain resales of such securities from registration.

H.R. 6581. February 22, 1980. Agriculture; Foreign Affairs. Directs the Secretary of Agriculture to purchase wheat held under the producer storage program for donation for international assistance purposes determined by the President.

Directs the Commodity Credit Corporation to purchase, and sell only at specified prices, specified U.S. grain embargoed against the Soviet Union.

Establishes a land diversion payment program for the 1980 crops of wheat, corn, and feed grains.

Provides for: (1) partial eligibility for 1979 corn crop price support loans; (2) fewer restrictions on Corporation sales of corn for alcohol feedstock; (3) specified loan levels when agricultural export sales are suspected; and (4) minimum international food donations.

H.R. 6582. February 22, 1980. Interior and Insular Affairs. Directs the Secretary of the Interior to grant title to certain real property located in Lane County, Oregon, to persons who were deprived of title as a result of an inaccurate survey by the Bureau of Land Management.

H.R. 6583. February 22, 1980. Judiciary. Authorizes the classification of a named individual as a child for purposes of the Immigration and Nationality Act.

H.R. 6584. February 22, 1980. Judiciary. Declares a named individual to be the natural-born alien child of a named citizen of the United States.

H.R. 6585. February 25, 1980. Government Operations. Amends the Reorganization Act of 1977 to extend the deadline by which the President must transmit a reorganization plan to Congress in order for that plan to take effect.

H.R. 6586. February 25, 1980. Banking, Finance and Urban Affairs. Authorizes the President to present, in the name of the Congress, specially struck gold medals to Eric Heiden and the American Hockey Team for their victories at the 1980 winter Olympics.

H.R. 6587. February 25, 1980. Foreign Affairs. Amends the Export Administration Act of 1979 to prohibit the export of goods, the sales of which are prohibited or restricted in the United States pursuant to specified public health and safety laws, unless specified conditions are met.

H.R. 6588. February 25, 1980. Intelligence. Sets forth comprehensive standards for the conduct of intelligence activities by members of the United States intelligence community, under the direction and review of the National Security Council.

Directs the President to appoint an Intelligence Oversight Board.

Specifies guidelines and restrictions governing the collection and dissemination of intelligence concerning a citizen or association of the United States.

Establishes the Office of the Director of National Intelligence to have overall responsibility for national intelligence.

Sets forth, specifically, the intelligence functions and authority of the Federal Bureau of Investigation, the Central Intelligence Agency, and the National Security Agency.

Authorizes the intelligence system of the United States by the establishment of a statutory basis for the national intelligence activities of the United States.

H.R. 6589. February 25, 1980. Interstate and Foreign Commerce. Amends the Federal Trade Commission Act with respect to the effectiveness and equitable enforcement of the laws administered by the Federal Trade Commission.

H.R. 6590. February 25, 1980. Interstate and Foreign Commerce. Amends the Federal Food, Drug, and Cosmetic Act with respect to the authority under such Act to assure the safety and nutrition of infant formulas.

H.R. 6591. February 25, 1980. Judiciary. Amends the Federal criminal code to specify prohibited activities with respect to the administration or use of a polygraph examination on behalf of an employer engaged in business affecting interstate commerce.

H.R. 6592. February 25, 1980. Judiciary. Amends the Federal criminal code to specify prohibited activities with respect to the administration or use of a polygraph examination on behalf of an employer engaged in business affecting interstate commerce.

H.R. 6593. February 25, 1980. Agriculture. Prohibits the feeding, or the permission of feeding, of garbage to swine unless such garbage has been treated to kill disease organisms, in accordance with regulations issued by the Secretary of Agriculture, at a facility holding a valid permit issued by the Secretary (or the chief agricultural or animal health official of a State with an agreement with the Secretary).

Exempts waste from ordinary household operations which is fed directly to swine on the same premises where such household is located from coverage as "garbage" under this Act.

H.R. 6594. February 25, 1980. Post Office and Civil Service. Applies to one conservation publication mailed in bulk by each State the lower third-class rate applicable to matter mailed in bulk by qualified non-profit organizations.

H.R. 6595. February 25, 1980. Banking, Finance and Urban Affairs. Revises the circumstances entitling a country to export financing. Increases the aggregate amount of loans and contractual liability of guarantees and insurance which may be outstanding at any one time. Requires such activities to be carried out through the Export Expansion Facility. Provides for the capitalization of such Facility.

H.R. 6596. February 25, 1980. Banking, Fi- and Urban Affairs. Amends the Export-Import Bank Act of 1945 to direct the Export-Import Bank to adopt export finance programs comparable in structure to those extraordinary measures of official export credits offered by competing countries.

H.R. 6597. February 25, 1980. Judiciary; Rules. Requires the Chief Justice of the United States to address in person at least annually the Senate and House of Representatives meeting in joint session on the state of the judiciary.

H.R. 6598. February 25, 1980. Education and Labor. Directs the Secretary of Education to make a payment to each local educational agency in an amount equal to: (1) $100 multiplied by the number of children aged five through 17, inclusive, in the school district of each local educational agency for fiscal year 1981; (2) $150 multiplied by such number for fiscal year 1982; and (3) $200 multiplied by such number for fiscal year 1983.

H.R. 6599. February 25, 1980. Banking, Finance and Urban Affairs. Amends the Housing and Community Development Act of 1974 to include mobile home residents and other lower income residents in local housing assistance plans. Amends the United States Housing Act of 1937 to require proportionality for mobile home residents in the award of rental assistance in certain circumstances.

H.R. 6600. February 25, 1980. Armed Services. Permits persons from foreign countries to receive instruction at the U.S. Military Academy, the U.S. Naval Academy, and the U.S. Air Force Academy.

H.R. 6601. February 25, 1980. Banking, Finance and Urban Affairs. Amends the Federal Credit Union Act to authorize the board of directors of each credit union to increase the maximum interest rate on loans to members. Empowers the National Credit Union Administration Board to further increase the maximum interest rate during a period of rising money market rates.

H.R. 6602. February 25, 1980. Ways and Means. Amends the Internal Revenue Code to increase the tax deduction allowable for certain moving expenses.

H.R. 6603. February 25, 1980. Banking, Finance and Urban Affairs. Authorizes the President to present, on behalf of the Congress, a specially struck gold medal to the Smithsonian Institution in recognition of the athletes who have prepared for the 1980 summer Olympic games and who will sacrifice their personal goals in furtherance of United States foreign policy.

H.R. 6604. February 25, 1980. Judiciary. Authorizes the issuance of a visa to a named individual for admittance to the United States for permanent residence under the Immigration and Nationality Act.

H.R. 6605. February 26, 1980. Education and Labor. Amends the Comprehensive Employment and Training Act (CETA) to create a Youth Career Intern Program.

Directs the Secretary of Labor to provide financial assistance to prime sponsors to establish and operate programs conducted by local educational agencies and community-based organizations of proven effectiveness, designed to improve educational and employment opportunities for eligible youths in areas of high unemployment.

H.R. 6606. February 26, 1980. Banking, Finance and Urban Affairs. Amends and extends certain Federal laws relating to housing, community and neighborhood development and preservation, and related programs.

H.R. 6607. February 26, 1980. Interior and Insular Affairs; Agriculture. Designates certain National Forest System roadless areas for inclusion in the National Wilderness Preservation System. Provides for nonwilderness multiple-use management of other roadless areas.

H.R. 6608. February 26, 1980. Interstate and Foreign Commerce. Amends the Federal Food, Drug, and Cosmetic Act to require infant formulas to provide certain nutrient levels or else be deemed to be adulterated.

Directs the Secretary of Health and Human Services (formerly, the Secretary of Health, Education, and Welfare) to prescribe the scope and extent of recalls of adulterated infant formulas to effectively remove them from commercial distribution.

Requires manufacturers of infant formulas to show that such requirements have been met and to notify the Secretary of any suspected adulteration or misbranding.

H.R. 6609. February 26, 1980. Government Operations. Provides for the return of federally condemned property to its former owner when the Federal Government does not use such property for the stated purpose.

H.R. 6610. Februray 26, 1980. Ways and Means. Amends the Internal Revenue Code to increase the maximum income tax deduction for contributions to retirement savings.

H.R. 6611. February 26, 1980. Judiciary. Amends the Immigration and Nationality Act to provide procedures for administrative correction of the dates of birth of certain naturalized citizens.

H.R. 6612. February 26, 1980. Ways and Means. Amends the Internal Revenue Code to: (1) increase the amount and availability of the residential energy credit; (2) increase the investment tax credit for energy property; and (3) allow an income tax credit for professional assessments of the energy efficiency of a building and for the conversion of motor vehicles to the use of alcohol as fuel.

H.R. 6613. February 26, 1980. Merchant Marine and Fisheries. Amends the Shipping Act, 1916, in order to prohibit regulation of collective bargaining agreements by the Federal Maritime Commission.

H.R. 6614. February 26, 1980. Merchant Marine and Fisheries. Authorizes appropriations to carry out the purposes of the National Sea Grant College Program and the Sea Grant Program Improvement Act during fiscal years 1981, 1982, and 1983.

H.R. 6615. February 26, 1980. Merchant Marine and Fisheries; Science and Technology. Amends the National Ocean Pollution Research and Development and Monitoring Planning Act of 1978 to authorize appropriations to the National Oceanic and Atmospheric Administration for fiscal year 1981.

H.R. 6616. February 26, 1980. Merchant Marine and Fisheries; Science and Technology. Amends the Maritime Protection, Research, and Sanctuaries Act of 1972 to authorize appropriations to carry out the provisions of such Act for fiscal year 1981.

Amends such Act to render the designation of a marine sanctuary or any terms included therein ineffective upon: (1) certification by the Governor of any State in which such designation is made that such designation or any of its terms are unacceptable; or (2) adoption by both Houses of Congress of a concurrent resolution of disapproval of such designation or any of its terms.

Includes industrial waste within the purview of such Act.

H.R. 6617. February 26, 1980. Ways and Means. Amends the Internal Revenue Code to: (1) provide for accelerated depreciation of buildings and business machinery; and (2) reduce the useful life of investment tax credit property eligible for the full amount of such credit.

H.R. 6618. February 26, 1980. Interior and Insular Affairs. Requires any water service or repayment contract with an irrigation district entered into after enactment of this Act to include a specified payment schedule for project water. Permits contracts in effect before enactment of this Act to be amended to include such schedule.

Exempts landowners within a district covered by a contract containing such schedule from acreage limitations of Federal reclamation laws.

H.R. 6619. February 26, 1980. Education and Labor; Science and Technology; Banking, Finance and Urban Affairs; Interstate and Foreign Commerce. Amends the Economic Opportunity Act of 1964 to establish comprehensive energy conservation services program, including weatherization assistance, energy assistance payments, crisis intervention, energy conservation education and program coordination, outreach activities, and research, demonstration, and pilot projects to enable low-income individuals and families, particularly older persons and families which include older persons and severely handicapped individuals, to participate in energy assistance programs designed to reduce energy consumption and the impact of high energy costs.

H.R. 6620. February 26, 1980. Interior and Insular Affairs. Authorizes the Secretary of the Interior to enlarge the Jefferson National Expansion Memorial National Historic Site.

H.R. 6621. February 26, 1980. Armed Services. Authorizes appropriations for the Department of Energy for national security programs for fiscal year 1981.

H.R. 6622. February 26, 1980. Banking, Finance and Urban Affairs; Veterans' Affairs. Amends certain Federal housing laws with respect to assuring that no discrimination is made on the basis of the marital status of applicants for assistance under programs established by such laws.

H.R. 6623. February 26, 1980. Interstate and Foreign Commerce. Amends the Public Health Service Act to stipulate that enrollment increases made by schools of medicine to receive assistance from the Veterans' Administration shall not be considered in determining if such schools have met the first-year enrollment requirements for capitation grant educational assistance.

H.R. 6624. February 26, 1980. Ways and Means. Amends the Internal Revenue Code to increase the dollar amount of winnings from gambling transactions which is subject to income tax withholding.

H.R. 6625. February 26, 1980. Interstate and Foreign Commerce. Amends the Powerplant and Industrial Fuel Use Act of 1978 to limit the sum of severance taxes or fees levied upon or collected from a taxpayer by a State or its political subdivisions on coal destined for shipment in interstate commerce for use in, or in connection with, any powerplant or major fuel burning installation.

H.R. 6626. February 26, 1980. Small Business. Amends the Small Business Act to empower the Small Business Administration to make loans for the acquisition of land to State and local development companies. Repeals specified loan authorities and revolving funds under such Act.

H.R. 6627. February 26, 1980. Interior and Insular Affairs; Foreign Affairs; Science and Technology; Interstate and Foreign Commerce. Authorizes appropriations to the Department of Energy for civilian programs for fiscal years 1981 and 1982.

H.R. 6628. February 26, 1980. Interior and Insular Affairs. Authorizes appropriations to the Nuclear Regulatory Commission.

H.R. 6629. February 26, 1980. Interior and Insular Affairs; Interstate and Foreign Commerce. Amends the Indian Health Care Improvement Act to authorize appropriations for specified programs for fiscal years 1981 through 1984.

H.R. 6630. February 26, 1980. Interior and Insular Affairs. Establishes the Western Arctic Management Area in Alaska.

H.R. 6631. February 26, 1980. Interior and Insular Affairs. Provides for the settlement of the land claims of the Cayuga Indian Nation in the State of New York.

H.R. 6632. February 26, 1980. Ways and Means. Amends the Internal Revenue Code to permit businesses and income tax credit for the establishment and financing of a reserve fund to pay the expenses of business-related research performed by an institution of higher education.

H.R. 6633. February 26, 1980. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a named individual in full satisfaction of a claim against the United States resulting from the refusal of the Department of Defense to accept shipment of specified agricultural produce.

H.R. 6634. February 27, 1980. House Administration. Amends the Federal criminal code to prohibit any Federal employee from making a contribution (as defined in the Federal Election Campaign Act) to any other Federal employee or to any Member of Congress, unless such contribution is voluntary. Stipulates that no contribution may be made to a Member of Congress or the Member's authorized political committee, where the person authorizing such committee is the employing authority of the person making the contribution.

H.R. 6635. February 27, 1980. Foreign Affairs; Agriculture. Directs the President to establish a wheat reserve to provide for emergency food needs in developing countries under specified conditions.

Directs the Secretary of Agriculture to: (1) Determine if purchases of wheat for such reserve will unduly disrupt the market; (2) designate Commodity Credit Corporation stocks for such reserve; (3) provide for management of the reserve; and (4) to use Corporation funds and authorities to carry out this Act.

H.R. 6636. February 27, 1980. Ways and Means. Amends the Internal Revenue Code to exempt farm vehicles used for the hauling of agricultural products and supplies from the highway use tax.

H.R. 6637. February 27, 1980. House Administration. Amends the Federal Election Campaign Act of 1971 to redefine the term "contribution or expenditure" as used in such Act.

H.R. 6638. February 27, 1980. Science and Technology; Interstate and Foreign Commerce. Establishes an accelerated research, development, and demonstration program for the recovery of energy and materials from municipal waste.

Establishes the Office of Urban Waste Energy Management within the Department of Energy to perform the activities authorized under this Act.

H.R. 6639. February 27, 1980. Science and Technology; Interior and Insular Affairs. Amends the Earthquake Hazards Reduction Act of 1977 to extend specified authorizations for appropriations.

H.R. 6640. February 27, 1980. Veterans' Affairs. Increases the rate of compensation payable to veterans who have lost, or lost the use of, both upper extremities as the result of service-connected disability.

H.R. 6641. February 27, 1980. Veterans' Affairs. Amends the Veterans' Disability Compensation and Survivors' Benefits Amendments of 1979 to change the effective date for certain veterans' disability compensation increases.

H.R. 6642. February 27, 1980. Public Works and Transportation. Deauthorizes the navigation project for the Kalihi Channel at Honolulu Harbor, Hawaii.

H.R. 6643. February 27, 1980. Public Works and Transportation. Amends the Disaster Relief Act of 1974 to authorize the President to make grants to help repair or replace private nonprofit museums, zoos, libraries, and qualified historical facilities which were damaged or destroyed by a major disaster.

H.R. 6644. February 27, 1980. Interior and Insular Affairs. Establishes the Falls of the Ohio National Monument.

H.R. 6645. February 27, 1980. Ways and Means. Imposes quotas on the importation of automobiles, trucks, and specified engines over a five-year period.

H.R. 6646. February 27, 1980. Ways and Means. Amends title II (Old Age, Survivors and Disability Insurance) of the Social Security Act to provide that the combined earnings of a husband and wife during the period of their marriage shall be divided equally and shared between them for benefit purposes, so as to: (1) recognize the economic contribution of each spouse to the marriage; and (2) assure that each spouse will have social security protection in his or her own right.

H.R. 6647. February 27, 1980. Ways and Means. Amends title II (Old Age, Survivors and Disability Insurance) of the Social Security Act to provide that a husband and wife may elect to split their earnings for social security purposes upon the retirement of either or both of them, or upon their divorce, and equalizes the benefits payable to a retired worker and his or her spouse (on such worker's wage record) if they have not so elected.

H.R. 6648. February 27, 1980. Ways and Means. Amends title II (Old Age, Survivors and Disability Insurance) of the Social Security Act to require that upon the death of an individual who has been married for the preceding five years, the surviving spouse shall inherit all of the wages and self-employment income credited to such individual during their marriage.

H.R. 6649. February 27, 1980. Ways and Means. Amends title II (Old Age, Survivors and Disability Insurance) of the Social Security Act to enable an insured individual's spouse, who has attained the age of 50 and is not entitled to any other monthly benefits, to obtain a transition benefit for three months upon divorce or death of the insured individual.

H.R. 6650. February 27, 1980. Ways and Means. Amends title II (Old Age, Survivors and Disability Insurance) of the Social Security Act to provide that the entitlement of a disabled widow or widower under the age of 60 shall not be less than 71.5 percent of the primary insurance amount of the deceased spouse.

H.R. 6651. February 27, 1980. Ways and Means. Amends title II (Old Age, Survivors and Disability Insurance) of the Social Security Act to provide that a divorced spouse may qualify for benefits on the basis of a marriage which lasted for as few as five years (instead of only on the basis of a marriage which lasted for ten or more years as at present) in the case of certain late life divorces.

H.R. 6652. February 27, 1980. Ways and Means. Amends titles II (Old Age, Survivors and Disability Insurance) and XVIII (Medicare) of the Social Security Act to permit interfund borrowing between trust funds.

Eliminates gender-based distinctions in awarding benefits under title II.

H.R. 6653. February 27, 1980. Ways and Means. Amends the Internal Revenue Code to exclude from the gross income of noncorporate taxpayers gain from the sale or exchange of capital assets held by such taxpayers for more than one year.

H.R. 6654. February 27, 1980. Interstate and Foreign Commerce. Amends the Powerplant and Industrial Fuel Use Act of 1978 to limit the sum of severance taxes or fees levied upon or collected from a taxpayer by a State or its political subdivisions on coal destined for shipment in interstate commerce for use in, or in connection with any powerplant or major fuel burning installation.

H.R. 6655. February 27, 1980. Public Works and Transportation. Authorizes the Secretary of the Army to contract with the city of Weatherford, Texas, for the use of unused water supply storage in Benbrook Reservoir.

H.R. 6556. February 27, 1980. Post Office and Civil Service. Establishes Inauguration Day, January 20 following the election of the President, as a legal public holiday.

H.R. 6657. February 27, 1980. Government Operations; Rules. Establishes a procedure to implement a pro rata reduction in controllable Federal expenditures when necessary to assure a balanced budget.

H.R. 6658. February 27, 1980. Foreign Affairs. Amends the Foreign Assistance Act of 1961 and the Arms Export Control Act to authorize appropriations for fiscal year 1981 for international development and security assistance programs and for arms sales.

H.R. 6659. February 28, 1980. Ways and Means. Amends the Internal Revenue Code to: (1) eliminate the dollar maximums on the earned income exclusion for the United States citizens working aboard who are bona fide residents of a foreign country; and (2) repeal the existing provisions allowing tax deductions for certain living expenses abroad.

H.R. 6660. February 28, 1980. Banking, Finance and Urban Affairs; Interstate and Foreign Commerce; Public Works and Transportation. Establishes a Federal grant program with respect to the installation of alternate energy systems in residential and small business structures.

H.R. 6661. February 28, 1980. Intelligence. Authorizes appropriations for fiscal year 1981 for: (1) intelligence and intelligence-related activities of the Federal Government; (2) the Intelligence Community Staff; and (3) the Central Intelligence Agency Retirement and Disability System.

H.R. 6662. February 28, 1980. Science and Technology. Amends the Federal Fire Prevention and Control Act of 1974 to authorize appropriations, except as otherwise provided for the payment of specified claims, to carry out such Act for fiscal years 1981 and 1982. Authorizes appropriations for the use of the Fire Research Center, National Bureau of Standards, for fiscal years 1981 and 1982.

H.R. 6663. February 28, 1980. Judiciary. Amends the Immigration and Nationality Act regarding: (1) entry for nonacademic study; (2) the status of children; (3) deportation; (4) foreign medical personnel; (5) re-entry permits; (6) re-classification and status adjustment; (7) resident alien reporting requirements; (8) naturalization procedures; (9) automatic citizenship of adopted children; and (10) naturalization court fees. Removes the authority of the Central Intelligence Agency to have aliens admitted without regard to their admissibility under immigration laws and regulations.

H.R. 6664. February 28, 1980. Agriculture. Provides for a resource conservation and development program in the Department of Agriculture.

H.R. 6665. February 28, 1980. Merchant Marine and Fisheries. Implements the Protocol of 1978 Relating to the International Convention for the Prevention of Pollution from Ships, 1973.

H.R. 6666. February 28, 1980. Merchant Marine and Fisheries. Sets forth the organization, authorized strength, ratings, and member benefits of the Coast Guard Reserve.

H.R. 6667. February 28, 1980. Public Works and Transportation. Amends the Federal Water Pollution Control Act to extend the authorizations for specified programs through fiscal years 1981 and 1982.

Repeals specified provisions of such Act and of the Clean Water Act of 1977 relating to payments by industrial users for specified portions of treatment works construction costs.

H.R. 6668. February 28, 1980. Armed Services. Amends the Federal Civil Defense Act of 1950 with respect to the civil defense program for fiscal years 1981 through 1987.

H.R. 6669. February 28, 1980. Ways and Means. Amends the Second Liberty Bond Act to increase the interest rate on United States savings bonds.

H.R. 6670. February 28, 1980. Armed Services. Provides for a voluntary system of registration for the military draft. Reinstates a mandatory registration system whenever the President declares a national emergency with respect to a threat to the national security or there is a declaration of war.

H.R. 6671. March 3, 1980. Merchant Marine and Fisheries. Unifies the rules for preventing collisions on the inland waterways of the United States.

H.R. 6672. March 3, 1980. Merchant Marine and Fisheries. Authorizes appropriations for the Coast Guard for fiscal year 1981.

H.R. 6673. March 3, 1980. Ways and Means. Amends the Tariff Schedules of the United States to suspend for a three year period the duty on water chestnuts and bamboo shoots.

H.R. 6674. March 3, 1980. Public Works and Transportation. Amends the National Visitor Center Facilities Act of 1968 to authorize additional appropriations.

H.R. 6675. March 3, 1980. Interstate and Foreign Commerce. Requires persons who manufacture cigarettes or little cigars for sale or distribution in commerce to meet performance standards prescribed by the Consumer Product Safety Commission.

H.R. 6676. March 3, 1980. Armed Services. Authorizes appropriations for Federal civil defense programs for fiscal year 1981.

H.R. 6677. March 3, 1980. Interior and Insular Affairs; Interstate and Foreign Commerce. Sets forth a program to utilize the Federal Columbia River Power System to achieve cost-effective energy conservation in the Pacific Northwest. Encourages the development of renewable energy resources. Establishes a regional power planning process.

H.R. 6678. March 3, 1980. Armed Services. Authorizes appropriations for the procurement of naval vessels during fiscal year 1981.

H.R. 6679. March 3, 1980. Judiciary. Relieves an employee of the Forest Service, United States Department of Agriculture, of liability for an erroneous overpayment of expenses.

H.R. 6680. March 3, 1980. Judiciary. Declares a certain individual to have been lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 6681. March 3, 1980. Judiciary. Declares five individuals to have been lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 6682. March 4, 1980. Interior and Insular Affairs. Removes certain restrictions from certain previous conveyances of lands in the State of Washington.

H.R. 6683. March 4, 1980. Appropriations. Makes additional appropriations to the Secretary of Health and Human Services for the National Institutes of Health to carry out lupus erythematosis research.

H.R. 6684. Public Works and Transportation. Sets forth conditions of removal for buildings subject to flood easements or other rights of the United States in the operation of the Bolivar Dam and Reservoir, Ohio.

H.R. 6685. March 4, 1980. Agriculture. Authorizes the appointment of an Assistant Secretary for Renewable Energy Development in the Department of Agriculture. Provides for the development and coordination of Department of Agriculture programs with respect to energy self-sufficiency in the agricultural sector.

H.R. 6686. March 4, 1980. Government Operations. Discontinues or amends certain requirements for agency reports to the Congress.

H.R. 6687. March 4, 1980. Ways and Means. Amends the Tariff Schedules of the United States to revise the requirements for the duty-free treatment of products of insular possessions containing foreign materials.

H.R. 6688. March 4, 1980. Veterans' Affairs. Provides that veterans' benefits shall be denied any individual whose discharge from the Armed Forces is characterized as being for misconduct, unsuitability, marginal performance of duty, or other reason indicating that the service of the individual demonstrated that the individual was unqualified for retention in the Armed Forces.

H.R. 6689. March 4, 1980. Agriculture. Authorizes the appointment of an assistant Secretary for Renewable Energy Development in the Department of Agriculture. Provides for the development and coordination of Department of Agriculture programs with respect to energy self-sufficiency in the agricultural sector.

H.R. 6690. March 4, 1980. Ways and Means. Authorizes States to enter into agreements with the Secretary of Labor to make emergency compensation payments for specified emergency benefit periods to individuals who have exhausted other unemployment compensation sources.

Directs the Secretary of the Treasury to make payments to States in amounts, as certified by the Secretary of Labor, equal to 100 percent of the emergency compensation paid to individuals by the States pursuant to such agreements.

H.R. 6691. March 4, 1980. Judiciary. Amends the Clayton Act to prohibit restrictions on the use of credit instruments in the purchase of gasohol.

H.R. 6692. March 4, 1980. Education and Labor. Amends the Occupational Safety and Health Act of 1970 (OSHA) to provide: (1) a partial exemption from OSHA regulation for certain workplaces with good safety records; and (2) a full exemption from OSHA coverage for farm operators employing an average of ten or fewer employees.

H.R. 6693. March 4, 1980. Interstate and Foreign Commerce. Provides for the establishment of National and State energy conservation targets.

H.R. 6694. March 4, 1980. Ways and Means. Amends the Internal Revenue Code to reduce from five to three years the amortization period for pollution control equipment.

H.R. 6695. March 4, 1980. Education and Labor. Establishes a program of assistance to aid States in implementing their school desegregation plans. Requires participating States to submit a statewide school desegregation plan and an implementation plan.

H.R. 6696. March 4, 1980. Judiciary. Amends the Federal criminal code to specify prohibited activities with respect to the administration or use of a polygraph examination on behalf of an employer engaged in business affecting interstate commerce.

H.R. 6697. March 4, 1980. Interstate and Foreign Commerce. Amends the Regional Rail Reorganization Act of 1973 to authorize appropriations to the United States Railway Association for the purpose of carrying out its administration expenses under such Act for fiscal year 1981.

H.R. 6698. March 4, 1980. Interstate and Foreign Commerce. Provides a monthly displacement allowance for any calendar month in which a railroad employee is deprived of employment or adversely affected with respect to such employee's compensation, under specified circumstances.

H.R. 6699. March 4, 1980. Interstate and Foreign Commerce. Provides for the financing of a program for the benefit of the employees of the Rock Island Railroad.

H.R. 6700. March 4, 1980. Interstate and Foreign Commerce. Extends for three fiscal years the authorization of appropriations for the administration of the Controlled Substances Act.

H.R. 6701. March 4, 1980. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to remove all limits on the number of home health visits for which payment may be made under both part A and part B (eliminating the requirement of prior hospitalization in the case of home health care under part A). Includes additional types of services as home health care. Provides coverage for preventive care under part B. Provides coverage for services furnished in outpatient rehabilitation facilities and elderly day care centers.

H.R. 6702. March 4, 1980. House Administration. Amends the Federal criminal code to prohibit any person employed by Congress from making a political contribution, and a Member of Congress or such Member's authorized political committee (as defined in the Federal Election Campaign Act) from accepting such a contribution, where such Member serves as the employing authority for such person.

H.R. 6703. March 5, 1980. Judiciary. Provides that the U.S. district court for the eastern district of Michigan shall be held at Mount Pleasant, Michigan, in addition to the places currently provided by law.

H.R. 6704. March 5, 1980. Education and Labor. Amends the Juvenile Justice and Delinquency Prevention Act of 1974 to extend the authorization of appropriations for such Act.

H.R. 6705. March 5, 1980. Merchant Marine and Fisheries. Provides that actions may not be maintained under any maritime laws of the United States for damages incurred by foreign persons or their legal representatives when such persons are injured or killed outside the United States, or specified waters, while employed on certain special-purpose vessels engaged in activities relating to the offshore exploration for, or production of, oil, gas, or other minerals unless no remedy is available under the laws of the country asserting jurisdiction over the area in which the incident giving rise to the action occurred or in which the individual maintained citizenship or residency.

H.R. 6706. March 5, 1980. Rules. Amends the Congressional Budget Act of 1974 to limit the levels of total budget outlays contained in concurrent resolutions on the budget for fiscal years 1982 through 1984 to specified percentages of the gross national product.

H.R. 6707. March 5, 1980. Public Works and Transportation. Rescinds the authority of the Secretary of the Army to revoke unilaterally any permit for the use of any water delivered to any water system in the State of Virginia.

H.R. 6708. March 5, 1980. Judiciary. Places within the Eastern Judicial District of North Carolina that portion of Durham County encompassing the Federal correctional institution, Butner, North Carolina.

H.R. 6709. March 5, 1980. Judiciary. Creates a State justice institute.

H.R. 6710. March 5, 1980. Interstate and Foreign Commerce; Judiciary. Amends the Communications Act of 1934 to: (1) regulate the interception of communications by common carriers; and (2) increase judicial scrutiny with respect to the interception of certain communications by common carriers and other persons.

H.R. 6711. March 5, 1980. Education and Labor. Extends the authorization of youth training and employment programs and the private-sector initiative program. Authorizes intensive and remedial educational programs for youths.

H.R. 6712. March 5, 1980. Veterans' Affairs. Extends the deadline for reporting on hospital care and medical services furnished by the Veterans' Administration in Puerto Rico and the Virgin Islands.

H.R. 6713. March 5, 1980. Ways and Means. Amends the Internal Revenue Code to allow individual taxpayers an income tax credit for certain expenses incurred in heating their principal residence.

H.R. 6714. March 5, 1980. Interstate and Foreign Commerce; Education and Labor. Establishes a program under which the Secretary of Health and Human Services, under agreements made with appropriate State agencies, will provide assistance to low-income and elderly households with respect to increased costs of residential fuel.

H.R. 6715. March 5, 1980. Ways and Means. Amends the Internal Revenue Code to allow pensioners under a public retirement system and other retirees aged 65 and over a $10,000 exclusion from gross income for any amount received as an annuity, pension, or other retirement benefit.

H.R. 6716. March 5, 1980. Post Office and Civil Service. Provides for the consideration of military retirement benefits or veterans benefits in lieu thereof in determining minimum disability benefits under the civil service retirement system.

H.R. 6717. March 5, 1980. Interior and Insular Affairs. Directs the Secretary of the Interior to prepare certain rolls of specified eligible persons and to distribute specified funds appropriated to pay certain Indian Claims Commission judgments in favor of the Delaware Tribe of Indians and the Absentee Delaware Tribe of Western Oklahoma.

H.R. 6718. March 5, 1980. Ways and Means; Interstate and Foreign Commerce. Establishes quantitative limitations on the importation of automobiles. Imposes restrictions on the domestic sale of automobiles.

H.R. 6719. March 5, 1980. Public Works and Transportation. Reduces the Federal-aid highway apportionment for any State which establishes a maximum gross weight of less than 80,000 pounds or a maximum overall length of less than 60 feet for vehicles using the Interstate Highway System within such State.

H.R. 6720. March 5, 1980. Interior and Insular Affairs. Directs the Secretary of the Interior to reimburse certain individuals for improvements to certain land in New Mexico.

H.R. 6721. March 6, 1980. Public Works and Transportation; Science and Technology. Directs the Secretary of Transportation to review and revise as necessary the existing national airport system plan to provide for the development of public-use airports in the United States.

H.R. 6722. March 6, 1980. Small Business; Interstate and Foreign Commerce. Amends the Small Business Act to provide special loan guarantees to small business concerns for the acquisition of motor fuel service stations. Requires the divorcement of such stations from operation by certain producers and refiners of motor fuels. Controls sales by producers and refiners of motor fuels.

H.R. 6723. March 6, 1980. Interstate and Foreign Commerce. Amends the Securities Act of 1933 and the Investment Company Act of 1940 with respect to incentives for small business investment.

H.R. 6724. March 6, 1980. Ways and Means. Amends the Internal Revenue Code to increase the unified credit against estate and gift taxes to exempt $400,000 of property from such taxes. Provides an inflation adjustment of such amount.

H.R. 6725. March 6, 1980. Agriculture. Requires the Secretary of the Interior, in cooperation with the Secretary of Agriculture, to implement certain requirements relating to animal damage control.

H.R. 6726. March 6, 1980. Judiciary. Allows the publishing and broadcast of information about lotteries in certain cases.

H.R. 6727. March 6, 1980. Merchant Marine and Fisheries. Establishes the Bon Secour National Wildlife Refuge.

H.R. 6728. March 6, 1980. Science and Technology. Authorizes appropriations for the National Science Foundation for fiscal years 1981 and 1982.

H.R. 6729. March 6, 1980. Banking, Finance and Urban Affairs. Amends the Housing and Community Development Act of 1974 to authorize the Secretary of Housing and Urban Development to make payments to local homesteading agencies in lieu of real estate taxes which accrued during the period of transfer of homestead property.

H.R. 6730. March 6, 1980. Interstate and Foreign Commerce; Education and Labor. Establishes a program of grants to States to provide assistance to eligible households with respect to rising home heating costs.

H.R. 6731. March 6, 1980. Banking, Finance and Urban Affairs. Provides standby authority for the general or selective control of prices and wages.

H.R. 6732. March 6, 1980. Agriculture. Makes available a national soil conservation program.

H.R. 6733. March 6, 1980. Agriculture. Requires the Secretary of the Interior, in cooperation with the Secretary of Agriculture, to implement certain requirements relating to animal damage control.

H.R. 6734. March 6, 1980. Small Business; Judiciary; Ways and Means; Government Operations. Increases Federal expenditures for research and development which go to small business concerns. Provides tax incentives including accelerated depreciation, investment tax credit for used equipment, deferral of capital gains from investment in such concerns, and a corporate income tax rate reduction. Awards attorneys' fees where such concerns are successful in a suit with the Federal Government. Provides for Federal regulatory flexibility with respect to such concerns.

H.R. 6735. March 6, 1980. Banking, Finance and Urban Affairs. Provides for the striking of medals in commemoration of Maggie Lena Walker.

H.R. 6736. March 6, 1980. Banking, Finance and Urban Affairs; Public Works and Transportation. Establishes Federal policies with respect to minimizing the involuntary displacement of individuals from housing. Provides additional assistance to those persons who have been so displaced.

H.R. 6737. March 6, 1980. Judiciary. Grants a Federal charter to the Italian American War Veterans of the United States.

H.R. 6738. March 6, 1980. Merchant Marine and Fisheries. Amends the Great Lakes Pilotage Act of 1960 to limit the liability of United States registered pilots so as to provide for reciprocal and equitable participation by United States and Canadian citizens in the pilotage of vessels on the Great Lakes.

H.R. 6739. March 6, 1980. Judiciary. Confers United States citizenship posthumously upon Leopoldine Marie Schmid.

H.R. 6740. March 6, 1980. Post Office and Civil Service. Limits the initial cost of living adjustments provided for certain civil service annuitants.

H.R. 6741. March 6, 1980. Small Business. Amends the Small Business Act to provide direct loans for the purchase and installation of wood or coal burning stoves.

H.R. 6742. March 6, 1980. Education and Labor. Amends the National School Lunch Act to permit the State of Idaho to receive cash payments in lieu of donated foods for purposes of programs under such Act and under the Child Nutrition Act of 1966.

H.R. 6743. March 6, 1980. Education and Labor. Amends the Comprehensive Employment and Training Act to provide a career intern program to encourage school districts and opportunities industrialization centers, and other community based organizations of demonstrated effectiveness, to carry out programs with respect to the educational employment opportunity for youths.

H.R. 6744. March 6, 1980. Ways and Means. Amends the Internal Revenue Code to: (1) increase the accumulated earnings credit: (2) increase the amount of used equipment eligible for the investment tax credit; and (3) allow certain small businesses to use the cash method of accounting without regard to inventories.

H.R. 6745. March 6, 1980. Government Operations; Interstate and Foreign Commerce. Consolidates in the Environmental Protection Agency the major Federal Government responsibilities with respect to ionizing radiation, from both nuclear and nonnuclear sources. Requires the Agency to make a continuing comparison of the risks and effects of radiation from different sources and to assure that both Congress and the public are kept aware of such risks and effects.

H.R. 6746. March 6, 1980. Authorizes the classification of a certain individual as a child for purposes of the Immigration and Nationality Act.

H.R. 6747. March 6, 1980. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to named individuals in satisfaction of a claim against the United States.

H.R. 6748. March 10, 1980. Interstate and Foreign Commerce. Amends the Railroad Retirement Act of 1974 to provide an increased benefit for certain persons by changing the requirement that such persons have been fully insured under the Social Security Act as of December 31 of the calendar year in which they last rendered railroad related service.

H.R. 6749. March 10, 1980. Ways and Means. Amends the Internal Revenue Code to provide that an unmarried individual who maintains a household shall be considered a head of household without regard to whether the individual has a dependent who is a member of the household.

H.R. 6750. March 10, 1980. Ways and Means. Amends the Tariff Schedules of the United States with respect to the duty on hovercraft skirts.

H.R. 6751. March 10, 1980. Interstate and Foreign Commerce. Creates a National Commission on Compulsive Gambling.

H.R. 6752. March 10, 1980. Judiciary. Prohibits any person from raising as a defense in a proceeding brought for an alleged violation of an antitrust law or the Civil Rights Act of 1964 that such person was compelled by the law of a foreign state to take the action constituting the alleged violation.

H.R. 6753. March 10, 1980. Armed Services. Authorizes appropriations for conservation, exploration, development, and use of the naval petroleum reserves and naval oil shale reserves for fiscal year 1981.

H.R. 6754. March 10, 1980. Judiciary. Interstate Compact—Grants the consent of the Congress to the agreement between the States of North Carolina and South Carolina establishing their lateral seaward boundary.

H.R. 6755. March 10, 1980. Agriculture. Authorizes a pilot program with respect to the efficient utilization of wood and wood residues.

H.R. 6756. March 10, 1980. Public Works and Transportation. Amends the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 with respect to the compensation of persons displaced from their dwellings, business operations, or farm operations by Federal or federally assisted programs or projects.

H.R. 6757. March 10, 1980. Ways and Means. Amends the Internal Revenue Code to provide that the unified credit against the estate tax shall not be reduced by certain gifts made during 1976 which are includible in the gross estate of the decedent.

H.R. 6758. March 10, 1980. Banking, Finance and Urban Affairs. Amends the Emergency Home Purchase Assistance Act of 1974 to extend the program authority in such Act.

Amends the National Housing Act to increase the maximum mortgage amount and sales prices of property purchased under such Act.

H.R. 6759. March 10, 1980. Interstate and Foreign Commerce. Amends the Federal Food, Drug, and Cosmetic Act with respect to the authority to ban the importation of agricultural commodities bearing or containing unsafe pesticide chemicals and the importation of foods derived from such commodities.

H.R. 6760. March 10, 1980. Banking, Finance and Urban Affairs. Provides homeownership assistance for lower income families.

H.R. 6761. March 10, 1980. Judiciary. Authorizes the granting of a visa and admission to the United States for permanent residence to a named individual.

H.J. Res. 502. February 27, 1980. Post Office and Civil Service. Designates the week beginning March 8, 1981, as "Women's History Week."

H.J. Res. 503. March 5, 1980. Post Office and Civil Service. Designates the week commencing on the third Monday in February of each year as "National Patriotism Week."

H.J. Res. 504. March 5, 1980. Post Office and Civil Service. Designates May, 1980, as "Better Hearing and Speech Month."

H.J. Res. 505. March 6, 1980. Foreign Affairs. Authorizes the President to impose on the Iranian Government a $50,000,000 fine, payable from blocked Iranian assets, for each day that United States citizens held hostage or otherwise illegally detained in Iran continue to be held hostage or so detained beyond a date designated by the President.

H.J. Res. 506. March 6, 1980. Post Office and Civil Service. Designates the week beginning July 13, 1980, as "National Travel and Tourism Week."

H.J. Res. 507. March 6, 1980. Post Office and Civil Service. Designates July 18, 1980, as "National P.O.W.-M.I.A. Recognition Day."

H. Con. Res. 272. February 5, 1980. Foreign Affairs. Expresses the sense of Congress that the Soviet Union should release Andrei Sakharov from internal exile immediately. Urges the President to: (1) protest Sakharov's exile and the continued suppression of human rights in the Soviet Union; (2) call upon other nations to join in such protests and impose sanctions against the Soviet Union; and (3) inform Helsinki signatory governments that the U.S. delegation intends to raise these violations at the 1980 Conference on Security and Cooperation in Europe review meeting.

H. Con. Res. 273. February 5, 1980. Merchant Marine Fisheries. Urges the President to terminate the fishing privileges of the Soviet Union in U.S. fisheries unless the Soviet military presence in Afghanistan is withdrawn.

H. Con. Res. 274. February 5, 1980. Foreign Affairs. Expresses the sense of Congress that the President should request the United Nations to establish an international presence in the Khmer refugee camps on the Thailand-Kampuchean (Cambodian) border to promote security and oversee the distribution of food.

H. Con. Res. 275. February 6, 1980. Foreign Affairs. Expresses the sense of the Congress that the International Olympic Committee should allow Taiwan to participate in the 1980 winter Olympic games under its own name, flag, and national anthem.

H. Con. Res. 276. February 7, 1980. Provides for an adjournment of the House of Representatives.

H. Con. Res. 277. February 11, 1980. Foreign Affairs. Requests the U.S. Olympic Committee to propose to the International Olympic Committee that all nations join in funding a facility in Greece to serve as the permanent site of the summer Olympic games.

H. Con. Res. 278. February 12, 1980. Interstate and Foreign Commerce. Expresses the sense of Congress that the President and the Congress should establish programs to assure that by January 1, 1990, gasoline for use as motor fuel shall contain not less than ten percent alcohol fuel by volume.

H. Con. Res. 279. February 13, 1980. House Administration. Authorizes the printing of a revised edition of "Our American Government" as a House document.

H. Con. Res. 280. February 13, 1980. Judiciary. Expresses the sense of Congress that the Attorney General should designate the criminal investigation of certain Members of Congress as a top priority within the Department of Justice and expedite such investigation to the maximum extent practicable, consistent with due process and adequate preparation for any ensuing prosecution.

H. Con. Res. 281. February 19, 1980. Post Office and Civil Service. Declares February 26, 1980, as a national day of prayer, meditation, and unity if the hostages being held in Iran are not released by February 25, 1980.

H. Con. Res. 282. February 20, 1980. Foreign Affairs. Expresses the sense of the Congress that recent attempts to undermine the stability of Tunisia constitute a serious threat to international peace and U.S. national security interests. States that the United States should furnish economic and security assistance to Tunisia.

H. Con. Res. 283. February 22, 1980. House Administration. Authorizes the printing of "Federal Election Campaign Laws Relating to the United States House of Representatives."

H. Con. Res. 284. February 25, 1980. Foreign Affairs. Expresess the sense of Congress that the United Nations should consider expanding the U.N. peacekeeping force into sensitive sections of Lebanon to replace the Arab deterrent force in such sections.

H. Con Res. 285. February 26, 1980. Foreign Affairs. Expresses the sense of Congress that the disappearance of any person by abduction and clandestine detention by any government is an act of terrorism to be condemned.

H. Con. Res. 286. February 26, 1980. Foreign Affairs. Expresses the sense of the Congress that the President should seek the support of other nations for the establishment of an International Office of Diplomatic Security within the Secretariat of the United Nations.

H. Con. Res. 287. February 26, 1980. House Administration. Provides for the purchase of a certain statue of George Washington and for the placement of such statue on the East Front of the Capitol Building, or in any appropriate location inside such building.

H. Con. Res. 288. February 26, 1980. House Administration. Authorizes a statue of Frederick Douglass to be placed in the Capitol.

H. Con. Res. 289. February 27, 1980. Armed Services. Expresses the sense of the Congress that the United States should immediately initiate an accelerated production and deployment of cruise missile carrying B–1 bombers.

H. Con. Res. 290. February 27, 1980. Interstate and Foreign Commerce. Expresses the sense of the Congress that the Secretary of Energy should not promulgate any Federal emergency energy conservation plan which would harm recreational boating.

H. Con. Res. 291. February 28, 1980. Ways and Means. Expresses the sense of the Congress with respect to the taxation of social security benefits.

H. Con. Res. 292. March 3, 1980. Ways and Means. Expresses the sense of the Congress with respect to the taxation of social security benefits.

H. Con. Res. 293. March 4, 1980. Interstate and Foreign Commerce. Expresses the sense of the Congress that the Department of Energy should revise its allocation regulations with regard to existing retail outlets.

H. Con. Res. 294. March 5, 1980. Foreign Affairs. Expresses the sense of the Congress that the people of the United States should publicly display the American flag until the hostages being held in Iran are released.

H. Con. Res. 295. March 6, 1980. Post Office and Civil Service. Recognizes the Centennial of Picatinny Arsenal in Dover, New Jersey.

H. Res. 582. February 25, 1980. Rules. Amends the Rules of the House of Representatives to establish a standing Committee on Energy.

H. Res. 583. February 25, 1980. House Administration. Authorizes the expenditure of funds for investigations and studies to be conducted by the House Committee on Interstate and Foreign Commerce.

H. Res. 584. February 25, 1980. Post Office and Civil Service. Extends congratulations to the members of the United States Olympic team for their athletic performances in the XIII winter Olympic games and to Eric Heiden for his achievements in the speed skating events at the games.

H. Res. 585. February 26, 1980. Elects a specified Member to the House Committee on Appropriations.

H. Res. 586. February 26, 1980. Waives certain points of order against the conference report on S. 643.

H. Res. 587. February 28, 1980. Elects a specified Member to the Joint Committee on the Library.

H. Res. 588. February 28, 1980. Congratulates the members of the 1980 U.S. Winter Olympic team, its coaches, and officials for a job well done. Recognizes the International Olympic Committee, the U.S. Olympic Committee, the Lake Placid Olympic Organizing Committee, and the people of the Lake Placid area for their successful efforts in organizing and producing the XIII Winter Olympic Games.

H. Res. 589. February 28, 1980. Sets forth the rule for the consideration of H.R. 6291.

H. Res. 590. March 3, 1980. Standards of Official Conduct. Amends the Code of Official Conduct of the House of Representatives respecting Members against whom a criminal case has been commenced.

H. Res. 591. March 3, 1980. Education and Labor; Judiciary. Declares it to be the sense of Congress that the Secretary of Education and the Attorney General of the United States should take all appropriate steps to assist local educational agencies to eliminate violent crime in the Nation's schools.

H. Res. 592. March 3, 1980. Banking, Finance and Urban Affairs; Government Operations; Judiciary. Calls upon the President, the Judiciary Committee of the House of Representatives, and the Board of Governors of the Federal Reserve System to take specified actions to combat inflation, balance the Federal budget, and limit Federal expenditures.

H. Res. 593. March 4, 1980. Rules. Amends the Rules of the House of Representatives to modify the effective date of the recently established procedure for determining the public debt limit as a part of the congressional budget process.

H. Res. 594. March 4, 1980. Post Office and Civil Service; Judiciary. Expresses the sense of the House of Representatives that for the purpose of apportionment of Representatives in Congress among the several States, aliens not lawfully admitted into the United States should be excluded in the decennial census from the tabulation of total population by States. Expresses that the Representatives in Congress should be apportioned among the several States on the basis of the number of persons in each State excluding such aliens.

H. Res. 595. March 4, 1980. Sets forth the rule for the consideration of H.R. 6029.

H. Res. 596. March 4, 1980. Sets forth the rule for the consideration of H.R. 6152.

H. Res. 597. March 5, 1980. Rules. Expresses the sense of the House of Representatives that the first concurrent resolution on the budget for fiscal year 1981 reported by the Committee on the Budget shall limit total budget outlays to 21 percent of the gross national product.

H. Res. 598. March 6, 1980. Foreign Aflairs. Directs the President to furnish the House of Representatives with complete information regarding the U.S. decision to vote for the United Nations Security Council resolution on March 1, 1980.

H. Res. 599. March 6, 1980. Government Operations. Expresses the sense of the House of Representatives regarding the failure of the Federal Government to curb its own energy use.

H. Res. 600. March 10, 1980. Elects a named Member to the Committee on Merchant Marine and Fisheries.

H. Res. 601. March 10, 1980. Elects a named Member to the Committee on Armed Services.

H. Res. 602. March 10, 1980. Ways and Means. Expresses the sense of the House of Representatives that the net revenues from the Windfall Profit Tax should be primarily directed toward solving the Nation's energy problem.

SENATE—*Monday, March 24, 1980*

(Legislative day of Thursday, January 3, 1980)

The Senate met at 12 o'clock meridian, on the expiration of the recess, and was called to order by Hon. WENDELL H. FORD, a Senator from the State of Kentucky.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Almighty God, give us wisdom to perceive Thee, intellect to understand Thee, diligence to seek Thee, patience to wait for Thee, eyes to behold Thee, a heart to meditate upon Thee, and life to proclaim Thee, so that in all our deliberations we may be informed and guided by the mind and spirit of the Lord who went about doing good, and in whose name we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The assistant legislative clerk read the following letter:

> U.S. SENATE,
> PRESIDENT PRO TEMPORE,
> *Washington, D.C., March 24, 1980.*
>
> *To the Senate:*
>
> Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable WENDELL H. FORD, a Senator from the State of Kentucky, to perform the duties of the Chair.
>
> WARREN G. MAGNUSON,
> *President pro tempore.*

Mr. FORD thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The Senator from West Virginia is recognized.

Mr. ROBERT C. BYRD. Mr. President, I have no requests for my time.

Does the Senator from Wisconsin need any more time than that allotted to him under the order?

Mr. PROXMIRE. I would appreciate an extra 3 minutes.

Mr. ROBERT C. BYRD. I yield 5 minutes of my 10 minutes to the distinguished Senator from Wisconsin. If the distinguished acting Republican leader needs any time on his side, I will be glad to yield the other 5 minutes to him.

Mr. TOWER. I think we have only one request for time on this side.

RECOGNITION OF THE ACTING MINORITY LEADER

The ACTING PRESIDENT pro tempore. The Senator from Texas is recognized.

Mr. TOWER. Mr. President, I yield 5 minutes to the distinguished senior Senator from Vermont (Mr. STAFFORD).

RESTRICTIONS ON USE OF RECREATIONAL WATERCRAFT

Mr. STAFFORD. Mr. President, I wish to comment briefly this morning on a proposed regulation issued by the Department of Energy which appears in the Federal Register, volume 45, No. 27, under date of Thursday, February 7. The proposed regulation to which I refer is 477.48, entitled "Recreational Watercraft Restriction Measure."

I state at the outset that the Senator from Vermont is a boatowner and has been a boatowner throughout most of his adult life, so that I could be accused, quite properly, of having an interest in boating and the industry.

I point out to my colleagues in the Senate, before I go further, that the boating industry in this country is a very major enterprise. Figures I have been supplied indicate that the boating industry annually is a $5.7 billion operation and that it employs some 660,000 people nationwide.

Furthermore, one-fourth of the population of the United States, some 58 million Americans, are owners of pleasure boats of one type or another. So a large segment of the American population has an interest in recreational watercraft.

It has been proposed by the Department of Energy that a number of rules and regulations be promulgated for the purpose of saving petroleum products—diesel and gasoline—in this country. I think that is a very worthy purpose. Neither I nor any other boatowner, I believe, would quarrel with that purpose or would be unwilling to cooperate if a national situation develops which requires, by legislative fiat or administrative fiat, a sharp reduction in the consumption of diesel fuel and gasoline.

However, one of the basic tenets upon which this country has been founded is equality of treatment for all our people. The section of the proposed regulation I have mentioned, 477.48, of February 7, singles out the recreational watercraft of this country alone for the imposition of a restriction on use, in the event of a shortage in the supply of gasoline and/or diesel oil. It provides specifically, if it goes into force and effect, that—

> The owner of a watercraft shall not operate or permit operation of such watercraft 1 day a weekend or both days of the weekend as determined by the President or as specified by the Governor in accordance with the provisions of an approved State Plan.

So I have to ask why the Department of Energy has singled out the recreational watercraft industry alone for a restriction on use during 1 or 2 days of the weekend, which is the time when recreational craft are used principally, and deliberately has overlooked other recreational activities which also consume gasoline.

It is the feeling of the Senator from Vermont—and I think it would be shared very widely in this country—that if recreational activity needs to be curtailed in one aspect of our Nation's life, it should be curtailed in all, so that we all share in the reduction of the use of petroleum products for recreational purposes.

As a distinguished Member of the U.S. House of Representatives, the Honorable MARJORIE HOLT, said on March 12:

> This proposal singles out recreational boating from all other recreational activities. If the proposal goes into effect, pleasure boating would be restricted on either 1 or 2 days every weekend in the event of an energy emergency. No other form of recreation is pinpointed for similar restrictions.

In the April 1980 issue of Yachting, a publication for the yachting industry, an editorial stated that the proposed regulation is different from any that might attempt to grapple with a potential fuel emergency as it should, by calling for approximately equal sacrifices from all citizens.

> But the final proposed regulation is different. It requires a flat ban on the use of powered recreational boats on one or both days of all weekends. No other sport is penalized, no other recreational activity is even mentioned—except in the rationale accompanying the proposed regulation, which contains the bland acknowledgement that boats have been chosen as the easiest target for the DOE to police.

Mr. President, I am sure that the boatowners of America are more than willing to make any sacrifice necessary at any time an energy emergency in the United States requires a restriction on the operation of recreational watercraft.

But I think it only fair in this country, which is based upon equality, that if boatowners are to be asked to make this sacrifice, others in the recreation industry do the same.

The Senator from Vermont is also an airplane pilot. If I am to give up my boat 2 days a weekend, I think I should be giving up flying an airplane over the same period.

I think my friends who own snow-

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

mobiles should be giving up the use of their snowmobiles and those who drive recreational vehicles for recreation should give them up also.

In other words, we could go on and name other aspects of the recreational industries in this country, but if we are to be fair, let us share the burden of restricting the use of gasoline products by the recreational industries of this Nation and not saddle a single industry for singling out, a discriminatory application of a restriction.

I thank the distinguished Senator for yielding.

The ACTING PRESIDENT pro tempore. The Senator from Texas.

Mr. TOWER. Mr. President, I reserve the remainder of my time.

RECOGNITION OF SENATOR PROXMIRE

The ACTING PRESIDENT pro tempore. The Senator from Wisconsin is recognized for not to exceed 20 minutes.

A VISIT TO NEVER-NEVER LAND

Mr. PROXMIRE. Mr. President, the time has come to say a word about Ronald Reagan economics.

Balance the budget. Better, run a surplus. But increase defense spending and increase it sharply far more than President Carter has recommended. The Carter military program is not enough. Reagan says we need more, much more, tens of billions more for defense. Now. That is right, now.

Does that mean a Reagan supplemental for defense in 1981? If he becomes President, yes, indeed. President Reagan takes office January 20. By February 1, a budget request for $5 billion more for defense for the remainder of fiscal 1981 will be before Congress.

Cut taxes. That is another cardinal tenet of the Reagan economics, the Kemp-Roth bill. That means a massive 30 percent reduction in income taxes in 3 years. That means a 10 percent cut the first year. When? Right away. So right after the defense supplemental comes before Congress, President Reagan will add a tax cut of $15 billion for the remainder of fiscal 1981. The tax cut would take effect at once.

And that is not all. President Reagan believes in supply-side economics. He supports a drastic change in the depreciation allowance for all business, big and small. That is known as 10–5–3. It would permit all buildings to be written off in 10 years, all equipment could be depreciated in 5 years, and all rolling stock completely written off in 3 years. The cost to the Treasury the first year: $20 billion. When would the new President put this into effect? Right away. Well, let us be fair and assume he would hold off until the 1981 fiscal year is half way over. That would mean a cut in revenues in the remaining 6 months of 1981 of $10 billion. The annual cost would be about $20 billion.

How does that add up? The result: In 1981 the new President with a responsive Congress would win a direct increase in the budget of $5 billion for the military and a cut in revenues from income of $15 billion and in corporation income tax, because of the effect of the 10–5–3 proposal, of another $10 billion. That would mean a turnaround in the budget aggregating $30 billion.

Mr. TOWER. Mr. President, will the Senator yield for a question?

Mr. PROXMIRE. I will not yield until I finish, and then I will be happy to yield.

That is, the new deficit would be $30 billion deeper. The balanced budget would be $30 billion further away from balance in 1981.

Ah, but how about the cut in domestic programs to compensate for the additional defense spending and the tax cuts? You say President Reagan could cut or veto legislation or rescind or impound legislation that could save $30 billion while standing on his head.

The answer to that is: No way. Here is why: To cut a further $30 billion in the 1981 budget beginning, say, March 1, would require costs that would have an annual rate of $60 billion. If the President's reductions are all accepted, which is necessary to get to the balanced budget stage to begin with, there is simply no way you can find annual reductions of $60 billion in what remains of the budget without literally killing some domestic programs.

What is more, the Reagan position would salvage, save, some of the Carter reductions. President Reagan would restore revenue sharing. He would eliminate withholding of taxes on dividends and interests. There goes about $5 billion of the Carter savings. And President Reagan would promptly reverse the Carter "budget balancing reserve" 10-cent tax on gasoline. That, of course, would be another $11 billion that would not be collected.

Ah, but you say the Reagan program would be so stimulative for the economy that revenues would rise by enough to make whatever difference were necessary and if the new President could not find the areas of spending he would cut back at an annual $60 billion or about $75 billion rate if you restore the Carter revenue-raising proposals.

The analogy of the Kennedy tax cut of 1964—actually a Johnson tax cut—is the favorite precedent of President Reagan. Consider the enormous differences.

That Kennedy tax cut came at a time when the inflation rate was what? Less than 2 percent. It came when the momentum of the economy was clearly on the upswing from a low point in 1960 and 1961. It came at a time of massive buildup for the Vietnam war.

And what did it do? It sharply lowered unemployment. It did indeed increase revenues. And what else?

It provided the basis for the worst inflation this Nation has ever suffered. Because it resulted in a series of almost unbroken deficits, one small surplus in the next 17 years and 16 deficits, some of them massive. One of them in 1968 was a $26 billion deficit at a time when unemployment was well below 4 percent and the Vietnam war was at its height. If there were ever an example in all of the fiscal policy experience of this Nation when a deficit was a first-class blunder, this was it.

No freshman studying his first year of economics under a far-out left-wing spender could have earned anything other than a flat flunk, F, if he did not call that deficit a disaster and a significant reason for the inflation we have suffered since.

Yes, the Kennedy tax cut might well have been right medicine if, and it is a big if, if the country's spending had been held down and reduced as much as the taxes were cut. Yes, in that event we would have earned a tax cut.

But the Reagan formula would repeat that mistake of the sixties. It is one thing to make that mistake when the inflation rate is 2 percent and when inflation had been a relatively minor problem, except in wartime through most of our history, and that was the situation in the sixties. It is something else to make that mistake in the eighties when inflation is our No. 1 problem and when the times call out for cutting spending everywhere, including defense, and making tax cuts, yes, but earning those tax cuts by cutting spending first.

There is no way this country will easily escape the current runaway inflation. It will take patience. It will take persistence. It will take a series of consistent decisions to hold down spending and hold it down sharpfully and painfully. And above all, it will take time. It will take not 1 year but much more likely 10 years, maybe more.

After all, it took 15 years of persistent deficits to get us into this inflation. One year or even 4 years will not get us out of it.

If military spending is to increase, if revenue sharing is to continue, there is no way to slow inflation without maintaining and increasing taxes or literally cutting social programs. That will mean cutting social security benefits sharply. It will mean stopping the highway construction program cold. It will mean ending the basic opportunity grant program, closing down student loan programs, and it will mean sharply reducing medicare and medicaid.

Is that the answer Mr. Reagan gives? No, no, no. Mr. Reagan has indicated that as President he would not touch any of these programs. No way. Where then is the budget balancing to come from? Not from expansion of the economy. The last time we tried that we pushed the 2-percent inflation of 1964 to the 18-percent inflation of today. Not from cutting social programs. Mr. Reagan would save them. Not from holding down military expenditures. Mr. Reagan would increase that, massively. Not from cutting the other programs of government, revenue-sharing, highway construction, and so on. Mr. Reagan supports them.

Does Mr. Reagan have an anti-inflation program, or even the beginning of an anti-inflation program? Of course not. This is a visit to never-never land. It is a course in modern mythology. It is the suspension of the law of gravity. It is water running uphill. It is the tooth fairy and Santa Claus.

It is an invitation to devastating inflation. If we accept it, we will get what we deserve—40 percent, 50 percent, 100 percent inflation; the sky is the limit.

Now I am happy to yield to my good friend from Texas, the acting minority leader.

Mr. TOWER. Mr. President, I think that we owe a debt of gratitude to the distinguished Senator from Wisconsin.

Mr. PROXMIRE. Stop right there. That is it. Do not go beyond. I will continue.

Now go ahead. I am being facetious.

Mr. TOWER. We owe him a debt of gratitude for eliminating the very striking differences between the type of mentality that he represents and the type of mentality that is reflected among Republicans.

Senator PROXMIRE apparently believes that Government can spend money more wisely than the citizens of this country can, that we should continue to preempt vast sums of money from the private sector and put them in the public sector when, in fact, the country is right now rebelling against this huge bureaucracy we have created, this enormous Government expenditure, both of which have been great inflationary factors.

He does not really propose to reduce spending but to increase taxes by about $50 billion, and thereby by sleight-of-hand balance the budget, and the people will pay through the nose.

He proposes to reduce defense spending. Apparently this is typical of a lot of very shortsighted thinking in this country, which is unfortunate because, in fact, in the future the economic health of the United States may depend more on our foreign policy and the military establishment that we have to support our national security and our global objectives than it will even on domestic policy.

In fact, this is a mentality that is oblivious to the fact that the United States cannot but suffer economically if her vital interests are to be subordinated throughout the world to Soviet power.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. TOWER. This is very typical, and I think the Senator from Wisconsin has done us a service in illuminating the viewpoint of those who believe in more Government, who believe in tax and tax, spend and spend, and elect and elect. It is a shortsighted policizing of economic issues, and I suppose we will hear a lot of that over the next few weeks and months, and I hope we do hear a great deal of it because I think that will permit the American people to make a very clear-cut choice in November.

Mr. PROXMIRE. Mr. President, my good friend from Texas is one of the most intelligent men I know. He can come into a hearing of the Banking Committee and can go right to the heart of the arguments, and he does that again and again.

He is extraordinarily articulate, and I greatly respect him. But the Senator from Texas did not listen to a word I said. Mr. President, I do not favor increasing spending. I favor reducing it. In fact, there was an article I wrote in the Washington Post last Sunday a week from yesterday in which I designated $31.5 billion in cuts I would make. I want to cut revenue-sharing, that is revenue spending——

Mr. TOWER. Why not categorical grants in aid? That generates more local spending——

Mr. PROXMIRE. Mr. President, I have the floor.

I also want to point out to my good friend from Texas that I believe in a strong military, and I think it is too weak now, too feeble now, but I think we need a military which is mean and lean, and I think there is a tremendous amount of fat, and I specified where that fat can be cut.

I do not think we need another aircraft carrier. We have 13 now. We have six times as many aircraft carriers as the Soviet Union. They are bigger.

Mr. TOWER. What does the Senator propose to send to the Indian Ocean, frigates?

Mr. PROXMIRE. We can send an aircraft carrier to the Indian Ocean if you wish to do that, and that is fine, I am all for that. But, as I say, we have enough to do that now. The aircraft carrier costs $2.7 billion; the planes on that carrier cost $7.5 billion. There is $10 billion for an aircraft carrier.

What happens? Fifteen minutes after a confrontation with the Soviet Union, your $10 billion is at the bottom of the ocean. It is very vulnerable.

I think what we need is a lean, mean military, not 10 people servicing 1 which we have now, 10 for 1 in combat. We need to change that ratio. There are all kinds of ways which we can strengthen our military without spending a great deal of money.

Now, Mr. President, I am going to proceed, and if I have time left I would be delighted to yield further to my good friend from Texas. I understand he has some time left too, and he can join in if he wishes to do so.

I think the difficulty with the Reagan economics, Mr. President, is that he would increase military spending. He says he would not touch the social programs. That is what he says. He did not say he would cut them back. He denies that he would cut back on social security. He wants to increase the revenue-sharing program, he wants to increase all these programs, and he wants to cut taxes.

As I say, that cannot be done without a tremendous inflationary push and without an enormously unbalanced budget.

Mr. TOWER. I might suggest that the Senator from Wisconsin has not been listening very carefuly to Governor Reagan.

Mr. PROXMIRE. I have been listening very carefully to Governor Reagan. That is exactly what he says. I have been listening more carefully than the Senator from Texas has listened. I listened to the debates, I read his basic speech and his basic position. There are a few areas where I agree with him, but only a few.

SENATOR PROXMIRE SETTLES LAWSUIT WITH DR. RONALD HUTCHINSON

Mr. PROXMIRE. Mr. President, I am pleased to announce that Dr. Ronald Hutchinson and I have resolved our lawsuit involving public statements made in press releases, newsletters, and television appearances and alleged actions by my staff and me concerning his research.

In April 1975, I awarded a Golden Fleece to the National Science Foundation, the National Aeronautics and Space Administration, and the Office of Naval Research for spending approximately $500,000 to support Dr. Hutchinson's human and animal aggression studies.

Some of my statements concerning Dr. Hutchinson's research may be subject to an interpretation different from the one I intended and I am happy to clarify them.

I stated that all of the public funding was given to Dr. Hutchinson of Kalamazoo State Hospital. While Dr. Hutchinson directed the research, the Federal funding went to the State of Michigan for this research. Dr. Hutchinson received his salary as an employee of the State.

I stated that Dr. Hutchinson's projects were extremely similar and perhaps duplicative. I know of no evidence that Dr. Hutchinson ever received extra money for work that duplicated earlier work that had already been funded.

In my press release, I stated that Dr. Hutchinson made a fortune from his monkeys. While the amount of Federal expenditure was large and provided support for Dr. Hutchinson's research for a number of years, the fact is that Dr. Hutchinson did not made a personal fortune.

None of my statements should be interpreted to mean that Dr. Hutchinson's research involved little effort. In fact, Dr. Hutchinson's reports to the funding agencies and his publications recount hundreds of experiments and thousands of test hours with many different animal species and humans in order to study and measure the causes and treatment of aggression.

It should also be clear that my conclusions about Dr. Hutchinson's research are my own, and are not necessarily those of the people we contacted during our investigations. In fact, a number of people within and outside the funding agencies state that Dr. Hutchinson's research was meritorious.

Dr. Hutchinson has won a significant case in the U.S. Supreme Court on the scope of the speech or debate immunity of Members of Congress. Dr. Hutchinson has also won an important victory for the national community of research scientists. The Supreme Court decided that research scientists are not restricted in their rights to sue for defamation merely because they have received Federal research funds.

On our side, the district court concluded that neither I nor my legislative assistant defamed Dr. Hutchinson. The court of appeals recently held that Dr. Hutchinson is entitled to reconsideration of this ruling. Dr. Hutchinson and I, however, have agreed that further litigation is unnecessary.

The purpose of my Golden Fleece Awards has been to call public attention to expenditures which I consider unwise. While I continue to hold to my original opinion that certain studies should not be federally funded at a time of rampaging inflation and huge Federal deficits, there are, of course, many qualified individuals in public institutions who would disagree with me on which studies should and which should not be sponsored. I can both understand and respect their views. My policy is not, nor will it be, to prejudge or censor any application for a Federal grant by Dr. Hutchinson or anyone else. These views have been made known to the agencies involved.

GENOCIDE: A WORLD PROBLEM

Mr. PROXMIRE. Mr. President, we must realize today that the world is smaller and more interdependent than it has ever been. How quickly we can travel from one side of the globe to the other. Actions in any part of the world can quickly affect us here in the United States.

The idea of global interdependence is simple and basic to our actions in business and all foreign affairs. International cooperation is a form of interdependence to help us accomplish great projects and attack world problems. All countries have benefited from international agreements to develop satellite communications and the United Nations' campaign to eradicate smallpox.

But of all the areas of world cooperation, the one area we stand alone is in not joining with the rest of the world in formally condemning genocide.

It is ironic how we have seen the benefits of world cooperation in every area and still not pledged our efforts with the rest of the world in condemning genocide's gross violation of the most basic human right of life. We cannot effectively press other governments to adhere to basic principles of decency we consider the foundation of our own government unless we subscribe to international human rights documents that express these same principles.

The United States is working at cross purposes on these basic rights at the international level. President Carter has asked Senate consent for the Genocide Convention. The Senate has not acted. Just as it has not acted for the past 31 years.

We must, of course, evaluate the implications of any treaty. The most important test of any treaty is whether it is consistent with our fundamental principles. The answer for the Genocide Convention is yes. A resounding yes. Nobody in a rational state of mind could condone genocide. Genocide violates a group's most basic right, the right to live.

The Genocide Convention, then, adds formal substantive support to our efforts to extend certain basic rights throughout the world. We lend our voice, and we can have a very strong voice, to the formal protest against such atrocious acts.

What can be the drawbacks of such a treaty? The treaty's opponents argue that the Convention would infringe on the Constitution. This is totally untrue. The Supreme Court has consistently held the validity of the Constitution over a treaty. Former Supreme Court Justice Earl Warren called continuously for ratification of the Genocide Convention. The American Bar Association has reversed its earlier opposition and voted overwhelmingly to endorse the treaty.

The benefits to human rights are obvious. Clearly here is another area where we should join with other nations in recognizing the sanctity of human life. We have no moral reservations about the treaty. We have no valid constitutional objections to it. Thirty-one years of scrutiny has certainly show that we need not fear any intrusion on our fundamental rights by this treaty. It in fact seeks to insure our most basic right, the right to live.

Eighty-three nations around the world realize the necessity of international cooperation to prevent genocide. It is time for the Senate to come to the same conclusion. I urge my colleagues to ratify the Genocide Convention without delay.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a brief period for the transaction of routine morning business of not to exceed 15 minutes, and the Senators may speak therein up to 5 minutes each.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. Is there morning business?

THE EUROPEAN PARLIAMENT AND THE AMERICAN CONGRESS

Mr. DURENBERGER. Mr. President, the 1980's begin with the promise of danger, political turmoil, and economic crisis. But in one area of critical importance to the United States a unique political institution continues to develop. Since 1950 this country has consistently supported on a bipartisan basis the process of European unity. Nine countries are now joined together in the European Community.

Last June the Community took a giant step forward when by universal sufferage 410 members of the European Parliament were for the first time directly elected. Thus the Community achieved political legitimacy while at the same time the 260 million citizens of Europe gained access to the institutions of the Community.

A directly elected Parliament, beyond its singular contribution to the building of Europe, opens up the possibility for developing new links between America and Europe. The traditional and deep interest of Minnesota in the democratic process is well known. It is thus not surprising that the McKnight Foundation of Minneapolis would recognize this opportunity and support a project to explore the areas of potential cooperation between the Congress and the European Parliament.

Senator MAX BAUCUS and I participated in the first exploratory meeting between Members of the two Houses of Congress, chaired by majority whip JOHN BRADEMAS, and a delegation from the European Parliament in Washington over the weekend of January 26–27. Several objectives motivated the McKnight Foundation and the project which led to the Washington meeting. First, the direct election of the members of the European Parliament was recognized as an historic event and one that promised to give further impetus to the uniting of Europe. To acknowledge this achievement would be an appropriate political gesture for the American Congress. Second, there is the growing role of legislative bodies in the relations between Europe and the United States. The world's growing economic interdependence in such diverse fields as trade, finance, energy, agriculture and economic development inevitably draws the Congress more and more into world affairs. If we are to have any chance of coping successfully with these complex issues it must be done on the basis of understanding and cooperation between Europe and the United States.

These premises were the point of departure for our meeting with leaders of the European Parliament. A consensus was reached on several points. We should seek to improve the flow of information in both directions, but at the same time we must insure that the information exchanged is in a form which does not overwhelm the recipients and relates to specific joint interests.

The Europeans drew attention to the inevitable organizational problems of the new Parliament and that in certain respects it would be more apt to resemble the American Congress than the traditional European legislatures. With these considerations in mind the Members of Congress offered to help in any way that the Europeans might desire, for instance, advice drawn from the experience of Congress with respect to organization, procedures, staffing, and various resources which support our legislature.

The second subject we explored was the possibility of striking out in a quite new direction in relations between the Congress and the Parliament. We discussed a number of substantive areas, such as East-West relations, North-South relations, human rights, agriculture, trade, energy, tax policy, and investment and multinational companies which seemed to be suitable subjects for inquiry through a system of joint working panels. Legislators from the two bodies, expert in each subject, might join together for the systematic examination of these subjects. The process could lead at a minimum to a common understanding of the nature of the issues, even of possible responses to the problems. We agreed that if this process were to have value it would be important to avoid the pitfall of interparliamentary proceedings where the illusion of agreement is created through communique obscurity. It was equally clear that a process of this sort neither could nor should attempt to reach agreement on policy between the two bodies.

The intense pressures bearing today on Western Europe and the United States not only imperil the Atlantic partnership, but has the potentiality of bringing about a disintegration of the structure of collaboration and cooperation which has been the achievement of the postwar period. A challenge posed to European and American leaders alike will be to meet the security, political and economic crisis of the 1980's through collective action by Europe and America rather than retreat to a world where the responses are unilateral and nationalistic. If new links can be forged between the European Parliament and Congress the horizons of American legislators can be extended and the Atlantic partnership strengthened.

All of us who participated in this historic meeting and those who follow on in the endeavor will be indebted to a Minnesota based foundation for its foresight. William L. McKnight was the progenitor of the research and development efforts which made the 3M Company what it is today. The McKnight Foundation is the residuary legatee of Mr. McKnight's estate and under the valuable guidance of its Board of Directors and staff has brought a renewed emphasis on a variety of human services in the State of Minnesota. That they would look to involvement in this effort is important because it is reflective of Mr. McKnight's foresight and of the role that Minnesota institutions have traditionally played in bringing people together to resolve public policy problems. We are indebted to the McKnight Foundation.

Mr. President, I ask unanimous consent that a summary of the discussion between members of the European Parliament and the American Congress January 26 and 27, 1980, be printed in full with my own statement of impressions.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUMMARY—DISCUSSION BETWEEN MEMBERS OF EUROPEAN PARLIAMENT AND AMERICAN CONGRESS

1. At the invitation of Majority Whip John Brademas, a group composed of Members of the House of Representatives and the Senate and members of the European Parliament, met for informal exploratory discussion of relations between the Parliament and Congress.

2. This meeting was inspired by the direct election last summer of members of the European Parliament, a historic event which offers the opportunity for both the European Parliament and Congress to forge a new relationship.

3. The group reviewed past experience with interparliamentary exchanges, especially the successful ad hoc arrangement begun in 1972 between the appointed European Parliament and the House of Representatives. It was agreed that the latter arrangement provided a solid basis from which to explore innovations which would take into account the dramatic changes that have occurred and would be in the mutual interest of the two bodies.

4. The group reached a consensus on the following points:

a. Congress stands ready to respond to inquiries from the European Parliament to provide information on its organization, procedures, staff and supporting resources which might be of help to the Parliament at this stage of its development.

b. Each side could benefit from a systematic exchange of information on issues of concern, including background analyses, summaries of studies under way and policy options under consideration. Immediate efforts will be made to expand the flow of such information, but with emphasis on digestible form.

c. A number of subjects—East-West relations, North-South relations, human rights, agriculture, trade, energy, tax policy and investment, and multi-national companies—were identified as possible subjects worthy of joint study.

d. Joint working panels could be a means whereby legislators expert in each subject would explore several of these substantive areas to reach a common understanding of the issues, possible responses the issues and, where the situation requires, clearly identified differences of view.

e. To be useful, the products of such a process should be made known to the full membership of the two bodies and to the general public, in the latter case through more effective work with the media.

f. The significance of the new directly elected Parliament presents a challenge to the leadership of the two bodies to be imaginative in exploiting this opportunity. At the same time it was recognized that it would be prudent to develop a new relationship through pragmatic experimentation.

5. The two sides agreed on the following steps to be taken:

a. In the coming weeks members of Congress and members of the European Parliament will discuss with their respective colleagues, especially with the leadership of the two bodies and the existing delegations from the European Parliament and Congress, the results of the January 26-27 meeting.

b. At the same time the informal record of the meeting will be reviewed with special attention to a number of specific problems raised during the discussions, for instance, financing, access to private foundation support and the ability of already burdened legislators to assume a further obligation.

c. A time and place for a further meeting will be determined. This might be held at the Aspen Institute's Wye Plantation facility in Easton, Maryland.

CENTRAL AMERICA

Mr. DURENBERGER. Mr. President, I have spoken on several occasions about our foreign policy in Central America. Most recently, while urging the passage of the Central American Security Assistance Act, I noted that our Nation has for too long pursued a policy which is inconsistent and unclear to the nations in Central America. Because of the vital importance of this region to U.S. interests, I believe that we must adopt a policy which brings long-term stability to the nations of Central America and the Caribbean. Such a policy, in my opinion, can be instituted only when we look at this region as it is rather than as we might wish it to be, and when we commit ourselves to fostering economic development which benefits the many rather than the few.

In this regard, I wish to bring to the attention of my colleagues an editorial in the Princeton, Minnesota Union Eagle. This editorial was written by Elmer L. Andersen, a former Republican Governor of Minnesota and a man widely respected for his judgment and wisdom. Because of Mr. Andersen's unique perspective, I believe that his opinions deserve particular attention, and I commend them to my colleagues. I ask unanimous consent to have it printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD as follows:

EDITORIAL

It was interesting to have occasion to be in Costa Rica last week attending board meetings and, along with a few others, to visit with President Rodrigo Carazo. Our Costa Rican host pointed out the absence of soldiers at the entry to the presidential offices and the relaxed security all around. The president is a pleasant middle-aged man who previously was in manufacturing. He is a member of the Christian Democrat party and his election marked a move to the right from the previous administration.

Our conversation quickly turned to Nicaragua, El Salvador and the future of Central America. His outlook is optimistic largely because of a switch in U.S. official attitude and concern, he said he feels in communication with President Carter, that a letter he writes to Carter will get to him and what when necessary he can reach him on the phone. He is scheduled for a meeting in the White House in May.

Indifference and delay has characterized U.S. reaction to Latin American problems in the past. At one point President Carazo remarked that it was strange that a country so dedicated to baseball would swing the bat after the ball had gone by. He felt our actions in urging governmental change in Nicaragua came a year too late and in El Salvador six months later than advisable, but maybe in time.

Costa Rica has been a democracy in a sea of dictators but may become the island in a sea of socialism because unrest exists in all the other countries. It is having economic impact as investment in Central America has slowed, local capital is quietly being moved out of some of the countries, where possible, and people are leaving the more exposed areas such as Nicaragua and El Salvador into less presently dangerous Guatemala or safest Costa Rica if they remain in Central America at all. Some are buying condominiums in Florida as insurance.

Yet, for the most part, business and activity goes on with little visible change. Nicaragua is operating considerably below pre-revolution activity and those damaged by the revolution are rebuilding cautiously. It is not certain what the final outcome will be although there is no question that some measure of reform must come and that there is strong opposition to communism. The harder the conservative elements resist change the more likely it is that the extremists on the left will prevail because the less extreme elements will be unable to win the people. That is the struggle in El Salvador where the conservative elements so vigorously resist any change that the present junta has difficulty accomplishing anything.

Last week the U.S. Congress voted $85 million for Nicaragua which about matches what Cuba has invested. Compared to the billions we put in Vietnam plus thousands of lives lost our action in Nicaragua does not seem like much of a gesture. If the American people want to be believed as favoring government of the people, by the people and for the people, then we must be increasingly on the side of the people in the developing countries as opposed to cruel dictatorships, exploitive special interests or any other form of tyranny.

LEARNING ANOTHER LANGUAGE

Mr. DURENBERGER. Mr. President, there has been little to cheer about recently in foreign policy. Increasingly, the United States finds itself in a position of rapidly changing social conditions in other countries. Too often, social and cultural change occurs, especially in Third World countries, before the U.S. recognizes the significance of these changes and is able to deal with them.

For many years, I have been convinced that a large part of our failing has been our deemphasis of second languages in schools. Too many times we are sending diplomats who are unprepared because they lack a basic understanding of the culture of their host country.

The results are obvious and disastrous. The United States is paying a high price for its myopic vision.

Fortunately, some private corporations are stepping in where Government and the schools have stepped out. I am particularly proud of Minnesota companies like 3M, Cargill, and Univac that are stressing the importance of a second language to their employees. The employees are responding by taking advantage of the opportunities being offered by these and other corporations.

Mr. President, a recent article in the Christian Science Monitor pointed out the need for a second language and the impressive results of programs being offered by 3M and other companies. I ask unanimous consent that the March 6 article from the Christian Science Monitor be printed in today's RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A GIANT COMPANY PROMOTES LEARNING ANOTHER LANGUAGE

ST. PAUL, MINN.—When it comes to learning foreign languages, mental laziness seems to hamper Americans, says a corporate expert on foreign languages.

"We don't want to try to learn something that we may not use right this minute," said Esther Piper. "We set up different standards for ourselves than we do for other people."

Mrs. Piper, who is administrator of language services at Minnesota Mining & Manufacturing Company, says people have to get used to the new idea that we are "no longer the Americans teaching the whole world."

At 3M, a company that does about 40 percent of its annual business outside the United States and maintains operations in 50 countries, languages are food for thought at lunchtime.

The company's Language Society was formed in 1966 when a group of German-speaking employees began meeting at lunch to maintain their language skills. Soon the society had expanded to include five languages.

Today, 775 employee members regularly study second languages at lunchtime. More than 100 volunteer teachers help them with Chinese, Czech, French, German, Italian, Japanese, Norwegian, Polish, Russian, Spanish, Swedish, and English.

Employees receive no credit on their work record for their study, Mrs. Piper said. It is considered an opportunity to learn, not an obligation. A $2 yearly membership fee covers expenses such as use of tape cassette study machines and literature.

3M is doing its part to buck what is perceived as a national trend away from language study. A report late last year from the President's Commission on Foreign Language and International Studies showed only 15 percent of American high school students study a foreign language, compared with 24 percent in 1965. Only 8 percent of U.S. colleges require a foreign language, compared with 34 percent in 1966.

The report indicated one reason the U.S. suffered a trade deficit of nearly $29 billion in 1978 was Americans don't speak other languages well enough to convince foreigners to buy their products.

Other companies, such as Cargill and Univac of Minnesota and Goodyear Tire in Akron, Ohio, have investigated the program.

There is a pressing need for similar programs throughout the nation, Mrs. Piper said, because "Americans will be the losers if they don't learn the languages and customs of other countries."

"Better communication means a better climate in which to do business," Mrs. Piper said, noting the specific meaning and interpretation of words are crucial in international communication. Using a word improperly can sometimes place a person in immediate disfavor in a foreign country, and when technical terms are involved, serious problems can develop unwittingly.

Conversational language is emphasized in the 3M classes and grammar is introduced as needed. Festivals featuring food, costumes, and entertainment from the various countries are three-times-a-year bonuses for company employees.

The employees' six levels of comprehension range from beginner to those capable of translating company letters and other documents. "Our translators are paid by the company and are chosen for their linguistic skills and product and business knowledge," Mrs. Piper said.

Last year more than a million words were translated in 15 languages for the company, including such items as Italian labor laws and Korean industrial standards.

When a 3M employee accepts an overseas assignment, the services of the language department are used to provide special tutoring in language, culture, and customs of the host country. The department also provides special programs for overseas nationals on temporary work assignment at 3M locations in the U.S.

MINNEAPOLIS VET CENTER

Mr. DURENBERGER. Mr. President, there are some 187,000 Vietnam-era veterans in Minnesota, and several million nationwide. Service in our Nation's armed services during time of war has never been an easy task, but our Vietnam veterans have often borne the extra burden of a chilly reception at home. Service in Vietnam has been treated by many as a stigma, so Vietnam veterans are often unable to discuss openly their experiences and their concerns. As a result, there are many Vietnam-era veterans who, having served their country honorably when called upon to do so, continue to undergo problems in readjusting to civilian life.

Last June, President Carter signed into law the Veterans Health Care Amendments Act of 1979. This act authorizes the establishment of vet centers to provide readjustment counseling to those Vietnam-era veterans who need it. Those who will benefit from this program are not mentally ill. Rather, they are people who have undergone a major hardship and who as a result face a variety of temporary impairments in readjustment. They do not ask for our sympathy and they do not merit the isolation into which they have often been forced. Instead, they deserve our support and the chance to live their lives as productive and honorable members of our society.

I am therefore pleased to note that a vet center was recently opened in Minneapolis. This center is staffed by four trained counselors, and it contains counseling rooms, a coffee area, and a lounge where veterans can meet as a group and draw upon each other for assistance. Having undergone a common experience, they can offer each other common understanding.

I believe that the vet center will serve a most valuable purpose for the Vietnam-era veterans of my State, and I therefore wish to take this opportunity to convey my best wishes and my thanks to the staff of the Minneapolis Vet Center.

MEDICAL MISSIONARIES IN HAITI

Mr. DURENBERGER. Mr. President, last October it was announced that the Nobel Peace Prize had been awarded to Mother Teresa, of Calcutta, for her work among the poor of India. As I noted in a statement before the Senate at that time, Mother Teresa's service vividly reminds us that peace is much more than the absence of war, and that the quest for peace is served when the welfare of the individual is made the end of action.

Recently, 24 medical missionaries quietly but effectively committed themselves to these principles. Traveling at their own expense, these people spent 3 weeks in the slums of Port-au-Prince, Haiti, where they erected a two-story building which will house a clinic and school for the children of Port-au-Prince.

Construction costs were funded by the coworkers of Mother Teresa in America, and the original work was begun in January by a group of students at De Pauw University. This project is particularly meritorious since it will result in an ongoing and self-sustaining facility which will benefit the people of Haiti for many years to come.

These good works reflect the ideal of Mother Teresa not least because they were done so selflessly and with such little fanfare. Although I note with pride that many of these missionaries come from my home State of Minnesota, their commitment to the welfare and dignity of others is a virtue which transcends State or national boundaries. I believe that it is therefore fitting that an article describing this mission, written for the Rochester, Minn., Post-Bulletin, be brought to the attention of my colleagues, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HAITIAN MEDICAL PROJECT SOBERING FOR ROCHESTER-AREA CLINIC BUILDERS

(By Ken McCracken)

Bone-tired, but proud and elated, 24 "medical missionaries" mostly from in and around Rochester arrived back in the city at 1:50 a.m. today—without fanfare—from a three-week Christian brotherhood mission to Haiti.

The travelers came home after giving a "helping hand" to Mother Teresa, Calcutta's "saint of the gutter" and 1979 Nobel Peace prize winner, by helping to build a two-story clinic and school in the slums of Port-au-Prince, the impoverished capital of Haiti in the Caribbean.

The last leg of their trip home was by chartered bus from Twin Cities International Airport where they landed late Monday night.

"Their generosity and spirit of self-sacrifice was fantastic," said the Rt. Rev. Msgr. J. Richard Feiten, pastor of St. Pius X Catholic Church, as the group huddled against the night air and blinked at the bright lights when they walked into Pax Christi Catholic Church. Relatives were waiting there to take them home.

"These people will never be the same again after this experience," Msgr. Feiten added, as he helped them lug in bulky cartons containing tools used to help build the clinic-school.

The building project was the St. Joseph's Haitian Mission program, an outgrowth of the work of Mother Teresa. Ten sisters of her Missionaries of Charity are in Port-au-Prince where they established a medical dispensary for the poor.

The clinic-school will help the nuns to expand their programs to aid some 800 slum children and provide better medical care and classes in nutrition.

The Rochester group's participation in the project came about through the efforts of Msgr. Feiten, national treasurer of the Co-Workers of Mother Teresa in America. He arranged for budgetting $32,000 for construction costs from the national fund. Spearhead of the Rochester group was Dr. William C. Fryda, a Mayo Graduate School researcher in blood diseases, who went on ahead to Port-au-Prince and welcomed the 24 when they arrived Jan. 28.

Each of the "medical missionaries" paid his or her own expenses—$550—for the "chance" to be a part of the mission to Haiti.

The clinic-school was put up last month by a group of students at DePaul University, Greencastle, Ind. The Rochester-area group built inside walls, finished off the roof and made benches and furniture.

"It was in use before we even finished," said Dean Lent, a retired Rochester police captain. The center will not officially open for about another three weeks, "but they had kids in there while we were still working," Lent said.

When the group left Rochester three weeks ago, the members looked like most typical travelers—joking, laughing and excited about what lay ahead.

This morning, gathered briefly in the basement at Pax Christi, they were subdued and filled with awe at having come from what Dr. Fryda once described as a "human garbage dump" where death, filth and sickness were 24-hour-a-day realities.

The travelers had only the clothes on their backs when they came home from the humid Caribbean island to chilly Minnesota. They had left all their other garments for the poor Haitians.

One woman, wearing cheap sandals, said she left five pairs of shoes behind for the Haitians "because they are so pitiful and their need so desperate."

Msgr. Feiten and Dr. Fryda went to Haiti last month with the DePauw group—the priest to conduct a retreat for the nuns and Dr. Fryda to act as medical adviser.

Among other grisly tasks, Dr. Fryda had to amputate the cancerous foot of a Haitian with only a scalpel and coping saw and aided by two nuns. The operation was successful and the patient is making a good recovery, but the experience, Dr. Fryda said, is seared in his mind.

"What was a Mayo hematology resident doing in a slum in Haiti, about to amputate a beggar's leg in a storeroom of a home for the dying with two apprehensive nuns for assistants?" he asked himself. He said he prayed to God for help—"and off came the leg."

Dr. Fryda, who completes his Mayo training in August, plans to move to Tanzania in East Africa to set up a medical clinic and hospital for the tribal people on the Serengeti Plain.

The following Rochester and area people were on the mission to Port-au-Prince:

Bernie Blee, Steve and Mary Boyer, Pat and Sue Christenson, Ann Easly, Tom Godsill, Joyce Grabarkiewicz, Dr. Chris Guerin, the Rev. Roger Hermes of Pine Island; Steve Yolmes, Rita Hunt, Brenda Kieffer, Sister Joanne Lawson, Dean and Mary Lent, Catherine Micka of Oronoco; Beverly Pleuth, Judy Stenzel; Lawrence "Spud" and Pat Tomforde and their daughter, Mary.

Non-area persons making the trip included a physician. Dr. Roger Boswell, of Indianapolis, and Dr. George Karr, a dentist from Rolla, Mo.

Two other Rochester residents who went with Dr. Fryda and Father Feinten with the DePauw group earlier were Janet Koller and Mary Limbach.

INDEXING FEDERAL TAXES

Mr. DURENBERGER. Mr. President, despite all the talk recently by economic experts, one important aspect of our economy has been completely ignored—the windfall inflation tax the Federal Government collects each and every year. Despite no new taxes and a 1978 tax cut, the Federal tax take has risen from the last year of the Ford administration to President Carter's fiscal 1981 projections by 105 percent; from $300 billion to $613 billion. Much of this astounding increase is due to inflation's impact on Federal taxes.

In fiscal 1981, the Federal Government will collect at least $31 billion in undeserved tax revenues from individuals because of inflation. The Federal Government does not earn the inflation windfall and should not be permitted to benefit from it at the expense of taxpayers. I have introduced S. 1974, a bill that would remove inflation from Federal income tax, capital gains tax, and depreciation. Legislation would correct 67-year-old windfall profit tax which the Federal Government has imposed on the people of this country. It would follow the example set by the States that have already indexed their income taxes.

I was pleased to note recently that the Federal Reserve Bank of Minneapolis agrees with my contention the indexing inflation out of Federal taxes would not have an adverse impact on the Federal Government. In fact, in my estimation and in an analysis by the Federal Reserve Bank in Minneapolis, indexing would have a beneficial impact and would serve to strengthen our economy.

Minneapolis Federal Reserve Bank's economic forecast urged that Federal taxes be indexed to account for inflation. According to the report, under an index system tax rates would be pegged to real dollar income or income adjusted for inflation. Tax rates would then rise only as real income rose, rather than income swollen by inflation. These are the provisions of my bill. The forecast contends that such a system "would not be destabilizing and could still be as progressive as legislators wish." It added that "indexing taxes is not necessarily the same as cutting overall taxes. It is possible to index taxes without increasing deficits, without causing additional inflation."

Although indexing will rob politicians of the opportunity to return home every 2 years to promote a so-called tax cut, it will bring the discipline that is so absolutely needed to congressional spending.

Mr. President, I ask unanimous consent that an article from the March 10 Minneapolis Star be included in today's RECORD.

There being no objection, the article was ordered to be printed in the RECORD. as follows:

RESERVE BANK SEES SHALLOW RECESSION IN 1980

(By John Greenwald)

A barely noticeable recession has been predicted for the United States this year by the Federal Reserve Bank of Minneapolis.

In a forecast released today, the bank predicted that "over the four quarters of 1980 real GNP will decline by 0.1 percent. . . ." Real GNP is the nation's gross national product after adjustment for inflation.

"Real GNP is expected to decline at a modest .25 percent annual rate in the first half of 1980," the forecast said, "and then recover by year-end to the level it attained by the fourth quarter of 1979."

The Fed also expects inflation—as measured by the Consumer Price Index—"to decelerate gradually over the four quarters from its 12.0 percent annual rate in the fourth quarter of 1979 to a 10.6 percent rate in the fourth quarter of 1980."

For the year, the bank expects the CPI to rise by 11.4 percent. That increase would more than eat up projected gains in income; the Fed expects hourly pay to rise by 10.3 percent in 1980.

The forecast was made before the recent surge in interest rates, which carried the prime rate to 17¾ percent at major Twin Cities banks Friday. "I am bothered by the high interest rates," Preston Miller, one of three authors of the forecast, acknowledged in an interview.

"They're quite a few percentage points higher than we predicted," Miller said, and "certainly could make the real economy look weaker. But how much weaker I can't say."

The forecast also was made before the announcement of January and February inflation figures. The CPI rose 1.4 percent in January, or 18 percent at an annual rate. And on Friday the Labor Department reported that wholesale prices were up 1.5 percent in February, nearly matching the January level of 1.6 percent.

"I'm really hopeful that what we're seeing is a temporary blip," Miller said of the inflation figures. He attributed part of the jumps to "increases in oil prices around the first of the year," and reaction to President Carter's January announcement that the budget deficit will be higher than expected.

Miller believes that oil prices should start to fall this year, when countries stop stockpiling supplies. That will mean that "oil demand will fall back to current production," the bank's forecast says. "Oil production then will be greatly in excess of demand, which taken by itself should result in weaker oil prices."

The forecast also suggests that the government should consider indexing federal taxes to account for inflation. Under an indexed system, tax rates would be pegged to real-dollar income, or income adjusted for inflation. Tax rates would then rise only as real income rose, rather than income swollen by inflation.

Such a system "would not be destabilizing and could still be as progressive as legislators wish," the Fed said.

It added that "indexing taxes is not necessarily the same as cutting overall taxes. . . . (It) is possible to index taxes without increasing deficits, without causing additional inflation.

"There very well may be great difficulties in implementing an indexed tax system, but our analysis suggests there are great costs—much lost output—when certain (economic) shocks occur and taxes are not indexed."

"JACKPINE" BOB CARY

Mr. DURENBERGER. Mr. President, during this election year, in the face of our country's economic problems, all candidates are rushing forward with their plans to ease the economic burden on the public.

One candidate, however, has done more than just talk. In this era of multi-million dollar campaigns, he has spent $24.10. In this era of mass media he has focused only on one small weekly newspaper. In this era of almost daily primaries, caucuses, and straw votes, this candidate has entered only one election—an election which, by the way, he won over both Republicans and Democrats.

Mr. President, I am proud that this unique candidate is from my home State of Minnesota. I want to share his story with my colleague and ask that the March 10 article from the Minneapolis Tribune be included in today's record. I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

"JACKPINE" KEEPS CANDIDACY ROLLING ON $24.10, HUMOR

(By Richard McFarland)

"Jackpine" Bob Cary, managing editor of the Ely (Minn.) Echo and former outdoor editor of the Chicago Daily News, says his campaign for president on the Fishermen's ticket is going great.

Cary, who has won fishing and canoeing awards and written books, is running for president as a new challenge.

"Things are happening so fast around here I can hardly keep up with them," he said in a telephone interview from his newspaper desk in northern Minnesota's canoe country. "For one thing, I just won an election up here. Where are those figures?"

There was some rustling of papers and Cary yelled, "Where are those papers?"

"You know how campaign headquarters are," he said. "It's a little hectic around here."

Then he found the papers and announced that an Ely High School election had given him 50 votes to 43 for President Carter, 28 for Ronald Reagan, 22 for Sen. Edward Kennedy, 18 each for George Bush and California Gov. Jerry Brown, 5 for John Connally and 4 for John Anderson and Gerald Ford.

"Another thing," he said. "Connally has spent $10 million and he has only one delegate. I've spent $24.10 and I'm only one delegate behind him. You talk about fiscal responsibility, we've got it here."

Cary said he's already decided who his secretary of commerce will be.

"His name is Billy Mills. He's a well-known fishing guide, a real expert whitefish gill-netter and he runs a local clothing store. He's nationally known for having the only St. Urho's Day clothing sale."

One of their main concerns is inflation, he said.

"Billy is going to look very carefully into the extremely high price of night crawlers. They've gone up over 300 percent in four years—to $1.50 a dozen.

"Billy blames this on ONEC—the Organization of Nightcrawler Exporting Countries. He says if the U.S. fishermen don't practice fish-worm conservation, this nation will be forever at the mercy of the NOEC."

Cary said he is inviting all of the major presidential candidates to a debate in Ely May 16—"the night before what historically is Minnesota's most important day, the opening of the fishing season."

He said Ely also is inviting Jerry Ford, "but he's got to fish by himself some distance away. We don't want anybody to get hit by a fishing lure."

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the nominations on the Executive Calendar, beginning with the Department of Health, Education, and Welfare.

There being no objection, the Senate proceeded to the consideration of executive business.

The ACTING PRESIDENT pro tempore. The nominations will be stated.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

The assistant legislative clerk read the nomination of William J. Driver, of Virginia, to be Commissioner of Social Security.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. TOWER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The assistant legislative clerk read the nomination of John L. Palmer, of Virginia, to be an Assistant Secretary of Health, Education, and Welfare.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. TOWER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

DEPARTMENT OF COMMERCE

The assistant legislative clerk read the nomination of Abraham Kat, of Florida, to be an Assistant Secretary of Commerce.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. TOWER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

OFFICE OF FEDERAL PROCUREMENT POLICY

The assistant legislative clerk read the nomination of Karen Hastie Williams, of the District of Columbia, to be Administrator for Federal Procurement Policy.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. TOWER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask that the President be immediately notified of the confirmation of the nominees.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

CONSOLIDATION OF THE SENATE RULES

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to the consideration of Senate Resolution 389, which the clerk will report.

The assistant legislative clerk read as follows:

A resolution (S. Res. 389) to consolidate and renumber certain Standing Rules of the Senate.

The ACTING PRESIDENT pro tempore. The time for debate on this resolution is limited to 1 hour, to be divided and controlled for 10 minutes by the Senator from West Virginia (Mr. ROBERT C. BYRD), with 50 minutes to the Senator from Tennessee (Mr. BAKER), or his designee.

Who yields time?

The Senator from Oregon.

Mr. HATFIELD. Mr. President, as the minority leader's designee, I yield such time to the Senator from North Carolina (Mr. HELMS) as he may find necessary.

The ACTING PRESIDENT pro tempore. The Senator may proceed.

Mr. HELMS. Mr. President, I thank my friend from Oregon for his courtesy to me.

Mr. President, I am pleased to rise as the cosponsor of the pending business, Senate Resolution 389. In its present form, it is a good compromise, and a workable compromise, even though all of us will have to get accustomed to an entirely new set of numbers; and in studying past precedents, it will be necessary to recall which rule was actually designated by the numbers current at the time.

For this reason, I am especially pleased that the distinguished majority leader, my friend from West Virginia, responded affirmatively last Thursday when the Senator from North Carolina and other Senators proposed that the precedents be computerized so as to make them more easily available to Senators studying parliamentary situations on the floor.

It will be recalled that when the rules were recodified in November 1979, the instructions from the Senate called for keeping the existing rules as intact as possible and still accomplish the desired objectives. That was, I believe, a wise instruction, intended to reduce the confusion that renumbering might bring about. It allowed Senators to concentrate on the substantive changes which were made at that time.

The changing of the Senate rules is a very important matter, which deserves the closest attention and study. The Senate rules stand as an impartial guidepost to be used equally by those on opposite sides of controversies, with the assurance that each can count on the unassailability of the parliamentary positions taken. The very meaning of the Senate is in its strict adherence to rule and precedent.

I have been a part of the Senate off and on since the early 1950's, first as an administrative assistant to two of our great Senators from North Carolina and now as a Senator myself. I have always had the highest regard and the greatest respect for the grandeur of the Senate because it did operate by rules and precedents clearly established, and Senators would support those rules and those precedents even when it was to their disadvantage to do so, because they understood that the Senate, as a legislative body, is vastly different from every other legislative body on the face of the Earth.

So the changing of the rules is not in any sense an idle matter or something that ought to be placed under the category of "housekeeping," and dismissed as unimportant. Whenever any changes are made, they ought to be subjected to extended scrutiny, as well as formal debate. For, in changing the rules of the game, it is not always possible to foresee exactly what the impact will be at some point in the future. Indeed, proposals made in all good faith by Senators to change the rules might have an entirely different result than the one intended by the proponents.

I am pleased, therefore, that we have had time to think about these changes for nearly 2 months. I note, for example, that when the committee report was put before the Senate in January, it was proposed to make alterations in rule XII—that is to say, an alteration in the text, as distinguished from a simple rearrangement of the present text. The committee said:

> The Committee also voted that the words upon one day's notice found in rule XII, be stricken. This rule is concerned with unanimous consent agreements and requires a quorum call to ascertain the presence of a quorum just before reaching an agreement to set a time certain for a vote on passage of a specific bill or joint resolution. It also provides that once such an agreement is reached, to change that agreement not only requires another unanimous consent agreement but before the previous unanimous consent agreement could be rescinded, 1 day's notice is required; in spite of the fact that no change of any kind could be made in any such agreement except by unanimous consent. Now rule XII, paragraph 4, as presently written says: No request by a Senator for unanimous consent for the taking of a final vote on a specified date upon the passage of a bill or joint resolution shall be submitted to the Senate for agreement thereto until after a quorum call ordered for the purpose by the Presiding Officer, it shall be disclosed that a quorum of the Senate is present; and when a unanimous consent is thus given the same shall operate as the order of the Senate, but any unanimous consent may be revoked by another unanimous consent granted in the manner prescribed above upon one day's notice.

In effect, the rule says that when a unanimous consent is reached to vote on a bill at a time certain, that consent cannot be vitiated except upon 1 day's notice. In practice, the 1 day's notice has always been waived. If a Senator objects, and he gets the same result as if he had insisted on 1 day's notice. Thus, it has been argued, the "1 day's notice" is redundant.

Now, this Senator from North Carolina agrees that this is the case. But there are certain nuances in the rules that add dignity and grace to our proceedings. A Senator who simply objected, would be regarded as an obstructionist; but a Senator who appealed to a standing procedure in the rules is exercising his rights in a more graceful way. I am pleased, therefore that Senate Resolution 389, as presently propounded, has omitted this proposed change, and no substantive changes are included.

I am also very pleased that the proposed changes have been set forth in detail in a resolution, rather than being propounded in the form of a unanimous consent agreement. In the view of this Senator from North Carolina, any change in the rules—and I emphasize the word "any"—ought to be set forth in a formal manner and with the dignity of a formal resolution. If I have counted correctly, Senate Resolution 389 makes over 35 separate changes in the rules perhaps more than that. By itemizing them in a resolution, Senators will see exactly what is proposed, and the historical record will be clear.

But more important the Senator from North Carolina thinks that it would be a bad precedent to change the rules by unanimous consent. It is one thing to set aside the rules by unanimous consent on a specific matter; but it is an entirely different thing to change the rules for all time by unanimous consent—or at least to change them until they are changed again by unanimous consent. If that were to become the precedent it would soon become the general practice—we have seen that happen—and the Senate rules would soon become extinct as rules. The Senate would be run by unanimous consent rather than by rules. This would be a misfortune for everybody especially the American people. This would not only make the operation of the Senate more difficult but would place an unbearable burden upon Senate comity.

The Senator from North Carolina congratulates the majority leader, and thanks him for his courtesy and cooperation in working carefully through the issues involved. I am especially pleased by his announced decision to introduce a resolution to codify and computerize the precedents. The rules themselves, as they stand today, are not discommoding Senators in any great degree. The greatest problem today is not finding the rule which applies to a given situation, but finding the precedent which applies, inasmuch as the precedents are not codified. Many, but not all precedents, may be found after a diligent search of Senate procedure, a situation which puts a Senator at a disadvantage when faced with a ruling by the Chair. Once the precedents become available on computer terminals, every Senator will have a greater opportunity to study parliamentary matters.

Once again I thank the distinguished majority leader for his cooperation.

The ACTING PRESIDENT pro tempore. The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator from North Carolina for his charitable references to me.

The resolution does not propose any changes in the language of the existing Senate rules, with one exception, that being that rule XXXIII will be amended to add the words "and members of the European Parliament" at the end of the line reading "members of national legislatures of foreign countries" so that the members of the European Parliament would have the privilege of the floor just as nationally elected members of national legislatures of foreign countries now have the privilege.

The remainder of the resolution consolidates certain rules, reduces the number of rules by a total of eight, and, I think, provides for a more orderly presentation of the rules.

In several instances there are rules which are separated throughout the rules book, but which deal with the same subject matter as other rules. So the recodification of the Senate rules, which occurred in November of last year, that being only the seventh time, I believe, since the rules were first approved—since April 16, 1789—that being the first revision or recodification in 96 years since the last occurred in 1884—that recodification now is made more complete by this consolidation of the rules and the renumbering thereof.

So I believe that while this may appear to be a matter of little consequence to many people, to those of us who have to read the Senate rules from time to time, who have to deal with them, and who know something about the importance of the Standing Rules of the U.S. Senate, to us it represents an important step forward.

For those who will have to read the rules in future generations, in years to come, I think it will reflect well upon the Senate that it chose not only to recodify its rules, but also to proceed further and complete that recodification by the action that is being taken today and will culminate tomorrow in a vote on the resolution.

I think that about states what I have in mind. I, therefore, have no further need for my time, except to ask the distinguished Senator from North Carolina——

Mr. HELMS. Will the Senator yield on my time?

Mr. ROBERT C. BYRD. Yes, I was about to ask what time tomorrow will be advisable for a vote, but our respective cloakrooms are attempting to ascertain that at this moment and shortly, we shall know.

Mr. HELMS. Mr. President, I was about to inform the distinguished majority leader that any time that suits him and other Senators will be fine with me.

Mr. ROBERT C. BYRD. I believe the distinguished Senator from North Carolina wants a rollcall vote on the resolution tomorrow.

Mr. HELMS. I think so, if the distinguished majority leader does not object.

ORDER FOR VOTE TOMORROW ON SENATE RESOLUTION 389 AT 12:30 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the vote on the adoption of Senate Resolution 389 occur tomorrow at 12:30 p.m. without any further debate and that there be no amendments, no motions in relation to the resolution, and that, immediately upon the action on the resolution, there be no debate on any motion to reconsider the vote, and that, immediately upon disposition of such, the Senate resume its consideration of the Roth resolution, which will have been on previously.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

● Mr. HATFIELD. Mr. President, I am pleased to lend my support to Senate Resolution 389. This resolution consolidates and renumbers several of the Standing Rules of the Senate, and thereby clarifies them for ease of understanding and use. This is a highly beneficial change which will work to the advantage of all present and future Senators.

Last fall the Senate, through the passage of Senate Resolution 274, brought all relevant provisions of law and resolution bearing on Senate procedures into the body of the rules. Senate Resolution 274 was the conclusion of a 3-year effort by our respected parliamentarian emeritus, Dr. Floyd Riddick, who worked on the resolution under the aegis of the Rules Committee. Although Senate Resolution 274 doubled the size of the rules, an effort was made by the sponsors of the bill to change the language and order of the existing rules as little as possible. With that action completed, our attention has turned to bringing more logic to the rules. Again, Dr. Riddick was selected to review the newly enlarged rules to simplify and clarify their order. Different facets of the same subject, until now spread throughout the rules, are brought together into a single rule, or into consecutively numbered rules.

This has been a bipartisan effort. The majority leader has graciously accommodated the viewpoints of Republican Members, and has accepted our suggestions.

One suggestion, offered by Senator HELMS, would computerize our precedents, so that Members would have immediate information on the very latest interpretations of the rules. I understand that the majority leader intends to introduce a resolution to that effect, which will be referred to the Rules Committee. I believe this proposal would be highly beneficial to Members, and I will press for a rapid, but thorough, examination of the proposal in committee.

Mr. President, Senate Resolution 389 represents a significant step forward in making the Rules of the Senate more understandable to all who use them. The changes proposed were endorsed unanimously by the members of the Rules Committee, and I urge all Senators to support this measure.●

TRIBUTE TO DR. FLOYD M. RIDDICK

Mr. HELMS. Mr. President, I wish to pay my respects to a distinguished North Carolinian, of whom I am so proud, Dr. Floyd Riddick, who has for so long served this Senate. He is the parliamentarian emeritus. He has served with distinction in my State. As I have said earlier, I am very proud of him.

With that, Mr. President, I yield back the remainder of my time.

Mr. ROBERT C. BYRD. Will the Senator yield to me before he yields back his time?

Mr. HELMS. Yes, sir.

Mr. ROBERT C. BYRD. Mr. President, I wish also to extend my respects to Dr. Riddick. It was Dr. Riddick who carried the workload of recodifying the rules, going over the rules meticulously. He is entitled to our expressions of gratitude.

I have worked with Dr. Riddick for many years now. I respect him. He is the author of the book of precedents, the book on Senate procedure, and he continues to work out of love for this institution.

Mr. HELMS. That is correct.

Mr. President, if the Senator will yield I was greatly saddened, shortly after I came to the Senate, when I learned that Dr. Riddick was going to retire; but I must say he is the most unretired retired man I ever saw. As the distinguished majority leader has indicated, Dr. Riddick is here, day after day, maintaining his interest in the Senate, and making a contribution to the Senate. I, for one, am very grateful to him.

Mr. ROBERT C. BYRD. Mr. President, Dr. Riddick works without pay.

Mr. HELMS. Yes, sir.

Mr. ROBERT C. BYRD. He is on the job in the Senate Rules Committee room practically every day of the week, thoroughly dedicated to this institution in which he has served so long. That, to me, is the highest mark of dedication and sense of purpose that one, after his retirement, would continue to come back and work, day after day, in a labor of love for this great institution.

We all owe a tremendous debt to Dr. Reddick. He is now in the process of writing a new book on Senate procedure, in which he will bring up to date the precedents that have occurred since his last book was published. His new book will be all-encompassing of the precedents prior to the printing of his last book, of course, and those that follow.

He was many weeks in preparing the recodification of the rules that we have enacted. Of course, words cannot adequately convey the appreciation that we have for Dr. Riddick, nor can they convey the debt that we owe him. This is an important work, the compilation of the Senate procedures. For one to be so dedicated that he would do this work for months—he tells me that it has been nearly a year since he has drawn any pay. He has not asked for any pay. He is not complaining. He just gives of his best all the time. We owe a lot of appreciation not only to him but much appreciation to Mrs. Riddick for the sacrifice she makes when Dr. Riddick puts in days out of his love and reverence for the Senate.

Dr. Riddick says that the Senate has been good to him. Well, the Senate has been good to all of us, but few men would have come back after their retirement to give of their time to the Senate as Dr. Riddick has done.

Mr. President, I thank the distinguished Senator for yielding.

AUTHORIZATION TO ORDER YEAS AND NAYS AT ANY TIME ON ADOPTION OF RESOLUTION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that it may be in order at any time to order the yeas and nays on the adoption of the resolution.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I do not have any time to yield back.

Mr. HELMS. Mr. President, in just a moment, I shall yield back the remainder of my time.

As a final note, I say to the distinguished occupant of the Chair, the Senator from Kentucky, that I would be willing to wager that he does not realize that all three of us lined up here were born in North Carolina. Dr. Riddick, as I have mentioned, is a native of North Carolina and the distinguished majority leader is a native of my State. So we cornered the market for North Carolinians this morning.

I thank the distinguished majority leader and I yield back my time.

WINDFALL PROFIT TAX ACT OF 1980—CONFERENCE REPORT

The ACTING PRESIDENT pro tempore. All time having been yielded back, the Senator from West Virginia is recognized.

Mr. ROBERT C. BYRD. Mr. President, I ask that the Chair proceed with the order.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of the pending business, the conference report on H.R. 3919, which the clerk will state.

The assistant legislative clerk read as follows:

> A conference report on H.R. 3919, an act to impose a windfall profit tax on domestic crude oil.

The Senate resumed consideration of the conference report.

Mr. ROBERT C. BYRD. Mr. President. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LONG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BRADLEY). Without objection, it is so ordered.

RECESS UNTIL 1:30 P.M.

Mr. LONG. Mr. President, I move that the Senate stand in recess until the hour of 1:30 p.m.

The motion was agreed to, and at 1:05 p.m., the Senate recessed until 1:30 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. BRADLEY).

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BELLMON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BELLMON. Mr. President, I see the distinguished floor manager of the bill is on the floor, and I wonder if I could ask him a couple of questions to get his response for the record?

One of my constituents in Oklahoma has brought up a question that I think is fairly clearly set out in the conference report, but I would like to ask Chairman LONG for his comments to make the record a little clearer.

This has to do with a well, an oil well, that was drilled in the later months of 1978, and in December of 1978 it was tested briefly for a 1-day period, I believe it was, to see how much the well would make so that plans could be made to build and size a pipeline.

Then the well actually went on production in April of 1979. The oil from the well that was produced during the testing period was actually sold, but the production began when the pipeline was built, and the well was finally hooked to the pipeline in April.

The question I have is: Under the terms of the bill is that considered to be a well that was in production before 1979 or is it not, since it was tested in 1978 and then not actually put into production until 1979, and the question is what tax applies?

Mr. LONG. Let me read from page 98 of the conference report. It says under the heading "Conference Agreement":

> *Conference agreement.*—The conference agreement follows the Senate amendment. For windfall profit tax purposes, therefore, newly discovered oil includes production from a property which did not produce oil in commercial quantities during calendar year 1978. Thus, it includes production from a property on which oil was produced in 1978 if that production was incident to the drilling of exploratory or test wells and was not part of continuous or commercial production from the property during 1978.

It seems to me that would take care of the Senator's constituent.

If they simply draw some oil in connection with the testing of the well and it was not part of the continuous commercial production, that would not be production for purposes of determining what is newly discovered oil.

Mr. BELLMON. That would seem clear enough that the oil was not part of the continuous or commercial production. Therefore it was just a testing procedure, and I am glad to hear the chairman's explanation. That is the way I understand it.

Mr. LONG. Around most wells I have seen on dry land, you have what you call a slush pit. When the well first comes in, whatever oil they get flows into the flush pit. Of course, that oil has some value to it. Conservation practices would not permit them to have the oil flow down to the stream, so they have to sell it. The oil is produced incident to the testing or completion of the well, and would not keep commercial production from receiving newly discovered oil treatment when it is produced later.

Mr. BELLMON. I thank the chairman very much.

I also want to ask another question raised by a constituent. It is of a fairly minor nature, and yet it does bring up a point.

It is not at all uncommon in the area where oil is produced for royalty owners, farmers particularly, to burn what they call drip gas, which we would think of as condensate, in a farm tractor and some other farm vehicles.

As I understand the terms of this bill the only type of utilization of petroleum that has not been refined that is exempt from this tax, is when it is used by the lease operator as, you might say, boiler fuel to generate steam to put down in the formations to produce heavy oil.

Does this mean that a royalty owner who uses condensate in his farm tractors is going to be taxed? Will he be forced to pay that tax?

Mr. LONG. Mr. President, I believe the way the bill is drafted that would be subject to the tax. It just was not directed to our attention during the course of the consideration. If it had been, we might have been able to do something about it. But it was not discussed and, therefore, no exception was made for it.

Mr. BELLMON. Mr. President, is there a possibility that that sort of a situation might be corrected in some future legislation? It is going to be a very difficult tax to collect, at any rate.

Mr. LONG. Well, Mr. President, it is up to the Senate to decide. As far as the Senator from Louisiana is concerned, the tax on that is immaterial. It is, possible, of course, that it might lead to something a lot more than one intended.

I recall, back during World War II, when we were rationing gas, my Uncle Dave was a small oil and gas operator. He had been an automobile repairman before he became a roughneck on oil wells. So he knew how to adjust his carburetor and fix his automobile. So he took that distillate and put it in the tank—he operated his automobile on it.

That is not much of a loophole in the procurement system, unless a lot of people do it. But I am sure the Senator realizes that if everybody who knew how to do that in Louisiana and Texas got to be doing it when the stuff was in shortage, it might create a problem.

Mr. BELLMON. Well, it is done. The Senator from Oklahoma used to work on a hay crew in the summer time and we used nothing but drip gas in the tractors and bailers. The whole operation was run on drip gas or, as the Senator says, condensate. It is not an uncommon practice.

I doubt that it is done as much now as it was done earlier, because most of the farmers now use diesel fuel and it will not work that way.

Mr. LONG. Mr. President, the fact is that nobody raised the issue, and, therefore, we did not pass on it. We just did not consider it an exception because no one brought it up.

Mr. BELLMON. Mr. President, does that mean the matter might later be decided by the regulatory authorities?

Mr. LONG. Mr. President, I think the way it stands now, the tax applies. It was not that I wanted it that way, but that nobody suggested it be any different when the bill was on its way through the Senate.

Mr. BELLMON. As a matter of fact, when the bill cleared the Senate, a thousand barrel exemption was in it. That apparently covered this problem.

Mr. LONG. Well, the royalty owners were not.

Mr. BELLMON. They were, initially.

Mr. LONG. Only when they had production from wells controlled by independent producers. I think 85 percent of the royalty owners have their royalty on wells owned by either large independents or major companies. So those people would not have been exempt.

Mr. BELLMON. Mr. President, the Senator may be correct. But in the area I know, that is not the case because the larger companies left the area a long time ago. But the royalty owners whose oil was produced by the independents were exempt in the Senate version.

Mr. LONG. By a floor amendment. But when the bill was reported out, they were not. And under the House bill, they were not. And in none of those cases did anybody raise the point.

Mr. BELLMON. Mr. President, the other point I wanted to get to—and this will take a little longer—has to do with the element of earmarking. In all candor, we had a little problem getting it fully analyzed.

But, as the Senator from Louisiana will remember, when the bill was before the Senate initially, when it came from the Finance Committee, there was a question of earmarking of the revenues. And the Magnuson amendment was brought up and voted on and won by a fairly overwhelming majority. I am fairly sure that the intent of the conferees is to attempt a little less strict earmarking than the original version would have contemplated.

I wonder if the Senator from Louisiana would explain to me the difference between the earmarking provisions in the conference report and the earmarking provisions that were taken out of the Senate Finance bill by the Magnuson amendment.

Mr. LONG. Mr. President, let me just speak to the earmarking in the conference report. That is simply a statement that the Treasury will keep a record of how much is collected and will attempt to keep some record of where the money goes. We say in the law that we think 25 percent ought to go to lower income households, 60 percent for income tax reductions, and 15 percent for energy and transportation programs. But that is not binding.

Those Appropriations Committees can recommend appropriations the way they want to do it. The tax-writing committees can either recommend or not recommend tax cuts. And the Budget Committee can recommend whatever it pleases about any of this.

So that while that is stated as a statement of desire, it is not binding. The Senator can use it all to balance the budget, if he wants to, provided the Senate will support him on that.

Mr. BELLMON. Mr. President, if this conference report passes the Senate and becomes law and no further legislation is passed dealing with the questions of income tax reductions, Low-income assistance, and energy and transportation programs, what will the situation be then?

Mr. LONG. The money will simply stay in the Treasury.

Mr. BELLMON. As the Senator understands it, then, it would not be spent until and unless it is appropriated?

Mr. LONG. That is right.

Mr. BELLMON. Mr President, our understanding, or at least my impression, is that under the terms of the language of the bill on page 29, as the Senator mentioned, the President is required—it is not optional with him—to submit his recommendations for the dispositions of the revenues for the purposes specified in this section. There is no mention made here of using these revenues for any other purpose than the three that are listed—tax cuts, low-income assistance, energy and mass transit—regardless of what other options the President might want to consider.

Mr. LONG. Mr. President, let me read the language.

> The President shall propose for each fiscal year to which this section applies an allocation——

Mr. BELLMON. Which page is the Senator reading from?

Mr. LONG. Mr. President, I am reading from page 30 of the conference report, but this is quoting from the act.

> The President shall propose for each fiscal year to which this section applies an allocation of the net revenues among the uses set forth in subsection (b).
>
> Except for the fiscal year beginning October 1, 1980, the proposal for each fiscal year shall be contained in the annual budget for such fiscal year. The proposal for the fiscal year beginning October 1, 1980, shall be submitted by the President within 90 days after the date of the enactment of this act.

As I understand it, the President can propose that we spend the money according to the way the conferees suggested or he can propose not spending any of it that way. It is his privilege to propose whatever he thinks is right, as the good Lord gives him the light to see it. And I am sure that is what he will propose.

Mr. BELLMON. Mr. President, as I read the language, it says "the President shall." There is no "may" or no option for him. He shall propose for each fiscal year for which this section applies an allocation of net revenues among the uses set forth in subsection (b). And subsection (b) refers to income tax reductions, low-income assistance, and energy and transportation programs. It would seem that the President's hands are totally tied. He must spend the money for those three purposes.

Mr. LONG. Mr. President, the way I understand that provision is that he can also propose not to use any of that money for any of those three purposes.

Mr. BELLMON. Mr. President, where does the Senator get that impression from this language? It says:

> The President shall propose for each fiscal year for which this section applies an allocation of the net revenues among the uses set forth in subsection (b).

He does not seem to have any leeway at all.

Mr. LONG. Mr. President, as I understand it, if the President proposes using the money, he would have to propose doing it in that fashion. But he does not have to propose using the money. And if he does not, on a consolidated budget basis, it would work out just exactly as if the section were not even there.

Mr. BELLMON. Mr. President, I do not understand the reason for the language unless the language has meaning. And the meaning I get from it is what it says.

> The President shall propose for each fiscal year to which this section applies an allocation of the net revenues among the uses set forth in subsection (b).

Those three uses.

Mr. LONG. I suppose I construe the language differently from what the Senator does.

Mr. BELLMON. It seems to me to be very clear that the President must decide to spend these moneys in this fashion. Further than that, in subparagraph (e) of section 102, the language says:

> (e) REPORTS.—The Secretary of the Treasury shall report to the Congress not later than January 1 of 1982 and of each calendar year thereafter before 1992—
>
> (1) the net revenues derived from the windfall profit tax for the fiscal year ending on September 30 of the preceding year, and
>
> (2) the actual disposition for such fiscal year of such revenues among the uses specified in subsection (b).

This would seem to further tie the hands of the Chief Executive. He is told that he must propose how he is going to spend it and then the Secretary of the Treasury must tell Congress how he has spent it among those uses specified in subsection (b). I cannot see how the conference could have written any tighter language earmarking this money.

Mr. LONG. The way I construe it is the President does not have to propose to use any of the money.

Mr. BELLMON. Where does the language appear that gives him that option?

Mr. LONG. If he proposes to use it, he could propose to use it and allocate it as suggested by the conferees. But the President can take the attitude that he is not proposing to use the money from this tax for anything. If that is the case, he would not have to follow the allocation. The same amount of money could be spent, and on a consolidated budget basis it would have the same impact on the budget, so that the way I construe it he can propose whatever he wants to.

In any event, assuming he does, it is still not binding on the Congress. Nothing there is binding on the Congress.

Mr. BELLMON. From what the Senator just said, the President has two options: If he is going to propose spending the money, he must propose it along the terms set forth in section (b) of 102 for income tax reduction, low-income assistance, energy and transportation programs. If he chooses not to spend it for those purposes, and he does not spend it for anything else, he can simply leave it in the Treasury unspent?

Mr. LONG. He can leave it in the Treasury unspent, or if he wants to do so he can propose spending not that money, but just spending money, for any purpose he wants to spend it for. If he winds up with a deficit on a consolidated budget basis, while theoretically you have the money in that particular fund, it is just one column of figures offset by more spending somewhere else. On a consolidated budget basis it would work out just the same as if it were not there at all. He could spend whatever amount of money Congress was willing to let him spend.

Mr. BELLMON. I must confess it seems to me to be very clear that the President shall propose for each fiscal year an allocation among those three uses and the Secretary of the Treasury shall report to the Congress the actual disposition for such fiscal years for such revenues among the uses specified in subsection (b). I simply cannot see in here the flexibility that the Senator from Louisiana finds.

To me, this language totally repeals the Magnuson amendment which was adopted by the Senate by an overwhelming vote. I am of the opinion that when others have a chance to look at this language and see what we are doing here, they are not——

Mr. LONG. The Magnuson amendment deleted trust funds from the bill. We do not set up trust funds.

The Magnuson amendment repeals the trust fund set by the committee. We are not setting up trust funds here. There are no trust funds set up. They will simply have some accounts over there in the Treasury where they will keep track of how much money is taken in by this tax, and we set forth a very noble hope that the money would be spent for certain useful purposes.

I regret to say there is no more assurance that the money is going to be spent the way we would like to see it spent than there is for other money being spent the way the Congress would like to see it spent. It is the expression of a hope and it is not binding.

Mr. BELLMON. Would the Senator understand this language? Could the Senator choose to spend some of this money or propose to spend some of this money for defense? It is not one of the three worthy purposes set forth in the report.

Mr. LONG. He can propose to spend as much money as he wants to spend. Assuming we run a great big deficit, which would not be unusual, then if he did not spend any of this money for the purposes indicated here, under a consolidated budget, it would be just the same as if we had never earmarked it to begin with, and never had any separate account to keep track of it.

As the Senator well knows, on a consolidated budget basis you just count all the money you take in for whatever purpose and you count all the money you spend for whatever purpose, and if you do not spend the money you were thinking about spending in one area, but you spend more in some other, you simply add up the money you did spend and the money you took in and the deficit is the difference.

Mr. BELLMON. I understand about the deficit part, but the thing I cannot understand is that this is earmarking, and I do not know what the reason for having the language in here is if that is not the purpose. If it is earmarking, I think the Senate ought to know that by earmarking these revenues, which in my opinion will be something like $30 billion or $40 billion a year in 3 or 4 years, we will have succeeded in tying the hands of the Congress so that we will have control over about 9 percent of the money on which we exercise discretion. If we count entitlement programs, the cost of the personnel in the military, in the civilian service, and the defense item, if we pass this bill as it stands we will have earmarked some 91 percent of all the revenues in the Treasury.

We all stand around here and complain bitterly about our inability to deal with deficits and yet we would have built in the tying of our hands on 91 percent of all the revenues that come into the Treasury leaving adjustments only on the other 9 percent.

Mr. LONG. Believe me, with regard to the money raised by this tax, without a majority vote in the Senate they cannot spend one nickel of it, and with a majority of the votes in the Senate they can spend it all. They can spend it for anything they want to spend it for, as long as it is legal under the Constitution.

Mr. BELLMON. It seems to me, Mr. President, that the President must propose for each fiscal year that we have to spend it for these three purposes and none other. There is no provision here for defense or spending it for health, education, or anything else, nothing but these three purposes. The Senator, I am sure, well realizes that as time goes on a lot of these things change and we might decide 5 years from now that 25 percent for low-income assistance is not the right amount. Perhaps it should be 35 percent or 15 percent. It is the same with other items, the other of these three items. Unless the President is able to send us a budget that sets the priorities the way the situation requires, the Congress is at a tremendous disadvantage.

I could understand the Senator's explanation for some of this language if it was in a report, if it was intended as kind of a guide for the Congress. But this is bill language. It becomes law.

Mr. LONG. Mr. President, the Senator may recall that even after the Magnuson amendment was agreed to, the so-called taxpayer trust fund, which was the Roth amendment in the Finance Committee, was nevertheless retained, and that was a trust fund. That was a trust fund for a tax reduction. We then went to conference and the House would not agree to a trust fund. Instead of a trust fund——

Mr. BELLMON. The Senate did not agree either.

Mr. LONG. Yes, it did.

Mr. BELLMON. We struck it from the Magnuson amendment.

Mr. LONG. No, we did not strike that. The Roth amendment was left in.

We then went to conference and the House went us one better and said they did not want even a taxpayer trust fund. They did not want any trust fund at all, but they would like to have a separate account to show how much money was taken in and to try to keep track of what happened to the money. That explains what we have here, which the Senator has been discussing.

We agreed at the time, and it was clear to me every step of the way, that it was never intended to be binding on anybody. It is not binding. None of this takes place unless the Congress sees fit to pass it.

If Congress does not want to pass it, then Congress can spend the money however it wants to spend that money. There is nothing whatever in there that says Congress cannot spend it for any purpose that is permitted under the Constitution of the United States. So while we do express our hope that 60 percent will be used to reduce income taxes, 25 percent will be used for low-income relief, and 15 percent will be used for energy and transportation programs, none of that is binding.

Mr. BELLMON. Mr. President, if this is not binding, then I wonder why it could not be put in the report. If this language, as plain as it is to me, is not binding, I wonder about the other language in the bill. If we cannot believe this language, I wonder what the intent of Congress was. If what we have here are simple suggestions that we can take or leave, the whole bill takes on a different concept.

Let me read some other language here. On page 30, under what is called "Special Rule for Low-Income Assistance For 1982 and Subsequent Years," where it says, "In the case of any amount allocated under paragraph (1) to the subaccount for low-income assistance," it talks about allocation. Again, there seems to be no flexibility. It says, "Fifty percent shall be allocated to a program to assist AFDC and SSI recipients under the Social Security Act, and (B) 50 percent shall be allocated to a program for emergency energy assistance," and so forth.

I cannot imagine how anyone can take this as anything less than an instruction to the President and a law which the Congress has passed.

I would readily agree with the Senator that Congress can change a law any time it chooses. This Congress can pass a law and the next Congress can pass a different law or repeal the one we passed, but until that happens, this will be the law of the land. We all know that at the present time, all the so-called uncontrollable programs we have are also subject to change if we pass a new law, but, anyone who has been in the Senate very long knows how almost impossible that is. Once we get a law on the book, it is very difficult to pass a new law taking benefits away from one group and giving them to another.

So, for all practical purposes, these programs are set in concrete, particularly so far as the appropriations and budget process is concerned. We would have absolutely no way of dealing with these funds unless we use them in a way which this law requires until some other law is passed. The appropriations committees and the budget committees would be absolutely bound by this language until and unless the language is changed in some subsequent act.

Mr. LONG. Mr. President, it is the intent of the conferees that this is not an appropriation and it is not even an authorization. It is simply a statement by these conferees of the way in which they would like to see this money spent.

Mr. BELLMON. Those kinds of statements normally show up in a report. This is bill language. It says, "The President shall propose." It says, "are hereby allocated."

Mr. LONG. The Senator will not find anywhere the words: "There is hereby appropriated." It would take an appropriation to spend the money. An appropriation is simply not there and was not intended to be there.

Mr. BELLMON. Would the Senator tell me, then, how we deal with the process of getting this money used for purposes other than the three set forth in the bill. The President, it says, "shall propose" to spend the money in this fashion.

If we want to use some of this money for defense, how do we go about it?

Mr. LONG. If you want to use it for defense, you just authorize as much money as you want for defense and then pass an appropriation. Surely the Senator knows that; the Congress just authorizes an appropriation and then appropriates it.

Mr. BELLMON. Then we would be in violation of this act.

Mr. LONG. No; although the Senate would not be doing what the conferees thought might be nice to do with this money, it could do whatever it wanted to do. All it takes is 51 votes in the Senate to do it.

For all I know, by the time the Senator came in with the appropriation bill to spend the money on defense, he may find every Senator on the conference would be voting for that. I would not be surprised if I voted for it myself.

Mr. BELLMON. What the Senator is telling me is that, in the appropriation, or markup, we can ignore this language.

Mr. LONG. The Senator has that privilege. If he wants to do that, more power to him. As I have said before, I have confidence in the Senator from Oklahoma. He is not going to do anything he does not think is right and he is going to do what he does think is right.

I compliment the Senator for staying true to his beliefs. In the spirit of our forefathers, he is going to do what he thinks is right.

That is what we want him to do. We do not want him to do anything other than that. We should be ashamed of ourselves if we asked the Senator to do something contrary to his convictions.

Mr. BELLMON. Would the President be able to ignore this language? As I read it on page 30, it says:

> (1) IN GENERAL.—The President shall propose for each fiscal year to which this section applies an allocation of the net revenues among the uses set forth in subsection (b).

He seems to have no flexibility when he brings up his budget.

Mr. LONG. He can propose anything he wants. We do not have to do anythng with the money, so we can do what anybody wants to do with it.

Mr. BELLMON. I think the Senator from Oklahoma understands laws differently than the Senator from Louisiana does. It says "The President shall propose," and that is what he must do. It is binding. That is the law of the land.

Mr. LONG. If worse comes to worst, if the Senator were President of the United States, he would say, "You can use this money for this or that purpose. On the other hand, let me make it clear that it is against my better judgment and I urge you not to do it."

(Mr. BAUCUS assumed the chair.)

Mr. BELLMON. The Senator has been very kind and I shall not press him further at this time.

Mr. President, I look upon this both as the biggest revenue bill in the history of the country and also the biggest spending bill. It may be called a windfall profit tax bill, and it is the largest tax increase in history. But it actually, when you look at it as we have to look at it in the appropriations and budget process, it really is a decrease in general revenues. Let me explain why I say that:

I understand it is going to bring in more money but the money it brings in is all earmarked. In addition to that, because of entitlement programs that are contained in the report of the conferees, additional sums are also earmarked.

So here we are, passing a tax increase that will be somewhere between $200 and $500 billion and actually decreasing our general revenues available for the appropriations and the budgeting process. Every last cent raised by the conference agreement is set aside in so-called special accounts and special subaccounts in the Federal Treasury. These revenues—and remember, we are talking about every last cent raised by this extraordinary tax bill—are all earmarked for very specific purposes.

On the other hand, the bill includes $9 billion in tax credits, it repeals the carryover of basis provisions in the 1976 Revenue Act and it includes a so-called small saver amendment offered by Senator BENTSEN. These provisions reduce general revenues by a total of $30 billion over this 10-year period. So I suggest that we look very closely at what we are doing here to the already almost unmanageable condition of the Federal budget. Already, we are faced with the uncontrollables problem, and now we are about to make the problem much worse.

Section 102 allocates all net revenues raised by this tax to a separate account in the U.S. Treasury. It says that there will be money set aside for three purposes and those three purposes only. It even specifies the uses for the amounts in those accounts.

The basic net revenues, those revenues from the tax at $30 a barrel, are allocated 60 percent for income tax reductions, 25 percent for low-income assistance, 15 percent for energy and transportation programs, totaling 100 percent. In addition, any additional net revenues are to be divided, 66⅔ percent for income tax reductions and 33⅓ percent for low-income assistance.

So, Mr. President, we are dividing up all the money that we know we are going to raise. Then, if we get more money than we expect to raise, we are also dividing it up on the basis of two-thirds for income tax reductions and a third for low-income assistance. So there is no flexibility left, even with the revenue that are surplus to what the authors of this bill expect to raise.

The bill language actually says, "the President shall." It does not say "may" or "could." It says "shall be allocated to these accounts for these purposes."

It even goes on to define the allocations for low-income assistance clearly between programs under the Social Security Act and AFDC and SSI recipients, and emergency assistance programs.

The bill says,

> The President shall propose each fiscal year to which this section applies an allocation of the net revenues among the uses set forth in subsection (b).

It says the Secretary of the Treasury shall, "report to the Congress not later than January 1 of 1982 and of each calendar year thereafter before 1992—First, the net revenues derived from the windfall profit tax for the fiscal year ending on September 30 of the preceding year, and second, the actual disposition for such fiscal year of such revenues among the sums specified in subsection (b)."

There are those who will argue that all this is not binding. In my judgment, this is as binding as any law Congress passes because, no matter what law we pass, the law we pass this year can be changed by the next Congress.

But this is binding unless and until Congress does take some other action that cancels out the provisions of this bill.

It is obvious then that a law can change it. We can change any law on the books. But also that we do not do that. When we earmark a fund, we leave it earmarked and it becomes, as we say, uncontrollable.

There is no doubt in my mind that the drafters of this legislation knew exactly what they were about. There is no doubt in my mind that if this bill becomes law they will get what they wanted, and that is to make it very difficult, if not politically impossible, to use the revenues from the windfall profit tax for any other purpose than that spelled out in the bill.

Mr. President, we are about to enter upon a budget cycle unlike any other we have ever experienced. The administration—and most of us—are publicly committed to a balanced fiscal year 1981 budget. I happen to think it is important to balance the budget. Nonetheless, I do not kid myself that it was be easy.

As I say, this is a development that I personally favor very much. I believe it is important for us to balance the budget, not that it will cure all our economic ills in 1 year, but, certainly, it is a necessary first step. But it is not going to be easy to produce a balanced budget, even with all the support that is now evidencing itself in both the House and the Senate.

Balancing the fiscal year 1981 budget will require very nearly a moratorium on new programs. It will require real reductions in some existing programs. And the task is made more difficult than it would otherwise be; because the international situation compels us to include in the fiscal year 1981 budget substantial real increases for national defense.

Given all that, Mr. President, what does the conference agreement now before us do? At $30 per barrel for oil, it earmarks $13.436 billion. At $35 per barrel for oil, it would earmark $17.805 billion. If oil prices rise above $35, then the amount earmarked also increases. This bill—I repeat—earmarks every last cent this tax would raise.

Therefore, it makes our work in the Budget and Appropriation Committees that much more difficult, if not almost impossible.

The amounts earmarked for low-income assistance in fiscal year 1981—even at $30 exceed the amounts in the President's budget. The same is true of the amounts earmarked for transportation.

These earmarks have nothing to do with proposed spending for the new synfuels programs. This conference report says specifically that the financing for those programs shall come out of general revenues.

Obviously, it is the intention of the conferees to make sure that the revenues from the windfall profit tax can not be spent on defense, or any other program the Congress might choose over the ones set forth in the bill.

Clearly, the amounts earmarked for tax cuts go far beyond the Taxpayers Trust Fund in the Senate-passed bill—a provision to which many of us agreed only reluctantly because we do believe that this kind of earmarking is poor public policy. On the other hand, the amounts this conference agreement would set aside for tax cuts is clearly not sufficient to satisfy the proponents of the Roth-Kemp approach to tax policy.

As a matter of fact, Congress will almost certainly pass tax cuts during the life of this legislation that exceed by many billion dollars the amounts earmarked for tax reduction in this bill; but that does not change the fact that earmarking is not wise.

Mr. President, the Senator from Oklahoma is the ranking member of the

Budget Committee. I also serve on the Appropriations Committee, as I am sure Members of the Senate realize. If there is one fact of life that becomes clearer all the time to those of us who serve on the committees charged with recommending to Congress on the annual allocation of resources among competing priorities, it is that far too large a part of the Federal budget is already uncontrollable through annual appropriations.

We find ourselves running up against a brick wall when we try to change the allocations of these appropriations of Federal funds to meet changing priorities, because we find, as I said earlier, that some 91 percent of these funds are controlled, or will be controlled if this bill becomes law.

We should be working to reduce and not to expand the amount of the Federal budget that is earmarked and, therefore, relatively uncontrollable.

We should be working to reduce, not to expand, these so-called uncontrollables.

On that count, Mr. President, this conference agreement goes in the wrong direction. I cannot, for the life of me, see how we can talk, as we are doing this year, about the need for fiscal responsibility—how we can respond to the very real crisis facing us today with any real credibility—if we cannot pass a tax bill without going on a spending spree the likes of which the country has never seen before, that spends not only all the money it raises, but, in addition to that, earmarks some $3 billion a year from funds presently going into the general revenue fund where they are available for appropriation.

Mr. President, I do not see how in good conscience we can pass this conference report—in its present form—unless we take seriously the provisions of section 102, the section the Senator from Louisiana and I have been discussing—that is, unless we actually intend to allocate the net revenues raised by this tax to the purposes spelled out in that section. On the other hand, I do not see how we can commit ourselves to the spending priorities in section 102 of this report—and also expect to balance the fiscal 1981 budget and spend more for defense—unless, of course, we are prepared to make politically impossible reductions below the President's proposed levels for defense expenditures. How many of our colleagues do you think would support that proposition, Mr. President?

I believe the Senate has a right to know, Mr. President, if this conference agreement would make more difficult the task of balancing the fiscal year 1981 budget. I believe the Senate has a right to know if this conference agreement would impose on the fiscal year 1981 budget—whether it is in balance or not—the priorities included in section 102 of this bill.

Mr. President, I believe we must know the answers to these questions—before we vote on the conference agreement.

I believe, Mr. President, that the Senate should understand clearly what we are doing, that adopting this conference report will seriously impair our ability to meet our national needs in fiscal year 1981, and I count among those needs balancing the budget to be at the top of the list.

I believe the Senate should know that this conference agreement would impose on the fiscal year 1981 budget the priorities set forth in this language, those priorities being income tax reduction, low-income assistance, energy and transportation programs, the percentages set forth here, and that if we vote this bill, we will be tying our hands to use these funds in that way.

Mr. President, there are other reasons why I oppose the conference report, but I count the fact that it does further earmark money to be one of the major reasons why this bill needs to go back to the conference and have that provision taken out. It was taken out before in the Senate. We approved the Magnuson amendment. In my opinion, it should be taken out again.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. BAUCUS). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BELLMON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BELLMON. Mr. President. I see that the chairman of the committee, the floor manager of the bill, is about to leave the Chamber. I should like to ask him some questions before he leaves. I will try to be very brief.

I am serious in trying to understand what the conference had in mind and what effect it will have on those of us who deal with appropriations and budget questions. I can submit these questions in writing, in case the chairman has to leave.

If the President and Congress were unable to agree on a plan which disposed of the funds collected in the year in which collected, would not these funds then constitute an "overhang" over the budget for the next year? In other words, if we do not spend the money in the year it comes in.

Mr. LONG. The answer is "no."

Mr. BELLMON. Assume for a moment that $5 billion were available for the Energy/Transportation Subaccount in a given year but that the Secretary of the Treasury determined that none of these reserved funds actually was used in that year. Would not the Budget Committee have difficulty in deciding whether it had to build into the next budget resolution a "catchup" spending increase? If we do not spend the $5 billion in 1 year, do we have to spend the $10 billion the next year?

Mr. LONG. No.

Mr. BELLMON. Then you have $5 billion in the Treasury, and when does it get spent?

Mr. LONG. It probably would not make any difference. It would neither increase nor decrease the deficit. It is the spending that makes the deficit, not the question of whether it is the one account or the other account.

I read from the conference report:

> Further legislation is needed to use the money raised by the tax for any purpose specified above. Failure to enact such legislation, of course, would mean that the revenue from the tax would have the effect of reducing the Federal debt.

Mr. BELLMON. I realize that this is not a trust fund; but if we have money in the highway trust fund that is not spent, it stays there until it is spent for highways.

Mr. LONG. That is a trust fund. This is not a trust fund.

Mr. BELLMON. I cannot quite understand what this is. It allocates the money to be used——

Mr. LONG. It is a column of figures on the Treasury books.

Mr. BELLMON. As long as those figures are there, the money has to be used for those purposes; otherwise, it is not spent?

Mr. LONG. If you have a column of figures on the books—how much you raise from this particular tax—and you have a column somewhere else that says how much money you spent, it does not make any difference what you said the money is spent for. If it is spent, it is gone; and that reduces your surplus or increases your deficit by that much.

Mr. BELLMON. The Senator makes it sound as though this means nothing.

Mr. LONG. As I said, it is a hope.

Mr. BELLMON. It is a hope that is also the law.

Mr. LONG. That would not be the first time somebody put a hope into a law.

Mr. BELLMON. I suppose all laws represent hopes of one kind or another, but they are binding on those of us who have to deal with the dollars. It seems to me that we are about to get our hands tied here so that we will not be able to do anything to shape our budget to meet the needs of the country.

Let me ask one other question: Could the President simply file a plan which says that he does not intend to use any of the revenues until several years later and thereby build up a reserve for future use, perhaps in an election year?

Mr. LONG. It is just that there is required to be an account in the Treasury that says how much money was raised by this tax, and there is a statement here that the conferees would like to see it spent in certain ways. But there is nothing binding to prevent the Congress from spending it any way it wishes or from not spending it; and if the Congress does not spend it, it will help reduce the national debt.

Mr. BELLMON. Was the conference unanimous in its interpretation of this language?

Mr. LONG. I cannot speak for that. That is how I understand it, and I do not know of anybody who understands it differently.

Mr. BELLMON. If the President files a plan which said he intended to use the transportation and low-income assistance money to finance ongoing programs, would that be acceptable to the Senator from Louisiana?

Mr. LONG. The President can recommend whatever he wants to recommend, and that is his privilege.

If the Senator will forgive me, I have something else to do. If he wants to submit some other questions, I will be happy to receive them.

Mr. BELLMON. I have other questions which I will submit to the staff.

I thank the Senator from Louisiana.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BELLMON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BELLMON. Mr. President, in connection with the debate that has been going on this afternoon between the Senator from Louisiana and myself about the earmarking provisions of this bill, I ask unanimous consent that the statements by Mr. MAGNUSON and Mr. MUSKIE, chairmen of the Appropriations and Budget Committees, that were made during earlier debate on the windfall profit tax bill be printed in the RECORD.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

STATEMENTS BY SENATORS MAGNUSON AND MUSKIE

Mr. MAGNUSON. Mr. President, the amendment I have offered, along with 38 cosponsors, will accomplish three very important objectives that will strengthen the ability of the Congress to control Federal spending.

First, the amendment converts new entitlements to authorizations for appropriations. This removes the provisions in the bill that would establish new uncontrollable expenditures. It does not eliminate any of those programs, but makes them subject to authorizations for appropriations.

Second, the amendment eliminates the refundable portions of the new and expanded tax credits. Refundable tax credits are entitlement spending that once in place remains outside the control of Congress. Many of those refundable programs in this bill are duplicative of authorizations in S. 932, the recently passed synthetic fuels bill.

Third, the amendment eliminates the creation of two new trust funds.

The two trust funds created in this bill and funded from the windfall profits tax set aside significant amounts of Federal money for very specific purposes.

The "low-income energy assistance fund" would get at least half of the net receipts from the windfall profit tax, as much as $40 billion for the next 5 years.

The "transportation trust fund," which is a different trust item, would get up to $15 billion in windfall profits tax revenue. That is the reasonable estimate.

If these two trust funds were to be established, decisions about the use of the funds would be outside the control of the congressional authorizing and appropriating committees and process, creating another uncontrollable spending device.

As a compromise with the Finance Committee, this amendment would retain the small "taxpayers trust fund."

We are making a distinction because:

Revenue for this fund will come from increased corporate taxes as a result of the decontrol of crude oil;

The funds are set aside for only 3 years;

And, most importantly, the fund is subject to the control anyway of the authorizing and appropriations committees. Congress will be able to control how much money will go to social security tax relief and how much should go to other purposes. That remains a decision and an option that will be up to the Appropriations Committee and the authorizing committee, also.

There has been a great deal of talk around this body and the House of Representatives concerning the ability of Congress to establish priorities for Federal spending.

There is equal concern—very deep concern—among Members of Congress who want to bring the Federal budget into balance.

Right now, over 74 percent of the entire Federal budget is uncontrollable through the regular annual budget and appropriations process.

Over 74 percent is uncontrollable—not just by the appropriations or budget committees, but it is uncontrollable by the entire Congress. The entire Congress could not act to control these entitlements.

This bill, without our amendment, would add to that uncontrollable part of the budget.

Over the next 5 years, this bill would add over $80 billion in uncontrollable spending. There are various estimates, but the best estimate we have is about $80 billion in uncontrollable items.

This bill contains the worst kind of spending, spending that mortgages the future, spending that prevents any future Congress having any leeway and it is the type of spending that must be stopped, if Congress is ever to achieve some kind of balance in the Federal budget.

What we are proposing in our amendment is;

First, to convert new entitlements to authorizations that are subject to appropriations;

Second, to eliminate refundable portions of new and expanded tax credits, which would include the windfall profit tax; and

Third, to eliminate the new windfall profit trust funds. This will insure that the Congress does have the leeway to control the expenditure of significant amounts of Federal taxes.

And Congress will be able—this is important—to exercise that power every year.

If the Senate accepts this amendment then Congress can review things as they are each year and in the light of current events and circumstances.

If necessary, Congress could set new priorities—or reorder priorities—if that be the will of Congress to keep pace with rapidly changing events in any area.

Our amendment does not tie the hands of this Congress—during the next session—when we will have a much better idea of just what this bill does bring in revenues.

Our amendment does not tie the hands of any future Congress.

Our amendment does not eliminate those programs from future funding or remove any support for any programs or foreclose any options the Congress might want to exercise in the future.

The major thrust of our amendment is that it retains in the hands of the entire Congress the responsibility to control Federal spending.

I yield to the Senator from Maine.

Mr. MUSKIE. I thank the distinguished chairman of the Appropriations Committee Senator MAGNUSON, for yielding.

Mr. President, the distinguished Senator from Washington has already made the case for this amendment. What I have to say about it will really reemphasize what he has already said.

I cannot resist commenting upon the action which the Senate just took on the McGovern amendment in the context of the pending Magnuson amendment, the purpose of which is to eliminate trust funds created in the reported bill.

The ingenuity of the Senate has devised a new way of creating uncontrollable spending in the name of reservations now. We set aside revenues which cannot be tapped for any other purpose except the purpose for which the reservation is made.

The interesting thing is that the McGovern amendment which mandates the Secretary of the Treasury to set aside $1 billion for railroads finds itself in this position.

The bill, as it came out of the Finance Committee, left only $600 million untapped by trust funds, entitlements, or tax credits. If the bill passed as reported by the Finance Committee, there would be no $1 billion available for the McGovern amendment. In other words, the committee bill created uncontrollable spending to such an extent that a new form of uncontrollable spending in the form of the McGovern amendment cannot be honored unless the Senate adopts the Magnuson amendment, the purpose of which is to eliminate uncontrollable spending from the committee bill.

So the Senate finds itself in the position of having done an inconsistent act. It created a new form of uncontrollable spending—which the Finance Committe did not—in the form of a reservation; the next step will be to eliminate the uncontrollable spending created by the committee bill in order to make room for the new form of uncontrollable spending created by the McGovern amendment. If ever there was a useless act, that is it.

The other observation I would like to make is this: If the Magnuson amendment is approved—and I take it those prospects are very bright, we will have made room not only for reservations like the McGovern amendment but others. What is to prevent other Senators from moving into the vacuum which will be created by the Magnuson amendment and create other reservations of funds for other worthwhile purposes?

Mr. President, although I am enthusiastically a support and cosponsor of the Magnuson amendment, I am becoming cynical enough to believe that the Senate, with its monumental capacity for ingenuity, will find other ways to get around the strictures of the Magnuson amendment if it is adopted. In any case, I would like to help make the case for the Magnuson amendment.

The Magnuson amendment would convert the bill's entitlements to authorizations for appropriations, eliminate the so-called "trust funds" established from windfall profit revenues, and eliminate the refundable portion of several tax credits in the bill, which are duplicative of spending programs authorized in the omnibus synfuels bill.

This amendment is necessary in order to restore fiscal control to the many uncontrollable spending provisions in this bill. Otherwise, billions of tax dollars will be earmarked for special uses—some of which are not even determined by this bill—and will be spent, without ever being authorized or appropriated. Congress will literally lose its power over a huge portion of the purse if H.R. 3919 is enacted as reported.

Mr. President, as Senator Magnuson pointed out, three-fourths of the Federal budget is already uncontrollable. The reported bill includes over $70 billion of new spending in the next decade that would not be subject to budget and appropriations control.

The Magnuson amendment will prevent further erosion of congressional control over spending in several important ways:

First, it would eliminate two new so-called "trust funds" established in H.R. 3919 which are intended to be the financing mechanism for special spending programs.

Mr. President, these are not trust funds in any sense of the word.

Under basic principles of Federal budgeting, revenues are raised from various sources and distributed among programs based on a congressional determination of national need. The trust funds concept is an exception to the basic rule. In the past, real trust funds have been established when Congress determined that if it was appropriate to give special benefits for programs, such as highways, airports, and social security, it was also appropriate to tax the users to pay for the special benefits. No such purpose is served by these so-called trust funds that collect the windfall tax from the oil companies and make payments from those receipts to unrelated but worthy beneficiaries. Indeed, there is nothing to distinguish the proposed scheme from the normal budget principle and, therefore, no reason to divorce the revenue and payments scheme from the normal congressional procedures.

Moreover, in any real trust fund the amount collected bears a relationship to the amount spent. Here the amount collected from the windfall profit bears no relationship to the amount that should be spent on energy initiatives.

For example, the congressional budget for fiscal year 1980 provides $19.5 billion for transportation programs. This is the amount Congress believes will be necessary to meet the national transportation needs; $2.3 billion of the total transportation allocation is expected to be spent for mass transit programs.

What relationship does the existing transportation spending endorsed by Congress bear to the so-called transportation trust fund?

Mr. President, I respectfully suggest that there is no rationality to this figure or to any of the amounts allocated from the windfall profit tax into these so-called trust funds.

The establishment of the so-called trust funds raises some very fundamental questions about our contract with the American people as elected officials.

When the tax expires at the end of the coming decade and the country is hooked on massive spending for energy programs that has been determined without a rational priorities debate, what Senator at that time will stand up to say "this assistance should be reduced or eliminated?" I doubt seriously if anyone will. The real difficulty will be that Congress will have no ability to taper down spending as the trust fund runs out. The result will be that excessive energy spending will continue to be funded out of general revenues, undermining congressional efforts to balance the Federal budget and squeezing out other priority programs.

Let no one doubt, Mr. President, that this squeeze will be real and not imagined. The demands of the eighties on Federal revenues will be enormous. Efforts to improve our energy security, as well as military security and new initiatives like catastrophic health insurance and welfare reform to enhance the quality of life, will be expensive propositions. Revenues will be needed to meet these demands.

The earmarking of revenues, and the establishment of spending levels independent of any rational priorities debate through budget and appropriations action, undermines congressional control of spending and the ability to reorder priorities to meet emerging needs. Earmarking funds for a few special programs requires other worthwhile programs which may have an equal claim on our resources to compete for funding out of remaining general revenues.

Mr. President, some have argued that the language in the Finance Committee bill providing for subsequent appropriations actions or authorization for expenditures in some cases brings the bill into compliance with the budget and appropriations process.

There is no truth to that argument. Money appropriated into the trust fund is isolated from general revenues. Worthwhile spending programs for purposes other than those identified in the bill would not be eligible to compete for over $70 billion that are involved. If the transit and low-income programs are worthwhile, the Congress will authorize and appropriate funds to meet that national need.

We have already seen an example of congressional recognition of such a need in the development of a substantial synthetic fuels program which has been authorized and appropriated by the Congress in the last 6 months. No trust fund was provided. Congress acted through the regular congressional budget process and the normal authorization and appropriations processes to address a clear national need.

This is the proper approach. This is the approach sanctioned by the Magnuson amendment.

Mr. President, let me mention briefly my concerns about the taxpayer's fund, which is not affected by this amendment. I am keenly aware of the taxpayer's cry for relief from mounting tax burdens. I favor tax cuts at the right time. The Budget Committee favors tax cuts. Indeed the fiscal year 1980 congressional budget provides for major tax cuts beginning in fiscal year 1982.

Mr. President, in developing the second budget resolution for fiscal year 1980, the Budget Committee carefully weighed the arguments for an immediate tax relief and concluded the need for fiscal restraint outweighed the need for advancing the tax cut at this time.

Mr. President, the reservations of about $16 billion in the Finance Committee's taxpayer's fund reflects that committee's judgment that the tax relief action may be necessary earlier than anticipated in the congressional budget and that funds should be available to assure prompt action at the appropriate time for a maximum of 3 years.

Mr. President, the Congress will have an opportunity to reconsider this issue in the coming months. I urge my colleagues to carefully evaluate the loud public demand for fiscal restraint and a balanced Federal budget as we proceed with the tax relief debate.

Second, the Magnuson amendment would eliminate the refundable portion of the business tax credits for the use and production of alternative energy sources and for utilities impacted by conservation.

With a refundable tax credit, the taxpayer is entitled to receive a direct cash payment from the Treasury for the amount by which the credit exceeds his tax liability. Under the Senate precedents, these refundable credits provide spending authority as defined in the Budget Act.

Thus the refundable part of a tax credit is an entitlement spending program, not a tax credit.

The Magnuson amendment would eliminate this entitlement spending which is duplicative of spending programs authorized in energy legislation (S. 932) already passed by the Senate. Although there is some duplication between the tax credits and the authorizations, the Magnuson amendment does not prejudge the merits of the credit approach, but only eliminates the refundable portions which would require a second check from the Treasury.

Mr. President, let me briefly describe the refundable portions of the credits and the reasons for their elimination.

The first is the wind and solar refundable credit. H.R. 3919 increases the rate of the refundable energy credit for commercial solar or wind property from 10 percent to 20 percent.

There is currently a debate as to whether federally subsidized low-interest loans or tax credits are a better financial incentive to stimulate commercial utilization of solar and wind systems. S. 932, the omnibus energy bill, authorizes $575 million for the loan approach which has a broad range of eligibility and allows the cost of the project to be spread out over time.

Irrespective of the relative merits of the loan versus the tax credit approach, there is no need for two spending programs for the same purpose. The Magnuson amendment therefore eliminates the spending portion of the tax credit which overlaps the spending program authorized by S. 932.

Second is the refundable tax credit for public utilities to defray the impact of residential conservation. H.R. 3919 is duplicative of the public utilities compensation grant program found in the Senate-passed version of S. 932.

In light of Senate action on S. 932 the refundable portion of the public utilities credit represents an unnecessary, and duplicative expenditure.

Third is the refundable tax credit for alcohol fuel production. H.R. 3919 would, in effect, provide a Federal subsidy for domestically produced and used alcohol of 40 cents per gallon to make gasohol competitive in price with gasoline. This subsidy on the output of alcohol fuel projects would overlap directly with the price and purchase guarantees for gasohol in title II of S. 932.

The grants, direct loans, and loan guarantees for the construction of biomass and alcohol fuel projects in S. 932 also provide a type of subsidy on alcohol fuel by lowering its cost of production and hence increasing its price competitiveness with gasoline. Financial assistance in S. 932 totaling $5.4 billion is available to all biomass or alcohol producers including State and local governments and other tax-exempt organizations.

The Magnuson amendment would eliminate the spending portion of the credit which overlaps with the spending programs authorized in S. 932.

Finally, Mr. President, the Magnuson amendment would further strengthen Congressional control over spending by converting entitlement programs in H.R. 3919 to authorizations for appropriations.

Under the reported bill, tax-exempt governmental and other institutions would be entitled to payments of 40 cents per gallon of alcohol produced. The Magnuson amendment would convert this entitlement program to an authorization for appropriations.

In addition, the Magnuson amendment would assure that funding for the low-income fuel assistance grant program in title III is authorized to be appropriated, so that the amounts provided each year can be determined through the normal priorities debate.

Mr. President, I urge my colleagues to support this amendment which is cosponsored as I understand by 40 Members of the Senate. This strong bi-partisan coalition believes that budgetary and appropriations control over the new massive revenues raised by this bill are vital.

Later in the day, Mr. President, I hope to address the windfall profit tax bill that is pending before us from the perspective of the budget demands for the eighties. But for the time being I yield the floor.

Mr. **BELLMON**. Mr. President, I wish to quote from first the statement by Senator MAGNUSON in which he says:

> This bill contains the worst kind of spending, spending that mortgages the future, spending that prevents any future Congress having any leeway and it is the type of spending that must be stopped if Congress is ever to achieve some kind of balance in the Federal budget.

And then Senator MUSKIE in his statement had this to say:

> The ingenuity of the Senate has devised a new way of creating uncontrollable spending in the name of reservations now. We set aside revenues which cannot be tapped for any other purpose except the purpose for which the reservation is made.

Mr. President, it seems to me that both those statements are as pertinent now relating to the conference report and the language in section 102 as they were at the time they were made during the debate on the Magnuson amendment which struck that provision or similar provision from the Senate version of the windfall profit tax bill.

I am hopeful that both Senator MAGNUSON and Senator MUSKIE will take note of the fact that that which we thought we accomplished in passing the Magnuson amendment has now been put back in the bill by the action of the conferees.

Mr. NELSON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER. Mr. President, throughout the process I have vigorously protested the adoption of this insidious legislation, fraudulently labeled as a "windfall profit" tax bill, because it will take us in just the opposite direction from where an intellectually honest energy bill would lead. I shall most certainly vote against approval of the conference report now before us and encourage my colleagues to do likewise.

As every American taxpayer and energy user should fully understand by now, this punitive and perverse legislation has nothing to do with oil company "windfalls" or a tax on profits. It has everything to do with a tax on oil consumers, generating such a windfall for the Federal Treasury that its architects are still rubbing their eyes in disbelief.

Simply put, the so-called "windfall profit" tax bill is a decision of the American public. It is not an energy bill. It is a mindless monstrosity that will tax and regulate this country further into submission to unstable and unpredictable foreign energy suppliers.

It is absolutely astounding to me that the Senate is about to be intimidated and hoodwinked into approving a tax bill so barren of economic justification and so destructive of our national interest in developing a coherent, consistent, production-oriented energy policy.

But the President and his advisers long ago rejected reason for rhetoric, and Congress bought a bill of goods for the American consumer—a bill that will mean at least $227.7 billion for the Federal Treasury, by far the largest tax ever to be considered by Congress.

The bill typifies a Carter administration energy policy riddled with ironies and internal inconsistencies too numerous to list. Any notion that this so-called "windfall" bill was ever a part of a constructive energy package was dashed in conference where a "money machine" mentality soon replaced elementary energy economics.

The President, trapped by his populist budgetary rhetoric, decided to measure the acceptability of the tax by the amount of money it raised, rather than by the amount of oil that it was supposed to produce. The tax thus became hardly the centerpiece of a "national energy plan" once envisioned, but a useful fiscal tool for President Carter to balance the budget on the taxpayers' backs and to raise more money for bigger Government.

The bill insures that maximum revenues for decontrol will not be left to the producers themselves to reinvest in more energy production. It will instead only redistribute our national wealth but will enrich not one of us.

It is estimated that the tax before us will reduce our domestic oil production by almost 2 million barrels per day by the end of this decade and absolutely the lowest estimate I have seen the proponents of the tax come up with is 500,000 barrels a day. I note with interest that this figure would be an incredible 20 times the 100,000 barrels per day of imported oil that the President proudly claims will be "saved" by his new oil import tariff announced last week. Lest we lose total perspective on where the President's deceptively packaged energy proposals are really taking us, we should all ponder this comparison for a while.

Mr. President, this is indeed a sad moment. We are on the threshhold of passing a huge tax bill that will absolutely guarantee future energy shortages. It will be paid not by any mythical "big oil" giant, but by millions of innocent stockholders and the rest of the taxpaying public.

At this point we may be procedurally unable to make this bill a little less onerous, such as by restoring the Senate-passed exemption for the risk-taking small producers—who collectively have reinvested more than 100 percent of their gross revenues in domestic production—or by providing equitably for the totally unsuspecting royalty owners, most of only modest means, who have been blinded and bedazzled by the rhetorical footwork being practiced by some proponents of this pernicious tax.

Mr. President, only by defeating outright this politically motivated and counterproductive act can the United States inject some degree of sanity into the confused and contorted energy policies of the past. My warning today may not change anyone's vote, but I would be grossly negligent in carrying out my sworn duty if I did not challenge every Senator to sidestep the temptation of political expediency in favor of acting responsibly for the future energy security of our Nation.

What indeed, Mr. President, is our priority? Is it to punish the oil-producing community in this country which for so many years has given us a surfeit of cheap energy? Is our priority to raise more revenues, to fuel the engines of spending of an ever-burgeoning Federal Government? Or should our priority be to stimulate more domestic production of energy to diminish our reliance on external sources of energy that have cost us so heavily in terms of economic growth, in terms of inflation, in terms of national security, and that have inordinately influenced our foreign policy?

Mr. President, perhaps it is too late to depoliticize this issue, but I hope that if it is too late—the die is already cast—we are going to pass this bill, which I am certain will be politically popular in some quarters—that we will in the next Congress seriously reconsider what we have done and we will, free from the pressures of an election year, seriously consider what we must do to generate the production of more energy in this country.

I hope this bill, which is almost certain to pass, will be short lived to the extent that in the cold and objective light of retrospect a year or so hence we will repeal this monstrous piece of legislation.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BELLMON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BELLMON. Mr. President, the debate on the conference report on the so-called windfall profit tax has been going on now for several days. I have reviewed, to some extent, what both the supporters and the opponents of the conference report are saying. It would almost appear that we are talking about different bills.

The supporters of the report say that, in fairness, we need to tax away the excessively large profits that the major oil companies are making and the opponents say that we cannot afford to shoot ourselves in the foot another time by taxing away the revenues of the domestic industry, those people who look for and find domestic crude oil.

Mr. President, as strange as it sounds, I could agree with both the supporters and the opponents. It is possible to agree with both sides because they seem to be talking about two separate bills. The supporters must surely know by now that this so-called windfall profit tax does not tax the profits of the international oil companies. That is a point that no one seems to really focus on; that this bill is not going to, in any way, tax the profits of the international companies, because most of those profits are made overseas.

This is a domestic crude oil excise tax. It does not touch the profits that are made in Saudi Arabia, Kuwait, Nigeria, Indonesia, or Venezuela. It just taxes the income—not the profits, but the income—that the domestic crude oil producers receive.

During the decades of the 1950's and 1960's, there was very little profit to be made in prospecting for or producing oil in this country. At that time, oil was selling for $2 or so a barrel and the fields were mostly small producers. Therefore, the large companies, those who had the option, decided to close down their domestic prospecting and they went overseas.

I am not criticizing them. They probably did what good commonsense told them they had to do. And, in all candor, if they had not gone and found the large fields overseas, by now the world would not have oil. So I am not critical of what they did.

But the major oil companies took most of their exploration and production overseas where these larger and richer reservoirs could be found. The result obviously is that there is where their production is and where they make money. They also make money in refining, marketing, transporting, and other energy-related areas. We are not touching any of those profits by this bill, either.

So this bill, then, does not touch the revenues or even the profits from overseas operations of American oil companies. This bill punishes the domestic producer, mostly the smaller independents, who had faith in our country and who are now our only hope in the near term of producing more oil from our domestic fields.

It is going to take time once the international oil companies decide to come back to the United States. It is going to take them a long time to build back the proficiencies in finding small fields and producing oil from small wells that the independents have because they have been here looking under these conditions over these last two or three decades.

If this bill truly did tax the profits that American oil companies make overseas, I am not sure I would be so adamantly against it. Such a tax, if it was properly written, might encourage these larger companies to come back to the United States and to concentrate more on producing energy from our still abundant energy resources that have so far not been developed.

But the fact is this bill does not tax those overseas profits. If it would tax those profits and leave the profits to companies making domestic production alone, then it certainly would be a beneficial bill so far as increasing domestic oil and gas development.

If we pass this bill, what we are going to be doing is saying to other American oil companies, "Go overseas. Quit looking for oil in this country because if you find oil here, we are going to tax away a very large percent of your income."

We are saying, "If you go overseas and find oil, we will not touch that income, but if you stay here and look for oil, then you will have to pay a very large percentage of your income, in some cases maybe as much as your total profit."

This is certainly the greatest disincentive to domestic oil production that could be invented.

This is the OPEC enhancement bill. This is a bill which would deliberately cripple U.S. production of oil.

This bill, Mr. President, is absolutely guaranteed to reduce domestic oil production and exploration, and that even includes the great State of Alaska. This bill is absolutely guaranteed to increase reinvestment of the large profits American oil companies are making in overseas oil exploration and production. Those companies already make very little profit by producing oil in this country. Overseas the fields are larger and they are more productive. That is where they would be and that is where they are going to stay, and probably go in even larger numbers when they have that option.

After all, any company, whether it is an oil company or any other company, is in business to make a profit. I am sure every Member of the Senate would do the same thing they do. If they can make an investment and show a profit, then they make more investments in that same area. But if you make an investment and do not show a profit, if you are going to stay in business you do not make that same mistake over and over again.

Many of my colleagues have pointed out that small oil—as contrasted with big oil—drills 90 percent of the exploratory wells in this country, and finds 75 percent of the new oil. It follows that since the money for exploratory drilling comes from oil production revenues, and this bill will impose huge taxes—not on profits—but on oil production revenues, this bill will result in considerable less exploratory drilling in this country. Since you cannot find oil unless you drill for it, it follows that this bill will result in reduced domestic oil production. I do not think anyone will challenge that point directly.

But not many of my colleagues have pointed out why the small independents do all this exploratory drilling. It is not that the independents drill so much as it is that the majors do not drill. And why do not the major oil companies drill exploratory wells in this country? Because there are more profitable places to drill for oil than in the United States, if you are big enough to go to those places and take the risks that are involved in breaking into new frontiers and in dealing with some of the political problems that exist.

They can make more money drilling in Egypt, or at the North Pole, or in the African jungles. Experience has proved them to be right when they drilled for oil in Indonesia, Nigeria, and even in the North Sea. When they found oil in those places, they were able to produce it in large quantities and at a profit.

But the small independent oil companies cannot afford to drill exploratory wells at the North Pole. They cannot really afford to drill deeply in the United States.

That is one place where the large companies are taking a major role.

The smaller companies take the revenues from the producing wells they have already drilled and borrow still more and reinvest every bit of that—more than they are making—in drilling for more oil. I emphasize that they do not merely reinvest their profits; they reinvest their entire revenue and then some.

And when they have less money in the way of profits, obviously then they can borrow less. So this bill is going to cut back dramatically on what the independents have available to plow back into increased domestic oil production.

I ask my colleagues to consider what other experience we now have that bears on the wisdom of passing this misguided bill. We passed another misguided bill last year that was called the Natural Gas Policy Act. It imposed more new controls on natural gas than it lifted and that was bad. But it did decontrol some kinds of gas. And do you know what is happening, now? Major oil companies who had not drilled an exploratory well of any kind for years are now actively drilling for—and finding—those categories of natural gas that were price deregulated.

Mr. President, the same thing could happen if we would make drilling for oil equally attractive.

Now, I realize that some of my colleagues feel that they have to vote for this so-called windfall profit tax, even though they know that it does not tax major oil companies' profits which are made overseas, because they believe that most voters do not realize that fact. It may be that most voters do think that the so-called windfall profit tax will actually tax away those record profits the major oil companies reported for last year. If they think that, and we pass this tax, what are the voters going to say when the profits for the major oil companies are high again next year, in the latter half of 1981 and 1982 as is certain to be the case?

For I hope that I have made the point that this bill will encourage the major oil companies to further reduce their drilling activities in this country, where there are small profits to be kept, and to increase their drilling activities overseas, where they have made most of their profits in the past and will likely make them in the future. This bill will reduce domestic drilling; this bill will reduce domestic oil production.

This bill will force companies that can to go overseas and drill in the areas where larger fields are to be found. If we pass this bill, what are my colleagues who vote for this bill going to tell the voters when the major oil companies report big profits again next year? What will Congress then do? Increase the excise tax on domestic oil production even more?

Certainly, if we miss the target with this bill, we will be looking around for some other way to do what we told people we were doing in the consideration of this legislation. Confiscate all the revenue from all domestic oil production? Put every small oil driller out of business?

Mr. President, what we have to do is to encourage American oil companies to look for oil in this country. If we want to use the tax weapon, what we should do is to tax their profits on overseas production and in this way encourage them to come home and drill here. There is plenty of petroleum to be found here. There are ways of making oil from coal, to make synthetic crude from oil shale, and we could produce from our own resources if we had the incentives and if companies had the capital to do the job.

If this bill was truly a tax on oil company profits, and if we had in it a provision whereby that tax could be offset by investment in domestic energy production—not necessarily oil production—then we would have a bill that almost all Senators could support. We would then have a bill that woud accomplish what many Americans mistakenly believe this bill we are considering now would accomplish.

Mr. President, probably as much as any Member of this body I would like to see the United States solve its energy problem. Our energy problem is that there is an insufficient domestic energy supply to meet our demand because we have not had the incentive to develop our own abundant domestic resources. We are now importing too much oil. If we had not passed some of the bad legislation 6 years ago when the embargo hit, we could be well along toward solving this problem now. We simply must stop importing so much and we must produce more from our own resources. I would support a bill to do that. But this bill will have exactly the opposite effect.

This bill will cause us to import more oil. It will cause more companies to reduce domestic production. It will cause more American companies that had plans to drill a large number of new wells to cancel those plans. In my opinion, this conference report must be defeated.

The PRESIDING OFFICER (Mr. BOREN). The Senator from North Carolina.

Mr. HELMS. Mr. President, I listened with interest to the comments of my friend from Oklahoma. I happen not to come from an oil-producing State; therefore, maybe I can avoid being tagged as having a special interest. My special interest is the survival of the free enterprise system in America. My special interest is in cutting down on Government regulation that inhibits the free enterprise system. My special interest is in facing the facts of life with respect to the energy resources of this country.

Mr. President, I possess no ability whatsoever in the field of clairvoyance; I own no crystal ball; and I am not a betting man. But I would be willing to wager that by the end of this year, if not sooner, the American people are going to be paying $2 a gallon for their gasoline. For that condition, they can thank the political forces in Washington, D.C., and elsewhere around the country. They can thank the Congress of the United States. They can thank the administration for imposing this additional economic burden upon them.

The political technique that led to the passage of this bill in the first place, this so-called windfall profit tax bill, was so clever; in fact, it did deceive a great many Americans, and perhaps a great many Americans are yet to be deceived, because somebody has led the American people to believe that this legislation is somehow going to tax that old bogeyman, the big oil companies.

Mr. President, I have long held the economic theory that it is impossible to tax a corporation in the first place. It is a piece of paper, the corporation. It is not an entity other than a legal document from which a business is built, a business which has as its main intent to make a profit. That is a noble intent, because that is the purpose of the free enterprise system, to give investors and workers and others the incentive to produce and to engage in commerce and to make a profit.

I think it is a pretty sad occurrence that some in this Nation have tried to disdain the profit motive. They have done that by various devices.

Mr. President, I recall that some years ago, shortly after I had come to the Senate, a newspaper in my home town of Raleigh continually criticized anyone in Government who tried to stand up for the free enterprise system, including the production and distribution of energy. I was accused of being a tool of the big oil companies—an absurd charge, because I do not even know anybody connected with a big oil company, not to this day. I cannot name a single acquaintance that I have who is connected with the big oil companies.

So one year, along about 1974, I think it was, I was invited to speak to the chamber of commerce in Raleigh, N.C. at their annual dinner. I accepted. Up until 2 or 3 days before the speech, I had not the vaguest idea what I would say to the group. But there came an editorial in the Raleigh newspaper, talking about the obscene profits of the oil companies, talking about or purporting to talk about positions taken by Members of the Senate. I counted 27 errors of fact in that one editorial.

It so happened, Mr. President, that a few weeks earlier, at a holiday social function, I had a conversation with an official of the newspaper. He was boasting that his newspaper had, the previous year, earned 24 percent profit against equity. I began to think, what if the oil companies made that much profit? I checked on it and during that same year, as I recall, the profit against equity for all oil companies averaged about 11 or 12 percent.

I remember saying to the chamber of commerce group that I did not know what was a proper profit for a newspaper, that the free market ought to decide that; and, by the same token, I did not know what was the proper profit for a television network, the free market ought to decide that; and I did not know what was the proper profit for an oil company because, again, the free market ought to decide that; but I did understand one thing: That is if we inhibit by governmental action the competitive production and distribution of energy from domestic resources, then we are running a great risk.

That is precisely what we have done as a Congress, as a government. We have stifled, to a very great extent, the production of energy at home, thus encouraging greater and greater imports from foreign producers to the point that today, we are really at the mercy of foreign producers.

Mr. President, it is so simple to see. What we have done to ourselves and what we have allowed to be done to our country, that I find myself astonished that all Americans do not understand that the problem with energy was created right here, where we work, in the Congress of the United States.

I say to my friend from Louisiana that if the Government had not intervened, if it had let the free market system work and encouraged competition instead of restraining it, we would not now be in the economic swamps that we find ourselves in.

They call this a windfall profit tax. There have been great bursts of oratory, and, if my colleagues will forgive me, demagoguery, and by a combination of these and other things there emerged from this Senate an enormous new tax bill which the consumers of this country are going to have to pay,

Too late, I suppose, the consumers are going to learn it is not going to be that mythical big oil company that is paying the additional billions of dollars in taxes. The consumers are going to pay these taxes.

On top of everything else, this so-called windfall profit tax is going to have a negative effect on the one thing that our Nation needs most, the discovery and production of energy at home so that we will no longer have to be dependent on the Arabs and other foreign oil producers.

Windfall? Sure, it is a windfall. But for whom? For the Federal bureaucracy. Billions of additional tax dollars are earmarked to be spent by the bureaucracy on all manner of Federal programs, including, among others, the food stamp program.

I have just come from a meeting of the Agriculture Committee, of which I am the ranking minority member. For some time now we have been working on the food stamp program, trying to bring it in line, to harness and to rein in the exploding costs of this program.

I wonder how many Americans realize that the cost of this one program has increased 20,000 percent since its inception in the mid-1960's. It is politically popular. It is always popular to give something away.

I am not going to burden the Senate with a recitation of the horror stories of the waste and fraud and extravagance of this one program because I think most Americans have seen examples of it for themselves. But this is the kind of program that will be fueled by the windfall profit tax.

The consumers are going to be paying this tax, and they are going to be providing billions of extra dollars to finance that kind of program, and others, which are extended to the people on a something-for-nothing basis.

Two or 3 weeks ago, driving to work one morning, I realized that we were about to have hearings in the Agriculture Committee on both the food stamp program and the school lunch program. I thought to myself that no American really objects to helping the truly needy. Where the line is drawn in the attitude of most Americans is the use of tax funds to subsidize people who just do not want to work.

When I got to the office, I asked an associate to check with the Congressional Budget Office about one tiny aspect of the food stamp program and the school lunch program. I wondered, first of all, Mr. President, whether there was an overlap between the food stamps given to families and the school lunches served free of charge to the children of those families, and, if there was an overlap, was it a significant one.

When I got the answer to that inquiry,

Mr. President, I came out of my chair, because I found out that one duplication, that one overlap in one program, is costing the taxpayers $629 million a year.

The truth of the matter is that the bureaucrats administering the programs could not care less about how many millions of dollars of the taxpayers' money they throw away in duplication and overlapping.

What we are doing with this piece of legislation is providing even more billions of dollars for those and other Federal bureaucrats to fuel programs across the spectrum of bureaucracy.

All this is done under the pretense that this is a windfall profit tax bill that is going to sock it to the big oil companies, a blatant misrepresentation of the truth, because I go back to my original thesis that we cannot tax the corporation in the first place. We tax the consumers of that corporation. The last time I checked, that involved all Americans.

When the Senate voted to impose this new windfall profit tax, I voted against it because, as I said at the time, it was a cruel hoax on the American taxpayers.

Frankly, however, I sat back a bit apprehensive lest the people of North Carolina not understand what was afoot here in the Senate on that particular vote. But I was pleasantly surprised because we have received almost no mail criticizing that vote of mine.

To the contrary, hundreds upon hundreds of people have written to assure us that they do, indeed, understand that this is a new tax on them, a new tax to raise billions of dollars for an already bloated Federal bureaucracy. So, I have had no problem with it.

The bottom line, Mr. President, is that most North Carolinians understand clearly that any new tax imposed by the Federal Government is going to be a tax on the consumer.

We can try to disguise it and say it is a tax on this or a tax on that, but, when all is said and done, it is a tax on the consumer.

Any company, be it large or small, necessarily has to pass along the taxes it pays to its customers, the consumers.

I read an item the other day to the effect that there are at least 56 different taxes on one loaf of bread. Of course, the same is true with gasoline or furniture or a new automobile or anything else that the consumers may be planning to buy. Taxes make up a substantial portion of the purchase price of whatever the people buy.

The sooner we have a great burst of honesty in this legislative process and spell out for the people what Government is costing them, the sooner they will be able to assess how well we are doing our jobs in representing them.

I do not propose a lesson in economics or in political science with these remarks. I think it is well understood by those who have any knowledge of government, any knowledge of taxation, that the purpose of any tax is to transfer dollars from the private sector—that is, the private citizens and the businesses they operate—to this Government, to this bureaucracy.

I wonder how many programs are created by Congress for political purposes, to satisfy some voting bloc out there, so that, in the next election, Senator *X* or Congressman *Y* can stay in Washington, D.C.

As for this so-called windfall profit tax, it seems to me that logic demands any Senator to oppose it purely on the basis of the energy supply situation in this country today. I do not need to tell any Senator that it is dangerous to fool around with the possibility, let alone the probability, of increasing even further our dependence on foreign oil. Instead, we should be doing everything we can to increase the production of energy here at home, and this bill goes 180 degrees away from that objective.

Instead of promoting an energy policy to increase production, the administration has promoted what is clearly an excise tax on production, which, when passed by Congress, can have only one result—fewer wells being drilled, and ultimately the tragic result of a further reduction in our own production of oil. This, at a crucial time in terms of the availability of oil; this, at a crucial time in our economic situation which borders on chaos.

Yet, what we are saying to the American people is that we are going to put through this little bill and it is not going to hurt very much. "You are just going to be paying $2 a gallon for your gasoline by the end of the year."

If I were a consumer out there, Mr. President, I would be up in arms. I would be writing or calling or visiting my Senator and saying, "What are you doing to me?"

The primary goal of decontrolling domestic crude oil prices was to increase production, and that is a goal all of us should be supporting with every ounce of our vigor today. I have seen various estimates, which I believe to be reliable, showing that without the so-called windfall profit tax, the reinvested revenues resulting from decontrol would produce an additional 4 million barrels of oil per day by 1990—4 million barrels above that which would have been realized with continued controls. Needless to say, this additional supply would assume a critical role in meeting our Nation's energy requirements during the next decade, except for the fact that Congress is on the verge of taxing a large portion of that away.

So I say again that this so-called windfall profit tax is indeed a windfall. It is a windfall for the big spenders in Congress. It is a windfall for an already bloated Federal bureaucracy.

It is going to diminish the increase in domestic production by at least a million barrels of oil a day. Under the version of this legislation passed by the House, the reduction in domestic oil production would have been about 2 million barrels of oil per day.

I am just a country boy, but it seems to me that 2 million barrels of oil per day do not constitute an insignificant amount, especially when we consider that the shortage that led to the long gasoline lines last year was less than a million barrels of oil per day.

Mr. President, I do not believe that the American people would countenance this legislation if they understood it fully, if they understood fully its implications, if they understood fully the inevitable results of it. So we can conclude that they have been misled, that they have been deceived, that they have been denied an opportunity to understand not merely the economics of this legislation but also how it will affect the economic system which we all profess to support and to revere—the free enterprise system.

The people of this country want the United States to reduce its reliance upon OPEC. Yet, even while officials of this Government are urging the Saudis and other OPEC producing nations to increase their current production levels to meet our import needs, this Congress, at the urging of the administration, apparently is prepared to enact a silly tax that will guarantee—I repeat, that will guarantee—less production of oil in our own country over the next decade. Does this not fly in the face of common sense? Is this not a complete rejection of sound economics and our national interest?

The lawyers have a Latin phrase they often use. They say that a situation is res ipsa loquitur. It has been a long time since I took Latin, but if I recall correctly, that means "the thing speaks for itself." This bill speaks for itself, if we will just listen to what it says. If the major media of this country would just spell it out for the American people, then I believe we would have a resounding reaction from the people, saying, "Do not pass this bill."

There has been a lot of talk about windfall. We should realize that the oil industry's profits are really not out of line with other industrial profits in the United States.

Would it not be fine to have a document available to the American people listing profits of the New York Times, the Washington Post, the Raleigh News Observer in my hometown, ABC Television, NBC Television, CBS Television, all of the corporations, showing what their profit is and what the oil industry's profits are and see if there is any justification for the scoldings that we hear constantly, to see if there is justification for adjectives like "obscene profits," "inordinate profits," and so forth?

The truth of the matter is the oil industry is making no more than and in many cases less than most of the industries and most of the media in this country.

Almost nothing is said about the cost of drilling a well, the investment capital necessary for exploration and production. These little facets are obscured, and I guess there is a presumption abroad in the land that you can take a few thousand dollars and go into the oil business. I guess there is a presumption that there are not hundreds of thousands of oil company stockholders representing the small investors.

I do not know what goes on in the minds of people as they assess this legislation. I certainly do not know what has gone on in the minds of the administration or Members of Congress who have been promoting this piece of legislation. But whatever it is it has been wrong. It has lacked accuracy and it has lacked fairness for that small consumer out there across America who is going to pay the bill.

Existing Federal income tax laws with the present decontrol program and without a windfall profit tax would provide all of the additional revenues President Carter claims he needs for synthetic fuels development and his conservation and social programs.

The additional profits extracted by the Federal Government under this bill will simply be unavailable to private industry for investing in the search for more energy resources here at home.

As a result, our country's economic well-being is jeopardized because of our heavy reliance on imported oil.

Each American energy program should, therefore, be subjected, I think, to one simple test: Does it or does it not reduce our dependence on insecure foreign sources of energy? That should be the bottom-line question.

The estimates that have been made available to me clearly show that the pending windfall profit tax fails this test and fails it miserably.

This additional tax on the consumer, this additional tax on crude oil production will reduce the net returns and, therefore, it is bound to reduce investment.

How many days each year do we spend in this Chamber talking about the dire need for capital formation? We go up one side of the street and down the other.

Billions of barrels of domestic oil that could be produced economically at decontrolled prices are going to be left in the ground.

The United States is spending about $60 billion a year on imported oil, almost half of our petroleum supplies.

The foreign oil sources, by any current analysis, are growing more uncertain as American dependence on them increases.

I think it should be clear that the national interest requires greatly increased domestic energy sources and supplies.

The windfall profit tax bill is going to deprive the American people of additional domestic investment in the exploration and production of energy. There is no question about that. Yet here we go. It is just a matter of time, I am told, until this Senate approves this conference report and the word will go out that we are going to tax those big oil companies and, too late, the American consumer is going to say: "My word, they are not taxing the companies; they are taxing me." And they will be right, but it will be too late. And it is a shame that they do not know it today.

The trouble is that this windfall profit tax is not going to produce more energy. It is going to inhibit the production of energy here at home.

And this will certainly be true in the instance of independent producers.

The Senate exempted the independent producers and royalty owner from the tax. However, the independent exemption was removed in the conference committee. The bill as it now stands seriously penalizes independent producers and royalty owners, and I might point out, as has been mentioned many times in this Chamber in recent days, the independent producers drill 89 percent of the exploratory oil and gas wells in this country and they find most of the new fields. So, taxing away the exploration funds used by the independent producers to find new supplies of domestic crude oil is obviously a matter of shooting ourselves in the foot.

It is clearly contrary to the best interests of this country because it is the independent producers who have continued to search for the costly, hard-to-find oil in the United States.

The independent producers have been plowing back more than 100 percent of wellhead revenues in exploring for and developing new domestic oil supplies for this country.

This conference report, Mr. President, proposes to take away much of the capital needed for this purpose and, thereby, make the United States even more dependent upon imported crude oil, which already is offering the terrifying prospect of being even more costly and even more insecure as a source.

Reduced investment for producing energy, more imported oil, and higher world prices are the things this bill accomplishes. I do not know how any Senator can go along and say proudly, "I voted for this bill."

Mr. President, the Wall Street Journal had an editorial the other day urging rejection of the so-called windfall profit tax. That newspaper has made that plea on a number of occasions, and I have great respect for the Wall Street Journal.

A fine North Carolinian, a good friend of mine, a fellow townsman, named Vermont Royster was editor for many years of the Wall Street Journal.

North Carolina never produced a finer newspaperman than Vermont (Connecticut) Royster, and on a number of occasions Vermont and I have talked about the insanity of Government solutions to problems.

Inevitably you have to reach the conclusion that the Federal Government does not solve problems because the Federal Government is the problem, and that certainly is true in this instance.

In any event, a few weeks ago the Wall Street Journal commented, and I will quote part of it and then I ask unanimous consent that all of this editorial be printed in the RECORD at the conclusion of my remarks, on the windfall profit tax.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HELMS. I thank the Chair.

The Wall Street Journal said:

> The House-Senate Conference Committee is now rushing to put the finishing touches on the misnamed "windfall profits tax" before President Carter can unleash a State of the Union address with the dread accusation that Congress is soft on the oil companies. With such a pressing matter before them, the conferees probably won't have time to take up a mundane question like, just when do you close down an oil well? It's a pity.
>
> Now, just about everything is wrong with the proposed tax. It won't yield the revenues the administration and Congress are gleefully spending. It will cut deeply into oil industry cash flow, encouraging the export of refining operations. It will reduce incentives for domestic crude oil development. But in a way, the most telling flaw is that it will hasten the closing of wells already producing oil.

Maybe some Senators read this editorial. If they did and failed to understand what they are doing to the country then I do not know how any editor can make it clearer.

So, Mr. President, with that comment I yield the floor, saying again that I shall vote against this legislation because it is bad for the country, it is bad for the consumer, it is bad for the free enterprise system.

I do not know of anybody who has ever run for public office who has not declared over and over again, "I love this country and I want to protect the consumer and I am dedicated to the free enterprise system."

This is a chance for them to put up or shut up because how we vote on this issue will determine, first, whether we understand the free enterprise system; and, second, whether we believe in it.

I thank the Chair and I yield the floor.

EXHIBIT 1

THE CLOSE-THE-WELLS TAX

The House-Senate Conference Committee is now rushing to put the finishing touches on the misnamed "windfall profits tax" before President Carter can unleash a State of the Union address with the dread accusation that Congress is soft on the oil companies. With such a pressing matter before them, the conferees probably won't have time to take up a mundane question like, just when do you close down an oil well? It's a pity.

Now, just about everything is wrong with the proposed tax. It won't yield the revenues the administration and Congress are gleefully spending. It will cut deeply into oil industry cash flow, encouraging the export of refining operations. It will reduce incentives for domestic crude oil development. But in a way, the most telling flaw is that it will hasten the closing of wells already producing oil.

For this last effect strikes at the fundamental premises on which the bill is based. The Congress has confidently assumed that once oil is found, its price no longer matters. Thus, the assumption runs, it can levy taxes of up to 100 percent without losing any oil production. The more general argument found only in Washington Post editorials now that the Ford Foundation has recanted it is that the effective limits on the supply of oil come from geology rather than economics. Thus, the argument runs, higher prices for oil give producers more incentive than they can use and are thus "wasted," so the politicians may as well grab them.

These assumptions are reflected in the "windfall tax." Upper and lower tier oil, produced from wells that were in existence before 1978, accounts for about two-thirds of the oil produced in the United States. The split is currently about half and half between these two categories, which have had separate price ceilings. When the ceilings come off the conference probably will agree to impose a tax of some 70 percent on the amount by which the selling price exceeds certain levels. When you add that new tax to royalties and existing state and federal taxes on flowing oil, the marginal tax rate rises to about 90 percent.

The notion is that a "windfall" results when $7 lower tier and $13 upper tier oil rise to the world market level. The flowing wells were discovered and drilled years ago at the lower price, and will keep flowing if the government takes any additional price increase. Ignoring the problem of whether retail prices will in fact change, flowing oil doesn't just flow; it has to be produced. The costs of running an oil field include such things as powering pumps, maintaining pressure in the field, disposing of water, hiring roustabouts and so on. If the revenues from a well don't cover these costs, you stop pumping the oil.

Texaco has analyzed its expenses for producing oil in three "old" fields in Colorado, Wyoming and Louisiana. It found that the costs have risen 192 percent over five years in the Louisiana field, 319 percent in the Wyoming field and 165 percent in the Colorado field. The five years covered were from 1973 through 1977, and the general rate of inflation has been even higher more recently.

Under the existing regulations, field operators can take their statistics to Department of Energy price controllers and apply for relief. If DOE is satisfied that the costs exceed the selling pice, it can keep the oil flowing by giving the operators a new price. This opportunity for relief will apparently vanish when the controls are replaced by the windfall tax. We say apparently because the bill does contain a provision that the tax—in other respects simply an excise tax on the production of oil—cannot be more than 100 percent of profits from the production. No one knows what this means, and maybe it can be expanded into a loophole through which old fields can breathe.

Unless the conferees can use such a loophole to undo their handiwork (and along with it the optimistic revenue estimates they are spending), they are passing a bill that will tax closed American oil wells; the lost production will of course be made up by buying more from the Arabs. The tax is built around the assumption that prices don't matter, at least for supply, or at least for old oil. However touching this innocence, in fact the tax will not only discourage the discovery of new oil but insure that more of the old oil stays in the ground.

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll

The assistant legislative clerk proceeded to call the roll.

Mr. LONG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DURENBERGER. Mr. President, the energy tax pact of 1978 amended the Internal Revenue Code by adding section 44C, which provides residential energy credits for both "energy conservation expenditures" and expenditures for "qualified renewable energy source[s]."

Specifically included in the statute as one of the "energy conservation expenditures" is an expenditure for "insulation or any other energy conserving component" installed in or on a dwelling unit meeting certain statutory criteria.

Mr. President, I want to confirm with the distinguished chairman of the Finance Committee that when we passed the Energy Tax Act of 1978 we envisioned that the term "insulation" would mean "any item which is specifically and primarily designed to reduce when installed in or on a dwelling (or water heater) the heat loss or gain of such dwelling (or water heater)" and which meets the other statutory tests set forth in section 44C(c)(3).

Mr. LONG. That was our intent, for the statute explicitly so states. "Insulation" is defined in a way to require only that the specified conditions be met by the item or material in question. We did not limit the term "insulation" to cover only traditional materials that have historically been used for insulation.

Mr. DURENBERGER. Last November I introduced an amendment to H.R. 3919 for the purpose of making it clear that reflective metallized film when applied to windows and doors qualifies for the residential energy tax credit allowed by section 44C. It is very plain that reflective metallized film meets the statutory test for "insulation" in that it is specifically and primarily designed to reduce the heat loss or gain of a dwelling in or on which it is installed. Nevertheless, when the Internal Revenue Service proposed energy tax credit regulations in May 1979, it did not include reflective metallized film as one of the products eligible for the energy tax credit. Moreover, the Service has confused taxpayers by providing in the proposed regulations that "film" is excluded from the definition of a "storm or thermal window or door." In section 1.44C–2(d)(4)(iv)(A)(3), the proposed regulation states:

> For purposes of this subdivision (iv), the term "glazing material" does not include films and coatings applied on the surface of a window. (44 Fed. Reg. at 29927)

The taxpayers are further confused with respect to this matter because the Department of Energy has adopted regulations to implement the residential conservation service program pursuant to part 1 of title II of the National Energy Conservation Policy Act. Those regulations were published in the Federal Register on November 7, 1979, beginning at page 64602. For purposes of those regulations, the term "heat reflective and heat absorbing window or door material" is defined as "a window or door glazing material with exceptional heat-absorbing or heat-reflecting properties; or reflective or absorptive films and coatings applied to an existing window or door which thereby result in exceptional heat-absorbing or heat-reflecting properties." (44 Fed. Reg. at 64663.)

When I introduced my amendment to H.R. 3919 I introduced for the record certain information concerning the energy saving qualities of reflective metallized film when applied to doors and windows. I ask unanimous consent that my remarks made on November 19, 1979, when I introduced my amendment, be printed in the Record at this point (Record, pp. 33181–33182).

There being no objection, the remarks were ordered to be printed in the Record, as follows:

Amendment No. 671

(Ordered to be printed and to lie on the table.)

Mr. Durenberger submitted an amendment intended to be proposed by him to H.R. 3919, supra.

Mr. Durenberger. Mr. President, last year Congress added a new provision to the Internal Revenue Code allowing a tax credit for certain qualified residential energy conservation expenditures. This provision of the law was enacted by Congress as a part of the Energy Tax Act of 1978 in order "to provide homeowners and tenants with an incentive to conserve energy by immediate installations of insulation and other energy-conserving components."

The IRS has recently proposed regulations which cast doubt upon the immediate availability of the residential energy tax credit for a highly cost-effective type of insulation, reflective polyester film applied to existing window and door glazing. However, the IRS would allow the tax credit for the identical reflective type film when it is sandwiched between two pieces of glass as a part of a new window. When the Congress enacted the residential energy tax credit it did not anticipate this anomaly in the interpretation of the law. We owe it to American consumers to clarify this matter before another winter season passes. Therefore, I hope this statement will make it clear that reflective polyester film applied to window and door glazing qualifies for the residential energy tax credit.

Reflective polyester film provides substantial winter and summer energy savings when applied to the inside surface of window and door glazing. Reflective window insulation film can reduce the wintertime radiant heat loss through single pane glass windows by as much as 28 to 44 percent. The reduction in summertime solar heat gain through the same window is about 75 percent. These energy savings are confirmed in studies conducted by Matrix, Inc., an independent testing laboratory in Mesa, Ariz.

Mr. President, I recognize that the IRS's omission of reflective type polyester film may have resulted from misconstruing language contained in the Senate Finance Committee's report on the Energy Tax Act of 1978, which directed the Secretary of the Treasury in promulgating regulations to consider whether "polyester film," along with certain other items, should be considered an item which increases the energy efficiency of a dwelling. Congress did not intend by the use of the term "polyester film" to preclude homeowners from obtaining the tax credit for installing reflective polyester window insulation film with exceptional heat-absorbing or heat-reflective properties, since the credit is specifically allowed for such materials as a part of a storm or thermal window or door.

Indeed, the Senate Finance Committee report on the Energy Tax Act of 1978 states that a qualifying storm or thermal window or door is also "to include heat-absorbing or heat-reflective window and door materials."

Under present law, insulation is defined as any item specifically and primarily designed to reduce the heat loss or gain of a dwelling. Reflective polyester films having exceptional heat-absorbing or heat-reflective properties are specifically and primarily designed to prevent radiant heat from escaping through the window in the wintertime and to prevent solar heat from entering through the window in the summer. Such reflective films applied to an existing window or door constitute a type of insulation eligible for the residential energy tax credit. This is consistent with allowing the tax credit for heat-absorbing or heat-reflective glazed windows and other heat-absorbing or heat-reflective window and door materials, as qualifying "storm or thermal doors or windows."

In addition, the use of reflective film is a highly cost-effective means of energy conservation. Reflective film can be applied to an existing single pane window at about one-tenth the cost of a new thermal glass replacement window. Reflective film can even be purchased at the hardware store in kit and applied by cost-conscious consumers on their own at a cost of about $1 per square foot. Yet, the Internal Revenue Service has failed to recognize that the recently enacted energy tax credits are available for reflective films.

I trust that my remarks today will make it clear to the IRS that "reflective polyester film applied to window or door glazing" qualifies for the residential energy tax credit.

Mr. President, I ask unanimous consent that a table of estimated energy savings through the use of reflective films for residential windows be printed in the Record.

There being no objection, the table was ordered to be printed in the Record, as follows:

ESTIMATED ENERGY SAVINGS THROUGH THE USE OF REFLECTIVE FILMS ON RESIDENTIAL WINDOWS

[Window area in typical residence equals 220 ft² single glazing; estimate made for Baltimore area which is considered a reasonable average in weather conditions for the United States]

	Moderate performance reflective film	High performance reflective film
Annual energy savings per residence.	5.3 million Btu	13.4 million Btu.
Equivalent gallons of oil at 65 percent per conversion efficiency.	60 gal	153 gal.
Barrels of oil saved per year per residence.	1.44 bbl	3.64 bbl.
Dollar savings per year per residence (at $25 per barrel).	$36	$91.
Pay-back period per residence at $1 per ft² retail installation cost.	6.1 yr	2.4 yr.
Total national savings:		
Based on 10 percent of 80 million residences using film. Cost savings at $25 per bbl.	11.5 million bbl per $288 million.	29 million bbl per $725 million.
Based on 1 percent of 80 million residences using film. Cost savings at $25 per bbl.	1.15 million bbl per $28.8 million.	2.9 million bbl per $72.5 million.
"U" value on single glazing	0. 94 Btu over hr/ft²/°F	0.69 Btu over hr/ft²/°F.
Shading coefficient	0.37	0.25

Definitions:
"U" value equals heat flow rate over area times temperature difference equals Btu/hour sq. ft. °F. Shading coefficient—ratio of solar heat gain of window with film over solar heat gain of ⅛ in clear glass.

Mr. DURENBERGER. Subsequently, when the Senate initially considered H.R. 3919, I did not offer my proposed amendment because, upon reflection, it is very clear that reflective metallized film is "insulation" as defined in the Energy Tax Act of 1978. Therefore, the proposed amendment was superfluous. Do you agree, Mr. Chairman?

Mr. LONG. I do not want to take a position on a technical matter, but I recognize that reflective metallized film may have qualities as "insulation" as we have previously defined it.

Mr. DURENBERGER. Is it not also quite clear that since reflective metallized film is a type of heat-reflective or heat-absorbing window or door material, it is therefore eligible for the energy tax credit under present law?

Mr. LONG. I agree with the Senator's logic, but I think we must leave the technical determination to the Secretary.

Mr. DURENBERGER. Mr. President, I trust that the Internal Revenue Service will recognize that present law already provides the residential energy tax credit for reflective metallized film.

I have been advised by a constituent who has had informal conversations with officials of the Treasury Department that the reason for the apparent inconsistency between the positions taken by the Treasury in the proposed residential energy tax credit regulations and the Department of Energy in implementing the residential conservation service program may be that the Senate Finance Committee report regarding the Energy Tax Act of 1978 may have been ambiguous with respect to whether reflective metallized films are items that need to be certified by the Secretary as an energy-conserving component or whether they are "heat-absorbing or heat-reflective window or door material," which we intended would be clearly eligible for the residential energy tax credit without further certification. I would like to confirm with you, Mr. Chairman, that in enacting the Energy Tax Act of 1978 we believed that heat-absorbing or heat-reflective window and door materials might have the qualities to make them eligible for the residential energy tax credit when used as a storm or thermal window or door.

Mr. LONG. Yes, that is true.

Mr. DURENBERGER. I thank the Chairman. I ask unanimous consent that the language defining "heat-reflective or heat-absorbing window and door materials" embraced by the Department of Energy in the final rule implementing the residential conservation service program under the National Energy Conservation Policy Act, which appears on page 64663 of Volume 44 of the Federal Register, which appeared on November 7, 1979, be printed in the Record at this point.

There being no objection, the information was ordered to be printed in the Record, as follows:

(14) Heat Reflective and Heat Absorbing Window or Door Material

The term "heat reflective and heat absorbing window or door material" means a window or door glazing material with exceptional heat-absorbing or heat-reflecting properties; or reflective or absorptive films and coatings applied to an existing window or door which thereby result in exceptional heat-absorbing or heat-reflecting properties.

Mr. LONG. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. Exon). Without objection, it is so ordered.

CLOTURE MOTION

Mr. ROBERT C. BYRD. Mr. President, on Friday, I stated that it was to be hoped that an agreement could be reached on the pending Crude Oil Windfall Profit Tax Act report under which there would be a date and time set for the final vote. I have every reason to continue to hope that such an agreement might be reached. It is my understanding that the Republican conference will discuss this matter tomorrow. Hopefully, following the conference, an agreement can be achieved.

In the meantime, I stated on Friday that it would be my intention—not because I prefer to go the cloture route, but only for the purpose of having to resort to cloture in the event an agreement cannot be reached—to offer a cloture motion today. So I now send that cloture motion to the desk.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The assistant legislative clerk read as follows:

Cloture Motion

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on the conference report on H.R. 3919, the Crude Oil Windfall Profits Tax Act of 1979.

Robert C. Byrd; Jennings Randolph; Wendell H. Ford; George McGovern; Abraham Ribicoff; Bill Bradley; Claiborne Pell; Frank Church; Max Baucus; Spark M. Matsunaga; John A. Durkin; Alan Cranston; Patrick J. Leahy; J. James Exon; John Glenn; Donald W. Riegle, Jr., and Paul S. Sarbanes.

Mr. ROBERT C. BYRD. Mr. President, if an agreement is reached tomorrow, the cloture vote, which would occur on Wednesday, then would be vitiated.

ORDER FOR CONSIDERATION OF TREATY ON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, as in executive session, that on tomorrow, at 20 minutes past 2 p.m., the Senate go into executive session and that there be 10 minutes of debate on Calendar Order No. 5—Executive II (96th Congress, 1st session), Treaty with the Republic of Peru on the Execution of Penal Sentences; that the time be equally divided between Mr. Church and Mr. Javits; that the Senate then proceed to vote immediately on the treaty, without any intervening motions or amendments; and that upon the disposition of the vote, if there is a motion to reconsider, there be no time for debate on the motion to reconsider; that no further motions be in order; and that, immediately upon disposition of those votes—by "those votes," I mean the vote on the treaty and the vote on the motion to reconsider if there be such, or motion to table the motion to reconsider—the Senate then return to legislative session;

Provided further, Mr. President, that the treaty be considered as having passed through all the various parliamentary stages, up to and including the presentation of the resolution of ratification.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I thank the Chair.

TREATY WITH THE REPUBLIC OF PERU ON THE EXECUTION OF PENAL SENTENCES

The PRESIDING OFFICER. Without objection, the treaty will be considered as having passed through its various parliamentary stages up to and including the presentation of the resolution of ratification, which the clerk will state.

The legislative clerk read as follows:

> *Resolved (two-thirds of the Senators present concurrng therein)*, That the Senate advise and consent to the ratification of the Treaty with the Republic of Peru on the Execution of Penal Sentences, signed at Washington on July 6, 1979 (Executive II, 96th Congress, first session).

Mr. ROBERT C. BYRD. Mr. President, the vote will occur, then, at 2:30 p.m., and it will be a rollcall vote. I ask unanimous consent that it may be in order at any time to order the yeas and nays on the treaty.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, as in executive session, I ask for the yeas and nays on the treaty.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

ORDER FOR YEAS AND NAYS ON SENATE RESOLUTION 389

Mr. ROBERT C. BYRD. Mr. President, also, on the matter that is to be voted on at 12:30 tomorrow, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. I thank the Chair.

WINDFALL PROFIT TAX ACT OF 1980—CONFERENCE REPORT

The Senate continued with consideration of the conference report.

Mr. ROBERT C. BYRD. Mr. President, I hope that Senators who wish to debate this conference report will come to the floor and present their statements. On Saturday, I was very careful to protect the rights of those who oppose the conference report. On many occasions, I could have sat down in my chair and the conference report would have been adopted, because it is the duty of the Chair to put the question. It would be the same now.

The distinguished Senator from Louisiana and I, the distinguished Senator from Kentucky (Mr. HUDDLESTON), and the distinguished Senator from Nebraska (Mr. EXON), who is in the Chair, are here. I assume we are all going to vote for the conference report. So, with no one on the floor to object to the conference report and to speak in opposition to it or to suggest the absence of a quorum, the conference report could be quickly adopted at this time.

I see the distinguished Senator from Louisiana is on his feet.

Mr. LONG. Mr. President, the Senator from Louisiana says to the Senator from West Virginia that as far as I am concerned, I am ready to vote, but there may be some Senators who may want to speak. If they want to speak, they should come to the Chamber. Once upon a time, I had a difference of opinion with a fellow Senator on this subject. But Senators must be alert. If they leave the floor, without anybody there to protect their interests, they could lose the bill. I think those who are interested ought to tell those who want to speak that they ought to speak. If we voted right now, it would pass unanimously.

Mr. ROBERT C. BYRD. It would, and the motion to reconsider would be laid on the table.

Mr. LONG. That is right.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Chair inquires, is there such a motion?

Mr. ROBERT C. BYRD. The absence of a quorum has been suggested, Mr. President.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I would ask our respective cloakrooms to inquire of Senators as to whether there is any Senator who wishes to come over to the floor and speak against the conference report. I would hope we would get replies back within 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BELLMON. Mr. President, we talked earlier today about the earmarking provisions in this bill; and I have information, which has been developed at some length by the staff of the Senate Budget Committee, dealing with earmarking provisions, which I should like to discuss and insert in the RECORD.

As was said earlier today, this bill not only earmarks all the revenues it raises, down to the last penny, even if the revenues exceed the level anticipated by the conferees, but also, it earmarks any excesses that may accrue every time the price of oil is higher than the $30 anticipated in the bill.

So we are setting ourselves up here to have a very large addition to the amount of uncontrollables, so-called, with which we have to wrestle each year in the budget process. We have been complaining that about 70 percent of the present revenues are "uncontrollable," plus the defense numbers, plus the Federal personnel costs, which together come to some 91 percent of the revenues.

Now we are coming along with another $40 billion, if we assume a $40 price of oil, which is about the present level; and on top of that there will be earmarking of about $3 billion of revenues that presently are in the general revenue and that are now subject to appropriations.

So we will wind up, if we pass this bill, in tying the hands of Congress. If we assume that defense is a cost that will not go down in the immediate future but, rather, may likely go up, we are going to wind up with some 95 percent of all our Federal revenues being spent for programs that are not controllable by the budget or the apppropriations process. It is really a remarkable way for Congress to tie its hands and then sit around and complain in future years that we are not able to do anything about the situation.

For the information of the Senate, I should like to read a chart which deals with the question of controllability of the budget.

Let us start with what we call uncontrollables. They can be controlled if we write new laws, but the Budget and Appropriations Committees do not write new laws. We are charged with the responsibility for establishing our spending priorities.

We start with open-ended programs, payments to individuals, $214.5 billion; that is 43.4 percent of the Federal budget. Interest and other fixed costs, $61.2 billion; that is 12.4 percent of the Federal budget. Nondefense outlays from prior year contracts and obligations, $49.1 billion; that is 9.9 percent of the Federal budget. Civilian personnel costs are $28.8 billion; that is 5.8 percent of the Federal budget.

Those items total $353.6 billion, or 71.5 percent of our Federal budget.

Look at defense. In defense, the personnel costs are $45.7 billion; that is 9.3 percent of the Federal budget. Military retired pay is $10.4 billion; that is 2.1 percent of the Federal budget. Prior year contracts and obligations, $30.9 billion; that is 6.3 percent of the Federal budget. Other defense outlays are $30.7 billion, or 6.2 percent of the total Federal budget.

For that category of defense, the subtotal is $117.7 billion, and that is 23.9 percent of the Federal budget.

Then, we have this domestic crude oil excise tax, using the $13.4 billion figure in the conference report, and as I think every Member realizes, that is badly understated. That level of revenues is based on a $30 anticipated crude oil price, and already it is closer to $40. But using the figure of $13.4 billion, that is 2.5 percent of the Federal budget.

If we total them, 71.5 percent for the social programs and others, the 23.9 percent for defense, and the 2.5 percent, which we will be earmarking in this bill, that totals 97.9 percent of our revenues which are going to be earmarked.

So far as I am concerned, the Budget Committee and the Appropriations Committee will go out of business. If we pass this bill, we will have tied our hands on 97.9 percent of the funds, leaving us the grand total of 2.1 percent over which we will have control. We will have control over $9 billion, which is 2.1 percent of the total Federal budget.

It is true that we can change defense, if we wish. I think most of us realize that that figure probably will go up, not down. If we are able to do so, we may talk the authorizing committees into changing some of these so-called entitlement programs—food stamps, social security, and that sort of thing; but I think every Member of the Senate will realize that that is practically impossible. We cannot do anything about interest on the debt. That is set by law, and that likely will rise in the near term.

So we are about to vote a tax which will raise $227 billion over the next 10 years. We are earmarking every penny of that revenue, even if there is a surplus, and we will be back here in a few months saying, "We don't have any control over the Federal budget." We should know what we are doing; yet, it is easily seen that very few Members have looked into this matter or are even here, to know what is happening.

In addition to the situation I have just described, the matter becomes even worse, although in a smaller way, when we look at the earmarking of the general revenues that now are not going for the kinds of purposes set forth in this conference report. When we look at the language of the conference report, we find page after page of tax credits that are set forth for use of revenues that are now going to the general fund. I have a chart showing what those are.

Residential energy tax credits during the 10-year period between 1980 and 1990 come to $600 million. Business energy tax incentives come to $8.29 billion. Repeal of the carryover basis—which is something I think everybody is for—costs $4.3 billion. The interest and dividend exclusion costs $20.19 billion. The inventory liquidation of the LIFO inventories is $250 million. Tax inventory profits at corporate liquidation is an actual revenue gain.

When we take it all into account, the gainers plus the losers, we find that, under the terms of the conference report, we will be providing earmarking of revenues of some $31.39 billion over the next 10 years. That figures out to about $3 billion a year. So that is earmarking of funds that presently are in general revenues which are not earmarked, and that exacerbates our problem even more.

What I am saying, Mr. President, is that this is a time when Congress should realize what we are doing. If we are serious about getting greater flexibility in the way we use our revenues, if we are serious about adjusting priorities year by year, as the appropriations and the budget process was set up to do, we should not be tying our hands by earmarking new sources of revenue in this way.

I have discussed the matter with the distinguished chairman of the Finance Committee, and it is his position that Congress does not necessarily have to follow the language in this report. To me, the language does not give us any choice. It says, as clearly as can be written, that there shall be allocations for subaccounts; there is hereby allocated these funds; and then it says that the President shall propose certain things—50 percent shall be allocated to programs to assist AFDC and SSI recipients, and so forth.

In my opinion, this amounts to earmarking; and when we do it, we will wind up with Congress, year by year, having control over only $9 billion of our revenues, which figures out to be 2.1 percent. It is an absolutely scary prospect, and I do not believe Members would be willing to go along with it if they fully understood what we are about to do.

Mr. President, on another subject, I should like to discuss for a few moments what others are saying about the windfall profit tax.

I have an article which was published in the March 9 edition of the American Oil and Gas Reporter, written by Mr. Frank Burke, Jr., who is a partner with Peat, Marwick, Mitchell & Co., an accounting firm which I believe every Member of the Senate is familiar.

And I shall read a few excerpts from what Mr. Burke has to say. His article begins:

> After a tattered political history, beginning in 1973 when first proposed by the Nixon administration, the so-called Windfall Profits Tax (WPT) on crude oil was agreed upon by the Conference Committee on February 26, 1980 and presumably will be signed into law by President Carter.
>
> Despite the fact that the complexities of the WPT will make administration and enforcement chaotic for both producers and government, Congress has created the WPT to raise revenues for certain federal programs, including support for low income families, and possibly a Social Security system, and a general income tax reduction. Incredible as it may seem, only a rather insignificant part of the tax revenues will be utilized to assist in solving our country's energy problems. (The bill passed by House-Senate conferees calls for 60 percent, or $136 billion, to be earmarked for income tax reductions, and 25 percent, or $57 billion, would be reimbursed to lower income Americans for higher fuel bills. Only 15 percent, or $34 billion, would finance development of unconventional energy sources.)
>
> Many commentators have correctly observed that the tax is not being imposed on profits resulting from decontrol of crude oil prices, but rather is being imposed upon the removal of crude oil from the reservoir and measured by a portion of the actual or constructive gross receipts resulting from crude oil decontrol. Little attention has been given, however, to the facts that: (1) crude oil reserves or the rights thereto are vested property rights; (2) the WPT is assessed on the act of removal of crude oil from the reservoir, not upon the sale or use of such crude oil; (3) the WPT does not apply uniformly to crude oil throughout the United States, but rather treats certain crude oil differently based upon geographic location (i.e., certain Alaskan crude oil is not taxed because of geographic location); (4) the WPT will now presumably be retroactive as to removals occurring from March 1, 1980 to the date the tax becomes law; and (5) the increased value of crude oil removed from the reservoir represents the value determined by our free market system, not an artificial or falsely inflated value. These facts require that the oil industry and the legal profession carefully examine the WPT from a Constitutional viewpoint, recognizing in the process that taxpayers have been notably unsuccessful in challenging tax statutes on a Constitutional basis. Some general questions regarding the WPT are raised in the following paragraphs which highlight the need for immediate legal analysis of the Constitutionality of the WPT.
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> The WPT is specifically identified as an "excise" tax in the statute. Such a tax is generally defined as a tax on a privilege, including the privilege of selling or using property. The only stated Constitutional requirement for an excise tax is that it be geographically uniform. On the other hand, if a tax is a direct tax, it must be apportioned based upon population or must qualify as an income tax under the Sixteenth Amendment.
>
> The WPT does not appear to be an excise tax on a privilege such as selling or using crude oil since it is imposed on the removal of crude oil, not upon the privilege of selling or using such crude oil. The actual or constructive selling price merely provides a measure of the tax imposed on removal. Since lifting and removal of crude oil are not privileges readily separable from the ownership of crude oil reserves and, in fact, are in many cases merely fulfillment of previously existing legal obligations and relationships, there seems to be little basis for classifying the WPT as an excise tax. Further, since crude oil may be subject to the WPT or not subject to the WPT depending upon geographical location, the WPT appears not to be geographically uniform. If the foregoing observations are valid, could a court find the WPT to be a Constitutional excise tax?
>
> If a court found the WPT to be a valid excise tax, the question of retroactivity would have to be considered before the Constitutionality of the tax could be finally ascertained. As indicated above, an excise tax is a tax on a privilege. If a tax is imposed by Congress after a privilege is exercised, such a tax appears to be a demand against the property resulting from exercise of the privilege and hence a direct tax. Assuming for the moment that removal is a privilege rather than a property right or a legal obligation, a tax imposed on the removals—which occur between March 1 (assuming that is the effective date of the WPT) and the date the WPT becomes law—would appear to be a tax on the property resulting from the exercise of the privilege, not a tax on the exercise of the privilege itself. How would a court treat retroactivity of the WPT from a Constitutional standpoint?
>
> A more proper classification of the WPT may be as a tax on the vested property rights represented by crude oil reserves measured at the time of removal. As such, it would be a tax on the ownership of crude oil reserves and should be tested under the Constitution as a direct tax. Since the WPT is not apportioned based upon population, it does not appear to be a direct tax unless it qualifies under the Sixteenth Amendment. Since the WPT is measured by gross receipts, not by taxable or net income as presumably required by the Sixteenth Amendment, and since Congress, by definition, did not intend it to be an income tax, the WPT does not appear to qualify under the Sixteenth Amendment. As asked above regarding its status as an excise tax, could a court find the WPT to be a Constitutional direct tax if the foregoing observations are valid?
>
> If the WPT does not qualify as either an

excise tax or a direct tax under the Constitution, one might inquire as to whether the WPT actually constitutes a taking of part of the value of vested property rights as measured by the free market for the benefit of the federal government. Certainly, the tax has the appearance of a royalty interest created by Congress out of existing private oil reserves in favor of the federal government. However, the Fifth Amendment of the Constitution provides that private property may not be taken by the federal government without just compensation. Obviously, no compensation has been paid the oil industry for creation of the WPT. Accordingly, does the Fifth Amendment provide any relief from the WPT?

Based upon a literal reading of the Fifth Amendment, one might conclude that the taking of part of the presently accrued free market value of crude oil by what may be an invalid tax is a taking of property subject to the requirements of such provision.

However, before making such an observation it is necessary to briefly review the attitude of the courts toward the impact of the Fifth Amendment on the taxing power. The Supreme Court has indicated that the Fifth Amendment does not limit the taxing power except in rare and special instances. On the other hand, the court has indicated that what appears to be an exercise of the taxing power may, in reality, constitute confiscation of property without due process of law under the Fifth Amendment. Hence, there appears to be at least an implied limitation on the taxing power which prevents unjust exactions contrary to the principles of the Fifth Amendment. Would a court apply such implied limitations to the WPT?

In reviewing the WPT, a court might be justified in allowing a questionable extension of the taxing power in a case where a person is realizing artificial or falsely inflated prices and profits. However, allowing a free market price for crude oil does not create the same need for a "windfall profit tax" mechanism as did the Silver Act of 1934 in which Congress mandated that the price of silver be raised to $1.29 per ounce at a time when the market price was considerably less than that amount. A "wind-fall profit tax" of 50 percent of the profits realized from speculating in silver was included in that legislation. Of current interest is the fact that such tax was carefully designed to avoid Constitutional taking of property problems. No similar precaution appears to have been taken by the administration or Congress with respect to the WPT. Should such presentation have been taken in designing the WPT?

Unfortunately, much of the impetus for the WPT is the general public's view that the increased gross revenues automatically create excess profits which should bear more than the ordinary tax burden. Perhaps this attitude would be corrected and the general public's focus on vested property rights would be sharpened if Congress placed a so-called excise tax on a specified portion of the appreciation above original cost of personal residences to fund a national mortgage interest program which would allow low-income families to receive favorable mortgage interest rates on new homes. Would such a tax be Constitutional?

Without question the power of the federal government to raise taxes is, and of right should be, broad. Our government should, however, have the capability of supporting itself and its programs without having to exact the vested free market value of private property through means other than the income tax allowed by the Sixteenth Amendment. Certainly the fact that additional taxable income resulting from the increased revenues from decontrol is already subject to income taxation (as is taxable income from the realization of other vested property rights) should be a significant enough penalty to the realization of the free market value of crude oil. If not, a special income tax on unreinvested cash flow resulting from decontrol might be appropriate.

If the WPT becomes law, it is hoped that the oil industry and the legal profession will pursue these questions and the other Constitutional impediments which may exist in the WPT legislation realizing, as stated earlier, that taxpayer successes are few in Constitutional matters. Such activity might, at a minimum, have the remedial effect of protecting the rights of other property owners in the United States in the years to come. It must be established that no "windfall" results from the mere realization by a property owner of the value of his vested property rights where outside influences, such as inflation and the free market, have resulted in increased values. If one examines the WPT legislation unemotionally, it becomes clear that the only "windfall" involved is the proliferation of government jobs and costs necessary to administer and enforce this unwieldy legislation. Hopefully, our Constitution will protect us not only from expansion of the bureaucracy, but also from this unfortunate attempt to expand the taxing power.

The Senator from Oklahoma is not a lawyer and is not able to view these matters, as has been said here, dispassionately, but it does seem to me this so-called windfall profit tax does raise some serious constitutional questions which Mr. Burke has discussed in the article which I just read.

It is my concern that if Congress goes ahead and selects out one economic minority—in this case the royalty owners and producers of crude oil—and hits them with a heavy and disproportionate tax in addition to all the other taxes that are being paid by similar producers of energy or other commodities, the income tax, the corporate tax, State income taxes, State corporate taxes, and the severance taxes, that I am not sure that any industry would be safe from a similar threat.

As I said earlier in discussing this matter, we might decide that houses are costing too much, that too much profit is being made by the lumber industry, and put a tax on two-by-fours.

We could do the same with banks. I am sure most of us are aware that interest is the highest in history, and that banks are making windfall profits, and maybe next week or so we will see a bill introduced to hit the so-called windfall profits of the banks.

To me this is no way of raising revenue if Congress decides to take on the industries one at a time.

One of the sad things to me is that here is a bill that attacks only one industry, and such organizations as the national chamber of commerce and others are sitting by and letting it happen without coming in and raising the kind of objections you would naturally expect from a group like that, which sees one part of their organization under attack.

So, Mr. President, I hope the constitutional questions this bill raises will be addressed in a proper way and at the proper time.

I simply wanted to call the attention of the Senate to this problem.

● Mr. BAUCUS. Mr. President, the Windfall Profit Tax Act of 1980 we are considering today is a far cry from the legislation we sent to conference 4 months ago.

At that time I expressed my support for the bill approved by the Senate. After nearly 6 months of work by the Finance Committee, on which I serve, and by the Senate, I felt we had adopted a responsible, reasonable and balanced proposal.

The policy objectives set forth in the Senate's version of the bill should not go unnoticed. In my view, they represent the cornerstone of this Nation's energy policy for the next decade.

Our first goal was to encourage as much domestic production of oil and gas as possible. We realized that domestic production has peaked and has been declining since 1970.

So, the Finance Committee included several incentives designed to spur production of oil from hard-to-reach and expensive-to-produce reserves. We approved a reduced tax rate on heavy oil, newly discovered oil, oil produced using tertiary recovery methods, and oil from stripper wells.

We included an exemption from the tax for the first 1,000 barrels produced by independent companies. Independents conduct 90 percent of the exploratory drilling and produce 75 percent of the oil from newly discovered fields.

The second policy objective endorsed by the Finance Committee and by the Senate was to use tax incentives to encourage increased energy conservation and conversion to alternative energy sources by homeowners and businesses.

The Senate approved $8.7 billion in such tax incentives for residences and $15-billion in tax incentives to businesses.

Underlying these objectives was the premise that this Nation's energy independence is not going to be solved by quick-fix solutions such as a massive program to develop synthetic fuels or an Energy Mobilization Board that could trample on the rights of States.

This Nation's transition from being addicted to imported oil to energy self-reliance will rest on our ability to produce every available drop of domestic oil and gas, on our ability to conserve, and on our use of alternative sources of energy such as solar, wind, geothermal, coal, and biomass.

However, the bill before us today is vastly different from that bill we approved 4 months ago. I realize that this measure probably expresses the best possible compromise. And, I realize that we are really dealing with what is politically possible.

But, I would not be honest if I did not say I am somewhat disappointed in the final product of our deliberations.

As desperately as many Americans want and need a tax cut, I am not sure that using 60 percent of the revenues collected by the windfall profit tax is the best way to accomplish this. In my view, energy tax revenues should be used to accomplish this In my view, energy tax revenues should be used by the Federal Government to manage our efforts to achieve energy self-reliance.

I also am concerned that by structuring the tax rate for the independent producers as it did, the conference committee placed an unfair and probably unnecessary burden on independents.

We must not promulgate the kind of penalty that forces small independents to incur unnecessary expenses just to prepare and calculate these taxes. Tax preparation costs could add to operating costs for independents.

Thus, if the Senate adopts the Windfall Profit Tax Act of 1980, I urge the Treasury Department to streamline the tax-paying process for independents as much as possible. Congress did not intend to create more paperwork for these producers when it enacted this legislation, and as chairman of the Senate Finance Subcommittee on Oversight of the Internal Revenue Service, I intend to monitor the Secretary's performance in this regard.

And, while the conferees agreed on using $9.2 billion in tax credits to help conserve energy and speed conversion to alternate energy sources, they deleted the Senate's incentives that were designed to encourage use of passive solar techniques, the cheapest and easiest way to use the Sun's energy for heating and cooling.

We need to develop a new cadre of energy systems designers, engineers and builders who will develop the kinds of energy-efficient buildings we need for the future. But without the proper incentives, that just will not happen.

I also am alarmed that the conferees eliminated the tax credits designed to encourage added energy efficiencies by public utilities. Our efforts to reduce energy waste will not be successful until we make sure that actual production of energy is conducted in the most efficient way possible.

Finally, Mr. President, there are some heartening signs in the bill before us. The Senate's provisions to encourage alcohol fuel production and the development of gasohol were left largely intact. I am pleased that the conferees agreed to extend the 4-cent-a-gallon exemption from the Federal motor fuel excise tax through 1992; that a tax credit of 40 cents a gallon for 190 proof or higher alcohol and 30 cents for 150- to 190-proof alcohol was approved; and that a tax credit for biomass production was approved.

These provisions, coupled with the provisions easing Bureau of Alcohol, Tobacco, and Firearms regulations for alcohol produced for fuel, should provide major new incentives for potential gasohol producers.

In addition, in my judgment the conferees settled on an equitable tax on the profits that will be generated because of decontrol. We recognized that producers of the easy-to-reach oil do not need additional incentives; they are the ones who are reaping the benefits of decontrol.

We successfully fought to preserve the rights of States to remain exempt from a windfall tax on oil produced from State-owned lands. Oil-producing States bear the brunt of domestic energy production and these revenues will help ease that burden.

In short, in my judgment the bill before us goes far enough that it merits support, even though the conferees did not agree totally with the recommendations made by the Senate.

We all know that this Nation is going through fundamental changes in our assumptions about energy. Let us use this bill as the building block to move forward with the kinds of energy programs and policies that will insure energy self-reliance in the future.●

INDIAN CLAIMS—CONFERENCE REPORT

Mr. MELCHER. Mr. President, I submit a report of the committee of conference on S. 2222 and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. Pryor). The report will be stated.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2222) to extend the time for commencing actions on behalf of an Indian tribe, band, or group, or on behalf of an individual Indian whose land is held in trust or restricted status, having met after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report will be printed in the proceedings of the House of Representatives.)

Mr. THURMOND. Mr. President, I am opposed to this legislation extending the period of time in which the United States may bring contract or tort actions for damages on behalf of an Indian tribe, band, group, or individual Indian, where the claim accrued prior to July 18, 1966. This statute of limitations provision, originally enacted in 1966, has been extended several times—the latest extension being until April 1, 1980. I believe that, as long as such extensions are readily granted, the Department of Interior will continue to drag out the time for identifying all such claims which accrued prior to 1966.

As my colleagues in the Senate are probably aware, there is an Eastern Indian land claim currently pending in South Carolina. The Catawba tribe has asserted a claim to approximately 144,000 acres in the northern part of the State which was sold by the tribe to the State of South Carolina under an 1840 treaty. The approaching April 1, 1980 filing deadline had done much to encourage all parties to move toward an appropriate resolution of this claim. Extension of this deadline obviously lessens the pressure to settle this dispute.

The version of S. 2222 which was agreed to in conference is preferable, however, to the original Senate version of the bill, which extended the time for filing such claims until December 31, 1984. The conference version extends the filing time until December 31, 1982 for tort and contract claims. It also contains a provision added by the House requiring the Secretary of Interior to prepare a list of claims to be resolved by means other than litigation by April 1 of next year. I believe this to be a salutary addition to the bill indicating that Congress feels it is not in the public interest to extend indefinitely the time for identification of these claims.

Nevertheless, for the reasons I have indicated, I believe it is a mistake to extend any further the time for bringing these Indian claims. I sincerely hope that Congress is not faced in 2½ years with a plea by the Department of Interior to again extend this statute of limitations provision. I am fearful, however, that will be the result of our failure to take a firm and final stance against continued extensions.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. MELCHER. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. BELLMON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BELLMON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I am told that there are no other Senators who wish to speak on the conference report today.

I, therefore, ask unanimous consent that there now be a period for the transaction of routine morning business, that Senators may speak therein up to 20 minutes each, if they wish, and that the period not extend beyond 1 hour.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEAGUE OF WOMEN VOTERS AGAINST FEDERAL COMMUNICATIONS COMMISSION

Mr. ROBERT C. BYRD. Mr. President, a U.S. district court in California has entered an important ruling on the separation of powers. I am pleased to state to the Senate the decision and the role of the Senate in the case.

On April 30, 1979, three plaintiffs filed a suit in Federal court, League of Women Voters of California, et al. against Federal Communications Commission, to challenge the constitutionality of section 201(8) of the Public Broadcasting Act of 1967, 47 U.S.C. § 399(a). The purpose of this statute is to prevent publicly assisted broadcasters from endorsing or opposing candidates for political office or from engaging in other editorializing. It serves to protect public broadcasting from political intrusion. The suit was brought against the Federal Communications Commission, which is defended in such matters by the Department of Justice.

In unprecedented fashion, the Justice Department declined to defend the suit. In a letter announcing its decision in this regard, the Attorney General asserted the right to decline to defend a law when he claimed to know no reasonable arguments to advance.

This novel assertion was the occasion of considerable concern and discussion here, for nothing less than the constitutional principle of the separation of powers was at stake. When the executive disagrees with a law, the proper procedure is to veto it or work for its repeal. The Justice Department may not declare that the law is unconstitutional, and then enlist the judiciary to invalidate the law by default.

On December 11, 1979, I informed the Senate that the joint leadership group had received a notification from the Senate legal counsel that it was in the interest of the Senate to take part in this case. Following further discussions, and with support on both sides of the aisle, on December 20, 1979, the Senate adopted Senate Resolution 328, directing the Senate legal counsel to appear as amicus curiae in the name of the Senate in the suit to defend the statute.

On January 17, 1980, the Senate filed its motion to appear as amicus curiae in the case, and filed a motion to dismiss the case on jurisdictional grounds. It was the Senate's position, which was pressed strongly, that there is no case or controversy under article III of the Constitution, and the judicial branch lacks jurisdiction, when the executive branch seeks to invalidate an act of Congress by default. The court heard oral argument on the motion on March 3, 1980, and 1 week later ruled for the Senate and dismissed the case.

I wish to express the appreciation of the Senate to the Senate legal counsel.

The court's ruling has a number of major consequences. Most important, it prevents the Justice Department from invalidating laws by refusing to defend them. The court paid close attention to just what the Justice Department was trying to do, saying that "this suit is flavored by a sub silentio prayer by the executive branch for action by the judicial branch that it cannot take itself." Taking this into account, it dismissed the suit as not having the qualities of a real case at all. The amendment or repeal of a statute is a matter between the legislative and the executive branches; the executive may not engage the judiciary to do what it fails to persuade the Congress to do.

More broadly, the course of this case shows that the Senate has both the means, and the will, to protect the place of the Congress in the constitutional scheme. Under the Ethics in Government Act of 1978, the Senate legal counsel conducted a background factual and legal investigation, in consultation with Senators HOLLINGS and GOLDWATER, the chairman and ranking minority member of the Subcommittee on Communications of the Committee on Commerce, Science and Transportation, who were familiar with the statute at issue. Upon receiving their advice and recommendations, the joint leadership group debated the proper course to follow, and ultimately concluded the best approach was an appearance by the Senate in the case as amicus curiae. I am pleased to report that this approach had bipartisan support and was the result of sound contributions by a fellow member of the joint leadership group, the Senator from Oregon (Mr. HATFIELD), and by the chairman and ranking minority members of the Communications Subcommittee. When the constitutional rights and duties of the Senate were at issue, they were defended with unity.

Finally, the course of this case shows that the courts are receptive to efforts by the Senate to maintain the constitutional balance. When the Senate sought to appear in the case, the plaintiffs challenged it by saying that an amicus curiae could not file a motion to dismiss. The court ruled that the Senate could appear as amicus, and participate in the case, saying that "the role of an amicus is flexible and can be moulded by the court to best serve the exigencies of the particular action." This shows a spirit of accommodation and mutual respect between the courts and the Senate which bodes well in future similar Senate appearances.

What will happen to the statute in question in the future remains to be seen. There may be an appeal. The possibility also exists that the unsuccessful plaintiffs in this case will create a new test case through some mechanism other than the one they used this time. If they do, it is expected that the Federal Communications Commission will implement and defend the statute to assure that public broadcasting remains free of politics.

Mr. President, I ask unanimous consent that the court's opinion be printed in the RECORD at this point.

There being no objection, the opinion was ordered to be printed in the RECORD, as follows:

[U.S. District Court, Central District of California, No. CV–79–1562–WML]

LEAGUE OF WOMEN VOTERS OF CALIFORNIA: ET AL., PLAINTIFFS, V. FEDERAL COMMUNICATIONS COMMISSION, DEFENDANT

(Order granting U.S. Senate's motions to appear amicus curiae, denying plaintiffs' motion to disallow filing of Senate's motion to dismiss, and granting Senate's motion to dismiss)

This action was originally commenced on April 30, 1979 by the League of Women Voters of California, Congressmen Henry Waxman, and Pacifica Foundation against the Federal Communications Commission seeking declaratory and injunctive relief against the enforcement of 47 U.S.C. 6399(a). That section forbids noncommercial broadcast licensees to editorialize or to endorse or oppose candidates for public office. Subsequently, a first amended complaint was filed on August 28, 1979. The gravamen of the complaints is that 47 U.S.C. § 399(a) is unconstitutional on its face in that it violates the First Amendment rights to freedom of speech and of the press and, as to plaintiff Pacifica, that it violates the equal protection of the laws under the due process clause of the Fifth Amendment. Plaintiffs noticed a motion for summary judgment on September 24, 1979. In the Stipulation for Time for Filing Defendant's Response to Plaintiff's Motion for Summary Judgment and Hearing Thereon, filed on October 23, 1979, the FCC stated that it had "determined to discontinue its defense of the constitutionality of Section 399(a). . . ." and that it had so advised the Congress. On January 18, 1980 defendent again stated that it would not defend this action.

On January 17, 1980 the United States Senate filed a motion to appear as amicus curiae and subsequently filed the instant motion to dismiss. In response, plaintiffs filed their motion to disallow the filing of the motion to dismiss. By stipulation of the parties, the hearing on plaintiffs' motion for summary judgment was continued until after the decision by the Court on the motions to appear as amicus curiae, to disallow the filing of the motion to dismiss and, contingently, the motion to dismiss.

The Senate's motion to appear as amicus curiae and motion to dismiss and plaintiffs' motion to disallow the filing of the Senate's motion to dismiss came on for hearing before the Honorable Malcolm M. Lucas, United States District Judge on March 9, 1980. After thoroughly considering the papers filed in this action and the arguments advanced at the hearing, the Court makes the following findings:

MOTION TO APPEAR AS AMICUS CURIAE

The United States Senate has a right to appear as an amicus in this action under the provisions of 2 U.S.C. §§ 208e(a) and 2081 (a). Those statutes allow the Senate to appear unless the Court finds that the appearance is untimely and that it would significantly delay the pending action. The Court does not so find and, without objection from the parties, hereby grants the motion.

MOTION TO DISALLOW THE FILING OF SENATE'S MOTION TO DISMISS

The Court finds that the role of an amicus is flexible and can be moulded by the Court to best serve the exigencies of the particular action. In this instance, the present motion by the Senate would in no manner interfere with the conduct of the case by the defendant. As an alternative, the Court is free to treat the motion to dismiss as a suggestion that the Court lacks subject matter jurisdiction. Such a suggestion is appropriate at any point and may be made suasponte by the Court. In any event, the Court finds that the consideration of the motion to dismiss would substantially advance the litigation and hereby allows it to be filed. Therefore, the Court hereby denies plaintiffs' motion.

MOTION TO DISMISS

As the federal courts are courts of limited jurisdiction, it is necessary in the first instance for the Court to satisfy itself that this action is one over which jurisdiction under the Constitution exists and as to which competency has been granted to this Court by Congress. These constitutional considerations are often grouped under the rubric justiciability which itself comprises ripeness, adversariness, standing, and so on. The language of Article III of the Constitution speaks of jurisdiction over "cases" and over "controversies". Therefore, the Court must ultimately find that a case or controversy exists. Motions of justiciability are simply means toward that end.

The difficulty in resolving these questions stems in large measure from the difficulty in framing standards and requirements that are susceptible to ready and widespread application. In most instances, the questions are of degree and the result turns upon an assessment of the particular action's place on a continuum from clearly nonjusticiable to clearly justiciable. The only real guidance, apart from attempts in the case law to articulate descriptive standards, comes from comparison with the facts and results of case after case after case. Similar complications arise from the fact that in many cases the Court must be aware that a properly justiciable action is almost certain to arise with a seemingly ineluctable or inconsequential change in the facts. In such instances the temptations are great to move forward to the merits and the considerations of case or controversy are further compounded.

Nevertheless, despite the difficulties of framing and resolving the issues, the necessity of evaluating and placing in action on a seeming "slippery slope", and the frustrations attendant in determining whether a salient issue is proper for present adjudication, the Court must patiently determine that every action brought before it meets the constitutional requirements for adjudication. Failure so to determine jeopardizes the delicate array of powers established by the Constitution and vitiates the accord which such a determination brings, that the Court is acting in that characteristic but undefinable "judicial" mode. While those considerations inhere in every action in the federal courts, they become literally vital when, as here, the Court is asked to amend its most potent and grave power: declaring an Act of Congress invalid as contrary to the Constitution. The necessity of grappling with these considerations has often and eloquently been developed but nowhere is it more pungently formulated than in Mr. Justice Brandeis's frequent remark that "the most important thing we do is not doing." With these considerations in mind, the Court proceeds to examine the present action.

Questions of ripeness are often turned around and presented as questions of standing. Whether the Court deals with one measure or the other turns upon the posture of the particular facts. In this instance it is more useful to consider the question as one of ripeness. In other words, is this action as presented by these parties proper for judicial resolution now. At bottom, the Court must balance and trade off the value in deciding the question now against the harm to the parties in postponing a decision. This mode of inquiry suggests that there are contingent events that would make the action more concrete should they occur. In this case there is no suggestion that any plaintiff, particularly Pacifica, has violated § 399 (a). Nor is there a suggestion, in fact the opposite is suggested, that defendant intends to enforce that section. The defendant has taken the position that § 399(a) is, indeed, unconstitutional and on that basis it is reasonable to conclude that a violation of the statute by Pacifica or any other broadcaster would not be punished. The FCC has also represented that it would seek to impose only the most minimal sanctions on Pacifica. That willingness to enforce the statute solely for the purposes of test litigation indicates that otherwise the FCC will not enforce the statute. It is, to the Commission, a nullity.

The plaintiffs challenge § 399(a) on its face. Therefore, they argue, there is no need to violate the statute to test its constitutionality and thus the present factual posture of this case suffices to create the proper ripeness. The mere presence of the statute is alleged to chill Pacifica's First Amendment rights. Waxman and the League are even more removed from the effect of § 399(a). As neither of them is a broadcaster, they challenge the statute as interfering with their right to receive the free speech of broadcasters such as Pacifica.

Although the Supreme Court has, in recent years, relaxed the standing/ripeness requirements for suits brought to enforce constitutional (especially First Amendment) rights, there remain limits beyond which the Supreme Court cannot go. Speaking recently in a case also involving a First Amendment challenge to a statute on its face, the Court reiterated its holdings that many postures exist in which the parties may assert First Amendment rights even when those parties have a tenuous connection with the dispute. Nonetheless, the Supreme Court also recognized that these cases still must meet the Article III requirements that are embodied in the principle of ripeness. *"Given a case of controversy,* a litigant whose own activities are unprotected, may nevertheless challenge a statute by showing that it substantially abridges the First Amendment rights of other parties not before the court." *Village of Schaumburg v. Citizens for a Better Environment,* — U.S. —, 48 U.S.L.W. 4162, 4165 (1980) (emphasis added).

Because in this instance there is the distinct likelihood that the FCC will not seek to penalize a broadcaster that violates § 399 (a) and because the hardship to be imposed upon the parties should the Court not now decide the constitutionality of § 399(a) is minimal, the Court finds that this case is not ripe for decision at this time. Although the statute is challenged on its face, the Court cannot say that the particular facts of any given violation and prosecution under the statute would not color the outcome of this case. The Court finds that it would be improper to attempt to make a constitutional decision without having a concrete factual basis with which to work. That basis does not exist in this case and the Court declines to resolve the constitutional question in the abstract.

A second aspect of justiciability that is germane here is the issue of the adversariness of the parties. Our court system is designed to resolve concrete disputes between at least two parties possessing adversary interests. Where it is clear that both sides desire the same result, the requisite adversariness is lacking and the action is not a case or controversy. In this case, the actions of the defendant indicate that there is no genuine adversariness of interests. As noted before, the FCC has not undertaken a prosecution of plaintiff Pacifica Foundation. Although the FCC states that it might prosecute Pacifica should Pacifica violate § 399(a) at some future date, it is plain that at this time there are no adverse parties to this action. The role of the FCC in this action has been to file a statement of no opposition to plaintiffs' motion for summary judgment because defendant agrees that the statute is unconstitutional. No attempt is made by the FCC to posit any arguments in support of the statute nor is it suggested that any such arguments would be forthcoming from the FCC if Pacifica violated and the Commission prosecuted under the statute. In sum, the Court finds that abundant evidence indicates that all parties seek this Court to declare § 399(a) unconstitutional. Therefore, there is no case or controversy under Article III. *See, Moore* v. *Charlotte-Mecklenburg Board of Education,* 402 U.S. 47 (1971) and *Muskrat* v. *United States,* 219 U.S. 346 (1911).

It is not without consequence that the decision not to argue in favor of the statute is being made by the Executive Branch. That fact colors this litigation in that a conflict between the Legislative and Executive branches is presented by the passage of the statute by the one and the decision by the other to acquiesce in a declaration that the statute is unconstitutional. Hence this suit is flavored by a *sub silentio* prayer by the Executive branch for action by the Judicial branch that it cannot take itself. For that reason, it is even more important that the Court be presented with concrete facts, adversary parties, and every requisite of jurisdiction and competence to insure that such clashes between the two other branches are resolved as the Constitution envisions.

Because the Court finds that this case is not ripe for adjudication and that no adverse parties exist, the case is not justiciable. That is, the Court finds that no case or controversy exists as required under Article III of the Constitution. Therefore, this Court is without power to decide this suit on the merits or, indeed, to take any further action at all.

Accordingly, it is hereby ordered that this action be dismissed.

It is so ordered.

It is further ordered that the Clerk shall serve, by United States mail, copies of this Order on all counsel appearing for the parties and all counsel appearing for the amicus curiae in this matter.

THE GROWTH OF DEMOCRACY IN SOUTH KOREA

Mr. CRANSTON. Mr. President, as a supporter of South Korea who has long advocated the expansion of democratic freedoms in that country, I wish to applaud the recent moves taken by the South Korean President to restore the civil rights of nearly 700 politicians, academicians, and clergymen. The rights of these individuals—and thousands of others—were repressed under the regime of the late President Park Chung Hee. The recent restoration of their rights by President Choi Kyu Hah will enable these leaders to participate in the vital ongoing efforts to nurture democracy in South Korea.

In the wake of the assassination of President Park, the new South Korean Government has moved forward in a deliberate fashion to dismantle the restrictive laws with which Park wielded—and often, abused—power. It is absolutely essential that this process of democratization continue unhampered by either the South Korean military or North Korean subversion.

The United States retains a firm commitment to our alliance with South Korea. But this commitment has been made toward the end of building a democratic, economically and militarily independent South Korea. The best means Seoul authorities can utilize to achieve this end is to expand freedoms, respect human rights while insuring the continuity of civilian rule.

There is reason for concern that certain elements in the South Korean military may in the future try to assert a major role in Seoul's government. The military continues to exercise a strong hand in the censorship of the South Korean press and in inhibiting the political opposition in the country. I believe it is imperative that South Koreans be made aware that expansion of such subversion of civilian rule would jeopardize continued American support.

There is no justification for widespread political repression in South Korea on "national security" grounds because of the fact—which has been demonstrated once again in recent months—that the major opposition parties in South Korea are responsible, patriotic and fervently anti-Communist. I am hopeful that South Korean military leaders will acknowledge this fact and will reject any suggestion that they should force their views on the country's fragile political structure.

I firmly believe that the greatest potential threat to South Korean security can be found not in North Korea—a hostile, backward dictatorship—but rather in Seoul, where setbacks in the gradual democratization process could reconstruct barriers between the South Korean people and their government and thereby undermine national unity. It is only with such unity and with the international support which democratic practices provide that South Korea can remain confident of its ability to repel any type of aggression or subversion from the North.

Mr. President, I am encouraged greatly by the recent actions of President Choi which will increase the participation of the South Korean people in their own government. I believe such actions should be continued in the future because they offer the best means of rallying both domestic and international support for South Korean security and development.

Mr. President, I ask unanimous consent that the following statement on South Korea by my friend and colleague, Senator KENNEDY, be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY SENATOR KENNEDY

POLITICAL DEVEOPMENTS IN SOUTH KOREA

I welcome the South Korean government's decision to restore the political and civil rights of former president Yun Po Sun, opposition leader Kim Dae Jung, Quaker leader Ham Suk Hon, and nearly 700 other political dissidents. I believe this amnesty is another important step in the long-awaited return of democracy to South Korea, and I strongly hope that all remaining political prisoners will soon be released.

At the time of the assassination of President Park Chung Hee last October, it was unclear what political direction the Republic of Korea might take. Initially, there were encouraging signs of movement toward a more democratic system, as the Korean people and government responded with calm and dignity to the political vacuum that ensued in the wake of President Park's death.

Governmental repression and popular discontent, both of which had increased steadily in the last few months of Park's rule, suddenly began to decline. Of particular importance was the repeal in early December of Emergency Measure Number 9, allowing for the release of over 60 political prisoners and an end to the house arrest of Kim Dae Jung. In addition, a number of leading dissident professors have recently been allowed to return to the campuses. All of these developments bode well for an eventual national reconciliation and a smooth transition from the repressive *Yushin* system to a government based on broad popular participation.

However, at the same time that there have been trends toward liberalization, there have also been a number of disturbing occurrences. A series of repressive actions were taken late last year, apparently at the instigation of the martial law authorities, then under the command of General Chung Seung Hwa. The Martial Law Command arrested more than a hundred dissidents, including many who had been released only a few weeks earlier as a conciliatory gesture. Several of those arrested are reported to have been beaten and tortured by the Army Security Command under General Chon Too Hwan.

Although the most severe part of the government crackdown was short-lived, another alarming sign was the internal military shake-up in which General Chung and his followers were arrested and eliminated from power by the harder-line group led by General Chon. The nature and extent of General Chon's political ambitions are unclear, and his continued hold on power means that we cannot yet rule out the possibility of protracted martial law and increased military influence over the civilian government.

In light of these troubling political developments, the need for broad-sweeping political reform in South Korea has become even more pressing. I am hopeful that last Friday's amnesty indicates increased readiness on the part of President Choi Kvu Hah to carry out these much-needed reforms.

President Choi has pledged to end martial law by enacting a new constitution later this year, with presidential elections scheduled for early 1981. It is important that the United States strongly emphasize the need for the South Korean government to follow through on these undertakings. We should make clear that we welcome the positive steps already taken and that we hope to see further progress, such as fair and open elections, a democratic constitution, an end to press censorship and martial law, and the formation of a broadly-representative cabinet. Also, as I emphasized last June, we should urge President Choi to release all remaining political prisoners, including the poet Kim Chi Hah and others who have been arbitrarily accused of violating the Anti-Communist Laws.

Mr. President, South Korea's rapid economic growth and the substantial reforms already carried out lend a new sense of urgency to the need for full political democratization. That will represent a major contribution to the security of the South against a deeply repressive and pervasively totalitarian North Korea.

The desire of the South Korean people for democracy and the protection of fundamental human rights is strikingly clear to all observers of the Korean scene and has been overwhelmingly confirmed by public opinion polls taken since President Park's death. The United States government must act without further delay to encourage the South Korean authorities to build upon their most recent initiative. It is by actively promoting the growth of democracy that we can best assure the long-term stability, security, and prosperity of the Republic of Korea.

CBO STUDY FINDS TRUCKING REGULATORY REFORM WOULD NOT IMPAIR SERVICE TO SMALL COMMUNITIES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by Senator KENNEDY relating to trucking regulatory reform.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY SENATOR KENNEDY

As the Senate moves toward consideration of legislation recently reported by the Senate Commerce Committee which would substantially reform Federal regulation of the interstate trucking industry, I thought that Senators and their staffs would be vitally interested in the conclusions of a recent study prepared by the Congressional Budget Office concerning the effect of reduced ICC regulation on truck service to small communities. This study, prepared at the request of Senator CANNON, examines, in considerable depth, the arguments that have been advanced on both sides of this debate. It also evaluates several earlier studies which have been undertaken on this issue.

Assuring continued small community service is a central goal of those who have argued for several years that ICC regulation may actually interfere with the provision of efficient truck transportation at reasonable rates. There have been numerous earlier studies of this same issue, and while each one I am familiar with—excepting a survey conducted by the American Trucking Associations—has concluded that Federal regulation provides neither the incentive for nor a guarantee of adequate service to small communities, the assertion is repeatedly made that small community service will be destroyed by deregulation. It is time that this question be laid firmly to rest; the new CBO study is a major contribution in this regard.

The authors of this study conclude that "It does not appear that deregulation of trucking would lead to large-scale discontinuation of service or to greatly increased rates in such communities." I would urge that my colleagues review the findings of this study, and I ask that the Executive Summary and conclusions of the CBO study be printed in the RECORD at this point.

The summary follows:

THE IMPACT OF TRUCKING DEREGULATION ON SMALL COMMUNITIES: A REVIEW OF RECENT STUDIES

SUMMARY

As the Congress deliberates proposals to deregulate interstate trucking, key decisions will turn on the economic effects such changes can be expected to bring about in rural areas. Critics of deregulation maintain that truckers cannot make money in small communities; they argue that small rural communities receive adequate, reasonably priced trucking service today only because truckers are compelled by the Interstate Commerce Commission (ICC) to serve them and to finance the associated losses out of profits earned in serving larger, more lucrative towns. The critics fear that deregulation would bring severe economic dislocation to small towns.

Two recent studies reviewed in this paper reached disparate conclusions as to the likely effects of trucking deregulation on small towns. This review finds that the preponderance of the evidence suggests that only minor disruptions would occur in small towns in rural areas, chiefly because current regulations are not effective in guaranteeing the provision of such service today. Less than 20 percent of freight destined to small communities travels in trucks regulated by the ICC, and many carriers certified to serve such places do not presently do so. Carriers that serve small communities appear to do so because the service is profitable. Carriers charge extra to cover extraordinary costs, and specialize in operating techniques that enable them to make service to small towns profitable. The carriers now serving small towns generally do not also serve centers of population, and thus most cannot draw upon profits elsewhere to subsidize small rural communities.

In conclusion, about 10 percent of regulated carriers now serving small rural communities would discontinue service if the ICC were divested of its regulatory power. This means that approximately 2 percent of all trucking (regulated and unregulated) to small communities might be withdrawn following deregulation. The percentage of service that would be discontinued could be smaller if carriers that are now profitably serving small communities expand their services into areas from which other carriers withdraw. Alternatively, if carriers respond by raising rates rather than discontinuing services, then the majority of such increases will likely be concentrated on about 2 percent of shipments by trucks.

* * * * *

Further evidence that trucking service to small communities is profitable can be inferred from sales of operating rights. These rights—which grant permission to offer service as well as an obligation to do so appear to trade at positive prices. That is, sales of these rights do not reveal instances of carriers paying to be relieved of their obligation to be relatively few, and the average price to serve. On the other hand, the sales appear is only $15,000. This suggests that, while potentially profitable, small towns are generally not highly sought-after markets for truckers.

III. CONCLUSION

The studies reviewed above suggest that rural towns of up to 5,000 persons represent those that are the costliest, and most difficult for regulated trucking to serve. But it does not appear that deregulation of trucking would lead to large-scale discontinuation of service or to greatly increased rates in such communities. There are three reasons for this conclusion. First, carriers that are currently authorized to serve small communities are often able to avoid doing so if they wish. Second, carriers can apply a variety of operating techniques to make service to small communities profitable. Carriers currently serving small communities do apply such techniques and appear to be generally profitable. Third, many rural communities already pay truck rates commensurate with the costs of serving them, leaving little reason to support that rates would increase as a result of deregulation. Carriers serving rural communities tend to be a specialized segment of the industry, using operating techniques that are uniquely suited to small towns. Most do not serve high-volume routes between large cities, and hence they are unable to subsidize their services to small towns with the profits from other routes, as many opponents of deregulation have claimed. Instead, such truckers currently charge extra rates to cover the extraordinarily high costs of serving out-of-the-way places.

Taken together, these factors imply that about 10 percent of regulated carriers now serving small rural towns would discontinue service under deregulation. This implies that approximately 2 percent of all trucking to small communities might be withdrawn following deregulation, since regulated trucking represents only about 20 percent of all trucking service to small communities. The fraction that would be discontinued could be less than 2 percent if some of the many carriers that are now profitably serving small communities expanded their operations into areas from which other carriers withdraw. The rate increases that might be experienced by this 2 percent cannot be projected accurately, but that they would not be very great is indicated by the fact that many carriers are able to offer profitable services at the existing regulated rates, or at extra charges that already make the service profitable.

VIRGINIA BASKETBALL

Mr. WARNER. Mr. President, in the last several days, two groups of young men and women—because of their athletic ability, teamwork, spirit, and determination—have given the people of Virginia cause for great pride.

They are the Cavaliers, the University of Virginia's men's basketball team, which Thursday night won the National Invitational Tournament (NIT) championship, and the Lady Monarchs, Old Dominion University's women's basketball team, which yesterday won the championship of the Association of Intercollegiate Athletics for Women (AIAW).

It is appropriate that one team's university bears the name of our Commonwealth—Virginia.

It is fitting that the other team's university bears the nickname of our State—the Old Dominion.

And it is a source of genuine feeling for me and all Virginians that these two teams, both excelling in basketball, have done it in two different arenas—one in the men's version of the sport and the other in the women's variety of the game.

In the NIT finals, the Cavaliers defeated the University of Minnesota Gophers, 58 to 55. Cavalier Ralph Sampson was named the tournament's most valuable player, and he and his teammate, Jeff Lamp, were selected for the NIT's all-tournament team.

The Lady Monarchs beat the University of Tennessee's Volunteers, 68 to 53, in the AIAW finals, and placed Inge Nissen, Nancy Liberman and Anne Donovan on the all-tournament team. Inge Nissen was the tournament's most valuable player.

I know that the distinguished senior Senator from Virginia (Mr. HARRY F. BYRD, JR.) and my other colleagues join me in extending our unreserved congratulations to the Cavaliers and their coach, Terry Holland, and to the Lady Monarchs and their mentor, Marianne Stanley.

In appreciation to these fine men and women for jobs well done, I ask that the names of the members of these two Virginia teams be included in the RECORD.

THE UNIVERSITY OF VIRGINIA CAVALIERS

Dean Carpenter of New Orleans, La.; Garry Cross of Queens, N.Y.; Terry Gates of Louisville, Ky.; Garland Jefferson of Covington, Va.; Jeff Jones of Owensboro, Ky.; Jeff Klein of Akron, Ohio; Jeff Lamp of Prior Lake, Minn.; Lewis Lattimore of Dayton, Ohio; Peter MacBeth of Marietta, Ga.; Doug Newburg of McLean, Va.; Mike Owens of Kensington, Md.; Lee Raker of Louisville, Ky.; Craig Robinson of Montclair, N.J.; Ralph Sampson of Harrisonburg, Va.; and managers Dave Cooke, Joseph Stepp and Mark Hill.

OLD DOMINION UNIVERSITY LADY MONARCHS

Nancy Lieberman of Far Rockaway, N.Y.; Inge Nissen of Randers, Denmark; Angela Cotman of Charles City, Va.; Jan Tormbly of Chazy, N.Y.; Susan Richardson of Newport News, Va.; Sue Brown of Exeter, Pa.; Chris Critelli of St. Catherine's, Ontario, Canada; Linda Jerome of Frederick, Md.; Rhonda Rompola of Sayerville, N.Y.; Anne Donovan of Ridgewood, N.J.; Noreen Kemether of Milford, Pa.; Peggy Smith of Salem, W. Va.; and managers Lynne Virgili, Erika Zauzig, Rose Riggs, and Susie Anderson.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGE FROM THE HOUSE

At 3:28 p.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2222) to extend the time for commencing actions on behalf of an Indian tribe, band, or group, or on behalf of an individual Indian whose land is held in trust or restricted status.

The message also announced that, pursuant to the provisions of section 1, Public Law 689, 84th Congress, as amended, the Speaker has appointed Mr. PHILLIP BURTON, chairman, Mr. HAMILTON, vice chairman, Mr. BROOKS, Mr. ANNUNZIO, Mr. ROSE, Mr. IRELAND, Ms. OAKAR, Mr. GARCIA, Mr. BOB WILSON, Mr. BROOMFIELD, Mr. FINDLEY, and Mr. WHITEHURST, on the part of the House as members of the U.S. Group of the North Atlantic Assembly Meeting, to be held in Luxembourg, June 6 to 8, 1980.

REPORTS OF COMMITTEES SUBMITTED DURING THE RECESS

Under the authority of the order of the Senate of March 21, 1980, the following reports of committees were submitted on March 21, 1980, during the recess:

Mr. PROXMIRE, from the committee of conference, submitted a report on the disagreeing votes of the two Houses on the amendment of the House to the amendment of the Senate to the bill (H.R. 4986) to amend the Federal Reserve Act to authorize the automatic transfer of funds, to authorize negotiable order-of-withdrawal accounts at depository institutions, to authorize federally chartered savings and loan associations to establish remote service units, and to authorize federally insured credit unions to maintain share draft accounts, and for other purposes (Rept. No. 96–640).

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CANNON, from the Committee on Commerce, Science, and Transportation, with amendments:

S. 2245. A bill to amend title 49 of the United States Code to eliminate unnecessary regulation of motor carriers of property, and for other purposes (together with additional and minority views) (Rept. No. 96–641).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. STENNIS, from the Committee on Armed Services:

William Eldred Peacock, of the District of Columbia, to be an Assistant Secretary of the Army.

The following-named persons to be Members of the Board of the Panama Canal Commission:

Michael Blumenfeld, Assistant Secretary of the Army, of the District of Columbia;

John Alden Bushnell, of Connecticut;

John W. Clark, of Louisiana;

Clifford Bradley O'Hara, of Connecticut; and

William Sidell, of California.

(The above nominations from the Committee on Armed Services were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

By Mr. STENNIS, from the Committee on Armed Services:

Robinson O. Everett, of North Carolina, to be a Judge of the U.S. Court of Military Appeals.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. RIBICOFF (by request):

S. 2467. A bill to discontinue or amend certain reporting requirements of law; to the Committee on Governmental Affairs.

By Mr. BURDICK:

S. 2468. A bill to amend the Social Security Act with respect to payments under medicare and medicaid to hospital providers of long-term care services (swing beds); to the Committee on Finance.

By Mr. INOUYE:

S. 2469. A bill for the relief of Mrs. Tomo Kaalakamanu; to the Committee on the Judiciary.

By Mr. FORD (for himself, Mr. ROBERT C. BYRD, Mr. JACKSON, Mr. HEINZ, Mr. RANDOLPH, Mr. HUDDLESTON, Mr. BAYH, Mr. PERCY, Mr. GLENN, Mr. EAGLETON, Mr. SCHWEIKER, and Mr. LUGAR):

S. 2470. A bill to reduce consumption of petroleum and natural gas by electric utilities, and for other purposes; to the Committee on Energy and Natural Resources.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. RIBICOFF (by request):

S. 2467. A bill to discontinue or amend certain reporting requirements of law; to the Committee on Governmental Affairs.

● Mr. RIBICOFF. Mr. President, at the request of the Comptroller General of the United States, I am introducing legislation which would repeal or amend certain provisions of law which relate to the submission of reports to the Congress or to other Government authorities.

The Comptroller General states the submission of this measure carries out a responsibility assigned to him by the Congressional Budget Act of 1974 which required the Comptroller General to monitor the various reporting requirements imposed by the Congress and to recommend the elimination of any duplicative or unneeded reporting.

This legislation would eliminate 18 reporting requirements and would modify one other.

Mr. President, I ask unanimous consent that the text of the bill, a sectional analysis and the accompanying letter of explanation be printed in the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 2467

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That certain provisions of law, which relate to the submission of reports to the Congress or other Government authorities, are repealed or amended as follows:

REPORTS BY MORE THAN ONE AGENCY

SECTION 1. (a) Subsection 3104(c) of title 5, United States Code, is amended (1) by changing the initial capital "T" to lower case and inserting before the first word thereof, "Except for the Secretaries of Commerce, Health, Education, and Welfare, and Agriculture; and the Librarian of Congress."

(b) Chapter 362, 49th Congress, entitled "An Act making appropriations for sundry civil expenses of the Government for the fiscal year ending June thirtieth, eighteen hundred and eighty-eight, and for other purposes", approved March 3, 1887 (24 Stat. 523; 16 U.S.C. 744), is amended by striking out "and annually thereafter a detailed statement of expenditures under all appropriations for 'Propagation of food-fishes' shall be submitted to Congress at the beginning of each session thereof.".

REPORTS BY THE CIVIL SERVICE COMMISSION

SEC. 2. Subsection 1308 (a) and (b) of title 5, United States Code, are repealed.

REPORTS BY THE DEPARTMENT OF DEFENSE

SEC. 3. (a) Subsection 2662(b) of title 10, United States Code, is repealed.

(b) Subsection 5(c) of the Defense Department Overseas Teachers Pay and Personnel Practices Act, as added by subsection 1(c) of Public Law No. 89-391, entitled "An Act to correct inequities with respect to the basic compensation of teachers and teaching positions under the Defense Department Overseas Teachers Pay and Personnel Practices Act", approved April 14, 1966 (80 Stat. 117; 20 U.S.C. 903(e)), is repealed.

(c) Section 7 of Chapter 425, 55th Congress, entitled "An Act making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes", approved March 3, 1899 (30 Stat. 1150; 33 U.S.C. 549), is repealed.

REPORTS BY THE EXPORT-IMPORT BANK OF THE UNITED STATES

SEC. 4. Subsection 1(c) of Public Law No. 90-390, entitled "An Act to enable the Export-Import Bank of the United States to approve extension of certain loans, guarantees, and insurance in connection with exports from the United States in order to improve the balance of payments and foster the long term commercial interests of the United States", approved July 7, 1968 (82 Stat. 297; 12 U.S.C. 635j(c)), is repealed.

REPORTS BY THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

SEC. 5. Subsection 505(f) of Public Law No. 91-609, approved December 31, 1970, the Housing and Urban Development Act of 1970 (84 Stat. 1788; 12 U.S.C. 1701z-4(f)), is repealed.

REPORTS BY THE DEPARTMENT OF LABOR

SEC. 6. Section 76 of Chapter 339, 56th Congress, entitled "An Act To provide a government for the Territory of Hawaii", approved April 30, 1900 (31 Stat. 155), as amended by Public Law No. 93, 58th Congress, approved April 8, 1904 (33 Stat. 164; 29 U.S.C. 7), is repealed.

REPORTS BY THE NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

SEC. 7. Subsection 206(b) of Public Law No. 87-367, entitled "An Act To increase the limitation on the number of positions which may be placed in the top grades of the Classification Act of 1949, as amended, to provide certain additional research and development positions, and for other purposes", approved October 4, 1961 (75 Stat. 791; 42 U.S.C. 2463a) is repealed.

REPORT BY THE NATIONAL MEDIATION BOARD

SEC. 8. The second paragraph of section 4 of Public Law No. 257, 69th Congress, approved May 20, 1926 (44 Stat. 579-580; 45 U.S.C. 154), is amended by striking out the last sentence.

REPORTS BY THE DEPARTMENT OF TRANSPORTATION

SEC. 9. (a) Subsection 303(e) of the Federal Aviation Act of 1958 as added by paragraph 51(a)(1) of Public Law 91-258, approved May 21, 1970, the Airport and Airway Development Act of 1970, as amended (84 Stat. 234; 90 Stat. 882, 49 U.S.C. 1344(e)), is amended by striking out the last sentence.

(b) Subsection 112(b) of title 23, United States Code, is amended by striking out "All such findings shall be reported promptly in writing to the Committees on Public Works of the Senate and the House of Representatives.".

(c) Subsections 10(a) and 10(b) of Public Law No. 89-220, entitled "An Act To authorize the Secretary of Commerce to undertake research and development in high-speed ground transportation, and for other purposes", approved September 30, 1965 (79 Stat. 895; 49 U.S.C. 1640) are repealed.

(d) Subsection 307(b) of title 23, United States Code, is amended by striking out "and he shall report from time to time to the Committees on Public Works of the Senate and of the House of Representatives on the progress and findings with respect to such studies".

(e) Section 10 of the Public Law No. 91-663, approved January 8, 1971, the Emergency Rail Services Act of 1970 (84 Stat. 1978; 45 U.S.C. 669), is amended by striking out the first sentence thereof; by striking the word "also" from the second sentence; and by inserting in the second sentence after the word "railroad", the following: "except the Central Railroad Company of New Jersey and the Penn Central Transportation Company,".

(f) Section 1309 of Public Law No. 85-726, approved August 23, 1958, the Federal Aviation Act of 1958 (72 Stat. 805; 49 U.S.C. 1539), as amended by Public Law No. 89-348, 79 Stat. 1310, is repealed.

MODIFICATION OF REQUIREMENT FOR REPORT COVERING APPROVED PETITIONS FOR PROFESSIONAL OR OCCUPATIONAL PREFERENCES FOR IMMIGRANTS

SEC. 10. Subsection 204(d) of the Immigration and Nationality Act, as reenacted by Public Law 89-236, approved by October 3, 1965 (79 Stat. 915; 8 U.S.C. 1154(d)) is amended by striking out "report" and all that follows in the first sentence, and substituting in lieu thereof: "statistical summary of petitions for immigrant status approved by him under sections 203(a)(3) or 203(a)(6)".

SECTION-BY-SECTION ANALYSIS OF PROPOSED BILL TO DISCONTINUE OR AMEND CERTAIN REPORTING REQUIREMENTS

Section 1(a) deletes the requirement for reports to the Congress by the Secretaries of Commerce, Health, Education, and Welfare, Agriculture, and by the Librarian of Congress, setting forth the number of scientific or professional positions established to carry out the research and development functions in their respective agencies during the calendar year and the name, rate of pay and description of the qualifications, of each incumbent, together with a statement of the functions performed by each.

Section 1(b) deletes the requirement for the annual report by the Secretary of the Interior or by the Secretary of Commerce, as appropriate, to the Congress of expenditures made under all appropriations for propagation of food-fishes.

Section 2 deletes the requirement for the annual report to the President for transmittal to the Congress by the Civil Service Commission of the Commission's administration of the competitive service, the results of the incentive awards program, a report of individuals on whom the Commission has imposed a penalty for prohibited political activities, a statement on the training of employees, and an analysis of the administration and operation of employee training programs under chapter 41 of title 5 of the United States Code.

Section 3(a) deletes the requirement for the annual report to the Committees on Armed Services of the Senate and the House of Representatives on real property transactions entered into by or for the use of a military department that involve an estimated value of more than $5,000 but not more than $50,000.

Section 3(b) deletes the requirement for the report on or before the fifteenth day of January in each calendar year to the respective Committees on Post Office and Civil Service of the Senate and House of Representatives by the Secretary of Defense on seperated and new teachers in the Overseas Dependent Schools of the Department of Defense.

Section 3(c) deletes the requirement for the annual reports to the Congress by the Chief of Engineers of the United States Army stating what deterioration has taken place in connection with any works or river and harbor improvements under his charge, together with an estimate of the cost of rebuilding or repairing such works or removing obstructions, and his recommendations for the discontinuance of appropriations for any river and harbor works which he may deem unworthy of further improvement.

Section 4 deletes the requirement for quarterly reports by the Board of Directors of the Export-Import Bank of the United States to the Congress of all actions taken by the Bank under its authority pursuant to Public Law 90–390 to approve the extension of loans, guarantees, and insurance in connection with exports.

Section 5 deletes the requirement for annual reports by the Secretary of Housing and Urban Development to the Congress on the status of demonstration projects for alleviating and preventing housing abandonment, and it eliminates the requirement that he make such recommendations to the Congress as he believes are necessary to further the purposes of section 505 of the Housing and Urban Development Act of 1970.

Section 6 deletes the requirement for reports, every 5 years, by the United States Commissioner of Labor Statistics to the Congress, of statistical details relating to labor in Hawaii.

Section 7 deletes the requirement for annual reports to the Congress concerning the positions established for the National Aeronautics and Space Administration to be filled without regard to the civil service laws, and the incumbents of such positions.

Section 8 deletes the requirement for annual reports to the Congress by the National Mediation Board.

Section 9(a) deletes the requirement for annual reports by the Secretary of Transportation to the Committee on Public Works and Transportation of the House of Representatives and the Committee on Commerce of the Senate at the beginning of each fiscal year, concerning purchases of technical or special property for air navigation that the Secretary determines to require a substantial initial investment, or an expanded period of preparation for manufacture, and which he has negotiated without advertising.

Section 9(b) deletes the requirement for reports by the Secretary of Transportation to the Committees on Public Works of the Senate and the House of Representatives of findings by the Secretary that, under the circumstances relating to a highway project to be constructed by a State, the awarding of a contract by a method other than competitive bidding is in the public interest.

Section 9(c) deletes the requirement for reports by the Secretary of Transportation to the President and the Congress with respect to the Secretary's research and development program and demonstration program on high-speed ground transportation.

Section 9(d) deletes the requirement for reports by the Secretary of Transportation from time to time to the Committees on Public Works of the Senate and the House of Representatives on studies of economic highway geometrics, structures, and desirable weight and size standards for vehicles using the public highways, and the feasibility of uniformity in State regulations with respect to such standards.

Section 9(e) deletes the requirement for annual reports by the Secretary of Transportation to the President and the Congress with respect to emergency guarantees of certificates issued by trustees of railroads undergoing reorganization, and with respect to the financial condition of the Central Railroad Company of New Jersey and of the Penn Central Transportation Company.

Section 9(f) deletes the requirement that the Secretary of Transportation include in his annual report to the Congress a detailed statement of all activities and of all expenditures and receipts in connection with his aviation war risk insurance activities.

Section 10 delegates the requirement that the Attorney General, in his reports to the Congress under subsection 204(d) of the Immigration and Nationality Act, state the basis for his approval of each petition for preferential status for an immigrant by virtue of professional or occupational qualifications, and requires instead of statistical summary of such approved petitions.

COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington, D.C., March 4, 1980.

Hon. ABRAHAM A. RIBICOFF,
Chairman, Committee on Governmental Affairs, U.S. Senate.

DEAR MR. CHAIRMAN: The Congressional Budget Act of 1974 assigned the Comptroller General the responsibility to monitor the various reporting requirements of the Congress and to recommend the elimination of any duplicative or unneeded reporting. To date, we have compiled a comprehensive inventory of reporting requirements, conducted a survey of committees on reporting reduction opportunities, and made the inventory available to the Congress through the Library of Congress SCORPIO system and in published directories.

In carrying out our responsibilities in this area, we transmitted to you on March 1, 1979, a legislative proposal recommending the elimination of 58 reporting requirements and the modification of five others. Subsequently, while working with staff members of the Subcommittee on Legislation and National Security, House Committee on Government Operations, it was noted that several of the reports recommended for elimination in our March 1, legislative proposal were based upon responses from committees not having authorizing jurisdiction over a number of the particular reporting requirements. We have since corrected these invalid responses by obtaining comments and desires of the appropriate authorizing committees for each of the reporting requirements in error.

Accordingly, we have revised our March 1, 1979, legislative proposal. The revised legislative proposal contains 18 separate reporting requirements to be eliminated and one to be modified. The enclosed revised legislative proposal reflects these corrections.

We respectfully request that your committee consider introducing the enclosed revised legislative proposal to eliminate 18 reporting requirements and to modify one other. We believe that passage of this legislation will demonstrate the continued congressional interest in reducing paperwork and the reporting burden on Federal agencies.

We have made an identical request to Congressman JACK BROOKS, Chairman, Committee on Government Operations, House of Representatives.

Your assistance is greatly appreciated.

Sincerely yours,

ELMER B. STAATS,
Comptroller General
of the United States.●

By Mr. BURDICK:

S. 2468. A bill to amend the Social Security Act with respect to payments under medicare and medicaid to hospital providers of long-term care services (swing beds); to the Committee on Finance.

● Mr. BURDICK. Mr. President, at the request of the North Dakota Hospital Association, I am introducing legislation to put the "Swing Bed" concept into law.

Swing beds are those beds a hospital uses either for acute care or for long-term care, depending on patient need. Enactment of this bill would enable medicare and medicaid to reimburse hospitals at rates commensurate with the level of care provided to each patient—flexibility not now in the law. This bill thus not only puts more flexibility into these programs, but, by doing so, allows Federal dollars to be used more cost-effectively without sacrificing patient care. In addition, it provides long-term beds where there is a shortage and insures better utilization of health-care resources. For rural patients, this flexibility may mean that they can stay in their hometown near family and friends rather than moving far away to an available nursing home.

This bill embodies the swing-bed provisions included in H.R. 4000, legislation now awaiting full House action. It is also very similar to the swing-bed provisions in H.R. 934, the medicare-medicaid bill approved by the Finance Committee. The major difference between my bill and the Finance Committee provisions is that this bill will apply to all hospitals able to receive a certificate-of-need for long-term care services. The Finance Committee bill, on the other hand, limits participation to hospitals up to 50 beds located in rural areas, with demonstration authority for hospitals with up to 100 beds.

Mr. President, as I said before, I am introducing this bill to get the swing-bed concept into the law. HCFA has run demonstration projects that prove it is a good idea. Everyone agrees that it is. In North Dakota, we have a swing-bed program already to go—but the law needs to be changed to allow it.

Although the Finance Committee has already included a version of this concept in their bill, H.R. 934 is a huge bill to which, I understand, even more provisions may be added. There is no telling when it will come before us or if it will pass. My bill, on the other hand, is a clean and simple one. It deals with a noncontroversial subject. I would hope that the Senate could approve it quickly and let the swing-bed concept become a working reality.●

By Mr. FORD (for himself, Mr. ROBERT C. BYRD, Mr. JACKSON, Mr. HEINZ, Mr. RANDOLPH, Mr. HUDDLESTON, Mr. BAYH, Mr. PERCY, Mr. GLENN, Mr. EAGLETON, Mr. SCHWEIKER, and Mr. LUGAR):

S. 2470. A bill to reduce consumption of petroleum and natural gas by electric utilities, and for other purposes; to the Committee on Energy and Natural Resources.

POWERPLANT FUELS CONSERVATION ACT OF 1980

Mr. FORD. Mr. President, 8 months ago President Carter, as part of his energy security program, made known his intention to submit legislation that would reduce the use of oil and natural gas in the electric utility sector by one million barrels of oil equivalent per day by 1990.

Now, after months of study, thought and discussion, this long-awaited legislation is ready, and my colleagues and I are joining in introducing it today.

The Powerplant Fuels Conservation Act of 1980 is a faithful effort to reflect closely the administration's March 6 specifications for legislation to reduce use of oil and gas in the electric utility sector. I wish to commend the bill drafting service rendered by the Department of Energy in crafting the specifications into legislation.

In my opinion, this two-phased legislative package represents a milestone as far as our Nation's energy policy is concerned, and holds the potential of making lasting and immediate impact in improving this country's energy security.

This bill is the by-product of the efforts of many, and at this point I want to thank our distinguished majority leader, Senator ROBERT C. BYRD, the members of the Senate's coal caucus, the President's coal commission, and administration energy officials who labored so long and hard to carefully put together this approach for displacing one-third of the total oil and natural gas consumed by the electric utility industry.

The United States would attain this goal through a two-phased program which emphasizes conversion of oil-fired plants to coal, and conservation programs to achieve near-term and cost-effective energy savings in the public utility sector.

Under phase I, specific coal-capable facilities now using oil would be precluded by law from further use of that fuel. The prohibition would take effect 90 days after enactment of this legislation, unless an exemption request is filed within that time frame.

The Department of Energy has identified a total of 107 powerplants at 50 generating stations that are capable of converting and those sites are spelled out in this legislation. We have also taken steps to insure that these facilities will be required to meet all applicable environmental standards once the conversion process is finished.

Mr. President, this legislation is a giant improvement over existing law. Mandatory deadlines are set and necessary funding is provided. Coal is readily available. In fact, the Nation now has 200 million tons of excess capacity. Manpower is available. The Nation now has 20,000 idle skilled miners.

A $3.6-billion Federal-grant-assistance program would be created to help these facilities address the capital costs associated with coal conversion, and grants will be treated as reductions in a utility's rate base for ratemaking purposes.

The recent conversions from oil to coal in Massachusetts and other Northeastern States show what can be done if the necessary financing is available. Within 1½ to 5 years fuel savings will have paid off capital costs and the consumer will benefit with a reduction in rates.

Another significant section of the phase I program is that up to $400 million in grants will be reserved for use in reducing air pollution from existing coal-burning powerplants which may or may not contribute to the acid rain-problem—a problem which committees in both Houses of Congress are now addressing. Grants from this particular program would cover financial assistance for coal cleaning and preparation facilities and grants for advanced sulfur dioxide removal systems such as advanced combustion techniques, scrubbers, and chemical cleaning of coal.

This cleanup of existing plants is a sound policy. Not only will nearby plants be more able to convert but also regions lying to the eastward will be helped in their clean-air increments. Minimizing possible air pollution in Appalachia and the Greater Ohio River Valley will affect what, in the long run, can be done in the Northeastern States.

Phase II of this legislation would establish a timetable for those utilities not capable of converting immediately to coal to develop a fuel-displacement plant that can be in place by 1990. Phase II will both encourage and mandate conversion, by forcing participating utilities to choose the most cost-effective means of reducing consumption of oil and natural gas.

Under phase II, a $6-billion grant program would be created to assist utilities in achieving, on a voluntary basis, the displacement of 600,000 barrels equivalent per day. As a means of facilitating this, utilities would be required by law to develop a comprehensive, cost-effective energy conservation strategy.

As you know, this is not the first time we have attempted to displace substantial amounts of oil and natural gas through a greater use of coal by electric utilities. Three times between 1974 and 1978, Congress developed and enacted regulatory programs to mandate such a shift. Hindsight has proven that for various reasons these efforts of the past were collective failure, producing minimal results and falling far short of any substantial oil or natural gas savings.

We tried to apply those lessons of the past in the legislation that is being introduced today, and this bill specifically attempts to address the most obvious shortcomings of previous programs.

First of all, this measure has the necessary teeth and statutory power to set a standard whereby exemptions have to be proven.

Second, the bill offers a broad base of financial assistance as an incentive to assist these utilities in financing the necessary costs of conversion.

Third, the bill includes safeguards that current air-quality standards are not compromised by any mandated conversion effort.

And, finally, the bill provides for the first time ever a clearly defined vehicle to require those utilities, incapable of converting to coal, to find other ways of reducing oil and natural gas consumption.

Now that this legislation is in the hands of the Senate, one very important point must be made, Mr. President.

Any way you look at it, there is a sense of urgency, greater than ever before, accompanying the purpose of this legislation. This Nation's dependence on imported energy poses a very real, very serious threat to our economic stability, domestic tranquility and, yes, even our national security.

In recent years, we have made some headway toward putting in place a strategy toward restoring the balance between imported and domestic energy sources to a more acceptable balance. But our efforts so far have emphasized long-term solutions—solutions where measurable results are still many years away.

Unlike an accelerated synthetic fuels program or other major energy initiatives now being considered by the Congress, results can be quickly achieved with an immediate impact in reducing our dependence on foreign energy sources under the strategy set forth in this legislation.

The irony here is that this approach is something that we would—and should—have undertaken years ago.

To expedite consideration of this legislation, the Senate Energy and Natural

Resources Committee intends to start formal hearings next month.

The majority leader has indicated that as soon as committee consideration is completed, the bill will be handled as a priority on the Senate calendar.

A fast-track approach such as this is essential if we are to have a bill on the President's desk before Congress adjourns.

One final point needs to be made, Mr. President.

This Congress has already made clear its determination and commitment to taking positive action this session to try and bring inflation under control. That is well and good, but we must not become so preoccupied with budget cutting and other so-called counter-inflationary initiatives that we overlook the most obvious contributor to this extended inflation. I am, of course, referring to the continued uncertainty over energy—both cost and supply—and the increased flow of dollars overseas for the purchase of foreign crude.

This year alone that total will approach a record $90 billion increasing our balance-of-payments deficit and further fueling the fires of inflation.

Unless and until we begin to get a grip on our energy situation, the problems of inflation will grow worse instead of better. Directly and indirectly this legislation can be a vital element of a congressional anti-inflation strategy—a strategy that recognizes and attacks all the factors responsible for inflation today—and I can think of no single, more compelling, reason than that for this measure to receive the Senate's strong and immediate support.

Mr. President, I ask unanimous consent that the text of the bill and the March 6 specifications be printed in the Record at this point.

There being no objection, the bill and analysis were ordered to be printed in the Record, as follows:

S. 2470

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Powerplant Fuels Conservation Act of 1980."

TITLE I—STATEMENT OF PURPOSES

Sec. 2. Subsection (b) of Section 102 of the Powerplant and Industrial Fuel Use Act of 1978 (92 Stat. 3305) is amended by redesignating paragraph (12) as paragraph (16), deleting the word "and" at the end of paragraph (11), and inserting new paragraphs (12), (13), (14), and (15) as follows:

"(12) to reduce the domestic use of petroleum and natural gas in the electric utility sector by at least 400,000 barrels a day by 1985, and by at least one million barrels a day by 1990;

"(13) to accelerate and increase the number of conversions of existing petroleum-fired electric powerplants to the use of coal or another alternate fuel as a primary energy source;

"(14) to accelerate the displacement of petroleum and natural gas by electric utilities through increased use of alternate fuels and through energy conservation; and

"(15) to reduce the cost of electricity to consumers and assist in curbing the domestic inflation rate."

TITLE II—ACCELERATED FUELS CONVERSIONS OF CERTAIN POWERPLANTS

Sec. 3. Section 301 of the Powerplant and Industrial Fuel Use Act of 1978 (92 Stat. 3305) is amended by inserting new subsection (d), to take effect 90 days after enactment of this Act, as follows:

"(d) Prohibition Applicable to Listed Powerplants.—Except to such extent as exemptions under subtitle B may be granted, petroleum or natural gas shall not be used as a primary energy source in any of the electric powerplants identified on the following list:

LIST FOR GENERAL PROHIBITION

Company: Facility	Boiler unit	State
Arkansas Power & Light Co.:		
Ham Moses	1, 2	Arkansas.
R. E. Ritchie	1, 2	
Atlantic City Electric Co.: Deepwater.	7, 8, 9	New Jersey.
Baltimore Gas & Electric Co.:		
Brandon Shores	1, 2	Maryland.
C. P. Crane	1, 2	
Riverside	4, 5	
H. A. Wagner	1, 2	
Boston Edison Co.: Mystic	4, 5, 6	Massachusetts.
Central Hudson Gas & Electric Corp.: Danskammer.	1, 2, 3, 4	New York.
Central Maine Power Co.: Mason.	3, 4, 5	Maine.
Commonwealth Edison Co.: Collins.	4, 5	Illinois.
Consolidated Edison Co. of New York, Inc.:		
Arthur Kill	2, 3	New York.
Ravenswood	3	
Delmarva Power & Light Co.: Edge Moor.	1, 2, 3, 4	Delaware.
Detroit Edison Co.:		
River Rouge	1	Michigan.
St. Clair	5	
General Public Utilities Service Corp.: Jersey Central Power & Light Co.: Sayreville.	5	New Jersey.
Georgia Power Co.: McManus	1, 2	Georgia.
Long Island Lighting Co.:		
E. F. Barrett	1, 2	New York.
Northport	1, 2, 3, 4	
Port Jefferson	1, 2, 3, 4	
New England Gas & Electric Association:		
Canal Electric Co.: Canal	1	Massachusetts.
Narragansett Electric Co.: South Street.	12	Rhode Island.
New England Power Co.:		
Brayton Point	1, 2, 3	Massachusetts.
Salem Harbor	1, 2, 3	
Niagara Mohawk Power Corp.:		
Albany	1, 2, 3, 4	New York.
Oswego	3, 4	
Northeast Utilities:		
Connecticut Light & Power Co.:		
Devon	7, 8	Connecticut.
Montville	5	
Norwalk Harbor	1, 2	
Hartford Electric Light Co.: Middletown.	1, 2, 3	Do.
Holyoke Water Power Co.: Mount Tom.	1	Massachusetts.
Montaup Electric Co.: Somerset	6	Do.
Western Massachusetts Electric Co.: West Springfield.	3	Do.
Orange & Rockland Utilities, Inc.: Lovett.	3, 4, 5	New York.
Philadelphia Electric Co.:		
Cromby	2	Pennsylvania.
Schuylkill	1	
Public Service Electric & Gas Co.:		
Bergen	1, 2	New Jersey.
Burlington	7	
Hudson	1	
Kearney	7, 8	
Public Service Co. of New Hampshire: Schiller.	4, 5, 6	New Hampshire.
Savannah Electric & Power Co.: Effingham.	1	Georgia.
Tampa Electric Co.: F. J. Gannon.	1, 2, 3, 4	Florida.
United Illuminating Co.: Bridgeport Harbor.	3	Connecticut.
Virginia Electric & Power Co.:		
Chesterfield	3, 4, 5, 6	Virginia.
Portsmouth	1, 2, 3, 4	
Possom Point	3, 4	
Yorktown	1, 2	
Western Pennsylvania Power Co.: Springdale.	8	Pennsylvania.

GRANTS

Sec. 4. Title VI of the Powerplant and Industrial Fuel Use Act of 1978 (92 Stat. 3305) is amended by adding new section 603 thereto, as follows:

Sec. 603. Grants To Assist Certain Powerplants in Achieving Compliance.

"(a) Grant Authority.—The Secretary may, in accordance with the provisions of this section and to the extent provided in appropriation acts, make grants, which shall not be considered as income for purposes of Federal income taxes, to any eligible utility under this section, based on an approved grant application, for the purpose of assisting such utility in meeting qualifying capital costs of converting existing electric powerplants subject to the prohibitions of section 301(d) to the use of coal or another alternate fuel as a primary energy source.

"(b) Eligibility.—Only utilities that own or operate electric powerplants subject to the prohibitions of section 301(d) of this Act, and which will achieve compliance with such prohibitions by converting such powerplants to the use of coal or another alternate fuel as a primary energy source shall be eligible to apply for funding under this section.

"(c) Qualifying Capital Costs.—For purposes of this section, "qualifying capital costs" means capital costs incurred by any eligible utility after November 9, 1978, in converting any electric powerplant subject to the prohibitions of section 301(d) of this Act to the use of coal or another alternate fuel, including modifications to the powerplant, on-site fuel transportation facilities, on-site fuel storage and on-site fuel handling equipment, and on-site capital costs required to comply with air pollution control and other applicable environmental requirements directly related to the conversion. "Qualifying capital costs" shall not include operating, maintenance and fuel costs.

"(d) Grant Application.—

"(1) Submission and content.—Any eligible utility seeking a grant under this section shall, no later than 120 days after enactment of this section, submit to the Secretary a notice of its intention to submit a grant application under this section. No later than 360 days after enactment of this section, any such eligible utility seeking a grant shall submit to the Secretary, and shall transmit to the Governor of the State in which the affected powerplant is located, a grant applicaton, which shall include—

"(A) engineering design and capital cost estimates to accomplish facility conversion to the use of coal or another alternate fuel;

"(B) an evaluation of environmental impacts resulting from conversion and operation of the subject powerplant using coal or another alternate fuel, including—

"(i) options available to the applicant utility for minimizing any such impacts; and

"(ii) actions which will be taken by the applicant utility to minimize any such impacts;

"(C) a demonstration that the applicant utility's plan constitutes the most cost-effective means, based upon a comparison of the life-cycle costs of alternative conversion techniques, to achieve conversion of the subject facility to the use of coal or another alternate fuel, in compliance with all applicable laws and regulations; and

"(D) sources of and transportation plans for coal or another alternate fuel to be used in the converting facility.

"(2) Extension of time.—The Secretary may extend the dealines for submission of a notice of intention to submit a grant application, or a grant application, set forth in paragraph (1) of this section.

"(3) Verification.—The Secretary shall evaluate and, to the fullest extent practicable, verify cost estimates and other information submitted in grant applications under this section.

"(4) Comment.—The Secretary shall provide an opportunity for comment by the Governor of the State in which the subject facility is located, on any grant application submitted under this section.

"(5) Consultation with other agencies.—A copy of any grant application submitted to the Secretary under this section shall be transmitted by the Secretary to the Administrator of the Environmental Protection Agency, the Secretary of the Department of Labor, and to such other interested Federal agencies as he may deem appropriate, and the Secretary shall, to the maximum extent practicable, consult with such agencies in approving or disapproving such applications.

"(6) Approval.—The Secretary shall approve or disapprove any grant application within 180 days of its submission in accordance with the requirements of this section.

"(e) Terms and Conditions.—The Secretary in approving any grant application under this section may impose such terms and conditions as he determines appropriate to effectuate the purposes of this Act. The Secretary shall provide as a condition to the award of any grant under this section that such grant shall be accounted for by the recipient utility as reductions to the utility's ratebase associated with capital costs related to the conversion undertaken to achieve compliance with the prohibitions of section 301(d) of this Act.

"(f) Funding.—(1) In making grants pursuant to this section, the Secretary shall provide funds to any eligible utility in an amount not to exceed the lesser of—

"(A) fifty percent of such utility's qualifying capital costs, as defined in subsection (c) of this section; or

"(B) $4.00 per barrel of oil displaced on the eligible utility's system by the converting facility, as computed by the Secretary on the basis of the remaining useful life of the facility, and the discounted time-value of such fuel displacement, discounted at a rate of 10 percent per annum.

"(2) The amount of any grant under this section shall take into account other requests for grants set forth in grant applications which have been submitted in accordance with this section.

"(g) Payment.—The Secretary shall not make payment to any utility until such utility certifies that it has incurred the cost. At no time will the sum of grants to a utility exceed one-half of the qualifying capital costs incurred.

"(h) Authorization of Appropriations.—

"(1) There are hereby authorized to be appropriated in fiscal year 1982 to the Secretary such sums as may be necessary to carry out the purposes of this section, including administration, but not to exceed $3,600,000,000, which appropriation may be made available until expended.

"(2) Any appropriations to carry out this section, which have not been obligated by the Secretary in his approval of grant applications under subsection (d) of this section, shall be transferred and merged, within 180 days, with funds provided for carrying out section 604 of this Act, and should be used for purposes of such section 604.

Sec. 5. Title VI of the Powerplant and Industrial Fuel Use Act of 1978 (92 Stat. 3305) is further amended by adding new section 605 thereto, as follows:

"Sec. 605. Grants for Design and Installation of Advanced Sulfur Removal Systems for Existing Powerplants.

(a) Grant Authority.—The Secretary may, in accordance with the provisions of this section, and to the extent provided in appropriation acts, make grants, which shall not be considered as income for purposes of Federal income taxes, to any eligible utility under this section, based on an approved grant application, for the purpose of paying all or a portion of the capital costs of the design and installation of advanced sulfur removal systems for existing electric powerplants. For purposes of this section, "advanced sulfur removal systems" include systems for wet and dry scrubbing of flue gases, chemical cleaning of coal, and advanced combustion techniques designed to reduce emission.

"(b) Eligibility.—Eligibility to apply for any grant award under this section shall be limited to any electric utility seeking a grant to design and install an advanced sulfur removal system on an existing electric powerplant which is in compliance with all applicable air quality standards and requirements as of the date of enactment of this section, as determined by the Administrator of the Environmental Protection Agency. Any utility receiving assistance under section 603 of this Act with respect to an electric powerplant, shall not be eligible for assistance under this section with respect to such powerplant.

"(c) Grant Application.—

"(1) Submission and content.—The Secretary shall competitively solicit grant applications, in such form and at such time as the Secretary provides, from any eligible utility seeking a grant under this section. Any such grant application shall include engineering and capital cost estimates for design and installation of the proposed sulfur removal system.

"(2) Verification.—The Secretary shall evaluate and, to the fullest extent practicable, verify cost estimates submitted in grant applications under this section.

"(3) Environmental protection agency recommendation and certification.—A copy of any grant application submitted under this section shall be transmitted by the Secretary to the Administrator of the Environmental Protection Agency, and the Secretary shall, to the maximum extent practicable, consult with that agency in approving or disapproving any such application. Within 120 days of receipt of an application from the Secretary, the Administrator of the Environmental Protection Agency shall (A) certify to the Secretary whether or not the powerplant covered by the application is in compliance with the applicable air quality standards and requirements as required by subsection (b) of this section; and (B) provide the Secretary with a recommendation concerning approval of the application based on an evaluation of the criteria set forth in subsection (4) of this section.

"(4) Criteria for approval.—The Secretary shall approve or disapprove grant applications pursuant to this section based upon his consideration of the recommendation of the Administrator of the Environmental Protection Agency, provided under paragraph (3), and his evaluation of—

"(A) the significance of the reductions in sulfur emissions which would be achieved by December 31, 1985 by implementation of the proposed system relative to the costs of the system;

"(B) the extent to which implementation of the proposed system will offset any sulfur emissions resulting from powerplants converting to coal or another alternate fuel to comply with the prohibitions of section 301(d) of this Act in any area likely to be impacted by such conversions;

"(C) the contributions of the proposed system to the advancement of technology for the reduction of sulfur emissions from electric powerplants;

"(D) the extent to which installation of the proposed system will result in the increased use of local and regional coal resources; and

"(E) the percentage of the total capital costs proposed to be covered by grant funds under this section.

"(d) Terms and Conditions.—The Secretary in approving any grant application under this section may impose such terms and conditions as he determines appropriate to effectuate the purposes of this Act. The Secretary shall provide as a condition to the award of any grant under this section that such grant shall be accounted for by the recipient utility as a reduction to the utility's ratebase associated with capital costs related to the design and installation of any advanced sulfur removal system for which the grant is approved.

"(e) Testing and Evaluation Programs.—The Secretary shall establish appropriate testing and evaluation programs to monitor the effectiveness of systems funded under this section in achieving emission reductions and the practicability of such systems for commercial applications.

"(f) Authorization of Appropriations.—There are hereby authorized to be appropriated in fiscal year 1982 to the Secretary such sums as may be necessary to carry out the purposes of this section, including administration, but not to exceed $300,000,000 which appropriation may remain available until expended.

Sec. 6. Title VI of the Powerplant and Industrial Fuel Use Act of 1978 (92 Stat. 3305) is further amended by adding new section 606 thereto, as follows:

"Sec. 606. Grants To Accelerate Construction of Coal Preparation Facilities Capable of Reducing the Sulfur Content of Coal.—

"(a) Grant Authority.—The Secretary shall, in accordance with the provisions of this section, make grants to any eligible person under this section, based on an approved grant application, for the purpose of paying a portion of the qualifying capital costs of the construction of coal preparation facilities, which will reduce the sulfur content of coal.

"(b) Eligibility.—Eligibility to apply for grant awards under this section shall be limited to persons that propose to construct coal preparation facilities which will reduce the sulfur content of coal.

"(c) Qualifying Capital Costs.—For purposes of this section 'qualifying capital costs' means capital costs associated with the construction of a coal preparation facility, including land; necessary water rights; on-site coal storage, handling and cleaning equipment; and coal loading and on-site transportation facilities. 'Qualifying capital costs' do not include operating or maintenance costs; coal storage and handling facilities associated with normal operation of a mine; costs associated with coal mining or off-site coal transportation facilities or equipment; or costs of any mineral rights.

"(d) Grant Application.—

"(1) Submission and content.—The Secretary shall competitively solicit grant applications, in such form and at such time as he shall provide, from any eligible person seeking a grant under this section. Any such grant application shall include engineering design and capital cost estimates for construction of the proposed coal preparation facility.

"(2) Verification.—The Secretary shall evaluate and, to the fullest extent practicable, verify cost estimates submitted in grant applications under this section.

"(3) Environmental protection agency evaluation.—A copy of any grant application submitted under this section shall be transmitted by the Secretary to the Administrator of the Environmental Protection Agency, for his evaluation of the significance of any emission reductions which would result from combustion of coal prepared by any facility for which a grant is sought under this section. The Administrator shall transmit to the Secretary, within 120 days of his receipt of any such grant application, his evaluation of the significance of any such emission impacts.

"(4) Priority and Criteria for Approval.—

"(A) The Secretary shall give priority in approving grant applications to those applications which the Administrator of the Environmental Protection Agency determines are likely to result in a significant reduction in emissions from coal combustion.

"(B) The Secretary shall, based on the availability of appropriations, approve or disapprove grant applications pursuant to this section based upon his evaluation of the economic viability of the proposed facilities and his evaluation of:

"(i) the extent to which such facilities would contribute to a reduction in emissions from coal combustion, as determined by the Administrator of the Environmental Protection Agency under this section; and

"(ii) the extent to which such facilities would result in increased use of local and regional coal resources while also contributing to a reduction in emissions.

"(C) In awarding grants pursuant to this section, the Secretary shall not—

"(i) allocate to a person more than 20 percent of its qualifying capital costs under this section; and

"(ii) allocate within a single state more than 20 percent of appropriated funds.

"(e) Terms and Conditions.—The Secretary in approving any grant application under this section may impose such terms and conditions as he determines appropriate to effectuate the purposes of this Act.

"(f) Authorization of Appropriations.—There are hereby authorized to be appropriated in fiscal year 1982 to the Secretary such sums as may be necessary to carry out the purposes of this section, including administration, but not to exceed $100,000,000 which appropriation may remain available until expended.

ENFORCEMENT

Sec. 7. Subtitle C of Title VII of the Powerplant and Industrial Fuel Use Act of 1978 (92 Stat. 3305) is amended by adding new section 726 thereto, as follows:

Sec. 726. Restriction of Automatic Fuel Cost Adjustments.

"(a) Any utility owning or operating a powerplant subject to the prohibitions of section 301(d) of this Act that is not in compliance with such prohibitions on December 31, 1985 shall thereafter not be permitted to recover fuel costs for such powerplant automatically through an automatic adjustment clause; except that, a powerplant which is under a final order granting an exemption from such prohibitions on December 31, 1985, shall not be subject to this restriction for the duration of such exemption.

"(b) The Secretary may waive this restriction, in whole or in part, whenever he determines that a utility's failure to comply results from factors beyond its control.

"(c) For purposes of this section, the term "automatic adjustment clause" means a provision of a rate schedule which provides for increases or decreases (or both), without prior hearing, in rates reflecting increases or decreases (or both) in fuel costs incurred by an electric utility. Such term does not include an interim rate which takes effect subject to a later determination of the appropriate amount of the rate."

TECHNICAL AND CONFORMING AMENDMENTS

Sec. 8. (a) Administrative Procedures. Subsection (c) of section 701 of the Powerplant and Industrial Fuel Use Act of 1978 (92 Stat. 3305) is amended by—

(1) inserting a new phrase at the end of the first sentence in paragraph (1), as follows: ". . . shall by rule prescribe; except that any petition for an exemption from the prohibitions of section 301(d) of this Act must be filed with the Secretary no later than the effective date of the prohibitions contained in that section . . ."; and

(2) inserting a new phrase in the first sentence of paragraph (3), as follows: "The Secretary, within 6 months after the period for public comment and hearing applicable to any petition for an exemption or permit, except as provided in paragraph (5), shall issue a final order granting or denying the petition for such exemption or permit, except that the Secretary may extend such period to a specified date if he publishes notice thereof in the Federal Register and includes with such notice a statement of the reasons for such extension;"

(3) adding new paragraph (5) thereto, as follows:

"(5) In the case of any petition for an exemption from the prohibitions of section 301(d) of this Act, the Secretary, within a period of 180 days after such filing, shall issue a final order granting or denying the petition for exemption, except that the Secretary may extend such period to a specified date if he publishes notice thereof in the Federal Register and includes with such notice a statement of the reasons for such extension. Application of the prohibitions of section 301(d) to any powerplant which is the subject of such a petition shall be stayed during the period commencing with filing of the petition and terminating with issuance of a final order granting or denying the petition."

(b) Coordination With Other Provisions of Law.

(1) Section 501 of the Powerplant and Industrial Fuel Use Act of 1978 (92 Stat. 3305) is amended by deleting the first sentence of subsection (a), and substituting the following therefor: "(a) General Rule.—Existing electric powerplants owned or operated by an electric utility shall be considered in compliance with any prohibition under title III, except for prohibitions under section 301(d) of that title, if there is in effect a plan of system compliance for such utility approved by the Secretary under subsection (b)."

(2) Section 762 of the Powerplant and Industrial Fuel Use Act of 1978 (92 Stat. 3305) is amended by adding the following phrase at the beginning of the first sentence of subsection (b): "With the exception of powerplants subject to the prohibitions of section 301(d) . . ."

(3) Section 762 of the Powerplant and Industrial Fuel Use Act (92 Stat. 3305) is amended by adding a new subsection (e) thereto, as follows:

"(e) Facilities Subject To Section 301(d) Prohibitions.—The authority of the Secretary to make effective—(A) prohibition order under section 2(a) of the Energy Supply and Environmental Coordination Act of 1974, which is pending on the effective date of this subsection; or (B) any proposed prohibition order under section 301(b) of this Act, which is pending on the effective date of this subsection, issued to any facility that is subject to the prohibitions of section 301(d) of this Act, shall terminate on the effective date of this section.

TITLE III—VOLUNTARY FUELS DISPLACEMENT PROGRAM

Sec. 9. Title VI of the "Powerplant and Industrial Fuel Use Act of 1978" (92 Stat. 3305) is further amended by inserting the following new section.

"Sec. 604. Financial Assistance To Achieve Additional Reduction of Utility Use of Petroleum and Natural Gas.

"(a) Authority To Provide Financial Assistance.—

"The Secretary may in accordance with the provisions of this section and such rules and regulations as the Secretary may prescribe, provide financial assistance to any qualifying electric utility to achieve reductions in the use of petroleum and natural gas as the primary energy source in electric powerplants.

"(b) Procedures and Requirements for Submission of Fuel Displacement Plans.—

"(1) Determination of Base Period Usage.

"(A) Within 180 days after enactment of this section, any electric utility that intends to seek financial assistance under this section shall petition the Secretary for a determination with respect to the utility's base period usage of petroleum and natural gas.

"(B) As soon as practicable after a petition is filed pursuant to subparagraph (A) of this subsection, the Secretary shall publish in the Federal Register an interim determination of base period usage. Such publication shall be accompanied by a statement of the basis and reasons for such proposed determination. A minimum of 30 days following such publication shall be provided for an opportunity to provide written comment prior to issuing a final determination.

"(C) As soon as practicable after consideration of all appropriate data, information and written comment, the Secretary shall issue a final determination with respect to the utility's base period usage of petroleum and natural gas. Such final determination shall be made solely to provide the financial assistance authorized under this section.

"(2) Fuel Displacement Plans.

"Each utility that seeks financial assistance under this section shall prepare and submit a fuel displacement plan in accordance with the requirements of this subsection and any rules prescribed hereunder. Each fuel displacement shall contain a petroleum and natural gas fuel displacement target established on an annual basis by the utility that is below its base period usage, as determined by the Secretary in accordance with subparagraph (1) of this subsection, and that the utility commits itself to achieve by the end of the calendar year 1990 and maintain thereafter.

The plan shall include—

"(A) an identification of all powerplants owned or operated by the utility, and the type and quantity of fuel currently used by each powerplant;

"(B) a 15-year forecast of demand for electricity on the utility system which includes (i) estimates of anticipated energy savings through energy conservation programs, and (ii) identification of the principal economic, demographic, and technological assumptions upon which the forecast was made;

"(C) a 15-year forecast of anticipated modifications to the utility system that will be made to meet the 1990 fuel displacement target established by the utility, including—

"(i) fuel use by major fuel type for each generating unit in the system; and

"(ii) planned capital investments and related financial measures which will assure a safe and reliable power supply consistent with applicable environmental requirements;

"(D) a 15-year financial plan that contains a description of the financial measures proposed to secure the investments identified in subparagraph (C) of this subsection;

"(E) a commitment to achieve and to maintain the utility's 1990 petroleum and natural gas fuel displacement target;

"(F) a compliance schedule that provides a reasonable means for evaluating annual progress toward achievement of the 1990 petroleum and natural gas fuel displacement target;

"(G) an assessment of the financial feasibility, environmental impacts, and cost-effectiveness of reasonable alternatives to the use of petroleum and natural gas, including renewable energy resources and energy conservation programs;

"(H) a demonstration that the selected alternative is the most cost-effective means to displace petroleum and natural gas, or if a less cost-effective alternative was selected, a statement describing the reasons for such selection;

"(I) identification and schedule of actions by all agencies of Federal, State or local government needed to implement the fuel displacement plan;

"(3) Joint Fuel Displacement Plans.

"Two or more electric utilities or an electric utility and any non-utility supplier of electricity, including cogenerators, may submit a joint fuel displacement plan and the Secretary may approve a joint plan if the Secretary finds that the plan meets the requirements for a fuel displacement plan and is otherwise in accordance with any rules that the Secretary may establish.

"(c) Review and Approval of Fuel Displacement Plans.

"(1) Any electric utility that seeks financial assistance under this section shall submit a fuel displacement plan simultaneously to the Secretary and to the Governor of the State in which the utility is located within one year after the Secretary issues a final determination with respect to the utility's base period usage under subparagraph (b) (1) (C) of this section. No fuel displacement plan submitted by an electric utility shall be approved by the Secretary unless, within one year of submission of the plan to the Governor—

"(i) The Governor has requested and considered the views of each state and local agency responsible for taking any action necessary to implement the fuel displacement plan;

"(ii) The Governor has determined that the plan:

"(I) Includes all the elements identified in subparagraph (b) (1) of this section;

"(II) Is likely to result in the utility meeting and maintaining the 1990 petroleum and natural gas fuel displacement target established in the plan; and

"(III) Constitutes a cost-effective and practicable approach to meeting the 1990 petroleum and natural gas fuel displacement target established in the plan; and, if the utility did not choose the most cost-effective fuel displacement alternative, that the alternative chosen is based on valid considerations;

"(iii) The plan has been approved by any state agencies designated by the Governor to review and approve the plan;

"(iv) An opportunity for a public hearing on the merits of the plan has been provided by at least one state agency in accordance with the requirements of this section;

"(v) The Governor has received and considered a determination regarding the financial feasibility of the proposed fuel displacement plan by the state agency which has ratemaking authority with respect to the sale of electric energy by the utility submitting the plan in accordance with subparagraph (4) of this paragraph.

"(3) Any decision by the Governor to approve a proposed fuel displacement plan submitted by an electric utility shall be based upon consideration of the public hearing record, as well as any other relevant data and information, and shall include a detailed written statement of the reasons for such decision. This statement shall be transmitted to the Secretary, together with the entire hearing record and any other data and information upon which such approval is based.

"(4) With respect to each State regulated electric utility that submits a fuel displacement plan, each State agency with ratemaking authority with respect to the sale of electric energy by that utility shall make a written determination as to the financial feasibility of each plan. In making such a determination, the State regulatory authority shall at a minimum consider—

"(A) the adequacy of the utility's cash earnings over the duration of the fuel displacement plan to allow timely issuance of new debt needed to finance the investments contemplated in the plan. Adequacy of cash earnings shall be addressed relative to indenture requirements for interest coverage and any other factors deemed appropriate by the regulatory authority; and

"(B) the need, if any, for regulatory or legislative action to ensure the adequacy of the utility's cash earnings as determined under subparagraph (A) of this paragraph including adoption of—

"(i) accelerated depreciation of oil and gas-fired generating facilities that cannot be converted economically to use alternate fuels;

"(ii) construction work in progress (CWIP) in the utility's rate base; and

"(iii) any other measures that may provide the utility cash earnings needed to achieve the fuel displacement targets set forth in the plan; and

"(C) the cost and benefits to current and future ratepayers of this program.

"(5) The Secretary may provide funds appropriated for carrying out this section to any electric utility which has submitted to the Secretary a fuel displacement plan for final approval within 32 months after enactment of this section, if the Secretary determines that the plan—

"(A) is prepared and submitted in accordance with this section and applicable rules;

"(B) has been reviewed and approved in accordance with paragraphs (1) through (4) of this subsection; and

"(C) is likely upon implementation to achieve the fuel displacement target established in the plan.

Any approval of a fuel displacement plan by the Secretary shall be on such terms and conditions as the Secretary deems appropriate for successful implementation of the plan.

"(d) Determination of the Need for Power.—

Only to the extent necessary to satisfy the requirements of subsection (b), inclusion of all or part of a new facility in a fuel displacement plan that is approved by the Secretary for displacing petroleum and natural gas use by an electric utiilty shall satisfy any requirement for a determination of need for power otherwise required for the purposes of any State or local law.

"(e) Eligibility.—

"(1) As soon as practicable after the Secretary issues a final determination with respect to each participating electric utility's base period usage of petroleum and natural gas pursuant to subsection (b) of this section, the Secretary shall establish eligibility for initial grants.

The amount of funds for which each utility is eligible shall be based upon the percentage of each electric utility's base period usage of petroleum and natural gas as compared to base period usage by all utilities as determined by the Secretary, discounted for any estimated fuel displacement that shall be achieved under section 301(d) of the Act.

"(2) Financial assistance authorized under this section shall be awarded in a manner commensurate with each eligible electric utility's percentage share of a total 1990 petroleum and natural gas fuel displacement target of 600,000 barrels per day, and shall not exceed $10,000 per barrel per day of fuel displacement.

"(3) Any funds provided for in this section that are not awarded under paragraph (2) of this subsection to an electric utility, and any funds appropriated under section 603 of the Act that have not been awarded in accordance with subsection (h) of such section, shall be distributed up to $10,000 per barrel per day of fuel displacement, according to the amount, if any, by which an eligible utility's planned displacement exceeds its percentage share of total displacement as determined by the Secretary.

"(4) Subject to the availability of appropriations, grants under this section shall be provided in five equal annual installments subsequent to the approval of the fuel displacement.

"(f) Administrative Provisions; Refund for Failure To Achieve Displacement Target.—

"(1) In the event the Secretary determines that an electric utility has failed to achieve or maintain the 1990 petroleum and natural gas fuel displacement target established in its fuel displacement plan, the Secretary may require the utility to refund to the United States Treasury all or part of the Federal financial assistance received under this section, including interest as determined by the Secretary in consultation with the Secretary of the Treasury. The Secretary shall afford reasonable notice and opportunity for comment by the utility prior to making any such determination. Any refund directed by the Secretary shall be made by the utility within 180 days after receipt of written notification of the Secretary's determination.

"(2) Any funds provided under this section shall be accounted for by the recipient utility as reductions to the utility's rate base associated with capital costs required to achieve the utility's fuel displacement target, except in those cases where the funds are used by a third party cogenerator, or other third party.

"(3) Funds made available to electric utilities under this section shall not be considered as income for the purposes of Federal income taxes.

"(g) Annual Reports to the Secretary.—

"(1) Any electric utility receiving assistance under this section shall upon each anniversary of approval of the fuel displacement plan report to the Secretary on the utility's progress toward achieving the fuel displacement target established in the plan. Annual reports shall include a description of any changes in the underlying assumptions and forecasts upon which the plan submitted under this section was based and any necessary modifications to the plan made in response to such changes. Annual reports shall not be required after the utility has achieved its 1990 fuel displacement target.

"(2) The Secretary may, after affording reasonable notice and opportunity to comment to the utility, suspend payment of funds in whole or in part to any utility that is failing to make satisfactory progress toward achievement of the fuel displacement target. The Secretary shall resume payments under this section upon a satisfactory demonstration that the utility's fuel displacement target will be achieved in a timely manner.

"(h) GRANTS FOR OFFICES OF CONSUMER SERVICES.—

"(1) The Secretary may provide $10 million of funds provided for under this section for the operation of offices of consumer services or for the establishment and operation of such offices to assist consumers in their presentations before state agencies in matters directly related to the development and review of fuel displacement plans filed pursuant to this section. Assistance provided under this subsection shall be provided only to an agency of State government designated by the Governor to represent consumer interests, which is operated independently of the utility regulatory commission and which is empowered to—

"(A) make general factual assessments of the impact of proposed utility expenditures, rate structures, tariff provisions and other proposed regulatory actions upon all affected consumers;

"(B) assist consumers in the presentation of their views before utility regulatory commissions or other designated State agencies; and

"(C) advocate, on its own behalf, a position which it determines represents the position most advantageous to consumers.

"(2) Grants provided under paragraph (1) of this subsection shall be made only to agencies of State government which furnish such assurances as the Secretary may require that funds made available under this subsection will be in addition to, and not in substitution for, funds made available to offices of consumer services from other sources.

"(i) REPORT TO CONGRESS.—

"The Secretary shall annually report to Congress with respect to progress toward reducing consumption of petroluem and natural gas by electric utilities and shall include such recommendations regarding any further action that the Secretary determines to be needed.

"(j) AUTHORIZATION OF APPROPRIATIONS.—

"(1) There are hereby authorized to be appropriated in fiscal year 1982 to the Secretary such sums as may be necessary to carry out the purposes of this section, including administration, but not to exceed $6,000,000 which appropriation may remain available until expended.

"(2) Of the amount appropriated, the Secretary may reserve a sum of not to exceed $40,000,000 of the grant moneys authorized in this subsection for distribution by the Secretary to agencies of State Government designated by the Governor with responsibility for review and approval of fuel displacement plans, and a sum of $10,000,000 of the grant moneys authorized in this subsection for distribution by the Secretary, for the establishment and/or operation of State offices of consumer services, as provided in this section.

"(k) DEFINITIONS.—

As used in this section—

"(1) The term 'base period usage' means the annual average use of petroleum and natural gas equivalent by an electric utility during the calendar years 1974 through 1978 for steam based and non-steam based power generation, as determined by the Secretary, including adjustments for any powerplant that came into service after January 1, 1974 and for which construction or acquisition began before November 9, 1978.

"(2) The terms 'electric utility' and 'utility' mean any person that produces and sells electric power in the United States.

"(3) The term 'energy conservation program' means any program which will:

"(A) reduce overall demand for electricity; or

"(B) shift demand for electricity in a manner that contributes to more efficient production of electricity, including reduced use of petroleum and natural gas.

"(4) The term 'facility' means any equipment used for the purpose of generating, transmitting or storing electricity.

"(5) The term 'public hearing' means in the case of a State agency approving or disapproving a fuel displacement plan under this section, a proceeding that, at a minimum—

"(A) provides public notice of the proposed State action on a plan;

"(B) is open to the public;

"(C) includes reasonable notice to participants;

"(D) provides for availability to public inspection of proposed State action on a plan, including reasonable access to information used to develop and support the plan;

"(E) provides an opportunity for participants to present written questions and statements and oral statements concerning a plan; and

"(F) provides for the preparation of a verbatim transcript.

"(6) The term 'State regulated electric utility' means any electric utility for which a State agency has ratemaking authority with respect to the sale of electric energy."

TITLE IV—MANDATORY STUDY

SEC. 10. Title VII of the "Powerplant and Industrial Fuel Use Act of 1978" is amended by inserting the following new section.

"SEC. 748. MANDATORY FUEL DISPLACEMENT STUDY.

"(1) Within one year after enactment of this section, any electric utility that consumed 250,000 barrels or more of petroleum or natural gas equivalent on annual average during the calendar years 1974 through 1978 shall submit to the Secretary and appropriate State regulatory authorities a fuel displacement study. Such studies may be filed jointly by two or more electric utilities.

"(2) Each fuel displacement study shall contain—

"(A) A 15-year forecast of the estimated cost of continued use of petroleum and natural gas by the utility.

"(B) A 15-year forecast of the total estimated cost of system-wide conversion of existing facilities to coal or another alternate fuel, construction of new facilities that consume alternate fuels, or implementation of energy conservation programs, and an identification of the most cost effective combination of such alternatives; and

"(C) A comparison of the relative costs to ratepayers of each alternative.

"(3) The Secretary shall invite comments with respect to each fuel displacement study from appropriate State regulatory authorities.

"(4) Before April 1, 1982, the Secretary shall submit a comprehensive report to Congress with respect to the results of the fuel displacement studies submitted under this section. The report shall include any information and recommendations that the Secretary determines to be appropriate to encourage reduction of petroleum and natural gas consumption by electric utilities."

TITLE V—OTHER FUNDING PROVISIONS

SEC. 11. Funds authorized for appropriation to administer this Act are contained in the appropriations authorized under sections 4, 5, 6 and 9 of this Act, and shall not exceed $15,000,000 per year, and a total of $78,000,000.

SEC. 12. Notwithstanding any limitation of the funds authorized for appropriation in sections 4, 5, 6 and 9 of this Act to fiscal year 1982, a total of $1,000,000 of such funds is authorized for appropriation in fiscal year 1980 and a total of $25,000,000 of such funds is authorized for appropriation in fiscal year 1981.

TITLE VI—OTHER CONFORMING AMENDMENTS

SEC. 13. Section 101(b) of Title I of the Powerplant and Industrial Fuel Use Act of 1978 (92 Stat. 3305) is amended by:

(1) inserting after "Sec. 602. Loans to assist powerplant acquisitions of air pollution control equipment," the following:

"SEC. 603. Grants to assist certain powerplants in achieving compliance.

"SEC. 604. Financial assistance to achieve additional reduction of utility use of petroleum and natural gas.

"SEC. 605. Grants for design and installation of advanced sulfur removal system for existing powerplants.

"SEC. 606. Grants to accelerate construction of coal preparation facilities capable of reducing the sulfur content of coal";

(2) inserting after "Sec. 725. Citizen suits", the following:

"SEC. 726. Restriction of automatic fuel cost adjustments"; and

(3) inserting after "Sec. 747. Use of petroleum and natural gas in combustors", the following:

"SEC. 748. Mandatory fuel displacement study."

SPECIFICATIONS FOR LEGISLATION TO REDUCE USE OF OIL AND GAS IN THE ELECTRIC UTILITY SECTOR

OBJECTIVE

The Administration has established objective of displacing by 1990, 1 million barrels per day equivalent of oil and natural gas in the electric utlity sector. This proposed legislation would meet this target by establishing a two-phase program designed to achieve the displacement of 750,000 barrels of oil per day and the natural gas equivalent of 250,000 barrels of oil per day by 1990 through provision of Federal financial assistance and streamlining of certain regulatory requirements.

PHASE I

Phase I would be adopted as an amendment to the Powerplant and Industrial Fuel Use Act of 1978 (FUA).

Purposes

(1) Accomplish a greater number of powerplant conversions, and an earlier timeframe than achievable under current law.

(2) Achieve displacement of an estimated 400,000 barrels of oil per day in 1985, through mandated prohibition of oil burning by existing powerplants initially listed in the legislation (approximately 21,000 megawatts of generation), coupled with substantial Federal financial assistance.

(3) Achieve significant economic savings for utility ratepayers by 1985 for every barrel of oil displaced.

(4) Achieve long-term savings for the Nation by reducing oil imports resulting in reductions in the Nation's balance of payments deficit and domestic inflation rate, and substantial national security benefits.

1. Statutory prohibition of use of oil by electric powerplants.

(a) Statutory List.

FUA would be amended to include a prohibition against the use of oil in electric powerplants listed in the statute. Prohibitions would be effective 90 days after enactment, unless an exemption request is filed within that time.

Affected powerplants are set forth on the attached list, which includes 107 powerplants at 50 generating stations, representing a total of about 21,000 megawatts. These plants were selected on the basis of size, remaining useful life, and feasibility of conversion to coal and other alternate fuels.

Designated powerplants include facilities which have received prohibition orders under the Energy Supply and Environmental Coordination Act (ESECA), proposed prohibition orders under FUA; as well as other coal or other alternate fuel capable powerplants.

(b) Exemptions.

Utilities which require time to achieve compliance with statutory prohibitions could petition the Secretary of Energy for any of the temporary exemptions already contained in Title III of FUA. Utilities who believe they will be unable to comply with the statutory prohibitions may seek any of the permanent exemptions now contained in Title III of FUA.

Utilities would be required to file any exemption petitions within 90 days of enactment. The Secretary of Energy would be required to grant or deny such petitions within 180 days of filing (with provision for extension by the Secretary).

The statutory prohibitions would be stayed, pending the Secretary's decision on any exemption petition.

2. Grants to assist eligible utilities in converting to coal or other alternate fuels.

(a) Appropriations.—Congress would authorize an appropriation of $3.6 billion (of which $10 million would be for program administration) for grants to be made by the Department of Energy (DOE) to cover eligible capital costs associated with converting a powerplant subject to a statutory prohibition to coal or other alternate fuel. Any Phase I funds that are not granted to converting utilities, within the time frame of grant awards established by rule would revert to the Phase II.

(b) Authority to award grants.—DOE would be authorized to disburse funds in the form of grants to any eligible utility for the purpose of assisting such utility in meeting qualifying capital costs of conversions undertaken to comply with statutory prohibitions.

(c) *Eligibility.*—Electric utilities that own or operate powerplants subject to statutory prohibitions and seek to comply with those prohibitions by converting such powerplants to coal or other alternate fuels would be eligible for grants. Utilities which seek to comply by retiring a powerplant could not obtain grants under Phase I but could use the resultant reduction for oil or gas as part of a qualifying reduction eligible for Phase II grant assistance through an approved fuel displacement plan.

(d) *Qualifying costs.*—Costs qualifying for Phase I grants would be limited to capital costs that are incurred by eligible utilities after November 9, 1978 (date of FUA enactment) for the purpose of converting powerplants subject to statutory prohibitions to coal or other alternate fuels. These costs would include such items as boiler modifications, on-site fuel transportation facilities, storage and handling equipment, and capital costs required to comply with air pollution control and other applicable environmental requirements. Operating, maintenance and fuel costs would not be eligible for grants under Phase I.

(e) *Grant application.*

Submission and content.—Any eligible utility seeking Phase I grants would be required to submit to the Secretary, and transmit to the Governor of the State in which the affected powerplant is located, a grant application in a form satisfactory to and at a time specified by rule by the Secretary. Each application would include (i) detailed engineering design and cost estimates for each conversion; (ii) an evaluation of environmental impacts of converting and operating the plant; available options for minimizing such impacts; and measures proposed for this purpose; and (iii) a demonstration that the proposed conversion plan is the most economic method for achieving the conversion.

Verification.—DOE would be obliged to evaluate and to the greatest extent practicable verify cost estimates and other information submitted in grant applications.

Comments and consultation

DOE would be required to consider any comments by the Governor of his designee with respect to each grant application involving a powerplant located in his state.

DOE would be obliged to consult with the Administration of the Environmental Protection Agency and other interested Federal agencies prior to approving any grant application.

Approval

DOE would be required to approve or disapprove any grant application within 6 months of its submission. This mandatory time period would promote the purposes of Phase I by assuring an expeditious process for granting needed funds to eligible facilities.

Funds would be awarded on such terms and conditions as the Secretary deems appropriate to effectuate the purposes of Phase I.

Treatment of funds

Funds under Phase I would be required to be accounted for by the recipient utility as reductions to the utility's ratebase associated with capital costs related to the conversion undertaken to comply with a statuory prohibition.

Grants awarded to utilities under Phase I would not be considered as income for the purposes of Federal income taxes.

Grant award and disbursement

Grants would be awarded by the Secretary in the order in which grant applications are approved. The total of qualifying capital costs for all eligible utilities would not exceed available appropriations. Grant awards for conversion of any facility shall not exceed the lesser of 50 percent of qualifying capital costs or $4 per barrel of oil displaced by the converting facility, computed on the basis of the remaining useful life of each converting plant, and the discounted time-value of associated savings. Funds would be disbursed in three equal annual installments.

3. Enforcement of statutory prohibitions.

(a) Automatic fuel adjustment clause.

Any utility owning or operating a powerplant subject to a statutory prohibition that is not in compliance with such prohibitions on December 31, 1985, would thereafter not be permitted to automatically recover fuel costs of oil for such powerplant through an automatic adjustment clause (or defined in Section 115(e)(3) of the Public Utility Regulatory Policies Act of 1978). A utility precluded from utilizing an automatic adjustment clause would be able to seek recovery of fuel costs through a regular rate filing.

The Secretary would be authorized to waive this restriction, in whole or in part, whenever he determines that a utility's failure to comply with a statutory prohibition results from factors beyond its control.

4. Coordination with existing authorities.

To clarify the status of facilities already subject to full or partial oil prohibitions under existing authorities, powerplants identified as prohibited in the statute would be deemed to be in compliance with the prohibitions of Title III of FUA. In addition, it would be unnecessary to continue the time consuming process of making effective prohibition orders under ESECA and proposed prohibition orders FUA, insofar as they pertained to facilities covered under Phase I, and these orders would be rescinded by administrative action.

5. Advanced sulphur dioxide removal systems to increase coal utilization and offset sulphur emissions associated with Phase I conversions.

(a) Congress would authorize an appropriation of $300,000,000 for use by DOE in providing grants to assist utilities in the design and installation of advanced sulphur dioxide removal systems at existing coal-burning powerplants.

(b) Only facilities in compliance with applicable air pollution control requirements on the date of enactment would be eligible for funds.

(c) The Secretary would be authorized to make grant awards through a competitive selection process based on a consideration of:

(1) The extent to which the proposed system would significantly reduce sulphur dioxide emissions below existing levels by 31 December 1985.

(2) The location of the facility relative to plants converting to coal under Phase I of this program so as to assist in offsetting any increased emissions which might result from such conversions.

(3) The contributions of the system to advancing the state-of-the-art of desulphurization technology applicable to existing sources.

(4) The contribution of the system towards increasing the marketability of underutilized local and regional coal resources.

(5) The recommendations of the Administration of the Environmental Protection Agency.

Advanced systems eligible for grant assistance under this program would include technologies capable of reducing the sulphur dioxide emissions of existing coal-fired powerplants through such techniques as wet and dry scrubbing of flue gases (i.e. scrubbers) and chemical cleaning and refining of coal. Advanced combustion techniques which could result in reduced emissions from existing coal-fired powerplants would also be eligible.

The Secretary would be authorized to enter into cost-sharing arrangements with utilities submitting acceptable proposals through a competitive solicitation. The Secretary would be required to establish appropriate testing and evaluation programs to monitor system effectiveness in achieving emission reductions and transferring the results of these demonstrations to commercial applications.

6. Financial assistance program for coal preparation plants to increase coal use and offset sulphur emissions from phase I conversions.

To accelerate the construction and operation of demonstration and commercial-scale facilities capable of reducing the sulphur content of raw coal. Title VI of FUA would be amended by adding a new section to provide as follows:

(a) Congress would authorize the appropriation of $100 million for grant awards to assist in the construction and operation of coal cleaning and preparation facilities.

(b) The cumulative amount of all grant awards to facilities within a single State may not exceed 20 percent of appropriated funds.

(c) In awarding grants under this program the Secretary will assign priority to those projects which:

(1) Are likely to result in a reduction of emissions from coal combustion as determined by the Administrator of the Environmental Protection Agency.

(2) Demonstrate advanced or more efficient coal cleaning and preparation technologies.

(3) Increase utilization of local and regional coal resources while also contributing to a reduction in emissions.

(d) The Secretary shall consider the financial viability of the overall project prior to making any grant awards for coal cleaning and preparation facilities under this program.

LIST FOR GENERAL PROHIBITION

[Capacity in megawatts]

DOE region: State: Company: Station	Units	Nameplate capacity	In service (year)
REGION I			
Connecticut:			
Connecticut Light & Power (Northeast Utilities):			
Devon	7	104	1956
	8	104	1958
Montville	5	75	1954
Norwalk Harbor	1	163	1960
	2	163	1963
Hartford Electric (Northeast Utilities): Middletown	1	69	1954
	2	114	1958
	3	239	1964
United Illuminating: Bridgeport Harbor	3	400	1968
Maine: Central Maine Power: Mason	3	33	1952
	4	33	1952
	5	33	1955
Massachusetts:			
Boston Edison: Mystic	4	125	1957
	5	156	1959
	6	156	1961
Canal Electric (New England Gas & Electric): Canal	1	543	1968
Holyoke Water Power (Northeast Utilities): Mount Tom	1	136	1960
Montaup Electric (Eastern Utilities): Somerset	6	125	1959
New England Power (New England Electric):			
Brayton Point	1	241	1963
	2	241	1964
	3	643	1969
Salem Habor	1	82	1952
	2	82	1952
	3	170	1958
Western Massachusetts Electric (Northeast Utilities): West Springfield	3	114	1957
New Hampshire: Public Service of New Hampshire: Schiller	4	50	1952
	5	50	1955
	6	50	1957
Rhode Island: Narragansett Electric (New England Electric: South Street	12	62	1955
REGION II			
New Jersey:			
Atlantic City Electric: Deepwater	5	23	1942
	6	75	1954
	7	23	1957
Jersey Central Power (General Public Utilities): Sayreville	5	125	1958
Public Service Electric & Gas:			
Bergen	1	325	1959
	2	325	1960
Burlington	7	195	1955
Hudson	1	455	1964
Kearney	7	142	1953
	8	146	1953
New York:			
Central Hudson Gas & Electric: Danskammer	1	72	1951
	2	73	1954
	3	147	1959
	4	239	1967
Consolidated Edison:			
Arthur Kill	2	376	1959
	3	535	1969
Ravenswood	3	1,028	1965
Long Island Lighting Co.:			
E. F. Barrett	1	188	1956
	2	188	1963
Northport	1	387	1967
	2	387	1968
	3	387	1972
	4	387	1977
Port Jefferson	1	45	1948
	2	46	1950
	3	188	1958
	4	188	1960
Niagara Mohawk Power:			
Albany	1	100	1952
	2	100	1952
	3	100	1952
	4	100	1954
Oswego	3	92	1948
	4	100	1951
Orange & Rockland: Lovett	3	69	1955
	4	197	1966
	5	202	1969
REGION III			
Delaware: Delmarva Power & Light: Edge Moor	1	70	1951
	2	70	1951
	3	75	1954
	4	177	1966
Maryland: Baltimore Gas & Electric:			
Brandon Shores	1	610	1982
	2	610	1984
C. P. Crane	1	190	1961
	2	209	1963
Riverside	4	72	1951
	5	81	1953
H. A. Wagner	1	132	1956
	2	136	1959
Pennsylvania:			
Philadelphia Electric:			
Cromby	2	230	1955
Schuykill	1	190	1958
West Pennsylvania Power (Allegheny Power): Springdale	8	141	1954
Virginia: Virginia Electric & Power:			
Chesterfield	3	113	1952
	4	188	1960
	5	359	1964
	6	694	1969
Portsmouth	1	113	1953
	2	113	1954
	3	185	1959
	4	239	1962
Possom Point	3	114	1955
	4	239	1962
Yorktown	1	188	1957
	2	188	1959
REGION IV			
Florida: Tampa Electric: F. J. Gannon	1	125	1957
	2	125	1958
	3	179	1960
	4	187	1963
Georgia:			
Georgia Power Co. (Southern Co.): McManus	1	40	1952
	2	75	1959
Savannah Electric: Effingham	1	163	1979
REGION V			
Illinois: Commonwealth Edison: Collins	4	520	1978
	5	520	1979
Michigan: Detroit Edison:			
River Rouge	1	283	1956
St. Clair	5	358	1959
REGION VI			
Arkansas; Arkansas Power & Light (Mid South Utilities):			
Ham Moses	1	69	1951
	2	69	1951
Ritchie	1	359	1961
	2	545	1968
Total (megawatts)		21,654	

Note: Estimated oil displacement equals 400,000 bbl/d.

PHASE II

Purpose

The purpose of Phase II is to promote the timely and cost-effective displacement of oil and natural gas in steam electric powerplants not capable of conversion to coal or alternative fuels. A principal objective of Phase II is to encourage conservation for reducing oil and gas use, and to encourage utilities to choose the most cost-effective means available for reducing their consumption of oil and gas. Phase II would be an amendment to Title VI of FUA and would contain the following provisions:

A. Authority to provide financial assistance.

The Secretary would be authorized to provide grants to any qualifying electric utility to achieve reductions in the utility's use of petroleum or natural gas as fuels for the generation of electricity. These grants would be used by the utility in a comprehensive program of oil and gas replacement including construction or acquisition of electric power generation or transmission facilities or implementation of energy conservation and renewable resource programs. In addition, assistance could be provided to third-party cogenerators and other nonutility entities that are elements of an approved electric utility fuel displacement plan.

B. Requirements for utilities to submit fuel displacement plans.

1. Within 180 days after enactment, the Secretary would be required to promulgate rules governing the content and submission of fuel displacement plans. These rules would include a determination of base period for formulation of utility targets. These usage levels would be based on 1974–78 average usage, unless adjusted by the Secretary to effectuate the displacement objectives of the program.

The Secretary could only provide grants to electric utilities having a fuel displacement plan approved in accordance with this section. Utilities would be required to submit plans to the Secretary no later than December 31, 1981.

2. The utility would be required to include in its fuel displacement plan a petroleum and natural gas consumption target that is below the utility's base period usage. In its Fuel Displacement Plan the utility must demonstrate how this target would be achieved by the end of the calendar year 1990. In addition, the plan would be required to contain the following information:

(1) Identification of all powerplants owned or operated by the utility and the type and quantity of fuel used by each powerplant identified;

(2) A 15-year forecast of demand for electricity which includes

(i) estimates of anticipated energy savings through energy conservation programs, and

(ii) identification of the principal economic, demographic and technological assumptions upon which the forecast was made;

3. A 15-year forecast of system expansion

made to meet established fuel displacement targets, including—

(A) fuel use by major fuel type; and

(B) planned capital investments to meet forecast demand with respect to

(i) modification to existing facilities,

(ii) new facilities, and

(iii) energy conservation;

4. A 15-year financial plan that contains a description of the financial mechanism proposed to secure the investments identified in subparagraph (2);

5. A commitment by the utility to achieve a net reduction in consumption of petroleum and natural gas to some level below the base period (1974–78) average. Such commitment would establish a voluntary oil and gas displacement target that the utility would be required to meet by 1990 and maintain thereafter, as a condition of Phase II grant assistance;

6. A description of the investment program that will enable the utility to meet the displacement target at the lowest practicable cost consistent with assuring safe and reliable power supply and meeting all applicable environmental regulations;

7. Annual milestones that provide a means to determine independently whether commitments contained in the plan are being met on an annual basis;

8. Assessments of—

(i) the financial feasibility;

(ii) environmental impacts; and

(iii) cost-effectiveness of reasonable alternatives to the use of petroleum and natural gas, including renewable energy resources and energy conservation programs;

9. Demonstration that a selected alternate is the most cost-effective means to displace petroleum and natural gas, or if a less cost-effective alternative is selected, a statement describing the reasons for such selection;

10. Identification of and estimated schedule of actions by all relevant government regulatory agencies needed to permit the utility to implement the fuel displacement plan;

11. Identification of any changes in Federal, State or local laws or regulations that may be needed to permit the utility to implement the fuel displacement plan.

C. Review of fuel displacement plan.

Each fuel displacement plan would be submitted by the utility to the Secretary and Governor of each State in which it operates;

State action:

1. The Governor or any State agency or agencies designated by the Governor would be required to approve or disapprove a fuel displacement plan within one year of its submission;

2. Prior to any final State action, the State would be required to afford an opportunity for public hearing regarding the merits of the fuel displacement plan. Public hearings must include at least the following elements. Public notice of proposed certification of the plan must be given in advance of the hearing. Once the notice is issued, the complete plan and supporting documentation must be made available for public inspection. The reviewing agency must provide for reasonable access to all data and information used to develop and support the plan. The hearing on the merits of the plan must be open to the public and include opportunities to submit written questions, written statements and relevant data concerning the plan and alternatives. The hearing must also afford concerned parties with an opportunity to make oral presentations. A transcript shall be kept and become part of the hearing record. The agency's decision shall take into consideration the complete record.

3. The Governor or designated agency must provide a written statement of the reasons for any decision to approve or disapprove a proposed plan. No proposed fuel displacement plan could be approved unless the state authorities—

(a) determine the plan includes all the elements identified in the statute and applicable rules and regulations;

(b) determine the plan is likely upon completion to result in the utility meeting the fuel displacement targets established in the plan;

(c) determine the plan constitutes a cost-effective and practicable approach to meeting the fuel displacement target and, if the utility did not choose the most cost-effective fuel displacement alternative, that the alternative chosen is based on valid considerations; and

(d) consider and make a determination with respect to the plan's financial feasibility as set forth in subparagraph 4 below.

4. With respect to each utility submitting a fuel displacement plan and for which it has ratemaking authority, each State regulatory authority would be required to make a written determination with respect to the financial feasibility of each plan and the need for any regulatory or legislative action to relieve financial difficulties that the authority determines may constrain implementation of the plan. In making this determination, the regulatory authority would be required at a minimum to consider—

(1) the adequacy of the utility's cash earnings over the duration of the fuel displacement plan to allow timely issuance of new debt needed to finance the investments contemplated in the plan. Adequacy of cash earnings must be addressed relative to indenture requirements for interest coverage and any other factors deemed appropriate by the regulatory authority; and

(2) the need, if any, for regulatory or legislative action to ensure the adequacy of the utility's cash earnings as determined under subparagraph (1) of this subsection including adoption of—

(i) accelerated depreciation of oil and gas-fired generating facilities that cannot be converted economically to use alternate fuels;

(ii) construction work in progress (CWIP) in the utility's rate base; and

(iii) any other measures that may provide the utility cash earnings needed to achieve the fuel displacement targets set forth in the plan; and

(3) the costs and benefits to current and future ratepayers of any supplemental regulatory or legislative action determined by the regulatory authority to be needed pursuant to this program.

Review by Secretary of Energy

The Secretary would be authorized to approve any fuel displacement plan that is approved by the Governor or designated State agency if the Secretary determines that—

(1) the plan is prepared and submitted in accordance with applicable requirements;

(2) the plan has been approved by the Governor or the Governor's designee in accordance with applicable requirements; and,

(3) the plan, as approved by State authorities, is likely upon implementation to achieve the fuel displacement targets established by the plan. Any approval of a fuel displacement plan by the Secretary would be on such terms and conditions as the Secretary determines appropriate for successful implementation of the plan.

Subsequent revisions of previously approved plans likely to affect timely achievement of the annual milestones established in the plan would require approval by the Secretary.

In submitting plans for review by the Secretary, the State shall furnish the entire record upon which its approval is based.

D. Need-for-power determination.

Only to the extent necessary to satisfy the requirements of the displacement plan, the inclusion of all or part of a new facility in a fuel displacement plan that is approved in accordance with the procedures specified shall be deemed to constitute a determination of need-for-power for the purposes of any State or local law.

E. Refund for failure to achieve displacement target.

In the event the Secretary determines, after reasonable notice and opportunity for comment, that an electric utility has failed to achieve or maintain the fuel displacement target established in its fuel displacement plan, the Secretary would be authorized to require the utility to refund to the Treasury all or part of the Federal financial assistance provided under the program with interest. Any refund would be required upon such terms as specified by the Secretary.

F. Treatment of grant funds.

1. Any funds provided under the program would be required to be accounted for by the recipient utility as reductions to the utility's rate base associated with capital costs required to achieve its fuel displacement target, except where the funds are used by a third party cogenerator or other third party.

2. Grants awarded to utilities under this program would not be considered as income for the purposes of Federal income taxes.

G. Allocation and priorities.

Within 180 days of enactment, the Secretary would be required to promulgate rules governing the allocation of funds provided under this program. The allocation of funds would be based on the percentage of each electric utility's consumption of petroleum and natural gas in its adjusted baseline as compared to the consumption of these fuels by all utilities during the base period (as adjusted), discounted by any estimated fuel savings that are achieved under Phase I of this program as a result of conversion to coal or other alternate fuel. The Secretary would provide assistance to qualifying electric utilities in five annual installments of which the first installment would be disbursed within 90 days after approval by the Secretary of the fuel displacement plan.

The Secretary must reallocate any funds authorized under Phase II that are not committed to an electric utility before December 1, 1982, as well as any non-expended funds under Phase I which are transferred to Phase II of the program. Such uncommitted funds would be distributed to all electric utilities with approved fuel displacement plans that establish displacement targets greater than their percentage share of the total displacement target of 600,000 barrels/day for Phase II of this program. This sets a limit of $10,000 per barrel per day displaced in 1990. The Secretary must reallocate such funds on the basis of the total amount of displacement of petroleum and natural gas to be achieved above the utility's percentage share of displacement as determined under the previous paragraph.

H. Annual reports to the Secretary.

Any electric utility receiving assistance under this program would upon each anniversary of approval of the fuel displacement plan report to the Secretary on the utility's progress toward achieving the fuel displacement target established in the plan. Annual reports must include a description of any changes in the underlying assumptions and forecasts upon which the plan submitted was based and any necessary modifications to the plan made in response to such changes. Annual reports would not be required after the utility has achieved its fuel displacement target.

The Secretary would be authorized, after affording reasonable notice and opportunity to comment, to suspend payment of funds, in whole or in part, to any utility that fails to make satisfactory progress toward achievement of the fuel displacement target. The Secretary could resume payments under this section only upon a satisfactory demonstration that the utility's fuel displacement target will be achieved in a timely manner.

I. Grants for Offices of Consumer Services.

1. The Secretary would be authorized to provide $10 million of funds for the establishment and operating of State Offices of Consumer Services to assist consumers in their presentations in matters directly related to the development and review of fuel displacement plans. The assistance provided shall be provided only to an agency or State government designated by the Governor to represent consumer interests, which is operated independently of any State agency with authority over utility rates and which is empowered to—

(1) make general factual assessments of the impact of proposed utility expenditures, rate structures, tariff provisions and other proposed regulatory actions upon all affected consumers;

(2) assist consumers in the presentation of their views before utility regulatory commissions; and

(3) advocate, on its own behalf, a position which it determines represents the position most advantageous to consumers.

2. The grants provided shall be made only to agencies of State government which furnish such assurances as the Secretary may require that funds made available will be in addition to, and not in substitution for, funds made available to offices of consumer services from other sources.

J. Report to Congress.

The Secretary must annually report to Congress with respect to progress toward reducing consumption of petroleum and natural gas by electric utilities and make such recommendations regarding any further action that the Secretary determines to be needed.

K. Authorization of appropriations.

Congress would authorize an appropriation of $6,000,000,000 which shall remain available until expended, of which $20,000,000 would be made available to the Secretary for purposes of administration of the program. The Secretary would be required to provide $40,000,000 in financial assistance to agencies of State government designated by the Governor with responsibility for review and approval of fuel displacement plans. In addition, $10,000,000 would be authorized for grants to State consumer offices.

Funds authorized for appropriation, less the sums set aside for Federal administration and grants to State agencies shall be made available for financial assistance to eligible electric utilities under the program.

J. Definitions.

As used in these specifications—

1. The term "base period usage" means the annual average use of petroleum and natural gas equivalent electric utility during the calendar years 1974 through 1978 for steam based and non-steam based power generation, as determined by rule by the Secretary, including adjustments for any powerplant that came into service after January 1, 1974, or for which construction or acquisition began before November 9, 1978, and such other adjustments as the Secretary deems appropriate to effectuate the purposes of the Phase II program. These adjustments would reflect an assessment of future consumption of oil and natural gas consistent with projected electricity demand.

2. The term "energy conservation program" means any program which will

(i) reduce overall demand for electricity,

(ii) contribute to more efficient use of electricity, or

(iii) shift demand for electricity in a manner that contributes to more efficient production of electricity, including reduced use of petroleum and natural gas.

3. The term "facility" means any equipment used for the purpose of generating, transmitting or storing electricity.

Mandatory Fuel Displacement Study

Title VII of the "Powerplant and Industrial Fuel Use Act of 1978" would be amended by adding the following new provision:

MANDATORY FUEL DISPLACEMENT STUDY

(1) Within one year after enactment of the program, any electric utility that consumed 250,000 barrels or more of petroleum or natural gas equivalent on annual average during calendar years 1974 through 1978 would be required to submit to the Secretary and appropriate State regulatory authorities a fuel displacement study. Each study would contain

(i) a 15-year forecast of the estimated cost of continued used of petroleum and natural gas by the utility;

(ii) a 15-year forecast of the total estimated cost of system-wide conversion of existing facilities to coal or other alternative fuels, construction of new facilities that consume alternate fuels, or implementation of energy conservation programs, and an identification of the most cost effective combination of available alternatives; and

(iii) a comparison of the relative costs to ratepayers of each alternative.

(2) The Secretary would invite comments with respect to each fuel displacement study from appropriate State regulatory authorities.

(3) Before December 1, 1981, the Secretary would submit a comprehensive report to Congress with respect to the results of the fuel displacement studies submitted. The report would include any information and recommendation that the Secretary determines to be appropriate to encourage reduction of petroleum and natural gas consumption by electric utilities.

Mr. ROBERT C. BYRD. Will the distinguished Senator yield?

Mr. FORD. I yield to the majority leader.

UTILITY OIL BACKOUT LEGISLATION

Mr. ROBERT C. BYRD. Mr. President, I am pleased to join the distinguished Senator from Kentucky, Mr. FORD, and other members of the coal caucus, in introducing legislation today which establishes a mandatory program to reduce the amount of oil used by utilities, and to increase the use of coal.

The bill we are introducing today embodies the legislative specifications transmitted to the leadership of both houses of Congress by the President on March 6. It sets forth a vital element of our national energy policy—an effective utility coal conversion program.

This legislation has bipartisan support. It will be subjected to close scrutiny by the members of the Committee on Energy and Natural Resources, as it makes its way through the legislative process.

I look forward to working together with my colleagues on this legislation, and I urge every Senator to give careful consideration to this proposal.

I ask unanimous consent that a letter from the President of the United States, dated March 24, which refers to this bill, be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
Washington, D.C., March 24, 1980.

HON. ROBERT C. BYRD,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BYRD: Pursuant to your request, my staff has reviewed a draft of the bill which you, Senators Jackson, Ford, and perhaps others intend to introduce concerning the reduction of use of oil and natural gas by electric utilities. I am pleased to report that the bill is consistent with the legislative specifications which I sent to the Congress on March 6. The program set forth in the bill is one which I support, and I look forward to working with you toward its enactment at an early date.

Sincerely,

JIMMY CARTER.

Mr. ROBERT C. BYRD. I congratulate the Senator.

Mr. FORD. Mr. President, without the distinguished leadership of the majority leader, without the continual effort of his colleague from West Virginia (Mr. RANDOLPH), the coal caucus, the Coal Commission, and other members, we would not be at the point we are today as it relates to this legislation. I am grateful to all of them.

● **Mr. JACKSON.** Mr. President, I am pleased to join in cosponsoring the Powerplant Fuels Conservation Act of 1980. It would implement the President's plan to reduce the use of oil and gas in the electric utility sector by 1 million barrels per day by 1990.

The bill was drafted by the Department of Energy to reflect the President's proposed program which he transmitted to us on March 6.

As chairman of the Committee on Energy and Natural Resources, I want to assure my colleagues that this very important piece of legislation will receive the committee's prompt and serious consideration. We are all increasingly aware of the danger to our national security and economic well-being of our continued reliance upon insecure foreign sources of energy. We must redouble our efforts to increase our use of domestic resources; our coal resources are clearly the most abundant and underutilized source of domestic energy.

Mr. President, I have not reviewed this draft legislation in detail. The President has assured us that it is an accurate reflection of his proposed program. It addresses some of the fundamental problems encountered to date in implementing the conversion of existing powerplants to coal under the Energy Supply and Environmental Coordination Act of 1978 and the Powerplant and Industrial Fuel Use Act of 1978. It also addresses the need for utilities to develop additional programs to limit our dependence upon foreign oil.

While I may not agree with all of the details of the proposed legislation, I certainly do agree with the sentiments expressed by my colleagues: It is time for us to reexamine our efforts to encourage use of coal and this legislation is an excellent starting place.

The committee will do what it can to expedite consideration of this long-awaited piece of legislation. It addresses an issue of vital importance to this Nation and merits careful, thoughtful attention.●

Mr. FORD. Mr. President, I yield to the distinguished Senator from West Virginia.

Mr. RANDOLPH. Mr. President, this is the evening hour. I remember it as the hour when Wayne Morse began to speak and there were few Senators present, but what he was to say was to go across the wires to Oregon.

It came at a time when he was able to tell his continuing story to the constituency of the State he represented.

This is the evening hour, again, in this Chamber; an hour when, understandably, Senators are not in the Chamber and perhaps only a dozen of our citizenry are in the galleries. There is the able Senator from ARKANSAS, Mr. PRYOR, who presides at this time.

The reason I sort of step back a moment is not to take time, but to indicate that often something without fanfare can have a depth of meaning for a nation and its people that goes beyond the words that are spoken here, even with the introduction of the pending bill.

I say this because these are times when we need not the palliatives, not the window dressings, not the appearances of doing something about the energy problems of this country. We need, as we are doing, the introduction—of this measure and the followthrough that will be absolutely necessary to swiftly bring this legislation through the Congress and into law.

What is being done here this evening is very important—vitally important. The energy crisis is a matter of concern to all people of the United States. In fact, it is the very existence, in a sense, of the Republic. We believe we have the creativity to effectively meet the challenge. We are ready to accept it. Coal will serve as the basis for an energy foundation built from the confines, not of one area of Kentucky or West Virginia, but from the coal reserves across this Nation, Wyoming, eastward. We must use this fossil fuel to replace the petroleum which in the past 12 months Americans, not the country, but Americans, taxpayers, men and women, have spent $90 billion to import from abroad.

Our Nation has been on its knees. That is what has happened over the past few years. We pay the price they require and receive the amount that they, the unstable and often unfriendly nations, have made available for us.

This background, I know, is unnecessary, perhaps in a sense superfluous. I feel, however, very deeply about this subject. I believe it is a privilege for me to be one of the many who have the responsibility, and I think it is a real responsibility, to join the majority leader, Senator BYRD, with Senator FORD, the Chairman of the Senate Coal Caucus, and others, in sponsoring Power Plant Fuels Conservation Act of 1980.

We call it an "oil back-out" bill, but it is a coal push-up bill, because coal can and will be used to replace oil in our Nation's boilers.

Mr. TOWER. Mr. President, will the Senator yield for a question?

Mr. RANDOLPH. I yield.

Mr. TOWER. I got here late, and I did not have a chance to hear all that the distinguished Senator from West Virginia has said.

Mr. RANDOLPH. I have just started.

Mr. TOWER. One thing that has concerned me is the fact that with this enormous abundance of coal we have, we do not come to grips with the question of environmental standards, which I think in too many instances are unreasonable. It was a result of over-reaction to the fact that we had fouled our atmosphere and land and water.

Does not the Senator from West Virginia think that there has to be some rational tradeoff between the necessity of keeping our environment clean, on the one hand, and economic progress, on the other hand, to make use of this vast resource we have?

Mr. RANDOLPH. The knowledgeable Senator from Texas (Mr. TOWER) raises a matter of broad concern. I say that as one who chairs the Committee on Environment and Public Works in the Senate.

Yet, for this moment, let us step backward, and recall the opposition to the program we brought into being, with the help of many Senators, to clean up the waters of our country.

All over America today, Texas included, there are streams in which game fish are now living. There were streams in West Virginia where once game fish were living, and then came a period when there were no game fish because they were dead, because of the pollution of the water.

The Congress gave attention to cleaning up the waters of this country, the inland waters of America, so that these waters would not only serve to carry upon their bosoms the products of the mine, factory, and field to serve Americans but would also be beautiful rivers which would give an abundance of opportunity for recreation and commercial usage.

Yes, I recall the opposition. I recall, also, the opposition to cleaning the pollution from the air above us.

I recall, in particular, one witness saying that when the plants are operating, the men are at work, and you can smell the air, and you know that people are getting paychecks. That is all right. But, I submit, all over America, we are able to clean the air of this country and still have Americans getting their paychecks.

We know this in West Virginia and we know it in many other States of our country, where we the people now have a better quality of air than they previously had. This was done by legislative action of the Congress of the United States.

The same is true with respect to solid waste. We came into that field, and we began to realize that the garbage of this country was obliterating and overwhelmingly covering us. We began to think in terms of the disposal of garbage, the recycling of garbage, and the use of that garbage. We developed these thoughts into a legislative enactment of the Congress of the United States. We now have a firm grip on the previous problem.

I could go on with examples of what has been done by the Congress and the administration, trying, so far as possible, to stop the desecration, the raping, of the land itself.

So, today, with all our problems—and they understandably are very vexing problems—we can look back and know that we did what was right.

You can, however, overregulate and agencies now realize this. There are examples of agencies, let us say, given some charge by the Congress, and, rather than effecting the intent of the Congress, reading into the law which has been passed an unnecessarily burdensome and unrealistic regulatory effort. This has taken place.

Many of the regulators understand this problem. On many occasions when I have worked with Douglas Costle, Administrator of the Environmental Protection Agency. This man has given hours and hours and hours in an effort, not to drop back or to lower the standards, but to be realistic about a problem that has occurred in a company and worked out a solution. It may be a Westvaco, which is a company that employs some 3,000 West Virginians, or another company in another State of the Union.

As the head of our Environmental Protection Agency, he is a man who is not satisfied with all provisions of this legislation, but he did not run away and hide in a corner, he worked with us in developing this measure, and he is committed to continuing to work with us.

I joined the Senator from Texas in believing that, often regulations and restrictions, that flow from legislation of one type or another, which I have mentioned, can often go overboard to that place where there is a stultification of industry in our country. However, companies are investing billions of dollars because they have an incentive, the feeling that they could do something, not because they were driven into the corner where they have to do it, but because they believed that they could bring measures into being which would be helpful in meeting the environmental standards of our country.

In respect to this legislation, there are many questions that can be asked. For the past several months, the Senator from Kentucky (Mr. FORD), the majority leader, and many others of us have involved ourselves in a constant search, together with the administration. Sometimes we have had to goad the administration to keep them moving. We have given the time to bring to the floor of the Senate a constructive measure. It is not a perfect measure. It is subject to amendment, not that I am advocating any particular amendment at the moment. But this legislation has been pieced together by those who have been working at this job and who, are knowledgeable in this effort; and I hope this bill has a broad base of support.

The Senator from Kentucky (Mr. FORD) heads the Coal Caucus. I believe we have some 28 or 29 members.

Mr. FORD. Twenty-eight.

Mr. RANDOLPH. I am not saying that all of them would vote for this measure. But there will be, I believe, a broad base of support.

We have been working together in a nonpartisan spirit.

The Senator from Pennsylvania (Mr. HEINZ) understands not only the problems of steel but also the problems of coal in the Commonwealth of Pennsylvania.

Another Republican is Senator PERCY,

of Illinois, a coal-producing State, who understands the benefits of properly-used coal in our Nation. I shall cherish the fact that I have been an ex-officio member of the Coal Commission, appointed by the President, together with the Senator Percy and our able colleague, Dee Huddleston.

In that effort, we had the enlightened leadership of the Governor of West Virginia, Jay Rockefeller.

This bill has not been a one-shot, one-Member effort. It has been a cooperative effort of many Members to develop legislation that could be brought to this Chamber. I cannot overestimate really tonight the importance of this bill. It is not a coal bill. It is not an oil backout bill. It is a bill for America, an America that we must insure as far as we can remains strong and viable and ready to meet the energy and economic challenges that are just ahead.

I remember what Henry Kaiser told me. He said a problem is a challenge disguised in work clothes. And that is what this problem is. It is a challenge to us to work out the problems, and that is exactly what we must mean to do.

There have been many variables impacting coal production and utilization. These have been carefully studied and the industry's parameters have been defined and analyzed.

This was a task of the local Commission. The cornerstone of the final report of that Commission, submitted formally to the President on March 13 at the White House, was the recommendation that coal replace oil and natural gas in our Nation's utility and large industrial boilers. They are beginning to do that now in Texas, in Pennsylvania, in Massachusetts, and in New England.

The recommendations that we brought forth to the President from the Commission contain acceptable ways to hasten substitution of coal for oil. The Commission focused strong attention on this objective last July.

This so-called back-out bill—I call it the push-up coal bill.

Although not as ambitious as the Coal Commission's recommendations on the number of plants involved—utility plants and factory installations—this bill is the first step. It is an important step, as I have indicated, to reduce costly independence on imported oil, a dependence that will cost our country over $90 billion during this fiscal year.

Our national security, I repeat, and our domestic stability are threatened in a crisis of this kind.

(Mr. MATSUNAGA assumed the Chair.)

Mr. RANDOLPH. And I have to say to the Senator from Texas, in a sense, I have to say it to myself and even to the able Presiding Officer who comes from a State far away that does not produce coal, that a part of this problem is of our own making. We just cannot always point to someone else as being the culprit.

I felt that we needed to carefully review this legislation before bringing it to the Senate. However, I trust the administration's assertion that it reflects the specifications and outline that were provided approximately 2 weeks ago. Through this bill increased coal utilization can be achieved. It can be done. I repeat to my good friend from Texas: I want it to be done, within the parameters of our environmental laws, and I think we can do this. I do not think the health and safety of the American people are going to be endangered or the lives of the miners themselves be subjected to greater hazards.

While this measure will not eliminate our Nation's need to import oil from abroad, it will, in conjunction with developing alternative fuels, increasing the efficiency of coal use, and continuing our conservation efforts, bring us to energy independence. Americans have a right to expect this and Congress will fail in great degree if it does not, as I see it and I say it earnestly, move this legislation quickly, yet carefully, to final enactment.

There are many individuals and groups, in many parts of this country, trusting and hoping that we will enact a reasoned and balanced program, hopeful that we are moving on an alternative to totally depleting our scarce oil and gas reserves; that we have a viable alternative. This is a measure that will expedite energy independence. That, if enacted will move us forward to, hopefully, a day when America will realize that here, within our own country, are the sinews of strength in time of peace as well as security in possible times of crisis.

Mr. FORD. Mr. President, I compliment the distinguished Senator from West Virginia for his remarks. If other Members of this body would dedicate themselves to this proposition as he has and will, I am sure this legislation will fast track as we want it to do.

● Mr. HUDDLESTON. Mr. President, I am very pleased to cosponsor this legislation to back out oil from under utility boilers.

Electric utilities currently use 3 million barrels per day equivalent of oil and natural gas. It is the goal of this bill to reduce oil and gas consumption by electric utilities by 1 million barrels per day by 1990. It is a goal, the achievement of which is vital to the future of this Nation.

How many times have we sat in this Chamber and heard one or the other of us curse our foreign oil dependency as one of the gravest threats to our national security and economy that this Nation has ever faced?

We have aggressively sought solutions. We are making progress.

But, we have to do more. And, increased coal use and conservation are about the only options available to us for the near term.

It makes no sense for this Nation to be sending $95 billion a year overseas to pay for uncertain oil supplies—supplies over which we have virtually no control; supplies which are arbitrarily priced and doled out according to the whims of the producing nations; and supplies which have been and likely again will be a source of blackmail. It makes no sense when our own country is blessed with enough coal to meet our energy needs for generations to come, and thousands of skilled miners are laid off or unemployed.

Increased coal use is not a new idea; it has, in fact, been the stated policy of this country for years. Two very important pieces of legislation precede the bill we are proposing today—the Energy Supply and Environmental Coordination Act (ESECA) and the Fuel Use Act. But, it is clear that the authorities of ESECA and FUA will have to be supplemented with an initiative such as we are proposing here if we are to get the job done.

The inadequacies of existing law were clearly defined in hearings into ways to increase direct coal use held last May by the President's Commission on Coal. The Commission, chaired by Gov. Jay Rockefeller of West Virginia and on which I was privileged to serve as an ex officio member, provided the basis for much of the work that has been done in this area in both the interim report released last summer and the final report submitted to the President earlier this month. I ask unanimous consent that the Commission's recommendations on replacing foreign oil with coal be reprinted in the Record at the conclusion of my remarks.

I also ask that an editorial entitled "Why Powerplants Should Burn Coal" from the March 13 Engineering News Record be printed in the Record as well.

Mr. President, it is important that we get moving on this legislation as quickly as possible and enact a bill before the end of this session. Working together I feel confident that we can produce legislation that will be a major breakthrough in our efforts to secure a national energy policy that will break the stranglehold of imported foreign oil.

There being no objection, the material was ordered to be printed in the Record, as follows:

Why Powerplants Should Burn Coal

Conversion of oil and gas-fired powerplants to coal, as urged repeatedly in this space during the past several years and as proposed to Congress last week by President Carter (see p. 12), would not be painless or cheap. But the urgency for this country to start kicking the OPEC habit outweighs any cost and environmental drawbacks that exist.

Powerplant conversion is the quickest, surest and most practical way to make a big dent in the need to import oil. Some utilities can't manage the cost problems without help or without changes in the way they are regulated, but the country's stake—economic and political—in reducing its dependence on imported oil is so great that mechanisms must be devised to see that the utilities can and do get off oil and gas.

It must be done without driving them into insolvency. The federal aid proposed by the President to support conversion to coal may be necessary in many cases. Outside help would matter less if some means were found to reshape the kind of politically motivated rate regulation prevailing at present under which utilities are not allowed by state public utility commissions to recover their capital expenditures fully.

The aid may be indispensable, however, to get the conversion program on a fast track. If fast-tracking was ever needed for a job, it's needed for this one. The immediate urgency is to start the conversion work. Environmental and other problems can wait until there's time, during or after the basic conversion.

Loosening OPEC's stranglehold on the U.S. economy is going to take some doing by all energy-consuming sectors: commercial, residential, industrial and transportation as well as utilities. Some progress in the right direction and a great deal of groping is already evident in all these areas, under the impetus of market and official pressures. But decisive actions are needed where success on a significant scale can be assured, not merely hoped for. Switching electric power generation to coal is an outstanding candidate for such action because it is do-able starting now and the benefits are known.

The control points in the utility sector are comparatively few and concentrated. They consist mainly of the managements of companies and agencies that generate power and the agencies that regulate them. The regulatory machinery is already in place, and regulation by public agencies is long-established and accepted. Power generation is eminently switchable.

By way of contrast, the components of the other energy-consuming sectors are extremely numerous and diverse, consisting, for example, of millions of individual vehicle operators and homeowners and hundreds of thousands of industrial and commercial establishments. Transportation must depend for a long time on petroleum-derived gasoline and diesel fuel, even if a national synfuels industry develops and succeeds grandly. In the residential, commercial and industrial sectors, conversion on a big scale would have a pervasive and intimate impact on everybody and would require enormous adjustment of energy-use patterns on the part of individuals and communities.

Virtually no regulatory system or tradition exists in the nonutility sectors. Any system that can be imagined would be huge and cumbersome and, to work, would have to overcome great startup problems and reluctance to submit to regulation.

All sectors must change their habits but utilities can change faster and with much less readjustment. They would simply do more of what they are already doing on a big scale.

In the utility sector, the technology, operating and manufacturing know-how, environmental experience and much of the infrastructure for coal use are all in place. The coal industry knows how to mine coal. The transportation industry, though badly in need of more coal-handling facilities and equipment, knows how to move coal. The utilities know how to use it. All its good and bad points are well-known after generations of big-scale coal use. And the coal is here. Above all, it's here.

Electric utilities account for about 30 percent of all energy consumed in the U.S. Between one-quarter and one-third of that fraction comes from oil and gas. Switching powerplants to coal and saving the gas they burn for oil consumers that can't as easily switch to coal would save nearly 400 million bbl of oil a year, well over 10 percent of net imports of crude oil and refined petroleum products. Obviously the big cuts in oil use must eventually be made by other sectors but the major quick-cut potential is in power generation.

The main barrier to taking this much-needed step toward energy independence is lack of firm resolution to face the fact that there is no easy way out. While we look for one, we writhe impotently on the OPEC hook. We listen to siren songs about energy solutions that have possibilities—maybe big possibilities someday—but that can't for sure do anything significant to loosen our bondage to OPEC in the next few years; and to environmental and health warnings that, in light of the relative risks involved, are so much piffle.

We need to look for many solutions because powerplant conversion can solve only part of the problem. But it is a big part and it can help now.

There's near-consensus among experts that the world supply of oil will shrink sharply over the next few decades. If tension over diminishing, cartelized oil resources is high now, imagine what it's going to be like in 10, 20, 30 years. If this generation of Americans escapes a bloodbath in the intensifying competition for oil, the next one or the one after won't—unless we reorder our priorities.

When it comes, will those caught up in it venerate us for our wisdom in putting so many considerations ahead of the most important one, which is to start weaning ourselves off petroleum? Or will they marvel at our blind stupidity?

[From the Final Recommendations and Summary Findings of the President's Commission on Coal]

REPLACING FOREIGN OIL WITH COAL

The United States must rapidly reduce its dependence on foreign oil. Vast reserves of domestic coal are readily available to assist in this effort. Synthetic fuels from coal can contribute significantly to oil replacement in the mid-1990s. In the nearer term, the most practical and the cheapest measures are the accelerated construction of new coal-fired utility and industrial boilers, the reconversion of coal-capable boilers to coal where practical, and the use of coal-oil mixtures. Recommendations to save more than 2 million barrels of imported oil per day by 1990 are outlined below. Further reductions may be necessary.

RECOMMENDATIONS

1. That increases in utility oil and natural gas use beyond present levels be prohibited.

2. That utility oil and natural gas use be reduced to 40 percent of present levels by 1990.

3. That oil and natural gas use be prohibited in coal-capable utility boilers operating more than 1,500 hours per year after 1985.

4. That oil and natural gas use be prohibited in "nonpeaking" utility units constructed after 1980.

5. That oil and natural gas be prohibited in coal-capable industrial boilers over 5 megawatts equivalent after 1985.

6. That oil and natural gas use be prohibited in new large industrial boilers over 5 megawatts equivalent constructed after 1980.

7. That the additional cost of the reconversion and new construction of coal-fired units necessary to meet the reduction target be shared nationally, in order to ease the burden on electricity consumers. To keep electricity rates from rising above what would occur with continued oil and natural gas use, Federal grant assistance of up to $15 billion should be provided.

8. That the State Regulatory Utility Commissions cooperate fully in setting rates sufficient but no higher than those reasonably required to attract the private capital necessary to meet the oil and natural gas reduction target.

9. That oil and natural gas replacement authority under exisitng laws, specifically the Energy Supply and Environmental Coordination Act and the Powerplant and Industrial Fuel Use Act, be vigorously enforced.

10. That the Interstate Commerce Commission stop its practice of imposing disproportionate rates on railroad coal-hauling.

11. That the Congress enact legislation to develop an industry capable of producing significant quantities of synthetic fuels from coal in the 1990s.

FINDINGS

1. Coal accounts for more than 80 percent of our domestic fossil fuel reserves but supplies only 18 percent of U.S. energy needs, principally as a boiler fuel in the generation of electricity.

2. The use of 5.5 million barrels of oil and natural gas per day in utility and industrial boilers is a significant element in the Nation's dependence on imported oil.

3. Coal readily available can be used to fire a substantial number of boilers now fired by oil and natural gas, replacing more than 2 million barrels of imported oil per day by 1990.

4. Ample coal is available to meet the requirements of a major oil and natural gas replacement program. The United States has more mineable coal reserves than any other country, a supply that will last hundreds of years. Current annual excess production capacity in the industry stands at nearly 200 million tons.

5. Capital is available to finance expansions and openings of mines as necessary and a sufficient work force is available to produce coal as needed.

6. An oil and natural gas replacement program will require substantial capital investment. However, these investments will pay for themselves in the long run from the substantially lower costs of coal as a fuel. Saving more than 2 million barrels of oil per day will ease inflationary pressures and strengthen the dollar as approximately $25 billion will be trimmed from the nearly $95 billion now expended annually for foreign oil.

7. The Interstate Commerce Commission (ICC) has a policy of permitting higher railroad rates for hauling coal; the result is that coal haulage subsidizes other freight traffic on the Nation's railroads. Railroad rates for coal have increased rapidly in recent years, most rapidly in the West. The undue burden placed on coal haulage by the ICC is slowing the rate of voluntary coal conversion and raising the delivered price of domestic coal to the point where imported coal—principally from Australia, Poland, and South Africa—is cheaper to some users.●

● Mr. BAYH. Mr. President, during my service in the Senate I have been a strong advocate of developing our huge domestic coal reserves, including those in my own State of Indiana. Coal, alcohol fuels—or gasohol—and conservation are America's chief allies in the battle to free our energy future from continued disastrous and intolerable dependence on foreign petroleum. Balancing the goals of increased use of coal, environmental quality and public health is an extremely difficult task, but one which must be undertaken so that this Nation can progress to a state of energy independence.

Mr. President, I consider it a privilege to join with my colleagues in the Senate coal caucus in introducing the Powerplant Fuels Conservation Act of 1980. This legislation is a key building block in forging a practical and adequate energy policy for our Nation. It strikes that difficult balance between increased utilization of our enormous coal reserves and adequate public health protections. For too long we have talked of America's need to free our energy future from dependence on imported petroleum and the exploitive pricing practices of the OPEC nations. Now is the time to act, to lay one cornerstone of an energy policy in place. We must go beyond our past efforts, such as the 1978 Fuel Use Act, and set a firm and attainable course of replacing imported oil with our domestic coal supplies.

The fact is we do not have an energy shortage, Mr. President. Rather, we have a liquid energy shortage. We have close to 300 or more years worth of coal. The opportunity to displace 750,000 barrels of oil per day and the natural gas equivalent of 250,000 barrels of oil per day by 1990, cannot and must not be foregone. The electric utility industry is the sector of the economy which can make the greatest near-term savings of oil and gas by converting existing facilities from these expensive and scarce fuels and on to coal.

In my own State of Indiana we rely on coal for 98 percent of our electric generation and we know what an important resource coal is. Until coal capable but oil and gas-fired utilities, which lack our experience with this fuel, are prohibited by statute from continued use of oil, and provided economic incentives to convert, America's expectations of a shift to abundant domestic fuels will remain unfulfilled. The progress to date in our national program to shift the demand from scarce, costly and imported petroleum, and premium, clean-burning natural gas, to plentiful coal has been thwarted by regulatory and financial impediments which must be removed. We must act forcefully to accelerate the greater utilization of coal and alternative fuels.

Consumers will benefit from enactment of this legislation due to reduced fuel costs after conversion. Thousands of unemployed coal miners will benefit as the demand for coal rises. The Nation will benefit as the stranglehold of the major integrated oil companies and the OPEC nations on our energy future is loosened.

National security and economic problems directly traceable to our dependence on oil must be dealt with by decisive action to prohibit the future use of foreign oil by electric utilities. As the President's Commission on Coal reported on March 3, 1980:

> The Nation has coal in abundance beneath its soil, and it has an industry in place and the resource of people needed and ready to mine that coal. . . . This coal can be burned in compliance with the Clean Air Act at less cost than imported oil.

Coal is not a panacea to our national energy problem, but coal can and must make a significant contribution toward our objective of reducing our dependence on imported oil. Coal can provide near-term as well as long-term gains in reducing our dependence. Our failure to seize on this opportunity will undoubtedly result in an even greater dependence on foreign oil as our electric generation needs grow.

The two phase program of capital grants and fuel displacement we are introducing today is reasonable and workable. The Senate should make coal conversion a high priority on its agenda.

Phase I will require 107 electric utilities—mainly in New England and mid-Atlantic States, to convert from oil to coal. The bill authorizes $3.6 billion to pay for up to 50 percent of the capital costs of conversion or $4 per barrel of oil displaced. Phase I will provide up to $400 million in grants for use in programs to reduce air pollution from existing sources which are believed to contribute to the acid rain problem. Phase I will save the Nation 400,000 barrels of oil per day by 1985.

Phase II of this legislation will cause nationwide oil displacement planning by the electric utility industry and will result in additional displacement of up to 600,000 barrels of oil and gas per day by 1990. The $6 billion grant program created in phase II will encourage electric utilities to adopt the most cost effective alternatives to oil and natural gas. It will involve State governments in weighing the financial feasibility, environmental impacts and cost-effectiveness of reasonable alternatives to the use of petroleum and natural gas, including renewable energy sources and energy conservative programs along with the coal alternative. Phase II places the proper emphasis on planning as a means of developing appropriate strategies to reduce our reliance on oil and natural gas for electric generation.

Mr. President, I want to compliment several of my coal caucus colleagues for their persistent efforts to get a coal conversion program underway. Senators Byrd, Randolph, Huddleston, Ford, and Percy have made a significant contribution to the Nation by their steady determination to develop an effective coal conversion proposal. It has been an honor to be associated with them in these efforts. I urge the Senate to move on this legislation before this session is over.●

ADDITIONAL COSPONSORS

S. 1036

At the request of Mr. Hatfield, the Senator from New Mexico (Mr. Domenici) was added as a cosponsor of S. 1036, a bill to repeal the Color of Title Act; to establish standards and procedures whereby certain persons in adverse possession of public lands may acquire legal title thereto; and for other purposes.

S. 1328

At the request of Mr. Hatfield, the Senator from Utah (Mr. Hatch) was added as a cosponsor of S. 1328, a bill to amend the Federal Water Pollution Control Act to provide an additional allotment of funds to certain States, and for other purposes.

S. 1429

At the request of Mr. Pell, the Senator from Georgia (Mr. Nunn) was added as a cosponsor of S. 1429, a bill to extend the Museum Services Act for 2 years, and for other purposes.

S. 1693

At the request of Mr. Melcher, the Senator from West Virginia (Mr. Randolph) was added as a cosponsor of S. 1693, a bill to amend the National Labor Relations Act to provide that any employee who is a member of a religion or sect historically holding conscientious objection to joining or financially supporting a labor organization shall not be required to do so.

S. 2112

At the request of Mr. Thurmond, the Senator from Iowa (Mr. Jepsen) was added as a cosponsor of S. 2112, a bill to amend the Surface Mining Control and Reclamation Act of 1977 relating to maps and plans of lands to be mined.

S. 2156

At the request of Mr. Cannon, the Senator from Delaware (Mr. Biden), the Senator from Rhode Island (Mr. Chafee), the Senator from New Hampshire (Mr. Durkin), the Senator from Pennsylvania (Mr. Heinz), the Senator from New York (Mr. Javits), the Senator from Massachusetts (Mr. Kennedy), the Senator from New York (Mr. Moynihan), the Senator from West Virginia (Mr. Randolph), the Senator from Connecticut (Mr. Ribicoff), the Senator from Maryland (Mr. Sarbanes), the Senator from Massachusetts (Mr. Tsongas), the Senator from Connecticut (Mr. Weicker), the Senator from New Jersey (Mr. Williams), and the Senator from New Jersey (Mr. Bradley) were added as cosponsors of S. 2156, a bill to amend the Railroad Revitalization and Regulatory Reform Act of 1976 to authorize additional appropriations for the Northeast Corridor Improvement Project, and for other purposes.

S. 2359

At the request of Mr. Weicker, the Senator from Indiana (Mr. Lugar) was added as a cosponsor of S. 2359, a bill to provide for fair commercial credit reporting.

S. 2417

At the request of Mr. Bentsen, the Senator from Georgia (Mr. Nunn) was added as a cosponsor of S. 2417, a bill entitled the "Productivity Improvement Act of 1980."

SENATE CONCURRENT RESOLUTION 81

At the request of Mr. Dole, the Senator from Idaho (Mr. McClure) was added as a cosponsor of Senate Concurrent Resolution 81, to express the sense of Congress against wage and price controls.

SENATE RESOLUTION 382

At the request of Mr. Dole, the Senator from Idaho (Mr. McClure) was added as a cosponsor of Senate Resolution 382, a resolution relating to wage and price controls.

AMENDMENTS SUBMITTED FOR PRINTING

PACIFIC NORTHWEST SALMON ENHANCEMENT ACT—S. 2163

AMENDMENT NO. 1686

(Ordered to be printed and referred to the Committee on Commerce, Science, and Transportation and the Committee on Environment and Public Works, jointly.)

Mr. MAGNUSON (for himself, Mr. Packwood, Mr. Jackson, and Mr. Hatfield) submitted an amendment intended to be proposed by them, jointly, to S. 2163, a bill to provide for the conservation and enhancement of the salmon and steelhead resources of Washington State, assistance to the treaty and nontreaty harvesters of those resources, and for other purposes.

● Mr. MAGNUSON. Mr. President, the amendment I am submitting today on behalf of myself, Mr. Packwood, Mr. Jackson, and Mr. Hatfield, is a reflection of the efforts by a large number of parties to resolve the salmon and steelhead problems in the Northwest that have resulted from Federal court decisions interpreting treaties made in the 1850's with the various Indian tribes of the area. The administration proposed legislation in response to its commitment to help resolve this issue at the end of the last session (S. 2163). The Committee on Commerce, Science, and Transportation has held 8 days of hearings on this problem and the legislation. The amendment I am introducing today modifies the administration's approach in a number of respects in light of the committee's hearing record.

On July 2 of last year, the Supreme Court handed down its decision in the United States against Washington controversy, commonly known as the Boldt decision. This decision affirmed in most respects Federal District Judge George Boldt's 1974 decision which provided the Indians with treaty rights to one-half of the salmon and steelhead which would pass through their traditional fishing grounds. In essence, this has meant that the tribes have been granted the right to one-half of Washington State's salmon and steelhead resource. The Supreme Court's decision settled a number of the legal controversies surrounding the Indians' treaty rights; however, the effect of the decision and the economic dislocation that it has caused to the established salmon fishing industry are still being felt, and still need to be addressed.

Both the administration's proposed legislation and this amendment recognize this need. There are a number of differences in the two approaches, including the fact that this amendment acknowledges the Belloni decision on the Columbia River Indian treaty fishing rights as presenting many of the same consequences as the Boldt decision. Although the situation on the Columbia is much different than the Boldt case area for a number of reasons, the amendment attempts to recognize the many similarities.

The amendment also proposes a number of other changes including: The administration and development of the proposed enhancement and fleet adjustment programs; addressing State contribution requirements in a more equitable and reasonable manner; addressing the steelhead trout controversy; deletion of the tribal gear-up program in light of the failure of the tribes to express support for this proposal in the Committee's hearings on this bill; and establishment of a formal advisory committee to study salmon management problems and to report to Congress within 1 year.●

● Mr. PACKWOOD. Mr. President, I am pleased to submit a new version of the Pacific Northwest Salmon Enhancement Act together with Senator MAGNUSON. Even before the Federal court decisions by Judges Boldt and Belloni, the salmon fishery in Washington and Oregon was stretched beyond its limits. This was due to overcapitalization, mismanagement, and tremendous interference with natural salmon spawning and migration patterns due to exploitation of hydroelectric and timber resources. The courts determined that treaty fishing rights entitle the Indians to approximately one-half of the spring and fall salmon runs. The result was, and continues to be, severe economic dislocation for non-Indian fishermen. Recognizing that interpretation of Indian and non-Indian fishing rights is properly within the jurisdiction of the Federal courts, the bill we are introducing today constitutes a legislative attempt by Congress to reduce continuing conflicts and economic dislocations by enhancing the salmon resource for all fishermen.

For over a year, the Senate Commerce Committee has been struggling with the task of devising appropriate legislation to resolve or reduce the conflict over the dwindling Pacific Northwest salmon run. Late last year, the administration sponsored a bill directed solely to the salmon and steelhead resource of Washington State.

It is clear to me, however, that Washington State is not the only State whose fishermen are vying for a limited salmon resource. While the Boldt decision affected Puget Sound and Washington State coastal rivers, the Belloni decision includes the Columbia River. Thus, it is my belief that a congressional response to Federal fishing rights decisions must include both Washington and Oregon.

Statements of representatives of both Indian and non-Indian harvesters, as well as the States of Oregon and Washington, confirmed by conclusions. As a result, I directed my staff to draft legislation to include the Columbia River. Meetings were held over several months in Oregon as well as Washington, D.C. with all parties which would be involved in a salmon enhancement plan for the Columbia River. The product of those discussions is now included in the legislation Senator MAGNUSON and I are introducing today.

Title III of the legislation we are introducing today is entitled Columbia River Resource Enhancement and Habitat Maintenance. This section requires the development of a comprehensive enhancement plan by the State of Oregon, the State of Washington, and a Commission representing the four Indian tribes with treaty Indian rights recognized by the Belloni decisions. The plan requires that all commercial and recreational fishermen in the Columbia River drainage basin shall have an opportunity to participate in the benefits of the salmon resources development. For the purposes of this bill, I have drafted the definition of the Columbia River broadly in order to include tributaries such as the Willamette, Deschutes, Sandy, and Umatilla Rivers. Specifically, title III will provide a total of $30 million for enhancement projects in the Columbia River drainage basin. Twenty million dollars is designated for construction of enhancement projects over a period of 8 years. An additional $10 million is designated for operation, maintenance, and monitoring of these projects.

While any comprehensive management plan for the Columbia River under this bill must be approved by the U.S. Department of Commerce, it is my intention that the funds be spent by the local parties with the absolute minimum amount of Federal intervention.

It is my hope that an ambitious program such as that which I am proposing today will have a measurable effect both on the Columbia River system itself and in the coastal fisheries. At this moment, the Pacific Fisheries Management Council is meeting to redraft its proposed 1980 ocean salmon fishing regulations which already reduce both the commercial and recreational fishing seasons to all-time lows.

The Council feels that it must restrict the ocean salmon fishing in order to meet court-mandated salmon runs of the Columbia River. Unless these goals are met, fishermen can look forward to another round of court decisions which have temporarily resolved disputes, but have never resolved the underlying problem. The problem is simply an insufficient salmon resource to meet the demands of commercial, recreational, and Indian fishermen. I believe that the legislation we are introducing today, which I have drafted to include the Columbia River basin, will significantly increase the number of salmon returning to their up-river spawning grounds.

If this program is successful, it will reduce the need for ever-tighter ocean and Columbia River salmon fishing regulations in the future.●

NOTICES OF HEARINGS

COMMITTEE ON ENERGY AND NATURAL RESOURCES

● Mr. JACKSON. Mr. President, I would like to announce a change in the schedule of hearings on the geopolitics of oil which are being held by the Senate Committee on Energy and Natural Resources. The "Global Assessment" formerly scheduled for March 28, 1980 has been postponed until April 22, 1980 at 9:30 a.m. Adm. Stansfield Turner, Director of the Central Intelligence Agency will be the witness.

The purpose of the hearing on April 22 will be to summarize the principal conclusions of the first phase of the committee's study of the geopolitics of oil. The first phase has been devoted to a series of briefings on the principal political, economic, social and military factors that will affect the supply, demand, and price of oil in the next 10 years. The committee has held eight such briefings on specific areas of the world. The "Global Assessment" on April 22 will draw together the most important themes from those sessions.

The committee will follow the first phase of hearings with a second series in which the committee will examine alternative foreign, military and economic policies for dealing with the global energy crisis.

The April 22 hearing, which will be open to the public, will be held in room 3110, Dirksen Senate Office Building.●

SPECIAL COMMITTEE ON AGING

● Mr. CHILES. Mr. President, I would like to announce that Senator PRYOR will chair a hearing of the Special Committee on Aging on April 4 at 9 a.m. in Little Rock, Ark. at Parris Towers.

The hearing will focus on ways successful outreach and coordination can be fostered in S. 1177, the Mental Health

Systems Act. Testimony will be received concerning State and local programs in Arkansas to overcome barriers to mental health care for the elderly, including linkages between primary health care providers and mental health and social services agencies, outreach and referral mechanisms, and coordination of services.●

SUBCOMMITTEE ON TAXATION AND DEBT MANAGEMENT

● Mr. HARRY F. BYRD, JR. Mr. President, I wish to announce that the Subcommittee on Taxation and Debt Management will conduct a hearing on extension of the temporary limit on the public debt. The Honorable G. William Miller, Secretary of the Treasury; Mr. James T. McIntyre, Director of the Office of Management and Budget; and Alice M. Rivlin, Director of the Congressional Budget Office, will testify on the public debt at 9:30 a.m., Monday, March 31, in room 2221 Dirksen Senate Office Building.

Paul Volcker, chairman of the Federal Reserve Board; Dr. Raymond J. Saulnier; and Albert Sindlinger, consumer research and economic forecasting pollster, will testify in a second day of hearings, at 9 a.m., Wednesday, April 2, in room S-207 of the Capitol.

The temporary debt limit of $879 billion which the Congress enacted in September of 1979 is due to expire on May 31.

WRITTEN TESTIMONY

The subcommittee would be pleased to receive written testimony from those persons or organizations who wish to submit statements for the Record. Statements submitted for inclusion in the Record should be typewritten, not more than 25 double-spaced pages in length and mailed with five copies by April 11, 1980, to Michael Stern, staff director, Committee on Finance, room 2227 Dirksen Senate Office Building, Washington, D.C. 20510.●

SUBCOMMITTEE ON PARKS, RECREATION AND RENEWABLE RESOURCES

● Mr. JACKSON. Mr. President, I would like to announce for the information of the Senate and the public, the scheduling of a public hearing before the Subcommittee on Parks, Recreation and Renewable Resources.

The hearing is scheduled for April 17, 1980 beginning at 10 a.m., in room 3110 of the Dirksen Senate Office Building. Testimony is invited regarding S. 1842, the "National Heritage Policy Act of 1979."

For further information regarding the hearing, you may wish to contact Robert Kutler at 224-7144.

The list of organizations and individuals other than Federal and elected officials who have been invited to testify at the hearing are: The National Trust for Historic Preservation; The Nature Conservancy; Sierra Club; National Parks and Conservation Association; Preservation Action; Chamber of Commerce of USA; National Association of Conservation Districts American Mining Congress; National Association of Realtors; American Forestry Association; National Center for Preservation Law; Society for Professional Archeologists; National Forest Products Association; and natural heritage program officers for the States of Massachusetts, Missouri, and Washington.

Anyone wishing to submit a written statement for the Record should write to the Subcommittee on Parks, Recreation and Renewable Resources, room 3106 Dirksen Senate Office Building, Washington, D.C. 20510.●

SUBCOMMITTEE ON TAXATION AND DEBT MANAGEMENT

● Mr. HARRY F. BYRD, JR. Mr. President, I wish to announce that the Subcommittee on Taxation and Debt Management of the Senate Finance Committee will hold hearings focusing on the proposals recommended by the White House Conference on Small Business on capital formation for small business.

The hearings will be held on Friday, March 28, and Tuesday, April 1, in room 2221 of the Dirksen Senate Office Building, and will begin at 9 a.m. each day.

The hearings will focus on the following bills:

S. 487. Provides a credit for investment in original stock of small businesses.

S. 653. Provides for the nonrecognition of gain on the sale of stock if the proceeds are reinvested.

S. 1481. Provide a tax credit for investment in qualifying debentures.

S. 2136. Corporate rate reduction.

S. 1435 and S. 110. Depreciation reform.

S. 2171. Would eliminate the midyear W-2 form.

S. 2168. Permits subchapter S corporations to have 100 shareholders.

S. 2239. Provides favored tax treatment for certain stock options.

S. 1967. Would permit the establishment of a reserve for the net gain from certain market-making activities.

S. 2152. Increases amount of used machinery and equipment eligible for the investment tax credit from $100,000 to $200,000.

Panels of experts representing the entire spectrum of small business have been invited to testify. This will include attorneys, accountants, and economists specializing in the servicing of small businesses as well as institutional advocates and operating small businessmen.

Among those invited to testify on March 28 are:

The Department of the Treasury.

Mr. Milton Stewart, Office of Advocacy, Small Business Administration.

Small Business Legislative Council.

National Venture Capital Association.

Among those invited to testify on April 1 include:

National Federation of Independent Businessmen.

National Association of Small Business Investment Companies.

Wisconsin Manufacturers and Commerce Association.

Witnesses scheduled to testify must comply with the following rules:

First. A copy of the statement must be filed by the close of business the day before the day the witness is scheduled to testify, together with the full mailing address of the witness.

Second. All witnesses must include with their written statement a summary of the principal points included in the statement.

Third. The written statement must be typed on letter-size paper (not legal size) and at least 100 copies must be submitted by the close of business the day before the witness is scheduled to testify.

WRITTEN TESTIMONY

The subcommittee would be pleased to receive written testimony for those persons or organizations who wish to submit statements for the record. Statements submitted for inclusion in the Record should be mailed with five copies by April 30, 1980, to Michael Stern, staff director, Committee on Finance, room 2227, Dirksen Senate Office Building, Washington, D.C. 20510.●

SELECT COMMITTEE ON SMALL BUSINESS

● Mr. NELSON. Mr. President, the Select Committee on Small Business will hold a hearing on "The Impact of Inflation and Related Government Actions on the Housing Industry."

The hearing will begin at 10 a.m., on Wednesday, March 26, 1980, in room 424 of the Russell Senate Office Building.●

SELECT COMMITTEE ON SMALL BUSINESS

● Mr. NELSON. Mr. President, the Select Committee on Small Business will continue its hearing on title I of S. 1860, the "Small Business Innovation Act of 1979."

The hearing will begin at 10 a.m., on Wednesday, April 2, 1980, in room 424 of the Russell Senate Office Building.●

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources be authorized to meet during the session of the Senate today to hold a markup session on S. 1076, the Multiemployer Pension Plan Amendments Act and S. 2337, Extension of the Authorization of the Legal Services Corporation.

The PRESIDING OFFICER. Without objection, so ordered.

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Environment and Public Works be authorized to meet during the session of the Senate today—beginning at 1:30 p.m.—to mark up pending legislation relating to public buildings and fish and wildlife programs.

The PRESIDING OFFICER. Without objection, so ordered.

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION AND COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation and the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Tuesday, March 25, 1980, to hold a joint hearing on S. 2119, Georges Bank Protection Act.

The PRESIDING OFFICER. Without objection, so ordered.

SUBCOMMITTEE ON EAST ASIAN AND PACIFIC AFFAIRS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the East Asian and Pacific Affairs Subcommittee of the Committee on Foreign Relations be authorized to meet during the session of the Senate on Tuesday, March 25, 1980, beginning at 2 p.m. to hear witnesses on the refugee and relief issue in Southeast Asia.

The PRESIDING OFFICER. Without objection, so ordered.

ADDITIONAL STATEMENTS

TAIWAN AND ARIZONA: SISTER STATES

● Mr. GOLDWATER. Mr. President, it is my pleasure today to announce that the State of Arizona has officially offered to join in a sister State relationship with the Province of Taiwan in the Republic of China.

The city of Tucson, Ariz., has already become a sister city of Taichung, Republic of China, and I am pleased that the legislature of Arizona has now passed a concurrent resolution inviting Taiwan to join with Arizona as a sister state and to expand ongoing links of trade, culture and other programs.

Mr. President, I believe the action by the Arizona State Legislature reflects the true affection and respect of the American people for the people on Taiwan and for the government and economic system of that nation.

In April of last year, the U.S. Congress greatly strengthened the Taiwan Relations Act, insisting upon specific statutory declarations of U.S. policy in that law to make available to Taiwan the defense articles and services necessary to assure Taiwan's future security and economic welfare. In addition, Congress made official statutory reference to the governing authorities on Taiwan in several provisions of the law.

Taken together, the action of Congress last year in the Taiwan Relations Act and the actions of State governments, such as Arizona, reaffirm the continued ties between, not only the people but governments and official bodies of the United States and the governments in Taiwan. The American people, the U.S. Congress, and our State governments continue to recognize Taiwan on an official basis, even if the State Department does not think it exists.

Mr. President, virtually all of the policies of the U.S. State Department have been calculated to weaken the international status of Taiwan, which is a betrayal of an ally and destroys any basis for coequal negotiations between the Republic of China and the People's Republic, which is something the State Department supposedly encourages.

As an example of efforts by the State Department to deny Taiwan's status as a separate entity, contrary to the clear mandate of the Taiwan Relations Act, I can point to the appearance of the Justice Department on behalf of the State Department in the recent Taiwan Olympic athletes lawsuit. To my mind, this actions was gross interference by the central government in the affairs of an independent judiciary, something we would condemn in any other nation.

The Justice Department was asked by the Department of State to place on record, before the appellate courts in New York, its view that Taiwan does not exist as an international entity. The State Department actually submitted a diplomatic cable to the judiciary complaining that it would embarrass our Government if it should have to "welcome" the Taiwan athletes.

As a direct result of this interference in the court proceeding, the highest court of New York decided, and so stated in its one paragraph ruling, that it must refrain from exercising jurisdiction in the case because it involved the "two-Chinas" problem. Constitutional issues of unreasonable discrimination and Taiwan's firm status in the Taiwan Relations Act were tossed aside by the court under the pressure of the Federal Government.

Well, the State Department cannot pressure the American people. The State Department's sympathies for Red China cannot destroy the good sense of the American public, who does not turn its back on a friend.

Mr. President, I ask that the resolution inviting formal ties between the State and people of Arizona and the Province people of Taiwan be printed in the RECORD.

The resolution follows:

SENATE CONCURRENT RESOLUTION 1001

A. Concurrent Resolution proposing the establishment of a sister state relationship between the province of Taiwan, the Republic of China, and the State of Arizona, United States of America

Whereas, the Republic of China has overcome great adversity and has built a successful, prosperous, free economy emulating our country; and

Whereas, the people of Taiwan have been the closest friend of the people of Arizona for many years; and

Whereas, the Republic of China has been and continues to be one of the most faithful allies of the United States; and

Whereas, strong ties now exist between the citizens of the Province of Taiwan and the citizens of the State of Arizona; and

Whereas, the people to people program, initiated by President Eisenhower in 1956 and endorsed by President Kennedy in 1961, was designed to bring the people of the world closer together in the interest of peace; and

Whereas, a sister state relationship between Taiwan and Arizona is in the best interests of a cooperative relationship between the two states involved.

Therefore

Be it resolved by the Senate of the State of Arizona, the House of Representatives concurring:

1. That the Legislature, on behalf of the people of Arizona, extends to the people of Taiwan, through the Provincial Legislature of Taiwan, an invitation to join with Arizona as a sister state and as such to conduct such mutually beneficial social, economic, educational and cultural programs as to bring our citizens closer and strengthen international understanding and goodwill.

2. That the Secretary of State of the State of Arizona transmit copies of this Resolution to the Governor and to each Member of the Arizona Congressional Delegation.

3. That the Secretary of State of the State of Arizona send copies of this Resolution to T. S. Lin, Speaker of the Taipei City Council, Lin Yang-Kang, Governor of Taiwan, Tsai Hung-Wen, Speaker of the Provincial Legislature of Taiwan, and Niek Wen-Ya, President of the Legislature Yuan, Republic of China.

(Passed the Senate—February 19, 1980 by the following vote: 27 Ayes, 1 Nay. Passed the House—February 21, 1980 by the following vote: 49 Ayes, 0 Nays; Filed in the Office of the Secretary of State—February 21, 1980.)

WORK PROGRAM INITIATIVES

● Mr. BOREN. Mr. President, the January issue of News & Views, a publication of the Oklahoma Department of Human Services, included an article which tells a great story. It tells of a young mother who suffered a crisis in her life which resulted in her family's need for financial assistance through the AFDC program—of how she used the opportunities afforded her for training and employment to become a subsidized care employee—of how she applied her training and experience to become a successful owner-director of a licensed day care center in Burns Flat, Okla. She and her family have been off of welfare for over a year.

Mr. President, we hear too few of these stories. Not necessarily because few exist, but perhaps because welfare cheaters make better press than welfare success stories. I take great pride in the work program initiatives taken in Oklahoma, and other States as well. The Oklahoma work experience program typically serves those AFDC recipients who have the most difficulty finding permanent employment. They often have little or no work history and many times other factors place them at a competitive disadvantage in the job market. In its short history, the work experience program has placed over 4,000 AFDC recipients in private nonprofit and public work experience job slots and has resulted in permanent full-time employment for nearly 1,400 persons. This does not include those who went directly into full-time employment or those who went into other job skill training programs.

It is a tragedy, Mr. President, that in many instances, as is certainly the case in Oklahoma, the Federal Government has been a hindrance rather than a supportive partner in these work program initiatives. It is exactly for this reason that on July 26, 1979, I introduced the Family Welfare Demonstration Program Act, S. 1579. Enactment of this bill would allow States which so desire to free themselves from burdensome Federal regulations and to demonstrate their ability to more effectively meet the needs of children and families with children.

Mr. President, I ask that the article entitled, "Former AFDC Client Operates Day Care Center," be printed in its entirety in the RECORD at this point.

The article follows:

FORMER AFDC CLIENT OPERATES DAY CARE CENTER

Edna Mendez scooped Elizabeth from the high chair, deftly mopping the last traces of lunch from the baby's face as she turned to smile a greeting.

Five other pre-schoolers were down for naps, four older children were playing quietly and three visitors had just arrived.

Mrs. Mendez takes it all in stride—with a smile.

Mrs. Mendez is precisely where she wants to be: the owner-director of Luv-U-Land, a licensed day care center in Burns Flat, Washita County. She is an independent businesswoman, and she is no longer "on welfare."

With help from the Department of Institutions, Social and Rehabilitative Service, she was able to get a job and free professional training in child care. With a friend as cosigner, she was able to secure a loan from Cordell National Bank to buy the day care center where she had been a subsidy worker.

"You couldn't know what it means not to be on welfare," she told DISRS licensing service worker Pauline Jones.

Mrs. Mendez had been injured in a car wreck and was unable to continue her job in the shipping department of a Cordell factory. Divorced, in her 30s and the mother of two sons, she became eligible for Aid to Families with Dependent Children.

"After I got well enough to wonder why I wasn't killed in that wreck, I started thinking, 'God, you must have saved my life for something,' " Mrs. Mendez said. "Then a lady from the welfare office asked me, 'How would you like to work in a day care center?'

"I told her I would love to."

She went to work at Luv-U-Land last January as a subsidized day care employee, one of 412 Oklahoma AFDC parents whose wages were paid in part by DISRS in fiscal 1979. She also enrolled in a free child care training course cosponsored by DISRS and the home economics cooperative extension division of Oklahoma State University.

It was a major turning point for Mrs. Mendez. She drove 40 miles to Elk City and back for the night sessions with Mrs. Jones, who volunteered her time as trainer.

"It was so interesting," Mrs. Mendez said. "It dealt with everything from nutrition to first aid. It dealt with how you felt about yourself and how you felt about those children. It made me stop and think—what is my work, how do I really feel about this?"

Training stressed the importance of the caregiver in a child's life, a fact which struck home with Mrs. Mendez. "I've always thought it was important," she said. "I've wondered what effect my own sons' babysitters had on them."

Mrs. Mendez credits the training program for her decision to buy Luv-U-Land when the former owner decided to sell. And she is grateful for the encouragement she got from the woman friend who offered to cosign her bank note.

"I didn't do this myself," she said. "I had God's help. I believe this is were it's God's will for me to be. Not every day is a bed of roses, but I've never been happier. I've always liked children.

She began her sixth month as owner-director in October, licensed to care for 13 children and operating at capacity. Sister-in-law Elizabeth Mendez helped her get started. She trained a neighbor, Denise Grimes, to take over as staff assistant before Miss Mendez returned to school.

Her two sons—Jack, 11, and Steve, 10—are an important part of the operation. They share a bedroom (locked during the day) in the modest duplex where Luv-U-Land operates from 5:30 a.m. on weekdays. They lend a hand with drop-ins on nights and weekends and are, in some respects, big brothers to the younger children.

Eve, a brown-eyed toddler who's going on 2, fussed one morning until she got a goodby kiss from Jack. "She just hollored—Jack couldn't go to school until he came back and gave Eve a kiss," his mother smiled.

"If they take time to tie somebody's shoe, that's important," she said. "It helps the child and it helps me. I tell them every day how important what we're doing is."

On weekends the boys have been helping build homemade toys and play equipment, which Mrs. Mendez has assembled from scratch. Donations from friends, free or at-cost labor and ingenuity help.

Breakfast at Luv-U-Land is free, a solution Mrs. Mendez worked out for children who arrived unfed or supplied with snack foods.

"She says she couldn't stand the thought of them being hungry," said Mrs. Jones. "She knows what each child needs. She seems to be sensitive to children's feelings. She knows some children have to have more love."

Mrs. Mendez plans to take a second course in child care training, scheduled for nights at Clinton. "She probably has at least a dozen books from my personal library on games, crafts and child development," said Mrs. Jones.

"She's committed. She's happy and the children are happy. She likes it, and to her it's fun. That's what keeps her going. She knows she's on her way."●

REMARKS BY SENATOR KENNEDY ON AN ADDRESS BY SECRETARY OF STATE CYRUS VANCE

● Mr. PELL. Mr. President, I submit for the Record a statement by our colleague, the distinguished senior Senator from Massachusetts (Mr. Kennedy):

REMARKS BY MR. KENNEDY ON AN ADDRESS BY SECRETARY VANCE TO THE NEW YORK STATE BAR ASSOCIATION

Mr. President: On January 25, Secretary of State Cyrus Vance received the Annual Gold Medal award from the New York State Bar. In his speech to the Bar Association, Secretary Vance discussed the fundamental role that law plays in both domestic and international society. His message was the need to preserve the freedoms of both individuals and nations, and the contribution that respect for legal principles could make to this purpose.

Recent events have demonstrated just how true Secretary Vance's words are. In Iran, "centuries of diplomatic practice and one of the most basic tenets of international law have been violated by an act of terrorism." In Afghanistan, "the Charter of the United Nations and the human rights of the Afghan people" have been trampled underfoot by Soviet tanks and troops.

Yet events in Iran and Afghanistan have done more than threaten American diplomats and Afghan independence. They threaten the law that "is the practical guarantor of the freedoms and justice which make the life of an individual . . . or a nation . . . worth having."

Mr. President, Secretary Vance's words remind us that U.S. foreign policy must promote the cause of human rights and national independence and must emphasize respect for individual and international codes of conduct. I agree with him that "the world of our ideals . . . a better, more lawful world . . . is the world in which our nation's interests are most secure."

Mr. President, I attach the full text of Secretary Vance's speech before the New York State Bar Association.

The speech follows:

ADDRESS BY THE HONORABLE CYRUS R. VANCE

Judge Cooke; your Honors; President Palermo; members of The New York State Bar:

I am deeply grateful for the honor you pay me with this medal . . . and for your friendship. No award could mean more to me than this one. It comes from friends and colleagues whose opinion and values I cherish. And I am all the more moved when I recall the distinguished members of our profession who have previously received it.

Most of my professional life has been spent as a member of the New York Bar. This bar has set a high standard for the profession and for the nation.

I'm proud to be a part of it.

I will express my gratitude tonight by giving you a gift in return: a short speech.

I am aware that what you honor tonight is not one individual, but a profession and an idea. The profession is the law. The idea is a powerful one: that the only fit ruler for unruly humanity is the law.

Tonight, as we honor the law, our thoughts must also be on the somber and challenging events of our times. For these are times in which both our wisdom and our will are being tested.

In Iran, centuries of diplomatic practice and one of the most basic tenets of international law have been violated by an act of terrorism.

In Afghanistan, the Charter of the United Nations and the human rights of the Afghan people have been violated by an act of aggression.

Both cases involve a grave threat to world peace. And, in both, we must never forget that our hopes for the rule of law in the world are at stake, as well.

The captivity in which our colleagues in Tehran are held . . . and the captivity whose bonds the people of Afghanistan are fighting to throw off . . . underscore that central point. Our dedication to the law, at home and abroad, is not based on idealistic abstraction. It is based on our understanding that law is the practical guarantor of the freedoms and justice which make the life of an individual . . . or a nation . . . worth having.

I say "an individual or a nation" because we see again, in Afghanistan, that the independence of nations is inseparable from the freedoms of individual human beings. When Afghanistan is overrun by Soviet troops . . . when aggression takes place anywhere . . . the loss of national sovereignty is, in real terms, a loss of individual freedom for the people under attack. The human rights of a people are insecure when the military security of their nation is imperiled.

And, in the terms of the aggressor, an attack on a foreign nation is in the same cast of thought and conduct as the internal exile of an honest man like Andrei Sakharov for the sin of speaking the truth.

These thoughts go to the philosophical basis of our foreign as well as our domestic policies. In the long run, our security interests and our abiding belief in human rights run hand in hand. In shaping our national purposes we cannot separate our interests and our ideals. The world of our ideals . . . a better, more lawful world . . . is the world in which our nation's interests are most secure.

So it is in defense of both . . . our immediate security interests and our devotion to freedom and justice . . . that our nation stand tonight.

We stand prepared to defend our vital interests with whatever means are necessary, including force.

We stand more united, I believe, than we have been for many years.

We stand in confidence of our economic, military and political strength, and the values on which our nation was founded.

We stand not only for those values. We stand strengthened by them.

Thank you.●

THE IKI DOLPHIN MASSACRE

● Mr. PACKWOOD. Mr. President, I call to the attention of the Senate and the American people an appalling situation in Japan. More than 2,000 dolphins have been systematically rounded up and slaughtered over the past month around the island of Iki. The killing is continuing.

I am raising this issue today because the Foreign Minister of Japan, the Honorable Saburo Okita, is in Washington on an official visit. I call on Mr. Okita to inform his government and the people of Japan upon his return that the American people find abhorrent this official campaign to exterminate the dolphins from the Sea of Japan.

Last week, 48 Members of the House of Representatives signed a letter to Prime Minister Ohira of Japan. In it they stated that:

> The savage and cruel slaughter of these highly intelligent and social mammals should not be condoned by any civilized nation . . . There are certainly more humane means of clearing your fishing areas of dolphins. Such cruel and inhumane treatment must come to an end. Certainly, a nation as dedicated to peace and the value of human life as in Japan, will not continue to permit the wholesale killing of highly intelligent mammals.

The sentiment of my colleagues is reflected in the law passed here in 1972, the Marine Mammal Protection Act, which grants protection to the dolphins and whales and other mammals that inhabit the sea. This landmark legislation recognizes that these extraordinary creatures must not be harvested without restriction or until they face extinction.

I strongly urge Japan to adopt dolphin protection laws like those of the United States, Canada, and the Soviet Union. The directed killing of dolphins at Iki and in other coastal areas of Japan, totaling many thousands annually, must be halted.

We are only just beginning to understand the significance of the dolphins, and their close cousins the whales, in the web of life. Dr. Hans Gruenberger of the Brain Anatomy Institute in Switzerland has stated:

> Many toothed whales (including the dolphins) have reached such a degree of central nervous system differentiation that, cerebrally, they are on a par with higher primates and human beings.

These findings are echoed by American neuro-biologist Dr. Peter Morgane and others.

Jacques Cousteau observes with sad eloquence:

> The only creatures on Earth that have bigger—and maybe better—brains than humans are the Cetacea, the whales and dolphins. Perhaps they could one day tell us something important, but it is unlikely that we will hear it. Because we are coldly, efficiently, and economically killing them off.

Mr. President, I have received an eyewitness acount of the Iki dolphin massacre and other killing from a West Coast filmmaker, Hardy Jones, one of the courageous environmentalists who went to Japan to expose the events taking place there:

> We arrived late Wednesday and went into Katsumoto town, the scene of killing in 1978 and 1979 . . . We called the fishermen's union to ask for a meeting but much to our surprise, were bluntly told to leave Katsumoto town immediately. The fishermen had captured 800 dolphins that very afternoon. They were astonished we had shown up when we did and were paranoid about our camera equipment.
>
> The following morning I noticed what looked like dolphin bodies on the beach at Tatsunoshima island—the place where the dolphins were confined . . . We approached the area . . . Fishermen rushed along the shore waving us away. But instead of leaving we circled around a point of land and went ashore. What we saw was appalling. The beach was littered with dolphins that had been confined in nets in shallow water. The outgoing tide had caused them to beach in the hot sun. Many were dead. Others were still gasping for breath, their skin cracking from dehydration.
>
> Across the bay, fishermen were massacring dolphins. As we approached the killing area the fishermen warned us away. They did not want cameras to record their deeds.
>
> We walked in among the fishermen and began filming and photographing the massacre of the dolphins. Dozens of bottle-nosed dolphins were lying on the beach, dead or dying. Fishermen were wading into crimson water to throw nooses around the tails of other dolphins and pull them ashore to be killed.
>
> As we worked, the fishermen, of whom there were about 60, would try to dissuade us from filming. One shoved Howard. Others put their hands over his lens. We both continued our work—recording this terrible tragedy so the world would know what happened at Iki.
>
> It is still staggering to me to realize that if we had not arrived in time the entire kill would have taken place and never been known outside of the town of Iki . . . The events at Iki were alarming enough. Even more so is the fact that Japan appears to be preparing for a messave exploitation of the dolphin and pilot whale population for food.

Mr. President, this is an extremely distressing situation. I repeat my request that the Government of Japan end this killing. The importance to Japan of food from the sea is well recognized. However, the American public is outraged by the deliberate killing of dolphins and by the installation of a "dolphin processor" costing more than $100,000 which grinds up the dolphins for pig feed and fertilizer.

I urge that serious scientific analysis be made of these dolphin's food preferences or of effective methods of warning them away from Iki fishing grounds.

I urge that the Honorable Saburo Okita inform his government upon his return that its current practices are rejected by the American public and members of Congress, and hope Japan will reconsider its policies on dolphins and whales.●

ALLARD LOWENSTEIN

● Mr. CHURCH. Mr. President, the violent, tragic death of Allard Lowenstein left thousands of his friends across the country traumatized at one of the most senseless deaths in recent experience.

I am proud to say that I considered Al Lowenstein a friend. We were allies in our opposition to the Vietnam war, friends over more than a decade.

Words are very often insufficient to state one's feelings at times like these, but in expressing my own, I would like to rely on a remarkable piece of journalism that appeared in Wednesday's editions of the Washington Post. I am referring to Dave Broder's sensitive column on his own friendship with Al Lowenstein. It speaks volumes.

I ask, Mr. President, that Mr. Broder's column be printed in the Record.

The article follows:

Vintage Lowenstein

(By David S. Broder)

In what proved to be his last battle, as in so many of his earlier fights, Allard K. Lowenstein came up with a line that was so right, so funny and so barbed that you just savored it.

Representing Sen. Edward Kennedy in a surrogates' debate in Bangor, Maine, just before the February caucuses, he was talking about the folly in the war fever the Carter administration was whipping up about the Persian Gulf, about the ridiculous spectacle of national security adviser Zbigniew Brzezinski rushing over to the Pakistan-Afghan border and waving an automatic rifle melodramatically toward the Soviet invaders.

"I expected any minute," Lowenstein jibed, "to hear him shout, 'Ich bin ein Khyber Passer.'"

I complimented him on the line when I saw him a few days later at a similar debate in New Hampshire and, looking a bit pleased with it himself, he introduced his young son, who was out campaigning with him that evening.

I saw him again, for the last time, on television in Florida, talking to the Jews in Miami, telling them they should reject Carter, not on the narrow grounds of the snafu on the U.N. resolution, but because his social and economic policies contradicted the values for which they had stood for years.

That, too, was vintage Lowenstein, motivating people to act, but insisting that they base their action on the broadest context of principle and, yes, morality—not on narrow self-interest.

That is how I first remember him, more than 30 years ago, the strange, intense youth from the University of North Carolina who came to the University of Chicago to drum up interest in a National Student Association, whose purpose, he insisted, would not be merely the protection of student rights, but the struggle for racial and economic justice in the nation and the world.

Ours was a campus full of activists, but none of us had seen quite the demonic intensity, the 24-hour-a-day purposefulness of this visitor. The girl I then dated and later married succumbed, and went off with Lowenstein to a convention in Ann Arbor, convinced she was about to save the world.

Up in Maine, six weeks ago, I met another young woman who, quite starry-eyed, disclosed that she had spent the previous weekend driving Lowenstein on his ceaseless round of meetings. I thought—but did not say—"He's bewitched you, just as surely as he bewitched a woman old enough to be your mother."

That quality in Lowenstein was a bit vexatious to those of us contemporaries who lacked his capacity for perpetual rejuvenation. To a greater extent than any public man I have ever known, Lowenstein was constantly and inseparably linked to the young people of this society, drawing his energy from them and giving them back inspiration and direction. From his NSA days, to the civil rights and anti-war movements, to the dump-Johnson campaign, and until the moment of his death, it is beyond dispute that he brought more young people into American politics than any other individual of our times.

His opinions and attitudes were often as outrageous as his habit of scheduling a midnight appointment—then arriving four hours late and pounding indignantly on your door if you had fallen asleep.

His enthusiasms often led him to wildly inconsistent positions. As his devoted friend, Sam Brown, pointed out in a New Hampshire debate, Lowenstein may have been unique as a Democrat who had campaigned with passionate conviction, but at different times, for all three of this year's Democratic candidates—Jimmy Carter, Jerry Brown and Ted Kennedy.

But he was more eclectic than that. Encountering George Bush in New Hampshire, he told his former House colleague that he was "anxious to get together" with him. Lowenstein would try to convert anyone to his cause.

Strange as it is to say of a man with such a legion of devoted friends, individuals were less important to him than causes. That may explain why his friendships ranged so broadly. Don Rumsfeld, the hawkish former secretary of defense, was a House gym wrestling buddy of Lowenstein's and a friend. Conservative Bill Buckley was another friend, and wrote a courageous column defending Lowenstein against the Red smears that were invariably used against him in his many losing House campaigns.

They responded, as did almost anyone who ever met Lowenstein, to the irresistible appeal of a man who shared with everyone his own intense enjoyment of the political arena and his unquenchable faith that in this nation, politics might bring defeat, but never despair.

The passion for the good cause, well-fought, that Al Lowenstein brought to every battle, will live on, despite the bullets that stopped his strong heart.

It is his legacy to the uncounted thousands he enticed, cajoled, badgered and bulldozed into the political life of America. As long as they fight for their causes, his spirit will live on.●

NIGERIA: MOVING TOWARD UNITY

● Mr. McGOVERN. Mr. President, at a time when we are devoting so much attention to the challenges of foreign policy, it is particularly important for us to learn more of those developing countries who will play an ever-expanding role in global politics and economics. Nigeria is such a nation. As black Africa's richest and most populous state, Nigeria has been—since return to civilian rule in October 1979—the world's fourth largest democracy. Economically, Nigeria is especially important to the United States as our second largest supplier of foreign oil. Politically, Nigeria continues to play a central role in working out the problems of majority rule and independence in southern Africa.

Nigeria's path toward its present international prominence has been characterized by tension and turmoil. A member of my staff on the Subcommittee on Africa of the Foreign Relations Committee, Dr. Pauline H. Baker, has recently written an article entitled "Lurching Toward Unity," which traces Nigeria's progress from colonial status to developing democracy. Dr. Baker, one of the Nation's most respected authorities on African affairs, was a longtime resident of Nigeria.

Mr. President, I submit for the RECORD Dr. Baker's article from the winter 1980 edition of the Wilson Quarterly.

The article follows:

LURCHING TOWARD UNITY

(By Pauline H. Baker)

"Mammy-wagon" slogans—the West African equivalent of bumper stickers—are painted on the ramshackle wooden trucks, owned mostly by women, that provide Nigeria's chief means of mass transportation. One of the favorites: "No condition is permanent," a suitable motto for a people that has experienced the heights of optimism and the depths of despair over two turbulent decades.

When sub-Sahara Africa's richest and most populous state achieved its independence from Great Britain on October 1, 1960, it was widely hailed as a "showcase of democracy" with a bright economic future. The Times of London waxed euphoric:

> Rarely, if ever, can the relationship of master and servant have been transformed into partnership with so much understanding, sincerity, and humility; rarely, in the evanescent world of politics and diplomacy, has one left so profound an emotion as at those moments when, at midnight on Friday, the Union Jack fell from the masthead at Lagos race course to be replaced for the first time by the green and white flag of Nigeria.

The applause died down with the collapse of the first civilian government in 1966. For the next decade and a half, Nigerians staggered from one political nightmare to another coup d'etats, assassinations, tribal pogroms, secession, and civil war.

Yet, the nation described by one of its architects, Chief Obafemi Awolowo, as "a mere geographical expression," has somehow held together. With the return to civilian rule in October 1979, Nigeria seems once again ready to try to fulfill its early promise. The outgoing head of state, Lt. Gen. Olusegun Obasanjo, whose ambition, unusual among his peers, was to relinquish the Army's monopoly on power to a democratically elected government, told his people last summer: "Let our past experience enrich and enlighten our future. We cannot afford to disappoint Nigeria, Africa, and the world."

Nigeria represents the classic African political dilemma writ large: how to create unity out of a mosaic of conflicting cultural legacies. The country's 80 million people speak some 250 languages or dialects; it is the most linguistically diverse state on the continent. There are divisive religious heritages—Islam and Christianity, as well as various African faiths—and competing traditions of government (emirates, monarchies, and village councils), with representative democracy a latecomer.

The origins of most of Nigeria's peoples remain obscure. The Nok agricultural society flourished 2,000 years ago near the present-day city of Jos; its striking terra cotta sculpture represents the earliest contribution to Nigeria's rich artistic heritage.

During the 7th and 8th centuries A.D., scholars believe, in the first of several invasions by Arab nomads, rugged Berber tribesmen from North Africa swept into the semidesert and savanna regions of northern Nigeria. (The ancestors of Nigeria's Muslim Hausa tribe, the largest in the country, probably migrated from what is now Chad.) The caravan trade with Tripoli and Egypt was brisk, and Nigerian Muslims exchanged local cloth and skins for Europeans textiles, metals, and glass. Government in the north was based on Koranic law, and the region's numerous emirates from time to time coalesced into empires. The last of these was the great 19th-century Fulani domain, centered around the powerful Sultan of Sokoto in northwest Nigeria.

THE SLAVE COAST

The history of the non-Muslim peoples of the southern rain forest and coastal swamps is also murky. The Yoruba states of Ife and Oyo and the Kingdom of Benin were once the most powerful societies in the area, but there were many other tribes, including the Ibo, Ibibio, Efik, Ijaw, and Tiv. These self-sufficient communities of farmers and hunters were variously led by chiefs with limited authority or councils of elders.

For more than a millennium, then, what is now Nigeria has been like a divided cell, its peoples grouped into two broad cultural clusters, Muslim and non-Muslim, Arab and Negro, with the clusters themselves divided and subdivided. This is the central fact in the country's political history.

The first white men arrived in Nigeria during the winter of 1472–73, when Portuguese seafarers, from bases in Senegal and Sierra Leone, ventured into the Bight of Benin. Initially, the Portuguese sought gold and peppers, but by 1500, they were interested in a single resource: human beings. Feuding tribes were happy to oblige. The Kingdom of Benin, wrote Portuguese explorer Duarte Pacheco Pereira at the end of the 15th century, "is usually at war with its neighbors, and takes many captives, whom we buy at 12 or 15 brass bracelets each."

For 350 years, trade in Nigeria meant slave trade, and by the 18th century, some 20,000 Nigerians were being shipped each year to plantation owners in Brazil, the West Indies, and North America. The area around Lagos became known as the "Slave Coast," to distinguish it from the "Gold Coast" (Ghana) and the "Ivory Coast" (which has retained its name).

Europe's Christian powers contended bitterly for control of this appallingly lucrative traffic. Bit by bit, Dutch, French, and British entrepreneurs chipped away at the Portuguese monopoly. By the early 1700s, France and Britain had cornered the market; Liverpool and Bristol grew fat on the proceeds. In 1807, however, in the face of mounting abolitionist pressures and changing economic conditions, Britain declared the slave trade illegal. By the mid-1840s, "legitimate" trade in ivory, gold, kola nuts, and palm oil (a lubricant widely used in England's new factories) had replaced human cargo.

INDIRECT RULE

When the Berlin Conference of 1885 divided Africa into German, French, and British "spheres of influence," a London-backed firm, the Royal Niger Company, was effectively granted exclusive trading rights in the Niger basin. The company set up its own military force, exercised judicial authority, collected taxes, and stamped out pockets of slave trading. In short, it exercised virtually all the powers of an independent state.

Meanwhile, an assortment of plucky Methodist, Baptist, Anglican, and Catholic missionaries penetrated deep into the interior. They braved a torrid climate and deadly malaria to promote "the Bible and the plough" in an area of the tropics reputed to be a "white man's grave." Their efforts opened up the hinterland. "It certainly is an inspiration," wrote Henry Dobinson, Archdeacon of the Niger, in 1894, "in this rather forlorn and desolate land, to see in every river and settlement the brave old Union Jack floating in the breeze. Our countrymen are wonderfully energetic and pushing."

The British Government formally took over the Royal Niger Company's territory in 1900, then rushed to claim, by gun and treaty, as much additional ground as possible before the French (to the north and west) and Germans (to the east) could take it. In their Whitehall offices, the British drew frontiers that ignored natural barriers and tribal boundaries, and installed Sir Frederick Lugard as the first High Commissioner of "Nigeria."[1]

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[1] The name "Nigeria" was suggested by Lugard's wife, Flora Shaw, colonial editor of The Times, in a letter to that newspaper in 1897. It won out over "Niger Sudan," "Negretia," and "Goldesia," the latter in honor of Sir George Taubman Goldie, who secured the Niger Basin for Britain during the European "Scramble for Africa."

Lugard was the archetypal colonial administrator. He was quick to assure local tribes, particularly in the north, that British rule would bring little noticeable change in their way of life. Thus, in 1903, he pledged to the Sokoto Council of Notables that he would be guided by "the usual laws of succession . . . emirs and chiefs . . . will rule over the people as of old time."

Lugard, in effect, was making a virtue out of a necessity. Rebellion was never a serious threat; as Hillaire Belloc once wrote, "Whatever happens we have got/The Maxim gun and they have not." But daily administration—tax collecting, maintaining courts, and the petty details involved in governing 15 million people spread over 360,000 square miles—was another story. Hence the policy of "indirect rule," similar to the system the British adopted in India and elsewhere in Africa.

On balance, Lugard's approach worked smoothly in the north, where the populace was accustomed to obeying authoritarian emirs. Lugard used the Muslim administrative system (and the Muslim administrators) for official purposes. Tactfully, he decided not to interfere with Islam and discouraged Christian missionaries from proselytizing in Muslim strongholds. While it eased the pain of conquest, the ultimate effect of this policy was to isolate the north from European education for half a century.

PEACE AND PROFIT

In the south and other non-Muslim areas, indirect rule was a disaster. Wrongly assuming that the Muslim administrative system had its parallels in the rest of Nigeria, the British equated local chiefs with emirs and used them as tax collectors, often in areas whose inhabitants had never paid taxes—to anyone—before. In the southeast, where there were no chiefs, the British appointed local notables as "warrant chiefs." The system was unpopular. Anti-tax riots were commonplace. In the long run, Lugard's policy catalyzed anti-colonial sentiment in the south, sowing the seeds of nationalist fervor that would eventually lead to an independent Nigeria.

What exactly were Great Britain's interests in Nigeria? Whitehall's injunctions to its colonial governors—in Asia, Africa, the Middle East—were generally two: Keep the peace, and turn a profit. Nigeria, the richest of Britain's African possessions, responded handsomely. By 1920, London's total import-export trade with the colony reached $43 million; revenues to the Crown topped $13 million. Colonialism was not a charitable exercise.

Yet, there were positive side-effects, as far as the Nigerian people were concerned. Commerce required good transportation; highways and railroads began to link major towns. Because the colonial administrators needed teachers, doctors, clerks, and lawyers, thousands of Nigerians, particularly southerners, received proper British educations. English became the official language; for the first time, Nigerians had a common means of discourse.

A sophisticated native elite developed. Men like Nnamdi Azikiwe ("Zik"), the American-educated Ibo journalist who became independent Nigeria's first President, and Obafemi Awolowo, a British-trained Yoruba lawyer, returned from abroad with radical ideas and visions of freedom from colonial rule. Such people were hardly representative of the great mass of rural Nigerians. But as Awolowo put it: "It must be realized, for now and for all time, that the articulate minority are destined to run the country."

Self-government came to Nigeria in stages. During the early 1920s, to accommodate the first stirrings of nationalist sentiment, the British began allowing a few members of the black elite to serve on local governing bodies. The election in 1922 of three Africans to the Nigerian Legislative Council, for example, provided the first voice in government to the inhabitants of Lagos (males with an annual income of $240 or more were entitled to vote). Such advances were mostly symbolic. By and large, the early history of Nigerian nationalism is the story of a black urban elite pressing for limited reforms through shortlived native political parties and firebrand newspapers.

World War II changed all that. Within the British government attitudes toward colonialism softened. Indeed, as most hardheaded politicians in London realized, the Empire's post-war days were numbered, if not for reasons of justice, then for sheer expediency as anti-colonialism accelerated.

THE "JEWS OF AFRICA"

Beginning in 1945, the British experimented with various constitutional formulas to pave the way for self-government. Decolonization was not strictly a British affair. Indeed, in retrospect, probably too much weight was given to competing Nigerian leaders seeking narrow political ends, not enough to building real foundations for national unity.

By the end of colonial rule, there were three distinct administrative regions—the North, West, and East. Each gave rise to a major political party dominated by a single tribe.[2] Led by ardent nationalists like Awolowo and "Zik" in the West and East, and by the conservative religious leader, Sir Ahmadu Bello, in the North, these parties struggled for regional prerogatives. The tug-of-war produced, in essence, a tripartite federal system, ratified in 1954 by the last of the colonial constitutions. But "balance" proved elusive. Because parliamentary districts were drawn on the basis of population, the huge Northern Region had twice as many seats in the central legislature as the other two regions combined.

Thus, when Nigeria was granted independence in 1960, its internal power structure was skewed in favor of the least developed and most insular part of the country. A Muslim northerner, Abubakar Tafewa Balewa, became the country's first Prime Minister. And for the first six years after independence, the North maintained an iron grip on Nigeria's political life.

Educationally and economically, however, by 1960 the Ibos of the east—geographically mobile, receptive to change—had pushed ahead of the other groups. Whereas 50 years earlier, owing to their fragmented, village-based society, they hardly considered themselves a coherent "people," great economic strides had reinforced their tribal identity. As the Ibo elder statesman, Nnamdi Azikiwe, put it years before: "It would appear that the God of Africa has created the Ibo nation to lead the children of Africa from the bondage of ages."

All over Nigeria, Ibos filled urban jobs at every level far out of proportion to their numbers, as laborers and domestic servants, as bureaucrats, corporate managers, and technicians. Two-thirds of the senior jobs in the Nigerian Railway Corporation were held by Ibos. Three-quarters of Nigeria's diplomats came from the Eastern Region. So did almost half of the 4,500 students graduating from Nigerian universities in 1966. The Ibos became known as the "Jews of Africa," despised—and envied—for their achievements and acquisitiveness. Inevitably, ethnic tensions mounted. Competition for political offices and job promotions routinely degenerated into tribal rivalry. Nigeria was smoldering.

MUTINY

On January 15, 1966, following controversies over rigged national and regional elections, a military coup toppled Prime Minister Balewa's civilian government. Balewa, his finance minister, and the premiers of the Northern and Western regions were killed. The mutiny, led by five Ibo officers, was quickly suppressed by federal troops, but a military government was formed by Major General J.T.U. Ironsi, the head of the Nigerian Army—and an Ibo. Ironsi, well respected though sometimes maladroit at fitting actions to his good intentions, swiftly suspended the constitution, consolidated the regions, and attempted to impose unity by decree.

The Ibo junta insisted that there was no ethnic basis to the regime. But the military takeover was predictably seen by most Nigerians, especially northern Muslims, as an Ibo *putsch*. In a country that thrived on rumor, horror stories abounded. According to one, the Ibos were flaunting photographs of the coup leaders proudly displaying the corpse of Sir Ahmadu Bello, murdered premier of the Northern Region; atop each picture (so the rumor went) was a crowing rooster, symbol of the Ibo political party. Riots rocked northern cities. Around the country, armed thugs hunted down local Ibo residents. Thousands of innocent people were massacred, and over 1 million Ibos were believed to have fled back to their homes in the east.

NO VICTORS, NO VANQUISHED

In the middle of all this, a detachment of Muslim soldiers heard unconfirmed reports that General Ironsi had drawn up a "hit list" of northern officers. The Muslims decided to strike first. In the early morning hours of July 29, 1966, they found Ironsi at the home of the military governor in Ibadan, the capital of the Western Region. The two men were taken to a remote forest outside of the city, stripped, "interrogated," and shot.

As the next Supreme Commander, the Army chose 31-year-old Lt. Col. Yakubu Gowon, a compromise candidate. Gowon, then the Army chief of staff, was a Sandhurst alumnus, a Christian, and a northerner, though from a minority (i.e., non-Hausa-Fulani) tribe. He kept his job for nine years.

Gowon immediately faced civil war. The military governor of the Ibo-dominated Eastern Region, Lt. Col. Odumegwu Ojukwu, refused to back the new regime, demanded "autonomy" for his territory, and finally called for outright secession. Arrogant, intelligent, and wealthy, Ojukwu had once told Oxford classmates that he would be "King of Nigeria"; he proclaimed the Republic of Biafra in May 1967.

The Ibos were euphoric. With one-quarter of the country's population and one-twelfth of its territory, Biafra was the richest and most developed region in Nigeria, crisscrossed by railroads and serviced by three large airports. Within its boundaries: the bustling oil rigs near Port Harcourt in the mangrove swamps of the Niger delta. Moreover, Ojukwu had about half of the Nigerian Army on his side, and most of the junior officers. He scored some impressive early victories, at one point even threatening Lagos.

With only 5,000 men, no tanks, no warships, and no combat aircraft, Gowon started at a disadvantage. Then came transfusions of arms and ammunition from Great Britain, artillery and MiG fighters (reportedly with Egyptian and East German pilots) from the Soviet Union. The Army mushroomed to 250,000. Time was on the federal side.

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[2] The Northern Peoples' Congress (Hausa-Fulani) in the North; the National Council of Nigerian Citizens (Ibo) in the East; and the Action Group (Yoruba) in the West.

The bloody war dragged on for two-and-one-half years, owing in part to massive Western shipments of food and medical supplies (as well as arms and ammunition, which the secessionists demanded be sent on the same planes) to the beleaguered Biafrans. International public opinion generally sided with Biafra, although France was the sole nation openly to provide military assistance.[3] The suffering of the Ibos was plain, their public relations effort first rate. (Novelist Cyprian Ekwensi was Biafra's Minister of Information.) And, too, the Nigerians whom most Westerners knew were the well-educated Ibos.

The United States remained officially aloof, though public opinion was decidedly pro-Biafra. After a 1967 visit to Washington to explain the position of the Nigerian government, Chief Anthony Enaharo, Gowon's emissary, observed that there was "diminishing comprehension of the Nigerian crisis the higher up the hierarchy one went. . . . [The State Department] tended to gauge us by a double standard: What was right for the American federation in 1860 did not hold for the Nigerian federation." The frustration of Nigeria's rulers turned to anger when U S. Secretary of State Dean Rusk baldly suggested that the Nigerian crisis was a "British responsibility," implying that, in American eyes, the country was still a colony.

Surrounded, starving, and broke, the Biafrans surrendered on January 15, 1970. Ojukwu fled into exile in the Ivory Coast. With Abraham Lincoln as his avowed model, Gowon adopted a policy of "no victors, no vanquished." Ibos were quickly reintegrated into Nigerian life. Officials of the rebel government were given new posts in the federal bureaucracy; most Ibo officers kept their ranks. "In the history of warfare," wrote John de St. Jorre, who covered the war for the London *Observer*, "there can rarely have been such a bloodless end and such a merciful aftermath."

Nigeria's troubles were not over. Although the country's oil revenues doubled and doubled again after the 1973 OPEC price hikes, for most of Nigeria's people life had not much improved. The great influx of money into the economy also brought massive inflation. Corruption was rampant, and some of Gowon's military governors milked their districts as if they were private estates. In 1975, after reneging on his promise to return the country to civilian rule, Gowon was overthrown. (He retired to private life, enrolling as a freshman political science student at the University of Warwick in Britain.)

The new head of state was Brig. Gen. Murtala Muhammed, a no-nonsense northern Muslim who started to get Nigeria back on its feet. Muhammed dismissed the hated military governors, fixed a date for return to civilian rule, and began firing venal bureaucrats. He also made plans to move Nigeria's capital out of traffic-clogged Lagos. Six months after taking office, however, he was assassinated by disgruntled Army officers while his car was stalled in a Lagos traffic jam. He was succeeded by the next in command, Lt. Gen. Olusegun Obasanjo, a devout Baptist, a Yoruba, and a career Army man.

Carrying forward Muhammed's program, Obasanjo deftly shepherded the country through an unprecedented three-year-long exercise in grassroots democracy, which included the election of hundreds of local governments, public debate on a new, American-style constitution, registration of 47 million voters (most of whom were voting for the first time in their lives), and the overseeing of five elections to fill state and national offices. "Never in the history of Africa," commented the magazine *West Africa* when it was all over, "have so many people been consulted so thoroughly about how they wished to be governed."

A casual observer might be tempted to conclude that Nigeria is merely back where it started in 1960. The new President, Hausa-Fulani nobleman Alhaji Shehu Shagari, is a northerner, as was Nigeria's first Prime Minister, Abubakar Balewa, whom he resembles. The election breakdowns show that tribal loyalties remain a powerful, even decisive, political force.

Yet Nigeria's political prospects may be brighter than would appear on the surface. The new 19-state federal system better reflects the country's cultural pluralism and effectively carves up the old Hausa-Fulani, Ibo, and Yoruba strongholds. Moreover, the new constitution seeks to ensure that elections are truly "national" in character; to be elected President, a candidate must receive not only one-third of the popular vote but also at least one-quarter of the vote in two-thirds of the states. (In the 1979 elections, for example, Shagari needed critical support in the east, beyond his central base in the north.) Finally, the new constitution provides for effective checks and balances. Shagari's party holds only 38 seats in the 95-member Senate and 168 seats in the 449-member House. It is therefore obliged to wheel and deal.

Political reforms alone, of course, cannot guarantee national cohesion. In a country where leaders are as important as institutions, the real test is whether Shagari and his successors can actually govern this complex society—enriched by oil, afflicted by inflation, corruption, and poverty, and fractured by special interests.

Most Nigerians, publicly proud, privately pessimistic, seem determined to make the democratic experiment work. As the most populous state south of the Sahara, Nigeria is one of black Africa's natural leaders, a maverick member of OPEC, a commanding voice in the Organization of African Unity. What happens inside the country, therefore, has a certain importance to the outside world. Brave steps have been taken by the Nigerians; grave risks remain.●

ANATOLY SHCHARANSKY

● Mr. **CHURCH**. Mr. President, 3 years ago, on March 15, 1977, Anatoly Shcharansky was arrested by the Soviet KGB and put on trial 15 months later. His crime was nothing less than standing up against the tyranny of the Soviet Union—demanding from the Soviet authorities the inalienable right of free speech and to leave the country. For years before his arrest, Anatoly was the victim of intimidation and harassment. But he courageously persisted in his efforts to speak out. I note that Anatoly was the main spokesman in a British television documentary, in which he boldly described his constant fear of capricious Soviet justice. Anatoly was a founding member of the Committee for the Implementation of the Helsinki Agreement in Moscow. In short, Anatoly dared to stand up to the Soviet authorities.

And, in an almost predictable reaction, the Soviet authorities arrested Anatoly and later sentenced him to 13 years in a labor camp. The charge on which he was convicted—working for the CIA—has never been documented with even a shred of evidence. It is obvious that Anatoly Shcharansky was silenced because he spoke too loudly.

And yet, Anatoly's ordeal has been compounded in prison. His health has deteriorated, he has been denied visits from family members, and an appeal cannot even be launched on his behalf. And so, I join my colleagues on the floor of the House and Senate in an urgent appeal to the leaders of the Soviet Union to release Anatoly Shcharansky from prison.

We must be firm that when we enter into a comprehensive international agreement, we must expect compliance with all the provisions, not just those provisions that suit Russian convenience. The Helsinki accord is just such an agreement. And in that agreement are explicit commitments undertaken by the signatory states to ease the restrictions on travel and emigration of citizens. As chairman of the Senate Foreign Relations Committee, I strongly urge the Soviets not to violate this agreement. I implore them, to facilitate the release of Anatoly Shcharansky. I call upon the leaders of the world to help secure the freedom for this one indivdiual who has so courageously stood up for others. My hand goes out to Anatoly's family, especially his mother, Ida Milgrom, and his wife, Avital. The following are the eloquent words spoken by Anatoly at the closing of his trial in July 1978:

> In March and April, 1977, during the preliminary interrogations, those conducting the investigation warned me that in view of the position taken by me during the investigation, the one which I have maintained during the course of this trial, I will be likely to be given the death sentence or, as a minimum, 15 years of confinement. I was told that if I agreed to collaborate with the KGB in order to destroy the Jewish emigration movement, then I will be given a short sentence, quick release and even the possibility of joining my wife.
>
> Five years ago, I applied for a visa to Israel, but now I am further than ever away from the attainment of my dream. It might appear that I must have regrets about what has happened. But this is not so. I am happy. I am happy that I have lived honestly, in peace with my conscience, and have never betrayed my soul, even when I was threatened with death. I am happy that I have helped people. I am proud to have known and to have worked with such honorable, brave people as Sakharov, Orlov, Ginzburg—they who are continuing the finest traditions of the Russian intellectuals. I am happy that I can be a witness to the redemption of the Jews in the USSR. These absurd accusations against me and against the whole Jewish emigration movement will not hinder the liberation of my people. My dear ones and friends know how I wanted to exchange activity in the emigration movement for a life with my wife, Avital, in Israel.
>
> For more than 2000 years the Jewish people, my people, have been dispersed. But wherever they are, wherever Jews are found, each year they have repeated: "Next year in Jerusalem." Now, when I am further than ever from my people, from Avital, facing many arduous years of imprisonment, I say, turning to my people, my Avital: Next year in Jerusalem!

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[3] Only five states—Tanzania, Gabon, the Ivory Coast, Zambia, and Haiti—recognized the rebel government.

And I turn to you, the court, who were required to confirm a predetermined sentence: to you I have nothing to say.●

PROPOSED WATERCRAFT RESTRICTIONS WOULD BRING ECONOMIC RUIN TO CERTAIN INDUSTRIES

● Mr. HUDDLESTON. Mr. President, on February 7, the Department of Energy proposed recreational watercraft restrictions as part of their standby Federal emergency energy conservation plan.

The Department of Energy's own estimates indicate that watercraft restrictions would reduce demand for motor fuel by less than one-half of 1 percent for a 1-day—Sunday only—restriction, and by about 1 percent for a 2-day—Saturday and Sunday—restriction.

Yet, the restrictions would likely mean economic ruin to the water oriented commercial recreation and tourism industries which are so important to many States like my own State of Kentucky. Further, the damage can be expected to extend far beyond boat sales, marinas, and docks to affect every business in these water resort areas.

Section 213 of the Energy Conservation Act of 1979 wisely provides that any conservation plan must be designed "so as not to impose an unreasonably disproportionate share of the burden of restrictions on energy use on any specific class of industry, business, or commercial enterprise, or any individual segment thereof." This proposal, which singles out recreational boating for particularly harsh treatment, violates that provision, and should be withdrawn.

The concerns of the tourism industry in Kentucky over these proposed regulations were very eloquently and convincingly expressed by Dr. Allan J. Worms, a recreation and tourism specialist from the University of Kentucky, at Department of Energy hearings in Washington last week. I ask that Dr. Worms' testimony be printed in the RECORD.

The testimony follows:

STATEMENT BY ALLAN J. WORMS

Mr. Chairman: My name is Allan Worms. I am an Associate Professor at the University of Kentucky and have been asked, as a recreation and tourism specialist, to represent the concerns of the Kentucky Tourism and Hospitality Federation regarding the Standby Federal Emergency Conservation Plan with special reference to the Standby Weekend Boating Restrictions.

The Kentucky Tourism and Hospitality Federation is composed of a broad cross-section of private business people whose economic success depends on their service to the recreating tourist public. Membership of the Federation includes both private business individuals and many related associations such as the Kentucky Hotel and Motel Association, the Kentucky Restaurant Association, the Kentucky Marina Association and Kentucky's regional and community tourism promotion and development organizations.

The Federation recognizes the significance of tourism as a provider of recreation opportunity for our American public and also as an industry which must do its share in management of our limited energy resources. However, the Federation and Kentucky tourism business people hereby voice their direct opposition to the proposed Department of Energy Standby Weekend Boating Restrictions. Our reasons for this opposition are as follows:

Title II of the Energy Conservation Act of 1979 requires in Section 213, part h, that the plan "be designed so as not to impose an unreasonably disproportionate share of the burden of restrictions on energy use on any specific class of industry, business, or commercial enterprise, or any individual segment thereof . . ." The Standby Weekend Boating Restrictions are clearly in violation of this element of the legislation (Public Law 96-102) in that the restrictions, if implemented, would discriminate against businesses specifically involved in provision of motorized watercraft for recreation.

Unfortunately, the boating restrictions proposed by the Department of Energy, while providing for limited, if any, net conservation of fuel, strike at the heart of the water-oriented commercial recreation and tourism industry. Recreational boating, fishing and related outdoor activities are the attraction cornerstone on which numerous commercial recreation businesses are reliant. This is especially true in Kentucky since much of our tourist industry and commercial recreation business is located directly on the many large federal and state impoundments and along our extensive system of freshwater streams and rivers.

The American public has long been attracted to water for recreation. If deprived of use of water in this fashion, they also will not come to the lakeside resort, park or campground, even though their actual boating related fuel consumption and expenditure is ordinarily a fraction of the total weekend or vacation recreation experience. Curtailment of recreational boating will certainly generate a broadening "ripple effect" that can, and probably will, spell economic failure to many marinas, docks, resorts, marine shops and resort area businesses.

As the Kentucky tourist industry is importantly dependent on water-oriented recreation, I would like to illustrate the significance of this industry and, thus, the prospective impact of the proposed boating restrictions.

During 1978, the Kentucky tourism industry enjoyed 1.4 billion dollars of expenditures by all travelers.[1] In terms of total economic output value for identifiable individual industries, tourism ranks third behind all commerce (includes manufacturing and mining), at approximately 12.2 billion dollars, and agriculture, at approximately 1.8 billion dollars.[2]

In brief, this industry generates vital economic returns to Kentuckians in the following categories:

Personal income to Kentuckians	$396,680,000
State taxes collected from tourists	108,800,000
Local taxes collected from tourists	26,340,000

Many businesses provide goods and services to other travelers including tourists. Consideration of all these businesses, of which tourism is an important part of their annual operating gross, illustrates sales (from both local and traveling customers) of approximately $2,955 million. These businesses sales constituted 22 percent of the total 1978 Kentucky retail trade and service receipts.

There are approximately 17,400 firms in the Kentucky travel business. They total 17 percent of all business firms in the state. Those firms contributed approximately $1,026 million in personal income, $372 million in state taxes and $46 million in local taxes. Further, there are between 110,500 and 112,000 Kentuckians employed in businesses serving the travel industry. Our data indicate tourism is the second largest industry in employment in Kentucky.

Footnotes at end of article.

Marine businesses in Kentucky, including dealers in boats, motors, trailers, tackle, and equipment manufacturers and marinas make up 24 to 28 percent of those businesses primarily serving tourists. The significance of this is that these businesses provide much of the attraction foundation for the many other businesses serving the recreating public, either directly or incidentally.

There are 108,503 boats registered in Kentucky. In 1979, the total gasoline consumed by power boats was 2,716,014 gallons for an average of only 25.03 gallons per boat for the year. Almost 19 gallons of this was for weekend use. Of total gasoline consumption in Kentucky, during 1979, power boats used less than two-tenths of one percent (.00145 percent) and slightly more than one-tenth of one percent (.00109 percent) of total gasoline consumed was on weekends. While it is unsubstantiated statistically, our marina operators have advised me that the typical power boat user, including fishermen, travels less than a mile from the dock. A sample survey of marinas indicated a fairly steady decline in power boat fuel consumption since 1973.

In Kentucky, tourist trade and travel-oriented recreation have been among the most progressive sectors of all business since 1963. However, the majority of recreation trips by all auto travelers in Kentucky are of less than 100 miles from their homes. This condition relates directly to Kentucky's fortuitous geographic location with regard to the short distance from major market origins.

Kentucky's close proximity to the recreating and boat-using public has become especially significant since recent fuel prices and related changes in travel patterns indicate strong tourist preference for attractive short and mid-range recreation destinations. We hope to encourage such short and mid-range recreation pursuit to destination businesses and areas which provide for diversified recreation throughout Kentucky. We would like very much to get people out of their autos and into our resorts and parks and on our trails and waterways. We strongly encourage the enjoyment of outdoor recreation in our wildlands, our historic attractions and in our parks and communities and we are not promoting exaggerated driving for the sake of driving.

We realize that the proposed weekend boating restriction is a component of an emergency standby plan for shortages of up to 20 percent. However, the plan could be put into effect with a 1 percent shortage. Moreover, even if the plan is approved but never used, the psychological impact will entail nearly the same force. It has apparently already damaged selected boat and equipment sales in many areas.

We, too, sincerely wish to encourage energy conservation. Restrictions which strike drastically at the boating business and thousands of interdependent small business people, however, cannot be regarded a fair solution. We respectfully request that the Standby Weekend Boating Restrictions be eliminated from this plan and the Department of Energy work with representatives of the tourist industry in development of positive incentitives for energy conservation.

Supportive information and references for this statement are attached. We ask that these supplements be entered as part of the record.

FOOTNOTES

[1] Copeland, Lewis and Leona. *Survey of Travel in Kentucky—1978*. Department of Statistics, University of Tennessee, Knoxville. 1979.

[2] These data derived from the following sources:

Annual Survey of Manufacturers. Bureau of the Census, U.S. Department of Commerce. 1976.

Employment and Earnings. Bureau of Labor Statistics, U.S. Department of Labor. 1978.

Unemployment Insurance Covered Employment and Wages, Employer Contributions and Benefits Paid, By Industry, Kentucky, 1977. Division for Unemployment Insurance, Bureau for Social Insurance, Department of Human Resources, Frankfort, Kentucky, 1978.

Total Wages Covered By Kentucky Unemployment Insurance Law, 1977. Division for Unemployment Insurance, Bureau for Social Insurance, Department of Human Resources, Frankfort, Kentucky, 1978.

Mineral Industry Surveys. Bureau of Mines, U.S. Department of Interior, January, 1979.

Statistical Abstract of the United States. Bureau of the Census, U.S. Department of Commerce. 1978.

Annual Agricultural Report. Kentucky Crop and Livestock Reporting Service, U.S. Department of Agriculture. 1978.

Agriculture Employment, Annual Averages. Department of Human Resources. Frankfort, Kentucky, 1977.

GALLONS OF GASOLINE CONSUMED IN KENTUCKY

	1978	1979	Percent
Total gallons of gasoline consumed in Kentucky	1,941,375,324	1,868,006,513	−3.779
Gallons of gasoline used in powerboats in Kentucky	3,443,800	2,716,014	−21.13
Percentage of total gallons consumed by powerboats	0.177	0.145	
Percentage consumed by powerboats on weekends	0.133	0.109	

Data obtained from the Kentucky Department of Revenue, Fuel Tax Division, and Kentucky Department of Tourism.

Fishing licenses sold in Kentucky in 1978

Resident Statewide	359,571
Resident Combination	121,263
Non-Resident 15-day	31,065
Non-Resident 3-day	78,867
Non-Resident Annual	32,147
Ohio River Only	2,900
Total Licenses Sold	625,813
Percentage of total licenses sold to Kentucky Residents	77.30

Data obtained from the Kentucky Department of Fish and Wildlife.

Importance of the recreational marine industry in Kentucky

Number of Registered Boats (12/31/78)	108,503
Boats required to be registered—all motorboats:	
Number of Boat Manufacturers	24
Number of Manufacturers of Motors, Trailers and Accessories	6
Number of Fishing Tackle Manufacturers	4
Number of Marine Dealers	250

Above data provided by the National Marine Manufacturers Association.

Number of marinas in Kentucky	150

Data provided by the Kentucky Fuel Tax Division, Department of Revenue, and the Kentucky Marina Association. (Includes all facilities which sell gasoline for boats.)

Total Number of businesses engaged in the Travel Industry in Kentucky	* 17,400
Total Number of businesses engaged in the Marine Industry in Kentucky	434

* Survey of Travel in Kentucky, 1978, by Lewis and Leona Copeland.

Visitation at Tennessee Valley Authority facilities

	1978	1979
Land between the lakes computed in visitor days	3,014,000	Not available
Kentucky Lake use:		
January	5,150	11,950
February	11,150	14,095
March	17,870	20,220
April	45,500	64,303
May	85,325	147,800
June	148,850	174,600
July	308,100	296,315
August	209,900	187,125
September	126,505	90,445
October	84,000	87,664
November	43,785	19,660
December	20,635	13,921
Total Kentucky lake use	1,106,770	1,128,098

Data obtained from the Tennessee Valley Authority, Land Between The Lakes and Kentucky Dam offices.

Visitation to U.S. Corps of Engineers Lakes in Kentucky

	1978	1979
Dewey Fork Lake	1,355,932	1,200,000
Fishtrap Lake	511,864	453,000
Grayson Lake	1,061,017	939,000
Barren River Lake	1,355,932	1,200,000
Buckhorn Lake	332,203	294,000
Carr Fork Lake	492,655	436,000
Cave Run Lake	355,932	315,000
Nolin Lake	1,242,938	1,100,000
Rough River Lake	1,807,910	1,600,000
Lake Barkley	4,856,315*	4,556,011*
Lake Cumberland	5,836,163	4,957,598
Dale Hollow Lake	588,058*	533,404*
Laurel Lake	59,012	60,861
Martins Fork Lake	0	20,459
Totals	19,855,931	17,665,333

*Since portions of Lake Barkley and Dale Hollow Lake lie in Tennessee, we used 90 percent of visitation total for Lake Barkley and 20 percent of visitation total for Dale Hollow Lake.

Information was provided by U.S. Army Corps of Engineers Ohio River Division and Nashville District Offices.

POWER BOAT FUEL USE METHODOLOGY

Annual use of fuel for power boats in Kentucky: 2,716,014 gallons.[1]

There are 42–44 gallons of gasoline in one barrel of crude oil. (We will use the figure of 42, to be conservative.)

2,716,014 ÷ 42 = 64,667 barrels (equivalency) for Kentucky.

Daily use of crude oil in the United States equals 16,000,000 barrels. 16,000,000 × 365 = 5,840,000,000 barrels used in U.S. in one year.

Kentucky power boat use of 64,667 barrels × 50 states (Nebraska less, Florida more) = 3,233,350 barrels used by power boats in one year.

3,233,350 ÷ 5,840,000,000 = 0.0553 percent of total crude oil use devoted to power boats in the United States.

Since 75 percent of power boat use falls on "weekends", 0.0553 percent × 75 percent equals 0.0415 percent of total crude oil use occurs on weekends by power boats.

Kentucky Department of Tourism, Methodology for Computing Power Boat Fuel Use.

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[1] Data obtained from the Kentucky Department of Revenue, Fuel Tax Division.

1978 TRAVEL SOUTH ECONOMIC ANALYSIS

Travel for recreational purposes has become a fundamental part of the American social fabric. Such travel (tourism) has now become one of our nation's largest industries. For example, on the average, each day over 7,000,000 Americans, a number equal to the number of residents in New York City, are traveling away from home in the U.S. More adults travel than have attended high school.

American travelers are so active, they generate 2.5 trips, 10 days away from home, and 1,800 miles for every man, woman and child living in America each year.

Americans spent almost $114 billion while traveling in the U.S. during 1978. Foreign visitors spent an additional $7.3 billion traveling in this country. The total of U.S. and foreign travel spending in the United States reached $121 billion in 1978, 5.7 percent of our Gross National Product.

Travel expenditures become business receipts which, in turn, are used to pay wages and salaries to employees. During 1978, U.S. Travel Data Center estimates indicate that U.S. and foreign travel in America generated $28 billion in wage and salary income. The South enjoyed $6.7 billion of this, or 24 percent.

In 1978, travel directly generated almost one million jobs, or 5.3 percent of total non-agricultural payroll employment in the South.

In 1978, estimates indicate travelers were responsible for $1.1 billion in state tax revenue and an additional $160 million in local taxes.

If travelers did not spend money and generate this income, the average family in the South would have to pay $75 more to state and local governments to maintain the same level of public services.

Sources of data include the following: U.S. Travel Data Center, U.S. Bureau of the Census, U.S. Civil Aeronautics Board, U.S. Travel Service, U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, Florida Division of Tourism.

1978 KENTUCKY TRAVEL ECONOMIC ANALYSIS

The Kentucky tourism industry, according to the Survey of Travel in Kentucky-1978, enjoyed 1.4 billion dollars of expenditures by all travelers for short and long trips. In terms of total economic output value for identifiable individual industries tourism ranks third behind all Commerce at approximately $12.2 billion (includes manufacturing, mining and agriculture) at approximately $1.8 billion.

In brief, this industry generates vital economic returns to Kentuckians in the following categories:

Personal income to Kentuckians	$396,680,000
State taxes collected from tourists (5.5.% of all State taxes)	108,800,000
Local taxes collected from tourists	26,340,000

Many businesses provide goods and services to other travelers including tourists. Consideration of these businesses, for which tourism is an important part of their annual operating gross, illustrates sales (both local and traveling customers) of approximately $2,955 million. Their sales constituted 22 percent of total 1978 retail trade and service receipts.

There are approximately 17,400 firms in the Kentucky Travel business. (17 percent of the total business firms in the state.) Those firms contributed approximately $1.026 million in personal income, $372 million in state taxes and $46 million in local taxes. Further, there are between 110,500 and 112,-

000 Kentuckians employed in businesses serving the travel industry.

LOCAL ECONOMIC SIGNIFICANCE OF TOURISM

To appreciate the local significance of the tourist industry it has been estimated that for every 100 tourists visiting a destination area daily: (36,500 visitors annually) over 100 new jobs are created, approximately $750,000 in personal income is generated, income to support over 300 people is realized, and tax monies sufficient to educate about 150 school children are generated.

Tourism in Kentucky is benefited by an extensive and diverse range of beautiful outdoor resources, including streams, lakes, forests and mountains. Our historic, cultural and other recreational resources are also important as attractions.

However, our geographic location (geo-position) is especially fortunate with regard to the short distance from major market areas. This is especially significant since recent fuel price conditions and related changes in travel patterns indicate strong tourist preference for attractive short and mid-range recreational travel destinations.

Visitation at U.S. Forest Service facilities in Kentucky 1979

Computed in vistor days:	
Twin Knobs Ramp	1,400
Alfrey Ramp	4,000
Scotts Creek Ramp	5,200
Warix Run Ramp	4,000
Clay Lick Ramp	5,700
Leatherwood Ramp	2,700
Bangor Ramp	2,500
Twenty-Six Ramp	900
Poppin Rock Ramp	3,700
Long Bow Ramp	2,700
Camping:	
Clear Creek Site	4,100
Rodburn Site	10,000
Twin Knobs	121,500
Clay Lick Boat-In	15,500
Picnicking:	
Rodburn Site	5,000
Clear Creek Site	17,500
Twin Knobs Group Site	4,700
Swimming:	
Twin Knobs	11,100
Rifle Range	1,500
Total visitor days	223,700

Data provided by U.S. Forest Service, Morehead, Kentucky Office.

1978 TRAVEL SOUTH ECONOMIC ANALYSIS

Travel for recreational purposes has become a fundamental part of the American social fabric. Such travel (tourism) has now become one of our nation's largest industries. For example, on the average, each day over 7,000,000 Americans, a number equal to the number of residents in New York City, are traveling away from home in the U.S. More adults travel than have attended high school.

American travelers are so active, they generate 2.5 trips, 10 days away from home, and 1,800 miles for every man, woman and child living in America each year.

Americans spent almost $114 billion while traveling in the U.S. during 1978. Foreign visitors spent an additional $7.3 billion traveling in this country. The total of U.S. and foreign travel spending in the United States reached $121 billion in 1978, 5.7 percent of our Gross National Product.

Travel expenditures become business receipts which, in turn, are used to pay wages and salaries to employees. During 1978, U.S. Travel Data Center estimates indicate that U.S. and foreign travel in America generated $28 billion in wage and salary income. The South enjoyed $6.7 billion of this, or 24 percent.

In 1978, travel directly generated almost one million jobs, or 5.3 percent of total nonagricultural payroll employment in the South.

In 1978, estimates indicate travelers were responsible for $1.1 billion in state tax revenue and an additional $160 million in local taxes.

If travelers did not spend money and generate this income, the average family in the South would have to pay $75 more to state and local governments to maintain the same level of public services.

Sources of data include the following: U.S. Travel Data Center, U.S. Bureau of the Census, U.S. Civil Aeronautics Board, U.S. Travel Service, U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, Florida Division of Tourism. ●

PROPOSED FEDERAL ELECTION COMMISSION FORMS

● Mr. PELL. Mr. President, the Federal Election Commission has transmitted to the Senate its proposed forms which incorporate the changes made in the Federal Election Campaign Act by the amendments enacted this past January.

An expedited procedure for congressional review was provided for in these amendments for any new, or changed, forms that the Federal Election Commission chooses to circulate. Congress is allowed 10 legislative days to review and disapprove any of the forms it finds objectionable.

Because of the number of new forms that were transmitted along with their accompanying instructions, it is not feasible to include them here. However, a complete copy of these forms and instructions are available in the elections section of the Committee on Rules and Administration, room 310, Russell Senate Office Building, for examination and copying. Any inquiries regarding the forms may be directed there or to the Federal Election Commission, 1325 K Street NW., Washington, D.C. 20463 (telephone: 202-523-4143).

As of March 24, 1980, 4 legislative days remain for Senate review and action thereon. Members are requested to forward any comments or objections they may have with respect to the forms as soon as possible. If no action is taken by either the Senate or the House of Representatives within the prescribed number of legislative days, then the proposed forms may be adopted by the Federal Election Commission in the form submitted to Congress.●

Mr. WARNER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS FOR 15 MINUTES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess for 15 minutes.

There being no objection, the Senate, at 5:25 p.m., recessed until 5:40 p.m.: whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. PRYOR).

(At this point Mr. FORD addressed the Senate in connection with the introduction of legislation. The remarks in connection therewith are printed in today's RECORD under Statements on Introduced Bills and Joint Resolutions.)

MILITARY PAY FOR THE ARMED SERVICES

Mr. THURMOND. Mr. President, the No. 1 problem facing our military leaders today is the retention of qualified, trained, middle-grade servicemen. President Carter's recent veto regarding military pay for physicians is not a good precursor of the positive action we must take to effectively solve this serious problem.

Mr. President, I ask unanimous consent that an article entitled "The Retention Problem," which appeared in the March 19, 1980, issue of the Wall Street Journal be placed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE RETENTION PROBLEM

In President Carter's promised budget revisions, if we read the tea leaves correctly, the Defense Department's contribution to budget "austerity" will be a squeeze in personnel and operations and maintenance costs. If this does turn out to be the case, it will foreclose the one thing we could do in the short run to increase military preparedness.

Right now and probably over the next few years, the most pressing problem of the armed services is that they are bleeding dry of experienced personnel. The most skilled servicemen who operate and maintain sophisticated submarines, electronic equipment, planes, computers and the like—are leaving the military in record numbers.

None of the services is currently retaining more than six out of 10 of its personnel after their second term of service; the retention rate for the Navy and the Marine Corps is as low as 45 percent. The declining reenlistment rates among non-commissioned officers have resulted in a shortfall of about 74,000 men affecting every branch of the service, particularly the Army.

The cost of this attrition is enormous for it may take 10 years and as much as $150,000 to train a replacement for, say, an aviation mechanic. Moreover, the cost is not just monetary; it is sickening to know that dedicated servicemen have lost their lives in accidents because of faulty maintenance by inexperienced personnel.

Former Defense Secretary Melvin R. Laird addresses this issue in an American Enterprise Institute monograph entitled "People, Not Hardware: The Highest Defense Priority." As one of his last official acts, Mr. Laird ended the draft in 1973 and the All-Volunteer Force was born. As to why the volunteer concept is not working, both in terms of attracting adequate numbers of raw recruits and retaining them, Mr. Laird concludes that the government has not been willing to pay them enough. Pay for military jobs has been held down by linkage to more popular civilian civil service jobs, and by anti-inflationary pay caps. Will Mr. Carter's new budget repeat these mistakes?

Over the past seven years, the purchasing power for all military personnel declined an average of more than 14 percent, with some grades slipping almost 25 percent behind the rate of inflation. The average compensation for an enlisted man is currently $9,900 a year, which is below the government-defined "lower" standard of living level for a family of four. At least 100,000 and possibly as many as 275,000 military families may be eligible for public welfare assistance such as food stamps.

As a concrete example, a plane handler on the carrier Nimitz—recently rushed to the Indian Ocean—works about 100 hours a week on $25 million F-14 aircraft. Yet he makes less per hour than a cashier at McDonald's, lives below the poverty line, is eligible for food stamps and probably has not seen his family for six months.

Of course, military pay has never equaled the levels of private industry. But perks, such as the cheap prices at the PX, housing allowances and free health care, were an important supplement to cash income for military personnel. In recent years, however, these perks have become miserly. Housing allowances are no longer adequate; servicemen often have to seek private medical attention because of a 10 percent shortage of doctors in the military; food prices have risen sharply; dental care is no longer provided to dependents, and reenlistment bonuses have been eroded by inflation.

Senator Armstrong, aware of the problem of military pay, introduced a motion to give a 3 percent across-the-board raise to military personnel costing $4.9 billion over the next five years. However, such a move would not target the money where it is most needed—among the skilled ranks. The Senate instead decided wisely to pass a measure—sponsored by Senators Warner and Nunn—that attempts to rectify the pay and allowance anomalies by targeting $3.2 billion over the next five years into key areas such as reenlistment bonuses, housing subsidies, flight pay and sea pay. The measure is now under consideration in the House.

Even under its old budget proposals the Carter administration opposed the Warner-Nunn measure, though it does recognize the retention problem. And last week President Carter unleased budget-balancing rhetoric in rejecting a bonus pay bill for military medical personnel, even though the forces are already far too short of doctors. This scarcely bodes well for his new budget proposals when they are finally revealed.

Even if we reinstituted a full peace time draft, we would still face the retention problem for experienced personnel. If we are to maintain a serious fighting force, the immediate problem is to retain the skilled sevicemen we already have, and the only way that can be done is to pay them their due.

SOVIET AND COMMUNIST TIES TO TERRORISTS HOLDING U.S. HOSTAGES IN IRAN

Mr. **THURMOND**. Mr. President, the hand of the Soviet Union and other communist nations in the Iranian hostage situation is finally being revealed by respected spokesmen in the United States and Europe.

The fact that the leaders of the terrorists holding 50 Americans in Tehran have not revealed their identity suggests they may have connection with foreign governments.

A respected newspaper in West Germany and retired Air Force Intelligence Chief George Keegan have now revealed these terrorists were trained and financed by the Soviet Union.

Mr. President, any information on this subject held by the American Government should be released. The American people have a right to know what the Soviet Union is doing to destroy our relations with Iran and other nations. I call on our Government to reveal what is known in this matter.

Mr. President, I ask unanimous consent that an article entitled "Soviet Centers Schooled Iran Militants, Paper Says" which appeared in the March 14, 1980, issue of the Baltimore Sun newspapers, Baltimore, Md., be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Baltimore Sun, Mar. 14, 1980]

SOVIET CENTERS SCHOOLED IRAN MILITANTS, PAPER SAYS

BONN.—Militants holding some 50 Americans hostage at the U.S. Embassy in Tehran include graduates of Soviet training centers in East Germany and Czechoslovakia, a West German newspaper reported today.

Die Welt, a leading conservative daily, quoted "Western diplomats" as saying members of the "hard core" faction which led the November 4 embassy takeover had been trained by Soviet and East German agents in East Berlin, Leipzig, East Germany, and Prague, Czechoslovakia.

The London Daily Telegraph quoted a retired U.S. intelligence official Wednesday as saying there was "irrefutable evidence" the Soviet Union had paid $150 million in gold to establish a corps of 1,000 left-wing militants in Iran.

Gen. George Keegan, who retired as chief of Air Force intelligence several years ago, said "a handful of the elite of this corps was put in charge of the 50 hostages" inside the occupied U.S. Embassy, the newspaper said.

Shah Mohammad Reza Pahlavi said before his ouster in February, 1979, that his opponents included leftists trained by Libya, which has strong Soviet ties.

Zbigniew Brzezinski, President Carter's national security adviser, told reporters in Washington Wednesday the embassy militants included "intense religious fanatics" and left-wing radicals, with the radicals in the dominant position.

President Abolhassan Bani-Sadr of Iran said in an interview published by the Paris newspaper Le Monde Tuesday that some of the militants were under Communist influence. Mr. Bani-Sadr has sought unsuccessfully to transfer control of the hostages from the militants to his own government.

Little is known about the militants, who generally have refused to discuss their personal backgrounds in the few interviews they have granted foreign reporters.

However, the militants have said consistently they are loyal to the Iranian people and revolutionary leader Ayatollah Ruhollah Khomeini, and call themselves "Muslim student followers of the imam's line." Tehran observers have said the organization grew out of anti-shah agitation at four universities in the Iranian capital.

The West German newspaper said the Soviets and their allies recruited the alleged agents from Iranian exile student groups in Europe, and that some of them had taken part in demonstrations at Iranian government missions in Switzerland in 1976 and the Netherlands in 1978.

Others had attended college in East Germany, Die Welt said. It gave no figures on how many militants were part of the pro-Moscow group.

The paper said diplomats speculate the Soviets are using the students to discredit Western-educated figures in Iran's new leadership and exploit the Islamic fundamentalist movement until the pro-Moscow Tudeh Communist Party can take power.

The ousted shah banned the Tudeh Party in the 1950s, blaming it for an unsuccessful attempt on his life.

Many top Tudeh leaders fled to Eastern Europe and settled in East Berlin. They returned to Iran following the shah's downfall and have been allowed to operate their party despite Ayatollah Khomeini's avowed disgust for "atheistic" Marxism.

THE AIR FORCE ASSOCIATION POSITION ON DEFENSE

Mr. **THURMOND**. Mr. President, those concerned citizens who have been following the testimony during the Senate Armed Services Committee hearings have observed that the cumulative effects of defense cutbacks over the past several years have seriously affected all of our defense forces. We have a shortfall in every area: Military pay, surface ships, fighter aircraft, ASW helicopters, supplies for our ground forces, virtually every area of our force structure, both strategic and tactical.

Mr. President, the Air Force Association Board of Directors has issued an excellent position paper which outlines the minimum defense program this country needs to sustain an adequate defense posture. I ask unanimous consent that this position paper be placed in the RECORD.

There being no objection, the position paper was ordered to be printed in the RECORD, as follows:

AFA POSITION PAPER

(AFA's Board of Directors, meeting March 1 in Fort Walton Beach, Fla., unanimously adopted the following AFA Position Paper.)

The United States is experiencing a severe national emergency that is likely to persist and intensify. The Soviet thrust into Afghanistan gives the Kremlin a staging area for control of crucial Middle East oil supplies. It provides further evidence of Moscow's unchanging commitment to expansionism and imperialism.

This is not a time for business as usual. This is not a time to sell to the Soviets unique US technological capabilities that help the Kremlin's war machine.

This is a time for measures that stem the tide of Soviet imperialism.

At long last, the Administration has recognized publicly the Soviet threat in realistic terms. Now the challenge is to translate this awareness into national unity of purpose and to sustain that purpose. The Administration and Congress must signal clearly to the American people, and to the world at large, the rebirth of a dynamic United States.

There is a clearcut need to formulate and maintain a coherent, consistent and credible national strategy that reflects the enduring goals of the United States. The reactive, inconsistent and often self-defeating stance of the past must be supplanted by an active and bold policy that seizes opportunities to prevent further Soviet expansionism.

It is imperative, for instance, to secure a network of bases in key areas to which the US has reliable access. Also, the Monroe Doctrine should be invoked to forestall further Soviet infiltration of the Western hemisphere.

Correcting the cumulative effects of years of cutbacks, deferrals, and cancellations of essential defense programs—especially in the areas of strategic and force projection capabilities—will take time.

First we must support the forces in being. Materials for training and for war-readiness—from munitions and tactical missiles to spare parts—continue to be in disastrously short supply. This condition can be corrected relatively rapidly and will produce a major, across-the-board gain in the defense capabilities. The necessary steps must be taken at once.

It is equally urgent to restore U.S. intelligence capabilities to levels adequate to support the national defense requirements. A charter for the intelligence community can accommodate both responsible oversight and the latitude needed to act creatively, boldly and rapidly. Above all, new laws must be promulgated to shield our intelligence agents from exposure.

The Air Force Association sees a need for the following:

Across-the-board pay raises augmented by selective benefits—including a 50 percent increase in flight pay—are essential to ease the retention problem.

The "Neutron Bomb" should be put into immediate production. This would have major psychological as well as military benefits.

The MX Program must be accelerated and the Administration—from the President on down—should identify this weapon system as the key element in modernizing our strategic deterrence.

The Air Force, the Executive Branch, and the Congress should select and obtain an effective, rapidly producible follow-on system to the aging B–52. The crucial capabilities of a large, long-range manned penetrator and stand-off weapons launcher must continue to be available for both strategic and force projection missions.

The production rate of aircraft—especially combat aircraft—must be restored to the levels originally programmed. This will increase operational capabilities and achieve a more economic buy rate. Stretching out the purchase of vital equipment is penny-wise and pound-foolish; it in fact drives up the total program cost and shortchanges military requirements.

The Administration should declare firmly and clearly its support of the SEAFARER strategic command and control system which is urgently needed to improve the effectiveness and survivability of the ballistic missile launching submarine fleet.

The deployment rate of the Trident strategic submarine and its C–4 missile must be stepped up.

Conversion of Polaris submarines to attack submarine configuration and their use as cruise missile carriers must be expedited.

Strategic command and control must be upgraded to include modern radar warning systems to prevent sneak attacks on our bases by Soviet bombers and cruise missiles.

A fleet of at least 50 KC–10 tanker aircraft is essential.

Re-engining the entire KC–135 tanker fleet is essential to provide a 50 percent increase in its refueling capacity.

Expeditious development of the Rapid Deployment Force and its associated elements, including the CX, is mandatory.

Intesified R&D and proof-testing of directed energy weapons such as high energy lasers are essential.

A firm public commitment to mobilize the Reserve components is required.

Registration and classification are required to meet the critical manpower problem.

The Soviet Union, year-in, year-out, allocates about thirteen percent of its gross national product (GNP) to defense while the US confines its defense spending to about five percent of GNP. The consequence is growing US military inferiority. This is unacceptable.

Supplemental funds for FY '80 must be provided. In addition, the FY '81 Defense Budget and the Five-Year Defense Plan must be increased and revised to accommodate the new and accelerated programs that national security requires. For the longer haul, methods and procedures must be found to assure that vital defense programs are funded and supported from inception to completion at required levels and from administration to administration.

SYLVIA PORTER'S ARTICLE ON ANTI-INFLATION POLICY

Mr. THURMOND. Mr. President, while our Nation's economy continues to move ominously toward the very brink of economic chaos, we still hear no clear or strong voice of leadership for America. Instead, we hear only mild and weakly committed voices proclaiming programs that are too vague and too tentative to bring us back to the stable economic conditions that our Nation's citizens desire. President Carter's message recently, while probably politically acceptable to some, was not sufficiently strong nor clearly identifiable with our needs to be very helpful in either the short term or the long term.

Mr. President, it appears that most individuals who attempt to explain our economic problems or try to set forth their ideas to combat inflation are never quite able to communicate their thoughts in a meaningful and effective way to the average American. I am pleased to observe that a notable exception to this communication problem is seen in an article by Sylvia Porter, titled "No Punches in This Plan for Economy," in the March 17, 1980, issue of the Washington Star.

The article contains a straightforward and logical group of proposals that are hard hitting, easily understandable, and economically realistic. Those who take the few minutes required to read this excellent article will, in my opinion, be greatly rewarded with a clearer insight for the kind of anti-inflation program that this Nation needs.

Mr. President, in order to share this article by Sylvia Porter with my colleagues, I ask unanimous consent that her article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Washington Star, Mar. 17, 1980]

No Punches in This Plan for Economy

(By Sylvia Porter)

Had I, an observant, terribly worried American citizen, been standing in that East Room late Friday afternoon to announce the fourth flip-flop in my anti-inflation policy in only three years, I would have pulled no punches.

Instead of announcing a small package of seemingly harsh but actually warmed over and mild programs I would have leveled with you, my peers, and with the leaders of the Western world who now are watching our White House's waffling with such dismay.

Along with Carter I would have said that there is no "quick fix" to an inflation of this magnitude. But I would have confessed much of the blame for our crisis lies with my own miscalculations and with the failures of this Democratic-controlled Congress to react responsibly to my pleas for help. And I would have said, in effect:

"Our nation is in an economic crisis bordering on outright catastrophe. An inflation rate surging today at an annual pace of 18–20 percent, if permitted to continue, would in a few short years, shrink the buying power of our dollar to pennies. There would be no survivors. Those who have fled from paper money into metals and other possessions of apparent value would be dragged down with the rest of us—and so would most of the world. Our society would go over the brink into extinction, to be replaced by something much worse.

"My proposals today are very late but I trust they are not too little, that you will find them not merely cosmetic and that they will add up to a real anti-inflation program. We all will feel the hardships. I will not call them sacrifices. How can anyone compare a temporary, personal hardship to the destruction of our society itself?

"1. An immediate cut in my staff substantial enough to convince you I am not placing myself above or beyond any of you.

"A simultaneous slash in the record-size staff of my wife. While she has used her staff to my best advantage and comfort, she should get along with fewer assistants—and she shall, beginning now.

"A voluntary reduction in my own paycheck. I have enjoyed the luxury of living in the White House but I do not need $200,000 a year before the 'perks' of a president.

"2. To the Federal Reserve Board, I urge:

"Do not bend in your determination to clamp down on credit, excessive supplies of money and credit and speculative borrowing.

"The White House will stand behind you, no matter how painful the outcome. Keep the lid on until you can safely lift it slightly. This time, better overstay than understay.

"3. To Congress, I urge attention at once to:

"Honest balancing of the 1981 budget, beginning in October 1980. I would cut into 1980's budget as well if there is still the time to do so. But I demand a balancing of the 1981 budget and I pledge that I will veto any spending bill that threatens this balance.

"I expect a surplus in the 1981 budget which I would like to apply to reducing the national debt for the first time in many years. I also request essential cuts in non-military spending, affecting Americans in all brackets of age, income, education, race.

"Vigorous defense of low trade barriers among nations and an aggressive battle against those who would return the world to an era of protectionism.

"An all-out battle to boost productivity among our industries and workers. We have so forfeited our leadership that we now stand at the bottom of the list of advanced industrial nations.

"This means (a) Congress must go along with my request to curb hospital costs and control health costs generally.

"It means that we (b) must spend more on research and development to improve the ways we produce our basic products and to modernize plants and machines.

"Switch as rapidly as possible our consumption of fuel from oil to coal—and yes, to nuclear energy with proper safeguards.

"Split the basic minimum wage so unskilled teenagers can work for lower wages than adults.

"Raise the ceiling on interest rates while protecting the solvency of savings institutions—so individuals would be encouraged to hike their proportion of funds going into savings.

"4. To American consumers I plead:

"Practice true moderation in your consumption of gas and fuels in general.

"Be cautious in your use of credit cards and other forms of personal credit.

"Surely this sampling of my own ideas underlines how much I believe this is a crisis from which our nation cannot escape without heroic actions. Just as I have other proposals for my package so I'm sure have you. But the time to begin is now. Let us begin!"

Mr. THURMOND. I yield the floor.

Mr. FORD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO HOLD H.R. 4088 AT THE DESK

Mr. ROBERT C. BYRD. Mr. President, the following requests have been cleared with the minority: Mr. President, I ask unanimous consent that at such time as a message from the House on H.R. 4088 is received in the Chamber it be held at the desk pending further disposition.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION FOR COMMITTEE ON COMMERCE TO FILE REPORT ON S. 2245 UNTIL MIDNIGHT TONIGHT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Commerce may have until midnight tonight to file a report on S. 2245.

The PRESIDING OFFICER. Without objection, it is so ordered.

TIME-LIMITATION AGREEMENT—SENATE RESOLUTION 374

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as Calendar Order No. 672, Senate Resolution 374, a resolution on age as a factor in the consideration of candidates for Federal judgeships is called up and made the pending business before the Senate, there be a time agreement on the bill as follows: 20 minutes equally divided between Mr. DeConcini and Mr. Thurmond; no amendment be in order; and that there be 10 minutes on any debatable motion appeal, or point of order, if such point of order should be submitted to the Senate; and that the agreement with respect to the division and control of time be in accordance with the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, is there any order for the recognition of Senators on tomorrow?

The PRESIDING OFFICER. There are none.

VOTE ON SENATE RESOLUTION 389 TOMORROW

Mr. ROBERT C. BYRD. Mr. President, earlier today the vote, the final vote, on the adoption of Senate Resolution 389, relating to the Senate rules, was set for 12:30 p.m. tomorrow.

I ask unanimous consent that that order be changed to provide that the vote on Senate Resolution 389 occur immediately following the return to legislative session, which follows the vote on the treaty with Peru, which is scheduled to begin at approximately 2:30 p.m. tomorrow and, therefore, the vote on Senate Resolution 389 will be back-to-back behind the treaty vote.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that that second vote, which will be back-to-back behind the treaty vote, be a 10-minute rollcall vote.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, on tomorrow, after the two leaders have been recognized under the standing order, I would expect at that time to call up the Roth resolution.

Under the order that was entered previously, the majority leader is authorized to call up the Roth resolution no later than tomorrow, which is the 25th of March, and I do so after consultation with the acting Republican leader (Mr. Tower), and this constitutes the consultation. But I think everybody anticipated that that measure would be called up tomorrow. That is Senate Resolution 380.

I will anticipate doing that right after the orders for the recognition of Senators on tomorrow.

Mr. TOWER. What time does the distinguished majority leader intend to come in tomorrow?

Mr. ROBERT C. BYRD. The order has already been entered for the Senate to come in tomorrow at 9 o'clock.

Mr. TOWER. Is there any prospect that we can get that changed since there are no special orders? Senator Roth will not be here until 10:30.

Mr. ROBERT C. BYRD. Senator Roth has known about this order for several days. My problem is there are two funerals tomorrow which Senators on my side have to attend, and to change it to later would create problems. I could have a little morning business.

I can assure the distinguished acting leader (Mr. Tower) that no rollcall votes would be anticipated on that resolution prior to Mr. Roth's arrival.

Mr. TOWER. All right.

Mr. ROBERT C. BYRD. Mr. President, let me simply state that it is the intention of the leadership to finish action on the Roth resolution tomorrow. This might require a long day—I hope it will not. There is a time agreement on the resolution, but Senators should be prepared to stay late, if necessary.

RECESS UNTIL 9 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until 9 o'clock tomorrow morning.

The motion was agreed to; and at 6:19 p.m., the Senate recessed until Tuesday, March 25, 1980, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate March 24, 1980:

DEPARTMENT OF JUSTICE

John S. Martin, Jr., of New York, to be U.S. attorney for the southern district of New York for the term of 4 years, vice Robert B. Fiske, Jr., term expired.

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

Subject to qualifications provided by law, the following for permanent appointment to the grades indicated in the National Oceanic and Atmospheric Administration:

To be captains

Richard H. Allbritton
Richard J. DeRycke
Ned C. Austin
Jeffrey G. Carlen
John W. Carpenter
Leonard E. Pickens
Christian Andreasen

To be commanders

William T. Turnbull
Russell C. Arnold
Lawrence E. Keister
Eddie N. Bernard
Bradford B. Meyers
Richard A. Schiro
Kurt J. Schnebele
Max M. Ethridge
David B. MacFarland, Jr.
William J. Lounsbery
Emerson G. Wood
Gregory R. Bass
Robert L. Penry
William L. Adams
Michael F. Kolesar
Thomas W. Ruszala
David W. Yeager

To be lieutenant commanders

William J. Harrigan
Todd A. Baxter
Kathyrn A. Andreen
David J. Tennesen
Richard E. Marriner II
David A. Waltz
Hans E. Ramm
Dale E. Bretschneider
Stanley R. Iwamoto
Roddy J. Swope
Bruce W. Dearbaugh
Lawrence D. Parsons
Roger A. Morris
Mark V. Losleben
Mary C. Schomaker
Ronald W. Kimball
Robert D. Haught
Lars A. G. Pardo
James W. O'Clock
Thomas G. Clark
F. Ronald Philippsborn
Marsella J. Bradley
George L. Leigh
Stephen L. Poole

To be lieutenants

Lewis D. Consiglieri
Robert B. Crowell
Charles B. Greenawalt
John F. Novaro
Jim W. Conrad
Michael E. Henderson
Karen L. Cox
Steven E. Tullis
John C. Bortniak
William L. Hiscox
John T. Moakley
Derek C. Sutton
John D. Wilder
Michael McCluskey
Marianne Molchan
Paul M. Daughtery
Lawrence F. Simoneaux
Joseph C. Talbott
John W. Blackwell
Samuel P. DeBow, Jr.
Timothy D. Rulon
Michael F. Matta
Lyle B. Fox, Jr.
Robert M. Mandzi
Robert E. King
Colin D. Corcoran

To be lieutenants (junior grade)

Mark P. Koehn
Linda F. Haas
Nicholas E. Perugini
Mark S. Finke
Peter G. Stangl
Robert X. McCann, Jr.
LeeAnne Roberts
Ellen McDougal
William G. Pringle, Jr.
Bruce F. Hillard

Douglas D. Smith
Joseph P. Quinlan
Gregory A. DaSilva
Jane F. Demuth
Martin K. Smith
Jeffrey W. Greene
George J. Kuzmak
Kathleen D. Edwards
Teresa C. E. Bowles
William G. Wills
Brian P. Hayden
John C. Martin
Christopher R. Murphy
Douglas G. Brockhouse

To be ensigns

Deborah A. Bland
Nancy R. Chamberlain
J. Scott Ferguson
John Zabitchuck
James R. Gordon
Richard E. Groff
Steven J. Konrad
John L. Leslie, III
Daniel J. Marler
Ann F. Trimble
George E. White
Darryl J. Williams
Peter J. Celone
Jose A. Rivera
Robert G. Bill, Jr.
John W. Humphrey, Jr.

IN THE AIR FORCE

The following-named officers for promotion in the Regular Air Force, under the appropriate provisions of chapter 835, title 10, United States Code, as amended. All officers are subject to physical examination required by law:

LINE OF THE AIR FORCE

Second lieutenant to first lieutenant

Abele, Randy D., [redacted].
Adams, Craig P., [redacted].
Addington, Stewart I., [redacted].
Aeillo, Michael P., [redacted].
Albano, Anthony W., [redacted].
Albritton, Jerry L., [redacted].
Alexander, James L., [redacted].
Alexander, Michael J., [redacted].
Alexander, Stuart B., [redacted].
Alfano, Joseph P., [redacted].
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Ivy. Jack L., [redacted].
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Muir, Duff A., [redacted].
Mulhern, Thomas P., [redacted].
Mullennex, Michael L., [redacted].
Mungle, Steven W., [redacted].
Murphy, David J., Jr., [redacted].
Murphy, Edward F., [redacted].
Murphy, Robert J., [redacted].
Murra, Craig L., [redacted].
Murray, Richard D., Jr., [redacted].
Music, Paul D., [redacted].
Muus, Joseph R., [redacted].

Myers, Eric K., [redacted].
Nault, Gary D., [redacted].
Nelson, Orval A., Jr., [redacted].
Neumeister, James A., [redacted].
Newton, Richard D., [redacted].
Nichelson, Brian J., [redacted].
Nicholls, Charles H., [redacted].
Nichols, Kelly M., [redacted].
Nichols, Tobias C., [redacted].
Nici, Rosario, [redacted].
Niebes, David E., [redacted].
Nielsen, David C., [redacted].
Niemeyer, Joseph B., [redacted].
Nixon, Mark A., [redacted].
Norsworthy, Ernest L., Jr., [redacted].
Novotny, Donald D., [redacted].
Nutt, Victor L. III, [redacted].
Oakes, Michael R., [redacted].
Oelrich, Michael J., [redacted].
Olinger, Dale K., [redacted].
Olinger, Jeffrey J., [redacted].
Oliver, Edward C., [redacted].
Oliver, Timothy A., [redacted].
Ollie, Thomas W., Jr., [redacted].
OMalley, John D., [redacted].
OMara, John K., [redacted].
ONeill, John C., [redacted].
Opel, Stephen W., [redacted].
Opp, Gilbert M., Jr., [redacted].
Osborne, Steven R., [redacted].
Osgood, Richard N., [redacted].
OShaughnessy, Kevin, [redacted].
Page, Kenneth M., [redacted].
Palancia, William J., [redacted].
Palmer, Douglas V., [redacted].
Pampel, Richard H., Jr., [redacted].
Panarelli, John P., [redacted].
Paquette, Michael P., [redacted].
Parker, Thomas G., [redacted].
Parker, Wade A., [redacted].
Patterson, George S., [redacted].
Patterson, Robert T., [redacted].
Pattison, William H., [redacted].
Paulson, Roger S., [redacted].
Pennington, Bruce W., [redacted].
Pentland, Pat A., [redacted].
Perkins, Jeffrey A., [redacted].
Perodeau, Mark D., [redacted].
Perraut, Richard E., Jr., [redacted].
Perron, Bernard J., [redacted].
Peters, Burnett W., III, [redacted].
Peters, Stephen G., [redacted].
Petersen, Steven, [redacted].
Peterson, Stanton B., [redacted].
Pfeiffer, Gregory L., [redacted].
Phillips, Glenn E., [redacted].
Pialet, Richard J., [redacted].
Pickens, Bradford L., [redacted].
Pierson, Allen C., Jr., [redacted].
Pineiro, Francisco J., [redacted].
Pirog, Paul E., [redacted].
Pitts, Byron L., [redacted].
Pleasanton, Kenneth H., [redacted].
Plumley, William T., [redacted].
Podolny, David A., [redacted].
Poindexter, James H., Jr., [redacted].
Porter, Robert D., [redacted].
Posluszny, Terence W., [redacted].
Powell, David M., [redacted].
Prater, William R., [redacted].
Precourt, Charles J., [redacted].
Pressley, Rodney C., [redacted].
Pribyl, Stephen J., [redacted].
Pruss, Lawrence H., [redacted].
Quan, Steven J., [redacted].
Quelly, Thomas J., [redacted].
Quinn, Bartholomew J., [redacted].
Quinton, Jay R., [redacted].
Ramsay, William M., [redacted].
Ranhofer, Richard F., [redacted].
Rapp, Steven W., [redacted].
Rasmussen, Richard A., [redacted].
Ratchford, Monroe J., [redacted].
Ray, Lynn G., [redacted].
Rayzak, Joseph S., [redacted].
Redmon, Edward G., [redacted].
Reed, Allan T., [redacted].
Reed, John D., [redacted].

Reffett, Eric A., xxx-xx-xxxx.
Reid, William E., xxx-xx-xxxx.
Reilman, Jon T., xxx-xx-xxxx.
Rein, David L., xxx-xx-xxxx.
Reiner, David A., xxx-xx-xxxx.
Reiner, George P., xxx-xx-xxxx.
Remington, Jeffrey A., xxx-xx-xxxx.
Remkes, Robertus C. N., xxx-xx-xxxx.
Rennie, James E., xxx-xx-xxxx.
Reynolds, Michael F., xxx-xx-xxxx.
Rhew, Russell J., xxx-xx-xxxx.
Rhoden, William E., Jr., xxx-xx-xxxx.
Richardson, Jeffrey L., xxx-xx-xxxx.
Richmond, Phillip A., xxx-xx-xxxx.
Ridgway, Larry D., xxx-xx-xxxx.
Riegsecker, Norman R., Jr., xxx-xx-xxxx.
Ring, Richard L., Jr., xxx-xx-xxxx.
Rippetoe, David E., III, xxx-xx-xxxx.
Risenmay, Glade K., xxx-xx-xxxx.
Rivas, Mark, xxx-xx-xxxx.
Robbins, Tyrie R., xxx-xx-xxxx.
Roberge, James D., Jr., xxx-xx-xxxx.
Robinson, Gregory H., xxx-xx-xxxx.
Robinson, Vernon L., xxx-xx-xxxx.
Roclevitch, Anthony R., xxx-xx-xxxx.
Roehler, Horst A., xxx-xx-xxxx.
Rogers, Michael R., xxx-xx-xxxx.
Rogers, Rex L., xxx-xx-xxxx.
Rohlman, William H., xxx-xx-xxxx.
Roll, John K., xxx-xx-xxxx.
Romeo, David M., xxx-xx-xxxx.
Ross, Barney W., xxx-xx-xxxx.
Rothe, Randy G., xxx-xx-xxxx.
Rudicel, Kenton E., xxx-xx-xxxx.
Rudolph, Robert R., xxx-xx-xxxx.
Ruggiero, Michael, xxx-xx-xxxx.
Rund, Berton B., xxx-xx-xxxx.
Runer, Jimmy S., xxx-xx-xxxx.
Rupe, Sam C., xxx-xx-xxxx.
Rushfeldt, Mark A., xxx-xx-xxxx.
Russel, Robert L., Jr., xxx-xx-xxxx.
Rutan, Gene M., xxx-xx-xxxx.
Ruth, Steven L., xxx-xx-xxxx.
Ruthford, Thomas S., xxx-xx-xxxx.
Ryan, Michael S., xxx-xx-xxxx.
Ryan, Robert C., xxx-xx-xxxx.
Ryan, Thomas J., xxx-xx-xxxx.
Ryder, Edward J., xxx-xx-xxxx.
Salfen, Jack A., xxx-xx-xxxx.
Salomon, Roy K., xxx-xx-xxxx.
Samay, Robert J., xxx-xx-xxxx.
Samples, Lowell T., xxx-xx-xxxx.
Sampson, James S., xxx-xx-xxxx.
Sapp, Thomas M., xxx-xx-xxxx.
Sarnoski, Robert R., xxx-xx-xxxx.
Sasscer, Roland M., xxx-xx-xxxx.
Sasse, Michael W., xxx-xx-xxxx.
Schauffert, John D., xxx-xx-xxxx.
Schiermeyer, Robert P., xxx-xx-xxxx.
Schikora, Richard D., xxx-xx-xxxx.
Schill, Roger A., xxx-xx-xxxx.
Schipper, Thomas C., xxx-xx-xxxx.
Schlegel, Michael R., xxx-xx-xxxx.
Schmid, Daniel F., xxx-xx-xxxx.
Schmidt, Donald K., Jr., xxx-xx-xxxx.
Schmitz, David E., xxx-xx-xxxx.
Schober, Michael B., xxx-xx-xxxx.
Schofield, Scott B., xxx-xx-xxxx.
Schoville, Nichols W., xxx-xx-xxxx.
Schramm, Alexander D., xxx-xx-xxxx.
Schricker, Karl E., xxx-xx-xxxx.
Schubert, Mark D., xxx-xx-xxxx.
Schulte, Richard P., xxx-xx-xxxx.
Schutt, Paul E., xxx-xx-xxxx.
Schwalbe, Stephen R., xxx-xx-xxxx.
Schwendeman, Mark W., xxx-xx-xxxx.
Scott, David J., xxx-xx-xxxx.
Scott, Lynn M., xxx-xx-xxxx.
Searle, Richard H., Jr., xxx-xx-xxxx.
Sears, Dennis R., xxx-xx-xxxx.
Sears, Kendall E., Jr., xxx-xx-xxxx.
Seat, James C., xxx-xx-xxxx.
Seifert, William C., xxx-xx-xxxx.
Self, Joseph L., xxx-xx-xxxx.
Selva, Michael D., xxx-xx-xxxx.
Serer, Eduardo, xxx-xx-xxxx.
Seward, Jay E., II, xxx-xx-xxxx.
Seymour, John C., xxx-xx-xxxx.
Shackelford, Mark D., xxx-xx-xxxx.
Shackle, Ronald L., xxx-xx-xxxx.
Shafer, Larry D., xxx-xx-xxxx.
Sharp, Randall S., xxx-xx-xxxx.
Sharp, Vincent H., xxx-xx-xxxx.
Sharpe, Ronald C., xxx-xx-xxxx.
Shasteen, Jon R., xxx-xx-xxxx.
Shaw, David M., xxx-xx-xxxx.
Shaw, Lee J., Jr., xxx-xx-xxxx.
Shaw, Robert L., xxx-xx-xxxx.
Shay, Patrick J., xxx-xx-xxxx.
Shedden, James S., xxx-xx-xxxx.
Sheehan, John P., xxx-xx-xxxx.
Sheehan, Kevin A., xxx-xx-xxxx.
Sheen, Raymond L., xxx-xx-xxxx.
Sheppard, Garry M., xxx-xx-xxxx.
Sherman, Craig W., xxx-xx-xxxx.
Shrader, Rodney L., xxx-xx-xxxx.
Shropshire, Theodore, xxx-xx-xxxx.
Shutt, Richard A., xxx-xx-xxxx.
Sikes, Roy Y., xxx-xx-xxxx.
Silva, Ruben D., xxx-xx-xxxx.
Simmons, Robert M., xxx-xx-xxxx.
Simon, Steven A., xxx-xx-xxxx.
Simons, Jacob V., V, xxx-xx-xxxx.
Singletery, James, xxx-xx-xxxx.
Sipos, Nicholas A., xxx-xx-xxxx.
Sizemore, Mark A., xxx-xx-xxxx.
Skiver, David M., xxx-xx-xxxx.
Skrinak, Kim F. P., xxx-xx-xxxx.
Sky, William J., xxx-xx-xxxx.
Slack, David E., xxx-xx-xxxx.
Slate, Stephen, xxx-xx-xxxx.
Slattery, Thomas K., xxx-xx-xxxx.
Sledge, Avery P., Jr., xxx-xx-xxxx.
Small, Ronald L., xxx-xx-xxxx.
Smith, Bryan L., xxx-xx-xxxx.
Smith, Douglas E., xxx-xx-xxxx.
Smith, Gregory A., xxx-xx-xxxx.
Smith, Gregory F., xxx-xx-xxxx.
Smith James D., xxx-xx-xxxx.
Smith, James W., xxx-xx-xxxx.
Smith, Jeffrey P., xxx-xx-xxxx.
Smith, Michael F., xxx-xx-xxxx.
Smith, Philip P., xxx-xx-xxxx.
Smith, Roger L., xxx-xx-xxxx.
Smith, Terence G., xxx-xx-xxxx.
Smutko, Joseph A., Jr., xxx-xx-xxxx.
Sobczak, Joseph E., xxx-xx-xxxx.
Sommer, Scott A., xxx-xx-xxxx.
Sopko, Raymond W., xxx-xx-xxxx.
Sorenson, Richard B., xxx-xx-xxxx.
Soucy, Robert R., II, xxx-xx-xxxx.
Southrey, John S., xxx-xx-xxxx.
Sowers, Richard M., xxx-xx-xxxx.
Spain, Jon K., xxx-xx-xxxx.
Spannbauer, David M., xxx-xx-xxxx.
Sparkman, Charles C., xxx-xx-xxxx.
Spencer, Alan C., xxx-xx-xxxx.
Spies, Steven C., xxx-xx-xxxx.
Spitler, Charles R., xxx-xx-xxxx.
Spott, Derrick B., xxx-xx-xxxx.
Spratt, Thomas B., III, xxx-xx-xxxx.
Sprinkel, Stanley D., xxx-xx-xxxx.
Staley, Victor L., Jr., xxx-xx-xxxx.
Stanley, Michael A., xxx-xx-xxxx.
Staponski Rodney R., xxx-xx-xxxx.
Stava, James J., xxx-xx-xxxx.
Stegelman, Mark A., xxx-xx-xxxx.
Stephan, David J., xxx-xx-xxxx.
Stephens, Dallas K., J, xxx-xx-xxxx.
Stephenson, Donald L., xxx-xx-xxxx.
Stevens, Ronald L., xxx-xx-xxxx.
St. George, Michael P., xxx-xx-xxxx.
Stokes, Steven E., xxx-xx-xxxx.
Stokes, William A., Jr., xxx-xx-xxxx.
Stolson, Jonathan S., xxx-xx-xxxx.
Stow, Glenn C., xxx-xx-xxxx.
Strawn, Russell K., xxx-xx-xxxx.
Strevell, Michael W., xxx-xx-xxxx.
Strich, Ronald F., xxx-xx-xxxx.
Stringham, Jeffrey A., xxx-xx-xxxx.
Strong, Ralph E., xxx-xx-xxxx.
Suddy, Brian A., xxx-xx-xxxx.
Sundquist, Roger P., xxx-xx-xxxx.
Surber, Dennis E., Jr., xxx-xx-xxxx.
Swanson, David E., xxx-xx-xxxx.
Sweat, Ronald G., xxx-xx-xxxx.
Swift, Douglas K., xxx-xx-xxxx.
Swiger, David D., xxx-xx-xxxx.
Szalejko, Francis, xxx-xx-xxxx.
Szkotak, Andrew J., xxx-xx-xxxx.
Szybillo, Stanley J., xxx-xx-xxxx.
Tawney, Andrew P., xxx-xx-xxxx.
Taylor, William C., xxx-xx-xxxx.
Teagarden, Bruce L., xxx-xx-xxxx.
Teer, Louis P., Jr., xxx-xx-xxxx.
Teman, Gredogory L., xxx-xx-xxxx.
Terrall, Jeffrey S., xxx-xx-xxxx.
Terry, Wayne G., xxx-xx-xxxx.
Thomas, Craig R., xxx-xx-xxxx.
Thomas, David A., xxx-xx-xxxx.
Thomas, Edward L., xxx-xx-xxxx.
Thompson, Bradley L., xxx-xx-xxxx.
Thompson, Darryl W., xxx-xx-xxxx.
Thompson, Norman F., III, xxx-xx-xxxx.
Thompson, Richard H., xxx-xx-xxxx.
Thornton, Roderick D., xxx-xx-xxxx.
Tomlin, Jeffrey A., xxx-xx-xxxx.
Tomlinson, Robert L., Jr., xxx-xx-xxxx.
Toole, Thomas P., xxx-xx-xxxx.
Treiber, Terry M., xxx-xx-xxxx.
Treland, James E., xxx-xx-xxxx.
Tullia, Emmett A., II, xxx-xx-xxxx.
Tunis, Mark C., xxx-xx-xxxx.
Turner, Richardo R. xxx-xx-xxxx.
Turner, Richard D., xxx-xx-xxxx.
Turnquist, Paul E., xxx-xx-xxxx.
Turos, Donald R., Jr., xxx-xx-xxxx.
Tyler, James E., III, xxx-xx-xxxx.
Uren, Thomas D., xxx-xx-xxxx.
Vaccaro, Frank T., xxx-xx-xxxx.
Vanalstine, Daniel R., xxx-xx-xxxx.
Vandam, David K., xxx-xx-xxxx.
Vanorsow, David G., xxx-xx-xxxx.
Vantreuren, Kenneth W., xxx-xx-xxxx.
Varnedoe, Wyman E., xxx-xx-xxxx.
Veale, Robert T., xxx-xx-xxxx.
Veara, Dennis J., xxx-xx-xxxx.
Vendley, Robert M., xxx-xx-xxxx.
Vick, Douglas E., xxx-xx-xxxx.
Vieira, Randy P., xxx-xx-xxxx.
Villafane, Louis A., xxx-xx-xxxx.
Villalobos, Anthony, xxx-xx-xxxx.
Viser, Gert J. P., xxx-xx-xxxx.
Vogel, Alan L., xxx-xx-xxxx.
Vorholt, Paul J., xxx-xx-xxxx.
Wachdorf, Arthur L., xxx-xx-xxxx.
Wade, Danny L., xxx-xx-xxxx.
Wailes, Tom S., xxx-xx-xxxx.
Wales, Harman K., xxx-xx-xxxx.
Walker, David W., xxx-xx-xxxx.
Walker, Doyle B., xxx-xx-xxxx.
Wallace, Frank L., xxx-xx-xxxx.
Wallace, Jeffrey W., xxx-xx-xxxx.
Walls, Jeffrey W., xxx-xx-xxxx.
Walters, John J., xxx-xx-xxxx.
Ward, Mark C., xxx-xx-xxxx.
Wargowsky, Paul G., xxx-xx-xxxx.
Washer, Wayne R., xxx-xx-xxxx.
Watkins, John E., xxx-xx-xxxx.
Watschke, John S., xxx-xx-xxxx.
Watterberg, Jeffrey J., xxx-xx-xxxx.
Watters, Claude E., III, xxx-xx-xxxx.
Watzke, Anthony R., xxx-xx-xxxx.
Weathers, Wesley W., xxx-xx-xxxx.
Weaver, Larry W., xxx-xx-xxxx.
Webb, Michael M., xxx-xx-xxxx.
Webster, Mark N., xxx-xx-xxxx.
Weibel, Craig A., xxx-xx-xxxx.
Weinstein, Michael L., xxx-xx-xxxx.
Welch, John P., xxx-xx-xxxx.
Welde, William C., xxx-xx-xxxx.
Wells, Kennard R., xxx-xx-xxxx.
Welshans, James S., xxx-xx-xxxx.
Wendt, Bradley W., xxx-xx-xxxx.
Wesolowski, Robert A., xxx-xx-xxxx.
Westerfield, James M., xxx-xx-xxxx.
Westerfield, Martin W., xxx-xx-xxxx.
Wetterau, Gary P., xxx-xx-xxxx.
Whisler, Geoffrey L., xxx-xx-xxxx.
White, Kenneth R., xxx-xx-xxxx.
Whiting, Brian C., xxx-xx-xxxx.
Wilkes, Bobby J., xxx-xx-xxxx.
Williams, Charles W., xxx-xx-xxxx.
Williams, Derek M., xxx-xx-xxxx.
Williams, Leland K., xxx-xx-xxxx.
Williams, Randy B., xxx-xx-xxxx.
Williams, Rex A., xxx-xx-xxxx.
Williams, Stuart D., xxx-xx-xxxx.
Wilmoth, Danny S., xxx-xx-xxxx.

Wilson, Denzil B., [redacted].
Wilson, Keith C., [redacted].
Winders, Douglas E., [redacted].
Withers, William S., Jr., [redacted].
Wittman, Steven E., [redacted].
Wolfenbarger, Craig, [redacted].
Wood, Kenneth S., [redacted].
Woolsey, Mark R., [redacted].
Wright, Andrew C., [redacted].
Wright, David A., [redacted].
Wurst, Stephen G., [redacted].
Yanaros, John O., Jr. [redacted].
Yankovoy, Thomas M., [redacted].
Yarrish, Joseph E., [redacted].
Yeager, Glen E., [redacted].
Yelken, Curtis G., [redacted].
Young, David C., [redacted].
Young, Terence C., [redacted].
Youtsler, Neil A., [redacted].
Zaborniak, Michael E., [redacted].
Zaehringer, Robert P., [redacted].
Zahrobsky, Joseph R., [redacted].
Zane, Wallace B., [redacted].
Zatorski, Richard A., [redacted].
Zelenok, David S., [redacted].
Zink, Billy R., [redacted].
Zych, Anthony, [redacted].

The following persons for appointment as Reserve of the Air Force, in grade indicated, under the provisions of section 593, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated.

MEDICAL CORPS

To be colonel

Crow, Joe W., [redacted].

To be lieutenant colonel

Baldwin, John L., [redacted].
Barnes, Roy J., [redacted].
Becker, Leslie E., Jr., [redacted].
Bentlage, Charles H., [redacted].
Boddie, Arthur W., Jr., [redacted].
Camperlengo, Maria J., [redacted].
Gutierrez, Herbert, [redacted].
Kahler, Monte R., [redacted].
Price, Peter G., [redacted].
Rettig, Kenneth R. [redacted].
Roberts, Phyllis L., [redacted].
Shams-Avari, Parviz, [redacted].
Stelling, Henry G., Jr., [redacted].

DENTAL CORPS

To be lieutenant colonel

Finkbeiner, Richard L., [redacted].
Heget, Harry S., Jr., [redacted].
Spray, John R., [redacted].

JUDGE ADVOCATE GENERAL DEPARTMENT

To be lieutenant colonel

Stanton, James L., [redacted].

The following person for appointment as Reserve of the Air Force in the grade indicated, under the provisions of section 593, title 10, United States Code.

LINE OF THE AIR FORCE

To be lieutenant colonel

Comstock, Ira A., [redacted].

The following person for appointment as Reserve of the Air Force (ANGUS) in the grade indicated, under the provisions of sections 593 and 8351, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated.

MEDICAL CORPS

To be lieutenant colonel

Toussaint, John B., [redacted].

The following officers for promotion in the Air Force Reserve, under the provisions of sections 593 and 8376, title 10, United States Code.

MEDICAL CORPS

Lieutenant colonel to colonel

Barbour, Neil G., [redacted].
Campbell, Jene D., [redacted].
Cole, Peter M., [redacted].
McKay, William M., Jr., [redacted].
Schultz, Herbert W., [redacted].

LINE OF THE AIR FORCE

Major to lieutenant colonel

Bone, James A., [redacted].
Brown, Gene E., [redacted].
Burch, Michael I., [redacted].
Butler, Darrell P., [redacted].
Canfield, James R., [redacted].
Carlson, Charles F., [redacted].
Conner, William L., [redacted].
Donaldson, David L., [redacted].
Freund, Donald W., [redacted].
Gallego, Louis V., [redacted].
Hanstad, Richard K., [redacted].
Hicks, Jackie L., [redacted].
Hodge, Curtis D., [redacted].
Howayeck, Michael J., [redacted].
Hufford, Berle K., Jr., [redacted].
Kessel, Donald E., [redacted].
Laird, Norman S., [redacted].
Lees, Richard S., [redacted].
Lingenfelter, Jack K., [redacted].
Miller, Harold W., Jr., [redacted].
Miranda, Eugene F., [redacted].
Murphy, Joseph E., Jr., [redacted].
Musmanno, Victor H., [redacted].
Nagy, Norbert S., [redacted].
Nunn, James R., [redacted].
O'Rourke, Gerald M., [redacted].
Peot, Thomas E., [redacted].
Philliber, Neil P., [redacted].
Phillips, David H., [redacted].
Reed, David, Jr., [redacted].
Roberts, George E., [redacted].

LINE OF THE AIR FORCE

Major to lieutenant colonel

Rose, Galen J., [redacted].
Rogers, Jasper H., Jr., [redacted].
Scredon, Richard M., [redacted].
Thomson, Thomas M., [redacted].
Tomola, James A., [redacted].
Ward, Gerald M., [redacted].
Williams, George L., [redacted].

MEDICAL CORPS

David, Corazon C., [redacted].
Freeman, John L., [redacted].
Grossling, Sergio F., [redacted].
Himelberger, Cordydon G., [redacted].
Hoenes, Douglas R., [redacted].
Mahady, Ivan B., [redacted].
Miranda, Armando C., [redacted].
Mittuch, Joseph E., [redacted].
Oostburg, Egbert P., [redacted].
Stonefeld, Donald F., [redacted].

NURSE CORPS

Beil, Mary J., [redacted].
Blaubach, Mary A., [redacted].
Meyers, Aurelia A., [redacted].
Stegall, Kathleen, [redacted].

The following-named Air Force officer for reappointment to the active list of the Regular Air Force, in the grade of lieutenant colonel, Regular Air Force, under the provisions of section 1210 and 1211, title 10, United States Code, with active duty grade of temporary lieutenant colonel, in accordance with sections 8442 and 8447, title 10, United States Code.

LINE OF THE AIR FORCE

Kneen, John B., [redacted].

The following-named Air Force officer for reappointment to the active list of the Regular Air Force, in the grade of major, Regular Air Force under the provisions of sections 1210 and 1211, title 10, United States Code.

LINE OF THE AIR FORCE

Meek, Stephen L., [redacted].

The following Air National Guard of the U.S. officers for promotion in the Reserve of the Air Force under the provisions of section 593 (a) title 10 of the United States Code, as amended:

LINE OF THE AIR FORCE

To be lieutenant colonel

Maj. Raymond M. Beckage, [redacted].
Maj. Ronald B. Bennett, [redacted].
Maj. Calvin L. Blankenship, Sr., [redacted].
Maj. John H. Boh, Jr., [redacted].
Maj. Robert G. Bradley, [redacted].
Maj. Ramon Cano, [redacted].
Maj. Arlen C. Cole, [redacted].
Maj. Lorenzo D. Cole, [redacted].
Maj. Wayne A. Engstrom, [redacted].
Maj. Larry J. Freeman, [redacted].
Maj. Ralph Fulginiti, [redacted].
Maj. James R. Grier, [redacted].
Maj. Dennis B. Hague, [redacted].
Maj. Richard H. Jett, [redacted].
Maj. Floyd D. Landry, [redacted].
Maj. Vicente L. Linera, [redacted].
Maj. Manuel M. Macias, [redacted].
Maj. James T. Magee, [redacted].
Maj. Henry L. McInvale, [redacted].
Maj. G. Thorpe Mitchell, [redacted].
Maj. Richard B. Pelton, [redacted].
Maj. Ernest J. Piccone, [redacted].
Maj. Larry D. Rea, [redacted].
Maj. Martin T. Reams, [redacted].
Maj. Albert R. Rosellini, [redacted].
Maj. Donald J. Ryan, [redacted].
Maj. Lawrence F. Santerini, [redacted].
Maj. George J. Schlatter, [redacted].
Maj. Eugene A. Schmitz, [redacted].
Maj. John L. Silverman, [redacted].
Maj. John D. Slagle, [redacted].
Maj. John A. Steinbeck, [redacted].
Maj. Donald W. Strauch, [redacted].
Maj. Paul D. Sumner, [redacted].
Maj. Larry T. Tripp, [redacted].
Maj. Edward T. Vankueren, [redacted].
Maj. Joseph N. Waller, [redacted].
Maj. David E. B. Ward, [redacted].
Maj. Stephen A. Zavitz, [redacted].
Maj. Darwin E. Zeller, [redacted].

CHAPLAIN

Maj. Gary R. Gilbertson, [redacted].

IN THE ARMY

The following-named officers for promotion in the Army of the United States, under provisions of title 10, United States Code, sections 3442 and 3447.

CHAPLAIN

To be colonel

Clark, Donald D., [redacted].
Forrest, Alfred T., [redacted].

ARMY PROMOTION LIST

To be lieutenant colonel

Bauer, Joseph L., [redacted].
Boesze, Laszlo J., [redacted].
Bond, John A., [redacted].
Dwyer, Peter, [redacted].
Gill, Howard A., [redacted].
Harrington, Bobby C., [redacted].
Hess, Michel E., [redacted].
Kapranopoulas, John, [redacted].
Long, Donald E., [redacted].
McConkey, Leroy R., [redacted].
Piram, Joseph A., [redacted].
Puffpaff, Max E., [redacted].
Rubin, Kenneth E., [redacted].
Smith, Harold B., [redacted].
Sutherland, Cameron B., [redacted].
Thomason, Jeffrey H., [redacted].
Torok, Stephen F., [redacted].
Webb, Thomas J., [redacted].
Wilson, Doane M., [redacted].

MEDICAL SERVICE CORPS

To be colonel

Hill, Harris R., [redacted].
Tello, Richard C., [redacted].

MEDICAL CORPS

To be colonel

Hofeldt, Fred D., [redacted].
Roberts, Donald B., [redacted].
Tolson, James M., [redacted].

MEDICAL CORPS

Maj. Ronald P. Gentzler, xxx-xx-xxxx.
Maj. Richard L. Kreuzer, xxx-xx-xxxx.

MEDICAL SERVICE CORPS

Maj. Craig W. Fischer, xxx-xx-xxxx.

CHAPLAIN

To be lieutenant colonel

Barrow, Oscar H., Jr., xxx-xx-xxxx.

MEDICAL SERVICE CORPS

To be lieutenant colonel

Batalsky, Joel W., xxx-xx-xxxx.
Charlton, William T., xxx-xx-xxxx.
Maxwell, Clyde E., Jr., xxx-xx-xxxx.

MEDICAL CORPS

To be lieutenant colonel

Balasubramainian, Muthuswamy, xxx-xx-xxxx.
Carman, Dean R., xxx-xx-xxxx.
Chloupek, Robert J., xxx-xx-xxxx.
Gosgriff, Thomas M., xxx-xx-xxxx.
Jung, Chung J., xxx-xx-xxxx.
Keefe, William E., xxx-xx-xxxx.
Klein, Arthur D., III, xxx-xx-xxxx.
Mendez, Joaquin R., xxx-xx-xxxx.

The following-named officers for promotion in the Regular Army of the United States, under provisions of title 10, United States Code, sections 3284 and 3299:

MEDICAL SERVICE CORPS

To be lieutenant colonel

Tello, Richard C., xxx-xx-xxxx.

ARMY NURSE CORPS

To be lieutenant colonel

Hill, Perry J., xxx-xx-xxxx.

ARMY PROMOTION LIST

To be lieutenant colonel

Bond, John A., xxx-xx-xxxx.
Ingram, Donald D., xxx-xx-xxxx.
McCullough, Overton H., xxx-xx-xxxx.

ARMY PROMOTION LIST

To be major

Barrett, Richard E., xxx-xx-xxxx.
Conchado, Ramon, Jr., xxx-xx-xxxx.
Cox, George R., xxx-xx-xxxx.
Crocker, George, xxx-xx-xxxx.
Eaton, Harmon L., Jr., xxx-xx-xxxx.
Evans, John O., III, xxx-xx-xxxx.
Fory, Ronald P., xxx-xx-xxxx.
Garner, Douglas V., xxx-xx-xxxx.
Hauser, Benjamin C., xxx-xx-xxxx.
Hickman, Bobby G., xxx-xx-xxxx.
Hickson, Richard L., xxx-xx-xxxx.
Jacobs, Michael L., xxx-xx-xxxx.
Lambeth, Carl L., xxx-xx-xxxx.
Ludwig, Wesley A., xxx-xx-xxxx.
Marszalek, Mitchell M., xxx-xx-xxxx.
Martin, Gary L., xxx-xx-xxxx.
Nelson, Phillip A., xxx-xx-xxxx.
Oakley, Robert E., Jr., xxx-xx-xxxx.
Orenstein, Leo R., xxx-xx-xxxx.
Pace, James G., xxx-xx-xxxx.
Phillips, Edelbert F., xxx-xx-xxxx.
Ragauskas, Raymond, xxx-xx-xxxx.
Rasmussen, Delbert T., xxx-xx-xxxx.
Saikowski, John J., Jr., xxx-xx-xxxx.
Sloane, Medwyn D., III, xxx-xx-xxxx.
Smith, Freddie R., xxx-xx-xxxx.
Spivey, Ernest L., Jr., xxx-xx-xxxx.
Steffensen, Lynn A., xxx-xx-xxxx.
Tyson, Tony, xxx-xx-xxxx.
Van Wormer, Thomas E., xxx-xx-xxxx.
Youngrenner, Stephen A., xxx-xx-xxxx.

MEDICAL SERVICES CORPS

To be major

Hoffman, Wynn R., xxx-xx-xxxx.
Ressdorf, Horst, xxx-xx-xxxx.

VETERINARY CORPS

To be major

Bruestle, Larry, xxx-xx-xxxx.

ARMY NURSE CORPS

To be major

McConnell, Carol M., xxx-xx-xxxx.

DENTAL CORPS

To be major

Percy, Kent H., xxx-xx-xxxx.

ARMY PROMOTION LIST

To be captain

Abiles, Jose C., xxx-xx-xxxx.
Abington, Kerry S., xxx-xx-xxxx.
Accinelli, Steven R., xxx-xx-xxxx.
Ackerman, Michael J., xxx-xx-xxxx.
Adair, Lawrence R., xxx-xx-xxxx.
Adams, Johnathan P., xxx-xx-xxxx.
Adams, Richard W., xxx-xx-xxxx.
Adan, Richard J., xxx-xx-xxxx.
Adnot, Michael J., xxx-xx-xxxx.
Ailport, John H., xxx-xx-xxxx.
Aldridge, William R., xxx-xx-xxxx.
Aleshin, John N., xxx-xx-xxxx.
Alexander, Keith B., xxx-xx-xxxx.
Alexander, Robert S., xxx-xx-xxxx.
Allard, James C., xxx-xx-xxxx.
Allen, James C., xxx-xx-xxxx.
Allen, Johnnie L., xxx-xx-xxxx.
Allinder, William L., xxx-xx-xxxx.
Altherr, Robert F., xxx-xx-xxxx.
Altobello, Roy J., xxx-xx-xxxx.
Alvarado, Esteban, xxx-xx-xxxx.
Alverson, Gary D., xxx-xx-xxxx.
Anderson, Brian W., xxx-xx-xxxx.
Anderson, Douglas C., xxx-xx-xxxx.
Anderson, Edgar, Jr., xxx-xx-xxxx.
Anderson, Gary J., xxx-xx-xxxx.
Anderson, Jeffrey W., xxx-xx-xxxx.
Anderson, Johnny M., xxx-xx-xxxx.
Anderson, Knut E., xxx-xx-xxxx.
Anderson, Robert B., xxx-xx-xxxx.
Anderson, Robert C., xxx-xx-xxxx.
Andersson, Norman H., xxx-xx-xxxx.
Andrews, Aaron R., xxx-xx-xxxx.
Andriani, Michael R., xxx-xx-xxxx.
Antonelli, Michael A., xxx-xx-xxxx.
Ard, Nelson C., xxx-xx-xxxx.
Arlinghaus, Bruce E., xxx-xx-xxxx.
Armstrong, Bertram, xxx-xx-xxxx.
Armstrong, Clare H., xxx-xx-xxxx.
Arnberg, Gregory C., xxx-xx-xxxx.
Arnett, Gary W., xxx-xx-xxxx.
Arriola, Meliton C., xxx-xx-xxxx.
Arunski, Karl J., xxx-xx-xxxx.
Arvai, John J., xxx-xx-xxxx.
Astin, Roger W., xxx-xx-xxxx.
Azama, Wesley J., xxx-xx-xxxx.
Bacastow, Todd S., xxx-xx-xxxx.
Bachmann, Robert D., xxx-xx-xxxx.
Baggett, Marion C., xxx-xx-xxxx.
Baier, Michael J., xxx-xx-xxxx.
Bailey, Bruce B., xxx-xx-xxxx.
Bailey, Donovan B., xxx-xx-xxxx.
Bailey, Leslie C., xxx-xx-xxxx.
Bailey, Stephen L., xxx-xx-xxxx.
Bailey, Thomas R., xxx-xx-xxxx.
Baker, Timothy J., xxx-xx-xxxx.
Baldwin, William L., xxx-xx-xxxx.
Balentine, Terry K., xxx-xx-xxxx.
Ball, James W., xxx-xx-xxxx.
Ball, Ralph E., xxx-xx-xxxx.
Ballard, Richard F., xxx-xx-xxxx.
Banks, Allan A., xxx-xx-xxxx.
Barbero, Eugene G., xxx-xx-xxxx.
Barfield, Thomas H., xxx-xx-xxxx.
Barker, Charles W., xxx-xx-xxxx.
Barnard, Steven P., xxx-xx-xxxx.
Barnes, Eric R., xxx-xx-xxxx.
Barnes, Ted H., xxx-xx-xxxx.
Barnett, Harold D., xxx-xx-xxxx.
Barnett, William E., xxx-xx-xxxx.
Barry, Dave D., xxx-xx-xxxx.
Bartkoski, Terry P., xxx-xx-xxxx.
Bassert, David E., xxx-xx-xxxx.
Bassler, Robert E., xxx-xx-xxxx.
Batiste, John R., xxx-xx-xxxx.
Batzer, Craig C., xxx-xx-xxxx.
Bauer, Richard F., xxx-xx-xxxx.
Bean, Gregory G., xxx-xx-xxxx.
Beane, Thomas F., xxx-xx-xxxx.
Bearce, Michael B., xxx-xx-xxxx.
Beatty, Jeffrey K., xxx-xx-xxxx.
Beaty, Jessie D., xxx-xx-xxxx.
Beck, Patricia L., xxx-xx-xxxx.
Becker, Edward R., xxx-xx-xxxx.
Beckstrom, John M., xxx-xx-xxxx.
Beecher, Robert J., xxx-xx-xxxx.
Beining, David J., xxx-xx-xxxx.
Bell, Joseph A., xxx-xx-xxxx.
Bell, Richard, Jr., xxx-xx-xxxx.
Bell, William R., xxx-xx-xxxx.
Benckendorf, Scott L., xxx-xx-xxxx.
Benson, Ronnie F., xxx-xx-xxxx.
Benton, Stephen R., xxx-xx-xxxx.
Bergeret, Gregory F., xxx-xx-xxxx.
Berner, Howard E., xxx-xx-xxxx.
Berry, James W., xxx-xx-xxxx.
Berry, John D., xxx-xx-xxxx.
Berry, Michael J., xxx-xx-xxxx.
Besancon, Robert D., xxx-xx-xxxx.
Best, Marshall L., xxx-xx-xxxx.
Bethea, Levern, xxx-xx-xxxx.
Bethel, Lawrence C., xxx-xx-xxxx.
Betson, William R., xxx-xx-xxxx.
Bettinger, James R., xxx-xx-xxxx.
Bevilacqua, Frank P., xxx-xx-xxxx.
Beville, Stanley D., xxx-xx-xxxx.
Bidle, Douglas C., xxx-xx-xxxx.
Bilter, Dennis L., xxx-xx-xxxx.
Binger, Richard G., xxx-xx-xxxx.
Bingham, Michael A., xxx-xx-xxxx.
Birdseye, James H., xxx-xx-xxxx.
Bishop, Gary T., xxx-xx-xxxx.
Black, Barry E., xxx-xx-xxxx.
Black, James D., xxx-xx-xxxx.
Black, Scott C., xxx-xx-xxxx.
Blackman, Merrill S., xxx-xx-xxxx.
Blackwell, James A., xxx-xx-xxxx.
Blanco, John F., xxx-xx-xxxx.
Blankenship, Richard, xxx-xx-xxxx.
Blasko, Dennis J., xxx-xx-xxxx.
Blazey, Scott E., xxx-xx-xxxx.
Blissenbach, Paul K., xxx-xx-xxxx.
Bloxham, Garth T., xxx-xx-xxxx.
Bly, James H., xxx-xx-xxxx.
Bobo, Yvonne J., xxx-xx-xxxx.
Bohlender, Hugh D., xxx-xx-xxxx.
Bokmeyer, Mark A., xxx-xx-xxxx.
Bollens, Steven T., xxx-xx-xxxx.
Bondy, Dana R., xxx-xx-xxxx.
Bonestroo, Paul M., xxx-xx-xxxx.
Bonfield, James A., xxx-xx-xxxx.
Bongiovanni, Charles, xxx-xx-xxxx.
Bonnet, Joseph C., xxx-xx-xxxx.
Borcheller, James R., xxx-xx-xxxx.
Borchini, Charles P., xxx-xx-xxxx.
Boron, Gregory F., xxx-xx-xxxx.
Bosse, Timothy G., xxx-xx-xxxx.
Bourn, Guy M. R., Jr., xxx-xx-xxxx.
Bouterie, Lawrence, xxx-xx-xxxx.
Bowden, Barry D., xxx-xx-xxxx.
Bowersox, Thomas A., xxx-xx-xxxx.
Bowman, Steven A., xxx-xx-xxxx.
Boyd, James K., xxx-xx-xxxx.
Boyer, Mark W., xxx-xx-xxxx.
Bradford, Philip E., xxx-xx-xxxx.
Bradley, Gary W., xxx-xx-xxxx.
Bradley, Michael J., xxx-xx-xxxx.
Bralley, Neal H., xxx-xx-xxxx.
Branch, Hugh K., xxx-xx-xxxx.
Branch, Joseph R., xxx-xx-xxxx.
Brandolini, Alan R., xxx-xx-xxxx.
Brandon, Gary S., xxx-xx-xxxx.
Brandon, Michael K., xxx-xx-xxxx.
Bransford, William, xxx-xx-xxxx.
Brant, Bruce A., xxx-xx-xxxx.
Brennen, Thomas P., xxx-xx-xxxx.
Breslow, Marc R., xxx-xx-xxxx.
Brethour, Vernon R., xxx-xx-xxxx.
Breton, Peter L., xxx-xx-xxxx.
Brewer, Daniel R., xxx-xx-xxxx.
Brissette, Norman E., xxx-xx-xxxx.
Brom, Larry M., xxx-xx-xxxx.
Brooks, Barry D., xxx-xx-xxxx.
Brooks, Charles, III, xxx-xx-xxxx.
Brookshire, Roy O., xxx-xx-xxxx.
Brown, David F., xxx-xx-xxxx.
Brown, David, Jr., xxx-xx-xxxx.
Brown, Dennis C., xxx-xx-xxxx.

Brown, Eric C., [redacted].
Brown, James D., [redacted].
Brown, Robert R., [redacted].
Brown, Robert W., [redacted].
Browning, Susan A., [redacted].
Bruch, Randall E., [redacted].
Brumm, David E., [redacted].
Bryant, Albert Jr., [redacted].
Bryant, Gary L., [redacted].
Buchholz, Donald J., [redacted].
Buckmaster, Kevin D., [redacted].
Bulinski, Daniel G., [redacted].
Bull, Layton R., [redacted].
Burd, Eric A., [redacted].
Burgess, Ronald L., [redacted].
Burget, David L., [redacted].
Burgoyne, Lawrence K., [redacted].
Burkert, Michael L., [redacted].
Burmood, Richard C., [redacted].
Burnett, James A., III, [redacted].
Butler, Robert M., [redacted].
Butler, William G., [redacted].
Butler, Winfried W., [redacted].
Buto, David W., [redacted].
Byrne, James F., [redacted].
Byron, Richard J., [redacted].
Caldwell, John F., [redacted].
Callahan, James D., [redacted].
Cambron, James D., [redacted].
Cammons, David W., [redacted].
Canadeo, Harold M., [redacted].
Canfield, Byron D., [redacted].
Capin, Mary P., [redacted].
Carey, Scott A., [redacted].
Carlin, Thomas M., [redacted].
Carlino, Charles A., [redacted].
Carlson, Kathryn G., [redacted].
Carpenter, Ronald R., [redacted].
Carpenter, Stanley C., [redacted].
Carr, Robert G., [redacted].
Carranza, Hector, Jr., [redacted].
Carter, Alvin M., [redacted].
Carver, Alan T., [redacted].
Case, Carl E., [redacted].
Cassi, Peter G., [redacted].
Castillo, Jesse R., [redacted].
Caswell, James R., [redacted].
Cecalupo, John V., [redacted].
Cellucci, Stephen D., [redacted].
Cerruti, Lawrence J., [redacted].
Cerutti, Edward A., [redacted].
Cervantes, Mario A., [redacted].
Chabot, Edmund L., [redacted].
Chadwick, Richard W., [redacted].
Chadwick, William I., [redacted].
Chandler, Marvin A., [redacted].
Chase, Randall D., [redacted].
Chiapuzio, Jack M., [redacted].
Christian, Michael A., [redacted].
Christie, Doris E., [redacted].
Christman, Douglas M., [redacted].
Chung, Donald B., [redacted].
Claflin, Robert C., [redacted].
Clark, Paul R., [redacted].
Clark, Raymond G., [redacted].
Clark, Terry D., [redacted].
Clarke, John L., [redacted].
Clausen, Clifford O., [redacted].
Clifford, James C., [redacted].
Clifford, Michael R., [redacted].
Cloyd, William L., [redacted].
Coats, Larry D., [redacted].
Cobb, William G., [redacted].
Coggin, James A., [redacted].
Coit, Eugene W., [redacted].
Coker, Larry W., [redacted].
Coker, Phillip D., [redacted].
Cokley, Johnny L., [redacted].
Coleman, Eddie D., [redacted].
Coleman, Gary S., [redacted].
Coleman, Michael L., [redacted].
Combest, Michael L., [redacted].
Como, John A., [redacted].
Condit, Richard G., [redacted].
Condrey, Bruce W., [redacted].
Conner, William L., [redacted].
Connor, Vincent J., [redacted].
Cook, Jay F., [redacted].
Cook, John R., [redacted].
Cooley, Rodney D., [redacted].
Coomler, James D., [redacted].
Cooney, Harold E., [redacted].
Cooney, Patrick J., [redacted].
Cooper, King E., [redacted].
Cooper, Phillip S., [redacted].
Cooper, William J., [redacted].
Cope, James A., [redacted].
Corbin, Vernon E., [redacted].
Corley, Michael W., [redacted].
Corley, Richard B., [redacted].
Corman, James A., [redacted].
Coroalles, Anthony, [redacted].
Corson, Richard A., [redacted].
Cortez, Christopher A., [redacted].
Council, William C., [redacted].
Crandall, Raymund V., [redacted].
Crane, Conrad C., [redacted].
Crawford, Robert W., [redacted].
Crawford, Roy P., [redacted].
Crawley, Charles G., [redacted].
Creech, William B., [redacted].
Cribbs, John M., [redacted].
Crocker, Michael S., [redacted].
Crocker, Richard H., [redacted].
Cross, Kenneth E., [redacted].
Crosslin, Joseph N., [redacted].
Crumrine, Thomas E., [redacted].
Crytzer, Robert C., [redacted].
Cuff, Michael V., [redacted].
Cullen, Michael T., [redacted].
Cunningham, David B., [redacted].
Curran, John M., [redacted].
Curtis, James B., [redacted].
Czarzasty, John L., [redacted].
Dadisman, Richard E., [redacted].
Dance, Joseph B., [redacted].
Darden, William E., [redacted].
Darling, Douglas A., [redacted].
Darwin, Charles E., [redacted].
Daugherity, Lyle D., [redacted].
Daula, Thomas V., [redacted].
David, Carl J., [redacted].
Davidson, James S., [redacted].
Davies, James R., [redacted].
Davies, John E., [redacted].
Davis, Allen W., [redacted].
Davis, Gregory W., [redacted].
Davis, Mark T., [redacted].
Davis, Richard H., [redacted].
Davis, Robert L., [redacted].
Davis, Ronald V., [redacted].
Davis, Ted E. II, [redacted].
Davis, William M., [redacted].
Dawkins, Reginald, [redacted].
Day, Kevin J., [redacted].
Deakins, Garald W., [redacted].
Dean, Julia A., [redacted].
Dean, Mark K., [redacted].
Deaver, Danny R., [redacted].
Decker, Marvin K., [redacted].
Deeter, Michel L., [redacted].
Deford, Roy S., [redacted].
De Kanter, Scipio Jr., [redacted].
De Lacruz, Robert H., [redacted].
De Larosa, Agustin J., [redacted].
De Leon, Dionisio A., [redacted].
Delk, Jack E., [redacted].
Delony, James W., [redacted].
Dement, Robert A., [redacted].
Dempsey, Martin E., [redacted].
Desiderio, George J., [redacted].
Deutsch, Allen, [redacted].
Deykes, David A., [redacted].
Dezzutti, Jimmie J., [redacted].
Dial, Cortez K., [redacted].
Dibert, John C., [redacted].
Dickey, Gene A., [redacted].
Digiorgio, Emilio, [redacted].
Dilday, Douglas L., [redacted].
Dille, Mark W., [redacted].
Dillon, Edward F., [redacted].
Dillon, Robert E., [redacted].
Dimaria, Charles, [redacted].
Dimengo, Dennis C., [redacted].
Disilvio, Steven M., [redacted].
Dixon, Roy G., [redacted].
Dlugolenski, David A., [redacted].
Dlugolenski, Edward J., [redacted].
Dobbins, Lloyd R., [redacted].
Doe, William W., [redacted].
Donaldson, Gary, [redacted].
Donoho, Robert R., [redacted].
Dorsey, Howard A., [redacted].
Dorsey, Ronald C., [redacted].
Dossett, Mitchell S., [redacted].
Doton, Lawrence C., [redacted].
Downar, Thomas J., [redacted].
Doyle, James A., [redacted].
Drach, Ann K., [redacted].
Druffner, Richard A., [redacted].
Dubia, Donald H., [redacted].
Duesler, Daniel D., [redacted].
Duhm, Kenneth D., [redacted].
Dunavant, Larry R., [redacted].
Dunn, Colin K., [redacted].
Dunn, Patrick Y., [redacted].
Durante, Kirk L., [redacted].
Durham, Bascom G., [redacted].
Durham, Dwight S., [redacted].
Duskin, Edgar W., [redacted].
Dutcher, Jon R., [redacted].
Dyches, Ronald W., [redacted].
Dykes, John M., [redacted].
Earnest, Alonzo B., [redacted].
Edgecomb, John C., [redacted].
Edwards, William T., [redacted].
Egrid, Lucian S., [redacted].
Eicher, William L., [redacted].
Eley, Howard L., [redacted].
Ellington, James F., [redacted].
Ellis, Andrew G., [redacted].
Ellis, David M., [redacted].
Ellis, Wayne A., [redacted].
Elmore, Joe R., [redacted].
Elmore, Terry E., [redacted].
Emerick, Brian D., [redacted].
Emerson, Joe D., [redacted].
Engoglia, James M., [redacted].
Epperson, Larry D., [redacted].
Erlenkotter, Sue, [redacted].
Ernzen, Michael E., [redacted].
Evans, Frederick M., [redacted].
Evers, Michael B., [redacted].
Exten, Arthur E., [redacted].
Eyle, Terrence G., [redacted].
Fabry, John R., [redacted].
Fadden, Reginald J., [redacted].
Fagan, Edward F., [redacted].
Faistenhammer, William, [redacted].
Falk, Perry K., [redacted].
Fallon, Dennis G., [redacted].
Fardelmann, Charles E., [redacted].
Farinelli, Kenji C., [redacted].
Farwell, Jay E., [redacted].
Fastabend, David A., [redacted].
Feero, Lance M., [redacted].
Ferguson, James C., [redacted].
Ferrell, Paul T., [redacted].
Ferrell, Stephen J., [redacted].
Field, Robert A., [redacted].
Fielding, Stephen M., [redacted].
Fields, Charles M., [redacted].
Fields, Watson H., [redacted].
Filiberti, Edward J., [redacted].
Finch, Stephen B., [redacted].
Fishback, James W., [redacted].
Fisher, Edward A., [redacted].
Fitzpatrick, John M., [redacted].
Flanagan, Robert W., [redacted].
Flather, Herbert H., [redacted].
Fleming, James F., [redacted].
Fletcher, Dale A., [redacted].
Flick, Gregory J., [redacted].
Flora, Bradford W., [redacted].
Foland, James M., [redacted].
Foote, Ashby M., [redacted].
Foote, Dennis P., [redacted].
Ford, Donnie R., [redacted].
Forestal, James T., [redacted].
Forman, Robert J., [redacted].
Foss, Robert J., [redacted].
Foster, Lloyd D., [redacted].
Fowler, David L., [redacted].
Fox, Edward L., [redacted].
France, Samuel W., [redacted].
Frandsen, Herbert L., [redacted].
Frank, Lawrence J., [redacted].
Frankie, Joseph III, [redacted].
Frazier, Gregory L., [redacted].
Frederick, Irene S., [redacted].
Freedman, Liane, [redacted].
Freeze, Terry W., [redacted].

French, Daniel L., [redacted].
French, David J., [redacted].
Friedli, David I., [redacted].
Frisco, Dennis J., [redacted].
Fritz, Donald W., [redacted].
Froneberger, Thomas, H., [redacted].
Frysinger, Richard B., [redacted].
Fugate, Fred C., [redacted].
Fujio, Hirome, [redacted].
Fulmore, Charles S., [redacted].
Funk, Bruce D., [redacted].
Furman, Richard L., [redacted].
Gaal, Gary E., [redacted].
Gabbard, William D., [redacted].
Gabriele, Gary A., [redacted].
Galvanin, Donald A., [redacted].
Gandy, Thomas A., [redacted].
Garcia, Israel S., [redacted].
Garcia, Wendell, [redacted].
Gardner, Gregory C., [redacted].
Garito, Philip N., [redacted].
Garrison, Eldon W., [redacted].
Garrison, Walter S., [redacted].
Gates, Charles P., [redacted].
Gates, Robert M., [redacted].
Gaudio, Richard M., [redacted].
Gavalas, John B., [redacted].
Gay, George R., [redacted].
Gebhardt, James F., [redacted].
Geehan, Brian I., [redacted].
Gehlhausen, Lawrence, [redacted].
Gelling, Louis Jr., [redacted].
Genet, Howard J., [redacted].
Geraci, John P., [redacted].
Gerlach, Robert J., [redacted].
Gerrity, James F., [redacted].
Giacometti, Fred B., [redacted].
Giandoni, Martin B., [redacted].
Gilbert, Daniel J., [redacted].
Gilbreath, Joseph L., [redacted].
Gilkes, George H., [redacted].
Gilmer, John P., [redacted].
Githerman, Larry W., [redacted].
Gleichenhaus, Charles, [redacted].
Glover, Charles W., [redacted].
Godzak, Elaine G., [redacted].
Goedkoop, Thomas R., [redacted].
Goehring, Russell J., [redacted].
Goetz, John C., [redacted].
Goisman, Philip L., [redacted].
Gonzalez, Joe E., [redacted].
Goodhand, William S., [redacted].
Goodman, Roger L., [redacted].
Gorby, Gary A., [redacted].
Gore, Robert L., [redacted].
Goss, William D., [redacted].
Gotowicki, Stephen H., [redacted].
Grachan, Allan F., [redacted].
Graham, Daniel O., [redacted].
Grande, Andrew G., [redacted].
Gransberg, Douglas, [redacted].
Grant, Bruce D., [redacted].
Graves, Ralph H., [redacted].
Gray, Juan P., [redacted].
Grayson, Rodney M., [redacted].
Greaney, Kevin J., [redacted].
Green, Andrew J., [redacted].
Green, Dennis W., [redacted].
Green, Glenn M., [redacted].
Greene, Derrell W., [redacted].
Gregory, Michael J., [redacted].
Grigsby, Kerry E., [redacted].
Grim, James F., [redacted].
Grimm, Charles R., [redacted].
Grosner, Brian, [redacted].
Gruener, Mark J., [redacted].
Gum, Dennis L., [redacted].
Gunderson, Gary C., [redacted].
Gunning, Robert T., [redacted].
Gwaltney, Larry R., [redacted].
Haass, William C., [redacted].
Hackworth, Kenneth W., [redacted].
Haetinger, John M., [redacted].
Hafele, David A., [redacted].
Hairston, James H., [redacted].
Hale, David T., [redacted].
Hales, James A., [redacted].
Haley, Jack M., [redacted].
Hall, Charles W., [redacted].
Halter, Susan S., [redacted].
Hamel, Charles P., [redacted].
Hames, John M., [redacted].
Hamilton, Philip E., [redacted].
Hancock, Lonnie E., [redacted].
Hanna, Steven G., [redacted].
Hanson, David P., [redacted].
Harbour, Michael E., [redacted].
Harlin, Donald V., [redacted].
Harrell, Gary L., [redacted].
Harrington, John L., [redacted].
Harris, Clarence A., [redacted].
Harrison, Donnan R., [redacted].
Harrison, Douglas D., [redacted].
Harrison, Thomas M., [redacted].
Hart, Gerard J., [redacted].
Hart, Joe P., Jr., [redacted].
Hartmann, Daniel J., [redacted].
Hartney, Richard E., [redacted].
Harvell, Peter R., [redacted].
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Hill, Raymond C., [redacted].
Hill, Stephan L., [redacted].
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Izzo, Dominic J., [redacted].
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Joslin, S. Stewart, [redacted].
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Joyce, Martin H., [redacted].
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Jurka, Atis O., [redacted].
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Love, Terry A., [redacted].
Lower, Dallas T., [redacted].
Lowman, Charles D., [redacted].
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Lucas, Gregory D., [redacted].
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Magruder, Samuel B., [redacted].
Mahar, Timothy V., [redacted].
Mainwaring, John C., [redacted].
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Noone, Robby A., [redacted].
Nordby, Andrew C., [redacted].
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Norwood, John J., [redacted].
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Salisbury, Sandra L., [redacted].
Sample, Allen L., [redacted].
Sample, Steven C., [redacted].
Sanders, David O., [redacted].
Santiago, Roberto, [redacted].
Sargent, Christopher, [redacted].
Sauls, Margaret I., [redacted].
Saum, Allen E., [redacted].
Saunders, Raymond M., [redacted].
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Schale, Steven C., [redacted].
Scharling, Robert C., [redacted].
Schauer, Thomas L., [redacted].
Schenck, Steven J., [redacted].
Schmidli, James D., [redacted].
Schmidt, Austin B., [redacted].
Schmidt, Thomas, [redacted].
Schoen, Robert A., [redacted].
Schroeder, Michael M., [redacted].
Schwarz, John W., [redacted].
Schwoebel, Charles G., [redacted].
Scott, Lloyd M., [redacted].
Scraper, Danny L., [redacted].
Scribner, Barry L., [redacted].
Scully, Timothy A., [redacted].
Seagle, Van J., [redacted].
Sealock, Gratton O., [redacted].
Searle, Marvin S., [redacted].
Sears, Leslie R., III, [redacted].
Seeber, Donald C., [redacted].
Seidl, Bernard, [redacted].
Seitz, Robert M., [redacted].
Sells, Stephen P., [redacted].
Sexton, Laurence R., [redacted].
Shaffer, Thomas W., [redacted].
Shambach, Stephen A., [redacted].
Shanahan, Stephen W., [redacted].
Sharkey, John D., [redacted].
Sharp, Walter L., [redacted].
Shaw, Worth D., [redacted].
Shea, Carl J., [redacted].
Sheaves, William B., [redacted].
Sheets, Edward E., [redacted].
Shepard, Vicki L., [redacted].
Shires, Scott L., [redacted].
Shivers, James F., [redacted].
Shortal, John F., [redacted].
Shray, Frank P., [redacted].
Shuman, Norman E., [redacted].
Sidwell, Michael W., [redacted].
Siegel, David E., [redacted].
Siegert, Robert W., [redacted].
Sigl, Robert R., [redacted].
Sills, Paul N., [redacted].
Simmons, James E., [redacted].
Simpson, Michael W., [redacted].
Sims, Gary L., [redacted].
Sims, Steven N., [redacted].
Sisco, Jerry W., [redacted].
Sitero, Charles M., [redacted].
Skidmore, John W., [redacted].
Sladky, John F., [redacted].
Sleeper, Charles M., [redacted].
Slone, Darrell, [redacted].
Slotwinski, David L., [redacted].
Slupik, Robert W., [redacted].
Smith, Arnold, [redacted].
Smith, Jeffrey B., [redacted].

Smith, John B., [redacted].
Smith, Leslie G., [redacted].
Smith, Michael E., [redacted].
Smith, Morris S., [redacted].
Smith, Sandra E., [redacted].
Smith, Stephan G., [redacted].
Smith, Thomas M., [redacted].
Smith, William K., [redacted].
Snitch, Wilbert L., [redacted].
Snyder, Thomas L., [redacted].
Soesbe, Jack L., [redacted].
Sole, William R., [redacted].
Sommerville, Jeffrey R., [redacted].
Soncrant, James T., [redacted].
Sondervan, William W., [redacted].
Sorensen, Clark B., [redacted].
Sowa, Lawrence J., [redacted].
Spaulding, Milton C., [redacted].
Speakes, Stephen M., [redacted].
Spencer, Carmen J., [redacted].
Spickelmier, Roger K., [redacted].
Spies, William J., [redacted].
Spiker, Douglas K., [redacted].
Squire, Mark W., [redacted].
Squires, John A., [redacted].
Stafford, Keith R., [redacted].
Stagner, Charles E., [redacted].
Stahl, Alan B., [redacted].
Stamilio, Anthony J., [redacted].
Standish, Miles E., [redacted].
Stansifer, Russell M., [redacted].
Stark, Richard M., [redacted].
Stcyr, Kenneth L., [redacted].
Steggeman, Kenneth F., [redacted].
Steinhebel, Terrance L., [redacted].
Stellar, Frederick W., [redacted].
Stelmasczyk, Ronald M., [redacted].
Stengel, Mark E., [redacted].
Stephany, Michael E., [redacted].
Stephens, John T., [redacted].
Stephens, Ricardo E., [redacted].
Stephensen, Douglas G., [redacted].
Stevens, David S., [redacted].
Stevenson, Mitchell H., [redacted].
Stiles, Richard R., [redacted].
St Louis, John G., [redacted].
Stone, Samuel A., [redacted].
Stone, Steve E., [redacted].
Stoneburner, Gary R., [redacted].
Stott, John C., [redacted].
Stovall, Jess M., [redacted].
Stratton, James R., [redacted].
Strickland, Tracy L., [redacted].
Stricklen, Martin R., [redacted].
Stuart, Peter J., [redacted].
Studer, Randal W., [redacted].
Sullivan, Daniel P., [redacted].
Svancara, Ted W., [redacted].
Svitak, George M., [redacted].
Svoboda, Martin J., [redacted].
Swanson, Gregory H., [redacted].
Swartz, Dean L., [redacted].
Sweeney, Charles P., [redacted].
Sweeney, John G., [redacted].
Swinson, Mark L., [redacted].
Tabor, Thomas N., [redacted].
Takao, Alan C., [redacted].
Talbot, Michael T., [redacted].
Talley, Wade K., [redacted].
Tallman, Joseph P., [redacted].
Tamayo, Avelino P., [redacted].
Tanel, Thomas L., [redacted].
Tanner, Timothy T., [redacted].
Taylor, Curtis B., [redacted].
Taylor, Franklin R., [redacted].
Taylor, Joe G., Jr., [redacted].
Taylor, Theodore R., [redacted].
Taylor, Thomas C., [redacted].
Taylor, Wayne D., [redacted].
Teach, Wendy E., [redacted].
Teague, Michael D., [redacted].
Teeter, Terry W., [redacted].
Terao, Richard G., [redacted].
Terrell, William D., [redacted].
Thacker, William R., [redacted].
Thaden, Russell H., [redacted].
Thebaud, Charles C., [redacted].
Thomas, Carter S., [redacted].
Thomas, Gary F., [redacted].
Thomas, General B., [redacted].
Thomas, Kent D., [redacted].
Thomas, Patrick A., [redacted].
Thompson, Bruce W., [redacted].
Thompson, Chris V., [redacted].
Thompson, Frank J., [redacted].
Thornburg, Michael, [redacted].
Thornton, Smith P., [redacted].
Thorsen, Robert H., [redacted].
Thurmond, George E., [redacted].
Tibbs, Nathan D., [redacted].
Tibbs, Randy R., [redacted].
Tiffany, Robert S., [redacted].
Tilghman, Jerome L., [redacted].
Tillman, James A., [redacted].
Tilson, Timothy T., [redacted].
Tindoll, Davis D., [redacted].
Tipton, Paul E., [redacted].
Tobin, Charles K., [redacted].
Tombrello, Joseph V., [redacted].
Tooley, Omer C., [redacted].
Toomey, Charles L., [redacted].
Torres, Robert L., [redacted].
Totten, Barry N., [redacted].
Townsend, Robert E., [redacted].
Trauth, Stephen R., [redacted].
Treadway, Junior, [redacted].
Trimble, James R., [redacted].
Trimbur, Gregory R., [redacted].
Trost, Robert W., [redacted].
Troxell, John F., [redacted].
Troy, Patrick A., [redacted].
Trusler, Powell M., [redacted].
Tucker, Archie L., [redacted].
Tucker, Thomas E., [redacted].
Turner, Albert F., [redacted].
Turner, Duncan C., [redacted].
Turner, Steven G., [redacted].
Turner, Thomas R., [redacted].
Tuttle, Michael E., [redacted].
Tuttle, Philip I., [redacted].
Twohig, John J., [redacted].
Tyler, John E., [redacted].
Tyson, Bruce T., [redacted].
Uelk, John W., [redacted].
Uttley, James L., [redacted].
Valenstein, John E., [redacted].
Vanarsdale, Lee A., [redacted].
Vanatta, Michael J., [redacted].
Vanepps, Byron A., [redacted].
VanHorn, William A., [redacted].
VanLaethem, George R., [redacted].
VanPatten, James G. [redacted].
VanVleet, John A., [redacted].
Vasey, Clyde R., [redacted].
Veit, Rudy T., [redacted].
Velazquez, Herminio, [redacted].
Ventura, Jose G., [redacted].
Vestermark, James A., [redacted].
Veve, Thomas D., [redacted].
Via, Michael A., [redacted].
Villasenor, Ernesto E., [redacted].
Vincent, Richard L., [redacted].
Visnovsky, Robert G., [redacted].
Vogel, Richard J., [redacted].
Vogel, Roger L., II, [redacted].
Vollmer, Jeffery R., [redacted].
Vonderscheer, Eric A., [redacted].
Vowell, Denise K., [redacted].
Vozzo, Louis, [redacted].
Vrabel, Jeffrey S., [redacted].
Vuksich, John M., [redacted].
Wade, Stewart L., [redacted].
Walker, Alan J., [redacted].
Walker, Russell D., [redacted].
Walker, Sammson L., [redacted].
Walkowski, William J., [redacted].
Wallace, Richard T., [redacted].
Waller, Joseph R., [redacted].
Waller, Lamonte W., [redacted].
Walilnger, David L., [redacted].
Walls, John D., [redacted].
Walton, Jeffrey A., [redacted].
Ward, Edward E., [redacted].
Ward, Joseph M., [redacted].
Wargo, John S., [redacted].
Warner, Karl K., [redacted].
Warner, Mark E., [redacted].
Waters, Calvin S., [redacted].
Waters, William G., [redacted].
Weaver, Brett H., [redacted].
Webber, Kenneth E., [redacted].
Weber, Robert J., [redacted].
Webster, Dwight S., [redacted].
Webster, William G., [redacted].
Wedin, Randall E., [redacted].
Weeks, Richard T., [redacted].
Weeks, Roy L., [redacted].
Wehner, Harold E., [redacted].
Weir, William A., [redacted].
Weiss, Hanns J., [redacted].
Wellner, Mark S., [redacted].
Wells, Herbert W., [redacted].
Wells, James A., [redacted].
Wells, Lamont J., [redacted].
Wells, Steven E., [redacted].
Welt, John D., [redacted].
Wentz, Walter E., [redacted].
West, Twain D., Jr., [redacted].
Whealy, Michael T., [redacted].
Wheat, Dewey D., [redacted].
Wheeler, Clayton R., [redacted].
Wheeler, Stephen G., [redacted].
White, Charles E., [redacted].
White, Jerry R., [redacted].
White, Ronald W., [redacted].
White, Terry D., [redacted].
White, William A., [redacted].
Whitehurst, Moses J., [redacted].
Whitman, Mark H., [redacted].
Whitman, Michael L., [redacted].
Whitten, Donald J., [redacted].
Whyte, Alexander II, [redacted].
Wiacek, Stephen J., [redacted].
Wilbourn, Donald E., [redacted].
Wildemann, Eric R., [redacted].
Wilkinson, Glenn F., [redacted].
Williams, Gary A., [redacted].
Williams, Harry L., [redacted].
Williams, Ralph L., [redacted].
Williams, Ricardo J., [redacted].
Williams, Robert M., [redacted].
Williams, Roberts J., [redacted].
Williams, Sam J., [redacted].
Williams, Thomas E., [redacted].
Williamson, Clarence E., [redacted].
Williamson, David R., [redacted].
Willis, Colen K., [redacted].
Wills, Thomas G., [redacted].
Wilson, Peter F., [redacted].
Wimberley, James W., [redacted].
Windham, Michael C., [redacted].
Withers, Benjamin G., [redacted].
Withrow, Randall W., [redacted].
Wittman, Craig P., [redacted].
Woffinden, Duard S., [redacted].
Wojtyna, Edward F., [redacted].
Wolfe, William W., [redacted].
Wolff, Donald A., [redacted].
Wolff, Jerome B., [redacted].
Wood, Samuel S., [redacted].
Woodruff, Joseph A., [redacted].
Wright, James A., [redacted].
Wright, Jeffrey M., [redacted].
Wright Jesse N., [redacted].
Wright, William B., [redacted].
Yerby, Stephen R., [redacted].
Yeterian, Edward M., [redacted].
Yezak, Herman R., [redacted].
Young, Anthony H., [redacted].
Young, William E., [redacted].
Youngbluth, Terry R., [redacted].
Zacherl, Donald H., [redacted].
Zachgo, Charles L., [redacted].
Zaklan, Christopher T., [redacted].
Ziegler, Andrew H., [redacted].
Zorn, William G., [redacted].
Zwahlen, Samuel S., [redacted].

CHAPLAIN CORPS

To be captain

Parker, Wilbur D., [redacted].

DENTAL CORPS

To be captain

Greffrath, Charles A., [redacted].
Guerin, Richard D., [redacted].
Kurowski, Raymond A., [redacted].
Levsky, Stanley S., [redacted].
Reid, David E., [redacted].
Rudd, Jimmie G., [redacted].
Sullivan, Thomas A., [redacted].

MEDICAL CORPS

To be captain

Bosse, David A., [redacted].
Carter, Charles, [redacted].
Daigh, John D., Jr., [redacted].
Deeter, David P., [redacted].
Hopkinson, William J., [redacted].
Jolissaint, Stephen L., [redacted].
Sihelnik, Stephen A., [redacted].
Sullivan, Harold H., [redacted].
Tidwell, Michael A., [redacted].
Vandewalker, Mark L., [redacted].
Webber, Paul M., [redacted].
White, Christopher B., [redacted].
Zieske, Larry A., [redacted].

MEDICAL SERVICE CORPS

To be captain

Anders, Michael T., [redacted].
Astriab, Steven M., [redacted].
Baylor, Michael R., [redacted].
Bradshaw, Thomas A., [redacted].
Buchmeier, Robert P., [redacted].
Campbell, Larry E., [redacted].
Casso, Felipe, [redacted].
Cesaretti, George M., [redacted].
Davis, Terry M., [redacted].
Ferguson, Francis G., [redacted].
Fletcher, Thomas E., [redacted].
Garrett, Michael D., [redacted].
Gillette, Paul E., [redacted].
Glazier, Calvin J., [redacted].
Grant, Raymond L., [redacted].
Haas, Scott T., [redacted].
Harris, John T., [redacted].
Helseth, David C., [redacted].
Hightower, David C., [redacted].
Hightower, John P., [redacted].
Hild, Fred S., [redacted].
Hodge, Richard M., [redacted].
Keagle, Richard L., [redacted].
King, James M., [redacted].
Knutson, Michael, [redacted].
Kupchinsky, Gary L., [redacted].
Ledford, Ronald E., [redacted].
Leggett, Melvin E., [redacted].
Lenneville, Mark W., [redacted].
Little, James S., [redacted].
Lowe, Bryan T., [redacted].
Lucero, John A., [redacted].
Maher, Patrick H., [redacted].
Martig, Robert J., [redacted].
McFadden, Steven R., [redacted].
Mizell, James T., [redacted].
Moller, John R., [redacted].
Montelongo, Dario, [redacted].
Mourtos, Constantin, [redacted].
Muramoto, Gary N., [redacted].
Navin, Philip X., [redacted].
Nelson, Richard F., [redacted].
Newsome, Earl S., [redacted].
Owens, Terry L., [redacted].
Potyk, Roger P., [redacted].
Principe, Richard D., [redacted].
Rawls, Edward W., [redacted].
Richardson, Allie J., [redacted].
Robertus, Paul D., [redacted].
Robinson, Robert C., [redacted].
Rogers, Alfred W., [redacted].
Roland, Robert R., [redacted].
Ross, James W., [redacted].
Scantlin, Marshall H., [redacted].
Silkey, Larry K., [redacted].
Smith, Bryan E., [redacted].
Smith, Larry A., [redacted].
Staus, Ronald G., [redacted].
Stewart, Robert S., [redacted].
Supon, Patrick A., [redacted].
Sur, Stanford K., [redacted].
Thomas, Glynn O., [redacted].
Thompson, Nathaniel R., [redacted].
Treiber, Randal L., [redacted].
Walker, Michael E., [redacted].
Wesley, Olan L., [redacted].
Williams, David E., [redacted].
Williams, Edward H., [redacted].
Wright, Charles T., [redacted].

ARMY NURSE

To be captain

Altena, Janet L., [redacted].
Astle, Frederick J., [redacted].
Baish, Kathleen M., [redacted].
Belich, Joseph M., [redacted].
Blazier, Colleen D., [redacted].
Carlson, Deborah Z., [redacted].
Chisolm, Janet E., [redacted].
Chudy, Jeanne H., [redacted].
Clinch, Richard L., [redacted].
Collins, Shirley J., [redacted].
Cooke, Paulette A., [redacted].
Cooper, Janice M., [redacted].
Coxen, Ronald E., [redacted].
Creasman, Michael D., [redacted].
Daniels, Delois, [redacted].
Davis, Mary C., [redacted].
Douglass, Dale A., [redacted].
Edwards, Lorretta F., [redacted].
Fishell, Royce A., [redacted].
Glynn, Ann W., [redacted].
Graves, Rhonda L., [redacted].
Hagemeister, Brian, [redacted].
Herrington, Lawrence D., [redacted].
Hundley, David P., [redacted].
Jeleski, Barbara A., [redacted].
Jennings, Suzanne C., [redacted].
Jensen, Richard G., [redacted].
Kutz, Stephen H., [redacted].
Lovaas, Patricia K., [redacted].
Maloney, Patsy L., [redacted].
Martin, Joyce A., [redacted].
Maynard, Mary D., [redacted].
Meyer, Barbara L., [redacted].
Meyer, Edward R., [redacted].
Nathan, Monica A., [redacted].
O'Connor, Sheila A., [redacted].
Paige, Patti L., [redacted].
Patterson, Cynthia R., [redacted].
Peterson, Jeffrey B., [redacted].
Pfohl, Christine E., [redacted].
Porch, Alan G., [redacted].
Reed, Catherine O., [redacted].
Reynolds, Judith A., [redacted].
Rihm, David M., [redacted].
Rivera, Jose F., [redacted].
Romanauskas, Vincent S., [redacted].
Ross, James W., [redacted].
Rucki, Carol A., [redacted].
Rupkalvis, Anne C., [redacted].
Rutt, Wade T., [redacted].
Saye, Jackie W., [redacted].
Schwiesow, Joel D., [redacted].
Simmons, Myra D., [redacted].
Splichal, Clifford T., [redacted].
Spring, William B., [redacted].
Stowe, Harvey O., [redacted].
Thomas, Steven C., [redacted].
Vanderhoof, Linda M., [redacted].
Varner, Willie H., [redacted].
Vazquez, Eileen K., [redacted].
Voelmeck, Wayne F., [redacted].
Volk, Joseph W., [redacted].
Volk, Maribeth C., [redacted].
Warren, Charlene S., [redacted].
Weyhrich, Donald R., [redacted].
Whittemore, Ronald P., [redacted].
Williams, Timothy P., [redacted].
Wolfe, Roberta E., [redacted].
Young, Susan D., [redacted].
Zimmerman, Katherine A., [redacted].

The following-named officers for promotion in the Regular Army of the United States under the provisions of title 10, United States Code, sections 3284 and 3298:

ARMY PROMOTION LIST

To be first lieutenant

Arndt, Marilyn J., [redacted].
Bolton, Dewey R., [redacted].
Clark, Amanda, [redacted].
Cox, Peder C., [redacted].
Gibert, Jefferey A., [redacted].
Goldsberry, Sharon L., [redacted].
Goodberlet, Mark A., [redacted].
Harrison, John L., [redacted].
Jameson, Bud R., Jr., [redacted].
Olsen, Howard A., [redacted].
Sittnick, Thomas E., [redacted].
West, William T., [redacted].

U.S. NAVY

The following-named lieutenants (junior grade) of the U.S. Navy for temporary promotion to the grade of lieutenant in the various staff corps, or indicated, pursuant to Title 10, United States Code, Sections 5773 and 5791, subject to qualification therefor as provided by law:

SUPPLY CORPS

Aanstoos, Thomas K.
Ackerman, Roger S.
Aldrich, Loren J., II
Allen, David F.
Anderson, John A.
Anderson, Michael A.
Austin, Douglas L.
Backus, John R.
Balzano, Albert N.
Bandlow, Joseph L., Jr.
Barrett, James L.
Beard, Robert L., III
Bedard, Stephen A.
Bennett, Stephen H.
Billington, Lonnie M.
Binning, Jeran
Birr, Donald K.
Bischetsrieder, Jon W
Bloom, Charles C.
Bonk, Matthew S., Jr.
Bonomo, Joseph R.
Brandenburg, Kenneth S.
Bright, Carl T.
Brown, David M.
Brown, Robert O.
Buckley, Winston H.
Bump, Robert J.
Bunkers, Ladean W.
Buntin, David W.
Burge, Charlie E.
Busch, Horace R., Jr.
Butler, Louis E.
Byham, Richard A.
Candanoza, Jose R.
Caricato, Edward M., Sr.
Carpenter, Dale E.
Carroll, Stephen G.
Chillcott, Sidney E.
Clark, Roger N.
Clement, William S.
Cockrill, Philip C.
Collard, Robert A.
Combs, Bruce M.
Connor, James G., Jr.
Cooper, Robert K.
Costello, Mark T.
Couch, Howard W., Jr.
Coulter, Preston B.
Crosby, Thomas W.
Crow, Wayne H.
Crump, Henry E., Jr.
Curry, Michael S.
Darby, Michael M.
Dargan, James J., Jr.
Daub, Wayne A.
Davis, Lester M.
Denbrock, Barry J.
Deregt, Paul T.
Devitt, John C.
Dewey, James C.
Dietz, James L.
Dolan, Robert P.
Donovan, Peter M.
Dowling, Richard D.
Doyle, David N.
Drerup, John W., Jr.
Driver, David E.
Edwards, Charles R.
Elkins, Ronald D.
Ellis, Peter M.
Elmore, Douglas L.
Fajer, David J.
Fenzan, William J.
Fernandez, Wilfredo O.
Ferrara, Richard C.
Formico, Bernard J.
Freshwater, Thomas M.
Frew, Barry A.
Fullbright, John L., III.
Fulton, Richard L.
Funk, Stuart D.
Gamo, Gary W.
Gault, William J.
Gildea, John F., Jr.
Gitter, Steven P.
Given, Gary G.
Goehring, Mark E.
Gore, William L.
Grassi, John L., Jr.
Green, Cornelius, Jr.
Grube, Edward M.
Gummer, Edward G., III
Hamilton, Philip P.
Hammond, Robert.
Harper, Carlton C., Jr.
Harrison, Zal B.
Hazell, Jeffrey P.
Helm, Freddie L.
Heuay, Terrence A.
Hicks, James D.
Hillegas, Dennis A.
Hogan, Brian N.
Holzhausen, Joseph E.
Howard, Frederick L.
Hunter, James W.
Hupy, Brad L.
Huwe, Lawrence J.
Hyatt, John S., Jr.
Iwuc, Francis T.
Jones, David I.
Jowers, John G., Jr.
Jumper, James D.
Kaleita, Gary M.
Kalkstein, Jeffrey W.
Kalmar, Louis G.
Kanuck, Mark J.
Karschnia, Paul T.
Karty, Alan L.
Kayes, Dean H.
Kempa, Aloysius F.
Kemper, John T.
Kenney, Joseph W.
Kibler, Christopher T.
Kirchoff, Phillip M.
Klapper, Larry S.
Kmiec, Kenneth R.
Knox, Walter G.
Kowba, William A.
Krueger, Paul F.
Lalonde, Bruce G.
Lavender, William R.
Lee, Robert E.
Logue, Robert L., Jr.
Lott, Daryl R.
Lozier, Stephen C.
Madsen, John W.
Maibaum, David W.
Makoeske, James P.
Mallard, Frederick L.
Marksbury, Thomas C.
Martin, John D.
Mather, Richard L., Jr.
McBurney, Donald T.
McConahy, Marc
McConnell, David C.
McDaniel, David E.
McGarrett, William J.
McGinnis, Richard S.
McGivern, Peter M., III.
McGowan, Allen W.
McGrath, Christopher M.
McKelvey, Chris R.
Merritt, Brooks P., Jr.
Meyer, Richard J.
Miller, Bruce A.
Minor, Elliott D., III
Mitchell, James L.
Monaco, Theodore J.
Morgan, Benjamin B.
Mullally, James W.
Mulligan, Michael C.
Murphy, Kevin J.
Myers, Raymond E.

Narimatsu, Dean T.
Nevers, Richard H.
Nielsen, Ronald O.
Noonan, Robert M.
Norris Eric E.
Ornelas, Harry, Jr.
Palenshus, David L.
Palmer, David A.
Parshall, Earl G.
Patterson, Rubin L.
Payne, Paul A.
Peeler, Grady L., Jr.
Pendergrass, Russell G.
Pettaway, Henry E.
Pfeil, Philip M.
Poe, James P.
Post, William N., II.
Poston, Richard G.
Potochney, Peter J.
Preston, Vernon G., Jr.
Prpich, Jack
Quinn, William D.
Recla, Kenneth J.
Reif, William D.
Rible, Frederick J., Jr.
Riley, Michael E.
Robie Craig M.
Robinson, Fred O. Jr.
Roerig, Gary W.
Roitman, Richard K.
Roper, Bernard L.
Rosapepe, Jay F.
Ruben, Jack M.
Rucinski, Charles J.
Rudd, Jeffrey G.
Ruff, David C.
Ruh, Joseph F., Jr.
Rushing, William D., III
Rutledge, Eugene P., III
Ryan, Patrick T.
Schindel, William N., Jr.
Schlekau, Louis W., III
Schroeder, Mark H.
Schweer, Mark R.
Simpson, Edward L.
Smith, David V.
Smith, Donald W.
Smoak, Daniel R.
Sorenson, Lee L.
Spencer, Michael H.
Spraglin, Ricardo D.
Starzyk, Michael J.
Steele, Christopher P.
Stone, Stephen P.
Stranen, Joseph J.
Strong, Robert W., II
Strouse, Wayne S.
Struebing, Danny C.
Sturm, Joseph J., III
Taylor, Stephen D.
Thomas, Michael P.
Thompson, Alan S.
Thompson, Robert V.
Traaen, Timothy S.
Trost, Henry M.
Turk, Rodney W.
Varner, Paul E.
Vassian, Robert B.
Wagner, John G.
Walter, Kenneth F.
Ward, Terry L.
Ward, Theodore W.
Watkins, Gary E.
Weber, Charles J., Jr.
Whipple, Peter L.
White, David M.
Whitlock, Vivian T.
Winter, Robert A., Jr.
Witwer, Richard L.
Woodall, Clifford L.
Workman, Paul D.
Zucker, David A.

CIVIL ENGINEER CORPS

Alexander, Raymond K.
Bender, Willie A., Jr.
Biddick, Dennis
Branigan, Daniel S.
Brown, Paul M.
Capron, Mark E.
Dalby, Philip H.
Davis, Larry A.
Dekin, Walter D.
Donado, Paul
Donaldson, Mark E.
Donnelly, Michael D.
Dossantos, William A.
Dreyer, Thomas F.
Etheridge, John T.
Fewell, Dennis A.
Finley, Lloyd S., Jr.
Foshee, Jon R.
Gorum, Charles C.
Gustafson, James L.
Hickey, Peter J.
Hollrith, James W.
Jackel, Paul G.
Jones, David A.
Marchand, Jean P.
Marchette, Louis V.
Mauk, Michael L.
McAdam, Lowell C.
Michel, Richard C.
Miller, Michael R.
Nassaux, Patric Y.
Nesbitt, John F.
Otten, Mark T.
Peters, James M.
Rodgers, Thomas M.
Rowland, Henry J., Jr.
Schiffner, Michael D.
Shrewsbury, John M.
Squatrito, James A.
Stearns, Francis R.
Stefanelli, Arthur J., Jr.
Steiner Jeffery A.
Surash, John E.
Sweet, David M.
Tubello, Jeffrey
Wallace, Joseph B., III
Walters, Vernon J.
Williams, Samuel S.
Woods, Edward A.
Wyman, Jon C.
Yeakley, John C.
Zorica, Joseph W.

JUDGE ADVOCATE GENERAL'S CORPS

Saccoccio, Louis J.

MEDICAL SERVICE CORPS

Adams, Ronald L.
Beddard, James R., Jr.
Brown, Franics C.
Brown, Thomas L.
Byerly, Lawrence D.
Carroll, Ronald J.
Clancy, Nancy E.
Cormier, Tyrone P.
Cullum, Clarence L.
Dickey, Oscar W.
Harrahill, Jesse D.
Hodges, Ellis E.
Hofflinger, David H.
Hudson, Jonathan S.
Hunnicutt, Gary F.
Karelin, Edward E.
Libby, James W.
Little, Tommy J.
Mackie, William B.
Marshall, John D.
McCarty, Thomas A.
McGinnis, James A.
McKenna, Michael R.
Megown, Charles F.
Mitchell, William L.
Niec, Edmund A.
Orloff, Kenneth L.
Roeder, Kenneth L.
Sullivan, Hugh C., Jr.
Wallick, Marie T.
Warywoda, Theodore E
White, Fred R.
White, Joseph L.
Zuber, Ronald J.

NURSE CORPS

Banks, James W., Jr.
Barry, Thomas P.
Bashford, Jeffrey A.
Bauer, Constance A.
Burnett, Bruce L.
Campbell, Vernon G.
Chemycz, John A.
Christie, James M.
Donaldson, Wayne M.
Edwards, Kathleen A.
Emerson, Joel R.
Faires, Paul E.
Fernandes, Margaret M.
Flippo, Michael K.
Frevert, Gayle L.
Fuller, Janet S.
Galloway, Glynn W., Jr.
Gazoo, Charles E.
Giron, Lawrence J.
Gritis, Charlotte C.
Hatfield, Richard T.
Hoffower, James R.
Hogan, Maureen P.
Holston, Erdmann, L.
James, Margaret S.
Jancewski, Mary K.
Kavanagh, Kathleen M.
Kiraly, Ruth A.
Lawson, Wallace E.
Lukasik, William E.
Meyer, Kort J.
Moffitt, Jewell L.
Mukri, Gerarda M.
Munson, David A.
Narcomey, David W.
Nunns, William T.
Olson, Ellen M.
Perry, Margaret M.
Reifschneider, Donald L.
Robinson, Martin M.
Schatz, Mary E.
Schuette, A. Robert
Sendner, Barbara A.
States, Marilin B.
Steffen, Dennis A.
Storms, John M.. Jr.
Stringer, Thomas J.
Sutton, Donald L.
Thurber, Jean A.
Tillman, Harry J.
Torres, Carlos A.
Trowbridge, Marvin D.
Wilson, Blane M.
Wilson, Cathy M.
Winecour, Eliot S.

The following-named women lieutenants (junior grade) of the U.S. Navy for permanent promotion to the grade of lieutenant in the Supply Corps, pursuant to title 10, United States Code, sections 5773 and 5791, subject to qualification therefor as provided by law:

Anthony, Era M.
Beck, Judy E.
Bolton, Joyce.
Elliott, Sarah J.
Hansen, Sharon L.
Hoch, Rita A.
Holdridge, Lois A.
Riley, Constance M.
Wolverton, Joyce I.
Werschin, Jill M.

The following-named lieutenant commander in the Medical Corps of the U.S. Naval Reserve, for temporary promotion to the grade of commander in the Medical Corps, of the U.S. Naval Reserve, pursuant to title 10, United States Code, sections 5505 and 5791, subject to qualification therefor as provided by law:

Parash, Irish C.

The following-named officers of the Supply Corps of the U.S. Navy for appointment in the Judge Advocate General's Corps as permanent lieutenant (junior grade) and temporary lieutenant, pursuant to title 10, United States Code, sections 5578(a) and 5791, subject to qualification therefor as provided by law:

Allen, Charles A.
Quinn, John P.

The following-named woman lieutenant (junior grade) of the line of the U.S. Navy, for appointment in the Judge Advocate General's Corps as permanent lieutenant (junior grade), pursuant to title 10, United States Code, sections 5578(a) and 5791 subject to qualifications therefor as provided by law:

McKnight, Kathleen A.

IN THE NAVY

The following-named ensigns of the U.S. Navy for temporary promotion to the grade of lieutenant (junior grade) in the line, pursuant to Title 10, United States Code, Sections 5784 and 5791, subject to qualifications therefor as provided by law:

LINE

Aasland, Ronald L.
Abelein, Carl H.
Abernethy, Thomas S.
Abrahamson, Thomas D.
Ackles, James J.
Aclin, John J., Jr.
Acton, Bruce J.
Adams, Charles D., Jr.
Adams, Vance H.
Adell, Allan A.
Admire, George R.
Adolph, Jack B.
Aggas, Jeffrey E.
Aiken, Donald W., Jr.
Albert, Steven M.
Alexander, John D.
Alford, John M. I.
Algeo, Thomas S.
Allen, Gene E.
Allison, Joseph R.
Alvite, Joseph A.
Amicarella, John M.
Amos, Kevin S.
Andersen, James K.
Anderson, Daniel R.
Anderson, James S.
Anderson, John P.
Anderson, Richard D.
Anderson, Steven
Anderson, Steven S.
Andes, Richard J.
Andress, Thomas R.
Andy, Steven M.
Angerer, Timothy P.
Anthony, Alan W.
Arcano, Joseph T., Jr.
Arguello, Gilberto L.
Armada, Michael R.
Armitage, Robert A.
Armstrong, Stephen E.
Arsenault, Robert M.
Atchison, Gregory F.
Ayotte, Brett D.
Babcock, David A.
Bachman, Terry L.
Backus, Robert E., Jr.
Bacon, Steven W.
Badgett, Robert B.
Baetzel, Bernard T.
Bajune, Lloyd G. O.
Bakara, Michael F.
Baker, Barry B.
Baker, Dean A.
Baldy, Timothy D.
Balestrieri, David A.
Ball, Franklin D.
Ball, George R.
Baltera, Ramon A.
Bangert, Randall W.
Banks, Martin M., Jr.
Barber, Matthew E.
Barnes, Steven B.
Barnett, Jeff D.
Barock, Richard T.
Baron, Eric C.
Barrientos, Joseph J., Jr.
Barry, John W.
Barry, Kenneth F.
Barry, Mark J.
Barth, Steven R.
Bartie, Steven R.
Bartoe, Thomas J.
Basch, Raymond M.
Basford, Michael S.
Bates, Kenneth C.
Batey, Dale R.
Batt, Charles G.
Battin, Richard S.
Baugher, Jackie L.
Bayes, Howard S.
Baylor, Bradford H.
Beahm, Donald C.
Bearss, Daniel V.
Beary, William, Jr.
Becker, Ernest C.
Beckham, Terrel V., Jr.
Bedford, Richard C.
Behm, Frank J.
Behrend, Charles L.
Behrens, Christopher K.
Belanger, Michael D.
Belec, James M.
Bell, George C., Jr.
Bell, Gregory L.
Bell, Robert D.
Bellezza, Vincent A.
Bender, Charles M.
Benefield, Tommie D.
Bennett, Curtis T.
Bennett, David G.
Bennett, David R.
Bennett, Keith L.
Bennett, Michael R.
Bennett, Thomas A.
Benscoter, Richard H.
Benson, John R.
Benson, Thomas S.
Bercaw, Daniel M.
Berenato, Dominick P.
Berger, Robert L.
Berger, Steven M.
Bernard, Michael H.
Berry, Dirk E.
Berry, Vance D.
Berthold, Dudley B.
Beverlin, Donald C.
Beyer, Glen R.
Bickmore, Corey D.
Billy, George H.
Birge, Ronnie H.
Black, Timothy R.
Blackmore, Donald W.
Blake, David R.
Blakeslee, Paul P.
Blakely, Robert W.
Bland, James F.
Blandford, Robley J.
Blankenship, Clyde W.
Blaydoe, Marc D.
Block, Douglas A.
Block, Lowell K.
Bluestone, David J.
Bly, James T.
Bodnar, Raymond W.
Boehme, Richard J., Jr.
Boensel, Mark S.
Bohlmann, Joel E.
Boland, Donald J.
Bole, Bruce S.
Bond, Thomas H.
Bonvouloir, Damian J.
Bonwit, Willard R., Jr.
Borchardt, Richard W.
Borgen, Thomas L.
Boster, Norman B.
Boudah, Mark F.
Bourquardez, Charles C., Jr.
Bowdoin, James E.
Bowersox, Kenneth
Bowes, Gerald T.
Bowling, John H.
Bowser, John W.
Boyer, Ralph J., Jr.
Bracy, Raymond W.
Bradley, Stephen M.
Brady, Donald R.
Brady, Philip P.
Brady, Stephen K.
Bramlett, Leroy
Brandenburg, Steven L.
Branges, Warren G.
Brauer, Bob A.
Brazier, Mark K.
Brennan, Philip C.
Brewer, David J.
Brewer, Dwight R., II
Briganti, Steven L.
Brink, Frederick T.
Briquelet, John A.
Britain, Joseph C.
Brockington, James E., Jr.
Brockmann, Erich N.
Brooks, David L.
Broome, Mark C.
Brown, David A.

Brown, David P.
Brown, James W.
Brown, James Wesley
Brown, Larry L.
Brown, Robert M.
Brown, Thomas R., Jr.
Brown, Timmy J.
Brownley, Ronald W.
Broz, William R.
Bruce, David W.
Bruckwicki, David G.
Brutzman, Donald P.
Buechner, Barton D.
Bulich, Otto P.
Bump, Richard W.
Bunce, Chip G. A.
Bunting, Mark F.
Burger, William L.
Burgess, John A.
Burgin, Christopher C.
Burke, William R.
Burkhard, David A.
Burns, Brendan M.
Burns, Scott H.
Burrows, William J.
Burton, John T.
Bushika, Martin E.
Buss, David H.
Busse, Dara H.
Butcher, Craig R.
Butler, James L.
Butterfield, Fred
Byrd, James E.
Byrum, Warren R.
Caggia, Vincent P., Jr.
Caldwell, Eric R.
Callahan, Timothy P.
Callas, Alexander
Callis Lloyd B. J.
Cameron, David M.
Camilleri, Joseph F.
Campbell, James P.
Campbell, Peter J., Jr.
Campbell, William H.
Campbell, William R.
Canaday, John L.
Canavello, Robert R.
Canfield, Randy G.
Cannan, Daniel E.
Canning, Thomas J., Jr.
Cantua, Hector M.
Caprio, Frank M.
Carbone, Frank A.
Carlson, Paul C.
Carman, Alan L.
Carpenter, Dennis R.
Carpenter Jeffrey D.
Carpenter, John R.
Carr, James M., III
Carroll, Lafayette
Carter, Bruce W.
Case, Van A.
Casey, John S.
Casey, Patrick J.
Cassidy, Timothy C.
Cateer, Hugh Robert, Jr.
Cato, Anthony M.
Cavines, Edmond C., II
Cawthra, David L.
Cayabyab, Nelson M.
Ceckler, John E.
Chang, Russell M.
Chapman, Richard A.
Chartrand, Joseph
Chase, Lon E.
Chasko, Gerald
Cheever, James L.
Cheezum, Kevin R.
Chesher, James W.
Chestnutt, Harold D.
Christensen, Jack A.
Christie, David W.
Choyeski, Frankie D.
Ciochetto, Lewis J.
Cirelli, Louis R., Jr.
Claes, Dennis C.
Clager, James P.
Clark, Bradford K.
Clark, Brian G.
Clark, John E.
Clark, Welling S.
Clites, Jeffrey L.
Cloud, Steven M.
Cloutier, Robert J.
Cobb, Christopher J.
Coffey, James L.
Coffey, John P.
Coffey, John T.
Cofsky, Darrell L.
Cohoon, John E. J.
Colby, Kenneth C., Jr.
Colden, Damian A.
Cole, Donald E.
Comp, Ralph B.
Cone, Charles N., III
Connally, Earl M.
Consiglio, Rosario J.
Cook, Daniel R.
Cook, John R.
Cook, Robert A.
Cook, William A.
Copeland, Stewart A.
Corbett, John B.
Cornwell, Stephen J.
Corrigan, Christopher M.
Costanzo, Ralph R.
Costello, Dan J.
Costello, John M.
Cotner, Dave L.
Cowen, Craig H.
Cowen, Kenneth R.
Cox, Keith H.
Cox, William L.
Coy, William R., Jr.
Crabtree, Charles D.
Cragg, Clinton H.
Craig, Jonathan K.
Craig, Peter S.
Craig, Samuel D., III
Crair, Stanley B.
Cramer, John E.
Cramp, Bernard J.
Crane, John H., Jr.
Cranford, James R., III
Craven, Joseph F., Jr.
Crawford, Bobby E.
Crawford, Terry
Crayton, Mark
Crisp, Michael D.
Crisp, Stanley M.
Crisp, William A.
Crockett, Lawrence D.
Crone, Michael J.
Crooks, William T., Jr.
Crosby, Larry L.
Crosley, Michael W.
Crouch, George N.
Crout, James C.
Crow, Byron W.
Crowley, Thomas D.
Crum, Michael J.
Crumplar, Robert K.
Cuca, Andrew J.
Cummings, Chester M.
Cummings, Paul D., Jr.
Cummings, William D.
Cunningham, Anthony
Cunningham, Charles G.
Curry, Thomas V.
Curry, Timothy J.
Curtis, John E.
Curtis, Robert M.
Curtis, Stephen P.
Cyrway, Christopher B.
Dagget, Terrence L.
Dahl, Scot A.
Daisher, Jeffrey L.
Daniel, Michael V.
Daniel, Richard N.
Daniels, Keith A.
Darling, Scott S.
Davidson, Adam H., Jr.
Davidson, Christopher J.
Davidson, Robert N., II
Davidson, Ronnie B.
Davis, Gregory S.
Davis, Louis A.
Dawson, Charles F.
Dawson, Leo A., Jr.
Dearie, David B.
Dearolph, Douglas J.
Dedrickson, Charles R., II
Deegan, Robert T., II
Degree, James J.
Dellinger, Norman G.
Deloach, Jay A.
Delong, David M.
Delony, Lee D.
Delpero, Philip M.
Demarche, Christopher J.
Demarco, George J.
Dempsey William C., Jr.
Denosta, Carmelito D.
Devey, William S., Jr.
Devonchik, Jeffrey D.
Dickens, Richard R.
Dickenson, Michael L.
Dickman, Jeffrey K.
Didio, Gary E.
Domenico, Daniel P.
Diercks, James R.
Dietzler, William M.
Diffie, Craig M.
Diggs, Donald G.
Digirolamo, Vincent
Dimartino, James J.
Dimatteo, David J.
Dinn, Michael J.
Dirickson, Robert S.
Divers, Loren C.
Dobler, Randall H.
Dodo, Marvin F.
Dodson, Clifford N., Jr.
Dona, Gordon L.
Donahue, Kevin
Donlon, Kevin C.
Donovan, Murray S.
Dooley, William
Doroshuk, Barth W.
Dorsett, David J.
Dossel, Carl W.
Doucette, Paul A., Jr.
Dowding, Timothy J.
Dowell, Stephen B.
Dowler, Vachel P.
Downs, Bernard R.
Drake, Martin A.
Drakeley, George M., III
Draper, David E.
Drash, Robert W.
Drew, Craig C.
Driscoll, Michael L.
Dubberly, Rickey L.
Ducharme, Lee J.
Dudley, Thomas J.
Duett, Mack D.
Dugene, John T.
Duggan, William E.
Duncan, Michael J.
Dunkin, William M.
Dunn, Robert D.
Duranske, Matthew G.
Durnan, Michael A.
Dustin, Larry J.
Dutton, Michael R.
Duvall, Gilliam E.
Dwyer, John D.
Dziura, Eric L.
Eareckson, Peter D.
Easton, Walter L.
Eberly, Donald L.
Eckert, Scott R.
Eckman, Kenneth J.
Edelmann, Victor A., Jr.
Edgell, Timothy L.
Edgington, Cecil J.
Eggleston, Jeffrey L.
Ehlers, John F.
Ekeland, Terry P.
Eldridge, Thomas D.
Elias, Matthew P.
Elison, Walter E.
Elliott, Michael B.
Elliott, Quinnie N.
Ellis, Robert H.
Engbrecht, Michael R.
Engel, Robert J.
Engelhardt, Dean A.
Enos, Christopher C.
Erdossy, Martin J., III
Ernst, David C.
Ervin, William P.
Erwin, Bert D.
Escher, Rudolph N., Jr.
Eskew, Corey D.
Eskridge, William D., Jr.
Estrada, Joseph E.
Estvanik, Daniel C.
Evans, Christopher L.
Evans, Gary J.
Ewin, Jefferson M.
Eyler, David E.
Fabiani, Thomas M.
Failor, Douglas L.
Faith, Frank M., Jr.
Fallon, Robert J.
Fanelli, Daniel R.
Farley, Norman J.
Farmer, John L.
Farrell, George B.
Farsaci, Steven J.
Farwell, Faris T., Jr.
Faust, Richard
Fay, David E., Jr.
Fazio, Daniel N.
Fedele, Thomas J.
Fedor, Bruce M.
Fee, James W., Jr.
Feiste, Guenther
Ferencsik, Robert P.
Ferguson, Geoffrey T.
Ferguson, John M.
Ferguson, Mark E., III
Fernandez, Jack E.
Fickes, Robert L.
Fifer, Michael O.
Figueroa, Gerald L.
Finch, Mark B.
Fiorelli, James A.
Fischbach, Daniel L.
Fischer, Kip V.
Fisher, James T.
Fisk, Marcus J.
Fitzgerald, Joseph G.
Fitzpatrick, John J.
Fitzsimmons, Donald D.
Fladager, Kennth E., II
Flanagan, Glenn
Flanagan, Hugh F., Jr.
Fleming, William R.
Fletcher, Dana A.
Fletcher, Gregory L.
Fletcher, Ronald A.
Flynn, Peter S.
Fogg, Glenn A.
Foley, James K.
Forbes, Eric C.
Forbis, Emmet D.
Ford, Steven D.
Foster, Dennis M.
Fowler, Jeffrey L.
Fox, Mark I.
Fox, Padraic K.
Fralen, Michael C.
Frank, Douglas W.
Franklin, James A.
Frans, Mark T.
Fredericks, Mark G.
Free, Donald S.
Freeman, Victor R.
Fritchie, William R.
Frontiero, Anthony P.
Fuller, James B.
Fullerton, George J.
Fulwood, Lindsey S.
Funke, Anderson B.
Furr, Larry E.
Fylak, Alexander M.
Gabriel, Mark L.
Gage, Frederick E., II
Gage, Paul C.
Gagne, Jeffrey L.
Gahan, Stephen M.
Gallati, Peter C.
Galpin, Michael J.
Galvin, Lawrence F.
Gard, Lee A.
Gardella, Paul R., Jr.
Gardener, Nigel I.
Gardiner, John G.
Garney, Geoffrey G.
Garza, Ray A.
Gates, Stephen, Jr.
Gattuso, Joseph A.
Gavan, John C.
Gearey, Bruce P.
Geiss, David H.
Gelsomino, Joseph A.
Gentile, James H.
Gerety, John P.
Germain, Eric F.
Gilbertson, Mark A.
Gilio, Joseph P.
Gillard, David W.
Gillespie, James I., Jr.
Gillett, Robert W.
Giltzow, George W.
Ginnow, Jeffrey R.
Girardet, Gary L.
Girdler, Neal N.
Girer, Lee E.
Girrier, William J.
Glasgow, Ty J.
Glauner, Frederick W.
Glidden, Robert M., III
Goddard, Charles H.
Godwin, Marshall E.
Gold, Don W.
Golden, Timothy P.
Goldenberg, Jack P.
Gonzales, Joel
Gonzalez, Alfred H. Jr.
Goodlett, Clark B.
Goodman, Robert O.
Goodson, Michael J.
Goodwin, Timothy E.
Googe, John G.
Gordon, Gary L.
Gordon, Russell J.
Goree, John T.
Gorrell, Michael L.
Gozum, Rogelio T.
Graf, Frederick A.
Graham, Edward L.
Graham, John H.
Grau, Douglas D.
Graveson, George L., III
Greby, Mark J.
Green, Charles W.
Green, Johnny L.
Green, Richard G.
Green, Russell W.
Greene, Kenneth L.
Greenspan, Jack A.
Greenwood, Cabell E.
Griffin, Arthur C.
Griffith, Lawrence D.
Griffith, Roger N.
Grimes, David B.
Grodek, Thomas L.
Grogan, Christopher J.
Grohman, Mark A.
Gruber, David P., II
Guess, James E.
Guillory, Victor G.
Gulley, Robert B., II
Gumtow, Richard H.
Guptill, Edward L.
Gurny, Michael J.
Guy, Robert H., Jr.
Guza, David E.
Haaser, Charles B.
Haberland, Walter C.
Hackbarth, Gary
Haddox, John L.
Hagen, Peter J.
Haggerty, Alan E.
Hald, Terance E.
Hall, David L.
Hall, Henry D.
Hall, Prentiss J.
Halsema, John A.
Hamblen, Don P.
Hamby, Harvey S.
Hamersly, Paul C.
Hamilton, Earl K.
Hamilton, Edwin P.
Hamilton, Joseph B.
Hammond, Alan W.
Hampshire, David
Hampton, David M.
Hampton, William R., Jr.
Hanckel, Allan R.
Hancock, John A.
Haney, Cecil E. D.
Hanley, Timothy R.
Hanna, William H.
Hannan, Kevin M.
Hanneke, Thomas W.
Hannigan, Philip H.
Hansen, Norman T.
Hansen, Robert M.
Hanson, Clare W., II
Hanson, Jackson L.
Hardaway, Hugh J.
Hardee, Norman E.
Haren, Cale T.
Hardenbergh, John T.
Hardin, Timothy C.
Haring, Michael H.
Harlan, Donald M., Jr.
Harmon, John R.
Harms, Gerard R.
Harper, Larry A.
Harrington, Joseph D.
Harrington, William D.
Harris, Douglas W.
Harris, Harlan R.
Harris, Harry B., Jr.
Harris, John P.
Hart, Stephen D.
Hartfelder, Charles M.
Hartley, William J.
Hartman, Chris G.
Hartung, William A.
Hasbrouck, Charles B., III
Haskin, Mark H.
Hassel, Kirk C.
Hassler, Christopher C.
Hastings, John R.
Hatfield, Randall J.
Hautau, Charles A.
Hawk, John R.
Hawkes, Marshall D.
Hayden, Lawrence
Hayes, Thomas C.
Haynes, John S.
Heath, Benjamin A.
Heatley, Harry A.
Hebda, Stanley J., Jr.
Hedges, Jeffrey A.

Hedman, Michael C.
Heery, Joseph W.
Heffernan, Kenneth G.
Hefren, Charles C.
Heininge, Gerhard
Heintzman, David W.
Helart, Bruce M.
Hemry, John G.
Henderson, John G.
Henderson, Robert W.
Hendricks, James A.
Hendrickson, William J.
Henkler, Edward S.
Hennigan, John R.
Henry, Richard J.
Henseler, Philip E., Jr.
Hensley, Rex A.
Herbig, James W.
Hergert, Andrew H.
Herman, Jimmie K.
Herrault, Gary K.
Hession, William P.
Heuke, Bruce F.
Hickman, John R.
Hicks, Gary B.
Hicks, Jack C.
Hiel, Richard J.
Higashimura, Guy Y.
Hildebrand, Gary L.
Hilder, Frederick
Hill, Donald D.
Hill, Douglas D.
Hill, Paul D.
Hillenbrand, Frederick F., III
Hillis, Gregory D.
Hillman, Bernard M.
Hincks, Stephen E.
Hines, Gordon J.
Hinman, Robert L.
Hirakawa, Jimmy S.
Hiser, Francis A., III
Hnarakis, Alexander B.
Ho, Norman T. H.
Hochstein, Sidney G.
Hodges, Raymond F.
Hoffman, Randall H.
Hoffman, Scott E.
Holden, Michael J.
Holloway, Daniel P., Jr.
Holloway, Marion L.
Hollyer, John B.
Holman, Stephen J.
Holman, Thomas D.
Holoubek, Daniel L.
Holt, Neil Gary, Jr.
Holub, Daniel F.
Holzknecht, Richard J.
Honeck, Mark W.
Honodel, Denton E.
Hopkins, Stephen M.
Hoppe, Mark E.
Hosking, James R.
Hoskins, Bruce W.
Hottel, Glenn R.
Hough, James H.
Hovey, Michael T.
Howard, Donald E.
Howell, Stephen R.
Howell, Thomas R.
Hubal, Mark A.
Hubbard, Richard P.
Huber, Michael E.
Hudnell, Audie L.
Hudson, John E.
Huebner, Rolfe N.
Hueseman, John A.
Huffman, William C. J., Jr.
Hughes, James W.
Hughes, Mark A.
Hughes, Patrick W.
Hugo, Ernest J.
Hunegs, Gordon K.
Hunt, Francis A., Jr.
Hunt, Robert A.
Hunter, Charles B., Jr.
Hurst, Larry C.
Hutter, Michael P.
Hynes, Joseph E., II
Icenhower, Howard L.
Iferd, Frank
Ingraham, Leroy D.
Inman, Edwin G.
Ireland, David G.
Iverson, Marc E.
Ives, Glen R.
Jackson, Lawrence W.
Jackson, Noah W.
Jacoby, Stephen B.
James, Mark W.
James, Tyrone
Jansky, Anthony, Jr.
Jaquith, Philip A.
Javier, Pepito, M.
Jaynes, John E.
Jefferson, Charles R.
Jenkins, David G.
Jennings, Lacey
Jennings, Leroy A.
Jensen, Carl J.
Jensen, Christopher H.
Jensen, Herbert G., Jr.
Jesmonth, Richard E.
Jewitt, Jeffrey J.
John, Gary A.
Johnson, Dennis W.
Johnson, Eric P.
Johnson, Larry D.
Johnson, Michael R.
Johnson, William M.
Johnston, Michael R.
Johnston, Thomas A.
Jolley, James D.
Jones, Charles W.
Jones, Don L.
Jones, James A., Jr.
Jones, Jack E.
Jones, Leonard B.
Kagy, Brian S.
Kahn, Randolph T.
Kalisky, Eric A.
Kalnoske, Michael L.
Kaminsky, Paul W.
Kamp, John C.
Kamradt, Edward F.
Kantner, James L.
Kantner, Steven J.
Kaplan, Roger E.
Kappelman, Charles A., II
Karabatsos, Kenneth W.
Karakos, Andrew T.
Katilius, Gerard L.
Kauffman, John V.
Kee, Eddy D.
Keister, Robin N.
Kelley, Elton M.
Kelly, James P.
Kempisty, Raymond P.
Kendrick, Stuart O.
Kennedy, John M., Jr.
Kennedy, Neil F.
Kepple, Alan C.
Kerch, Steven P.
Kersten, George W.
Kersteter, Joel E.
Kertscher, Frank N.
Keuhlen, Daniel T.
Kihn, William J.
Killinger, Scott L.
King, Douglas R.
King, Jeffrey P.
King, Kelvin D.
King, Lanny L.
King, Leonard
King, Marvin E.
Kingsley, Scott S.
Kiniston, Donald D.
Kinney, Steven D.
Kirk, Brian E.
Kirk, James R.
Kirk, Kristopher D.
Klankowski, Karl A.
Klapka, Edward J., Jr.
Klein, Kelly K.
Kleinkauf, Douglas R.
Klepacki, Frank A.
Klikier, Leo L.
Kline, Ronald E.
Kloppmann, Stephen B.
Klose, John P.
Kluber, Richard H.
Klyne, Christopher A.
Knauer, Jeffrey C.
Knight, Bruce M.
Knight, Kenneth D.
Knight, Michael A.
Knight, Robby L.
Koehl, Dennis L.
Koerber, Mark B.
Koljesky, John K.
Kolodziejczak, Gregory C.
Kolpacke, Alvin F.
Konrad, Leif H., III
Koschmann, Stephen R.
Koslow, James R.
Kosnik, Mark E.
Koucheravy, George M.
Kovalcik, John R.
Kowadla, Allan S.
Kozlarek, Michael J.
Krakau, Dennis J.
Kramer, William H.
Krull, Warren S.
Kruse, Robert J.
Kruzich, Steven J.
Ksiazek, Donald J.
Kuehnel, Richard J.
Kugler, David L.
Kulesz, John M.
Kunkle, Mark R.
Kunkle, Robert E.
Kuntz, Donald A.
Kuriger, James L.
Kurowski, John M.
Kutler, Jon B.
Kuzma, Henry J.
Labak, Stanley J.
Lachowicz, Wayne D.
Ladas, Steven C.
Lademan, John F.
Lafavor, Marc T.
Laflam, Richard J.
Lafont, Duane M.
Lagemann, Christopher J.
Laich, Edward A.
Lakey, Carroll L.
Lambert, David L.
Lamborn, Michael A.
Lamonica, Phillip R.
Landay, William E., III
Lane, Jim R.
Lane, Ray C.
Langdon, Scott A.
Lankamer, Victor F.
Larimore, William
Larkin, Eric W.
Larkin, Stephen E.
Larrabee, Robert C.
Larson, Brent G.
Laser, Scott L.
Lasher, Kevin J.
Latta, Stephen B.
Lauderdale, Robert J.
Lauriat, David T.
Lauzon, Thomas A.
Law, Kenneth M.
Lawler, William A., Jr.
Lawless, Deaner K., Jr.
Lawman, Thomas K.
Lawrence, Gregory L.
Lawson, Charles T.
Lax, Michael S.
Leaman, Gary R.
Leary, Leo H., III
Leary, Michael P.
Leaver, Jason A.
Leavitt, Horace M., III
Lebiedz, Michael E.
Leblanc, Gene F.
Lebouvier, Rand D.
Lee, Earl E., II
Lee, Richard E. K.
Lehman, James J.
Leidig, Charles J., Jr.
Lemieux, Alidor J.
Lemming, Gary E.
Leong, Wayne W.
Lepak, Joseph M., Jr.
Lesh, Todd S.
Lester, Brian E.
Levis, William
Lewis, Jeffrey G.
Lewis, Michael C.
Lewis, Philip A., Jr.
Liddy, Kevin G.
Lile, Craig A.
Lilly, Sale T., III
Linaburg, James L.
Lincoln, Bobby D.
Lindsey, Ben G., Jr.
Lindsey, David P.
Lindstrand, Carl E.
Lindstrom, Mark V.
Link, John R.
Linnell, Stephen C.
Lipovsek, Francis J.
Lippa, Val E.
Lippard, James F.
Littrell, John W.
Litzinger, John T.
Livingston, Bryan K.
Livingston, Jeffrey A.
Loeffler, James G.
Loerch, James M.
Long, Curry A.
Looney, Daniel J.
Lord, Bruce A.
Lotring, Arnold O., Jr.
Lovelace, Ronald
Lovgren, Gary W.
Lovvorn, Alton A. S.
Lowe, Douglas S.
Lowe, Stephen R.
Lowell, Richard S.
Lower, Douglas C.
Lowrie, Robert W.
Lozier, William J.
Lucas, Paul R.
Lucci, Frederick W.
Ludlum, Louis W.
Luevano, Rafael V.
Luksik, John F., Jr.
Lundgren, John F.
Lutterloh, Scott W.
Lutz, John W.
Lydick, Wayne A.
Lyles, Keith O.
Lynch, John R., Jr.
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Lynch, Kevin E.
Lynch, Paul K.
Lyon, Carl F.
Lyons, Lockwood J.
Lyver, John W., IV
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Macdonald, Bruce E.
Macdonald, Glenn E.
Macdonald, Stephen J.
Machasick, Raymond T.
Mackley, Neil F.
Macy, Archer M., Jr.
Macy, Griffin N.
Madsen, Craig C.
Maher, Robert J.
Mainor, David M.
Makowicz, Michel J.
Malinick, Michael G.
Maljevac, Dennis L.
Maloney, Stephen E.
Malson, Robert C.
Malush, Rudolph E.
Mankey, Gregory A.
Mansfield, Paul B.
Manthey, Mark C.
Manuel, Gary L.
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Manzo, Guido A.
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Marlowe, Joseph M.
Marrinucci, John M.
Martin, Daniel R.
Martin, Everton G.
Martin, Gregory J.
Martin, John A.
Martin, John C.
Martin, John W., Jr.
Martin, Joseph R.
Martin, Paul W.
Martin, Richard J.
Martin, Roger D.
Martin, Tony G.
Martin, William R.
Martinez, Ricardo
Martoglio, Charles W.
Marzetta, Dean R.
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Masters, Randall A.
Matacz, Michael G.
Matheney, Timothy J.
Mathers, James R.
Mathews, Peter F.
Mathre, John M.
Matz, Daniel R.
Matzke, Erick P.
Maul, Ronald J.
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Maxfield, Michael R.
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Maynard, Charles H.
Mayock, Patrick M.
Mays, Dixie J.
Mazzoleni, Michel R.
McAlpine, William F.
McAneny, Douglas J.
McCabe, Jeffery T.
McCabe, Robert L., Jr.
McCaffrey, Michael E.
McCain, William D.
McCann, James P., IV
McCarty, George E., Jr.
McCarthy, Michael P.
McCarty, Roy W.
McCarthy, Thomas W.
McClain, Dennis L.
McClain Steven J.
McClean, James W.
McClellan, Ronald F.
McClelland, James R.
McCloskey, Sean K.
McCooey, Alfred E. J.
McCormack, Brian J.
McCormick, Patrick J.
McCourt, John F.
McCrabb, Michael
McCracken, Larry S.
McCready, Daniel D.
McCullum, William J.
McDonagh, Mark
McDonnell, Alfred F.
McDougald, James W.
McDowell, Julian V.
McElfresh, Thomas C.
McElwee, Thomas F.
McEntee, Michael A.
McGarvey, Glenn A.
McGee, Michael B.
McGee, Timothy J.
McGehearty, Michael J.
McGhee, Kevin G.
McGinnis, James G.
McGuire, Thomas F.
McInerney, James T.
McKeag, William O.
McKee, Scott A.
McKenzie, Gordon T.
McKeon, Thomas L.
McKinley, James M.
McKinney, Robert M.
McKinnie, Joseph F.
McLain, Glen D.
McLaughlin, Albert P.
McLaughlin, Robert W.
McLean, Duncan G.
McLeod, Thomas D.
McMahon, Thomas M.
McMasters, Robert L.
McNamara, Kevin M.
McNamee, Thomas G.
McNaughton, Robert D.
McNeal, Ronald J.
McNish, Michael J.
McNitt, James A.
McNulty, Robert F., Jr.
McQuiston, Jonathan A.
McThompson, Larry A.
Meadors, Dennis E.
Meadows, Floyd J.
Melendez, Robert M.
Mello, Craig F.
Mercer, David J.
Merrick, Kenneth L.
Merritt, Gene R.
Meshkoff, Peter J., Jr.
Messina, Barry P.
Metrakos, Aris P.
Mettam, Dean T.
Meyer, Douglas R.
Miesner, John T.
Milheim, Russell J., III
Miller, Charles A.
Miller, Delbert D.
Miller, Gary G.
Miller, Glenn E.
Miller, Gregory R.
Miller, James E.
Miller, Kurtis J.
Miller, Leon E.
Miller, Mark C.
Miller, Ronald G.
Miller, Scott A.
Miller, Thomas H., Jr.
Miller, Tommy J.
Milton, Ray C.
Minnis, Steven R.
Minor, Thomas J., III
Miskowski, Raymond M.
Mixson, George E.
Mizak, Lawrence D.
Mize, William E.
Mobley, Arthur S., Jr.
Mohler, Richard A.
Mohn, Michael A.
Monaghan, Paul E.
Monroe, James E.
Montgomery, James C.
Moody, Jack W.
Mooney, Mark D.
Mooney, Richard J.
Moore, Michael M.
Moore, Thomas J.
Moorman, Ronald B.
Morelli, Joseph A., II
Morgan, Edward
Morgan, Guy H.
Morgan, Richard J.
Mori, Daniel J.
Morris, David W.
Morrison, Brian R.
Morrison, David B.
Morse, Thomas W.
Mosca, David E.
Moses, John W.
Mowbray, Glen E.
Moy, Michael F.
Mulcahy, Michael G.
Mulhare, Drew R.
Munch, Andrew J.
Munkacsy, Mark J.
Munson, Mark A.
Munter, Charles H.
Murphy, Charles L., Jr
Murphy, William A.

Murray, Seawood, Jr.
Murray, Thomas F., IV
Murtagh, Anthony
Musgrove, Rhudean C.
Musto, Lawrence L., Jr
Muzik, Douglas T.
Myers, Allen G.
Myers, Robert H.
Myers, Robert J.
Myers, William D.
Myers, William T., Jr.
Nagy, Bruce M.
Nash, William P., Jr.
Nault, Mark S.
Neal, Michael W.
Nelson, Elmer Jr.
Nelson, Eric Karl
Nelson, Montelor H., III
Nemeth, Leonard E.
Nevius, William
Newby, Larry D.
Newcomb, John F.
Newmiller, Earl L.
Newton, Jeffrey P.
Nicholas, Jeffrey C.
Nichols, Christopher T.
Nickell, Charles G.
Nielsen, Frederick M.
Niles, Daniel A.
Nix, David E.
Nixon, John A., H
Noble, Mark E.
Noble, Michael L.
Norman, Milton O.
Norris, Kiel L.
North William H., III
Norton, Morris L.
Novak, Robert E.
Nugent, Alfred S., J, III
Nunley, John C.
Nyberg, Herbert J.
Obenour, Brent J.
O'Brien, Barry T.
O'Brien, Eugene T.
O'Brien, Phillip M.
O'Brien, Thomas P.
O'Bryant, Thomas O., Jr.
O'Connell, Kevin B.
O'Connor, Kevin J.
Odell, Don G.
Odell, Harold C.
Odell, James C.
Odenbrett, Vincent D.
O'Donnell, John H., III
O'Dwyer, John M.
Ogier, Charles E., Jr.
Ogle, Charles R., Jr.
Ogonowski, Joseph R.
O'Kane, Joseph A., Jr.
O'Keefe, Daniel M.
Oldham, James E.
Olechnowicz, Stephen
Olic, Frank P.
Oliver, Everett H., II
Oliver, James D.
Olsen, Kevin R.
Olsen, Larry B.
Olson, Jeffrey K.
Omdal, Richard A.
O'Neil, John A., Jr. III
Orzalli, John C.
Oslovar, George M.
Ostronic, Thomas D.
Otoshi, Dennis S.
Ourlian, Dennis
Overbey, James R.
Overfield, Gary L.
Overton, Mark D.
Owen, Donald K.
Owens, Leo D., Jr.
Painter, John E.
Painter, Steven S.
Painter, Ted A.
Palshook, Jeffrey P.
Papietro, Antony F., Jr.
Paradies, Mark W.
Parker, Scott A.
Parker, Thomas G.
Parkhurst, David L.
Parlas, Joseph L., III
Parron, James B.
Pasztalaniec, Matthew S.
Paternoster, Stephen J.
Patton, Michael G.
Paulsen, Richard
Pavich, Albert J.
Pearce, William B., Jr.
Pedrick, Merritt W., II
Peebles, Gary R.
Peet, Gregory W.
Pelham, Steven S.
Peloquin, Allen V.
Pendergist, Richard A.
Penney, Ralph S., Jr.
Pepper, Kenneth O.
Perry, Frank J.
Pesqueira, Michael J.
Peters, John E., Jr.
Petersen, Steven
Peterson, John S.
Peterson, Joseph C., Jr.
Peterson, Mark H.
Petri, Steven W.
Phillips, Charles L., Jr.
Phillips, David V.
Philman, David L.
Pickart, Craig J.
Pietsch, Charles P.
Pietsch, Paul M.
Pili, Renaldo P.
Pillsbury, James E.
Pilosof, Leon M.
Pinson, Anthony D.
Pipkin, Wiley E.
Pisano, Louis E.
Plencner, John G.
Plude, Bryan K.
Plumb, Michael C.
Pochron, Barry J.
Podawiltz, Steven G.
Pogge, Michael L.
Pointer, James L.
Polek, Richard J.
Pollard, Stanton E.
Poole, William M.
Popham, Wayne R.
Popiela, Dennis M.
Popovich, Michael R.
Porcelli, Arthur R., Jr.
Porter, Douglas C.
Porter, James M.
Porter, Patrick J.
Porter, Robert D.
Potts, Dana R.
Powers, Christopher L.
Prange, Wilmont J.
Preacher, Gerald H., Jr
Preston, John S.
Price, David E.
Price, Lester L.
Price Michael T.
Pricolo, Dennis M.
Prince, Lloyd O.
Proctor, Bruce N.
Provow, Scott M.
Pruitt, Henry L., Jr.
Ptasnik, Alfre E., Jr.
Purcell, Michael C.
Pyron, John R., Jr.
Quatroche, Anthony J.
Quick, Peter
Quigly, Patrick J.
Racoosin, John M.
Raeder, Thomas L.
Rain, Stonewall C.
Rainier, Philip S.
Rakel, Jerome P.
Ramirez, Adolf A.
Ramos, James J.
Rathbun, Robin E.
Rausch, Matthew G.
Rawson, Kevin C.
Ray, Douglas A.
Ray, Morrison W.
Raymer, Ronald C.
Reddick, Herman P.
Redvict, Pfunandre C.
Reed, Kenneth D.
Reed, Michael S.
Reese, Howard F.
Reeves, Marshall E., Jr.
Reiber, Carl E.
Reid, Edward P.
Reid, Michael P., II
Reilly, Dennis J.
Reilly, James T.
Reinhart, John D.
Rennie, James M.
Rentz, Thomas R.
Rescinito, Robert F.
Resner, William E.
Reuter, Paul
Rexon, Michael C.
Reyes, Godofredo M.
Rich, David A.
Richards, Robert E., Jr.
Richards, Robert J.
Richard, Michael J.
Richter, Benjamin E.
Riddle, Billy J.
Ridenhour, Luther H., Jr.
Riester, John E., Jr.
Rigdon, David B.
Riggins, Timothy L.
Riley, Christopher
Ringler, Ronald A.
Robbins, David R.
Robbins, Ronald W.
Roberts, David M.
Roberts, Duke E.
Roberts, Mark J.
Robey, Richard E.
Robinson, Walter T., Jr.
Robredo, Alberto
Roby, Brian M.
Rochon, Brian G.
Rockwell, John E.
Rodgers, H. Scott
Rodgers, Philip L., Jr.
Rodriguez, David J. D.
Roey, Kenneth P.
Rogers, John G.
Rogers, John H.
Rogers, Ray C.
Rogitz, John L.
Rohrssen, Ralph E.
Romac, Richard J., II
Romaine, Robert R., Jr.
Roncolato, Gerard D.
Root, James F.
Rosa, John S.
Rosbolt, Paul K.
Rose, Theron
Rose, Timothy N.
Rosenberg, Charles T.
Rosenlof, Eric R.
Rosenow, William V.
Ross, Daniel F.
Ross, Michael R.
Ross, Paul P.
Ross, Robert M.
Rossitto, Vincent S.
Rotton, Sietze J.
Roustio, Richard T.
Rowe, James S.
Rowland, Steven C.
Roy, Donald L.
Rubenstein, Thomas G.
Rubink, Gerald D.
Rudder, John C.
Rudderow, David E.
Ruggles, Gerald P.
Rundstedt, Ronald J.
Russell, Richard L.
Russell, Rickie L.
Rustchak, Danield F.
Ruth, Edward L.
Ruth, Michael S.
Rutland, William J., Jr.
Ryan, Kevin P.
Ryan, Patrick W.
Ryan, Robert W.
Saddler, Michael R.
Saenz, Ramon R., Jr.
Sagness, Michael
Salomon, Ferdinand L., III
Sambrano, Gus, Jr.
Samelson, James
Sanchez, Philip E.
Sandstrom, John H., Jr.
Sanmiguel, Waldo R., IV
Sanna, Luke J.
Sattler, Christopher M.
Sauls, Mitchell K.
Sawyer, Robert N., Jr.
Scaffidi, Ralph P.
Scanlan, Robert J.
Scarborough, Leslie D.
Scarpulla, John J.
Schaefer, Thomas R.
Schaeffer, James W.
Schall, Michael A.
Schellhorn, Matthew E.
Schiefen, Richard E.
Schiltz, Michael D.
Schimming, Norman J.
Schlagheck, James E.
Schlenker, Keith R.
Schlink, Thomas C.
Schmermund, Robert P.
Schmitt, Lew F.
Schmitt, Paul S.
Schmitz, Brian E.
Schmitz, Joseph E.
Schneider, Donald
Schoon, Duane D.
Schultz, Douglas L.
Schultz, Stephen E.
Schumacher, John M.
Schuman, David F.
Schwartz, Gordon M.
Schwartzbeck, Ralph K.
Schwenker, Clifford G.
Scola, James D.
Scribner, William C.
Seagle, James M.
Seaman, James R., Jr.
Sears, Jonathan E.
Secord, Darryl M.
Seeger, Howard C.
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Seizert, Chad A.
Selden, Thomas N., Jr.
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Sellers, Kenneth R.
Sellner, Steven C.
Semcken, John H.
Senter, Robert R., Jr.
Serfass, Daniel D.
Serio, Christopher A.
Seto, Chester J.
Shaddix, Anthony D.
Sharp, Danny D.
Sharp, Kennard W., Jr.
Sharpe, Kenneth W.
Sharpless, Alex D.
Sheehan, Frederick J.
Sheffer, Ronald W.
Shelby, William B.
Sherin, Justin M., Jr.
Sherman, Marc
Shewchuk, Michael J.
Shinego, Michael
Shinskie, Robert H.
Shoemake, John L.
Shumaker, Michael R.
Shutt, Anthony A.
Silas, William L., Jr.
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Simmons, John C.
Simpson, Garry N.
Simpson, Gary W.
Sitzlar, Harvey E.
Skeate, Scott B.
Skelton, Clifford A.
Skogsberg, John P.
Skotty, Rodney W.
Slack, Christopher D.
Slagle, William F.
Slominsky, Paul
Slone, David C.
Small, James F., Jr.
Small, Richard H.
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Smith, Alfred W.
Smith, Danny J.
Smith, George O.
Smith, John T.
Smith, Mark A.
Smith, Mark N.
Smith, Michael W.
Smith, Raymond H.
Smith, Raymond J., Jr.
Smith, Samuel M., Jr.
Smith, William R.
Smolinski, Steven P.
Sobe, Craig M.
Soer, William W.
Soha, Mark D.
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Sonderman, Donald D.
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Southard, Richard B., Jr.
Sowell, Robert S.
Spencer, Daniel P.
Spiva, Stephan D.
Sprauge, Robert W.
Sprague, Timothy P.
Stafford, Scott L.
Stalnaker, John D.
Stamos, Steven J.
Stanaland, Lewe B., IV
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Stanley, Dirk L.
Stark, Timothy J.
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Steed, Floyd L.
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Stewart, David V.
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Stolle, Rober J.
Stone, Neal R.
Stoner, Robert S.
Storm, Michael A.
Storvick, John D.
Stowe, Alex R.
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Stuart, John K., Jr.
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Stuhr, William S.
Sturdevant, Norman J., III
Sturges, John B., III
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Suchland, Howard D.
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Sullivan, Alan R.
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Sund, Jim E.
Surgent, David M.
Susalla, Paul K.
Suttle, Robert D.
Sutton, Steven H.
Swaim, Michael S.
Swanson, Cal T.
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Swartz, Jerry C.
Sword, Jeffrey D.
Sylvester, Richard R.
Szalwinski, Duane E.
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Tallant, Shawn R.
Tallman, Wade C.
Tamplet, Walter H., Jr.
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Tapani, Raymond J.
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Terry, William J., Jr.
Teufel, George R.
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Throne, William C.
Thummel, Allen V.
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Tilden, Barry M.
Tilley, William E.
Tillman, Richard
Timme, William G.
Tobey, Robert J.
Tose, Maurice B.
Tracy, Todd D.
Trapnell, Benjamin M.
Triol, John C., Jr.
Tripp, John F., Jr.
Troutt, Leland K.
Trudell, Tom C.
Trumpower, Robert E.
Tucker, Lance N.
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Tygard, Walter S.
Tyler, Theodore T., Jr.
Tyner, James W.
Tyree, George D.
Uglow, Ronald J.
Umbach, Clayton A., III
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Urioste, Marcus M.
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Valenstein, Martin R.
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Vanhutten, Darrell Y.
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Vanmeter, David B.
Vanoss, Henry P.
Vanoteghem, Donald B.
Vansleen, Richard C.
Vanvlack, Hall G., IV
Vas, Peter T., III
Vaughan, Edgar, IV
Vaughan, Dean K.
Vawter, Roger D.
Veatoh, David A.
Vellucci, Anthony J.
Vick, James F.
Vogel, John J., Jr.
Vogt, Robert A.
Vollmer, Mark R.
Vonahn, Frederick G.
Wadzita, George M.
Waindle, Frank K.
Waite, Richard K.
Waldie, Kenneth E.

Wallace, John P.
Wallace, Kenneth M., Jr.
Wallace, Lester A.
Walls, Leon
Walsh, Leonard M.
Walsh, William J.
Walston, Thomas L., III
Walter, Kevin R.
Wammack, Kenneth
Ward, James E., III
Ward, Michael B.
Warfield, Willard R.
Warner, Michael E.
Warren, James P.
Warther, Robert F.
Washatka, David J.
Washington, George P.
Warren, Robert
Wasik, Paul V.
Watabayashi, Eric M.
Watkins, George A.
Watkins, Roger D.
Watt, David B.
Watters, John H.
Watts, Aaron D.
Watts, Andrew C.
Webb, Michael P.
Webb, Steven A.
Weber, Gregory J.
Weber, Raymond P., Jr.
Webster, David J.
Webster, Francis M., III
Webster, John R.
Webster, Robert A.
Weidner, John A.
Weiller, Claude S.
Weiner, Daniel G.
Weisskopf, Michael K.
Welch, Mark S.
Welch, Rodger L.
Welling, Lynn E.
Wells, Peter H.
Wells, Russell D.
Welter, David D.
Wendt, Charles G.
Wesser, John J.
Westberg, Robert J., Jr.
Westfall, James J.
Westphal, Robert L.
Wetherill, Richard R.
Wetherington, Rayford E.
Whatley, John H. N.
Wheat, Gary R.
Whelan, Robert L.
Wheless, Glen H.
Whitcomb, Howard C., III
White, David M.
White. Kevin E.
White, Timothy A.
White, Tyrrell G.
Whited, Brian M.
Whitehouse, Thomas W., Jr.
Whiting, Kenneth W.
Whitmeyer, Larry E.
Whitney, Gary L.
Whittington, Mark R.
Whittle, Claude M.
Wicklund, Buck
Widman, Manfred W., Jr.
Wiedorn, Paul A.
Wiggins, Edwin B.
Wigle, James M.
Wilcher, Larry D.
Wiley, Edward L.
Wilke, Lanny E.
Wilkins, Jacob P.
Wilkins, James R., III
Will, Jonathan E.
Williams, Alden G.
Williams, David A.
Williams, Melvin G., Jr.
Williamson, Gary W.
Wilson, Bradley T.
Wilson, Charles E., Jr.
Willson, Christopher S.
Wilson, David S.
Wilson, Ian S.
Wilson, Jeffrey W.
Wilson, Jessie L.
Wilson, Peter R.
Wilson, Stacey A., III
Wilson, Stephen R.
Wilson, William D.
Wilson, Willie C.
Winings, Timothy J.
Winnefeld, James A., Jr.
Winns, Anthony L.
Winters, Philip A.
Wise, Arnett J.
Witt, Patrick A.
Witte, Herman G.
Witten, Charles S.
Wode, Christopher M.
Wolchko, David M., Jr.
Wolf, Stewart R.
Wolfrom, Lewis J.
Wombwell, James A.
Womeldorff, Gerald D.
Wong, Raymond R.
Wood, Daryl L.
Wood, George W.
Wood, Terray E.
Woods, Glen O.
Woods, Harry M.
Woodward, John L.
Wray, Keith L.
Wren, Richard B.
Wright, Kenneth J.
Wright, Willie J., II
Wuestner, Robert J.
Wygans, Phillip C.
Wynne, Edward M.
Yamanaka, Bill T.
Yanicheck, Joseph M.,
Yasky, Richard J., Jr.
Yeager, William E., Jr.
Yendrey, Arthur W.
Yngve, Rolf A.
Young, David F.
Young, Harold E.
Young, John F.
Young, Orrin W.
Yurina, Michael J.
Zalaskus, Robert M.
Zanetti, Marco R., Jr.
Zavodny, Joseph E.
Zehner, Stanley N.
Zeszutek, James W.
Zich, Carl B., Jr.
Zimmerman, Brice E.
Zurey, Edward C., Jr.

In the Navy

The following-named (Naval Reserve Officers Training Corps candidates) to be permanent ensigns in the line or staff corps of the U.S. Navy, subject to the qualifications therefor as provided by law:

Germaine M. Barker
Steven J. Chranes
Arturo C. Cuellar
Michael E. Davis
Roderick R. Dickinson
Paul R. Donnelly
Susan E. Dubrule
Eric J. Earnst
Ashley C. Hopkins
Kevin W. McIntire
Edward J. Majewski, Jr.
Steven E. Morehead
Richard G. Norris
John C. O'Connor
Joseph C. Purcell
Ronald K. Rippon
James E. Russell
Craig E. Smith
Ronald J. Wiltsie

The following-named (U.S. Naval Reserve line officers) to be appointed permanent lieutenants in the Medical Corps in the U.S. Navy, subject to the qualifications therefor as provided by law:

James C. Alexander, Jr.
Jonathan B. Clark
Terence C. O'Grady
John R. Pedrotty, Jr.
William D. Plummer
Stanton K. Wesson
Sandra A. Yerkes

The following-named Navy enlisted candidates to be appointed permanent chief warrant officers, W–2, in the U.S. Navy, subject to the qualifications therefor as provided by law:

Wesley L. Keith
Charles R. Priest
Joseph E. Ward
Walter H. Wicks III

The following-named chief warrant officer to be appointed a lieutenant (junior grade) in the U.S. Navy, for limited duty, for temporary service, subject to the qualifications therefor as provided by law:

Daniel Barrs

The following-named (U.S. Navy officers) to be appointed temporary commanders in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

Gary R. Gibbins
George D. Miller
Eugene J. Wolski

The following-named (civilian college graduate) to be appointed a temporary commander in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

Albert G. Izquierdo

The following-named (U.S. Navy officer) to be appointed a temporary commander in the line in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

Scott F. Milner

CONFIRMATIONS

Executive nominations confirmed by the Senate March 24, 1980:

Department of Health, Education, and Welfare

William J. Driver, of Virginia, to be Commissioner of Social Security.

John L. Palmer, of Virginia, to be an Assistant Secretary of Health, Education, and Welfare.

Department of Commerce

Abraham Katz, of Florida, to be an Assistant Secretary of Commerce.

Office of Federal Procurement Policy

Karen Hastie Williams, of the District of Columbia, to be Administrator for Federal Procurement Policy.

The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.

EXTENSIONS OF REMARKS

THE EROSION OF A DICTATORSHIP

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 24, 1980

● Mr. STARK. Mr. Speaker, I continue to watch events in the Philippines closely. There, the Marcos regime is still wrestling with the problems of a declining economy, poverty, and political unrest.

Martial law, now in its eighth year, has only helped mask temporarily some of the grave problems facing the Philippines.

Unfortunately, the 1979 military bases accord between Marcos and the United States has led to an increased U.S. military commitment to Marcos and this causes me great concern.

In a recent—March 7-13—edition of the Southeast Asia Record, Walden Bello and Steve Wake looked at "The Erosion of a Dictatorship." I read their article with interest and unhappiness. Are we again enmeshed in a relationship in the Third World that cannot be justified in political, economic, or military terms and one that is immoral at the same time? I think the answer is "Yes," and Bello and Wake present evidence to support this view.

The article follows:

[From the Southeast Asia Record]

The Erosion of a Dictatorship

(By Walden Bello and Steve Wake)

In the words of Manila's Cardinal Jaime Sin, the event was a "selection" rather than an election. What the regime had billed as the first local elections since 1971 resulted in President Marcos's New Society Movement (KBL) sweeping 69 out of 73 governorships and over 1,450 of 1,560 mayoral races on January 30. The winners included Marcos's son, "Bongbong," who will reign as Ilocos Norte's vice governor in absentia while attending college in the United States. Imelda Marcos, always accorded special treatment, saw her governorship of Metro-Manila exempted from the electoral fray.

The event that Richard Holbrooke, assistant secretary of state for East Asia, described as a step in the direction of "increased political freedom" was marked by the terrorism and fraud characteristic of pre-martial law elections, with one difference: the violations were lopsidedly perpetrated by one side. 500 teachers in San Fernando, Pampanga, for instance, were held at gunpoint by troops until they signed falsified election returns. Complaints of electoral rigging had become so numerous by Feb. 11 that Marcos was forced to admit that his party had cheated.

Why did Marcos stage the ritual? Observers present three major reaons.

First, the election was intended to legitimize the control over local offices by Marcos loyalists among the regional and local elites, many of whom had been installed by decree over the last seven years.

Second, by allowing opposition parties and individuals to campaign—though under the most disadvantageous conditions—and even allowing a few to win, Marcos took another step in his grand strategy of roping dissident members of the elite into participating in a restricted political system in which they would have the opportunity to seize the trappings of power but not its substance.

The strategy was, to some degree, successful. Yielding to its traditional weakness of placing individual interests and short-term gains in command, the Philippine elite opposition fragmented, with most of its members participating in the exercise. While some groupings, like the old Liberal Party and the Laban Party, formally staged a boycott, adherents of these formations took part in the charade "as individuals." In this sense, Marcos has once again proven himself to be the master of his elite rivals: he accurately anticipated that given a fifth of a chance, they would fight over crumbs.

The third major explanation for the electorial ritual is revealed in its coinciding with the beginning of the U.S Congress's annual deliberations of foreign assistance. Marcos is what Filipinos call a *segurista*, or one who takes no chances: he wants to make doubly sure that nothing and no one in Congress stands in the way of the massive aid package the Carter administration has promised him this year.

ELECTIONS, THE BASES, AND AID

Rather than projecting the achievement of another milestone on the road to normalization, however, the embarrassing elections have only succeeded in presenting Jimmy Carter with another headache in justifying his request to offer Marcos more than US$75 million in military assistance. The problem is especially critical because it comes at a time that the two U.S. bases in the Philippines, Clark Air Force Base and Subic Naval Base, are being recast as the "logistical hub" for military deployment in the Indian Ocean. The role was highlighted by two well-publicized excursions to the Indian Ocean by two Subic-based aircraft carriers, the *Kitty Hawk* and *Constellation*, by Subic's serving as the jumping-off point and training center for an 1800-man Marine Task Force now headed for the Arabian Sea. The Philippines, some suspect, is in fact being groomed for something bigger: to serve as the Western Pacific springboard for the 100,000-man Rapid Deployment Forces (RDF) currently being stitched together by the Pentagon. Testifying before Congress on Feb. 21, Holbrooke asserted that "the bases are central to our strategic posture in the Indian Ocean," and warned that the Carter administration was "extremely opposed" to any effort to reduce this year's aid request for Marcos since this would upset the delicate security understandings arrived at since the Bases Agreement went into effect in January 1979.

THE ECONOMY: INTO THE VORTEX

As the debate on Marcos continues in U.S. foreign policy circles, so does his descent. The economy has entered its most stormy period since martial law was imposed in 1972. World Bank statistics reveal that in Metro-Manila, the most prosperous part of the country, unskilled workers saw their real wages decline by over 30 percent between 1972 and 1978. Other studies show that while about 56 percent of Filipino households were below the poverty line in 1971, at least 68 percent of them are now in that category. The already hard-pressed Filipino was squeezed even harder by an inflation rate that hit the 25 percent mark in 1979—the highest in Southeast Asia, according to the International Monetary Fund.

The iron noose of neo-colonial dependency has tightened around the Philippine economy. The most sensitive indicator of external economic relations, the balance-of-trade deficit, jumped from US$1.3 billion in 1978 to US$1.6 billion in 1979, as the value of the Philippines' agricultural and light-industrial exports failed to keep pace with the skyrocketing prices of its hard industrial and oil imports. Scrambling to pay off old debts, cover the trade deficit, and finance new investment, the regime pushed the country into even deeper debt with external borrowing which raised the foreign debt from US$7.8 billion in late 1978 to a massive US$9.6 billion at the beginning of this year.

Multinational corporations, for whose benefit Marcos, with IMF-World Bank advice, has fashioned a labor-repressive political economy, are beginning to lose confidence, despite the fact that Philippine wages are now one-third to one-half those in South Korea and Hong Kong. More than US$37 million on investment capital left the Philippines in the first six months of 1979, five times more than in the first half of 1978.

In spite of the seal of being a "good credit risk" affixed to the regime by the World Bank and the IMF, the international private banks are becoming quite jittery over the burgeoning external debt. Both multinational institutions and the private banks, however, have no choice but to grant Marcos more loans, since refusal could result in a Philippine default on external debt which would have major repercussions on the international financial system. The prospect of a government falling and the emergence of a new regime that might then repudiate the country's debts is a nightmare that keeps the credit lines open. Marcos, the IMF, and the international financial community, in short, are caught in an upward spiral of debt—the "debt trap"—from which none dares extricate itself. It is in this context that the recent decision of the IMF and the World Bank to allow the regime to borrow up to US$1.2 billion more in 1980 becomes understandable.

THE GROWING RESISTANCE

The mounting political frustration and, even more critical, the economic crisis can only redound to the benefit of an armed resistance movement that survived the hammer blows of the early years of martial law and emerged in the last three years as clearly the most deadly foe of the dictatorship. As the elite opposition fragmented, with the majority succumbing to Marco's electoral baits and a few hatching wild, amateurish schemes of urban terrorism, the New People's Army (NPA) opened up a multi-pronged effort to upgrade the level of the armed struggle to a "higher phase of the strategic defensive."

In the plains of Eastern Mindanao, bold expansion campaigns have rooted the NPA in an area where it had no presence as late as 1975. In the highlands of Montanosa, among the Igorot tribe-folk, the NPA has forged a militant resistance movement that

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

has been able to stall a World Bank-financed hydroelectric project that threatens to flood ancestral lands. East of Montanosa, the NPA has broken out of years of military encirclement in the Sierra Madre mountains and reasserted itself in its old base in the Cagayan Valley, where it has drawn hundreds of new peasant recruits.

The most glittering triumph, though, was Samar, where the NPA now has as many as 500 regular fighters and a mass base of 200,000 peasants. According to reliable reports, as many as 800 barrios of this third largest of the Philippine islands have National Democratic Front organizers; 300 now have fully organized village militias and peasant, women, and youth associations; and as many as 10,000 mostly peasant women and men have received rudimentary military training under the NPA.

Dedication to popular interests, the creation of a broad front encompassing progressive members of the clergy, land reform, painstaking political organizing, tactical cunning in the battlefield—these, say observers, are among the ingredients of the new politics that has forged the closest thing to a consolidated base area in the Philippines.

While the center of gravity of the armed resistance has shifted northward, the Moro National Liberation Front (MNLF) continues to hold its own in the south, where it confronts an estimated two-thirds of Marco's combat troops. A series of Marcos moves to disorganize the MNLF and isolate the hegemonic leadership of Nur Misauri has failed, both internally and internationally among the Islamic nations. However, a broader politico-military alliance between the MNLF and the National Democratic Front that goes beyond local tactical coordination among battlefield units remains to be forged. It is the prospect of such an alliance that brings nightmares to the regime.

THE MARCOS RESPONSE: MORE MILITARIZATION

Devoid of popular legitimacy and unwilling to genuinely open up the political system, Marcos has been forced onto only one route to contain the intensifying contradictions: stepped-up militarization. At US $775 million a year, defense spending is now four times above the pre-martial law level; and the Marcos military has shot up from its pre-martial law strength of 31,000 men to over 103,000 at present.

Massive U.S. arms deliveries, which began last year as part of a five-year US $300 million military assistance program that was a vital component of the January 1979 Bases Agreement, have been a necessary condition for the militarization program. "The AFP (Armed Forces of the Philippines) modernization program," asserts the government-controlled news agency, "was unparalleled in its 44 years of existence. Never before did the AFP acquire two squadrons of jet interceptors in a single year." In addition to 25 F-8 supersonic jet fighters, the Philippines' significant acquisitions from the U.S. included 16 warships, transport helicopters, armed personnel carriers loaded with rockets, M-60 machine guns and a variety of small arms. This year, the U.S. plans to deliver OV-10 Bronco counter-insurgency planes, which achieved notoriety from their use against Fretilin independence fighters by Indonesian troops who invaded the former Portuguese colony of East Timor.

In sum, as the Philippines reaches the mid-point of the eighth year of martial law, we see the slow unravelling of a dictatorship that is being buffeted from within by a deteriorating economy and a rising rural-based armed resistance movement. The United States, single-mindedly pursuing the stabilization of its military and political presence in Southeast Asia, continues to tie its fate to the survival of a repressive dictatorship. A hapless elite opposition that has succumbed all to often to Marcos's ploys has practically wiped itself out as an alternative, giving way to a steeled guerrilla movement that steadily roots itself in one province after another. The likely scenario is not Iran but Vietnam—including the prospect of U.S. military intervention; for the Philippines, which was the American springboard to the rest of Asia beginning in 1898, retains its strategic value for the U.S. elite.●

HOW CAN WE RETAIN OUR NONCOMS?

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 24, 1980

● Mr. MICHEL. Mr. Speaker, it is evident that one of the major problems facing our Armed Forces is the retention problem. We are not retaining enough noncommissioned officers and highly trained personnel at all levels and in every branch of the service.

I have long been of the opinion that while an Army may be led by generals, it is run by noncoms. We have to find ways of keeping these highly trained and motivated professional soldiers and sailors in the service of their country. They are underpaid and forgotten at a time when we concentrate on military hardware. The Wall Street Journal recently published an excellent editorial outlining the nature and the extent of the retention problem.

At this point I wish to insert into the RECORD, "The Retention Problem" from the Wall Street Journal, March 18, 1980.

THE RETENTION PROBLEM

In President Carter's promised budget revisions, if we read the tea leaves correctly, the Defense Department's contribution to budget "austerity" will be a squeeze in personnel and operations and maintenance costs. If this does turn out to be the case, it will foreclose the one thing we could do in the short run to increase military preparedness.

Right now and probably over the next few years, the most pressing problem of the armed services is that they are bleeding dry of experienced personnel. The most skilled servicemen—who operate and maintain sophisticated submarines, electronic equipment, planes, computers and the like—are leaving the military in record numbers.

None of the services is currently retaining more than six out of 10 of its personnel after their second term of service; the retention rate for the Navy and the Marine Corps is as low as 45%. The declining reenlistment rates among non-commissioned officers have resulted in a shortfall of about 74,000 men affecting every branch of the service, particularly the Army.

The cost of this attrition is enormous for it may take 10 years and as much as $150,000 to train a replacement for, say, an aviation mechanic. Moreover, the cost is not just monetary; it is sickening to know that dedicated servicemen have lost their lives in accidents because of faulty maintenance by inexperienced personnel.

Former Defense Secretary Melvin R. Laird addresses this issue in an American Enterprise Institute monograph entitled "People, Not Hardware: The Highest Defense Priority." As one of his last official acts, Mr. Laird ended the draft in 1973 and the All-Volunteer Force was born. As to why the volunteer concept is not working, both in terms of attracting adequate numbers of raw recruits and retaining them, Mr. Laird concludes that the government has not been willing to pay them enough. Pay for military jobs has been held down by linkage to more popular civilian civil service jobs, and by anti-inflationary pay caps. Will Mr. Carter's new budget repeat these mistakes?

Over the past seven years, the purchasing power for all military personnel declined an average of more than 14%, with some grades slipping almost 25% behind the rate of inflation. The average compensation for an enlisted man is currently $9,900 a year, which is below the government-defined "lower" standard of living level for a family of four. At least 100,000 and possibly as many as 275,000 military families may be eligible for public welfare assistance such as food stamps.

As a concrete example, a plane handler on the carrier Nimitz—recently rushed to the Indian Ocean—works about 100 hours a week on $25 million F-14 aircraft. Yet he makes less per hour than a cashier at McDonald's, lives below the poverty line, is eligible for food stamps and probably has not seen his family for six months.

Of course, military pay has never equaled the levels of private industry. But perks, such as the cheap prices at the PX, housing allowances and free health care, were an important supplement to cash income for military personnel. In recent years, however, these perks have become miserly. Housing allowances are no longer adequate; servicemen often have to seek private medical attention because of a 10% shortage of doctors in the military; food prices have risen sharply; dental care is no longer provided to dependents, and reenlistment bonuses have been eroded by inflation.

Senator Armstrong, aware of the problem of military pay, introduced a motion to give a 3% across-the-board raise to military personnel costing $4.9 billion over the next five years. However, such a move would not target the money where it is most needed—among the skilled ranks. The Senate instead decided wisely to pass a measure—sponsored by Senators Warner and Nunn—that attempts to rectify the pay and allowance anomalies by targeting $3.2 billion over the next five years into key areas such as reenlistment bonuses, housing subsidies, flight pay and sea pay. The measure is now under consideration in the House.

Even under its old budget proposals, the Carter administration opposed the Warner-Nunn measure, though it does recognize the retention problem. And last week President Carter unleashed budget-balancing rhetoric in rejecting a bonus pay bill for military medical personnel, even though the forces are already far too short of doctors. This scarcely bodes well for his new budget proposals when they are finally revealed.

Even if we reinstituted a full peacetime draft, we would still face the retention problem for experienced personnel. If we are to maintain a serious fighting force, the immediate problem is to retain the skilled servicemen we already have, and the only way that can be done is to pay them their due.●

IN THE ABSTRACT

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 24, 1980

● Mr. STARK. Mr. Speaker, the House will shortly consider the first concurrent resolution on the budget. The bill, as ordered reported by the House Budget Committee, provides for a budget in which receipts exceed outlays. It is not, however, a balanced budget. A balanced budget is one which reflects the right order of priorities. And this budget does not.

I would like to bring to the attention of the Members an editorial that appeared in the New York Times this past Sunday entitled "Welfare's Old Dollars, and New Hurt." The editorial makes the point that since 1974 inflation has had a devastating effect on those who must depend upon public assistance to live. It pleads with us not to think of this in abstract terms, but in terms of real people, in terms of children—for most of those who suffer are children—who are cold, hungry.

I commend this editorial to my colleagues and urge my colleagues to keep in mind the real world effect of the cuts in social programs that we are going to be asked to vote for in the name of balance.

The article follows:

WELFARE'S OLD DOLLARS, AND NEW HURT

As we have often urged, Washington should be paying a much greater share of welfare costs for the nation's poor and thus relieve the hardship that keeps falling on states and cities. But the President and Congress are now cutting their budget and the poor stand to get less, not more, from the Federal Government. There seems, then, to be only one answer: New York State needs to raise the grants for welfare families, and New York City, strapped though it is, should pay its share.

Try not to think about this problem only in the abstract. Consider a welfare family of four. It currently receives a cash grant of $258 a month—the amount set in 1974 on the basis of 1972 prices—plus $116 in food stamps. (Food stamps, fortunately, have more than doubled since 1974.) Now adjust that family's budget for the inflation between 1972 and 1980, to see what it has effectively lost:

COST

	Present grant	Inflation adjusted	Loss since 1974
Food (cash and stamps)	$252	$386	$134
Household expense	26	42	16
Transportation	11	18	7
Clothing	49	67	18
Personal care	15	24	9
Other family needs	7	12	5
Utilities, telephone	14	37	23
Total	374	586	212

Plainly, inflation has devastated welfare families, despite a further rent supplement of up to $218, and medical care. Think of four people having only $11 for a month's transportation: enough to pay for 11 round-trip subway rides. Think of meeting a month's telephone and utility bills with $14. In the joint appeal by the city's religious leaders to Governor Carey and the Legislature, Roman Catholic Bishop Mugavero of Brooklyn said thousands of families in his diocese lack money to buy food, let alone pay for rent and heat.

According to welfare officials, more and more subsidized families are accumulating debts to pay expenses Some aren't paying their rent, utility and food bills. As a result, merchants and landlords face losses that increasingly jeopardize businesses and property. Increasingly, too, welfare administrators are being asked to withhold money from welfare checks to insure payment of rent and utility bills.

Of the three levels of government that contribute to welfare payments, New York City's is least able to afford an increase. The state and Federal budgets are not in much better shape. But this is one area where society cannot afford to answer, "No." The "savings" that have been made in welfare, through inflation, for seven years have been taken out of the hides of the 1.3 million poorest New Yorkers, most of the children.

There is no prospect now of changing the formula by which the state and city must *each* pay about one quarter of any increase. It would cost about $185 million of state and local funds to obtain a matching contribution of $185 million from Washington and thus to finance a 21 percent increase in welfare payments. Since the food stamp bonus withers as more cash assistance is provided, that amount would yield a net increase of 13 percent in actual grants. It would cost the state about $92 million, the city $65 million, and other local governments the rest. They simply have to find a way.●

ALLARD K. LOWENSTEIN

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 18, 1980

● Mr. FORD of Michigan. Mr. Speaker, I join with our colleagues in expressing shock and sorrow at the tragic death of former Representative Allard K. Lowenstein.

I had the pleasure of serving with Al during his years in the House, and was constantly amazed at the driving energy which he displayed in every undertaking.

Columnist David Broder, writing last week in the Washington Post, described him as—

> a man who shared with every one his own intense enjoyment of the political arena and his unquenchable faith that in this nation, politics might bring defeat, but never despair.
>
> The passion for the good cause, well-fought, that Al Lowenstein brought to every battle, will live on, despite the bullets that stopped his strong heart.
>
> It is his legacy to the uncounted thousands he enticed, cajoled, badgered and bulldozed into the political life of America. As long as they fight for their causes, his spirit will live on.

Mr. Speaker, this is a fitting epitaph for Al Lowenstein, and it is one that he would have appreciated.

He was a man who left his mark on America, and the Nation will miss him.●

MOORHEAD COMMENTS ON THE PRESIDENT'S INFLATION PROGRAM

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 24, 1980

● Mr. MOORHEAD of Pennsylvania. Mr. Speaker, as we all know, there has been a wide array of reactions to President Carter's new inflation program announced March 14. I believe the program deserves our support and that it was a reaction to a genuine emergency. I had the privilege of outlining my views on the current situation and the President's program in remarks on March 18 to the National Housing Conference. While the emphasis is on the relevance of the program to housing in particular, my purpose was to put the entire program and recent events in the financial markets in the proper perspective. The text of my speech follows:

REMARKS OF CONGRESSMAN WILLIAM S. MOORHEAD

I'd like to comment this morning on President Carter's new anti-inflation program announced last Friday and more broadly on its implications for Federal Reserve monetary policy. I'll leave discussion of the details of this year's housing program to others, but will be glad to try to answer questions.

Let me begin with a few simple truths that are not always recognized. They all involve interest rates, which are at the heart of the concerns of anyone connected with housing. Housing in the present cycle has been insulated up to now more than usual from the impact of high interest rates, through such devices as the money market certificates, but now interest rates are threatening to bite very hard—not only in the familiar sense of drying up availability of mortgage money but also in diminishing the demand for home purchase and mortgage money because the price is simply too high. The painful, even tragic, problem of the young family trying to buy a house today is too familiar to bear repeating.

The first truth is this: Interest rates, here and in every other country, are primarily a reflection of the inflation rate, not the policy of the Federal Reserve or other central bank.

Take Germany, with a consistently tough monetary policy. What do you suppose is the level of interest rates in Germany? About 8 or 9 percent, and they were about 6 percent until the recent increase in inflation there. In Switzerland rates are 5 or 6 percent, and the Swiss are hardly soft money people. The reason these rates are low is that inflation is low. In Brazil, where monetary policy is normally quite loose, interest rates are as much as 50 percent. That's right—50 percent. In each case, the interest rate reflects the inflation rate. Not day by day but over any reasonable period of time. Our interest rates are now in the range of 15 percent and upward not primarily because of the Federal Reserve, but because of the recent acceleration of inflation.

The corollary of this truth is obvious. If the President's program succeeds in reducing the inflation, interest rates will come down. If it doesn't they won't. Interest rates can jiggle up and down in the short run, but in the end they will depend on the inflation rate.

The second truth is that Governments, all through history, tend to take really important and decisive action only in response to crises. Not so much elections, but crises. The President's program of last week was a perfect example.

The crisis in this case was not just the inflation numbers, bad as they were—including bad for the President's election prospects. Even with those inflation numbers the President quite likely would not have taken this emergency action—which meant changing his own budget only six weeks after it was submitted—but for the crisis in the bond market. Not the stock market but the bond and money markets.

The bond market is where most of the long-term capital in this country is raised, creating new plants and equipment and new jobs, and also infrastructure investment by state and local Governments. It was in a state of collapse. Pension funds and other long-term investors were deciding that, with inflation getting worse and worse and, as a consequence, interest rates heading higher and higher, bonds were a bad buy. Our whole process of capital formation was threatened. Bid and asked prices were widening dangerously—the kind of technical event that is unfamiliar to ordinary people but which signals emergency, and should signal emergency, to the people in Government. The mortgage market was reflecting the bond market. That is why the President acted. I want to say unhesitatingly that I am very glad he did. We can argue forever about who is to blame for getting us in the fix in the first place, but the good news is that our Government is not paralyzed—that it is capable of reacting when the alarm signals go off. Housing would suffer a lot more if he didn't act than if he did, given the financial nature of this crisis.

The third truth is something that a lot of people in Congress have not yet recognized. It involves the Federal Reserve's new approach to monetary policy.

After being nagged for years by economists outside the Government and by many members of Congress to get better control over the expansion of the money supply, the Federal Reserve finally changed its way of doing business last October in order to achieve just that. I think they were right, and the House Banking Committee has been virtually unanimous in support. But there is a price—never hidden by the Fed itself, but not widely appreciated. This is that a policy of operating directly on bank reserves, which is the essence of the new policy, automatically means abandonment of any effort to control short-term interest rates. If market forces are pulling interest rates upward, under the new policy the Fed lets them rise. As I said before, over the intermediate and longer term, interest rates reflect inflation. But in the short term, Federal Reserve policy makes an important difference. Under the new Federal Reserve policy, interest rates are allowed to move higher. But they can also drop lower and faster than under the former policy if conditions change.

Now I want to add that this policy should have a very positive payoff in the end. If we get better control of the growth of money and credit, inflation should start coming down again. And of course, if it does come down, so will interest rates. But in the short run, as I said, we have to pay a price, which we now see dramatically in the form of a prime rate above 18 percent. When Congress applauded the new Fed approach, it did not quite know what it was getting in for.

With that background, what about the President's new policy—including its Federal Reserve aspects?

First the budget side, both spending and revenues.

There are 535 members of Congress, and it is safe to say that no two of us would have exactly the same list of cuts needed to balance the budget. In addition to that, there is a sincere school of thought in Congress—of which I am not a part—that feels the whole exercise of balancing the budget is a mistake.

Despite those obstacles, I think there is a good chance of significant spending reduction. Most members of Congress, like the President, have smelled the acrid fumes of emergency. There is a feeling that something has to be done.

The specific proposed cuts, as you know, are not yet known. I will not like all of them, but I hope the pain can be spread as evenly as possible. Housing, being the special victim of the crisis through the workings of interest rates, is a good candidate for insulation from the cuts, but I can make no promises.

On the revenue side, I fully support the proposal for withholding taxes on interest and dividends, and I am gratified that the president of the American Bankers Association has given his support. Remember that this change in the law would not add a penny of taxes to anyone who is now paying everything he or she owes. And the old complaint about excessive administrative difficulty is much diminished now in the age of computers.

Unlike my good friend and chairman, Henry Reuss, I also support the new fee on oil imports designed to raise the price of gasoline by another 10 cents a gallon, and eventually replacing this fee (not adding to it but replacing it) with a permanent addition of 10 cents to the gasoline tax. The revenues will help to balance the budget and reduce the massive Treasury borrowing in the bond and money markets, and the addition to gasoline prices will have some further impact in reducing consumption. It is painful, yes, but I feel it is the right thing to do.

So all in all, I think we'll move close to a genuinely balanced budget, on present assumptions for the economy, and that this is worth doing. It won't have much early impact on the inflation rate. But it should help with the emergency that brought on this situation—the bond market and interest rates. It will also help deal with inflation psychology, which has made the whole crisis worse. A balanced budget, I believe, will improve the interest rate situation—not perhaps immediately, but before too long. And that is a consummation devoutly to be wished, certainly by this audience. It will also make possible very useful tax reduction next year.

The Federal Reserve measures that have been adopted as part of the package are quite complicated and subtle, and they are new in our experience. It is premature to render any judgments. What can be said is that they are designed to reinforce the impact of *general* monetary policy—control of bank reserves and creation of money—by imposing limits on the expansion of total loans in the economy, with emphasis on limiting supposedly nonproductive loans. This is to be done mainly through market forces, rather than detailed regulations, by the device of imposing reserve requirement penalties on certain types of loan expansion such as credit cards. And there may be a special help for the savings and loan industry, which is nearing crisis conditions, through the new penalty on expansion of money market funds, which should reduce the interest rates that they can pay. As you know, mortgage lending is exempt from any special restraints.

To repeat, this is an untried package, the first-ever use of the Credit Control Act of 1969. My first impression is that it is an ingenious package that could well succeed in its purpose of slowing total credit expansion without bringing on a severe credit crunch, which is what we were on the verge of.

Meanwhile, however, the Fed's basic policy will remain unchanged. The target is still a slowing of the growth of the money supply. Only time will tell how this interacts with the new selective restraints and how interest rates will respond. In the end, as I said earlier, interest rates will come down if, and only if, inflation comes down.

I imagine the reactions of the people in this audience to the President's new package are as varied as those of the 535 of us in Congress. I am sure there is genuine questioning of whether the President's policy is the right one, whether it will work, and whether Congress will follow through on it. But I hope we can agree on one thing.

Housing is, above all, the victim of inflation, both directly and through the workings of inflation on interest rates. There is no real cure for inflation that does not include restraints on total spending in the economy—Government spending and private spending financed by borrowed money. There might be a place for wage and price controls, but only if supported by more fundamental measures, as nearly all of the current advocates of controls such as Barry Bosworth have emphasized. The package of the President and the Fed does, in my view, contain the right fundamental approach, painful as it is going to be for many. If we stick to it, I believe everyone associated with housing will look back a few years from now and conclude that it was the right thing to do. Housing—given the huge underlying fundamental demand—can come back if we turn this inflation monster around, but if we don't there will be nothing but crisis from now on.●

READINESS LOBBYISTS?

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 24, 1980

● Mrs. SCHROEDER. Mr. Speaker, a few years ago I pointed out that I often hear from industry lobbyists promoting their hardware and weapons, but I never hear from anyone selling the idea of readiness.

The most likely readiness lobbyists, of course, are the generals and admirals stationed in Washington. Congress depends on them for accurate reports of conditions in the field.

Perhaps the following article, from the Army Times, explains why we may have to get reports about readiness inadequacies from other sources:

CARTER TELLS BROWN, MILITARY LEADERS TO STOP PAY CRITICISM

(By Richard C. Barnard)

WASHINGTON.—President Carter has advised Defense Secretary Harold Brown and other top military leaders to stop being so critical about military pay, retention and combat readiness, government sources said.

In a recent memorandum to Brown, Carter said, "The constant drum of criticism from top military officials" regarding readiness and pay severely hurts morale.

"A coach would never denigrate his team members by constantly criticising them," Carter told Brown, according to sources who have read the memo.

"You should assess other factors involved in re-enlistment problems," Carter reportedly said. "When I was in the Navy, pay was not the major factor" in deciding whether to stay in the service.

After the death of his father in 1953, Carter, then a lieutenant, left the Navy after seven years of service.

The President's memo to Brown also contained a positive note: "I want to provide assistance where I can to eliminate problems with retention," he said.

The Defense Secretary wrote Carter in January saying that low pay had produced severe retention problems.

At press time, the White House had not commented on the report.●

COBALT: WHY EXCLUDED FROM WILDERNESS

HON. JIM SANTINI

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 24, 1980

● Mr. SANTINI. Mr. Speaker, on February 27, the Interior and Insular Affairs Committee by a vote of 23 to 15 excluded from wilderness some 50,000 acres—a scant 1.8 percent of the total River of No Return Wilderness—which encompass a highly significant cobalt trend. The committee voted so overwhelmingly to exclude that area from wilderness to insure that the full exploration and development of the cobalt resource would take place.

Today, America has no domestic source of cobalt depending, to the extent of nearly 100 percent, upon imports, 73 percent of which come from Zaire and Zambia, hardly secure sources given internal and external uncertainties of the former and recent Soviet arms agreement with the latter. Yet without a secure source of cobalt America's defense system and the industrial base on which it relies cannot survive.

America has but one economically mineable cobalt deposit—the Blackbird mine in Idaho. Unless the cobalt trend that finds its origin in the Blackbird mine is excluded from wilderness, the full extent of that cobalt will never be explored and developed. It is vital therefore that the Interior Committee position be maintained and that the cobalt area be excluded from wilderness.

The committee report on the River of No Return Wilderness contains a well-documented, thorough discussion of cobalt and the importance of the committee position on cobalt. I recommend it to my colleagues.

Mr. Speaker, I am inserting the attached material entitled "Supplemental Views", views signed by 23 members of the Interior Committee in the RECORD:

SUPPLEMENTAL VIEWS

The Committee excluded by a vote of 23-15 the 50,000-acre West Panther Creek Addition (RARE II W4-504) from the proposed River of No Return Wilderness because of its highly favorable geological potential for discovery of significant cobalt deposits. Spanning the West Panther Creek Addition is the "Idaho Cobalt Trend," a unique belt of cobalt mineralization that extends north from the Blackbird mine area where deposits were first mined in World War I.

In and near the Blackbird mine, exploratory drilling over the last 2 years has proved the existence of 4 million tons of cobalt ore containing about 24,000 tons of recoverable cobalt. While this proved tonnage is vitally essential to the national security and economic strength of the United States, the maximum expected production level of 3-4 million pounds of cobalt per year will depend on whether numerous permits and approvals can be obtained and a new mill and refinery can be built. Mine production at a much lower level could begin by 1981, but this also depends upon the time necessary to clear permitting requirements and making arrangements for interim refining until a refinery can be built. In any event, delays could string out the time before Blackbird cobalt would be available to the U.S. market from a minimum of 2 years upward to 5 years. Even at the higher level of production, the amount of cobalt at the time it reaches the market would be about 20% of U.S. industrial demand or an amount less than our present superalloy requirements for aircraft production.

Cobalt mineralization in the West Panther Creek area was reported in some detail by the Idaho Bureau of Mines and Geology in a geochemical study made under contract for the U.S. Forest Service. Subsequent geochemical sampling by Noranda Exploration, Inc. verified the results of the earlier study and found additional anomalous cobalt values in other parts of the area. The Idaho Bureau of Mines and Geology also reported that the same rock formations, which contain the cobalt deposits in the Blackbird mine area to the south, extend into the West Panther Creek area where the clusters of cobalt anomalies were found in surface sampling.

No one can positively say that minable cobalt deposits will be proved in the West Panther Creek area, but strong geologic evidence cannot but lead to the conclusion that excellent potential exists for the discovery of deposits at least equal in importance to those in the Blackbird mine area.

One estimate, based on the strength of what has been learned, is that up to 500 million pounds of cobalt could be found in the West Panther Creek area. We might add that the geologic evidence is considerably stronger than that which has led to the discovery of many other significant mineral deposits.

Virtually all cobalt is recovered as a byproduct of copper and nickel mining, so that prices of these primary metals have a direct effect on the quantity of the cobalt produced throughout the world. The uniqueness of the Idaho occurrences is that cobalt is the primary metal, one of only two known occurrences in the world.

The importance of cobalt in national defense and essential industrial needs is well documented. Essential in defense, cobalt has a wide range of uses in jet engines and structural components of military aircraft, tank components, missile, rocket and armor piercing projectiles, propulsion systems, and a wide range of communication, fire control, and positioning gear systems. Industrially, cobalt is essential to a wide variety of uses wherever high-stress, high-speed, and wear-resistant cutting and forming tools and machines are used. It is vital for cutting bits used in deep-hole oil drilling, coal cutting, hard rock drilling, and as a catalyst in oil refining.

The Bureau of Mines has identified two new areas of cobalt use, each of which could significantly increase demand, each of which could improve America's energy picture. One, an intriguing development in transportation, is the use of cobalt in nickel-zinc batteries for electric-powered cars. The other is the cobalt catalyst requirements essential to the production of synthetic fuels.

Cobalt demand over the last 30 years has quadrupled, and the Bureau of Mines projects a doubling of the 20-million-pound demand in 1978 to 43 million pounds in the next 20 years. Moreover, demand has historically increased drastically during periods of defense mobilization, doubling during World War II, doubling during the Korean War, and, according to the Bureau of Mines, increasing 39 percent during 1963–69 escalation period of the Vietnam conflict. If anything, projections for future cobalt demands have underestimated actual demand, primarily because of increasing requirements for high-temperature, high-stress alloys, and high-stress wear-resistant cutting tools and machinery parts. Given present international conditions and the call for rearming America and its allies, cobalt demand will likely increase significantly in the years ahead.

Efforts in cobalt substitution in superalloys have intensified, but replacement is limited. U.S. cobalt demand for jet engine superalloys and structural components for commercial aircraft will increase significantly over the next 10 years to replace aging U.S. fleets. Obsolescence and anti-noise regulations with a 1985 deadline will be incentive to build new aircraft and higher performance engines, indicating more cobalt rather than less. While research has found ways to reduce the amount of cobalt in some alloys where physical requirements are less demanding, research is toward increasing the temperature and stress limits to increase power efficiency and reduce pollution rather than designing away from cobalt.

The importance of a domestic source of cobalt, one that will sustain some significant portion of U.S. national security and industrial requirements, cannot be overemphasized. If exploration along the untested parts of the cobalt trend is successful and additional reserves are added to those already proved, the U.S. will be less susceptible to the peril of a cobalt cutoff from southern Africa, an unstable source of 75 percent of U.S. imports.

Zaire, on which America has relied for 55–65 percent of its needs over the last 5 years, is at best politically unstable. Severe economic problems—a negative gross domestic product and an unmanageable $3.5 billion outstanding debt—exacerbates Zaire's political insecurity both internally and externally. Major mine production and transportation problems, directly tied to its badly overspent economy, make continued reliance on its mines highly problematical.

The August 1979 "Report on the Issues Identified in the Nonfuel Minerals Policy Review," the President's cabinet-level study, identified cobalt as a matter of significant concern in terms of security of southern Africa sources.

Continued reliance on cobalt from Zambia, Zaire's neighbor whose production will move up to the world's second largest in 1980, must also be questioned. Zambia's anticipated fourfold increase in cobalt production by 1985 (it supplied 18 percent of U.S. needs in 1979) could become extremely important to the Free World if Zaire's production falters. The security of this source, however, is in jeopardy by reason that there is a reasonable possibility that cobalt is the barter commodity in Zambia's recent $85 million arms deal with the Soviet Union.

Soviet plus Cuban cobalt production, primarily a byproduct of nickel production, is known to fall short of Soviet needs, and a barter arrangement for a commodity as important as cobalt is consistent with its past arms negotiations with lesser developed countries. The broader implications of this added foothold of the Soviets in southern Africa is the increased risk of U.S. long-term access to other strategic and critical minerals from this part of the world on which America is so highly dependent.

An important factor bearing on any decision regarding the importance of having a reliable domestic source of cobalt is the deplorable state of America's national emergency supply in the strategic and critical stockpile. Cobalt in the stockpile amounts to 40.8 million pounds or 48 percent of the national goal of 85.4 million pounds, the minimum necessary to sustain the U.S. through the first 3 years of a major war, a goal approved by President Carter.

The Committee excluded the West Panther Creek area from wilderness so as to insure that exploration and development of deposits within the area will have the maximum opportunity to take place. The Committee was concerned that notwithstanding the provisions permitting mining within wilderness areas—Section 4(d)(3) of the Wilderness Act of 1964—mining has not taken place given the fact that no major mining activity now occurs within wilderness in the United States even though important deposits are known to occur in these lands. It was strongly contended by the proponents of the amendment during Committee deliberations that only the exclusion of the area from wilderness would insure the opportunity to search for and develop all of the cobalt deposits in this area and thus provide America a part of the mineral security it must have in the decades ahead.●

OPINION POLL ON DEFENSE ISSUES

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 24, 1980

● Mr. MURTHA. Mr. Speaker, recently I asked the 1,000 individuals in my 12th Congressional District phone poll a series of questions about America's defense strength. I wanted to share those results with the Members of Congress.

Question 1. At the present time which nation do you feel is stronger in terms of military power, the United States or the Soviet Union—or do you think they are about equal militarily?

9 percent—United States stronger.

61 percent—Soviet Union stronger.

24 percent—About equal.

6 percent—Don't know.

Question 2. Do you favor or oppose a sharp increase in military salaries as an incentive for service in the All-Volunteer Army?

41 percent—Favor.

47 percent—Oppose.

12 percent—Undecided.

Question 3. Do you favor or oppose return by the United States to a military draft?

77 percent—Favor.

16 percent—Oppose.

7 percent—Not sure.

Question 4. Do you believe the public disclosures concerning the Central Intelligence Agency over the past 5 years have helped or hurt the American intelligence effort?

6 percent—Helped.

84 percent—Hurt.

10 percent—Undecided.

Mr. Speaker, I also analyzed a sample of 140 respondents on the question concerning the draft. Of those 140, 62 had family members between the ages of 19-26; 78 families did not have persons of that age.

Of the 62 families with draft age members: 74.2 percent favored the draft; 21 percent opposed it; 4.8 percent were undecided.

Of the 78 families without draft age family members, 82.1 percent favored the draft; 11.9 percent opposed it; and 6 percent were undecided.●

NEW HOME FOR NATIONAL FIRE ACADEMY

HON. GLADYS NOON SPELLMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, March 24, 1980

● Mrs. SPELLMAN. Mr. Speaker, September 30, 1979, was a significant day indeed for the Nation's firefighting community, and in particular for thousands of volunteer and professional firefighters in my own State of Maryland. At 1:30 p.m. on that date, more than 1,000 people gathered in the rolling hills of Frederick County to welcome the National Fire Academy to its new home in Emmitsburg, Md.

Located on the campus of the former St. Joseph's College, the academy is providing, for the first time, a central training facility for the Nation's firefighting forces. This first academy event was hosted, appropriately, by the Maryland State and Frederick County Firemen's Association and their ladies' auxiliaries. Fire service personnel from 21 Maryland counties were present.

The program featured music by the Catoctin High School Ensemble and a welcoming address was given by National Fire Administration Administrator Gordon Vickery, who proclaimed the dawning of a new era of learning with the establishment of the Emmitsburg Academy. Also on hand for the ceremony were Senator PAUL S. SARBANES, State Comptroller Louis L. Goldstein, and Maryland Secretary of State Fred L. Wineland.

Mr. Speaker, I am extremely proud to have played a part in helping to get the National Fire Academy situated at Emmitsburg. And, like Mr. Vickery, I feel a new era of excellence in fire training has been launched with its establishment.

I deeply regret that a long-standing commitment elsewhere prevent me from being present at the September 30 ceremony welcoming the academy to Emmitsburg. Nevertheless, I know it to have been a most well attended and successful event.

Mr. Speaker, Sir Winston Churchill, addressing the House of Commons in 1952, noted that everyone has his day and that some days last longer than others. I, for one, am confident that the official welcoming of the National Fire Academy to Emmitsburg last fall was simply the beginning of what will be a long and successful day for this institution in the State of Maryland. The continuing national tragedy of fatalities, injuries, and property loss resulting from fire provides compelling evidence of the need to implement vigorously and expeditiously a national policy to combat and prevent fires. The opening of the National Fire Academy at Emmitsburg was a most important part of that effort.●

MR. CARTER'S INCONSTANT LEADERSHIP

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 24, 1980

● Mr. MICHEL. Mr. Speaker, what adjective best describes the kind of leadership we have been getting from the Carter administration? Incompetent? Yes; it certainly has been incompetent, but that leaves the impression that perhaps the Carter White House knows what to do but does not know how to do it. Such an impression would be inaccurate because as we all know events have shown the Carter administration is not only technically inept but also substantively sterile.

What about ludicrous? I find this not precise enough because it impies that what we have is a laughing matter and it most certainly is not. Words like incredible, dangerous, horrendous, mind-boggling, hopeless, naive, unprepared, and futile all give us some idea but they do not capture the essence of the particular kind of bad leadership that this administration has given us.

I find the word "inconstant" perhaps the closest to describing the unique quality of flip-flops, 180-degree turns, and other policy reversals that have made this administration a laughing stock and tragic mess at the same time. The Wall Street Journal recently published an excellent article on this very theme.

At this point, I include in the RECORD, "Mr. Carter's Inconstant Leadership" from the Wall Street Journal, March 14, 1980:

MR. CARTER'S INCONSTANT LEADERSHIP

(By Richard J. Levine and Karen Elliott House)

WASHINGTON.—The Carter administration's latest budget and foreign policy flip-flops shouldn't come as a surprise.

Anyone who has tracked the economic and diplomatic record of President Carter over the past three years has learned that inconsistency and a lack of follow-through are the hallmarks of the Carter brand of leadership. This basic pattern has eroded Mr. Carter's credibility at home and abroad, weakening his ability to influence events and achieve his goals—goals that are often highly desirable.

As campaign 1980 heats up, Mr. Carter's aides insist that their boss has learned much on the job and is displaying a new decisiveness in policymaking. Perhaps that's evident to those in his inner circle. But it's hardly discernible in the results.

CRASH PROJECT

Less than four weeks after submitting what he termed a "prudent and responsible" budget intended to curb inflation, the President decided that document was inadequate and launched a crash project to rewrite it and bring it into balance.

In a foreign policy reversal of equally stunning proportions, Mr. Carter first supported a United Nations resolution condemning Israeli settlements in occupied Arab territory and then two days later, after protests from Israel, announced that the whole exercise had been a mistake.

So far, none of this seems to have hurt Mr. Carter in his quest for the Democratic presidential nomination. He has easily been beating his main rival, Sen. Edward Kennedy, in the primaries. But public opinion polls continue to show strong dissatisfaction with Mr. Carter's handling of the economy; some 60% of those responding to a New York Times-CBS news poll disapprove of his economic management. In foreign affairs, the President's approval rating is much higher, but it has been slipping in recent weeks as the crises in Iran and Afghanistan defy White House resolution.

Like previous switches in economic policy, the current crash effort to overhaul the budget springs from the Carter administration's inability to recognize and respond adequately to the dangers posed by the worst inflation in the nation's history.

When they were assembling their new budget late last year, Mr. Carter and his economic advisers were counting on a first-half recession and an easing of inflation as 1980 progressed. Based on this assumption and worried about Sen. Kennedy's challenge from the left, Mr. Carter decided to forsake his promise to present a balanced budget for fiscal 1981, which begins Oct. 1. By so doing, he was able to avoid painful cuts in social programs popular with liberal Democrats.

But inflation was exploding—not easing—and the $15.8 billion budget deficit Mr. Carter projected only heightened consumer and financial-market fears that it was out of control. Bond prices plummeted. Interest rates soared. And by late February, the President was forced to face a harsh truth. His "prudent and responsible" economic plan was contributing to the problem rather than to the solution. Hence, the sudden budget overhaul.

The pattern of quick economic policy reversal was set early—even before Mr. Carter took office. During his long campaign for the presidency, the former Georgia governor, who had no first-hand experience in broad economic policy issues, said he wanted standby authority to impose wage and price controls. But after his election, when confronted with signs that businesses might be raising prices in anticipation of controls, Mr. Carter quickly changed his mind. In early December 1976, he said he hadn't any "intention of asking Congress to give me standby wage and price controls."

More policy flip-flops followed. Shortly after he became President, Mr. Carter, concerned about high unemployment, sent Congress a $31 billion stimulus package that included the now-infamous $50-a-person tax rebates. A few months later, as economic growth accelerated, he abandoned the rebate plan.

Early in 1978, the administration recommended a $24 billion tax cut effective Oct. 1 of that year. But Mr. Carter and his economists had badly underestimated inflation and, as prices soared, the economic team decided that a smaller, later tax cut would suffice. Once again, the President changed course.

Mr. Carter's anti-inflation plans—he has announced three so far—have all proved inadequate. The reasons for the failure of anti-inflation policy are clear. The President himself hasn't imposed enough discipline on federal spending or taken the tough steps needed to reduce quickly U.S. dependence on high-priced foreign oil. Moreover, until fairly recently, he was less-than-enthusiastic about the need for tight restraints on the growth of money and credit.

Now, senior administration officials insist, the President is really serious about fighting inflation. But, given this background of inconsistency, it's understandable that doubts remain—that business executives don't believe Mr. Carter's constant reassurances he won't move to impose mandatory wage-price controls.

Even the President's own words indicate a continuing sense of confusion about the proper direction for economic policy. On Feb. 25, the day after he had summoned his economic advisers to an emergency meeting on inflation, Mr. Carter told some out-of-town editors that inflation had reached the "crisis stage"—a judgment with which most Americans would agree. Then later in the same discussion, he declared, "The basic policies that we have espoused suit me fine."

In foreign affairs, the President's inconstancy is just as evident and its consequences just as costly.

The turnaround on the UN vote concerning Israeli settlements is particularly glaring. After abstaining on similar resolutions condemning Israeli settlements over the years, the Carter administration decided to vote yes this time to warn Israel of U.S. disapproval and to gain respect in the Arab world. Yet when Israeli officials quietly implied that Israel might pull out of the Egyptian-Israeli talks to Palestinian autonomy—undermining Jimmy Carter's most visible foreign policy success—he recanted. The vote was an "error," he said.

As the President tells it, he didn't read the UN resolution until 48 hours after the vote and hadn't realized that objectionable phrases declaring East Jerusalem to be occupied Arab territory remained in the document. Yet his Secretary of State continues to say privately that the resolution is consistent with U.S. policy on Jerusalem. And when Mr. Carter was asked last Saturday if he agrees with a document in the Camp David Accords stating that the U.S. sees East Jerusalem as occupied territory, he said he couldn't recall the text of the letter.

All this confusion has undermined U.S. credibility not only with Israel and the Arab states, but also with such key allies as West Germany, "It's the most costly foreign policy blunder of this administration," says one senior State Department official.

Specifically, the gaffe has set back discreet American efforts to improve relations with Iraq, an oil-rich and militarily powerful Middle East nation on Iran's border and one that has been edging away from Moscow's embrace.

A less-noticed but equally important shift has taken place in U.S. policy toward Pakistan. Immediately after the Soviet invasion of Afghanistan in December, top administration officials repeatedly pledged U.S. support for Pakistan, a vulnerable American ally on Afghanistan's border. The moral support would be backed by at least $400 million in U.S. economic and military aid, administration officials promised. To convince Pakistan of that, Zbigniew Brzezinski, the President's National Security Adviser, in February postured at the Khyber Pass.

But back home, U.S. officials began to talk of postponing the aid until next year as part of a new effort to balance the budget. Finally, last week. Pakistani officials who had been dubious all about the U.S. commitment, indicated they don't want American military aid and began discussions with Moscow. Inexplicably, American officials no longer seem much concerned about the security of a country they only recently were fretting over.

Similarly administration worries about the security of the Middle East nation of North Yemen seem to have come and gone. One year ago, President Carter envoked special presidential privilage to speed through Congress an emergency $400 million military aid package for North Yemen, then fighting Soviet-aligned South Yemen. Administration officials boasted that this quick response was proof to skittish Saudi Arbia that the U.S could act decisively to check threat from Soviet surrogates.

MOSCOW'S INFLUENCE

But a year later Moscow's influence is on the rise. When the promised U.S. aid was slow in coming, the North Yemen regime turned back to the Soviet Union for arms and accelerated unity talks with South Yemen, a development that deeply disturbs neighboring Saudi Arabia. Yet the American enthusiasm of a year ago has been replaced by seeming indifference. "There isn't much we can do," says one administration official.

More recently, the President agreed to send a UN commission to Iran without first securing the release of the hostages, a reversal of his earlier position that their release must precede a commission inquiry into Iranian grievances. Now Mr. Carter seems likely to revive the idea of trying to punish Iran economically—either by economic sanctions against that nation or by a blockage—unless the Iranian government can force some concessions from the militants.

The result of all this is that no one knows what to believe about any Carter policy—foreign or domestic. Understandably consumers and businessmen find it hard to take the President seriously when he pledges once again to curb inflation. And America's allies and adversaries increasingly set their own course, playing little heed to Washington's threats or inducements.●

TRIBUTE TO EDWIN C. "BILL" BERRY

HON. CARDISS COLLINS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 24, 1980

● Mrs. COLLINS of Illinois. Mr. Speaker, on March 18 an outstanding citizen was honored in Chicago when the Chicago chapter of the Public Relations Society of America presented its Community Service Award to Edwin C. "Bill" Berry, special assistant to the president, Johnson Products Co., Inc. Accordingly, I would like to highlight Mr. Berry's lifetime of service to his community and country:

EDWIN C. "BILL" BERRY

Mr. Berry was chosen to receive the PRSA Chicago Chapter Community Service Award because of his professional and voluntary leadership for interracial justice, understanding and peace for the past 35 years. His commitment has been extraordinary.

His 25 years as executive director of the Chicago Urban League have given him recognition as a leading authority on America's urban and racial problems.

His skilled application of public relations techniques as a communicator, teacher and consultant on urban issues is in the highest tradition of the profession.

His integrity, personal warmth and good humor have earned him the respect of friend and adversary alike.

This is a partial list of Mr. Berry's current community service:

Boy Scouts of America—Chicago Area Council.

Chicago Alliance of Businessmen.

Chicago Urban League.

Leadership Council for Metropolitan Open Communities.

The Chicago Reporter—Editorial Board.

Chicago United—Executive Committee.

The Woodlawn Organization.

Honors and awards received:

Honorary Doctor of Laws—Northwestern University.

Honorary Doctor of Humane Letters—Chicago State University.

Honorary Degree of Doctor of Laws—Western Michigan University.

Chicagoan of the Year in Field of Social Welfare—Chicago Jaycees.

Laureate—Lincoln Academy.

John F. Kennedy Award—Catholic Interracial Council.

Citation for Outstanding Service—The Woodlawn Organization.

Gold Oil Can Award—Chicago Economic Development Corporation.

The Martin Luther King, Jr. Award—National Board, Operation PUSH.

Special citation—Citizens Schools Committee.

Community Services Award—City of Portland, Oregon.

Citation of Appreciation—Governor, State of Oregon.●

THE IMPORTANCE OF EMERGENCY MEDICAL SERVICES

HON. ROBERT H. MOLLOHAN

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 24, 1980

● **Mr. MOLLOHAN.** Mr. Speaker, I venture to say that very few of my colleagues really understand what is meant by the term "Emergency Medical Services" or EMS. One reason, of course, is because until we passed the Emergency Medical Services Systems Act of 1973, there was very little in the way of coordinated emergency care available in this country. But as a result of this low-cost, highly effective program, dramatic improvements are being made in the way we handle life-threatening medical emergencies in many parts of the country. In fact, I am convinced that the Emergency Medical Services Systems Act, which we in the Congress late last year renewed for 3 more years, is one of the best health care bargains in the Federal establishment today.

An acknowledged leader in the EMS field has been the State of Maryland. Recently, Dr. R. Adams Cowley, who heads up the Maryland EMS effort, testified to a Senate Appropriations Subcommittee on behalf of adequate fiscal year 1980 and fiscal year 1981 funding for the program. What he had to say about the value of the program and what remains to be done is something each of us in this body should fully understand and appreciate as we confront the very difficult budgetary and spending challenges that lie ahead. I, therefore, want to take this opportunity to share with all of my colleagues Dr. Cowley's expert testimony and would urge them to refer to it as an excellent primer on the importance of the EMS program in saving lives and dollars:

TESTIMONY OF R. ADAMS COWLEY, M.D.

Mr. Chairman, members of the Committee, I am Dr. R. Adams Cowley, director of the Maryland Institute for Emergency Medical Services Systems, and the director of Emergency Medical Services in Maryland. I am also president of the Mid-Atlantic Emergency Medical Services Council, the purpose of which is to foster complete, compatible, Emergency Medical Services systems throughout the region which encompasses the States of Maryland, Delaware, Pennsylvania, West Virginia, Virginia, and the city of Washington, D.C. I appreciate the opportunity to appear before you today to discuss the Federal appropriations for the development of EMS systems throughout the country.

I come to you today knowing that Congress and the President have as recently as 3 months ago, with the passage and signing into law of the Extension of Assistance for Emergency Medical Services Systems Act, renewed their commitment to the completion of a nationwide system for emergency medical services.

I am also aware of the fact that the national economy now dictates that all programs funded with Federal dollars must be viewed with a critical eye. The President and the Congress must look carefully at all programs, from those that deliver care to the individual, to those that build waterways and highways, and make a judgment on where the placement of Federal dollars will produce the most beneficial results.

In order for there to be no misunderstanding, let me state for you what an EMS system is and what its components are. A system is an arrangement of personnel, facilities and equipment for the effective and coordinated delivery of health care services in an appropriate geographical area under emergency conditions. It is a five phase operation: rescue and immediate aid; communication, via a communication network, with a medical command center; transportation to a definitive care center; provision of all those components necessary for survival in a medical center; and finally, rehabilitation. So many people believe EMS is just a program of building hospitals and buying fancy ambulances and other hardware to haul the patient to the nearest hospital. EMS systems should spend very little on hardware. They must concentrate their dollars on better management of existing facilities and on upgrading facilities and manpower capabilities wherever necessary.

In arriving at your decision on proper funding for these systems, I would like you to keep three points in mind:

They save lives.

They save money.

They bring the best medical care to all individuals in the system at whatever level it is needed.

First, and foremost, EMS systems save lives—with immediacy. They deal with life and death, and the adequacy of the system the victim is in can determine which of those two alternatives—life or death—will be the victim's fate. There is no other program funded which produces such immediate consequences. No other health program deals as critically with life and death consequences as this one does.

Second, EMS systems will save money for the taxpayer. As I have testified before, and do so again now, the United States government cannot afford NOT to fund EMS systems. Today we do not have systems and we are paying for this dearly. Let me cite some statistics to illustrate what I mean.

In 1978 there were 104,500 accidental deaths in the United States. There were 10,200,000 disabling injuries, 51,500 deaths in vehicles. Those injured in their early lives may have to live with disability for more than 30 years and may require some sort of public subsidy—paid for by the taxpayer. Many of these will require extensive hospital care at great expense to the taxpayer. In 1978 the cost of these accidents was a staggering $68.7 billion. Of this amount $19.3 billion was in lost wages. The amount of lost dollars in productivity soars.

A war must be waged against this gruesome story. I am convinced the winning of that war can only come through full development of EMS systems. I have seen proof of this in Maryland. There, due to a statewide system being in place the mortality rate from accidents is down from 70 percent to 20 percent. Morbidity rates have been decreased dramatically. Because of the system which provides immediate care to the victim and takes him through rehabilitation, we are returning victims to productive lives. They are not dependent on the taxpayers subsidy, they are not a drain on society, but are productive useful citizens. We have shown that the dreadful statistics I just mentioned need not be.

EMS systems therefore are an investment with measurable returns in the productive lives and dollars saved. The question is, are a relatively few dollars spent now to build a national network of systems, or do we continue to pay billions of dollars and lose countless years of productive services of victims due to a lack of proper EMS systems and the care they produce? This country can spend $58,000,000 in fiscal year 1981, the amount the legislation authorizes, and continue working towards the development of systems or continue to pay $62,000,000,000+ in 1981 because we have no systems. $58,000,000 is less than .1 percent of the entire budget. Yet the amount spent due to neglect by no systems equals 10 percent of the dollar amount proposed for the 1981 budget. The Congress stated emphatically last year that the authorization level in the extension legislation was being lowered to insure that appropriations would equal authorization. That was only three months ago. That must be done now.

EMS systems address not only the critically injured, but they have a great rippling effect, which leads me to my third point. They are the answer to health delivery at all levels of care; primary, secondary, and beyond. Because they must be highly disciplined in order to insure patient survival from the scene of the accident, during transportation to the proper and most sophisticated facility of care, it produces a categorization of facilities as well as response and medical capabilities. This ultimately identifies all care facilities for their proper use. Emergency rooms are no longer used for every injury or malady from a cut finger to a massive heart attack. Facilities are sorted out and this produces non-duplication, which saves money.

EMS systems involve local and state persons and governments and generate dollars from these sources on an average of $3 from State and local sources for every $1 from Federal sources. Not many other Federal programs can boast of such a record. Once these systems are established they are 100 percent supported from state and local funds.

The EMS systems program needs several more years of Federal support to get the job done. Never in the history of the program has it been adequately funded or properly staffed. That must be corrected. The systems would be completed now throughout the country had these two problems not existed. I have recently traveled across this wonderful country holding hearings for the Department of Transportation, examining the adequacy of EMS systems and I find that we do not have systems today. We have made a start. I am told by HEW officials that over 134,000,000 persons in this country are covered by basic or advanced life support and that in the Mid-Atlantic region there are over 32,000,000 covered, which is the best record of any Federal region. But those figures are rather meaningless to me unless the systems are in place. They do indicate to me a start, and a good one. But without total coverage in this country, a person covered by this support might well find himself in an area with no system and with a need for one desperately. The job is not complete until the entire country, and every citizen in it, is protected with a system. If the Federal appropriations are not forthcoming, the danger is we will have no nationwide system.

It must be noted too that EMS systems are critical to this country's defense. I read that no budget cuts are contemplated for our defense efforts; indeed we can probably expect a budget increase here. All defense plans that I am aware of—and I am aware of many—require medical response capability. This will be impossible without EMS systems in place.

The same holds true for all disaster preparedness and response capability. Last year, when the Three Mile Incident occurred, it was the Maryland system that Pennsylvania and all concerned looked to for emergency medical assistance and evacuation response. A solid EMS system provided the answer to their immediate problems.

I am painfully aware that the EMS story has not been properly set forth. Many people do not know what is meant when we speak of an EMS system. Better information is needed. I have recently called for the formation of a national EMS Association that will address this deficiency. I expect it to be in place by the end of this coming summer and in the future you will have better material.

This morning I had a very pleasant drive from Baltimore to Washington. I passed many cars—people going to work. Maybe I passed some of you here. Chances are some of those people did not have a nutritious breakfast—maybe no breakfast at all. They will not die because to that. Chances are some will need counseling, more education, or want a wider, better paved road to drive on—but they will not die from these needs. There is also a good likelihood that one of these persons will be in a serious accident; car or work, before this day ends, and from that they may die or be critically injured. If the accident is in Maryland, the chance of survival, if the victim is alive, and a return to normalcy is greater than in any other State because the Maryland EMS system is in place. Maryland is the only state in the Union where that can be said. That need not be.

This testimony has taken about 10 minutes to deliver. During this time 2 people have died in this country from accidental death and 200 were critically injured. During this time over $500,000 has been spent on people who have been in accidents who did not die. During the next hour and every hour throughout the year, 1160 disabling injuries will occur and $1.3 million will be spent addressing injuries. There will be 12 accident related deaths. A clean kill presents no problems—the surviving victim is the problem and the challenge. The statistics I have cited throughout this testimony will only continue to grow. There will be over 500,000 disabilities in this country this year and over $63 billion spent and until there are systems throughout the nation there can be no management and correction of this problem.

The budget level is critical to the solution of this problem. I know this committee, the Congress and the President have many problems with budget issues. But few, I suggest, involve life and death situations with such enormous financial costs and hours of pain and suffering, if left unaddressed. The job of developing systems has only begun in this country, and unless completed will never be adequate. Total completion can only be done with proper funding. I can think of no greater priority than full appropriations for this program.

Thank you.●

UNITED STATES DELIVERING EL SALVADOR TO THE COMMUNISTS

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 24, 1980

● Mr. McDONALD. Mr. Speaker, a Washington Star editorial on March 16 pointed out that "El Salvador looks like a country revolutionized into state socialism with American help and encouragement." The Star calls this a familiar, if often covert, tactic.

Strong words, we suppose, from a paper which would hate to be called immoderate. But not strong enough. The nationalization of land and businesses in El Salvador is the work of an American-sponsored junta which deposed an elected government by a coup late last year. This junta, whose military member, Colonel Majano, is widely believed to have joined the Mexican Communist Party in 1975, has adopted the Communist platform as its own program. This is the government to which we are beginning to offer military aid.

It will be interesting to see what sort of military aid the new, American-sponsored socialist government of El Salvador will receive. Their need at present is arms and training for the people militias stationed on what were, just last month, private farms. We can expect to hear, from the State Department, that if we Americans do not train the people militia, the Communists will do so. At the same time, we cut off all military aid to our friends in Central America.

Since the Star has noticed the familiar tactic called destoying our friends and building up our enemies, perhaps the Star and other moderates would care to take their thinking one step further.

Does not such a policy constitute treason?

In any event, let us cheer that moderates can see even this far.

The editorial follows:

THE U.S. IN EL SALVADOR

Trying to defuse drives toward Marxist totalitarianism by sponsoring "reforms" that turn out to be the same thing is, by now, a familiar, if often covert, tactic. We have seen disguised versions of it in many countries of Africa, Asia and Latin America. We are seeing a very open example of it now in El Salvador.

It is hard to say how much hostage-seizing, fire-bombing, assasination and street fighting it takes to make a civil war. By just about any standard, though, El Salvador has been close ever since the bloodless coup that, last October, replaced Carlos Humberto Romero's corrupt and ineffectual regime with a five-man civilian-military junta.

It is also hard to say how much forced redistribution of property it takes to make a revolution. Here too, though, El Salvador would seem to meet a plausible standard. The large farms that are central to the country's coffee, sugar and cotton economy have been taken over by the government. Private banks have also been physically seized and their stock control nationalized.

This is phase one of a "reform" plan that is reminiscent of the Cuban pattern. Phase two will affect the medium-sized farms. Naturally, it can't happen without strongarm measures; there's no room for civil liberties.

The junta, which has changed its membership a few times since the fall of the Romero government, is now described as "reform-minded." It could not, however, implement its inclinations without expectations of money and military aid from the United States.

In the last few weeks, the American government, which was for a time so self-conscious about "gunboat diplomacy" and any hint of sending in the Marines to support military strongmen against threats of overthrow by radicals, has once again become an active participant in Latin American affairs. This time, though, the money—$50 million is the figure being discussed for this year—and the military training teams are behind the junta.

American pressure is already credited with preventing a coup from the private sector and with pushing through the expropriations of farms and banks. The military training teams have as their immediate objective to equip the junta's forces to put down armed opposition from all those unwilling to accept the new order.

To be sure, it's not enough for the most militant of the radicals in El Salvador, who still speak contemptuously of "pseudo-reforms." Among the Americans, it is admitted that the government is guilty of widespread human rights violations. But there is talk of how some of the expropriated land and economic aid money should eventually go to small farmers and to cooperatives.

Meanwhile, though, El Salvador looks like a country revolutionized into state socialism with American help and encouragement.●

COLIN ENGLISH IS A TRULY GREAT LEADER

HON. DON FUQUA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 24, 1980

● **Mr. FUQUA.** Mr. Speaker, one of the truly great men I have known is the beloved former State Superintendent of Public Instruction for the State of Florida Colin English.

Mr. English is a legend in the public service of my great State, and his influence in the field of education spread far beyond the confines of our Sunshine State. Following his three terms as a member of our State cabinet, Mr. English embarked on an even more challenging career, serving as an adviser to many of our most influential leaders in State government.

It would be an accurate statement for me to say that he is one of the men whom I have most admired in all of my public service. He has been a kind and wise adviser, always concerned with others and, particularly, a keen sense of fairness for his fellow man.

I, therefore, would like to take this opportunity to have reprinted a column by Howard Jay Friedman which appeared in the Tallahassee Democrat on Friday, February 29, 1980:

WE NEED ENGLISH IN SCHOOLS

In 1937, when Colin English became State Superintendent of Public Instruction (now called Commissioner of Education) Florida's population stood at about 1.8 million, there were only 376,000 pupils in the public schools, and we had yet to be discovered by the rest of the country.

True, Florida had been "discovered" before, during the boom, but that had been short-lived and the solid population growth which followed World War II had yet to begin. (Although some say the state's new era started with the end of the war, I've always thought that the spread of air conditioning, which made all of the state livable all of the year, was probably more important.)

English, who was the state's top school man for the critical 12 years from 1937 to 1949, before, during and after the war, helped bring about a new concept in education—that state government should take an active role in financing public schools, then considered a local responsibility handled by the counties.

Backing a report by a special Citizens Committee on Education, English pushed the then radical idea that the state should make sure that all students, no matter where they live, have the same educational opportunities. (That ultimately became the Minimum Foundation Program, an idea which has since spread throughout the country and which was the forerunner of today's "equalization" program.)

And English pushed the rest of the committee report: including turning Florida State College for Women into Florida State University and co-educational, and starting new programs in kindergartens, special education, and community colleges, long before the rest of the country even became aware of the need.

(Tallahasseean Al Block, incidentally, was an active member of that committee and worked with English in getting the program enacted into law. And then-Senator LeRoy Collins chaired the Senate Education Committee and passed the bill through the Senate, becoming identified with the program through the remainder of his public service.)

English served as a member of the Cabinet along with three governors, Fred Cone, Spessard Holland and Millard Caldwell, and fellow Cabinet-members Bob Gray, Tom Watson, Jim Lee, Ed Larson and Nathan Mayo.

With the Legislature then meeting only 60 days every two years, it was the Cabinet which ran state government during the interim, making both long-range and day-to-day decisions on many of the details of government.

There was no question about Cabinet power in those days—they kept the state going—and each member carried a great deal of personal and political clout. To suggest then that the Cabinet be abolished would have been heresy, and no governor would have dared to do so.

English also accomplished the relatively rare feat of beating an incumbent, Supt. W.S. Cawthon, (Rainey's father), who had served for some 24 years. (Another Tallahasseean, Bill Cates, was also a losing candidate.)

There was no television, of course, in 1936, and few voters ever really knew what a candidate looked like unless they knew him personally. The principal campaign tool was a small hand card which described the candidate's qualifications and promises. (English's slogan: "We need English in our schools.")

The campaign cards were distributed to friends, left in barber shops and restaurants for people to see and pick up, but mostly handed out by the candidate soliciting votes on a one-to-one basis.

And that's what English and one of his top supporters, Mode Stone, were doing late one afternoon in Chipley, shaking hands and giving out cards. With one special twist:

Knowing that most voters didn't know what English looked like, they both got out of the car and, dividing up the town, walked up and down different streets shaking hands—each one introducing himself as Colin English, candidate for state superintendent of public instruction!

English, now 84 and retired, still keeps an eye on State government and remains active as a member of Doyle Conner's Agriculture Advisory Council. He and Mrs. English live in a stately mansion-home known as Longview, off Paul Russell Road. Son Colin English Jr. looks after the family holdings in forest land and citrus.

Once a powerful Cabinet member and State official, his name almost a household word in Florida (and appearing in every school book), in some respects Colin English may be the forgotten State Cabinet member.

Forgotten, that is, by almost everybody except some 50 former members of his 1936-1948 Department of Education staff (all but a few of us now retired) who gathered here a few weeks ago at the third annual "Colin English luncheon," to share fellowship and swap stories about the "old days."

And to let their former "chief" know that, although others may have forgotten him, *they* remember.●

HOW TO HELP CHILDREN LEARN

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 24, 1980

● **Mr. MICHEL.** Mr. Speaker, it has become a commonplace of educational policy to say that the best way to help children learn is to get parents involved. A recent study suggests that this is true only up to a certain point. The study found that individual concern shown by a low-income parent for his or her child's education cannot overcome "the general depressing conditions" in the neighborhood. What is needed is a neighborhood-wide commitment to education as means of getting ahead.

I find this theory of interest because it suggests that what is needed in education is a communitywide involvement, not just by individual parents but by all segments of the community including local businesses.

At this point I insert into the RECORD, "Neighbors Help Improve School Work," from the Chicago Tribune, March 7, 1980:

NEIGHBORS HELP IMPROVE SCHOOL WORK

INDUSTRY CAN PROVIDE JOB INCENTIVES: EXPERT

(By Casey Banas)

PALO ALTO, CALIF.—Even if parents in low-income families work with their children at home, the effort will have little effect on school achievement, according to an education professor at the University of California at Berkeley.

What really makes the difference, Charles S. Benson found in a study of families in Oakland, Cal., is the attitude toward education of the entire neighborhood. This attitude is poor because low-income communities cannot see any payoff in their neighborhoods for studying in school.

Benson offered a startling solution to deal with the problem in an interview during an Education Writers Association seminar with professors from the University of California and Stanford University.

Here are excerpts:

Question. You have done a study on the effect of parental behavior on student achievement. What did you find?

Answer. We tried to find out about the association between family characteristics [such as income and education of parents] and how well their children do in school. One might assume that the actions of parents toward their children—whether they take them to the library, whether they encourage them to do homework, how they control their television viewing time—is an important ingredient in school achievement.

Question. Is it?

Answer. Our findings are mainly negative. There is something more pervasive going on to affect the performance of children in school. The effect of these conditions on school achievement was slight.

Q. You found differences depending on the economic class of the family?

A. We considered separately high-income, middle-income, and low-income families. Only in middle-income families did we see any clear connection between family life and school achievement. The action of an individual low-income family is swamped by the general depressing conditions around it.

Q. So if a parent from a poverty-level family tries to help the child, it's not going to do much to improve school achievement?

A. Not too much, unfortunately.

Q. If a parent from a high-income family doesn't do anything with the child, it's not going to ruin the child?

A. Apparently not. Some high-income parents appear to give almost no attention to their kids, seldom are home, or care about what they are doing.

Q. But they do well in school?

A. Yes.

Q. Many teachers in Chicago inner city schools have said the parents don't care. They say that if only the parents would help their kids in reading and other learning activities, they would be able to do a better job in teaching and the children would learn more. You seem to be saying that's still not enough.

A. It's enough if parents as a larger group care. In a low-income neighborhood, the individual parent is relatively powerless. But if most of the parents in a low-income neighborhood showed that they valued school achievement, that could turn the situation around.

Q. What's the problem?

A. Our speculation is the following: Parents and children in low income neighborhoods see little payoff for a child working hard in school. There's a shortage of good jobs anywhere within reach of these children as they grow up. True, the outstandingly proficient low-income youth who goes to college can have a very good life.

But for the ordinary child in a low-income neighborhood, the prospects for conscientious work in school are not very good. The child faces the prospect of periods of unemployment, jobs that do not offer real training, jobs that do not offer much advancement, jobs that bear little relationships to what the child is being asked to learn in school.

Q. If you were the mayor of Chicago, what would you do about this?

A. I would try very hard to encourage industrial firms to locate within the city of Chicago either in low-income neighborhoods or on public transportation lines from these neighborhoods. I would ask the assistance of the federal government to put incentives on the private sector to bring them back into the central city.

The second thing is to try to persuade these firms to offer jobs with training and advancement to the graduates of central city high schools. There would be what we call a demonstration effect from some students getting good jobs right out of central city high schools on the other students and on their parents. We need a demonstration that working hard in school gives some good results. The most important result is a good job.

Q. You're asking business to take a risky step in doing this. What's in it for them?

A. What's in it for them is the avoidance of very distressing social problems that do not appear to be coming around to solution. Business does not want to exist in a thoroughly divided country. There are costs imposed on business through social delinquency that they could, in the longer run, avoid to making opportunities more available to central city youth.●

TRIBUTE TO ROBERT N. GIAIMO

HON. STEWART B. McKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, March 24, 1980

● Mr. McKINNEY. Mr. Speaker, today, the dean of the Connecticut congressional delegation, Hon. ROBERT N. GIAIMO, announced he would not seek reelection to the seat he has held for the past 22 years. I, for one, will miss him. To say that he has served with distinction does not quite state the case. He has demonstrated extraordinary ability, a command of the issues and the unflinching courage of his convictions. He has given the people of Connecticut's Third District a rare blend of what I feel our Founding Fathers envisioned to be the nature of representation: Compassion, concern, and toughness in the face of adversity. In BOB's mind, the third district always came first but our State has also had reason to be thankful for his service and in the last several years, he has developed a national constituency as well. His chairmanship of the House Budget Committee gave the Nation the opportunity to learn of his talents, talents we in Connecticut have been aware of for a good long time.

In November, someone new will be elected in Connecticut's Third Congressional District and in the tradition of the New Haven area, I am certain that the voters there will send someone to the House who is both competent and able. But, I would stress that although the seat be filled, BOB's place will not be taken.●

THE CENSUS—AN ACCOUNTING OR AN INVASION OF PRIVACY?

HON. KEN KRAMER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 24, 1980

● Mr. KRAMER. Mr. Speaker, by now, most Members of Congress and their constituents have probably heard the slick advertising campaign promoting the 1980 census: "We're counting on you. Answer the census."

Like the slogan, the purpose of the census seems clear enough. The Constitution specifies that the population of the United States is to be counted every 10 years to determine the number of Representatives each State will have in Congress.

Since the first census was taken in 1790, another important use of census data has evolved. It is used to help determine which areas will receive more than $50 billion annually in Federal funds under roughly 100 programs, including revenue sharing, law enforcement assistance, nutritional programs for the elderly, Head Start, and CETA.

However, many people are beginning to wonder whether the census has gone too far—both in the number and in the types of questions asked.

It is evident from looking over the computerized forms which will be mailed out Friday (March 28) to the 86 million households in the United States that the Census Bureau wants to extract a lot more information from you than merely how many people are at each address.

Depending on whether you receive the long or the short form, you will be asked where you are working, what kind of work you do and how much money you make. You will be asked how much your home is worth and how much you pay each month in rent, mortgage, taxes, and utilities. You will be asked how big your lot size is, how many bathrooms and bedrooms are in your home and whether it is hooked up to city water and sewer lines. You will be asked whether your house has complete plumbing facilities, including a flush toilet, whether you have to go through someone else's living quarters to get to your own, and what kind of fuel you use to heat your home.

You will be asked the age, sex, amount of education, and ethnic background of everyone living there, as well as the relationship they have to each other. Females will even be asked how many babies they have had, not counting stillbirths.

No doubt some of this information will be useful to the Federal planners who sit in their ivory towers spewing forth an endless parade of Government programs, all designed "to better our lives."

However, an increasing number of people are questioning whether the census has become a tool for invading our privacy.

One outspoken critic is Prof. Andrew Hacker of Queens College in New York City. He is a population specialist and has written several books using statistics developed from the census, yet Professor Hacker has this to say about the 1980 census:

> I'm really horrified at the length of the form. It's scandalous. It's the self-indulgence of some bureaucrats who would like a lot of information. If you are in HUD, you might think it would be nice to know how many water wells in this county are drilled and how many are dug. But that doesn't justify forcing 20 million people to sit down and answer your question.

It should be noted that government planners are not the only ones interested in census data. According to one of the "fact sheets" put out by the census promotion office:

> American business firms, from local stores to multinational corporations, rely on census statistics when selecting new sites, evaluating product lines, analyzing trends, designing sales programs, and developing strategies for marketing and advertising.

Since few, if any, small businesses have the resources to utilize census data, it would not be an exaggeration to say that the census, in effect, represents a taxpayer subsidy to big corporations and private marketing firms.

In short, we have come a long way from the original purpose of the census, as spelled out in the Constitution, which was to count people for congressional reapportionment.

Under current law, the Federal Government can slap a $100 fine on anyone who refuses to answer all or part of the census.

It is too late to recall the 86 million forms which are ready to go in the mail March 28. However, I do think Congress should shoulder the responsibility for checking the tendency of bureaucrats to ask questions that are more lengthy, detailed, and personal than necessary.

Accordingly, I have cosponsored legislation to prohibit the use of fines to enforce responses to census questions unless those questions have been approved beforehand by a concurrent resolution of the Congress.

Meanwhile, it is not too soon to begin looking at the 1980 census. In my opinion, this represents an excellent opportunity for the Federal Government to "get back to basics." If the forms are shorter and less personal, I believe more people will cooperate and there will not be such a need to spend taxpayer dollars promoting the census through a massive advertising and public relations program.

Under these circumstances, I would urge all my colleagues not only to look into the questions created by the invasion of privacy represented by this census form, but into the need to control the disturbing tendency of our nonelected bureaucracy to pry into the personal lives of all Americans.●

STUDENTS TO VISIT CAPITOL

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, March 24, 1980

● Mr. LONG of Maryland. Mr. Speaker, I welcome the 50 students from Towson State University who, with Dr. Martha Kumar, are today visiting the Capitol.

The students are here in connection with classes entitled "American National Government" and "The Congress." I will meet with my friends from Towson State to discuss the legislative process and the major issues of the day. The students will also observe House floor action and committee hearings.

I am sure my constituents will find this an interesting and memorable day. I am delighted to be able to meet with Dr. Kumar and her students.●

ZAIRE

HON. HOWARD WOLPE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 24, 1980

● Mr. WOLPE. Mr. Speaker, shortly this Congress will be considering the foreign assistance bill for fiscal year 1981. It is my hope that this year's legislation will reflect some of the painful lessons that emerge from recent developments in countries such as Nicaragua and Iran. American guns and dollars directed at propping up corrupt, oppressive regimes that are inherently unstable, do little to advance the national security interests of the United States. Indeed, highly visible American military assistance to such unstable regimes serves only to alienate the very peoples we seek to assist.

One instance in which the United States could benefit by heeding the lesson of the Iranian tragedy is the African nation of Zaire, formerly the Belgian Congo. In Zaire, as in Iran, the United States has become closely identified with the extraordinarily corrupt and incompetent regime of General Mobutu. As a consequence, Zaire could well become America's next Iran. The character of the Mobutu regime, and the extent of American identification with that regime, is elaborated in an excellent series of articles that appeared in the Washington Post recently. I commend these articles to the attention of my colleagues:

PEOPLE OF ZAIRE DIRECT SUPPRESSED ANGER AT MOBUTU, U.S.

(By Leon Dash)

KINSHASA, ZAIRE.—Ekofo Mabamba spat with disgust as he looked over his crowded, dismal neighborhood in the Livulu slum. "None of us have enough food to eat," he said.

The words poured out in an angry stream as he moved from the gray light of his front door into the small living room lit with a kerosene lamp. "We can say nothing about it, or we go to jail."

Once a week, on Wednesday mornings, Catholic priests in the slum dole out small quantities of protein-rich soy beans.

"The priests only feed the children they can see, the weakest," Ekofo said,"there are too many to feed."

Ten thousand malnourished children under 4 years of age are brought yearly to Kinshasa's Mama Yemo Hospital named after President Mobutu Sese Seko's mother. For the last two years, well over half of them have died there. Officials said the annual child mortality rate in some rural areas of this mineral-rich country of 27 million people may be much higher than 50 percent.

Ekofo (not his real name) is one of nine Zairians interviewed who asked that their names not be used for fear of arrest or reprisals, fears that help explain the absence of public outcry about conditions. As one Western observer put it, "The squeaky wheel doesn't get the oil here: he gets thrown in jail."

Most of their suppressed anger is directed at Zaire's military head of state and authoritarian president for the past 14 years who is reportedly one of the world's richest men.

But beyond Mobutu, 49, Zairians condemn the West, particularly the United States, for what they perceive as vital support for a corrupt and mismanaged regime that has brought one of Africa's potentially, richest countries to the brink of insolvency.

The perceived U.S. identification with Mobutu appears to parallel in many ways Iranians' view of America's backing for shah. Both men are said to have been put in power by the CIA. Despite obvious cultural, religious and economic differences between Zaire and Iran, they face similar development problems accompanied by rising expectations.

The undertone of Zairian interviews also suggests a growing tendency in the developing world to scrutinize U.S. support for various Third World dictators, a tendency that will confront Washington with new problems in the post-Iran period.

At independence from Belgium 19 years ago, Zaire was a food exporter. Although the country was then saddled with a colonial debt of $900 million, by 1970 it was politically stable and enjoyed a strong currency. Its debt was insignificant and there was a health margin of foreign exchange reserves.

Mobuto basked in strong domestic support, and enthusiastically prophesized "a rendezvous with abundance by 1980" for all Zairians.

Instead, Mobutu, his relatives and political cronies have amassed enormous private fortunes, while large numbers of Zairians are left wanting for basic necessities. "His government has created a small, calloused economic elite, a 'state bourgeoisie,' if you will," said one Western source.

A corrupt and poorly trained civilian bureaucracy combined with uncontrolled overseas borrowing and plummeting world market prices for copper, Zaire's main revenue earner, in the mid 1970s brought the country to the edge of bankruptcy.

Today, Zaire is $5 billion in debt, with repayment of government and commercial bank loans $1.1 billion in arrears.

Ninety thousand miles of good road at independence have deteriorated to 6,000 miles of most washed out gulleys.

Zaire now spends one third of its scarce foreign exchange—$300 million annually—for food imports. A government monopoly on crop purchases pays below market value to farmers for their produce and, in silent protest, farmers have produced less and less. Those farmers who try to get their food to local markets in the few passable roads are held up by hungry soldiers at gunpoint.

The country has yet to recover from the 1973 overnight "Zairianization" of 1,500 foreign-owned farms and small businesses that were taken from their Portuguese, Belgium and Pakistanti owners, distributed to Mobutu's supporters and run rapidly to ruin. Mobutu has since invited the previous owners to return and take up their businesses again, but few have responded to his offer.

Inflation last year was 100 percent overall and has dropped to a "low" of 65 percent this year. Food prices have soared to 200 percent above the 1976 prices.

"No one but the elite earns a living wage in Zaire," said one Western source. "Starvation and malnutrition are a Zaire problem, not just an urban problem. If you want to live, it's hustle all the way."

By Zaire's standards, Ekofo is well off. He owns his tiny, three-room house, has a job at the University of Zaire that pays $200 a month, and his wife earns $90 a month as a government clerk. Together, they earn almost six times the average Zairian monthly wage of $50.

"It is still not enough to eat," Ekofo said. "Our food for a month is more than $300.

We borrow each month to eat, then borrow from another to repay and eat, and then borrow again. We are always in debt. Tell me how we are to buy clothes?

"We are suffering here, and it is because of the Americans," Ekofo continued as one of his three children tugged playfully at his shirt. "We cannot change the government, because you support Mobutu for the copper.

"But the revolution will come, and we will kick all of you out."

His wife, who remained silent throughout the hour-long interview, shot Ekofo a quick, reproachful look, fearful that he had gone too far. Ekofo slumped back in his chair sullenly and asked, "What else do you want to know? Zaire is sick country."

The autocratic Mobutu agrees his country is ailing. In an independence day speech two years ago, Mobutu candidly criticized what he termed "the Zairian sickness" of widespread corruption and slovenly government management that was dragging Zaire down to ruin. The fact that he has not addressed a public rally since then, Zairians said, is a sign that he knows how unpopular he is among them.

Mobutu's harshest Zairian critics credit the proud and easily offended leader with forging political stability and economic prosperity out of an immense polyglot of mutually antagonistic tribes, ethnic groups and regions.

With the aid of the handful of university graduates educated during the colonial era, Mobutu established a colonial model.

Under Western pressure for political reforms, Mobutu allowed nation-wide elections for the first time in 1977 for a 270-member legislative council. Although the elections were considered fair and, in some cases, were hotly contested, the legislative council is allowed only to debate and raise embarrassing questions while Mobutu retains ultimate decision-making power.

Recently, the legislators delivered a series of allegations to Mobutu pinpointing high-level government officials they accused of corruption.

They also investigated payroll fraud in the government, where they found one department head personally pocketing the salaries for half of his section's nonexistent employees, a practice Zairians said is widespread.

"Mobutu did nothing then either," the source said. "He's done nothing to some extent because it affects people close to him, and to some extent" because there are not enough Zairians with skills who could replace those who are corrupt. "A middle-level bureaucracy does not exist in this country," the source said.

Against this background, Zaire's malnutrition and health problems fuel popular discontent. A U.S.-aided and Zarian government-funded nutrition center has discovered that chronic malnutrition here is "50 percent worse" than in nine Third World countries with similar problems. The nine are Egypt, Haiti, Cameroon, Sierra Leone, Lesotho, Liberia, Togo, Sri Lanka and Nepal.

"The child mortality rate here from measles approaches 50 percent compared to 1 percent in the United States," said a physician who asked not to be identified. "Overall, child mortality could be as high as 500" for every 1,000 children born, he added.

Food for the neediest is distributed by Catholic and Protestant churches. The Catholic Church, with the widest number of adherents, distributed food in an effort to keep government officials from rerouting overseas food donations to Zair's thriving black market, according to Western sources.

In three years the cost of bread has jumped from 25 cents a loaf to $1.50. At Lubumbashi, for example, discs are passed out at Catholic communion services for worshippers to get free bread at the church's distribution centers.

Even university students complain that they are poorly fed. Following a recent human rights symposium at Lubumbashi, a Zairian student said, "Here human rights concerns are for those with something in their stomach."

There have been occasional organized attempts against Mobutu's power. Twice, in 1977 and again in 1978, Katangan gendarmes who had fled United Nations peacekeeping forces during secession attempts by the southern mining province (now known as Shaba), returned to attack from their refuge in Angola.

Shaba is where Zaire's copper is mined, but troops stationed there, rarely paid and poorly fed, fled into the forest rather than face the relatively small force of rebels. Both times, the invaders, who enjoyed some measure of local support, had to be repulsed by foreign troops flown in by Mobutu's Western supporters.

This, in turn, has made Mobutu more paranoid and secretive, according to observers.

Foreign observers and Zairians point to the recent rehabilitation of Foreign Minister Nguza Karl-i-Bond, as an example of Mobutu's paranoid and mercurial temperment.

Nguza, who enjoyed high prominence in Mobutu's government prior to the first Shaba invasion, was arrested shortly afterward, convicted on questionable evidence of treason and sentenced to death. Mobutu pardoned him, and released him from jail a year later, in response to Western pressure.

Last March Nguza, who is from Shaba, was appointed by Mobutu to the Popular Movement's 36-member political bureau, and made foreign minister. "His real crime was to be from Shaba and to be cited in the Western press as a possible heir to Mobutu," a source said.

A number of Zairians said they see cracks forming in Mobutu's government, the beginning of disintegration they hope will bring him down.

Sabiti Ngolon (not his real name), 35, is a Kinshasa government clerk who tries to survive with a wife and two children on $50 a month. He said the immediate future for his family "looks black."

"But if we can get the Americans to stop encouraging [Mobutu's] government," he said, "there are small signs that things will change.

"I have friends and relatives in the army who are tired of not being fed and paid," Sabiti said. "We civil servants are tired of suffering. I, and many others, have to cheat and steal to feed our families.

"There will be some change," he said. "Mobutu knows it, too."

DIPLOMAT CHARGES CABLES WERE IGNORED

(By Dusko Doder)

The Carter administration was repeatedly urged by one of the top political officers in the U.S. Embassy in Kinshasa, Zaire, during the last two years to distance the United States from a government "due to fall of its own corruption and inefficiency."

Robert Remole, who served as political counselor at the embassy until last July, said his classified cables were either ignored in Washington or stifled by the U.S. ambassador in Zaire, Walter Cutler, who, Remole says, refused to report some human rights violations in Zaire to Washington.

Moreover, in an assertion disputed by Cutler and the State Department, Remole, 51, said in a telephone interview that he was forced into early retirement because of his strong dissents, in which he said that the "Mobutu government, its police and its military are the worst enemies of Zairian citizens."

"I began in 1978 recommending to the ambassador that we distance ourselves from the Mobutu regime, that the regime was due to fall of its own corruption and inefficiency, and that when this happens I did not want the United States to be identified with that discredited regime," Remole asserted.

Remole said he also called for a halt to military aid and economic aid to President Mobutu Sese Seko.

"I wanted to report certain human rights violations that were going on, but the ambassador wouldn't let the reports go through to Washington," he said.

Instead, said Remole, who now lives at Randle, Wash., Ambassador Cutler wrote an assessment of his performance that was so critical as to ensure the end of Remole's career after 28 years in the Foreign Service.

Cutler, who recently became deputy assistant secretary of state for congressional relations after having spent more than three years in Zaire, said Remole "was assessed fairly on his performance and potential and his views on the U.S. foreign policy did not enter in that assessment."

Cutler added that Remole "had certain views which did not necessarily accord with mine but they were taken into account." But he denied having blocked reports on human rights violations in Zaire.

Two other officials supported Cutler's statement. One of them, who served with Remole in Kinshasa, said his charges should be taken with a grain of salt given Remole's sudden selection out of the Foreign Service.

But the officials said that Remole's policy argument has been aired in one form or another as U.S. policymakers focus on ways to approach Third World countries in the wake of the traumatic events in Iran.

Like Iran under the shah, Zaire is an enormously wealthy land ruled by a dictator who is friendly to the West. While he is among the world's greatest human rights offenders, Mobutu has virtually absolute control over the country that contains the world's greatest known deposits of Industrial diamonds, cobalt and copper.

"The real question," a senior State Department official said in discussing U.S. policy toward the Third World, "is whether our interests are better served by pulling away from say, Zaire, or hanging in there and trying to serve our legitimate interests by working with Mobutu.

"If we pull away, we sort of leave things to fate. If we work with Mobutu and use our influence to change the system, well, you get your hands dirty in the process."

The official said he preferred the latter course because "it is not in our interest to contribute, directly or indirectly, to destabilization" in Zaire.

Remole, in his dissenting cable sent to top State Department officials before he left Zaire, had argued that U.S. military and economic aid symbolized U.S. political backing for an unpopular autocrat. Total U.S. aid amounts to $35 million annually.

Military assistance, although it involves less than $10 million annually, is widely perceived in Zaire as a demonstration of U.S. support for the government which, Remole said, is violating human rights on an unprecedented scale. "A Zairian cannot go about his ordinary business without being harassed, robbed and plundered by his own government," Remole said.

Remole argued that public perception of U.S. involvement with Mobutu "makes it almost inevitable that when his regime is overthrown the successor government would be anti-American.

"By distancing ourselves from the regime which is exploiting its own people, we would create a Western option for those who take power after Mobutu," he said.

Moreover, Remole argued, the United States could cut its aid to Mobutu "without opening ourselves to charges of overthrowing an African government" because France and Belgium "would continue to support Mobutu to the end." Both France and Belgium have extensive economic interests in Zaire.

One senior official, who asked not to be identified, conceded that "we have been concerned about our identification with a dictatorship." But he said that part of the problem, "which is going to persist, is a tremendously exaggerated perception [by Zairians] of what the United States does in Zaire."

The administration has reduced the U.S. military assistance program from $40 million in 1975 to $8 million in the current fiscal year. "Our assistance is almost entirely people-oriented," the official said.

Congressional critics of the U.S. policy emphasize that, apart for Zairian cobalt exports which account for 60 percent of U.S. requirement, the United States has only marginal economic interests in Zaire.

Some American banks, notably New York's Citibank Corp., have substantial exposure in heavily-indebted Zaire. The U.S. government Export-Import Bank has extended almost $300 million in easy credits to Zaire for the construction of a power line.

Critics also have focused on a wealthy New York businessman, Maurice Templesman, who is deeply involved in Zaire's diamond and metals trade. U.S. sources said Mobutu personally controls diamond trade, which according to official figures exceeded $600 million in 1978.

Templesman, who has enjoyed a long personal and business relationship with Mobutu, has helped market Zaire's gem and industrial diamonds through South Africa's De Beers, which is a partner in both mining areas.

Although Templesman has made campaign contributions to various Democratic and Republican politicians, his influence on U.S. policy toward Zaire is discounted by knowledgeable sources.

One official said that support for Mobutu is required by U.S. political interest in stability throughout Africa. He pointed out that Zaire borders on nine other African countries and that the prospect of instability in Zaire—and the risk of disintegration—could have an adverse effect on the entire region.

ONE USES NUANCES

(By Leon Dash)

LUBUMBASHI, ZAIRE.—Constitutional law professor Bibombe Mwamba is one of the few Zairians whose personal prestige, cloaked in the regalia of officialdom, allows him to speak, with relative candor about a political system that muffles dissent.

Bibombe's causes keep him on a tight schedule, and his proverbial absent-mindedness about appointments forces those interested in seeing him literally to track him down.

Found one recent night in a large, second-floor office in downtown Lubashi, where he was supervising students organizing papers from a human rights symposium held the previous week, Bibombe talked about wide spread violations in Zaire's courts, prisons and civilian administration. The abuses, he said, are perpetuated by the country's 30,000-man army.

Above the clatter of typewriters and a hand-cranked mimeograph machine, Bibombe explained that his efforts are directed at drawing the attention of Zairians and international organizations "to the violations, and the government's obligation to protect human rights.".

But even Bibombe's criticism are offered within limits that indicate a certain caution about holding the one party regime of President Mobutu ese Seko responsible.

"All of these things have been announced by the president himself," said. Asked if there were political rights violations in need of investigation in Zaire, Bibombe chose his words carefully.

"All of us are not authorized to give the right answer to the question," he said. "Most of the Third World has a system of presidentialism different from presidentialism in America."

Pinned above Bibombe's heart was the green rectangular pin, engraved with Mobutu's likeness, that denotes membership in Zaire's only legal political party, the Popular Movement of the Revolution.

His recent three-day human rights symposium, during which speakers criticized Zaire's government by citing "hypothetical cases" in a "certain country," was attended by a small group of students, professors and several foreign observers.

The participants voted to seek ways of investigating rights abuses and to establish a national commission on human rights.

"There are many cases of human rights violations here," Bibombe said. Among the areas where he said reforms were needed, Bibombe included:

Courts where judges are "not free from political influence," commonly accept bribes for their decisions and manipulate defense attorneys "by demanding a share of the fees."

Prisons where inmates are subjected to their guards' "sadism and intimidation" unless relatives supply bribe money.

Government agencies where civil servants "give hell to the citizens," forcing the poor to "pay them to get public functions done."

The army, whose soldiers roam the countryside indiscriminately "taking things from people by force."

Mobutu has blamed the present situation "on the liquidation of our customs and morals." In 1977, he announced a long list of reforms, most of which have not been acted on; including a national ombudsman office, which he called "the prople's eye," to investigate charges of rights violations.

Nothing has been done since Bibombe said, "because it has been caught up" in party politics. "There are many candidates for ombudsman, there are many ambitions," was all he would say.

Criticism "must stay within the party system," he said. "One uses nuances for expression."●

JOHN IRVING WHALLEY

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 24, 1980

● Mr. MOORHEAD of Pennsylvania. Mr. Speaker, John Irving Whalley, a former Member of this body, died on March 8. He served 13 years in the House, beginning in 1960 and going through 1973. He had a broad knowledge of foreign affairs and served ably on the House Foreign Affairs Committee.

I extend my condolences to his wife, children, and grandchild on this sad occasion.●

SWEDES VOTE PRONUCLEAR

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 24, 1980

● Mr. WYDLER. Mr. Speaker, for the last 3 years I have been very interested in the international question of nuclear energy development. I think it is important that my colleagues be aware of the decision yesterday by Swedish voters whereby they overwhelmingly rejected any phaseout of the country's ambitious nuclear program.

This is another example of a developing nation making a sensible choice on the future of energy supply after careful deliberation and much public debate. I hope this administration will take notice of Sweden's decision in their own considerations of nuclear energy policy.

Pertinent material follows:

[From the Washington Post, Mar. 24, 1980]

VOTERS IN SWEDEN REJECT PHASEOUT OF NUCLEAR PLANTS

(By Leonard Downie, Jr.)

STOCKHOLM, March 23.—Sweden's voters dealt a major blow to opponents of nuclear power today, overwhelmingly rejecting a proposal to phase out the country's ambitious nuclear program over the next 10 years.

Today's referendum, prompted by the Three Mile Island nuclear accident near Harrisburg, Pa., almost exactly a year ago, was being watched closely throughout Europe and the United States as a weather vane for the future of the antinuclear movement worldwide.

The antinuclear campaigner's warnings about the long-range dangers of nuclear power, punctuated with constant references to the Three Mile Island accident, appeared to have been outweighed by the pronuclear forces' warnings of immediate and possibly heavy costs of abandoning reactors already built, importing more coal and oil and adjusting operations in industries dependent of electricity, with the possible loss of jobs.

This support for jobs over ecology was perhaps best illustrated by the 3-to-1 vote for nuclear power in the district around Sweden's largest operating nuclear plant at Barsebak, north of Malmo.

Slightly more than 38 percent of those voting supported the proposal by the antinuclear movement of environmental, youth, women's and farmers' groups to shut down the six nuclear reactors now generating one-fourth of Sweden's electricity—more nuclear power per person than in any other country.

The majority of those voting supported two, almost identical, pronuclear proposals to use these reactors and build six more reactors to produce more than 40 percent of Sweden's electricity for at least 25 years while alternative sources of energy are being developed.

All of Sweden's political parties had pledged to support the result of the legally nonbinding referendum. But the outcome could put the right-of-center coalition government's Prime Minister Thorbjorn Falldin, who leads the farmer- and environmentalist-based Center Party, in a difficult position.

Falldin rose to power through his opposition to nuclear energy and resigned from an earlier coalition government in 1978 in a disagreement on the nuclear energy issue.

Falldin said tonight, "We will abide by the outcome" of the referendum, despite his deeply felt convictions. If he tries to delay operation of the six nuclear reactors, he risks bringing down the coalition government, which holds a single-vote majority in parliament.

Both of the Center Party's coalition partners—the Conservative and Liberal parties and the powerful opposition Social Democrats, which is the largest single party in parliament—supported one of the pronuclear alternatives presented in today's referendum. Only the Swedish Communits-Party joined Falldin's Center Party and antinuclear activists in campaigning for the proposal to phase out nuclear power quickly.

The vote would never have taken place if the Three Mile Island accident had not occurred last March. It had a deep and lasting impact here, forcing political leader to agree to the referendum, to remove the nuclear issue from last September's parliamentary elections.

During the sometimes strident referendum campaign, which dominated Swedish media and public discussion for several months, the looming concrete stacks of the stricken Three Mile Island nuclear plant cast a long shadow here. The image flickered across the screen on the nightly news, and the accident was dissected repeatedly, as though it had happened here and only yesterday.

"Another half-hour at Harrisburg and catastrophe could have occurred," antinuclear campaign leader Lennart-Daleus warned in the campaign's climatic prime-time television debate Friday night. "That's why we are debating nuclear power and why this referendum is taking place."

The antinuclear campaign literature featured wild speculation that "had the worst come to the worst" at Three Mile Island, "thousands of people could have died from radiation within a few days, tens of thousands could have contracted cancer within 10 to 20 years and millions more would have lived in fear of cancer, while thousands of square miles could have been made uninhabitable for generations by radioactive pollution. A disaster on this scale can also occur at Swedish nuclear plants."

This apocalyptic vision was countered by pronuclear campaigners, who were backed by both businesses and labor unions. They painted a frightening picture of the economic cost of quickly phasing out nuclear power. They frequently cited a government study to show that countless jobs would be lost unless about $20 billion were spent to import much more oil and coal, and to construct alternative plants to generate electricity for the pulp and paper, chemical, steel and aluminum industries.

"We already have employment and other economic problems to face during the 1980s," argued Rune Molin of the labor-backed Pronuclear Alternative. Using nuclear power for at least another 25 years, he said, "gives us time to produce alternative energy systems based on renewable resources," such as water, wind, wood and sun.

The antinuclear campaigners contended that these alternatives could be developed quickly, creating new jobs, and that energy conservation has not been pursued vigorously in Sweden, which consumes more energy per person than any other Western European country.

The referendum here was the third in a year on nuclear energy in Europe. Austria is now trying to decide what to do with its single, partially completed nuclear power station after voters decided by a 1 percent margin last November to stop construction. The Swiss, in a referendum held earlier last year, decided on a national inquiry into alternative energy sources before expanding their already comparatively large nuclear power program.

Denmark, Norway and Ireland have indefinitely postponed decisions and referendums on the development of nuclear energy have been suggested. France, West Germany, Britain and Belgium are steadily expanding their substantial nuclear generating capacities, despite some oppositions.

In the United States, there are about 70 nuclear power stations in service and about 90 more under construction. Facing mounting economic and energy problems in an election year. President Carter's position on nuclear power has become fuzzier since he promised to make it "the last resort" during the 1976 campaign.●

NATIONAL WOMEN'S POLITICAL CAUCUS

HON. CARDISS COLLINS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 24, 1980

● Mrs. COLLINS of Illinois. Mr. Speaker, 271 women saw a need for an organization that would transcend the women's liberation movement and would encourage women to participate within the political arena. These women founded the National Women's Political Caucus (NWPC) in July 1971. Since that time, the caucus has grown substantially larger—to approximately 45,000 members and supporters.

This new political organization called upon women to rally behind candidates committed to women's priorities and to humanist goals. Through actions of the caucus, more women have become power figures instead of powers behind the throne, or lickers of stamps and of envelopes. Due to the influence of the NWPC, areas formerly closed to women have begun to swing open.

The caucus worked to get the Equal Rights Amendment out of Congress, and continues to push for ratification in those States that have not yet recognized its importance. Within the individual States, the NWPC lobbies for the passage of ERA through the legislatures and funds the campaigns of ERA supporters.

By mobilizing support for legislation on issues important to women, the National Women's Political Caucus exerts its influence on Congress to pass bills favorable to women and to stop those that limit their rights. At this time, the caucus is focusing on several issues, including women's rights to reproductive freedom, legislation on domestic violence, and on shelters for battered spouses, and child care.

The appointments project is, of course, a major part of the activities of the caucus. With an up-to-date list of well qualified women kept always in hand, the NWPC is able to suggest the appointment of appropriate women to positions as they come open.

Before the caucus started its drive to get more women on the bench in 1977, there were only five women judges in the Federal courts system. Now, there are 32 women Federal court judges with more waiting for confirmation.

A nonpartisan organization, the National Women's Political Caucus has both Republican and Democratic Task Forces, working to develop the leadership of women within their respective parties. The pressure placed on both parties by these two groups and by the caucus as a whole has moved a large percentage of women into influential positions within individual campaigns and within the parties themselves. In 1968, less than 14 percent of the individuals attending the Democratic National Convention were women. This year, 50 percent of the delegates to the Democratic Convention will be women, and the Republican Party promises to closely parallel these statistics.

Local and State caucuses are the backbone of the NWPC, with the national providing essential links between the groups and creating an overall policy. The chair, the five vice chairs, and the members of the national steering committee meet four times a year to coordinate the direction of the NWPC.

Every 2 years, the entire caucus meets and elects new leaders. Last July, when the NWPC convened in Cincinnati, Ohio, Iris Migang, an attorney from California, was elected chair.

At the same convention, the National Women's Political Caucus passed a resolution dealing with the special needs of women in developing countries. As an organization concerned with the necessity of appropriate legislation to protect the rights of women within the United States, the caucus extended its interest to the plight of women outside this country by means of this resolution. Accordingly, I would like to share with my colleagues a copy of the resolution as passed by NWPC during the July 1979 Convention:

> Whereas the National Women's Political Caucus (NWPC) recognizes that genuine economic and social development of people in developing regions of the world require the development of women as well as men; and
>
> Whereas women in developing countries have special needs and concerns that are often overlooked in project planning and implementation; and
>
> Whereas the U.S. Government plays an active role in bilateral and international agencies having responsibility for development programs;
>
> Therefore, be it resolved that, the NWPC will educate ourselves about the status and needs of rural and urban women in developing countries; and
>
> Be it further resolved that, we will advocate to appropriate U.S. Congress and Executive branch officials the need for balanced program planning which includes the special needs of women; and
>
> Be it further resolved, that we will encourage strong advocacy of these views by U.S. participants in the 1980 World Conference of the United Nations Decade for Women.●

GASOLINE: A MOST TAXING SITUATION

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 24, 1980

● Mr. McDONALD. Mr. Speaker, the so-called conservation fee of 10 cents that will shortly be added to each gallon of gasoline we buy is badly named, we all agree. It is a tax pure and simple that will not provide more oil or gasoline, but will add to the coffers of the Federal Government and run up everyone's cost of living. Mr. Otis Brumby of the Marietta (Ga.) Daily Journal stated it all very succinctly in an editorial of March 15. I commend it to the attention of my colleagues:

GASOLINE: A MOST TAXING SITUATION

Will it work?

That's what everybody wants to know about President Carter's plan to halt inflation and balance the federal budget.

When inflation reached the 20 percent level, as economists predicted it would after the February consumer price index was released, Congress, the president and the American people realized something would have to be done.

What that something was—and is—is open to debate. President Carter has come up with a plan which, like most plans, has good and bad points.

One of the worst points is his plan to add 10 cents to the cost of a gallon of gasoline which already costs Americans more than they dreamed possible a year ago.

The 10-cent tax is called a "conservation fee," and the president claims it's designed to make us drive less.

Of course, all Americans realize the tax has another purpose, too. It's a sure-fire way to add billions of dollars to the federal treasury and make it easier on the president and Congress to balance the budget.

With the price of a gallon of gasoline already at the $1.20 a gallon, Americans have been driving less and carpooling more for some time now.

The new tax is expected to go into effect around May 15, according to the president, just before the big vacation season, a time when gasoline consumption has traditionally been higher.

However, with prices sitting at their current levels at the gas pump, we'd imagine quite a few families have already decided a vacation is a luxury they'll have to sacrifice this year.

An additional 10-cents-a-gallon tax isn't going to help conserve gasoline any more than it is already being conserved.

But the new tax is going to hurt the American people, who are already trying to make their budgets stretch enough to make ends meet.

Isn't it a shame that the middle-class American can't just impose a new tax every time he needs more income? With an additional 10-cent a gallon tax on consumers and the giant profits tax on the gas companies themselves, the energy situation is proving to be a financial windfall all right—for the federal government itself.●

CONGRATULATIONS EXTENDED TO NORTH PARK COLLEGE VIKINGS BASKETBALL TEAM

HON. FRANK ANNUNZIO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 24, 1980

● Mr. ANNUNZIO. Mr. Speaker, North Park College is a fine educational institution located in the 11th Congressional District I am honored to represent, and has maintained a splendid record of excellence in our city of Chicago since 1891, when it was founded.

The college's basketball team, the Vikings, recently won its third straight NCAA Division III national championship, and the Chicago City Council yesterday approved a resolution of congratulations to the team and the North Park College community for this feat of athletic excellence and dedication to the high ideals it represents.

I extend to the North Park College Vikings basketball team, and their coach, Dan McCarrell, my own congratulations on this accomplishment, and send them my warmest best wishes for many more years of victories of both personal and public achievement. Indeed, the people of Chicago can be proud of the distinction brought to our city by the entire North Park College community.

A copy of the resolution of congratulations passed by the Chicago City Council follows:

Whereas, North Park College Vikings basketball team won its third straight NCAA Division III national championship at Rock Island on March 15; and

Whereas, the title went to the Chicago North Side school with an 83-78 victory over Upsala, New Jersey College; and

Whereas, the Vikings, coached by Dan McCarrell, became the second team in NCAA history to win three consecutive national titles, the other being UCLA; and

Whereas, while its supremacy in the Division III competition has been to some extent overshadowed in the basketball collegiate world by the exploits of bigger scholastic institutions, North Park College has justifiably long been recognized for athletic excellence by fans locally and throughout the nation; and

Whereas, the Vikings have been at all times gracious winners, and the individuals have been noted for their spirit of team play; and

Whereas, the North Park College Vikings bring to Chicago prestige much sought by athletic aggregations and their followers: Now, therefore, be it

Resolved by the Mayor and City Council of Chicago, in meeting assembled this 20th day of March, 1980, That we express to the North Park Vikings, their coaches, their teachers, the parents and the student body, our heartiest congratulations for distinguished athetic prowess, and do so for ourselves and for an admiring Chicago fandom.●

THIEVERY AT TEXAS AIRPORT

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 24, 1980

● Mr. PICKLE. Mr. Speaker, last month major thefts at the Dallas-Fort Worth Regional Airport made headlines. Several arrests followed, and the Federal officials said only the top of the iceberg had been touched.

I commend Braniff Airlines for calling in the FBI to help curb the thievery. But I also wonder how the airline industry can keep saying cargo theft is no problem.

Far too long we have not acted constructively to protect cargo in transit.

I still urge Congress to enact a meaningful cargo security program as embodied in my legislation H.R. 655.

Also, I include two articles from the Ft. Worth Star Telegram of January 23, 1980. They clearly tell the story:

SIX SOUGHT IN D-FW BAGGAGE THEFT

(By James Pinkerton)

Federal officers are searching for six current and former airline employees who have been charged in thefts of air freight and passenger baggage worth $250,000 at Dallas-Fort Worth Airport.

Federal arrest warrants were issued late Tuesday for the employees.

Five indictments returned by a federal grand jury in Dallas are the result of a month's-long FBI investigation, a Justice Department prosecutor said. The investigation at D-FW is continuing.

Sources said more indictments are expected in coming months.

Merchandise allegedly stolen by the employees—who acted alone in some cases and together in others—ranged in value from a $39 pair of shoes and expensive stereo and radar equipment, to a $170,000 shipment of diamond rings.

One former employee of Braniff Airways, who ran Braniff's air freight receiving office, was charged with mail fraud in connection with a $12,000 payment the airline made on a false loss claim submitted on a racing engine.

Three other Braniff employees, and two ex-employees of American Airlines and Delta Air Lines were named in the theft indictments.

Assistant U.S. Attorney Gary Kleinschmidt, who presented the FBI cases to the grand jury, said the government intends to prosecute theft from airline baggage and freight shipments, regardless of its value.

One former American Airlines employee, Karl Pierre Knutson, 19, of Arlington, was charged with stealing a 9mm automatic pistol from a suitcase belonging to a federal Bureau of Alcohol, Tobacco and Firearms agent.

Airline spokesman Bill Dreslin said Knutson was dismissed after the Dec. 19, 1978, incident and had been working for one of American's subsidiary companies.

Two of the federal indictments center on James Vern Cox, 33 of 2619 Alco in Dallas, the former head of Braniff's air freight cargo receiving office at D-FW.

Cox, who resigned from Braniff after the investigation began, is charged with stealing various pieces of electronic equipment with two other Braniff employees.

Cox was charged with the April 1976 theft of a weather radar system destined for a customer in Abilene, and stealing an express shipment of golf clubs sent from Lake Tahoe, Nev.

The same indictment alleged that Cox and fellow employee Andre Safford, 36, of Lewisville, stole three CB radios in January 1977, a stereo receiver and amplifier Feb. 2, 1979, and a cassettee deck and turntable enroute to Pompano Beach, Fla., on the same day.

Cox, Safford and a third Braniff employee, Don Ray Gibson, 25, of Grand Prairie, are charged with the June 1979 theft of 336 video tapes shipped from Tokyo to Irving.

A second mail fraud indictment charged Cox and a Dallas man, James David Ray, 37, with a scheme to make it appear that Braniff lost a $12,000 shipment of auto parts and later submitting a false loss claim.

Federal prosecutors said Ray, who operated Off-Road Enterprises in Farmers Branch, used Braniff air freight to ship a $12,000 racing engine in November 1977 to an auto parts firm in Illinois.

Ray then had the parts returned to D-FW, where on Dec. 7, 1977, he and Cox removed the engine from the air freight facility so it appeared it was either lost or stolen. The indictment said Cox helped Ray file a loss claim with Braniff later in the month.

A fourth Braniff employee, Janet Lynn Day, was charged with the September 1979 theft of a pair of $39 shoes from a suitcase of a Braniff passenger who had arrived at D-FW from Columbus, Ohio.

Ms. Day, 20, of Dallas, reportedly has resigned from her position as a baggage handler.

Braniff officials, who sparked the federal investigation last summer by requesting FBI assistance in their theft losses, issued a brief statement late Tuesday.

"Braniff has cooperated totally with the law enforcement agencies involved in this investigation and beyond that, we don't really care to make any comment at this time," spokesman Michael Kaeser said.

He said figures for Braniff's losses at D-FW—where it maintains its world headquarters and dispatches more flights than the other 10 D-FW commercial carriers—were not immediately available.

David Rarity, head the Fort Worth FBI office, said his agents who worked the D-FW investigation received "excellent" cooperation form Braniff and were given airline documents crucial in making the theft cases.

The largest single theft occurred at Delta in July 1978 and involved a missing shipment of diamond rings appraised at $170,000.

William Cordell Abshire, 39, of 1009 Meadow Park in White Settlement was charged with stealing the shipment of jewels sent from Chattanooga, Tenn., to a jeweler in Dallas.

Abshire, a former customer services agent with Delta, allegedly sold some of the stolen rings to FBI agents posing as thieves and who later traced the rings to the missing jewel shipment. Agents obtained a search warrant on Abshire's home and reportedly recovered more than 500 rings.

Eugene H. Stewart, Delta assistant vice president for corporate security, said Abshire was fired after Delta learned of the theft.

"We don't tolerate it (theft), nor do we accept it," Stewart said during a telephone interview Tuesday from his office at Delta headquarters in Atlanta.

Stewart said Delta paid out $133,000 on 371 claims for lost, stolen or damaged baggage at D-FW in 1979. He said 56 of those claims involved suspected theft or pilferage, and Delta paid a total of $12,758 on those.

He said thefts from cargo shipments at D-FW in 1979 resulted in $33,000 paid out in claims, compared to $220,840 Delta paid for lost or stolen air freight throughout its system.

Airline industry figures reflect a steady decline in thefts, which now comprise less than 1 percent of the approximately $1 billion lost by the nation's transportation industry. In 1976 airline carriers in the United States paid $11 million for lost freight claims, of which 10 percent was directly attributed to theft.

THEFTS AT D-FW WILL CONTINUE, OFFICIALS BELIEVE

(By James Pinkerton)

The theft of $170,000 in diamonds at Dallas-Fort Worth Airport that led to federal warrants for current and former airline employees Tuesday is "just a drop in the bucket," federal authorities say.

Although the federal charges were brought against airline workers at the three major D-FW commercial carriers—Braniff International, American Airlines and Delta Airlines—authorities said internal theft is a continuing, across-the-board problem with all 11 carriers who operate from D-FW.

Justice Department prosecutors said the indictments returned by a federal grand jury in Dallas late Tuesday would be followed by prosecutions of additional airline workers at D-FW in coming months.

"We were out there 90 days, and we got 10 indictments," said an FBI agent who worked the D-FW investigation, "We could have made 110 cases; that's just the tip of the iceberg."

On July 10, 1978, William Cordell Abshire was leaving work at his job as a customer service agent for Delta Airlines.

As he walked by the Delta freight area at the terminal at the airport, he noticed a small, canvas bag lying on the loading dock.

Abshire, federal authorities charge, picked up the parcel, walked out the door and tossed it into the trunk of one of his automobiles.

Inside the bag, arranged in neat rolls, were 21 trays of diamond rings—clusters, solitares, wedding bands—worth a combined value of $170,000.

Last summer, after the FBI made an undercover buy and purchased several rings from Abshire—then traced them to a missing interstate shipment from Chattanooga, Tenn., to D-FW—agents raided his home and recovered more than 500 rings.

Abshire's crime and a range of related offenses are merely "a drop in the bucket," a fraction of the widespread internal theft and pilferage at the sprawling D-FW complex, say federal authorities who indicted Abshire and five other airline employees late Tuesday.

Although federal authorities uncovered at least one case of organized fraud involving false freight loss claims, they found that lax security bolstered a pervasive feeling among well-paid airline employees that the contents of suitcases on the baggage line were fair game.

"There seems to be an attitude out there that it's OK to steal, its like a fringe benefit," said a federal investigator.

Officers said the theft is of such a great magnitude that there is no way to tell if it is organized or if it is mainly a crime of opportunity, which is what they suspect.

The director of security for one of the airlines involved said last week there is no excuse for theft and pilferage by highly-paid, unionized airline workers who have many job benefits—including free travel for themselves and their families.

"These guys can easily make $30,000 a year with shift premiums, overtime and holiday pay," he said. "We're not talking about skidrow bums who are stealing to survive."

The veteran security officer said he believes the thefts are mainly crimes of opportunity.

"Most of them were standing around and said, 'Hey, look what came through tonight,'" the officer said of airline baggage and freight handlers. "They were aware that the other guys were stealing and if it was something they both wanted, they'd steal it together."

The FBI launched its D-FW investigation in August after Braniff officials asked for help in stemming theft losses at their huge, around-the-clock operation at D-FW. Braniff, which maintains its world headquarters at the airport, is the largest carrier at the airport, with 360 arrivals and departures each day.

Warehouse thefts, in some cases, were the easiest to commit, the FBI said.

"The employee simply loaded a crate on a vehicle and removed if from the freight house," one agent explained. "He would use a company truck to commit the theft, and take the goods out to his car and load it in the trunk."

In at least two cases, both involving Braniff, the theft of freight involved collusion between an outsider who had befriended an airline freight handler. The outsider would ship an item—in this instance a racing engine—pick up the crate with his friend's help and later file a loss claim.

"The guy doing the shipping is in cahoots with the guy on the dock," the agent said. "The dock man gives the shipment to his friend—maybe some night when the (freight) clerk is working.

"A day or two later, the friend goes out to the airport to pick up the shipment and it's gone," the agent said, adding that when other airline personnel are unable to locate the shipment, the shipper is told to file a claim for the loss.

And, the fraud worked in reverse order when the shipper sent goods from D-FW to another city and the freight was refused. The shipper instructed the airline to return his merchandise to D-FW, and with the help of the freight clerk, again retrieved his crate from the loading dock unnoticed.

The shipper and his friend on the loading dock were both charged with fraud for submitting false loss claims, federal authorities said.

Federal agents said their investigation was hampered in some instances by a lack of accurate records, making it difficult to trace stolen items.

"Often the airline didn't even know who was working at the time the plane (with the missing cargo) was unloaded, or which plane it came off," one official said.

And, officials said that airline routing tickets designed to give an exact accounting of a cargo shipment from one city to another—and the personnel who handled it—are at times ignored.●

ED KREMER OF SALISBURY, MD., RECEIVES NATIONAL IIAA AWARD

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, March 24, 1980

● Mr. BAUMAN. Mr. Speaker, too often, we lose sight of people in our midst who perform according to the highest standards of their professions. Our Nation is filled with people who believe in honor, duty, and integrity, and we should take an occasional moment to recognize them.

One such individual has recently been cited by his professional colleagues as deserving of the highest honor. At their national convention in Las Vegas, the Independent Insurance Agents of America presented the Woodward Memorial Award to Mr. Ed Kremer of Salisbury, Md. As the following article states, this is the highest award the IIAA can bestow on a member-agent and is given to those who carry on the tradition of that association to "support right principles and oppose bad practices in insurance underwriting."

Mr. Speaker, the Federal Trade Commission is presently investigating the insurance industry with the prospect of imposing more regulations. I contend that industries such as insurance can be much more effectively regulated at the State level and by their own activities rather than by any Federal agency. An important contribution we in the Congress can make is to encourage their efforts to recognize those in an industry who conduct themselves with distinction. I commend to my colleagues the following article concerning the presentation to Mr. Kremer.

EDWARD J. KREMER RECEIVES WOODWORTH MEMORIAL AWARD

LAS VEGAS, September 17.—Edward J. Kremer, Salisbury, Maryland, chairman of the Federal Affairs Committee of the Independent Insurance Agents of America, Inc., (IIAA) today was presented with the Woodworth Memorial Award at the national association's 83rd annual convention at the Las Vegas Hilton Hotel.

The award, the highest that IIAA can bestow on a member-agent, was presented to Mr. Kremer by Lee R. Meyer, CPCU, president of IIAA, at a general session of the convention.

Established in 1925 in memory of the late C. H. Woodworth of Buffalo, New York, one of the original 20 founders of the national association, which was organized in 1896, and its second president, the award is given on occasions when the officers and members of the Executive Committee of IIAA feel that an individual should be honored. It is presented to an individual who has distinguished himself in outstanding service, dedication and contribution to the American Agency System.

Historians of IIAA and its predecessor organization—the National Association of Insurance Agents—have recorded that Mr. Woodworth, during his lifetime, fought against devastating odds to preserve the American Agency System.

Mr. Woodworth's philosophy is found in a statement he made at the association's annual convention in Denver in 1905: "This association has done great things for us in increasing our knowledge and broadening our views of the business. Often at our first meetings, and occasionally at those held later, there have come men smarting from local grievances and loaded with local experience, to invoke the power of the National Association to right their wrongs or exploit their theories.

"It has been a delight to see them forget their troubles and hobbies in the consideration of the upbuilding of this organization, which does not and cannot by fiat right individual wrongs or immediately increase the income of this or that one; but which does in general benefit all engaged in the business by helping the right and hindering the wrong."

It was Mr. Woodworth, who originated and nailed to the masthead of the National Association as its object, the cryptic declaration: "To support right principles and oppose bad practices in insurance underwriting." This continues to be the guiding star of all IIAA work.

Mr. Kremer, president of Hanna and Kremer Insurance Inc., in Salisbury, Maryland is the 57th recipient of the Woodworth Memorial Award. He has a long and outstanding record of service to independent agents associations.

In 1963, Mr. Kremer was elected president of the Somerset-Worcester-Wicomico Association of Insurance Agents in Maryland. Five years later in 1968, he was elected to the presidency of the Independent Agents of Maryland.

His contributions to the insurance industry have been many and varied. Mr. Kremer has served as chairman of the Federal Affairs Committee since 1973, served as state national director from Maryland on the The National Board of State Directors from 1970 through 1973, served as a member of the Committee on Competition and was also a participant in drafting the Florida Manifesto. He is a past vice chairman of NAPAC and is presently a member of the NAPAC board of trustees.

While the Woodworth Memorial represents the ultimate recognition in our industry, well deserved awards are not new to Edward Kremer. He was twice named Maryland's Insurance Man of the Year—in 1973 and again in 1978. In 1974, he received the coveted IIAA Presidential Citation, and in 1978 at the 82nd annual convention in New York City, his outstanding service to the association was once again recognized as he became a second-time winner of the Independent Insurance Agents of America Presidential Citation.

Mr. Kremer, who serves also as chairman of the Wicomico County Airport Commission, is a member of Ocean Pines Club, Green Hill Yacht and Country Club and the International Club of Washington, D.C.●

THE THREAT TO WORLD PEACE

HON. ROBERT A. YOUNG

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, March 24, 1980

● **Mr. YOUNG** of Missouri. Mr. Speaker, last weekend, with many other St. Louisans, I participated in Hungarian Day ceremonies—a national day paying tribute to the 1848 Hungarian revolution and the leadership role played by the great patriot Louis Kossuth. My address to Hungarian Day ceremonies in St. Louis included some concrete proposals for upgrading our defense posture for the decade ahead. In view of the current interest in improving our defense position, I reproduce the text of my remarks:

Thanks for your kindness in inviting me to participate in these moving ceremonies. It is a real honor to be part of these festivities—and to join with a group with such a long and rich heritage.

When Laszlo Domjan asked me to talk today about foreign policy, I thought to myself that there could not be a more appropriate group than Hungarian-Americans to address on the topic—especially as it involves the tremendous Soviet challenge to the free world and democratic principles at this time.

For you and your ancestors have an intense and often tragic involvement with the Russians. It was, of course, Czar Nicholas I of Russia, a leader among European reactionaries, who used his troops to overcome the brave forces led by Louis Kossuth in the 1848-1849 revolution.

Closer to the present, the momentary success of the 1956 revolution was brutally snuffed out by Soviet military units. The brutality of the Soviets was demonstrated not merely by the way they crushed the rebellion, but also by the aftermath of the revolt. Then, as you well know, thousands of Hungarians were executed or imprisoned.

Since that terrible blood bath, the Soviets have invaded Czechoslovakia and intruded in several other nations even prior to the recent takeover in Afghanistan. The Kremlin sent arms to help pro-Soviet forces in Angola beginning in 1975. In 1978, the Russians dispatched $1 billion in arms and 1,500 Soviet military advisors into Ethiopia. Smaller quantities of arms and advisers were sent into South Yemen in the same year. On the basis of these and other actions around the world, can it be said that the recent thrust into Afghanistan is a new departure for the U.S.S.R.? I think not.

The fact is that the handful of members of the Soviet Politburo have often met in secret and made the cold decision to strike when it felt Soviet interests were at stake—regardless of the diplomatic, political or economic consequences. This elite Politburo did not have to worry about the domestic obstacles faced within democratic nations—obstacles like an adversary press or a combative legislature.

Those of us who have been in public life for long are rarely surprised by Soviet actions since they normally follow the basic Communist line.

In view of the events of recent decades, it can be said that the Soviet thrust into Afghanistan was just a continuation of a global power strategy that looks for any opening. What is new in Afghanistan is that the Soviets were for the first time since World War II invading not one of their own satellites but a third world nation with their own troops. Russia previously had relied on proxy armies to advance its cause.

It has been pointed out that Afghanistan marked one of the Soviets most concerted efforts after 15 years of military buildup. With all the force they have built up, will they attempt to strike again soon? if so, where?

The signs point toward expansionism in the Middle East or the rim of Central Asia. Embattled Iran and Pakistan seem particularly vulnerable. The Carter Administration, anticipating such a possibility, has been moving to strengthen relations with pro-Western nations of the region. In addition, an aircraft carrier task force was put in the Indian Ocean. The possibility of placing American military facilities in Kenya and Somalia has been pursued. I personally believe that the Administration should take additional steps by increasing our military ties with NATO nations. We should also seriously pursue the possibility of placing a large number of troops in friendly nations like Israel and Egypt.

The President has reacted to the Afghan crisis with a plan to reinstitute registration for the draft. I support registration, provided it does not include women. But I have serious doubts about how effective the registration plan would be in meeting fast-breaking crises such as Afghanistan. It would be very difficult to train draftees off the registration lists in time to meet our needs in an emergency.

What is really needed is a top-notch reserve, one that is really ready, one that will be prepared to go into service within a few days in case of an emergency. To achieve that, we need to take steps to bring the reserve forces up to full combat capability. The quality of the current weapons and other equipment used by the reserves falls short of the military needs of the 1980's. I think we also need to take steps to encourage more people to join the reserves and for those who are already serving to reenlist. These steps should include improved recruiting efforts, competitive levels of pay, reenlistment bonuses and better management of the current reserve forces.

It is important to make clear that reservists should not assume that they are virtually immune from being called up to active duty. They should realize that in the future the reserves is a serious matter, and that there is always a chance they will be called up.

I am convinced that these steps will help us make it dramatically clear to the Soviets that their power strategy will henceforth face even greater challenge from the free world than in the past . . . .

Before I conclude, I would like to pay tribute to a great Hungarian-American, Congresswoman Mary Rose Oakar of Ohio, who certainly ranks among the outstanding members of the House of Representatives. I might add that Mary Rose led the fight—which I supported—to keep the St. Stephen's Crown in the United States a few years ago . . . .

Thanks again for inviting me today.●

WAGE-PRICE CONTROLS

HON. JAMES J. BLANCHARD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 24, 1980

● Mr. BLANCHARD. Mr. Speaker, last week the House Banking Subcommittee on Economic Stabilization began hearings on the reauthorization of the Council on Wage and Price Stability. In my opening statement at those hearings I said that Congress should give the President the authority to impose wage-price controls if he so chooses.

I believe that in time it will be clear that neither the country nor Congress has the heart or the stomach to fight inflation by forcing a serious recession. Wage-price controls, if properly administered, could significantly slow the present inflation and allow us some breathing room to pursue more comprehensive long-term remedies.

On the subject of controls, I urge my colleagues to review a very perceptive article from the Sunday, March 23, 1980, Washington Post, by Mr. Hobart Rowan entitled, "Choice Is Controls or Severe Recession." Mr. Rowan's article is right on the mark. As difficult and distasteful as controls may be, they are an important first step to halt spiraling inflation, and they are far preferable to the traditional witchcraft of throwing people out of work to moderate prices and wages.

The article follows:

CHOICE IS CONTROLS OR SEVERE RECESSION

New York Banker Felix Rohatyn used an apt image the other day in explaining the need for wage and price controls. He said they should be regarded like the scaffolding put up to secure a weak building. Once in place, and after basic repairs to the structure are made, the scaffolding can be stripped away piece by piece.

President Carter has stubbornly refused to consider mandatory wage and price controls—or, alternatively, a substantially-beefed-up voluntary wage-price guidelines program. But a national emergency exists, and the issue won't go away by itself.

As inflation persists, as it will, through the balance of 1980, the president next January—whoever he is—will be faced with the absolute necessity of establishing an effective government wage-price policy.

This reality is recognized in the latest edition of "Setting National Priorities," a top-quality, if depressing, volume edited by economist Joseph A. Pechman for the Brookings Institution.

"Despite the severe difficulties, some direct government intervention in price and wage decisions will probably be needed," Pechman says in an introductory summary. This intervention can be either through formal controls, or—Pechman's preference—a much tougher guidelines program.

Pechman had suggested to his friends in the administration that Carter refuse to accept the outer limit of 9.5 percent for 1980 wage increases proposed by his tripartite Pay Advisory Committee.

That is up from 7 percent last year. But Carter, fearing that labor would walk off the committee, went along with the 9.5 percent guideline, a level that is likely to reinforce and extend the wage-price spiral.

"I would have let labor walk out," Pechman told this reporter. "We've got to play hard ball. In any event, the unions aren't going to strike against the government."

It seems to me that if later on it comes down to the prospect of imposing a "voluntary" wage guideline by fiat—presumably "rolled back" from the 9.5 percent—it will be preferable to go all the way to mandatory controls. Labor unions would regard that as fairer (or less unfair) than a "voluntary" program exerting its primary force on wage increases.

In a speech last week, AFL-CIO President Lane Kirkland attacked Carter's latest proposals as excessively concerned with budget-balancing. He added that if the "voluntary" program fails, the administration and Congress should turn to a mandatory anti-inflation program that controls all prices, incomes and wages.

Kirkland's point on the balanced budget is well taken. Carter has been driven to a balanced-budget stance by the general perception that the federal government is living beyond its means and borrowing too much money.

A balanced budget is clearly needed, but an anti-inflation program doesn't end there. Moreover, as Brookings economist Bary P. Bosworth points out, a balanced budget will serve a real purpose only if it is accompanied by an easier money policy that will encourage the climate for business investment, and thus give a much-needed boost to industrial productivity.

The policy dilemma, of course, is that the Fed and the White House have pushed up interest rates largely to prop up the international value of the dollar. But, as Bosworth observes correctly, the high-interest-rate policy in the United States has touched off an international interest-rate war, minimizing the benefit of a tough monetary policy for the dollar.

He argues that instead of escalating interest rates, a more direct attack on the fundamental sources of weakness in the U.S. dollar—among them the rise in the underlying rate of inflation toward double digits, low productivity and a rising oil import bill—could be more effective.

Bosworth's comprehensive anti-inflation program, including limits on the whole panoply of government actions that push prices higher, is the most comprehensive to come along. All of the details are in the new Brookings book.

But a critical element in the Bosworth approach is the "scaffolding" of wage and price controls.

The basic argument for wage-price controls, it seems to me, is unassailable. There are only two ways to break the momentum of inflation. One is wage and price controls. The other is a severe recession, almost a depression.

If the next president buys the Bosworth program as a guide, the "scaffolding" could be stripped away within a reasonable time. It won't be easy. But the other alternative is totally unacceptable.●

NARD CHOOSES BILL HILL OF EASTON, MD.

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, March 24, 1980

● Mr. BAUMAN. Mr. Speaker, the National Association of Retail Druggists has recently embarked upon a campaign to raise the awareness of the American public to the contributions of family pharmacists throughout the country. I am pleased that NARD has selected for their nationwide poster campaign, Mr. William Hill, a pharmacist from my hometown of Easton, Md. I have known Bill Hill for many years and I do not believe NARD could have possibly chosen a more conscientious or valuable member of any community.

But beside my understandable pride in representing such people as Bill Hill, I believe that we should understand the reasons why independent retail pharmacists find it necessary to educate the public to their needs. Across this country, the number of independent pharmacies has been declining in recent years and the policies of the Federal Government are largely to blame.

Retail pharmacists are the only members of the health care industry who are not allowed to charge their usual and customary charges for the services they perform under medicare and medicaid. They are allowed only a fixed fee for dispensing prescriptions and these fees simply do not keep pace with inflation. These fee levels are usually set on the basis of the most economical operation, invariably the large retail drug chainstore that does a volume business on a far thinner profit margin per prescription than the smaller independent pharmacist can. Ironically, it is in the poorer communities, where a larger percentage of people have prescriptions subsidized by medicare or medicaid, where the small independents are having the toughest time surviving. When they go out of business, as they have been doing in recent years, they are not replaced within the community. That leaves indigent patients to travel outside of their communities, increasing their expense and their inconvenience.

This is not the only Federal policy that has caused pharmacists trouble. The Food and Drug Administration has proposed regulations that would require the insertion of a patient package insert (or PPI) into each prescription. These inserts are supposed to inform the user of any potential side effects and risk in using that drug. This sounds fine but this proposal will do little to help the consumers' understanding and much to cause problems for pharmacists.

If the PPI's are to be effective, they must be understandable. However, if they are to be complete in describing the risks and to clear the manufacturers of liability for possible misuses, they must be very technical. So far, that is exactly what has happened and from the consumer's standpoint, they might as well be written in Chinese.

The cost of these PPI's however range in the area of $8,000 per store as a startup cost, which does not include the cost of hiring a clerk to sort and manage 50,000 separate pieces of paper. Remember that these are policies imposed upon pharmacists who are already having problems in business. These are not big businessmen but small business people who provide jobs and they deserve better treatment. I hope my colleagues will be alert to the campaign of the National Association of Retail Druggists. I can speak for Bill Hill in telling you that they need our attention and concern.●

SECRET MOUNTAIN-RED CANYON AREA

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 24, 1980

● Mr. UDALL. Mr. Speaker, 2 years ago, the Congress agreed with me that the Secret Mountain-Red Canyon area of Sedona, Ariz., ought to at least be studied as a potential national monument because it is a scenic wonder that may eventually be threatened or destroyed by development.

The National Park Service has conducted that study and soon will recommend to Congress what it thinks should be the future of the area.

As we all know, this study has sparked unusual and unusually vehement controversy in and around the Sedona community. Many citizens fear, understandably, that if the Park Service is called upon to manage a monument in Sedona it will immediately begin to condemn about 1,000 acres of private land within the study boundary. Others fear that the presence of the Park Service would add to the already intense growth pressures in the community. Existing pressures have pushed Sedona to the brink of its capacity to provide necessary services for its residents and are seriously eroding the character and scenery that make Sedona so special.

And if the volume of my mail is any indication, an equally large number of Sedona residents believe that a monument is the only device that could reliably prevent the ruination of this extraordinary treasure by those—perhaps those in the distant future—whose private gain may be in conflict with the public's interest in the public lands.

Sedona has been increasingly polarized by this issue. This is most unfortunate, even wrong, because no group has a corner on truth or falsehood. I have tried to stay out of this debate while the Park Service went about its job and the people of Sedona debated the issues. But I have kept close tabs on events and comment, and my staff has studied the issues closely both in Washington and in Sedona itself.

It is my conviction that most people in the community, whether they are for or against the monument, want to see Sedona maintained the way it is. I agree with that proposition. Unfortunately, if experience has shown us anything at all, it has shown us that reality does not stay the way it is if we do nothing at all. Years from now—5, 10, 30, or more—someone will want to develop the private lands at the base of the cliffs. One development for the most critical canyon in the area already is moving along. I do not know if the people of Sedona consider the kind of high-density development that is currently permissible keeping the land we all cherish the way it is. I do not.

So the question is what are we going to do to keep Sedona the way it is while protecting the rights and way of life of private citizens. Contrary to what many think, I have never had a definitive position on exactly how I think this issue should be resolved. I have always believed—as I believe today—that we can and must find a formula that achieves the maximum level of protection with a minimum of new governmental intrusion into people's life.

That formula may not be any of the three directions outlined in the Park Service study. So I have been exploring possible alternative avenues with key figures in the Arizona congressional delegation. I had hoped that we could unite on a compromise approach that could be enacted in the few remaining legislative days of 1980.

Unfortunately, I must report to date there seems to be insufficient interest or support within the delegation to get such a bill through in the 96th Congress. Despite my efforts, it appears that the resolution that is of so much interest to all in the Sedona area will not be forthcoming this year. And that, I am sorry to say, is the way it is.

To the scores of citizens who have written me urging opposition to the monument, I agree with you that adequate protection of this area does not have to involve the condemnation of private land or Disneyland-like operations of the Park Service. I find no current uses of private lands within the study area to be in any way incompatible with the public interest. Scaring or bullying people off their land is an unacceptable method to insure that the use of this land remains compatible.

To the equal number of citizens who have written me urging support for the monument, I agree with you that Secret Mountain-Red Canyon is a priceless treasure that must not be sacrificed to shortsightedness and fear. We must have the courage to be responsible stewards of the land and mindful parents of our children so that we can pass on to them the natural heritage that we as Americans have been so uniquely privileged to enjoy.

Two generations ago, Camelback Mountain—the trademark of Phoenix—was sold off for just a couple of dollars an acre. In the 1960's and 1970's, with the boom on in Phoenix, a great game became "King of the Mountain" in which wealthy people tried to build a house higher than the last one that was constructed. Senator GOLDWATER and Phoenix leaders joined in raising more than $1 million to purchase the remaining slopes on Camelback Mountain and to preserve them for all time. Our generation is going to be judged on its vision and foresight, and I think we will get bad marks from our grandchildren if we do not move now to guarantee that what surely must be one of the most inspiring vistas in all of the United States—the Sedona Cliffs at sunrise or sunset—is not lost.

Doing nothing is not an alternative. I hope that with the support of my colleagues next year we will be able to do what is right.●

AFFIRMATIVE ACTION—THE NEW "IRISH NEED NOT APPLY" PROGRAM

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 24, 1980

● Mr. ASHBROOK. Mr. Speaker, like everybody else around St. Patrick's Day, I have done a good deal of reflecting lately about the Irish. Being an American, I have thought almost entirely about the Americans whose forebears came from Ireland. Through all the bumps and scrapes, this has been a good relationship.

The Irish who came to our shores over the last two centuries had been oppressed to an extent so enormous it is hard to conceive. In Ireland, they had no freedom and no opportunity. In this country, they were provided with a great deal of both. It is a special pleasure, in this world where ingratitude is the rule, to reflect that Irish-Americans have remembered how much better life was here with all the problems, than it was in British-ruled Ireland. No Americans have loved this country more intensely, and served it more devotedly, then Irish-Americans.

Penniless and often hungry, the Irish were faced at the factory gates of New England with signs declaring, "Irish Need Not Apply." In the windows of many stores was the sign, "Irish Keep Out." The mill areas of New England were poverty-stricken to a degree we have difficulty imagining today. It is absolutely chilling to realize that those conditions were a vast improvement over those in 19th century Ireland. But the reflection adds pleasure to observing that, for all that, it is the Irish-Americans who scandalize the establishment by remembering America's rights rather than its wrongs, and by demanding the retention of traditional values when the fad of the establishment calls for alternatives.

Of course, the establishment tells us that it is just doing what it is doing, from busing to undermining the family, for our own good. But the Irish came prepared for that line. For hundreds of years, the Irish had been subjected to an English establishment which used the same excuse. Cromwell decimated Ireland in the name of converting the country to his version of the true religion. Generation after generation of English administrations banned Catholic services and banned the speaking or writing of Gaelic, all, they said, for the people's own good. Like the liberal establishment of our own day, London had its own ideas about morality, culture, and religion, and it did not intend to let the feelings of the people get in its way.

No one has had more experience with what well-meaning people can do to you under the pretense of doing something for you than have Americans of Irish descent. Liberalism, which went into power in the 1930's depending heavily on Irish-American votes, has now put the "Irish Need Not Apply" signs back up. Today a working man in Boston loses his job opportunities, not to a white Protestant New Englander, but to a liberal-specified minority. But from the worker's point of view, it is the same old story.

Few people will understand me better than Irish-Americans when I say that they are luckier because their forebears did not have the sympathy of a well-meaning establishment out to take care of them and do them good. It was a hard, cruel struggle out of the poverty and ignorance with which their forebears had reached our shores. But no one offered to teach their children entirely in Gaelic, so they had to learn English, and few people have done a more thorough job of it. No one offered them so much for welfare that they were discouraged from working, so they developed a work ethic often superior to the fabled Protestant one.

Many 19th century immigrants would have made it even if there had been a liberal establishment in their way. But, being human beings, many of them would have found the easy way out very tempting. Irish-Americans were free, for at least a century of their long history, of people who were trying to do something to them on the excuse of doing things for them, and they made the most of it. For that, they are grateful to America, and America is grateful to them.●

INFCE I

HON. TOM CORCORAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 24, 1980

● Mr. CORCORAN. Mr. Speaker, I reported to the House on February 20 my observations about the activities currently being conducted in Europe relative to that area's approach to uranium resource conservation, as well as nuclear waste management. A few days later, the International Fuel Cycle Evaluation (INFCE) concluded its work and presented its report in Vienna, Austria. This 66-nation international effort was convened at the suggestion of the United States as a result of President Carter's actions pursuant to his April 1977 nuclear policy statement. In the midst of other urgent international developments, the importance of this meeting and the conclusions of its participants have been blurred. Under normal conditions, the caption for the article describing the outcome "66-Nation Group Rebuffs Carter, Backs Breeder Reactors" might have been front page material in the Washington Post. Unfortunately, this article was buried back on page A 12 and received relatively little attention. I am inserting this article at the conclusion of this statement so that my colleagues may have an opportunity to review issues raised by INFCE which I feel are important to decisions soon to be before Congress about the reorientation of our domestic nuclear policy. Additionally, I am inserting a February 29 article from the International Herald Tribune.

The unfortunate situation in which we find the United States at the conclusion of this 2½ year effort is that we see yet another aspect of our failed foreign policy drifting without any true focus on productive conclusions. U.S. nuclear policy is unquestionably driving our European allies to the Soviet Union for enriched uranium. Without a doubt, the United States is increasingly in a position of standing alone in terms of nuclear energy policy.

If we reflect on the important decisions Congress has faced since the Carter administration assumed office, we can find that the conclusions of INFCE, which was convened under pressure from the President, have indeed vindicated the Congress. We in the Congress have been called upon several times to confront the Carter position on the deferral of spent nuclear fuel reprocessing and breeder development in this country. This body has continuously rejected the notion that vital elements in our domestic energy policy should be scuttled because of the mind-set developed early in this administration. We have rejected these proposals to eliminate the United States as a participant in the peaceful applications of nuclear technology. At issue for us now is whether or not the administration has the courage to respond to its proper commitment—to accept the basic conclusions of this international study, in which the United States was a full participant, and proceed to restructure the domestic nuclear fuel cycle program that has been devastated by various initiatives undertaken by the administration since 1977.

I submit that the financial costs alone to the American people for this experiment in foreign policy by the Carter administration have been very high. These costs can be measured in terms of the cancellation of nine enrichment contracts which would have provided important trade revenue benefits of up to $1 billion. These costs can also be measured in our inability to participate as a supplier of equipment for the legitimate energy programs of other nations. These costs can be measured in terms of the delays in the completion of important steps in our breeder demonstration program which has added at least 3 years to the availability of the first operational information from the Clinch River breeder reactor demonstration project adding at least $500 million to the cost of the project as a result of inflation. These costs can be measured in terms of serious erosion of the private sector to begin reprocessing fuel by no later than this year amounting to perhaps a penalty of $250 million in the costs of each such facility. These costs can be measured in terms of the numerous studies performed in connection with this international program, $24 million of which has been poured into a nine-volume Department of Energy report called the nonproliferation alternatives systems assessment program. Finally, 38 percent of the direct costs of INFCE were borne by the United States. These direct costs represent direct assessments to administratively support INFCE and do not include the additional costs borne by the U.S. Government in support of the U.S. delegation which attended various INFCE meetings, all but one of which were in Vienna. By this crude accounting, this experiment by President Carter has cost U.S. citizens at least $2 billion and some 3 to 5 years in implementation of important programs—to say nothing of a most severe erosion of U.S. prestige abroad.

I have carefully reviewed the 72-page INFCE summary volume. I have also met in my office with the U.S. Ambassador to INFCE, Gerald Smith. I would like to invite the attention of my colleagues to the following quote from the INFCE summary volume.

> Reprocessing in itself is important because it is an essential preliminary to many of the possible fuel cycles . . . if the breeder developing nations (who are also currently large users of uranium) install breeders on a sufficient scale, the rate of increase for the uranium price could slow down as these nations reduce pressures on the uranium market. If such a large-scale deployment can take place, it is likely not only that a light-water reactor and other thermal reactors will continue to be an economically viable option, but that uranium supplies would be redistributed to the benefit of countries with developing nuclear programs. Similar considerations would apply for other advanced reactor systems and fuel cycles.

Mr. Speaker, our obligation is to take the steps necessary for the United States to resume its technology leadership role. The worldwide application of both reprocessing and breeder technology should have the full benefit of U.S. input on matters of public health, safety, and safeguards. Anything less would be irresponsible.

Mr. Speaker, for the benefit of my colleagues, I insert a February 26 Washington Post article by Milton R. Benjamin and a February 29 International Herald Tribune article by Don Cook:

[From the Washington Post, Feb. 26, 1980]

A 66-Nation Group Rebuffs Carter, Backs Breeder Reactors

(By Milton R. Benjamin)

Vienna, February 25.—A 66-nation nuclear conference today rebuffed President Carter's appeal to curb international use of fast-breeder nuclear reactors. The conference instead adopted a technical report strongly supporting rapid development of breeder technology.

The report adopted today would appear to vindicate foreign countries that have forged ahead with breeder programs. With several Republican presidential candidates clearly on record as favoring development of an American breeder, the new report could make the advanced reactor an election-year issue.

The study, carried out as part of the International Nuclear Fuel Cycle Evaluation, which opened its final session here today concludes that fast-breeder reactors would release less radioactivity into the air than existing atomic plants and would also expose the operators of nuclear power plants to smaller radiation doses.

The report cited a number of other ecological and environmental advantages for fast-breeder reactors as well. In the climate of concern over nuclear safety that has existed since the Three Mile Island accident, it seems likely to reopen the debate over the fast-breeder reactor program in the United States.

President Carter, in organizing the international body's study in 1977, sought to kill construction of a U.S. demonstration fast-breeder reactor at Clinch River, Tenn., and tried to persuade other countries to slow up their breeder programs as well.

The president argued against the spread of fast-breeders—so called because they breed more plutonium fuel than they use—out of concern that a sharp increase in the worldwide availability of plutonium, which can be used to fabricate atomic bombs, would add to the problem of curbing nuclear proliferation.

But France, Britain, the Soviet Union, Japan and other countries have pressed on with their fast-breeder programs, and Carter has been unable to kill the Clinch River project. Backers of the breeder have each year pushed funding to keep Clinch River alive through Congress, voting an additional $172 million for the project in September by tacking a rider on a federal payroll bill.

Among the advantages cited for the fast breeder in the report:

Radioactive releases.—"During the normal operation of a power reactor, there are minor releases of radioactivity into the environment in the form of both gaseous and liquid effluents, there is some evidence to suggest that there may be a difference between the two systems, with the fast reactor appearing to demonstrate a clear advantage."

Radiation exposure.—"Occupational exposure should be lower for fast-breeder reactors than for [existing] reactors. Some European utilities are relying on the future fast breeder to decrease the annual dose per operator to well below the figure for the [existing] stations."

Thermal pollution.—"The thermal efficiency of the fast-breeder reactor is higher than that of the [existing] reactor because the fast breeder operates at higher temperatures; the problems of thermal pollution are therefore reduced."

Nuclear waste disposal.—"More waste would be expected to arise from the [existing] power cycle than from the fast-breeder cycle . . . This decrease would require fewer waste handling requirements and, consequently, less permanent storage capacity."

Even members of the U.S. delegation taking part in the fuel cycle talks here concede that the breeder reactor probably would reduce the number of occupational deaths associated with the nuclear industry, since it largely operates on plutonium and thus would reduce the need for the uranium that fuels existing atomic power plants.

A U.S. official said uranium mining is the primary cause of fatalities in the nuclear energy industry.

U.S. officials decided not to dissent formally from the study's general endorsement of breeders for countries with large electricity requirements. They made it clear, however, that they feel the report is too one-sided.

"The need and prospects for breeders understandably are given considerable attention in the light of their promise and the interest that some nations have in this technology," U.S. Ambassador-at-Large Gerard Smith said in addressing the session today.

"But the breeder is not without its costs, risks, and uncertainties," Smith added. "That report focuses much more on the positive features of the technology."

The United States did express satisfaction—from a nonproliferation viewpoint—that the report states that "breeder development and deployment is not likely to be economically attractive to countries with a small number of nuclear power plants, or just embarking on such a program."

In an earlier development, the conference delegates, in a last-minute compromise, elected Y. Yatabe, Japan's chief delegate to the talks, to be president of the group's final session.

Sir Hermann Bondi of Britain had been tapped informally to be president, but the group of 77—representing 117 Third World nations—over the weekend objected to selection of a delegate from a nuclear weapons country to chair the gathering.

[From the International Herald Tribune, Feb. 29, 1980]

World Body Endorses Nuclear Power Despite Weapons Proliferation Risk

(By Don Cook)

Vienna, February 28.—An international technical conference concluded yesterday that world nuclear energy development must be continued despite the danger of the spread of nuclear weapons.

It set forth this priority in a communique ending a two-year evaluation of nuclear fuel problems that resulted in an exhaustive series of technical studies.

The 66 countries involved in the International Nuclear Fuel Cycle Evaluation agreed that effective measures can and should be taken to minimize the danger of the proliferation of nuclear weapons. But they also agreed that such measures had to be applied without jeopardizing energy supplies or the development of nuclear energy for peaceful purposes.

The technical studies themselves endorsed both the development of fast-breeder nuclear reactors, which run on plutonium, and the reprocessing of used nuclear-fuel rods. Both moves will increase the amount of weapons-grade plutonium in the world. But the studies found the steps necessary to improve the world's energy supply.

FRANCE FAR AHEAD

As the meeting ended, the nationalized electricity authority of France announced in Paris that it would place orders for two large fast-breeder reactors, each capable of producing power in the 1,500-megawatt range. France is already far ahead in fast-breeder development, with completion of a 1,300-megawatt plant due to begin operation in 1983.

The conclusions of the INFCE study pose some policy questions for the Carter administration, which, in 1977, began an effort to alert the world to the dangers of weapons proliferation inherent in the growth of nuclear power.

When President Carter took office, he stopped work on construction of a big U.S. reprocessing center and tried to halt fast-breeder development. He also drastically tightened licensing procedures and controls over exports of enriched uranium.

The hope of the administration apparently was to gain consensus on the limitation of nuclear power development.

But as the eight volumes of technical studies and the final communique of this conference conclude, world consensus is that nuclear power development must go forward without being circumscribed or impeded. This position was reached regardless of the fact that there is no foolproof way of having nuclear power without the danger of a weapons spinoff.

The study, in which more than 500 nuclear experts from 46 countries and 5 international agencies participated, thus is more of an endorsement of European attitudes toward nuclear power than of the U.S. approach.

The U.S. nuclear industry is in the doldrums as a result of the Carter policies, the Three Mile Island accident, anti-nuclear lobbies and regulatory red tape, while in Europe nuclear power is still generally pushing ahead.

Europe now derives nearly 50 percent of its supply of enriched uranium for its power stations from the Soviet Union, whereas, only 10 years ago, the United States was the monopoly supplier. The constant change of

U.S. policies over supply arrangements is certainly a factor in this shift.

Since there are no specific recommendations resulting from the two-year INFCE study, it will be up to each government to develop its own policies in the light of the technical reports.●

ALLARD LOWENSTEIN

HON. HENRY S. REUSS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 18, 1980

● Mr. REUSS. Mr. Speaker, citizen participation is the essence of democracy. In this country, our entire system is predicated on the belief that every citizen should have a voice in the direction of his or her Government. One clear and consistent voice was stilled through senseless violence last week, and America is immeasurably poorer for its silence.

Our former colleague, Allard Lowenstein, was the embodiment of the citizen-activist. As a participant in every major debate in this country over the past 20 years, Al was the consumate public man. Through his example and personal efforts, he helped to bring other voices into American political debate, particularly those of groups which formerly were overlooked. Al helped to convince minorities, the poor, and young people that they could make a difference—and they did.

With enthusiasm, wit, and unselfish dedication, Al Lowenstein helped change the course of American politics, because he cared enough to speak out and to work for what he believed. We shall miss him in ways that we cannot now know.●

DIRECT SELLING INDUSTRY

HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, March 24, 1980

● Mr. RINALDO. Mr. Speaker, over the years, I have been immensely impressed by the direct selling industry in this country. The millions of individuals, largely women, who make up this industry are making outstanding contributions to our economy, and I am personally concerned at the threat to their livelihoods posed by the IRS's proposed change in their independent contractor status. I would like to point out to my colleagues some of the significant aspects of this industry and its importance to our economy.

Direct selling brings goods to consumers directly in their homes, and the industry as a whole accounts for approximately $9 billion in our national economy. More important, however, is the widespread impact this industry has on so many people.

Some of the products sold through direct selling are jewelry, cosmetics, fabrics, household cleaning products, cookware, vitamins, and others. Over 4 million people are engaged in direct selling and at least 2 million are active in the business at any one time. Eighty percent of direct salespersons are women, and more often than not the woman is a mother who already has significant family responsibilities.

At the same time, the direct selling industry appeals to minorities, the handicapped, and the elderly: In any one year, 600,000 direct salespersons are minorities; 200,000 are over 65; and 400,000 have disabilities.

These people are not wealthy: The overwhelming majority, 89 percent, work part time, and nearly two-thirds work less than 10 hours per week. The median earnings of direct salespersons in 1975 were $27 per week and, in that year, one-half of direct salespeople earned less than $675 annually in gross income from direct selling. In 1976, median total income of direct sellers was $13,840 and 27 percent of direct salespeople had a family income of less than $10,000.

Despite these statistics, however, and the long tradition of common law, the IRS has continued to insist that direct sellers be treated as employees and not independent contractors. As the Direct Selling Association has testified to Congress, these challenges by the IRS can jeopardize the financial well-being of a direct-selling company, which raises potential dangers for the thousands of direct sellers involved.

Fortunately, the IRS has lost these challenges in the courts and Congress has been given the opportunity to consider legislative initiatives that would protect the independent contractor status of direct sellers.

I support these efforts. In my estimation, the contributions made by direct sellers and their unique status in our economy demand that they continue to be treated as independent contractors. I intend to continue my efforts on their behalf, and I urge my colleagues to join me in working to see that these millions of jobs are not further jeopardized by shortsighted policy changes promulgated by the IRS.●

WASHINGTON GOES ON HIRING BINGE

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 24, 1980

● Mr. RHODES. Mr. Speaker, it is little wonder the American people are not overly optimistic about the administration's latest alleged inflation fighting program. In the March 24 issue of U.S. News & World Report, there is an article "Washington Goes on Hiring Binge" which points out the flimflam pulled on the American people prior to the program's announcement.

The article notes that the President gave the Government agencies, by example, fair warning that hiring freezes were coming. Many literally worked night and day to load up with people. Even the White House, which should have set a good example, added 70, according to the U.S. News article. This makes Mr. Carter's pledge to lop off 20,000 Federal jobs ring pretty hollow.

Such actions undermine public belief in the administration's sincerity of purpose. I urge my colleagues to read this article. It will help explain lack of public enthusiasm over the fourth Carter anti-inflation program.

Text of the article is as follows:

WASHINGTON GOES ON A HIRING BINGE

President Carter's new concern over government spending had a backlash effect in mid-March: A fresh wave of hirings in the federal bureaucracy.

For weeks before Carter announced a March 14 partial freeze on federal hiring, wary officials suspected that such an anti-inflation measure was in the works. As a result, they beat the President's announcement with a vigorous hiring rush aimed at filling every available opening.

A personnel manager in one department who found nearly half the positions in a 25-person unit vacant directed his employes to work nights and weekends to fill the jobs.

To find applicants, some agencies raided others. "It's a vicious circle," said one Labor Department official. "We steal from the Health, Education and Welfare Department, and they steal from Commerce."

A shortage of Washington-area residents interested in thousands of clerical jobs on the low end of the salary scale prompted some agencies to send recruiters out of town. The Federal Bureau of Investigation looked in Baltimore. The Office of Personnel Management recruited in North Carolina.

Even the source of job-freeze fears—the White House—got into the act. To augment a staff of 351 regular employes, Carter's aides tapped the departments for 70 temporary workers.

Bureaucrats defended their actions by claiming that the jobs were vital to their agencies and needed filling. Said one personnel official on the eve of Carter's announcement: "I'm busting my tail to fill jobs. Anyone who doesn't do the same is dumb."

There was no lack of openings. Nearly 50,000 federal jobs change hands in a typical month. The vacancy rate jumped even higher when a generous March 1 retirement-benefit increase prompted thousands of workers to quit earlier than they had planned.●

WINSTON AND DOROTHY KO ARE COMMENDED FOR GRAND OPENING OF MONTEREY PARK MALL

HON. GEORGE E. DANIELSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 24, 1980

● Mr. DANIELSON. Mr. Speaker, on Saturday, March 29, 1980, the grand opening of Monterey Park Mall will take place in Monterey Park, Calif., a city in my 30th Congressional District, which I am proud and privileged to represent.

On that occasion, our attention for the successful completion of this ambitious project will deservedly be focused on two extremely talented, energetic, and visionary entrepreneurs who are not only my Monterey Park neighbors but my good friends as well, Mr. and Mrs. Winston Ko.

As owners and developers of Monterey Park Mall, Winston and Dorothy Ko are the dynamic husband-and-wife team of the Kowin Development Corp. and the other Kowin companies involved with design, construction, finance, sales, leasing, and management of property. They are the first developers of Chinese ancestry to win community recognition and commendations from the city of Monterey Park. And recently, with public-spirited generosity, they kindly donated one of the buildings at the new mall for use as an emergency Federal disaster aid office to assist residents with property damage from the recent heavy rainfalls and mudslides.

Monterey Park Mall, located at 400 South Atlantic Boulevard, is an all-purpose center for shopping, dining, entertainment, and banking, which will provide over 300 new employment opportunities, while its substantial property tax base and sales tax revenues stimulate the economy. The mall encompasses an area of over 300,000 square feet, with parking spaces for over 400 vehicles.

Prominent among the many experienced business tenants at the mall is the Edwards Theaters chain which is already operating a triplex movie theater, the only theater in the western San Gabriel Valley showing first-run movies.

Planned in cooperation with the City of Monterey Park Redevelopment Agency, the Monterey Park Mall is a successful redevelopment project which has been brought to fruition without government subsidies of any kind.

Mr. Speaker, I ask that you and my colleagues join me in congratulating Winston and Dorothy Ko on the occasion of the grand opening of Monterey Park Mall, and to wish them every good fortune and success in all of their future endeavors.●

TRIBUTE TO TOM STEED

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 24, 1980

● Mr. BIAGGI. Mr. Speaker, after 32 years of outstanding service to his country, TOM STEED has announced his retirement from the Congress. I am honored to have served with TOM for 12 of those years and I wish him a well-deserved and long retirement.

TOM'S contribution to this House goes far beyond his dedicated service to his constituents in Oklahoma or his untiring and admirable performance as chairman of the Subcommittee on Treasury, Postal Service, and General Government. TOM is more than merely a respected colleague—he is a personal friend to most of us. The warmth of that friendship will be sorely missed—but never forgotten.

Nor will we forget TOM'S reputation as an effective leader and an expert of the legislative process. As chairman of his appropriations subcommittee, TOM has been responsible for allocating billions of dollars for extremely important Government services. While performing those duties, TOM has adhered to a strict policy of protecting valuable Government programs, while sparing the American taxpayer any unnecessary economic burden. Certainly, his unquestioned abilities in this regard—particularly at a time when we are striving to balance the budget—are greatly appreciated and will long be remembered.

Mr. Speaker, the retirement of TOM STEED represents a major loss not only to this Congress and his Oklahoma constituents, but to the Nation as a whole. However, his distinguished reputation and the high standard of his service will remain, and for this, we are truly fortunate and thankful. I join my colleagues in wishing TOM a full enjoyable retirement. He has earned it.●

LADY MONARCHS VICTORIOUS AGAIN

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 24, 1980

● Mr. WHITEHURST. Mr. Speaker, yesterday, March 23, 1980, the Lady Monarchs of Old Dominion University in Norfolk, Va., achieved what only two other women's collegiate basketball teams have accomplished by winning their second straight Association of Intercollegiate Athletics for Women National Championship.

Two of the players, Inge Nissen and Nancy Lieberman, had already been chosen for the all-America team. They justified their selection by their outstanding play in the semifinals and finals, and they were backed up by their effective teammates.

Mr. Speaker, as the former dean of students of Old Dominion University, I am proud to bring to the attention of my colleagues word of this victory by our fine young women athletes at ODU, and I insert in the RECORD at this point the account of their triumph which appeared in the Washington Post this morning.

I send my heartiest congratulations to this outstanding team. They are a credit not only to Old Dominion but to our Nation:

OLD DOMINION EASES TO WOMEN'S TITLE

MOUNT PLEASANT, MICH., March 23—With all-American Inge Nissen and Nancy Lieberman totaling 32 points, Old Dominion cruised to its second straight Association of Intercollegiate Athletics for Women college basketball championship today, smothering cold-shooting Tennessee, 68-53.

Nissen, a 6-foot-7 senior forward from Denmark, scored 20 points and Lieberman, a flashy point guard, had 12 for the Lady Monarchs, who never trailed in the game.

Old Dominion led, 32-24, at halftime and broke away in the early stages of the second half, outscoring the Lady Volunteers, 8-2, in the first two minutes. Old Dominion built its lead to as many as 18 points before sending in the reserves.

Tennessee shot a miserable 33 percent from the field and made just 13 of 23 free throws.

All-America Jill Rankin topped Tennessee with 17 points but sat out much of the game in foul trouble.

Center Anne Donovan, a 6-8 freshman, had seven points for Old Dominion and blocked a half-dozen shots.

The Lady Monarchs finished the year on a 27-game winning streak with a record of 37-1. Tennessee, which finished third in the AIAW finals a year ago, is 33-5.

Despite the graduations of Lieberman and Nissen, "We've got a great nucleus of players coming back," Old Dominion Coach Marianne Stanley said.

"We feel like we're going to be very good. We'd love to come back and defend our championship."

This game was not Old Dominion's best effort of the season, Stanley said.

"Offensively we did not get shots off our patterns in the first half," she said. "In the second half, I felt we ran our patterns much better."

"I'm very glad that we went out a winner," said Lieberman. "It proved why we're so good."

"At times she was brilliant," Stanley said of Lieberman. "I was very concerned when she got in foul trouble—I wanted very much to get her back into the game as quickly as possible."

Lieberman's performance was not up to her usual standard of about 18 points per game, but her teammates still awarded the Far Rockaway, N.Y., native the net cut down from the hoop as a memento of the occasion.

Lieberman now heads for the U.S. Olympic women's basketball team trials—but said she isn't sure whether the United States should send a team to Moscow for the Summer Games.

"That's a decision the president and the U.S. Olympic Committee should make," she said. "I'm not so sure I support our going to Moscow."

Lieberman said she might join the women's professional basketball circuit.●

THE 50TH ANNIVERSARY OF THE NATIONAL FEDERATION OF JEWISH MEN'S CLUBS

HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, March 24, 1980

● Mr. RINALDO. Mr. Speaker, this year marks the 50th anniversary of one of the Nation's outstanding service organizations, the National Federation of Jewish Men's Clubs. Its 40,000 members throughout the country are celebrating the organization's 50 years of service and dedication to brotherhood.

At the National Federation of Jewish Men's Clubs' annual convention, the members adopted several important resolutions which express their concern and commitment to securing basic human rights for people world over. They expressed support for our Government's efforts on behalf of Soviet Jewry, and urged an end to the Soviet Government's harassment and repression of these people. Additionally, they called on world governments to individually and collectively reach an international humanitarian solution to effectuate a resettlement of the "Boat People" in a peaceful environment. The members further reiterated their long-standing support for Israel and urged continued support for the Jewish National Fund.

The resolutions passed by the members of the National Federation of Jewish Men's Clubs exemplify this group's concern for the welfare and treatment of their fellow men. Their commitment and devotion to achieving basic human rights for all people is commendable. Only if individuals and nations of conscience continue to protest the denial of these rights, will emigration and with it the promise of freedom, become a reality, not just a dream for the oppressed people of the world.

Mr. Speaker, I applaud the National Federation of Jewish Men's Clubs' unstinting efforts to promote human rights for all.●

THE LAWS ARE INSANE

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 24, 1980

● Mr. McDONALD. Mr. Speaker, in the February issue of Esquire magazine, Richard Reeves presented an interesting review of the madness that increasingly grips Congress. For almost five decades there has been an unconstitutional trend in the Federal Government to the view that elitist bureaucrats in Washington know how to run everyone's business and activities better than people at the local level.

In his column, Mr. Reeves reviews a conversation with Mayor Edward Koch of New York. As my colleagues know, Mayor Koch had many years of illustrious service in the House of Representatives. Now, as mayor of New York City, Mr. Koch has come to the view that the presumed good intentions of Members of Congress had produced a nightmare for those who must work under the laws and rulings coming down from the colossus in Washington, D.C.

For the benefit of my colleagues the article follows:

"The laws are insane. They're ruining us," Koch said. "I voted for them when I was a congressman, and now I know how dumb I was. We permitted a small number of people, generally elitist, to dominate the society. They force us to keep hospitals open that don't have any patients. Help the handicapped, help the children! Put white teachers in black schools! No, put black teachers in black schools! Do this, do that, or we'll take you to court!"

"These laws are unworkable," Brown said. "They have a life of their own through federal courts and bureaucracy. It's process run amok. We're heading for a crisis. You'll have public officials who can't uphold the law."

Process run amok. While I was thinking about that, the California Supreme Court overturned the murder conviction of a young man named Barry Braeseke. He had confessed three times to killing his mother, father, and grandfather. The third confession was on national television.

The California court ruled that the confessions and evidence gathered were invalid because there was not proof "beyond a reasonable doubt" that Braeseke was "knowing and intelligent" when he waived his right to remain silent or to ask for an attorney before he confessed. I read the transcript of the tape of one of the invalidated confessions—the prosecutor interrogating Braeseke read him his rights first, then proceeded to ask a series of thirty questions to determine whether the suspect was sure that he wanted to talk and that he understood he did not have to give any statement.

It is, as Ed Koch said, insanity. The problem is not, as some are saying, too much litigation; it is too much law. We can't obey it all. We seem headed for a new Prohibition—this time, *everything* will be prohibited or mandated. We will all be lawbreakers, but none of us will be punished.●

APPROACH TO FOREIGN POLICY

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 24, 1980

● Mr. LAGOMARSINO. Mr. Speaker, columnist Stephen Rosenfeld, in a commentary in the March 21 issue of the Washington Post, analyzes Ronald Reagan's approach to foreign policy based on Reagan's recent foreign policy address in Chicago.

Rosenfeld concludes: "People who dismissed Reagan out of hand in the past cannot avoid taking a second look now."

For those who missed Reagan's speech, it would be worthwhile to take a few minutes to read what he has to say, along with Rosenfeld's commentary:

Can an Ex-Governor Handle Foreign Policy?

(By Stephen S. Rosenfeld)

A brief memoir: a few days after Jimmy Carter announced for president in 1974, I called him up—an aide named Jurdan, something like that, got him out of a shower in San Francisco—to ask whether a mere ex-governor could handle international affairs. He said sure and I went on to agree that the next president needn't be, and perhaps shouldn't be, a foreign policy expert, and suggested that he could rebuild foreign policy first at home.

In a superficial sense, this was wrong. Many of Carter's frustrations have arisen from his innocence and inexperience and the ways he sought to compensate. But in a deeper sense, it was perhaps wronger. The expectation that Carter would solidify a domestic base has not been fulfilled. He has neither assembled a workable domestic consensus for a liberal policy nor assuaged widespread security anxieties nor gotten on top of the policy-making process in Washington.

This brings us to Ronald Reagan, who, after the Illinois primary, must be accepted as possibly the next helmsman of American foreign policy. Once again, the question is whether an ex-governor with no national security experience can do the job.

Frankly, I have never been one of Reagan's fans. I have always identified him with the hard-core right: a jingoistic anticommunist carelessly offering simplistic military-oriented solutions to complex global problems. He is not subtle. He is not cool.

None of this is comforting. Yet in view of what has happened since 1976, it would seem necessary to ask if Reagan's conservative boosterism promises to be any less effective or reliable a guide to policy than the liberal guilt that was so prominent in Carter's baggage in the last campaign. I say this not because I think one is more cynical and opportunistic than the other. But, Carter's initial approach did not produce results that either the public or—ultimately—he himself found acceptable, and so he reversed field, especially on the critical Soviet issue.

What results would a hard-line Reagan approach produce? How would he react if the results were disappointing? If we have learned anything in the last four years, it should have been to demand that our leaders respect the jagged orneriness of events and not simply follow the seamless contours of their own ideologies and hopes.

For just this reason, it's fine by me that Reagan was, as reported, generally bland and unspecific in his "major" foreign policy address in Chicago this week. That beats telling us how many troops he's going to pull out of an allied country he has neither consulted nor been briefed on. The details come later. And if, as Lou Cannon reported, the speech's "new conciliatory tone . . . was designed to show that he is not a warmonger," that's fine, too. That's just what he needs to show.

But the Chicago speech was more interesting for the "broad requirements" of foreign policy that Reagan listed. His first was "a clear vision of, and belief in, America's future," by which he means faith in American capitalism as the engine of our progress and as a potential model for others. A conservative cliché? Perhaps. But it's worth more than a liberal cliché in response. Not many Democratic hearts may go pitter-patter for Reagan's eminently Republican vision. But though it's arguable, it's not outrageous. There's something to be said for cheering one's system on—and making it work better. The relationship of free enterprise to political liberty is not accidental. Let's hear more.

Reagan's second foreign-policy "requirement" is a strong economy, which he would achieve by unleashing free enterprise. I leave the heavy economic lifting to others. But surely, given the debris around us, it makes sense to ask why, say, Germany and Japan can import far more of their oil and yet not suffer nearly as much inflation. And so on. Carter in 1976 suggested that an ethical or social regeneration was the proper base for rebuilding foreign policy. Reagan suggests economic regeneration. Who disagrees?

If Reagan really wants to convince people that he's not a warmonger, then he's right to keep his third priority—a strong defense, "adequate military power"—third. He asserts that his positions on foreign and defense policy are generally closer to the majority view in Congress than Carter's are. Carter, to be sure, has been moving right, especially since the Soviet invasion of Afghanistan. But whatever Reagan would do in national security, he does not labor under Carter's burden of having to prove he's not soft.

I am not simply trying here to be "fair" to Ronald Reagan. I am trying to figure out who can best take us where we want and ought to go in the world. People who dismissed Reagan out of hand in the past cannot avoid taking a second look now.

PEACE AND SECURITY IN THE 1980s

(By Ronald Reagan)

If I were delivering a State of the Union address and doing my utmost to present our contemporary situation as accurately and comprehensively as I could, I would have to tell you that inflation and interest rates are possibly higher than at any time in our history. Our rate of increase in productivity, once the very foundation of our industrial might, is now less than half that of most nations competing with us in world markets, and less than one third of that of Japan.

Our energy policy is a web of confusion in which the cost of one Federal agency alone—the Department of Energy—is equal to almost ten cents for each gallon of gasoline we buy. We live in an energy-rich nation, but our government tells us we can reduce our dependence on foreign oil imports only by turning down the thermostats and by driving less.

Well, so much for the good news. The bad news is that we now face a situation in which our principal adversary, the Soviet Union, surpasses us in virtually every category of military strength.

While the Soviets arrogantly warn us to stay out of their way, we occupy ourselves by looking for human rights violations in those countries which have historically been our friends and allies. Those friends feel betrayed and abandoned, and in several specific cases they have been.

A Soviet satellite state operates freely just ninety miles off our coast; our embassies are targets for terrorist attacks; our diplomats have been murdered, and half a hundred Americans are captive going into the fifth month now at our Embassy in Iran.

We all have been dishonored, and our credibility as a great nation compromised, to say the least. Our shield has been tarnished.

We are a proud nation, with much in our history of which to be rightly proud. But in our national Capitol, pride in our country and our heritage seems to be out of fashion.

That is not true of our people. All over America I have found the people hungry to be told the truth about our situation and ready to respond in the country's hour of need. The American people are not ready to consign the American dream, with all that it means to us and to oppressed people everywhere, to the dustbin of history.

May I suggest an alternate path this nation can take; a change in foreign policy from the vacillation, appeasement and aimlessnesss of our present policy?

That alternate path must meet three broad requirements:

First, it must be based on firm convictions, inspired by a clear vision of, and belief in, America's future.

Second, it calls for a strong economy, based on the free market system, which gave us an unchallenged leadership in creative technology.

Third, and very simply, we must have the unquestioned capability to preserve world peace and our national security.

When I say our foreign policy must be based on convictions, I speak of our belief in the principles and ideals which made this nation what it is today. We must take the lead in pointing out to other nations, and particularly those of the Third World, the superiority of our system. For too long at official levels we have been apologetic about, if not downright hostile toward, American capitalism as a model for economic development.

We must also use our ability to communicate with the world—through the Voice of America, Radio Free Europe and Radio Liberty—to call attention to those nations that also were once poor but now enjoy a standard of living far above that of their neighbors who put their faith in communism. We can, for example, point to a Singapore, a Taiwan or a South Korea, as nations that shunned Marxism and socialism and have won their prosperity by means of private enterprise, thrift and hard work.

Coming to the second of our broad requirements, we cannot meet out world responsibilities without a strong economic policy which is effective at home and in the world marketplace. We cannot go on allowing government to spend beyond its means while our currency depreciates in value literally by the day and week.

The Carter Administration explains away much of our inflation as caused by the need to import oil. We import less than one half of what we use. Germany imports 96 percent and Japan 100 percent, but their inflation rates are only a fraction of ours. As a result, their workers save a much higher percentage of their earnings than Americans do. Their industry invests more in capital equipment and research, and their governments take only two-thirds the percentage of total output in taxes as does ours.

We are losing out in global economic competition not only because we have become overgoverned, over-regulated and overtaxed, but because our method of taxation has discouraged investment, risk and enterprise, and the result of overtaxation has frightened people from the private sector, which accounts for our production, to the public sector, which is not only the least productive segment of our economy, but actually devotes much of its activity to impeding production and stimulating consumption. Today only about 79 million Americans work and earn in the productive private sector. About 82 million get a portion of their income from government.

An unbalanced administration of the antitrust laws has led to compulsory licensing of new technologies that benefits foreign competitors. Our foreign competitors are free to pool their resources so as to drive American business out of foreign markets. Our antitrust policies—designed to foster competition in the American market—are applied to American firms in the world market in such a way as to make them noncompetitive with other industrialized nations.

We must put our economic house in order so we can once again show the world by example that ours is the best system for all who want security and freedom.

Communism is good for guaranteeing lifetime jobs for dictators, but it is terrible for economic development. This is a fact that we have to get across to people throughout the world, and especially in the poorer countries. The American success story used to be a shining example, something that other people aspired to. It was and can still be the American dream. But the world must see that we still believe in that dream.

And this brings us to the third requirement for our policy. The best foreign policy cannot preserve the peace and protect the realm of freedom unless it is backed up by adequate military power.

The Carter Administration and the Democratic-controlled Congress have neglected our military strength and have cut back our defense programs. For nearly two decades the Russians have been building theirs to an extent never before witnessed by the world. And only now, since the Soviet invasion of Afghanistan, and the President's discovery that the Soviets can't be trusted, has he indicated that he recognizes the importance of a strong defense.

But his actions do not match his new rhetoric. Now he calls for a military budget increase, which, allowing for inflation, leaves us totally unable to match the Soviet buildup.

He sternly announced the suspension of action on the SALT II treaty—for a while. Now he has called again for its ratification.

The President at the same time, however, declared that he will keep the United States second to none in military strength. How can he keep us where we are not? We are already second to *one*, namely, the Soviet Union—and that is a very dangerous position in which to be. Besides, Soviet investments in strategic arms are continuing at a rate nearly three times as large as ours, and their investment in conventional arms will be nearly twice as large. So what we have been told is simply untrue.

We also should have learned the lesson that we cannot negotiate arms control agreements that will slow down the Soviet military buildup, as long as we let the Soviets move ahead of us in every category of armaments. Once we clearly demonstrate to the Soviet leadership that we are determined to compete, arms control negotiations will again have a chance. On such a basis, I would be prepared to negotiate vigorously for verifiable reductions in armaments, since only on such a basis could reductions be equitable.

This is how we can find peace and security through strength.

There are no easy solutions, and I do not believe in deceiving the American people. To rebuild our military strength will take determination, prudence, and a sustained effort. We simply have to face the harsh fact that our defense posture must be invigorated across the board.

To prevent the ultimate catastrophe of a massive nuclear attack, we urgently need a program to preserve and restore our strategic deterrent. The Administration proposes a costly and complex new missile system. But we can't complete that until the end of this decade. Given the rapidly growing vulnerability of our land-based missile force, a faster remedy is needed.

We have to maintain a superior navy. We are a nation with vital interests and commitments overseas, and our navy must stay head of the Soviet buildup. This means commissioning the ships and developing technology which will enable the United States to command the oceans for decades to come.

We must restore an active ready reserve force and provide the necessary incentives to retain skilled men and women in the armed forces. I believe we can make a voluntary force work. But we can't when we force people to serve at a pay scale lower than welfare. A noncommissioned officer on a carrier is put in charge of a $25 million aircraft. He often works sixteen hours a day. He earns less than a cashier at a supermarket. Is it any wonder the armed forces are losing two-thirds of their personnel?

To me, it makes far more sense to fix this urgent problem of personnel retention and to restore the strength of the reserves, than to debate whether we should hire hundreds of bureaucrats to compile a gigantic roster of young men and women for a possible future draft.

We have to take full advantage of the contributions that American science and technology can make to the defense of the United States and to the preservation of peace.

And we must once again restore the United States intelligence community. A Democratic Congress, aided and abetted by the Carter Administration, has succeeded in shackling and demoralizing our intelligence services to the point that they no longer function effectively as a component part of our defenses. With all of the terrorist and military threats confronting us, we need a first-class intelligence capability, with high morale and dedicated people. We have the means to regenerate our intelligence organization, and I would surely employ those means.

But while we do all these things and they are essential, we must above all have a grand strategy; a plan for the dangerous decade ahead. We must be prepared with contingency plans for future Irans and Afghanistans. It is painfully apparent that we have been surprised repeatedly and faced with situations we have never anticipated and for which we have no ready plan of action.

When it was learned that the Soviet Union had added to its air force and submarines in Cuba—which we meekly accepted as within their rights—and then a combat brigade of ground troops, President Carter said this was unacceptable to the United States. He has since accepted the unacceptable with no further protest.

Totalitarian Marxists are in control of the Caribbean Island of Grenada, where Cuban advisors are now training guerrillas for subversive action against other countries such as Trinidad-Tobago, Grenada's democratic neighbor. In El Salvador, Marxist totalitarian revolutionaries, supported by Havana and Moscow, are preventing the construction of a democratic government.

Must we let Grenada, Nicaragua, El Salvador, all become additional "Cubas", new outposts for Soviet combat brigades? Will the next push of the Moscow-Havana axis be northward to Guatamala and thence to Mexico, and south to Costa Rica and Panama?

In the United Nations—where we pay the lion's share of a bloated budget—Puerto Rico and Guam are alleged to be instances of colonialism, yet hardly a single speech is being given, hardly a word is said about the vast expanse of the colonial empire of the Soviet Union.

Recently, the Administration took great pride and hailed as a victory a United Nations Resolution condemning the invasion of Afghanistan, even though that resolution did not even mention the Soviet Union by name.

These humiliations and symbols of weakness add up. The unwillingness of the Carter Administration to make our case is pervasive. We apologize, compromise, withdraw and retreat; we fall silent when insulted and pay ransom when we are victimized.

Confronted by so many pressing crises, we would all like to find solutions. What can be done, tomorrow, to free our diplomats in Teheran? What can be done now to turn back the Soviet invasion of Afghanistan?

We can neither solve these present crises, nor cope with graver future ones unless we regain a reputation of reliability toward our allies. This means avoiding what we did in Taiwan, and what we did to Korea with the mistaken plan for withdrawing troops, or to the German Chancellor with the incredible flip-flop on the "neutron warhead" or to Israel with that incredible and scandalous vote in the United Nations.

Our grand strategy must recognize those areas of the world which are necessary to any plan for preserving world peace.

Here in our own hemisphere I urge a North American Accord to bind the three great nations of this continent closer together. I have already spoken of Central America and of the Caribbean, and certainly we must regain the friendship and trust of the nations of South America.

In the Middle East our alignment with Israel must be continued for the benefit of both counties. Israel, a stable democracy sharing our own values, serves as a vital strategic asset with its highly trained and experienced military forces, and is a deterrent to Soviet expansion in that troubled part of the world.

We must continue efforts to win the friendship and trust of the other nations of the Middle East, but we must not attempt to impose our solution to the problems there. This can be said of the trouble in Lebanon, where we should offer our help but without dictating terms and it also applies to the tragedy involving two of our NATO allies over Cyprus.

We did not seek leadership of the free world, but there is no one else who can provide it. And without our leadership there will be no peace in the world.

Finally, we must rid ourselves of the "Vietnam Syndrome". It has dominated our thinking for too long.

The conduct of American foreign policy is essentially a task of efectively managing our resources—material, human and moral—and implementing policies which use those resources in the pursuit of our national interests.

Congress plays a decisive partnership role in foreign policy, not only because it must allocate budget resources, but also because it has an important voice in shaping a national strategy.

I believe my positions on foreign and defense policy will generally be closer to the majority view in Congress than the positions of the Carter Administration. I recall here how Congress overruled the Administration on the withdrawal of troops from Korea, the Congressional opposition to the cancellation of the B-1, the doubts in Congress about draft registration, and many other issues where, in my view, Congress is far ahead of the Carter Administration.

I have long felt that our foreign policy must be changed, and I have consistently stressed the urgency of strengthening our defenses against Russia's growing military might. I have made a strenuous effort to alert my fellow Americans that the policy of detente is, to a large extent, an illusion and not a reality of East-West relations.

I have spoken always with confidence and conviction about these matters because I have felt the danger before us has been clear and present. With millions of Americans, I have hoped that we would change course quickly before the situation got worse. We did not, and the situation has in fact become worse—but it is by no means irretrievable.

Today, even though our nation's security has greatly deteriorated during these past years, my confidence in the strength and patriotism of the American people remains unshaken.

If told the truth, the American people will support a foreign policy reflecting their pride and patriotism, a foreign policy that is a charter for our nation's great future, not an installment plan for America's decline.

When our national recovery begins, you will see a rallying of the spirit not only in this great nation, but among all oppressed people, and a revival of our alliances throughout the world.

Once we act again as the leader of the Free World, I believe we will no longer stand alone; we will be supported by a grand coalition of other nations and peoples who want to work with us to preserve their freedom.

We have the resources, we have the wisdom, and we have the conviction to preserve peace and security in the coming decade. We have only to get on with the tasks before us.●

HOW TO JUDGE WASHINGTON ACTIONS

HON. JAMES T. BROYHILL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 24, 1980

● **Mr. BROYHILL.** Mr. Speaker, the debate in Washington these days is centered around balancing the Federal budget and the policy decisions that are made in Washington that impact on that budget. The past spending policy of Congress, which is spending the taxpayer's hard-earned money at the rate of $1 million per minute, is the root cause of the financial and inflationary crisis which grips the country today.

Recently, my good friend, Rolfe Neill, publisher of the Charlotte (N.C.) Observer, wrote a short guide by which citizens can judge the actions and decisions made by Congress in dealing with our financial problems. Under leave to extend my remarks, I commend this article to the attention of my colleagues:

A SUNDAY SAMPLER—ARMING WITH FACTUAL BULLETS

Facts are the ultimate weapon. You can run from them but you cannot hide. So when people want to fool you they distort the facts.

America is in the most serious financial trouble since the Great Depression. We're on the inflation bobsled and the brakes appear to be burned out. It's an emergency. Inflation will conquer a nation as surely as a foreign army, just more quietly.

Most of the money decisions affecting your life this year won't be made by you. Washington politicians will make them. These leaders' policies are primarily responsible for our crisis. Their self-interest tells them to deny it. That same self-interest urges them to continue their perversion of certain economic indisputables.

A HANDY GUIDE

Herewith a Sunday Sampler of facts by which to judge all Washington actions:

1. Something for nothing. Still can't be done. For a dollar to be given away by Uncle Sam, some taxpayer must earn it. It is impossible for government to create wealth. It can only confiscate and redistribute.

2. OPEC didn't cause our 13.3 percent inflation last year. Yes, the oil sheiks' big price hikes contributed to inflation, but the principal firebug was our own government. Japan imports 99 percent of its oil. The inflation rate there is 6.9 percent. West Germany imports about 97 percent of its oil, yet has an inflation rate of 6.6 percent. The chief difference between them and us: financial discipline.

3. Uncle Sam's borrowing crowds you out at the loan window. If our government would live within its income it wouldn't need to issue so many IOUs. Interest rates would be much lower. You would have more of your paycheck to spend as you choose rather than have the government take it from you. Last week, Uncle Sam paid better than 14 percent interest to finance the deficit voted year after year by our politicians.

4. Social Security is nearly bankrupt. Biggest trouble here is that Congress voted eternal automatic Social Security raises to

match inflation. That means a 23 percent benefits increase in the last two years. Did your wages go up that much?

CAN'T BE DONE

There is no pool of Social Security funds. Today's wage-earners are paying yesterday's retirees. We are rapidly increasing the ratio of retirees to workers, so Social Security financing will skid even faster.

5. Borrow from other funds to shore up Social Security. This is more hocus pocus. When you're already in ruinous hock, what sane person would propose further borrowing?

6. We need to reduce taxes to stimulate the economy. Not right now. We need to reduce government spending and apply the excess to balancing the budget.

7. You can't take back something you've given a veteran, minority person, business, etc. The heck you can't. How can you pay out what you don't have? We must limit many programs. "Entitlement" is one of the new nonsense words in government. When times get hard, then the feed in the trough is leaned out. If you don't like short rations, just leave them for the next person.

8. Big oil is raping the American public. Not true. Our government's policies have discouraged domestic exploration for oil, forcing the oil companies to buy crude from the OPEC price fixers.

ENERGY WAS CHEAP

When Big Oil controlled those countries' crude supplies we had the world's cheapest energy. We now import nearly half of our oil, causing us to ship dollars abroad that are needed at home. Increased domestic supplies would compete with OPEC, bringing down its price.

9. Washington knows best. This is a political arrogance without party, found about equally today among Democrats and Republicans. More common sense is in view in the Carolinas than our nation's capital. Neither state nor any of their cities follows the financial follies to be found on the Potomac.

10. This won't hurt much. Yes, it will. Nobody has changed water into wine since Jesus. The will-power and self-denial required to extricate ourselves is not being articulated by politicians. They still are peddling quick fixes.

SEND A MESSAGE

Send 'em a message. Tell them what William Lloyd Garrison said in his first issue of The Liberator:

"I am in earnest—I will not equivocate—I will not excuse—I will not retreat a single inch; and I will be heard!"●

RT. REV. J. MILTON RICHARDSON, LATE A BISHOP OF TEXAS

HON. MICKEY LELAND

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 24, 1980

● Mr. LELAND. Mr. Speaker, the Right Reverend J. Milton Richardson, bishop of the Episcopal Diocese of Texas, died this morning in Houston, Tex. The bishop recently celebrated the 15th anniversary of his consecration. A native son of Georgia, the bishop was ordained priest in 1939 and studied at the University of Georgia where he earned the master of arts degree. He received his theological training at the Virginia Theological Seminary in Alexandria, Va., which along with the Episcopal Theological Seminary of the Southwest and the University of the South at Sewanee conferred on him the honorary degree of doctor of divinity. Also, the John Marshall Law School conferred upon him the honorary degree of doctor of laws.

Prior to his consecration as bishop he served two of the largest Episcopal parishes in the South, as rector of St. Luke's Episcopal Church in Atlanta, Ga., and as dean of Christ Church Cathedral in Houston. As dean of this great cathedral for 12 years Bishop Richardson made it a house of prayer not only for his congregation, but for the many thousands of people who daily inhabit that center of commerce and need a place for contemplation and solace. The cathedral is a sturdy witness of the faithful and a beacon and refuge for all who would avail themselves of its services. But not only is it a house of prayer, it is vibrant with activity as a meeting place for scholars and students, an exhibit hall for art, and musical recitals are regularly held there. It is an integral part of the life of Houston and its citizens, an outstanding asset to our community, and Bishop Richardson was largely responsible for making it what it is today.

Mr. Speaker, Bishop Richardson was not only a man of prayer. He was a man of action who gave fully of himself not only to his own diocese but to his national church as well. He was trustee of the National Episcopal Radio-TV Foundation and chairman of the board of the church pension fund. He was chairman of the board of trustees of the Episcopal Theological Seminary of the Southwest, chairman of the board of trustees of St. Stephan's Episcopal School in Austin, Tex., and was president of St. Luke's Episcopal Hospital in Houston. He also served as a trustee of Baylor College of Medicine in Houston. These heavy responsibilities reflected the bishop's life; a life of prayer, a life dedicated to teaching, preaching, and healing. He was in the truest sense a wholesome example to the flock of Christ.

In the 15 years Bishop Richardson served as the diocesean bishop over 200 seminarians have been trained for the priesthood at the Seminary of the Southwest which under the bishop's guidance and dynamic leadership grew in stature and now is one of this country's finest institutions of theological education.

Countless thousands from around the country and around the globe have been treated at St. Luke's Hospital in the world renowned medical complex which is in my district. The bishop took an active interest in the work of the hospital which was built under the direction of his predecessor, the beloved Bishop Clinton S. Quin.

A great source of encouragement, advice, and support for Bishop Richardson was his wife, Gene, who is known, loved, and respected by all the parishoners under the bishop's authority. Without such a partner, I am sure, the bishop would not have been able to achieve all the great works I have spoken of today.

Mr. Speaker, all our lives have been enriched by the bishop. He touched the lives of countless individuals and earned the love, gratitude, and admiration of not only members of his branch of Christendom, but people of goodwill from all races and creeds.

I extend my heartfelt sympathy to the bishop's family and to all the members of his congregations that have sustained such a grievous loss this day. The world is a far better place because this great and good man was amongst us. Well done, good and faithful servant.●

FIGHTING INFLATION

HON. PHILIP R. SHARP

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 24, 1980

● Mr. SHARP. Mr. Speaker, we need to balance the budget as a first step in fighting inflation. While economists may argue about the direct impact a balanced budget would have, it will clearly be an important symbol to the American people that we are serious.

Unfortunately, while most people agree with the need for balancing the budget, many of them want to exclude whatever program or tax break is of particular benefit to them. We have all heard from lobbyists in recent weeks, in effect, "Yes, balance the budget, but don't cut our program."

We all have different priorities, and there is room for healthy debate on the budget, but we should not let our interest in some programs undermine our commitment to make significant cuts. The damage already being done by inflation, and the potential for economic catastrophe, is too great.

A recent editorial in the Rushville (Ind.) Republican, very effectively reminds us of this danger. By recalling for us what happened in Germany and China when runaway inflation devasted those two countries, the editorial reminds us of the importance of our task. We too could face such a disaster if we let our desire to protect special programs interefere with out effort to reduce spending and borrowing.

Mr. Speaker, because I believe it would be useful reading for everyone in the Congress, I insert the editorial "Germany, China Provide Lessons" from the March 11 Rushville Republican in the RECORD.

GERMANY, CHINA PROVIDE LESSONS

In the archives of United Press International is a photograph that shows a man papering the walls of his small two-room apartment. There is nothing unusual about that, except that the man is using worthless German marks instead of wallpaper.

The scene is not post-World War II Germany, but post-World War I Germany for the United States citizens suffering with 15 to 20 percent inflation rate, the lesson of Germany in 1923 is enlightening.

Before the German government was able to get a handle on inflation, the mark fell drastically to 3.8 trillion (yes trillion) to the American dollar. The German inflation made everyone poor and wiped out the life savings of many middle class Germans. One aging writer withdrew his entire life savings and bought a one-way subway ticket. People sold firewood to stay alive or paid billions of marks for cuckoo clocks or shoes. People hauled their weekly payrolls in wagons and carts.

The British economist, John Maynard Keynes, told the German government to stabilize the mark, stop printing money, and balance the budget.

Unfortunately, Germany was not the only nation to ever feel the fires of inflation.

Between 1937 and 1939, prices rose 50 percent a year in China. In 1939, prices jumped 150 percent and 300 percent in 1941. From that point on, prices in China doubled sometimes as often as every two months.

Interest rates also zoomed upwards sfrom 2.16 percent in 1941 to 3600 percent in 1946.

One American in China at that time was Theodore White, a writer for Time magazine. White wrote, "Inflation is the haunting pestilence of the middle classes. It is the hidden threat that disorganized government always holds over those who try to save, to plan to invest and to be prudent. To be honest in one's everyday dealings in a runaway inflation does not make sense. To pay debts on time is folly, to borrow and spend as fast as possible is prudent . . . In China inflation made life unreasonable."

What happened as the result of the high inflation rates in those two countries? The Nazi Party, headed by Adolf Hitler, eventually took over in Germany. Mao Tse-tung and his communists were successful in ousting the Nationalist government which has presided over the deterioration of the Chinese economy.

We do not mean to suggest that a totalitarian regime will replace our democratic form of government in the United States. But, unless inflation is cooled off soon, those dismal scenes of Germany and China could be repeated here.●

MICRONESIA IN ENERGY CRUNCH

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 24, 1980

● Mr. LAGOMARSINO. Mr. Speaker, as a member of the Committee on Interior and Insular Affairs and the ranking minority member of the Subcommittee on Pacific Affairs, I have been deeply concerned over the years with the well-being of those who reside in America's off-shore areas. The current energy crunch is imposing tremendous hardship on those islanders, and future prospects for alleviating the situation through the allocation of more petroleum products to the territorial areas are bleak. The only practical solution is to locate and put to use alternative energy sources.

In my supporting floor statement for H.R. 3756, the territorial omnibus bill, I stated on February 25, 1980:

Nowhere is the energy crisis more severe than in America's off-shore areas. Island people are totally dependent upon adequate transportation and communication systems for their livelihood. Unfortunately, the infrastructure, which the United States Government has sponsored in the off-shore areas, is totally dependent upon petroleum products for energy—gasoline to power the vehicles and outboard motors; diesel to run the electric generators and keep the fishing boats in operation; jet fuel to maintain contact with the outside world; butane to keep the family stoves lit. Consequently, the impact of the energy shortage—both the rising cost and the limited supply—has created significantly more problems than on the mainland. What I am calling for is a comprehensive survey to identify and put to use alternative sources of energy. Some of the possibilities in a tropical island environment include: Hydroelectric generation, wind power, solar power, tidal action, biomass, ocean thermal energy conversion (OTEC) and the distillation of industrial alcohol from vegetable matter.

What needs to be done is to exploit these resources. In conjunction with the Department of Energy and the National Center for Appropriate Technology—an exceptionally capable agency with territorial experience—the Secretary of the Interior should survey all potentials and initiate, with no further delays, energy projects using off-the-shelve items, whenever available, to alleviate the plight of the off-shore areas.

Mr. Speaker, in the January-February 1980 A. T. Times—the Journal of Appropriate Technology—a cogent article on the seriousness of the Micronesian energy shortage appeared. This article confirms my worst fears concerning the situation in the offshore areas and I commend it to the attention of all my colleagues.

The article follows:

MICRONESIA IN ENERGY CRUNCH

Spanking new electric power lines—symbols of progress and change—have arrived at the island of Dublon, courtesy of the U.S. Navy. The lines, their generator, and a dock proposed for construction may be among the last gifts bestowed on the remnants of the native culture of Micronesia. Next year, Uncle Sam may officially abdicate the administration of Dublon and about 2,000 other Pacific Trust Territory islands scattered across three million square miles of the Western Pacific.

How well the U.S. has served the trust it inherited after the island campaigns of World War II has been a subject of dispute. For example, several years ago, Donald McHenry, current ambassador to the United Nations, wrote "Micronesia: Trust Betrayed," a book detailing the abuses of a long, callous domination by federal officials. The recent worldwide oil shortage has underscored the gravity of the islands' complete dependence, not only on welfare and housing projects provided by the U.S., but on oil that is now increasingly harder to supply.

For Dublon, oil scarcity will mean that the new power lines may never carry electricity. Generators on the island have been quiet for over two years, and allocations of oil do not include any new projects. The oil shortage could also mean that a fish cannery planned for Dublon may never be built, which would mean that the new dock would not be used.

The haunting, ironic picture of idle diesel generators that the Navy delivered to Dublon regardless of worsening oil shortages is not unique. Of Dublon's 24 neighboring islands in the Truk district with diesel-powered communications systems, only one-third were operational this September. New diesels are being installed in Majuro and Kosrae, say local officials. It's as if there were no alternatives.

Electricity and fuel shortages are major problems now confronting the tropical South Pacific islands, but not the only ones. Radiation from the Bikini nuclear weapons testing area continues to cause birth defects among natives in island chains nearby. The Bikini islanders themselves, permitted to return for a year until U.S. officials decided the island was still too "hot", are now on the island of Kili, which has no reef, and thus no fish. The islanders can no longer feed themselves.

Another festering sore in the history of the U.S. trust has been the conditions found on Ebeye, the "ghetto" of Micronesia. Located three miles across a bay from the Kwajalein missile testing center, Ebeye is the home of the cooks, maids, houseboys and caddies that serve the high-security missile base.

Thousands of Micronesians have flocked to the island to find relatively high-paying jobs on the base. Not all have employment there, and many are waiting for a chance at one of the few jobs that open up. The 7,000 inhabitants of Ebeye are crowded onto the island's 65 acres; conditions so crowded that one sanitation engineer insisted that the people "sleep in shifts." Considering that 7,000 people on 65 acres would leave a 20′ by 20′ area for each person, not counting trees, buildings and streets, the engineer's charge is literally true. The daily water ration is 2-4 gallons per person.

These severe but representative cases illustrate the dilemmas facing the 120,000 inhabitants of Micronesia's cumulative 700 square miles of land. Caught between dependence on the U.S. and the fading memory of self-sufficiency, one islander—Marjie Falanraw from the Yap (island) Institute of Natural Sciences—summed up the problem recently: "Nobody wants to go back, but where is forward?"

Few alternatives seem available, but Micronesians are beginning to take a serious look at low-capital appropriate technology options. A locally built solar desalinating unit would be a godsend to Ebeye. Small windmills and solar electric cells could keep radios running and navigation beacons working throughout the islands. Methane and alcohol fuels are further possibilities. The islands' dependence on gasoline and diesel alone could in a shortage, "result in a crisis situation" with food supply cut off and public health threatened, the federal director of Territorial Affairs told a recent Congressional hearing.

Rep. Antonio Won Pat, a non-voting Congressman from Guam, called the hearing to examine the impact on the islanders of the energy transition, which he said would be felt "to a far greater extent" in Micronesia than in the U.S.

One approach to a renewable energy future was outlined by Bennett Miller, the Department of Energy's program director for solar, geothermal and electric systems. Miller said DOE's "island strategy" included study of small windmills, photovoltaics and other renewable options. DOE is installing several flat-plate solar collectors for water heating on Guam, Truk and the Caroline Islands, but the collectors could be developed without DOE help, he said.

DOE is testing windmills at various sites, which should be ready sometime in the mid-80's. Ocean thermal energy conversion, (OTEC), might be "optimal" to "deploy and utilize" in the South Pacific, he said. Miller outlined several other high-tech options, including parabolic collector arrays which will be tested in 1981 under the "Isolated Applications Experiment Series." The arrays will generate 100 megawatts of power.

The trouble is, though, that most of the islands have small electric systems, between one and four megawatts. The giant OTEC barges, which generate electricity from variations in ocean temperature, are—at their smallest—40 megawatts. Like the parabolic arrays, the OTEC systems are not appropriate for any except the two largest islands.

Miller discounted the use of biomass fuels by saying that extensive use of the tropical forest is "not advisable because of the fragile ecology."

Another witness before the subcommittee, Lane Branson, manager of NCAT's renewable energy section, toured Micronesia at the Territorial government's invitation last fall. Branson noted the OTEC plants could serve only two major islands of the vast chains, and disputed Miller's contention that biomass is not an alternative. Tropical growth conditions yield large quantities of biomass on many of the islands, he said. Branson also took issue with a statement Miller made about the condition of a small-scale hydro plant left over from the Japanese occupation on Ponape. On visiting the site, Branson found it choked with weeds and in a state of advanced decay. The dam had been dynamited by a local fisherman who wanted to harvest shrimp in the reservoir.

"As an appropriate technologist, my professional concerns are with the grim facts of world petroleum supply and total dependence in Micronesia on diesel for electric power," he said. "But while technologies now exist to solve the problems, the money is not being allocated."

Branson advocated a combination of small-scale hydropower, low-kilowatt wind machines, and biomass projects on 21 different sites. The projects, he said, could not totally solve Micronesia's energy problem, but they "would clearly point the way to their total, eventual solution."

Micronesians would welcome any renewable alternatives that could be delivered, whether they be DOE's high-technology options like OTEC or others that could fit on a small island scale. Governor Paul Calvo of Guam said it best in an energy workshop on Guam last fall. "Micronesia cannot deal with 'maybes'," he said. "The problems are here *now* and we need solutions *now.*

Consideration will be given to major financing for smallscale projects for Micronesia sometime this year, Congressional sources report. Financing a sustainable, renewable energy future for Micronesia won't be easy, but it would be one of the few ways the islanders would be better off for the long American presence in those Western Pacific Islands.●

ALLARD K. LOWENSTEIN

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 18, 1980

● Mr. UDALL. Mr. Speaker, David S. Broder of the Washington Post remembered Allard Lowenstein in a column published on March 19. I commend it to my colleagues as a tribute to a good and decent man, and a friend.

The article follows:

VINTAGE LOWENSTEIN

(By David S. Broder)

In what proved to be his last battle, as in so many of his earlier fights, Allard K. Lowenstein came up with a line that was so right, so funny and so barbed that you just savored it.

Representing Sen. Edward Kennedy in a surrogates' debate in Bangor, Maine, just before the February caucuses, he was talking about the folly in the war fever the Carter administration was whipping up about the Persian Gulf, about the ridiculous spectacle of national security adviser Zbigniew Brzezinski rushing over to the Pakistan-Afghan border and waving an automatic rifle melodramatically toward the Soviet invaders.

"I expected any minute," Lowenstein jibed, "to hear him shout, 'Ich bin ein Khyber Passer.'"

I complimented him on the line when I saw him a few days later at a similar debate in New Hampshire and, looking a bit pleased with it himself, he introduced his young son, who was out campaigning with him that evening.

I saw him again, for the last time, on television in Florida, talking to the Jews in Miami, telling them they should reject Carter, not on the narrow grounds of the snafu on the U.N. resolution, but because his social and economic policies contradicted the values for which they had stood for years.

That, too, was vintage Lowenstein, motivating people to act, but insisting that they base their action on the broadest context of principle and, yes, morality—not on narrow self-interest.

That is how I first remember him, more than 30 years ago, the strange, intense youth from the University of North Carolina who came to the University of Chicago to drum up interest in a National Student Association, whose purpose, he insisted, would not be merely the protection of student rights, but the struggle for racial and economic justice in the nation and the world.

Ours was a campus full of activists, but none of us had seen quite the demonic intensity, the 24-hour-a-day purposefulness of this visitor. The girl I then dated and later married succumbed, and went off with Lowenstein to a convention in Ann Arbor, convinced she was about to save the world.

Up in Maine, six weeks ago, I met another young woman who, quite starry-eyed, disclosed that she had spent the previous weekend driving Lowenstein on his ceaseless round of meetings. I thought—but did not say—"He's bewitched you just as surely as he bewitched a woman old enough to be your mother."

That quality in Lowenstein was a bit vexatious to those of us contemporaries who lacked his capacity for perpetual rejuvenation. To a greater extent than any public man I have ever known, Lowenstein was constantly and inseparably linked to the young people of this society, drawing his energy from them and giving them back inspiration and direction. From his NSA days, to the civil rights and anti-war movements, to the dump-Johnson campaign, and until the moment of his death, it is beyond dispute that he brought more young people into American politics than any other individual of our times.

His opinions and attitudes were often as outrageous as his habit of scheduling a midnight appointment—then arriving four hours late and pounding indignantly on your door if you had fallen asleep.

His enthusiasms often led him to wildly inconsistent positions. As his devoted friend, Sam Brown, pointed out in a New Hampshire debate, Lowenstein may have been unique as a Democrat who had campaigned with passionate conviction, but at different times, for all three of this year's Democratic candidates—Jimmy Carter, Jerry Brown and Ted Kennedy.

But he was more eclectic than that. Encountering George Bush in New Hampshire, he told his former House colleague that he was "anxious to get together" with him. Lowenstein would try to convert anyone to his cause.

Strange as it is to say of a man with such a legion of devoted friends, individuals were less important to him than causes. That may explain why his friendships ranged so broadly. Don Rumsfeld, the hawkish former secretary of defense, was a House gym wrestling buddy of Lowenstein's and a friend. Conservative Bill Buckley was another friend, and wrote a courageous column defending Lowenstein against the Red smears that were invariably used against him in his many losing House campaigns.

They responded, as did almost anyone who ever met Lowenstein, to the irresistible appeal of a man who shared with everyone his own intense enjoyment of the political arena and his unquenchable faith that in this nation, politics might bring defeat, but never despair.

The passion for the good cause, well-fought, that Al Lowenstein brought to every battle, will live on, despite the bullets that stopped his strong heart.

It is his legacy to the uncounted thousands he enticed, cajoled, badgered and bulldozed into the political life of America. As long as they fight for their causes, his spirit will live on.●

BIELARUSIAN INDEPENDENCE DAY

HON. FRANK ANNUNZIO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 24, 1980

● Mr. ANNUNZIO. Mr. Speaker, the 62d anniversary of the Declaration of Independence of Bielarus will be commemorated on March 25. We in the U.S. Congress have been elected by a free people and, therefore, we have an obligation to take this opportunity to focus the world's attention on the conditions under which the Bielarusian people are forced to live and speak out most energetically on their behalf.

The Bielarusian Coordinating Committee of Chicago, Ill., is dedicated to the restoration of human liberty in Bielarus and points out that the Bielarusian people have been known under most confusing and improper terminology. A statement by the committee on this subject follows:

The Bielarusian Americans of Chicago are deeply concerned about the harsh treatment that our compatriots in Bielarus (The Byelorussian Soviet Socialist Republic) are subjected to by the central Soviet government in Moscow. The most striking violations of particular concern to us are:

1. The name of Bielarus, which is the original and rightful name of the land of the Bielarusian people has been thrown out and replaced with the Russian word Byelorooseeys (thus the English name of Byelorussia) in the official use of the Byelorussian Soviet Socialist Republic. The name Bielarus has been restricted only to a tractor, a monthly magazine in Bielarusian language, a piano, and a publishing house in Minsk.

2. One of the most fundamental human rights enjoyed by an individual, or a nation,

is the right to use and develop one's cultural heritage, especially one's native language. However, in Soviet Byelorussia, whose population of almost ten million comprises 81 percent of Bielarusians, this right has been severely curtailed in favor of the Russian language.

3. The Soviet Moscow Government forbids practice of religion and restricts the Bielarusian people in traveling abroad by imposing a high fee (400 rubles while the average workers' salary is between 60 and 110 rubles a month) for just a passport, and by denying exit visas to a great many applicants.

Mr. Speaker, an excerpt from a statement on the occupation and oppression of Bielarus by Soviet Russia issued by the Byelorussian Congress Committee of America follows:

After 125 years of slavery and oppression by the Czarist Russian Government, the Byelorussian people, with great enthusiasm and sacrifice, began the restoration of their own statehood. The new Byelorussian Government organized the administration of the country, the formation of military forces, diplomatic activities, and schools, and the revitalization of the economy, devastated by the ravaging war.

However, after the seizure of power in Russia by the Bolsheviks at the end of 1917, the new Soviet Russian Government started the conquest of the recently restored independent non-Russian states, formerly dominated by Czarist Russia. These conquests were made under the disguise of the formation of ethnic puppet states by the Moscow government.

On January 1, 1919, in the city of Smolensk, the Bolshevik Government of Moscow in opposition to the independent Byelorussian Democratic Republic, proclaimed the Byelorussian Soviet Socialist Republic (BSSR) a fictitious state. Subsequently, the Soviet Russian Army attacked Byelorussia and finally conquered it in 1921.

Byelorussia was completely subordinated to the Moscow Government and ruled as a colony. About half of the Byelorussian ethnographic territory was annexed to the Russian SFSR. Byelorussian people were deprived of all their national, economic and human rights. Using mass terror, the Moscow Government during the fifty-eight years of its rule, annihilated over six million of the Byelorussian population. The communist system imposed total economic exploitation of the working people. In this way the Moscow Government was able to develop its military potential to the present global aggressive capabilities.

At the present time the Moscow Government, using systematically deepening Russification, deportations of Byelorussians to Siberia, and the colonization of Byelorussia by Russians, is attempting to transform Byelorussians into a Soviet Russian homogeneous people.

The new Constitution of the USSR, approved in 1977, and the new Constitution of the BSSR, approved in 1978, did not bring any changes to the conditions in Byelorussia. These Constitutions are distorting history and misrepresenting the existing reality.

In Chapter 8, Article 70, the USSR Constitution states that the USSR was created by a free self-determination of the nations, and a voluntary union of equal in rights Soviet Socialist Republics.

In reality, there was a military aggression, conquest and destruction of the Byelorussian Democratic Republic by the Soviet Russian Armies, finalized in 1921, creation of a puppet state, Byelorussian SSR, by the government of Moscow, and forcible incorporation of Byelorussia into the USSR in 1922.

Article 72 of the Constitution acknowledges to each union republic the right for the free separation from the USSR. However, the slightest expression for national separation by non-Russian people is punished most severly by deportation to a concentration camp, confinement in a psychiatric asylum, or imprisonment.

According to Article 80 of the Constitution, each union republic has the right to be in direct relations with the foreign states, conclude treaties, and exchange diplomatic and consular representatives. However, up until today this right is existing on paper only.

Mr. Speaker, the Byelorussian-American Association, Inc., recently informed me that Michal Kukabaka, a Bielarusian political prisoner in the Soviet Union, has—

spent six years in psychiatric prisons (1969-76) for refusing to participate in Soviet elections, acquainting his co-workers with the Universal Declaration of Human Rights, and for writing open letters. Sentenced again in 1979 to three years of prison for his essays, "Human Rights and Détente are Indivisible," "The Stolen Fatherland," and others. Renounced Soviet citizenship and wants to emigrate to any free country. His parents died in WW II and he has no relatives whatsoever.

Since 1917, when the Communists seized power in Russian, they have worked unceasingly to expand Russia's colonial empire, and even worse than the czars, they kill, torture, or imprison all those, Russian and non-Russian alike, who believe in the value and strength of religion. In 1921, Bielarus was one of the victims of these brazen attempts to impose the Russian language and Russian Government on non-Russian peoples, just as in 1980 Afghanistan has become the most recent victim in the Communist program of mass murder and slavery of subject peoples.

I am honored to join with Americans of Bielarusian descent in my own 11th District, which I take pride in representing, in the city of Chicago, and all over this country as they share with Bielarusians everywhere the prayers, the hopes, and the determination that the Bielarusian people will have a free nation once again, and that the American people will remain alert to the ferocious nature of the Communist tyrant.●

RADIATION CONTROL BILL—H.R. 6745

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 24, 1980

● Mr. WYDLER. Mr. Speaker, recently I introduced a bill to consolidate the major Federal responsibilities for ionizing radiation in the Environmental Protection Agency. This bill requires EPA to make a continuing comparison of the risks and effects of radiation from different sources so Congress and the public can make decisions based on real risks. This bill is the second in a series of four bills which I intend to introduce on nuclear matters in this session of the 96th Congress.

The text follows:

H.R. 6745

A bill to reorganize in the executive branch of the Government, by consolidating in the Environmental Protection Agency the major Federal Government responsibilities with respect to ionizing radiation, from both nuclear and nonnuclear sources, and to require such Agency to make a continuing comparison of the risks and effects of radiation from different sources and to assure that both the Congress and the public are kept aware of these risks and effects.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Radiation Control Act of 1980".

FINDINGS

SEC. 2. The Congress, noting the heightened public concerns about radiation, particularly the effects of low-level ionizing radiation on the public health and safety, hereby finds that—

(1) technologically-based activities in the nation are increasing the possibilities of radiation exposures to the public and to occupational workers, both as a result of technologies themselves and from the enhancement of exposures from naturally occurring radioactivity;

(2) energy-related radiation exposure results not only from nuclear energy (including uranium mining, uranium mill tailings, reactor operation and accidents, and waste disposal, with the number of nuclear power reactors in the nation being expected to more than double in the next decade), but also from fossil fuels including natural gas and coal;

(3) most of the remaining sources of radiation exposures result from defense activities, medical activities, consumer products, and natural sources;

(4) epidemiological analysis is providing increased confidence in statistical predictions of the harmful effects of radiation on population groups, including effects upon large numbers of atomic plant and base workers, uranium miners, nuclear-weapon effects victims, and persons subject to medical radiation;

(5) these and other findings have been assessed for their practical importance by an Interagency Task Force on the Health Effects of Ionizing Radiation chaired by the Department of Health, Education, and Welfare, by a National Academy of Sciences panel, and by other reviewers;

(6) these assessments have established differences between the degree of risk from different forms of radiation; for some forms of radiation an important finding is that the effects from small doses are proportionately less than those from large doses;

(7) the Interagency Task Force and the General Accounting Office have recommended coordination or consolidation of the monitoring and control of radiation which is now shared by various agencies of the Federal Government, particularly the conduct of emergency monitoring following accidents at nuclear reactors; and

(8) care in controlling radiation exposures needs to be exercised wisely; monitoring techniques and radiation controls that are insufficiently stringent pose needless danger to the public health and safety, while those that are overly stringent tend unnecessarily

to deprive the public of benefits from the activities that are the cause of the radiation.

PURPOSES

SEC. 3. The purposes of this Act are—

(1) to consolidate the coordination, operation, and as many as practicable of the Federal research responsibilities concerning radiation in one Federal agency—the Environmental Protection Agency;

(2) to arrange for the compilation and distribution of comparative assessments of risks to the public, and to occupational workers, that are realistically expected from the various different sources of radiation described in subparagraphs (A) through (F) of section 5(b)(3); and

(3) to the extent feasible for each category of radiation source, to consolidate the various existing regulations for their control, to establish new regulations only where needed, and to reduce the extent of regulations when consistent with comparative risks and with comparisons of risks and benefits.

CONSOLIDATION OF RADIATION CONTROL FUNCTIONS

SEC. 4. In order to carry out the purposes of this Act, the Environmental Protection Agency (hereinafter referred to as the "Agency") shall have primary responsibility on behalf of the Federal Government for—

(1) the compilation of all available information on radiation from all sources, the assessment of this information, and the dissemination of the results of such assessment to the public, as more particularly described in section 5;

(2) the conduct and administration of Federal or federally supported programs in radiation assessment and in radiation effects;

(3) the development, issuance, and modification (including periodic updating or repeal when appropriate) of regulations dealing with the exposure to radiation of the public and of occupational workers, resulting from different types of radiation from all categories of sources and with respect to radiation exposure from specific sources or facilities;

(4) the monitoring of radiation exposure, the maintenance of records of radiation exposure, and the establishment of allowable total exposures, both for the public and for occupational workers; and

(5) the establishment of an identifiable group to compile and analyze epidemiological information on the effects of radiation upon the public and upon occupational workers.

DEVELOPMENT, ASSESSMENT, AND DISSEMINATION OF INFORMATION

SEC. 5. (a) The Administrator of the Agency (hereinafter referred to as the "Administrator") shall carry out the Agency's responsibility for the compilation, assessment, and dissemination of information under section 4(a)(1) in accordance with this section.

(b)(1) On the basis of epidemiological data and other scientific information, the Administrator shall establish the most likely statistical relation between a given exposure dose of each form of ionizing radiation and the consequent harmful effects therefrom.

(2) Information shall be compiled and, where the available information is inadequate or insufficient, shall be developed, to determine the exposure encountered for the public and for occupational workers in the case of each of the different sources of ionizing radiation described in the categories listed in subparagraphs (A) through (F) of paragraph (3).

(3) The exposure-effect relation as determined under paragraph (1) shall be combined with the exposures encountered as determined under paragraph (2) to obtain the statistically expected effect upon the public and upon occupational workers from each of the individual types of sources within each of the following categories:

(A) In the category of central station energy, sources include nuclear, coal and natural gas where (in each case) the combined effects will include radiation from mining, production, and wastes related to energy production.

(B) In the category of defense and military uses, sources include fallout from United States and foreign weapon detonations; nuclear propulsion including radiation from related mining, production, and wastes; and nuclear-power sources for space vehicles and satellites.

(C) In the category of medical uses, sources include both diagnostic procedures and therapeutic processes.

(D) In the category of consumer products, sources include electronic products such as television; ionizing devices such as smoke detectors; radio-isotope supplies such as nuclear pacemakers; products that contain significant quantities of radioactive elements such as gas mantels, false teeth, and eyeglasses; and materials for luminous purpose such as time pieces and instrument dials.

(E) In the category of public buildings, sources include heating units (and increased exposures resulting from reduced turnover of air through conservation should be taken into consideration).

(F) In the category of technologically-increased exposures, sources include air travel at high altitude (with flight crews constituting an occupational group that should be monitored).

(c)(1) Within 12 months after the date of the enactment of this Act, the Administrator shall complete and submit to the Congress a report compiling the information developed under subsection (b), with his conclusions being based on the best then current assessments of both the exposure-effect relation as determined under subsection (b)(1) and the exposures encountered rather than presenting only the applicable upper limits. The assessments shall be rank-ordered according to the total expected effects on the public by category and by types of sources within each category.

(2) Updates of the report submitted under paragraph (1) shall be prepared and submitted annually to incorporate new and more accurate information.

(3) The reports submitted under paragraphs (1) and (2), shall be submitted and published in the Federal Register and otherwise made available for public information purposes.

(d) Within 18 months after the date of the enactment of this Act, the Administrator shall submit to the Congress—

(1) his recommendations as to methods for informing the public about the sources of radiation that cause the largest risks of radiation-caused harms to the public, which recommendations may include requirements for more effective labeling of the products involved and for the dissemination, through regular means of communication, of information regarding products or services that produce the radiation exposures; and

(2) a report on the degree to which existing regulations on the various categories of radiation sources, and on the types of radiation sources within these categories, conform with the rank-ordering of risks of the public as established under subsection (c).

A summary of the report submitted under paragraph (2) shall be published in the Federal Register; and the report shall set forth a program plan and schedule for implementation, developed by the Administrator, to modify the regulations involved so as to make them commensurate (in terms of number, size, complexity, and compliance requirements) with the risks to the public health and safety from the sources of radiation to which such regulations apply.

TRANSFERS OF FUNCTIONS

SEC. 6. There shall be transferred to and vested in the Agency, in accordance with regulations prescribed by the Director of the Office of Management and Budget, all of the functions and activities for which the Agency is given primary responsibility on behalf of the Federal Government under section 4 and which are currently being exercised or conducted by other Federal agencies and officers, along with such related powers and duties of such other agencies and officers, and such related positions, personnel, assets, rights, obligations, liabilities, contracts, property, and funds of such other agencies and officers, as may be determined under such regulations to be appropriate.

SEC. 7. Definition.

SEC. 8. Miscellaneous provisions.

SEC. 9. Appropriations.●

HOME SWEET HOME

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 24, 1980

● Mr. LAGOMARSINO. Mr. Speaker, I wish to call to the attention of my colleagues the following editorial which appeared in the March 16, 1980, issue of the Hearst newspapers.

The editorial emphasizes the importance for the United States to pay more attention to the Pacific region and our allies there.

Of particular interest is the observation that the United States should not only strengthen substantially our own forces in the Pacific but quickly find a solution to our trade problems with Japan and take full advantage of the present Peking Government's eagerness to develop close cooperative relations with us.

The article follows:

HOME SWEET HOME

(By William Randolph Hearst, Jr.)

SAN FRANCISCO.—Home again after a five-week trip around the Pacific Ocean, and believe me there is no place like it. (Apologies to Stephen Foster.)

On the 10-hour flight from Tokyo, Japan Air Lines has equipped its 747 Boeing upper deck with half a dozen full length berths, reminiscent of the old railway sleeping car days, making the long overnight flight relatively comfortable.

Altogether, I feel our trip was quite successful. We started off being briefed by our military leaders in Hawaii, who are responsible for the defense of American interests throughout the entire Pacific area and we interviewed the top men in the strategically important Fiji Islands, New Zealand, Australia, Hong Kong, China and Japan.

Our trip was prompted by the belief that the time has come for the United States to pay more attention to the Pacific. That belief has been fully confirmed by what we learned.

From our talks with the leaders of the five countries we visited, with our own diplomatic representatives and others, I came away sharing the view of our ambassador in Japan, Mike Mansfield, that we are witnessing "the dawn of the Century of the Pacific."

Economically east Asia is the fastest growing region in the world. Japan, South Korea, Taiwan, Hong Kong and Singapore averaged more than 7 per cent annual growth through most of the 1970's versus 2.9 per cent for the U.S. Barring a catastrophe, east Asia is expected to become the major economic arena of the future.

With a population of nearly one billion people and an industrial modernization program now getting started, China alone is seen likely to become in the 21st century the world's biggest market.

New Zealand Prime Minister Robert Muldoon told us that U.S. commerce in the Pacific area now exceeds that in any other part of the world. Our trade with New Zealand, Australia, Japan and east Asian nations last year totaled $96.8 billion, whereas our trade with both western and eastern Europe, including Russia, amounted to $60 billion.

Ambassador Mansfield opined that "the next big oil find will be on the east Asian mainland and off the coast in undersea beds. There is great potential out here if only our country will realize it.

"American business already has invested at least $18 billion in east Asia and $5 billion in Japan. The return on investments has been running between 22 and 23 per cent. It is a slightly higher risk area than Europe, but the return is much greater.

"This is where the economic future lies. We are entering the Century of the Pacific."

Apart from the rapidly growing economic importance of the Pacific basin, the Asian Pacific area is now regarded as the most critical geopolitical region in the world. Australian Prime Minister Malcolm Fraser told us in Canberra, "If World War 3 comes, it is more likely to come in the Pacific than in Europe."

The Soviet occupation of Afghanistan placed Russia's military might in a position to threaten the oil supplies from the Persian Gulf to the Pacific, the Soviet navy is using the American-built bases in Vietnam, and there is a Soviet military buildup in the northern Japanese islands that Stalin took at the end of World War 2.

Deployment to the Soviet far east territory of Backfire bombers and SS-20 intermediate-range mobile missiles is seen as transforming the nuclear balance in Asia in favor of Russia. Forty-five Soviet divisions deployed along the Sino-Soviet frontier have, according to western intelligence reports, been supplemented by paratroop and amphibious units in the Maritime Provinces and on offshore islands. The Soviet aircraft carrier Minsk has been transferred from European Russian waters to the Pacific.

Thus Russia's ability to project military force into this area is growing dangerously.

In Tokyo, Japanese Prime Minister Wasayoshi Ohira confirmed that the Soviets had recently put troops on some of the islands in the southern Kurile chain that historically belong to Japan.

There is a growing awareness in Japan and in the other independent Asian Pacific nations that, as Communist China's top man, Vice Premier Deng Xiaoping, said to us in Peking, the Soviet rulers are bent on world domination.

If Soviet aggressive expansionism in the Pacific is to be contained, it is generally agreed that it can only be done by the United States acting in close cooperation with Japan, Australia, New Zealand and the five smaller countries that form the Association of South East Asian Nations (ASEAN).

Mike Mansfield considers Japan our strongest and most reliable ally in the Asian Pacific region. We had a very pleasant and informative talk with him in the American Embassy in Tokyo shortly after our meeting with the prime miinister. Chatting informally with us in partially rolled up sleeves, our ambassador, the former U.S. senator from Montana and a long-time friend, said Japan had been "right up front" in supporting the president's position in respect to both the Soviet invasion of Afghanistan and the holding of American hostages in Iran.

He further said he did not think Japan gets enough credit for its defense efforts.

"Between 1969 and 1979 Japan averaged an 8 per cent annual increase in defense expenditures, compared with NATO's 2 per cent average and America's minus 2 per cent average during the same period," he added.

He said Japan pays the equivalent of $725 million annually for the "housekeeping" costs of the 46,000 American military personnel stationed in that country, and intends to increase the amount to between $850 and $900 million.

Despite the limitations on military power which we caused the Japanese to write into their constitution after World War 2, Mansfield said they "have done a temendous job in defense." Risking strong opposition from radical and socialist opposition parties, Prime Minister Ohira authorized the Japanese navy to participate recently for the first time in joint maneuvers with American, Canadian, Australian and New Zealand naval forces.

Mike feels the U.S. 7th Fleet should be "beefed up," and suggested that one or two of our aircraft carriers and at least one of our battleships that were put in mothballs after World War 2 should be re-commissioned for active duty in the Pacific. I couldn't agree more.

My own conclusion from this trip is that we should not only strengthen substantially our own forces in the Pacific but quickly find a solution to our trade problems with Japan and take full advantage of the present Peking government's eagerness to develop close cooperative relations with us.

China is still a Communist-ruled "socialist state." Its present leaders are not pursuing an aggressively imperialist policy aimed at world domination, as are those in the Kremlin.

Furthermore, China is unlikely to become an industrialized and full-fledged nuclear military power until well into the next century. Therefore, it is no threat to our security.

With the cooperation of China, Japan and our staunch Canadian, Australian and New Zealand allies, we can dominate the Pacific and avert a third world war there, providing we have the will and the leadership to do so. I believe we have both and this trip has reassured me that we will also have the support of our Asiatic allies and friends.●

GREEK INDEPENDENCE DAY

HON. FRANK ANNUNZIO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 24, 1980

● Mr. ANNUNZIO. Mr. Speaker, 159 years ago, on March 25, 1821, the people of Greece declared their determination to once again become a free people, and it is fitting that Americans help the Greeks celebrate this occasion, not only because this valiant struggle inspired Americans of that historical period, but also because the impact of Greek philosophy, art, literature, and political thought has contributed immeasurably to our own civilization.

A secret organization called the Society of Friends was set up in 1814, and a methodical conspiracy developed, planned toward a general uprising of all the Greek inhabitants of the European section of the Sultan's Empire. Seven years later, in February-March 1821, revolution broke out, achieving notable successes right from the start, especially in the Peloponnese, central Greece and the Aegean Islands. The nucleus of the liberation army which fought in this revolution was made up of small, fierce and battle-hardened groups of guerrillas known as klephtes, who, isolated and uncoordinated, had been fighting against Turkish power for centuries. Thousands of inexperienced Greeks rushed to follow the flags of these battle-scarred warriors, and in their turn went through the continuous fighting which trained them as guerrillas, so that all together they composed an army which was ready for action, aggressive and decisive. This was the army which for years succeeded in facing victoriously the waves of armies which the Sultan sent against them. The same was true at sea. Small commercial ships, which were all the Greeks had, were converted into warships which also proved themselves worthy opponents of the Ottoman Empire's huge fleets, through their crews' outstanding seamanship and vigor in attack.

The revolutionary struggle lasted for eight continuous years, with such significant victories that in the end three Great Powers—Britain, France, and Russia—were forced to intervene. Beginning with diplomatic notes, and using more drastic measures later on, they obliged the Sultan to concede national and political independence to the Greek revoluntionaries. The great movement of Philhellenism played and important role in bringing about these actions on the part of the three European governments. Philhellenism had by then become a movement of great force in Europe as well as in the United States, and thousands of liberals—soldiers, politicians, intellectuals, and scientists—moved and enraptured by the heroic struggle of the nation in revolt, came to Greece and fought bravely on the side of the Greeks, while at the same time special committees were set up in various European countries to collect money and supplies for the Greeks and help make their fellow-countrymen aware of the Greeks' right to live freely.

This broad movement, almost unique in history, roused the peoples of Europe and was a source of acute psychological pressure on the British, French, and Russian Governments, having a deep effect on their decisions. When the Sultan attempted to oppose the diplomatic representations of the three Governments, the united fleets of Britain, France, and Russia provided a final military solution, attacking and decimating the joint Turkish-

Egyptian fleet at the Battle of Navarino in October 1827.

The cause of Greek independence caught the imagination of the American people and some volunteered to serve with the badly outnumbered Greek patriots, others organized efforts to send packages of bandages and other supplies, and expressions of sympathy and solidarity were sent by the highest Government officials and from communities throughout our young Nation. President John Adams remarked:

> My old imagination is kindling into a kind of missionary enthusiasm for the cause of the Greeks.

For its part, the Greek nation looked upon the United States with hope and admiration. In May 1821, the first Greek Senate addressed the American people, saying:

> Friends, fellow citizens, and brothers, having formed the resolution to live or die for freedom, we are drawn toward you by just sympathy, since it is in your land that liberty has fixed its abode . . . Though separated from us by mighty oceans, your character brings you near us . . . Our interests are of such nature as to cement more and more an alliance founded on freedom and virtue.

Mr. Speaker, the contributions made and still being made to the growth and greatness of the United States by the Greeks who have chosen to make their homes here continue to cement the feelings we have for Greece, and on this anniversary of their independence, it is a pleasure for me to extend greetings to Americans of Greek descent in the 11th Congressional District, which I take pride in representing, as well as those in Chicago and across our Nation as they celebrate the 159th anniversary of Greek independence.●

ALTERNATIVE AND WORK-SITE EDUCATION ACT OF 1980

HON. SHIRLEY CHISHOLM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 24, 1980

● Mrs. CHISHOLM. Mr. Speaker, today I am introducing, with 11 cosponsors, the Alternative and Work-Site Education Act of 1980. Because of widespread dissatisfaction with the President's call for an additional billion dollars to the same public schools now failing large numbers of disadvantaged youths, we are offering this bill as an alternative to the education title of the youth employment initiative.

The major thrust of this legislation is to support local alternative education programs run by nonprofit community-based organizations in areas of great need. Direct links between these entities and local employers would be established to provide jobs or job training to students enrolled in the alternative education program. Basic education and skills specifically related to work would be taught in the classroom, but 8 to 20 hours of each student's week would be spent earning a minimum wage or more at a jobsite. Low teacher-student ratios, intensive counseling, direct parent involvement, year-round operation, and stringent evaluations would also be features of these programs.

In addition, the bill would: First, establish within the Department of Education and Office of Alternative and Work-Site Education under the Assistant Secretary for Research and Improvement; second, mandate national and local occupational surveys to determine probable needs of employers; and third, create a National Clearinghouse on Alternative and Work-Site Education to collect and disseminate information on related programs.

The question that both this bill and the administration's plan seek to address is how to best alleviate a serious mismatch between some students and the typical school environment. I believe it is unrealistic to expect traditional schools, which to date have been unable to meet the needs of difficult youths, to be any more successful when we spread over $900 million across a few thousand public school districts. I hope new teaching methods are adopted by more public schools, but I feel this is likelier to happen as successful nonprofit institutions teach, train, and find jobs for teenagers failed by our Nation's public school system. Therefore, the Alternative and Work-Site Education Act of 1980 is not a proposal for experimental or demonstration projects. There are countless nonpublic entities that have succeeded in serving youths abandoned by public schools, and it is time to provide basic Federal grants to these programs on a large scale.

Carol Gibson, education director for the National Urban League, pointed out:

> Throughout the Urban League movement our experiences with alternative education substantially demonstrate that culturally biased practices can be discontinued, valid standards of achievement can be utilized, and our constituents can attain skills which enable them successfully to compete within all of their peer groups.

Elton Jolly, national executive director of OIC's of America, testified based on experience with OIC's successful career intern program:

> My concern is that the clients of OIC are youth and adults who have not been served by the schools. No institution can serve all people. The dropouts, the pushouts, and the unemployed youth are persons who did not get the services that they needed for a variety of reasons. We must now see that they receive remedial help. It is my contention that this help should come from outside the education system. We must offer an alternative way of being trained to youth who have not succeeded in school.

A recent GAO evaluation of the alternative high school for juveniles in Marshall County, Tex., stated:

> This project served students who could not function in a regular classroom. The goals included instruction in math, reading, and communication; preparation for entry into the job market or reentry into high school; and improving peer relationships, positive self-concept, and motivation to become productive citizens. Students attended class for 3½ hours a day in the morning and held jobs in the afternoon * * *. At the beginning of the year, only 13 percent scored on or above their desired ability levels in an achievement test. At the end of the year, 63 percent scored on or above their desired levels * * *. Our review * * * showed that nearly every student's behavior improved * * *. The success of this project resulted in the State changing its policy so that school districts can become subgrantees for alternative school projects.

"Alternative Schools for Disruptive Youth," a 1978 NIE paper, reported:

> Features of alternative programs include small, intimate schools with a low student-adult ratio, individualized instruction, competent and caring teachers, specialized personnel to provide counseling and social services, and a pragmatic vocational thrust.
>
> In a review undertaken at Indiana University of over fifty alternative school evaluations, the most salient findings were these: (1) The self-concept of alternative school students appears to improve, especially students who have not done well in conventional schools. (2) Students tend to be happier in alternative schools and have better attitudes about school. (3) Students seem to have an increased sense of control over their own destinies, feel more secure, and have a stronger self-identity. (4) More positive attitudes tend to be demonstrated in higher attendance rates, lower suspension and disruption rates, and less vandalism and violence in schools.

The alternative schools network, a citywide system of 45 neighborhood based and run schools in inner-city Chicago, found:

> People who had traditionally been turned off and discouraged about formal education, people who had experienced life mostly as passive objects being acted upon, people who endure the most severe economic deprivation in our society have developed new hope, succeeded where earlier they had only failed, discovered that they can learn basic skills as they learn about and act in regard to their lives and their communities.

The Alternative and Work-Site Education Act of 1980 holds out real hope for today's and tomorrow's unemployed teens. I hope this Congress will consider and enact it in place of the education component of President Carter's Youth Act, before another generation of unskilled, ill-prepared dropouts spills onto our streets. The text of the bill follows:

H.R. —

A bill to amend the Elementary and Secondary Education Act of 1965 to establish a program of alternative and work-site education

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Alternative and Work-Site Education Act of 1980".

SEC. 2. Title IX of the Elementary and Secondary Education Act of 1965 is amended by adding at the end thereof the following new part:

"PART F—ALTERNATIVE AND WORK-SITE EDUCATION

"PURPOSE

"SEC. 961. It is the purpose of this part—

"(1) to establish within the Department of Education an Office of Alternative and Work-Site Education, under the Assistant Secretary for Educational Research and Improvement;

"(2) to assist private non-profit organizations in providing alternative and work-site education programs for students residing in local areas containing high concentrations of low-income families in order to reduce the rate of dropouts, pushouts, absenteeism, suspensions, and expulsions, and to increase academic achievement and placement in full-time employment and postsecondary training or education;

"(3) to encourage direct relationships between such nonprofit organizations and local employers and employment agencies to implement job sampling, job training, and bridge jobs for students referred to in paragraph (2);

"(4) to establish a National Clearinghouse on Alternative and Work-Site Education to collect and distribute to interested individuals and entities information on the activities of the Office and on successful alternative education programs; and

"(5) to reduce race and sex discrimination and stereotyping in education and employment.

"OFFICE OF ALTERNATIVE AND WORK-SITE EDUCATION

"SEC. 962. There shall be in the Department of Education, under the general supervision and direction of the Assistant Secretary for Educational Research and Improvement, an Office of Alternative and Work Site Improvement which shall be responsible for carrying out the purposes and programs of this part.

"ALTERNATIVE AND WORK-SITE EDUCATION PROGRAMS

"SEC. 963. (a) The Secretary shall, from the funds appropriated under section 967 for any fiscal year, make grants to qualified nonprofit organizations located in and serving an eligible area for the purpose of conducting programs which meet the requirements of subsection (b). Payment of any such grant shall be made over a period of not less than one nor more than three years.

"(b) Any qualified nonprofit organization desiring to receive a grant under this section shall submit to the Secretary an application at such time, and in such form, as the Secretary shall prescribe by rule. Such application shall provide adequate assurances that each program funded under this section will—

"(1) serve students in grades 7 through 12;

"(2) submit and implement specific plans to achieve the purposes described in paragraphs (2), (3), and (5) of section 901;

"(3) provide for students served by the program a minimum of eight hours and a maximum of twenty hours of work-site training or employment per week;

"(4) establish advisory councils composed of parents, employers, and other interested residents of the local community and directly involve such councils in all aspects of the program;

"(5) provide intensive academic and occupational counseling to each student served by the program, and assign overall responsibility for each enrolled student to one of the instructors employed by the program;

"(6) operate classroom and work-site education programs twelve months per year;

"(7) be staffed with not less than one adult paid employee or volunteer for each 15 students served;

"(8) take into account information obtained under section 964 of this title;

"(9) pay not less than the minimum wage under section 6(a)(1) of the Fair Labor Standards Act of 1938 to students for time spent at work-sites, with the three-fourths of the costs of such wages being provided from funds provided under this part;

"(10) enroll students on a voluntary basis, and not accept compulsory student referrals from public schools or criminal justice agencies;

"(11) provide to the Secretary at the end of each fiscal year of program operation detailed data on (A) student progress and achievement, and (B) teacher achievements with individual students;

"(12) not expend funds provided under this Act for building construction or residential services;

"(13) fully cooperate with an independent evaluator selected by the Secretary on the basis of competitive bids from private contractors;

"(14) inform the local educational agency of the area served of the alternative education programs being provided; and

"(15) develop and implement new and innovative approaches to expand outreach in order to effectively meet the needs of the target groups of students.

"NATIONAL AND LOCAL OCCUPATIONAL SURVEY

"SEC. 964. The Secretary, in cooperation with the Secretary of Labor, shall obtain and distribute to interested individuals and organizations information concerning the probable employee needs of employers, by general occupational category, for each standard metropolitan statistical area and State and for the United States.

"NATIONAL CLEARINGHOUSE ON ALTERNATIVE AND WORK-SITE EDUCATION

"SEC. 964. The Secretary shall establish and operate a National Clearinghouse on Alternative and Work-Site Education which shall collect, analyze, and distribute (on request) information relating to programs funded under this part and other programs of alternative and work-site education.

"CIVIL RIGHTS COMPLIANCE

"SEC. 965. No person in the United States shall on the ground of race, creed, color, national origin, sex, or political affiliation or beliefs, or on the ground of any other factor specified in any Federal law prohibiting discrimination, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with funds made available under this Act.

"DEFINITIONS

"SEC. 966. For the purposes of this part—

"(1) the term 'alternative education' means an education program that embraces subject matter or teaching methodology (or both) that is not generally offered to students of the same age or grade level in traditional school settings, and which offers a range of educational options, and includes the use of program methods and materials that facilitate student access and are relevant to the students' educational needs and interests (as indicated by the student) and facilitates positive growth and development in academic, occupational, and social skills;

"(2) the term 'work-site education' means the progressive development of skills associated with a defined set of work processes to be covered sequentially in the course of employment in an occupation, trade, or industry and which is upgrading in nature, integrated with and supplemented by classroom instruction as deemed necessary and appropriate, and consistent with a career pattern of advancement (as measured by skill proficiency and the progression of earnings and related benefits that is recognized within the occupation, trade, or industry);

"(3) the term 'eligible área' means a school district or county which was, during the most recent school year, eligible for assistance under subpart 1 of part A of title I of this Act in accordance with section 111(b) of this Act;

"(4) the term 'qualified nonprofit organization' means a private educational institution which is located in an eligible area and which—

"(A) demonstrates knowledge of and experience in the field of innovative and experimental education;

"(B) has the capability and experience to develop and manage fiscal systems necessary for administration of Federal funds, organizational stability to permit program continuity, and ability to comply with Federal grant requirements;

"(C) has available experienced and professional staff who demonstrate a commitment to effective alternative educational opportunities;

"(D) is an educational institution described in section 501(c)(3) of the Internal Revenue Code of 1954 and is exempt from Federal income tax in accordance with section 501(a) of such Code; and

"(E) has State accreditation for granting high school diplomas, or has the capability to successfully prepare enrolled students for achieving a high school equivalency degree;

"(5) the term 'pushout' means a student who leaves school because of frustration from not achieving success or because of pressure exerted by the school through various disciplinary actions;

"(6) the term 'dropout' means a student who quits school, usually beyond the age of compulsory school attendance; and

"(7) the term 'bridge job' means a job leading to career employment following successful completion of related academic and vocational training.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 967. There are authorized to be appropriated to carry out this part for fiscal year 1981 and for the two succeeding fiscal years $900,000,000, which shall remain available until expended.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an interim procedure until the computerization of this information becomes operational, the Office of the Senate Daily Digest will prepare this information for printing in the Extension of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, March 25, 1980, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MARCH 26

8:00 a.m.

Armed Services
Research and Development Subcommittee
To continue closed hearings on S. 2294, authorizing funds for fiscal year 1981 for military procurement programs of the DOD, receiving testimony on Rapid Deployment Force programs.
224 Russell Building

9:00 a.m.

Labor and Human Resources
Child and Human Development Subcommittee
Business meeting, to mark up S. 1843 and H.R. 2977, proposed Domestic Violence Prevention and Services Act; and proposed legislation to establish Commissions on National Youth Service and Volunteerism.
4232 Dirksen Building

9:30 a.m.

Banking, Housing, and Urban Affairs
Housing and Urban Affairs Subcommittee
To continue hearings on S. 2383, authorizing funds for fiscal years 1981-1983 for housing, community development programs and the Urban Development Action Grant of the Department of Housing and Urban Development.
5302 Dirksen Building

10:00 a.m.

Agriculture, Nutrition, and Forestry
Business meeting, to resume consideration of S. 2199, 2258, 2264, 2277, 2315, 2354, and 2356, bills to ease the economic impact of the Soviet grain embargo on American farmers.
324 Russell Building

Appropriations
Energy and Water Development Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for energy and water development programs.
1114 Dirksen Building

Appropriations
State, Justice, Commerce, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Industry and Trade Administration, Minority Business Development Agency, and the U.S. Travel Service, Department of Commerce.
S-146, Capitol

Budget
To begin consideration of the first concurrent budget resolution setting forth recommended levels of total budget outlays, Federal revenues, and new budget authority.
6202 Dirksen Building

Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on proposed legislation authorizing funds for programs of the U.S. Fire Administration in the Federal Emergency Management Agency and the Center for Fire Research in the Department of Commerce.
S-128, Capitol

Finance
Business meeting, to continue consideration of pending health proposals.
2221 Dirksen Building

Governmental Affairs
Energy, Nuclear Proliferation, and Federal Services Subcommittee
To hold hearings on S. 2366, to eliminate illegal aliens from inclusion in the 1980 census.
3302 Dirksen Building

Judiciary
To hold hearings on S. 2434, 2441 and 2442, bills to strengthen and stabilize the Juvenile Justice and Delinquency Prevention Act of 1974.
6226 Dirksen Building

Rules and Administration
To hold hearings on proposed legislation authorizing funds for fiscal year 1981 for the Federal election commission.
301 Russell Building

Select on Small Business
To hold oversight hearings on the impact of inflation and government action on the housing industry.
424 Russell Building

Joint Economic
To hold hearings on the GAO report on paperwork in the Federal government.
1202 Dirksen Building

11:00 a.m.

Appropriations
Agriculture, Rural Development and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Agriculture.
1223 Dirksen Building

2:00 p.m.

Appropriations
Energy and Water Development Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for energy and water development programs.
1114 Dirksen Building

Appropriations
Military Construction Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.
1224 Dirksen Building

Appropriations
State, Justice, Commerce, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the National Oceanic and Atmospheric Administration, Department of Commerce.
S-146, S-Capitol

Energy and Natural Resources
*Energy Research and Development Subcommittee
To resume hearings on S. 2332, authorizing funds for fiscal years 1981 and 1982 for non-civilian programs of the Department of Energy.
3110 Dirksen Building

Foreign Relations
Business meeting, to markup S. 2271, authorizing an increase in the U.S. quota for the International Monetary Fund.
4221 Dirksen Building

2:30 p.m.

Conferees
On H.R. 2313, authorizing funds for fiscal year 1980 and 1981 for the Federal Trade Commission.
S-207, Capitol

Select on Intelligence
Budget Authorizations Subcommittee
To resume closed hearings on proposed legislation authorizing funds for fiscal year 1981 for intelligence activities of the United States.
S-407, Capitol

3:30 p.m.

Appropriations
Military Construction Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for military construction programs of the Department of Defense.
1224 Dirksen Building

MARCH 27

8:00 a.m.

Armed Services
Research and Development Subcommittee
To continue closed hearings on S. 2294, authorizing funds for fiscal year 1981 for military procurement programs of the DOD, receiving testimony on Rapid Deployment Force programs.
224 Russell Building

9:00 a.m.

Armed Services
General Procurement Subcommittee
To resume closed hearings on S. 2294, authorizing funds for fiscal year 1981 for military procurement of the DOD, receiving testimony on air defense programs.
212 Russell Building

9:30 a.m.

Appropriations
Agriculture, Rural Development and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Agriculture.
S-128, Capitol

Commerce, Science, and Transportation
To hold hearings on S. 2459 authorizing funds for fiscal year 1981 and 1982 for the National Transportation Safety Board, to be followed by hearings on the nomination of James B. King, of Massachusetts, to be Chairman of the National Transportation Safety Board.
235 Russell Building

Governmental Affairs
Civil Service and General Services Subcommittee
To hold joint hearings with the House Post Office and Civil Service's Subcommittee on Human Resources on proposed legislation to curb the Federal Government's use of consultants.
311 Cannon Building

Judiciary
To resume hearings on S. 2377, authorizing funds for fiscal year 1981 for programs administered by the Department of Justice.
2228 Dirksen Building

Judiciary
To continue hearings on S. 2434, 2441 and 2442, bills to strengthen and stabilize the Juvenile Justice and Delinquency Prevention Act of 1974.
6226 Dirksen Building

Veterans' Affairs
To hold hearings to receive legislative recommendations for fiscal year 1981 from officials of AMVETS, Paralyzed Veterans, Blinded Veterans, WWI Veterans, and Military Orders of the Purple Heart.
1202 Dirksen Building

10:00 a.m.

Appropriations
Energy and Water Development Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for energy and water development programs.
1114 Dirksen Building

Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the National Science Foundation.
1318 Dirksen Building

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Smithsonian Institution.
1223 Dirksen Building

*Appropriations
State, Justice, Commerce, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Patent and Trademark Office, and science and technical research, Department of Commerce.
S-146, Capitol

Budget
To continue consideration of the first concurrent budget resolution setting forth recommended levels of total budget outlays, Federal revenues, and new budget authority.
6202 Dirksen Building

Energy and Natural Resources
To hold hearings on S. 1784, to improve the electric generating efficiency of joint Federal-civilian pooling practices in Alaska.
3110 Dirksen Building

Finance
Business meeting, to continue consideration of pending health proposals.
2221 Dirksen Building

Foreign Relations
To hear the Secretary of State, on U.S. foreign policy objectives.
318 Russell Building

Select on Intelligence
Budget Authorizations Subcommittee
To continue closed hearings on proposed legislation authorizing funds for fiscal year 1981 for intelligence activities of the United States.
S-407, Capitol

11:00 a.m.

Armed Services
Procurement Policy and Reprograming Subcommittee
To resume hearings on S. 1687, to eliminate certain limitations imposed on excess profits from contracts with the Department of Defense for the construction of aircraft or naval vessels, and S. 2232, to exempt from accounting requirements those contracts of $1 million or less with the Department of Defense for the construction of aircraft or naval vessels.
1224 Dirksen Building

2:00 p.m.

Appropriations
Energy and Water Development Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for energy and water development programs.
1114 Dirksen Building

Appropriations
Military Construction Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.
1318 Dirksen Building

Appropriations
State, Justice, Commerce, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the National Telecommunications and Information Administration, and the Maritime Administration, Department of Commerce.
S-146, Capitol

Commerce, Science, and Transportation
To hold hearings on the nomination of Peter N. Teige, of California, to be a Federal Maritime Commissioner for the remainder of term expiring June 30, 1980, and for a term of 5 years expiring June 30, 1985.
457 Russell Building

Select on Intelligence
To resume hearings on S. 2284, proposed legislative charter governing intelligence activities of the United States.
235 Russell Building

MARCH 28

8:00 a.m.

Armed Services
Research and Development Subcommittee
To continue closed hearings on S. 2294, authorizing funds for fiscal year 1981 for military procurement programs of the DOD, receiving testimony on the Navy's new ships and related ship programs.
224 Russell Building

9:00 a.m.

Finance
Taxation and Debt Management Generally Subcommittee
To resume hearings on miscellaneous tax proposals.
2221 Dirksen Building

*Judiciary
To hold hearings on S. 1790, 115, and 1816, bills to protect the press and other innocent third parties against unwarranted searches.
2228 Dirksen Building

9:30 a.m.

Commerce, Science, and Transportation
To hold hearings on the nomination of Reginald E. Gilliam, Jr., of Virginia, to be a Member of the Interstate Commerce Commission.
235 Russell Building

*Energy and Natural Resources
To resume hearings to assess the political, military, economic, and social factors affecting world oil production and consumption over the next decade.
3110 Dirksen Building

Labor and Human Resources
To resume oversight hearings on the implementation of the occupational safety and health program.
4232 Dirksen Building

10:00 a.m.

Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the National Science Foundation, and for the Office of Science and Technology Policy.
1318 Dirksen Building

Budget
To continue consideration of the first concurrent budget resolution setting forth recommended levels of total budget outlays, Federal revenues, and new budget authority.
6202 Dirksen Building

Foreign Relations
To resume hearings on S. 2423, authorizing funds for fiscal year 1981 for foreign development and security assistance programs.
4221 Dirksen Building

MARCH 31

9:30 a.m.

Finance
Taxation and Debt Management Generally Subcommittee
To hold hearings on proposed legislation to extend the temporary limit on the public debt.
2221 Dirksen Building

Judiciary
To resume hearings on S. 2377, authorizing funds for fiscal year 1981 for programs administered by the Department of Justice.
2228 Dirksen Building

10:00 am.

Appropriations
Energy and Water Development Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for energy and water development programs.
1114 Dirksen Building

*Banking, Housing, and Urban Affairs
International Finance Subcommittee
To hold hearings on proposed authorizations for fiscal year 1981 for the international affairs programs of the Department of the Treasury; S. 2271, to increase the U.S. quota in the International Monetary Fund, and S. 1963, to control Government purchases and sales of gold.
5302 Dirksen Building

Budget
To resume consideration of the first concurrent budget resolution setting forth recommended levels of total budget outlays, Federal revenues, and new budget authority.
6202 Dirksen Building

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on S. 1151, proposed Rail Restructuring Assistance Act.
235 Russell Building

Select on Intelligence
To resume hearings on S. 2284, proposed legislative charter governing the intelligence activities of the U.S.
6226 Dirksen Building

2:00 p.m.

Appropriations
Energy and Water Development Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for energy and water development programs.
1114 Dirksen Building

Appropriations
State, Justice, Commerce, the Judiciary and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Chrysler loan guarantee program.
S-146, Capitol

Select on Intelligence
Budget Authorizations Subcommittee
To resume closed hearings on proposed legislation authorizing funds for fiscal year 1981 for intelligence activities of the U.S.
S-407, Capitol

APRIL 1

8:00 a.m.

Appropriations
Agriculture, Rural Development and Related Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Agriculture.
S-128, Capitol

9:00 a.m.
Finance
Taxation and Debt Management Generally Subcommittee
To resume hearings on miscellaneous tax proposals.
2221 Dirksen Building

9:30 a.m.
Judiciary
Business meeting, to consider pending calendar business.
2228 Dirksen Building

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for foreign assistance programs.
1318 Dirksen Building

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Office of Territorial Affairs
1224 Dirksen Building

Appropriations
State, Justice, Commerce, the Judiciary and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Commerce.
S-146, Capitol

Banking, Housing, and Urban Affairs
Rural Housing and Development Subcommittee
To hold hearings on proposed authorizations for rural housing programs.
5302 Dirksen Building

Budget
To continue consideration of the first concurrent budget resolution setting forth recommended levels of total budget outlays, Federal revenues, and new budget authority.
6202 Dirksen Building

Commerce, Science, and Transportation
Business meeting, to consider pending calendar business.
235 Russell Building

Energy and Natural Resources
Energy Research and Development Subcommittee
To resume hearings on S. 2332, authorizing funds for fiscal years 1981 and 1982 for civilian programs of the Department of Energy.
3110 Dirksen Building

Labor and Human Resources
To resume oversight hearings on the implementation of the occupational safety and health program.
4232 Dirksen Building

Select on Intelligence
To continue hearings on S. 2284, proposed legislative charter governing the intelligence activities of the United States
318 Russell Building

2:00 p.m.
Appropriations
Energy and Water Development Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for energy and water development programs.
1114 Dirksen Building

APRIL 2

8:00 a.m.
Appropriations
Agriculture, Rural Development and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Agriculture.
S-128, Capitol

9:00 a.m.
Finance
Taxation and Debt Management Generally Subcommittee
To resume hearings on proposed legislation to extend the temporary limit on the public debt.
2221 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on S. 1393, authorizing funds for fiscal years 1981 and 1982 for programs under the National Earthquake Hazards Reduction Act.
6226 Dirksen Building

Judiciary
To resume hearings on S. 2377, authorizing funds for fiscal year 1981 for programs administered by the Department of Justice.
2228 Dirksen Building

*Veterans' Affairs
Business meeting, to consider S. 1188, to revise the vocational rehabilitation program administered by the Veterans' Administration.
412 Russell Building

10:00 a.m.
Appropriations
Energy and Water Development Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for energy and water development programs.
1114 Dirksen Building

*Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the National Commission on Air Quality, the American Battle Monuments Commission, and U.S. Army cemeterial expenses.
1318 Dirksen Building

Appropriations
Interior and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Office of Territorial Affairs.
1224 Dirksen Building

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.
S-126, Capitol

Banking, Housing, and Urban Affairs
Housing and Urban Affairs Subcommittee
To resume hearings on proposed legislation authorizing funds for fiscal year 1981 for housing, community development programs, and the urban development action grant of the Department of Housing and Urban Development.
5302 Dirksen Building

Budget
To continue consideration of the first concurrent budget resolution setting forth recommended levels of total budget outlays, Federal revenues, and new budget authority.
6202 Dirksen Building

Commerce, Science, and Transportation
To hold hearings on proposed legislation authorizing funds for hazardous materials programs of the Department of Transportation.
235 Russell Building

Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

Finance
International Trade Subcommittee
To hold hearings on the protocol to the Multilateral Trade Negotiations customs valuation agreement.
2221 Dirksen Building

Select on Intelligence
To continue hearings on S. 2284, proposed legislative charter governing the intelligence activities of the U.S.
5110 Dirksen Building

1:00 p.m.
Office of Technology Assessment
The Board to hold a joint meeting with the Technology Assessment Advisory Council on pending business items.
EF-100, Capitol

2:00 p.m.
Appropriations
Energy and Water Development Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for energy and water development programs.
1114 Dirksen Building

*Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.
1318 Dirksen Building

Select on Intelligence
Budget Authorizations Subcommittee
To begin closed markup of proposed legislation authorizing funds for fiscal year 1981 for intelligence activities of the U.S.
S-407, Capitol

APRIL 3

9:30 a.m.
Appropriations
Agriculture, Rural Development, and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Agriculture.
S-128, Capitol

Governmental Affairs
Civil Service and General Services Subcommittee
To resume joint hearings with the House Post Office and Civil Service Subcommittee on Human Resources on proposed legislation to curb the Federal Government's use of consultants.
357 Russell Building

Judiciary
To continue hearings on S. 2377, authorizing funds for fiscal year 1981 for programs administered by the Department of Justice.
2228 Dirksen Building

Labor and Human Resources
Health and Scientific Research Subcommittee
To hold hearings on S. 500, proposed Consumer-Patient Radiation Health and Safety Act.
6226 Dirksen Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Federal Home Loan Bank Board, and the National Institute of Building Sciences.

1318 Dirksen Building

Appropriations

Interior and Related Agencies Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for certain programs of the Department of Energy.

224 Dirksen Building

Commerce, Science, and Transportation

To hold hearings on proposed legislation authorizing funds for ocean pollution research and monitoring programs.

235 Russell Building

Energy and Natural Resources

To hold hearings on the climatic effects of carbon dioxide buildup in the atmosphere.

3110 Dirksen Building

2:00 p.m.

Judiciary

To hold hearings on pending nominations.

2228 Dirksen Building

APRIL 15

9:30 a.m.

Labor and Human Resources

To hold hearings on S, 2153, 1486, and 1572, bills to provide an exemption from OSHA regulation for certain workplaces with good safety and health records.

4232 Dirksen Building

10:00 a.m.

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Federal Inspector for Alaska pipeline, and the energy Information Administration, of the Department of Energy.

1223 Dirksen Building

Appropriations

Transportation Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.

1224 Dirksen Building

Appropriations

Treasury, Postal Service, and General Government Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Department of the Treasury.

1318 Dirksen Building

Banking, Housing, and Urban Affairs

*International Finance Subcommittee

To hold hearings on S. 2097, proposed Joint Export Marketing Assistance Act, and on the substance of S. 2040, proposed Small Business Export Expansion Act and S. 2104, proposed Small Business Export Development Act.

5302 Dirksen Building

*Energy and Natural Resources

Energy Regulation Subcommittee

To review those items in the President's budget for fiscal year 1981 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee, receiving testimony from officials of the Federal Energy Regulatory Commission and for the Office of Hearings and Appeals.

6226 Dirksen Building

2:00 p.m.

Appropriations

Transportation Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.

1224 Dirksen Building

2:30 p.m.

Foreign Relations

To hold hearings on the Maritime Boundary Settlement Treaty with Canada (Exec. U, 96th Cong., 1st sess.), and the Agreement on East Coast Fishery Resources with Canada (Exec. V, 96th Cong., 1st sess.).

4221 Dirksen Building

APRIL 16

9:30 a.m.

Labor and Human Resources

To continue hearings on S. 2153, 1486, and 1572, bills to provide an exemption from OSHA regulation for certain workplaces with good safety and health records.

4232 Dirksen Building

Labor and Human Resources

Health and Scientific Research Subcommittee

To hold hearings on S. 1424, proposed International Health Act.

6226 Dirksen Building

*Veterans' Affairs

To hold hearings on the recruitment and retention of qualified health-care professionals to staff the Veterans' Administration's health-care facilities.

412 Russell Building

10:00 a.m.

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the National Gallery of Art, and the Commission of Fine Arts.

1223 Dirksen Building

Appropriations

Treasury, Postal Service, and General Government Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of the Treasury.

1318 Dirksen Building

Banking, Housing, and Urban Affairs

International Finance Subcommittee

To resume hearings on proposed authorizations for fiscal year 1981 for the international affairs programs of the Department of the Treasury S. 2271, to increase the U.S. quota in the International Monetary Fund, and S. 1963, to control Government purchases and sales of gold.

5302 Dirksen Building

Commerce, Science, and Transportation

Surface Transportation Subcommittee

To hold hearings on S. 2193, authorizing funds for fiscal year 1981 for the United States Railway Association.

235 Russell Building

Energy and Natural Resources

Business meeting, to consider pending calendar business.

3110 Dirksen Building

Foreign Relations

To hold hearings on the role and accountability of the National Security Advisor.

4221 Dirksen Building

Judiciary

To resume hearings on S. 2377, authorizing funds for fiscal year 1981 for programs administered by the Department of Justice.

357 Russell Building

Select on Intelligence

To begin closed markup of proposed legislation authorizing funds for fiscal year 1981 for intelligence activities of the U.S.

S-407, Capitol

2:00 p.m.

Appropriations

Military Construction Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.

1224 Dirksen Building

APRIL 17

9:30 a.m.

Commerce, Science, and Transportation

Science Technology, and Space Subcommittee

To hold hearings on S. 1391, authorizing funds for fiscal years 1981 and 1982 for the National Climate Program.

235 Russell Building

Labor and Human Resources

To continue hearings on S. 2153, 1486, and 1572, bills to provide an exemption from OSHA regulation for certain workplaces with good safety and health records.

4232 Dirksen Building

*Labor and Human Resources

Child and Human Development Subcommittee

To hold oversight hearings on the development of children who benefit from adoption by facilitating their placement in adoptive homes.

457 Russell Building

10:00 a.m.

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Forest Service, Department of Agriculture.

1223 Dirksen Building

Appropriations

Transportation Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.

1224 Dirksen Building

Appropriations

Treasury, Postal Service, and General Government Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of the Treasury.

1114 Dirksen Building

Energy and Natural Resources

Parks, Recreation and Renewable Resources Subcommittee

To hold hearings on S. 1842, proposed National Heritage Policy Act.

3110 Dirksen Building

Foreign Relations

To continue hearings on the role and accountability of the National Security Advisor.

4221 Dirksen Building

2:00 p.m.

Appropriations

Military Construction Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.

1318 Dirksen Building

Appropriations

Treasury, Postal Service, and General Government Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of the Treasury.

S-146, Capitol

2:30 p.m.

Foreign Relations

To resume hearings on the Maritime Boundary Settlement Treaty with Canada (Exec. U, 96th Cong., 1st sess.), and the Agreement on East Coast Fishery Resources with Canada (Exec. V, 96th Cong., 1st sess.).

4221 Dirksen Building

APRIL 18

10:00 a.m.

Appropriations

HUD-Independent Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Federal Emergency Management Agency.

1318 Dirksen Building

2:00 p.m.

Appropriations

Military Construction Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.

1223 Dirksen Building

APRIL 21

10:00 a.m.

Judiciary

To resume hearings on S. 2377, authorizing funds for fiscal year 1981 for programs administered by the Department of Justice.

2228 Dirksen Building

2:00 p.m.

Finance

Social Security Subcommittee

To hold hearings on H.R. 5295, S. 248, 1287, 1418, 1498, 1554, 2034, 2083, and 2208, bills to correct certain problems with the social security earnings limitation as a result of the enactment of the Social Security Amendments of 1977 (Public Law 95-216), eliminating the monthly earnings test.

2221 Dirksen Building

APRIL 22

10:00 a.m.

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Economic Regulatory Administration, Department of Energy.

1223 Dirksen Building

Appropriations

Treasury, Postal Service, and General Government Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of the Treasury, and on the U.S. Postal Service.

1318 Dirksen Building

2:00 p.m.

Appropriations

Military Construction Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.

1224 Dirksen Building

Appropriations

Treasury, Postal Service, and General Government Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of the Treasury.

S-146, Capitol

APRIL 23

10:00 a.m.

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the National Endowment for the Arts.

1223 Dirksen Building

Appropriations

Treasury, Postal Service, and General Government Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Executive Office of the President.

1318 Dirksen Building

Commerce, Science, and Transportation

To hold hearings on proposed legislation authorizing funds for fiscal year 1981 for the U.S. Coast Guard.

235 Russell Building

Rules and Administration

To receive testimony on Senate Resolution 207, to create a Select Committee on Narcotics Abuse and Control; and to consider other legislative and administrative business.

301 Russell Building

2:00 p.m.

Appropriations

Military Construction Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.

1224 Dirksen Building

APRIL 24

10:00 a.m.

Appropriations

HUD-Independent Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the National Aeronautics and Space Administration.

1318 Dirksen Building

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Bureau of Land Management.

1223 Dirksen Building

Appropriations

Treasury, Postal Service, and General Government Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for the Executive Office of the President.

1114 Dirksen Building

2:00 p.m.

Appropriations

Military Construction Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.

1224 Dirksen Building

APRIL 25

10:00 a.m.

Appropriations

HUD-Independent Agencies Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for the National Aeronautics and Space Administration.

1318 Dirksen Building

APRIL 28

9:30 a.m.

*Judiciary

To resume hearings on S. 2377, authorizing funds for fiscal year 1981 for programs administered by the Department of Justice.

2228 Dirksen Building

10:00 a.m.

*Energy and Natural Resources

Energy Regulation Subcommittee

To review those items in the President's budget for fiscal year 1981 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee, receiving testimony from officials of the Economic Regulatory Administration, the Energy Information Administration, and the Assistant Secretary for Conservation and Solar Applications, all of the DOE.

3110 Dirksen Building

APRIL 29

10:00 a.m.

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal years 1981 for the Heritage Conservation and Recreation Service.

1224 Dirksen Building

Appropriations

Treasury, Postal Service, and General Government Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Office of Personnel Management, Merit Systems Protection Board, Federal Labor Relations Authority, U.S. Tax Court, and President's Commission on Pension Policy.

1318 Dirksen Building

2:00 p.m.

Appropriations

Military Construction Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.

1223 Dirksen Building

APRIL 30

9:30 a.m.

*Veterans' Affairs

Business meeting, to consider proposed legislation on the recruitment and retention of qualified health-care professionals to staff the Veterans' Administration health-care facilities, S. 759, to provide for the right of the United States to recover their costs of hospital, nursing home, or outpatient medical care furnished by the Veterans' Administration to veterans for non-service-connected disabilities to the extent that they have health insurance or similar contracts, and S. 1523 and H.R. 4015, proposed Veterans Senior Citizen Health Care Act.

412 Russell Building

10:00 a.m.

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for conservation programs of the Department of Energy.

1224 Dirksen Building

Appropriations

Treasury, Postal Service, and General Government Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Federal Elections Commission, Advisory Commission on Intergovernmental Relations, Advisory Committee on Federal Pay, Committee for Purchase From the Blind and Other Severely Handicapped and the Administrative Conference of the U.S.

1318 Dirksen Building

2:00 p.m.

Appropriations

Military Construction Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.

1223 Dirksen Building

MAY 1

10:00 a.m.

Appropriations

HUD-Independent Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Department of Housing and Urban Development.

1318 Dirksen Building

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Land and Water Conservation Fund of the Heritage Conservation and Recreation Service.

1224 Dirksen Building

Appropriations

Treasury, Postal Service, and General Government Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the General Services Administration.

1114 Dirksen Building

*Judiciary

To resume hearings on S. 2377, authorizing funds for fiscal year 1981 for programs administered by the Department of Justice.

2228 Dirksen Building

*Labor and Human Resources

Child and Human Development Subcommittee

To hold hearings on issues Congress might consider which would affect youth in the coming decade.

6226 Dirksen Building

MAY 2

10:00 a.m.

Appropriations

HUD-Independent Agencies Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Housing and Urban Development.

1318 Dirksen Building

MAY 6

9:30 a.m.

Appropriations

Agriculture, Rural Development, and Related Agencies Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Agriculture.

1318 Dirksen Building

2:00 p.m.

Appropriations

Military Construction Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.

1223 Dirksen Building

MAY 7

10:00 a.m.

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the U.S. Geological Survey.

1224 Dirksen Building

MAY 13

10:00 a.m.

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the National Park Service.

1224 Dirksen Building

MAY 14

10:00 a.m.

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Department of Interior.

1223 Dirksen Building

Appropriations

Transportation Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.

1224 Dirksen Building

MAY 15

10:00 a.m.

Appropriations

HUD-Independent Agencies Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Housing and Urban Development, and Independent Agencies.

1318 Dirksen Building

Appropriations

Transportation Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.

1224 Dirksen Building

MAY 16

10:00 a.m.

Appropriations

HUD-Independent Agencies Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Housing and Urban Development, and Independent Agencies.

1318 Dirksen Building

MAY 21

9:00 a.m.

*Veterans' Affairs

To resume hearings on the Federal Government's efforts to assist Vietnam-era veterans in readjusting to society, and the use of excepted appointments for disabled veterans.

412 Russell Building

MAY 22

9:30 a.m.

Labor and Human Resources

Child and Human Development Subcommittee

To hold oversight hearings to examine issues affecting infant mortality, and preventable birth defects.

4232 Dirksen Building

MAY 29

9:30 a.m.

*Veterans' Affairs

To hold hearings on proposed legislation to establish a cost-of-living increase for service-connected disability compensation.

412 Russell Building

JUNE 11

9:30 a.m.

*Veterans' Affairs

To hold oversight hearings on the activities of the Inspector General of the Veterans' Administration.

412 Russell Building

CANCELLATIONS

MARCH 26

10:00 a.m.

Energy and Natural Resources

Business meeting, to consider pending calendar business.

3110 Dirksen Building

Environment and Public Works

Resource Protection Subcommittee

Business meeting, to mark up proposed legislation authorizing funds for fiscal year 1981 for environmental research and development programs of the Environmental Protection Agency.

4200 Dirksen Building

MARCH 27

10:00 a.m.

Appropriations

Transportation Subcommittee

To resume hearings on proposed budget estimates for the Department of Transportation.

1224 Dirksen Building

Banking, Housing, and Urban Affairs

Consumer Affairs Subcommittee

To resume hearings on S. 1928, proposed Fair Financial Information Practices Act, and S. 1929, proposed Privacy of Electronic Fund Transfers Act.

5302 Dirksen Building

11:30 a.m.

Appropriations

Transportation Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.

1224 Dirksen Building

2:00 p.m.

Judiciary

To hold hearings on pending nominations.

2228 Dirksen Building

MARCH 28

10:00 a.m.
Banking, Housing, and Urban Affairs
Consumer Affairs Subcommittee
To continue hearings on S. 1928, proposed Fair Financial Information Practices Act, and S. 1929, proposed Privacy of Electronic Fund Transfers Act.
5302 Dirksen Building

MARCH 31

9:00 a.m.
Energy and Natural Resources
To resume hearings to assess the political, military, economic, and social factors affecting world oil production and consumption over the next decade.
3110 Dirksen Building

APRIL 2

10:00 a.m.
*Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To resume hearings on title II, proposed Youth Education and Training Act, of S. 2385, proposed Youth Act.
4232 Dirksen Building

APRIL 3

10:00 a.m.
Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To continue hearings on title II, proposed Youth Education and Training Act, of S. 2385, proposed Youth Act.
4232 Dirksen Building

HOUSE OF REPRESENTATIVES—*Tuesday, March 25, 1980*

The House met at 12 o'clock noon.

The Reverend Forrest H. Hall, pastor, Assembly of God Tabernacle, Chalmette, La., offered the following prayer:

Shall we pray?

Loving Father, we stand today in this Chamber with hearts full of gratitude for Your many blessings upon this great Nation of ours. A nation that has arisen out of obscurity, and danger, and peril, and hardships to become the greatest nation on the face of this Earth. We thank You for those men and women, who through faith, and vision, and commitment, and by divine appointment, founded this Nation upon Biblical principles. We thank You for those who have fought, and the many thousands who have given their lives since that time, to preserve these priceless principles.

And now Father, I pray for our President and those who serve with him in his Cabinet, and for these men and women who stand here with me in this House of Representatives and for those men and women of our Senate. I pray that You will give them divine guidance, and knowledge, and wisdom for the many hard and difficult and challenging decisions which they face in these troublesome times. And Father, I pray that You will rekindle and reestablish Your word and a true faith in our Lord Jesus Christ in the hearts of all peoples in our Nation, and indeed, throughout the world.

And now Lord, I am thinking of the promise You made to a wise king named Solomon, and to the nation of Israel over 2,500 years ago, that, *"If my people, which are called by my name, shall humble themselves, and pray, and seek my face, and turn from their wicked ways; then will I hear from heaven, and will forgive their sin, and will heal their land.*—2 Chronicles 7: 14.

Even so, let it be, Father, in the name of our Lord Jesus Christ. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2222) entitled "An act to extend the time for commencing actions on behalf of an Indian tribe, band, or group, or on behalf of an individual Indian whose land is held in trust or restricted status."

THE REVEREND FORREST H. HALL

(Mr. LIVINGSTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks).

Mr. LIVINGSTON. Mr. Speaker, the Reverend Forrest H. Hall, who has just offered the prayer today, is pastor of the Assembly of God Tabernacle in Chalmette, La., which I am privileged to represent.

After 21 years in private business Reverend Hall was called to the ministry. He has been serving the Chalmette area for 7 years. He started with just a handful of members and has built the tabernacle into a great congregation of nearly 500. In addition, this dynamic man serves as district presbyter of the New Orleans section of the Assemblies of God, an elective office he has held for 5 years.

Reverend Hall has not just ministered to Chalmette, however. He and his wife, Johnnie, and his children, Cliff and Rhonda, have served a far wider audience through family Gospel singing on radio and television broadcasts and in record albums. The Halls have totally dedicated themselves to spreading the message of the Christian faith throughout America.

Reverend Hall's selfless service, his hard work and dedication, are an inspiration to all who know him. I am honored to have invited him to be here today, to give the opening prayer before the House of Representatives, and I know the people of the First Congressional District of Louisiana are proud to have him as their spiritual representative today.

REQUEST FOR PERMISSION FOR COMMITTEE ON RULES TO FILE CERTAIN PRIVILEGED REPORTS

Mr. LONG of Louisiana. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, in view of the fact that the Committee on Rules meets in emergency session at 2 o'clock and we do not know what form the FTC rule may take, I wonder if the gentleman would withdraw his request until later in the day. Otherwise, the gentleman from Maryland would object.

Mr. LONG of Louisiana. I would be happy to withhold the request until later in the day, Mr. Speaker.

CONGRATULATING THE UNIVERSITY OF LOUISVILLE CARDINAL BASKETBALL TEAM

(Mr. HUBBARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUBBARD. Mr. Speaker, I cannot possibly add much to the outstanding accomplishments of the University of Louisville Cardinal basketball team nor can I equal the pandemonium and celebration which is undoubtedly going on back in Kentucky, but speaking as a University of Louisville Law School graduate, I would like to extend my congratulations to the Cardinals for capping off a spectacular season with an NCAA basketball championship. I applaud this team's efforts in bringing the university its first NCAA basketball crown in the history of Cardinal basketball.

It has been a long road to the NCAA finals and Denny Crum and Darrell Griffith, as the team's coach and floor leader respectively, can be mighty proud of their performance all season long as they consistently excited basketball fans all across the country. It is only fitting that they reap the thrill of victory today. As the coach of the Cardinals said in a postgame interview, "Tonight it was our turn." Write it down, 1980 the year of the Cardinals.

LET US HONOR THE LAST REQUEST OF ARCHBISHOP ROMERO

(Mr. DRINAN asked and was given permission to address the House for 1 minute.)

Mr. DRINAN. Mr. Speaker, only hours ago during the celebration of a memorial Mass four gunmen approached San Salvador's archbishop, Oscar Romero, and shot him to death.

This man, whom I met in El Salvador in 1978, stood like an island of justice and sanity amid the violence and oppression that are engulfing his tiny nation.

Archbishop Romero emulated the lives and teachings of Mahatma Ghandi, Martin Luther King, and Jesus Christ himself, and yesterday he followed them to violent martyrdom.

Last year I and others of this body nominated the archbishop for the Nobel Peace Prize. We said:

> In a nation notorious for its disregard for basic human rights, Archbishop Romero stands out as an eloquent and unshakable opponent of oppression and violence.

Just last month Archbishop Romero wrote to President Carter to oppose the sending of U.S. military aid to El Salvador. He said:

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

☐ This symbol represents the time of day during the House Proceedings, e.g., ☐ 1407 is 2:07 p.m.

> The contribution of your government, instead of favoring greater justice and peace in El Salvador undoubtedly will sharpen the repression.

The United States must take no part in the repression of the Salvadorean people. As the Archbishop pointed out—

> The junta and the Christian Democrats do not govern the country . . . political power is in the hands of unscrupulous military men who only know how to repress the people and favor the interests of the Salvadorean oligarchy.

At this very moment the Foreign Operations Subcommittee is deciding whether or not to send that military aid and those American advisers to El Salvador. I urge both the subcommittee members, and President Carter, to honor the last request of Archbishop Romero, a request which may have cost him his life.

TRIBUTE TO THE LATE ARCHBISHOP OSCAR ROMERO

(Mr. HARKIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HARKIN. Mr. Speaker, yesterday one of the true saints walking on this Earth became one of the latest martyrs of repression and violence. Archbishop Oscar Romero died while he was saying Mass in a church for his mother, who died last Friday. He died at the hands of assassins who walked in and took his life.

Mr. Speaker, I had the privilege last year of spending almost an entire day with Archbishop Romero. I do not think any individual I have ever been privileged to meet in my life had a more profound effect on me or on my thinking than Archbishop Romero. Like St. Thomas Beckett, Archbishop Romero truly gave his life for his sheep.

On the back of his wall, I remember, in his office, there was a sign with a picture of Jesus which said, "He who gives his life for Me is saved."

I do not know about the structure of Heaven, but I am certain that there must be a special place reserved for the peacemakers of this world such as Archbishop Oscar Romera. When I met with him he told me, and I have his words right here:

> We feel more and more that our work, our work for the poor, which has been reiterated by the new Pope, that this is a right work for the church.
>
> We see Carter's human rights as providential. We don't see it from the same point of view. Ours is an evangelical, not a political, point of view. It is not for political circumstances, rather for evangelical and faith reasons, that the church will always be for human rights.

On Sunday, March 9, in his last homily he said the following:

> In the name of God and of the suffering people whose laments rise to the heavens each day, I beg you, I beseech you, I order you to stop the repression.

We mourn his loss, but his life and death compels us to continue the struggle for social and economic justice, and to continue efforts to secure human rights for the oppressed of this world.

TRAGEDY IN EL SALVADOR

(Mr. WEISS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEISS. Mr. Speaker, today it is reported that Archbishop Oscar A. Romero was assassinated while celebrating a memorial Mass. Violence has claimed the life of this universally respected nonviolent human rights advocate. He was a courageous man whose work in behalf of individual freedom will serve as a symbol to those who struggle in El Salvador and elsewhere throughout the world to end repressive policies of totalitarian ruling powers.

Last January I joined 22 of my colleagues in nominating the archbishop for the Nobel Peace Prize. While he was not bestowed this honor, he was honored through the love and admiration of his many followers. I hope that we will remember his leadership in human rights when military aid to El Salvador is considered.

FEDERAL JUDGES MANIPULATE LAW TO INCREASE THEIR SALARIES

(Mr. DONNELLY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DONNELLY. Mr. Speaker, yesterday U.S. District Court Judge John Lewis Smith ruled that all of the judges affected by the congressionally mandated 5.5-percent cost-of-living pay cap were entitled to the full 12.9 percent automatic pay increase. The judges, who enjoy an annual salary level of at least $50,000, were awarded this court victory on the basis of a technicality. Congress could not pass the necessary legislation limiting the automatic cost-of-living pay increases due Members of Congress, certain Federal employees and some judges until 12 days after the beginning of 1980 fiscal year. Judge Smith ruled that had the judges been denied their pay raise, their constitutional rights would have been violated.

At a time when the American people and their elected officials are making every effort to battle the menace of inflation which is ravaging the Nation's economy, the fact that some members of the judiciary would appeal a decision of Congress to limit pay increases for all higher level Federal employees strikes me as irresponsible and the ultimate in judicial arrogance. The judges have maneuvered and manipulated the law to increase their already substantial salaries.

Have they not read in the newspapers about soaring inflation and efforts of the Congress and the President to balance this year's budget? Millions of Americans are making sacrifices and struggling to make ends meet, while these Federal judges enjoy a secure job with automatic pay increases. Yesterday's ruling insults the American people and seriously erodes the confidence of the American people in their Government.

JOHN CLAUDE GARRETT OF TENNESSEE

(Mr. BONER of Tennessee asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BONER of Tennessee. Mr. Speaker, it is my honor today to recognize an outstanding individual in Goodlettsville, Tenn., Mr. Claude Garrett. Mr. Garrett, president of the Bank of Goodlettsville, began his 66th year in banking on December 14, 1979. This gives Mr. Garrett the distinction of being the oldest active banker in the State of Tennessee.

Mr. Speaker, Mr. Garrett was born in 1897 and went to work for the Bank of Goodlettsville in 1914 as a janitor, builder of fires, and a cleaner of spittoons. His assignments did not prevent him from rising straight to the top of the bank. His starting salary back in 1914 was $35 a month and, for over 25 years, Mr. Garrett rose to run the bank operations with the assistance of Marshall Draper and Pete Ketring. Assets in 1914 for the bank were $100,000 and today they are over $68 million. Mr. Garrett was elected president of the bank in 1951.

During the history of the Bank of Goodlettsville, it has been robbed three times. Every time they have been robbed, John Claude Garrett has been there on the spot. In 1949, he was knocked out by a gunman. The bank recovered the money and, unfortunately, Mr. Garrett spent 35 days in the hospital recovering. In 1933, he was locked in the vault for an hour or 2 and the culprits were also apprehended. In 1935, the bank was robbed again, and Mr. Garrett, Pete Ketring, and Marshall Draper were all made to lie on the floor while the bandit made his escape. The villain was captured shortly thereafter.

Mr. Speaker, Mr. Garrett's family has also followed in his footsteps at the bank. John Claude Garrett, Jr., is chairman of the board; Jerry Garrett, executive vice president; John Claude Garrett III, vice chairman of the board; and, of course, Mr. John Claude Garrett, Sr., president of the Bank of Goodlettsville.

I salute Mr. Garrett, Sr., in his continuing and outstanding service to the people of Goodlettsville, and the banking industry of Tennessee.

THE NEED FOR TERM LIMITATION

(Mr. SCHULZE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHULZE. Mr. Speaker, today I bring to the attention of my colleagues a matter which has not been, but should be, of utmost concern to this legislative body. That is, the limitation of terms of office for Members of Congress and the President. This much-needed modification is one which can bring renewed vitality and participation to the legislative process.

The need for such legislation is all too obvious in light of an alarmingly low record of voter participation in general elections and an increasing public demand for structural changes in the system by which Members of Congress now serve. When only 35.2 percent of the voting age population casts its ballot, as was the case in the last congressional election, there is something drastically wrong with the system. While a recent Gallup poll showed support for term-limitation legislation at over 60 percent, the Congress has refused to seriously deliberate the issue.

The people of our country should not be represented by a Congress that once again begins campaigning the day it takes the oath of office. Nor should they be represented by a President who acts to insure his reelection rather than acting to insure the long-term safety and best interests of our Nation. In order to better serve our constituents and regain the respect Congress has been so steadily losing, we must effectively address these very real concerns which our citizens are raising. This body must, therefore, work diligently in deliberating the matter of term limitation to an effective and appropriate end.

☐ 1220

ELECTION DAY COMING—HANG IN THERE, AMERICA

(Mr. HYDE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HYDE. Mr. Speaker, this administration's pervasive incompetence in dealing with raging inflation was underscored this morning by the dismal news that in February the Consumer Price Index again rose 1.4 percent.

This represents an annual rate of over 18 percent, one of the steepest on record.

The prime rate is expected to reach 20 percent; the home building industry is threatened by mortgage interest rates of as much as 16 and 17 percent—stocks, bonds, the dollar, and savings are plummeting while public and private debt is escalating. There is no single area of governance in which this administration attains even the barest level of adequacy.

These statistics—dry and impersonal as they are—translate into meatless meals for senior citizens and a steady decline in the standard of living for every citizen.

The Democratic Party has the power and responsibility to govern this Nation. The record so far? We are a laughing stock all over the world—they have failed, faltered and fumbled so badly that every day is an adventure in survival.

Hang in there, America—November 4 is only 224 days away.

WHO IS KIDDING WHOM ON INFLATION?

(Mr. DANNEMEYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANNEMEYER. Mr. Speaker, I have before me, hot off the presses at the Bureau of Labor Statistics, the cost-of-living figures for the month of February. After $163 billion in deficit spending these past 4 years, it should come as no surprise that the cost of living went up another 1.4 percent last month—the same as in January—and that the inflation rate is still in the 18-percent range.

What is more surprising is that the Democratic Party, which created this mess by voting these deficits, now expects the American people to believe that the best way to escape it is to raise taxes. Not only does their record on deficit spending cast doubt upon whatever anti-inflation program they may now offer, but raising taxes may encourage the very thing they claim to fear most—a major recession.

There is a better way to fight inflation; balancing the budget simply by cutting Federal spending. And it is fair; after all, why should not the Democratic majority suffer a little discipline along with everyone else.

THE NEW BALANCED BUDGET ACT—HOW WILL IT PLAY IN PEORIA?

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, I have been getting a good many calls from my district, from the press, and local public officials. They want to know how the President's new balanced budget act is going to play in Peoria.

I have to tell them I really do not know because the President intends to keep his budget cuts a secret until after today's primaries. Apparently the priorities of the administration are to put primary elections first and our national economic health second.

In other words, nomination first, the Nation second. Delegates first, the economy second. Politics first, the people second.

Finally, Mr. Speaker, when we do get the budget resolution on this floor, there will be a much higher proportion of votes for a balanced budget on our Republican side of the aisle than on the Democrat side. And that will include votes on individual appropriation bills to back up that position.

NEW FIGURES ON THE MISERY INDEX

(Mr. DEVINE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DIVINE. Mr. Speaker, during his 1976 Presidential campaign, Jimmy Carter, of Georgia, talked frequently about the misery index. That index seeks to measure public discomfort by combining the unemployment rate and inflation rate.

In 1976 the misery level was 12.5 percent. Mr. Carter thought it was bad. He promised to do better.

But look what has happened. This morning we learned that consumer prices are continuing to rise at an 18-percent annual rate.

Mr. Speaker, in the last 39 months that President Carter and his Democrat allies in Congress have made economic policy, the misery level has doubled. It is now nearly 25 percent.

The American public is dissatisfied. It wants a change. In November it will have an opportunity to change economic policies by replacing those who have been running this place far too long.

CONTINUING ECONOMIC PROBLEMS SHOULD GIVE WORRISOME DAYS AND SLEEPLESS NIGHTS

(Mr. ERDAHL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ERDAHL. Mr. Speaker, we have all heard what it means to have a Democratic-controlled, million-dollar-a-minute Congress. Over the past 25 years it seems that it has meant bigger Government, higher taxes, and higher inflation. We all know it is not Government that is paying for these things; it is the poor taxpayer.

But the taxpayers have to buy other things rather than just pay taxes. They have to buy food and clothing and housing, but this Congress is making that almost impossible.

For example, let us take the average family; how can it survive with an inflation rate, as we have heard, of 18 percent? And now the index has gone up 1.4 percent in the most recent month.

For those who want to know what 25 years of Democratic control has done for the American family, take note of this figure: it now takes $236 to buy what $100 purchased in 1967.

Mr. Speaker, this should give our friends on the Democratic side of the aisle some worrisome days and some sleepless nights.

□ 1230

PERSONAL EXPLANATION

(Mr. FISH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FISH. Mr. Speaker, as a Commissioner, I attended a field hearing of the Select Commission on Immigration and Refugee Policy in New Orleans on Monday, March 24. Hence, I was unable to vote on several rollcalls that day. The following explains how I would have voted had I been present:

Rollcall No. 151: A vote under suspension of the rules on the final passage of H.R. 5043, the Bankruptcy Tax Act of 1980. The measure passed by a vote of 324 to 0. Had I been present, I would have voted in favor of this measure.

Rollcall No. 152: A vote under suspension of the rules on the final passage of H.R. 4088, the sale of obsolete vessels. The measure passed by a vote of 332 to 0. Had I been present, I would have voted in favor of this measure.

Rollcall No. 153: A vote under suspension of the rules on final passage of H.R. 4410, Paperwork Reduction Act of 1980. The measure passed by a vote of 328 to 13. Had I been present, I would have voted in favor of this measure.

Rollcall No. 154: A vote to agree on the conference report on S. 2222, Indian claims extension. The measure passed by a vote of 209 to 131. Had I been present, I would have voted in favor of the conference report.

Mr. Speaker, I ask unanimous consent that this personal explanation be entered in the permanent RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

TAX INCENTIVES FOR FUEL OIL DONATIONS

(Mr. CONTE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONTE. Mr. Speaker, today I am introducing legislation which is designed to reduce our dependence on OPEC oil. It will accomplish this task through the charitable donation of millions of gallons of home-heating oil which currently sits idle in tanks in the basements of thousands of homes in this country which have recently converted from oil to natural gas heating. In western Massachusetts alone, some 30,000-40,000 conversions have occurred in the last few years. The average amount of oil available per tank is 75 gallons.

This legislation is expected to offer households the necessary tax incentives to those which have converted from oil to make arrangements with their local oil dealers to pump out their tanks. The incentive will be in the form of a 100-percent tax credit, based on the retail price of the oil at the time of donation, not to exceed $200. The donation must be to a qualified charitable organization for distribution to families in need of fuel assistance.

The current availability of merely a charitable tax deduction effectively precludes most middle-income families from utilizing such a program, since most are unable to justify the standard $3,400 in yearly deductions. This legislation provides for a tax credit to be subtracted from the Federal tax owed by the donor. In addition, it still provides for a charitable deduction for that amount in excess of the $200 maximum credit. Finally, this measure is retroactive to donations made on or after September 1, 1979.

I hope that my colleagues will realize the importance of such a program as this country winds its way through the energy crisis. I urge your support.

THE MAJORITY PARTY MUST REPENT

(Mr. BAUMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BAUMAN. Mr. Speaker, there seems to be disarray among the Democratic disciples on the majority side of the aisle. The liberal legions are losing their lightning bolts for higher spending. The majority party's ballooning balanced-budget brigade instead is blundering toward oblivion. Now, I know it is hard for the liberal deficit demons to reform their ways and the spending junkies are finding it hard to break the habit. But reform we must, Mr. Speaker. Do not let a small and dwindling band of willful liberals drive the people of America to further economic suffering, higher inflation, and higher interest rates. Lead your flock, Mr. Speaker, out of the economic wilderness and into the brilliant sunlight of balanced budgets and economic sanity before it is too late. Repent.

A FOURTH STEP TO INFLATION

(Mr. JOHN L. BURTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JOHN L. BURTON. Mr. Speaker, in response to the eloquent statements, if you could call them eloquent, from our friends on the other side of the aisle concerning the Democratic Party, I would like to update my last speech on inflation. I have been talking to Gov. Ronald Wilson Reagan, former Governor of the great State of California, and he has added a fourth step to inflation, Government spending and the Government's treatment of the people. That fourth step is really * * *?

COMMUNICATION FROM CHAIRMAN OF COMMITTEE ON MERCHANT MARINE AND FISHERIES

The SPEAKER pro tempore laid before the House the following communication from the chairman of the Committee on Merchant Marine and Fisheries:

COMMITTEE ON MERCHANT
MARINE AND FISHERIES,
Washington, D.C., January 29, 1980.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: Pursuant to section 194 of title 14 of the United States Code, I have appointed the following Members of the Committee on Merchant Marine and Fisheries to serve as members of the Board of Visitors to the United States Coast Guard Academy for the year 1980.

The Honorable Mario Biaggi of New York;

The Honorable E. (Kika) de la Garza of Texas; and

The Honorable Gene Snyder of Kentucky.

As Chairman of the Committee on Merchant Marine and Fisheries, I am authorized to serve as an ex officio member of the Board.

Sincerely,

JOHN M. MURPHY,
Chairman.

COMMUNICATION FROM CHAIRMAN OF COMMITTEE ON MERCHANT MARINE AND FISHERIES

The SPEAKER pro tempore laid before the House the following communication from the chairman of the Committee on Merchant Marine and Fisheries:

COMMITTEE ON MERCHANT
MARINE AND FISHERIES,
Washington, D.C., January 29, 1980.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker of the House,
House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: Pursuant to Public Law 301 of the 78th Congress, I have appointed the following Members of the Committee on Merchant Marine and Fisheries to serve as members of the Board of Visitors to the United States Merchant Marine Academy for the year 1980.

The Honorable Mario Biaggi of New York.

The Honorable Les AuCoin of Oregon.

The Honorable Paul N. McCloskey of California.

As Chairman of the Committee on Merchant Marine and Fisheries, I am authorized to serve as an ex officio member of the Board.

Sincerely,

JOHN M. MURPHY,
Chairman.

PROVIDING FUNDS FOR EXPENSES OF INVESTIGATIONS AND STUDIES BY SELECT COMMITTEE ON THE OUTER CONTINENTAL SHELF

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 610) to provide for the expenses of investigations and studies to be conducted by the Select Committee on the Outer Continental Shelf, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 610

Resolved, That for the further expenses of investigations and studies to be conducted by the Select Committee on the Outer Continental Shelf, acting as a whole, not to exceed $117,200, including expenditures for the employment of investigators, attorneys, and clerical, and other assistants, pursuant to section 202(j) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(j)), shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditures in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House, except in conformance with H. Res. 53; and the chairman of the Select Committee on the Outer Continental Shelf shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. The authorization granted by this resolution shall expire immediately prior to noon on June 30, 1980.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law and pursuant to House Resolution 53.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

COMMITTEE AMENDMENT

The SPEAKER pro tempore. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Strike out all after the resolving clause and insert:

That for the further expenses of investigations and studies to be conducted by the Select Committee on the Outer Continental Shelf, acting as a whole, not to exceed $116,000, including expenditures for the employment of investigators, attorneys, and clerical, and other assistants, pursuant to section 202(j) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(j)), shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditures in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House, except in conformance with H. Res. 53; and the chairman of the Select Committee on the Outer Continental Shelf shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. The authorization granted by this resolution shall expire immediately prior to noon on June 30, 1980, or whenever all obligations of the Select Committee on Outer Continental Shelf are paid.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law and pursuant to H. Res. 53.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The SPEAKER pro tempore. The gentleman from Indiana (Mr. BRADEMAS) is recognized for 1 hour.

Mr. BRADEMAS. Mr. Speaker, the resolution we are considering today is the final primary expense resolution for investigations and studies of committees of the House in 1980.

House Resolution 610 provides funds for the expenses of investigations and studies to be conducted by the Select Committee on the Outer Continental Shelf for the period of January 3 to June 30, 1980. The select committee's authorization will expire on June 30 of this year.

The Select Committee on the Outer Continental Shelf originally submitted a resolution, House Resolution 573, requesting $172,000. This amount was reduced by the Committee on House Administration to $157,000. However, on March 11, House Resolution 573 was defeated on the floor by a vote of 183 to 218.

A second funding proposal, House Resolution 610, was then introduced by Mr. MURPHY, the chairman of the select committee. On March 19, the Committee on House Administration unanimously agreed to this resolution, as amended.

Mr. Speaker, House Resolution 610 represents a "scaled-down" version of the select committee's original funding resolution. It provides $116,000 for the select committee to complete its work. These funds are requested in order to allow the committee to hold several hearings already scheduled, as well as to complete the final report of the committee.

Mr. Speaker, the amount requested in House Resolution 610 is $174,000 less than the $290,000 approved by the House for this committee in 1979, and $56,000 less than the amount requested in the select committee's previous resolution. Furthermore, it represents a 59-percent decrease from the select committee's 1979 expenses.

Mr. Speaker, I yield for purposes of debate only to the gentleman from Ohio (Mr. ASHBROOK).

Mr. ASHBROOK. I thank my colleague for yielding for the purpose of clarification.

I understood the majority leader to say that we would only have conference reports coming up, other than the announced schedule. I do not remember seeing this resolution on the announced schedule.

Mr. BRADEMAS. Mr. Speaker, I might respond to the gentleman from Ohio that this is a privileged resolution and, therefore, is able to be brought up at any time.

Mr. ASHBROOK. If my colleague will further yield, did my colleague, the gentleman from California (Mr. DANNEMEYER), know about this resolution coming up?

Mr. BRADEMAS. I do not have the faintest idea.

Mr. ASHBROOK. I thank my colleague.

Mr. BRADEMAS. Mr. Speaker, I move the previous question on the committee amendment and the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the committee amendment.

The committee amendment was agreed to.

The resolution, as amended, was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the resolution just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

☐ 1240

CALL OF THE HOUSE

Mr. ASHBROOK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members responded to their names:

[Roll No. 155]

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Ashbrook
Ashley
Atkinson
AuCoin
Bafalis
Bailey
Barnard
Barnes
Bauman
Beard, R.I.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Chappell
Cheney
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Tex.
Conable
Conte
Conyers
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Derrick
Derwinski
Devine
Dickinson
Dicks
Dingell
Dixon
Dodd
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fowler
Frenzel
Frost
Fuqua
Gaydos
Gephardt
Gilman
Gingrich

Ginn
Glickman
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Harkin
Harris
Hefner
Heftel
Hightower
Hillis
Hinson
Hollenbeck
Holt
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ireland
Jeffries
Jenkins
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lee
Lehman
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCormack
McDade
McEwen
McHugh
McKay
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moore
Moorhead, Calif.
Mottl
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Nedzi
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Paul
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Porter
Preyer
Price
Pursell
Quayle
Quillen
Rahall
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Roe
Rose
Rosenthal
Rostenkowski
Roth
Rousselot
Roybal
Royer
Rudd
Runnels
Russo
Sabo
Satterfield
Sawyer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Stangeland
Stanton
Stark
Steed
Stenholm
Stewart
Studds
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Thompson
Traxler
Trible
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Walgren
Walker
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Ohio
Wilson, Bob
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

☐ 1250

The SPEAKER pro tempore. On this rollcall, 365 Members have recorded their presence by electronic device, a quorum.

Under the rule, further proceedings under the call are dispensed with.

TO ESTABLISH A STANDING COMMITTEE ON ENERGY

Mr. PATTERSON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the resolution (H. Res. 549) amending the Rules of the House of Representatives to establish a standing Committee on Energy.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the resolution (H. Res. 549), with Mr. MINISH in the chair.

The Clerk read the title of the resolution.

By unanimous consent, the first reading of the resolution was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from California (Mr. PATTERSON) will be recognized for 30 minutes, and the gentleman from New Hampshire (Mr. CLEVELAND) will be recognized for 30 minutes.

The Chair recognizes the gentleman from California (Mr. PATTERSON).

Mr. PATTERSON. Mr. Chairman, I yield myself 10 minutes.

☐ 1300

Mr. Chairman, today, responding to clear and apparent national need, the House finally has the opportunity to create a standing Committee on Energy.

The exhaustive studies and hearings held by the select committee led to the inescapable conclusion that the House must rationalize its energy jurisdictions. Only by doing this can we make our proper contribution to energy policy, explain that contribution to the people, respond quickly to changing events, and oversee properly the energy legislation we pass.

The United States today is the only industrialized nation without a comprehensive energy policy. The fault, in part, is the fault of this House. We cannot, any longer, avoid our responsibility.

The resolution reported out by the select committee, on an 11 to 4 vote, was based upon intensive negotiations with most of the affected parties and, as one reporter described it, was "an attempt to prove that the art of the possible still survives in the House of Representatives."

During these negotiations we tried to maintain a fine balance between the interests of producers, consumers, and environmentalists. We also asked for the support of committees from whom we were removing some jurisdiction. The partial success of our efforts is a tribute to the higher-mindedness of several committee and subcommittee chairmen and members.

House Resolution 549 establishes a Committee on Energy with primary jurisdiction over "national energy policy generally." Today the House does not have any committee or subcommittee with such jurisdiction.

The committee's jurisdiction includes "measures relating to the production, supply, marketing, pricing, regulation, or conservation of energy resources, except on the public lands, including all fossil fuels, nonmilitary nuclear power, solar power, and other unconventional or renewable energy resources."

House rules today do not grant such jurisdiction to any committee or subcommittee.

The jurisdiction also includes "the transmission and marketing of all electrical energy except by or through federally chartered regional or national power authorities."

This is another jurisdictional area that is not currently defined in the rules of the House.

Additionally, the new Committee on Energy receives all energy jurisdiction now exercised by the Committee on Interstate and Foreign Commerce, including the same jurisdiction over nuclear energy as it has over nonnuclear energy.

Intentionally, the Committee on Energy has new and wide-ranging jurisdiction. As the report language makes clear, it is the intent of the Select Committee on Committees that this be primary jurisdiction for the purposes of referral of energy matters, with any other referrals being secondary and specifically limited in time.

To offset this concentration of power, House Resolution 549 grants the Committee on Interior and Insular Affairs jurisdiction over "environmental aspects of all energy matters, except those of standing committees with specific jurisdiction over environmental matters under existing laws." This is a check and balance to assure that future energy matters not covered by current environmental laws be reviewed by a responsible standing committee of the House.

House Resolution 549 also defines in House rules the heretofore undefined dividing line between demonstration as a function of research and development and then, commercial application. Demonstration, in this definition, remains under the jurisdiction of the Committee on Science and Technology, while commercial application moves to the new Committee on Energy.

In addition, as the report accompanying the resolution indicates, the select committee intends that the new Committee on Energy be the committee of primary jurisdiction, wherever appropriate, when energy-related measures are referred to two or more committees. In such cases, the select committee intends that other committees which are party to the referral be required to report within a time certain following the favorable report of the Committee on Energy.

Furthermore, when legislation reported by any other committee significantly affects matters under the jurisdiction of the Committee on Energy, the select committee intends that the Committee on Energy, through formal referral or informal consultation, be enabled to consider and report on that legislation.

Thus, the select committee hopes to assure that national energy policy be subject to review by a single committee and that undue delay, confusion, and lack of coordination on energy matters in the House be reduced.

If this is found acceptable to the House, we can start to respond rationally to the so-called energy crisis.

We simply never had to think about it. Today, we must.

This is not an energy crisis—it is a political crisis. The problem is not the total oil reserve of the Nation. The problem is the political resolve of the Nation's people and of the Members of this House as their Representatives.

The fact is, America is well organized for affluence and poorly prepared for scarcity.

American politics has, for decades, dealt with ever-better distribution of an ever-larger pie.

Today, especially in matters of energy, we must confront the politics of scarcity—more people, more demand—and a smaller pie.

Adaptation to such a fundamental change is not easy—especially when our institutional structures no longer fit our current need.

This is where we stand today in the matter of energy:

The President, sole spokesman of the national will, cannot feasibly compromise the demands of energy producers, energy marketers, energy consumers, and environmentalists.

The Congress, sole compromiser of national dispute, cannot agree on energy ends and means.

The Nation, seeking leadership, cannot find help when confronted with gas-lines, high heating oil prices, and unparalleled energy corporation profits.

Oil company profits rise, gas prices rise, inflation continues—and confusion abounds.

This much is clear—leadership is needed on the question of energy.

This much is also clear—leadership is lacking.

The lack resides in the institutional structures we have inherited and not in anv individual—or collective—failure of wisdom or will.

Congressional jurisdiction over energy matters arose when most of our energy supply was domestically produced, cheap and plentiful. It has changed some in recent years, but in a way that further fractionates jurisdictions and makes the House less rather than more effective in matters of energy policy.

In today's House of Representatives, there are 83 committees and subcommittees with some energy jurisdiction. Their members include almost the entire membership of this House.

In a situation of abundance, such diffused power might not be significant. In a situation of scarcity, it is carrying us to institutional chaos. We cannot afford chaos. We need policy.

The lack of a national energv policy can be blamed on lack of policymaking capacity in this House. It is our fault. We must repair it.

The House of Representatives is the entity of Government closest to the people.

The House—our House—originates taxing and spending measures—the pocketbook issues that most affect every citizen.

Today, energy is the issue most affecting every citizen. It inflicts a tax, in the form of inflation—the cruelest tax of all—and it affects spending, individual and collective. The current weakness of the dollar is the direct result of America's failure to adopt a viable national energy policy.

Yet, with jurisdiction over energy policy divided and confused, the influence of the House in energy policy is less than that of the Senate, less than that of the White House, and far less than that required, in a time of national crisis, from the first branch of Government, the people's branch.

Congressional government is, or should be, committee government—committees are, or should be, "little legislatures"—repositories of expert knowledge, reflecting the mood, will, and policy preferences of the entire House. Most of the work of the House is done in committee—most committee recommendations are adopted by the whole House.

How can we represent our constituents, then, when scores of committees and subcommittees claim jurisdiction over an energy matter—an issue affecting each and every American? How can we represent them when one committee recommendation is offset by another and when multiple amendments offered for days on end from the floor call into question the effectiveness of the entire committee system?

If America does not resolve these problems, America will lose its role as world leader. If know-how no longer works, then America no longer leads. But America cannot hope to get its act in order until we put our House in order.

Beginning in the early part of this century, the House moved away from party government and toward committee government. More recently, the House has moved from committee government to subcommittee government. This tendency toward decentralization seems to be based on the personal interests of a large number of Members: The more power is diffused, the more Members exercise some power.

In the energy area, there are many political factors. When energy was cheap and abundant, only a few Members and committees were concerned with energy issues. Now, with energy on page one, everybody wants in the act, and that simply won't work. The House must make its proper contribution to national policy, must explain its contribution to the Nation, must respond quickly to new problems, and must oversee effectively the administration of the laws it passes.

Whatever else decentralization means, it does not mean greater efficiency. When everybody is in charge, nobody is in charge. I believe this is the real basis of the low regard the people continue to show for Congress as an institution. We can change that.

By supporting House Resolution 549, Members can prove to the people that the House can respond to their needs. America needs an energy policy. The House needs an Energy Committee.

Some critics of House Resolution 549 have said that it does not go far enough, that it does not really accomplish much. But today, there is no single committee with authority and responsibility for energy policy. Upon passing this resolution, the House will have such a committee.

Other critics say it goes too far—that by giving this broad power to a single committee, environmental concerns will be overlooked. But the broadened jurisdiction of the Interior Committee in House Resolution 549 provides a full check-and-balance for these concerns, whatever the energy future may bring.

This is not a perfect bill.

How often do we see a perfect bill?

But it is a viable major step toward solving the energy problem—and the people are crying out for that.

Let us take that step. Let us put aside jurisdictional jealousies. Let us stop trying to protect personal turf. Let us not defeat what is possible because we seek some impossible perfect solution. There are no perfect solutions.

This is not a perfect solution.

But it is something, in all conscience, we must do.

□ 1310

Mr. CLEVELAND. Mr. Chairman, I yield myself such time as I may consume.

First of all, Mr. Chairman, I want to commend the gentleman from California (Mr. PATTERSON), the chairman of the Select Committee on Committees. I want to commend him for having done a good job. I want to commend him for having worked closely with me as the ranking minority member of the committee, and I want to commend him particularly for having worked out with me a compromise so that we both now support the substitute that will be set forth in the motion to recommit. It has been a pleasure to work with the gentleman from California (Mr. PATTERSON), and I want to thank him and his staff for the cooperation that he has extended to me and the minority members of the committee.

The real issue before the House as we come to this debate is whether or not we really are going to change as it relates to our handling of energy. I think it should be pointed out that many years ago when the Russians launched Sputnik it created a strong feeling in this country that we were technologically falling behind the Russians and that this was a serious matter. The House response was to establish a separate committee which could help mobilize our space efforts. This was the Committee on Space and Astronautics.

As a result, we had one of our great technological triumphs of all times, the putting of a man on the Moon. I hasten to add that the establishing of the Energy Committee may not have as miraculous an effect in solving the problems of energy facing this country, but there is precedent here that we should consider.

It is also important to refer to the March 22 issue of the Congressional Quarterly—a reliable source of information about Congress—and an article which appears at page 837. I quote in part from that article:

> Certain Members, fearful of victory by the pronuclear forces, then drafted their own weaker alternative, sponsored by Congressman Jonathan Bingham of New York.

It goes on in this article to say that the Bingham proposal rapidly picked up support from environmentalists, nuclear power foes, and members of the committees that would lose power, and so forth.

I mention this because I do think there is an issue here as to whether or not nuclear power will remain where it is in the Interior Committee, or whether under the Cleveland-Patterson-Frenzel substitute, which will be offered as a motion to recommit, nuclear power will be put where it should be in an energy committee. At the same time, the Interior Committee will be left with its legitimate concerns which have to do with the environmental and safety impacts of the regulation of nuclear power.

Mr. Chairman, there are perhaps four fundamental questions Members must answer for themselves in deciding these issues today. First, does the House need a Committee on Energy? Second, do Members of the House want a Committee on Energy? Third, what should a Committee on Energy do that is not already being done? And, fourth, which of the options before us can best accomplish our objectives?

Present energy jurisdictions date back to the 1946 Legislative Reorganization Act. In 1946, energy was plentiful and energy was cheap. Energy resources consisted chiefly of oil and coal, most of which was produced in this country. New energy technologies, as we know them today, were—at best—in their infancy. Energy was not an issue in which House committees were very actively interested.

During the past 6 years, the situation has changed dramatically. We are now heavily dependent on foreign oil and gas. Energy costs have skyrocketed, drastically affecting every aspect of our economy and society. The worst inflation in recent history has, to a large extent, been fueled by energy price increases. New energy technologies have been born and brought to varying stages of development. But the development of energy technology has been expensive, erratic, uncoordinated, and frequently resisted by strong public pressures.

The congressional response to the growing energy crisis has been erratic and uncoordinated. In the absence of a central energy committee or other organizational means of viewing energy problems as a whole, no less than 83 committees and subcommittees have rushed in to fill the void and claim jurisdiction. The results have been predictable: Confusion, delay, duplication of effort, lack of accountability, and widespread fragmentation.

The consequences have been severe. Legislation has been considered in bits and pieces, large and small. Oversight has been reactive rather than systematic. Each energy resource has attracted its own coterie of supporters and detractors. Individual committees have become identified with individual technologies, both as proponents and opponents. There has been no balance, no planning, no effort to integrate our great resources in a concerted attempt to achieve energy independence.

The House has suffered accordingly. We are placed at a disadvantage in negotiating with the Senate. Our response to executive branch initiatives has been diverse, hesitant, and uncertain. Special interests, each concerned with its own advantage, have exploited our divisions. Nowhere can we look for a focus on energy in the House. No one has the authority to put the pieces together.

Do we need an Energy Committee? The question answers itself.

But do we want an Energy Committee? Are Members aware of the need to organize this body to deal coherently with energy policy? We are, indeed.

During the past 10 months, Mr. Chairman, the select committee has had interviews with quite a few Members of the House. We sent a questionnaire to Members. We had public hearings, and we had a report. The public hearings and the interviews and the questionnaires to Members of the House clearly and indisputably showed that the Members of this House want a Committee on Energy. They want to rationalize our fragmented treatment of energy. The Cleveland-Patterson-Frenzel compromise most nearly embodies what we were told at our public hearings, what we were told by the Members through personal interviews and through our questionnaires.

In stark contrast, Mr. Chairman, the Bingham substitute, to my knowledge, has never had any public hearings. The Bingham substitute has never had any report. The Bingham substitute, to the best of my knowledge, was conceived in the dark shadows of this House somewhere, and we do not really know much about it.

Mr. Chairman, as I have alluded, there was a very strong consensus which emerged from the long period of hearings and questionnaires and consultations with our colleagues, and that was that we needed a Committee on Energy. But what should that Energy Committee do, and how would it change our obsolete practices? Here, again, the Members have been outspoken and specific, and this is what they told us:

We want to cut back the duplication and overlapping of energy jurisdictions.

We want to reduce needless delays and endless confusion.

These are the Members speaking to us:

We want greater accountability and responsibility for the development of energy policy.

We want a single Committee on Energy whose jurisdiction will be broad enough to encompass all aspects of energy policy, though we recognize, of course, that there are many standing committees of the House with very important contributions to make whose jurisdictions will be left unimpaired.

The time has now come to translate those objectives into reality.

In my opinion, Mr. Chairman, the Cleveland-Patterson-Frenzel substitute, which will be offered as a motion to recommit, is the best way to do this.

Mr. Chairman, regarding the rule that was granted, I went to the Committee on Rules with the gentleman from Minnesota (Mr. FRENZEL) and we asked that our substitute be made in order just as the Gramm substitute and the Bingham substitute were made in order. We were turned down which is why our only option is a motion to recommit with instructions.

I read in the Washington Post this morning that the Speaker made it quite clear to the reporter, Richard Lyons, who interviewed him, that he thought the Cleveland-Patterson-Frenzel substitute was the best answer. Because it was coming up as a Republican motion to recommit with instructions, however, he felt that he could not urge its adoption.

It is unfortunate that that is the way the Speaker feels, and he is entitled to his feelings, of course, but I think it should be pointed out that we did make an effort to get a rule that would permit this substitute to be considered just as the Gramm substitute and the Bingham substitute can be considered. The fact that it comes up as a Republican motion to recommit is almost entirely the fault of the Committee on Rules.

The options before us are four in number. The rule which brought them to the House is unusual, but its implementation will be simple and straightforward. The four alternatives have been made in order under the rule in the following sequence: House Resolution 549 as reported by the Select Committee; the Bingham substitute to House Resolution 549; the Gramm substitute for the Bingham substitute; and, finally, a motion to recommit with instructions which I shall offer with the support, among others, of a bipartisan majority of the select committee, including our distinguished chairman, the gentleman from California (Mr. PATTERSON). The recommital motion provides a full-fledged option. The rule provides for an unusual 30 minutes of debate on the motion. It is a complete substitute for House Resolution 549, just as the Gramm and Bingham substitutes are.

Two of these alternatives no longer appear to be serious contenders. The Gramm substitute would consolidate almost every identifiable piece of energy jurisdiction in the House, transferring that jurisdiction from nine committees including the Committee on Ways and Means. It is acknowledged by its principal sponsor to be extreme. It has no organized support. Indeed, its chief sponsor informed the Rules Committee that he preferred the Bingham substitute to his own—in fact he has now decided not to offer it.

The committee resolution (H. Res. 549) was a carefully crafted product of extensive deliberations. By virtue of the unique parliamentary and political situation which prevailed during markup, however, the resolution is limited. It consolidates little more than the Commerce Committee's energy jurisdiction. It relies too heavily on the jurisdiction embraced by the term, "national energy policy generally," under which it would obtain chiefly joint and sequential referrals. It would, as a result, increase the use of multiple referrals. Recognizing its limitations, its principal sponsors—majority and minority alike—have now endorsed the recommital motion.

For all practical purposes, the choice

before the House is the recommital motion or the Bingham substitute. In more meaningful terms, the choice is between constructive change to meet a great national need, on the one hand, and on the other simply more of the same, or—what is worse—a compounding of our present deficiencies.

Essentially, the Bingham substitute redefines the existing energy jurisdiction of the Commerce Committee, much of which that committee, and its Energy and Power Subcommittee, now exercise without a specific mandate in the House rules. The substitute adds the jurisdictional phrase, "national energy policy generally," under which the Commerce Committee could obtain joint and sequential referrals of all the energy legislation it does not now consider. Potentially, it would double the energy workload of the committee and subcommittee.

If that added jurisdiction should be used, Mr. Chairman, the Bingham substitute would add to our problems, not resolve them. The Commerce Committee and its Energy and Power Subcommittee now have the heaviest workloads, the busiest schedules, the largest staffs, and the biggest budgets of any in the House.

If the added jurisdiction is used, the Bingham substitute would force even more energy measures through the bottleneck of a single subcommittee. It would also crowd more energy legislation into a full committee which—without any energy jurisdiction at all—would still be the busiest in the House.

If the added jurisdiction is not used—and supporters of the Bingham substitute have been very ambiguous about this—it would keep the House firmly planted in the past. Is this any way to convince the American people that we are serious about dealing with the energy crisis?

In sum, Mr. Chairman, the Bingham substitute fails to accomplish a single objective which the majority of Members have endorsed. On the contrary, that substitute would do precisely what more than 70 percent of respondents to our survey have disavowed—that is, continue the present fragmentation of energy policy.

In contrast, the substitute incorporated in the recommittal motion accomplishes everything that Members have asked for.

It establishes a standing Committee on Energy capable of handling all energy legislation in an orderly and expeditious way.

It consolidates substantial energy jurisdiction now in other committees—somewhat less than the "extreme" Gramm substitute, but far more than the Bingham substitute and House Resolution 549.

It places within the purview of a single energy committee all major energy resources and all significant energy measures, thus enabling one committee to balance the competing claims and the costs and benefits of all energy options.

It will end the isolation of a major national issue—nuclear regulatory policy—which has been buried in a committee determined not to permit the careful and considered development of a significant national resource.

It will give the House a single committee which we can make responsible and hold accountable for moving ahead on all energy fronts.

It will equip the House to deal with the other body on an equal footing, enable the House to respond to the Executive in a coherent way, and require individual energy interests to deal with a committee which cannot be captured by any one of them.

The recommittal motion, Mr. Chairman, has been shaped expressly to conform to the stated goals of the great majority of our colleagues on both sides of the aisle.

☐ 1320

I urge those Members on the other side of the aisle who want, as a majority of them have said they want, a separate Energy Committee, who want an Energy Committee that is going to target in on this long, difficult task of rationalizing our energy problems, to vote at the proper time for the motion to recommit. Although the motion will be offered by me, because under the rules as ranking minority Member, it is mine to offer, I think the record should show and Members should be aware that it embodies a carefully crafted compromise.

This compromise was worked out between myself, the gentleman from Minnesota (Mr. FRENZEL), and the gentleman from California (Mr. PATTERSON) and is supported by most members of the select committee and also by other very responsible and thoughtful Democrats.

Mr. Chairman, I think a significant factor may be the position of the gentleman from Ohio (Mr. ASHLEY) who was the chairman of the Ad Hoc Committee on Energy that had to be set up in the 95th Congress. Because there was no Energy Committee, no committee that could handle the President's energy message, the Speaker had to set up a cumbersome ad hoc committee. I am told that Mr. ASHLEY actively supports the compromise that we have crafted.

Mr. Chairman, I yield to the gentleman from California (Mr. PATTERSON) to confirm that fact.

Mr. PATTERSON. Mr. Chairman, I thank the gentleman for yielding. Mr. Chairman, the gentleman is correct. Mr. ASHLEY does support the motion to recommit.

Mr. CLEVELAND. I thank the gentleman.

Mr. Chairman, I think it underscores an important point. If you have the chairman of the ad hoc committee that handled the massive energy bill of 1978 supporting the concept of a separate Energy Committee, it has got to tell you something. What it tells you is this, that it is perfectly ridiculous to have a situation in the House where we do not have a major standing committee to which major energy legislation can be referred.

Based on that experience, the chairman of the ad hoc committee is now supporting the Cleveland-Patterson-Frenzel substitute which will be offered as a motion to recommit with instructions.

Mr. Chairman, I reserve the balance of my time.

Mr. PATTERSON. Mr. Chairman, I yield 5 minutes to the gentleman from Virginia (Mr. FISHER).

Mr. FISHER. Mr. Chairman, in the general debate, I wish to make several comments on the matter of establishing a better position and capacity in the House for bringing together the various elements of energy policy. In my view, Mr. Chairman, the time has now come for an Energy Committee in the House. There is no question about it. The time is now. The time will not come again for a long while.

If we are ever to gather together the numerous elements and jurisdictions in this House that pertain to energy, this is the moment. We either fail to move forward at this time or we seize the opportunity and establish some kind of Energy Committee. Later will not do. The country demands a better, a more coherent set of energy policies.

Mr. Chairman, we know we must do better in this field and now is the chance to get our own act together.

Why, exactly, do I think that now is the time for an Energy Committee? First, energy jurisdictions in this House have been fragmented among many standing committees. There is no doubt about that. Everyone recognizes that.

Second, this House has had great difficulty in bringing together a coherent set of energy policies and programs. We have been laboring with this subject for 6 years in an intensive way and it is on public display before the whole country and the whole world that we do not do well. It takes us too long.

Third, the energy problems in the 1970's have obviously become serious, significant, persistent. They are not going to go away. They are not going to get less. We will continue to depend heavily upon oil imports with dangerous implications for defense. Our economy will continue to depend on energy for industry and transportation and our whole way of life will continue to depend on abundant energy.

Fourth, energy problems are not going to be easily solved in the future any more than they have been in the recent past. In my judgment it will take at least several decades to develop the new sources and the new technologies and to institute the comprehensive programs of conservation that will be called for if we are really going to do the job of reducing import dependence and establishing our country on a much more efficient energy system.

Fifth, the American people expect, and have a right to expect, better performance on energy than we have been able to deliver. The Senate has an Energy Committee. The executive branch has a Department of Energy. The House, in addition, should establish an Energy Committee.

Now, Mr. Chairman, the exact jurisdiction of an Energy Committee is important but it is not the main issue. The main issue is whether we are going to recognize the realities of the energy situation that face the country and the need to consolidate most of the energy responsibilities into one single committee.

Mr. Chairman, a word on the environmental and health concerns which have given rise to so much debate all over the country. Personally I favor establishing a broad responsibility for the environmental aspects of energy in the Committee on Interior and Insular Affairs which already has many of these responsibilities. Other committees, notably the Committee on Interstate and Foreign Commerce in its health function, would continue to exercise their present responsibilities.

Mr. Chairman, the main thing I want to say in the general debate is that the time for an Energy Committee is now. If we fail to act we will have lost the opportunity. We will never have a better time to stand up and be counted for putting our own House in position to move forward decisively on energy.

The CHAIRMAN. The time of the gentleman has expired.

Mr. PATTERSON. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. FISHER. This is the time, as I say, to move forward decisively against the Nation's energy problems.

Mr. Chairman, the Bingham version simply does not fill the need. The special committee proposal or the Cleveland-Frenzel-Patterson proposal would fill the need. They would give us the new thrust at the problem.

My own experience on energy goes back many years, having served as chief of staff of the Cabinet Committee on Energy Policy in the Eisenhower government and later as head of a special commission to investigate new sources of energy. All through this, I have felt that sooner or later the Congress would have to get itself together in order to respond constructively to the needs of the energy situation. Now is the moment to establish in the House a committee on energy and try to get on and do our job better.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. PATTERSON. I yield 1 additional minute to the gentleman from Virginia (Mr. FISHER).

Mr. FISHER. Mr. Chairman, I will be happy to yield to the gentleman from Texas (Mr. ECKHARDT).

Mr. ECKHARDT. Mr. Chairman, the gentleman from Virginia undoubtedly remembers our problem in 1975. At that time we had two energy bills on the floor. One was from the Committee on Ways and Means. One was being worked on at that time in the Committee on Interstate and Foreign Commerce and that ultimately came to the floor.

□ 1330

Does the gentleman not recall that our real jurisdictional difficulty in 1975 was around the question of whether or not there could be a tax recoupment on excessive earnings on oil, or whether there should be a control of oil prices? In other words, it was a jurisdictional problem between Ways and Means and between the Commerce Committee. Does the gentleman not recall that was our problem?

As a matter of fact, I think ultimately the Rules Committee made it in order for the Krueger amendment to be offered on the floor, which otherwise would have caused——

The CHAIRMAN. The time of the gentleman from Virginia has again expired.

Mr. PATTERSON. Mr. Chairman, I yield 1 final minute to the gentleman from Virginia.

Mr. FISHER. Yes, I recall that. I recall also, there were problems of a gasoline tax, of a tax on so-called gas-guzzling automobiles, and many other things. I do believe that establishing the new committee along the lines of the special committee's report, or along the line of the compromise proposal, would go a long way toward a more coherent energy policy. It would not solve all the problems.

Mr. ECKHARDT. It would not solve that.

Mr. FISHER. Not all of them, it is true.

Mr. ECKHARDT. Would it touch that problem?

Mr. FISHER. It would put in the hands of a single committee for the first time—just to repeat what I have already said—many of the functions that are now fragmented; not all, but many of them.

Mr. ECKHARDT. But not the main problem we had in 1975.

Mr. FISHER. Well, I think there are a half dozen main problems that we now face.

Mr. ECKHARDT. I thank the gentleman.

Mr. CLEVELAND. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota (Mr. FRENZEL), a member of the select committee and a coauthor of the Cleveland-Patterson-Frenzel substitute.

Mr. FRENZEL. Mr. Chairman, throughout this decade, the House has grappled—albeit unsuccessfully—with the challenge of jurisdictional reform. The present committee structure, long recognized as outmoded and obsolete, fails to provide any cohesive framework for national policy discussion. Our ability to develop timely responses to public problems is seriously impaired by the obstacles of jurisdictional fragmentation.

Today we renew the effort to impose some measure of rationality on our committee structure. And once again, the prospects for success appear bleak and distant.

At issue is the troubling question of energy jurisdictions. The question we confront is quite simple—are we satisfied with the manner in which our committee system, the primary level of legislative decisionmaking, handles the formulation of energy policy? Or do we acknowledge the pressing need to redefine and revise the energy jurisdiction muddle?

Plainly, our committee system fails to address the critical subject of energy in any coherent or integrated fashion. The defects in the committee framework are readily apparent:

Responsibility for energy legislation is aimlessly scattered among innumerable committees and subcommittees;

Energy bills are continually subject to an endless gauntlet of multiple referrals;

Antagonistic battles persistently erupt over jurisdictional turf;

Energy oversight, at best, is uncoordinated and duplicative; and

Program authority is hopelessly ensnarled in mystifying committee overlaps.

As a result, energy policy is fragmented, chaotic, and often does not reflect contemporary needs.

And our response? We create ad hoc committees and select committees; we increasingly rely on multiple referrals to accommodate committee prerogatives; we witness floor debates where the only victor is confusion. The prevailing structural disarray can only undermine the accountability of the House to the very citizenry it serves.

It is my personal belief that the creation of an energy committee—one with broad and accountable jurisdictional lines—is essential to any meaningful institutional reform of the House of Representatives. This is a position which I have long advocated, and one which I supported during the last major committee reform venture—the Bolling-Martin effort of 6 years ago. Such an institutional reform, in my view—despite the initial surge and shock of change—would reinvigorate the House and prompt a reasserted leadership role over this policy sector.

Arrayed before us are five choices. The first is the resolution proposed by the Select Committee on Committees. As a member of that unit, I welcomed our attention to a reevaluation of energy jurisdictions—and hoped that the final recommendation would instill a degree of law and order on the legislative process. Unfortunately, I was unable to support the select committee's resolution (H. Res. 549). Although it represents a well-intentioned effort to restructure the energy picture, the proposal—on careful review—is merely cosmetic.

As one of only four members of the committee to vote against reporting the measure, I was somewhat of an onion in the petunia patch on this issue. Nevertheless, despite claims of significant change, House Resolution 549 simply rechristens the Energy and Power Subcommittee as a full committee. No significant realinement is contemplated; few committees or subcommittees would lose any substantive authority over energy policy. The limited scope predicts few discernable improvements in the conduct of legislative business.

The second alternative is a substitute offered by the gentleman from Texas (Mr. GRAMM). This proposal would gouge at least eight standing committees of substantial program authority—and then recombine this jurisdiction within one, all-encompassing energy committee. Virtually every foreseeable element of energy policy is centralized in this leviathan: rural electrification and naval petroleum reserves, energy research, and development, and nuclear regulation. The substitute is appealing. It strikes a responsive chord. In theory, it merits attention. In practical terms, it is politically unrealistic.

The third option, advanced by the gentleman from New York (Mr. BINGHAM) would rename the Interstate and Foreign Commerce Committee—the Committee on Energy and Commerce; redefine the energy terminology of the Commerce Committee; and grant that committee jurisdiction over "national energy policy generally."

The Bingham substitute adds some beneficial clarity to the language in the House Rules—but undertakes no meaningful reorganization. In effect, the Bingham substitute would merely reaffirm the unacceptable status quo.

The potential exists for a major expansion of the Commerce Committee's authority over energy issues—through the grant over "national energy policy generally." This would substantially increase the workload of one of the busiest committees in the House—a workload which embraces health, consumer protection, railroads, and communications, as well as energy. Such an aggrandizement of the Commerce Committee's role seems illogical if rationalization of the committee structure is our intent.

The fourth option is one which I have sponsored with the distinguished gentleman from New Hampshire (Mr. CLEVELAND). This substitute, which will be the basis of a motion to recommit with instructions, has received the endorsement of the chairman of the Select Committee on Committees, and of the chairman of the 1977–78 Ad Hoc Energy Committee. Our proposal would establish a standing committee on energy with significant jurisdictional authority; it would—

Transfer all energy jurisdiction from the Interstate and Foreign Commerce Committee to the new Energy Committee;

Provide jurisdiction over "national energy policy generally," thus permitting the new committee to share jurisdiction (through joint and sequential referrals) over energy matters assigned to, or reported by, other committees;

Grant jurisdiction over measures relating to exploration, production, storage, supply, marketing, pricing, regulation, and conservation of energy resources to the new committee;

Transfer nuclear regulatory jurisdiction from the Interior Committee to the new Energy Committee;

Transfer jurisdiction over energy resources on the Outer Continental Shelf to the new committee; and

Grant jurisdiction over aspects of electrical energy, commercial applications of energy technology, and interstate energy compacts to the new committee.

We believe this substitute offers a balanced approach, a middle way. It would create an energy committee with jurisdictional clout, yet avoid forging a committee which would aggressively and totally monopolize energy deliberation. Our substitute would leave jurisdictions like Science and Technology, Agriculture, untouched except for secondary jurisdiction. The House needs a viable and accountable energy committee. Without this necessary revision of the committee fabric, there is little doubt that the response of the House to energy priority needs will be disjointed, bewildered, and slow.

There is a fifth option available to Members today—that is the defeat of all previously mentioned alternatives. Perhaps some might view such an event as an indication that the House is incapable or unwilling to undertake comprehensive reform. Should the House defeat each proposal, the greatest portion of the blame will lie with the parliamentary restrictions on debate. Members have been deprived of considering improvements on an amendment-by-amendment basis, and are subjected to the all-or-nothing clash of competing substitutes.

In recent days, we have all heard the argument that—if a new Energy Committee is created, it will become captive of some unidentified special interest. I think such allegations are absolutely groundless.

First, any energy committee will readily attract a membership of diverse ideology, of diverse interests, thereby achieving a balance of views.

Second, although it is true that committees sometimes display distinct policy preferences—such inclinations are not stable, but wax and wane as Members and issues change from one Congress to the next.

However, there is a real danger that a failure to modernize our archaic committee structure will undercut congressional accountability. Special interests, which are adept at manipulating the intricacies of the present system, benefit from the fragmentation. It is the public—unfamiliar with—and confused by—the inscrutable jurisdictional overlaps—which is at a disadvantage.

Paradoxically, although there is a universal acknowledgment that jurisdictional reform is imperative, such moves always engender heated and pointed opposition. The opposition of Members who would lose their jurisdictional spheres is eminently understandable. None of this opposition should ever be viewed as suspect or harmful. Indeed, such opposition is usually beneficial as it clarifies and refines the issues at stake. For all of us, committee service is an investment, the foundation of our careers and position in the House. That it would be jopardized, particularly if the recommended schemes appear irrational or poorly conceived, is unacceptable.

Obviously, there is no perfect jurisdictional plan. There is no perfect alinement. Yet there are revisions which merit our approval. This House—at present—is ill-organized to meet the insistent challenges of our time. An accountable energy committee, with broad jurisdictional scope, is essential. I submit that the motion to recommit with instructions offers this House an opportunity for comprehensive reform, for effective and progressive institutional change.

Mr. PATTERSON. Mr. Chairman, I yield 3 minutes to the gentleman from New York (Mr. BINGHAM).

Mr. BINGHAM. Mr. Chairman, at this stage of the debate I will be very brief. I will be offering later on a substitute to the select committee's resolution, but I do not want to dwell on that at this point. What I would like to talk about at this point is whether or not it is possible to have an Energy Committee in the sense that some of the speakers have been talking about.

Everybody likes the idea of having an Energy Committee to deal with all the issues involving energy policy. The gentleman from Virginia (Mr. FISHER) spoke of this idea with great affection, and so did the gentleman from Minnesota (Mr. FRENZEL). It is an ideal that is very appealing, but the fact of the matter is that it is a totally impossible ideal, and that no proposal before the House today accomplishes that ideal, nor could it.

In his complaints about the original Patterson committee recommendations, Mr. FRENZEL was very eloquent in stating that it did not take over jurisdiction of other committees that ought to be deprived of that jurisdiction, but it was very interesting that he did not suggest that any jurisdiction of the Ways and Means Committee, of which he is a member, should go to that committee. This is a very significant point. I would venture to say that in the field of energy policy no committee has more important jurisdiction than Ways and Means, because of the enormous impact of the tax laws.

Conservation, in my view, is probably the most important source of energy that we have today, and the best tools we have to approach it, to encourage conservation, are the tax laws. Yet nobody is suggesting that we should take that jurisdiction away from Ways and Means.

Similarly, in the field of foreign affairs, the Foreign Affairs Committee on which I serve wrestles day after day with problems involving energy, such as the Persian Gulf situation.

□ 1340

Virtually every program with which we deal has energy implications, but nobody is suggesting that that jurisdiction should be taken away from the Committee on Foreign Affairs and given to a new Energy Committee.

So what we are talking about is a committee that will focus on energy but that will have limited jurisdiction, and that is what the Patterson committee recommended in the first instance. They recognized what I am saying, that we cannot actually take all matters concerning energy and put them in a single committee. It just cannot be done, and we would not even want it to be done because, getting back to the tax law situation, if we divide up jurisdiction on taxes, then we are going to have a totally confused situation with respect to our tax laws.

So, Mr. Chairman, I suggest that a truly comprehensive Energy Committee is an impossible idea.

Mr. CLEVELAND. Mr. Chairman, I yield 2 minutes to the gentleman from Iowa (Mr. LEACH).

Mr. LEACH of Iowa. Mr. Chairman, House Resolution 549 poses a question for every Member of this House: Will the Congress face up to the need to organize itself to deal effectively with one of the great problems confronting the Nation—the energy problem. The Select Committee on Committees has spent many months studying this question and has heard the testimony and recommendations of many Members of this House, as well as members of the public concerned with our Nation's energy needs.

We know that the creation of a Committee on Energy will not solve the energy crisis, but it is equally clear that we need a more effective and centralized system for the consideration of energy issues by the Congress. House Resolution 549 is itself a half step toward the solution we need—worth taking, but incomplete in and of itself because of its failure to encompass a sufficiently broad area of jurisdiction.

Fortunately, the motion to recommit with instructions offers a reasonable response to this need. This motion incorporates a number of strengthening amendments offered by the minority members of the select committee, but which enjoy the support of members of both parties, including the chairman of the select committee, who are convinced that the American people will be satisfied by nothing less than serious action by this House to put in place a meaningful committee to handle the energy problems of the 1980's. It includes jurisdiction over all measures relating to energy resources on the Outer Continental Shelf. It encompasses the regulation of the domestic nuclear energy industry. When these are added to the jurisdiction proposed by House Resolution 549 the result is a meaningful Energy Committee of which the House can be proud.

This is not a partisan proposal. It is a serious attempt to fill an existing organizational vacuum of concern to most Members who do not presently hold positions as chairmen or ranking minority members of committees which would give up a portion of their existing jurisdiction to the proposed new committee.

Mr. Chairman, I urge the adoption of the motion to recommit with instructions.

Mr. PATTERSON. Mr. Chairman, I yield 3 minutes to the gentleman from New York (Mr. OTTINGER).

Mr. OTTINGER. Mr. Chairman, I rise in support of the Bingham substitute.

I would like to warn this House, which I love very much, about the dangers of just rearranging the chairs in order to give the appearance of doing something about energy, our most critical problem. That will not solve the problems that we have experienced.

We have seen reorganization advanced as the solution to the energy problems in the executive branch by the creation of a Department of Energy, and I do not think anybody would say that that reorganization did anything but create chaos for the longest period of time, a chaos from which our energy policy is yet to recover. The other body, the Senate, created an energy committee, and the Senate has been considerably behind the House in the passage of major energy legislation.

So just rearranging the chairs will not address these basic problems. It will create chaos in the House. It will affect every committee, but, of course, it will affect most seriously the Committee on Interstate and Foreign Commerce. Many of the members of the Committee on Interstate and Foreign Commerce have spent most of their lives devoted to work on energy. Most of them will want to come to the new Energy Committee. It will have the most severe kind of effect on health legislation, on consumer legislation, and on other important matters, including transportation legislation which comes before the Committee on Interstate and Foreign Commerce.

Mr. Chairman, if those sacrifices were being made in order to really answer our energy problems, that would be fine, but that is not going to be so. What we are going to do is create a new Energy Committee with six subcommittees. We are not going to be transferring to it any significant new jurisdiction, whether it is done under the original Patterson legislation or under the new substitute motion to recommit.

Under the Patterson proposals, we are going to have the same kind of jurisdictional divisions that we had before, with the Committee on Ways and Means handling the tax aspects, the Committee on Banking, Finance and Urban Affairs loan guarantees and other banking aspects, and the Committee on Science and Technology the research aspects. We are going to have exactly the same problems we had before, but instead of dealing with the existing structure, as complicated as it is, we are going to add six more subcommittees.

How anyone can think that is going to solve the energy problem and get legislation through this body is just completely beyond me. We are going to have the appearance of having done something by creating an Energy Committee without actually having addressed the major problems which do exist in this House with respect to advancement of legislation.

Mr. Chairman, I think that the Bingham resolution does create a primary energy committee, it does solve some of the jurisdictional definition problems, and under it we are going to be able to advance meaningful energy legislation to the extent that we can get agreement among the many different opinions that exist within this body, as has been done in the past.

The last thing this institution needs is another committee and six more subcommittees. The major problem with handling legislation in this body is the proliferation of committees and subcommittees.

I urge adoption of the Bingham substitute.

Mr. CLEVELAND. Mr. Chairman, I yield 3 minutes to the gentleman from New York (Mr. SOLOMON).

Mr. SOLOMON. Mr. Chairman, I rise in support of House Resolution 549 and at the appropriate time I will be supporting the motion to recommit with instructions to add the Patterson-Cleveland language to add to the new committee jurisdiction over energy on the Outer Continental Shelf and the regulation of nonmilitary nuclear power.

Under the current situation, no fewer than 80 committees and subcommittees of the House have jurisdiction over some aspect of national energy policy. Given this structural disarray, it is no wonder that the Congress has tried and failed for almost a decade to develop an energy policy to meet this Nation's short and long term needs.

This country has an abundance of avenues along which to proceed in the development of a national energy policy. It seems as if there are as many proposed solutions to our problems as there are Members of Congress. Yet, no single House committee has a sufficient grant of authority to consider all energy alternatives in a unified fashion. By granting to a new standing Committee on Energy the authority over "national energy policy generally," we will be taking an important first step toward a unified approach to the development of a national energy policy.

No one on the Select Committee on Committees, of which I am a member, will pretend that a new Energy Committee would be a cure-all. But it would significantly reduce the fragmentation which now plagues energy policy decisionmaking. By combining a wide variety of energy sources under the authority of one committee, the potential for any single production interest dominating energy policy would be reduced. In addition, we would be creating a standing committee to coordinate virtually all significant energy policy.

We will have two choices today. We can take a positive step toward ending the jurisdictional mess which has prevented the House from finding viable solutions to our energy problems. Or we can add further to the size of the most expensive and busiest legislative committee in the House, Interstate and Foreign Commerce. The latter approach would preserve the status quo and actually compound the deficiencies in the committee system, and I hope it will be rejected. Instead, I hope my colleagues will accept the select committee's more effective approach, and approve House Resolution 549 with the new Patterson-Cleveland language which will be offered later today.

In short, let us stop this petty bickering and get on with solving our energy problems.

Mr. PATTERSON. Mr. Chairman, I yield 1 minute to the gentleman from Hawaii (Mr. HEFTEL).

Mr. HEFTEL. Mr. Chairman, energy has become the most critical problem underlying inflation and our unstable foreign affairs situation, and yet we in the House have failed since 1973 and the other body has failed since 1973 to develop a coherent energy policy.

Whatever this body does today must result in a cohesive energy policy. Ideally, the Gramm substitute would provide that. It is true that many areas of responsibility would be changed, but at the same time we would create one body of responsibility, one body for policy.

Mr. Chairman, I hope that we do that today, because only in that way will we move the energy problem off of the back burner and on to a solution and to a track which makes sense.

☐ 1350

Mr. CLEVELAND. Mr. Chairman, I yield 3 minutes to the gentleman from Illinois (Mr. Corcoran).

Mr. CORCORAN. Mr. Chairman, I rise in support of the Cleveland-Patterson substitute contained in the motion to recommit House Resolution 549. Last November I had the opportunity to testify before the Select Committee on Committees regarding the creation of a House Energy Committee. I expressed the view then, to which I continue to subscribe, that it is essential for the House of Representatives to create an Energy Committee at the beginning of the 97th Congress in January 1981.

In my first term I was very disturbed by the fact that the President's energy initiatives needed to be sent to a special ad hoc committee. The merits of his proposals aside, that kind of arrangement does not always insure the most expert consideration of issues in this area. It has been estimated by some observers of committee jurisdictions within the House that there are nearly 83 committees and subcommittees within the House with some sort of claim to a specific energy-related issue. This type of proliferation, it sems to me, cannot go on any longer. The House has been able to consolidate its tax-writing matters within the Ways and Means Committee, and its budgetary concerns within the Budget Committee. Are the current energy jurisdictional problems no less important?

The House stands alone among the Senate and the executive branch in refusing, to this point, to put its "own house in order." The creation of the Senate Committee on Energy and Natural Resources and the Department of Energy, both in 1977, though certainly not perfect, are two direct vehicles for consideration of the assorted and complex energy issues facing this country. The substitute which will be offered by my colleague from New York (Mr. Bingham) is no answer, and in many respects, is far worse than the status quo. Many of the Members who have spoken before me have detailed the various reasons for supporting or opposing the Bingham substitute or the Cleveland-Patterson motion. I am not going to belabor those points at this time. I I would, though, like to include some further reasons for my support for the work of the select committee and for the creation of an Energy Committee.

As a supporter of the resolution which created the select committee, I have the greatest respect and admiration for the committee in the difficult tasks which it has faced in trying to deal with the needed changes in the structure of energy jurisdictions within the House. Whenever a committee or a special group is formed to realine such responsibilities, there are few totally happy individuals. In a statement I made before the House more than 1 year ago, I expressed the view that "not everyone will be completely satisfied with the resulting proposals. There will be some in our ranks who will be very dissatisfied, but the goal of the committee members should be to restructure the committee jurisdictions, and hopefully, committee rules to meet the wants and needs of an increasingly changing and, I might add, politically cynical country."

Second, I found myself in a minority of Members of my own party in supporting the resolution creating the select committee, and again in a minority of my own party's membership on the Commerce Committee in supporting the Cleveland-Patterson substitute and opposing the Bingham substitute. I did, though, consider these actions very carefully. The Bingham proposal is designed to do as little as possible to change the existing energy situation. We cannot stand idly by and allow only cosmetic and symbolic changes to be made in our energy jurisdictions. The Bingham resolution will do nothing but make a terrible situation a travesty. It creates no new Energy Committee and fails to establish in any real way a central committee that can focus on the consideration of energy policy. It instead gives the responsibility for national energy policy generally to the Commerce Committee, already one of the busiest and most diverse committees in the House, dealing with such issues as health, transportation, consumer protection, and the environment, as well as energy. Giving more jurisdiction to the Commerce Committee does not make sense. Changing the name of the Interstate and Foreign Commerce Committee to the Commerce and Energy Committee is pure semantics. The end result could well create increased inabilities to deal with energy legislation and more, not fewer, legislative logjams.

Let me mention another thing at this point. I voted against all of the inflationary committee funding resolutions this year, as well as in 1979. I believe that reorganizing and consolidating existing House committee jurisdictions such as those now under the jurisdiction of the Interstate and Foreign Commerce Committee, the Interior Committee, and the Science and Technology Committee, into a new Energy Committee would cut down on the cost of operating the House of Representatives.

If we in the House of Representatives are ever going to be in a position to deal with energy matters effectively, we need to at least take this positive action embodied within the Cleveland-Patterson resolution. Creation of such a new Energy Committee would be a clear sign that the House is willing to come to grips in a comprehensive way with the energy challenge facing the United States.

Mr. Chairman, I urge my colleagues to vote against the Bingham substitute and for the motion to recommit with instructions.

Mr. PATTERSON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, to summarize, we have five proposals before us, as the gentleman from Minnesota (Mr. Frenzel) stated. One is to do nothing. One is the Gramm substitute, which I understand will not be offered. That really leaves us with three proposals, and I will take those in turn.

The select committee proposal is House Resolution 549, which creates a new standing Committee on Energy with rather broad and new powers over energy jurisdiction matters. This is the proposal which I support, and I urge the adoption of it.

The second proposal is the Bingham substitute. The Bingham substitute in effect does not create a new committee, but it takes all of the things that the select committee proposed to go into a new committee and puts those into the existing Commerce Committee, already the largest committee, the largest jurisdiction, the largest workload, the largest spending in the Congress, fully two to three times in size in every measure of workload of any other standing committee.

In addition to that, it was drafted in a manner that makes it difficult to show what the intent was. And I hope perhaps we can clarify some of that when it is offered today, because in my judgment it takes away much more power from the Interior Committee, the Public Works Committee, and the Agriculture Committee than one might suggest at first blush.

And, third, the substitute, the Cleveland-Patterson-Frenzel motion to recommit with instructions, which again takes House Resolution 549, establishing a new Committee on Energy, and adds to that two things which were left out of the original select committee proposal, and that would be that the Nuclear Regulatory Commission would be transferred from the Interior Committee to the Energy Committee, and the second matter would be the Select Committee on the Outer Continental Shelf, those functions would be transferred to the Energy Committee.

So, in essence, the motion to recommit is the stronger select committee proposal, our select committee proposal.

Those two issues were discussed, debated, and voted on by 8–7 votes in the select committee, and so there is considerable support for either House Resolution 549 or the motion to recommit.

I support either of those as the best measure for establishing the forward progress that is necessary to establish a national energy policy in the House of Representatives.

Mr. PRICE. Mr. Chairman, if I may have the attention of the distinguished chairman of the Select Committee on Committees, Mr. Patterson. He has been most gracious in cooperating with me in arriving at an understanding concerning the effect of the resolution on jurisdiction of the Committee on Armed Services. In the interest of saving time, if the gentleman agrees, we will include the colloquy at this point in the RECORD, pursuant to the unanimous consent request previously agreed to in the House, and I thank the gentleman for his cooperation.

Mr. Chairman, the Committee on Armed Services wishes to cooperate with the effort to unify the energy jurisdiction which is currently dispersed among several House committees. We believe that effort should expedite the consideration of energy policy and legislation in the House.

The basic interest of the Committee on Armed Services is in the existing jurisdiction of the committee in several specific areas, namely, the conservation, development, and use of Naval Petroleum Reserves, strategic and critical materials necessary for the common defense, and military applications of nuclear energy. Since each of those items is inextricably linked to the development of defense policies, our committee believes that there should be no modification of our jurisdiction over them.

While we are generally pleased with the resolution reported by the committee, there are a few areas in which we would appreciate some clarification. If the gentleman from California (Mr. PATTERSON) is willing. I would like to engage in a colloquy for the purpose of making some legislative history on House Resolution 549. The first of those areas is subparagraph (2), which provides:

> (2) Measures relating to the production, supply, marketing, pricing, regulation or conservation of energy resources, except on the public lands, including (A) all fossil fuels, (B) non-military nuclear power, (C) solar power, and (D) other unconventional or renewable energy resources.

Is it to be understood that this jurisdiction would not extend to the production, supply, and so forth, of special nuclear materials for use in the military applications of nuclear energy, and to those strategic and critical materials necessary for the common defense?

Mr. PATTERSON. The distinguished gentleman is correct. A general principle which the select committee sought to maintain was to distinguish in its jurisdiction realinement proposal between the military aspects of energy policy, and domestic civilian energy issues.

Mr. PRICE. Would the words "nonmilitary nuclear power" exclude from the new committee's jurisdiction such things as naval reactors and the current military inertial confinement fusion program being carried out in the national weapons laboratories?

Would the phrase "other unconventional or renewable energy resources" include the inertial confinement fusion program now included in the Department of Energy's defense activities?

Mr. PATTERSON. The jurisdiction of the Energy Committee would not include energy-related activities of the defense establishment. Naval reactor programs, and defense research in such areas as inertial confinement fusion would remain separate from nonmilitary activities, and would remain within the jurisdiction of the Armed Services Committee.

I would note, in particular, that the jurisdiction of the Armed Services Committee over "scientific research and development in support of the armed services" is unchanged by House Resolution 549.

Mr. PRICE. The proposed Committee on Energy would have jurisdiction with respect to the regulation of nuclear facilities and the use of nuclear energy, as well as special oversight functions with respect to all laws, programs, and Government activities affecting nuclear energy.

Is it to be understood that those laws, programs, and Government activities relating to scientific research and development in support of the armed services, relating to the military applications of nuclear energy, and relating to the stockpiling and disbursement of strategic and critical materials necessary for the common defense are excluded from that jurisdiction?

Mr. PATTERSON. The jurisdiction of the Armed Services Committee over "strategic and critical materials necessary for the common defense" is unchanged by House Resolution 549. Thus, stockpiling and disbursement of strategic and critical materials remains within its jurisdiction. Its responsibility for "military applications of nuclear energy," specified in rule X, clause 1(c) is unchanged.

Mr. PRICE. I note on page 2, at lines 19 through 22, that the new committee would have the same jurisdiction with respect to regulation of nuclear facilities and use of nuclear energy as it has with respect to nonnuclear facilities and of use of nonnuclear energy. Does this mean that the new committee would have exclusive jurisdiction over measures which would impose regulations on the production of materials for nuclear weapons, or for the storage or disposal of radio-active nuclear byproducts which might result from the Navy's reactor program or the weapons program, or for research and development in the weapons laboratories even if such regulations might result in curtailing weapons production or submarine reactor fuel production, or even if such regulations might cause the closure of the nuclear-weapons complex?

Mr. PATTERSON. If House Resolution 549 passes as reported, the grant of jurisdiction noted by the Patterson amendment is currently within the jurisdiction of the Interstate and Foreign Commerce Committee, and would be assumed by the Committee on Energy in the future. The jurisdiction of the Interstate and Foreign Commerce Committee does not currently give it authority in the areas mentioned by the gentleman, and, therefore, would not give the Energy Committee such authority in the future.

Should the Cleveland-Frenzel-Patterson motion to recommit pass, the jurisdiction granted to the Energy Committee would include responsibility for measures relating to the exploration, production, storage, supply, marketing, pricing, regulation, and conservation of nonmilitary nuclear power resources? Military applications would again remain separate, and within the jurisdiction of the Armed Services Committee. The jurisdiction of the Energy Committee would not extend to production of weapons-grade nuclear material, its storage, or to research and development.

Mr. PRICE. House Resolution 549 would extend the jurisdiction of the Committee on Interior and Insular Affairs by adding:

> "(18) Environmental aspects of all energy matters, except those of standing committees with specific jurisdiction over environmental matters under existing laws."

Is it to be understood that this enlarged jurisdiction of the Committee on Interior and Insular Affairs would not extend to the environmental aspects related to the use of nuclear energy for military applications?

Mr. PATTERSON. This grant of authority is not intended to enlarge the jurisdiction of the Interior Committee at the expense of committees already possessing environmental jurisdiction. As the report accompanying House Resolution 549 (H. Rept. 96–741) states:

> Committees having jurisdiction over environmental issues through existing statutes would retain such environmental jurisdiction pursuant to energy matters. When circumstances arise, however, where energy related environmental concerns are not related to existing statutory authority, then such environmental jurisdiction would fall within the purview of the Interior Committee. By this language, the Select Committee seeks to assure an environmental "check-and-balance" in national energy policy.

Military energy issues, and related environmental issues, would remain within the jurisdiction of the Armed Services Committee.

Mr. PRICE. Is it also understood that the Committee on Armed Services will continue to exercise primary jurisdiction over the byproducts which result from the nuclear weapons program and other national security and defense programs of the Department of Energy?

On page 2, beginning at line 25, I note that the new Energy Committee would have "special oversight functions" with respect to "all laws, programs, and Government activities affecting nuclear energy." Since all of the national security and defense activities of the Department of Energy can be said to "affect nuclear energy," does this language mean that the new Committee on Energy will assume the oversight functions of those activities and programs over which the Committee on Armed Services now exercises oversight jurisdiction?

Mr. PATTERSON. The jurisdiction of the Armed Services Committee over weapons byproducts, and other issues related to military applications of nuclear energy, would remain within the Armed Services Committee under House Resolution 549.

The special oversight function mentioned by the gentleman over "all laws, programs, and Government activities affecting nuclear energy" is presently assigned to the Committee on Interstate and Foreign Commerce. As part of the 1974 committee reforms, several House committees were assigned "special oversight" grants; this oversight responsibility is far broader than the individual committee's legislative authority, and was designed to give comprehensive policy review over areas where legislative jurisdiction was especially fragmented. The grant carries with it no legislative jurisdiction was especially fragmented. the Energy Committee would merely assume the oversight jurisdiction now granted to the Commerce Committee over nuclear energy. It would not intrude upon the legislative jurisdiction of other standing committees.

Mr. PRICE. House Resolution 549 would change the special oversight functions of the Committee on Interior and Insular Affairs to read, in part, as follows:

> The environmental impact of all energy research and development, including nonmilitary nuclear energy.

Is it to be understood that scientific research and development in support of the armed services and for the military applications of nuclear energy are to be excluded from the special oversight of the Committee on Interior and Insular Affairs?

Mr. PATTERSON. Under the current rule X, the Interior Committee has special oversight authority over nonmilitary nuclear energy and research and development including the disposal of nuclear waste. House Resolution 549 would modify the special oversight to focus Interior's role on oversight over the environmental aspects of nonmilitary nuclear energy research and development. Military applications are not to be considered within this grant.

Mr. PRICE. The language on page 3, beginning at line 16, would appear to impinge upon the jurisdiction of the Committee on Armed Services with respect to the Department of Energy's national security and defense programs by including them in the "environmental aspects over all energy matters" and by also giving the Interior Committee jurisdiction over "the environmental impact of all energy research and development, including nonmilitary nuclear energy."

Since many aspects of the Department of Energy's national security and defense activities do not involve the development of "energy" per se, would these aspects of those programs fall under the jurisdiction of the Interior Committee?

Mr. PATTERSON. The new authority of the Interior Committee over environmental aspects of energy matters is limited to such environmental aspects as do not fall within the jurisdiction of another standing committee. To the extent that environmental matters dealing with military energy applications fall within the current jurisdiction of other standing committees, no new jurisdiction would be granted the Interior Committee; nor would any existing environmental jurisdiction of another standing committee be diminished.

The purpose of this grant was to assure that some committee in the House possessed an energy-related environmental jurisdiction. Only if no appropriate environmental jurisdiction existed would new authority be granted to the Interior Committee.

If the motion to recommit is adopted, the grant of authority to the Interior Committee would assure its environmental jurisdiction with regard to regulation of the domestic, nonmilitary, nuclear energy industry. It would not affect the jurisdiction of the Armed Services Committee over military applications of nuclear energy.

Mr. PRICE. House Resolution 549 would alter the jurisdiction of the Committee on Science and Technology by changing subparagraph (11) of clause 1(r) of rule X to read as follows:

> (11) All energy research development, including demonstration, and all federally owned or operated nonmilitary energy laboratories and research, development, and demonstration projects.

The Committee on Armed Services exercises jurisdiction over the Lawrence Livermore National Laboratory in Lawrence, Calif.; the Los Alamos National Scientific Laboratory in New Mexico; and the Sandia National Laboratories in New Mexico and in California. The Congress has only recently confirmed that these laboratories are primarily weapons laboratories and are also federally owned laboratories devoted to research and development of naval reactors. Is there any legislative intent to alter the jurisdiction of the Committee on Armed Services with respect to those laboratories?

Mr. PATTERSON. This language is intended to clarify the existing jurisdiction of the Science and Technology Committee, and to grant it no new authority. Previously, the delineation between research, development, and demonstration was poorly conveyed in the House rules. This language makes clear that the Science Committee's jurisdiction includes demonstration. Its precise jurisdiction over research and development laboratories was not intended to affect the jurisdiction of the Armed Services Committee over scientific research and development in support of the armed services.

Mr. PRICE. The Committee on Energy appears to be assuming the jurisdiction of the Committee on Armed Services to study on a continuing basis all laws, programs, and activities relating to the national security and defense activities of the Department of Energy. Since, by implication, these nuclear activities are to be included in the phrase "Government activities relating to nuclear energy," on page 3, line 1-2, is this the intent of the resolution?

Mr. PATTERSON. The authority to which the gentleman refers currently is assigned to the Committee on Interstate and Foreign Commerce. The authority now provided in the unnumbered paragraph at the end of rule X, clause 1 (1) (12) assigned to the Commerce Committee special oversight functions "with respect to all laws, programs, and Government activities affecting nuclear energy." The Energy Committee proposed in House Resolution 549 would assume this special oversight authority.

The existing special oversight grant to the Commerce Committee does not specifically exclude oversight of military aspects of nuclear energy. Thus, the Commerce Committee seemingly now could conduct oversight hearings into military applications of nuclear energy, as well as into civilian uses of nuclear energy. Since the grant of authority to the new Energy Committee contains the same language, potential oversight activities by the new Energy Committee into military applications of nuclear energy might occur. But, I would emphasize to the gentleman, that the authority in question is entirely an oversight grant, and does not convey legislation jurisdiction.

Mr. PRICE. Can the gentleman from California assure me that the present jurisdiction of the Committee on Armed Services with respect to laws, programs, and governmental activities concerned with scientific research and development in support of the armed services, concerned with military applications of nuclear energy and concerned with the strategic and critical materials necessary for the common defense and security of the United States, shall remain unaltered and unaffected by the provision of House Resolution 549?

Mr. PATTERSON. The jurisdictions of which the gentleman speaks are contained in individual subparagraphs of rule X, clause 1(c). House Resolution 549 changes no grant of jurisdiction presently held by the Committee on Armed Services.

● Mrs. SCHROEDER. Mr. Chairman, I rise as perhaps the last remaining supporter of House Resolution 549, as reported by the Select Committee on Committees. I lay claim to being the last supporter because everyone else seems to have run off in one of two directions.

On the one hand, my distinguished chairman has undergone unprecedented legislative alchemy and is now actively supporting the Republican recommittal motion. As surprising as his alliance with the minority is, more surprising still is the fact that the Cleveland recommittal motion contains elements which my chairman bitterly opposed in committee. In fact, the gentleman from California attempted to abort the entire select committee markup when an amendment to include nuclear regulation jurisdiction within the purview of the new Energy Committee was adopted. Now he is wholeheartedly supporting a Republican recommittal motion to accomplish the same thing.

On the other hand, the most environmentally concerned and progressive members of the select committee have abandoned House Resolution 549 for the Bingham substitute, which strikes me as no response at all to the problems which House Resolution 549 sought to address. Rather, the Bingham substitute clarifies and adds slightly to the jurisdiction of the Commerce Committee. If the problem found by the select committee that the Commerce Committee had too much work to do an effective job on energy matters is valid, the Bingham substitute can only make this problem worse.

House Resolution 549 represents a balanced and tightly constructed package, which creates an Energy Committee having jurisdiction over the core elements of national energy policy. The resolution gives the Energy Committee legislative authority over petroleum, coal, solar, and alternative energy sources and over most transmission and production of power. Obviously, there are numerous other jurisdictional pieces which could be added to this committee. I think that energy research and development should be the next obvious piece for addition. It seems to me, however, that there is no principled reason for augmenting the jurisdictional pieces which could be an ad hoc and arbitrary manner, without going the whole way, as Mr. Gramm proposed to do. I do not believe that the House is ready to accept the Gramm substitute and would therefore think the appropriate proposal to pass would be the select committee's proposal.

Finally, I offered, and the select committee adopted, an amendment to guarantee that the creation of a new Energy Committee could be accomplished without an increase in staff, budget, or space. Surely, somewhere within this vast congressional bureaucracy, we can find and reprogram the resources to provide the necessary support for a new committee. I want the legislative history of whatever is adopted to reflect our intention to live within our existing resources.

Thank you.●

● Mr. BROYHILL. Mr. Chairman, we have before us three alternatives: House Resolution 549, as reported from the Select Committee on Committees, which would amend the rules of the House to establish a largely symbolic standing committee on energy; the Bingham substitute which would not establish a new energy committee, but would clearly define, for the first time, the jurisdiction of the various committees of the House over energy matters; and the Cleveland-Patterson-Frenzel motion to recommit.

I rise in strong support of the Bingham substitute and in opposition to House Resolution 549 and to the Cleveland-Patterson-Frenzel motion to recommit. Mr. Chairman, I think that everyone now concedes that the resolution which was reported from the select committee is largely symbolic and will lead to greater jurisdictional problems with respect to energy issues. As now constituted, the resolution essentially creates a new standing Energy Committee out of the Energy and Power Subcommittee of the Interstate and Foreign Commerce Committee. No significant energy jurisdiction now exercised by the Interior, Banking, Science, Merchant Marine, Ways and Means, or Agricultural Committees would be transferred to the new committee. Legislation affecting nuclear power, Outer Continental Shelf energy development, conservation, synthetic fuels development, solar power, coal development and use, and gasohol would continue to be referred to several committees. In fact, creating yet another full committee to deal with energy matters and not consolidating energy jurisdiction into it would likely compound our present problem. Thus, the Committee on Committees' resolution, as reported, worsens the present situation.

The Cleveland-Patterson-Frenzel motion to recommit suffers from several of the same major defects which now plague the Select Committee on Committees resolution. It, too, would create a new standing Committee on Energy. The Cleveland motion is a slight improvement over the Select Committee on Committees' resolution because it does give to the new committee nuclear regulatory jurisdiction now exercised by the Interior Committee and jurisdiction over energy resources on the Outer Continental Shelf. Importantly, however, the new Energy Committee contemplated by the motion to recommit would not have comprehensive energy jurisdiction. Issues affecting coal use and development would still largely rest with the Interior Committee and all legislation affecting energy research and demonstration projects would remain in the Science and Technology Committee.

I strongly feel that the establishment of a new committee will likely set us back several years in formulating a workable national energy policy. It will take months for a new committee and a new staff to organize. In addition, new and inexperienced members and staff will have to be educated on the technical and legal aspects of energy production and conservation and Federal energy policy before the new committee can adequately deal with energy issues. This will result in a prolonged delay in dealing with Federal energy policy—a delay we can ill afford.

Finally, the creation of yet another committee will lead to a drastic increase in the size and cost of an already too-large congressional staff. Last year, the Energy and Power Subcommittee, which the proposed committee would replace, spent slightly more than $675,000 for staff salaries and administrative expenses. Although large by subcommittee standards, a full committee with four or five subcommittees would spend four or five times as much. This would be in addition to the large amounts of money being spent by other committees with energy jurisdiction which would not be affected by this resolution. In addition, the size of congressional staff working on energy issues would increase substantially, thus creating pressure for the new committee to report legislation, regardless of its merits.

Against this backdrop of the two proposals which would establish a new Energy Committee, we have the Bingham substitute. Importantly, the Bingham substitute will not create a new committee to handle energy matters. This will save the taxpayers several million dollars a year over what a new committee would cost. Even though a new committee is not established, the Bingham substitute offers us a chance to clarify the handling of energy matters by defining jurisdiction of the various committees in the House over energy legislation. The Bingham substitute would clearly establish, for the first time, the Commerce Committee's jurisdiction relating to the exploration, production, storage, supply, marketing, pricing, and regulation of energy resources. The substitute would also clarify the Science and Technology Committee's jurisdiction over research and demonstration projects.

Importantly, the Commerce Committee would be given jurisdiction over national energy policy generally. Through this special grant of authority, it will be possible for the Commerce Committee to coordinate House policy over energy matters. This will be accomplished through oversight activities and through joint and sequential referrals over energy issues not clearly vested in another committee. Consistent with this new authority, the Interstate and Foreign Commerce Committee would be renamed the Energy and Commerce Committee.

Mr. Chairman, the Bingham substitute represents an effective mechanism to deal with the increasingly complex energy issues which face our Nation. At the same time, it avoids the primary defect of House Resolution 549 and the Cleveland-Patterson-Frenzel motion to recommit: The establishment of yet another committee to deal with energy issues which will increase, rather than decrease, the fragmentation and duplication which currently exist. In addition, it will avoid expanding the size and cost of an already too-large congressional staff working on energy issues.

Mr. Chairman, I urge all my colleagues to support the Bingham substitute.●

Mr. PATTERSON. Mr. Chairman, I yield back the balance of my time.

Mr. CLEVELAND. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. Pursuant to the rule, the resolution is considered as having been read for amendment. No amendment is in order except pro forma amendments for the purpose of debate and the amendment in the nature of a substitute printed in the Congressional Record of February 27, 1980, by Representative Bingham, of New York, and said amendment if offered shall not be subject to amendment except pro forma amendments for the purpose of debate and a substitute amendment printed in the Congressional Record of February 25, 1980, by Representative Gramm, of Texas, and said substitute if offered shall not be subject to amendment except pro forma amendments for the purpose of debate.

The text of the resolution is as follows:

H. Res. 549

Resolved, That (a) clause 1 of rule X of the Rules of the House of Representatives is amended—

(1) by redesignating paragraphs (h) through (v) as paragraphs (i) through (w), respectively; and

(2) by inserting after paragraph (g) the following new paragraph:

"(h) Committee on Energy.

"(1) National energy policy generally.

"(2) Measures relating to the production, supply, marketing, pricing, regulation, or conservation of energy resources, except on the public lands, including (A) all fossil fuels, (B) nonmilitary nuclear power, (C) solar power, and (D) other unconventional or renewable energy resources.

"(3) The transmission and marketing of

all electrical energy, except by or through federally chartered regional or national power authorities and for rural electrification.

"(4) All interstate energy compacts, except on the public lands; and the regulation of interstate transmission of power, except the installation of interconnections between Government waterpower projects.

Such committee shall have the same jurisdiction with respect to regulation of nuclear facilities and use of nuclear energy as it has with respect to regulation of nonnuclear facilities and of use of nonnuclear energy. In addition to its legislative jurisdiction under the preceding provisions of this paragraph (and in general oversight functions under clause 2(b)(1)), such committee shall have the special oversight functions provided for in clause 3(h) with respect to all laws, programs, and Government activities affecting nuclear energy.".

(b) Clause 1(k) of rule X of such Rule (as redesignated by subsection (a) of this section) is amended by striking out "clause 1(p)(4)" in subparagraphs (4) and (5) and inserting in lieu thereof "paragraph (q)(4) of this clause".

Sec. 2. (a) Clause 1(l) of rule X of the Rules of the House of Representatives (as redesignated by subsection (a) of the first section of this resolution) is amended—

(1) by inserting "(except coal on private lands), including the Surface Mining Control and Reclamation Act of 1977 and amendments thereto" before the period at the end of subparagraph (11);

(2) by inserting after subparagraph (17) the following new subparagraph:

"(18) Environmental aspects of all energy matters, except those of standing committees with specific jurisdiction over environmental matters under existing laws."; and

(3) by striking out "nonmilitary nuclear energy and research and development including the disposal of nuclear waste" in the last sentence and inserting in lieu thereof "the environmental impact of all energy research and development, including nonmilitary nuclear energy".

(b) Clause 1(m) of rule X of such Rules (as so redesignated) is amended—

(1) by striking out subparagraphs (3) and (6), and redesignating subparagraphs (4), (5), and (7) through (12) as subparagraphs (3) through (10), respectively; and

(2) by striking out the last two sentences.

(c) Clause 1(q) of rule X of such Rules (as so redesignated) is amended by inserting before the period at the end of subparagraph (9) the following: ", except for the transmission and marketing of electrical energy not generated by federally chartered, regional power authorities".

(d) Clause 1(s) of rule X of such Rules (as so redesignated) is amended by inserting before the period at the end of subparagraph (11) the following: ", including demonstration, and all federally owned or operated nonmilitary energy laboratories and research, development, and demonstration projects".

Sec. 3. Clause 3 of rule X of the Rules of the House of Representatives is amended—

(1) by striking out "nonmilitary nuclear energy and research and development including the disposal of nuclear waste" in paragraph (e) and inserting in lieu thereof "the environmental impact of all energy research and development, including nonmilitary nuclear energy".

(2) by striking out "Committee on Interstate and Foreign Commerce" in paragraph (h) and inserting in lieu thereof "Committee on Energy".

Sec. 4. Clause 5 of rule X of the Rules of the House of Representatives is amended by striking out paragraph (e).

Sec. 5. The amendments made by this resolution shall take effect prior to noon on January 3, 1981.

Sec. 6. The amendments made by this resolution are not intended to result in an increase in the amount of space or funds made available to the committees of Congress for staff, travel, and other expenses.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. BINGHAM

Mr. BINGHAM. Mr. Chairman, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. Bingham: Strike out all after the resolving clause and insert in lieu thereof the following:

That (a) clause 1(1) of rule X of the Rules of the House of Representatives, relating to the Committee on Interstate and Foreign Commerce, is amended—

(1) by striking out "Committee on Interstate and Foreign Commerce." and by inserting in lieu thereof "Committee on Energy and Commerce.";

(2) by striking out subparagraphs (3) and (6), by redesignating subparagraphs (2), (4), (5), and (7) through (12) as subparagraphs (10) through (18), respectively;

(3) by inserting after subparagraph (1) the following new subparagraphs:

"(2) National energy policy generally.

"(3) Measures relating to the exploration, production, storage, supply, marketing, pricing, and regulation of energy resources, including all fossils, fuels, solar energy, and other unconventional or renewable energy resources.

"(4) Measures relating to the conservation of energy resources.

"(5) Measures relating to the commercial application of energy technology.

"(6) Measures relating to energy information generally.

"(7) Measures relating to (A) the generation and marketing of power (except by federally chartered or Federal regional power marketing authorities), (B) the reliability and interstate transmission of, and ratemaking for, all power, and (C) the siting of generation facilities; except the installation of interconnections between Government waterpower projects.

"(8) Interstate energy compacts.

"(9) Measures relating to general management of the Department of Energy, and the management and all functions of the Federal Energy Regulatory Commission."; and

(4) in the last sentence, by striking out "energy" and inserting in lieu thereof "and other energy".

(b) Clause 3(h) of rule X of such Rules, relating to special oversight functions, is amended—

(1) by striking out "Committee on Interstate and Foreign Commerce" and inserting in lieu thereof "Committee on Energy and Commerce"; and

(2) by striking out "energy" and inserting in lieu thereof "and other energy".

(c) Any reference in any provision of law or any resolution of the House of Representatives to the Committee on Interstate and Foreign Commerce shall be deemed to be a reference to the Committee on Energy and Commerce.

Sec. 2. Clause 1(r) of rule X of the Rules of the House of Representatives is amended in subparagraph (11) by striking out "and development." and inserting in lieu thereof ", development, and demonstration, and projects therefor, and all federally owned or operated nonmilitary energy laboratories.".

Sec. 3. Clause 5 of rule X of the Rules of the House of Representatives, relating to referrals, is amended by striking out paragraph (e).

Sec. 4. The amendments made by this resolution shall take effect immediately prior to noon on January 3, 1981.

Mr. PATTERSON (during the reading). Mr. Chairman, I ask unanimous consent that the amendment in the nature of a substitute be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. BINGHAM. Mr. Chairman, I earlier pointed out that it is impossible for any creation of a total energy committee that will handle all energy matters and that that was recognized by the select committee. I also pointed out that, indeed, this proposition is also recognized by those who favor the motion to recommit, although that motion adds some items that were not included in the original select committee proposal.

The substitute that I offer, as has been stated, takes a great deal of the language from the Patterson committee recommendation, but instead of creating a new committee for that purpose, it specifically gives that jurisdiction to the Interstate and Foreign Commerce Committee which is now, as a matter of evolution of the rules, exercising that jurisdiction. My substitute clarifies it. It gives it a greater degree of specificity. And we also add the words "national energy policy generally" to the jurisdiction, as did the select committee.

So I think it is fair to say that we take 85 to 90 percent of the select committee's work and build on it.

The major difference is that, instead of creating a new committee, with a new set of subcommittees, we leave it where it is, without creating any additional committees. I honestly believe that, although I greatly respect the chairman and the members of the select committee, their proposal, if carried out, would add to the complexity of consideration of energy issues and not diminish that complexity, because we would have five or six subcommittees added to the total that we now have. And except for eliminating the jurisdiction of the Energy and Power Subcommittee, which is one subcommittee, from the total that now considers energy matters, we would be adding five or six. So I believe the complexity would be worse.

The substitute does a number of positive things. It does recognize that we already have a committee that is preeminent in the energy field, and so it changes the name of that committee from the traditional Interstate and Foreign Commerce, which is not a descriptive term at all, to the Committee on Energy and Commerce. It adds, as I have said, the general language "energy policy generally" and it updates the House rules in the energy area by providing a certain degree of specificity that does not now exist. But otherwise it does not change the jurisdiction of the committees and subcommittees of the House, thereby allowing the Committee on Science and Technology, Interior and Insular Affairs, Foreign Affairs, Agriculture, Public Works, and other committees, to make the valuable contributions that they are now making in the energy area where appropriate.

□ 1400

I am proud to say that the substitute enjoys widespread bipartisan and outside support. It is endorsed by the chairmen of the Committees on Science and Technology, Public Works, Armed Services, Interior and Insular Affairs, Merchant Marine and Fisheries, Government Operations, House Administration, and Interstate and Foreign Commerce.

One hundred and seventeen Members signed a letter to the Speaker in support of the proposal.

It enjoys the support of the Chamber of Commerce, on the one hand, and the League of Women Voters on the other.

It enjoys the support of numerous environmental organizations, including the Sierra Club, Environmental Policy Center, Natural Resources Development Council; and very importantly enjoys the support of labor organizations such as the AFL-CIO, the UAW, the Machinists and the Teamsters.

The chairmen of the various committees affected have taken the lead in working out agreements among themselves so that there would be a minimum of disputes in the future over their jurisdiction in this field, and under the consent previously obtained by Mr. Flippo in the House, I ask unanimous consent that those agreements be appended and inserted in the Record at the end of my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from New York (Mr. Bingham)?

Mr. CLEVELAND. Mr. Chairman, I reserve the right to object.

What are these agreements that the gentleman is talking about?

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. CLEVELAND. I yield to the gentleman from New York.

Mr. BINGHAM. These agreements were entered into among members of the various committees concerned, members and chairmen and ranking members, all with a view to giving specific content to the general principle which can be very easily stated: the general principle applicable to this substitute resolution, which is that the jurisdiction of the committees in this area is not changed from their present jurisdiction.

Mr. CLEVELAND. Further reserving the right to object, are we going to be given copies of these agreements? Are these secret agreements?

Mr. BINGHAM. They are certainly not secret agreements.

The gentleman, I believe, is a prominent member of the Committee on Public Works. I am sure that the chairman of that committee, which has entered into one of these agreements, would make that agreement available to the gentleman. Copies can be made available to all Members.

Mr. CLEVELAND. Further reserving the right to object, I thank the gentleman for characterizing me as a prominent member of the Committee on Public Works. I do not know about these agreements, so I am either not very prominent or the agreements are very secret. The staff of the Public Works and Transportation Committee tell me they were not consulted.

The gentleman from New York characterized me as being a prominent member of the Committee on Public Works, but I am not prominent enough to know about these agreements.

They sound to me as if they are secret. They sound to me as if they were like agreements between feudal baronies drawn up away from the public eye.

I think we ought to have a chance to read them and know who are the parties to these treaties. What fiefdoms are they floating around.

Mr. FRENZEL. Mr. Chairman, I reserve the right to object.

I am probably not going to object to inserting these interesting documents into the Record. But since most of the Members have not seen them, since there have been no hearings or public scrutiny, these statements will remain simply some Members' ideas about what the jurisdictional alliance might be if the substitute of the gentleman from New York is accepted.

I would hope that no one would be deluded into thinking that these have the force of law or rule in the House, because legislation can only be made by the full House.

Mr. Chairman, I withdraw my reservation of objection.

Mr. PATTERSON. Mr. Chairman, I reserve the right to object.

I think the gentleman illustrates why the Bingham substitute cannot be enacted on the floor today simply because most of the Members have not seen them. I am very disturbed that we are going to be reading in the Record tomorrow these reports.

Mr. Chairman, I withdraw my reservation of objection.

PARLIAMENTARY INQUIRY

Mr. DINGELL. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. DINGELL. Was unanimous consent for these to be printed in the Record not gotten when we were back in the full House?

The CHAIRMAN. Not by the gentleman from New York (Mr. Bingham).

Mr. DINGELL. Not by the gentleman from New York (Mr. Bingham), but on behalf of the gentleman from New York (Mr. Bingham) by another Member of this body?

The CHAIRMAN. The gentleman from New York (Mr. Bingham) does not have his own permission, but the Chair understands that the gentleman from Alabama, Mr. Flippo received that permission in the House for the same extraneous matter. Only for that reason is the Chair entertaining the request in Committee of the Whole.

Mr. DINGELL. I am asking for the benefit of the gentleman if unanimous consent was not gotten back in the House that these matters be printed in the Record.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from New York.

Mr. BINGHAM. Mr. Chairman, I think the appropriate thing to do would be when the gentleman from Alabama (Mr. Flippo) speaks under a pro forma rule, for him to make the request. He was the one who obtained the time. It can be discussed at that point.

Mr. CLEVELAND. Mr. Chairman, I withdraw my reservation of objection.

Mr. FLIPPO. Mr. Chairman, I reserve the right to object.

Would the gentleman clarify his withdrawing of his reservation of objection?

Mr. CLEVELAND. Mr. Chairman, will the gentleman yield?

Mr. FLIPPO. I yield to the gentleman from New Hampshire.

Mr. CLEVELAND. After consultation with some of my colleagues on this side of the aisle, I have decided that my objection to the placing of these agreements or treaties or whatever I call them, in the Record, is not of significant importance.

I withdrew my reservation of objection because perhaps they should be in the Record. Perhaps we will enjoy reading them tomorrow, and if the Bingham substitute is adopted, perhaps we will remember the words of the gentleman from Minnesota (Mr. Frenzel) that not very many people on the floor of the House had the opportunity to read them in advance.

Mr. FLIPPO. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from New York (Mr. Bingham)?

There was no objection.

(By unanimous consent, Mr. Bingham was allowed to proceed for 5 additional minutes.)

Mr. BINGHAM. Mr. Chairman, let me say about these documents, first of all, obviously they are not part of the substitute. They are not part of the House resolution that we are offering.

As a matter of fact, these agreements were not undertaken at the initiative of the gentleman in the well, but rather at the initiative of members and chairmen and ranking members of committees who were concerned that the language of the substitute resolution did not carry out the stated intent of the resolution, which was that the resolution would not diminish or increase the jurisdiction of the various committees that are concerned, such as the Committee on Public Works, such as the Committee on Interstate and Foreign Commerce, such as the Committee on Interior and Insular Affairs and such as the Committee on Foreign Affairs.

The documents will have only such force as the House in future or the Speaker in future chooses to give to them.

I might point out that in 1977 a similar understanding was entered into between the ranking members and chairmen of the Committee on Interstate and Foreign Commerce and the Committee on Interior and Insular Affairs with regard to the handling of nuclear matters. It has no official status, but it has been observed and followed and has proved a useful tool in deciding some of the very tricky questions of jurisdiction that inevitably arise. But I do not base—and I want this perfectly clear—I do not base my case for the substitute in any degree on the existence or on the content of those agreements.

The substitute, I base my case on the proposition that it is as I have described it. It is a resolution which uses language taken from the Patterson committee to specify what jurisdiction the Committee on Interstate and Foreign Commerce now has. It changes the name of that committee to Energy and Commerce, and it adds the words "national energy policy generally."

□ 1410

That, very simply, is what the substitute resolution does. I do not base my case on the existence of these understandings.

I will yield in a moment, but I would like to say, though, that it is significant, I think, that these clarifying understandings among committees do not exist with respect to the Patterson committee recommendations or the motion to recommit. So that if either of those should prevail, these questions will remain undiscussed and unsettled as far as the parties are concerned and, therefore, will remain the subject of a great deal of future wrestling.

Agreements referred to follow:

Statement of Understanding Concerning Certain Subparagraphs of the Bingham Substitute to H. Res. 549

This statement addresses the intent of the co-sponsors of the Bingham substitute concerning certain subparagraphs of the Bingham substitute.

Subparagraph (2) relating to national energy policy will have the meaning intended by the Select Committee as explained in its report on H. Res. 549. (H. Rept. 96–741).

Subparagraph (9) sets forth jurisdiction for the general management of the Department of Energy in the new Committee on Energy and Commerce.

This subparagraph relates only to general aspects of the Department not specific program areas. It includes such functions of the Department, as the Offices of General Counsel, Inspector General, Chief Financial Officer, and the Administrative Officer. The word "general" is to be distinguished in the first clause from the jurisdictional grant of management over the Federal Energy Regulatory Commission.

The Committee on Science and Technology which retains its legislative jurisdiction for energy research and development under the Bingham substitute also retains its jurisdiction over those Executive Branch officials who exercise specific responsibility over research, development, and demonstration activities, as for example, the Under Secretary of Energy who is delegated the responsibility for energy research and development. Similarly, the Interior and Insular Affairs Committee retains jurisdiction over programs and officers of the Department within its jurisdiction.

Subparagraph (3) of the Bingham substitute restates the Commerce Committee's jurisdiction over measures relating to the exploration, production, storage, supply, marketing, pricing and regulation of energy resources, including various fuels and other sources. This restatement or clarification is to be read and interpreted in a manner consistent with the rules of other Committees, such as the Interior Committee, and the precedents currently applicable to such Committees and the Commerce Committee.

This subparagraph, however, is not intended to effect or modify the exclusive jurisdiction of the Committee on Interior and Insular Affairs over the management of the public lands, including the leasing or other disposal of fuel resources located upon the public lands. Under the resolution, the Commerce Committee is not vested with any jurisdiction over the management of the public lands—including fuel resources—now the province of the Interior Committee.

Clause (1) (r) of Rule X is amended by the Bingham substitute to clarify the existing responsibilities of the Committee on Science and Technology over "energy research, development, and demonstration, and projects therefor, and all Federally-owned or operated non-military energy laboratories". These words are intended to have the same purpose as those contained in H. Res. 549.

The Select Committee, in commenting in its report (H. Rept. 96–741, p. 4) on H. Res. 549, said that ". . . the demonstration phase encompasses activities where the Federal Government is involved in either financing, constructing, or managing a facility to determine the technological and economic feasibility of a process. This language reflects existing informal jurisdictional agreements among the House Committees, and reinforces by rule language responsibility now assigned to that Committee."

To further distinguish the difference between the jurisdiction of the Science Committee and that of the new Committee on Energy and Commerce, language has been added by the Bingham substitute to Subparagraph (5) of the Energy and Commerce Committee for "all measures relating to the commercial application of energy technology". This responsibility for the new Energy and Commerce Committee is clearly distinguished from that assigned to the Committee on Science and Technology since it deals generally with replication of energy technologies in the marketplace.

The distinction is made clear by reviewing the purpose of a plant: a plant necessary to demonstrate the commercial feasibility of coal gasification, for example, would be a project authorized by and the responsibility of the Committee on Science and Technology. One example, is a plant built to demonstrate technology would be built at one-half commercial scale, indeed, a plant which was a prototype unit that had never been built in this country.

A plant built for the production of synthetic gas from coal using a proven technology would be authorized by, and the responsibility of, the Committee on Energy and Commerce. The phrase "measures relating to the commercial application of energy technology" is a phrase relating to a proven technology, rather than technologies which are uncertain because such plants have not been built and operated. It is, however, intended to be interpreted in a manner consistent with precedents applicable to the Commerce Committee in the 96th Congress.

The replication of technologies and the proposals, legislative or otherwise, which encourage replication of technologies, including those which may face economic or other risks in order to compete in the marketplace falls under the jurisdiction of the Committee on Energy and Commerce as measures relating to the commercial application of energy technology.

The revision of the Science Committee's jurisdiction does not affect the jurisdiction of the Interior Committee over nuclear regulatory research—the research program of the Nuclear Regulatory Commission. Nothing in the resolution has the effect of establishing jurisdiction in the Science Committee over the research program of the Nuclear Regulatory Commission.

Additionally, the jurisdiction of the Interior Committee is not modified or limited, nor is the jurisdiction of the Commerce Committee expanded or limited relative to measures concerning the approval or management of energy facilities located on the public lands, including pipelines, transmission lines, generation or other facilities.

It is also our understanding of the Bingham Resolution that its adoption is not intended to modify the existing jurisdiction of the Commerce Committee or the Committee on Interior and Insular Affairs relating to referral of legislation relating to the regulation of commercial nuclear power and nuclear regulatory research. It is the intent that referrals in the future will be consistent with referrals made under the Rules and the Speaker's understanding of a memorandum of understanding printed in the Congressional Record of January 4, 1977 (p. H16) during this Congress and the previous Congress.

The Committee on Interior and Insular Affairs is to remain the Committee of primary jurisdiction over regulation of commercial nuclear power, nuclear regulatory research, the Nuclear Regulatory Commission, and its authorization bill. The memorandum of understanding relating to separation and allocation of jurisdiction over nuclear issues is to remain in effect as a guide for the referral of legislation.

It is also our understanding that the Bingham substitute is not intended to alter the Committee on Interior and Insular Affairs' exclusive jurisdiction over matters relating to the Surface Mining Control and Reclamation Act of 1977 or the jurisdiction of the Interior, Judiciary, and Merchant Marine Committees over the outer continental shelf.

The Bingham substitute to H. Res. 549 clarifies the jurisdiction of the proposed Energy and Commerce Committee in subparagraph (4) concerning "measures relating to the conservation of energy resources". This language is not intended to affect the current jurisdiction of the Committee on Science and Technology over all energy conservation, research, development and demonstration activities.

The language of subparagraph (4) referring to measures relating to the conservation of energy resources does not include those RD&D activities for which the Science Committee has responsibility.

It is our understanding that the Foreign Affairs Committee retains its present jurisdiction under existing rules and precedents generally over matters pertaining to the implementation of U.S. international nuclear nonproliferation policy and international energy policy, as well as its exclusive jurisdiction over provisions contained in the Nuclear Non-Proliferation Act of 1978. Moreover, the Committee on Foreign Affairs also retains its legislative jurisdiction with respect both to the international energy and nuclear export activities as administered by the Office of the Assistant Secretary for International Affairs charged with responsibility for such programs in the Department of Energy, and to the international safeguards and international program support activities of the Nuclear Regulatory Commission. Nor does it expand or diminish the legislative jurisdiction of the Committee on Foreign Affairs with respect to the international safeguards and international program support activities of the Nuclear Regulatory Commission. Finally, it is our understanding that the Bingham substitute does not expand or diminish the existing oversight or other appropriate jurisdiction of the Committee on Foreign Affairs with respect to those Department of Energy activities related to world-wide international nonproliferation programs; and activities designed to promote proliferation resistance. In addition, the Bingham substitute does not expand or diminish the present jurisdiction of the Commerce, Interior, Science, Armed

Services and other Committees over these matters to the extent such Committees currently have such jurisdiction under the rules and precedents.

> Harley O. Staggers, Chairman, Committee on Interstate and Foreign Commerce; Don Fuqua, Chairman, Committee on Science and Technology; Morris K. Udall, Chairman, Committee on Interior and Insular Affairs; Melvin Price, Chairman, Committee on Armed Service; Jonathan B. Bingham, Chairman, International Economic Policy and Trade Subcommittee, Committee on Foreign Affairs; Don H. Clausen, Ranking Minority Member, Committee on Interior and Insular Affairs; Clarence J. Brown, Ranking Minority Member, Subcommittee on Energy and Power, Committee on Interstate and Foreign Commerce; John D. Dingell, Chairman, Subcommittee on Energy and Power, Committee on Interstate and Foreign Commerce; James T. Broyhill, Ranking Minority Member, Committee on Interstate and Foreign Commerce.

STATEMENT OF UNDERSTANDING CONCERNING CERTAIN SUBPARAGRAPHS OF THE BINGHAM SUBSTITUTE TO H. RES. 549

There is no intent of the Bingham substitute to give the new Committee on Energy and Commerce jurisdiction over national security and defense energy policies, including the Naval petroleum and oil shale reserves and nuclear energy policies which affect the national security and defense programs of the Department of Energy.

There is no intent to expand, diminish, or exclude through the Bingham substitute jurisdiction of any Committee over regulatory legislation which might affect the national security and defense activities of the Department of Energy.

It is understood that those laws, programs and Government activities relating to scientific research and development in support of the armed services, relating to the military applications of nuclear energy and relating to the stockpiling and disbursement of strategic and critical materials necessary for the common defense are not affected by the Bingham substitute.

There is no intent to expand or diminish through the Bingham substitute the jurisdiction of any committee over the Naval reactors programs or the military applications of the inertial confinement fusion program.

It is understood that the Bingham substitute does not expand or diminish the jurisdiction of any Committee over special nuclear materials for use in the military applications of nuclear energy and strategic and critical materials necessary for the common defense.

The jurisdiction of the Committee on Armed Services over "conservation, development, and use of the Naval petroleum and oil shale reserves", as stated in the House Rules (Rule X, clause 1(c)(4)) is not changed in any way by the Bingham substitute.

Subparagraph (9) of the Bingham substitute would not affect the jurisdiction of the Committee on Armed Services to authorize funding for the conservation, development, and use of the Naval petroleum and oil shale reserves.

It is understood that subparagraph (9) of the Bingham substitute does not diminish or expand the jurisdiction of any Committee over DOE's atomic energy defense activities, including funds for personnel and personnel spaces for such activities.

It is understood that the Bingham substitute does not diminish or expand the jurisdiction of any committee to conduct oversight over laws, programs and government activities relating to the military applications of nuclear energy and relating to the stockpiling and disbursement of strategic and critical materials necessary for the common defense.

It is understood that the jurisdiction of the Committee on Armed Services over the Sandia National Laboratories at Albuquerque, New Mexico and Livermore, California, the Los Alamos National Scientific Laboratory at Los Alamos, New Mexico, and the Ernest Orlando Lawrence Livermore National Laboratory at Livermore, California, is not in any way diminished by the Bingham substitute. It is further understood that all scientific research, development and demonstration, and projects therefor, in support of the U.S. armed services or for the furtherance of military applications of nuclear energy are to be continued within the jurisdiction of the Committee on Armed Services.

The Committee on Energy and Commerce will have jurisdiction of measures relating to the "commercial application" of energy technology. Several research and development programs and several military application programs of both the Department of Energy and Department of Defense could ultimately have some commercial application. The Bingham substitute would not diminish or expand the jurisdiction of any committee over research and development, including military application programs.

The jurisdiction of the Committee on Energy and Commerce under the Bingham substitute over measures relating to energy information generally does not expand or diminish the jurisdiction of any committee over "Restricted Data", as the term is defined in the Atomic Energy Act of 1954, as amended.

The present jurisdiction of the Committee on Armed Services with respect to laws, programs and government activities concerned with scientific research and development in support of the armed services, the military applications of nuclear energy and the strategic and critical materials necessary for the common defense and security of the United States, is unaltered and unaffected by the provisions of the Bingham substitute.

The precedents of the 96th Congress applicable to the Commerce, Interior, Science, and Armed Services Committees concerning the above matters will continue to apply under the Bingham substitute.

This statement shall be printed in the Record during consideration of the Bingham substitute.

> Harley O. Staggers, Chairman, Committee on Interstate and Foreign Commerce; Don Fuqua, Chairman, Committee on Science and Technology; Jonathan B. Bingham, Chairman, International Economic Policy and Trade Subcommittee, Committee on Foreign Affairs; Don H. Clausen, Ranking Minority Member, Committee on Interior and Insular Affairs; Clarence J. Brown, Ranking Minority Member, Subcommittee on Energy and Power, Committee on Interstate and Foreign Commerce; Morris K. Udall, Chairman, Committee on Interior and Insular Affairs; Melvin Price, Chairman, Committee on Armed Services; John D. Dingell, Chairman, Subcommittee on Energy and Power, Committee on Interstate and Foreign Commerce; James T. Broyhill, Ranking Minority Member, Committee on Interstate and Foreign Commerce.

STATEMENT OF UNDERSTANDING CONCERNING SUBPARAGRAPH (7) OF THE BINGHAM SUBSTITUTE TO H. RES. 549

The purpose of this statement is to state a clear intention of the cosponsors of the Bingham substitute and certain Members of the Committee on Public Works and Transportation (1) that subparagraph (7) merely restates the jurisdiction of the Committee on Interstate and Foreign Commerce consistent with the Rules of the House and related precedents applicable for the 96th Congress and this statement, (2) that subparagraph (7) does not expand or diminish the Commerce Committee's jurisdiction consistent with such rules and precedents of the House, and (3) that subparagraph (7) does not impact on the jurisdiction of the Committee on Public Works and Transportation (either by diminishing that Committee's exclusive jurisdiction or by giving any other Committee sequential or concurrent jurisdiction over measures not under the jurisdiction of the committee) consistent with the House Rules and applicable precedents for the 96th Congress, including this statement.

Under subparagraph 7(A) Federally chartered and Federal regional power marketing authorities which include such agencies as the Tennessee Valley Authority and the Bonneville Power Administration are clearly excepted from subparagraph 7(A). It is also intended that the generation of power at water resource development projects constructed and operated by Federal agencies, such as the Corps of Engineers and the Water and Power Resource Services (formerly the Bureau of Reclamation), which is also marketed by such Federal power marketing authorities is also intended to be excepted from subparagraph (7) consistent with current rules and precedents. This general exception for subparagraph 7(A) for these authorities relates to all measures concerning the generation and marketing of power, including reliability and siting of generating facilities of such authorities and the Federal water resource development agencies.

Subparagraph 7(B) is not intended to expand or diminish of the present jurisdiction of the Commerce Committee. Consistent with that jurisdiction, Commerce considered the Public Utility Regulatory Policies Act of 1978, which is generally applicable to Federal power marketing agencies, such as TVA and BPA, and other electric utilities and currently shares jurisdiction with the Interior Committee over the Pacific Northwest Electric Power Planning and Conservation bill which relates to functions of the BPA on a regionwide basis. This subparagraph is not intended to expand that jurisdiction. The reliability of power generated by Federal water resources development projects is not covered by the subparagraph. That jurisdiction remains in the Public Works and Interior Committees. Similarly, the current jurisdiction of the Commerce, Public Works and Interior Committees over reliability and ratemaking matters of Federal power marketing authorities is not intended to be changed in any way.

Subparagraph 7(C) concerning siting is not intended to cover the siting of hydroelectric generating facilities constructed by Federal agencies, such as the U.S. Army Corps of Engineers, whose projects remain the exclusive jurisdiction of the Committee on Public Works and Transportation and the Water and Power Resource Service (formerly known as the Bureau of Reclamation) whose projects remain the exclusive jurisdiction of the Committee on Interior and Insular Affairs. Consistent with such House rules and precedents, clause 7(C) is intended to cover matters involving non-Federal hydro generating facilities which are licensed by the Federal Energy Regulatory Commission and power plants generally. As indicated above, jurisdiction over siting related to the generation and marketing of power of these Federal authorities which currently reside in the Public Works and Interior Committees is not intended to be affected by this subparagraph.

In summary, the intent of Congressman Bingham and the cosponsors of the Bingham substitute concerning subparagraph (7) is not to impact on or affect in any way the present jurisdiction of the Committee on Public Works and Transportation, including its jurisdiction over the Tennessee Valley Authority or the water resources development projects of the U.S. Army Corps of Engineers, or that of the Interior and Insular Affairs Committee over the Bonneville Power Authority and other power marketing authorities and the Water and Power Resources Service. It is intended to restate with clarity the present jurisdiction of the Commerce Committee over power matters as clarified by this statement. Previous precedents for the referral of legislation to these Committees are intended to control. If it is believed that despite these assurances, which will be a part of the legislative history of the Bingham substitute, that some ambiguity may still remain, we will sponsor and support necessary technical clarifications consistent with this statement when the Rules of the House of Representatives for the 97th Congress are considered.

Nothing in this statement relates to the regulation of nuclear power under the Atomic Energy Act of 1954, as amended, or the Energy Reorganization Act of 1974.

Harley O. Staggers, Chairman, Committee on Interstate and Foreign Commerce; Don Fuqua, Chairman, Committee on Science and Technology; John D. Dingell, Chairman, Subcommittee on Energy and Power, Committee on Interstate and Foreign Commerce; Jonathan B. Bingham, Member, Committee on Interior and Insular Affairs; Don H. Clausen, Ranking Minority Member, Committee on Interior and Insular Affairs; Clarence J. Brown, Ranking Minority Member, Subcommittee on Energy and Power, Committee on Interstate and Foreign Commerce.

Morris K. Udall, Chairman, Committee on Interior and Insular Affairs; Harold T. Johnson, Chairman, Committee on Public Works and Transportation, Ray Roberts, Chairman, Subcommittee on Water Resources, Committee on Public Works and Transportation; Ronnie G. Flippo, Member, Committee on Public Works and Transportation; James T. Broyhill, Ranking Minority Member, Committee on Interstate and Foreign Commerce.

Mr. CLEVELAND. Mr. Chairman, will the gentleman yield?

Mr. BINGHAM. I yield.

Mr. CLEVELAND. Mr. Chairman, how many of these agreements are there?

Mr. BINGHAM. There are three.

Mr. CLEVELAND. How many committees are involved? What committees are involved?

Mr. BINGHAM. There is one that affects primarily the Committee on Armed Services and the Committee on Interstate and Foreign Commerce. There is one that involves the Committee on Interstate and Foreign Commerce, the Committee on Interior and Insular Affairs, the Committee on Science and Technology and the Committee on Foreign Affairs. There is a third agreement that affects the problems that might arise between the Committee on Interstate and Foreign Commerce, under the Bingham substitute, and the Committee on Public Works.

Mr. CLEVELAND. Mr. Chairman, I thank the gentleman.

Mr. LEACH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. BINGHAM. I would be glad to yield if I have any time.

Mr. LEACH of Iowa. Mr. Chairman, would it be fair to say that what these agreements do is enshrine the status quo and essentially what we are seeing is a celebration of the status quo and if Members of this body want to vote for change, they should vote against the gentleman's substitute. If they want to see change, they should vote for the committee resolution and the motion to recommit.

Mr. BINGHAM. Mr. Chairman, in response to the gentleman, let me say this. I do not think change for change's sake is worth doing. The change in jurisdiction that would be made by creating a new Committee on Energy, in place of the Subcommittee on Energy and Power that now exists, which is the major change achieved by the Patterson committee resolution, is not, to my mind, a solution of all the energy jurisdictional problems and does not go very far in that direction. As I have indicated, I think it would complicate our problems.

What these agreements do is to clarify what is meant by the statement of policy that I have indicated attaches to the substitute resolution, which is that it does not intend to make any other shifts in jurisdiction.

The CHAIRMAN. The time of the gentleman from New York (Mr. BINGHAM) has again expired.

(At the request of Mr. BROWN of California, and by unanimous consent, Mr. BINGHAM was allowed to proceed for 1 additional minute.)

Mr. BROWN of California. Mr. Chairman, would the gentleman yield?

Mr. BINGHAM. I would be glad to yield to the gentleman from California.

Mr. BROWN of California. Mr. Chairman, I wish to make an inquiry of the gentleman having to do with the jurisdiction of the Committee on Agriculture. I do this at the request of the chairman of the committee.

In the original resolution and in the Cleveland substitute, there is language specifically exempting the rural electrification program.

In the gentleman's substitute, the gentleman from New York does not do that. The gentleman excepts from the jurisdiction of the Committee on Energy federally chartered regional or national power authorities, but the gentleman does not go as far as to include the rural electrification program.

I inquire as to whether this was an oversight, or deliberate effort to change the jurisdiction.

Mr. BINGHAM. Mr. Chairman, I appreciate the tone of the gentleman's question. I have to admit it was an oversight. After we went to the Committee on Rules, we were no longer in a position to modify the amendment. I have discussed this with the chairman of the Committee on Agriculture and indicated it was an oversight. The chairman indicated he was not disturbed by it. If necessary, it can always be changed in a future change; but the intent was not to make that omission.

Mr. BROWN of California. Mr. Chairman, I appreciate the gentleman's clarification.

Mr. PATTERSON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am absolutely appalled by the revelation of the secret agreements here now at the 11th hour.

The Select Committee had 6 weeks of hearings, 3 days of open markup; we negotiated with many committee chairmen and all interested parties that wanted to talk about the issue.

Now, are we going to run this House by rule or by private deal? The question before the committee is what do we want, an energy committee or a fiefdom?

The substitute of the gentleman from New York asks the House to agree that we want an Energy Committee just like what we have now, but we want to put in some of the good things that the Patterson or select committee proposal recognized. They acknowledged many mistakes, agreements, private deals. Why do we need to do this, Mr. Chairman?

Opponents of the Energy Committee proposal and the creation of an Energy Commitee altogether, I might add, have been opposed to any change throughout the life of the select committee. First, they said everything is working well, do not do anything.

Then we proposed an Energy Committee. Then they said, "Let us not act on it yet. Let us study it a while." We studied it a while. Then it came forward. Then they said, "You don't need an Energy Committee. All you need to do is change the way the energy bills are referred, do a multiple referral system."

Then they said, "Don't tamper with jurisdictions. Why not have a permanent ad hoc Energy Committee instead?"

Of course, the chairman of the last ad hoc committee, the gentleman from Ohio (Mr. ASHLEY) has said that that will not work. The Speaker of the House has said that will not work. One time was enough.

When all of these efforts failed, we finally saw the development of the Bingham substitute and whatever they saw it says in these other agreements that we have not seen and they are not sure what they are, either.

Now, what are we supposed to do? I think it was a very artful effort, Mr. Chairman, and I commend my colleagues. At one and the same time, they propose to keep key energy jurisdictions the way they are, no change, while granting to the Committee on Commerce jurisdiction over national energy policy generally, brand new.

The proposal was drafted in haste, drafted by staff. Now we have these treaties or secret agreements which we can all read about tomorrow.

The substitute is a blatant attempt to maintain committee turf and the status quo.

I find it interesting that of the so-called over 100 cosigners of the Bingham substitute, 38 of them are on the Committee on Commerce. Twenty-two of them are on the Committee on the Interior. Sixteen serve on the Committee on Science and Technology. I would bet that they are members who perhaps have had the revelation of these secret agreements to them.

A coalition of the defenders of the

status quo, and the friendship of these colleagues I admire, but it is not in the national interest. Supporters of the Bingham substitute explain that it merely clarifies existing jurisdictions. I ask any Member on this floor to try to explain the Bingham substitute.

Let me give you some examples. The substitute would leave the Committee on the Interior with jurisdiction over regulation of the domestic nuclear energy industry, that is great, the NRC.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. BINGHAM. In a moment.

Mr. DINGELL. So does the Patterson proposal.

Mr. PATTERSON. I will yield in a moment—yes, it does.

The Commerce Committee jurisdiction then gets in that proposal reliability and siting of electrical generation plants. We all know nuclear powerplants generate electricity. I do not know how others interpret this.

Mr. Chairman, I think that means safety. I think that means siting. Siting means location.

Committee jurisdiction over nuclear reactor safety and nuclear reactor siting. How do my environmentalist friends, with whom I share concern about that nuclear power, feel about that giveaway from the Committee on the Interior to the Committee on Commerce?

Jurisdiction over powerplant siting includes hydro-electric powerplants. Now, maybe the public works deal will say they did not mean to say it, but they said it, Mr. Chairman.

The substitute also says the Committee on Commerce gets jurisdiction over storage of energy resources.

The CHAIRMAN. The time of the gentleman from California (Mr. Patterson) has expired.

Mr. PATTERSON. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California (Mr. Patterson)?

Mr. DINGELL. Mr. Chairman, reserving the right to object, the gentleman is making a number of statements about other Members of the body and making a number of statements about proposals and not yielding for a response.

If the gentleman gets this additional time, do we assume that the gentleman will yield to his colleagues, or do we assume that the gentleman will not?

Mr. PATTERSON. I will certainly try to yield.

Mr. DINGELL. As these matters go forward, so we can get them corrected?

Mr. PATTERSON. I will be delighted to yield.

Mr. DINGELL. Mr. Speaker, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from California (Mr. Patterson) to proceed for an additional 5 minutes?

There was no objection.

Mr. PATTERSON. Mr. Chairman, if I may summarize this very quickly, storage of nuclear resources, storage of energy resources; does this mean storage of nuclear fuels, storage of nuclear waste?

□ 1420

How do we know? Maybe it is in a private agreement somewhere.

House Resolution 549 recognizes rural electrification. We heard another interpretation that they did not mean what they said.

This substitute is objectionable on a management basis. The largest committee with the largest subcommittees, six of the highest spending subcommittees in the Congress, six of the top seven want 50 percent more energy jurisdiction granted to them. They have slightly less than half of the energy jurisdiction referral on bills now, and they want 100 percent. I think it is fine that someone gets 100 percent, but it ought to be a new energy committee.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. PATTERSON. Yes, I yield.

Mr. DINGELL. Mr. Chairman, will the gentleman advise me whether his proposal sets up a new energy committee?

Mr. PATTERSON. Yes, it certainly does.

Mr. DINGELL. Does it set up an energy committee with 100 percent jurisdiction over energy matters?

Mr. PATTERSON. Yes, it does.

Mr. DINGELL. One hundred percent of the bills that would relate to energy would be——

Mr. PATTERSON. They would originate with original jurisdiction or have secondary referral jurisdiction.

Mr. DINGELL. Secondary referral, so we would then, under the gentleman's proposal, have a jurisdictional snarl?

Mr. PATTERSON. I am sorry. I did not understand.

Mr. DINGELL. Under the gentleman's proposal we would have a jurisdictional snarl?

Mr. PATTERSON. I think you would have jurisdictional integration of energy policy. Energy policy needs a specialization that a standing committee on energy can render. A subcommittee simply cannot. Can we say energy is not really important enough for a full committee, but it is important enough for a subcommittee? I find that amazing. We need an energy committee that can have up to six subcommittees to deal with the wide range of energy matters.

The Subcommittee on Energy and Power is now the heaviest in workload and simply, if this is added, we will see an $8 million committee become a $10 million committee overnight.

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. PATTERSON. I yield to the gentleman.

Mr. OTTINGER. Mr. Chairman, there also have been a few changes, I take it, in the Patterson proposal, as I understand it; and the gentleman as chairman of the committee is now taking the unusual position of supporting a Republican motion to recommit. That motion has in it not only what he originally proposed, but also puts back together under one committee the nuclear jurisdiction, so that nuclear safety is no longer divided from nuclear promotion. That was one of the principal reasons we broke up the Joint Atomic Energy Committee and created the Nuclear Regulatory Commission in the first place.

Mr. PATTERSON. That is not exactly correct.

Mr. OTTINGER. That is a rather substantial change the gentleman has embraced since the creation of his supposedly very carefully studied proposal.

Mr. PATTERSON. In answer to the gentleman's question, I support House Resolution 549 which retains the NRC in the Committee on Interior and Insular Affairs or, in the alternative, the recommittal proposal, which I helped draft; if the gentleman will read it, he will find a rather enlarged environmental review jurisdiction residing in the Committee on Interior and Insular Affairs which will allow that committee to review all of the environmental aspects of nuclear power. I frankly support clean nuclear power if it can be done. At this moment in time more of my votes are opposed to nuclear power because I do not feel we have found that safety, and I want to see that safety assured by the handling of an environmental review in the Committee on Interior and Insular Affairs, and the granting of the nuclear regulatory matters to the new Committee on Energy. That is exactly, precisely what the motion to recommit will do.

Mr. OTTINGER. Will the gentleman yield further?

Mr. PATTERSON. Yes, I yield further.

Mr. OTTINGER. One of the chief proponents not only of the gentleman's proposal as it was initially put together, but a chief proponent of nuclear power as well, the chairman of the Rules Committee, said that he felt very strongly that there ought to be a separation between safety regulation of nuclear energy and the promotion of nuclear energy for the sake of assuring the future of nuclear energy. The gentleman from Missouri (Mr. Bowling) also said that the public at large will never really accept nuclear energy as long as the promoters of nuclear energy also have jurisdiction over safety. I think he is correct.

So, this is not a pronuclear/antinuclear question, but a question of soundness, and the gentleman now has embraced something which is exactly the opposite from that which he put forth in his resolution.

If it is a fault to change positions, then the gentleman from California is as guilty as we are.

The CHAIRMAN. The time of the gentleman from California has again expired.

(At the request of Mr. Ottinger and by unanimous consent, Mr. Patterson was allowed to proceed for 2 additional minutes.)

Mr. PATTERSON. I yield to the gentleman.

Mr. OTTINGER. What my colleague from New York (Mr. Bingham) has sought to do by agreement with other affected committees is assure that his resolution does not intend and does not raid the jurisdiction of these other committees.

Mr. PATTERSON. It simply does not say that, and that is my grave concern with the Bingham amendment, is that it does environmentally disastrous things to the energy policy of this country. As a matter of fact, the motion to recommit, which I helped write, I might add, and I do support, provides, even though it takes the Nuclear Regulatory Commission from the Committee on Interior and Insular Affairs and places it in the new Energy Committee for the commercial aspects, it leaves or grants new jurisdictional language which I think should be in the record at this point to the Committee on Interior and Insular Affairs. Under paragraph 17 it states:

> Environmental aspects not within the jurisdiction of other standing committees of all energy matters specifically including the regulation of nonmilitary nuclear energy.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. PATTERSON. I yield to the gentleman.

Mr. DINGELL. I would ask the gentleman how is that different from the original Patterson proposal?

Mr. PATTERSON. This language is stronger than the original Patterson language.

Mr. DINGELL. In what way?

Mr. PATTERSON. And I will be happy to read that to the gentleman.

Mr. DINGELL. In what way?

Mr. PATTERSON. It specifically includes the regulation of nonnuclear energy.

Mr. DINGELL. That was in the prior Patterson proposal also. The prior Patterson proposal dealt with all nuclear matters.

Mr. PATTERSON. If I can find it, it does read differently.

Mr. DINGELL. It reads differently, but it does not mean anything different in terms of substance.

Mr. PATTERSON. Well, words say things, I think, and the substance——

Mr. DINGELL. The substance is the same, the words are different.

Mr. PATTERSON. Let me tell the gentleman the paragraph that I just read, which is in the recommittal motion. where it is needed because of the transfer of the Nuclear Regulatory Commission, and it is different in the original select committee proposal.

Mr. DINGELL. But the gentleman did not transfer the original nuclear jurisdiction in the original Patterson proposal, so what the gentleman is doing now is tinkering——

Mr. PATTERSON. That is correct.

The CHAIRMAN. The time of the gentleman from California has again expired.

(At the request of Mr. DINGELL and by unanimous consent, Mr. PATTERSON was allowed to proceed for 2 additional minutes.)

Mr. DINGELL. Will the gentleman yield?

Mr. PATTERSON. I yield to the gentleman.

Mr. DINGELL. What the gentleman is really doing——

Mr. PATTERSON. I have found the passage. I think it ought to be in the record and would be the language in the original proposal, which is "Environmental aspects of all energy matters except for those of standing committees with specific jurisdiction over environmental matters under existing laws," and it does not specifically include domestic nuclear energy.

Mr. DINGELL. Well, is that not included in all energy or is that included in all energy? Maybe my knowledge of semantics is not as broad, but if we have all energy, all energy is all energy, or is all energy not all energy?

Mr. PATTERSON. The gentleman asks a question, and had the Bingham substitute been proposed and gone through the legislative process——

Mr. DINGELL. I am just a poor Polish lawyer, but could I ask the gentleman: Will he tell me what the facts of the matter are?

Mr. PATTERSON. I will be happy to answer the gentleman if the gentleman would like.

Mr. DINGELL. I await with interest.

Mr. PATTERSON. If we take the Nuclear Regulatory Commission out of the Committee on Interior and Insular Affairs, and at the same time put into it only environmental review on energy matters, there is a question where environmental review remains.

Mr. DINGELL. How is the motion to recommit, and how is the Patterson proposal as originally drawn any different? All energy is all energy, or is it not all energy? Is it all energy or it is not all energy. Does the motion to recommit then give us something that maybe we were not told was in the original Patterson proposal?

Mr. PATTERSON. If the gentleman will take all energy environmental review and put it in the Committee on Interior and Insular Affairs, and at the same time——

Mr. DINGELL. Did the gentleman do that?

Mr. PATTERSON. And take out environmental review of nuclear and take both at the same time, the gentleman may get a different interpretation.

Mr. DINGELL. The gentleman did that in both bills, did he not?

Mr. PATTERSON. Of course. That is my consistency and what I am trying to say to the gentleman and to the gentleman from New York, is that my position has been entirely consistent with regard to nuclear policy for this country and in regards to this committee.

Mr. DINGELL. Would the gentleman permit me to read something here? It says:

> One of the key issues I suppose will be the Nuclear Regulatory Commission. The question has come up: why leave it there?

The CHAIRMAN. The time of the gentleman from California has again expired.

(At the request of Mr. DINGELL and by unanimous consent, Mr. PATTERSON was allowed to proceed for 2 additional minutes.)

Mr. PATTERSON. I yield to the gentleman.

Mr. DINGELL. I want the gentleman to hear this.

> The question has come up: why leave it there? I think it is not just a political reality, I think it is the fact that the expertise for five years has been in the Interior Committee. It is also a fact that the Nuclear Regulatory Commission under Interior is primarily a licensing function, and the licensing of nuclear plants, in my judgment, is primarily an environmental health and safety review.

□ 1430

This is the testimony of the distinguished gentleman who now sponsors a motion to recommit to change that 180 degrees before the Committee on Rules. The memory of the gentleman is short.

Mr. PATTERSON. I thank the gentleman for reading into the record my language and making my argument for me in a very eloquent way.

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. PATTERSON. I yield to the gentleman from New York.

Mr. OTTINGER. I thank the gentleman for yielding. The gentleman has raised, I think, really bogus concerns about environmental aspects of the Bingham substitute. I just want to point out that I do not think those are real concerns and that in fact the Sierra Club—and I have an endorsement here from the Sierra Club, the Environmental Policy Center, and as far as I know all of the environmental organizations of this country; I personally am somewhat active in that field—feels that the Bingham substitute is the soundest environmental approach.

Mr. PATTERSON. Reclaiming my time, I would answer the gentleman, yes, I have somewhat of an environmental record myself, and I know that many Members went to environmental groups to say, why do you not keep things the way they are, recognizing where one's friends are. But I think it is up to the House Membership to determine what energy policy and what the jurisdiction ought to be, and not up to outside pressure groups, whether they be environmental or other.

Mr. LEACH of Iowa. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the substitute. Mr. Chairman, from time to time Members of this body have criticized the Executive for overzealous secrecy. Now we see an effort in this House to have secret convenants secretly arrived at. There have been no hearings on this series of committee agreements. The courtesy was not even extended to the chairman of the committee of jurisdiction to show him that covenants that have been made.

The bottom line of the Bingham substitute is that we have a celebration of the status quo, and for Members of this House to think we are doing a good job on energy, the answer is to vote for it. But for Members who are very dubious that this House has an effective committee dealing with this subject, I hope we vote down the Bingham substitute and go with the motion to recommit.

Mr. JOHN L. BURTON. Mr. Chairman, will the gentleman yield?

Mr. LEACH of Iowa. I yield to the gentleman from California.

Mr. JOHN L. BURTON. I thank the gentleman for yielding. Does the gentleman find some problems with the old

Democratic way of doing business, with secret covenants secretly arrived at? We are not talking about the League of Nations here, the gentleman knows.

Mr. LEACH of Iowa. We are not, but we are talking about common courtesy, and the behavior in this body of a very few people who want to dictate the status quo. To a junior Member of this House, not as a Republican but as someone who has dealt with this matter for the last 6 months, it is difficult not to be offended when a very substantive issue is designed outside of the scope of the committee of jurisdiction, outside of the scope of the vast majority of the Members. This is simply not a proper way of legislating. On those grounds alone the Bingham substitute should be defeated.

Mr. JOHN L. BURTON. I would just go with the merits of the proposal. I think the proposal has more merit than the select committee proposal, with all respect to my two good friends, the ranking member and the chairman of the committee.

Mr. RATCHFORD. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I rise today to lend my support to the Bingham substitute to House Resolution 549, which would create a Committee on Energy and Commerce, to lead the House on energy issues.

Now that the House has acted on the major pieces of energy legislation proposed by the President—including the windfall profit tax, the Energy Mobilization Board, the synthetic fuels program, and the standby gasoline rationing program—it is time for the House to turn its attention from the substance, to the process, by which it shapes national energy policy.

We are all aware of the confusing and irrational system of committee referrals which works against House efforts to consider energy policy efficiently and effectively. The present system of committee jurisdictions, and multiple referrals, works against the development of a comprehensive national energy program in the Congress, and leaves the House without any clear leadership, or expertise in energy policy.

Clearly it is time for a change. The Select Committee on Committees has made a valuable effort to shape a new standing Committee on Energy which would accept the leadership role in energy legislation. Unfortunately, the select committee's proposal consolidates too little in the way of energy jurisdiction to warrant the creation of a new and separate standing Energy Committee. With little hope of resolving the internal disputes which are part of a meaningful new Energy Committee, I strongly believe that the House must take an intermediate step today, by placing a focus on the issue, and a clear avenue of authority in energy policy by approving the Bingham substitute.

There is no doubt that our work will be left incomplete if we simply give the Commerce Committee the lead role in shaping energy policy. I am committed to the concept of a standing Committee on Energy which consolidates the many energy jurisdictions of our present committee system, and we must not lose sight of this ultimate goal. Yet if we are not going to reach that goal in this session, we must take a first step—by clarifying the current committee structure for energy jurisdiction, and by placing a focus on energy issues, which will serve as a symbol of the importance of an identifiable energy committee in the House.

Mr. Chairman, we need a standing Energy Committee, but it cannot be an empty promise which does little more than create another layer to the bureaucracy of the House. The challenge remains before us, the challenge of setting aside territorial disputes in the interests of a rational structure for the development of a comprehensive national energy policy. Today we must take a first step by approving the Bingham substitute.

Mr. PATTERSON. Mr. Chairman, will the gentleman yield?

Mr. RATCHFORD. I will be happy to yield to the gentleman.

Mr. PATTERSON. I thank the gentleman for yielding. I like what the gentleman has said in terms of taking that first step. Let us suppose that the Bingham substitute is step 1; the select committee proposal is step 2, to create that Energy Committee; and the motion to recommit with instructions is step 3, to achieve what the gentleman said he wants and what I think many of us want in achieving it. Would he not rather go to step 2 or step 3 rather than just start with step 1?

Mr. RATCHFORD. I would say to the gentleman that I am concerned that step 3 will occur, that the resolution will be recommitted, and we will not see this proposal again this session. That is my concern. That is why I think the intermediate step represented by the Bingham proposal is appropriate this afternoon.

Mr. PATTERSON. Will the gentleman yield again on that?

Mr. RATCHFORD. Yes, I would be happy to yield.

Mr. PATTERSON. The motion to recommit with instructions, if it is adopted, would immediately be offered by myself for passage on the floor, and final passage, and in fact step 3 could be attained today. I just want the gentleman to know that.

Mr. SEIBERLING. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of the Bingham substitute, though it is with considerable reluctance that I find myself in opposition to our distinguished colleague, the gentleman from California. He is one of the most temperate, hard working, and thoughtful people around here. For that reason, I must say I am a little bit surprised at the kind of rhetoric he has been using lately, and I can only think that maybe some of his staff have gotten carried away by the enthusiasm of the job and have supplied some language that I do not think he would ordinarily use.

For example, in this "Dear Colleague" letter that he sent out recently, he says that the Bingham resolution has the support of many of the members on the Commerce, Interior, and Science Committees, the principal energy units in the House now, and "the same committees that gave us gas lines, shortages, and the Three Mile Island fiasco." Really, that is just going overboard a little bit. It does seem to me, obviously, there might be something along the line of OPEC and a few other factors that had something to do with it.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. SEIBERLING. I yield to the gentleman from Arizona.

Mr. UDALL. I thank the gentleman for yielding.

Apparently, the fact that those of us who signed these agreements and who support the Bingham substitute were responsible for Three Mile Island was as a result of a secret agreement that I was not advised of.

Mr. SEIBERLING. Apparently there are all kinds of secret agreements. I understand there is one on the Cleveland substitute that is kicking around, too.

Mr. ROBERTS. Mr. Chairman, will the gentleman yield?

Mr. SEIBERLING. I yield to the gentleman from Texas.

Mr. ROBERTS. Mr. Chairman, I just want to rise to clarify the record as far as the Committee on Public Works and Transportation is concerned. I support the Bingham amendment.

Mr. Chairman, the creation of a Committee on Energy by its very operation and fulfillment affect the jurisdiction of existing committees in this field. I, therefore, rise to clarify the record and make it clear that the Bingham amendment which this body is considering does not nor will not in any way affect the existing or future jurisdiction of the Committee on Public Works and Transportation in the following fields: Water resources; hydroelectric power; Corps of Engineers' projects; transportation legislation including but not limited to all pipelines under the committee jurisdiction; coal roads; transportation systems; 55-mile-per-hour legislation among others; energy conservation measures as they relate to public buildings and grounds; energy conservation aspects of truck, water and aviation legislation; energy programs relating to gasohol and coal gasification in EDA and ARC and any other matter which might be energy related as it affects the Committee on Public Works and Transportation.

In other words both the specific and general jurisdiction now held by the Committe on Public Works and Transportation relating to the field of energy remain with and are an inherent part of that committee's jurisdiction.

As I stated at the beginning, this is for the record and for the protection of the jurisdiction of the Committee on Public Works and Transportation, whether Bingham is adopted or any other proposal that votes a new energy committee.

Mr. SEIBERLING. Mr. Chairman, one of the things I think we ought to consider is that experience may be the best guide as to whether it makes sense to put all jurisdiction in one field in a particular committee.

□ 1440

We had for years the Joint Committee on Atomic Energy and one of the reasons we abolished it was because it was doing a very ineffective job of oversight, of legislation and in effect it became a captive of the AEC, the very industry over which it had oversight.

Now if we want to see what happens when we create a single Energy Committee all we have to do is look at the U.S. Senate. They have a committee that has practically all the field of energy as its primary jurisdiction. Where do all of our energy bills get bogged down? Not in the House of Representatives. We move energy bills through this body. It is when they get to the other body, where they have a single Energy Committee, that things get bogged down.

I suggest that perhaps we take another look at the substance and not just the labels. Just applying a label, "Energy Committee," and dumping all the jurisdiction into it is not going to solve the problems of the energy crisis.

Mr. Chairman, the Bingham substitute, it seems to me, takes a very practical approach. It does not create an entirely new committee but I would have thought that the gentleman from California (Mr. PATTERSON) would welcome it with open arms and feel that he has achieved the substance of what is reasonable to achieve in one session. We must walk before we run. We should try to see if we cannot take the existing committee structure and strengthen it to the point where it will work with minimum disruption of our established ways of doing business here, and then if it does not work make more corrections. Do that instead of creating a new, monstrous committee with which no one has had previous experience and hope to solve the problem by saying, "Go to it, boys, solve the energy problem." I suggest we continue to rely on some of the people who have already built up expertise on this subject over the years.

Mr. WOLPE. Mr. Chairman, will the gentleman yield?

Mr. SEIBERLING. I yield to the gentleman from Michigan.

Mr. WOLPE. Mr. Chairman, I thank the gentleman for yielding and associate myself with the gentleman's remarks. It seems the Bingham substitute represents a more prudent course that we ought to be adopting at this point.

Mr. FRENZEL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, we are now trying to decide whether we should adopt the Bingham substitute. I think the committee would be well advised to understand the differences between the Bingham substitute and the motion to recommit because that is really what the debate has narrowed down to, at this time.

Mr. Chairman, the Bingham substitute preserves the status quo. It has the same committees. It turns the name of one committee into something else; sticks the word "energy" in; and that is supposed to indicate some kind of reform.

Mr. Chairman, in contrast, the motion to recommit creates a new Energy Committee and it rests in that Energy Committee the jurisdiction that was formerly in the Committee on Interstate and Foreign Commerce, and some jurisdiction formerly in the Committee on Interior and Insular Affairs, and all of the jurisdiction formerly in the Select Committee on the Outer Continental Shelf, which select committee will terminate this year.

Under the motion to recommit, we have an agglomeration of energy policy of which the new addition, or of which the most prominent new addition, is that of the nonmilitary nuclear, from the Committee on Interior and Insular Affairs, into the Energy Committee.

Now, Mr. Chairman, in the Bingham amendment we simply leave that jurisdiction over in the Committee on Interior and Insular Affairs, giving them both the developmental and safety jurisdictions.

Mr. Chairman, our motion to recommit, however, provides that the environmental jurisdiction, the safety jurisdiction, of nuclear energy remains in Interior. I think it is well that that jurisdiction be split, as was the intention of the authors. The chairman of the select committee has already noted, that the Committee on Interior and Insular Affairs should keep that jurisdiction because we think it is important to nuclear safety.

Mr. Chairman, in the motion to recommit we also move energy resources on public lands over to the new committee. The Bingham substitute, of course, provides for the status quo, just as it does for nuclear energy.

The effect of the motion to recommit is to create a new Energy Committee with new energy jurisdiction. It provides a real change over today's jurisdiction system, which is simply a scatteration of committee jurisdiction into a group of feudal fiefdoms, each trying to control its own little piece of the energy problem, with no broad energy overview.

Mr. Chairman, under the Bingham substitute, all of those little pieces of jurisdiction stay exactly in place.

We have tried, in our motion to recommit, not to make any radical changes. That is, where jurisdiction properly belongs with the Committee on Merchant Marine and Fisheries and they have exercised it well, we leave it there.

The nuclear environmental jurisdiction in the Committee on Interior and Insular Affairs ought to be carried out over there. We leave it there. Agricultural jurisdiction, where the Agriculture Committee knows what is what in agricultural matters, like REA, is left with the Committee on Agriculture.

Mr. Chairman, ours is not a radical departure. However, the Bingham substitute is no departure at all. It is the same old business at the same old stand on the same old street corner, giving us the same old scatteration of jurisdiction.

Mr. Chairman, one of the speakers indicated that the motion to recommit would kill the whole chance for reform. I would like to remind the committee that the motion to recommit is one with instructions it would bring back to us a reform of much greater proportion than the Bingham substitute, and it would be a matter for immediate consideration on the floor. I do not think we need worry about any chance being lost if the motion to recommit prevails.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from New York.

Mr. BINGHAM. I thank the gentleman for yielding. I would just suggest that the gentleman might get together with the chairman of his committee to determine what the Bingham substitute does. The chairman of the select committee has indicated that it does all sorts of nefarious things. He claims the Bingham substitute gives the Committee on Interstate and Foreign Commerce all sorts of jurisdiction that it does not now have. The gentleman from Minnesota is saying it changes nothing. I suggest that the cosponsors of the motion to recommit might get together.

Mr. FRENZEL. Mr. Chairman, I think the gentleman makes a very good point. Because we have had no hearings, no testimony, no witnesses, and because secret contracts describe your amendment, there is obviously going to be a great deal of confusion as to what the gentleman's amendment really means.

Mr. PATTERSON. Mr. Chairman, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from California.

Mr. PATTERSON. I thank the gentleman for yielding.

I think the gentleman from Minnesota (Mr. FRENZEL) and I both have read the documents proposed by the Bingham proponents.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. FRENZEL was allowed to proceed for 1 additional minute.)

Mr. PATTERSON. Mr. Chairman, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from California.

Mr. PATTERSON. Mr. Chairman, I thank the gentleman for yielding.

The "Dear Colleague" letters indicate on the one hand that the Bingham substitute does very little, keeps existing jurisdictions just where they are and does not do a lot but on the other hand the exact words and language in the Bingham substitute does really strange things, I might add. The reliability and siting of generation facilities. What does reliability mean? What does siting mean? It provides very great changes that are not documented anywhere in any public hearing at any time, not even here on the floor today.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from New York.

Mr. BINGHAM. Mr. Chairman, I thank the gentleman for yielding. As I understand it, Mr. Chairman, the text of the motion to recommit was available to the Members only in today's RECORD. The Bingham substitute has been available to the Members for several weeks.

Mr. FRENZEL. Mr. Chairman, I thank the gentleman for his contribution. I yield to the distinguished gentleman from New York (Mr. OTTINGER)..

Mr. OTTINGER. I thank the gentleman for yielding, Mr. Chairman.

Mr. Chairman, I would like to point out, as far as I know, the motion to recommit has not been subject to hearings, either; it was arrived at, as I understand it, in consultation with just three people.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. FRENZEL was allowed to proceed for 1 additional minute.)

Mr. FRENZEL. Mr. Chairman, I would like to comment on the last remark. The motion to recomit contains exactly four items that are different from the original resolution by the committee. Three of them are amendments which were offered in the committee itself and all of them were very close votes. The fourth one relates to the environmental jurisdiction of the Committee on Interior and Insular Affairs over the nuclear energy problems. The motion contains a combination of language that was offered in the committee.

Mr. Chairman, I think the RECORD is spread with a great deal of comment, testimony, hearings, and discussion on every facet of the motion to recommit.

Mr. Chairman, I yield back the balance of my time.

Mr. FUQUA. Mr. Chairman, I move to strike the requisite number of words.

☐ 1450

Mr. Chairman, I want to thank my colleague, Mr. PATTERSON, and my good friend, Mr. CLEVELAND, my neighbor, for the work that they and the select committee have done to bring to the House an opportunity to clarify the jurisdiction as it relates to energy. I think they have done a good job because they have penetrated some of the jurisdictional ambiguities that have existed for a long time, and given the House an opportunity to clarify and strengthen the jurisdictions of the various committees that have energy legislation.

I think it is the intent of the House that we do not want to form—and I think it is good—a total, encompassing committee involving tax policy, involving loan guarantees, and the other types of things that may affect many of the committees. Energy is a rather broad subject matter. When I testified before the select committee on October of last year, I said at that time that I did not think the creation of a new committee would be the answer to the problems that we have. If it would help in clarifying some of the jurisdictional fuzzy areas, then this committee could do a very significant job in helping energy legislation in the House of Representatives.

I think they proposed that in the language that they propose for the committee. However, I do not think the creation of a committee is the answer. I would point out to many of my colleagues who saw fit, for various reasons, to vote against many of the funding resolutions that came out of the House Administration Committee, I ask them if they are willing to go back and tell their constituents, "Oh, yes, I created you another committee to fund."

It is true that the Interstate and Foreign Commerce Committee as it exists today does have rather broad jurisdiction. It has a rather large subcommittee that has emerged over the last few years since energy became in the forefront of America, and particularly those who are not blessed with a great abundance of energy. But, it does not mean that that committee cannot, as others can, take a look at itself and reorganize its own subcommittees along various jurisdictional lines that would ease some of the burden that may be there that the one subcommittee has on energy and power. That is a matter for that committee to decide at the beginning of the 97th Congress.

As has been pointed out, the Senate in its wisdom a few years ago created one total and encompassing Committee on Energy and Natural Resources. They have yet, Mr. Chairman, since the creation of that committee, to bring a bill to conference relating to the authorization bill for the Department of Energy. It has not been the House; it has not been the problems that we have had with our committees. They have been resolved.

What do you do when you create a new energy committee as is being proposed by the motion to recommit or by the Patterson proposal from the select committee? The most recent authorization bill to pass this House was H.R. 3000. That was referred to four committees. It was referred to the Committee on Interstate and Foreign Commerce; to the Committee on Interior and Insular Affairs; to the Committee on Foreign Affairs; and to the Committee on Science and Technology. If the proposal as submitted by either the motion to recommit or the other were to pass, it would strike out the Committee on Interstate and Foreign Commerce and insert the Committee on Energy. It would still go to the four committees we already have.

We are not creating anything; we are deluding the American people into thinking that we are creating something that is going to solve all the problems we have relating to energy. We have been able to work on energy jurisdiction.

The matters were only handed to the committee, especially nuclear jurisdiction, with the dismantling of the joint committee in 1976. Those measures were handed to the committee, and in less than 2 years we have resolved those differences and the committees are functioning now very, very well. As a matter of fact, this year we had no problems, and all the committee chairmen and ranking minority members affected by that have sat down and resolved—in secret or in public, however it happened—have resolved those differences, and everybody is satisfied.

We have been getting our bills out of committee on time. This bill was reported to the House in accordance with the Budget Control and Impoundment Act procedures, the rules of the House. It was delayed in getting to the floor for other reasons, not because of anything that the committees had done. It was not the committee's fault.

The CHAIRMAN. The time of the gentleman from Florida has expired.

(At the request of Mr. BINGHAM and by unanimous consent, Mr. FUQUA was allowed to proceed for 3 additional minutes.)

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. FUQUA. I will be happy to yield to my friend from New York.

Mr. BINGHAM. Mr. Chairman, I thank the gentleman for yielding. I would just like to express my appreciation to the gentleman for his comments, and also for the role he has played in recent weeks; and to point out that he is chairman of a committee that certainly is not getting the balloon of additional jurisdiction which the chairman of the select committee contends (incorrectly) that the Bingham substitute gives to the Commerce Committee.

Mr. FUQUA has played a very constructive role so that the Bingham substitute would help to clarify some of the existing jurisdictional questions without shifting any of the basic jurisdiction among the committees and subcommittees concerned.

Mr. FUQUA. I appreciate the gentleman's comments.

Mr. PATTERSON. Mr. Chairman, will the gentleman yield?

Mr. FUQUA. I am happy to yield to the gentleman from California.

Mr. PATTERSON. Mr. Chairman, I thank the gentleman for yielding. I would like to have his support and his support for the Bingham substitute, but I would want to note with regard to the Senate—and there has been certain reference by the gentleman and others—in terms of their having one committee and not being as efficient as the House is unfair simply because they are not as efficient as the House in any way that I know of. They have fewer Members; they have unlimited debate; they can tack amendments on and introduce them in 1 day. There simply is not any comparison.

I would just say, in the words of former Speaker Thomas B. Reed:

> The other body is the place where good Members of the House go when they die.

Mr. FUQUA. I might point out to my good friend from California that I probably was a little overzealous in referring to the other body, because I do not think we should compare ourselves or our committee system to the way they operate. I would like to apologize to the House for even making that reference.

Mr. GRAMM. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise, as the author of the Gramm substitute, to endorse the Bingham substitute and announce, as I have in dear colleague letters distributed yesterday, that I will not offer the Gramm substitute. I think some explanation is in order.

I offered the Gramm substitute before the Rules Committee as a substitute to Patterson, not Bingham. The clear intent, as I expressed verbally to the Rules Committee, was to have my substitute in order should the Bingham substitute go down. In other words, if we are going to open up this matter; if we are going to incur the uncertainties and costs entailed in creating a new committee, then I thought it ought to be a legitimate committee, and it ought to be a committee of proper jurisdiction.

I would like to talk very briefly about the Patterson proposal and about the Gramm substitute, and about the Bingham substitute. I think it is important to first note that jurisdiction is not something that can be created. There seems to be a great deal of confusion, especially in the Select Committee on Committees, as to whether or not new jurisdiction can be created. The fact is, jurisdiction is like a poker game. In essence, the Patterson proposal guarantees people coming into the game that they can win, but also assures the other players that they are not going to lose anything. Unfortunately, that is not the way poker works, and that is not the way committee jurisdiction works.

As we used to say in statistics, jurisdiction is a zero-sum game. In order for somebody to win, somebody has to lose. So, to see what the Patterson resolution would do, look at what they are taking away from other committees. I maintain that people who look at the resolution itself will see that it takes two things away from committees other than Commerce. One is coal on private land, which is a minor jurisdiction. The other is transmission and marketing of electrical energy not generated by federally chartered regional power authorities.

The problem is, that is not factually true. The transmission and marketing of energy has been within the jurisdiction of the Commerce Committee since the passage of the Federal Water Power Act in 1920. So, the first fact I would like to make clear is that the Patterson proposal simply takes the jurisdiction of the Interstate and Foreign Commerce Subcommittee on Energy and Power, and with a very minor modification—coal on private land—makes that subcommittee a full committee. In doing so, it gives us a committee where we have no assurances as to who the members are going to be. We have no assurances as to who the chairman will be. We take one subcommittee and turn it into five subcommittees, and in the process we certainly are going to complicate our already confusing referral problem.

☐ 1500

In addition, it is estimated that the cost of this new committee will be between $7 and $9 billion of additional cost.

In addition to that, where are we going to get a committee room? Where are we going to get a committee room for the hundreds of people who are concerned about energy problems and who come and listen to debate and to engage in that debate?

The Gramm substitute simply said this: If we are going to create a new committee, if we are going to bear these costs and bear these uncertainties, let us create a committee with broad jurisdiction. Let us gore every ox, not just the ox of the Committee on Interstate and Foreign Commerce.

I do not mean to tell the Members that there were a lot of people jumping in line behind the Gramm substitute, because the truth is that while the gentleman from California (Mr. PATTERSON) tells us he is giving us a broad committee, nobody wants such a committee. At least they do not want it when we get down to brass tacks and consider where the jurisdiction comes from.

So this leaves us with a reasonable solution. Let us take what the gentleman from California (Mr. PATTERSON) is giving us—and it is substantial. He is giving us a clarification of the language of jurisdiction, and he makes clear that there is a lead Energy Committee.

What the gentleman from New York (Mr. BINGHAM) does is to achieve all the positive results of the Patterson proposal by saying, let us rename the Committee on Interstate and Foreign Commerce as the Committee on Energy and Commerce—and that is what it is—and let us make it the lead committee; let us give it jurisdiction over national energy policy, but other than that, let us leave jurisdictions where they are and where clearly Members of the House want them to be.

The CHAIRMAN. The time of the gentleman from Texas (Mr. GRAMM) has expired.

(By unanimous consent, Mr. GRAMM was allowed to proceed for 2 additional minutes.)

Mr. GRAMM. Mr. Chairman, I think it is important that when the Senate—and I do not mind invoking the name of the other body—came to creating a lead energy committee, they took the existing committee that had that general area of jurisdiction and made it the lead committee. That committee did not handle the synthetic fuels bill in the Senate. That committee did not handle the windfall profit tax bill in the other body. That committee basically contains the jurisdiction of a committee which was charged primarily with being a lead committee, not an all-inclusive committee.

Mr. Chairman, I believe the Bingham substitute does that. I heartily endorse it, and I intend to actively support it.

Mr. FRENZEL. Mr. Chairman, will the gentleman yield?

Mr. GRAMM. I yield to the gentleman from Minnesota.

Mr. FRENZEL. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, the gentleman said the new committee is estimated to cost from $7 to $8 billion. That seems a rather large amount. I wonder if the gentleman would explain how he made this estimate.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. GRAMM. I am happy to yield to the chairman of the subcommittee.

Mr. DINGELL. Mr. Chairman, I thank the gentleman for yielding.

I am delighted that the gentleman has put the question because the Committee on Committees never chose to consider it.

The statutory staff of each committee provides a cost of about $1.2 to $1.5 million. The investigative and study committee, on an average of all major committees, provides a cost of $2.3 million.

These are the costs which do not appear in the committee budget: First, printing costs, $1,750,000 to $2.5 million; stenographers' costs, $2 to $3 million.

Total expenses paid for out of the congressional budget: Cost of telephones, stationery, travel, and miscellaneous items, $100,000. Estimated total cost of a full committee—and this has been checked through the Committee on House Administration—is $7,050,000 up to $9,100,000.

I would point out to the gentleman that I talked with the House Office Building Commission this morning to try and find out where this committee would be put.

The CHAIRMAN. The time of the gentleman from Texas (Mr. GRAMM) has again expired.

(On request of Mr. DINGELL, and by unanimous consent, Mr. GRAMM was allowed to proceed for 3 additional minutes.)

Mr. DINGELL. Mr. Chairman, if the gentleman will yield further, the House Office Building Commission, which is assigned the responsibility of dealing with committee space, advised me, first of all, that there is no committee room for this committee. I am sure that some committee around here will be most pleased to give up its committee room to this new committee.

Second of all, they advised me that they cannot assure me there is a room available for the staff of the committee.

I would point out that from the number of 83 committees which the Patterson committee cited as having energy jurisdiction, the proposal as sponsored by the gentleman from Minnesota (Mr. FRENZEL), my friend, the gentleman from New Hampshire (Mr. CLEVELAND), and the chairman of the committee, the gentleman from California (Mr. PATTERSON), would create 6 additional committees, so that we would then have not 83 committees dealing with energy matters but we would have 89 subcommittees dealing with energy matters.

So the cost of the services of committees would go up by about $7 to $9 million, and subtracting the cost of the Subcommittee on Energy and Power, which does the same amount of work the Patterson-Cleveland-Frenzel proposal does, that leaves us about $750,000.

So if we want to be pennywise and pound foolish, I would suggest that the motion to recommit is a splended way to commence, because we will waste lots of money and accomplish nothing.

Mr. FRENZEL. Mr. Chairman, if the gentleman from Texas (Mr. GRAMM) will yield further, I assume, then, on the basis of that wonderous litany that was read to us by the distinguished gentleman from Michigan (Mr. Dingell), the gentleman meant "million" rather than "billion"?

Mr. GRAMM. Mr. Chairman, if I said, "billion," I would have to apologize to the gentleman from Minnesota (Mr. Frenzel). Having been in Government now almost 2 years, I do think in big terms.

Mr. FRENZEL. Mr. Chairman, I can understand the problem. We are all faced with that problem.

I would note, however, that spending on that order so far really has been confined only to the grand champion spender, which is the Committee on Interstate and Foreign Commerce, which, according to our records here, will spend something like $9 million this year. The other committees seem to do a little better.

Mr. GRAMM. Mr. Chairman, I would simply respond by saying that the gentleman is seeking to add to that cost the additional cost of five new subcommittees. I do not think the solution to high cost is the creation of new subcommittees to spend more money.

Mr. FRENZEL. Mr. Chairman, if the gentleman will yield further, I do not think there is any specific number of subcommittees specified in the motion to recommit, and as a matter of fact, this select committee has a motion pending before the Democratic Caucus which is supposed to restrict the number of subcommittees each committee will have.

If the caucus would act, I think we could see a large decrease in the number of subcommittees even if we added five here, and there is no specific intent to do that.

Mr. Chairman, I thank the gentleman for yielding.

Mr. PATTERSON. Mr. Chairman, will the gentleman yield?

Mr. GRAMM. I yield to the gentleman from California.

Mr. PATTERSON. Mr. Chairman, I thank the gentleman for yielding.

I would like to note in response to the gentleman from Michigan (Mr. Dingell) that the average committee of the House of Representatives at this time spends $5 million per Congress. The Committee on Interstate and Foreign Commerce, which was the great exception, spent over $8 million per Congress.

The CHAIRMAN. The time of the gentleman from Texas (Mr. Gramm) has again expired.

(On request of Mr. Patterson, and by unanimous consent, Mr. Gramm was allowed to proceed for 2 additional minutes.)

Mr. PATTERSON. Mr. Chairman, if the gentleman will yield further and if I may continue, I would point out that if the Bingham substitute is passed and the other half of the energy bills which now do not go to the Committee on Interstate and Foreign Commerce did go to that new committee, I would venture to say its increased cost would have to start around $2 million, being conservative, and that would put it at $10 million.

The purpose of the select committee proposal is to try to keep committees balanced and averaged and more equal—equal committees and equal subcommittees.

Energy is simply too big for one subcommittee and too big for an Energy and Commerce Committee. These are big, big committees.

Mr. GRAMM. Mr. Chairman, the point I sought to make very clear in the beginning—and it is a point on which I have always differed with the distinguished chairman of the select committee—is that we cannot create jurisdiction; we can only reallocate it.

Every bill introduced in this Congress has been referred to that committee, and we have not taken any jurisdiction of any significance away from it by creating this Energy Committee. I refer to the gentleman's Subcommittee on Energy and Power. The synthetic fuels bill, under the Bingham substitute, would still be referred to the Committee on Banking, Finance and Urban Affairs because that is where the expertise is. The whole range of legislation going to the Committee on Science and Technology would stay the same.

We simply make the Subcommittee on Energy and Power in name what it is in fact, and that is the lead subcommittee in the Congress on legislation relating to joint energy policy.

Mr. Chairman, I think that is a contribution of which the gentleman can be proud, and when the Congress ratifies it, the gentleman can be proud of having contributed to the process of rationalizing the committee system.

Mr. UDALL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I hear these loud calls from the rear of the room, and as far as I am concerned, we can vote shortly on this pending proposition. I am not sure we are changing very many minds at this point.

But I do want to make a couple of points, if I may, and one is to compliment the gentleman from California (Mr. Patterson) on undertaking what I think has been proved over the years to be the most difficult assignment one can get in this institution, and that is to try to change and make more sound the jurisdictions of committees.

□ 1510

I think he has some good results, however this turns out, that he can claim credit for. There is one key thing here which I do not think has been noted very carefully.

One of the problems we have, as has been said here by many, we do not have a lead committee, we do not have one committee that has been given a mandate to come forward on energy policy. And both the Bingham substitute and the committee proposal have language which gives the committee "energy policy generally." We are going to have a lead committee, however this turns out; but there is a sharp difference. To get a committee with focus on "energy policy generally" and the motion-to-recommit approach you have to have a whole new committee, six or seven subcommittees, 2 million more dollars, and so on; whereas, the Bingham substitute gets to the same result by renaming the Commerce Committee the Energy and Commerce Committee and giving it the jurisdiction of "energy policy generally."

The House rules in this whole energy area have been vague, they have been indistinct. We have been forced over the last couple of years to argue jurisdiction when we came to the floor on major bills, as the gentleman from Florida (Mr. Fuqua) outlined. What we are trying to do, and while I am amused by all of these charges of secrecy, is that we have tried to end that chaos by spelling out in advance what the Bingham language will mean if it is adopted and which committees will have jurisdiction.

We heard a lot of talk about secrecy and conspirators. I want the committee to know the names of these conspirators. Here is the agreement that protects the Committee on Armed Services jurisdiction that the gentleman from Alabama (Mr. Flippo) is going to insert in the Record: The conspirators who signed that are Melvin Price, a well-known conspirator, I suppose; Morris K. Udall, you all know his penchant for conspiracy; Harley Staggers; Don Fuqua; Jack Bingham; Don Clausen; Clarence Brown; John Dingell; and James T. Broyhill. Those are the conspirators who have produced this secret document that spells out jurisdiction so we do not have to fight over it any more.

There is a second document that sets up the compromises, the understood jurisdiction with the Commerce Committee, the Science Committee and Interior, and that is signed by many of these same folks: James Broyhill, Dingell, Bingham, Clausen, Clarence Brown, Udall, Price, Fuqua, and Harley Staggers.

The third one was designed to protect the Public Works. The Public Works Committee has had some concern about where we are going in this field, including TVA, and so we very carefully worked out an agreement with them, and among the conspirators here are Harold T. Johnson, chairman of the Committee on Public Works and Transportation, many of the Members I have mentioned, and the gentleman from Alabama (Mr. Flippo).

So these agreements are designed to spell out more specifically the areas of energy jurisdiction, which we already have been recognizing and which we have had to hack out in terms of individual bills as they came along.

What I am saying is that there are no major changes of jurisdiction. But these clarify the jurisdiction. The Bingham substitute is the way to go; it is a sound way out for all of us, it will give us an Energy Committee which is the lead committee in this field, and I strongly support the Bingham substitute.

Mr. FISHER. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment in the nature of a substitute.

Mr. Chairman, I simply want to say two or three things in opposition to the substitute.

The first thing, it really offers no significant change at all. Approval of it would be saying to the American people that in spite of the terribly difficult problems of energy, in spite of dependence on imports, in spite of the fact that this problem is going to be with us for a long, long time, in spite of having appointed a special committee to look into it, the House decides in its wisdom to do essentially nothing.

This, it seems to me, is a classic example of hunkering down and hoping somehow the problem will go away.

I realize, of course, that no one fights with more determination than the human animal whose territory or turf is threatened. That is a well known principle of anthropology applying to all living creatures.

The remarks made earlier about the ox and whose ox is gored puts me in mind of that most interesting animal, the musk ox. When I was a young man, which of course was only a few short years ago, I lived in Alaska and became interested in the musk ox, a remarkable animal—shaggy, heavy, solid, determined, protective, unimaginative. Whenever the territory of musk oxen is threatened, they form into a circle, shoulder to shoulder, and it is absolutely impossible for anybody to penetrate the circle, to invade the territory.

I will not press the analogy any further than that. But here we have an example of a problem—energy—crying, even bellowing out, for things to be done about it, and we seem powerless to do anything very much.

Well, I think we simply have to break out of this classic, no-change, protective, musk-ox psychology. Now is really the time. Now is the time to establish this committee, to do something. We will not have another chance anywhere near as good. The energy situation and outlook call for it. The American people want change and action. They know, if we do not, that Congress has not done very well on energy over recent years.

I know, of course, that you do not change things that all that much just by changing the organizational setup. But it can help. It can help. And I would strongly urge my colleagues not to sit this one out and do nothing and stay like musk oxen in a protective circle, but try to break out of it, establish a new committee, give it a chance, and see if we cannot do better than we have done in the last few years against these very difficult energy problems that are going to be with us for several decades at least.

Mr. HYDE. Mr. Chairman, will the gentleman yield?

Mr. FISHER. I yield to the gentleman from Illinois.

Mr. HYDE. Now that the baseball season is here, would the gentleman characterize the Bingham substitute as "all windup and no pitch"?

If the gentleman will not, I will.

Mr. FISHER. In no sense would I speak against that analogy, and perhaps it is even better than the musk oxen and the circle.

Mr. FRENZEL. Mr. Chairman, will the gentleman yield?

Mr. FISHER. I yield to the gentleman from Minnesota.

Mr. FRENZEL. I have the feeling that the musk ox and the windup are both good analogies. But I think of the old images of the barons of the oil industry carving up the market for themselves, saying, "You can have this one, and you can have that one." Our committee chairmen, who want to cover up the energy jurisdiction, are the same folks who helped to create some of the problem of fragmentation and divided jurisdiction. I would hope that some of them would at least want to come forward and stand for a little discipline in the energy policy field by voting against the Bingham amendment and adopting the motion to recommit.

Mr. PATTERSON. Mr. Chairman, I ask unanimous consent that all debate on the Bingham substitute and all amendments thereto cease at 3:30.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. MOFFETT. Mr. Chairman, I object.

Mr. HOWARD. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. PATTERSON. Mr. Chairman, I ask unanimous consent that all debate on the Bingham substitute and all amendments thereto cease at 3:45.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. HOWARD. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. PATTERSON. Mr. Chairman, I move that all debate on the Bingham substitute and all amendments thereto cease at 4 p.m.

The CHAIRMAN. The question is on the motion offered by the gentleman from California (Mr. PATTERSON).

The question was taken; and the Chairman being in doubt, the Committee divided, and there were—ayes 41, noes 9.

Mr. BAUMAN. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present. The Chair announces that pursuant to the provisions of clause 2, rule XXVII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

□ 1520

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

The CHAIRMAN. The pending business is the demand of the gentleman from Maryland (Mr. BAUMAN) for a recorded vote.

A recorded vote was refused.

So the motion was agreed to.

The CHAIRMAN. Members standing at the time the motion was agreed to will be recognized for 2 minutes each.

□ 1530

(By unanimous consent, Mr. PATTERSON and Mr. FRENZEL yielded their time to Mr. MOFFETT.)

The CHAIRMAN. The Chair recognizes the gentleman from Connecticut (Mr. MOFFETT).

Mr. MOFFETT. Mr. Chairman, I am probably the only member of the Committee on Commerce who will take what is probably a minority position, and I may live to regret it as we sometimes do; but this debate reminds me of that wonderful debate we had on the Department of Education bill that all of us greatly enjoyed taking part in, no matter which side we were on. It seemed almost irrelevant, in terms of the choices that were offered us.

What I would like to do is just for a moment try to identify what the problem is we are trying to get at here. It seems to me that the problem with regard to energy policymaking has several components which are clearly beyond the scope of any proposal to reorganize committees. We have no real consensus in the country as to what we should do, it seems to me. We have special interests that reach in and try to make policy in one way or another on all sides of issues.

Furthermore, energy is a very complicated issue, as we all know, a very complicated field, so it does not lend itself to very easy answers. We do not tend to have time to focus, because our lives are so trivialized. I have often said and I think many Members on both sides of the aisle would agree that until we get to the problem of having to reach in our pockets and pull out voting cards a thousand times a year or so and to be interrupted so many times from really important issues, we are not going to ever have a kind of reasonable energy policymaking that we need and a kind of effective policymaking; but there are some things that reorganization of energy jurisdiction and the creation of a new committee could do. One of those is to begin to chop away at the tremendous duplication and the inefficiency we have.

A second is to begin to get to the problem of little coordination between committees. It seems to me that the goal is to try and get the intelligence that we have in this body, and we have plenty of it, that is not our problem, the lack of that; the creativity that we have in this body, that is not our problem; we have plenty of creativity; and to unleash it in a way that lets us sit as deliberative people, men and women looking at the energy problem.

I think the closest we have ever come in my short time here to that was when the Speaker created the ad hoc Energy Committee, and for the life of me I will never understand why the distinguished gentleman from Ohio who chaired that committee and the Speaker himself have not come out for a reinstitution of the ad hoc Energy Committee. It worked. We did our job. The committees did their job. They reported a product on time. It is generally lost on the public and the press, but the House acted very responsibly and passed a very comprehensive energy package in less than 4 months in 1977; but that is not a choice we have today.

So my first point would be, in terms of what our choices are, I do not think the Patterson proposal as it stands is a great proposal. I am not suggesting we vote for that; but nor do I think that the Bingham proposal, despite my great respect for the gentleman from New York, offers any kind of solution or partial solution. It is nothing but, as one of the gentlemen on this side said, sort of a bowing down to the status quo. That is all it is really doing.

I think that the opposition that we see to a full committee by environmental groups and consumer groups, and I am close, as many people here know, to many of those groups and agree with them much of the time, the opposition to me makes no sense in this respect. They say, "Gee, if you take nuclear away from Moe, we will be in trouble, or if you take this away from this person, we will be in trouble."

The fact is that those groups and my position, which are similar much of the time, we do not have the votes in this body to pass the things that we would like to pass. That is the hard reality. We do not have the votes to pass the kinds of things we would like to pass or to stop the kinds of things that we would like to prevent from happening; so let us try to at least be efficient and let the chips fall where they may and if we do not have the votes, we do not have the votes; but let us not engage in this little game of changing the name of the Committee on Commerce, for heaven's sakes, because that is just about what we are doing here, as the gentleman from Virginia (Mr. FISHER) said earlier. As usual, we have unpleasant choices today. As usual, we are trying to reorganize based on personalities and all these little empires that have sprung up, and I say this with great admiration for all the people who are involved in energy policymaking on both sides of the aisle and without regard to their ideology.

I think maybe if Bingham is not the answer and if Patterson is not the answer, then maybe the motion to recommit is the answer, or maybe nothing is the answer today until we get the leadership and everyone else who is interested in a regular energy committee to come forward, to get behind somebody to put an energy committee together and to offer it as an alternative.

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey (Mr. HOWARD).

Mr. HOWARD. Mr. Chairman, I think it is an outrage that we should be cutting down the time for Members to speak on this proposal. We do not know what we are going to get with the Bingham amendment.

I tried to engage in a dialog to be able to get some questions answered as to just what is the intent of the supporters of the Bingham amendment. I hope it is not out of arrogance that they refuse to commit themselves.

I wanted to ask a question of the gentleman from New York as to what we are talking about in "energy policy" that will go to this committee, the Committee on Commerce. Does that mean that some basic energy policy that is now in the Committee on Public Works and Transportation—as basic as the 55-mile-per-hour speed limit—is not intended to be taken away from the Committee on Public Works and Transportation? I cannot get an answer on that.

Another question that we have had has to do with storage of energy material. Well, the Committee on Public Works has jurisdiction over trucking deregulation. There is a certain amount of temporary and intermittent storage of energy in the transportation of it; so we wanted to ask, "What about the transportation?" Does that involve trucking regulation which might be lost to the Committee on Public Works and Transportation?

Just one more point is all I have time to bring up now. What about energy policy and conservation of energy within our Federal buildings? Public buildings and grounds has always been part of the Committee on Public Works and Transportation.

I asked, we changed our questions several times but I could not get an answer as to the intent of the Bingham substitute as it relates to the Committee on Public Works and Transportation.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. HOWARD. If I have any time, I will be happy to yield to the gentleman from New York. I hope this time I can get a commitment.

Mr. BINGHAM. Mr. Chairman, I thank the gentleman for yielding. As I have told the gentleman time and again, I will be happy to say, and I say again, there is no intent in this resolution to take away any jurisdiction from the Committee on Public Works. I stated that in the record and I say it again now.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. OTTINGER).

Mr. OTTINGER. Mr. Chairman, I think there are two fundamental things here that perhaps have not been made, or points that have not been made adequately.

One is that the last thing in the world this place needs is another committee and six more subcommittees. The point of the matter is that our problems in handling legislation efficiently now have more to do with proliferation of committees and subcommittees than anything else.

The problems of energy are not going to be solved by creating yet another committee and six more subcommittees.

Second, the gentleman from Minnesota said that the Bingham proposal is something like the oil barons dividing up the world. A point which has not been made here is that if you have a separate Energy Committee, the chances of the oil barons dividing up the world are much greater than presently exist with the multiple interests represented on the Committee on Commerce and I think that is very important. The oil barons are already far too powerful; they do not need a committee of the House of Representatives all their own.

The Bingham substitute will make a substantial improvement in clarifying the energy jurisdiction of the House and will not create the chaos that a new committee would create nor its expense.

Mr. Chairman, I urge adoption of the Bingham substitute.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. CLAUSEN).

Mr. CLAUSEN. Mr. Chairman, I rise in support of the Bingham substitute resolution creating a new House Committee on Energy and Commerce.

The Bingham proposal offers a significant improvement in the manner in which the House will consider vital energy legislation, but avoids the costly and disruptive aspects of the other alternatives before us today.

The three other proposals call for the establishment of an entirely separate and new committee which inevitably will lead to large numbers of new staff and an expensive new funding resolution. The Bingham proposal, in contrast, transforms an existing committee—Interstate and Foreign Commerce—into the focal point for energy decisionmaking without necessitating any significant additional expenditures or staff.

By giving the new Energy and Commerce Committee jurisdiction over "national energy policy generally," the Bingham proposal implements one of the key elements of the original Patterson committee recommendation:

> To reduce energy policy fragmentation by granting . . . responsibility for coordinating overall national legislative policy in this area.

As I have said repeatedly in the course of debate on key energy issues, the Nation needs a coordinated and comprehensive energy policy which utilizes not only conventional sources of fuel—oil, gas, coal, and nuclear power—but which also actively promotes the increased uses of new alternative sources including solar, wind, geothermal, biomass, and synthetic fuel as well. Coupled with strong conservation incentives and a balanced concern for the environment, energy independence is an obtainable goal.

The key, however, is coordination and consolidation of energy policy responsibility. The Bingham proposal does this constructively and economically by building upon the existing specialized body of energy expertise in the standing committees of the House. It is essential that we proceed in this fashion to insure a continuity of understanding and insight as we face the increasingly complex energy questions in the next Congress.

In addition, the Bingham substitute adds clarity to the existing energy jurisdiction of the Commerce Committee and has developed a legislative history which protects the interests of other committees having vital roles in energy resource conservation and management. With the anticipated reform of the referral system, the Bingham proposal will provide an effective and meaningful reform of the House committee system relating to energy without the cost or divisiveness of the other alternatives.

In the past, I have advocated and worked toward constructive bipartisan solutions to the critical energy supply and distribution problems. Continuing in this spirit, I am joined in my support for the Bingham substitute by such distinguished leaders of the House as Congressmen HARLEY O. STAGGERS, JAMES T. BROYHILL, JOHN D. DINGELL, CLARENCE BROWN, MORRIS K. UDALL, MANUEL LUJAN, DON FUQUA, WILLIAM BROOMFIELD, HAROLD JOHNSON, RONNIE G. FLIPPO, SAMUEL DEVINE, RAY ROBERTS, CARLOS MOORHEAD, JOHN MURPHY, GUY VANDER JAGT, MELVIN PRICE and EDWIN FORSYTHE, as well as over 100 other Members spanning the entire political spectrum.

I urge my colleagues to join in supporting the Bingham proposal as the most reasonable and economical alternative.

□ 1540

(By unanimous consent Mr. ECKHARDT yielded his time to Mr. CLAUSEN.)

Mr. WYDLER. Mr. Chairman, will the gentleman yield?

Mr. CLAUSEN. I am happy to yield.

Mr. WYDLER. Mr. Chairman, I cannot say I appreciate what the gentleman is saying, and I cannot say I agree with him. I think the worst thing the House could do today would be to pass the Bingham amendment. I think the real choice for the House is between the proposal that is coming in the motion to recommit or nothing. I think we are better off where we are than going in the direction of the Bingham amendment. It only makes what is already a bad situation worse.

So I would think if we really do not believe in the motion to recommit, the best thing to do is vote against everything. Bingham is bad. Bingham is bad.

(By unanimous consent Mr. EMERY yielded his time to Mr. CLEVELAND.)

(By unanimous consent Mr. UDALL yielded his time to Mr. DINGELL.)

The CHAIRMAN. The Chair recognizes the gentleman from Michigan (Mr. DINGELL).

Mr. DINGELL. Mr. Chairman, my colleagues should know the difficulty that attends the creation of a new committee. The House is being asked to create from a subcommittee a new committee.

This means a number of things. It means, first of all, as I have documented earlier, a very large budget, somewhere between $7 and $10 million. It means we have to find 40-odd more Members to serve on that committee at a time when Members do not now have time for the committee business to which they are assigned.

It also means that instead of 83 subcommittees dealing with the subject of energy, there will be somewhere around 88 or 89 that will deal with the subject of energy.

It means yet more than this. A careful analysis of either the Patterson committee proposal or the recommittal motion, which will be offered by the gentleman from California in association with a number of his Republican colleagues, will set up from a full committee from a subcommittee.

Now, mind you, the Patterson proposal does not set up an energy committee. The Patterson committee would set up another full committee, without giving it the sweep of jurisdiction that it should have.

Not all of the energy functions from all of the committees of the Congress would be transferred to it.

One thing that should be known about the creation of an energy committee around these parts is that you cannot set up an energy committee any more than you can set up a committee on inflation. The subject is far too pervasive, far too sweeping, far too intertwined into many other legitimate issues, such as labor, transportation, taxes, waste policy, health, environment, and the whole gamut of national policy. I am not sure that you should, because, as I have said, energy is a problem which is pervasive throughout the entirety of the catalog of legislative responsibility in this body. It goes from the Committee on Ways and Means at the alphabetical end clear through to the Armed Services Committee on the beginning of the alphabet. Every committee has energy jurisdiction, and it necessarily must.

I think it is neither wise or necessary to trifle with the precious and unique expertise of these committees. I think it is unwise to carry forward this proposal.

It should be known that there have been no hearings on the motion to recommit. As a matter of fact, one of the wonderful quotes against the motion to recommit, which I will read in good time, is a statement of the chairman of the Subcommittee on Committees indicating his stern and strenuous opposition to this motion to recommit.

Now, it is charged that in some curious fashion there has been some great secret and obnoxious conspiracy of some 100 Members of this body to come forward with a proposal which would set up essentially a better delineation of responsibilities here. I happen to think that is a good idea. The letter of those Members has been put into the record. It is not secret, it is public. The amendment has been the subject of a blizzard of Dear Colleague letters. The letter has been delivered to the Speaker. It is available to all, the most doubtful, included. Certainly there is no surprise here to anyone, and nothing secret here, but if there is some secret cabal involved in putting together some kind of a curious secret agreement, certainly then the gentleman from New Hampshire (Mr. CLEVELAND), certainly then the gentleman from Minnesota (Mr. FRENZEL), and certainly then the gentleman from California (Mr. PATTERSON) have been involved in such a secret cabal because there are only three of them involved in that as opposed to some 117 of the rest of us, including a number of committee chairmen and subcommittee chairmen and ranking members of the minority on both committees and subcommittees. We have published our undertaking vastly earlier for all to see.

Now, I deal with the Senate Energy Committee on a day-to-day basis. I would have my colleagues know that the Senate, by this action, has not, by setting up an Energy Committee, created a solution to the energy problem. Quite the contrary. We are now engaged in the synthetic fuels conference with the other body. We are dealing with representatives of about 7 or 8 subcommittees and about 100 Members, and their jurisdictional differences, conflicts, and are just as great, just as harsh and just as persistent as they were before the reorganization of the Senate.

The Patterson, or the Patterson-Frenzel-Cleveland, do not solve jurisdictional problems. They sow jurisdictional conflict more widely. They intensify it. They do not harmonize this problem.

I conclude with a word of advice once given me by a wise friend, "If it ain't broke—don't fix it."

(By unanimous consent Mr. SOLOMON yielded his time to Mr. MCCORMACK).

Mr. McCORMACK. Mr. Chairman, I have anguished over this subject for a long time. I think most of my colleagues are aware of the fact that I have been concerned for many years over the need for an Energy Committee. Several have commented on the fact that I have not taken a public position on the options now before us. I have tried to decide what course to follow, given the fact that the Rules Committee has deprived us of the real options we need in this matter. In reality I think all of the options we now face suffer from varying degrees of unattractiveness. I prefer to push the button "None of the above."

The situation we face today, is unfortunate because it is unnecessary. I asked for a rule from the Rules Committee that would have allowed me to submit improving amendments which would have given us other—better options. This was denied us, so I have no option but to oppose the Bingham amendment.

□ 1550

To me the cleanest option we have is the proposal contained in the motion to recommit. It isn't perfect, but it is better than the Bingham amendment. Accordingly, although I agree that there are advantages and disadvantages and pluses and minuses associated with each option, and although I have had difficulty in deciding what to recommend, we must now vote one way or another. I am going to vote against the Bingham amendment and for the motion to recommit. If the motion to recommit fails, I shall vote against the entire resolution and suggest that the Committee on Committees go back to work again.

The CHAIRMAN. The Chair recognizes the gentleman from Maryland (Mr. BAUMAN).

(By unanimous consent, Mr. HOPKINS yielded his time to Mr. BAUMAN.)

Mr. BAUMAN. Mr. Chairman, it is

indeed ironic that as the lights dim all across the country, as the gas lines form, and the $1.50-a-gallon signs go on the pumps, as OPEC continues to tighten the noose, we stand in this Chamber and debate who gets what slice of the jurisdictional pie.

It has only been 7 or 8 years since we suffered the first Arab embargo. I am going to oppose the Bingham substitute and support the motion to recommit—and I am not one who has voted to create new committees around here very often. As a matter of fact, I voted against creating the Select Committee on Committees, and I think you can now all see the wisdom of my position.

I suggest to you that it is not surprising at all that one after another of the powers that be in the Committees on Interior, Interstate Commerce, and Science and Technology have stood up here and supported the Bingham amendment. Why not? They propose a nice little change, a movement here and there, and we go home and tell the folks that we did something about the energy problem and yet nothing is changed.

I took the trouble to research what "energy" means. Let me give you the meanings of "energy" from the dictionary. The first definition is "the capacity of acting, operating, or producing an effect." I suggest that that is in part a good description of what we are doing with this cosmetic change embodied in the Bingham amendment—only producing an effect. But the definition in the dictionary for "energy" is also "inherent power." Inherent power.

That is the real issue here that has produced the Bingham substitute. The powers of the House leaders are being questioned. The power of these various great fiefdoms, as they have been described here today, is under attack and we see the powers that be in this House moving to protect, like an amoeba enfolds the enemy when it attacks, moving to protect their own sacred jurisdictions. If these committees had produced anything in the way of good energy solutions in the last 7 or 8 years, I would say, fine, let us rearrange a little here and there and give them some more power. But they have not. They have failed.

I served on the Energy Subcommittee with the gentleman from Arizona (Mr. Udall) at a time when President Carter was calling for coal to be our major source of energy. At the same time the committee passed a strip-mining bill that locked up almost every ton of surface coal in this country. We could not do any worse with a new Energy Committee. How could we do worse?

I have one suggestion I would have offered if the rules had permitted. I would not have changed any jurisdiction of any of the committees of this House. I would have offered a motion to change the majority in this House so that the membership of the committees we have would finally have produced some much-needed policy that would save this country from the energy debacle we now have. It is a little too late for one, two, and three small steps. We had better make a major step. Therefore, I urge defeat of the Bingham proposal and support of the motion to recommit.

The CHAIRMAN. The Chair recognizes the gentleman from West Virginia (Mr. Staggers).

Mr. STAGGERS. Mr. Chairman, I am retiring after this term, and I am not trying to retain any fiefdom for anyone. I am speaking for America. We had better vote for the Bingham amendment, and keep this in a committee which has the expertise and experience to do the work needed. You should not create a committee that special interests can put their hands on and control what is going to happen under this proposal.

In 1946 the Hoover Commission reorganized this House from 48 committees down to 20 because there were too many committees. We are back up to 23, and this one would make 24. Soon we will have to have another Commission come in and reorganize again.

We are talking about energy. We have two bills that are in conference if we can get them completed. They would solve a great deal of our energy problems.

The gentleman from California (Mr. Patterson) is a great and able Congressman, as is the gentleman from New Hampshire (Mr. Cleveland), both of them have worked hard on this legislation and deserve a lot of credit for their devotion to duty.

I am not talking for the committee; I am talking for what I believe are the best interests of our country. Let somebody run this program who knows something about it. For that reason we should all vote for the Bingham amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio (Mr. Brown).

Mr. BROWN of Ohio. Mr. Chairman, energy issues are difficult, and they have been difficult since I started serving on the Communications and Power Subcommittee which preceded the Energy Committee. In the early 1970's, first, there was no real agreement that there was even a problem. Then there was little consensus on how to solve the problem, once we conceded there was one. Then there developed deep-seated conflicts over environment versus energy, the economy versus energy, and so forth.

The Alaskan oil pipeline was one of the great symbolic issues of that time, and for 5 years this Congress would not address the Alaskan Oil pipeline because we were afraid of the environmental damage it might do, even though we had oil in Alaska, but we had no way to get it to an ice-free port. We really did not want to risk the fact that we might frustrate the love life of those caribou.

But then, all of a sudden, OPEC embargoed oil; and we had to do something. So we passed the legislation that implemented that pipeline. We did it not because we wanted to address the conflict between the environment and energy; we did it because we had to make a choice. But the issue is what slowed us up. It was not organization. Energy issues are not easy to resolve. They are deep-seated conflicts, and they are not easy to understand.

Naming a new committee will not make them any easier to understand or easier to resolve. Reorganization is not the answer. It is worse than that; it is a wrong answer. We will have, as a result of reorganization, more staff, more cross-jurisdictions, more committees for the same number of Members in this body to divide their time among, and we will address the issue last. I urge the Members to vote for the Bingham approach and to vote down the motion to recommit.

The CHAIRMAN. The Chair recognizes the gentleman from New Hampshire (Mr. Cleveland).

Mr. CLEVELAND. Mr. Chairman, there have been several arguments that I think should be answered in the time that I have. It is perfectly true that the Senate committee may not yet have been a great success, but it is ironic to me that the chairman of the Committee on Science and Technology could come here and urge us not to set up a new committee. We all know that after Sputnik, the congressional response was the Committee on Science and Astronautics. And we did end up by putting a man on the moon.

I agree with the last speaker that reorganization for the sake of reorganization may not be the answer, but the situation cries aloud for at least an attempt. The motion to recommit will give us a chance to vote for a change. The Bingham substitute, on the other hand, is no change at all. As the gentleman from Michigan and other opponents of the motion to recommit keep saying, we do not need any more committees. The Select Committee on Committees agrees. We have already recommended the ending of 26 subcommittees. We have already recommended that 91 Members will in the future give up 1 or more subcommittee assignments. The Republican Conference, by the way, has adopted this. However, unfortunately, it remains bottled up in the Democrat Caucus.

We should also remember that the Outer Continental Shelf Select Committee is folding in the near future. The District of Columbia Committee has already agreed that it only needs another 2 years of existence. So the charge that the new Energy Committee will have no place to go and there will not be enough members to serve on it, and it will be too expensive, is totally unfounded.

I would like to apologize to the distinguished gentleman from West Virginia (Mr. Staggers), if he did not get his mail or did not read his mail, but I can assure him he was not only invited to come before the Select Committee on Committees, but we were bitterly and desperately disappointed that he did not show up because we knew that he would have added greatly to our deliberations.

□ 1600

I know that he will be pleased to know, however, that his distinguished subcommittee chairman, the gentleman from Michigan (Mr. Dingell), did appear and made a very strong argument in favor of doing nothing. The gentleman from Michigan said it was not necessary to change because our present jurisdictions are satisfactory. As a matter of fact the distinguished subcommittee chairman the gentleman from Michigan (Mr. DINGELL) at the time he gave that testimony actually convinced me that he might be right. However, after hearing 20 more witnesses and reading responses to questionnaires sent to all Members, I joined with other members of the committee in deciding the situation requires that something constructive be done.

Mr. STAGGERS. Mr. Chairman, will the gentleman yield?

Mr. CLEVELAND. I yield to the gentleman from West Virginia.

Mr. STAGGERS. I would like to know how the gentleman knows that this Member was invited. In what manner was he invited?

Mr. CLEVELAND. The gentleman from West Virginia (Mr. STAGGERS) was invited by letter. I was so informed by the committee staff. The committee staff are here. They are all nodding their heads.

Mr. STAGGERS. Mr. Chairman, I inquired of my office staff as to whether I had been invited. I know the committee chairman did invite the gentleman from Michigan (Mr. DINGELL), personally. This Member was never contacted once by any member of the committee, staff or anyone else.

Mr. CLEVELAND. I can only apologize if the gentleman is correct and am sorry if the gentleman is wrong and did not receive our invitation.

The CHAIRMAN. The question is on the amendment in the nature of a substitute offered by the gentleman from New York (Mr. BINGHAM).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. OTTINGER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 300, noes 111, not voting 20, as follows:

[Roll No. 156]

AYES—300

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Atkinson
Badham
Bafalis
Bailey
Barnard
Barnes
Beard, R.I.
Beard, Tenn.
Bedell
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boland
Boner
Bonior
Bonker
Bouquard
Bowen
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burton, John
Burton, Phillip
Campbell
Carr
Carter
Chappell
Cheney
Chisholm
Clausen
Clinger
Collins, Ill.
Collins, Tex.
Conyers
Corman
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Dellums
Derwinski
Devine
Dickinson
Dicks
Diggs
Dingell
Dixon
Dornan
Downey
Drinan
Duncan, Tenn.
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
English
Ertel
Evans, Del.
Evans, Ga.
Fary
Fascell
Fenwick
Ferraro
Findley
Fish
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Frost
Fuqua
Gibbons
Gingrich
Ginn
Glickman
Gonzalez
Gore
Gramm
Gray
Green
Guarini
Gudger
Hall, Ohio
Hall, Tex.
Hammerschmidt
Hance
Hanley
Harkin
Harris
Hawkins
Heckler
Hefner
Hightower
Hillis
Hinson
Hollenbeck
Holt
Hopkins
Hubbard
Huckaby
Hutto
Ichord
Ireland
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kostmayer
Kramer
Lagomarsino
Latta
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Livingston
Loeffler
Long, La.
Long, Md.
Lott
Lujan
Luken
Lungren
McDade
McHugh
McKay
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Mathis
Matsui
Mattox
Mavroules
Mica
Michel
Mikulski
Miller, Calif.
Mitchell, Md.
Mollohan
Moore
Moorhead, Calif.
Mottl
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nolan
Oakar
Oberstar
Obey
Ottinger
Patten
Paul
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Rangel
Ratchford
Regula
Richmond
Rinaldo
Ritter
Roberts
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roth
Rousselot
Roybal
Royer
Runnels
Russo
Sabo
Santini
Satterfield
Sawyer
Scheuer
Schulze
Sebelius
Seiberling
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Spellman
Spence
Stack
Staggers
Stark
Steed
Stenholm
Stewart
Stockman
Stokes
Studds
Stump
Swift
Synar
Taylor
Thomas
Thompson
Traxler
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Watkins
Waxman
Weaver
Weiss
White
Whitten
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wylie
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NOES—111

Ashbrook
Ashley
Aspin
AuCoin
Bauman
Beilenson
Benjamin
Boggs
Bolling
Brademas
Breaux
Brinkley
Burlison
Butler
Byron
Carney
Clay
Cleveland
Coelho
Coleman
Conable
Conte
Corcoran
Danielson
Deckard
Derrick
Dodd
Donnelly
Dougherty
Early
Emery
Erdahl
Erlenborn
Evans, Ind.
Fazio
Fisher
Fithian
Fountain
Fowler
Frenzel
Gaydos
Gephardt
Gilman
Goodling
Gradison
Grassley
Grisham
Hagedorn
Hamilton
Hansen
Heftel
Horton
Howard
Hughes
Hyde
Jeffries
Jenkins
Johnson, Colo.
Kindness
Kogovsek
LaFalce
Leach, Iowa
Levitas
Lewis
Lloyd
Lowry
Lundine
McClory
McCormack
McDonald
McEwen
McKinney
Mazzoli
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Moakley
Moffett
Montgomery
Moorhead, Pa.
Murphy, Pa.
Nelson
Nowak
O'Brien
Panetta
Patterson
Porter
Railsback
Reuss
Rhodes
Robinson
Rudd
Schroeder
Sensenbrenner
Skelton
Solomon
St Germain
Stangeland
Stanton
Symms
Tauke
Trible
Wampler
Whitehurst
Whitley
Whittaker
Wilson, Tex.
Wydler
Yates
Yatron

NOT VOTING—20

Anderson, Ill.
Andrews, N.C.
Baldus
Cavanaugh
Duncan, Oreg.
Garcia
Giaimo
Goldwater
Guyer
Harsha
Holland
Holtzman
Jacobs
Jeffords
Jennette
McCloskey
Murphy, Ill.
Pashayan
Stratton
Williams, Mont.

☐ 1610

Mr. CARNEY and Mr. SYMMS changed their votes from "aye" to "no."

Messrs. KELLY, BADHAM, STOKES, and RITTER changed their votes from "no" to "aye."

So the amendment in the nature of a substitute was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. Under the rule, the Committee rises.

☐ 1620

Accordingly the Committee rose; and the Speaker pro tempore (Mr. MURTHA) having assumed the chair, Mr. MINISH, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the resolution (H. Res. 549) amending the Rules of the House of Representatives to establish a standing Committee on Energy, pursuant to House Resolution 607, he reported the resolution back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

MOTION TO RECOMMIT OFFERED BY MR. CLEVELAND

Mr. CLEVELAND. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the resolution?

Mr. CLEVELAND. I am, Mr. Speaker.

The SPEAKER pro tempore. The gentleman qualifies.

The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. Cleveland moves to recommit the resolution (H. Res. 549) to the Select Committee on Committees, with instructions to report back forthwith with the following amendment: Strike out all after the resolving clause and insert in lieu thereof the following:

That (a) clause 1 of rule X of the Rules of the House of Representatives, relating to committees and their jurisdiction, is amended—

(1) by redesignating paragraphs (h) through (v) as paragraphs (i) through (w), respectively; and

(2) by inserting after paragraph (g) the following new paragraph;

"(h) Committee on Energy.

"(1) National energy policy generally.

"(2) Measures relating to the exploration, production, storage, supply, marketing, pricing, regulation and conservation of energy resources, including (A) all fossil fuels, (B) nonmilitary nuclear power, (C) solar power, and (D) other unconventional or renewable energy resources.

"(3) Measures relating to the commercial application of energy technology.

"(4) Measures relating to (A) the generation and marketing of power (except by federally chartered or Federal regional power marketing authorities), (B) the 'reliability and interstate transmission of, and ratemaking for, all power, and (C) the siting of generation facilities; except rural electrification and the installation of interconnections between Government waterpower projects.

"(5) All interstate energy compacts.

"(6) All measures relating to energy resources on the Outer Continental Shelf.

In addition to its legislative jurisdiction under the preceding provisions of this paragraph (and its general oversight functions under clause 2(b)(1)), such committee shall have the special oversight functions provided for in clause 3(h) with respect to all laws, programs, and Government activities affecting nonmilitary energy.".

(b) Clause 1(k) of rule X of such Rules (as redesignated by subsection (a) of this section) is amended by striking out "clause 1(p)(4)" in subparagraphs (4) and (5) and inserting in lieu thereof "paragraph (q)(4) of this clause".

Sec. 2. (a) Clause 1(1) of rule X of the Rules of the House of Representatives (as redesignated by subsection (a) of the first section of this resolution) is amended—

(1)(A) by inserting ", other than energy resources on the Outer Continental Shelf" after "public lands" in subparagraph (10);

(B) by inserting ", other than on the Outer Continental Shelf," after "public lands" in subparagraph (13); and

(C) by inserting "(but not including energy resources on the Outer Continental Shelf)" after "thereon" in subparagraph (15);

(2) by inserting "(except coal on private lands), including the Surface Mining Control and Reclamation Act of 1977 and amendments thereto" before the period at the end of subparagraph (11);

(3) by striking out subparagraph (17);

(4) by inserting after subparagraph (16) the following new subparagraph:

"(17) Environmental aspects, not within the jurisdiction of other standing committees, of all energy matters, specifically including the regulation of nonmilitary, nuclear energy.";

(5) by striking out "nonmilitary nuclear energy and research and development including the disposal of nuclear waste" in the last sentence and inserting in lieu thereof "the environmental impact of nonmilitary nuclear energy".

(b) Clause 1(m) of rule X of such Rules (as so redesignated) is amended—

(1) by striking subparagraphs (3) and (6), and redesignating subparagraphs (4), (5), and (7) through (12) as subparagraphs (3) through (10), respectively; and

(c) Clause 1(o) of rule X of such Rules (as so redesignated) is amended by inserting "(but not including energy resources on the Outer Continental Shelf)" before the period at the end of subparagraph (2).

(d) Clause 1(q) of rule X of such Rules (as so redesignated) is amended by inserting before the period at the end of subparagraph (9) the following: ", except for the transmission and marketing of electrical energy not generated by federally chartered, regional power authorities".

(e) Clause 1(s) of rule X of such Rules (as so redesignated) is amended by inserting before the period at the end of subparagraph (11) the following: ", including demonstration, and all federally owned or operated nonmilitary energy laboratories and research, development, and demonstration projects".

Sec. 3. Clause 3 of rule X of the Rules of the House of Representatives is amended—

(a) by striking out "nonmilitary nuclear energy and research and development including the disposal of nuclear waste" in paragraph (e) and inserting in lieu thereof "the environmental impact of nonmilitary nuclear energy."

(b)(1) by striking out "Committee on Interstate and Foreign Commerce" in paragraph (h) and inserting in lieu thereof "Committee on Energy".

(2) by striking out "nuclear" in paragraph (h) and inserting in lieu thereof "nonmilitary".

Sec. 4. Clause 5 of rule X of the Rules of the House of Representatives is amended by striking out paragraph (e).

Sec. 5. The amendments made by this resolution shall take effect immediately prior to noon on January 3, 1981.

Sec. 6. The amendments made by this resolution are not intended to result in an increase in the amount of space or funds made available to the committees of Congress for staff, travel, and other expenses.

Mr. CLEVELAND (during the reading). Mr. Speaker, I ask unanimous consent that the motion to recommit be considered as read and printed in the Record.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Hampshire?

There was no objection.

Mr. CLEVELAND. Mr. Speaker, we have a rather unusual rule, and it is my understanding that I have 15 minutes.

The SPEAKER pro tempore. The Chair will inquire, Is the gentleman from Michigan (Mr. Traxler) opposed to the motion to recommit?

Mr. TRAXLER. I am, Mr. Speaker.

The SPEAKER pro tempore. Pursuant to the provisions of House Resolution 607, the gentleman from New Hampshire (Mr. Cleveland) will be recognized for 15 minutes, and the gentleman from Michigan (Mr. Traxler) will be recognized for 15 minutes.

The Chair recognizes the gentleman from New Hampshire (Mr. Cleveland).

Mr. CLEVELAND. Mr. Speaker, I want to make it clear that I will be yielding to various Members but for purposes of debate only.

Mr. Speaker, I yield 5 minutes to the distinguished gentleman from California (Mr. Patterson), the chairman of the Select Committee on Committees.

Mr. PATTERSON. Mr. Speaker, I will say to the Members of this distinguished body that it is not often that a Member of the majority party has the honor and privilege of speaking on behalf of a motion for recommittal.

I want to make it plain that I played a role and a part in drafting the motion for recommittal with instructions, and that if this motion is adopted, it will create an even stronger Committee on Energy than the one which the select commitee had reported to the floor.

Mr. Speaker, this is the last chance that the House has to vote for the creation of an Energy Committee. There are only two alternatives: the cosmetic change of the Bingham substitute which is now before us; and the substantive reorganization which this motion to recommit provides.

Mr. Speaker, in an effort to preserve the status quo—the domain and the prerogatives of chairmen—we have adopted the Bingham amendment. It proposes to make the committee with the heaviest workload and the largest in time, in staff, and in money an even larger committee. It turns a double committee into a triple committee. It proposes to make it larger than any other committee by far, spending three times the money of any other committee.

The Bingham substitute would say to the American people, "Energy policy isn't really important. It is more important to preserve the domain of Members of Congress." The energy policy of the Bingham proposal would say that energy does not require the full time and attention of the committee.

The Bingham proposal tells the American people that the members of the Committee on Interstate and Foreign Commerce can give energy policy all the attention it needs. Sure, they can. At the same time, they are reviewing legislation and conducting oversight on health, consumer protection, railroads, all our national communications media, securities markets, environmental and pollution problems, and a whole host of other vital issues, and yet we are saying they can also take on energy because it is "just a little bit" or it is not really very important. They have half that jurisdiction now in one subcommittee.

The Bingham substitute has been explained by its supporters as leaving major jurisdictions where they are. Yet we have had no hearings. There are no public hearings, no public markups, and in fact there is no published explanation of what it means. I defy any Member in this Chamber to tell me what the Bingham substitute will really do.

If the Members think the Bingham substitute keeps things as they are, they had better read it. Why is it necessary, if it keeps things the way they are, to have the Bingham amendment? Why is it necessary to give them an energy policy generally? Why is it necessary to change the language?

Mr. Speaker, if the Committee on Interior and Insular Affairs retains all of the jurisdictions that it now has, as the Bingham substitute supporters say it does, over nuclear regulatory matters, then what does the proposed Commerce jurisdiction language of the gentleman from New York (Mr. Bingham), over "reliability and siting of electrical generation plants," mean? What does that mean? Does it not mean safety and location of nuclear reactors as well?

Furthermore, I ask my colleagues on the Committee on Public Works and Transportation, what does "reliability and siting" mean? Would that not mean that the Committee on Interstate and Foreign Commerce would get jurisdiction over hydroelectric plants? It seems to say so.

The Bingham substitute removes from the jurisdiction of the Committee on Interstate and Foreign Commerce the language, "except on public lands," and thereby requires the Committee on Interior and Insular Affairs to share with the Committee on Interstate and Foreign Commerce energy development on public lands, and that is something it now does not have to do.

□ 1630

Under Bingham, the Commerce Committee would have jurisdiction over storage of energy resources—storage, Three Mile Island, nuclear waste, nuclear fuel, storage of those things—included in the Bingham proposal.

Are my colleagues on the Committee on Agriculture aware that the Bingham proposal does not exclude primary jurisdiction over rural electrification?

I have announced my intention to support this motion for recommittal with instructions, which I have helped draft. The gentleman from New Hampshire (Mr. CLEVELAND) and the gentleman from Minnesota (Mr. FRENZEL) have drafted it with me. It would take House Resolution 549 for an Energy Committee and transfer the Outer Continental Shelf energy issues and nuclear regulation to a separate Energy Committee and would grant Interior Committee jurisdiction review over environmental aspects of nonmilitary nuclear issues.

I urge the adoption of the motion to recommit.

Mr. TRAXLER. Mr. Speaker, I yield my time only for the purpose of debate, and I yield 2 minutes to the distinguished gentleman from New York (Mr. BINGHAM).

Mr. BINGHAM. Mr. Speaker, I think that the House has already expressed itself quite dramatically on this issue, and want to thank all of the Members who voted for my substitute. I am very proud; I think it is rare that a Member of the House has the privilege of having the support of such diverse elements of the House as were represented in that vote.

The distinguished chairman of the select committee has just reargued the case for us. It was a case that was rejected by the House. He has not focused on what the motion to recommit does.

Let me say to the Members that, in my judgment, the motion to recommit makes the original select committee proposition even less attractive. I think it changes the select committee proposals in the wrong way, and it does so in accord with some of the views expressed in the minority views of the original committee report.

So I would urge the Members to cast the same vote they cast before, to reject the motion to recommit, and then to pass the resolution. I would hope that the gentleman from California—and I have urged him to do this—would simply accept the Bingham substitute and claim victory, because I think that he has made a real contribution here. I think that the Bingham substitute takes off from where the Patterson committee work ended, and ends up with a constructive result. I think the gentleman from California and his committee are deserving of the thanks of the House, but I hope that they will not follow his advice on the motion to recommit.

Mr. CLEVELAND. Mr. Speaker, I yield for the purpose of debate only 2 minutes to the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Mr. Speaker, we have two choices before us. We have a committee system which most of us will admit is archaic and outmoded. And particularly, most of us will admit the system does not handle energy jurisdiction very well. Energy jurisdiction is fragmented into more than 80 subcommittees of this particular House. As a result, since 1973, it has been more and more difficult for the House to come to grips with the energy problem.

We have two choices to bring us to grips with that problem. The Bingham amendment essentially leaves the status as "quo" as it can be. Under the Bingham amendment every committee which has jurisdiction today keeps that jurisdiction. Every feudal fiefdom is maintained. In my judgment, that is not a very good way to grapple with energy policy problems.

Under the recommittal motion, the Cleveland-Frenzel motion to recommit, there is an opportunity to create a Committee on Energy instead of renaming a committee which has much other jurisdiction. In fact, the Commerce Committee has so much other jurisdiction that it has difficulty grappling with energy matters.

If the Members determine that a new committee is the right way to go, they can vote for this motion to recommit. They will know that that committee will have, in addition to the jurisdiction already claimed by the Commerce Committee, the jurisdiction for nuclear development that exists within the Interior Committee, and some other jurisdiction that formerly belonged to the OCS Select Committee which will be phased out during this year.

Mr. Speaker, I think it is terribly important for Members of this body who want to express their approval for a real Energy Committee with some real jurisdiction over this particular problem to vote for the motion to recommit and create a real Energy Committee.

Mr. TRAXLER. Mr. Speaker, I yield 4 minutes to the gentleman from Texas (Mr. ECKHARDT).

Mr. ECKHARDT. Mr. Speaker, it is very unusual, indeed, for the chairman of the committee to support a motion to recommit, and I suggest to Members on this side of the aisle that it is a very dangerous thing to follow that lead. It is a process that prevents the committee's expertise and the action of the House from ultimately being carried out. But it is particularly surprising that the distinguished chairman of the committee is taking precisely the opposite position that he took at the time that a very similar matter was before his committee. I read the language concerning the question of reposing authority over nuclear energy now in the Interior Committee in a new committee. When the amendment to change the authority was offered by the gentleman from Minnesota (Mr. FRENZEL), the distinguished chairman said:

> I am very disappointed in the action of the previous motion—

Referring to the Frenzel nuclear amendment—

> but there is no way that this turkey will fly on the floor. There is no way this chairman is going to take it to the floor.

You may say, "Well, the distinguished chairman just did not think it would fly, he thought it might have been a good thing, but it would not fly." But he later said:

> One of the key issues, I suppose, will be the Nuclear Regulatory Commission. The question has come up: Why leave it there? I think it is not just the political reality of it; it is the fact that the expertise for 5 years has been in the Interior Committee.

Now this motion to recommit, the motion that he is supporting, would move it to the new committee.

My colleagues, I want to talk to both those who are conservative and those who may look at the matter as liberals. This is not a liberal-conservative issue; it is not a question of what is the Democratic or what is the Republican side of the issue. It is whether or not a committee will be independent of the force that the committee is assigned to govern.

Without reflection on the motives of Members in joining such a committee, I can say that there is an inexorable tendency for a committee ultimately to accrete membership of those who are friendly with the power that that committee governs; and that, of course, in this case is the energy forces and, I may say, in short, oil.

I would like for the Members to look at the situation of a member of such a one-issue committee. If that committee deals solely with one of the most powerful interests in this Nation, a person inclined to oppose that interest in any way cannot well afford to be on such a committee. This Member could not afford to be on a committee dealing primarily with oil and gas interests. This Member has been active in the field of energy now for most of his career in Congress. But if coming, from Houston as I do, coming from what is called the oil capital of the world, the only issue I could vote on was the energy issue and the question of control of oil prices, and I could not vote on things like hazardous waste, the securities market, health issues and a number of other things, I could not stay on the committee because I could not stay elected. The same thing I think is true from the side of those who are more conservative in their viewpoint and who usually think that the oil interests should be supported. They have to have an opportunity to vote on a broader range of issues. They need to be able to act on a broader range of issues in order to maintain their independence.

The result of creating a separate energy committee would be the loss of many sincere, experienced and independent minded persons who have acquired experience and knowledge in the field of energy. Those who would be attracted to the committee would be members so committed to the interests controlled by the committee or so blindly antagonistic to those interests—because the member comes from a district in which such knee jerk opposition is popular—that they would not be likely to supply the judgment and expertise desirable for so important an assignment.

Mr. CLEVELAND. Mr. Speaker, I yield such time as he may consume to the gentleman from Massachusetts (Mr. CONTE).

Mr. CONTE. Mr. Speaker, as everyone in the Congress is aware, the energy crisis continues to wreak havoc upon our petroleum-dependent Nation. The dilemma faced by our 220 million citizens is a real one. The country is beset with dramatically rising prices of petroleum-base necessities, such as home heating oil and gasoline. Home heating oil has skyrocketed in price by 80 percent in the last year; gasoline is expected to rise in price by another 10–15 cents per gallon on May 15 as a result of the President's oil import fee decision and decontrol of domestic crude oil prices.

With the recent developments in the Middle East, it is obvious to all Members that this great Nation must address the issue of a comprehensive national energy policy. The National Energy Act of 1979 was a step toward energy independence. However, it must be said that it was nearly 18 months in the making, with jurisdictional squabbling a common occurrence.

Today, this country finds itself on the brink of an economic recession. Most analysts agree that one of the major contributors to this status, is the energy inflation component. Increased energy costs comprise some 8 percent of the total 14-percent inflation rate we experienced last year. Not since World War II has this country witnessed such high rates.

Mr. Speaker, energy costs have become this Nation's No. 1 priority. There have been some 500 bills introduced in this Congress alone by House Members. The number continues to increase as constituents back home share their concerns with their Representatives.

Today, there are 83 subcommittees which have jurisdiction over energy legislation in the House of Representatives. Because energy does not fit within any one committee's mandate, there are no clear rules about which committee receives which bills. Too frequently, two or three committees with a reasonable claim to a piece of legislation work on it simultaneously and, if they disagree, the critical energy issue is decided on the floor. This is not the most efficient and effective method of considering legislation in this body.

Rather, Mr. Speaker, the House of Representatives must accept the fact that energy will continue to grow in relative importance to the well-being of this country. Members must realize that the national interest is paramount and that the legislative process must be streamlined.

Therefore, I urge your support of the legislation which transfers to an effective, single, standing committee, the most jurisdiction over energy matters in this Chamber, Congressman CLEVELAND's motion to recommit.

□ 1640

Mr. CLEVELAND. Mr. Speaker, I yield 2 minutes to the gentleman from Iowa (Mr. LEACH).

Mr. LEACH of Iowa. Mr. Speaker, the issue before us is energy. It is also vitality. The second point should be stressed. Can the House of Representatives ever change to meet changing circumstances, or will there be too many challenges to too many people?

Failure to pass the motion to recommit will demonstrate this body does not have the courage to change.

The House of Representatives was established by design to reflect the American people and American society. There are numerous characteristics of Americans, but one is not transigence.

The vigorousness with which the status quo has been defended in this debate could not underscore more clearly how out of step this House is from the American people.

The opportunity to establish an Energy Committee contained in this motion to recommit offers us a challenge to change. If we do not change, the American people should change us.

Mr. TRAXLER. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. BROWN), for purposes of debate only.

Mr. BROWN of Ohio. Mr. Speaker, in 1946 at the end of World War II, there was an effort in this body to reduce the number of committees from 55 down to about 21 by consolidating the then committees into subcommittees of similar jurisdiction, and that was successful. You put things like public buildings and grounds, roads and highways, rivers and harbor committees together into the Committee on Public Works, and you begin to consolidate jurisdiction into a single area.

Consolidation is a good idea. However, in recent years, we have gone the other direction, in the name of reform. The idea is to make each subcommittee independent in and of itself.

The gentleman from California (Mr. PATTERSON) in his proposal—and the motion to recommit is essentially a rehash of that proposal—now wants to make an independent committee out of the Commerce Committee's Subcommittee on Energy and put with it as a sweetener, over the vote that we just had, a little bit more of the nuclear jurisdiction. It already has some nuclear jurisdiction.

The purpose really is, and I would say that maybe this is what some of our colleagues have been saying, the purpose really is to look like we are in some way reorganizing energy so that we will do a much better job with it.

Let me say to my colleagues, as I said initially when we had the debate on the Bingham substitute, the problem is not organization. The problem is the issue.

The issue is a difficult one. We have jurisdictional responsibilities that are, I think, logically placed in Science and Technology, in Commerce, where we regulate the pricing issue, and in others. We ought to leave the situation essentially the way it is.

I would urge the Members to vote down the motion to recommit.

Mr. TRAXLER. Mr. Speaker, I yield 1 minute to the gentleman from Michigan (Mr. STOCKMAN).

Mr. STOCKMAN. Mr. Speaker, let me just suggest as a result of the vote on the Bingham amendment, I think this House has made its judgment clear. I think over the last few weeks people have analyzed very carefully all of the arguments, the charges and countercharges that have been made, but they have essentially come to the conclusion, no matter how desirable the idea may be in the abstract of a reorganization of our committee structure of creating some more efficient way of dealing with the energy jurisdiction, that we simply have not come up with it; so, therefore, it is futile to now legislate at the last minute with a motion to recommit that has been cooked up in the waning hours of this debate.

I would suggest that we affirm and that we confirm the judgment that was made on the Bingham amendment, that we vote down this motion to recommit, that we accept, despite the good effort that was made over this last year or so, we simply have not come up with a viable solution to this very knotty problem that we have of overlapping jurisdiction.

Mr. TRAXLER. Mr. Speaker, I yield 2 minutes to the gentlewoman from Colorado (Mrs. SCHROEDER), a member of the select committee.

Mrs. SCHROEDER. Mr. Speaker, it is with great regret that I have to rise in opposition to this recommittal motion.

This has not been one of my favorite days here on the floor.

I have sat on this committee, as many people have, really trying to do something about this difficult area, and I guess the lesson is you do not touch turf.

Let us talk about why I am opposed to this recommittal motion. First of all, it does not seem to me there is any real reason to add the Outer Continental Shelf and nuclear jurisdiction unless we are also going to add research and development and other types of jurisdiction to the Energy Committee. I think that we do something really comprehensive or we are singling out certain groups. I am not sure there is any real rhyme nor reason to that.

I also think that nuclear regulation is a health safety and environmental issue, as well as it is an energy issue, and putting it in in this form through the recommittal motion, I do not think makes much sense.

I also worry about the regulation of public lands. I come from a part of the country where public lands and the regulation thereof is very, very important, and it is one of the very basic elements of Interior jurisdiction. I feel very strongly about having this jurisdiction fragmented, which is what this motion would do.

I think we want to keep the oversight of public lands together, and in the name of cleaning up some of the jurisdictional overlaps in this committee by doing this recommittal, we would be creating more overlaps by giving several committees a piece of the Interior jurisdiction over public lands.

When this all began, I made a commitment, and I thought most of us on this subcommittee made a commitment to attempt to do an Energy Committee that was focused basically upon energy.

I suppose we could find anything being really an energy problem if we expanded it far enough, but I think what we were really talking about was fossil fuels and the energy that we really mean when we talk about what our problems are with OPEC today. I am still prepared to do that.

I regret today that this House seems to be doing something else and I urge people to vote against the recommittal motion.

Mr. CLEVELAND. Mr. Speaker, I reserve the balance of my time.

Mr. TRAXLER. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Arizona (Mr. UDALL).

Mr. UDALL. The toughest thing in this legislative body is to change committee jurisdiction. In 1946 we ended up with some 55 standing committees. The House went through the agony of cutting it down, and we ended up with 20 committees.

Now we have been creeping back up a little bit. I think if we are going to have committee reorganization, it ought to be comprehensive reorganization.

Lord knows, this committee tried, and everybody knows that the gentleman from Missouri, DICK BOLLING, gave it his best shot about 6 years ago. We have done some things.

If we vote down the motion to recommit and stick with what we have just done on the Bingham substitute, we have done something. We will have a committee called the Energy Committee. We will have the jurisdiction spelled out so it can be the lead committee.

We can avoid the proliferation of six or seven new subcommittees and a lot of money. So it is a solid step we take here. It is not as much as I would like. It is not as much as the great gentleman from California (Mr. PATTERSON) wanted to get, but it is solid. It is substantial. We ought to vote down the motion to recommit.

☐ 1650

Mr. TRAXLER. Mr. Speaker, I yield 1 minute to the gentleman from Florida (Mr. FUQUA).

Mr. FUQUA. Mr. Speaker, as has already been pointed out, taking a subcommittee and making it into a full committee is not going to solve the problem. The Bingham substitute will give guidance as to jurisdictional problems. It will help resolve those problems, and they can be resolved.

We now have a Committee on Research and Development that I have the honor of chairing, and I might say, we are not affected by either the Bingham or the recommittal motion.

We also have a Production Committee, a committee designed for production and we have one for regulation. We need those three committees to do that work. They can do it. If we create a separate committee for production, I do not think we have solved the problem. We have cosmetically said that we have created an Energy Committee, but we have not. We have just transferred jurisdiction from one place to another.

I ask that the motion to recommit be voted down.

Mr. TRAXLER. Mr. Speaker, I yield the balance of my time remaining to the distinguished gentleman from Pennsylvania (Mr. KOSTMAYER), a member of the select committee.

Mr. KOSTMAYER. Mr. Speaker, I think that the House owes a debt of gratitude to the gentleman from California (Mr. PATTERSON) for the hard work and for the great effort that the gentleman has made here, and I commend him for that job. I think that he can claim some credit for the progress we have made, but I want to address in the remaining time the motion to recommit.

I think we ought to understand very clearly what this would do. It would take the developmental or promotional aspects of nuclear energy and put them in the same hands as the people who would control the health, safety, and environmental aspects.

Now, these functions have been divided. They were first divided when the Congress abolished the Joint Committee on Atomic Energy. We divided these among the Committee on Defense, the Committee on Science and Technology, the Committee on the Interior, and the Committee on Commerce. We did that in the Congress. We did it in the Senate, where they have divided jurisdiction, and we did it in the executive branch. We gave the regulatory aspect of nuclear to the NRC, and we gave the promotional aspects to ERDA; so what we are doing, if we adopt this motion to recommit, is to reverse that and put it all in one committee. I do not believe, whether you are pronuclear or antinuclear, that the American people want the same people who are regulating the health, the safety, and the environmental aspects concerned with the promotion. There is a great deal to be said for separating the two.

What we are talking about if we adopt this is ending congressional oversight over the nuclear industry. That is what it is all about. I think that would be a step in the wrong direction, a tragic mistake, the wrong signal to the American people at the wrong time.

Mr. Speaker, I urge the Members of the House to reject the motion to recommit.

Mr. PATTERSON. Mr. Speaker, will the gentleman yield?

Mr. KOSTMAYER. I would be happy to yield.

Mr. PATTERSON. Mr. Speaker, I thank the gentleman for yielding.

I want to be on record here as agreeing with the gentleman that the environmental review aspects in regard to nuclear power should be within the Committee on the Interior and have a separate review. That is precisely what the recommittal motion does in paragraph 17, where it gives the environmental aspects, including the regulation of nonmilitary nuclear aspects.

Mr. CLEVELAND. Mr. Speaker, I yield such time as he may consume to the gentleman from Oklahoma (Mr. EDWARDS).

Mr. EDWARDS of Oklahoma. Mr. Speaker, I strongly oppose the motion to recommit—the motion to recommit transfers the energy jurisdiction of the Commerce Committee to a new Standing Committee on Energy. It also transfers nuclear power regulation from Interior to the new committee.

The Energy and Environment Subcommittee of the Interior Committee, of which I am a member, has just completed 21 days of hearings on nuclear regulation in the aftermath of the accident at Three Mile Island. These hearings have revealed serious problems in the way in which the Nuclear Regulatory Commission regulates the nuclear industry. The Rogovin report concluded that the NRC is "an organization which is not so much badly managed as it is not managed at all." Furthermore, it has been revealed that the NRC had no system for evaluating operating experience at nuclear powerplants and to learn from that experience. The measures that it is taking to institute such a system do not appear to be at all adequate. The NRC has failed to act on unresolved safety issues in a timely fashion.

The Energy and Power Subcommittee has also investigated nuclear power regulation in the light of the Three Mile Island accident. So has the Committee on Science and Technology.

There is presently a balance between the Committee on Science and Technology, the Committee on Interior and Insular Affairs, and the Committee on Interstate and Foreign Commerce on the nuclear power question. To transfer nuclear power regulation to a new committee at this point in time would be a virtual guarantee of delay. The studies and investigations of Three Mile Island have been completed. It is now time for action.

To set up a new committee when existing committees have already studied the problem and are equipped to take any legislative action that may be necessary would guarantee delay. It would show that Congress, like the NRC, has no adequate system for learning from experience.

Mr. CLEVELAND. Mr. Speaker, I yield 1 minute to the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Speaker, at the very last moment the gentleman from Pennsylvania (Mr. KOSTMAYER) has let the cat out of the bag. The people who do not want nuclear power, the people that do not want more energy or growth, the people that have brought you the energy mess that we are in now, say, "Vote against the motion to recommit that creates a real Energy Committee; stick with the old committee system that has placed this country at a disadvantage today."

Now, Mr. Speaker pro tempore, I have looked around the floor very carefully and I do not see the Speaker of the House here anywhere. You know, usually, the Speaker is sitting right over there in the front row seat next to the gentleman from New Jersey. That is his seat at the end of each debate and he often lets his views be known.

Now, I want to let you know what the Speaker's views are, if you can trust the Washington Post. "Speaker O'NEILL strongly favors creation of a separate Energy Committee," the Washington Post tells us this morning.

> He told reporters yesterday that the Republican Patterson plan—

that this is the Cleveland-Patterson plan—

> might be the best way out.

The SPEAKER pro tempore. The time of the gentleman from Maryland has expired.

Mr. CLEVELAND. Mr. Speaker, I yield 20 additional seconds to the gentleman from Maryland.

Mr. BAUMAN. Mr. Speaker, continuing in my characteristic defense of the Speaker of the House and his position, the Speaker went on to say that he had some trouble that a motion to recommit had to be presented by the minority and he did not like to support minority motions.

> But he seemed to be saying that while he as Speaker couldn't support it, he wouldn't mind if other Democrats did.

Come, let us join hands. Let us keep the lights in this Chamber burning. Let us keep the power on in America. We are at the end of our energy rope, folks. We need you and we need a true Energy Committee.

Mr. CLEVELAND. Mr. Speaker, I might say that in the column the gentleman from Maryland just read from, it refers to the fact that the Cardinals of the House—that is with a capital "C"—appear to have gotten behind the plan to give Commerce more power, but otherwise leave the power structure as it is. So, I want to take this opportunity to congratulate the Cardinals of the House. Although they do not wear red hats, we all know who they are. They have done a great job of protecting their altars.

Mr. Speaker, also backing up what the gentleman from Maryland just said in regard to the remarks of one of the last speakers, there is no question—and I want the record to show it—that the nuclear power issue is very much involved in the vote you are about to take.

Earlier I quoted from the Congressional Quarterly, which is more often right than wrong, and it spoke about Members fearful of a victory by the pronuclear forces. It referred to brother FRENZEL and my proposal as follows—

> Members fearful of a victory by the pronuclear forces then drafted their own weaker alternative sponsored by Jonathan Bingham.

Again in this same article from the March 22 issue of the Congressional Quarterly—

> The Bingham proposal rapidly picked up support from environmentalists, nuclear power foes and members of the committees that would lose power—under H.R. 549 or the Cleveland-Frenzel plan.

That is the jurisdiction of the Cardinals, whose jurisdictions were going to be hurt.

Now, the recommittal motion was not cooked up at the last minute, as has been unfairly alleged. The recommittal motion consists of the substance of amendments which I took to the Committee on Rules and asked to be offered as a substitute. When I got turned down, there were enough guilty consciences on the Committee on Rules to at least permit a motion to recommit with instructions. That is why we are in this particular situation.

Mr. Speaker, the motion to recommit with instructions provides the House with a clearcut choice between two alternatives regarding committee jurisdiction over energy.

The Bingham substitute for House Resolution 549 would do one of two things. At best, it would continue—unchanged—the same fragmented, inefficient way of dealing with energy problems. At worst, if the new authority in the substitute is utilized, it would substantially broaden the energy jurisdiction of an already overworked Interstate and Foreign Commerce Committee and its Subcommittee on Energy and Power.

Both would weaken the House.

The recommittal motion—which has broad bipartisan support including that of a bipartisan majority of the Select Committee on Committees—would consolidate major aspects of energy jurisdiction in a standing Committee on Energy. It would, for the first time, make a single committee accountable for coordinating energy policy in a rational and coherent way.

The choice can be restated in simpler terms: preservation of the status quo in a way that compounds the present deficiencies of the committee system, or a creative response to the energy crisis which will enable House committees to address energy problems more effectively and expeditiously.

Adoption of the Bingham substitute, Mr. Speaker, will tell the American people that protecting committee turf is a higher priority in the House than improving energy policy.

Approval of the recommittal motion will tell the American people that the House can respond to crisis, that we have the competence and the concern to correct our deficiencies and organize ourselves effectively.

If our colleagues vote on the basis of the convictions they have previously expressed, then the recommittal motion will prevail by an overwhelming margin.

The select committee conducted two surveys of the House membership on issues of committee organization to which we received more than 300 responses. Twenty-three House Members testified during our energy hearings. By more than 2 to 1, Members responding to the surveys said they wanted the kind of Energy Committee proposed by the recommittal motion. In our hearings, only one Member—the chairman of the Energy and Power Subcommittee—indicated he was satisfied with the present energy jurisdictions.

By every standard or measure, Mr. Speaker, the recommittal motion would accomplish what large majorities of both parties have said they want. The Bingham substitute would not. Let me be specific:

The recommittal motion would establish a new Energy Committee and Bingham does not.

The recommittal motion would consolidate substantial overlapping jurisdiction. Bingham does not.

If you want to know what the real issue is here, besides the nuclear issue, it is whether the House of Representatives is going to screw up its courage and have the guts to make a change in the committee system. It is just that simple.

The recommittal motion will reduce reliance on the multiple referral of energy bills which cause delay, confusion, and added cost. The Bingham substitute does not touch that.

The recommittal motion would provide full time attention by the full committee to energy problems. The Bingham substitute does not.

The Bingham substitute simply says that energy is so unimportant that we will give the whole ball of wax to a subcommittee of the Committee on Interstate and Foreign Commerce. If that is the way the House wants to treat energy, I hardly wonder why the Arabs laugh at us with our energy problems.

The recommittal motion would improve accountability and responsibility in the handling of energy policy. The Bingham substitute would not.

The recommittal motion is based on extensive hearings, weeks and months of hearings, and the Bingham substitute is not.

You had better hold onto your hats when you read about the secret agreements or treaties worked out between the Cardinals, the secret agreements or treaties worked out with the Cardinals. You do not know what is in them, but they will be in the RECORD tomorrow. Then you can find out what the Bingham substitute is all about, based as it is on secret agreements or treaties made within the power structure of the House and not even shown to the Members of the House who are now asked to vote on the Bingham substitute.

Essentially, Mr. Speaker, the recommittal motion combines the jurisdiction defined for the Energy Committee in House Resolution 549 with several bipartisan strengthening amendments.

Specifically, the Energy Committee would have the following jurisdiction:

First. National energy policy generally.

Second. The energy jurisdiction now exercised by the Interstate and Foreign Commerce Committee as defined in House Resolution 549 and modified by the language of the Bingham substitute.

Third. The jurisdiction now in the Public Works Committee over the transmission and marketing of non-Federal electrical energy.

Fourth. The Interior Committee's jurisdiction over the regulation of nuclear energy, and over coal on private lands.

Fifth. Shared jurisdiction, with Interior, over energy resources on the public lands.

Sixth. Jurisdiction over energy resources of the Outer Continental Shelf now exercised by the Interior, Merchant Marine, and Judiciary Committees and the Select Committee on the Outer Continental Shelf.

Mr. Speaker, I urge our colleagues to

vote for the motion to recommit. The motion to recommit will send a loud, clear message to this country that the House of Representatives recognizes energy as a serious problem. We have got to harness our energy. We have got to create and use nuclear power. We have got to do it if we are going to overcome the power of the Arab oil cartel and again become a productive and energy independent nation.

I urge a vote for the motion to recommit with instructions.

Mr. McCLORY. Mr. Speaker, will the gentleman yield?

Mr. CLEVELAND. I yield to the gentleman from Illinois.

Mr. McCLORY. Mr. Speaker, I commend the gentleman from New Hampshire (Mr. CLEVELAND) and the gentleman from California. I hope that the House will support the motion to recommit.

Mr. Speaker, today we are debating the creation of a new standing Committee on Energy. Ten years ago, this body considered the same question when it was offered by our former colleague from Tennessee, Congressman Dick Fulton. At that time, the measure died because of little support. Since 1970, our Nation has witnessed oil embargoes and supply interruptions which have quadrupled the price of gasoline in the span of one decade. Today, this body is finally addressing the problem in a comprehensive manner.

After thorough consideration of the alternative offered by my distinguished colleagues, I favor the Cleveland-Frenzel substitute. It represents a significant strengthening of the resolution proposed by the Select Committee on Committees. Like that resolution, it would:

First. Establish a standing Committee on Energy;

Second. Transfer all energy jurisdiction from the Interstate and Foreign Commerce Committee and its Energy and Power Subcommittee to the new Energy Committee;

Third. Transfer limited jurisdiction over coal on private lands from Interior and Insular Affairs and non-Federal hydroelectric power from Public Works and Transportation to the new Energy Committee;

Fourth. Provide jurisdiction over "national energy policy generally," thus enabling the new committee to share jurisdiction—through joint and sequential referrals—over energy matters assigned to, or reported by, other committees; and

Fifth. Grant jurisdiction over measures relating to the production, supply, marketing, pricing, regulation, or conservation of energy resources to the new committee.

In addition, the Cleveland-Frenzel substitute improves on the Patterson select committee resolution by:

First. Transferring nuclear regulatory jurisdiction from the Interior Committee to the new Energy Committee;

Second. Enabling the Energy Committee to share jurisdiction over energy resources on the public lands with Interior;

Third. Modifying the select committee's added grant of environmental review authority to the Interior Committee; and

Fourth. Providing assurance that the Energy Committee would not be constituted until the beginning of the 97th Congress; that is, January 3, 1981.

Thus, the Cleveland-Frenzel substitute strikes a responsive middle course between the other options: Providing for greater consolidation of energy jurisdiction and broader authority for the Energy Committee than the Patterson and Bingham plans, while avoiding what many consider the unnecessary and "extreme" transfers of the Gramm substitute.

This substitute is very much in harmony with the other recommendations which have been initiated by the minority and reported by the select committee, including limitations on the number of subcommittees and subcommittee assignments and the clarification of the troublesome multiple referral rule. Like these proposals, Cleveland-Frenzel will significantly improve the way the House conducts its business. I urge my colleagues to support this motion.

● Mr. TRAXLER. Mr. Speaker, I oppose this motion to recommit and I urge my colleagues to vote against it. This motion represents a last-minute attempt to convince enough Members that it is all right to vote for the creation of a new standing committee. The simple truth is that we do not need a new expansive, costly committee.

This new committee would cost $9 million per year. I would like to advise my colleagues of those organizations that have taken a stand in favor of the Bingham substitute and in opposition to this motion to recommit. They are: League of Women Voters, Consumer Federation of America, United Auto Workers, Sierra Club, National Audubon Society, Consumer Energy Council of America, International Machinist Union, AFL–CIO, U.S. Chamber of Commerce, Environmental Policy Center, and International Brotherhood of Teamsters.

Again, I urge my colleagues to vote "no" on this motion to recommit and be fiscally responsible.●

Mr. CLEVELAND. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. KOSTMAYER. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 125, noes 282, not voting 24, as follows:

[Roll No. 157]

AYES—125

Ashley
Bafalis
Bauman
Beilenson
Benjamin
Boland
Bouquard
Breaux
Brinkley
Butler
Byron
Campbell
Carney
Cleveland
Clinger
Coleman
Conable
Conte
Corcoran
Cotter
Crane, Daniel
Daniel, R. W.
Danielson
Deckard
Derrick
Derwinski
Dodd
Donnelly
Dougherty
Duncan, Tenn.
Early
Emery
Erdahl
Erlenborn
Evans, Del.
Evans, Ind.
Fazio
Fisher
Fithian
Forsythe
Fowler
Frenzel
Gaydos
Gephardt
Gibbons
Gilman
Goodling
Gradison
Green
Hagedorn
Hamilton
Hansen
Heckler
Heftel
Hinson
Horton
Hughes
Hyde
Ichord
Ireland
Jeffries
Jenkins
Kramer
Leach, Iowa
Levitas
Livingston
Lloyd
Lundine
McClory
McCormack
McDonald
McEwen
McKinney
Martin
Mavroules
Mazzoli
Mica
Michel
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Moffett
Mollohan
Montgomery
Murphy, Pa.
Nelson
O'Brien
Panetta
Patterson
Porter
Pursell
Quillen
Railsback
Rhodes
Ritter
Robinson
Royer
Rudd
Sawyer
Scheuer
Schulze
Sensenbrenner
Shuster
Skelton
Smith, Iowa
Solomon
Spence
St Germain
Stangeland
Stanton
Stump
Symms
Tauke
Trible
Walker
Wampler
Whitehurst
Whitley
Whittaker
Wilson, Bob
Wilson, Tex.
Wydler
Yatron
Young, Fla.

NOES—282

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Aspin
Atkinson
AuCoin
Badham
Bailey
Barnard
Barnes
Beard, R.I.
Beard, Tenn.
Bedell
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Bolling
Boner
Bonior
Bonker
Bowen
Brademas
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Carr
Carter
Chappell
Cheney
Chisholm
Clausen
Clay
Coelho
Collins, Ill.
Collins, Tex.
Conyers
Corman
Coughlin
Courter
Crane, Philip
D'Amours
Daniel, Dan
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Dellums
Devine
Dickinson
Dicks
Diggs
Dingell
Dornan
Downey
Drinan
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
English
Ertel
Fary
Fascell
Fenwick
Ferraro
Findley
Fish
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Frost
Fuqua
Gingrich
Ginn
Glickman
Gore
Gramm
Grassley
Gray
Grisham
Guarini
Gudger
Hall, Ohio
Hall, Tex.
Hammerschmidt
Hance
Hanley
Harkin
Harris
Hawkins
Hefner
Hightower
Hillis
Hollenbeck
Holt
Hopkins
Howard
Hubbard
Huckaby
Hutto
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
LaFalce
Lagomarsino
Latta
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Lewis
Loeffler
Long, La.
Long, Md.
Lowry
Lujan
Luken
Lungren
McDade
McHugh
McKay
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Mathis
Matsui
Mattox
Mikulski
Miller, Calif.
Mitchell, Md.
Moakley
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Nedzi
Nichols
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Patten
Paul
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Price
Pritchard
Quayle
Rahall
Rangel
Ratchford
Regula
Reuss

Richmond
Rinaldo
Roberts
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roth
Rousselot
Roybal
Runnels
Russo
Sabo
Santini
Satterfield
Schroeder
Sebelius
Seiberling
Shannon
Sharp
Shelby
Shumway
Simon
Smith, Nebr.
Snowe
Snyder
Solarz
Spellman
Stack
Staggers
Stark
Steed
Stenholm
Stewart
Stockman
Stokes
Stratton
Studds
Swift
Synar
Taylor
Thomas
Thompson
Traxler
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Watkins
Waxman
Weaver
Weiss
White
Whitten
Williams, Ohio
Wilson, C. H.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wylie
Yates
Young, Alaska
Young, Mo.
Zablocki
Zeferetti

NOT VOTING—24

Anderson, Ill.
Baldus
Cavanaugh
Dixon
Duncan, Oreg.
Evans, Ga.
Garcia
Giaimo
Goldwater
Gonzalez
Guyer
Harsha
Holland
Holtzman
Jacobs
Jeffords
Jenrette
Lott
McCloskey
Murphy, Ill.
Neal
Pashayan
Preyer
Williams, Mont.

□ 1710

The Clerk announced the following pairs:

Mr. Dixon with Mr. Anderson of Illinois.
Mr. Duncan of Oregon with Mr. Lott.
Mr. Preyer with Mr. Goldwater.
Mr. Williams of Montana with Mr. Pashayan.
Mr. Giaimo with Mr. Harsha.
Ms. Holtzman with Mr. Jeffords.
Mr. Holland with Mr. Cavanaugh.
Mr. Neal with Mr. Murphy of Illinois.
Mr. Gonzalez with Mr. Jacobs.
Mr. Garcia with Mr. Guyer.
Mr. Jenrette with Mr. Baldus.
Mr. Evans of Georgia with Mr. McCloskey.

Mr. PHILLIP BURTON changed his vote from "aye" to "no."

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. SYMMS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 274, nays 134, not voting 23, as follows:

[Roll No. 158]

YEAS—274

Abdnor
Addabbo
Akaka
Albosta
Ambro
Anderson, Calif.
Andrews, N.C.
Annunzio
Anthony
Applegate
Aspin
Atkinson
Bailey
Barnard
Beard, R.I.
Bedell
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boner
Bonior
Bonker
Bowen
Brademas
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Byron
Carr
Carter
Cheney
Chisholm
Clausen
Clay
Clinger
Coelho
Collins, Ill.
Collins, Tex.
Conyers
Corman
Cotter
Coughlin
Courter
D'Amours
Daniel, Dan
Danielson
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Deckard
Dellums
Derwinski
Dickinson
Dicks
Diggs
Dingell
Dodd
Donnelly
Dougherty
Downey
Drinan
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
English
Ertel
Evans, Del.
Evans, Ga.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fowler
Frost
Fuqua
Gephardt
Gibbons
Gingrich
Ginn
Glickman
Gonzalez
Gore
Gramm
Gray
Green
Guarini
Gudger
Hall, Ohio
Hall, Tex.
Hance
Hanley
Harkin
Harris
Hawkins
Heckler
Hefner
Hightower
Hillis
Hollenbeck
Holt
Hopkins
Howard
Hubbard
Huckaby
Hutto
Ichord
Ireland
Jenkins
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kemp
Kildee
Lagomarsino
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lujan
Luken
Lungren
McClory
McDade
McHugh
McKay
Madigan
Maguire
Markey
Marks
Marlenee
Mathis
Matsui
Mattox
Mavroules
Mica
Mikulski
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Nedzi
Nichols
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Patten
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Porter
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Rangel
Ratchford
Regula
Reuss
Richmond
Rinaldo
Roberts
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roth
Roybal
Russo
Sabo
Santini
Satterfield
Scheuer
Seiberling
Shannon
Sharp
Shelby
Shumway
Simon
Smith, Iowa
Smith, Nebr.
Snowe
Solarz
Spellman
Stack
Staggers
Stark
Steed
Stenholm
Stewart
Stockman
Stokes
Stratton
Studds
Swift
Synar
Thomas
Thompson
Traxler
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Walgren
Watkins
Waxman
Weaver
Weiss
White
Whitten
Williams, Ohio
Wirth
Wolff
Wolpe
Wright
Wyatt
Wylie
Young, Mo.
Zablocki
Zeferetti

NAYS—134

Alexander
Andrews, N. Dak.
Archer
Ashbrook
Ashley
AuCoin
Badham
Bafalis
Barnes
Bauman
Beard, Tenn.
Beilenson
Benjamin
Boggs
Boland
Bolling
Bouquard
Breaux
Butler
Campbell
Carney
Chappell
Cleveland
Coleman
Conable
Conte
Corcoran
Crane, Daniel
Crane, Philip
Daniel, R. W.
Davis, S.C.
Derrick
Devine
Dornan
Duncan, Tenn.
Early
Edwards, Okla.
Emery
Erdahl
Erlenborn
Evans, Ind.
Fisher
Fithian
Forsythe
Fountain
Frenzel
Gaydos
Gilman
Goodling
Grassley
Grisham
Hagedorn
Hamilton
Hammerschmidt
Hansen
Heftel
Hinson
Horton
Hughes
Hyde
Jeffries
Johnson, Colo.
Kelly
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Latta
Leach, Iowa
Lewis
Lott
Lowry
Lundine
McCormack
McDonald
McEwen
McKinney
Marriott
Martin
Mazzoli
Michel
Miller, Calif.
Miller, Ohio
Mineta
Moffett
Mollohan
Montgomery
Murphy, Pa.
Nelson
O'Brien
Panetta
Patterson
Paul
Railsback
Rhodes
Ritter
Robinson
Rousselot
Royer
Rudd
Runnels
Sawyer
Schroeder
Schulze
Sebelius
Sensenbrenner
Shuster
Skelton
Snyder
Solomon
Spence
St Germain
Stangeland
Stanton
Stump
Symms
Tauke
Taylor
Trible
Volkmer
Walker
Wampler
Whitehurst
Whitley
Whittaker
Wilson, C. H.
Wilson, Tex.
Winn
Wydler
Yates
Yatron
Young, Alaska
Young, Fla.

NOT VOTING—23

Anderson, Ill.
Baldus
Cavanaugh
Dixon
Duncan, Oreg.
Garcia
Giaimo
Goldwater
Gradison
Guyer
Harsha
Holland
Holtzman
Jacobs
Jeffords
Jenrette
McCloskey
Murphy, Ill.
Neal
Pashayan
Preyer
Williams, Mont.
Wilson, Bob

□ 1730

The Clerk announced the following pairs:

Mr. Baldus with Mr. Anderson of Illinois.
Mr. Duncan of Oregon with Mr. Pashayan.
Mr. Garcia with Mr. Bob Wilson.
Mr. Giaimo with Mr. Harsha.
Mr. Jenrette with Mr. Goldwater.
Mr. Williams of Montana with Mr. Guyer.
Mr. Preyer with Mr. Gradison.
Mr. Dixon with Mr. McCloskey.
Ms. Holtzman with Mr. Holland.
Mr. Neal with Mr. Murphy of Illinois.
Mr. Jacobs with Mr. Cavanaugh.

So the resolution was agreed to.

The result of the vote was announced as above recorded.

The title was amended so as to read: "Resolution amending the Rules of the House of Representatives with respect to the jurisdiction of energy matters."

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. PATTERSON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the resolution just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

RECOMMITTAL TO CONFERENCE OF S. 662, INTERNATIONAL DEVELOPMENT BANKS AUTHORIZATION

Mr. REUSS. Mr. Speaker, I ask unanimous consent to recommit the Senate bill, S. 662, to conference.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, could the gentleman tell me the title of the bill?

Mr. REUSS. Yes; this is the bill containing authorization for the Inter-American Development Bank, the Asian Development Bank, and the African Development Fund.

Mr. BAUMAN. Could the gentleman from Wisconsin explain to me why the chairman is asking to recommit this bill?

Mr. REUSS. Yes, though not without some embarrassment. Technically, it turned out that the conferees had conferred and done their business a few minutes before the House conferees were, in fact, appointed. That was one of those slips betwixt the cup and the lip which occur because of the length of our corridors. So, the report as it comes back to us is technically imperfect, and it is to correct that imperfection that I ask this unanimous-consent request.

Mr. BAUMAN. Further reserving the right to object, I assume what the gentleman is saying is that the consideration of the report in conference did not comply with rule XXVIII, which requires an open conference meeting unless the House votes otherwise?

Mr. REUSS. I believe that is the relevant section. In any event, whether it is rule XXVIII or not, and I do not have it in front of me, it obviously was unintentionally improper, and we seek to correct that by doing it right.

Mr. BAUMAN. Further reserving the right to object, I would like to make a parliamentary inquiry, Mr. Speaker.

If no Member made a point of order against the consideration of the conference report it could be considered; could it not?

The SPEAKER pro tempore. The gentleman is correct.

Mr. BAUMAN. Further reserving the right to object, does the gentleman from Wisconsin know of anyone who is going to make a point of order?

Mr. REUSS. No, I do not, but I realize that a valid point of order would lie, and I did not want to be in the position of having something on the calendar for tomorrow or the next day, knowing how fragile it is. I cannot speak for 434 other Members.

Mr. BAUMAN. Further reserving the right to object, Mr. Speaker, I would like to make a further parliamentary inquiry.

If this request is granted, the House is then asking the other body for a conference. At that point it allows the other body to act first under the rules, and that would preclude a motion to recommit with instructions on the part of any Member of the House. Is that correct?

The SPEAKER pro tempore. This request would not change the order of consideration of the new report. It merely asks for a recommital of the conference report to the same conference.

Mr. BAUMAN. If the motion is granted, is a motion to recommit or a motion to instruct in order at this time?

The SPEAKER pro tempore. The House would still act first on the conference report.

Mr. BAUMAN. Further reserving the right to object, the gentleman from Maryland, knowing the outcome of the consideration of the conference, would very much like to make a motion to instruct but does not have one prepared at this time.

The SPEAKER pro tempore. The Chair advises that would not be in order at this time in any event.

Mr. BAUMAN. That was the question the gentleman put to the Chair, whether a motion to instruct would be in order at this time. The Chair says "No." If this request is not granted and a point of order is made against the consideration of the conference report, as the gentleman from Wisconsin suggested, it might be that no motion to instruct would be in order under rule XXVIII at that time, would it?

The SPEAKER pro tempore. If a point of order were sustained under clause 6 to rule 28 a new conference would be considered as requested and conferees appointed without intervening motion and the Senate would probably agree to a new conference and would probably act first on the new conference report.

Mr. BAUMAN. Further reserving the right to object, I would inquire of the Chair, if in either case a motion to recommit with instructions would be precluded by any Member of the House, whether this request is granted, or whether a point of order is made, and the rule automatically recommits the conference report?

The SPEAKER pro tempore. Not in this case, if the request is granted for recommittal to the same conference.

Mr. BAUMAN. Well, I would say that the gentleman from Maryland is trying to protect the rights of the minority, or actually the majority who voted on this bill and who might seek a way of vindicating their position in a motion to instruct the conferees, or a motion to recommit.

The SPEAKER pro tempore. If this request is granted to recommit the conference report, the motion to recommit would be protected for the minority.

Mr. BAUMAN. But if the other body acts, Mr. Speaker, that precludes a motion to recommit with instructions; does it not?

The SPEAKER pro tempore. If this goes back to the same conference the other body, of course, does not have to agree to a request for a new conference.

Mr. BAUMAN. But the other body can act first, thereby precluding any motion to recommit?

The SPEAKER pro tempore. If the papers are traded in conference, that is possible, but not the normal sequence.

Mr. BAUMAN. Further reserving the right to object, I would say to the gentleman from Wisconsin that it appears from what the Chair has said that if this request is granted, the gentleman from Maryland or any other Member may be precluded from offering a motion to instruct. If the request is not granted and a point of order is made against the conference, automatically it will be rejected and sent to conference and no motion is allowed. In either case, the will of the majority is thwarted. The gentleman from Wisconsin, I believe, was a conference on this bill?

Mr. REUSS. Yes, I was. Let me say to the gentleman from Maryland that I think he is quite right in saying that the situation with respect to a motion to instruct would be the same whether or not it is subject to the unanimous-consent request that I am making. I will say this, that I have no purpose whatever to keep the gentleman from Maryland or others who feel as he does from exercising whatever rights they may have to a motion to instruct, and I would endeavor—I am not entirely sure of my ground—I would endeavor to bring the papers back and have the House act first so that the gentleman could have his motion to instruct.

□ 1740

Mr. BAUMAN. Mr. Speaker, further reserving the right to object, is it within the province of the senior conferee to return the papers to this House for action first, in order to protect a motion to recommit?

Mr. REUSS. Mr. Speaker, if the gentleman will yield, that is absolutely right. That would be the normal course.

Mr. BAUMAN. Mr. Speaker, further reserving the right to object, do I have the guarantee of the gentleman from Wisconsin that that will be his course of action?

Mr. REUSS. Yes, the gentleman does.

Mr. BAUMAN. Further reserving the right to object, Mr. Speaker, I am very sorry to prolong the proceedings of the House tonight, and I appreciate and accept the gentleman's word.

The reason I have been so careful with this, as the gentleman probably well understands, is that the conferees went to the conference and completely thwarted the will of the House on this bill. Apparently they did not even consider two rollcall votes that made substantial cuts throughout all the legislative limitations, bringing the bill back in precisely the opposite condition from that in which it left the House. The gentleman, I am sure, understands my caution under the circumstances; I am sure he understands my request, and now I understand the gentleman's position.

Mr. REUSS. Mr. Speaker, I understand the caution of the gentleman from Maryland, but that is endemic with the gentleman on all occasions.

I do not mean, in saying that I understand his caution, that I would agree with his characterization of the way in which the House conferees conducted themselves, but that can all appear in the RECORD later on.

Mr. BAUMAN. Mr. Speaker, I am assured by the guarantees of the gentleman.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, I thank my colleague for yielding.

Mr. Speaker, I was very interested, as the majority of the Members of the House were, in several of those amendments.

Can the chairman of the committee, the gentleman from Wisconsin (Mr. REUSS), now assure us that he will go back to conference, when he does do so, and as this unanimous consent will allow him to do, and strongly fight for those amendments that were voted for in the House?

Mr. REUSS. Mr. Speaker, this was done upon the occasion of the earlier meeting, and I would do it again.

Mr. ROUSSELOT. Mr. Speaker, could I get the gentleman's commitment or a reassurance from our good committee chairman that he will go back to conference, when he does and as this unanimous consent will allow him to do, and make another effort to reestablish the House position on those three amendments?

Mr. REUSS. Mr. Speaker, if the gentleman will yield further, I am reluctant to make a definite commitment. I was not reluctant to make the commitment I made to the gentleman from Maryland (Mr. BAUMAN) a moment ago because that is a magisterial matter. I either do come to grips with the problems or I do not, and I will.

But this "loyalty test" that the gentleman from California (Mr. ROUSSELOT) would impose upon me is a little more rigorous, and I would be afraid that he might question the degree of zeal with which I was pressing his point. He might say I was a poor advocate of the view he espouses, and he might be right.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield further?

Mr. BAUMAN. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, I would never question the zeal of the gentleman from Wisconsin (Mr. REUSS) in making one more attempt to uphold the amendments that were passed so substantially on the floor, and especially when the House realizes, as the gentleman has already mentioned, that there were very unusual circumstances in the conference. The gentleman from Wisconsin (Mr. REUSS) and the gentleman from Texas (Mr. GONZALEZ) had to rush back here in the middle of the conference to ask permission for other things relating to the conference, and, therefore, we can understand they were taken out of the conference too early and were not able to express that zeal to protect the House position.

So, Mr. Speaker, that is a good reason to go back to the conference and reemphasize the position of the House on the basis of the amendments that passed the House, and we would encourage the gentleman to do that.

Mr. Speaker, I will ask, could the gentleman do that?

Mr. REUSS. Mr. Speaker, I accept the encouragement, but in fact I was in the full exercise of such degree of zeal as I could muster for the entire conference, and I think, to be honest with the gentleman from California, he would be leaning on a rather thin reed——

Mr. ROUSSELOT. No, the gentleman would be leaning on a thin reed.

Mr. REUSS (continuing). To expect anything much different, so I think we should be honest about it.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield further?

Mr. BAUMAN. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, I am not leaning on a thin reed, because I supported the House position on those amendments, so I think the gentleman wants to support the House position.

I read the gentleman as wanting to support the amendments, maybe not with the fervor that I would or the gentleman from Florida (Mr. YOUNG) would or the gentleman from Maryland (Mr. BAUMAN) and others who supported those amendments would. I know the gentleman spoke casually against them, but in any regard they were well established by a vote in the House.

Mr. Speaker, can we have the gentleman's reassurance that he will go back to conference, since he would be going back with this unanimous consent, and reassert the position of the House?

Mr. REUSS. Mr. Speaker, if the gentleman will yield further, I am rather reluctant to get into a collegium of assessment of the zeal with which I would pursue this matter, since I know what the view of the Senate conferees is and I know our own views. We did try, as the record will show.

Mr. ROUSSELOT. Mr. Speaker, if the gentleman will yield further, I know the gentlemen from the other body who led the charge to oppose the position of the House were very forceful, very articulate, and all those kinds of things. But in any regard, I really believe that the gentleman could make one more attempt to reassert the position of the House.

Mr. Speaker, I have confidence that as chairman of this great committee the gentleman would want to do that anyway.

Mr. REUSS. Mr. Speaker, if the gentleman will leave to me the details and the modalities——

Mr. ROUSSELOT. The modalities?

Mr. REUSS (continuing). Whatever they are, I would be delighted to give general concurrence to his thought.

Mr. BAUMAN. Mr. Speaker, further reserving the right to object, may I ask the gentleman from Wisconsin when this conference will be held? The gentleman from Maryland would like to attend.

Mr. REUSS. Mr. Speaker, if the gentleman will yield, it will be held just as soon as we can get together.

Mr. BAUMAN. Mr. Speaker, I trust that the staff will inform me of the place and the time.

Mr. REUSS. Mr. Speaker, these are open conferences, and I will be delighted to inform both gentlemen.

Mr. BAUMAN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF HOUSE JOINT RESOLUTION 514, MAKING ADDITIONAL FUNDS AVAILABLE FOR THE FEDERAL TRADE COMMISSION

Mr. BEILENSON, from the Committee on Rules, submitted a privileged report (Rept. No. 96–851) on the resolution (H. Res. 619) providing for consideration of the joint resolution (H.J. Res. 514) making additional funds available by transfer for the fiscal year ending September 30, 1980, for the Federal Trade Commission, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION WAIVING CERTAIN POINTS OF ORDER AGAINST CONFERENCE REPORT ON H.R. 4986, CONSUMER CHECKING ACCOUNT EQUITY ACT OF 1979

Mr. BEILENSON, from the Committee on Rules, submitted a privileged report (Rept. No. 96–852) on the resolution (H. Res. 620) waiving certain points of order against the conference report on the bill (H.R. 4986) to amend the Federal Reserve Act to authorize the automatic transfer of funds, to authorize negotiable order-of-withdrawal accounts at depository institutions, to authorize federally chartered savings and loan associations to establish remote service units, and to authorize federal insured credit unions to maintain share draft accounts, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 6837, RAILROAD REVITALIZATION AND REGULATORY REFORM ACT OF 1976 AMENDMENTS

Mr. BEILENSON, from the Committee on Rules, submitted a privileged report (Rept. No. 96–853) on the resolution (H. Res. 621) providing for consideration of the bill (H.R. 6837) to amend the Railroad Revitalization and Regulatory Reform Act of 1976 to authorize additional appropriations for the Northeast Corridor improvement project and to require the Secretary of Transportation to begin development of energy efficient rail passenger corridors, to provide for the protection of the employees of the Rock Island Railroad, and for other purposes, which was referred to the House Calendar and ordered to be printed.

PAIUTE INDIAN TRIBE OF UTAH RESTORATION ACT

Mr. UDALL. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 4996) to restore to the Shivwits, Kanosh, Koosharem, and Indian Peaks Bands of Paiute Indians of Utah, and with respect to the Cedar City Band of Paiute Indians of Utah, to restore or confirm, the Federal trust relationship, and to restore to members of such Bands those Federal services and benefits furnished to American Indian tribes by reason of such trust relationship, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments as follows:

Strike out all after the enacting clause, and insert:

That this Act may be cited as the "Paiute Indian Tribe of Utah Restoration Act".

SEC. 2. For the purposes of this Act—

(1) the term "tribe" means the Cedar City, Shivwits, Kanosh, Koosharem, and Indian Peaks Bands of Paiute Indians of Utah;

(2) the term "Secretary" means the Secretary of the Interior or his authorized representative;

(3) the term "Interim Council" means the council elected pursuant to section 5;

(4) the term "member", when used with respect to the tribe, means a person enrolled on the membership roll of the tribe, as provided in section 4 of this Act; and

(5) the term "final membership roll" means the final membership roll of the tribe published on April 15, 1955, on pages 2499 through 2503 of volume 20 of the Federal Register and on April 14, 1956, on pages 2453

through 2456 of volume 21 of the Federal Register.

SEC. 3. (a) The Federal trust relationship is restored to the Shivwits, Kanosh, Koosharem, and Indian Peaks Bands of Paiute Indians of Utah and restored or confirmed with respect to the Cedar City Band of Paiute Indians of Utah. The provisions of the Act of June 18, 1934 (48 Stat. 984) as amended, except as inconsistent with specific provisions of this Act, are made applicable to the tribe and the members of the tribe. The tribe and the members of the tribe shall be eligible for all Federal services and benefits furnished to federally recognized Indian tribes. Notwithstanding any provision to the contrary in any law establishing such services or benefits, eligibility of the tribe and its members for such Federal services and benefits shall become effective upon enactment of this Act without regard to the existence of a reservation for the tribe or the residence of members of the tribe on a reservation. For the purpose of providing for Federal services and benefits, the service area shall be Iron, Millard, Sevier, and Washington Counties, Utah, except that should lands in any other county be added to the reservation pursuant to section 7(c), the service area shall also include the area on or near the additions to the reservation.

(b) Except as provided in subsection (c), all rights and privileges of the tribe and of members of the tribe under any Federal treaty, Executive order, agreement, or statute, or under any other authority, which were diminished or lost under the Act of September 1, 1954 (68 Stat. 1099), are hereby restored, and such Act shall be inapplicable to the tribe and to members of the tribe after the date of enactment of this Act.

(c) This Act shall not grant or restore any hunting, fishing, or trapping right of any nature, including any indirect or procedural right or advantage, to the tribe or any member of the tribe.

(d) Except as specifically provided in this Act, nothing in this Act shall alter any property right or obligation, any contractual right or obligations, or any obligation for taxes already levied.

SEC. 4. (a) The final membership roll is declared open. The Secretary, the Interim Council, and tribal officials under the tribal constitution and bylaws shall take such measures as will insure the continuing accuracy of the membership roll.

(b)(1) Until after the initial election of tribal officers under the tribal constitution and bylaws a person shall be a member of the tribe and his name shall be placed on the membership roll if he is living and if—

(A) his name is listed on the final membership roll;

(B) he was entitled on September 1, 1954, to be on the final membership roll but his name was not listed on that roll;

(C) he is a descendant of a person specified in subparagraph (A) or (B) and possesses at least one-fourth degree of blood of members of the tribe or their Paiute Indian ancestors;

(D) his name is listed on the roll established pursuant to the Act of October 17, 1968 (82 Stat. 1147), for the disposition of judgment funds, as a member of the Cedar City Band of Paiute Indians;

(E) he was entitled on October 17, 1968, to be on the judgment distribution roll as a member of the Cedar City Band as specified in subparagraph (D) but his name was not listed on that roll; or

(F) he is a descendant of a person specified in subparagraph (D) or (E) and possesses at least one-fourth degree of blood of members of the tribe or their Paiute Indian ancestors.

(2) After the initial election of tribal officials under the tribal constitution and bylaws, the provisions of the tribal constitution and bylaws shall govern membership in the tribe.

(c)(1) Before election of the Interim Council, verification of descendancy, age, and blood shall be made upon oath before the Secretary and his determination thereon shall be final.

(2) After election of the Interim Council and before the initial election of the tribal officials, verification of descendancy, age, and blood shall be made upon oath before the Interim Council, or its authorized representative. A member of the tribe, with respect to the inclusion of any name, and any person, with respect to the exclusion of his name, may appeal to the Secretary, who shall make a final determination of each such appeal within ninety days after an appeal has been filed with him. The determination of the Secretary with respect to an appeal under this paragraph shall be final.

(3) After the initial election of tribal officials, the provisions of the tribal constitution and bylaws shall govern the verification of any requirements for membership in the tribe, and the Secretary and the Interim Council shall deliver their records and files, and other material relating to enrollment matters, to the tribal governing body.

(d) For purposes of sections 5 and 6, a member who is eighteen years of age or older is entitled and eligible to be given notice of, attend, participate in, and vote at, general council meetings and to nominate candidates for, to run for any office in, and to vote in, elections of members to the Interim Council and to other tribal councils.

SEC. 5. (a) Within forty-five days after the date of the enactment of this Act, the Secretary shall announce the date of a general council meeting of the tribe to nominate candidates for election to the Interim Council. Such general council meeting shall be held within sixty days after the date of the enactment of this Act. Within forty-five days after such general council meeting the Secretary shall hold an election by secret ballot, absentee balloting to be permitted, to elect six members of the tribe to the Interim Council from among the nominees submitted to him from such general council meeting. The Secretary shall assure that notice of the time, place, and purpose of such meeting and election shall be provided to members described in section 4(d) at least fifteen days before such general meeting and election. The ballot shall provide for write-in votes. The Secretary shall approve the Interim Council elected pursuant to this section if he is satisfied that the requirements of this section relating to the nominating and election process have been met. If he is not so satisfied, he shall hold another election under this section, with the general council meeting to nominate candidates for election to the Interim Council to be held within sixty days after such election.

(b) The Interim Council shall represent the tribe and its members in the implementation of this Act and shall be the acting tribal governing body until tribal officials are elected pursuant to section 6(c) and shall have no powers other than those given to it in accordance with this Act. The Interim Council shall have full authority and capacity to receive grants from and to make contracts with the Secretary and the Secretary of Health, Education, and Welfare with respect to Federal services and benefits for the tribe and its members: *Provided*, That no authority to enter into contracts or to make payments under this Act shall be effective except to such extent or in such amounts as are provided in advance in appropriation Acts. The Interim Council shall have the authority to bind the tribal governing body as the successor in interest to the Interim Council for a period extending not more than six months after the date on which the tribal governing body takes office. Except as provided in the preceding sentence, the Interim Council shall have no power or authority after the time when the duly-elected tribal governing body takes office.

(c) Within thirty days after receiving notice of a vacancy on the Interim Council, the Interim Council shall hold a general council meeting for the purpose of electing a person to fill such vacancy. The Interim Council shall provide notice of the time, place, and purpose of such meeting and election to members described in section 4(d) at least ten days before such general meeting and election. The person nominated to fill such vacancy at the general council meeting who received the highest number of votes in the election shall fill such vacancy.

SEC. 6. (a) Upon the written request of the Interim Council, the Secretary shall conduct an election by secret ballot, pursuant to the provisions of section 16 of the Act of June 18, 1934 (48 Stat. 987), for the purpose of adopting a constitution and bylaws for the tribe. The election shall be held within sixty days after the Secretary has—

(1) reviewed and updated the final membership roll for accuracy, in accordance with sections 4(a), 4(b)(1), and 4(c)(1),

(2) made a final determination of all appeals filed under section 4(c)(2), and

(3) published in the Federal Register a certified copy of the membership roll of the tribe.

(b) The Interim Council shall draft and distribute to each member described in section 4(d), no later than thirty days before the election under subsection (a), a copy of the proposed constitution and bylaws of the tribe, as drafted by the Interim Council, along with a brief and impartial description of the proposed constitution and bylaws. The members of the Interim Council may freely consult with members of the tribe concerning the text and description of the constitution and bylaws, except that such consultation may not be carried on within fifty feet of the polling places on the date of the election.

(c) In any election held pursuant to subsection (a), a vote of a majority of those actually voting shall be necessary and sufficient for the adoption of a tribal constitution and bylaws.

(d) Not later than one hundred and twenty days after the tribe adopts a constitution and bylaws, the Interim Council shall conduct an election by secret ballot for the purpose of electing the individuals who will serve as tribal officials as provided in the tribal constitution and bylaws. For the purpose of this election and notwithstanding any provision in the tribal constitution and bylaws to the contrary, absentee balloting shall be permitted.

SEC. 7. (a) The Secretary, within one year following the date of the enactment of this Act, shall accept the real property of members of the tribe or bands if conveyed or otherwise transferred to him, and real property held for the benefit of members of the tribe or bands if conveyed or otherwise transferred to him by the owner or owners of such land held for the benefit of the bands. Such property shall be subject to all valid existing rights including, but not limited to, liens, outstanding taxes (local and State), and mortgages. The land transferred to the Secretary pursuant to this subsection shall be subject to foreclosure or sale pursuant to the terms of any valid existing obligation in accordance with the laws of the State of Utah. Subject to the conditions imposed by this subsection, the land transferred shall be taken in the name of the United States in trust for the tribe or bands to be held as Indian lands are held, and shall be part of their reservation. The transfer of real property authorized by this section shall be exempt from all local, State, and Federal taxation. All real property transferred under this section shall, as of the date of transfer, be exempt from all local, State, and Federal taxation.

(b) The State of Utah shall exercise civil and criminal jurisdiction with respect to the reservation and persons on the reservation as if it had assumed jurisdiction pursuant to the Act of August 15, 1953 (67 Stat. 588), as amended by the Act of April 11, 1968 (82 Stat. 79), and pursuant to sections 63-36-9 through 63-36-21 of the Utah State Code.

(c) Inasmuch as the Kanosh, Koosharem and Indian Peaks Bands of Paiute Indians lost land which had been their former reservations and the Cedar City Band of Paiute Indians had never had a reservation, the Secretary shall negotiate with the tribe or bands, or with representatives of the tribe chosen by the tribe or bands, concerning the enlargement of the reservation for the tribe established pursuant to subsection (a) and shall within two years after the date of enactment of this Act, develop a plan for the enlargement of the reservation for the tribe. The plan shall include acquisition of not to exceed a total of fifteen thousand acres of land to be selected from available public, State, or private lands within Beaver, Iron, Millard, Sevier, or Washington Counties, Utah. Upon approval of such plan by the tribal officials elected under the tribal constitution and bylaws adopted pursuant to section 6, the Secretary shall submit such plan, in the form of proposed legislation, to the Congress.

(d) To assure that legitimate State and local interests are not prejudiced by the enlargement of the reservation for the tribe, the Secretary, in developing the plan under subsection (c) for the enlargement of the reservation for the tribe, shall notify and consult with all appropriate officials of the State of Utah, all appropriate local government officials in the affected five county area in the State of Utah and any other interested parties. Such consultation shall include the following subjects:

(1) the size and location of the additions to the reservation;

(2) the effect the enlargement of the reservation would have on State and local tax revenues;

(3) the criminal and civil jurisdiction of the State of Utah with respect to the reservation and persons on the reservation;

(4) hunting, fishing, and trapping rights of the tribe, and members of the tribe, on the reservation;

(5) the provision of State and local services to the reservation and to the tribe and members of the tribe on the reservation; and

(6) the provision of Federal services to the reservation and to the tribe and members of the tribe and the provision of services by the tribe to members of the tribe.

(e) Any plan developed under this section for the enlargement of the reservation for the tribe shall provide that—

(1) the enlargement of the reservation will not grant or restore to the tribe or any member of the tribe any hunting, fishing, or trapping right of any nature, including any indirect or procedural right or advantage, on such addition to the reservation;

(2) the Secretary shall not accept any real property in trust for the benefit of the tribe or bands unless such real property is located either within Beaver, Iron, Millard, Sevier, or Washington Counties, State of Utah;

(3) the transfer of any real property to the Secretary in trust for the benefit of the tribe or bands as an addition to the reservation shall be exempt from all Federal, State, and local taxation, and all such real property shall, as of the date of such transfer, be exempt from Federal, State, and local taxation; and

(4) the State of Utah shall exercise civil and criminal jurisdiction with respect to the addition to the reservation and persons on such lands as if it had assumed jurisdiction pursuant to the Act of August 15, 1953 (67 Stat. 588), as amended by the Act of April 11, 1968 (82 Stat. 79), and pursuant to sections 63-36-9 through 63-36-21 of the Utah State Code.

(f) The Secretary shall append to the plan a detailed statement describing the manner in which the notification and consultation prescribed by subsection (d) was carried out and shall include any written comments with respect to the enlargement of the reservation for the tribe submitted to the Secretary by State and local officials and other interested parties in the course of such consultation.

SEC. 8. Any legal claims for lands owned by the Shivwits, Kanosh, Koosharem, or Indian Peaks Bands of Paiute Indians of Utah and lost through tax sales or any other sales to individuals, corporations, or the State of Utah since September 1, 1954, are hereby barred.

SEC. 9. The Secretary may make such rules and regulations as are necessary to carry out the purposes of the Act.

Amend the title so as to read: "An Act to restore to the Shivwits, Kanosh, Koosharem, and Indian Peaks Bands of Paiute Indians of Utah, and with respect to the Cedar City Band of Paiute Indians of Utah, to restore or confirm, the Federal trust relationship, to restore to members of such Bands those Federal services and benefits furnished to American Indian Tribes by reason of such trust relationship, and for other purposes.".

Mr. UDALL (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendments be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. UDALL. Mr. Speaker, the bill restores to Federal recognition four bands of Paiute Indians in Utah which were terminated by a 1954 act of Congress.

As passed by the House, the bill authorizes the Secretary to take in trust certain lands already owned by the bands. The major Senate amendment is to direct the Secretary to make a study and a report to Congress with respect to additional lands to be acquired as part of the reservation for the tribe.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

A motion to reconsider was laid on the table.

□ 1750

CONFERENCE REPORT ON S. 2269, ECONOMIC EMERGENCY LOAN PROGRAM AMENDMENTS

Mr. GLICKMAN (on behalf of Mr. FOLEY) filed the following conference report and statement on the Senate bill (S. 2269) to extend the Emergency Agricultural Credit Adjustment Act of 1978, and for other purposes:

CONFERENCE REPORT (H. REPT. NO. 96-854)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2269) to extend the Emergency Agricultural Credit Adjustment Act of 1978, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

SECTION 1. The Emergency Agricultural Credit Adjustment Act of 1978 (7 U.S.C. prec. 1961 note) is amended by—

(1)(A) amending clause (C) of section 202 to read as follows:

"(C) is not able to obtain sufficient credit elsewhere due to economic stresses, such as a general tightening of agricultural credit or an unfavorable relationship between production costs and prices received for agricultural commodities."; and

(B) in the last sentence of section 202, striking out "and" and inserting immediately before the period at the end of the sentence a semicolon and the following: "and the term 'able to obtain sufficient credit elsewhere' means able to obtain sufficient credit elsewhere to finance the applicant's actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in the community in or near which the applicant resides for loans for similar purposes and periods of time. For the purpose of determining whether an applicant under this title is not able to obtain sufficient credit elsewhere, the Secretary shall require at least one written indication of declination of credit, from a legally organized lending institution within reasonable proximity to the applicant, that specifies the reasons for the declination: *Provided*, That for loans in excess of $300,000, the Secretary shall require at least two such written declinations: *Provided further*, That for loans of $300,000 or less, the Secretary may waive the requirement of this sentence if the Secretary determines that it would impose an undue burden on the applicant";

(2) in section 203(a)(1), inserting before the comma at the end thereof a colon and the following: "*Provided*, That no loan may be insured or guaranteed under this title for the purpose of refinancing outstanding indebtedness on farm or home real estate unless such real estate was purchased by the applicant at least one year prior to the date of the loan application";

(3) in section 205(d), adding at the end thereof a new sentence as follows: "For purposes of carrying out the agreements required under clause (2) of the preceding sentence, not later than three years after the loan is insured, and not later than at the end of every two-year period thereafter for the term of the loan, the Secretary shall review the loan; and if, based on such review, the Secretary determines that the borrower is able to obtain a loan from a credit source specified in clause (2) at reasonable rates and terms for loans for similar purposes and periods of time, the borrower shall, on request by the Secretary, apply for and accept such loan pursuant to the terms of the agreement and clause (2).";

(4) at the end of section 205, adding a new subsection (c) as follows:

"(c) No loan that is for more than $300,000 may be insured under this title, unless the Secretary determines that the applicant is not able to obtain from a private or cooperative lending agency a loan guaranteed by the Secretary under this title sufficient to finance the applicant's actual needs at reasonable rates and terms.";

(5) in section 207(c), striking out "$4,000,000,000" and inserting in lieu thereof "$6,000,000,000";

(6) in section 211, striking out "May 15, 1980" and inserting in lieu thereof "September 30, 1981"; and

(7) adding at the end thereof a new section 212 as follows:

"STUDY AND REPORT

"SEC. 212. (a) The Secretary shall conduct a comprehensive study of the operation and effectiveness of the program of financial assistance authorized under this title. The study shall include, but shall not be limited to, an examination and analysis of the following items:

"(1) the effect of loans insured or guaranteed under this title on the overall financial condition of borrowers and their ability to maintain viable agricultural production operations;

"(2) the implementation and effect of the provisions of this title requiring, as a condition of eligibility, that loan applicants not be able to obtain sufficient credit elsewhere;

"(3) the loan repayment delinquency rate and the percentage of borrowers who subsequently are able to obtain credit from other sources and repay the loans extended to them under this title;

"(4) the use under this title of loan guarantees as compared with insured loans;

"(5) the purposes for which loans are actually insured or guaranteed under this title in relation to the purposes specified in section 203, and an evaluation of the family farm preference established under section 203(b);

"(6) the methods of servicing loans and encouraging the repayment of loans insured or guaranteed under this title; and

"(7) the need for extending beyond September 30 1981, the authority for insuring and guaranteeing loans under this title.

"(b) The Secretary shall complete the study required under this section and submit a report to Congress by March 31, 1981. Any recommendations by the Secretary for extending the authority to insure and guarantee loans under this title shall contain an evaluation of possible alternatives, such as (1) the merger of the program of financial assistance authorized under this title with the farm ownership and operating loan programs authorized under the Consolidated Farm and Rural Development Act, and (2) the combination of all farm loan programs into a single program.".

SEC. 2. The provisions of sections 1(5), 1(6), and 1(7) of this Act shall become effective on the date of enactment of this Act. The other provisions of section 1 of this Act shall become effective upon promulgation by the Secretary of Agriculture of regulations implementing such provisions within a reasonable time after the date of enactment of this Act, but in no event shall such provisions become effective later than October 1, 1980.

And the House agree to the same.

That the House recede from its amendment to the title of the bill.

THOMAS S. FOLEY,
ED JONES,
JERRY HUCKABY,
DAN GLICKMAN,
KENT HANCE,
GEORGE E. BROWN, Jr.,
FRED RICHMOND,
ALVIN BALDUS,
BERKLEY BEDELL,
LEON E. PANETTA,
TOM DASCHLE,
BILL WAMPLER,
EDWARD MADIGAN,
JAMES M. JEFFORDS,
E. THOMAS COLEMAN,
RON MARLENEE,
Managers on the Part of the House.

HERMAN E. TALMADGE,
GEORGE MCGOVERN,
WALTER D. HUDDLESTON,
DICK STONE,
EDWARD ZORINSKY,
JESSE HELMS,
S. I. HAYAKAWA,
ROGER W. JEPSEN,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and Senate at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2269) to extend the Emergency Agricultural Credit Adjustment Act of 1978, and for other purposes, submit the following joint statement to the House and Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report.

The House amendment struck out all of the Senate bill after the enacting clause and inserted a substitute text. The committee of conference recommends a substitute for both the Senate bill and the House amendment.

Except for clarifying, clerical, and necessary conforming changes, the differences between the two Houses and the adjustments made in the committee of conference are noted below:

(1) INSURED ECONOMIC EMERGENCY LOAN INTEREST RATES

The Senate bill changes the rates at which interest may be charged for insured economic emergency loans from the cost of money to the Government plus up to 1 percent added at the discretion of the Secretary of Agriculture to the rates prevailing in the private market for similar loans, as determined by the Secretary. However, under the Senate bill, the interest rate on any insured real estate loan could not be less than the average rate charged by the Federal land banks for similar loans, and the interest rate on any other insured loan could not be less than the average rate charged by production credit associations for similar loans.

The House amendment contains no comparable provision.

The Conference substitute deletes the Senate provision. In rejecting the provision in the Senate bill requiring that interest rates for insured economic emergency loans be set at prevailing market rates, the conferees intend to continue the Secretary's authority under existing law, as provided in section 204(b) of the Emergency Agricultural Credit Adjustment Act of 1978.

(2) GUARANTEED ECONOMIC EMERGENCY LOAN INTEREST SUBSIDIES

The House amendment authorizes the Secretary to pay interest subsidies to lenders on guaranteed economic emergency loans for operating purposes. The subsidy could not exceed the difference between the interest rate being charged for insured loans and the maximum interest rate being charged for guaranteed operating loans.

The Senate bill contains no comparable provision.

The Conference substitute deletes the House provision. The conferees are concerned that serious delays have developed in many sections of the country in processing applications under the program. This is attributable to a number of factors, including a shortage of adequate personnel. Operating credit funds are very tight at the present time and there is an urgent need for this emergency program. The conferees expect that the Department will use its best efforts to expedite the handling of loan applications, taking into account, of course, the need to protect the Government's financial interest, and to consider the possibility of contracting with local banks to use their services in processing loan applications.

(3) ECONOMIC EMERGENCY LOANS—TEST FOR CREDIT ELSEWHERE

The House amendment requires applicants for economic emergency loans, for the purpose of determining whether the applicants are unable to obtain credit elsewhere, to submit written indications of declination of credit. Under the House amendment, if the loan is for $300,000 or less, the Secretary must require the applicant to submit at least one written indication of declination of credit, specifying the reasons for refusal, from a lending institution within reasonable proximity to the applicant, except that the Secretary could waive the requirement if he determined that it would pose an undue burden on the applicant. If the loan is for more than $300,000, the Secretary must require at least two such written indications of declination of credit; and there would be no authority for the Secretary to waive the requirement.

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision.

(4) LIMIT ON ECONOMIC EMERGENCY LOANS TO REFINANCE OUTSTANDING INDEBTEDNESS

The Emergency Agricultural Credit Adjustment Act of 1978 authorizes insured or guaranteed economic emergency loans to refinance outstanding indebtedness on farm or home real estate.

The House amendment prohibits any such loan unless the real estate was purchased by the applicant at least 1 year prior to the date of the loan application.

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision.

(5) ECONOMIC EMERGENCY LOANS—REVIEW FOR "GRADUATION"

The Emergency Agricultural Credit Adjustment Act of 1978 requires insured borrowers, as a condition of obtaining loans, to agree that whenever they become able to obtain loans from private or cooperative lending sources, they will, at the request of the Secretary, accept such loans and repay their economic emergency loans.

The House amendment adds a provision requiring the Secretary, in order to carry out such agreements, to review each insured economic emergency loan not later than 3 years after the loan is insured and not later than at the end of every 2-year period thereafter for the term of the loan. If, based on this review, the Secretary determines that the borrower can obtain credit elsewhere at reasonable rates and terms, the borrower must, at the request of the Secretary, graduate to private or cooperative credit by applying for and accepting such credit.

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision.

(6) ELIGIBILITY FOR INSURED ECONOMIC EMERGENCY LOANS

The House amendment provides that no economic emergency loan for more than $300,000 may be insured by the Secretary unless the Secretary determines that the applicant cannot obtain from a private or cooperative lender a loan guaranteed by the Secretary sufficient to finance the applicant's actual needs at reasonable rates and terms.

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision.

(7) STUDY AND REPORT ON ECONOMIC EMERGENCY LOANS

The Senate bill requires the Secretary to conduct a comprehensive study of the operation and effectiveness of the economic emergency loan program, including any need for extending the authority to insure and guarantee loans beyond September 30, 1981. The Secretary is to complete the study and submit a report to Congress by March 31, 1981. Any recommendations by the Secretary for extending the authority to insure and guarantee economic emergency loans must contain an evaluation of possible alternatives, such as (1) the merger of the program with the farm ownership and operating loan programs conducted under the Consolidated Farm and Rural Development Act, and (2) the combination of all farm loan programs into a single program.

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision.

(8) EFFECTIVE DATE—AMENDMENTS TO THE ECONOMIC EMERGENCY LOAN PROGRAM

Both the Senate bill and the House amendment provide that the extension of the economic emergency loan program to October 1, 1981, and the increase in the cap on outstanding loans under that program will become effective on the date of enactment of the bill.

Under the Senate bill, all other provisions, except for the revision of the test for credit elsewhere, will also become effective on enactment, and the revision of the test for credit elsewhere would become effective October 1, 1980.

The House amendment provides that all other provisions relating to the economic emergency loan program (including the revision of the test for credit elsewhere) will become effective upon promulgation by the Secretary of implementing regulations within a reasonable time after the date of enactment but not later than October 1, 1980.

The Conference substitute adopts the House provision with an amendment to make the requirement for a study and report on economic emergency loans effective upon the date of enactment of this bill.

(9) FARM STORAGE FACILITY LOANS—MAXIMUM LOAN AMOUNT

The House amendment increases—from $50,000 to $100,000—the maximum loan that may be made available by the Commodity Credit Corporation to a producer of dry or high-moisture grain, soybeans, or rice or high-moisture forage or silage for the construction or remodeling of on-farm storage facilities.

The Senate bill contains no comparable provision.

The Conference substitute deletes the House provision. The conferees note that in administering the farm storage facility loan program the Department, as a matter of policy, has been making loans available solely for acquiring new facilities and not for any used storage facilities. The conferees request that the Department consider making farm storage facility loans available as well, in appropriate cases, for the acquisition of used facilities.

(10) FARM STORAGE FACILITY LOANS—DELETION OF SIZE LIMITATION

The House amendment deletes the provision of existing law that the size of a facility for which a farm storage facility loan may be made must be based on the amount of space required to store the quantity of the commodity estimated to be produced by the borrower during a 2-year period.

The Senate bill contains no comparable provision.

The Conference substitute deletes the House provision.

(11) FARM STORAGE FACILITY LOANS—INTEREST RATE

Under existing law, the interest rate for farm storage facility loans is based on the rate of interest charged the Commodity Credit Corporation by the U.S. Treasury.

The House amendment retains this provision, but sets a limit of 8 percent on the amount of interest that may be charged annually for such loans.

The Senate bill makes no change in existing law.

The Conference substitute deletes the House provision.

(12) EFFECTIVE DATE—AMENDMENTS TO THE FARM STORAGE FACILITY LOAN PROGRAM

The House amendment provides that the amendments to the farm storage facility loan program will become effective for any fiscal year to such extent or in such amounts as are provided in appropriations acts.

The Senate bill contains no provisions relating to the farm storage facility loan program.

The Conference substitute deletes the House provision.

In its initial meeting on S. 2269, the committee of conference reached tentative agreement to accept all of the House provisions concerning the farm storage facility loan program. After this action, the conferees received a letter from Deputy Secretary of Agriculture Williams stating that S. 2269, as agreed upon, would likely be vetoed because of the provisions that would limit interest rates for farm storage facility loans to 8 percent a year and the deletion of the Senate language on interest rates for economic emergency loans. The conferees are concerned that there not be a delay in enactment of a bill that would provide $2 billion in economic emergency loans. The additional credit is urgently needed so that farmers can plant their crops. Operating capital is extremely tight, and funds for this program are exhausted.

Accordingly, to assure that S. 2269 will be signed into law the conferees have deleted the 8 percent interest rate cap from the bill. The other farm storage facility loan provisions (i.e., removal of the two-year storage limitation and the increase in the individual loan ceiling to $100,000) have also been eliminated because of the language of the House amendment making the provisions subject to the appropriations process. These issues will be handled as items in separate legislation to be considered in the very near future in the Senate and the House.

The letter received from the Deputy Secretary is set forth below:

DEPARTMENT OF AGRICULTURE,
Washington, D.C., March 20, 1980.

Hon. THOMAS S. FOLEY,
Chairman, Committee on Agriculture, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: The Administration is very concerned about the interest rate provisions in S. 2269 that were approved by the Senate-House conferees on March 18. S. 2269 places a cap of 8 percent per annum on the interest charged borrowers to construct farm storage facilities, and it continues the provision in the current law that provides that interest rates for insured Economic Emergency loans be at the cost of money plus up to one percent.

The Administration strongly opposes these two provisions. Unless the final bill is amended as recommended by the Administration, the Secretary informs me that he will recommend that this bill be vetoed. The President's other key advisors on such matters also assure me they will recommend a veto.

S. 2269 contained interest rate provisions that were in accord with the position of the Administration when it passed the Senate. The House amended S. 2269 to delete the language on interest rates for insured Economic Emergency loans and added an interest rate cap for farm storage facility loans. The Senate conferees receded on these two issues.

The Senate passed bill did not amend the farm storage facility loan program, and therefore the conferees were in a position to retain the present interest rate provisions for this program, as the Administration favored. Instead, they accepted the House provision.

The provisions of S. 2269 that relate to the farm storage facility loan program which were approved by the conferees on March 18 would not be effective until funds are appropriated for the purpose of carrying out the amendments and, therefore, the lower interest rate would not be of actual benefit to borrowers in the immediate future. However, the 8 percent limit on the rate of interest that could be charged implies an increase in outlays of an estimated $50 million in FY 1980 and $125 million in FY 1981. We simply cannot accept an interest rate subsidy of such magnitude.

Some argue that we need not request funds to implement the amendments to the farm storage facility program. We believe this program is an integral part of our reserve policy, and we want it to go forward. I do not believe we should stop the program. At present the interest rate for farm storage facility loans is based upon the rate charged the Commodity Credit Corporation by the United States Treasury. That rate is below the cost of money from private sources, but the taxpayers are not paying a subsidy. We strongly urge the House conferees to recede on this provision, thereby deleting the 8 percent interest cap on this program.

Funds for Economic Emergency loans are urgently needed. Farmers are planting their crops, or soon will be. Operating capital is expensive, and in some areas extremely tight. Economic Emergency credit is needed quickly to help alleviate the critical shortage of farm operating capital this spring. Funds for this program are exhausted.

For the major part of the EE loan program, FmHA makes insured loans to farmers and then sells Certificates of Beneficial Ownership (CBO's) in those loans to the Federal Financing Bank. The cost of money to the FmHA is above the cost of money to the Treasury. There is no justification for making EE loans at a rate below the actual cost of money to the FmHA. Further, we do not believe EE loans should be made at a rate below that charged by the Farm Credit System for loans of comparable maturity.

S. 2269, as passed by the Senate, provided that interest rates on insured Economic Emergency loans be equivalent to those prevailing in the private sector but not less than those charged by the Farm Credit System for loans of comparable terms and conditions. This language is similar to that governing the interest rates for Emergency Disaster loans and would permit the Secretary to establish consistent interest rates for both emergency loan programs. This language was, and is, acceptable to the Administration.

We urge the House conferees to recede to the Senate on this issue.

Restoring the EE interest rate language contained in S. 2269 as passed by the Senate, and deleting the 8 percent interest cap on farm storage loans is necessary to obtain assurance from the Administration that the bill will be signed. EE funds are urgently needed, and we encourage the conferees to take quick action so that loans can be made this spring.

The Office of Management and Budget advises that it has no objection to the presentation of this letter and that unless amended as recommended above, enactment of S. 2269 would not be in accord with the program of the President.

An identical letter is being sent to Chairman Talmadge.

Sincerely,

JIM WILLIAMS,
Acting Secretary.

THOMAS S. FOLEY,
ED JONES,
JERRY HUCKABY,
DAN GLICKMAN,
KENT HANCE,
GEORGE E. BROWN, Jr.,
FRED RICHMOND,
ALVIN BALDUS,
BERKLEY BEDELL,
LEON E. PANETTA,
TOM DASCHLE,
BILL WAMPLER,
EDWARD MADIGAN,
JAMES M. JEFFORDS,
E. THOMAS COLEMAN,
RON MARLENEE,
Managers on the Part of the House.

HERMAN E. TALMADGE,
GEORGE MCGOVERN,
WALTER D. HUDDLESTON,
DICK STONE,
EDWARD ZORINSKY,
JESSE HELMS,
S. I. HAYAKAWA,
ROGER W. JEPSEN,
Managers on the Part of the Senate.

VIETNAM VETERANS AND AGENT ORANGE

(Mr. DASCHLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DASCHLE. Mr. Speaker, I have a concern which is shared by millions of Vietnam veterans and their families, and hopefully by my colleagues here today in the House. And that concern is for the health and well-being of the 2.4 million Vietnam veterans which the VA itself has stated could have been exposed to agent orange while stationed in Vietnam.

The destructiveness of agent orange does not need documentation. Even today mangrove forests sprayed with agent orange have not regenerated. Despite this devastating effectiveness, despite the termination of its use in Vietnam in 1971 because of unusually high incidences of birth abnormalities in Vietnamese babies, despite the fact that the domestic use of dioxin was banned by the EPA, for the same reasons its use was terminated in Vietnam, the VA and DOD remain committed only to long-term epidemiology studies on human patients. And it took them 10 years to come to this initial step. Without congressional and other outside prodding, it is doubtful that the VA and DOD would have ever dealt with this issue.

Every Member in the House of Representatives has hundreds, perhaps even thousands of Vietnam veterans in his district who have had problems similar to the one, Chris Johnson, of my home State, South Dakota, has had.

Barely 18 months ago Chris and his wife Colleen had a baby. The baby was born, however, with every imaginable birth defect, and had chromosome damage as well, even though tests showed that Chris and Colleen had normal chromosomes. The baby died 5 hours after birth, but the reason for the deformities is still unknown. Chris feels that it was due to his exposure to agent orange.

Mr. Speaker, it is high time that the question of health hazards associated with agent orange be solved, and that they be solved expeditiously, not over the course of yet another decade.

In the meantime, babies continue to be born with abnormalities, veterans from the war continue to die from cancers normally associated with advancing age, and veterans and their families alike continue to be frustrated with the VA's attitude and handling of this issue.

□ 1210

STUDENT FINANCIAL ASSISTANCE: THE WASHINGTON POST STRIKES OUT

(Mr. FORD of Michigan asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FORD of Michigan. Mr. Speaker, on yesterday the Washington Post gratuitously and erroneously gave me credit for, as they said, "shepherding through the House" a bill which will add $2 billion in student financial assistance to Americans seeking entry into our colleges and universities. While I would like to take credit for that kind of service, it just is not true. For 2 years we have been plagued, Mr. Speaker, with incompetent and inexperienced people at the Budget Office who do not understand the student financial aid programs and who have continually put out bad numbers because they do not understand the programs. Now, those bad numbers are beginning to creep into the press.

In discussing the higher education reauthorization this editorial purveys misinformation and confusion rather than providing insight and clarification to the debate about important public policies. The treatment of the issues in student financial assistance displays an incorrigible incompetence that has heretofore characterized only the thinking of the Office of Management and Budget but not a respected newspaper like the Washington Post. Sometimes apples and oranges get mixed, but this editorial mixes watermelons, pineapples, and raspberries. Let me try to unscramble this fruit salad.

The editorial alleges that the higher education reauthorization which passed the House last November is "a bill costing more than $2 billion over budgeted amounts." Neither the House bill nor the administration proposal will have any impact on the fiscal year 1981 budget. While both the House bill and the administration's proposal contain fiscal year 1981 authorizations, action on this legislation will not be completed in time to affect the fiscal year 1981 budget. Therefore, appropriations for fiscal year 1981 will be made on the basis of current law, and it was on this basis that the Committee on Education and Labor made its recommendations to the Budget Committee for the student financial assistance programs.

In fact, with respect to the guaranteed student loan program, if the House bill were the basis for fiscal year 1981 appropriations it would cost somewhat less—about $10 million—than continued funding under current law according to the Congressional Budget Office. Were the administration's loan proposal to be used for fiscal year 1981 appropriations, the Congressional Budget Office estimates it would increase the costs of the loan programs by about $200 million.

By way of background, it is clear that the costs of the guaranteed student loan program have increased significantly in the last 2 years. This has been a product of two factors. First, there has been a large increase in student participation in the program as a result of the administration's Middle Income Student Assistance Act, the administration's alternative to tuition tax credits. Second, increases in the cost of the program are a product of rapidly increasing interest rates which generate an increased yield to lenders who make student loans. These high interest rates are part of the administration's program to fight inflation, and the guaranteed student loan program reflects and does not create these high interest rates.

So, where is the "$2 billion above budgeted amounts" if it is not in the guaranteed student loan program? It must be in the basic grant program. The House bill improves the equities in this program in a number of ways. For example, it would increase the maximum basic grant award from $1,800 to $2,520 by fiscal year 1985. The basic grant program was created in 1972 with a maximum award of $1,400. Had this maximum award simply kept pace with inflation, it should be $2,400 in fiscal year 1981. Under the House bill, the maximum basic grant award is retained at $1,800 in fiscal year 1981 and does not reach $2,400 until academic years 1984–85. The House bill also provides that the equity in a family home will not be considered in determining a student's eligibility for a basic grant.

These urgently needed improvements in the program do not generate increased "costs" in the sense of uncontrollable entitlements. These program changes increase the authorization for the program, but actual spending remains controllable both through the appropriations process as well as through annual congressional review of the regulations which determine a student's eligibility for assistance. The editorial's statement that "the House bill moves the basic grants program perilously far in * * * (the) direction" of being "uncontrollable" is simply false.

Even if one makes the happy assumption that the basic grant program will receive full funding of its authorization, it is irresponsible to throw around a figure of $2 billion as if it had any basis in fact. The full-funding cost of the basic grant program in any year is the result of how many students apply, their family incomes and the cost of the schools they choose to attend. These are all volatile factors that are closely related to the general state of the economy. No one has ever predicted basic grant cost accurately, and errors of the magnitude of $500 to $700 million are common. Unless the Washington Post has some new found wisdom for predicting general economic conditions and basic grant full-funding costs, I have no reason to believe that the $2 billion figure is accurate within $1 billion, particularly since the House bill creates a new needs analysis system for which there is no historical experience in which to base cost predictions.

The editorial further alleges that the triggers in the student assistance program "got their start in the jurisdictional rivalry between the authorizing and appropriations committees." This is simpleminded and erroneous history. These triggers have evolved over a period of 8 years in cooperation between the appropriations and authorizing committees, at least in the House. They have a sound public policy purpose of assuring a balance in the funding of student financial assistance programs in terms of the various kinds of aid available to students—grants, loans, and work-study. I could cite numerous examples of triggers that have been ignored by the appropriations committees. Since these triggers in student financial aid represent a sound public purpose and enjoy broad public and congressional support, they have been met by the appropriations committees.

Finally, if as the editorial states "President Carter has said he will veto any bill that has not been made considerably more reasonable than the House version," it is news to me. I can not believe that the President is ready to renege on the commitment he made in the Middle Income Student Assistance Act, his alternative to postsecondary tuition tax credits. I also cannot believe that the President would slam the door of educational opportunity on a generation of students.

Investing in the education of our citizens is one of the soundest ways to balance the budget and to fight inflation. It leads to increased incomes and consequently increased tax revenues. It also leads to increased economic productivity, thus attacking one of the root causes of inflation.

It is no accident that the editorial appeared when it did yesterday, because my counterpart, Chairman PELL, is starting right now, today, to mark up that bill on the other side. It is my prediction that the bill will come out of his committee as it did out of mine, with a unanimous vote of all Democrats and Republicans on the committee. This is the most bipartisan and unanimous action on a bill that has ever occurred.

The Washington Post editorial follows:

... AND A WAY TO CUT

One budget cut shouldn't be so difficult. An example of a big-spending plan that could readily be sacrificed to fiscal austerity is the higher education reauthorization bill. Last fall, Rep. William Ford shepherded through the House a bill costing more than $2 billion over budgeted amounts and expanding virtually every student assistance program. This bill is now before a Senate subcommittee and it should be drastically revised—downward.

Two things need to happen. First, the overall cost needs to come down, meaning that subsidies to middle and upper-income students and to the banks that make the loans need trimming. Next, a number of automatic triggers in the student-assistance programs, which generate expenditures regardless of what officials think is necessary, need to be eliminated. The Guaranteed Student Loan program is a classic "uncontrollable" now, and the House bill moves the Basic Grants program perilously, far in that direction.

These automatic triggers and formulas got their start in the jurisdictional rivalry between the authorizing and appropriating committees over who would control the relative size of various programs. It is dumb to base policy decisions on such pretty disputes. The Senate subcommittee has a very important opportunity: to create a bill that protects the important principle of access to undergraduate education for the poor, but which does not break the bank. President Carter has said he will veto any bill that has not been made considerably more reasonable than the House version. If Congress is as serious about the fiscal crisis as the House Budget Committee action last week suggests, big changes need to be made in higher ed legislation.

CONFLICTING THEORIES OF DETERRENCE

(Mr. GREEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. GREEN. Mr. Speaker, the recent debate over SALT II resulted in an unparalleled examination of our strategic nuclear deterrent capacity. As the debate progressed, I became increasingly concerned that we were spawning a variety of strategic nuclear systems based on contradictory deterrence theories.

These systems are extremely expensive; for example, estimates of the cost of the MX system range from $30 to $60 billion. Money wasted on ineffective or duplicative nuclear missiles denies us money to improve our conventional military capacity, deal with urgent social problems, balance the budget, or reduce taxes.

In order to obtain a better understanding of the deterrence theories under which the Defense Department is operating, I sent a detailed letter of inquiry to the Defense Department. I received a response which, though equally detailed, fails to dispel my concern that we are wasting billions of dollars per year by failing to resolve conflicting theories of deterrence. So that my colleagues may have the benefit of this correspondence, I am inserting it in the RECORD.

HOUSE OF REPRESENTATIVES,
Washington, D.C., February 1, 1980.

HON. HAROLD BROWN,
Secretary of Defense,
Washington, D.C.

DEAR MR. SECRETARY: The Carter Administration is currently embarking on major programs to improve our nuclear strike capability with respect to the Soviet Union. The actions taken by our government will have great impact on the international balance of power as well as our nation's financial resources to deal with domestic, social and economic needs. As a Member of Congress who does not serve on a Committee with jurisdiction over defense matters, I would appreciate your comments on the following observations and questions that will assist me in voting this year on these crucial matters.

For the past two decades, our strategic nuclear capabilities rested on a Triad of B–52 and FB–111 bombers with nuclear weapons, land based intercontinental ballistic missiles (ICBM's), and submarine launched missiles (SLBM's). The basic objective of our nuclear strategic forces is to have a retaliatory capability that would hopefully make a Soviet first-strike unthinkable.

The Soviets have been upgrading their first-strike capability very rapidly, particularly in terms of the number of warheads they will have available through MIRVing (i.e., putting multiple independently targeted re-entry vehicles on their missiles), and developing greater accuracy for their missiles. In both of these areas, the United States has better technology, but, as a result of the SALT I agreements, we are prohibited from catching up with the Soviet technological lead in areas such as missile throw-weight (i.e., the capacity of missiles to carry larger nuclear payloads).

The Soviet improvements in missile accuracy and number of warheads will soon give them the capability to destroy a significant portion of our silo-based ICBM's. The Department of Defense has stated the Soviets will reach this point by 1982. This development will lead to a lowering of the nuclear threshold as well as having a destabilizing effect in international affairs. This evolving Soviet capability to mount a first strike leaves the United States with two options under our present nuclear posture. Both of these options appear to be unacceptable to the Carter Administration:

1. Between the time that the President would first learn of a Soviet missile launching and the time that the Soviet warheads would strike, there is a period of approximately 20 minutes (assuming our early warning systems and other communications systems function smoothly) when he could order the firing of the ICBM's before they would be destroyed. However, given the communications difficulties and the Administration's stated policy of absorbing a first-strike, the Carter Administration appears unwilling or unable to respond in this brief time-frame with our ICBM's.

2. If a President would not fire our ICBM's before they were destroyed in their silos by incoming Soviet warheads, he would still have the other legs of our Triad at his disposal. However, it is my understanding that SLBM's are not considered accurate enough to destroy hardened Soviet missile sites that could be reloaded for a second-strike. Bombers could not respond before the Soviets could reload and fire their silos. Therefore, any use of these weapons would be primarily to inflict damage upon the cities and industrial areas of the Soviet Union as prescribed in the doctrine of Mutual Assured Destruction (MAD). However, this basic tenet of our defense posture has recently come into question, since it has been suggested that no American president would order nuclear attacks on Soviet cities that would certainly result in Soviet nuclear attacks on American cities, particularly since a much larger percentage of the American population lives in urban areas.

In light of these new realities in the international balance of power, the Carter Administration plans to urge Congress to push ahead with two extremely costly improvements in our strategic nuclear capability:

1. Approximately 200 ICBM's would be replaced by a much heavier, more accurate MIRV'ed missile known as the MX. These new ICBM's would be deployed in a rail system that would allow each missile to be shuttled routinely among 23 horizontal shelters. This would allow the Soviets to be able to verify the number of missiles we have while ensuring the United States of having an accurate, survivable ICBM arsenal.

2. Our present Polaris and Poseidon missile firing submarines will be replaced by a larger, faster, and quieter submarine, the Trident equipped with more missiles that are larger, have greater range, and are more accurate.

However, the Administration has decided not to endorse two other potential improvements in our nuclear weapons delivery capability. It has rejected the B-1 bomber that is specifically designed for low-altitude penetration of Soviet air defense systems. Furthermore, as a part of the protocol to the negotiated SALT II agreement, the Administration has agreed to a three year moratorium on the deployment of the cruise missile, an inexpensive, highly accurate missile that could be deployed in airplanes, on land, and in naval vessels.

The questions I have are as follows:

1. Does the Administration endorse the doctrine of MAD as the fundamental tenet of our nuclear defense posture? If so, why do we need to proceed with new expensive systems?

2. If MAD is no longer operational, the MX system has been proposed as a means to allow the U.S. to absorb a Soviet first-strike and still have accurate missiles that could destroy any military targets. However, does not the success of the MX system as proposed, rest with Soviet willingness to abide by missile limits agreed to in the SALT II Agreement? If the MX system is sufficient, then can it not stand alone as an adequate nuclear strategic defense?

3. It is currently accepted by many defense experts that the U.S. submarine force is perhaps the most survivable of the Triad, while some believe the Soviets will perfect their anti-submarine detection and destruction capacity to the point that the survivability of our new submarines will not be guaranteed. Admiral Zumwalt has argued that by the end of this decade, improvements to the Trident II missile guidance system will be accurate enough to hit a Soviet missile silo. If the submarine will not be secure from the Soviets, then why proceed with this extremely expensive program? If it is secure and highly accurate, then could it not suffice as our sole nuclear deterrent?

4. Obviously, the same issues of survivability and accuracy arise with respect to the cruise missile. What is the Administration's position on this?

* * * * *

From my perspective of our strategic weapons posture, this is the most critical issue: Why do we need the Trident, the MX, and the cruise missile? If the Trident missiles will be able to survive a Soviet first-strike and destroy Soviet missile silos, then it is an adequate counter-force weapon, and we do not need the MX. If the Trident cannot survive, then we do not need it, nor do we need to proceed with the Trident II missile development.

6. Finally, if there is a real need to develop a new survivable, verifiable ICBM system, couldn't we redeploy the current Minuteman III which can hold three MIRV's in a land-mobile? This would allow the U.S. to respond much sooner to the evolving Soviet threat which will mature in the early 1980's, years before the MX will be available.

I am sure that you understand that any savings we can achieve in our strategic forces make more funds available for our tactical forces, for reducing taxes, for balancing our budget, and for addressing our social problems. On the other hand, to the extent we engage in unnecessary duplication of strategic weaponry, we deny ourselves the opportunity to deal with other problems.

I am aware that some aspects of the issues I raised could be classified. Nonetheless, I believe that the issues I have raised are largely in the public arena, and I therefore ask that your response be unclassified to the fullest understanding of the issues involved.

Best wishes.

Sincerely,

S. WILLIAM GREEN,
Member of Congress.

THE SECRETARY OF DEFENSE,
Washington, D.C., March 3, 1980.

Hon. S. WILLIAM GREEN,
House of Representatives,
Washington, D.C.

DEAR MR. GREEN: In response to your letter of February 1 concerning our strategic nuclear force programs and our strategic relationship with the Soviet Union: I continue to believe that, because of the deterrent capability provided by our strategic forces, the Soviets would not have any incentive to launch a nuclear attack on the United States or its strategic forces. However, in order to maintain this deterrence, it is imperative that we pursue the modernization programs for the strategic forces that were recently described in our Annual Report to the Congress.

Although it is true that the ICBM leg of our Triad of strategic forces will become vulnerable in the early 1980s because of Soviet improvements in ICBM accuracy and number of warheads, this vulnerability will not in my opinion lower the nuclear threshold. The loss of most of our ICBMs in a first strike would not disarm us, nor even, by itself, give to the Soviets a major military advantage. However, if we fail to restore the survivability of the ICBM leg of the Triad, the Soviets might be encouraged to challenge the survivability of our bombers and, later, our SLBMs, causing a progressive erosion of our deterrent capabilities. I believe that the mobile MX program, together with the programs to modernize the other legs of the Triad, will enable us to maintain essential equivalence in strategic forces with the Soviet Union.

You note in your letter that two responses to a Soviet first strike appear to be unacceptable to the Administration: launching the ICBMs upon receipt of warning, before they are destroyed by the incoming Soviet ICBMs, or retaliating after absorbing this attack with a massive strike against Soviet cities and industrial areas. I agree with you that we do not want to rely on having to launch our ICBMs on warning or under attack, although our capability to do so should impress the Soviets with the great risks they would incur in contemplating a surprise attack on our ICBMs.

Even if a Soviet first strike destroyed most of our ICBMs and our non-alert bomber and SLBM forces, we would have strategic retaliatory forces capable of executing options other than massive attacks on cities and industrial areas. For example, our bomber force could deny the Soviets the ability to withhold ICBM forces in silos over a period of time; I do not believe that they could reload their silos and fire again before our bombers could respond to the initial attack, even if they had spare missiles for reload. Our bomber and SLBM forces could also destroy, on a selective basis, a range of military, industrial, and political targets.

As you noted, we have decided to move ahead with plans to deploy the MX missile, and we are modernizing the SLBM force with new Trident submarines and the more capable Trident I missile, which is also being backfitted into some of our Poseidon submarines. We rejected the B-1 bomber in favor of the deployment of air-launched cruise missiles (ALCM's) on B-52 aircraft. I continue to believe that there are compelling reasons for preferring the ALCM to the B-1.

The protocol to the SALT II agreement prohibits the deployment of cruise missiles with a range exceeding 600 kilometers on land-based and sea-based launchers before January 1, 1982, while it imposes no such limits on the deployment of the air-launched cruise missile. The protocol imposes no real delay in our programs. We are proceeding vigorously with the development of the ground-launched cruise missile and NATO has recently decided to deploy it beginning in December 1983. Our programs for sea-based cruise missiles include anti-ship and land attack missiles; the TOMAHAWK missile will be deployed on destroyers and nuclear-powered attack submarines. A nuclear-armed version is also under consideration.

In answer to the six questions you posed:

(1) The concept of MAD is not in itself sufficient to be our strategic doctrine, although preserving a capability for assured destruction despite any actions that the Soviets could take continues to be the bedrock of our overall nuclear deterrence. For deterrence to be fully effective we must be able to respond at a level appropriate to the type and scale of a Soviet attack, with the goal of making a Soviet victory as improbable (seen through Soviet eyes) as we can make it, over the broadest plausible range of scenarios. I believe that this is a much more credible nuclear defense posture to accomplish our deterrence goals than reliance on assured destruction alone. I should add that for nearly 20 years we have included a range of employment options in addition to massive counter-city strikes in our nuclear employment planning.

(2) You suggest that the viability of the MX system depends on Soviet willingness to abide by the SALT II Agreement limits. The MX system as proposed would have 200 missiles deployed among 4600 horizontal shelters. In that configuration it would achieve a degree of survivability that would make it a most unattractive target for Soviet ICBM's under the SALT II limits. In attacking MX the Soviets would have to expend at least twice as many warheads as they would succeed in destroying. Without SALT II's limits, the Soviets could eventually deploy a large number of additional warheads, but they would be faced with our potential modifications to the MX system, such as increasing the numbers of missiles and shelters, that would deny them the capability to destroy the numbers of missiles and shelters, that the Soviets not increase their warhead numbers in such a fashion, I believe that the viability of the MX, because of the options for expansion of the system, does not depend on the SALT II limits. Nor do I feel that the MX, or any other single element of our strategic forces, is sufficient to stand alone as our strategic nuclear deterrent. Our dependence on a single system would encourage the Soviets to attempt to develop a disarming first strike capability, and it would make their job a great deal easier.

(3) We are examining ways to improve the accuracy of our submarine-launched ballistic missiles, and we could modify the ex-

isting Trident I missile or develop a new missile with larger payload. Our SLBM force at sea is unique, in that it is not targetable by the Soviets. We do not foresee any Soviet breakthroughs in anti-submarine warfare that would challenge its survivability, but we continue to examine this issue very closely. If we were to rely exclusively on an accurate TRIDENT II missile based at sea for our nuclear deterrent, as in the case of relying solely on MX, the Soviets would be able to focus their efforts on defeating that force and, should they accomplish a breakthrough, deterrence would be seriously diminished. Our dependence on a variety of systems for deterrence is based on considerations of unexpected changes in Soviet capabilities, as well as concern about a potential system-wide defect or failure in a single type of system.

(4) The cruise missile, when it is deployed on B-52 aircraft beginning in 1982, is expected to be highly survivable against Soviet air defenses and capable of attacking hardened targets because of its accuracy. As with the MX and TRIDENT systems discussed above, we need to monitor Soviet deployments closely, since cruise missile force survivability could be degraded over time. I do not feel that it would be prudent to rely on the cruise missile force alone for our deterrence.

(5) You are concerned about the need for the variety of strategic forces that we propose, and, in particular, the need for MX if Trident missiles are survivable and are effective against Soviet hard targets. We rely on a Triad of strategic forces, as do the Soviets. The Triad concept gives us high confidence that a sufficient portion of our force could survive an enemy attack and retaliate appropriately. While the Soviets might be able to neutralize one leg of the Triad at any given time, the task of simultaneously neutralizing all three legs seems beyond their ingenuity and means. Provided we redress the shortcomings of one leg as it becomes vulnerable, and modernize our forces to avoid vulnerabilities before they occur, we should be able to retain confidence in our ability to deter the Soviets from attempting such attacks. I do not feel that we can concede to the Soviets the ability to threaten our ICBMs and hard targets without putting their own hard targets at risk. Such a one-sided capability is not conducive to strategic stability. We examined carefully the potential responses to the vulnerability of Minuteman, including the option of abandoning land-based missiles in favor of a stronger submarine and bomber force. However, land-based missiles have unique attributes for flexibility and command and control. Both the Soviets and the United States have traditionally emphasized these forces. For us to concede to the Soviets the use of land-based missiles for their strategic forces, while abandoning them ourselves, may be perceived by the Soviets and by others as an unwillingness to compete with the Soviets in this major area of strategic power.

(6) We carefully examined a great many alternatives to restore survivability to the ICBM force. Redeploying Minuteman III in a land-mobile mode was among the options studied. Although it first appeared to be an attractive quick fix to the problem, we rejected this option for a variety of reasons. In order to achieve a sufficient degree of survivability in this mode, a large part of the force would have to be in motion over a large area at all times, creating serious problems of security and safety. Restricting the force to secure peacetime deployment areas, small in area, except in periods of crisis, would reduce the safety problems but increase vulnerability to a surprise Soviet attack even more than is the case in silo basing.

I hope that this letter gives you a better appreciation of our rationale for our strategic programs and the need to maintain a modern, balanced force.

Sincerely,
W. GRAHAM CLAYTOR, Jr.,
Deputy.

TEMPER, TEMPER

(Mr. LUNGREN asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. LUNGREN. Mr. Speaker, I do not like to carry bad tales, but it would appear that the National Democratic Party leadership is coming apart at the seams. The New York Times, on Friday, March 21, 1980, carried three articles strongly suggesting that the strain of leadership, or, at any rate, attempts at leadership, has become too much for the Carter administration and for Senator KENNEDY as well.

We learn that "U.S. Foreign Policy Is in Deep Disarray" in one story. In another we discover that Carter campaign chairman Robert Strauss referred to Jewish critics of Carter's Israel policy as "nuts," hardly the kind of approach we expect from such a distinguished gentleman. Finally, TEDDY KENNEDY calls Carter "incompetent."

Temper, gentlemen, temper. It is perhaps understandable that Carter's foreign policy is in such a shambles that losing one's cool might seem to be an honest response. But those of us who are watching the Democratic debacle unfold expect something more than temper tantrums from these alleged leaders of the world.

At this point I wish to insert in the RECORD, "Kennedy Says Carter Is Incompetent in Foreign Policy," "Strauss Calls Two Jewish Critics at East Side Meeting 'Hecklers'" and "U.S. Foreign Policy in Deep Disarray" from the New York Times, March 21, 1980:

STRAUSS CALLS TWO JEWISH CRITICS AT EAST SIDE MEETING "HECKLERS"

(By Frank Lynn)

Robert S. Strauss, President Carter's campaign chairman, dismissed as "much ado about nothing" yesterday his angry departure from a fund-raising meeting at which he had been sharply questioned on the Administration position on Israel.

Mr. Strauss, who is Jewish, stalked out of the meeting, on Wednesday evening, when two of the 35 persons at the event, Rabbi Abraham Weiss of the Bronx and Gerald Strober of the American Zionist Federation, sharply attacked the Carter Administration policy and Mr. Strauss's angry reaction to the criticism.

Mr. Strauss called the two critics "hecklers" and described as "nuts" pickets of the Jewish Defense League and other groups outside the meeting, at the Atrium Club, 117 East 57th Street.

"There's always nuts around; I said so then and I say so now," a visibly upset Mr. Strauss said yesterday in a previously scheduled news conference at Carter-Mondale headquarters in New York City at 535 Madison Avenue at 54th Street. Outside, a half dozen police officers guarded the entrance to the headquarters.

"PRO-ISRAEL" DIPLOMATS

Mr. Strauss raised another potential sore point yesterday when he said that there were "pro-Israel" diplomats in the State Department as well as "goddamn Arabists." He had referred to the latter on Wednesday and called for their dismissal. He relented somewhat yesterday. "I don't know if you can fire them; they're probably Civil Service."

Meanwhile, Vice President Mondale continued the Administration fence mending over the initial support by the United States of a United Nations resolution condemning Israel settlements on the occupied West Bank. The Administration later disavowed the vote, contending there had been a "foul-up" in voting instructions to the chief delegate.

Mr. Mondale reiterated the Carter Administration commitment to Israel before a predominantly Jewish audience at the King David Manor nursing home in Long Beach, L.I., and before a B'nai B'rith group in Manhattan.

The intense concentration on Jewish groups by the Vice President and Mr. Strauss pointed of the fears of Carter campaign aides that many Jewish voters might swing to Senator Edward M. Kennedy in Tuesday's New York State Presidential primary as a protest against the vote on the United Nations resolution.

Last week, the normally relaxed Mr. Strauss abruptly ended a news conference after he had met on the Israel issue with leaders of Jewish groups at the Harmonie Club in Manhattan. That meeting touched off picketing that resulted in six arrests and injuries to several persons.

He told reporters yesterday that, in contrast to the dispute at the Atrium Club, he had spent much of Wednesday at meetings with rabbis and leaders of Jewish groups in Rockland and Westchester Counties and was able to engage in "quiet with standing applause, some lukewarm applause, if that."

KENNEDY SAYS CARTER IS INCOMPETENT IN FOREIGN POLICY

(By Maurice Carroll)

An American foreign policy characterized by "incompetence, surprises and embarassment" tempted the Soviet Union to move into Afghanistan, Senator Edward M. Kennedy said yesterday.

The Massachusetts Senator criticized the Carter Administration's record in foreign affairs in a long speech and a new package of short, tart television commercials.

He told more than 1,000 young people who crowded into Columbia University's Wollman Memorial Auditorium that the Russians had intervened in Afghanistan after "they had seen the Administration charge up the hill and then back down in Cuba."

His new commercials accused the Administration of "betrayal" of Israel in the recent vote in the United Nations, a vote that was quickly disavowed.

VIEWED AS SERIOUS INITIATIVE

Mr. Kennedy turned to foreign policy as part of his campaign to overtake President Carter in next week's New York primary. But aides insisted that his speech represented a serious foreign policy initiative, not just campaign rhetoric.

In a 26-minute speech, the Senator proposed negotiations to restore an independent Afghanistan after a "substantial, unilateral reduction" by the Soviet Union of about 20,000 troops. He also urged formation of a citizens' committee that would recommend policies designed to reverse "the mutual mismanagement."

The spirited initial enthusiasm for his speech subsided into polite attention and was followed by audience questions challenging the practicality of his Afghanistan proposals.

"How do you know the Russians would get out?" a young woman asked.

"I'm not at all sure that they will leave," the Senator responded. "But we still have a responsibility to try and move toward some sort of a political process."

TV COMMERCIALS ARE TOUGH

The television commercials, which were shown to reporters before the Senator's midday speech, were tough.

In one spot announcement, a picture of President Carter was accompanied by the words: "This man has misled our country into the worst economic crisis since the Great Depression."

In another, the announcer said that "never again" should a President have to confess that, in a vote in the United Nations, he did "not know what was happening."

The Kennedy campaign office also announced that Rabbi Alexander M. Schindler, president of the Union of American Hebrew Congregations, had given his personal endorsement to the Senator.

At Columbia, young people streamed past workmen raking the campus lawns and lined up early to see the Senator. The ushers wore buttons bearing the acronym "CALM," which stands for Columbia Alliance for Logic and Moderation.

The auditorium seats and rear aisles were filled long before Mr. Kennedy arrived to standing applause at 12:32 P.M., and during his speech those who could not get in pounded periodically on the doors.

U.N. VOTE CALLED "BLUNDER"

As he has in the past, the Senator said that the recent United States vote in the United Nations on Israeli settlements policy had been a "blunder."

But he focused on American-Soviet relations.

After the Russian forces intervened in Afghanistan, he said, the Administration "unilaterally declared an undefined Carter doctrine in the Persian Gulf."

"There is a difference between deterrence and bluff," he stressed. "Deterrence depends on capability and credibility. Bluff is the mark of a foreign policy that no one can depend on."

Mr. Kennedy proposed that both nations agree "not to interfere" in Afghanistan, that a coalition government be established there, that the Russians agree to withdraw all troops by the end of 1980, and that, "to establish the credibility of the negotiating process," the Soviet Union withdraw 20,000 or so of its troops immediately.

Applause interrupted his speech 17 times. The Senator read the speech soberly, skipping the stump-style improvisations with which he often stirs young crowds to shouts and cheers.

A U.S. FOREIGN POLICY IN DEEP DISARRAY

(By Richard Burt)

WASHINGTON, March 20.—A few days before Chancellor Helmut Schmidt's recent visit with President Carter, a ranking representative of the Bonn Government sat in the White House and listened to an American official complain about West Germany's reaction to the Soviet military intervention in Afghanistan.

Asked why Bonn was so reluctant to follow Washington's lead in imposing economic and political sanctions against Moscow, the West German envoy is said to have replied: "We don't trust you any more. Your policies are too inconsistent, your actions too indecisive."

The comment highlighted a concern shared by a growing number of American foreign-policy officials. After a series of setbacks and surprises, including the Administration's repudiation two weeks ago of its vote against Israel at the United Nations, foreign-affairs specialists in and out of government are questioning whether the United States can chart a long-term course in foreign policy and stick to it.

A POSITIVE DEVELOPMENT

For the moment the Administration has been strengthened by the announcement yesterday that President Anwar el-Sadat of Egypt and Prime Minister Menachem Begin of Israel would visit Washington next month in an effort to make a progress on the issue of Palestinian autonomy. Nonetheless, a member of the White House staff said, the Administration has "a long way to go in reversing the impression that we don't know what we are doing."

Several officials, while acknowledging that Administration policy has often appeared uncertain, maintained in interviews that the United States was in a particularly complex era in international affairs. The combination of Soviet activism with rapid change in the third world, they said, has made it difficult if not impossible for Washington to adhere to a consistent line in dealing with Moscow or with such volatile regions as the Middle East.

SELF-IMPOSED HANDICAPS

At the same time many officials said that American policy suffered from a variety of self-imposed handicaps, among them these:

Failing to reconcile conflicting views in making policy. Some of the officials said that contrary to protestations in the Administration, its dealing with the Soviet Union continued to be torn between the approach favored by Zbigniew Brzezinski, Mr. Carter's national security adviser, and that advocated by senior State Department officials. While Mr. Brzezinski and the State Department are said to have agreed that Moscow's move into Afghanistan required a firm response, the officials reported that in recent days there were sharp differences over whether new restrictions on trade and the export of advanced technology to the Soviet Union should become permanent elements of American policy, as they now have with regard to technology.

Staking out positions that must be scrapped. After declaring that the presence of Soviet combat troops in Cuba was "unacceptable" last September, Mr. Carter was forced to back away when it became clear that Moscow would not remove them. Recently, the Administration was embarrassed when it assigned high priority to reviving security links with Pakistan, only to have the Government there turn down an offer of $200 million in military aid.

Sending confusing signals about policy. Moscow's intervention in Afghanistan was described by Mr. Carter several weeks ago as causing the "most serious crisis since World War II." Then he surprised visitors and officials alike this month when he declared at a White House banquet for Chancellor Schmidt that the action had created a "potential crisis." Similarly, in the early weeks of the crisis in Iran, the Administration seemed to reverse its position several times on whether to threaten military force to retaliate for the seizure of the American Embassy and its staff. Later Mr. Carter agreed to the dispatch of an international commission to investigate the situation after saying repeatedly that the hostages must be freed before he would endorse such a move.

Catching foreign governments off guard with unexpected initiatives. In 1978 Mr. Carter set off a furor in the Western alliance when, with almost no warning, he decided against production of the neutron bomb. Officials said that the Administration's decision in January to boycott the Olympic Games in Moscow and to ask other countries to do the same also came as a surprise to allied governments.

CENTRAL CAMPAIGN ISSUE

The coherence and consistency of the Administration's record abroad have emerged as a central issue in the Presidential campaign, with Senator Edward M. Kennedy asserting last month that the Soviet Union's decision to move into Afghanistan might have been prompted in part by Mr. Carter's uncertain handling of the dispute over its troops in Cuba.

On the Republican side, both Ronald Reagan, the front-runner for the nomination, and George Bush have criticized the vote against Israel in the United Nations Security Council and other moves, particularly the decision against starting production of the neutron bomb. In conversations with reporters, Henry A. Kissinger, the former Secretary of State, who called recently for a new bipartisan consensus on foreign affairs, was unusually blunt in his criticism of the Administration, saying that an increasing number of foreign leaders no longer felt that they could do business with Washington.

A number of officials maintained that a basic problem underlay the diversity of difficulties besetting American policy: the apparent inability of Mr. Carter and his senior advisers to establish an effective system for making important decisions and carrying them out. "Our failure to make clear and consistent policy is the biggest problem we face," said a ranking State Department official.

Other officials said the United Nations episode demonstrated that it was time for a shake-up in the foreign-policy area along the lines of the changes made last summer among domestic advisers. On the other hand, officials in both the State Department and the White House said that the Administration's problems were so deep-seated that the blame could not be put on individuals.

In analyzing the basic problem, the officials attribute it largely to Mr. Carter's early decision to establish an open and decentralized system of decision-making. Rejecting what he termed the Lone Ranger style of diplomacy associated with Mr. Kissinger's period in government, Mr. Carter, when he entered the White House in 1977, created a so-called collegial policy process that enabled several senior officials to mold important decisions.

As a result neither Mr. Vance nor Mr. Brzezinski has been able to gain the upper hand in policy debates and both have been forced at times to defer to the views of other senior people, including Vice President Mondale, Secretary of Defense Harold Brown and Hamilton Jordan, Jody Powell and Robert S. Strauss of the White House staff.

WIDE RANGE OF VIEWS AVAILABLE

White House officials stressed that the open style of decision-making had succeeded in exposing Mr. Carter to a wide range of views. However, some said the system suffered from important drawbacks.

In some cases, such as charting policy toward the Soviet Union, they said, the Administration has been caught in what one of them termed the bureaucratic crossfire between the firmer line promoted by Mr. Brzezinski and the more conciliatory stance sought by such aides as Mr. Cutler and Mr. Vance's expert on Soviet affairs, Marshall D. Shulman.

In other cases, such as Mr. Carter's unexpected action on the neutron bomb, Mr. Vance and Mr. Brzezinski are said to have adopted similar views, but the President relied on advice from other quarters. While Mr. Vance and Mr. Brzezinski are said to have favored the bomb, Mr. Carter is said to have listened to Andrew Young, then United States representative at the United Nations, in deciding not to proceed.

The problem of coordinating disparate views has been intensified by the reliance placed on informal sessions, such as Presidential breakfasts with senior officials, for making important decisions. In particular, there are complaints that decisions reached at the President's regular Friday breakfast with senior foreign-policy officials were sometimes ambiguous and were imperfectly communicated to the rest of the Government.

WARNING APPARENTLY IGNORED

The officials said that in a report six months ago Philip Odeen, a management consultant and a former aide to Mr. Kissinger, warned Mr. Carter that decisions taken at the breakfasts "are not systematically translated into action." The officials said that the advice was ignored.

Other officials said that the United Nations episode underscored another serious problem: the intrusion of domestic political considerations into the international arena. Arguing that the disavowal of the vote was much more embarrassing than the communications mix-up that led to it, a ranking State Department official criticized Mr. Strauss, Mr. Carter's campaign chairman, and other political advisers for intervening and persuading Mr. Carter to repudiate the action.

"Sure the vote was bound to antagonize the Israelis and thus cost the White House some Jewish votes in Florida and New York," the official said. "But to create the impression that our foreign policy is a hostage to Presidential campaign politics undermines our effectiveness all over the world."

At the White House few officials disagreed with this assessment, but they said that the problem was hardly unique. They noted, for example, that Mr. Reagan's drive for the Republican nomination in 1976 led President Gerald R. Ford to shelve efforts to complete a strategic arms treaty with the Russians when the negotiators were close to agreement.

Although Government officials as well as critics of the Administration see little chance of insulating foreign policy from domestic politics, a debate is under way on how Mr. Carter's approach to making vital decisions could be changed. Writing in the current issue of the magazine Foreign Policy, I. M. Destler, a senior associate at the Carnegie Endowment in Washington, suggests that there would be less disarray if the President's national security adviser spent less time trying to influence decisions and more time serving as a neutral manager of the policymaking process.

Mr. Destler says that rather than serving as "low-profile, inside operators," national security advisers such as Mr. Brzezinski and Mr. Kissinger before him "have become highly visible policy advocates, identified with particular viewpoints and involved in specific negotiations." He adds that "for the sake of clarity, consistency and responsibility, the President's most important foreign policy counselor must be, clearly and visibly, his Secretary of State."

INTRODUCTION OF LEGISLATION TO EXTEND DAYLIGHT SAVINGS TIME

(Mr. OTTINGER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, I am introducing legislation today to amend the Uniform Time Act of 1966 to extend daylight savings time.

Under present law, daylight savings time commences on the last Sunday in April and ends 6 months later on the last Sunday in October. This legislation provides that daylight savings time would begin 2 months earlier on the last Sunday in February, and would thus last for 8 months.

As we struggle to solve our energy crisis, all viable proposals to save energy must be seriously considered. Providing extra daylight hours after standard working hours will encourage energy savings, because daylight settings of themostats will be delayed by an hour and lights will be unneeded for an hour longer in the evening.

Consideration should also be given to "double" daylight savings time during June, July, and August, which might provide even greater savings during the longest days of the year.

It should be noted that this concept is supported by the Department of Transportation. I am thus pleased to introduce this legislation to save energy and urge its adoption. The text follows:

H.R. 6921

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3(a) of the Uniform Time Act of 1966 (15 U.S.C. 260a(a)) is amended by striking out "last Sunday of April" and inserting in lieu thereof "last Sunday of February".

SEC. 2. This Act shall take effect on the date of the enactment of this Act, except that if the date of enactment occurs in any calendar year after February 1, this Act shall take effect on the first day of the following calendar year.

COMMEMORATING THE UNIVERSITY of LOUISVILLE CARDINAL BASKETBALL TEAM

(Mr. MAZZOLI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MAZZOLI. Mr. Speaker, I take this opportunity and this moment to congratulate Coach Denny Crum, highflier Darrell Griffith, and all the fighting University of Louisville Cardinals on their triumph last night over the Bruins of UCLA in the NCAA Basketball finals. This is the first NCAA crown for the Cardinals of Louisville, and it is something to which they have aimed for many years and in which they can take great pride.

Mr. Speaker, I think the fighting heart of this team was illustrated by the fact that they had to come through two overtime games along the campaign trail.

Mr. Speaker, I am a born and bred Louisvillian, I am a graduate of the University of Louisville Law School and it is, therefore, with particular pleasure that I commemorate the outcome of last night's game.

Mr. Speaker, Louisville, as many of us know, has the nickname of the River City. I think I can fairly say, Mr. Speaker, that there will be dancing and singing in River City for many days to come as people celebrate the exploits of the University of Louisville Cardinals.

I would like to extend tribute to them on their great victory.

Mr. MYERS of Indiana. Mr. Speaker, will the gentleman yield?

Mr. MAZZOLI. I yield to the gentleman from Indiana.

Mr. MYERS of Indiana. Mr. Speaker, I thank the gentleman. I join the many friends that Louisville has in congratulating the gentleman and his great team, the University of Louisville. I was there last night and I can say there was dancing and singing not only in Louisville but also at the motel where I stayed which was the headquarters for the Louisville fans.

Mr. Speaker, the Market Square Arena in Indianapolis where the NCAA championship was held last night literally turned red since most of their fans were attired in red. I want to congratulate everyone on the Louisville side. The enthusiasm was great and I certainly join in congratulating the University of Louisville team. They are a fine group of young men who represent their university and the sport of basketball well.

Mr. MAZZOLI. Mr. Speaker, I thank the gentleman. I know last year, as my memory serves me, that the gentleman's team came close last year. Of course, since basketball is not like horseshoes, close does not win the cigar. The gentleman's team came a little short, but I appreciate the gentleman's comments about the Cardinals and about the University of Louisville supporters.

TRIBUTE TO THE LATE HONORABLE JOHN M. SLACK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from West Virginia (Mr. STAGGERS) is recognized for 60 minutes.

GENERAL LEAVE

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order on today, the late JOHN M. SLACK.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. STAGGERS. Mr. Speaker, the House pauses today to pay tribute to JOHN SLACK. Perhaps the best eulogies of JOHN will not be spoken. They will be in the estimates of our hearts, which reached out to him in fellowship and knew his kindness, his courtesies, his consideration, in all the complexities of the affairs we debate here and in the committees.

My words can add little to the tribute, nothing to the regard and esteem that JOHN SLACK's life won from his colleagues in this body and from the people of West Virginia and the Nation.

As someone else has said JOHN SLACK was a quiet, unassuming man who never sought the spotlight but always had the respect of his peers during his 22 years in the House.

I think nothing proved that statement more than the large turnout of Members of this House headed by the Speaker who attended JOHN's funeral in Charleston last Thursday. I personally have never seen a larger number at a funeral of any Member, and the Speaker stated that it was the largest number of Members he had ever seen at a funeral of a Member in his 30 years in Congress. I think this large delegation of Members from both sides of the aisle said more than any words can ever say and proved the genuine love and affection felt for JOHN SLACK by Members of this body.

There are very few men who had such a tremendous impact upon the character of Congress as did John Slack. I can truly say that the House of Representatives has lost one of its finest Members.

John Slack to me embodied all the things that were good in life. He was a good man. In my opinion, he was a great man. To be good and great, I think, is the dream of most of us. We try to be both, and he was both of them.

He stood like those West Virginia hills, tall and strong, and he did not change. He did not change with the weather and the wind. We all knew where he stood. He is like some of those things in life, in that he carried with him the fact that he was good, and he was an honest man, a man of integrity, a man of character. These things do not change. They have never changed since the beginning of time.

These are things that we judge people by. We could judge John Slack by these things, because he not only was that, but he was a humble man and he was a man of righteousness, of kindness, and of love.

I am going to miss him, and I am sure all those who have been associated with him through the years are going to miss him.

There is a little saying we have back home that goes like this:

I have to live with myself, and so
I want to be fit for myself to know.
I want to be able, as the days go by
Always to look myself in the eye.
I do not want to stand with the setting sun
And hate myself for the things I have done.
I want to go out with my head erect.
I want to deserve every man's respect.

Mr. Speaker, I think that John Slack does have the respect and did have the respect of every Member of Congress and of all those who knew him. They knew where he stood. He told you what he thought and what he believed and what he stood for. He just wanted to do his best on each day and with the passing of time.

My wife, Mary, joins me in extending our deepest sympathy to his wife, Frances, and son, John. May cherished memories of the past years of happiness, love of family and service to his fellowmen help fill the void in their lives.

Mr. SMITH of Iowa. Mr. Speaker, will the gentleman yield?

Mr. STAGGERS. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. I thank the gentleman for yielding.

Mr. Speaker, I commend the gentleman very much for taking this special order. John Slack, as was indicated by the gentleman's remarks, was held in the very highest esteem by all of his colleagues in this House on both the Republican and Democratic sides and from all over the country. That was evidenced by the great outpouring of affection and the sorrow with which so many indicated their loss at his funeral.

Mr. Speaker, I came here at the same time that John did, in January of 1959. He was immediately recognized by all of us as being one of the most honorable persons ever to serve in public office. I never heard anybody at any time indicate in any way that they had any lack of confidence in his integrity, in his honor, or in his accomplishments as a public servant to the people of West Virginia and to the country.

I was honored to sit next to him on one of the subcommittees for 18 years, and I just know that there has never been anyone who had greater respect, not only from his colleagues here, but from the people in the agencies that are served by that subcommittee. Whether they agreed or disagreed with his approach or his determinations in regard to those appropriations and the actions that he would take, they would know that whatever decisions he had made were based on his good conscience. There is no higher respect that could be paid to a Member of this House than to see the agency heads, as well as Members and people who had been in the agencies and were no longer with the agencies, pay their respects after his untimely death.

Mr. Speaker, I certainly commend the gentleman for this special order, and my heart and that of my wife, who is also a very good friend to his wife and family, go out to that family in this time of bereavement.

Mr. STAGGERS. I thank the gentleman from Iowa.

Mr. MOLLOHAN. Mr. Speaker, will the gentleman yield?

Mr. STAGGERS. I yield to the gentleman from West Virginia.

Mr. MOLLOHAN. I thank the gentleman for yielding.

Mr. Speaker, John Slack was my friend.

Webster tells us the word "friend" means "one attached to another by affection or esteem."

By all means, my relationship with John Slack fit that definition.

I had the deepest affection for him and will miss him more than I can ever describe. And the respect I had for his wisdom, his counsel and his leadership was unlimited.

For nearly a quarter of a century, we were friends.

For nearly a quarter of a century, we shared many concerns, confronted many common problems, and worked as companions on behalf of our people.

Sometimes a friendship can best be defined by the fact that it cannot be defined.

And perhaps that is the best definition I can offer of the very special bond that I felt with John.

I first met him in 1956 when he was the assessor of Kanawha County, W. Va., and I was a candidate for Governor.

Two years later, John came to the Congress, but we kept in touch and our friendship deepened.

And so it was a great source of comfort to me to know when I came back to Washington in 1969 that I had a friend here in this institution—someone I could talk with, consult with, and invariably, commiserate with.

Over the years our friendship became so natural and so much a part of my daily life that when I was informed of John's death, it was like being told I had lost my brother.

But we who knew John well know that he would not want us, even at this difficult time, to dwell on our grief.

We know it would be enough for him that we think only of him as he was.

And above all else, he was a fine and unpretentious gentleman.

In his work in this Congress, he was a quietly effective statesman.

In an age when some are misled by the belief that accomplishments are measured by the height of newspaper headlines or the number of times one appears on the network news, John knew that the true measure of his contribution was work unobtrusively accomplished and goals effectively met.

Those were his ideals and he was steadfastly and commendably faithful to them.

When a truly special person is taken from us, there is a void. We feel it in every fiber of our body.

And that is how I feel.

I feel that way because my State has lost a valued and extremely important leader.

I feel that way because our Nation has lost a true patriot diligent to her cause.

But even more so, I feel that way because John Slack was my friend and I have lost the great treasure of our long and warm friendship.

☐ 1800

Mr. O'BRIEN. Mr. Speaker, will the gentleman yield?

Mr. STAGGERS. I yield to the gentleman from Illinois.

Mr. O'BRIEN. Mr. Speaker, all of us in this Congress respected John Slack for what he was to us and what he meant to us. Words of praise of John are well merited. I admired and respected him and called him my friend because of luminous qualities of integrity, and decency, and a great sense of fair play.

I was also privileged to know John in another capacity. The relationship between a subcommittee chairman and a ranking member is a special one. It can be difficult, delicate, and perhaps fragile. With John, it was superb. He dealt with that relationship in a manner that made it easy for me and all of the members of the subcommittee to work that much harder for the benefit of all Americans.

John Slack will long serve as a model of one dedicated to the principles of an effective Congress far above personal politics. He was a man of honor, competence, and courage.

I shall miss him as a colleague and as a very dear friend.

Mr. HIGHTOWER. Mr. Speaker, will the gentleman yield?

Mr. STAGGERS. I yield to the gentleman from Texas (Mr. Hightower).

Mr. HIGHTOWER. Mr. Speaker, every person that has had the privilege of sitting in this body as an elected Representative of the people has been keenly aware of how he is perceived by his constituency. How the folks at home see us in the performance of our tasks is the key to our continued services here. We are all aware of the fact that the folks at home are often unhappy with what they have come to believe is the average Member of Congress. Whatever that low opinion of an imagined Member of Congress might be, it could never have applied to John Slack. He was not an average man. The people of West Virginia must have known he was not an average man.

If only we were a body of 435 John Slacks we would have an ideal Congress. Sadly, we are not. Sadly, there will never be enough John Slacks. And the saddest of all is any day that brings news of the loss of such a Member of Congress.

John Slack was a strong man of unimpeachable integrity. He moved through these halls in a quiet way that gave strength and dignity to the process of government.

John Slack respected his colleagues and consequently was respected by all who knew him

Other good men and women will come this way. Those of us now here must renew our determination to hold the standards of this body and our system of self-government high. This is the way John Slack lived and worked.

Thank God for giving us the privilege of knowing this good man.

Thank God for his life of service.

Mr. RAHALL. Mr. Speaker, will the gentleman yield?

Mr. STAGGERS. I yield to my colleague from West Virginia (Mr. Rahall).

Mr. RAHALL. It was last Thursday, Mr. Speaker, that the citizens of West Virginia, John Slack's family and friends, Members of this House of Representatives, Members of the U.S. Senate, gathered to pay the last tributes to John Slack, and what fitting last tributes those were.

There were over 50 Members of the House of Representatives present. There were two U.S. Senators present. There was the Speaker of the House of Representatives, the majority leader, and the majority whip, the chairman of the Appropriations Committee, and the distinguished honor guard, representing the many Armed Forces of our country through their precision movements that laid to rest the body of John Slack, very well represented the career that he has had in the House of Representatives and for the State of West Virginia.

Just as he fought for a strong defense here on the floor of the House and for a strong America, the men that guided his body to its final resting place were strong men and men who have built our country into the strong country that it is.

As we come back to this House of Representatives, the loss of course is still with us, and it is still great.

John Slack, a Congressman, a veteran, a father, a friend, is no longer with us, and we will certainly miss him.

While those of us who knew him and worked with him very closely, not all of us, of course, could be in Charleston for the funeral. Many others will indeed join in these tributes to our late colleague. All will join in the memories of his hard work and dedication, and the tribute that he received last Thursday will be one that his wife Frances and his son, John Slack III, always cherish, and it is my hope that that will give them a sense of pride and courage to continue their lives in a strong framework within which John Slack built for them.

I do join with my distinguished colleague from West Virginia (Mr. Staggers), and my other distinguished colleague, the gentleman from West Virginia (Mr. Mollohan), in expressing a deep sense of respect at the loss of a true friend and a true public servant to the people of West Virginia.

Mr. Speaker, it has been 7 days now, and the loss is still great. John Slack, a Congressman, a veteran, a father, a friend, is no longer with us and we miss him.

Many of us were in Charleston, W. Va., last Friday when he was laid to rest, and with him went a career of public service that will be hard to match.

During his 20 years as Representative from central West Virginia, John Slack's accomplishments prove what kind of man he was. A man of the people, and for the people.

Extended medical aid for disabled miners, funding for interstate highways, flood control legislation, encouragement for business expansion, and tireless day-to-day service for those who needed assistance, are only a few.

Two years after he returned from service in the infantry in 1944, John Slack's public career began when he was elected to serve on the Kanawha County Court. From 1952 to 1958 he served as Kanawha County assessor. In 1958, he came to Congress.

He was honest. He was straightforward. There was never a question as to where John Slack stood, or what he stood for.

He once said:

> The name of the job is to represent the people, and you represent the people when you solve their problems.

You could say that was his motto, because he carried out that principle each and every day of his public life.

His aim was "to get to know the people of my district." The love shown him in the past few days, proves that John Slack indeed knew the people he represented.

To his wife, Francis, and his son, John III, we all send our deepest sympathy.

In the years before I was elected to Congress, I was well aware of John Slack and his record. As a matter of fact, at one time he was my own Congressman.

When I came to Congress, I saw much more of his deep dedication to his job. He was the type of Congressman we all want to be like, but we will only be able to try to emulate John Slack, there will never be another one like him.

Mr. CHAPPELL. Mr. Speaker, will the gentleman yield?

Mr. STAGGERS. I would be happy to yield to the gentleman from Florida (Mr. Chappell).

Mr. CHAPPELL. Mr. Speaker, I rise today to join my colleagues in paying tribute to the memory of one of the finest Members ever to serve in this House: John Mark Slack, who so ably and energetically represented the people of West Virginia's Third Congressional District. His tragic and most untimely death last week has deprived the Congress—and the Nation—of an exemplary public servant. For those of us who were privileged to serve in the House with John over the years, his passing is the heartbreaking loss of a deeply loved and respected friend.

Throughout the near third of his life—over 20 years—he served in the House of Representatives, his goal was to give the people of West Virginia the best, the most honest, and most sincere representation that hard work and integrity could provide. We all attest to his accomplishment of that goal. We attest to the quality of his hard work, the long hours he put into solving his people's problems, to the dedication he brought to his work.

I had the pleasure of working closely with John on the Appropriations Committee. His congeniality made pleasant even the most unappealing tasks. His sense of fairness and his consistently high standards made working with him a pleasure under even the most difficult circumstances. We will keenly miss his abilities on that committee. The State, Justice, Commerce, and Judiciary Subcommittee he chaired has lost a fine leader.

John cared about people, and that concern was evident in his work in the Congress. He cared that people in his State and his Nation could not find work, and he worked diligently to find workable solutions to those problems. He was, as well, a realist, who saw the need to balance ideals against practicalities. His levelheadedness in dealing with energy and fuel problems served his own State to good advantage for many years. His sound judgment and expertise in those matters have been most valuable in coping with our national energy problems.

It would be incomplete to talk about John M. Slack without mentioning his strong sense of integrity and self-sacrifice. His personal standards of ethics were unmatchable and serve well as guidelines for any public servant.

Mr. Speaker, John Slack did well with his life—he was a great husband, father, soldier, patriot, and public servant. His wife, Frances, his son, John III, and his grandchildren can be rightfully proud of him. All of us will sorely miss our dear friend and colleague. Heaven's gain would be our eternal loss except that his great spirit will live on and encourage us all along the way. Our country has lost a great statesman.

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Mr. STAGGERS. Mr. Speaker, I thank the gentleman from Florida.

I yield to the gentleman from Texas (Mr. Gonzalez).

Mr. GONZALEZ. Mr. Speaker, I thank the very distinguished chairman for yielding and allowing me the opportunity to go on the record in adding my voice to his and the others who have preceded me in rendering a tribute far more deserved, actually anguishing to make, because of the very tragic and premature death of a very loved colleague, admired and respected universally by all who met him, and one who actually preceded me by just a few years, 3½ years, in my entry to the House; but in my memory stands out to show how he could identify as a contemporary. In the first year that I served, I had the great pleasure of getting to know him well on a trip we made to Guantanamo Base in Cuba. We had a very dramatic trip, in fact, because we were the first to see one early morning the photos that reconnaisance flights had brought back of the Russian ships convoying the armaments and the missiles that they were shipping into Cuba. That became, of course, a crisis less than a month later; so that in my memory and the subsequent relationship with Chairman SLACK, because we had to know him well, and as chairman of the Subcommittee on Appropriations his level-headed, evenhanded method of dealing further endeared him to each and every one of us, so that in my memory I certainly have nothing but a very affectionate, highly respectful, thoroughgoing respectful evocation of JOHN SLACK's memory.

It is, indeed, to repeat what a previous speaker has said, a terrible loss to the House, whose honor, integrity and respect he always upheld and to the country.

Each one of us, as has been expressed, certainly has a sense of deep loss.

Once again, I thank the distinguished chairman for this opportunity rendered us to go on record in this respect.

Mr. STAGGERS. Mr. Speaker, I thank my colleague, the gentleman from Texas.

I yield to the gentleman from Alabama (Mr. BEVILL).

Mr. BEVILL. Mr. Speaker, I thank my colleague for yielding.

Mr. Speaker, I want to join my colleagues in expressing my deep sorrow over the passing of our good friend JOHN SLACK of West Virginia. John was elected to the 86th Congress on November 4, 1958. During the 22 years he served the people of the Third Congressional District of West Virginia, he never wavered from his conviction that it was his personal responsibility to represent his people to the fullest extent of his abilities. Anyone who observed JOHN at his work could have no doubt that his level of dedication to his job and this House would be difficult, if not impossible, to match.

It was my distinct privilege to work closely with JOHN on the Appropriations Committee, where we both served on the Energy and Water Development Subcommittee. JOHN's contribution to the efforts of this subcommittee were always intelligent and with the greatest spirit of cooperation. Our subcommittee will, indeed, miss the pleasant association we had with him.

In 1975 JOHN became chairman of the State, Justice, Commerce, and Judiciary Subcommittee. I do not know of anyone who brought with him any higher degree of dedication, respect, and integrity to the service of his committee as chairman. JOHN SLACK can be, for all of us, a shining example of one who did the best job possible during his years of service in the House of Representatives. We all consider ourselves blessed for having known him and worked with him.

I want to join my colleagues in expressing our great sense of loss and extend to Frances and their son John, my deepest sympathy. He was not only a great Congressman but he was, above all, a great American. JOHN SLACK will be missed by each of us.

Mr. STAGGERS. Mr. Speaker, I thank my colleague, the gentleman from Alabama.

● Mr. O'NEILL. Mr. Speaker, it is with a deep sense of sadness that I rise to join my colleagues in this special order to pay tribute to one of the most decent and honorable members to serve in the House of Representatives, the Honorable JOHN M. SLACK.

JOHN SLACK hailed from Charleston, in the heart of the Appalachian hills of West Virginia. With dedication and a strong sense of purpose, he represented the interests of the Third District of West Virginia for mor than 20 years. He was one of the most widely respected and admired Members of the House on both sides of the aisle, and he was universally at ease with northerners, southerners, easterners, and westerners. JOHN SLACK was a gentleman in the finest way.

He was a Member whose word was golden, whose commitment was genuine and unwaivering, who understood the complexities of the legislative process and pursued his chosen political course in a dignified and responsible fashion. As the popular chairman of the Appropriations Subcommittee on State, Justice, Commerce and the Judiciary, he was unafraid to delegate authority. A fair and just chairman, he ran his subcommittee on a consensus and democratic basis and often asked other members to chair hearings. All members of his subcommittee can testify to the fact that their chairman was always willing to listen with an open mind to the issues and concerns which affected each of their own districts.

A strong advocate of economic development programs in the Commerce Department over which his subcommittee had jurisdiction, Chairman SLACK supported these issues because they were vital to the heartbeat of West Virginia's Third District. In every other issue and in every other program that was presented before his committee, JOHN SLACK had an impartial response, reviewing each interest, each issue, and each program in an unbiased, professional manner. During the entire 5 years in which he chaired the Appropriations Subcommittee, he made decision based on substantive and political merits of the issues involved.

As a member of the Appropriations Public Works Subcommittee, JOHN SLACK was a strong and forceful proponent of the Interstate Highway System; and his endorsement alone was responsible, in a measurable way, for the development of our Nation's impressive Interstate Highway System that stands today as the envy of the whole world.

Many adjectives and laudatory phrases could be used to describe JOHN SLACK—conscientious, hard working, dedicated, quiet, and reassuring self-confidence; yet, the one descriptive word that stands out above all else is "integrity." JOHN SLACK was without a doubt the most decent and honorable Member with whom I have had the privilege to serve. Because of this remarkable quality I asked him at the beginning of the 96th Congress to serve as a member of the Committee on Standards of Official Conduct, an assignment which is not without its difficulties, an assignment that measures the moral mettle of its members. Each member assigned to the Ethics Committee is faced with certain allegations of wrongdoing against one of his colleagues. He has to look at the merits of the specific allegation to determine what disciplinary action is necessary, if at all, and he has to review the individual case in a dispassionate, objective, and impartial manner. It takes an individual of real character and integrity to put aside partisan or personal prejudices and to fulfill the obligations that this committee requires. No other member fulfilled the responsibilities and obligations of this assignment in a more admirable way than JOHN SLACK.

In every kind of measurement, JOHN SLACK was a person of high caliber; he was a top-quality Member of the House, and to those of us who knew him well, a superb and compassionate human being. His untimely and premature passing is a shock to us all. His loss is great, his position in this Chamber is irreplaceable, and we will greatly miss his dignified and professional competence.

I extend my sincerest condolences to his wife and family.●

● Mr. ROSTENKOWSKI. Mr. Speaker, it is with a sense of great loss and sorrow that I pay tribute to the late JOHN M. SLACK.

Having come to Congress in the same year as JOHN, I knew him for over 21 years and during this period my respect for him only grew. He was a man of integrity, a man who believed that public service is a public trust. He was a dedicated public servant.

JOHN SLACK held himself to a very high standard of legislative achievement. But more than conducting himself in a distinguished manner, JOHN was unequivocal in his belief that the interests of the House, and more importantly, of the Nation, were best served not by disparaging this institution but rather by evaluating one's own performance and striving to improve it.

There is little question that JOHN was an extremely competent legislator. When he came to the floor to manage legislation from his Appropriations Subcommittee, he was always well prepared. He was truly a professional legislator. But above all, JOHN was most considerate of his colleagues. He always tried to appreciate the point of view of others and worked hard to build coalitions to bridge the gap of diversity of views.

JOHN SLACK—a dedicated public servant, a man of unquestioned integrity, a dear friend—will long be missed by this Member of Congress.●

● Mr. WHITTEN. Mr. Speaker, I had the privilege of serving with JOHN SLACK on the Appropriations Committee from 1961 until his untimely death. Never one to play to the galleries, JOHN was highly effective and was an outstanding chairman of the Appropriations Subcommittee for State, Justice, Commerce, and Judiciary where he had served for many years.

Of all the Members with whom I have served in the House of Representatives, in my opinion, none have lived up to their obligations to a greater degree than did JOHN SLACK—intelligent, an energetic worker, possessed of character, courage and patriotism, and above all a fine sense of humor. He was appreciated by all who knew him whether or not they agreed with him on the particular issue at hand.

Truly his district, State, and Nation have lost an outstanding public servant. Personally, I have lost a dear friend, one whose counsel and courage were not only helpful to me and to the Committee on Appropriations, but to the Congress.

To his fine wife, Frances, his son, and other members of his family, we extend our deepest sympathy in this trying time. Fortunately, they have many fond memories of John.●

● Mr. BRINKLEY. Mr. Speaker, the passing of our distinguished colleague, JOHN SLACK, gives us pause to reflect on the qualities that made him, beneath his manly exterior, a dear heart and gentle person.

JOHN excelled in his chairmanship of the House Appropriations Subcommittee on State, Justice, Commerce, and the Judiciary. I make this statement with vivid personal recollections of his splendid performance in that role on a particular day in May of 1978. On that day I testified before his subcommittee to plead the case of a crucial weather radar system for the city of Columbus, Ga. We had the evidence on our side—the facts and figures proving the critical need. I remember, so well, JOHN's quiet, thoughtful demeanor as we made our case. When all testimony had been completed, JOHN, without hestitation, cut through to the bottom line and said:

> Jack, this system could provide the advance warning necessary to save thousands of lives and spare millions of dollars in property damage, and I say—Let's go with it.

JOHN SLACK was that kind of man—one who saw conditions as they were and tried to right them, with the welfare of his fellow man always foremost in his heart and mind. The Columbus weather radar system has since been completed and citizens throughout my district and much of Georgia can take courage in the fact that they need not fear the ravages of unexpected weather emergencies. Thanks, in large part, to JOHN SLACK, they will be forewarned and can take appropriate, lifesaving action.

We who had the privilege of working side by side with this uncommon servant of the people deeply mourn his loss and extend our heartfelt prayers to his fine family.●

● Mr. McCLORY. Mr. Speaker, although JOHN SLACK and I were on opposite sides of the aisle—and sometimes on opposite sides of the issues—I always found him to be a friendly and gracious adversary when we were opposed—and a valuable ally when we were in agreement.

JOHN was the chairman of the Subcommittee on State, Justice, Commerce, and Judiciary of the House Appropriations Committee. In my role as ranking minority member on the House Judiciary Committee, I often had occasion to work with JOHN on matters involving the judiciary and Justice Department. He was a hard worker and invariably well prepared to discuss topics of mutual concern.

JOHN SLACK was a man who looked at problems in a very pragmatic way. He was not an ideologue of either the left or right, but approached each issue with an open mind and a quality of judgment which made his advice well respected by his colleagues.

JOHN's passing is a grievous loss to all of us, who will miss his friendlines and good humor. It is a grievous loss to this House, which will lose the benefit of his sound judgment and wise advice.

I extend to his wife Frances and other survivors my respect and deep sympathy.●

● Mr. PATTEN. Mr. Speaker, I rise today, along with many of my colleagues, to pay tribute to a good friend, JOHN SLACK. JOHN made my stay here in the Congress more pleasant than it might otherwise have been. From the beginning, he was always very helpful and cooperative whenever I sought him out. It was obvious to me that he cared very deeply for his colleagues, and was always ready to lend a helping hand.

JOHN SLACK thought that the House of Representatives was the greatest legislative body in the world. He worked to make it better. He proceeded at a calm, deliberate pace with judicial qualities which were always very effective.

In the 18 years I have been in Congress, I have never seen my colleagues pay tribute to a Member in the manner which we have for JOHN. I was privileged to be a member of the official delegation which traveled to Charleston, W. Va., to attend JOHN's funeral. I thought that the minister's words summed up JOHN's life as a human being and as a legislator more adequately than I ever could:

> He was always humble and modest and always a worthy adversary.

My condolences go out to his family. I know what a loss this must be for them. His constituents, whom he served so well, will miss him; this House will miss him; and I will miss him. Thank you.●

● Mr. REUSS. Mr. Speaker, I join my colleagues in this expression of sadness at the sudden passing of our friend and colleague, JOHN SLACK.

JOHN's career, from his service as a county official to his 21 years of service in the House of Representatives, demonstrated the highest concept of public service, through his diligence and his devotion to the interests of the people of West Virginia. Within the Congress, he showed his prowess as chairman of the Appropriations Subcommittee on State, Justice, Commerce, and the Judiciary.

JOHN was a hard-working, kind, and thoroughly decent man, who earned the respect, friendship, and trust of all who served with him, on both sides of the aisle. He was a good man, who will be sorely missed.●

● Mr. BENJAMIN. Mr. Speaker, I rise today to pay tribute to the great service rendered this body and the entire Nation by our former colleague from West Virginia, JOHN SLACK, and to express my deep and personal sense of loss at his untimely death.

JOHN distinguished himself during his long tenure as a U.S. Representative as a decent, forthright, and extremely personable human being.

His dedication and service to the Third District of West Virginia and the entire country singled him out as a true patriot and a statesman in the finest sense of the word. The residents of the Third District rewarded his untiring devotion by returning him to this Congress 11 times.

JOHN's record as a member of the Appropriations Committee, and particularly as chairman of the Subcommittee on State, Justice, Commerce, and Judiciary, exemplified his continuing concern and worry, not only for his district but for the fate of our Nation. It was my privilege to work closely with JOHN on the Appropriations Committee and as a fellow subcommittee chairman. Through this association, I was fortunate to enjoy his kind assistance, patience, and valued advice.

JOHN will be sorely missed—not only in his capacity as a leader and respected colleague but as a cherished friend and counsel. In his very humble way, JOHN was never too busy to give needed assistance to his colleagues and constituents.

JOHN SLACK was a remarkable person whose integrity was beyond reproach. His dedication was an inspiration to us all, and I am certain that his high example will continue to inspire and guide us.

I join my colleagues in expressing my condolences to the Slack family. I consider it a privilege and an honor to have served with such a dedicated and honored statesman, and my sense of loss will long be felt.●

● Mr. DRINAN. Mr. Speaker, I rise in memory of a gracious and generous man, Congressman JOHN M. SLACK of West Virginia.

Our colleague's untimely passing on his 65th birthday leaves us bereft of a gentleman whom everyone came to admire.

I came to know JOHN in his capacity as chairman of the State, Justice, Commerce, and Judiciary Subcommittee of the House Appropriations Committee. In that role, he appropriated the funds authorized by the House Judiciary Committee, on which I serve, for the Justice Department and the FBI. He was always just, impartial, and patient in his dealings with everyone and with every problem.

JOHN SLACK was a quiet, dignified public servant whose 23 years of service in the House of Representatives makes us all proud to have known him and to have served with him. His loss diminishes all of us and diminishes the stature of the Congress of the United States.●

● Mr. DUNCAN of Oregon. Mr. Speaker, in the number of tributes that have been offered for my good friend John Slack, many words have been used—integrity, honesty, compassion, dedication. Certainly, all these words fit. John Slack carried out his responsibilities with a quiet dignity that was somehow more effective than flamboyance. He was one of the good guys who got things done quietly behind the scenes. He believed passionately in his country, his constituency and this institution, and he served them all well. His presence will be sorely missed.●

● Mr. McCORMACK. Mr. Speaker, it is often said that the people of this country get the type of government they deserve. If this is true, Mr. Speaker, I dare say that in light of John Slack's service over the past 21½ years the people of the Third District of West Virginia must be among the finest citizens of the land.

Every schoolboy knows that when the Founding Fathers created the House its membership was intended to be composed of men who were close to the people and to the land. This is precisely the type of man John was when he came to Congress—and, more importantly, this is the way he remained. Had it been possible to package the man at work in his beloved Appropriations Committee, or on the campaign trail in Boone County, and make this display available to all of the Nation's high school civics classes, I feel confident, Mr. Speaker, that the approval rating of this body would have soared.

In the 10 years that I have been privileged to serve in the House, I have never met a more dedicated or honorable Member. He deeply loved this institution and at all times he conducted himself with a dignity and honor that reflected this affection. In our cynical times, the credibility of politicians is always questioned. Yet for anyone who knew John, the most outstanding aspect of his character was his frankness and his reliability. Whether he was interrogating a Cabinet Secretary or responding to questions in a public forum, the man spoke his mind without regard to the response his views might draw. Moreover, when he gave his word, there was no doubt that his end of an agreement would be lived up to.

Finally, Mr. Speaker, no finer tribute can be given a man than to say that he has the love of his family and the respect and admiration of his friends and colleagues. The services in Charleston last week and the remarks made today demonstrate that John Slack was deeply revered in his native State and greatly admired here in the Congress. The terrible toll his absence takes on this body is great, but if we dedicate ourselves to living up to the standards he set, than we can rest assured that the House will remain, as he so aptly put it, "The greatest deliberative body in the world."●

● Mr. BIAGGI. Mr. Speaker, I rise to pay tribute to a lost colleague and dear friend, John Slack, whose passing last week has grieved us all. John Slack for 22 years gave this House the benefit of his wisdom, his commitment to service, and his love for his Nation.

John Slack was a man who commanded and received tremendous respect among his colleagues in Congress. John's strongest attribute was the veracity of his word. He was a man prone to resolving problems not creating them. He served with particular distinction as chairman of the Subcommittee on State, Commerce, Justice, and the Judiciary. In this capacity John Slack oversaw the budgets of several Cabinet departments whose collective totals were in the billions of dollars. John Slack as a pragmatist reviewed all spending requests carefully and exercised the highest levels of responsibility in this critically important position.

It was while serving in this capacity that I must cite a personal story which perhaps helps to capture the reason John Slack will be so missed around the House. It was July 12, 1979. The business before the House was the appropriations bill for the Departments of State, Commerce, and Justice. On that day, in full consultation with John, I proceeded to offer an amendment to the State Department portion of the bill. My amendment sought to bar the sale and export of U.S. weapons to the police force of Northern Ireland on grounds that it violated the human rights provisions of the Foreign Assistance Act.

John had warned me in advance that my amendment was subject to a point of order, and in straight terms, I had little hope of having it overruled. When the time came, John chose to reserve the point of order thus allowing the House to debate the issue of my amendment for almost 1 full hour. After this time the amendment was withdrawn, an investigation by the Foreign Affairs Committee followed and the State Department then voluntarily suspended all shipments of U.S. arms pending an overall review of policy.

John Slack because of his inherent sense of fairness permitted this significant event to occur. The Irish-American community was grateful for his actions and they join me in this tribute.

John Slack was a tireless worker for his constituents. He used his seniority to their benefit. He worked at his job and he did it well. He will be missed by his constituents and his colleagues. My condolences go to his wife Frances, his son and daughter-in-law and his grandchildren.●

● Mr. ERTEL. John Slack was a friend and adviser to everyone. He was a man who had genuine concern and compassion for his colleagues, the Third Congressional District of West Virginia, and his country. John was a unique leader, who has served with integrity and honor as a distinguished Member of Congress and as chairman of the State, Justice, Commerce, and Judiciary Subcommittee.

Our Nation and the subcommittee will be deprived of John's outstanding services. Someone will fill his shoes, but no one can take his place. In the 4 years I knew John, I had the utmost respect and admiration for him, as did all his colleagues.●

● Mr. JONES of Oklahoma. Mr. Speaker, I join my colleagues in expressing my deep personal sorrow at the death of our colleague, John Slack of West Virginia. The State of West Virginia, the Congress and the United States has lost an outstanding public servant.

We will miss his good work. We will miss his outstanding strength of character. We will miss his sense of humor and the camaraderie that we shared with him for the 20 years he distinguished himself in this body. His work on the Appropriations Committee is well known to his colleagues, especially his able chairmanship of the Subcommittee on State, Justice, Commerce and Judiciary.

We are never ready to part from our friends or loved ones, but the suddenness of John's death saddens us even further. There are so many words of thanks still due him, so much we yet wanted to accomplish with him. The thanks come to him now, too late, but the accomplishments we will strive even harder to achieve because of the example of compassion and forthrightness that he established here for 20 years. This is the least we can do for a colleague who served with us so ably for so long.●

● Mr. EARLY. Mr. Speaker, I was deeply shocked and saddened when I learned early on the morning of last March 18, of the sudden and untimely passing, during the night, of our esteemed colleague and my dear personal friend, Congressman John Slack of West Virginia

I met John Slack during the first few days of the beginning of my service here in 1975. He was a senior member associate of the House Appropriations Committee to which I was appointed and the chairman of the Subcommittee on Appropriations of the State, Justice, Commerce, and Judiciary Departments to which I was assigned.

As a senior House Member he was kind, thoughtful and considerate of me as a new Member and one who was never too busy to offer wise advice if you asked for it. If you were humble enough to consult with him he would save you from the impetuous mistakes most beginners here are inclined to make. As chairman of our subcommittee he was fully in charge and forceful but at all times fair and tolerant of the convictions and concerns of other Members. His superior legislative knowledge was commonly admitted, his authority was unanimously accepted, and his honesty was as clear as the sunlight.

There are, perhaps, some national legislators who were more widely known because of the media publicity, than John Slack. There are none who were more deeply respected by their peers than he was. There are none who have served their Nation, their State, and their district with greater dedication, integrity, and effectiveness than John Slack.

John Slack was a doer, not a talker. He was a person who let his deeds speak for him. He evaluated individuals by their actions not their rhetoric and that was the standard by which he wished himself to be judged. You were never in any doubt about where you stood with him or how he stood on the issues facing the Congress. He was a highly knowledgeable but very quiet man; he was dignified but never stuffy; he was authoritative but never dictatorial; he walked humbly but he was a giant in this profession. He was a pillar of the personal integrity and patriotic purpose that must always be exercised by the majority of the membership if the representative institution of Congress is to endure and prevail in serving the best interests of all the people in our country. In the 20 years of my own elective office experience John Slack was the finest and ablest public servant I have ever met.

His vast legislative wisdom and strong leadership will be sorely missed in this House in the challenging months and years ahead. But above and beyond his legislative excellence John Slack was most admired and will be most affectionately remembered by his colleagues and constituents for his warm friendliness, his willingness to try to help with any problem, his compassionate understanding, his straightforward manner, his high courage and obvious sincerity. He was a loyal and faithful friend. He was a great, a good and a gentle man who put the whole of his energy and competence into whatever he did. His passing is a tremendous personal loss to me and every one else who was privileged to have his friendship. He will remain always as an inspiration to those of us who serve here now and those who will come to serve after us. My heartfelt sympathy is extended to his gracious wife Frances and his son John in their great sorrow.●

● Mr. JENRETTE. Mr. Speaker, in these troubled times, there is nothing that can make a man more appreciative and aware of the blessings that he does enjoy than the loss of a dear, close friend such as John M. Slack. As a freshman, when I inquired of those here who I should look to as the example of a good congressman, John Slack's name headed that list. He was a man of principle, dedication and integrity who served his constituents and the Nation well. His service in the Nation's Capital will long be used as a measuring stick for those who serve in the U.S. Congress.

As we feel John's loss here, so even more will his family and loved ones feel the emptiness that is left by his absence. Our thoughts, prayers and sympathies go out to them during this time of grief and suffering. However, the enrichment of life that John added while he was here with us will serve as a pillar to us all.●

● Mr. McEWEN. Mr. Speaker, John Slack was a good friend and an outstanding legislator who effectively represented the people of West Virginia's Third Congressional District for more than two decades. He will be sorely missed in the House and in West Virginia.

I had the pleasure of working closely with John on a number of projects over the years that came under the jurisdiction of his Appropriations Subcommittee on State, Justice, Commerce and the Judiciary. As chairman of this subcommittee, it was always John's policy to give every request and issue a full and fair hearing. His thorough knowledge of the appropriations process and judgment earned him the trust and respect of his colleagues in the House and the administration officials who came before his subcommittee.

John preferred to devote his time and energy to the public duties he was elected to fulfill. He did not seek publicity. In one respect that is unfortunate, because many Americans probably do not know what a severe loss they have suffered with the passing of John Slack. However, we, his colleagues, shall not forget the legacy of excellence he has left us.

In closing, Mr. Speaker, I would like to express my condolences to Mrs. Slack and all the members of John's family.●

● Mr. BOLAND. Mr. Speaker, the untimely death of John Slack has left a void in the House of Representatives that will take a long time to fill.

I had the pleasure of working with John on the Appropriations Committee for 19 of the 21½ years he served in Congress. During that time I came to know him quite well. I knew him as a dedicated and conscientious legislator who believed deeply in the duty of the Federal Government to use its power wisely, for the benefit of all of its citizens. I also knew him as an effective spokesman for the needs and concerns of his fellow West Virginians. My most enduring memories of John, however, will be of a kind and decent man who was genuinely concerned for the welfare of his colleagues, regardless of party and regardless of length of service.

John Slack's accomplishments in this House are perhaps best known by those of us who served with him. He was not interested in publicity; he was interested in results. His work on the Appropriations Committee, especially during the 5 years he chaired the State, Justice, Commerce, and Judiciary Subcommittee, was characterized by a desire to insure that tax dollars were spent responsibly. His leadership and counsel would have been particularly helpful in addressing the difficult fiscal decisions we will soon confront. The clear, incisive thinking and unquestionable integrity, which were John's trademarks, would have enriched the upcoming debate on spending priorities.

Few Members of this House commanded a greater measure of respect, admiration, and affection than did John Slack. He had a tremendous love for the institution of the House of Representatives and his daily actions were a reflection of that love. The profound sense of sadness caused by the news of his death, and the size of the official delegation to his funeral, were evidence of the way his colleagues felt about him. We will all miss him, both for the kind of Congressmen he was, and for the kind of man he was.

I hope that in this time of sorrow, John's wife, Frances, and his son, John, can find some comfort in the knowledge that they shared a special man with us. His dedication to his work and to the people of the Third District of West Virginia never eclipsed his devotion to his family. The joy with which he would describe the antics of his grandchildren was evidence of the importance he placed on his family's happiness. While his public duties might have, at times, prevented him from spending as much time with them as he would have liked, they were always uppermost in his mind.

Mr. Speaker, the people of West Virginia and the people of the Nation were well served by John Slack's efforts in this House. Those efforts will serve as a valuable standard by which future legislators can measure their effectiveness and their achievements.●

● Mr. MILLER of Ohio. Mr. Speaker, it was with great shock and sorrow that I received word of the untimely death of our colleague and my friend John Slack.

Having served with him for 7 years on the House Appropriations Committee, I knew him to be a man of great honor and integrity. I respected his sound judgment and sought his counsel on the complexities of the Federal budget. While he may not have garnered constant media headlines, John labored long and hard in making sure that the taxpayers' money was well spent. Quietly but assuredly, he held close, tight rein over what was spent in his State, Justice, Commerce and Judiciary Subcommittee. He was a superb and masterful legislative tactician. I always appreciated his ability to get to the bottom of an agency's budget request and make sure it was doing its job.

No one could be as fair and cooperative to our side of the aisle as John Slack. Seniority or party affiliation did not matter to him when the national interest was at stake. Above all else, John Slack was a true statesman. He cherished this institution and loved his country.

Surely we have lost one of our most dedicated and conscientious public servants. I know those of us on the committee will miss him and his leadership.

The people of West Virginia's Third Congressional District who he so ably represented for two decades can be proud of John's distinguished career in public service. He cared deeply about the people he represented and diligently worked for them. He was a thoughtful, conscientious man who took seriously the trust his constituents and colleagues placed in him. His word was his bond. You could bank on it. He held high standards for himself and never compromised his principles. One of the privileges and pleasures I have had in my career in Congress has been knowing John Slack. Our thoughts and prayers go out to his family during this time of grief.●

● Mr. ADDABBO. Mr. Speaker, it is with great sadness that I mourn the loss of a dear and trusted friend, John Slack of West Virginia.

It is very hard to talk about someone you have grown so accustomed to working with, someone who was such a good friend. I have served in this Chamber for over 20 years and can honestly say that I never met a man so devoted to his job, or so respected by his colleagues. If you were writing a textbook and you wanted to write down the model of what a Congressman should be, then John would have done just fine. He was honest, hard working, dedicated, and trusted. John was the type of person we refer to as a workhorse, the Member who does the hard work without the fanfare. When tough decisions had to be made, and John always had his share of them, he made them without drawing attention to himself. He put the extra hours in and it certainly showed in his work. It showed in a very important area, advice. One of the ways a Member of this body gains respect from his fellow Members is by being able to give advice on important issues. When I, or anyone else here needed, a question answered, John always had the time to share with you his knowledge. And that is what made John so special, he always had the time to talk, to help you understand. He made our jobs a lot easier by doing so, and certainly hope we did not take him for granted.

I had the privilege of working with John on appropriations. He never failed to amaze me with the ability to grasp the most complicated issues in such a short while. As chairman of the Subcommittee on State, Commerce and Judiciary he guided legislation that affects millions of people every day. And whatever he did, he always did it with the people in mind, how it would affect them, and how it would make their lives better.

But as devoted as John was to Congress there was a side to him that many rarely saw. John loved his family, and spent as much time as he could with them. He took his responsibilities as head of the household quite seriously and was often frustrated that his work kept him away from the people he loved, and who loved him just as much. To John, his wife Frances and son, John, were sacred and he spent every available minute with them, no matter how tired he was or involved with his work.

This Chamber has suffered a tremendous loss with the passing of John. There is no one here who can ever replace him. Men like John do not come along very often, but when they do they must be appreciated and revered. We will miss him when the time comes when we need advice, we will miss him when we just want to talk with a gentleman, and we will miss him when the tough decisions have to be made. This Congress lost more than just a Representative, it lost a dear friend.

Grace and I spent many enjoyable times with the Slacks. Both John and his Frances were unfailingly good company, gracious hosts and interesting conversationalists. We express our deepest sympathy to Frances who has accepted her loss so galantly, to their son who gives every promise of truly being his father's son, and to all who knew and loved this warm-hearted and delightful man.

All his attributes were attested to by the overflow of friends and hometown folks at John's funeral service, the eloquent words of his pastors, and by all who stood rain soaked on the hills of St. Albans of his beautiful West Virginia and bid a final farewell to a friend and a great American, John Slack.●

● Mr. ALEXANDER. Mr. Speaker, the passing of days eases the shock of the untimely death of our valued colleague and friend, John Slack, but the sadness at his going will long linger with those who were privileged to know him.

He was one of those leaders we could always expect to appeal to the best in us. John Slack consistently made an honest, intelligent attempt to understand the views of his colleagues whose positions differed with his own. Even so, when faced with the necessity to make difficult decisions he did so, standing by them and defending them when the need arose. By example he challenged us to do the same.

A man of ideals and integrity, John Slack's approach to the problems and conflicts driving our Nation, the Congress and his colleagues was always tempered with compassion, humor and understanding.

John Slack as a human being, as a leader and as a public servant is an example well worth trying to live up to.

Our Nation and the Congress as an institution are enriched for having had the benefit of the courage, dedication, and honor of John Slack.●

● Mr. JONES of North Carolina. Mr. Speaker, I cannot recall being any more shocked and saddened than when I learned of the untimely passing of my very good friend, John Slack.

As has been stated many times, he was one of the most highly respected and admired Members of the House. I had the pleasure of working closely with him on several matters, most of which concerned personnel. I always found him to be most responsive and equally important, most reliable. In a most complimentary way, I would describe him as being a low-key Congressman, but yet one who almost without fail got the job done.

His district, the Third District of West Virginia, was indeed fortunate to have him as their Representative for the 22 years that he has served here.

I will miss him not only as a colleague but more especially, as a true friend. To his family and his legion of friends, I offer my sincere sympathy and share with them a feeling of irreplaceable loss.●

● Mr. CARR. Mr. Speaker, I want to join all my colleagues in their expression of regret over the loss of John Slack. It is a loss which we all feel personally and which will also be felt by the working men and women in this country. John Slack stood by them loyally, and his absence from the Congress will deprive American laborers of an effective advocate and friend.●

● Mr. MURTHA. Mr. Speaker, the below listed speech is a touching tribute made by Rev. Morton Estep, pastor of First Church of the Nazarene at John Slack's funeral in Charleston on Thursday. These appropriate comments were an outstanding tribute to a great American which reflects the loss to West Virginia and the United States.

Hebrews 11:4—"He being dead yet speaketh."

Mark 10:42-45—"Jesus called them together and said, "You know that those who are regarded as rulers of the Gentiles lord it over them, and their high officials exercise authority over them. Not so with you. Instead, whoever wants to become great among you must be your servant, and whoever wants to be first must be slave of all. For even the son of Man did not come to be served, but to serve, and to give his life a ransom for many." (NIV)

Representative John Slack, Jr., is dead. Our loss is heaven's gain. His life should be our lesson. He is deeply missed by family, friends, and a nation. Though he is physically gone, his influence and life will live on! "He being dead yet speaketh."

The one word that best describes John Slack is Love . . . not sentimental, Madison-Avenue love, but love that is lived out in deep, lasting commitment!

John Slack loved his family. He and Frances loved each other deeply and God gave them forty years of married life together.

John loved his son with a proud fatherly love that showed in their deep mutual respect for each other. For each family member John Slack left no doubt . . . he said it in his own way, "I love you!"

John Slack loved his country. His love ran deep. It was a love that made him give of himself in total service. It was a love that made his heart cry out for changes that would keep us strong and secure. Because of his love for country, he was troubled by the trends of our time that would allow us to give up the freedoms, hopes, and dreams he had for the United States. John Slack's love for country was not just a Fourth-of-July, flag-waving, politically expedient love, but a love that made him the servant of the people all the time! Patriotism burned brightest in his unselfish heart.

John Slack loved the House of Representatives. He, on occasion, would share that feeling in stating that the House was the greatest deliberative body in the world... that it was the place where you could best hear the voice of the people.

His love for the House came crystal clear when approached about running for the Senate and John stated: "I couldn't step down from the House to run for the Senate." He loved his assignments and his dedicated leadership will be sorely missed. They will fill the office but they will never fill the vacancy John Slack left!

John Slack loved us—the people. He loved all of us... poor, rich, black, white, educated, uneducated. He lived on the premise, "Love not expressed is not love at all." He expressed his love to the people not by "verbal fluff" but by working for the people. John Slack lived out the mandate of his Master, the Greatest Man, Jesus, as he served the people. "He did not come to be served, but to serve." There was never a problem too small or need too great to which he did not give his full attention. May each of us gathered here today commit ourselves anew to love as John Slack loved. Yes, he loved us; and, John, we loved you!

● Mr. ZABLOCKI. Mr. Speaker, it is with sorrow that I join my colleagues in mourning the loss of John Slack, a true gentleman and a dedicated public servant.

I have known John Slack since he first came to Congress in 1959, and our friendship grew over the next two decades. He was an effective chairman of the State, Justice, Commerce and Judiciary Subcommittee of the Appropriations Committee, a responsibility he shouldered with distinction. In his role as chairman, he scrupulously observed the rules of this body and was always fair in his dealings with his colleagues. We shared a number of interests in foreign affairs matters over the two decades of our friendship, and I increasingly came to admire and appreciate his honor and decency. His work was marked by diligence, objectivity and a sense of fairness which earned the respect of all of his colleagues.

John also served with distinction as a member of the U.S. delegations to the interparliamentary conferences with both Mexico and Canada, a role which he performed with his usual skill and dedication.

He was a man who represented the highest ideals which the Congress and the people can ask of their elected representatives. He was absolutely devoted to his West Virginia constituents and their concerns, while retaining a patriot's true sense of responsibility to the Nation. He never shirked a difficult assignment. He was a member of the Committee on Standards of Official Conduct, where his integrity and personal honor won him admiration. Yet, despite these outstanding personal and professional qualities, John was a modest man, quiet and unassuming, with a kind word and a helping hand always ready. Members on both sides of the aisle valued his judgment and his friendship.

The sudden and untimely death of John Slack has left a void in this House which will be hard to fill. I join in extending my deepest sympathies to his family.●

● Mr. DERWINSKI. Mr. Speaker, I wish to express my sorrow over the recent death of our distinguished colleague, and good friend John Slack. His outstanding record of public service and his strength of character earned him an honored place in the hearts of all those who had the privilege to know him.

During his 22 years in Congress, John was a hard-working legislator who knew how to get things done. His efforts always reflected his deep concern for the well-being of the Nation and of his constituents. The House as a whole, will miss his quiet but strong leadership.

As chairman of the Subcommittee on State, Justice, Commerce and the Judiciary of the House Appropriations Committee, he brought much knowledge in the varied areas over which the main committee and the subcommittee have jurisdiction and contributed immensely to the formation of responsible legislation. He handled his duties in a most capable manner.

John Slack was a man of personal dignity and fairness, a skilled legislator, who was greatly admired for his sound grasp of the legislative process.

Not only was he an objective man, especially in analyzing the great issues before our country, John Slack was a man of compassion, integrity, and foresight. He handled the demanding responsibilities of his congressional assignments with intelligence and insight while effectively representing the people of the Third District of West Virginia.

On behalf of Mrs. Derwinski and myself, I would like to express my sincere condolences to his wife, Frances, and the entire Slack family on their loss.●

● Mr. CARTER. Mr. Speaker, the sudden passing of John M. Slack, Jr., is a blow to this body and to this Nation.

John was a good and an honorable man and a fine and a knowledgeable legislator.

As a Congressman from the neighboring State of West Virginia, he provided 22 years of faithful and devoted service to the people of his congressional district. They will miss his good services, and so shall we.

Kathleen and I wish to express our condolences to his wife and to their son. May God console them in their sorrow.●

● Mr. NEDZI. Mr. Speaker, the House of Representatives and the Nation lost one of its finest men last week with the sudden, unexpected passing of John Slack of West Virginia.

Congressman Slack was already in his third term when I arrived in Washington during the first year of the Kennedy administration. We became friends very soon thereafter, and I always found him to be a very decent and straightforward guy, and the kind of legislator that provides the necessary glue that makes this institution work. He was one of those rare individuals who was genuinely well-liked by his colleagues, by his personal staff, and by the employees of the House—policemen, cafeteria workers, and everyone else. He had an easy rapport with them all.

Just as Members talk with one another and make assessments in the undercurrent of issues and personalities on the Hill, so do congressional staffs talk to each other. And the message from the Slack staff to the Nedzi staff was "He's the nicest guy we've ever worked for—very basic—down-to-earth—no ego problems."

We all know it is the fashion of the day for many Members of the House of Representatives to covet, and a number of them to seek election to, the Senate, even though the House and Senate are coequal bodies. I do not know if John Slack could ever have been elected to the Senate, but I found endearing the vignette told by his minister. He said that Congressman Slack was once approached to run for the Senate and demurred, saying, "I love the House, and I would never step down to run for the Senate."

We liked John Slack in this body. He was good for the House, and good for his district in Charleston, W. Va., and he will be very much missed.●

● Mr. KEMP. Mr. Speaker, it is with great sadness that I pay tribute to one of this Nation's great leaders, Representative John Slack.

I had the distinct privilege of serving with John on the Appropriations Committee, where he carved a distinguished career out of his dedicated work on the State, Justice, Commerce, Judiciary Committee. John served his country with grace and honor and a dignity born of a dedication to the truth.

His loss will be felt by this body and by the entire country. My prayers go with him and are with his family in this difficult time.●

● Mr. JOHNSON of California. Mr. Speaker, I was deeply saddened and shocked to learn of the passing of my good friend and greatly esteemed colleague, John M. Slack of West Virginia. John and I came to Congress at the same time, and over the past 22 years it has been my great pleasure and high honor to work closely with him in these halls. I have admired his professional approach to his work, his productivity, his ability to deliver results while never seeking public acclaim, and his steadfast representation of his district, his State, and the entire Nation.

I have also been fortunate, Mr. Speaker, in being associated with John Slack on another level. He was a good personal friend of mine over these 22 years. Those qualities which I found in him as a friend account in large measure, I am sure, for his great success as a legislator. I am referring to the fact that underlying all that John Slack did was a foundation of moral integrity, a true faith, a strong spirit, and a clear vision of the past and the future. In the midst of the daily storm and turmoil of congressional activity, John Slack was an island of calm, peace, and stability. His word was always his bond.

John Slack was a great credit to the institution of the House of Representatives. He worked long and hard, always mindful of the needs of his constituents and the Nation as a whole. John Slack was a builder and an inspirational force. His renowned abilities as a legislator and his unselfish approach to his work lifted the entire level of respectability and competence of this institution. He lifted and raised the quality of the lives of all of us who knew him. He lifted and carried a heavy load of responsibility with great poise and grace.

John's ability to lift the level of everything with which he was involved to new levels of quality and effectiveness reminds me of a few lines from Ella Wheeler Wilcox's poem called "Leaning and Lifting":

> There are two kinds of people on Earth today.
> Just two kinds—no more, I say.
> The two kinds of people on Earth I mean
> Are the people who lift and the people who lean.
> Wherever you go you will find the world's masses
> Are ever divided in just these two classes.
> And strangely enough you will find, too, I ween,
> That there is but one lifter for twenty who lean.

John Slack was a lifter of the highest order. He certainly increased my enjoyment of the past 22 years, and I know every Member of this body would join me in saying that John Slack lifted the esteem and public assessment of the entire Congress through his distinguished service.

Albra and I will miss John's friendship, and our heartfelt sympathy goes out to his lovely wife, Frances, and to his son, John. His tremendous contributions will always be remembered by us and by this great representative institution which John loved and cherished.●

● Mr. ANDREWS of North Dakota. Mr. Speaker, it is indeed fitting that those of us who were proud to call him a friend pay special tribute to the memory of one of the most sincere and dedicated

Members of this body, our longtime colleague, John Slack.

I was especially fortunate to have a close working relationship with John through our work on the State, Justice, Commerce Appropriations Subcommittee, where we have been privileged to have him as our chairman since 1975. There is no question that he has served the committee and the American people well in that capacity. Needless to say, he will be sorely missed by those of us on the subcommittee and by all of his many other friends in the Congress.

I have enjoyed my long friendship with John and have always been impressed by his sincerity and his dedication to the principles that make America strong. I want to extend my best to his family and only hope they recognize that their loss is shared by those of us whose lives were touched by the privilege of knowing John.●

● Mr. CORMAN. Mr. Speaker, I was shocked and saddened to learn of the untimely death of my distinguished colleague, John Slack. I have known John since I first arrived in the House in 1960. For the past 20 years, I have had the privilege and honor of serving with him. In his 22-year career, John Slack proved to be one of the most dedicated and hard-working legislators this body has known. Whether you agreed with him or not, you knew that his arguments were based on sound principles. He was a man of integrity, honesty, and decency. He will be sorely missed not only by his colleagues here in the House, but by the people of West Virginia, whom he so ably represented for many years.

I join my colleagues in extending my deepest sympathies to his wife and son. We will all be the poorer from his absence.●

● Mr. CORRADA. Mr. Speaker, the death last week of Representative John M. Slack of the Third Congressional District of West Virginia is an occasion for sadness, and I would like to extend the deepest of condolences to his family his friends, and to the people of West Virginia whom he served with dedication, compassion, and fairness throughout his tenure in this body.

His untimely death means a great loss to all of us and, in appearing before the Subcommittee on Appropriations, I found him to be an individual with the rare qualities of perception and fairness, and with honor and integrity that served us all well.●

● Mr. MOORHEAD of Pennsylvania. Mr. Speaker, the House has lost a great and good Member and Charleston, W. Va., has lost a great and good Representative with the death of John Slack. He was dedicated, hard working and responsible. He was also very cautious about expenditures of public funds which is a particularly good attitude to have if, like John, one serves on the Appropriations Committee. He knew the value of a dollar—particularly of the taxpayer's dollar—and acted accordingly. His actions in the House also reflected compassion, a recognition that the citizens of this country often had needs which the Federal Government had an obligation to meet—and he helped in helping to fulfill such needs. Ask his constituents of West Virginia's Third Congressional District, whom he loyally served for 22 years—they will tell you how well they were served. The person who takes John's place has some big shoes to fill in the eyes of his constituents.

And the person who succeeds John has some big shoes to fill in the eyes of the Members of this House. John Slack was a rock-solid Member and we are much the lesser without him.

On a personal note—John and I entered the Congress together. We shared ideas together and I often sought him out for advice and help.

I shall miss him.●

● Mr. GIBBONS. Mr. Speaker, our colleague, John Slack, was a very fine man. I think most of us knew John as a quiet, thoughtful person, who seldom raised his voice. But when he spoke others listened because we knew that he was worth listening to.

John served his country and his community well. He was both an energetic and contemplative person. He worked hard at the job of being a Congressman. He was attentive to the needs of his constituency, and represented his people well here in Congress. At the same time, John handled his work knowing the needs of America.

John Slack was a good friend and an honest, intelligent worker. All of us will miss him.●

● Mr. BAFALIS. Mr. Speaker, it is with a great deal of sadness I rise to join my colleagues in paying tribute to the late John M. Slack.

For nearly 20 years, John Slack served his home State of West Virginia and the Nation as the Representative of the Third District. He was a fine lawmaker, hard working, conscientious, and dedicated.

Nowhere were these qualities more evident than in his work as a member of the House Appropriations Committee and as chairman of the Subcommittee on State, Justice, Commerce, and the Judiciary.

But John Slack was more than my colleague. He was my friend, a friend willing to be of whatever assistance he could to those who asked his advice and counsel.

As Members of Congress, we are richer for having known and worked with John Slack over the years. As his friends—and as a nation—we are poorer for his passing.

This Nation—and this body—can never have too many public servants of John Slack's caliber.●

● Mr. DUNCAN of Tennessee. Mr. Speaker, it is with great regret and sorrow that I rise today to pay tribute to our late colleague from West Virginia, the Honorable John Slack. Knowing John as I did, I am convinced that this House, all West Virginians, and the entire Nation will long feel the effect of this profound loss.

I met John Slack when I first entered this House 17 years ago. I was privileged as well, to know his fine family. In fact, I had the honor of representing his outstanding young son while he was a student at the University of Tennessee in my district. Their grief at this difficult time is shared by us all.

John Slack, who served so ably on the Appropriations Committee, was a kind, approachable man always eager to work with his colleagues in attempts to fashion agreements that would best serve the public interest. That he was so frequently successful is proof of the extraordinary talent he brought to the governmental process. This makes our loss especially great because men of John's caliber are needed now more than ever. Simply stated, John Slack was a great American, a credit to this House and to those we serve. For those of us privileged to serve with him, his contribution to our lives was considerable and will not be forgotten.●

● Mr. COLLINS of Texas. Mr. Speaker, we join in extending our sincerest sympathy on the loss of John M. Slack. John was one of the most popular men who ever served in Congress. Coming from the friendly hills of West Virginia, he had an easy, sincere manner that endeared him to everyone who knew him.

We will miss John because he was one of the strong forces in Congress of commonsense and advocating fiscal stability. In serving on the Appropriations Committee, he was always working for a balanced budget and to keep Government expenditures to the very minimum. His commonsense was a balance wheel in always fighting to keep the growing financial demands in line.

When you lose a good man on such sudden notice, it is a shock to all of us. Last week when we saw John on the floor, he had his usual drive and friendly smile. When we heard he had a heart attack and had dropped out of the picture so quickly, it came as a devastating blow.

West Virginia will always be proud of the distinguished service that John M. Slack has given the Nation for the State of West Virginia. Those of us in Congress are proud that we had an opportunity to serve with such a distinguished statesman as Slack of West Virginia.●

● Mr. MAZZOLI. Mr. Speaker, I join my colleagues in expressing deepest sympathy to the family and friends of our late colleague, John M. Slack, Jr.

John served ably in the House since his election in 1958 and was an effective chairman of the House Appropriations Subcommittee on the Judiciary and Commerce.

I, along with other Members of the House, enjoyed serving with John Slack in the past years. He will be sorely missed in the House of Representatives and by the people of the Third District of West Virginia, a constituency he worked hard for in the past 22 years.●

● Mr. VANIK. Mr. Speaker, I would like to join with my other colleagues who have expressed shock and sadness on the sudden death of Representative John M. Slack of West Virginia. His constituents in the third district, his colleagues in the House of Representatives, and all who knew him agree that his death is an irreplacable loss.

As a representative of the people in

the State of West Virginia, JOHN SLACK was a compassionate and caring man. As the chairman of the Appropriations, State, Commerce, and Judiciary Subcommittee, he was an effective and skillful legislator. We served in the House together for 20 years. In all this time I knew of no Member who expressed more understanding or feeling for the needs of the people he served throughout the Nation.

His presence in Congress will be greatly missed. The need for conscientious and effective legislators such as JOHN SLACK is greater today than anytime in the past. His rare combination of skill and feeling will be difficult, if not impossible, to replace.●

● Mr. WHITLEY. Mr. Speaker, Representative JOHN SLACK, Democrat, of Charleston, W. Va., died on Monday, March 17, 1980. The following day would have been his 65th birthday. He was serving his 22d year in the House.

Probably few persons in the Third District of North Carolina ever heard of JOHN SLACK. He was typical of many Members of the House, and the House is not a high-profile branch of Government. The network TV news shows feature the President, Vice President, Cabinet members and a handful of Senators. No doubt many readers of this report would have difficulty recalling, on short notice, the name of the Speaker of the House, much less the chairman of the Appropriations Committee.

Yet, on the House floor on Tuesday, Member after Member, both Democrat and Republican, from throughout the Nation rose to his feet to praise JOHN SLACK's service and commend him for his display of outstanding leadership.

JOHN SLACK was my friend, but he was more than that. The tributes he received were real and were deserved. He was influential and effective not only because he was chairman of an important Appropriations Subcommittee, but because his colleagues knew him to be a man they could trust and depend upon. He said what he thought and he did what he said he would do.

A bit too conservative for some of the liberal leaders of the United Mine Workers Union in his district and a bit too moderate for a conservative newspaper editor, he was whipsawed back and forth, and while he always won his elections, he could usually depend on reasonably strong opposition every 2 years, often from both political parties.

In the end, he died of a heart attack at an age when he should have been in the process of slowing down his pace, reducing the tension of life in the Washington pressure cooker, and enjoying his grandchildren.

A ho-hum item in the news? To me, this man gave his life for his country as surely and as courageously as many who have died in the military service. Our Nation is the richer for his life and his service to us.●

● Mr. PERKINS. Mr. Speaker, one could not serve in this House with JOHN SLACK for 21 years as I have done and not feel great sadness and personal loss at his passing.

We come from nearby districts, and our people have virtually identical backgrounds and folkways. We have the same heritage. So it was natural that JOHN and I viewed the issues of Government in much the same way.

He was a quiet man, and an understanding man. Somehow, "dependable" was the word I always thought of in his connection. His district depended on him. His colleagues depended on him. And never once did he disappoint us.

JOHN SLACK was a man of forthrightness and courage in the conduct of his office. Intuitively, he could see what was fair and what was right.

Many, many times he has been of great help to me in legislative battles—simply because he saw something was the right thing to do. And when he saw some program or some project was good for the people, he would go all the way with you. Never once did he ever hide behind the Budget Committee or any other committee to commit his assistance. JOHN SLACK was man enough to stand on his own two feet and do the right thing.

JOHN knew that Members of Congress are sent to Washington to serve the people who elect them. That governed his outlook and his action from January 1959, onward until the day he died.

West Virginia has suffered a great loss, and the Congress is the poorer for his leaving us.

It was a privilege to have known and served with such a man.●

● Mr. HORTON. Mr. Speaker, I, like so many of my colleagues, was deeply saddened by the news of JOHN SLACK's death on March 17. He exemplified perhaps more than any other the qualities that distinguish a Member of Congress: honesty, integrity, and devotion to service and Nation.

JOHN M. SLACK was many things to many people. To his constituents in West Virginia, which he served since 1959, he was known as an ardent advocate of utilizing the State's chief resource: coal. Employment of the poor was among his most important concerns. He worked hard to be known and remembered as a friend of the people of Appalachia and the coal mining regions of West Virginia. He certainly earned that reputation.

To his colleagues in the House of Representatives JOHN will be remembered for his tireless work as chairman of the Subcommittee on State, Justice, Commerce, and the Judiciary of the House Appropriations Committee and his service on the House Ethics Committee. JOHN's position on the bills he managed and the issues he embraced were never in doubt. In short, his word was his bond.

Unfortunately, I never had the privilege of serving with JOHN in committee. However, I got to know JOHN well because we were neighbors for many years in the Rayburn Building. During those times, I got to know JOHN as a friend as we often talked on the way to the floor for a vote or on our way to meetings. From this perspective, I saw the warm and human side of my friend and colleague. I always knew when JOHN was working late—something he did quite often. If you heard the sound of a dog working—sometimes two dogs—you could be sure that JOHN was either in his office or on the way to it.

JOHN's office was unique in a number of ways. He was always interested not only in the welfare of his own staff, but in the welfare of others across the hall. His office reflected that human touch—he shared his own personal office with office equipment and staff alike. His closets contained some of his favorite hobbies. He had an unusual collection of bamboo fishing rods which he proudly showed to anyone who might care to take a look.

JOHN SLACK always had a kind word for anyone he might meet in the hallway or anywhere around the Hill. A familiar face is gone and we are poorer for it.

My sincere regrets go to his wife Frances, his son John M. Slack III, and his two grandchildren.●

● Mr. LEHMAN. Mr. Speaker, I know you and all the Members of this House were as shocked and saddened as I was at hearing of the untimely death of JOHN SLACK. On both occasions when Members gathered on the floor to pay tribute to our departed colleague, I was unable to be present. However, reading over the remarks others have made, I am impressed by the words used over and over again—describing the late gentleman from West Virginia as honest, effective, compassionate, diligent, decent, conscientious, gentle; ascribing to him integrity, courage, dedication, sensitivity, strength, and, above all, honor.

It is hard to find anything to add to these expressions of respect and affection for JOHN SLACK. I, too, found JOHN to be a special kind of Congressman. He was exceptionally kind, accessible, and unself-impressed. He had all the attributes of a man of great character, yet he carried these qualities with true modesty and becoming humility. I will never forget his guidance and his kindness to me during the time I was privileged to serve with him in the House.

JOHN SLACK's contributions were of the quieter kind; I think we will find that, far from having memory fade, we will miss him more and more as time goes on.

Mr. Speaker, Joan and I extend our deepest sympathy to Frances Slack and all their family, in this time of grief and loss.●

● Mr. HANLEY. Mr. Speaker, I share with my colleagues the shock and sorrow felt in hearing the news of the sudden death of our dear friend and colleague, JOHN SLACK.

Throughout my service in this Chamber, JOHN SLACK was a constant example of a legislator with the highest degree of integrity, dedication, and honesty. His word was his bond, and his commitment was that public office is a public trust. He was a beautiful, gentle, and kind human being.

Never was there a time that JOHN would not take the time to consider all sides of an issue. In the end, his votes were always based on what was best for the people of his district, his State, and his country.

Even as a seasoned veteran of this institution, he never ceased to reach out and offer help, guidance, and personal concern to new Members. He was a man of concern and a man of compassion.

All the people of this Nation have suffered a great loss with the passing of John Slack. His service truly has been a credit to the Congress, and he will be greatly missed.●

● Mr. BOB WILSON. Mr. Speaker, John Slack was a good friend and a valued colleague. We will all feel his loss.

He was a plain-spoken man, but when he gave his word, you could put it in the bank. Over the years that John and I served together in this House, we had numerous dealings, and I found him to be fair and honest to a fault. I sought his counsel on many occasions and was never disappointed.

John was a most capable legislator who knew what he wanted to do, and did it. I will miss him sorely.●

● Mr. SMITH of Iowa. Mr. Speaker, I include a statement by Secretary of State Cyrus Vance, which he delivered to me to be inserted in the Congressional Record as per his request relative to the passing of our late colleague, John M. Slack.

The statement follows:

John M. Slack

(Statement by Secretary Cyrus Vance)

The news of the untimely death of John Slack shocked and saddened his many friends and admirers in the Department of State and the Foreign Service.

John Slack was a dedicated public servant. A man of outstanding integrity, great vision and exemplary moderation, he served his country during troubled times with wisdom and honor. His word was his bond. His memory will long be cherished by those of us privileged to have known and worked with him.

During the years which I and my colleagues of the Department of State appeared before him, Congressman Slack gave us consistently wise counsel based upon his comprehensive understanding of the Department and his concern for its people.

John Slack was both a good personal friend and an esteemed professional colleague. My colleagues and I in the Department will miss his leadership, and his support.●

● Mr. PANETTA. Mr. Speaker, it is with great sadness that I join my colleagues in paying tribute to the late John Slack.

As a long-time Member of this body, John Slack performed outstanding service for both his district and the Nation. As chairman of an appropriations subcommittee with jurisdiction over vital areas of the Federal Government, he was a key to the continued functioning of foreign policy and a variety of other essential programs. The dedication that he brought to these duties will be missed by the entire country.

Mr. Speaker, at this time I would also like to express my sympathy to the family of John Slack. We all share in their loss.●

● Mr. de la GARZA. Mr. Speaker, along with all my colleagues, I was saddened by the sudden death of our dear friend and colleague John Slack. He preceded me here by a few years, hence was my senior when I first came to Congress. When, as a freshman Member, I was looking for a kind word or a friendly hand, he was there and until the last day I saw him, this was still the case, a kind word, a friendly hand to all who needed it.

John Slack was a good Member; he worked hard for his district and for the State of West Virginia, but because of his committee responsibility he was also a national figure, with national and international responsibility.

We knew him as a quiet mannered, very humble person, and because of this I know that much of his good work was not publicized. I come from deep south Texas, on the banks of the Rio Grande River and I want the people of the Third Congressional District of West Virginia to know that we have a better place to live because of the work of John Slack as a member of the Appropriations Committee.

In behalf of all the people of my congressional district, I extend our condolences to the family and friends of John Slack and our deep appreciation for all the work he did for all of us.●

● Mr. FUQUA. Mr. Speaker, it is with a sense of true loss that I rise to pay my respects to the memory of Representative John Slack, an able and dedicated Member of the House of Representatives for 22 years, and an effective Representative of the constituents of the Third District of West Virginia.

My friendship with John Slack dates from shortly after I assumed my seat in this House some 18 years ago when he befriended me and gave me guidance through those difficult first months and years.

Never one to seek the spotlight nor to call attention to himself or his many accomplishments, John Slack was nevertheless recognized by those of us who had the honor to work with him as a true leader and a trusted friend.

His quiet sense of humor, his humorous good sense, and his tireless devotion to this institution and his constituents have been and will continue to be an inspiration to all who knew him, and most especially those who had the great honor to work with him.●

● Mr. DRINAN. Mr. Speaker, I rise in memory of a gracious and generous man, Congressman John M. Slack of West Virginia.

Our colleague's untimely passing on his 65th birthday leaves us bereft of a gentleman whom everyone came to admire.

I came to know John in his capacity as chairman of the State, Justice, Commerce and Judiciary Subcommittee of the House Appropriations Committee. In that role, he appropriated the funds authorized by the House Judiciary Committee, on which I serve, for the Justice Department and the FBI. He was always just, impartial, and patient in his dealings with everyone and with every problem.

John Slack was a quiet, dignified public servant whose 23 years of service in the House of Representatives makes us all proud to have known him and to have served with him. His loss diminishes all of us and diminishes the stature of the Congress of the United States.●

● Mr. STAGGERS. Mr. Speaker, at the request of the Reverend John G. Parks, pastor, Bream Memorial Presbyterian Church, Charleston, W. Va., I bring to your attention the following memorial in behalf of our great late colleague, John M. Slack, Jr.

"We are deeply saddened by the untimely passing of our Christian brother and fellow member and officer, John Slack. John has been an inspiration to many and has represented the best traits of Christian service in seeking to meet the needs of people from all walks of life. He will be deeply missed and long remembered for his distinguished record in public service. (The officers and members of Bream Memorial Presbyterian Church, Charleston, W. Va.)

"Authorized by the Session in regular meeting, March 19, 1980. Read at the funeral service March 20, 1980."●

● Mr. GINN. Mr. Speaker, it is with great sadness that I pay tribute to our dear friend and colleague, John Slack. His untimely death has left a great void in this distinguished body, for his contributions to the Congress, his constituents, and to this Nation have been significant.

It is unfortunate that many of his accomplishments have gone relatively unnoticed outside of this body, but that is the way he chose to operate. He was always available for any Member to discuss any problem, and he bent over backward to be of assistance.

Yet he was prudent with the taxpayer's dollar, and served with great distinction on the Appropriations Committee, on which for the last 2 years I had the honor to serve with him. His understanding of the role and responsibilities of the committee and his commitment to attempt never to countermand or override the jurisdictions of the authorizing committees were firm. His sense of fairness was keen, and he dealt with all issues and interests in the same judicious, equitable, and reasonable manner. He never sought glory or recognition; he only wanted to get the job done as effectively and efficiently as possible. He nearly always succeeded.

For those of us who remain, the qualities that John Slack represented are to be emulated, for if we could all serve with the same sense of commitment, dedication, fair play, and love for country as he did, this Congress and indeed this Nation would be in greater hands.

Thank you.●

● Mr. BROOKS. Mr. Speaker, I was deeply saddened by the news of John Slack's death on March 17. He was a distinguished Member of Congress who served his district and Nation with honesty, integrity, and devotion. We depended upon him—his district and his colleagues—and he never disappointed us because he always forged ahead with what he believed was right and fair.

John was a man of great character, yet he carried this quality with unassuming modesty. His service truly has been a credit to the Congress and I will never forget his many kindnesses and friendship that we shared over the many years.

It was a privilege to have known and served with such a fine man. My sincere sympathy goes to his wife, Frances, his son, and grandchildren.●

● Mr. FUQUA. Mr. Speaker, this House will feel the loss of our colleague, John M. Slack, Jr., in many ways.

His wise counsel, his quiet good humor, his exemplary conduct, were all the marks of a caring and compassionate human being who gave freely of his mind and his time to those who took the trouble to seek him out.

Those of us who had the privilege of serving with John Slack will feel the loss of his presence and his friendship most keenly. The institution of the House of Representatives will also feel his absence in a different way.

In any collegiate body there are those who quietly serve by example to set a tone and standard for newer members. It is they who carry our best traditions forward and, simply by their presence, add to those traditions in the most meaningful ways.

John Slack was such a man.●

ALCOHOL FARM FUEL USE TAX ACT OF 1980

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. Alexander) is recognized for 10 minutes.

● Mr. ALEXANDER. Mr. Speaker, I am today introducing a bill entitled the "Alcohol Farm Fuel Use Tax Act of 1980," that would allow farmers a refundable credit against income tax for amounts paid or incurred in converting farm equipment for alcohol fuel use.

Alcohol fuels are the most practical and immediately available alternative fuels that can be used to significantly reduce the Nation's dependence on imported oil. Americans are paying almost $9 million an hour for foreign oil, and it is time to provide the encouragement and incentives that will break OPEC's stranglehold on our economy.

It is the Nation's farm community, perhaps more than any other sector, which is adversely affected by oil supply disruptions and escalating prices. An interruption in oil supplies during the critical planting and harvesting periods could spell an economic disaster not only for the farmer but for the Nation as a whole—in terms of ample food, feed and fiber, and agricultural surpluses to relieve a foreign trade deficit that grows wider because of oil imports.

Earlier this year, the President announced a national production goal of 500 million gallons of alcohol fuel by the end of 1981. To achieve this sixfold increase over 1979 production levels, this body has been aggressive in acting to provide the farmer and private sector with the financial aids needed for the development of commercial and on-farm alcohol fuel production facilities. We must now complete the other side of the energy equation and help the farmer to make full use of alcohol fuels in the production, harvesting, storage, and marketing of agricultural products.

Mr. Speaker, the legislation I propose today will encourage and accelerate the use of alcohol fuel, within the agricultural sector by providing a refundable income tax credit for the conversion or modification of farm equipment for use of alcohol fuels. Last year, many of us struggled to cope with the energy shortfalls that created havoc within the farm community. Let us provide the farmer with the opportunity and incentives to free himself from the foreign oil bind.

I insert the bill in its entirety at this point, and I urge my colleagues to move expeditiously to enact this legislation:

H.R. 6906

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Section 1. Short Title.

This Act may be cited as the "Alcohol Farm Fuel Use Tax Act of 1980".

Sec. 2. Findings.

The Congress hereby finds that—

(1) current dependence on fossil fuels places the Nation's agricultural sector in a position of vulnerability because of interruption of supply and escalating prices,

(2) the Nation's agricultural sector has the capability of becoming a producer of renewabel energy, together with the production of food, feed, and fiber,

(3) encouragement and economic incentives have been and are being provided for the development and production of alcohol fuels, and

(4) conversion or modification of agricultural field and farmstead equipment to alcohol fuel use is deserving of an energy conservation tax credit.

Sec. 3. Purpose.

The purpose of this Act is to encourage and accelerate the use of alcohol fuels within the agricultural sector by providing a refundable income tax credit for the conversion or modification of qualified farm equipment for use of alcohol fuels.

Sec. 4. Allowance of Credit for Converting Farm Equipment for Alcohol Fuel Use.

(a) In General.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits allowable) is amended by inserting after section 44E the following new section:

"Sec. 44F. Expenditures for Converting Farm Equipment for Alcohol Fuel Use.

"(a) Allowance of Credit.—In the case of a taxpayer engaged in the trade or business of farming, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year the farm equipment conversion expenditures paid or incurred by the taxpayer during the taxable year.

"(b) Limitation.—The credit allowed by subsection (a) for the taxable year shall not exceed $2,000 ($1,000 in the case of a married individual filing a separate return).

"(c) Farm Equipment Conversion Expenditures.—For purposes of this section—

"(1) In general.—The term 'farm equipment conversion expenditures' means expenditures which modify qualified farm equipment in order that such equipment will use as a fuel—

"(A) pure alcohol, or

"(B) a mixture not less than 20 percent of which is alcohol.

"(2) Qualified farm equipment.—The term 'qualified farm equipment' means equipment—

"(A) which uses an internal combustion engine for power,

"(B) which is used by the taxpayer in the trade of business of farming, and

"(C) which is used only on a farm (within the meaning of section 6420(c)(2)) located in the United States.

"(d) Basis Adjustments.—For purposes of this subtitle, if a credit is allowed under this section for any expenditure with respect to any property, the increase in the basis of such property which would (but for this subsection) result from such expenditure shall be reduced by the amount of credit so allowed."

(b)(1) Subsection (b) of section 6401 of such Code (relating to amounts treated as overpayments) is amended by striking out "and 43 (relating to earned income credit)" and by inserting in lieu thereof "43 (relating to earned income credit), and 44F (relating to expenditures for converting farm equipment for alcohol fuel use)" and by striking out "and 43" and inserting in lieu thereof "43, and 44F".

(2) Paragraph (2) of section 55(b) of such Code (defining regular tax) is amended by striking out "and 43" and inserting in lieu thereof ", 43, and 44F".

(3) Subsection (c) of section 56 of such Code (defining regular tax deduction) is amended by striking out "and 43" and inserting in lieu thereof "43, and 44F".

(c) The table of sections for such subpart A is amended by inserting after the item relating to section 44E the following new item:

"Sec. 44F. Expenditures for converting farm equipment for alcohol fuel use."

(d) The amendments made by this Act shall apply to expenditures paid or incurred after the date of the enactment of this Act, in taxable years ending after such date.●

WHY THE GOP IS A "CLOSED" PARTY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. Phillip Burton) is recognized for 5 minutes.

● Mr. PHILLIP BURTON. Mr. Speaker, for many years now the Democratic Party has been changing its rules to broaden the base of its support among the populace. The result of this process has been to bring many more Americans into the political arena, with benefits for both the party and the Nation. On the other hand, the Republican Party has resisted all efforts to change its rules to allow participation by various groups who have for a long time been shut out of the political process. An adviser to the Republican Party has written an informative article on the "closed" rules of the party organization and I commend it to my colleagues and all American voters.

The article follows:

Why the GOP Is a "Closed" Party

(By Josiah Lee Auspitz)

Among the serious problems facing the country, the rules of the Republican Party would not, at first blush, seem to loom very large. When compared with the Democrats' maze of commissions, quotas and ukases, the GOP rules seem refreshingly straightforward.

But in operation they are in fact profoundly offensive: they go far to explain the popular perception of the party as (to use the usual euphemisms) "narrowly based," "a country-club party" or "closed."

For the Republican rules have an indirect, invidiously discriminatory effect against groups which (it should come as no surprise) are now least likely to identify with the Grand Old Party: Roman Catholics, Baptists, Jews, Hispanics, blacks, union members and urban dwellers. Rules 19 and 30 assure that the two main agencies of the party—the Republican National Committee (RNC) and the national convention—are seriously malapportioned.

Delegates: Rule 30, which allocates bonus delegates to the national convention, is especially insidious. Devised in 1924, the bonus system rewards those state party organizations that have delivered their state's electoral-college vote to the GOP in the previous Presidential election by giving them extra convention delegates. Part of the victory bonus formula provides for a uniform reward regardless of the population of the state. Therefore, the larger states always earn far fewer bonus delegates relative to their electoral-college strength than the smaller states. The South has also been slighted, because the region is traditionally non-Republican. The system works to entrench Republican weakness—for the people the GOP needs to recruit if it is to become a majority party live in the very areas that the victory bonus system under-represents.

Two-thirds of the nation's Catholics, for example, live in nine large states that account for half of the U.S. population, 45 per cent of the total electoral vote, roughly 60 per cent of GOP finances, but only 27 per cent of the bonus delegates to the 1980 convention. Catholics of Italian and Slavic descent are even more geographically concentrated. So, too, are Hispanic voters, four-fifths of whom live in four of the most populous states. Four-fifths of Jews are concentrated in seven of the largest states.

As for adherents to the Southern Baptist Convention, the nation's largest Protestant denomination, 86 per cent of them are in the thirteen Southern states which have historically gotten short shrift when bonus delegates are apportioned to Republican conventions. This year, as it happens, the entire South will have fewer bonus delegates than the Dakotas, Wyoming and Alaska.

Black voters, most of whom live either in the most populous states or in the South, lose out on both counts.

The most egregious example of a botched structure is to be found in the Republican National Committee. Though the RNC runs many nationwide programs, solicits most of its $12 million budget by direct mail, fills vacancies on the Presidential ticket and accepts a $4 million taxpayer subsidy to run the national convention, it persists in the fiction that it is a private confederation of state parties.

Under rule 19, all states, regardless of size, have 3 votes. With the big, ethnically diverse states limited to a handful of seats, the RNC finds itself with a marked shortage of people with dark skins or unusual surnames. To compensate, its executive committee, in a quaint display of tokenism, overcomes the Republican distaste for quotas and reserves "auxiliary" seats for Hispanic, "heritage" (i.e., white ethnic) and black representatives.

It would be a simple matter, by a mere majority vote at the 1980 convention, to correct such anomalies. Republicans could, in the first place, change rule 19 to create a larger and more representative national committee based on the electoral-college strength of the states. Both New Jersey and Florida would then have seventeen instead of three seats, Texas and Illinois 26, California and New York more than 40. In a reconstructed RNC there would be no need for token "auxiliary" seats. Hispanic, "herittage" and black Republicans would be included as a matter of course in the enlarged delegations of the big states.

Second, for future national conventions the GOP could design a new bonus system, based on the electoral college and better suited to an age in which television, not state party organization, is decisive in national campaigns. Instead of giving state parties huge rewards for Presidential victories that are beyond their control, it could gear bonuses to GOP turnout, which their organizational efforts can influence. Or, the party could omit bonuses altogether.

I wish I could say, as the Soviets do about their ill treatment of minorities, that all these matters are merely "internal affairs" of the party. But Federal funding of the two-party system now makes abuses in the rules of either party the concern of every taxpayer. For the rules are to a party what the Constitution is to the country: they lay down in the most fundamental terms the institution's definition of itself.

Leadership: The two-party system is only as strong as its weaker link. If the party of Lincoln persists in a structure that discriminates against a majority of the nation's citizens, it weakens American politics as a whole. If, instead, Republicans make it a matter of conscience in 1980 to remove the blot of exclusivity from their rules, they will, I believe, open an era of genuinely competitive policies and, with it, of better government.

There are, to be sure, very few experts in party rules. But among those who qualify are all the current aspirants for the Republican Presidential nomination. It seems a fair question to ask each one of them in the coming months: what leadership will you provide in opening up the rules of the Republican Party?

Should any Republican have the courage to lead his party on so sensitive an issue, it would bode well for his ability to lead America.

(Josiah Lee Auspitz serves on the Advisory Committee on Outreach of the Republican National Committee.) ●

BYELORUSSIAN INDEPENDENCE DAY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. ADDABBO) is recognized for 5 minutes.

● Mr. ADDABBO. Mr. Speaker, I would like to join my colleagues and the Byelorussian-American communities of the United States in commemorating the 62d anniversary of the Proclamation of Independence of the Byelorussian Democratic Republic which took place in Minsk, capital of Byelorussia, on March 25, 1918.

It was in March of 1918 that the Byelorussian National Council issued its proclamation shaking the chains of nearly 3½ centuries of foreign domination. It was to be a short-lived freedom, 3 short years later its sovereignty to be crushed by the Soviet Red Army. Since that time the peoples of Byelorussia have been the helpless and innocent victims of Soviet tyranny in the name of preserving the integrity and sanctity of the State. Educators, political leaders and various others have been seized and executed, many of them soon after the country was taken over. After World War II the people were subject to Soviet brutality, with countless numbers murdered or sent to prison camps in Siberia on charges of supporting the Nazi regime during the war. Today the people of Byelorussia live under constant Soviet oppression, denied even the most barest of God given human rights. The Soviet Union, as they have practiced elsewhere, has adopted a policy of spiritual and cultural genocide in the desire of trying to stamp out the hope for freedom in its citizens. Many nations, if subject to the oppressive tactics of the Soviet would have long since buckled in to their demands. But not the Byelorussian people, for they merely have grown stronger, their will for freedom too great for the Soviets. Though they live in a world where loved ones are sent to prisons for expressing the truth about human rights, and though they live in a world where religion is to be practiced in secret, they are as strong and determined as ever to regain their freedom.

In this light it is vital to the people of Byelorussia that the Voice of America Broadcasts which serve to inform captive nations within the bonds of the Soviet Union of the nature of Soviet expansionism, include the Byelorussian language in its programing. As one of the largest ethnic groups in the U.S.S.R. and one of the oldest groups in the United States its inclusion in the broadcasts would be beneficial to all those interested in the plight of those living in the Soviet Union.

We live in an age when we are confronted daily with reports of suffering and tragedy around the globe. Too often we are not moved by these reports because they have become so commonplace, a big mistake indeed. When we are dealing with such things as human rights we must be shocked and moved when we read of peoples such as the Byelorussians who are living under constant oppression from the Soviet Union. We must continue to be concerned with these people, and all the other citizens held captive by outside forces, we must continue to let those people know we stand beside them in their fight for a freedom justly deserved.●

FOREIGN LANGUAGE AND INTERNATIONAL STUDIES INCENTIVE ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. PANETTA) is recognized for 10 minutes.

● Mr. PANETTA. Mr. Speaker, I am today introducing legislation to establish a special educational grant program to provide financial incentives for college students to study foreign languages and to learn more about the world in which we live. Called the Foreign Language and International Studies Incentive Act, my legislation has been cosponsored by Representatives SIMON, CHISHOLM, BLANCHARD, PRITCHARD, PORTER, VENTO, KILDEE, COELHO, MATSUI, MCHUGH, BARNES, OBERSTAR, BEDELL, CAVANAUGH, WIRTH, DELLUMS, CORRADA, and MCCLOSKEY. In addition, the legislation has been endorsed by educational organizations and prominent individuals across the Nation.

Mr. Speaker, as a member of the President's Commission on Foreign Language and International Studies, which last year conducted a thorough, 12-month review of where this Nation stands in these areas, I was shocked and disturbed to discover just how ill-equipped we are to understand and to cope with vastly complex and challenging world developments. Because a sound education is the soul of a free society, the importance of foreign language and international studies cannot be overemphasized. Our people need to know about the world as it is in order to make decisions about where we need to go. In order for our people to exercise their rights as citizens in a democratic society, they will have to understand confusing world events. Moreover, those who have a responsibility to shape policy for this Nation or to conduct business or to gather intelligence ought to know more about the world in all its complexity.

The bill being introduced today comes perhaps at an inauspicious time in terms of our current efforts to reduce Federal spending and to balance the budget. As a member of the House Budget Committee who chairs the Task Force on Legislative Savings, I am acutely aware of the difficulty we will have in adequately funding this proposed legislation. Despite this reality, I have decided to introduce the bill as a way to stimulate attention to this pressing problem. Congress ought to provide leadership on this vital issue of national concern in view of its importance to our trade, our intelligence capability, and our diplomatic effectiveness.

In the mad scramble to attract students—a competition which is projected to intensify as the college-age population continues its decline in the 1980's—colleges and universities have sacrificed essential elements of a sound education by dropping foreign language admission requirements. Today fewer than 8 percent of the Nation's colleges and universities impose such a requirement, compared to 34 percent in 1966. Only half of these institutions require a foreign language for graduation.

The practical result of these curriculum policies is the gradual constriction of the education experience of our college students into a specialty without sufficient attention to traditional humanities courses. More and more Americans are entering and graduating from college with a modicum of international education at a time when world developments demand a global outlook. We must reverse this trend in the interests of our national security and our national economic well-being.

My legislation would provide grant assistance to eligible students who incorporate into their programs of study a number of courses in foreign language and international studies. The bill establishes a priority funding system which will insure that available funds first go to those students who meet a number of important conditions. This is not intended to be an easy "give-away" program, but rather a targeted incentive program to encourage nonforeign language majors with a proven financial need to develop proficiency in less-commonly taught languages and to pursue studies about international issues.

Briefly, the first priority category of students are those who:

First, maintain an academic standing in the top one-third of their class;

Second, demonstrate a need for financial assistance;

Third, are enrolled in the study of a foreign language at the intermediate or advanced level;

Fourth, are not exclusively foreign language majors;

Fifth, are studying less-commonly taught languages, such as Arabic, Japanese, Chinese, or Russian;

Sixth, have not previously received a grant award under this program;

Seventh, have fulfilled the requirements of an initial term of service in the Armed Forces, the National Guard, or the Reserves, in the Peace Corps, or as a volunteer under the Domestic Volunteer Service Act.

Clearly, those who are qualified to receive grants under this first priority are most deserving and should be guaranteed that the available funds will be distributed to them first. Should available funding exceed the requirements of the first category, the next priority would go to those who meet all of the conditions but the last of the immediately preceding category. In no case would a student receive funding under this program who did not have high academic standing and a need for financial assistance.

The amount of money available under this program would not be large: Only a maximum of $500 per year for qualified lower division students and a maximum of $1,000 per year for upper division and graduate students. The grants would cover only tuition and fees, so a student enrolled in an institution with low tuition would not receive the maximum award. Likewise, students enrolled in high-tuition institutions would receive no more than the maximum.

To qualify, lower division students would have to enroll in foreign language and international studies courses amounting to at least one-fourth of that student's academic load. Upper division and graduate students would have to enroll in these courses amounting to at least one-third of their academic load.

The bill is specifically intended for those students majoring in a subject other than foreign languages. Ideally, a business or chemistry major, to name only two samples, would be tempted under this program to enroll in the required coursework. By giving priority to intermediate and advanced language students, I am hoping to cultivate interested and gifted students who may want to declare "double majors" thus insuring that the student will pursue these language studies long enough to develop proficiency, along with a bicultural or multicultural outlook. The benefits to American business, American science, American diplomacy, and American policymaking of having a broad base of people with knowledge of a specialty and the command of another language should be obvious.

While those who support my legislation believe it is important to start at the college level, they also recognize the importance of strengthening foreign language and international studies programs at all levels. In his letter endorsing my legislation, Mayor Charles Royer of Seattle wrote:

> We need as soon as possible a larger and more capable pool of experts on international issues; and college and university programs are the logical place to start . . . I hope that this kind of attention will be given to primary, secondary, and adult education.

Mr. Speaker, I have timed the introduction of this legislation to coincide with this year's Foreign Language Week, which runs from March 23 to 29. Another measure was introduced 2 weeks ago (H. Con. Res. 301) calling on schools, colleges, and universities to strengthen foreign language and international studies programs. I am working, together with Representatives SIMON, FENWICK, OBERSTAR, MCHUGH, KILDEE, COELHO, DERWINSKI, DODD, GIBBONS, FASCELL, COLLINS, MCCLOSKEY, WIRTH, MOAKLEY, HARRIS, BUCHANAN, BEDELL, RUSSO, BARNES, MATSUI, LEACH, PETRI, GRAY, STARK, and CORRADA, to improve international education opportunities for American students of all ages and the American people generally. In fact, the above named colleagues have agreed to join together in an international education group to devise new programs and to monitor the performance of existing programs. The group would welcome additional support and interest from our colleagues.

So that my colleagues will have an idea of the broad support behind the Foreign Language and International Studies Incentive Act, I have listed below the individuals who have expressed support for the bill in recent days. Following that listing, I have included a copy of the bill for my colleagues' review. I hope my colleagues will be able to lend this worthwhile measure their full support.

SUPPORTERS OF FOREIGN LANGUAGE AND INTERNATIONAL STUDIES INCENTIVE ACT

Mayor Charles Royer, Seattle, Washington.

Lynn Simons, Superintendent of Public Instruction, Wyoming.

State Representative Sherrod Brown, Ohio.

C. M. Berry, president, Seattle-First National Bank.

Dale L. Lange, president, American Council on the Teaching of Foreign Languages, New York.

Marie-Rose Gerdisch, president, Chicago Chapter, American Association of the Teachers of French.

Michael Schwartz, vice president for Academic and Student Affairs, Kent State University.

Robert A. Govier, executive director, American Association of Teachers of German, New Jersey.

Karl E. Otto, Jr., University of Illinois, Chicago Circle.

Thomas Garrou, Virginia Beach, Virginia.

Mary J. McArthur, Translation Services International, Boulder, Colorado.

Irmgard Taylor, State University at Cortland, New York.

Frank Caruso, president, American Association of Teachers of Italian, Illinois Chapter.

E. T. York, chancellor, State University System, Florida.

Sona Hoisington, president, Illinois Chapter, American Association of Russian and East European Languages.

Milton H. Hahn, Supervisor of Foreign Languages, Virginia Beach Public Schools.

Lucille G. Jordan, Associate State Superintendent, Office of Instructional Services, State of Georgia.

Foreign Language Staff, Gannon University, Erie, Pennsylvania.

Rebecca Liskey, Foreign Language Department Chair, Harrisonburg High School, Virginia.

Max S. Kirch, Newark, Delaware.

Helen P. Warriner-Burke, Associate Director for Languages, Department of Education, Commonwealth of Virginia.

Leon I. Twarog, director, Center for Slavic and East European Studies, Ohio State University.

Eugene Savaiano, Department of Romance Languages, Wichita State University, Wichita, Kansas.

Richard B. Klein, American Association of Teachers of Spanish and Portuguese, Holy Cross College, Worcester, Massachusetts.

Georges J. Joyaux, Chairman Department of Romance and Classical Languages, Michigan State University.

Albert Rava, Washington, D.C.

Joseph Tursi, American Association of Teachers of Italian, Stony Brook University, New York.

Fred M. Jenkins, American Association of Teachers of French, Champaign, Illinois.

Monique Amerman, head, Department of Foreign Language, University of Southern Colorado.

Rosanne Gostovich Royer, immediate past president, Washington Association of Foreign Language Teachers, Seattle, Washington.

Donald Pruitt, Virginia Aliotti, Howard Cohen, James Madison University, Harrisonburg, Virginia.

Larry Condon, Global Perspectives in Education, New York.

Richard Brod, Modern Language Association, New York.

Ed Scebold, American Association of Teachers of Foreign Languages, New York.

Foreign Language Department, Wilbur Wright College, Chicago, Illinois.

A text of the bill is as follows:

H.R. 6905

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Foreign Language and International Studies Incentive Act".

SEC. 2. (a) The Congress finds that—

(1) knowledge of other languages and cultures is important in promoting mutual understanding and cooperation among nations;

(2) knowledge of foreign languages and cultures can contribute positively to improved understanding and cooperation among different ethnic groups and cultures within American society;

(3) only 8 percent of American colleges and universities now require study of a foreign language as a prerequisite to admission, compared with 34 percent imposing such a requirement in 1966;

(4) the dropping of foreign language requirements in institutions of higher learning has meant that only a small fraction of undergraduate and graduate students now study a foreign language;

(5) present and future generations of American college students should be encouraged to utilize opportunities to develop to the fullest possible extent their intellectual capacities in all areas of knowledge pertaining to other countries, peoples, and cultures; and

(6) the foreign trade posture of the United States and certain security and diplomatic interests of the United States depend upon American students acquiring such knowledge.

(b) It is therefore the purpose of this Act to provide financial incentives to undergraduate and graduate students to engage in foreign language and international studies.

SEC. 3. Title VI of the National Defense Education Act of 1958 is amended by adding at the end thereof the following new section:

"FOREIGN LANGUAGE AND INTERNATIONAL STUDIES GRANT PROGRAM

"SEC. 605. (a) The Secretary of Education shall, in accordance with the provisions of this section, establish a program of making grants to institutions of higher education for the purpose of promoting the enrollment of students in foreign language and international studies. The Secretary shall promulgate such rules and regulations as may be necessary to carry out the purposes of this section.

"(b) Grants may be made under this section to institutions of higher education to be applied to the tuition and fees charged to students enrolled in qualified programs of foreign language and international studies. Such grants shall be made only to institutions of higher education which submit to the Secretary, at such time and in such manner as the Secretary may prescribe by rule, an application which—

"(1) provides that all funds received under this section will be applied to the tuition and fees obligations of students enrolled in qualified programs, except that—

"(A) not more than $1,000 shall be applied to such obligations of a student enrolled in an advanced program in any one academic year; and

"(B) not more than $500 shall be applied to such obligations of a student enrolled in a preliminary program in any one academic year;

"(2) provides that no students in a lower priority category under subsection (c) will be given an award until each qualifying student in all higher priority categories under such subsection have been awarded the maximum amount determined under paragraph (1) of this subsection;

"(3) contains such other information and assurance as the Secretary requires by regulation.

"(c) For purposes of subsection (b)(2)—

"(1) the first priority category consists of those students enrolled in qualified programs—

"(A) who maintain an academic standing in the top one-third of their academic class, as determined in accordance with regulations prescribed by the Secretary;

"(B) who demonstrate need for financial assistance;

"(C) who are enrolled in the study of a foreign language at the intermediate or advanced level, determined in accordance with regulations prescribed by the Secretary;

"(D) who are not principally engaged in the study of foreign languages;

"(E) who are engaged in the study of less commonly taught foreign languages (as designated by the Secretary by regulation);

"(F) who have not previously received award under this section;

"(G) who have fulfilled the requirements for completion of an initial term of service—

"(i) as a member of the National Guard, the Reserves, or the Armed Forces of the United States;

"(ii) as a volunteer under the Peace Corps Act; or

"(iii) as a volunteer under the Domestic Volunteer Service Act of 1973;

"(2) the second priority category consists of those students enrolled in qualified programs who meet the requirements of paragraph (1) (A), (B), (C), (D), (E), and (F);

"(3) the third priority category consists of those students enrolled in qualified programs who meet the requirements of paragraph (1) (A), (B), (C), (D), and (E);

"(4) the fourth priority category consists of those students enrolled in qualified programs who meet the requirements of paragraph (1) (A), (B), (C), and (D);

"(5) the fifth priority category consists of those students enrolled in qualified programs who meet the requirements of paragraph (1) (A), (B), and (C); and

"(6) the last priority category consists of those students enrolled in qualified programs who meet the requirements of paragraph (1) (A) and (B).

"(d) The Secretary shall, by regulation, establish a system for the allocation of funds provided under this section for any fiscal year for which the funds appropriated under subsection (e) are not sufficient to make grants equal to the sum of the awards which applicant institutions are eligible to receive in accordance with subsection (b)(1). Such system shall take into account the need for reasonable geographic dispersal of the funds provided under this section but shall not so reduce the funds provided with respect to each eligible student as to render insignificant the assistance provided.

"(e) There are authorized to be appropriated to carry out the purposes of this section such sums as may be necessary for fiscal years 1981 and each of the five succeeding fiscal years.

"(f) For purposes of this section—

"(1) the term 'qualified program' means a reasonably coherent program of instruction in a foreign language (including a program of instruction in translation or interpretation) and related international studies (such as history, politics, culture, or international issues);

"(2) the term 'advanced program' means a qualified program—

"(A) for graduate students or for undergraduate students who have successfully completed at least two years of study leading to a bachelor's degree; and

"(B) under which not less than one-third of the student's academic workload consists primarily of language instruction and secondarily of related international studies; and

"(3) the term 'preliminary program' means a qualified program—

"(A) for undergraduate students who have not successfully completed at least two years of study leading to a bachelor's degree; and

"(B) under which not less than one-fourth of the student's academic workload consists primarily of language instruction and secondarily of related international studies.".●

A TRIBUTE TO GEORGE H. FALLON

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. JOHNSON) is recognized for 5 minutes.

● Mr. JOHNSON of California. Mr. Speaker, all of us who were privileged to serve in this body with the Honorable George H. Fallon are saddened beyond measure by the news of his death, and we extend our deepest sympathy to his grieving family.

Our old friend and colleague died last Friday, March 21, in his native Baltimore—the hometown he served so faithfully and well throughout his 26 years in the U.S. Congress.

He will be long remembered by a host of friends. Indeed, the city of Baltimore itself is a living memorial to his service. The Federal building which he sponsored in the heart of the city and which today bears his name, was the catalyst that brought about the rebirth of downtown Baltimore. And it was largely because of his vision and his marshaling of Federal support that Baltimore harbor has been modernized and transformed into one of the major commercial seaports of the United States.

But George Fallon's public service extended far beyond the confines of his congressional district to the whole vast reach of America.

When I entered the Congress some 21 years ago, George Fallon had already, in 5 short years, established himself as one of this body's driving forces in a wide range of essential public works.

His entire career in the House was devoted to the Committee on Public Works—the panel now known as the Committee on Public Works and Transportation which I have the honor to serve as chairman. In 1955, as a member of the Subcommittee on Roads, he was the chief architect of the building program that led to the construction of the Interstate Highway System—the largest public works project in the entire history of man.

His influence and his legislative skills made themselves felt in virtually all the major enactments of the postwar years affecting not only highways but water pollution control, inland navigation, rivers and harbors development, flood control, and the creation of public building to house the machinery and the working force of the Federal Government.

George Fallon became chairman of the Public Works Committee in 1965 and continued in that post until his retirement from public life in 1970. During that time he earned the great respect of those Members of Congress who knew him best, his colleagues on the Public Works Committee.

I well recall his pride in his service on the Public Works Committee, Mr. Speaker, as he expressed it in his farewell to his colleagues:

> There's no place that I can go that I won't see a monument to the Public Works Committee in a building, a bridge, a road, a dam.

He could just as accurately have said that there was no place he could go without seeing a monument to his own good work and strong leadership.

All Americans have cause to be proud of George Fallon and to be grateful for his service, not least those of us who shared his friendship in this body and found in George Fallon a kind and pleasant companion.●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Jenrette (at the request of Mr. Wright), for this week, on account of medical reasons.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Barnard) to revise and extend their remarks and include extraneous matter:)

Mr. Alexander, for 10 minutes, today.
Mr. Gonzalez, for 15 minutes, today.
Mr. Annunzio, for 5 minutes, today.
Mr. Phillip Burton, for 5 minutes, today.
Mr. Addabbo, for 5 minutes, today.
Mr. Panetta, for 10 minutes, today.
Mr. Leland, for 5 minutes, today.
Mr. Vanik, for 5 minutes, today.
Mr. Johnson of California, for 5 minutes, today.
Mr. Drinan, for 60 minutes, on March 26.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Flippo, and to include extraneous matter, during debate in the Committee of the Whole on the amendment to be offered by Mr. Bingham to House Resolution 549.

Mr. Price, during consideration of House Resolution 549, and to include extraneous material at each point in the Record during general debate on the resolution and consideration of the Bingham substitute.

Mr. Seiberling, and to include extraneous material, notwithstanding the fact that it exceeds two pages of the Record and is estimated by the Public Printer to cost $1,179.

Mr. Traxler, to revise and extend his remarks during debate on motion to recommit on House Resolution 549.

(The following Members (at the request of Mr. Shumway), and to include extraneous matter:)

Mr. Findley.
Mr. Wydler.
Mr. Lent.
Mr. Lungren.
Mr. Michel in two instances.
Mr. Derwinski in two instances.
Mr. McClory.
Mr. Dornan in two instances.
Mr. Porter in two instances.
Mr. Solomon.
Mr. Corcoran in two instances.
Mr. Carter.
Mr. Hyde.
Mr. Quayle.
Mr. Emery.
Mr. Rousselot in two instances.
Mr. Paul.
Mr. Gilman.
Mr. Hopkins.

(The following Members (at the request of Mr. Barnard) and to include extraneous matter:)

Mr. Howard.
Mr. Mavroules.
Mr. Roe in two instances.
Mr. Ford of Michigan in three instances.
Mr. Matsui.
Mr. O'Neill.
Mr. Dodd.
Mr. Pepper in two instances.
Mr. Mazzoli in two instances.
Mr. Baldus.
Mr. Carr.
Mr. Markey.
Mr. Corrada.
Mr. Stark.
Mr. Richmond.
Mr. Blanchard in two instances.
Mr. Pease.
Mr. Barnes.
Mr. Ambro.
Mr. Solarz.
Mrs. Schroeder in two instances.
Mrs. Chisholm.
Mr. Addabbo.
Mr. Moorhead of Pennsylvania.
Mr. Drinan.
Mr. Maguire.
Mr. Edgar.
Mr. Skelton in two instances.
Mr. Conyers.
Mr. Jones of Oklahoma.
Mr. LaFalce in two instances.
Mr. Rahall.
Mr. Long of Louisiana.
Mr. Harris.
Ms. Ferraro in two instances.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 2222. An act to extend the time for commencing actions on behalf of an Indian tribe, band, or group, or on behalf of an individual Indian whose land is held in trust or restricted status.

ADJOURNMENT

Mr. BEVILL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 16 minutes p.m.), under its previous order, the House adjourned until tomorrow, Wednesday, March 26, 1980, at 1 p.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3876. A letter from the President of the United States, transmitting his determination that import relief for leather wearing apparel is not in the national economic interest, pursuant to section 203(b)(2) of the Trade Act of 1979 (H. Doc. No. 96–287); to the Committee on Ways and Means and ordered to be printed.

3877. A letter from the Acting Assistant Secretary of the Interior, transmitting certification that an adequate soil survey and land classification has been accomplished on the lands to be served by the Second Bacon Siphon and Tunnel, Columbia Basin project, and the lands to be irrigated are susceptible to the production of agricultural crops by means of irrigation, pursuant to Public Law 172, 83d Congress; to the Committee on Appropriations.

3878. A letter from the Secretary of the Navy, transmitting notice that a decision has been made that performance under contract is the most cost-effective method to provide certain custodial services at the Navy Ships Parts Control Center, Mechanicsburg, Pa., pursuant to section 806 of Public Law 96–107; to the Committee on Armed Services.

3879. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Army's proposed sale of certain military equipment to Egypt (Transmittal No. 80–51), pursuant to section 813 of Public Law 94–106, as amended; to the Committee on Armed Services.

3880. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Army's proposed sale of certain military equipment to Egypt (Transmittal No. 80–52), pursuant to section 813 of Public Law 94–106; as amended; to the Committee on Armed Services.

3881. A letter from the Secretary of Agriculture, transmitting an interim report on the study of problems in obtaining title insurance on rural real property encumbered by remote claims, pursuant to section 509 of Public Law 95–557; to the Committee on Banking, Finance and Urban Affairs.

3882. A letter from the Commissioner of Education, Department of Health, Education, and Welfare, transmitting proposed final regulations for the community education program, pursuant to section 431 (d) (1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

3883. A letter from the Commissioner of Education, Department of Health, Education, and Welfare, transmitting proposed final regulations for financial assistance for environmental education projects, pursuant to section 431(d) (1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

3884. A letter from the Commissioner of Education, Department of Health, Education, and Welfare, transmitting proposed final regulations for the consumers' education program, pursuant to section 431(d) (1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

3885. A letter from the Commissioner of Education, Department of Health, Education, and Welfare, transmitting proposed final regulations for the cooperative education program, pursuant to section 431(d) (1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

3886. A letter from the Commissioner of Education, Department of Health, Education, and Welfare, transmitting proposed final regulations for the gifted and talented children's education program, pursuant to section 431(d) (1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

3887. A letter from the Commissioner of Education, Department of Health, Education, and Welfare, transmitting proposed final regulations for Title I of the Elementary and Secondary Education Act regarding the awarding of special grants to local educational agencies, pursuant to section 431(d) (1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

3888. A letter from the Commissioner of Education, Department of Health, Education, and Welfare, transmitting proposed final regulations for the arts in education programs, pursuant to section 431(d) (1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

3889. A letter from the Commissioner of Education, Department of Health, Education, and Welfare, transmitting proposed final regulations for grants to State educational agencies to meet the special educational needs of migratory children, pursuant to section 431(d) (1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

3890. A letter from the Commissioner of Education, Department of Health, Education, and Welfare, transmitting proposed final regulations for the adult education State-administered program and Commissioner's discretionary programs, pursuant to section 431(d) (1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

3891. A letter from the Commissioner of Education, Department of Health, Education, and Welfare transmitting proposed final regulations for the consolidated grant applications for insular areas, pursuant to section 431(d) (1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

3892. A letter from the Commissioner of Education, Department of Health, Education, and Welfare transmitting proposed final regulations for the youth employment program, pursuant to section 431(d) (1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

3893. A letter from the Commissioner of Education, Department of Health, Education and Welfare, transmitting proposed final regulations for the metric education program, pursuant to section 431(d) (1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

3894. A letter from the Commissioner of Education, Department of Health, Education, and Welfare, transmitting proposed final regulations for the State leadership programs, pursuant to section 431(d) (1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

3895. A letter from the Commissioner of Education, Department of Health, Education, and Welfare, transmitting proposed final regulations for the Women's Educational Equity Act program, pursuant to section 431(d) (1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

3896. A letter from the Commissioner of Education, Department of Health, Education, and Welfare, transmitting proposed final regulations for the Education Appeal Board, pursuant to section 431(d) (1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

3897. A letter from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting proposed final regulations for the education division general administrative regulations, pursuant to section 431(d) (1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

3898. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a copy of Presidential Determination No. 80–14, finding that the sale of defense articles and services to the Governments fo Dominica, St. Lucia, and St. Vincent will strengthen the security of the United States and promote world peace, pursuant to section 3(a) (1) of the Arms Export Control Act; to the Committee on Foreign Affairs.

3899. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Ambassador-designate Joan Edelman Spero, and by members of her family, pursuant to section 6 of Public Law 93–126; to the Committee on Foreign Affairs.

3900. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b; to the Committee on Foreign Affairs.

3901. A letter from the Assistant Secretary of the Treasury for Legislative Affairs, transmitting various project performance audit reports prepared by the International Bank for Reconstruction and Development and project performance or completion reports prepared by the Asian Development Bank, pursuant to section 301(e) (3) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

3902. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense equipment and services to Egypt (Transmittal No. 80–51), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

3903. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense equipment and services to Egypt (Transmittal No. 80–52), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

3904. A letter from the Records Management Branch and Privacy Liaison Officer, Federal Communications Commission, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

3905. A letter from the Secretary of the Interior, transmitting the Missouri National Recreational River management plan (Gavins Point Dam, S. Dak., to Ponca State Park, Nebr.), pursuant to section 3(b) of the Wild and Scenic Rivers Act, as amended; to the Committee on Interior and Insular Affairs.

3906. A letter from the Secretary of Transportation, transmitting a report on the study of procurement of rolling stock and other technical equipment under the Urban Mass Transportation Act of 1964, pursuant to section 309 of Public Law 95–599; to the Committee on Public Works and Transportation.

3907. A letter from the Secretary of Health, Education, and Welfare, transmitting a report on universal coverage under the Social Security Act, pursuant to section 311 of Public Law 95–216; to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WHITTEN: Committee on Appropriations. House Joint Resolution 514. Joint resolution making additional funds available by transfer for the fiscal year ending September 30, 1980, for the Federal Trade Commission (Rept. No. 98–848). Referred to the Committee of the Whole House on the State of the Union.

Mr. REUSS: Committee on Banking, Finance and Urban Affairs. H.R. 4960. A bill to authorize the President of the United States to present on behalf of the Congress a specially struck gold medal to Gerald F. Spiess; with amendment (Rept. No. 96–849). Referred to the Committee of the Whole House on the State of the Union.

Mrs. SPELLMAN: Committee on Post Office and Civil Service. H.R. 5410. A bill to amend title 5, United States Code, to require any Federal employee who elects at the time of retirement not to provide survivorship benefits for the employee's spouse to notify (or take all reasonable steps to notify) the spouse of that election; with amendment (Rept. No. 96–850). Referred to the Committee of the Whole House on the State of the Union.

Mr. BOLLING: Committee on Rules, House Resolution 619. Resolution providing for the consideration of House Joint Resolution 514. Resolution making additional funds available by transfer for the fiscal year ending September 30, 1980, for the Federal Trade Commission (Rept. No. 96–851). Referred to the House Calendar.

Mr. MOAKLEY: Committee on Rules. House Resolution 620. Resolution waiving certain points of order against the conference report on H.R. 4986, a bill to amend the Federal Reserve Act to authorize the automatic transfer of funds, to authorize negotiable order-of-withdrawal accounts at depository institutions, to authorize federally chartered savings and loan associations to establish remote service units, and to authorize federally insured credit unions to maintain share draft accounts, and for other purposes (Rept. No. 96-852). Referred to the House Calendar.

Mr. MOAKLEY: Committee on Rules. House Resolution 621. Resolution providing for the consideration of H.R. 6837. A bill to amend the Railroad Revitalization and Regulatory Reform Act of 1976 to authorize additional appropriations for the Northeast corridor improvement project and to require the Secretary of Transportation to begin development of energy efficient rail passenger corridors, to provide for the protection of the employees of the Rock Island Railroad, and for other purposes (Rept. No. 96-853). Referred to the House Calendar.

Mr. FOLEY: Committee of conference. Conference report on S. 2269 (Rept. No. 96-854). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ADDABBO (for himself and Mr. Mitchell of Maryland):

H.R. 6904. A bill to establish a minority business development administration in the Department of Commerce, to clarify the relationship between such administration and the Small Business Administration, and for other purposes; jointly, to the Committees on Banking, Finance and Urban Affairs and Small Business.

By Mr. PANETTA (for himself, Mr. Simon, Mr. Blanchard, Mr. Pritchard, Mr. Porter, Mr. Vento, Mr. Kildee, Mr. Coelho, Mr. Matsui, Mr. McHugh, Mr. Barnes, Mr. Oberstar, Mr. McCloskey, Mr. Bedell, Mr. Cavanaugh, Mr. Wirth, Mr. Dellums, Mr. Corrada, and Mrs. Chisholm):

H.R. 6905. A bill to amend title VI of the National Defense Education Act of 1958 to establish a program of grants for foreign language and international studies, and for other purposes; to the Committee on Education and Labor.

By Mr. ALEXANDER:

H.R. 6906. A bill to amend the Internal Revenue Code of 1954 to allow farmers a refundable credit against income tax of up to $2,000 for amounts paid or incurred to convert farm equipment for alcohol fuel use; to the Committee on Ways and Means.

By Mr. ARCHER:

H.R. 6907. A bill to amend the Internal Revenue Code of 1954 to provide for the exclusion from taxation of interest earned on deposits which are used for residential mortgage lending purposes; to the Committee on Ways and Means.

By Mr. ASHLEY:

H.R. 6908. A bill to amend the provisions of law enacted by part A of title III of the Energy Policy and Conservation Act to provide an alternative means for manufacturers to meet the fuel economy standards established under such provisions, to encourage an increase of the domestic value-added content in labor and materials of foreign automobiles sold in the United States, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. BROWN of California:

H.R. 6909. A bill to amend title 10, United States Code, to allow an individual who receives a readjustment payment upon discharge from active duty with the Armed Forces as a member of the Reserves and who later becomes entitled to retired pay to repay the readjustment payment through partial, rather than total, reductions from such individual's retired pay; to the Committee on Armed Services.

By Mr. BROWN of California (for himself, Mr. AuCoin, Mr. Ertel, Mr. Hollenbeck, Mr. Lewis, Mr. Lloyd, Mr. Ottinger, Mr. Pease, Mr. Roe, Mr. Seiberling, Mr. Walgren, and Mr. Watkins):

H.R. 6910. A bill to advance the national prosperity and welfare, to establish a national technology foundation, and for other purposes; jointly, to the Committees on Science and Technology, and the Judiciary.

By Mr. JOHN L. BURTON:

H.R. 6911. A bill to amend title 5, United States Code, to increase the minimum coverage under the Government life insurance policies for civil service retirees from 25 percent to 40 percent; to the Committee on Post Office and Civil Service.

H.R. 6912. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income a certain portion of amounts received under public retirement systems; to the Committee on Ways and Means.

By Mr. CLAY (for himself, Mr. Bailey, Mr. Ford of Michigan, Mr. Garcia, Mr. Gilman, Mr. Guarini, Mr. Harris, Mr. Leland, Mrs. Spellman, and Mr. Charles H. Wilson of California:

H.R. 6913. A bill to amend title 39 of the United States Code to provide for the right of employees of the Postal Service to a safe working environment, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. CONTE:

H.R. 6914. A bill to amend the Internal Revenue Code of 1954 to provide individuals a refundable credit against income tax for the fair market value of fuel oil which the taxpayer is unable to use by reason of having converted his heating system to an energy source other than fuel oil and which is contributed to a charitable organization; to the Committee on Ways and Means.

By Mr. DRINAN (for himself, Mr. Hall of Texas, Mr. Kindness, Mr. Sawyer, and Mr. Lungren):

H.R. 6915. A bill to revise title 18 of the United States Code, and for other purposes; to the Committee on the Judiciary.

By Mr. DUNCAN of Tennessee:

H.R. 6916. A bill to amend the Internal Revenue Code of 1954 to adjust the time for payment of manufacturers excise tax on tires, tubes, and tread rubber; to the Committee on Ways and Means.

By Mr. FLORIO:

H.R. 6917. A bill to amend the Internal Revenue Code of 1954 to provide a credit against income tax for one-third of the amount of certain local wage taxes paid by individuals who are not residents of the local governmental area; to the Committee on Ways and Means.

By Mr. KOGOVSEK (for himself and Mr. Johnson of Colorado):

H.R. 6918. A bill to designate the Curecanti storage unit of the Colorado River storage project as the "Wayne N. Aspinall Storage Unit"; to the Committee on Interior and Insular Affairs.

By Mr. MAGUIRE:

H.R. 6919. A bill to rescind certain appropriations provided for the purchase of furniture by Federal departments, and for other purposes; to the Committee on Appropriations.

By Mr. MINISH:

H.R. 6920. A bill to amend the Trade Expansion Act of 1962 in order to revoke the President's authority to impose any tax or fee on imports of petroleum and petroleum products into the United States without first being specifically authorized to do so by the Congress; to the Committee on Ways and Means.

By Mr. OTTINGER:

H.R. 6921. A bill to amend the Uniform Time Act of 1966 to change the date each year on which daylight saving time begins from the last Sunday in April to the last Sunday in February; to the Committee on Interstate and Foreign Commerce.

By Mr. PICKLE:

H.R. 6922. A bill to provide mandatory social security coverage for Members of Congress and the Vice President; to the Committee on Ways and Means.

By Mr. RICHMOND:

H.R. 6923. A bill to authorize common carriers to establish special rates for transportation of certain handicapped individuals accompanied by their guide dogs and to authorize guide dogs accompanying their handicapped masters to enter public buildings; to the Committee on Public Works and Transportation.

By Mr. WAXMAN (for himself, Mr. Maguire, Mr. Walgren, Mr. Gramm, Mr. Leland, and Mr. Carter):

H.R. 6924. A bill to extend for 3 fiscal years the authorization of appropriations for the administration of the Controlled Substances Act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. WYDLER:

H.R. 6925. A bill to amend title 5, United States Code, to make Inauguration Day a legal public holiday; to the Committee on Post Office and Civil Service.

By Mr. MICHEL:

H.J. Res. 519. Joint resolution to authorize and request the President to issue a proclamation designating May 11, 1980, as "Taxpayers Independence Day"; to the Committee on Post Office and Civil Service.

By Mr. MOORHEAD of Pennsylvania:

H.J. Res. 520. Joint resolution to extend by 60 days the expiration date of the Defense Production Act of 1950; to the Committee on Banking, Finance and Urban Affairs.

By Mr. MAZZOLI:

H. Res. 622. Resolution to honor the University of Louisville Cardinals, 1980 National Collegiate Athletic Association; to the Committee on Post Office and Civil Service.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolution were introduced and severally referred as follows:

By Mr. BIAGGI:

H.R. 6926. A bill for the relief of Richard A. Gamble; to the Committee on the Judiciary.

By Mr. BONIOR of Michigan:

H.R. 6927. A bill for the relief of Mary F. Derocher; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 135: Mr. Davis of South Carolina.

H.R. 654: Mr. Edgar.

H.R. 953: Mr. Edwards of Alabama.

H.R. 1000: Mr. Young of Alaska.

H.R. 1290: Mr. Moffett.

H.R. 1720: Mr. Bedell, Mr. Bonior of Michigan, Mr. Daschle, Mr. Downey, Mr. Edgar, Mr. Fauntroy, Mr. McDonald, Mr. Miller of California, Mr. Murphy of Pennsylvania, Mr. Neal, Mr. Nolan, Ms. Oakar, Mr. Pepper, Mr. Price, Mrs. Spellman, and Mr. Udall.

H.R. 1918: Mr. Dougherty.

H.R. 2400: Mr. Donnelly.

H.R. 2401: Mr. Donnelly.

H.R. 3148: Mr. Bereuter.

H.R. 3200: Mr. Lagomarsino.

H.R. 3929: Mr. Mitchell of New York.

H.R. 4646: Mr. Barnes.

H.R. 4659: Mr. Waxman, Mr. Luken, and Mr. Petri.

H.R. 4717: Mr. Mattox, Mr. Mazzoli, Mr. Ireland, Mr. Matsui, Mr. Nichols, Mr. Weaver, Mr. Lee, Mr. Edwards of Oklahoma, Mr. Hall of Ohio, Mr. Solomon, Mr. Downey, and Mr. Anthony.

H.R. 4878: Mr. Leach of Iowa.

H.R. 5128: Mr. Railsback.

H.R. 5305: Mr. Moffett.

H.R. 5947: Mr. Moorhead of California.

H.R. 5965: Mr. Brinkley and Mr. Gingrich.

H.R. 6021: Mr. Mica and Mrs. Spellman.

H.R. 6073: Mr. Robinson.

H.R. 6074: Mr. Bereuter, Mr. Weaver, Mr. Evans of Georgia, Mr. Harsha, and Mr. Nichols.

H.R. 6196: Mr. Stark.

H.R. 6245: Mr. Kindness, Mr. Evans of Georgia, Mr. Watkins, Mr. Carter, Mr. Bereuter, Mr. Sebelius, Mr. Bedell, Mr. Andrews of North Dakota, Mr. Glickman, Mr. Willams of Montana, Mr. Hance, Mr. Guyer, and Mr. Fithian.

H.R. 6314: Mr. Wyatt.

H.R. 6473: Mr. Hopkins, Mr. Roth, Mr. Cheney, Mr. Pashayan, Mr. Ottinger, Mr. Tauke, Mr. Ritter, Mr. Waxman, and Mr. Wirth.

H.R. 6549: Mr. Kogovsek.

H.R. 6638: Mr. Ritter.

H.R. 6683: Mr. Cotter, Mr. Evans of the Virgin Islands, and Mr. Stack.

H.R. 6694: Mr. Dougherty, Mr. Roe, Mr. Edgar, Mr. Lott, Mr. Pepper, Mr. Bedell, Mr. Addabbo, Mr. Hughes, and Mr. Grisham.

H.R. 6725: Mr. Wampler.

H.R. 6782: Mr. Young of Alaska, Mr. Lagomarsino, Mr. Badham, Mr. McDonald, Mr. Winn, Mr. Hinson, Mr. Miller of Ohio, Mr. Devine, Mr. Edwards of Oklahoma, Mr. Hall of Texas, Mr. Whitehurst, and Mr. Marriott.

H.R. 6889: Mr. Bonker, Mr. Sabo, Mr. Corcoran, Mr. Porter, and Mr. Sawyer.

H.J. Res. 145: Mr. Chappell.

H.J. Res. 501: Mr. Neal, Mr. Rinaldo, Mr. Diggs, Mr. Phillip Burton, Mr. Wolff, and Mr. Huckaby.

H.J. Res. 506: Mr. Applegate, Mr. Bedell, Mr. Bethune, Mr. Brinkley, Mr. Phillip Burton, Mr. Coelho, Mr. Corman, Mr. Corrada, Mr. D'Amours, Mr. Daschle, Mr. Davis of Michigan, Mr. Dickinson, Mr. Evans of the Virgin Islands, Mr. Fazio, Mr. Florio, Mr. Ford of Tennessee, Mr. Frost, Mr. Gilman, Mr. Ginn, Mr. Green, Mr. Guyer, Mr. Heftel, Mr. Holland, Mr. Hopkins, Mr. Horton, Mr. Jeffords, Mr. Johnson of California, Mr. Jones of Tennessee, Mr. LaFalce, Mr. Leland, Mr. Levitas, Mr. Lott, Mr Lundine, Mr. Marriott, Ms. Mikulski, Mr. Montgomery, Mr. Moore, Mr. Mottl, Mr. Murphy of Pennsylvania, Mr. Murphy of Illinois, Ms. Oakar, Mr. Panetta, Mr. Pepper, Mr. Rangel, Mr. Roth, Mr. Royer, Mr. St Germain, Mr. Scheuer, Mrs. Snowe, Mr. Solomon, Mr. Stangeland, Mr. Watkins, Mr. Waxman, Mr. Whitehurst, Mr. Winn, Mr. Young of Florida, and Mr. Young of Alaska.

H.J. Res. 511: Mr. Pepper, Mr. Lederer, Mr. Young of Missouri, Mr. Guyer, Mr. Kemp, Mr. Lagomarsino, Mr. Skelton, and Mr. Winn.

H. Res. 48: Mr. Applegate, Mr. Leach of Louisiana, Mr. Lewis, and Mr. Roe.

H. Res. 591: Mr. Edgar.

H. Res. 594: Mr. Chappell, Mr. Corcoran, Mr. Dougherty, Mr. Erdahl, Mr. Frenzel, Mr. Frost, Mr. McDade, and Mr. Tauke.

PETITIONS, ETC.

Under clause 1 of rule XXII,

318. The SPEAKER presented a petition of the Department of Alabama American Legion, Montgomery, Ala., relative to voluntary prayer in public schools, which was referred to the Committee on the Judiciary.

SENATE—*Tuesday, March 25, 1980*

(Legislative day of Thursday, January 3, 1980)

The Senate met at 9 a.m. on the expiration of the recess, and was called to order by Hon. George McGovern, a Senator from the State of South Dakota.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

"God of our fathers, known of old,
Lord of our far-flung battle-line,
Beneath whose awful Hand we hold
Dominion over palm and pine—
Lord God of Hosts, be with us yet,
Lest we forget—lest we forget!"
—Rudyard Kipling

Lest we forget:

The faith of our fathers and the toil and sacrifice of the generations.

Make us mindful that their mission is our mission. May we walk in their fellowship, inspired by their memory, strengthened by their vision until the perfect day comes when Thou dost rule in all men's hearts. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. Magnuson).

The legislative clerk read the following letter:

U.S. Senate,
President pro tempore,
Washington, D.C., March 25, 1980.

To the Senate:

Under the provisions of rule I, section 3 of the Standing Rules of the Senate, I hereby appoint the Honorable George McGovern, a Senator from the State of South Dakota, to perform the duties of the Chair.

Warren G. Magnuson,
President pro tempore.

Mr. McGOVERN thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the majority leader is recognized.

Mr. ROBERT C. BYRD. Mr. President, I do not have any requests for time on my side.

Does the distinguished Republican leader have any requests on his side?

Mr. BAKER. I have one matter.

The ACTING PRESIDENT pro tempore. The Senator from Tennessee is recognized.

IN DEFENSE OF DEFENSE

Mr. BAKER. Mr. President, our distinguished colleague from Kansas, Senator Kassebaum, has rendered her constituents and the Nation a significant service by publishing a perceptive and comprehensive policy paper entitled "In Defense of Defense."

Senator Kassebaum has spelled out in concise and concrete terms the military challenges that face our country in the decade of the 1980's and the state of our military capacity to respond to these challenges.

It is a sobering piece of work, and it makes an important contribution to the public understanding of our defense requirements in these days of turmoil for the world.

I highly commend Senator Kassebaum's treatise for the consideration of my colleagues in the Senate, and I ask unanimous consent that the text of her statement be included in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

In Defense of Defense

Few people in Washington today can escape the sense that confrontation in the Persian Gulf will mar the world's history in the '80s. The political instability of that oil rich and strategically located region marks it for potential conflict. The surest way to avoid such an event is to clearly define Western interests there and adequately provide for their protection. Domination of the nations or sea-lanes of that region by a single power will dangerously inhibit free exchange among nations and cannot be permitted to occur through the failure of Western strength. That policy must be precise enough to deter further aggression and still be flexible enough to prevent imprudent action that would not be supported by our allies.

Since President Carter described the Soviet invasion of Afghanistan as "the most serious threat to peace since World War II," a crisis atmosphere has hung over the nation. Surely no one can be blamed for experiencing some confusion over this turn in the American mood. Did it result solely from the Soviet Union's occupation of a country called Afghanistan? Are we really on the brink of war with the Soviet Union? If a United States-Soviet confrontation in the Middle East or Europe or both is indeed a serious possibility, can the United States be confident of victory? Would such a conflict be merely the kindling for a full-scale nuclear exchange?

Some of these questions remain unanswerable. No one can be certain, for instance, whether an engagement between the United States and Soviet conventional military forces (over a specific, narrow objective) must inevitably escalate into a nuclear war. On the other hand, the meaning of the Soviet invasion of Afghanistan, in terms of the long-range national security of the free world, must be answered to the satisfaction of the American people. In this short newsletter, therefore, I want to share with you my own perceptions about the current international turmoil, what its consequences could mean for the future of our nation, and what actions should be considered as we shape that future.

AFGHANISTAN: IMPLICATIONS AND IMPORTANCE

The first thing to understand about the Soviet invasion of Afghanistan is that it should not be viewed as an unfortunate incident unconnected to the general thrust of Soviet foreign policy. The invasion and occupation of this land-locked but strategically located country is neither the beginning nor the end of Soviet adventurism in that region of the world. A Soviet naval base in Ethiopia is nearing completion. When it is finished it will give the Soviet Union the opportunity to significantly expand its presence in the Indian Ocean and Red Sea. In addition, it is estimated that there are at least 1,500 Cuban and Soviet military advisers, with more on the way, in nearby South Yemen.

It is still speculative whether the Soviet occupation of Afghanistan was defensive and reactive or offensive and opportunistic. Some believe that, having dramatized the issue of Soviet troops in Cuba, the President's reluctance to take a hard stand then led to Russian miscalculation of our will to respond. Whatever the reason, the strategic result is the same. There is now a significant Soviet military force gathered in Afghanistan, within 300 miles of the Indian Ocean and adjacent to a dangerously unstable Iran and a dangerously weak Pakistan. This force, when combined with the considerable Soviet military assets in Yemen, Ethiopia and the Indian Ocean, constitutes a direct strategic threat to the security of every Western nation that depends on Persian Gulf oil resources.

Having said that, I cannot agree with President Carter's assertion that the December 27 Soviet invasion of Afghanistan is "the most serious threat to peace since World War II." His statement is both reckless overstatement and misleading oversimplification. By concentrating our attention so dramatically on a single event in a single place and time, the President averts the nation's eyes from the real threat to international balance—the steady and determined Soviet accumulation of military power and their increasing willingness to wield this power all over the globe in order to influence the outcome of events.

There should be no doubt that the Afghanistan invasion reflects a dangerous extension of Soviet policy, involving, as it did, direct Soviet military intervention outside Eastern Europe.

The point I wish to make is simply that the problem of Soviet expansionism is not confined to the Persian Gulf region but over the years has become a global challenge to Western security. For example, the Soviet Union in twenty years has acquired a truly imperial navy that will soon have the capability of threatening the security of the Western world's vital sea-lanes. The unremitting buildup of Soviet naval power also poses potential obstacles to our ability to help defend Western Europe in the event of an invasion by Warsaw Pact forces. NATO's defense strategy is largely based upon quick American reinforcement of European defenses. This reinforcement capability is wholly dependent on secure sea-lanes.

The Soviet air force, likewise, has gradually shifted its emphasis from tactical interceptors to long-range aircraft, of which the Backfire bomber is the most conspicuous example. The Soviets are presently deploying 30 Backfires a year. At the same time, they

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● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

have continued to further upgrade the airlift capability that transported the Cuban army to Africa and the Soviet army to Afghanistan.

These facts help illustrate the importance of the Afghanistan invasion in its broader context. It must awaken us to a more realistic understanding of Soviet intentions and capabilities around the world. It displays the strength of the Soviet Union in influencing the future makeup of global politics.

NEW APPROACHES NEEDED

Once viewed in the light of Afghanistan, the Western response to Soviet policies can begin to take on direction and purpose. We cannot simply return to pre-detente positions of cold war containment. The popular consensus for today's world must be built upon a practical appreciation of the fragile interdependence of the West and Mid-East. Similarly, we must understand our policy needs in a greater context than a simplistic domino or containment theory.

The danger of growing Soviet influence over events around the world lies not only in direct military aggression but is equally threatening in terms of third country perceptions. The willingness of Persian Gulf nations, for example, to resist internal political forces that would ultimately harm American interests, depends in large part upon their view of both our reliability and our reasonableness. They will ask if we can be trusted as an ally and as a nation that will not drag them into needless conflict for our own interest.

Just as Soviet influence is no longer one dimensional, our foreign policy must become equally sophisticated. Our purposes will not be served simply by an entrenched hard-line militarism. The next few years will require nimble diplomacy coupled with a revitalized military capacity.

There are already a number of diplomatic fronts that require our attention and flexibility. Earlier this month, Leonid Brezhnev responded to the President's State of the Union speech by again dangling detente before a hopeful Western alliance. This is the first step in a Soviet "peace offensive" intended to divide Japan, Europe and the United States. The Kremlin will promote European detente while the United States freezes its Soviet relations. Europe will be encouraged to reverse its commitment to theater nuclear armament. At the same time, the Russians will remind the Japanese of the compatibility of their economic exchanges. Our traditional ties will be strained if our allies are persuaded to view Afghanistan as a local rather than strategic problem.

New prospects for American friendships present another requirement for positive diplomacy. Following Afghanistan, the Soviets can be expected to pursue their Persian Gulf objective through less dramatic actions. Most likely this will take the course of offering "peace feelers" to the West, while patiently exploiting and encouraging militant separatist movements in Iran and Pakistan with their ultimate objective the creation of a Soviet client-state abutting the Persian Gulf.

Soviet-dominated South Yemen is another card that the Soviets are already playing in the Persian Gulf. Besides threatening the national security of Saudi Arabia, the Yemens have given significant aid and comfort to the movements whose objective is to overthrow the pro-Western government of Oman. It is the small navy of Oman that is presently responsible for the security of the vital Straits of Hormuz, through which almost all Mid-East oil flows.

Diplomacy sure must be our first line for success. We must shore up international perceptions of our ability to protect our own interests and those of nations who share our principles. International perceptions are not changed by words alone, however. Tangible evidence of both the strength of our own will and the readiness of our military capacity will be needed.

THE SUBSTANCE OF SYMBOLS

Let me say clearly that I do not believe we are on the brink of war; but it should be equally clear that a credible readiness is at least as important in deterring war as it in in waging one. Much of the current drive to prepare our defenses is beneficial for the message it sends to our allies and adversaries alike.

Reinstitution of Selective Service registration is a case in point. It is important to understand, we are talking about registration, not the draft. I do not support peacetime conscription. The present state of our military manpower is adequate to meet current defense needs. Registration should not be viewed as inevitably leading to a draft. It is a program which would provide necessary statistical information and, more importantly, an expression of America's commitment. The message we send is, in fact, the very substance of what otherwise might seem merely symbolic.

Beefing up our military capability is similarly symbolic, but also has an undeniable practical significance. The proposed defense budget calls for $142.7 billion in 1981. This is $15.3 billion higher than the current budget. The proposal contains a number of worthwhile projects including the creation of a 110,000 man Rapid Deployment Force specifically designed for such contingencies as a Persian Gulf conflict. To support this force the budget also calls for funding a fleet of CX cargo planes, prepositioned supply ships and marine assault vessels. Unfortunately, all these proposals are still on paper, and 1983 is the earliest date by which we can complete their battle readiness. The Pentagon concedes that the reason for this is that in past budget battles planes and ships for quick airlift capacity always lost out to the glamorous items like fighters and bombers.

That a feverish effort to create such a quick response capability is now required is just one more illustration of a major problem we have to overcome in our defense expenditures. It has been called the "technically sweet but operationally sour" approach to weapons systems. For example, the Navy is so short of warships that in response to the Iranian crisis, it has had to take one of two aircraft carriers in the Mediterranean to cover the Indian Ocean. And yet, last year the Navy designated one-third of its total authorized budget for one ship—a nuclear-powered aircraft carrier. Undoubtedly, it will be the finest aircraft carrier in the world; but even the finest ship cannot be in more than one place at a time.

The Navy is not alone in this regard. We spend billions to build the most technologically advanced fighter aircraft—and they spend half their time on the ground being repaired. Similarly, the Senate recently authorized the Army to spend $700 million on the new XM-1 tank, probably the most sophisticated tank in the history of armored warfare. One on one, an XM-1 tank can be counted on to outperform any Soviet-built tank. Four on one, which is the likely ratio, the outcome becomes a little more problematical. If we had settled on a less costly model, we could have procured three times as many tanks for the same price.

The major obstacle to national defense planning has been the lack of a comprehensive and consensual military strategy. For too many years, the Congress has not been presented with specific long-term planning when we are asked to make appropriations for defense. We are confronted with individual weapons systems without any clear picture of how these weapons fit into a national military strategy. This approach need not be all that difficult. Indeed, for the first time in a decade, there is a real indication that Congress will participate in constructing such a strategy.

WESTERN RESPONSIBILITIES

Obviously defense is expensive. There are those who argue that the alternative is still more expensive. That argument should not be demagogically used to justify unnecessary expenditures; nor should the United States have to shoulder the entire monetary, diplomatic or domestic costs of protecting the West. Many people have said that if oil is so precious to us, then we should spend defense money on synthetic fuels rather than on military protection of Mid-East petroleum. This overstates the volume of synthetic fuels that can be produced, but more importantly overlooks the petroleum needs of our allies upon whom we must depend. But if defense of the Persian Gulf is needed at least as much by our friends as by us, then they must share responsibility.

There have been some imaginative and potentially valuable suggestions about how this sharing of responsibility could be expanded beyond NATO. Former presidential adviser Ray Cline has proposed the creation of an Athenian League-style alliance of trading states to cooperate in protecting vital shipping lanes. No new formal treaties would be required, but only new diplomatic initiatives stressing common interests and policies. The alliance, through the pooling of naval resources, could guarantee innocent passage on all essential sea-lanes.

A more immediate likelihood for shared defense is the "consortium" of nations that is being asked to contribute to Pakistani military aid. As we enter into this arrangement, we have to recognize that the present government in Pakistan must be urged to adopt domestic policies designed to strengthen its popular support. This can be done more successfully without any claimed stigma of American manipulation through the pressures of a multinational group.

Whatever the extent of allied participation in renewed emphasis on mutual defense, it is certain that we will have to increase our own commitment. This will require a national debate than can become emotionalized on both ends of the opinion spectrum. There will be claims that the military industrial complex is leading us down a costly path that will only increase the prospects of war. There will be countercharges that failure to support every across-the-board increase in defense spending is tantamount to surrender.

An uneasy time lies ahead. As we adjust to a changing world, we must keep before us a true picture of our strengths and weaknesses.

The ancient oriental military masters offer us some wise counsel:

> "An enemy may be likened to water, for just as flowing water avoids the heights and hastens to the lowland, so an enemy avoids strength and attacks weakness."

Mr. BAKER. Mr. President, I have no requests for time. I have no further requirement for my time under the standing order. I am prepared to yield it back if the majority leader is so inclined.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Republican leader.

I yield my time back.

Mr. BAKER. Mr. President, I yield my time back.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there may be a brief period for transaction of routine morning business not to exceed 15 minutes and that Senators may speak therein up to 5 minutes each.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

FEDERAL BUDGET LIMITATION

Mr. ROBERT C. BYRD. Mr. President, under the order that was entered some time ago, the majority leader was authorized to call up Senate Resolution 380 no later than today, after consultation with the distinguished Republican leader or his designee.

Those consultations have been held and it has been known for days in advance that the resolution would be called up today. I, therefore, exercising the authority under that order, call up Senate Resolution 380.

The ACTING PRESIDENT pro tempore. Without objection, morning business is closed, and the clerk will report the resolution.

The legislative clerk read as follows:

A resolution (S. Res. 380) expressing the sense of the Senate that the first concurrent resolution on the budget for fiscal 1981 reported by the Committee on the Budget shall limit total budget outlays to 21 percent of the gross national product.

The Senate proceeded to consider the resolution.

Mr. MUSKIE addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Maine.

UP AMENDMENT NO. 1016

(Purpose: To express the sense of the Senate that the Committee on the Budget shall report a Federal budget for fiscal year 1981 which is balanced and which reserves any surplus for a tax reduction, and such additional specific reductions, if any, necessary to reduce Federal outlays for fiscal year 1981 to 21 percent of the gross national product)

Mr. MUSKIE. Mr. President, I send an amendment to the desk and ask that it be stated.

The ACTING PRESIDENT pro tempore. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Maine (Mr. Muskie) proposes, on behalf of himself and Mr. Robert C. Byrd, Mr. Cranston, Mr. Bayh, Mr. Moynihan, Mr. Leahy, Mr. Randolph, Mr. Hart, Mr. Church, Mr. Exon, Mr. Melcher, Mr. Heflin, Mr. Stewart, Mr. Chiles, Mr. Glenn, Mr. Pell, Mr. Morgan, Mr. Ribicoff, Mr. Baucus, Mr. Eagleton, Mr. Burdick, and Mr. Stevenson, an unprinted amendment numbered 1016:

Strike all after the resolving clause, and insert the following: "That it is the sense of the Senate that the Committee on the Budget shall report a Federal budget for fiscal year 1981 which is balanced in accordance with the mandate of the Congressional Budget adopted pursuant to the Public Debt Limit Act and which reserves any surplus for a tax reduction, and shall also report such additional specific reductions, if any, necessary to reduce Federal outlays for fiscal year 1981 to 21 per centum of the gross national product."

Mr. BAKER. Mr. President, will the Senator from Maine yield?

Mr. MUSKIE. Yes.

Mr. BAKER. Who controls the time?

Mr. ROBERT C. BYRD. The mover of the amendment, Mr. Muskie, and the manager of the resolution, Mr. Roth.

Mr. BAKER. Mr. President, let me assume control for the moment until the Senator from Delaware arrives. I yield myself 1 minute.

Mr. President, just for the purposes of clarifying the procedural situation at this moment, I wonder if the distinguished majority leader or the manager of the substitute would explain for the record the time allocation controls that pertain to this matter at this time.

Mr. ROBERT C. BYRD. Mr. President, on the resolution itself, there are 8 hours. And, of course, the time from the resolution can be yielded to any Senator on any amendment or motion. On any amendment in the first degree, the time is limited to 1 hour. On any amendment in the second degree, the time is limited to 30 minutes. Time on motions, appeals, or points of order, if such is submitted to the Senate, is limited to 20 minutes. And no amendment that is not germane to the resolution as introduced or to a first concurrent resolution on the budget shall be received.

Mr. BAKER. Mr. President, I thank the majority leader. I would address only one further inquiry to him. It is my understanding that the 8-hour time limitation on the resolution itself does not encompass the additional time that is allocated for amendments in the first or second degree.

Mr. ROBERT C. BYRD. The Senator is correct.

Mr. BAKER. So it is conceivable that debate on the resolution today and the amendments thereto might extend beyond 8 hours?

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. But it is the intention of the majority leader to try to conclude this matter on today?

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. Mr. President, I thank the majority leader and I thank the Senator from Maine for permitting me to ask for this procedural clarification.

Mr. MUSKIE. Mr. President, may I inquire of the majority leader further? Is there an understanding when the first vote would occur?

Mr. ROBERT C. BYRD. No, there is not an understanding as to when the first vote will occur.

May I say, extraneous from the pending matter, there will be two votes which occur beginning at 2:30 today, back-to-back.

One vote will be on a treaty and one vote will be on a resolution changing the Senate rules. But this would not preclude votes from occurring on the pending business prior to that.

Mr. MUSKIE. May I raise another question——

Mr. ROBERT C. BYRD. May I say one thing further in response to the Senator?

It was said last evening in response to a question that no rollcall vote would occur on the pending business before 10:30 this morning.

Mr. MUSKIE. I see the distinguished Senator from Delaware is in the Chamber. It seems to me that he ought to have the opportunity to present his case first before I present a case for the substitute which I have offered. I wonder if we might have an understanding with the Senator from Delaware, if that is his wish, that he might proceed before I begin using time on the amendment. He will be using time on the resolution before we start using time on the amendment.

Mr. ROTH. If the distinguished chairman will yield for a moment——

Mr. MUSKIE. Mr. President, I suggest the absence of a quorum and ask unanimous consent that the time be charged to both sides.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROTH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROTH. Mr. President, it is my understanding the distinguished chairman of the Budget Committee has offered a substitute resolution. Is that correct?

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. ROTH. Mr. President, I would suggest to the distinguished chairman of the Budget Committee that I would like to first present the case for the Roth resolution. There are several Senators who will speak on this matter. Will that be satisfactory to the Senator?

Mr. MUSKIE. There might be some point before all of the Senator's colleagues complete their presentation that I might want to present this option.

Mr. ROTH. That will be satisfactory. Why do I not make an opening statement, if that will be satisfactory, and then we can play it by ear?

Mr. MUSKIE. That will be fine.

Mr. ROTH. Mr. President, I ask that I be informed when 10 minutes have expired.

The ACTING PRESIDENT pro tempore. The Senator is recognized for 10 minutes.

Mr. ROTH. Mr. President, I want to first point out that the rate of inflation announced this morning is at 18 percent. I think the Nation is looking for some strong leadership from the Congress. It was in that sense that 46 Members of the Senate, 10 Democrats and 36 Republicans, proposed that we limit budget outlays to 21 percent of the gross national product.

Joining with me in sponsoring this legislation are Mr. DOMENICI, Mr. STONE, Mr. DANFORTH, Mr. PROXMIRE, Mr. ARMSTRONG, Mr. BOSCHWITZ, Mr. CHAFEE, Mr. COCHRAN, Mr. COHEN, Mr. DOLE, Mr. GARN, Mr. HATCH, Mr. HEINZ, Mr. HELMS, Mr. JEPSEN, Mr. LAXALT, Mr. LUGAR, Mr. MCCLURE, Mr. NUNN, Mr. PERCY, Mr. PRESSLER, Mr. SCHMITT, Mr. SCHWEIKER, Mr. TALMADGE, Mr. TOWER, Mr. WALLOP, Mr. WARNER, Mr. YOUNG, Mr. GOLDWATER, Mr. HAYAKAWA, Mr. SIMPSON, Mr. HATFIELD, Mr. DURENBERGER, Mr. THURMOND, Mr. DECONCINI, Mr. MATHIAS, Mrs. KASSEBAUM, Mr. HUMPHREY, Mr. HEFLIN, Mr. ZORINSKY, Mr. BOREN, Mr. NELSON, Mr. BAKER, Mr. HARRY F. BYRD, JR., and Mr. STAFFORD.

I want to make a point very clear, Mr. President, that this is a serious attempt to be responsible, to be bipartisan, to try to do something positive about the malaise of our economy. I also want to make very clear that if we do not have an up-and-down vote on the Roth resolution, I shall continue to bring it up, debate it, and try to force it to a vote. It is a matter of too much importance, too serious, too critical to be avoided by parliamentary maneuvering.

Mr. President, as I said, inflation is out of control. It is running at 18 percent. It is runaway inflation. We are in the midst of the greatest economic crisis since the thirties. Not only is inflation out of control, but taxpayers are drowning in high taxes and immediate action is needed. Anxiety about inflation, about job security, and about the future has never been higher. The American dream of owning a home, educating our children, and achieving upward mobility is being dashed by the nightmare of inflation. Yet instead of taking the strong, tough steps needed to stop inflation, the administration has announced a weak, second-rate plan which will only lead to higher inflation and higher unemployment.

Rather than proposing a long-term plan of lower spending and taxes to promote economic growth, the administration has proposed a short-range plan to balance the budget through paper spending cuts and enormous tax increases.

According to the Congressional Budget Office, the President's latest budget cuts will not reduce spending at all. The President's proposed spending cuts will merely offset the upward revisions and reestimates in his January budget.

The proposed level of spending under the new Carter budget is still 22 percent of GNP, one of the highest levels in history.

The President is not balancing the budget by reducing Federal spending.

The President is attempting to balance the budget by imposing on the American people the most massive tax increases in our Nation's history.

Under the President's new budget, Federal taxes as a percent of GNP will soar to 22.5 percent—the highest level in this country's history.

Under the President's new budget, taxes in fiscal 1981 will be $124 billion higher than the tax level he proposed a year ago January.

In fact, the President has increased taxes by $27 billion from the budget he proposed 2 months ago.

Our fragile economy cannot stand these enormous tax increases. Rather than balancing the budget, these massive tax increases will throw the economy into a recession, unleashing increased Government spending and creating enormous budget deficits.

As the New York Times said on March 7, 1980:

> The only economically sound way to balance the budget is by the politically difficult route of cutting it.

And the only way to cut the budget is to put a firm lid on total spending before we start adding up each individual program.

This is why I believe it is so important to establish a limit on Federal spending at 21 percent of GNP.

The distinguished chairman of the Budget Committee has said that this resolution is unrealistic, limiting fiscal 1981 spending to $584 billion and requiring a $45 billion spending cut. The chairman apparently came up with these figures by using a higher estimate of the President's spending, a lower estimate of GNP, and something called "negative reflow," a term used by Keynesian economists who believe a cut in Government spending will reduce economic growth and lower the GNP.

Rather than allowing this debate on a sense-of-the-Senate resolution to degenerate into a theoretical discussion of how to compute GNP, I want to establish right now that the gross national product we are using is based on a 5-year average growth rate, as proposed by the Domenici bill (S. 2206, as amended), now pending before the Senate Budget Committee.

Under this formula, our resolution establishes a spending limitation of $596 billion—about $17 billion less than the President's latest budget level of $613 billion.

This level of spending can and must be achieved.

In order to stop inflation, we must reverse the trend of Government taking more and more in taxes every year to finance a steady expansion of spending programs.

Balancing the budget is not enough—especially if we try to balance the budget with higher taxes.

As the distinguished chairman of the Budget Committee said in a speech on March 4:

> Unprecedented restraints must indeed be imposed.

I agree with my distinguished colleague from Maine that unprecedented restraints must be imposed.

In the last 4 years, the Federal budget has exploded, and taxpayers are demanding we control Federal spending and reduce the tax burden imposed on them.

But the attempt this year to balance the budget is nothing but a smokescreen to hide from the taxpayers the even greater explosion of spending and higher taxes projected over the next 4 years.

In the last 4 years, from fiscal 1977 to fiscal 1981, total Federal spending increased $210 billion. In these same 4 years, Federal taxes increased $269 billion.

Even with the President's proposed budget cuts, spending in fiscal 1981 will be $81 billion higher than the budget he proposed last year.

And with the President's new tax increases, taxes in fiscal 1981 will be $124 billion higher than he proposed last year.

But an even greater explosion of spending and taxes is coming.

Under the President's new budget, spending is projected to increase $300 billion between fiscal 1981 and 1985. And Federal taxes are projected to increase a phenomenal $500 billion—or a half trillion dollars—over the next 4 years.

But rather than attempting to rein in this spending and tax explosion, we shall probably be told today that we cannot cut Federal spending. We shall probably be told that our resolution to limit spending to $596 billion would take radical reductions that would be unacceptable to most Americans.

Mr. President, under the President's new budget, spending is projected to increase $300 billion, as I said, between fiscal 1981 and 1985. Taxes will go up a phenomenal $500 billion.

But instead of worrying so much about the demands of Federal spending, I believe we must start worrying about the needs of American taxpayers and the American economy.

I have recently been in contact with a number of this country's leading economists.

Economists such as Alan Greenspan, Arthur Burns, Arthur Okun, whose death we mourn, Murray Weidenbaum, Norman Ture, Jack Hirshleifer, Gary Shilling, Karl Brunner, and others endorsed my attempts to limit Federal spending.

Not one of these economists said my spending limit proposal was too radical, and not one of them said my proposal would throw the country into havoc.

In fact, many of the economists I contacted thought my proposal was not tough enough.

For example, Beryl W. Sprinkel, chief economist for the Harris Bank of Chicago said:

> It is my judgment that your plan is not tough enough and that you should not spend more than 20 percent of GNP.

Oswald Brownlee, professor of economics from the University of Minnesota said:

> I believe we should have a much deeper cut in Government spending.

Mr. President, I ask unanimous consent that I yield such time as I take from the 4 hours for general debate, rather than from the time allowed on the amendment.

The ACTING PRESIDENT pro tempore. Does the Senator wish that to be retroactive on the time he has already consumed?

Mr. ROTH. No. I am asking for the future.

The ACTING PRESIDENT pro tempore. The Senator has that right.

Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, what is the request?

The ACTING PRESIDENT pro tempore. The Senator from Delaware requested that the time from here on out that he uses be charged against the resolution.

Mr. ROBERT C. BYRD. I have no objection.

Mr. ROTH. And Robert Genetski, economist and vice president of the Harris Bank, said Government spending should be cut by $50 to $100 billion. If this spending cut is not feasible, he said, "a return to a healthy, prospering economy is also not feasible."

Mr. President, a $596 billion spending limit does not require massive slashes in Federal spending.

A $596 billion spending ceiling will still allow fiscal 1981 spending to be $64 billion higher than the spending level proposed by the President's lean and austere budget last January, and more than $100 billion higher than actual spending in fiscal 1981.

There is no denying, however, that a $596 billion spending limit will prevent many Federal spending programs from keeping up with inflation.

But if the average American family cannot keep pace with inflation, why should each and every Federal spending program be allowed to outpace inflation.

As the distinguished chairman of the Budget Committee said last September on the Senate floor:

> The Federal Government has got to swallow some inflation, in my judgment, in order to set an example, in order to communicate to the country our concern that restraint be practiced not only in the Federal Government but across-the-board.

The distinguished chairman of the Budget Committee said that 6 months ago—on September 17, 1979—when he presented the Senate with the fiscal 1980 second budget resolution, a 3-year spending and revenue plan to achieve a balanced budget in fiscal 1981.

This 3-year budget set a limit on fiscal 1981 spending at $589.5 billion, a spending level the Senate Budget Committee report said equaled 21 percent of GNP.

By the end of the Senate debate on this resolution last fall, after adjustments for higher defense spending, this 3-year plan set fiscal 1981 spending at $596 billion, the same spending limit I am proposing today.

The chairman of the Budget Committee said then "we should stick by this budget."

He said then:

> The Government must restrain its spending across-the-board to set an example and to reduce its own impact on the economy.

I agree with what the chairman of the Budget Committee said 6 months ago.

What we are attempting to do today—putting a limit on Federal spending at 21 percent of GNP—is to hold Federal spending to the same levels recommended by the Budget Committee and the Senate last year.

Six months ago, my distinguished colleague from Maine said the budget resolution he was recommending—a resolution which held fiscal 1981 spending to 21 percent of GNP—"answered the need for a fiscal policy to help control inflation and the public demand that we scale down Federal spending."

But now he is saying our 21 percent spending limit would throw the country into havoc.

I would suggest to the chairman of the Budget Committee that what is throwing the country into havoc is 20-percent inflation and an economy heading for recession.

What is throwing the country into havoc is a runaway Federal budget, where the President's fiscal 1981 spending level of $613 billion is $81 billion higher than the budget he proposed last year.

And what is throwing the country into havoc is the attempt to balance the budget by imposing on the American people the largest tax burden in our Nation's history.

Mr. President, a substitute resolution has apparently been proposed, calling on the Budget Committee to report a balanced budget and to reserve any surplus for a tax reduction.

This substitute to balance the budget with higher taxes will not stop inflation. But it will allow the big spenders and the big taxers off the hook.

This proposal is nothing but a smokescreen substitute—a smokescreen to hide the attempt to balance the budget with paper spending cuts and enormous tax increases.

A vote for the smokescreen substitute is not a vote for a balanced budget and a possible surplus for a tax cut.

A vote for this smokescreen substitute is a vote for massive tax increases.

Both the President and the House Budget Committee are attempting to balance the budget at a spending level of $612 to $613 billion, holding about $10 billion in reserve for so-called tax cuts.

Mr. President, at this time I yield to the distinguished Senator from Virginia (Mr. WARNER) such time as he needs.

Mr. WARNER. Mr. President, I should like to voice my support for the efforts that Senator ROTH is making on behalf of working toward a balanced budget for our Nation.

This country is in the midst of its biggest economic crisis since the 1930's. I think it is apparent to all of us that inflation is out of control, that the taxpayers are looking to the Congress of the United States to take what action we can to help correct this situation. Indeed, it is highly debatable, the measure to which the proposed balanced budget will bring into correction this inflation.

I feel very strongly, irrespective of any doubt about the eventual curtailment of inflation, that we, as the Congress, must go forward with action to bring the budget into balance. I am heartened by the leadership that our President has taken this measure and am encouraged that the House of Representatives has taken prompt steps to express their approach.

Now, of course, it is the responsibility of this body to take the steps that we feel are appropriate. The problem, of course, is the method that we will pursue.

The question that I have thus far with respect to the President's recommendation is the new taxes. As my distinguished colleague from Delaware has already informed the Members of this body, the new oil import fee is but one of a series of taxes that have been thrust on the American people in the very recent past.

I, personally, have great reservations about the propriety of this new import oil fee. I will await a full deliberation in this body before I make the final judgment with respect to supporting this oil fee.

Those of us who have supported Senator ROTH's resolution feel very strongly that we should not balance the budget by imposing enormous tax increases on the American people.

Mr. MUSKIE. Will the Senator yield?

Mr. WARNER. Yes, indeed.

Mr. MUSKIE. I want to make it very clear that the balanced budget which I expect the Budget Committee to report out can be balanced without any new taxes, as of May 15—except, of course, to the extent that inflation drives people up into higher tax brackets, no new taxes.

I have heard the statement which the Senator just made repeated over and over again. It does not happen to be accurate, as I will point out later.

I thought the Senator might like to know that will be part of my argument in the facts I present later. I thought this might be an appropriate place to mention it.

Mr. WARNER. I appreciate that clarification very much from the Senator from Maine.

Mr. President, I would like to share with the Senate a recent editorial in the Lynchburg, Va., News. President Carter's latest proposals for combating inflation calls for a $13 billion Federal spending cut and tax increases amounting to some $58 billion. That, he says, should balance the budget.

The $58 billion increase comes from a $4.62 barrel oil import fee that is expected to increase gasoline prices about 10 cents a gallon; increases in social security withholding which go into effect again next January; the impact of inflation which pushes taxpayers into higher income tax brackets; and a proposal to require banks and corporations to withhold and send to the Treasury taxes on interest on dividends they pay.

The oil import fee alone is expected to bring in about $11 billion in new Federal taxes. The interest and dividend withholdings would bring in another $3 billion. That alone will cover the $13 billion spending cut and balance the budget, with a billion to spare.

Mr. Carter called upon "our whole society—the entire American family" to "try even harder to live within its means." Living within one's means is generally construed as calling for reductions in expenses to match one's income.

To Mr. Carter it apparently means cutting $13 billion in spending and adding $58 billion in new income. Budgets are easier balanced that way.

He said he had ordered an immediate freeze on all Federal hiring, and imposed job ceilings that will eliminate 20,000 Federal jobs by the end of the year.

That "immediate freeze" is not quite what it seems: It limits Federal agencies to filling only one-half the full-time permanent jobs that became vacant after last February 20. Agencies may fill vacancies that existed before then, but they will be charged to the departments' overall limits.

In anticipation of something like this, however, Federal agencies have been hiring full blast in recent months so that when the cuts come, their permanent manpower numbers will not be visibly affected.

To help the American family live within its means, Mr. Carter proposes tightening up credit for both consumers and business. That should help the consumer. What it will do to the business world is something else. Sales will go down, and unemployment up, along with unemployment compensation moneys, and business will pay less taxes.

Mr. Carter promised not to cut defense spending, which will be continued at an increase of 3 percent above inflation. Since he has slashed defense spending drastically since he took office, this represents a very small restoration—if any—in real terms.

Among his spending cuts is a proposal to eliminate some $1.7 billion which the Federal Government has been returning to the States in Federal revenue-sharing programs. Mr. Carter calls this a cut in Federal spending. The States, not the Federal Government, however, must do the sacrificing.

He explained that he would defer his "welfare reform" proposals, thereby saving another $859 million—which must mean that his "reform" would have cost an additional $859 million.

Wiser heads may find some sense and logic in Mr. Carter's proposals. We find it difficult to see how they are going to help an already overtaxed populace by driving up prices—which is what inflation is all about.

The people will have less energy, higher taxes, and a reduction in their standard of living. The Federal Government will have some $58 new billions to offset a $13 billion cutback. And that is how to balance a budget—without giving up anything.

Mr. President, at this time, I should acknowledge the work that has been done by the senior Senator from Virginia (Mr. HARRY F. BYRD, JR.), to balance the Federal budget. Again I am reading from a Lynchburg News editorial.

"Throughout the years, Virginia's Senator HARRY F. BYRD, JR., like his father before him, has warned of the dangers of deficit spending. He was almost a lone voice calling out in the senatorial wilderness.

"In recent weeks, however, it would appear that those who have ignored or ridiculed him all these years have had a change of heart. The New York Times has been calling for a 'substantial reduction in Federal spending.' The Washington Post has been saying that Mr. Carter 'will have to start cutting his budget, rapidly and severely.'

"Last week, six former chairmen of the Council of Economic Advisers—three Democrats, three Republicans—testified before the Senate Banking Committee. They unanimously agreed that spending must be reduced, and limited in its tendency to expand in the future.

"You did not know about their testimony? You would not if you read the Post, or the Times, or get your news from the television networks, says Senator WILLIAM PROXMIRE, none of these media outlets carried a word of the story, he said.

"Mr. BYRD, at long last, stands vindicated. He was right all along, and some of the most liberal economists of the Nation, who have encouraged deficit spending and big spending in years past, are now advocating Mr. BYRD's solutions. They are not, however, admitting that they were wrong, and that the country is nearly a trillion dollars in debt and wallowing in inflation as the result."

Mr. President, I yield to the Senator from New Mexico (Mr. DOMENICI).

The PRESIDING OFFICER (Mr. DECONCINI). The Senator from New Mexico is recognized.

Mr. DOMENICI. Mr. President, a parliamentary inquiry. Is there a time limit limitation on the Senator from New Mexico?

The PRESIDING OFFICER. The resolution is under controlled time, and there is pending an amendment on which there is 1 hour, equally divided.

Mr. DOMENICI. Who controls the time?

The PRESIDING OFFICER. The Senator from Delaware and the Senator from Maine.

Mr. DOMENICI. I yield myself 10 minutes on the resolution.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. DOMENICI. Mr. President, I ask unanimous consent that Steve Bell, of the Budget Committee staff, have the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, one of the issues that prompts a specific, mandated percentage of GNP by way of expenditures is the lack of teeth and lack of credibility that the budget process, after 5 years and one transition quarter, has brought to Congress.

As an example, the document which is supposed to set the limitation of expenditures for the National Government, the second concurrent resolution, adopted by both bodies, would have had a deficit for 1980 of $29 billion. The problem is that that is not going to be the final word. As a matter of fact, the present estimate is that an additional $17 billion will be provided by supplemental appropriations and that because of our process for the most part it is a foregone conclusion that most of that $17 billion will be added to the $29 billion deficit.

Mr. President, how much time do I have remaining of my 10 minutes?

The PRESIDING OFFICER. The Senator from New Mexico has 5 minutes remaining.

Mr. DOMENICI. Mr. President, I rise in support of the Roth resolution. I hope the Senate will adopt it today.

It is our understanding that this resolution would mandate that Congress limit expenditures to $596.4 billion.

Let me first say that there is a lot of talk in our country today about whether we are going to balance this budget for 1981 with or without new taxes.

I think we should establish at least a few general understandings of what that means and what it does not mean.

First of all, the only new taxes that have been proposed in the sense that we would actually pass new laws are the so-called crude import fee, which would yield somewhere between $10 and $12 billion, and an amendment to the Tax Code which would cause certain interest payments and dividends that are not presently taxed to be taxed.

Those are new in the sense that the present law does not provide for them.

So there are those who are saying, "We want a balanced budget without new taxes." For the most part, the proponents of that proposition are saying, "We want a balanced budget in 1981 without those two taxes which are not presently in the law or anything like them."

But make no mistake about it; the level that was suggested by the U.S. House of Representatives for a balanced budget, $612.4 billion, has a tremendous new tax in it. New taxes, as I understand it, in this statement are taxes that the American people and American business will pay to their National Government that they are not paying this year. That is what I mean by new taxes.

This year's estimate of taxation and what it will yield is $518 billion. If we are going to balance the budget at $612 billion, simple arithmetic says we are going to balance the budget with $94 billion in new taxes.

All of these figures are subject to final analysis and after further checking writing in an ultimate figure, but it is fair to say that if Congress balances a budget at between $612 billion in outlays and $613 billion the American people will have paid between $90 and $94 billion in new taxes to balance that budget, taxes that they are not paying this year, that they will pav next year because of the windfall profit tax, increases in social security tax, inflation and a small amount because of real growth in the economy which has forced taxpayers to pay real growth income taxes.

I hope that everyone understands that a balanced budget at the level recommended by the House Budget Committee and at a level which I believe we are moving toward, unless we adopt the Roth resolution, makes no bones about it is no great feat of fiscal responsibility.

The $90 to $94 billion in new taxes on the American people will be required to balance that budget. Anyone who thinks that is not very significant let me just give a couple of historic facts.

The PRESIDING OFFICER. The Senator's 10 minutes have expired.

Mr. DOMENICI. I yield myself 5 additional minutes.

Let me give a couple of historic facts.

President Lyndon Johnson had a number of great Presidential ordeals. On the domestic front in terms of budget matters the one that hounded him most and caused us to make major changes in our budget practices, including the consolidated budget, including a new way to build Federal buildings so we would not have to pay for them, we would lease them, a number of items like that were forced on Congress by that President for one simple reason: He did not like the historic mantle of submitting the first $100 billion budget to the people of the United States. Lyndon Baines Johnson did not want to break the $100 billion budget.

We did. We are going to balance this budget this year without a Roth type proposal with $90 to $94 billion in new taxes almost the equivalent of the entire budget that frustrated and concerned President Lyndon Johnson because it was a historic first for the United States to spend that much money.

Second historic fact: It took us 9 years from that budget of Lyndon Johnson's to reach $200 billion in taxation.

We have now tripled the tax load in just 8 years. We will reach more than 22.4 percent of our productivity in 1981 under the President's revised revenue numbers for taxation, the highest level in the history of the United States.

I stress the highest because until the reestimate, adding an additional significant number of billions to the estimate of taxes, we would have had a second highest taxation level, exceeded only in that year by the Second World War when the United States of America was totally mobilized and engaged in one principal activity, to win the Second World War, obviously, a crisis situation justifying major departures from the basic American taxation policies.

So we have broken even that last hurdle of comparability with the Second World War year, and this budget at the level of taxation will now be the single highest level of taxation placed on the American people in the history of the Republic.

During a period when productivity is down, when savings are down, when there is not an adequate supply of money for our growth, the Federal Government will break the bank. We will balance this budget with new taxes, $94 billion worth of new taxes. We will balance this budget with a tax structure that everyone admits is counterproductive in terms of causing growth, producing jobs, increasing America's productivity and our incentive to grow and produce, and we will do it when inflation is reaching 20 percent and the prime interest rate is bucking 18 percent, all some kind of historic highs for this Government and its people.

The direct relationship between the percentage of taxation imposed on America's system and its people——

The PRESIDING OFFICER. The Senator's additional 5 minutes have expired.

Mr. ROTH. I yield the Senator 1 additional minute.

Mr. DOMENICI. One additional minute.

The relationship between the amount of money that the Federal Government takes out of the economy and the economy's ability to grow and prosper has been denied for many years now by certain economists, and there are those who still want some absolute mathematical certainty to that proposition.

But it becomes ever more obvious that if we are going to grow and prosper, we have to change our ways, and change business as usual with ever-increasing percentages of our productivity, our people's worth, their efforts and their investments going to the Federal Government, so it will begin to go down rather than up.

The PRESIDING OFFICER. The Senator's additional minute has expired.

Mr. DOMENICI. This is an obvious necessity.

Mr. President, I ask unanimous consent that a statement about the University of Chicago's economists' fight on inflation in Chile be printed in the Record.

I thank my good friend from Delaware for yielding.

There being no objection, the article was ordered to be printed in the Record, as follows:

HOW THE "CHICAGO BOYS" FOUGHT 1,000-PERCENT INFLATION

(By Norman Gall)

CHILE.—Oceans of venom have been spilled from both right and left over the slender South American republic, but rarely have either critics, or defenders paid much attention to the facts. The facts are quite clear. Is Chile a democracy? No more than, say Cuba is. Both are military dictatorships. Stripping away the political labels and disregarding the social differences, what really distinguishes the two is the degree of economic freedom and the rate of economic progress. By all reports, Cuba is a disaster. In spite of massive Soviet subsidies the standard of living there is falling and Cubans are again taking to small boats and foreign embassies to escape the rigidity and poverty of their lives. In Chile, by contrast, the economy has lately been growing by 8 percent annually (after inflation)—which is one of the better growth rates in the world.

Much credit for Chile's economic success has been given to Chilean economists trained at the University of Chicago who now occupy key ministerial and central bank posts. All this has been a mixed blessing for UC's economics department and its Nobel prize winner, Milton Friedman who visited Chile in 1975 during the worst phase of its inflationary crisis. It has brought prestige and influence to the Chicago school of economists, but their role in Chile has brought them under attack from radicals and liberals who object to the department's association with a repressive military government. Chicago Professor Arnold Harberger, 55, a close associate of Milton Friedman, has been especially involved. Harberger's wife is Chilean, his associations with that country go back a quarter of a century and he frequently journeys there to lecture and to advise on economic policy. Such is his department's growing prestige that Harberger was recently offered an influential academic post at Harvard—an offer that drew immediate outcry from the left as well as from a handful of students. At the moment, Harberger is undecided whether or not to take the post.

Interviewed recently for FORBES, Harberger offered some fascinating insights into the Chilean economic miracle—insights which may have striking implications for U.S. economic policy. Many writers have credited monetarist economics for the Chilean economic recovery. Professor Harberger has a surprise: It was not monetary policy but fiscal policy that slowed Chilean inflation and got the economy growing again. It wasn't what the central bank did but what the administrators did. They took a meat axe to government spending, virtually eliminating the massive, inflation-producing deficits. By slashing tariffs, they brought down the cost of consumer goods and restored competition to the overprotected Chilean economy. By cutting taxes they restored incentives.

The U.S. economy is much larger and more complex than Chile's, and the Chilean peso's role in the international monetary system is insignificant compared with the dollar's. Nevertheless, what Professor Harberger says has major implications for U.S. anti-inflation policy. Because Congress and the Administration seem paralyzed we have left the fight against inflation almost entirely to the Federal Reserve, which has been trying to shock the country out of inflation with high interest rates, just as Chile's military junta did unsuccessfully between 1973 and 1975. In Chile the slowing of inflation came only after the massive cuts in government spending that began in 1975.

Is the U.S. using the wrong weapons?

GALL. Let's go back to the beginning, to 1973 and the fall of Allende and the coming to power of the present Pinochet government.

HARBERGER. When the military coup took place in September 1973 the rate of inflation was on the order of 1,000% a year. The new government was very naive. They decreed that every entity of government must live within its budget. Somehow the government seemed to believe that that would really happen. Well, the result was, deficits continued under the military regime at a rate not much different from what they had been during the Allende period.

This went on until about May-June of 1975, when a serious effort was made to close the fiscal gap. When I was there with Milton Friedman in March 1975 we estimated that, simply to cover the government's deficit, Chile would have to expand the money supply at nearly 20% a month, or 1,000% annually. That creates a terrible inflation.

This is not to say that nothing was done in the first two years of the Pinochet government. In 1974 there was a major tax reform in Chile, which followed the plan of the Canadian Royal Commission on Taxation. Another important thing was the beginning of tariff reform. Chile was a closed economy. It was insulated from the world economy. The steps taken in 1974 and 1975 brought them to being today a very open economy.

One of our Chicago students was Sergio De Castro, who now is Chile's Finance Minister. He began doing detailed research on the real cost of high tariffs in the early 1960s and was joined in this concern around 1970 by Sergio de la Cuadra, who is vice president of the central bank. De Castro began doing a Chicago doctoral dissertation on the effects of Chilean tariffs. Now these tariff and taxation reforms were almost the only good things which I can see that happened in Chilean economic policy between October 1973 and June 1975.

GALL. They did let interest rates rise

freely, which brought a lot of dollars out from under people's mattresses. But why didn't they make more progress against inflation in those first two years?

HARBERGER. Well, it's a cute story in a way. Military people were put in charge of just about every agency, in just about every company that the government had nationalized or in which they had intervened—that is, taken over temporarily. The military people were very naive, and they all received orders to balance their budgets.

Obviously, if you're not balancing your budget, you have to borrow money. In the Allende period, people who were in these same positions would borrow from the state bank, borrow from the central bank and borrow from here, there and everywhere. The military also found ways through their own "old-boy networks." One of them would know somebody who was in the Bank of Chile and would borrow from there. Somebody else would know somebody who was in the Banco de Concepción and would borrow from there. But somehow, it went on just about as before.

GALL. Just the way it was under Salvador Allende?

HARBERGER. Yes. Now it was in this May-June period of 1975, shortly after Jorge Cauas became Minister of Finance, that things really began to be pulled together. In 1975 there was a dramatic reduction of the government deficit. That was, as far as I can see, the only crunch that ever happened. People talk about great monetary restrictions. I ask you to look at the IMF's [International Monetary Fund's] International Financial Statistics, and see what has been happening to the Chilean money supply. The money supply continued to grow at surprisingly high rates. There was never any sharp contraction. Never any shock treatment.

Now, the government spending cutbacks were of many kinds. One thing they started doing reasonably early was selling some of the companies that had been brought into the government sector back to the private sector. That was a way of reducing the deficit because these companies were all running at a loss. They were not all paid for in cash; some of the payments had been spread over time. But they brought in money to the government and helped relieve the fiscal deficit.

GALL. This is monetarism? Sounds more like common sense.

HARBERGER. I'm trying to make clear that a label of monetarist restraint has been placed on that process, and that label simply doesn't fit. However, starting with the cuts in government spending, it was possible to reduce—gradually, very gradually—the rate of increase of the money supply. And in the process the rate of inflation went from 300 percent down to 200 percent, to 100 percent, to 60 percent, to something like 30 percent, where it has been sort of floating recently. Now in that process, there was a sharp recession in the Chilean economy in 1975, which was the product of at least three forces: One was the world recession, when U.S. unemployment went from 6 percent to 10 percent and back to 6 percent around that time; second was the drop in the price of copper, which had been $1.40 per pound in 1974 and got to be less than 60 cents a pound in 1975, an incredibly sharp drop; and the third thing was the fiscal crunch itself.

Now you have to ask, how much of the decrease in inflation was the consequence of the fiscal crunch? Different economists are going to give you different answers to that, but obviously not all of it can be credited to the fiscal crunch when you have a world recession and you have the price of copper falling that way. So I would say, at most, half of what happened in the period immediately following the 1975 recession ought to be attributed to the fiscal crunch.

Let's get the monetarist thing a bit more in focus. The process by which the inflation was brought under control, I said, entailed no monetary shock treatment. But it is still true that the rate of expansion of the money supply was at times 10%, 15%, even 20% a month, and now has been reduced to 1%, 2% or 3% a month.

GALL. But how can you say that there is no shock treatment if unemployment increased from 12% to 20% within a year, as in 1975–76? That was shock treatment, wasn't it?

HARBERGER. I said it was not a monetary shock treatment. The image that most people would have of a monetary shock would be if the government stopped printing money. If you are expanding money at the rate of 20% a month and go down to nothing, that is shock. But when you gradually go down from these rapid rates of money-supply expansion to rates which are still rapid today, that is not a shock treatment.

GALL. Well, let's stop here and really look at this. You have an economy that is still heavily concentrated in the state sector, perhaps not as heavily as it was before. The state controls all of the top 10 companies and 20 of the top 25. Yet Chile is described now as a citadel of capitalism, an example of how to move back into a free enterprise economy. You have a number of graduates of the University of Chicago running the economy. You yourself say that monetary austerity has not really been practiced in Chile, nor do we have a free enterprise economy. Then what do we have?

HARBERGER. Be careful, be careful. . . . I think we do have a free enterprise economy. You see, I have always taken the attitude in teaching my classes that there need not be a lot of difference between an enterprise in the public sector and an enterprise in the private sector. It really depends on how they're run and on the circumstances surrounding them. If you have a public enterprise that acts like an enterprise, charging market prices and paying market wages and behaving in all other respects like a private business, that enterprise is going to work well and be perfectly consonant with a market economy. What I seem to sense in Chile is a strong effort to make those enterprises that remain in the public sector efficient. And to make them behave like business enterprises with economic tasks as their primary goal, rather than as political instruments.

GALL. Some people say that the kinds of policies being applied in Chile can only be put into effect under a military regime.

HARBERGER. Now that I don't believe at all. The income tax system is taken from the Canadians. The value-added-tax system is taken from the Europeans. The tariff system reminds me of nothing more than what the Netherlands and Belgium were like before they joined the European Common Market—very low-tariff countries, open to trade. I certainly do not feel that the move to freer markets and more open economies is in any sense something that requires a military government.

GALL. Does free economic activity then also require free political activity in a community?

HARBERGER. What you're asking is: Have free markets existed in countries where political freedom was seriously constrained? Answer: Yes. Many times. Many times. I guess our struggle here is with the label. There are natural economic forces. Free markets take place where these natural economic forces are permitted to work. They work without any particular help from governments in general. The natural instincts of individuals are going to bring about market transactions and market prices and things like that. One of the principal sources of unfree markets is the government itself intervening in the market process and dictating quotas, prices, this, that, the other thing. When you have a freer market, there is much less of this kind of government activity, and in a good free market situation, government policy is aimed at trying to make that market process function well. Now, it seems to me a policy of low and uniform tariffs is very good for just about any country. And once you've got that, it works well and you have a natural device for control of monopoly power inside the economy. A natural device, foreign competition in the world market, keeps your monopolies under control. I think that's a sensible policy. It's market oriented. I think it comes close to what I would consider a free market situation.

Now, you can't say that a military government is required in order to have a policy of low or uniform tariff, because we have had many examples in the human history of tariffs that were very low in many countries. Hong Kong has a very low tariff policy; England, in the 19th century.

GALL. What the Chilean government has done is bring inflation down from 508% in 1973 to around 38% last year. Now this 38% is still considerably above the historic average annual rate of inflation for Chile during the postwar period between roughly 1948 and 1970, which was around 30%. What can be done to further reduce Chilean inflation below the historic average, which has been very high for nearly 100 years?

HARBERGER. Well, my guess is inflation in 1980 will be below the historic average. What makes me say that is, I perceive the Chilean inflation of the last two years to be in the main the combination of two things: Add up the world inflation plus the rate of devaluation in Chile and you come pretty close to where the Chileans have been. As of recently they have fixed the exchange rate and I believe they are going to be successful in this. So, they are going to be a fixed-exchange-rate economy linked to the dollar in a period in which there will still be a continuing dollar inflation. So, I would say the base level of the Chilean inflation would be the dollar inflation.

GALL. Last year Chile had a trade deficit of nearly $700 million, which is more than triple its trade deficit in 1977.

HARBERGER. Well, I say, thank God for that deficit.

There are the twin problems of unemployment and of high real interest rates that prevail in the Chilean economy. I think the most natural solution to those problems is an inflow of foreign investment, inflow of money from abroad. Not necessarily just by foreign company investment—it can be Chilean companies borrowing from abroad.

Chile has succeeded in raising the deficit in the trade balance, which in this case should be considered an import of real capital. It has succeeded in raising, as you say, $700 million last year. And I think that is a big help. I hope it continues somewhere in that neighborhood for the next year or two. But a problem arises, namely, that if the deficit becomes too big the country begins to lose credibility with the international financial community from which it borrows. So, they are very prudent. Chileans need the deficit because they need real import of capital to help solve these twin problems of high unemployment and high interest rates.

GALL. A final question: Is current Chilean economic development strategy geared to the country's natural resources—mining and forest products, the two main lines of development planned by the government? Is that right?

HARBERGER. I wouldn't put it that way, but its not too wrong, either. I would say Chilean strategy is to find Chile's comparative advantage and use it. And that thing can turn out to be in light manufacturing—Brazil has done very well with light-manufacturing exports. Chile's light-manufacturing exports have grown, too. The Chilean economic team wants an economy that specializes in whatever it can do most efficiently, and they're going to set the rules of the economic game so those activities will thrive.

Now, these tariff reductions caused a lot of dislocation, a lot of bankruptcies of firms and things like that. But the firms that failed were terribly inefficient operations judged by world prices. Now, Chilean industry has had to meet the challenge of world competition. How do you do that? You do that by specializing, by making sure whatever you can do beats world prices. When you can't beat world prices, you don't do it. Now interestingly enough. in this process, if you had asked an average economist in Chile ten years ago. "What would happen if Chile had only a 10% tariff?" he would have said, "All our manufacturing industries would go out, there wouldn't be industrial employment." Well, the interesting thing is that industrial employment has maintained itself somehow. Sometimes companies did this by reshifting into activities in which they are basically more efficient, which have export potential and where they could survive and prosper as part of the world economy. I'm kind of surprised at how successful this transition has been in terms of manufacturing output and manufacturing employment. Certainly the direction of movement has been toward a free, private economy.

In our Chicago classes and seminars we always have talked about the irrationality of industrialization by import substitution in small economies that are forced to provide huge subsidies to manufacturing operations, usually in the form of very cheap credit and tax breaks, and to protect them behind very high tariff carriers or flat import prohibitions. This forces people to pay higher prices, especially for goods that might otherwise be imported more cheaply and with better quality control.

GALL. What are Chile's implications for the rest of the world?

HARBERGER. Implications? I think Chile has joined a group of small economies that seem to be headed on successful roads of economic development. I include in that list Taiwan, South Korea, Hong Kong, Singapore, Malaysia, Greece, Spain.

Now, one thing that is true of most of these economies is they have close links and ties to world economy. They made themselves part of the world economy. Spain in the 1950s was closed. Around the end of the 1950s there was a big policy reversal which opened the economy, and that was when large growth rates began. Malaysia qualifies by my definition of a pretty open economy. certainly, Honk Kong and Singapore do. And Taiwan and Korea do. That characteristic—an open economy—best covers this list of successful smaller countries and the Chilean experience is going to fall into that pattern.

GALL. Isn't it true that Chile only recent got back to the production and income levels prevailing in the early Seventies? Doesn't this dim the accomplishments of the current government?

HARBERGER. Since 1975 the Chilean economy has been growing at 6%, 7% and now 8½% last year, so there's been four years of steady, unpredecedented growth. They have more than made up for what they lost in 1975, and if you take the trend, let's say of the 1960s, and project it to now, they have gotten back to that trend. There has been a dynamic, full recovery of the Chilean economy. Santiago has never looked better. Consumer goods from all over the world are readily available at cheap prices. All the things you get from Japan—Sony tape recorders, televisions, Honda cars—are readily available. There is no readily transportable marketable item you cannot now find in Santiago, and they're within reach of many, many people.

GALL. Speaking of implications for the rest of the world, what was the role of your Chicago boys in all this?

HARBERGER. One thing you'll find in Chile that you will find much less in other places is a certain kind of consistency, a coherency of economic policy that is the consequence of having a team of people who think pretty much the same on a lot of major issues.

A high-placed official of the International Monetary Fund once was congratulating me on my former students. He said, "I go to lots of countries and I see lots of young technical economists, and they all seem to be very bright and very smart. But, it's funny. In the other places they seem to use a lot of their brains and talent figuring out arcane reasons why they shouldn't do what good common sense and simple economic analysis indicate probably should be done. In Chile, by contrast, they seem to use all their brains figuring out how to do what simple economics and good common sense seem to indicate."

You see, pretty much all of this group of Chileans in economic policy positions know the lessons of modern economic analysis. We're not talking about highfalutin lessons of mathematical economics. We're talking about what the role of prices is in resource allocation and what the principles of economic policy must be to avoid distorting the economy.

GALL. Has Chilean economic progress been achieved—as the critics claim—on the backs of Chilean workers?

HARBERGER. No, not at all. There was a dramatic rise in real wages since 1975, averageing more than 13% annually, while jobs in Santiago have increased by about 6% annually over the past three years. Unemployment is still 13% because of the influx of people into the work force and migrations from the provinces into Santiago, Remember also that Chilean employers still pay about 40% of wages and salaries as social security taxes, so employment might have expanded even faster without rapid increases in labor costs.

Mr. ROTH. Mr. President, I ask that the time for completion of my statement be taken from the time on the Muskie amendment, and I ask that I be advised when only 3 minutes of that time remain.

The PRESIDING OFFICER. The Senator has that right and he will be so advised.

Mr. ROTH. Mr. President, a vote for the smokescreen substitute is not a vote for a balanced budget and a possible surplus for a tax cut. A vote for this smokescreen substitute is a vote for massive tax increases.

According to the CBO, present tax law—including at least $25 billion in inflation-induced and social security tax increases and $18 billion from the windfall profit tax—will raise about $606 billion in fiscal 1981. The new oil import fee will raise another $10 billion, and the administration is proposing another $10 billion in tax increases. These tax increases include withholding of interest and dividends, restricting home mortgage revenue bonds, taxing independent contractors, higher railroad retirement taxes, and various other tax increases.

Therefore, unless Federal spending is reduced further, the only way this smokescreen substitute will produce a balanced budget and a surplus for tax cuts is for Congress to vote for massive new tax increases.

If any of my colleagues believe we should try to balance the budget by voting for the most massive 1-year tax increase in our Nation's history—then they should vote for the smokescreen substitute.

But if my colleagues believe we should attempt to balance the budget and have tax cuts, too—then they should vote to reject the smokescreen substitute and vote for the Roth resolution.

Mr. President, I would like to point out that the recently issued Joint Economic Committee report says very specifically that the Joint Economic Committee is convinced that consideration is needed of a modest tax cut on the order of $25 billion to take effect no later than the summer of 1981. My resolution would make that Joint Economic Committee recommendation a reality.

The substitute avoids the issue and tries to cover it up with a smokescreen.

Now, Mr. President, I want to make one point very clear. The Nation is watching us with great care as to what we are doing today. They expect strong leadership. I can assure them that there is going to be a vote sooner or later on our proposal to limit spending so that tax relief can be given that will again get this country moving upward.

I know it is possible that we can be blocked out today, that further amendments can be offered by the majority leadership so that it becomes parliamentary-wise impossible to have an up-or-down vote on my resolution.

But I assure my distinguished opponents on the other side that this will not satisfy the American people, and that there will be another day. I shall keep bringing up this proposal until the Senate has the opportunity of working its will on this most crucial, critical economic problem facing this Nation.

I want to point out that it has been and continues to be my hope that this will be a bipartisan effort. I went over to the White House 2 weeks ago to discuss with the President a joint effort between the White House and the Congress to put a lid on spending and to provide real tax relief, and I was joined by the distinguished junior Senator from Florida in this bipartisan effort.

I might also point out, Mr. President, that in introducing this resolution we have been bipartisan. We have 10 Democrat cosponsors as well as 36 Republicans.

I hope the leadership on the other side will reconsider and join with us in this effort to give a signal to the private sector, to the people back home, that Congress does have the will to take some positive, constructive steps that will both bring inflation under control and begin to move in the direction of a growing economy for all American people.

Mr. President, I yield back the floor at this time.

Several Senators addressed the Chair.

The PRESIDING OFFICER (Mr. BOREN). Who yields time?

Mr. STONE. Mr. President, will the Senator from Delaware yield me 15 minutes?

Mr. MUSKIE. Mr. President, will the

Senator yield just for a—Mr. President, who has the floor?

The PRESIDING OFFICER. The Senator from Maine.

Mr. MUSKIE. Mr. President, may I say to my good friend from Florida that I have to leave to attend a funeral very shortly and I wanted to present at least the merits of my amendment.

Mr. STONE. Mr. President, I certainly defer to the chairman.

Mr. MUSKIE. I thank my good friend from Florida.

Mr. President, I have listened to my good friend from Delaware (Mr. ROTH) and if I might pull a few quotes out of what he has had to say, I think he merits my response.

He refers to my amendment as a smokescreen amendment. He says we will be told today we cannot cut Federal spending. I do not know who is going to tell the Senator that.

I have a 6-year record, and I think a credible one, of proposing cuts in Federal spending. The Senator from Delaware undertakes to color the debate on my amendment by suggesting that it is being offered by people who are going to tell the Senate that we cannot cut Federal spending.

The truth is, Mr. President, that if we are to reduce spending by the extent urged by the Senator from Delaware, he will have to include in his cuts the cuts we will have to make to achieve the objective of the Muskie amendment. So if the Muskie amendment depends on smokescreen cuts, so does the Roth amendment. He cannot have it both ways.

I have listened to argument by distortion here for the last hour.

It is also argued by the Senator from Delaware and his associates that we do not propose to cut spending at all; that we are going to increase taxes in order to balance the budget. That simply is not true.

When I get to my prepared statement, I will point out that we can balance the budget as of May 15 without any increase in taxes above current law, except that which is attributable to inflation, inflation that pushes people up into higher tax brackets and inflation which increases tax revenues without pushing people into higher tax brackets The same inflation that pushes up social security benefits, the same inflation that pushes up defense spending, the same inflation that pushes up spending all across the board.

To listen to the Senator from Delaware, one would conclude that inflation affects only the revenue side of the budget; that it does not affect the spending side of the budget; that the spending side of the budget reflects only the spendthrift tendencies of the Members of Congress.

Well, I say to the Senator from Delaware that if he will examine the supplementals that are before the Appropriations Committee, $11 billion of those supplementals are attributable to inflation without an additional penny being voted by Congress. For anyone proposing the Roth amendment or the Muskie amendment to ignore the effect of inflation on Federal spending is irresponsible, in my judgment.

If the Senator is right in that unspoken assumption, what he ought to advocate is the Federal budget of the size that it was in 1974. He and the Senator from New Mexico are the ones who keep telling us and reminding us about the massive jumps in Federal spending, largely attributable to the impact of higher energy costs and inflation.

Well, if the Senator thinks those should be disregarded, if he thinks we should make no compensation at all for the impact of inflation on the spending side, then why does he not offer an amendment that wipes out all of the inflationary aspects of the Federal budget going back to 1974? Then he could roll back these hundreds of billions of dollars of increased spending.

Why does the Senator not do it? Because to do it would be to squeeze people unconscionably. The Senator says we need strong leadership. Forty-three of his cosponsors within the last month voted to breach the 1981 budget that we put in last year's budget resolution. That is strong leadership?

That vote was over my objection, and there were 13 Senators who voted with me. And the Senator from Delaware argues that I do not represent strong leadership in cutting the budget, but that the 43 do?

If we would get rid of this exaggerated rhetoric of distortion, we might be able to focus the country's attention on the facts. And that is what I am about to try to do, if I may.

Mr. President, the Senate Budget Committee will report a balanced budget recommendation for fiscal 1981. That result will not be easy to achieve. On the contrary, it will demand an unprecedented degree of sacrifice and discipline.

Indeed, a few months ago it was widely believed that Congress was incapable of such restraint. But now that we are about to start marking up that balanced budget resolution, there are those who say that we should produce a surplus of as much as $41 billion by limiting fiscal 1981 outlays to $584 billion.

Incidentally, with respect to all these proposals to gear Federal spending to GNP, do Senators understand how many different computations of GNP one might use?

For example, Chase Econometrics, I think it is, projects that the GNP in fiscal year 1981 will be $2,766,000,000,000.

Now, 21 percent of the revised GNP, according to Chase Econometrics, will be $575 billion, requiring us to cut $854 billion.

What we have used is CBO's. Twenty-one percent of CBO's revised GNP would take us to $584 billion, $9 billion higher.

How does one know in advance, may I ask the cosponsors of the Roth amendment, which estimate of GNP is correct? Those who want to spend more would use the more optimistic forecast; those who want to spend less would use the more pessimistic forecast.

And how would you know on May 15? If you use the more optimistic one and the pessimistic one materialized, then how, in October, would you make the additional cuts to get down to 21 percent of GNP? Then, if you get into March of the fiscal year, as we are now, with a $17 billion overage in the 1980 budget and you find that GNP turns out to be an even more pessimistic figure than assumed, then how do you make the additional cuts to get down to your 21 percent?

With the potential volatility of the gross national product, Mr. President, to tie spending by an arbitrary percentage point is to tie your spending to a cloud. You do not know whether your cloud is going to be a cirrus cloud or a thunderhead close to the Earth.

So your deficit is going to go up and down, depending on the flow of the clouds.

Well, I do not like that cloud-like thinking. I think you have to deal with facts.

Mr. President, let me make it clear that I believe we must achieve a substantial reduction of the Federal share of GNP, uncertain as that test is.

In the Tax Reduction Act of 1978, Congress has already adopted the goal of a 19.5 percent Federal share of GNP by fiscal year 1983. As a matter of fact, that act set as a goal for fiscal 1981 not Mr. ROTH's 21 percent, but 20.5 percent, which would require another $17.5 billion in cuts.

Why did not Senator ROTH use that one, which is already on the books? Well, that would not impress anybody. And besides the $17 billion in additional cuts probably intimidated even those who have sponsored the Roth amendment.

Mr. President, it simply would not be reasonable or responsible to try to cut the budget to 21 percent of GNP this year. It would require that we reach an outlay limit of $584 billion, using a mid-range GNP estimate.

Let me present the numbers. They speak very clearly for themselves.

The first table is entitled "Outlays in the President's Budget." Mr. President, I ask unanimous consent that this table be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

OUTLAYS IN THE PRESIDENT'S BUDGET[1]

[In billions of dollars]

	Fiscal year 1981 outlays	
	Amount	Cumulative total
National defense	148.8	148.8
Social security	139.9	288.7
Interest on the public debt	85.2	373.9
Medicare and medicaid	54.2	428.1
Veterans programs	21.7	449.8
Unemployment compensation	18.9	468.7
Federal retirement	17.3	486.0
Percent ($486,000,000,000)	77	
Highways/airways/mass transit/railroads	20.6	506.6
Community, regional, and environmental public works	23.3	529.9
General revenue sharing	6.9	536.8
Food stamps	9.8	546.6
Energy programs	7.9	554.5
Housing assistance	6.6	561.1
Education programs	14.8	575.9
SSI/AFDC/social services	19.9	595.8
Space and science programs	6.5	602.3
Foreign aid and other international programs	10.0	612.3
All other, net	16.9	629.2
Percent ($143,200,000,000)	23	
Total	629.2	....

[1] President's January budget as reestimated by CBO.

Mr. MUSKIE. This table shows the major programs of the President's January budget as they have been estimated by the Congressional Budget Office. They total $629.2 billion in Federal outlays for fiscal year 1981, the figure at the bottom.

The $629.2 billion figure assumes that Congress will enact savings in existing law of $5 billion in 1981. Those are savings many of which we assumed in the 1980 budget resolution but which the Congress has failed to enact.

If Congress does not make these savings, the $629 billion figure for the President's January budget would rise to about $634 billion.

In the series of meetings between the congressional leadership and the administration last week we agreed Congress should try to make most of these savings.

We also agreed to make further spending cuts, the smokescreen spending cuts to which the Senator from Delaware alludes, totalling almost $16 billion in savings in order to produce a balanced budget for 1981. The total savings we agreed to, including the savings assumed in the President's budget, totaled about $21 billion.

The table, Mr. President, is divided by a red line. Above that line are national defense, the major retirement programs, medicare and medicaid, veterans' programs, and interest on the public debt. These categories are shown separately because of the real difficulty we face in trying to reduce any of them.

Interest on the national debt must, of course, be paid. It is a contractual obligation, a permanent one. And there seems to be no sentiment to cut defense below the President's budget. Pressures are all the other way.

So unless you cut the benefits for either older Americans, veterans, or the unemployed, we have limited savings possibilities within these figures which total $486 billion, or 77 percent of the budget.

Nonetheless, in the congressional leadership meetings we agreed to attempt a number of changes in the programs shown above that line for total savings of $3.5 billion. Those savings are principally in medicaid and medicare, but they also include the unemployment compensation bill the Senate passed this month, and limiting inflation adjustment in Federal retirement benefits to once a year as we already do in social security.

Below the line is 23 percent of the Federal budget for $143.2 billion. Some of them are just about as hard to reduce as those above the line. To achieve a balanced budget, the leadership group agreed to try to save about $13 billion from the $143.2 billion which will be spent in those programs in 1981. The total set of budget cuts which the leadership group considered above and below the line will produce a budget balanced at the $613 billion expenditure level proposed by the President in his message last week. That balance does not depend upon the oil import fee and it does not depend upon the proposed withholding on interest and dividends.

The President has imposed an oil import fee which will raise about $10 billion in 1981. He has also proposed legislation to withhold the taxes which are legally due on interest and dividends. That would raise another $2 billion or $3 billion in 1981. So balancing the budget at a $613 billion outlay level will produce a surplus in the neighborhood of $11 billion, available as a cushion in case our estimates are wrong—as they have been this year to the tune of $11 billion plus—or for a tax reduction if the $613 billion outlay ceiling is not breached.

When the Budget Committee meets this week to markup the 1981 budget, we will do our best to meet and even go below the $613 billion outlay level, and I anticipate we will try to devote the surplus that spending level would provide for a tax cut in fiscal year 1981. That is the kind of budget we will recommend to the Senate when it returns just after the Easter recess.

Mr. President, may I ask how much time I have remaining?

The PRESIDING OFFICER. The Senator has 9 minutes and 15 seconds remaining.

Mr. MUSKIE. I wonder if I might use some time from the bill at this point?

The PRESIDING OFFICER. Without objection, the Senator may proceed.

Mr. MUSKIE. I yield myself 10 minutes.

Now we have the Roth resolution which would mandate the Budget Committee to cut outlays to 21 percent of the gross national product. Sure, the Roth resolution says it is the sense of the Senate, but may I say to my colleagues if the Senate were today to adopt the Roth resolution, with Budget Committee markups beginning tomorrow, as chairman I would have to regard the Senate's action as a mandate, as a must, giving us no option but to present a budget with an outlay limit geared to 21 percent of 1981 GNP.

CBO estimates the 1981 gross national product is $2.794 trillion. Twenty-one percent of that figure is $587 billion, or $42 billion below the President's budget. But since the Federal budget is part of the GNP, withdrawing $42 billion from the President's budget will lower the GNP because of the contradictory effect that reduction in Federal spending would have on the rest of the economy. So the economists advise us that if you take $42 billion out of the President's budget, the GNP also drops, and 21 percent of it turns out to be $584 billion.

So the real spending limit called for by the Roth resolution is $584 billion, which is about $45 billion less than the President's January budget.

I assume Senator ROTH would use, to achieve cuts of that type, the $16 billion in smokescreen cuts which are included in my budget. They are a smokescreen in my budget but they are real cuts in his budget. There is a very real distinction.

The Roth resolution would require $29 billion more in cuts than the $21 billion in cuts needed to balance the budget at the $613 billion level.

Where would that additional $29 billion come from? Will we cut the national defense budget below the President's request? Can we refuse to pay interest on the national debt?

Will veterans programs, retirees' benefits, or medicare and medicaid be reduced beyond the reductions the leadership group has already agreed to to try to save in those programs?

Mr. President, I have asked to have distributed to every Senator a chart of the principal spending-cut alternatives that we would need to consider in order to meet the Roth budget outlay level. What I have done is assemble those programs in terms of their 1980 outlays, which is current law, and 1981 outlays, which include the President's budget. The President's budget includes cost-of-living increases for a lot of programs above the line.

Here is what you could get by eliminating cost-of-living increases for social security recipients. You could pick up $20.1 billion; you would still have $9 billion to go. You could pick up $17.9 billion in increased defense spending. I am talking about the President's defense number, not that of others in this body, who think that number is too low.

Medicare and medicaid, $6.4 billion; unemployment compensation, $4.3 billion; food stamps, $3.5 billion; Federal employee retirement, $2.7 billion; community and regional environmental public works—this is below the line—$1.7 billion, and so on, as you can read on the chart. But I have given the big ones and you would have to touch the big ones to get at $29 billion of additional cuts.

I propose in my resolution to report a balanced budget and also to report an amendment which will tell the Senate which of those programs in this chart I have distributed would have to be cut, above the cut to obtain a balanced budget, in order to get down to the 21-percent figure. Apparently, that suggestion troubles my "smokescreen" friend. That amendment would not be a smokescreen. That would put right in front of us, where we could eat it, the consequences of the Roth amendment beyond the balanced budget.

No; Mr. ROTH would prefer to have us do it in the Budget Committee and then blame us. I can see what would happen if we produced a Roth budget according to his prescription. It would cut $29 billion below what is needed to achieve a balanced budget. Then some ingenious Senator—and I shall not try to suggest on which side of the aisle it would come from—would propose an amendment to the budget resolution increasing spending in defense, upping the social security cost of living, and so on down the line.

The argument will be, all the country is asking for is a balanced budget and we can have a balanced budget and still take care of the old folks, still take care of national defense, still take care of unemployment compensation, and so on. I can just see that amendment on the floor. And the Budget Committee will sit there, looking like Scrooge, because we had insisted, pursuant to the mandate of the Senate, that we produce a surplus, that we cut beyond what is needed to balance the budget.

Mr. BENTSEN. Will the Senator yield?

Mr. MUSKIE. Yes, I yield to the Senator from Texas.

Mr. BENTSEN. Mr. President, I commend the distinguished chairman of the

Budget Committee, and the members of that committee, for their long and successful efforts on behalf of a balanced Federal budget and decreased Government expenditures as a proportion of GNP. As those of us who participated last month in the review of the President's budget proposals can attest, the work of the Budget Committee is a complex and frequently thankless task. In recent years, Senator MUSKIE and his colleagues on the committee have, however, introduced a welcome element of discipline, responsibility, and long-range planning into the budget process. Thanks in no small part to their efforts, this country stands at long last at the door of sound fiscal planning.

Mr. President, I have an amendment for myself, Senator BOREN, and Senator BRADLEY, it has been discussed with the chairman of the Budget Committee and I believe it meets with his approval.

The amendment I am proposing could not be simpler or more direct. It states that one-half of any tax reduction that shall occur as a result of a balanced budget, coupled with reduced Government spending, should contribute to the efforts to increase productivity in America.

It has become apparent, Mr. President, that inflation—the basic cause of our economic problems today—is deeply rooted in the American economic system. All too often in the past, we have attempted to deal with our economic problems by treating the symptoms rather than the root causes of inflation.

In the process, we have learned that recession is no cure for inflation. We had a recession in 1974 and, in the process, we managed to reduce the CPI from 12.1 percent in 1974 to 4.8 percent in 1976. But that recession, Mr. President, was not coupled with gains in productivity, and when it was over, the symptoms of inflation returned with a vengence. The CPI went up to 6.8 percent in 1977, to 9 percent in 1978, to 13 percent last year and today we are staring down the barrel of 18-percent inflation in America. There has never been a time when I have been more worried about my country's economic future.

We are not going to cure inflation with recession. And—let us admit it—we are not going to cure inflation simply with a balanced budget. Unless we seize this opportunity created by a sense of impending crisis in our economy to realize fundamental reform in our economic system, any short-term gains we may achieve today will be wiped out tomorrow. We will simply ratchet up the baseline and restart the inflationary cycle in the future at an even higher level.

I believe there is broad agreement in this Chamber, Mr. President, that America's problems with productivity are at the heart of our problems with inflation. Our rate of productivity increase is currently the lowest of any major industrial democracy. Last year, for the first time in our history, productivity in America actually decreased by 2 percent. One does not have to be an economic authority to understand that when productivity decreases while wages and prices are increasing, inflation is inevitable. There is no way to avoid it.

Throughout the post-World War II period, tax cuts in this country have traditionally been directed toward demand stimulation, with roughly two-thirds of the benefits going to consumers. By constantly stimulating consumption—and by attempting to spend our way out of recessions—we have placed significant demands on our economy while doing virtually nothing to expand productive capacity. Demand has gradually outstripped our capacity to produce, and inflation has been the result.

The amendment I am proposing, Mr. President, would insure that one-half of any future tax reductions would contribute to increased productivity in America. They would enable us to fight the root causes of inflation by producing goods and services more efficiently. They would provide appropriate incentives for American business and industry to invest in a more modern plant and equipment.

I respectfully suggest, Mr. President, that the real question we are debating today is not simply whether we should have a balanced budget in 1981. Sure we are going to have a balanced budget; we really have no alternative. What we must determine, however, is how to convert balanced budget policies into a comprehensive strategy that will yield stability and real economic growth for the future. What can we do, as we balance the budget, to attack the root causes of inflation?

I submit we can insure that half of the benefits that will accrue from a balanced budget and reduced levels of government expenditure should be channeled toward our efforts to increase productivity in America.

This country does not need and cannot afford future tax cuts that stimulate demand. We urgently require, and really cannot succeed without, increased incentives for savings and investment in our economy. To the extent that we can use tax policy to create a more efficient American economy by stimulating growth in productivity, we can lay the foundation for real growth and prosperity in the future. We can break the spiral of demand-induced inflation. We can beat inflation with production lines rather than unemployment lines.

Mr. President, I urge the adoption of the Bentsen amendment.

Mr. President, I should like to say that my distinguished friend, the chairman of the Budget Committee, has never been lacking in courage. I want to thank the chairman and the members of that committee for the discipline they have exercised in trying to cut back on Government expenditures, trying to bring us a balanced budget. I worked with him during those joint administration-congressional leadership meetings on the budget for 9 or 10 davs and nights trying to find a way to make the appropriate cuts to achieve a balanced budget for 1981. I know how complex it is, I know that it is a thankless job. I, for one, am very grateful for what the chairman and his committee have done.

A balanced budget is important, particularly from a psychological standpoint, to break the inflationary expectations which dominate our economic environment. But we must not follow the same kind of boom-and-bust cycle we have followed before, where we will pump the prime, and then turn around and prime the pump.

I would like to see us do some long-term things to turn productivity around to try to put new machines, and better tools, and equipment in the hands of American labor. The average American worker is just as productive as anybody in the world if he or she has efficient tools. The Japanese turn over their industrial base once every 10 years. In this country, we are tearing down our factories and replacing our equipment once every 30 years. You do not have to be an economic genius to understand that their working people are going to have more modern, more effective tools in their hands than ours.

I believe the most effective way to fight inflation is not by unemployment lines but by production lines, putting more goods on the shelf more efficiently, cheaper, to make us competitive in world markets.

Mr. President, as I said, I have an amendment I wish to offer for the chairman's consideration and for the Senate's consideration, that half of these tax cuts that we are talking about, out of any budget surplus that might develop, go to try to increase productivity in this country, that an emphasis be put on productivity, that business get tax incentives to modernize America's productive capacity.

An example of what we are talking about today is that there are 22 modern blast furnaces for the production of steel in the world. Fourteen of these are located in Japan; none, not one is located in the United States.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. MUSKIE. Mr. President, I ask unanimous consent to take another 5 minutes off the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BENTSEN. I thank the chairman.

Mr. President, I would like to offer this amendment on behalf of myself, Senator BOREN, and Senator BRADLEY, who are as deeply concerned as I am on the question of productivity. I have discussed the amendment with the Senator from Maine. I would appreciate very much his consideration.

Mr. MUSKIE. Mr. President, I say to the distinguished Senator from Texas that we were much impressed in the Budget Committee by his testimony as chairman of the Joint Economic Committee and with that of Representative CLARENCE BROWN, which is supportive of what he has just said. I think there was general agreement, although we did not vote on it in the Budget Committee, that use of the Tax Code to stimulate productivity increases and improvements should clearly be part of our long-range goals, and not too long range. I know the Senator indicated in those hearings that he would like to see such tax cuts enacted in the latter part of calendar 1981. I hope that, if we follow the right kind of fiscal and monetary policy this year, that might be achieved.

I have had the opportunity to look at his amendment. I have also discussed with him the possible addition of a goal of offsetting social security tax increases as an additional goal to be reflected in this substitute resolution. I think both objectives make sense. I think both of those objectives are clearly widely supported in the Congress, even though I do not think there are many votes on that combination particularly.

We anticipate that if we can maintain budgetary discipline and the effect of that on the economy is positive, we should have some surplus to devote to these kinds of tax modifications. So, following my discussion with the Senator privately and following the colloquy that we have had on the floor now, I should like to modify my amendment——

Mr. STONE. Mr. President, a parliamentary inquiry.

Mr. ROTH. Mr. President, I object to the modification.

Mr. MUSKIE. I have not yielded the floor, Mr. President. I am sending the modified substitute to the desk.

The PRESIDING OFFICER. The Senator has the right to modify his amendment.

Is the Senator making the request?

Mr. MUSKIE. Yes, I make that request.

The PRESIDING OFFICER. The amendment is so modified.

The amendment, as modified, is as follows:

Strike all after the resolving clause, and insert the following:

"That it is the sense of the Senate that the Committee on the Budget shall report a federal budget for fiscal year 1981 which is balanced in accordance with the mandate of the Congressional Budget adopted pursuant to the Public Debt Limit Act and which reserves any surplus for a tax deduction, one-half of such reduction being designed to increase productivity, and the other half to offset social security tax increases, and shall also report such additional specific reductions, if any, necessary to reduce federal outlays for fiscal year 1981 to 21 per centum of the gross national product.".

Mr. MUSKIE. Mr. President, I thank my colleague from Texas and also the Senators from Oklahoma and New Jersey for this amendment. I should like to take a few minutes now to complete my opening statement.

Mr. President, I have addressed myself to the possible cuts in the programs above the line that would have to be considered if the Roth amendment is adopted. Those, incidentally, total $65.5 billion, out of which $29 billion would have to be found if cuts are made above that line.

So we come down to the programs below the line on the chart.

Now the leadership group has already cut that $143 billion total below the line by about $13 billion, and maybe some more. So you would guess that, of the $130 billion left, we would have to cut about $1 out of every $4 to save the other $29 billion called for by the Roth resolution. But it is not quite that simple.

I wish my colleagues would listen to this arithmetic.

Almost $1 out of every $3 in outlays in the entire 1981 Federal budget really is uncontrollable, because it pays for an actual commitment—like a construction contract—the Government has already made and which cannot be recalled, even if you change the law now. Outlays for programs below the line include the greatest concentration of payments for these prior-year obligations.

Of the $143 billion in outlays for the programs below the line, CBO estimates that $83 billion is the result of these prior-year obligations which cannot be withdrawn now, even if we change the law.

That leaves $60 billion which we agreed to reduce that $60 billion by $13 billion.

So we get down to $47 billion in controllable outlays in which to find $29 billion in cuts.

The simple reality is that, if we look below the red line, Senator ROTH's additional $29 billion can only be saved by radical reductions in a lot of programs, including revenue sharing for the cities, food stamps, aid to the poor, energy programs, the Space Shuttle, most aid to higher education, and the foreign aid program. We would have to virtually shut down the operation of most of these programs below the line if we looked to that area to find the $29 billion additional Roth cuts.

In short, achieving the 21 percent of GNP target suggested by Senate Resolution 380 may be theoretically possible in 1981. But to seriously attempt it would be unacceptable to most Americans and most Members of the Senate.

If we are going to cut the budget to Senator ROTH's $584 billion in outlays without virtually eliminating many of the programs I have mentioned, we would have to do so by significantly cutting national defense and the amount that older Americans would otherwise receive in their retirement income and health programs.

It appears that some of the cosponsors of the Roth resolution know these are the facts and are reconsidering their support of the 21-percent limitation in the Roth resolution. I understand one of Senator ROTH's leading cosponsors may offer an amendment here today to increase the Roth $584 billion outlay limit to $597 billion, a $13 billion retreat from the 21-percent goal in the Roth resolution.

I believe the substitute amendment I am offering today provides a more reasonable approach to the important issue of budget limitation.

The substitute I am offering reaffirms the commitment to a balanced budget we made last year in the debt ceiling bill and the congressional budget resolution.

The substitute calls on the Budget Committee to report a balanced budget this year containing the lowest prudent outlay limit. It also instructs the committee to report an amendment to that budget containing the additional outlay cuts, if any, necessary to reach the $584 billion limit.

Finally, the substitute calls on the Budget Committee to reserve any surplus generated by the balanced budget for a tax cut if the Congress adheres to the spending limitations of the budget resolution.

Mr. President, let us deal reasonably with the options which are reasonably available.

Sure, we could pound the table, square the jaw, and demand that Federal spending be limited overnight to some arbitrary percentage of the gross national product. This is the stuff of which headlines are made.

But the making of a responsible and workable Federal budget is another matter entirely.

The substitute resolution commits the Budget Committee to recommending the most stringent Federal budget in memory. It would instruct the committee to approve the second balanced budget in 20 years—with projections of subsequent balances for years to come. It would impose truly drastic spending cuts—not just in frills, but in programs once considered untouchable.

It will provide for the Budget Committee to report a thoroughly considered amendment to make still further reductions to the $584 billion level, if the Senate chooses to do so.

In short, the substitute I am offering provides all that the Roth resolution provides, but in a more responsible fashion. And the substitute resolution includes a provision for tax reduction. The Roth resolution does not.

Mr. President, I will conclude by drawing the Senate's attention to the last of the charts prepared for this debate. One, on the easel behind me, is titled "The 1981 Budget Picture." It shows that the Roth resolution would require $45 billion in reductions from the President's January budget.

Second, examine the chart on each of your desks entitled "Principal Spending Cut Alternatives to Meet the Roth Resolution."

As the debate continues, I hope that Senators will keep both those charts in the corner of their minds.

I hope that the Senate will muster the discipline and the courage to balance the 1981 budget. I believe that we will.

But think about the prospect of cutting that $45 billion from the budget. Think about what that would mean to elderly Americans—many of whom are already ill fed, ill housed, and ill clothed.

Think about what that would mean to our defenses, or to our colleges and universities, or to our efforts to achieve a solution to the energy crisis, or to the problems of our local communities.

Finally, think about whether the Senate should choose to balance the budget and move in the direction of a smaller Federal share of GNP—or whether we should go on record for an arbitrary spending limit which is unrealistic, unworkable, and unworthy of the responsibility for sound fiscal planning which the people have entrusted to us.

Instead, I recommend the adoption of the balanced budget, tax reduction substitute I have proposed.

Mr. President, I ask unanimous consent to have printed in the RECORD the tables, prepared for this debate and to which I have referred this morning.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

The 1981 budget picture

[*In billions*]

Revenues in the President's January budget [1]	$613.2
Outlays in the President's January budget [1] (assumes $5.0 billion of legislative savings)	629.2
Spending reductions to balance at $613	−16.0
21 percent outlay level in S. Res. 380	584.0
Additional spending reductions in 21 percent level at $584	−29.2
Total spending cuts required to reach 21 percent outlay level	−45.2

[1] As re-estimated by CBO.

PRINCIPAL SPENDING CUT ALTERNATIVES TO MEET ROTH RESOLUTION

[Shown in order of magnitude of growth between fiscal years 1980 and 1981; in billions of dollars]

	1980 outlays [1]	1981 outlays [2]	Growth
Social security	119.8	139.9	+20.1
National defense	130.9	148.8	+17.9
Medicare and medicaid	47.8	54.2	+6.4
Unemployment compensation	14.6	18.9	+4.3
Food stamps	6.3	9.8	+3.5
Federal employee retirement	14.6	17.3	+2.7
Community/regional/environmental public works	21.6	23.3	+1.7
SSI/AFDC/social services	18.3	19.9	+1.6
Energy initiatives	6.3	7.9	+1.6
Highways/airways/mass transit/railroads	19.1	20.6	+1.5
Veterans programs	20.3	21.7	+1.4
Space and science programs	5.7	6.5	+.8

[1] Enacted to date plus entitlement supplementals and October 1979 pay raise.

[2] President's January budget as reestimated by CBO.

Spending limitations and the GNP

(In billions of dollars)

CBO forecast of GNP for FY 1981	2794.3
Less: economic effect of spending cut	−16.3
Revised GNP	2778.0
21 percent of revised GNP	584.0
Data Resources forecast of GNP for FY 1981	2806.0
Less: economic effect of spending cut	−27.0
Revised GNP	2779.0
21 percent of revised GNP	585.0
Chase Econometrics forecast of GNP for FY 1981	2766.0
Less: economic effect of spending cut	−35.0
Revised GNP	2731.0
21 percent of revised GNP	575.0

NOTE.—The Data Resources and Chase forecasts both assume a substantial tax cut of $15 to $20 billion in FY 1981. Without these tax cuts, their GNP forecasts would be lower.

Mr. MUSKIE. Mr. President, I say to Senator ROTH and his charge of smokescreen just this. First, the Muskie amendment promises a balanced budget for 1981. The Senator from Maine has undertaken to meet every commitment he has ever made as chairman of the Budget Committee, even though that put him in ranks with only 13 colleagues on one recent occasion, to meet the requirements of the budget.

I have had to oppose programs toward which I have a great deal of sympathy in order to hold the line.

But I am proposing not smokescreen cuts. They are real cuts. If Senators do not believe that, wait until constituents begin to approach them, as I have been approached.

They are not complaining about smokescreen. They are complaining about cuts that draw blood and cut into bone and muscle. If they have not felt that yet, then they are living in a smokescreen world.

Second, what we have promised is that if there is a reserve that we ought not spend it in advance, we ought not spend it until we are sure we are in a position to implement a balanced budget objective, not just on May 15, but on September 15, or October 1, which is the first of the next fiscal year about which we are talking, and taking into account the events of next March when the supplementals come up.

That is why we need the reserve. With the uncertainties of the economy, the ups and downs that are possible, with the possibility of breaches of even a balanced budget amendment, we need some reserve to make sure we keep our promise to the American people of a balanced budget.

But if there is a reserve, as there may well be, then that will be identified in the Muskie resolution as available for productivity tax cuts and offsets to social security tax increases.

Finally, Mr. President, I think this is what really makes the distinguished Senator from Delaware very uncomfortable. The Muskie resolution would require the Budget Committee to report out to the Senate—so that Senator ROTH or one of his colleagues may pick up such an amendment and offer it in order to clearly identify their commitment to the ROTH principle—an amendment to the balanced budget resolution, which would identify the range of cuts and the possible cuts that would be necessary to reduce outlays in the balanced budget resolution to the 21 percent level.

That would not be, I promise, a comfortable amendment for any Senator in this body to offer.

We will put it together. We will send it to the floor. It will be at the desk.

That is the only way I can see to force the Roth cosponsors to face not just the generality of budget cuts, but the specifics.

The history of the budget resolution in the Senate, I am ashamed to say, is that all too often Senators vote for generalities like this Roth proposal. Then when it comes to backing it up with votes on specific programs, they run away. That is what Senator ROTH and his cosponsors really object to in the Muskie substitute, because the Muskie substitute will, take my word for it, require the Roth sponsors to decide whether or not to pick up a Roth amendment at the desk and support specific cuts—to make cuts in defense, social security, medicare, medicaid, veterans programs, unemployment compensation, Federal retirement, or to dismantle the programs below the line.

That is what the Muskie resolution would require, and that is a smokescreen? No. The only smokescreen in all this, Mr. President, is the attempt of the Senator from Delaware to concede the toughness of the Muskie resolution, and especially its toughness as it would affect the sponsors of the Roth resolution.

Mr. President, I reserve the remainder of my time.

Several Senators addressed the Chair.

Mr. ROBERT C. BYRD. Mr. President, I ask to be a cosponsor of the Senator's modified amendment.

Mr. MUSKIE. Mr. President, I ask unanimous consent that the distinguished majority leader be made a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time?

Mr. ROTH. Mr. President, before I yield time to the distinguished Senator from Florida, it is my understanding that the chairman of the Budget Committee will have to be away from the floor. That raises some serious questions, because I have a number of comments I would like to make in response to the statement of the distinguished chairman. of the Budget Committee. I wonder what the leadership intends to do during that period.

Mr. MUSKIE. We can arrange to have the floor covered, so far as the sponsors are concerned, if the Senator will put in his arguments what I have said.

Mr. ROTH. This is a very important and serious debate, and I think the distinguished chairman has raised a number of points that need to be considered on the floor.

However, we are in the position, I point out to the majority leader, where we cannot have a discussion of these issues unless both sides are present. I think it is very important that the public understand what we are debating.

Mr. MUSKIE. I say to the Senator that my side of the argument is in the RECORD. The Senator has an opportunity to put his side in the RECORD.

Mr. ROTH. Yes, but I may want to ask some questions.

Mr. MUSKIE. The Senator can reserve his questions until later. I suspect that the questions he might ask have been answered already. I will be glad to answer them later. I think I have put plenty in the RECORD for the Senator to comment on until such time as I return, and I will be glad to engage the Senator in as long a discussion as he wishes.

I feel that his resolution is just as damaging to the fiscal policy of this country as, apparently, he thinks mine is. So there is plenty of room for debate. I never have been reluctant to engage in debate. At the moment, I have a very important private commitment. I think other Senators, from time to time, have left the floor in response to such private considerations. I have to leave.

Mr. ROTH. Mr. President, I object to this being counted against my time.

The PRESIDING OFFICER. The Senator can decline to yield. The Senator has approximately 3 minutes remaining of the time on the amendment.

Mr. ROTH. Mr. President, I should like to ask the distinguished majority leader a question.

Senator STONE wants to proceed, and I will yield time to him. But it is very difficult to debate what I consider the most economic question before our country if no one else is here. I understand—and of course I agree—that the distinguished chairman has to leave. Perhaps we should go into recess, so that we will have the time remaining for debate.

Mr. ROBERT C. BYRD. Mr. President, I do not think we should go into recess. There will be other Senators who can speak on the pending substitute or on the resolution itself. I suggest that we not go into recess.

How many minutes remain to the distinguished Senator from Delaware on the Muskie substitute and how many minutes remain to Mr. MUSKIE?

The PRESIDING OFFICER. On the Muskie substitute, the Senator from Delaware has 2 minutes and 11 seconds. The Senator from Maine has 9 minutes and 28 seconds. Time remains to each on the resolution itself.

Mr. ROBERT C. BYRD. I ask unanimous consent that I may control the remaining time allotted to Mr. MUSKIE on the substitute.

The PRESIDING OFFICER. Is there objection?

Mr. ROTH. Against whose time is this counting, Mr. President?

Mr. ROBERT C. BYRD. Count it against Mr. MUSKIE, on the resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I say to the distinguished Senator that Mr. CHILES is a member of the Budget Committee, and he is on the floor. He will be capable of engaging in any colloquy or answering questions while Mr. MUSKIE is away.

Mr. ROTH. I point out to the distinguished majority leader that I want to respond to a number of statements by the chairman of the Budget Committee and to raise a number of answers from him. We can proceed. We have Senator STONE on our side, as well as other people.

Mr. President, I yield such time as the distinguished Senator needs, from time on the resolution.

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. STONE. Mr. President, do I correctly understand that the time I will use is not the time in opposition to the Muskie substitute but actually time on behalf of the Roth original resolution?

The PRESIDING OFFICER. The Senator is correct.

Mr. STONE. Mr. President, the chairman of the Budget Committee has just offered a substitute, and he has pointed out that as part of that substitute, the Budget Committee shall also report such additional specific reductions, if any, necessary to reduce Federal outlays for fiscal year 1981 to 21 percent of the gross national product.

In effect, he has challenged everyone who has sponsored or cosponsored the Roth resolution, that obviously there will be no bravery there; that the resolution is going to sit at the desk and no one is going to pick it off the desk; that it is consigned to its fate forever; that it is buried at the desk; because, obviously, implies the chairman of the Budget Committee, no one is going to have the nerve to pick up that resolution. I submit that there is another alternative.

It is not only the chairman of the Budget Committee of the full committee who can prescribe where the cuts should come from; and when that resolution and its amendments come to the desk, the amendment for 21 percent of gross national product can well be taken off the desk. Those of us who care about getting these cuts sufficient so that we can have tax cuts can pull it off the desk, can offer specific, or general and across the board and other kinds of cuts necessary and sufficient to bring it to 21 percent. That is exactly what I think will happen if the Muskie substitute is agreed to.

There is a great deal of good in the Muskie resolution. For the first time, the leadership and the chairman of the Budget Committee have recognized clearly that there is an appropriate link to gross national product compared with Federal spending; and the Roth resolution and the cosponsors who have worked to make that connection have succeeded.

The Senator from Florida submits that, regardless of which resolution prevails today, the Roth resolution or the Muskie substitute as modified, the people have won.

Until the Roth resolution began to pressure not only for a balanced budget but also for reduced spending, the only approach to a balanced budget was to raise taxes, raise fees, raise oil duties, raise the windfall profit tax, and make some modest cuts, but mainly boost everybody in their tax payments, through inflationary increases, into higher brackets, and add a few fees here and a few taxes there; and the first thing you know, we will get a balance.

A balance is not just psychological. It is excellent. It is helpful in every way. Why is it helpful in every way? When Congress appropriates in deficit, we send the Treasury into the money markets to borrow in order to cover the deficit. When we borrow in order to cover the deficit, we bid up the interest rate, which is the price charged to hire the money to cover the deficit. We bid up everybody's interest rate. When we do that, everybody in the private sector who borrows money to produce product or services puts the higher cost of the interest in the price of the product, and then you have inflation. So it is not a mere psychological thrust, a mere effort to change people's inflationary expectations, if you balance the budget.

We also have to finance all the past deficits, and that puts a floor under the interest rate; but at least we are not making it worse. That is why there is also a psychological impact. But it is not simply a psychological impact; it is an economic impact.

Those of us who support the 21-percent spending limitation do so not out of the air. The 21-percent figure, by a fortunate and happy coincidence, happens to be the same 21 percent that the President of the United States campaigned for when he was running for President.

My authority for that is the President of the United States who met with myself and Senator ROTH a few days ago in the White House and told us that he too had campaigned for and likes the 21-percent linkage between Federal spending. Twenty-one percent is what he campaigned for. Twenty-one percent is an appropriate goal for us to have.

Mr. President, it is appropriate for us all to recognize the diligent work of the chairman of the Budget Committee, the leadership, and the entire Budget Committee in their continuing efforts and particularly their recent intensive efforts to trim the Federal budget.

I know they have engaged in marathon meetings in an effort to find fair and equitable cuts for the budget. The committee can be certain that I, for one, intend to support the chairman and the committee in as many instances that I possibly can. Obviously, there are other committees, and not just the Budget Committee, other committees which may recommend different levels of spending and revenues adding up to the same or even greater cuts. We, as the original sponsors of the Roth resolution, are gratified that the leadership's substitute, the Muskie substitute, at least incorporates the concept of linking the Federal budget to a percentage of GNP and does seek cuts and not just rises in taxes.

We think we have contributed to that process in recent weeks; in fact, we know we have because we know that these marathon meetings did not start until we put our feet down and insisted that we would not get to a balanced budget just by raising taxes but rather, in the main, by cutting spending.

Everyone has agreed in recent weeks—often with grim faces and accompanying nods—that there is nothing tougher than cutting the Federal budget. There is an understanding, also, of the political reality that one man's meat is another man's fat.

We know that the budget process is sound, but the Senate as a whole, and not just the Budget Committee or any other individual committee, still has the ultimate authority over fiscal policy. I recently supported two increases in authorizations that were termed "budget busters" by some Senators. The first added $376 million to veterans benefits, and the second allowed the terminally ill to skip a 5-month waiting period before collecting disability checks, and would cost $123 million.

In good conscience, I could not refuse Vietnam veterans—who have not received an increase in benefits since 1977—the right to take full advantage of their GI benefits. Nor could I deny to the terminally ill a source of income to help overcome their staggering medical costs.

Those were my decisions and I take

responsibility for those votes. Other Senators voted for their priority programs and must accept responsibility for their votes. There are high priority programs in every State, like dams and other important public works projects, and Senators will vote for those. What we have to do now is work toward a consensus on priorities within the revenues the Federal Government collects.

Let me cite one instance of how the process worked in that way last year.

During the consideration of the first budget resolution for 1980, I supported the two amendments to increase the Budget Committee's target. One was a $300 million addition to social security, the other was a $100 million addition to the meals on wheels program.

Both amendments passed. But a group of us worked together successfully, and we passed $400 million worth of cuts in other areas to offset those increases. That unfortunately is one of a few rare examples of its kind in recent years.

So the point is not that this is the only way to pass budget cuts, the way that the Budget Committee says is the way, not at all. As long as we reasonably propose other cuts, all of us here and the other committees besides the Budget Committee, particularly the Appropriations Committee and the Finance Committee with their staff expertise and their own study can just as reasonably offer other cuts in areas in order to get to the bottom line, and the bottom line is not merely a balanced budget but enough of a surplus so we can cut taxes and get productivity going again.

Each of us is now awaiting the President's revised fiscal year 1981 budget. After the President makes his recommendations I will work with the Budget Committee to recommend certain cuts in programs.

I am convinced that we can make reductions in some areas to offset increases we support for other areas. For example, with my support, Congress is deregulating oil, so now we can cut the budget for the Department of Energy. Why keep regulators to eat up tax dollars if we are taking away the regulations that they are supposed to regulate? Let us cut that Department of Energy budget. I did not see very much of that in this initial presentation, nor have I heard much of it yet from the administration in their proposed budget recommendations. Cut the Department of Energy. They do not produce any oil. As we deregulate we do not need them. Let us get rid of them. Let us save that money so we can produce more oil and gas.

The President in his first budget recommendation for fiscal 1981 asks outlays of $342 million in the "Administration and other" categories in the Department of Energy. Let us cut a lot off of that.

What is different this year, I hope, is that enough Members of Congress, with the backing of the administration, will stick to the goal of lowered spending. As the complicated process works its way through the House of Representatives and the Senate this year, we have to scrutinize the individual budget requests through eyes that are fixed on the total, the final aim of controlling inflationary Federal spending.

We are trying to establish a link between the Federal budget and 21 percent of the gross national product. It may be controversial but it makes sense. The President has personally told me that he campaigned in support of this idea in 1976. By adopting a prior restraint on the budget, Congress is better able to set the national agenda within true fiscal limits. It only makes good commonsense not to live beyond our means.

Last year I introduced, with Senator Heinz, of Pennsylvania, a constitutional amendment that would impose this prior restraint on the Federal budget in the Constitution. If we can succeed in adopting that concept in statutory form, that will give a new impetus to seeking some form of spending limitations similar to the one we proposed as a constitutional limitation.

I hope that once we adopt the concept of prior restraint for this coming years budget, we will enact it in a permanent way. If each year, before the budget process begins, we know the limits of spending, we can make the necessary adjustments in our national priorities without being tempted to spend unless we can pay for it.

For too long, the Federal Government has tried to have it both ways and this excessive Federal spending has helped create an astonishing level of inflation. The problem has worsened because Washington has not proposed solutions adequate to meet this grave problem.

This failure to face the problem of inflation has given our citizens every reason to ignore our faint warnings. So long as Congress spends for this year, and ignores the future, the people of America will spend for today, because everything will cost more tomorrow. This live-for-today attitude is shown in the burgeoning level of credit market debt and America's declining rate of savings.

I have no doubt that the people of America are ready to make sacrifices if we are willing to lead and we must set an example by tightening up our own budget. I applaud the House Budget Committee's recommendation to freeze high-level Federal salaries. We must limit spending for ourselves. Who can blame the American people for being cynical, if we insist on building extravagant new office buildings and vote ourselves hefty pay raises. I realize that the amount of money spent on these things will not in itself balance the budget. However, if we cut out this kind of needless spending, it will demonstrate to the American people our willingness to share the burdens.

Once we get about the business of balancing the Federal budget, we can then turn our attention to the problem of our Nation's declining productivity. I do not feel that our current level of inflation is fundamentally the result of too much demand. Rather, we are not producing enough goods and services to meet demand. This lack of production exists because we in the Government have given Americans so little reason to invest in the future. We have taxed savings and inhibited economic expansion to the point that America may not be able to compete in the international marketplace.

This emerging failure to compete will have serious results for the future. We are not turning over our industrial base fast enough, that is, we are not giving incentives to modernize to our plants and factories. It does not matter if someone works a 35 or 40 hour week, or they work in a good location if the owner is unable to provide the newest most modern technology. If we fail to give appropriate incentives to produce, then we are handcuffing the very economic machine which can cure inflation.

If we do our part, by balancing the Federal budget, then and only then, we can make the necessary adjustments to give tax cuts to spur production. We should not enact a traditional tax cut which does not truly help production, but instead, we should tailor the cuts to encourage production. For example, we might want to consider an accelerated depreciation plan, which allows a business to write off its equipment in such a way as to keep up with new technology.

We also must give incentives for capital formation. Without new capital, the idea of expansion will not be possible for American business. In every country which has experienced the economic miracle such as Japan or West Germany, there have been incentives for capital formation, and therefore, production.

But we must not talk of a tax cut without first balancing the budget by cutting Federal spending. I emphasize the idea of cutting spending, not raising taxes. It is nothing but a shell game to balance the budget that way. We already will raise taxes by inflation that pushes people into higher tax brackets as they try to keep up with inflation. I believe this kind of tax increase is bad enough, let us not add to it. We must make the tough decisions.

An important component of governing is the ability to chart a vision for our country. Right now, that vision is truly bleak, with nearly 20 percent inflation and almost a 20-percent prime interest rate. Our people can not long endure this kind of national vision.

This kind of economic news threatens to disrupt our entire country. Let us not underestimate the seriousness and gravity of America's economic problems. Young couples are not able to realize the dream of buying a first home because what little mortgage money exists is so expensive that they cannot afford it. Families find they cannot save for their children's college education, and so as parents they may not even be able to provide the training and education so essential for young adults to compete in our high technology job market.

Senior citizens work all their lives to pay into social security, a pension fund or a savings account in anticipation of retirement. Only to find that inflation steals much of that money each year.

We must not let the future of our people disintegrate. For if these dreams disintegrate, our country will be crippled. We must make the tough decisions now because if we don't, the future consequences will be even more dangerous.

I urge the Senate to adopt Senate Resolution 380.

Mr. President, the wire services have just now cleared a story reporting that consumer prices rose at an annual compound rate of about 8 percent in February for the second month in a row as reported by the Labor Department, and that although food and beverage prices remain substantially unchanged, in fact grocery prices declined four-tenths of 1 percent, the overall Consumer Price Index went up at just about the same rate as January.

We have to act not only not to make it worse but to make it better. Small businessmen in particular in recent days in my State have told me that where they have to rely on short-term loans to keep their business going they cannot possibly continue to do so at interest rates which exceed 20 percent. It cannot be done. We have to succeed and the catalyst which is represented by the Roth and others' resolution is going to work. We are going to balance the budget and then some. This year for the first time in more than a decade we are going to succeed. Everyone's skepticism that Congress could pull together and balance the budget and then some is now gradually being replaced by confidence that we mean to do it, that we can do it, and that we will do it.

In addition to commending the Budget Committee for their efforts, I want to commend the Senator from Delaware for his efforts, and the efforts of his associates for sticking to our guns and trying to get this job done quickly so that people can survive in this economy.

Mr. ROTH. Mr. President, I yield myself time on the resolution. I thank the distinguished Senator from Florida for his leadership in this matter. I think it is very important that this be a bipartisan approach; that is the only way we can make real progress.

Mr. President, I do not intend to take any more time, but I do want to point out to the majoriy leadership, and I am sorry that the distinguished chairman of the Budget Committee is not here, that when the time expires on the Muskie amendment, I intend to offer an amendment to it specifying that the Federal budget should be balanced with a spending level of $596 billion. That would be the figure of 21 percent of gross national product as calculated under the bill proposed by Senator DOMENICI.

I might say it is exactly the same figure that the chairman of the Budget Committee a few short months ago insisted that we must live by. I hope he will keep that commitment.

I yield the floor.

The PRESIDING OFFICER (Mr. PRYOR). Who yields time? If neither side yields time, time runs equally on the amendment.

Mr. ROTH. Mr. President, parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. ROTH. Does it run against the amendment?

The PRESIDING OFFICER. It would run against the amendment if neither side yields time.

Mr. ROTH. Mr. President, I yield myself time on the resolution. I would like to ask if the distinguished leader would be willing—I do not mind the time running out if he will permit me to offer my amendment to the Muskie amendment.

As I pointed out earlier, one of the problems is not having the chairman of the Budget Committee here. This is an important matter and I do not want the rest of the time to be used up while the distinguished chairman is necessarily absent.

Mr. ROBERT C. BYRD. The Senator wishes to call up his amendment as a substitute?

Mr. ROTH. Yes. I would like to offer an amendment in the second degree to the Muskie amendment.

Mr. ROBERT C. BYRD. The Senator means in the first degree.

Mr. ROTH. First degree, yes.

Mr. ROBERT C. BYRD. At the present time the Senator would not be allowed to do that until the time on the Muskie substitute has expired.

I will enter into a bargain with the distinguished Senator. I will agree to his offering an amendment to the substitute if he will agree to my offering a couple of amendments to the Roth resolution before the time runs out, and we will then just have them all before the Senate.

Mr. ROTH. I am sorry, I did not hear the distinguished majority leader.

Mr. ROBERT C. BYRD. I say we will have them all before the Senate at one time, and the Senator really gains in that bargain because if the amendments are offered——

Mr. ROTH. Whose time are we on?

Mr. ROBERT C. BYRD. Mr. President, please charge the time on this against the resolution, I ask the Chair.

May I say to the distinguished Senator, that the vote on the amendment to the substitute would not occur until the perfecting amendments to the Roth resolution have been voted on first. So if the Senator would agree, I would be glad to offer two amendments to the Roth resolution, and the Senator could offer his amendment to the substitute, and we would just have them all before the Senate.

Mr. ROTH. May we have the opportunity to look at the two amendments first?

Mr. ROBERT C. BYRD. Oh, yes, yes.

Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time be charged to both sides on the resolution.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. ROTH. That would not count against my time——

Mr. ROBERT C. BYRD. On the resolution.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROTH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROTH. Mr. President, I yield myself time on the resolution.

I would like to ask one question, if I might, of the distingiushed majority leader. I suggested that I wanted to offer a perfecting amendment in the first degree to the substitute Muskie proposal. The Senator indicated that he, in turn, wanted to offer two perfecting amendments to the Roth resolution.

My question is this: If I offered a perfecting amendment in the first degree, would the Senator agree to a unanimous consent that that perfecting amendment would not be further amended?

Mr. ROBERT C. BYRD. No, I could not agree to that.

Mr. ROTH. Mr. President, I think the parliamentary situation is very clear, that what is intended by the majority leadership, and, of course, as they have the right to do so, that what in fact is happening, is that there will be no up or down vote on the so-called Roth resolution. I think that is a serious mistake. I think the American people expect the Congress to debate in depth what measures should be taken to correct the economy, and that to prevent this kind of debate, partly by the absence of certain Members and partly by the fact that there is a parliamentary situation where the majority side can prevent a vote, means that the Roth resolution will not have an up or down vote. I deeply regret that because I think this is probably the most important proposal that will come before the Congress this year.

I wish to say to the distinguished majority leader that I respect his rights. I understand that he can so exercise them. But I also want it to be very clear that those of us who feel that this is a proper course of action will continue to bring up this matter whenever it seems appropriate. We think it is of extraordinary importance that we give this signal to the private sector that Congress does have the will and the means to take forceful, positive steps to get the economy moving again.

Mr. PERCY. Will the Senator from Delaware yield for a question?

Mr. ROTH. Yes, I will yield.

Mr. PERCY. My understanding has been that there would be an up or down vote on this resolution. I have been advising my constituents for several weeks now that we could look forward to an up or down vote on March 25 on this particular issue. Do I now understand that there has not been a prior agreement reached for an up or down vote on this?

Mr. ROTH. The leadership agreed that the resolution would come up, but there was no agreement. It was discussed but there was no unanimous agreement that there would necessarily be an up or down vote. The majority leader is certainly within his rights.

Mr. PERCY. If there is to be a substitute offered, then, as I understand there is, the only way we can get an up or down vote on the Roth amendment is to defeat the substitute. Is that right?

Mr. ROTH. That is correct.

Mr. PERCY. Then I hope we defeat the substitute. I will speak at an appropriate time on the Roth resolution and am an original cosponsor of it. I hope that everyone is clear that if they want to vote on this up or down, they have to defeat the substitute. I hope the substitute will be defeated.

Mr. ROTH. And that applies to perfecting amendments as well.

Mr. PERCY. Will the Senator advise the Senator from Illinois when time will be available for about 5 minutes to discuss the Roth resolution?

Mr. ROTH. The distinguished Senator from Utah has asked for recognition next. I had intended to yield to him.

Mr. ROBERT C. BYRD. Will the Senator yield for a moment?

Mr. President, I will use 2 minutes of my time.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROBERT C. BYRD. May I say to the distinguished Senator from Illinois (Mr. PERCY) that on March 4, the agreement was entered into and it has been printed in the calendar of business where agreements are printed since that time. The distinguished Senator need not be surprised to find that no up or down vote on the resolution was guaranteed. This agreement has been in print now for all the days since March 4 for all Senators to see.

Also provided therein is a provision that a motion to recommit, I believe, is provided for, which would not be an up or down vote; a motion to table is provided for, which would not be an up or down vote.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. ROBERT C. BYRD. Mr. President, I take it that the distinguished Senator from Delaware does not want to enter into the bargain that I offered?

Mr. ROTH. Mr. President, I will speak on the time of the resolution.

I want to make clear to the majority leader that it is not satisfactory because what it really means is that the parliamentary situation prevents an up or down vote on this key economic question. There is no advantage to my agreeing to the proposal because it would ultimately mean that unless we defeat all the perfecting amendments and the substitute we could not get an up or down vote on the original Roth resolution.

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. ROTH. Yes.

Mr. ROBERT C. BYRD. The Senator was privy to the agreement entered into which did not prohibit an up or down vote on his resolution. He was privy thereto.

Mr. ROTH. I will point out that I did not have a clear right to demand anything. I am appreciative of his efforts to agree that we would bring it up, but the parliamentary term and condition was that the Senator would have the right to recommit, and so forth. I understand that the majority leader has that right. I think it is a mistake to use it. I think this matter is far too important for the majority to use their parliamentary powers to prevent such a vote.

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. ROTH. I do not want to yield at this time.

Mr. ROBERT C. BYRD. The Senator entered into the agreement with open eyes.

Mr. ROTH. The only alternative was that it would not even be brought up. What I want to go on record with now is the fact that we will continue to fight, to bring this up on future legislation until we do get an up or down vote. This is the most important economic question faced by the Senate.

I recognize the majority leader has his right. I agree I went into the agreement with my eyes open, but I was hoping that this would be a bipartisan approach. Something has to be done about 18 percent inflation.

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. ROTH. What will the majority side do? I would like to point out that all this discussion about how we cannot do anything about inflation is discouraging to the private sector. It is the wrong signal to be giving. Now is the time for both parties and the leadership on both sides to get together.

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. ROTH. I will not yield. I want to make it very clear at this point that the most critical thing that can be done would be for the leadership of both sides, Republicans and Democrats, to get together and say, "How can we put a lid on spending? How can we bring about some tax relief that begins to get the economy moving?"

The chairman of the Budget Committee says it cannot be done, but that is hogwash. Six months ago he proposed the same exact proposal, $596 billion. He said that we had to keep faith, we had to keep our word. Today he says it cannot be done.

That is the whole history of the Budget Committee. They have permitted an approximate $250 billion deficit. Where is the discipline? Where is the restraint?

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. ROTH. Mr President, I want to make it very clear that as long as I am here and as long as I have the strength I am going to keep bringing this matter up again and again because we have to provide some leadership. I think this is a bipartisan effort that the people on both sides can support.

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. ROTH. On his time.

I yield back the floor.

Mr. ROBERT C. BYRD. Mr. President?

The PRESIDING OFFICER. The majority leader is recognized.

Mr. ROBERT C. BYRD. Mr. President, this business about the parliamentary aspects that are apparent here and which would be apparent from the very beginning to anyone who read the agreement, shows that the agreement did not shut out amendments. Everyone understood that. It did not shut out a tabling motion. That was specifically provided for. It did not shut out a motion to recommit. That was specifically provided for.

So, now, we are going to be confronted with the "smokescreen"—to use a word that has become somewhat current around here today—we are going to be confronted with the smokescreen that the leadership used parliamentary tactics to keep the Roth amendment from being voted up or down. When that agreement was entered into, on its face—and even any blind person who can read with his fingers could understand that—it says that a tabling motion is in order, amendments are in order, a motion to recommit is in order.

So, now, all of a sudden, this surprise and shock that has set in here. Oh, now, we hear this smokescreen that the leadership is going to engage in some parliamentary tactics to keep the resolution from being voted on, up or down.

What the leadership is doing, including Mr. MUSKIE, is providing an alternative that is workable and that will mandate, once again, as it has already been mandated repeatedly, a balanced budget and will lay out—will lay out——

Mr. CHILES. Will the Senator yield on that point?

Mr. ROBERT C. BYRD. Yes.

Mr. CHILES. I think it is a very cogent point the majority leader is making. I listened to a little of the argument a moment ago. I think the argument was raised that it is important that we send a signal to the private sector on what we are going to do here. I agree that what I think exactly the chairman of the Committee on the Budget is attempting to do and what I hope the majority of this Senate will go along with is to send a clear signal that we are going to balance the budget; that is what I think the people are looking for now. Right now, they want to know, can we balance the budget?

The number is good and I am delighted to see the number. I listened with interest to another speech that said that, for the first time, we have a number that has come up. That is a little strange to me, because there is a number that is a part of the law todav. Some of us had something to do with putting it on there. That number goes from 21.5 to 20 percent, and so on, a declining number. I did not know that that was new, that it was heard of the first time. Again, that was put there on the basis that we could have a tax cut if we reached those numbers because, again, we were trying to be responsible and trying not to send the wrong signal.

I think the worst thing we could do, the very worst thing we could do, I say to the leader, is send a signal out there that we are going to do something—and it is easy to send those signals at the front end of the process, that we are going to go to 21 percent—and then fail to do that. Some of us that got a look at those numbers and saw the kind of cuts that would have to be made to try to go to 21 percent realize what we would have to do at a time when we are trying to increase the defense budget—and we are all pledged to try to increase the defense budget—how it would be to do that. I think we are going to come up with the proposition to do what the people want us to do and, that is to balance the budget.

Mr. ROBERT C. BYRD. That is correct and that is where the men will be separated from the boys.

Mr. CHILES. That is, commit ourselves to do something and not only say it in the first budget resolution, but in the second and all the way through the process; not say that something is going to happen at the front end and maybe it will not.

To me, that is the kind of signal that we need to send, that we are going to start something and maybe keep it. I think some of our problems in past years has been saying in the first years what we are going to do and in later years, it is so elusive.

I think that is what the chairman of the Budget Committee is trying to do and what the leader is trying to do and, really, what this body should be doing. I looked at it and it seems to me we cannot get a vote on the Roth amendment. All you have to do to get a vote on the Roth amendment is have a majority of the votes. If there is not a majority of votes from Senators that want to agree on the Muskie amendment if that comes up, and then the Roth amendment—if we have the votes on the Roth amendment, we are going to get a majority on that and anything else.

Mr. ROBERT C. BYRD. I thank the Senator from Florida, who sat through the 7 days during which the House leadership and the Senate leadership, working with the House of Representatives, went over it very carefully.

Now, back to this smokescreen about the parliamentary tactics. May I say that the Roth resolution—and he said they had to agree to this time agreement in order to get it called up—the Roth resolution was given special privilege, a special privilege, a privilege that is not accorded in the normal course to resolutions that are called up. It did not even go to a committee. Normally, when the Senate calls up a resolution, that resolution goes to a committee. But the leadership, in its generosity, in its benevolent mood, said, "Well, we shall call it up. We will not force it to a committee. We shall call it up and let the Senate have its say and let the Senator make his case and let the Senate work its will. And we shall not force it to go to a committee."

So it was given privileged status and did not have to go to a committee. It was not referred to a committee. The majority leader, realizing all the pressures that were on him to have the Senate speak its will at the very earliest moment on this resolution, yielded—yielded—against, perhaps, his own better judgment, succumbed to all of these pressures, gave in, collapsed, and agreed to call up this resolution, and not have it go to a committee.

Not only that—not only that, but just as a further indication of the magnanimity of the leadership and of Mr. Muskie, the leadership agreed, and so did Mr. Muskie, that he would waive his right to make a point of order against the resolution, which the chairman of the Committee on the Budget could have made. It would have been subject to a point of order. He could have made that point of order—Mr. Muskie could have. Any other Senator could have made that.

But note in the agreement that no point of order against the resolution itself under the Budget Act shall be in order.

So, I hope that we shall desist now from leveling any charges at the leadership to the effect that the leadership is engaging in some kind of a parliamentary technique here that would prevent the resolution from being voted on up or down.

The resolution would not have even been before the Senate if the leadership had not agreed to call it up. It would have gone to a committee. And if the leadership had not agreed that a point of order would be waived, that point of order would send this resolution to the committee.

So, so much for that. I hope that the record is clear.

Mr. BOREN. Will the majority leader yield to me for a brief statement?

Mr. ROBERT C. BYRD. Yes.

Mr. BOREN. Mr. President, I was proud to join today with the Senator from Texas (Mr. Bentsen) in offering an amendment to the Muskie substitute which would specify that any budgetary surplus should be allocated to tax cuts, half of which would be used to simulate productivity. I commend the distinguished chairman of the Committee on the Budget for accepting this amendment. Until we address the problems of stimulating investment and increasing productivity, we shall never be able to combat the underlying causes of inflation. Resources must be shifted from the public to the private sector and channeled into productive investment.

The amendment which has been accepted places the Senate on record as recognizing the situation and committing itself to solutions which will work. It is definitely a step in the right direction.

Mr. ROBERT C. BYRD. Mr. President, may I say further in explanation of the various concessions that have been made by the leadership to the authors of the Roth resolution, let it be remembered that the leadership was threatened with a filibuster. I read in the public media that there would be a filibuster, that the sponsors of the resolution would engage in a filibuster if this resolution were not called up for a vote.

That is a new kind of filibuster. I do not know what they would be filibustering if the resolution would not be called up.

So I felt it best to call up the resolution. Yes, agree to call up the resolution. I entered into all these concessions. So did Mr. Muskie.

Now, what thanks do we get? No thanks for the concessions.

The PRESIDING OFFICER. Who yields time?

Mr. ROTH. Mr. President, I yield time under the resolution to the Senator from Missouri.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. DANFORTH. Mr. President, I will be very brief.

The rules of the U.S. Senate are, indeed, a work of art. They have been perfected over a very long period of time.

Today, we are voting on recodifying the rules. The rules of the Senate are not matters to be ignored or to be left untended. We are blessed in this body by having not only a very fine Parliamentarian, and staff of the Parliamentarian, but a number of people who are masters of this splendid system that does make the U.S. Senate work.

The majority leader is the premier master of the rules of the U.S. Senate. There could not be a more important function and there could not be a greater talent for a majority leader to have than to master the rules of the Senate.

But I would say, Mr. President, that as far as the people of this country are concerned, they do not know anything about the Senate rules and they really do not care about the Senate rules.

If we were to go out into the communities of my State and ask the people of Missouri, "What do you think about perfecting amendments and amendments in the second degree?" they would reply with a blank stare.

The niceties of procedure are very important to the work of the U.S. Senate, Mr. President. But they just are not very important to the people that we represent.

What is of concern to the people that we represent is the fact that the economy of this country is in shambles. We now have an inflation rate approaching 20 percent. This is unparalleled. We now have interest rates of 20 percent. This is ruining people's lives, ruining their hopes, ruining their dreams of the future, wrecking their ability to plan their future, and, I might say, making it difficult for the Government itself to take care of its own obligations without continually running up expenses that could never be foreseen in the past.

In 1977, when we passed the social security financing bill, we were told we were taking care of social security between now and well into the next century. We were told that on the assumption that we would have a 4-percent inflation rate. But because social security benefits are indexed for inflation, now we are told as recently as a few weeks ago that we have to go back to the drawing board, that we have to once again consider the situation of social security financing because, unless we do something and do it quickly, the social security system is going to go broke.

So, Mr. President, the No. 1 question for the American people and, indeed, for the Government, is not the procedural niceties of the U.S. Senate, but, instead, whether or not we are going to do something about the economic situation that this country is in and, particularly, about the devastating problem of inflation.

Mr. President; it is said that the big issue is balancing the budget for 1 year, and that involves reducing Federal spending by $13 billion or so in 1 year.

Mr. President, it is absolutely absurd to think that the economy of this country is going to be turned around by balancing the budget for 1 year or reducing Federal spending by $13 billion.

The name of the game in righting the wrongs in our economy has to do with the percentage of gross national product consumed by Federal taxation. That is the name of the game.

The fact is that, as these charts show, Federal spending and Federal taxes as a percentage of our gross national product have gone continually upward in the past few years, it is only by the Roth resolution that we are going to turn this situation around.

So what the people out in my State are concerned about is, will we in the U.S. Senate come to grips with the economic problems of America.

The only way to come to grips with the economic problems of America is to view the problem as being the percentage of our gross national product consumed by Federal taxation and by Federal spending, and the only resolution before the U.S. Senate today is the Roth resolution limiting Federal spending as a pecentage of gross national product.

So, Mr. President, when the Senator from Florida says, "What signals are we sending to the American people?" Then the answer is very clear. The American people are saying to us, "Do something, do something about this economic mess, do something about this 20-percent rate of inflation."

Today is the day to do something about it. Today is the day we have been pointing toward.

I am fearful, Mr. President, that because of the parliamentary situation, when the people of our country ask the U.S. Senate if we have done something today about this economic mess, our answer in the U.S. Senate will be a resounding "No."

Mr. ROTH. Mr. President, I yield 4 minutes to the distinguished Senator, the Senator from Illinois, on the resolution.

The PRESIDING OFFICER (Mr. BAUCUS). The Senator from Illinois.

Mr. PERCY. Mr. President, I hope that the answer from the Senate today will not be a resounding "No." I hope that this vote will not be looked upon as a partisan matter.

I cannot imagine anything worse for the Senate to do today than to reject a proposition which was hammered out and put forth by Republicans of all philosophies, not just this week or this month, but last summer. Our economic plan was presented to the country at that time, and had, I think, an outstanding response. I hope there are enough Members on the majority side who will say that this is the time to bite the bullet, this is the time to do something about inflation. I urge my colleagues on the other side of the aisle to bury partisanship and work together with the minority—and I reiterate, work together with the minority—in finding an answer to this problem.

The people of Missouri have spoken very clearly through my distinguished colleague, Senator DANFORTH. He served with me for the past year on the Republican Task Force on Productivity and Capital Formation. The people of Illinois and all States are speaking out very clearly for action on inflation. The Roth resolution offers us a beginning.

This morning, the Labor Department released the February Consumer Price Index and, like the January CPI—of which February was an exact duplicate—it is good reason for alarm. An annual inflation rate of 18 percent cannot be tolerated and cries out for effective policies to deal with it. There has been a great deal of commotion in Washington since the January inflation rate was released. The President has suddenly scrapped his January budget to show his concern for inflation.

Yet, we still lack a true anti-inflation program.

Inflation cannot be solved, as we all know, by just one action. It cannot be solved by Federal spending restraint alone. There are many aspects of inflation. The business community and organized labor cannot say, "It is all your fault down there in Washington." But Government must bear its share of the blame. There are things we can do and must do, but there also are things that can be done by business, by labor, and by consumers. A broad-based program is essential for us to combat inflation.

The Republicans developed such an economic program last summer, as I have indicated; and it was reendorsed recently by the Senate Republican Conference. Our anti-inflation program is multifaceted and recognizes that there are several sources of inflation. Our economic principles, in a summarized form, are as follows:

First, limit Federal spending to 21 percent of GNP in fiscal year 1981. This is the first step we are taking today.

Second, balance the fiscal 1981 budget without a tax increase and work for subsequent balanced budgets.

Third, reduce taxes to encourage greater individual and business savings, investment, productivity and job-formation.

Fourth, reduce America's energy dependence on foreign imports by 50 percent over the next decade.

I commend the distinguished assistant majority leader, Senator CRANSTON, for the leadership he has provided, following in the footsteps of Hubert Humphrey, as cochairman with me of the Alliance to Save Energy. We recognized many years ago, when we established the alliance, that one of the best ways to combat inflation, and help our balance of payments, is to cut down the wasteful consumption of energy and to become more self-sufficient. So this call for a 50-percent reduction in the next decade is an essential goal.

Fifth, institute an immediate regulatory reform program;

Sixth, implement an export drive;

Seventh, encourage the establishment of labor-management committees to improve U.S. work force participation and productivity.

Our consideration today of the Roth resolution, calling for a fiscal 1981 limit on spending, is just part of a call for a comprehensive anti-inflation program. I am encouraged that other parts of this program are on the way to realization, but none of them will have more of an impact on inflation than imposition of fiscal discipline.

The resolution before us will require cuts of about $25 billion in next year's budget. The $13 billion in cuts the President has recommended are not sufficient—without a tax increase—to bring the budget into balance. It is time we told the American people this truth and ceased playing games with them. This President plans to balance the budget with tax increases when taxes are already at their highest level since World War II.

I do not want to dismiss entirely the President's program. It is too little and too late, but it is at least a start. The President has started, and we support that beginning, but we simply do not feel that it is going to achieve the desired end at the levels the President is talking about.

Inflation is eating into the substance of every American's paycheck and lifestyle. When we run up an inflation rate of 18 percent, savings are eroded quickly, the elderly cannot make ends meet, and high interest rates make business expansion and financing an education simply impossible. Everyone is affected by inflation and, after awhile, it begins to undermine confidence in the Government and in all our institutions.

So it is important to get a grip on inflation now and not lock the barn door after the horse has run away. To date we have not had a serious effort by the President to get the budget under control.

I think we in Congress have a serious effort underway now, and I commend both the House and the Senate on the serious effort that is being made. But it is a job in which we must work hand in glove together with the President, and I think the President's hand can be reinforced and strengthened when he sees firm resolve by Congress in this regard.

Just look at the President's 1980 budget, submitted only 2 months ago: Spending outlays were set at $616 billion and revenues estimated at $600 billion for a $16 billion deficit. Now that deficit sounds pretty good compared to the $35 billion deficit we will have this year, until one takes a look at the budget estimates the Budget Committee made last fall for fiscal year 1981. At that time, $597 billion was estimated for total outlays; revenues were projected to be $604 billion—with a $7 billion surplus. How far we traveled in just 2 months—from a $7 billion surplus to a $16 billion deficit.

Mr. President, the following table, which I ask unanimous consent be printed in the RECORD at this point, summarizes the progress of the fiscal year 1981 budget.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

FISCAL YEAR 1981 BUDGET

[In billions of dollars]

	Outlays	Revenues	Deficit/ surplus
As estimated in—			
November 1979	597	604	+7
January 1980	616	600	−16
March 1980	625	625	0
Fiscal year 1980 budget	569	534	−35

Mr. PERCY. Mr. President, what this table tells us is that we are dealing with budget sleight-of-hand when the President says he will balance the budget through spending cuts. The so-called $13 billion in cuts recommended by the President in March will simply trim off the budget growth that occurred between January and March. Those are not deep cuts. They do not even get near the original estimated fiscal year budget of $597 billion that Congress thought was on target last fall. In other words, the President's budget-cutting efforts are all mirrors and smoke. There are no real cuts.

Mr. MUSKIE. Mr. President, will the Senator yield on that point?

Mr. PERCY. I will be happy to yield on the Senator's time, because I do not control the time on this side.

Mr. MUSKIE. I yield a couple of minutes on this side.

I do not know how many times I have to go over this point. I have done it several times today.

The President's cuts are the same cuts that the Budget Committee is going to make, the same cuts that would have to be included by Senator Roth if he is to cut $45 billion from the President's programs.

I cannot understand why those cuts are real cuts on the basis of Senator Roth's proposal but phony cuts when it comes to the President's budget or my resolution. They are the same cuts. Describing them as something else, I do not think changes that fact.

I have made this point several times this morning. I seem to have to make it with every speaker who rises on that side of the aisle.

I do not see how you are going to get $45 billion in Roth cuts without including the cuts, $16 billion of them, that would go into the Senate Budget Committee's balanced budget approach. How do we get up to the balanced budget with phony cuts and get to real cuts only then?

I do not understand that, I say to the Senator from Illinois, and I think we should get down to talking about facts here. There is no such thing as phony cuts in anything I have discussed this morning. They are real cuts. If the Senator does not believe it, wait until his constituents start hitting him with complaints about cuts the Budget Committee is going to make in order to achieve a balanced budget. I do not know how we are going to achieve a balanced budget with phony cuts.

I have been chairman of the Budget Committee for 6 years, and I have proposed spending reductions that the Senate has refused to honor. What is phony about that? If it is real enough so that Senators vote for real increases in order to avoid the phony cuts we propose, which is phony, the cuts or the increases?

I am becoming a little fed up with this kind of shallow rhetoric that is used to obscure the real facts.

Senator Roth talks about smokescreens. He has erected more smokescreens here this morning, as well as other speakers on that side, than I could build after a year of training with Indian smoke signals. There is no way of doing it that way. We have not done it with mirrors. We are talking about $16 billion in real cuts, and I assume that Senator Roth is talking about $29 billion more in real cuts, and that is the issue, the $29 billion more—a total of $45 billion.

If we would address ourselves to that, then we would see what the implications are of the Roth proposal as against the implications of the Muskie substitute.

Mr. PERCY. Mr. President, I ask unanimous consent for 2 additional minutes to complete my statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PERCY. Mr. President, the table that I submitted for the Record shows that in January 1980 outlays were estimated at $616 billion and in March 1980, $625 billion.

Therefore, the $13 billion in cuts recommended by the President in March will simply trim off the budget growth that occurred since January. These reductions cannot in the opinion of the Senator from Illinois be looked upon as deep budget cuts for the budget is still growing by leaps and bounds.

Mr. MUSKIE. Mr. President, if the Senator will yield, the Senator is looking at something that happens three times a year. The Senator has been following the budget for years. He was part of the Government Operations Committee that wrote the Budget Act. Surely he is not unaware that budgets presented in January are the best guess of the budget-numbers people of what will happen beginning the following October.

He is talking about a budget that is not going to end for a year and a half.

To suggest that only the January estimates are valid is living in a dream world. We get the March reestimates every year. This is not a different thing. We had March reestimates when Nixon was President. We had March reestimates when Ford was President. We get March reestimates in a Carter Presidency. What you have to do is estimate the cost of inflation, which is volatile, the rate of unemployment, which is volatile, the estimates of program growth and demographics, which go up and down. So March reestimates being closer to the fiscal year are likely to be sounder, and then in July we get another round of reestimates, and in September the CBO will reestimate the present figures on the resolution.

If the Senator will look over the record of the last 5 years, he will find that the reestimates change in the course of a year, as they should. What are we going to do, freeze our feet in concrete on the January reestimates and to pretend that there has been no programed growth between January and March?

Mr. PERCY. A parliamentary inquiry, Mr. President.

Mr. MUSKIE. I yield to the Senator.

The PRESIDING OFFICER. The Senator will state it.

Mr. PERCY. The Senator from Illinois said he did not have any time to yield and Senator Muskie indicated he would be speaking on the bill. Does that go also for the second commentary that has just been made?

Mr. MUSKIE. Of course. I do not want to penalize the Senator.

Mr. PERCY. We are limited in time on this side.

Mr. MUSKIE. I ask the time I just consumed be charged to the bill on our side. There is no problem.

The PRESIDING OFFICER. Time will be so charged.

Mr. MUSKIE. If the Senator wants time to respond, I am glad to yield to him.

Mr. PERCY. I thank my distinguished colleague because we are short of time on this side. I appreciate the comments of the chairman of the Budget Committee.

The PRESIDING OFFICER. Who yields time?

Mr. PERCY. I have asked for 2 additional minutes to finish my statement.

Mr. ROTH. I yield.

Mr. PERCY. I have in the past paid tribute to the Budget Committee and to Senator Muskie for his work on that committee. Today I would like to reiterate my respect for the chairman and his committee, which has given us a framework for budget discipline.

I have tried to explain, however, that I feel that the President's expenditure cuts are not real cuts. We have the same $616 billion in spending now, even with the President's cuts, that we had 2 months ago. There appears to be no discipline.

The second point I wish to make about the table I submitted earlier—and I do not think it can be subject to argumentation at all—has to do with the tax burden.

The table clearly shows the phenomenal growth in taxes that is taking place. Just since submission of the January budget, taxes are scheduled to increase by $25 billion. In other words, revenues are estimated to go up from $600 to $625 billion and this revenue increase was not even voted. When that is combined with the tax increase already forecast, we see that the budget will sock the American taxpayer with nearly $100 billion in new taxes over last year, a 17-percent jump.

So taxes are keeping up with inflation, even if every American paycheck is not. A 17-percent tax increase on one hand and a 2-percent budget cut on the other: This is not fiscal discipline and it is no wonder that the stock market plunged after the President's announcement on March 14 and is still on the skids. It is no wonder the bond market is still anemic and began another decline last week. The markets are sending us an economic message and we had better listen carefully if we are to avoid complete fiscal chaos.

Adoption of the Roth resolution today will send a signal to those financial markets and to the American people that the Senate is ready and willing to put the brakes on inflation. As I said earlier today, this is only part of a broad campaign we must wage against inflation, but this initial salvo can be a shot heard 'round the world.

And the world is watching to see whether or not we have the discipline, whether we have the fiscal responsibility in Congress to recognize that we are exporting our inflation all over the world. The rest of the world wants this Congress to act and support the Roth resolution today.

Mr. ROTH. Mr. President, I yield myself time.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. I am happy to see that the distinguished chairman of the Budget Committee has returned.

The PRESIDING OFFICER. Is the Senator yielding time on the resolution?

Mr. ROTH. Yes, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. Mr. President, when I use the term "smokescreen" I am not saying that cuts themselves, if actually made are a smokescreen. I am saying that the so-called concept of balanced budget is being used as a smokescreen to prevent Congress from taking any realistic action either from balancing the budget or from providing some tax relief.

I want to underscore once again what I am arguing is not a partisan matter. The Joint Economic Committee supported exactly what I am proposing. It spells out in detail that there must be some reasonable tax relief in 1981 and it quotes the figure $25 billion.

That is what the Roth resolution does and that is what the Muskie resolution does not do.

The Muskie substitute does not say how the budget would be balanced and does not say what would happen to taxes.

A number of times the chairman has attacked Members who cosponsored my resolution on the grounds that they have not voted for spending cuts.

I note with interest he did not mention two specific instances this year that I voted to limit or restrain spending.

I also note that the distinguished chairman of the Budget Committee also votes on occasion to increase spending. For example, he supported an increase in funds for the Hart Senate Office Building. He voted for $710,000 for the Dickey-Lincoln Dam. He voted to extend countercyclical revenue sharing which cost the American taxpayer an additional $150 million. He voted to raise the spending ceiling for food stamps from $6.16 billion to $6.78 billion. He voted to increase weatherization funds from $200 to $500 million in fiscal year 1980.

I might say on each of these issues I voted to the contrary.

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. ROTH. Not at this time.

Mr. MUSKIE. I just point out at this time in reply that those were within the budget.

Mr. ROTH. I point out, of course, it is his committee that controls the budget so he can always assert that, but I am not being critical of the distinguished Senator.

Mr. MUSKIE. Will the Senator yield on that point?

Mr. ROTH. No; I will not yield at this time. I am not being critical of those votes. I am not saying that they are irresponsible.

What I really want to see done is that the chairman of the Budget Committee, with others, sit down with all of us who have a great deal of concern as to what is going on with the economy.

Mr. MUSKIE. Mr. President, will the Senator yield on that?

Mr. ROTH. I want to finish my statement.

Mr. MUSKIE. The Senator is making assertions, each of which is wrong, and I am going to ask him to yield every time he does it.

Mr. ROTH. Mr. President, I am not yielding.

What I am saying is that what the country wants, what the country has a right to expect, is for Members of both parties, the leadership both from the Republican and Democratic sides, to sit down and try to work out an approach that will get this economy moving.

Mr. MUSKIE. Mr. President, will the Senator yield at that point?

Mr. ROTH. I am not yielding.

I would point out that the Joint Economic Committee in its annual report points out that the economic models being utilized by the Congress are out of date, outmoded, that they rely on unemployment to do something about inflation; whereas, they say, and I quote this, "The new model discussed in the 1980 report shows that tax policies such as depreciation schedule adjustments can lower the inflation rate substantially over the decade."

They later state, specifically there must be a tax cut, to get the economy moving in 1981.

But the problem is there are those who would try to make this into a partisan matter. However, there are many Democrats and many Republicans on my resolution.

The PRESIDING OFFICER. The Senator's 5 minutes has expired.

Mr. ROTH. I yield myself such time as necessary from the resolution.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. I want to point out that the most important thing this Senate can do before it adjourns for the election next fall is to adopt a grand strategy, a vision for America, that provides for real growth and does not merely try to prevent the hard steps from being taken.

Too many people who are arguing for balancing the budget are hoping that this whole problem will go away so that in future years the big spending that is already in place, the big revenue that is already in place, will continue.

I would like to point out, Mr. President, let us look at what has happened to the budget. It has exploded in the last 4 years. Spending under the Carter budget has gone up from $403 billion in 1977 to the currently mentioned figure of $613 billion. Ultimately it will go up to $917 billion under current predictions in 1985.

Revenue shows the same dismal story. Revenue in 1977 was $368 billion. In 1981 it will be, according to the Carter budget, $627 billion. In 1985 we will be taking out approximately $1.123 trillion, and that is coming from the working people of this country. It is a ripoff on the working people, and I intend to see something done about it.

I regret that since the Budget Committee has gone into effect, deficits have increased $250 billion.

I think all of us have to share in this blame. I do not think we should point at the Budget Committee or the Finance Committee or Appropriations Committee. However, it is an indictment of Congress.

What I am suggesting, Mr. President, is that the time has come to take some constructive steps.

I told our President last week that I thought it was fine to balance the budget, but that in and of itself would not do anything about inflation, particularly when you are balancing the budget on the backs of the taxpayers. Nevertheless, the President proposed increased taxes, oil import taxes, that will have an inflationary impact.

I also said we ought to have spending limited enough so that we can get some real tax relief.

The distinguished chairman of the Budget Committee wants to muddy the water by talking about $40 to $45 billion worth of cuts. As the distinguished Senator from New Mexico pointed out—and I am referring to Mr. DOMENICI—who is a member of the Budget Committee, if you adopt his approach of determining GNP we will not be needing the $45 billion cuts that Senator MUSKIE speaks of but rather holding spending to $596 billion, which represents a total of $30 billion in cuts, $17 billion more than proposed by the President.

It is doable. Senator PROXMIRE has given out a proposal showing where he thinks the cuts can be made. I have released where I think $35 billion in cuts can be made, and others will have other approaches. But it seems to me it is the responsibility of the leadership to try to form some consensus by getting people to work together rather than this attitude of "no can do."

While the distinguished chairman of the Budget Committee was absent I suggested that I would be happy to offer an amendment to my resolution, a perfecting amendment, that would set the spending figure at $596 billion. This figure is consistent with the Domenici approach but, more importantly, I would like to point out to our distinguished chairman of the Budget Committee that this figure is the same figure that he himself proposed 6 months ago on September 17, 1979 when he presented the Senate with the second budget resolution, a 3-year spending and revenue plan to achieve a balanced budget in fiscal year 1981.

This 3-year budget at first set the fiscal 1981 spending at $589.5 billion, a spending level the Senate Budget Committee report stated that equaled 21 percent of gross national product.

By the end of the Senate debate on that resolution last fall, after adjustments for higher defense spending, this 3-year plan set fiscal 1981 spending at $596 billion, the same spending limit I am proposing today.

The chairman of the Budget Committee said then we must stick by that budget. He said then the Government must restrain its spending to set an example and to reduce its own impact on the economy. I agree with what the chairman said 6 months ago, and I hope he will work with me to try to achieve this goal today.

I yield back the floor.

The PRESIDING OFFICER. Who yields time?

Mr. MUSKIE. I yield 7 minutes to the distinguished Senator from Connecticut. I yield it on the bill.

Mr. WEICKER. Mr. President, I thank the distinguished Senator.

I rise to oppose Senate Resolution 380. I am sure my comments are not going to please those on either side, but I think they need to be said since the business of the economy relates to the inflation that we have.

Mr. President, on January 23, President Carter came to the Congress to deliver his state of the Union address. Inasmuch as his resurrected political fortunes resulted in a series of crises in our international affairs, the President spent a great deal of time rattling his sabre and banging a pot about how staunch he intended to be. But that is a subject for another day.

In his remarks, he spent 11 brief, sometimes one-sentence, paragraphs on his most conspicuous domestic failure—the U.S. economy. It is understandable that he did not wish to dwell on this matter. He did, however, say one thing which is worth quoting now.

He said:

> Our problems are too complex for simple slogans or for quick solutions. We cannot solve them without effort and sacrifice.

Next we received the 1981 budget. Presumably this budget had been very carefully thought out. It called for spending increases of some $40 billion. I have to believe the President and his advisers thought this spending level was warranted by national needs.

Then, as the primary process unfolded, and inflation grew worse and gold soared and interest rates soared and the economy became the political issue, Mr. Carter, 1 month ago, dispatched a little billet-doux to his departments and agencies on a Friday afternoon and said:

> Tell me by Monday how to cut your budgets by 20 percent.

The man who says he never panicked in a crisis wanted his own budget cut by one-fifth in a weekend. This was the man who said:

> Our problems are too complex for simple slogans and quick solutions.

Now we have a quick solution and we have a simple slogan and the slogan is "balanced budget."

My colleagues across the aisle have a natural fear of finding themselves in the minority come December 1980 or, possibly, November 1982 and suddenly they are prepared to become fiscal conservatives. My Republican colleagues, for the most part fiscal conservatives themselves, are determined the Democrats are not going to reach over the fence and milk the poor old cow that they have been nurturing for so many years.

After 40 years of trying to outspend our economic capacity, we now find ourselves trying to underspend our social needs.

The characteristics common to both efforts are carelessness, indifference to the public good, and politics as usual.

Mr. President, I cannot lend my support to S. 380. There are objectives within this resolution which I certainly endorse. But in the aggregate, I see no appreciable difference between S. 380 and this helter-skelter meat-ax approach to the economy which the President proposes.

I do not understand the magic in limiting Federal outlays to 21 percent of GNP. Why not 17 percent? Why not 24 percent? What does the number mean in relation to our economy and in relation to Government programs and in relation, most importantly, to human beings?

I do not understand the magic in the simple slogan "balanced budget." But it must be a potent magic. The President obviously believes it is potent enough to bring an economic millennium without foregoing politicizing the economy. This balanced budget is going to be achieved principally by the application of massive new revenues, and how that will solve inflation is beyond me.

The President is offering us inflation as a cure for inflation. Inflation has driven salaries up and thereby drives the tax take up. In addition, the President proposes a new import fee to drive up the cost of gasoline. How does this cure inflation? It does not. It accelerates inflation. But it also increases Government revenues and gives us what we are pleased to call a balanced budget.

As of today, I still have no clear understanding of how we are to effect a cut in the fiscal year 1981 budget. S. 380 does not tell us. Mr. Carter's peekaboo politics does not tell us. The popular wisdom is that Carter is delaying revealing his budget cuts until after today's primaries. I think that is only part of the story—a fortuitous by-product of the larger fact that he does not know what he is going to do. He functions as we are functioning: Announce a conclusion, get the political benefit of it, and then decide whether you are really going to implement it, if so, then decide how you are going to implement it.

I feel safe in assuming that we will try to implement these budget cuts by cutting social services, by cutting funds for youth, for education, for health programs, for funds to our cities and States. We are going to squeeze the budget down to where we cannot afford to help stimulate our damaged housing industry. We are going to squeeze down funds which ought to go into research and development which could help to reverse the decline in U.S. productivity.

These will be the kinds of cuts we will be looking at, and they all have one thing in common: They're all penny-wise and pound-foolish.

The biggest push in our inflation index comes from energy, and energy is both America's sacred cow and her golden calf. Sacrifice the poor and the disadvantaged, sacrifice the feedstock of the Nation's future, but do not sacrifice gasoline at $1.50 a gallon. Do not take the political risk of inconveniencing our two- and three-car families; instead, take from those who cannot afford a car at all.

Mr. President, we have played with our energy crisis for 7 years now, and there is no end in sight; not for this problem, not for our playing with it, not for the political gutlessness that prevents us from dealing with that problem which is the principal cause of the present inflation rate.

I know that my position in this budget-cutting carnival will not prevail now, and I know from my experience that my views on how to meet our energy crisis will not prevail now, today, or tomorrow, in this Congress.

But I do know that a day will come when we will either step back from this economic folly or we will go ahead with it and reap the social whirlwind, and then we will return to wisdom. I do know that we will not solve our energy problem until we confront OPEC with domestic rationing and with strong economic incentives for domestic production. And I will see the day when we do take these necessary steps, irrespective of who gets the political credit for it.

Thank you. I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. McCLURE. Mr. President, I yield myself such time as I may consume on the resolution.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. McCLURE. Mr. President, this time is charged to Senator ROTH on the resolution.

Mr. President, at long last I have the opportunity to rise on the floor of the U.S. Senate to speak in support of a measure to check the uncontrolled and unlimited growth of Government. At long last we have a chance to do more than talk about returning commonsense and fiscal responsibility to the method by which this Government functions. At long last we can say to our citizens, and to the world watching, that this great experiment in people governing themselves and living out lives as they choose is not doomed to go the way of other civilizations.

All of these things are tied up in the simple proposition we consider now, at this hour so late in our being able to act and prevent economic and social disaster. I know, full well, Mr. President, that the leadership and many influential Members of the majority look on this more as an exercise in humoring a naughty opposition than true and genuine debate of policy. They look to it as something to be got through and done with, and then to continue to pursue their own goals and means. But look where those goals and means have brought us. We are at a point of crisis.

We have a rate of inflation of 18 percent, which means the average family loses around $300 in buying power every month; interest rates are at unprecedented highs, and the chance to fulfill the dream of owning a home is beyond the means of all but a few. Our Nation currently has the lowest economic growth rate of any industrial nation—around 2 to 3 percent annually, as compared to about 10 percent, at last reading, for Japan. Our Nation has the lowest rate of increase in productivity per worker—a slim 25 percent increase over the past decade as compared with as much as 65 percent during the same period for some of our trading partners. In fact, it now appears that this year we will record a net loss in productivity. Our Nation now has the lowest rate of fixed capital formation as a percent of GNP or less than 16 percent as compared with conservatively over 30 percent for Japan and about 22 percent for France and Canada. For the first time a fear prevails among the American people that tomorrow will not be better than today or yesterday.

I call out to those who are dissatisfied with our bearing and the course that has brought us here, and particularly to those whose charge it is to describe what occurs in this Chamber, among this body, that this is in fact the definitive and decisive debate of the decade we have entered. We stand at a crossroads of destiny. We know the dilemma in which we are found; we know the economic truths existent.

There is little I can add to what has already been said here. Government is bleeding our Nation dry. The best minds, and information and mere observation and experience agree that is what is happening. Those on both sides of the aisle see it and know we must address it. For the last 2 years, the Joint Economic Committee has called for a reduction in Federal spending as a percentage of GNP. Yet, that bipartisan call has so far gone unheeded. The time for change has come, at long last.

We here today propose a clear, decisive, definitive step to take charge again of that Government, and I long to have the people know what we, on this side think and say and want to do to bring that Government under control, at long last. Let the people know we stand for something different from what they have experienced in recent times.

Mr. President, I feel as strongly about this issue as any other we have ever considered while I have been a Member of this body. A year ago last January, I offered the initial legislative proposal to put a cap on the level of Federal expenditures. Along with Congressman CRANE in the House, I introduced a joint resolution calling for a constitutional amendment to provide that appropriations made by the United States not exceed one-third of national income. That definition differed very slightly from this as being defined in a percent of GNP rather than a percentage of national income. We offered the proposal as a constitutional amendment to make the point that Congress would not face up to the problem of limiting Federal spending on their own.

For far too long we have failed in any attempt to set spending priorities for the Government. Instead, we have appropriated for the collective priority of everyone, every Member and every special interest. With all due respect to the distinguished chairman and ranking minority member of the Budget Committee, the Budget Act has not worked as I conceive it was intended.

Six years ago I joined in sponsoring the Budget Control Act of 1974, and I sought an assignment to the newly created Budget Committee. But by the time we reported our first congressional resolution it was clear that although we had created a new budget process, we were still unwilling to control spending. In minority views prepared for the first budget resolution I wrote:

> For literally the first time the Senate has the occasion to specifically address itself to the aggregate budget and national economic policy, especially as it involves the budget. The process itself is an important step toward rationally addressing economic and budget questions, which has for too long been limited to ad-hoc approaches. But it is not the exercise that is important—it is the result that matters.

It has devolved into an apocryphal, mathematical exercise in totaling expenditures to reach a deficit level, rather than a real effort to set priorities for allocating a finite amount of resources. Furthermore, the Budget Act has come to be used as a convenient tool to prohibit consideration of proposals to grant needed tax relief or to make necessary, equitable changes in tax law because they involve a revenue loss.

All this proposal seeks to do is to provide a more disciplined means of setting the ceiling on expenditures.

I know many of us on this side have supported measures which increase Federal outlays. Oftentimes, the moment overrides the need to view things in the larger perspective. But recent economic developments prove we can no longer wait to do so. We can no longer continue to conduct what has been business as usual, the business of tax and spend, and elect and elect and elect.

The current rush to balance the Federal budget is long overdue, but its form is misguided. For years, I have called for a balanced budget; but that call was directed toward reducing Federal outlays—not increasing taxes. It appears we could balance the budget by taxing our citizens at a rate of 60 or 80 percent, I suppose; at least that looks to be the direction we are going, unless something is done to stop that trend. A balanced budget alone is simply not a solution.

I think we ought to look at the phenomenal growth in taxes between fiscal year 1980 revenues of $525 billion and fiscal year 1981 revenues of $623-plus billion, a growth in 1 year of $100 billion in tax revenues to the Government.

I think it is worth noting that total Federal revenues did not reach $100 billion until 1963—from all of our history to 1963 to get to the first $100 billion in revenues. It took us just 9 more years to get to $200 billion, from 1963 to 1972. It took us only 4 more years to get the third $100 billion, in 1976. And I might just point out that it has doubled since President Ford left office, from $300 billion to now projected over $600 billion in 1981. It reached $400 billion in 1978. It took only 2 years to add that next $100 billion, and from 1978 to 1980 it rose from $400 billion to $500 billion, and now we are going over $600 billion in 1 year.

When will it stop? It is the heaviest tax burden in history being put on what everyone confesses is a fragile economy in 1980 and 1981 calendar years. In 1981 we will exceed 22.3 percent of GNP. Even 1944, with war taxes and the low productivity associated with the war economy, was only 21.9 percent of GNP and that was the previous high.

We all agree it is imperative the Federal Government adopt and stick to a policy of spending no more than it takes in as revenue. But the need to limit the share of private resources consumed by Government is equally if not more important. Manipulation of demand which continues to preoccupy the majority of economists and politicians is simply not responsive to a situation in which lagging productivity is crucial. That is why many of my colleagues and I have adopted a declaration of policy calling also for a limitation on Federal outlays as a percentage of GNP, and tax cuts which raise incentives to save and which will increase the productive efforts of business and workers.

Unless we change the direction of this country, Government at all levels will take 54 percent of every dollar we make by 1984. High taxes are choking the economy by penalizing productivity, thrift, and investment. Limiting the size of Government is essential if we are to get the economy moving at full capacity again. But important as the economic effects of this measure are, the most important benefit will be the preservation of this country as the land of the free; as George Washington said, "Government is the servant, not the master of the people." No one is free if he does not own the fruits of his labor. Limiting the power of Government to spend our money is the most important issue we face. Those of us who have long fought for tax and spending limits are heartened by the many "proposition 13" type referendums that have been passed. The voters of these States have shown that big Government is not inevitable. It can be halted. We have a choice.

After 13 years of working in Congress and sponsoring 25 bills to reverse the tax-and-spend philosophy which dominates Washington, I now believe we have found a way to achieve our goal.

I saw the irresponsible direction Government spending was taking as a freshman Congressman and therefore supported a measure in the 90th Congress to require a single appropriations bill so that we might more closely examine total Government spending and facilitate its control. Throughout my service in Congress, I have supported legislation to limit expenditures and prevent expenditures from exceeding revenues.

In past years I have supported zero-based budgeting and sunset legislation because I felt they would help control the rapid increase in Government spending. In 1975 I introduced the Kemp-McClure Jobs Creation Act, a comprehensive tax cut proposal which created the broad consensus that now exists for permanent, across-the-board tax reduction.

I might add, Mr. President, that was the predecessor of the now well-known Kemp-Roth proposal, which I fully support.

At that time I said:

> As a nation, we stand at a crossroads. One road, that traveled by Great Britain, has the immediate appeal associated with redistributing existing wealth; but it also holds in store the ultimate pain of sharing not the wealth but the resultant poverty. The other, less frequently traveled road, promises continued progress and gradual enrichment for all members of society. The price of a brighter future is a less profligate present.

It is time and we have the opportunity to make a choice.

Mr. President, the material progress we have made as a nation—and which has been the marvel of the world—was not inevitable, despite the abundant material resources with which we were blessed. The prosperity that is ours came because ours was a system, an environment in which the energies and talents of our people had generous scope for realization.

Our society has been one in which men and women, regardless of the circumstances of their birth, have known there were no boundaries to what might be achieved with effort and ingenuity. That faith has been the essential dynamic force in the economic life of our Nation.

But it is an indisputable fact that our country's productivity growth has exhibited a slowing in recent years, absolutely and relative to that of other countries. This is a matter of great concern to the future of our Nation. Because of the slowing of the underlying rate of productivity growth—to a pace a third less rapid in the last 10 years than in the 1950's and early 1960's—we can no longer boast of having the highest per capita standard of living in the world. Some are, perhaps, willing to accept that, but I believe far more is at stake than national prestige. It involves a question of the spirit and vitality of our Nation. Clearly, one reason for the lag in productivity is the lack of capital available for investment and replacement of plants and equipment, and one reason that is true is that Government policy encourages people to spend and to consume rather than to save. Another is that Government competition for credit to finance its deficit forces others out of the money market.

But even more fundamental has been our shift in national goal from encouraging enterprise, growth, and productivity in an atmosphere of economic and social freedom, to the creation of a centrally controlled, egalitarian society in which excellence is no virtue and liberty no prize.

The Declaration of Independence says that "all men are created equal." That used to mean that people were equal in the eyes of the law. It came to mean that people should have equal opportunity. But more recently it has been meaning that everybody should have equal income. About 50 years ago, shortly after the Great Depression started, Government came to play a larger and larger role in our lives. We shifted from an emphasis on individual responsibility to an emphasis on social responsibility. The fundamental forces that made this country great—the ingenuity, the energy, the productivity—are still with us. But, at the same time, we have become an over-governed over-regulated society. As Milton Friedman, who won the 1976 Nobel Prize in economics, puts it:

> The basic problem of the United States today is that government interference is threatening to strangle the true source of our achievement.

We are taxing away our peoples' incentive to achieve.

The current economic crisis demands something more substantial than the superficial effort to provide a psychological symbol of fiscal restraint. This is especially true when the method employed in attempting to balance the budget is to raise taxes. And given the present economic realities, I am convinced we will not even come close to the goal of a balanced budget unless taxes are cut substantially to raise the productive capacity of our economy.

I know it will not be easy to meet the goal we set. But that is not to say it cannot be done. It must be done and it is ultimately up to us in Congress to do it, to control the so-called uncontrollables and to get down to work on deciding what must be cut even though that may mean long and difficult sessions.

This responsibility is an awesome thing, but we cannot renege on it and still call ourselves Senators.

I urge my colleagues to support this measure, I urge them to accept the challenge that has become so imminent.

Mr. President, I reserve the remainder of my time.

Mr. COHEN. Mr. President, I am pleased to be a cosponsor of Senator ROTH's proposal to limit Federal spending for fiscal year 1981 to 21 percent of the gross national product (GNP).

Mr. President, the phrase "20/20" has come to have a new meaning in our lexicon. Instead of indicating perfect vision, "20/20" now refers to the unprecedented rates of interest and inflation that our country can expect in the new few months, unless our economic policies are dramatically altered.

Not long ago, an inflation rate of 10 percent was considered unthinkable. Today, it would be greeted with relief. That is a sad commentary on the economic policies that this country has embraced during the past few years.

What effect does an inflation rate of 18 or 20 percent have on the people I represent?

It means that elderly people in Maine have seen their savings, expected to last throughout their retirement years, vanish as the cost of food, energy, health care, and other necessities has soared.

It means that young families cannot afford to buy the homes that they have long dreamed of and saved for because high mortgage payments would place an impossible strain on their budgets.

It means that the median family income, which has risen from $11,152 to $18,467 over the past 7 years, actually buys $700 less than it did then. As the Tax Foundation points out, the average American family may be richer on paper, but is actually poorer in the checkout line.

It means that small businesses cannot obtain loans or cannot afford the high interest rates that borrowing would entail. Inflation will hasten or cause the failure of thousands of small businesses this year.

The time for gradualism in confronting inflation is long past. Words are futile weapons in the fight against inflation. We cannot simply "hope" or "predict" that inflation will abate by the end of the year. We must act. We must institute the policies that will guarantee the decrease, and those policies must include a commitment to a balanced budget and significant reductions in Federal spending.

The Federal Reserve can no longer be allowed to battle alone against inflation because record-high interest rates have had little impact on double-digit inflation, have crippled the housing industry, and will only hasten our plunge into a deep recession. While a restrained monetary policy may be necessary to dampen inflation, it is not sufficient, has undesirable side-effects, and cannot succeed in the absence of a lean fiscal policy.

The President has recently unveiled his newest anti-inflation plan, signalling the death knell for his three previous attempts to combat inflation.

One of the reasons why the President's earlier anti-inflation plans failed is that they blamed business and labor for inflation and tried to impose a set of artificial and arbitrary wage and price restraints as the remedy. It is not surprising that this misguided view of the causes of inflation failed. It failed because it underestimated the contribution that Federal spending makes to inflation and lacked a firm commitment to stem the growth of the Federal budget.

Today, Congress has the ideal opportunity to demonstrate its resolve in dealing with inflation. We have before us a modest, but significant, proposal to place a statutory limit on the Federal budget for fiscal year 1981. Adoption of this proposal would be the most important signal that Congress could send to the financial markets, to business and labor, and to the American people. This ceiling limiting spending to 21 percent of the GNP would strengthen the budget process by clamping a lid on the fiscal year 1981 budget. It would cause Federal outlays to be reduced by $26 to $30 billion below the spending totals submitted by the President in January.

The 21-percent figure is not an arbitrary one. Historically, with the notable exception of the past 5 years, Federal spending has been below 21 percent of the GNP. Just last year, President Carter pledged to reduce the share of the Nation's output accounted for by Federal spending to 21 percent, but, regrettably, the budget he submitted 3 months ago pegs spending to more than 22 percent of the GNP. What the Roth legislation would do is restore Federal spending to its traditional proportion of the GNP prior to the spending excesses of the past few years.

Placing a ceiling on the proportion of resources consumed by the Federal Government is crucial to containing the growth of the public sector versus the private sector. Government borrowing, for example, can crowd out business borrowing in the credit markets. If the funds that are now used to finance the public deficit were freed for business investment, our economy would grow, business would expand, creating new job opportunities, and interest rates would fall—all steps that would alleviate inflation.

The Roth proposal would impose the discipline necessary for Congress to reduce and balance the budget. To be sure, no one argues that cutting Federal spending by $25 to $30 billion will be easy, and nearly every beneficiary of the Government's largesse will feel the pinch. But inflation affects all of us, and none more severely than many of the recipients of Federal assistance—the unemployed, the elderly, the poor. There is nothing that we can do that would help these groups more than to slash the inflation that is boosting the cost of living to unparalleled heights.

I urge my colleagues to support this most worthwhile proposal, and I congratulate the distinguished Senator from Delaware for his initiative.

Mr. MUSKIE. Mr. President, I yield myself 5 minutes on the bill.

I was not inclined to speak at this point, but the distinguished Senator from Idaho said something that caught my attention. He said, near the close of his remarks, that we ought not to be fooled by superficial evidence of budget cuts which are designed only for psychological effect. Mr. President, I have been handed several pages of proposed cuts intended to document the claim made by the distinguished sponsor of the Roth amendment, real cuts that he could perceive could be made to the budget. The first point I make is that by his own totals, his own arithmetic, they amount to $35 billion. His original resolution—and it is still in that form at the desk—would require $45 billion. So he is $10 billion short to begin with.

He has said he is going to modify his amendment at some point to eliminate or reduce the onerous burden of finding $45 billion in cuts, I take it, and is going to adopt something similar to the Domenici proposal, which he thinks will do that. But even Senator Roth, apparently, has had difficulty, even using his own arithmetic, finding $45 billion in cuts.

Now, let us look at his $35 billion in cuts. I have been listening to the rhetoric here that he does not believe, and the Senator from Idaho has repeated that, that he does not believe in balancing the budget with tax increases. Well, the Roth list includes increases in waterways user charges of $1 billion, increases in Coast Guard user fees of $600 million, and increases in airport and airway user charges of $900 million. That is $2.5 billion.

When the President proposed withholding on interest and dividends, with a revenue gain of $2 billion to $3 billion in 1981, I heard all of this indignation on the other side that the President was going to balance the budget by increasing taxes. The distinguished Senator from Delaware may be able to distinguish between increases in user charges and increases in taxes, but I suspect that the people who have to pay the higher user charges will find it hard to make the distinction. So his $2.5 billion is not in outlay reductions. It is an increase in taxes. It cannot be considered to be a reduction in outlays.

So, take the $2.5 billion from his $35 billion and we are down to $32.5 billion. The $2.5 billion would help reduce a deficit, but it does not help reduce outlays. Revenue increases are not outlays by any stretch of the imagination. Talk about a smokescreen. That is a deficit-eliminating provision, it is not an outlay reduction. That ought to be clear. So, by his own arithmetic, it is $32.5 billion.

Let us look at some of the other cuts. I have not had an opportunity to examine these proposals as comprehensively or as indepth as I would like. The place to do that is in the budget committee. That is what we do. Senator Roth does not trust the Budget Committees. He has made that very clear in his remarks today. So that forces me to react to his specific proposals on the floor here, off the cuff, with the fastest possible expert advice I can get.

I am going to do my best to be fair in analyzing these cuts, but I do have to analyze them. And when Senator Roth calls my cuts, which are based on hard figures, a smokescreen, then I have a right to examine his proposed cuts and see what they mean.

For instance, the Roth list includes savings on interest of $3.3 billion. The best judgment that we can get from our staff and CBO is that those savings could not be more than a billion and a half. I do not know where the $3.3 billion came from. That $3.3 billion is not realizable. Only $1.5 billion is, by our best calculation as of today. So there is $1.8 billion of inflated outlay savings.

The PRESIDING OFFICER (Mr. Levin). The Senator's 5 minutes have expired.

Mr. MUSKIE. I will take another 5 minutes off the bill.

Mr. President, another thing Senator Roth says is that an unemployment reduction which would be produced by a tax cut, the amount of which he did not specify, I think he called it a modest tax cut, would save $4.1 billion.

Now, if a tax cut had the effect of reducing unemployment by 1 percent, that would save $4.1 billion.

Senator Roth has not told us what the tax cut would be. A $30 billion tax cut, which would be roughly comparable to the amount of reductions in outlays he is proposing, would save only two-tenths of 1 percent on the unemployment rate, not 1 percent. So the savings there would not be $4.1 billion, but $800 million, according to the best professional advice I can get. That is a $3.3 billion difference.

With respect to categorical grants, we do not have any specifics at all. But we are told that we could save $4 billion.

How? Where? In what respects? By what controls? We are not told.

But I doubt that in fiscal 1981, this close to the beginning of the fiscal year, that we could get even one-fourth of that. But beyond that, I cannot comment because I do not have the specifics.

Then Senator Roth would cancel the grain embargo. Wholly apart from the policy implications of pulling back on a positive policy decision that our Government took in response to the Russians' Afghanistan invasion, wholly apart from the policy implications, what about the budget savings if we should cancel?

Senator Roth says we would save $800 million in 1981. CBO estimates that the effect of the grain embargo will now fall in fiscal year 1980, not in 1981. Therefore, there would be no savings in 1981 due to cancellation; the savings would occur in 1980. As far as the 1981 budget is concerned, there is another $800 million down the drain.

With respect to the strategic petroleum reserve, Senator Roth says he would eliminate the reappropriation that the President requested, the new money for 1981.

The fact is that that would produce no savings at all in 1981. In order to save $1.2 billion in 1981, it would be necessary to rescind in fiscal year 1980 $4.1 billion in budget authority. That has not been proposed.

He thinks he can do it mildly, just eliminate the reappropriation the President requested. Whether or not he is prepared to take the drastic step of cutting out $4.1 billion in budget authority this year, he has not indicated.

But what he has proposed will not save a dime in 1981. Strictly smokescreen cuts.

Mr. President, on food stamps, Senator

Roth proposes a saving of $2 billion. I am not sure to what extent that amount of savings beyond that already assumed in the numbers I have discussed is possible, but there is one fact that is quite clear: The amount of savings through elimination of duplication between food stamps and school lunch is overstated by $600 million.

So, instead of $2 billion, at most we could save $1.4 billion, and I have some doubts about that figure.

Airport and airway user charges, $900 million, is a tax increase, not an outlay reduction.

Senator Roth made it clear this morning he is against balancing the budget by tax increases. I do not know how he distinguishes between user fees and tax increases. I find it very difficult to understand.

I am sure Senator Long would see no difference between taxes and an increase in waterway user charges in his part of the country.

A tax is a tax. If it looks like a duck, walks like a duck, sounds like a duck, it has got to be a duck. And a user charge is a tax.

But I have been hearing all morning long that we are against tax increases to balance the budget.

EPA construction grants. Now, this is a program about which I know a little something, as much as any Member of the Senate. I created it. I have voluntarily reduced the amount of money available for this program each year the budget process has been in effect. So we have shrunk it considerably.

Senator Roth would go against that, too. He would save $200 million.

The fact is that if there was a total cessation of new obligations beginning right now, the most we could save in 1981 is $100 million. That is a figure we really dug into in the meetings of the last 2 weeks in order to save every dime we could, and $100 million is all we could save.

With respect to youth jobs, Senator Roth would propose the elimination of this new initiative to save $400 million. The fact is that total elimination would save only $200 million.

We are told that cuts in administrative and regulatory costs would save $5.5 billion in outlays. Where? How?

Of course we must do whatever we can to hold down the administrative costs of the Government, including reforming the regulatory agencies, which I think is a commitment many in this body have, including the Senator from Maine.

But I do not think we can, between now and October 1, put in reforms that would save $5.5 billion in outlays in fiscal year 1981.

How do we pick that figure? How were the amounts arrived at that have been added together to get $5.5 billion? What is the impact? Will we just save $5.5 billion because people are against overhead costs and are against regulation and are for regulatory reform. Obviously, it is popular to say, "Let us cut $5.5 billion."

Why not $6 billion? Why not $7 billion? Why not $10 billion? Why not enough to balance the budget? We will not have to cut any other program.

Some of that $5.5 billion can be saved. I would even be willing to give credit to half of that, $2.8 billion, which I think would be very hard to get.

Now, the multilateral development banks, $1 billion, we are told, can be saved. Mr. President, if there were no new appropriations for the banks in fiscal year 1981, only $100 million in outlays could be saved in fiscal year 1981.

On the basis of this quick analysis, which covered items totaling $28.5 billion on the Roth list, I cannot be sure that there is more than about $10 billion in outlay savings. I have not gone into the remainder of the items on the list.

Mr. President, what I have tried to do here, in all good faith, is to indicate where, in my judgment, the Budget Committee will make cuts. I have shared that with the Senate—specific cuts that were a product of 8 days of agonizing appraisal of programs. We are perfectly willing to let Senator Roth take advantage of those cuts in coming up with his totals, but he calls them smokescreen cuts, so perhaps he does not want them. But I shared them.

Then I took the responsibility that I assume the Roth resolution would impose on me. The Roth resolution says to me and my committee, "You shall produce a budget with outlays no higher than 21 percent of GNP." After proposing to impose that responsibility on me, he proceeds, in the course of the morning, to question my ability to do it.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. MUSKIE. I yield myself 5 additional minutes.

I assumed the responsibility, nevertheless, so that I could let Senator Roth and his colleagues know where I think the cuts would have to be made. This is not a phony list.

If you want to make the cuts above the line on the chart I discussed earlier, you have a $20.1 billion increase in social security between 1980 and 1981, which includes the entire cost-of-living increase this year; or $17.9 billion in defense, which represents the entire increase in national defense over 1980; or $6.4 billion in medicare and medicaid, which represents the entire increase from 1980 to 1981; and then $4.3 billion for unemployment compensation, which represents the increase from 1980 to 1981.

Those are the targets, are they not? That is where you will have to cut, unless you go below the line on the chart, where you have $47 billion remaining, after you take into account appropriations that already are contracted out and committed and that you cannot change, even if you change the law.

Those are the choices. I am not making them here. I am just saying to Senator Roth that this is where you will have to look to make that additional $29 billion in cuts. Apparently, he does not find it comfortable for me to say that. That is where you will have to look.

Under the Muskie substitute, what we will do is produce a balanced budget and make even deeper cuts than I have talked about here if we can, but I do not think we can get to $45 billion.

Then, to those who think we should get to $45 billion, we will produce an amendment in which we will make the most equitable distribution among the targets to which I have referred, to give Senator Roth and his colleagues an amendment to vote for, to the first budget resolution. That amendment will take us down to 21 percent of GNP, given whatever the estimate of GNP is on April 15. That is a commitment of the Muskie resolution. You will have a chance to vote for a Roth budget—in specifics, not phony cuts, not smokescreen cuts. The Senate will be given specifics.

Apparently, Senator Roth does not like to have to vote on specifics, or perhaps he does not like some of his associates on his amendment to have to vote for specifics. He would rather have generality: Outlays shall be no more than 21 percent of GNP. Any effort on my part to indicate how specifically that will impact on programs, how specifically it will impact upon our constituents, how specifically it may impact upon defense, how specifically it may impact on social security, how specifically it may impact on veterans programs, how specifically it may impact on Federal retirement—those kinds of questions are irrelevant. They are called a smokescreen by Senator Roth. He does not want to deal with the uncomfortable implications of specific cuts that will be necessary in order to achieve his $45 billion reduction.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. MUSKIE. I yield myself 5 additional minutes.

Mr. President, one further comment on the Roth list of cuts.

I do not pretend to have made a comprehensive analysis of all of those cuts. There are several pages of them. We usually review them through the Congressional Budget Office and our own staff and with the executive agencies in appropriate cases, in order to analyze the cuts.

So what I have said here today is not necessarily the last word; but I think that to the extent there is some useful preliminary perspective on the validity of these cuts, that perspective has to be stated.

I ask unanimous consent that a preliminary staff analysis of the Roth proposals be placed in the Record at this point.

There being no objection, the analysis was ordered to be printed in the Record, as follows:

Roth outlay savings

[In billions of dollars]

	Roth savings	Better calculation
Interest savings. The Roth savings are miscalculated	−3.3	−1.5
Unemployment reduction due to a tax cut. A $30 billion tax cut (about the amount of the Roth outlay decrease) would save two-tenths percent on the unemployment rate, not 1 percent	−4.1	−0.8
Waterways user charges—the Roth cut would increase revenues, not reduce outlays	−1.0	—
Categorical grants. The outlay saving is overstated. Many programs are forward funded and about three-fourths of the fiscal year 1981 outlays are from prior year commitments. The Roth total of $38.2 billion may include noncategorical grants	−4.0	−0.5
Cancel grain embargo. CBO estimates that the effect of the grain embargo will now fall in fiscal year 1980 rather than fiscal year 1981. Therefore, there would be no savings in fiscal year 1981 from cancellation	−0.8	—
Federal energy conservation. A 10 percent saving could not be implemented in one year and the fiscal year 1981 savings are apt to be significantly less. DOD is the big fuel user	−0.8	−0.3
Strategic petroleum reserve. Following the formula for reduction proposed by Roth would yield no savings ($4.1 billion would have to be rescinded in fiscal year 1980 to get $1.2 billion in fiscal year 1981)	−1.3	—
CETA Title VI. The maximum obtainable by eliminating the program is less than Roth states	−2.0	−1.7
Food stamps—the amount of savings through elimination of duplication between food stamps and school lunch is overstated (the $1.2 billion is more like $0.6)	−2.0	−1.4
Airport and airway user charges. The Roth cut would increase revenues, not reduce outlays	−0.9	—
EPA construction grants. Total cessation of obligations would save only $0.1 billion in fiscal year 1981	−0.2	−0.1
Public transit and auto use management. No new funding in fiscal year 1980 or fiscal year 1981 would yield $0.3 billion in savings	−0.6	−0.3
Coast guard user fees. The Roth proposal would increase revenues, not reduce outlays	−0.6	—
Youth jobs. Elimination of the new initiative would save only $0.2 billion	−0.4	−0.2
Admnistrative and regulatory costs. It is doubtful that savings of this size could be achieved in fiscal year 1981. It is difficult to calculate a possible amount but achievement of half of the Roth amount would likely require strenuous action	−5.5	−2.8
Multilateral development banks If there were no new appropriations for the banks in fiscal year 1981, only $0.1 billion in outlays could be saved	−1.0	--0.1
Total savings on above list	−28.5	−9.7
Amount by which Roth outlay cuts may be overstated		18.8

Mr. MUSKIE. If I have misstated it in any way, I will apologize.

I was not given these cuts in advance, with an opportunity to scrub them, as the OMB puts it, in order to make sure that I am not misstating what Senator ROTH is claiming. So I have confined my remarks to a few of the reductions he proposes on which I believe there is a perspective to be given.

I have not pulled my numbers out of the air. They are not the product of any prejudice against the Roth resolution or my opposition to it. They are the product of the staff and the organizational structure we put into place in order to guide Congress on budget numbers and budget implications. That is what I have tried to give.

With that, Mr. President, I yield the floor.

Mr. ROTH. I yeld myself time on the resolution.

Mr. President, I think the statement by the distinguished chairman of the Budget Committee almost states better than I can what the problem is in trying to put a lid on Federal spending.

As one Senator who has tried to restrain spending, I can say it usually has been the reaction of at least some of the members of the Budget Committee to ridicule and criticize the good faith efforts of those who feel that the Federal Government is out of control.

In years past, I have brought up proposed legislation for across-the-board spending cuts and was attacked strongly—that that was being irresponsible, that it was a meat-ax approach. Then, when one offers specific cuts, as I have done, in a rather detailed memorandum, the game is to attack each of those, even though many of these cuts also are on other lists, including that of the ranking minority member of the Budget Committee.

The thing that bothers me the most, and I am not going to spend time criticizing or trying to answer each of the charges, is that instead of welcoming the aid of those who strongly believe that Federal budget deficit spending has had a serious negative impact on our economy, we find that we are ridiculed, attacked, and told in essence that it is none of our business, that this is the prerogative of the Budget Committee.

Mr. MUSKIE. Mr. President, will the Senator yield 30 seconds?

Mr. ROTH. I am happy to yield.

Mr. MUSKIE. I do not think I have said that. We have a process in which Senators can come into the Budget Committee. They have representatives on it. And we can look at numbers such as this and we welcome them. The budget process requires this.

But to try to do it in the Chamber, pulling numbers out that have had no analysis at all, the Senator is saying we should just accept these numbers without examining them?

Mr. ROTH. I have to leave, but I just point out that the chairman just called them phony cuts. I pointed out, and I have said this several times, that the cuts the Senator proposes were not smokescreen cuts in the sense that they were phony, but I felt that the big spenders who are talking about balancing the budget are using the balancing of the budget as a smokescreen; in other words, they do not want to really take the steps that are necessary to keep Federal spending from exploding and from having the highest taxes in U.S. history.

The chairman wrote us a letter recently asking for our proposals. The proposals I submitted have been analyzed within my office. We have discussed them with a number of people, including CBO, agencies, and so forth. But I have to admit I do not have the 300- or 400-person staff that the CBO has.

But the point I am trying to make is that if we are really going to be able to put a lid on spending so that we can give some supply-side tax relief, then all of us have to work together.

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. ROTH. No, I cannot yield at this time because I unfortunately have to leave.

I never said it had to be these cuts. But I did try to react favorably to his letter asking us to give our list of cuts.

Last year I went before the Budget Committee—I was one of two Senators—and made my proposals. I may be wrong on some of those, but it was a bona fide good-faith effort to do something constructive.

Mr. MUSKIE. Will the Senator yield?

Mr. ROTH. No, I will not yield.

Mr. MUSKIE. All right. I thought the Senator would like to know that I welcome his suggestions.

Mr. ROTH. Mr. President, I have not yielded.

The PRESIDING OFFICER. The Senator from Delaware has the floor.

Mr. ROTH. Mr. President, we have already discussed in some depth about what is 21 percent of the gross national product. We all know that the CBO and the others are using the most negative factors to try to make the proposal look inappropriate and unreasonable.

Again, there is not a good-faith effort, in my judgment, of sitting down and working together, saying, "How can we hold down Federal spending?"

As I pointed out, the chairman himself 6 months ago said that we should keep the Federal budget at $596 billion. But every year spending just goes up month by month.

The people back home are finding that their income is going down roughly 18 percent a year. Eighteen percent inflation means the typical American family is losing something like $300 a month in buying power.

They do not want to hear you say you cannot cut these spending programs. They want some action. They want some can-do spirit. They want to see Congress say we can devise a strategy that is going to work, that gives them some hope and confidence in the future.

Senator MUSKIE says that these cuts cannot be made, none of them. He says they are false; they are phony. That is just not true.

Even Government contracts can be terminated. Every Government contract has a right of the Government to terminate for its convenience. So do not say it cannot be done. Maybe it should not be done, but it can be done.

I have no doubt what is going to happen. As I said, while the chairman was away, the majority is going to prevent a vote on our proposal up and down, and they have that right. But that is not going to be the final chapter.

The American people are listening and they are looking for some leadership. Look at what the economists and the various people in the private sector are saying about the President's proposal. They are saying it is inadequate, it will not do the job. It does not provide strong leadership.

I hope that somehow reasonable men in the Senate will work together and try to devise a program not only for this year, but for the next several years to begin to bring our Federal spending under control, to begin phasing in some real supply-side tax cuts, so that once again this country can begin moving upward and the American people will be facing a better standard of living rather than downward.

I yield back the floor.

The PRESIDING OFFICER. Who yields time?

Mr. MUSKIE. Mr. President, I suggest the absence of a quorum. I ask unanimous consent that the time be taken equally from both sides.

The PRESIDING OFFICER. Without objection, it is so ordered.

Time will be divided equally, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection. it is so ordered.

Mr. MOYNIHAN. Mr. President, I ask the majority leader whether he would be so gracious as to yield me 15 minutes on the pending Senate business.

Mr. ROBERT C. BYRD. I would be delighted to do so.

Mr. MOYNIHAN. I rise, Mr. President, to support the position the majority leader has taken on our behalf and which the Senator from Maine has so eloquently and forcefully spoken to this morning.

I would like to make several points, no one of them of a great compelling nature, and all of them combined likely to have but little influence on the outcome of this debate in which views are so fixed and have already been made clear.

Even so, for the record, as we review this experience in time to come, let me make several observations.

The first of which is that we are engaged in an enterprise that has a certain historic validity to it. There is no reason whatever why the political economy of a great Nation such as our own ought not to have certain guidelines as to the boundary between the public and the private sector.

The tendency of the private sector to diminish and the public sector to grow is well established in history and also in economic theory. It was the basic doctrine, for example, of Joseph Schumpeter who, had the circumstances been only slightly different in the 1930's and 1940's, would, I think, have been seen to be surely the equal of Maynard Keynes' in theoretical and empirical capacity.

It fell to me some years ago to be a member of the Commission on Critical Choices, which Nelson Rockefeller established after resigning from the governorship of New York State before becoming Vice President. In a long paper prepared for the commission, I raised just precisely this question of whether we ought to start thinking of a limit to the proportion of GNP which Federal expenditures would account for. I said then that there were two large issues concerning which the United States had to make critical choices. One was how much growth do we want, and the other was how much Government do we want. These questions we considered, while mindful that we had persistently opted for less growth and more Government for over two decades and that, should this continue, we would come to a crisis. Indeed, this crisis is upon us today.

The second point, however, that I wish to make is that with respect to a movement in the economy which is, as the economists use the term, secular, a long wave effect, it is surprising to see the convulsive behavior of certain of our colleagues here in the U.S. Senate.

The proposal before us is not a measure to balance the budget. It is a measure to abolish the social policy of the past two decades.

In an atmosphere of alarm, panic, and limited understanding, we would see the work of some of our finest Presidents and finest Congresses undone; promises broken; enterprises half completed and, hence, failed.

One of the interesting things which, perhaps, would abort would be the very considerable advances in the empirical studies—the economic studies of our age. But these form, in fact, the basis on which we are beginning to revise precisely the misconceptions and wrong emphases in contemporary macroeconomics, which brings us to the point where we are today and the charts we see on the other side of the Chamber.

I believe there is not any longer any question that classical Keynesian economics—which has been ours to this day—has determined our national policy. From the moment we established a Council of Economic Advisers, we institutionalized the Keynesian doctrine in economics.

We have seen that there has been a formulation which basically emerges not from theory so much as from the experience of the Depression. It was the conventional Keynesian view of the economy that led to the prescription of easy money to encourage investment and tight fiscal policy to limit demand and prevent inflation. This has not worked.

However high interest rates might seem, for example, it is very probable that there is negative interest on housing and consumer goods at this point. This is simply because true interest rates are the difference between the rate paid minus inflation to which a rate of taxation is applied. As a matter of fact, we have true interest rates today which, in housing, for example, might be negative, so that if you borrow money to buy a house you will pay basically less than if you did not do so.

It would be an irony not without its pleasures if, for example, the National Science Foundation were to lose its funding just as it has been funding very competent studies of the movements of prices and capital, trying to get to a fundamental problem we have, which is the absence of capital formation. They are making some success; they know more than they did.

The economics profession is not so much silenced as it is momentarily poised before making a basic movement of opinion. I think that it is almost a credit to them that they have reached a point where there is agreement on facts to a degree unprecedented in the profession, and there is a sense of a new synthesis coming out; that the Keynesian fear of savings as the great problem that limited demand is being displaced by an accurate understanding that the capital formation we require is not taking place. It has not been taking place for about 25 years.

The Council of Economic Advisers and this Congress have helped in this. Since 1947, when the OEDC was begun, we have had the lowest rate of capital formation of any country from the OEDC.

In the process, if I may turn to a third point of this convulsive response, we are going to break commitments which we have made to very significantly identifiable segments of the American population. These groups were outside the general affluence of the 1950's, an era described by our leading economists of the time as an age of affluence, only for the next decade to be defined in terms of the problems of poverty outside of that affluence.

It is a very serious thing for a chamber of antiquity to break commitments solemnly made in a convulsive act of responding to a change in price structure which the convulsion will not affect.

Anyone who supposes that the reductions contemplated by the amendment of the Senator from Delaware would, in any significant way, reduce the price levels in a $2.7 trillion economy supposes that which is not and never will be.

They are simply not of a magnitude to have any such impact.

What they do have an impact upon is the trustworthiness, dependability, and steadiness of the commitments of this Congress and this Government. I need not suggest that these are matters that have not here previously been raised.

Lastly, I would make a point which might just influence a Senator or two. I do not know. We have a very impressive record of acting when it is too late to do what we sought to accomplish, and indeed we often bring about an effect exactly opposite of what we desired.

There is every reason to think that the turning down of demand and the rise in productive capacity is coming along. We have had the most extraordinary activity in the Federal Reserve Board since it was founded, if you will except perhaps, the bizarre behavior of 1930. Matters are coming around.

In 1973 and 1974 the Congress reacted to inflation in such a way as to bring about the sharpest recession since the depression of the 1930's, and in the course of doing so it brought about the largest deficit. These relationships are not very hard to understand.

Recession equals deficit. Budget cuts of the order that lead to a recession will, far from eliminating a deficit, raise it to levels yet unprecedented. I am not predicting that, because I do not think we will have that level of cuts. I would like to remind the Senator from Delaware of the reductions in revenue and expenditures in 1973 and 1974, reductions of which I am sure he was altogether enthusiastic, and which led to the largest deficit we have yet known in the post-war period. This is not hard to do. We have shown it can be done over and again. It is one of the mysteries of this period of American history that this body, with 50 years of experience in dealing with the business cycle—and dealing on the whole rather well, with no great collapse in half a century—it is a mystery that it should suddenly discard the experience of half of a century and begin to trifle with the economic stability of this Nation.

It takes an extraordinary resistance to history to do this. Surely, this will not be the outcome of today's vote. But if it were to be, I would like to be on record as saying that the persons who vote to defeat the majority leader's measure are voting for the greatest deficit this Nation has ever known, and I hope to be here when the time comes to call their names and remind them what it is they voted for this afternoon.

I thank the Chair and I thank the majority leader for his yielding of time.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator for the fine statement he has made.

Mr. BUMPERS. Will the majority leader yield me about 2 minutes?

Mr. ROBERT C. BYRD. Yes, I yield.

Mr. BUMPERS. Mr. President, I rise in support of the substitute amendment offered by the distinguished chairman of the Budget Committee (Mr. MUSKIE). I think it is a realistic alternative which can be implemented for the fiscal year 1981 without unnecessarily locking this body into an absolutely inflexible position regardless of what may lie ahead.

This resolution would require the Budget Committee to report a budget resolution containing an outlay figure for fiscal year 1981 of $584 billion, or a surplus of $29 billion.

Mr. President, I simply want to say that we are trying to balance the budget at this point, not produce a $29 billion surplus. I believe there is a national, nonnegotiable demand that Congress produce a balanced budget and I think we have the duty and the responsibility to produce one.

I think expectations about the effect balancing the budget will have on inflation are much too high, but nothing else we do in this body is credible until that is accomplished.

Nobody believes that Congress is going to discipline itself and really achieve a balanced budget. Until it is accomplished, nothing else is going to be acceptable to the American people.

I think it can be done, but I want to do it in a very sensible and selective way. If I consider the concept of limiting spending to some percentage of the gross national product, which may or may not be relevant in any given year, as unnecessarily restrictive. This approach could be the catalyst that produces a greater economic upheaval than we are experiencing today.

The substitute offered by the chairman of the Budget Committee will require a balanced budget in the first concurrent resolution and further require an amendment to be reported with the cuts necessary to reach the outlay figure of Senate Resolution 380. This will furnish each Senator the opportunity to vote on specific cuts during the budget process instead of some easy abstract formula. It is a formula likely to destroy the innocent along with the guilty.

Mr. President, the outcry in this country for a balanced budget is reaching a level which the Congress cannot, or must not ignore. It is a nonnegotiable demand for a balanced budget and the Congress must produce one. The people of this Nation are severely burdened by an inflation rate which has reached crisis proportions. In February, it was rising at an annual rate of 18 percent and for the entire year of 1979, consumer prices rose by 13.3 percent. The outlook for the coming months, by almost all calculations, is for more of the same.

In an effort to control inflation many proposals have been submitted to limit the growth of Federal outlays to a fixed amount or percentage of GNP. Senate Resolution 380 is another attempt to index the amount of Federal outlays to the GNP. This proposal, as do the others, seems simple enough, Mr. President, but if this is adopted in the current economic situation we have, we would have to reduce expenditures in very worthy areas. In our rush to trim Government expenditures, we should not create unnecessary and unreasonable suffering for those who are hit already hardest by inflation. I am not saying, Mr. President, that there is not enough waste and inefficiency in this massive Government to balance the budget, but if we were to cut outlays to the $584 billion needed to comply with Senate Resolution 380, persons on fixed incomes would suffer unacceptable cuts and other worthy programs to help those in need would have to be cut or abolished. These cuts would be in addition to those which the President will propose in order to balance the budget. We are not trying, at least at this point, to reduce a surplus, or cut a balanced budget.

Mr. President, I stand firmly beside the chairman of the Budget Committee in his effort to balance the budget for fiscal year 1981. I believe that after the Budget Committee submits the first concurrent resolution on the budget, it will be balanced and we will enact such a budget.

When President Carter submitted his budget for fiscal 1981, it contained revenues of some $600 billion, outlays of $615.8 billion, and a deficit of $15.8 billion. However, as we all know, after the rapid inflation we experienced in the first 2 months of this year, the President has now decided to resubmit the budget as balanced. Taking into account the revised budget of the President, if Senate Resolution 380 is adopted, outlays of the Government will have to be reduced by another $29 billion for fiscal year 1981. This may not seem like such an onerous task to perform until one realizes that approximately 77 percent of the Federal budget is "uncontrollable spending." Included in this category are very sensitive areas of social security, retirement benefits, veterans affairs and any Member of the Senate knows the difficulty with reducing outlays for these programs.

However, few areas are left for reduction after uncontrollables are removed. One of them is national defense, and I am sure very few would support a cut in defense due to recent world events and the uncertainty of the future. This would leave only such programs as revenue sharing, which is already being proposed to be reduced, food stamps, some energy programs, and other types of discretionary nondefense spending, where the $29 billion in cuts would have to be found. As the Senator from Maine, Mr. MUSKIE, has pointed out, this would require slashing reductions in these programs, and many of them would have to be elminated altogether.

Therefore, Mr. President, it is apparent to this Senator, that cutting Federal expenditures in order to balance the Federal budget in fiscal year 1981 can be accomplished, but to reduce them an additional $29 billion as required by Senate Resolution 380 would be unreasonable. During times such as these, we often seek to find easy, simple solutions which we believe will solve the problem without adequately considering the consequences of our action. This body should not try to fool the American people into thinking our economic problems will disappear if Federal outlays are reduced to 21 percent of GNP because they will not. Deficit spending by the Federal Government is not the only nor the major cause of inflation. The deficit we have today is the result of generally price, low productivity, trade deficits, people trying to beat future price increases by buying now, and so forth, we will always have inflation until we solve our energy problems and become an efficient user of energy. In 1979 alone, energy costs rose by some 70 percent, so is it any wonder why we have inflation?

In conclusion, Mr. President, I am firmly committed to balancing the budget, I will cast my vote to achieve it, but I cannot support Senate Resolution 380. Spendings cuts should be achieved selectively and with a scapel—not a broadax.

Mr. WARNER. Mr. President, I yield to the Senator from New Hampshire such time as he desires on the resolution.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. HUMPHREY. Mr. President, it goes without saying that we have severe economic problems in our country. It seems to me there is a common thread running through these high interest rates, this high inflation, this taxation at unprecedented levels. That common thread is the engorgement of the public sector at the expense of the private sector.

We have reached this point, through good intentions, of course, where the Government is so big, the public sector is so big, that it is literally crushing the private sector. We have reached the point where the public sector, under the ground rules which exist for capital formation in the private sector, makes it impossible for the private sector both to sustain and support the public sector and at the same time renew itself. This is why we see the continual decline in our plants and equipment, among other things.

I think it is clear to everyone at this point that if we are going to avoid economic disaster we have to put a cap on the growth of Federal spending. We must put a cap on the public sector. We must hold the line to give the private sector a chance to catch up, a chance to renew its productive capabilities.

I think Senator Roth has an excellent proposal. It is simple, it is straightforward, and it is well understood by the American people and by the press.

I never cease to be astounded at all of the excuses I hear about why we cannot control spending, why we cannot cut back on the size of the Federal Government. If we try it one way, then we are told we cannot do it that way. If we try it another way, we are told we cannot do it that way either.

The American people are beginning to see through this. I think this will have a telling effect in November, Mr. President. I urge my friends to unite with us in a bipartisan spirit to put in place this cap which is so sorely needed on Federal spending, and not try to avoid the issue. We must have a clear, up-or-down vote on this issue.

Mr. President, we often hear, when we propose to cut here or cut there, that we cannot do that because it will hurt the poor, it will hurt the old, it will hurt those who have not succeeded as well in this country as some. I ask, where is the compassion in a 18-percent inflation which hurts everyone, including those persons our friends always point to in the defense of more spending? Where is the compassion in that?

Where is the compassion in 20-percent interest rates such that no American except the very wealthy can afford to buy a home today? Where is the compassion in interest rates that make it impossible for an individual to start his own business or to expand an existing business to create jobs and products?

There is not an ounce of compassion in the inflation we are suffering today; not an ounce of compassion in high interest rates; and certainly not an ounce of compassion in the taxes which have never before been higher.

I am reminded today, with our plight such as it is, of a passage in the Declaration of Independence which, in effect, constituted a bill of particulars against King George. The Colonists were describing some of the things he did to them. The words were, "He has erected a multitude of new offices, and sent hither swarms of officers to harass our people, and eat out their substance." Fortunately, today we have the structure in place so that we can carry out change with ballots rather than bullets.

We can no longer go on saying that we are spending out of compassion, that we are doing this for the good of the American people. I think people see through this political rhetoric.

Mr. President, I urge my colleagues on both sides to unite behind this very sensible proposal, one which is absolutely essential if we are going to put our house in order.

Mr. President, as I have traveled around my State in the past months, I hear one plea: Get inflation under control. Today, here in the Senate, we have the opportunity to show leadership in answering this plea.

The President has not shown that he understands that excessive Government spending is the fuel of the fire of our current inflation woes. The Carter administration will set a post-World War II record for budget deficits. The President has refused to take the steps to combat inflation. His recent speeches have contained all the right sentiments—he deplores inflation, he urges the promotion of savings and urges restrained spending—but his actions demonstrate little courage or insight. Mr. Carter is proposing, instead, that we balance the budget by letting taxes rise through inflation and by initiating new taxes.

Mr. President, these policies will not halt inflation. These policies threaten to bring our economy to its knees.

Therefore, the leadership must reside here, in Congress. We have the wonderful opportunity to show the American people that we are prepared to act today to reduce Government spending.

The American people understand that huge Government deficits are the cause of inflation. The huge transfer of capital from the private to the public sector weakens productivity, which further worsens inflation. Massive borrowing by the Treasury and the simple printing of additional dollars have brought the national economy to the sorry state it is in today—18-percent inflation and 18-percent interest rates.

Mr. President, there are those who contend that cutting the budget is merely psychological. Nothing could be farther from the truth. For 10 years, rising deficits have crowded out private sector spending, reducing investment, employment, and real growth. The Federal Government has gobbled up increasing amounts of the country's savings and credit. The resulting policies inflated our Nation's money supply, creating the inflation we are suffering today.

The Roth resolution offers the best opportunity to halt these disastrous policies. The forces favoring increased levels of Federal spending have shown they can block piecemeal attempts to cut Federal spending. The way to beat the "spending establishment" is to enact an ironclad requirement of a reduced level of spending. Then the spending interests can shift Federal dollars among themselves, rather than taking the funds from the budgets of already overtaxed American families. The Congress can decide which programs are worthy, and which are not so worthy. This is the only way to properly order our Nation's priorities.

The PRESIDING OFFICER. Who yields time?

Mr. WARNER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. WARNER. May we have it equally divided?

Mr. ROBERT C. BYRD. Yes, Mr. President.

Mr. WARNER. Equally divided, Mr. President, charged to the resolution, if that is possible.

The PRESIDING OFFICER. Without objection, it will be charged to the resolution. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time?

Mr. ROTH. Mr. President, I yield 5 minutes on the resolution to the distinguished Senator from Kansas.

Mr. DOLE. Mr. President, this is not the first time Senator Roth has tried to convince his colleagues to accept a cap on Federal spending. Times do change, however, and Senator Roth's concern has become the No. 1 concern of the administration, the Congress and the American people.

The Senator from Kansas has long shared Senator Roth's view that Federal spending was rising to unacceptable levels, to the detriment of the Nation's economy. Many of my colleagues have also supported this view. I, for one, appreciate the support of Members of this body who now agree, for the first time, that Federal spending must be cut. I welcome them to the club. If only they had been with us earlier, we might not have reached this crisis point.

Mr. President, it is a crisis point, and what we do here today is highly significant. When we have inflation at twice double digits—20 percent—coupled with limitations on borrowing, disincentives to saving, and a record-high peacetime level of taxation, it is no wonder that the American people are frustrated. The only way to deal with a crisis is through dramatic and forceful action, followed up by tough, intelligent steps to assure the world that there is more to our policy than a few days of rhetoric. Adopting the Roth resolution would be just such a step.

We all know that the House Budget Committee has recommended over $16 billion in cuts for fiscal year 1981, and that the administration recommends $13 billion in cuts. The problem is, how far do we need to cut, and how do we get those cuts to stick through the fiscal year? Proposing cuts is fine, but regardless of where the cuts are made, there must be some way of guaranteeing that overall spending goal is adhered to.

Mr. President, the Roth resolution will enable us to fulfill our good intentions. By adopting Senate Resolution 380, we will set a firm goal for the coming fiscal year, a goal that will mean dramatic spending reductions in the Carter budget, but a goal in line with the level of Federal spending over the last quarter century. It is a tough goal to meet. Projected budget outlays for fiscal year 1981 would be reduced not $13 billion or $16 billion, but approximately $30 billion. The only alternative is to accept an unprecedented tax burden on the American people—a total of $100 billion in new tax revenues to the Federal Government is projected for fiscal year 1981.

That includes the increase to the social security tax, the so-called windfall tax, the so-called taxflation, the amount of taxes American people pay just because of inflation. When they get a pay raise, they are put in a higher bracket, and they pay more taxes. You add up all these new taxes and it will exceed about $100 billion in the next fiscal year.

Unless these spending and taxing levels are drastically reduced, we can look forward to perpetual stagflation and permanent crisis management of the economy.

Mr. President, by endorsing a decisive shift toward allowing the private sector to utilize a greater portion of the national income, the Senate can help the Nation break out of its economic stupor. A halfway effort is not enough. No one doubts the sincerity of the distinguished chairman of the Budget Committee in offering his alternative proposal. I know that he is deeply concerned, as we all are, by the state of the Nation's economy. But unless we truly bite the bullet now, we cannot break people's inflationary expectations, nor can we make a significant impact on the cumulative Federal debt. It is too late in the game for tentative measures. Unfortunately, as is too often the case, the leadership is following one step behind, rather than pointing the direction the Nation must take. It has been men like Senator ROTH who have taken on the responsibility to demonstrate the crucial importance of the Government's fiscal behavior. I hope that I, too, have contributed to that effort. But let us give credit where credit is due, and support the Roth resolution.

The Senator from Kansas would like to make one additional point. Last week, the Judiciary Committee had an opportunity to let the full Senate debate a provision that would have made Congress politically accountable for its cumulative decisions on spending and taxation. I refer to Senate Joint Resolution 126, a constitutional amendment that would have made it easier for Congress to control Federal spending. The Judiciary Committee passed up this opportunity by the narrow margin of 1 vote. I trust the matter will not be allowed to rest there, because it is the only way for Congress to make an enforceable, long-term commitment to budget restraint and equitable levels of taxation. I believe the Roth resolution will commit us to those policies for 1981, but we have to plan for the years ahead. The time for short-sighted, crisis-to-crisis management of the economy has passed.

Mr. President, Senate Joint Resolution 126 represents a consensus achieved over the past year among Senators active in the balanced budget caucus. This resolution is a bipartisan effort to redress the imbalance in the political process that has led us to incur a cumulative debt of nearly a trillion dollars, combined with record tax increases for 1981 totalling $100 billion.

We are not here to debate economic policy, but to acknowledge that the political process as presently constituted deprives us of options we ought to have. So long as inflation automatically increases tax revenues, the political advantage of voting to increase spending is not counterbalanced by the political cost of voting for tax increases. Competing interests, working to share in the Government's largess, operate to the disadvantage of the public as a whole. The result is that Congress fails to control the level of Government debt, and thereby fails its responsibility to care for the general welfare of the Nation.

Mr. President, Senate Joint Resolution 126 will help Congress fulfill its obligations in two ways. First, a 3 to 5 vote will be needed to adopt a deficit budget. This provision will enable Congress to resist making cumulative spending decisions that exceed revenues. Second, a specific vote must be taken in order to increase the level of taxation from year to year. Congress will then be accountable to the public for the share of national wealth that the Government absorbs. This provision, I might add, could be implemented substantially by passage of the Tax Equalization Act, S. 12, introduced last year by the Senator from Kansas.

The time is opportune because there has never before been such a firm consensus, from across the political spectrum, that the fiscal policies of the Federal Government have been irresponsible. The search for ways to cut spending is welcome, and I support it. But it is not enough to convince the American people and the financial community here and abroad that we recognize the need to adhere to responsible policies over the long term. Approving Senate Joint Resolution 126 would dramatize our seriousness, our understanding that we must reckon with the fundamental problem and not resort to a "quick fix."

Mr. President, this Senator believes the Roth resolution is a vitally important commitment for this congress to make for fiscal year 1981. But what of future years? Legislative measures are subject to shifting political sentiment—no legislation has yet succeeded in restraining the growth of Government, despite numerous attempts. That is why resort must ultimately be had to the Constitution. Yesterday, chairman Paul Volcker of the Federal Reserve told the Budget Committee that balancing the budget must not be just a 1-year exercise. Mr. Volcker acknowledged that deficits may be necessary in some years, but stressed emphatically that a deficit should be the exception, whereas Congress has made it the rule. Senate Joint Resolution 126 would put Chairman Volcker's prescription into law, and I consider his statement a ringing endorsement of this approach.

Senate Joint Resolution 126 is simple, concise, and consistent with the fundamental law of the land. It is also a meaningful response to the crisis of our Nation's economy, because it enables us to come to grips with the root causes of our economic distress. That is why the full Senate must ultimately have an opportunity to act on Senate Joint Resolution 126. Thirty States have demanded such action, and with petitions from four more States, a constitutional convention would have to be called in order to deal with this issue. Eighty percent of the American people support a constitutional amendment to enforce fiscal restraint. It would be vastly preferable for Congress to take the lead here, while we still have the ability to control the outcome.

Mr. President, I strongly endorse Senate Resolution 380, and I shall vote for it. I shall also vote for measures to guarantee that it is enforced during the coming year. We should then follow up by encouraging our colleagues on the Judiciary Committee to reverse the vote that is preventing Senate consideration of Senate Joint Resolution 126. Then we will show that we are serious and responsive to the American people.

Mr. President, I hope that those who voted against Senate Joint Resolution 126 in the Senate Judiciary Committee will take another look.

The PRESIDING OFFICER (Mr. HEFLIN). The Senator's 5 minutes have expired.

Mr. DOLE. I shall take 2 minutes from Senator ROTH.

The PRESIDING OFFICER. The Senator from Kansas may proceed.

Mr. DOLE. Mr. President, there has

been a lot of talk about balancing the budget, whether it be by statute or by constitutional amendment. I again say that, in the Senate Judiciary Committee, we passed up a golden opportunity to demonstrate our commitment to the balanced budget process through a constitutional amendment. The amendment was rejected by the narrow margin of one vote on a vote of 9 to 8. There was bipartisan support for the amendment. In fact, the amendment was drafted through bipartisan efforts. In fact, the Presiding Officer played a great role in that preparation.

I hope the members of the Judiciary Committee will find some way to send to the Congress a constitutional amendment for a balanced budget that we may have a debate on the process. It may not be perfect. Perhaps changes should be made and could be made through appropriate amendments on the Senate floor.

But we should be willing to take a long-term approach and submit to the various States for their ratification a constitutional amendment that mandates a balanced budget, but still provides enough flexibility so it does not hamstring the efforts of anybody in the executive branch, or any President of the United States. It seems to me to be the appropriate response and the response the American people will demand.

So I hope before this year is out the Congress will have acted on Senate Joint Resolution 126, or something that nears Senate Joint Resolution 126, so that we can demonstrate to the American people that we are concerned about their concerns, and their concerns are high interest, high inflation, and unemployment.

It seems to me that the obligation is very clear, and unless we are willing to accept that obligation, we are not properly serving the interests of this country.

Mr. President, I yield back the remainder of my time and I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time will the quorum call be charged?

Mr. WARNER. Mr. President, I suggest it be equally charged to both sides on the resolution as opposed to the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION—TREATY WITH THE REPUBLIC OF PERU ON THE EXECUTION OF PENAL SENTENCES

The PRESIDING OFFICER. Under the previous order, the hour of 2:20 p.m. having arrived, the Senate will now go into executive session to consider Calendar No. 5 on the Executive Calendar, Executive II (96th Congress, 1st Session), on which there will be 10 minutes of debate, to be equally divided between and controlled by the Senator from Idaho (Mr. CHURCH) and the Senator from New York (Mr. JAVITS).

Mr. CHURCH. Mr. President, I support the treaty with the Republic of Peru on the execution of penal sentences (Ex. II, 96–1) which is now before the Senate.

This agreement enjoys the support of the administration as well as the Foreign Relations Committee. The committee considered the treaty on February 5 and 7, and reported it favorably by a vote of 14 to 0 recommending that the Senate give its advice and consent to ratification.

Mr. President, as you know, the United States has already concluded similar agreements with Mexico, Canada, Bolivia, Panama and Turkey. During the course of the committee's consideration, no arguments were advanced in opposition to this or the other treaties. Thus, the overwhelmingly favorable vote reflects the committee's view that the agreements already in force have functioned well by enhancing the prospects of prisoner rehabilitation and by reducing the bilateral tensions arising from the incarceration of the nationals of one country in the penal facilities of another.

Basically, this treaty is patterned after the agreements already concluded. The provisions of the treaty include inter alia: that it generally applies to a prisoner who has been convicted and sentenced for an offense which both parties recognize as a crime; that the prisoner be a citizen of the receiving state; that the sentence be final and all appeal procedures complete; that the provisions of the sentence, excluding the period of confinement, already be complied with; and that the prisoner voluntarily request and both countries approve the transfer.

Mr. President, since 1978, the number of U.S. nationals imprisoned in Peru has increased from 17 to 44. Most of these individuals have been accused or convicted of drug related crimes. The imprisonment of Americans in Peru is a considerable hardship on the individuals, as well as their friends and families. At the same time, the situation strains our otherwise good relations with Peru—relations which have been characterized by a high level of cooperation in joint programs designed to stem the cultivation of and trafficking in illegal narcotic substances.

As chairman of the Foreign Relations Committee, I can assure my colleagues that this agreement received the committee's endorsement because of the demonstrated success of similar agreements already in force; the knowledge of the benefits and protections which would accrue to our own imprisoned nationals; and the expectation that a source of bilateral friction with Peru would be eliminated. Mr. President, I hope that my colleagues will join with me in supporting ratification of this treaty.

In this connection, Mr. President, I ask unanimous consent that a staff memorandum relating to the treaty, setting forth its purpose, a background concerning it, the provisions of the treaty, and other pertinent data be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

TREATY WITH THE REPUBLIC OF PERU ON THE EXECUTION OF PENAL SENTENCES (EX. II, 96–1)

PURPOSE

This agreement would permit citizens of either nation who have been convicted in the courts of the other country to serve their sentences in their home country provided the consent of the prisoner and the approval of both governments are obtained.

BACKGROUND

Since 1977, the United States has concluded five penal exchange treaties. Three have already entered into force and the two most recently concluded will do so shortly. Although recent court challenges have been raised concerning the treaties, the parties to these agreements generally concur that the agreements are functioning well and respond to the parties' humanitarian interest in relieving the unusual hardships which a prisoner incarcerated abroad encounters. The parties also believe that these exchange provisions enhance the prospects for prisoner rehabilitation. And finally, the parties maintain that the conclusion of such agreements serves to improve bilateral relations by removing the stress resulting from the incarceration of U.S. citizens in foreign jails.

Indeed, with regard to Peru, the Department of State notes that this agreement ". . . constitutes part of an ongoing effort to improve relations between the two countries." And there is considerable evidence that bilateral relations have been increasingly strained as more and more U.S. nationals have been arrested and imprisoned in Peru, at least in part because of stepped-up. cooperative programs designed to inhibit drug trafficking.

Since 1978, the number of U.S. nationals imprisoned in Peru has increased from 17 to 44. The majority of these prisoners have been accused or convicted of offenses relating to the possession, sale or transport of narcotics. Since about 1969, the United States, through the Drug Enforcement Administration and the State Department, has attempted to reduce the cultivation and trafficking of drugs in Peru.

Notwithstanding this record of cooperation, considerable friction persists in our bilateral relations. In large measure, Peruvian practice with respect to pre-trial detention (typically 1½ years of duration), court proceedings and prison conditions have generated expressions of concern on the part of the friends and families of imprisoned U.S. nationals. Moreover, because of federal funding of parts of these anti-narcotics programs, the United States Government has, from time to time, been accused of complicity with and/or approval of the poor prison conditions and prisoner treatment.

While these concerns have been repeatedly communicated to the Peruvian Government by the U.S. Ambassador and the Department of State, for all practical purposes the problem remains essentially unchanged and of continuing concern both to the government and citizens of the United States. While the treaty cannot effect changes in Peruvian legal and penal practices, it can reduce the impact of them if a prisoner chooses to exercise the transfer option.

PROVISIONS

The provisions of this agreement are in accord with those of similar agreements with Mexico, Canada and Bolivia, which have already entered into force. The terms are also basically consistent with penal exchange agreements with Panama and Turkey, which received the advice and consent of the Senate on November 30, 1979 and which will enter into force in early 1980.

In keeping with the above agreements, the provisions of the treaty with Peru provide, inter alia: that it generally applies to a prisoner who has been convicted and sentenced for an offense which both parties recognize as a crime; that the prisoner be a national of the receiving state; that the sentence be final and all appeal procedures complete; and that the provisions of the sentence, excluding the period of confinement, already be complied with. As in the other agreements, this treaty will not be applicable when a prisoner has received the death sentence, been convicted of a purely military offense, or has less than six months remaining to serve at the time the petition for transfer is made.

Finally, the treaty requires the consent of the prisoner as well as the approval of both governments before any transfer can occur.

Mr. JAVITS. Mr. President, I recommend to my colleagues that we give advice and consent to the treaty with the Republic of Peru on the Execution of Penal Sentences—the sixth of the bilateral "prisoner-exchange" treaties we have concluded in recent years.

The idea is a sound one. We are able to bring back to the United States men and women who would otherwise have to serve out their criminal sentences in places far from home and in conditions that are sometimes below the standards of even our most hard-pressed penal institutions. When compounded by language and cultural differences, the prospect of any genuine rehabilitation and readjustment would be remote. In turn, the citizens of foreign countries can be returned to more familiar surroundings and not remain a long term drain upon our own resources.

In practice also, this approach seems to be working. Under the three treaties already in force with Mexico, Canada, and Bolivia, more than 500 Americans have elected to return to the United States to serve their foreign-imposed sentences. More than 250 foreign citizens have returned to their countries. Two additional treaties with Panama and Turkey were recently approved by the Senate and will provide additional opportunities for prisoner transfers. Though there has been some litigation surrounding these agreements, none has questioned either the constitutionality or the general desirability of this procedure.

I commend this treaty to my colleagues and urge its ratification.

The PRESIDING OFFICER. All time has expired.

The question is on agreeing to the resolution of ratification on Executive II, 96th Congress, 1st session, treaty with the Republic of Peru on the execution of penal sentences.

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Alaska (Mr. GRAVEL), the Senator from Hawaii (Mr. INOUYE), and the Senator from Massachusetts (Mr. KENNEDY) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Pennsylvania (Mr. HEINZ) is necessarily absent.

The PRESIDING OFFICER. Are there any Senators desiring to vote in the Chamber? If so, come forward and vote.

The yeas and nays resulted—yeas 96, nays 0, as follows:

[Rollcall Vote No. 61 Ex.]

YEAS—96

Armstrong
Baker
Baucus
Bayh
Bellmon
Bentsen
Biden
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Chafee
Chiles
Church
Cochran
Cohen
Cranston
Culver
Danforth
DeConcini
Dole
Domenici
Durenberger
Durkin
Eagleton
Exon
Ford
Garn
Glenn
Goldwater
Hart
Hatch
Hatfield
Hayakawa
Heflin
Helms
Hollings
Huddleston
Humphrey
Jackson
Javits
Jepsen
Johnston
Kassebaum
Laxalt
Leahy
Levin
Long
Lugar
Magnuson
Mathias
Matsunaga
McClure
McGovern
Melcher
Metzenbaum
Morgan
Moynihan
Muskie
Nelson
Nunn
Packwood
Pell
Percy
Pressler
Proxmire
Pryor
Randolph
Ribicoff
Riegle
Roth
Sarbanes
Sasser
Schmitt
Schweiker
Simpson
Stafford
Stennis
Stevens
Stevenson
Stewart
Stone
Talmadge
Thurmond
Tower
Tsongas
Wallop
Warner
Weicker
Williams
Young
Zorinsky

NOT VOTING—4

Gravel
Heinz
Inouye
Kennedy

The PRESIDING OFFICER. Two-thirds of the Senators present and voting having voted in the affirmative, the resolution of ratification is agreed to.

Mr. CHURCH. Mr. President, I move to reconsider the vote by which the resolution of ratification was agreed to.

Mr. JAVITS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CHURCH. Mr. President, I move that the President of the United States be immediately notified.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

CONSOLIDATION OF THE SENATE RULES

The PRESIDING OFFICER. Under the previous order, the Senate will now return to legislative session and proceed to vote on the passage of Senate Resolution 389, without any intervening debate, amendments, or motions.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Alaska (Mr. GRAVEL), the Senator from Hawaii (Mr. INOUYE), and the Senator from Massachusetts (Mr. KENNEDY) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Pennsylvania (Mr. HEINZ) is necessarily absent.

The PRESIDING OFFICER (Mr. MATSUNAGA). Is there any Senator who has not voted who wishes to vote now?

The result was announced—yeas 96, nays 0, as follows:

[Rollcall Vote No. 62 Leg.]

YEAS—96

Armstrong
Baker
Baucus
Bayh
Bellmon
Bentsen
Biden
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Chafee
Chiles
Church
Cochran
Cohen
Cranston
Culver
Danforth
DeConcini
Dole
Domenici
Durenberger
Durkin
Eagleton
Exon
Ford
Garn
Glenn
Goldwater
Hart
Hatch
Hatfield
Hayakawa
Heflin
Helms
Hollings
Huddleston
Humphrey
Jackson
Javits
Jepsen
Johnston
Kassebaum
Laxalt
Leahy
Levin
Long
Lugar
Magnuson
Mathias
Matsunaga
McClure
McGovern
Melcher
Metzenbaum
Morgan
Moynihan
Muskie
Nelson
Nunn
Packwood
Pell
Percy
Pressler
Proxmire
Pryor
Randolph
Ribicoff
Riegle
Roth
Sarbanes
Sasser
Schmitt
Schweiker
Simpson
Stafford
Stennis
Stevens
Stevenson
Stewart
Stone
Talmadge
Thurmond
Tower
Tsongas
Wallop
Warner
Weicker
Williams
Young
Zorinsky

NOT VOTING—4

Gravel
Heinz
Inouye
Kennedy

So the resolution (S. Res. 389) was agreed to as follows:

Resolved, That the Standing Rules of the Senate as amended and adopted on November 14, 1979, be revised as follows: Rules IV and V be consolidated into one rule and be numbered rule IV, with the paragraphs properly renumbered; rules XI, XXIX, and XXX be consolidated into one rule and be numbered rule XI, with the paragraphs properly renumbered; rules XIV, XV, and XXIII be consolidated into one rule and be numbered rule XIV, with the paragraphs properly renumbered; and that rules XVII, XVIII, XXI, and XLI be consolidated into one rule and be numbered rule XV, with the paragraphs properly renumbered.

SEC. 2. Paragraph 2 of rule XXXII shall be added as paragraph 2 of rule XL and rule XL as thus amended shall be renumbered rule V, with the paragraphs properly renumbered.

SEC. 3. Paragraphs 6 (a), (b), and (c) and paragraph 7 of rule XXVII shall be transferred and inserted at the end of paragraph 10 of rule XXVI and be numbered paragraphs 11 and 12, and the present paragraph 11 of rule XXVI be renumbered paragraph 13.

SEC. 4. Rule XXXIII shall be amended to add the words "and members of the European Parliament" at the end of the line reading "Members of National Legislatures of foreign countries" so that the line would then read: "Members of National Legislatures of foreign countries and Members of the European Parliament." Rule XXXIII should then be renumbered rule XXIII.

SEC. 5. Rule XXVII as herein amended shall be renumbered rule XVII; Rule XXXII as herein amended shall be renumbered rule XVIII; rule XXXV shall be renumbered rule XXI; rule XXXI shall be renumbered rule XXVII; rule XXXVI shall be renumbered rule XXIX; rule XXXVII shall be renumbered rule XXX; rule XXXVIII shall be renumbered rule XXXI; rule XXXIX shall be renumbered rule XXXII; rule XXXIV shall be renumbered rule XXXIII; rule XLII shall be renumbered rule XXXIV; rule XLIII shall be renumbered rule XXXV; rule XLIV shall be renumbered rule XXXVI; rule XLV shall be renumbered rule XXXVII; rule XLVI shall be renumbered rule XXXVIII; rule XLVII shall be renumbered rule XXXIX; rule XLVIII shall be renumbered rule XL; rule XLIX shall be renumbered rule XLI and rule L shall be renumbered rule XLII.

SEC. 6. Any cross references set forth in the existing rules shall be corrected to refer to the appropriate rule as renumbered and on line 2 of rule XLII as renumbered the word "State" shall be corrected to read "Senate".

SEC. 7. In the preparation for reprinting of the Standing Rules of the Senate as herein authorized to be revised and renumbered the titles of the twelve rules to be consolidated into four shall be modified so as to describe properly the contents of each of those four rules.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Chamber?

The PRESIDING OFFICER. The Senate will be in order. Members will cease conversations in the Chamber.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Mr. HUDDLESTON and Mr. FORD may proceed for not to exceed 5 minutes between them as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONGRATULATING THE UNIVERSITY OF LOUISVILLE BASKETBALL TEAM

Mr. FORD. Mr. President, I send to the desk a resolution on behalf of myself and Senator HUDDLESTON and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the resolution.

Mr. FORD. Mr. President, I should like to ask that the Senate be brought to order. This is an important amendment.

The PRESIDING OFFICER. The Senate will be in order.

Mr. FORD. I want the clerk to read it. That is the reason I called for order, because of the importance of this resolution.

The legislative clerk read as follows:

A resolution (S. Res. 390) Congratulating the University of Louisville Basketball Team:

Whereas, the University of Louisville's basketball team defeated UCLA on March 24, by a score of 59–54, to win the 1980 National Collegiate Athletic Association Basketball Championship;

Whereas, Coach Denny Crum and his team have consistently displayed exemplary character, sportsmanship, and ability throughout the entire basketball season;

Whereas, Coach Crum, his staff, and players have distinguished themselves both on and off the basketball court as representatives of the University of Louisville;

Whereas, Coach Crum and his team are a source of pride and inspiration to the City of Louisville and the Commonwealth of Kentucky;

Now, therefore, be it Resolved, that the Senate of the United States commend and congratulate the University of Louisville's basketball team for its outstanding achievement in both regular and post season intercollegiate competition.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. BAYH. Mr. President, will the Senator from Kentucky yield?

Mr. FORD. Mr. President, I hope I have the floor. I should like to make some remarks before we expedite the procedure of the Senate.

This Senator will yield for a question because we did hold the tournament in Indiana, which was very nice, and we enjoyed their hospitality. I would like to make a few remarks, and allow my colleagues to make a few remarks, before we proceed.

The PRESIDING OFFICER. The Senator is recognized.

Mr. FORD. Mr. President, once again, events have shown that when it comes to the question of basketball, the quality and caliber of the game, as played throughout the Commonwealth of Kentucky, is second to none.

I am, of course, referring to the University of Louisville's 59–54 victory over UCLA last night in Indianapolis for the National Collegiate Athletic Association Basketball Championship.

Led by All-American guard Darrell Griffith, the University of Louisville's Cardinals defeated Kansas State, Texas A&M, and Iowa en route to the championship game decision over UCLA and its first-ever NCAA basketball championship in the school's history.

The University of Louisville has a proud and distinguished basketball tradition and has appeared in the NCAA Tournament final four, 3 of the past 9 years under coach Denny Crum. This team, which has only one senior in its starting lineup, was lightly regarded at the season's start, but quickly came together as a smooth-functioning unit, winning the Metro Conference championship and ending the season with an impressive 33–3 won-lost record.

Mr. President, this is the second time in the past 4 years that a team from the Commonwealth of Kentucky has won this prestigious event.

It is quite fitting that the University of Louisville captured this highly coveted title in Indianapolis, which is the capital of the great basketball State of Indiana. We all know that the Hoosiers take the game of basketball very seriously and are very proficient at it.

I feel confident in saying, without fear of contradiction, that as far as basketball is concerned, the State of Indiana ranks right up there under Kentucky in its interest, appreciation, and skilled approach to this sport.

The Louisville team has brought great honor and recognition to our Commonwealth, and I urge the Senate to adopt this resolution saluting a team that is not only the pride of Louisville, but of all Kentucky as well.

Mr. HUDDLESTON. Mr. President I am very pleased to join with my colleague in the introduction and support of this resolution calling for the commendation of the basketball team of the University of Louisville, the Nation's No. 1 college basketball team, which, last night, reestablished Kentucky as the college basketball capital of the world, and more particularly, Louisville, Ky., in which is located the University of Louisville.

I commend the University of Louisville Cardinals for their victory last night in the championship of the National Collegiate Athletic Association basketball tournament. I am very hopeful that our colleagues will joint us in congratulating the Cardinals for a job well done.

Last night's 59–54 victory over the game UCLA Bruins capped an absolutely brilliant 33-win season for the Cardinals and Coach Denny Crum. It proved what Cardinal fans have known all season long—the Cardinals are No. 1.

Led by consensus All-American, tournament most valuable player, and simply superb Darrell Griffith, University of Louisville did in Indianapolis what they had done all year; they kept pressing and pressing until the relentless pressure finally wore down their opponents. Undefeated in the Metro Conference and winners of that conference's play-off tournament, the Cardinals proceeded to gain victory over Kansas State, Texas A&M, LSU, and Iowa in their march to the pinnacle of achievement in college basketball.

While admiring the sometimes superhuman athletic heroics performed by these outstanding young men, we must also recognize the tremendous effort put forth by their leaders on the bench, Coach Denny Crum and his staff. The credit for the development of the Cardinals, not only as individual basketball players but also as a team unit and young men worthy of emulation by our Nation's youth, must go to Coach Crum. The long, tedious hours of practice have also paid off for Coach Crum. His first national championship in hand, he, too, will now go forth to conquer new horizons.

The University of Louisville basketball team has earned a special place in the hearts of the city of Louisville and the Commonwealth of Kentucky.

In this day when accomplishment and pride in achievement are often overlooked or not fully recognized, I believe it is important the entire Nation be totally aware of the University of Louisville basketball team's outstanding achievement—they are No. 1.

Therefore, I urge my colleagues to join with me in adopting the resolution we have before us.

Mr. President, I just add one further comment; I also offer my commendation to the team from the University of California at Los Angeles for their very fine performance during the tournament season. Virtually every game they played was an upset. Coach Larry Brown and his entire team are to be congratulated. Had they been playing a less formidable opponent than they were, they undoubtedly would have been crowned as the national champion. But Louisville established itself as the national champion last night.

I extend my commendation, also, to

my colleagues from the State of Kansas, the State of Texas, the State of Louisiana, and the State of Iowa, whose teams also fell victim to the Cardinals of the University of Louisville throughout this long tournament process—my condolences as well as my commendations. They can rely on that timeworn phrase, "Wait till next year."

It is a significant thing when any person or any athletic team wins a national championship, particularly in the United States where the competition is so extensive and is of such high quality. I feel sure that my colleagues in this Chamber will join with us in Kentucky in expressing our pride in the accomplishments of Coach Denny Crum and the University of Louisville Cardinals.

I thank the Senator.

Mr. BAYH. Mr. President, I join in supporting my colleagues from Kentucky. Indeed, the University of Kentucky has a crackerjack basketball team. I have only one reservation: That is, I think it would have been a much more interesting game last night if either Purdue or Indiana had been involved and we could have had an across-the-river confrontation.

But there is no doubt that the University of Louisville has an outstanding team. I add my congratulations.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 390) was agreed to.

The preamble was agreed to.

FEDERAL BUDGET LIMITATION

The PRESIDING OFFICER. The Senate will now resume consideration of Senate Resolution 380, which the clerk will now state by title.

The legislative clerk read as follows:

> A resolution (S. Res. 380) expressing the sense of the Senate that the first concurrent resolution on the budget for fiscal 1981 reported by the Committee on Budget shall limit total budget outlays to 21 per centum of gross national product.

UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, Mr. ROTH has discussed with the distinguished Republican leader and myself the following proposition, which I now propound as a unanimous-consent request:

I ask unanimous consent that at 4:30 p.m. today the distinguished Senator from Delaware (Mr. ROTH) be recognized to make a motion to table the substitute by Mr. MUSKIE; that at that time he make the motion to table; that if the motion to table fails, the Senate immediately, without any further debate, motion, or amendment, vote on the Muskie substitute; that upon the disposition of that substitute, without any further motion, debate, or amendment, the Senate proceed to vote on the resolution by Mr. ROTH, as amended, if amended; that the time between now and 4:30 p.m. be equally divided between Mr. ROTH and Mr. MUSKIE, and that no motions or amendments be in order prior to the tabling motion.

The PRESIDING OFFICER. Is there objection?

Mr. BAKER. Mr. President, reserving the right to object, and I will not object, the purpose of the reservation is to advise the majority leader, as he knows, that this arrangement has been cleared on our side. As far as we can ascertain, there is no objection. The time is 4:30, at which time there will be a motion to table. A great number of our Members are in the Chamber at this time. I believe there is no objection.

Mr. McCLURE. Mr. President, reserving the right to object, and I do not intend to object, I understood the majority leader to indicate that in the event the substitute is not adopted, we will go to a vote on final passage of the Roth resolution. I assume that means a second vote in the event the Muskie substitute is tabled. We would go to an immediate vote on final passage. Am I correct?

Mr. ROBERT C. BYRD. The Senator is correct.

The PRESIDING OFFICER. Is there objection?

Mr. ROTH. Mr. President, reserving the right to object, and I shall not object, I would just point out that it had been my intent to offer an amendment that would fix the budget at $596 billion. Being a realist and knowing that I would not have the opportunity, I will not object to this request.

The PRESIDING OFFICER. Is there objection?

Mr. BAKER. Reserving the right to object one more time, Mr. President, if I could have the attention of the majority leader, I understand the arrangement that we have now included in this request would effectively provide against any votes occurring between now and 4:30 this afternoon.

Mr. ROBERT C. BYRD. That is correct.

Mr. BAKER. Mr. President, we have no objection on this side.

The PRESIDING OFFICER (Mr. RIEGLE). Is there objection? The Chair hears none. It is so ordered.

Mr. PROXMIRE. Mr. President, I rise to support Senate Resolution 380 for a host of reasons.

First of all, the Federal Government is now too big. It has grown and grown and grown. Neither the executive branch nor Congress is capable of restraining themselves.

Meanwhile, the public is schizophrenic about what it wants. Everyone agrees Government is too big, too intrusive, too pervasive. Everyone wants to cut it back. But almost no one is willing to see his or her pet program, subsidy, favor, tax loophole, credit guarantee, or grant cut in any way.

But the fact remains that Government is too big. It intrudes in areas and for purposes never intended even by those who advocated the programs now out of control.

So, quite apart from the present economic situation, there is a strong case to be made, whether one is a liberal or conservative, that we are surrounded and overwhelmed and pauperized by Government programs and regulations and intrusions which are either unnecessary or have a very low priority. Some, in fact, are self-defeating.

Second, we now face an economic crisis in which we are cutting back on Government spending and making fiscal policy do its share in the anti-inflation drive.

Most modern economists advocate a countercyclical fiscal policy. Deficits in bad years should be offset by surpluses in good years. I think that policy is correct. The problem is that we almost never have a surplus—even in good years. In 18 of the last 19 years, the Federal budget has been in deficit. We should have had—if one examines the GNP, unemployment, and other economic indicators—12 or 13 surpluses and 6 or 7 deficits under a legitimate countercyclical fiscal policy.

These deficits, year after year, have been one cause and a major cause of our present economic difficulties. They are not the only factor but the deficits are certainly a major factor in the present inflation crisis.

As much as anything else it is the cumulative effect of them. As they are added, one on top of the other, they limit year after year the resources that are available in the private sector for new investment, improvements in machinery, and the capital necessary for improving the productivity of the economy.

The shortage of funds in the private sector, because of the excessive amount of Government borrowing over the years, in turn is an important contributing cause in bidding up prices.

So while the deficit of any single year may not be decisive, the cumulative effect of the deficits year after year has had a major and important effect in causing the inflation crisis we face.

Third, there are those who say that balancing the budget will only reduce inflation by a factor of a percent and that the effort is therefore not worthwhile.

That argument is wrong.

First of all it is based on the same kind of mathematical computer run which has led us into such difficulties in recent years. Economists as a group have in recent times almost always been wrong in their predictions of the inflation rate and unemployment or whether we are going to have a recession. For them to use the same methods to say that balancing the budget will reduce inflation by only one- or two-tenths of a percent has no more substance than their predictions.

In addition, what we have is a cumulative problem. A series of surpluses, step by step, would, I believe, dramatically change the inflation picture.

Finally, this argument underestimates the profound psychological effect that a determination by Congress and the President to balance the budget and provide a genuine surplus can have.

As usual there is a dispute in these matters over what level of GNP is the basis for the 21-percent limitation.

The Senators from Delaware and New Mexico have made a good case for their view that it means a $25 to $30 billion cut. Further, the 21-percent figure is based on the pledge of President Carter himself to reduce the percentage that the Federal budget makes up of the GNP.

But putting a limitation on the Federal budget of 21 percent of GNP is at the high end of the proportion of the resources of the people of this country which should be applied to government and the services Government can perform. That is not a niggling figure.

Fourth, it is always asked, where would you cut? I am ready to answer that question and I have a list of specific cuts which I think can be and should be made.

Here it is.

Numbers can mean anything depending on the assumptions that underpin their reality. Thus, by definition, the argument is made that out of the $613 billion outlay budget recently submitted by the President, a mere $47 billion is available in controllable outlays from which to cut the $29 billion necessary to meet the terms of Senate Resolution 380.

The arithmetic is compelling but the logic is not.

Consider that there are several sacred cows omitted from this analysis—items which, by definition, are presumed immune to reductions. Here is where the assumption is flawed.

Target number one is national defense. This function must be reduced if the budget is to be kept in balance and if enough funding is to be found for a possible tax reduction. There is no escaping the logic that economies must be found in the Defense Department. The trick is to find defense areas that do not reflect adversely on defense preparedness and that actually would contribute to an improved military posture.

Impossible to find? Not at all. Consider the following:

There are 990,000 civilians employed by the Defense Department. We are top heavy with civilians. Investigations by the General Accounting Office and outside experts have pointed out that the staffs of the civilian secretaries overlap with the staffs of the military chiefs which in turn overlap with the staff of the joint chiefs which in turn duplicates the staff of the Secretary of Defense. Then add the consolidated command staffs, the independent and joint command, staffs, the staffs of the assistant secretaries, and there becomes a clear pattern of redundancy. A hiring freeze on all civilian personnel in the Defense Department would result in a $1.2 billion outlay savings in fiscal year 1981.

Consider the prospective savings in enhanced competition. At the present time, about 74 percent of all DOD major contracting is by sole source. Every Government and private study of contracting has determined that competitive bidding saves between 10 and 15 percent over sole source contracting. Assuming the lower figure and calculating a phase-in of savings at a 50-percent rate, there would be an annual savings to the taxpayer of $1.8 billion.

There are other areas in defense where I would recommend cutbacks to total an outlay reduction of $5 billion.

Target number two is Federal retirement. Some $800 million could be saved if dual annual cost of living payments for Federal retirees are limited to single adjustments such as is the case with social security recipients.

We can also move below the line—that is reduce projects which, according to the budget committee letter, cannot be cut deep enough without total destruction.

Deeper cuts should be made in revenue sharing for example. It is not enough to just reduce revenue sharing to the States. The entire program of $6.8 billion in outlays should be eliminated. Major reductions could also be made in a number of other budget functions listed in the letter including community, regional and environmental public works, energy programs, housing assistance, education programs, space and science programs, foreign aid. In other words, I would urge reductions in every one of these categories.

Thus, while the budget committee letter argues that cuts above the line are impossible, I would make significant cuts there. And while the letter argues that cuts below the line would be destructive, my reductions above the line would allow deep but not destructive cuts to be made in all the other categories.

Mr. MATHIAS. Mr. President, the one statement that you will not get any arguments on in the United States today is that something has to be done about our ailing economy. Rarely does a week go by when we are not shaken by reports of another economic indicator gone wild. In the last month, we have had to face squarely, for the first time, the prospect of 20 percent inflation and 20 percent interest rates. And there seems to be no end in sight.

These conditions have many causes. The initial spark for inflation was deficit spending. But, easy credit, lagging productivity, drying up of venture capital, and excessive government spending also fuel the fire of inflation. Many of these factors are beyond the immediate control of the Federal Government. However, two of them—deficit spending and excessive Government spending—are unquestionably within our domain. And, we, as responsible legislators, must put an end to them.

The fiscal year 1981 budget, originally presented by the President, called for $616 billion in total outlays, with a $16 billion deficit. The figure for total outlays has been updated by the Congressional Budget Office to $626 billion. Recently, the President proposed to balance the fiscal year 1981 budget, not by reducing spending, but by increasing revenues to $627 billion. The House and we, as Members of the Senate, are trying to balance the budget, not by increasing taxes, but by reducing total outlays to between $611 and $614 billion.

There has been a great deal of discussion recently about what the impact of a balanced budget actually would be. Some argue that it will have only a minor effect on inflation, reducing it by about 0.1 to 0.2 percent. I disagree with this. Deficit spending may now be only one factor of inflation, but, it was the original cause. As long as we continue to spend more than we have, and to inflate the money supply, we will never be able to control inflation. This is the place to begin the attack.

The trouble with Senator MUSKIE's amendment, which would only recommend a balanced fiscal year 1981 budget, is that it begins and ends the attack here. I think we must go a step further.

Reducing the level of spending below the point that will balance the budget will have a great psychological impact. While many people discount this factor, I think it is important. Balancing the budget is a good first step, but to stop there would be a signal to the American people that the business of spending will continue as usual. And, that is not the signal we, as responsible legislators, want to send. We must encourage a new attitude of thrift or our economic situation will continue to deteriorate. The American people are ready to make sacrifices, but we must make the first move and lead them in the fight against inflation.

Beating inflation will demand sacrifice and discipline from the American people and the American Government. High interest rates, necessary to slow the growth rate of money and credit, are squeezing every consumer and business owner. It is our responsibility to see that this burden is equally shared. How can the U.S. Senate ask Americans to tighten their belts, to go without a new house, to scramble to save for their child's college education, to forego building a new plant, if we refuse not only to balance the budget, but also to place further restrictions on Federal spending.

It is with these reasons in mind that I have joined Senator ROTH as a cosponsor of Senate Resolution 380 that calls for a reduction in the fiscal year 1981 budget to $596 billion—21 percent of our gross national product. I am also a cosponsor and strong supporter of Senator BAUCUS' bill, S. 2374. the Fiscal Responsibilities Act of 1980, that would permanently require a balanced budget by amending the 1974 Budget Act.

I am confident that my colleagues, after examining these proposals, will join in support of them.

Mr. THURMOND. Mr. President, I rise in support of Senate Resolution 380, which I am pleased to cosponsor. This resolution states that it is the sense of the Senate that the Senate Budget Committee report a first concurrent resolution on the budget for fiscal year 1981 that limits total expenditures to an amount not exceeding 21 percent of the estimated fiscal year 1981 gross national product (GNP). In other words, this resolution would put the Senate on record in favor of a balanced budget in fiscal year 1981.

Mr. President, as one who has strongly advocated and fought for a balanced Federal budget throughout my 26 years in the Senate, I am pleased that there seems to be a growing consensus in favor of a balanced budget for the upcoming fiscal year. I certainly hope that the mood that appears to prevail now will be reflected in the hard decisions yet to come, with the result that Congress effects sufficient spending cuts in nondefense programs to bring outlays in line with revenues. In fact, I hope that the degree of fiscal discipline will be strong enough to reduce expenditures to a point which will leave room for enacting meaningful tax incentives to promote business capital investment.

There is nothing particularly magic

about the 21-percent-of-GNP spending figure specified in Senate Resolution 380. It is simply that this projected level of Federal expenditures is ample to meet the funding needs of the Federal Government.

This limitation will permit the Federal Government to spend a sufficient portion of the expected national income to provide for the common defense and to fund the programs that most effectively promote the general welfare. Furthermore, based on projections of expected tax receipts, committing to a 21-percent-of-GNP spending limitation will result in a balanced budget for fiscal year 1981.

Mr. President, while a balanced budget is a most worthy goal, it is not an end in itself. The basic objective, and it is one that I hope all Senators share, is to get inflation under control. Stopping the current pattern of deficit spending will be a giant step toward achieving this goal. I have said it many times, but the fact remains that we have balanced the budget but once in the last 20 years. We cannot continue in this pattern. The economy of our Nation cannot stand it, and the American people, thankfully, are not going to continue to tolerate it.

At 9 a.m. today, the latest figures on the Consumer Price Index were released. They showed that inflation is galloping wildly out of control at an 18-percent annual rate. This 18-percent inflation rate, accompanied by prime interest rates that have already reached 19 percent and threaten to go still higher, is extremely dangerous for the future of our country. Stop and consider what we will be paying for things a few years from now if the inflation rate stays at 18 percent. In just 4 years, prices will double. In 10 years, they will look like this:

A candy bar will cost $1.31.

A car that costs $6,000 today will cost $31,000.

A $50,000 house—and the average cost today is already above that level—will cost $262,000.

All of this in only 10 years, if inflation gets no worse than 18 percent. It is not just mind boggling. It is frightening, and as I said, downright dangerous.

It does not have to happen, however, and we can do some things to stop it. Inflation can be controlled if Congress and the President have the collective will and good judgment to face the challenges. We must learn to say "No." Adopting this resolution will be the first step, but a most important movement, in the right direction of reining in Federal spending in order to help slow the pace of inflation.

Mr. President, this resolution also recognizes that it is extremely important how we achieve a balanced budget. It should not be done by the process of levying more and more taxes upon the people—either directly, or indirectly through the effects of inflation on progressive income tax brackets. That is one of the many things seriously wrong with the proposed budget which the President sent to Congress earlier this year. We have not seen his revised budget proposals, but, based on what the President has already indicated, we know that he is talking in terms of additional tax increases to generate more revenue, so that lesser cuts in spending will have to be effected.

This is the wrong approach, Mr. President—wrong because it adds to the tax burden of middle-income Americans who already are paying more than their share of taxes—and wrong because it will further hamper efforts to enhance productivity. This administration has pushed us to the highest tax and spending levels per capita since World War II.

In my opinion, we cannot realistically hope to restore economic vitality and stability in this Nation until we definitely and significantly reverse these higher relative tax spending trends.

Mr. President, the Muskie substitute to the Roth resolution suffers from the same flaws that characterize this administration's approach to "fiscal responsibility"—too much emphasis on subtle tax hikes and too little commitment to meaningful spending reductions in nondefense, social-welfare programs. We desperately need to balance the budget, but we must be equally concerned with the level of taxes and expenditures at which it is brought into balance. I hope the Senate will see the better wisdom in the Roth resolution approach and reject the Muskie substitute.

Mr. President, the decisions that we make here today will not have the force and effect of law. They will not by themselves solve our Nation's serious economic problems. However, if the Senate will face the difficult challenge and make what I believe is the right decision of adopting the Roth resolution, we will have taken a first, important step toward restoring fiscal responsibility and toward bringing inflation under control.

Mr. LEVIN. The Muskie substitute to the Roth resolution instructs the Budget Committee to report a balanced budget for fiscal year 1981. This resolution would require $16 billion of cuts.

I understand that the Budget Committee will recommend specific program savings when they report a balanced budget. Does adoption of the Muskie substitute bind us to support the specific cuts that will be offered by the Budget Committee?

Mr. MUSKIE. No; it does not. Each Senator will have to decide his own vote on the basis of his appraisal of our work.

Mr. LEVIN. Furthermore, in voting for the Muskie substitute are we committing ourselves to use the windfall profit tax revenue to fund general revenue programs?

Mr. MUSKIE. You are making no assumption about the windfall revenues in such a vote. The windfall revenues will come into the general fund, and Congress will have to make the decisions about how to spend them through the regular budget and appropriations process each year.

Mr. BAYH. Mr. President, I rise to join with Senator MUSKIE today in offering a substitute proposal to Senate Resolution 380, the resolution offered by the Senator from Delaware which is currently pending before the Senate.

I know of no Member of this body who has been more persistent in this pursuit of a balanced budget.

I believe that our proposal builds on that of the Senator from Delaware, and if adhered to by the Budget Committee, will provide the Senate with the necessary tools to make sound budgetary decisions later in the year.

The resolution introduced by the Senator from Delaware would express the sense of the Senate that the first budget resolution reported out by the Budget Committee this spring should limit Federal spending to 21 percent of the gross national product.

The substitute proposal that Senator MUSKIE and I and others are offering today would expand on Senate Resolution 380 by stating that it is the sense of the Senate that the Budget Committee should report out a balanced budget for fiscal year 1981, reserving any surplus for a tax reduction, as well as spelling out what additional cuts might be necessary to reduce the fiscal year 1981 budget to 21 percent of the GNP. In short, our proposal instructs the Budget Committee, at a minimum, to lay these two alternatives before the Senate when we cast the votes that will guide taxing and spending policy during fiscal year 1981. It will thus permit the Senate to consider both options in an informed manner as it assesses the best course for the Nation at that time.

The Senator from Delaware has been a long-time proponent of a balanced budget. He has also supported proposals to limit Federal expenditures to a certain percentage of the GNP, as many of us have, in order to get at the question of the size of the Government as well as the size of the deficit. I urge him to join us in broadening his resolution, so that we can consider both of these options, which are not mutually exclusive, in an informed fashion later in the year when we vote on the budget resolutions.

Mr. President, the Budget Act of 1974 provided the Congress with new procedures to coordinate Federal taxing and spending policies. For the first time, it charged House and Senate Budget Committees with recommending fiscal policies for the coming year which were sensitive to the Nation's economic needs.

As part of this exercise, the Budget Committees must report out two resolutions a year, one in the spring, and a binding one in the fall, which are meant to guide our taxing and spending committees and force the Congress to take responsibility for the sum total of the many individual decisions made by the Congress over the course of a year.

To my mind, these new procedures have been very helpful. They have forced us to look at the sum total of our efforts and not just the parts. This has been especially true this year, as we face an inflation rate of 18 percent or more, soaring interest rates, and a budget increasingly made up of "uncontrollable" expenditures, or automatic expenditures flowing from programs and benefits to which people are automatically entitled.

Mr. President, there is no question that the decisions we make this year will be critical for our Nation, and perhaps affect the course of the economy for years to come. This makes it all the more imperative that we weigh our actions very carefully in the months ahead. The resolution I am offering with Senator MUSKIE today will permit the Senate to do just that—to take into account a number of options available to us to reduce Federal spending and taxing, and the size of the Government, and do so in a manner that will be helpful in resolving our economic problems.

Mr. President, during recent months, as chairman of the Judiciary Committee's Subcommittee on the Constitution, I have considered a wide variety of proposals to amend the Constitution to require balanced budgets or limit Government expenditures to a percent of the gross national product. I have also been exposed to a cross section of economic thought on our current difficulties. The subcommittee held 6 days of hearings and listened to 38 witnesses.

I came away from this experience with two firm judgments. First, that it is essential to balance the Federal budget this year if we are to keep the confidence of the American people and get inflation under control. Second, that the Congress do this without delay by using established procedures available to us now and by exercising the discipline necessary to eliminate deficit spending at the Federal level post haste.

Mr. President, the American people have spoken loud and clear. They want a balanced budget this year. I believe that they will get it.

The House Budget Committee has already taken its first steps toward this goal by marking up a budget resolution that not only provides for a balanced budget in fiscal year 1981, but which also provides for a surplus.

The President has likewise spoken on this subject. He has announced his intention to send budget modifications to the Hill by the end of this month which would provide for a balanced fiscal year 1981 budget.

Having voted to balance the fiscal year 1981 budget last year, in the Public Debt Limit Act, the Senate would be breaking its faith with the American people if it followed any other course than to develop a balanced budget this year. I have every confidence that under the able and dedicated leadership of Senators MUSKIE and BELLMON, chairman and ranking member of the Senate Budget Committee, that the Senate will keep its word to the American people by balancing the fiscal year 1981 budget.

Mr. President, balancing our budget this year will reduce some of the pressure on the Federal Reserve Board and encourage the Fed to moderate its policy of constantly raising interest rates.

If the Fed refuse to lessen interest rates, I intend to pursue changes in the Federal Revenue Act which will enable Congress and the President to lessen present usurious rates which threaten to destroy our Nation's economy by inflation and recession. A balanced budget will also send a signal to the financial markets and the American people that we are serious about fighting inflation, and that the Federal Government is willing to do its share in cutting back and trying to live within its means. This is a necessary step toward moving our current double-digit inflation down to where it belongs. Accomplishing this goal will require sacrifice among many, and reductions, or even termination, of some programs that have merit and have enjoyed the support of many of us over the years.

The Senator from Delaware suggests that, rather than moving to balance the budget, we instead, move to limit the fiscal year 1981 budget to 21 percent of the GNP. This suggestion is designed to reduce the size of Government and the role Federal spending plays in our economy.

This approach is very similar to a procedure I endorsed when I introduced S. 2132, the Taxing and Spending Limitation Act of 1980, which would require the administration to prepare, and the Budget Committees to report out to the full House and Senate, a budget in which both taxes and spending would be limited to a certain percentage of the GNP. This bill, currently pending before the Senate Budget Committee, would require Congress to vote on that budget before it could consider any alternative budget which might provide for a higher level of Federal expenditures relative to the GNP.

To my mind, this proposal, which establishes by law that the Congress must consider limited budgets, is a good supplement to our existing budgetary procedures. It would force the Congress to vote, each year, on a limited budget aimed at paring down the size of Government. By addressing both taxing and spending, it would avoid balancing the budget by increasing the tax burden. At the same time, it would provide sufficient flexibility for the Congress to effectively deal with changing economic conditions.

The resolution Senator MUSKIE and I are sponsoring today has many similiarities to the approach suggested in S. 2132. It would call upon the Budget Committee to present the Senate with a balanced budget proposal, as well as a proposal that limits Federal spending to a percentage of the GNP. It would have the Budget Committee lay out the consequences of both of these proposals before us, and estimate their relative impact on the inflation rate. It would specifically outline what would be required in the way of cuts, for specific programs, in order to reach either or both of these goals. This, I submit, is the proper way for us to proceed.

Mr. President, before concluding my remarks, I would like to digress for a moment to discuss several related issues that very much bear on this debate: The impact of rising energy prices on our inflation rates, the impact of high interest rates on our economy, and my reasons for supporting a balanced budget through direct action this year by the Congress rather than through the vehicle of an amendment to our Constitution.

I raise these issues because I believe they should be an integral part of this debate. The American people want a balanced budget. This is a serious concern, and, as I said earlier, I do not think we will disappoint them with our actions.

At the same time, I think it is imperative to stress that reaching a balanced budget this year will not—I repeat, will not—bring our people speedy relief from the heavy burden inflation has laid at their doorstep. Even the most ardent advocates of a balanced budget do not believe that eliminating Federal deficits alone this year will shave more than a fraction of a percent from our current inflation rate.

The reason this is so is that balancing the budget will not immediately get at two other inflationary culprits: Soaring energy prices and interest rates.

SOARING ENERGY PRICES FEED INFLATION

Mr. President, I submit that many of the most serious national problems we face today can be traced back, in one form or another, to our intolerable dependence on expensive and insecure foreign oil.

A major cause of our present inflation is the shock of successive oil price increases which have raised our oil import costs from under $5 billion in 1972 to a projected $90 billion or more this year. These increases have raised the cost of a gallon of gasoline from 73 cents in 1979 to $1.26 today. They have raised the price of home heating oil more than 90 percent in the last year.

These increases have rippled throughout our economy. Several weeks ago, Walter Heller, a senior economic adviser in past administrations, estimated that 60 percent of the increase in the inflation rate last year could be traced to soaring energy prices. And I believe him. Almost every month over the past year, when the new CPI figures came out, it has been plain for all to see.

Last year the Consumer Price Index went up to 13.3 percent. Food prices went up 10.2 percent, energy prices 37.4 percent, and home purchase and financing costs went up 21½ percent. All other items went up 7.6 percent on the average.

If the proportionate weight of each of these items in the index is taken into account, direct energy prices contributed 3.2 percent of the 13.3-percent inflation, home purchase and financing costs contributed 4.3 percent of the 13.3-percent inflation, food prices contributed 1.8 percent of the inflation, and purchases of all other items contributed only 4 percent of the total 13.3-percent inflation. When compared to the 1978 rate of inflation, nearly 60 percent of the increase is directly attributable to energy prices.

These estimates show only the direct impact of these items on the Consumer Price Index. Underlying all of these increases is the hidden burden of energy cost increases on nearly everything we produce, and the reverberations which these increases have on the wage-price spiral, consumer expectations, and the counterproductive attempt to control inflation through higher interest rates.

The oil price increases we are experiencing as a result of the new OPEC policy—to produce less and charge more—

and of domestic oil price decontrol, have played havoc with our economy.

It would be bad enough if their efforts were limited to increasing petroleum product prices. Unfortunately, the ripple is much wider than that. With deregulation of natural gas, natural gas prices have gone up in lockstep with oil prices. These costs are passed on directly to consumers, in their gasoline and utility bills. They are also passed on indirectly in the costs of virtually all consumer goods and services because of the energy intensive nature of our society.

Increased petroleum and natural gas prices are reflected in the plastic wrapped around a loaf of bread or a pound of hamburger. They are reflected in the plastics used to make our automobiles, eyeglasses, toys and a whole myriad of consumer products. They are reflected in the polyester and other synthetics from which our clothing is made.

I could go on and on, Mr. President, but I believe I have made my point. Balancing the budget is important. But it will not make oil price increases go away or prevent workers from desiring wage increases so they can pay their heating bills and feed and clothe their families. It would be unfair and deceptive, Mr. President, to suggest otherwise.

This means that an equally critical part of fighting inflation will be to keep energy prices down, develop alternative domestic energy sources to back our foreign oil—such as gasohol and coal and coal derivatives—encourage new ways to conserve energy and break the monopoly stranglehold of the major oil companies, and their OPEC allies, over our economy by insisting on the introduction of competitive principles into the energy marketplace.

The profits the major oil companies are making at the expense of the average American are unacceptable to this Senator. In 1979 the profits of the 20 largest oil companies rose by more than 64 percent. During the last year gasoline prices have risen by more than 72 percent and heating oil prices by more than 90 percent. At the same time, the consumer has paid higher prices for energy, they have also paid again as the inflationary pressures of surging energy costs ripple through the economy.

While this issue is not before us today, I submit that if a majority of this Congress continues to support unbridled oil company price increases, we are in for hard times no matter how fiscally prudent we are.

SOARING INTEREST RATES FEED INFLATION

The present monetary policy of raising interest rates to fight inflation is counterproductive. Last year, the home finance component of the Consumer Price Index rose by 27 percent. The prime rate charged by banks has risen from 11.5 percent last July to 19 percent presently. At the same time consumer prices have risen from an annual seasonally adjusted rate of 12.7 percent in July to a rate of 18 percent during the months of January and February.

The cost of money not only affects the Consumer Price Index which in turn impacts upon indexed programs such as social security and many wage contracts, but it also raises the price of almost everything we buy. Business must pay these higher rates to invest in equipment, inventories, and plants and to refinance loans which become due on existing investments. These costs get passed on to consumers.

Raising interest rates to fight inflation not only severely impacts new investment on the supply side, but it sets us up for a recession which will be severe indeed. Monetary policy is a blunt tool to fight inflation caused by oil prices. Its impact on economic output is usually delayed for 6 months or more and its effect on inflation depends on inducing a recession and may be delayed for as long as several years. In the short run, it severely aggravates the inflation.

Furthermore, high interest rates single out the housing industry to bear the brunt of the burden. This has always been the case with higher interest rates, and it is unfair and inequitable.

I believe that one of the most important benefits of balancing the budget will come if our fiscal restraint would encourage the Federal Reserve Board to back off its present high interest rate policies. Not only will balancing the budget give the Federal Reserve more reason to back off, but it will also leave more funds available for private borrowing and investment.

REDUCE REGULATORY COSTS THROUGH CONGRESSIONAL OVERSIGHT

Mr. President, another area to which this Congress must direct its attention is Federal regulation. We must take strong steps to rein in the regulators—the inefficiency and ineffectiveness of poorly run, ill-conceived programs create incalculable costs which cannot be borne by a nation struggling to improve its productivity and retain its international competitiveness. We now have before us in the Senate several omnibus reform bills whose thrust is to improve regulatory performance through better management within the executive branch. While I support these bills in concept, I find myself more and more convinced that the most sure handle on controlling, molding, and pruning the regulatory machinery is in the hands of the Congress.

Congress created the agencies and their programs; we are ultimately responsible for them. If at times the agencies have overstepped congressional intent, if they have grown to size and power beyond that contemplated by us; if they have sometimes seemed to achieve a life of their own independent and unmindful of the constituents they were established to serve; then it is time for Congress to accept the responsibility of overseeing what they are doing.

In this belief, I intend to offer later this week a bill offering a new approach to congressional oversight of agency programs. It combines in a practical way two sound principles which have been studied in recent Congresses: "sunrise"—the establishment of performance measures; and "sunset"—the modification or termination of programs in an orderly review process by the appropriate committee. It will tie review to other legislative action, and to the budget process itself. It provides for workable reexamination by Congress of programs which have failed to meet their purpose and have become more of a burden than a benefit to those they were intended to serve. The country cannot afford the costs of ineffective and duplicative regulation. The Congress is the best place to control them.

Mr. President, I have painted a fairly bleak picture, perhaps bleaker than I intended, or believe is necessary. But I do so for a good reason. The American people deserve to know the truth about our current economic maladies, no matter how bitter the medicine. I believe too many politicians have held out too many false hopes and simple answers for too long. The plain truth is, that the economy is a complex web, and getting a handle on inflation will require action on a number of fronts. Balancing the budget is one of these. But the other areas I have touched on are equally important—if we are being honest with ourselves and the Nation. And this brings me to one last issue I would like to discuss, Mr. President. That issue is the wisdom of amending our Constitution to require a balanced budget, rather than leaving this responsibility with the Congress, where it currently resides.

A CONSTITUTIONAL AMENDMENT TO BALANCE THE BUDGET

Mr. President, as I stated before I did not reach a decision on the Balanced Budget Amendment to the Constitution easily or without careful study. Over the past year, as chairman of the Subcommittee on the Constitution, I held an extensive series of hearings on the various proposed amendments to the Constitution which were designed to balance the Federal budget or place a lid on Federal spending. We heard 38 witnesses including the sponsors of every proposed amendment in the Senate, the Secretary of the Treasury, the Director of the Congressional Budget Office, several distinguished economists and various nongovernmental organizations with a particular interest in this area such as the National Taxpayers Union, the National Tax Limitation Committee, the United Auto Workers, and the AFL–CIO. I have spent more time in hearings on the amendment issue than any other Member of the Senate.

At the conclusion of this study, however, I determined that the constitutional approach to balancing our budget was not advisable. This was not an easy decision on my part. Support for such an amendment is widespread throughout the country, as well as in my own State of Indiana. The proponents of the amendment presented an enticing picture of the benefits to be gained from such an approach. And it is a revered American maxim that families, towns, States, and the Nation should live within their means.

In making this decision, Mr. President, I opted for the kind of bite-the-bullet discipline evidenced by the Senate today as a better alternative to that of the long-drawn-out process of amending the Constitution and writing economic prescriptions fitting for our times into a document that is meant to endure for all times.

The difficulty of predicting our national needs is well known to all of us. In these volatile times, national security considerations weigh heavily on all of us. Unanticipated defense expenditures could be necessary at any moment. The constitutional amendment before the Judiciary Committee would have allowed an unbalanced budget in times of declared war. I remind my colleagues that America's last two armed conflicts were not declared wars and would not have come within the exception to this amendment.

Mr. President, a balanced budget amendment would severly limit the Government's ability to respond quickly to economic recessions. Witness after witness at our hearings have described how necessary it is for the Federal Government to be able to respond to a slowing economy in order to avoid recession or even depression. As former Secretary of the Treasury Blumenthal noted in our hearings:

> It is neither possible nor desirable to reduce the complex process of fiscal policy to the single constraint of budget balance. Flexibility is the necessary element of an effective fiscal strategy. Constitutionally mandating a balanced budget would undermine our efforts to develop and practice prudent economic policy.
>
> A rigid balanced budget mandate could exacerbate economic fluctuations. If income falls unexpectedly, then budget balance can be achieved only if tax rates are raised, or spending for the quarter of the total budget that can be controlled on an annual basis is drastically reduced. But such actions would be counter productive because they would reduce output, employment, and incomes still further, resulting in bigger deficits which would, under a balanced budget mandate require even larger cuts in spending and/or increases in tax rates. This is a formula for deepening recession, not for promoting economic stability.

In some economic situations a balanced budget can make a bad situation worse. Mr. Martin Gerber, vice president of the United Auto Workers, notes that these amendments would have a crippling effect on the working men and women of this country. In our hearings he stated:

> I can summarize our objections in a few words: the rigid requirement of a balanced budget every year is the best guarantee that a small economic downturn will be converted into a recession, and the best guarantee that a recession will be converted into a depression.

A study by the Council of Economic Advisers of the 1973-75 recession shows that if there were a mandated balanced budget in effect over that period, the unemployment rate would have risen to 12 percent compared with the actual rate of 8.5 percent. Moreover, the GNP in 1975 would have been about 12 percent below the 1973 level. As Secretary Blumenthal notes:

> Rather than just a serious recession, the American economy would have suffered its first real depression since the 1930's.

I should also point out, Mr. President, that this amendment would most likely result in an explosion of litigation in the courts. Rather than settling the issues of taxing and spending in the legislature through the elected representatives of the people we would have these central issues determined by the courts of our land. While I have a great deal of respect for our courts I do not believe they are properly equipped nor do I believe they provide a proper forum for such decisions. The people, through their elected representatives, should make these determinations, not unelected judges who hold their positions for life without standing for public scrutiny and judgment through the elective process.

In short, Mr. President, I believe the preferable approach now, and in the future, is year in and year out fiscal responsibility on the part of the Congress. The initial cuts which will have to be made will be painful for everybody impacted by them. Once the deficit is eliminated, and the Congress moves in the years ahead to practice responsible oversight, I believe the underlying logic of this position will be sustained. There will be tough sledding ahead—politically as well as on the merits—for those of us favoring this approach. But the problems are too serious and complex for this Senator at least, to choose any other path. And I say, "let's get on with the job."

In closing, I commend the chairman of the Budget Committee, the distinguished Senator from Maine, for the leadership he has provided over the years in exercising this responsibility, and especially for the hard work and diligence evident in his work on this substitute to Senate Resolution 380. I believe the substitute we are offering improves on the original resolution offered by the Senator from Delaware—in requiring both a report on a balanced budget and a budget limited to 21 percent of the GNP—and hope it will enjoy the support of those supporting Senate Resolution 380. I have been honored to work with the dstinguished Senator from Maine, as well as the majority leader in developing this proposal. I urge Senate adoption of this modified version of Senate Resolution 380.

The Senator's proposal is meritorious. It, perhaps, does not make as much political sense as some of the seemingly easy, simple solutions offered by others. But it makes a lot more economic sense.

I think now the people of this country are demanding good, commonsense.

I am glad to associate myself with the Senator.

Mr. MUSKIE. Mr. President, I would like to express my appreciation for the support of the distinguished Senator from Indiana in developing this approach to the balanced budget goal which seems to have so much support around the country.

As chairman of the Constitutional Amendment Subcommittee of the Judiciary Committee, Senator BAYH has had to conduct hearings and deliberations in the Judiciary Committee on so-called constitutional balanced budget approaches.

He has had serious reservations about those while still committed personally to the objective of a balanced budget under our present economic circumstances.

So I appreciate the cooperation he has given me and the majority leader, and others, in this effort to develop a proposal that is realistic, that will advance us to the goal of a balanced budget in 1981, without some of the inflexibilities involved in other approaches.

So I thank my good friend from Indiana.

Mr. BAYH. If the Senator will yield, I appreciate the thoughts of the Senator from Maine.

The more we have studied this particular problem of how one balances the budget, the more I have been persuaded that to put something that is lacking in specificity, that is lacking in absolutes, into the Constitution of the United States would be folly.

I understand the great appeal this has to many of our colleagues. I do not want to be unnecessarily critical of them because this has been portrayed by many people in the country as if it were the magic potion, the one teaspoonful of snake oil that will cure us of everything from arthritis to boils to, perhaps, fallen arches.

The fact of the matter is that the economic theory in this country today is not a 2-plus-2-equals-4 science. It is an art, at best, one which is practiced with great deftness by my friend and colleague from Maine.

To put something into the Constitution that is lacking in this definiteness, I think, would have been tragic.

I am glad the majority of my colleagues on the Judiciary Committee saw the wisdom of this and refused to go along with it.

However, I think the fact that we were not for a constitutional amendment should in no way be interpreted as a lack of resolve to try to get our fiscal house in order.

As I said earlier, my distinguished friend from Maine has been one of the most persistent souls in this body who has pursued this course. I am glad to join hands on this with him.

Mr. MUSKIE. I thank my good friend.

Mr. President, at this time I yield myself such time as I may need to engage in a colloquy with my good friend from New Jersey (Mr. BRADLEY).

The PRESIDING OFFICER. The Senator is recognized.

Mr. BRADLEY. I thank the Senator very much.

Mr. President, I would like to have a colloquy about the intent of the resolution the Senator has offered to the Senate.

I think that all of us will agree that, over the years to come, reduction in Federal expenditures is a salutary process for a fight against inflation.

At the same time, the argument is adequately made that it will reduce only a small part of the inflation rate in 1981 if we balance, but what we are really dealing with are expectations, and that a balanced budget will affect the expectations of business, the financial sector.

I, as one Senator, feel that tax policy will have more direct effect on those expectations. I also believe that the balanced budget concept is just a part of the total fight against inflation, that if we come into 1981 with the idea of balancing the budget, we might find that the other inflation medicine has worked, that monetary policy has squeezed off the flow of money, and that we are moving, instead of into an inflationary spiral, into a recession.

I know the chairman has had the same kind of contacts I have from the housing industry in his State that is crying about 12- to 15-percent mortgage rates. I know the chairman has had the same contact with businessmen who are faced with business investment decisions that they are unwilling to make with money as expensive as it is. I also know the chairman is aware that even consumers have reduced those savings accounts and can no longer consume. That is reflected in the national reduction of savings from 6 percent to 3 percent.

So if our objective is the long-term redevelopment of our economy, to make it more productive, it is possible we will come to a time in 1981, and even in the consideration of the budget for 1981, when this Senator might feel that tax cuts directed toward increasing productivity are more important than a balanced budget, per se.

I would like to ask the distinguished chairman if he sees anything in support of this resolution that would preclude support of tax cuts in future considerations of the budget.

Mr. MUSKIE. I will make these points to my good friend, and he has raised concerns that occurred to many of us.

The other side of high and persistent inflation which we are experiencing is the risk of recession, and even a deep recession. All those with whom I consult, people in the financial community, people in the financial institutions, all see that risk, and no one is in a position to guarantee that risk will not materialize.

But the immediate risk to which we must address ourselves, in my judgment, is the high, persistent, and exploding inflation which is the product, in the minds of many people, of inflationary expectations.

Those expectations prompt them to make their wage and price decisions, as though they expected inflation to be even higher, and perhaps even permanent.

So it is important to try to stabilize those expectations and to bring them down to a more normal scale.

Having said that, we still must be alert to the possibility of a recession. The budget process is flexible enough, and during its 6 years of life has demonstrated that flexibility, to respond to changes in our economic prospects. I think the possibility of tax cuts to respond to that kind of development is demonstrated by the record of the budget process since 1974.

I say, too, that in the first concurrent budget resolution, which was confirmed later by the second budget resolution for 1980, for the current fiscal year, our projections over the next 5 years assumed the possibility of a $55 billion tax cut in 1982, and perhaps a smaller one in 1981, if the rather small surplus we anticipated in 1981 at that time materialized and grew.

So there is a place, a very distinct place for tax reduction in our economic planning for the future—I am not talking about 10 years down the road, I am talking within the next 5-year time frame, or even less—there is a place for changes in the tax code which will—and I know this is very high on the Senator's mind—stimulate investments in productivity as well as prices, relieve some of the pain of the social security tax increases that will go into effect next January, and, possibly, if the worst happens, stimulate an economy that slows down to too great an extent. These are possibilities we need to be alert to, and the need for which we ought to be ready to respond to, if the circumstances develop in that fashion.

That is not precisely on all fours with what the distinguished Senator from New Jersey would prefer to see put in place now.

I understand the Senator's concerns. There are people who share that policy approach. So I respect it. It is just that we all have to make the choices.

I urge the particular formulation in the Muskie substitute, because it does three things. As the Senator knows, it will have to have the support of the majority of this body or it does not become policy.

Number one, it sets up as an objective a balanced budget in 1981 to hit the high risk of inflation. The Senator is right in suggesting that if it has an effect against inflation, it will not be very visible in the econometric models. The issue is whether or not we would really hit hard at inflationary expectations.

Second, it holds out the prospect for a reserve, if everything works out well, that could be devoted to two of the three tax objectives I have discussed.

Third, it will present, only as an option, if the majority of the Senate wishes to support it, even deeper cuts, which some in the Senate think should be made in order to meet the inflationary problem.

So it is the kind of resolution, I suppose, which does not please everybody and displeases some. Whether or not it commands the support of a majority remains to be seen.

However, I do assure the Senator that I understand fully his concerns not only with respect to this legislation but also with respect to the question of whether or not this resolution will leave us enough flexibility to move effectively in the direction he proposes, if economic developments justify that kind of move. In my judgment, we do have that kind of flexibility, and I assure the Senator on that point, whether or not I can assure him on all the questions he has raised.

Mr. BRADLEY. I thank the chairman for his explanation of the resolution and the way he sees the economy going in the next year.

I do intend to support the resolution, but I should like to reserve my right to make sure that in any further budget process considerations, we do have sufficient incentives to increase productivity.

Since we are talking about addressing inflationary expectations in the long term, I think it is important that we create the climate for investment and savings that will put the economy back on the right road.

If we get down the road and there is a conflict between the balanced budget, as such, and the kind of incentives that I feel are necessary for us to be competitive in an ever-increasingly competitive world, I make it clear at this point, prior to the vote, that I intend to support those initiatives to make us more competitive and increase our productivity.

Mr. MUSKIE. I should like to make a couple of other points, to assure the Senator with respect to his options.

No. 1, this is a sense of the Senate resolution. Whatever the Senate puts into this resolution I will regard as binding on me, because markups begin in the Budget Committee tomorrow.

If, for example, the Senate adopted the Roth amendment today, I would feel bound—morally, if not legally—to seek its implementation, even though I think it is wrong, the wrong medicine for the country at this point.

Second, whatever budget we adopt in April of this year, whether it is a budget structured on the Roth resolution or on the Muskie substitute, is a target budget resolution; and it is not until September that we adopt the binding budget resolution. That gives us from May 15 until September 15 to contemplate not only the spending measures that come before the Senate but also the economic policy upon which they are based.

If the bottom falls out of the economy this summer, the second budget resolution is available to us to make any midcourse corrections that the majority of the Senate think necessary.

So, from a procedural point of view as well as in terms of the substance of this resolution, I think the Senator will find his options pretty much open, depending upon developments throughout the course of the summer.

Mr. BRADLEY. I thank the chairman.

I should like to ask him one more question. Support of the resolution does not entail support of any specific cuts but is simply a direction that the Senate as a whole is giving to the Budget Committee in its deliberations. Is that correct?

Mr. MUSKIE. The Senator is correct.

In responding to the Senator's question, may I also respond to a point Senator ROTH made earlier today.

We will, of course, give consideration to the proposals for cuts which were developed in the leadership meetings that were held over the past 2 weeks. We also will give consideration to any additional proposals the administration may suggest.

Senator ROTH's list of proposed changes certainly will be evaluated and considered, as will any others. I know that Senator BELLMON has a list of proposed cuts for both 1980 and 1981. We will do our best to analyze them all and to weigh the merits of the various proposals and try to combine them into a final resolution.

So there is no specific list attached to this Muskie resolution, and I suspect that Senator ROTH will make the same comments relative to his resolution. The cuts he proposes and the cuts I have discussed today are all illustrative. They pretty much narrow the field. If you go outside what we propose together, there is not much left that you can cut without hurting programs very deeply.

So we are open to the consideration of any ideas; and, of course, the committees will make suggestions to us in their March 15 reports.

So I think there is plenty of room for flexibility. All we are talking about is a sense of the Senate resolution, one or the other, as a guide to the Budget Committee as we proceed with our work.

Mr. BRADLEY. I thank the chairman very much.

Mr. MUSKIE. Mr. President, I yield the floor.

Mr. ROTH. Mr. President, I yield such time as he may require to the Senator from——

How much time does the Senator want?

Mr. SIMPSON. Five minutes.

The PRESIDING OFFICER. The Senator from Wyoming is recognized for 5 minutes.

Mr. SIMPSON. I thank the Senator.

Mr. President, I commend my friend BILL ROTH, even though he had a momentary lapse in remembering that it is the State of Wyoming I represent. I will chat with him later about that. He has done a tremendous job in speaking on this issue, and the people of America are paying attention.

The President now proposes to cut billions of dollars of spending from his January budget and achieve a balanced budget at a level of $613 billion. I say that is a fine start but woefully inadequate to solve the Nation's grave economic problems. The $613 billion still represents between 21.6 and 22 percent of the Nation's estimated GNP for fiscal year 1981. This does not include that most puzzling item of "off budget" spending, which is $18 billion, another 0.6 percent of GNP.

Off-budget spending: A sinister connotation and concept, which we really do not deal with very well. We are going to hear more and more of that in the coming months.

On-budget and off-budget spending for fiscal 1981 would thus total between 22.2 and 22.6 percent of the GNP. This is consistent with the high spending levels of the last 5 years but substantially above those for the 15 years prior to 1975, which were generally 19 or 20 percent.

Senate Resolution 380 would express the clear sense of the Senate that the first concurrent budget resolution should not exceed 21 percent of the GNP. Remember, this is for on-budget spending only. In my judgment, we should be gunning for a figure of 19 percent for on-budget spending. That may be too much to target for in 1981, but we should work for it in future years.

I believe we must also bring the off-budget items back into the budget where they will be more visible, more controlable, and where we will be more accountable for them. The appropriate figure for total spending might then be 20 percent of GNP. That is a nice round number.

Mr. President, it should be clear to everyone now that we must take some action to limit spending. We get lost in the issue of balanced budgets when we should be talking about limiting spending. That is the issue. It is obvious that a balanced budget in itself is not enough. A budget could be balanced at 20 of GNP or 50 percent of GNP. That is how you solve the problems with mirrors.

Government spending is the culprit. Government has taken resources away from productive use by the private sector. Whether those resources are taken by taxes or borrowing, the effect has been to leave less for private investment. Higher interest rates, lower capital investment, declining productivity—all have been the inevitable consequences of a lower supply of private investment money.

The Federal Reserve Board has inflated the money supply in an attempt to reduce the economic problems this has created. But people are really not fooled any more. More dollars in circulation does not mean more resources available.

Mr. President, what do we do? It is clear to me as a freshman Senator, onstream for 14 months now, that the necessary spending restraint will never be achieved by a case-by-case examination of spending programs. The advantages of every spending program are made very clear to us by the lobbying activities of the special interest groups that most benefit. The political disadvantages of opposing the program are also made quite clear to us by these same groups.

Do we ever hear much anguish or opposition expressed about these programs? Do we ever hear much about priorities, or about the fact that maybe some other program might be better or, heaven forbid, maybe even that the money should be left for the taxpayers? No, it does not happen that way, for who would say those things? The average taxpayer is not represented by a lobbyist and he has not the time or the energy to be aware or actively interested in every program. And for the same reason, he is unlikely to abandon his support for a politician based upon a single spending vote, unlike the member of the special interest group.

I admit that in my time here I have now played the full game. I have blasted the budget. As the ranking minority member of the Committee on Veterans' Affairs, I shepherded a bill through on the GI bill—$480 million worth. And I voted for it, well aware that it was over the budget guidelines.

I say there is no way that we are going to turn the situation around until we make firm decisions about the size of the total pie. That is the only way we will achieve fiscal responsibility. I represent a State of rather progressive philosophy, but rather fiscally conservative. Nevertheless, most every group that comes to my office says, "Get with it, Al. Cut her back. We are counting on you," but before they leave my office, they ask for their $5 or $10 or $15 million worth from the Federal Treasury.

That is the problem. So we get in the habit of saying, "somebody get that group out of town. Give them their $20 million so we can get on with the burning issues of the day." That is where we make our mistake. Until the amount of that pie is limited, so that this is all we have to play with, we will not produce results.

How do we work our operation here? We take our computer terminal with us back to the home district. We punch the buttons and say "These are the goodies which we can promise you today." We never stop it either. Oh, we will jab each other. I will jab Senator ROTH on some of his pets. I may jab Senator MUSKIE on some of his. They are going to jab me on some of mine—we have all been at fault. But we just keep doing it.

Mr. President, the existing budget process is not adequate. It is affected by the political realities I have just described.

As long as budget totals can be easily increased to allow more money for a particular program, whether by borrowing or by the silent tax increases caused by "tax bracket creep," then that will be the most likely result, rather than to incur the political disadvantage or wrath of rejecting the program or reducing some other program, or going on the record for a legislated tax increase.

In other words, even if we conformed to the second budget resolution, which we have not been doing, we would still be spending too much. We must somehow place a limit on the spending totals.

Mr. President, I believe that we should permanently reform the process by which budget and tax decisions are made, to eliminate the spending bias that exists as a result of the easy availability of borrowing and automatic tax increases. I continue to support a constitutional amendment to achieve this purpose. Senate Joint Resolution 126 would have proposed a constitutional amendment to require that any deficit budget be adopted by a three-fifths vote and that no tax increases occur without a rollcall vote by Congress.

Unfortunately, Senate Joint Resolution 126 was defeated last week in the Judiciary Committee by a 9 to 8 vote.

I am most skeptical that a statutory approach alone will be adequate in the long run, esspecially if we should reduce the severity of our economic problems. However, a modification of the budget process to limit total spending would be effective now, when it is needed most. I believe public opinion would assure that effectiveness.

A 21-percent limit for on-budget spending, although too high to be the appropriate figure for future years, is an achievable limit this year. It would require the President's new budget to be cut. I urge the support of my colleagues who wish to reduce our economic problems by reducing the Government's drag on the economy.

Let me conclude my remarks by saying that if we were to establish a limit on the size of the total spending pie, then we would have the citizens behind us and the marts of trade and commerce would begin to respond—they do not really listen to us now because they believe we are not being serious..

And we might just be able to resist the political pressure of special interest groups. Once the size of the total pie were established, one group's share could not be increased except at the cost of reducing some other group's share. Spending advocates would be fighting each other, not the taxpayers. They would have to show not only that their own program would be beneficial but that the benefits of alternative programs would not be as great. Aside from the spending restraint results, this would have a most healthy effect on political debate. For the first time we would become a responsible, vigorous debate arena since we would have to truly set priorities.

Thank you, Mr. President.

Mr. MUSKIE. I shall address a question to the distinguished Senator from Wyoming. He says we should vote for the Roth proposal because the budget process does not work.

The budget process is a broad proposal and by its terms mandates the Budget Committee to do the job.

The second point the Senator made is that we are not going to control spending until we limit the size of the pie. The budget ceiling that the Senator concedes he voted to breach was set in the 1980 budget for the purpose of reducing the size of the pie.

How would the Roth proposal in setting the size of the pie work any more effectively than the 1980 budget resolution when it tried to set the size of the pie?

The Byrd amendment in 1978, which is now part of the law, undertook to set the size of the pie.

Or the Nunn-Chiles-Bellmon amendment of the 1978 Revenue Act undertook to set the size of the pie for this fiscal year 1981, 20.5 percent of the GNP.

None of those have worked, and they all have been structured different ways. The last one, the Nunn-Chiles-Bellmon amendment, was very similar to the Roth amendment. All of those were attempts to set the size of the pie.

Why did they not work?

The answer may lie in the reasons which prompted the distinguished Senator from Wyoming to vote for a program which breached the size of the pie with respect to the very year we are discussing, 1981.

Now he wants to set that at a lower figure. I am for limiting the size of the pie. My frustration comes when we get to the specific decisions which determine whether or not we stay within the size of the pie, and it is in that area that we have run into trouble consistently for the last 5 years.

I do not see anything in the Roth formulation to deal with that problem.

In the Muskie proposal we would make the commitment to a balanced budget. Hopefully, we can make reductions in outlays below the levels necessary to balance the budget. I doubt that we can get down to this $45 billion reduction but we will report out a specific amendment listing specific cuts that could be made to reduce the pie to the Roth size.

So the Muskie resolution combines both the general objective of limiting the size of the pie plus the specific means of implementing it. There is nothing like that in the Roth resolution. There is in the Muskie resolution.

And that amendment will be at the desk with the first concurrent budget resolution and anyone who wishes to, the Senator from Delaware, the Senator from Wyoming, will be free to offer that amendment as an amendment to the first concurrent budget resolution which will be balanced. There is nothing to prevent it.

The difficulty, of course, will be that it will include the specific areas which have to be cut in order to achieve the Roth level.

There is a chance to combine both the general pious wish, in order to reduce spending to a certain level, plus the specific means to achieve it.

Mr. President, I think this might be an appropriate moment for me to make the record with respect to something that Senator Roth said earlier today. That had to do with the outlay totals for fiscal year 1981 contained in the Senate concurrent resolution for this year. That amount was $596.8 billion. Senator Roth says that is the figure he now adopts rather than the $45.2 billion, although his amendment at the desk is still the one that would require cuts of $45.2 billion.

But suppose he were to lift his target for outlays to $596.8 billion, which was in the second concurrent resolution. Why is not that figure a valid one today? Well, No. 1, there is the President's proposed defense increase of $4.9 billion, and I suspect my friends on that side of the aisle consider the President's defense number too low.

Well, all we put in here was $4.9 billion which reflects the President's increase. You add that to the $596.8 billion.

Then you have an increase in interest costs. As all Senators know, the Federal Reserve in October or November increased interest costs to the point where they are now around 18 percent. Well, that costs the Federal Government something. I mean that added $12.1 billion to the Federal Government's cost of interest. You have to add that to the $596.8 billion.

Social security and Federal retirement, the estimates for those costs have gone up because of inflation and increases in the rolls that have taken place, and that adds $3.6 billion.

Then unemployment compensation—and this is based, of course, on economic projections, because we are talking about a year that has not yet started. I mean if unemployment does not rise any higher than it is now then this figure will not have to be added. But all of the economic forecasts we get indicate that unemployment is going up, and if it is you have got to put a figure in to cover the costs, and that adds $4.4 billion. I repeat if there is no increase in unemployment some of these costs will not need to be added.

Now, that takes it up to $621 billion. That is the reason why the $597 billion no longer fits, and it is because of these additions—and I suspect just if the initiative to increase defense spending by as much as $10 billion a year gets a lot of support in this Chamber, then you would have to increase that outlay number from $621 billion to $631 billion if that happens.

I mean you can ignore arithmetic if you wish to and base your policy on what was relevant after you added up all the numbers last fall. But I cannot bring myself to ignore these additions that have to be made to any responsible consideration of where Federal spending is headed unless we do something about it.

Now, when the second concurrent resolution came out of conference outlays were at the level of $600.5 billion. If you add these other numbers, which I have added to the second concurrent resolution, then you are up to $624.7 billion, which is the $625 billion to which Senator Roth has made reference.

We rely on CBO's analysis of the cost of the President's budget, and that analysis is at $629.2 billion.

So when we are mandated to make cuts that is what we have to cut. We cannot begin cutting at $613 billion or $615 billion or $616 billion. We have to begin cutting at the level which CBO tells us is the cost of the Presidents budget, and in order to reduce and to get down to $616 billion we have to cut $13 billion. There is no alternative. I cannot get down to $616 billion by fiat, by arbitrary judgment. I have to get there by cutting something from what is in the $629 billion.

So, in order to get down to the $613 billion that I talked about this morning we had to cut $16 billion. In addition we had to agree to change the laws in order to achieve another savings of $5 billion which the President assumed in his budget would be done. But the same assumption was made in the 1980 Federal budget, and Congress did not achieve those savings. You all remember the struggle over reconciliation and our inability to get the House to concur, and a lot of those savings were involved in reconciliation.

We committed ourselves to that $5 billion, and so we have committed ourselves, those of us who have been involved in this exercise, to $21 billion in spending reductions.

But in order to get below that to the Roth level, if the Roth level was retained under the language at the desk, we would have to get down by $45.2 billion or another $29 billion, and that is the nature of the arithmetic with which I have to struggle.

Frankly, in my judgment, I could not floor-manage a budget resolution that was built on Roth, because it simply would require unconscionable cuts, in my judgment, in areas where they ought not to be made at this time.

But if Roth is adopted, I would sure bend every effort to see that the Senate gets an opportunity to vote on a budget structured on the Roth lines.

It would be interesting to see how many votes such a budget could get, and

I would be surprised if it got a majority of the Senate at that time. It is one thing to get a majority of the Senate voting for a resolution of general policy today; it is another one, as I have learned through bitter experience, to get those who vote for such a general expression of policy to vote for such a general expression of policy to vote for the specific reductions which are needed to implement it. That is my constant frustration.

Mr. President, how much time do I have left?

The PRESIDING OFFICER. The Chair will advise that the Senator has 5 minutes remaining.

Mr. MUSKIE. I reserve the remainder of my time.

Mr. ROTH. I yield some time, Mr. President, to my friend from Wyoming.

The PRESIDING OFFICER. The Chair was not able to hear the Senator from Delaware. How much time did he yield?

Mr. ROTH. Such time as the Senator would take.

The PRESIDING OFFICER. The Senator from Wyoming is recognized.

Mr. SIMPSON. I thank the Chair and I thank Senator ROTH for yielding.

You mentioned, or Senator MUSKIE mentioned, constant frustration. I certainly share that frustration.

I have seen that Senator work on this issue, labor on this issue, scold on this issue, exhort on this issue, punch us around on this issue, and do all the things that can be done under the existing budget process to make us listen.

Unfortunately, we always have an escape hatch. We can always get out of the box and say, "Well, somebody give that group their $10 million and get them out of our hair." There is no limit apart from the particular spending total that has been adopted, which can be modified at any time without violating any norm.

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. President, may I ask a question at this point very specifically? How does the Roth resolution close the escape hatch?

Mr. SIMPSON. Mr. President, the Roth resolution is a start. We do not seem to do anything in the area of start here. At least a norm would be established. If spending were planned in excess of that 21-percent norm, it would be clearly seen as violating not merely the total arrived at by totaling a particular set of spending programs, but also an economic policy—that Government should not represent more than a very specific fraction of the economy, 21 percent.

Where we really could have closed the escape hatch was in the Judiciary Committee the other day when Senate Joint Resolution 126 fell by a vote of 9 to 8, as I have already indicated.

Whenever the issue of a constitutional amendment on these issues is brought up, it is dealt with as if it were simplistic, Neanderthal, and out of step with the world. It is not. It is what the American people are demanding. The amendment proposed by Senate Joint Resolution 126 would have greatly reduced the spending bias in our political process. Given public opinion today, the effect would have been to produce the spending restraint so badly needed.

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. SIMPSON. I yield.

Mr. MUSKIE. Mr. President, I know it has been what a lot of people are demanding. And I do not use any of the adjectives that the Senator has used to describe my position.

But I do not believe it would work any more than Roth would work. What I fear is that when you put that kind of a general policy—unworkable, in my judgment—on the books and say, "Ah, I've closed the escape hatch. I don't have to do anything more," you then weaken the only thing that is going to close that escape hatch and that is good old-fashioned willpower.

There are so many ways around the constitutional amendment of that kind. I think the best description of it is one that was made by the well-known ultraliberal columnist James Kilpatrick. You all know Jim Kilpatrick. He read this constitutional amendment that was pending in the Judiciary Committee and wrote a column on it. If I can find it, I would like to put it in the RECORD.

But he read that very constitutional amendment which the Senator was discussing. Jim Kilpatrick, that well-known ultraliberal columnist, said:

> I've read that resolution. It doesn't mean anything. It won't work, because what it says is that the Government's expenditures and revenues shall be balanced.

He said,

> The problem I have with it is that it is the Congress which defines expenditures and revenues.

Just to give you one illustration.

The Federal budget is the one budget in America that does not separate out capital investments at all. Now, I think it would be a bad idea to do so. Corporations separate them out and they have balanced budgets while they are borrowing money to the sky to invest.

Mr. SIMPSON. Will the Senator yield?

Mr. MUSKIE. Let me finish my point.

Mr. SIMPSON. The Senator is using my time.

Mr. MUSKIE. Well, I would be glad to put it on my time.

All right, I will yield the floor. The Senator is not interested in my point. I yield the floor because I want to reserve some time for the majority leader.

Mr. SIMPSON. Mr. President, I assure the Senator that I am very interested in his point, but I am more interested in the limited amount of time I was able to obtain from the Senator from Delaware.

Let me just conclude very swiftly. First, is is questionable whether a Federal "capital budget" would be balanced, given proper depreciation allowances. You have heard my comments with regard to the constitutional amendment. They make clear that the statements you attribute to Mr. Kilpatrick do not accurately describe the amendment.

I would leave you with this interesting concept. If Senators are really going to listen to the so-called experts, who are telling us what a balanced budget/tax limitation amendment would do—or what this would do—that is, nothing, then I can only say: Remember, these are the same people who present us with the mysteries of econometric models, synthesis studies and extraordinary little items like that, and who told us 5 years ago that unemployment would be less than 2.5 percent and that the inflation factor would be less than 4.8 percent.

Now, I personally have given up listening to those people. They have nothing to communicate any more. Their credibility is zip.

Let me add to that that I have made my confession. I told how, on the Veterans' Administration budget, I busted the bank at Monte Carlo. If we would all tell those horror stories, maybe we could get to some honest appraisal of what we are doing. We do not act responsibly. We do not have willpower. That is the way it is. We will only obtain that in a secure fashion when we have a constitutional amendment reducing the spending bias that exists as a result of the easy availability of borrowing and of automatic tax increases.

I will not get into dropping one on my colleagues and say: "How about the one you voted for? I saw what you did that day. How about the public works bill? I saw that turkey in your State."

That is not helpful. Let us not blame each other. Let us adopt a problem-solving attitude. Let us try to work our way out of the morass. The morass is that we have a spending bias in America. If you spend properly and abundantly, you can get elected and elected and elected.

The PRESIDING OFFICER (Mr. MORGAN). Who yields time?

Mr. ROTH. Mr. President, I yield 5 minutes to the Senator from New Mexico (Mr. SCHMITT).

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. SCHMITT. Mr. President, I thank the distinguished Senator from Delaware for yielding and for his leadership on this matter where we are trying, once again, to give the framework under which the willpower and the discipline of the Senate, which I am sure it has, can be exercised.

I am reminded in our present situation, Mr. President, of a time that maybe the Senator from Wyoming would think back with me on, when I was a boy about 10 or 11 years old, hunting with my father around the Rio Grande River where, unlike Wyoming, we have a great deal of sand along the edges of the reservoirs where we hunted ducks.

At one point we were driving an old 1946 Chevy out on this sand, knowing full well that there is a tendency for evaporation to cause a crust that will temporarily bear the weight of almost everything, but not over any extended period of time.

Knowing that, my dad sent me out ahead of the Chevy to test the bearing strength of the sand. Well, you might expect what happened. We sent a lightweight out ahead of the Chevy—somewhat as we have done ahead of the economy—and the Chevy sank into the sand. We spent the next 8 or 10 hours doing everything we could to get that Chevy—now the so-called economy—back to solid ground: sagebrush under the wheels, canvas under the wheels, jacking and shoving, until we finally made it. It took a lot of different techniques.

I think, with respect to getting the economy back on solid ground, it is going to take every commonsense technique we can come up with to do that. One is the kind of discipline that Senator ROTH is asking us to exercise by approving his resolution and by rejecting the substitute that has been offered.

Mr. President, the American economy is on crusted sand and confronts a crisis of unprecedented magnitude. Once again, today we are hearing that the Consumer Price Index is 1.4 percent for the month, the increase rate for the month of February. Inflation, as measured by the Producer Price Index, is running at an annual rate of 19.2 percent versus the now annual rate of 18 percent for the CPI.

The productivity of our workers, measured in output per hour in the private business sector, has declined in each of the past four quarters. The savings rate of American consumers as a percentage of disposable income is 3.4 percent, less than half the 1971 level. The financial markets are in a state of disorder waiting for Government action that demonstrates a real recognition of the seriousness of the crisis confronting our country.

The revisions of the fiscal year 1981 budget and the anti-inflation program recently announced have not had a significant impact that this Senator has seen on the inflationary expectations of the American people and the American business community. The public recognizes that changes announced thus far in the fiscal year 1981 budget and the rumor of other changes to come will not be felt at all until October of this year, if at all, and will have no measurable impact until several months later and, in spite of everything that is said, will probably have no measurable impact on the inflation psychology of the country, because the people see through them; they are not realistic efforts to fight inflation. The only effort that makes any sense whatsoever is getting this budget balanced and exercising the kind of clear-cut, accountable discipline that the resolution by the Senator from Delaware will provide.

These actions that we have heard articulated by the administration have not yet restored the confidence of the American people in the ability of their Government to calm the inflationary forces that are shaking our economy to its foundations and shaking the credibility of our country to its foundation.

To have a significant and immediate impact on the forces which have created so much uncertainty in our economy and in the minds of our people will require stronger action than thus far the Senate and the House have been willing to take.

Stock market prices closed yesterday at their lowest level in nearly 2 years. The Dow average fell 19.71 points to 765.44, the lowest for that average of 30 large industrial stocks since April 6, 1978. Since the President announced his anti-inflation program last week, the Dow average has declined nearly 5.7 percent.

The bond market has continued a long decline and a bond worth $1,000 on January 1 is worth about $800 today. The ability of America's businesses and corporations to borrow money to build new factories and buy new equipment that will employ more people has been seriously eroded. In 1979 our gross national product rose 0.8 percent, in 1980 it may grow even less, or not at all.

We need Government action that demonstrates our commitment to restoring vitality to our system. We need relief from the highest level of taxation since World War II.

A year ago there was a great deal of talk about a tax revolt. Yet we are here today debating a budget that would allow for a $92 billion increase in Federal taxes in the coming fiscal year. The Congress has succeeded in indexing nearly all of the favorite spending programs for inflation, but the taxpayer who foots the bill is not protected—and the Government reaps a windfall profit as inflation drives the innocent taxpayer into higher brackets each year.

Under this policy the real disposable income of Americans has actually declined. A family of four with one wage earner, for example, has experienced a real disposable income loss of $533 over the period of 1977–1981, in spite of tax cuts in 1977 and 1979. I ask unanimous consent that a table prepared by the staff of the House Budget Comittee be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TAX BURDENS ON REPRESENTATIVE HOUSEHOLDS, 1977–81

[1977 = 100]

Household[1]	1977	1978	1979	1980	1981
Household I;					
Gross income	$14,000	$15,260	$17,290	$19,090	$20,730
Legislated tax	−2,737	−3,104	−3,705	−4,252	−4,849
Cumulative inflation tax	NA	−1,004	−2,585	−3,955	−5,127
Net real income	11,263	11,152	11,000	10,883	10,754
Household II:					
Gross income	16,000	17,440	19,760	21,820	23,690
Legislated tax	−2,756	−3,120	−3,766	−4,287	−4,891
Cumulative inflation tax	NA	−1,182	−3,043	−4,673	−6,103
Net real income	13,244	13,138	12,951	12,860	12,696
Household III:					
Gross income	18,000	19,620	22,230	24,540	26,650
Legislated tax	−2,794	−3,181	−3,912	−4,497	−5,191
Cumulative inflation tax	NA	−1,357	−3,485	−5,342	−6,966
Net real income	15,026	15,082	14,833	14,701	14,493
Household IV:					
Gross income	21,000	22,890	25,930	28,630	31,090
Legislated tax	−3,976	−4,500	−5,407	−6,177	−7,108
Cumulative inflation tax	NA	−1,518	−3,905	−5,985	−7,785
Net real income	17,024	16,872	16,618	16,468	16,197
Household V:					
Gross income	30,000	32,700	37,050	40,900	44,420
Legislated tax	−6,515	−7,429	−8,524	−9,900	−11,432
Cumulative inflation tax	NA	−2,087	−5,427	−8,263	−10,709
Net real income	23,485	23,184	23,099	22,737	22,279

[1] Household I, a single wage earner; household II, a family of 2 with 1 wage earner; household III, a family of 4 with 1 wage earner; household IV, a family of 2 with 2 wage earners; household V, a family of 3 with 2 wage earners.

Source: House Budget Committee minority staff.

Mr. SCHMITT. This table clearly documents that a wide range of families with incomes from $20,000 to $44,000 a year have watched their spendable incomes fall year after year as the Congress and the administration refused to index tax rates for inflation. The administration would clearly prefer to spend these revenues than to return them to the taxpayer where they belong.

Mr. President, we are all aware that the administration proposes to balance the budget in fiscal year 1981, but this is to be accomplished by raising taxes—not by making responsible cuts in Federal spending. This is hardly what the public has in mind when they ask for the Government to balance its budget. The distinguished Senator from Delaware and the distinguished Senator from Florida have correctly read the mood of the American people—they want tax relief, not tax increases—they want fiscal responsibility, not smokescreens—they want the Roth resolution—and I hope my colleagues will vote accordingly.

The PRESIDING OFFICER. Who yields time?

Mr. ROTH. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. Mr. President, the Senate today has an opportunity to send a positive signal to the people back home that we have the courage to do something about inflation.

Just today the Federal Government announced that the rate of inflation is 18 percent. I keep hearing that there is nothing the Senate can do about it. I keep hearing that we have to protect the Government programs from inflation.

I only wish there was as much concern for the family budget as there is for the Federal budget.

The typical American family has no way of offsetting this substantial loss of income through inflation.

I would say to my good friends who are opposing my efforts to put a spending limitation on spending that this problem is not going to go away. It will be with us in the future and we will be debating this same issue time and again.

Mr. President, there is no question in my mind that the Roth resolution, cosponsored by 45 other Senators on both sides of the aisle, would carry if it could come up for a vote. The parliamentary situation is such that we shall unquestionably be denied that opportunity. But the fact remains that what action we take today will not solve the problem unless we go beyond what is contained in the so-called Muskie substitute.

We are all for balancing the budget, but, of course, it depends on how you balance it. What has been proposed basically by the administration is to balance the budget on the backs of the American taxpayer. That is the problem. We are not imposing sufficient limitations on spending to get the budget under control and to permit supply-side tax relief.

Both liberal and conservative economists are in agreement that the time is now here to restrain spending beyond what the President proposed so that some real tax relief can be given both to individuals and to business.

The reason it cannot be done is that the big spenders do not want it to happen. The most important thing to them is to make sure that the spending programs that are on the books continue to grow and expand.

I would just point out the explosion in Federal spending since 1973 when the budget process went in to effect.

I would point out that we are going to have the highest taxes in U.S. history in the upcoming year.

The high tax rates we are facing are directly responsible for the fact that America finds itself no longer competitive in world markets. A few short months ago we had to bail out Chrysler, because Chrysler plants are not competitive with our Japanese and German competitors. Our plants are falling behind the Europeans, the Japanese, and others, because there is not the will to be found in the Congress, in the Senate, to hold down taxes and spending.

I find it ironic, Mr. President, that the report of the Joint Economic Committee, which, of course, has a majority of Democrats, agrees with what I am proposing today. In that distinguished paper, which was unanimously signed by all Republicans and all Democrats, it is stated that the economic models being used by Congress, by CBO, and others, are antiquated, obsolete, and are giving us the wrong economic advice.

The PRESIDING OFFICER (Mr. STENNIS). The time of the Senator has expired.

Mr. ROTH. I yield myself my remaining time, Mr. President.

I would point out that this Joint Economic Committee report correctly says that we need new economic models, concentrating on the supply side of the economy. Unfortunately, the Carter administration is a believer of only the demand side of economics, that the only way you can hold down inflation is through unemployment.

I can say that the Republicans learned long ago that is not the proper approach.

What the Joint Economic Committee report says is that there must be tax relief in 1981 to get people to save and to invest so once again we can become competitive with our world competitors.

Well, we are saying, "Let us balance the budget now and then perhaps tomorrow we can do something about supply side tax cuts."

The sad story, as the chairman of the Budget Committee has pointed out, is that tomorrow is never today.

We are being asked to commit economic suicide and I think it is time that someone shouted, "Don't drink the poison."

Do not drink from that tempting cup being offered to you in the Muskie amendment.

It has been laced with a fatal dose of economic poison.

Look into the glass, and you will find it filled to the brim with familiar theories from those same poorhouse economists who have been advising the Congress for 25 years.

Sniff it—you will detect the scent of bitter almond.

We have taken their medicine before and it only makes us sicker and sicker.

Beware of these poorhouse economists.

The poorhouse economists have come up with another solution to our economic problems.

This one is called the Muskie amendment.

Now I am not one to question the good intentions of the poorhouse economists here in Congress.

When you are in jail it is comforting to seek the advice of a jailhouse lawyer—and I suppose it is only natural, when you have gotten yourself into such deep economic trouble to turn to your learned friend and fellow inmate.

But I think it is time someone pointed out that we have been listening to these poorhouse economists here in Congress for 25 years now—and we are still behind economic bars.

The same poorhouse economists who got us into this mess are now advising us how to get out of it, and I think we should beware.

They want to balance the budget by increasing the budget and increasing our taxes.

The ship is listing badly to port. Their solution? Put a large hole in the starboard side.

Yes, the poorhouse economists are at it again.

Another economic miracle cure from the wonderful folks who gave us the 35-cent dollar—the $800 billion deficit—the middle-class poor—million-dollar-a-minute spending—a 700-per-cent increase in taxes—zero economic growth—20-percent inflation—20-percent interest rates—the $100,000 split-level ranch house—and $1-a-gallon heating oil.

The poorhouse economists. We know their economic theories well.

These are the same good folks who recently discovered the cure for inflation.

Unemployment.

They told us that, when you are in hock up to your ears, the thing to do is stand on your tiptoes—and borrow money.

They earned their reputation as poorhouse economists because of their theory for helping the poor. It is to put all of us in the poorhouse.

These are the very same poorhouse economists who told us that when the Federal debt is going through the roof all you have to do is raise the roof.

Now they are telling us that when the bottom is falling out of the economy, all we have to do is live in the cellar.

The poorhouse economists believe in spending taxpayers' money like there was no tomorrow, and keep on spending even after it has become crystal clear to everyone else that tomorrow has come and gone.

They believe enthusiastically in economic magic. Now you see the 1981 Federal budget. Poof. Now you do not. Now you see a tax cut. Poof. Now it is a tax increase.

They believe in a basic economic law called passing the buck. And they will go right on believing in that law until the buck is not worth a plugged nickel.

The Muskie amendment proves again that there is just one thing that the poorhouse economists do not believe in: They do not believe in biting the bullet.

The poorhouse economists have made a new discovery: Silicone. That is what they have come up with this time, economic silicone. Inject $10 billion worth of silicone into the budget in the form of gasoline taxes. That is how you balance the budget—and go right on spending, too.

It has not occurred to them that their silicone treatment will make our economy so topheavy that it will fall flat on its face.

But the Muskie amendment is more than a silicone treatment.

It is another copout.

This time it is a copout to catastrophe.

It is not going to help the needy in this country, it is not going to help this needy country.

They have driven us to the edge of the cliff, these poorhouse economists, and all they are telling us now is, "We can't seem to find the brake pedal—we're out of control."

Well we cannot afford the poorhouse economists anymore.

We cannot cope with another copout. Not this time.

We have to cut taxes, not raise them.

We have got to make the budget smaller, not bigger.

We have got to be toughminded, not voteminded.

We have got to balance the budget with guts, not taxes.

We have got to cut the fat off our bloated bureaucracy, we have got to stop squeezing the great, hard-working, middle-class families of America.

We have got to let them breathe again.

Because that is the only way that we can breathe new life into our economy.

We have got to stop playing politics, because that is not the game anymore. Today the only game in town is economic survival.

We ask our people to tighten their belts, to sacrifice, to stop buying things, to stop spending so much, to stop borrowing money, to stop their wicked, wasteful ways.

Who are we to ask the American people to bite the bullet?

The bullet belongs in our teeth, not theirs.

The best way to aid the poor is to make America rich.

The best way to end poverty is to create wealth.

The best way to produce more jobs is to produce more goods.

The best way to get more out of our country is to get less out of our Government.

The best way to raise our standard of living is to lower our tax burden.

The best way to stop inflation is to put a lid on Federal spending.

That is why I stand unalterably opposed to the Muskie amendment and any other copout legislation that the poorhouse economists try to offer us this time.

It is a tempting glass they are offering up to us, and again, I say—"don't drink the poison."

Mr. President, I yield back the floor.

The PRESIDING OFFICER. Who yields time?

Mr. MUSKIE. Mr. President, I yield 10 seconds to the Senator from North Carolina.

RESTRAINT AND RESPONSIBILITY NEEDED IN FISCAL AFFAIRS

Mr. MORGAN. Mr. President, I rise in support of the substitute amendment being offered by the Senator from Maine, myself, and others.

Mr. President, at the outset, let me say that I appreciate what the Senator from Delaware is trying to accomplish by offering Senate Resolution 380. I am in complete accord with his goal of reducing Federal spending and cutting taxes.

I also believe that the Senator's resolution, because of its simplicity, has helped focus public pressure on the Congress to reduce spending. Bringing such public pressure to bear has proven quite difficult in the past because of the complexity of the congressional budget and appropriations process.

But the same simplicity which has helped put pressure on the Congress makes the resolution inappropriate in its present form.

All Senate Resolution 380 does is state that it is the sense of the Senate that Federal spending should be limited to 21 percent of the gross national product, $584 billion under current estimates, or about $45 billion less than the President proposed in his January budget request. The resolution is nonbinding, as a simple one-House resolution cannot be used to restrict the range of actions the Congress may take in passing laws, which need the approval of both Houses.

I oppose the resolution in its present form because it is nonbinding and cannot be enforced, because the spending levels set in the resolution were chosen arbitrarily, and because its sponsors have no idea where the cuts would be made (and fall). For these reasons, if the resolution were passed, it would likely lead to unrealistic public expectations concerning spending cuts and tax relief in the immediate future.

The substitute developed by the Senator from Maine deals with these concerns. First, it requires that the Budget Committee report a fiscal 1981 budget which is balanced. Second, it also requires the Budget Committee to make specific recommendations to the Senate which would lower Federal spending to the same $584 billion level proposed by the Senator from Delaware. Finally, it sets aside any surpluses in the upcoming fiscal year for tax relief.

The alternative proposal would, in effect, require the Budget Committee to bring two alternative budgets before the Senate—one calling for a balanced budget with spending at about $615 billion, and one setting spending at $584 billion and allowing about $30 billion in tax cuts. The Senate, and the public at large, would then have the information necessary to make an informed choice, as the pain of the $30 billion in spending cuts can be weighed against the benefits of the $30 billion in tax relief.

LAWS MUST BE ENFORCEABLE

Although the alternative is just as nonbinding on the outcome of the first budget resolution as the Roth proposal, by establishing a procedure under which the $584 billion spending level can be reached, the Muskie alternative is likely to lead to lower spending in the upcoming budget.

An instructive example of what happens in passing measures which cannot be enforced is found in section 7 of Public Law 95–435. This section, which was enacted in 1978, simply states that Federal spending shall not exceed revenues in the upcoming fiscal year.

When the President proposed a $15.8 billion deficit in January, my office immediately received a number of inquiries as to how the President could propose an unbalanced budget when existing law required otherwise. I had my staff inquire into this, and discovered that, in the opinion of experts on laws relating to the budget process, section 7 was useless since it failed that any legal challenges to an unbalanced budget based on section 7 would probably be defeated on the grounds that the Congress implicitly repealed it by subsequently passing a contradictory law.

The Roth resolution is the equivalent of another section 7, with the added handicap that it cannot be binding, since it is simply a sense-of-the-Senate resolution. Thus, for all I sympathize with the goals of the Senator from Delaware, I can see no purpose in passing a pious declaration of intent.

BENEFITS AND TAXES ARE RELATED

A second advantage of the substitute amendment over the original resolution is that it reinforces the relationship between spending ceilings, taxes, and spending for specific Federal programs.

As my colleagues know, almost all of our constituents want a balanced budget but they do not want the cuts in the programs they support. Many people want both lower taxes and more benefits, and fail to draw the connection between the two.

The Roth resolution reinforces this tendency to consider taxes and spending separately since it talks about spending reductions and tax cuts in a vacuum, that is, while making no reference to cuts in specific programs.

The sponsors of the Roth resolution have not discussed specific spending reductions for two reasons. First, most of them do not know of $45 billion worth of cuts they would support. Secondly, those that can find cuts of that magnitude which they would support cannot agree among themselves where those cuts should come from.

The substitute proposal would force the Budget Committee to list proposed cuts. Now, the Senate would not be bound by the Budget Committee's recommendations—it could restore some of their cuts and produce others. But, at least the Senate would have a specific proposal to work from.

We should have an idea where cuts are going to be made before passing any resolution which purports to force major reductions, not only so we can make an informed judgment as to the wisdom of the vote, but also so the public at large can reach intelligent conclusions.

The single major gain from passing the social security tax increase in 1977, aside from restoring some solvency to the system, was that people throughout the country began to draw a connection between Federal benefits and Federal taxes. I remember this quite clearly because it was the first time in my career that this simple fact of life was realized by a majority in my State. Many date the present demand for reduced spending from the passage of Proposition 13 in California. While that was the first victory for the taxpayers, the real change in attitudes came when social security taxes shot upward 6 months earlier.

Let us reinforce this connection by passing the alternative and not take a step backward by passing Senate Resolution 380 in its original form.

SPENDING SHOULD NOT BE TIED TO GNP

Mr. President, I am also deeply concerned with the concept of tying spending to the gross national product, even though I support reducing the amount of Federal spending in relation to the gross national product.

First, this kind of formula is too inflexible to take into account changing economic, social, and international consideration. For example, last year's budget plan called for a balanced budget in the upcoming fiscal year with a tax cut. Then a series of international crises came along and, suddenly, a majority of the Congress realized that major increases in defense spending were necessary (increases, I might add, which I had been pushing for for some time). These proposed increases in defense spending helped undo all the earlier predictions on spending levels.

Some might argue that the solution is to make cuts elsewhere, which I am sympathetic to. But, it is necessary to be realistic—cuts elsewhere might not be desirable or politically feasible and Congress must have the authority to take the unpopular step of raising taxes, an authority denied by the Roth resolution.

Second, by tying spending to GNP, the Congress is likely to be setting a floor on spending as a ceiling. If spending 20 percent of GNP is sufficient, but the ceiling calls for 21 percent, it is going to be awfully hard to resist spending the additional money and to say the budget was held in line. This is especially true when the spending limit is set arbitrarily or based on passed practices, as it has in this case.

Limiting Federal spending by a rigid formula is the taxpayer's version of automatic spending increases, and just as inappropriate. The Congress has enacted a number of automatic spending increases, of which the major ones are the social security, Federal retirement, and food-stamp cost-of-living adjustments.

One of the major reasons for the financial difficulties facing social security was that, in 1972, the Congress adopted a badly designed cost-of-living adjustment which increased benefits substantially faster than the inflation rate. The Civil Service Retirement System is fast approaching bankruptcy because of their semiannual cost-of-living increases, a fact that has been hidden by dubious accounting practices, and food-stamp costs are skyrocketing.

If a rigid spending limit is going to be set, then programs without automatic benefit increases are going to be discriminated against in favor of those with such increases. No rigid spending limit can be considered responsible if it does not come to grips with this problem, yet the principal sponsor of the pending resolution has made clear his opposition to any changes in social security benefits.

The same is true of entitlement programs, programs under which spending is mandated, although annual increases might not be.

Between entitlement programs, already signed contracts, and national defense, about 90 percent of next year's spending is already committed. Without changes in substantive law, adopting the Roth resolution and following it will lead to the wholesale destruction of the energy development programs, student assistance, basic research into problems such as cancer, and general revenue sharing.

There are a number of changes in existing entitlement programs which can save money and which ought to be made; If these were made, cuts in some of the valuable nonentitlement programs could be avoided. I would be less concerned with the impact of the Roth resolution if I thought its cosponsors would be willing to support such changes.

Finally, Mr. President, I note that the distinguished ex-Chairman of the Federal Reserve Board and my good friend, Arthur Burns, recently stated in testimony before the Banking Committee, on which I serve, that he opposes this resolution. He showed great concern over a number of technical problems that have not been widely considered.

These include the fact that we have two GNP figures which have often diverged significantly, that GNP estimates are often inaccurate and frequently being revised, that this might lead Congress into some major policy mistakes, and that the entire concept of GNP is subject to dramatic change.

He concluded by saying:

> Let's get spending under better control and let's work toward the kind of objective that those who work with these mathematical figures have in mind without tying ourselves very rigidly to them.

That expresses my views perfectly, and that is why I urge my colleagues to support the Muskie substitute to Senate Resolution 380.

Mr. MUSKIE. Mr. President, I yield the remainder of my time to the distinguished majority leader.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator from Maine.

Mr. President, we have heard much talk today about "bloated bureaucracies" and "bloated budgets." We have heard that the American people expect this and that the American people expect that.

Well, I like to think that I can listen to the people, too.

I also like to think that I was elected by the people of West Virginia not only to listen, but to talk straight, to frame the issues, and to tell it as I see it.

It is my belief that this year, the Senate will enact a balanced budget for the next fiscal year, 1981. I am fully and firmly committed to supporting a balanced budget.

I know that this task is not an easy one. I know that some of my constituents are not going to be entirely happy with some of the spending cuts in ongoing programs that are going to have to be made if the budget is to be balanced.

But think that they understand that some bitter medicine is going to have to be swallowed for us to get a handle on inflation.

The substitute offered by Senator Muskie—which I am cosponsoring—is not soft on inflation. It is bitter medicine. It calls for a balanced budget.

The substitute does not ignore the proposition offered by Senator Roth and others on the Republican side of the aisle.

The substitute calls upon the Budget Committee to report—not only a balanced budget—but also to report the specific reductions which would be required to achieve the level of Federal outlays which Mr. Roth would recommend—namely, Federal outlays which do not exceed 21 percent of the gross national product.

Is this approach not a more reasonable one?

We have a budget process. We have a Budget Committee composed of Democrats and Republicans. If the substitute amendment is adopted, and I hope it will be, the Budget Committee will, next month, present to the Senate not only a balanced budget, but will also present a report on the magnitude and nature of cuts which would have to be made in order to meet the Roth formula.

The Muskie approach does not make promises which cannot be kept. It does not foreclose any options. It is realistic and it is responsive to the very real economic problems facing our country.

The Roth resolution would arbitrarily limit Federal spending to a percentage of GNP. This approach flies in the face of rational fiscal policy. It is procyclical.

When the economy is booming and the GNP is high, the limit allows Federal spending to increase, thus fanning inflation. When the economy is soft, with the GNP stagnant or falling, Federal spending must be reined in, thus slowing the economy further.

(Mr. MORGAN assumed the chair.)

Mr. ROBERT C. BYRD. So, Mr. President, I was somewhat amused at the reference by the distinguished Senator from Delaware to "poorhouse economists." Mr. President, the party that knows about "poorhouse economics" is sponsoring this resolution. I lived in the days when we had the poorhouses. I remember that the Democratic party brought the people out of the poorhouses and eliminated the poorhouses.

As to poorhouse economics, this procyclical pre-1930 proposal that is being advanced by the Roth resolution is straight out of the school of Herbert Hoover, who promised two chickens in every pot and two automobiles in every garage. That was poorhouse economics.

Mr. President, the American people are not going to be fooled by mirrors. The distinguished Senator from Delaware has referred to the amendment by Mr. Muskie and others as a "cup of poison." Mr. President, the American people do not want snake oil, and the Roth resolution, with all due respect, is "snake oil" economics, "snake oil" politics.

I was glad to hear the Senator say that we ought to quit playing politics. Well, let us do that. Let us reject the Roth resolution and we shall be doing just that.

Let us not be fooled by the mirrors. The distinguished Senator from Delaware talks about sending signals. Let us send that signal today. Let us adopt the Muskie resolution, reject the snake oil, and get on with the business of balancing the budget.

Mr. Roth talks about guts, courage. Ah, wait until we start balancing the budget. We shall then see where the guts and the courage and the signals are. That is what will send the signals to the American people. That is where the men will be separated from the boys. Then we shall understand what courage means—when it comes to making the selective cuts to balance the budget.

Mr. President, let us not kid ourselves. It does not require courage to vote for the Roth resolution. It is nothing more than a "quick-fix" political gimmick that fixes nothing.

I do not believe that the American people are interested in grandiose schemes or "quick-fix" solutions. We are a practical people.

I like to think of myself as a practical person. I see a lot of sense in voting for an amendment which is practical, realistic, and achievable. I see a lot of sense in supporting an amendment which will substantially reduce Federal spending and call for a balanced budget, and thus help to stem the tide of inflation.

A balanced budget will not only reduce inflationary pressures, it will reduce the level of Government activity in many areas. It will reduce the size of the Federal budget in comparison to gross national product.

So let us not be fooled by mirrors. The American people will not be. A vote for the substitute language is not going to be viewed by anyone as a vote for a "bloated bureaucracy" or for "big government"—for a very simple reason. That is not what it is, that is not what it does.

This fact is going to be made very, very clear as we move on authorization and appropriations bills. The cuts necessary to balance the budget are going to be felt across the land. There will be no mistake about the fact that balancing the budget is not a painless exercise; the pain will be felt in every State and every community.

But this is the right time for this decision. Inflation is a tax upon everyone—on the rich, but even more so on the poor, on the middle-income wage earner, and on the elderly living on fixed incomes.

So let us not kid ourselves. The Muskie amendment is not soft on inflation. It is not soft on big Government. It is not soft on anyone.

But it is important, it is honest, it is realistic, and it is achievable.

And let us not kid ourselves on what is happening here today. Those who introduced or cosponsored the Roth resolution have known for weeks what the ground rules were. They participated in setting up those ground rules. There are no "quick-fixes" or "parliamentary surprises" being perpetrated here.

Both the proponents and opponents of this Roth resolution have equal rights under the agreement which we reached. Both proponents and opponents of the Muskie substitute have equal rights.

And if the Muskie substitute is adopted, the American people will have gotten the signal, the signal that the budget is to be balanced and a signal that if a surplus can be achieved, tax cuts then may be in the offing.

That, I think, Mr. President, is the signal the American people ought to get.

If the Muskie substitute is adopted, it will not be adopted by "parliamentary tactics"; it will be adopted because a majority of Senators voted against the tabling motion and voted for the substitute. It will be adopted because a majority of Senators, after due consideration—and after comparing the proposal of Mr. ROTH and the proposal of Mr. MUSKIE—will have decided that Mr. MUSKIE's approach is a more fair and rational approach to our budgetary problems.

Mr. President, I urge the adoption of the substitute amendment, and I urge that the motion to table by Mr. ROTH be rejected.

● Mr. TOWER. Mr. President, I am pleased to join almost one-half the Members of the Senate who cosponsor one of the first serious efforts to apply the brakes to reckless and runaway spending by the Federal Government.

The Roth resolution, by setting a guideline for the Senate Budget Committee to limit Federal outlays to 21 percent of the estimated gross national product for fiscal year 1981, attempts to impose a discipline upon Congress which it apparently is unwilling to impose on itself. It takes the first step that is so important to the development of a prudent fiscal policy by establishing a prior restraint that will allow us to reach a consensus as to what our collective sense of spending priorities should be.

I submit that there are few programs in the Federal budget—particularly those that encourage consumptive, nonproductive spending—that could not become more efficient by making do with less. Yet the President's budget for fiscal year 1981 sets a peacetime record in terms of often nonproductive Federal spending as a share of GNP. It is no wonder that inflation is out of control.

Mr. President, unless we take this affirmative step today we will erode what little credibility must be left in the public's eyes in the Federal Government's ability to control its own financial affairs. Previous calls to the President and Congress for true spending restraint have largely gone unheard and unheeded. The flip-flops of fiscal management by the Carter administration have failed miserably at managing our economy. The President thinks he has taken the expedient way out by postponing until a politically more attractive moment those tough budgetary decisions that could cost him at the polls. In so doing, however, he has positioned both himself and the country quite badly through his blind faith that everything will turn out all right in the end as long as the money is flowing.

The President's twice-released budget for fiscal year 1981, with its modest spending cuts of only $13 billion, in areas which, for overriding political reasons remain yet unspecified, offers only symbols and suspense, rather than solutions and substance. It portends no real hope of how this country is to regain control of a wayward economy. It denies meaningful tax relief to the American consumer on grounds that it would be "inflationary." Yet even by standard Keynesian analysis, this reasoning is odd: Tax cuts would somehow be inflationary, but a continued sharp rise in Federal spending and borrowing is not. We have been hearing this kind of reasoning from the administration for 3 years now as inflation has accelerated at breakneck speed.

Mr. President, certainly we must reduce both spending and taxes if we are ever to see a rise in our productivity. Yet "winning the right," as the President's budget insists, to reduce taxes only through first achieving a balanced budget is a prescription for inaction. It is a way by which the concerns of those uneasy about deficits really serve the interests of those wanting yet more spending.

Mr. President, we can only restore credibility by adopting policies of conviction. The Roth resolution now before the Senate will do that very thing. Attempts to sabotage this Federal spending limitation which offer circumstantial assurances and conditional pledges of economic relief, but which in truth detract from the specific spending restraint that it embodies, will in the end only prove illusory and will breed even greater suspicion and public distrust. I urge the Senate to resist the temptation of throwing another smokescreen of promises at the American taxpayer and provide him with meaningful spending reduction by the Federal Government.●

● Mr. HAYAKAWA. Mr. President, inflation demands strong medicine. I have, therefore, cosponsored and will strongly support Senator ROTH's resolution, Senate Resolution 380, to limit Federal spending for fiscal year 1981 to 21 percent of the gross national product (GNP). It is past time for talk and the protection of political constituencies. The $26 to $30 billion that this cut entails, would mean a real reduction in Federal spending. Government deficit spending is the engine powering inflation. And the Government borrowing to pay for these deficits is driving the private, productive sector of the economy out of the credit market with high interest rates as the Federal Reserve attempts to maintain a hold on the money supply.

It seems that President Carter spent most of his time on the peanut farm learning the old shell game. An examination of his proposed anti-inflation program reveals no cuts, but a bit of figure shuffling which leaves the total combined expenditures for fiscal years 1980 and 1981 at the same level as they were in January. On top of this he has given us a substantial tax increase which, including his March revisions, comes to about $34 billion more than his January revenue figures for fiscal year 1980 and fiscal year 1981.

Though the President calls for discipline and prides himself as an advocate of fiscal restraint, even cursory examination of his March inflation package shows it is a sham. In January his budget estimates were $564 billion for fiscal year 1980 and $616 billion for fiscal year 1981 giving a combined total of $1,180 billion. In his inflation package the President proposes a $2 billion cut for fiscal year 1980 and a $13 to $14 billion cut for fiscal year 1981. At the same time, he revised his January estimates upward, adding $6 billion in fiscal year 1980 and $9 to $10 billion in fiscal year 1981. Taking the average from President Carter's estimates, we find that combined spending for fiscal years 1980 and 1981 remains at $1,180 billion. This is not restraint and discipline, it is a con game.

We need real fiscal constraint at this time. The inflation rate we face today is the gravest economic threat to our country in recent times. This morning the Department of Labor released the consumer price figures for February. The Consumer Price Index (CPI) rose 1.4 percent which compounds out to over 18 percent annually. (I have attached a copy of the Associated Press story on this, and ask that it be inserted in the RECORD at the conclusion of my remarks.) President Carter's package is a placebo which may win him the New York primary today, but will certainly not stop inflation. It is no longer just a good idea to limit Government spending and bring deficits to a halt, rather it is imperative. Therefore, I feel we must adopt Senate Resolution 380.

The press story follows:

WASHINGTON.—In a virtual replay of January's torrid inflation, consumer year's prices soared another 1.4 percent in February, the Government reported today.

Last month's increase in the Labor Department's Consumer Price Index matched the 1.4 percent rise in January for a compounded annual rate of some 18 percent. The culprits again were sharply higher gasoline and home heating oil prices and mortgage interest rates, the report showed.

An 18-percent rate for the entire year would be the worst inflation since World War II price controls were lifted in 1946 and a considerable jump from last year's 13.3 percent inflation.

"It's virtually identical, with the exception of apparel being a little more moderate," Labor Department economist Patrick Jackman said of the February report.

"I would look for mortgage interest and energy to continue rising. I don't really foresee any improvement until June or July, not even a blip to below 1 percent."

Price increases averaged just over 1 percent each month last year.

The Labor Department also reported that inflation continued to take its toll on earnings.

Average weekly earnings fell 1.4 percent from January to February as inflation and a drop in the number of hours worked overpowered a modest 0.5 percent rise in hourly earnings. This left inflation-adjusted earnings 6.5 percent below the level of February 1979.

Spendable earnings, which is the money a married worker with three dependents has left after social security and Federal income taxes, also fell 1.4 percent. It was the ninth consecutive monthly decline, leaving earnings 7.3 percent below their level a year ago.●

The VICE PRESIDENT. Under the previous order, the Senator from Delaware is recognized to make a motion to table.

The Senator from Delaware.

Mr. ROTH. Mr. President, I move to table the Muskie substitute.

Mr. ROBERT C. BYRD. Mr. President, I ask for the yeas and nays.

The VICE PRESIDENT. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The VICE PRESIDENT. The question is on agreeing to the motion to lay on the table the Muskie amendment (UP No. 1016). The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Alaska (Mr. GRAVEL) and the Senator from Massachusetts (Mr. KENNEDY) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Pennsylvania (Mr. HEINZ) is necessarily absent.

The VICE PRESIDENT. Is there any other Senator in the Chamber who wishes to vote?

The result was announced—yeas 45, nays 52, as follows:

[Rollcall Vote No. 63 Leg.]

YEAS—45

Armstrong
Baker
Bellmon
Boschwitz
Byrd, Harry F., Jr.
Chafee
Cochran
Cohen
Danforth
Dole
Domenici
Durenberger
Garn
Goldwater
Hatch
Hatfield
Hayakawa
Helms
Humphrey
Javits
Jepsen
Kassebaum
Laxalt
Lugar
Mathias
McClure
Packwood
Percy
Pressler
Proxmire
Roth
Schmitt
Schweiker
Simpson
Stafford
Stevens
Stone
Talmadge
Thurmond
Tower
Wallop
Warner
Weicker
Young
Zorinsky

NAYS—52

Baucus
Bayh
Bentsen
Biden
Boren
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chiles
Church
Cranston
Culver
DeConcini
Durkin
Eagleton
Exon
Ford
Glenn
Hart
Heflin
Hollings
Huddleston
Inouye
Jackson
Johnston
Leahy
Levin
Long
Magnuson
Matsunaga
McGovern
Melcher
Metzenbaum
Morgan
Moynihan
Muskie
Nelson
Nunn
Pell
Pryor
Randolph
Ribicoff
Riegle
Sarbanes
Sasser
Stennis
Stevenson
Stewart
Tsongas
Williams

NOT VOTING—3

Gravel
Heinz
Kennedy

So the motion to lay on the table UP amendment No. 1016 was rejected.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the motion was rejected.

Mr. SARBANES. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The VICE PRESIDENT. The question now recurs on agreeing to the amendment of the Senator from Maine, as modified.

(Putting the question.)

The amendment, as modified, was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. CRANSTON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LONG. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. MUSKIE. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. MUSKIE. What is the pending matter?

The VICE PRESIDENT. The question is on agreeing to the resolution as amended.

Mr. ROBERT C. BYRD. Mr. President, Senators realize that the Muskie substitute was adopted by voice vote. So the vote now is on the Roth resolution as amended by the Muskie substitute which in essence is the Muskie substitute.

The VICE PRESIDENT. The question is on agreeing to the resolution as amended.

On this question, the yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Alaska (Mr. GRAVEL) and the Senator from Massachusetts (Mr. KENNEDY) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Pennsylvania (Mr. HEINZ) is necessarily absent.

The PRESIDING OFFICER (Mr. NUNN). Are all Senators recorded?

The result was announced—yeas 56, nays 41, as follows:

[Rollcall Vote No. 64 Leg.]

YEAS—56

Baucus
Bayh
Bentsen
Biden
Boren
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chiles
Church
Cranston
Culver
DeConcini
Durkin
Eagleton
Exon
Ford
Glenn
Hart
Hatfield
Heflin
Hollings
Huddleston
Inouye
Jackson
Johnston
Leahy
Levin
Long
Matsunaga
McGovern
Melcher
Metzenbaum
Morgan
Moynihan
Muskie
Nelson
Nunn
Packwood
Pell
Pryor
Randolph
Ribicoff
Riegle
Sarbanes
Sasser
Stafford
Stennis
Stevenson
Stewart
Talmadge
Tsongas
Williams
Zorinsky

NAYS—41

Armstrong
Baker
Bellmon
Boschwitz
Byrd, Harry F., Jr.
Chafee
Cochran
Cohen
Danforth
Dole
Domenici
Durenberger
Garn
Goldwater
Hatch
Hayakawa
Helms
Humphrey
Javits
Jepsen
Kassebaum
Laxalt
Lugar
Magnuson
Mathias
McClure
Percy
Pressler
Proxmire
Roth
Schmitt
Schweiker
Simpson
Stevens
Stone
Thurmond
Tower
Wallop
Warner
Weicker
Young

NOT VOTING—3

Gravel
Heinz
Kennedy

So the resolution (S. Res. 380), as amended, was agreed to as follows:

S. RES. 380

Resolved, That it is the sense of the Senate that the Committee on the Budget shall report a Federal budget for fiscal year 1981 which is balanced in accordance with the mandate of the Congressional Budget adopted pursuant to the Public Debt Limit Act and which reserves any surplus for a tax reduction, one-half of such reduction being designed to increase productivity, and the other half to offset social security tax increases, and shall also report such additional specific reductions, if any, necessary to reduce Federal outlays for fiscal year 1981 to 21 per centum of the gross national product.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. MUSKIE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, that was the last rollcall vote for today.

Mr. STONE. Mr. President, I think it is appropriate to say a word or two about today's efforts. We have wound up today's efforts, and I, for one, want to thank the leadership for bringing the Roth, and others, resolution—I was one of the cosponsors—to the floor without having sent it to committee, and having provided a full and complete opportunity to debate and air our views.

The votes were close. Forty-five votes favored the Roth resolution by favoring the Roth motion to table, and 41 "no" votes, of which the Senator from Florida was one, stuck with that position even at the final vote in favor of, which the majority does favor, the resolution as amended by the Muskie amendment.

What that means is that the Senate has sent a message to ourselves by a very heavy vote—those who voted for the Muskie substitute, no less than those who voted against it and for the Roth proposal—that we mean to balance the coming year's budget, and then some. And a very, very close minority, very close to a majority, favors that the "and then some" be taken from reduced spending, rather than increased taxes, in order that the amount by which the budget is better than balanced by providing tax relief not from other taxes but from cut spending programs so that the burden will be lightened on the taxpayer and the citizen and that productivity can increase, competition can increase, and all can benefit, both producer and consumer.

This was a very, very worthwhile day. It will be recalled and remembered by those of us who favored the Roth resolution when we support, as frequently and as often as we can, the efforts of the Budget Committee and its distinguished chairman and the leadership on both sides of the aisle, to make it stick, not only in the budget resolutions, first and second, but in the appropriations bills and in the revenue bills.

I really believe that we have done a good thing here today. And although a number of us voted "no" on final passage, because of wishing to go a little bit further in reducing spending, I think everyone that was here today and worked today is of the mind that we must do it, and this year; that we cannot wait; that 20 percent inflation, 20 percent interest, and increased costs of just maintaining a livelihood has got to be addressed by the Congress not making it worse, which we have been doing by spending in deficit.

Every one of us, particularly those of us who favored the Roth proposal, have got to commit ourselves anew that in any cases where we cannot favor a particular budget cut, we have got to find another at least as big or bigger. If we do that, we are going to do a good thing for the people of this country. And I am quite encouraged.

Again, may I say thank you to the majority leader, to the chairman of the Budget Committee, and to Senator ROTH for today's work.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator from Florida (Mr. STONE) for his comments and for his expressions of appreciation.

Mr. President, for the record, the resolution offered by Mr. ROTH and other Senators was amended by a complete substitute, which reads as follows:

> Strike all after the resolving clause, and insert the following:
>
> "That it is the sense of the Senate that the Committee on the Budget shall report a federal budget for fiscal year 1981 which is balanced in accordance with the mandate of the Congressional Budget adopted pursuant to the Public Debt Limit Act and which reserves any surplus for a tax reduction. One-half of such reduction being designed to increase productivity, and the other half to offset social security tax increases, and shall also report such additional specific reductions, if any, necessary to reduce federal outlays for fiscal year 1981 to 21 per centum of the gross national product."

Mr. BAKER. Mr. President, may I take this opportunity to express my congratulations to the distinguished Senator from Delaware (Mr. ROTH) for his initiative in offering Senate Resolution 380, for procuring the cosponsorship of 44 Senators, for presenting his case in an eloquent and effective way, and for producing a result which while not successful, sheds credit on his good efforts and on the merits of the proposal.

I think that this is an important time in the history of the Senate in modern days, in our effort now to find our path back to fiscal responsibility, balance the budget, and to lead this country away from the inflation which ravages the Nation today.

As historians write their accounts of this time, I am sure the contribution of the distinguished Senator from Delaware will rank high among the leaders of this current effort, among those who deserve the praise and will provide the inspiration for those who will continue this effort in the future.

I pay my respect, as well, to the distinguished chairman of the Budget Committee, Senator MUSKIE, and the distinguished senior Republican, the ranking Member, Senator BELLMON, who, while not in agreement on major aspects of this matter, have conducted themselves, as the Senate has come to expect them to do, with statesmanship, with caution and care, shedding credit on this institution and on themselves.

Mr. President, while not successful in this effort to propose Senate Resolution 380 for action by the Senate, I think everyone on both sides of the issue deserves the highest praise. And I wish to add my voice to those of the majority leader and others who have expressed our appreciation for their good efforts.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I would like to add my voice of thanks to the able Senator from Delaware and to the able chairman of the Budget Committee for an excellent presentation today.

I appreciate very much the kind words that have been said by the majority leader, the minority leader, and my distinguished colleague from Florida.

I would just like to correct something, though, that I think needs to be corrected. There was no defeat here today, in my opinion, for those of us who have been battling for a long, long time to balance the Federal budget. I think if you look at the resolution, or the amendment offered by the chairman of the Budget Committee, the phrasing of that, that you will see a rather significant development took place today on the floor of the U.S. Senate.

We said that the Budget Committee, on which I am a member, will bring back a balanced budget for 1981.

Furthermore, all is not lost. In fact, there was a great victory by those backing the Senator from Delaware. Because if you will read the amendment, it clearly says that the Budget Committee, in addition to bringing forth a balanced budget, shall also report such additional specific reductions, if any, necessary to reduce Federal outlays for fiscal year 1981 to 21 percent of the gross national product.

Therefore, I say to those who I think should have joined unanimously in the final passage, that you are indeed going to have a chance to do exactly what you wanted to do. You are going to have a chance to stand up on the floor of the U.S. Senate and vote for specific cuts, to take this down to 21 percent of GNP.

And when I say 21 percent of GNP, I hope that we will interpret that not with any shadow boxing, not with any smoke signals, but true GNP as it is usually referred to.

So, no one has lost here. You are all going to have a chance to stand up and be counted on what you want to cut, rather than a simple amendment shouldering that over to the Budget Committee, whose shoulders are very broad.

So I suggest that no one lost here today. I think the people of the United States won.

Mr. DANFORTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. DANFORTH. Mr. President, today was a very important day, I think, in the modern history of this country. Because the Senate of the United States had an opportunity to take an examination. We had to take an examination on whether or not we are willing to take those steps—tough steps—which are necessary to restore strength to the economy of our country, to reverse this terrible cycle of inflation that we have gotten ourselves into.

We had an opportunity to take an examination on this issue. We did take an examination on this issue and we flunked the exam. We said to the American people that we are not going to take the question of inflation seriously. We said to the American people that we are not going to take those steps necessary to restore order out of the economic chaos which we have gotten ourselves into.

Mr. President, it is said that by balancing the budget once we are going to solve the problem of inflation. It is said that by cutting $15 billion once out of the Federal budget, we are going to put the economy in good order again.

That, Mr. President, is an absurd suggestion. One year of balancing the budget is not going to undo a decade or more of waste, a decade or more of deficit spending; $13 billion off of 1 year's Federal budget is in no sense, by any stretch of the imagination, going to be adequate to reverse an inflation rate which is close to 20 percent.

What is called for is a long-term combined effort involving both restraint on the size, the power, and the scope of the Federal Government, and, at the same time, expansion of the private sector of the American economy, the so-called supply side of our economy. That is what is required if we are going to do the job of putting this economy in sound working order again.

That was what the Roth resolution was all about. The Roth resolution did not approach the economic problem simply from the standpoint of a balanced budget. The Roth resolution said we have to do two things at once. We have to balance the budget, but not on the backs of the taxpayers of this country. We have to balance the budget by restraining Federal spending and at the same time encouraging expansion of the economy as a whole. That is what the Roth resolution was all about.

Today was the day that we were going to vote on the Roth resolution. Today was going to be the day when the Senate of the United States was going to at least have the opportunity to chart a new course, to set the country on a new course of economic strength. And yet, because of parliamentary maneuvering, perfectly proper, we never had a vote on the Roth resolution, we never had a vote on the idea of 21 percent of the gross national product. And with the Vice President himself sitting in the chair, we instead voted on a substitute which was a simple 1-year balanced budget substitute. It did not get the job done. It was the wrong signal at the most serious economic time in decades in the history of this country.

We had an opportunity to take an examination as to whether we in the U.S. Senate are prepared to do those things necessary to restore a strong economy and, Mr. President, we flunked that examination.

WINDFALL PROFIT TAX ACT OF 1980—CONFERENCE REPORT

The PRESIDING OFFICER. The Senate will now resume consideration of the pending business, which the clerk will report.

The legislative clerk read as follows:

A conference report on H.R. 3919, an act to impose a windfall profit tax on domestic crude oil.

The Senate resumed consideration of the conference report.

The PRESIDING OFFICER. The Senate will be in order. The Senate will be in order, and the Chair recognizes the majority leader. The galleries will be in order.

Mr. ROBERT C. BYRD. Mr. President, I thank the Chair.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a brief period for the transaction of routine morning business not to extend beyond 15 minutes, and Senators may speak therein up to 5 minutes each.

RECENT EDITORIALS ABOUT PRESIDENT CARTER'S ANTI-INFLATIONARY MESSAGE

Mr. THURMOND. Mr. President, when President Carter began to outline his latest anti-inflation plan on Friday, March 14, 1980, I expect many American citizens were hoping, once again, that he would set forth a program of action that would truly begin to control inflation. Instead we were given only weak promises, along with a plan to boost gasoline prices and thus make inflation even worse.

Admittedly, Mr. President, the fight to conquer inflation will be a long and arduous one—but it is a battle that we cannot keep pushing into the future. The longer we delay the strong and positive actions needed, the more painful will be the cure when we take those actions. Unfortunately, no significant or effective measures have yet been implemented.

Mr. President, we look for, and have every right to expect, leadership in these matters from President Carter and his administration. Our expectations, however, have been unrewarded, since President Carter appears to have neither the grasp for the situation nor the seriousness of commitment to set forth the needed plans for effective action.

Mr. President, while no effective approaches or programs have emanated from within the administration, there are many competent economic and public policy analysts outside the administration who have presented their views as a follow-up to President Carter's March 14 message. These analysts working outside the administration share in a general disagreement with and further disenchantment of the anti-inflationary policies of the administration.

Mr. President, while many reports and articles have been printed regarding this matter, there are several particularly pertinent articles that serve to underscore the failure of the administration to, once again, face the inflation issue squarely and honestly with the American people. I refer specifically to three editorials that appeared recently in the Wall Street Journal.

Two of these, "Inflation Plan Leaves Analysts Cold" and "Have Another Arsenic," were in the March 17, 1980 issue and one, "Credit Cop Capers," was in the March 21, 1980 issue.

These are excellent analyses of different aspects of the administration's proposal, with each indicating a lack of credibility and effectiveness of the administration's proposal. Each, also, presents some positive approaches that should be considered for implementation in the area of budget cuts, Federal Reserve System monetary policy, tax policy, and credit control.

Mr. President, these are just a few of the many analysts and observers on the current economic and political scene who are interpreting the Carter anti-inflationary program in this election year. The general consensus is that President Carter has given us only promises—promises that are too limited and promises that, if past performances are an indicator, will go unfulfilled.

Mr. President, we cannot continue this nonaction policy if we are to control inflation. As one of the analysts very aptly stated:

> Cutting spending in an election year will surely lose some votes, but making a start toward lowering inflation is nothing less than a national necessity.

Mr. President, in order to share with my colleagues the contents of these timely and thought-provoking editorials, I ask unanimous consent that they be printed at this point in the Record.

There being no objection, the editorials were ordered to be printed in the Record, as follows:

INFLATION PLAN LEAVES ANALYSTS COLD

NEW YORK.—What the financial markets wanted from Washington was assurance that the government would be working hard to ease the current inflationary pressures. What they got appears to be something different.

Karl Brunner, University of Rochester economist, says President Carter last Friday "continued to peddle the line that inflation was due to many causes and put a lot of the blame on the private sector. He showed very little awareness of our real fiscal crisis, and the budget cuts suggested are puny."

In a sense analysts weren't disappointed. Philadelphia's Girard Bank remarked in a bulletin before the President spoke that the markets were deeply suspicious that the announcement would be "long on numbers of points but short on decisive action." Yesterday analysts felt their suspicions were justified.

The early and probably short-lived reaction to the new program nonetheless is likely to be positive; some government attention to inflation is better than none. Everyone will be waiting to see what happens next.

The new program raised at least as many questions as it answered. After the President spoke, James McIntyre, director of the Office of Management and Budget, said he wasn't sure where all of the proposed budget cuts would be made.

Congress in general seems to support the new austerity, but its members could balk when cuts begin to hit their constituents. The restraints proposed on credit cards and other types of credit are new and untried: No one can be sure how or even whether they will work.

The Federal Reserve System also left some questions hanging. Chairman Paul Volcker appeared to believe that he could head off a new surge of interest rates by merely imposing a three-point surcharge on the discount rate charged the largest banks. That's unlikely.

The markets had been expected, at a minimum, a boost in the discount rate from 13 percent to 15 percent. Even the 16 percent rate for the big banks is in a sense a bargain rate, since banks last week were paying considerably more than that for short-term funds they were lending one another.

This week it will be possible for the smaller banks to borrow from the Fed at 13% and then relend the money to the larger banks at 20% or more through the federal funds market. The Fed presumably will then begin reminding banks that borrowing at the discount window is a privilege, not a right, and must not be abused by turning a quick and legitimate profit.

One spur to the government's current activity was, of course, the collapse of the long-term bond market. Government officials have appeared perplexed by this development, arguing that nothing they've done in the past couple of months has been drastic enough to cause such a market debacle.

Actually, however, the markets were patient for a long time. Through most of last year bond yields rose much less than the consumer price index. Many economists wondered why investors were willing to buy bonds at negative rates of return.

Henry Kaufman, chief economist of the brokerage firm of Salomon Brothers, suggests that it has taken quite a while for investors to adjust to changed conditions. Through all U.S. history there have been occasional spurts of inflation. Inflation, however, was always followed by offsetting deflation.

The ups and downs so evened out that the general price level just before World War II was about where it had been in 1800. By the mid-1950s, though, consumer prices were about double the 1940 level, and it has been all uphill since then. By 1975, consumer prices had doubled again and since then they've risen close to 45%.

Investors, in Mr. Kaufman's view, finally have recognized that what goes up isn't necessarily going to come down. Long-term bonds no longer seem a wise investment.

The nation could get along without a long-term bond market for quite a while. William McChesney Martin, former Federal Reserve chairman, says the absence of such a market would merely mean that people would have fewer places to put their savings and thus would be encouraged to spend. Companies would find it harder to estimate the cost and profitability of investment projects. So they would be encouraged to speculate, seeking ventures with high rates of return—and a high chance of loss.

The economy, Mr. Martin figures, would have wider swings, up and down, but it would get along. The U.S. economy, the former Fed chairman is convinced, is highly resilient, capable of withstanding a great deal of abuse.

What should the government do now? To achieve credibility, the analysts believe, the administration will have to follow up last week's promises with specific spending cuts, preferably considerably larger than those proposed.

Several analysts were surprised that so little was said over the weekend about monetary policy. Yet the money supply in recent weeks has been rising at rates exceeding the Federal Reserve's own targets. A primary part of any anti-inflation program has to be bringing the money growth rate down.

Some Wall Streeters fear that the government still doesn't take this problem seriously enough. Their fears were increased before the President spoke when Robert Russell, director of the Council on Wage and Price Stability, said inflation was so deeply ingrained in the economy that the U.S. would have to put up with a double-digit price rise through the 1980s. Yet he added that the hallmark of any anti-inflation policy should be, "Don't panic."

No one in Wall Street is urging the President, Congress and the Fed to panic. But some people here would appreciate more of a sense of urgency.

HAVE ANOTHER ARSENIC

Predictably enough, we suppose, inflation reaching a "crisis stage" has become the latest excuse for raising taxes.

To be sure, President Carter proposes, all the while talking of "pain," to trim the fingernails of the federal budget. But consider the context of this budget-cutting rhetoric: Mr. Carter wants to cut a budget he billed as "prudent and responsible" when he announced it less than seven weeks ago. The change is necessary, he explained, because of "rapid changes in world events and economic prospects." Translation: The voters looked again at Chappaquiddick.

The details of the cuts, while already discussed with congressional leaders, will be made public "by the end of the month," which is to say, after the Illinois and New York primaries. In any event, the proposed cuts come to $13 billion, little more than a third of the overrun in the current year's budget. The administration rejected the one big-ticket item it considered, a recalculation of the consumer price index that would slow the growth rate of government transfer payments. The budget director explained that the change could not be legislated in time for the Social Security benefit increase for July; so forget it, though most of the other proposals affect the fiscal year starting in September.

In fact, only $2 billion will be cut from the current year's budget, which covers the time period in which the Volcker attack on money creation and inflation will succeed or fail. The $13 billion will be cut in the next fiscal year, which is to say, after the November election. Yes, we're told, the first three Carter anti-inflation programs faded away, but this time he's really serious.

The new tariff on oil, meanwhile, was effective at midnight last Friday. The administration that has been telling us for three years that inflation is caused by high oil prices now proposes to fight inflation by raising oil prices. One hopes, without much confidence, that at least we won't have to listen again to the oil-price theory of inflation. The $10 billion in revenues from this tax will be "held in reserve" for unforeseen contingencies, such as the administration changing its mind about the spending cuts after the election.

In addition to the oil tariff, the administration proposes to raise perhaps $3 billion in revenues through the nuisance of withholding taxes on interest and dividends. Also, the new reserve requirements on credit cards, money market funds and so on are a tax on financial institutions. Like other taxes, these will be passed along to customers. Like the other taxes, they will raise costs, diminish standards of living and add to the political constituency for more inflation.

All of which leaves the real battle against inflation back where it was a week ago: with the Federal Reserve and Chairman Volcker. The efforts to restrain money creation seem to have met with some success these past few weeks, at least so to judge by the strength of the dollar in the foreign exchange markets and the fall in the price of gold. But because this credit restraint has been accompanied by the additional credit demands of a large federal deficit, the price in high interest rates has been considerable.

The soaring interest rates threaten to destroy some of our financial institutions, in particular the thrift institutions and small banks. This is the reason for the split discount rate, 13% for small banks and 16% for large ones. While we sympathize with the Fed's plight, both the split discount rate and new reserve requirements are gimmicks, at best temporarily useful. What the Fed needs is a supportive fiscal policy to ease government demand in the credit markets. The crisis is now, and the relief is promised, if you choose to believe, after September.

Now, we hope Mr. Volcker can stay the course, and if he succeeds in moderating the inflation rate as the year progresses, no doubt Mr. Carter will rush to claim credit for this new program. But even if monetary policy single-handedly does start to curb inflation, fiscal policy will be draining resources from the private sector and imposing new disincentives on production and investment. If the price is not paid in inflation, it will be paid in slower growth in the years ahead.

So laying aside the transparent political expediency, the most distressing part of the Carter program is the knee-jerk tax impulse. The taxes in Mr. Carter's new budget come atop some $40 billion in tax increases already built into his old budget. Our economy's biggest problem is high and increasing rates of taxation to support runaway government expenditures. Yet for each symptom, the prescription is the same: An energy problem, increase taxes. A Social Security problem, increase taxes. An inflation problem, increase taxes. Falling hair, shortness of breath, internal bleeding? Have another arsenic.

CREDIT COP CAPERS

President Carter's answer to the inflation crisis was to turn it all over to the Federal Reserve Board and walk away. That action, which required only that the President invoke the Credit Control Act of 1969, changed the Fed from being primarily a banker to being primarily a regulator. We already are seeing some of the consequences and they require a great deal more reflection than they got in the White House.

It should be said at the outset that the inflation problem is very serious indeed, and that it's easy to see why the regulatory path is so tempting. But keep in mind that the basic dilemma for the Fed is created by the federal budget and its demands on the credit markets. As Salomon Brothers' Henry Kaufman has noted, federal borrowing is scheduled to pre-empt 23% of total credit demands this year, just as the Fed is trying to slow the expansion of credit and growth of money. By comparison, the feds took 16% of total credit when the Fed clamped down in 1974, and only 2.5% under similar circumstances in 1969.

This excessive federal borrowing means higher interest rates. And this interacts with the sectoral problem of the savings institutions. Since the thrifts are in the business of borrowing short and lending long, they are in serious difficulties whenever short-term rates rise sharply. While one can argue about past mistakes and the proper role of the thrifts, it would not be good public policy to allow a string of savings institutions failures.

With President Carter turning the job over to the central bank, and walking off the field without doing his part with real budget restraint, the folks at the Fed are starting down the path to credit allocation. The notion is to figure out which are the "bad" uses of credit, and stamp them out so more credit at lower rates will be available for the "good" uses. The credit markets are being replaced by the credit regulators. And the Fed is forging its way into a political thicket that could easily entangle its central bank functions as well.

The central bank has already begun to take on the characteristics of, say, the Federal Energy Regulatory Commission. It is staffing up with junior paper shufflers. Each governor has been assigned responsibility for a sector of the economy with Vice Chairman Shultz riding herd on all. Some 200 ill-humored private sector representatives were called into the National Academy of Sciences auditorium Wednesday to get a briefing from consumer credit governor Nancy Teeters, only to find out that there were more questions than answers and, by

Governor Teeters' admission, no guiding principles of equity.

Predictably, efforts to fine-tune the allocation policy down to more precise judgments become mindless. No one at the Fed or anywhere else is wise enough to decide who should, or should not, get credit; those are judgments that can only be made by millions of individual decision makers if they are to be made with some regard for economic efficiency. If they are not to be made with regard for economic efficiency, the risk of overkill, and of unnecessarily severe and disruptive recession, becomes much greater.

Aside from allocation, the other primary tool the Fed is using is the reserve requirement. It is a blunt instrument at best. In essence, the reserve requirement is a tax on lenders. While it certainly can curtail their ability to lend, it also curtails their ability to offer incentives to savers and thus attack a fundamental cause of inflation—the low savings rate. Money market funds, a banking innovation that surmounted the regulatory disincentives to saving embodied in Regulation Q interest rate ceilings, now themselves come under regulation in the form of a 15 percent reserve requirement. As this newspaper reported yesterday, this has had the immediate effect of discouraging money fund expansions—which is the same thing as discouraging saving.

It can be said with assurance that very little of this was thought of or discussed in the deliberations, such as they were, that led to the invocation of the Credit Control Act. A political decision was simply made to hand the job to the Fed. The Fed is laboring manfully to carry out its orders but it is making fundamental and troubling changes in its economic role.

ADDRESS BY SENATOR STEVENS BEFORE MILITARY AFFAIRS BANQUET

Mr. GOLDWATER. Mr. President, I ask unanimous consent to have an address by the Senator from Alaska (Mr. STEVENS) before the military affairs banquet at Fairbanks, Alaska, printed in the RECORD.

I hope all of my colleagues will read this. The Senator gets right to the point. He tells the truth. It is something that every American should be aware of.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY SENATOR TED STEVENS

It's always a pleasure to be here . . . I can only wish I could continue the momentum with an equally positive report. However, the only good news is don't worry if you've had one drink too many . . . because the bad news will sober you up fast.

My remarks won't come as a shock. You read the papers; you're on the job every day. You're responsible for America's most strategic frontier. As General Billy Mitchell said: "Who holds Alaska will hold the World" . . . so you—better than any audience . . . know the truth. Our hold—on both—is in jeopardy.

For the past four years, defense appropriations have been stagnant due to a foreign policy. We have lost strategic ground—literally and psychologically—due to unprecedented naivete.

It began in 1977 when President Carter repudiated the realpolitik of President Ford's Foreign Policy. In a commencement address at Notre Dame University, President Carter said that policy had been based—and I quote—"On an inordinate fear of Communism." In its place Carter unfurled (and again I quote) "A new American foreign policy . . . based on constant decency . . . optimism in our historical vision . . . confidence that democracy's example will be compelling."

From that moment, under the premise of idealism, paralysis was elevated to the status of foreign policy. Over the next three years:

The Panama Canal was given away.

The Soviets supplied Vietnam for the Cambodian invasion.

Soviet Military Advisers master-minded the take-over of North Yemen.

The Soviet Military presence in Cuba steadily expanded.

First, they delivered nuclear capable MIG–23 aircraft. Next came the nuclear submarine base. Finally, they stationed their own combat ready troops.

Meanwhile, trusting in "Democracy's compelling example", the Carter Administration discarded the B–1 Bomber, neutron bomb and Minuteman Missile. In their place, we were served up the Rube Goldberg version of the MX Missile.

The SALT II treaty was concluded in spite of hard documentation of accelerated strategic weapon production by the Soviets during SALT I.

These are the facts:

In 1964 the U.S. had 4 to 1 superiority in I.C.B.M.'s. Today, the Soviets lead us.

In 1964, the U.S. had 10 times as many submarine launched ballistic missiles. Today, the Soviets have almost 30 percent more than us.

In 1964, the U.S. had 7 times as many long-range bombers. Today our lead has been cut to barely 50 percent.

In 1964, the U.S. lead in warheads was 17 to 1. Today, it has shrunk to nearly 1½ to 1.

In conventional weapons, the Soviets have since 1977 outproduced us in tanks, combat planes, helicopters, attack submarines and other combat vehicles.

Why? Because military superiority was and is a Soviet priority and they made the sacrifices to achieve it. Soviet military expenditures last year, alone, were about 50 percent higher than ours. Their investment represents 11 to 14 percent of the U.S.S.R. GNP (which is only about 60 percent of the U.S. GNP). Our defense budget Fiscal 1979–1981 averages 5.1 percent of our GNP.

As the cliche goes, you get what you pay for . . . and we've bought impotence on a four-year installment plan.

We also bought the President a very costly education in world politics . . . for after the Soviet invasion of Afghanistan, he announced (and again, I quote) "A dramatic change in my opinion of the Soviets' ultimate goals."

My principal concern is that this new knowledge has largely been expressed in political rhetoric and impossible commitments. The President's state of the union message had some tough-talking, applause lines.

However, to those familiar with our real military capability and that includes you—this latest foreign policy could best be characterized as a classic Teddy Roosevelt flip-flop: "Speak loudly and carry a small stick."

The most alarming promise is American military protection for the Persian Gulf region. The President did not specify boundaries. Does it encompass Afghanistan? Pakistan? India? Iraq? What about Israel? These nations are not part of a regional defense system. They have not established a NATO-type organization. It should be remembered that America only agreed to enter the NATO Alliance after Europe agreed to defend itself first.

Is American military presence in the Persian Gulf to become the Carter Doctrine: Is this position feasible or credible, considering our existing military capabilities and failure to enforce the Monroe Doctrine in our own hemisphere? Was it a conventional force commitment or an extension of our nuclear umbrella? The President would be well advised to focus on making only commitments we can keep—and keeping commitments we have made.

Instead of posturing on the Persian Gulf, the administration ought to send the modern aircraft that national and global strategy requires here . . . now!

Alaska, source of 18 percent of our Nation's oil supply, is currently defended by 28 1950-generation F–4's. Our antiaircraft batteries have been demobilized. Aircraft deployed to Vietnam, over a decade ago, have not been returned or replaced.

We have been told that two airborne warning and control stations (AWACS) will be deployed on a part-time basis at Elmendorf Air Force Base beginning in 1982.

But we need F–15's or F–16's to replace the obsolete F–4's. Only these all-weather fighters have the lookdown capability to intercept low-flying Soviet Backfire bombers. We know Backfires, based within range of Alaska, have the capability of striking multiple targets with thermonuclear devices. Without AWACS and F–15's or F–16's, they could easily deliver their payload and return to Eastern Siberian bases.

National security would be well served by stationing F–111B's in Alaska too. These would provide the counter threat of second strike deterrence to any scenario calling for Backfire bomber attacks on Alaska's strategic targets.

However, right now, unreality and irrationality prevail.

The Administration is pledging F–6's to Egypt and more F–15's to Israel. I believe both should be deployed by the United States on U.S. leased bases in the Sinai.

The Administration, while pledging to increase National Security, has cut Military construction funds for Alaska from $46 million this year to only $25.2 million for fiscal year 1981.

The Administration, while advocating defense of Mid-East oil fields, supports an Alaskan lands policy that restricts exploration—much less development—of Alaska's strategic energy and mineral resources.

Although I support the concept of draft registration, I find it impossible to reconcile the President's position on registration to defend oil when he will not contemplate environmentally sound extraction of domestic resources. To me, it's irrational to be more willing to disrupt the lives of our children than the Arctic tundra. It's ludicrous to pledge the preservation of wilderness to future generations when you refuse to produce energy for the national security to guarantee our future.

General Billy Mitchell was right. Everything we need to control the world and the future is right here in Alaska. All we need is responsible policies for Alaska. Our resources and military bases.

With the retirement of Senator Milton Young, I will next year become Ranking Minority member of the Defense Appropriations Subcommittee.

In the Senate seniority is power and I intend to use it responsibly and relentlessly. I intend to fight for increased defense capability—and, if required, increased defense spending.

A new manned bomber must go on-line.

Other weapons systems we've invested millions to research and prove valid, must be developed and deployed.

We must make whatever sacrifices are necessary to restore our country's superiority in both conventional and strategic arms.

Alaska should have the air, land and sea defenses necessary to guarantee national security.

We should terminate encroachment on the Monroe Doctrine.

And we should do all we can to restore

confidence and respect in America at home and abroad.

Although, as part of the Senate leadership, I'm commited to bi-partisan support of our efforts to free our hostages in Iran, I can say that we are going to see that future American diplomats will be able to function in a civilized world with absolute security.

Let me conclude by expressing the hope you do not misunderstand: I do not condemn the President's idealism, I commend it. The problem is his innocence. The test of leadership we all face now is not to compound these crises but resolve them.

We must have the courage to face the truth. National security demands we reassure our defense capability. World peace and justice, progress and prosperity depend on us. In fact Americans are challenged to live up to the very ideals the President spoke of in his Notre Dame Address. Our historic optimism and confidence that democracy is the best system must compel us to revitalize our defense forces so that we may continue to live in freedom as an example for all other people and nations to follow.

PRESIDENT'S ROCKEFELLER COMMISSION REPORTS COMPREHENSIVE STUDY ON AMERICAN COAL INDUSTRY NEEDS

Mr. PERCY. Mr. President, on March 3, our Nation gained an invaluable insight into the hearts and minds of one of our most indispensable, yet often ignored, working peoples—the American coal miner. On that day, too, we were presented with a very thorough and useful analysis of the state of America's coal mining industry, the culmination of nearly 2 years of work and thousands of hours of interviews from coast to coast.

These documents were prepared by the President's Commission on Coal, which was appointed by President Carter in the spring of 1978, and was given inspired and dedicated leadership by its distinguished Chairman, West Virginia's Gov. John D. Rockefeller IV.

I cannot claim to be an impartial observer of the Coal Commission or its work. I was given the high honor by the President of serving as an ex officio member of this body, along with Senators JENNINGS RANDOLPH and WALTER HUDDLESTON, and Representatives JOHN BUCHANAN, AUSTIN MURPHY, and CARL PERKINS.

But I do feel quite safe in stating that the Commission has prepared a very fine picture for us all of the complex lives and needs of the men and women who mine coal in America. The Commission's report shows clearly how and why we must begin to immediately use the abundant domestic energy resource of coal, a resource which has been so ignored as of late, but one which offers one of our few real hopes for breaking this Nation's present intolerable dependence on foreign oil.

The Commission's report comes in four sections: A succinct booklet of recommendations and summary findings; a more detailed staff report focusing on the employment, economic, and environmental impact of increased coal use; a comprehensive and informative data book on coal production and consumption levels in this country; and "The American Coal Miner," a superbly researched and written examination of the health, safety, and living conditions of the 233,400 Americans who play such a vital role in turning this country toward energy self-sufficiency. "The American Coal Miner," I should add, contains some of the finest photographs of the life of the American coal miner that I have ever seen.

The Coal Commission present us with some very challenging goals to reduce our dependence on oil imports. A 2 million barrel reduction in daily oil consumption by 1990; an outright ban of oil and gas use in coal capable utility and industry boilers by 1985; implementation of a Federal grants program—where it is needed—to remove the incentive for utilities not to convert to coal, and to ease the burden of these conversions of electric rate-payers. The Commission also stresses that our increased use of coal must not come at the expense of any provisions of the Clean Air Act.

The job is not easy, but it is unavoidable. Our failure to utilize our coal reserves as an immediate alternative to oil would have very severe consequences on the stability of this nation, I believe. Yet we must do this without sacrificing the quality of our air; or our land.

Obviously, the balancing of these concerns will not be cheap, especially when we consider the need to utilize our high-sulfur deposits in the Midwest. I am highly sensitive to the need to avoid unnecessary Federal costs in a program of this dimension, in light of our severe need to balance the budget and halt the skyrocketing inflation rate.

But what would the replacement of 2 million barrels of oil daily with coal mean to our economy? It would mean a reduction of nearly $25 from the $95 billion we now spend every year to import oil. It would mean new jobs for about 12,500 miners now sitting unemployed all over the country, draining Federal assistance rolls because the product they want so desperately to sell simply has no market. Against this background, I affirm that not only is a careful and prudent Federal aid program to spur coal conversion a small price to pay, but it may in fact spur economic benefits of incalculable proportions to our country in the next few years.

Mr. President, I want to add a special note of commendation to the staff of the Coal Commission for their preparation of the illustrated report on the American coal miner. Perhaps my tribute should go to the miners themselves, for nearly 1,300 of them shared their homes, and allowed themselves to be photographed and/or interviewed at length by Commission field teams.

They really are responsible for the fact that this study is the first major documentation of coalfield community and living conditions since the 1947 Boone Report, created at the behest of the late United Mine Workers President John L. Lewis. The report shows that the American miner today enjoys an increased standard of living, housing, and health care. Since 1974, miners' wages have risen faster than those of the general labor force, and are now among the highest in the Nation.

The Commission has prepared excellent sections in its report on two often-ignored elements of the coal mining force: The woman, and the Indian coal miner.

Fourteen hundred Navajo miners produce 23 million tons of coal each year, or about 3 percent of our national total. These individuals on the average earn more than $20,000 a year; over half of them earn more than $25,000. Yet the Commission shows that many of these miners, like their nonmining Navajo brethren, lack the necessary health care, housing, and school facilities that should be available to all Americans. We must work to improve these facilities where inadequacies exist.

The female miner has, similarly, made tremendous strides in winning her rightful place in the profession of her choice, but more still needs to be done to insure full equality of opportunity. Since 1973, the number of female coal miners has risen from zero to 2,600, 1 percent of the total work force. After many women had to seek legal action to win a place in the mines, today we have large coal companies, like the Consolidation Coal Co., of Pittsburgh, agreeing to employ one woman for every four new miners it hires. We have important new laws, like the Pregnancy Discrimination Act passed last year, which will guarantee that pregnancy is treated by employers exactly like any other temporary disability.

The Commission report shows that other problems may still need addressing, such as the availability of child care facilities for women miners, and protection from sexual abuse on the job. Corrective action must be taken where it is needed.

I do want to convey my thanks to President Carter for deciding to accept one of the Coal Commission's most important recommendations: last Friday, at the Coal Day Conference at the White House, President Carter announced the creation of a White House Coal Advisory Council to assist in the implementation of a national program of coal utilization. This Council will bring together the many diverse attitudes and concerns on national coal policy. Such a group, I believe, is essential if we are to establish a coal program based on censensus, not coercion.

Finally, Mr. President, I want to comment on my experience as an ex officio Coal Commission member. Serving on this panel since its creation and working with the Commission Executive Director Michael Koleda, has been a most memorable, educational experience. Visiting mines, talking to numerous labor and industry representatives, and to many, many miners themselves—all this has made the coal utilization controversy one expressed in very real, human terms for me. For this, I am especially grateful.

President Carter's decision in 1978 to create a national Commission on Coal and to appoint Governor Rockefeller as its chairman, is one which will have very beneficial, long-range impacts on this Nation. I thank the Commission for its excellent work, and urge the Congress to make the Commission's key recommendation—immediate coal utilization—one of its very highest legislative priorities.

WHISTLEBLOWER PROTECTION PROVISIONS OF THE CIVIL SERVICE REFORM ACT OF 1978

Mr. LEAHY. Mr. President, it is obvious that this Congress will face the tough question of making substantial budget cuts for many programs. I am personally prepared to make those decisions and support those cuts. However, it is important to recognize that one basic problem with the Federal bureaucracy is that problems of waste, abuse, and corruption often go unattended until they become major crises. Those problems, whether they be at the Defense Department, Housing and Urban Development, at an agency or wherever, have one common denomination. They all represent the improper use of tax dollars.

We can stop this. It is necessary to establish a sincere executive policy to encourage and protect whistleblowing.

The Congress acted on this with specific provisions we included in the 1978 Civil Service Reform Act.

A year passed since that act became law. In an attempt to monitor the progress and problems with the whistleblowing provisions, Congresswoman PATRICIA SCHROEDER recently held 4 days of oversight hearings in the House.

I believe the Congresswoman should be applauded for her effort. Oversight hearings do not usually carry the political appeal of appropriations or legislative activities. However, there is no question they are one of the most important responsibilities we have as elected officials.

In addition, oversight hearings on the whistleblowing provisions are likely to result in improvements to the actions and policies of the executive branch. These hearings will likely be directly responsible for saving tax dollars. If there is a more important goal which we as elected officials should be working toward in 1980, I certainly cannot name it.

I would like to share Congresswoman SCHROEDER's statement with my colleagues and again applaud her fine effort.

The statement follows:

OPENING STATEMENT OF THE HONORABLE PATRICIA SCHROEDER

Welcome to our fourth and final day of hearings on whistleblower protection under the Civil Service Reform Act. Our witnesses today are two of the officials most responsible for the success or failure of Civil Service Reform. Both Director Campbell and Chair Prokop are exceptionally well qualified for the task; I expect their efforts will lead to success. We are honored to have each of you here today.

During the three days of hearings last week, we heard disheartening news about the implementation of the whistleblower protections of the Reform Act. We heard that agency managers do not take the protection provisions of the statute seriously. I am, therefore, extremely pleased to note that Director Campbell's prepared statement contains a strong endorsement of whistleblower protection. His statement should be read by every manager and supervisor in government, so that they know that the official government policy is to listen to and work with dissenting employees. Dr. Campbell makes it clear: the days of retaliation are over; the days of reasoning together are here.

We heard other disturbing news from prior witnesses. We heard that an employee needs a lawyer to utilize the protection provisions of the Act. I find this a most serious indictment. One of the central purposes of the Reform Act was to make the Federal personnel system easier to deal with by both managers and employees. The whistleblower protections were drafted to be straightforward and automatic. The Special Counsel is supposed to act like a cross between a prosecutor, and a legal aid lawyer, and a regulatory agency. The Special Counsel was intended to serve as the lawyer for whistleblowers. Further, the legal hurdles to protection were supposed to be limited. If whistleblower protection becomes a legalistic house of horrors, it's worthless.

The Merit Board and the Special Counsel have been trying to ascertain congressional intent on various aspects of the statute. No doubt, on some questions, congressional intent is murky because no member of Congress really focused on the issue. But, on other questions, the intent of Congress is as clear as can be. By listing some areas in which congressional intent was clear, I do not want to prejudice any pending case:

1. Disclosure of evidence of wrongdoing within the chain of command is absolutely protected. A lot of discussion during the consideration of the legislation was over how to encourage inside whistleblowing without discouraging outside whistleblowing. We ended up by protecting both. The Merit Board is entitled to raise and answer whatever relevant legal questions it wants. To raise the question of inside whistleblowing without answering it, however, strikes me as peculiar. It is like a judge asking counsel to brief the question of whether poisoning somebody constitutes murder. This question must be answered firmly, definitively, and immediately.

2. The law to protect whistleblowers is really an overlay, as is the law to protect against racial discrimination or the law to protect against reprisals for labor organizing. A properly working personnel system should not need these protections. It is only the history of perversion of the merit system which requires their imposition. As such, these protections come with a presumption. If an employee can show the protected activity or condition (race, labor activity, disclosure of information) and can show the resultant personnel action, the link is presumed, subject to rebuttal. The black employee, the labor organizer, and the whistleblower should not have the burden of demonstrating that their supervisor acted with bad motives or malicious purpose. All they should have to show is that the offensive personnel action was related to the protected activity or condition. It is up to management to show that that personnel action was not taken for a prohibited reason. Congress intended that whistleblower protection operate with the same presumptions as equal employment opportunity protection.

3. The manager of a government enterprise has constructive knowledge of the activities of his or her subordinates. A manager cannot order the firing of an employee on the recommendation of subordinates and then hide behind lack of actual knowledge in the face of charges of reprisal. If the manager of an agency is foolish enough to sign off on personnel actions without question, he is deemed to have the same knowledge as those who recommended the personnel action, for purposes of finding a reprisal. The Senate Report made this plain when it talked about information the agency head should have known. To define the doctrine of constructive knowledge narrowly is to scoff at the purpose of the statute and to ignore the hierarchical structure of the Federal government.

4. Congress never intended that the employee and the Special Council would have to go through an evidentiary hearing for a stay to be granted. Congress intended that the Special Counsel would be able to blow the whistle on a reprisal and freeze the agency dead in its tracks until the situation was rectified. Giving the Board a check was to assure that the Special Counsel did not become thoroughly irresponsible. The stay was intended to be a provisional remedy pending the determination on corrective action. After the first *ex parte* stay is granted, the opportunity for agency comment is to help the Board determine if the Special Counsel is being arbitrary. But, absent a finding of that the Special Counsel is being arbitrary, the stay must be granted and extended until the situation can be corrected.

5. The Special Counsel should be saddled with a high burden of proof in cases seeking disciplinary action. There, the Special Counsel should be required to prove that the agency official acted with a bad motive. For, it is in this case, that the institution of government is asking for a subordination of the rights of an individual. Similarly, where the institution of government tries to subordinate the rights of an individual whistleblower, the burden should be placed on the government, not on the individual. The statute is intended to protect individual rights and must be construed in that way.

Just two concluding comments:

First, the Special Counsel and the Merit Board were supposed to work together like the General Counsel and the NLRB do. Instead, the first year has been characterized by friction between these two agencies. This friction must be eliminated and a relationship of respect must be established for this law to work.

Second, the appeals structure of the old Civil Service Commission lacked the confidence of employees, labor organizations, and outside observers. It failed and was eliminated because of that perception. It's too early to say whether the Merit Board and the Special Counsel have the confidence of employees. At such time that it becomes clear to me that the Merit Board or the Special Counsel lack the trust of Federal workers, I will lead the charge to abolish them.

For now, however, I am committed to making the whistleblower protections a reality. I intend to make them work. This member of Congress and her constituents are sick and tired of spending money on government agencies that do not do what they are intended to do. I implore all those involved to make this law work.

With that, I am pleased to introduce our first witness, Dr. Alan K. Campbell, Director of the Office of Personnel Management.

Mr. LEAHY. Mr. President, I ask unanimous consent that the Senator from Michigan (Mr. RIEGLE) be added as a cosponsor to Senate Concurrent Resolution 80.

The PRESIDING OFFICER. Without objection, it is so ordered.

MARYLAND DAY 1980

Mr. MATHIAS. Mr. President, today is the 346th anniversary of the founding of the State of Maryland. As has been my custom in the past, I would like to mark the occasion by calling to my colleagues' attention an aspect of Maryland's past that has a particular significance for the present.

Since this year also marks the 60th anniversary of the passage of the 19th amendment to the Constitution granting women the right to vote, it seems appropriate to note that it was in Maryland that the principle of equality for women was first asserted in America.

The January 21, 1648, Journal of the General Assembly of Maryland records the historic moment in this brief entry:

> Came Mrs. Margaret Brent and requested to have vote in the House for herself and voice also.

Mrs. Brent's request was denied by the Governor but the setback did not deter her from a life of achievement unprecedented in its day and admirable even in our own.

Margaret Brent arrived in America, with her sister Mary, 3 years after the original Maryland settlement. She promptly asserted and forcefully pursued a claim to lands as large as those given the first arrivals. She became the first woman landowner when, on October 4, 1639, the General Assembly granted her a patent for 70½ acres of land. She named those acres, and the thousands she was soon to add to them, "Sisters' Freehold," a name which has a very modern flavor.

Margaret Brent was the first woman "attorney" in America and was appointed by the Provincial Courts to act as attorney for Lord Baltimore. She was also appointed by Leonard Calvert to be his executrix. When the Governor denied her petition for vote and voice, however, Margaret Brent left Maryland in protest.

Margaret Brent was the first in a long line of extraordinary Maryland women dedicated to the cause of freedom. Two others whose achievements, against almost insuperable odds, we can only marvel at were: Harriet Tubman and Anna Ella Carroll.

History has dealt more fairly with Harriet Tubman than life did. Today the name of this former slave and heroine of the Underground Railroad is known and respected throughout the world. In the words of the Maryland Historical Society's "Maryland: A History:"

> [T]he most famous and successful person who helped slaves escape was a former Maryland slave: Harriet Tubman, who reentered the South fifteen times to lead over two hundred to freedom. The stories of her successful missions could rival the most dramatic spy stories of the twentieth century.

Harriet Tubman was not only the most important figure in the Underground Railroad and tireless in the antislavery movement, she was also a leading figure in the fight for civil rights for women. But despite fame and many honors, including a medal from Queen Victoria, she spent many years in poverty.

Mr. President, I ask that a brief biography of Harriet Tubman from the World Book Encyclopedia be printed in the Record at the conclusion of my remarks, together with a fascinating account of the discovery and excavation of the only tunneled segment of the Underground Railroad found intact since the Civil War. That discovery was made at the old Orchard Street Church in Baltimore where Harriet Tubman and Frederick Douglass worshipped. The story of this discovery was printed in the April 1977 Bethlehem Review, published by the Bethlehem Steel Co.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. MATHIAS. Mr. President, unlike Harriet Tubman, Anna Ella Carroll was richly blessed during her lifetime but history has not served her well. The name, Anna Ella Carroll, is virtually unknown today although, during the Civil War, she performed services to her country unrivaled to this day.

The Autumn 1979 issue of Maryland magazine has gone a long way toward rectifying this situation. An article in that journal by Alison W. Birch, entitled "The Lady Was A General," does full justice to the brilliant career of this very remarkable Marylander. I ask unanimous consent that this article be printed at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. MATHIAS. Mr. President, because this article is so complete, I will confine my own remarks about Anna Ella Carroll to noting here the coincidence that exactly 100 years have passed since the Congress of the United States first sought to do justice to Anna Ella Carroll's service to the Nation. This is how Ms. Birch describes that effort:

> Finally, in 1880, when Garfield became President, there was a change in the government's attitude toward Anna. General Edward Bragg made a report and drew up a bill: "H.R. 7256. Be it enacted that the sum and emoluments given by the government to the Major Generals of the U.S. Army be paid to Anna Ella Carroll from November 1861, the date of her service to the country and the time of the passage of this act, and further payments of the same amount as the pay and emoluments of a Major General in the U.S. Army be paid her in quarterly installments to the end of her life as a partial measure of recognition of her services to the nation."
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> Garfield was shot four months after his inauguration, and one day Anna's friends found that the bill that General Bragg had drawn up had been removed and a second one installed in its place under the same number: "Be it enacted that the Secretary of the Interior be and is hereby authorized and directed to place upon the pension rolls of the United States the name of Anna Ella Carroll and to pay her a pension of fifty dollars a month and after the passage of this act during her lifetime, for the important military service rendered the country during the late Civil War."

Not unnaturally, Anna Ella Carroll and her supporters found the substitution insulting and, since that day, Miss Carroll has never received the recognition she deserves as one of the truly heroic figures of the Civil War and of our history.

As a Marylander, it is wonderful on this 346th anniversary of Maryland's founding and on the 60th anniversary of the passage of the 19th amendment to be able to honor these women—Margaret Brent, Harriet Tubman and Anna Ella Carroll—who contributed so much to the cause of freedom and of women's rights.

Exhibit 1

Biography of Harriet Tubman

Tubman, Harriet (1820?–1913), was an American Negro who helped hundreds of slaves escape to freedom. She became the most famous leader of the *underground railroad*, which aided slaves fleeing to the free states or to Canada. Blacks called her Moses, after the Biblical figure who led the Jews from Egypt.

Tubman was born a slave in Bucktown, Md., near Cambridge. Her name was Araminta Ross, but as a child, she became known by her mother's name, Harriet. In 1844, she married John Tubman, a free black. She escaped from slavery in 1849 and went to Philadelphia via the underground railroad. She then vowed to return to Maryland and free other slaves.

Tubman made her first trip back to Maryland shortly after the United States Congress passed the Fugitive Slave Act of 1850. This law made it a crime to assist runaway slaves. Tubman returned to Maryland 18 more times during the 1850's and helped free about 300 slaves. She outwitted many slavecatchers during these rescue missions. Rewards for her capture once totaled about $40,000.

In 1857, Tubman led her parents to freedom in Auburn, N.Y. Soon afterward, she met with the radical abolitionist John Brown, who told her of his plan to free the slaves. She considered Brown the true liberator of her race. About 1860, Tubman also became active in the women's rights movement in New England and New York.

During the Civil War (1861–1865), Tubman served as a nurse, scout, and spy for the Union Army in South Carolina. During one military campaign, she helped free more than 750 slaves. After the war, Tubman returned to Auburn, N.Y., where she helped raise money for black schools. She also worked to establish a home for elderly and needy blacks. Such a home opened in Auburn in 1908 and later became known as the Harriet Tubman Home.

[From the Bethlehem Review, April 1977]

"Dedicated to the Cause of Freedom"

It was pleasantly cool, despite the 90-plus degree August temperatures outside, as we stood in the nave of old Orchard Street Church, Baltimore. In that now abandoned sanctuary—dirtied by a decade of disuse, desecrated by vandals, and burned by vagrants—one feels an overwhelming sense both of history and reverence.

In that church, started probably in 1827 and completed maybe 10 years later, the enslaved black people of Baltimore sang and prayed and worshipped. Their spirituals and "message" songs spoke eloquently of their hope for freedom. So did the messages of their first preacher, Truman Pratt, despite his state of bondage.

Construction of the first church, as well as the larger and more ornate church adjacent to it (completed in 1853), was entirely the work of slaves. Oral history tells us that construction—the making of the tens of thousands of bricks, the laying up of them, the carpentry, the plastering, the hand-carving of the interior trim—was accomplished by light from torches held by slave women in the dark hours after their "normal" labors were finished.

(Black people held in bondage in Baltimore City in the years before the War Between the States were not the better known fieldhands of Southern plantations. Rather, they were craftsmen and artisans, laboring for their masters in the skills they had learned as slaves. Though they went throughout the city with relative freedom pursuing their crafts, they were still slaves in the true sense of the word.)

You knew all this before you entered

Orchard Street Church. You knew that beneath the first church building lay the only tunneled segment of the underground railroad found intact in the 100-plus years since that famous railroad's use ended with the Emancipation Proclamation. You had been told that in the old church Harriet Tubman, a slave who had fled to freedom and was the most famous "engineer" on the underground railroad, and Frederick Douglass, the freed slave credited with developing the concept for the underground railroad as a route to freedom for his people, met, talked, worshipped, prayed, and plotted together.

Knowing all this, you were still not prepared for your first glimpse of the tunnel. In many parts of the country there remain trails over which slaves walked to freedom. There remain a few pre-Civil War homes in which slaves were hidden and cared for on their walk along the railroad. But there it is, a tunnel built by slaves for fellow slaves who wanted nothing so much as freedom. Barely large enough for an adult to crawl through, the tunnel leads beneath the church's basement in a direct line to the old Mount Royal railroad station.

No one knows how many slaves crawled their way to freedom beneath Orchard Street Church. Older members of the congregation say they've heard thousands crawled the tunnel's length. Records can't substantiate the numbers; there are no written records of that railroad. But there is no question that many used that route, for slave churches were the only relatively safe places for fleeing blacks. The churches were their cover, their haven, in their flight.

But that the underground railroad existed, that Harriet Tubman and Frederick Douglass planned and directed it, and that Orchard Street Church was a link in the overall plan can no longer be questioned despite the lack of written records.

For several generations the members of Orchard Street Church have kept alive the story that "their church" was a link in the underground railroad. The story did not die when, in the mid-1960's, the congregation disbanded, most of the members moving north to Ames Methodist Church. Orchard Street Church was in the path of Baltimore's proposed subway and it was marked for razing. Old Orchard Street Church and its history appeared doomed to progress and urban renewal. Its historic secret was about to be bulldozed into the very tunnel no one had yet been able to locate.

Through the efforts of many blacks of Baltimore, most notably Mrs. William A. C. Hughes and Mrs. Juanita Jackson Mitchell, the city's urban renewal plans were halted. Now in the block bordered by Druid Hill, Pennsylvania, West Biddle and Orchard Streets only the two sturdy brick Romanesque churches and three brick row homes still stand. It is thought that in one of these three row homes Truman Pratt formed and later led the Orchard Street congregation.

Orchard Street Church was placed in the National Register of Historic Places in late 1975. Ceremonies marking that significant event were held at the church the following February. But even that recognition has not prevented vandalism of the structures.

In the years since the congregation moved to Ames, vandals have broken nearly every square inch of stained glass in the church, stained glass probably imported from England and put in place more than 150 years ago. Vertical supports of the communion rail, some pews, and other interior woodwork have been burned to warm vagrants who sought refuge in the sanctuary. Several near disastrous fires have resulted.

But what had, for so long, escaped the members of old Orchard Street Church—the tunnel—was found this past April. Let's let Glasco Ryales, general manager of the church and the tunnel's discoverer, tell this part of the story.

"I'm not," Glasco told us, "what you'd call a churchly man. But when I first stepped into this church last winter, I felt strange vibes, vibes I'd never felt before. I just knew that tunnel was here somewhere and I was determined to locate it.

"By early spring, I'd walked and crawled over every square inch of these two buildings but I hadn't found it. I'd found some interesting old artifacts and I uncovered the forgotten stained-glass rose window in the second nave. [It had been boarded and plastered over a generation or two earlier for some forgotten—but fortunate—reason and remains fairly intact.] But I still could not find the tunnel."

Since stories of the tunnel reported that it linked up eventually with the Mount Royal station, most of Glasco's searches had been along the north and northwest faces of the structure. If the tunnel was there it was logical to assume it started as close to its destination as possible. But logic had not exposed the tunnel.

"Early in April last year I came back to the church about 2 o'clock one morning. I headed straight for the furnace room in the ground floor of the old building. I tapped the walls [with his geologist's pick] and I heard no hollow sound except in the chimney there. Finally, I looked inside the chimney flue cleanout door. There was the tunnel entrance." The secret of Harriet Tubman and Frederick Douglass was now exposed.

"You know, I was so filled with emotion that it was the next day before I could even tell Mrs. Oliver that I'd found it." (Mrs. Elizabeth Oliver, the city editor of Baltimore's *Afro-American* newspaper, and a Presbyterian, is chairwoman of the Orchard Street (Methodist) Church restoration committee.)

There was immediate concern among those who shared the secret of the discovery that vandals might do to the tunnel what other vandals had done to the church itself if word of the discovery got out. Its location became just as much a secret as its exact location had been to those who used and operated it. And that's how Bethlehem Steel comes into the story of Orchard Street Church.

Early last summer, Mrs. Oliver wrote to Russ Jones, general manager of our Sparrows Point plant, asking if Bethlehem might donate a steel door to protect the tunnel. That steel door was hung the end of July. Now that historic section of the slaves' route to freedom is secure.

Beside the doorway, Bethlehem mounted a simple bronze plaque: It reads: "Dedicated to the cause of freedom imbued in those who passed through this doorway."

Inside the old furnace room is a simple memorial wreath honoring slaves who crawled through the tunnel. It is a gift from Baltimore's school children.

Glasco Ryales has inched himself on his stomach almost to the north wall of the church. (The brick-lined tunnel is not large enough to permit even crawling on your hands and knees.) There he hit a cave-in. Fearful of causing more caving, he has not tried to remove the blockage.

The Orchard Street Church restoration committee hopes—it prays—that funds can soon be found to do further work to restore not only the slave-built church but the tunnel that lies beneath it. Orchard Street Church, its tunnel, its oral history links with Harriet Tubman and Frederick Douglass are too great a part of black history and the black man's search for freedom for their efforts to fail.

And because the Orchard Street Church restoration committee is short of funds for the immense chore ahead of it, Bethlehem Steel has agreed to provide the funds for a color and sound slide-film on the underground tunnel. That project has, however, not as yet gotten off the ground.

EXHIBIT 2

[From the Maryland magazine, autumn 1979]

THE LADY WAS A GENERAL

(By Alison W. Birch)

Small and slender, her size would, if measured against the great, bony length of Abraham Lincoln, have proved insignificant. She was a typical, nineteenth-century southern belle, born to aristocracy and, as a woman, not considered worth educating.

Yet back in those disaster-laden days of Lincoln's administration, she counseled the President constantly and wrote for him the plan that broke the back of the southern rebellion and thereby saved the Union. But she was a woman and, at the time, this fact kept recognition and reimbursement from her and twisted history to hide the simple and unpalatable truth.

With her copper-colored hair and large blue eyes, Anna Ella Carroll lacked nothing of southern charm and beauty. Her face was round under centrally parted curls pulled back loosely behind her head. Although her portrait makes her appear gentle and serene, her eyes reveal not only a sharp intelligence, but a secure self-image. It is said that her wit and intelligence made her a favorite in both Baltimore and Washington social circles.

But the soft exterior of Anna Ella Carroll of Maryland sheltered a mind of tempered steel. As a military strategist she was called a genius. As a constitutional lawyer she wrote "The War Powers of the General Government," outlining for Lincoln his authorities as President during a war. And as a writer she earned a then amazing five thousand dollars per year promoting politics, the railroads, the Navy, and the President in articles as well as in several books and pamphlets written at the request of the Lincoln administration. In all, she counseled 5 Presidents: Millard Fillmore, James Buchanan, Abraham Lincoln, Andrew Johnson, and Ulysses S. Grant and was the political confidante of Abraham Lincoln throughout his entire presidential life.

In spite of the magnitude of Anna Ella Carroll's services to her country, history has preserved a peculiar silence about her. Historians searching the records have maintained a curious indifference toward her contributions. Yet, men like Attorney General Edward M. Stanton went on record as saying, "hers was the greatest course in the war. She found herself, got no pay and did the great work that made the others famous." Today, she is nearly forgotten and, in spite of government documents to prove her services, many letters, and three biographies, she remains a legendary enigma, a historical embarrassment. However, history apparently has not been able to gather together the courage to admit that the triumphant armies of the Union in the great rebellion moved at the direction of a civilian and a woman, and that a little southern lady directed the arms of General Ulysses S. Grant.

Anna Ella Carroll was born on August 28 in 1815 at Kingston Hall on the Eastern Shore, the oldest of an eventual four sisters and two brothers born to Thomas King Carroll and Juliana Stevenson Carroll. From the moment of her birth she occupied a special place in the heart of her lawyer father who later became Governor of Maryland. Even as a young child she had unlimited access to his library where she studied his maps earnestly before she could read, and where in time she read law with her father as if she had been his son.

Anne, as her family called her, was born into the institution of southern slavery. Her father's Maryland plantation had twenty-two rooms and 2000 acres. Built into the land and the family tradition was a large collection of 150 slaves who had never been bought or sold for the 170 years of the family tribe. Births and deaths ebbed and flowed the total tide of the black population, but slavery was, as such, only a necessary evil to the southern Carrolls. They did not even buy or sell. Anne grew up sharing her gentle parents' attitude that the blacks at Kingston Hall were family people and so must be tended, respected, and protected.

By the time Anne was ten she was working daily in her father's study, sorting his mail, searching his newspapers for references to the issues that absorbed him; clipping and filing material as she found it. At eleven she was reading essays on history and studying the philosophy of Kant. She read Coke and Blackstone as soon as she could read anything and enjoyed assisting her father in finding passages he needed. Before long she became as adept at legal argument as many of her father's friends.

Along with philosophy, history, and law, Anne learned geography. From her Eastern Shore locale she watched the coming and going of shipping fleets on the Pocomoke to the West Indies and Central America, and the world, to her, took on a size and shape that was vivid and three-dimensional. She knew her own rivers with the understanding that can only come from frequent physical involvement with them. In 1830, Thomas Carroll was elected Governor of Maryland. As the Governor's daughter in Annapolis, Anne at fifteen began the political socializing that was eventually to lead her into the innermost circle of Presidents.

In the spring of 1840 Anne took up residence in a Baltimore boarding house, determined to be self-supporting. The railroad was in its boisterous and zesty infancy and soon Anne found a livelihood writing promotional material for them. In May of that year the political conventions were held in Baltimore and Anne observed them with fascination. She met Henry Clay and completely captivated him. Suddenly Anne was up to her soft and appealing neck in an all-out attempt to further the campaign, through writing, social charm, and political participation, until William Henry Harrison was in the White House and the Whigs were in power.

Meanwhile, her father's fortunes had waned and Anne become heavily concerned about his slaves who were threatened with sale. She suggested he let her buy them so any judgments against him would not jeopardize their futures. In the course of several years, using her own earnings, Anne personally bought and freed a known total of twenty Carroll family slaves and possibly ten more.

BEGINNINGS IN WASHINGTON

In the winter of 1845 Anne moved to Washington into a boarding house on Pennsylvania Avenue. Here she was swept into a social circle containing the most exciting and influential people moving in government in those times.

In the whirlpool of Washington society, amidst the involvement of a full and responsible career, Anne moved steadily toward a meeting with a new young member of Congress, Abraham Lincoln of Springfield, Illinois. By 1850, when Anne was thirty-five, her own special group of friends was secure in the highest places. Her friend Fillmore was now President and another friend, Thomas Corwin, was Secretary of the Treasury. For the rest of Fillmore's cabinet, Anne had a role as keeper of records. The entire group worked together to put a stop to the secession movement now brooding in the South.

By 1860, Anne had freed the last of her house slaves, and had the satisfaction of knowing that her support of Abraham Lincoln had played a part in his election. As a southerner, she listed Jefferson Davis among her many warm friends, but dropped him when he threw in his lot with the South. For herself, she was staunchly Union and considered secession as treason and disunion, disaster.

Another friend soon dropped by the wayside in Anne's regard. When John Breckinridge came out charging President Lincoln with starting the Civil War, Anne with all her articulate powers and knowledge together with a collection of facts from her files, heatedly wrote a Reply to Breckinridge. Carefully, with dated and documented facts, she showed how the war had been brewing in the cotton states of the South since 1831. Then, with self assurance and serene faith in her own knowledge, she outlined the powers of the President in wartime. She concluded in her nearly spent fury: "Better that Washington had perished like Hampden. That Jefferson had never drafted the Declaration of Independence. That Lee, Hancock, Adams, Franklin, Sherman, and Livingston had died like Sidney and Russell upon the block, than that this Union, created to be the daylight to break the night of ages, should finally collapse and traitors be permitted to write the epitaph, 'It lived and died'."

The entire *Reply to Breckinridge* constituted a small book. Anne had it printed at her own expense and circulated it throughout her vast corridors of communication. When the Senate next met it expelled Breckinridge as a traitor to the government. Lincoln conveyed his thanks to Anne for her support through Attorney General Edward Bates on September 21, but the winds of war were out of the West now and leaders in Washington were looking toward the Mississippi Valley with deeper speculation in their eyes.

Of the entire *Reply to Breckinridge* Lincoln had focused his thought most intently on her brief description of the war powers of a President. On October 2, 1861, Anne, after a meeting with Colonel Thomas A. Scott in the War Department, was assigned by the United States Government to go to St. Louis, ostensibly to visit some family relatives there, but to use the valuable collection of law books at the Mercantile Library as reference material for the writing of a fuller explanation of the powers of a President in wartime. In addition she was to cloak herself with the southern loyalties of her aunt and uncle, take a look around her, and report whatever she saw worth reporting.

A STRATEGY IN THE WEST

Years later—in 1886—Anne was to write in *The North American Review* of the times and circumstances that prevailed when she took off for St. Louis. "It became evident in the autumn of 1861 that if the unity of the United States could be maintained by military force, the decisive blow upon the Confederate power must be delivered within sixty or ninety days." The war by then was seven months old and in addition to the lives lost, the treasury had been drained of millions; America was threatened with military intervention from Europe, and the course of secession was spreading into Illinois and Indiana.

At this time, strategists had been eyeing the Mississippi River as the central backbone from which military maneuvers might be made. None could deny, however, the hazards of attempting an attack from it at any point. The river flowed south with very strong currents, and any Union gunboats, crippled by southern forces, would be swept into the enemy territory.

Anne moved from her relative's home to Everett House in St. Louis and worked in the Library on her book called *The War Powers of the General Government*. Meanwhile she was back again at her old game of reading maps.

Understanding railroads as she did through years of promotional writing for them, she reasoned that in order to properly divide the South in two, the Union Army would have to disable the Memphis and Charleston Railroad. Food and ammunition were coming to General Lee in the East by way of this line from Texas and Mexico. Looking over the maps and studying all the rivers, it occurred to her that she should find a knowledgeable river pilot and determine the depths and speeds of the various rivers, and from there search out the strategic points that might be reached from each. One day, while viewing her maps, Anne spotted the Tennessee River. Scooping down alongside the Mississippi it flowed north in such a way as to allow the troops to cut the railroad, take Vicksburg from the rear and proceed directly on to Mobile. Any disabled boat would be pushed by the current north to its own home port. By the simple expedient of asking the hotel clerk, Anne found River Captain Charles M. Scott, who had escaped the South and was working for Brig. General Grant. An interview with Captain Scott, a veteran of 40 years on the rivers, convinced her that the river was navigable at any time of the year and a racing miracle of transportation at flood time. With his help, she wrote up her plan.

On her return East, it took only a few moments to convince her Washington friends of the feasibility of her military strategy. Lincoln was alerted and saw it too. Years later Colonel Thomas A. Scott recalled in a conversation with Judge Lemuel Evans at a Washington hotel, "the relief, joy and hope on Lincoln's face . . ." when he read and saw the value of Anne's plan. In the House Miscellaneous Documents is a letter to Anne from Senator Benjamin Wade, dated July 27th, 1876. Its statement is clear: "You were the first to discover the importance of the Tennessee River in a military point of view, and were the first to discover that said river was navigable for heavy gunboats . . . you made a journey to that region, and with great labor and expense, by examination of pilots and others . . . drew up a campaign which you, I think, first exhibited to Colonel Scott, who was then assistant Secretary of War, which was shown to the President, which information and plan caused the immediate change from the Mississippi River to the Tennessee River, and this change with all the immense advantages of the national cause was solely due to your labor and sagacity." The letter was written in a long, loyal, and fruitless attempt on Senator Wade's part to win for Anne financial reimbursement for her work and her rightful place in history." When I reflect on what mighty work you have done for the country and how you have been treated it keeps me awake nights and fills my soul with bitterness."

THE TURNING POINT

History books credit the Tennessee plan as the turning point of the war, but none have found it an author. While Grant is credited with military genius in the maneuvering, he never asked for or received credit for the authorship of the plan. In the American Pageant by Thomas A. Baily is the statement, "This triumph in Tennessee for the Union Army was of major significance. Kentucky was riveted more securely to the Union and the gateway was opened to the rest of Tennessee and to Georgia and the heart of the South. Grant's exploit also captured the imagination of the victory-starved North, and infused badly needed life into the Union cause."

Congressional records show petitions by Anne for reimbursement for her services. Letters here and there indicated her close association with the leaders of her time. It was not until 1940 that a great cache of her correspondence was found in the attic of her sister's house, where her niece then lived. It was placed with the Maryland Historical Society where it can be reviewed today. It was put there just in time. Within a year the sister's house burned to the ground. It was only in recent years too, that a letter written by Abraham Lincoln to Anne was found in the Garfield collection that clearly established a close and respectful relationship. Letters of hers also have been found in the manuscripts of Chase, Seward, Whittlessey, Hamilton Fish and others.

Lincoln's death put a temporary halt to discussions of who played what part in the war, but it put no halt to Anne's governmental and social activities. Prior to his death, House Miscellaneous Documents and a letter over Anne's own name to the New York Times indicated clearly that she was working with Lincoln on problems of emancipation and reconstruction. At Lincoln's request, she had written her Reply to Sumner which was circulated widely. Senator James M. Howard reported that her pamphlets were: "Among the very ablest publications of the times and exerted a powerful influence on the hearts of the people." After Lincoln's death Anne was employed by the Department of the Interior under Johnson to work on reconstruction. But still, there was no formal recognition for her past efforts and successes.

For years Anne petitioned Congress regularly, at the continual pressure of her friends, for reimbursement of personal monies spent for the printing and circulating of her government pamphlets, amounting to nearly seven thousand dollars. While no one denied her rights, Congress consistently avoided bringing the matter to a head. Finally in 1880, when Garfield became President, there was a change in the government's attitude toward Anne. General Edward Bragg made a report and drew up a bill: "H.R. 7256. Be it enacted that the sum and emoluments given by the government to the Major Generals of the U.S. Army be paid to Anne Ella Carroll from November 1861, the date of her service to the country and the time of the passage of this act, and further payments of the same amount as the pay and emoluments of a Major General in the U.S. Army be paid her in quarterly installments to the end of her life as a partial measure of recognition of her services to the nation."

A TOKEN RECOGNITION

Garfield was shot four months after his inauguration, and one day Anne's friends found that the bill that General Bragg had drawn up had been removed and a second one installed in its place under the same number: "Be it enacted that the Secretary of the Interior be and is hereby authorized and directed to place upon the pension rolls of the United States the name of Anna Ella Carroll and to pay her a pension of fifty dollars a month and after the passage of this act during her lifetime, for the important military service rendered the country during the late Civil War."

It was an insult which caused a near riot among Anne's friends, including Sarah Elizabeth Blackwell, sister to Elizabeth Blackwell, the first woman doctor, who fought valiantly for her cause. But by then it was almost too late. Anne had suffered a stroke and lay unconscious and paralyzed, terribly near death. Her brother and sister came and removed her from the Tremont House where she had been living. When she came out of her haze of unconsciousness she discovered that the trunk full of her papers was gone. Sarah Blackwell advertised for it and continued a search for years, but the trunk was never found. In the remaining twelve years that Anne Carroll lived, Sarah Blackwell visited her often, gathering information for her story. She then had a booklet published through the suffragettes entitled: *Anne Ella Carroll—A Military Genius*, which originally served as the one main source of material. The only definitive and up-to-date books about Anne Carroll of Maryland were written by Marjorie Barstow Greenbie. The first, *My Dear Lady*, was published in 1940; *Anne Ella Carroll and Abraham Lincoln*, was published in 1952 by the same author and Sydney Greenbie. The second book, followed the discovery by the Greenbies of the cache of letters and papers found in Anne's sister's home in 1940. In this material much that was missing earlier was pieced together to create a fuller and more authentic, well-documented story. At that time, two nieces and a nephew of Anne Carroll's were still living in Maryland and were able to add to the scant material already known about her.

Anne Ella Carroll, white-haired, small, and slightly deaf, died at the age of seventy-eight on February 19, 1893. Her grave can be seen today at Old Trinity Church graveyard at Old Church Creek in Dorchester County, Maryland. It's a simple grave, with nothing to show for a lifetime of service other than—that she lived and died.

But now, as Dr. Basler, former executive director of the Abraham Lincoln Association says of the second Greenbie book: "Historians who ignore Anne will be culpable, not of ignorance, but of sheer misrepresentation."

TECHNOLOGY EXCHANGE CONFERENCE AND EXPOSITION

Mr. MATHIAS. Mr. President, last week the first Technology Exchange Conference and Exposition for State and local officials ever held in the mid-Atlantic region was held at the new convention center in Baltimore for 2 days.

I am proud to have cosponsored this event together with the Federal Laboratory Consortium for Technology Transfer and I am particularly proud that our distinguished colleague from New Mexico, Senator SCHMITT, gave the keynote address opening day.

There is no one better qualified to speak about technology than a man who has walked on the Moon, thanks to one of the most stupendous technological achievements of all time and who is also a scientist in his own right.

Senator SCHMITT outlined the new policy options technology has made available to us for the future. He pointed out that "there are few technical hurdles between us and settlement on Mars, compared to those which faced us when we began our race to the Moon." He said that "this technological option is ours for the taking," if we can develop the national motivation to proceed.

I ask unanimous consent that Senator SCHMITT's remarks be included in the RECORD. They remind us "technology has been and will be the basic ingredient of successful national policies of the past, present, and future."

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

NEW POLICY OPTIONS THROUGH TECHNOLOGY

(By U.S. Senator HARRISON SCHMITT)

Throughout its history, science and technology have provided the United States with its most significant new national policy options. That the overwhelming majority of the American people believe this to be true and will be true in the future has been shown by survey after survey.

Look at a few of the more obvious examples from the past:

The Transcontinental railroad opened up a continent and preserved the destiny of a new nation.

The automation of manufacturing laid the foundation for our early economy and the defense of freedom in two world wars.

The on-going agricultural revolution not only has fed our people and spurred their economic growth, but has fed much of the world.

The science and technology of oil and gas exploration provided the base for our modern national growth.

The construction of the Panama Canal established the U.S. as the dominant maritime and trading nation of the world as well as created new technology for our industry.

The harnessing of nuclear energy, although incomplete, ended a war, prevented other wars, and could provide inexhaustible energy for mankind if we are wise enough to handle it.

The electronics revolution has drawn the people of the world together with a potential for good unmatched in history.

The vast base of technology from our space endeavors supplies a continuous stream of new services in an infinite number of areas including health care, communications, computers, energy efficiency, consumer products, and environmental protection.

There are many more examples which, on close examination, show that new policy options were created by science and technology for the expansion, growth and protection of the nation and the vast improvement of the well-being of its citizens. True, through ignorance or neglect there have been adverse consequences from these new technologies, but the total benefits far outweigh the costs. Few Americans would advocate turning back the clock; however, as we move even more aggressively into the future, we must learn from the mistakes in judgment in the past.

Four areas of new sciences and technology which illustrate the significance of the policy options potentially available to the nation are basic biological research, laser technology, information systems and space technologies.

First, basic biological research is opening windows to vistas of preventative medicine never before imagined. As in the 1930's, when the accumulation of a century of medical observations made possible the successful treatment and cure of many diseases through antibiotics, now fundamental understanding of biological and biochemical processes is making possible the prevention of many diseases.

The prevention of disease must be the ultimate goal we can imagine for medical science. The understanding of genes and how they work or don't work; the understanding of chemical and electrical communications within the body; the understanding of the effects and workings of carcinogenic substances, including viruses; and the understanding of the most intimate functioning of the cardiovascular system are just a few of the scientific breakthroughs that are in progress. The potential of such breakthroughs that are in progress. The potential of such breakthroughs are unlimited when confined with the capabilities of the new technologies of recombinant DNA, electromagnetic sensing, synthetic biochemical production, artificial microelectronic biosystems, computerized axial tomographic (CAT) scanners, ultrasonic scanners, computer processing, and many other marvels of the age.

Already, we can foresee the availability of large quantities of preventive medicines such as insulin produced by recombinant DNA technology; of neurological diagnosis that prevents or cures nerve and mental disorders; of numerous prostoglandins which promise therapy for ailments ranging from arthritis to glaucoma, from ulcers to asthma, from high blood pressure to migrain headaches; of artificial organs and body chemicals including the heart and blood; of 100 percent cure rates for certain types of cancer; and of the ultimate prediction of the susceptability to disease and thus its avoidance.

Basic biochemical research is opening up the new option of disease prevention rather than costly treatment and is the eventual alternative to ever rising medical bills and unaffordable insurance.

Second, laser technology is providing spectacular options for chemical processing and national defense. On the one hand, lasers that can be turned to the characteristic vibrations of elements and isotopics make possible both the efficient separation of useful materials from waste and the destruction of harmful chemical compounds before they enter man's environment.

An obvious application of laser chemical separation is in the management of nuclear wastes. Such wastes can become resources available at low cost and low risk while at the same time helping to re-open the nuclear power energy option for the country.

Laser chemical destruction is equally valuable in the cleanup of toxic chemicals before their possible introduction into the environment. Again, at low cost and low risk, technologies that could otherwise harm the environment can become servants of our economy.

Laser technology also opens up the possibility of shifting the emphasis of our strategic defense policy from one of "massive retaliation" or "mutually assured destruction" to a policy of mutually assured protection. High power ground or space-based laser systems, properly integrated with detection, communication and control systems, may permit the surgical destruction of attacking missiles before there is a need to consider retaliation.

Mutually assured protection, as a concept for national defense policy, cannot be fully implemented overnight or even for several years. However, through technology, the transition to this policy must begin if mankind is to have any long-term hope for avoiding war and perpetuating freedom.

Third, information systems technology, in the broadest sense, makes it possible to rationally imagine the gradual elimination of hunger, disease, poverty and ignorance in the underdeveloped portions of the world. These four horsemen of disaster are rushing down on mankind and freedom at unparalleled speeds. However, for the first time in human history, we can consider technically realistic means of stopping their onslaught and using that capability as the foundation of our foreign policy toward the underdeveloped nations of the world.

The foundations for this new foreign policy lie in the gathering, analysis, distribution and use of information. The decade of the 1980's can become the age of information.

The collection and distribution of information on a worldwide basis via satellite has provided a distinct change in the course of human history. The most graphic demonstration of this change came when, on Christmas Eve, 1968, hundreds of millions of human beings throughout the world, simultaneously had a new thought about a familiar object in the night sky—the Moon. The men of Apollo 8 were there, and the Moon would never be the same for anyone. Now, we realize that the world will never be the same; that there are solutions to those age old problems of the human condition on Earth. There are solutions if we are wise enough to reach out and grasp them.

Through technology, we can and should create programs aimed at permanent, eventually self-financing, services for worldwide communications, weather and ocean forecasting, earth resources discovery or monitoring, societal services, and prediction of natural events of disastrous human consequences or broad scale economic impact.

Through technology we can and should help underdeveloped nations create agricultural, health, resource and educational systems that permit their entry into the 20th century.

It is know-how they need, not just physical assistance.

Finally, space technologies in general provide the foundation for the movement of our civilization of freedom into space. The space policy for the decades of the '80's and '90's should provide for the creation of the permanent facilities of our civilization in space, reorganizing our historically inevitable competition there, as well as on Earth, with the Soviet-dominated civilization of oppression.

These Earth orbit facilities will utilize and augment this unique research, service and manufacturing environment. The weightlessness, the vacuum, the unique view of the Earth, sun and stars provide unparalleled opportunities for research, education, space power production, manufacturing, health care, and even recreational activities.

Permanent facilities in orbit will provide capabilities that relate directly to current and growing problems facing this nation. For example, the creation of new export commodities and services and the supply of inexhaustible energy are needs that cannot be ignored by this generation, nor denied to future generations. In addition, the now real possibility of research, education, health care and recreation in space has caught the imagination of millions of young Americans. Let us not disappoint them, or the future.

In the first decade of the 21st Century, a space policy for our civilization should initiate a second Solar System Exploration decade. This is the time about which most of the very young have their dreams. Bases and settlements on the Moon, missions of exploration to Mars and Venus, and the beginnings of the establishment of a Martian settlement, all are the stuff these dreams are made of. The parents of the first Martians are looking over our shoulder as they work and dream their way through elementary school, high school, and college.

It is the idea of a permanent settlement on Mars that seems most intriguing to the young people of today. They can visualize taking part in this next great expansion of the human race and its civilization and the ingredients for self-sustaining settlements on Mars appear to already exist.

There are a few technical hurdles between us and settlements on Mars, compared to those which faced us when we began our race to the moon. This technological option is ours for the taking. Now, the challenge is to develop the national motivation to proceed.

Ladies and gentlemen, the technology has been and will be the basic ingredient of successful national policies of the past, present and future. To ignore this fact would be to ignore our strength as a nation and our formula for survival.

OPERATION DISCOVERY

Mr. MATHIAS. Mr. President, I wish to bring to the attention of my colleagues an innovative juvenile offenders program based in Annapolis, Md., called Operation Discovery.

Girls and boys 14 to 17, who are at present involved with the Maryland Department of Juvenile Services, participate in Operation Discovery. This program is intended to serve youngsters with home problems or who have been involved with nonviolent crimes and/or drug-related offenses.

Discovery is a highly structured therapeutic program that uses the sea environment to challenge people to take charge of their lives. Discipline and decisionmaking is an integral part of the program and a critical part of the overall development of the participant. By living aboard a sailing vessel for 6 weeks, the program strives to develop self-esteem and self-reliance while teaching participants how to live together and work together harmoniously.

With the exception of planned activities such as field trips, camping, and cookout, all activities occur aboard the vessel.

Daily counseling is an important part of the program and, following the cruise, students meet at least once a month for a 3-month followup program. Discovery's effectiveness depends upon an effective transition from shipboard life to successful living in society.

To date, 15 youngsters have sailed aboard the 41-foot sailboat. Now Operation Discovery plans to expand the program by building a 60-foot schooner.

In cooperation with the Departments of Juvenile Services in Anne Arundel County and the State of Maryland, Operation Discovery has offered a promising alternative to institutionalizing youth with behavioral problems since its licensing in the summer of 1978.

As a member of the Senate Judiciary Committee and having served on the Subcommittee on Juvenile Delinquency during the 95th Congress, I am familiar with a variety of programs in this area. None seems more promising to me than Operation Discovery.

I ask unanimous consent to have printed in the RECORD two newspaper articles on the program.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Annapolis (Md.) Evening Capital, Aug. 15, 1979]

"DISCOVERY" SEEKS STATE AID TO STAY AFLOAT

(By Randy Wilson)

A local sailing program for juvenile delinquents is foundering on the shoals of its success, unable to expand beyond the confines of its 41-foot sailboat.

"We know this program works," said John Lukas of Annapolis, founder of a summer counseling program for troubled youth called Operation Discovery. "But unless we get a bigger boat and adequate facilities, there may not be a program next summer."

Lukas, his wife Debbie, and a crew of seven delinquent teens, will end their six-week voyage this Friday in Annapolis, and the former teacher is worried that Operation Discovery's sophomore summer may be its last.

"We can't devote so much time and energy for such a short-term project," said Lukas, who has resigned his teaching job in the hope of finding year-round funding for his program.

"Many of these kids are scared stiff about where they're going back to," said Lukas, charging that group homes for young people are inadequate treatment facilities.

Lukas began his shipboard counseling program last summer on a shoestring budget and a rented boat. David Larom, director of Juvenile Services for Anne Arundel County, lent support and helped find funding.

This year, Rex Smith, head of the state Department of Juvenile Services, came to bat at budget time, and the state now pays about $700 a month for each teen crew member.

"That's about the same as it costs to keep a kid in an institution," said Lukas, who received a salary and training this year from state Juvenile Services officials.

Other changes in Operation Discovery include a longer, six-week program and a formal evaluation model prepared by state counselors. Interviews with crew members will be conducted each month following the cruise.

"This is an incredible diagnostic tool," said Lukas, praising state involvement in the program.

But Lukas charged that the state "doesn't put much money into kids," and he conceded that public funding of an expanded program is unlikely.

Smith, who came aboard the 41-foot *Shine Again* yesterday for an afternoon sail on the bay, said his department is still evaluating Operation Discovery.

"There was opposition just getting the program accredited," Smith said.

Lukas, 37, is confident about the practicality and need for a program that stresses self-reliance along with group cooperation. Of the eight crew members last year, three are succeeding in school and several returned to Annapolis for a mid-summer reunion.

"There's nothing new about sea training and its effects," said Lukas, referred to as "Captain" by his young crew. "Anyone who can sail a 41-foot boat has got to feel good about themselves."

This year sees Operation Discovery paying $5,600 for a rented sailboat. Lukas is looking for at least a 50-foot boat that would hold 20 kids and four counselors.

But Lukas has no boat prospects yet, and he is discouraged about the lack of local interest in his unique program.

"There must be someone with an old boat to donate," he lamented. "Here we are in the sailing capital of the world and we can't get any support."

Lukas' crew members come from Baltimore's inner city, rural Cecil County and split-levels in Severna Park. Judged delinquent by the courts, they were chosen for the program after evaluations by juvenile counselors and interviews by the Lukases.

"We use reality training here," said Lukas. "We tell them that your mother and father don't matter; It's what you do now that counts."

But most of the crew members will go back to family or group home situations that Lukas feels are part of the problem. His goal is to establish his own residential treatment home on an Eastern Shore farm, where group living and vocational training will prepare troubled teens for productive careers.

"Group homes don't teach practical skills," said Lukas, whose crew has learned enough about seamanship in six weeks to sail the *Shine Again* virtually without help from Lukas.

Doug, a 14-year-old from Severna Park, who attempted to run away earlier in the summer, said his summer on the water has kindled his interest in taking a seamanship course offered by the state Department of Natural Resources.

But Lukas notes that his teens lack not only social but educational skills as well, and his counseling sessions can't teach reading and writing, too.

"An expanded program could offer classes that would lead to the equivalent of a high school degree," said Lukas.

Other crew members are unanimous in their praise for the Lukases and the changes they have made in their lives.

"My mother can't talk to me, but they can," said Nellie, a 13-year-old from Baltimore.

Todd, 14, of Severna Park, who piloted the boat yesterday in and out of Annapolis harbor, said the summer has taught him responsibility for his action.

"When I first came on, I couldn't accept it when I was told things were my fault," he said. "Now I know I control the situation—good or bad."

In between sailing lessons and counseling sessions, the crew made port in Hampton, Va., Baltimore and St. Michael's, where they worked with other youths on community projects. In return, they were treated to picnic suppers and tours of the towns.

"We're into kids showing other kids how it is," said Lukas, lapsing into a jargon used by other crew members. He denied that the aim of the program was to change troubled youths.

"We're giving them an opportunity to grow, to clarify their goals," said Lukas.

Whether Operation Discovery grows—or dies—is a question still to be clarified, too.

[From the Newport News-Hampton (Va.) Daily Press, Aug. 8, 1979]

THERE'S NO FREE RIDE AS TEENS TAKE TO SEA

(By Betsy Raper)

It is a hot, muggy Saturday morning, barely nine o'clock. But aboard the Operation Discovery sailing vessel the crew is making a last inspection of the ship before beginning the day.

The crew has worked together only four weeks, but they have become a team and the morning chores pass inspection. The captain, John Lukas, is the first off the ship. He glances over his shoulder at the crew which consists of seven teenagers, each convicted of a serious crime.

The five boys and two girls were picked out of 40 to 50 applicants for the six-week summer cruise. On Friday evening they docked in the Hampton River, after sailing 24 hours each day for three days to make the port call on time. They will be in Tidewater for five days, touring and working.

The youngsters are part of Operation Discovery, "a non-profit school founded on the philosophy that the sea environment challenges people to take charge of their lives, increases personal responsibility and heightens self-esteem," Lukas says.

"The whole idea is that nobody rides for free," he continues.

Although Lukas conceived the idea of such a program seven years ago when he was working with emotionally disturbed children in Florida, it was last summer when the program finally had its birth. He says, "With a great deal of heroism and fear, the state of Maryland licensed and funded Operation Discovery as a treatment facility for juveniles."

But last year's cruise proved successful and this year there has been incredible enthusiasm about the program. A board of advisors is working with youth services in Maryland on future long-range plans now.

Youngsters from the first cruise meet monthly with counselors from juvenile services and the Discovery staff for group sessions. "Of the eight who sailed last year," Lukas reports, "the three who had dropped out of school went back and none of the eight has been convicted of a crime since."

Lukas doesn't claim to be a miracle worker. He says that this first success doesn't mean every kid who goes out on this program is going to succeed in life, but he is very encouraged.

Lukas' wife, Debbie, was an adult helper on last year's cruise. "I guess we went through our own operation discovery and found we had a lot in common, not only in sailing, but in the kids, and even more than that. We wanted a life together and now we are married," the newlywed says.

Last year, before the end of the cruise, funds ran out. It became a choice of abandoning the project or reaching into their own funds to help it through the growing pains, Lukas says.

"We believed in it and so we chose to stick with it."

That was last year. This year they have received a small grant to fund the cruise and pay their salary . . . until August 17.

But their present commitment goes even further. "We have been working Operation Discovery on a part-time basis with a full-time commitment, while holding other full-time jobs. And so with a lump in our throats," Lukas says, "we have resigned our teaching positions."

"But the program works," says Lukas. "And part of it is because of the heavy emphasis on what we call reality therapy."

"In a sailing vessel if people don't work as a team, the vessel won't sail. You just won't get to your next objective, so the kids can readily see if they are not a part of the group, pulling their share, they won't get to the next port and then they won't get liberty. That's reality.

"If the person on watch falls asleep, the consequences can be anything from inconvenience to people losing their lives. That's reality.

"By using this type of therapy, we are saying to the kids, 'You are responsible for your actions and your actions not only affect you but everybody on the ship as well.' After a while the kid starts to say, 'I am in control of myself,' and he becomes aware of his own abilities. He finds he can't blame mom and dad or teachers or friends for his actions. He has to take on his own responsibilities. His self worth improves.

"Another part of Discovery involves students learning by doing. They learn sea going skills such as boat maintenance, sail repair, fishing, navigation, knot tying and log keeping."

Also on the cruise the ship anchors or docks at various ports along the way. This gives crew members the opportunity to meet people and participate in community-oriented projects.

"Our goal next year is to begin in April and end in November," Lukas says. "The following year we hope to have a 12-month program."

His future goals include developing a shore-side school which would address survival academically and have vocational training in the maritime trades. "We are in a developmental stage right now . . . but we have hopes and dreams."

This year's sailing vessel is a chartered boat which "is very nice," Lukas says. "But it is too fancy for what we want and it is not cost efficient.

"In the future I can see us getting to the size of having a five-man crew with 20 kids on a 70, 80 or 100 foot sailing vessel.

"I can also picture a great big farm by the water which will provide a home for the kids to come back to. It might even be that the youngster can take a few boards, a hammer and some nails and build his own little bungalow. If he builds it, he is not as likely to kick the walls in.

"We would like to see these kids come off a cruise and be able to plug into a vocational program. A lot of the youngsters are vocationally oriented, and I think that people who make a living have less of a tendency to steal from other people.

At the ripe-old age of 37," Lukas says he is putting a lot of his needs together in this program. A lover of sailing, a teacher of young people and a worker with emotionally-disturbed children, he has brought them together in Operation Discovery.

"Kids don't need to be coddled and they don't need to be abused, but they do need to be educated to be adults," he emphasizes.

"Discovery has a motto . . . 'Don't talk about it. Do it.' "

A WARNING FROM WERNER FORNOS

Mr. MATHIAS. Mr. President, last week we achieved the dubious and dangerous distinction of reaching a world population of 4.5 billion human beings. And every minute of every day since then, 172 babies have been born. At the rate we are going, world population will double in another 40 years.

Meanwhile, in many areas of the world where population is on the rise, the per capita production of food is declining.

This is a scenario for disaster.

We, in the United States, want nothing more than a peaceful, stable world. But there is no way we are going to have any kind of stability on this planet if our human resources outstrip the natural resources that sustain them.

Long ago, Marcus Cato reminded his fellow citizens of a great truth. "It is a difficult task, O citizens," he said, "to make speeches to the belly, which has no ears." Empty bellies want food, not speeches.

Experts tell us that if present population trends continue, world population will not stabilize until the year 2090 and it will stabilize then at 10 billion. I think we can predict with absolute certainty that long before we reach 10 billion world population the intolerable strain on the Earth's diminishing resources will spark social disruptions on a massive scale.

We must prevent this scenario for disaster from becoming reality.

I am happy to say that in the forefront of the fight to get world population under control is a well-known Marylander, Werner Fornos, director of the Washington-based Population Action Council, a nonprofit international group working in 92 nations to find solutions to the world's overpopulation problem. Mr. Fornos, whose organization receives no U.S. Government funds, knows whereof he speaks and, when he warns us of the dire consequences budget cuts in U.S. population assistance would have, we would do well to listen.

In an article printed in the Baltimore Evening Sun on March 14, Mr. Fornos issued such a warning. I commend that article to my colleagues' attention and ask unanimous consent that it be printed at this point in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

U.S. World Population Aid Threatened by Budget-Cutters

(By Werner Fornos)

Washington.—The average woman in Kenya bears eight children in her lifetime.

A medical officer in a government clinic in an overcrowded suburb in Sri Lanka—a country committed to population control and supposedly coping with the problem—tells of her helplessness when a 16-year-old mother comes in with her second illegitimate child within a year.

From various developing countries come stories of people walking two hours to reach family planning clinics only to find them closed because they open only once a week, or if they are open the birth control supplies for which they came are not there.

These are, undoubtedly, among the reasons behind President Carter's request for a $48 million increase in U.S. population assistance. But that increase and even the $190 million level approved for this year are in danger. Budgetary pressures and a demand for more military and security expenditures place in serious jeopardy programs in which the American people have shown little interest.

In an election year, there will be a strong emphasis on holding the line on federal funding. Inevitably, Congress will cut some programs not on merit but by reason of expedience. How tragic it would be if this kind of shortsightedness prevails and sets back our efforts to curb global overpopulation. Even if all of the requested $238 million, far short of the amount actually needed, were to be cut, the impact on federal spending would be negligible. But the future costs of this short-sightedness would be staggering.

Imagine the costs associated with a retreat from population assistance efforts coming at a time when per capita food production in the world is declining. The impact of world population growing at the rate of 70 million each year has made the extension of decent housing, sanitary water and adequate health services all but impossible.

Overcrowded urban areas contribute to the growth of political turmoil. Rapid deforestation continues to take a heavy toll on the environment and its ability to support people. The accelerating loss of trees exacerbates soil erosion, flooding, ecological damage to tropical forests, the spread of deserts and ultimately will decrease agricultural production.

These pressures will be significantly affected by any cutback in the delivery of efficient population assistance programs.

Why do we feel such a threat exists and what is the contributing climate in Washington today?

Congressional estimates show that Congress is well over its own limits in both spending and the deficit. A dramatic announcement by President Carter can be expected any day trimming current year spending by eight to ten billion—mostly at the expense of programs with few clients and constituents.

Further aggravating the situation are the tremendous pressures for increased military spending, including making U.S. presence felt in the critical Persian Gulf area through a variety of agreements involving Oman, Somalia and Kenya.

The total price tag of this effort will exceed $80 million. With little or no chance of this money coming out of new revenues or increased deficit spending, many existing programs will be ruthlessly slashed. Efforts in both houses are also underway for increased military assistance to Israel.

Military and humanitarian assistance are combined this year into one authorization and appropriation bill. Thus it will be difficult to maintain humanitarian assistance, such as population funding, at the level required; it is a budgetary fact of life that when military expenditures rise, humanitarian expenditures fall.

Although Congress is technically unable to adjourn until the budget is passed, this is an election year and we can look for the Senate to recess, so members may return to their districts and campaign, around October 1, then return, following the election, for a lame-duck session. If that scenario holds up and budgetary pressures lessen, everything could turn out all right.

Congress must recognize that the United States has both a humanitarian and an economic stake in reducing world population growth. If rampant population is allowed to continue unchecked our efforts to deal with other international issues will be mere stop-gap measures—a series of exercises in crisis-to-crisis diplomacy that fail to strike at the heart of a fundamental cause of world problems ranging from diminishing energy sources and other finite natural resources, to worldwide double-digit inflation and the preservation of world peace.

PRELIMINARY NOTIFICATIONS OF PROPOSED ARMS SALES

Mr. CHURCH. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million, or in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon receipt of such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

Pursuant to an informal understanding, the Department of Defense has agreed to provide the committee with a preliminary notification 20 days before transmittal of the official notification. The official notification will be printed in the Record in accordance with previous practice.

I wish to inform Members of the Senate that two such notifications were received on March 18 and 19, 1980.

Interested Senators may inquire as to the details of these preliminary notifications at the offices of the Committee on Foreign Relations, room S–116 in the Capitol.

I ask unanimous consent to print in the Record the two notifications.

There being no objection, the notifications were ordered to be printed in the Record, as follows:

[Notification]

Defense Security Assistance Agency,
Washington, D.C., March 18, 1980.
Dr. Hans Binnendijk,
Professional Staff Member, Committee on Foreign Relations, Washington, D.C.

Dear Dr. Binnendijk: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a NATO country tentatively estimated to cost in excess of $25 million.

Sincerely,

Ernest Graves,
Director.

[Notification]

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Washington, D.C., March 19, 1980.
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Professional Staff Member, Committee on Foreign Relations, Washington, D.C.

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PROPOSED ARMS SALES

Mr. CHURCH. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million or, in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulated that, in the Senate, the notification of proposed sales shall be sent to the chairman of the Foreign Relations Committee.

In keeping with my intention to see that such information is immediately available to the full Senate, I ask unanimous consent to have printed in the RECORD the two notifications I have just received. A portion of one of the notifications, which is classified information, has been deleted for publication, but is available to Senators in the office of the Foreign Relations Committee, room S-116 in the Capitol.

There being no objection, the notifications were ordered to be printed in the RECORD, as follows:

[Notification]

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., March 21, 1980.
Hon. FRANK CHURCH,
Chairman, Committee on Foreign Relations, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding under separate cover Transmittal No. 80-47, concerning the Department of the Navy's proposed Letter of Offer to Australia for defense articles and services estimated to cost in excess of $25 million.

Sincerely,

Ernest Graves,
Director.

[Transmittal No. 80-47]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective purchaser: Australia.

(ii) Total estimated value: Major defense equipment* [Deleted]; other [Deleted]; total, [Deleted].

(iii) Description of articles or services offered: [Deleted].

(iv) Military department: Navy (SBJ).

(v) Sales commission, fee, etc. paid, offered or agreed to be paid: None.

(vi) Sensitivity of Technology Contained in the Defense Articles or Defense Services Proposed to be Sold: See Classified Annex.

(vii) Section 28 Report: Case not included in Section 28 Report.

(viii) Date Report Delivered to Congress: March 21, 1980.

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* As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

[Notification]

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., March 21, 1980.
Hon. FRANK CHURCH,
Chairman, Committee on Foreign Relations, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 80-50, concerning the Department of the Army's proposed Letter of Offer to Egypt for defense articles and services estimated to cost $25.3 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

Ernest Graves,
Director.

[Transmittal No. 80-50]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Egypt.

(ii) Total Estimated Value:

	(In millions)
Major Defense Equipment*	$22.2
Other	3.1
Total	25.3

* As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of Articles or Services Offered: Forty three (43) M578 full tracked, light armored recovery vehicles with ammunition, communications and support equipment, related spare parts, training and other associated services.

(iv) Military Department: Army (UBK).

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Sensitivity of Technology Contained in the Defense Articles or Defense Services Proposed to be Sold: None.

(vii) Section 28 Report: Case not included in Section 28 report.

(viii) Date Report Delivered to Congress: March 21, 1980.

MESSAGES FROM THE HOUSE

ENROLLED BILL SIGNED

At 1:04 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the Speaker has signed the following enrolled bill:

S. 2222. An act to extend the time for commencing actions on behalf of an Indian tribe, band, or group, or on behalf of an individual Indian whose land is held in trust or restricted status.

The enrolled bill was subsequently signed by the President pro tempore (Mr. MAGNUSON).

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, March 25, 1980, he presented to the President of the United States the following enrolled bill:

S. 2222. An act to extend the time for commencing actions on behalf of an Indian tribe, band, or group, or on behalf of an individual Indian whose land is held in trust or restricted status.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-3320. A communication from the Secretary of Agriculture, transmitting a draft of proposed legislation to authorize civil penalties for violations of various laws for preventing the introduction and dissemination of livestock and poultry diseases, plant diseases, and plant pests; to the Committee on Agriculture, Nutrition, and Forestry.

EC-3321. A communication from the Secretary of Health, Education, and Welfare, reporting, pursuant to law, a violation of Section 3679 of the Revised Statutes, as amended; to the Committee on Appropriations.

EC-3322. A communication from the Secretary of the Navy, reporting, pursuant to law, that a study has been conducted with respect to converting the function of providing key punch services at the Naval Supply Center, Pearl Harbor, Hawaii, and a decision has been made that performance under contract is the most cost-effective method of accomplishing it; to the Committee on Armed Services.

EC-3323. A communication from the Secretary of the Navy, reporting, pursuant to law, that a study has been conducted with respect to converting the function of providing Family Housing Maintenance Service at the Naval Training Center, Orlando, Florida, and a decision has been made that performance under contract is the most cost-effective method of accomplishing it; to the Committee on Armed Services.

EC-3324. A communication from the Assistant Secretary of the Navy (Manpower, Reserve Affairs and Logistics), reporting, pursuant to law, that a study has been conducted with respect to converting the function of providing buildings and structures maintenance service at Marine Corps Air Station, Beaufort, South Carolina, and a decision has been made that performance under contract is the most cost-effective method of accomplishing the function; to the Committee on Armed Services.

EC-3325. A communication from the Secretary of the Navy, reporting, pursuant to law, that a study has been conducted with respect to converting the custodial services function at the Naval Hospital, Cherry Point, North Carolina, and a decision has been made that performance under contract is the most cost-effective method of accomplishing it; to the Committee on Armed Services.

EC-3326. A communication from the Assistant Secretary for Congressional Relations, Department of State, transmitting, pursuant to law, a report covering certain property to be transferred to the Republic of Panama in accordance with the Panama Canal Treaty of 1977 and related matters; to the Committee on Armed Services.

EC-3327. A communication from the Secretary of Commerce, transmitting, pursuant to law the Export Administration Report covering the second and third quarters of 1979; to the Committee on Banking, Housing, and Urban Affairs.

EC-3328. A communication from the President and Chairman of the Export-Import Bank of the United States, reporting, pursuant to law, on loan guarantee and insurance transactions supported by Eximbank during February 1980 to Communist countries (as defined in Section 620(f) of the Foreign Assistance Act of 1961, as amended); to the Committee on Banking, Housing, and Urban Affairs.

EC-3329. A communication from the Chief Counsel of the Federal Aviation Administration, Department of Transportation, submitting, pursuant to law, the Federal Aviation Administration's Notice of Proposed Rulemaking to Establish a Regulation on Solicitation of Funds and Distribution of Printed Matter at Metropolitan Washington Airports;

to the Committee on Commerce, Science, and Transportation.

EC–3330. A communication from the Comptroller of the Currency, Administrator of National Banks, submitting, pursuant to law, the Annual Report on the consumer activities of the Comptroller of the Currency; to the Committee on Commerce, Science, and Transportation.

EC–3331. A communication from the Secretary of Transportation, transmitting a draft of proposed legislation to amend the Federal Railroad Safety Act of 1970, and other rail safety Acts to extend authorization for appropriations and for other purposes; to the Committee on Commerce, Science, and Transportation.

EC–3332. A communication from the Secretary of Commerce, transmitting, for the information of the Senate, a document entitled, Economic Study of Puerto Rico; to the Committee on Energy, and Natural Resources.

EC–3333. A communication from the Administrator, General Services Administration, transmitting, pursuant to law, a prospectus which proposes the renewal of a lease for space in the World Trade Center at 350 South Figueroa Street, Los Angeles, California; to the Committee on Environment and Public Works.

EC–3334. A communication from the Assistant Secretary of the Army (Civil Works), transmitting a draft of proposed legislation to amend the Act approved August 8, 1972, Public Law 92–367 (33 U.S.C. 467–467e) to authorize the Secretary of the Army to maintain and update periodically the National Inventory of Dams; to the Committee on Environment and Public Works.

EC–3335. A communication from the Administrator, General Services Administration, transmitting, pursuant to law, an amendment to a previously approved prospectus which proposes the construction of a U.S. Courthouse in Madison, Wisconsin; to the Committee on Environment and Public Works.

EC–3336. A communication from the Director, Office of Management and Budget, Executive Office of the President, reporting, pursuant to law, that, in order to maintain in the first quarter of fiscal year 1980 the budgeted level of operation for Radio Free Europe/Radio Liberty, Inc., $1,490,485 is needed because of the downward fluctuations in foreign currency exchange rates; to the Committee on Foreign Relations.

EC–3337. A communication from the Commissioner/Acting Chairman, Federal Mine Safety and Health Review Commission, reporting, pursuant to law, with regard to compliance with the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC–3338. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 3–164, "Closing of a Public Alley in Square 488 Act of 1980" and report, adopted by the Council on February 19, 1980; to the Committee on Governmental Affairs.

EC–3339. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 3–166, "District of Columbia Bus Shelter Act of 1979," and report, adopted by the Council on February 5, 1980; to the Committee on Governmental Affairs.

EC–3340. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a list of reports of the GAO for the month of February 1980; to the Committee on Governmental Affairs.

EC–3341. A communication from the Chairman, National Transportation Safety Board, transmitting, pursuant to law, the Board's annual report for calendar year 1979; to the Committee on Governmental Affairs.

EC–3342. A communication from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to amend provisions of law concerned with Indian health care; to the Select Committee on Indian Affairs.

EC–3343. A communication from the Vice President, Governmental Affairs, National Railroad Passenger Corporation, reporting, pursuant to law, on the administration of the Freedom of Information Act for calendar year 1979; to the Committee on the Judiciary.

EC–3344. A communication from the Director, Federal Emergency Management Agency, transmitting, pursuant to law, a report relating to the administration of the Freedom of Information Act for July 15–December 31, 1979; to the Committee on the Judiciary.

EC–3345. A communication from the Director, International Communication Agency, transmitting, pursuant to law, a report relating to administration of the Freedom of Information Act; to the Committee on the Judiciary.

EC–3346. A communication from the President, American Academy and Institute of Arts and Letters, reporting, pursuant to law, on its activities during the year ending December 31, 1979; to the Committee on the Judiciary.

EC–3347. A communication from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, a report on the administration of Sections 304 through 309 of the Public Health Service Act, and the current state and progress of health services research, health statistics, and health care technology; to the Committee on Labor and Human Resources.

EC–3348. A communication from the Comptroller General of the United States, reporting, pursuant to law, on the President's fifth special message for fiscal year 1980, which was transmitted to the Congress on February 20, 1980; to the Committee on Appropriations, the Committee on the Budget, the Committee on Labor and Human Resources, the Committee on Agriculture, Nutrition, and Forestry, and the Committee on Finance, jointly, pursuant to order of January 30, 1975.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM–630. A resolution adopted by the Senate of the State of Washington; to the Committee on Appropriations:

"SENATE RESOLUTION

"Whereas, The United States Congress has established the Ebey's Landing Historic Reserve on Whidbey Island, Washington: and

"Whereas, The United States Congress has authorized five million dollars for acquisition of property needed to accomplish this new and creative cooperative program; and

"Whereas, The state of Washington has expended seven hundred and fifty thousand dollars to preserve the reservation's waterfront and continues to expend funds for the development and operation of Fort Ebey and Fort Casy State Parks, both of which parks are located within the reserve; and

"Whereas, Certain key parcels of property will be lost forever unless the federal government acts immediately;

"Now, therefore, be it resolved, That the Washington State Senate strongly urges the United States Congress to appropriate five million dollars of authorized funds to immediately purchase key parcels of property; and

"Be it further resolved, That copies of this resolution be immediately transmitted to the President of the United States Senate, the Speaker of the House of Representatives, and each member of Congress from the state of Washington."

POM–631. A resolution adopted by the Senate of the State of Washington; to the Committee on Energy and Natural Resources:

"SENATE RESOLUTION

"Whereas, Equality of constitutional right and power is the condition of all the States of the Union, old and new; and

"Whereas, Every new State admitted into the Union is entitled to exercise all of the powers of government which belong to the original States of the Union; and

"Whereas, The citizens of each State are entitled to all of the privileges and immunities of citizens in the several States; and

"Whereas, The power of Congress to admit new States into the Union under article IV, section 3 of the Constitution of the United States was not designed to impair the equal power, dignity and authority of the States; and

"Whereas, As a condition of admission into the Union, Congress has, on occasion, imposed burdens upon new States that are not shared by the States equally; and

"Whereas, The original thirteen States, and States formed from the territories thereof, owned all public lands within their borders; and

"Whereas, Title in the Federal Government to public lands within the borders of the thirteen States, and States formed from the territories thereof, rest only on deeds of cession voluntarily consented to by the legislature of these States; and

"Whereas, As a condition of admission into the Union, Congress retained in the Federal Government ownership over substantial amounts of territory located within the borders of States west of the one-hundredth meridian, this occurring despite the Treaty of Guadalupe Hidalgo which specified that the lands which eventually became all or part of seven Western States of the union were to be formed into "free, sovereign, and independent" States; and

"Whereas, In the absence of such conditions of admission the legislative authority of the states would have extended over federally owned lands within these States to the same extent as over similar property held by private owners; and

"Whereas, During the course of the deliberation that resulted in the drafting of the constitution of the United States, Founding Fathers, such as James Madison, recognized that the Western States neither would nor ought to submit to a Union which regarded them from an equal rank with the other States; and

"Whereas, Article I, section 8, clause 17 of the Constitution of the United States authorizes the Federal Government to exercise dominion over public lands only to the extent necessary to create a seat of government, and to administer places, purchased by the consent of the State legislatures, for the erection of forts, magazines, arsenals, dockyards, and other needful buildings, and in the absence of some express or some further functions, Congress is limited by, and the rights of the States are protected by, the tenth amendment to the Constitution of the United States; and

"Whereas, The enabling Acts admitting the Western States into the Union expressly recognize that the Federal Government may some day choose to extinguish title to public lands held by it within the borders of these States; and

"Whereas, Article IV, section 3 of the Constitution expressly provides Congress with the power to "dispose of and make all needful Rules and Regulations respecting the Territory or other Property belonging to the United States", and this provision has been interpreted to invest in Congress plenary authority to dispose of lands held in Federal ownership, through sale, grant, or any other means of disposition; and

"Whereas, There is precedent for large transfers of federally owned public lands designed to place new States on par with the original thirteen States of the Union; and

"Whereas, The States of the Union and their citizens are at least as well equipped as the central government to make the often difficult policy decisions that are necessary with respect to the use to which lands within their States shall be put;

"Now, therefore, be it resolved, By the Senate of the 46th Legislature that the bill S. 1680, heretofore introduced in the Senate of the United States, which provides for the cession and conveyance to the States of federally owned unreserved, unappropriated lands, and the establishment of policy, methods, procedures, schedules, and criteria for such transfers, is hereby endorsed, and passage into law of S. 1680 is hereby urged; and

"Be it further resolved, That the state legislative bodies of the States of Hawaii, Montana, New Mexico, Colorado, California, Arizona, Wyoming, Oregon, Idaho, Nevada, and Alaska, which states are affected by the bill S. 1680, are hereby urged likewise to endorse S. 1680 and urge its passage into law; and

"Be it further resolved, That the Secretary of the Senate forward copies of this resolution to each member of the Congressional delegation from the State of Washington, the Speaker of the United States House of Representatives, President pro tempore of the United States Senate, the Secretary of the Interior, and the President of the United States; and

"Be it further resolved, That the Secretary of the Senate forward copies of this resolution to each member of the legislative bodies of the States of Hawaii, Montana, New Mexico, Colorado, California, Arizona, Wyoming, Oregon, Idaho, Nevada, and Alaska."

POM-632. A resolution adopted by the House of Representatives of the State of Pennsylvania; to the Committee on Environment and Public Works:

"HOUSE RESOLUTION 190

"Whereas, The Federal Clean Air Act and the regulations of the United States Environmental Protection Agency require the Commonwealth to implement a vehicle emissions control inspection/maintenance program in certain Pennsylvania counties; and

"Whereas, A binding Federal court consent decree, entered on August 29, 1978, required the Commonwealth to begin a mandatory emissions inspection program in August 1980; and

"Whereas, The Federal Government has threatened to withhold highway funds and water and sewage grants if Pennsylvania does not comply with Federal deadlines to the implement emissions program; and

"Whereas, The General Assembly adopted Senate Resolution No. 222 which directed the Governor to have the Attorney General petition the United States District Court to vacate its consent decree of August 29, 1978; and

"Whereas, The General Assembly passed House Bill No. 739 which sought to delay this Federal inspection program until July 1, 1981; and

"Whereas, Recent negotiations were held between the United States Environmental Protection Agency and officers of the Commonwealth of Pennsylvania to pursue a delay of the Federal emission program; and

"Whereas, This combined action by the General Assembly prompted the Federal Government and other parties to modify the Federal court decree to delay this inspection program until May 1, 1981; and

"Whereas, The House of Representatives does not want to risk Pennsylvania's loss of highway funds and other Federal grants; and

"Whereas, The General Assembly is without authority to change Federal law, Federal regulations or Federal court decrees; and

"Whereas, Only the Congress of the United States has the legal authority to abolish or further delay the implementation of the vehicle emissions inspection control program; and

"Whereas, Doubt exists whether the estimated benefit from the emission program justifies the cost and burden which will be imposed upon Pennsylvania motorists by this Federal inspection requirement; and

"Whereas, A thorough review of the Federal Clean Air Act requirements for mandatory automobile emissions control inspection/maintenance programs is both necessary and urgent; therefore be it

"*Resolved*, That the House of Representatives memorialize the Congress of the United States of America to undertake a thorough review of the Federal Clean Air Act, insofar as it requires mandatory emissions inspection/maintenance programs, in order to determine whether or not existing requirements are in the public interest; and be it further

"*Resolved*, That copies of this resolution be transmitted to the presiding officers of each House of the Congress of the United States, and to each Senator and Representative from Pennsylvania in the Congress of the United States of America."

POM-633. A resolution adopted by the Legislature of the State of Alabama; to the Committee on Environment and Public Works:

"RESOLUTION 58

"Whereas, the Congress of the United States currently is considering the enactment of a tax on windfall profits of American oil companies; and

"Whereas, understanding there has been considerable discussion and disagreement regarding the ultimate disposition of the proceeds which would be realized from such a tax; and

"Whereas, since 1967 costs for construction, operation and maintenance of highways have increased by nearly one hundred eighty-seven percent; and

"Whereas, the unprecedented inflation in highway construction and maintenance costs, continuing demand for highway travel and uncertain growth in fuel consumption have prevented the traditional road-user taxes from meeting the street, road and highway needs of this country; and

"Whereas, the projected shortfall in the available funding for highway purposes is caused by our inflationary economy, by conservation and ecological concerns, by the dramatic price rise in foreign petroleum and by the increased costs of labor and materials which cannot be controlled by state transportation authorities; and

"Whereas, this revenue problem has created a national problem of the utmost seriousness and urgency; and

"Whereas, the inability to adeqtuate maintain our highway systems imposes increasing costs on the transportation of people and products, adds to the inflationary spiral and poses an increasing safety hazard to our citizens as the highways, continue to deteriorate; and

"Whereas, the continued maintenance of an adequate highway system is crucial to our economy, well-being and national security; now therefore,

"Be it resolved by the Legislature of Alabama, both Houses thereof concurring, That we hereby most earnestly beseech the President and the Congress of the United States to apply the revenues derived from any windfall profits tax on oil companies toward the repair and revitalization of the National Defense Highway System.

"Be it further resolved, That the Secretary of the Alabama Senate transmit copies of this memorial to the President of the United States, the President of the United States Senate, the Speaker of the House of Representatives of the United States and to each member of the Alabama Congressional Delegation in Washington, D.C. for their prompt consideration and endorsement and as a means of communication to our national leaders the broad support which this proposal enjoys."

POM-364. A resolution adopted by the Coronado Library Board of Trustees, Coronado, California, opposing the passage of S. 1722, the Kennedy-Drinan Omnibus Crime bill, with its existing definition of "obscence material"; to the Committee on the Judiciary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CANNON, from the Committee on Commerce, Science, and Transportation, without amendment:

S. 2475. An original bill to amend title V of the Motor Vehicle Information and Cost Savings Act, "Improving Automotive Efficiency", to exempt very low volume automobile manufacturers from certain requirements of the Act, to encourage increase the domestic value added content in labor and materials of foreign automobiles sold in the United States, to extend the time available to all manufacturers for carry forward or carry back of credits earned under the Act, and for other purpose (Rept. No. 96-642).

By Mr. MUSKIE, from the Committee on the Budget:

Report on S. Res. 371, a resolution waiving section 402(a) of the Congressional Budget and Impoundment Control Act of 1974 with respect to the consideration of S. 446, which was reported on March 7, 1980 (Rept. No. 96-643).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. DOMENICI:

S. 2471. A bill to amend the Congressional Budget and Impoundment Control Act of 1974, and for other purposes; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to order of August 4, 1977.

By Mr. LEVIN:

S. 2472. A bill to amend chapter 7 of title 5, United States Code, relating to judicial review of agency action to allow appeals from interlocutory orders on the assignment or conduct of an administrative law judge, and for other purposes; to the Committee on the Judiciary.

By Mr. CHURCH:

S. 2473. A bill for the relief of Adan and Sara Ronquillo, husband and wife, and their children Lavina and Marvin Ronquillo; to the Committee on the Judiciary.

By Mr. METZENBAUM:

S. 2474. A bill to amend the McCarran-Ferguson Act to limit the antitrust immunity of insurance companies, to improve the operation of competition in the business of insurance, and for other purposes; to the Committee on the Judiciary.

By Mr. CANNON (from the Committee on Commerce, Science, and Transportation):

S. 2475. A bill to amend title V of the Motor Vehicle Information and Cost Savings Act, "Improving Automotive Efficiency", to exempt very low volume automobile manufacturers from certain requirements of the Act, to encourage increase of the domestic value added content in labor and materials of foreign automobiles sold in the United States, to extend the time available to all manufacturers for carry forward or carry back of credits earned under the Act, and for other purposes. Original bill reported and placed on the calendar.

By Mr. STEVENS:

S. 2476. A bill to provide that the shipping vessel Kailua have the right to engage in coastwise trade; to the Committee on Commerce, Science, and Transportation.

By Mr. HATFIELD (for himself, Mr. Metzenbaum, Mr. Matsunaga, Mr. Randolph, Mr. McGovern, and Mr. Melcher):

S. 2477. A bill to prohibit discrimination in insurance on the basis of race, color, religion, sex, or national origin; to the Committee on the Judiciary.

By Mr. TALMADGE:

S. 2478. A bill for the relief of Manekial Jivaram Patel; to the Committee on the Judiciary.

By Mr. WILLIAMS (by request):

S. 2479. A bill to amend the Urban Mass Transportation Act of 1964 to provide authorizations and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. BUMPERS:

S.J. Res. 153. Joint resolution to freeze Senators' salaries for three years; to the Committee on Governmental Affairs.

S.J. Res. 154. Joint resolution to reduce funds for Senate personal and committee staff by 5 percent; to the Committee on Rules and Administration.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DOMENICI:

S. 2471. A bill to amend the Congressional Budget and Impoundment Control Act of 1974, and for other purposes; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to order of August 4, 1977.

CONGRESSIONAL BUDGET AND IMPOUNDMENT CONTROL ACT AMENDMENTS OF 1980

Mr. DOMENICI. Mr. President, I rise today to introduce a package of amendments to the Congressional Budget and Impoundment Control Act of 1974. These amendments are designed to put real teeth in the budget act, teeth that events of the past year demonstrate are necessary if we are to use the act as a vehicle to move toward fiscal discipline.

Briefly, the past year has shown us three major shortcomings in the present budget process: the reconciliation process can be subverted and savings thus not realized; points of order raised against the overall ceilings of the second concurrent budget resolution often fail to attack overspending within the specific functions of the budget; and breach of the targets of the first resolution and the ceilings of the second resolution are becoming all too common and all too easy.

The legislation I propose today makes the following changes in the present act:

Mandates that concurrent budget resolutions be devised for a 3-year binding period instead of the present 1-year period;

Requires that all appropriations measures be held at the desk after approval of the first concurrent budget resolution to insure agreement between those measures and the targets of the resolution. Presently that is an optional strategy under section 301(b) of the act;

Strengthens the waiver section of the act, making it more difficult for late-developing legislation that has a fiscal impact to be passed without sufficient scrutiny and without sufficient justification;

Mandates that the first concurrent budget resolution be binding in its figures and that the second concurrent budget resolution be passed with a three-fifths vote in the Senate and a majority vote of all House Members duly elected and sworn;

Makes passage of a third concurrent budget resolution more difficult by mandating that such a resolution needs a two-thirds approval in the Senate and a two-thirds vote in the House; and

Not least, allows function-by-function points of order to be raised against specific spending measures which violate the spending recommendations adopted by the Senate in the latest concurrent budget resolution.

While I have advocated changes in the 1974 act for several years, I make no claim that these specific suggestions are unique to me. Indeed, I believe that recent events in the House Budget Committee and discussion among Senators on the Senate Budget Committee will mean that real changes in the Budget Act will occur this year. My purpose in introducing this package today is to initiate the debate and attempt to focus it on those problems that have proven most difficult to those of us who have spent many years on the Committee on the Budget.

Since we are discussing today the notion of a percentage of GNP limitation on Federal spending, a concept that I have endorsed for 5 years now, I believe we ought to also discuss how to make any such limitation really stick. We all recognize that the Senate can at any time overturn the recommendations of the Budget Committee, and has on occasion done so. But, if we are to make sure the process itself gives every advantage to fiscal restraint, we must make the changes I propose today. No outside percentage limitation will take the place of individual restraint, of course, and no package of amendments will prove more useful than courage. But a series of strengthening amendments like those I have outlined today will give practical power to that courage.

Mr. President, I ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2471

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congressional Budget and Impoundment Control Act of 1974 be amended as follows:

Sec. 2. Delete all of Section 301(a) and in Section 301(b) delete through the word, "require," and in lieu thereof insert the following:

"Sec. 301. (a) Action To Be Completed by May 15.—On or before May 15 of each year, the Congress shall complete action on the First Concurrent Resolution on the budget for the fiscal year beginning on October 1 of such year, and the two succeeding fiscal years. The concurrent resolution shall set forth—

"(1) the appropriate level of total budget outlays and total new budget authority;

"(2) the appropriate level of budget outlays and an appropriate level of new budget authority for each major functional category, for contingencies, and for undistributed intragovernmental transactions, based on allocations of the appropriate level of total budget outlays and of total new budget authority;

"(3) the amount, if any, of the surplus or the deficit in the budgets which is appropriate in light of economic conditions and all other relevant factors;

"(4) the recommended level of Federal revenues and the amount, if any by which the aggregate level of Federal revenues should be increased or decreased by bills and resolutions to be reported by the appropriate committees;

"(5) the appropriate level of the public debt, and the amount, if any, by which the statutory limit on the public debt should be increased or decreased by bills and resolutions to be reported by the appropriate committees; and

"(6) such other matters relating to the budget as may be appropriate to carry out the purposes of this Act.

"(b) Additional Matters in the Concurrent Resolution.—The first concurrent resolution on the budget shall also require—"

Sec. 3. Delete Section 303 (b), and in lieu thereof insert the following:

"(b) Exceptions.—Subsection (a) does not apply to any bill or resolution—

"(1) providing new budget authority which first becomes available in a fiscal year following the three fiscal years to which the concurrent resolution applies; or

"(2) increasing (or decreasing) revenues which first become effective in a fiscal year following the three fiscal years to which the concurrent resolution applies."

Sec. 4. Delete Section 303 (c)(1), and in lieu thereof insert the following:

"(c) Waiver in the Senate.—(1) The committee of the Senate which reports any bill or resolution to which subsection (a) applies may at or after the time it reports such bill or resolution, report a resolution to the Senate (A) providing for the waiver of subsection (a) with respect to such bill or resolution, and (B) stating the reasons why the waiver is necessary. The resolution shall then be referred to the Committee on the Budget of the Senate. That committee shall report the resolution to the Senate within 10 days after the resolution is referred to it (not counting any day on which the Senate is not in session) beginning with the day following the day on which it is so referred, accompanied by that committee's recommendations and reasons for such recommendations with respect to the resolution. If the committee does not report the resolution within such 10-day period, the resolution shall not be placed on the calendar and the bill or resolution to which the resolution refers may not be considered by the Senate."

Sec. 5. Delete Section 303 (c)(3), and in lieu thereof insert the following:

"(3) If, after the Committee on the Budget has reported the resolution, the Senate agrees to the resolution, then subsection (a) of this section shall not apply with respect to the bill or resolution to which the resolution so agreed to applies."

Sec. 6. In Section 304 of the Act, change the final period to a comma.and add the following:

"if such revised concurrent resolution is agreed to in the Senate by a three-fifth vote of all members duly elected and sworn and in the House by a majority of all members duly elected and sworn."

SEC. 7. In Sec. 310 (a), substitute the following language for the entire subsection:

"SEC. 310. (a) REPORTING OF CONCURRENT RESOLUTION.—The Committee on the Budget of each House shall report to its House a concurrent resolution on the budget which reaffirms or revises the concurrent resolution on the budget most recently agreed to with respect to the fiscal year beginning October of such year and the next two succeeding years. Any such concurrent resolution on the budget shall also to the extent necessary—

"(1) specify the total amount by which—

"(A) new budget authority for such fiscal years;

"(B) budget authority initially provided for prior fiscal years; and

"(C) new spending authority described in section 401(c)(2)(C) which is to become effective during such fiscal years, contained in laws, bills, and resolutions within the jurisdiction of a committee, is to be changed and direct that committee to determine and recommend changes to accomplish a change of such amount;

"(2) specify the total amount by which revenues are to be changed and direct that the committees having jurisdiction to determine and recommend changes in the revenue laws, bills, and resolutions to accomplish a change of such total amounts;

"(3) specify the amount by which the statutory limit on the public debt is to be changed and direct the committees having jurisdiction to recommend such change; or

"(4) specify and direct any combination of the matters described in paragraphs (1), (2), and (3).

"Any such concurrent resolution may be reported, and the report accompanying it may be filed, in either House notwithstanding that the House is not in session on the day which such concurrent resolution is reported."

SEC. 8. In Section 310(b), change the final period to a comma and add the following language:

"and it shall take a three-fifths vote in the Senate of all Senators duly elected and sworn and a vote in the House of a majority of all members duly elected and sworn to enact such a concurrent resolution, with the following exception: that in the case of any concurrent resolution beyond a second concurrent resolution on the budget for a fiscal year it shall take a two-thirds vote in the Senate of all Senators duly elected and sworn and a two-thirds vote in the House of all members voting to enact such a resolution."

SEC. 9. In section 402(c), remove the final sentence and place in its stead the following language:

"If the committee does not report the resolution within such 10-day period, the resolution shall not be placed on the calendar and the bill or resolution to which the resolution refers may not be considered by the Senate."

SEC. 10. Delete section 402(c)(3), and in lieu thereof insert the following language:

"(3) If, after the Committee on the Budget has reported the resolution, the Senate agrees to the resolution, then subsection (a) of this section shall not apply with respect to the bill or resolution to which the resolution so agreed to applies."

SEC. 11. In section 311, remove both subsection (a) and subsection (b), and substitute the following language:

"SEC. 311. (a) LEGISLATION SUBJECT TO POINT OF ORDER—After the Congress has completed action on the concurrent resolution on the budget required to be reported under section 301(a), or under section 310(a), if such a resolution under section 310(a) is adopted by both Houses, for fiscal years, and, if a reconciliation bill or resolution, or both, for such fiscal years are required to be reported under section 310(a), after that bill has been enacted into law or that resolution has been agreed to, it shall not be in order in either the House of Representatives or the Senate to consider any bill, resolution, or amendment providing additional new budget authority for such fiscal years, providing new spending authority described in section 401(c)(2)(C) to become effective during such fiscal years, or reducing revenues for such fiscal years, any conference report on any such bill or resolution, if—

"(1) the enactment of such bill or resolution as reported;

"(2) the adoption and enactment of such amendment; or

"(3) the enactment of such bill or resolution in the form recommended in such conference report;

would cause the appropriate level of new budget authority or budget outlays set forth in the functions appropriate to such bill, resolution, amendment, or conference within the most recently agreed to concurrent resolution on the budget for such fiscal years to be exceeded, or would cause the appropriate level of total new budget authority to total budget outlays set forth in the most recently agreed to concurrent resolution on the budget for such fiscal year to be exceeded, or would cause revenues to be less than the appropriate level of revenues set forth in such concurrent resolution.

"(b) DETERMINATION OF OUTLAYS AND REVENUES.—For purposes of subsection (a), the budget outlays within functions to be made during fiscal years and revenues to be received during fiscal years shall be determined on the basis of estimates made by the Committee on the Budget of the House of Representatives or the Senate, as the case may be."

SEC. 12. This Act may be cited as the Congressional Budget and Impoundment Control Act Amendments of 1980.

By Mr. METZENBAUM:

S. 2474. A bill to amend the McCarran-Ferguson Act to limit the antitrust immunity of insurance companies, to improve the operation of competition in the business of insurance, and for other purposes; to the Committee on the Judiciary.

INSURANCE COMPETITION IMPROVEMENT ACT

● Mr. METZENBAUM. Mr. President, I am introducing today the Insurance Competition Improvement Act.

The purpose of this bill is to improve the operation of competition in insurance—especially auto and homeowners. It limits the industry's current broad antitrust immunity and establishes minimum Federal standards to promote competition on the basis of price and service while protecting consumers from unjustified refusals to insure, arbitrary surcharges, and unfairly discriminatory classifications.

The bill does not impose Federal regulation on the insurance industry. Existing State regulatory officials are relied on for administration and enforcement. No Federal agency or commission is established, and not a single new Federal position is authorized.

Last year the National Commission for the Review of Antitrust Laws and Procedures released its final report reflecting the most intensive study of the antitrust laws in many years. The Commission recommended nearly unanimously that the present broad immunity from the antitrust laws granted to the business of insurance by the McCarran-Ferguson Act be repealed. The Commission found that "various types of collective insurance company behavior are, as a practical matter, wholly free from control by either State regulation or the Federal antitrust laws." It concluded that "the current immunity is not only overly broad, but also unnecessary." Explicitly recognizing the importance of regulatory goals of availability and affordability of insurance, the Commission recommended that the States place maximum reliance on competition in pursuing their regulatory objectives.

Over the past 2 years I have conducted an intensive examination of the operation of the insurance business under the McCarran-Ferguson Act. Originally our Subcommittee on Citizens and Shareholders Rights and more recently the Subcommittee on Antitrust, Monopoly and Business Rights have held six major hearings on topics ranging from discrimination in property/casualty insurance to the effectiveness of State regulation. We have found the testimony at these hearings deeply disturbing. Numerous witnesses testified about widespread and systematic problems of availability and unfair discrimination. Musicians and waiters are automatically bad risks at one company. Another increased the rates of one of its insureds by 86 percent solely because her husband died. And an insurance commissioner reported that a wealthy suburbanite with several accidents could pay as little as $200 for full auto insurance coverage, while identical coverage on an identical car would cost $2,500 for another driver with a perfect record—if that driver happened to be unmarried, male, under 25 years old, and a resident of an urban neighborhood.

Extensive testimony demonstrated that property/casualty companies are systematically rejecting—or heavily surcharging—large numbers of loss-free, responsible persons. As a result these people are forced to do without, or pay outrageous and unjustified prices for, essential coverage.

Perhaps most alarming of all, the record showed that State regulators—with some notable exceptions—are doing little or nothing about these problems.

Our subcommittee asked the General Accounting Office to make a major study of the effectiveness of State insurance regulation. The GAO report—released this past October—provides little assurance that the States are discharging their responsibilities properly. The Comptroller General concluded:

> There are serious shortcomings in State laws and regulatory activities with respect to protecting the interests of insurance consumers in the United States. In particular, most State insurance departments do not have systematic procedures to determine whether insurance consumers are being treated properly with respect to such matters as claims payments, rate-setting, and protection from unfair discrimination.

GAO statistics further show that in the great majority of States 15 to 30 percent or more drivers are in the assigned risk plan, insured through a substandard company (in both cases paying surcharged rates), or uninsured altogether. In testimony presented before the Subcommittee on Antitrust and Monopoly, GAO Division Director Harry Havens stated:

> Risk classification and insurance availability were among the several issues we reviewed where insurance departments lacked sufficient information to regulate effectively."

The report concluded that:

> Uniform remedies to deficiencies in the current classification system will probably have to come about through Federal legislation.

The Insurance Competition Improvement Act is intended to promote price competition by limiting both the current antitrust immuniy and the authority of State officials to regulate base insurance rates. At the same time provisions are included to protect consumers from the consequences of excessive competition on the basis of the selection of risks, a process which results in widespread unjustified refusals to insure and excessive rates for many responsible individuals.

This bill does not represent a Federal takeover of insurance regulation. Its purpose is to beef up State regulation where it is needed, not to replace it. Administration and enforcement of the the standards are left entirely to the States, supplemented by a private right of action in Federal court in those States which have not enacted the standards into law. Available State administrative remedies must be exhausted before court action is instituted. The bill does not include Federal enforcement, even as a backup measure.

The summary and section-by-section analysis which follows explains the provisions of the bill in more detail. I ask unanimous consent that the bill and accompanying summary and staff explanation be printed in the RECORD. I firmly believe that this legislation will be of great benefit to consumers of insurance. I urge my colleagues to join me in cosponsoring this bill.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 2474

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Insurance Competition Improvement Act".

FINDINGS AND DECLARATION OF PURPOSE

SEC. 2. (a) The Congress finds and declares that—

(1) the Federal antitrust laws comprise an essential component of congressional policy in favor of competition and consumer protection, and the current broad immunity from the antitrust laws afforded the insurance industry has weakened competition and adversely affected consumers of insurance; and

(2) although the continued regulation and taxation by the several States of the business of insurance is in the public interest, regulation by most States with respect to certain lines of insurance does not adequately protect the vital interests of consumers of insurance in fair and equitable pricing and full availability of essential coverages, or sufficiently promote price competition among insurers.

(b) It is the purpose of this Act to achieve, without delay, improvements in State regulation of insurance in order to guarantee fair and equitable competitive pricing, to eliminate unfairly discriminatory classifications and rate differentials, and to ensure full availability of essential coverages, and to encourage and assist the States in meeting this responsibility by—

(1) modifying the current antitrust immunity of the business of insurance, and

(2) establishing Federal minimum standards governing competition in the business of insurance while maintaining the primary responsibility and authority for insurance regulation in the States.

AMENDMENTS TO THE M'CARRAN-FERGUSON ACT

SEC. 3. (a) Section 1 of the Act entitled "An Act to express the intent of the Congress with reference to the regulation of the business of insurance", approved March 9, 1945 (15 U.S.C. 1011; known as the McCarran-Ferguson Act), is amended by striking out the period and inserting in lieu thereof the following: ", provided that the several States regulate the business of insurance in accordance with the provisions of this Act.".

(b) Section 2(b) of that Act is amended to read as follows:

"(b)(1) The antitrust laws shall not be construed to prohibit the joint gathering by insurers, or the gathering by associations of insurers or rating bureaus, of information on losses incurred by insurers, except that no insurer shall make use of such joint loss data in setting the price of any insurance coverage unless such use is essential to the operation of that insurer's business and the data generated by its own experience for such coverage are so sparse that a reasonable degree of actuarial credibility is lacking.

"(2) The antitrust laws shall be construed to prohibit—

"(A) the joint gathering by insurers, or gathering by associations of insurers or rating bureaus, of information on any expenses incurred in the sale or underwriting of insurance; and

"(B) the joint determination by insurers, or the determination by associations of insurers or rating bureaus, of loss development factors, average claim cost trend and projection factors, claim frequency trend and projection factors, claim adjustment expense factors, profit allowances, or other actuarial components (excepting reported losses and units of exposure to risk) used in the calculation of insurance rates.

"(3) Section 5 of the Federal Trade Commission Act shall not be applicable to the business of insurance to the extent that such business is regulated by State law, where State law includes the provisions of sections 5 through 12 of this Act. Nothing in this paragraph shall be construed to limit the authority of the Federal Trade Commission to enforce the provisions of the Sherman Act and the Clayton Act with respect to the business of insurance.".

FURTHER AMENDMENTS TO THE M'CARRAN-FERGUSON ACT

SEC. 4. The Act entitled "An Act to express the intent of the Congress with reference to the regulation of the business of insurance", approved March 9, 1945 (15 U.S.C. 1011 et seq.; known as the McCarran-Ferguson Act), is amended by striking out sections 5 and 6 and the heading thereto, and by adding after section 4 the following:

"SEC. 5. As used in this Act, the term—

"(1) 'antitrust laws' means the Sherman Act (15 U.S.C. 1 et seq.), the Clayton Act (15 U.S.C. 12 et seq.), and the Federal Trade Commission Act (15 U.S.C. 41 et seq.);

"(2) 'Commissioner' means the commissioner, superintendent, or director of insurance of a State, or, in a State in which the business of insurance is regulated by a board or commission composed of two or more members, such board or commission;

"(3) 'homeowners insurance' means insurance against loss, damage, or liability arising in connection with the ownership, occupancy, or use of an owner-occupied house, including the contents thereof and adjacent property, and including but not limited to such perils as fire, theft, wind, rain, hail, and riot, and liability for personal injury or property damage;

"(4) 'included coverage' means property, homeowners, tenants, and private passenger motor vehicle insurance (except commercial property insurance premiums for which the annual policy premium exceeds $5,000);

"(5) 'isurable risk' means any risk other than a risk that creates a potential for loss so great in relation to a normal premium for a risk similarly classified, on the basis of characteristics particular to that risk determined on an individual, nonaggregated basis, that no prudent insurer would voluntarily underwrite it;

"(6) 'overcharge' means the difference between the expected losses of an individual insured under a policy providing any included coverage, combined with a reasonable allowance for insurer expenses and profit, and the premium charged such individual for coverage under a rating plan applicable to such policy, where the premium exceeds the sum of such expected losses and allowance;

"(7) 'private passenger motor vehicle insurance' means insurance against loss, damage, or liability arising in connection with the ownership or operation, for personal but not commercial purposes, of an automobile, truck, motorcycle, or other motor vehicle, and including but not limited to such perils as collision, fire, theft, vandalism, and flood and liability for personal injury or property damage;

"(8) 'property insurance' means insurance against loss or damage arising in connection with the ownership, occupancy, or use of real and tangible personal property at fixed locations, whether for personal or commercial purposes, and including but not limited to such perils as fire, theft, wind, rain, hail, and riot;

"(9) 'residual market mechanism' means an arrangement among insurers for the equitable allocation of the premiums, losses, and expenses of insuring persons who are unable to obtain coverage in a voluntary contract with an insurer, other than as a result of the requirements of this Act or similar provisions;

"(10) 'State' means each of the several States, the District of Columbia, Puerto Rico, American Samoa, Guam, and the Virgin Islands; and

"(11) 'tenants insurance' means insurance against loss, damage, or liability arising in connection with the occupancy or use of leased or rented residential real property, including the contents thereof and adjacent property, and including but not limited to such perils as fire, theft, wind, rain, hail, and riot, and liability for personal injury or property damage.

"SEC. 6. No policy of property, homeowners, tenants, or private passenger motor vehicle insurance may be issued, sold, or delivered unless it is in conformance with the following standards:

"(a) DISCRIMINATION.—

"(1) No insurer may discriminate in the sale, issuance, underwriting, or rating of any policy providing any included coverage, or processing of an application therefor, on the basis of sex, marital status, race, color, religion, national origin, occupation, personal living habits, appearance, marital history, or political activities, except that insurers may vary rates on the basis of occupational duties if their discharge directly and demonstrably causes increased exposure to loss.

"(2) Except in the case of occupational duties, no insurer may use statistics showing losses of groups of insureds compiled on the basis of any classification or characteristics specified in paragraph (1) as a basis for any action which is contrary to this subsection.

"(3) Nothing in this section shall be construed to prevent an insurer who regularly provides insurance coverage solely to persons of a single religious affiliation from continuing to provide insurance solely to persons of that religious affiliation.

"(b) Availability, Cancellation, and Renewal.—

"(1) No insurer may cancel, fail to renew (at the policyholder's option), or refuse to make available to any application, in conformance with the same rates, rules, and terms applied to its other policyholders insured with comparable coverage, any included coverage which it generally provides, except for any of the following reasons or conditions:

"(A) Nonpayment of premiums after reasonable notice.

"(B) Fraud or material misrepresentation in the application for insurance or renewal thereof or in the filing of a claim.

"(C) In the case of private passenger motor vehicle insurance, if the operator's license or motor vehicle registration of the applicant, named insured, or any other person covered under the application or policy is under suspension or revocation at the time of cancellation, nonrenewal, or application.

"(D) If the applicant or insured is not an insurable risk.

"(E) If the insurer which refuses coverage has been found by the Commissioner of the State in which such refusal occurs to have exhausted its capital capacity to write any new policies providing included coverages and has been ordered not to write any such policies.

"(2) Any cancellation or non-renewal notice issued by an insurer shall state specifically and fully the reason or reasons for such cancellation or nonrenewal.

"(3) Any insurer which refuses to issue a policy providing any included coverage shall provide any applicant therefor with timely notice of the refusal to insure, including a specific and full statement of the reason or reasons for such refusal.

"(4) Any insured or applicant who receives notice of a refusal to insure, cancellation, or nonrenewal shall be entitled to review thereof by an appropriate State official.

"(c) CLASSIFICATIONS AND TERRITORIES.—

"(1) No classification category, territorial or other geographic distinction, or other grouping of risks may be used by any insurer to establish rate differentials unless it has been approved by the appropriate Commissioner as fair, just, reasonable, and not unfairly discriminatory.

"(2) In reviewing any classification category, geographic distinction, or other grouping of risks proposed for use, the Commissioner shall give substantial weight to—

"(A) the compatibility of the use of the characteristic by which the grouping is defined with widely held social values;

"(B) the degree of incentive created by the use of such characteristic for the reduction and retention of losses by individual insureds;

"(C) the degree to which such characteristic is causally linked to likelihood of loss and controllable by individual insureds;

"(D) the accuracy of pricing which results for each individual insured so grouped;

"(E) the homogeneity with respect to potential for loss which results from the use of the grouping; and

"(F) the degree of statistical separation of the grouping of insureds from the remainder of the insured population which results from the use of the category.

"(3) With respect to private passenger motor vehicle insurance, any classification plan which varies rates and premium charges on the basis of characteristics of insured drivers shall include a merit rating plan which establishes differentials in premium charges to insureds whose policies cover drivers found to have been at fault in a motor vehicle accident or convicted of a moving traffic violation during the three-year period preceding the period for which coverage is to be in effect. The differentials imposed under any such merit rating plan shall be reasonable, fair, and non-punitive and shall bear a reasonable relationship to the increased likelihood of loss under such a policy.

"(d) RATE DIFFERENTIALS BY CLASSIFICATION AND TERRITORY.—No rate differential between insureds which is based solely on differences in classification grouping or geographic location may be used unless it has been approved by the appropriate Commissioner as meeting the following criteria:

"(1) Rate differentials based solely on classification grouping or geographic location shall be reasonable, fair, and just.

"(2) Such differentials shall be neither unfairly discriminatory nor excessive.

"(3) In the determination of such differentials—

"(A) allocation of general and acquisition expenses by classification and territory shall reasonably reflect actual differences in the costs of servicing different classes of insureds;

"(B) no actuarial method of computation may be used which systematically overcharges individuals in the highest rated combinations of classification and territory; and

"(C) primary weight shall be given to the accuracy of rating of each individual member within any classification or territorial grouping, the avoidance of large overcharges of individual insureds, and a broad distribution among insureds of the costs of environmental hazards over which insureds have little or no control.

"(4) In the rating of private passenger motor vehicle insurance within a State, the maximum allowable rate differential based on differences in the principal place of garaging of an insured vehicle or any other rating factor based on geographic distinctions among insureds shall be a factor of 2. The ratio of the highest rate to the lowest rate in a State for two insureds similarly situated in all respects other than geographic location shall not exceed 2 to 1. An insurer shall not employ a territorial base rate in a territory for private passenger motor vehicle insurance that is less than 90 percent of the territorial base rate employed in any adjacent territory for the same coverage. The maximum allowable rate differential based on all differences in classification (other than merit rating, mileage driven, geographic location, and make, model, age, value, or damageability of an insured motor vehicle) shall be a factor of 2.

"(5) In the rating of property, homeowners, and tenants insurance within a State, the maximum allowable rate differential based on geographic distinctions among insureds shall be a factor of 1.5. The ratio of the highest rate to the lowest rate in a State for two insureds similarly situated in all respects other than geographic location shall not exceed 1.5 to 1. The maximum allowable rate differential based on all differences in classification other than geographic location and physical condition and characteristics of the insured property shall be a factor of 1.5.

"(6) No insured, whether insured through a residual market mechanism or not, may be charged by an insurer at rates other than those generally charged by such insurer to insureds similarly classified.

"(7) Any person insured through a residual market mechanism shall receive coverage under the same terms, rates, conditions, and rules as apply to similarly situated insureds not insured through such mechanism.

"SEC. 7. No policy form providing any included coverage may be issued, sold, or delivered unless it is written in clear, readable language, is printed in type sufficiently large to be easily read by a person of average eyesight, is organized in a readily understandable manner, and is easily comparable on the basis of scope of coverage and price with policy forms providing similar coverage.

"SEC. 8. (a) Except as provided in subsection (b), with respect to any included coverage neither the Commissioner nor any other governmental or public authority of a State shall have the right to disapprove or otherwise challenge the statewide average rates charged by an insurer as excessive as applied, in the aggregate, to all such insurer's policyholders within a State. Nothing in this subsection shall be construed to prohibit the Commission of any State from exercising full regulatory authority in all other respects, including the power to disapprove, over rating classifications, rating territories, and applicable differentials.

"(b)(1) Any State may by statute restore to the Commissioner full regulatory authority over any included coverage, including the authority to disapprove or to fix and establish rates, except that no State may take such action within eighteen months of enactment of this section.

"(2) Any State may grant authority to the Commissioner to make a determination, for any included coverage, that competition is insufficient to assure that rates will not be excessive or so conducted as to be destructive of competition or detrimental to the solvency of insurers, and, on the basis of such determination, to disapprove or to fix and establish rates for any included coverage. Any such determination shall be made after a public hearing, on the basis of findings of fact, and subject to review by an appropriate State court. No Commissioner may make such a determination within eighteen months of enactment of this section.

"SEC. 9. (a) The Commissioner of each State shall prepare, update, and cause to be distributed to all prospective and current insureds, consumer shopping guides for each included coverage at least once a year. Each guide shall contain summaries of the scope of the coverage and specific relative price information, including rankings on a statewide rate level basis and percentage differentials, for all writers of the coverage with a significant share of the market in the State.

"(b) All insurers writing any included coverage, and agents of such insurers, shall provide, no later than the time of application, a copy of the appropriate guide to all applicants for any included coverage, and shall promptly give specific quotations of the premium for any included coverage to persons who make reasonable inquiries therefor, either orally or in writing, as requested.

"SEC. 10. (a) No insurer may cancel an agent's contract or otherwise terminate an agent's authority to represent the insurer with respect to any included coverage on the basis of either the geographic location of the agent's business or the actual or expected loss experience of the agent's business.

"(b) No insurer may cancel an agent's contract or otherwise terminate an agent's authority to represent the insurer with respect to any included coverage unless the insurer notifies in writing, not less than ninety days before such cancellation or termination, the agent and the appropriate Commissioner. Such notice shall provide the reason or reasons for the cancellation or termination, including supporting evidence. Any agent receiving such notice shall be entitled to review by the appropriate Commissioner.

"(c) Compensation of agents and brokers paid in connection with the sale or issuance of any policy providing any included coverage through a residual market mechanism shall be determined in accordance with the same terms, rates, conditions, and rules as apply for similar policies not insured through a residual market mechanism.

"SEC. 11. Each insurer writing any included coverage within a State shall file with the appropriate Commissioner, on or before the effective date of rates for any included coverage, every applicable manual of rules and rates, rating plan, and manual of classification, and all applicable underwriting rules, manuals and guidelines, and every modification thereof. Each filing shall include full and complete supporting information, including statistical data. Each insurer shall concurrently file data showing a geographical breakdown by rating territory of the insurer's new and renewal business, cancellations, non-renewals, and applications. All filings and supporting information shall be open to public inspection.

"SEC. 12. (a) REMEDIES.—(1) Except as limited by subsection (c) hereof, any person who is aggrieved by any violation of this Act may maintain a civil action in an appropriate State or Federal court, if a reasonable effort has been made to exhaust available administrative remedies. In any such action, the court may continue the case for a period not to exceed ninety days in order to require exhaustion of such speedy and effective administrative remedies as are available. The district courts of the United States shall have jurisdiction over any such action without regard to the amount in controversy or the citizenship of the parties.

"(2) If a violation is established in a civil action brought under paragraph (1), the plaintiffs shall be entitled to receive for each violation the greater of three times the actual damages sustained or $1,000, and reasonable attorney's fees.

"(b) ENFORCEMENT.—Both the Commissioner and the Attorney General of each State shall have authority to enforce all provisions of sections 5 through 11 of this Act. The Commissioner shall have authority to order any insurer or other person to cease and desist from any violation of such provisions. The Attorney General of each State shall have the authority to intervene in administrative proceedings brought to consider any alleged violation or to petition a court of competent jurisdiction to enjoin the continuation of any act or practice contrary to the provisions of sections 5 through 11 of this Act, order restitution of any moneys paid by any person pursuant to any act or practice determined to be a violation, and impose fines of no less than $1,000 for each violation.

"(c) STATE ACTION.—In any State which has enacted into law the provisions of sections 5 through 12 of this Act, no action for any violation of these standards may be maintained in a Federal court.

"SEC. 13 The Federal Insurance Administrator shall conduct a study to assess the implementation and enforcement of the provisions of this Act. The Commissioner of each State shall submit such information concerning implementation and enforcement of these standards as the Administrator requires. No later than three years subsequent to the effective date of this section, the Administrator shall submit to Congress a detailed report documenting the extent of compliance by insurers with the standards and the actions taken by each State to implement and enforce them.

"SEC. 14. Any provision of State law that is inconsistent with the provisions of this Act is preempted by this Act.".

EFFECTIVE DATE

SEC. 5. This Act and the amendments made by this Act are effective six months after the date of enactment of this Act.

THE INSURANCE COMPETITION IMPROVEMENT ACT

SUMMARY AND SECTION-BY-SECTION ANALYSIS

This bill has three primary purposes. The first is to limit the sweeping antitrust immunity granted the business of insurance by the McCarran-Ferguson Act. The second is to promote competition in the pricing of automobile and property insurance on an average rate level basis. The third is to improve the operation of competition by establishing minimum standards to prohibit unfairly discriminatory classifications in insurance pricing, to ensure full availability of automobile and property coverage, and to eliminate unfair and excessive rate differentials among insureds.

The objective of this bill is to ensure that State regulation meets basic standards of fairness and competitive rating, not to impose Federal regulation on the insurance industry. Except for the restored applicability of the antitrust laws, Federal involvement is limited to the establishment of a private right of action in Federal court, but only in a State which has not enacted the standards into law. The bill includes no provision for Federal administration or enforcement, either directly or as a back-up approach. Enforcement is vested entirely in the States, supplemented by private rights of action in State court. Authority to enjoin illegal activities is vested in the State commissioner of insurance. Enforcement authority is also granted to the State attorney general.

Antitrust immunity

Section 3 of the bill, which follows the findings and declaration of purpose, amends the McCarran-Ferguson Act by making the Federal antitrust laws fully applicable to the business of insurance. Sections 1 and 2(a) of that act, which contain the basic statement of congressional policy in support of State regulation of insurance, are unchanged, except that section 1 is supplemented by language conditioning this policy on the States' compliance with the standards in the bill.

The bill provides a limited "safe harbor" to protect essential collective activity. Joint gathering by insurers or rating bureaus of loss data is permitted, but its use is limited to instances where it is essential to an insurer's business and the insurer's own data are not sufficient to establish a reasonable degree of actuarial credibility. The purpose of this provision is to allow insurers which lack sufficient data to develop a rate for a coverage to have access to a broader base of experience. In order to maximize the benefits of independent, competitive pricing, the bill limits the use of joint data to cases where it is essential. Similarly, the bill prohibits the use of pooled expense data and collective determination of key actuarial components involved in the calculation of rates.

Standards

Section 4 of the bill provides minimum Federal standards to be implemented by the States. The standards apply to private passenger motor vehicle, property, homeowners, and tenants insurance. The substantive standards fall in two broad categories: Those limiting unfair discrimination, excessive rate differentials, and arbitrary refusals to insure; and those promoting competitive rating on an average rate level basis.

Discrimination

The bill prohibits insurers from discriminating on the basis of race, religion, national origin, color, sex, marital status, occupation, personal living habits, appearance, marital history, or political activities.

Availability

The bill provides that no insurer may refuse to make available, cancel, or fail to renew (at the policyholder's option) coverage which it generally provides, except in cases where a risk is objectively uninsurable.

While the bill mandates full insurance availability, it allows reasonable exceptions. Uninsurable risks, such as unoccupied firetraps or unlicensed drivers, are not required to be covered by insurers. Likewise, persons who have made material misrepresentations or filed fraudulent claims need not be accepted. And insurers who have been found by State regulators to have exhausted their capital capacity are not required to take on additional insureds. The requirement is also limited to coverage which an insurer generally provides.

Classification and territories

The bill allows insurers to continue to use any rating territories and classifications they wish (except those expressly prohibited under the discrimination standard), subject to approval by the appropriate commissioner of insurance. In reviewing proposed classifications and territories, the commissioner must give substantial weight to the degree to which the defining characteristic is linked to likelihood of loss and controllable by individual insureds, the accuracy of pricing for each individual grouped in a class and the degree of incentive created for the reduction and retention of losses by insureds.

Merit rating plans, which relate rate differentials to driving record, are required to be used in auto insurance classification plans. Differentials are limited, however, to amounts bearing a reasonable relationship to the increased likelihood of loss under a merit-related policy.

Rate differentials by classification and territory

The bill contains two parallel standards governing rate differentials, which remain subject to regulatory review. The first prescribes cirteria to be considered in the determination of differentials. Those prescribed include the accuracy of rating of individuals, the avoidance of large overcharges, and the broad distribution of the costs of environmental hazards as well as traditional standards prohibiting unreasonableness or unfair discrimination.

The bill also prescribes maximum rate differentials for use in connection with particular rating variables. For auto insurance, the maximum differential is 2-to-1 for differences based solely on geography and 2 and 1 for all differences based on all other group classifications (except merit rating, mileage, and make, model, age, value, or damageability of an insured vehicle). Ratios of 1.5-to-1 apply to property and homeowners insurance on the same basis. Those ratios are nearly identical to factors recently enacted into law by the State of Michigan to limit geographic differentials. Massachusetts has also acted to reduce auto insurance rate differentials for both territory and driver class to levels well within these limits.

Consistent with its availability requirements, the bill also prohibits surcharging of insured at rates above those generally charged by an insurer for other risks similarly classified. Nor may any person be charged a higher rate, or receive lesser coverage, solely because he or she is insured through a residual market mechanism.

Competition and the regulation of statewide rate levels

Rates for property/casualty coverage are generally made in two steps. First, a statewide rate is determined for each coverage. Then that rate is distributed according to class, territory, and all other rating differentials to determine actual individual premium charges. The bill implements a system of open price competition on statewide average rates for automobile and property insurance. It prohibits insurance commissioners from disapproving or otherwise challenging rates on the basis that they are excessive in the aggregate.

The bill allows a State, no less than 18 months after the bill's effective date, to restore public oversight of base rates. Alternatively, a State may delegate to the Commissioner of Insurance authority to exercise rate regulatory control if he or she finds that competition is insufficient to assure that rates will not be excessive or so conducted as to be destructive of competition.

Availability of price information

For competition to work well in a product market characterized by unusual complexity, it is essential that consumers be given extensive price information. The bill accomplishes this goal in two ways. First, insurance commissioners are required to publish and distribute annual rankings of all major writers of automobile and property insurance in order of their statewide rate levels, including percentage differentials.

To supplement this general price information the bill requires that insurers and their agents provide specific rate quotations on request. This provision is essential to ensure that consumers have a fair opportunity to comparison-shop.

Readability of policy forms

Another provision designed to improve the operation of competition is a minimum readability standard. Every policy form must be written in clear language which can be easily understood by a typical high school graduate. Minimum standards of typography are established to ban the legendary fine print of insurance policies. Policies are also required to be easily comparable on the basis of scope of coverage and price with policy forms providing similar coverage.

Protection of agents

The bill establishes minimum standards governing termination of agency relationships. Termination may not be based on either geographic location or loss experience of the agent's business. Written notice with supporting evidence, at least 90 days prior to termination, is required, and an opportunity for review by the appropriate insurance Commissioner is established.

The bill also provides that agents and brokers be compensated at the same rates on business insured through a residual market mechanism as apply in the voluntary market.

Insurer filings

The bill requires insurers to file rates, manuals, and supporting information for automobile and property coverages. Insurers are also required to file a geographical breakdown of new and renewal business.

Remedies and enforcement

Private rights of action in State and Federal court are established, and treble damages are available to successful plaintiffs. Enforcement authority is vested in both the State Insurance Commissioner and State Attorney General. The purpose of the bill is to provide for effective enforcement of the basic standards through existing State institutions. In keeping with the bill's underlying philosophy—to strengthen State regulation where it is needed but not replace it—there is no provision for involvement by anv Federal agency or department in the administration or enforcement of the bill's substantive standards, either directly or as a back-up measure. In addition, no action for any violation of the standards may be maintained in Federal court in any State which has enacted them into law.

Study

In order to assist Congress in evaluating compliance with the standards in the act, the Federal Insurance Administrator is directed to conduct a study of their implementation and enforcement. Three years are allowed for completion.

THE INSURANCE COMPETITION IMPROVEMENT ACT

STAFF SUMMARY AND EXPLANATION

This bill has three primary purposes. The first is to limit the sweeping antitrust immunity granted the business of insurance by the McCarran-Ferguson Act. The second is to promote competition in the pricing of automobile and property insurance on an average rate level basis. The third is to improve the operation of competition by establishing minimum standards to prohibit unfairly discriminatory classifications in insurance pricing, to ensure full availability of automobile and property coverage, and to eliminate unfair and excessive rate differentials among insureds.

The objective of this bill is to ensure that State regulation meets basic standards of fairness and competitive rating, not to impose Federal regulation on the insurance industry. Except for the restored applicability of the antitrust laws, Federal involvement is limited to the establishment of a private right of action in Federal court. The bill includes no provision for Federal implementation or enforcement, either directly or as a back-up approach. Enforcement is vested entirely in the States, supplemented by private rights of action in both State and Federal court. Authority to enjoin illegal activities is vested in the State Commissioner of Insurance. Enforcement authority is also granted to the State attorney general.

The bill further provides that in any State which has enacted the standards into law, no action for a violation may be maintained in Federal court.

Antitrust immunity

Section 3 of the bill, which follows the findings and declaration of purpose, amends the McCarran-Ferguson Act by making the Federal antitrust laws fully applicable to the business of insurance. Sections 1 and 2(a) of that act, which contain the basic statement of congressional policy in support of State regulation of insurance, are unchanged, except that section 1 is supplemented by language conditioning this policy on the States' compliance with the standards in the bill.

The broad antitrust immunity enjoyed by the insurance industry under the McCarran Act has been the subject of much study in recent years. In its final report early in 1979, the National Commission for the review of Antitrust Laws and Procedures recommended nearly unanimously that the current immunity should be repealed. The Commission found that the current immunity was not overly broad, but also unnecessary. Finding that various types of collective insurance company behavior are, as a practical matter, wholly free from control by either State regulation or the Federal antitrust laws, the commission concluded that the McCarran Act, as interpreted by the courts, effectively may immunize from the antitrust laws a broad range of anticompetitive activities which, in fact, serve no Federal or State objectives.

Repeal of the broad exemption is an essential step toward promoting open price competition in the business of insurance. Collective rate-setting by industry-controlled rating bureaus is tantamount to cartel pricing. Although the dominant role of rating bureaus has diminished in the 35 years since enactment of the McCarran Act, their influence remains strong in a number of States and in a number of lines of insurance. Even where deviations from bureau rates are freely allowed, their existence tends to chill wholly independent pricing.

In line with the Commission's recommendations, the bill provides a limited "safe harbor" to protect essential collective activity. Joint gatherings by insurers or rating bureaus of loss data is permitted, but its use is limited to instances where it is essential to an insurer's business and the insurer's own data are not sufficient to establish a reasonable degree of actuarial credibility. The purpose of this provision is to allow insurers which lack sufficient data to develop a rate for a coverage to have access to a broader base of experience. In order to maximize the benefits of independent, competitive pricing, the bill limits the use of joint data to cases where it is essential.

Similarly, the bill prohibits the use of pooled expense data and collective determination of key actuarial components involved in the calculation of rates. One of the primary purposes of competition is to give consumers the opportunity to shop for low-cost supplies of goods and services. Efficiency is promoted as high-cost producers lose patronage to those with lower costs. If its prices do not reflect a company's costs—as is the case when expense data from high- and low-cost companies are pooled—this fundamental benefit of competition is lost.

By the same token, estimation of actuarial rating factors involves key subjective judgments which should be made independently in a competitive market. Trend factors, for example, measure the expected changes from the most recent period for which loss data are available to the future period when rates will be effective. They reflect anticipated inflation rates, projected changes in accident and theft rates, the impact of changes in law and regulation on claims behavior, anticipated changes in societal attitudes affecting claim size and frequency, and a host of other factors. These judgments are largely non-technical and often vary substantially depending on who makes them. Rate indications derived from identical loss data can easily differ by 20 percent or more depending only on the optimism or pessimism of the ratemaker who selects the trend factors. It is essential that these sensitive judgments be made independently.

The bill includes no provision specifically applicable to joint ventures among insurers. The intent of the bill is that the rule of reason generally applied under the Sherman Act will protect joint activities of insurers which serve valid business purposes and which are not anti-competitive. The bill is not intended to prohibit reasonable arrangements to absorb very large risks through pooling or reinsurance. Nor is it intended to prohibit routine industry practices, including standard forms, rules, rating criteria, risk evaluation and inspection methods, and loss prevention techniques, which are neither anti-competitive nor unreasonably in restraint of trade. At the same time, it is essential that no statutory immunity be granted which is so broad as to prevent antitrust scrutiny of potentially anti-competitive joint activities. Especially in concentrated or highly specialized markets, joint ventures could be utilized to carve up markets or otherwise thwart competition.

Standards

Section 4 of the bill provides minimum Federal standards to be implemented by the States. The standards apply to private passenger motor vehicle, property, homeowners, and tenants insurance. The subsantive standards fall in two broad categories: Those limiting unfair discrimination, excessive rate differentials, and arbitrary refusals to insure; and those promoting competitive rating on an average rate level basis.

Discrimination

The bill prohibits insurers from discriminating on the basis of race, religion, national origin, color, sex, marital status, occupation, personal living habits, appearance, marital history, or political activities.

Broad groupings which lump together individuals of widely varying characteristics have become increasingly disfavored in modern American society. Stereotyping persons on the basis of race, religion, color, or national origin is already illegal for most purposes. Sex is increasingly suspect as a permissible criterion to support varying standards of treatment of individuals otherwise similar. Marital status is also increasingly being rejected as an automatic classification, as shown by recent legislation in the credit area.

In property/casualty insurance, sex and marital status classifications are used only for motor vehicle insurance rating. The marital status distinction is generally applied only to youthful males, about 10 percent of drivers. Sex is generally used to differentiate only youthful drivers, about 20 percent of the total.

While aggregate statistics—especially for young drivers—do show differences in average losses for groups classified by sex and marital status, the clear majority for individuals within even the highest-rated groups have no claims or accidents in any year. And most of them never have a claim as high as $1,000 even over a 5-year period. Thus, the use of such broad classes forces great numbers of persons with exemplary driving records to pay substantially more than the normal rate for auto insurance. Since sex is a characteristic over which the individual has no control, there is no way that a driver classified on this basis can improve his or her rates by modifying driving or claims behavior. Marital status, while controllable by the individual, is not causally related to accident likelihood. It as well therefore does not create incentives for loss reduction or retention.

Justice is an individual, not a group, concept. Insurance policyholders deserve the presumption of being considered ordinary risks unless they demonstrate otherwise by their own actions.

The determination of accurate insurance rates for individuals is fraught with uncertainty. While aggregate statistics may show differences among groups, there is no assurance that each individual in one group has a higher loss expectancy than every person in another. In fact, research has found that great overlap exists among such groups. Because of the many differences among individuals, and the great uncertainty inherent in predicting the future, it is very difficult to identify which persons have higher loss expectancies than others. Techniques like classification and underwriting explain on the order of only 30 percent of the variance in expected losses among individuals.

In a recent sex discrimination case (*Los Angeles Department of Water and Power* v. *Manhart*, 433 U.S. 702 (1978)), the Supreme Court held that a statutory prohibition against sex discrimination focuses "on the individual" and therefore "precludes treatment of individuals as simply components of a racial, religious, sexual, or national class." The Court squarely rejected the argument that group discriminatory treatment as to insurance rates can be justified on the basis of actuarial tables. The Court noted:

> Even a true generalization about the class is an insufficient reason for treating differently an individual to whom the generalization does not apply because there is no assurance that any individual woman or man . . . will actually fit the generalization. . . . Although this case dealt with contributions to a pension plan, the principles are equally applicable to risk classification in auto and property insurance.

The essential purpose of insurance is to spread risk broadly and equitably. In the absence of direct, specific evidence that a particular individual has a higher loss expectancy than average, he or she should not be required to contribute more than the average amount to the pool on the basis of broad groupings defined by sex, marital status and similar characteristics.

Classifications like merit rating, which are based on individual driving record rather than broad groupings, both create incentives to reduce reported losses and comport with fundamental standards of fairness. Discrimination by sex and marital status imposes stereotyped impressions of loss probability in spite of tremendous differences in actual loss propensity. Substantial numbers of persons are unfairly penalized by discrimination on the basis of these personal characteristics. There is no compelling state interests in their continued use. Reliance on them is inherently unfair and arbitrary; it should no longer be permitted.

Availability

The bill provides that no insurer may refuse to make available, cancel, or fail to renew (at the policyholder's option) coverage which it generally provides, except in cases where a risk is objectively uninsurable.

Insurance today is increasingly a necessity, either by law or economic compulsion. In many states, cars cannot be registered without liability insurance. Physical damage coverage is generally a requirement for auto loans. And the ownership of buildings cannot be financed without basic property protection. Yet in almost every State insurers are free, on no more than the whim of an underwriter, to reject an applicant outright or to impose a hefty surcharge. Refusals to write are often concentrated in geographic areas, such as inner cities. Unavailability of essential coverage in such areas, or availability only at prohibitive prices, accelerates urban blight. And it is fundamentally unfair to deprive persons of coverage essential to full participation in modern society, or to surcharge them heavily for it, where there is no objective justification.

While the bill mandates full insurance availability, it allows reasonabe exceptions. Uninsurable risks, such as unoccupied firetraps or unlicensed drivers, are not required to be covered by insurers. Likewise, persons who have made material misrepresentations or filed fraudulent claims need not be accepted. And insurers who have been found by State regulators to have exhausted their capital capacity are not required to take on additional insureds. The requirement is also limited to coverage which an insurer generally provides, thus avoiding the problem, for example, of a writer of private passenger auto insurance being required to take on commercial property risks.

Classifications and territories

The bill allows insurers to continue to use any rating territories and classifications they wish (except those expressly prohibited under the dicrimination standard), subject to approval by the appropriate commissioner of insurance. In reviewing proposed classifications, the commissioner must give substantial weight to the degree to which the defining characteristic is linked to likelihood of loss and controllable by individual insureds, the accuracy of pricing for each individual grouped in a class, and the degree of incentive created for the reduction and retention of losses by insureds. The purpose of these provisions is to ensure that classifications not be automatically allowed solely because a statistical difference in the overall average loss per class member, or pure premium, is present. Instead classification groupings should not be used unless they are fair to individuals within the groups, consistent with widely held social values, and beneficial to achievement of the goals of loss reduction and retention. Similar standards apply with respect to geographic distinctions.

Merit rating plans, which relate rate differentials to driving record, are required to be used in auto insurance classification plans. Differentials are limited, however, to amounts bearing a reasonable relationship to the increased likelihood of loss under a merit-related policy. Amounts on the order of $50 to $100 for a first at-fault accident in a 3-year period up to $200 to $500 for a third at-fault accident in such a period are reasonable.

The purpose of merit rating is not to penalize insureds who cause losses, but to create incentives for loss reduction and retention and a fair basis for distinctions, on an individual basis, between lesser and greater risks. Although not explicitly required in the bill, annual mileage driven is a good example of a classification variable which meets the prescribed standards.

Mileage distinguishes drivers as to loss potential since more miles on the road, as statistics show, imply greater exposure to hazard. Wholly within the control of individuals, annual mileage rating creates an incentive—especially appropriate in an energy-scarce environment—to reduce loss potential by driving less. Mileage is a fair means to discriminate among insureds since each driver is treated on the basis of his or her own actions, not those of a large group.

Rate differentials by classification and territory

The bill contains two parallel standards governing rate differentials, which remain subject to regulatory review. The first prescribes criteria to be considered in the determination of differentials. Those prescribed include the accuracy of rating of individuals, the avoidance of large overcharges, and the broad distribution of the costs of environmental hazards as well as traditional standards prohibiting unreasonableness or unfair discrimination.

The bill also prescribes maximum rate differentials for use in connection with particular rating variables. For auto insurance, the maximum differential is 2 to 1 for differences based solely on geography and 2 to 1 for all differences based on all other group classifications (except merit rating, mileage, and make, model, age, value, or damageability of an insured vehicle). Ratios of 1.5 to 1 apply to property and homeowners insurance on the same basis. Those ratios are nearly identical to factors recently enacted into law by the State of Michigan to limit geographic differentials. Massachusetts has also acted to reduce auto insurance rate differentials for both territory and driver class to levels well within these limits.

Consistent with its availability requirements, the bill also prohibits surcharging of insureds at rates above those generally charged by an insurer for other risks similarly classified. Nor may any person be charged a higher rate or receive lesser coverage, solely because he or she is insured through a residual market mechanism.

The bill clearly does not establish a flat-rate system. For example, the permitted differentials allow an insurer to charge a youthful urban driver with a perfect record $1,400 for the same coverage on the same model car for which it charges a suburban adult $350. The former driver could be charged even more if he or she had a bad record or drove extensively.

These limitations are necesary to prevent extreme differences in rates which reflect both inaccuracies and unfairness in the rating of individuals. Inaccuracies result from several factors. Certain actuarial techniques used in almost every state tend to overcharge systematically those insureds in the highest-rated brackets. For example, acquisition and general company expenses are generally set as a fixed percentage of premium. Thus, the high-rated insured who pays $2,000 for auto insurance pays ten times as large a share of the insurer's expenses as the low-rated policyholder who pays $200 for the same coverage on an identical car. Approximately 35 percent of each premium goes to cover expenses. Thus, the inequality of the contribution to expenses can run to $600 and more.

A second actuarial bias arises in the method by which rates are calculated for individuals who combine more than one high-rated characteristic. Suppose, for example, that experience shows that on average young male drivers cause twice as many accidents as adults and that urban drivers on average cause twice as many collisions as rural operators. The actuarial technique almost universally used is simply to multiply the differentials together for persons combining both characteristics. Thus, the rate charged will be a multiple of four to one in the above example even if data show that the actual ratio is only three to one. Careful statistical study has in fact shown that this simple multiplicative method results in systematic overcharge of individuals in high-rated classes and territories.

Beyond actuarial methodology are broader issues of rating accuracy. Pricing all members of a class at the average loss per class member implicitly assumes that all class members have the same expected losses. But any grouping of insureds into broad categories is heterogeneous: Individuals vary immensely in terms of exposure (e.g., number of miles driven), personal safety (e.g., good driving habits), personal habits (e.g., drinking), maturity, alertness and a host of factors. Thus, any one fixed rate for a large group will impose both overcharges and undercharges on its members. The array of pricing errors may be viewed as a distribution spread around the average loss for the class as a whole.

Since motor vehicle and property coverages are virtually compulsory in modern society, it is of paramount importance that overcharges of individuals be limited as strictly as possible. Society cannot be indifferent between undercharges and overcharges of like amount. Just as the American system of criminal justice functions to minimize the chances of convicting an innocent person, so the insurance mechanism should be geared to limit overcharges. In instances where individuals are effectively compelled to enter a transaction, government has an obligation to protect them from overcharges based on factors beyond their control and unrelated to their own conduct.

Unfortunately, the difficulties of predicting the future preclude the possibility of charging each individual precisely his or her expected loss. Tempering rate differentials derived from group experience is the simplest means to mitigate the adverse effects of classification errors. The limitations contained in the bill represent a reasonable balance between the continued use of broad class and territorial distinctions and their abandonment.

The extent of variation allowed in the bill—4 to 1 for auto insurance (in addition to merit rating, mileage, vehicle type, etc.) and 2.25 to 1 for property coverage—is broad enough to encompass existing rate differentials in use for most insureds in most States. Only in States with dense urban concentrations will the geographic limitations come into play, and the classification limitations will generally affect extremes in driver classes likely to be encountered only in the case of age.

Another problem which the market cannot resolve without intervention is distortion caused by externalities. Arising when private costs or benefits diverge from social costs or benefits, externalities result in misallocation of resources and incorrect pricing. The best example in insurance is the effect of commuting from suburbs into cities. Rating by principal place of garaging, even where accidents caused by a driver are charged back regardless of location to his or her town of residence, fails to charge commuters for the congestion they create.

By driving into central cities at rush hours, commuters increase congestion and therefore the probability that urban residents will be involved in accidents. Since insurers generally determine rate differentials on the basis of who was at fault in an accident, the costs of increased congestion are transferred to some extent from those responsible—commuters—to those whose loss probabilities rise as a result, urban residents. Although precise measurement of this effect is difficult, studies have shown that it is substantial. Tempering of extreme geographic differentials mitigates the adverse consequences to urban rates.

Still another problem relating to economic efficiency which results from unfettered class-average pricing is the impact of the pricing structure on incentives for loss reduction and loss retention. Unlike those of almost any other industry, costs of the insurance product are affected by the pricing structure. Merit rating, as noted above, creates positive incentives to reduce losses in the system. Class-average pricing, on the other hand, often exacerbates tendencies toward inflation and fraudulent claims.

As rates for certain selected groups rise far above average levels, many of the individuals in those categories feel themselves victimized by unfair and excessive rates, especially where claim payments they have received themselves have been small or nil. As a result, a process which has been described as "premium retrieval" often takes place. Seeking to recover monies believed to have been unfairly charged, policyholders often pad legitimate claims (especially to cover deductibles) or fabricate new ones.

Industry representatives have estimated the extent of auto insurance fraud in some jurisdictions as 10 to 20 percent of premium volume. A striking illustration of this apparent effect is the loss experience of under-25 males compared with over-25 drivers on fire and theft auto coverage. Statistics show that losses for young males, adjusted to a standard mix by vehicle age and type, are in many areas two to three times as high as for older drivers. Yet how can a bona fide car thief know the age of the owner of the car he is stealing? Reduction of extreme rate differentials will mitigate existing tendencies toward padded and fraudulent claims.

Taken together, concerns for fairness to individuals, economic efficiency, and avoidance of actuarial inaccuracies all call for limitations of extremes of rate differentials based solely on average losses in broad groupings. While no one numerical answer is definitively correct, those contained in the bill strike a reasonable balance among competing policies.

Competition and the regulation of statewide rate levels. Rates for property/casualty coverage are generally made in two steps. First, a statewide average rate is determined for each coverage. Then that rate is distributed according to class, territory, and all other rating differentials to determine actual individual premium charges. The bill implements a system of open price competition on statewide average rates for automobile and property insurance. It prohibits insurance commissioners from disapproving or otherwise challenging rates on the basis that they are excessive in the aggregate.

Competition is the underlying principle of the antitrust laws. Fostering both economic efficiency in the production of goods and services and decentralization of economic power, the antitrust laws serve fundamental public policy goals in the American economy. Extensive studies, such as one recently completed by the Justice Department, and experience under increasingly less restrictive economic regulation by the States indicates that benefits can be gained from increased reliance on price competition in property/casualty insurance.

Relatively unconcentrated, the industry offers low risk of monopolization. Substantial benefits can be gained in efficiency through independent competitive pricing. Where prices reflect each firm's costs, consumers can patronize those companies with lower costs and therefore lower prices. Inefficient firms with high expense ratios are therefore pressured to cut costs or risk erosion of market share.

Similarly, firms which are systematically more successful in weeding out padded and fraudulent claims will be able to pass on these savings to their policyholders, thus generating lower rates and increased market share. In addition, those insurers which use unrealistically pessimistic assumptions concerning trends in future losses will tend to lose business to those companies with lower loss projections and therefore lower rates.

Another major benefit of open price competition is the flexibility it allows insurers to respond quickly to changing market conditions. The absence of direct economic price regulations also allows insurers to adjust base prices without interference so as to be assured the opportunity to earn a fair return on capital. At the same time, it allows insurers great flexibility to adjust base prices within a framework of limitations on discrimination, surcharging, and underwriting.

In this connection, it must be stressed that the approach of the bill is a unified whole and represents a balanced approach to the issue of competition in insurance.

Recognizing the special nature of competition in insurance, as well as the reasons leading to price regulation by public authorities for so many years, the bill allows a State, no less than eighteen months after the bill's effective date, to restore public oversight of base rates. Alternatively, a State may delegate to the commissioner of insurance authority to exercise rate regulatory control if he or she finds that competition is insufficient to assure that rates will not be excessive or so conducted as to be destructive of competition.

Although not expected to be used with any frequency, this provision is essential to allow a State—where competition in a market turns out not to work well (perhaps because of extreme volatility in a particular line of insurance)—to take appropriate remedial action.

Availability of price information. For competition to work well in a product market characterized by unusual complexity, it is essential that consumers be given extensive price information. The bill accomplishes this goal in two ways.

First, insurance commissioners are required to publish and distribute annual rankings of all major writers of automobile and property insurance in order of their statewide rate levels, including percentage differentials.

This information can be supplemented, of course, by specific rate quotations from company representatives and agents. Where a company's ranking for a particular coverage or classification is better than indicated by the averages, its representatives can so indicate. In general, especially in view of the bill's limitations on extreme rate differentials, the average rate level standard will be a reasonably reliable discriminant between high- and low-cost companies.

To supplement this general price information the bill requires that insurers and their agents provide specific rate quotations on request. This provision is essential to ensure that consumers have a fair opportunity to comparison-shop.

Readability of policy forms. Another provision designed to improve the operation of competition is a minimum readability standard. Every policy form must be written in clear language which can be easily understood by a typical high school graudate. Minimum standards of typography are established to ban the legendary fine print of insurance policies. Policies are also required to be easily comparable on the basis of scope of coverage and price with policy forms providing similar coverage.

Not only will improved readability enhance competition by improving consumer knowledge, it will reduce misunderstanding and disputes arising in the settlement of claims. Comparison-shopping will be aided by better understanding of the scope of coverage and improved comparability of similar policies. And consumers generally will be less likely to purchase coverage ill-suited to their needs.

Protection of agents. In order to assure that agents are not unfairly treated, the bill establishes minimum standards governing termination of agency relationships. Termination may not be based on either geographic location or loss experience of the agent's business. Written notice with supporting evidence, at least ninety days prior to termination, is required, and an opportunity for review by the appropriate insurance commissioner is established.

The bill also provides that agents and brokers be compensated at the same rates on business insured through a residual market mechanism as apply in the voluntary market.

Insurer filings. The bill requires insurers to file rates, manuals, and supporting information for automobile and property coverages. A continuation of existing practices in most State insurance departments, these filing requirements will help State regulators monitor compliance with the standards. Insurers are also required to file a geographical breakdown of new and renewal business.

Remedies and enforcement. Private rights of action in State and Federal court are established, and treble damages are available to successful plaintiffs. Enforcement authority is vested in both the State insurance commissioner and State attorney general. The purpose of the bill is to provide for effective enforcement of the basic standards through existing State institutions. In keeping with the bill's underlying philosophy—to strengthen State regulation where it is needed but not replace it—there is no provision for involvement by any Federal agency or department in the administration or enforcement of the bill's substantive standards, either directly or as a back-up measure. In addition, no action for any violation of the standards may be maintained in Federal court in any State which has enacted them into law.

Study. In order to assist Congress in evaluating compliance with the standards in the act, the Federal Insurance Administrator is directed to conduct a study of their implementation and enforcement. Three years are allowed for completion.●

By Mr. HATFIELD (for himself, Mr. METZENBAUM, Mr. MATSUNAGA, Mr. RANDOLPH, Mr. McGOVERN, and Mr. MELCHER):

S. 2477. A bill to prohibit discrimination in insurance on the basis of race, color, religion, sex, or national origin; to the Committee on the Judiciary.

NONDISCRIMINATION IN INSURANCE ACT

Mr. HATFIELD. Mr. President, I am pleased to have my distinguished colleague from Ohio, Senator METZENBAUM, join me in introducing the Nondiscrimination in Insurance Act.

Over the past decade, I believe that the Nation has made significant progress against sex and race discrimination. In many areas of American life, opportunities for women and minorities have improved dramatically through enactment of laws and gradual changes in attitude. However, there remain tremendous gaps in this achievement level, which result in severe economic and social consequences for many persons.

One of the most obvious gaps lies in the insurance field, where sex discrimination in availability, conditions, benefits and/or rates offered to customers is widespread.

I believe that the Nondiscrimination in Insurance Act will help remedy this inequity that can so vitally affect the economic status of many individuals, particularly women.

This proposed legislation prohibits discrimination in all forms of insurance on the basis of race, color, religion, sex or national origin. The bill is a simple statement of national policy consistent with and patterned after several existing laws, including title VII of the Civil Rights Act, title VIII of the Fair Housing Act, and the Equal Credit Opportunity Act.

In addition to its appeal on the philosophical merits—I believe our Nation can no longer tolerate the inequities inherent in discrimination in any area—our bill meets the tough standards imposed by a climate of economic stress and an attitude opposed to Federal Government involvement. The bill costs no money, and it retains primacy of jurisdiction with the States, where Congress has determined insurance regulation belongs. In contrast to many proposals we discuss in Congress, not one new Federal bureaucrat will be created as a result of this bill, if enacted. And only if States fail to enact a nondiscrimination provision of their own, can the Federal Government get involved, and only then through the courts.

I would like to point out here the clear and positive interest in this proposal for the elimination of discrimination in the insurance industry. Representative JOHN DINGELL has introduced similar legislation in the House, after which our own was patterned. Some 75 Members of the House have joined him in this effort. This legislation has been endorsed as a matter of high priority by the respected Leadership Conference on Civil Rights, as well, which represents approximately 150 organizations committed to further equal justice under the law.

My colleagues and I believe that unequal treatment in the insurance industry, based particularly on sex, is not only contrary to our Nation's policy against discrimination, but can have severe economic consequences for its victims. Denial of access to insurance at fair rates touches employment discrimination, opportunities to hold a job, ability to maintain a family in the face of personal catastrophe and economic security. With women composing over 40 percent of the work force—and some 60 percent of those women working out of economic need—the ramifications of such discrimination are obvious.

I would like to cite a few examples:

In disability, many types of insurance benefits available to men are not available to women. In only a few States is disability coverage available to women on any terms, at any price. Where such insurance is available, a New York study revealed that women were charged as much as 150 percent higher rates than men in the same job classification.

In health, waiting periods are usually much longer for women, and benefit periods shorter. According to a report on sex discrimination in insurance prepared by the Women's Equity Action League, it is not uncommon to find that, despite higher premiums paid by women, the benefits they receive are much lower. Maternity coverage is often unavailable, despite its centrality to women's insurance needs.

In life insurance, coverage for women is often limited in scope and availability. Certain options, commonly available to men, have been restricted to women. The insurance industry argues that sex discrimination in life insurance is justified because "women as a group have longer life expectancy than men as a group." The same justification can be made for discrimination against blacks because white persons as a group have a longer life expectancy than black persons as a group. However, such discrimination is now, and should be, totally rejected. The industry has chosen to ignore other, more accurate classification criteria, such as smoking habits, family health history, physical condition, recreational and occupational activities.

In a report prepared for the U.S. Commission on Civil Rights, Herbert S. Denenberg outlined another problem commonly faced by women seeking life insurance:

> Some companies say they haven't sold enough insurance to women to get a reliable book of business and a dependable set of their own actuarial statistics. So they load on extra charges to cover their risk.
>
> So women are subject to a double whammy. First, they are discriminated against in the sale and pricing of life insurance. And then, because they are neglected and unsold, they pay an extra premium to boot. The women of America are financing the life insurance industry's self-imposed ignorance.

Recent court decisions have also begun to chip away at the legal foundations underlying such discrimination. Last year, the Supreme Court, in the so-called Manhart decision, ruled it unlawful to treat "individuals as simply components of a racial, religious, sexual or national class." In this case, an employer-operated pension plan required women employees to make greater payments than men employees to the pension plan. According to figures filed in that case, the insurance industry's justification based on women having a longer life expectancy was a result of a distortion of the "average" woman and the "average" man. The fact is that most women and men can be paired at death age. (Of a sample of 100,000 males and 100,000 females retiring at age 65, 86,193 males had the same death age as 86,193 females.)

Thus, because less than 14 percent of the women did not match the death ages of the men, all women receive lesser monthly retirement benefits than all the men, and all men receive more monthly retirement benefits than all the women. A reverse type of discrimination occurs in life insurance lump-sum payments. That is, because less than 14 percent of the men did not match the death ages of the women, all men pay higher premiums for life insurance than women, and in those cases where the men elected joint and survivor benefit plans, the men suffered a greater reduction in their annuities than all women annuitants who elected the same plan.

To deprive individuals of fair rates and availability through discriminatory practices in insurance is unconscionable whenever it occurs, but is perhaps even more significant in a time of inflation and economic crisis. I sincerely hope you will join my colleagues in cosponsoring this measure.

Mr. President, in order to further explain this proposal, I ask that the following list of questions and answers, as well as a copy of the bill, be printed in the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 2477

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Nondiscrimination in Insurance Act."

FINDING AND POLICY

SEC. 2. (a) The Congress finds that discrimination based on race, color, religion, sex, or national origin, when practiced by insurers in connection with applications for or the terms, conditions, rates, benefits, or requirements of insurance policies and annuity contracts (1) denies fundamental fairness and justice to individuals who rely on the protection of insurance and annuity contracts; (2) legitimates the invidious concept of different and unequal treatment which is contrary to the nation's policy against discrimination based on race, color, religion, sex or national origin; and (3) makes it difficult for employers to comply with Federal laws prohibiting such discrimination against their employees.

(b) The Congress therefore declares that it is the policy of the United States that no insurer shall, on the basis of any individual's race, color, religion, sex, or national origin (1) refuse to make insurance available to any applicant for insurance, (2) with respect to insurance contracts to which this Act applies, treat any such applicant or insured differently from any other applicant or insured with respect to the terms, conditions, rates, benefits, or requirements of any such insurance contract, or (3) commit any other discriminatory action prohibited by this Act. It is further the policy of the Congress that this Act shall not affect the responsibility and authority of States to regulate the business of insurance, or any regulation or order of any State agency applicable to the business of insurance, if such regulation or order is consistent with this Act.

AMENDMENTS TO THE ACT OF MARCH 9, 1945

SEC. 3. The Act entitled "An Act to express the intent of the Congress with reference to the regulation of the business of insurance", approved March 9, 1945 (15 U.S.C. 1011 et seq.) is amended by adding after section 5 the following:

DEFINITIONS

"SEC. 6. For purposes of sections 6 through 12—

"(1) The term "insurance" means any arrangement (whether by contract, policy, binder, or otherwise) whereby an insurer (including any governmental agency) will provide benefits (whether by reimbursement, periodic or lump-sum payments, or otherwise) in case specified events occur in connection with death, disability, medical conditions, attainment of specified age, retirement from employment, economic loss, theft, or other events customarily dealt with in insurance policies and contracts (including annuity or pension contracts) relating to life, accident and casualty, theft, retirement, liability, health, disability, or economic loss.

"(2) The term 'sex' means the gender of the insured and includes pregnancy, childbirth, or related medical conditions of a female insured, except that nothing in this Act shall be deemed to amend section 701(k) of the Civil Rights Act of 1964.

UNLAWFUL DISCRIMINATORY ACTIONS

"SEC. 7. (a) It shall be an unlawful discriminatory action for any insurer to discriminate in the sale, issuance, underwriting or rating of any insurance policy or contract, or in processing of an application therefor, or with respect to the terms, conditions, rates, benefits or requirements of such policy or contract, on the basis of the race, color, religion, sex, or national origin of any person or group of persons.

"(b) It shall be an unlawful discriminatory action for any insurer to utilize any statistical table (whether of mortality, life expectancy, morbidity, disability, disability termination, or losses) or any other statistical compilation as a basis for any action which is contrary to this section;

"(c) To discriminate in any manner against any person because such person has opposed any practice made unlawful by this Act or because such person has made a charge, testified, assisted, or participated in any manner in an investigation, proceeding, hearing, or litigation under this Act; and

"(d) With respect to all contracts of insurance existing on the date this section becomes effective—

"(1) it shall be an unlawful discriminatory action for any insurer after the effective date of this section—

"(A) to charge and collect premium payments or contributions which become due after the effective date of this section; or

"(B) to determine the amount of and to pay to any insured or other beneficiary under an insurance, annuity, or pension policy or contract any periodic or lump-sum payment after the effective date of this section; if such charge and collection, or such determination and payment, are based, directly or indirectly, either on the race, color, religion, sex, or national origin of any person or group of persons, or on any statistical table whose use would, if applied to contracts made after the effective date of this section, violate any provision of this section; and

"(2) the insurer may modify the premium and contribution rates and may increase but not decrease the periodic and lump-sum payments under such existing policies or contracts insofar as they are due after the effective date of this section, if clearly necessary to comply with the nondiscrimination requirements of this Act (and if the State agency having jurisdiction to regulate the business of insurance authorizes the modification requested by the insurer), but such insurer need not refund any portion of the premiums and contributions which were payable to the insurer prior to the effective date of this section nor pay any additional amounts for the benefits which were payable by the insurer prior to the effective date of this section.

"(d) Nothing in this Act shall be deemed to prevent an insurer who regularly provides insurance coverage solely to persons of a single religious affiliation from continuing to provide insurance solely to persons of that religious affiliation.

"SEC. 8. (a) REMEDIES.—(1) Except as limited by subsection (c) hereof, any person who is aggrieved by any violation of this Act may maintain a civil action in an appropriate State or Federal court, if a reasonable effort has been made to exhaust available administrative remedies. This requirement shall be deemed satisfied if at least ninety days have passed since the aggrieved person filed with an appropriate state agency a written statement of the facts upon which the charge of the alleged discriminatory action is based. In any such action, the court may continue the case for a period not to exceed ninety days in order to require exhaustion of such speedy and effective administrative remedies as are available. The district courts of the United States shall have jurisdiction over any such action without regard to the amount in controversy or the citizenship of the parties.

"(2) If a violation is established in a civil action brought under paragraph (1), the plaintiff shall be entitled to receive for each violation the greater of three times the actual damages sustained or $1,000, and reasonable attorney's fees. In its discretion the court may—

(i) enjoin the insurer from committing any discriminatory action in the future;

(ii) order the insurer to amend the insurance policy or contract to conform with the requirements of this Act;

(iii) require the insurer to pay punitive damages of not more than $15,000 for each individual plaintiff and not more than $600,000 in the case of a class action; and

(iv) order such other equitable relief, including temporary or preliminary relief pending final disposition of the case, as the court may deem appropriate;

In determining the amount of punitive damages to be awarded, the court shall consider, among other relevant factors, the amount of actual damages awarded, the frequency and persistence of the insurer's failure to comply with requirements of this Act, the insurer's resources, the number of persons affected, the extent to which the insurer was enriched through its discriminatory action, and the extent to which the insurer's failure to comply was intentional.

"(b) ENFORCEMENT.—Both the Commissioner and the Attorney General of each State shall have authority to enforce all provisions of sections 6 and 7 of this Act. The Commissioner shall have authority to order any insurer or other person to cease and desist from any violation of such provisions. The Attorney General of each State shall have the authority to intervene in administrative proceedings brought to consider any alleged violation or to petition a court of competent jurisdiction to enjoin the continuation of any act or practice contrary to the provisions of this Act, order restitution of any moneys paid by any person pursuant to any act or practice determined to be a violation, and impose fines of no less than $1,000 for each violation.

"(c) STATE ACTION.—In any State which has enacted into law the provisions of sections 6–8 of this Act and which has established effective administrative procedures to consider violations thereof and to grant remedies therefor, no action for any violation of these standards, other than that specified in Section 9, may be maintained in a Federal court.

"SEC. 9. CIVIL ACTION BY UNITED STATES ATTORNEY GENERAL.—Whenever the Attorney General of the United States has reasonable cause to believe that any insurer or other person or group of persons is engaged in a pattern or practice of resistance to the full enjoyment of any of the rights granted by this Act, or that any group of persons has been denied any of the rights granted by this Act and such denial raises an issue of general public importance, the Attorney General may bring a civil action in any United States district court having jurisdiction, by filing with it a complaint setting forth the facts and requesting such preventive relief, including an application for a permanent or temporary injunction, restraining order, or other order against the person or persons responsible for such pattern or practice or denial of rights, as the Attorney General deems necessary to ensure the full enjoyment of the rights granted by this Act.

"SEC. 10. INAPPLICABILITY.—Nothing in this Act shall be deemed to—

"(1) modify any provision in the Social Security Act;

"(2) modify any provision in any law or Executive order prohibiting discrimination in employment on the basis of an individual's race, color, religion, sex, or national origin, or in any rule, regulation, order or agreement under such law or Executive order; or

"(3) exempt or relieve any person from any liability, duty, penalty, or punishment under any present or future law of any State or political subdivision thereof, other than any such law which purports to require or permit the doing of any act which would be a discriminatory action under this Act."

EFFECTIVE DATE

SEC. 4. This Act shall become effective on the ninetieth day after the date of the enactment of this Act.

QUESTIONS AND ANSWERS RELATING TO THE HATFIELD-METZENBAUM PROPOSAL

1. Why do we need the "Non-Discrimination in Insurance Act"?

It is fundamentally unfair and unjust to categorize persons simply on the basis of their race, color, religion, sex or national origin.

The states have failed to take the initiative necessary to correct this injustice, and assure nondiscriminatory treatment in the insurance industry. The Hatfield-Metzenbaum bill provides an incentive for the states to do so.

2. What does the "Non-Discrimination in Insurance Act" do?

The legislation prohibits discrimination in all forms of insurance on the basis of race, color, religion, sex or national origin.

3. What is the enforcement mechanism proposed in the bill?

Under this legislation, a person alleging that an insurance company has committed an unlawful discriminatory action, must first file the charge with the appropriate state agency. If the state agency doesn't resolve the charge, the complainant may file an action in a state court. If the state has no law prohibiting such discriminatory action or agency to hear the charge, the complainant may file the charge in federal court.

4. Does the "Non-Discrimination in Insurance Act" remove authority from the states to regulate the insurance industry?

No, it does not. The legislation simply prohibits discrimination based on race, sex, color, religion, or national origin. Enforcement of this policy remains in the states. No federal mechanism for administration or enforcement is established, and not one bureaucrat would spring into being as a result of this bill. A private right of action in federal court is established, but only in states which do not enact the nondiscrimination standards into law.

5. The insurance industry claims that because women live longer than men, sex-related groupings are justified in life insurance policies. How do you answer that charge?

Certainly, in the aggregate, statistics demonstrate that women as a group do live longer than men. However, the fact remains that this categorization unfairly penalizes individuals who do not fit these stereotypes.

The same justification can be made for discrimination against blacks because white persons as a group have a longer life expectancy than black persons as a group. However, such discrimination is now, and should be, totally rejected.

The Supreme Court specifically rejected the treatment of individuals as simply components of a racial, religious, sexual or national class. In *Los Angeles Department of Water and Power v. Manhart* it ruled unlawful charging female employees higher rates than male employees for annuities with equal monthly benefits. The Court squarely rejected the insurance industry's argument that group discriminatory treatment as to insurance rates and pension benefits can be justified on the basis of actuarial tables indicating longer life expectancy for a group (all females, or white persons) than for another group (all males, or black persons).

The case involved an employer operated pension plan which required women to make greater payments than men to the pension fund: The court said that the Title VII prohibition against sex discrimination focuses on "the individual," and therefore, "precludes treatment of individuals as simply components of a racial, religious, sexual, or national class . . ."

The court said that even a true generalization about the class of an individual would be insufficient reason for treating the person differently because "there is no assurance that any individual woman (or man) will actually fit the generalization." In other words, the justices said, even if women as a group do live longer than men as a group, many women do not outlive men and many men actually do outlive women.

The fact is that most men and women can be paired at death. For example, the Teachers Insurance and Annuity Association and College Retirement Equities Fund (TIAA-CREF) filed figures in a recent case before the Supreme Court (*Los Angeles Dept. of Water and Power* v. *Manhart*) concerning the survival experience of 100,000 males and 100,000 females retiring at age 65. TIAA-CREF's figures showed that 86,193 women had the same death age as 86,193 men; 13,807 more males than females died at ages 66–80; and 13,807 more females than males died at ages 81–100.

Thus, because less than 14 percent of the women did not match the death ages of the men, all women receive lesser monthly retirement benefits than all the men, and all men receive more monthly retirement benefits than all the women.

The Supreme Court decision, however, was based on Title VII of the 1964 Civil Rights Act which applies only to employment-related insurance policies. It does not cover other policies offered by private insurers.

An additional justification by the insurance industry for using sex as a rating factor has been the stereotype of women as a homogeneous group of non-workers dependent on their husbands' wages and employment benefits. In view of the fact that over 50 percent of women work, and that more than 60 percent of those women do because they are single, divorced, widowed or separated or in order to raise their family income of $10,000 a year, these sex stereotypes are clearly outmoded.

6. If categorization by sex is not permitted in insurance policies, what other factors can be used?

Indeed, grouping by sex is a very convenient method of categorizing risks. That is why it is commonly used, particularly in life insurance. However, the industry has virtually ignored other, more accurate factors known to affect life expectancy, such as physical condition, family health history, occupation, obesity, leisure time activities, and habits such as smoking. These characteristics are more directly related, on a causal basis, to life expectancy than sex.

7. What is the likely effect on insurance rates, if this bill is enacted?

While cost estimates vary, the charge by some insurance companies that such legislation will have a severe cost-effect is greatly overstated. In states where such discriminatory policies are prohibited in automobile insurance, for example, rates for males have decreased, and rates for females have increased only slightly. Until the 1950's, sex rating was generally not used by the insurance industry. It is clearly not a business necessity, but may require minor adjustments in rates.

Certainly, for some, there will be slightly greater pension costs involved should this bill pass. However, such an argument is not normally a defense for discrimination. The insurance industry can easily develop non-sex based rates and payments by spreading the risks over the total population rather than separately for men and for women.

8. Do other major insurers already provide sex-neutral policies which would comply with this Act?

Yes. Benefits accorded through the Federal Government's Civil Service Retirement Plan (which includes annuity and life insurance) do not vary by sex. Beginning in June of 1980, the Teacher's Insurance and Annuity Association and College Retirement Equities Fund (TIAACREF) will eliminate sex as a factor in determining rates and benefits. TIAACREF covers some 600,000 subscribers who work in 3,300 colleges and universities throughout the nation.

Three states (Hawaii, Massachusetts, and North Carolina) have already eliminated sex as a classification in auto insurance. A task force of the National Association of Insurance Commissioners concluded that "as rating characteristics, sex and marital status are seriously lacking in justification . . . and should therefore be prohibited as classification factors" in automobile insurance. The NAIC, however, has not followed through on this recommendation of its own task force. In its major study of insurance regulation (October, 1979), the General Accounting Office concluded:

> Inasmuch as the National Association of Insurance Commissioners has declined to follow through on its task force findings and recommendations, uniform remedies to deficiencies in the current classification system will probably have to come about through federal legislation.

9. How would the Hatfield-Metzenbaum proposal affect Social Security?

The bill specifically states that it will not modify any provision in the Social Security Act.

10. How does the Hatfield-Metzenbaum proposal affect the Pregnancy Disability Act, passed by Congress in 1978?

The Pregnancy Disability Act amends the 1964 Civil Rights Act prohibition against sex discrimination in employment to include discrimination on the basis of pregnancy. While the amendment was a significant step forward for women, it affects only employment group policies, not private group or individual policies.

11. How does the Equal Rights Amendment affect this legislation?

The ERA applies only to state actions, not to private actions. Since private insurance companies are not governmental agencies, neither state nor federal ERA's would bar discriminatory actions by insurance companies such as those itemized in this legislation.

Mr. METZENBAUM. Mr. President, I am very pleased to join my distinguished colleague from Oregon, Mr. HATFIELD, in introducing the Nondiscrimination in Insurance Act. I have been concerned for some time about the fair treatment of individuals in the insurance marketplace. I believe that this bill, which abolishes discrimination on the basis of race, color, religion, sex, or national origin, marks a significant step forward toward greater equity in the pricing of insurance protection.

Over the past generation insurance companies have increasingly relied on gender to impose higher rates or lower benefits on certain persons. This practice has been followed even though the majority of individuals so affected may be no different in terms of potential for loss than their counterparts of the opposite sex. Women are charged more for pension and annuities; men are charged more for life insurance.

I believe that it is fundamentally unfair to stereotype individuals on the basis of race, religion, and sex. Such discrimination legitimates the invidious concept of different and unequal treatment of like individuals. It is already against national policy to do so for most purposes. It is time to prohibit such discrimination in insurance as well.

The insurance industry argues that group discriminatory treatment can be justified on the basis of actuarial tables showing that females as a group live longer than males. On April 25, 1978, the U.S. Supreme Court squarely rejected this argument in the case of Los Angeles Department of Water and Power against Manhart. This case involved an employer-operated pension plan that required women to make greater payments than men to the pension fund. Applying title VII of the Civil Rights Act of 1964, the Court held that that act's prohibition against sex discrimination focuses on the individual. It stated that this provision "precludes treatment of individuals as simply components of a racial, religious, sexual, or national class." The Court also pointed out that "there is no assurance that any individual woman (or man) will actually fit the generalization."

Statistics filed in that case demonstrate the fact that most men live as long as most women. Figures presented by an insurer compared the survival experience of 100,000 males and 100,000 females retiring at age 65. They showed that 86,193 women had the same death age as 86,193 men. Thus fewer than 14 percent of the women actually outlived their male counterparts. Yet all women must pay higher contributions, or receive lesser benefits, because of statistics like these.

Lower Federal courts and some State courts have reached decisions consistent with the Supreme Court's Manhart opinion. But interpreting limited antidiscrimination statutes and a range of State laws, the courts cannot do the whole job. The underlying problems of unfair discrimination are pervasive. The rationale for their elimination applies to all insurance. What is needed is national legislation.

Recent experience in the area of automobile insurance illustrates this problem. The National Association of Insurance Commissioners established a special task force to consider issues of classification reform. The task force recommended in December 1978, that rating on the basis of sex and marital status be prohibited. The NAIC executive committee, however, voted to defer action for 6 months. And at the next meeting, in June 1979, the NAIC again deferred a recommendation of specific regulatory action.

The General Accounting Office also examined risk classification in the major study of State insurance regulation which it released last October. The GAO report concluded:

> Inasmuch as the National Association of Insurance Commissioners has declined to follow through on its task force findings and recommendations, uniform remedies to deficiencies in the current classification system will probably have to come about through Federal legislation.

I wish to emphasize, however, that the Nondiscrimination in Insurance Act will not undercut State regulation of insurance. This bill would establish a broad standard to govern risk classification by all insurers. But it would in no way mandate the use of any particular classifications. Nor would it establish any Federal administrative or enforcement apparatus. And not a single bureaucrat would spring into being if this bill were passed.

The intent of the bill is to rely on State administrative and judicial remedies, not to create any system of Federal regulation, whether preemptive or dual. In States which enact the nondiscrimination standards into law, the bill provides for no Federal involvement whatsoever. In other States a private right of action in Federal court is established. But available administrative remedies must be exhausted first.

I believe that the time has come to protect the fundamental civil rights of insurance policyholders. The Nondiscrimination in Insurance Act will accomplish this goal. I urge my colleagues to support it.

By Mr. WILLIAMS (by request):

S. 2479. A bill to amend the Urban Mass Transportation Act of 1964 to provide authorizations and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

URBAN MASS TRANSPORTATION ACT AMENDMENT

● Mr. WILLIAMS. Mr. President, today, I am introducing, at the administration's request, the Public Transportation Amendments of 1980.

This legislation would reauthorize the Federal public transportation assistance programs under the Urban Mass Transportation Act of 1964 for the years 1981 through 1985. It also contains a proposal to increase authorization levels for the fiscal year 1980 for the section 3 program.

The total authorizations for the UMTA program under this legislation, for the years 1980 through 1985, would be $29 billion. Of this figure, approximately $15 billion represents existing authorizations; the balance would increase authorizations for fiscal 1980 through 1983, and establish funding levels for fiscal 1984 and 1985. The administration expects that revenues to cover increased authorizations will be available out of the windfall profit tax.

Submission of this legislation is consistent with the authorizing cycle established in the Surface Transportation Assistance Act of 1978. Under this system the UMTA program is reauthorized every 2 years, while maintaining a 5-year schedule of authorizations.

The program changes proposed by the administration include a revised section 5 formula, which would take effect starting in 1982. This proposal would introduce "revenue vehicle miles" as a factor in the distribution of basic formula assistance funds.

It would also create a program for incentive grants to transit operations which show substantial ridership increases or increases in operating revenues compared to operating costs.

Other major provisions of this legislation would include increased authorizations for the section 18 small urban and rural program; a minimum apportionment for that program which would assure that no State would get less than 1 percent of the section 18 apportioned funds; creation of a "strategic reserve" for buses authorizing the Secretary to make direct purchases of buses for transfer to local operators; a revised definition of "fixed guideway" to include trolley rail systems, and a clarification and expansion of UMTA's authority to investigate unsafe conditions on transit systems.

Mr. President, this legislation represents the second major legislative proposal now pending to reauthorize the Federal public transportation program. Last month, I introduced S. 2296, the Federal Public Transportation Act of 1980. S. 2296 would also increase authorizations for the program through 1985, at a level somewhat higher than the administration proposes. The need for increased commitment to improved transit is clear and urgent, even in these days of budgetary restraint. The availability of efficient and attractive transit service across this Nation as an alternative to excessive automobile use must be a major national priority as energy costs continue to soar and petroleum resources dwindle.

I believe that the administration proposal represents a recognition of the importance of transit, although it fails to provide funding levels for future years which are adequate to carry out the commitment made by the President for major improvements to our transit capability.

The administration bill also recognizes the need for a more equitable distribution of transit assistance, and for encouraging improved productivity in our transit systems. I am not convinced, however, that the administration's proposal for a new section 5 formula accomplishes the redirection of assistance that we all agree is important.

These concerns have been raised in hearings held by the Subcommittee on Housing and Urban Affairs on March 6 and 19. At those hearings, we had productive debate on the most effective methods of distributing transit assistance as well as on the need for increased funding. These two major bills, together with the helpful comment and analysis received in our hearings, will form the basis for early committee consideration of the future shape of our public transportation program.

At this time, Mr. President, I ask unanimous consent that the letter of transmittal to the President of the Senate, along with the section-by-section explanation of the bill be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF TRANSPORTATION,
Washington, D.C., March 5, 1980.
Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: The Department of Transportation is transmitting for your consideration and reference a bill: To amend the Urban Mass Transportation Act of 1964 to provide for authorizations and for other purposes.

The significant changes in the transportation needs of our country have necessitated a careful assessment of the current Urban Mass Transportation program and have required changes to make this program more responsive to the priorities and needs of this Nation. The bill identifies and addresses these concerns. In reviewing the program and developing the proposed changes and authorized funding levels, the Department has been mindful of the development of a balanced national program which best reflects the interests and concerns of all American communities—large and small—and specifically address the energy, environmental, and social problems which our Nation faces.

This multi-year bill has been developed in the context of a 10 year strategy which reflects what we perceive to be the necessary public transportation structure in the year 1990. I believe it is essential that we view today's actions in terms of where we want to be at the end of the decade and develop a logical and effective program and the resources to reach that point. To achieve this goal will require certain programmatic changes which will take several years to be implemented without adversely affecting public transportation operations. I believe our proposal balances these needs.

The bill would authorize an additional $17.0 billion to provide for the capital and operating needs of public transportation systems in rural areas and large and small cities, bringing the six year authorization level through fiscal year 1985 to nearly $29.0 billion. This request is based upon the assumption that the Windfall Profits Tax will be enacted and incorporates funding increases that were part of the Administration bill (S. 2015) that was introduced in November of 1979.

The bill would authorize an additional $10.2 billion for the discretionary capital program raising the six year level through fiscal year 1985 to $16.3 billion. These resources provide for a balanced program of new and expanded rail systems, new and expanded bus systems and an extensive program of rehabilitation and modernization of existing bus and rail systems. We believe our proposal balances the specific requirements of these categories and will provide in the first half of this decade a level of program activity which will make acceptable progress toward our 1990 goals.

The bill provides for the direct purchase of bus and bus related equipment by the Department. This new provision will be significant in providing the Department with a mechanism to assist local communities in the procurement of buses and accelerate expanded public transportation programs in areas around the country.

The bill would authorize an additional $6.1 billion for the capital and operating assistance formula program in urbanized areas raising the six year level through fiscal year 1985 to approximately $11.1 billion. Additional sums will be available for incentive grants to transit operators which are able to increase ridership significantly or achieve cost recovery greater than the national median.

The bill also restructures this crucial program to address current programmatic concerns. The purpose of these changes is to implement the following objectives:

1. To maximize the return on Federal operating assistance funds by relating the apportionments to service level measures.

2. To remove current program disincentives to fare increases by establishing limits for operating assistance in terms of operating costs instead of operating deficits.

3. To link the operating assistance formula and program to the accomplishment of major national priorities, including achieving more cost and energy efficient movement of people and increasing transit ridership and revenues.

4. To increase the equity of the allocation in terms of the proportion of operating expenses covered by federal assistance.

Recognizing the difficulty of making changes in the existing program and the importance of avoiding unnecessary dislocations, our proposal provides a long-term, phased strategy for making such changes over time with minimum adverse effect.

The bill would authorize an additional $420 million for public transportation assistance in small communities and rural areas of our Nation, raising the six year level through fiscal year 1985 to $750 million. It also revises the program to assure that each State receives a minimum apportionment of the available funds so that a meaningful annual level of activity can be supported.

Taken together, the series of changes proposed in this bill will produce a strong program to reduce our dependence on foreign oil through improvement in the energy-efficiency of the national transportation system. By such initiatives we will succeed in preserving our way of living without a serious loss of the mobility we now enjoy. I commend these legislative actions to you for early consideration and enactment.

The Office of Management and Budget has advised that the enactment of this proposed legislation would be in accord with the program of the President.

Sincerely,

NEIL GOLDSCHMIDT.

SECTION-BY-SECTION ANALYSIS

TITLE I—AMENDMENTS TO URBAN MASS TRANSPORTATION ACT

Short title

Section 101. This section establishes the short title.

Amendments to discretionary grant program

Section 102. Section 102(a) would repeal the discretionary grant authority that currently exists in sections 3(a)(1)(E) and 4(c)(3)(C) of the Urban Mass Transportation Act of 1964 (the "Act"). This authority enables the Secretary to give 100 percent grants to pay for modifications to the rail facilities of transit authorities caused by the Northeast Corridor Rail Project. This authority has never been used and never will be used because of revisions to the scope of the Northeast Corridor Rail Project. Modernization and rehabilitation of commuter rail facilities will continue to be an eligible expense under other existing UMTA programs on an 80/20 Federal to local share basis.

Section 102(b)(1) would give DOT the authority to purchase buses and related equipment directly and then grant ownership of this equipment to States and local public bodies in urbanized and non-urbanized areas. The purpose of this new authority is three-fold:

1. It permits DOT to ensure a steady demand for manufacturing capacity, rather than continuing the peaks and valleys now experienced in bus procurements.

2. It should permit lower unit costs since DOT would purchase large numbers of vehicles and maximize standardization opportunities.

3. It will minimize the long lead time that now exists between the time the applicant develops its local share and the time that buses are delivered.

Section 102(b)(1) establishes a mechanism to allow the Secretary initially to pay the full cost of the bus and related equipment and later receive a reimbursement of the local cash share when the equipment is transferred. To ensure that routine bus replacement needs are met first from section 5 bus formula funds, the Secretary is required to offset the urbanized area's current and future apportionments with amounts equal to what they could "reasonably" have been expected to need for routine bus purchases. The direct purchase authority will be administered as a part of the Urban Mass Transportation Fund and would consist of funds appropriated under section 4(c)(3)(C), funds offset from section 5(a)(4), and local cash returned. $150 million per year would be adequate to fund a direct purchase program annually encompassing 1,000 buses and related spare parts. These funds would remain available until expended.

It is intended that DOT be able to purchase buses directly or use the General Services Administration to purchase and transfer buses. Transfers would be subject to the same labor protection, public involvement, and environmental procedures that currently apply to grant of funds. It is also intended that the purchase of buses and other equipment will be based on projections of State and local needs, will use functional performance descriptions rather than detailed design specifications, and will be based on costs which include operating and maintenance costs as well as initial acquisition costs. It is recognized that States and local public bodies will need to continue to purchase buses and other equipment and that coordinating Federal purchases with non-Federal purchases could realize economies for both entities. The Secretary will also consider the maintenance of multiple sources of supply in these purchases.

The local share provision requires the same general 80/20 Federal to local share as the section 3 grant program. However, the local share could include in-kind contributions to place the bus in service (including tires, radio, painting and the like) as well as cash.

Section 102(b)(2) places a limit on the amount of section 3 authorizations that can be appropriated for use in the direct purchase mechanism.

Program authorizations

Section 103. Section 103(a) increases the annual authorizations for the section 3 discretionary capital program over the levels that currently exist in the Act for fiscal years 1980, 1981, 1982, and 1983 and extends the program authorizations into fiscal years 1984 and 1985. These authorization requests are pursuant to the report required by Congress in section 4(h)(2) of the Act. Suballocations of these authorizations are used to fund the section 8 planning and technical studies program and the section 4(i) innovative techniques and methods program. In all, the Administration proposes to add over $10 billion to the current authorization levels of these programs. These levels have been determined to be necessary to help fulfill the Administration's commitment to expanding energy-saving public transportation capacity. These authorization levels incorporate amounts expected from the Windfall Profits Tax. These levels would be the basis for letters of intent under Section 3(a)(4) of the Act.

Section 103(b) increases and extends the authorizations for the formula capital and operating assistance program for non-urbanized areas (section 18). The bill would extend this program through fiscal year 1985 and add $420 million in authorizations. This program was added to the Act in fiscal year 1979 and its continued funding is vital to the success of transportation programs in non-urbanized areas.

Section 103(c) amends section 4(f) to separately authorize the research and university grant programs of sections 6, 10 and 11(a) beginning in fiscal year 1982. These authorizations would be cumulative and appropriations would be available until expended. As presently written, section 4(f) authorizes a specific amount in each fiscal year to be divided among section 6 RD&D, section 10 managerial training, section 11(a) university research and training, section 20 human resources programs, and administrative expenses. Current national needs to increase energy conservation, productivity and technological advantage emphasize the need for an increased level of RD&D, training and university research. However, the present version of section 4(f) forces the Department to trade-off any increase in these activities against funds to cover administrative expenses. To avoid this trade-off, authorizations for section 6 RD&D, section 10 managerial training, and section 11(a) university research and training should be separate from authorizations for UMTA's administrative expenses. Such sums as may be necessary would be authorized to be appropriated for administrative expenses and section 20 would receive appropriations from the new section 4(j).

Section 103(d) would revise the Act to explicitly permit DOT to use up to $15,000,000 per year of the funds appropriated under section 3 for the purposes of section 20 of the Act, including bonding and venture capital funds for minority and female firms who would otherwise qualify for participation in UMTA-assisted construction contracts. Obtaining surety bonding and venture capital have been identified as major barriers preventing minorities, females and small businesses from participating in federally-assisted and direct Federal contracts. The substantive program provisions are contained in section 20.

Regulations implementing the bonding and venture capital guarantee provisions would be developed by DOT in coordination with the Small Business Administration and be consistent with overall policy and directives of the Department. Funds would be administered as a discretionary grant program within the regular construction grant program. These grants would be made to transit agencies who could then use these funds to support existing minority business enterprise (MBE) centers which are authorized and engaged in the business of assisting local minority and female firms in securing bonding and venture capital. These UMTA grant funds would only be used in support of UMTA-assisted construction. These grants would be made in amounts sufficient to act as reserves to guarantee an amount of bonding and venture capital for a particular project. However, these funds would not be paid to the MBE centers unless the MBE firm defaulted on its obligation to the surety or the lender. A minimum amount of funds will be expended for administrative purposes to reimburse established MBE centers for services rendered. Consideration will be given to reauthorizing this unique pilot program beyond 1985, if experience warrants.

Section 103(e) would amend section 4(h)(2) to revise and extend the process through which DOT submits revised authorization requests for the section 3 and 5 programs, to assure that each biennial update covers the four years beyond the budget year under consideration. This change would enhance the ability of DOT to provide accurate data. This reporting requirement is necessary to ensure that sufficient funds are authorized to enable the letter of intent process of section 3(a)(4) to work.

Amendments to formula program for urbanized areas

Section 104. Section 104 would make comprehensive changes to the formulas which are used to distribute capital and operating assistance to urbanized areas. The purpose of these changes is to implement the following objectives:

1. To maximize the return on Federal operating assistance funds by relating the apportionments to service level measures.
2. To remove current program disincentives to fare increases by establishing limits for operating assistance in terms of operating costs instead of operating deficits.
3. To link the operating assistance formula and program to the accomplishment of major national priorities, including achieving more cost and energy efficient movement of people and increasing transit ridership and revenues.
4. To increase the equity of the allocation in terms of the proportion of operating expenses covered by Federal assistance.

Section 104(a) establishes that none of the changs proposed by this section will become effective until the start of fiscal year 1982 except for the change to the bus tier formula that is made by section 104(e)(1). The change to the bus tier formula must become effective earlier because the current formula lapses on September 30, 1980. The delayed effective date for the rest of the changes will give the Federal Government and the recipients of funds a period of time to obtain and verify the data which are necessary for the new formulas.

Section 104(b) creates the new basic formula for apportioning capital and operating assistance and adds over $4 billion of Federal dollars to this grant program. The new formula is contained in a revised section 5(a)(1) of the Act and would be the basis for an apportionment of funds to urbanized areas based 50 percent on population and 50 percent on the number of revenue vehicle miles traveled. Revenue vehicle miles are the sum of the number of miles that each transit vehicle travels while available for passenger use. For the first time, the section 5 formula would incorporate incentives to make more bus transit available to the public and would enhance existing incentives to provide more rail transit services. Including vehicle miles in the formula ties the formula allocation to a factor which serves the objective of rewarding service expansion and which reflects the level of transit service offered in the area. This formula provides a more equitable distribution of funds than the present population/population density formula.

Section 104(c) amends section 5(a)(2) of the Act to establish a hold-harmless provision so that during the authorization period of the section 5 program no urbanized area would suffer a loss of funds due to the creation of the new formula in section 5(a)(1). Urbanized areas would be entitled to receive an amount at least equal to what they would have received from the old formula, based on fiscal year 1981 appropriation levels and the most current census data. It is anticipated that the amounts appropriated under the new section 5(a)(1)(C) will continue to grow above the fiscal year 1981 appropriation levels and that all the program growth would take place in the new formula.

Section 104(d) reauthorizes the "third tier" commuter rail and fixed guideway portion of the section 5 formula (section 5(a)(3)). This tier, which was established by the amendments made to the Act in 1978, provides assistance to cities which operate rail and exclusive busway transit, based on miles of service offered. Section 104(d) increases the total authorized levels for this third tier by $480 million.

Section 104(e) revises the formula for the fourth tier (section 5(a)(4)) and adds over $1.4 billion of new authorizations. The fourth tier of the section 5 formula grant program for urbanized areas apportions funds that can only be used to purchase buses and related facilities and equipment. This provision was created in the 1978 amendments to the UMT Act and apportions funds to urbanized areas on the basis of population and population density. Congress recognized that these factors might be unrelated to the actual routine bus replacement needs of an area and limited the duration of the formula in section 5(a)(4)(A) to only two years. Section 319(a) of the 1978 amendments directs the Secretary to analyze other "appropriate" factors and recommend legislative changes to the formula. This legislative proposal reflects the findings and recommendation of the analysis that "bus revenue vehicle miles" be used to apportion the fourth tier funds. Bus revenue vehicle miles are the sum of the number of miles each bus travels while available to the public. Each urbanized area would receive an apportionment based on a ratio of its bus revenue vehicle miles compared to the total bus revenue vehicle miles traveled in all areas. This factor was chosen because of its high correlation to bus usage and level of service provided. This factor also minimizes local red-tape since this data already is provided to UMTA under the Reporting System requirements of section 15.

Section 104(f) would create an incentive formula grant program starting in fiscal year 1983 that emphasizes the Administration's commitment to increase transient ridership and encourages a stronger revenue base. It would reward urbanized areas based on increases in ridership and in the ratio of operating revenues to total eligible operating costs. Urbanized areas which experience increases in ridership of 5 percent or more over the previous year would receive a bonus. Urbanized areas whose ratios of operating revenues, including user side subsidies, to total operating costs exceed the national median of such ratios will also receive a bonus. An urbanized area that qualifies under one factor would receive a bonus of 7.5 percent of its total annual apportionment under tiers other than tier four. An area that qualifies under both factors would receive a bonus totalling 10 percent of that apportionment. This incentive formula grant program would not require a local matching share and would not reduce amounts otherwise available under the Act. Funds could be used for any activity eligible for funding under the Act.

Section 104(g) revises the local share requirement of the section 5 program. Section 104(g)(1) and (2) separate the Federal share provisions for operating expense projects.

Section 104(g)(3) revises the limitation on Federal operating assistance grants to express the limit in terms of payment of project operating expenses. The current statute places a limitation on Federal operating assistance of 50 percent of the operating deficit, that is, eligible operating expenses less revenues. The amendment would start with UMTA providing up to 43 percent of the total eligible operating expenses and then decrease this amount by 3 percent a year. The rate of further reductions after Federal fiscal year 1985 would be determined by experience gained duing this initial period. Although UMTA assistance eligible for operating expenses under tiers 1, 2, and 3 would be limited to these percentages, State and local governments would have broader flexibility to cover the remainder of the operating expense costs from farebox and other operating revenues, State and local subsidies, and from other Federal funds that are not restricted from this use. Federal apportionments that exceed the percentage limitation for operating assistance grants could be used for capital and construction purposes.

Revised fixed guideway definition

Section 105. Section 5(a) (3) of the Urban Mass Transportation Act apportions capital and operating assistance to transit systems which operate fixed guideway systems. This apportionment was developed to help transit authorities shoulder the heavy financial burdens of maintaining and operating rail systems and exclusive bus lanes. Trolley rail systems and electric bus sytems which run in city streets also incur high maintenance and operating costs. However, these systems do not qualify for the section 5(a) (3) apportionment under the present section 12 definition of fixed guideway, which requires that a separate right-of-way "be occupied for the exclusive use" of public transportation services or other high occupancy vehicles. City streets, the right-of-way utilized by trolley rail and electric bus systems, are not occupied for the exclusive use of public transportation services or other high occupancy vehicles.

Section 105 revises the definition of fixed guideway to focus on the dedicated nature of the guideway (rail, catenary, bus lane, or automated guideway) rather than the right-of-way. Maintenance or emergency vehicles would be permitted to use the fixed guideway, as long as there was not interference with public transportation.

Amendment to formula program for non-urbanized areas

Section 106. The section 18 grant program apportions appropriated funds to Governors for use in non-urbanized areas on the basis of non-urbanized population. Section 106 amends section 18(a) to require that each state that contains a non-urbanized area, which is every state except the District of Columbia, receive at least 1 percent of the amount appropriated annually. The Commonwealth of Puerto Rico and the Northern Mariana Islands, Guam, American Samoa and the Virgin Islands would not automatically receive the 1 percent apportionment. Some states currently receive amounts annually that are too small to start a program and this minimum apportionment will help to correct that problem.

Safety criteria

Section 107. Section 107 of the National Mass Transportation Assistance Act of 1974 currently gives authority to DOT to investigate unsafe conditions in transit systems financed with UMTA funds authorized by the 1974 legislation. Under current law, if DOT finds an unsafe condition, DOT can require that a corrective action plan be prepared and can withhold grant funds as leverage to see that the plan is satisfactory and is fully implemented.

The proposed legislation would add a new section 23 to the UMT Act. Section 23(a) would make explicit the authority of DOT to establish safety criteria and standards as tools for use during investigations of unsafe conditions and to use them to determine the nature and extent of the unsafe conditions and the best means for correcting them. At present, section 107 of the 1974 Act is not explicit in granting this authority. Since no nationally used transit safety standards exist, it may be necessary for DOT to develop such criteria or standards as are appropriate for a particular investigation, such as a flammability criteria. The proposed provision will give DOT that discretion.

Section 23(b) would clarify that DOT may withhold any UMTA funds that are granted to the transit system. This will extend the reach of the existing authority from recipients of financial assistance under the National Mass Transportation Assistance Act of 1974 to recipients of any funds under the Urban Mass Transportation Act. This change would provide the coverage necessary for the financial withholding leverage to be effective.

S. 2479

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act be divided into sections according to the following table of contents.

TABLE OF CONTENTS

Sec. 101. Short Title.
Sec. 102. Amendments to Discretionary Grant Program.
Sec. 103. Program Authorizations.
Sec. 104. Amendments of Formula Program for Urbanized Areas.
Sec. 105. Revised Fixed Guideway Definition.
Sec. 106. Amendments to Formula Program for Non-Urbanized Areas.
Sec. 107. Safety Criteria.

SHORT TITLE

SEC. 101. This Act may be cited as the "Public Transportation Amendments of 1980."

AMENDMENTS TO DISCRETIONARY GRANT PROGRAM

SEC. 102. (a) The Urban Mass Transportation Act of 1964 as amended (the "Act") is amended by striking subparagraph 3(a) (1) (E) and subparagraph 4(c) (3) (C).

(b) (1) Section 3(a) of the Act is amended by adding at the end thereof the following new paragraph:

"(5) (A) The Secretary is authorized to purchase buses and related equipment for use in public transportation service with funds authorized under section 4(c) (3) (C) and with funds made available under this paragraph. Such funds shall remain available until expended. These purchases may be undertaken directly or through the use of a federal purchasing authority. These purchases will be made based upon projections of the needs of States and local public bodies and will consider costs in addition to initial acquisition costs.

"(B) The Secretary is authorized to make grants of these buses and related equipment to States and local public bodies. A grant under this paragraph must comply with statutory requirements that are applicable to grants under section 3, except as otherwise provided under this paragraph.

"(C) The State or local public body which receives a grant of buses and related equipment under this paragraph must provide at least 20 percent of the net project cost in cash or in-kind contributions. Cash shall be returned to the Urban Mass Transportation Fund and shall be available for the purposes of this paragraph when so provided in an appropriations Act.

"(D) In an urbanized area, the Secretary may make a grant under this paragraph only after reducing the apportionments available to that area under section 5(a) (4) by an amount that would be reasonably available under that section to purchase buses and related equipment."

(2) Section 4(c) (3) of the Act is amended by inserting a new subparagraph following section 4(c) (3) (B) to read as follows:

"(C) In each fiscal year, not more than $150,000,000 of the sums appropriated pursuant to subparagraph (A) shall be available for the purposes of section 3(a) (5)."

PROGRAM AUTHORIZATIONS

SEC. 103. (a) The first sentence of section 4(c) (3) (A) of the Act is amended by striking out "1,410,000,000" and all that follows down through and including the period at the end thereof and inserting in lieu thereof of the following: "2,360,000,000 for the year ending September 30, 1980; $2,490,000,000 for the year ending September 30, 1981; $2,625,000,000 for the year ending September 30, 1982; $2,775,000,000 for the year ending September 30, 1983; $2,930,000,000 for the year ending September 30, 1984; and $3,090,000,000 for the year ending September 30, 1985."

(b) Section 4(e) of the Act is amended by striking out "and $120,000,000 for the year ending September 30, 1982." and inserting in lieu thereof "$120,000,000 for the year ending September 30, 1982; $130,000,000 for the year ending September 30, 1983; $140,000,000 for the year ending September 30, 1984; and $150,000,000 for the year ending September 30, 1985."

(c) Effective October 1, 1981, section 4(f) of the Act is amended to read as follows:

"(f) (1). There are authorized to be appropriated for administrative costs, including salaries and expenses necessary to carry out the functions of this Act, such sums as may be necessary.

"(f) (2). There are authorized to be appropriated to carry out the purposes of sections 6, 10, and 11(a) of this Act aggregate sums not to exceed $85,000,000 by September 30, 1982; $175,000,000 by September 30, 1983; $270,000,000 by September 30, 1984; and $370,000,000 by September 30, 1985. Sums appropriated under this paragraph shall remain available until expended."

(d) Section 4 of the Act is amended by adding at the end thereof the following new subsection:

"(j) In any fiscal year not more than $15,000,000 of the funds appropriated in that fiscal year pursuant to subparagraph 4(c) (3) (A) may be used for the purposes of section 20, including related administrative costs."

(e) Section 4(h) (2) of the Act is amended to read as follows:

"(2) On or before March 1, 1982, the Secretary shall report to Congress on authorization requests for sections 3 and 5 of this Act for fiscal years 1984 through 1987. On or before March 1, 1984, the Secretary shall report to Congress on authorization requests for sections 3 and 5 of this Act for fiscal years 1986 through 1989. Such authorization requests shall contain a description and analysis of the methods used and the assumptions relied upon by the Secretary."

AMENDMENTS TO FORMULA PROGRAM FOR URBANIZED AREAS

SEC. 104. (a) Amendments made by this section shall become effective on October 1, 1981, except that the amendment made by section 104(e) (1) shall be effective on October 1, 1980.

(b) Section 5(a) (1) of the Act is amended to read as follows:

"(1) (A) To make grants and loans for construction or operating assistance purposes under this subsection, the Secretary shall apportion for expenditure in each fiscal year, the sums appropriated pursuant to subparagraph (C). Urbanized areas will be entitled to receive an apportionment which is the greater of the apportionment under the formula of subparagraph (B) or the hold-harmless apportionment calculated under section 5(a) (2).

"(B) The apportionment for each urbanized area under this subparagraph shall be an amount equal to the sum of—

"(i) one-half of the amount to be apportioned under this subparagraph multiplied by the ratio which the population of the urbanized area, as designated by the Bureau of the Census, bears to the total population of all urbanized areas in all the States as shown by the latest available Federal census; and

"(ii) one-half of the amount to be apportioned under this subparagraph multiplied by the ratio which the number of revenue vehicle miles directly serving the urbanized area, as determined by the Secretary, bears to the total number of revenue vehicle miles directly serving all urbanized areas.

"(C) There are authorized to be appropriated for the purposes of this paragraph $1,190,000,000 for the fiscal year ending September 30, 1982; $1,290,000,000 for the fiscal year ending September 30, 1983; $1,390,000,000 for the fiscal year ending September 30, 1984; and $1,490,000,000 for the fiscal year ending September 30, 1985."

(c) Section 5(a)(2) of the Act is amended to read as follows:

"(2) The Secretary shall calculate hold-harmless apportionments for urbanized areas. The hold-harmless apportionments shall be calculated based on the latest available Federal census and shall be the sums of the amounts calculated using the formulas of sections 5(a)(1)(A) and 5(a)(2)(A), as they were enacted by section 304 of Public Law 95–599, and the appropriation levels for such sections from the Appropriations Act for fiscal year 1981."

(d) Section 5(a)(3)(B) of the Act is amended by striking out "and" and all that follows down through and including the period at the end thereof and inserting in lieu thereof the following: "; $160,000,000 for the fiscal year ending September 30, 1982; $160,000,000 for the fiscal year ending September 30, 1983; $160,000,000 for the fiscal year ending September 30, 1984; and $160,000,000 for the fiscal year ending September 30, 1985."

(e) Section 5(a)(4) of the Act is amended as follows:

(1) Paragraph (4)(A) is amended by striking out the second sentence and inserting in lieu thereof the following sentence:

"Such sums shall be made available for expenditure in urbanized areas on the basis of a formula under which urbanized areas will be entitled to receive an amount equal to the amount so apportioned multiplied by the ratio which the number of bus revenue vehicle miles directly serving the urbanized area, as determined by the Secretary, bears to the total number of bus revenue vehicle miles directly serving all urbanized areas."

(2) Paragraph (4)(B) is amended by striking out "and" and inserting after "1982" the following: "; $475,000,000 for the fiscal year ending September 30, 1983; $475,000,000 for the fiscal year ending September 30, 1984; and $475,000,000 for the fiscal year ending September 30, 1985."

(f) Section 5(a) of the Act is amended by adding at the end thereof the following new paragraph:

"(5)(A) To make incentive grants under this subsection to urbanized areas, the Secretary shall apportion in each fiscal year beginning after September 30, 1982 the sums appropriated pursuant to subparagraph (C). An incentive grant shall be 7.5 per cent of the urbanized area's apportionment under paragraphs (1)(A) and (3)(A) if the urbanized area qualifies for an incentive grant under either subparagraph (B)(i) or (B)(ii) and a total of 10 per cent of such apportionment if it qualifies under both subparagraph (B)(i) and (B)(ii). Incentive grants under this paragraph shall be supplementary to, and not in substitution for, sums otherwise available under this Act. Such grants shall not be subject to the local share requirements of this Act and may be used by the recipient for any purpose which would be eligible for funding under this Act.

"(B)(i) An urbanized area will receive an incentive grant apportionment if the ridership increase compared to the previous year exceeds 5 per cent.

"(ii) An urbanized area will receive an incentive grant apportionment if the ratio of operating revenues to eligible operating expenses exceeds the national median of such ratios as determined by the Secretary.

"(C) There are authorized to be appropriated for the purposes of this paragraph such sums as may be necessary."

(g) Section 5(e) of the Act is amended as follows:

(1) Insert "(1)" immediately following "(e)".

(2) Strike out the second sentence.

(3) Insert at the end, thereof, the following new paragraph:

"(2) The total UMTA grant for any year for the payment of operating expenses under sections 5(a)(1) and 5(a)(3) shall not exceed the following percentage of eligible operating expenses: 43 per centum for the local fiscal year ending before October 1, 1982; 40 per centum for the local fiscal year ending before October 1, 1983; 37 per centum for the local fiscal year ending before October 1, 1984; and 34 per centum for the local fiscal year ending before October 1, 1985. The remainder of the operating expenses shall be provided from sources which includes revenues from the operation of public mass transportation systems and non-Federal subsidies and may include sums from other Federal grant programs."

REVISED FIXED GUIDEWAY DEFINITION

SEC. 105. Section 12(c)(2) is amended to read as follows:

"(2) the term "fixed guideway" means a guideway used by public transportation which is dedicated for use exclusively by railcars, buses, or other high occupancy vehicles. It includes facilities using rail, catenary, dedicated bus lanes, and automated guideways;"

AMENDMENTS TO FORMULA PROGRAM FOR NON-URBANIZED AREAS

SEC. 106. Section 18(a) is amended by inserting after the second sentence the following:

"Each state (other than the Commonwealths of Puerto Rico and the Northern Mariana Islands, Guam, American Samoa, and the Virgin Islands) that contains an area other than an urbanized area shall receive in each fiscal year an amount which is at least one per cent of the sums appropriated for such fiscal years pursuant to this subsection."

SAFETY CRITERIA

SEC. 107. Section 107 of the National Mass Transportation Assistance Act of 1974 is repealed and the Urban Mass Transportation Act is amended to add the following new section:

"SEC. 23. SAFETY CRITERIA AND DETERMINATIONS.

"(a) Notwithstanding the provisions of section 12(d), the Secretary is authorized to establish safety criteria and standards for use during the investigation of unsafe conditions in any facility, equipment, or manner of operation of any transit system financed under this Act.

"(b) The Secretary shall investigate unsafe conditions in any facility, equipment, or manner of operation of any transit system financed under this Act which create a serious hazard of death or injury for the purposes of determining the nature and extent of the conditions and the means which might best be employed to eliminate or correct them. If the Secretary determines that any facility, equipment, or manner of operation is unsafe, he shall require the State or local public body or agency to submit to the Secretary a plan for correcting the unsafe facility, equipment, or manner of operation, and the Secretary may withhold further financial assistance to the applicant until such plan is approved or the approved plan is implemented."●

By Mr. BUMPERS:

S.J. Res. 153. Joint resolution to freeze Senators' salaries for 3 years; to the Committee on Governmental Affairs.

S.J. Res. 154. Joint resolution to reduce funds for Senate personal and committee staff by 5 percent; to the Committee on Rules and Administration.

Mr. BUMPERS. Mr. President, today I am introducing two joint resolutions which I think should be quickly acted upon by the Senate to show the American people that this body is serious about stopping increased Government spending and that we will take the first step in trying to solve the problem.

These resolutions are very simple. The first one provides that the salaries of all Senators, the President pro tempore, the majority leader and minority leader shall be frozen for a period of 3 years from the date this joint resolution is enacted. The second joint resolution requires that, in the fiscal year 1981, moneys available to each Senator and each committee of the Senate for employment of personnel shall not exceed 95 percent of the amount available for fiscal year 1980. This resolution requires a 5-percent reduction in money available for hiring by each Senator and committee.

Finally, Mr. President, there is a provision that will allow the salaries of Senate employees currently on the payroll to be increased within the 3-year period as long as a Senator or committee does not violate the 95-percent requirement contained in section 1 of the joint resolution. Pursuant to the proviso, a Senator can perform normal hiring practices, grant raises, and other employment procedures without freezing wages. This should allow enough flexibility to prevent unnecessary attrition while at the same time reducing the amount spent on personnel employed by the Senate.

Mr. President, as everyone knows, the economic condition of this country is the number one issue confronting the Congress and the American people. With an inflation rate climbing to an annualized rate of some 18 percent, energy prices which rose some 70 percent in 1979 alone and going up due to the President's decontrol program and import tariff, soaring interest rates currently in the neighborhood of 16–17 percent for home mortgages, and our financial markets in disarray, the time has come for prompt action by the Congress and the need to demonstrate to the American people that we can take the first step in cutting spending and getting by with less.

As each Member of the U.S. Senate knows, the American people are expressing a growing concern daily over the rate of inflation and want the Federal Government's budget balanced. Although I believe balancing the Federal budget will be no cure-all to inflation, this must be done to send a clear signal to the country that we can get our financial affairs in order.

While I strongly feel the budget can and will be balanced for fiscal 1981, Mr. President, I also think that the first place to start in reducing Government expenditures is right here in the U.S. Senate and in the legislative branch of the Government. By cutting back on our own expenditures, this would send a clear message to the American people that we can get by with less and that we will lead the way in demonstrating how the belts must be tightened. It is unreasonable and totally unfair to ask the people of this country to accept budget cuts on the order of at least $16 billion, which would be necessary to balance the budget, without first reducing the amount of money we spend and appropriate for ourselves. I think these resolutions will show the citizens of this country that we are serious about balancing the budget, reducing spending, and that we will start in the U.S. Senate for openers.

My second resolution will not mandate how the particular Senators or committees will arrive at their reductions, but will only require them to get by with 95 percent of what they are spending currently for personnel. We must also sacrifice by foregoing any salary increase for a period of 3 years even though we too are damaged by inflation. It is interesting to note, Mr. President, that if the entire budget which was submitted by the President in late January of this year were reduced by 5 percent across-the-board, outlays would be in the neighborhood of $585 billion, which would mean we would have a surplus of some $15 billion in fiscal year 1981.

Mr. President, there can be little doubt that there needs to be some belt tightening in the area of Senate employment. Congressional staffs have grown very rapidly in recent years and the cost of operating the legislative branch of this Government has grown enormously. We are indeed fortunate to have competent and efficient staffs, but in this time of extreme sacrifice, all of us must be prepared to pitch in, and therefore, we can hold the line or cut back on our own staff size. Since fiscal 1968, when the total number of Senate employees was some 4,300, the size has grown to roughly 6,950 today. Combined staff of the House and Senate grew by about 70 percent from fiscal year 1968 to fiscal year 1979. Further, Mr. President, the staff of the standing committees of the Senate has grown from 635 in fiscal year 1970 to 1,151 as of September 30, 1978.

My first joint resolution would freeze our salaries for a 3-year period. Although we cannot determine how much will be saved by this freeze, I think it is necessary and will show how serious we are about people holding the line on wage and price increases.

My second resolution would impose a 95-percent limit of fiscal year 1980 authority on three categories of Senate staff expenditures. One is the area of clerk hire for the Senators under the title "Administrative, Clerical, and Legislative Assistance to Senators." The second area is "Committee Employees," and the third category is "Inquiries and Investigations." Mr. President, the growth in these three categories has been very significant and the resolution I am introducing would result in a savings of $9.3 million in fiscal 1981 just from these reductions. The total amount of budget authority for fiscal 1980 for the three categories is $124.383,000, which includes supplemental pay increases. In the President's budget request for fiscal year 1981, these totals are $127,506,000. If my resolution is enacted, these areas will only be appropriated at a level of $118,163,850, which is 95 percent of the fiscal 1980 level, thus resulting in a savings of $9,342,150 from the President's 1981 budget request.

Mr. President, many may call this proposed savings insignificant or not worth the effort in a budget of $600 billion. A savings of $9.3 million in a budget the size of this country's may not be very large, but it will at least show the people of this Nation that the U.S. Senate is willing to get by on less and that we can get our own house in order before imposing budgetary cuts on others. I hope my colleagues will join me in this effort and that this can be enacted in a swift manner.

In my 5 years in the Senate, I have returned 15 percent of all the money allocated to my staff. I do not feel deprived. I have an adequate, well paid staff, and I believe we all can do the same. I hope the Senate will consider both resolutions at an early date.

Mr. President, I ask unanimous consent that a chart I have prepared showing the cost savings from the three categories I referred to be printed in the RECORD.

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

[Dollars in millions]

Category	Fiscal year 1978	1979	1980 estimated with supplemental	1981 President's budget
Administrative, clerical, and legislative assistance to Senators	$60.5	$70.9	$77.0	$78.4
Committee employees	10.8	11.4	13.0	13.0
Inquiries and investigations	30.0	30.4	34.3	36.0
Total	101.3	112.7	124.3	127.4

Note: Maximum amount under Bumpers' resolution equals 95 percent of $124,300,000 or $118,100,000. Savings under Bumpers' amendment for 1981 budget equals $127,400,000 minus $118,100,000 or $9,300,000.

Mr. BUMPERS. Mr. President, I ask unanimous consent that the text of the joint resolutions also be printed in the RECORD.

There being no objection, the joint resolutions were ordered to be printed in the RECORD, as follows:

S.J. RES. 153

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding any other provision of law, the annual rate of pay of each Senator, the President pro tempore of the Senate, and the Majority and Minority Leaders of the Senate which is actually being paid as of the date of the enactment of this joint resolution shall not be increased with respect to service performed during a three-year period beginning on such date of enactment.

S.J. RES. 154

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

Section 1:

That commencing with the fiscal year beginning October 1, 1980, and each subsequent fiscal year, the aggregate amount of funds made available to any United States Senator from any State for the employment of personnel in his office shall be equal to 95 per centum of the amount of the funds available to such Senator for the fiscal year commencing on October 1, 1979; and, commencing with fiscal year beginning October 1 1980, the aggregate amount of funds made available to any Standing, Special, Select or Joint Committee of the Senate for the employment of personnel shall not exceed 95 per centum of the aggregate amount of the funds made available to such Standing, Special, Select or Joint Committee for such purpose for the fiscal year beginning on October 1, 1979.

Section 2:

Provided however, that nothing herein shall prevent any employee or officer of the United States Senate, other than Senators, the President pro tempore, the Majority and Minority Leaders, from receiving an increase in salary, provided Section 1 of the resolution is complied with.

ADDITIONAL COSPONSORS

S. 219

At the request of Mr. MOYNIHAN, the Senator from Montana (Mr. BAUCUS), the Senator from Georgia (Mr. TALMADGE), and the Senator from Ohio (Mr. METZENBAUM) were added as cosponsors of S. 219, a bill to amend the Internal Revenue Code of 1954 to allow the charitable deduction to taxpayers whether or not they itemize their personal deductions.

S. 1858

At the request of Mr. BAYH, the Senator from Alabama (Mr. HEFLIN), the Senator from South Carolina (Mr. THURMOND), the Senator from Utah (Mr. GARN), the Senator from Arizona (Mr. DECONCINI), and the Senator from Nevada (Mr. LAXALT) were added as cosponsors of S. 1858, a bill to amend title 28, United States Code, to provide that the Federal tort claims provisions of that title are the exclusive remedy in medical malpractice actions and proceedings resulting from federally authorized National Guard training activities, and for other purposes.

S. 2153

At the request of Mr. SCHWEIKER, the Senator from Oklahoma (Mr. BELLMON) was added as a cosponsor of S. 2153, a bill to amend the Occupational Safety and Health Act of 1970 to concentrate enforcement activities on hazardous workplaces and encourage self-initiative in improving occupational safety and health, and for other purposes.

S. 2177

At the request of Mr. WILLIAMS, the Senator from Oregon (Mr. HATFIELD) was added as a cosponsor of S. 2177, a bill to amend the mortgage amount, sales price and interest rate limitations under the Government National Mortgage Association emergency home purchase assistance authority, and for other purposes.

S. 2319

At the request of Mr. SCHWEIKER, the Senator from Texas (Mr. TOWER), and the Senator from South Carolina (Mr. THURMOND) were added as cosponsors of S. 2319, a bill to improve the administration of the affirmative action employment program for Government contractors by exempting contractors without appreciable employment opportunities and by eliminating unnecessary requirements and paperwork.

S. 2366

At the request of Mr. HUDDLESTON, the Senator from Utah (Mr. HATCH), the Senator from West Virginia (Mr. RANDOLPH), and the Senator from West Virginia (Mr. ROBERT C. BYRD) were added as cosponsors of S. 2366, a bill to require adjustments in census population figures for aliens in the United States illegally so as to prevent distortions in the reapportionment of the House of Representatives, the legislative apportionment and districting of the States, and the allocation of funds under Federal assistance programs.

S. 2435

At the request of Mr. CHILES, the Senator from North Dakota (Mr. YOUNG), the Senator from North Dakota (Mr. BURDICK), the Senator from Virginia (Mr. HARRY F. BYRD, JR.), the Senator from Kentucky (Mr. FORD), the Senator from Arkansas (Mr. BUMPERS), the Senator from New Mexico (Mr. SCHMITT), the Senator from Oklahoma (Mr. BOREN), and the Senator from Washington (Mr. MAGNUSON) were added as cosponsors of S. 2435, a bill to rescind certain appropriations provided for the purchase of furniture by Federal departments, and for other purposes.

S. 2470

At the request of Mr. WARNER, his name was added as a cosponsor of S. 2470, a bill to reduce consumption of petroleum and natural gas by electric utilities and for other purposes.

SENATE JOINT RESOLUTION 119

At the request of Mr. MATHIAS, the Senator from Montana (Mr. BAUCUS) was added as a cosponsor of Senate Joint Resolution 119, a joint resolution to authorize the Vietnam Veterans Memorial Fund, Incorporated to erect a memorial.

SENATE CONCURRENT RESOLUTION 80

At the request of Mr. LEAHY, the Senator from Michigan (Mr. RIEGLE) was added as a cosponsor of Senate Concurrent Resolution 80, a concurrent resolution to proclaim February as "National Snowmobiling Month."

SENATE CONCURRENT RESOLUTION 83—SUBMISSION OF A CONCURRENT RESOLUTION RELATING TO SUPPORT OF THE WORLD WEATHER PROGRAM

Mr. CANNON (by request) submitted the following concurrent resolution, which was referred to the Committee on Commerce, Science, and Transportation:

S. CON. RES. 83

Whereas, on May 29, 1968, the 90th Congress passed Concurrent Resolution 67 urging the United States to participate in and give full support to the world weather program,

Whereas, that concurrent resolution expressed the sense of Congress that, on or before March 1 of each year, the President should transmit to Congress a plan setting forth the proposed participation of the United States for the next fiscal year in international programs in meteorology.

Whereas, subsequent to the passage of Concurrent Resolution 67, the beginning of the federal fiscal year changed from July to October, thus making it difficult for federal agencies to assemble accurate fiscal information for submission to the Congress on March 1,

Whereas, the active but unchanging nature of U.S. participation in international meteorological programs makes the submission of an annual plan necessary, be it

Resolved by the Senate of the United States (the House of Representatives concurring), That it is the sense of Congress that, on or before June 1 of each odd-numbered year, the President should transmit to the Congress a plan setting forth the proposed participation of the United States for two fiscal years in international programs in meteorology. The plan should contain a statement of the activities to be conducted and specify the department or agency of the Government which would conduct the activity.

Mr. CANNON. Mr. President, I submit today, at the request of the administration, a concurrent resolution establishing the sense of Congress that the United States should participate in and give full support to the world weather program.

I ask unanimous consent that the letter of transmittal be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF COMMERCE,
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION,
Washington, D.C., February 26, 1980.

Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Concurrent Resolution 67 of the 90th Congress established the Sense of Congress that the United States should participate in and give full support to the World Weather Program. Over the intervening 12 years, substantial progress and important achievements have been made in the development and implementation of that program in such areas as the Global Observing System, data processing and the preparation of improved forecasts.

At the request of Congress, the President has made an annual report of the World Weather Program documenting this progress and these achievements by U.S. agencies. Normally this report is transmitted in March. Due to a number of circumstances, the Department of Commerce did not produce a timely fiscal year 1979 plan for the President. We expect that the combined plan for fiscal years 1980 and 1981 will be ready for the President to transmit to Congress in April 1980.

Our experience with the World Weather Program has been that progress in international meteorology is often slow to realize. Consequently, we recommend that Congress consider revising Senate Concurrent Resolution 67 to require submission of a plan every two years rather than annually as at present. We suggest that such a plan be submitted in the odd-numbered years to be available for each new Congress. We also suggest that the reporting date be changed to June 1. The change in the start of the budget year from July to October has made it exceedingly difficult to assemble accurate fiscal information so that the report can be made by March 1. I have enclosed in this letter a draft concurrent resolution which reflects these suggested changes.

Whether or not these suggested changes are accepted, individual agencies will continue to document their programs in world meteorology as part of their annual budget submissions.

In part, the Senate Concurrent Resolution 67 stated that "unprecedented scientific opportunities and technological possibilities exist to improve the weather services for the United States by increasing the accuracy and extending the time range of weather prediction." With the help of Congress, we have been able to capitalize on many of those opportunities to make substantial gains. Further, through the World Weather Program we have trained thousands of foreign scientists and technicians. Many of these people now hold responsible positions in their national weather services. Third World nations in South America and Africa have been prominent in our programs. The flow of meteorological data from these areas has nearly doubled in the last decade and is directly related to the effort invested in the World Weather Program. These data together with improved communications, forecast models, and satellite sensing, have provided a basis for important improvements in weather forecasts for the United States and in our understanding of regional climate.

Even greater opportunities exist today than existed in 1968. The Global Weather Experiment conducted in 1979, which will be reported on in the forthcoming World Weather Program Plan for fiscal years 1980 and 1981, will provide a basis for assessing just how far we can go with forecasts. World climate and climate dynamics have taken on new importance as energy and food production have become of critical concern. These and a number of other issues of great importance to the United States are central to the World Weather Program. We believe the suggested changes in the reporting on U.S. agency involvement in world meteorology will help Congress to assess the progress being made and to match the support for the World Weather Program to the possible benefits.

Sincerely yours,

RICHARD A. FRANK.

AMENDMENTS SUBMITTED FOR PRINTING

RAILROAD TRANSPORTATION POLICY ACT—S. 1946

AMENDMENT NO. 1687

(Ordered to be printed and to lie on the table.)

Mr. TOWER submitted an amendment intended to be proposed by him to S. 1946, a bill to reform the economic regulation of railroads, and for other purposes.

● Mr. TOWER. Mr. President, I am today submitting an amendment to S. 1946, the Railroad Transportation Policy Act, which is designed to rectify a grossly inequitable situation that would otherwise exist under section 115(b) of the committee-approved bill. The amendment affects rail freight rates which have been established for coal transportation under section 10729 of the revised Interstate Commerce Act, the so-called capital incentive rate provision.

I ask unanimous consent that the text of section 10729 be printed in the RECORD at this point.

There being no objection, the section was ordered to be printed in the RECORD, as follows:

SECTION 10729

RAIL CARRIERS; INCENTIVE FOR CAPITAL INVESTMENT

(a) A proposed rate, classification, rule, or practice for transportation by a rail carrier subject to the jurisdiction of the Interstate Commerce Commission under subchapter I of chapter 105 of this title requiring a total capital investment of at least $1,000,000 to implement shall be established and become effective under this section. This section applies whether the investment is made individually or collectively by the carrier or by a shipper, receiver, or agent for any of them, or by a third party.

(b) A rail carrier may file a notice of intent to establish a rate, classification, rule, or practice under subsection (a) of this section with the Commission. The notice must include a sworn affidavit detailing the anticipated capital investment. Unless the Commission after holding a proceeding under subsection (c) of this section, decides by the 180th day after the notice is filed that the proposed rate, classification, rule, or practice would violate this subtitle, the carrier may establish that rate, classification, rule, or practice at any time during the next 180 days, and it may become effective 30 days after it is established. Once a rate, classification, rule, or practice becomes effective under this section, the Commission may not, for 5 years, suspend or set it aside as violating section 10701, 10726, 10741–10744, or 11103 of this title. However, the Commission may order the rate, classification, rule, or practice to be revised to a level equal to the variable costs of providing the transportation when the Commission finds the level then in effect reduces the going concern value of the carrier.

(c) On request of an interested person, the Commission shall hold a proceeding to investigate and determine whether the rate, classification, rule, or practice proposed to be established under this section, complies with this subtitle. The Commission must give reasonable notice to interested parties before beginning a proceeding under this subsection but may act without allowing an interested party to file an answer or other formal pleading.

Mr. TOWER. Mr. President, the capital incentive rate provision became law as part of the Railroad Revitalization and Regulatory Reform Act of 1976, the 4–R Act. The purpose of the capital incentive rate provision was to encourage capital investment and thus assist in the rehabilitation and revitalization of the railway system. The provision was intended to encourage shippers and carriers to negotiate rate agreements for innovative services requiring the outlay of large capital investments in rail-related facilities. The Interstate Commerce Commission has stated explicitly that the primary purpose of the capital incentive rate provision was to encourage large-scale negotiated rates.

The idea was that by granting rate protection to negotiated investments, capital investments would be encouraged and the shippers and the carriers participating in the capital incentive rate schedules would be shielded from protracted challenge by third parties. Thus the provision provides for expedited hearing schedules and prevents any challenge or ICC review of approved rates for a period of 5 years.

Unfortunately, the capital incentive rate provision has not performed as was envisioned and clearly has not served its intended purpose. Despite the intent to facilitate negotiated rate filings, the language of the enacted capital incentive rate provision contains no requirement for negotiation and agreement between shippers and carrier. Both the ICC and the only Federal court to construe the provision have ruled that this omission allows railroads to file unilaterally imposed capital incentive rates.

Because of the way the capital incentive rate provision was drafted and has since been interpreted, significant procedural advantages accrue to a railroad if a proposed rate qualifies for treatment under this provision of the law. ICC rate review in these cases is limited to 180 days, and the ICC has construed the law to require that the burden of proof in such cases be imposed on the shipper rather than the railroad. This combination makes these rate proposals unusually difficult for shippers to contest.

The railroads involved have taken full advantage of the procedural benefits of the capital incentive rate provision and, with their dominance of the coal-hauling market, have used the procedure as a weapon to impose extremely high freight rates on captive coal customers. These are the same captive coal customers, incidentally, that are being required by increasingly strict Federal law to abandon oil and gas as a boiler fuel and convert to coal.

That the capital incentive rate provision has not achieved its purpose has become increasingly apparent. The Senate Commerce Committee, in its report on S. 1946, concluded that incentive rates are not the answer, and recommended repeal of the provision for the future. Among other things, the committee found that carriers in some instances have used the capital incentive rate provision to avoid agreements previously entered into with shippers.

The Subcommittee on Oversight and Investigations of the House Committee on Interstate and Foreign Commerce, in a very thorough recent report on railroad coal rates, reached basically the same conclusion about capital incentive rates. That study found that these rates invariably exceed rates approved in other individual rate cases involving unit train coal movements, even though the applicable ratemaking standards are supposed to be the same. The House study concluded that the capital incentive rate provision impedes sound ratemaking, and the subcommittee recommended its repeal and the reopening of rates already established under the provision.

Since enactment of the 4–R Act, only four capital incentive rates have been established. These rates involve the transportation of coal for Arizona Electric Power Cooperative between Gallup, N. Mex., and Cochise, Ariz.; Houston Lighting and Power Co., between Cordero, Wyo., and Smithers Lake, Tex.; Celanese Chemical Co., between Hayden, Colo., and Kings Mill, Tex.; and Central Power and Light Co., between Axial, Colo., and Coleto Creek, Tex. Each of these cases involves the transportation of western coal by western rail carriers and each rate was approved over the vigorous opposition of the shippers.

The Arizona, Houston, and Celanese coal rate cases were among the first of the post-OPEC embargo western coal cases decided by the ICC. These cases were decided at a time when the Commission's current coal ratemaking policy was still evolving. The rate methodology approved by the ICC in these early cases has been significantly altered in subsequent rate cases. In these subsequent cases, the ICC has utilized a rate methodology known as the 7 percent solution, by which a coal rate is set at 7 percent above all the costs associated with moving the coal.

Had these three cases been decided in accordance with the now-prevailing 7 percent solution, the result would be demonstrably lower rates. Given the high volume of coal involved, the savings to these shippers and their ratepayers would be substantial. Without counting the customers of Celanese, there are approximately 4.5 million persons already burdened with high utility bills, who are served by the three electric utilities involved.

The Central Power and Light, Coleto Creek rate, although established under the capital incentive provision, is in a somewhat different category. In that case, the ICC did not reach the issue of rate reasonableness because it found that it lacked jurisdiction to do so since the market offered substantial competition—in the form of coal from South Africa.

Had these four established capital incentive rate cases been decided under another section of the Interstate Commerce Act, they could be reopened and reviewed. Because they were decided under the capital incentive provision, however, they are immune from challenge or review for 5 years. Unless the law is amended as I propose, this will be the result despite the fact that the ICC has since changed its coal ratemaking policy and despite the fact that section 115(b) of the committee bill, if enacted, will repeal the capital incentive rate provision for the future.

Under these circumstances, I believe it would be grossly unfair to repeal this provision prospectively without also taking action to provide an avenue of possible relief for those shippers and electric ratepayers now burdened by capital incentive rates already established. The amendment I am introducing will provide this opportunity for relief.

My amendment would require that the ICC reopen and investigate the lawfulness of any established capital incentive rate, if the rate was initially contested by the affected shipper and if the affected shipper requests that the case be reopened. The ICC's investigatory proceedings in such a case would have to be completed within 180 days, and the burden of proof in the investigation would be upon the carrier.

In the reopened investigation, no new formula for rate reasonableness would be prescribed. The ICC would have the opportunity to apply prevailing standards to the facts of the case. Assuming that the ICC would apply the 7-percent-solution formula now being utilized by the Commission, the result would be significantly lower rates in these cases.

To impose the burden of proof on the railroad and to provide for an expedited investigation in the reopened cases is entirely fair and appropriate. Under the existing capital incentive rate provision, ICC rate review is limited to 180 days, and the ICC imposes the burden of proof on the shipper. To place the burden of proof on the railroad in a reopened proceeding is eminently fair and fully consistent with other sections of the Revised Interstate Commerce Act that place a similar burden on the railroad in noncapital incentive cases.

I fully support the Commerce Committee's decision to recommend repeal of the capital incentive rate provision for the future, but I believe it would be very inequitable to take that action without also providing for review of the rates already established. There are only four such rates in existence, but failure to provide for the reopening of these cases would do a disservice to the shippers and ratepayers involved.

The United States now has a well-established national policy favoring greatly increased reliance on domestic coal and a shift away from oil and gas as a boiler fuel for electric power generation. To the extent that rail rates for coal hauling are higher than necessary, increased reliance on coal is discouraged. If the law requires that a particular powerplant burn coal, then excessive coal rates put an excessive burden on electric ratepayers. In the instance where conversion to coal is not mandated by law, excessive coal freight rates have an economic impact which discourages voluntary conversion.

The ICC's coal rate policies, reflected in the existing capital incentive rate cases and in other cases, clash with these national energy policy objectives. The coal freight rates approved by the ICC in these cases have made the realization of our energy policy goals more difficult and have placed an excessive burden on affected utility ratepayers and industries. Yet, under present law and the committee bill, these established rates cannot be reopened or reviewed for 5 years.

I believe it is time not only to repeal the capital incentive rate provision but also to permit the reopening of existing rates established under that provision.

I ask unanimous consent that the text of my amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 1687

On page 67, line 21, strike out the word "section" and insert in lieu thereof the word "sections".

On page 68, line 2, strike out the quotation mark and the end period.

On page 68, between lines 2 and 3, insert the following:

"(e) Notwithstanding the provisions of subsection (b) of this section, in the case of any rate, classification, rule or practice established under this section which was contested by the affected shipper or shippers, the Commission shall, upon request of an affected shipper, conduct an investigation into the lawfulness of such rate, classification, rule or practice in a proceeding, to be completed within 180 days of such request, in which the burden of proof shall be upon the carrier or carriers participating in such rate.".

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON FOREIGN RELATIONS

Mr. BOREN. Mr. President, I ask unanimous consent that the committee on foreign relations be authorized to meet during the session of the Senate today to hear administration officials on additional authorization requests for fiscal year 1981 for the Department of State and the Board for International Broadcasting.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON RULES AND ADMINISTRATION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Rules and Administration be authorized to meet during the session of the Senate on Wednesday, March 26, 1980 to hold a hearing on the Federal Election Commission's proposed fiscal year 1981 authorized request.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition and Forestry be authorized to meet during the session of the Senate on Wednesday, March 26, 1980 to hold a markup session on legislation to relieve the effects of the grain embargo on farmers.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

ILLEGAL ALIENS BEDEVIL CENSUS BUREAU

● Mr. HUDDLESTON. Mr. President, the U.S. Bureau of the Census, in its efforts to accommodate many special interest groups, has greatly overextended the original constitutional purpose of the census. In a recent article, the Wall Street Journal stated that "all manner of bureaucrats, business-market analysts, academic researchers, and political ax-grinders have gotten their hands on the census questionnaire to ask about matters of parochial interest." The cost of this overzealous information hunt will be $1 billion—four times what it cost in 1970.

The excessive number of questions can be excused on the basis that it will provide better information about ourselves in order that we can make better decisions regarding our future. However, it appears that the Bureau of the Census is going too far in attempting to include millions of illegal aliens in the total census. This violation of the constitutional principle of "one person-one vote" will have far-reaching repercussions both politically and economically. These repercussions were summed up in the article which states:

> Yet big bucks are at stake. In 1970 an estimated $10 billion in annual federal aid . . . was tied to population formulas. . . . These yearly allocations have grown to $50 billion, according to the Census Bureau.
>
> The census is a fulcrum of political power, and political arguments over it have become incredibly convoluted. At least to some extent, the projected gains in California and Texas of two House seats apiece will reflect illegal aliens who are counted there.

It should be noted that under calculations I have had done, there are considerably more seats at stake than two in California and Texas.

I ask that the article from the Wall Street Journal be printed in the RECORD.

The article follows:

AS CENSUS NEARS, ISSUES OF COMPLIANCE, ALIENS AND ADJUSTING FOR UNDERCOUNT BEDEVIL BUREAU

(By Arlen J. Large)

WASHINGTON.—On April 1, census day, the government will try to get the demographic goods on an estimated 222 million people living in the United States. That's 9 percent more than were counted in the 1970 census, and the sheer growth in numbers is one reason this year's census will be more difficult than ever before.

There is an even more striking measure of the difficulty: This census is going to cost $1 billion to conduct, more than four times the 1970 cost.

A big slice of that increase comes just from inflation. But extra effort is being expended, too, and several disquieting signs are suggesting that the census is becoming overloaded and increasingly unmanageable.

Because of the way Congress in recent years has linked federal handouts to population, more money and political power than ever ride on the exact outcome of the count. Moreover, the census long ago stopped being just the head count required by the Constitution for determining how many seats each state gets in the House of Representatives. All manner of bureaucrats, business-market analysts, academic researchers and political ax-grinders have gotten their hands on the census questionnaire to ask about matters of parochial interest.

IN A CROSS FIRE

And this trend is out of step with the times; people are less and less inclined meekly to answer nosy questions from the government. The census takers are caught in the middle. "The pressures on the Census Bureau," says Democratic Sen. Daniel Patrick Moynihan of New York, "have mounted apace."

Ironically, these pressures have produced simultaneous arguments that the census will count too few people and that it will count too many.

This week, the Census Bureau sponsored a conference in Arlington, Va., on the touchy question of whether to fudge the raw census numbers to compensate for the expected 1980 "undercount." It's estimated that the 1970 census missed 5.3 million people, and there isn't any hope of cutting that figure to zero this time. The idea of pretending to find uncounted people horrifies Census Bureau old-timers, who say there isn't any practical way to do it. But the proposal to adjust the numbers upward, at least for purposes of distributing federal cash, has some very respectable supports, including the National Academy of Sciences.

At the same time, certain critics are making a forceful legal and political complaint that the 1980 census net will catch too many people, namely the unknown millions of illegal aliens living in the U.S. A group called the Federation for American Immigration Reform, joined by the state of Vermont and 26 members of Congress, is suing to block the April count unless the Census Bureau agrees to include a citizenship question with every questionnaire. Right now, the bureau plans to include the question ("If foreign-born, are you a naturalized U.S. citizen?") on questionnaires going to just one household out of five.

The suit, pending here before a panel of three federal district judges, complains that including illegal aliens will unfairly skew voting power in Congress to states where they live, at the expense of states that have few illegals. The Census Bureau, represented in court by the Justice Department, contends that putting the citizenship question on all questionnaires would be too costly and that the Constitution has no requirement for a count of U.S. citizens only. The case conceivably could force an extra-fast Supreme Court ruling before the census questionnaires are mailed out March 28. (Bureau officials say a recent foul-up with gummed labels on the questionnaire has been corrected and won't make the census late.)

In planning the 1980 count, the Census Bureau has taken the most elaborate pains ever to try to find absolutely everybody, alien or not. Census promotional literature stresses that the answers won't be given to the Immigration and Naturalization Service, the Internal Revenue Service or any other government agency. Even so, officials concede that many illegals, trying to stay invisible, won't fill out the forms. And worry about resistance to the questionnaire extends to citizens as well.

Actually, the census takers will send out two questionnaires. Four out of five households will get the short version, with 19 queries about name, sex, race, age, marital status and housing, including the market value of one's home. Census officials say it will take just 15 or 20 minutes to fill out.

The other households will get an additional 46 questions on the "long form." How many bathrooms do you have? Have you been married more than once? How well do you speak English? How do you usually get to work? What was your total income in 1979? The Census Bureau says answering the long form, which will require such tasks as looking up property-tax and insurance payments, will take 45 minutes "or so."

"COUNT ME OUT"

"The long form is a son of a bitch," says Rep. Robert Garcia, a New York Democrat who predicts a horrified reaction from his Bronx constituents. "There are a lot of questions that are going to make people feel uncomfortable."

Democratic Rep. Jack Hightower sees a lot of resentment in his Texas Panhandle district. "I don't doubt that some will simply throw the booklet away and not even register their existence with the bureau, much less provide accurate information," he says.

GOP presidential candidate Ronald Reagan was asked about the census form the other day in New Hampshire. It was his "instinct," he replied, to answer only questions about how many people live in the house and to refuse to answer the others. Reagan aides say the candidate isn't actually encouraging that practice; federal law says answering all the questions is mandatory, upon pain of a $100 fine.

To its credit, the Census Bureau fights heroically every decade to hold down the number of questions, despite suggestions by interest groups of all kinds. Nevertheless, the census has long been regarded by both government and private decision makers as an important mirror of America. "To better understand ourselves and make intelligent decisions for the future, we depend greatly on our census," said President Carter in a proclamation urging everyone to fill out the form.

BENEFIT FOR BUSINESS

Census Bureau Director Vincent Barabba adds that "society really benefits when business is making better decisions based on information from the census."

Such arguments for answering highly personal questions often just aren't persuasive, according to a special National Academy of Sciences panel assigned to judge the 1980 census planning. The academy, a private group, is chartered by Congress to advise the government on scientific and technical matters.

Said the academy's census panel: "Many people believe that Americans are less willing now than in the past to cooperate freely with officialdom, more reluctant to accept as benign the efforts of the Census Bureau to gather detailed and personal information. If this is true—and we have found little evidence . . . either way—it will be difficult to get the cooperation, interest and good will necessary for a task that can be time-consuming and exasperating."

Yet big bucks are at stake. In 1970 an estimated $10 billion in annual federal aid, under such programs as revenue sharing, was tied to population formulas and thus to census results. These yearly allocations have grown to $50 billion, according to the Census Bureau.

THE ENUMERATORS

The main money-losers from census undercounting are inner cities, the rural South and localities with many residents who can't read the English-language forms. Census planners have gone to great lengths to train an army of 270,000 temporary "enumerators" to track down people who don't mail back the forms. But this check-back plan bumps into another trend of the times: With more women at work, enumerators checking an address in person or by phone will often find nobody home.

Because of such obstacles, the National Academy of Sciences' census panel, whose chairman is Harvard University sociologist Nathan Keyfitz, has recommended that the final count be adjusted upward for places where it's thought that a lot of people were missed. New York's Sen. Moynihan is sponsoring a bill authorizing such adjustment.

Though the Census Bureau sponsored the conference on the issue, the agency is showing great reluctance to fudge its numbers. Some officials suggest that each federal money-dispensing agency devise its own adjustment formula instead. A decision on any adjustment of figures is likely late this year.

The National Academy of Sciences' adjustment proposal would apply only to federal grant-allocation formulas, not to seats in the House of Representatives. According to the most recent Census Bureau projection, the 1980 raw head count will cause 14 of the 435 House seats to change hands among the states, with the West and the South the big gainers. (The change following the 1970 census was 11 seats.)

PARTISAN CALCULATIONS

Thus, the census is a fulcrum of political power, and political arguments over it have become incredibly convoluted. At least to some extent, the projected gains in California and Texas of two House seats apiece will reflect illegal aliens who are counted there. Republican Rep. William Dannemeyer and some other California conservatives worry that the 1980 redistricting will concentrate power in the heavily Democratic urban areas where many aliens live.

The Federation for American Immigration Reform, the group suing to stop the census unless illegal aliens are subtracted from the count, insists it has no partisan ax to grind. Executive Director Roger Connor says the organization is interested mainly in controlling population growth and doesn't care about political consequences.

"Counting the aliens might help Democrats in urban centers," he says, "but including them also adds to the population in the Sun Belt, which tends to go Republican." Of the 26 members of Congress supporting the suit, 20 are from both parties in Pennsylvania, which is threatened with the loss of two House seats because of the 1980 count.

Partisanship is one factor in congressional pressure to cut the complexity of the census form. The controlling Democratic committee chairmen think the burden of answering so many questons tends to worsen the census undercount in cities and thus hurt Democrats. The Census Bureau, at the behest of revenue-sharing distributors in the Treasury, originally had planned to ask everyone the income question this year. Congressional critics argued that this would greatly increase resistance to the questionnaire, and the bureau agreed to restrict the income query to 20% of the populace getting the long form.●

MAKING THE ALL-VOLUNTEER FORCE WORK

● Mr. SCHMITT. Mr. President, for some time now it has been evident that the All-Volunteer Force is not working. Meeting recruitment goals has been difficult and often has not been accomplished. Numerous reports of recruitment fraud have surfaced. Many of the men and women recruited lack the basic education and skills which are necessary for operating the most simple equipment used by a modern army.

Trained military personnel with 8, 10, or more years of experience are bailing out at an unprecedented rate. These are the individuals who make up the backbone of our active military force and who are needed to train recruits. They are leaving because of poor pay and frustration. They are leaving because of the apathy of the Congress and the Nation to their plight and importance.

The status of the Reserves and National Guard is not much better. In some cases reservists are forced to pay their own transportation costs for their tour of duty. The equipment with which Guard and Reserve units train are of Korean war vintage. The frustrated active military personnel that are bailing out are not about to tackle the same type of frustration in the Reserves. Thus, our Reserve strength is declining.

The administration has not only failed to come to grips with these problems but has actively opposed efforts by the Congress to solve them. Late last year and earlier this year, the administration campaigned against the Armstrong-Matsunaga amendment which would have provided a 3.4-percent pay increase for the military. We are now left with a military in which thousands of personnel are eligible for food stamps.

The only response that has been forthcoming from the administration is a proposal for draft registration. Registration will not solve these problems. It will not improve recruitment or retention. It will not provide for an adequately trained and equipped military in the event of national emergency. It is the Active and Reserve military that will be the first line of defense in any conflict. Now is the time to address the many problems with the All-Volunteer Military (AVM).

In the Saturday issue of the Washington Post appeared an article by R. James Woolsey, former Under Secretary of the Navy, which addressed this very issue. Today's military is divorced from society as a whole. The pay incentives are not significant enough to attract educated individuals, therefore we are attracting only the poor and uneducated. We are not even attracting those desiring an education, the "upward mobile". Basically we have created a gulf between the educated class and the military. A good military must reflect to some degree the political, cultural, educational, economic and social makeup of society. Our military does not.

Mr. Woolsey mentions that Dr. Charles Moskos, a sociologist at Northwestern University, is proposing that we bring back a form of the GI bill in an effort to save the All-Volunteer Force. It is that type of incentive with a reasonable rate of pay that will attract the type of individuals that our military desperately needs. In addition, S. 2071, which provides for the cancellation of student loans made or guaranteed under the Higher Education Act for military service, is a step in the right direction.

Mr. President, the administration has failed to provide leadership in this area. It is the responsibility of the Congress to review the problems and implement the programs necessary to provide for the defense of our Nation. I ask that the article by Mr. Woolsey appear in the RECORD.

The article follows:

THE THINKING MAN'S ARMY

(By R. James Woolsey)

The public debate about the draft rolls along, subtracting a bit each day from the sum total of human knowledge about the nation's No. 1 defense problem: how we are to get and hold enough able people in the armed forces to keep us from being stomped if we have to fight. While the world's eyes are fixed on the front-page equivalent of whether Brenda Starr and Basil's daughter, Starr Twinkle, and her dog, Tika, will be drafted soon and sent to defend the wells and harem of Sheik Oily O-le-um, consider the sense being made—off camera—by two thoughtful and experienced men.

Robin Pirie is the assistant secretary of defense for manpower, reserve affairs and logistics. He's a straight shooter. He also has a thick skin. He needs it. For example, he had to explain to Congress recently why the Defense Department's statistics on the mental ability of recruits have been messed up for years. Apparently, several years ago it was decided to stop the expensive calibration of mental tests, a process needed to ensure that the mental categories by which recruits are measured stay constant over the years. The money was saved, the tests weren't calibrated and the standards haven't stayed constant; they've bounced around and generally gotten more relaxed. So, over time, there's been a sort of grade inflation for recruits. Forget what you've heard about there being fewer recruits who are mentally below average in the All-Volunteer Force than there were in the previous peacetime draft—there are more, lots more. A quarter to a half of the recruits previously thought to be about average ("Category 3")—tens of thousands of servicemen—are below that, some way below ("Category 4").

Why does it matter? Go visit any military unit today and the question answers itself. The large gangs of able-bodied seamen who once hauled ropes and manned the gun turrets in the Navy, for example, are gone—replaced by fire-control technicians, sonar operators, avionics repair specialists. Nor can infantry or other combat units today reasonably absorb large numbers of people of significantly below-average intelligence, given modern weapons and tactics.

It also matters because some fundamental problems are created when the educated middle class become so untouched by and unfamiliar with those who defend their civilization. In World War II, of course, vast numbers served in the military, and even in the 1950s, because of the small youth population then, almost three-quarters of the qualified young men served. But then came the split-up between the military and the educated middle class. The student deferment was the trial separation, the Vietnam War was the bitter divorce and the All-Volunteer Force was the property settlement. The deal was that, as long as they kept up their support payments, the educated folks would get to play around without having to suffer all those terrible Vietnam-era guilt feelings, produced because Groton and Levittown were in college, while Watts and Appalachia were dying.

The problem that rises when whole generations of professionals, journalists, bureaucrats, teachers and other opinion leaders are never exposed to the military is not merely that too many of them don't appreciate what's needed in peacetime to keep armed forces ready to fight. It's also that they often tend to exaggerate what military force can do and to believe that years of neglect can be corrected by a brief flurry of activity.

It's the same sort of romantic hop to which our Olympic hockey team gave such credence. The extraordinary outpouring of affection for them was at least partly because they confirmed, this time, our great national myth: that, like Cincinnatus, we gifted and virtuous amateurs can step out of civilian life and win the big one whenever we really need to.

It ain't so. Avoiding miscalculations, misunderstandings—and worse—is going to require the educated middle class and the military to take up with one another again. And that brings us to the second thoughtful and experienced man. His name is Dr. Charles Moskos, and he's a sociologist at Northwestern University who takes the military's role in American culture seriously. He's also often an odd-man-out because he talks about topics such as upward mobility and quality and aspirations and all those other messy subjects that the economists who dominate the military manpower debate, and who staff the government offices and the study commissions just hate—you can't put that stuff in any *rigorous* way into a computer, so what use can it be?

Charlie Moskos wants to try to save the All-Volunteer Force by bringing back a form of the GI Bill. Attract the people into the military who want to earn a guaranteed education, he says, and you'll get the ones who want to improve themselves, smarter soldiers and more knowledgeable citizens later. It will also be cheaper, he says, than hiring people for cash—which is what we try to do now, with decreasing effectiveness.

It's worth a hard look, because the All-Volunteer Force is beginning to limp, more each year. Given its current state, we may have to go back to the draft—not just initial registration, the real draft—soon. But before that happens, Robin Pirie and Charlie Moskos should get together.

Sir William Francis Butler, a British soldier and author of the last century, gave them their guidance: "The nation that will insist on drawing a broad line of demarcation between the fighting man and the thinking man is liable to find its fighting done by fools and its thinking done by cowards."

COMMUTER AIRLINE ASSOCIATION DEFENDS AIRLINE DEREGULATION

● Mr. CANNON. Mr. President, I submit for the RECORD the attached letter from the Commuter Airline Association of America. In endorsing the Motor Carrier Reform Act of 1980, it strongly defends the record of airline deregulation in providing service to our nation's small communities.

The letter follows:

COMMUTER AIRLINE
ASSOCIATION OF AMERICA,
Washington, D.C., March 5, 1980.

Hon. HOWARD CANNON,
U.S. Senate, Washington D.C.

DEAR SENATOR CANNON: The Commuter Airline Association of America (CAAA) commends the Commerce Committee for developing the Motor Carrier Reform Act of 1980. CAAA represents passenger and cargo airlines. Approximately 30 CAAA members provide all-cargo air service. CAAA and its individual members were active supporters of both the All-Cargo Regulatory Reform Act of 1977 and the Airline Deregulation Act of 1978.

The CAAA takes issue with the American Trucking Association ads claiming that 108 cities have lost all air service since the signing of the Airline Deregulation Act of 1978. Not a single city has lost all air service since the Act was signed. Commuter air carriers have been moving quickly to provide the essential air service needs of our nation's small communities since airline deregulation.

In fact, 172 cities lost all certificated air service in the 12 years prior to airline deregulation. These cities had no assurances of air service under the old regulatory system. Commuter air carriers are providing air service at 140 of these cities.

It is clear that All-Cargo Deregulation has been successful. All-cargo carriers are able to better meet the demands of shippers by serving more cities with a wider variety of services.

One of the services offered by the small all-cargo carriers is specialized pick up and delivery service. For this reason, the Commuter Airline Association of America strongly endorses the Section 7 exemption of transportation by motor vehicles incidental to transportation by aircraft. This provision will provide the small all-cargo carriers with the opportunity to better serve the shipping public.

Sincerely,

DUANE H. EKEDAHL,
President.●

WHILE THE PUBLIC IS NOT LOOKING

● Mr. HATCH. Mr. President, as if the American people do not have enough to worry about lately—energy shortages, taxflation, Soviet expansion, a shortage of national leadership and a surplus of Presidential candidates—the House of Representatives on November 7 gave its approval to legislation that would make welfare the official way of life in this country.

That bill, H.R. 4904, is an incredible assault upon the dignity of every American who works for a living. It repudiates the principles by which most of our people have lived for generations. It would add millions of persons and billions of dollars to the welfare system. It could only have been dreamed up in the giddy salons of the poverty theorists whom Michael Novak has aptly dubbed the "Lord Protectors of the Poor."

H.R. 4904 ranks right up there with OPEC and the Gong Show as offenses against commonsense and sound public policy. Its details would be laughable, if the American taxpayers did not have to pay for them.

In a nutshell—and there is no more appropriate place for it—this is what H.R. 4904 would do. At a time when the public is rebelling against high taxes and Government waste, it would hike welfare payments by about $6 billion a year.

At a time when the people are fed up with big Government, it would crudely override the considered judgment of State legislatures to impose congressional whims upon State public assistance programs.

At a time when dedicated State welfare administrators are showing us how to carefully manage programs and reduce fraud, the House has voted to ignore State examples and override State law, thereby concentrating more welfare power in the bungling playpen known as HEW.

Despite the urgent need to concentrate our welfare resources upon the truly needy, the House has opened the doors of welfare to the fast, the greedy, and the slick. A severe assessment? Not at all. Fantastic as it sounds, the House of Representatives actually wants to make people eligible for living off their neighbors, no matter what may be the value of their home, their clothing, their furnishings. And by the way, welfare applicants can have two cars—not one gas-guzzler, but two of them. That will be a real eye-opener to every American who has ever walked or caught a bus to work because he could not afford to drive.

Oh, yes, welfare recipients under the House plan could have up to $1,750 in liquid assets and still qualify for feeding at the public trough. They could have a tidy bank account, save up for a summer vacation, and so forth, while getting welfare. And if they have more than $1,750, why, they can take the remainder and buy a new wardrobe or trade in their color TV for one of those new video recorder devices. That is what a majority in the Houes of Representatives means by "welfare reform."

It boggles the mind, not to mention the pocketbook, to think that the House could be so insensitive toward the working men and women of this country. How, one must wonder, did our colleagues think they could pass such legislation without being held accountable for it?

The answer, I suggest, can be discovered in an off-the-record comment by Dr. Kenneth Bowler, formerly legislative assistant to Representative JAMES CORMAN, the distinguished chairman of the subcommittee which developed H.R. 4904, a subcommittee of which Dr. Bowler is now a staff member.

Speaking to a gathering of Washington's welfare elite at the prestigious Urban Institute about 2 years ago, Dr. Bowler observed that, contrary to the prevailing wisdom, it was indeed possible to legislate "comprehensive welfare reform." It could be done, he insisted, as long as it was done while the public was not looking.

While the public was not looking. By that, I suppose, this key operative behind the House passage of H.R. 4904 meant that Members of Congress would only dare to approve certain things if they could escape the reaction of their constituents.

There has been a lot of talk on Capitol Hill in recent years about the people's right to know. So be it. Let us live to our noble sentiments. Let us inform the people, as this speech is meant to inform them, that H.R. 4904 is only the first of a pair of left hooks to their pocketbooks. The second blow is the planned creation of more than 600,000 public service jobs, to keep busy all those folks who, under the provisions of H.R. 9404, will have little incentive to seek employment in the private sector. Let us tell the people that, the last time the Carter administration proposed the creation of public service jobs on that scale, back in 1977, we learned that they intended to make welfare recipients into environmental pollution monitors, art aides, and other essential components of a no-growth parasitical, State-run economy.

Let us tell the people candidly in 24 States—in Alabama, Alaska, Arizona, Arkansas, Florida, Georgia, Idaho, Indiana, Louisiana, Maine, Mississippi, Nevada, New Hampshire, New Mexico, North Carolina, North Dakota, Oklahoma, Oregon, South Carolina, South Dakota, Tennessee, Texas, Virginia, and Wyoming—let us tell them that the House of Representatives has officially repudiated their State laws, just struck them down. For that is the only meaning of the House insistence that, like or not, all 24 States must implement the AFDC-U program, which is currently optional. Those 24 States exercised their right not to participate in that program, which expands welfare to intact families. In fact, the State of Oregon, only last year, opted out of the program.

It is not the business of the Congress to decide whether Oregon's decision was good or bad. The point is that it was indeed Oregon's decision to make, one way or the other. But the welfare lobby does not like this exercise of local option, and so their solution was obvious: Abolish local option. Thus voted the House on November 7. After all, the public was not looking.

Nor was the public looking in those 13 States of the South and Southwest, which currently, in the considered judgment of their State legislatures, do not want the minimum welfare payments set by a majority of the House of Representatives, which seems to have little regard for State administration of public assistance. One wonders when the House will take over the administration of firefighting, zoning, the police, and other State and local services.

Perhaps I should add that I do not recommend that course of action, just in case some of our zealous colleagues should see in my facetious suggestion the excuse for more legislation along the lines of H.R. 4904.

The public was not looking in the other 37 States, where minimum welfare benefits will soon be pushed higher and higher because, as sure as one campaign promise leads to another, the national welfare minimum in H.R. 4904 will lead to repeated increases in the national dole.

For what H.R. 4904 would do is create a single pressure point—the national minimum welfare payment—upon which the welfare lobby could concentrate its resources and exert its strength. Instead of dealing with 50 separate State legislatures, which are much closer to the taxpayers than Capitol Hill is, the guaranteed annual income crowd could work its will in the corridors of the Capitol and send the bill for legislation like H.R. 4904 to the working men and women of America, COD.

For those of us who do not think that that would be a particularly good thing, for those of us who believe that welfare reform means fewer people on the rolls and less spending for public assistance, there seems to be one obvious response to House passage of H.R. 4904. That response is to make sure the people are looking, for a change: to involve the workers, the taxpayers of America in a welfare debate which has hitherto been a one-way monolog conducted by Washington-based organizations committed to the eventuality of a guaranteed annual income.

It should already be apparent that these remarks are intended to do just that: To begin the process by which the American people, alerted to what the welfare lobby is doing on Capitol Hill, wake up, speak up, and, if necessary, act up.●

DEATH OF LITHGOW OSBORNE

● Mr. MOYNIHAN. Mr. President, I rise to lament the death of a distinguished New Yorker, Mr. Lithgow Osborne of Auburn, N.Y. A statesman, a publisher, and above all a humanitarian, Mr. Osborne served his city, his State, and his Nation with an assiduousness and a concern that we all would do well to emulate. On Monday, March 10 of this year, a tribute to Mr. Osborne appeared in the Auburn Citizen, and I now ask that this be printed in the RECORD.

The tribute follows:

LITHGOW OSBORNE, 87, DIES

(By Walter W. Rewald)

Lithgow Osborne, 87, died this morning at his home at 1 Fitch Ave. after a brief illness.

He had served his country as state Conservation Commissioner, as Ambassador to Norway, and as member of a U.N. relief agency.

He was active in community affairs and while he spent a good part of his life away from Cayuga County, this was his real home.

He had lived the last 20 years of his life here, and was president of Auburn Cablevision. He had been publisher of The Citizen-Advertiser between 1965 and 1974.

He was a tall, sparse man who delighted in wearing clothes he had owned for decades. He strongly believed that what a man represented counted more than the clothes he wore.

He was an outdoors man who liked to work at his summer home, Willow Point at the west side of Owasco Lake.

He liked to work in his woods, he liked company, he liked sports, he liked books, he liked bridge, he liked to place a bet, and he liked an occasional cocktail.

He was active in local organizations and local politics and ran for various offices, from mayor to representative. Running as a Democrat in a Republican district, he never won, and that was one of his regrets.

But he never made a secret of how he felt, let the chips fall where they may, and he would not temper his remarks to suit the occasion. He did not tolerate fools gladly.

William H. McKeon, former county and state Democratic chairman, said of Lithgow Osborne today "Not only was he a loyal and devoted Democrat, but he was a humanitarian in the full sense of the word." McKeon said he had a phone call and letter from Mr. Osborne only last week, in which he gave a character reference for a young man who had gotten into trouble.

Mr. Osborne was born on April 2, 1892, the son of Thomas Mott and Agnes Devens Osborne, scion of a family that started the Osborne Farm Machinery Co. here.

He attended Auburn and private schools and Harvard University, but left there in 1914 during his senior year to become private secretary to the U.S. Ambassador to Germany. He stayed in Germany until the United States entered the war in 1917, and as he spoke German, remained a consultant to the government.

He was first sent to Havana and later to the U.S. legation in Denmark, where he married a distant cousin, Countess Lillie Suzanne Raben-Levetzau, who died in Auburn in 1970.

In 1919 Mr. Osborne worked for a while at the State Department, but then resigned to go into business, working for the family newspaper. He was occasionally recalled to Washington for special assignments.

He served as state Conservation Commissioner from 1933 to 1942 and took great delight in his work. New Yorkers can thank him for expanding the state's reforestation projects, preserving the Adirondacks, and making fishing rights available to all residents.

He resigned his state job in 1942 to work for the Office of Strategic Services under an old acquaintance, Allen Dulles of the CIA.

In 1944 he was asked to join the United Nations Relief and Rehabilitation Agency and was sent to Australia and New Zealand, only to be appointed shortly thereafter as ambassador to the Norwegian government in exile in London.

He was on the ship that took the government back to Norway after the war ended, and served there until 1947, when he became president of the American Skandinavian Foundation.

He was honored for his work in that capacity by the governments of Norway, Denmark, Finland and Sweden, and had the medals to prove it.

Lithgow Osborne helped form a Reading Reform Foundation to stress the teaching of phonetics, and was active in the Osborne Association, working on prison reform.

He lived at 1 Fitch Ave., a house consisting basically of one long, high-ceilinged room, the former library of the David Osborne home, which was later razed to make room for a church.

The walls of that huge room were lined with books and the furnishings gave testimony to Mr. Osborne's taste and travels. Mr. Osborne married the former Miss Sara T. Tenney of Williamstown, Mass. in 1971.

He is also survived by three sons, 16 grandchildren and seven great-grandchildren.●

GROWING SUPPORT FOR THE UNITED STATES-MEXICO GOOD NEIGHBOR ACT

● Mr. SCHMITT. Mr. President, last year I introduced S. 1427, the United States-Mexico Good Neighbor Act, which proposes a temporary worker visa program as a partial solution to the problem of illegal Mexican migrants.

Since then I have received expressions of support from the Los Angeles County Board of Supervisors, the Yakima County Farm Bureau (Washington) and the City Council of Huntington Park, Calif. These groups have recognized the need for a program to control the flow of migrants into the United States without adversely affecting our relations with Mexico.

I ask that the expressions of support by the Yakima County Farm Bureau and the city of Huntington Park be printed in the Record.

The material follows:

Yakima County Farm Bureau,
Yakima, Wash., August 3, 1979.

Re U.S. Mexico Good Neighbor Act S. 1427 by Senators Schmitt, Goldwater and Hayakawa.

Hon. Harrison Schmitt,
U.S. Senator, Washington, D.C.

Dear Senator Schmitt: We, the Board of Directors and Officers of Yakima County Farm Bureau, would like to express our support of this act.

These are troubled times with regard to the alien situation both illegal and legal aliens. We, the people of the United States, do at times need additional short term labor. However, without a control type program, the situation turns into utter chaos with hard feelings on both the resident employees and the migrant employees.

The employer has no way of documenting the legality of an employee, therefore needs some legal means to help protect himself, his permanent workers and his short term legal workers.

We express our support and ask for further support of this worthy act.

Sincerely,

W. Eugene Lange,
President.

Huntington Park, Calif.,
February 12, 1980.

Hon. Harrison H. Schmitt,
Russell Senate Office Building,
Washington, D.C.

Dear Senator Schmitt: The City Council of the City of Huntington Park, California, unanimously endorsed your proposed legislation, Senate Bill 1427, establishing a temporary worker's visa program between the United States and Mexico, at its regular council meeting on February 4, 1980, by formal resolution.

It is the feeling of the City Council that legislation in this area of concern, particularly to cities within the Southern California region, is long overdue. You are to be commended for your efforts to alleviate the problem of undocumented aliens.

Enclosed is a conformed copy of our resolution as an indication of support and rest assured that we will solicit additional cities to follow suit.

Sincerely,

Marilyn A. Boyette,
City Clerk.

Resolution No. 80–20

Whereas, Senate Bill 1427, proposed by Senators Hayakawa, Goldwater and Schmitt, would establish a temporary worker's visa program between the United States and Mexico; and

Whereas, said bill recognizes that the root cause of illegal immigration from Mexico into the United States is the lack of employment in Mexico; and

Whereas, a program of granting temporary worker's visas would help to eliminate the present large and uncontrolled influx of undocumented workers into the United States; and

Whereas, the City of Huntington Park feels acutely the impact of illegal aliens coming into this City, and wishes to express its support of Senate Bill 1427;

Now, therefore, the City Council of the City of Huntington Park does resolve as follows:

Section 1: The City Council of the City of Huntington Park expresses its strong support for Senate Bill 1427, as a positive measure to help stem the uncontrolled surge of illegal aliens from Mexico into this and other cities of the United States.

Section 2: The City Clerk is authorized and directed to send conformed copies of this Resolution to United States Senators Hayakawa, Goldwater, Schmitt and Cranston, and to the President of the United States.

Section 3. The City Clerk shall certify to the adoption of this Resolution.

THE ARMY'S TOP 1979 RECRUITERS AND REENLISTMENT NCO'S

● Mr. DOLE. Mr. President, recently the U.S. Army saluted its outstanding recruiters and reenlistment NCO's of 1979.

The honorees included:

Sergeant Randall S. Martin, Sacramento Florin Recruiting Station, Sacramento, CA, Regular Army Recruiter of the Year.

Sergeant First Class Patricia A. McMahon, Amherst USAR Center, USA Niagra Falls District, NY, Army Reserve Recruiter of the Year.

Sergeant First Class Felipe A. Marfisi, 2d Battalion, 64th Armor, 1st Brigade, 3d Infantry Division, Schweinfurt, Germany, Regular Army Reenlistment NCO of the year.

Master Sergeant Sandra B. Farrands, 354th Civil Affairs Brigade, 97th U.S. Army Reserve Command, Ft. George G. Meade, MD, Army Reserve Reenlistment NCO of the Year.

On March 5 the honorees attended an awards ceremony in the office of the Under Secretary of the Army the Honorable Robert H. Spiro, Jr. where each was presented a Department of the Army plaque in recognition for their outstanding individual accomplishments.

At noon the Noncommissioned Officers Association of the USA (NCOA) and I hosted a reception and luncheon in the Capitol Building. Joining me and members of my staff in congratulating the top Army recruiters and reenlistment NCO's were representatives of Senators S. I. Hayakawa, Paul S. Sarbanes, Sam Nunn, and John C. Culver. A congratulatory mailgram from Senator Jacob K. Javits was received by the NCOA for the honorees.

Following brief congratulatory remarks by Lt. Gen. John R. McGiffert, Jr., director of the Army staff, and myself, the senior vice president of the NCOA and former Sergeant Major of the Army Leon Van Autreve awarded certificates of appreciation and specially prepared plaques to the top recruiters and reenlistment NCO's. He praised each for their outstanding achievements during fiscal year 1979.

Assisting Van Autreve was the current Sergeant Major of the Army William A. Connelly and myself.

Others in attendance were Under Secretary of the Army Robert H. Spiro, Jr.; Maj. Gen. William L. Webb, Jr., Deputy Chief of Staff for Personnel; Maj. Gen. W. R. Berkman, Chief of Army Reserve; Maj. Gen. Max Thurman, Commander U.S. Army Recruiting; Command, Sergeant Major Robert E. Bill, Command Sergeant Major, U.S. Army Recruiting Command and Mr. John Gauthier, Association of the U.S. Army.

At the completion of the luncheon the honorees were given a private tour of the Capitol Building by Mr. Cornelius W. Heine, executive secretary of the U.S. Capital Historical Society.

Mr. President, I encourage my colleagues to recognize the contributions made by these dedicated servicemen and women and join me, the U.S. Army and the Noncommissioned Officers Association in saluting the Army recruiters and reenlistment NCO's of 1979.●

LEAGUE OF WOMEN VOTERS VERSUS FCC

● Mr. GOLDWATER. Mr. President, the recent decision of the U.S. District Court for the Central District of California in *League of Women Voters of California et al.* v. *FCC*, No. CV–79–1962–MML, decided March 11, 1980, has just been brought to my attention.

This case involved a challenge to the constitutionality of the prohibition contained in section 399 of the Communications Act of 1934 against editorializing and supporting candidates for political office by noncommercial education stations.

Despite my urging to the contrary, the Justice Department and the FCC refused to defend the suit, agreeing with the plaintiffs that the prohibition is unconstitutional. In order to prevent the statute (which the Congress refused to repeal in 1978) from being declared unconstitutional without a full examination of the issues, the Senate authorized the Office of Senate Legal Counsel to move to appear as amicus. That motion was granted. Subsequently, the Counsel also filed a motion to dismiss the suit. That motion was also granted.

Mr. President, the fact that the U.S. Senate was compelled to defend the statute because of the Justice Department's and the FCC's refusal to do so was most unfortunate. Such an action allows the executive branch to accomplish indirectly what it cannot do directly. In dismissing the suit, the court recognized this:

> It is not without consequence that the decision not to argue in favor of the statute is being made by the Executive Branch. That fact colors this litigation in that a conflict between the Legislative and Executive branches is presented by the passage of the statute by the one and the decision by the other to acquiesce in a declaration that the statute is unconstitutional. Hence, this suit is flavored by a sub silentio prayer by the Executive Branch for actions by the Judicial branch that it cannot take itself. (Slip Opinion at page 8.)

Mr. President, I want to congratulate the Office of Senate Legal Counsel, especially Michael Davidson and Charles Tiefer. I hope that in the future the Justice Department thinks twice before acquiescing in allegations of unconstitutionality.

I ask that a copy of my correspondence with the Justice Department and the opinion of the district court be printed in the RECORD.

The material follows:

SEPTEMBER 14, 1979.

Hon. BENJAMIN R. CIVILETTI,
Attorney General,
Department of Justice,
Washington, D.C.

DEAR MR. ATTORNEY GENERAL: It has come to my attention that the Justice Department is considering whether to defend the constitutionality of Section 399(a) of the Communications Act of 1934 (47 U.S.C. 399(a)), which has been challenged in *League of Women Voters* v. *Federal Communications Commission*, Civil No. 79–1562 MML (PX), D.C.C.D. Ca., filed April 30, 1979.

Whatever the merits of this case, I am convinced that the Justice Department should defend the constitutionality of federal statutes regardless of its assessment of the probability of prevailing. This principle is particularly applicable in this case, because only last year the Congress decided not to repeal Section 399(a) after lengthy consideration in hearings and a House-Senate Conference.

Please advise me of your decision.

Sincerely,
BARRY GOLDWATER,
Ranking Minority Member,
Communications Subcommittee.

[United States District Court, Central District of California, No. CV–79–1562–MML]

LEAGUE OF WOMEN VOTERS OF CALIFORNIA, ET AL, PLAINTIFFS, V. FEDERAL COMMUNICATIONS COMMISSION, DEFENDANT

Order granting United States Senate's motion to appear amicus curiae, denying plaintiffs' motion to disallow filing of Senate's motion to dismiss, and granting Senate's motion to dismiss.

This action was originally commenced on April 30, 1979 by the League of Women Voters of California, Congressman Henry Waxman, and Pacifica Foundation against the Federal Communications Commission seeking declaratory and injunctive relief against the enforcement of 47 U.S.C. § 399(a). That section forbids noncommercial broadcast licensees to editorialize or to endorse or oppose candidates for public office. Subsequently, a first amendment complaint was filed on August 28, 1979. The gravamen of the complaint is that 47 U.S.C. § 399(a) is unconstitutional on its face in that it violates the First Amendment rights to freedom of speech and of the press and, as to plaintiff Pacifica, that it violates the equal protection of the laws under the due process clause of the Fifth Amendment. Plaintiffs noticed a motion for summary judgment on September 24, 1979. In the Stipulation re: Time for Filing Defendant's Response to Plaintiff's Motion for Summary Judgment and Hearing Thereon, filed on October 23, 1979, the FCC stated that it had "determined to discontinue its defense of the constitutionality of Section 399(a). . . ." and that it had so advised the Congress. On January 18, 1980 defendant again stated that it would not defend this action.

On January 17, 1980 the United States Senate filed a motion to appear as amicus curiae and subsequently filed the instant motion to dismiss. In response, plaintiffs filed their motion to disallow the filing of the motion to dismiss. By stipulation of the parties, the hearing on plaintiffs' motion for summary judgment was continued until after the decision by the Court on the motion to appear as amicus curiae, to disallow the filing of the motion to dismiss and, contingently, the motion to dismiss.

The Senate's motion to appear as amicus curiae and motion to dismiss and plaintiffs' motion to disallow the filing of the Senate's motion to dismiss came on for hearing before the Honorable Malcolm H. Lucas, United States District Judge on March 3, 1980. After thoroughly considering the papers filed in this action and the arguments advanced at the hearing, the Court makes the following findings:

MOTION TO APPEAR AS AMICUS CURIAE

The United States Senate has a right to appear as an amicus in this action under the provisions of 2 U.S.C. §§ 288e(a) and 288l(a). Those statutes allow the Senate to appear unless the Court finds that the appearance is untimely and that it would significantly delay the pending action. The Court does not so find and, without objection from the parties, hereby grants the motion.

MOTION TO DISALLOW THE FILING OF SENATE'S MOTION TO DISMISS

The Court finds that the role of an amicus is flexible and can be moulded by the Court to best serve the exigencies of the particular action. In this instance, the present motion by the Senate would in no manner interfere with the conduct of the case by the defendant. As an alternative, the Court is free to treat the motion to dismiss as a suggestion that the Court lacks subject matter jurisdiction. Such a suggestion is appropriate at any point and may be made *sua sponte* by the Court. In any event, the Court finds that the consideration of the motion to dismiss would substantially advance the litigation and hereby allows it to be filed. Therefore, the Court hereby denies plaintiffs' motion.

MOTION TO DISMISS

As the federal courts are courts of limited jurisdiction it is necessary in the first instance for the Court to satisfy itself that this action is one over which jurisdiction under the Constitution exists and as to which competency has been granted to this Court by Congress. These constitutional considerations are often grouped under the rubric justiciability which itself comprises ripeness, adversariness, standing, and so on. The language of Article III of the Constitution speaks of jurisdiction over "cases" and over "controversies". Therefore, the Court must ultimately find that a case or controversy exists. Motions of justiciability are simply means toward that end.

The difficulty in resolving these questions stems in large measure from the difficulty in framing standards and requirements that are susceptible to ready and widespread application. In most instances, the questions are of degree and the result turns upon an assessment of the particular action's place on a continuum from clearly nonjusticiable to clearly justiciable. The only real guidance, apart from attempts in the case law to articulate descriptive standards, comes from comparison with the facts and results of case after case after case. Similar complications arise from the fact that in many cases the Court must be aware that a properly justiciable action is almost certain to arise with a seemingly ineluctable or inconsequential change in the facts. In such instances the temptations are great to move forward to the merits and the considerations of case or controversy are further compounded.

Nevertheless, despite the difficulties of framing and resolving the issues, the necessity of evaluating and placing an action on a seeming "slippery slope", and the frustrations attendant in determining whether a salient issue is proper for present adjudication, the Court must patiently determine that every action brought before it meets the constitutional requirements for adjudication. Failure so to determine jeopardizes the delicate array of powers established by the Constitution and vitiates the actions which such a determination brings, that the Court is acting in that characteristic but undefinable "judicial" mode. While these considerations inhere in every action in the federal courts, they become literally vital when, as here, the Court is asked to use its most potent and grave power, declaring an Act of Congress invalid as contrary to the Constitution. The necessity of grappling with these considerations has often and eloquently been developed but nowhere is it more pungently formulated than in Mr. Justice Brandeis's frequent remark that "the most important thing we do is not doing". With these considerations in mind, the Court proceeds to examine the present action.

Questions of ripeness are often turned around and presented as questions of standing. Whether the Court deals with one measure or the other turns upon the posture of the particular facts. In this instance it is more useful to consider the question as one of ripeness. In other words, is this action as presented by those parties proper for judicial resolution now. At bottom, the Court must balance and trade off the value in deciding the question now against the harm to the parties in postponing a decision. This mode of inquiry suggests that there are contingent events that would make the action more concrete should they occur. In this case there is no suggestion that any plaintiff, particularly Pacifica, has violated § 399(a). Nor is there a suggestion, in fact the opposite is suggested, that defendant intends to enforce that section. The defendant has taken the position that § 399(a) is, indeed, unconstitutional and on that basis it is reasonable to conclude that a violation of the statute by Pacifica or any other broadcaster would not be punished. The FTC has also represented that it would seek to impose only the most minimal sanctions on Pacifica. That willingness to enforce the statute solely for the purposes of test litigation indicates that otherwise the FCC will not enforce the statute. It is, to the Commission, a nullity.

The plaintiffs challenge § 399(a) on its face. Therefore, they argue, there is no need to violate the statute to test its constitutionality and thus the present factual posture of this case suffices to create the proper ripeness. The mere presence of the statute is alleged to chill Pacifica's First Amendment rights. Waxman and the League are even more removed from the effect of § 399(a). As neither of them is a broadcaster, they challenge the statute as interfering with their right to receive the free speech of broadcasters such as Pacifica.

Although the Supreme Court has, in recent years, relaxed the standing/ripeness requirements for suits brought to enforce constitutional (especially First Amendment) rights, there remain limits beyond which the Supreme Court cannot go. Speaking recently in a case also involving a First Amendment challenge to a statute on its face, the Court reiterated its holdings that many postures exist in which the parties may assert First Amendment rights even when those parties have a tenuous connection with the dispute. Nonetheless, the Supreme Court also recognized that these cases still must meet the Article III requirements that are embodied in the principle of ripeness. *"Given a case or controversy,* a litigant whose own activities are unprotected, may nevertheless challenge a statute by showing that it substantially abridges the First Amendment rights of other parties not before the court." *Village of Schaumburg* v. *Citizens for a Better Environment,* — U.S. 45 U.S.L.W. 4162, 4165 (1980) (emphasis added).

Because in this instance there is the distinct likelihood that the FCC will not seek to penalize a broadcaster that violates § 399(a) and because the hardship to be imposed upon the parties should the Court not now decide the constitutionality of § 399(a) is minimal, the Court finds that this case is not ripe for decision at this time. Although the statute is challenged on its face, the Court cannot say that the particular facts of any given violation and prosecution under the statute would not color the outcome of this case. The Court finds that it would be improper to attempt to make a constitutional decision without having a concrete factual basis with which to work. That basis does not exist in this case and the Court declines to resolve the constitutional question in the abstract.

A second aspect of justiciability that is germane here is the issue of the adversariness of the parties. Our court system is designed to resolve concrete disputes between at least two parties possessing adversary interests. Where it is clear that both sides desire the same result, the requisite adversariness is lacking and the action is not a case or controversy. In this case, the actions of the defendant indicate that there is no genuine adversariness of interests. As noted before, the FCC has not undertaken a prosecution of plaintiff Pacifica Foundation. Although the FCC states that it might prosecute Pacifica should Pacifica violate §399(a) at some future date, it is plain that at this time there are no adverse parties to this action. The role of the FCC in this action has been to file a statement of no opposition to plaintiffs' motion for summary judgment because defendant agrees that the statute is unconstitutional. No attempt is made by the FCC to posit any arguments in support of the statute nor is its suggested that any such arguments would be forthcoming from the FCC if Pacifica violated and the Commissioner prosecuted under the statute. In sum, the Court finds that abundant evidence indicates that all parties seek this court to declare § 399(a) unconstitutional. Therefore, there is no case or controversy under Article III. *See, Moore* v. *Charlotte-Mecklenburg Board of Education,* 402 U.S. 47 (1971) and *Muskrat* v. *United States,* 219 U.S. 346 (1911).

It is not without consequence that the decision not to argue in favor of the statute is being made by the Executive Branch. That fact colors this litigation in that a conflict between the Legislative and Executive branches is presented by the passage of the statute by the one and the decision by the other to acquiesce in a declaration that the statute is unconstitutional. Hence this suit is flavored by a *sub silentio* prayer by the Executive branch for action by the Judicial branch that it cannot take itself. For that reason, it is even more important that the Court be presented with concrete facts, adversary parties and every requisite of jurisdiction and competence to insure that such clashes between the two other branches are resolved as the Constitution envisions.

Because the Court finds that this case is not ripe for adjudication and that no adverse parties exist, the case is not justifiable. That is, the Court finds that no case or controversy exists as required under Article III of the Constitution. Therefore this Court is without power to decide this suit on the merits or, indeed, to take any further action at all.

Accordingly, it is hereby ordered that this action be dismissed.

It is so ordered.

It is further ordered that the Clerk shall serve, by United States mail, copies of this Order on all counsel appearing for the parties and all counsel appearing for the amicus curiae in this matter.

Dated: March 10, 1980.

MALCOLM M. LUCAS,
United States District Judge.●

PAUL CRAIG ROBERTS ON FOREIGN POLICY—II

● Mr. HATCH. Mr. President, recently, I recommended to my friends a series of articles on our geopolitical plight by Dr. Paul Craig Roberts, associate editor of the Wall Street Journal.

In "The Weakness Tax: A legacy of America's Lost Supremacy," which appeared in the January 14 issue of a newsletter published by H. C. Wainright & Co. of Boston, Dr. Roberts discussed what he called "The Weakness Tax"—the fact that our failure to defend our citizens in Iran will inevitably expose our corporations in foreign countries to mulcting and expropriation.

I ask that it be printed in the RECORD.

The article follows:

THE WEAKNESS TAX: A LEGACY OF AMERICA'S LOST SUPREMACY

Whatever taxes are cut or substituted in 1980, unless a tax-cutting President is elected next November, the tax burden is likely to continue to grow. And not just from the windfall profits tax add-on, an eventual VAT partial add-on, inflation pushing people into higher brackets, and possibly a minimum tax on foreign source income of U.S. corporations, but also in more general ways.

The vested interests, and in some cases fanaticism, of the federal bureaucracy insure that the regulatory tax burden will continue to rise, though maybe at a slower rate in the short run as a result of recent congressional intervention conveying a strong disapproval of some regulatory initiatives by the bureaucracy. The tax imposed by environmental and safety policies locking up western resources and nuclear power plants will continue, and the lobbies behind these policies will continue to work to push back the production frontier of the U.S. economy.

The attack on the U.S. corporation at home will continue, and foreign governments will increasingly mimic it to secure advantages for themselves. Many are already requiring that U.S. firms, to do business within their borders, must agree to transfer their technology. Fred Bergsten, Assistant Secretary of the Treasury for International Affairs, has complained that "although these actions are inconsistent with the spirit of international trade agreements," they nevertheless "are rapidly becoming a pervasive feature of the world economy."

More generally, the bitterly skeptical attitudes toward U.S. foreign policy, which have been cultivated for two decades by certain American academics, newsmen, liberal-left politicians and in influential element of the U.S. foreign policy community, amount to a tax on the ability of the U.S. to act in defense of its interests. The election of Jimmy Carter placed in key foreign policy-making positions many of the people who believe that American power is a source of tension, hostility, and instability in international affairs, and is inconsistent with a world community based on international law.

As a result, they have focused less on the rapid rise in Soviet power than on discarding U.S. power. The Carter Administration's policy of accommodating and reassuring our adversaries, while undermining our friends, has signalled to the world that aggressive demands on us earn a very high rate of return. In other words, to cause the U.S. trouble is a good investment.

Having established an incentive structure that encourages others to make demands of us, the demands rapidly got out of hand. The last three years have seen a virtual collapse of U.S. military credibility and diplomatic positions. As unbelievable as it is, at the present time the U.S. is actually in a position where fifty of its diplomats have been seized hostage by a host government whose officials are threatening to try them as spies unless the U.S. government violates international law and turns over a man they intend to kill.

In spite of the strength of the U.S. position in international law, more than two months have passed and the U.S. has not succeeded in obtaining U.N. sanctions against Iran. And while Soviet troops take over Afghanistan, Cuban troops occupy African countries, and Vietnamese troops are on the march in Southeast Asia, the world warns the U.S. against military action against Iran.[2]

The loss of U.S. military and diplomatic power has left American business, with its great post-World War II international expansion, severely exposed. To survive abroad, U.S. firms will have to accommodate the foreign policy interest of host governments. Thus, one source of our former strength in international affairs is not only lost but actually turned against us. The low morale of U.S. corporation executives, resulting from years of attack by anti-business federal bureaucrats and members of Congress like Senator Kennedy, will contribute to the ability of foreign interests to undermine our own.

All of this amounts to a huge new tax that will reduce the rate of return on some ventures, rule others out altogether, and result in the loss of some invested capital. As others, notably the Russians and Iranians, begin to impose this tax on us, the Carter Administration is responding with a form of populist pacifism that parades American helplessness as a virtue and encourages foreigners to increase the tax rate that they impose. The longer the U.S. government accepts the imposition of this tax, the more costly it will be to "repeal" it. After two months of indignities at the hands of the Iranians, nothing short of a successful military intervention is likely to restore U.S. credibility.

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[2] The parlance of commentators imposes a tax. The Soviet Union has "'a traditional of interest in Afghanistan, Iran and other states to its south" (*New York Times,* December 30, 1979), while the U.S. "dominates" and "controls" its southern neighbors and subjects them to a "neo-colonialist yoke."

A Kennedy Administration would be worse on this score, consisting as it would of even more officials suspicious of private property and the exercise of American power. A Baker or Bush Administration might be too timid in responding to foreign tax collectors out of fear of offending someone. A Reagan or Connally Administration would at least talk tough and discourage new activities detrimental to U.S. interests. But if they tried to act, they might now find it impossible.

For example, President Carter and his Administration have encouraged Americans of Hispanic origin to develop loyalties toward Latin America. (As an example of what he has done for the U.S. citizens of Hispanic descent, President Carter listed turning over the Panama Canal to Panama.) The President has succeeded to the extent that Chicanos now appeal to the Mexican President to intervene in U.S. affairs in behalf of their interests.

The situation is even worse in the case of the American black community, which has been led by former Ambassador Andy Young and various of its leaders to identify with the interests of the PLO terrorists and African Marxist guerrillas. This displacement of the loyalties of the segments of the American political community to which the media are most sympathetic, seriously constrains U.S. foreign policy in large areas of the world.[3]

As any Mafia family knows, to let one's power slip is to experience increasingly uncomfortable, hard demands. Yet the highly educated men who run our foreign policy are unfamiliar with this elementary principle of human behavior. The more they lose our power, the more we will experience power being applied to us by others. It is not possible to say how much of GNP this tax will expropriate, but its magnitude can be judged by the following facts:

1. The view that the Soviet Union is a victim of American cold-war mentality is taken seriously by members of the Carter Administration and the American foreign policy community;

2. The Soviet Union openly lobbies the West German government with the line that the U.S. is no longer a dependable ally and that strategic nuclear superiority has shifted to Moscow;

3. The distinguished French intellectual, Raymond Aron, has written a book consisting of a plea that Western civilization is worth defending; and

4. There is a whole new class of U.S. government bureaucrats whose careers depend upon proving that U.S. society discriminates against non-whites, females, and the aged.

In brief, the U.S. is a society under intense external and internal attack. The Balkanization of America and the unification of our adversaries are the achievements of the same policymakers who are responsible for most of the U.S. domestic and foreign policies during the post-World War II era. If a strong western President is not elected in 1980 and these policymakers swept from power, by the end of this decade the U.S. is not likely to be able to conduct a foreign policy independently of the Soviet Union.

American weakness and the undermining of its allies has left the U.S. with the added tax burden of having few friendly governments in strategic areas of the world with strong political positions. This leaves it with few levers with which to operate. As a result, the U.S. faces the possibility of a catastrophic realignment of world politics that it could do little to avert. The position of the Saudi royal family may be untenable. Furthermore, it is a family divided.

A coup is possible, and the political threat alone can force the present rulers to adopt an anti-American stance as a form of protection. If this occurs, NATO would fall apart as European governments scrambled to guarantee their oil supplies and to accommodate Soviet foreign policy.●

THE WHITE HOUSE CONFERENCE ON SMALL BUSINESS

● Mr. HUDDLESTON. Mr. President, the White House Conference on Small Business recently concluded its work here in Washington. The conference attracted more than 1,600 delegates from all 50 States, representing the Nation's 14 million independent entrepreneurs. The delegates drew up a list of 60 recommendations for Government action designed to strengthen the small business sector of our economy.

Mr. President, no one in the Congress has been more supportive of the work of the White House conference than my distinguished colleague from Wisconsin, Senator GAYLORD NELSON. Indeed, it was Senator NELSON who first proposed such a conference to President Carter some 4 years ago. Senator NELSON's keen interest in the problems and promise of small business is clearly recognized by the leadership of this body: Last week, the majority leader, Mr. BYRD, announced the formation of a Senate Task Force on Small Business, naming Senator NELSON as its chairman.

It is worth noting, I believe, that Senator NELSON, through his work on the Small Business Committee, has already introduced legislation to implement many of the recommendations that came out of the White House conference. The organizers of that conference recognized Senator NELSON's immense efforts in this field by inviting him to deliver both the opening an closing addresses to the delegates. On both occasions, Senator NELSON eloquently put forward the case for small business in America today. He drew attention to the key role small business plays in providing new jobs, new ideas, new products and services for an expanding economy.

Mr. President, from his efforts to organize the White House conference to his stewardship of the Small Business Committee of the Senate to his new role as chairman of the Task Force on Small Business, Senator NELSON has proven himself to be the small businessman and businesswoman's best friend in Washington. I ask that Senator NELSON's timely and incisive remarks on the vital issues facing independent enterprise today, delivered to the White House Conference on Small Business, be printed in the RECORD.

The remarks follow:

REMARKS BY SENATOR GAYLORD NELSON

Some years ago, Adlai Stevenson appeared before an audience and stated that since he was the speaker and they were the audience, it was his responsibility to speak and their responsibility to listen, but that if anyone finished listening before he finished speaking, they were, of course, free to get up and leave. Unfortunately, almost every audience I have ever addressed seemed instinctively to have understood the Stevenson rule and fiercely adhered to it as a matter of principle.

Now for those of you who are still here, let us briefly discuss what it is we seek to achieve through this national forum.

The White House Conference on Small Business begins on the threshold of the 1980's, a decade described variously as an "era of limits," the "beginning of decline," or the "age of scarcity." About the only commodity not in short supply today is widespread pessimism about the future. I do not share that pessimistic perspective. Indeed, this conference and the participants who are present constitute one of the many justifications for an era of hope in our society.

The 1960's were basically optimistic. The future then involved continuing scientific and technological progress; increasing affluence, urbanization and literacy; worldwide industrialization; belief, if not achievement, in the spread of democracy, freedom and rational action. The Seventies, however, were born in a more gloomy social climate, if not an outright decline of confidence in the American way. The central variables were a deteriorating environment, the coming depletion of non-renewable resources, an uncertain foreign policy, and a more uncertain economy.

Carrying these trends into the 1980's would yield a despairing vision. But the 1970's constitute a decade which history will distinguish perhaps more for its sideshows than for its main events. It is in precisely these sideshows where one finds genuine hope for the future, in short, the casting for the main events of the Eighties.

In the decade just ended, we witnessed the first signs of a re-evaluation of bigness and a growing belief that small is not only beautiful, but better. Indeed, it was as if a sense of history had come upon us all at once. There was appreciation of our historical movement from a nation of shopkeepers, when small was all we knew, to the economies of large scale, and to the inefficiencies of size. There was a sense that the "point of diminishing returns" had been reached for many of our institutions, public as well as private, and that something must be done.

Now with a furtive glance at recent history, America seems to be turning once again to a more modern form of the nation of shopkeepers in an effort at resurgence. The return of respect for small business is not based on nostalgia or desperation. On the contrary, this respect is developing out of a new realization of what small business is and what it does. Small business is credited with having 55 percent of all private sector jobs. These businesses create 90 percent of all new jobs. In fact, almost two-thirds of the net new jobs generated between 1969 and 1976 were created by firms with 20 or fewer employees. These businesses represent 43 percent of the Gross National Product and develop 50 percent of the nation's innovations at one-quarter of the cost of larger firms. These are impressive figures, not simply for a White House conference, but for a nation which is coming to rely on small business for generating vigorous competition in new ideas, products and processes.

In 1976, when I first spoke to President Carter about the need for a White House conference on small business, I did so because I believed that small business was vital to our economy and that it was time to recognize that their role is every bit as important to the nation as that of big business and organized labor. Big business must co-exist and cooperate with small business because both will flourish or perish together. That big business has a crucial role to play in the future vitality of the American economy is undeniable. However, the evidence demonstrating the advantages of small businesses in flexibility, efficiency, innovation, production and in the distribution of services is overwhelmingly convincing. If solutions to the nation's increasingly intractable economic problems are to be found, a close coalition, born out of mutual respect, must be forged between businesses big and small.

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[3] Frank Shaffer-Corona of the Washington, D.C. school board recently stated: "As fellow victims of U.S. greed and racism. Iran and the Latino community must learn more about one another and stand together." (*Washington Post*, December 19, 1979). The *Post* scored Mr. Shaffer-Corona for "grandstanding" when American lives are at stake, but not for the content of his remarks.

The problems of the 1980's are not new. Inflation, trade deficits, unemployment and energy shortages have all been with us in the Seventies. However, the full force of a properly encouraged small business community is only now being brought to bear on these issues. The unique ability of small business to create jobs has been underutilized. The potential of these firms in foreign commerce is in adequately explored. The U.S. Department of Commerce estimates that there are 20,000 small firms in the U.S. which are capable of exporting their products, but have not done so. The possibility for inexpensive innovation which is latent in these firms has been insufficiently developed over the years.

The tendency to overlook the potential of small business must cease, not simply because it is a matter of economic justice, but, more importantly, because it is vital to the very survival of our nation. Much has already been accomplished, but much remains to be done. In the 1970's, major legislative achievements for small business were realized in the areas of tax reduction, capital formation, regulatory relief and paperwork consolidation. In the tax area alone corporate income and capital gains tax rates were lowered; tax credits were increased for homesteads, business property and family owned and operated businesses. These issues will remain with us in the Eighties, but these efforts and others achieved over the last ten years have contributed to a bold new climate for small business.

The challenges for small business in the 1980's will include, most critically, the development of a comprehensive public understanding of small business. More factual information is known about the American economy today than at any other era in our history. But somehow the public understands less about what these facts mean. The first challenge of the small business community will be to provide meaning and understanding for a general public poorly prepared to understand your needs or your accomplishments.

Primarily, this is a task of public persuasion; selling the product—small business; selling your ability to sell ideas as well as products, opportunities as well as results, hope as well as responsibilities. In short, you are trying to convince the public that small businesses can succeed where others cannot, that small businesses can invent when others have failed, that small businesses can lead while others appear able only to follow. In the best sense, you represent a group with a special mission to educate the public and to interpret by your words and actions the key economic information needed for solving society's problems.

Business cannot seek refuge in the balance sheet or the board room while larger matters of business responsibility go unanswered. Perhaps now more than any time in the last half century, the American people are aware of the limitations to governmental solutions for the country's social and economic problems. Private sector initiative, supported by proper public incentives, could transform the 1980's from an era of painful limits to a much-needed new age of human productivity.

What is the White House Conference all about? What are our objectives? How can we achieve them?

Well, the broad purpose of the Conference is to review and evaluate the status of small and independent enterprise in this country. We are concerned about entrepreneurship, which is the heart and soul of the free enterprise system. We are concerned about the political and economic environment in which independent enterprise must exist. If it is favorable, enterprises can be started and grow and flourish. If not, they will stagnate and fail.

We are all aware that innumerable changes have occurred since the Second World War which have created an increasingly adverse environment for small and independent enterprise. No one planned these changes with the intent to injure independent enterprise. The damage occurred as the unintended, and I emphasize unintended, peripheral consequences of broad economic and market changes along with political and governmental decisions.

No single change or event has been of great significance standing alone. However, the cumulative effect has been substantial, and unless the trend of events is reversed, this country will have lost a great deal of the vital force of entrepreneurship. If that should happen, the face of America will change culturally, economically and politically in ways that would destroy that precious heritage of economic initiative and freedom which has distinguished our system from all others.

Well, that is not going to happen because you who represent some 14 million small and independent enterprises, with perhaps 50 million owners, are not going to let it happen. You are finally getting organized so that your voice is being heard. That is what the White House Conference is about.

Furthermore, it is not going to happen because the country is sympathetic with independent enterprise and entrepreneurship. Everyone in our society recognizes the value of private and individual initiative wherever it may be found. There are no ideological divisions within our country or within your political parties over this issue. Perhaps mostly because that's the way we grew up, and that's the way our nation grew. The sons and daughters of farmers, workers and tradesmen have always been the fountain of supply for entrepreneurship in America, and they are still to this day.

This White House Conference marks the beginning of a new decade and affords us a rare opportunity to affect the sweep of history.

As Earth Day 1970 initiated the environmental decade, so I trust this Conference will launch a decade of new and vigorous entrepreneurship.

The decision is in your hands.

STATEMENT OF SENATOR GAYLORD NELSON, CONCLUDING SESSION, WHITE HOUSE CONFERENCE ON SMALL BUSINESS

The Conference program indicates that this is the concluding session. But you know and I know it is just the beginning—the beginning of a national small business movement—the beginning of a new era of entrepreneurship.

For the first time in the history of this country, the American small business community is united. And you are united in more than simply your agreement on the 15 issues for top priority emerging from this Conference. More importantly, you are united in your belief that you can succeed in redirecting this country toward a new set of economic priorities which include—and, yes, celebrate—the potential of small business. I need not remind you that your strength is in your numbers—14 million businesses with some 50 million owners.

As I have visited your various meeting places during the last three days, I have been impressed by the increasing number of people who have chosen to wear the lapel buttons with the message, "Yes, I will be back". Clearly, you are committed to seeing to it that your recommendations are understood and implemented. Clearly, you know that we have made a good start, a good beginning, but that much more needs to be done. Clearly, you share my feeling that we ought to meet again, at an appropriate time, to assess our progress and adjust our tactics. I second the message you are carrying on your buttons, and I assure you we will be here in larger numbers with greater support each time you return.

Sixty major issues have been examined at this conference. And while the 15 you have selected will receive the top priority, I want to assure you that the Small Business Committee staff will examine the entire record of this conference in the near future—and every one of your suggestions will be given full consideration. This has not been a conference just for the record; this is a conference which wants results—and we intend to do everything in our power to see that you get those results.

We will not win every legislative battle, but we will win our share and we will make a difference. And in the long pull, we will prevail if you do your work as I know you will.●

INCONSISTENCIES IN DOT AND FAA POLICIES

● Mr. CANNON. Mr. President, balancing the Federal budget has become an overriding concern for all legislative programs. I am committed to that task and I am pleased to point out that airport defederalization will save one-and-a-half billion dollars in expenditures over the next 5 years. However, I have to wonder just how serious the DOT and FAA are about the President's charge to balance the budget when they support new user charges for general aviation, despite a three-billion dollar trust fund surplus, and at the same time oppose defederalization. I do not understand how DOT expects to balance the budget by putting new charges on the Cessna 150 pilot, while they insist on continuing to subsidize multimillion dollar airports. I sincerely hope the President and his advisers will be made aware of this inconsistency.●

SOVIETS PROTECT POPULATION, UNITED STATES DOES NOT

● Mr. SCHMITT. Mr. President, an area of our national defense which has not received the attention or funding it deserves and needs is civil defense. Since the advent of the policy of MAD (mutual assured destruction) in the 1960's, it has been heresy to suggest that the Government provide for the defense of the American people from nuclear attack. Unfortunately, the Soviet Union has not adopted this same attitude and has built an extensive civil defense network.

At the present time the United States spends about 45 cents per person for civil defense. This contrasts with a range of $7 to $35 per person per year spent by the Soviet Government for civil defense. Experts in civil defense such as Dr. Leon Gouré, associate director of the Advanced International Studies Institute of the University of Miami, maintain that in a nuclear confrontation "between 110 and 140 million Americans would perish, while Soviet fatalities would likely be under 20 million" because of Soviet protection measures.

Other nations have perceived the value of a civil defense network. Switzerland, Sweden, and Norway have provided protection against nuclear war for their populations. The United States once had a viable civil defense network but that was before we adopted a policy of holding each other's population hostage. Unfortunately, our population is the principle hostage.

It is time that the United States adopt a more rational and moral defense policy, one which provides protection for our people. Representative IKE SKELTON has been instrumental in bringing the attention of our colleagues in the other body to the issue of civil defense. Pending in the Senate Armed Services Committee is S. 1660, a bill for an enhanced civil defense program for the 1980's, which 10 of our colleagues joined with me in sponsoring. It is important that civil defense be considered as an integral part of our national defense and I hope that the Armed Services Committee holds hearings on this legislation in the near future.

Mr. President, I ask that an article entitled "Soviet, Unlike United States, Prepare Civil Populace for Nuclear War" which appeared in the Christian Science Monitor on March 10, 1980 be printed in the RECORD.

The article follows:

SOVIETS, UNLIKE U.S., PREPARE CIVIL POPULACE FOR NUCLEAR WAR

(By John K. Cooley)

WASHINGTON.—While the United States has largely neglected protecting Americans against possible nuclear attack, the Soviet Union has moved rapidly ahead with a program of shelters, evacuation plans, and protection of key military and civilian targets.

According to a leading US expert on Soviet civil defense, Leon Gouré, and Carter administration experts, this shows that the Soviets—unlike the United States—believe that a nuclear war is not only possible, but that millions of civilian lives could be saved by adequate defense measures.

Dissident Soviet nuclear scientist Andrei Sakharov, in written responses to questions sent him at his place of exile in Gorky, USSR, by the Washington Post, alludes to conscious preparation of Soviet society for possible nuclear war. While compensating "for internal defects with external activism," says Dr. Sakharov, the Soviets have been preaching détente abroad and simultaneously "strengthening the militarization of the economy and military-industrial complex at home."

The totally different US attitude was summed up here by a group of 60 US physicians. They addressed a message March 7 to President Carter and Soviet Communist Party Chairman Leonid Brezhnev, expressing alarm at "an international political climate that increasingly presents nuclear war as a 'rational' possibility."

Casualties in such a war would "have no precedent in the history of human existence." Medical "disaster planning" would be meaningless because of widespread destruction of hospital or other medical facilities, and "there is no effective civil defense" since "blast, thermal, and radiation effects" would reach even those in shelters, whereas fallout would affect those evacuated, the physicians said.

The group, including Nobel Prize laureates Salvador Luria, Daniel Nathans, Frederick C. Robbins, Hamilton O. Smith, and Carl F. Cori, asked for an early meeting with Mr. Carter and Mr. Brezhnev to discuss defusing Soviet-US tensions, banning all nuclear arms and a start to dismantling them.

A 1978 move by President Carter and Defense Secretary Harold Brown to give the US a comprehensive, long-term program of providing shelters, evacuation plans, and other measures like those the Soviets have taken since the 1950s was never followed up by the White House, Dr. Gouré says.

Rep. Ike Skelton (D) of Missouri last year proposed a $1.9 billion US civil defense program. It successfully passed the House but was killed in a Senate-House conference committee.

A modest new $120 million effort for fiscal 1981 (about 12 percent more than appropriated in 1980) has been proposed for civil defense by John W. Macy Jr., director of the Federal Emergency Management Agency (FEMA). It would give priority to protecting Americans living near missile fields, bomber bases, nuclear submarine ports, and other possible priority Soviet military targets in 31 US states.

"Token" measures—marking old shelter areas like underground garages or subway stations, or building a few new shelters—would be useless in case of a nuclear war today between the United States and the Soviet Union, Dr. Gouré asserted. He spoke at a briefing in which he illustrated with Soviet photographs, films, and texts the USSR's huge civil defense program.

"Between 110 and 140 million Americans," said Dr. Gouré, associate director of the Advanced International Studies Institute of the University of Miami, Fla., "would perish, while Soviet fatalities would likely be under 20 million" because of Soviet protection measures, including comprehensive plans to evacuate cities.

"This means," he added, "that the US would suffer certain defeat in the war and probably extinction as a functioning society. The Soviet Union would survive with its present leadership and system of rule essentially intact," and with power to reconstruct and dominate the postwar world.

The present strategic balance—which former US arms control chief Paul Warnke said last year would tip against whichever superpower developed no comprehensive civil defense system, if the other one did—is now so unfavorable to the US that "the American people are in hostage to the strategic power of the USSR, with their lives dependent on the restraint of the Soviet leadership," Dr. Gouré charged.

While the US has believed a US-Soviet nuclear war would bring "mutual assured destruction" (MAD) of both, and therefore was unlikely, the more vulnerable the US was, the safer it would be, Dr. Gouré contended.

By contrast, the USSR rejects the MAD concept and seals its own "unilaterally assured survival," welcoming the continued weakening of US defenses, he added. Dr. Gouré quoted Soviet military and political leaders as expressing confidence that nuclear war can be successfully fought and won.

In the West, said Dr. Gouré, only Switzerland, Sweden, and Norway have provided their populations with real protection against nuclear war comparable to some of the Soviet measures:

Independent scholarly assessments, and those of British, Swedish, and Swiss intelligence, indicate the Soviets spend about $7 to $35 per person each year on civil defense, while the US spends 45 cents.

The Soviet civilian defense effort, directed since 1973 by Gen. Alexander T. Altunin, is under the control of the Red Army and Soviet Communist Party. About 100,000 full-time civil defense personnel, including 50 Soviet general officers, are supplemented by about 20 million part-time workers.

Soviet schoolchildren get compulsory audiovisual instruction in the second, fifth, and ninth grades in what nuclear warfare is like, and what can be done to survive it. Summer camps give Soviet youths detailed field instruction in conventional and nuclear civil defense techniques even before they are drafted into military service.

Dr. Gouré says the CIA and others have underestimated the Soviet capacity to protect key leaders, crucial industrial workers, and other high-priority people, as well as key industries.●

CREDIT CONTROLS

● Mr. HAYAKAWA. Mr. President, on the face of it, President Carter's proposed credit controls would seem a harsh but necessary step in the effort to curb inflation. A closer look reveals credit controls to be harsh, but ineffective in the fight against inflation. Credit controls cannot directly reduce inflation because they confront a product of inflation, not its cause.

Credit controls are another way for the Federal Reserve Board (Fed) to control the money supply. Thus far, the Fed has done an admirable job controlling supply, but these actions have had no effect on inflation, and have helped push the interest rate to its, now, unprecedented high. Consumers and businesses alike are finding it impossible to obtain loans, the savings rate has dropped, capital formation is foundering, and productivity is declining. Credit controls will give us more of the same. This time, however, the consumer will be hit the hardest.

Consumer credit has become an instrument by which consumers can keep up with inflation. By making purchases with credit, the consumer acquires goods and services at today's price, while paying for it with tomorrow's deflated dollar. In this way, the net effect of inflation on consumer buying power is lessened. Credit controls will confront the consumer with the full impact of inflation—without any hope of reducing that burden.

The administration and the Fed propose to accomplish this by easing contractual relations and regulations set forth in the truth-in-lending law. While the Fed is empowered to make such changes under the Credit Control Act of 1969, one of the policy proposals may run counter to State usury laws, which will require legislation to override. Should the Fed pursue this avenue, I hope my colleagues in Congress will join with me in rejecting this move to usurp States rights.

While the Fed is tightening credit in the private sector, the administration will present us with a balanced budget which fails to account for $60.7 billion in Federal credit activity hidden off-budget, If, as the Wall Street Journal suggests, the purpose of balancing the Federal budget is to get the Federal Government out of the credit market, off-budget loans and credit controls defeat that purpose. If the administration wants to force the Federal Government into the credit market and override State authority, it is doing a fine job.

Until the administration recognizes that cutting the Federal budget, not instituting credit controls, will ease inflation, we will be saddled with high interest rates, skyrocketing inflation, and low productivity. Since it is not within the purview of Congress to manipulate credit restrictions, the American people will have to live with tighter credit. Congress, however, must take the initiative to curtail Federal deficit spending.●

SPEECH BY HORACE R. KORNEGAY BEFORE TOBACCO ASSOCIATES ANNUAL MEETING

● Mr. MORGAN. Mr. President, I have often spoken in support of the tobacco program and what it means to North Carolina and to the South. I am proud to say that in the Tar Heel State we have continued a tradition of small farms, and one reason that we have been so successful is that tobacco requires so much labor that it is hard to farm it on a large scale.

At a time when we are witnessing the impact of the Soviet grain embargo, I would like to remind my colleagues that we continue to export tobacco to many countries and this helps our balance of payments. At a time when oil imports are so detrimental to our economy, I am pleased to say that U.S. cigarettes continue to enjoy worldwide popularity.

On March 12, 1980, Mr. Horace R. Kornegay of the Tobacco Institute delivered a speech to the Tobacco Associates annual meeting in Raleigh, N.C. Admitting that there are problems that tobacco growers and manufacturers must overcome, Mr. Kornegay nevertheless sees optimism for the tobacco farmers of the country. His speech is characterized by commonsense and a positive outlook for people who rely on this crop for their livelihood.

I think that this speech would be of interest to all of my colleagues, and I ask to have it printed in the RECORD.

The speech follows:

SPEECH OF HORACE R. KORNEGAY

Since we are almost at the end of the first quarter of 1980, it is too late to wish you a happy new year. It is not too late, however, to wish you a happy new decade. For 1980 marks the beginning of what I truly believe will be a new decade of vigor, vitality and, yes, even victory for the tobacco community nationally and worldwide.

I look forward to the next 10 years with confidence . . . confidence in and confidence for tobacco.

There are tides in the affairs of man. They ebb and flow, like the Atlantic tides washing the coasts of the five great flue-cured tobacco states—North Carolina, Virginia, South Carolina, Georgia and Florida. And like the ocean current. I see a rising tide for tobacco, a surge that will lift all boats.

Why am I confident? Let me assure you it it not out of blind optimism, mystical faith or unwillingness to face facts. I know, as well as you do that last year was no record breaker. I know as well as you do that:

Gross sales for the flue-cured season were down about 21 percent.

Flue-cured exports were down in poundage and in dollars.

Cool days and wet weather were up during the early part of the growing season and as a result, production was severely reduced.

I am also aware that our leading leaf customer in 1978, the United Kingdom, reduced its take by more than half, and that Europe took a quarter less.

On the other hand, I see a few pluses:

The 1979 flue-cured average price reached $140 a hundred weight, up about 4 percent over the year before.

Devaluation of the U.S. dollar against major strong currencies of the world continues to be a considerable advantage for American flue-cured exports.

The Multi-national Trade Negotiations (MTN) package, which was overwhelmingly approved by Congress, contains significant benefits for U.S. tobacco.

Despite the temporary ebb tide of 1979, however, the upshot of my admittedly unexpert view, is that flue-cured tobacco economy is fundamentally sound, basically strong and potentially on the upswing.

My confidence stems from the ever-growing worldwide popularity of "American blended" cigarettes. Japan may have Sony, Germany may have Volkswagen, but the U.S. has cigarettes. And, never forget, that "American blended" means "American tobacco." In terms of tobacco, we are number one, and that is the tide that I see spiraling higher and higher.

That is the major factor that leads economists to project a doubling of worldwide cigarette use by the year 2000. Right now, world cigarette production has reached the level of about 4.3 trillion units. That is a huge number, even in these days of astronomical statistics. A mathematician calculated that an average length of 80 mm, 4.3 trillion cigarettes, if placed end to end, would reach to the moon and back to the earth more than 440 times.

It makes you think, doesn't it, about the significance and importance of tobacco to the millions of people who grow it, manufacture it, sell it—and to the billions of people who derive pleasure from smoking it.

I hope it makes some of our busy politicians take time to think about tobacco—especially now that they are so actively seeking votes. Getting their attention is not easy. During a recent primary, one candidate was engaged in a hard-fought fast-moving campaign. He was rushing around from speech to speech like a plucked chicken on a hot skillet, busily countering the charges made against him. As he was hurrying out of his headquarters one day, a campaign worker caught him in the hall. "What do you think of the situation now?" the worker asked. "Don't bother me," yelled the candidate, rushing by. "I've got to make a speech. This is not time to think!"

To be charitable to politicians—and all other speech makers—it is too easy to become so immersed in daily activities that we don't take time to reflect on our situation.

It is easier to gripe than to stop and think, and reflect. And, maybe even count our blessings.

Griping is an old American custom. For the most part it's probably harmless—a simple act of letting off steam. It can become a habit, however, a chronically dismal way of looking at the world. The easiest thing to find—for the person who is looking for it—is imperfection. How much better our attitude will be when we look for the things that are right, when we identify with what's best, not what's worst. It's all a matter of what one chooses to look for.

So—join me in choosing to look at some positives.

Many factors influence the future growth of the tobacco market. Among them are economic variables such as prices, taxes, disposable income, population growth, inflation, GNP, and so on. I am no economic expert and will leave their discussion to others. There is one factor, however, which I do know something about. It may be a major influence on the shape of things to come. I refer, of course, to anti-smoking pressure.

Conventional wisdom has it that escalating anti-smoking activities are beginning to be reflected in a leveling off of per capita consumption. That may be, but that figure is not the significant measure. A closer analysis reveals that notwithstanding the mounting anti-smoking barrage, the number of smokers is on the uptrend. According to government figures, there were nearly 49 million smokers in 1972, rising to over 52 million in 1978—an increase of about 7 percent. And most significant, during this period consumption per smoker also rose 1 percent.

Apparently, the anti-smoking message is getting through to the media, but is being rejected by the American smoking public. It also seems to be without great influence in Congress. Not one of the 20-odd anti-smoking bills has moved beyond the introduction stage. Even the tobacco support program, the favorite whipping boy of anti-smoking Congressmen, has lost its appeal. Senator Frank Moss of Utah, who was a leading antagonist, is long gone from Capitol Hill. His replacement as tobacco support foe, Rep. Jim Johnson of Colorado, has decided not to return to Congress. Even Joe Califano, the Nation's anti-smoking Ayatollah, has been sent packing.

And so there is calm in the Congress and the Federal bureaucracy regarding price supports. Let me read you the present statement of HEW on this subject:

"Both the Surgeon General and the Director of the Office on Smoking and Health, have gone on record as saying that the support program does not affect cigarette consumption."

"The tobacco price support program keeps the price of tobacco stable—if the program were withdrawn, tobocco prices would fall and also the price of cigarettes would fall—this might encourage more young people to buy cigarettes."

I think you will agree it is in marked contrast with their former demands for the elimination of the support program.

But let us not be lulled into a false sense of security. If HEW has cooled off, the voice of organized medicine, the American Medical Association, has heated up. The AMA, whose members now collect government funds for Medicare and Medicaid, is now among the loudest critic of what it calls the "inconsistency" of government "subsidies" to tobacco growers.

Worse yet, this foe of Federal regulation, is urging its members to join the anti-smoking cause and lobby for government regulation of smoking in public places and places of employment. Some of their people would like to turn a doctor's office into an anti-smoker's campaign headquarters.

It saddens me to see those who oppose government regulation of health and medical care seduced into the ranks of those who want to prohibit an individual's freedom to smoke in restaurants, taverns, office buildings, and other public places.

Remember to ask your family physician how he feels about it the next time you see him. Remember to tell him how you feel about it. It may be that your objection may lead him to object to what his organization has committed him to without his full approval.

In the decade ahead, you will have ample opportunity to stand up and shout for what you believe. There is no profit in standing by and suffering in silence. Here are a few other areas of interest to our opponents.

Tobacco will continue to be attacked at the state and local levels, as places of recreation, transportation, and occupation become zones of repression. In Congress, we can expect new and ingenious legislation to harass this industry and its consumers. Our opponents will attempt to drag smoking into controversies such as air pollution, occupational disease, fire safety, life insurance, workers' compensation, and oral contraceptives. They will try to involve tobacco in an "environment versus lifestyle" controversy, a much wider war which will include many other agricultural interests in America as targets, and therefore, potential allies. The growers problem of today will become the dairy farmers and cattlemen's problem of tomorrow. You will not be the solitary victim—I can assure you.

The new attacks, however, have an odor of desperation about them. Fundamentally incredible, they grow out of the frustration that stems from 20 years of failure to prove the case against tobacco and 20 years of failure to propogandize people into quitting.

After all the anti-smokers labors, the question of what causes cancer is still a question. The indictment of tobacco is still based almost entirely on the manipulation of figures to reach conclusions which are not supported by all of the data. And some of our opponents are very good at playing this game—recalling Disraeli's observation that there are "lies, damned lies, and statistics."

The best statistician I ever knew was not a scientist or medical man, but a lawyer. He had to settle the estate of a farmer who willed his 17 cows to his three sons, as follows: "I leave half of them to my eldest son; one-third to my second son; and one-ninth to my youngest son." The family lawyer scratched his head over the problem, but soon was blessed with a brilliant statistical inspiration. "Look, I have a bull, which we will consider a cow and which added to the 17 cows makes 18. Then the eldest son gets one-half, which is 9; the second son gets one-third, which is 6; and the youngest son gets one-ninth, which is 2. You add these up [9 plus 6 plus 2] which gives 17—I take my bull back and everybody is happy."

I think everybody would be happier if all those other clever statisticians took their bull back with them too.

Again, choosing to look for positives, let me point out one good thing has come out of the smoking and health controversy. As a result of our constant call for objective scientific research, the controversy has generated considerable investigations into other alleged causes of cancer. And now prestigious scientific research laboratories are identifying environmental, occupational, and chemical factors as possible causes. The simplistic charge that smoking is the major cause no longer holds sway in the scientific community or among the public either.

The simplistic case against tobacco as the single most important cause—which, of course, never was true—is now no longer credible. Each day's newspaper and each night's network news brings out new scientific findings pointing toward a new culprit.

This turn of events did not happen by chance. I believe it is the result of our 20-year dedication to objective scientific research—and equally important to our massive resistance against unfair, untruthful, unsubstantial attacks.

Yes, we may have seemed stubborn, unyielding, hardbitten holdouts. But so be it. You can't compromise with objective reality. You can't broker scientific research findings. You can't make a deal with gaps in knowledge and pretend that someone is in the possession of truth when, in fact, he only has a loose grip on the unknown.

I would hope that we can—all of us—transport this attitude into the 80's. If we do, I am confident that when you invite me back to speak to you 10 years from today, my text will be all hosannas and hallelujahs.

Let us never forget that we tobacco people are a proud people—with much to be proud about. I would like to read you a passage from a book, "Mules and Memories," it was written by Pamela Barefoot who grew up in a tobacco patch in North Carolina.

"There are as many kinds of tobacco farmers as there are tobacco! The mountain people of Kentucky grow it in backyard patches and the Carolina flatlanders cultivate dozen-acre spreads. Tobacco is grown by the Cajuns of Louisana and the Crackers of Florida. It is grown by rich folk and poor, by black and white, by farmers who own the land and farmers who are tenants, by those who have switched to mechanized farming and those who stick with the hand-labor methods of generations.

"Despite the variety of tobacco farmers, they share certain things in common, including a belief in hard work, and a commitment to family, community, and rural life. Most important of all, they are convinced that tobacco is as crucial to their economic well-being as it was for the settlers of Jamestown in the early 1600's."

As we advance into the 80's, let us resolve here and now, to take pride in our past and be confident in our future.●

BYELORUSSIAN INDEPENDENCE DAY

● Mr. DOLE. Mr. President, March 25 is a day remembered by all Byelorussians as the day of the establishment of the Byelorussian Democratic Republic, proclaimed in the city of Minsk where the first Byelorussian Congress convened on December 17, 1917. Independence ended 125 years of oppression under the tyranny of the rulers of the vast czarist Russian empire.

The events that followed the Russian revolution were, however, to have their effect on the history of Byelorussia, who fell victim of the same ploy that engulfed other neighboring independent countries. On January 1, 1919, the Moscow Government proclaimed the Byelorussian Soviet Socialist Republic, reaffirming its power over the fictitious state thus created by military attack and conquest in 1921. Afghanistan has proven that nothing has changed.

In violation of the Helsinki agreements, the Soviet Union has continued to deprive the Byelorussian people of the human rights it pledged to observe. The Russification efforts directed by the Kremlin have intensified. In an attempt to eradicate Byelorussian language and culture, the Soviet leaders have clearly not yet learned the futility of such efforts, and are oblivious to historic failures encountered by other nations who engaged in similar endeavors to colonize alien territories.

The Byelorussian people has not submitted to the chain of Soviet domination with docility. Writer Michal Kukobaka, one of the most eloquent exponents of Byelorussian identity, has long protested Soviet violations of human and political rights. He is the author of a fine essay on the Byelorussian consciousness, "The Stolen Motherland," and has renounced his Soviet citizenship, in a bold and courageous move.

Mr. Kukobaka has been imprisoned by the Soviet authorities, and is reported to be suffering of poor health. His struggle is symbolic of his people's quest for freedom, a quest that will not be thwarted.

I have written to Ambassador Dobrynin on his behalf, and to President Brezhnev, urging that Mr. Kukobaka be released. I believe that it is imperative that we maintain our efforts on behalf of the Byelorussian people, and on behalf of men and women such as Michal Kukobaka. It is imperative that we maintain the degree of our protests to the Soviet leaders, as a demonstration that indeed we do care, and that their actions are of universal concern, and not merely the internal affairs of the Soviet Union.●

ANATOLY SHCHARANSKY

● Mr. STONE. Mr. President, the passage of the third anniversary of the arrest of Anatoly Shcharansky marks for all of us a period of growing frustration and concern with the continued disregard for human rights on the part of the Soviet Union.

Anatoly Shcharansky is a symbol for all Americans—at once a symbol of Soviet oppression and human bravery as he persisted to monitor and pursue Soviet compliance with the Helsinki accords. He is a symbol of courage for the Soviet emigration movement. As one of the leading and most vocal spokeman for human rights in the Soviet Union, he was subjected to a brutal separation from his wife Avital, who for the last 3 years has worked, prayed, and hoped for their reunification in Israel. The tragic yet persistent struggle of this man, his family, and friends has captured the heart and support of America.

It was most appropriate that during the past week Members of Congress as well as top administration officials spoke out on behalf of Anatoly Shcharansky. For Anatoly Shcharansky, outrageously and unjustifiably locked up in a Soviet prison cannot now speak aloud for himself. And because he has been so brutally silenced we shall not rest until Shcharansky is free and reunited with his family and loved ones. We shall not cease to work for the cause he has come to represent and will continue to speak out not only for Shcharansky, but for all of the human rights activists, intellectuals and scientists who have had the courage to challenge Soviet repression. We will continue to work for Sakharov, Nudel, Gubermen, Roitburd, Orlov, and all others who are subject to Soviet oppression.●

ASSASSINATION OF ARCHBISHOP ROMERO

● Mr. KENNEDY. Mr. President, the senseless murder of Archbishop Oscar A. Romero of El Salvador while celebrating a memorial Mass is not only a human tragedy, it is a brutal blow against the universal cause of peace, justice, and human dignity. Archbishop Romero is now a martyr in that cause.

The Archbishop was one of the very few voices of reason and compassion in a country torn by violent repression and terrorism. Despite repeated threats against his life, he stood courageously for the rights of all people in El Salvador and against the abuse of those rights from whatever source. He recognized and rose to his "obligation to see that faith and justice reign in my country."

Last month, Archbishop Romero wrote to President Carter in opposition to U.S. plans to provide military assistance to the current military-civilian government of El Salvador. He told the President that:

> If you truly want to defend human rights, prohibit the giving of this military aid to the Salvadoran government. Guarantee that your government will not intervene directly or indirectly with military, economic, diplomatic or other pressures to determine the destiny of the Salvadoran people.

The administration and Congress should heed Archbishop Romero's call and refuse all military aid to El Salvador. His assassination is a stark reminder of the overwhelming need to turn away from repression and violence and toward peace and justice in El Salvador and throughout Central America.

In the wake of this latest tragedy, let us hope that all sides step back from the precipice and recognize that there is no future in violence, no victor in bloodshed, and no triumph in civil war. Let us encourage them to declare a truce to the violence and to pursue a lasting political accommodation, based on the ideals of Archbishop Romero, that offers the only hope for peace and reconciliation to the millions of Salvadorans who remain poor, hungry, sick, oppressed and in despair.

I request that the full text of Archbishop Romero's letter on February 17, 1980 be printed at this point in the Record.

The letter follows:

FEBRUARY 17, 1980.

DEAR PRESIDENT CARTER: In the last few days, news has appeared in the national press that worries me greatly. According to the reports your government is studying the possibility of economic and military support and assistance to the present junta government.

Because you are a Christian and because you have shown that you want to defend human rights, I venture to set forth for you my pastoral point of view concerning this news and to make a request.

I am very worried by the news that the government of the United States is studying a form of abetting the army of El Salvador by sending military teams and advisers to "train three Salvadoran batallions in logistics, communications, and "intelligence". If this information from the newspapers is correct, instead of promoting greater justice and peace in El Salvador, it will without doubt sharpen the injustice and repression against the organizations of the people who repeatedly have been struggling to gain respect for their most fundamental human rights.

The present junta government and above all these armed forces and security forces unfortunately have not demonstrated their capacity to resolve, in political and structural practice, the grave national problems. In general they have only reverted to repressive violence, producing a total of deaths and injuries much greater than in the recent military regime whose systematic violation of human rights was denounced by the Inter-American Commission on Human Rights.

The brutal form in which the security forces recently attacked and assassinated the occupiers of the headquarters of the Christian Democratic Party, in spite of what appears to be the lack of authorization for this operation from the junta government and the party, is an indication that the junta and the party do not govern the country, but that political power is in the hands of the unscrupulous military who know how to repress the people and promote the interests of the Salvadoran oligarchy.

If it is true that last November a "group of six Americans were in El Salvador . . . providing $200,000 in gas masks and flak jackets and instructing about their use against demonstrators," you yourself should be informed that it is evident since then that the security forces, with better personal protection and efficiency, have repressed the people even more violently using lethal weapons.

For this reason, given that as a Salvadoran and an Archbishop of the Archdiocese of San Salvador, I have an obligation to see that faith and justice reign in my country, I ask you, if you truly want to defend human rights, to prohibit the giving of military aid to the Salvadoran government. Guarantee that your government will not intervene directly or indirectly with military, economic, and diplomatic or other pressures to determine the destiny of the Salvadoran people.

In these moments we are living through a grave economic and political crisis in our country, but it is certain that it is increasingly the people who are awakening and organizing and have begun to prepare themselves to manage and be responsible for the future of El Salvador.

It would be unjust and deplorable if the intrusion of foreign power were to frustrate the Salvadoran people, or to repress them and block their autonomous decisions about the economic and political form that our country ought to follow. It would violate a right which we Latin American Bishops, meeting in Puebla, publicly recognized when we said: "The legitimate self-determination of our people that permits them to organize according to their own genius and the march of their history and to cooperate in a new international order."

I hope that your religious sentiments and your feelings for the defense of human rights will move you to accept my position, avoiding by this action worse bloodshed in this suffering country.

OSCAR ROMERO,
Archbishop of San Salvador.●

ALLARD LOWENSTEIN—HE MATTERED

● Mr. METZENBAUM. Mr. President, we were all shocked and saddened to learn of the untimely death last week of Allard Lowenstein. I knew him as a sensitive human being who put concern for others above all else.

As R. James Woolsey so aptly put it in a column in the March 16, 1980, edition of the Washington Post:

> He fought racism, not racists—the latter, he always thought, might be converted. He fought the abuse of American power, not America.

Al Lowenstein was a symbol for all of us. He was a symbol of determination and perseverance many times in the face of overwhelming odds. In an era when many activists decided for themselves that the system would not work and rebelled against it, Al Lowenstein firmly believed that the only lasting benefits were to be made by staying within the system and making it work better.

As Mr. Woolsey puts it in the same article:

> His message was always the same, whatever the particular issue that fired him up that month: you can make the system work, get outside yourself, there is a lot to be done.

I can think of no better epitaph for Al Lowenstein than the last lines of another column by Richard Cohen in the same issue of the Washington Post:

> He mattered.

Mr. President, I ask that both articles be printed in the Record in their entirety.

The articles follow:

REMEMBERING A MAN WHO MATTERED THROUGH THE YEARS

(By Richard Cohen)

On Friday, a man named Sweeney walked into the law office of Allard K. Lowenstein and shot him dead. Lowenstein was 51 years old. He has three children and a former wife and several thousand friends and they will all tell you the same thing about him: he mattered.

He mattered in Mississippi and he mattered in New York politics and he mattered in the U.S. Congress and in southern Africa and in the National Student Association, but he mattered most—at least for me—when he stopped Lyndon Johnson cold in New Hampshire. It was 1968, and Allard K. Lowenstein had set out to end the war in Vietnam.

I know that one man is not supposed to be able to do that. I know that historians debate whether even heroes—emperors, generals—control events or whether it is the other way around. I know a teacher who things that the correct answer to the question "who discovered America" is "the Nina, the Pinta and the Santa Maria." Allard Lowenstein would not have liked that teacher.

Lowenstein helped organize something called the New York Coalition for a Democratic Alternative. It was dubbed the Dump Johnson Movement and it was given no chance of succeeding. No one thought Al Lowenstein could succeed. No one but Lowenstein. That proved in the end to be more than enough.

In 1968, I was a graduate student. In 1968, I was also a member of the United States Army Reserve and bitterly opposed to the war in Vietnam. I'd already decided that if called to fight, I would not. I would go to some other country—Canada, Sweden. I had told my parents this and they had said, simply, that they understood.

Lowenstein worked near where I lived. At night, I would walk my dog and see the lights burning late. Several times, I looked up the stairs and thought about going in, but every time I backed out. It was foolish. It was senseless. Johnson would win a second term. The war would go on and on and no one, especially me, could do anything about it. Later, I went up to New Hampshire. I went to write about the primary, Eugene McCarthy's campaign, as a student. I already knew, of course, how Lowenstein had gone to Robert Kennedy and asked him to run against Johnson and how Kennedy, anguished, had finally turned him down. In January of that year, at the Commonwealth Club of San Francisco, Kennedy had in fact endorsed Johnson.

Lowenstein then went to McCarthy. McCarthy also said no, muting that along the way to a maybe. McCarthy also went west—to Berkeley across the bay from San Francisco. There he gave his standard antiwar speech, but this time called for the resignation of Secretary of State Dean Rusk. The kids went wild. McCarthy became hopeful. He declared for the presidency and Al Lowenstein, working hard once again, cajoled him into that race in New Hampshire.

Much later, of course, Lowenstein would become something of a celebrity and everyone would have his story. He would call in the middle of the night and come over to sleep. He was always on the go, sleeping in his clothes, a kind of hobo of lost causes. Friends who were in South Africa, for instance, were not surprised when Lowenstein dropped in on them in their hotel, asking only if he could use the shower. He stayed for awhile and left. He was wearing dungarees and a New York Yankees baseball jacket.

But on election day in New Hampshire, Allard Lowenstein was not yet a celebrity. That day, he got into his white Mustang for the drive from Manchester to Concord. He sat in the back and talked with me while a student volunteer drove. It was beginning to snow, but Lowenstein wanted to make the trip anyway. He was going to see the student volunteers. He wanted to make sure they didn't flag on this last day. He was going to see a kid named Sam Brown.

We arrived in Concord as the snow was beginning to tell. Lowenstein flew into action. He cajoled the kids to work harder.

He went from one to another, talking to them as they made their last minute get-out-the-vote calls from little pine stalls. He was a bundle of energy, a short man with hair combed forward, strong and kind and always distracted.

After exhorting the students to even greater efforts, Lowenstein returned to Manchester. In the evening, the results started to come in and pandemonium broke loose. McCarthy was winning. People cried and people laughed and finally, they called for Allard Lowenstein to say something.

Lowenstein stood in the glow of the television lights, a little man, strangely shy, and he said that McCarthy's victory proved that the system worked. He made it sound like it would all have happened without Allard K. Lowenstein but that is not the case. A couple of thousand people could tell you, but the whole nation ought to know.

He mattered.

HE MADE A DIFFERENCE

(By R. James Woolsey)

Of the innumerable people who knew Al Lowenstein, and who were weeping Friday night when we learned he had been shot and killed in New York, I was far from the closest confidant. I was just one of many who with some reason, called themselves "a friend of Al's"—one member of that small army whose lives he had changed.

I remember how sleepy a place Stanford was, politically, when he arrived there as an associate dean during my sophomore year, nearly two decades ago. It was clear from the first time you met him that he couldn't be pigeonholed. One day he would be defeating a South African official in a debate on apartheid, with devastating logic and quick wit. The next day the head of an Eastern European government-in-exile would be telling a conference of astonished campus conservatives that Al Lowenstein was the most effective opponent of communism in America. A liberal in the finest sense of that tradition, he was both colorblind and a patriot. He fought racism, not racists—the latter, he always thought, might be converted. He fought the abuse of American power, not America. He wore that American flag lapel pin in later years with pride.

His targets among the students were the bright-eyed Midwestern WASPs, the jocks, the serious engineers, the people like me, who normally would never have thought of getting involved in politics, civil rights or any of his other passions. He went where they were—the fraternity houses, the gyms (he was a superb wrestler), the religious-group meetings. His message was always the same, whatever the particular issue that fired him up that month; you can make a difference, make the system work, get outside yourself, there is a lot to be done.

He had no instinct for the jugular, a trait that probably doomed his own political career. He was never really comfortable or happy working to promote himself during his own congressional campaigns, and he was never as good at that as he was at mobilizing those armies of college kids behind some larger cause, such as racial justice.

The political cliche, "Don't get mad, get even," was entirely alien to him—he always allowed for the possibility of redemption. He'd come back again and again. If you disagreed with him on foreign policy, he'd get you involved with civil rights. If not this month, next.

After a few years, when you got married and went to graduate school or started work, he didn't really expect you to make the grand sacrifices of time needed to go organize voter registration drives and the like with him, but he'd still call or write now and then. His records of telephone numbers and addresses—like his day-to-day schedule and plans—were always hopelessly chaotic and out of date, so you were forever getting post cards mailed on his last trip to South Africa four months late, forwarded three times. Occasionally, you'd still get a call at some odd time of night from yet another college sophomore, 15 years your junior, who was doing what you once did—attempting the impossible task of coordinating Al's travel and meetings. The kid had just been told to call you and ask you if you could pick Al up at the airport in half an hour and take him to so-and-so's apartment. As you drove to the airport in the middle of the night, you'd wonder if you weren't too old for all this. But the 20 minutes in the car with him were always worth it. Listening to him describe his newest cause and his next moves—which were eternally changing and which he shared with everyone—you got a whiff of delicious nostalgia for the time years ago when you and he had slain that season's dragon together. And even when his newest effort sounded outlandish or absolutely hopeless, you remembered ruefully how you had told him knowingly in the fall of 1967 that he would never be able to use a presidential candidacy by an unknown senator to defeat a sitting president and turn the country against the Vietnam War.

As the generations of college sophomores passed through his tutelage and he entered middle age, it began to become apparent what he was—not the politician, lawyer, academic or author he sometimes tried to be, but a peripatetic one-man school for several generations of Americans. The examples in his course varied constantly. Some were well chosen, some not. But the underlying lesson plan had only two main themes, always the same. First, that this crazy lovable country can work, but it's up to you. Second, the lesson Learned Hand said that mankind "has never learned, but has never quite forgotten; that there may be a kingdom where the least shall be heard and considered side by side with the greatest."

Goodbye, Al. And thanks.

We'll take it from here.●

THE LIBBY REREG DAM CONTROVERSY: EVEN FOOLS ARE RIGHT SOMETIMES

● Mr. BAUCUS. Mr. President, Winston Churchill once said that the greatest lesson in life is to know that even fools are right sometimes.

Well, I would like to think I am not a fool. And, I would like to think that I am right more than once in awhile.

But right now, I feel like a political fool, and, after all, most likely it was political fools that Winston Churchill was addressing. My guess is that my House colleague from Montana, Representative PAT WILLIAMS, feels like a political fool as well. The reason is that together we are fighting $300 million of Federal spending in our own State—Montana.

That is over $400 for each person in our State.

Now, you know and I know it is real political folly for Members of Congress to criticize Federal spending back home—any Federal spending back home. Oh, we are supposed to fight against spending and pork barrel, all right. It is just that someone laid down a commandment for Senators and Congressmen: "Thou shalt not criticize Federal spending in thine own State. Period." It is like by definition there cannot be any wasteful spending, no pork barrel, in your own State—only in the next fellow's.

That is why I feel politically foolish. Criticizing a Federal spending project in your own State is foolish politically. But that does not mean we are not right. And it does not mean that wasting $300 million tax dollars is not wrong—no matter where that waste may occur.

I guarantee you, if there were any way—any way at all—spending this much money on a project near Libby, Mont., could be honestly justified, I would do so.

But it cannot be.

I have looked and looked at these figures, and the spending can not be justified.

I would like to take this opportunity to explain why two Members of Congress—the Congressman representing the district involved, and a Senator representing the State involved—are so politically foolish as to break the commandment: "Thou shalt not criticize Federal spending in thine own State."

HIGHLIGHTS OF THE FACTS

What the project is:

The "Libby Additional Units and Reregulating Dam" (LAURD) is a U.S. Army Corps of Engineers project to construct a reregulating dam 10 miles downstream of the existing Libby Dam. The additional dam, plus the addition of four generators on the existing dam, would convert the entire operation into a "peaking power" facility. The project cost is $300 million.

Why it is controversial:

The corps was constructing LAURD when a lawsuit stopped most work. A Federal court found that the money was being spent illegally—that Congress had not authorized construction of the reregulating dam. New legislation to authorize the reregulating dam was defeated in the House of Representatives a few weeks ago when the Congressman representing the district—PAT WILLIAMS—urged its defeat as a wasteful expenditure. So, while the project may be brought before the Senate, it faces opposition from its district's Congressman and a Senator from its State.

Important facts:

First. Benefit-cost. The General Accounting Office (GAO) has conducted a new, extensive study of the project. GAO finds that there will be only 58 cents in benefits for every dollar of cost: This is the worst benefit-cost ratio ever found by GAO in studies of similar projects. The corps promises a ratio of at least $1.60 in benefits per $1 of costs. This is the corps' newest figure. (The corps' figures keep going down; until recently, the corps promised $2.30 to $1).

In brief: LAURD is $300 million of Federal spending for the worst benefit-cost ratio ever found by GAO—and both the Congressman from the district and a Senator from the State agree it is too wasteful to build.

Second. LAURD is not a normal "water project." It is a "peaking power" project only. This distinction is important. The West needs good water projects—to irrigate farm lands, to stop floods, to provide recreation, and to provide new power. But the LAURD project will not irrigate one acre. It provides no flood control. It provides no recreation. And, most important, LAURD will not provide any significant new power.

LAURD's sole purpose is to convert the existing dam from a "baseload" facility to a "peaking" facility. The question is whether the kilowatts are produced continuously at a lower rate (baseload) or intermittently at high-but-short surge rates with long periods of inactivity (peaking). GAO points out that no one has really established a need for more peaking capacity. But even if there were a need, this is $300 million for almost no new power, no irrigation, no flood control, no recreation.

By itself the LAURD project will produce about 7 new megawatts of power. That is about $43 million per megawatt. The Corps is now suggesting that three more generators be added to the rereg dam. This would add another 32 megawatts of energy.

In brief: LAURD is not a normal water project. It is a peaking power project only.

Third. Alternatives not explored: Bonneville Power Administration (BPA) says that for this much money 200,000 homes could be properly insulated in the Pacific Northwest. Unlike LAURD this would mean new power—by freeing up 12 times the energy produced by LAURD. (Even if you add the Corps' new proposal for even more generators—the insulation would still do better by nearly 3 to 1.)

GAO's report—besides pointing out that new peaking capacity may not be needed, especially at the cost of lost baseload capacity—suggested several alternatives for meeting peaking needs if these needs do grow. These would likely be cheaper and more effective. The word "likely" is because GAO points out that the Corps did not study these possible alternatives.

A couple of GAO's examples are "load management"—to decrease peaks of demand, and "power transfers" with the Pacific Southwest. Power transfers would allow Southwest summer air conditioner peaking demand to be met by Northwest power; Northwest winter heating peaking demand would be met by Southwest power.

In brief: LAURD is being pushed without other peaking power alternatives being explored—without even good figures on the need for more peaking capacity. If we need it, let us build it. But if alternatives would be cheaper, let us at least look at them.

Summary of facts about the Libby Rereg Dam controversy:

First. The Libby project, called "LAURD" would cost $300 million.

Second. GAO's recent study gives it the worse benefit/cost ratio in GAO's long history of similar studies—58 cents in benefits for each $1 spent.

Third. Both the Congressman from the district and a Senate from the State agree it is too wasteful to build. (When is the last time you heard of a Member of Congress fighting to kill $300 million in Federal spending in his own State?)

Fourth. LAURD is not a normal water project. It is solely a peaking power project. No irrigation. No flood control. No recreation. Almost no new power. It just substitutes surges of power for continuous power.

Fifth. Alternatives to LAURD have not been explored. Even the need for new peaking capacity has not been established.

I ask that an analysis I have had prepared of the major points in controversy be printed in the Record at the conclusion of my remarks.

Analysis of Controversial Points Concerning the Libby Additional Units and Reregulating Dam (LAURD) Project

BENEFIT-TO-COST RATIOS

Overview: No benefit-to-cost ratio (b/c) ratio is any better than the assumptions used to produce it. (After you make assumptions about a number of key factors, all that is left is math; both the Army Corps of Engineers and the General Accounting Office [GAO] are good at math.)

There are a number of problems with forecasting LAURD's future benefits and costs. How you solve these problems determines what the final benefit-to-cost ratio will be.

Benefits: The first problem is to figure what the benefit of the project will be worth over the years ahead. Since the Corps does not expect the LAURD project to produce any irrigation, flood control, or recreation, LAURD's benefits come down to the dollar value assigned to the peaking power it will produce. This means multiplying the number of peaking kilowatts by the dollar value of each kilowatt.

The dollar value of these kilowatts is one of the biggest controversies. The dollar value of this power is what you would have to pay to get the same power from another source in the years ahead. The other source which the Corps suggests is oil. So, the Corps says the benefits assigned to these kilowatts equal the dollar costs of producing the same number of kilowatts by burning oil. The Corps goes on to say that the cost of burning oil will go up each year by 6.1 percent more than the general inflation rate.

GAO disputes this.

GAO reports that the best experts it could find during its study say that oil cost is likely to go up about 2% faster than the general inflation rate, not 6.1% faster.

Here, it is worth stopping to explode a myth: There is a rumor that GAO's study assumes that the annual rate of inflation for oil would be only 2%. This rumor is not true. The 2% figure given by GAO is in addition to regular inflation, just like the Corps' 6.1% figure. These figures are called "fuel escalators." Right now, the rate of inflation for 1980 given by the Consumer Price Index is 18%. GAO's fuel escalator would suggest that fuel prices should rise by 2% more than this (a total of 20% in 1980), and the Corp's fuel escalator suggests that fuel prices should rise by 6.1% more than this (for a total of 24.1% in 1980.)

At the Congressional Research Service, the Library of Congress' specialist in energy and utility economics has taken a fresh look at both the Corps' and GAO's figures. The Library of Congress report says that it is not even reasonable to compare LAURD costs only to oil costs—because in Montana and the Northwest, oil is not used to produce much power. Coal is used throughout the Northwest, and in Montana natural gas also is used. Both are much cheaper than oil. Further, while coal is not normally used for true "peaking", it can be used for the "intermediate peaking" which will be a lot of what LAURD would be used for.

Further, the Library of Congress report suggests looking at the difference between the inflation rate for coal and the rate of inflation for the industrial sector of our economy. (The general inflation rate is lower than the rate of inflation for the industrial sector.) Using the same source for figures that the Corps used, but substituting coal and the industrial sector inflation rate, the Library of Congress report suggests a fuel escalator of −1.35%. That is, this report suggests that coal prices are expected to increase at a rate 1.35% slower than the average increase of prices in the industrial sector. This in turn suggest that both the Corps' and GAO's fuel escalators are too high. Accordingly, both the Corps and GAO may have actually exaggerated the benefits of LAURD in their analyses and in their resultant benefit-to-cost ratios.

SUMMARY OF BENEFITS CONTROVERSY

The Corps equates LAURD benefits with the cost of producing equivalent power by burning oil. It says that the "fuel escalator" (the rate energy costs may increase in addition to other inflation) is 6.1 percent or at least 4.15 percent. GAO used a fuel escalator of 2 percent—remember, that's 2 percent above the general inflation rate. The Corps says that 2 percent is unrealistically low.

This point is so controversial it is worth noting that in an earlier (September 1979) report on LAURD the Corps itself had stated, ". . . A wide range of fuel escalator rates have been cited in recent literature, with most values in the two-three percent range." (See September 1979, Army Corps report to GAO concerning production cost model.)

The Library of Congress reports that not only may the Corp's b/c ratio exaggerate benefits, but that even GAO's lower b/c ratio may also exaggerate benefits. The Library of Congress used the Corp's source of figures but substituted coal (prevalant in Montana) for oil and substituted the industrial inflation rate for the general inflation rate. Doing this it developed a fuel escalator of not 6.1 percent or 4.5 percent or even GAO's 2 percent; it found a fuel escalator of −1.35 percent.

COSTS

The Library of Congress also pointed out that legal requirements kept the Corps from reporting the LAURD project's costs correctly.

In order to figure the project's costs, one thing you have to decide is how much the money tied up in the project will be worth over the years ahead. You do this by figuring out how much the government could borrow this money for. This makes extra sense when you realize that any dollar spent on any project could instead be spent on paying off some of the national debt; therefore, this money's "cost" is at least as much as how much the government pays in interest for borrowing the same amount of money. The government currently pays an average of over 9 percent interest on the money it has borrowed. (Right now, the government is paying between 11 percent and 13 percent interest on any new borrowing it does.) But the Corps is legally required to assume that the government is paying only 7⅛ percent interest on this money. GAO also assumed a 7⅛ percent interest rate, again because that is what the Corps is legally required to do.

What this means is that the costs portion of the benefit-to-cost ratio is being understated because of this artificial requirement that b/c ratios must assume that the government pays no more than 7⅛ percent interest on the money it borrows.

In short, the Corps argues that inflation is pushing up the costs of alternative energy sources—thus increasing the value of LAURD's benefits. But if inflation somehow increases the value of LAURD's benefits, we must remember that inflation also increases the costs of the dam—not just the increased costs of actual construction, which is a separate issue, but the fact that every dollar used for the dam could be used to decrease the national debt, thus saving the interest on that debt.

Building LAURD costs the government the opportunity of using this money another way—including paying off some of the national debt. Real interest on the debt is now averaging over 9 percent and going up. Both the Corps' and GAO's b/c ratios assume that this interest is 7⅛ percent.

HOW THE BENEFIT-TO-COST RATIO IS FIGURED— THE OTHER B/C RATIO CONTROVERSY

The Corps figured its b/c ratio by using what it calls "traditional methods": This means comparing the LAURD project's costs and benefits to the costs and benefits of other possible sources for the same electricity. The least costly way of getting the job done is what you select

GAO believes there is a better way to do all this called "Production Cost Modeling": This way means comparing the LAURD project costs and benefits to the costs and benefits of other possible sources of the same electricity (just as the "traditional method" above), selecting the least costly way of getting the job done (again, just as the traditional method above), and then, in addition, considering the difference between Libby Dam's use now and its use after LAURD would be completed—how this difference would affect the entire energy system under discussion. GAO wants the Corps to compare Libby Dam with and without LAURD to see what the total system's costs and benefits would be over a year of real operations.

The Corps calls GAO's suggestion, "an exaggeration of the state-of-the-art," saying that GAO's analysis is "superficial", "hastily prepared," and "cannot be supported by reliable sources." (See the Corps' comments of February 26, 1980, in response to GAO's report.)

GAO points out that the Corps itself in an earlier LAURD b/c analysis used the production cost model and defended this as late as September, 1979, when the Corps said, ". . . the incremental analysis approach, as derived from the production cost model, was used to make the evaluation. This method is widely used and it is the method advocated by FERC (Federal Energy Regulatory Commission), USBR (U.S. Bureau of Recreation), and others." (See September, 1979, Army Corps report to GAO concerning production cost model.)

So, the method of figuring the b/c ratio of LAURD proposed by GAO and strongly attacked by the Corps as one that "cannot be supported by reliable sources" is the method that a few months ago the Corps itself utilized and described as "widely used" and "advocated by FERC, USBR, and others."

These are the three basic benefit/cost ratio controversies—(1) How the benefits are figured and what fuel price "escalator" to use, (2) how the costs are figured and what the interest rate on borrowed money should be and (3) whether the b/c ratio should be figured by traditional means or by figuring LAURD's total impact on Northwest energy supplies.

OTHER BENEFIT/COST RATIO CONTROVERSIES

Besides these three big issues, there are several other controversial but smaller factors involved in the b/c dispute. These include such things as road relocation and cultural resources preservation. These are not "big ticket" items, but GAO found fault with the Corps for not including them in the Corps' b/c computations. The Corps has now included some of these in its newest b/c analysis, and the Corps' recomputations, based on some of these costs' being figured, may be part of the reason the Corps has revised its b/c ratio down from 2.3-to-1 to 1.9- or at least 1.6-to-1.

ALTERNATIVE MEANS TO MEET PEAKING NEEDS

Beyond the benefit-to-cost question is the question of what other ways we have of meeting future peaking needs.

The Corps' basic position is that the Pacific Northwest faces potential peak power shortages; that even with ongoing work on alternatives to LAURD, LAURD will still be needed—as a key addition to all the other activities.

GAO searched the Corps' documents and states, "we found no evidence that they (other ways of meeting peaking needs) had been studied as specific alternatives to the LAURD project. BPA (Bonneville Power Administration) and regional power planning officials told us that they know of no studies specifically comparing possible peaking alternatives to the LAURD project." (See GAO comments of March 10, 1980 on the Corp's response to the Libby Dam GAO study.)

The Corps and GAO agree that alternative ways of meeting or reducing peaking needs should be pursued. The Corps says it is pursuing other ways of meeting or reducing peaking needs, and that it has studied them as alternatives to LAURD. The Corps believes these ways are not reliable enough to avoid the need for LAURD.

GAO says its auditors could find no evidence of any significant study of alternatives as they might relate to LAURD. GAO believes that these alternatives should be studied before, not after, spending the $300 million.

Following are some of the controversial "non-structural" (meaning no-major-construction-needed) alternatives:

1. Co-generation: Co-generation is where an industrial plant, like a timber mill, reuses heat it would otherwise waste in order to generate electricity.

The Corps says, "co-generation . . . is in its infancy and it may or may not prove a practical source of peak power. . . . If co-generation is primarily a source of energy with questionable dependable capacity, it is not a true alternative to LAURD. Even the GAO report itself, notes obstacles to development of co-generation." (See the Corps' February 26, 1980 response to the GAO report.)

GAO says the Corps is wrong in stating that co-generation "is in its infancy", that there are already more than 400 megawatts of installed co-generation capacity in the Northwest, and that there is co-generation potential at industrial sites in the region for about 1000 megawatts more than what is now installed. GAO points out that the obstacles to doing more co-generation are not technical, but institutional—red tape and regulations. A recent Federal Energy Regulation Commission (FERC) decision will remove some of that red tape and encourage even greater use of co-generation.

GAO says that before spending the $300 million to produce 40 megawatts of new power, the Bonneville Power Administration (BPA), the Corps or someone ought to look at how these "institutional barriers" could be lowered—thus easing the way for the co-generation of 1000 megawatts of new power. BPA is already doing some work in this area.

2. Capacity Exchanges: This is the idea of trading electricity between the Northwest and the Southwest. In the winter, the Northwest has higher peaking needs than during the summer, because homes have to be heated. Meanwhile, Southwest winters are warmer, and its winter needs are low. The reverse is true during the summer: In the summer, the Southwest has its highest peaking needs for air conditioning because its summers are hot. The cooler Northwest does not.

The Corps says there are many obstacles to overcome before electricity can be traded between regions. GAO agrees. What GAO says is that before spending the $300 million on LAURD, someone—preferably BPA—ought to try and resolve these problems. There are, after all, existing inter-tie power lines between the regions, and GAO notes that negotiations are underway between the Southwest and Northwest utilities to make more of these exchanges. This does not mean there are no problems: The problems range from governmental regulations to summer water use limits in the Northwest. The difference between the Corps and GAO is not that one says there are problems and the other says there are none; it is that GAO believes that these problems should be studied before, not after, LAURD is built.

3. Pricing and Peak Load Management: "Peak load management and pricing" can mean several things. One idea is to increase the cost of electricity during peaking seasons (for example, during Northwest winters.) Another is to allow consumers to pay different rates for electricity used during different times of the day. (Peak demand is usually highest around dinner time. You could charge more for electricity used between 4 and 6 p.m. and less for that which is used during other parts of the day. People would save money and lower peaking demand by not using dishwashers until later, by putting automatic switches on water heaters, etc.)

The Corps agrees that peak load management and pricing will have an impact on the region's peaking capacity needs. Once again, the difference between GAO and the Corps is that the Corps wants to go ahead with LAURD, using peak load management ideas to complement LAURD. GAO wants to at least study these ideas first to find out if there really is a need for LAURD.

Summary of Alternatives: Most of the arguments between GAO and the Corps which do not relate to benefit-to-cost ratios concern whether or not alternatives to LAURD have been adequately studied. GAO considers many non-structural ideas as alternatives to LAURD—alternatives that have not been studied seriously. The Corps considers these ideas as potential complements to LAURD, believing that LAURD should be built right now as the most certain path to new peaking capacity.

This brings up the final question of whether more peaking capacity is really needed.

Is more peaking capacity needed in the Northwest? No one has a crystal ball; no one can accurately predict future energy needs, let alone specific peaking needs. Here is what is known:

(1) The forecast rate of increase in peak loads has declined over the years. Each utility uses its own judgment to decide what methods and assumptions should be used in making its forecasts. There is no one way or proven way. Total future peaking needs in the Northwest are estimated by adding up what each utility believes its needs are; and that rate of increase is declining.

(2) These forecasts generally don't figure in possible decreases in need that result from conservation, and certainly don't include the effects of new conservation measures likely to taken.

(3) Forecast peaking needs are based on "worst case" scenarios—what we may need on the worst day of the worst month. It's wise to be cautious, but we should remember that we may be paying for "overkill".

(4) Even if these "worst cases" happen, it does not mean that people freeze; likely people wouldn't even know that something had happened. Temporary shortages are met first by exercising clauses in industrial contracts for power. Big industries (which use about ⅓ of all the region's power) often get their power at cut rates on the condition that when there are shortages their supplies will be reduced to meet the shortages.

Is more peaking capacity needed? No one knows. All that we know is that the LAURD project would mean spending $300 million, not for new power, but for new peaking capacity—a capacity that may or may not be useful.●

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Time for morning business has expired.

Mr. PROXMIRE. Mr. President, I understand the Pastore rule has also expired. I can, therefore, speak on something that is not pending before the Senate out of order.

The PRESIDING OFFICER. The Senator is correct.

HOUSING ASSISTANCE

Mr. PROXMIRE. Mr. President, I am offering for the consideration of my colleagues a major proposal to shift the emphasis of our approach to housing subsidies. For fiscal year 1981, my proposal would cut more than $3.6 billion in budget authority from the President's proposed budget, while at the same time, according to CBO estimates, allow for an increase above the President's proposal of 37,000 unit reservations for lower-income households, and an increase above the President's proposal of 31,000 new or substantially rehabilitated units. The total estimated units produced would be 142,000 units above the President's proposal.

The key to my proposal is a redirection of the approach to subsidizing new construction. The President's fiscal year 1981 proposal for section 8 and public housing assumes a mix of 60 percent for new construction and substantial rehabilitation, and 40 percent for existing housing. My proposal would shift this mix to 30 percent for new construction and substantial rehabilitation, and 70 percent for existing housing. At the same time, the reduction in the number of new construction and substantial rehabilitation units would be more than offset by a new multifamily rental production program which would subsidize the interest rate down to 7½ percent.

Given the high cost of new multifamily construction, and the low income of people to be assisted under the section 8 program, it simply does not make sense to emphasize the subsidizing of lower income people by linking the subsidy to a new unit. Generally, given the much higher subsidy cost per unit, this is a very inefficient way to assist lower income people. From a cost perspective, if we assume the two objectives of providing housing assistance for lower income people and also increasing the overall supply of rental units, it is much more efficient to rely on existing housing to subsidize lower income people, and to undertake a separate program involving a shallower subsidy to spur multifamily rental production; that is, new housing. Because this approach is so much more efficient, it is possible to achieve very substantial cost savings while, at the same time, substantially increasing the number of units assisted.

The President has proposed $32.179 billion in budget authority for the lower income assisted housing program. My proposal calls for budget authority for assisted housing of $27.946 billion, a savings of $4.233 billion. For the new multifamily rental production program, I am proposing budget authority of $1.394 billion. However, this new budget authority is partially offset by a savings of $783 million in budget authority from the GNMA section 8 tandem program. When budget authority for assisted housing, the new multifamily rental production program, and the GNMA section 8 tandem program are added up, the President's proposal, according to CBO estimates, calls for $32.962 billion. By contrast, my proposal is for total budget authority of $29.340 billion, a net savings of $3.622 billion. Projecting estimated program levels out to fiscal year 1985, CBO estimates that in fiscal year 1985 alone, my proposal would save $6.1 billion in budget authority.

According to CBO estimates, my proposal would provide for 320,000 units in fiscal year 1981 for section 8 and public housing, and 105,000 units under the new multifamily rental production program, for a total of 425,000 units. By contrast, CBO estimates that the administration's proposal would provide for only 283,000 units. Under the administration's 60 to 40 mix, 170,000 of the 283,000 units would be for new construction or substantial rehabilitation. Under my proposal, using a 30 to 70 mix, 96,000 of the 320,000 units for section 8 and public housing would be for new construction or substantial rehabilitation. Adding the 105,000 units from the new multifamily rental production program would result in a total of 201,000 units for new construction or substantial rehabilitation.

It is important to emphasize that the approach I am suggesting must be considered as a package. In particular, the new multifamily rental production program should only be supported if it is tied to the shift in the mix of the assisted housing program.

Mr. President, I am fully aware that what I am proposing involves a major shift in the emphasis of our approach to housing assistance. I believe this shift is critical if we are to begin to get a handle on the skyrocketing long-term costs of our assisted housing programs. I wish to emphasize my firm conviction that, compared with the administration's proposal, my proposal has clear and important advantages for both lower income people and the home building industry.

This week, the Banking Committee's Subcommittee on Housing and Urban Affairs is beginning its hearings on housing authorizations for fiscal year 1981. I am circulating a paper outlining my proposal in more detail to my colleagues on the committee, and to witnesses scheduled to testify at the hearing.

Mr. President, I ask unanimous consent that this paper be printed in the RECORD.

There being no objection, the paper was ordered to be printed in the RECORD, as follows:

A PROPOSAL TO SHIFT THE EMPHASIS OF OUR APPROACH TO HOUSING ASSISTANCE

I. SUMMARY OF PROPOSAL

By undertaking a major shift in the emphasis of our approach to housing subsidies, it is possible to significantly increase the number of lower income households to be assisted, and significantly increase the number of new units built, while at the same time achieve very substantial long term budget savings. According to CBO estimates, the President's Fiscal Year 1981 budget level for Section 8 and public housing will allow reservations for 283,000 units.[1] At the projected 60–40 mix, 170,000 units would be for new construction or substantial rehabilitation, and 113,000 units would come under the Section 8 existing program. Under the alternative proposal, the following could be achieved in Fiscal Year 1981:

(1) Reservations for 320,000 units for lower income assistance could be made, utilizing a program mix of 30 percent for new construction and substantial rehabilitation (96,000 units), and 70 percent for existing housing (224,000 units);

(2) A new multifamily rental production program utilizing a shallower subsidy could be implemented, with reservations made for 105,000 units;

(3) Total budget authority could be reduced from the President's level by $3.6 billion in Fiscal Year 1981.

Projecting the same program levels for subsequent years, the budget authority savings would continue to increase. For Fiscal Year 1985, the budget authority savings would be $6.1 billion. These savings are CBO estimates. Compared to the President's proposal, the above program level provides for an annual increase of 37,000 units for lower income households (from 283,000 to 320,000), and an annual increase of 31,000 units in new or substantial rehabilitation (from 170,000 to 201,000). The total number of units assisted each year would increase from 283,000 to 425,000, an increase of 142,000 units each year.

II. BACKGROUND

The long term costs of our lower income housing assistance programs are skyrocketing out of control. For example, if the President's Fiscal Year 1981 program level is projected for subsequent years, CBO projects that the budget authority for Fiscal Year 1985 alone will be $46.8 billion. Moreover a March 1979 CBO report suggested that the ultimate direct subsidy costs for our assisted housing program may actually be several times greater than the stated budget authority figures.

A major factor increasing long term costs of assisted housing is the stress currently being placed on the new construction and substantial rehabilitation programs, as opposed to the Section 8 existing program. The Administration's Fiscal Year 1980 estimate is that 64% of assisted housing unit reservations will be for new construction or substantial rehabilitation. The Administration estimates that the percentage of new/sub rehab will drop only slightly in 1981— to a 60–40 mix.

Given the high cost of new multifamily construction, and the low income of the people to be assisted under the assisted housing programs, it simply doesn't make sense to emphasize the subsidizing of lower income people by placing them in new units. Generally, given the much higher subsidy cost per unit, this is a very inefficient way to assist lower income people. Thus if a dramatic shift in the mix could be achieved, dramatic cost savings could be achieved, even while substantially increasing the level of assistance to lower income people. However, standing by itself, a dramatic shift in the mix can be subjected to the criticism that in tight rental markets, a strong shift toward subsidies for existing housing would do nothing to relieve the tightness on the market, and could place upward pressure on rents by increasing demand without increasing supply. Given the fact that the current national rental vacancy rate of 4.8% is very low by historical standards, this argument appears to have merit in some markets.

However, there is no reason why the dual objectives of providing housing assistance for lower income persons and increasing the overall supply of rental units need to be addressed by relying on subsidizing lower income people in new units. From a cost perspective, it is much more efficient to rely on existing housing to subsidize lower income people, and undertake a separate program involving a shallower subsidy to spur multifamily rental production.

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[1] All CBO estimates cited in this paper are based on CBO economic assumptions used for CBO's re-estimate of the President's budget.

III. DETAILS OF PROPOSAL

A. Lower income housing assistance

In shifting the mix from 60–40 to 30–70, the question arises as to where the cuts in the new/sub rehab component should be made. Last year's CBO report and other evidence indicates that when all factors are taken into consideration, the average annual cost of assisting new public housing units is somewhat lower than units in the Section 8 new construction and substantial rehabilitation programs.

In addition, the Administration is beginning a major new comprehensive modernization initiative for public housing, under which public housing agencies are free to use up to half of the contract authority and budget authority available to them for public housing development for use in the modernization and rehabilitation of existing public housing projects. This appears to be a desirable initiative, and the funding would be drawn from the same pot of funds that would otherwise go to new construction. For these reasons it does not seem desirable to cut the funds allotted for public housing development. Thus it is proposed that all of the cuts come from the Section 8 new construction and substantial rehabilitation components.

CBO estimates that the President's proposal would support 40,000 public housing units and 130,000 units under Section 8 new construction/substantial rehabilitation. The alternative proposal, with a total of 320,000 units and a 30–70 split, would provide for 96,000 new/sub rehab units, with public housing staying at 40,000 units and 56,000 units left for Section 8 new/sub rehab. The 56,000 units is just enough to allow sources of financing from Section 202, FmHA, and State Housing Finance Agencies to be held harmless from the President's proposal. The cuts would come from other sources of financing—GNMA Section 8 Tandem, Section 11(b) financing and miscellaneous. As described more fully below, eliminating new commitments under the Section 8 Tandem program will allow a significant savings in both budget authority and outlays which would otherwise have been incurred under this program.

The Section 8 existing component would be increased from 113,000 units to 224,000 units. Most of this increase would come under the regular existing program. However it is proposed that the moderate rehabilitation component be increased from 38,000 units to 50,000 units.

B. Multifamily rental production program

Under this program, HUD would make interest reduction payments to bring the interest rate down to 7½%. This level of subsidy would be maintained for 10 years. Beginning in the 11th year, the subsidy would be phased out gradually over a ten year period so that the subsidy would cease after the 20th year.

It is proposed that the multifamily rental production program include the following safeguards:

(1) Sites must be selected so as to avoid displacement of lower income persons.

(2) At the time of a household's initial occupancy in the unit, its income must not exceed 120% of the median income of the area. It is anticipated that many of the families in the program would have incomes below median.

(3) In order to make sure that benefits are passed on to tenants to the extent feasible in the form of lower rents, HUD would have to approve the rent schedule and future rent increases. This parallels provisions in existing FHA programs. However, HUD would be instructed to act expeditiously so that rent increases which are necessary to cover increased operating expenses can be implemented in a timely manner.

(4) In order to ensure that the new multifamily rental units will be preserved as rental units if conditions in the particular market so require, for the 30 year period following the initial occupancy of the project, the owner of the project would have to obtain HUD's approval in order to convert the project to condominiums.

The people living in the multifamily units to be built by this new program will tend to be middle income people. However, the primary objective of the subsidy should not be viewed as providing a subsidy for middle income households. Instead the objective should be viewed as providing a subsidy to stimulate the construction of multifamily rental housing, in order to (1) help relieve pressure on tight rental markets, and (2) make viable the proposal to shift the mix in lower income housing assistance, which in turn allows for greater assistance to lower income persons while at the same time achieving substantial cost savings. Further, it must be made clear that the two proposals are linked in that the new multifamily rental production program should only be supported if it is tied to the shift in the mix of the lower income assisted housing program.

For a number of reasons, the proposed phaseout of the subsidy from the 11th through 20th years should be viable. A key to the viability of a multifamily rental project is the cash flow in the early years. The fixed subsidy for the first 10 years would assure a constant debt service for this period. Given inflation, both operating expenses and tenant incomes would be expected to increase during this time period. Thus by the end of the 10th year, debt service will be a much smaller percentage of total expenses, and the gradual increases in debt service payments due to the phasing out of the subsidy would only cause a small additional percentage increase in total expenses. Even if tenant incomes increase at a rate somewhat below the rate of inflation, they should be able to afford increased rents to cover the slight increase in expenses attributable to the increase in debt service.

Additionally, if a project gets into trouble, it is likely to get into trouble well before the 10th year. The buildup of equity during the first 10 years both from reduction of loan balance and appreciation of property value should provide a measure of protection against the project getting into trouble after the 10th year.

IV. COMPARISON OF PROGRAM LEVELS

The following table compares the program level (expressed in units) of the Administrator's proposal with the alternative proposal:

COMPARISON OF UNITS RESERVED IN FISCAL YEAR 1981

	Administration	Alternative
Sec. 8 existing:		
Regular	75,000	174,000
Moderate rehab	38,000	50,000
Sec. 8 new/sub rehab	130,000	56,000
Public housing	40,000	40,000
New multifamily rental production	0	105,000
Total	283,000	425,000
Subtotal for lower income	283,000	320,000
Subtotal for new/sub rehab	170,000	201,000

V. COMPARISON OF BUDGET AUTHORITY

The following table shows a comparison of budget authority for Fiscal Year 1981 and Fiscal Year 1985 for the program levels indicated above. All estimates are CBO estimates. The Assisted Housing numbers include Section 8 and public housing For Fiscal Year 1981, the effect of the President's $1.05 billion proposed rescission for the rent supplement program has been included.

COMPARISON OF BUDGET AUTHORITY FOR FISCAL YEARS 1981 AND 1985

[In millions of dollars]

	Administration		Alternative	
	1981	1985	1981	1985
Assisted housing	32,179	46,752	27,946	39,561
New multifamily rental production	0	0	1,394	2,070
GNMA sec. 8 tandem	783	940	0	0
Total	32,962	47,692	29,340	41,631

Thus as indicated in the above table, the budget authority for the new proposal would be $3.6 billion less than the Administration's proposal in FY 1981, and $6.1 billion less when the same program levels are projected for FY 1985.[2]

VI. EFFECT OF PROPOSAL ON OUTLAYS

Although as indicated by the above table, the long term cost savings of the new proposal are indeed very substantial, it is true that there would be a short term increase in outlays which would be felt only in the second and third years (FY 82 and 83). This temporary increase is due to the shift in mix to existing housing and the much shorter lead time involved in subsidizing existing housing. However, it should be noted that the corresponding benefit of this shorter lead time is that many more households are actually being assisted during this time period. It is estimated that by the end of Fiscal Year 1983, 233,000 more lower income households would be living in subsidized units than in the Administration's proposal, and an additional 105,000 families would actually be receiving assistance under the new multifamily rental production program. Thus, compared with the Administration's proposal, a total of 338,000 additional families would be receiving assistance.

If normal assumptions about the schedule of reservations under the Section 8 existing program are made, there would also be an increase of $10 million in outlays which would be felt immediately in FY 81. However, given the need to minimize outlays in order to balance the budget in FY 81, HUD would be instructed to phase in the unit reservations for Section 8 existing housing in FY 81 so as to achieve $10 million in outlay savings. Thus, the net effect of the proposal on outlays in FY 81 would be zero.

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[2] Note that one of the sources of the savings is that under the new proposal, beginning in FY 81 there would be no new commitments made under the GNMA Section 8 Tandem Program, and thus the budget authority is stated as "zero" under the new proposal. Under the new budget accounting procedures, budget authority for this program is the commitments made in a given year minus the collections received in that year. Under the new accounting rules for determining budget authority, it appears that it is not possible to have a "negative" budget authority for this account. However, with no new commitments being made, and with collections from previous years coming in, if a "negative" budget authority figure were permitted by the accounting rules for this account, the budget authority for the GNMA Section 8 Tandem Program under the new proposal would actually be −717 million dollars. Thus there is an additional $717 million in collections which will not be obligated but which is not reflected in the above budget authority table. Indeed, if the new multifamily rental production statute were drafted in such a way so that it tapped into this account, an additional budget authority savings of $717 million could be achieved, bringing the total saving in FY 81 to $4.3 billion.

Compared with outlay projections of the Administration's program level, in FY 82 the increased outlays for the alternative proposal are $242 million, and in FY 83 the increase is reduced slightly to $215 million. By 1984, however, there is actually a net savings of $18 million in outlays, and by FY 85 the outlay savings would increase to $105 million. This outlays savings would be achieved even though by the end of Fiscal Year 1985, it is estimated that the number of households actually receiving assistance would be 637,000 greater than in the Administration's proposal. Significant outlay savings in Fiscal Years 1984 and 1985 occur due to the elimination of new commitments in the GNMA Section 8 Tandem program.

The following table based, on CBO estimates, shows the net effect of the new proposal on outlays for FY 81 through FY 85.

EFFECT OF NEW PROPOSAL ON OUTLAYS

[In millions of dollars]

	1981	1982	1983	1984	1985
Assisted housing	0	+242	+468	+438	+298
New multifamily rental production	0	0	+47	+145	+253
GNMA sec. 8 tandem	0	0	−300	−601	−656
Total net effect	0	+242	+215	−18	−105

GENOCIDE: DANGER OF BURYING THE PAST

Mr. PROXMIRE. Mr. President, many of my colleagues may wonder why I persist in my support of the Genocide Convention. So many words have already been spoken in its behalf. Are these constant reminders of genocide a useless and naive dwelling on the past? Some may think so, but I say it is foolish and even dangerous to lose sight of the past altogether.

The atrocities inflicted upon the Cambodian people in recent years protrude as a gruesome reminder of the truth of this statement. Several million people are feared to have been destroyed at the barbarous hands of the Khmer Rouge. Is it not obvious, when again we are witnesses to a massive transgression against humanity, that the abominations of the past have assumed a hideous new form in the present?

Now, the new leader of the Khmer Rouge, Khieu Samphan, declares that the Vietnamese must be expelled and the country rebuilt. We are asked to believe that the task can never be completed so long as we grieve over the past. We are asked to believe that scrutinizing the past will impede material progress. We are asked to think like fools.

Let me respond to the concerns of Khieu Samphan with the words of a man who is far wiser in these matters than myself, Alexsander Solzhenitsyn, a spokesman of freedom and survivor of the Gulag of the Soviet Union. Solzhenitsyn warns us that those same hands which once screwed tight the handcuffs will later hold out their palms in reconciliation. They will beseech us to leave the past buried. They will warn us of the proverb which says if you dwell on the past you will lose an eye. True, says Solzhenitsyn, but the proverb also says, forget the past and you will lose both eyes.

Time has a way of healing the scars and sores of the past. This, most certainly, is good. Yet, as the proverb warns, there is another greater affliction which can encroach upon our conscience. That affliction is the blindness of ignorance and apathy.

Mr. President, if I constantly remind my colleagues of the past, it is only because we ought to strive for more just future. Again, consider the words of Solzhenitsyn:

> In keeping silent about evil, in burying it so deep within us that no sign of it appears on the surface, we are implanting it and it will rise up a thousandfold in the future. We are thereby ripping the foundations of justice from beneath new generations.

So many have already been swallowed in an ocean of misery and suffering- in the Gulags of the Soviet Union, in the Holocaust of World War II, and so recently in Cambodia. In comparison, my statements may seem to be an inconsequential trickle of words. Still, it is my earnest hope that these words are not altogether without force. I urge my colleagues to support and ratify the Genocide Convention.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

WINDFALL PROFIT TAX ACT OF 1980—UNANIMOUS-CONSENT REQUEST

Mr. ROBERT C. BYRD. Mr. President, I am about to propound a unanimous-consent request with respect to the conference report on H.R. 3919, the excess profit tax bill.

I ask unanimous consent that no motion with respect to the conference report be in order prior to Thursday of this week.

Provided, further, that a vote on a motion to refer the report of the committee of conference on H.R. 3919 to the Committee on Appropriations, and any instructions thereon not otherwise subject to a point of order, occur on Thursday, March 27, at 10:45 a.m.

Provided, that such vote shall be preceded by 20 minutes of debate, equally divided between and controlled by the Senator from Oklahoma (Mr. BELLMON) and the manager of the conference report (Mr. LONG).

Provided, further, that upon the disposition of the motion, should it fail, there be 20 minutes of debate, equally divided between and controlled by the Senator from Kansas (Mr. DOLE) and the manager of the conference report, Mr. LONG, on a motion to refer the conference report to the Committee on Finance, along with any instructions thereon not otherwise subject to a point of order; in which event, provided, further, that if such motion to refer fails, a vote on agreeing to the conference report would occur immediately, without further motion or debate, on that date, not later than 11:45 a.m.

Provided, further, that in the event either of the two motions to refer should be adopted, no further motions to refer would be in order during the consideration of the conference report.

Provided, further, that there be 5 hours of debate between the entering of this order on the conference report, to be controlled as follows: 3 hours under the control of Mr. LONG and Mr. DOLE, 1 hour under the control of Mr. BELLMON and Mr. LONG, and 1 additional hour under the control of Mr. DOLE and Mr. LONG.

Provided, further, that on a motion to reconsider the final adoption of the conference report, if it is adopted or rejected, there be not to exceed 10 minutes to be equally divided between the two managers of the conference report.

The PRESIDING OFFICER. Is there objection?

Mr. BAKER. Mr. President, reserving the right to object, there are two or three elements of this request with which I had not previously been familiar.

Let me restate my understanding of the request just made by the majority leader and then I shall yield to the Senator from Kansas, the ranking minority member of the Finance Committee, and the distinguished Senator from Oklahoma for any comments they may have in that respect.

Mr. ROBERT C. BYRD. Will the Senator allow me to close two other things?

Mr. BAKER. Yes.

Mr. ROBERT C. BYRD. That on any point of order there be a 10-minute limitation, if such point of order is submitted to the Senate for its consideration or if such debate is entertained by the Chair, the time to be equally divided in accordance with the usual form and the same amount of time on any appeal of any point of order to be equally divided in accordance with the usual form.

Mr. BAKER. Mr. President, continuing the reservation, I do not have any problem with that. I have some problem, though, with that provision which I understood to mean that if in fact one of the two motions to refer is adopted after the conference report is reported back under the terms of this order there could be no further effort to refer the conference report. Is that correct?

Mr. ROBERT C. BYRD. That is correct.

Mr. BAKER. And also that on a motion to reconsider a vote by which the conference report or the motion to refer in either instance was adopted or rejected there be a time limitation of 10 minutes.

Mr. ROBERT C. BYRD. No. The time on the reconsideration would apply only to the adoption or rejection of the conference report itself.

Mr. BAKER. All right.

To the extent that I understand the agreement and the previous statements by the Senator from Kansas I think we may have a problem on the question of a referral subsequent to the time that one of the two motions to refer was adopted and the conference report was reported to the Senate.

I continue my reservation, but I yield, if I may, to the Senator from Kansas so he can state his understanding of the request.

Mr. DOLE. Mr. President, I appreciate the distinguished minority leader yielding.

In other words, if the first motion to send to the Appropriations Committee were adopted, and it came back from the Appropriations Committee, then it is my understanding under the request by the distinguished majority leader I would not be permitted to offer my motion to refer to the Finance Committee.

Mr. ROBERT C. BYRD. Yes.

Mr. DOLE. That does cause some concern because of the instruction which would accompany the motion to send to the Finance Committee.

It is one that we worked out, not subject to a point of order, but it does raise a question with reference to royalty owners and independent producers that many Members wish an opportunity to vote on.

I am not certain what the Finance Committee could do if it were sent to the Finance Committee because it is a conference report.

I hope that we not include that particular provision in the request. I am not certain whether the motion of the distinguished Senator from Oklahoma will be adopted but I would not want to be precluded from offering my motion. I am not certain whether the agreement contains a time certain to report the bill back from either the Appropriations or Finance Committee which the majority leader may want to include.

Mr. ROBERT C. BYRD. That could be included in the instructions.

Mr. BAKER. If the Senator will yield to me, could it be included in the instruction or included in this order with a time certain to be reported back in either instance?

There is one other thing that occurs to me also. I do not believe this request included a provision for an up or down vote.

Mr. ROBERT C. BYRD. Yes, it does.

The Senator may be correct in one instance. The vote on the motion to refer to the Committee on Appropriations is clear.

The vote on the motion to refer to the Finance Committee is not clear. I add that to the order that it be an up or down vote.

Mr. BAKER. In either case would it be an up or down vote?

Mr. ROBERT C. BYRD. Yes.

Mr. DOLE. The distinguished majority leader, I guess, has the floor.

Is there some way we could resolve the other question? It seems to the Senator from Kansas that if in fact we provide a time certain for the Appropriations Committee to report back, I am not trying to hold it up in any committee, then there should not be any reason to preclude the offering of another or the one other motion, maybe not a series of motions, but the one other motion we have discussed to refer the bill to the Finance Committee.

Mr. ROBERT C. BYRD. The problem there is that of sequential referral. It could be referred to the Appropriations Committee, brought back, and then referred to the Finance Committee, and all of which would require some time. I thought it was the desire of those Senators who wished to have an opportunity to refer the conference report to have a vote up or down on referring the conference report to the Appropriatons Committee and if that fails, then they would have an opportunity to vote up or down on a motion to refer the conference report to the Finance Committee but certainly not an opportunity to refer it to the one committee and then upon its being brought back to the Senate an opportunity to send it back to another committee.

I am very agreeable to giving them an up and down vote on referring it to the Appropriations Committee. If that carries, it carries; if it fails, they can have a shot at sending it to the Finance Committee on an up or down vote. If that fails, though, I think we should have a vote on the conference report without further motion. And if the conference report is referred to the Appropriations Committee, then upon its being brought back it should not be referred to another committee. If that motion fails and it is sent to the Finance Committee, then upon its being brought back to the Senate it should not be referred to another committee because there could be any number of committees that this vote could occur in relation to, and so that process could go on and on.

Mr. DOLE. Mr. President, will the Senator yield at that point?

Mr. ROBERT C. BYRD. Yes.

Mr. DOLE. As to the reason for these two committees, one is the question of earmarking which is done in the conference committee, earmarking of revenues from the windfall profit tax over the next 10-year period which some object to, and, second, that is under the jurisdiction of the Appropriations Committee.

The question the Senator from Kansas wishes to raise goes to the merit of the tax on royalty owners and independent producers.

So there would be no jurisdiction of that question in the Appropriations Committee. That is why we thought we might include, in the event of a referral, that it be a joint referral, simultaneous referrals, so it would not take up the time of the Senate. That is not my intent, but there are a number of Senators who would like an opportunity to vote on both issues that a joint referral—if that could be provided for—might work.

Mr. ROBERT C. BYRD. I am afraid I would have problems with a joint referral. I think the approach that has been suggested here is a lenient one. It gives Senators an opportunity to vote on referring the conference report to the Appropriations Committee first, and if that fails, then to vote on sending the conference report to the Finance Committee or we could reverse the two. But in the event it is sent to either of them, and upon its being brought back to the floor, as I assume the instructions would provide for, no motion would be in order further then to again refer the conference report. So, the Senate would have had the opportunity to make a referral either to Appropriations or to Finance, and if it were referred to either that would be the last referral, and the Senate would then vote on the conference report upon its being brought back. It would not be a joint referral. It would not be a sequential referral, and it would not be an open-ended loophole which would allow multiple referrals beyond the one referral.

Mr. BAKER. Mr. President, reserving the right to object, the way this proposal was negotiated in the first instance, or at least it was typed up when we first tried to put it together, and I am paraphrasing the original proposal as I understand it, there was a chance to refer it, to have a vote on referring it, to Appropriations, and if that failed, there was a chance to have a vote on referring it to the Committee on Finance, and if either one of those things passed, then there was a chance for a motion to make that a joint referral so that the other committee would not be cut out.

One way or the other there has to be a way to accommodate the concerns of the majority leader and to make sure if, in fact, there is to be a referral of this to either committee that both committees have a chance at it.

It may be the best thing to do is to postpone the request until the morning and see if we cannot work it out. But I am not prepared at this time, I believe, to take the responsibility of representing to the majority leader that I am authorized to withhold an objection to a request that would preclude any further motions or efforts to have a referral after the measure came back to the floor.

So I think we are sort of at an impasse, and unless we can work it out on a joint referral basis some way or other, I think we had better wait until the morning in order to work it out.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. BAKER. Yes.

Mr. DOLE. If the motion of the Senator from Oklahoma would, in fact, be adopted, it seems to me that the agreement could contain a provision which would permit at that time, so we do not delay it, a vote on whether or not it would also go to the Finance Committee for the same period of time, so that we are not taking up any time, and with the requirement that it be reported back in 5 legislative days. In other words, if his motion fails, there is no problem. If his motion is agreed to, then my motion would be in order to send it to the Finance Committee for the same period of time, and then it would not be holding up the Senate.

Mr. BAKER. Mr. President, I gather from the silence that is ensuing that we do not have an agreement on the thing, and I am reluctant to object to it because I think we ought to try to work this out either on the basis of the suggestion of the Senator from Kansas or postpone it until the morning. I hope the majority leader will consider the proposal of the Senator from Kansas.

The PRESIDING OFFICER. Is there objection to the request?

Mr. BAKER. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

CLOTURE MOTION

Mr. ROBERT C. BYRD. Mr. President, I hope that an agreement can be worked out overnight, and I believe one can, but in the event there is not an agreement, and in the event we have to go to cloture tomorrow, if the vote should fail, as a bit of insurance, I send to the desk a cloture motion for a vote on Thursday and ask that it be read.

The PRESIDING OFFICER. The cloture motion, having been presented under rule XXII, the Chair, without objection, directs the clerk to read the motion.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on the conference report on H.R. 3919, the Crude Oil Windfall Profit Tax Act of 1979.

Robert C. Byrd, Jennings Randolph, Wendell H. Ford, George McGovern, Abraham Ribicoff, Bill Bradley, Claiborne Pell, Frank Church, Max Baucus, Spark M. Matsunaga, John A. Durkin, Alan Cranston, Patrick J. Leahy, J. James Exon, John Glenn, Donald W. Riegle, Jr., Paul S. Sarbanes.

Mr. ROBERT C. BYRD. Mr. President, I wish to thank the distinguished Republican leader, the distinguished Senator from Kansas (Mr. DOLE), the distinguished Senator from Oklahoma (Mr. BELLMON), and others who have attempted to reach an agreement—and it has been a sincere effort to reach an agreement—on the conference report.

I hope that overnight they will find their way clear to agree to the proposal or suggestion which, it seems to me, is eminently fair, which allows up-or-down votes, which are not guaranteed without an agreement, and which gives the Senate a chance to work its will on referring the conference report either to the Appropriations Committee or to the Finance Committee, and which would see a final vote on Thursday, by no later than noon that day.

I think it is a reasonable request. I certainly do not take umbrage at the distinguished Republican leader for objecting to the request, because under the circumstances I think he had no alternative. But I hope that with further discussions this proposal can be found to be agreeable.

Mr. BAKER addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. BAKER. Mr. President, I thank the majority leader for his remarks.

I point out, just for the record, that we on this side have tried for some days now to reach an agreement on a time certain vote, because there is no inclination to filibuster this matter, there never has been and there is not now.

By the same token, I take no umbrage at the filing of the cloture motion. I want to point out that I advised the majority leader last week that I hoped by today we could have a unanimous-consent agreement on which we could all agree and that we would set a time certain to vote.

The initiative for this time certain to vote, that is on Thursday in this sequence generally, was from this side of the aisle. It was purely a cooperative effort by both sides, and there has been a good faith and conscientious effort to try to reach agreement.

However, I do not wish today's RECORD to close with the appearance that the Republicans are dragging their feet. We have been trying to find a way to get this thing to a vote on Thursday, a time certain, without extended debate and without a filibuster, and we will continue to do that. But we submitted in writing a unanimous-consent request which I thought was close to the agreement that we ought to have, and while it was changed in certain particulars by the majority leader, frankly it is not within my power to agree to the formulation that he submitted as a revision of our request.

But I stand here today to say that there is no filibuster, there is no desire for a filibuster, and there is no desire to keep this matter from being resolved.

We are anxious to have it resolved, win, lose, or draw. But it is not possible to agree to the unanimous-consent request as submitted by the majority leader at this point. I will continue to do that tomorrow. We will see what we can do.

But there is nothing sancrosanct about Thursday. If we cannot vote on Thursday, we will have to see what happens after that.

Mr. ROBERT C. BYRD. Mr. President, I certainly agree with the distinguished Republican leader that, as far as I can determine, I see no indications that there is any desire on the other side of the aisle to filibuster the conference report.

But let it be said, also, for the RECORD, that those on my side of the aisle are ready to vote now. We were ready to vote yesterday. We are willing to vote anytime—today, tomorrow, or Thursday.

I only hope that we can reach an agreement to dispose of the matter on Thursday by noon. The agreement which was submitted to me had several—in my judgment—loopholes, which were not provided for, contingencies that were not provided for, and eventualities that could occur and which were not provided for.

So I have attempted to come back to the distinguished Republican leader with a solid agreement that is fair to those who oppose the conference report, gives them an opportunity to have an up-or-down vote on the motion to refer to the Appropriations Committee, an up-or-down vote on the motion to refer to the Finance Committee, if the first should fail, but thereby then closing the gate and not leave open the possibility of further motions, further delays, further referrals.

We are ready on this side of the aisle to vote now. But I hope the distinguished Senator and all Senators on that side of the aisle would not feel that, by my submitting the second cloture motion, there is any threat involved or any suggestion that there are those on that side of the aisle who want to filibuster the conference report. I do not believe that.

I do believe that we have to bring this matter to a close. I hope it will be disposed of this week. I think that the request that I have submitted is one that is fair and would allow the Senate to work its will and get on to other business.

I hope that overnight, upon careful deliberation and reconsideration, the distinguished minority leader and the distinguished Senator from Kansas and the distinguished Senator from Oklahoma could agree to the proposal I submitted.

I would like to be able to renew it in the morning.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. Yes, I yield.

Mr. DOLE. Mr President, if I understood it correctly, under any circumstance, whether the cloture petition is filed or not filed, or whether it is invoked, we would still be permitted to offer motions to refer.

Mr. ROBERT C. BYRD. No, the Senator is not correct.

Mr. DOLE. So if the Senator from Oklahoma, tomorrow afternoon, offered a motion to refer to the Appropriations Committee, that could be voted on tomorrow afternoon.

Mr. ROBERT C. BYRD. It could, if offered and voted on before cloture is invoked. And the motion to table would be in order.

Mr. DOLE. Right. That would be the only thing we would lose under that agreement. And the same would be true if a motion of this Senator, either tomorrow or on Thursday morning, to refer to the Finance Committee. If that failed, then we would go on to final passage, I assume.

But the point is, we would underscore what the distinguished minority leader said. We would like to dispose of this. This thing has been around for months and months. And for better or evil, it should be disposed of. Perhaps we could proceed on that basis without an agreement.

Mr. BAKER. Mr. President, I think we have pretty well exhausted this. I must say that the stock in trade of the leadership of the Senate is to deal daily in unanimous-consent requests. We will deal with this one. We may succeed or we may fail.

But I must observe that I do not believe I ever saw a major piece of legislation break down on a unanimous-consent request on so little. Surely there is a way we can work this out. If we cannot, then maybe it will change the course of this legislation. But I am willing to try. We will see what happens tomorrow.

Mr. ROBERT C. BYRD. Mr. President, I know the distinguished Republican leader is willing to try. It is so little, I wish he would withdraw his objection.

Mr. BAKER. Mr. President, that works both ways. I wish the distinguished majority leader would simply accede to the request we propounded and submitted.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Republican leader for his consideration.

THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of two measures which have been cleared on the calendar, Calendar Order No. 675 and Calendar Order No. 682.

Mr. BAKER. Mr. President, reserving the right to object, and I will not object, the items identified by the majority leader are cleared on our side. We have no objection to their consideration and passage.

WOOD UTILIZATION ACT OF 1980

The Senate proceeded to consider the bill (S. 1996) to authorize the recovery of wood residues in the national forests for use as fuel, for conversion to use as petrochemical substitutes or wood products, and for other purposes, which had been reported from the Committee on Agriculture, Nutrition, and Forestry with an amendment to strike out all after the enacting clause and insert the following:

That this Act may be cited as the "Wood Utilization Act of 1980".

PURPOSE

SEC. 2. The purpose of this Act is to develop, demonstrate, improve, and make available information on feasible methods that have potential for rapid commercial application to increase and improve utilization of wood, wood residues, and woody plants resulting from timber harvesting and forest protection and management activities on public and private forest lands, and from the manufacture of forest products, including woodpulp.

PILOT PROJECTS AND DEMONSTRATIONS

SEC. 3. (a) The Secretary of Agriculture may establish and operate pilot projects and demonstrations to encourage the efficient utilization of wood and wood residues.

(b) Pilot projects and demonstrations may be established under this Act in conjunction with projects, contracts, or agreements entered into under any other authority that the Secretary may possess. However, nothing contained in this Act shall abrogate or modify the applicable provisions of existing contracts for the sale of National Forest System timber except to the extent such changes are mutually agreed upon by the parties to such contracts.

(c) Pilot projects and demonstrations on National Forest System lands may include, but are not limited to (1) development and operation of utilization demonstration areas, (2) development and establishment of fuelwood concentration and distribution centers, and (3) construction of access roads needed to facilitate wood and wood residue utilization.

PILOT WOOD UTILIZATION PROGRAM

SEC. 4. When the Secretary of Agriculture identifies situations in which pilot utilization studies on National Forest System lands can provide important information on various methods and approaches to increasing the use of wood residues and where such information cannot reasonably be obtained unless the pilot study is done in conjunction with normal National Forest System timber sale activities, the Secretary of Agriculture may establish a pilot wood utilization program. In carrying out the program, the Secretary shall use residue removal incentives to pay purchasers of National Forest System timber, for sales awarded prior to October 1, 1986, for defined costs of activities necessary for the removal of wood residues from timber sale areas to points of prospective use. The incentives shall be used as a credit against the amount payable for the timber and shall be the estimated cost of activities necessary for residue removal as determined in accordance with appropriate appraisal and sale procedures and the following guidelines and definitions:

(1) The form and method of activities necessary for removal shall be prescribed by the Secretary in accordance with appropriate appraisal and sales procedures.

(2) The Secretary, in making sales of National Forest System timber, may require timber purchasers to remove wood residues to points of prospective use.

(3) Except in cases where wood residue removal is determined to be necessary for fire prevention, site preparation for regeneration, wildlife habitat improvement, or other land management purposes, the Secretary shall not require wood residue removal in instances where it would be more expensive to remove the residue than the anticipated value such residues would provide as fuel or other merchantable wood products.

(4) The amount of the wood residue handled under the residue removal incentive authorized by this section shall be limited to that portion of the estimated cost of the work covered by the value of the timber in excess of other designated charges.

(5) Except for that volume designated for free use disposal, wood residues shall not be sold for less than the appraised value when a market for such material exists.

(6) Wood residues shall be collected from a site so as to avoid soil depletion or erosion and full consideration shall be given to the protection of wildlife habitat.

(7) The residue removal incentive used in payment for National Forest System timber and revenues from the sale of wood residues, which shall be calculated on the basis of the estimated value of the residues before removal and any processing, shall be considered as "moneys received" within the meaning of the sixth paragraph under the heading "FOREST SERVICE" in the Act of May 23, 1908, as amended, and section 13 of the Act of March 1, 1911, as amended (35 Stat. 260, 36 Stat. 963, as amended; 16 U.S.C. 500).

(8) For purposes of this section, the term "wood residues" includes, but is not limited to, logging slash, down timber material, and standing live or dead trees that do not meet utilization standards because of size, species, merchantable volume, or economic selection criteria and are surplus to growing stock needs.

(9) Point of prospective use is to be determined in accordance with appropriate timber appraisal and sale procedures.

ANNUAL REPORTS

SEC. 5. The Secretary of Agriculture shall submit annual reports to Congress on the pilot wood utilization program authorized by this Act. These reports shall be submitted with the reports required under section 8(c) of the Forest and Rangeland Renewable Resources Planning Act of 1974.

REGULATIONS

SEC. 6. The Secretary of Agriculture shall issue such regulations as the Secretary deems necessary to implement the provisions of this Act.

AUTHORIZATION FOR APPROPRIATIONS

SEC. 7. There is hereby authorized to be appropriated annually not to exceed $50,000,000 for fiscal years 1982, 1983, 1984, 1985, and 1986 for the purpose of funding the pilot projects and demonstrations authorized by section 3 of this Act. Such sums shall be in addition to those provided under other provisions of law and shall remain available until expended.

EFFECTIVE DATE

SEC. 8. The provisions of this Act shall become effective October 1, 1980.

Mr. MELCHER. The Wood Utilization Act of 1980 (S. 1996) is very much needed legislation that provides for use of wood from our national forests for useful fuel for heating homes or buildings or providing other energy needs.

Currently much of the small size wood is left in our national forests after logging operations remove the larger sized logs. This is called "slash" and is most frequently burned in the forest just to get rid of it. That is a huge waste.

S. 1996 will provide the means to remove these wood residues from the forest to be used—and that is part of meeting our energy needs.

I wish to thank Senator TALMADGE (chairman of the Senate Agriculture Committee), Senator HELMS (ranking member of the Senate Agriculture Committee), and Senator JEPSEN (ranking member of the Forestry Subcommittee), for their support and cooperation in expediting passage of this bill.

Mr. President, S. 1996, the Wood Utilization Act of 1980, is a bill that would allow us to further use our national wood resources to confront our energy problems.

The bill, as amended by the Committee on Agriculture, Nutrition, and Forestry, would authorize the Secretary of Agriculture to establish: First, pilot projects and demonstrations to encourage the efficient utilization of wood and wood residues, and; second, a pilot wood utilization program using "residue removal incentives" to pay purchasers of national forest system timber for their costs in removing wood residues from timber sale areas to points of prospective use.

Ten million tons of logging residues are created annually on national forest system timber-sale areas. This material could produce the energy equivalent of 30 million barrels of oil through a variety of conversion processes. Much of this residue is uneconomical to harvest and transport at current prices for fuel.

Current timber sale policy regarding the total appraised value of a tract of timber normally prevents the inclusion of residues in the material required to be removed. Authority to use residue removal credits would make it possible for the Forest Service to require removal of residues to a chosen site where the residues could be sold to commercial operators or users for energy purposes or made available to the public under free-use permits for use as firewood.

The Forest Service spent $37 million in 1978 on brush disposal activities, piling, and burning logging residues to aid in reforestation and to reduce fire danger. While S. 1996 would not eliminate entirely the need for prescribed burning on some sites, it would reduce the volume burned and thus decrease air pollution.

A residue removal credit, as contained in S. 1996, would be especially desirable on national forest timber sales in the West and South. The rough terrain and remote sites of the West make harvest of residues difficult and expensive for commercial or private parties. In the South, invading hardwoods in addition to logging residues need to be removed from softwood areas in order to maintain softwood production.

Residue removal credits would make it possible to make the residues available to energy wood producers and users as well as reducing the cost of slash disposal and site preparation.

Logging residues are only a small part of the residue picture on national forest lands. Every year trees die from disease and insect attack. Sometimes this occurs over vast acreages, sometimes only as scattered trees, but dead trees represent a fire hazard and an unused resource. Many timber stands contain large volumes of small, noncommercial trees and trees, which because of defects, will not produce merchantable wood. These stands need thinning and improvement cuts. Some salvage is made of the dead and dying material, but much of this fiber is disposed of where it is cut or is left without removal or treatment. Much of this material could be used for energy if it could be transported to accessible locations. A logging residue removal fund could be used to make this material available.

An added benefit of the harvest of wood for energy will be an anticipated recovery of five-tenths of a billion to 1 billion board feet of timber for lumber and wood products.

Notwithstanding the availability of this material, there are presently few markets for it. S. 1996 will authorize a pilot wood utilization program to determine whether the collection of forest residues, and the location of the residues in such a way that they will be conveniently and reliably supplied, will create markets for wood that do not now exist.

The bill will also authorize the Secretary of Agriculture to conduct demonstrations and projects on a pilot basis to otherwise enhance the department's existing programs for wood utilization.

S. 1996 is a modest approach to using available forest resources for energy production. I believe it is a sound approach that can reduce, even if only to a small extent, our dependence on foreign energy sources. I urge my colleagues to join me in supporting the passage of S. 1996.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read:

A bill to authorize the Secretary of Agriculture to encourage the efficient use of wood and wood residues through pilot projects and demonstrations and a pilot wood utilization program.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. LONG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

CASIMIR JAN KRAY

The bill (H.R. 2318) for the relief of Casimir Jan Kray, was considered, ordered to a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. LONG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

BICENTENNIAL MEDALS

Mr. ROBERT C. BYRD. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 1515.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 1515) entitled "An Act to authorize the striking of Bicentennial medals", do pass with the following amendment:

Page 2, line 22, strike out all after "SEC. 4." over to and including line 2 on page 3, and insert: No agreement or contract shall be entered into, directly or indirectly, by the Society and any person for the marketing of the medals authorized by this Act. All gross proceeds arising from the sale of the medals authorized by this Act shall accrue, in their entirety, to the Society.

● Mr. PROXMIRE. Mr. President, several months ago the Senate passed S. 1515 which would authorized the U.S. Capitol Historic Society to continue using the Mint's facilities for manufacturing its bicentennial medals on a cost reimbursable basis. Legislation enacted a few years ago allowed the society to strike a series of medals commemorating the 200th anniversary of historic events and personalities of the American Revolution. Revenues from the sale of this 13-year bicentennial series will be used by the society—a federally chartered organization—to help defray the cost of its programs.

Recently, the House passed and returned this proposal with an amendment prohibiting the services of any outside third party to market the medallions. The society presently has its own in-house marketing program for the medallions. The House amendment further requires that all revenues from the sale of the medallions would accrue entirely to the society. As reported by the Committee on Banking, Housing, and Urban Affairs, S. 1515 requires that at least 75 percent of the net profits would accrue to the society, in the event a third-party marketing firm or consultant was employed.

Mr. President, both the House amendment and the language as reported by the Senate Banking Committee is intended to help preserve the public benefit character of such private medal bills. I move the adoption of S. 1515 as amended by the House.●

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate concur in the House amendment.

The motion was agreed to.

ENVIRONMENTAL PROTECTION AGENCY RESEARCH AUTHORIZATIONS, 1980

Mr. ROBERT C. BYRD. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on H.R. 2676.

The Presiding Officer laid before the Senate the following message from the House of Representatives:

Resolved, That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 4, 5, 6, and 7 to the bill (H.R. 2676) entitled "An Act to authorize appropriations for environmental research, development, and demonstrations for the fiscal year 1980, and for other purposes", and concur therein.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 1 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed by said amendment, insert:

SEC. 2. (a) There are authorized to be appropriated to the Environmental Protection Agency for environmental research, development, and demonstration activities for the fiscal year 1980 for the following activities:

(1) $66,659,000 for water quality activities authorized under the Federal Water Pollution Control Act of which—

(A) $25,224,000 is for the Health and Ecological Effects program:

Provided, That the Agency is encouraged to obligate and to expend $900,000 of these funds on the Cold Climate Research program through the Agency's Corvallis Environmental Research Laboratory, Corvallis, Oregon. *Provided further*, That of the funds appropriated pursuant to this paragraph, $3,–600,000 shall be obligated and expended on the Great Lakes Research Station, Grosse Ile, Michigan: *And provided further*, That of the funds appropriated pursuant to this paragraph, $1,000,000 shall be obligated and expended on research to develop environmentally sound methods to control aquatic weeds;

(B) $14,827,000 is for the Industrial Processes program;

(C) $12,250,000 is for the Monitoring and Technical Support program; and

(D) $14,358,000 is for the Public Sector Activities program.

(2) $9,638,000 for activities under the Federal Insecticide, Fungicide, and Rodenticide Act of which—

(A) $8,298,000 is for the Health and Ecological Effects program;

(B) $900,000 is for the Industrial Processes program; and

(C) $440,000 is for the Monitoring and Technical Support program.

(3) $26,919,000 for water supply activities authorized under the Safe Drinking Water Act of which—

(A) $21,944,000 is for the Public Sector Activities program;

(B) $4,000,000 is for a groundwater program to include soil pollution research activities; and

(C) $975,000 is for the Monitoring and Technical Support program.

(4) $30,977,000 for toxic substances control activities authorized under the Toxic Substances Control Act of which—

(A) $26,397,000 is for the Health and Ecological Effects program;

(B) $1,742,000 is for the Industrial Processes program; and

(C) $2,838,000 is for the Monitoring and Technical Support program.

(5) $2,930,000 for radiation activities authorized under the Public Health Service Act, in the Health and Ecological Effects program.

(6) $71,963,000 for air quality activities authorized under the Clean Air Act of which—

(A) $46,624,000 is for the Health and Ecological effects program;

(B) $4,050,000 is for the Industrial Processes program; and

(C) $21,289,000 is for the Monitoring and Technical Support program.

(7) $10,243,000 for solid waste activities authorized under the Resource Conservation and Recovery Act, of which—

(A) $8,143,000 is for the Public Sector Activities program, and

(B) $2,100,000 is for a Hazardous Waste program, of which—

(i) $30,000 shall be used for a study of non-nuclear hazardous waste disposal including consideration of the effects of such disposal on the environment, and a general review of disposal technology, alternatives to disposal, and options for containing or removing hazardous wastes already in the environment. The Administrator of the Environmental Protection Agency shall enter into appropriate arrangements with the National Academy of Sciences to conduct this study. The Academy should complete the study within eighteen months after funding arrangements have been made and make interim reports at least every six months to the Congress and the Environmental Protection Agency. The Administrator shall regularly report to the Congress on the Agency's response to the interim reports and shall deliver his recommendations for acting on the findings of the final study no later than July 1, 1981;

(ii) $300,000 shall be used to begin development of protocols and working manuals specifying the types of health problems associated with various hazardous wastes, effects of various kinds of exposure, strategies to contain releases from hazardous disposal sites, actions to be taken by on-scene response teams, and other activities deemed by the Administrator to be of urgent need in responding to hazardous waste releases; and

(iii) $1,500,000 shall be used to demonstrate cost-effective strategies for isolating, containing, or neutralizing hazardous wastes.

(8) $500,000 for noise control activities authorized under the Noise Control Act, in the Health and Ecological Effects program.

(9) $25,449,000 for Interdisciplinary activities of which—

(A) $5,099,000 is for the Health and Ecological Effects program;

(B) $16,883,000 is for the Anticipatory Research program; and

(C) $3,467,000 is for the Monitoring and Technical Support program.

(10) $103,461,000 for Energy-related activities of which—

(A) $49,186,000 is for the Health and Ecological Effects program; and

(B) $54,275,000 is for the Energy Control program.

(b) There is authorized to be appropriated to the Environmental Protection Agency, Office of Research and Development, for the fiscal year 1980, for program management and support, $26,753,000.

(c) No funds may be transferred from any particular category or categories listed in subsection (a) or (b) to any other category or categories listed in either such subsection if the total of the funds so transferred from that particular category would exceed 10 per centum thereof, and no funds may be transferred to any particular category listed in subsection (a) or (b) from any other category or categories listed in either such subsection if the total of the funds so transferred to that particular category would exceed 10 per centum thereof, unless—

(1) a period of thirty legislative days has passed after the Administrator of the Environmental Protection Agency or his designee has transmitted to the Speaker of the House of Representatives and to the President of the Senate a written report containing a full and complete statement concerning the nature of the transfer involved and the reason therefor; or

(2) each committee of the House of Representatives and the Senate having jurisdiction over the subject matter involved, before the expiration of such period, has transmitted to the Administrator written notice to the effect that such committee has no objection to the proposed action.

(d)(1) The Administrator shall continue to be responsible for conducting and shall continue to conduct full-scale demonstrations of energy-related pollution control technologies as necessary in his judgment to fulfill the provisions of the Clean Air Act as amended, the Federal Water Pollution Control Act as amended, and other pertinent pollution control statutes.

(2) Energy-related environmental protection projects authorized to be administered by the Environmental Protection Agency under this Act shall not be transferred administratively to the Department of Energy or reduced through budget amendment. No action shall be taken through administrative or budgetary means to diminish the ability of the Environmental Protection Agency to initiate such projects.

(e) The Administrator shall establish a separately identified program to conduct continuing and long-term environmental research and development. Unless otherwise specified by law, at least 15 per centum of the funds appropriated to the Agency for environmental research and development in each category listed in subsection (a) of this section shall be allocated for such long-term environmental research and development under this subsection.

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. Culver, I ask unanimous consent that the Senate agree to the House amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

● Mr. CULVER. Mr. President, this authorization bill, negotiated by House and Senate conferees, provides for a tight budget with a lower total outlay than first passed by either the House or Senate. At the same time, the 1980 research and development authorization for the Environmental Protection Agency includes several new, innovative programs. Among them are $2,100,000 for research into control of hazardous waste dumps and $4,000,000 for research into contamination of groundwater.

Both of these programs have been created to find effective and economical ways to save valuable resources and prevent human exposure to toxic pollutants. The Environmental Protection Agency believes that some 1,200 to 2,000 hazardous waste dumpsites nationwide may pose serious threats to resources such as water supplies or to human health.

In most cases, the only known effective strategy for preventing the loss of water supplies or human health impacts is to physically remove the entire contents of a hazardous waste dumpsite. This method can be very costly. One contractor to the Environmental Protection Agency estimated that the average cost of removal can be $25 million per dumpsite. For this reason, a research program to find less expensive ways to control leaking dumpsites is not only an excellent investment of public funds, but is imperative for protection of the public health and welfare. Of the $2,100,000 first-year authorization, $1,000,000 is to demonstrate the technical feasibility and cost-effectiveness of in-place solidification of wastes at the LaBounty Dumpsite in Charles City, Iowa, and $500,000 is for a project to demonstrate effective control strategies at a hazardous waste site in Coventry, R.I.

In addition, the $4,000,000 authorization for groundwater research in this year's budget will enable the Agency to improve its understanding of the movement of groundwater, the entry of contaminants into groundwater, and how contaminated portions of underground water supplies can be isolated.

Mr. President, the conference report on this bill was rejected by the House of Representatives on a technicality. With that technicality cleared up by an amendment, the House then passed the authorization bill essentially unchanged from the form approved by the conferees. I submit for the Record a letter that House and Senate conferees intend to send to Douglas Costle, administrator of the Environmental Protection Agency, reflecting this understanding among the conferees.

In addition, Mr. President, I submit for the Record a statement by the Senator from Alaska (Mr. Gravel), who was one of the conferees on this bill. Senator Gravel's statement concerns his understanding, and that of the other conferees, on the status of cold climate research performed through the Agency's research laboratory in Corvallis, Oreg.

The material follows:

U.S. Senate,
Washington, D.C.

Hon. Douglas Costle,
Administrator, Environmental Protection Agency (EPA), Washington, D.C.

Dear Mr. Administrator: We are writing to you in regard to the bill H.R. 2676, which has now passed both Houses of Congress. The bill authorized funds for the EPA's Office of Research and Development for fiscal year 1980.

As you know, a technical point of order raised on the floor of the House prevented final approval of the Conference Report after it had been approved by the Senate. The bill as now passed is essentially identical to the version represented by the Conference Report, the only difference being the minor change necessary to avoid the point of order.

Floor debate in both the House and Senate made it clear that this action is no way changed the intention of the Conferees as expressed in Report No. 96–116, filed November 9, 1979. The Conferees intend that the Cold Climate Research program be carried out along the lines expressed by Dr. Gage in his November 9, 1979 letter to Senator Gravel.

Accordingly, we hope that you will still consider the intent of the Conference Report, as explained in the accompanying statement of managers, even in the absence of formal ratification of the proposed report by the Congress.

Sincerely,
Jennings Randolph,
Chairman, Committee on Environment and Public Works.
John C. Culver.
Mike Gravel.
John Chafee.
Don Fuqua.
Jerome A. Ambro.

Statement of Senator Mike Gravel on H.R. 2676, EPA Research Development Authorization

Mr. President, for many years the Environmental Protection Agency maintained a Cold Climate Research Laboratory in Fairbanks, Alaska, to conduct research on special environmental problems associated with arctic and subarctic conditions. Last year the Agency decided to close down this Lab due to manpower and cost efficiency considerations. The Lab officially closed July 1, of this year.

After the announcement of this closure, I met with the EPA Administrator who assured me that the valuable work being conducted by the Lab would be continued extramurally through grants to the University of Alaska, the State, and other qualified researchers.

In spite of the substantial, consistent funding for this program in the past and in spite of the promises for continued funding by Agency officials, all funding was absent for the program in this year's budget request by the Administration. I have to assume that this decision was not made by the EPA.

Due to the unique environmental conditions prevalent in Alaska, and perhaps certain other areas of the United States, there still remains a pressing need for continued research into the problems of air, water, solid waste and other types of pollution in a cold climate context. I would ask unanimous consent that a list containing the type of projects which have been conducted in the past under this program and a sampling of projects for which the Alaska State Department of Environmental Conservation has identified a need and an approximate cost be printed following my remarks.

Earlier this year I amended the bill before us in the Senate Committee on Environment and Public Works to include a specific authorization of $900,000 to continue the cold climate research program at the level of funding it had been receiving. This language was subsequently passed by the Senate and agreed to by the conference committee.

However, due to delay in the consideration of this measure after passing the Senate, the appropriation bill for EPA's research program passed both Houses of Congress in advance of final consideration of the authorization. This unfortunately resulted in a technical problem in the House where a point of order was sustained against the conference report. To overcome this problem a change was made in the language authorizing the funds for the Cold Climate Research Program. Although the Senate had already approved the conference report, this change necessitates approval of the bill again by the Senate.

Although the language is not as strong as the original language which I prefer, I think that it clearly shows the desires of the authorizing House and Senate Committees on this matter. I have been in contact with the EPA and they have assured me that they intend to continue to fund the Cold Climate program to the best of their ability in FY 80. In the interest of time and in resolving this issue, I am prepared to support this bill and urge its swift approval based on the assurances of the EPA.

I ask unanimous consent that a copy of a letter from Stephen Gage, Assistant Administrator for Research and Development of the EPA, stating the Agency's plans and intents to allocate approximately $900,000 in FY 80 to support cold climate research be printed in the RECORD following my remarks.

It is my understanding that the language contained in the Senate Report (No. 96-158) and the Conference Report (No. 96-611) relating to this program and this expenditure shall be considered as part of the legislative history and illustrative of the intent of the Congress. I would hope that this would be clear even though the conference report was not actually approved due to the technical point of order which was raised in the House. With the exception of one or two word changes in the authorization language for the Cold Climate program, this bill before us is identical to the language of the conference report which we approved earlier this fall.

I want to thank the managers of the bill for their cooperation in this matter and also to thank the House and Senate Committee staffs and the EPA personnel who have helped resolve what has proven to be a series of unfortunate obstacles to a most deserving program.

U.S. ENVIRONMENTAL
PROTECTION AGENCY,
Washington, D.C., November 9, 1979.

Senator MIKE GRAVEL,
U.S. Senate,
Washington, D.C.

DEAR SENATOR GRAVEL: Thank you for your October 23 letter concerning the need for continuing the cold climate research program.

As you know, we worked with your staff and the staff of the Resource Protection Subcommittee to clarify conference committee language which will assist EPA in continuing this program on an extramural basis. We particularly appreciate the cooperation we received from Pat Pourchot in our efforts to draft the appropriate language.

Let me assure you that it is EPA's goal to continue to provide support for cold climate research, realizing that critical environmental problems in cold regions need to be investigated to provide the basis for determining their potential effects and to develop methods for their control. The pollution problems in cold climates do present a unique set of circumstances in which to conduct research and often require a great expenditure of effort and resources. Within the context of the Agency's commitment to supply research support to satisfy our legislative mandates and to support the regulatory process, we are attempting to work within our fiscal constraints and still support relevant projects which are high priority items.

Under present planning the Agency will allocate approximately $900,000 in FY 80 to support cold climate research which will be administered as part of our extramural program. It, of course, may take time to decide how best to reallocate our dollars for this effort and we will keep you posted of developments as they occur. Also, we are in the process of changing our procedures for the solicitation, review and award of requests for grants and cooperative agreements, so that they might be managed in a more efficient manner. One feature of our new competitive grants program is the emphasis it will provide for long-range studies of pertinent environmental problems. We believe this approach will allow us to adequately address a wide range of problems such as those encountered in the Alaskan environment. We, of course, will be pleased to work with the State of Alaska, the University of Alaska and other Federal agencies to assure that the cold climate research program receive the best possible input in a cooperative and coordinative manner, so that all of us benefit from the dollars expended.

Sincerely yours,
STEPHEN J. GAGE,
Assistant Administrator
For Research and Development.

APPENDIX A

(A) RECENTLY COMPLETED "COLD CLIMATE" REPORTS

Research on Control Technology for Ice Fog from Mobile Sources. Coutts and Turner EPA-600/3-78-055.

Effect of Holding Temperature and Time on Total Coliform Density in Sewage Effluent Samples. Davenport and Gordon, AERS Working Paper No. 31 CERL, 041.

Monograph of the Freshwater Fishes of Alaska. J. E. Morrow, University of Alaska, EPA-600/3-79- .

Feeding by Alaska Whitefish, Coregonus Nelsoni, During the Spawning Run, J. E. Morrow, E. W. Schallock, and G. E. Bergtold. Fishery Bulletin, Vol. 75, No. 1.

Performance of Aerated Lagoons in Northern Climates. Christianson, Coutts and Mitchell, EPA-600/3-78-003.

Use of Thin Chemical Films for Control of Ice Fog from Cooling Ponds. McFadden, EPA-600/3-79-007.

Identification of Fecal Indicator Bacteria Persisting in an Ice Covered River Under Natural Conditions. Davenport, Sparrow and Gordon, Applied Environmental Microbiology, Vol. 32, No. 4, EPA-600/J-76-082.

Effects of Nitrogen, Phosphorous and Sewage Effluents on Palmer Hay Flat Plan Productivity. William Sanville (1979), EPA.

Definition of Alaskan Wetlands by Floristic Criteria. David F. Murray (1979), University of Alaska.

Field Studies of Cook Inlet Wetlands, Alaska. Keith MacDonald (1979), University of Idaho.

Stream System Quality and Non-Point-Source Pollution Associated with Resources Management Practices with Subarctic Taiga. C. W. Slaughter (1980), U.S. Forest Service.

Survey of Chemical, Physical and Biological Conditions Existing in Major Streams Before and After Oilfield Development in the Alaskan Arctic. George McCoy (1980), U.S. Geol. Survey.

Oil Spills: Effects on Arctic Lake Systems. Robt. Barsdate (1979), University of Alaska.

Alaskan Oil Seeps: Their Chemical and Biological Effects on the Intertidal Environment. D. G. Shaw (1979), University of Alaska.

Consequences of Crude Oil Contamination on Cold Climate Salt Marshes and Inshore Ecosystems. C. P. McRoy (1979), University of Alaska.

A study of Pollution Abatement and Ice Fog Reduction at a Subarctic Coal-Fired Heating Plant. Leroy Leonard (1979), University of Alaska.

Analytical and Experimental Investigation of Oil Movement Due to a Current Under Uniformly Thick Ice. M. S. Unzuner (1979). Arctec, Inc.

Survival of Enteric Viruses Under Natural Conditions in an Ice Covered River. Dahling, et al. (1979), EPA.

Behavior of Microorganisms in the Cold Environment. S. N. Morrison (1979), Colorado State University.

Survival of Salmonella Serotypes Under Natural Conditions in an Ice Covered River. VanDonsel, et al (1979), USDA/USEPA.

Effects of Pipeline River Crossing Construction on a Subarctic River. E. W. Schallock (1979), EPA.

Assessment of Low Temperature Air Pollution Chemistry, H. J. Coutts (1979), EPA.

Physical, Chemical and Biological Characteristics of the Sagavanirktok River. Schallock and Mueller, EPA (1979).

Evaluation of the Effects of Crude Oil on Permafrost Underlain Ecosystems. T. McFadden (1979), Crrel.

Discussion and Evaluation of Data from Poker Creek Experimental Watershed to Date. F. Lotspeich and C. Slaughter, EPA/USFS, (1979).

(B) POTENTIAL AREAS OF COLD CLIMATE RESEARCH

1. Control of air pollution resulting from automobile cold start emissions. This is an acute problem in Fairbanks and Anchorage at certain times. An overall solution may require major modifications to the internal combustion engine. $100-200K for 5 years.

2. Air pollution chemistry may vary with latitude and temperature. Information must be gathered on the formation of the oxides of nitrogen during combustion processes and this related to air pollution parameters. Without this information air pollution control may be ineffective. $75K for 2-3 years.

3. Development of methods of solid waste disposal for small rural communities. $90K for 3 years.

4. Study of land fills as solid waste disposal methods in permafrost areas and in areas where ground remains frozen for extended periods of time. Does snow contribute to the formation of leachate, is the effect of leachate moderated by dilution during spring breakup? $75K for 3 years.

5. Fate of pathogens in sewage sludge applied to land in cold regions. Does cold have any significant effect on organism survival? Is there a potential food chain link to man? $75K for 3 years.

6. Fate and effect of bacterial aerosols from aerated sewage treatment processes in extremely cold climates. Are airborne pathogens a significant threat to health for workers at treatment plants or to general public? $75K for 3 years.

7. Distribution of Yersinia entrocolitica in cold regions (Alaska) and its effect upon public health. This organism is known to have non-specific nutritional requirements, can survive at low temperatures and grow at near 0° C. It can produce acute gastroenteritis and cases have been know to be fatal. Knowledge about this organism in temperate regions is being gained but its significance in cold climate areas is unknown. $75K for 3 years.

8. Decomposition and degradation of complex organics by microorganisms at low ambient temperatures. This process is essential understanding the fate and effect of oil spills in cold regions and as implications related to oil spill cleanup. $100K 5 years.

9. The fate and effects of oil spills in arctic aquatic ecosystems. $50K 3 years.

10. The fate and effects of oil spills in arctic terrestrial ecosystems. $50K 3 years.

11. Determine sub-acute effects of dissolved aromatic hydrocarbons on specific ecosystems where petrochemical industry exists or is planned. $150K 5 years.

12. Determine the fate and effects of oil spill in marine ecosystems beneath ice cover. $150K 5 years.

13. The effects of placer mining on ecosystems in cold regions. $100K 5 years.

14. Development of methods for control of sedimentation caused by placer mining operations. $150K 5 years.

15. Development and demonstration of equipment for removal of arsenic from water supply for single-family dwelling. $35K 3 years.

16. Study of the requirements of fishes over-wintering in ice covered rivers at near 0° C. $100K 5 years.

17. Evaluation and appraisal of criteria established for waters in Alaska. Development of more appropriate water quality criteria as needed. $100K 5 years.

18. Development of alternative utility systems for use in areas where water supply, costs, and climatic factors combine against the application of "standard" technology. $150K 5 years.

19. Fate and effects of seafood processing waste disposal in near-shore marine systems, $150K 3 years.

20. Environmental implications of agricultural developments in Delta, Alaska region. $150K 5 years.

21. Fate and effects of pesticides applied to agricultural lands underlain by permafrost or which remain frozen for extended periods. $80K 3 years.

22. The environmental effects and control of environmental effects due to manipulation of watersheds in subarctic taiga. (Continuation of Poker/Caribou watershed studies.) $80K 5 years.

23. Cost comparison for various types of utility systems in remote Alaskan communities to establish the relative value of alternative technologies. $100K 3 years.

24. Publication of utilities delivery design manual and presentation of planning and design seminar to professional community in Alaska. $70K 1 year.

25. Development of waste treatment systems which use low ambient temperature to advantage and operate at lower cost than conventional systems. $75K 5 years.

26. Establish baseline conditions of ecosystems in Alaska. $400K 5 years. (This can be broken down into aquatic, marine, and terrestrial components by region)

27. Effect of industrial sulfur dioxide air pollutant emissions on lichen growth in Port Valdez. Lichen is important in the Alaskan food chain for carbon, but also are known to be extremely sensitive to sulfur dioxide damage. Development of cause and effect relationships, and determination of any possible damage effects. $150K 5 years.●

QUIET COMMUNITIES ACT AUTHORIZATIONS

Mr. ROBERT C. BYRD. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 1144.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 1144) entitled "An Act to authorize appropriations for the Quiet Communities Act for the fiscal years 1980 and 1981", do pass with the following amendments:

Strike out all after the enacting clause, and insert: That section 19 of the Noise Control Act of 1972 is amended by inserting the following before the period at the end thereof: "; $15,000,000 for the fiscal year ending September 30, 1980; and $15,000,000 for the fiscal year ending September 30, 1981".

SEC. 2. (a) The Administrator of the Environmental Protection Agency shall develop and submit to the Congress not later than March 1, 1980, a five-year plan for carrying out his authorities under the Noise Control Act of 1972.

(b)(1) The plan required to be submitted under subsection (a) (hereinafter in this section referred to as "the five-year plan") shall set forth in detail the objectives of each program and other activity proposed to be carried out by the Administrator under the Noise Control Act of 1972 during the five-year period beginning on the date of submission of the plan.

(2) The five-year plan shall specify the relative priorities among the various programs and other categories of activities proposed to be undertaken by the Administrator pursuant to his authority under the Noise Control Act of 1972, together with a detailed statement of the annual levels of funding which the Administrator proposes to allocate to each such program or other category.

(3) The five-year plan shall contain a schedule or timetable of specific actions proposed to be undertaken by the Administrator during the five-year period in order to attain the objectives referred to in paragraph (1). Such schedule or timetable shall include deadlines for the interim goals necessary to attain such objectives.

(c)(1) The five-year plan shall contain a separate portion setting forth—

(A) the Aministrator's research objectives respecting the health aspects of noise for such five-year period,

(B) the relative priorities among the various categories of research activities proposed to be undertaken by the Administrator for purposes of the noise control programs (together with a detailed statement of the annual levels of funding which the Administrator proposes to allocate to each category), and

(C) a schedule or timetable of research activity proposed to be undertaken by the Administrator during such five-year period in order to attain such research objectives. The schedule or timetable required under subparagraph (C) shall include deadlines for the interim goals necessary to attain the research objectives.

(2) The portion of the five-year plan referred to in paragraph (1) of this subsection shall contain an analysis of the relationship between the research elements of the plan referred to in such paragraph and the other elements of the plan described in subsection (a).

(d) A revision of the five-year plan shall be prepared by the Administrator and submitted to the Congress not later than January 31, 1981, and each two years thereafter. Each such revision shall set forth the information described in subsections (a) and (b) for the five-year period following the date of submission of the revision.

(e) Nothing in this section shall be construed to affect any authority of the Administrator to carry out any activity under the Noise Control Act of 1972 or under any other authority of law.

SEC. 3. (a) The Secretary of Transportation is hereby authorized and directed to conduct a study and report to Congress, not later than six months after the date of final promulgation of the regulations referred to in subsection (b), on the availability, effectiveness, and economic impact of noise abatement technology and measures, and noise abatement standards identified by the Environmental Protection Agency as being necessary to attenuate noise emitted by equipment and facilities of surface carriers engaged in interstate commerce by railroad. Such study and report shall include—

(1) the availability, cost, and effectiveness of such measures and of acquiring, installing, and maintaining such technology;

(2) the effect on railroad operations of meeting the prescribed noise abatement standards; and

(3) the financial impact on the railroad industry generally and individual railroads specifically of acquiring, installing, and maintaining such technology, implementing such measures, and meeting such standards.

(b) No rules or regulations which have been proposed or promulgated by the Environmental Protection Agency pursuant to section 17 of the Noise Control Act of 1972 subsequent to January 1, 1979, shall become effective before the date forty-eight months after the date of final promulgation thereof.

SEC. 4. (a) Notwithstanding any other provision of law, simultaneously with promulgation or repromulgation of any rule by the Environmental Protection Agency under authority of the Noise Control Act of 1972, the Administrator of the Environmental Protection Agency shall transmit a copy thereof to the Secretary of the Senate and the Clerk of the House of Representatives. Except as provided in subsection (b) of this section, the rule shall not become effective, if—

(A) within ninety calendar days of continuous session of Congress after the date of promulgation, both Houses of Congress adopt a concurrent resolution, the matter after the resolving clause of which is as follows: "That Congress disapproves the rule promulgated by the Environmental Protection Agency dealing with the matter of ———, which rule was transmitted to Congress on ———.", the blank spaces therein being appropriately filled; or

(B) within sixty calendar days of continuous session of Congress after the date of promulgation, one House of Congress adopts such a concurrent resolution and transmits such resolution to the other House, and such resolution is not disapproved by such other House within thirty calendar days of continuous session of Congress after such transmittal.

(b) If, at the end of sixty calendar days of continuous session of Congress after the date of promulgation of a rule, no committee of either House of Congress has reported or been discharged from further consideration of a concurrent resolution disapproving the rule and neither House has adopted such a resolution, the rule may go into effect immediately. If, within such sixty calendar days, such a committee has reported or been discharged from further consideration of such a resolution, or either House has adopted such a resolution, the rule may go into effect not sooner than ninety calendar days of continuous session of Congress after such rule is prescribed unless disapproved as provided in subsection (a) of this section.

(c) For purposes of subsections (a) and (b) of this section—

(1) continuity of session is broken only by an adjournment of Congress sine die; and

(2) the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of thirty, sixty, and ninety calendar days of continuous session of Congress.

(d) Congressional inaction on, or rejection of, a resolution of disapproval, shall not be deemed an expression of approval of such rule.

(e) For purposes of this section, the term "rule" includes, but is not limited to, any rule, regulation, principle, standard, or procedure, or any part thereof.

Amend the title so as to read: "An Act to authorize appropriations for the Noise Control Act of 1972 for the fiscal years 1980 and 1981.".

UP AMENDMENT NO. 1017

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. RANDOLPH, I move that the Senate concur in the House amendments to S. 1144 with an amendment in the nature of a substitute which, on behalf of Mr. RANDOLPH, I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from West Virginia (Mr. ROBERT C. BYRD), for Mr. RANDOLPH, proposes an unprinted amendment numbered 1017.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to dispose with further reading of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In lieu of the language proposed by the House, insert the following: That section 1 of the Noise Control Act of 1972 be amended to read, "This Act may be cited as the 'Quiet Communities Act' ".

SEC. 2. All references in other laws to the Noise Control Act of 1972 be deemed to be references to the Quiet Communities Act.

SEC. 3. That section 19 of the Quiet Communities Act is amended by inserting the following before the period at the end thereof: "; $15,000,000 for the fiscal year ending September 30, 1980; and $15,000,000 for the fiscal year ending September 30, 1981".

SEC. 4. (a) The Administrator of the Environmental Protection Agency shall develop and submit to the Congress not later than March 1, 1980, a five-year plan for carrying out the authorities under the Quiet Communities Act.

(b) (1) The plan required to be submitted under subsection (a) (hereinafter in this section referred to as "the five-year plan") shall set forth in detail the objectives of each program and other activity proposed to be carried out by the administrator under the Quiet Communities Act during the five-year period beginning October 1, 1980.

(2) The five-year plan shall specify the relative priorities among the various programs and other categories of activities proposed to be undertaken by the Administrator pursuant to his authority under the Quiet Communities Act, together with a detailed statement of the annual levels of funding which the Administator proposes to allocate to each such program other category.

(3) The five-year plan shall contain a schedule or timetable of specific actions proposed to be undertaken by the Administrator during the five-year period in order to attain the objectives referred to in paragraph (1). Such schedule or timetable shall include deadlines for the interim goals necessary to attain such objectives.

(4) The five-year plan shall be developed in consultation with State and local governments and shall identify (A) specific actions and programs which may be undertaken by such governments to control noise under the Quiet Communities Act or possible modification thereof and (B) levels of funding necessary to implement such actions or programs.

(c) (1) The five-year plan shall contain a separate portion setting forth—

(A) the Administrator's research objectives respecting the health aspects of noise for such five-year period,

(B) the relative priorities among the various categories of research activities proposed to be undertaken by the Administrator or other Federal agencies for purposes of the noise control programs (together with a detailed statement of the annual levels of funding which the Administrator proposes to allocate to each such category), and

(C) a schedule or timetable of research activity proposed to be undertaken by the Administrator or other Federal agencies during such five-year period in order to attain such research objectives.

The schedule or timetable required under subparagraph (C) shall include deadlines for the interim goals necessary to attain the research objectives.

(2) The portion of the five-year plan referred to in paragraph (1) of this subsection shall contain an analysis of the relationship between the research elements of the plan referred to in such paragraph and the other elements of the plan described in subsection (a).

(d) The five-year plan shall also contain a separate portion on aircraft and airport noise conducted and reported in accordance with section 7(a) of the Quiet Communities Act.

(e) A revision of the five-year plan shall be prepared by the Administrator and submitted to the Congress not later than January 31 of 1981 and each two years thereafter. Each such revision shall set forth the information described in subsections (a) and (b) for the five-year period following the date of submission of the revision.

(f) Nothing in this section shall be construed to affect any authority of the Administrator to carry out any activity under the Quiet Communities Act or under any other authority of law.

SEC. 5. Section 17 of the Quiet Communities Act is amended by inserting a new subsection (e) at the end thereof, as follows:

"(e) At any time after the promulgation of regulations under this section, a State or political subdivision thereof may petition the Administrator to revise such standard on the grounds that a more stringent standard is necessary to protect the public health and welfare. The Administrator shall publish a notice of receipt of such petition in the Federal Register and shall within ninety days of receipt of such petition, respond by (1) publication of proposed revised regulations, or (2) publication in the Federal Register of a decision not to publish such revised regulations, together with a detailed explanation for such decisions.".

SEC. 6. The period specified in the first and second sentences of subsection (g) of section 323 of Public Law 88–206, as amended by Public Law 95–95, shall be four years in lieu of the three year period specified in such sentences, and an amount equal to the amount appropriated for the National Commission on Air Quality for fiscal year 1978 but not expended by such Commission is hereby authorized to be reappropriated for such Commission for fiscal year 1981.

● Mr. RANDOLPH. Mr. President, the effect of this amendment is to send to conference the Quiet Communities Act amendments as passed earlier by the Senate, plus a provision extending the life of the National Commission on Air Quality. The Commission is engaged in an important study on aspects of the Clean Air Act which will be closely examined in the next Congress. Because the Commission was delayed in beginning its work, however, it needs this 1-year extension to complete its intensive study of the implementation of the act.

In 1977, Congress authorized $10 million for the activities of the National Commission on Air Quality. To date, $8 million has been appropriated, including $500,000 in fiscal year 1978 which was never expended due to the delay in getting started. This amendment does not increase the Commission's authorization, but it does make available for use in fiscal year 1981 the $500,000 which was appropriated for fiscal year 1978 but never used. This authorization to reappropriate is necessary in order to fully accommodate the President's request of $2.5 million for the Commission's work during fiscal year 1981.●

The PRESIDING OFFICER. Without objection, the motion is agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate insist on its amendments to S. 1144 and request a conference with the House of Representatives, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer appointed Messrs. RANDOLPH, CULVER, HART, STAFFORD, and CHAFEE conferees on the part of the Senate.

ORDER FOR RECOGNITION OF SENATOR HARRY F. BYRD, JR., AND SENATOR STEWART ON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the two leaders or their designees have been recognized under the standing order. Mr. HARRY F. BYRD, JR., and Mr. STEWART be recognized, each for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

FEDERAL BUDGET LIMITATION

Mr. HARRY F. BYRD, JR. Mr. President, the Senate earlier today passed a sense of the Senate resolution presented by the Senator from Maine (Mr. Muskie). This sense of the Senate resolution requested the Budget Committee to report a Federal budget for fiscal year 1981 which is in balance. That resolution was a substitute for one offered by the Senator from Delaware (Mr. Roth).

The original proposal would have held Federal spending for fiscal 1981 to 21 percent of the gross national product. That would have required a substantial reduction in Federal spending. I voted for that proposal. I voted to hold Federal spending to 21 percent of the gross national product, thus forcing reduced spending. I think the President's proposal to increase spending by $65 billion is totally irresponsible. There should be and must be a sharp reduction in that $65 billion increase proposed by President Carter.

On March 20, in a speech in the Senate, I went over the budget function by function, beginning with function 150 and going through function 850; and I put into the Record in detail, with specificity, where, in my judgment, the budget can be and should be cut.

I am convinced that a minimum of $26 billion can be and should be cut from the President's increase. I am not talking about reducing below where we are now. I am talking about reducing the President's proposed increase. I have gone on record.

I realize the political problems in going on record with precise recommendations for reductions; but I think this country is in such a bad shape now that we must have substantial reductions, and I am prepared to take the consequences of the recommendations I have made.

The proposal that the Senate adopted today is quite meaningless and unnecessary. I invite the Senate's attention again today, as I have done many times this year, to the fact that the current law mandates a balanced budget for fiscal year 1981.

Why do we want to adopt a sense-of-the-Senate resolution suggesting a balanced budget? The law requires it. It is Public Law 95-435. It was signed into law on October 10, 1978. That is the law now. What is the purpose of a sense-of-the-Senate resolution on the 25th day of March expressing the hope that there will be a balanced budget when the law already requires a balanced budget. The sense-of-the-Senate resolution passed today may sound good but it accomplishes nothing.

We are coming to grips with our financial problems. Talk is not going to do it. In my judgment, there is no painless way to get spending under control. We must have a balanced budget, but we must do it by reducing spending.

The people of this country, I believe, are very concerned about the grave economic conditions that are facing us. I am convinced that we are not going to make a dent in that, that we are not going to get interest rates down, until we first get Federal spending under control. Heavy Federal spending is forcing interest rates up. The Government itself paid 17.5 percent yesterday to borrow money to finance its huge spending programs.

So far as I am concerned, I have no idea of using my vote to support a $65 billion spending increase proposed by President Carter. There can be and should be a sharp reduction in that increase. I propose to vote for sharp reductions and have gone on record, and my proposals are part of the Congressional Record. They are proposals that will upset every pressure group in the country, I suppose, but I am willing to stand behind them.

I am not particularly enthusiastic about some rather meaningless proposal in the form of a sense-of-the-Senate resolution, when we already have on the books a statute mandating a balanced budget for fiscal year 1981. I say again that it is Public Law 92-435, section 7 of that law, signed into law by President Carter, himself, on October 7, 1978.

The budget can be and should be balanced, and it can be and should be balanced by reducing spending, not by increasing taxes.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. Harry F. Byrd, Jr.). Without objection, it is so ordered.

ARCHBISHOP ROMERO

Mr. ROBERT C. BYRD. Mr. President, when an outrage occurs anywhere in the world, decent people cannot stand by silently. They must express their indignation. An outrage was perpetrated yesterday—the murder of Oscar Romero, archbishop of San Salvador, the capital of El Salvador.

This impoverished Central American nation has been moving away from an authoritarian military regime toward a more open and representative political system. This progress has been accompanied by growing civil strife. Romero emerged as an advocate of social justice. He also condemned the violence of some political extremists. Romero has become the latest victim of this violence, murdered while performing mass in a suburban San Salvador chapel.

At a time when Central America is a deeply troubled region, Romero's death could be a very serious turn for the worse. His murder could tip the scales toward open civil war in El Salvador, with implications for other nations in the region. Let us hope that the people of El Salvador can manage to make progress toward a better life without lapsing into civil war. Let us hope that this outrage does not lead to an even greater tragedy.

RECESS SUBJECT TO THE CALL OF THE CHAIR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess subject to the call of the Chair.

There being no objection, at 7:18 p.m. the Senate took a recess, subject to the call of the Chair.

The Senate reassembled at 8:42 p.m., when called to order by the Presiding Officer (Mr. Harry F. Byrd, Jr.).

WINDFALL PROFIT TAX ACT OF 1980 — UNANIMOUS - CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I have had lengthy conversations with the distinguished Senator from Louisiana (Mr. Long) and with the distinguished Republican leader.

I have a proposed agreement now which I think will hold together.

The distinguished Republican leader, as I understand it, has cleared it with his colleagues.

Mr. BAKER. Mr. President, if the Senator will yield to me before he propounds the agreement, I will clarify that point.

The majority leader is indeed correct. It is now 16 minutes before 9 and most of our Members have left. But those who are directly involved in the negotiations—I am speaking of the Senator from Oklahoma (Mr. Bellmon) and the Senator from Kansas (Mr. Dole)—have just now been contacted by telephone.

I have read the agreement to them, as the majority leader now has it before him. They concur with me in the view that this is the most desirable dispatch of the problem before us.

I am prepared, after the request is made, to signify our concurrence in it and join with the majority leader in making the request to the Senate.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that during the consideration of the conference report on H.R. 3919, the windfall profit tax measure, on Wednesday, March 26, tomorrow, debate on the report, with no motions relative thereto in order, be limited to 5 hours, to be equally divided between and controlled by the Senator from Louisiana (Mr. Long) and the Senator from Kansas (Mr. Dole);

Provided further, that at 10:45 a.m., on Thursday, March 27, after 20 minutes of debate, controlled by Mr. Bellmon and Mr. Long, the Senate proceed to vote on a motion to be made by the Senator from Oklahoma (Mr. Bellmon) to refer the conference report to the Committee on Appropriations with instructions, which may otherwise be in order, and if that motion fails, there then be, without any intervening motion, other than a motion to reconsider and a tabling of that motion, 20 minutes of debate, equally divided between the Senator from Kansas (Mr. Dole) and the Senator from Louisiana (Mr. Long) on a motion to be made by the Senator from

Kansas (Mr. DOLE) to refer the report to the Committee on Finance, with instructions which may otherwise be in order, to be followed by an up-or-down vote on the motion to refer to the Finance Committee;

Provided further, that no intervening motion then be in order, other than a motion to reconsider and a tabling of that motion;

Provided further, that if the motion to refer to either committee is agreed to, it be in order to then move immediately to refer the report to the Appropriations and Finance Committees jointly, with instructions that may otherwise be in order, with debate thereon limited to 20 minutes between Mr. BELLMON and Mr. LONG;

Provided further, that if the motions to refer fail, the Senate proceed immediately, without further intervening motion or debate, to vote on the question of agreeing to the conference report;

Provided further, that if any of the motions to refer are agreed to, when the report is back before the Senate, further debate thereon be limited to 2 hours, to be equally divided and controlled by the Senator from Louisiana (Mr. LONG) and the Senator from Kansas (Mr. DOLE), to be followed immediately by a vote up or down on the report without further motion or debate;

Provided further, that after a vote on agreeing to the conference report is had, debate on any motion to reconsider the result thereof be limited to 20 minutes, to be equally divided between the Senator from Louisiana (Mr. LONG) and the Senator from Kansas (Mr. DOLE);

Provided further, that debate on any point of order submitted or on any appeal be limited to 20 minutes, to be equally divided between the mover and Mr. LONG;

And provided further, that if the foregoing provisions are agreed to, the votes on cloture, which would otherwise come tomorrow and Thursday, be vitiated.

Mr. BAKER. Mr. President, reserving the right to object, and I will not object, the request just put by the majority leader is satisfactory to the minority.

We have consulted and conferred with the distinguished Senator from Oklahoma (Mr. BELLMON) and the distinguished Senator from Kansas (Mr. DOLE). This meets the objections to the previous request put to the majority leader and provides for the maximum accommodation of the convenience and requirements of the Members on this side and there will be no objection.

The PRESIDING OFFICER. Is there objection to the unanimous-consent agreement offered by the distinguished majority leader?

Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished minority leader. It does meet the objections that the distinguished minority leader referred to. So this side gave a little but this side gained a little in that if the conference report is referred to either or both committees, no further motions to refer will be in order, and, in addition thereto, when the report is brought back before the Senate, there is a definite time limitation for further debate on that report with no motions in order of 2 hours.

So I think both sides gave a little and took a little, and it makes for a happy compromise.

Mr. BAKER. Mr. President, if the Senator will yield, I will agree to that. I think it took us a little while to get there, but as the majority leader and I earlier agreed, it seemed likely that we could agree, and we have agreed. I thank him for his consideration, perseverance, and courtesy. I thank him.

Mr. ROBERT C. BYRD. Mr. President, the admiration is mutual. I thank the distinguished minority leader.

Mr. President, I think we also owe thanks to the Parliamentarians and to Mary Jane Checchi, the chief counsel and staff director of the Democratic Policy Committee.

Mr. BAKER. And Bill Hildenbrand and Marty Gold.

ORDER FOR RECESS UNTIL 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 10 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO RESUME CONSIDERATION ON TOMORROW OF WINDFALL PROFIT TAX ACT OF 1980—CONFERENCE REPORT

Mr. ROBERT C. BYRD. Mr. President, I believe there are orders for the recognition of two Senators on tomorrow. I ask unanimous consent that upon the completion of those orders, the Senate resume the consideration of the conference report.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS FROM WEDNESDAY UNTIL THURSDAY, MARCH 27, AT 10 A.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business on tomorrow, if there are no special orders entered for Thursday, the Senate stand in recess until the hour of 10 a.m. on Thursday, and, in the alternative, if orders for the recognition of Senators are entered in the meanwhile, the convening hour on Thursday will be moved up accordingly. By "moved up," I mean moved to an earlier hour.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until 10 o'clock tomorrow morning.

The motion was agreed to; and at 8:53 p.m., the Senate recessed until Wednesday, March 26, 1980, at 10 a.m.

EXTENSIONS OF REMARKS

ETHNIC POLITICS AND PROPAGANDA, SINO-SOVIET STYLE

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1980

● Mr. MICHEL. Mr. Speaker, it is one of the ironies of the last quarter of the 20th century that ethnic politics have not only survived but are flourishing. It was taken as an unquestionable fact only a few years ago that the nations of the world were gradually but inexorably becoming to look more and more similar. Instant communication by radio and television satellite, supersonic transportation, increasing world trade—these we were told, would break down ethnic and religious and language barriers and we would all become homogenized. Those who said this, of course, saw the inevitable homogenization in terms favorable to their own world view which usually was relentlessly liberal, given to sneering at what was called ethno-centric views, considered reactionary.

Well, ethnicity struck back with a vengeance. It would seem that people all over the world want to enjoy the benefits of modern technology but do not want to sacrifice ethnic or religious values. Iran is just one example of such a choice on the part of Third World populations.

It would seem that the Moslem minorities of China and the Soviet Union are currently the focus of widespread propaganda battles: The Soviet Union is using radio broadcasts and clandestine publication of newspapers to convince Moslem minorities now under Chinese rule to revolt. China, in turn is doing all it can to incite Moslem minorities under Soviet rule to turn against their current masters.

What is important about all of this is that both of these Communist regimes recognize the value of propaganda. The very term is a "scare word" in this country because of the overtones of Fascist and Communist usage. But whatever we want to call it, the effective communication of policy by one government to the people of another government is an absolute necessity in the modern world. Notice that I said "government-to-people" communication. Foreign offices and departments of state or foreign affairs take care of government-to-government communications. But when a government wants to send its message directly to the people of another land—usually called propaganda if those we disagree with do it, but termed "international communication" when we do it—the most sophisticated and knowledgeable communications apparatus is desirable.

If the word "propaganda" offends people in this country, most certainly we should drop it. But that does not mean we should drop our efforts to reach the people of other lands with true accounts of our values, our economics, our social policies, our philosophy and, equally important in the case of societies with no free press of their own, with true accounts of what is going on in their lands. And we should do this because it is in the interest of our foreign relations to do so and not just for the sake of talking. In short our international communication should have a goal, a focus, and a philosophy geared to the interest, both long and short term, of our Nation.

To see how the Soviets and Chinese are fighting their propaganda war, I insert in the RECORD "Sino-Soviet Propaganda War Heats Up" from the Chicago Tribune, March 21, 1980:

SINO-SOVIET PROPAGANDA WAR HEATS UP

(By Jim Gallagher)

ALMA ATA, U.S.S.R.—A sophisticated Soviet propaganda campaign to stir up ethnic unrest in China's Xinjiang [Sinkiang] province has some Western observers worried that the Sino-Soviet feud is taking a dangerous new turn.

At present, the campaign is aimed at Chinese Uighurs, a Moslem minority of 6 million people who were persecuted during the Cultural Revolution and still have bitter hatred for the government in Peking.

Observers are concerned, however, that it could soon be extended to include the dozen or more other minorities in Xinjiang who harbor historical resentments toward Chinese rule, and that the Kremlin could use ethnic upheaval in that neighboring province to justify a massive military move across the border.

The Soviet invasion of Afghanistan, and the Kremlin's increasing concern about Sino-American ties, have made such a move more likely, these observers believe.

Last year, Viktor Louis, a Moscow journalist with KGB connections, predicted that Peking's mistreatment of these minorities would eventually result in a widespread insurrection. In his book "The Coming Decline of the Chinese Empire," which was published in the West, Louis raised the possibility of Soviet intervention on their behalf.

At the time, Kremlin watchers were convinced that the crafty Louis, who has disseminated information for Soviet officials on other occasions, was warning the Chinese that the Soviet Union was prepared to play rough if Peking established too close ties with the West.

The efforts to inflame the Uighurs, which have grown more serious in recent months, are seen as the first step in making good on this warning.

Last year, a mysterious Uighur newspaper began appearing in Uighur communities throughout the world. It urges the liberation from Chinese rules of the part of Xinjiang province known as Eastern Turkistan, which borders on the Soviet Union.

In its first issue the monthly paper accused the Chinese of "base acts of oppression" and urged Uighurs to work for the establishment of an independent Uighur state. "We shall follow in the footsteps of our 402 national revolutions [against Chinese rule over the past 1,000 years], and we shall set out on new revolutionary struggles.

"We shall not stop until there exists a free and independent Uighur state."

Although the newspaper has never explicitly stated where it is being published, Western observers believe it is a Soviet-sponsored project, and they say it is the best indication to date of how convinced the Kremlin leaders are that their differences with China will inevitably get worse.

Even before the newspaper appeared, radio broadcasts were being beamed across the Chinese border, just 200 miles from the Kazakhstan city, which decried the conditions in which Chinese Uighurs lived and boasted about the higher standard of living for Uighurs here.

There are believed to be about 200,000 Soviet Uighurs, more than half of them living here in Kazakhstan. The others are scattered throughout four other Soviet Central Asian republics. Many of them migrated here since the Communists came to power in Peking, especially during those periods when the Chinese were taking harsh measures to wipe out their culture or their Moslem faith.

There is a Uighur theater for musical drama in Alma Ata that currently is presenting a political melodrama said to be written by a Uighur refugee from Xinjiang.

The play depicts Maoist oppression of the Uighurs there, and in the most dramatic scene, a Uighur woman kills a Chinese to keep him from raping her daughter.

The intensity and bitterness of the Uighur propaganda drive are causing increasing concern among Western observers in Moscow about how far the Soviets are prepared to push toward an ethnic insurrection.

Some are certain that, in the wake of the Afghan invasion and the breakoff of Sino-Soviet normalization talks, the Kremlin will soon start propagandizing other ethnic groups, if only to keep China from becoming closer to those Moslem countries that are furious at the Soviets for the move into Afghanistan.

Forcing the Chinese to take harsh steps against their own Moslem populations would serve Soviet ends in this regard, observers said.

"They're becoming more and more angry at China's anti-Soviet stance and its closer ties to the U.S.," one Western diplomat said. "They want to teach China a lesson, intimidate if they can, and they think minority resentment may be Peking's Achilles heel."

At first the Kremlin may be content just to make life more difficult for the leaders in Peking by stirring up trouble among the alienated minorities who live around the rugged Tianshan [Tienshan] mountain range.

However, if unrest ever reached the explosive stage, and the Soviets were sufficiently motivated for a military move, they might send in troops to aid the insurgents, observers believe.

Since these minority peoples have cultural, ties to Soviet Central Asians, either through their Moslem religion or their Turkic ethnicity and tongues, the Kremlin could respond to a call from its own people to rescue their oppressed kinsmen from "cultural genocide" by the Chinese.

Others suspect that Soviet fears about a rebuilt China, armed with Western weapons and economically restored with Western aid, are such that they are already establishing the rationale for a pre-emptive strike, should they ever decide one is called for.

"My feeling," an Asian envoy said, "is that the Soviets believe they have only five more years in which they'll be able to beat the Chinese for certain in a war. After that, the Chinese will be too tough and may be able to call upon the United States and other Western nations to join them in a war with the Soviet Union. That's how the Soviet leaders think.

"So I believe they are looking for a chance to strike first, while they still have the upper hand, and if they get a good opportunity, they'll take advantage of it. They're scared to death of what a modernized China might do."

Adding to Russian paranoia about being overrun by invaders from the East, which dates back to the Mongol conquests of the Middle Ages, are Chinese claims to 600,000 square miles of Soviet territory once a part of the Chinese empire, a third of that here in Soviet Central Asia.

The Chinese also beam propaganda broadcasts into the Soviet Union urging minorities here to resist Russian rule.

The possibility that a billion Chinese may some day be able to make good on territorial claims or rally Soviet minorities to their banner is a cause for growing concern in this country.

Local officials here bridled when Western correspondents recently inquired how they felt about Chinese claims to Soviet land. It was clear they did not take such talk lightly.

"We will never give any land to them," one ethnic Kazakh insisted. "Our people are indignant about these territorial claims. No one has any right to our territory. It's ours and we're going to keep it." ●

SKELTON RECOGNIZES INDEPENDENCE YOUTH

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1980

● Mr. SKELTON. Mr. Speaker, on Saturday, April 19, a special event will take place in Independence, Mo. On that date more than 2,000 young people will be recognized by the Independence neighborhood councils and the city of Independence.

In these times when we are reminded daily of the problems faced by young people through news accounts of those who have erred, it is especially important to recognize the efforts of young people who are contributing to society. The Youth Appreciation Show is planned to give that recognition.

It is a pleasure for me to join with the officials of the city of Independence and others involved in the program in offering congratulations to the youth of Independence. We are all proud of their accomplishments to date and their preparation to accomplish even more as they grow into full adult participation in society.●

RONALD REAGAN AND FOREIGN POLICY

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1980

● Mr. HYDE. Mr. Speaker, I was recently thinking of a candidate for the Presidency. He was elected twice as Governor of one of the largest and most influential States in the Union. At the time of his announcement to seek the Presidency, his enemies made the claim that he was all "charm" and not very deep on substantive matters. Finally, this candidate was constantly challenged because his critics said physical impairment would stop him from serving as President. Many of his critics also said that he simply wasn't deep enough to understand the complexities of foreign affairs.

No, it is not Ronald Reagan of whom I speak. It is Franklin Delano Roosevelt, the 32d President of the United States. The same kind of criticism was made about FDR that is now being made about Reagan. You may or may not agree with everything Roosevelt did, but no one can deny he was an effective spokesman for his philosophy, whose enemies always underestimated his political abilities.

I was thinking of all this when I came across a column by Stephen S. Rosenfeld of the Washington Post. Rosenfeld, a distinguished commentator on foreign affairs and not known as a partisan of Ronald Reagan, recently took a second look at the California Governor's credentials to be President. The result was a fair minded appraisal. As Rosenfeld makes clear, Ronald Reagan cannot be dismissed out of hand and must, on the record, be taken seriously by all Americans. What Rosenfeld is saying is exactly the kind of thing that needs to be said. It is not pro- or anti-Reagan. It just looks at the facts and demonstrates that the facts justify a good hard second look on the part of those who, having read so many anti-Reagan cliches perhaps have not bothered to look at the man's record.

At this point I include in the RECORD, "Can An Ex-Governor Handle Foreign Policy?", by Stephen S. Rosenfeld, in the Washington Post, March 21, 1980.

[The Washington Post, Mar. 21, 1980]

CAN AN EX-GOVERNOR HANDLE FOREIGN POLICY?

(By Stephen S. Rosenfeld)

A brief memoir: a few days after Jimmy Carter announced for president in 1974, I called him up—an aide named Jurdan, something like that, got him out of a shower in San Francisco—to ask whether a mere ex-governor could handle international affairs. He said sure and I went on to agree that the next president needn't be, and perhaps shouldn't be, a foreign policy expert, and suggested that he could rebuild foreign policy first at home.

In a superficial sense, this was wrong. Many of Carter's frustrations have arisen from his innocence and inexperience and the ways he sought to compensate. But in a deeper sense, it was perhaps wronger. The expectation that Carter would solidify a domestic base has not been fulfilled. He has neither assembled a workable domestic consensus for a liberal policy nor assuaged widespread security anxieties nor gotten on top of the policy-making process in Washington.

This brings us to Ronald Reagan, who, after the Illinois primary, must be accepted as possibly the next helmsman of American foreign policy. Once again, the question is whether an ex-governor with no national security experience can do the job.

Frankly, I have never been one of Reagan's fans. I have always identified him with the hard-core right: a jingoistic anti-communist carelessly offering simplistic military-oriented solutions to complex global problems. He is not subtle. He is not cool.

None of this is comforting. Yet in view of what has happened since 1976, it would seem necessary to ask if Reagan's conservative boosterism promises to be any less effective or reliable a guide to policy than the liberal guilt that was so prominent in Carter's baggage in the last campaign. I say this not because I think one is more cynical and opportunistic than the other. But Carter's initial approach did not produce results that either the public or—ultimately—he himself found acceptable, and so he reversed field, especially on the critical Soviet issue.

What results would a hard-line Reagan approach produce? How would he react if the results were disappointing? If we have learned anything in the last four years, it should have been to demand that our leaders respect the jagged orneriness of events and not simply follow the seamless contours of their own ideologies and hopes.

For just this reason, it's fine by me that Reagan was, as reported, generally bland and unspecific in his "major" foreign policy address in Chicago this week. That beats telling us how many troops he's going to pull out of an allied country he has neither consulted nor been briefed on. The details come later. And if, as Lou Cannon reported, the speech's "new conciliatory tone . . . was designed to show that he is not a warmonger," that's fine, too. That's just what he needs to show.

But the Chicago speech was more interesting for the "broad requirements" of foreign policy that Reagan listed. His first was "a clear vision of, and belief in, America's future," by which he means faith in American capitalism as the engine of our progress and as a potential model for others. A conservative cliché? Perhaps. But it's worth more than a liberal cliché in response. Not many Democratic hearts may go pitter-patter for Reagan's eminently Republican vision. But though it's arguable, it's not outrageous. There's something to be said for cheering one's system on—and making it work better. The relationship of free enterprise to political liberty is not accidental. Let's hear more.

Reagan's second foreign-policy "requirement" is a strong economy, which he would achieve by unleashing free enterprise. I leave the heavy economic lifting to others. But surely, given the debris around us, it makes sense to ask why, say, Germany and Japan can import far more of their oil and yet not suffer nearly as much inflation. And so on. Carter in 1976 suggested that an ethical or social regeneration was the proper base for rebuilding foreign policy. Reagan suggests economic regeneration. Who disagrees?

If Reagan really wants to convince people that he's not a warmonger, then he's right to keep his third priority—a strong defense, "adequate military power"—third. He asserts that his positions on foreign and defense policy are generally closer to the majority view in Congress than Carter's are. Carter, to be sure, has been moving right, especially since the Soviet invasion of Afghanistan. But whatever Reagan would do in national security, he does not labor under Carter's burden of having to prove he's not soft.

I am not simply trying here to be "fair" to Ronald Reagan. I am trying to figure out who can best take us where we want and ought to go in the world. People who dismissed Reagan out of hand in the past cannot avoid taking a second look now.•

OPPOSITION TO PRESIDENT'S PROPOSED IMPORT FEE

HON. DAVID F. EMERY

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1980

• Mr. EMERY. Mr. Speaker, today I am introducing, with my good friend and colleague JAMES M. JEFFORDS of Vermont, a proposal expressing the opposition of the House to the President's proposed import fee on crude oil.

The $4.62-per-barrel fee on crude oil imports will cost American consumers approximately $10.5 billion annually. This fee will be reflected in a 10-cent-per-gallon increase at the pumps, which will translate into an additional $75 per year in gasoline costs for each American driver.

The import fee will serve only as a minimal conservation measure, while the increased financial burden on consumers will be significant. In addition, the President's own guidelines admit to an expected 0.75-percent increase in the Consumer Price Index. These factors combined will place a greater burden on the American consumer through increased energy costs.

In summary, the President's proposal is meant to serve as an anti-inflation conservation measure, when in fact it is nothing more than an innovative revenue-raising mechanism. Rather than curbing inflation, this proposal will only fuel the inflationary spiral, while doing little to promote conservation beyond the levels dictated by already prohibitive energy costs.

I urge my colleagues to join us in opposition to this ill-advised and burdensome tax on the American consumer.•

INTERNATIONAL DAY FOR THE ELIMINATION OF RACIAL DISCRIMINATION

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1980

• Mr. PEPPER. Mr. Speaker, the proposition that no one shall suffer the cruel injustice of discrimination rests at the very foundation of a democratic society. Yet in this city, in this Nation, and all over the world, we still have much to do to obliterate this blight on mankind. I call the attention of my colleagues to one attempt at removing the scourge of discrimination. Last Friday the United Nations sponsored the International Day for the Elimination of Racial Discrimination.

Most people are quite adept at identifying discrimination. In South Africa, millions are treated as third-class citizens in their native country, because they are black. In the Soviet Union, millions more are systematically stripped of their freedom because they are Jewish. In countries all over the world, hundreds of millions of people are deprived of their basic human rights because of their race. Many of us have been vigilant in calling attention to instances of discrimination all over the globe. All too often, however, deprivations of these same rights are overlooked here at home.

Right here in America, we have a long way to go before the last vestiges of discrimination have been purged from existence. When it comes to human relations, we are not yet colorblind. Often, minorities still work for lower wages than their white counterparts. And minorities can still find themselves shut out of housing, employment, and even restaurants and clubs.

Nor are we sex blind. Discrimination against women occurs as much outside the office as inside the office. It is nothing short of appalling that over half a century after Susan B. Anthony led the battle for women's suffrage that the average woman makes only 59 cents for every dollar earned by a man. I further note that only 18 Members of this body and 1 Member of the other body are female. Although women represent 52 percent of all Americans, they represent only 4 percent of the House of Representatives.

Finally, we are not ageblind. Because we are only beginning to recognize its devastating effects, ageism is perhaps the most insidious kind of discrimination. We have not rid ourselves of negative stereotypes of older people. We continue to sever millions of productive workers from their livelihood for no better reason than exceeding an arbitrary age limit. We continue to treat 24 million Americans with condescension rather than compassion, simply because they are old.

Mr. Speaker, despite these glaring instances of discrimination, I am proud of the leadership provided by the Congress in working toward equal opportunity and equal rights. The 1964 Civil Rights Act and the Age Discrimination in Employment Act of 1967 are two important steps on the road to equality. Instances in which Americans, protected by the Constitution, are discriminated against because of color, age, or sex remind us how far down that road we must travel. I hope that the International Day for the Elimination of Racial Discrimination will have served as a vehicle which will take us further down that path.•

REDUCING THE DEFICIT STARTING WITH THE 1980 BUDGET

HON. ANDREW MAGUIRE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1980

• Mr. MAGUIRE. Mr. Speaker, I am today introducing a rescission bill to take back a quarter-billion dollars which we have appropriated for the purchase of office furniture by the executive branch in fiscal year 1980 and to reduce the spending limitation for rental of office space by the Federal Government.

Section 1 would reduce the appropriations for office furniture. Every year for the last 10 years GSA and the executive branch purchasing officers have bought $100 million worth of office furniture. The agencies which get the furniture complain that it is in poor condition or in some way substandard. But the automatic procurement system does not wait for excellence; so the furniture piles up and we have wasted over a billion dollars.

Mr. Speaker, there are 78 warehouses around Washington that are filled with unused furniture. The Senate Subcommittee on Federal Spending Practices has identified the warehouses where the unused furniture is stored. It has asked the Justice Department, the IRS, and GSA to investigate the source of this waste. But nothing has been accomplished and the needless purchases have continued. I therefore propose to slice away $229 million from the moneys appropriated for office furniture procurement to stop further purchases of office equipment by GSA and the executive branch.

Section 2 of the bill also proposes cuts. The administration originally requested $20 million for the acquisition of office space for the Judiciary under the Omnibus Judgeship and Bankruptcy Reform Act. The administration has indicated, however, that it will only be able to rent space costing $5 million for this year. Thus, we can save $15 million through a simple rescission.

$244,000,000 is a small cut to make in the 1980 Budget, Mr. Speaker; clearly much, much more needs to be eliminated, The section which prohibits purchases of additional furniture will apply pressure on GSA to reform its procurement practices in the way simple entreaties from Congress have failed to do in the past. The reduction of outlays for office space should provoke no opposition from any quarter. I urge my colleagues to support me in eliminating these wasteful, needless expenditures from the 1980 budget.

The bill is printed below:

H.R. 6919

A bill to rescind certain appropriations provided for the purchase of furniture by Federal departments, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of

America in Congress assembled, That, out of the total moneys appropriated for the operation of the departments and agencies of the Federal Government for fiscal year 1980, $229,000,000 of this total appropriated for the purchase of furniture is hereby rescinded. The Director of the Office of Management and Budget is directed to allocate this rescission total among the departments and agencies of the Federal Government and report back to the House and Senate Committees on Appropriations within 30 days following the date of the enactment of this Act as to the allocation made.

SEC. 2. Out of the moneys appropriated to the Federal Buildings Fund for fiscal year 1980 for rental of space, $15,000,000 of such appropriation is hereby rescinded.●

RUSSELL LLOYD

HON. DAN QUAYLE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1980

● Mr. QUAYLE. Mr. Speaker, former Mayor Russell Lloyd of Evansville was the tragic victim of senseless violence which continues to plague our country. Evansville and Indiana have lost a distinguished and hardworking public servant. He was a devoted husband, father, and great American. I was proud to call Russ Lloyd my friend.

During his terms as mayor of Evansville he brought new vigor and hope to the community through progressive leadership. He was an active and fresh force in the Republican Party. Russ Lloyd, at age 47, had only begun to live.

We are deeply saddened by this tragedy and extend our heartfelt sympathy to his wife and to his children.

I include the following editorial from the Fort Wayne Journal-Gazette which eulogizes the accomplishments of Russ Lloyd and depicts the void left by his death:

RUSSELL LLOYD

Russell Lloyd was out of political office but he was not out of politics. Last fall, having served two terms as mayor of Evansville, he had declined to seek re-election in order to devote more time to his family and his law practice. Few doubted, though, that the young, personable Republican had forsaken public service for good. He had considered a run for state office or the U.S. Congress; and he had not ruled out another mayoral candidacy in 1983.

But a flurry of gunshots ended Mr. Lloyd's promising career last week. His alleged assailant was said to have had a longtime feud with the city; she reportedly was unaware that Mr. Lloyd was no longer mayor. The shooting occurred in the kitchen of Mr. Lloyd's home Wednesday, and he died two days later.

When Mr. Lloyd first ran for mayor in 1971, the Democrats had controlled Evansville's City Hall for 16 years. But he won by the largest margin in city history, and when he was re-elected in 1975, he became Evansville's first two-term Republican mayor in this century.

Mr. Lloyd ran an open, progressive administration, encouraging economic growth and industrial development and pushing for development of a $60 million commerce center at the city's riverfront. He worked hard at recruiting minorities and women for city posts, and he tried to encourage young people to become involved in local government. He was active in the state fight to approve the Equal Rights Amendment. A poised speaker, he had a sharp wit and obvious intelligence.

At age 47, Mr. Lloyd had already served his city long and well. He deserved the break from politics he had barely begun to take. But had he lived, his greatest contributions to his city and state might well have been ahead.

Violence against public figures is a particularly abhorrent phenomenon—it harms our political system as well as the individual it's directed against. The killing of Mr. Lloyd, it seems, was utterly pointless as well. And that only intensifies the tragedy, the sense of loss.●

STANLEY C. PACE

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1980

● Mr. CARTER. Mr. Speaker, it's good to know that a company such as TRW has been practicing energy management and conservation for the past 8 years.

The president and chief operating officer of TRW is Stanley C. Pace. A graduate of West Point, during World War II he was a pilot of a B-24 and was shot down over Friedrichshafen. He was a prisoner of war for several months. After the war, promotions came rather rapidly, and at age 31 he was a full colonel.

He retired from the Air Force when he was stationed at Wright-Patterson Air Force Base near Dayton, Ohio, and he joined Thompson, Ramo, Wooldridge. In 1979 he became president and chief operating officer of TRW.

His mother, my sister, was Pearl Carter Pace, chairman of the Foreign Claims Commission under President Eisenhower. He is a native of Burkesville, Ky., and quite naturally I am proud that Stanley Carter Pace is my nephew.

I enclose for the RECORD a portion of an article from the current edition of Energy Management which contains some of Stan Pace's ideas on energy management which are being promoted by TRW:

"Sound energy management and conservation programs are essential to the well-being of industry, and in particular for a company like TRW," says Stanley C. Pace, president and chief operating officer of TRW. "We are a high-technology company that serves many markets. Some of these, such as auto and aerospace, are very much concerned about energy availability, usage, and cost.

"Conservation is important now and has been a top TRW priority for several years. That's illustrated by our record of energy consumption in recent years."

The latest figures show that TRW's U.S. operations, which include about 100 manufacturing plants, consumed 8.6 trillion Btu of energy at a cost of $44 million in 1978. "That's a lot," says Pace, "but it's also a 26 percent decrease from 1972. And even more impressive is the fact this decrease has come during a period when we have significantly increased factory production."

Pace attributes much of that decrease in energy consumption to a very aggressive and comprehensive energy management program, headed up on the corporate level by Thomas H. George, director of environmental/applied technology.

According to George, there have been three big pushes for energy conservation at TRW from top management.

In 1972, in early 1977, and again in December of this past year, Mettler sent out directives requiring a top-down review of TRW's energy supplies, use, and conservation programs. "An internal task force in 1977 reviewed prior progress and developed new recommendations, which have since been implemented," says Mettler.

In view of the Iranian situation, government policies, and other factors affecting energy supply and costs, TRW is pursuing an even more rigorous course to reduce consumption wherever and whenever possible. But the company now faces some big decisions. All the low-cost and many large-cost energy-saving measures have already been taken. "We've made most of the building improvements," says George, "but we have many process improvements to still identify and make." Just about anything TRW undertakes now requires big bucks, with extended paybacks.

"TRW has already invested considerable amounts in programs to reduce energy consumption," explains Pace. "Our commitment in this area goes back several years. Our Equipment Group plant in Cleveland, for example, was the first industrial facility to use an on-line computer to control load demand and power consumption. That was eight years ago. Our Equipment Group, which makes components for the aircraft industry, accounts for only about 18 percent of our total energy consumption. Yet we have invested more than $4 million in energy-saving programs in its plants. Our annual return on that investment has come to about $1.5 million. Now, however, to realize savings in energy of $1 per year, we must invest $3 to $4. So almost any investment we make in that area is substantial."

Evolving through several stages, TRW's corporate energy program has reached a level of considerable sophistication. Some features of the current program stand out as noteworthy—a well-refined reporting system, which includes measuring energy in terms of "value added"; a careful evaluation of energy-saving projects in terms of the "winners" and the "losers"; and a real commitment to taking that step beyond the low-cost, quick-payback investment.

THE FUTURE

"As we look to the future," says Engle, "it is clear that the costs of conventional energy sources will continue to increase significantly. At the same time, alternate energy and conservation technologies are changing rapidly, which suggests that we review on a continuing basis our energy management projects. In many cases yesterday's losers become today's or tomorrow's winners."

According to George, this is precisely the reason TRW has reactivated its energy task force. "We want to take another top-level look at energy efficiency and process improvements to make sure we've identified all the opportunities and are pursuing them."

TRW has already investigated the possibility of putting cogeneration in some of its plants and of converting some plants to coal. "The answer that has typically come back is we don't have heavy process steam requirements," says George. "Most of our plants are relatively small, and cogeneration burners at this point are not profitable or viable technical alternatives."

But as the energy problem grows increasingly more complex, TRW continues to evaluate all the possibilities. The company is very concerned about the natural gas situation, since gas currently accounts for 40 percent of its energy use. the uncertain availability of gas and the financial burden created by incremental pricing pose some definite problems. "The economics of the situation are tough," says George; "we're just going to have to work our way through it."

As a high-technology corporation, TRW is deeply involved in trying to do just that. From primarily an automotive and aerospace manufacturing business, the company has evolved into a major world resource for energy research and development. TRW's Energy Systems Group has practical programs in oil shale, coal desulfurization, synfuels, solar systems, ocean current, and other alternate energy sources.●

ALLARD K. LOWENSTEIN

HON. FRANK HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 20, 1980

● Mr. HORTON. Mr. Speaker, it was with a deep sense of sadness and loss that I heard the shocking news of Allard Lowenstein's death last Friday. As a colleague of Allard's during his congressional term between 1969 and 1971, I, like many of my colleagues, can attest to his outstanding service to his Long Island constituency and the Nation.

Allard will well be remembered for his untiring efforts on behalf of the civil rights movement. But he will also be remembered and respected for his advocacy of the underdog. Al once told an interviewer, "As a kid, I was always being beaten up * * * and ended up feeling left out. I find I can always identify with the people who are left out." I think Al expressed in that interview precisely how many of us viewed him.

Although he only served a single term in the House, Al's devotion to public service took many forms. Among his many accomplishments was his role in the 1968 McCarthy campaign, his active participation on the U.N. Commission on Human Rights (to which he was appointed in 1977 by President Carter) and his dedication to peace.

Described by our colleague, Congressman ANDY JACOBS as a "gentle tornado," Allard Lowenstein will be sorely missed.●

AGENT ORANGE CONTROVERSY CONTINUES

HON. BOB EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1980

● Mr. EDGAR. Mr. Speaker, from 1962 to 1971 this country sprayed millions of gallons of herbicides while fighting in Vietnam. The most heavily utilized substance was what is known as agent orange, almost all of which was contaminated by a substance known as TCDD or dioxin. TCDD is a highly toxic compound, and many Vietnam veterans feel that they are now suffering from exposure to it. These veterans cite a variety of symptoms which they feel was caused by agent orange, the most serious being nervous disorders, cancer, and birth defects.

Concern over the possibility that agent orange caused these serious diseases has been with us since the late 1960's, when Vietnamese women who had been exposed to the herbicide began to experience a sharp rise in pregnancy and birth problems. Unfortunately, until recently we have not done much to investigate this relationship. The Veterans' Administration has begun to develop procedures to study the problem, as have other Federal agencies, but it will be some time before even preliminary results will be known.

I am concerned that we are still not doing enough for those exposed to agent orange. I continue to read reports of cursory and insensitive treatment by officials and medical personnel at VA hospitals, and downgrading of the problem by the Defense Department. Moreover, I am not convinced that we are moving fast enough to do the research necessary to determine what effects agent orange has on human health; given the amount of circumstantial evidence linking the herbicide to health problems, this is inexcusable.

I will continue to follow this controversy closely and expect to see reports noting an improvement in the treatment of veterans claiming agent orange related problems. As the following editorial from the Philadelphia Bulletin notes, the greatest improvement that can be made for these veterans is a resolution of their medical problems in a fair, quick, and open fashion.

The editorial follows:

[From the Bulletin, Mar. 2, 1980]

WE NEED AN ANSWER ON AGENT ORANGE

The Vietnam war has been over for five years, but for many of its veterans some of its possible after-effects are just beginning to show up: Liver ailments, respiratory problems and nervous disorders, birth abnormalities in their children, cancer.

There's a disturbing possibility that such medical problems were caused by the exposure of U.S. troops in Vietnam to Agent Orange, a chemical spray that was used to defoliate jungle trees and reveal hiding places of the Vietcong.

So far, however, the Veterans Administration hasn't been accepting many disability claims based on the alleged harm done by Agent Orange. There hasn't yet been sufficient scientific proof that the chemical was responsible for the ailments. Of 1,233 Vietnam veterans who have filed for disability benefits in cases related to Agent Orange, only 21 have been awarded benefits.

There appears to be enough circumstantial evidence against Agent Orange, however, for research into its possible side-effects to be given the highest priority. The Defense Department maintains that there was no widespread exposure of U.S. soldiers and marines to the herbicide. But the General Accounting Office says that tens of thousands of troops were based either in, or extremely close to, areas in which they could have been exposed to Agent Orange.

There have been charges that the Federal Government is more interested in avoiding liability for any disabling effect of Agent Orange than in discovering what its medical properties might be. We would hope there is no basis for such charges. It's simple justice, in our view, for veterans who can show they were exposed to Agent Orange to be compensated for any disabilities that may have resulted from the exposure. It would be the same, really, as if they had been felled by enemy bullets.

If Agent Orange is found "guilty" as charged, it's likely to cost the taxpayers millions in disability payments. But these men were *our* agents in Vietnam. If they were injured, or are facing death, because of exposure to the herbicide, we owe them and their families some compensation for their suffering.

The issue comes down to being fair to all concerned, the veterans and the taxpayers. The answer is likely to be found in a laboratory. We hope an allout effort is made to provide that answer.

Meanwhile, we applaud efforts such as those in New Jersey, where a state commission has been established to identify possible victims of Agent Orange and help them find medical, legal and social assistance.●

THE 159TH ANNIVERSARY OF THE BEGINNING OF THE WAR FOR GREEK INDEPENDENCE

HON. DAN LUNGREN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1980

● Mr. LUNGREN. Mr. Speaker, today, March 25, marks the 159th anniversary of the beginning of the war for Greek independence. On this day in 1821, Greece embarked on a 9-year struggle to overthrow four centuries of domination and cultural repression by the Ottoman Empire. Nine years later, victorious, Greece's commitment to freedom and equality was manifest in the reinstatement of a democratic government.

It is appropriate on this day to honor Greek Americans, and to recognize the tremendous contribution Greece has made to our Western civilization. It was in Greece, over 2,500 years ago that the philosophical foundations of democratic government originated. It was this foundation upon which the U.S. philosophy of government was based. The American creed of liberty, freedom, and justice for all is an embodiment of the ideals and concepts of the ancient Greek city states and philosophers.

Today, throughout the 34th District of California, the Greek community will celebrate their independence and heritage of freedom and democracy proudly. In gratitude for the tremendous contribution Greece has made, and continues to make, to the United States, I extend my congratulations and continuing support to all Americans of Greek ancestry.●

A FRUSTRATED AMERICA WILL TURN TO RONALD REAGAN

HON. GERALD B. H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1980

● Mr. SOLOMON. Mr. Speaker, this country is in serious trouble today because our leadership in the White House and in the Congress have consistently failed to make the tough choices which are necessary if inflation at home is to be controlled and the erosion of our strength abroad is to be stopped.

The American people are sick and tired of leaders who would have us believe that higher taxes and gasoline prices will lower inflation; or, that the SALT II Treaty will make us stronger militarily. Americans are too canny to take this doubletalk for anything but what it is.

Mr. Speaker, Nicholas Mahoney, publisher of Hoosick Falls Standard-Press and the Washington County Post in New York, provides as good an expression of the frustration the American people now feel as I have seen from any of our so-called "national opinion-makers." But rather than simply ring his hands over the precarious state of our Nation, Mr. Mahoney offers us a hope and an opportunity. In 1980, he tells us, we can turn to the one leader on the scene today who offers the American people a "consistent, unwaffled philosophy," a steadfast plan to put this country back on track economically and militarily. That leader is Ronald Reagan, the next President of the United States.

Mr. Speaker, I submit Mr. Mahoney's fine article for the consideration of my colleagues:

CONSISTENT, UNWAFFLED PHILOSOPHY

This is a frustrating time in which to live.

It is frustrating to stop at a supermarket and wince at the prices of food. It is frustrating to receive an oil bill for heating. It is painful to be told by the president that we must sacrifice more in our private lives to douse the flames of inflation, while the plan he outlines fails to make sense. It is at least disconcerting to have a 10 cents per gallon extra tax on gasoline to fight inflation, and to be told that a tax cut would fuel inflation.

We never have been able to understand why it is less inflationary for the government to tax us and spend the money it takes from us than it is to lower our taxes and allow us to spend the money. We do know, however, that a tax helps build the federal bureaucracy.

We also know that none of the medicine prescribed by our government experts to date has been effective in reducing the rate of inflation. On the contrary, it has made it worse.

An American becomes almost apoplectic over the retention of American hostages in Iran, especially when banners bearing such messages as "America Can Do Nothing About It" are shown on television. Choreographed Iranian mobs, chanting and jabbing their fists into the air, and screaming insults against America, are shown outside the U.S. Embassy where 50 Americans have been held hostage for months. It is true that the United States can do little or nothing about freeing its citizens from Iran without risking their lives, but there is some solace in realizing that any ragged group of wild-eyed terrorists can seize an embassy in any country at almost any time and hold hostages of other countries. We aren't the only nation being victimized.

It is frustrating to have countries throughout the world heaping scorn on Americans and desecrating the American flag after two generations of Americans have dug into their own pockets to furnish money, food, equipment, and protection to get them on their feet and able to take proper places in the world.

No one likes to see a "Yankee Go Home" sign in a country we have saved from starvation.

Even some of our own allies, countries where we maintain troops for their protection, refused to subscribe to plans to invoke economic sanctions against Iran for its unlawful imprisonment of hostages, or even to boycott the Olympic Games in Moscow as punishment for the cruel Soviet invasion of Afghanistan.

It is obvious that the present administration does not have the answer to inflation or the nation's security. It has a waffling philosophy which has scared us all.

We'll wager that despite the promise by the present administration that the number of federal employes will be reduced by 20,000 will never come to pass. At the end of the year, there will be additional federal employes added to our already bloated bureaucracy.

The only philosophy in sight, which has remained constant through two presidential campaigns and through two terms as governor of California, has been that of Ronald Reagan who seeks the Republican nomination for president. He has not waffled. He has been consistent. It is time America adopted such a philosophy for the good of us all.●

INFCE II

HON. TOM CORCORAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1980

● Mr. CORCORAN. Mr. Speaker, yesterday I made a statement to my colleagues on a matter of important international consequence, the conclusions reached by the International Nuclear Fuel Cycle Evaluation (INFCE) regarding the importance of nuclear technology. As I stated then, I felt it was unfortunate that the press account of the conclusions of this 2½-year, 66-nation effort was buried deep and received very little public attention. The Washington Post attempted to rationalize in a March 3 editorial position that the outcome of this effort was "a modest success." It is difficult to imagine that this Carter-promoted activity, which in effect led to a 65-1 vote against the U.S. position, can be claimed as a "modest success," yet the attitude assumed in the Post editorial resembles the mind-set that has been prevalent since the early months of this administration. I do not see how one could fashion even a mild diplomatic victory out of this outright rejection. But now, before us, is the challenge of recovering some of the erosion of our international posture prior to the next economic summit in June and the Nonproliferation Treaty Review Conference in August of this year. This responsibility must be assumed by Congress with urgency.

I would hope that my colleagues would join me in asking this administration whether or not they are prepared to take the steps necessary to reconstruct nuclear energy policy in a manner consonant with the needs of an energy dependent world precariously linked with Persian Gulf resources where the Carter administration now talks about military steps we may have to take to defend the oil fields for the benefit of the free world.

An important perspective of the issues can be distilled from the article I submit below, which summarizes a number of concerns raised by various participants in INFCE. The central conclusion on which a consensus was reached, namely that spent fuel has value, especially to nations with large commitments to nuclear energy, must become the focal point for the review of our current policy. Coupled with this is the recognition that reprocessing of spent fuel is important to recover the value in this fuel as well as to enhance our ability to manage the small amount of high-level waste included in this spent fuel. An argument over the relative economics of the value of this fuel has been put forward by the United States in an attempt to justify the current administration position.

The following article addresses this from a number of perspectives and puts this issue into proper context. There are a number of conditions under which decisions to reprocess and recycle material will be made, based on the macroeconomics of the overall impact on the cost of uranium supply. Yet other decisions will be made on the basis of the asset that reprocessing represents to waste disposal coupled with the importance of energy resource conservation. It is distressing to me that this administration would use the free market economics argument when it was its unilateral initiative which resulted in the shutdown of the Nuclear Regulatory Commission's licensing proceedings. The propriety of a member of the White House staff contacting an independent regulatory agency, namely the NRC, to force termination of a public licensing process is highly questionable. Thus, this administration eliminated the only vehicle for the free market system to seek its own level. This maneuver suggests that some members of the administration may have believed that the outcome of the proceedings before the Nuclear Regulatory Commission could have provided substantial arguments directly contrary to policy. Members of at least one of the special interest organizations opposed to this policy and a participant in the proceedings before the NRC now occupy key positions in the Council on Environmental Quality, the Justice Department, and the Environmental Protection Agency. This vested interest is cause for even greater concern since the need to resurrect this issue in the administration may be subverted by internal manipulation.

I subscribe to the recent statement by the National Academy of Sciences in its report, "Energy in Transition: 1985-2010," that "the exacerbation of international competition for access to fossil fuels that could occur in the absense of an adequate worldwide nuclear power program" is a greater threat to peace than a consistent and thoughtful approach to energy applications of nuclear energy technology. The standards for safeguards, public safety, and environmental impacts of the operation of vital fuel cycle facilities should be adopted as U.S. standards. Without a viable demonstration program of the acceptability of our standards as they may relate to the efficient operation of these types of facilities of this nature, it is difficult to imagine that we could ever be credible in insisting on U.S. standards.

Thus, I feel strongly that the time is now to resume the licensing consideration of these matters as well as to press for meaningful demonstration of various facets of this technology at commercial scale. To the extent that it will provide opportunities for other nations to defer commitments of their own, we should also encourage international participation in these facilities. Anything less than this willingness to accommodate the vital international energy security needs of both the industrialized nations of the free world and the developing nations, would be a national tragedy. Should we fail in this effort, there is a strong likelihood that the United States would be cited as the cause for the rejection of the Nonproliferation Treaty by those nations whose energy security interests have been jeopardized by our unilateral policies.

Mr. Speaker, it would be a disappointment to me to address the House again in late August or early September after the June and August international meetings to revisit this issue in an open discussion of what our next step is to be after announcements are made that nations have been forced from their solemn commitments to adhere to the principles and the requirements of the Nonproliferation Treaty.

Mr. Speaker, for the benefit of my colleagues, I would like to insert an excellent summary by Simon Rippon of the INFCE activity that was published in the March 4 Energy Daily:

INFCE's Final Session: Consensus But Not Accord

There is no single nuclear fuel cycle that is wholly proliferation proof. But there also is no single fuel cycle that cannot be reconciled with the need to avoid proliferation. This is one conclusion of the two-year International Nuclear Fuel Cycle Evaluation (INFCE) on which all the delegates to the final conference in Vienna last week seemed to agree.

But it was equally clear from the closing statements of the national delegations that different countries still will draw different conclusions from the voluminous INFCE reports on what is and what is not acceptable in the nuclear fuel cycle.

Those countries that are likely to depend on others for uranium supplies have generally adopted the position—as voiced by West Germany's Hans Werner Lautenschlager—that "Every country will still have to make its own decisions on the peaceful uses of nuclear energy, taking into account [its] respective technical, ecological, economic, political and financial circumstances." And for most of these countries, these circumstances clearly dictate keeping open the option of reprocessing and fast breeder reactors.

The INFCE participants did not contest U.S. Ambassador Gerard Smith's conclusion that "all countries were agreed that the economic advantage of plutonium recycle in light water reactors will at best be small." But several countries clearly deny the accompanying implication that there is no need for thermal recycle.

Notably, the head of the Brazilian delegation stated: "Plutonium recycle in thermal reactors can achieve savings of up to 40 percent in uranium requirements over the once-through fuel cycle, which makes reprocessing an indispensable operation in most nuclear fuel cycles." The Swiss talked of the "well-known advantages" of plutonium recycle in thermal reactors.

And the Belgians—who now own a small reprocessing plant which could be reactivated, who have a mixed-oxide fuel fabrication plant and a great deal of irradiation experience with plutonium fuels in thermal reactors—insisted that the question of whether or not a fuel cycle is economically justifiable "should be left entirely to the country concerned."

More generally, the position of the delegations from the uranium-dependent countries was that INFCE had identified reprocessing as an essential first step in most fuel cycles, and therefore provision for this option should be retained in all long-term supply contracts. This being so, their reasoning went, it is better to reprocess sooner rather than later, or at least to ship spent fuel to a large reprocessing center where it can be stored under an international management scheme.

The three countries with relatively abundant uranium reserves—Australia, Canada and the U.S.—conceded the right of others to decide on their own fuel cycle options. But they noted that INFCE has identified "sensitive areas" of the fuel cycle, and they can be expected to seek improved institutional control over these areas as a condition in bilateral supply agreements.

The efforts of the International Atomic Energy Agency (IAEA) to establish an international plutonium storage scheme (IPS), which have been proceeding in parallel with INFCE, offer the prospect of one such institutional arrangement to deal with the sensitive area of separated plutonium. The fact that IPS was endorsed by the three main uranium suppliers, as well as by all the consumers, was seen as one of the most encouraging developments at the final INFCE conference.

There may be less accord on another sensitive area which was identified in the INFCE report—namely, the long-term proliferation risk associated with spent fuel storage and disposal. The INFCE working group that looked into the question of spent fuel storage noted that while wet storage of low-burnup fuel has been demonstrated for periods up to 20 years, experience with high-burnup fuel is only 10 years and further testing will be required to evaluate longer-term storage.

Many of the conference delegates felt the U.S., Gerard Smith had gone too far with his claim that INFCE had proved spent fuel "can be safely stored on an interim or long-term basis, and terminal disposal without reprocessing appears to be a realistic option for either economic or nonproliferation reasons."

The head of the French delegation, M. de Commines, warned of large accumulations of untreated spent fuel in years to come. Along with delegates from several smaller countries, he advocated a scheme for international management of spent fuel in parallel with international plutonium storage.

Hermann Bondi, head of the British delegation, referring to the report of INFCE's uranium supply/demand group, said: "The overriding message which comes through to us from that report is the uncertainty we all place in planning of nuclear power." He called uranium "the most political of all commodities." And like most of the consumer country delegates, Bondi drew attention to recommended guidelines for long-term supply contracts contained in the final INFCE report.

The hope implicit in those guidelines is that greater predictability can be introduced into conditions of prior consent for retransfer or reprocessing of spent fuel, and that "case-by-case" constraints can be effectively eliminated from bilateral agreements.

To foster a mood that could make this possible, most delegates to the INFCE conference were inclined to play down residual differences of opinion. They concentrated instead on mutual self-congratulation over the fact that 46 nations had agreed on a consensus report without the need for minority views. Nonetheless, last week's final national statements indicate that consumer nations can—and will—draw on plenty of ammunition from INFCE in forthcoming negotiations of international nuclear supply agreements.●

DEFENSE PRODUCTION ACT

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1980

● Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I am today introducing a joint resolution which would extend by 60 days the provisions of the Defense Production Act of 1950, with the expectation that the House will act on the resolution later this week. This action is necessary, Mr. Speaker, because without it the act will expire on next Friday, March 28. It must not be allowed to lapse, because it contains important authorities under which our industrial base is kept in a state of readiness to mobilize quickly in the event of a national emergency.

We have twice before in this Congress extended the Defense Production Act for short periods, in order to give the conferees time to complete work on S. 932, the "Energy Security Act." Members will recall that the House synthetic fuels legislation which we passed overwhelmingly last June represented amendments to the Defense Production Act and included an extension of the act. We are still in conference on this energy legislation although I am pleased to report that we have made significant progress since we last extended the DPA in January. I have every expectation that when we bring this matter to the Members for action again, it will be contained in a conference report on the omnibus energy legislation. Meanwhile, it is vital that we continue the authorities of the Defense Production Act, and I hope Members will act expeditiously when this resolution comes before them for action later this week. The Senate plans to take similar action.●

INDEPENDENCE OF BYELORUSSIA

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1980

● Mr. LENT. Mr. Speaker, today marks a momentous day for all who are committed to the ideals of self-determination, independence, and freedom. Sixty-two years ago, on March 25, 1918, the executive committee of the First Byelorussian National Congress proclaimed the Byelorussian Democratic Republic, implementing a national constitution which guaranteed freedom of assembly and speech, liberty of conscience, inviolability of person and home, and equality of all citizens under the law. However, this dream of independence and nationalism was tragically short-lived.

The victims of both Communist aggression and imperialism, and later, Nazi occupation, the Byelorussian people remained steadfast in their resistance to subjugation. Gallant Byelorussian patriots sacrificed their lives for their ideals, demonstrating their total dedication to national independence. Since 1921, the Russian Communist Party has controlled the affairs of Byelorussia; but, the cultural heritage of the people has remained one of the richest in Eastern Europe. In their hearts, the Byelorussian people have a continual desire for the independence which was once theirs—and a belief that this independence will be restored.

I would like to take this opportunity to alert my colleagues to the plight of Michal Kubaka, a proud Byelorussian, unjustly imprisoned by the Soviets—yet another prisoner of conscience! And what is Michal's crime? He enlightened his fellow workers of their basic human rights as designated in the Universal Declaration of Human Rights—hardly an act prompting a 6-year imprisonment in a psychiatric prison! He has once again been imprisoned for his essays, "Human Rights and Détente are Indivisible," and "The Stolen Fatherland." Michal has become another victim of the oppressive Soviet regime. I urge my colleagues to join me in demanding the release of Michal Kubaka, whose courage and determination is admired by all!

In conclusion, I want to support the wonderful suggestion to include Byelorussian in Voice of America broadcasts. This is certainly a method of bringing reassurance and support to the courageous Byelorussian people and the Byelorussian-American community, and an idea to be given thoughtful consideration. The proud people of Byelorussia are an inspiration to all, and we join them in the hope that one day their aspirations for independence will be realized, and they will come to know the freedom we value so highly in the United States of America.●

PRESIDENTIAL PLAN FOR SELECTIVE SERVICE REFORM

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1980

● Mrs. SCHROEDER. Mr. Speaker, last week, in response to a Freedom of Information Act request, the Office of Management and Budget (OMB) provided me with certain documents used by the White House in the preparation of the Presidential plan for selective service reform.

The Presidential plan report was submitted to Congress February 11, 1980, in response to an amendment to the 1980 Defense Authorization Act that requested the President to study and report back to Congress on 10 Selective Service System (SSS) and military manpower issues.

On October 12, 1979, Zbigniew Brzezinski, Assistant to the President for National Security Affairs, directed James T. McIntyre, Jr., Director, OMB to—

> undertake such studies and deliberations as are necessary to develop a broad Presidential plan for Selective Service System reform as will be called for in the 1980 Defense Authorization Act.

On October 15, 1979, Mr. McIntyre tasked out to three agencies the 10 issues to be addressed in the report. Five issues were assigned to SSS, four to the Department of Defense (DOD), and one, national civilian service, to OMB.

These three agencies prepared the three studies used by the Presidential plan "steering group" in writing the February 11, 1980, report to Congress.

The SSS report, dated January 16, 1980, was obtained by Senator Mark Hatfield and inserted in the Congressional Record, February 27, 1980, at S1917.

OMB has refused to release its report on national civilian service on the grounds that it is "sensitive and confidential" and thus exempt from the FOIA. I am appealing this decision.

The DOD report, dated January 14, 1980, is set out below, along with an article from the March 20, 1980, Washington Post.

It should be noted that neither the SSS report nor the DOD report, which represent the best thinking on the subject from these two agencies, recommend premobilization (peacetime) draft registration.

Tomorrow I will discuss additional documents I obtained under my FOIA request.

The articles follow:

[From the Washington Post, Mar. 20, 1980]

Draft Registration Plan Runs Counter to Pentagon Memo

(By George C. Wilson)

President Carter's plan for peacetime draft registration was not what the Pentagon's manpower office had in mind, according to an internal Defense Department report obtained yesterday.

The report also warned that requiring the registration of men, but not women, probably would be challenged in the courts and could hinder mobilization.

The document, dated January 1980 and obtained by Rep. Patricia Schroeder (D-Colo.) under a Freedom of Information Act request, is expected to fuel the controversy over President Carter's plan to require 19- and 20-year-olds to register this year.

Since the House has refused to pass the required legislation for registration of women, Carter is now trying to persuade Congress to provide $13.3 million in fiscal 1980 supplemental funds to finance the registration of men only.

The manpower office report, written as Carter was mulling his registration decision, did not recommend peacetime registraton. It noted that the Selective Service "is developing plans to conduct an emergency registration within the first 10 days after mobilization is announced."

Selective Service, in a separate report dated Jan. 16, said it would be most "cost-effective to register young people after a national emergency were declared. Carter has rejected that recommendation partly on the ground that peacetime registration would demonstrate national resolve to the Soviet Union.

Now that Carter has settled for men-only registration, the key questions become whether Congress will provide the money and whether the courts will uphold the registraton of men but not women.

The White House is pressing Congress to get around its budget ceiling for fiscal 1980 and still come up with the $13.3 million for men-only registration by transferring that amount from the Pentagon to the Selective Service. A resolution to do this is expected to be voted on next week by the House Appropriations Committee. The Senate is awaiting House action.

In discussing the risk of men-only registration being invalidated in the courts, the Pentagon report said that "an injunction arising from these suits could cause damaging delays during a period of national emergency or war."

"Extending the presidential authority to register, classify and, with congressional approval, to induct women as well as men would reduce the risk of adverse court action during a time of crisis," the report said.

"Women have proven that they can successfully serve in a large number of occupations in our peacetime military force, and also can serve successfully in large numbers in an expanded wartime force.

"Consequently, if registration or induction is reinstated and women are excluded, it is likely that sex discrimination suits would be brought against the U.S. government."

The American Civil Liberties Union has vowed to file such a suit. The Justice Department, in an opinion that differs from those of the Pentagon and the Selective Service System, has predicted that men-only registration would survive a court challenge.

At a Senate Armed Services Committee hearing yesterday, Sen. John Warner (R-VA.) said that any government plan that required the registration of women would "open the floodgate" and wash away the powers of the president and the Congress to keep women out of combat.

PRESIDENTIAL PLAN FOR SELECTIVE SERVICE REFORM—A REPORT ON SELECTED ISSUES

(Prepared by: the Office of the Assistant Secretary of Defense, Manpower, Reserve Affairs and Logistics, January 1980)

INTRODUCTION

The Defense Authorization Act for fiscal year 1980 directed the President to submit a plan by February 9, 1980 for reform of the Selective Service System. The Act specifically directed the President to report on ten issues of concern to Congress. The Director of the Office of Management and Budget directed the Department of Defense to prepare reports on four of these issues:

1. The desirability of the enactment of authority for the President to induct persons registered under such Act for training and service in the Armed Forces during any period with respect to which the President determines that such authority is required in the interest of the national defense.

2. Whether women should be subject to registration under such Act and to induction for training and service in the Armed Forces under such Act.

3. The desirability and feasibility of providing authority for the President to induct persons into the Individual Ready Reserve.

4. Other possible procedures that could be established to enable the Armed Forces to meet their personnel requirements.

The four attached reports fulfill this requirement.

The Department of Defense also will submit a separate report to the Congress regarding education incentives and the status of the All Volunteer Force.

1. ISSUE

The desirability of the enactment of authority for the President to induct persons registered under such Act for training and service in the Armed Forces during any period with respect to which the President determines that such authority is required in the interest of the national defense.

2. BACKGROUND

The draft was instituted during the Civil War and World War I by Acts of Congress, and Congress authorized use of the draft by the President beginning one year prior to U.S. involvement in World War II. This authority continued through World War II. After World War II, Congress allowed the draft law to expire for a brief period, but reinstated conscription during the Berlin airlift of 1948. For the following 25 years, the Congress delegated to the President the authority to determine when to initiate inductions. The 1948 law provided an induction authority for a two year period. The authority was extended for one year in 1950. Beginning in 1951, the induction authority was extended by Congress to the President for successive four-year periods. However, in 1971, the Congress, at the request of the Administration, extended the President's induction authority for only two years. The purpose of the Administration's request for only a two-year extension in 1971 was to allow time to phase into an All-Volunteer force.

The last call for inductees was issued by the Selective Service System in December 1972. On January 27, 1973, Secretary of Defense Melvin Laird announced the implementation of a "zero draft." The Nixon Administration did not request an extension of the President's induction authority in 1973, in part because of a belief held by some that the existence of induction authority would reduce motivation to make the volunteer force work. Congress allowed the authority to expire on July 1, 1973. Other provisions of the Military Selective Service Act, including Presidential authority to register and classify young men, remained in effect.

3. ALTERNATIVES

The Administration considered the following alternatives:

Provide authority for the President to induct persons based on Presidential determination that such authority is required in the interest of national defense.

Provide Presidential authority to begin induction upon Presidential declaration of a national emergency or Congressional declaration of national emergency or war.

Continue with the current arrangement; i.e., the Congress retains the authority to initiate induction.

4. CONSIDERATION OF ALTERNATIVES

The current Military Selective Service Act authorizes the President to reinstate registration and classification but prohibits inductions without Congressional approval. The Administration does not object to the requirement for Congressional approval. In a nation where individual freedom is cherished, the decision to institute conscription is a serious matter. The Administration would not hesitate to request the authority to conscript to provide the Armed Forces with manpower in a national emergency or even to maintain the strength of the Armed Forces during peacetime. Because such a decision involves a tremendous change in the lives of millions of young Americans, and their relatives, it is a decision that should be reached on the basis of a strong national consensus. Failure to achieve such a consensus could lead to bitterness and division among the population. This would be harmful to the unity needed to support the national effort in a crisis. The best means of producing a national consensus is to insure that the resumption of conscription is supported by the representatives of the people in Congress.

The President currently has authority to resume registration and classification. The Selective Service System is developing plans to conduct an emergency registration within the first ten days after mobilization is announced. An additional few days will be needed to conduct a lottery and transfer the registration data to computer records. Induction authority will not be needed until about a week after a decision to mobilize.

5. CONCLUSION

It is the view of the Administration that sufficient time probably will exist after mobilization is announced for Congress to authorize induction by amending the current Military Selective Service Act (50 U.S.C. App. 451 et seq).

6. RECOMMENDATION

The Administration does not seek additional statutory authority regarding the issue of induction. However, the Administration has no objection if Congress wishes to provide the President authority to induct persons for training and service in the Armed Forces when the President proclaims a national emergency or upon Congressional declaration of war or national emergency.●

THE 62D ANNIVERSARY OF THE BYELORUSSIAN DEMOCRATIC REPUBLIC

HON. JAMES J. BLANCHARD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1980

● Mr. BLANCHARD. Mr. Speaker, today marks the 62d anniversary of the proclamation of the Byelorussian Democratic Republic. This anniversary comes at a time when the entire world has once again become aware of Soviet aggression and domination. The Soviet incursion into Afghanistan is but another example of the Soviet's willingness to forcefully invade an independent country and remain there while scoffing at the outcry of world opinion.

Soviet expansionism is not new to the people of Byelorussia. They have been striving to regain their national rights, and basic human rights for many years. Unfortunately, the struggle of the Byelorussian people too often has gone unnoticed. Events such as the Soviet's action in Afghanistan are painful reminders of the plight of so many people who now suffer under the yoke of Soviet occupation.

One step that could help to remind the free world of the struggle being waged by the Byelorussian people would be for the Voice of America to include the Byelorussian language programs in their broadcasts. This could be one small way in which to demonstrate recognition and support for bringing freedom and human rights back to Byelorussia.

As we reflect on events such as the invasion of Afghanistan, I hope that all my colleagues will remember people such as the Byelorussians who not only continue to suffer the hardships of Soviet occupation, but also continue to strive for the day when they recapture their freedoms.

I am including with my remarks, a copy of a resolution that will be offered at the 1980 Byelorussian-American commemoration observances:

RESOLUTION

Resolved that the Byelorussian language be included in Voice of America programing.

The aforementioned resolution to be adopted by the Byelorussian-American community at the March 23rd, 1980 rally commemorating the 62nd anniversary of the proclamation of the Byelorussian Democratic Republic which took place in Minsk, capital of Byelorussia, on March 25, 1918.

The Byelorussian-American community of New York is convinced that U.S. national security interests and world peace are well served when captive nations within the Soviet Union are informed of the nature of the Soviet expansionism and the vitality of their respective cultural heritages in the United States. Indeed, these are major objectives of Voice of America broadcasts. For years, however, Byelorussians in the Soviet Union have not heard any VOA broadcasts in their own language.

The Byelorussian language, the language of one of the largest ethnic groups in the USSR and one of the oldest ethnic groups in the United States, is being discriminated against by the Voice of America as it does not include the Byelorussian language in its programing. We, the participants of this rally wish to once again express our long standing frustration at this discrimination; we ask that the administration of the VOA and other concerned government agencies recognize the inequity and unsoundness of VOA policy in this matter and move to include the Byelorussian language in VOA programing. Inclusion of the Byelorussian language in VOA broadcasts would foster closer relations with the Byelorussian people and the Byelorussian-American community.●

ALLARD K. LOWENSTEIN—A TRANSCENDENT LIFE

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 19, 1980

● Mr. SEIBERLING. Mr. Speaker, we will never know how many people felt the shock of personal loss when they heard the tragic news of Allard Lowenstein's untimely death. Surely they number in the thousands, for he had met thousands in his extraordinarily active life, and no one who had met him could forget him. His intellect, decency, integrity, faith, empathy, and, above all, his humanity could not fail to impress and inspire anyone who knew him.

I will always remember my first meeting with him. I came to Washington, in November 1970, 2 weeks after the election which brought me to Congress. My friend and campaign coordinator, Jim Goff, said, "Let's go up and see Al Lowenstein." I said, "Do you think he will be in? It's 10 p.m." Up we went to his office in the Longworth Building. There he was, looking quite tired, working away at his desk just as though he had not recently lost his own campaign for reelection. We sat around for 20 minutes or so talking about the state of things and what the new Congress might do and what he might do. He had the knack of accepting people instantly and making one feel like an old friend. I remember particularly his unusual combination of relaxed manner and intense mental activity.

The last time I saw him was about a year ago when I sat with him and a half dozen others around a luncheon table in the Members private dining room in the Capitol. He had just returned from Zimbabwe-Rhodesia on a special mission to evaluate the situation there. The question of the trade embargo was about to come up again in the Foreign Affairs Committee. I asked Al what he thought Congress should do. He quickly outlined the importance of giving the British Government maximum leverage to force all sides to accept a peaceful solution, and he concluded that the best thing we could do was to authorize President Carter to continue or to terminate the embargo, depending on his findings as to which course would best promote such a solution. That, of course, was what Congress ultimately did, and the experts now say that was what made the peaceful solution possible.

No one could possibly catalog all the causes that Al Lowenstein promoted, the many lives he helped, the many he saved. He was a person whose heart cried out with compassion for his fellow human beings, and who, not satisfied to sympathize and let it go at that, did not hesitate to reach out his hand or to stick out his neck.

That this man of reason and nonviolence would die at the hand of an assassin is a tragedy, not alone for him, but for us all. Yet the manner of his dying only serves to illumine the manner of his living, and he joins, in the manner of his life and of his death, Abe Lincoln, Mahatma Ghandi, and others who similarly lived and died and whose lives now serve as a beacon for those who follow.

Mr. Speaker, the latest issue of Harvard Magazine, Harvard University's publication for its alumni, contains a brilliant article by the late Prof. Emile Benoit, entitled "Human Survival and the Fear of Death." Professor Benoit points out that, to avoid being immobilized by the realization of their mortality, people develop various mechanisms to deal with it. One way is to repress it. Another is to transcend it. Those who transcend it, Benoit says, do so by developing a high degree of altruism, enabling them to live lives of dedication to the survival of other human beings as a group.

In an age when there are multiple threats to man's continued existence as a species and when our survival demands a tremendous upsurge of transcendent altruism and farseeing wisdom, Al Lowenstein was one of those pioneer spirits whose example, we must hope, will inspire leaders in our country and throughout the world. As a fitting tribute to him, I offer Emile Benoit's article for inclusion in the RECORD following these remarks:

HUMAN SURVIVAL AND THE FEAR OF DEATH

(By Emile Benoit)

Like other animals, man has a genetic predisposition to avoid death, accompanied by perturbations inwardly experienced as fear. This instinctive fear of death has played an important role in the evolutionary process.

Because man has been able to recognize the ubiquity and inevitability of death, and is endowed with an exceptional capacity for memory and foresight, he might find this fear immobilizing if he had not developed certain mechanisms for dealing with it. The most common of such mechanisms is repression. Elaborate defense mechanisms have been developed to repress awareness of the fear of death, through religious doctrines and institutions that portray death as merely the gateway to eternal life—and men half-persuaded that death is merely an illusion find it easier not to think about it, until it is imminent.

An alternative way to deal with this fear is not to repress it, but to transcend it. The biological roots of such transcendence have only recently come to light. Edward O. Wilson and other sociobiologists at Harvard have shown that altruism and a willingness to sacrifice one's life in the defense of one's nest, hive, lair, home, etc., is not, as it once seemed, a biological anomaly, inconsistent with natural selection. It is now understood that groups as well as individuals are involved in the natural-selection process, and that those groups may do best in which at least some of their members are endowed with a degree of altruism enabling them, in an emergency, to transcend their fears and risk death to protect the fellow members of their group—who carry much the same genetic structure as they do.

In deliberately risking death to protect its fellows, either by fighting or by exposing itself to predators and trying to lead them away from its nest, lair, etc., the individual is for the moment not dominated by fear of dying. Human subjects talk of a certain euphoria in battle or in rescue operations that makes them largely oblivious to their own danger.

It is my thesis that the choice between these two alternative modes of dealing with the fear of death, repression versus transcendence, has assumed enormous importance in view of the changed character of human evolution and the crisis now confronting us. Human evolution has continued at its same slow pace biologically; fifty thousand years ago man was genetically virtually identical with man as he is today. But the evolutionary process has accelerated tremendously in the realm of culture. It is there that major mutations have occurred, that natural selection visibly operates, and that improvements have been rapidly diffused through communication and imitation. As a result, man has emerged as the undisputed master of the earth; but, ironically, he now faces the gravest dangers to his survival.

The best understood aspect of this danger is the enormous jump in man's ability to destroy, and the rapid diffusion of such powers to many hands. Along with this goes a vast increase in vulnerability: a high degree of specialization and division of labor, coordinated by a vast network of communications and transportation, readily subject to disruption. Less obvious is the danger from the waning legitimacy of governments and other intergrative institutions, as their corruptibility, their susceptibility to use for advancing the power drives of individuals, becomes more widely perceived. There is also a strenuous reaction against manifold types of inequality in modern society, with little awareness of their relative degrees of justifiability and of the real costs and difficulties in trying to abolish them too quickly. Moreover, in the rush to abolish all inequalities within the present generation, there is a tendency to disregard the creation and aggravation of temporal inequalities, that is, inequalities between this and future generations.

This ties in with the other major aspect of our problems, the ecological or environmental aspect. It can perhaps be most readily explained in terms of the "Exponential Growth Syndrome" and the negative externalities of pollution and "excess depletion." Exponential growth—growth at a constant or rising percentage—creates explosive amounts of total growth, incompatible with any fixed limits. For example, *Homo habilis* is at least two million years old. Up until the time of the American Revolution, his average growth in numbers was less than four million a year. In the last two centuries the human population has grown by around twenty million a year. Within a decade, if present trends hold, it will be increasing by the equivalent of the present population of the United States every two years. Since per capita incomes have also been rising, the amount of energy and other resources consumed and the amount of polluting wastes dispersed have been increasing even faster.

The Exponential Growth Syndrome, as I define it, is the modification of attitudes, ideologies, and standards and ways of living, on the assumption that exponential growth is the normal condition and must continue indefinitely, since everyone's welfare depends on it. Its continuance is believed to be required to maintain employment, avoid inflation, mitigate poverty, and continue the hope of progress. The obvious fact that, in a world of limited dimensions and resources, exponential growth can't go on indefinitely—or even for very long—is something that, like our awareness of death, is repressed. As with death, we rely on magical solutions to make the inevitable disappear or seem illusory.

Attempts to confront the realities, and to discover how they might be transcended, are nit-picked or ridiculed or otherwise discredited. Academic orthodoxy rushed to show that Donella and Dennis Meadows' projection of ecological disaster within 125 years (in The Limits to Growth, Universe, 1974) would be falsified if one changed some of the assumptions. Yet the usual conclusion drawn by these scholars, that therefore the dangers were illusory, revealed their own underlying biases; for if they had taken their own assumptions and traced out how much difference they would make, they would have found that their more favorable assumptions would simply delay the pending catastrophe for a period essentially trivial in proportion to man's prior existence and future aspirations. For example, Professor William Nordhaus of Yale University, formerly of the Council of Economic Advisers, has argued that "ultimately recoverable resources" are far larger than presently estimated, so that growth will not be limited by resource shortages. He estimates that ultimately recoverable resources of coal would suffice for five thousand years at current rates of consumption. What he does not point out is that, at past rates of increase in consumption, this amount would all be gone in 150 years, and, thus, that the difference between his projected date of exhaustion and that of the Meadowses is minor. I myself have calculated that if we increased the tonnage mined of the main minerals by only three percent a year, we would in a thousand years be mining more than the weight of the earth annually.

A thousand years is only a quarter of recorded history. Relative to the two million years that Homo habilis has been on earth (let alone the one hundred million years during which the dinosaurs flourished), it is a negligible quantity. Even if the human race had an assurance of surviving another thousand years, this would be the equivalent of diagnosing an illness of an infant as terminal.

Moreover, if we keep to our present course, it is most unlikely that we have a thousand years. Even the short-term problems look very bad. The so-called energy squeeze is only the tip of the iceberg. We have developed, in just a few decades, a profound dependence upon one particular energy resource that is highly concentrated and that was (though we did not recognize it) extraordinarily cheap. It so happens that those who own a large part of the supply of that resource have finally become aware that the supply is limited, and—like intelligent monopolists—have decided to try to maximize not current sales but long-term profits, by restricting output.

To substitute other energy sources will require enormous investments in new infrastructure, for locating, transforming, transporting, metering, and delivering the energy, as well as for providing backup capacity in the event of failure, accident, or abnormal demand (as from climatic variations). These, rather than the fuel itself, account for the bulk of the cost of conventional energy sources. The relentless upward pressure of energy costs in generating both dangerous inflation and large-scale unemployment simultaneously, thus accentuating class tensions, undermining loyalty to existing systems, and greatly enhancing the risk of war. (It should not be forgotten that a succession of severe inflation and mass unemployment was an important factor in bringing about World War II.)

To build the new infrastructure required to fill even a major portion of the increase in the energy demands of rapidly rising populations with rising living standards will require the diversion of vast amounts of steel, copper, etc., and energy, from present consumer uses into the new forms of investment. Indeed, oil and gas should be looked upon primarily as a chemical feedstock and emergency energy supply, to be used primarily to buy us the time required to build the infrastructure required to utilize alternative energy sources. Yet, President Carter's effort to divert even a small part of the increase in conventional energy supply away from consumption and into the development of alternative energy sources has met impassioned resistance from vested interests, and confusion and bewilderment among the general public. There is no indication that any serious change in our existing pattern of life and institutions is even being considered in connection with the Exponential Growth Syndrome.

A recent paper of mine, setting forth these dangers and proposing "Dynamic Equilibrium" policies to meet them, drew three interesting responses that throw some light on the difficulty we will have in dealing with such problems. The editor of a leading economic journal wrote: "I was fascinated by 'Dynamic Equilibrium.' I admire its eloquence and optimism, and wish I could share your belief that the grave predicaments you describe so well will yield to the mild medicines that you prescribe. In fact, I don't even believe that the patient can be persuaded to take those mild medicines. . . . What is my prescription? . . . It is to undertake a crash program of research into these matters—in a Manhattan Project mode, if you will." A distinguished congressman, deeply involved in conservation and environmental affairs, commented: "This is really first-rate work. . . . It seems to me you have an innovative and unusual approach that ought to receive some attention and favorable action." But the editor of a distinguished and widely read intellectual journal refused to publish the piece, because he was not "persuaded by the conventional wisdom of the day concerning the shortage of natural resources. My guess is that the crisis is widely exaggerated for a variety of tendentious political reasons."

As I wrote to the editor of the economic journal, my proposals were not put forward as definitive solutions, and I could wish for nothing more than a crash program of research that would explore the full implications of my proposals and various alternatives, to see which, if any, solutions would be workable. And the congressman's comment, that the issues involved deserve widespread discussion, matches precisely my own view. But the comment of the editor of the popular intellectual journal who refused to publish it seems to me to reveal the deeper source of the difficulty.

For, as I said in a recent piece in the Journal of Conflict Resolution: "The heart of many so-called social problems is not cognitive at all, . . . but may be that we cannot decide which values we prefer, or are unwilling to pay the cost of what we want, or accept the necessity for certain sacrifices, trade-offs, and compromises. We may not want to know that we cannot eat our cake and have it too, that there are no 'free lunches,' that imposed equality of income destroys incentives, that exponential growth cannot continue indefinitely, and so on, because we prefer comforting illusions to sober realities."

I strongly suspect, though of course I cannot prove, that the widespread resistance to the idea of resource shortages, and the suspicion that it is a myth propagated for a "variety of tendentious political reasons," are related to the repression mode of reaction to the fear of death. Bolstered by the religious tenet that an all-powerful and loving god has promised man eternal life and has told him to go forth, multiply, and dominate the earth, the true believer cannot entertain the thought that the ultimate heirs might receive only a wasteland. Thus, a climate of opinion is developed in which it is unthinkable that built-in shortages really exist, since this would uncover the illusions by means of which we repress our fear of death.

The path of fear transcendence is quite different. It is then acknowledged that the individual must, in any case, die; but the question is seriously asked whether he can in some degree rob death of its sting by contributing to the perpetuation of the kind of life he represents. In other animal species this may require the sacrifice of life in battle or to divert marauders, and during the larger part of man's existence this was largely true also of our own species. In the twentieth century, however, it has become clear that the genetic makeup of most surviving groups is much alike, and that the destructive power of modern weapons is so great as to imperil the survival of all groups in the event of major war. What is important, then, is the survival of human culture; and the new technology of communications and recording may even make it possible for more and more of the cultural contributions of individuals to enter into the historical record, and be handed down to future generations.

If I can help to make a better world for my children and their children to live in, and leave some enduring record of how I tried to help, this is all the immortality to which I aspire, and I shall be content, when the time comes, and so many of my experiences are painful ones, to cease having new experiences. Even unending joy would ultimately become a bit of a bore. Once I have reached life's summit, and enjoyed all I am capable of enjoying, and if I can have the satisfaction of having helped to make human life more secure, then I shall be glad to stop. I may still fear death, but I shall recognize it as an instinctive reaction—a heritage of my animal nature, which my human reason assures me I need not take too seriously. Indeed, to die with dignity and a sense of transcending one's instinctive fears is one of the supreme triumphs of human life.

Before concluding, there are two basic questions I feel I must at least try to answer: 1) Is not the survival of our species and its culture also an illusion—must it not ultimately die, as individuals do? and 2) Even if contributing to the prolongation of the life of our species helps the individual to transcend his fears of his own death, is such a prolongation of the life of our race a good in itself, or simply an illusion that makes it easier for the individual to overcome his own fear of dying?

On the first question it must be conceded that, on the basis of the present scientific world view, the outlook for the permanent survival of our race seems dim. Sooner or later our present solar system will become unsuitable to sustain human life, and, as presently conceived, the distances of interstellar space, the human life span, and the speed of light make it hard to imagine that human society and culture could be transposed to other solar systems even if suitable locales should exist elsewhere in the universe. Nevertheless, it is far from inconceivable that, in time, spaceships equipped with self-sufficient human communities, and permanent life-support systems, and miniature records of the bulk of human history, science, and the arts, could permanently leave our solar system in substantial numbers in the hope of finding congenial abodes elsewhere in the universe—and that one or more of them might be successful. But what if our universe as a whole is fated to expand continuously and end with dispersed cosmic dust, or collapse ultimately into one or more "black holes"? In thinking about such possibilities I think we need to bear firmly in mind that a great deal of current speculation and belief about the physical universe is bound to be wrong. Science, after all, is still in its infancy. Most of the scientists who ever lived are alive today, and our present notions of the universe are largely philosophical speculations erected on a rather slim data base, ignoring many incongruities. It seems reasonable to assume that another million years of intensified scientific research and exploration, if this could be achieved, would radically change our conception of what the universe is really like.

I should add that "ultimately" may be a very long time, possibly billions and billions of years, and that a tragedy long deferred may be a tragedy minimized. A species that had fully developed and long enjoyed its highest potentialities might take its leave with less fierce regrets and sense of tragedy than one whose career had barely begun. Certainly we feel this to be true in the case of an individual. Moreover, there is considerable difference between unavoidable destruction from external forces and avoidable self-destruction from blindness, stupidity, cupidity, inflexibility, and indifference. The most poignant tragedies are those in which the protagonist precipitates his own downfall—as the tragedians of ancient Greece already perceived.

To come now to our final question: Would the destruction of mankind be genuinely tragic? A friend of mine once remarked that the death of an individual, leaving behind him grieving relatives and friends, might be tragic, but the sudden termination of mankind, as by a nuclear holocaust, would not be tragic, since there would be nobody left to mourn. I deeply disagree. Even if—as is quite unlikely—death could be mercifully sudden and total, this would not detract from the essential tragedy. For the crux of the tragedy is not the grief of the mourners, but the terrible waste of potential.

The music that Bach has composed would no longer be heard, the plays that Shakespeare has written would no longer be read or seen, the knowledge that mankind has laboriously acquired, of the composition of the stars and the atom, would no longer be transferred to eager and curious minds; nor would any new knowledge be acquired, or new art created; no thrilling chess games would be played, no mountains would be admired, climbed, or skied down; no great vintages would be savored, no lovers would embrace, no children would be educated; no deeds of kindness, justice, or mercy would be done, no meetings for worship would be held. These are, of course, almost random examples. What I am really saying is that all the values that man has created and that give worth, above that of mere life and sentience, to human existence, would cease to be experienced. And this waste, this nonfulfillment of the best that we know to exist, would be tragic.

It is simply not true that if there were no humans left to appreciate the tragedy, it would cease to be tragic. The acorn falling in the remote virgin forest creates a sound even if no one is there to hear it—the sound being the air wave that would be identified as sound by a normal ear drum in a healthy person if one were present. Similarly, the end of our race would be tragic because the loss of all these potential experiences of good would sadden most human consciences if they could know of it and could become fully aware of what was being lost.

If we were wiped out, would not evolution create a new race like ourselves? Possibly—but possibly not, in a world despoiled of resources and filled with destructive radiation. We simply don't know what peculiar mutations and accidental conjunctions of environmental conditions are responsible for our evolving as we have. And even if a new race could evolve with our capabilities, would they not finally face the selfsame problems we face today? It seems to me that we are as capable of solving these problems as another race of hominids would be, and, after all, it is only we who can assure the survival of us. It is irresponsible to assume that the human race may be given a second chance for survival—posthumously!

One final, personal observation, relating to matters of faith rather than observation or logic: It seems significant somehow that, in the one small corner of the universe that we inhabit, the universe has developed a capacity to know itself, to symbolize itself in art, and to celebrate itself in collective worship. It is hard to believe that this has happened by sheer accident, through the random collision of atoms in space. Rather, it seems to reflect some purpose of an indwelling spiritual force, whose existence we can at times intuitively sense, but whose characteristics remain shrouded in mystery. Since evil manifestly exists, it seems unlikely that this force is all-powerful (though some traditional religions, ignoring the problem of evil, try to make us believe so). Yet this spiritual force seems to appeal to our loyalty to help defend and preserve the continued existence of knowing, feeling, and caring, which constitute the heart of the human experience, and the loss of which is what men fear in dying. To have it totally disappear, not just for myself, but for others like myself who might exist in future, and to have this happen as a result of our own blindness and inflexibility, would seem to me the very essence of tragedy. And it is by participating in a world-wide movement to prevent this tragedy from occurring that we can best transcend our fear of the small tragedies represented by our individual deaths.●

PERSONAL EXPLANATION

HON. TOM CORCORAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1980

● Mr. CORCORAN. Mr. Speaker, due to a commitment in Illinois yesterday, I was unable to be present and voting on several issues during the day's proceedings. If I had been present, I would have voted in the following way:

On H.R. 5043, bankruptcy tax rules, "yea."

On H.R. 4088, sale of obsolete vessels, "yea."

On H.R. 6410, paperwork reduction, "yea."

On agreeing to the conference report to H.R. 2222, to extend the time for commencing actions on behalf of an Indian tribe (Indian claims), "no."●

DR. W. G. RHEA

HON. ED JONES

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1980

● Mr. JONES of Tennessee. Mr. Speaker, I would like to commend to the attention of my colleagues a recent newspaper article about a dedicated constituent of the Seventh District of Tennessee. I have had the honor of being friends with Dr. W. G. Bill Rhea for many years. His service to his fellow men, women, and children of Paris, Tenn., is legend and I am happy to report has not gone unnoticed. I join my friends at the Paris Post-Intelligencer in paying respect to Dr. Rhea.

The article follows:

[From the Paris Post-Intelligencer, Mar. 11, 1980]

DR. RHEA: 50 YEARS, STILL AT IT

(By Betty Cardwell McIntyre)

He relaxed his lean 6-foot-6-inch frame in a swivel chair, ran long, slender fingers through his grey hair and smiled as he recalled the "most satisfactory days" of his medical career—days when a dining room table was used to perform surgery in the home and days when he delivered healthy babies at home to proud mothers and scared fathers.

After graduating from Vanderbilt University School of Medicine, W. G. (Bill) Rhea served his internship at U.S. Marine Hospital and Staten Island General Hospital, both in New York City, and his residency in surgery at U.S. Marine Hospital in Stapleton, N.Y. His residency in gynecology and obstetrics was obtained at Woman's Hospital in New York City.

"When I was at Staten Island I met this pretty dietician from Savannah, GA., named Marian Travis Green. In 1929 we married, and a year later we came to Paris with our infant daughter, Betty," said the doctor, whose name has become as prominent in Paris education as it has in medicine during his 50 year practice.

The Rheas had no intention of staying in Paris more than three years. "I wanted to be in touch with the people," he said, "before going back to Kansas City, Kan., where I graduated from high school. I had my plans made to teach at the University."

Dr. George Boone was practicing medicine in Paris. He and Rhea had gone through medical school together. "George and I ran a boarding house for the boys in Nashville our last four years. Sometimes we didn't get paid, but we managed to make enough to get us through graduation," Rhea said.

"It was the first of March, 1930, when we came to Paris and I went into practice with George at the Wiggins Clinic," continued the doctor. "Marian, Betty and I lived in the basement of the clinic, as we didn't have the money to rent a place. The first four months George and I made less than $100 each after we paid our bills.

Wiggins Clinic was actually a hospital with room for about 10 patients. There were complete surgery facilities and a nursery. I performed my first surgery on a man from Erin who had an obstruction in the nasal passage. The date was Mar. 18, 1930. The first baby I delivered in the hospital was a girl to Mr. and Mrs. A. N. Caldwell on April 28 of the same year.

"We use to do home deliveries. I remember one woman in Erin who gained up to 300 pounds during her pregnancy. When it came time for her to deliver she had edema and was having convulsions.

"The doctors in Erin called me to come attend her. When the nurse and I arrived I found she had to have a Caeserean section. Dr. Boone Sr. assisted me, and Dr. Atkins gave her drop ether. We delivered a fine healthy baby, but when we were ready to leave we couldn't find her husband. He was a little man that couldn't have weighed over 115 pounds. We looked everywhere and finally found him hiding in the barn. He was too scared to stay around the house.

"When I first came to Paris we were charging $25 for pre-natal, delivery and post-natal care. A lot of times I got the $25 in food and vegetables instead of cash.

"People were real hesitant about coming to the hospital. We were still making house calls until the second World War arrived. Camp Tyson brought 10,000 more people into the area, and although they had a hospital at the camp, many servicemen and their families came to private hospitals."

Before his first year in Paris was completed, the Rhea family moved out of the basement and into an apartment where the Paris Playhouse is presently located. "On the other side were Lanny and Ruth Culley who became dear friends. Lanny died, but Ruth is still our friend," he said. Later, the couple rented a house on the corner of Walnut and Park Streets, and in 1934 Dr. Boone and Dr. Rhea built homes side-by-side on Dunlap Street.

"Our family was growing," Rhea said. "Gardner was about 11 months old when we moved. All of our children seemed to pick a holiday to arrive. Betty was born on Armistice Day. I delivered Gardner on Christmas Eve and delivered Jim on the day before Easter in 1944. Both of the boys grew up to become doctors."

"It's funny how people think some medical techniques were discovered in the past 10 years," he continued. "Take artificial insemination as an example. We were doing artificial insemination back in 1929 at Woman's Hospital and having good success with them."

In 1930, the doctors purchased the clinic and doubled the size of the building. In 1945, the name was changed to Nobles Memorial Hospital in memory of Mrs. Dan Nobles, a patient at the hospital who made it possible for the doctors to borrow money for the addition.

The hospital doors were closed in 1970, and it became Rhea Clinic. A complete renovation of the building was made the following year.

Bill Rhea, the doctor, became widely known. He was the first chief of staff at Henry County General Hospital, the local surgeon for L&N Railroad, the Paris health officer for 40 years at the salary of $1 per year, and in the U.S. Medical Reserve Corps for 16 years.

"It really upset me when I was relieved of my commission in 1942, because the Army said, as a doctor, I was more essential in the community than I was for active service," Rhea said.

He has had three medical articles published and has been a Diplomate of National Board of Medical Examiners since 1928, which gives him a license to practice in any state in the U.S. following a personal interview.

Bill Rhea, the man, has also become known for his donations and civic activities. Sizable donations by Dr. Rhea and his wife made possible the W. G. Rhea School, the new library building, a trust for the Rhea School Parent Teachers Association and the Henry County High School Annual Academic Scholarship Charitable Trust in honor of the Rotary Club, of which he has been a member since 1930. He has served as president of the local club and as Governor of District 676 of Rotary International. For 19 years he served on the Paris Special School District Board and has continued his interest in eduction through the years.

Asked why he and his wife have been so generous with their donations, the doctor replied, "As time went on I became more successful. We made up our minds to keep our bills paid and save a portion of our income.

"In 1943 we began investing in stock in a small way. Year by year we increased our investing through our savings accounts and we were fortunate in acquiring good stock.

"The main reason Marian and I have donated our money is the people in this area have been very good to us. They gave us their confidence. Marian and I felt the donations we made were our way of showing our appreciation to the people. No person will fully realize the inward satisfaction Marian and I have received. Everything we have given we have received back double in happiness.

As a member of the First United Presbyterian Church, Rhea taught the Men's Bible Class for more than 25 years. "For 10 years we broadcasted the class over the radio," he said. "This was some of the hardest work I have done, but it is something I am really proud of. I miss it even today. I also miss George, my friend for so many years. George and his family moved to Arizona in 1945 for his child's health. After he retired from practice, he moved to Ohio where he died.

"No, I have no intention of retiring. I stopped doing major surgery about 1970, but I still do minor surgery here in the clinic. I operate the clinic and I have 20 employees I am responsible for. My employees and my patients are part of my family, and I am happier when I have them around.

"Inez Irion went to work as bookkeeper and receptionist in 1934. She is now my business manager. Florence Winsett has been with us for 44 years, and Virgil Noss, our lab technician, has been here 42 years.

"Theresa Clement Veazey, the operating room supervisor, has 30 years with us; Mildred Teague Porter, Dr. Walter Griffey's office assistant, has 28 years; Rilla Teague Edwards has been with us 26 years; Barbara Muzzall has been my office assistant for 24 years; and Jack Bell, my maintenance man and my right hand in running the physical part of this building, has been here 15 years.

"The rest of our employees have been here from 2 to 13 years. We have a fine staff of doctors. John Neumann joined the clinic in July of 1949. Walter Griffey came in July 1964. Thomas Minor joined us in February of 1966, and Terry Harrison became a member of the staff in August of 1978. Yes, they are my family and I love each of them.

"It has been a long time since I delivered babies and performed surgery with the aid of flashlights in the home, but sometimes it seems like yesterday. The past 50 years have been full ones for Marion and me. We have never regretted our decision to stay in Paris and plant our roots in Henry County soil to become part of the community we love."●

GREEK INDEPENDENCE DAY

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1980

● Mr. PORTER. Mr. Speaker, on March 25, 1821, after almost 400 years of foreign occupation and domination, the proud men and women of Greece declared their independence and began the struggle to liberate ancient Hellas. Under the administration of President James Monroe, the American people supported the Greek patriots, recognizing the contribution of ancient Greece to Western civilization, as well as the many heroic achievements of Greek freedom fighters in our own War of Independence.

The contributions made to American society by citizens of Greek heritage have been legion. It is appropriate that on April 12, 1980, the Hellenic Voters of America will honor five of these citizens at their first annual Most Distinguished Greek-Americans Awards dinner. The honorees are: Dr. Labros Anagnostopoulos, for his fight against heart disease in children; Judge James Geroulis, for his achievements in more than 20 years on the bench; Mr. Peter Mantzoros as the distinguished editor and publisher of the Chicago Pnyx; my former colleagues in the Illinois House of Representatives; State Senator Samuel Maragos for his fine work in the general assembly; and Mr. Nick Skoutzos who has worked for years building a fine business from scratch while never forgetting the importance of helping those in need.

As we see the ideals of independence and self-determination threatened around the globe, it is important that we recognize and celebrate these achievements and the victories won for freedom, so that we never forget their magnitude. It is for this reason that all Americans celebrate Greek Independence Day today.●

CONGRESSMAN TONY P. HALL'S ARTICLE FROM THE CHRISTIAN SCIENCE MONITOR: "SENDING A SIGNAL TO THE PHILIPPINES"

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1980

● Mr. DRINAN. Mr. Speaker, I am happy to bring to the attention of my colleagues a very fine article written by our colleague, Congressman TONY P. HALL.

The article is from the Christian Science Monitor of March 19, 1980. It demonstrates the expert information which Congressman HALL has acquired as a member of the House Foreign Affairs Committee.

Congressman HALL concludes in his article that:

* * * the United States must apply pressure upon Marcos to hold free elections so that the Philippino people can determine their own destiny in a Democratic climate—while that is still a possibility.

The article follows:

[From the Christian Science Monitor, Mar. 19, 1980]

SENDING A SIGNAL TO THE PHILIPPINES

(By TONY P. HALL)

As part of the security assistance request for the coming fiscal year, the administration is seeking congressional approval of $25 million in grant military assistance and $50 million in foreign military sales credits for the Philippines. This budget request carries out the gentlemen's agreement between President Carter and President Marcos that the administration would use its "best effort" to obtain a total of $500 million in security assistance funding for the Philippines over the five fiscal years following the Military Bases Agreement concluded between the two countries in early 1979.

Last year, during committee consideration of military aid for the Philippines, I offered an amendment to reduce grant military assistance to that country by $7.9 million. This amendment was adopted by the Subcommittee on Asian and Pacific Affairs but later overturned by the full Foreign Affairs Committee.

Since grant military assistance is being phased out by the administration this year, I intend to offer an amendment in committee to reduce foreign military sales credits for the Philippines. In my opinion, the need for such a cut is even more compelling this year.

A cut in military assistance would convey a twofold message. First, it would signal the Marcos regime that the United States wants to see martial law lifted and democratic processes and civil liberties fully restored. Second, it would indicate to the growing opposition forces in the Philippines that the United States does not wish to be identified with the repression of the Marcos government.

It will be argued that we cannot cut or defer military assistance because such assistance is an integral part of the bases agreement. However, security assistance was not included in the text of the official agreement. Instead, the aid commitment was made in a letter from President Carter to President Marcos in which he pledged the administration's "best effort" to secure the $500 million package over a five-year period.

Significantly, the letter made no specific commitment for a fixed amount for any of the particular fiscal years covered. There is nothing sacred or untouchable about the security assistance request this year for the Philippines. Under the very terms of the administration's commitment to Marcos, the "best effort" it has pledged can bear fruit in any of the remaining fiscal years—at a time when martial law has been lifted and the democratic processes restored.

In 1979, we saw the failure of shortsighted policies which tied the United States to the Shah in Iran and to Somoza in Nicaragua. The media are far ahead of both Congress and the administration in pointing to the Philippines as the next "Iran" or "Nicaragua."

President Marcos is a wily and skillful manipulator of world opinion. He knows when to release political prisoners, hold bogus local elections, and otherwise ease up on oppressive policies. He also may be the beneficiary this year of the heightened security consciousness which seems to be sweeping the country in the wake of the Russian invasion of Afghanistan.

Given the turmoil in that part of the world, the bases in the Philippines are likely to assume renewed importance of those concerned about the strategic interests of the United States. If Subic Bay and Clark Air Force Base are vital to our security, we must not lose them in the long run through the application of a policy that seeks to save them in the short run.

The successors of Marcos no doubt will recall the support given Marcos by the United States and hold the United States responsible for complicity in the abuses carried out under Marcos. Reducing security assistance to Marcos would demonstrate that the United States favors the early restoration of the democratic tradition in the Philippines suspended by Marcos. Continued failure to hold free national elections only postpones the day of reckoning in the Philippines and strengthens the position in the post-Marcos era of those elements potentially hostile to the US base presence.

In Nicaragua, Somoza succeeded in systemically repressing moderate democratic alternatives to his regime. The Sandinistas became the only workable opposition force. A similar situation could occur in the Philippines.

If democracy is not restored and the moderate opposition has no other alternative, a radical liberation front could become the umbrella for the disaffected. The United States must apply pressure upon Marcos to hold free elections so that the Filipino people can determine their own destiny in a democratic climate—while that is still a possibility.

Since the administration has failed to apply such pressure in a clear, public fashion, it is up to the Congress to send a signal to the Philippines. A reduction in foreign military sales credits is an effective way for Congress to do this.●

UNIVERSITY OF LOUISVILLE CARDINALS

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1980

● Mr. MAZZOLI. Mr. Speaker, as the whole world knows, the University of Louisville Cardinals are the champions of college basketball. They won that honor in a hard-fought and well-played game against a fine UCLA team in the NCAA finals last evening at Market Square Arena in Indianapolis.

The Cardinals have been close to the championship before, but this year, under their outstanding coach, Denny Crum, and led by the high-flying Darrell Griffith, the Cards, with style, grace, and tremendous ability prevailed in the NCAA finals and took home the bacon.

I insert at this point in the RECORD the Cardinals' NCAA tournament record and the player and staff roster of this outstanding squad:

MIDWEST REGION

Louisville	71
Kansas State	69

Louisville	66
Texas A. & M.	55

MIDWEST REGION—Continued

Louisville	86
LSU	66

NCAA FINALS

Louisville	80
Iowa	72

Louisville	59
LSU	54

Players: Darrell Griffith, Jerry Eaves, Rodney McCray, Wiley Brown, Derek Smith, Roger Burkman, Steve Clark, Poncho Wright, Tony Branch, Scooter McCray, Daryl Cleveland, Greg Deuser, and Marty Pulliam

Coaches: Denny Crum, Head Coach; Bill Olsen, Asst. Coach; Jerry Jones, Asst. Coach; Wade Houston, Asst. Coach; and Mark McDonald, Graduate Asst.

Staff: Jack Lengyel, Athletic Director; Jerry May, Trainer; Dr. Rudy Ellis, Team Physician; Randy Bufford, Manager; Steve Donohue, Asst. Trainer; Lambert Jemley, Asst. Manager; Joe Yates, Sports Information Director; John Crawley, Asst. SID; Dr. Burt Monroe, Faculty Representative; and Jack Tennant, Radio Play-by-Play.

Once again, many congratulations to the University of Louisville on a job well done. As a native Louisvillian and an alumnus of the University of Louisville's Law School, I take special pride and gratification in representing this great university and its excellent basketball team.●

ADDRESSING THE INEQUITIES OF SOCIAL SECURITY TOWARD WOMEN

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1980

● Mr. PEPPER. Mr. Speaker, almost a year ago, in response to a HEW report which documented the inequitable treatment of women under the social security system, I announced the formation of a special task force on social security and women. In view of her leadership in this area, I appointed Representative MARY ROSE OAKAR to chair this task force. During the past year, the productivity of this special task force has exceeded everyone's expectations. The culmination of the task force's work was a package of legislation recently introduced by Congresswoman OAKAR.

This legislative package includes some very ambitious, very well though out, and long overdue proposals. It is a package which reflects the drastically changing roles of men and women in society. In its relatively short period of existence, the task force has succeeded in identifying innumerable instances in which the social security system fails to address the needs of women. More importantly, the task force has offered several proposals to remedy oversights that increase in gravity with each passing year.

Every year, more working married women discover to their surprise that their many years of payroll contributions will avail them naught in social security benefits. Every year, more divorced or widowed homemakers attempt to enter the work force, only to be squeezed in the vice of age discrimination and sex discrimination. These displaced homemakers have no social security protection of their own. Every year, more widows are left to fend for themselves with inadequate survivor's benefits. Every year, as more and more women enter the work force, the social security system becomes less and less able to meet the needs and expectations of women.

Under the diligent and forceful direction of the gentlelady from Ohio, the special task force on social security and women has demonstrated its leadership in this area by introducing a landmark package of legislation. Displaced homemakers, disabled widows, divorcees, and many other women who have fallen through the "cracks in the system" would for the first time be given adequate benefits in their own right, under the proposals.

I am pleased to have cosponsored H.R. 6648, H.R. 6649, H.R. 6650, and H.R. 6651, which propose to remedy the inequities in the social security system which weigh so heavily on millions of vulnerable women. H.R. 6648, which would allow a beneficiary to inherit her deceased spouse's earnings credits, as well as H.R. 6650, which would increase disability protection for widows aged 50 to 59, constitute two of the bare minimum recommendations of the Advisory Council on Social Security. H.R. 6649, which provides for 3-month transition benefit for displaced homemakers, and H.R. 6651, which liberalizes the requirements for spouse's benefits for persons over 50, are proposals which only begin to address the hidden but all-too-real inequities of social security directed toward midlife women.

As ambitious as these four proposals are in terms of recognizing problems heretofore swept under the rug, they constitute but four steps of the long journey toward recognizing the economic rights of women in America. The most dramatic recommendation of the task force, however, would provide for a complete restructuring of the social security benefit formula—a change that would take the system miles down the road toward a fair treatment of women. This proposal would involve the adoption of an earnings-sharing plan, under which a couple would be treated as an economic unit for the purposes of benefit computations. Earnings sharing was deemed a most promising approach for the future of the system by the Advisory Council on Social Security, and I strongly echo their recommendation.

Earnings sharing would end the current discrimination against two-earner couples, and give millions of women valuable social security protection in their own right. Married working women currently are not rewarded for their efforts unless their lifetime average earnings exceed 50 percent of their husband's. Under present law, these women receive a spouse's benefit, whether they work or not. Similarly, the homemaker, who works very hard indeed, is entitled to a benefit equal to only half of her husband's. In fact, a couple with both spouse receiving a salary of $10,000 each are actually entitled to a smaller benefit than the one-earner couple with an income of $19,000, under current law. The failure of the current benefit structure to adapt to the reality of millions of women in the labor force would be addressed by the earnings-sharing system.

H.R. 6647, which I have cosponsored along with Representative OAKAR, would institute a program of voluntary earnings sharing. Because this legislation would not cut back any benefits to which a couple is currently entitled, and because of the modest cost of the proposal in relation to its far-reaching benefits, I have strongly endorsed this voluntary approach to earnings sharing recommended by the task force.

As chairman of the Select Committee on Aging, I am acutely aware that no government program affects the over 24 million older Americans to the extent that social security does. After careful review of literally thousands of pages of expert testimony presented to the Committee on Aging and the Subcommittee on Retirement Income and Employment, as well as the special task force, I have enthusiastically embraced the earnings-sharing proposal and the other four proposals offered by Congresswoman OAKAR. I would urge the support of every Member of Congress for this innovative and worthy legislative package.

Mr. Speaker, in order to maintain the confidence and support of the 35 million beneficiaries and the 110 million contributors to the social security system, it is imperative that any and all bias against a particular group be removed. Recognition of the instances in which social security discriminates against women has been long overdue. It is imperative that we do not allow an equally long wait for a fair and adequate remedy.●

SALUTE TO REINHART KNUDSEN—PIONEER IN SUBURBAN NEWSPAPERING

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1980

● Mr. MATSUI. Mr. Speaker, it is with great honor that I take this opportunity today to recognize one of my constituents who has contributed significantly to American journalism and to communities throughout the Sacramento area.

Mr. Reinhart Knudsen, editor of Sacramento Suburban Newspapers, Inc., will be retiring from active newspapering at the end of this month. However, after more than half a century of historymaking in the newspaper business, Mr. Knudsen's progressive ideas and outstanding contributions will continue for years to come, both within the communities he served and within the vast network of newspapers he pioneered.

Born in 1915 in Portland, Oreg., Mr. Knudsen began his journalism career at an early age, winning his first award in fifth grade. During his early years, he sold newspapers on street corners. In 1937, he received a journalism degree from the University of Oregon.

Mr. Knudsen's wide array of experience within the newspaper field between 1936 and 1947 testifies to his contributions to the journalism profession. During this time, he served as a reporter for the Eugene News, the Laredo Times, the Austin Tribune, the Oregon Journal, Kaiser Shipyard Newspapers, and the 2d Division Spearhead.

Between 1947 and 1960, Mr. Knudsen reinforced his newspaper experience by serving with the Portland advertising firm of Botsford, Constantine & Gardner.

In 1960, he purchased the San Juan Record in Fair Oaks, Calif., beginning a career in the Sacramento area that had communitywide impact for years to come.

Mr. Knudsen brought with him to Fair Oaks new, innovative concepts in newspapering. Over the years, he brought together a network of 11 suburban newspapers into a single family of independently operated community publications. Through his experience in the newspaper field, Knudsen recognized the special needs of the many communities comprising the Sacramento area and translated these needs into reality through his newspapers.

Today, the Sacramento Suburban Newspapers family is comprised of the following publications, each with its own unique character, and each addressing the particular needs of the community it serves: Citrus Heights Bulletin, Sacramento Suburban, Rancho Cordovan, East Yolo Record, Carmichael Citizen, North Highlander, East Sacramento Sun, Orangevale News, Folsom Telegraph, Foothill Reporter, and Southside Shopper.

Mr. Knudsen has won numerous awards for his community and professional contributions, including: Essay Award, Editor & Publisher Magazine (1936); Chamber of Commerce Community Service Awards in Fair Oaks (1970) and Carmichael (1964); Quill and Scroll Merit Award (1964); San Juan Teachers Association Service to Education Award (1968); Cal Tex Media Awards for Reporting and Editorials (1973 and 1978); Optimist Award for "Editorialist of the Year" (1972); Lions Club Public Service Award (1975); and Freedoms Award from Foundation at Valley Forge (1979).

Mr. Speaker, it is appropriate this week to honor Mr. Knudsen for his many accomplishments and for these well-documented contributions to the field of journalism and to the people he has served over the years. Mr. Knudsen's achievements serve as an inspiration to those in the newspaper field, as well as to the many young people throughout the Nation who are now embarking on careers in journalism.●

NATIONAL HERITAGE POLICY ACT, H.R. 6504

HON. BOB CARR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1980

● Mr. CARR. Mr. Speaker, I have recently become a cosponsor of the administration's National Heritage Policy Act, H.R. 6504, and I would like to share with my colleagues the reason for my support.

Since its creation 2 years ago, I have observed with interest the growth and development of the Heritage Conservation and Recreation Service. My attention was particularly drawn to the Department of the Interior's heritage conservation programs a year and a half ago, when an incident in my district made me aware of shortcomings in the designation process in the national historic landmarks program. At that time, I was working with city of Lansing officials and the Economic Development Administration on a plan to raze the abandoned Diamond Reo Motor Car Co. plant that had sat vacant for 4 years in order to make way for new industrial development and neighborhood restoration. Matters were proceeding well when I read in the local newspaper that eight buildings in the 40-acre complex had been designated as national historic landmarks. Needless to say, I was shocked by the public announcement of this designation about which I had no knowledge in advance.

I had never even been notified that the site was being recommended for designation. Nor had the city officials or the owners of the property. Nor, for that matter, had the Federal officials from the Economic Development Administration with whom we were working. All of us were completely in the dark, and all of us were outraged that our first hint that a Federal project could affect the work we had been doing for so many months came from reading a newspaper report about an accomplished fact. Worse, when we tried to inquire about the possibility of reversing the designation decision, we were told that nothing could be done. The process by which that designation had been made involved no cooperation, no prior notice, no public involvement. It was almost as if the process had been designed to insure a confrontation of adversaries.

This incident made it clear to me that public notice and participation, and official consultation in the national historic landmark designation process was seriously inadequate. In discussions with Secretary Andrus and Director Delaporte, I made clear my objection to the fact that congressional notification came only after designation of the Reo Motor Car Plant and that local officials and citizens were not consulted during the process. The fact that there was no opportunity for public hearings and for reviewing the record turned out to be critically important in this case. As we later learned, the research on which the recommendation for designation was based turned out to be inadequate and inaccurate. Buildings in the Diamond Reo complex thought to be associated with Ransom E. Olds were not in fact associated with Olds after all. The manufacturing products alleged in the research to have come from the Diamond Reo complex turned out to have come from buildings in Lansing that were already being protected. Misinformation of this sort can easily be corrected if it is allowed to see the light of day. But it can live forever to do untold damage if it is allowed to lead a subterranean existence.

I'm grateful that Director Delaporte agreed with me about the need for sunshine. He took a closer look at the program and suspended all designations until more open regulations and procedures could be developed and adopted. I am pleased that the interim regulations published in the Federal Register for comment in December 1979, require broad notification and opportunity for comment on proposed national historic landmark designations.

Let me emphasize that public accountability and openness is a necessity not only for the national historic landmark program but throughout the historic preservation and natural heritage programs. We have before us now legislation that addresses the identification and protection of our heritage resources. I fully believe in the value of heritage conservation. But I would like to point out that the Federal Government will play a meaningful role in preserving our country's heritage only if its programs command the respect of public officials and are fully integrated into the mainstream of planning in this country. Consultation with local officials and citizens is absolutely imperative. I hope the legislative history and record of these hearings will conclusively direct that all heritage resource programs require consultation and give a high priority to coordination with local officials and citizen input.

The proposed National Heritage Policy Act seeks to improve coordination and facilitate the exchange of cultural and natural resource information. I believe that the provisions of H.R. 6504 provide a framework for the consultation, openness and public accountability that are crucial to the protection of our heritage resources, and I am pleased to join in supporting this legislation.●

FIGHTING INFLATION WITHOUT RECESSION

HON. JOSEPH P. ADDABBO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1980

● Mr. ADDABBO. Mr. Speaker, it is no great secret to the people of this country that the No. 1 problem facing us today is inflation, a problem which affects us all every day of the year. In recent weeks there have been a plethora of proposals written in journals and magazines trying to give us answers to this problem. Many of the reports I have gone over have been vague and confusing. But I recently read one by Irving Zuckerman, formerly Assistant Director for Planning and Budget, Office of Coal Research, Department of the Interior. It offers an insight to inflation rarely seen and I would like to take this opportunity to share it with you in the hope it will shed some new light on an old problem.

I insert this instructive article into the RECORD:

FIGHTING INFLATION WITHOUT RECESSION

(By Irving Zuckerman)

My tax accountant phoned me again, and during our conversation he reminded me that when I mentioned fighting inflation previously, I did not look to recession but looked to fundamental underlying dislocations which have accumulated out of previous production periods. I told him that the current production periods contribute little to inflation. We have already had several recent recessions during which inflation continued with only slight changes in rate. And so our previous discussion was resumed:

HIM. What do you see as the origin of the ongoing inflation?

ME. It seems to me that there are two major factors which cause inflation, and one minor factor which may even contribute some deflation. The inflation seems to result from the accumulation of "store of value" dollars, and the two factors I have in mind are two sources of that accumulation. One source of the accumulation of "store of value" dollars, is the annual deficit in the U.S. balance of payments. After years of such imbalances between dollars going out and dollars coming back, there is now abroad a huge amount of "store of value" dollars. Those dollars represent potential claims on the U.S. Gross National Product and potential claims on U.S. assets. Until 1971 those claims could be offered for redemption in gold, but since 1971 claims can be made only for redemption in goods and services, and in capital assets. The accumulation of "store of value" dollars abroad is huge.

HIM. Is that why the dollar has had a tendency to decline in relation to other currencies?

ME. Yes, and the dollar also has had a tendency to decline in terms of U.S. foreign trade. The dollar bought less and less abroad, which is to say that the dollar bought at a relatively higher prices abroad, whether directly or through other currencies.

Him. Why do you think of the dollars accumulated abroad as "store of value" dollars?

Me. I distinguish the accumulation of those deficits abroad from the current balance of payment accounts. The current balance of payments accounts involve "medium of exchange" dollars and some of those become "store of value" dollars when there is a deficit in the balance of payments.

Him. Is that what Eurodollars are, "store of value" dollars that were accumulated from annual balance of payments deficits?

Me. That certainly would be the major source of the Eurodollars fundamentally, but there might be some other sources of Eurodollars as well.

Him. What is the second source of "store of value" dollars you have in mind?

Me. In the United States there is a domestic annual or current deficit that is something like the annual or current deficit in the balance of payments. The annual or current deficit is the difference between what the entrepreneurs as a group receive in sales revenues, in contrast with what the entrepreneurs as a group pay out during production. In the national income accounts, the entrepreneur disbursements are shown as wage payments, interest payments, dividend payments, and rent payments. It is generally appreciated that if the national incomes are not fully getting back to the entrepreneur group, there is a tendency toward a "deflationary gap" in the short term. The dollars being paid out during production are "medium of exchange" dollars, and they continue to be "medium of exchange" dollars while the national income is being spent on their way to returning to the entrepreneur group which originated them. However, there is an annual or current deficit which becomes "store of value" dollars and which accumulates over the years into a domestic "store of value" potential claims in the Gross National Product and assets. Those claims are redeemed when they are offered in the U.S. markets, whether directly or indirectly. In the U.S. markets there is no distinction between "store of value" dollars accumulated from the past production periods, and the "medium of exchange" dollars which comes with the current production and services. Since there is an annual or current deflationary gap, a certain amount of "store of value" claims can be readily accommodated without it turning out to be "too many dollars chasing too few goods." But the accumulation of "store of value" dollars grows in size as the years pass, and if the producing capacity does not expand to accommodate increased annual claims there develops a persistent excess of dollars demanding goods and services.

So I would want to hasten the production of goods and services, rather that to retard the production of goods and services, because dollars are coming into the markets in larger and larger amounts, whether "medium of exchange" dollars from current production, or "store of value" dollars from past periods.

Him. It is puzzling, then, to think of the recession approach as workable if we have to sustain and increase production. The recession approach might even cause some of my clients to go into bankruptcy.

Me. The alternative is to look at the huge accumulation of "store of value" dollars which we inherited from past production periods, the same way that we look at a huge wheat crop that is reducing the exchange value of wheat, for example. In the government programs to deal with surpluses of wheat, the aim is to reserve some of the wheat crop in granaries in sufficient quantity to support the exchange value (price) of the wheat. A similar "dollar granary" or "dollar-trust" could be used to keep "store of value" dollars from being redeemed too fast for goods, services, or assets. Possibly that would involve substituting some kind of "dollar-trust" bonds maturing over a series of future years. As those "dollar-trust" bonds mature they would be paid for with dollars from the trust. Since this would be a service to the present holders of the "store of value" dollars in supporting the purchasing power of those dollars, it might be that a refundable tax might serve to create the "dollar-granary."

Him. If it is a service to the present holders of the "store of value" dollars, why think of it as a "refundable tax"? Why not think of it as a "refundable service charge" or "insurance premium"?

Me. The general idea is to stop the declining exchange-value of the dollar. That is what inflation involves. The inflation rate is the rate at which the purchasing power of the dollar is declining. The sooner we deal with the accumulated "store of value" dollars, both domestic and Eurodollar accumulations, the sooner we will stop the inflation.

Him. Did you say "stop the inflation"?

Me. We should be aiming to stop the inflation, not merely to slow it down. It might even be easier to stop inflation entirely than to slow it down.

Him. How can we prevent the accumulation of "store of value" dollars in the first place? Is that possible?

Me. It seems to be possible, and part of that effort would be to stop using government deficits to deal with annual deflationary gaps, and instead making sure that the "medium of exchange" dollars do not "leak" into "store of value" status.

Him. As a practical matter, is it possible to separate the flow of "store of value" dollars from the flow of "medium of exchange" dollars?

Me. It is an accounting systems problem which should not be too difficult. It seems to have much more potential for dealing with inflation than the recession approach.

Him. What does the term "stagflation" refer to?

Me. It might well be that the annual deflationary gap which causes "stagnation" in the short-run, actually provides the "store of value" dollars brought forward from they cause "inflation" in the long-run.

Him. So the "too many dollars" now in the markets of the economy have more than one source?

Me. Yes, at any given time the dollars chasing the current GNP and exisiting assets are "store of value" dollars brought forward from previous production periods, as well as the "medium of exchange" dollars paid out by the entrepreneurs during production of the current GNP.

Him. And you said before that the "store of value" dollars brought forward from prior production periods were mostly accumulated from annual deficits.

Me. That's right, it seems that in addition to the "store of value" dollars accumulated abroad from annual balance of payments deficits, there would be an annual addition of "store of value" dollars from the annual deficit in the flow of "medium of exchange" dollars back to the entrepreneur group.

Him. What about the annual deficit in the federal budget?

Me. The federal deficits result from annual federal outlays which exceed the federal tax receipts.

Him. Does that mean that the federal deficits contribute annually to the accumulation of "store of value" dollars?

Me. So it would seem. But it is likely that the annual deficit in the private sector which seems to contribute to inflation in the long-run is much greater than the annual deficit in the public sector which also contributes to inflation in the long-run. And I have in mind that the annual private-sector deficit is both a domestic deficit and balance of payments deficit.

Him. Why can a large accumulation of "store in value" dollars take place with less attention than is given to federal deficits and the balance of payments deficits?

Me. It is possible that there ought to be a "Domestic Bank of Settlements" to do domestically what the International Bank of Settlements does internationally. Then we might more readily deal with the causes of inflation as they occur, rather than cope with the inflation itself after the accumulation has become too large for the current GNP to accommodate. The accumulated "store of value" dollars are potential claims against the GNP and existing assets. When the potential claims become active claims at too rapid an annual rate, unless the GNP has grown enough in the interim, there will be a situation of "too many dollars chasing too few goods."

Him. Would you curb current production which generates "medium of exchange" dollars, or would you curb the rate at which "store of value" dollars become active claimants in the markets of the economy?

Me. Since we have "too few goods" relative to dollars, it would seem that the current production should be increased rather than decreased, and that means I would be inclined to curb the rate at which "store of value" dollars become active claimants in the markets of the economy. And to do that, it should be possible to treat the surplus of "store of value" dollars as though it were a surplus of wheat, or a surplus of corn, as to support the exchange-value of the "store of value" dollar. This would apply to the "store of value" dollars accumulated abroad, as well as those accumulated domestically. That could be one of the ways of fighting inflation without recession. We have already had recessions during which inflation continued with small reduction in rate.●

THE LAST THING WE NEED IS MORE TAXES

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1980

● Mr. GINGRICH. Mr. Speaker, it is intolerable that people are proposing higher taxes at a time of soaring inflation and approaching recession. The same President, the same congressional leadership, the same economists who have given us 18 percent inflation now turn around and blame their failures on the American public. They are saying, in effect:

> We keep cutting you and you keep bleeding. Because you bleed you must be irresponsible. So we will cut you again and again, and teach you that only through pain, recession, and lower living standards will you again become healthy and happy.

The great failure in Washington is the wish to focus on aggregate figures, to speak of what the Nation needs, to talk in economic terms as described by economists. This leads to disaster, because politics and government exist for human beings. And I doubt if there is any audience in America that would answer "no" if asked whether energy prices are causing them pain, and "yes" if asked whether they think a 10-cent-per-gallon gas tax will help them. Yet, because of the gas tax and other, already set, tax increases, working Americans will each pay an additional $900 in taxes during the next fiscal year.

I want to share with my colleagues an Atlanta Journal editorial that incisively addresses itself to these very questions. Will we attempt to balance the budget by raising taxes, or by cutting spending? The editorial came out on Friday, March 14, and it follows:

Hike Taxes Now?

We are disturbed about talk in the administration and in Congress of an oil import tax as part of the new drive to balance the federal budget.

At some other time such a tax might have merit as part of the energy program, as a conservation measure with the revenues from it used for energy-related purposes. But it is not being offered in that context at all.

Instead, it has sprung up in the context of budget revision, as a revenue-producing measure which could bring in some $13 billion so government spending will not have to be cut so much to balance the budget.

We favor balancing the budget. But it's not just having a deficit that's inflationary; the high rate of government spending is inflationary in itself.

At a time when the proportion of gross national product being consumed by government is approaching the record levels of the World War II years, the budget deficit should be eliminated not by tax increases but by spending cuts.

Furthermore, if they think spending cuts would contribute to a recession, what do they think a tax increase would do? They've been talking about possible tax cuts later if a recession does develop; why raise taxes now and then cut them again in just a few months?

It's miraculous that, for once, politicians seem to think the public would tolerate some tax increase in an election year. But if they really believe the public is that concerned about inflation and the role of the budget deficit in it, then they ought to realize that that public would also tolerate spending cuts in an election year. We think a lot more of us would welcome spending cuts that would welcome any kind of tax increase. The politicians must be awfully confused to think the public is that confused over the current economic mess.●

NATIONAL TECHNOLOGY FOUNDATION ACT OF 1980

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1980

● Mr. BROWN of California. Mr. Speaker, throughout the 96th Congress the Subcommittee on Science, Research and Technology has been studying the critical issues of innovation and productivity.

Our hearings have covered patent policy, university-industry relations, Federal laboratory utilization, the President's industrial innovation initiatives, high-technology small business, and several other areas. In the United States private enterprise is the sector of society primarily responsible for providing goods and services. I believe this is appropriate and the Government should not attempt to take on this responsibility. Government, however, must provide an environment in which private enterprise can flourish in both the short- and long-term. If needs for goods and services are not being met by private enterprise the Federal Government should take steps to remove barriers to action by private enterprise. The subcommittee's study has made it clear that efforts of the Federal Government to facilitate technology development are fragmented and too small to provide for a national economy in which innovation can thrive.

Today, I am introducing the National Technology Foundation Act of 1980, a bill designed to correct many of the problems we have found. The bill would establish a National Technology Foundation to facilitate technology development for the national welfare. Joining me as cosponsors of this bill are Mr. AuCoin, Mr. Ertel, Mr. Hollenbeck, Mr. Lewis, Mr. Lloyd, Mr. Ottinger, Mr. Pease, Mr. Roe, Mr. Seiberling, Mr. Walgren, and Mr. Watkins.

Responsibility for technology-related programs is now scattered throughout the Federal Government. The various mission agencies—Department of Defense, Department of Health and Human Services, Department of Energy, and so forth—each support technology development related to their missions. The National Science Foundation and the Department of Commerce have components directed at technology, but these are minor portions of the budgets of those agencies and are treated as stepchildren by those agencies.

In considering how the Federal Government can most effectively organize itself to support technology for the national welfare, one extreme is to leave programs scattered but to make each the best possible. The other extreme would be to consolidate all science and technology activities of the Federal Government in a single Department of Science and Technology; an idea that received considerable attention in the midseventies during consideration of the bill that became the National Science and Technology Policy, Organization, and Priorities Act of 1976. The idea of a department was not adopted at the same time because of compelling arguments that most science and technology activities should be kept closely tied to the missions which they support—defense, energy, space, health, and so forth, and, hence should be kept as integral parts of the agencies which pursue those missions. The National Technology Foundation bill represents an intermediate position. It would consolidate technology-related activities which are not now closely tied to an agency mission and would insure that the Federal Government will assume additional responsibilities for technology which have heretofore not been adequately discharged by any sector of society.

The programs which this bill would consolidate in a single agency might, in theory, be adequately supported in their current homes, the Department of Commerce and the National Science Foundation. This has not been the case. Support has been modest at best. I am reserving judgment on which course of action is best, consolidation in a new agency or strengthening in existing agencies. The bill to establish a National Technology Foundation is a vehicle by which we can focus the discussion of alternatives. If the Department of Commerce and the Science Foundation are unable to strengthen and broaden their current programs, the National Technology Foundation may emerge as the only feasible alternative. Every idea takes time to mature, however, and I do not expect action on this proposal to be overly hasty. I recently came across a bill that was introduced in Congress in 1934 providing for Federal grants for scientific research. That idea took 15 years to mature into the National Science Foundation. While I would expect a good idea to move faster today, that example makes my point. I do plan to hold hearings on the National Technology Foundation bill in the Subcommittee on Science, Research and Technology this session and to stimulate a thorough discussion of this concept.

WHY A NATIONAL TECHNOLOGY FOUNDATION?

The population of the world is growing inexorably while its resources are inexorably being consumed. It does not take a mathematician to determine that per capita consumption in the future cannot match the per capita consumption of an average American today if technology does not improve. Only if there are continual major improvements in technology can the world provide for its inhabitants. The National Technology Foundation would help insure that such progress does occur.

While the U.S. Government has adopted a largely laissez faire attitude toward international trade in high-technology items—other than military hardware—Governments in other countries—most notably Japan—have planned and provided a national atmosphere in which both technology development and the export of high-technology products are carefully nurtured. These other countries have often been highly successful in their efforts. We are buying Sonys, Volkswagens, Datsuns, and Seikos. The international balance of trade has been unfavorable to the United States for several years. It is likely that without a coherent Federal policy of technology development and promotion the United States will not be able to compete effectively in future world trade. The National Technology Foundation would provide a focus for one of the two needs, technology development. The other need, assistance for exports, should be provided by an expanded and reoriented Department of Commerce and Trade, as several other legislators have recommended.

The United States is faced with seemingly uncontrollable inflation. By finding improved ways to produce and deliver goods and services—and this is the meaning of technological progress—we can make a significant contribution to the efforts to control inflation. The National Technology Foundation would contribute to that process.

High-technology industries have been responsible for the creation of a higher share of new jobs than low-technology industries, and the development of new technologies promises fuller national employment.

The profession that takes knowledge and converts into the design of products and processes is engineering. Engineers take science and turn it into technology. Heretofore there has been inadequate recognition of past and potential contributions of engineers. In the Federal Government, engineering has been dominated by science. In research support, engineering is but part of one branch of the National Science Foundation. There is a National Medal of Science but no National Medal of Technology. The National Academy of Engineering is subordinate to the National Academy of Sciences. Moreover, there is a shortage of engineers in the country today at all levels of training, including a shortage of the most educated; who will be needed to train future generations. The National Technology Foundation would recognize the importance of engineering and help harness its potential.

THE SPECIFIC NEEDS ADDRESSED BY THE NATIONAL TECHNOLOGY FOUNDATION

Links between the generation of knowledge and its use need to be strengthened. The National Technology Foundation would help tie science to useful applications. This would be accomplished by several means. First, extramural grants and contracts would be provided to researchers and technologists in areas of science and technology showing promise for useful results. Second, it would disseminate scientific and technical information, and third, it would have, as an integral part, its own science and technology laboratory.

The United States needs to insure that an adequate supply of technological manpower, training or educational institutions, facilities, and equipment is available to it. This country has never had a scientific and technological manpower policy to guide where Federal funds would be best used. As a result the Federal Government has funded the training of too many in some areas and not enough in others. This is a national planning failure that ought to be corrected. The National Technology Foundation would do that.

The bill provides for the establishment of a new type of technology institution called Centers for Industrial Technology. These centers would join industry and universities in cooperative technology activities including generic research—research on technology of use to many industries, such as welding or microfabrication—and the training of individuals in technology innovation. The President has asked for funds in fiscal year 1981 to initiate four such centers through the National Science Foundation and the Department of Commerce. Congress has been working on other legislation—H.R. 4672 and S. 1250—to authorize these centers. Although I plan to continue consideration of H.R. 4672 separately, the material from that bill has been included in the National Technology Foundation Act because the Foundation ought to have cognizance of the centers.

In order to make sensible decisions about technology and society, there is a need in all sectors of society to understand the workings of technology development, of technology management, and of the interactions of technology with society. The National Technology Foundation would analyze the workings of technology in modern society. It would formulate policies based on these analyses, both for its own operations and for the benefit of other parts of the Federal Government and society as a whole. This function was included in H.R. 4672 as that bill's other major thrust.

Technology, in the sense I am using it, includes not only what comes immediately to mind—machinery, electronics, chemicals, and so forth—but also the structure and management of the human organizations of our society. The Foundation would study technology policy in this broader sense.

The National Technology Foundation would foster high-technology small business. The past performance and the potential of small business are tremendous in high technology. We need more Silicon Valleys and Route 128's, and we need to encourage them in all areas of the country.

State and local governments are a large sector of the national economy. They should be as efficient and productive as possible and need assistance to become so. The National Technology Foundation would encourage and assist State and local governments to be more productive and make better use of science and technology in their operations and decisionmaking.

The inadequacy of the Nation's position in engineering has already been cited. This inadequacy needs to be corrected. The National Technology Foundation would work to see that the Nation has an appropriate supply of engineers. In addition it would provide support for fundamental engineering studies. The bill would provide for national awards in recognition of the accomplishments of engineers, and the National Technology Foundation would bear primary responsibility for nominating award winners.

We are living in a time of rapid change. Degrees of change that once took a century now come about in a decade. The Nation needs to look down the road and anticipate better what tomorrow will bring. The principal agent of change is technology. The National Technology Foundation would identify emerging national problems and support research and development of solutions to those problems.

The Nation needs to provide incentives for development of innovations, and the Nation needs standards of measurement and product performance or design to permit the efficient flow of commerce. The National Technology Foundation would provide for these needs.

Many, but not all of the needs mentioned above are already being addressed. For example, the Patent Office provides incentives for innovation, and the National Bureau of Standards provides standards. None of the needs is being met with complete adequacy. There is a tremendous need, moreover, for such existing programs as there are to be coordinated more fully. One of the primary accomplishments of establishing a National Technology Foundation with strong central control would be to meet the need for coordination.

DESCRIPTION OF THE BILL

The National Technology Foundation Act of 1980 establishes the Foundation as an independent agency in the Federal Government.

STRUCTURE OF THE FOUNDATION

The Foundation would have eight main branches.

First, Office of Small Business.—This office would serve as the focus of the Foundation's small business activities. It would carry out the small business innovation program that would be transferred to it from the National Science Foundation. This program provides funding for the research and development phases of new technology small business and links small business with venture capital for the production phase. The program has been very well received in the small business community and is ripe for expansion. The National Technology Foundation would have authority to operate other types of programs for the development of high-technology small business, as well. Other functions of the Office of Small Business would be to foster communication between scientific and technological agencies of the Federal Government and the small business community, assist high-technology small businesses in dealing with the Federal Government, and recommend policies enabling the Nation to benefit more from high-technology small businesses.

Second, Office of Institutional and Manpower Development.—This office would collect and analyze information on technological manpower, providing quantitative manpower need projections, and would provide for adequate training and educational institutions for technological manpower to meet the needs. The Foundation would provide support as necessary directly to individuals to obtain training, provide support to existing institutions, such as schools of engineering, support the development of new curricula or training programs, and support with funding—or if need be operate—new kinds of institutions—for example the centers for industrial technology authorized by the act.

Third, Office of Technology Policy and Analysis.—This Office would conduct technology assessments, develop indicators of the health of technology, study the effects of technology on the economy and vice versa—including foreign trade matters—study the impacts of policies on technology, identify emerging problems, and make recommendations for steps with the potential for advancing technological innovation. In short, this office would be the brain of the Foundation. Two existing parts of the National Science Foundation's Division of Policy Research and Analysis would be transferred to this office to form a nucleus of its activities.

Fourth, Office of Intergovernmental Technology.—This Office would facilitate the integration of scientific and technological resources into the policy formulation, management support, and program operations of State and local governments. The intergovernmental programs of the National Science Foundation would be transferred and serve as the nucleus of this Office.

Fifth, Office of Engineering.—This Office would support, by extramural grants and contracts, fundamental research in all engineering disciplines and applied research not adequately supported from other sources. The National Science Foundation's engineering divisions would be transferred to the Office of Engineering and would constitute the initial program of the Office.

Sixth, Office of National Programs.—In conjunction with the Office of Technology Policy and Analysis this Office would identify emerging national problems—for example, novel ways of producing materials—and support basic and applied research leading to their solution. It would also support applied research and development in areas of national interest not adequately supported by other agencies—for example, earthquake hazards reduction. The National Science Foundation's Applied Research and Problem Focused Research Divisions would be transferred to form the core program of the Office initially.

Seventh, National Bureau of Standards.—The Bureau would be transferred intact from the Department of Commerce to the National Technology Foundation. It would continue in its current missions—maintaining measurement standards, performing basic research related to standards, serving as a laboratory for other Federal agencies, and so forth. It would also assist other activities of the Foundation, as determined by the Director of the Foundation. The act gives authority to the Foundation to support U.S. interests in international voluntary standardization activities, which is not adequate under existing law. The Bureau would be the proper branch of the Foundation to exercise that authority. Whether international activity would be undertaken by Federal employees or by representatives of private voluntary standards organizations with Federal funds is a matter deserving further consideration.

Eighth, Patent and Trademark Office and National Technical Information Service.—These two agencies would be transferred from the Department of Commerce to the National Technology Foundation and administered as a single branch of the Foundation. Both agencies deal with the classification and dissemination of scientific and technical information and closer coordination would provide improved service. The Patent and Trademark Office has had a particularly hard time in the Department of Commerce and hearings are underway and will continue regarding the advisability of making it an independent agency. Because the purpose of the Office is to promote technology, it would be more appropriate to incorporate it in a larger entity devoted to the same purpose and having additional functions.

MANAGEMENT OF THE FOUNDATION

The Foundation would have a Director, a Deputy Director, and eight Assistant Directors—one for each branch. It would also have a National Technology Board.

National Technology Board.—The Board would have 24 members and would have powers over the National Technology Foundation similar to those the National Science Board has over the National Science Foundation. Members would be Presidential appointees and would be selected from people eminent in a wide variety of fields. In addition to the variety of professional expertise specified in the bill it would be expected that both big business and small business would be represented on the Board and that nominations for the Board should be solicited widely, including from all member societies of the American Association of Engineering Societies.

The intent of having a Board is to insure that the community of those who will be affected by the Foundation will have a say in the operation of the Foundation. There is considerable risk in any Federal agency either that it will be captured by a narrow segment of its potential community or that it will operate solely under motivations and incentives internal to the Federal Government, thus falling in either event to serve properly. The best way to insure proper service is by control from the community. There is little risk of the Board running amok because the President has control over the Director, the membership of the Board and the budget.

The principal specific functions of the Board would be to establish the policies of the Foundation, review its budget, review its program, and approve any large grants or contracts.

Director and Assistant Directors.—The Director, the Deputy Director and the eight Assistant Directors of the Foundation would be Presidential appointees at executive levels II, III, and IV, respectively. The Director's term of appointment would be 6 years.

In order to permit the strong central operation needed to coordinate activities of the various branches of the Foundation, all authority over the Foundation other than that reserved to the Board, has been given to the Director. The Director may delegate parts of tht authority and would be expected to do so, but would always have the ability to take personal control of any aspect of Foundation operations.

COORDINATION OF PROGRAMS

A separate section of the National Technology Foundation Act, section 12 requires close coordination of the Foundation's programs with other activities in technology.

The strongest tie created by the act is between the National Technology Foundation and the National Science Foundation. This is because of the need expressed earlier to strengthen links between the generation of knowledge and its use. One of the virtues of having applied activities in the National Science Foundation has been the closeness of the activities to basic research. The act preserves this virtue by requiring that the membership of the National Technology Board overlap the National Science Board by six to eight members. Terms of service of National Technology Board members are to be of the same length and to have the same starting dates as Science Board members to facilitate the overlap. The act also requires that to the maximum extent feasible extramural basic research support the National Technology Foundation wishes to provide should be channeled through the National Science Foundation. The integrated basic research program of NSF's applied science activities does this kind of channeling now and could be used as a model. This provision would not apply to basic research in engineering since it would be transferred entirely to the Technology Foundation.

Section 12 also requires that the Technology Foundation coordinate programs closely with the Small Business Administration. SBA has not in the past provided strong support for high-technology small business, but it has authority to do so and appears to be moving in this direction. The act gives the Director of SBA the authority to assure that any small business activities of the Foundation do not duplicate SBA activity.

Section 12 requires further that Foundation activities be coordinated with State and local governments. The centers for industrial technology authorized by the act for example, will be of interest to State and local governments and their participation in the centers should be explored.

Other coordination is required in other sections of the act. The President's Office of Science and Technology Policy and Analysis would be assisted in two ways, by support from the Foundation's Office of Technology Policy and Analysis and by staff assistance from the Foundation's Office of Intergovernmental Programs to the Intergovernmental Science, Engineering and Technology Advisory Panel.

OTHER PROVISIONS OF THE ACT

Section 11 of the act establishes a National Technology Medal to be awarded by the President to individuals who are deserving of special recognition by reason of their outstanding contributions to the promotion of technology and technological manpower for the improvement of the economic, environmental, or social well-being of the United States. This would put into a law an award that the President has proposed as part of his industrial innovation initiatives, thus making the award coequal with the National Medal of Science, which is statutory.

Sections 10 and 13 of the act provide miscellaneous authorities to the Foundation that are common throughout Government: reorganize, have regional offices, transfer funds to a modest degree among authorized categories, make rules for its operation, expend funds, enter into grants and contracts, acquire and hold real property, and so forth.

AUTHORIZATIONS

The act would provide for authorization of activities in fiscal years 1981, 1982, and 1983. Any funds for years beyond 1983 would have to be authorized by further acts. The following table gives an analysis of the current funding of programs that would be transferred to the Foundation, and levels of funding proposed by the act for the offices of the Foundation.

A brief rationale for the funding levels also follows. In general, these are activities which have been chronically underfunded in comparison to the need, so that proposed funding increases at a moderately rapid pace. The total amount requested by the President for these programs in fiscal year 1981 is $378.6 million. The act proposes $500 million in fiscal year 1981 and $690 million and $875 million in fiscal years 1982 and 1983, respectively.

NATIONAL TECHNOLOGY FOUNDATION—BUDGET ANALYSIS

[In millions of dollars]

National Technology Foundation Office	President's request fiscal year 1981	Fiscal year—		
		1981	1982	1983
1. Small Business	[1]13.0	10	20	40
2. Institutional and Manpower Development	[2]7.2	45	90	150
3. Technology Policy and Analysis	[1]2.8	15	20	20
4. Intergovernmental Technology	[1]7	10	20	30
5. Engineering	[1]62.6	80	110	140
6. National Programs	[1]49.2	70	90	110
7. National Bureau of Standards	[3]107.4	120	145	170
8. Patent and Trademark Office and National Technical Information Service	[3]121.3	130	170	190
9. Other purposes	[1]7.6	20	25	25
Total	378.6	500	690	875

Note: This is a prorated share (136.6/1087.2) of NSF's overhead (60.8).

[1] NSF.

[2] NSF and DOC.

[3] DOC.

RATIONALE FOR FUNDING

1. Small Business.—This is an excellent existing program with plenty of demand. It should increase as quickly as possible. The amounts budgeted are small compared with Small Business Administration programs (which are budgeted at over $1 billion). The reason the amount suggested by the Act for fiscal year 1981 ($10 million) is less than that requested by the President is that the President agrees it is a good program and recommended a large increase after the Act was prepared.

2. Institutional and Manpower Development.—This is the area of greatest need in the Foundation. Rapid increases are proposed to a level that can have national impact.

3. Technology Policy and Analysis.—This office should quickly be put together to help formulate Foundation programs and begin longer range studies. It should not need to grow much thereafter.

4. Intergovernmental Technology.—This area should also grow rapidly from its current size. National impact can be accomplished without enormous funds.

5. Engineering.—This is a mature area which needs steady moderate increases.

6. National Programs.—These have been virtually strangled at NSF. They need immediate resuscitation and continued revitalization.

7. National Bureau of Standards.—The Bureau is a mature organization. Continued growth at a moderate rate is appropriate. Expansion of innovation programs and of linkages between NBS and industry will be encouraged.

8. Patent and Trademark Office and National Technical Information Service.—The Patent and Trademark office is mature but malnourished. More high-quality patent examiners are needed and a computer based information system for getting access to patents should be developed. A substantial increase between 1981 and 1982 is provided for this purpose.

9. Other Purposes.—This is intended to provide funds for the central administration, the National Technology Board, certain personnel costs, support staff, and other inevitable overhead costs. Once the Foundation is fully staffed increases should be slight.

SUMMARY

The concept of a National Technology Foundation grows out of continuing study of innovation and productivity by the Subcommittee on Science, Research and Technology. There is a clear need for the Federal Government to improve its programs in support of technology, and the consolidation and enhancement of existing fragmented programs in a National Technology Foundation is an alternative deserving careful consideration.

The principal needs the Foundation would address are the need for improved technology for the benefit of all mankind, the need to improve the U.S. balance of trade, the need to fight inflation, the need to provide full employment, and the need for more adequate support and recognition of engineering.

The National Technology Foundation would be an independent agency with eight main branches for small business, institutional and manpower development, technology policy and analysis, inter-governmental technology, engineering, national—problem focused—programs, National Bureau of Standards, and Patent and Trademark Office, and National Technical Information Service. The agency would have programs transferred from NSF—almost all of Engineering and Applied Science plus other tiny bits—and from the Department of Commerce—almost all of the programs of the Assistant Secretary of Commerce for Science and Technology.

The National Technology Foundation Act incorporates the two main features of another bill, H.R. 4672, by putting the Office of Industrial Technology functions of H.R. 4672 into the technology policy and analysis branch of the Foundation and putting the responsibility for the support of centers for industrial technology in the institutional and manpower development branch.

The National Technology Foundation would not have any responsibility for assisting foreign trade. Independently, the Department of Commerce should be upgraded to a Department of Commerce and Trade and should be assigned a foreign trade assistance function. The Foundation would work closely with the Department.

The governance of the Foundation would be handled by a Director and a National Technology Board patterned in organization, but not composition, after the National Science Board. Key functions of the Board would be to establish the policies of the Foundation and review the Foundation's budget and programs. The Director would have all powers not assigned to the Board and would be assisted by a deputy and eight assistants, one for each branch.

The bill would establish a National Technology Medal patterned after the National Medal of Science.

The bill contains authorizations for fiscal years 1981, $500 million; 1982, $690 million; and 1983, $875 million. In each year the eight branches plus an "other purposes" category each have a line item. Each branch grows over the 3 years of authorization.

The bill requires close coordination between the National Technology Foundation and other agencies, particularly the National Science Foundation. The two Foundations are to have interlocking directorates.●

BYELORUSSIAN INDEPENDENCE DAY

HON. JAMES J. HOWARD

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1980

● Mr. HOWARD. Mr. Speaker, today marks the 62d anniversary of the proclamation of the Byelorussian Democratic Republic. On March 25, 1918, the Byelorussian people, courageously rejecting Tsarist oppression, issued a declaration of their freedom containing these words:

> Today we, the Rada of the Byelorussian National Republic, cast off from our country the last chains of the political servitude that had been imposed by Russian tsarism upon our free and independent land. From now on, the Byelorussian National Republic is to be a free and independent power. The peoples of Byelorussia themselves, through their own Constituent Assembly, will decide upon the future relations of Byelorussia with other states.

The Byelorussian government made significant advances in the fields of education, culture, and social welfare. Unfortunately, the Byelorussians' freedom and progress were short-lived. A few months after the Byelorussian Declaration of Independence's issuance, the Red army seized Minsk, the capital of Byelorussia. By 1921, the Soviets controlled most of the country, and eventually Soviet domination supplanted Byelorussian independence. In the years that have followed, Byelorussia has experienced a program of forced Russification, including purges of intellectuals and mandatory collectivization of agricultural production.

Mr. Speaker, Americans can relate and sympathize with a people yearning for their liberty. We in the Congress must continue our support for the freedom of captive countries and request that the Soviet Union respect the provisions of the Helsinki Agreement. Today let us, as a freedom-loving people, express our support for the Byelorussians' legitimate quest toward self-expression and self-determination.●

GREEK INDEPENDENCE DAY: A SYMBOL TO THE WORLD

HON. NICHOLAS MAVROULES

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1980

● Mr. MAVROULES. Mr. Speaker, today marks a proud day for all Greeks and Americans of Greek descent. On March 25, 1821, 159 years ago today, Archbishop Germanos and his fellow Hellenes raised their banner of rebellion—the sign of the cross—and the Greek war of independence against Turkish oppression had begun.

Today, Mr. Speaker, we celebrate Greece's recapturing of her legacy and her rich Hellenic tradition, both of which have been bequeathed to the world and encapsulated in the word "freedom." This is indeed a joyous occasion for those of us who enjoy our proud Hellenic heritage—a heritage which was darkened by the shadow of Turkish rule for four centuries, from the fall of Constantinople in 1453 to the revolt of 1821. This is also a memorable day for freedom lovers and friends of Greece around the world.

The struggle for independence in 1821 was a daring decision, an all or nothing cast of the dice. Either perish or be delivered. The revolt was the culmination of centuries of oppression—and humiliations—and uprisings begun and crushed.

And, Mr. Speaker, just as the issues of Greece and Cyprus and human rights today attract a concern far beyond her shores, the Greek revolt was considered an event of great interest, not only to Europe but to much of the 19th century world—including America.

The cause of Greece captured the interest of many Americans, even though the American Republic itself was very young, numbering only a few million citizens, and the journey to Greece by ship took 60 days.

These circumstances notwithstanding, Americans did in fact make the lengthy journey to Greece to fight against the Turkish tyrants and for the glory that was Greece in a war that stretched out over 7 years.

For these lovers of freedom and democracy and human dignity, Greece called up visions of our great classical age—of Plato and Aristotle; of great democratic city-states and the world of Alexander. And then, as we do today, I am sure that they remembered that Greece's contributions to the enlightenment of mankind extend beyond the classical period. For the language of the New Testament of the Bible was Greek, and the Christian faith was first spread by Greek-speaking missionaries, notably St. Paul.

Thus, Mr. Speaker, with the help of these freedom lovers, and others, a country with no standing army, no money to speak of, and no central government to command the land's scattered resources threw off the yoke of oppression at terrible costs.

One hundred and fifty-nine years ago today, Greece reasserted her claim as the birthplace of democracy and the spiritual forbear of the land we now live and prosper in. And, America, the adopted homeland of many Greek immigrants and their descendants, owes much to Greece. The concept of government and the principles of democracy, which were the basis of the government of the ancient Greeks, are also the principles of government that all Americans now harbor.

Mr. Speaker, we of Greek descent can take great pride in the shaping influence our homeland has had on Western civilization. Indeed, I am sure we ourselves can take pride in our own contributions to America and to our respective communities.

Again, if one word could capture the essence of Greece, it would be: freedom. Freedom: its cry was first heard many years ago when democracy was firmly planted on the land of the ancient Greeks—and its cry is heard today, as we celebrate Greece's independence from 400 years of tyranny.

But, Mr. Speaker, freedom is not a cry associated with Greece alone. Wherever there are injustices, human indignities, and the suppression of political thought and free will, the call for freedom will always be heard.

And, when it is heard, Greece's struggles will always be remembered.●

IN MEMORY OF MAHLON N. WHITE

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1980

● Mr. SKELTON. Mr. Speaker, a friend and constituent of mine, one of the most respected residents of Missouri, recently passed away. Mahlon N. White, of Clinton, Mo., was publisher of the Clinton Daily Democrat, the Clinton Eye, and the Benton County Enterprise at Warsaw, Mo. Mr. White was a third-generation Missouri editor. His grandfather, Thomas Benton White, founded the Warsaw Enterprise 100 years ago.

He was a 1929 graduate of William Jewell College, an outstanding athlete while in school and a veteran of World War II. He played professional basketball for a short time in the 1930's before he returned to the newspaper business.

White bought the Clinton newspaper in 1950. His columns, "Much About Nothing" and "Spin a Yarn," were widely quoted.

He was an author of many books based on his knowledge of the Ozarks and its people. His book "Farmin' In the Woods During Prohibition Days," told of the thriving industry of making moonshine whiskey in southern Benton County. "Pretty Privvies of the Ozarks," was a photo essay with each picture captioned by a verse of Americana. "They Call It Truman Dam," is about the Osage River from its birth in a Kansas hog lot to its confluence with the Missouri River.

I became well acquainted with Mr. White and his family a number of years ago, and remained one of his greatest admirers. In addition to his many accomplishments, he was a man rich in friends throughout our State. His warm smile and friendly and witty conversation will be greatly missed by all who knew him.

I extend my sincere sympathy to his wife, son, and three daughters and nine granchildren.●

FREEDOM TO THE ROITBURD FAMILY

HON. ALVIN BALDUS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1980

● Mr. BALDUS. Mr. Speaker, today I am bringing the plight of a Soviet refusenik family, the Lev Roitburds of Odessa, U.S.S.R., to the attention of the House of Representatives. I first became aware of the family's valiant struggle to leave the Soviet Union in December 1978, after Joseph Roitburd, a cousin who now lives in Milwaukee, brought the situation to my attention. Joseph Roitburd has worked indefatigably for the family's release since 1975. To my dismay the family is still in the Soviet Union and prospects for a visa seem very dim.

Lev Roitburd, an aeronautical engineer by training, first applied in 1972 for a visa that would allow him and his family to emigrate to Israel. Since the first application was filed, the family has been repeatedly denied permission. Several times denial was based on the grounds that Lev had access to secret information, even though he had never been required to sign the government's secrecy document. On other occasions, the emigration visa was denied with no reasons whatsoever provided.

During the intervening years, the family has been subjected to various degrees of harassment. In 1975, Lev, while attempting to meet with a delegation of U.S. Senators in Moscow, was arrested on charges of resisting an official in authority and sentenced to 2 years at hard labor in Siberia. He was not considered a political prisoner, but placed instead in a camp with hardened criminals. He had a history of back problems, but no arrangement was made to meet his special needs. During his term of imprisonment, he suffered further injury to his knee, an injury which still causes him problems.

He returned to Odessa in 1977 with the expectation that he would be granted a visa to leave the U.S.S.R. very soon. The visa never arrived and it did not take long before harassments began again. A potentially serious situation developed when both he and his wife were interviewed separately by the KGB, which attempted to associate them with espionage activities. Since I last spoke to the House about the family, Lev was picked up again by the KGB along with three other refuseniks. A Hebrew textbook and book of poems were taken from him and his friends were warned that Roitburd was a Zionist and criminal.

Most recently, during the week of November 18, 1979, an article concerning Roitburd appeared in the Znamia Kommunizma, a local Odessa newspaper. The title of the article was the "Fables and Fairy Tales of Lev Roitburd." This decidedly antisematic article accused Lev of being a Zionist agent, a parasite, receiving visits from foreign Zionist agents, of drunkenness and hooliganism. The appearance of the article was alarming because similar attacks in the press are frequently the prelude to arrest. Further, it was a signal to his acquaintances and neighbors of the party's disapproval of the Roitburds.

The Soviets must have hoped that by printing the article in an obscure newspaper, local opinion could be turned against the Roitburd family, but at the same time, the act would remain hidden from Western eyes. Copies of the article did get out of the U.S.S.R. and Western reaction against such harassment was registered with Soviet authorities.

Another complication revolves around the Roitburd's son, Sasha, who turned 16 in February of this year. He is quickly approaching the age of military eligibility. Should he be required to serve in the Soviet Army, the family would face at least a 5-year delay before being able to apply once more for a visa.

Lev, his wife, and son are all alone in Odessa. Mrs. Roitburd's parents now live in Israel—they are elderly and desperately want to be reunited with their daughter, her husband, and grandson. The Roitburds have had their hopes for reunification raised many times. The Department of State has brought their case to the attention of Soviet authorities upon numerous occasions. In 1978, the family was included on a list of 17 other families whose visa denials the Soviets promised to reconsider. Of 18 families on the list, only the Roitburds remain in the Soviet Union.

The Soviets are a party to the Helsinki accord. In that accord, each nation pledges itself to facilitate the reunification of families. On this basis alone, it is time for the U.S.S.R. to recognize its responsibilities as a signatory to Helsinki and to allow the Roitburd family to leave Odessa immediately. There is no justifiable ground for further denial of the visa because of security reasons. The family is now being used as an example, a warning to other Jewish families who may also want to emigrate.

Jewish and Christian communities around the world will celebrate festivals of freedom in the coming weeks. I call upon the Soviet Union to recognize the very basic freedom of choosing one's homeland and to grant that freedom to the Roitburd family.●

MARCH 25, 1980—159 YEARS OF GREEK INDEPENDENCE

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1980

● Mr. ANDERSON of California. Mr. Speaker, today marks the 159th year of Greek independence. It is truly admirable that the cradle of modern democracy has been able to emerge intact, its internal problems of the last decade surmounted by the everlasting principles of freedom of thought and action.

The Greek people have made immeasurable contributions to the world, both in ancient times and modern. Among them, philosophy, science, geometry, the arts, and industry. They have inspired us all to scale the limits of man's knowledge, his creativity, imagination and love of beauty. Among those contributions are the Olympics, where the grace and beauty of the athletic form allow the nations of the world to gather in friendly competition.

The greatness that is inherent in the Greek culture has been passed on to those of Greek origin who reside in the United States, and I would like to comment on the Greek-Americans residing in my own district. Mr. Speaker, there is no group more deserving of recognition at this time than they, because it is the ideals of man's goodness, his dignity and worth that need to prevail in these troubled times. The Greek people embody all of this. Their ability to triumph over adversity and prevail, is a lesson we should all learn from.

Thus, as the Greek people all over the world reflect upon their heritage and celebrate their long and glorious history, they can also point with pride at their devotion to maintaining those ideals which all free people hold in such high regard. Man's philosophical and moral birth began with the Greeks, and for that we must be eternally grateful, and celebrate joyfully with them on this day.●

HISTORIC PRESERVATION

HON. BALTASAR CORRADA

OF PUERTO RICO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1980

● Mr. CORRADA. Mr. Speaker, last week, the Subcommittee on National Parks and Insular Affairs, of which I am a member, held 2 days of hearings on the issue of historic preservation. I am pleased to be a cosponsor of H.R. 5496, introduced by my distinguished colleague JOHN SEIBERLING. I am also a cosponsor of the administration's proposal, H.R. 6504, which was introduced by PHILLIP BURTON, chairman of the National Parks Subcommittee.

The Commonwealth of Puerto Rico has an unusually rich and varied natural and historic heritage, of which we are justly proud. Puerto Rico's cultural heritage includes such properties as La Fortaleza, built in the 16th century as a fortress against invading French and English and now listed on the National Register of Historic Places as a national historic landmark. On the natural side, Mona and Monito Islands, site of what are considered to be the largest and most unusual sea caves in the entire world, have been designated as a national natural landmark.

I was happy to learn recently from the Department of the Interior's Heritage Conservation and Recreation Service that 10 additional sites in Puerto Rico are now under review for potential nomination as natural landmarks. These sites include such areas as Puerto Mosquito, the most outstanding example of a bioluminescent bay in the United States; and Rio Camuy Caves, thought to be one of the largest cave systems in the world. One of these sites, Rio Abajo Forest, was recently selected as a national natural landmark. It is gratifying for all Puerto Ricans to have our natural heritage recognized in this fashion as an integral part of the total heritage of the United States.

Legislation to protect our national heritage is needed if we are to insure the importance of our historic and natural heritage resources is formally recognized by means of the National Register of Historic Places and the proposed National Register of Natural Areas. The former Register has been in existence since 1966 and will continue to be the basis of historic preservation planning in this country. The latter Register has existed since 1963, in the form of the National Registry of Natural Landmarks. These two parallel national listings of properties stand as visible symbols of the most significant features of the American landscape. These bills will insure that the areas which have been identified and listed on the National Registers will be afforded some protection from the potentially damaging impacts of Federal or federally sponsored activities. The bill will not stop or delay these activities, but will see that the planning decisions we make in the future are based on a full understanding of the importance of these unique areas to all of our citizens.

The national heritage program will provide for continued technical and financial assistance to the States and territories to allow them to continue to identify and nominate their natural and historic treasures to the Registers. Most importantly, it will accomplish such assistance without the need for any new funding sources. The designers of the heritage program have developed a fiscally responsible program which is very responsive to the economic concerns America faces today.

I look forward to the debate and discussion on these bills. The hearings which were held, and the numerous testimonies we received, will enable us to come up with a strong bill which will work to protect and enhance our valuable National Natural Resources.●

ANNIVERSARY OF BYELORUSSIAN INDEPENDENCE

HON. WILLIAM J. HUGHES

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1980

● Mr. HUGHES. Mr. Speaker, today the Byelorussian-American community will celebrate the 62d anniversary of the creation of the Byelorussian Democratic Republic. Although freedom from oppression in this nation proved to be fleeting, the memories of independence will remain forever ingrained in the hearts of the Byelorussian people.

The national revolution began during the anti-Russian uprising of 1863, led by Kastus Kalinouski, and continued with the formation of the Byelorussian National Revival Movement. Independence became a reality when the first all-Byelorussian Congress convened in December 1917. The act of March 25, 1918 proclaimed to all the world Byelorussia's new status as an autonomous nation, free from the yoke of Soviet oppression, and bestowed upon the citizens of this democratic republic their liberty.

Unfortunately, the people of Byelorussia were once again subject to foreign domination with the onset of the Bolshevik October revolution. The valiant efforts of the Byelorussian resistance could not compete with the military might of the Bolshevik army, and the Soviet hold over Byelorussia became stronger than ever.

But the people of Byelorussia would not forget their brief encounter with freedom. Although the Soviets tried to unify their captives by stifling culture and creativity, eliminating diversity of language, and obliterating national heritage and traditions, the Byelorussians refused to succumb to this intellectual enslavement. Their dreams of liberty have enabled them to remain united despite the fact that they are being denied their basic human rights.

Today, let people of all nationalities and ethnic origins joins together to recall the history of this Byelorussian struggle for independence for it is truly an inspiration for all who suffer under the yoke of political oppression. Let us pay tribute to the courage of these valiant people by joining with the Byelorussian-American community in celebration. It is my hope that, one day, the Byelorussians will join us again, among the ranks of the nations of the free world.●

RULES AND PROCEDURES GOVERNING THE SELECTION AND ASSIGNMENT OF SUITES IN THE HOUSE OFFICE BUILDINGS

HON. THOMAS P. O'NEILL, JR.

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1980

● Mr. O'NEILL. Mr. Speaker, this is to advise Members that, effective January 29, 1980, the House Office Building Commission has approved the attached rules and procedures governing the selection and assignment of suites in the House office buildings, as recommended by the Commission. The rules follow:

RULES AND PROCEDURES GOVERNING THE SELECTION AND ASSIGNMENT OF SUITES IN THE HOUSE OFFICE BUILDINGS

The following rules and procedures for the selection and assignment of suites to Members are hereby adopted by the House Office Building Commission:

Rule 1. Office vacancies occurring during a session of Congress

1.1 If an office shall become vacant during a session of Congress, due to death or resignation of a Member or for any reason, it shall not be assigned for a period of 10 days from the day of the vacancy. Beginning at 12 o'clock noon on the sixth day (or the next day if it falls on a Sunday) from the day of vacancy and ending at 12 o'clock noon on the tenth day (or the next day if it falls on a Sunday), the Superintendent of the House Office Buildings shall accept, in writing, applications (provided for convenience by the Superintendent) from Members for the vacancy. At 12 o'clock noon on the tenth day (or the next day if it falls on a Sunday) the vacant office will be assigned to the Member with the longest continuous service.

1.2 In the case of Members of equal service the one whose application was first received in the Superintendent's office shall have priority; if applications from Members of equal service are received at the same time, priority shall be determined by lot. In order to expedite the assignment of offices, each Member (or the Member's designated representative) shall be allowed not to exceed 20 minutes in which to select a vacant suite. If the selection is not made within the 20 minutes allowed, the Superintendent shall continue on to the next Member whose priority has been determined by lot. The Member then passed-over shall be given an opportunity to select a vacant suite after the remaining Members with equal service have completed their selections of office space.

1.3 There shall be a 30-day period from the date of the vacancy before the occupants shall be required to move.

1.4 For the purposes of this Rule, the day of the vacancy shall begin at 12 o'clock noon on the day following the effective date of a Member's resignation or other termination reason, or the day following the death of a Member.

Rule 2. Assignment of offices following November general elections

2.1 Following election day, the Superintendent of the House Office Buildings, under the direction of the House Office Building Commission, shall be responsible for preparing and issuing a schedule of dates on which suite applications will be received from, and suites assigned to, reelected Members, reelected former Members, and Members-elect without prior service.

2.2 *Reelected Members and reelected former Members.* The application and assignment schedule shall be arranged in a manner that will provide an opportunity for reelected Members and reelected former Members to apply for vacant suites, with the order of priority for selection and assignment based on length of continuous service, with the longest continuous service having the highest priority. The Superintendent of the House Office Buildings shall deliver a copy of these rules and procedures, along with the schedule of dates for applying, to each reelected Member on Thursday following the election, and it shall then become incumbent upon each reelected Member to apply for a suite at the allotted time if he/she so desires. At the same time the Superintendent of the House Office Buildings shall mail a copy of these rules and procedures and the schedule application dates to each reelected former Member. Only written application forms (provided for convenience by the Superintendent) for vacant suites will be received by the Superintendent of the House Office Buildings; these applications will be listed in the order that they are received. If a Member desires to have someone on his staff act in his behalf in applying for vacant offices, the Superintendent must be so notified in writing by the Member.

2.2.1 No Member will be permitted to apply before the allotted day and opening time, nor after the allotted day and closing time.

2.2.2 A Member may apply for only one suite at a time; the Member may revise the application during the selection time allotted to his or her seniority group.

2.2.3 Assignments shall be made in accordance with the provisions of Rule 1.2.

2.2.4 A Member who applies for a suite which is then assigned to that Member, must move.

2.3 *Members-elect without prior service.* Between the hours of 9 o'clock a.m. and 12 o'clock noon, on the date stated in the application and assignment schedule, Members-elect without prior service, or their authorized representatives, will draw numbers from a box to determine the order of their choice of an office from those remaining available. One individual may represent any number of Members-elect but he or she must draw a separate number for each person so represented and written authority from the Member-elect that is represented must be submitted. The numbers drawn will be recorded immediately and the card bearing the number drawn must be inscribed with the name of the Member-elect for whom it is drawn. The card is to be retained by the Member-elect or his representative and presented to the Superintendent of the House Office Buildings at 1 o'clock p.m. the same day at which time offices will be chosen and assigned in the numerical order of the numbers drawn. If more than one number is drawn out of the box at one time the higher number shall prevail and the other numbers shall be replaced in the box.

Rule 3. Members-elect without prior service or their accredited representatives who have not participated in the drawing will make their applications for offices in writing with the Superintendent of House Office Buildings. Assignments shall be made in accordance with the provisions in Rule 1.2.

Rule 4. Unless otherwise provided by the House Office Building Commission, Members of Congress who will not be Members of the succeeding Congress must vacate their suites by 12 o'clock noon on December 15 of the Second Session of a Congress in order that offices may be made ready for Members of the next Congress.

Rule 5. The Superintendent of the House Office Buildings is directed to carry out the provisions of these rules.●

THE BEST ONE-SENTENCE DESCRIPTION OF CARTER POLICY

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1980

● Mr. MICHEL. Mr. Speaker, United Press International recently carried a newsstory telling of yet another criticism of Carter's defense policy. The editor of Jane's Surface Skimmers, an authoritative British publication dealing with naval hovercraft, and amphibious assault weapons, had this to say about Carter's defense policies in these areas:

> Characteristically, the Carter administration took a positive and unequivocal stance on this issue without any real understanding of its many implications.

Mr. Speaker, I submit that these words constitute the best one-sentence description of what is wrong with the Carter administration. How often have we not seen positive unequivocal stances taken by the President on almost every conceivable issue only to later discover that the administration is without any real understanding of the issues implications?

At this point I insert in the RECORD "Soviet Navy's Huge Lead is Told" from the Chicago Tribune, March 21, 1980.

SOVIET NAVY'S HUGE LEAD TOLD

LONDON.—The Soviet Union has built a huge lead over the West in naval hovercraft and is at least five years ahead in amphibious assault operations, the authoritative Jane's Surface Skimmers said Thursday.

Jane's also criticized the Carter administration for abandoning plans to build a 3,000-ton hovercraft warship and described Washington's decision as rash.

The Soviets not only have more naval hovercraft in service than all 15 NATO countries combined but also "a far wider range of ACVs [air cushion vessels] in or about to enter production or under evaluation than any country in the West," Jane's said.

Twenty years ago few would have believed that by the early 1980s "the Soviet navy would have become the biggest operator of these craft," it said. "The Soviet navy has been able to perfect its amphibious assualt landing techniques in a manner which no Western navy will be able to begin to emulate for at least another five to six years."

In a foreword to the 1980 edition, Jane's editor Roy McLeavey criticized Carter's decision to forego building a hovercraft warship. It would have laid "the foundation for the world's first 80-knot navy"; but instead "the program which once promised to revolutionize marine transport is today virtually in limbo," the editor said.

"Characteristically, [the Carter administration] took a positive and unequivocal stance on this issue without any real understanding of its many implications."

Jane's listed a variety of Soviet air cushion vessels, including the 27-ton Gus designed to carry up to 25 marines to beachheads at 50 knots; the 270-ton Aist that can transport tanks, missiles, and troop carrier trucks at 60-70 knots; and the 90-ton Lebed, which can even carry battle tanks.

"Recently," Jane's said, "the Soviet Navy was reported to have started a long term surface-effect ship development program aided by a test craft of about 60 tons. It has been predicted that surface-effect ships with a loaded capacity of 2,000 tons or more will be operating by the turn of the century."

Surface-effect ship is the technical name for large vessels riding on air cushions.●

LAWMAKERS SHOULD LISTEN TO FARMERS

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1980

● Mr. FINDLEY. Mr. Speaker, farmers may represent only about 4 percent of America's population, but I would hope that all of my colleagues recognize the fact that 100 percent of this Congress constituency is affected by how well that 4 percent fares in our economy today.

A recent radio editioral by Gene Hemphill, Illinois Farm Bureau news service director, focuses on the importance of that 4 percent. The editorial follows:

LAWMAKERS SHOULD LISTEN TO FARMERS

Recently we were reminded of a story about five very determined farm women who had taken a trip to Washington, D.C. last fall. Not only is the story true, but the lesson that we learn from it has an even greater truth.

The ladies were among several dozen farm women who participated in a program called "Farm Bureau Women to Washington." It's an annual event that allows Farm Bureau women a chance to visit with their respective U.S. Representatives about agricultural issues.

Apparently, five of the women had time left after they visited their own lawmaker, so they decided to pay a call on one of the lawmakers representing the Chicago area. But, when they entered the office they were politely and quickly informed by an administrative aide that no farmer lived in that lawmaker's district.

Disgruntled, the ladies left the office and gathered just outside the door to discuss the situation. Finally, one of the ladies said: "Well, he eats—doesn't he?" And with that ammunition, the determined ladies marched back into the office.

Hopefully, the delegation convinced that particular lawmaker that if a person takes a bite of food, then he has to be concerned about agriculture. And lawmakers, who represent a lot of people who eat, should be listening to what the farmer has to say.

Based on nationwide averages, those five women represented farms that produce enough food to feed more than 280 persons. Imagine, food for 280 persons from just five farmers.

But there's more to it than that. Illinois farmers rank first of all states in agricultural exports. Quite often they produce more soybeans and corn than any other state. And Illinois farmers pay some $376 million in property taxes. That money goes a long way in helping a lot more people than just the farmer.

Farmers represent less than four percent of the population in this country, but that four percent has a big job to do and they do it better than it is done any place else in the world.

Why? It's because they have been pretty much free to do it their way in a free enterprise system. And that's why farmers and their wives go to Washington. They want to convince the lawmakers that such a freedom should be protected. If agriculture in the United States fails, then a lot more will go down the drain with it.

As the ladies said: "If a person eats—then that person should care about agriculture." That's more than just a mouthful of words.●

SOUTH AFRICAN REPRESSION CONTINUES

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1980

● Mr. MARKEY. Mr. Speaker, as a member of the congressional Ad Hoc Monitoring Group on Southern Africa, I wish to draw attention of this House to the conditions of political prisoners and banned persons in South Africa.

Three years ago I joined with other House Members in forming the ad hoc group. Our aim was to work diligently toward a lessening of the repressive and racist policy of apartheid within South Africa.

Regrettably, the reality remains in South Africa—basic human rights are denied simply because of the color of your skin. Blacks, although comprising 18.6 million of the country's 26.1 million people, are virtually prisoners in their own country. A web of racist laws spawned by the repressive white minority denies blacks political rights, educational opportunities, and fair treatment within the South African judicial system. An archaic land law forces many blacks to reside on 13 percent of the country's land, while they number four-fifths of the country's population. Any efforts at legitimate and orderly protest is censored by strict government banning orders.

This senseless stifling of human rights cannot continue. America has always been a zealous crusader on behalf of freedom for all individuals, regardless of race, creed, or color. Yet our Government watches as U.S. capital investment contributes to the white minority's control over the black majority and the Botha government continues to randomly arrest and detain blacks under the sweeping Terrorism Act of 1967.

A young man named Saths Cooper is one example of the authoritarian rule of the South African Government. His shameful ordeal is typical of many black leaders, and we must voice our sharp disapproval of this repression.

Along with Steve Biko, Mr. Cooper was a founder of the Black People's Convention, a national nonstudent wing of the Black Consciousness Movement. After attending a 1974 rally supporting the liberation movement in Mozambique against Portuguese colonial rule, Cooper was arrested by South African security forces and detained for 2 years under section 6 of the Terrorism Act. Section 6 is a mockery of justice, providing the security police the power of indefinite detention without bringing charges against an individual. In January 1975 he was one of nine leaders of the Black Consciousness group brought to trial on charges of intending to endanger the maintenance of law and order. The government could not document any action by Cooper showing he had endangered law and order, but government officials used this one-sided legislation to sentence Cooper to a 10-year term in prison.

The laws allowing such arrests and detentions are horrifying enough, but the South African system compounds the injustice. The accused is expected to prove his innocence, often without proper counsel, and the task is usually impossible.

This frightful example of the whimsical nature of justice in South Africa is the rule, not the exception. The Terrorism Act is an instrument used by the minority government for perpetuating control over the country's discontented and disenfranchised black, colored, and Asian majority.

Recent events indicate that attitudes of the South African Government could change. Prime Minister Botha has hinted that the 1936 land law apportioning only 13 percent of the country's land is not a "holy cow" and might be altered.

However, these attitudes continue to suffocate under the weight of racist resistance within the country. Furthermore, the one crucical step—the sharing of political power between whites and blacks—has never been publicly mentioned by the South African Government. The Pretoria regime, content to preserve the status quo, must be forced to face reality—the discriminatory policies of apartheid are unacceptable.

Unfortunately, our Government has hesitated in the past and continues to hesitate in taking stringent actions against the South African Government. Three years ago following Steve Biko's death I joined with an overwhelming majority of my colleagues in condemning apartheid and urging President Carter to take the necessary measures to strengthen U.S. policies opposing the government in Pretoria.

President Carter did not back our efforts then, and today I must admit our Government still hesitates. The administration's policy of prohibiting sales of goods or technology which can be used for military means is basically ineffectual. Violations routinely occur, ranging from the transportation of guns into the country to the sale of civilian planes to private citizens who in turn use them for military purposes, and the administration demonstrates no willingness to tighten its control.

Last November's strike by 700 black workers at the Ford Motor Co. plant was met with the usual brutal response, the detaining of black leaders for indefinite periods without pressing charges and the imposing of banning orders on numerous black leaders. This cowardly response against people with legitimate grievances elicited no action from our Government. I must shamefully say that we stood by and watched the repressive tactics of the South African Government continue unabated. Our silence helps perpetuate this repression. It is long since time that our Government speaks out in clear condemnation coupled with the necessary measures to give our condemnation credibility.

As the urban unrest and grievances of blacks increase, the punitive measures also increase. The policy of apartheid escalates the confrontation between blacks and whites and action must be taken to resolve the confrontation peacefully.

U.S. investment in South Africa must be halted and our efforts must be directed toward insuring that all South Africans play a part in determining the future of their country. Constitutional guarantees must be established and enforced to protect the rights of all South Africans. Our silence condoning apartheid is unacceptable. We must demonstrate that our commitment to human rights is constant throughout the world.●

PLANT CLOSINGS

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1980

● Mr. FORD of Michigan. Mr. Speaker, recently the New York Times carried a thoughtful and well-researched article about an increasingly important problem for working people and their communities, the threat of sudden plant closings. The story featured a Michigan family that was victimized by one such closure, but their story is repeated thousands of times each year, in every part of the country.

The article surveys the response of various State legislators, labor unions, and community groups to the many problems caused by plant closings, and describes the growing movement for legislation to regulate business relocation and disinvestment decisions. My own bill, H.R. 5040, which I introduced last summer and which now has 60 House cosponsors, is briefly described.

Mr. Speaker, I hope this article will help awaken my colleagues to the seriousness of the issue of economic dislocation and the need for a comprehensive Federal response, rather than a piecemeal, State-by-State attempt to resolve what is a national problem.

The text of the article follows:

STATES SEEKING TO CURB IMPACT OF CLOSING INDUSTRIAL PLANTS

(By Iver Peterson)

DETROIT, March 15.—The flight of manufacturers and jobs from the industrial Northeast and Middle West has prompted a drive in a growing number of States to make businesses pay some of the costs borne by communities they leave behind.

In the past year, bills have been introduced in eight State legislatures, including New York's, and in Congress to lessen the impact of plant closings. The legislation includes requirements that companies give up to two years' notice when plants are closed for reasons other than bankruptcy, make big severance payments to discharged workers, maintain health benefits for a while and pay into community economic development funds.

Wisconsin has had a law since 1975 that requires 60 days' notice of a plant closing, a statute inspired by the loss of a potato chip factory in Madison. In Maine, losses of shoe factories and paper mills prompted the Legislature to pass a law several years ago requiring companies that close plants to pay workers a week's severance for each year of service.

The growing movement for such legislation reflects rising fears among unions and community groups in aging industrial cities that their jobs and local economies are being dismantled by the flight of industries to Sun Belt States and foreign countries.

OLD INDUSTRIAL CITIES AFFECTED

The number of manufacturing jobs is decreasing throughout the country, but the impact is uneven. Eastern and northcentral States are finding it difficult to win the new industries—in electronics and aeronautics, for example—that are concentrating in the South and West, leaving old manufacturing centers with shattered tax bases and workers who are too old to find new jobs or learn new skills.

The proposed laws are aimed primarily at protecting the unskilled and semiskilled manufacturing jobs, such as the majority of those in the automobile manufacturing industry, that are most vulnerable to sudden shifts in the economy.

None of the proposed measures, other than perhaps Ohio's, is given even a remote chance of becoming law this year, but their proponents view the growing lists of sponsors for the legislation and increased willingness of community groups to join the push as evidence that their campaign is picking up speed.

"The bill is intended to prevent the kidnapping of capital earned by employees in this state by employers who take the money to build someplace else," said State Representative Perry Bullard of Michigan, who introduced the legislation in that state.

"Much of General Motors' or Ford's profits come from the work of a large number of workers in Michigan," Mr. Bullard added, "and management's claim is that they have the right to take the profit of all that work and invest it in Alabama or Spain or Mexico and not take into consideration the impact on all those workers and communities that made those profits possibe."

TWO YEARS' NOTICE REQUIRED

Mr. Bullard's bill, patterned on measures pending in other states, would require plants with more than 100 employees to give two years' notice before closing or cutting the work force by half or more. Employees would be paid a week's salary for each year they had worked at the plant, provided a year of paid medical coverage, and get up to five weeks of paid leave to look for another job.

In addition, the company would have to pay the equivalent of 15 percent of the plant's annual payroll into a fund to soften the blow of lost jobs and taxes on the community.

"In its present form I don't think the Legislature would be so lacking in widom that they'd ever pass the bill," said John G. Thodis, president of the 2,500-member Michigan Manufacturers Association, who added that he had "no doubt that it is unconstitutional."

CITIZENS' GROUPS SPUR MOVEMENT

Mr. Thodis said the bill had already had "a dampening effect," on the state's economy. "I've received calls from multistate corporations considering building or expanding in Michigan, and they're nervous with this thing hanging over their heads."

The major union push behind the legislation is coming from the United Automobile Workers, but the movement's strength seems to be based in broad-based citizens' groups, especially in Ohio and Massachusetts.

The issue is particularly strong in Ohio, where plant closings in Youngstown and elsewhere have left communities stunned and angry, and where the financing of public school systems is coming unraveled, in part because a loss of plants is either shifting a growing school tax burden on homeowners or, as in Cleveland, simply leaving schools critically underfinanced.

"Pennsylvania has lost 218,900 jobs in the last 10 years, according to the state Department of Labor," said John Dodds, director of the Philadelphia Unemployment Project and one of the backers of a plant-closing bill for that state. "We're saying that those people could be working now if the manufacturing plants hadn't just evaporated."

The numbers of jobs lost in other states are either not known or are estimated by highly unreliable methods. The resulting statistical vacuum, sponsors of the legislation say, argues in favor of the measures if only because they would provide a handle on the extent of industrial shrinkage in their areas.

EFFORT TO STRENGTHEN MAINE LAW

In addition to New York, Ohio, Pennsylvania, Michigan and Massachussetts, similar measures have been introduced in Illinois, Indiana and Rhode Island. An effort was made this year to strengthen the Maine law to require a year's notice of a plant closing, but foes fought down the attempt by threatening to attack the existing law.

Legislation in Congress was introduced last summer by Senator Donald W. Riegle Jr. and Representative William D. Ford, both Michigan Democrats, with strong backing from the auto workers' union.

The bill would require prior notice when a plant employing more than 50 workers is to be closed. It would also require a company to maintain a worker's medical benefits and other compensation for a year after his layoff, and would force a company cutting its workforce or wages to declare whether the jobs or lost pay would be restored within 26 weeks.

SHOCK OF UNEXPECTED JOB LOSS

The main reason for workers' seeking the long prior notice of a plant's closing, according to those who have lost their jobs, is to cushion the shock of learning that they have been laid off by reading a notice tacked to a closed factory gate.

"My husband came home and the afternoon shift went to work and there was a big notice on the door—'This plant closed, pick up your checks at the union hall,' " said Dorothy Fisher, whose 59-year-old husband, Robert, worked at the Seaman Manufacturing plant in Pontiac, Mich., for 23 years until last December.

After that, his wife said, he attempted to kill himself three times, and finally died three weeks later after he stopped eating.

"All he done was to live for his work," she said, "and when they took it away he felt like a nobody."●

WHY I LOVE AMERICA

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1980

● Mr. DORNAN. Mr. Speaker, during these troubled times, when our Nation is assailed from all sides by self-styled "reformers" who take delight in portraying the world role of the United States as the embodiment of reaction and oppression, it is important to keep a proper perspective. To me, the envy-inspired words of a Sadegh Gotzbadeh ring hollow in comparison to recent remarks of distinquished actor Ricardo Montalban, which I would like to enter into today's RECORD.

Mr. Montalban notes that, "To me, America means generosity and compassion." I believe each of us in the House can think of hundreds of examples of American generosity and compassion in just the last few years which have made our country the beacon of hope to millions all over the world. I believe it is important for us in the House, and our constituents, to keep Mr. Montalban's comments in mind as we read our daily newspapers and listen to the humiliating daily news broadcasts replete with the comments of professional "America-haters." Richardo Montalban loves his Nation of choice. How refreshing. He also loves his land of birth and sees no conflict of affection. Again, how utterly refreshing and inspiring. Similar to loving one's parents, right, Rick?

The remarks referred to follow:

WHY I LOVE AMERICA

(By Ricardo Montalban)

To me, America means generosity and compassion.

You will find, for instance, that there are many countries where an American actor can't work.

But America opens its doors to actors from all over the world.

When the Red Cross makes an appeal, Americans come across. It's not because of affluence—it's because of generosity and compassion.

Since I first came to America, I have felt tremendous warmth and I've felt very welcome. I've never felt anything but a welcoming hand—a friendly and generous hand.

My experience has been very, very wonderful.

When my brother drove me to Texas, I did see a sign that said, "No Mexicans or Dogs Allowed." Having just arrived, that set me back a little.

But the man who wrote that sign really didn't know any Mexicans. Because to know a Mexican—to know him well—is to love him. To know any man is to love him. So I feel sorry for the man who painted that sign.

Every civilization reached the top and failed. But I don't think America has reached its peak at all. It's such a young country—it's like a teenager.

I think the best is yet to come.

I think we're going to see very wonderful and exciting times ahead.●

COURAGE OF THE BYELORUSSIAN PEOPLE

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1980

● Mr. DERWINSKI. Mr. Speaker, today marks the 62d anniversary of the proclamation of independence by the Byelorussian people from Communist Russia and proclamation of the Byelorussian Democratic Republic. The Soviet Government retaliated just 10 months later, crushing that spark of freedom by creating the Byelorussian Soviet Socialist Republic and setting it within the ironfisted grasp of the U.S.S.R.

At the end of World War II, the All-Byelorussian Congress again convened to approve a second proclamation of independence, but was soon dispersed by the Soviet armies.

However, the fierce desire to be free remains in the hearts and minds of the people of Byelorussia. Despite the continuous oppression imposed upon them by the Communist regime, the Byelorussians have at every opportunity, sought to restore their national identity as a sovereign state, free from the forces of Communist domination and control.

Throughout their history, the Byelorussian people have transmitted from generation to generation their national identity through their cultural achievements, language, and rich heritage. The knowledge of what it is to be free and the determination for this renewed freedom continues to inspire these valiant people in their dream of reestablishing their homeland as an independent nation.

It is, indeed, a real tragedy that the Byelorussian people, whose heritage is so rich in the tradition of democracy, live under the oppressive rule of the Soviet Government. It is also unfortunate that these people are not well served by the Voice of America, Radio Free Europe, and Radio Liberty broadcasts. The Byelorussians are not allowed to learn of the nature of Soviet expansionism throughout the world and the vitality of their respective cultural heritages in the United States because for years the Byelorussians have been denied any VOA broadcasts in their own language.

In recent years, the RFE and RL have suffered substantial cutbacks in both staff and operations. These cuts have seriously impaired the effectiveness of their broadcasts behind the Iron Curtain. As our broadcasts to the Soviet bloc are the principle communication link between the United States and more than 330 million people within that area, these broadcasts could serve as a most valuable vehicle in disseminating information to those captive peoples in Eastern Europe and the Soviet Union. These radios are our most important nonlethal weapons in our confrontation with the Soviet Government.

Therefore, I plan to introduce a resolution calling for extension and improvement of the quality and quantity of programs in foreign languages of the Voice of America, Radio Free Europe, and Radio Liberty, and to increase their impact and effectiveness. I believe that we must make full use of our technological capability to increase the power, number, and performance of transmitters of the VOA, RL, RFE, and to extend their range to overcome, as much as possible, the Soviet interference by jamming.

As we commemorate this anniversary of independence we highlight this day as a symbol of the national aspiration of the Byelorussian people for their sovereignty and self-determination. We also commend and acknowledge the courage of the Byelorussian people. This anniversary serves as a reminder that the spirit of freedom continues to burn in the hearts of the Byelorussian people despite Communist oppression.

Now more than ever, when flagrant violation of Soviet expansionism and oppression continue in Afghanistan, this commemoration gains additional significance. I trust that we can reassure those brave people whose human rights and cultural heritage are held captive, that they will continue to receive our encouragement for their goal of self-determination.●

A CASE FOR ASSISTANCE DOGS

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1980

● Mr. RICHMOND. Mr. Speaker, today I have the pleasure of introducing a bill to allow all handicapped people with specially trained assistance dogs the opportunity to travel with their dogs on board common carriers and to take their dogs into public buildings.

Under the present law only the blind are allowed to take their specially trained seeing eye dogs on common carriers and inside public buildings. When this law was passed, people with other handicapping conditions did not have trained dogs to assist them.

Fortunately, we have discovered that dogs can be of great benefit to people with a wide variety of disabilities other than blindness. Dogs are now being trained to assist people affected by deafness, cerebral palsy, arthritis, spinal cord injuries, and other disabilities. The present law was well intended, but it is now outdated. Certainly, if a blind person with a specially trained dog is allowed to fly with his dog or to go into a public building with his dog, then any handicapped individual with a specially trained dog should be allowed the same privileges.

This bill will not cost the Federal Government anything and will simply allow all handicapped people the same rights as those already accorded the blind.

I urge my colleagues to join with me in passing this piece of legislation as soon as possible.●

CAMBODIA'S FUTURE: RECOVERY AND RETREAT

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1980

● Mr. SOLARZ. Mr. Speaker, I would like to bring to the attention of my colleagues the following article by Jim Laurie, who recently returned from a 6-week visit to Cambodia.

Mr. Laurie, the Hong Kong bureau chief for ABC News and a noted authority on current affairs in Southeast Asia, cities both positive developments in the political-economic situation in Cambodia as well as the many serious problems which must be overcome.

Starvation again looms on the horizon, despite recent improvements in the distribution of food aid. International contributions must continue to reach the country's 4½ to 5 million inhabitants, who may again be subject to famine unless the next rice crop is planted before the June monsoon. In addition, several hundred thousand Cambodians camped along the Thai border are suffering the long-term effects of severe malnutrition and disease and are still totally dependent on the international relief effort.

Recovery of this ravaged country has begun, but the tragedy continues. I urge all my colleagues to take note of this recent assessment of the Cambodian drama presented below:

[From the Christian Science Monitor, Mar. 12, 1980]

CAMBODIA IS SLOWLY PICKING UP THE SHATTERED PIECES

(By Jim Laurie)

Cambodia is a nation that is struggling, with some success, to bring itself out of the utter devastation caused by five years of war followed by four years of the unpopular Pol Pot regime.

Such an assessment does not necessarily square with the prevailing pessimistic view on Cambodia reflected outside the country.

But definite signs of recovery were apparent to this writer after traveling through the 11 of Cambodia's 19 provinces that are firmly under the control of the Vietnam-backed Phnom Penh government. The government has been unable to exercise complete control of the rest of the country because of pockets of resistance led by the ousted Khmer Rouge forces of former ruler Pol Pot.

Indications of a return to normality in Cambodia are at odds with the commonly held view that Vietnam seeks to subjugate the population through colonization or forced starvation and that it is obstructing international relief deliveries.

Among the telltale signs of national rehabilitation witnessed during a six week visit:

Families are being reunited and permitted to own property such as household items, bicycles, and farm animals.

Schools are being reopened. Market activity has resumed (but so has smuggling and corruption). Abandoned cities and towns are slowly being repopulated. All the moves appear calculated to win at least the qualified support of the people.

In Kandal Province, 25 miles southeast of Phnom Penh, I happened across a saffron-robed mendicant monk walking house to house. A small boy carrying a food bucket preceded him, announcing the bonze's arrival with a brief Buddhist chant. People who had not been allowed to practice religion for four years under the Khmer Rouge came out of their houses and offered small plates of mixed rice and corn. The monk delivered his blessing and moved on.

The people said that most pagodas had been desecrated by the Khmer Rouge and that all bonzes were killed or defrocked during the Pol Pot regime. In January 1979 the new government began promoting the return of religion.

At the national theater in Phnom Penh on the Bassac River, I watched as a dozen-or-so former members of the royal ballet attempted dances unpracticed since 1975. Miss V. Savoy, the lead dancer, estimated that most of the better dancers and teachers of the original 300-woman troupe had perished under the Khmer Rouge. Her own 44 months of toil in the rice fields had put her out of shape for the ballet, but she and the others were now encouraged to resume classes.

Still, it would be far too sanguine to suggest that the Cambodians I met were generally pleased with their way of life under Vietnamese domination. Most clearly were not.

Two fears were voiced repeatedly: fear of hunger and the fear of a never-ending Vietnamese military occupation. These show no signs of disappearing.

Many Cambodians I talked to expressed ambivalent feelings toward the presence of the Vietnamese. Hanoi's military presence was an onerous one.

Few Cambodians disguised their desire that Vietnam's troops go home. Yet many expressed the fear that if the Vietnamese did leave, the dreaded Khmer Rouge would return and there would be another round of reprisals.

Vietnamese advisers assigned to the Phnom Penh government were forced to admit that what had been greeted as "a liberating army" was now regarded as an army of occupation. One adviser acknowledged, "We know that the longer we stay, the more resentment against us will grow."

Historical antipathy between the Vietnamese and the Khmer seemed to play a greater role in rising resentment than specific Vietnamese actions. But some Cambodians did complain of individual acts of theft and extortion. The Vietnamese adviser admitted to "bad elements in the Vietnamese Army. . . . Even if that number is only 1 percent," he concluded, "that represents a lot of trouble for Vietnamese-Cambodian relations."

In addition to an estimated 200,000 troops in Cambodia, the Vietnamese have placed advisers at all levels of Cambodian government. The extent of their presence has given rise to accusations of Vietnamese colonialism. Since August, Cambodians reported that the advisers have turned more responsibility over to their Cambodian counterparts, though the Vietnamese appear to retain the privilege of veto over most decisions.

I could find no evidence, however, of Vietnamese in any great number settling in Cambodia, though it would be understandable if some of the more than 300,000 Vietnamese residents of Cambodia in the 1960s returned.

The Phnom Penh government has clearly not met the nation's food and medical needs, and Vietnam's suspicion and distrust of outside help has limited the number of foreign-aid teams inside Cambodia.

After seven months in Phnom Penh, the international aid agencies are still limited to fewer than 30 "observers" in the capital. Only in late January did the government permit entry of foreign medical teams, and these were from Cuba and the Soviet Union.

A random survey conducted in Phnom Penh and four outlying provinces revealed considerable disparity in food allocations.

Adult city residents received between 12 and 16 kilograms of rice and corn a month. At three of the four rural food distribution centers, people were receiving less than two kilograms.

That food distribution continues to be slow and inefficient is widely acknowledged in Phnom Penh. Foreign observers who have taken the time to look around do not believe officials are purposefully hampering the process, however.

Delays, they say, are caused by a disorganized bureaucracy, inexperienced and incompetent administrators, lack of transport and primitive communications.

In general, it appears that as government control has improved and the Cambodian government structure set up by the Vietnamese has gained in experience, food deliveries have become more efficient.

During my visit to the port of Kompong Som in December, it was evident that thousands of tons of rice, donated by other countries, had piled up in warehouses. It was expected that 16,000 tons of this would be shipped to the countryside that month, yet less than half that amount was moved out.

The situation improved somewhat in January, when 12 thousand tons was trucked to the countryside. There are reports that February deliveries topped those of January.

More worrisome to Cambodian officials than food distribution is the continued failure in agriculture.

In the east I saw newly cultivated fields, and along the Tonle Sap Lake in the northwest, people were planting an extra crop of rice. But elsewhere there was an ominous lack of farm activity.

Even the best official government estimates predicted only 60 percent of the land cultivated in 1969 would be tilled by the end of 1980. At present only 25 percent of the 1969 cultivation level has been reached.

Yet few Cambodians I spoke to expressed much confidence in the government of former Khmer Rouge battalion commander Heng Samrin. A Cambodian from Kandal Province told me the Phnom Penh government possessed some good men but "most were incapable of indpendent thinking."

Both Cambodians in the government and some Vietnamese advisers seemed to believe that if it were to succeed, the Heng Samrin government would have to move to distance itself from Hanoi and broaden its base to include Khmers of different backgrounds.

At present the lower ranks of government are filled with bureaucrats who have survived the Khmer Rouge purges and who once were aligned with either Norodom Sihanouk, former head of state, or the Lon Nol regime.

These people voiced uncertainty about the future, but hoped they could somehow preserve an independent Cambodia while, at the same time keeping Vietnam happy.

A government timetable for 1980 calls for the writing of a constitution; village, district, and provincial elections; and the formation of a national assembly.

Some Cambodians hope these formalities will allow a more Cambodian, and less Vietnamese, government to emerge. At the very least any Cambodian government will have to take note of and deal with rising popular resentment to the continued Vietnamese occupation.●

A TRIBUTE TO MORRIE LEIBMAN

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1980

● Mr. McCLORY. Mr. Speaker, it has come to my attention that my longtime friend—Morris I. Leibman of Chicago—a member of the executive board of the Center for Strategic and International Studies at Georgetown University, was recognized in a recent tribute by the officers of this prestigious center.

It is heartening to know that such unselfishness and dedicated service does, indeed, induce the plaudits of his colleagues and associates.

Mr. Speaker, I am pleased to attach to these remarks a copy of the tribute to Morrie Leibman, as follows:

IN RECOGNITION OF MORRIS I. LEIBMAN

The strength of the American system arises out of the citizen statesman. No one exemplifies this more than Morris I. Leibman. It was his commitment and his power of persuasion that originally joined the basic elements which formed the nucleus of the Center for Strategic Studies in 1962.

Always the careful and analytical lawyer in times of trouble, always the goad and prodder in times of triumph, Morrie Leibman has served the Center and through it, the Georgetown University and the nation as a whole in a spirit of the highest public service.

Morrie Leibman's service results from a remarkable combination of outstanding professional accomplishments within the legal profession, deep concern about the national security of the United States and above all, an unshakeable dedication to the fundamental precepts of human freedom. In an all too modest manner, Morrie Leibman has defined himself as the catalyst of many of the important coalitions that sustain frank and open communication between the private sector and the nation's public institutions. The recent rejuvenation of the American Bar Association's standing committee on Law and National Security is an immediate example.

At the Center, he has repeatedly addressed the institution's organizational needs, financial requirements, and academic relations. He has provided leadership in the substantive areas of geopolitical communication, national security evaluation, and national intelligence. For all of these great contributions we hereby honor him at our Advisory Board meeting of March 6 and 7, 1980.

David M. Abshire, Chairman, CSIS; Arleigh Burke, Chairman, Honorary Board; Nathaniel Samuels, Executive Board; Anne Armstrong, Vice Chairman, Executive Board; Timothy Healy, S.J., President, Georgetown University; Frederick Seitz, Chairman, Advisory Board.●

ACID RAIN: A SERIOUS ENVIRONMENTAL DANGER THAT MUST BE CONTROLLED

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1980

● Mr. PORTER. Mr. Speaker, one of the most frightening phenomena of our industrialized society is the increasing prevalence of acid rain. It is the unwanted transition between polluted air and polluted water—an unseen danger that adversely affects almost every ecological system.

Time magazine recently pointed out the dangers which inhere in acid rain. Because Congress must, in its environmental protection programs, address this very serious threat to the future of our planet, I want to share this article with my colleagues:

ACID FROM THE SKIES: CORROSIVE RAIN HAS BECOME AN INSIDIOUS MENACE

Just a little breeze with some smoke in its eye,
What have they done to the rain?
—MALVINA REYNOLDS.

Already it has killed off the fish in about a hundred lakes in New York's Adirondack wilderness. It has pelted the slopes of the Rockies, and has already affected Scandinavia and much of industrialized Western Europe and Japan. It is a newly recognized and increasingly harmful kind of pollution, invisible and insidious: acid rain, a corrosive precipitation that actually consists of weak solutions of sulfuric and nitric acids.

Last November 35 nations, including the U.S., gathered in Geneva and signed a pact pledging to work together against this skyborne peril. President Carter has authorized a $10 million annual outlay for a ten-year research program on acid rain, which he considers one of the two gravest environmental threats of the decade (the other: increasing levels of carbon dioxide in the atmosphere from the burning of fossil fuels).

Acid precipitation is apparently caused largely by sulfur dioxide emissions from coal-burning power plants, smelters and factories. To a lesser extent, nitrogen oxides from car exhausts and industry contribute to the problem. Rising high into the sky and borne hundreds of miles by winds, these chemicals mix and react with water vapor to form sulfuric and nitric acids. The acids then fall to earth in the form of rain or snow that can damage anything from monuments to living organisms. After a number of such rain showers or highly acidic snow melts, a lake's pH[1] can plunge low enough to impair the egg-producing ability of fish. Decomposition of organic matter slows, probably because of a loss of scavenging microorganisms. The number of plankton falls off sharply, depleting a vital link in the food chain. Finally, the water appears blue, clear—and virtually lifeless.

The ill effects spread beyond the lakes. In some areas, humans may also be affected. In the Lac la Croix lake system of Ontario, where the Ojibway Indians fish for their livelihood, catches are showing high levels of mercury. Reason: the toxic metal, ordinarily concentrated in sediment, changes into an organic form, methyl mercury, in acid water and is then easily absorbed by the fish. While the threat to plants is not as well understood, acid rain can eat away at leaves, leach nutrients from the soil, interfere with photosynthesis, and affect the nitrogen-fixing capabilities of such plants as peas and soybeans. Scandinavian scientists claim the rain has caused a 15 percent reduction in timber growth. It can also corrode stone statues, limestone buildings and metal rooftops. In the past two decades, Athens' Parthenon and Rome's Colosseum have deteriorated severely; the prime suspect is acid rain. In the U.S. it may cause as much as $2 billion each year in structural damage.

Paradoxically, one tactic in the fight against air pollution has contributed to the increase in acid rain. To keep the air clean in the immediate neighborhoods of factories, industry has been building ever taller smokestacks. These belch gases that are out of sight—and out of mind—for local communities, but not for those downwind. The farther the gases go, the more time they have to combine with moisture and form acids. Indeed, scientists estimate that the world's tallest stack, rising 1,250 ft. above a copper-nickel smelter in Sudbury, Ont., accounts for 1 percent of all sulfur emissions in the world, including those from volcanoes. All told, Canadian industry and the winds send about half a million tons of these emissions south to the U.S. every year.

But Canada gets more than it gives. Some 2 million tons annually blow north across the border from the U.S., mostly from the industrial Ohio River Valley, which is also thought to be the main source of the Northeast's acid-rain problem. In Europe, says Svante Odén, a Swedish soil scientist, acid rain is equivalent to a "chemical war." Scandinavians claim they are being "bombed" by British and German factories, and similar charges have been exchanged by France and West Germany.

Written before any widespread alarm about acid precipitation, the U.S. Clean Air Act of 1970 gives states a liberal hand in controlling their own emissions to meet federal air quality standards. But it does not assign any responsibility for blights one state may inflict on another. The result has been a see-no-evil attitude that may well require more federal intervention. Also, the 1970 act sets standards only for "ambient," or ground-level air quality; acid rain is formed by high-floating emissions.

In some regions, nature itself buffers the effects of damaging rain; alkaline soils and rocks in the vicinity of the lake help neutralize the acidic water. But when man has tried to duplicate the process by spreading lime on and around endangered lakes, the task has proved expensive and only a temporary palliative.

Taking aim at the source of the trouble, the EPA is requiring the installation of scrubbers that remove up to 90 percent of sulfur emissions at all new coal-fired power plants. But older plants are not covered by the new law, and the problem is likely to worsen as the country turns increasingly to its vaunted ace in the energy hole, coal. "Washing" high-sulfur coal can help. This process involves crushing the coal, then separating out pyrite, and iron-sulfur compound. Because ash, dirt and rock are removed at the same time, washing also makes the coal more economical to ship and less damaging to utility boilers. Still, the expense of these measures is staggering. By one estimate, just to cut sulfur dioxide emissions by 50 percent in the Northeastern U.S. alone would cost up to $7 billion annually.

Yet even at such prices a solution may be a bargain. For as ecologists point out, doing nothing about acid rain now could mean nightmarish environmental costs in the future.●

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[1] pH is a scale, ranging from 0 to 14, for measuring acidity or alkalinity. A chemically neutral solution is denoted by 7, increasing acidity by lower numbers (each one representing a tenfold increase), and rising alkalinity by numbers greater than 7. Rain or snow has a natural pH around 5.6, resulting mainly from atmospheric carbon dioxide, which produces a weak solution of carbonic acid.

BYELORUSSIAN INDEPENDENCE

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1980

● Mr. ANDERSON of California. Mr. Speaker, today marks the 62d anniversary of the independence of the Byelorussian Democractic Republic. Such a day serves as a reminder that there was a time when these noble people were free, and that now they suffer under the yoke of Soviet oppression.

The Byelorussian-American Association held a rally on Sunday in New York City to mark that anniversary. Among the issues they considered that day was the evergrowing Soviet expansion into many corners of the globe, and Soviet mistreatment of dissidents in Byelorussia. Among those now imprisoned is human rights activist Michal Kukabaka. Mr. Kukabaka spent 6 years in various Soviet psychiatric prisons for refusing to cooperate in Soviet elections, and for enlightening his coworkers of the tenets of the Universal Declaration of Human Rights. Because he was always outspoken in his defense of human rights, he is today again in prison, serving out a 3-year sentence for writing, among others, essays entitled "Human Rights and Détente are Indivisible," and "The Stolen Fatherland".

Michal Kukabaka has renounced his Soviet citizenship, as he considers himself a Byelorussian; furthermore, he is hoping to emigrate to any country willing to accept him for what he is—a man seeking freedom from political discrimination and one who only wants to practice his cultural and ethnic heritage in freedom. As he has no family whatever, it is up to us and the entire world community to come to his aid and speak out on behalf of him and the many other prisoners of conscience held captive in their own land.

Mr. Speaker, the Byelorussians are but one group among many that has suffered dearly at the hands of the Soviet Union. Yet it is heartwarming to know that these brave people are willing to fight for both their ethnic heritage and political freedom. Such a struggle is surely one that must be admired and sustained if we are to be true to the principles of democracy.●

THE ADMINISTRATION'S UNITED NATIONS VOTE FIASCO

HON. JEROME A. AMBRO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1980

● Mr. AMBRO. Mr. Speaker, while I was truly appalled at the spectacle of the administration's mistake in instructing our United Nations Ambassador to vote in favor the Security Council resolution on the future of Israeli settlements in the territory won in the six-day war, I have so far refrained from comment waiting for the dust to settle, so to speak. However, with the additional statement of Secretary of State Cyrus Vance at a hearing in the other body last week, I can no longer remain silent.

First of all, I must join in the incredulity that has been expressed by many of my colleagues that an error of this magnitude would be committed by the highest foreign policymaking officials of this land. Second, I must add, that even if the specific language with respect to Jerusalem had been properly deleted, there were many other flaws in the resolution that should have rendered it unacceptable in any case. The future of the territories won by Israel in the six-day war are, and should be, the subject of negotiation between Israel and the affected Arab States, as was the case with the occupied Sinai. If Israel had relinquished the Sinai to Egypt at the United Nations or the United States prodding 3 years ago, there would have been no Camp David peace treaty, no Egyptian Embassy in Tel Aviv, and no Israeli Embassy in Cairo. To give up something of strategic or even symbolic importance while getting nothing in return—not even the recognition of the most elemental fact of one's right to exist—is foolhardy at best and could be catastrophic at worst. That is what the United Nations—and apparently—the U.S. State Department are asking Israel to do. Negotiations with other Arab States—yes. Egypt was willing to try and she was amply rewarded for her efforts. The other Arab countries must be convinced that they cannot gain their ends without going through a similar process. Unilateral capitulation—no.

Mr. Speaker, an excellent analysis of this matter appeared in the March 13 issue of the Christian Science Monitor in an article written by George E. Gruen. I would like to call my colleagues' attention to this column with the thought that it sheds some much-needed light on this entire matter.

The article appears as follows:

UN Resolution—Jerusalem Is Not the Only Problem

A thorough analysis of the full text of UN Security Council Resolution 465, adopted on March 1, makes it clear why the affirmative vote of the US delegation seriously undercut the American-backed Camp David negotiating process, sowed widespread confusion concerning our Middle East policy goals, and undermined Israel's confidence in the US as a fair-minded negotiator.

The subsequent disavowal of the American vote by President Carter does not undo all the damage, for the resolution contains several pernicious elements in addition to the clauses concerning Jerusalem and the dismanting of settlements to which the President objected in his statement of clarification. The presence of all these elements contrary to previously accepted American policy should have prompted not merely an abstention but a threat of veto.

Following are some specific examples:

1. This was the first time the US voted for a UN Security Council resolution speaking of *"the Palestinian* and other Arab territories occupied since 1967" (emphasis added). This distinction gives support to the PLO contention that the West Bank and Gaza district should form part of an independent Palestinian state and are not to be equated with other *Arab* territories, such as Sinai or the Golan Heights, occupied from Egypt and Syria.

Resolution 465 thus interprets and in effect amends Resolution 242 in ways that are contrary to the stated American policy of opposition to a separate West Bank Palestinian state not linked to Jordan and contrary to the commitment made by the US to Israel on Sept. 1, 1975, to veto any changes in 242 that would adversely affect Israel. This commitment was reaffirmed by President Carter at the time of the signing of the Egyptian-Israeli peace treaty last March.

Furthermore, this phrasing prejudges the ultimate issue of sovereignty over the West Bank (Judea and Samaria) and Gaza, which are matters that the Camp David accords left for decision at the end of the five-year autonomy period. It is thus not surprising that the news of the US vote was initially hailed by the PLO in Beirut.

2. The call to Israel "to dismantle the existing settlements" goes far beyond stated American policy. United Nations Representative Donald McHenry's expressed reservation that it was "impractical" to dismantle the settlements was woefully inadequate. President Carter added that this call was "neither proper nor practical." He stated that "the future disposition of existing settlements must be determined during the current autonomy talks."

Even this goes beyond previous American policy. The Carter administration has strenuously attempted, without success, to get Israel to agree to a moratorium on the erection of *new* settlements during the time of the autonomy talks. (Israel did agree to a three-month freeze during negotiation of the Egyptian-Israeli treaty). The fate of existing settlements in the West Bank was at most considered a subject for discussion in the negotiations among Israel, Egypt, and Jordan and the proposed self-governing authority regarding a final Israeli-Jordanian peace treaty at the end of the five-year period.

3. The resolution also for the first time includes changes in the "institutional structure or status" of the Palestinian and other occupied Arab territories as among the Israeli actions it regards as lacking legal validity and constituting a "flagrant violation" of the Fourth Geneva Convention. Despite Mr. McHenry's statement that the US does not regard this language as "in any way prejudicing the outcome of the autonomy negotiations," the fact remains that the thrust of this language and of the resolution as a whole is precisely to undermine and negate the validity of the autonomy negotiations.

4. The resolution makes no distinction between other occupied territories and the part of Jerusalem recaptured by Israel from Jordan in 1967—thereby ending the illegal division of the city caused by the Jordanian invasion in 1948.

While the US does not accept the legal validity of unilateral actions taken by Israel in Jerusalem, it has always made it clear that Jerusalem was unique and therefore East Jerusalem could not simply be lumped together with other occupied territories, as this resolution explicity does. It was precisely because of the complexity of the Jerusalem question, and the failure of the parties at Camp David to reach agreement on this subject, that it was decided to defer consideration of the ultimate status of Jerusalem until a later stage in the peace process.

The US vote on Resolution 465 is only symptomatic of the larger problem, which will not go away even if the US takes the unprecedented step of having its vote formally registered as an abstention. The resolution remains on the record as an official UN document. States hostile to Israel will be able to build upon it.

Moreover, the resolution perpetuates the existence of what had been an ad hoc Security Council commission on Israeli settlement activity. The commission had been established on March 22, 1979, (Resolution 446) on the basis of a Jordanian initiative clearly designed to undercut the US-backed Egyptian-Israeli peace treaty due to be signed four days later. The US did not support last year's resolution establishing the commission. The March 1 resolution requests the commission to continue to examine the situation in the occupied territories "including Jerusalem, to investigate the reported serious depletion of natural resources, particularly the water resources, with a view to insuring the protection of those important natural resources . . . and to keep under close scrutiny the implementation of the present resolution;" and asks the commission to report back to the Council before Sept. 1.

Since the question of control over natural resources is obviously among the agenda items of the current autonomy talks, the Security Council by means of this Arab-sponsored resolution attempts to undercut these talks. Instead of encouraging Palestinian and Jordanian participation in the Camp David process of direct Egyptian-Israeli negotiation, the Security Council resolution sets forth a competitive locus for presenting Arab grievances. This may serve the interests of the rejectionist Arab states and of the Soviet Union. It certainly runs contrary to the Americn interest in strengthening the current peace process in which the US has been a "full partner" trusted by both sides.●

POSTAL EMPLOYEES' RIGHT TO SAFETY BILL

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1980

● Mr. CLAY. Mr. Speaker, today I introduced a bill which establishes the right of a postal employee to choose not to perform an assigned task if he or she has a reasonable belief that the workplace condition is abnormally dangerous. The bill further prohibits postal officials from discharging or otherwise discriminating against an employee who exercises the rights afforded by this legislation.

In effect, the bill makes applicable to the Postal Service the provision of the National Labor Relations Act (29 U.S.C. 143) which provides that the quitting of work under such circumstances in the private sector shall not be considered a strike. The bill further codifies and makes applicable to the Postal Service the recent decision of the U.S. Supreme Court—Whirlpool Corporation against Marshall, decided February 26, 1980. That decision supported the right of the Secretary of Labor to issue such a regulation and determined that the regulation conformed to the objective of preventing occupational death and serious injuries.

On October 22, 1979, the House of Representatives approved related legislation, H.R. 826. That bill authorized the Occupational Safety and Health Administration to conduct unannounced inspections of postal facilities and to impose civil penalties for violations of Federal safety and health laws. That bill, now under consideration by the Senate, subjected the Postal Service to the same safety and health standard as the private employees. My bill further eliminates differential standards of health and safety between private employers and the Postal Service.

Since House approval of H.R. 826, the Subcommittee on Postal Personnel and Modernization has conducted extensive oversight hearings and onsite investigations of the safety and health program in the Postal Service. That program is deficient in several major respects. In addition, a recent accidental fatality in the New York Bulk and Foreign Mail Center was a direct result of numerous serious safety defects which were disregarded by postal management. Two weeks ago, in Bellmawr, N.J., postal employees were allegedly refused permission by postal management to vacate a burning postal facility. In Miami, Fla., the Postal Service has been dilatory in taking action to examine former employees who, since 1957, were exposed to excessive levels of cancer-producing asbestos fibers in the atmosphere.

The Postmaster General, who recently appeared before the subcommittee reluctantly, was unconvincing in his efforts to convince the members that he was serious about taking immediate action to correct these unsafe conditions. He supported the provisions embodied in this legislation with reservations.

I want to make it clear that enactment of this bill would not authorize employees to conduct "strike with pay" over unsafe working conditions; nor would it permit malingering. The bill simply subjects the Postal Service to the same safety standards as private employers by providing that an employee who in good faith believes that performance of a specific task may result in death or serious injury may refuse to perform that specific task and shall not be subject to discharge or discrimination by his employer.●

ALLARD K. LOWENSTEIN

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 19, 1980

● Mr. SOLARZ. Mr. Speaker, for every man there is a season, and a time for every purpose under heaven.

And for Allard Lowenstein the time was always now.

It was impossible to be active in New York politics or to be involved with any issue that touched human rights and not come into contact with Al Lowenstein.

He believed fervently in the ability of committed people to make a difference—whether on a college campus, in a local Democratic club, in the Halls of Congress, or in the arena of international affairs.

He reached out to people all over this country to get them involved, to make them care, to stir them to action. But the action was always within the system. He was a firm believer in nonviolence and despite the tempers and storms in the various movements with which he was involved, he never renounced the principles of nonviolent change and his conviction that reason could prevail.

In 1962 Al Lowenstein's book, "Brutal Mandate" exposed the horrendous conditions in South Africa, the brutal repression of human rights, and the excesses of the colonial administration in South-West Africa. When he died last week, he was still working to bring about peaceful self-determination for the people of Namibia.

Last year Al was part of the effort that many of us in the House and Senate made to evolve a policy that would end the bitter and bloody war in Rhodesia and achieve majority rule in that country. Though we differed on some of the particulars of the solution, we all shared the conviction that it was worth the struggle to find a peaceful solution for that troubled nation. I am sad today to realize that Al Lowenstein did not live to see the formal birth of an independent Zimbabwe, which will occur on April 18, and which he in his own inimitable fashion helped to bring about.

I knew Al in the antiwar movement, in what appeared to be a hopeless attempt to turn around an entire nation that seemed determined to continue a long war in Indochina. Thousands of us got into that movement, and while we were unable to bring peace to Southeast Asia, we did stop the loss of thousands more of our young soldiers, and we brought legions of new workers into the political process.

Al was involved in dozens of other causes and movements and campaigns. He served effectively in this House for one term. But I think he will be remembered more for his lifelong efforts to make human rights issues widely understood and appreciated.

He was a brilliant debator who never ceased to amaze his audiences or his opponents with his arguments and the number of quotations from the pile of books under his arm that he could weave into any debate or discussion. He loved to wrestle—with men and ideas. He could argue into the night on any subject—and while you may not have agreed with his position, you had to respect his persistence and consider his side of the issue.

Today as I look around in Washington I realize that there are scores of people in this body and scattered in agencies across town that knew and worked with Al at some time. And, as I stand here today, scarcely believing that Al Lowenstein will not be coming back here to lobby or nudge, and that a senseless shooting took away his life, I still feel the real loss of a friend.

This is the first week of spring, and traditionally spring is the season of hope and of new life. And so, despite my sadness and the sadness of thousands of other people who knew and loved Al, and of the great loss to his family and his children, I look around and I still feel some hope. And that hope is based on the fact that the people whom Allard touched—all over this country—will somehow continue the important work that Al gave himself to so freely, the effort to loosen the bonds of prejudice, poverty, ignorance, and oppression that burden so much of humanity.●

THE ASSASSINATION OF ARCHBISHOP ROMERO

HON. MICKEY LELAND

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1980

● Mr. LELAND. Mr. Speaker, I rise to express my grief over the assassination of Archbishop Oscar A. Romero of El Salvador who was gunned down at point-blank range on March 24 while delivering a memorial mass.

To the people of El Salvador, Archbishop Romero was a guiding light, a voice for freedom and equality. He was an outspoken champion of human rights and was nominated for the 1979 Nobel Peace Prize by British members of Parliament and some members of the U.S. Congress.

Since last year violence has wracked the country of El Salvador as factions on the left and right battle for control. The Archbishop was a consistent voice for peaceful conciliation between left and right political extremes. Until his death he remained hopeful that a violent revolution could be avoided within his country. However, just before his death his public statements reflected an increasing disillusionment with the current government and his death symbolizes the complete lack of respect certain sectors of El Salvador have for human rights.

Archbishop Romero remained a Christian devoted to human rights to the very end. His brutal, tragic death is a loss not only to El Salvador, but to the entire world. On the one hand, I fear that it will initiate a spiraling escalation of violence within El Salvador. On the other hand, I hope that it will cause all of us to remember the ideals for which Archbishop Romero stood—the universal extension of human rights and the construction of a more just and equal society for everyone. Now more than ever, it is time for all of us to recommit ourselves to these ideals.●

THE 62D ANNIVERSARY OF THE BYELORUSSIAN DEMOCRATIC REPUBLIC

HON. SHIRLEY CHISHOLM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1980

● Mrs. CHISHOLM. Mr. Speaker, on March 25, 1918, the first Byelorussian Congress proclaimed independence in Minsk, the capitol of Byelorussia. This new government organized the Republic's armed services, schools, and established diplomatic relations abroad. This proclamation marked the beginning of a new life for the people of this republic.

However, Byelorussia's Declaration of Independence coincided with the period of Bolshevik expansionism and the conquest of a number of smaller nations which had recently liberated themselves from Russia.

In 1919, only 1 year after the declaration of Byelorussian independence, the Moscow government in opposition to an independent Byelorussia created a new state: The Byelorussian Soviet Socialist Republic, B.S.S.R. Two years later Byelorussia was conquered by the Russian army.

Since then, Byelorussia has been under Russian dominance and its people deprived of their national and human rights. This domination and deprivation has taken the form of mass terrorism and the annihilation of over 6 million Byelorussian people. Economically, Byelorussia's people and resources have been exploited leading to the underdevelopment of Byelorussia. Currently, the citizens of Byelorussia are involved in a number of Soviet projects in which they have been forced to work and participate.

Deprivation of the Byelorussian people has not stopped with economic and political oppression, but has taken the form of cultural and religious oppression as well: Byelorussians are forced to speak the Russian language and positions of authority and influence in Byelorussia are held by Russians. The national church and religion of Byelorussia, the Orthodox Autocephalic Church, was destroyed and the Russian Orthodox Church imposed on the Byelorussians.

Despite the repressive Soviet policies in this small republic, Byelorussians have continued to assert their human rights, often at great cost, and have tried to preserve their national heritage. In 1944, at the Second Byelorussian Congress, Byelorussians annulled all ties with Russia and ratified the proclamations of independence of the Byelorussian Democratic Republic according to the 1918 declaration.

The story of Byelorussia is not unique. It is the same story of many independent Russian countries that have been forced to adhere to Soviet dominance. Byelorussia shares a history similar to that of the Baltic countries of Lithuania, Lativia, and Estonia. It is the same struggle for human rights, dignity and self-determination, freedom of religious expression, and the right to pursue the interests of their own country or Republic rather than those of the Soviet Union.

Byelorussians, like many of their neighbors, have seen another anniversary of independence pass without experiencing true independence. It is my hope that this Republic and others under Soviet dominance be given the right to true self-determination and independence soon.●

THE DEATH PENALTY IS A DETERRENT—JUST ASK A CRIMINAL

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1980

● Mr. BIAGGI. Mr. Speaker, in yesterday's New York Daily News a rather remarkable story appeared entitled "Teen Killer Looks Back—But Mostly Forward." It is a story about 17-year-old Willie Bosket, Jr., who at the age of 15 committed a vicious murder. He is now in the second year of a prison sentence.

The story focuses on several aspects of Bosket's life but certain observations offered by Bosket about the criminal justice system should be given the most serious consideration by my colleagues.

In Willie Bosket's own words—

> I didn't care about killing those guys because I knew I was a teenager, could have killed a hundred people and gotten only a few years in jail."
>
> When the judge sentenced me to five years, I could have jumped on the bench and kissed him. You know, the only just sentence would have been for me to get the chair because I killed just for the experience.
>
> But that was the law and I was not about to tell them differently.

The News article continued—

> Willie Jr. claimed he never would have killed if they had the chair. And they should have it for people who kill for fun.

Beyond the shock value which this type of attitude evokes, it is in fact indicative of the minds of many criminals who feel they can operate with impunity and never really feel the heaviest hands of the law.

I came to Congress after serving 23 years as a police officer in New York City. I dealt with the most hardened of criminals and the worst of neighborhoods. I have always maintained that deterrence is a key element in crime reduction. Whether that deterrence takes the form of the uniformed police officer patrolling the streets or is in the form of a statute which imposes the death penalty—the result is the same, it can reduce crime.

More than half of the States in the Nation have passed laws restoring the death penalty. I support these State laws and feel a Federal law should be passed as well. I advocate a law which is specific in its application. The death penalty is a strong tool. It should be used only against the most heinous of criminals.

As we continue to deliberate on our criminal justice system let us not lose sight of the fact that we must be prepared to use our strongest weapons if we are to win the battle against crime. The next time we as Members of Congress are presented with an opportunity to vote on restoration of the death penalty—let us remember the words of Willie Bosket, Jr. They are truly reflective of the extent to which the criminal elements in this Nation are flourishing thanks to the absence of strong laws.●

AMENDMENTS TO ACHIEVE LEGISLATIVE SAVINGS IN THE FIRST CONCURRENT RESOLUTION ON THE FISCAL YEAR 1981 BUDGET

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1980

● Mr. RUDD. Mr. Speaker, there are many opportunities for reasonable, needed cost reductions in Federal programs throughout the budget.

In social welfare programs, which have all been significantly increased above current levels in the First Concurrent Budget Resolution for Fiscal Year 1981, which was approved last Thursday by the House Budget Committee, hundreds of millions of dollars in legislative savings can be achieved by tightening up eligibility requirements and taking action to reduce fraud, waste, and abuse, so that only the truly needy or deserving citizens are able to obtain benefits.

Some excellent proposals have been made over the years in both Houses of Congress, to reform the overlenient eligibility requirements for food stamps, to set a ceiling on gross income and personal assets for participation, as well as to help eliminate fraud and abuse.

The food stamp program approaches $10 billion a year in cost. It has 20.2 million recipients—1 out of every 10 Americans. There are many ways in which legislative savings can be achieved, and the following amendments which will be offered during House consideration of the First Concurrent Budget Resolution for Fiscal Year 1981 provide good examples of responsible cost reductions which should be considered.

The same is true for aid for families with dependent children (AFDC), another large welfare program which has very lenient eligibility requirements and a great deal of fraud, waste, and abuse. There are many ways in which

we can achieve needed legislative savings through responsible reforms, as represented by the following amendments:

AMENDMENTS TO ACHIEVE LEGISLATIVE SAVINGS IN FOOD STAMPS AND AID FOR FAMILIES WITH DEPENDENT CHILDREN (AFDC), FIRST CONCURRENT RESOLUTION ON THE FISCAL YEAR 1981 BUDGET

RUDD AMENDMENT TO FUNCTION 600—INCOME SECURITY

[In millions of dollars]

	Reduce function by—	
	Budget authority	Outlays
Legislative savings by restoring the food stamp purchase requirement eliminated in 1977	800	800
Legislative savings from the following food stamp eligibility revisions: (1) Limit eligibility to those with gross income at the poverty line, plus a 15 percent allowance for work-related activities; (2) Establish purchase requirements at percentage of gross income expended for food by average household of same size and income range, with regional variations as established by the most recent Bureau of Labor Statistics Consumer Expenditure Survey, or 30 percent, whichever is less; and (3) Use the Thrifty Diet Plan, with family size, age, and sex of family members taken into account	700	700
Legislative savings from using a food stamp assets test initially established for supplemental security income (SSI), with a $1,200 limit on a motor vehicle; a $15,000 limit on property used in a trade or business essential to self-support of a household; an overall limit on liquid and nonliquid resources (with the above exceptions) of $1,500 for the household, or $2,250 for households of two or more persons with a member or members age 65 or over	522	522
Legislative savings from implementing food stamp fraud control, mandating a photoidentification card, countersigned warrants, a national application cross-checked, and an earnings clearance system	138	138
Legislative savings from counting as income for food stamp eligibility determination (1) income tax rebates; (2) Federal energy assistance; and (3) any in-kind income which provides food assistance	503	503
Legislative savings in the food stamp program by eliminating student loans and grants (all of which "cannot reasonably and properly be computed") and housing subsidies as exclusions from income	38	38
Legislative savings in the food stamp program by (1) restoring to age 6 (not age 12) the age of a child which exempts an individual from work registration; and (2) strengthening the work registration requirement by permitting States to establish community work experience programs as a condition of eligibility	34	34
Legislative savings in the food stamp program by eliminating the overlap of food stamp benefits with the school lunch program	630	630
Legislative savings in the food stamp program by (1) retaining the $90 per month child care deduction (rather than the increase proposed by the House Agriculture Committee amendment to S. 1309), and (2) retaining the $35 per month medical expense deductible (rather than the decrease to a $10 deductible, as proposed by the House Agriculture Committee amendment to S. 1309)	122	122
Legislative savings in the food stamp program by reducing the standard deduction from $75 to $50	600	600
Legislative savings in the food stamp program by requiring the Department of Agriculture to correct the 12 percent error rate estimated by the General Accounting Office	360	360
Legislative savings in the food stamp program by eliminating from eligibility (1) strikers, and (2) college students	29	29
Legislative savings in the Aid for Families with Dependent Children (AFDC) program by enacting the following reforms regarding eligibility of recipients with income: (1) Limit gross eligibility to 150 percent of the needs standard; (2) Implement the Senate Finance Committee's recommended revision in the earnings disregard formula; (3) Deduct work-related expenses before earnings exemptions; (4) Require eligibility to be redetermined without benefit of earnings exemptions for (a) any individual who has earned income in four or more consecutive months and (b) any applicant or reapplicant; (5) Including a standard work-related expense provision; and (6) Implement the Senate Finance Committee's recommendation on unreported earnings	271	271
Legislative savings in the Aid for Families with Dependent Children (AFDC) program by instituting a 30-day retrospective accounting and monthly income reporting	571	571
Legislative savings in the Aid for Families with Dependent Children (AFDC) program by implementing the following reforms to help eliminate improper beneficiaries: (1) Exclude strikers from eligibility; (2) Require use of a standardized photoidentification card; (3) Define "child" as individual below the age of 18; (4) Provide 50 percent Federal matching for local law enforcement fraud control costs; (5) Implement the Senate Finance Committee's recommendations for improved program management (quality control) initiatives; and (6) Require three-year residency for aliens prior to eligibility, and require every alien admitted for permanent residence to have sponsor who will contract to support him for three years, or to have other means of support	171	171
Legislative savings in the Aid for Families with Dependent Children (AFDC) program by (1) allowing adjustment of overpayments from the grant, and (2) defining available income to include any for which the individual has to file a claim, and shared housing and utilities	179	179
Legislative savings in the Aid for Families with Dependent Children (AFDC) program by (1) Requiring support by nonneedy person living with welfare family in the amount it would cost him to support himself, and (2) Requiring cross-check with Federal and State income tax agencies to determine if nonneedy person living with a welfare family has claimed any members of such family as dependents	670	670
Legislative savings in the Aid for Families with Dependent Children (AFDC) program by (1) Implementing the Senate Finance Committee's recommendations (a) concerning community work and training and (b) for modification of the Work Incentive Program (WIN), and (2) Standardizing sanctions against ablebodied employable recipients who voluntarily leave employment or who refuse to look for or accept employment	103	103

Mr. Speaker, in light of the President's solemn commitment to maintain real growth in defense spending, while meeting current force objectives, there is no way that Congress can justify a cut in defense spending below the President's January budget request.

In fact, the President's own request was an estimated $7 billion below required funding in order to meet current force objectives with no new or expanded programs.

The proposed amounts under the first concurrent resolution on the fiscal year 1981 budget approved by the House Budget Committee last Thursday, of $160.8 billion in budget authority and $147.9 billion in outlays for national defense, are $2 billion below the President's budget reestimate in budget authority and a cut of $1.4 billion in outlays below the reestimate.

I believe that Congress should add $12.6 billion in budget authority and $8.8 billion in outlays to the National Defense function. Such an increase is entirely reasonable and absolutely necessary in order to maintain the President's solemn commitment to increase our worldwide military capabilities by providing 5.6 percent real growth in fiscal year 1981 defense expenditures.

The following amendment to the budget resolution will accomplish this objective, and I hope that it will be seriously considered by all my colleagues in the Congress.

I am also including in the RECORD two amendments which I offered during markup of the budget resolution for fiscal year 1981, which are part of the larger amendment, but may be offered separately during House floor action on the resolution:

AMENDMENTS TO PROVIDE ADDITIONAL FUNDS FOR NATIONAL DEFENSE, FIRST CONCURRENT RESOLUTION ON THE FISCAL YEAR 1981 BUDGET

RUDD AMENDMENT TO FUNCTION 050—NATIONAL DEFENSE

[In millions of dollars]

	Increase function by—	
	Budget authority	Outlays
To maintain 5.6 percent real growth in defense spending while meeting current force objectives in a realistic manner	12,650	8,825
Additional funding required is as follows:		
1. Correct underfunding for current operations:		
a. Fuel price increases	4,500	4,500
b. Maintenance of current naval operations	250	250
c. Meeting higher than expected inflation in procurement	1,500	1,500
d. Excessive pay absorption	600	600
e. Personnel compensation improvements	200	200
Subtotal: Funds required to maintain President's commitment to 5.6 percent real growth with no new programs	7,050	7,050
2. Program improvements:		
a. Strategic forces	250	100
b. Naval forces	1,500	500
c. Aircraft procurement	2,500	500
d. Theater facilities	250	125
e. War reserve material	500	250
f. Operations and maintenance	600	300
Subtotal: Funds required to meet current force objectives	5,600	1,775
Total: Required additional funds to maintain 5.6 percent real growth while meeting force objectives in a realistic manner	12,650	8,825
To restore the fiscal year 1981 aircraft procurement program to 639 aircraft, as requested in the President's 1981 plan submitted in January 1979	2,500	500
To provide long-lead funding for a separate Naval task force for the Indiam Ocean and the Persian Gulf	1,500	500

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GREEK INDEPENDENCE DAY

HON. GERALDINE A. FERRARO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1980

● Ms. FERRARO. Mr. Speaker, I am pleased to join my colleagues in recognition of Greek Independence Day. As the representative of 39,000 Greek-Americans, there are few holidays more important to my constituents than this day. Similarly, there are few international relations issues more important to the people of the Ninth District of New York than Cyprus and Greece.

It is a widely recognized and often quoted fact that Greece has contributed more to the development of America than any other nation. Our American institutions, from our system of government to our educational system, are rooted in the teachings of the ancient Greeks. Our commitment to the principles of democracy, freedom, and civilized society spring from those of the Greeks. Our most precious value, the right to be free, is borrowed from the Greek tradition. Yet, the contributions of Greece and its people go far beyond the framework of this Nation. The impact of this great nation and civilization are seen not only in the foundations of American society, but in the ensuing structure that has evolved. The commitment of today's Greek Americans to their homeland

and their culture has been incorporated into American ideals.

Working with and on behalf of my Greek-American constituents has been among the most rewarding aspects of my work as a Member of the House. I have met with them and spoken with them about the needs of their families and friends who remain in Greece and in Cyprus. To gain a better understanding of these issues, I traveled to Greece and Cyprus last summer. I have seen the refugee camps. I have spoken with men and women whose homes and possessions, and even more importantly, whose values, have been taken from them. I have watched, with tears in my own eyes, as they express their fears and frustrations. And I have returned home to the streets of Astoria and Long Island City to speak with their relatives here. I returned with more than a broader understanding of the issue, because I brought back with me a deeper commitment to insuring a just resolution of this tragedy. I have seen, from both sides, the continuing commitment to freedom and the principles of liberty in the face of severe deprivations of those values.

Mr. Speaker, as Americans, we appreciate the meaning of the struggle of the Greeks. We share with Greece the determination to be a free and prosperous people. On the anniversary of Greek independence, we join all Greeks in saluting their heritage, and in their call for continued and new freedoms. We salute the success of Greece and pray for new victories. I join in recognizing Greek Independence Day and in thanking Greeks, both here and abroad, for establishing and maintaining a civilized and decent culture and for helping this Nation achieve those ends, as well.●

CAN LIBERTARIANS SUPPORT ABORTION

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1980

● Mr. PAUL. Mr. Speaker, libertarians are divided over the abortion issue, although more today are prolife than a few years ago, when few realized the inconsistency of their proabortion position.

Recently Dr. Edmund Opitz of the Foundation for Economic Education wrote an excellent article for Human Events which demonstrates, in scholarly fashion, the untenable position of most libertarians, who are otherwise noted for their defense of nonviolence and condemnation of all aggressive acts.

This obvious contradiction—denying the right to life to the innocent unborn—undermines libertarian influence as a political movement seeking to protect "our natural and absolute right to our lives and our property."

Libertarians believe that neither our lives nor our property should be interfered with, by government or our neighbors. No one, they state, has the right to initiate force against another. If libertarians, with this strict view of the inviolability of lives and property, permit the taking of a life because that life is within a woman's body, then they must accept the logical extension of the argument. If we can kill the unborn, why not the unwanted, unhealthy, or simply annoying newborn who is occupying the home of the victimized parent?

I have never heard a libertarian argue for this violent act of killing an infant. As an obstetrician and gynecologist, I know that abortion is the killing of a human being, not the removal of a glob of protoplasm.

The article follows:

CAN LIBERTARIANS SUPPORT ABORTION?

(By Edmund A. Opitz)

Libertarians are divided on the question of abortion, as we might expect; some are for it, others against. We find a similar split in the ranks of doctors, lawyers, politicians, golfers and vegetarians. But some libertarians are giving the old question a new twist: they agree with the pro-lifers that the fetus is human, but they conclude with the pro-abortionists that abortion is OK.

Outside of libertarian circles, opponents of abortion argue that the fetus is human; that the fetus contains all the potentials for future personhood; and that the fetus, therefore, is entitled to the same protection against injury and aggression that the law extends to every other human being. The judicial process may require the life of a man declared guilty of a capital crime, but the fetus has not been judged guilty of anything. He should not, therefore, be put to death.

Proponents of abortion, on the other hand, regard the fetus as a mere collection of cells (which is all the adult human is—if we are to believe some intellectuals!). The destruction of these cells, they say, is not the taking of human life, and abortion, therefore, is no concern of the law or of morals.

The new-model libertarian persuasion on abortion is set forth on pages 120-121, of Murry Rothbard's For a New Liberty—a libertarian manifesto which expounds the party line on a variety of issues.

Rothbard does not deny that the fetus is human, with—presumably—the same rights as the rest of us. But he shifts attention away from the fetus' rights to focus on the fetus' responsibilities—and the pro-abortion argument moves onto novel ground. The fetus, is a responsible being, must be held accountable for his actions—just like any adult. Now, when the fetus invades the rights of his host—as he does when he overstays his welcome—he acts irresponsibly and thus forfeits his rights. In which case it is OK to take his life.

But let Rothbard present his case in his own words: "If we are to treat the fetus as having the same rights as humans, then let us ask: What *human* has the right to remain, unbidden, as an unwanted parasite within some other human being's body? This is the nub of the issue: the absolute right of every person, and hence every woman, to ownership of her own body.[1] What the mother[2] is doing in an abortion is causing an unwanted entity[3] within her body to be ejected[4] from it! If the fetus dies,[5] this does not rebut the point that no human has a right to live, unbidden, as a parasite within or upon some other person's body.

"The common retort that the mother either wanted or at least was responsible for placing the fetus within her body[6] is, again, beside the point. Even in the stronger case where the mother originally wanted the child, the mother, as the property owner in her own body, has the right to change her mind and eject it."

But is it not obvious that the association between pregnant woman and fetus is unlike any other type of human association? It is a relationship between two humans, true enough, but no other case parallels it. This unique form of human association, in other words, cannot be reduced to a mere instance of the various other ways in which humans may be linked.

It is most certainly not analogous to the two-party arrangement which everyone in advanced circles is familiar with—a freely entered into association between "consenting adults." In this arrangement, two people get together on a strictly voluntary basis on the grounds of mutual advantage, each believes that his/her purposes are better served by the partnership than if each went his own way. Tandem is deemed better than solo, or the deal would not have been made in the first place.

This voluntary association demands the consent of two parties, but it takes only one party to call the deal off. Dissociation may be initiated at the discretion of either party, whenever either one decides that the original purposes that brought the couple together are no longer being served. This unilateral decision is final, however much the other party might protest.

It is disingenuous to deal with the relationship of the fetus to the pregnant woman as if it corresponds to the association between "consenting adults." But even if the two cases were analogous, the argument from the right to dissociate to the right to abort lacks cogency; the right to dissociate does not grant a license to kill!

Suppose that one of the adults in the familiar coupling no longer consents; he wants out. But the other wants the association to continue, and he persists in foisting his unwanted company on the now no-longer-consenting partner. His persistence has become harassment, and even a libertarian legal code must take cognizance of harassment and deal with it in terms of previously agreed upon rules.

Social cooperation is impossible without such rules. Lacking such rules, the alternative is a piece of malignant advice: "When your former associate becomes obnoxious, dispose of him—quietly, if possible." This is a recipe for chaos, and it is absurd to offer this recipe as an excuse for abortion, i.e., to say that a pregnant woman and a doctor have a right to kill the fetus when his presence becomes unwanted.

Nearly everyone would agree that there are certain last resort situations where it might be necessary to kill in self-defense, but abortion is not one of them. The fetus has not aggressed against anyone; he has not initiated force against the mother-to-be, nor against the doctor. It would be absurd to try to excuse his slaying as an act of self-defense.

The fetus is "guilty" of not doing the impossible; he did nothing to get himself into this situation and he can do nothing to get himself out of it. And the penalty he is to pay for this? The death penalty—without due process, without a trial. His punishment does seem a bit on the cruel and unusual side, and somewhat disproportionate to the crime. His only "crime" is the natural urge to go on living.

Footnotes at end of article.

In the Rothbard argument for abortion, overly much is made of the fetus' responsibility and overly little of the woman's. The man who got her pregnant is not even mentioned! It was not any action on the fetus' part that brought him into his hazardous situation. He did not choose to enter into this unique human association which puts him completely at the mercy of someone else; he was put on this spot by others. They are responsible for his precarious situation.

Adult human beings are justly held responsible for themselves and their actions. Every person is responsible for the intended and immediate consequences of his actions; and he's also responsible for the unintended and long-range consequences. He is responsible for the ends he acted deliberately to attain, but also for the events which occurred but were not foreseen. He's responsible for the effect upon himself of his actions, and for the impact of his actions on someone else. He's responsible for the probable and predictable consequences of his actions, and sometimes for the improbable and unpredictable as well.

To be fully human means to accept full responsibility for one's self and one's conduct, whether the actual results be on the plus side or the minus. In the present context, it means that the male and female involved are responsible for the new life resulting from their actions. Who else?

Justice needs to be tempered with mercy, and the utmost compassion should be extended to those who feel trapped by an unwanted pregnancy. But sentimentality should not be allowed to disguise the fact that abortion is the taking of life.

FOOTNOTES

[1] Self-ownership is a basic libertarian dogma, according to Rothbard and others, but "it's a dubious notion at best. "I *am* myself," is a truism, the verbal form "am" links two terms in a relationship of identity. "I *am* myself" certainly does not equate with "I *own* myself." In a valid property relationship, the subject who owns is never identical with the object which is owned. Furthermore, it is a definitive mark of ownership to be able to sell one's property, or give it away, or make whatever disposition of it one chooses. Obviously, I cannot sell myself or give away that which I am; and if I dispose of myself I simply cease to be.

Rothbard appears to believe that his notion of self-ownership is sanctioned by John Locke, for does not Locke say, ". . . every man has a property in his own person." But this property is the man's labor, Locke tells us, not his person or his body! It was Locke's belief that we are God's property. "For men being all the workmanship of one omnipotent and infinitely wise Maker . . . they are his property." It is an aid to understanding to know that in ancient usage, now obsolete, the word "property" meant "a tool." (Compare Adam Smith: "The property which every man has in his own labor . . . the strength and dexterity of his hands. . . .")

[2] A "mother" is one who has given birth to a child. The pregnant woman is just that, a pregnant woman; or she is a gravid female, or the gravida. To refer to the pregnant woman as a mother is a careless use of words. Precision in thought is impossible apart from the accurate use of words. A dictionary is useful at this point.

[3] How did we get from the fetus as a human being, to the fetus as "an unwanted entity"? Not even a convicted murderer on death row is customarily referred to as "an unwanted entity"!

[4] Abortion is a medical operation, not accurately described as the "mother" "ejecting" the fetus. In an abortion the fetus is either (*a*) suctioned out of the womb, (*b*) dismembered and pulled out piecemeal, or (*c*) scalded in a saline solution and later expelled. In any event, the woman does not act, she is acted upon.

[5] *If* the fetus dies . . ." *If*? Of *course* the fetus dies when it is aborted! If the abortion is performed in the third trimester and the fetus is born alive, the abortion is a failure, and is usually followed by infanticide. There is nothing "iffy" about the effect of an operation to abort if the operation is performed during the first or second trimesters. The fetus is deliberately killed.

[6] The woman does not "place" the fetus within her body! The fetus grows in the womb, from a fertilized egg. A genetic implant is a possibility—the "test tube baby"—but even here no one would speak of the woman "placing the fetus within her womb!" The woman is operated upon. Careless use of words again.●

THE FEDERAL TRADE COMMISSION: WORKING IN THE PUBLIC INTEREST

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1980

● Mr. LAFALCE. Mr. Speaker, this year's candidate for the most disliked Federal agency has to be the Federal Trade Commission. The FTC has been charged with attempting to undermine the integrity of the free enterprise system by many critics, including funeral parlor owners, the auto industry, optometrists, the insurance industry, and many others.

Although the FTC has made mistakes and has admitted many of them, a careful examination of the record reveals a rather interesing pattern. Whenever the FTC indicates an interest in probing a monopolized industry or protecting consumers' rights in a given industry, the affected special interest group loudly cries foul. Within a matter of weeks, a horror story about omnipotent bureaucrats at the FTC begins to make the rounds in Washington and throughout the country.

What is lost in this whole process is the fact that the FTC is generally fulfilling its congressional mandate to encourage competition, not monopolization, in industries and trades and to protect consumers' interests. Unfortunately, competition seldom has a spokesman; and general consumers' interests often do not appear at congressional hearings.

Another horror story has begun to make the rounds, and this one involves the popular sport of golf. However, Colman McCarthy has set the record straight concerning this horror story in an excellent article in the Washington Post. I hope that all of my colleagues will read this article and remember its lessons, as we approach the authorizations and appropriations bills for the FTC.

The article follows:

HOLDING A CLUB OVER THE FTC

As a loyal member of Arnie's Army—fans of Arnold Palmer, the golf champ—I had a thrill the other day on finding the general's thoughts in the Congressional Record. He teed off on the Federal Trade Commission. In a reprinted telegram to Sen. Jesse Helms, the North Carolina Republican who is one of the leaders in the current attacks against the FTC, Palmer said the agency had invaded even the fairways.

"The FTC's proposed rule on standards and certifications," he charged, "would affect the United States Golf Association Rules of Golf on golf balls and clubs and, ultimately, how the game itself is played." Other sports would also be affected.

On looking into these claims, I learned that Palmer was far out of bounds and on his way to a triple bogey. Officials at the agency state categorically that no sports or golf regulations have been proposed.

The agency's link with golf came in hearings last year when a small businessman testified on the virtues of an adjustable-head golf club he had invented. He argued that the USGA is "a closed-door organization" that, in setting its private standards, prevents innovative products like his low-cost, multipurpose golf club from coming to the market.

All the FTC did was hear the fellow out, he being one of some 225 witnesses. But the story spread that the wicked bureaucrats in Washington had really done it now. They were about to take over the ancient and royal game of golf—or as Helms said, "There is no limit to a federal bureaucracy's estimation of its own competence."

Unable to resist what it saw as an easy kill, the U.S. Chamber of Commerce tried to club the FTC in an article in its July 1979 newsletter: "If the rule is adopted, sports groups would have to sit back and watch technology eliminate the problems of putting golf clubs, laying up basketballs, or scoring field goals."

Since then, with the unfounded horror story spreading, the FTC has been catching it from numberless golfers, Arnold Palmer being the latest. The agency has no record of Palmer's checking with the FTC for something other than the Helms version.

This clamor from the 19th hole wouldn't be worth heeding except that it reflects the quality of many of the attacks currently being leveled against the FTC. If Michael Pertschuk, the commission's chairman, can be depicted as taking out after hapless golfers—or beleaguered funeral directors, car dealers, insurance agents et al.—then the public is less likely to know that the agency has been doing a worthwhile job against marketplace predators. And wants to keep doing so, if Congress will leave it alone.

Groups like the Chamber of Commerce might have a case against the FTC if the agency's powers really were rigged against business. But the bureaucrats are in traction at having to bend so far over backward to be fair. On the proposed standards rule, some 80,000 pages of testimony were taken over five months. If anything, the agency is open to the charge of being too cautious.

Since coming to the FTC, Pertschuk has seen to it that some 150 trade practice rules—many established in the Nixon years—were rescinded. Yet he is charged with being a reckless over-regulator.

The anti-FTC campaign is depicted as the championing of free enterprise. But if the case of the inventor with the adjustable-head golf club is representative, then it is closed enterprise on view. The man devised a club with a face that can be adjusted to the loft of a driver, putter, wedge and five different irons. It would cost less than $50 and weigh about a pound. But the USGA, the standard-setter and rule-maker, says the technology is illegal. Since most pro shops and sporting goods stores won't carry "banned" clubs, shoppers have no choice: pay high prices for sanctioned equipment.

I wish the FTC did have the power to break the USGA's authoritarianism. An all-purpose golf club—light to carry and light on the wallet—would be a boon, even though the game would continue to be a joyful agony.

The essence of this case is options: does the consumer have the fullest choice possible? Providing those options is a major function of the FTC in all its operations—ensuring an open marketplace where competition, health and safety are expected by the buyers, and honored by the sellers.●

GREEK INDEPENDENCE DAY CELEBRATED

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1980

● Mr. BIAGGI. Mr. Speaker, today millions of Greek-Americans will observe the 159th anniversary of Greek Independence Day. This day always has great significance in America for we, as a Nation, in our third century of independence, owe a debt of gratitude to ancient Greece, where the origins of all democracy began.

Greece acquired its independence in 1821 after winning its war of independence with Turkey. There were many leaders in this era of Greek history but none more famous than the inspirational Archbishop Germanos and his fellow churchman of Agia lavra who on March 25 raised their banner of rebellion—the sign of the cross—and the war of independence was won. The victory insured the rebirth of the independent Greek nation after centuries of oppression.

The 10th Congressional District in New York, which I am proud to represent, today is celebrating Greek Independence Day as well as the religious commemoration of the Feast Day of the Annunciation. Included in my congressional district are the communities of Astoria and Long Island City, with one of the largest Greek-American communities in this entire Nation. These are hard working—God fearing—loyal Americans who live life to the fullest and have established values which do not and will not waver with the passage of time. The Greek family is an institution of stability. The Greek culture is unique and eminently rich in tradition and symbolism.

The celebration of Greek Independence Day is for the sixth consecutive year muted by the continuing tragedy of Cyprus. Here a large group of Greek Cypriots continue to be under the rule of an illegal Turkish occupation army which has revaged both the land and the economy of Cyprus. It is a situation that must be resolved before another life is lost or home destroyed. On this occasion I renew my plea to our State Department to demand of the government of Turkey a full accounting of those 2,000 Greek Cypriots still missing since the 1974 invasion.

It was my distinct privilege to once again march in the annual Greek Independence Day parade this past Sunday in New York City. Hundreds of thousands lined the streets and were treated to a colorful and lively parade indicative of the great Greek spirit. It was a truly enjoyable day.

I salute my many friends in the Greek-American community on their independence day and pay tribute to their many and varied contributions which they make and have made to American society. Greek-Americans have impacted on all walks of life from the arts to politics, from education to entertainment. May the year ahead for them be filled with peace and prosperity.●

NEW DEFENSE BOOM SPELLS ECONOMIC BUST

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1980

● Mr. CONYERS. Mr. Speaker, the administration's 1981 defense budget calls for a trillion dollars over the next 5 years, the biggest escalation in peacetime defense spending in two decades. Moreover, in the current effort to balance the Federal budget, the defense budget alone is being spared reductions, while virtually every domestic program will be subject to cuts.

Despite the fact that the new defense boom will aggravate inflation, perpetuate unemployment, draw resources away from ailing civilian industries, and cause a shift in national priorities away from domestic, social, and economic goals, the defense budget has received very little public scrutiny as to its cost and impact. Insofar as the bulk of the increased funding will go toward new weapons development, questions should also be raised about the greater likelihood of fighting a nuclear war.

"The New York Review of Books" on April 3, 1980, published a major analysis of the new defense budget, entitled "Boom and Bust." Written by Emma Rothschild, a leading authority on the defense industry and a professor at MIT, this article should be read by all citizens.

BOOM AND BUST

(By Emma Rothschild)

The United States may buy itself two things with its $1 trillion defense budget of 1981 to 1985. The first is an economic decline of the sort that comes about once or twice in a century. The second is a nuclear war.

This country is in the early years—not, despite the new shine of the Carter Doctrine, at the very beginning—of the most expensive military boom in history. In the process, the distinction between the military and the nonmilitary modes of the American economy is being suppressed. So is the distinction between nuclear and nonnuclear war. The continuum of money and destruction is being projected, through investment in military research and development, into the far future.

The expansion is military science and technology is the most ominous component of a defense budget that is dense with the ghosts of past and future wars. The new defense boom has been welcomed—in the US Congress, for example—as a response to recent events in Southwest Asia and elsewhere. But its main focus, instead, is on nuclear conflict.

The greatest increase in any major category within the 1981 budget is for "research, development, test and evaluation," or "RDTE." Spending on strategic and other nuclear weapons increases particularly fast, as does futuristic research at the "leading edge" of military technology. With the money it spends to buy and keep scientists and engineers, the Defense Department is designing the weapons of ten and twenty years from now. With its research boom, it is defining a revised American doctrine of science-intensive war.

This effort is not new, and it is scheduled to persist for the balance of the five-year defense plan. The proportion of defense spending devoted to research and the procurement of new weapons has increased steadily since 1976. This constitutes, as the Report shows, the first sustained boom in US military investment—investment in Southeast Asia aside—since 1960-1963.

The RDTE budget for 1981 is $16.5 billion. The MX missile—the race track of Ozymandias that Herbert Scoville described in the previous issue of *The New York Review*—is its most expensive item. The MX is allocated $1.5 billion in research money: this is more than the combined RD budgets for the Department of Labor, the Department of Education, the Department of Transportation, the Environmental Protection Agency, the Federal Drug Administration, and the Center for Disease Control; over 140 percent of the RD budget of the National Science Foundation.

This allocation for the MX is only part of a build-up in research on nuclear, anti-nuclear, and post-nuclear weapons systems. The "science and technology" program ("advanced research," "technology opportunities," and so forth) receives special commendation from Defense Secretary Brown, who presided as Director of Defense Research and Engineering in 1961-1965 over the first great boom in strategic research, and is now concerned to "overcome the effects of reduced funding during the 1965-75 period." It is as though the years of obscurity, of the bargain basement, low technology Vietnam war were over; as though military scientists can now step out into the clear light of particle beams, space optics, and blue-green lasers.

The military doctrine that Brown outlines is suited to the epoch of innovative war. He returns again and again to concepts of flexibility, precision, "selective and measured" attack and calibrated retaliation. Even the hopes and dreams of Russian leaders are measured; to the calibration of retaliation is added a calculus of values, in which the utility of certain "political control targets" exceeds that of, let us say, the entire city of Gorky, with missile sightings adjusted accordingly. Is there to be a further role for social scientists and moral philosophers in the teams of savants who are nourished by Sea Launched Ballistic Missiles?

The notion of "flexibility" is a leading piety of American strategic doctrine. Nor is there anything new about the idea of a "continuum" of nuclear weapons. But it is elevated by Brown into the writing on the wall of future destruction, from bazookas to particle weapons, "A continuum of deterrence," an "unbroken continuum" from "conventional to intercontinental forces": the word occurs five times in a brief discussion of so-called "theater" nuclear weapons, for use within one region such as Europe. At one extreme is the American first strike. "Even supposing a US first strike," Brown muses at one point in the report, the Russians would have many surviving weapons.

This exercise in the use of the conditional is not likely to reassure those, such as the authors of the most recent SIPRI *World Armaments and Disarmament Yearbook*, who see in the MX missile system and in the latest anti-submarine technologies a refinement of the US ability to strike first at its enemies. Next in the continuum come the varieties of intercontinental retaliation dictated by the doctrine of "countervailing" force. Here again the emphasis is on precision, on choosing frequently among military and political targets, on "retaining an assured destruction capability" for the weeks of burning cities, social destruction, and ionizing radiation which would follow a limited "exchange."

From here to the long-range "theater" nuclear weapons—such as the Pershing II and cruise missiles which will be able to strike from Western Europe into the Soviet Union—is a mere nudge along Brown's continuum. Thence to the array of "battlefield" and other nuclear warheads, of which the United States maintains some 7,000 in Europe alone, and "many thousands more" elsewhere. "Conventional" weapons, too, are to be found in the rainbow of modern war, often, indeed, launched from "dual purpose" nuclear or nonnuclear artillery, missiles, planes, and ships. At the end of the continuum, chemical weapons, of which the "deterrent stockpile" is to be maintained in 1981, which feature ("lethal chemical munitions concepts") in the Army's 1981 research budget, and for which "a facility that will have the capability to build binary chemical bombs, warheads and projectiles is being designed."

What is most remarkable about the doctrine of the continuum from non-nuclear to nuclear conflict is the cool and precise rhetoric in which it is described. Brown notes that "we have no more illusions than our predecessors that a nuclear war could be closely and surgically controlled." But the Report returns obsessively to the promise of such illusions: to "increased NATO options for restrained and controlled nuclear responses," to the "effectiveness and versatility" of nuclear-armed destroyers in the Indian Ocean.

This is the banalization of the nuclear epoch. We no longer find the pious disclaimers, the epithets ("of course, terrible") which earlier defense secretaries once appended to the words describing nuclear war. Nor are there frequent references to "the limited utility of nuclear weapons" (Donald Rumsfeld in the last Republican Defense Budget). The phrase "total war" is used casually in a discussion of defense spending. The unthinkable is being thought, ignored, presumed upon.

The Report puts forward three sorts of arguments in favor of increased defense spending. The first, and most familiar, suggests that because the Soviet Union is spending much more than the United States on its military effort, the United States must now rearm. The Report is full of speculation on Russian intentions: the fact that their forces in Eastern Europe are "much too offensively oriented," and that their positions in the Far East are "apparently designed for offensive operations"; their curious propensity to "take more seriously than we have done, at least in our public discourse, the possibility that a nuclear war might actually be fought." But the argument relies in general upon the simple reiteration of relative expenditures.

The shortcomings of such comparisons are well-known, as the Report itself comes close to acknowledging. They are selective, in that they sometimes measure the Soviet Union against the United States and sometimes NATO against the Warsaw Treaty Organization. They pass lightly over the proportion of Russian military efforts which is directed not against NATO but against China. They move even more expeditiously past the sharp qualitative advantages enjoyed by the US, such as the "rather startling asymmetries" which SIPRI detects in US and Russian strategic submarines.

The comparisons of dollar costs are even more misleading. They are measured, the Report explains, "by what it would cost to buy Soviet programs (including personnel) in the U.S. economy." Estimates are thus arrived for such quantities as "Soviet resources devoted to RDT & E." One has only to imagine the reverse exercise to see the tenuousness of such calculations. A Russian "estimate" of American military research would start, to be sure, with the published budget figure of $16.5 billion. To this it would add the $1.3 billion which the Department of Energy will spend on nuclear weapons and other defense research, and a sizable part of NASA's $5.6 billion RD budget. The Russian economists next need to calculate what portion of RD spending by American business supports the military effort, notably in two industries, aircraft and communications equipment, which are called by the government "defense product industries."

At this point, they might decide what it would cost "to buy" this science and technology in the Soviet Union—to reproduce the utility of Hewlett-Packard's basic research, or of such military contractors as Penn State University. Do they multiply by two? Or three? Or is Penn State unreproducible? All that remains for our diligent academicians is to head, charts in hand, for the Armed Services Committees of Mr. Smirnov and Mr. Ustinov and the other titans of the Soviet Union's military-industrial complex.

This exercise is not frivolous. Some such sequence may indeed have helped to determine the present arms race. We can assume that the Soviet Union reacted to the American military buildup of the late 1960s—an effort directed in large part at Southeast Asia—by investing in military research. The weapons that the Russians are building now are the products of that research. The Americans in turn react by increasing their own research, which will produce the arms race of the early 1990s; such are the dynamics of comparative weaponry.

The second argument in favor of the military boom suggests that the "growth in international turbulence" in Afghanistan, Africa, the Caribbean, Thailand, and elsewhere makes such an effort essential. One may question whether the times are, indeed, notably turbulent. There are relatively few wars underway, and revolution is distinctly on the retreat. It is even more questionable whether acquiring the capacity to construct particle beam weapons in the 1990s is likely to reduce turbulence in the Third World in 1980. One of the major new projects, the CX airlift plane, is recommended for "contingencies outside of Europe," yet it is some years from being deployed. The strategy of knowledge-intensive war suggests that the United States will look for precision and measured responses in its worldwide military efforts: in other words, the use of tactical nuclear weapons. Is this what the Carter Doctrine requires? Is this what Congress is buying with its bucks?

Brown's report, meanwhile, demonstrates a far more muscular attitude to US military intervention outside Europe than has been seen for some years. "Our defense establishment could be faced with an almost unprecedented number of demands," Brown writes. We are not far from Henry Kissinger's recent thoughts, when after considering whether US troops would be welcome in Oman he said:

"The immediate crisis shouldn't deflect us from other areas of potential danger. The situation in Turkey requires our urgent attention. Thailand could be a dangerous situation. Morocco remains under attack from adversaries armed with Soviet weapons. Central America is in turmoil. We may yet be needed in Southern Africa."

The third argument is the murkiest. It suggests that "perceptual problems" are critical, that the United States must increase its military spending lest it "lose, not from war, but from changes in perceptions about the balance of nuclear power." Even those who accept this argument—I do not—should ask themselves whether the United States is buying the right power and the right perceptions with its new defense dollars. Must it sell the far future with blue-green lasers? Is the Brown Doctrine of science-intensive war the best standard under which to fight the battle of perceptions? It should be added that the Report's calculus of "perceptual" costs and benefits is bizarre. Thus we learn that "the aura of great US military power" is "a legacy of World War II, Korea, the Cuban missile crisis, and even (up to a point) Southeast Asia . . . ," that "the mining of Haiphong Harbor demonstrated the deterrent effect of mines . . . ."

The Brown position is based on a view of the American economy and American society as organized around knowledge and science. The Report contrasts the "manpower-intensive Soviet economy" with the "more capital-intensive and technologically advanced Amercian economy." The obvious strategy, thus, is to lead from strength or from comparative advantage; to prepare to fight an automated and innovative war. This choice has the further advantage of appealing to the apparent preferences of the Congress for hardware and for clean wars.

Yet even on these terms, the strategy is perilous. The Report is full of allusions to "problems with materiel readiness, in part because of the advanced equipment coming into the forces." We learn, in passing, of production problems in constructing nuclear attack submarines, of "shore processing software, computer loading and array reliability problems" with Navy sensor systems; that the Air Force finds it difficult to maintain "their increasingly complex equipment," given "maintenance backlogs" and "increases in our accident rates"; that the Army's "telephone switches in Europe are obsolete, require continuous costly maintenance, and often break down," and will be replaced by German digital switches.

We are not far from the more familiar problems of the civilian economy: from subway systems whose sensors break down, and hospitals in which electronic hardware surpasses medical software, from the maintenance problems of DC 10s (the Federal Aviation Administration's budget for civilian RD is less than that allocated to one Navy aircraft). The military has conventionally assumed that because it can afford the most elaborately redundant controls, and because its operations are isolated from the messiness of real life clinics and sewage tunnels, it is thereby free from such tribulations. Even this may no longer be the case.

There is a related and deeper contradiction in the notion of knowledge-intensive war. The United States is practicing a variety of "*la guerre savante*," the stylized struggle which has dominated European wars since the sixteenth century. But as Fernand Braudel shows in his new *Les Temps du Monde*, such struggle is only possible when it is practiced by both sides at once; the veterans of Flanders campaigns who brought their learned battle formations to Oran in the 1590s and to Brazil in the 1630s found opponents who were playing in a different game.

The United States cannot expect that the Soviet Union will continue to join in its high science game, as this game becomes ever more idiosyncratic and ever more indulgent. The American military is choosing those weapons systems which are, in Robert Oppenheimer's phrase, "technically sweet." But this sweetness seems increasingly determined by the most introspective of scientific cultures. Are the random dashes and dummy missiles of the MX "sweet" to Russian probability theorists and computer scientists? The arms race implicit in the new military boom requires the most precise coordination of national scientific emotions, as the United States and the Soviet Union move together toward the MX, to "invulnerable" missiles for the Russians, pressure on SALT, new missile defenses, pressure on the ABM Treaty, laser weapons, more pressure to abrogate the ABM Treaty, warfare in space.

The epigraph to Brown's Report is a remark made by Abraham Lincoln, in 1861: "I think the necessity of being *ready* increases—look to it." That America's leaders should choose, now, to evoke the last war fought in this country is itself awesome. The insignia to the Defense Budget should be not what Lincoln said on the eve of the Civil War, but rather what he said at its end: "It is sure that I have not controlled events, events have controlled me."

The last, striking contradiction of the doctrine had to do with its economic costs. These, too, are determined by the technology-intensive character of the projected boom. Yet they have been to an extraordinary extent forgotten in discussions of the Defense Budget. Just as it is assumed that investment in lasers will somehow encourage the loyal Pathans, that the incantation of numbers (4 percent real growth in defense spending) is itself useful, so too are the economic consequences of the boom ignored.

Even the most rosy expectation does not deny that military spending will stimulate inflation. Previous arms booms began in years of moderate price increases (consumer prices increased 1 percent in 1950 and 2.9 percent in 1966); inflation in recent months has reached an annual rate of 16 percent. This tendency is likely to be exacerbated because many engineers, skilled workers, and high technology components are in short supply; the chairman of General Dynamics (the contractor for the Navy's troublesome attack submarines) looks forward to "some type of priority system" favoring defense contractors.

It is much less likely that the boom will provide extensive new employment for American workers. In the first place, the character of defense spending is, following Brown's dictum and the exigencies of the times, increasingly capital-intensive. If a billion dollars in the 1960s could procure a sizable arsenal of General Motors rifles for Vietnam, it will not now pay General Dynamics for a single Trident submarine. Secondly, by cutting into other government programs, military spending may jeopardize the most precarious of existing jobs.

The defense boom and the business confidence it inspires are from this perspective deeply disturbing. They suggest an instinctive return to the industrial and scientific culture of an obsolete expansion, the power of what Veblen, writing of the British railroad industry in the 1890s, called "the inertia of use and wont." Such a reversion can only make the long cyclical decline of military industries more painful and more dangerous.

The United States in 1970—after the first decline in military spending for Vietnam—consecrated a fifth of its engineers, a fourth of its physicists, a fifth of its mathematicians, almost half of its aeronautical engineers to defense-related employment. Estimates in the Rumsfeld defense budget suggest that the proportion did not fall during the Republican defense recession, and may have increased since. At the trough of the recession in military research, the United States devoted 28 percent of its national research and development effort to defense, as compared to 7 percent in West Germany, 19 percent in France, and 4 percent in Japan. An economy in the throes of decline cannot afford to lose this portion of its knowledge, of its educational system, of its future to old industries, and to destruction.

There is now, as not often in the world since Nagasaki, the intuitive possibility of nuclear war. There is also the possibility of a remilitarized world economy which will make this prospect more imminent, year after year, as the research boom becomes a boom in procurement, in strategic doctrine and in military culture. Very little is more important, in the spring of 1980, than to act against the one and against the other.●

VIEWS OF KATHERINE V. HURLOCK

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1980

● Mr. HARRIS. Mr. Speaker, a very fine woman, a constituent and an American, has strong views which she has earned the right to express.

Those views are as follows:

I am 83 years old, a woman, and I was in World War I. My husband was also in World War I. We have five sons and two daughters. Our five sons were all in the service at the same time. Some were drafted, some were volunteers. Two served for 25 years, one served for 20 years, the other two served in the Korean War. One of them is still in the Reserves after 20 years.

I was so proud of my family and wouldn't have wanted them serving any other way. Today they are real happy and loyal citizens of our great U.S.A. So, "crybabies," take off that long face and be proud you can do something worthwhile for your country.●

RAIL INDUSTRY SUPPORTS CAPITAL COST RECOVERY ACT

HON. JAMES R. JONES

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1980

● Mr. JONES of Oklahoma. Mr. Speaker, I am pleased to announce that another vitally important industry has endorsed the Capital Cost Recovery Act. The Association of American Railroads recently announced their support for the proposal. Mr. William H. Dempsey, the president and chief executive officer of the AAR, details in his letter of endorsement the reasons his organization supports this proposal. He recognizes the need for increased capital formation and productivity, and recognizes the part H.R. 4646 can play in achieving this goal:

The letter follows:

Association of
American Railroads,
Washington, D.C., March 24, 1980.

Hon. James R. Jones,
U.S. House of Representatives,
Washington, D.C.

Dear Congressman Jones: It is our pleasure to join the various groups which are expressing their support for the Capital Cost Recovery Act. As you know, the Board of Directors of the Association of American Railroads voted unanimously to support this bill on September 28, 1979 and we have been working with the Committee for Effective Capital Recovery and other groups to urge its enactment.

The "10-5-3" system responds to the capital needs of all industries in our economy and we are pleased to be a part of this broad base of support. H.R. 4646, introduced by you, Rep. Conable and 290 others, addresses the overriding challenge to our domestic economy today—the need to encourage capital formation and establish a long term pattern of sustained growth in the face of spiraling inflation. Accelerating the rate by which our industries can recover their costs of necessary investments will improve declining productivity, permit the business community to modernize and expand plant and equipment, and improve competition in foreign markets.

The sponsors of this legislation have acted upon the growing awareness among economists and academicians that increasing supply rather than restricting demand is the more appropriate way to fight our raging inflation. Inflation has caused business profits to be overstated because existing accounting and tax systems do not reflect the cost of replacing capital investments. Depreciation which is based upon historical cost was designed in a non-inflationary environment, does not cover replacement costs, and acts as a deterrent to capital investment.

The Senate Commerce Committee, in its recent report on the economic regulation of the railroad industry (Senate Report No. 96-470, December 7, 1979), spoke of the huge unmet capital needs of the railroads which has caused deferred maintenance, delayed capital expenditures, and bankruptcies:

An efficiently operating transportation system is essential to the well-being of the Nation. About 20 percent of our total annual expenditures for goods and services goes for transportation of people or freight. More than 12 percent of our total civilian employment is in transportation or related industries, amounting to more than 10 million jobs in 1977. The tremendous demands on the national transportation network to move goods are evident when total freight ton-miles number over 2 trillion annually. Of this total tonnage, railroads carry over 70 percent of coal ton-miles and 60 percent of grain ton-miles. They are also the principal mode for pulp and paper products, automotive products, foodstuffs, chemical and primary metals. Unfortunately, at a time when the need for increased transport capacity is developing at a rapid pace, the railroads are the weakest sector in our transportation system, and the ability of the railroad industry to meet its future responsibilities to society is considered by many to be in doubt.

Basically, the railroads cannot function without constant large infusions of capital. The ability to get capital depends on profitability. The railroads' profitability, however, has been declining since the boom World War II period when all-time peak earnings of $993 million were reported. The decline in earnings has occurred while the cost of capital has risen from 4 percent to double-digit percentages. For a disproportionate share of class I railroads, investment money is not available at any rate because of decreases in cash earnings versus increasing capital expenditure requirements on the one hand and, on the other, the increased cost of money which reduces the purchasing power of what earnings will buy.

After adjusting for inflation, railroad ordinary income today is one-quarter its 1947 level. Over the past decade the rate of return on the investment of Class I railroads in transportation property has averaged less than 2.8 percent. In a study by the Department of Transportation entitled, "A Prospectus for Change in the Freight Railroad Industry" cash flow from internal operations and funds that could be raised from private capital markets were concluded to be insufficient to renew the existing plant and equipment and provide the capacity for anticipated levels of traffic. Specifically, cash flow from all Class I railroads in 1977 was reported to be $1.7 billion less than capital expenditures with projection that, excluding the capital requirements of ConRail, the rail industry will suffer a financial shortfall of $13 to $16 billion over the decade 1976 to 1985.

The rail industry's historical response to inadequate financial performance has been to defer maintenance and delay capital expenditures for roadway and equipment. This practice has led to reduced speeds under slow orders on 47,200 miles of track. This, in turn, has resulted in a deterioration of the quality of rail service and loss of business. In short, many of the railroads are caught in a vicious cycle. Depressed earnings have robbed them of the ability to make improvements inplant which are needed to reduce cost and improve service. The inability to reduce costs and improve service eventually erodes the railroads' competitive position and adversely affects their net income—as the cycle is repeated.

In reciting such facts, the temptation is to run up the danger flag over the entire railroad industry. It should be pointed out that the railroads, though financially troubled, are not in uniformly desperate financial straits. The severe distress of some carriers, such as the Milwaukee, the Rock Island, and other bankrupt or near bankrupt roads in the Midwest and Northeast, obscures the far stronger positions of roads in the South and West. Nonetheless, it does not take an accountant to determine that an industry operating in a financial environment illustrated by a declining rate of return over a 20-year period is, as a whole, in financial trouble.

The combination of outdated depreciation measures and inequitable regulation has had a ruinous effect on the railroads' financial condition and their ability to improve their plant and equipment.

As the Senate Report indicates, the ability to get capital depends on profitability. The Interstate Commerce Commission says that over the long run railroads must earn up to 11 percent on net investment in order to attract the outside capital needed to modernize and maintain adequate service levels. In the face of this:

The industry's rate of return has been under 2 percent consistently in the past four years and has not exceeded 4 percent in the past twenty years.

The most profitable regional group of railroads now earns less than half the return deemed adequate by the ICC.

Not one of the 15 largest railroads earned as much as 11 percent in 1978 and only five earned as much as 7 percent.

Recently the railroad industry's return on equity has been but one-tenth what the average public utility achieves and an even smaller fraction of the average returns for unregulated industries. At the same time, the earnings of other transportation modes far outstrip those of the railroads as shown below. (Figures are for 1977, the most recent year for which comparable figures are available.)

[In percent]

	Return on net investment	Return on equity
Class I railroads	1.25	2.67
Motor carriers of property	15.52	15.33
Water carriers, inland and coastal	6.97	5.58

Unlike their competitors, railroads have to build, maintain and pay property taxes on their rights-of-way. Grossly inadequate rail earnings have led to an inability to modernize and revamp large portions of the nation's rail system. The Senate Report correctly notes that as service deteriorated, old traffic was lost and new traffic opportunities were missed, resulting in further earnings decline and more service deterioration. Nor has this trend been reversed. Rail earnings during 1978 totaled but $260 million in net income. It should be noted that the industry accrued a total of $286 million in Federal tax liability on this $260 million profit.

Recent in-depth studies demonstrate that the industry's future needs far outstrip the industry's ability to finance those projects in the present tax and regulatory environment. The Department of Transportation estimates the industry, excluding Conrail, will have a $13 to $16 billion shortfall in needed funds over the next ten years. Other studies—private and governmental—have placed higher price tags on the shortfalls facing the industry.

At the same time, there is little argument about the future public need for modern rail freight service. With its proven fuel efficiency, environmental pluses, safety advantages, substantial segments of unused track capacity and its pre-eminent role in facilitating the growing reliance on coal, the need for a strong, expanding rail system is patently clear. In fact, these advantages were the reasons the DOT projected that railroads should show the greatest traffic increase of any surface mode by 1990, if outdated federal regulations were revised.

Absent major reforms in federal tax and regulatory policies, the alternative solution to adequate rail service is annual, multi-billion dollar subsidies, which can only add an inordinate burden to the nation's taxpayers.

The adoption of the 10-5-3 system, which would significantly shorten the recovery period for railroad rolling stock and equipment, would contribute to alleviating a major problem of our industry.

We are grateful for the long and hard effort in designing this bill, and most importantly, for the recognition of the need for its enactment by well over half of the Members of the House of Representatives.

Sincerely,

W. H. DEMPSEY,
President and
Chief Executive Officer.●

MARYLAND DAY

HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1980

● Ms. MIKULSKI. Mr. Speaker, today commemorates the first landing of English colonists in Maryland.

On June 20, 1632, King Charles I gave Cecil Calvert, possessor of the Irish Barony of Baltimore, a charter to found a colony in North America. In November 1633 an expedition set forth from England under the leadership of Lord Baltimore's brother, Leonard Calvert, to erect the colony that the Calvert family had envisioned and Charles the First had named in honor of his consort, Queen Henrietta Maria.

Approximately 100 colonists in two ships, the Ark and the Dove, landed on Saint Clement's Island, Saint Mary's County, Md., on March 25, 1634. Later that year the first permanent settlement in the colony was erected on the mainland at a place called Saint Mary's City. Unlike earlier English colonies in North America, Maryland prospered from its beginning. It was ruled by a Governor appointed by the Lord Proprietor except for two periods: during the Cromwellian era and the 25 years following the Glorious Revolution.

An early Maryland booster wrote in 1635:

> Now Maryland by the testimony of all that have beene there is a soile earthy and fatt * * * and consequently menacing no such barennesse as the foresaid mountainous places, whereof also the heate, by the reverberation from the rocks, is more intense: and so that of Maryland least to be feared of our English bodies. Besides the East being to the Sea and Southward of it, the mountaines to the North and West-ward render it free from many stormes and unseasonable gusts which in other countries of America prove noisome and almost insupportable to the inhabitants.

Two early milestones in Maryland history came not upon the initiative of the Lords Baltimore or their Governors, but upon the initiative of the general assembly. The Act of Toleration, which guaranteed religious freedom for all Christians—not perfect, but quite a radical idea for the day—and the admission of Margaret Brent, the widow of a wealthy landowner, to the bar of the Colony, were accomplished during the legislative session of 1649.

Mr. Speaker, Maryland Day is not only a day when Marylanders take pride in their State, but commemorate those who have contributed to its greatness. This past weekend, one of our predecessors in this House, George Fallon, passed away. Mr. Fallon represented the people of Maryland in the House of Representatives for 26 years and served as chairman of the Committee on Public Works. He was a fine legislator who served the people of Maryland and this country well. During Mr. Fallon's tenure on the Public Works Committee the face of this Nation was transformed because of his efforts in promoting the concept of an Interstate Highway System.

I am inserting a recent editorial from the Baltimore Sun; it is a fitting tribute to a distinguished public servant:

GEORGE H. FALLON

On his way to a 26-year career in the House of Representatives, George H. Fallon became one of the most powerful men in Congress. First as acting chairman, then later permanent chairman of the Public

Works Committee he oversaw that most priceless of political provisions—the pork barrel. During the 1950s and early 1960s the Fallon committee drafted and delivered some of the nation's most expensive projects. Whether highway, airport or harbor—whatever the need—the committee's decisions meant billions of dollars and accounted for countless jobs back home.

These mammoth outlays weren't inspired by thoughtless spendthrifts. Most committee members had experienced the Great Depression and sought to encourage an expanded, yet sound, economy. In addition, millions of ex-servicemen were returning from World War II eager to start a family, drive a car and build a dream house in the suburbs. What better way to achieve it than through Mr. Fallon's interstate highway system?

In George Fallon, who died Friday at 77, the House chose an almost perfect colleague to dispense such important projects. He was quiet, almost shy, never a brash or boastful politician. Someone else might have used this chairmanship to twist arms. Mr. Fallon was benign. He made certain no congressman or district was slighted. If challenged about his committee's considerable spending programs, the congressman would point to new state and federal revenues that had been generated and to new communities that had prospered and grown, thanks to this congressional largesse.

His unshakable support of the Vietnam War—when other congressman began having doubts—helped Paul S. Sarbanes win the Fallon seat in the old Third district in 1970. But the slight that most disillusioned Mr. Fallon was how voters in North and Northeast Baltimore could reject the father of the Interstate Highway System. "I thought I was helping people," he told a reporter shortly after his defeat.

Building and extending roads might seem questionable by today's standards, what with limited energy supplies. But in 1954 oil was plentiful and the economy needed a substantial boost. For a quiet, unpretentious man like George Fallon, who would rather have thrown out the first ball at a sandlot game in Clifton Park than at Memorial Stadium, concrete and steel was an ideal response.

Each State has made special contributions to the greatness of this Nation. Today, I salute the contributions that the men and women of my State of Maryland have made, and are making, to this country.●

NORTHFORK HIGH SCHOOL SETS NATIONAL RECORD

HON. NICK J. RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1980

● Mr. RAHALL. Mr. Speaker, I rise today with great pride, for the Northfork (McDowell County, W. Va.) High School basketball team tied a national record this past weekend for consecutive high school basketball championships.

With the Blue Demons 60 to 54 victory over Winfield High School, they captured the class AA trophy for the seventh straight year.

Led by Coach Jennings Boyd, who himself has never suffered a losing season in 24 years of junior varsity and varsity coaching, the Northfork team achieved their success with solid teamwork.

In the final game, balanced scoring spelled victory. Dwayne Spencer had 19 points, Jesse Fields had 11, Kenny White and Robert Foster had 9 points, and Quentin Crenshaw had 7 points. These young men, along with their teammates have been a source of pride for their family, friends, area, and State. I join today to express my heartfelt congratulations to everyone involved in the Northfork program, and join with them in looking to No. 8 and a new national record next season.●

THE FEDERAL TRADE COMMISSION—INVESTIGATING MONOPOLISTIC PRACTICES IN AGRICULTURE

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1980

● Mr. LAFALCE. Mr. Speaker, one of the most important tasks of the FTC, as mandated by the Congress, is the investigation of monopolistic practices in the economy, which inhibit competitive conditions. This is a particularly important task, because our free enterprise system can be strangled by monopolies and monopolistic practices.

Leading antitrust experts have become very concerned about the possibly wide extent of monopolistic practices within agricultural cooperatives. Some of these cooperatives contain huge multinational agribusiness corporations which have the ability to control production or marketing or both of given agricultural products. Reflecting that concern, the FTC wisely decided that it should initiate three probes of giant agricultural cooperatives, in order to determine whether monopolistic practices are occurring. If those practices are in fact happening, they would be contributing to the high rate of inflation in food prices.

The FTC did receive a reward for trying to promote competition and lessen inflationary pressures. According to the House version of the FTC authorization bill, it would specifically forbid a FTC investigation of agricultural cooperatives. Although that amendment has received little attention, Merrill Brown in an article in today's Washington Post has directed attention to this ill-advised amendment which would terminate vitally necessary FTC probes. I commend this article to all of my colleagues.

The article follows:

FTC AUTHORITY OVER AGRICULTURAL CO-OPS AT STAKE

(By Merrill Brown)

While public attention has focused on the congressional efforts to gut the Federal Trade Commission's controversial "kidvid" investigation, another amendment to the Federal Trade Commission authorization bill passed by the House could wipe out three commission probes of giant agricultural cooperatives.

The measure was adopted without public hearings and ultimately could raise consumer prices of such basic commodities as milk, critics of the large cooperatives argue.

But few outside the industry fully understand the workings of these giant cooperatives. Thus, Reps. Mark Andrews (R-N.D.) and Charles Pashayan (R-Calif.), the leading proponents of the amendment, had little trouble convincing their House colleagues to gut, in effect, the pending cases when their amendment easily passed last November. The Senate never considered the amendment.

Although the cooperatives were granted partial antitrust immunity under the Capper-Volstead Act of 1922, the FTC, backed by many leading antitrust experts, believes that its limited authority over these co-ops extends to the enforcement of monopolistic practices.

"A few of these cooperatives have grown far beyond anything ever contemplated by Congress when it granted them limited antitrust immunity," 14 House members, including Rep. Peter Rodino (D-N.J.), chairman of the Judiciary Committee, wrote last year.

"Their memberships include large multinational agribusiness corporations, not just the small family farmers for whom this legislation was intended. A few of these large corporate co-ops have come to dominate the production and marketing of certain agricultural products," their letter continued.

Among those giant cooperatives are Sunkist Growers Inc., which according to an FTC suit controls as much as 75 percent of the production and marketing of western citrus fruit. A second is Ocean Spray Cranberries Inc., which is under investigation by the FTC and is believed to have controlled as much as 90 percent of all cranberry production since 1962.

And the final target of potential FTC action is Dairymen Inc., a mammoth Louisville, Ky., dairy co-op which purchased Farmbest Foods Inc. in 1978 for $19.4 million. The two dairy concerns would have combined sales approaching $1 billion.

The staff of the FTC's Bureau of Competition has recommended that the commission sue Dairymen, the nation's third largest dairy cooperative, in an effort to gain divestiture of Farmbest, sources said last week. Although the case has not yet gone to the commission itself for approval, investigators say the Dairymen acquisition could raise consumer milk prices and is particularly significant because Dairymen provides nearly half of the Southeast's raw milk.

The issue before the conference committee when it meets this week is whether the FTC should be stripped of the authority to challenge these cooperatives. Some co-ops such as Sunkist have led the fight, arguing that Congress never specifically delegated responsibility to the FTC to regulate either the co-ops' practices or their marketing orders, but instead left the responsibility to the Agriculture Department.

"The attempted FTC usurption of authority in these two areas not only results in the harassment of farmers and cooperatives, but also is a waste of public funds," Sunkist Vice President William K. Quarles wrote in a letter to selected members of Congress last fall.

But on the other hand, the National Commission for the Review of Antitrust Laws and Procedures last year concluded that government trust-busters should monitor the growth of co-ops carefully.

"The antitrust treatment of cooperatives once formed, however, should be similar to that of ordinary business corporations," the commission said in its final report. "Specifically, mergers, marketing agencies in common and similar agreements among competitors should be allowed only if no substantial lessening of competition results."●

FOURTH ANNUAL SWEET POTATO AFFAIR

HON. GILLIS W. LONG

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1980

● Mr. LONG of Louisiana. Mr. Speaker, I want to prepare all of my colleagues and their staffs for a taste of the extraordinary tomorrow, March 27. I am very proud to join the Louisiana Sweet Potato Commission on that day in sponsoring the "Fourth Annual Sweet Potato Affair." As part of the celebration, a complimentary serving of candied Louisiana yams will be offered to each lunchtime diner in the House Restaurant.

In case you might think you will be receiving some ordinary vegetable, consider these facts about the savory, versatile—and extraordinary—golden Louisiana yam.

A Louisiana yam is technically a sweet potato, but it is different from any other sweet potato in the world. It was scientifically developed to have golden, moist flesh, a copper-toned skin, and rich sugary taste. It is grown to perfection by Cajun farmers—French-speaking descendants of the Acadians who settled in southwest Louisiana in the mid-18th century.

The deep orange color of the Louisiana yam is more than just attractive—it indicates large quantities of vitamin A to help maintain healthy skin and eyes and good general health. In fact, one medium yam supplies more than the recommended daily dietary allowance of vitamin A and from 40 to 60 percent of the amount suggested for vitamin C.

The Louisiana yam, aristocrat of sweet potatoes, is a versatile vegetable with many uses. Mix yams with meat, fish, poultry, fruits, or with other vegetables. Try them boiled, baked, or fried; served up as a main dish, side dish, bread, or dessert. The possibilities for appetizing yam variety are endless.

Louisianians have enjoyed the tasty yam for many years, and it is a staple item of our famous Southern cooking. The purpose of our sweet potato affair is to let the world in on our delicious secret. Once you try the Louisiana yam, we know it will become a staple in your life too.

Be sure to enjoy this Louisi-YAM-a treat tomorrow. Bon appetit.●

FREEDOM OF EXPRESSION IN TAIWAN

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1980

● Mr. GILMAN. Mr. Speaker, in December 1978, President Carter acted unilaterally to normalize diplomatic relations with the People's Republic of China and end our historic official ties to the Republic of China on the island of Taiwan. At that time, I rose in protest over the irresponsible manner in which this act was carried out and expressed my fears about the effect that such action would have on the free and democratic people of Taiwan. Unfortunately, the President's action came just prior to scheduled nationwide elections and resulted in their immediate cancellation as the ROC Government moved to secure domestic stability in the wake of normalization.

The shock and disappointment that President Carter's normalization decision represent to the Government and people of Taiwan is readily understood. Now, more than ever, the continued progress of that nation depends upon its ability to meet the pressing economic and social needs of its people. As a member of a delegation from our House Foreign Affairs Committee that visited Taiwan in January, I became aware of how vital the support and goodwill of the American people is to their continued political, economic and defensive needs.

After more than a year of readjustment following President Carter's action, serious cracks in the island's peaceful stability began to show. As pointed out in a recent article in the New York Times by James P. Sterba, the ruling Kuomintang regime:

> Apparently suffered an attack of anxiety, and its subsequent harsh actions have raised doubts about its confidence and questions about the sincerity of its "liberalization" program. Following a small but violent clash between dissidents and riot police in the southwestern city of Kaohsiung, Taiwan's rulers launched a crackdown on their political opponents. The crackdown was severe enough not only to draw outcries from human rights advocates but even to turn the heads of some devoutly pro-Taiwan United States Congressmen.

For these reasons, I am greatly concerned about recent symptoms of a growing social frustration and unrest on Taiwan that stems from President Carter's action and the ROC's response in canceling the elections and tightening its control over the people of that nation.

As pointed out in the New York Times article, serious trials have begun against dissidents stemming from the election related Kaohsiung riots of last year. In addition, just prior to the trials, the mother and two of the children of one of the defendents were ruthlessly murdered by unkown assailants.

Such murders are virtually unheard of on Taiwan as well as the Kaohsiung riot of last year. Irregardless of who or what faction may have been responsible for these recent violent events, such acts can only lead to greater risks to the peace and security of the people of Taiwan if they are not adequately addressed by the government.

Therefore, I welcomed the steps taken by the ROC Government to open the trials to international observers and for the families of the eight defendents as was urged by the members of our committee delegation during our recent visit. As a result, the Presbyterian Church, the American Institute on Taiwan—official U.S. Representative—and other individuals and organizations are attending the trials as international observers.

Unfortunately, the trials in Taiwan are still being held before a military court, and the charges are still sedition. This action results from the tense anti-Communist atmosphere that has been reinforced by a continual state of seige. Which, according to the New York Times article, allows the Taiwan regime:

> to justify the need for a continuation of martial law now in its 31st year—a prime target for a dispersed opposition that has argued that martial law is merely an excuse the minority uses to perpetuate its power.

I draw my colleagues' attention to these trials and related issues to underscore the dangers represented for all of the people on Taiwan by the emotions generated by them. I urge a return to the spirit of 1978 and a reconciliation and cooperation for all people of Taiwan at this critical point in their history. Care must be taken to insure that our efforts to help the people of the Republic of China to protect and defend their independence and integrity from outside attack are not undermined by internal unrest. As the New York Times article concludes:

> The Kuomintang may be increasingly restricting itself to an eroding middle rather than embracing and influencing the debate over Taiwan's future that the eight defendents now on trial for sedition were trying to conduct.

For the information of my colleagues, I am inserting the entire text of Mr. Sterba's article at this point in the RECORD.

[From the New York Times, Mar. 23, 1980]

FREEDOM OF EXPRESSION REMAINS A TRANSITORY THING IN TAIWAN

(By James P. Sterba)

TAIPEI, TAIWAN—Any Taipei taxi driver can tune in mainland Chinese broadcasts on his car radio. Few do, not because it is still against the law to listen, but because Communist programs are rather provincial and boring.

Although, the local press remains subject to post-publication censorship, a remarkable diet of government criticism and mainland news does appear. Foreign publications arrive most of the time without pages missing. Even an issue of Time magazine with arch enemy Deng Xiaoping on its cover found its way to mail subscribers intact, although authorities would not allow the Communist leader's face to adorn newsstands.

For more than a year, in fact, the Kuomintang regime has exhibited uncharacteristic confidence in the ability of Taiwan's 17.5 million people to absorb, calmly and rationally, increasing doses of free speech, news from the outside world, and even domestic debate that has often included sharp criticism of its rule.

Last December, however, the Kuomintang apparently suffered an attack of anxiety, and its subsequent harsh actions have raised doubts about its confidence and questions about the sincerity of its "liberalization" program. Following a small but violent clash between dissidents and riot police in the southwestern city of Kaohsiung, Taiwan's rulers launched a crackdown on their political opponents. The crackdown was severe enough not only to draw outcries from human rights advocates but even to turn the heads of some devoutly pro-Taiwan United States Congressmen.

Several hundred persons around the island were picked up for questioning, sometimes in the middle of the night. Three opposition magazines were closed. At least 67 persons were detained, 26 of them for the capital crime of sedition. Eight of those—all highly educated staff members of a popular monthly called Formosa magazine, which sponsored the Kaohsiung rally—went on trial in a military court here last week.

Sedition on Taiwan is one of those catch-all charges that can apply to everything from fraternizing with mainlanders or advocating an independent Taiwan to political disturbance of the peace, which is how most foreign observers here describe the Kaohsiung clash. Both sides grossly exaggerated the incident. Riot police didn't fight back, but they also didn't give the demonstrators a way out of their rally site—the first rule of peaceable crowd control. The police claimed 183 injuries. The dissidents claimed their ranks were battered too. Other than scratches, however, no more than five or six people on both sides were hurt, according to independent reports.

By all but government accounts, Formosa magazine's purpose was simply to create a viable opposition. Some moderate Taiwanese think the Kuomintang crackdown serves as evidence that it was succeeding, and doing so far too swiftly for Kuomintang comfort. The Kaohsiung affair, with its intricate and dubious threads of conspiracy tied, ironically, to both forces for independence and for reunification, has had its chilling effect:

Far more chilling, however, were the mysterious murders last month of the twin daughters and mother of one of the defendants, Lin Yi-Hsiung. All of a sudden, someone or some group had intensified the affair, but for reasons that escape moderate elements on both sides.

Since its escape from the mainland in 1949, the Kuomintang has consistently attempted to play on popular fears. Both the Korean and Vietnam wars fueled campaigns for vigilance and solidarity in the face of alleged threats from the more numerous mainland Communists.

United States abandonment of Taiwan for recognition of Peking in December, 1978, sent waves of concern, both genuine and orchestrated, through the Taiwan populace. For all but the aging Kuomintang leadership, however, the distress was brief. Nevertheless, the Government used the occasion to postpone national and local assembly elections. The expiration of the United States-Taiwan mutual defense treaty last December generated even less popular concern.

While Taiwan's population remains far more anti-Communist and far less rebellious than Peking would like to believe, its rapidly rising affluence has contributed to a spirit of moderation, openness, and security that the Kuomintang finds increasingly difficult to manipulate. Officially, Taiwan is still at war with the mainland. A state of siege was proclaimed on May 19, 1949. But for a population in which nine out of ten households have refrigerators, virtually all have televisions, two-thirds have motorcycles, and almost all are educated or in the process of becoming so, the war seems rather dated.

Still, the Taiwan regime uses it to justify the need for a continuation of martial law now in its 31st year—a prime target for a dispersed opposition that has argued that martial law is merely an excuse the minority regime uses to perpetuate its power. Those who fled the mainland in 1949, along with their descendents, represent only about 14 percent of Taiwan's population. Many of Taiwan's most prominent business leaders are Taiwanese who pledge obligatory allegiance only.

Meanwhile, the Communist mainlanders have done nothing lately to disturb anyone on Taiwan except the Kuomintang and its constituents in the military, the security forces, and the bureaucracy. Peking has lately been promising that Taiwan could retain autonomy, its higher standard of living and even its Prime Minister, Chiang Ching-Kuo, if it would rejoin the mainland.

Taiwan's rulers may have made a mistake in publicizing and admitting the foreign press to its sedition trail of the Formosa magazine defendants. Indeed, later in the week Government officials were sharply critical of how the foreign press was covering the proceedings. The vague links in the Government's indictment to the mainland and to independence groups in the United States are precisely the kinds of ties the Government overlooks when commerce is at stake. The point won't be lost on large numbers of sophisticated Taiwanese.

As a result, the Kuomintang may be increasingly restricting itself to an eroding middle rather than embracing and influencing the debate over Taiwan's future that the eight defendents now on trial for sedition were trying to conduct.●

DRUM BARRACKS: HISTORY RESTORED

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1980

● Mr. ANDERSON of California. Mr. Speaker, I would like to inform my colleagues of an important historical event that is going to take place in my district this weekend. This Saturday, March 29, 1980, in Wilmington, Drum Barracks will be officially reopened. Named after Adj. Gen. Richard Coulter Drum, the barracks' one remaining original building has been painstakingly restored to its original Civil War state by the untiring efforts of the many volunteers who comprise the Society for the Preservation of Drum Barracks.

The members of the society felt that this building, formerly officers' quarters, was far too valuable to go the way of the barrack's previously demolished soldiers' quarters, hospital, and commissary. So, in 1963 they began the long and arduous process of raising funds, in order to meet the purchase price of $32,500. Among their efforts was a month-long door-to-door campaign, known as bucks for the barracks; due to the work of Marga Jean Lorenzen Lucas, over $5,000 was raised toward the first down payment on the building. In recognition of her contribution, Marga Jean was given the lifetime title of "Miss Drum Barracks." Since then, over $200,000 has been spent in restoration, a mixture of contributions, and State funds.

During the Civil War, Drum Barracks was housing for troops of the Union Army. The barracks at that time consisted of about 60 buildings, and its presence was largely responsible for California's remaining in the Union. An interesting aspect of this Far West post was that it was a terminus for the short-lived experiment in using camels to carry supplies across the great southwestern desert. Now it will be a Civil War museum, for all to benefit and learn from.

But, Mr. Speaker, what I want to emphasize is this; that a small group of people, determined to the last, can overcome seemingly insurmountable odds in achieving their goal. It is obvious through their years of effort, time and money, that Drum Barracks means a great deal to them. In its new capacity as a museum, we owe them a great deal. At least a part of Drum Barracks, with some of its artifacts, has been saved. It has left us a great legacy, one which the society's members have restored to us. With its handmade nails and split cypress shingles, this structure is a monument to California's participation in the Civil War. Between January 1862 and November 1871, the entire complex of Drum Barracks housed between 2,000 and 7,000 troops. In the latter days of its existence, it was a base for troops protecting the famous Santa Fe Trail from Indian forays.

I am sure that the descendants of those men appreciate as well as we all do, what the Society for the Preservation of Drum Barracks has done for us in restoring this fine building. Led by Oliver Vickery, acting commandant; and Jean Lorenzen, president of the society, we can thank all these fine men and women for their contribution to our national heritage.

So, Mr. Speaker, when a Civil War vintage Union flag flies over Drum Barracks on Saturday, we will all be able to point with pride at the achievement and dedication of the human spirit. Let Drum Barracks serve as a reminder of both the struggles of the past and the present. Let me just conclude by saying that I am very proud of these constituents of mine; their contribution will help all of us understand American history that much better.●

BYELORUSSIAN-AMERICAN ASSOCIATION

HON. GERALDINE A. FERRARO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1980

● Ms. FERRARO. Mr. Speaker, today Michal Kukabaka will wake up to a familiar sight: The walls of his prison. Since 1969 he has been in psychiatric prisons in the Soviet Union. His crime? Refusing to participate in Soviet elections, and acquainting his coworkers with the Universal Declaration of Human Rights. Today, however, will not be just another day for Michal Kukabaka, for today marks the 62d commemoration of Byelorussian Independence Day. Today Michal will reflect upon the value of freedom of expression, freedom of religion, and freedom of speech, rights assured to all citizens in the Byelorussian Constitution written 62 years ago. I am sure, too, that Michal will be angered by the ironic and appalling fact that today, decades later, that constitution exists only in the dreams of the Byelorussian people who still fight for their freedom from Russia.

The Byelorussian-American Association national headquarters is located in Queens. This past weekend these dedicated people observed Byelorussian Independence Day in New York, and passed a resolution expressing their concern that the Byelorussian language be included in the Voice of American programing.

Mr. Speaker, I commend the members of the Byelorussian-American Association for their continuing commitment and efforts on behalf of freedom. Their struggle for justice reminds me of the words of one of the great proponents of freedom in our Nation, Thomas Paine: "There is nothing on this Earth more glorious than a man's freedom, and no aim re-elevated than liberty." I know that my colleagues join me today in supporting the goals of the association and dreams of freedom of Michal Kukabaka and all prisoners of conscience.●

A TIME TO PIERCE THE CHARADE AND PROVIDE A REAL ATTACK ON INFLATION

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1980

● Mr. ROUSSELOT. Mr. Speaker, one of the greatest incentives for the industrial revolution and, indeed, one of the cornerstones which brought our republic to its level of greatness, is the free market economy. The time to return to it is now. Renowned economist Milton Friedman made it abundantly clear that Mr. Carter's cosmetic approach to these paramount problems must give way to a more realistic present-day approach. It is essential to remove useless governmental regulations and controls which hinder productivity, and to cut governmental spending so as to truly balance the budget. Only by taking these measures can we seriously stimulate the economy and return to the path of prosperity.

Following is an article by Nobel Prize winner Dr. Friedman, which appeared in the March 24, 1980, issue of Newsweek, and which should serve to enlighten some of my colleagues on the issue of inflation.

CARTER'S ANTI-INFLATION PLAN

President Carter's anti-inflation program is another in a long series of cosmetic measures designed more to quiet public outcry than to resolve our serious economic problem.

That problem has two faces: inflation and declining productivity. Inflation has discouraged productive investment and fostered economic inefficiency. Declining productivity has contributed to inflation. We badly need a coordinated attack on both inflation and declining productivity.

The obstacle to launching such an attack is not a lack of knowledge of what to do. The obstacle is a lack of political will and leadership to do what has to be done. Any effective attack must have three key ingredients:

1. Monetary Restraint. A gradual reduction over a period of three to five years in the rate of growth of the quantity of money to a level consistent with stable prices. Such a policy was announced by the Federal Reserve System on Oct. 6, 1979. However, performance has been uneven. In view of the wide difference in the past between what the Fed has said and what it has done, announced targets must be persistently met before any policy can attain credibility and thereby have maximum impact.

2. Fiscal Restraint. A drastic cut in taxes—not just visible taxes but also invisible taxes—and thoroughgoing reform of the tax structure.

The true tax burden on the American people is what government spends, not what the accountants label "tax receipts." If the government spends more than it receives in visible taxes, who do you suppose pays for the difference? You and I do, through the hidden tax of inflation or the even more subtle hidden tax involved in government borrowing from the public. And the true tax burden has been exploding.

President Carter proposes to cut projected spending for fiscal 1980 (ending Sept. 30, 1980) by an unspecified amount and for fiscal 1981 by $13 billion to $14 billion. That is sending an infant to do an adult's job. Consider the figures in the accompanying table.

Projected spending for fiscal 1980 was revised upward by $32 billion between January 1979 and January 1980—and fiscal 1980 is not yet over. Actual spending will almost surely be still higher. Compare the proposed $14 billion "cut" for fiscal 1981 with the $38 billion upward revision in projected spending for that year, or with the $52 billion increase in projected spending from fiscal 1980 to fiscal 1981. President Carter may talk about ending inflation but his own budget numbers assume continued high inflation. Which is the surer guide?

FEDERAL GOVERNMENT OUTLAYS AS PROJECTED IN BUDGET PRESENTATION

[In billions of dollars]

	January 1979	January 1980
Fiscal year (ending Sept. 30):		
1980	532	564
1981	578	616
1982	615	686
1983	646	774
1984	674	839
1985		903

President Carter has not proposed a meaningful cut in spending. He has simply proposed a slightly smaller increase. We should be considering cuts of $60 billion to $100 billion in fiscal 1981 projected spending, not $14 billion.

President Carter stressed the need for a balanced budget. He has been able to promise a balanced budget, despite the small cuts in spending, only because there is already in train a $50 billion to $75 billion increase in recorded taxes as a result of measures already passed and of inflation. As further assurance, he pointed to receipts from a "conservation fee" he is levying on imported oil. (We are now subsidizing imports through the entitlements program. What sense does it make to subsidize with the left hand and tax with the right?)

Balancing the bookkeeping budget is not the real problem. The easiest way to do that would be to accelerate the inflation. That would raise recorded tax receipts faster than recorded spending. The real problem is the explosive growth in government spending. Government outlays of $400 billion with a $100 billion book deficit would be far healthier for the economy than government spending of $600 billion with a balanced budget—and would be easier to accommodate without inflation.

3. Curbing Regulations and Controls. The tidal wave of regulation during the past decade has been counterproductive. It is a major source of declining productivity. We should eliminate price controls on natural gas, crude oil and other petroleum products and, along with that, the incredibly complicated entitlements system. These are the major sources of the energy crisis. We should end the mislabeled "voluntary" price and wage controls and abolish the Council on Wage and Price Stability. Return Alfred Kahn to deregulation instead of obfuscation—at both of which he has demonstrated great competence.

Instead, President Carter proposes more regulation and more controls: controls on credit; more reliance on "voluntary" price and wage controls and a tripling of the staff of the Council on Wage and Price Stability; more regulations of energy—all harmful evasions of the basic problem.

In my opinion, the American public is far ahead of Washington. It will recognize cosmetics and political opportunism for what they are. It is ready to be told the truth. We are reaping the accumulated harvest of mismanagement of the economy over the past several decades, by Republican and Democratic administrations alike. There is no quick fix for the resulting economic ills. Even the best policies will take time and involve a difficult transition. But we simply have no good options. So let us get to it and put our house in order.

Inflation rates on a month-to-month basis will be coming down almost regardless of government policy, simply because recent very high rates reflect transitory shocks. The basic inflation rate is far too high, but it is not as high as the nearly 20 per cent rate of recent months. President Carter will both take credit for and be given credit for any improvement. That is perhaps the greatest danger from his cosmetic proposals. We may be lulled into postponing still longer an effective attack on our fundamental problem.●

HONORING BERT BOECKMAN

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1980

● Mr. DORNAN. Mr. Speaker, on Friday evening, March 28, the Los Angeles County Chapter of the March of Dimes will be honoring H. R. "Bert" Boeckman II with its coveted Humanitarian Award at a dinner dance at the Sportman's Lodge in Studio City, Calif. I will be unable to join my distinguished colleagues Mr. CORMAN and Mr. GOLDWATER at the dinner, so I would like to take this opportunity to honor Mr. Boeckman before this distinguished body.

Bert Boeckman is the owner and president of Galpin Ford in Sepulveda, Calif. Bert built the dealership from a 1-acre lot into an innovative 13 acre complex employing more than 250 people. Galpin Ford Square represents a modern advance in industrial development, offering employees their own restaurant, shuttle bus service, and other innovations developed by Bert himself. Many of his concepts on plant management have been adopted by car dealerships all over the Nation.

The popular surfer van, seen today on every road in the country, made its initial debut as a Galpinized special in the late 1960's. Bert has always demanded products of the highest quality for his customers, a factor which led to his founding the Establishment Motor Home Co. in 1971. Today, Establishment is one of the top companies in the field of recreational vehicles.

Being so intimately involved in the sales and servicing of automotive products, Bert is keenly aware of the problems we face on the energy front. In response to the threats we face as a result of an increasing dependence on foreign oil, Bert formed a partnership with Chuck Stone, former director of the California State Legislature's synthetic fuels program, to develop Future Fuels of America, a company which converts vehicles to run on 100% synthetic fuel. Future Fuels of America also manufactures their own synfuel, Methanox X.

Last month, the first truckload of synthetic powered fleet vehicles were delivered to the Bank of America regional offices in San Francisco, offering a brilliant ray of hope on the energy horizon.

In addition to his outstanding achievements in the business world, Bert has been a pillar of numerous charitable and philanthropic organizations throughout southern California. His deep commitment to helping others is powerfully illustrated in his deeds. He personally contributes most generously in time and treasure every month to programs and projects which directly affect the quality of life for the people in his community. He has been a backbone of fundraising efforts to projects benefiting churches, schools, young people, senior citizens, the ill, the handicapped, and the arts.

While Bert and his lovely wife Jane has been honored and feted by hundreds of groups because of their outstanding and meritorious service to the community, I wanted to express my own personal admiration for the example they have set. I offer my colleagues this brief commendation as a reminder of the tremendous impact one man can have, especially when backed by a talented and supportive wife.

Well done, Bert and Jane. Los Angeles County is lucky indeed to have you.●

INSTITUTE FOR POLICY STUDIES CALLS FOR ENERGY NATIONALIZATION TO SAVE DÉTENTE WITH THE SOVIET UNION

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1980

● Mr. McDONALD. Mr. Speaker, the Institute for Policy Studies is a consortium of Marxists pressing for a revolutionary, socialist America through a variety of tactics.

One of these tactics involves a form of lobbying or "subversion from the top" in which the Institute for Policy Studies (IPS) tries to gain influence in Congress and the executive branch agencies through seminars, forums, and devices such as the Washington School, for staff aides and direct contact with legislators.

IPS uses its influence to manipulate U.S. foreign policy along lines favorable to the Soviet Union, Cuba, Vietnam, and various terrorist "national liberation movements," such as the Palestine Liberation Organization (PLO) which have been developed and backed by the Kremlin and its KGB in Africa, Asia, and Latin America.

In its domestic policies IPS has long sought to destroy our Democratic Party by splitting away its left-wing into a third party movement that IPS hopes would hold the balance of legislative power. In the late 1960's IPS founded the New Party, and began its manipulation of the New Democratic Coalition, now it is backing the Citizen's Party effort of Barry Commoner.

At the State and local level, IPS runs a project called the National Conference of Alternative State and Local Public Policies (NCASLPP), headed by former SDS chieftain Lee Webb.

This IPS project tries to coordinate the efforts of New Left officials in order to promote the fragmentation of American society into local collectives that would own and operate all property, capital and resources in their area, starting with local government takeovers of the utilities.

It is significant that the Institute for Policy Studies has never discounted the role of violence and terrorism in what it terms "social change." Since the 1960's IPS staff members have included domestic and foreign terrorists ranging from members of the Weather Underground to the Rhodesian Patriotic Front, and Communists of many factions from the Moscow-line Communist Party U.S.A. (CPUSA) through the Castroite Puerto Rican Socialist Party (PSP).

As a British specialist on KGB propaganda operations noted recently, the most impressive work of the IPS has been in the area of influencing liberal and left-wing academics and junior foreign policy staffers. He pointed out that as a "think tank" IPS is able to lend a "sort of credibility" in these circles to ideas, lines and themes which would be immediately discredited if they were seen as obviously coming from the KGB or other overt Soviet propaganda organizations.

In this light it has been instructive to analyze the fevered efforts of senior members of the IPS and its affiliated project, the Transnational Institute (TNI) in covering up or attempting to rationalize the Soviet invasion of Afghanistan. Reduced to simplicity, TNI's Fred Halliday and IPS-founder Richard Barnet argue that the Soviet's were forced to invade because the United States was destroying détente by building modern weapons, and by Soviet fears of an Islamic uprising—as if the Afghans were about to launch a jihad armed with Korans and scimitars against the Soviet Union.

It is curious that IPS has picked up on the old discredited isolationist theme of "Fortress America." Obviously there is nothing that would better facilitate Lenin's long range plan to encircle and isolate the United States than such a shortsighted program. And in examining the various themes put forth by IPS at last week's forum "Energy and the New Cold War" we should keep in mind the inate bias of IPS and its leaders, so clearly expressed by Richard Barnet in his book "The Roots of War," in which he wrote:

> There is much to hate about America, and nothing so much as American militarism from which so many other evils flow.

The most recent edition of the Information Digest, the authoritative newsletter on the U.S. political scene published by John Rees has reported in detail on that IPS forum and the efforts to split the Democratic Party which I am certain will be of intense interest to many of my colleagues. The article follows:

ENERGY AND THE NEW COLD WAR

Two weeks of intensive publicity coordinated by Trin Yarborough of the Institute for Policy Studies (IPS) gathered some 500 people, mostly students, to hear speakers launch a new phase of the general attack on U.S. businessmen and the oil industry in particular.

Entitled "Energy and the New Cold War: A Public Forum on the Roots of the International Crisis," the event was held in All Souls Church on March 18, 1980, and was funded and organized by IPS, 1901 Q Street, NW, Washington, DC 20009 [202/234-9382]; the Environmental Action Foundation (EAF), 720 Dupont Circle Bldg., 1346 Connecticut Avenue, NW, Washington, DC 20036 [202/659-9682]; and the Youth Project, 1555 Connecticut Avenue, NW, Washington, DC 20036 [202/483-0030].

Members of the planning committee for the forum included Daniel Adkins, Candace Howes, Andrew Feeney, Lili Francklyn, Mark Hertsgaard, Jayne Loader, James Leas, Carol MacLennan, Ken Sala and David Talbot.

The sponsoring groups for the forum included:

Institute for Policy Studies (IPS)—founded in 1963 by former Kennedy administration junior officials of the National Security Council and State Department, Richard J. Barnet and Marcus Raskin, IPS is an internationally active Marxist thinktank pressing for a revolutionary world and U.S. IPS's programs include lobbying and gaining influence in Congress through seminars and contacts with staff aides and legislators in order to influence U.S. foreign and defense policies along lines favorable to the Soviet camp and the multitude of Soviet-backed terrorist "national liberation" movements in Africa, the Middle East, Asia and Latin America. IPS's domestic policies have focused on coordinating the efforts of state and local New Left officials in developing Marxist "alternative" programs and institutions; and in breaking down the two-party system.

Environmental Action Foundation—was formed by the activists who organized Earth Day in 1970. The EAF has long worked with IPS in domestic policy and anti-nuclear power projects; and EAF collaborated with IPS and IPS's southern spin-off, the Institute of Southern Studies (ISS) in organizing the anti-utility and anti-nuclear power Citizens Energy Conference in 1973. This conference and the Georgia Power Project served as the pilot project for the subsequent national campaign for the nationalization of all U.S. energy industries—oil companies, coal mines and the utilities.

Coalition for a New Foreign and Military Policy (CNFMP)—120 Maryland Avenue, NE, Washington, DC 20002 [202/546-8400], is the principal left activist apparatus lobbying against U.S. defense spending and particularly against development of new weapons systems. CNFMP opposes any U.S. intervention against Soviet-backed aggression and supports a foreign policy of accomodation with the new Marxist revolutionary regimes in the Third World.

IPS provides substantial input into the CNFMP strategy, resources publications and lobbying efforts. Among the organizations most active in the CNFMP are several which collaborate with the Soviet-controlled World Peace Council (WPC) including Women Strike for Peace (WSP), the Women's International League for Peace and Freedom (WILPF), and American Friends Service Committee (AFSC).

Clergy and Laity concerned (CALC)—with national offices at 198 Broadway, New York, NY 11038 [212/964-6730] and a local office at 1322 18th Street, NW, Washington, DC 20036 [202/223-0527]. CALC was founded in 1965 by the National Council of Churches (NCC) as Clergy and Laymen Concerned About Vietnam (CALCAV). The organization quickly became the main coordinator of the efforts of activists in the religious community in support of the North Vietnamese cause.

Generally CALC has carefully couched its rhetoric in humanitarian terms, but in January 1970, stated its radical "anti-imperialist" premise as follows:

"[W]hat we are about today is not simply an end to the war in Vietnam, but a struggle against American imperialism and economic exploitation in just about every corner of the world. * * * Our task is to join those who are angry and who hate the corporate power which the United States presently represents, and to attempt, in our struggle, to liberate not only the black, brown and yellow men in every corner of the world, but more importantly, to help liberate our own nation from its reactionary and exploitative policies."

In joining with those who hate the U.S., CALC's more recent activities have included organizing support for the Iranian revolutionary militants and initiating a campaign against the Nestle Corp. which charges its executives are responsible for the deaths of many Third World infants whose mothers feed them formula in unsanitary bottles.

Nuclear Information and Resource Service (NIRS)—with offices at 1536 16th Street, NW, Washington, DC 20036 [202/483-0045 and 800/424-2477], was organized in the summer of 1978. NIRS states it "is building detailed, up-to-date files on skilled people helpful to the anti-nuclear and safe energy movement." NIRS says its lists include "attorneys, consultants, engineers, organizers, physicians, public speakers, public relations and media people, graphic artists, performers, and other persons with useful skills."

Democratic Socialist Organizing Committee (DSOC)—with national offices at 853 Broadway, Room 617, New York, NY 10003 [212/260-3270] and local offices at 1346 Connecticut Avenue, NW, Room 713, Washington, DC 20036 [202/296-7963] operates as an active and influential caucus within the left wing of the Democratic Party. Under the leadership of its founder and chairman, Michael Harrington, DSOC has called for nationalization of the oil companies as the first step in total federal takeover of all the U.S. energy industries.

According to an IPS news release dated 3/10/80, the forum was organized, in the words of IPS founder and Senior Fellow Richard J. Barnet, because "The 1980's may be the most dangerous decade since World War II unless the United States bases its security on a sensible energy policy." That theme was reiterated in the forum program which said the meeting was organized "in response to the grave dangers posed by current, corporate-dominated U.S. energy policy, at both the foreign and domestic levels."

Warning that the pursuit of economic growth through what was termed "extravagant energy consumption and the exploitation of foreign resources" had "raised the specter of nuclear war in the Middle East," the program declared, "It is essential that we develop a citizens' energy agenda—one stressing conservation and renewable energy, a recognition of our limited access to the world's resources, and social control over energy production."

The forum opened with a brief introduction by Candace Howes from the Planning Committee who explained that the meeting had arisen from its organizers' perception of the "need" for a "coherent Leftist response" to the Carter Administration's post-Afghanistan policies. After explaining that the event was being taped by Pacifica Radio, she introduced the moderator, Victoria Leonard, of Environmental Action.

The lead speaker was Richard Barnet, modestly identified on the program as a "researcher at the Institute for Policy Studies (IPS)." Barnet, with IPS co-founder Marcus Raskin, has had a strong influence on the direction of thinking of a broad sector of the academic U.S. left. Generally avoiding the heated rhetoric of orators like Barry Commoner, Barnet is a prolific writer of essays, articles and books such as "Global Reach" and "The Giants: Russia and America" in which he suggests that the confrontation between the United States and U.S.S.R. is the machinations of U.S. businesses engaged in international trade—as is, in Barnet's opinion, unequal distribution of the world's natural resources, food, water, etc.

There have, however, been occasions on which Barnet's academic demeanor has been dropped in favor of more obvious political partisan rhetoric. In the mid-1960s with his co-author, Princeton international law professor Richard Falk, Barnet was active with the American Lawyers Committee on U.S. Policy toward Vietnam. This organization was set up by an elite group of lawyers from the National Emergency Civil Liberties Committee (NECLC), a legal front of the Communist Party, U.S.A. (CPUSA) who years earlier had organized legal support efforts for the International Brigades in the Spanish Civil War. In November 1969, during a visit to North Vietnam, Radio Hanoi quoted Barnet saying that the message he would take back to the U.S. "is the message that the Vietnamese will continue to fight against the aggressors, the same aggressors that we will continue to fight in our own country."

In a 1971 essay published in "Washington Plans an Aggressive War," Barnet suggested that the Americans involved with the war in Vietnam were guilty of "war crimes" against the "civilized conscience" and that their civil liberties should be revoked so that they could be excluded from holding public office and be forbidden to "preach or advocate" policies of using military force to help allies resist Soviet-backed "national liberation movements."

In January 1977, Barnet was one of the nineteen signers of an advertisement in the New York Times defending the Hanoi regime against charges that it had incarcerated 300,000 people in forced labor and concentration camps. Barnet these reports with the statement in the ad above his signature, "True, some Saigon collaborationists have been detained, perhaps 40,000 * * * [but] such a number is surprisingly small considering the several million Vietnamese involved in Saigon's war effort." In other words, for Barnet all the several million South Vietnamese who fought the Communists could be justly imprisoned as "Saigon collaborationists."

Note: Richard J. Barnet graduated from Harvard Law School in 1954. He practiced law briefly, then did post-graduate work at Harvard's Russian Research Center (1960-61) and joined the Kennedy Administration State Department arms control and disarmament section. When the Arms Control and Disarmament Agency was made an independent entity, Barnet was appointed Deputy Director of ACDA's Office of Political Research. He resigned in 1963. Late that year he joined with former National Security Council aide Mark Raskin to co-found IPS, which the two co-directed through 1977, when administrative duties were turned over to their protege, Robert Borosage.

Barnet told his audience that his talk would be on a problem too serious to be introduced with much levity, "the problem of the renewed Cold War." The 1980's, proclaimed Barnet, "have begun at a time fraught with more dangers to world peace than any time since the 1960s." Barnet warned that the "New Cold War," which is the "correct" terminology, had started "well before the events of December and January" when Soviet forces "intervened" in Afghanistan. Barnet then enumerated the causes of the "New Cold War:"

"The United States Congress had already decided that we were to have at a minimum a 5 percent annual real increase in military expenditures. The basic decision to go forward with a variety of exceedingly dangerous and destabilizing weapons systems had been made—not only the Trident, but the MX."

Barnet described the MX as "highly threatening to the Soviet Union" because it was really an anti-weapons force which would tempt U.S. military planners "to think about so-called pre-emptive strikes." Attempting irony with his audience of young students and anti-nuclear activists, Barnet asserted that the U.S. is drawing to a point "where the weapons systems are becoming so ornate that literally the question of war and peace is to be made by a computer. * * * and we can be assured they have the same high level of reliability that computers and all other systems have had in our nuclear power plants—Three Mile Island."

Another U.S. action Barnet charged had brought about the "new Cold War" against the USSR was the decision to proceed with new missiles to be based in the NATO countries of Western Europe. The Pershing II and cruise missiles, said Barnet, are "a new weapons system which held out the possibility of destroying the cities west of the Urals in the Soviet Union in some five or six minutes. They were a new dimension in the arms race which I believe, has very seriously complicated the relationship between the United States and the Soviet Union; and in the process has decreased the security of Europe * * * because * * * what they do is increase the nervousness of the other side."

These events were factors in the Soviet intervention in Afghanistan, according to Barnet. Barnet said the Soviet invasion was "a brutal intervention which all people ought to deplore," but went on to argue that it was those actions of the U.S. which caused United States-Soviet relations to deteriorate to such an extent the intervention took place. Later, in response to a question, Barnet said the invasion was the result of a local political situation created by "Islamic fundamentalists and anti-communists." Apparently the principles of self-determination do not apply to these categories of people.

Barnet emphasized that Afghanistan had changed little since the U.S. was just as "over-dependent" on Persian Gulf oil as before, and the Soviet Union had had the military power to send its forces into the Gulf and faced the "same deterrent" as it did now. He charged that the Administration has used public concern over the threat to oil supplies "to mislead the public about the nature of the new Cold War." Barnet never did precisely define it, but the implication was always that the international crisis was the result of U.S. aggression, U.S. action to undermine detente that has caused Soviet defensive reaction. What was so misleading, said Barnet, was that the U.S. government was creating the "illusions in the minds of the public that there are military solutions to a problem for which there is only a political solution".

Barnet added that he had seen the troops of the new Rapid Deployment Force in training operations at Fort Bragg and that he did not believe paratroopers could defend the oil fields.●

NICARAGUAN LOAN DELAY OPENS ANTI-U.S. PROPAGANDA FLOODGATES

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1980

● **Mr. BAUMAN. Mr. Speaker, I hope my colleagues have had an opportunity to read the Nicaraguan and Cuban press reports I have inserted in the Record regarding the House's handling of the $75 million loan to Nicaragua. If they did, they would have seen a shower of vitriolic attacks on the United States and the CIA, both being blamed for the failures of the Sandinista revolution.**

If that was a shower, however, what came from Nicaragua when the foreign aid appropriations bill was delayed because of our budget ceilings must be considered a veritable flood. The Sandinista-controlled press has been filled with incredible half-truths, distortions, and hysterical outbursts by Sandinista leaders and others about the matter, with little time given to explanation about how our budget process works or why the loan has been delayed.

These reports make very interesting reading, and I commend them to my colleague's attention.

The reports follow:

REPORTAGE ON REACTION TO U.S. LOAN FREEZE

MANAGUA RADIO SANDINO, MARCH 6, 1980

The U.S. Senate decision to freeze the $75-million loan to Nicaragua has been spread like wildfire by the international news agencies in view of the great importance and scope of the Sandinist people's revolution. It is obvious that this imperialist attitude is another maneuver by the most reactionary U.S. sectors which are trying to destabilize our revolutionary process. They will not be able to do this, however, because, while it is true that we need these millions and many more for our reconstruction, it is also true that those millions are not essential to the economic reactivation of Sandino's homeland.

The Nicaraguan Government and people have clearly stated that we do not want conditions set on our loans. The action taken by the U.S. Senate Budget Committee is, of course, due to strictly political considerations and to the reactionary and destabilizing policy U.S. imperialism has adopted in view of the irreversible course taken by the people of the world who are trying to establish a fair system and a better society.

CHINANDEGA DEMONSTRATION—MANAGUA RADIO SANDINO, MARCH 5, 1980

[Excerpt.] From Chinandega the Sandinist Front's Secretariat of Propaganda and Political Training reports that right now the people of the department—not only the people of Chinandega but of the municipalities too—are mobilizing for a mass demonstration in repudiation of the freezing of the $75-million loan by Yankee imperialism today.

We see that this is a further act of aggression by imperialism, a way of interfering in our revolution and a way of boycotting the economic reactivation plan, a needed instrument for our country's economic liberation. Our people are indignant and are responding in an active and effective way against this new Yankee aggression.

The mobilization occurring on the streets of Chinandega now denotes the clear awareness of our people, their awareness of the need to defend the revolution, the Sandinist awareness that our revolution is marching on and no one, not even Yankee imperialism, will stop it.

JULIO LOPEZ DENOUNCES FREEZING OF $75 MILLION U.S. LOAN

MANAGUA SISTEMA SANDINISTA TELEVISION NETWORK, MARCH 6, 1980

[Text.] The reactivation of the private sector and the development of specific plans in the construction of homes and roads were included in the $75 million financing which was frozen by the United States yesterday.

This is nothing more than the concrete expression of the will of imperialism's reactionary sources which seek ways of maneuvering, blackmailing and speculating in connection with this loan, Companero Julio Lopez, director of the National Secretariat of Propaganda and Political Education of the Sandinist National Liberation Front [FSLN], told this newscast today.

[Begin Lopez recording.] International agencies report that the Appropriations Committee of the U.S. Senate has frozen the $75 million loan. The earlier maneuvers of the most reactionary forces of imperialism have already been pointed out. These insist on seeking ways of blocking and sabotaging the process of national reconstruction being conducted by our people.

Yesterday, it was the Central Intelligence Agency which the Senate questioned in depth. Today, this same counterrevolutionary force appears in the form of the Senate Appropriations Committee.

In my opinion, this is nothing other than the concrete expression of the expressed will of this reactionary sector of imperialism, which seeks ways of maneuvering, blackmailing and speculating with this loan.

I definitely think these maneuvers of the most reactionary sectors of imperialism will be unable to blackmail us because the posture of the FSLN and the revolutionary government is intransigent in the defense of this historical heritage of ours, which is that of not yielding a single bit in our political and economic independence.

I think it is advisable to point out that these same forces granted $1.6 billion to the genocidal, dictatorial and dynastic regime of the Somozas; that they are about to approve $400 million for that beachhead of international reaction in Pakistan; that an imperialist (?pool) is organizing a loan or aid to Pakistan itself amounting to about $2 billion. However, the Nicaraguan revolution, in the process of national reconstruction, is being confronted with a whole series of barriers, with a series of (?falsehoods) which clearly express the intent of those forces to create all the obstacles possible for the process of national reconstruction and reactivation of our economy.

GOVERNMENT RADIO COMMENTARY—MANAGUA DOMESTIC SERVICE, MARCH 7, 1980

[Unattributed commentary.]

[Text.] The freezing of the $75 million loan by the United States has given us the chance to confirm the erratic and incoherent nature of U.S. foreign policy as well as its lack of honesty in explaining its mistakes. This loan has been frozen after long debates on it in the U.S. Congress, which included the discussion of a confidential report issued by the CIA—known to the world and even to the U.S. people as the sewer of filth and crimes. At the same time that the pretext of lack of funds is being used however, money by the handfuls is being offered to governments that are confronting attacks by their people, as are the cases of El Salvador and Pakistan—a springboard of counter-revolutionary gangs, armed and trained by the CIA against Afghanistan.

The U.S. leadership has been scorned by the Pakistani Government, which has rejected its aid package of more than $400 million.

Furthermore, while the Somoza family was murdering, torturing and openly stealing the state funds and loan money, neither U.S. congressmen nor any other aid organization showed the slightest curiosity in investigating anything before signing the loans, as well as the abundant U.S. military aid and advice which Somoza never lacked in order to massacre our people.

It is not difficult then for Nicaraguans to unmask the true essence and interests that the United States has in granting aid aimed at listing this country out of chaos and destruction—a chaos and destruction that the United States itself helped to create. No money or funds exist to carry out a truly praiseworthy task such as helping us climb out of the ruins in which Somozism left us. However, there is a great deal of money to arm governments that repress their people and shelter counterrevolutionary gangs.

The United States is only repeating its behavior: When the Somoza government was killing and stealing, it was happy. Now that there is an honest government in Nicaragua, which is only trying to save the country economically, it is revealing its dishonesty and false moral standards.●

TRIBUTE TO ARCHBISHOP ROMERO

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1980

● Mr. BIAGGI. Mr. Speaker, I wish to express my deep sadness and abhorrence over the cold-blooded murder yesterday of Archbishop Oscar A. Romero, who had long been the leading advocate of human rights in El Salvador.

It was just 1 year ago that I had joined a number of colleagues, and members of the British Parliament in nominating Archbishop Romero for the 1979 Nobel Peace Prize. In my nominating letter to the Nobel Peace Prize Committee in Oslo, Norway, I stated: "* * * Archbishop Romero has become the most courageous and dedicated spokesman in El Salvador for peace and justice, at a time when the Government there has been cited for numerous human rights violations, including arbitrary arrests, murder, and torture. Despite continued persecution by the Government of El Salvador, and at the risk of his own life, Archbishop Romero has remained the leading advocate in his nation for human rights, nonviolence, and social progress * * *"

Ironically, his untiring efforts to achieve peace and basic human rights in El Salvador led to his violent death. Yesterday, the 63-year-old archbishop was assassinated by four gunmen who shot him several times at point-blank range while he was saying mass in northwestern San Salvador.

The senselessness of this single act is overwhelming. However, the situation is made even more tragic by the fact that this was not an isolated incident. The archbishop's life had been threatened several times before. Just last week, 72 sticks of dynamite were discovered in the church where he normally gives his Sunday sermon. Furthermore, the archbishop has not been the only religious target of leftist and rightest extremists in El Salvador. Six priests have been murdered and many others expelled from the country since early 1977. In June 1977, a rightist paramilitary group threatened to kill all Jesuit priests who did not leave the country by a set deadline. In each instance, Archbishop Romero was extremely critical of the military government and blamed them as being either directly or indirectly responsible.

Nor is this terrorist action confined to only El Salvador. We have heard similar reports of 52 Jesuit priests in Guatemala being threatened with death because of their efforts to promote and protect basic human rights.

It is still unclear as to whether leftist or rightist extremists are responsible for the archbishop's murder. Both factions are violently battling for control of El Salvador—a battle that has resulted in about 1,500 deaths since January 1, 1979. Both sides have their reasons for wanting the archbishop killed. The ultra-right hated him for his outspoken defense of the poor and his advocacy for basic human rights, while the ultra-leftists can point to his death as another sign of increasing oppression and thus, attract more followers to their cause.

The archbishop was often at conflict with his more conservative colleagues, who would criticize him for his involvement in what were thought to be political rather than clerical causes. However, to most, he was a man blessed with a special balance of courage and compassion. Sadly, though he was both loved and respected by the poor and oppressed of El Salvador, and received several European peace prizes for his efforts, Archbishop Romero never received the reward he had so willingly sacrificed his life—basic human rights for all people of El Salvador.

While we must express our outrage and condemn such acts of terrorism, we can and must do much more. Recently, Archbishop Romero wrote a letter to President Carter opposing U.S. plans to send military assistance to El Salvàdor's military-civilian government. In the letter, he stated:

> The U.S.-supported junta does not govern this country (El Salvador), rather political power is in the hands of the unscrupulous military, who know only how to repress the people and favor the interests of the Salvadoran oligarchy. If you really want to defend human rights, stop this military aid to the Salvadoran Government, guarantee that your government will not intervene directly or indirectly with military, economic or diplomatic pressure to determine the destiny of the Salvadoran people.

I am not so sure that the archbishop's recommendations are necessarily the proper solution to this very difficult problem. However, his concerns are understood and appreciated. Certainly, our plans to provide military assistance to El Salvador must be closely scrutinized and carefully reevaluated in light of these recent developments.

Today, the Appropriations Subcommittee on Foreign Operations is conducting hearings on the issue of aid to El Salvador. I would certainly urge that any deliberations on this issue include an investigation into the archbishop's allegations, and the possible repercussions that may result from the archbishop's assassination. Any final decision in this very important issue must be based on two overriding considerations—our efforts to promote and protect basic human rights, and our efforts to prevent the threat of a Communist takeover in our own backyard.

Mr. Speaker, I am deeply distressed by the loss of such a peace-loving and courageous man as Archbishop Romero at the hands of terrorists. However, I am comforted by the fact that his life and death has been an inspiration to freedom-fighters throughout the world.●

MRS. BEVERLY MIDDEN—"OUTSTANDING YOUNG WOMAN"

HON. LARRY J. HOPKINS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1980

● Mr. HOPKINS. Mr. Speaker, one of the best lessons I have learned during my years of public service is that you can get more done for others if you do not care who gets the credit.

Therefore, I am particularly pleased that the Bluegrass Junior Woman's Club has named Mrs. Beverly Midden Lexington's "Outstanding Young Woman of 1979." Although she is officially honored as outstanding, I am told that she is best known as unusually modest.

All too often, it seems, when awards of this type are announced, the selection surprises almost no one. Therefore, it is especially gratifying to see such a prestigious award given to a woman who says she "never believed it would happen to poor little old schoolteacher me."

Mr. Speaker, because I believe this award is so richly deserved, I would like to share with my colleagues an article from the Lexington Herald which more fully describes the reasons why Beverly Midden has been recognized as Lexington's outstanding young woman:

BEV MIDDEN MODESTLY ACCEPTS HER PLAUDITS

The janitor offered to carry her tray at lunch. A student brought her a thermos of fresh coffee, and local disc jockey Dave

Murray proclaimed Wednesday "Beverly Midden Day."

But when the school secretary brought her flowers from the Metropolitan Women's Club, the 35-year-old math teacher threw up her hands in dismay.

"Oh, this is too much! This just isn't me," she protested.

An attack of false modesty?

"No," she said earnestly, her merry brown eyes growing serious. "I really am modest."

Tuesday night, the Bluegrass Junior Woman's Club named Mrs. Midden the Outstanding Young Woman of 1979. Chosen over seven other nominees who were evaluated by the Richmond Younger Woman's Club, she said she "never believed it would happen to plain-little-old-school-teacher me."

But she earned the award through her professional and community service to young people, according to Beth Hill, chairman of the awards committee.

"I think it's outstanding that in this day and age, when people are downgrading youth, she's pulling for them," said Mrs. Hill.

Currently math department chairman at Bryan Station Junior High, where she has taught for the past nine years, Mrs. Midden has immersed herself in faculty committees and PTA work. She has sponsored a variety of student activities and is constantly taking on more. Her latest effort was to adopt the floundering school newspaper with another teacher.

"We didn't want to see it die," she explained.

Mrs. Midden has also found time to chair the Metropolitan Woman Club's Miss Lexington Pageant and a special community program to help youngsters understand the workings of private enterprise.

"I do these things because I enjoy them," she said, settling down on a couch in the lounge between classes.

That's a word Bev Midden uses a lot: "enjoy." She also "enjoys" teaching, even after 14 years.

But what about that much touted bugbear, teacher burnout?

She shook her head, blowing a cloud of smoke from a cigarette. "There are so many new things in math. We've gone from modern methods back to the basics and to the calculator stage. I enjoy it."

Nor is she bothered by students' math phobia. "They come to me all the time and say, 'I hate math.' But I tell them, 'Oh, by the time you get through with Mrs. Midden, you'll like it.'"

Her method, she explained, is to "try to do it (math) a different way from all the drills we had—to spice it up and still keep it practical."

And she thrives in the junior high setting. "This is where students pick a path to the future. If I could just help them get on that . . ."

The Cynthiana native tempers her jolliness with old-fashioned ideals about students' behavior.

"I've seen discipline change over the years. . . . There's just not that respect for older people that I grew up with." I can remember my mother telling me, "Speak to everyone and smile. Remember, your Daddy owns a warehouse and they may bring him some tobacco."

EITHER UP OR DOWN

But there are times when even Mrs. Midden doesn't smile. "My husband says I'm either up here," she said, lifting her hand over her head, "or down there. He can read me like a book."

In between her school and community duties, Mrs. Midden chauffeurs her 9-year-old son Richard to and from ballgames, takes him swimming and drops by her husband's business to help out with bookkeeping.

But her favorite pastime is working on the restoration of her childhood home in Harrison County. "If I weren't in teaching, I'd probably go into antiques—if I had lots of money," she joked.●

RONALD REAGAN ON ISRAEL

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1980

● Mr. **KEMP**. Mr. Speaker, the current administration has conducted its foreign policy in the Middle East in a manner which has served to severely strain relations with our staunchest ally in the region—Israel. Not only is Israel the only democratic state in the Middle East, but it is the only nation to support American foreign and military objectives in the area. That any administration would undermine the diplomatic and military posture of so valuable an ally is an indication of the serious state in which our foreign policy is today.

Ronald Reagan has correctly in my view, identified Israel as the centerpiece of American diplomacy in the Middle East, and has articulated a policy to support it. William Safire, columnist for the New York Times has taken a special interest in the views of leading public figures on Middle East policy, and his columns have become authoritative summaries of their policy perspectives. In his column on March 24, 1980, Safire reviewed Ronald Reagan's views on American policy toward Israel in an essay entitled, "Reagan on Israel." He summarized Reagan's views on Israel this way:

> Mr. Reagan does not see Israel as an obligation and a burden for the United States, and thus is not tortured by doubt about whether a pro-Israel position is in the U.S. interest. On the contrary, Reagan sees Israel as a much-needed ally to be defended and upheld because the alliance is in the U.S. strategic interest—not so much for old times' sake, but for U.S. security in the future.

I hope that the damage the current administration has done to America's credibility in the Middle East can soon be undone. The current administration would be well-advised to reverse its anti-Israel posture, and reconstruct it along the lines Ronald Reagan has recommended.

REAGAN ON ISRAEL

(By William Safire)

Ronald Reagan, campaigning in New York City last week, met for a half hour with a group of Jewish leaders brought together by Albert A. Spiegel of Los Angeles, a Reagan campaign vice chairman.

"If there's one statement I'd like you to remember, it's this," said the likely republican nominee. "In my Administration, there will be no more betrayals of friends and allies by the United States."

The questioning went to that point. How would he, as President, have instructed his U.N. Ambassador to vote on the resolution condemning Israel and ordering it to dismantle settlements on the West Bank and in Jerusalem?

"I would have directed the Ambassador to vote no," Reagan replied. "This Administration should rescind its vote, and there should be an investigation into who makes our Mideast policy and what it is. The West Bank should be a decision worked out by Jordan and Israel; I would never have supported dismantling."

One questioner—a Democratic officeholder—evidently wanted to see if Governor Reagan had been reciting some tough-sounding words, or if he understood the diplomatic consequences of them. "An undivided Jerusalem" is an ambiguous phrase—to the U.N., it means "international control"; in terms of sovereignty, which is what the dispute is really about, where did Reagan stand?

"I mean that the sovereignty is Israel's," Reagan said, and repeated it in a way that could not be mistaken: "An undivided city of Jerusalem means sovereignty for Israel over that city."

No hedging; that was refreshing. One worry expressed to Reagan was that the State Department had a way of capturing Presidents after elections. "I lack a great deal of confidence in the present State Department," Reagan allowed. "I think the State Department should represent the policies of the President—they're not in business for themselves."

He said all the right-wing things: "I believe in the right of settlements in the West Bank." On the P.L.O.—which will surely be recognized if Mr. Carter is re-elected—he told an interviewer later that afternoon: "I don't see any reason to negotiate with a terrorist group." If the P.L.O. were to embrace U.N. Resolution 242, "I'd still want to know whether they represent the Palestinian people they claim to represent." His mind-set is wholly different from that of Mr. Carter's coterie of Arabists.

Some of the Jewish leaders, having been burned by assurances made when Carter was a candidate, wondered if Mr. Reagan would stand by Israel in December as he was doing in March. After proving to themselves that they could ask questions about U.S. domestic subjects, the Jewish leaders came back to the point of erosion of White House support for Israel.

Reagan did not give them the customary pap that candidates generally ladle out to Jews about Israel—the special relationship, the moral obligation, the guilty hang-ups of the world after the Holocaust. Instead, as a long-time realist about Soviet intentions, this conservative leader spoke in terms of the U.S. strategic interest in the world:

"Israel is the only stable democracy we can rely on in a spot where Armageddon could come. The greatest responsibility the United States has is to preserve peace—and we need an ally in that area. We must prevent the Soviet Union from penetrating the Mideast. The Nixon Administration successfully moved them out; if Israel were not there, the U.S. would have to be there."

Mr. Reagan does not see Israel as an obligation and a burden for the U.S., and thus is not tortured by doubt about whether a pro-Israel position is in the U.S. interest. On the contrary, Reagan sees Israel as a much-needed ally, to be defended and upheld because the alliance is in the U.S. strategic interest—not so much for old times' sake, but for U.S. security in the future.

That consistent, hard-line approach to alliances, it seems to me, offers Israel's supporters the main assurance that Reagan would not emulate Carter's post-election performance. (Reagan sticks up for Taiwan and there are not that many votes in China-town.) Israel will be willing to take more "risks for peace" when trusting America ceases to be a risk.

For too long, American supporters of Israel—and that's not just a codeword for Jews—have been enchanted by liberal pols who say all the right things about defending Israel and then (a) get a post-election attack of the even-handed twitch and (b) cut military spending so that the U.S. could not defend any ally.

Israel's only security is in being a valued part of—and not a sentimental exception to—American strategic response to Soviet expansion and subversion. In gaining the respect of the nervous, great powers should not betray the steadfast.

After the session, I asked a member of the group who was an educator how he rated Reagan's presentation. "A-minus." Why the minus? "I'm a professor—I never give an A."●

ON RUNNING FOR CONGRESS

HON. DOUG WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 19, 1980

● Mr. WALGREN. Mr. Speaker, in his memorial service, it was said that the one honor Al Lowenstein was most proud of was to have been a Member of the Congress of the United States. His belief in the possibility of true human dignity for the disadvantaged was based on the development of societies through democracy. Again and again, Al was willing to trust that the democratic process would give the best result in human affairs.

For him, the Congress was the end result of that process and the place where his basic faiths must meet the test. And he wanted very much to have a hand in giving life to that faith.

So a major part of Al's life was spent on congressional campaigns, successful and unsuccessful. He was often criticized for running too many times—even criticized as a "carpetbagger" when running in Long Island when he had, in fact, represented one-third of that district in Congress before his seat was "rearranged" by the politicians through redistricting.

The following article from the New Yorker of March 12, 1966, gives a background for Lowenstein's election to the House of Representatives in 1968:

CANDIDATE

One morning this week, we may pick up our breakfast newspaper and read that the New York Reform Democratic Movement has chosen Allard K. Lowenstein as its candidate for Congress from the Nineteenth District, a saxophone-shaped territory that hooks around lower Manhattan and runs up the West Side to Eighty-sixth Street. Then, again, we may not.

Mr. Lowenstein is a thirty-seven-year-old attorney—a rugged-looking man, easy, humorous, and earnest, who can be found in a state of repose only after sensible people have been in bed for hours. By day, he races through appointed rounds of conferences, kaffeklatsches, and rallies. At night, he takes off his shoes, squats Indian-style on the floor of a friend's apartment, and explains, in an uncannily lucid manner, what must be done about Rhodesia or Vietnam or Mississippi or Harlem. His friends tell us that he has been pursuing this regime for years, but that they have become less tolerant of his informality now that he may be running for Congress. (A candidate, it seems must not discuss "the issues" in his stocking feet.) Any way you look at it, Lowenstein is not at all like the usual office seeker, even though for the last three months he has been, in a sense, seeking office, as one of four candidates being considered by the Reform Democrats. The truth of the matter is that he has spent the past twenty years dashing about the globe toiling in the service of Causes: In Spain, helping the organized opposition to Franco; in southwest Africa, investigating conditions, smuggling out anti-aparthied tape recordings, gathering evidence of oppression to present to the United Nations, and writing "Brutal Mandate," a widely admired book about the South African situation; in Mississippi, working for "the movement" before that became modish; in Manhattan, campaigning for William Fitts Ryan in the early days of Reform Democratic insurgency; in Washington, serving as legislative assistant to Senator Frank Graham and, later, as foreign-policy adviser to Senator Hubert Humphrey; at Stanford, teaching international law; at North Carolina State, teaching political science; in Los Angeles, serving as a delegate to the Democratic National Convention; in Atlantic City, counselling the Freedom Democratic Party; and, from Oregon to Massachusetts, helping to found a national group called Americans for Reappraisal of Far Eastern Policy.

By the time we had finished splicing this roster of credentials together, we were beginning to suspect that Lowenstein must have doubles planted in trouble spots around the world, poised for action whenever the need arose. We expressed some wonderment over his activities late the other night, when we happened to catch him alone in his makeshift headquarters on West Eighty-first Street. He laughed. "Very often, young people in our society don't take advantage of the fluidity and freedom they have," he began, untying his shoelaces. "So many people act as if they were in seventeenth-century England, had got themselves apprenticed as carpenters at fourteen, and couldn't change it. Then they go on through some ladder-climbing course. I suppose that's all right if you're psychologically so set up that not leading that kind of life leaves you feeling insecure and unhappy. But I'd say that the wisest accident of my post-college life is that I've never really tried to plan ahead. I've tried to do what seemed useful and interesting as the time came. I know that occasionally people who love me have wished they knew what I was going to do, and thought it would be better for me if I settled into being a lawyer, but when I was supposedly practicing on a full-time basis I got so deeply involved in other things that I wasn't much of a breadwinner at it. You see, the priority of your goals gets complicated if you're trying to build up a law practice and are always being tangentially pulled into struggles you believe in."

We said we imagined that many a young man would choose the footloose, heroic manner of existence if it were not for the dreary prospect of starvation.

Lowenstein dismissed any such concern. "Now, I have a very uneducated palate—I eat hamburgers and hot dogs a great deal," he said. "I don't smoke or drink, and my clothes are hardly stylish. So although I've always wished there were greater sums available for the things I care about, and although I've been improvident about saving, I've been able to earn enough by teaching and occasional writing and legal work to get by."

We inquired whether Lowenstein recommended a career of global gallivanting.

He appeared nonplussed at the very thought. "If you simply wish to enrich and deepen what you understand and what you've done, without real involvement, you risk becoming a dilettante and a tamperer," he said. "What life is all about is how you spend the day, and each day becomes part of this totality of involvement. So you build, as you go along, a life in which you may do many different kinds of things, in different situations, with different kinds of people. But it all has a common denominator that gives it some sense, some direction—the sense that your total activity is going to make a better situation for people to live in."

We knew that for years friends of Lowenstein's had been asking him "Why don't you run for Congress?" in precisely the tone of exasperated benevolence in which they had been asking him "Why don't you get married?" or "Why don't you stick to one job?" Now we asked him why he had waited so long to seek public office.

"Isn't the notion that you have to achieve some titular power to have influence and help bring about social change pretty dubious?" he replied. "You know, I don't suppose there are many people who have had as great an impact on as many other people as Norman Thomas has in this country. Because here's a man who clearly never had the remotest possibility of holding office once he'd chosen the path he chose—the path of saying what he felt was right and sticking by it. One can disagree with his position on specific issues—in fact, anyone who doesn't disagree with Norman Thomas on something must not be thinking. But his whole life has been dedicated to the idea that there is value in humanity.

He's been willing to sacrifice his own power to worthwhile principles, to lost individuals. That kind of life lights up the sky, and there are dozens and dozens of state senators and United States Senators who have never achieved anything like it. One of the great calamities in American politics is that politicians so often don't say what they think, because they believe that people wouldn't sustain them if they did. There's always a kind of blindman's buff going on, with political leaders not providing leadership for fear of the consequences, and the electorate not being able to express itself because the leaders aren't giving it a voice. Something terribly important to democracy is lost here. You have to realize you're going to run on the things that matter most, you're going to try to make as honest a stand as you can and as effective a campaign as you can, but if you don't win the office, that is not the only thing that matters."

We asked Lowenstein if he could define exactly where he stands politically.

"I think of myself as a liberal," he replied. "That's a vague word. It doesn't define how you stand on a specific issue, because one aspect of being a liberal is that you're not told by any one line how to stand on issues. You find your own truths, if you can. But I think liberalism in the United States must face some of the failings and shortcomings of its shibboleths."

We asked Lowenstein if he was thinking of his early involvement with civil rights.

He smiled, and admitted he was. "We had a very basic notion back in those days that the processes of democracy this country had already evolved would solve external injustices," he said. Those processes were the ballot and the courts, and that was it. You educated public opinion, you voted, you went to court when you were being denied basic rights, and so forth. Well, those things weren't removing injustice, and probably would never have done so. And so what happened was that there began a breaking down of proper procedures by people determined to get what the Constitution said was theirs. The restaurant sit-ins began it. But they didn't do the job, so we ended up marching. If someone had told me five years or eight years beforehand that I would ever march in a column of a thousand people—as I did in a march against segregation in Raleigh—I would have thought he was quite mad, because it would not have occurred to me that this would be either proper or necessary. But it was necessary and it was proper. Then, when even demonstrations didn't produce the needed results, we had to go further. In Mississippi, for instance, we discovered that you couldn't march, you couldn't picket, you couldn't vote—you couldn't do any of these things. Proper procedures were so thoroughly blocked off that if you waited for them to work, you'd wait a millennium. We had to conceive of a whole new series of tactics.

We came up, in Mississippi, with the idea of the first Freedom Vote. And, again, if someone had said a few years before that there would come a time when we would organize a supplementary election outside the established local voting system, I would have thought he was mad. Yet it was necessary in Mississippi. And even our Freedom Vote wasn't enough, because the reign of terror was so great that our workers couldn't walk on the streets. We had to let people know what was happening to us. There was no press coverage, no way we could get out of the morass. It was almost like being absorbed by quicksand, with nobody even knowing about it. You could be beaten and arrested, they could do what they wanted with you, and there was nowhere to turn. Every American who hasn't experienced that might be wiser if he had. It gives you some idea of what freedom is all about, to go through a situation where you're completely at the mercy of brutality—where there's no appeal. That was Mississippi in 1963. The real radicals always said that the country didn't care, that the country was basically indifferent to the oppression of Negroes, but I always felt that if we could let people know what was going on, they wouldn't stand for it. 'Well,' we said, 'all right, bring people into Mississippi.' And so there began this sort of series of new procedures that are finally starting to make the old procedures work, even in Mississippi—where more Negroes have been registered to vote in one year than were registered in the previous century. Rednecks who'd worn buttons reading 'Never!' are now saying that we've got to accept the change. Very soon you'll have congressmen from the South who will be more liberal than congressmen from New York. Because they'll be an accurate reflection of the needs of that area."

"Then the old liberalism still works after all?" we asked.

Lowenstein sat silent for a moment, running one hand back and forth over his hair, which he wears close-cropped. "I'm not sure it's that simple," he said, at last. "When I was in college, I think we all felt that if we could produce a society in which we'd removed the scourges of war and dictatorship and racism and poverty, we'd have a happy society. That was the liberal creed. Yet it's a fact that now, for the vast majority of our people, we've removed many of the external forms of misery, we've attained our goals, and there's still the hollowness. Our personal lives, in many cases, have been successful without being fulfilled or happy, the way we thought they would be. We live in a society today that may be even more fundamentally unhappy than the old one. We have to figure out what's missing at the center of the person now."

"You mean you're becoming a Hobbesian?" we asked.

"Earlier generations had to overcome the Depression or win a war," Lowenstein replied. "My generation had none of that. We came out of college with everything green before us, and we used to think that by this time our problems would really have evaporated. There's a sense of internal loss now, and it cannot be blamed on democracy, because democracy has given us opportunities and freedom and great material wealth. People in my generation have developed a fatigue, a sort of premature old age, that's exceedingly difficult to combat. Many of them perhaps feel now that they can live only for their children, because maybe their children will find some other way to solve problems. We've discovered that time goes awfully fast and that what was once going to be forever is now half gone, and a little bit empty. So we go on living in some fraternity memory or some football-weekend memory when things seemed very much more roseate.

Why haven't things turned out the way we'd hoped they would, now that we've got the house and we've got the car and we've got air-conditioning when it's hot and heating when it's cold? We've got all the opportunities that freedom can give, but, still, what good is it all accomplishing? It's in this kind of poignant struggle for meaning that I think disappointment has come, because nobody ever before in history, as far as I know, has had a generation in which all the external things were there and in which the internal lack had to be so clearly an internal lack. That's why I feel so relatively lucky in not having expected to find that material or political or titular goals represented the end of a quest. You don't just set goals and, when you reach them, find that they equal happiness. I understand that these struggles will go on as long as I live, that within the quest itself much of the fullness of life exists."

Mr. Speaker, as you might expect, State-level politics that controlled the redistricting of New York Congressmen in 1970 were not very kind to this sort of public figure. As a result, Lowenstein was put at a great disadvantage in the election of 1970, fought hard, but lost. Robert Mayer's article in Newsday before that election describes Al's service as a Congressman and his prospects for reelection. And the article from the New Yorker describes his defeat.

Lowenstein Without Glamor

A couple of weeks ago a severe storm blew the roof off a number of garden apartments in Levittown. The families had to vacate the building until it could be repaired, and they had no place to live. One of the families called Rep. Allard Lowenstein for help. Lowenstein sent an aide to the scene, and the aide quickly discovered that the area was not in Lowenstein's congressional district.

"My first thought was, 'What the hell, there are no votes here,'" the aide admits. But he quickly overcame that thought, aware of Lowenstein's concern for the well-being of people from Baldwin to Biafra. The aide called the landlord, who agreed to relocate the families in other apartments he owned.

In Freeport, a new post office was going to be built alongside a school. Residents were opposed to the building, concerned that the increase in traffic would be a danger to their children. Charges began to fly back and forth. Then Lowenstein's office got involved. It brought together the P-TA, the school board, the post office and the postal union, in a search for a new site that would give the community good service without creating a traffic hazard.

In Wantagh, a new sewage plant was proposed that threatened to pollute much of the South Shore. Lowenstein worked with conservation groups to delay construction groups until the proper modifications could be made.

In Hewlett, a new railroad station was built with only one staircase that became jammed during the rush hours. Lowenstein helped convince the Long Island Railroad to build another staircase. In Baldwin, Lowenstein spurred local officials to seek court action against an asphalt plant that was polluting the air. In Island Park, Lowenstein helped form CLEAN, a community drug council.

In the past two years, Lowenstein has sponsored more than 40 forums in his district to discuss issues of concern to the people. One guest was William F. Buckley Jr., who discussed civil disorders. Another guest was Bess Myerson Grant, who talked about consumer problems. One all-day forum was devoted to school financing, and the problem of relieving the burden of property taxes that are choking middle-income people. He has sent inspection teams to expose the dreadful conditions in veterans hospitals, an interest that earned him the endorsement last week of the New York State chapter of the Disabled American Veterans.

There is not much glamor in any of these matters. They cost much sweat and earn few headlines. They are not flamboyant affairs, they do not make good selling points in an election campaign. But they ought to. They have to do with the way people live, which is what politics should be about.

Much has been written about Lowenstein's reelection struggle. Most of it deals with the kind of scurrilous campaign waged against him. I have just spent two hours reading through a collection of Lowenstein's opponent's campaign literature, and it is enough to make you sick. It distorts, it misrepresents, it attempts to link Lowenstein directly or indirectly with communism, crime in the streets, pornography and every other evil that hatchet men could dream up.

But Tuesday's election should be a reflection of Allard Lowenstein's record. The Fifth District rose beyond many people's expectations when it sent Lowenstein to Congress two years ago. Then the state Legislature tried to purge him by gerrymandering the district. Now the people have a chance to show that they, and not the political hacks in Albany, will choose their congressman.

Lowenstein came to the district with an imposing national reputation, as a fighter for justice, for human dignity, for channeling the ideals of the young into the existing political system. The question two years ago was whether he would neglect his home district while perusing his broader interests. Now that question has been answered. He has done his job, earning respect both at home and in Congress. If people really do get the leaders they deserve, then Nassau's Fifth CD is a special district indeed.

Lame Duck

One of the noteworthy results of this month's elections was the defeat of Allard K. Lowenstein, the freshman representative from this state's Fifth Congressional district, in Nassau County. Mr. Lowenstein, a Democrat, is best known for his activities in 1967 and 1968, when he set in motion the events leading to the "Dump Johnson" movement, the Presidential candidacies of Eugene McCarthy and Robert Kennedy, and the Children's Crusade. He was in politics in the broad sense—mostly as a kind of one-man civil-liberties committee, with branches in South Africa, Spain, and Mississippi—before he ever thought of public office, and he is certain to remain in politics in the same way.

We've been over the returns for the Fifth District in more detail than the Election Night television bulletins permitted, and the figures show that while Mr. Lowenstein lost the election, he ran a considerably stronger race than he did in 1968, when he won. What happened between 1968 and 1970 was that the Republican-controlled state legislature redrew the boundaries of the district, eliminating the heavily Democratic Five Towns area and adding heavily Republican and Conservative areas, including the village of Massapequa. Had the voting followed the pattern of two years ago, Mr. Lowenstein would have lost by twenty-five thousand votes; as it was, he lost by about eight thousand, and he ran some twenty thousand votes ahead of the Democratic ticket. His vote on the Democratic line exceeded by about five thousand that of his opponent Norman Lent, a state senator on the Republican line. Mr. Lent's margin of victory came from his votes on the Conservative line, where he was helped by the extremely strong showing of that party's successful candidate for the United States Senate, James Buckley.

We had a talk with Mr. Lowenstein a week after Election Day and asked him what he thought the consequences of his defeat would be. "The fact that I lost worries me less than the possibility that the results in my district will be misread," he said. "One of the most satisfying aspects of the campaign for me was that I had the opportunity to go down to Washington in the middle of it and vote against the crime bill and the military-appropriations bill. A lot of people came up to me on the floor and said, 'For God's sake, don't vote against these bills, Al! You'll never survive.' I think the figures show something quite different, which is that you can stand against the war and against the Administration's way of dealing with the so-called social issue and you can survive in the face of that. My physical presence in the House, continuing to vote as I voted before, would have been the best reminder of that, but if the message can be got across that I was not in fact defeated because of the stands I took, the danger that what happened will weaken people's backbones will be less."

We asked about the character of the campaign, and Mr. Lowenstein said, "There was an ominous warning in this campaign, and that is that the ugliness can get so intense that it confuses great numbers of voters."

Having followed Mr. Lowenstein's fortunes off and on through the fall, we remembered that his opponent had taken his cue from the Nixon-Agnew campaign against "permissiveness" and the like, and had carried the theme to limits not exceeded anywhere in the country. Among other things, Mr. Lowenstein found himself accused of being "an echo of Hanoi," "an inflamer of youth," and "the chief apologist for the Black Panthers" odd accusations all, since Mr. Lowenstein is a convinced anti-Communist, the leading advocate of student participation in electoral politics, and a critic of the Panthers' infatuation with violence, and since these stands have resulted in much ill feeling toward him on the extreme left.

"The possibility exists that the same thing might happen that happened in the nineteen-fifties, when people were swept away by distortions," Mr. Lowenstein continued. In the case of the Fifth District, I think it's important to stress that while it hurt us in areas where we weren't able to get the facts to people, it wouldn't have worked without the gerrymander. It didn't work in the country at large, and I don't think it will work in 1972. You just can't gerrymander the whole country."

"What about your own plans?" we asked.

"In personal terms, I don't really have any, beyond attending the lame-duck session of Congress. The lame ducks like me will quack, and the lame quacks will duck. In political terms, I'm going to work, beginning right away, to see to it that the ugliness that was unleashed all over the country is turned out of office in 1972. We have taken the measure of these people, and they can be defeated."

Mr. Speaker, time after time, Al tried to return to Congress, running not because the prospects were good, but because the issues were compelling. He did much better than anyone expected everytime, and drew support from every sector. A large part of his success was because he was a true idealist. Even William Buckley, the most prominent conservative political writer, repeatedly endorsed and supported Al in his campaign for Congress, writing the following endorsement in the 1978 campaign. That campaign too was unsuccessful. But Lowenstein may have known, much more than the rest of us, that winning in politics is truly not everything.

A LIBERAL INDULGENCE

NEW YORK.—In the Silk Stocking District of New York City, the ganglion of so many of the miseries of the republic, and not a few of its glories, the congressional race for the seat once occupied by Mayor Ed Koch and former Mayor John Lindsay goes largely unnoticed. This is odd because the two Democrats contending for nomination are interesting to write about. It is fitting that the district should be represented in Congress by one of the outstanding young men in the country, Allard Lowenstein.

Twice in seasons gone by I have written about Lowenstein, infuriating many of my friends because, you see, Lowenstein is a liberal Democrat. Why should a conservative Republican advocate the election to Congress of a liberal Democrat? In the past, pressed on the matter, I have permitted myself, out of polemical fatigue, to reply simply: "It is a personal indulgence." One should try to do better.

Lowenstein is independent, thoughtful, in respect of not a few matters, and opsimath whose belated recognition of, for instance, the inherent rights of parents to select the schools their children may attend, could lose him the editoral support of The New York Times.

But most appealing is Lowenstein's ability to talk to people who disagree with him without inducing a shouting contest. As U.S. representative in Geneva to the UN Human Rights Commission two years ago he actually caused that commission to consider—however briefly—the question of human rights in the Soviet Union.

There is in Lowenstein a quality of innocent good will that makes the conventional defenses appear fustian and contrived. Recently, having been banned from traveling there for 20 years in punishment for writing an unfavorable book about the race laws, Lowenstein was invited to visit South Africa. There, over the airwaves, he spoke simply and eloquently about the fraternal imperative, and lo, high officials in the South African government, instead of looking the other way and shooing him out, invited him to return, on the understanding that he would be free to continue to speak out against apartheid, but confident that his palpable integrity distinguished him from the fanatics who desire in South Africa less the restoration of black rights than the shedding of white blood.

There is, in Lowenstein, a hectic idealism which it is impossible to fail to be moved by. There will be quite a few liberal Democrats in the next Congress. So why not one whose integrity and warmth will at least repristinate a movement grown cynical, bureaucratic and ineffective?

The liberalism of the Eastern Establishment is grown hoary and bureacratic. Its idealistic vision, filtered through conservative forms, would be an improvement on the existing situation. "Christianity without the crucifixion," Whittaker Chambers once meditated, "is liberalism." Allard Lowenstein belongs in Congress as demonstrably as Rudolph Nureyev belongs on the stage.●

FURTHER INSIGHT FROM THE FIELD

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1980

● Mrs. SCHROEDER. Mr. Speaker, if we are to develop a consensus on how to deal with the problems facing the military today, we need to hear from our sailors at sea and our soldiers in the field. They are the ones who have to live with the decisions made in Washington.

Adm. Harry D. Train II, Commander-in-Chief of the Atlantic Fleet, provides us with some observations rarely heard in Washington.

The article, from the March 1980, Navy Times, follows:

RETENTION MUST BE SOLVED BEFORE FLEET CAN GROW, TRAIN DECLARES

(By Paul Smith)

NORFOLK.—The U.S. Navy badly needs more ships, but it cannot expand the fleet until it solves its shortages of skilled petty officers.

That's what Adm. Harry D. Train II, the Commander-in-Chief of the Atlantic Fleet and the Supreme Allied Commander Atlantic, told *Navy Times* in an interview.

"For example," Train said, "the windfall that befell the nation when we were permitted to buy the Iranian destroyers (that were cancelled by the Ayatollah Khomeini) . . . is going to be a hard windfall to cash in on because we didn't have the people to put on those ships. To put people on those ships requires short-changing other ships. Nonetheless it was a magnificent step."

The Navy needs more ships if it is to meet its defense commitments, the admiral said, but the problem is much more difficult than simply putting more ships in commission. "We have to solve (the problem of too few qualified petty officers) before we can indulge in the luxury of thinking that we can expand the size of the Navy," Train said.

The Navy has made some strides recently, he revealed. He said that second-term re-enlistments in the Atlantic Fleet have risen from below 40 percent last summer to about 60 percent for the last four months.

Train said the retention turnaround stems directly from hope that Congress will raise military pay. The Armstrong and Nunn-Warner amendments have raised those hopes. But if Congress does not hike pay, retention could plummet, Train said.

Even though second-term reenlistment rates are up, the Navy is still in critical need of seasoned petty officers. Train said there is no way to replace the people who left when rates were low. He said shortages are worst in the fields most critical to combat ships—engineering and electronic maintenance.

"I've been out to visit ships and stations, and the thing that makes up their minds whether they will stay or leave . . . is pay," Train said. "It's a heightened awareness that the lower pay grades make less than the federally imposed minimum wage scale and that a fairly high percentage of people in every military unit are eligible for food stamps.

Train said senior people feel the strain. They spend hours each day trying to help with subordinates' money problems. Some senior enlisteds get out because they are upset that the Navy can't take care of its own, Train said.

Low pay means people can't live the way they would like, Train said. "There isn't an empty bunk in any BEQ anywhere and that stems from the fact that they can't afford to be out in town.

"Not only that, but they can't afford to go out on the town. As a result, there isn't a parking place in the lot here at the enlisted men's club in Norfolk every evening because that's the only place they can afford to go.

"On board ship, the berthing spaces are full and the parking lots are full because people can't afford to live out in town. That, to me, is very significant evidence and very tangible evidence that something has changed," Train said. "And the thing that has changed is obviously that the rate of inflation has exceeded the ability of the enlisted people in the Navy to fulfill their normal recreational expectations."

Train said the Nunn-Warner allowance amendment would help sailors a great deal, but they don't see it that way. He said sailors think the amendment's emphasis on housing allowances and bonuses is just a way to give military people some money while avoiding raising retirement pay.

Train said he supports Nunn-Warner and that the Navy has to work to show sailors that it will work to most of their advantages. He added that pay is not the only thing that sours people on a Navy career.

"The second thing that jumps out of the grass at you is their dissatisfaction with medical care, particularly for their dependents. Not with the medical care itself, but with the administration of the medical care. Not the quality of the care, but the persistent back of the hand they feel they're getting. Their perception is that the dispensaries and hospitals are run more for the doctors and the corpsmen than they are for the men and the dependents who expect to have medical care provided for them," Train said.

"If a sailor finds that, for the convenience of the administrators of the medical service in an area (that there is) a central appointment facility for all medical appointments anywhere in the region and the line is busy 24 hours a day, and when you do get through, you can't make an appointment for the (foreseeable future), then he throws the phone back on the hook and says, 'That does it; I quit,' " Train says.

The admiral said the fleet has tried hard to make people more satisfied with their work. The staffs have cut inspections in half. Train said he favors even fewer inspections—that commanding officers should be allowed to do their jobs without interference. The move to shorten deployments has been well-received by most, he added.

Train said he is a "satisfied customer" of the recruiting and training commands. He said new recruits he sees are high-quality, well trained sailors.

But that doesn't mean they can replace experienced, seasoned career petty officers. By the end of fiscal year 1980, the Atlantic Fleet will be missing more than one fifth of the petty officers it needs in critical specialties, the CinC said.

Because of that shortage, ships will not be able to carry out their missions properly. Even if a ship's complement were filled out with recruits, Train said, "it still means the ship is going to have trouble fulfilling the mission it is designed to fulfill. The critical NEC could be in a missile field, for example, meaning that ship's missile battery is suspect as a fighting battery."

Train said it is a specious argument to say that because a ship has 95 percent of her allowance, she is ready to fight; the people have to have the proper skills. "Sometimes it's worse to have your full bag of people if you're short of leaders than it is to have a short crew. (Then) the leaders remaining are hard-pressed to do their technical jobs. When they have to manage a large number of untrained people at the same time, this places a greater demand on them than they would have with a (smaller crew)."

If Train had enough people to expand the fleet, he said he would first go after more ships, missiles and planes for fleet air defense. He said he needs more Aegis guided missile cruisers with the new SM-2 missile, and added that the Navy badly needs more F-14 Tomcat fighters with their Phoenix missiles.

"Today, the one thing that's holding the fort for us in the antiair warfare field is the F-14," Train said. "We have to take this further and develop . . . our fleet air defense capability, definitely.

"Furthermore," the CinC added, "we need to insure that we buy enough ships to maintain the size of the Navy that the political leadership feels will give it the span of options that are required to protect the vital interests of the United States.

"The president has declared publicly in his State of the Union message that that size Navy is 550 ships. That translates to 17 or 18 (new) ships per year, no matter how you slice it. Mathematically, that's what it equates to." Train noted that the five-year shipbuilding plan calls for more ships than the FY '81 budget but, "history has not been very kind to us in our out-year shipbuilding program."

Train added that the Navy must buy more aircraft. The current budget does not buy enough planes to replace a typical year's losses, Train said, and that reduces the U.S. Navy's lead in tactical aviation—the only area that raises it above the Soviet Navy.

Train said he is quite pleased with the progress of women at sea. He had high praise for the women in the crew of the tender Vulcan and for her skipper, Capt. Harry Spencer. He said that crew has had no major problems internally.

"If there were problems, it was in the form of cultural shock on the part of foreign nations who did not expect to see female sailors wandering through the streets and the sailors' haunts of traditionally male-oriented Navy liberty ports. And if I understand the developments in that area correctly, even that problem has been worked out to the point where, as the result of (Spencer's) crew being in and out of these liberty ports, the local populace has come to regard the sight of the female sailor as a familiar scene.

The Atlantic Fleet commander said it's up to Congress and the American people to decide whether women should fight. The Navy assigns women to fill military roles. The Navy should not act as a proving ground for social experiments, however, Train said.●

CONGRESSIONAL TRIBUTE TO ALLARD LOWENSTEIN

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 20, 1980

● Mr. ROE. Mr. Speaker, I rise today to join my colleagues in remembering Allard Lowenstein, who was recently taken away from us.

If Allard Lowenstein had one legacy to leave, it would be that we should not be afraid to get involved in the political process of this Nation. Because of his activism, thousands of young people who never cared to participate in the political system before did indeed become involved.

Even if you did not agree with Al on an issue, you had to respect the full devotion and forcefulness that he gave to any cause he was associated with. He was a man who was not afraid to put himself on the line for the ideals he believed in. Al Lowenstein fought his battles out of sheer conviction with no thought of personal gain for himself.

His interest was to represent those, especially the young and poor, who had few to speak for them.

All of us who were fortunate enough to personally know Al, found him to be a warm, compassionate man. But he was also capable of hate. He hated war, he hated poverty, and he hated any violation of basic human rights.

Though Allard Lowenstein only served in the House for one term, his dedication to what he believed was right, will serve as a standard for all those who follow him.●

CONGRESSIONAL SALUTE TO HON. ROY MARTIN, ESTEEMED CHIEF OF POLICE OF HALEDON, N.J., COMMUNITY LEADER, DISTINGUISHED CITIZEN, AND GREAT AMERICAN

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 25, 1980

● Mr. ROE. Mr. Speaker, on Saturday, March 29, the residents of the Borough of Haledon, my congressional district, and State of New Jersey will gather in testimony to the outstanding public service of one of our most distinguished public safety officers and good friend, the Honorable Roy Martin, whose standards of excellence as chief of police of Haledon, N.J., have truly enriched our community, State, and Nation.

Mr. Speaker, as we commemorate Roy Martin's retirement from his law enforcement career, I know you and our colleagues will want to join with me in deep appreciation of all of his good works and share great pride in the success of his achievements with his good wife, Belle; daughter, Donna (Mrs. Robert) Vander Vliet; and grandchildren, Robert and Rebecca.

Chief Martin has indeed earned the highest respect and esteem of all of us for the quality of his leadership in seeking to achieve optimum public safety for all of our people. Throughout his lifetime he has forged ahead with devotion and sincerity of purpose in combating crime and protecting the life of our people. We applaud his knowledge, training, hard work, and personal commitment that has enabled him to achieve the fullest confidence and strongest support of the people of our community. He has always applied the most sophisticated and advanced techniques of his profession. His exemplary record of performance and distinguished achievements are now lastingly etched in the annals of the public records of the borough of Haledon.

Mr. Speaker, Roy's grandfather was one of the founders of the borough of Haledon and he has continued in the tradition of the Martin family with his deep affection and dedication to the needs of the residents of the community. He officially retired from the Haledon Police Department on January 1, 1980, after 28 years as a police officer and 12 of these years as chief of police.

He has been a staunch supporter and active participant in many civic and community improvement programs and will long be remembered for not only his official duties and accomplishments where he has risked life and limb and been cited for bravery but for the warmth of his friendship and richness of his wisdom to all—young and adults alike.

When asked to serve on a committee, to chair some event, to speak, to participate, his answer was always yes—especially where our young people were concerned. He looked forward to passing out the PAL little league awards and checking their bikes on bike safety day, or speaking to their parents for the PTA. Many parents from broken marriages would go to him for help when their children were becoming uncontrollable.

At Christmas he would always volunteer to work for any patrolman who had small children and you could be sure on other holidays as well he would deliver to those on duty a plate of warm food—from his own kitchen. On Halloween he delighted in handing out bags of candy at the station, that he had purchased. The "kids" were always very important.

After a heavy snowstorm, en route to or from police headquarters you might find Roy stopping to shovel a sidewalk where he knew the occupant was ill or unable to do so. He truly is a beloved and esteemed police chief and good friend to all and particularly to those in need.

Mr. Speaker, I cite these good works above and beyond the call of duty to provide you with an insight of the benevolence and good will that Roy Martin was blessed with and shared with so many, many others. He is a senator of the Jaycees International and as a member of the Passaic County Police Chiefs Association, he served as financial officer and president, as well as several committees including education and training. On the State level he is a member of the New Jersey Police Chiefs Association and has served as its financial officer as well as chariman of ways and means committee, committees on legal aid and arbitration. He also served on the crime prevention commission.

Mr. Speaker, It is indeed appropriate that we reflect on the deeds and achievements of our people who have contributed to the quality of our way of life here in America and I am honored and privileged to call your attention to Roy Martin's lifetime of outstanding public service. As Chief Martin retires his official leadership badge of courage and valor as the esteemed chief of police of Haledon, N.J., I respectfully seek this national recognition of his contribution to our country placing others above self in providing safety in the streets, security in the home, and optimum public safety for all of our people.

For his contribution to the quality of life for the people of our community, State, and Nation we do indeed salute an outstanding citizen and great American—the Honorable Roy Martin of Haledon, N.J.●

SENATE—*Wednesday, March 26, 1980*

(Legislative day of Thursday, January 3, 1980)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by Hon. Dennis DeConcini, a Senator from the State of Arizona.

PRAYER

The Reverend Neal T. Jones, pastor, Columbia Baptist Church, Falls Church, Va., offered the following prayer:

Let us pray.

Dear Heavenly Father, Your circumference is nowhere and Your center is everywhere. In centering our thoughts on You we expand the center of our attention. Absorb our finite approaches to life in Your infinite understanding. Let us emerge from these explosive moments of worship more like You and always with You.

Enable us to merge the momentary of today with the record of yesterday in the pursuit of Your everlasting tomorrow. "Save" us from Solomon's sin—trading wisdom for "smarts." "Deliver" us from the foolhardy belief of the ancient judges—what seems right is right. "Protect" us from folly of Eden—one big bite of a single apple and we can play God. "Help" us engage in process and enjoy the journey as well as anticipate the destiny. Take us onward daily and upward finally.

In the name of the great I am. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. Magnuson).

The assistant legislative clerk read the following letter:

U.S. Senate,
President pro tempore,
Washington, D.C., March 26, 1980.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable Dennis DeConcini, a Senator from the State of Arizona, to perform the duties of the Chair.

Warren G. Magnuson,
President pro tempore.

Mr. DeCONCINI thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE ACTING MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The acting majority leader is recognized.

THE JOURNAL

Mr. BAUCUS. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BAUCUS. Mr. President, I reserve the remainder of the time allotted to the majority leader. I assume that the minority leader may want to use his time.

RECOGNITION OF THE ACTING MINORITY LEADER

The ACTING PRESIDENT pro tempore. The Senator from Alaska is recognized.

Mr. STEVENS. Mr. President, I have no request for my time. I shall yield my time to the Senator from Virginia if he wishes to add it to his order.

Mr. HARRY F. BYRD, JR. I thank the distinguished Senator. I have no need for the time.

Mr. PROXMIRE. Will the Senator yield me 2 minutes?

Mr. STEVENS. I yield 2 minutes to the Senator from Wisconsin.

Mr. PROXMIRE. I thank the minority leader.

ARMY TAKES ACTION TO CORRECT PUBLICATIONS

Mr. PROXMIRE. Mr. President, harassment of female military personnel has been reported recently. On January 2 of this year, I wrote a letter to the Secretary of the Army requesting a response on this matter and asking that definitive corrective measures be taken. Shortly afterward, the Secretary responded to my request for remedial action.

Subsequently, I have received a number of individual complaints from female military personnel pointing out specific ways in which the Army itself promotes the type of sexist attitudes which foster the harassment of women. One area of complaint involved publications put out by the Army which portray female instructors in a very objectionable manner. Two publications in specific were brought to my attention: "Dee Dee Durite" to be used by defense contractors and PS, the Preventive Maintenance Monthly produced for Army mechanics. In both of these cases, reports by my constituents testified to detrimental effect these materials had on the treatment of women. And in both of these cases, the Army took favorable action by either removing the overtly objectionable materials, or taking it off the shelf altogether, as in the case of "Dee Dee Durite."

I commend the Army for taking these necessary first steps toward eliminating material which promotes the wrong type of attitude regarding women and which has encouraged an atmosphere that allowed male soldiers to see sexual harassment as acceptable behavior. I look forward to future initiative on the part of the Army in making sure that they are not inadvertently contributing to these harmful conceptions of the female soldier. I hope that they will look at the larger portent of their practices and publications which could hinder efforts to equalize relations between two groups carrying the essential task of defending our country.

Mr. President, I ask unanimous consent that copies of correspondence from the Army regarding these publications be printed in the Record.

There being no objection, the correspondence was ordered to be printed in the Record, as follows:

Department of the Army,
Office of the Assistant Secretary,
Washington, D.C., March 25, 1980.

Hon. William Proxmire,
U.S. Senate,
Washington, D.C.

Dear Senator Proxmire: In response to your 28 January letter concerning the sexist nature of PS, the Preventive Maintenance Monthly magazine, the Army is changing the characterization of women in the magazine to insure it conforms to Army policy.

The Army's policy is that its official publications will not contain material of an undignified nature or which may discredit the Department of the Army or its members. Central to this policy is the Army's full commitment to sexual and racial equality (as reflected in the recruiting advertisement in the February issue of Glamour magazine). As an official Army publication, PS will intensify its effort to implement this policy.

PS is a technical news magazine designed to inform and motivate the soldier to keep equipment maintained and ready for combat. Approximately 140,000 copies of each issue are distributed throughout the Army, primarily to soldiers in combat related units. For almost thirty years, PS has contributed significantly to the combat readiness of the Army.

In the past several years, the Army has changed the thrust of PS to reflect a changing Army in a changing world. Women soldiers depicted in a representative number of past issues are shown performing maintenance or office records keeping duties along with male soldiers assigned similar duties. We'll continue these efforts to portray male and female soldiers equitably in future issues. As part of these efforts, the Army plans to modify the apparel of the magazine's cartoon characters, Connie and Bonnie. The modifications will eliminate overt sexual orientation in the characters without detracting from their roles as civilian instructors providing guidance on preventive maintenance techniques to the soldier.

Sincerely,

William D. Clark,
Deputy Assistant Secretary of the Army (Manpower and Reserve Affairs).

Office of the Assistant
Secretary of Defense,
Washington, D.C., March 17, 1980.

Hon. William Proxmire,
U.S. Senate,
Washington, D.C.

Dear Senator Proxmire: You will recall that on January 28, 1980, I wrote to you

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

about the sexist content of a publication issued by a regional office of the Defense Logistics Agency (DLA). I am pleased to report that this matter has been corrected by DLA.

The "Dee Dee Durite" publication of December 1977, was developed as an unofficial publication by Quality Assurance personnel of the Defense Contracts Administration Services Region (DCASR), Chicago. It was intended as an aid for Defense contractors in the preparation of DD Form 250; a multipurpose form used as a packing list, shipping document, evidence of inspection and acceptance, and in some instances, as an invoice. The only other source of DD Form 250 preparation instructions is in Appendix I of the Defense Acquisition Regulation (DAR).

Since the booklet was considered to be an unofficial publication, it was not assigned an official handbook number, nor did it receive clearance through normal publication review procedures. Consequently, neither reproduction nor distribution of the document were controlled.

It is estimated that DCASR, Chicago Quality Assurance Representatives (QARs) distributed 2,000 copies of the "Dee Dee Durite" booklet to Defense contractors in the DCASR, Chicago area. No other regional office in the Defense Contract Administration Services organization received or used copies of this publication.

The subordinate offices of DCASR, Chicago and their QARs were notified in April 1978 that they were to discontinue use of the booklet and to destroy all undistributed copies.

The basis for this action was a recommendation made by the DCASR, Chicago Federal Women's Program Coordinator. This recommendation was consistent with the Department of Defense policy.

To further assure that the "Dee Dee Durite" booklet had been removed from circulation, an article was placed in the "DCASR, Chicago Quality Assurance Newsletter" of April 4, 1979. This newsletter is distributed to all Quality Assurance personnel in the Region. In the article, QARs were reminded that only Appendix I of the DAR contained proper procedures for completion of DD Form 250 and that any other instruction or publication concerning the form should be discarded. In addition, QARs were requested to recall all copies of the "Dee Dee Durite" booklet and to personally assure their removal and destruction.

You should know that all of the DLA field activities have conducted a review of existing documents, practices and procedures, which may have a discriminatory impact upon women or members of minority groups. This is an ongoing effort. The "Dee Dee Durite Booklet" was identified in such a review and consequently, has been cancelled.

I hope this will be helpful to you in replying to your constituent. Should you have any further questions about this matter, please call me at 697-6381. Thank you for your interest in this Department's equal opportunity programs.

Sincerely,

M. Kathleen Carpenter,
Deputy Assistant Secretary.

GENOCIDE CONVENTION: A NECESSARY RESTRAINT

Mr. PROXMIRE. Mr. President, throughout history genocide has been perpetrated by men against their fellow men. How is it that nations and men can be driven to commit such atrocities? Consider the thoughts of Alexsander Solzhenitsyn as expressed in his book, "The Gulag Archipelago." Solzhenitsyn has exprienced the Gulag first hand and has witnessed great misery and suffering. His thoughts on the nature of men and nations cuts to the heart of the genocide issue.

Consider first the individual man. Solzhenitsyn tells us that the desire for power is among the most fundamental of human passions and that to satisfy this desire man tends to seek some justification for his actions. A man will always try to convince himself that his actions promote good and are within accepted norms.

Now consider the nation state for it behaves in a similar manner.

The nation state has acted, as we know, in a genocidal way, in Hilter's Germany and in Cambodia and throughout history.

As never before, it is possible for the power over many to be concentrated in the hands of a very few and, in exercising its power, a state may find its justification in some ideology. Solzhenitsyn tells us how Nazis invoked the glory of the homeland and the supremacy of Aryan race to attain their ends. The Soviet Union has raised the banner of equality, brotherhood and the happiness of future generations to legitimize its actions. It is obvious that for those who know of no moral or legal order beyond their own self-serving ideology, power entrusted to them may become a deadly weapon.

The Genocide Convention seeks to address this problem. The destructive powers of a State must be restrained by a strong body of international law. The convention declares that genocide is a crime against all nations which will be prosecuted and punished.

It is most imperative, Mr. President, that we seriously consider and act at long, long last on the Genocide Convention. I urge that we ratify the Genocide Convention so that these acts which the Nazis and Soviets committed can never occur again.

I thank my good friend from Alaska and yield the floor.

Mr. STEVENS. Mr. President, I yield back the remainder of my time.

RECOGNITION OF SENATOR HARRY F. BYRD, JR.

Mr. BAUCUS. Mr. President, what special order is next?

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Virginia (Mr. Harry F. Byrd, Jr.) is recognized for not to exceed 15 minutes.

Mr. BAUCUS. Mr. President, I notice that the Senator from Virginia is not in the Chamber. I suggest the absence of a quorum and ask unanimous consent that the time be charged against the Senator from Virginia.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

GOVERNMENT SPENDING AND DEFICITS

Mr. HARRY F. BYRD, JR. Mr. President, there has been so much rhetoric—I am tempted to say propaganda—from both the White House and the Congress in regard to Government spending, deficits, that I think the facts and the figures have become obscured.

I have in my hand the Congressional Record dated November 16, 1979—that was only 4 months ago. It was on that date that the Concurrent Resolution 53, dealing with the fiscal year 1980 budget, was passed. That budget resolution put the appropriate level of total budget outlays for the fiscal year 1980 at $548 billion. It established the deficit at $30 billion.

It is now estimated that the deficit for the current fiscal year will exceed $40 billion.

Bear in mind, it was only 4 months ago that the Congress approved the budget for the current year.

Let us go to the 1981 budget as submitted by President Carter on January 28.

President Carter proposed Government spending of $616 billion. That is a $68 billion increase in spending.

When that budget was submitted, many of us took the view that it was an irresponsible increase. The country, the Nation as a whole, apparently, took that view and the administration itself subsequently seemed to realize that such was the case because on March 14 President Carter addressed the American people and said that he was reducing his budget by $13 billion. That was on television, radio, and in the press.

Let us see what the facts are.

In that same revised budget proposal which President Carter sent to the Congress, he advocated an increase in spending of $10 billion, with a reduction of $13 billion. His own figures show that his new figure for spending for fiscal 1981 is $613 billion. When we take his original of $616 billion and subtract $613 billion from it, one finds that the reduction is $3 billion and not $13 billion.

In addition to that, in that same budget proposal of March 14, the President proposed an increase in spending for 1980 of $5 billion.

So what he did on March 14, actually, was to increase, have a net increase in spending of $2 billion.

Mr. President, I realize that the Senator from Virginia perhaps takes a more cautious view of Federal spending than many others do.

However, regardless of how one may vote on the matter of the spending of Government funds, I think it is important that all of us be aware of the facts but also take into account the facts.

The public press, the radio, the television, the newspapers, and the politicians in the White House all indicate that there will be a large reduction in spending below what the President proposed on January 28. That simply is not the case. I say again that 4 months ago, Congress approved spending for fiscal year 1980 totaling $548 billion. The President recommends and is urging Congress to appropriate for fiscal year 1981 $613 billion. That represents an increase in spending of $65 billion from last November through the fiscal year of 1981. I believe that such a huge increase would be very detrimental to this Nation.

The homebuilders from Virginia—and I assume from other States—will be in town today. There will be a large meeting which I will attend this afternoon with the Virginia homebuilders. They are deeply concerned about the tremendous interest rates which the American people have to pay. This has brought new construction to a halt. Undoubtedly, there will be bankruptcies. The cost of money is so great that the young people of the United States cannot afford to buy or build homes today.

I am going to say to the homebuilders, when I meet with them this afternoon, that the first thing that must be done, if interest rates are to be reduced, is that the Federal Government must reduce the tremendous increase in spending that has been proposed. The more the Government goes into the money markets, the more that forces interest rates up. The Government is borrowing from the public at a tremendous rate, and the more the Government goes into the money markets, the higher the interest rates will be.

The only way that can be controlled is to control Government spending, to reduce, not below what we are spending now—I do not know of anyone who advocates that—but to reduce the huge increases that have been proposed by the administration.

A $65 billion increase has been proposed. I submit that that is unreasonable; and if Congress adopts a budget proposal anywhere near that figure, it means more inflation and higher interest rates.

Mr. President, I yield back the remainder of my time.

The ACTING PRESIDENT pro tempore. The Senator's time has expired.

VITIATION OF ORDER FOR RECOGNITION OF SENATOR STEWART

Mr. BAUCUS. Mr. President, I understand that the next special order is for the Senator from Alabama (Mr. STEWART). Is that correct?

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. BAUCUS. I understand that the Senator from Alabama is unable to come to the floor. Therefore, I ask unanimous consent that that special order be vitiated.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BAUCUS. Mr. President, I yield back the remainder of the time allotted to the majority leader.

ROUTINE MORNING BUSINESS

Mr. BAUCUS. Mr. President, I ask unanimous consent that there be a brief period of morning business, for not to exceed 15 minutes, and that Senators may speak therein up to 5 minutes each.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BAUCUS. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

WINDFALL PROFIT TAX ACT OF 1980—CONFERENCE REPORT

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of the conference report on H.R. 3919, which the clerk will report.

The assistant legislative clerk read as follows:

> A conference report on H.R. 3919, an act to impose a windfall profit tax on domestic crude oil.

The Senate resumed consideration of the conference report.

The ACTING PRESIDENT pro tempore. Time for debate on this conference report is limited to 5 hours equally divided and controlled by the Senator from Louisiana (Mr. LONG) and the Senator from Kansas (Mr. DOLE).

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time not be charged against either side.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RECESS UNTIL 11:45 A.M.

Mr. ROBERT C. BYRD. Mr. President, I understand that the Finance Committee is meeting and that those who manage the conference report are tied up in the Finance Committee meeting.

I, therefore, ask unanimous consent that the Senate stand in recess until 11:45 a.m. today.

There being no objection, the Senate, at 10:50 a.m., recessed until 11:45 a.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. HEFLIN).

The PRESIDING OFFICER. The Chair in his capacity as a Senator from Alabama suggests the absence of a quorum without it being charged to either side.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, was that time charged against both sides?

The PRESIDING OFFICER. It was charged against both sides.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Mr. HAYAKAWA be permitted to speak as in morning business and introduce legislation as in morning business, notwithstanding the Pastore rule.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. For not to exceed 5 minutes.

SENATE RESOLUTION 391—RESOLUTION PROCLAIMING "NATIONAL MIME WEEK"

Mr. HAYAKAWA (for himself, Mr. BAKER, Mr. DOMENICI, Mr. GOLDWATER, Mr. STAFFORD, Mr. STEVENS, Mr. YOUNG, Mr. CRANSTON, Mr. STONE, Mr. EXON, Mr. FORD, and Mr. GRAVEL) submitted the following resolution, which considered and agreed to:

S. RES. 391

Whereas, the tradition of mime and pantomime parallels the development of democratic civilization from the time of ancient Greece;

Whereas, American mime artists are respected worldwide for their unique and dynamic contribution to this classic art form;

Whereas, the thousands of mime artists currently creating, producing and performing in our nation have given us a better view of ourselves and our world through silent films, street theater, television and theater for the deaf;

Whereas, the art of mime and pantomime should be recognized as a cherished national treasure in our performing arts;

Whereas, the nature of mime and pantomime is celebration;

Whereas, the people of the United States should be encouraged to share in the special magic of mime by attending live performances and media presentations of this prized art form;

Now, therefore, be it

Resolved, That the Senate of the United States show its support and appreciation by proclaiming April 1 through April 7 as National Mime Week.

Mr. HAYAKAWA. Mr. President, I send to the desk a resolution proclaiming National Mime Week and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the resolution by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 391) proclaiming National Mime Week.

Mr. HAYAKAWA. Mr. President, I am submitting legislation today to proclaim April 1 through April 7 as "National Mime Week." Cosponsors are Mr. BAKER, Mr. DOMENICI, Mr. GOLDWATER, Mr. STAFFORD, Mr. STEVENS, Mr. YOUNG, Mr. CRANSTON, Mr. STONE, Mr. EXON, Mr. FORD, and Mr. GAVEL.

Last year I sponsored Senate Resolution 124, which expressed the support and appreciation of the U.S. Senate for the art of pantomime by proclaiming the week of April 1 as "National Mime Week."

The art of mime and pantomime as performed by American artists is recognized internationally to be an innovative and unique form of theatrical excellence. The thousands of mime artists who are currently creating, producing and performing in our country are contributing immeasurably to the richness of our cultural heritage. It is only fitting that a time should be set aside each year for the purpose of acknowledging pantomime as a cherished national treasure in our performing arts. As the nature of mime and pantomime is one of celebration, all Americans should be encouraged to share in the special magic of mime during this week by attending live performances, films and other events which present this highly prized art form.

Last year during Mime Week there was the National Mime Parade featuring Red Skelton. The parade marched down Pennsylvania Avenue in silent celebration of that historic occasion. Two marching bands joined in, pretending to play their instruments, miming their way to the Corcoran Gallery. They were met there by Mrs. Mondale, and the festivities continued throughout the weekend, ending with a special performance in the Kennedy Center. Special recognition for that occasion must be given to Mr. Joe Jeff, regional representative for the International Mimes and Pantomimists in the Washington area, who was very instrumental in that celebration.

Mr. President, I move the adoption of the resolution since there is no objection from either side.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, I was constrained to enter an objection until I heard what the distinguished Senator said in support of the resolution, and having said that, I have been left speechless, defenseless, and in no position to object. [Laughter.]

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution was agreed to.

The preamble was agreed to.

Mr. HAYAKAWA. I am overcome with the thought that the distinguished majority leader is rendered speechless even for a few minutes.

Mr. President, I move to reconsider the vote by which the resolution was agreed to, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

WINDFALL PROFIT TAX ACT OF 1980—CONFERENCE REPORT

The Senate continued with the consideration of the conference report.

Mr. HAYAKAWA. The Senate finally is coming down the home stretch on the windfall profit tax legislation. It has been a long process, and many of my colleagues have spent grueling hours trying to shape H.R. 3919 into legislation that would address most adequately the concerns and interests of the American people. I certainly appreciate the undying effort of the conferees in tackling the resolution of the differences in the House and Senate versions of the bill. We have come a long way. But I think we should guard against believing it is all over at this point. We should guard against anything short of a thorough examination of this conference report. The windfall profit tax legislation is the largest tax measure ever considered by Congress and much too important to let slip through the Senate without proper scrutiny.

I voted in favor of the windfall profit tax in December. There are many positive provisions from the Senate version which remain in the conference report in which I have a great interest.

I am particularly pleased with the increased tax credits for homeowners and businesses who invest in renewable energy equipment such as solar, wind, or geothermal. I strongly support the special and deserved promotion of gasohol production and the extension of the exemption for gasohol from the 4 cents a gallon Federal excise tax on gas and diesel fuel. Second, I have consistently supported the small savers exemption from taxes on gross income of dividends and interest received from domestic sources. Many people are having trouble making ends meet, much less having money left over to save. I believe it is necessary for Congress to provide incentives to save and therefore reduce the rate of inflation. Third, I wholeheartedly agree with the repeal of the carryover basis. It certainly became apparent after initial implementation that carryover was unwieldy because of the difficulties involved in establishing the basis at which an asset was acquired by the deceased.

Partly because of my desire to see these measures enacted, I made the difficult decision to support the Senate version of the windfall profit tax. The bill represented considerable compromise from those on all sides of the issue. My decision was based further on the fact that I believed the measure provided healthy incentives and exemptions for increased production while allocating needed revenue for low-income assistance and development of more efficient transportation systems.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. HAYAKAWA. Mr. President, I wonder if Senator DOLE will yield me another 4 minutes to complete my remarks.

Mr. ROBERT C. BYRD. Mr. President, the Senator is representing Mr. DOLE. The Senator may yield himself 4 minutes on Mr. DOLE's behalf.

Mr. HAYAKAWA. Mr. President, I yield myself 4 minutes.

However, many provisions in the Senate version have been further compromised during the House-Senate conference to the point where I find it impossible to support the conference report. The bill contains inequities which directly discourage further production and inequities which I cannot rationalize away even in the spirit of compromise.

I am quite dismayed over the elimination of the exemption for the first 1,000 barrels per day of oil produced by the independent operators. President Carter's rationale for the original legislation was to prevent the U.S. oil producers from reaping what he called unearned excessive profits from the phased decontrol of U.S. oil prices. All emphasis has been placed on big oil. All attacks have been targeted toward the integrated major companies. Yet it is not those companies that will suffer the most from this tax. It is the small independent oil men and royalty owners. As it has been pointed out time and again, nearly 90 percent of the exploratory wells are drilled by independents. They are almost exclusively reliant on cash flow generated at the wellhead.

Therefore, every dollar taken from the independents in the form of a windfall profit tax is a dollar not available for drilling new wells. Since the major companies transport, refine, and market crude oil, they will be able to pass a substantial portion of the tax along to the consumer. The independent operator, however, who has only production to generate his capital, has no place to recover the tax. The independent producer does his drilling exclusively in the United States as opposed to the majors who do much of their exploration on foreign soil.

Furthermore, the tax will generate a horrendous accounting problem, and the cost of compliance for a small producer will be devastating. I believe this legislation would tax away the incentive of the independents to produce and consequently drive them out of business. This is an action which the United States can ill-afford in light of the energy situation we now face.

A second major concern that I have is the tax on royalty owners. This provision would affect millions of people across the country. Many are small landowners who have leased the mineral rights on their land for exploration. Others are elderly and retired who more often than not depend on the royalty interest for their livelihood. The tax would take a substantial portion of this income because they are taxed at the maximum rate; that is, they are taxed the same as a major integrated oil company.

Moreover, I do not believe the majority of royalty holders realize the situation as it now stands. I am just beginning to receive calls and visits from royalty holders who are just discovering what this tax will mean to them. I believe within the next 60 days, many Senators will face a number of angry, frustrated constituents.

Another onerous situation exists for the overriding royalty holder who lines up or puts together the prospects for drilling. He may receive a 20-percent royalty, but this is 20 percent of nothing until the well is drilled. If the well is successful, he can, and often does, take his 20 percent and reinvest it in future exploration. In the conference report, an overriding royalty holder is taxed at the maximum rate, therefore discouraging reinvestment and becoming another direct threat to further exploration.

My opposition to the 60-percent tax on stripper wells has stiffened with the elimination of the independent exemption. Over 14 percent of our domestic oil comes from stripper wells, or wells producing less than 10 barrels per day. The independent producers have traditionally bought such stripper properties from the larger companies who would otherwise abandon the wells as they decline in production. However, the maximum tax rate paid by the majors would continue after the transfer of property to the independent. In addition, it is generally more expensive to operate a stripper well. Therefore, when the small producer refuses to buy such properties because of the high tax burden, these wells will be abandoned, and the oil lost forever, much to the energy cost of the Nation. Again, we are faced with a direct threat to further production.

Finally, I was quite surprised by the earmarking of the revenues generated by the windfall profit tax. The original intent of this revenue was to assist low-income households to offset additional petroleum costs, to provide energy efficient mass transit and to provide financial support for energy program initiatives. I now find it quite interesting that only 15 percent of the revenue is targeted for energy initiatives, and this is inclusive of mass transportation programs.

Mr. President, I urge my colleagues to refer the conference report to the Finance Committee to address these specific concerns.

(Mr. LEVIN assumed the chair.)

Mr. BENTSEN. Mr. President, will the Senator yield me a couple of minutes?

Mr. HAYAKAWA. Yes.

Mr. BENTSEN. Mr. President, I congratulate the Senator on his statement and his reference to the Bentsen amendment, which was the exemption to the independents. Because that particular amendment has passed through this body after testimony by the independents that 105 percent of the revenue generated at the wellhead was put back into drilling and exploration to find new oil. That is part of the cash flow that they utilize for that. To the extent that this tax is imposed on them, that means that will be that much less money spent for exploration.

I do not know anyone who says that this bill is going to find more oil.

Then we have the interesting situation and paradox, I think, where we talk about subsidizing $40 a barrel synthetic oil, but we turn around and put a penalty on $22 enhanced recovery for tertiary oil. It just really does not make any sense. So I share much of the concern.

I know, too, that what the royalty owners, as they come to understand this legislation, particularly if they have stripper production, are really going to see is a reduction in the income that they are now receiving.

So there are going to be some serious difficulties with that particular piece of legislation.

I thank the Senator for his statement.

Mr. HAYAKAWA. I thank the distinguished Senator from Texas for his remarks with which I fully agree.

Mr. BENTSEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. BENTSEN. I ask that the time be equally charged to both sides.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I believe 5 hours of debate was allotted to the conference report today. How much time is left?

The PRESIDING OFFICER. Thirty-five minutes have been used.

Mr. ROBERT C. BYRD. I thank the Chair.

Mr. President, I ask both cloakrooms to inquire of the Senators as to whether or not any Senators wish to speak on the conference report today and if Senators do, if they know who they are, if they will give their identity and approximately how much time they will need, and to get them over soon, the sooner the better. So the cloakrooms will please try to find out within 5 minutes what the situation is, so we can act accordingly.

I suggest the absence of a quorum, Mr. President, and I ask unanimous consent that the time be charged equally to both sides.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BUMPERS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Will the Senator yield?

Mr. BUMPERS. I am happy to.

Mr. JAVITS. I just came to the floor for the purpose of making a brief statement. Is the Senator going to be long?

Mr. BUMPERS. About 3 minutes.

Mr. JAVITS. Fine.

The PRESIDING OFFICER. Who yields time?

Mr. BENTSEN. I yield as much time as the Senator desires.

Mr. BUMPERS. I thank the Senator.

Mr. President, all of my colleagues know I have favored a very strong windfall profit tax. The $227 billion tax proposed under the conference report, out of what will almost certainly be $1 trillion in increased revenues to the oil companies, seems to be one of the best bargains the oil industry ever got, because they become full partners in the OPEC cartel.

When the President elected to decontrol oil prices in this country, he allowed the American oil industry to receive whatever the OPEC cartel decides, with its 13 oil ministers sitting around a table fixing prices, a conspiracy that would be a flagrant violation of the Sherman antitrust laws if conducted in this country. We would put them in jail for it.

Instead of at least condemning that conduct, we are condoning it by actually allowing the American oil industry to become a partner in it.

In addition to the weakness of the tax, the bill is objectionable because it phases out. I see no merit whatever in allowing this tax to phase out at such time as $227 billion has been collected by the Federal Treasury.

When the Senate Finance Committee reported this bill, they made an assumption that the American public would pay $831 billion as a result of decontrol, but we know it will be an additional trillion dollars, or maybe $2 trillion, over the next 10 years that the American taxpayers will have to pay.

Mr. President, it is an interesting thing that when the President decided to decontrol the price of oil, he said to the American people that this will cost $100 billion annually between now and 1990, additional.

Is it not interesting how everything is relative?

If he had sent a proposal to the Congress to levy $100 billion annual increase in income taxes, we would have had the second American revolution. Yet, with one stroke of the pen, it occurs.

Then, of course, as far as I am concerned, he has compounded the felony with a 10-cent gas tax which asks the American people for an additional $14 billion, in exchange for what? A reduction in gasoline consumption of 1 percent? A reduction in oil imports from $90 billion to $89 billion?

The real result of the gas tax will simply be an increase in inflation—a terrible tradeoff.

So the oil companies will cough up $227 billion, by 1987, as suggested here, or, even more likely, in 1984 or 1985, depending upon what the OPEC cartel decides to do, but we have elected to put ourselves even stronger in their debt.

When they pay $227 billion out of the first trillion dollars, we will say, that leaves the American oil industry with only $773 billion. They argue that they will pay taxes on that on that remainder. That is true, they do. I have not compounded all the taxes, city, State, and local, but my guess is they will probably be left with only $250 billion to $300 billion over the next 10 years, even if this conservative figure holds up.

They are working to keep our trust.

Mr. President, the people who are working to keep our trust are the independent oil producers in this country who put about a 110 percent of all their revenues back into production.

If we wanted to respond properly we would allow some inducement to the people who produce the bulk of our oil, the independent producers. The Senate bill provided such an inducement but it was eliminated in conference summarily—or, more accurately, it was removed after a bitter fight. We gave them a 1,000-barrel exemption. It came back in the bill before us, take it or leave it. It says that the independents will no longer have any kind of exemption, although they will only be required to pay a lower tax on the first 1,000 barrels of their production.

I am also concerned about the royalty owners from those small independent producers in my State.

In the past, there has been no control on the price of stripper oil.

Senator BARTLETT, the distinguished Senator from Oklahoma, Senator JACKSON, several others, and I championed the removal of controls on stripper oil. All stripper production in this country increased dramatically. We had concrete proof there was one incentive that worked.

Stripper oil is oil from wells that produce 10 barrels or less a day.

The conference, however, would impose a tax of 30 percent on independent producers and a tax of 60 percent on the royalty owners of that oil.

Here is the way it works. The first $15.20 of an independent producer's production is not taxed at the windfall rate. In other words, it is exempt from the windfall profit. For easy figuring, let us say it is $15, and stripper oil in this country is selling for about $35 a barrel right now. So that means the royalty owners who have been getting one-eighth of that $35 will now be taxed at 60 percent of that additional $20, just to produce revenue.

Not every royalty owner is rich. Some are and some are not. There are a lot of people in my State, particularly in south Arkansas who receive royalties and are not rich. There are widows whose husbands left them a small royalty interest in a producing oil well somewhere, and these royalties have been extremely helpful to them. But now they are going to be asked, all of a sudden, to pay a 60-percent tax on their royalties. I think they are justifiably upset.

The independent producers have a right to be upset, because they are the ones who are making the investments. One hundred ten percent of their revenues go back into producing more wells.

We have torpedoed them in the conference report; and the royalty owners, who will get one-eighth of whatever the decontrolled price was, generally find themselves taxed on everything above $15 at 60 percent, even more than the independent producers. I do not understand the logic of it.

Finally, in all fairness, I do not understand the logic of moving to recommit this bill to the Finance Committee, which already has voted to provide the independents with no exemption, and sending it to the Appropriations Committee clearly will not rectify this problem. I am inclined not to vote to recommit the conference report, because I do not think any useful purpose will be served.

I should like to see the independent producers have a 500-barrel exemption. We gave them a thousand-barrel exemption in the Senate, and I think they are entitled to it. However, it has been taken away from them. They have kept faith.

When we debated this bill, I furnished the Senate with statistics showing that Exxon, with $80 billion in revenues last year, spent less than 2 percent of that in looking for new oil; Texaco, less than 3 percent; and the independents invested 110 percent. So the conference committee burdens the wrong people.

Mr. BENTSEN. Mr. President, will the Senator yield?

Mr. BUMPERS. I yield.

Mr. BENTSEN. Having been a conferee, I disagree with much of what the conference did. However, on the amendment I sponsored here, in which the Senator from Arkansas was a help, on the exemption for the independents, we did save three-fifths of it. On the thousand barrels, the major would be paying 70 percent on old oil, and the independents would be paying 50 percent; and of the $57 billion in taxes that the independents would have paid under the House bill, he will now be paying approximately $22.5 billion. So we have saved him approximately $34.5 billion.

In addition, we were able to save depletion for the independent. As the Senator knows, that was attacked, too, both on the House side and on the floor of the Senate. We won that fight on the floor of the Senate, and we were able to prevail in the conference against the House position on that.

Mr. BUMPERS. I must confess that I was not aware of those figures, and that is of some help. It is not as much as I would have liked, and it is not what the Senate adopted. That will help the independents considerably.

Mr. BENTSEN. Because of the long hours and days of the emotional fight we had in the conference, I do want it understood that we did win some of it.

Mr. BUMPERS. There is another point that probably should be made, and it is this: I believe that most of the royalty owners, particularly those from whom I have heard, are under the mistaken notion that they are going to be taxed at 60 percent on the total amount of their royalties; whereas, that is not the case. They will get the first $15.20; they will get the royalty free and clear of windfall profit tax on that. It is the excess above that on which they will be taxed at 60 percent.

That point needs clarification, because I believe many of them are laboring under that misunderstanding.

Mr. BENTSEN. I think the Senator from Arkansas is right, from the mail I have been receiving.

Even so, as the Senator has justifiably pointed out, those who are getting stripper production and are participating from a royalty standpoint will now find a tax placed on that, which will result in a net reduction in the amount of money they receive, and that is wrong. It should not be that way.

Mr. BUMPERS. I thank the Senator for yielding time to me.

Mr. JAVITS addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. BENTSEN. Is the Senator going to speak in favor of Senator DOLE's proposal?

Mr. JAVITS. No. I am speaking for the conference report.

Mr. BENTSEN. I yield 2 minutes to the Senator.

Mr. JAVITS. If the Senator will yield me 3 minutes, I will try to keep within that liberal time allowance.

Mr. BENTSEN. If the Senator wants more time, much more will be available.

Mr. JAVITS. I thank the Senator.

Mr. President, the compromise reached by the House and Senate conferees on the windfall profit tax is far from perfect, but perfection is not a real option in a legislative body such as ours. Indeed, the Nation is divided over the best way to confront our energy policy problems. I will support this conference as a positive and important foundation for a long-term national policy of managing the transition from oil to new forms of energy.

Having gone through some of the negotiations myself, with Senator WILLIAMS, Senator LONG, Senator BENTSEN, and other colleagues, in respect of that part of the tax which would be reserved for the poor and near poor in dealing with their energy problems, I realize the vast number of compromises that have been made.

But the principle is right; because the principle proposes to use for the purposes of the United States—even though I may not be in full agreement with the way in which those purposes are named in the bill itself—the essential return from the windfall profit tax.

I said that I am not satisfied with the way it has been done, for the reason that I do not believe enough has been provided for the transition from oil to other forms of energy or the transition from a 50-percent dependence upon imported oil to independence. There, the major element, as I see it, is that a very large amount has been put aside or earmarked for tax cuts which, in my judgment, should have been earmarked for the transition from oil to other techniques—solar energy, all kinds of other ways of dealing with the problem—rather than to leave it up in the air and to hold out hopes of tax reductions which have no real relevance to the windfall profit tax purpose, which is to take, for public purposes, what would be an unfair advantage, for private purposes, of those who will benefit from the unbelievably high prices fixed by the OPEC oil cartel.

Mr. President, as to the fuel assistance program—and I am pleased that Senator LONG is now in the Chamber—I will say that Senator LONG and I have had some tough negotiations in many matters. This was one of the toughest. I think the way we finally came out, each of us took a chance; and I hope those risks will justify our feeling that the risk was not one the poor would run but one that we were running, based upon our deep convictions on the subject.

I am satisfied that we have laid the basis for a fair allocation, under fair planning, which is critically important; because we in the Senate believe in giving the option to individual States to run a program which is apposite to that State, and the House wanted to make it a basic social security program for everybody, all over the country. Considering the crushing inequities that has imposed on States such as mine and other heavily populated, industrialized States with large concentrations of the poor, I could see a repetition of the welfare experience in this fuel assistance program. But we retained what we had in the Senate for the ensuing year. A pattern having been established, I am very hopeful that, with the great help of Senator LONG and his colleagues, we may sustain that pattern.

One last point: It must be realized that the earmarking in the bill is like a letter of intent. We still have to pass law and we still have to appropriate money. So we must all realize and the public must realize that this cannot be a binding commitment. We cannot bind future Congresses. So we did not pretend to do something which was impossible.

The windfall profit tax before us is a stronger, and, I believe, better measure than the one enacted by the Senate. It raises more revenues, but not so much as to inhibit the search for new supplies; it imposes some tax on all categories of oil, in recognition of the fact that all domestic producers are benefiting from the "windfall" of inflated OPEC cartel pricing and that all must therefore contribute to financing new energy sources; it provides needed expansion in residential solar and some business energy investment tax credits; finally, but not least, it sets aside a minimum of $55 billion to help the poor and near poor pay fuel bills as energy prices escalate during the course of oil decontrol.

For the coming heating season, it authorizes the fuel assistance program that I and my colleagues on the Labor and Human Resources Committee worked long and hard to design and enact. Under these provisions, Governors may design programs subject to HEW approval, which could provide also vendor payments or direct assistance to low-income families based on the fuel costs they confront. This program can also encompass the innovative kinds of programs pioneered by the City of New York this year in which building owners with eligible tenants received fuel assistance which they were not obligated to repay if they invested the same amounts in conservation improvements. Other forms of loans and grants and emergency assistance can be built into State programs to minimize the burdens high fuel prices impose on those least able to pay.

However, the measure unquestionably has flaws. The tax itself could be constructed more fairly and with greater regard to its effect on oil production. It should have contained expanded conservation incentives for oil- and gas- and wood-heated homes. It should have included some relief to middle income fuel users. Most unfortunate however, is the failure to designate substantial portions of the revenues for major strides in producing new energy technologies and greater energy productivity investment including, mass transit. A substantial justification for not permitting oil producers to retain their new profits for whatever investment they chose was the sense that there is an urgent need to bring about investment in nonpetroleum energy resources on a timetable more accelerated than business-as-usual in an economy cautious about high risk will permit.

Setting aside 60 percent of revenues for undesignated purposes short circuits the energy transition financing package the Nation needed. This portends repeated annual battles over the proper form of a national energy production program. Instead, we should have defined at least the direction and size the Government's "energy transition" package could be reliably expected to take for the decade. The markets are necessarily waiting for such a signal. They will, clearly, have to wait a little longer.

But on balance, Mr. President, the enactment of the legislation is a milestone in the contentious process of formulating our energy policies. I look forward to the opportunity this year and next of developing the still-necessary parts of our energy package. Not only must be complete a synfuels production package and establish strong conservation and solar banks with resources to offer owners of small homes, apartment buildings, and commercial structures, and enact a workable coal utilization program, but we must still enact a long term low-income fuel assistance program, establish a secure strategic petroleum reserve, guarantee competition in the oil industry to stop the skyrocketing profit taking we witnessed this last winter, advance research and development in technologies from heavy oil refining to fusion power, accelerate the use of municipal waste as a source of fuels and find mechanisms to encourage the production of oil and gas in the non-OPEC countries. We must realize the dire necessity of reducing our use of scarce petroleum fuels through immediate mandatory measures. Our freedom as a people depends on breaking the ties of dependency on the politics of Persian Gulf oil producers. And we have far to go before that task is completed.

Mr. President, I feel very strongly about the utilization of very large resources for the transitional purposes which I have described. There are enormous strides that can be made in new energy technologies and greater energy productivity, for example, the investment in mass transit, and we have a great interest but that does not mean we should be penalized because we have an enormous ridership in mass transit. New York is always accused of being wasteful in this and wasteful in that and wasteful in the other. It is certainly not wasteful in gasoline and wasteful in energy because it has a very articulate mass transit system.

Also I believe very deeply in investment in finding energy resources in the less developed countries where the geologists tell us about half of the likely resources to be discovered are located and also, of course, in nonpetroleum fields and in conservation which takes considerable investment.

I think we must all be scratching our heads over whether we made a good deal in the billions we put into environmental changes in factories, plants, utilities, et cetera, and when we were not thinking about energy conservation and whether we might have put that money to much better use at least in a combination of approaches. When we were doing the environment in scrubbers it probably would have been a lot cheaper to convert to the possibility, at least, of coal, than it is today.

So, these are the kinds of things to which I hope we will devote these resources. I think the conferees struggled with an enormous task. They came out with a decent result. I intend to support it.

Thank you, Mr. President.

Mr. LONG. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. LONG. Mr. President, let me say to the Senator that he is a dedicated fighter for those things in which he believes.

In some respects he finds himself in a minority with regard to some of the issues in conference between the Senate and the House of Representatives. But the Senator was absolutely determined and he was unswerving in his dedication to his views and he fought like a tiger for what he wanted. In some respects he had to split the difference with the House of Representatives on some of these issues, but I was pleased to support the Senator and to back him because he was there representing the majority view of the Senate, and I told him I would support his position in conference and I believe the Senator will attest that I did support him in his efforts to see to it that New York, which he so ably represents, as well as those Northern States in the frost belt, were treated fairly and that the compromise that we made was about the best that could be worked out under the circumstances.

The Senator is very anxious to help the low-income people, and I share his concern.

Obviously, you split the money a little differently if you are looking after Louisiana than you do if you are looking after New York.

I believe what emerged from the conference was a fair compromise. It was very hard fought. It probably was the most hard fought item in the conference between the Senate and the House of Representatives.

I think the Senator was a statesman and also a tireless battler for his position until he was able to get what he believed was about the best compromise that could be arranged between two rather intransigent sides. Both of them were pretty well dug into their positions.

Mr. JAVITS. I thank Senator LONG. I say every word he said about me about him.

Mr. LONG. I thank the Senator.

Mr. JAVITS. I am very grateful.

Mr. LONG. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator has 112 minutes remaining on his side on the conference report.

Mr. LONG. How much does the other side have?

The PRESIDING OFFICER. 121 minutes.

Mr. LONG. I ask unanimous consent that there be a quorum call and it be charged equally against both sides.

The PRESIDING OFFICER. Without objection, it is so ordered. It will be so charged.

Mr. LONG. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MATSUNAGA. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BRADLEY). Without objection, it is so ordered.

CLARIFICATION OF THE PRODUCTION TAX CREDIT

Mr. MATSUNAGA. Would the manager of the bill clarify the wording of the production tax credit provision in the conference report. This provision is the same amendment which I proposed on December 14, 1979, and which was contained in the Senate amendment. It extends the production tax credit to steam produced from solid agricultural byproducts in existing facilities to the extent subsequent, additional or replacement equipment expands the steam production capacity of the facility.

While the Senate amendment and the conference report do not specify any particular method of measuring expanded capacity, it is my understanding that any reasonable method of establishing this could be used.

Thus, for example, if a taxpayer adds equipment such as drying or densification to an existing facility and such addition allows the facility to increase its overall Btu output of steam derived from solid agricultural byproducts for the year, the credit would apply; this would be so, although the boiler capacity remains the same, because the overall production capacity of the facility to produce steam from solid agricultural byproducts has in fact increased. Does the distinguished manager share this understanding?

Mr. LONG. The Senator's statement accurately reflects my understanding of the application of the Senate amendment and the conference report.

CLARIFYING QUESTION ON OTEC CREDIT

Mr. MATSUNAGA. Would the manager further clarify the provision on ocean thermal energy equipment? The conference bill extends the energy tax credit to ocean thermal energy equipment at either of two locations designated by the Secretary. My understanding is that the conferees agreed that two sites will be designated. The designation of the two locations need not be simultaneous. The Secretary may first designate one location and at a later time, he may designate another location. However, he will designate two sites under this provision. Is this understanding shared by the manager?

Mr. LONG. Yes; it is.

Mr. MATSUNAGA. I thank the distinguished manager for his clarification and I also wish to express my appreciation for his role in securing the ocean thermal energy tax credit.

TAX TREATMENT OF FEDERAL ROYALTY OIL

Mr. LONG. Mr. President, on last Friday, the Senator from New Mexico (Mr. SCHMITT) raised several questions with respect to the treatment of Federal royalty oil and its affect on State revenues. As the Senator knows, I am very concerned with this matter and have discussed it at some length with the Senator from Wyoming (Mr. WALLOP). It is unfortunate that the manner in which this issue arose prevented the Senate conferees from prevailing in their desire to exempt Federal royalty oil from the tax.

In response to a question from the Senator from Wyoming (Mr. WALLOP), this Senator indicated that failure to exempt Federal royalty oil from the tax would cost the various States $2 billion. This $2 billion revenue loss estimate assumed that a constant 2 percent of all domestic production (other than from Prudhoe Bay or a national petroleum reserve) is Federal royalty oil; 29.4 percent of all Federal royalty oil is assumed to be from on-shore leases in the Lower 48 States.

Under the Mineral Lease Act, one-half of these onshore royalties go to the States in which the leases are located. Thus, it is assumed that 14.7 percent of the 2 percent of domestic production that is Federal royalty oil goes to the States. In making the estimate of revenue losses to the States, all Federal royalty oil was assumed to be taxed in tier 1 with production increasing slightly over the decade. However, if tier 1 oil were assumed to decline at 10 percent annually and newly discovered and incremental tertiary production to increase sufficiently to maintain the 2-percent total, the revenue loss estimate would total $1.3 billion.

If a $35 price is assumed, then the revenue loss estimate would be $2.5 billion if all production is in tier 1 and $1.6 billion if production is split between tiers 1 and 3.

Senators should keep in mind, however, that Federal royalty oil currently is subject to price controls. Therefore, the revenue estimates generally do not represent decreases in the present level of payments to the States involved.

It is very difficult to estimate the effect this will have on any given State because our revenue estimating model, which attempts to estimate revenues on a national basis, is not specific with respect to the location of Federal royalty oil in any particular State. However, it may not be unreasonable to assume that the revenue losses experienced by various States will reflect their relative shares of onshore Federal royalty revenues. The Senator should be aware, however, that differences in the tier and base prices of oil between various States could dramatically affect the windfall profit tax due on Federal royalty oil from any particular area. The best data that we have been able to obtain indicates that in 1979 the following States received the largest shares or distributions of payments from onshore Federal royalties:

	Percent
Wyoming	49
New Mexico	19
California	11
Colorado	9
North Dakota	3
Montana	3
Utah	2

Mr. President, the Mineral Lands Lease Act (30 U.S.C. 191) provides that 50 percent of all moneys received by the Treasury from sales, bonuses, royalties, and rentals of public lands under that act are to be paid to the States (other than Alaska) within which the leased lands or deposits are located. This act has been amended in the past to change the percentage of Federal royalty receipts which are paid to the States; Congress could change that percentage, once again, in light of the effect of the windfall tax on payments to the States.

However, as all Senators know, the financial relationship of the Federal Government to the States is a complicated and delicate one. The conference report does not change this relationship or discriminate against any State; some States, nevertheless, will receive less moneys from the Federal Government than would have been payable if Federal royalties were exempt. Congress would decide to change this by increasing the percentage payable under the Lands Act or by exempting Federal royalties entirely. Many Senators and other interested persons surely will want to have an opportunity to discuss the issues fully before any legislation is adopted. Therefore, I agree with the Senators from Wyoming (Mr. WALLOP) and New Mexico (Mr. SCHMITT) that hearings should be held to consider proposals on this matter.

Mr. President, I ask unanimous consent that I might suggest the absence of a quorum to be charged equally against both sides.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered. Who yields time?

Mr. LONG. Mr. President, I ask unanimous consent that the Senator from New Hampshire be recognized and that the time allotted to him be charged against the opponents of the conference report.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, by the news stories and political rhetoric of recent months, one might reasonably conclude that the oil companies are getting rich at the expense of the consumers. However, when one takes a look at the figures, as is so often the case some new information emerges.

Who owns the oil companies, Mr. President? The answer to that is the stockholders. Most of those stockholders are ordinary human beings of modest means, not some fat, cigar smoking tycoon who spends his day in a city club in an overstuffed leather chair, trying to figure out how to corner the market.

Most shareholders are ordinary citizens of average means who put their money into productive enterprise in the hope of protecting it from inflation and in the hope of earning some return on their capital, earning some reward for deferring consumption and investing in production.

There are even a great many shareholders among that group called the blue collar segment of our society who have invested indirectly in stock through their pension plans and their insurance plans.

So when we consider this tax on the oil companies, we ought to realize that, as is always the case, we are not taxing a company, we are not taxing a faceless entity; we are taxing human beings. Most of those Americans today are already being taxed at an unprecedented level. I just do not see the economic sense in raising the tax burden.

To the extent that the oil companies cannot absorb this tax and pass it along to the shareholders, it will be passed along to the consumers. So in the end the people will pay this tax and not the oil companies.

Mr. President, if one looks at the financial pages of the daily newspaper, one finds some interesting things. We hear so much about the vast profits of the oil companies. But if you look at the yield you find it is really quite modest. In joy you find it is really quite modest. In almost every case it is below 10 percent. Sometimes it is 6 or 7 percent, and sometimes less than that. Less than 10 percent is what the yield is to the shareholders who own the oil companies. It is less than 10 percent.

It also happens that today, if you choose to invest your money in Government debt instead of in productive enterprise, you can do much better than that. According to the Wall Street Journal of this date, if one invested yesterday in 13-week Treasury bills one would enjoy a yield of 16.5 percent, more than double the yield the shareholders of the oil companies enjoy, with no risk to your capital. At least, that is what we have always said to those who invest in Government debt, that it is the safest investment. I am not so sure how much longer it will be the safest investment. We will ignore that argument as it is a matter for another day.

The 16.5 percent is what you can get today by investing in Government debt, an assured return, with no risk to your capital. And yet those who risk their capital in a highly regulated industry enjoy a return on their investment of less than 10 percent.

Some might come back and say, "Well, perhaps the yield on oil stocks is low but those who own the stocks have enjoyed great capital appreciation. The value of their stocks has gone up."

That is not a correct assertion. The fact of the matter is that investing in oil company stocks has been a very poor investment over the last 10 years especially if you factor in inflation.

Mr. President, I have a table which lists the financial figures for a dozen of the largest oil companies. I ask unanimous consent that that be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

SELECTED OIL STOCK PRICE

	Amarada Hess	Atlantic Richfield	City Service	Exxon	Gulf	Mobil	Shell	Standard Oil California	Standard Oil Indiana	Standard Oil Ohio	Texaco	Union Oil
Original investment (1970)	$1,000.00	$1,000.00	$1,000.00	$1,000.00	$1,000.00	$1,000.00	$1,000.00	$1,000.00	$1,000.00	$1,000.00	$1,000.00	$1,000.00
Current worth of investment [1]	1,775.94	2,559.85	2,206.11	1,912.60	1,496.55	3,076.52	3,070.41	3,016.17	4,362.16	5,112.32	1,147.06	3,090.55
6-percent savings account [2]	1,790.85	1,790.85	1,790.85	1,790.85	1,790.85	1,790.85	1,790.85	1,790.85	1,790.85	1,790.85	1,790.85	1,790.85
Difference between bank account and stock [3]	−14.91	769.00	415.26	121.75	−294.30	1,235.67	1,229.56	1,225.32	2,571.31	3,321.47	−643.79	1,299.70
Current worth (deflated) [4]	863.11	1,244.09	1,072.17	929.52	727.32	1,470.89	1,467.92	1,465.86	2,120.01	2,484.59	557.47	1,502.01
Paper profit [5]	775.94	1,559.85	1,206.11	912.60	496.55	2,076.52	2,070.41	2,016.17	3,362.16	4,112.32	147.06	2,090.55
Capital gains tax [6]	310.38	623.94	482.44	365.04	198.62	810.61	808.16	806.47	1,344.86	1,644.93	58.82	836.22
Loss with deflation [7]	−136.89	244.09	72.17	−70.48	−272.68	470.89	467.92	465.86	1,120.01	1,484.59	−442.53	502.01
Original investment (1975)	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Current worth of investment	2,708.66	1,873.31	2,701.87	1,479.50	1,978.72	3,426.42	2,670.10	2,537.42	1,567.23	2,718.69	1,378.79	2,343.28
Current worth (deflated at 66.9 percent)	1,812.08	1,253.24	1,807.55	989.79	1,323.76	2,292.27	1,788.30	1,697.53	1,048.48	1,818.80	922.41	1,567.66

[1] 1980 value of investment.

[2] 1980 value of $1,000 investment made in 1970 in savings account at 6 percent interest.

[3] Differential of $1,000 invested in stock and $1,000 invested in savings account.

[4] 1980 value of stock investment considering inflation.

[5] Profit on stock investment made in 1970 as of 1980.

[6] Capital gains tax on profit on stock investment.

[7] True loss considering capital gains tax and inflation.

Mr. HUMPHREY. I would like to highlight a few figures from that table.

Mr. President, if one invested $1,000 in Amerada Hess 10 years ago, in 1970, today that investment would be worth $1,776.

If you factor in inflation, if you apply the deflator to that $1,776, the investment proves today to be worth $863. So for $1,000 invested 10 years ago, having tied up one's $1,000 for 10 years, one is rewarded with a real decrease in purchasing power of approximately $137.

If one invested $1,000 in Atlantic Richfield 10 years ago, the investment today is worth some $2,500. Again applying the deflator, the investment is worth $1,244. So for tying up one's capital, putting it at risk for 10 years, you earned $244.

Any school child could point out that an investment of $1,000 in a 6-percent savings account, compounded, would have been a far better investment than investing in the oil companies—or at least in Atlantic Richfield.

So it goes on: Cities Service, current worth after inflation, $1,072. For having invested and risked your $1,000 for 10 years, you enjoyed a capital appreciation of $72. Exxon, a $1,000 investment 10 years ago today is worth $929. You have lost $71. Gulf, $1,000 10 years ago, today is worth $727, a loss of $273. Mobil Oil, $1,000 invested in Mobil 10 years ago today is worth $1,470—a $470 profit over 10 years.

Again, an ordinary 6-percent savings account would have yielded a profit of nearly $800, nearly twice as much as an investment in Exxon.

A $1,000 investment in Shell in 1970 today is worth $1,230, a $230 profit. Again, a savings account would have yielded a $790 profit. Standard Oil of Ohio, for a 10-year investment, a $225 profit. A 6-percent savings account, $790.

Standard Oil of Indiana today is worth $2,571. That is probably the most profitable venture of them all. In the case of those who invested in Standard Oil of Indiana 10 years ago, they in fact did somewhat better than a 6 percent savings account.

Texaco—if you invested $1,000 10 years ago, your investment today is worth $447. You have lost $460, not to mention the money you lost, the interest you lost, had you invested it in a savings account.

Union Oil, a $1,000 investment 10 years ago today is worth $1,500, still less than one would have realized with a plain old 6 percent savings account, no risk to capital, no worry about Government overregulation.

The suggestion that the oil companies are getting rich at the expense of the consumers, Mr. President, is fallacious and those who promote that point of view are doing this country a great deal of harm. Investors in oil companies are not realizing very much yield in terms of dividends. As I have pointed out, one can do twice as well investing in Government debt. Investors in oil companies are not doing well in terms of capital appreciation. In almost every case, investors in oil companies have fared more poorly than if they had just put their money in the bank at 6 percent.

Mr. President, if the oil companies are not distributing these alleged vast profits in the form of dividends, then what on earth are they doing with them? Are they hiding them? If they are hiding them, the SEC has not figured it out. They are not distributing them in the form of dividends, they are not hiding these profits; then what is becoming of this money? Again, if one examines the figures, it is not difficult to figure out. It is being reinvested, mostly in the production of oil. It is being reinvested.

President Carter summoned the courage to deregulate prices some time back, and I gave him credit for it publicly, although I am not a member of his party. It did take some courage to do that. When he did that back in the fall, or began the process of deregulation, the idea was to encourage two things: One, conservation, and, two, production. The conservation aspect is working. It has been very painful, but it is working. Petroleum consumption in this country was down about 10 percent over the last 12 months versus the preceding year. The price mechanism is working. It is painful, but it has been necessary to endure some pain because, for the years prior to that, thanks to Government controls, we enjoyed artificially cheap petroleum products in this country.

The other aspect, production, is beginning to work, too, but I fear that by our actions, we in Congress are going to stymie that process. There simply is very little point in deregulating the price of oil if we are going to take away the bulk of the profits in a new tax, which is precisely what the so-called windfall profit tax will do, take away the bulk of these new profits. Disregarding entirely for the moment the windfall profit tax, Mr. President, just by virtue of decontrol of oil prices, the Federal Treasury will realize revenues of approximately $350 billion over the next 10 years, just by virtue of decontrol. Two years ago, before decontrol was initiated, no one knew that we were going to have this money. No one knew even 18 months ago that Congress was going to have an extra $350 billion to spend.

Speak of windfalls; there is a windfall. We did not know we were going to have that money a year ago. Yet, over the next 10 years, we are going to realize, by virtue of decontrol, $350 billion at a minimum. It will probably be much higher.

But that is not enough for Congress, a $350 billion windfall to spend. Congress wants more. So we are about to pass, evidently, a tax falsely called the windfall profit tax. A more accurate name, which this body has refused to accept, would be the petroleum excise tax. It is really an excise tax and not a profit tax by any means. But we are about to enact this so-called windfall profit tax, which will yield the Federal Treasury and give us in Congress another $230 billion on top of the $350 billion that we had no notion we would have at our disposal just a year ago.

I cannot help but think that the windfall profit tax is more a spending measure than it is a revenue measure. We cannot even figure out what to do with all that money. Yet, because of the antibusiness attitude which prevails in Congress and notwithstanding the facts, some of which I have recited, and notwithstanding the logic that would dictate that we leave these profits with the oil companies so they will continue to reinvest them as they have historically—notwithstanding all those powerful arguments, Congress is about to place this very heavy tax on the oil companies, who will, of course, pass it on to the consumers. We cannot tax a company. Companies do not pay taxes; people pay taxes.

Mr. President, there are some cynics who say that the oil companies are not interested in their own industry, that they are not reinvesting these profits in exploration and development. Then they go on, these thrashers of big oil, to talk about the purchase of Montgomery Ward by Mobil and Reliance Electric by Exxon, implying that the oil companies are investing this money outside their own industry on a grand scale.

Again, if you look at the figures, for those who are interested in facts, those who want to act on the basis of fact versus emotion, a study conducted by the Chase Manhattan Bank covering the years 1968 through 1977 showed that the oil industry rate of diversification was only 6 percent of capital expenditures. Six percent. That, Mr. President, is a rate of diversification lower than American industry in general.

It seems to me, Mr. President, the bottom line involved in this question is this: Is it better to leave these new revenues which flow by virtue of decontrol in the hands of the oil companies, who historically reinvest them and will reinvest them in production—exploration and production—boosting the output of domestic energy we so badly need, or is it better to turn over this money to the high rollers in Congress to spend it on heaven knows what?

Whatever it is spent on, we may be assured it will very unlikely increase our domestic energy production and reduce our dependence on the oil pirates around the world.

In facing the energy crisis, it seems to me we have two positions. We can act on the basis of emotion, as apparently the Senate is about to do. We can stick it to the oil companies and turn over their revenues to the Federal Treasury. Or we can let the oil industry reinvest those profits in exploration and development and in the boosting of domestic production.

I have no doubt which course our friends in OPEC are hoping we will take. I have no doubt, for that matter, which course our adversaries in Moscow are hoping we take.

They are undoubtedly hoping we will enact this tax, this further disincentive to energy production, and one can certainly understand why.

As things now stand, before we pass this so-called windfall profit tax, Washington stands to benefit by receiving 50 percent of all oil company revenues—as things now stand.

I mentioned earlier, that that will amount to $350 to $400 billion over the next 10 years, more than enough to help the poor with their energy costs, more than enough to encourage residential energy conservation, more than enough to fund the synfuels program and mass transit—far more than enough.

We do not need to impose another tax that will wring out another $230 billion from the capital which our industries need to produce energy in this country.

Mr. President, this so-called windfall profit tax was bad enough when it passed the Senate. It is even worse now after coming back from conference. We are soon going to face a series of votes on this report. I think it would be useful to quickly review what happened after it was passed in this body.

The Senate sent a bad bill to conference and it came back a lot worse. The Senate version would have taken $178 billion from the oil producers in this country, and now we have before us a bill that will take an excess of $230 billion.

These are billions of dollars that would have been used to increase petroleum production and develop synthetic fuels in the United States.

This capital, needed by our country's oil producers, will disappear into the maw of the Treasury for profligate expenditures.

What happened in conference? I have mentioned the tax was increased by $50 billion.

A 10-percent minimum tax on newly-discovered oil was raised to 30 percent. New oil is the only thing that is going to tide us over until we develop new energy technologies, but this 30-percent tax is going to significantly block its production. Also, an exemption for independent producers that was supported by a majority of the Senate was cut as was an exemption for stripper oil production. The exemption for independent producers on the first 1,000 barrels of production turned into a 50-percent tax for upper and lower tier oil. Independent producers are now subject to a 30-percent tax on stripper production.

Independent producers plow back over 100 percent of their net income into exploration and discovery. It has been estimated that the Senate exemption for independent producers would have meant more than 40,000 new wells. More than 4 billion barrels of added oil and gas reserves and the potential of 950,000 additional barrels of oil and gas production a day by 1990, are now lost because of this tax.

Tax rates for incremental tertiary and heavy oil were boosted to 30 percent. The bottom line is that each of these hikes represents less domestic petroleum production.

Finally, important residential energy tax credits were stripped from the bill. Valuable oil conserving tax credits that the Senate granted for expenditures on fuel efficient furnaces and wood burning stoves did not survive the conference. This bill had only a few provisions to reduce the tax burden on Americans, and they were whittled away to nothing.

This bill, H.R. 3919, does not propose a windfall profit tax. The tax is not a levy on profits, and it did not even attempt to address the issue of profits. It is a tax on the price of every barrel of oil produced in the United States (with a few exceptions), and therefore, it is a sales tax. In its final form, the tax will take approximately $230 billion from oil producers in this country. The cost of this tax on the oil companies will be passed on to the American people in higher gasoline and fuel oil prices. In fact, everything that is made with petroleum, plastics, paints, chemicals, and so forth, will cost more because of the Government's greed. The truth is, Washington is foisting one of the largest sales taxes in history upon the American people by disguising it as a "windfall profit tax."

On that score, Mr. President, it seems to me it would be far more honest, if Congress wants a revenue measure, for it to raise a tax at the point of sale, at the gasoline pump, so that the American people know who has levied that tax on them.

Disguising the source of this tax, seems to me, is a rather deceitful procedure.

The windfall profit tax will decrease American production just when we need to increase it the most. The Congressional Budget Office conservatively estimated that because of the tax we will lose 800,000 barrels of oil production a day by 1990. The actual amounts could, and probably would, be much greater. Some estimates pin the production lost at 2 million barrels a day. The Government is taking away money that is needed to explore and develop areas that require very expensive technology such as the Arctic and offshore regions, and it is removing much of the incentive provided by decontrol.

Also, the size of the tax is tremendous at a time when we are trying to reduce taxation and limit Federal growth.

If there is one common thread, Mr. President, running through all the difficulties we have today, that common thread is excessive spending by Congress.

Because of this, the public sector has grown and grown and grown, until it has reached the point where it is crushing the private sector.

I had men in my office from the housing industry from my State. They are going bankrupt. Last week I had automobile dealers in my office. They are going bankrupt. They cannot survive under the situation, under the conditions the Government has imposed.

Why is this? Why is the private sector being crushed? Simply because Congress cannot control its spending and cannot control its appetite for more revenue. So the public sector grows and the private sector shrinks. As the private sector shrinks, it is less capable of providing the goods and services our people need, and they come flocking to the Government for more Government; and the public sector grows and the private sector shrinks some more. Ultimately, we will have some form of collapse, which may not be far away, if we do not curb this insane taxing.

We cannot afford this new tax, any more than we can afford any new tax. The size of the tax is tremendous. The tax is the largest single tax ever levied against an American industry.

Under existing tax law and royalty agreements, Federal, State, and local governments will get 60 percent of added crude oil revenues resulting from decontrol. This means that even without the windfall profit tax, the Government will realize more than $350 billion by 1990. That is vastly more than enough to fund the programs to help the poor with heating fuels, to implement the synfuels program, and to encourage conservation and mass transit.

Finally, this tax will increase our dependence upon foreign oil. By taxing domestic oil production—and this bill taxes only domestic production, not the profits or the revenues or the sales of American oil companies doing business abroad, but only domestic production—by taxing domestic oil production, we will discourage the development of American oil reserves. At a time when we must turn to our own oil reserves for energy self-sufficiency, we are driving the oil companies abroad to purchase oil.

The tax flies in the face of logic and our efforts to reduce our reliance on foreign sources of supply.

Charges that the oil companies are not reinvesting in oil exploration and development are not true. Studies conducted by Chase Manhattan Bank and Bankers Trust Co., and presented to the Senate during consideration of this measure, show that oil companies traditionally have put more into oil development than they have retained after taxes. That means the companies have gone into debt through issuing stock to finance their operations. The allegations that oil producers have been spending their money to purchase nonenergy businesses are misleading.

Mr. President, this proposed legislation is the greatest disincentive possible for increasing petroleum production that this country has ever seen. Any Member of this body who is sincere about supporting increased domestic production and who is sincere about reducing or at least holding the line on increases in the tax burden Americans are supporting today cannot possibly support this bill with any intellectual honesty.

I urge my colleagues to vote to recommit this bill or, failing that, to reject it.

Mr. President, I have the privilege of representing the State of New Hampshire in this body. We are an oil consuming State; we do not produce a drop of oil. I was the only Senator from New England to vote against this so-called windfall profit tax. I was one of only four Senators representing States east of the Mississippi to oppose it. I have taken a lot of political heat for it. Yet, I continue to oppose this tax—not because I am here to protect big oil. Let them protect themselves. They are fully capable of it.

I do not like big oil. I do not like big business. I do not like big labor. Most of all, I do not like big government.

There is not an ounce of sense in this measure. As long as we go on reacting emotionally instead of using our intellect to solve this Nation's problems, our constituents are going to suffer the way they are suffering today, severely—bankruptcies all over the place; people no longer able to afford houses because Washington is hogging all the credit; interest rate at 20 percent for ordinary borrowers, if they can qualify. Why is that? Because Washington, today, in order to continually roll over the trillion-dollar national debt and to finance the $50 billion and $60 billion deficit we incur every year, is commandeering nearly 25 percent of all the capital available in our entire economy. To give an idea of trends, that is up from less than 5 percent of the total capital pool 5 years ago.

I am not here to defend big oil; I am here to defend my constituents. We need to increase domestic production, and we need to ease the tax burden so that the private sector, which is about to be crushed by the public sector, can have breathing space and can have the time and the capital to renew its productive capability, so that we can afford to pay for this Government.

Notwithstanding all that has been said, it appears that this tax is going to be levied, is going to be paid by the consumers in higher prices, in greater scarcity, and that is very unfortunate.

I conclude, Mr. President, by saying simply: God save America from Congress.

Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time be charged to both sides.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. STEWART). Without objection, it is so ordered.

Mr. DOLE. Mr. President, first of all, I wish to pose a question to the distinguished chairman of the committee. It is a question concerning the interpretation of the language on the tax credit for alcohol mixture fuels. Proposed section 44E grants the alcohol mixture credit to the blender.

My question is: Is the conference agreement intended to preclude producers of alcohol from receiving these credits?

Mr. LONG. No, not at all. An alcohol producer could receive the alcohol mixture credit as long as he owns all of the ingredients of the alcohol fuel mixture at the time of the blending process. For example, an alcohol producer might purchase gasoline, blend it with its own alcohol, and sell this mixture to others at wholesale or retail. Alternatively, the alcohol producer could arrange for the blending to take place at a facility operated by the gasoline supplier, or at some other facility. Another possibility would be for an alcohol producer to participate with other parties in a partnership or joint venture to blend and distribute alcohol mixture fuels thereby qualifying for its distributive share of the credit in accordance with the partnership agreement and the tax rules relating to partnerships.

In fact, an arrangement in which the blending takes place at the gasoline supplier's facility might be the preferred method by which alcohol producers involve themselves in the blending and distribution of these alcohol mixture fuels for this would eliminate the inefficiencies and energy waste of transporting enormous amounts of gasoline from a refiner or other distributor to the alcohol producer's plant for blending, and then transporting the gasoline blended with the alcohol back again for retail distribution.

Mr. DOLE. I thank the chairman for clarifying that point. It has been raised by some of those who are interested in the amendment that is in this bill referring to gasohol. I think it will clarify the point they raise.

Mr. LONG. Yes.

Mr. DOLE. Mr. President, as the Senator from Kansas traveled about, and I hope maybe the distinguished chairman might comment after I make a brief statement, there seemed to be a feeling across the land that we are passing another big tax, that the consumer is going to end up paying even though that is not the intent of the windfall profit tax proposal. It was never the intent of anyone on the committee, certainly not the intent of the chairman or this Senator, that this should be passed on to consumers, but I must say that as a practical matter there is a strong feeling around the country that this is just another tax, that it will be passed on by the American industry to the American consumer and make gasoline prices go higher or heating bills go higher or the cost of energy, whatever it may be, go higher.

We have discussed this tax certainly for many months in Congress and many of us have discussed it in our own State and in other States across the country.

As I have indicated, one overriding concern about this tax has clearly emerged, whether the windfall tax will ultimately be passed on to consumers.

If indeed this tax will not ultimately be borne by the oil companies, but by consumers of petroleum products, this fundamental point should be clearly understood by those who are prepared to vote for the tax. The Senator from Kansas suspects that the American people are not going to be delighted if they ultimately have to pay the $227 billion tab for this tax.

When this tax was first proposed, the administration and advocates of the tax advanced the theory that this tax would not be passed in higher oil prices because OPEC, not the domestic industry, set world oil prices. Thus, it was reasoned that the windfall tax could reclaim a portion of the OPEC price for crude oil, without leading to higher domestic crude oil prices. Many have come to doubt this theory.

Because this theory is a central underpinning of the tax, I would like to address several questions on the subject to the distinguished chairman of the Finance Committee:

Given the market power of the major oil companies and their integrated operations, is it not likely that these major oil companies will be able to shift the cost of this tax forward to their refinery operations, to their retail operations and ultimately to consumers?

Mr. LONG. I do not think so. It will be the world market price of oil that will determine the price.

In the business of refining and in marketing we have very strong competition in this country. The world market price is the price to which our crude oil will move.

After crude oil prices are fully decontrolled, U.S. consumers will pay the world price for oil. So it is the decontrol program that will move the price up, not the windfall profit tax.

In an uncontrolled domestic market, domestic crude oil prices will not rise above the world price. This is because purchasers will have the alternative of importing crude oil at the world market price, and thus will not be willing to pay any more than that amount for domestic crude oil.

Imposing a windfall profit tax will not, therefore, cause domestic crude oil prices to rise unless the tax somehow raises the worldwide price of oil.

If the tax reduces domestic production, there will be some upward pressure on world oil prices. The extent to which this will happen is not clear.

While the tax is likely to have some adverse effect on domestic production, it is very unlikely that this will be large enough to have much of an impact on the worldwide supply, demand, and price picture.

This analysis would change if there were a mandatory oil import quota system. With a quota, domestic crude oil prices could rise above world prices, as they did in the 1960's.

With oil import quotas, the windfall profit tax will be more likely to increase domestic crude oil prices because U.S. crude oil prices would be determined primarily by domestic supply and demand considerations, not by worldwide supply and demand or by the actions of the OPEC cartel.

Thus, if there were a quota, any reduction in domestic production caused by the tax would tend to cause U.S. prices to rise until U.S. supply and demand were brought back into balance.

Mr. DOLE. Will that be the same if we impose an import fee? The President has discussed the imposition of an import fee.

Mr. LONG. The import fee will move the price up, but the world price will still control domestic prices. However, if an import fee of let us say, $4 is put on imported products, that would move up all domestic oil prices. A fee also would have the effect of moving up the prices of competitive nonoil energy throughout the country.

The Senator knows that the talk of that proposal has to do with trying to use the crude oil allocation system to put the burden entirely on the transportation system by making the import fee apply only to gasoline at the pump.

May I say to the Senator that I am opposed to the oil import fee proposal. I do not favor that fee, and I do not favor the 10-cent tax on gasoline that the President is talking about recommending to replace the fee.

But if that were to be the case it would obviously increase the price that the consumer would have to pay.

Mr. DOLE. I think there is some question, also, whether the President has the authority to do the allocation, to allocate all the increase in domestic gasoline prices, and this Senator is looking at that legislative authority the President has to see whether it may not be exceeded. I am certain he has had good counsel and advice from highly qualified attorneys, but it seems to us that he may have gone beyond the authority provided.

Mr. LONG. It seems to me that the President is going to put that fee on one way or another. Those of us in Congress will be afforded the opportunity to vote on it. I personally want to vote against it. I think the people feel that they reluctantly would accept the price increase that decontrol implies. They have not been of a similar mind as to paying an additional import fee or an extra 10 cents in tax on each gallon of gasoline over and above what decontrol will bring.

I made it clear to the people in Louisiana, and I wish to make it clear to my colleagues in the Senate, the President, or anyone else interested, that I am opposed to either the 10-cent additional tax or the fee the President is talking about. I am also opposed to trying to balance the budget by increasing taxes. That has been discussed, and I am not for that.

I think if we are going to balance the budget, we ought to do it by reducing spending, and I think that is what the people expect us to do, cut spending rather than increase taxes.

Mr. DOLE. The Senator from Kansas shares the view on the import fee and, perhaps, together we can devise a way to have us vote on it, because President Ford went that route—I think he wanted to raise it $2 a barrel—and Congress said "No." I cannot remember the precise figure, but now President Carter has suggested $4.62. There may be some good reason for it. It does raise some revenue, and certainly that is needed.

But if the industry does not have the power to raise prices above the level set by OPEC, I am not certain what the OPEC average price is now, but the average price in Kansas for stripper well oil is $38 to $40 a barrel, which is higher than OPEC prices.

So again I am not certain how we finally figure out whether the tax is going to be passed on or not passed on.

Mr. LONG. Senator, that is because the price control program is lousing up the market.

Mr. DOLE. Right.

Mr. LONG. If we could get rid of this price control mess, the market will seek its own level and you will pay about the same price in Kansas for oil as you would anywhere else.

Mr. DOLE. I think these are stripper prices, and they are not subject to any controls, so they do a little better, I guess, than obviously those under control.

Mr. LONG. Yes. The price control and allocation system creates all sorts of bureaucratic confusion and I guess there are a lot of refiners, small refiners in particular, that find themselves hard up for some oil to run their refineries. Because of the bureaucratic redtape involved in getting oil, they would be willing to pay $40 a barrel for oil, rather than have the difficulty in finding some.

Mr. DOLE. I appreciate the Senator's comments particularly on the import fee. But, as I said to some of the staff, it seems to me that whether we vote for or against the conference report we have an obligation—certainly the chairman has tried to make that clear—to let consumers understand it was never the intent of our committee or the Congress that this tax should be passed on. It is an excise tax.

I do not see any way the independent can pass it on because he just produces the oil and sells it and the tax is collected. But there could be, and may be, a way that major oil companies could pass it on—and maybe they feel justified or will feel justified—but I wanted to plead not guilty in the event that happens. It certainly was not the intent of this Senator or this Congress that the tax should find its way to the pump in higher gasoline prices, and I think that is the view, at least, we share.

Mr. LONG. The Senator knows and I know there is nothing in this tax that increases profits of companies.

Mr. DOLE. Right.

Mr. LONG. The tax does nothing but reduce the income of the producers. The decontrol of crude oil prices will tend to increase the income of producers, but the tax will reduce their income. It is intended and expected that the price of oil will move to world market prices, and that the tax will simply reduce the income of domestic producers.

Mr. DOLE. Well, I appreciate the statements of the Senator from Louisiana.

I see the Senator from South Carolina prepared to speak. I hope maybe later on this afternoon that I would have another discussion with the chairman with reference to royalty owners. I will just give the Senator a couple of questions perhaps in advance so we can talk about it.

Mr. LONG. I would be pleased to discuss it at any time, Senator.

Mr. DOLE. I would say this, Mr. President, I do believe the industry can live with what we have done in this tax, this windfall profit tax, even the independents. If you look at all the provisions, and even though no one wants to pay a tax, if you look at the price, look at the tax rate they will pay, and the fact that it is deductible from other taxes, and the net income limitation, and all the other provisions in the bill, it is my view that the independent producers can probably survive and make a profit, and there is enough incentive provided in this bill to permit that.

Some of the independents who were here, some who may be here this very moment, do not share that view, but had they been present in the 4, 5, or 6 months we had been discussing the windfall profit tax in the committee, in the markup, in the hearings, on the Senate floor, in the conference, now back again on the conference report, they would understand that many of us on the Finance Committee, including the distinguished chairman, the Senator from Kansas, the Senator from Oklahoma, the Senator from Texas, the Senator from Wyoming, and others, the Senator from Alaska believed we were able to balance the tax so that it would be fair—if there is such a thing as a fair tax—that it would not destroy incentive. But that will be discussed, I assume, more in the next few hours.

Sometime later this afternoon I would like to discuss with the chairman the question of royalty owners because they seem to be coming out of the woodwork, 100,000-some in my State who now discover they also get to pay the tax, and they do not feel honored by it. Maybe we could discuss some of the problems raised there.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, I rise to express my deep concern over the conference report on the oil windfall profit tax legislation.

When this bill was before the Senate last year, I supported it on final passage, in the belief that the Senate Finance Committee substitute achieved a balanced approach to the combined impact of decontrol and escalating crude oil prices.

My primary concern has been, and continues to be, the realization of energy independence for this country. I have long supported the theory that the oil companies should be allowed to plow back any excess profits in searching for new oil and other sources of energy. If they failed to do so, then a stiff tax should be imposed. This Nation will not, I repeat, will not, become energy self-sufficient unless we produce more oil and continue to conserve our petroleum resources.

I have stated on numerous occasions that we must undertake a rational energy program that reflects a firm commitment to energy independence on the part of Congress and the administration. In that regard, Mr. President, for the last several days, I have heard my colleagues from both sides of the aisle express their collective concern over the transformation of this legislation from an "excess profits" tax to what amounts to an excise tax on domestic oil production. This bill, in my judgment, is not an energy bill, and will not contribute to a solution of our energy problems. In fact, it may, due to the complex and burdensome tax imposed on independent producers, actually compound our energy dilemma.

My support for the original version, as passed by the Senate, was based upon the belief that adequate production incentives would be included for both the independent producers and the major oil companies. It appeared to me at that time, as it does now, that our most realistic chance to achieve energy independence was to encourage an intense program of petroleum exploration and development, much of which is carried out by independent producers. The earlier version of this bill exempted from the tax small independents. Unfortunately, the conferees have recommended to impose a stiff tax on them.

Mr. President, I am firmly convinced that the substantive changes made by the conferees will not encourage the oil industry to invest vast sums of capital in the most promising areas of the Outer Continental Shelf, the Beaufort Sea, or in the Over-Thrust belt of Wyoming.

Our concern, and indeed our obligation to the American people, is to enact an energy program that will insure adequate fuel resources in the near term, while we undertake a coherent program of developing long-term energy alternatives.

In addition to my concern over the structure of this excise tax legislation, I am also concerned over the implications of earmarking in advance revenues from this tax for various programs. As I recall, Mr. President, the Senate agreed to subject all revenues generated by this tax to the budget appropriations process of the Congress to insure that we could channel resources to those areas of the economy that required such action. Under the present structure, funding for several programs will be automatic.

Mr. President, in my opinion, there are many inequities in this legislation; however, the bottom line is that the conference version is not an excess profit tax at all, but merely an excise tax, to be paid by the American consumer. It is a complex taxing scheme designed primarily to redistribute resources from oil producers to the Federal Government (a significant portion of which will be channeled to the recipients of social-welfare programs), rather than an integral part of a fair, responsible, and effective energy program. For these reasons, Mr. President, I cannot support the conference report.

Mr. TALMADGE addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia is recognized.

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. LONG, I yield such time as the Senator from Georgia may need.

Mr. TALMADGE. Mr. President, I am grateful to the distinguished majority leader.

ECONOMIC EMERGENCY LOAN PROGRAM AMENDMENTS—CONFERENCE REPORT

Mr. TALMADGE. Mr. President, I submit a report of the committee of conference on S. 2269 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The assistant legislative clerk read as follows:

> The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2269) to extend the Emergency Agricultural Credit Adjustment Act of 1978, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of March 25, 1980.)

Mr. TALMADGE. Mr. President, that is a conference report signed by all the conferees on the part of the Senate. Time is of the essence in acting on this report. Many farmers are waiting to plant this year's crop, waiting on the availability of credit that S. 2269 would provide.

S. 2269, as reported by the conference committee, will extend the economic emergency-loan program under the Emergency Agricultural Credit Adjustment Act of 1978 and provide much-needed emergency operating credit to farmers.

NEED TO EXTEND THE PROGRAM

About 50,000 farmers have obtained economic emergency loans since the program started in August 1978. Nearly 95 percent of all borrowers under the program have been individual farmers.

The economic emergency-loan program has proved to be invaluable to these farmers, and has succeeded without excessive cost to taxpayers. There are no subsidies involved because insured loans are made at interest rates based on the cost of money to the Government and there are no Government outlays for guaranteed loans except for defaults. There have been no such defaults.

Under existing law, the authority of the Secretary of Agriculture to make economic emergency loans will expire May 15, 1980. However, the economic stresses that led to enactment of the legislation in 1978 have not abated, so that there is a clear need to extend the program.

The conference report meets the needs of the U.S. agricultural economy by extending the Secretary's authority to make new loans under the program through September 30, 1981.

NEED TO INCREASE OUTSTANDING LOAN AUTHORIZATION

About $4 billion has already been loaned under the economic emergency-loan program. With a $4 billion cap on outstanding indebtedness under the program, the only money available for new loans is money already repaid under the program. It is estimated that only about $250 million will have become available for loans through paybacks by May 15, 1980. However, at the end of 1979, the Farmers Home Administration had 14,000 applications for economic emergency loans that had not been processed. And, it is expected that additional applications will be received before the program expires May 15 because the winter months are the peak lending season for the program.

Present indications are that there is a demand for about $1 billion in additional economic emergency credit through the remainder of the spring planting season.

As a result, the program will exhaust all available loan funds and come to a standstill—with many loan applications still to be processed—far sooner than May 15.

The conference substitute addresses this problem—and makes additional funds available for new loan applications that will be received after the program is extended past May 15—by increasing from $4 billion to $6 billion the limit on outstanding indebtedness under the program.

ADDITIONAL PROGRAM IMPROVEMENTS

The conference substitute makes several other changes in the economic emergency-loan program that will improve the program. They will encourage the use of guaranteed loans under the program and tighten the eligibility requirements so that farmers most truly in need of emergency assistance can obtain loans.

STUDY OF THE PROGRAM

The conference substitute also requires the Secretary of Agriculture to perform a comprehensive study of the operation and effectiveness of the economic emergency loan program.

I believe that the requirement for the study is very important. Congress needs additional information on the scope and effect of the economic emergency-loan program as a basis for evaluation of its effectiveness.

INSURED LOAN INTEREST RATE

The Senate bill contains a provision, which is not included in the conference report, changing the interest rate on insured economic emergency loans—from a rate based on the cost of money to the Government to a specific requirement that the interest rate equal the rate prevailing in the private market for similar loans. This provision was included in the Senate bill at the request of the administration to reduce the use of economic emergency loans for refinancing credit extended by other lenders, and focus the program on lending for annual operating purposes. I believe that the other changes in the program made by the conference bill accomplish this goal. Certainly, hard-pressed farmers will be better served by a cost of money interest rate; and the Government will not suffer since the interest will be equivalent to the Government's cost of borrowing.

IMMEDIATE ACTION NEEDED

Mr. President, it is crucial that Congress act quickly on S. 2269. Many farmers, caught in a credit crunch, desperately need the farm financing made available under S. 2269. Some will need the credit in order to plant their 1980 spring crops, and the planting season has already started in some parts of the country. For these farmers, time is of the essence.

In light of the urgency involved, I hope that the Senate will adopt the conference report without delay.

I urge my colleagues to join with me in taking this important step for U.S. farmers.

● Mr. ZORINSKY. Mr. President, I join Senator TALMADGE in supporting the adoption of the conference report on S. 2269.

NEED FOR CONTINUATION OF THE ECONOMIC EMERGENCY LOAN PROGRAM

Loan funds are becoming less and less available to farmers. The current tight-credit situation is causing many rural banks to reduce their loans to less prosperous farm accounts. State usury laws are keeping insurance companies out of the long-term credit market in some States. And the loan-to-deposit ratios for rural banks are at all-time highs.

Add to this the facts that farm income is projected to drop substantially, and farm borrowing is projected to increase by $25 billion, in 1980, and it becomes clear that there is a critical need for providing additional loan funds for our agricultural producers.

However, the economic emergency loan program, which has provided supplemental credit to thousands of farmers, will expire May 15 of this year.

In addition, there is a $4 billion statutory limit on the amount of loans that may be outstanding at any one time under the economic emergency loan program. Because the program is near this level now, the approximately 14,000 applications for economic emergency loans that are pending cannot be processed unless Congress raises the cap on outstanding loans.

The conference report responds to the critical credit situation for farmers by extending the economic emergency loan program through September 30, 1981, and increasing, from $4 billion to $6 billion, the cap on outstanding loans under the program.

IMPROVEMENTS IN THE PROGRAM

S. 2269, as reported by the conference, also includes provisions contained in the House-passed bill requiring an applicant for an economic emergency loan, if the loan is for $300,000 or less, to submit at least one written denial of credit specifying the reason for the denial. The Secretary of Agriculture would have the authority to waive this requirement if it was determined to pose an undue burden on the applicant.

If the loan is for an amount in excess of $300,000, the applicant must submit at least two written denials of credit. There would be no authority for the Secretary to waive this requirement.

The conference report adopts the House provision that no loan for more than $300,000 may be insured by the Secretary unless he determines that the applicant cannot obtain a loan guarantee from a private or cooperative lender.

The conference report also includes the House provision that no economic emergency loan can be made to finance outstanding indebtedness on real estate unless the real estate was purchased by the applicant at least 1 year prior to the date of the loan application.

These provisions will help assure that limited economic emergency loan funds are directed to those farmers most in need of credit assistance.

I believe the conference committee has done an excellent job. The conference bill will provide much needed financial assistance to hard-pressed agricultural producers, and, with the modifications made in the program, will make a good program better.

I urge my colleagues to support passage of the conferencet report.●

Mr. BELLMON. Mr. President, I rise in support of adoption of the conference report on S. 2269, authorizing an additional $2 billion for economic emergency loans by the Farmers Home Administration.

I would first like to compliment the distinguished senior Senator from Georgia (Mr. TALMADGE) for his efforts in assuring that the measure we have before us today is responsive to the critical need for reasonably priced agricultural credit as well as the severe budgetary constraints confronting the Federal Government.

Let there be no mistake—the farmers of our Nation are faced with an economic emergency. Subjected to an ill-advised, ill-conceived, and ineptly executed grain export embargo and caught in a vicious cost-price squeeze of lower commodity prices and spiraling fuel, fertilizer, and credit costs, our farmers are in a real crisis. But the crisis of inflation and getting the Federal budget under control is equally real and critical.

I beileve the conference agreement strikes a delicate balance between these two paramount concerns. It eliminates provisions which would have mandated a costly interest subsidy for farm storage facility loans and makes needed reforms on eligibility for economic emergency loans.

Mr. President, many questions have been raised regarding how effectively our emergency and disaster lending programs have been targeted to those most in need. Only 3 months ago, we passed new legislation to clean up abuse in the physical disaster loan program of the Farmers Home Administration. The economic emergency loan program, while not nearly as abused as the physical disaster loan program, has also been the subject of legitimate criticism by the General Accounting Office and others.

The bill we have before us today is an important first step in curbing much of this abuse. In the months ahead, we will be called upon to make further reforms in these and other Federal programs. But I believe that those reforms contained in this bill are adequate to justify moving ahead in providing these needed loan funds.

I wish to note, however, that the conferees chose not to specify that these loans be made at a rate of interest comparable to that prevailing in the private market. Instead, the conference agreement leaves unaltered the current discretionary authority available to the Secretary of Agriculture to set interest rates. I believe that this action is reasonable considering the unsettled and highly volatile nature of private market rates of interest prevailing at the present time.

I would point out that unlike the ongoing real estate and operating loan program of FmHA, which bear rates of interest up to a limit established by formula based on the Federal cost of borrowing, economic emergency lending interest rates are established by the Secretary "taking into consideration" the cost of money to the Government. Within the bounds of the exercise of reasonable administrative discretion, the Secretary may establish rates of interest for these loans closer to or even as high as the prevailing market rate.

This discretionary authority is of vital importance in assuring that this program does not disrupt private credit markets and holds to a minimum further increases in the Federal debt to meet governmental financing requirements.

Mr. President, again, I would like to commend and thank the distinguished Senator from Georgia and I urge adoption of the conference report.

Mr. THURMOND. Mr. President, I rise today to urge passage of the conference report on S. 2269. As a cosponsor of the original bill, I cannot overemphasize the urgency of speedy passage of this legislation. Extension of the Emergency Agricultural Adjustment Act of 1978 is desperately needed by our Nation's farmers. The future viability of thousands of family farms may depend on prompt, favorable action on this legislation.

This legislation would extend through fiscal year 1981 the economic emergency loan program, administered by the Farmers Home Administration. In addition, it would increase the debt ceiling by $2 billion. This increase is essential since the present $4 billion statutory limit on the amount of loan principal outstanding has already been reached. Unless the expiration date is extended and the debt ceiling increased, Farmers Home lending under the economic emergency program will be limited to the amount of principal repaid to the agency over the next three months. This would not be anywhere near the amount needed to fund the loans that have already been approved.

Mr. President, the economic emergency loan program is a reasonable, well-designed, and much needed program. Loans are made only to farmers who cannot obtain credit from any other source. Furthermore, the maximum amount of any individual loan is limited by statute to $400,000; thus, the program is much less vulnerable to the abuses which have taken place in some other Government loan and grant programs.

Should the American farmers be denied this source of credit, they have no one else to whom they can turn. In other words, they would likely be forced out of production—an especially harsh fate, since the overwhelming majority of farmers in need of such loans are in that position through no fault of their own.

The American farmer has been beseiged with economic problems. Unchecked inflation has caused production costs to soar. The level of farmer indebtedness has increased tremendously. Where credit is available, interest rates are becoming unbearable. The list of economic setbacks to our farmers in recent years is seemingly endless.

Mr. President, I cannot overemphasize the importance and the dire need of this legislation. In my State of South Carolina, many farmers, in addition to the economic problems encountered by farmers all across the Nation, suffered crop damage from adverse weather during the past growing season. While drought reduced yields in some sections of the State, excessive rainfall destroyed crops in others. These unfortunate circumstances have placed farmers in my State, in a position of being dangerously low on operating funds. Without this extension of the economic emergency loans, many of these farmers cannot continue to farm.

It is my understanding that, in South Carolina alone, some 121 emergency Farmers Home loans, totaling over $4.5 million, have been submitted but not funded due to lack of funds. I also understand that many worthy loan applications are being held at the county offices of Farmers Home for these same reasons.

Mr. President, swift passage of this legislation is essential. This is especially true in the case of southeastern farmers who begin planting much in advance of farmers in the rest of the Nation.

Mr. President, this economic emergency loan program is vitally important to the agricultural community. Thousands of small family farmers are depending upon us to provide the assistance they so desperately need and certainly deserve. I, therefore, strongly urge all my colleagues in the Senate to support this legislation.

Mr. TALMADGE. Mr. President, I move the adoption of the conference report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. TALMADGE. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

FARMER-HELD RESERVE PROGRAM FOR 1979 CROPS

Mr. ROBERT C. BYRD. Mr. President, this request has been cleared with the distinguished minority leader, Mr. BAKER. Mr. TALMADGE must leave the floor shortly.

I ask unanimous consent that the Senate proceed to consider Calendar Order No. 674, S. 2427.

The PRESIDING OFFICER. The bill will be stated by its title.

The assistant legislative clerk read as follows:

> A bill (S. 2427) to encourage greater participation in the farmer-held reserve program for corn and wheat, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Without objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Agriculture, Nutrition and Forestry.

Mr. TALMADGE. Mr. President, S. 2427 is an original bill reported by the Committee on Agriculture, Nutrition, and Forestry. It would help mitigate the effect that the Russian grain sales suspension has had on American agriculture by encouraging greater participation in the farmer-held reserve program for corn and wheat and make Government-owned corn more readily available for the production of alcohol for motor fuel.

In order to encourage producers to store their 1979 crops of corn and wheat for extended periods of time, S. 2427 would authorize the Secretary of Agriculture to make long-term price support loans under the farmer-held reserve program on the 1979 crops of corn and wheat to any producer who did not participate in the 1979 set-aside program for the commodity. Current loans levels are $2.10 per bushel for corn and $2.50 per bushel for wheat.

The bill would also allow the sale of corn from commodity credit corporation stocks at not less than the release level for corn under the farmer-held reserve program for the production of alcohol for motor fuel at facilities that begin operation after January 4, 1980, and whenever supplies of corn are not readily avaliable, can produce alcohol from agricultural biomass or forestry biomass feedstocks other than corn. Currently, the release level for corn is $2.63 per bushel or 125 percent of the corn loan rate.

On January 4, 1980, the President, in response to the Soviet agression in Afghanistan, announced that he had directed the Secretary of Commerce, in consultation with the Secretary of Agriculture, to suspend all grain sales to the Soviet Union in excess of the 8 million metric tons that we are committed to sell under our 5-year grain sales agreement with the Soviets. The President also directed that exports of other agricultural products to the Soviet Union be suspended.

This action affected approximately 17 million metric tons of grain that would have been sold to the Russians in addition to the 8 million metric tons of grain specified under the fourth year of our grains agreement with them. Under the terms of the 5-year U.S.-U.S.S.R. grain sales agreement, the Soviet Union is committed to purchase 6 million metric tons of U.S. wheat and corn in approximately equal amounts. The U.S.S.R. may make purchases of an additional 2 million metric tons without further discussions. The Soviets may buy additional quantities of grain beyond the 8 million metric ton level only after consultations with the United States. In the fourth year of the agreement, fiscal year 1980, the Soviets had received permission to buy up to 25 million metric tons of grain.

Approximately 15 of the 17 million metric tons of additional grain authorized for purchase—which included 10 million metric tons of corn, 4 million metric tons of wheat, and 1 million metric tons of soybeans—were already under contract for delivery to Russia at the time of the President's trade suspension. Therefore, because of the large amount of grain involved, the grain sales suspension was a devastating blow to American agriculture.

The suspension came at a most unfortunate time for American farmers. Net farm income in 1980 was forecasted, prior to the announced suspension, to drop by as much as 20 percent from the previous year—even though export sales were expected to be substantial.

It was clear before the trade suspension that a 20-percent annual inflation rate, coupled with projected bumper harvests of corn and wheat and growing carryover stocks, would squeeze farmers from both sides—skyrocketing production costs and stable or decreasing commodity prices. The grain sales suspension made worse this pessimistic outlook, assuring that unless something was done, 1980 net farm income would plummet to a disastrously low level. Farmers of this Nation, then, would once again be at the mercy of government policies for their economic well-being.

Realizing that our change in foreign policy had worsened this economic squeeze on farmers, the President in his January 4, 1980, address pledged to the Nation's farmers:

> I am determined to minimize any adverse effect on the American farmer from this action.

To honor this promise, the President directed the Secretary of Agriculture to develop programs to insure that the burden of the suspension would not fall unfairly on farmers. The Secretary of Agriculture responded by announcing a series of steps to help mitigate the impact of the grain sales suspension.

The actions initiated by the administration to relieve the farmers' burden are commendable. However, these efforts do not go far enough. Further action must be taken in order to assure that the current emergency confronting American agriculture does not prove disastrous.

On March 6, 1980, the committee held a hearing concerning the embargo at which time Mr. Howard Hjort testified for the Department of Agriculture. He stated that the administration would support a modification of two provisions contained in S. 2258, a bill I introduced to help farmers through this rough period.

The first provision would allow the Secretary of Agriculture to open the farmer-held grain reserve to producers of 1979 corn and wheat who did not participate in the set-aside programs for that crop year. Under existing law, farmers who do not idle production on their land when a set-aside is in effect, as there was in 1979, are ineligible to participate in the grain reserve program or receive price support loans. This provision would not extend loans, however, to noncomplying 1979 producers other than through the grain reserve.

The second provision would allow the Secretary of Agriculture to sell corn owned by the Commodity Credit Corporation for conversion into alcohol fuel at not less than the grain reserve release price, currently $2.63 per bushel. Current law would not allow Government-owned corn to be sold at less than 150 percent of the loan rate or $3.15 per bushel. Such alcohol producing facilities purchasing Government-owned corn would have to have the capability for producing alcohol from agricultural or forestry biomass feedstocks other than corn.

The first provision would isolate excess corn and wheat supplies from the market, provide farmers with some operating capital so that they can plant their spring crops, and eventually increase the market price for these commodities. The second provision would assure that Government-owned corn would not hang over the market when prices start to rise, and help add to our domestically produced liquid fuel supply.

The two provisions would have a positive effect on helping farmers through this troubled time, and I urge my colleagues to support the legislation.

UP AMENDMENT NO. 1018

(Purpose: to amend the farm storage facility loan program by (1) increasing the loan ceiling from $50,000 to $100,000; and (2) repealing the two-year space limitation)

Mr. TALMADGE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Georgia (Mr. TALMADGE), for himself, Mr. HELMS, and Mr. DOLE, proposes an unprinted amendment numbered 1018.

The amendment is as follows:

On page 3, after line 9, insert a new section 3 as follows:

"FARM STORAGE FACILITY LOAN PROGRAM

"SEC. 3. Section 4(h) of the Commodity Credit Corporation Charter Act is amended by—

"(1) striking out '$50,000' both places it occurs and inserting in lieu thereof '$100,000'; and

"(2) striking out 'the size of such facility for which a loan is obtained shall be based upon the amount of space required to store the quantity of the commodity estimated to be produced by the borrower during a two-year period;'.".

Mr. TALMADGE. Mr. President, this amendment is offered on behalf of the distinguished ranking minority member of our committee, Senator HELMS, the distinguished Senator from Kansas (Mr. DOLE), and myself as chairman of the committee.

This amendment was in a House-passed bill, but was deleted in conference, and I told the conferees we would submit it here.

Mr. President, the amendment would amend S. 2427 by adding two provisions that would help farmers through this period of depressed prices by making less restrictive the farm storage facility loan program. That program is administered by the Agricultural Stabilization and Conservation Service of the Department of Agriculture. These provisions would raise the loan ceiling of the program from $50,000 to $100,000 per farmer for the construction of storage facilities; and eliminate the current limitation on loans to the space required to store the quantity of the commodity estimated to be produced by the borrower during a 2-year period.

On March 18, 1980, Mr. President, the committee of conference reached tentative agreement on S. 2269, a bill that would extend the economic emergency loan program.

There were some 12 differences between the House and Senate versions of S. 2269. The Senate receded on 10 of the differences in a spirit of compromise and willingness to help farmers cope with the suspension of grain sales to the Soviet Union. The Senate conferees agreed to the House provisions contained in S. 2269 concerning the farm storage facility loan program, which included, first, raising the loan ceiling from $50,000 to $100,000 per farmer; second, limiting the interest rate to 8 percent; and third, eliminating the current limitation on loans to the space required to store the quantity of the commodity estimated to be produced by the borrower during a 2-year period.

After this action, I received a letter from the Deputy Secretary of Agriculture stating that S. 2269, as tentatively agreed upon, would likely be vetoed because of the provisions that would limit interest rates for farm storage facility loans to 8 percent a year. For this reason the committee on conference on S. 2269 met again on March 24, 1980. At this meeting, I expressed concern that we not delay sending to the President a bill that would provide $2 billion in economic emergency loans. The additional credit is urgently needed so that farmers can plant their crops. Operating capital is extremely tight, and funds for this program are exhausted.

I expressed my support for the two changes in the farm storage facility loan program that the administration supports.

To break this logjam, I suggested that the committee of conference on S. 2269 remove all the provisions concerning the farm storage facility loan program from the bill. I also recommended, however, that we attach the two provisions concerning loan ceilings and storage capacity to a bill that is moving quickly through Congress and has the support of the administration. I mentioned that the Senate had such a bill on its calendar—S. 2427—a bill that would encourage greater participation in the farmer-held reserve and allow Government-owned corn to be sold at the release price for the production of alcohol for motor fuel.

The House conferees accepted my suggestion, and agreement was reached on S. 2269. Now that S. 2427 is being considered by the Senate, I am doing what I pledged to do earlier—and that is to amend this bill by adding the two provisions concerning the farm storage facility loan program that everyone supports.

Farmers are now faced with depressed commodity prices, and many of them would like to build additional facilities so that they may store their harvest from previous years, in addition to their 1980 production, in hopes that prices will strengthen. This makes good economic sense.

Because storage facilities are escalating in price and since more emphasis is being placed on a farmer-held reserve in which farmers are encouraged to place in storage their production from multiple crop years, I believe the amendment I am offering to S. 2427 concerning the farm storage facility program is sound and reasonable. It has the support of the administration, and I hope it will be supported by all of my colleagues.

I think it is important to note, Mr. President, that the farm storage facility loan program is financed through the borrowing authority of the Commodity Credit Corporation. It is an entitlement program and is not limited by annual appropriations. As in the case of programs supporting the prices of agricultural commodities—including the farmer-held reserve program for grain—spending for the farm storage facility loan program cannot be precisely predicted in advance. Therefore, if all producers are to be given an equal opportunity to participate, the price support programs and the farm storage facility loan program must remain entitlement programs. The amendment I offer today would not change the status of the farm storage facility loan program.

I urge my colleagues to support the adoption of the amendment.

Mr. BELLMON. Mr. President, I rise in support of S. 2427, a bill which allows nonparticipants in the 1979 farm programs to place wheat and corn directly into the farmer-held reserve programs.

This bill will assist in the isolation of excess corn and wheat supplies caused by the President's embargo of grain to the Soviet Union because of recent Soviet aggression in Afghanistan, S. 2427 provides flexibility to farmers by allowing them the opportunity to participate in the farmer-held reserve program instead of allowing farmer grain to be purchased and held by the Government.

The Soviet grain sales embargo is a poor policy decision for this country. Mr. President, I submit for the RECORD part of an article from Time magazine, March 17, 1980, and an article from the Wall Street Journal, March 12, 1980. Both discuss the grain embargo.

The articles follow:

FLIP-FLOPS AND ZIGZAGS

In addition to the shifts in policy, there is often an improvised quality to Carter's actions. After announcing the grain embargo, Carter discovered that 17 million tons were under contract to the Soviets in the futures market and that the cancellation of sales would provoke bank failures all over the U.S. A mere phone call to the Agriculture Department would have turned up this information. Grain markets had to be closed for two days and an expensive rescue package for grain farmers slapped together.

The White House seemed just as surprised to learn that Argentina had enormous grain reserves ready for sale to the U.S.S.R., a fact known by any grain trader in Chicago. The U.S. then sent a special emissary to Argentina to ask Strongman Jorge Videla to cooperate in the U.S. embargo, but Videla, who had been pilloried by the State Department's human rights pronouncements, refused. The Soviets will be able to make up about 60% of the lost U.S. shipments. Concedes a senior State Department official: "The grain embargo has become symbolic."

[From the Wall Street Journal]

LARGE ILLICIT SALES TO RUSSIA OF U.S. GRAIN ARE EXPECTED BY EXPERTS IN ROTTERDAM

(By Alan Spence)

ROTTERDAM.—Experts in this major grain-importing port city believe that substantial illicit sales of U.S. grain will be made to the Soviet Union in coming months.

Estimates of the amount of American grain that could be involved range as high as five million metric tons, or about half the 10 million metric tons that President Carter's embargo had been expected to deny the Russians in the crop year ending June 30.

One official, whose job it is to monitor grain movements through Rotterdam, says a million metric tons of U.S. grain could be transshipped here to Poland—which isn't affected by the embargo—"before we even smell it."

That, he adds, would be "if they do it the clever way," such as by unloading incoming supplies onto barges and discreetly transshipping the grain onto coastal vessels that don't carry a Soviet flag. Such grain ultimately would arrive in the Soviet Union.

AGENCY ESTIMATES

The U.S. Agriculture Department estimated earlier this week that the Soviet Union would be able to import in the June 30 year as much as 30.5 million metric tons of grain of the 35 million metric tons it had been expected to buy from abroad before the embargo. Analysts say the department's figure is based mainly on official sales by Argentina, Canada, and others, and doesn't include a large provision for illicit sales through Western Europe. A metric ton equals 39.4 bushels of corn and 36.7 bushels of wheat or soybeans.

Currently, Rotterdam doesn't handle any deliveries openly known to be heading for the Soviet Union following a dispute over Soviet diplomatic representation in the port a few years ago. Some experts also believe that Moscow got a more favorable deal on handling charges at the port of Antwerp in neighboring Belgium, to which it moved some transshipment business.

But Rotterdam does handle cargoes bound for Eastern Europe. "I expect an increase in this business," says one port observer, noting that arrivals in January and February were below expectations. This suggests that Eastern Europe and Rotterdam's hinterland clientele, especially West Germany, may try to catch up on deliveries. Such a trend could help mask shipments bound for the Soviet Union.

Wim Bierhuizen, manager of Louis Dreyfus & Co.'s Rotterdam office, is "convinced" there will be a leakage of four or five million metric tons of U.S. grain, even though grain-delivery contracts usually contain a clause forbidding transshipment. U.S. Agriculture Department officials will be keeping an eye on activity in Rotterdam, he adds, but they are primarily concerned with controlling the quality of a number of commodities arriving here, including soybeans, rather than the quantity.

Mr. Bierhuizen says it would be "too dangerous" for big grain-trading companies such as Dreyfus to circumnavigate the embargo. "I think they won't do it," another expert says, adding that if they were caught it could underpin the arguments of those in the U.S. who are lobbying for direct government-to-government sales. This could wrest control of U.S. grain exports from the hands of the "big five"—Cargill Inc., Continental Grain Co., Andre et Cie., Bunge Corp. and Dreyfus—which annually handle more than 80% of U.S. grain exports.

An official of another major grain-trading company doubts that illicit grain shipments to Moscow will be as high as others predict. For one thing, ports in Eastern Europe aren't equipped to handle a sudden big increase in incoming grain. The Soviet Union's needs will be greatest in the next few months, before its winter wheat crop comes in during early summer.

SHIP'S DESTINATION CAN CHANGE

So how can the Soviets get supplies into their country? "When a ship is at sea its destination can change," says one port observer. Moreover, cargoes can be bought and sold at sea—one factor that assisted exports of blacklisted Rhodesian corn during the period of UN sanctions against the rebel British colony.

Shipments through third countries could also be a possibility. "The Italians are substantial long-holders of Argentinian corn," notes one grain official here, who suggests that some of it could be replaced with U.S. corn and delivered to the Soviets at Black Sea ports.

Financially, such arrangements would present little problem. Rhodesians are suspected to have used Switzerland extensively as a payments clearing center for corn and other commodity exports. In Zurich, one leading banker, whose operation is substantially owned by grain interests, believes one-third of the world's grain business is transacted in Switzerland.

Mr. BELLMON. My fears that this embargo will have the same disappointing effects as former embargoes are being realized. I do not believe the cost of the Soviet embargo will be as high as recent estimates show; however, there will be significant costs associated with this decision. And who is to pay the embargo decision—the American farmer and American taxpayer.

Mr. President, Senator TALMADGE is offering an amendment to S. 2427 which would provide needed changes to the farm storage facility loan program. This amendment would allow farmers to have more control over their own economic destiny by being able to store and maintain possession of grain in anticipation of higher prices. This amendment would increase the maximum authorized loan amount from $50,000 to $100,000, a change to recognize continuing inflation which has made storage facility construction much more expensive. A grain silo which will hold 32,000 bushels of dried corn and is 24 feet in diameter and 80 feet high costs approximately $63,000, exclusive of loading equipment also needed. In addition, the Soviet grain sales embargo has increased the need and utility for more on-farm storage. I support this amendment.

S. 2427 with the Talmadge amendment will reduce the costs of the administration's policies to mitigate the effects of the Soviet grain sales suspension. The Senate Agriculture Committee has provided a responsible cost savings bill in S. 2427. This bill should save over $40 million in fiscal year 1980 and over $25 million in fiscal year 1981. This will help with our ongoing budget efforts to reduce Federal spending and balance the budget.

Mr. President, the farmers and ranchers of this country are confronted with an unprecedented squeeze caused by declining prices and increased cost of production. The 1979–80 fertilizer costs are up by 35 percent, fuel prices are up by 83 percent, and interest costs up by more than 42 percent. I submit for the RECORD the following USDA table showing the increase in selected prices paid by farmers:

SELECTED PRICES PAID BY FARMERS [1]

Year	Self-propelled combine	Tractor 120 hp	Diesel fuel, cents/gallon	Hybrid seed corn/bushel	Anhydrous ammonia fertilizer/ton
1974	$29,900	$16,800	40.5	$25.00	$183
1975	37,300	19,400	40.7	36.50	265
1976	42,300	21,700	41.5	36.50	191
1977	46,000	23,700	39.3	40.00	177
1978	53 200	25,900	40.2	43.00	164
1979	60,700	29,000	81.0	45.50	194
1980 [2]	78,000 86,000	36,000	95.2	50.50	(?)

[1] Source: ESCS—USDA.

[2] Estimates.

I remain greatly concerned that the administration's mitigation actions of the Soviet grain embargo may be insufficient to protect the American farmer from adverse effects. S. 2427 is a positive step in righting that situation.

The **PRESIDING OFFICER.** The question is on agreeing to the amendment of the Senator from Georgia.

The amendment was agreed to.

Mr. MUSKIE. Mr. President, the Senate is now considering S. 2427. This bill would permit farmers who did not participate in the 1979 set-aside programs to receive price support loans under the farmer-held reserve programs. As amended by the Agriculture Committee, this bill would also increase the maximum individual loan under the storage facility loan program.

The administration's efforts to mitigate the adverse effects of the Soviet grain sales suspension will be aided further by this new authority. By allowing more grain to be isolated from the market under the farmer-held reserve program, this legislation as amended should reduce the Federal costs of maintaining farm prices by almost $40 million this year. Without this new authority, the Department of Agriculture would be required to purchase grain directly, at a higher cost, to meet the President's commitment to American farmers.

In addition to the cost-saving aspects of this bill, there is one other budgetary matter that should be brought to the attention of the Senate. Technically, this bill and amendment are in violation of section 401(b)(1) of the Budget Act. That section provides for a point of order against any entitlement reported after January 1 which takes effect prior to October 1 of that year.

The purpose of section 401(b) is to make sure that entitlements do not take effect prior to the adoption of a second budget resolution and completion of the reconciliation process. New entitlements would be less vulnerable to reconciliation if they had already taken effect by the time of the second resolution.

Although S. 2427 is subject to a point of order under section 401(b)(1), I believe that the purposes of the budget process are not served by raising that point of order in this case. With our ongoing efforts to reduce Federal spending, I would urge Senators not to block consideration of this bill on technical grounds when it really would save tax dollars in 1980 and 1981.

The Budget Act was not intended to frustrate congressional action when that action is consistent with the current congressional budget. Especially, any action to reduce fiscal year 1980 spending is consistent with the budget resolution. So I will not raise the point of order and I urge approval of this bill.

Mr. DOLE. Mr. President, will the Senator from Georgia yield?

Mr. TALMADGE. I yield.

Mr. DOLE. Mr. President, I support the Senator's efforts.

I wish to speak in favor of S. 2427, an original bill from the Committee on Agriculture, Nutrition, and Forestry.

In order to encourage producers to store their 1979 crops of corn and wheat for extended periods of time, S. 2427 would authorize the Secretary of Agriculture to make long-term price support loans under the farmer-held reserve program on the 1979 crops of corn and wheat to any producer who did not participate in the 1979 set-aside program for the commodity ($2.10 per bushel for corn and $2.50 per bushel for wheat.)

The bill would also allow the sale of corn from Commodity Credit Corporation stocks at not less than the release level for corn under the farmer-held reserve program for the production of alcohol for motor fuel at facilities that, first, begin operation after January 4, 1980, and second, whenever supplies of corn are not readily available, can produce alcohol from agriculture biomass or forestry biomass feedstocks other than corn (currently, the release level for corn is $2.63 per bushel or 125 percent of the corn loan rate).

In January the President announced a partial suspension of grain sales to Russia. I opposed that announcement then and still do. I do not think the action was needed nor do I think the action would be effective.

When an embargo is announced for national security reasons I believe the costs of that embargo should be spread to all citizens and not just carried by farmers.

I do not feel at this time the President or the Secretary of Agriculture has taken the needed actions to offset the effects of the embargo.

This bill is an attempt by the Senate Agriculture Committee to take one step to help American farmers.

This bill is not enough by itself to relieve the farmers' burden from the embargo. The Senate today met in committee and passed additional legislation to offset the effects of the embargo.

This bill is needed by farmers. I support the bill and urge my colleagues to support the legislation.

Mr. TALMADGE. Mr. President, I move the adoption of the bill.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 2427

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

FARMER-HELD RESERVE PROGRAM

SECTION 1. Section 110 of the Agricultural Act of 1949 is amended by—

(1) redesignating subsections (c) through (g) as subsections (d) through (h), respectively; and

(2) inserting after subsection (b) a new subsection (c) as follows:

"(c) Notwithstanding any other provision of law, the Secretary may, to the extent the Secretary determines such action necessary in order to encourage producers to store corn and wheat for extended periods of time under the terms and conditions of the program authorized by this section, make price support loans under this section on the 1979 crops of corn and wheat (at the same level of support as provided by this Act) to any producer of corn or wheat who did not (1) file a timely agreement to participate in the 1979 set-aside program for the commodity and (2) comply with the requirements of the 1979 set-aside program for the commodity.".

SALE OF COMMODITY CREDIT CORPORATION STOCKS OF CORN FOR USE IN MAKING ALCOHOL FOR MOTOR FUEL

SEC. 2. Section 110(e) of the Agricultural Act of 1949, as redesignated by section 1(1) of this Act, is amended by—

(1) striking out "and" at the end of clause (1);

(2) striking out the period at the end of clause (2) and inserting in lieu thereof a semicolon and "and"; and

(3) adding at the end thereof a new clause (3) as follows:

"(3) sales of corn when sold at not less than the release level under the extended loan program for use in the production of alcohol for motor fuel at facilities that (A) begin operation after January 4, 1980, and (B), whenever supplies of corn are not readily available, can produce alcohol from agricultural or forestry biomass feedstocks other than corn.".

FARM STORAGE FACILITY LOAN PROGRAM

SEC. 3. Section 4(h) of the Commodity Credit Corporation Charter Act is amended by—

(1) striking out "$50,000" both places it occurs and inserting in lieu thereof "$100,000"; and

(2) striking out "the size of such facility for which a loan is obtained shall be based upon the amount of space required to store the quantity of the commodity estimated to be produced by the borrower during a two-year period;".

Mr. TALMADGE. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

WINDFALL PROFIT TAX ACT OF 1980—CONFERENCE REPORT

The Senate resumed consideration of the bill.

Mr. TALMADGE. Mr. President, I suggest the absence of a quorum.

Mr. ROBERT C. BYRD. Mr. President, I ask that the time be equally charged against both sides.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LONG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG. I yield to the Senator from Maine (Mr. MUSKIE).

Mr. MUSKIE. Mr. President, in Monday's CONGRESSIONAL RECORD, March 24, 1980, pages 6279–6283, a colloquy was entered into between the distinguished Senator from Louisiana, the floor manager of the bill, and Senator BELLMON, my colleague on the Budget Committee, with respect to section 102 of the conference agreement, which appears to some Senators, at least, to have the effect of earmarking the revenues from this bill. Senator BELLMON expressed his concern that the effect of that provision is to recreate the trust funds which the Magnuson amendment eliminated when the bill was before the Senate. That is not the way I read it.

Mr. LONG. Mr. President, if the Senator will yield for just a moment——

Mr. MUSKIE. Yes.

Mr. LONG. The Magnuson amendment was agreed to and it did remove from the bill all the trust funds except one. It left in the bill the so-called taxpayers trust fund, which was a proposal originally by the Senator from Delaware (Mr. ROTH). That taxpayer trust fund was not agreed to in conference. What we have of an earmarking nature is the result of the taxpayer trust fund, which went to conference and which was not stricken by the Magnuson amendment.

Mr. MUSKIE. The Senator has more accurately stated the point I wanted to make.

I have read that colloquy at length and will make reference to certain portions of it in a few moments. But in order to pinpoint the issue succinctly, I have prepared a colloquy and conferred with the distinguished floor manager of the bill on it. This colloquy identifies the significance of section 102 in a way that assures me that section 102 is merely an expression of desire, if you will, for the distribution of the windfall profit tax proceeds, but is not binding in any way on the President or on the Congress. If I may first put these specific questions to the distinguished floor manager, then I will refer to some of the comments he made in response to Senator BELLMON's questions, in order to further clarify the RECORD.

My first question, Mr. President, is this: Is it not true that the conference agreement does not establish any trust funds?

Mr. LONG. That is correct.

Mr. MUSKIE. Is it not correct that further legislation would be required to provide any tax cut or new spending from the windfall profit tax receipts?

Mr. LONG. Yes, that is correct.

Mr. MUSKIE. Is it not also true that section 102 of the agreement does not bind this or subsequent Congresses?

Mr. LONG. Yes, that is right.

Mr. MUSKIE. Is it not true that, if the Congress should find that there is more money in one of the spending subaccounts than is needed to achieve the intended purpose, that extra money can be used to reduce or prevent an overall budget deficit?

Mr. LONG. Yes, that is true.

Mr. MUSKIE. Is it not true that, in any year, if the Congress decides not to spend all of the money in any account, the remaining money could be used to reduce the public debt?

Mr. LONG. Yes, that is correct.

Mr. MUSKIE. If none of the money in the windfall profit account were spent in a given year, would not all of that money be applied to reduce the deficit or the public debt?

Mr. LONG. Yes, it would.

Mr. MUSKIE. Could not this same thing be true for all 10 years?

Mr. LONG. Yes, it could.

Mr. MUSKIE. If the Congress thought it appropriate to cut taxes by more than the amount in the tax reduction account, could not money be used from one of the other accounts?

Mr. LONG. Yes. whatever tax cut is enacted would be the law.

Mr. MUSKIE. Is it not still possible for the Congress to finance synfuels projects from the windfall profit tax receipts?

Mr. LONG. Yes. Future Congresses may finance these projects as they see fit.

Mr. MUSKIE. Is it not also true that the only thing required of the President is to propose an allocation of the receipts expected to flow each year into the windfall profit tax account?

Mr. LONG. Yes.

Mr. MUSKIE. Thus, is not the disposition of receipts suggested in the bill basically an indication of the sense of the Congress as to how this money should be used?

Mr. LONG. Yes, it is.

May I say, with reference to the question the Senator asked about reducing the debt, it was specifically suggested in the conference that we should have the reduction of the national debt as one of the purposes for which the money should be used. That suggestion was very much opposed by the Senator from Delaware (Mr. ROTH), who made it clear in the record of the conference that, obviously, if we did not use the money to reduce taxes, it followed that that would reduce the debt by that much. He simply did not want to negate the suggestion that it would be desirable to use this money to reduce taxes.

That is the basis of the suggestion that we would like to see the money used in this fashion, but it is not binding on anybody. Even those of us who are conferees are not bound by it—anyone here, any one of the conferees, including the chairman of the conferees, the Senator from Louisiana. Tomorrow or today, I could change my mind and say, "The more I think of it, the better I think it would be to use it for some other purposes."

Mr. MUSKIE. I appreciate the clarification of the issue, and I am going to take the opportunity, because I think it is helpful, to quote some of the colloquy on the pages in the RECORD to which I have just referred.

For example, on the bottom of page 6279, Senator Long is quoted in this way:

> Mr. LONG. Mr. President, let me just speak to the earmarking in the conference report. That is simply a statement that the Treasury will keep a record of how much is collected and will attempt to keep some record of where the money goes. We say in the law that we think 25 percent ought to go to lower income households, 60 percent for income tax reductions, and 15 percent for energy and transportation programs. But that is not binding.
>
> Those Appropriations Committees can recommend appropriations the way they want to do it. The tax-writing committees can either recommend or not recommend tax cuts. And the Budget Committee can recommend whatever it pleases about any of this.
>
> So that while that is stated as a statement of desire, it is not binding. The Senator can use it all to balance the budget, if he wants to, provided the Senate will support him on that.

Then later, on page 6280, Senator LONG had this to say about the Magnuson amendment as it relates to this bill:

> Mr. LONG. The Magnuson amendment deleted trust funds from the bill. We do not set up trust funds.
>
> The Magnuson amendment repeals the trust fund set by the committee. We are not setting up trust funds here. There are no trust funds set up. They will simply have some accounts over there in the Treasury where they will keep track of how much money is taken in by this tax, and we set forth a very noble hope that the money would be spent for certain useful purposes.
>
> I regret to say there is no more assurance that the money is going to be spent the way we would like to see it spent than there is for other money being spent the way the Congress would like to see it spent. It is the expression of a hope and it is not binding.

Continuing further on the same page, Senator BELLMON says:

> Could the Senator choose to spend some of this money or propose to spend some of this money for defense? It is not one of the three worthy purposes set forth in the report.

Senator LONG had this to say:

> He can propose to spend as much money as he wants to spend. Assuming we run a great big deficit, which would not be unusual, then if he did not spend any of this money for the purposes indicated here, under a consolidated budget, it would be just the same as if we had never earmarked it to begin with and never had any separate account to keep track of it.

Then further on page 6281:

> We agreed at the time, and it was clear to me every step of the way, that it was never intended to be binding on anybody. It is binding. None of this takes place unless the Congress sees fit to pass it.
>
> If Congress does not want to pass it, then Congress can spend the money however it wants to spend that money. There is nothing whatever in there that says Congress cannot spend it for any purpose that is permitted under the Constitution of the United States. So while we do express our hope that 60 percent will be used to reduce income taxes, 25 percent will be used for low-income relief, and 15 percent will be used for energy and transportation programs, none of that is binding.

Mr. President, that is the end of the comments which I had identified for quoting at this point.

But I say to those who read the RECORD and are interested in the full colloquy, including the doubts expressed by Senator BELLMON, who has real doubts about the implications of this language, that the full colloquy is on pages 6281–6286 in the RECORD. Those who want continuity in the discussion can read Senator BELLMON's reservations as well as Senator LONG's statement.

Mr. LONG. Mr. President, as the Senator so well knows, where we have a trust fund, it be the wisdom of the Congress not to spend the money out of the trust fund, but to spend the same amount of money for some other purpose. On a consolidated budget, the deficit is the same, in either event. To balance the budget, the fact that money remains in the trust fund serves the same purpose as if we did not have a trust fund and did not spend the money.

But, at least, having a trust fund does have the effect of placing a burden on those who desire not to use the money to respect the fact that in creating the trust fund the previous Congress intended the money should be spent for that purpose designated in the trust fund.

We went to conference with a trust fund. The taxpayers' trust fund. That was the Roth amendment in the Finance Committee. We came back from conference without a trust fund. All we have is an account in the Treasury to identify the money.

There is certainly less burden on the Congress where we have an account on the books to indicate from whence the money came, to spend the money in a particular way, than if we had a trust fund set up for that purpose.

So insofar as people wanting the money to be available to be spent the way they would like to see it spent, and the freedom to do it that way, I think they have greater freedom with what came back from conference than with what went to conference.

But, in any event, if the Congress does not want to spend a nickel of this money, it will not be spent. If it does want to, it has the power to do it.

Mr. BELLMON. Mr. President, first of all, the language, to me, is very plain. I realize there are differences. But it says:

> (1) Basic net revenues.—In the case of the amount of basic net revenues allocated to the Account for any fiscal year, there shall be a further allocation to subaccounts for the following uses:
>
> | Use for: | *Percent* |
> |---|---|
> | Income tax reductions | 60 |
> | Low-income assistance | 25 |
> | Energy and transportation programs | 15 |
>
> (2) Additional net revenues.—In the case of the amount of additional net revenues allocated to the Account for any fiscal year, there shall be a further allocation to subaccounts for the following uses:
>
> | Use for: | *Percent* |
> |---|---|
> | Income tax reductions | 66⅔ |
> | Low-income assistance | 33⅓ |

According to this bill, we have allocated every dime it will raise, plus any surplus. It is all set forth very clearly. Yet in our colloquy, after the Senator from Louisiana made the comment that it would be just the same as if we never earmarked it, to begin with, we are earmarking it.

I think the Senator will agree to that.

It is going to take action by the Congress to unearmark it. This is a very definite tilt in favor of these spending powers.

Mr. LONG. Clearly, what we did here was to say we would like to see the money spent for that purpose. Yes, we did.

Mr. BELLMON. Is the Senator asking Congress to agree?

Mr. LONG. Yes, that is right.

Mr. BELLMON. Once we have done that, we have earmarked the money for that purpose. We can change social security, but we do not do that.

Mr. LONG. Let us assume we say, "Yes, it has been earmarked."

Let me show the Senator a piece of a dollar bill. Let us say I bend it—it is a $10 bill.

Let us say I fold this corner over. When I did that, I had in mind spending that to buy a meal. Now, I change my mind. I decide to hire a taxicab with it.

It is the same $10 bill. It serves exactly the same purpose. It has a little crease on it. It does not make the least difference.

The same dollar in this case would not

have the crease. We can do whatever we want to do with it.

Mr. BELLMON. It does have a crease. We are putting an indelible mark on it when we agree to this conference report.

Mr. LONG. And it is still worth the same dollar.

Mr. BELLMON. It also has a label saying we are going to spend 60 percent for income tax reductions, 25 percent for low-income assistance, and 15 percent for energy and transportation programs.

Unless Congress passes a law changing that, we are stuck; our hands are tied.

Mr. LONG. Let us assume the Senator says "Congress will, Congress shall, Congress must." Suppose the Senator said all that, which this does not say. Then all you have to do to spend it any way you please is simply to say, "Notwithstanding any other provision of law, the money will be spent this way."

In this case, you do not even need to do that. You can spend the money any way you want and give it no further thought.

The fact that you have an account in the Treasury that says this money came from the windfall profit tax and you have language on the books that says we would like to spend the money for these purposes does not impede you one bit. You go ahead and appropriate any amount of money you want to, for any purpose, so long as a majority in the House and the Senate vote for it and the President signs it into law. This is a mere statement of desire and intent, and it does not bind anybody unless Congress passes a law authorizing and appropriating the money.

Mr. BELLMON. I am sure the Senator will agree that anything this Congress does can be changed by the next Congress. If the next Congress chooses, it can wipe out social security.

Mr. LONG. It can be changed the minute we pass this bill. You do not even need a provision in there saying "notwithstanding." You can go ahead and spend the money any way you wish—the money we put in.

This tax increases the income of the Federal Government by that amount, that precise amount, and the money that is spent from the Treasury can be spent in the same amount, without having a deficit. To the extent that you go above that, you could have a deficit.

Mr. BELLMON. But the Senator will agree that we can do the same with social security or food stamps or WIC or any other program on the books. The fact is that once we get them on the books and the people become used to receiving those benefits, it is the law. Here, when we write the law, Congress, after a time, will have a difficult time changing it. This is earmarked.

Mr. LONG. Let me explain this to the Senator.

If you never knew that this statute was on the books, you would have the same power to spend money out of the Treasury that you would have if you did know it. So you would be just as well off not knowing it as you would if you did know it.

Somebody might rise on this floor and make an argument—and I can picture the Senator from Delaware making this statement—"Senators, you are under a burden to support my amendment to reduce income taxes, because when you passed this bill, you said in the law that you think it would be good to spend 60 percent of this money to reduce income taxes, and you are under a burden to go along with me on this."

When he makes that speech, if you like the amendment, you will vote for it; if you do not, you will vote against it. That is how you are going to react. If he has a hundred points for his argument, that is one of them—that you said in the bill that that is how you would like to see the money spent, reducing taxes.

I would like to see 60 percent of it spent to reduce income taxes. I am proud to say that I am for tax reduction. I would like us to reduce the social security tax as well, which is what the amendment was to begin with, to cut the social security tax. We would like to use some of that money for that purpose, but we did not come back here with that. The House said, "We will go along if you would like to use some of this money to reduce the income tax."

Mr. MUSKIE. Mr. President, I think it might be useful if we include in the RECORD at this point the language in section 102, so that Senators may read the actual language.

I have discussed these questions with my good friend Senator BELLMON, with whom I am more often in agreement than in disagreement on budget matters. I had some of the same concerns he had.

Frankly, I wish the issue were not raised by the language of the bill. But I am satisfied that the language is not binding. It has been a long time since I practiced law, but I think my judgment is right. It does not create a trust fund, and I do not see that it in any way binds the President's or Congress decisions.

If the President decides in a particular year, that it is not in the country's interest to propose spending money in accordance with these purposes, he is perfectly free to say so. The language says that "the President shall propose for each fiscal year to which this section applies an allocation of the net revenues among the uses set forth in subsection (b)."

He may decide that no allocation for these purposes is in the best interests of the country, and I see nothing in this bill to prevent him from making such a decision.

If he made no such decision and Congress disagreed with him, Congress could enact legislation to implement those allocations. But there is nothing that requires Congress to do so. The money would be in the Treasury and available for expenditure under other laws that are unrelated to this one; and those laws will not be subject to challenge in the courts or elsewhere simply because they fail to implement this law.

So I do not see anywhere that section 102 is binding. It is an expression of desire, an expression of wish.

As chairman of the Budget Committee, I do not believe that we are bound to use the revenues from the windfall profit tax in accordance with these formulas. If I thought it wise in a particular year to do so, I might recommend or join the Budget Committee in recommending it to the appropriate committees, but I am not bound to do so, and I do not see that the President is bound to do so. It think it is an expression of wish and desire.

It does not serve a useful purpose to interpret these provisions as though they were binding because that might conceivably lend them a meaning which they were not intended to have.

Mr. LONG. I want to make clear that at no time has anybody suggested that this was binding on anybody.

Let me make reference to a situation in which we did require the President to make recommendations. We required the President, in the debt limit bill, with an amendment I offered, cosponsored by the Senator from Maine (Mr. MUSKIE), that if the President did not submit a balanced budget, he should make recommendations as to the way the budget could be balanced.

Here is a page of the budget of the U.S. Government, fiscal year 1981. Look at page 319. Here are alternate budget proposals.

The President suggested, "If you fellows want to balance the budget, look at page 321. Why don't you put on a 6-percent surtax?"

In my judgment, he knows we have no more intention of putting on that surtax than we do of taking a quick trip to the Moon. He said, "If you fellows want to balance the budget, why don't you put on a 6 percent surtax?"

He goes on and says, "Here are some spending charges," and he suggested some things. We have no intention of doing most of those things.

Look at pages 322 and 323, and there might be something in there that somebody might like to do. I gain the impression, and so does our staff, that most of the stuff he recommended there, he knows we have no intention of doing. But, to be fair about it, he did suggest it. He said, "If you fellows want to know some ways to balance the budget, here are some suggestions."

I am not sure whether that is how he would like to do it forever, or whether he wants us to do that; but since he told us to make recommendations, he said, "You can do this and that and the other thing."

Frankly, I think the Budget Committee has made us a more good faith proposal of what it intends to follow through with, something that can be done, than the President's recommendations. But at least he recommended some alternatives.

Mr. MUSKIE. Similar to the resolution we adopted yesterday. The issue yesterday was whether the Budget Committee should be mandated to report a budget that reduced outlays to 21 percent of the GNP. We finally mandated a balanced budget and, in addition, asked the committee to report such additional cuts as would reduce outlays to 21 percent of the GNP.

There is nothing in that which makes it binding on the Budget Committee to recommend those additional cuts. Neither does it forbid us from recommending those additional cuts. We can do either. But the Senate wanted the benefit of having those recommendations before it.

Mr. BELLMON. Mr. President, will the Senator yield?

Mr. MUSKIE. Yes, I am happy to yield.

Mr. BELLMON. I am not sure I understand my friend.

Mr. LONG. Hold on a minute.

Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from Louisiana has 41 minutes remaining; the Senator from Kansas has 48 minutes remaining.

Mr. LONG. Will the Senator object to taking this out of the time of the opposition?

Mr. BELLMON. I am glad to. I do not see the Senator in the Chamber.

I ask unanimous consent that I have 5 minutes on Senator Dole's time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BELLMON. The point I wish to raise, and I think it is the gist of the whole thing, is that the Senate did act yesterday and in effect gave the Budget Committee certain instructions. If we adopt this conference report, which we will decide tomorrow, in my opinion we are also giving the Budget Committee instructions. We are instructing the Budget Committee that these revenues shall be used in this way.

Suppose later the Senate does not do that. That is fine. I say this ties our hands.

Mr. LONG. I do not think it ties the Senator's hands. The chairman of the committee does not think it ties the Senator's hands.

Mr. BELLMON. What does it do then? Is this just a funny paper we are reading here?

Mr. LONG. It is a statement of intent.

Mr. BELLMON. It is not in the conference report. It is in the law. It is in the body of the report.

Mr. LONG. We passed this. We went to conference on the taxpayer's trust fund.

Mr. BELLMON. We understand that.

Mr. LONG. It is a trust fund.

In my judgment, this is less binding than a trust fund so that if the Senator is worried about being bound, he is not as much bound by this as he is with the trust fund.

Let me say that in any event this expresses an intent that we wish to use 60 percent of the money for tax cuts, and I wish to see that happen. If the Senate does not want to do it, I would be the first one to recognize the right of the Senate to do whatever it pleases about the matter.

Mr. BELLMON. The Senate will do that.

Mr. LONG. I am glad to hear the Senator say that. That is what I have been saying.

Mr. BELLMON. The Senate can do anything it wants to with any law on the books. The problem is once we get the laws on the books we tend to respect them.

This language says very clearly that these funds are hereby allocated, and then it goes on to say that for the net revenues that are allocated there be a further allocation for the following uses.

Over here, on the next page, it says the President shall propose. It does not say it is our advice. This is compulsory language. I do not know how we can write it any stronger.

Mr. LONG. There is nothing that compels us to spend it. We cannot spend it without authorization and we cannot spend it without appropriation.

Mr. BELLMON. That is true about every dollar. The so-called uncontrollables can be changed if we change the law. We do not change the law. Once we write a law around here we tend to leave it alone.

Mr. LONG. We have a low-income provision in there, and the low-income provision is actually an authorization. So we do have an authorization for the first year for the low income. After that it is not.

Mr. BELLMON. Is that binding?

Mr. LONG. It is an authorization for an appropriation. For the first year we have an authorization for appropriations.

Mr. BELLMON. The Senator knows once we get those low-income people hooked on this money, we never take it away from them.

Mr. LONG. Not necessarily. We have a low-income program right now. It is just because of inflation. It is not necessarily that is the case at all.

Mr. BELLMON. I cannot understand the need for this. We have an Appropriations Committee. If the funds are available, the Appropriations Committee is going to look at various priorities and make the appropriations. I do not know why the Finance Committee has to tell the Appropriations Committee how to use these revenues.

Mr. LONG. Yes. With all due deference to my good friend, the Finance Committee has the right to tell the Finance Committee what the Finance Committee should do. I have a right to tell Russell Long what Russell Long should do, and I have a kind of a duty to my own conscience whether someone likes it or not.

Mr. BELLMON. There is no difficulty with that. The Finance Committee does not appropriate for energy and transportation.

Mr. LONG. We handle the tax bill. I defy the Senator to show me where it says the Appropriations Committee handles the tax bill.

Mr. BELLMON. I do not make that claim at all. I say we should appropriate but do it without having our hands tied by the Finance Committee. I do not think the Finance Committee wants the Appropriations Committee to pass on a tax bill. We do not like to have the Finance Committee passing on appropriation bills. That is what it is all about.

Mr. LONG. May I say to my good friend that I was under a duty to bring back something in this area because the Senate gave us the taxpayer trust fund, an idea Mr. Roth had, and he fought hard for it in the committee and he prevailed, and he prevailed out here in this Chamber, and I would be derelict in my duty if I just dumped out Mr. Roth's taxpayer's trust fund without trying to bring something back to show for it.

Mr. BELLMON. The Appropriations Committee and the Budget Committee are going to be derelict in their duties if they do not follow the instructions of the Senate the same as the conference committee had a right to do. The whole thing is a loaded gun.

Mr. LONG. That may be good news for Mr. Roth. He may be pleased that the Senator feels he has his hands tied to do what Mr. Roth wishes to see him do.

That would be all right with me. Take my word for it. No one can make a Senator vote yes on a bill unless he himself makes that decision.

Mr. BELLMON. I yield the remainder of my time.

Mr. MUSKIE. Mr. President, will the Senator yield briefly?

Mr. LONG. I yield to the Senator.

Mr. MUSKIE. I wish to emphasize that what the language says is that the basic net revenue is to be allocated to an account in the Treasury.

It does not say authorized for appropriations. The phrase is "allocated to an account," which suggests a bookkeeping transaction in the Treasury and nothing more. It does not mean you cannot spend the money that is accounted for in the Treasury for other purposes. Congress is free to make any decision with respect to these funds. That is the way I read it.

My good friend from Oklahoma may feel bound to treat this as though it read "authorized for appropriation." I would not.

The chairman of the Finance Committee may someday challenge me on the basis of this language, in which case I will refer him to this colloquy, and to the language on page 118 in the conference report, which says:

> Further legislation is needed to use the money raised by the tax for any of the purposes specified above. Failure to enact such legislation, of course, would mean that the revenue from the tax would have the effect of reducing the Federal deficit.

I hesitate to see any part of this Record treating this as a trust fund, which it is not. The Record should make clear what was the intention of those who wrote the conference report.

Mr. DOLE. Mr. President, I wish to take a minute.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. I am late getting in to the exchange here.

I wish to say as one who sat there during the conference for weeks I thought that we were doing something worthwhile, like spending money for the next 10 years or at least allocating money.

As far as this Senator was concerned, I thought it was binding. We argued about it for 4 or 5 days.

The distinguished chairman has indicated Senator Roth was very persuasive in the conference. We even required the President to send up a little program every year in accordance with the 60–25–15 formula we have on revenues. If it is all right with the Budget Committee and the Appropriations Committee that we go ahead and allocate this money for the next 10 years it is all right with us because there is a lot of wisdom in the Finance Committee, and we exercised that in the conference, and there is a lot of wisdom in the Ways and Means Committee—not as much but considerable in the Ways and Means Committee—and they exercised that.

I do not know anyone else other than Senator ROTH who can lay credit to allocating $227 billion over the next 10 years, 60 percent for tax cuts, 25 percent for low income, and 15 percent for credits and transportation. I should think Senator ROTH would be insured a place in history because of his work.

Mr. ROTH. Mr. President, will the Senator yield me some time?

Mr. DOLE. I am happy to yield 10 minutes.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. Mr. President, I find this discussion very interesting in light of the debate that took place yesterday.

It is my position that this language in the windfall profit conference report provides a very strong moral commitment on the part of Congress, and upon the executive branch as well, assuming the President signs it.

I agree with what the distinguished chairman of the Budget Committee said yesterday, and that is that the adoption of my resolution would have placed a very strong moral commitment on the Budget Committee. That is what I intend to be done by the language contained in the conference report. We are making a commitment to the American people that we will return 60 percent of the windfall profit tax to the American people in the form of a tax cut.

I do not think this is something that should be taken lightly. I do not think it is something that should be disregarded.

If this becomes law, after having been voted upon by the House and Senate and signed by the President, it will represent a strong political commitment to the Nation to use a portion of the tax revenues for a tax cut.

I am not one who believes we should write provisions into law that can be easily disregarded in the future because I think that is something that has caused a great deal of uncertainty about what Government will do in the future.

So that is point No. 1, Mr. President, that we are making a strong moral commitment, an expression of intent, that we intend to return 60 percent of the windfall profit or roughly $136 billion to the American people over the next 10 years.

I might point out that since we have in place an additional $1.5 trillion in tax increases coming out of the pockets of the working people of America that this does not seem too large a commitment. At the same time, as the conference report clearly points out, this intention, this moral commitment, has to be implemented by future legislation, by following the appropriate committees and procedures of Congress.

It is true that the conference report points out that if no action is taken, if the House and Senate fail to follow through on these intentions then, of course, the funds would automatically reduce the deficit or the indebtedness of the Federal Government. Those who want to argue that it means nothing could point to the fact that it does take further action on the part of Congress, and with that I agree.

But I want to emphasize again that what we are trying to do here, just as I was trying to do yesterday in consideration of the Roth resolution, is to express or to lay the groundwork for major tax relief.

I might point out that the Senate agreed to the taxpayers trust fund, did not try to remove it, and I think it does send an important signal to the private sector. One of the reasons I can support this legislation is that I view the Congress as having made a commitment to return a major share of this windfall profit to the people who are paying it, the working people of America.

I yield back the remainder of my time.

(Mr. PRYOR assumed the chair.)

Mr. BELLMON. May I have 5 minutes?

I wonder if the distinguished Senator from Delaware would allow me to ask him a series of questions hopefully to get this matter more clearly in focus?

The Senator from Delaware was a member of the conference and led the discussion which resulted in setting up the special account. As I understand, this is the account in section 102 of the conference report.

I wonder if the Senator would tell us what he feels this section is intended to accomplish.

Mr. ROTH. I would say to the distinguished Senator from Oklahoma that in place of the energy trust fund in the House bill and the taxpayer trust fund established in the Senate bill, the conference agreement provides that the net revenues from the windfall profits are to be allocated to a separate account in the Treasury.

According to the allocation 60 percent of net revenues or $136 billion are set aside for income tax cuts to help taxpayers cope with higher energy prices, as well as other serious inflationary problems; 25 percent of net revenues or $57 billion are set aside for aid to lower-income households; and 15 percent of net revenues or $34 billion are set aside for energy and transportation programs.

Mr. BELLMON. Does the Senator consider the special uses for the amounts in the special account of section 102(b) to be advisory, as they have been referred to? Is this just an advisory statement of the conferees as to the uses which they feel these revenues should be devoted? Does the Senator consider this section as being a part of the law to be binding?

Mr. ROTH. As I said earlier, I agree with what the distinguished chairman of the Budget Committee said yesterday with respect to the sense of the Senate resolution, that it provides a strong moral commitment to the President and to the congressional committees to follow through.

I think that is a perfectly logical position for the Congress to take. I think it is within the power of Congress to instruct any committee as to what future action should be taken. At the same time, as the conference report clearly states, further legislation is needed to use the money raised by the tax for any of the purposes specified.

Mr. BELLMON. Let us assume that the Budget Committee decides to ignore these instructions or advisory statements or whatever they are called, and comes back to the floor with a bill or with a budget that provides for no tax cuts. How would the Senator from Delaware look upon that kind of a pledge which it has broken?

Mr. ROTH. There is no question but what I would very strongly object.

Mr. BELLMON. On the basis of this?

Mr. ROTH. I would object because I think Congress has expressed a guideline to the Budget Committee. I have to admit it does not have the same binding effect as if we enacted a tax cut into law.

But I want to make very clear that I do feel this legislation expresses a commitment just the same way the resolution we considered yesterday lays down an instruction to the Budget Committee. But, of course, as the Senator well knows, no future Congress is necessarily bound by what action we take today.

Mr. BELLMON. Then it is the expectation that these revenues from this tax bill will be used expressly and exclusively for the purposes spelled out in section 102(b)?

Mr. ROTH. As I have mentioned, further legislation is needed to use the money raised by the tax for any of the purposes specified. Failure to enact such legislation would mean that the revenue from the tax would have the effect of reducing the Federal deficit. The committee report or the conference report does specifically spell that out.

Mr. BELLMON. Was it the intention of the language in section 102(d) to require the President to recommend spending and tax cuts or could the President simply recommend that we do nothing?

Mr. ROTH. Well, certainly the intention was that the President will follow through on the guideline established in the legislation. But again I would have to say—as the distinguished chairman of the Finance Committee pointed out—despite that intention the President, of course, is free to make whatever recommendations he would care to.

I would hope, particularly with respect to the tax cuts, that the President would follow through.

Mr. BELLMON. If the President recommends that we do nothing, can he also recommend that we do something different with these revenues, and dispose of them as would be required under section 102(b)? Could he, for instance, recommend that we spend all the money in the special account for food stamps or defense or for some other program?

Mr. ROTH. There is nothing to prevent the President and Congress from taking steps different from those recommended in this legislation.

As I say, basically what we have here is what I consider a strong moral commitment.

Mr. BELLMON. Do you consider the language in section 102 to be a guarantee of tax reductions to many American people in the amount specified or do you think this bill locks in a tax cut?

Mr. ROTH. Well, I would certainly hope that Congress would see fit to return these funds in the form of a tax cut to the American people. I think it is about time that we take some steps to follow through on what I consider a moral commitment.

I am not one that believes Congress should pass language and then ignore it in the future, like some have done in cases in the past.

I expect and will fight—will fight—for the return of these funds to the American people. But I have to admit, again, we cannot bind future Congresses.

Mr. BELLMON. Does the Senator feel the proponents of low-income energy assistance can feel equally confident that the Congress will spend the amounts earmarked in this bill for low-income energy assistance?

Mr. ROTH. Well, I also hope Congress would see fit to use a portion of the set aside to provide relief to low-income Americans struggling to cope with higher energy prices.

Once again, I have to say that further legislation is required.

Mr. BELLMON. I am not quite sure I understand the Senator.

To sum up the effect of this legislation, the Senator from Oklahoma has taken it to be compulsory, compulsory as far as this Congress can be compulsory, in the way we use these revenues.

As a member of the Budget Committee, I intend to be guided by the—I will call them—instructions in this bill.

Does the Senator feel that we can ignore this law and simply spend this money for the priorities that the Budget Committee and Appropriations Committee may feel are most important?

Mr. ROTH. Mr. President, I certainly hope that the ranking member of the Budget Commitee would follow through on the instructions or guidelines contained in this legislation. It seems to me that that is the purpose of taking this action.

As the distinguished ranking member of the Finance Committee said, we did not sit in the committee several days in succession arguing for language that was not intended to have any impact or any effect, any more than I offered the resolution yesterday that would have limited spending.

I think it puts the people back home on notice that this is what Congress intends to do. I would hope, as the Senator says, that he will follow through.

Nevertheless, I do have to say, as a practical matter, that these instructions must be implemented by further legislation. It is different than where it is actually written into law and signed by the President. We would not have to revoke this legislation as we would in the case of entitlement programs. So it is not binding in that sense. Any future Congress can do what it chooses.

Again, I do think it does mean that it is a moral commitment on the part of this Congress.

Mr. BELLMON. I thank my friend from Delaware.

Mr. DOMENICI. Will the Senator from Kansas (Mr. DOLE) yield?

Mr. DOLE. Yes.

I would just add one thing. It would seem to me that the Senator from Delaware properly stated the case. But, at the same time, I would reemphasize, as one of the conferees, that there was a lot of debate on this matter, particularly on the House side. The Senator from Delaware knows that they were very insistent on low-income assistance. They were talking about the money was as good as gone once we allocated it, as far as their conferees were concerned.

This has the full force and effect of law; that we, in fact, made a judgment that this is how we are going to spend $227.3 billion. That does not mean the Congress cannot change its mind.

But at this moment, or if this conference report passes tomorrow, I guess there would be a lot of people looking at 60 percent for tax cuts, 25 percent for low-income assistance, and 15 percent for alternate sources—which probably is not enough—in transportaion.

Having said that, I am happy to yield 5 minutes to the Senator from New Mexico.

Mr. DOMENICI. Mr. President, I first want to congratulate the Senator from Oklahoma (Mr. BELLMON) for bringing this issue up.

I have no doubt that we are going to allocate in a special fund the receipts of the windfall profit tax, as provided for in this conference report. We can talk all we want about what it is and what it is not and that it is not binding and that it is not a trust fund. But the truth of the matter is that it looks like a duck, it smells like a duck, it walks like a duck, and it is a duck. And that is the truth of the matter.

It earmarks, by action of two committees—one of the House and one of the Senate—in advance for the next 10 years, the entire tax receipts of the so-called windfall profit tax.

You can say earmarking is not a trust fund; a mandatory allocation with categories is not a trust fund. It even says if these funds go over the estimates for a year, you change the allocation, you put more in income tax reductions and more in low-income assistance, and you do not put anything else in energy.

Just as an aside, it is amazing that this windfall profit tax bill, which started out as the cornerstone for a national energy policy, has very little, if anything, in it for energy.

I note that on page 29, in the case of amount of additional net revenues allocated to the account for any fiscal year, in that case, we do not even put anything in energy. You use it for tax reductions and low-income assistance.

Before I complete my argument, I want to make my point clear that I am for using this money, for letting the Congress work its will to cut taxes for the American people. I cannot believe we would have done otherwise. We did not need the collective wisdom—and I use that word in its best sense—of the Ways and Means Committee and the Finance Committee to tell us that a predominant portion of this new tax ought to be used for tax cuts.

We did not need them to earmark, to allocate. We did not need them to tell us to help low-income people. We knew we were going to. We were supposed to use a lot of it to develop alternate energy sources, and that has gone by the board, in this newly-described, mandatory, in my opinion, mandatory wisdom for the next 10 years thrust on the American people and both Houses of Congress by two committees, one from each body, who met in conference.

I submit that if this was not a windfall profit tax which no one wants to come down here and vote against, this conference report would be killed. I do not believe the U.S. Senate would be absent from this Chamber, busy about other things, when the largest new tax imposed on the American people in our history is being levied by the Ways and Means Committee and the Finance Committee out of conference and spent by the Ways and Means Committee and the Finance Committee at the same time.

We all know that the Constitution says the House has to start tax measures. We might as well amend the U.S. Constitution and say they sought to tax and they ought to spend. That is what they are doing here.

I repeat, we can distinguish it ad nauseam. It is not a trust fund; it is a special account. Those words are words of art in this bill.

The President and the Treasury of the United States has to set up this fund. They have to account for it. It is there. The President shall, it says, send us in his budget ways to use this money.

I repeat, a special account with mandatory instructions on the President and the Congress as to how they should use it is a trust fund, is earmarking. We can spend all the time we want down here talking about what it is not, but it still is.

If there are any Senators who really believe that we ought to turn over both the taxing and spending authority for the Congress of the United States to the Finance Committee and the Ways and Means Committee, then they ought to vote aye for this bill.

They should be just a little bit concerned that maybe the Finance Committee and the Ways and Means Committee do not have all the wisdom for the next 10 years that would indicate that 15 percent of this fund will be used for energy and transportation, and I assume we could add to that "and no more," and that low-income assistance should get 25 percent of it, and no more—and as I read it, no less either, because if they do not use it, it stays in the account for that purpose. If it stays too long, it gets allocated in a little different manner; but, again, by this law, not by the collective decisionmaking of the Senate or the House of Representatives.

It seems to me that we came to the

Senate floor with a windfall profit tax that was supposed to tax big oil, which now taxes big oil, little oil, and a couple hundred thousand royalty owners in the United States. Nobody out there understood that but now they understand that. It is $227 billion. They said it was not anywhere close to that figure, but that is here.

Senator MAGNUSON had a proposal, which we accepted by a compelling majority, which clearly indicated that the Senate did not want these tax funds earmarked in advance. I assume those who accept this report and vote for it will say, "Well, we only violated that Senate instruction in spirit because we used some different words. We used allocating to a special fund, and we did not use the words that were in the Magnuson amendment which alluded to a trust fund and advance allocation."

I assume they will get around that intent of the Senate which was rather significantly expressed.

I close by saying if it was not that this was a windfall profit tax, which politically has been promoted across this country as being the just due for the oil companies, this Senate floor would not have Senator BELLMON and Senator DOMENICI from the minority side of this Senate down here all alone. You can bet that there would be a race to the Parliamentarian's desk with proposals to change this and send it to committee, to kill it, to re-refer it, and every other kind of parliamentary maneuver we could dream up because no one would stand for this. But they cannot stand to vote against windfall profits.

So what we are going to do here today is set a wonderful precedent——

The PRESIDING OFFICER. The Senator's time has expired.

Mr. DOMENICI. Will the Senator yield an additional 2 minutes?

Mr. DOLE. I yield.

Mr. DOMENICI. We will set the precedent that says, "In the future if this country ever needs any new taxes of any kind"—I hope we do not, but if we ever do—"we do not need the Senate to do anything other than vote the tax in and they can go home. Come back when they bring out a conference report and it will tell you how to spend it. We can do away with everything else around here."

We might come back in some pro forma event to make sure that the President and the Finance Committee have allocated consistent with these allocation mandates. There is no doubt about it. Anyone looking at the next 10 years with all the new approaches to our Government, things we do not need and things we do need, can just decide today that $227 billion of the tax receipts for the future have been determined—levied and determined—and spent but for a few little incidentals which will ultimately come within the jurisdiction of the Finance Committee and the Ways and Means Committee, I guess but for transportation. I would surmise they will figure out how to do that without us, because you can do that by subsidies and other kinds of things. That will also come out of Finance and Ways and Means.

I want to close by saying to my good friend, Senator DOLE, who is here and who has patiently let me ramble on, that I do not say what I have said because in any way I am displeased with the Finance Committee and his leadership and that of Senator RUSSELL LONG.

I think the direction the Senators are trying to steer us in terms of our tax policies is well ahead of the Congress. I commend the Senators for it.

But I do honestly believe this is a very significant precedent we are setting, and I believe that as the Budget Committee attempts to control the budget and in some way help plan our tax reform along with the Finance Committee, that bills like this, popular in their inception so you cannot vote against them, which have attached to them strings of this type, should be totally unacceptable to this body.

When Senator BELLMON moves that this bill be recommitted to the Budget Committee for further analysis and recommendations regarding those provisions we are describing here today, and I will join him in that motion, I hope the Senate will vote for that. I think they will be voting for the Senate and for the people. That is really all we are here to serve.

Mr. President, I rise today to discuss some disturbing, and as yet unsatisfactorily answered, questions concerning the conference report on windfall profit taxation that we now have before us.

Let me recall to the Senate's attention some history about this legislation, at least as it regards the Senate Budget Committee and the budget process within the Senate.

During debate on H.R. 3919 last November, the appearance of a number of trust funds for mass transit, low-income energy assistance, and social security tax reductions, as well as a low-income energy assistance entitlement program and several refundable tax credits led many of us, led by Senators MUSKIE and MAGNUSON on the majority side and Senators BELLMON and YOUNG on the minority side, to oppose the structure of this legislation. The Magnuson amendment to this bill was adopted by the Senate for just one express purpose: To prevent the use of moneys from H.R. 3919 in the form of refundable tax credits, entitlements, and most trust funds.

Now, in my review of this conference report, I come upon an interesting concept, the concept of a "Windfall Profit Tax Account," complete with three subaccounts for income tax reductions, low income assistance for energy costs, and transportation. As a lawyer, I wonder in my way if these subaccounts are different, in substance and in effect, than the very trust funds that the Senate rejected so vigorously, 81 to 14, last year. What causes me even further problems, of course, is that the primary sponsors of the Magnuson amendment, and I was one, sent the conferees on H.R. 3919 a pointed letter reminding them of the Senate's position and objecting to including any language in the conference report that would prejudice the disposition of tax revenues gained by the windfall profit tax. It is beyond dispute that the conference report before us contains language prejudicing the dispositions of the revenues to be gathered by this domestic crude oil excise tax. It is thus clear that the conference report is in direct contradiction to the position of the Senate expressed so overwhelmingly just 4 months ago and reiterated during the conference.

For example, net receipts under this tax are distributed within the three subaccounts thusly: Sixty percent for unspecified tax reductions at some time in the future; 25 percent for low-income energy assistance, in a way apparently to be divided by the Finance and House Ways and Means Committees; and 15 percent for mass transit and miscellaneous energy programs. Can anything be more obvious: a subaccount, in the mysterious metamorphosis so peculiar to Washington, is now the synonym for a trust fund. In terms familiar to those of us in the West, if it smells like a duck, walks like a duck, and quacks like a duck, it is a duck. This is a duck, almost a Trojan duck, to coin a phrase, for it contains within it not only a trust fund, but it contains within it the destruction of the committee system of this institution, the end of the budget process that we have so painstakingly pieced together, and, most unfortunate of all, an unconscionable con of the American taxpayer.

In the first place, this unprecedented legislation gives to one committee in the Senate—the Finance Committee—full power to raise taxes and then to distribute them according to any kind of scheme that that committee, alone and without advice or consultation of other committees, devises. Of what use is an Appropriations Committee, if the money will be raised and spent solely at the discretion of the Finance Committee? Of what use are the Authorizations Committees, since decisions on priorities, programs, and policies will be reserved by the Finance Committee solely unto itself? Why do we have the Budget Committee, of which I am a member, and the painful discipline of the budget process—a discipline, I must recognize, that some members of the Finance Committee may dislike—if all budget matters and economic policy will be set by one committee, and one committee alone? This bill is an affront to the Senate, not only because it rejects the specific direction of the Magnuson amendment to H.R. 3919, but because it crassly and cynically disdains all of the other committees of this institution.

Second, because of the binding nature of the subaccounts, or trust funds since they really are trust funds, in this legislation, the budget process and its discipline are destroyed. This bill says, in essence, that the Finance Committee in its wisdom has discerned the necessary levels of spending in any one year, has established the revenues raising mechanism toward meeting that level of spending, and has developed through subaccounts and other legerdemain the manner in which such funds are spent by the Congress. The budget process, with its emphasis on establishing spending priorities, of mixing a variety of approaches to meet the economic needs of the Nation, and of giving to the Senate and to the taxpayers an accurate accounting of the fiscal state of the Federal Government, will become irrelevant under this kind of legislation.

Now to the third point, that it is above all a con on the American taxpayer. Why? Because this bill could very well lead not to a tax reduction in future years, which every economist of every school says we need, but to tax increase. In addition, it may very well lead to an unbalanced budget in 1981, after so many have struggled so hard, and will struggle even harder in the next weeks, to achieve that elusive goal. Here is the scenario in each case. First, the bill may lead to a tax increase in the out years because under the earmarking of funds contained in it, moneys raised can be spent only for three functions of government—transportation, low-income energy help, and tax cuts. Yet, by all accounting, moneys from this bill are necessary to achieve a balanced budget in 1981. Using current law estimates of revenues, and adding the anticipated $11 billion from the import fee the President has imposed, means that revenues in 1981 fiscal year will approximate $600 billion. To reach the level of revenues that the President projects is necessary to balance the budget, we will need at least $17 billion in revenues from this legislation before us. Yet, these funds are in subaccounts and cannot be used for such things as health, education, basic scientific research, or any other legitimate functions of government. No, for the Finance Committee has decided that only three functions of government are important enough to warrant use of funds raised under this bill. Thus, to pay for government functions in other areas, and to achieve a balanced budget, we will need a tax increase on the American people so that general revenues will rise enough to pay for ongoing programs. And, as a corollary, if we do not increase general taxes, we will run another deficit. Thus, this bill is either paving the way for a tax increase, or another round of inflationary deficits. How should Americans react to that?

Now, it may be, and I have heard it argued, that my assumptions are wrong. Some say that these subaccounts are not binding, that they will take authorizations to become effective. Let us not take chances with questions of this magnitude, Mr. President. Given the potential destructiveness of this bill on the structure of the Senate, on the budget process and budget discipline, and on the drive to achieve a balanced budget and lower taxes, we must send this measure back to committee for clarification and for removal of any language prejudicing expenditure of revenues raised under it. To do otherwise would be a serious error with far-reaching consequences. If the bill's notion of subaccounts is merely public relations, merely a way to satisfy certain perceived constituencies, and these subaccounts are not binding, then why not let the bill go back to committee, where we can end that kind of charade? But, if the bill's subaccounts are binding, with all of the consequences such legislation contains, then all the more reason to send it back to committee, where it can be revamped and objectionable features removed.

I hope my colleagues realize the impact of this bill in its challenge to the fuctions of other committees and processes. Above even the manifest deficiencies of the bill as policy, and others have talked and will continue to talk to that point, the potential harm it could do to the legislative system demands recommittal.

I thank the Chair.

Mr. DOLE. Mr. President, first, let me thank the distinguished Senator from New Mexico. I appreciate his comments, particularly in reference to allocation. I think under any other circumstances if any one committee takes over the jurisdiction or part of the Budget Committee, we would have had 40 Members on the floor protesting that action. But this is a windfall profit tax mostly against the big oil.

That leads me to the second point. There are not 200,000 royalty holders but there are 300,000 in Oklahoma. There are 100,000, I am told, in Kansas and probably 100 or 150,000 in New Mexico. They are going to be honored by this bill. They will get to pay a 60-percent tax rate on flowing oil. A lot of royalty owners own 5 acres, 10 acres, or 15 acres of royalties and are being told now in letters from the oil companies that starting March 1 they will start applying a 60-percent tax rate on the base, which is about $15 a barrel for every barrel they have been getting paid for.

This is not big oil but they are farmers, small business people, many people who have invested in royalties over the years. I think that is the biggest, overlooked piece in this proposal. We hope to send this back to the Finance Committee tomorrow to let us consider that again. I am not certain what impact we can have.

I would hope before anybody is locked in against voting against that motion they will check into their States to find out how many royalty owners they have because they are starting to come out of the woodwork. They are getting the message that they will be privileged to pay this tax, too.

Mr. DOMENICI. Will the Senator permit me a correction? He is absolutely correct. I should have said at least 2 million when I said 200,000. I ask unanimous consent that my remarks be corrected wherever I made reference to 200,000.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. That is certainly in the ball park when we consider the pensioners who are relying upon the various royalty programs in their fundings.

I would say to the Senator I am most appreciative of what he has just said because it does take a significant amount of courage on the Senator's part. He is on the Finance Committee and I think he has properly grasped my argument. If it was anything other than a windfall profit tax this Senate would not sit by and watch jurisdiction, allocation, earmarking for 10 years of the most significant new source of revenue for the U.S. Government.

I would make one other statement and ask if the Senator would not agree, and I think Senator BELLMON would also answer this question: When this passes and the Budget Committee staff begins to recommend to the Senators what current policy is—and that means current law in effect and carried on through this year and other years—I submit that they will carry the allocations contained in this as current law and they will put them in the functions of the budget as if bills had been passed creating budget authority for these items and available money in the revenue function for tax cuts.

Would Senator BELLMON agree that that will happen?

Mr. BELLMON. I cannot read the bill any other way. It is as much a law as any act we have taken in this body since I have been here. Those who seem to look upon it as some sort of a suggestion or some kind of mild nudge in one direction or another are reading it differently than I do. We are both on the Budget Committee and I feel we are going to be bound by this to come up with a tax cut and these other expenditures that the Senate has mandated if this is agreed to, and I think it will be.

Mr. DOLE. I want to express my appreciation for the Budget Committee's surrendering all that authority to the Finance Committee.

Mr. BELLMON. I wonder if the Senator from Kansas realizes how much authority we have surrendered to the Finance Committee. Right now, the Finance Committee will have the say on $138 billion which is 39 percent in direct appropriations, plus $150 billion in tax expenditures. The Finance Committee has control over more money than the Appropriations Committee.

Mr. DOLE. That is one reason I would like to be chairman of that committee. Maybe I will be next year.

Mr. BELLMON. I wish the Senator well.

Mr. DOLE. It looks better every day as I look over the landscape and see the wreckage of the Carter administration in New York and Connecticut.

But this huge new tax—as I said before, I am perfectly willing to accept all this additional authority. We did not even have to go through a rules fight. We just did it in conference. We have now been able to chip away some of the budget authority and some of the appropriations authority. I think it is outstanding. Maybe we can do better in the next tax bill.

Mr. BELLMON. Will the Senator yield to me 1 minute?

Mr. DOLE. Yes.

Mr. BELLMON. Mr. President, the Senate will vote tomorrow on a motion to refer the conference report on H.R. 3919 to the Appropriations Committee. I urge all my colleagues to support that motion.

We can all agree that far too large a share of the Federal budget is already uncontrollable through the regular annual appropriations process. We should be working to reduce "uncontrollable" spending—not to increase the amount of spending outside control of the appropriations process.

During the last week, it has been pointed out that this conference poses a serious challenge to the budget and appropriations processes. Section 102 of the conference report earmarks every cent this extraordinary new tax will raise. In addition, the conference version of H.R. 3919 contains a number of new and expanded tax credits, it repeals the carryover of basic provisions in the 1976 tax bill, and it includes the small saver exclusion. The net result of these actions is a reduction in general revenues. These may be good provisions, but they need to be considered in the context of total appropriations process.

Let me repeat that, Mr. President, this conference would reduce general revenues. The new tax would increase revenues by $227.7 billion, if the price assumptions of the conferees are correct. It will raise more than $400 billion, if oil prices continue at present levels or even more if prices go up. But no matter how much the tax raises, this conference report would reduce general revenues—by at least $15.5 billion over the next 10 years and by $31 billion if we assume the small saver exclusion will be continued throughout the life of this legislation.

The motion to refer to Appropriations is not an attempt to kill this bill—nor to unduly delay a vote on passage. The unanimous-consent agreement under which the motion to refer to appropriations will be offered provides that—when the Appropriations Committee reports back to the Senate—we will vote on the conference report; and no further motions, or referrals shall be in order.

The motion I shall offer will require the Appropriations Committee to report back to the Senate no later than next Tuesday. It will further instruct the Appropriations Committee to report to the Senate the committee's views on the impact of this conference report on the "uncontrollability" of Federal spending, and the committee's views on the impact of this conference report on our ability to balance the Federal budget.

You may ask, Mr. President: Why refer this bill to Appropriations? Most of us are committed to balancing the Federal budget for fiscal year 1981. Much of the responsibility for balancing the budget will fall on the Appropriations Committee. "Uncontrollable" spending already makes the task of Appropriations very difficult at best. If, as a matter of fact, this bill increases dramatically the proportion of Federal spending outside the control of Appropriations, the Senate should know that before we vote to adopt or reject the report.

If, on the other hand, those who have argued that the language in section 102 of this conference report is advisory—that the language is not binding—are right, then we should very carefully build a record of legislative history to that effect.

In either case, the referral to Appropriations will allow us to set the record straight.

Should it turn out that the Appropriations Committee views the language in section 102 as binding—and if they intend to treat it in that manner—then the Senate will have that information, in the form of a report from the Appropriations Committee, before we vote on final passage.

If the Appropriations Committee should, on the other hand, report to the Senate that the committee views the language in section 102 as advisory—and that the committee intends to disregard that language—and that the Appropriations Committee will treat the revenues raised by the windfall profit tax as general revenues—then we will have a committee report to that effect before we vote.

If the latter should be the case, that is, if the Appropriations Committee should look at this language and go on record to the effect that Appropriations intends to disregard the apparent earmarking in section 102, then this Senator at least will feel somewhat more comfortable with this conference report so far as section 102 is concerned.

As the Senate knows, the Senator from Oklahoma has problems not only with the earmarking in this bill—but I strongly oppose the tax on stripper oil, on small independent producers and royalty owners. The questions of the treatment of independents and royalty owners are separate from the questions about the earmarking provisions in the bill. And the tax treatment issues are clearly outside the jurisdiction of appropriations.

Should my motion to refer to appropriations be adopted, the Senator from Kansas (Mr. DOLE) will offer a motion to refer the conference report jointly to the Committee on Finance, and instruct Finance to report to the Senate on the tax treatment of small independents and royalty owners within the same amount of time allowed appropriations to report back. Should my motion to refer to appropriations fail, Senator DOLE will still move to refer to Finance. The two are completely separate issues—two separate votes.

Even those of my colleagues who disagree with me on the small independents and royalty owners provisions in the conference agreement should be concerned about the earmarking—particularly about building a clear record as to just what the provisions of section 102 mean. Support for the motion to refer to appropriations will insure that this record is clearly and carefully built.

There has already been considerable legislative debate on the question of earmarking these revenues. When the Finance Committee reported H.R. 3919, it contained three separate so-called "trust funds," a low-income energy assistance entitlement program, and several refundable tax credits. Of the roughly $138 billion which would have been raised under the Finance Committee bill, roughly $90 billion was designated for these provisions. The so-called trust funds in the reported bill were subject to authorization and appropriations.

I joined with most of the members of the Budget and Appropriations Committees—and many of our other colleagues, as cosponsors of the Magnuson amendment, which deleted all the earmarking and entitlement provisions in the reported bill except the so-called taxpayers' trust fund. I strongly objected to the taxpayers' trust fund—but was persuaded to agree to its retention as part of an agreement which allowed the Senate to act on this bill before Christmas. I remind my colleagues, however, that the taxpayers' trust fund was to be paid for out of increased corporate taxes resulting from decontrol—not from windfall profit revenues. The taxpayers' trust fund was also of limited duration. If Congress did not act within a specified time to forestall the scheduled increase in social security taxes (which will go into effect next January unless changed) the money in the taxpayers' trust fund reverted to general revenues.

There is no provision in the conference agreement on H.R. 3919 for the revenues earmarked in section 102 ever to revert to general revenues.

As a result of the Magnuson amendment, all revenues from windfall would have been deposited in the general treasury—to be disposed of in accordance with whatever priorities faced the Nation in the years in which decisions were made. The Magnuson amendment was adopted by the Senate by a vote of 80 to 14.

Then, Mr. President, an unusual event happened. The bill went to conference and, notwithstanding a letter from the prime sponsors of the Magnuson amendment reminding the conferees about the purpose of the amendment, it came back with earmarking provisions clearly resembling those in the original Finance Committee bill. Instead of a trust fund, net tax revenues will now be placed in a special Treasury account and allocated to subaccount in accordance with the following formula: 60 percent for unspecified tax reduction; 25 percent for low-income energy assistance; and 15 percent for mass transit and miscellaneous energy programs outside of the Synfuels Corporation. If additional revenues are raised because of a higher-than-assumed price for oil, they are also earmarked: Two-thirds for tax reduction and one-third for low-income energy assistance.

To make matters worse, the conference report contains tax expenditures which will reduce general revenues by $15.5 billion by 1990 ($31 billion if the small saver amendment is extended past 1982 as it surely will be). This conference report actually earmarks a minimum of $15.5 billion more than the tax raises in net receipts.

Mr. President, today the Budget Committee began marking up a budget which will take all of our skill and some painful decisions to balance. However, Mr. President, three-fourths of that budget is uncontrollable through the annual appropriations process. If one includes defense outlays (which have remained steady in constant dollar terms) and military civilian pay, the uncontrollable portion of the budget rises to a staggering 90 percent. This means that budget cuts must be absorbed in the 10 percent portion of the budget which is controllable through the annual appropriations process. This places an unbearable burden on a small part of Government operations.

I am concerned, as is the distinguished chairman of the Senate Appropriations Committee, that the earmarking provisions in the crude oil tax conference report will add to our list of revenues which are committed prior to any appropriations action. If we approve this conference report, then by 1985 we will have set aside $8 billion for low-income energy assistance and $3 billion for mass transit. That set-aside will be its own self-fulfilling prophecy; it will create tremendous pressure for increased spending in these programs.

After all, according to the language in the bill, the President shall propose in his annual budget an allocation of the net crude oil tax revenues among the uses specified in the bill. Any funds which are not spent are assumed to reduce the national debt. But what about using these revenues for agriculture, or defense? Senator LONG himself, the distinguished chairman of the Finance Committee said, "If the President proposes using the money, he would have to propose doing it in that fashion (among the uses specified in the report)." Clearly, these funds are not as available to agriculture, or health, or defense as they are to tax cuts, low-income energy assistance, and mass transit. If we believe that all national needs should compete on equal footing for funding—the principal we established in the the Magnuson amendment—then we must make certain that crude oil tax revenues are equally available to all programs in the budget.

Mr. President, I believe that referring the crude oil tax conference report to the Appropriations Committee would be a prudent action. A bill which has taken almost a year to enact and which will profoundly affect our Nation's economy and energy supply for decades, will not suffer from additional examination. In this manner, we may ward off a piece of legislation which could tie the hands of Congress even more in the 1980's than they were tied in the 1970's.

Mr. DOLE. Mr. President, I yield 5 minutes to the Senator from Wyoming, then 1 minute to the Senator from California. Will 1 minute be enough?

Mr. HAYAKAWA. Could I have about 5?

Mr. DOLE. Yes. Then the Senator from Virginia, if I have that much time.

Mr. DOMENICI. Will the Senator from Wyoming yield for a unanimous-consent request?

Mr. WALLOP. Yes.

Mr. DOMENICI. Mr. President, I ask unanimous consent that Steve Bell be granted the privilege of the floor for the remainder of the deliberations on this subject.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. I thank the Senator from Wyoming.

Mr. WALLOP. Mr. President, sitting and listening to the recitation of failure contained in this conference report, it comes as something of a surprise that we would even be considering passing it tomorrow. I hope that Senators will take time to listen and use the one thing God has given them here and that is their brain. It seems such a rare commodity in this body that, from time to time, we have to suppose that there is some guiding ayatollah downtown that has the wisdom and decisionmaking power and a bill is allowed to pass just because the President said it should.

The fact that the Senate may pass this legislation, react on party lines, and react because somebody has made a macho political issue out of an oil tax is really beyond description. It appears we shall have to continue to put up with that until, somehow, somewhere along the line, the public catches up with what we are doing. There is no reason to vote for this bill simply because it has become a popular issue to vote for it.

I had lunch last week with Franz Joseph Strauss, who made the most remarkable comment. He told me that during the post-war era, when Konrad Adenauer was Chancellor of Germany, he would not look at an opinion survey or a poll. He did not want to hear about them. He wanted them excised from his morning paper. He told me that had they followed public opinion, they never would have led West Germany out of the post-war doldrums.

I think that the Senate should take advice from those Germans who seem to be prospering in this world slightly better than we are and take an act of leadership, by voting down this bill. We should not go for this bill just because the press and others have pointed out that it is something the public should have to castigate the oil companies.

Way back when we started this, Mr. President, there was an opportunity missed in the windfall debate. The option was so simple that it passed us by once again. That was to impose a simple, direct tax on all oil consumed in the United States, affecting the oil produced domestically equally with the oil imported from overseas.

The most simple, direct and effective alternative to the maddening complexity of this tax would be an across-the-board per-barrel tax on all oil, domestic or foreign. Perhaps my colleagues grow weary of my repeating what is the most crucial flaw in this legislation, but it is necessary to make it clear to the American people that not one barrel of foreign oil will be taxed by this bill. Not one penny of real windfall profits being reaped by those who produce and broker the foreign oil will be taxed. The profit records of major oil companies, cited here on the floor of the Senate like some litany of corporate sin, will not be affected by this tax. As a tax on domestically produced oil, the windfall tax will never touch the international oil profits that assumed such prominence on the front pages of the newspapers during the windfall debate.

The alternative that eluded us was to place a tax on every barrel of oil produced and imported in the United States. A per-barrel tax of approximately $4.65, or an excise tax of roughly 5 percent, would raise the same revenue in the course of this decade as the windfall profit tax. The same revenue could be raised without the involvement of the Department of Energy in calculating decline curves, Base prices, production-level increases and declines, categories of oil, types of producers, and the dozens of other considerations that are part of this legislation. The same revenue could be raised without involving the Internal Revenue Service in determining transfer rules for independent producers, tax rates, deductions, credits, and another array of calculations required to determine the windfall tax liability. Perhaps the notion of applying a per-barrel tax on domestic and foreign oil was rejected because it would not create as many jobs in Government. Certainly the enforcement of this new tax will demand a new legion of staff at the Department of Energy and the IRS. Although I am troubled by the administrative demands and costs this bill will create for the Government, I am more concerned about the problems this bill will create for the average independent oil company. The independents have no hope of fulfilling the requirements of this law or determining windfall tax liability without hiring more lawyers, accountants, computer time, and other support staff not directly involved in the business of finding and producing domestic energy. Under the alternative proposal of applying a per-barrel tax on oil, a domestic oil producer would not have to go through dozens of calculations, but merely pay a flat tax on each barrel produced.

The main objection heard concerning any proposal to tax imported oil is that it would have the effect of accelerating inflation, and that it would never be acceptable to the Carter administration.

It is ironic that the President announced an oil-import fee as a central figure of his program to balance the Federal budget. His theory is that the import fee will raise enough revenue to balance the budget and a balanced budget will help stem inflation. Unfortunately economists predict that the oil-import fee will directly increase the rate of inflation by ½ to 1 percent. This new tax on gasoline will directly increase inflation and will do nothing but feed the Federal spending machine.

Unfortunately, we are now faced with the worst of both worlds: a per-barrel tax on imported oil and a complex domestic windfall tax that will deter oil production. The fact that the President arrives at the solution of an import fee a year after proposing a windfall profit tax only demonstrates the lack of planning and foresight that has been characteristic of this administration.

Once again, a President incapable of administering a balanced budget or presenting sound economic policies to the Nation has proposed a tax increase to balance the budget. The President does not even wait until the Senate votes on the windfall profit tax—the largest peace time tax ever imposed—before he comes up with another idea to raise revenue. Unlike the windfall tax, which the President falsely claims will be paid by big oil, the oil-import fee will be paid by every American who uses gasoline. Since there is no way to disguise the direct burden this tax will place on individual citizens, the fee is portrayed as a conservation measure.

Mr. President, it is a Department of Energy policy that the oil-import fee, or an additional 10 cents per-gallon tax on gasoline will not have any effect on domestic crude oil prices. The American people will be asked to pay more for gasoline, yet all of the revenue from the tax will go to the Government, not to energy production. In this sense, the President has taken yet another inconceivable step away from sound domestic energy policy. Even under the windfall profit tax some of the increase price resulting from decontrol will go to energy production.

I cannot support this conference report and I will not support another tax such as the one the President proposes to be placed on gasoline. If the administration had accepted the notion that both domestic and foreign oil should be taxed, we could have developed a sensible energy bill, without the complexity and administrative problems created by this proposal. Instead, we have probably the most destructive tax ever levied against an industry. It will prove to be a tax not only on industry, but on the American consumer. I regret to say to the extent this bill reduces domestic energy production, it will also become a very dangerous tax to national security. The American people have been asked to sacrifice but their sacrifice will not bear the reward of increased oil production or increased energy security. They will pay more in taxes, less energy will be produced, and we will be even farther away from developing a sound energy policy for the 1980's.

Mr. President, I should like to take a moment to comment on the effects the windfall profit tax will have on long-established fiscal relationships between the Federal Government and the States, local governments, and Indian tribes. The windfall profit tax has been characterized as a tax on big oil, allowing the Federal Government to skim off the windfall profits so that it can finance new programs to meet the needs of the public. As is generally accepted, the windfall profits will reduce the incentive for domestic oil exploration and development, but the tax will also reduce the income of many States, local governments, and Indian tribes. This bill is once again revealed to be not a shining part of a cohesive energy program but a spiteful revenue measure designed to raise funds for the Federal Government regardless of the source. By reducing the funds going to the State and local governments in mineral producing regions of the Nation, the tax will limit the ability of these governments to provide basic public services desperately needed if further energy development is to go forward.

The conference rejected an important amendment offered by Senator **Long** which would exempt the royalty going to the Federal Government from oil production on federally owned lands. Under present law, the States receive half of the 12.5-percent royalty going to the Federal Government, in recognition of the costs incurred by the State and local governments as a result of mineral extraction. This recognition of a State's right to share in the Federal royalty dates back to the Mineral Leasing Act of 1920. The Mineral Leasing Act granted the States a 37.5-percent share of the royalty received by the Federal Government for mineral extraction on public lands. The State's share of the royalty was designated for road construction and maintenance, and funding for local schools.

The Federal Land Policy and Management Act of 1976 increased the State's share of the Federal royalty to 50 percent, in recognition of the varied burdens created by energy development. The act pointed out that when an area is newly opened for mineral extraction, local government entities must assume the responsibility of providing public services needed for new communities including schools, roads, hospitals, sewers, police protection, and other public facilities. In recognizing the needs of the State and local governments in these rapidly developing areas, the 1976 act broadened the allowable use of the States' share of of the royalty to programs for planning, expanding public services, and funding public facilities. By taxing the Federal share of the royalty and reducing the funds going to the States, Congress is turning its back on a commitment made to the State to assist them in dealing with the problems of energy development.

In many regions of Wyoming energy development is deterred by the fact that local governments are unable to provide the financing for basic human services. There is little wonder that mining or oil exploration cannot go forth when workers have no schools for their children, inadequate police protection and medical services, and other basic needs that they and their families require.

As the demand for public programs increases, and the cost of all projects rises with inflation, the States are confronted with a reduction or a total cut-off of their share of the Federal revenue-sharing funds. There are valid arguments behind proposals to trim the revenue-sharing program, but can we advocate cutting aide to the States at the same time we reduce their ability to raise revenue?

Another significant burden created by the new tax is that the ad valorum or property taxes imposed by local governments will not be deductible from the windfall profit tax. The conference report allows State severance taxes to be deductible from the windfall tax, but this treatment is reversed for the taxes imposed by the political subdivisions of the States. This decision will not only cause increased financial burdens for oil producers but it will damage the ability of local governments to meet public financing needs.

It is true that any State is free to work with the county governments to convert ad valorum taxes to become part of the State severance tax, but such an alternative has many problems. First, most States will have to change their constitutions in order to change the status of ad valorum and severance taxes. States would then have to rearrange long-established patterns of distributing State funds to the local government so that the political subdivisions of the States can meet the demand for basic community services. This is an intolerable burden on the States and their political subdivisions that must be removed by Federal, not State action.

It should be made clear that the oil companies operated in States that impose ad valorum taxes are affected directly by their inability to deduct ad valorum taxes from the windfall profit tax. They face the very real burden of having to pay a double tax on their oil production—both ad valorum and windfall tax. This additional tax burden can do nothing but deter domestic oil companies from looking for and producing domestic oil.

The same problems that this tax creates for the political subdivisions of the States in the treatment of ad valorem taxes is also created for Indian tribes. The conference dropped the Senate amendment which would allow severance taxes imposed by tribal governments to be deductible from the windfall tax, giving State and Indians severance taxes the some status under this bill. To allow a deduction for State severance taxes but not tribal severance taxes puts Indian oil at a competitive disadvantage.

The nondeductibility of Indian severance taxes also puts oil companies operating on tribal lands at a competitive disadvantage. I fail to understand why the conference did not retain the Senate language on tribal severance taxes. The Senate bill used a definition of severance taxes that was consistent with the actions taken by Congress in the Natural Gas Policy Act, which provided that tribal severance taxes should be given the same status as State severance taxes. Again, the Windfall Profit Tax Act departs from an established Federal policy. Again, the act will impinge on the ability of another government unit, to raise funds necessary to meet basic public services and maintain the tribal government.

Mr. President, there are many problems with this bill, but probably the most onerous provisions are those that create financial burdens for States, local governments, and Indian tribes. The Congress is being swept along on a tide of sentiment against the oil industry, and that is why this destructive legislation will become law. The American public surely cannot desire legislation that creates burdens for their own States. There are few people who really wish to punish the Indian tribes or local governments. These government entities do not reap windfall profits, and what revenue they do receive from royalties, severance taxes, or ad valorem taxes goes to fund public projects on the local level.

Mr. President, I intend to continue to work on this issue until this injustice is reversed. I will work with the distinguished chairman of the Finance Committee, along with Senator **Dole**, Senator **Domenici**, Senator **Schmitt**, and the other Senators who share my concern over these issues. I will soon introduce legislation to address the provisions in the bill that harm State, local, and tribal governments and I trust that many other Members of the Senate will assist me in this effort.

Mr. BAKER. Mr. President, I want to clear up a possible ambiguity in the conference report in order to make certain that it does not work an injustice to the consumers of our most conservation-minded electric power systems. Section 203 of the conference bill would prohibit a residential tax credit from being based on conservation and renewable energy source expenditures which are made from "subsidized energy financing" provided under a Federal, State, or local program. Section 223 would similarly reduce the amount of energy tax credit available to businesses for energy property financed through a "subsidized energy financing" program. I want to make certain that the term "subsidized energy financing" is meant to apply only to Federal, State, and local programs that are supported by tax revenues. Without such a limitation clearly understood, the Secretary of the Treasury might apply this provision in such a way as to discriminate against the consumers of electric power in those areas of the Nation served by publicly owned power systems.

Let me illustrate. Under residential energy conservation programs currently being conducted by publicly owned power systems such as Seattle City Light and the Tennessee Valley Authority electric power system, which are financed entirely by their own consumers, interest-free or reduced-interest loans are provided for the installation of cost-effective insulation. TVA also conducts a similar energy conservation program for its business consumers. These assistance programs do not provide grants. They also do not provide a subsidy in the usual sense. All costs of the program—administrative and interest costs—are covered by an equal or greater amount of savings to the power system itself. It is, for example, simply cheaper to help a homeowner insulate his attic than it is to produce the additional electricity to heat his home. The savings come from both lower fuel bills to the electric system and a reduction in the need to build costly new generating plants. These savings inure to all consumers served by the system.

This kind of energy conservation and assistance program is possible on most private electric systems as well. Several private systems, in fact, already have similar kinds of residential conservation programs of their own. If the Secretary of the Treasury interprets the term "subsidized energy financing" to include power system financed assistance by the Nation's publicly owned power systems, then the consumers of those systems would not be eligible for energy tax credits while the consumers of private electric systems conducting an identical program would be eligible. It is my understanding that such an unfair distinction is not intended, and that the term "subsidized energy financing" is not intended to apply to any program of a publicly owned electric power system which provides financing to its customers for the purpose of conserving energy or producing renewable energy where the financing comes from power system funds obtained from the system's ratepayers, and not tax revenues. Is my understanding correct?

Mr. LONG. Let me assure the Senator that his understanding is correct. The term "subsidized energy financing" is not intended to apply to a program of an electric utility, whether publicly or privately owned, in which funds for the financing are obtained from the sale of electricity to the system's ratepayers. Such a program is not intended to be subsidized energy financing even if the utility in question is a Federal agency, such as Tennessee Valley Authority or Bonneville Power Administration, which obtains funds for the program from its electricity revenues or from borrowing, at unsubsidized rates, from the Treasury.

SEVERANCE TAXES

Mr. DOMENICI. Mr. President, I would like to ask the distinguished floor manager of the conference report if he could clarify the treatment of certain State severance taxes under the bill. In New Mexico, we have a tax entitled "The Oil and Gas Emergency School Tax." This tax is imposed by the State of New Mexico at the rate of 2.55 percent of the actual price received for oil at the production unit. However, the tax does not apply to royalties paid to the United States, the State of New Mexico, or an Indian ward of the United States. In addition, if oil is not sold at the producing unit the expenses of trucking oil from the production unit to the first market may be deducted from the amount paid for the oil at that market. There are no other deductions or special categories of mineral owners under the school tax. Could the chairman tell me whether such a tax qualifies as a State severance tax deductible for windfall profit purposes?

Mr. LONG. Mr. President, under the conference agreement, a State severance tax is a tax on the removal of crude oil from the ground levied by a State as a percentage of the gross value of the crude oil removed. The fact that a tax is called an emergency school tax rather than a severance tax is of no significance. The exemption of certain producers, such as the United States and the State of New Mexico, does not mean that the tax is not imposed on the gross value of oil which is owned by producers who are subject to the tax. Also, the deduction for trucking expenses when oil is not sold at the lease is appropriate since a severance tax should tax the value of oil produced and not the value of transporting it to market.

Based on what the Senator from New Mexico (Mr. DOMENICI) has told me about the Oil and Gas Emergency School Tax, I see no reason why it would not qualify as a State severance tax under the windfall profit tax. Therefore, a producer who pays the tax on his own production could deduct from his taxable windfall profit the amount of the Emergency School Tax imposed on the windfall profit element. Producers who are not subject to the tax would, of course, have no amount to deduct.

The PRESIDING OFFICER (Mr. LEAHY). Who yields time?

Mr. HARRY F. BYRD, JR. Mr. President, with the approval of the distinguished Senator, the manager of the bill, I yield myself 12 minutes to come out of the time of the manager of the bill.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The Senator from Virginia is recognized.

THE WINDFALL PROFIT TAX: MORE TAXES AND LESS ENERGY

Mr. HARRY F. BYRD, JR. Mr. President, I favor a reasonable windfall profit tax; I do not favor an unreasonable one. I fear the proposal now before the Senate will stimulate additional Federal spending and will discourage additional energy production.

The significance of the energy problem confronting our Nation can hardly be overstated. The United States is too dependent on imported oil for our military and economic security.

A positive national commitment to developing domestic energy sources and to conservation is necessary.

Economically, huge price increases have been a shock to our economic system. High energy costs have aggravated inflationary pressures. Further increases in oil prices dampen domestic industrial production and reduce national income. And massive transfer of wealth to Arab nations has placed a severe strain upon the international monetary system.

Strategically, oil is a matter of national security. Of the oil which America imports, close to 35 percent comes from Arab OPEC nations. Many of these nations are subject to political instability and several are precariously subject to pressure from the nearby Soviet Union.

Twenty million barrels a day, or about 65 percent of all the oil flowing in international commerce, is transported from the Persian Gulf through a narrow body of water known as the Strait of Hormuz.

The Soviet incursion into Southwest Asia and its expanded influence in the Persian Gulf area heighten the need for a domestic energy program in the United States.

Failure to reduce our national reliance upon imported energy could threaten the very social fabric of our Nation. With energy scarcities, conflicts within our society between the consumers and producers, between cities and neighboring suburbs, between rural and metropolitan areas, and between regions will only be increased.

While the seriousness of our energy crisis has been acknowledged, few positive steps have been taken. We have stated our intention to reduce imported oil, yet since 1973 U.S. oil imports have almost doubled.

Instead of facing up to the need to encourage a broader supply of domestic energy, we maintained unrealistic price controls on domestic oil and wrapped alternative sources, such as coal and nuclear power, in the extensive redtape of governmental regulations.

By 1979, Congress and the President

realized that price controls must end. However, instead of seeking to encourage domestic oil production and discourage imported production, the Government is replacing controls with an additional tax upon domestic producers. No similar tax is imposed on imported oil.

I have long supported the decontrol of domestic oil prices as a necessary action. We should move to encourage—not discourage—production of oil and gas, and alternative energy sources such as shale oil, coal gasification, and solar and wind energy.

With decontrol, a reasonable windfall profit tax has merit. New profits will flow to oil producers because of price decontrol, which will raise the price to a level set by a foreign cartel.

Yet decontrol is needed to encourage greater oil production. In my view, the extent of the tax to which the Senate-House conferees have agreed conflicts with this policy objective.

The magnitude of the tax—$227 billion over a 10-year period—will undoubtedly discourage additional oil production.

With this tax, a significant reduction in our reliance upon imported oil will be difficult to achieve.

The chief windfall which will result from the tax will be a windfall in new tax revenues to the Federal Government.

This includes not only the $227 billion from the windfall profit tax, but also an even larger amount in increased corporate income-tax payments by the oil companies.

This influx of revenues will create a multibillion-dollar slush fund to finance Government spending programs.

Funneling this money to the Government is like giving a spendthrift a new set of credit cards.

What began as an energy tax as part of a broader energy program has turned into a bonanza for the Federal Government.

The conferees have attempted to deal with the potential for greater Federal spending rising from new windfall revenues by declaring that 60 percent of the revenues shall be used for tax cuts.

Clearly, tax cuts are preferable to more government spending.

However, the commitment to tax reductions in the windfall profits tax is uncertain, at best.

The windfall profits tax should, therefore, be evaluated on its own merits, not on hopes for future tax reductions.

The proposed new tax has been expanded broadly in its scope.

In April 1979, President Carter proposed a windfall profits tax and an energy security trust fund. The rate of tax was 50 percent with lower taxes for types of hard-to-get oil such as stripper oil, newly discovered oil, and tertiary recovery projects. Alaskan oil was exempted entirely from the tax.

Coupled with the tax was an ambitious energy production program designed to accelerate alternative sources of energy and encourage conservation. The total cost of this program, as outlined by the administration in July 1979, was $142.2 billion over the period of 1980 through 1990.

The Senate Finance Committee tax bill, which I found preferable to the original administration proposal, raised $138.2 billion. These revenues were very close to the requirements initially requested by the administration.

I supported the Finance Committee proposal which I considered reasonable.

I voted for the Senate bill, although I considered it less desirable than the Finance Committee bill.

The conference between the House and Senate moved immediately to further increase the tax. Without going into the merits of each aspect of the tax, it decided to levy a tax of $227 billion over the period from 1980 to 1990.

The $227 billion is $85 billion more than the administration originally estimated was needed to finance an energy program.

Further, the conferees set a heavy, 70 percent rate of tax on flowing oil—oil which has been discovered and is available for immediate use.

The conferees also set a 30-percent tax rate on new, tertiary and heavy oil.

Will the revenues be used to encourage more energy?

This question is left unanswered. The idea of an energy security trust fund was dropped from the bill.

There is nothing in the tax bill which provides that funds raised from the tax will be used for energy purposes. Instead, those added billions will go into the general fund to finance more Government programs—unrelated to energy—which undoubtedly will become permanent fixtures.

A hotly debated issue in the conference was a phaseout of the tax. The conferees discarded the Senate position and decreed that the tax shall be in effect for at least 11 years. After such a long period of time, it will become most difficult to remove a tax which will then be supporting those added spending programs.

And where will all these added billions of tax dollars come from? The only place they can—from the American people.

Even without a windfall profit tax, the Government will receive an additional $340 billion between 1980 and 1990 through additional income taxes. So the windfall profit tax is, in effect, a tax on top of a tax.

While a tax high enough to capture any unreasonable profits through decontrol makes good sense, it is also logical that the tax should not be so high as to remove incentive for producers to invest in greater production. What we so desperately need is more energy.

I have supported decontrol because I felt controls distorted the market system and were counterproductive in our efforts to produce more oil. President Carter finally came to this same conclusion.

But the magnitude of the windfall tax has replaced counterproductive controls with a counterproductive tax—which in turn will stimulate additional Federal spending.

We must face up to the need for more energy now. The energy problem we face is not 10 years away. It is here today, and it calls for immediate production as well as imaginative schemes for the long-term future.

I end as I began: I favor a reasonable windfall profit tax; I do not favor an unreasonable one. We need more energy—now.

I shall vote against the conference report.

Mr. President, I yield back the remainder of my time, and I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. HARRY F. BYRD, JR. To be equally divided.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered. The time will be divided equally.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, tomorrow, the Senator from Kansas will offer a motion to return this bill to the Finance Committee to consider the plight of the royalty owners and independent producers.

Although I am not certain what impact we can have on the conference report, we should send a signal to the royalty owners in our States that they were not forgotten in the first place, that we understand the problem, and that there will be efforts, if we cannot resolve it in this proposal, to try to relieve some of the burdens on royalty owners.

By tomorrow, we hope to have a list of royalty owners in Kansas, Arkansas, Louisiana, and other States; because we will be hearing from all these people, and we should like to know whether we are going to get 50,000 letters, 100,000 letters, 200,000 letters, whatever.

One of the most unfair aspects of the windfall profit tax bill is the treatment it accords to hundreds of thousands of small royalty owners across the country. Under the conference report, these people are subject to various windfall tax rates: a 70-percent tax rate for upper and lower tier oil; a 60-percent tax rate for stripper oil; a 30-percent tax rate for newly discovered, incremental tertiary, and heavy oil. These are the same windfall tax rates applicable to Exxon and the other oil giants.

Mr. President, the Senator from Kansas has a number of questions he hopes all his colleagues will consider carefully before they vote on the motion to refer the conference report to the Finance Committee.

In view of the heavy tax rates which apply to royalty owners, do not Senators think that many landowners simply will refuse to lease their prospective oil lands? In other words, if you are a landowner in Arkansas, Kansas, or Louisiana, why should you lease your land if you are going to have to pay a 60- or 70-percent tax rate or, under the best circumstances, a 30-percent tax rate for newly discovered oil?

We have heard from thousands of extremely unhappy landowners who say they will not enter into any new oil leases. We also have heard reports that landmen trying to acquire mineral rights are running into such landowner resistance. If a substantial number of landowners across the country refuse to enter into new leases because of their anger over this new tax, it will have a serious and detrimental effect on domestic oil production.

That is the first question I want to address to my colleagues.

Second, when we debated the windfall profit tax in the Finance Committee, on the Senate floor, and even during conference, the focus was almost entirely on oil producers, whether they were independent producers or major companies. Nevertheless, as I stated previously, the conference report would impose a windfall profit tax not just on oil producers but also on countless numbers of royalty owners. At least in Kansas, these royalty owners are not generally wealthy individuals. They are farmers, scratching to keep their heads above water, or they are retired individuals who rely on royalty checks to supplement their social security, or they are young couples who have made an investment.

The **PRESIDING OFFICER.** The time of the Senator has expired.

Mr. DOLE. Mr. President, will the Senator from Louisiana yield me time?

Mr. LONG. Mr. President, how much time do I have remaining?

The **PRESIDING OFFICER.** The Senator from Louisiana has 28½ minutes.

I yield 5 minutes to the Senator from Kansas.

Mr. DOLE. In other words, they are not rich. Particularly if they are farmers, they are not rich. They are having trouble breaking even, under the programs now in operation. They are losing money. Now they are about to get another tax, of which they may not have been aware.

These are not the people who, at least in all the early considerations of this proposal and all the early press coverage of this proposal, were being singled out for the tax. All the focus was on big oil companies and foreign oil profits and first quarter profits and second quarter profits and third quarter profits and fourth quarter profits of the big oil companies.

As I said before, now we are going to treat royalty owners just as we treat big oil companies. They are going to pay the same rates as Exxon, Gulf, and others.

They are not the profiteers, and I do not suggest that the others may be profiteers, but some are described as profiteers. They are not the ones I do not believe who were intended to be the victims of this tax.

I also say to my colleagues that if this bill is passed without some consideration of royalty owners, it is going to amount to a rollback in the amount they receive, especially royalty owners with stripper oil profits. They are going to get less of a check in March and April and the next 10 and 11 years, than they got in January and February of this year and prior to that time because the tax will take effect on March 1.

On a barrel of stripper oil selling for $38, a royalty owner would typically receive $4.75 royalty payment. After the imposition of the windfall profit tax, the royalty owners will have to pay a $1.71 tax on this royalty. Thus, the royalty owner's payment per barrel will be slashed from $4.75 to $3.04 by this tax, a 36-percent drop in income. Again, that is a substantial drop in income.

We are not discussing and have not discussed over a period of months what it would really mean to the royalty owner. We tried in the conference. The distinguished chairman tried in conference and the Senator from Kansas tried in conference to ease the burden on the royalty owners. We did not succeed. We did not have the votes.

Now we have one opportunity, and maybe we cannot change the conference report, but it would seem to this Senator it would make a great deal of sense and offer some comfort to the hundreds of thousands of royalty owners if they understood that they had not been forgotten and were going to continue to try to find some way to ease the tax burden on royalty owners across this country.

We should have given thought maybe to a 50 or 100-barrel-per-day exemption for royalty owners. It would seem that even a 50-barrel-per-day exemption or smaller would exempt most royalty owners, especially the little royalty owners in whose situation most of us can generate a great deal of sympathy.

So it would seem to me, I say to the chairman, and I do not address these questions to him, only as we have struggled with them for months, but I address them to all my colleagues who are going to get to vote tomorrow, if we are unsuccessful in addressing the royalty owners concerns in this bill, I hope that we could in some future legislation in the immediate future find some way to exempt small royalty owners, if not totally, to exempt 50-barrels per day, 25-barrels per day. That would catch the truly small royalty owners and I hope that in the next few months we will have an opportunity, in fact in the next few weeks, to address this very serious problem.

This will be debated more tomorrow.

As I understand the parliamentary situation now the time of the Senator from Kansas on this side has been used. There is some time remaining on the other side.

We will have about an hour tomorrow to discuss this and other matters in more detail.

The **PRESIDING OFFICER.** The 5 minutes yielded to the Senator from Kansas have expired.

Mr. LONG. Mr. President, I yield an additional minute to the Senator from Kansas.

Mr. DOLE. Mr. President, finally, let me say this: The Senator from Kansas assumes this conference report will be adopted. I am not under any illusion that somehow it will be rejected. I think there is a strong feeling there should be a tax. This Senator said in this Chamber many times I think when this bill left the Senate it was a good piece of work. It was balanced. It did not destroy an incentive. It did not impose a heavy tax burden on royalty owners. It did not impose a heavy tax burden on independent producers. But after the conference and because of many decisions that were not under my control or anyone's control in the Senate, the revenue was increased and, therefore, the taxes had to be increased to meet the increased revenue in the bill.

It would be my hope that tomorrow morning we could, at least in an effort to indicate to the royalty owners and independent producers in this country that we do have a concern, send this bill back to the Finance Committee for 5 days or for 10 days to try to figure out some way to address the real problem that exists.

So tomorrow morning, I say to those who are about to vote, take a look at the number of royalty owners they have in their States, whether it is 10,000 or 50,000 or the number they could have in their States before they vote on the motion to send this back to the Finance Committee for a specified number of days.

I thank my chairman for yielding.

Mr. LONG. Mr. President, I very much wish we could have done better by the royalty owners than we were able to do in conference.

Unfortunately, we did not have the language in the Senate bill we needed. In other words, we did not have the language in conference that would make it possible for us to do for the benefit of royalty owners what I would like to have done.

The Bentsen amendment was accepted in the Senate Chamber and the Bentsen amendment exempted independent producers from the windfall profit tax. It also would have exempted the royalty owners who held royalty interests in those independent wells—about one in seven royalty owners.

In conference, the House of Representatives would not agree to the complete exemption of the independents, but it did give them a better tax break so that they paid a lesser rate than did the major companies.

Here is the problem with regard to royalty owners:

In justice and fairness they all have about the same equity in their favor.

Generally speaking, a royalty owner is a small farmer who signed a lease to permit someone to extract minerals from beneath his property. He does not bear the expense of drilling the well or completing it or operating it. But he receives a share of the minerals that are produced from beneath his soil.

Eighty-five percent of those royalty owners have their production beneath wells of companies that are major companies who would not have been exempted by virtue of the Bentsen amendment. So, 85 percent of all royalty owners would have been left to pay the same tax as the producers on their land.

Thus, 85 percent of all royalty owners would have been subject to the high tax rates provided for major companies. In the Senate bill these would have been 75 percent on old oil and 60 percent on stripper wells.

So, there is no way in conference that we could get the House of Representatives to agree to a lesser tax on the royalty owners than provided by the Senate bill or the House bill.

We had to go between the two and that being the case we did not have the potential in conference to do anything except to help royalty owners who had their royalty interest beneath those wells of independents.

If we had done that that would have appeared to be a very severe discrimination because six out of seven of those royalty owners would have been discriminated against. That would have been difficult to explain.

So, under the circumstances, about the very best we could have done was to agree that the royalty owners beneath the independent wells would get the same rate as the producer would have received.

If their royalty was beneath a major company's well, they would have to pay the same tax rate as the major company which would be 60 percent.

Mr. President, that latter situation I regret. That involves most of the royalty owners. I would love to give them the 30-percent break or not tax them at all, but that was not in conference. It was not in the Senate bill; it was not in the House bill, and a point of order could be made from either side that we had no right to do it because it was not in conference.

I would be happy to support a provision on some other measure to try to do something about that. I wish it had been offered here in the Chamber. I would have been happy to have voted for it. Looking back on it, I wish I had offered it myself. I would have liked to have done more for royalty owners and give them a better break, and I assure the Senator from Kansas (Mr. Dole) and all others that as we look at future opportunities I will vote to support measures to give the royalty owners, particularly those beneath stripper wells, a better break than they are getting at this point. I wish we could do better about them, but it was not in conference.

Even if we voted down the conference report and went back to conference with the House of Representatives, it would still be subject to a point of order in both the Senate and the House of Representatives because neither the House bill nor the Senate bill provided the consideration for those royalty owners, the 85 percent of them who have their royalty beneath the major company wells.

So, it simply was not within our power in conference and within the rules of the Senate and House and the rules of conference to give them a better break than the House bill or the Senate bill would have given them.

In the future I hope we can do something about it, but it will have to be separate legislation and it will have to be initiated in one House or the other before the bill goes to conference. It cannot be initiated once a bill has been referred to conference.

Mr. President, I have a statement here on the issue of constitutionality.

Mr. DOLE. Could I just thank the chairman for his expression of support and also to suggest, as I did in my statement, that maybe one area would be an exemption for so many barrels for royalty owners. That would insure that you just took care of the royalty owners. That could be one approach.

It was not in conference, but in there was the merging of tier 1 and tier 2, and we did it. That is also a way.

We did the best we could because we had to raise revenue. That really was the crux, we had to raise the revenue, and somebody had to pay the tax.

So I hope we can figure out some way to ease the burden on the small royalty owner. The ones who have a lot of oil may not be able to understand, but they will have to bear it. The ones who have a couple or three barrels per day and losing 36 percent of their income, maybe we can help them.

Mr. LONG. Well, Mr. President, I would like to do that and, frankly, I feel that every Senator here who has a substantial number of royalty owners in his State missed an opportunity. Such an amendment should have been offered here on the floor to provide that all the royalty owners, particularly all the small ones, could have had some special consideration, that is, only such as justice and fairness would dictate. But certainly such fairness and consideration I would like to see and for which the Senator from Kansas spoke.

However, it was not done. I wish somebody had offered the amendment. I would have voted for it, spoken for it and urged others to do the same. But we cannot do it at this point.

The fact that all royalty owners are affected by this does expand our potential for amending this bill for the future, because there are just a lot of people who are taxed by it, and the greatest number of them all are people who are royalty owners, and I hope, Mr. President, we can move in the future to ease the burden on them, especially those who have their royalty beneath the stripper wells.

Mr. President, I have a statement about the constitutionality of the windfall profit tax.

During the course of the debate on the conference report, the Senator from New Mexico (Mr. Schmitt), and the Senator from Oklahoma (Mr. Bellmon) have raised several questions about the constitutionality of the windfall profit tax. I would like to address some of these issues briefly.

I. THE UNIFORMITY CLAUSE

Article I, section 8 clause 3 of the U.S. Constitution provides that:

> The Congress shall have power to lay and collect taxes, duties, imposts and excises, . . . but all duties, imposts, and excises shall be uniform throughout the U.S.

The Supreme Court has construed this uniformity clause to require geographic uniformity in the imposition of Federal excise taxes. In *Knowlton* v. *Moore*, 178 U.S. 41, 84 (1900), the Supreme Court stated that the Constitution requires that:

> Whatever the plan or method Congress adopts for levying the taxes in question, the same plan and the same method must be made operative throughout the U.S.; that is to say that whenever a subject is taxed anywhere, the same must be taxed throughout the United States and at the same rate.

In Knowlton, the taxpayer had challenged the constitutionality of a legacy tax on the basis that it failed to meet the uniformity requirement because its imposition took into account a beneficiary relationship to a decedent, which could vary according to local law. In rejecting this argument, the Court stated that the uniformity requirement was met since the tax was levied at the same rate throughout the United States, and because the uniformity clause did not require that the Constitution tax only objects "existing in equal quantity in the several States."

Therefore, a tax meets the requirements of geographic uniformity if similarly situated persons in different States are taxed at the same rate, and in the same manner. In addition, the different treatment of dissimilarity situated taxpayers or situations will not preclude a tax's uniform application throughout the United States, even where the dissimilarity of a taxpayer or the taxpayer's situation arises solely by operation of a law other than that applicable for purposes of the tax in question. Furthermore, the requirement of geographic uniformity is not, necessarily, violated merely because a tax, in fact, operates unequally. If a tax is imposed unconditionally, so that no other purpose appears on the face of the tax, and Congress otherwise has the power to effectuate or legislate as to the objective attempted to be accomplished through the imposition of the tax involved, the tax meets the requirements of the uniformity clause.

The windfall profit tax clearly satisfies the requirements of the uniformity clause of the U.S. Constitution. It applies to the removal of oil according to its classification in one of several tiers, regardless of the geographic location of that oil. All oil within the same category is taxed in a similar manner, regardless of its location. The categories into which oil is classified, generally, follow those which have been established under the provisions of the Emergency Petroleum Allocation Act of 1973, as amended. Neither these categories nor their counterparts in the windfall profit tax bear any direct relationship to the geographic location of the oil. In other words, the classifications of oil contained in the windfall profit tax apply equally to all oil within that category regardless of its geographic location. Although some sections of the United States may have a disproportionate amount of oil within any particular category, as compared to the amount of oil in other categories located in that section of the country, the application of the tax has no direct relationship to the quantity of any specific category of oil located in any given part of the United States. In addition, oil within some categories, that is, tier 1, may become classified in other categories, that is, tier 3, incremental tertiary or heavy oil, or tier 2, stripper oil.

The exemption for certain oil produced from a well which is located north of the Arctic Circle or on the northerly side of the Alaska-Aleutian Range divide applies without regard to what, if any, State such oil may be located in, or the residence of its owner. This category of oil was included to prevent discouraging exploration and development of reservoirs in areas of extreme climatic conditions.

Therefore, it seems clear that the windfall profit tax meets the requirements of the uniformity clause of the U.S. Constitution.

II. DIRECT VERSUS INDIRECT TAXES

Article I, section 9, clause 4 of the U.S. Constitution provides that direct taxes must be proportioned in accordance with population. Indirect taxes, on the other hand, do not need to be so apportioned. The windfall profit tax is an indirect excise tax imposed with respect to the privilege of selling oil at a price which is not subject, in part or in whole, to Government regulation or limitation. The tax is imposed on the difference between a base price, generally computed with regard to a controlled price, and the actual selling price of the oil involved. Thus, in most cases, the tax is imposed only on the act of selling oil and then only on the amount by which the selling price exceeds the adjusted base price of that oil. In some instances, however, a sale price for oil will be computed on a constructive basis. These instances generally will involve situations in which the acts involved are equivalent to an arm's-length sale of the oil, that is, conversion of crude oil into manufactured or refined products. No tax is imposed on the mere fact of ownership of oil or upon its extraction from the ground and storage on the lease from which it was produced. As a result, the tax clearly is an indirect tax imposed with respect to the act of selling the oil.

Contrary to the opinion of some commentators, the tax in no way is imposed on the value of crude oil reserves in the ground, or upon the mere fact of oil ownership.

The courts consistently have held that the Congress has the power to regulate the price of oil. It is incongruous to argue that Congress may not tax receipts in excess of the amount to which it could limit the sale of the oil in the first instance. In other words, if Congress can control the price of oil at $13 a barrel, or at some other level depending upon the classification of the oil involved, then it can tax the sale price in excess of that controlled price. In both instances, the congressional action involved is an indirect action with regard to the privilege of selling the oil, rather than a direct action with respect to the ownership of the oil.

III. SEVERABILITY

Legislative counsel has supplied me with the following opinion as to the issue of severability under the windfall profit tax. This opinion clearly indicates that no difficulty should arise as to this issue.

It is possible that the point might be made that the treatment of Alaskan oil might be subject to a constitutional argument.

I have a memorandum here, Mr. President, which explains this matter, and I want to make it clear that it is the intent of Congress that in the event the courts should find that the provision about Alaska violates the provision that says that excise taxes should be uniform, that it was the intent of Congress in putting this provision in here to actually achieve uniformity because of the very high cost of producing oil in the areas of Alaska that are far from any transportation connection, especially the areas north of the Arctic Circle.

Further, Mr. President, it is our intention that in the event the courts should find this favorable treatment for Alaska, dictated by the very high production costs in that area, should violate the conformity provision in the Constitution, that provision should be regarded as a nullity and that Alaska will pay the same 30-percent tax on new oil as everybody else. If that should be too much, Congress could consider it in the future.

It is our thought that there is a separability clause in the Internal Revenue Code which applies to everything in the code and to all amendments to it, and we would expect and we would intend, if the courts should find a constitutional objection valid with respect to the Alaskan oil exemption, that the Alaskan oil exemption should not stand and that Alaskans or those producing oil in Alaska would have to pay the same 30 percent tax on new oil that everybody else would have to pay.

As I say, if that were to be the case we would expect to act in the future to remedy this and to try to provide some consideration based on the cost of transportation and the high cost of developing oil and producing oil in those areas north of the Arctic Circle, and those areas that are far removed from a pipeline or any kind of a feasible water transportation.

I ask unanimous consent that this memorandum on separability of Alaskan oil exemption from the windfall profit tax be printed in the RECORD.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

OFFICE OF THE LEGISLATIVE COUNSEL,
Washington, D.C., March 25, 1980.

Re separability of Alaskan oil exemption from windfall profit tax.

Senator RUSSELL B. LONG,
U.S. Senate,
Washington, D.C.

DEAR SENATOR LONG: Your staff has asked this Office for an opinion as to whether, should the Alaskan oil exemption be found unconstitutional, the other provisions of the windfall profit tax would be jeopardized.

There are two issues here: Is it the intention of the Congress that the Alaskan oil exemption be treated as separable? If so, can the Alaskan oil exemption be separated from the rest of the windfall profit tax provisions?

For the following reasons, it would appear to be highly unlikely that a court, on finding the exemption unconstitutional, would find it necessary or appropriate to strike down the entire windfall profit tax:

1. Section 7852(a) of the Internal Revenue Code of 1954 expressly provides that the holding of any provision of the Code invalid shall not affect the validity of other provisions of the Code.

2. If it is made clear that it is the intention of the Congress that the windfall profit tax should survive any invalidation of the Alaskan oil exemption for Constitutional reasons, then for a court to strike down the remaining provisions of the windfall profit tax solely for that reason would be an unlikely and unjustifiable frustration of legislative intent.

3. The Alaskan oil exemption is not so critical a part of the windfall profit tax that its invalidation, for constitutional reasons, would require that the windfall profit tax be invalidated as well.

A discussion of these reasons follows. References in the discussion to "the Code" are references to the Internal Revenue Code of 1954; references to "the Act" are references to the Crude Oil Windfall Profit Tax Act of 1980.

By way of background, it may be noted that the issue raised with respect to the Alaskan oil exemption is that the exemption, provided by section 4991(b) of the Code, for certain "Alaskan oil", described in section 4994(e) of the Code, might be held to violate the Constitutional requirement that "Excises shall be uniform throughout the United States". U.S. Const. art I, § 8. This letter does not address that issue.

I—THE SEPARABILITY CLAUSE

Section 7852(a) of the Code provides:

"If any provision of this title, or the application thereof to any person or circumstances, is held invalid, the remainder of the title, and the application of such provision to other persons or circumstances, shall not be affected thereby."

Today's Federal courts generally take the approach that the presence of a separability clause in a statute "may sometimes aid in determining [legislative] intent. But it is an aid merely; not an inexorable command." *Dorchy* v. *State of Kansas*, 264 U.S. 286, 290 (1924). The rule was given fuller expression four years later by Mr. Justice Sutherland:

"The effect of the statutory declaration is to create in the place of the presumption just stated the opposite one of separability. That is to say, we begin, in the light of the declaration, with the presumption that the legislature intended the act to be divisible; and this presumption must be overcome by considerations which make evident the inseparability of its provisions or the clear probability that the invalid part being eliminated the legislature would not have been satisfied with what remains." *Williams* v. *Standard Oil Co.*, 278 U.S. 235, 242 (1928).

Thus, section 7852(a) creates a presumption that the Congress intends, just as with other provisions of the Code, that the application of the windfall profit tax generally be unaffected by the invalidation of one of its provisions.

II—SPECIFIC CONGRESSIONAL INTENT

It would be desirable to have the record of the debates on the conference report on H.R. 3919 reflect explicitly an understanding that the Congress does not intend for the validity of the windfall profit tax as a whole to depend upon the validity of the Alaskan oil exemption. It is unlikely that the courts, even in the absence of such an explicit record of Congressional intent in this matter, would reach a different result. Nonetheless, it might prove useful to have such a record.

III—SUSCEPTIBILITY TO SEPARATION

As noted above, if the court is satisfied that the legislature intended the statute to be separable, there remains only the inquiry as to whether the statute is capable of separation in fact. In order to address this second question, it may be helpful first to place the Alaskan oil exemption in its statutory context.

The windfall profit tax is an excise tax imposed on domestic crude oil. It is determined by applying a percent, of from 30 to 70 percent, to the amount by which the removal price of the oil exceeds its adjusted base price. There are four categories of domestic crude oil which are exempt from the windfall profit tax. One of the four is Alaskan oil, i.e., oil (other than oil from the Sadlerochit reservoir in the Prudhoe Bay oilfield) which is produced from a well located north of the Arctic Circle or a well located on the northerly side of the Alaska-Aleutian Range divide (as long as that well is more than 75 miles from the Alaskan pipeline). According to the joint explanatory statement of managers which accompanies the conference report, "The exemption of Alaskan oil production for the designated locations reflects the concern of the conferees that taxation of this production would discourage exploration and development of reservoirs in areas of extreme climatic conditions."

Although there is no standard set of questions to be applied in determining whether a statute is capable of separation, the following criteria are typical of those which the courts employ:

1. *To be capable of separate enforcement, the valid portion of an enactment must be independent of the invalid portion and must form a complete act within itself. The law enforced after separation must be reasonable in light of the act as originally drafted.* Sutherland, Statutory Construction § 44.04 (4th ed. C. Sands, 1973). It would appear that the elimination of the Alaskan oil exemption would not render the windfall profit tax incomplete or unreasonable under the circumstances. Since the exemption is intended to avoid discouragement of exploration and development in certain locations, it may be assumed that omission of the exemption would not do much violence to the windfall profit tax itself. Oil produced from wells to which the exemption applies would, if it did not apply, be newly discovered oil, which is taxed at a rate of 30 percent, the lowest rate.

2. *The invalid portion must not have been the inducement for the passage of the act. Where the invalid portion was the principal inducement for the passage of the statute, the whole statute must fall.* Ibid., p. 346. Clearly it is not the case that the windfall profit tax would be enacted in order to provide a tax from which there could be an exemption for certain Alaskan oil.

3. *If there is a dominant or single purpose of an act, that purpose must be capable of being accomplished by the remainder of the act, and not dependent upon or conditioned by the void part.* Ibid., p. 347. In the instant case, the Alaskan oil exemption would seem to be a secondary or subsidiary purpose, since it would have no purpose at all were it not for the windfall profit tax itself.

In the interest of expediting the response to your inquiry, I have taken the liberty of not preparing a formal Office memorandum. If I can be of further assistance in this matter, please let me know.

Respectfully,

LLOYD G. ATOR, Jr.,
Senior Counsel.

Mr. MOYNIHAN. Mr. President, will the Senator yield for a question?

Mr. LONG. I yield to the distinguished Senator from New York.

Mr. MOYNIHAN. I would like to report to the distinguished chairman that in the Budget Committee the question has just arisen as to what the nature of the allocation of net revenues from the windfall profit tax to certain uses is. The allocation in question is provided in section 102 of the conference report, with a separate account to be established in the Treasury, as the chairman knows, the funds of which are to be allocated for income tax reductions, low-income assistance, and energy and transportation programs. The Senator recalls that this is the case?

Mr. LONG. Yes.

Mr. MOYNIHAN. Twenty-five percent is to be allocated to low-income assistance.

Later in the conference report it is indicated that from 1981 through 1990 the 25 percent for low-income assistance will be divided commencing in 1982 between programs to assist AFDC and SSI recipients under the Social Security Act, and a program of emergency energy assistance. The program of emergency energy assistance is part of our fiscal budget for 1981.

A question has arisen as to the degree of commitment involved here. I am happy that our distinguished chairman is here, as is also the ranking minority member of the committee, who stayed with us through the conference whether or not he had other business elsewhere. I have just left the Budget Committee and I would like to return there shortly but before I do so I should like to ask if I am correct in my understanding that it is the judgment of my colleagues that this is no more than a statement of intention which cannot bind this Congress or any future Congresses.

It states what the conferees intended to pass on to their own committees, or hoped to see passed in the Congress and the next Congress, as the case may be.

Mr. LONG. Yes.

Mr. MOYNIHAN. But it is much more than a simply pious intention. It came out of 2 months of hard negotiation and constituted a true individual commitment. We could not commit the Congress. We did commit ourselves. The Budget Committee should so understand this as being something of substance, and not merely a gesture. It is an undertaking to do everything within our power to see that a quarter of this revenue goes to these programs.

Would the chair share my judgment in that?

Mr. LONG. Yes, I do.

Let me make this clear: I regard this as a good faith commitment. But I also recognize that any Senator can vote for the conference report and take the view that this particular provision is one on which he is not particularly sold, and that on balance he is going to go along with this tax and with various other provisions in the bill and reserve judgment on this matter.

As far as the Senator from Louisiana is concerned, I was on the conference, I signed the conference report, and I have a greater commitment to that than someone who was not a part of it, and who comes on the floor and says, "I like some parts and I do not like other parts, so I will vote for this."

This is not an authorization, it is not an appropriation. It is a statement of intent, as the Senator has so well said, but it is a good faith commitment on behalf of those of us who signed the conference report that this is what we would like to do with that money.

Now, you cannot make Congress do anything of that sort. May I say even with regard to those of us who were there, it may very well be that when you get around to writing up new law about the low-income assistance, if the formula is worked out that gives my State or some other Senator's State such a very bad deal that that Senator feels that his resentment against the formula is such that he cannot vote for the bill, he has a right to vote against it.

But we would like to see the money spent in that fashion. It is a commitment, but it does not bind anyone. In due course, anyone has a right to change his mind if he wants to and take the view that circumstances have changed and, in view of the new situation, he feels somewhat differently about the matter.

Mr. MOYNIHAN. Mr. President, I thank the Senator.

He states simply what is the necessary fact about any such legislation: It cannot bind the future Congresses or individual Members of the Senate.

I see the Senator from Kansas is on the floor.

Mr. DOLE. Mr. President, I would be happy to respond. We discussed this earlier, it seems to me. In fact, the Senator from Kansas will include in the RECORD tomorrow a number of reports that appeared in the New York Times and other papers reporting that the conference committee allocated $136 billion for tax cuts and so many billion for low-income assistance, so many billion for transportation and tax cuts for alternate sources of energy.

So the Senator from Kansas would feel even more strongly than the Senator from Louisiana does. We argued for 2 or 3 days on low-income assistance. The Senator from New York led the efforts. And there was a lot of controversy. So it is more than just report language. It has got to be considered more than just report language.

It was a bona fide effort by the conference committee to, in effect, allocate the $227.3 billion. That may not square totally with the Appropriations Committee or the Budget Committee. It could be changed, no doubt about it.

As the Senator from New York indicated, it is more than just a gesture. It was a lot of effort by men of good will who were concerned about what would happen to the revenue.

Mr. MOYNIHAN. Mr. President, I thank the Senator from Kansas.

I shall endeavor to obtain some reports on this matter from the Kansas City Star, which I regard as an equally authoritative source of legislative intent in these matters.

Mr. HOLLINGS. Mr. President, if the distinguished Senator will yield, I did not happen on to try to confuse the understanding and clarification.

But, as I am understanding it now, there has been terminology to the effect of a change of circumstance or change of mind. But I think the point is, while it is a declaration of intent by the conferees, obviously—and I can tell from the conversation of the three Senators—it in no way binds, as the Senator says, the Appropriations Committee, does it?

Mr. LONG. Mr. President, it does not bind the Appropriations Committee and it does not bind the authorization committee.

Mr. HOLLINGS. Mr. President, that is why I think the question was raised upstairs in the Budget Committee. Some may take a different view.

I happen not to support a windfall profit tax, so I do not want to act like I am coming from some direction that I am not, in essence.

But I think the point was being made upstairs, and I go along with the intent and I see what the conferees intend, but, again, as to a binding matter of the Budget Committee, there was a discussion upstairs of whether or not they were bound.

Mr. LONG. Mr. President, I hand the Senators some language taken from a colloquy between the chairman of the Budget Committee and the chairman of the Finance Committee. I believe it makes clear what our attitude about this matter is.

Keep in mind that the Senate agreed to the taxpayer trust fund, which was an amendment offered by the Senator from Delaware (Mr. ROTH) in the Finance Committee. That went to conference.

The House would not accept the taxpayer trust fund proposal. They would not agree to a trust fund at all. They were willing to agree to what we have here, which is referred to as allocations. This is a statement of intent, but it is not an authorization. It is not an appropriation. It would have to be implemented by both authorization and appropriation. It does not bind any Senator to vote for anything, unless it squares with his conscience.

Mr. HOLLINGS. Conceivably, Senators who had squared it with their consciences to vote and support this conference report with a different intent than what the three conferees are agreeing to at the moment could do so.

Mr. LONG. They certainly could. And any Senator who is not a member of the conference—which is the overwhelming majority of the Senate—is certainly privileged to take the attitude that these conferees may feel that way but this is a big conference report and a very big bill, so we have to vote it up or down. One could take the view that I will vote for the conference report, but I do not agree with a particular part of it. Many times I have voted for a bill and I did not agree with everything in it. Every Senator has a right to take that view, if they so choose.

Mr. MOYNIHAN. If the Senator from New York may intervene one last time, the distinguished chairman states what is the necessary fact and I would be happy if he did not warm to the elaboration thereof.

Mr. LONG. As far as the Senator from Louisiana is concerned, as of this moment that is exactly what I would do if I had the power to do it.

But everybody has a right to judge what should be done by the circumstances at the time. I think all Senators have that right.

Mr. MOYNIHAN. That is correct.

Mr. DOLE. Mr. President, will the Senator from Louisiana yield?

Mr. LONG. Yes.

Mr. DOLE. Mr. President, the Senator from New York labored too long and too hard to have it pronounced meaningless on the Senate floor. It is not meaningless. I do not think we ought to elaborate on it much more or it will be meaningless.

Mr. MOYNIHAN. Mr. President, I thank the Senator from Kansas.

Mr. LONG. Mr. President, I think the record will speak for itself. I am sure Mr. ROTH regards this as a strong commitment of someone who was not on the conference report. I am privileged to consent to regard this as a commitment of the Senator from Louisiana.

Mr. MOYNIHAN. More I could not ask, Mr. Chairman.

Mr. SASSER. Will the Senator yield?

Mr. LONG. I yield.

Mr. SASSER. I thank the distinguished Senator for yielding. I rise to ask the Senator from Louisiana for clarification on two points relating to eligibility for tax credits under section 201(b) of the energy conservation and production incentives.

I am concerned that the standards used by the Treasury Department not discriminate between regions of the country. We would be overlooking a major area of energy conservation potential if we limited the tax credits to devices used in those regions of the country most heavily dependent on oil and natural gas—that is the Northeast and the Southwest.

In many areas of the country, including the Tennessee Valley, electricity is generated primarily through the use of coal, uranium, and hydro. The use of oil and natural gas in these regions is limited primarily to peaking power demand.

I would ask the chairman, is it his understanding that eligibility for these credits should also be extended to conservation devices that would provide energy savings on electric power systems fueled mainly by hydro, coal, and uranium?

Mr. LONG. Yes, the committee intends that the criteria provided by the bill which the Secretary of the Treasury will use in evaluating requests to grant tax credits to individual items, are not to discriminate in any way against regions of the country where electricity is generated from sources other than oil and natural gas.

Mr. SASSER. My second question relates to eligibility for consideration of load management devices for energy conservation tax credits. Load management devices for electric appliances and home heating systems are especially important in reducing peak demand for electricity which is provided entirely by the burning of oil and natural gas in many areas of the country. In addition, wide variation in load on a utility contributes to the inefficient use of fuel. Leveling the utility's load means reducing the use of peak generating systems and also defers the need to build new capacity, both of which translate into net energy savings in the country.

Therefore, even though the conservation of oil and natural gas may be one important benefit of the energy conservation incentives, any item which lowers the demand for electricity or the load pattern of this demand is capable of making an important contribution toward our goal of reducing oil and natural gas consumption.

To restate my question, does the committee intend that load management devices should be eligible for consideration by the Treasury Department?

Mr. LONG. Yes, the committee agrees with the Senator that any device which may make a significant contribution toward our goal of reducing consumption of oil and natural gas should be eligible for consideration by the Treasury Department for the residential tax credit.

Mr. SASSER. I thank the Senator for yielding.

Mr. LEAHY. Will the Senator yield?

Mr. LONG. I yield.

Mr. LEAHY. I am extremely pleased that the conference committee adopted most of the tax incentives included in the Senate-passed windfall profit tax bill for the development of small-scale hydropower at existing dams. I have long supported Federal initiatives such as this to encourage small hydro development. Small-scale hydro is ideally suited to New England, the region most dependent on imported oil. For almost 150 years, New England drew its energy largely from falling water. Today, however, most of the existing hydro facilities in Vermont and across New England lie abandoned. Recent studies have documented the potential for rejuvenating small-scale hydro in the region, and, with these tax incentives, the abandoned dams may once again turn water power into electric power for the region and the Nation.

I would like to ask my good friend from Wisconsin a few questions about the provisions in this legislation which relate to small-scale hydropower. First, it is my understanding that the bill provides incentives to the development of both privately and publicly owned dams.

Mr. NELSON. That is correct. Private owners of existing dams will be eligible for an 11-percent energy tax credit on qualified hydroelectric generating property, which includes the purchase or rehabilitation of electric generation equipment, structures for housing such equipment, fish passageways, the dam property, and additions or improvements thereto. In addition, the basic 10-percent business tax credit has been extended to investments in fish passageways. Public owners of dams, such as municipalities, irrigation districts, or other political subdivisions of State or local government, are encouraged to rehabilitate their dams via the provision of tax-exempt industrial development bonds. These incentives, both public and private, are available to rehabilitate existing dams up to 25 megawatts in generating capacity, and on a diminishing basis, to existing dams of up to 125 megawatts in capacity.

Mr. LEAHY. I thank my colleague for that explanation. I am particularly interested in the provision of tax-exempt bonds to encourage public entities to develop small-scale hydropower resources. I understand from the conference report that any site with an existing dam will not be a qualified hydroelectric site unless the dam is owned for tax purposes by a governmental body on October 18, 1979, and during the period the obligations are outstanding.

Mr. NELSON. That is correct.

Mr. LEAHY. I do not believe that requirement was in the Senate-passed version of the bill.

Mr. NELSON. It was not in the Senate-passed bill, but added in conference. The intention of the conferees, I believe, was to preclude a private dam owner from transferring title of a dam to a municipality solely to receive the benefits of tax-exempt financing.

Mr. LEAHY. I see. Unfortunately, this ownership requirement may preclude some legitimate and very important development of small-scale hydropower by public entities. Several examples have already been brought to my attention. First, many dams are owned by the Federal Government. Neither the 11 percent tax credit nor the tax-exempt bonding authority is available to the Federal owners of these dams, so that the rehabilitation of these dams is not directly encouraged. Since these dams will remain in Federal ownership, nearby municipalities or other political subdivisions of the State are prevented from using tax-exempt bonds provided by this legislation to finance a hydropower project, because of the ownership requirement. It seems to me that an exception to the ownership requirement should be made in the case of federally owned dams so that the tax-exempt bonding authority is available when the dam owner is the Federal Government.

Mr. NELSON. I appreciate the suggestion from my colleague and am willing to introduce legislation to corrcet this problem.

Mr. LEAHY. Second, consider the case of a dam owned on October 18, 1979, by a private or public entity not in the position to develop it. Even if a nearby municipality wished to purchase the dam at full market value and rehabilitate it to provide power, under the ownership requirement, it could not do so and still have the critical financial assistance provided by this legislation. I am fully sympathetic with the committee's desire to prevent sleight-of-hand transactions in which ownership is transferred to a municipality at a nominal fee solely for the purpose of obtaining tax-exempt bonds. However, where there is a legitimate transaction, we should not prevent the development of the site. In this case, the ownership requirement constitutes a pound of prevention where an ounce would do.

Mr. NELSON. I fully agree with my distinguished colleague from Vermont. My intention was simply to prevent bogus transfers for the purpose of wrongly obtaining tax-exempt financing. It was not my intention to prevent legitimate purchases of privately or publicly owned dams by public entities wishing to develop the hydropower resources of their region. Therefore, I intend to introduce legislation at the earliest possible date to correct the problem so accurately described by the junior senator from Vermont.

Mr. LEAHY. I am pleased to hear that. I thank my colleague from Wisconsin for clarifying these issues for me.

● Mr. ARMSTRONG. Mr. President, this windfall profits bill is the largest tax increase in U.S. history, a legislative millstone which will cause oil producers to produce less oil, and force consumers to pay more for it.

While passage of the windfall tax bill in its present form will be a dark day for the U.S. economy, there are some provisions worthy of support. This silver lining is a tribute to the skills of the chairman and ranking minority member of the Senate Finance Committee. I commend their efforts to repeal the carryover basis, provide a partial tax exclusion of interest income and establish a date certain phase-out for the new windfall profit taxes.

But even with these provisions, the windfall tax remains both bad fiscal policy and bad energy policy. Not a single person disputes that this bill will mean a less productive domestic energy economy. Thus, national efforts to regain energy self-sufficiency, reverse trade deficits, combat inflation, and shore up the dollar's value are sabotaged.

While the U.S. Treasury will reap a handsome windfall from the bill, the country will surely be poorer. This bill provides another draught for the Government's insatiable thirst for more revenues. In proposing the tax last July, President Carter called for a $147 billion tax. The bill before us today merged from the legislative process carrying a $227.3 billion price tag. This is the largest tax increase ever approved by a Congress. This single bill will cost Americans more than the Federal Government spent between 1789 and 1940.

This bill is poor fiscal policy; it raises taxes at a time when tax rates are among the highest in history; it impairs investment retention in a capital intensive industry; it increases Government interference in the private sector.

All this is done in the name of recapturing excess profits to be doled out according to politicial whim.

It is now planned that a portion of the revenues raised through the bill will be earmarked to help the poor pay ever steeper fuel bills. There is universal agreement that we must avoid placing a harsh new burden on those least able to afford higher energy prices. But a convincing case can be made that supplemental taxation is not required for such help. Even without this windfall tax, State and Federal governments will receive some $340 billion in revenues merely through oil deregulation. This alone is twice more than what is now planned for low income energy assistance.

What is so ironic about this tax bill is that its price will be paid by consumers. Energy taxes will increase by 38 percent, a tax consumers, both the rich and the very poor, will pay through higher energy prices. Despite the hopes and the efforts of my well-intentioned colleagues, oil companies will not pay this tax. The tax as now written is nothing more than an excise tax. As most Americans know, the retail price of any product reflects production prices, and this bill only increases those prices.

This bill ought to be renamed for what it is: The Regulatory Nightmare Act of 1980. It will produce the unbelievable situation where the same well will produce oil requiring three separate pricing and tax categories. My colleagues who have read the bill know its complexity. Up to 16 separate calculations will be needed to compute the new tax rates imposed by this bill.

These objections might have been overcome had this bill included a plowback provision. By virtually all accounts, this one provision would have increased energy production in the United States. As now written, this bill provides virtually no meaningful incentive to energy producers. Less than 8 percent of the revenues raised through this bill will be invested in some form of energy production. If oil companies had been allowed to defer windfall taxes through reinvesting in exploration and production, the bill would have increased production. Because there is no plowback provision, the bill assumes that the Federal Government possesses wisdom superior to the private sector on how to best utilize revenues to increase energy production. Such assumptions are destroyed as easily as reviewing the record of the Department of Energy. Its $12 billion annual budget—exceeding the current annual profits of all oil companies combined—has yet to find or produce a single gallon of gasoline.

What the Federal Government has done through decontrol of oil prices, it has undone through the adoption of this tax. The bill may effectively continue the control of domestic energy prices. That is why this bill is such poor energy policy. It does nothing to reduce dependence on foreign oil, which ought to be ultimate goal of all energy legislation considered by Congress.

Finding and producing domestic oil is the only realistic short-term solution to our energy problems. And there are still vast areas of potentially rich oil reserves waiting to be explored. The U.S. Geological Service estimates that there are still 50–127 billion barrels of domestic, undiscovered recoverable oil reserves.

I cannot help but note that as recently as 5 years ago the Western Overthrust Belt in Utah and Wyoming and the Williston Basin in North Dakota and Montana were virtually unexplored. Popular belief held that these two regions were not oil rich. After hundreds of millions of dollars of exploration, these two regions are now believed to hold the greatest treasure house of oil reserves in the lower 48 States.

These oil reserves are waiting for the daring and resourceful. But they will only succeed if they are unencumbered by restrictive Government regulation, and if they have money.

If we are ever to be energy independent, some 40 percent more oil than we now consume must be discovered and produced. To accomplish this goal, analysts say $1.1 trillion in capital is needed by the end of this decade. With passage of this bill, the entire energy industry will have less than one-third of the required capital to do the job. That is right—only one-third. It is particularly important that the energy industry retain profits for energy development since lenders are increasingly reluctant to finance risky oil exploration ventures. Energy companies must rely on retained profits to finance oil exploration.

So this bill is nothing more than a tax on capital. It impairs capital investment so vital for energy development. Because the bill will increase the costs of doing business, it will reduce oil production. It is the height of incongruity that virtually all agree the United States must increase domestic energy production at the same time everyone agrees the pending bill will reduce energy production. Although experts disagree on the amount of reduction—the range varies between 200,000 and 800,000 barrels a day—the one inescapable fact is this bill will reduce production. Even if this domestic reduction is replaced by foreign oil—an unlikely prospect—it will increase U.S. trade deficits by $9 billion.

The key question, then, is how will the proposed new taxes affect the energy industry's ability to speed energy development. The answer is sobering. Because taxes will increase, cash flow will be cut, ability to retain earnings will be impaired—which in turn depresses stock value—all of which will result in less capital available for energy production and exploration.

All this will achieve a result most in Congress will regret: A less diverse, more concentrated energy industry. It is only a matter of time before the Nation's 12,000 independent explorer-producers will either cut back, phase out or end their operations because the higher and more complex tax rates will make energy production unprofitable. It is only a matter of time before production on marginal wells is reduced. It is only a matter of time before energy exploration is curtailed, and research and development budgets are reduced.

Mr. President, this is a bad bill. It deserves to be defeated.●

● Mr. EAGLETON. Mr. President, throughout this debate and in an increasing number of oil company advertisements it has been asserted that the windfall profit tax is in fact a hidden excise tax on consumers and ultimately will be passed through to consumers in the form of higher gasoline prices.

I have been concerned about these oil company claims because I would be the last person in this Chamber to support an additional tax on gasoline. I believe President Carter's decision to impose a fee on imported oil which will result in a 10-cent-a-gallon increase in gasoline prices is a mistake. Not only will that action add to the inflationary burden on consumers but it is not enough to achieve any significant conservation. By the President's own estimate this new tax will save 100,000 barrels of imported oil the first year and no more than 250,000 barrels by the third year. By my reckoning, the cost of those saved barrels would be somewhere between $118 and $295 per barrel. While I support President Carter's anti-inflation efforts I believe he was poorly advised to pursue the self-defeating policy of increasing energy prices. Our problem is that energy prices already are overwhelming the capacity of our economy to absorb them. I find no logic in a policy that fights high energy prices with even higher energy prices.

Out of concern over those recent oil company statements, I have had a series of discussions with the Department of Energy over the past week. Based on those discussions and a letter from Secretary Duncan which I will ask to be printed at the conclusion of my remarks, I am satisfied that the claims that this tax will be passed through to consumers are false. I accept the assurance of Secretary Duncan that:

> Existing regulations absolutely prohibit refiners from treating the windfall profits tax as an increased cost that may be passed through in the price of gasoline.

I accept the Secretary's assertion that:

> The impact of the tax will be upon producer's profits, not upon the consumer prices.

Mr. President, I ask that the text of Secretary Duncan's letter be printed in the RECORD.

The letter follows:

DEPARTMENT OF ENERGY,
Washington, D.C., March 18, 1980.

Hon. THOMAS F. EAGLETON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR EAGLETON: I am sorry I missed your telephone call the other day, but my staff has apprised me of your concerns. I share your concern that opponents of the windfall profits tax are suggesting that this Department's regulations permit the cost of the tax to be passed through on the price of gasoline as an additional increased cost.

I asked the General Counsel to look into this allegation, and he assures me that our existing regulations absolutely prohibit refiners from treating the windfall profits tax as an increased cost that may be passed through in the price of gasoline. Therefore, the impact of the tax will be upon producer's profits, not upon consumer prices.

Sincerely,

CHARLES W. DUNCAN, JR.●

● Mr. COHEN. Mr. President, when the Senate approved its version of the Crude Oil Windfall Profit Tax Act, numerous residential tax credits were among the provisions of the legislation. These included modest incentives for the purchase and installation of wood-fueled stoves and furnaces, an amendment sponsored by myself and many of my New England colleagues.

Despite the continuing efforts of the New England delegation, in both the House and Senate, the conferees on this measure deleted the tax credits for wood. This action was a serious blow to the residents of New England, who have conserved more heating oil than citizens in any other part of the country.

In the context of this legislation, we have additional evidence that the wood tax credits would have had a significant and beneficial impact on energy conservation in New England. It is too late, perhaps, to correct this mistake, but I believe we should consider the latest facts about New England's reliance on its extensive forests.

The Department of Agriculture recently completed a survey of New England homes, and discovered that one-third burn wood. This represents a 9 percent increase in wood burning since 1977–78. In my own State of Maine, 46 percent of the households burn wood, an increase of 7 percent from 1977–78.

In Maine, and throughout the six-State region, people are burning wood more efficiently—through the use of airtight, high quality wood furnaces and stoves. Nearly one-quarter of New England's 4.3 million households now have a wood stove or furnace. The amount of wood burned in the new efficient stoves increased by 22 percent from 1976 to 1978, while the amount burned in fireplaces actually declined by 15 percent.

What have the savings been to New England residents? The wood burned in 1977–78 displaced 5.3 million barrels of home heating oil, or 4 percent of the region's total consumption. To put this figure in perspective, individuals who burned wood saved New England twice the amount of oil that the proposed Dickey-Lincoln Dam would save, if it were operating today. These individual efforts saved oil comparable to the amount a single coal burning power plant, like the one proposed for Sears Island off the coast of Maine, could potentially displace.

In Vermont, residents paid $11 million for wood, but saved $45 million on oil. And, because the wood industry is essentially an intrastate business, the money remained in Vermont, expanding that State's economy by $150 million.

There are certainly many opportunities in each New England State to continue the expansion of wood burning. The residential tax credits originally approved by the Senate would have accelerated these opportunities. Yet, the conferees on this bill did not see the wisdom of residential wood tax credits. Nor, I might add, has the President, who, under the Energy Act of 1978, was given the power to direct the Secretary of Treasury to make wood burning stoves and furnaces eligible for energy tax credits.

The exclusion of wood tax credits is wholly inconsistent with the urgent national necessity to reduce our dangerous dependence on foreign oil. No region in the Nation has paid a higher price for that dependence than New England. No region in the Nation has done more to reduce its dependence on foreign supplies. No region in the Nation has shown an equal collective resolve to reduce consumption of foreign oil. Yet, time and again, the Federal Government has demonstrated its insensitivity to the special plight of New England's consumers by either adopting energy policies which penalize the region or by rejecting incentives which could assist New Englanders in their concerted individual efforts to save energy, to use indigenous energy resources and to become a more self-sufficient region.

I ask that the following articles be printed in the RECORD.

The articles follow:

WOOD FUEL'S POPULARITY: IT POSES PROBLEMS TO ECOLOGY, FORESTS

(By Gary McMillan)

A third of New England households burned wood for some form of heat in the winter of 1978–79, a shift in energy use that saved the region 5 million barrels of oil that winter.

In that winter of 1978–79, New Englanders burned 2.85 million cords of wood in their homes, a 30 percent increase over 1976–77. That increase is putting new strains on the region's forests in a time when no one even knows exactly how much wood can be cut.

Those are the main conclusions of the New England Fuelwood Survey, the first comprehensive poll of residential wood burned in the region. The results of the survey, taken last year by hundreds of volunteers working through various state and federal agencies, were released in Boston yesterday.

The survey covered just the winter of 1978–79 but representatives from several states estimated yesterday that wood burning this winter continued to increase. New Hampshire alone may have increased its wood consumption to "more than 500,000 cords" this winter from the 367,000 cords estimated in the survey. A cord is a stack of wood 8 feet long, 4 feet high and 4 feet wide.

The survey results, called a "reliable minimum" by project analyst Paul Wheeling of the US Department of Agriculture, clearly show what Vermont state forester Alan Turner said is "an undeniable and irresistible growth."

Other than fire prevention laws, there are no federal—and few state—laws governing firewood cutting, residential burning or its impact on air quality. The survey released yesterday, combined with a forthcoming poll on firewood availability, is intended to help write legislation that will be necessary as firewood consumption grows, said project coordinator Mark Bailey of the Agriculture Department.

Volunteers polled 5626 households in all six New England states. The results were compiled by Agriculture Department-sponsored Resource Conservation and Development Group councils in each state.

Some other points and conclusions in the survey:

Almost a fourth—24 percent—of the 4.3 million households in New England now have a wood stove or a furnace, although they may also have a fireplace. Another 9 percent of the homes have fireplaces alone, making up the total 33 percent that now burn wood.

While the amount of wood burned in stoves and furnaces increased 22 percent from 1976 to 1978, the amount burned in fireplaces declined by 15 percent. While the average wood stove can be almost as efficient a heat source as an oil burner, a fireplace will often suck heat out of a room.

The wood burned in 1978–79 displaced 5.3 million barrels of home heating oil, about 4 percent of New England's total consumption.

In Vermont alone, Turner estimated, residents paid $11 million for wood and saved $45 million on oil. Because the money was kept in the state, the total Vermont economy was expanded by $150 million.

About 68 percent of the wood used was cut by the person burning it, usually on lots of less than 25 acres. The rest was purchased at prices ranging from $40 to $140 a cord.

People in Maine, the most heavily forested of all New England states, still bought more than half their firewood.

Most of the wood burned—86 percent—was used in owner-occupied homes. The rest was burned in rental units or such places as ski lodges.

Some states, such as Vermont, have already begun to reach the maximum of residential wood use because that state began to burn wood before others. A previous Massachusetts survey estimated the Bay State would reach its residential wood capacity by 1983. Rhode Island, which burns about 108,000 cords in its homes and uses another 60,000 in its lumber industry, is already close to its maximum total yield of 200,000 cords a year.

Eleven percent of the people in New Hampshire or Vermont received all their household heat from wood. Only one percent of the people in Rhode Island used wood to provide all their household heat.

"The important thing to note," said Turner, "is not only the increase in wood burn but the sophistication in its use. There are more and more wood stoves and furnaces, and fewer and fewer fireplaces."

Nonetheless, warned Jamie Dammenn of New Hampshire's energy office, the increasing use of wood has already resulted in a number of house fires and may create serious air pollution problems.

Moreover, he said, "there is a literal army of inexperienced wood cutters out there and we don't know what they're cutting and what it's going to do to the small lots they're cutting it on."

Massachusetts has already formed a 35-member interagency task force to study the cut and use patterns of wood and its impact on the land and environment.

Said Linda Sutliff of the state energy office: "We have concerns about the quanity we burn and its sources. But we also have opportunities. A well-managed forest is like a well-managed tomato patch, the better you care for it, the more you'll get."

Wood Study

As a result of an $80,000 study conducted by the United States Department of Agriculture, New Englanders, Mainers in particular, can now cite statistical evidence to verify their claim that efforts with the ax and the chainsaw have made a significant dent in regional heating oil consumption.

According to Agriculture's Economic Statistics and Cooperative Service, woodburners reduced New England's demand for heating oil by 430 million gallons during the winter of 1978–79.

This is a conservative estimate, say the researchers, who believe that the cordage translates into a net oil savings of approximately 10 percent.

Not surprisingly, Maine, which has but 12 percent of New England's households, burned 21.2 percent of the wood consumed in the region.

The researchers, who have been examining the use of wood in New England for the past two and one-half years, assert that wood fuel use a year ago was up 10 percent from the previous year, the winter of 1977–78.

If the conversion to wood from oil is related to increases in oil prices and to unpredictabilities in the supply of petroleum, then the switch from oil to wood during this past winter must have gone at a gallop.

The price doubled from the year before and the early part of the season was rife with rumblings and rumors about shortages or supply curtailments.

Using the Agriculture Department's own conservative assessment of the previous season, it is safe to assume that in the winter just past, even factoring in for milder weather and allowing for the decreases of the year before, New Englanders made at least another 10 percent dent in heating oil consumption.

Although these statistics and the shift in jobs, spending, construction and lifestyle they represent are significant in themselves, the figures should make a convincing case with the Carter administration that tax credits for woodstoves are in order.

The federal government has financed a study, overseen by its own Department of Agriculture, which verifies and even quantifies the significant savings in petroleum that can be realized by emphasis on woodburning for residential heating.

The administration and the Congress cannot ignore these figures, and their implication.

Much of the oil that was saved would have to have been imported.

Reducing petroleum imports is an avowed aim of this country. It is national policy.

While it is accurate to observe that the petroleum savings achieved was accomplished without tax incentives and resulting losses in tax revenues, it is apparent that the introduction of an adequate tax credit measure would more than compensate this country by reducing imports, the trade deficit, inflation and dependence on foreign suppliers.●

The PRESIDING OFFICER. Who yields time?

Mr. LONG. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator has no time remaining. All time has expired on both sides.

Mr. DOLE. Parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DOLE. The Senator from Kansas understands that there will be time tomorrow morning on the different motions, as outlined in the unanimous-consent agreement obtained by the distinguished majority leader.

The PRESIDING OFFICER. The Senator from Kansas is correct, but all time for consideration today has expired.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a brief period for transaction of routine morning business, that Senators may speak therein up to 5 minutes each, and that the period not extend beyond 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. TSONGAS). Without objection, it is so ordered.

ADDITIONAL FEDERAL TRADE COMMISSION APPROPRIATIONS, 1980

Mr. ROBERT C. BYRD. Mr. President, I ask that the Chair lay before the Senate a message from the House on House Joint Resolution 514.

The PRESIDING OFFICER. The resolution will be considered as having been read twice and the clerk will state it by title.

The legislative clerk read as follows:

A resolution (H.J. Res. 514) making additional funds available by transfer for the fiscal year ending September 30, 1980, for the Federal Trade Commission.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that time on this resolution be limited to 20 minutes, to be equally divided between Mr. HOLLINGS and Mr. WEICKER, that no amendments be in order, and that at the expiration of the 20 minutes or the yielding back thereof, the Senate proceed to vote on the House message.

The PRESIDING OFFICER. Is there objection?

Mr. BAKER. Mr. President, reserving the right to object, I shall not object. I reserve only for the purpose of advising the majority leader that this is cleared on our side and we have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the House Joint Resolution.

Mr. BAKER. Mr. President, I ask for the yeas and nays on passage.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HOLLINGS. Mr. President, before beginning my statement, I wish to thank the distinguished Senator from Florida (Mr. CHILES) and the distinguished Senator from Kansas (Mr. DOLE) for their indulgence on this resolution. We are 11 days past the time for extending the continuing resolution for the Federal Trade Commission, dating, of course, since March 15, when the last continuing resolution expired.

Mr. President, House Joint Resolution 514 provides for the continuation of the activities of the Federal Trade Commission through April 30, 1980, at the level conducted in fiscal year 1979. In order to stay within the ceilings established by the Second Budget Resolution, funds for the additional 45 days of operations are provided by a transfer of $12,100,000 already appropriated to the International Communication Agency. The joint resolution also maintains the three restrictions on the activities of the Commission included in the previous continuing resolution, specifying that while the Commission's activities are authorized by the continuing resolution: First, no section 18 trade regulation rules will be promulgated in final form; second, that no new activities be initiated by the Commission; and third, that no new section 18 trade regulation rules promulgated by the Commission after August 30, 1979, shall become effective while the Commission is covered by this resolution unless authorizing legislation is enacted during such period.

NEED FOR FURTHER FUNDING FOR THE FEDERAL TRADE COMMISSION

The last continuing resolution (Public Law 96–123) provided interim financing authority for the Federal Trade Commission until March 15, 1980. Regular funding for the FTC for fiscal year 1980 has not been provided due to the lack of legislative authorization for the Commission. The Federal Trade Commission has been without authorization for appropriations since fiscal year 1977. In fiscal years 1978 and 1979, FTC operated under authority conveyed in appropriation bills. For the current fiscal year, FTC has operated under authority carried in continuing resolutions. The continuing resolution of November 1979 provided operating authority for the FTC until March 15, 1980, in order to allow the authorizing committees further time to secure authorizing legislation.

Authorizing legislation (H.R. 2313) has passed both the House and the Senate and has been sent to conference, however, agreement has not yet been reached on that legislation. Under the circumstances, further funding for a 45-day period is appropriate in order to give the conferees on the authorizing legislation time to resolve their differences.

LEVEL AND METHOD OF FUNDING PROVIDED UNDER THE RESOLUTION

The resolution transfers $12,100,000 to the Federal Trade Commission from unobligated balances in the salaries and expenses appropriation of the International Communication Agency, with the proviso that obligations of the Federal Trade Commission made under this authority shall not exceed $9,800,000. The latter amount is the amount necessary during the 45-day period of the resolution to continue the activities of the Federal Trade Commission at the same level of operations that were permitted under the last continuing resolution. The transfer from ICA comes out of the necessity to comply with the budget resolution. When the FTC appropriation is finalized, we will consider the restoration of the $12,100,000 to the ICA in the light of the circumstances at that time.

The reason for transferring more budget authority than is permitted to be used, is to assure that the overall amount of outlays provided for in the existing budget resolution is not increased. The committee and the Congressional Budget Office agree that this joint resolution is within the current budget ceilings.

The committee believes that $9,800,000 is the appropriate amount necessary to maintain the current level of activities for the FTC until April 30, 1980. In recommending this amount, the committee has provided only for the expenses of the Commission that would occur during this 45-day period. None of these funds are to be used for payment of space costs, utilities costs, service or support contracts, or any other expense that would occur beyond April 30. While the committee recognizes that it is the practice of the General Services Administration and other agencies of the Government to bill in advance for their services on a quarterly basis, the amount recommended in the resolution is not intended to be used by the Commission to make any such payment in view of the lack of authorizing legislation.

RESTRICTIONS ON COMMISSION ACTIVITIES

As indicated earlier, the resolution also continues three restrictions on the activities of the Commission contained in the previous continuing resolution. First, it prohibits final promulgation of any trade regulation rules authorized by section 18 of the Federal Trade Commission Act, as amended. Second, it prohibits the initiation of any new activities by the Commission. Third, it prohibit any new trade regulation rules promulgated under the authority of section 18 of the Federal Trade Commission Act, as amended, after August 30, 1979, from becoming effective during the period covered by this resolution for the FTC unless authorizing legislation is enacted during such period.

It is essential that officials responsible for administering the Commission's programs during the period covered by the resolution take only the limited action necessary for orderly continuing of projects and activities, preserving to the maximum extent possible the flexibility of Congress in arriving at final decisions.

Mr. President, I yield the remaining limited time to our distinguished ranking member, the Senator from Connecticut (Mr. WEICKER), who has been most cooperative and helpful on every matter we had before our State, Justice, Commerce Subcommittee.

The PRESIDING OFFICER. The Senator from Connecticut has 10 minutes.

Mr. WEICKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WEICKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WEICKER. Mr. President, I yield 4 minutes to the distinguished Senator from Virginia, and such other time as he may want.

Mr. WARNER. I thank the Senator.

The PRESIDING OFFICER. The Senator from Virginia is recognized.

Mr. WARNER. Mr. President, I say to my colleagues from Connecticut and South Carolina that I wish to commend them for their efforts toward getting the continuing resolution before us on the Federal Trade Commission.

I am a conferee on the FTC authorization legislation for fiscal year 1980 and 1981. We met today and made real progress toward resolving the differences between the House and Senate. I have just left a second session, during which progress was made. I am optimistic that this bill will soon come to the floor in the form of a conference report.

Mr. President, my immediate concern is with some 1,700 employees of the Federal Trade Commission whose paychecks once again, have been put in jeopardy.

I find it very disturbing that we in the Congress, in an effort to achieve compromises on difficult questions of legislation, have often put Federal employees in a state of uncertainty with respect to their pay.

No matter how deep are the differences among the Members of Congress regarding the legislation controlling various departments of Federal agencies, we must always keep in mind that 99-plus percent of the employees have nothing to do with the differences. Yet, they are too often subjected to hardship.

These people have families and financial obligations that must be met. It is just unfair that they should be worrying about whether or not they are going to be paid. We cannot expect to continue to attract quality people in Government if we persist in delaying the performance of our duties and responsibilities to them.

I understand we are about ready to vote on this continuing resolution. I commend the managers on this.

Mr. HOLLINGS. Mr. President, I thank the distinguished Senator from Virginia.

That has been the intent of all of us, trying to make certain we take care of the loyal employees who work at the Federal Trade Commission.

Mr. LEAHY. Mr. President, will the Senator yield?

Mr. HOLLINGS. Yes.

Mr. LEAHY. Mr. President, I want to clarify one point. I discussed this with the distinguished chairman of the subcommittee. That is, as I understand it, this resolution would transfer $12 million from the International Communication Agency.

Am I correct in understanding that that is taking money from an account which will not be diminished by that, but, rather, it is done this way as a bookkeeping matter, for the full matter to be taken care of, and we are not talking about ultimately diminishing the ICA by $12 million?

Mr. HOLLINGS. To be perfectly candid in my response, the intent is not to dock the International Communication Agency by some $12 million. On the other hand, I know from the administration standpoint there could be a rescission message which would come along.

Mr. LEAHY. I understand.

Mr. HOLLINGS. But the International Communications Agency has been doing a good job. We supported and appropriated for them. But in order to comply with the second budget resolution we had to offset to the costs of operating the FTC for 45 days. This was the only one we had under our jurisdiction in State, Justice, Commerce that could best handle it. I am sure they understand it is not a cut and expect to be reimbursed.

Mr. LEAHY. I realize that if a rescission were to occur, it would occur, no matter what.

Mr. HOLLINGS. Yes. Separate and apart.

But I did not want to answer as manager of the bill and then come back 2 months from now and it was rescinded and say that that is what I promised not to do.

Mr. LEAHY. But this transfer, by itself, is not a harbinger of removing $12 million?

Mr. HOLLINGS. No, not by any means.

Mr. LEAHY. I thank the Senator.

Mr. SCHMITT. Mr. President, we are considering a continuing resolution to permit the Federal Trade Commission to continue its operations for an additional 45 days, giving the Commerce Committees of the House and the Senate more time to reach agreement on the FTC's authorization bill. The House Appropriations Committee has made it clear that this will be the last continuing resolution for the FTC.

I have made my objection known to holding the House continuing resolution at the desk, because I feel strongly that the Senate Appropriations Committee should consider this issue as thoroughly as the House Appropriations Committee has done. It is an extraordinary procedure for the Senate to simply "rubber stamp" the actions of the other body, particularly in a matter such as this. The FTC, after all, has not been properly authorized since 1976.

The time has come for the Senate to ask whether it wishes to continue the practice of approving continuing resolutions for this agency as a routine matter. This is a highly objectionable practice, particularly when the FTC and the administration have worked to delay the approval of an authorization bill to avoid the attachment of a legislative veto to the bill.

It now appears that this effort has failed and several of the Commissioners have come out in support of a two House legislative veto as a compromise.

Had the Commissioners shown the wisdom to take the position of supporting a constitutional one House legislative veto months ago, they would not now be confronted with a bill that is burdened down with special interest provisions. A straight authorization bill passed with a one House legislative veto would have averted this situation which the FTC and the administration have brought upon themselves and the FTC's employees.

Therefore, it is with some reluctance that I agree to having the House continuing resolution called up from the desk, allowing normal Senate procedures to be avoided. I do this for two reasons: First, the conferees appear to be making some progress in resolving the differences between the House and Senate bills. Second, there is no reason, at this time, for the employees of the FTC, the secretaries and other clerical and technical staff to pay out of their own pockets for the intransigence of the Commissioners and their immediate staff.

However, the routine approval of continuing resolutions for the Federal Trade Commission cannot be a norm for the future. It violates the entire legislative process. Thus, I will reserve my right to force any future continuing resolution for this agency to come before the Appropriations Committee for very thorough and deliberate consideration.

It is my sincere hope that the conferees will make every effort to resolve this controversy promptly and with the best interests of the American people in mind. Further continuing resolutions are clearly unnecessary.

Mr. ROBERT C. BYRD. Mr. President, a funding for the Federal Trade Commission (FTC) ran out Saturday, March 15. The Commission had been funded under a continuing resolution since November 1979.

Due to the current situation of Federal outlays having breached the budget, providing additional funds for the FTC was not an easy task. It meant either providing new funds, which would have required a budget waiver, or transferring unobligated funds from one account into the FTC account, thus eliminating the need for a budget waiver.

House Joint Resolution 514, the resolution we are now considering, provides for a transfer of unobligated funds from the International Communication Agency (ICA) salaries and expenses account to the Federal Trade Commission. The amount of the transfer is necessary to continue the activities of the Federal Trade Commission at the same level of operations that were permitted under the last resolution.

Funding by continuing resolution is not something I like to support. It usually means that the normal authorization or appropriations process has been held up. In this case, the authorization for the FTC has been held up. The Commission has been without authorizing legislation since 1976. In fiscal years 1978 and 1979, the FTC operated under authority in the State-Justice-Commerce appropriations bill.

Authorizing legislation has passed both the House and Senate and is in conference. While no agreement has been reached, I am heartened to know that the conferees met this afternoon.

While the controversial issues must be resolved, this is not the time and place to do so. We are here to provide funds for the FTC so that it does not have to close its doors. The funds are provided through April 30. I urge my colleagues to vote for the resolution, and it is my hope that the conferees will come to some agreement on the authorizing legislation during that time.

I want to thank Senator HOLLINGS, chairman of the Appropriations Subcommittee on State, Justice, Commerce and the Judiciary, and Senator WEICKER, the ranking member of that subcommittee, for coming to the floor on very short notice to explain this measure and manage it on the Senate floor. This is an emergency measure, it has been a controversial issue, and they are to be commended for their efforts.

Mr. HOLLINGS. I yield back any time we have remaining.

Mr. WARNER. Mr. President, I yield the remainder of time on our side.

The PRESIDING OFFICER. The bill is before the Senate and open to amendment. If there be no amendment to be offered, the question is on the third reading of the bill.

The bill was ordered to a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, shall the bill pass? The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Idaho (Mr. CHURCH), the Senator from Alaska (Mr. GRAVEL), the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Connecticut (Mr. RIBICOFF), and the Senator from Georgia (Mr. TALMADGE) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Minnesota (Mr. DURENBERGER) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators who wish to vote on this resolution?

The result was announced—yeas 79, nays 13, as follows:

[Rollcall Vote No. 65 Leg.]

YEAS—79

Baker
Baucus
Bayh
Bellmon
Bentsen
Biden
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chafee
Chiles
Cochran
Cohen
Cranston
Culver
Danforth
DeConcini
Dole
Domenici
Durkin
Eagleton
Exon
Ford
Glenn
Hart
Hatfield
Heflin
Heinz
Hollings
Huddleston
Jackson
Javits
Kassebaum
Leahy
Levin
Long
Lugar
Magnuson
Mathias
Matsunaga
McGovern
Melcher
Metzenbaum
Morgan
Moynihan
Muskie
Nelson
Nunn
Packwood
Pell
Percy
Pressler
Proxmire
Pryor
Randolph
Riegle
Roth
Sarbanes
Sasser
Schmitt
Schweiker
Simpson
Stafford
Stennis
Stevens
Stevenson
Stewart
Stone
Tsongas
Wallop
Warner
Weicker
Williams
Young
Zorinsky

NAYS—13

Armstrong
Byrd,
 Harry F., Jr.
Garn
Goldwater
Hatch
Hayakawa
Helms
Humphrey
Jepsen
Laxalt
McClure
Thurmond
Tower

NOT VOTING—8

Church
Durenberger
Gravel
Inouye
Johnston
Kennedy
Ribicoff
Talmadge

So the joint resolution (H.J. Res. 614) was passed.

Mr. HOLLINGS. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, there will be no more rollcall votes today.

ORDER FOR RECESS UNTIL 9:45 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until 9:45 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, are there any Senators who wish to be recognized at this time?

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a brief period for the transaction of routine morning business not to extend beyond 20 minutes and that Senators may speak therein up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE FLOW OF IRANIANS INTO THE UNITED STATES

Mr. HAYAKAWA. Mr. President, I wish to report with the greatest alarm a United Press International report today of lax U.S. immigration policies permitting thousands of Iranians, some of whom may be terrorists, to continue entering this country. This condition is terrifying, and the UPI demands that we act immediately to forestall shocking and preventable violence on our own doorstep.

I call this to the attention of my colleagues, Mr. President, because I wish to urge my colleagues to take up at once my American Sovereignty Protection Act, S. 2437, introduced a few days ago, on March 19, to establish any Embassy in a foreign nation as U.S. territory and an attack upon such an Embassy as a first step toward enabling the President to invoke the enemy alien provision of U.S. law.

My bill would give the President the option to declare Iranian nationals in this country "enemy aliens," permitting some or all of them to be apprehended, restrained, secured or removed. The legislation would also give the President the option of refusing to admit Iranian nationals into this country while a state of belligerency exists between our two nations.

UPI reported today that "a silent but official policy of avoiding any incident that might anger Iran" exists despite President Carter's claim that incoming Iranians undergo close scrutiny. These reports, coming as they do while the illegal detention of 53 American hostages in Tehran continues, show a flagrant violation of American laws by Iranian diplomats and students in this country and an obvious inability of the Carter administration to deal with an unprecedented threat to this country which we cannot take lightly. It is quite obvious that something must be done promptly to put an end to this intolerable situation.

My bill would give the President the tools which he so urgently needs.

Mr. President, I quote the UPI story directly:

THE FLOW OF IRANIANS INTO THE U.S.

Thousands of Iranians are entering the United States under a lax inspection policy that hamstrings and frustrates immigration agents and undercuts FBI warnings. Some may be student terrorists, a UPI investigation has uncovered.

Despite President Carter's claim that all incoming Iranians undergo close scrutiny, UPI discovered a silent but official policy of avoiding any incident that might anger Iran and endanger the 50 American hostages.

Although projecting an image of cracking down on Iranians in this country, the Administration has created a bureaucratic tangle that has not been able to stop at the borders "students" carrying booklets on how to make bombs.

Government officials pridefully point to "secondary inspections" as proof of America's vigilence, but those conducting the inspections ridicule them.

"I just about have to have the guy admit to me he is a terrorist before I can do anything," grumbled a frustrated inspector of the Immigration and Naturalization Service.

Since the Embassy was seized November 4, more than 11,000 Iranians have been admitted to the United States—a figure growing at a rate of about 50 a day. In the four previous years, 11,079 entered.

UPI interviewed officials in Washington and Immigration inspectors at several U.S. ports of entry, and detained secret government documents.

Last Sunday, at John F. Kennedy Airport in New York, a young man with a student visa issued at the U.S. Embassy in Tehran was admitted to the United States after the INS conducted what officially is described as a thorough "secondary inspection."

In going through his luggage, the inspector found a military-like field manual that told how to make bombs and mines, field-strip the powerful Israeli UZI machinegun, and use a wide range of other weapons.

"I'm ashamed to admit it," the examiner said later, "but I let him in. My hands are so tied up that I couldn't stop him. Call the State Department and they say, 'Give 'em a waiver. We don't want an incident'."

Several agents said when they sought advice from the Iran Working Group at the State Department, they were told "to avoid any incident" that might anger Iran and complicate efforts to free the hostages.

In another case, an Iranian entered without the required visa, but promised to go on to Canada. He had with him photographs taken inside the U.S. Embassy in Tehran of hostages and conditions at the facility.

When an INS officer called Washington about this, he was told to waive the visa requirement. The FBI was contacted about the photographs, "and the guy said they weren't interested. No one even wanted to look at them."

All are sent to Immigration inspectors for a second examination, which officials at the White House, State Department and INS call an example of tight security.

A directive issued by INS headquarters in Washington instructs its interrogators that "Iranians . . . shall not be questioned as to whether they are pro or anti-Shah, Khomeini or USA."

The orders, sent to all offices, also specify that Iranians "shall not be questioned about past or future participation in demonstrations unless related to the details of an arrest."

David Crosland, acting INS Commissioner, said "it's kind of an unusual situation" but the instructions were put out to clear up "misunderstandings" that arose in the earlier days of the crisis.

"Just the fact that they had been in a demonstration didn't make any difference one way or the other," he said, "or whether they were pro-Shah or pro-Khomeini, as long as their visas were valid and as long as they were not a threat to this country."

The possibility of a threat, however, so troubled the FBI that agents visited INS offices and discussed the danger of Iranian terrorists infiltrating the country.

"There are alleged to be about 50 Iranian students attempting to enter the U.S. to engage in terrorist activity and bringing with them supplies, film and other propaganda material," warns a November 30 memo posted at INS offices in New York.

It goes on to cite common characteristics, including the observation that "when questioned, they will all claim to be 'humble Iranian students'." It noted that "apparently this pretext has been used several times."

INS inspectors are frustrated at what is happening.

"I pick up a piece of paper in one hand and it tells me terrorists might be coming," said one. "Then I pick up another and it tells me not to ask questions. Does that make any sense?"

Several agents said they had found materials that would apply to the warning about terrorists—but nobody carrying these materials had been denied admission. Back in November and December, they often were referred to immigration judges who allowed entry.

"It's not an isolated incident, but now we just don't bother," one agent said, shrugging. "You can't fight City Hall—and you get tired of trying."

Crosland repeatedly noted the secondary searches for Iranians "was to screen out people who might be coming in for several reasons. One, obviously, is that we don't want to let people in who are potentially terrorists."

He admitted that "it's true that somebody could come in and not fit any particular profile and not have anything in their luggage that would indicate anything."

He said he was satisfied with the quality of the Iranian inspections and, at his last news conference, Carter also indicated satisfaction.

"We have screened the immigrants very closely, and in every instance, they have been determined to have a real, genuine, legal interest and reason for coming to our country," Carter declared.

"This was a decision made by me. It's in accordance with the American law."

Some inspectors look at it differently.

"If the people coming in are not part of an active, dangerous group, it's by luck," one observed, "not because of anything we're doing."

"We don't even give them an opportunity to lie. We don't even ask the questions they would need to lie about."

Crosland responded to this charge by saying, "Sometimes you have people who don't understand the total picture and they are voicing their frustrations over the total picture."

UPI's investigation also pointed up a lack of coordination among federal agencies. In addition to the incident over Embassy photographs, there is confusion over whether the visa-issuing equipment at the Embassy was destroyed before the takeover.

Crosland said he was assured by the State Department the plates were destroyed. The State Department, however, said it could not be certain the plates for the five machines were not still operable.

In other words, Mr. President, we are admitting Iranians, some of them potentially very dangerous enemies of the country, without any thorough examination system. We are admitting them at an enormous rate, at about 10 times the rate we were admitting them before the events of November 4. No one seems to be stopping it.

I wanted to call attention to this alarming fact.

DEFENSE GOALS

Mr. BELLMON. Mr. President, today the Senate Budget Committee began its markup of the fiscal year 1981 budget. While the goal of a balanced budget will be my highest priority, I am also determined that the Budget Committee must establish a target for the fiscal year 1981 defense budget which will provide sufficient military capability to support U.S. defense and foreign policy objectives. I have introduced Senate Resolution 299 which proposes a more vigorous Senate forum for determining U.S. national security goals.

Defense will be a major issue during the fiscal year 1981 budget markup. It is regrettable, in my opinion, that the Budget Committee did not receive a March 15 report from the Armed Services Committee outlining that committee's views on the adequacy of the President's defense request. Such advice would have been very useful.

While the Armed Services Committee did not comment on the President's defense budget, Senator Tower, the ranking member of the Armed Services Committee, has prepared his own assessment of the defense budget and sent a letter outlining three alternatives for increasing the defense budget.

Mr. President, the Senate Budget Committee must send a balanced budget to the Senate floor. However, it is equally important that we reverse the stagnation that has characterized our defense efforts in recent years. I note with some concern that, in constant fiscal year 1981 dollars, the fiscal year 1981 defense budget is essentially no larger than the fiscal year 1960 defense budget. Needless to say, the threat to our security has grown markedly over those 20 years.

I cannot say now what defense spending level will be feasible within a balanced budget. However, I believe the Budget Committee will discuss defense as a major budget priority, and Senator Tower's views will certainly be an integral part of these discussions.

By providing a highly detailed package of alternatives for the defense budget, Senator Tower has performed a great service to the Senate Budget Committee and I thank him on behalf of the members of the Budget Committee.

Mr. President, I ask unanimous consent that the Tower letter, on accompanying table, and a two-page summary be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

COMMITTEE ON ARMED SERVICES,
Washington, D.C., March 25, 1980.

Hon. HENRY BELLMON,
Committee on the Budget,
U.S. Senate,
Washington, D.C.

DEAR HENRY: This is to present to the Committee on the Budget my views on the national defense function (050) of the federal budget for fiscal years 1980 through 1983.

It is my judgment that the defense budget at present, viewed in conjunction with realistic economic assumptions for the next fiscal year, is not adequate to carry out existing commitments of the United States to its allies or to achieve the level of military readiness and operations essential to deterring further Soviet aggression.

The analysis to support this judgment has evolved out of a rigorous review over the last few months to define the leanest military posture that would enable us to fulfill our overseas commitments. Your leadership in the Senate in calling for a definition of these foreign policy commitments in order to be able to identify the military resources required to carry them out has been a guide to us in conducting this critical review.

The leading conclusion is that the President's fiscal year 1981 budget and five-year plan assure the continuation of alarming deficiencies in our armed forces that will not be addressed—let alone corrected—unless substantial additional funds are provided.

Among these deficiencies are: a program of strategic force modernization which does not, in a timely fashion, offset the growing, if not already present, vulnerability of our land-based ICBM force and the concomitant impact on our ability to avoid coercion during crises; a shipbuilding program which does not allow us to attain the capability to present a credible naval presence in the Indian Ocean without seriously degrading our vital support to NATO and Asian allies; a reduced aircraft procurement program, especially tactical aircraft, which does not even provide sufficient procurement to allow a one-for-one replacement of the aircraft lost through attrition and retirement, much less procure aircraft at the most economical rates of production; and a wholly inadequate program to deal with the problem of an unacceptably low retention rate of the highly trained personnel needed to maintain and lead our modern Army, Navy, Air Force, and Marine Corps.

These deficiencies, if not addressed, will prolong and exacerbate weaknesses in our defense posture which are the result of the low priority defense has been accorded in the United States over the past quarter century. This relative decline in defense spending as a percentage of federal outlays was brought into focus by Secretary Brown who, during his presentation to the Committee on Armed Services on December 13, 1979, stated:

"In the twenty-five years since 1955, federal non-defense spending has more than tripled, while defense spending today is still about what it was then. Defense spending then took about half the federal budget; today, it takes in less than a quarter. There is no need for us to return to the balance of 1955, but we must begin to give greater priority to defense. After all is said and done, our greatest social need is still to assure peace and the nation's security."

The inevitable shift in the military balance in favor of the Soviet Union is starkly portrayed by a comparison of defense spending between the two countries. The following is extracted from a recent study prepared for the Air Force by the RAND Corporation:

"The magnitude of the disparity in many of the mission areas is impressively large: a three-to-one advantage to the Soviet Union in strategic forces spending over the past half decade; about 75 percent more than U.S. spending for general purpose forces over the same period; and near parity with the United States in support forces spending. . . . In military investment—procurement and construction—the Soviet margin has been 50–80 percent above the United States over the last half decade. The aggregate margin since 1973 in this category is about $100 billion."

To begin to address these deficiencies, I have set out below three alternatives which provide incremental improvements in programs that are all justifiable in terms of past and current Service or OSD recommendations. These will provide the Committee with valid choices as a basis for arriving at responsible budget ceilings for FY 1980–1983.

These alternatives are grounded in the belief that the American people must be told in clear and unambiguous language that current national policy cannot be supported unless substantial increases in the defense budget are appropriated. If economic circumstances dictate that these increases are to be deferred or put off altogether, then the leaders of this country have the responsibility to state in clear fashion what commitments we are no longer going to keep.

I also will recommend what I consider to be the preferred alternative to sustain our national security. However, before presenting these alternatives, I must address the economic adjustments that are necessary to make the President's request for national security programs "whole".

The FY 1981 defense budget presented to the Congress was portrayed as containing a real increase in total obligational authority of nearly 5.5 percent after inflation. Outlays for that same fiscal year were predicted to increase nearly 3.3 percent after inflation above the estimate for 1980. Over the next five years, the defense program increases would purportedly equate to five annual increases averaging about 4.5 percent above inflation. Carrying out these increases fully and completely was characterized by Secretary Brown as a matter of fundamental importance to the security of the nation.

Real growth expressed in percentage increases is a misleading measure by which to judge improvements in our national security. A more realistic approach is to define program requirements and accept the financial imperatives as they are. However, commitments to percentages, once made, should be fulfilled.

The President, in December 1979, embraced a 5.5 percent growth figure for FY 1981, but three months later, he has fallen back to a lesser commitment of 3 percent. Increases in inflation cannot be the sole reason for President Carter's retreat since, when he committed to 5.5 percent, he accompanied that promise with a pledge that ". . . (I)f inflation exceeds the projected rates, I intend to adjust the defense budget as needed. . . ."

Congressional and allied interest in percentages of real growth is very great. My own estimate of percentage growth in the defense budget in FY 1981 over the fiscal year 1980 budget reflects not 5 percent or even as much as 3 percent real growth in budget authority, but the more likely result is about 1 percent growth or less, unless "fact-of-life" increases are fully funded. Moreover, the 3 percent goal for FY 1980 will also likely be less than 1 percent.

Stated another way, if it is decided not to increase the Carter defense budget presented to us in January of this year, this would mean accepting at least a $6.4 billion cut in defense due to unfunded "fact-of-life" increases other than manpower. For example, the underestimate of fuel costs for FY 1981 was 100 percent, i.e., projected to be about $4.3 billion but, in fact, will be approximately $8.6 billion.

Secretary Brown specifically stated to the Committee on Armed Services on December 13, 1979, that ". . . should our assumptions as to future inflation, on which the program is based, later prove to have been underestimated, the Administration will take appropriate action to preserve the integrity of this program. President Carter the previous day, as cited above, made a similar commitment.

It is now clear to all that the FY 1981 Department of Defense programs cannot be carried out with the funds requested. Based on the Administration's assumed inflation rates for FY 1979 to FY 1980 and from FY 1980 to FY 1981, at the time of the budget submission, the DOD request of $158.7 billion in total obligational authority corresponded to $135.3 billion in FY 1979 dollars. It is now evident that the inflation rates were not realistic. With the Congressional Budget Office revised inflation estimates for FY 1979 to FY 1980 and from FY 1980 to FY 1981, the DOD FY 1981 program (requiring $135.3 billion in FY 1979 dollars) will require $160.5 billion in total obligational authority, an increase of $1.8 billion to provide for the programs requested.

In addition, as noted by DOD, fuel cost growth was not accurately reflected in the FY 1981 request. The Congressional Budget Office indicates unfunded fuel cost growth, above that included in their revised inflation estimates, amounts to $3.3 billion.

Therefore, simply to restore the FY 1981 request to the program promised by the Administration would require a minimum of an additional $5.1 billion for fuel and inflation alone.

Furthermore, the FY 1981 request assumes that 40 percent of the allotted pay raise, or $1.3 billion, will be absorbed through efficiencies or, more likely, at the expense of other programs.

To make "whole" the FY 1981 DOD budget request without requiring any pay absorption will require $6.4 billion, not including manpower initiatives.

Similarly, to carry out the FY 1980 program will require an additional $2.5 billion to account for unprogrammed fuel cost growth. Moreover, the increased tempo of operations in the Indian Ocean, especially naval operations, will require $260 million more than budgeted. In sum, to make "whole" the FY 1980 program, a supplemental appropriation of at least $2.76 billion will be required, exclusive of revised (nonfuel) inflation estimates.

Obviously, if the above fact-of-life actions are not taken for FY 1980 and FY 1981 but are absorbed at the expense of planned defense programs, operations, and readiness, the strength of the U.S. deterrent, as well as foreign perceptions of that deterrent, will be severely damaged.

In order to remove the pay cap for military personnel ($1.2 billion) and fund other Congressional manpower initiatives, such as the Nunn-Warner bill adopted by the Senate ($0.8 billion), additional funding of $2.0 billion is required. This $2.0 billion is absolutely the minimum that is essential to retain sufficient mid-level managers and to provide for equitable treatment of armed forces personnel. The Service Secretaries and the Service Chiefs have all emphasized the criticality of manpower shortages. Manpower is, without exception, their highest priority. Thus, to fund fully the FY 1981 programs, including these manpower initiatives, will require at least $8.4 billion.

Beyond the simple "fact-of-life" requirements of keeping the FY 1980 and FY 1981 programs intact, several other key factors, which impose demands for increased defense programs, must be examined.

1. Critical unfunded requirements exist for FY 1980 and FY 1981 to cope with near-term readiness and sustainability problems, the need for which has been accentuated by recent events in Afghanistan. These include replenishment spares, war reserve munitions, and missiles.

2. The pre-Afghanistan decisions reflected in the FY 1981 budget intended to address, to some extent, deficiencies in readiness and substantially and past underfunding in O&M accounts have, in part, been at the expense of planned modernization programs, specifically, reduced procurement of tactical aircraft.

3. The FY 1981 budget request does not adequately fund programs identified one year ago as required to carry out stated defense commitments. Specifically, the five-year shipbuilding program is short at least ten ships.

4. The FY 1981 budget request does not fund program initiatives sufficient to carry out the Administration's announced commitment to protect U.S. interests in the Persian Gulf area. Admiral Long, Commander-in-Chief of Pacific forces, has stated that at least two additional battle groups are required.

5. Finally, the FY 1981 budget does not fund initiatives to begin to increase force structure to provide the full capability required to implement national strategy, which calls for the ability to cope with "one and one-half wars". In this regard, Army force shortages represent the greatest need.

Analysis of the program shortfalls identified above leads logically to the development of incremental program budget options structured to provide the capability to meet commitments and reduce risk. Attached are a series of tables that depict the budget alternatives I request be considered by the Committee on the Budget. These tables include the economic adjustments and manpower initiatives discussed above and the respective programs options described below.

Program Option 1 would provide funding to address critical readiness and sustainability requirements (1 above); to restore previously planned modernization programs (2 above); and to address unprogrammed requirements to carry out stated commitments as they existed one year ago (a portion of 3 above).

Program Option 2 would fund all of Option 1 plus the remainder of identified but unprogrammed requirements to carry out previously existing commitments (remaining portion of 3 above) and would fund a portion of the other initiatives required to execute the new Administration policy to secure U.S. interests in the Persian Gulf (4 above).

Program Option 3 would fund Option 2 plus begin to fund increases in force structure to build toward a capability to implement accepted national security strategy. Specifically, the first funding increment toward adding a seventeenth active division for the Army, another active wing for the Air Force, and another carrier battle group with associated air wing for the Navy would be provided.

A thorough assessment of the FY 1981 budget has been made and requirements to achieve the above program options identified. The program options as presented below do not include the $8.4 billion required due to economic adjustments to make the FY 1981 budget "whole" and to fund recommended manpower initiatives. Also not included in these figures presented to you are offsets for cuts to the defense budget made by the Congress during the authorizaton and appropriation process. However, based upon past experience, it is not expected such cuts could exceed 2.5 percent of the request from the departments.

Program Option 1 requires additional funding of $7.15 billion for procurement, RDT&E, and O&M programs, excluding any manpower, pay, or legislative initiatives.

Program Option 2 requires funding of $13.1 billion, excluding manpower initiatives.

Program Option 3 requires funding of $22.85 billion, excluding manpower initiatives.

The absolute minimum which can conceivably be accepted is Option 1, and even here, it must be restated, no provision would be made for supporting the President's new commitment for Persian Gulf security. Option 2 is the minimum required to provide a modest capability to support U.S. security interests in the wake of the invasion of Afghanistan and rising tension in the Persian Gulf area. Option 3 is my recommended choice and must ultimately be pursued as U.S. force posture is redefined to be consistent with U.S. national strategy.

It is noteworthy that, although not by design, approximately one-half the identified funding of each option goes toward modernization and one-half toward readiness and sustainability.

It should be pointed out that included within the national security (050) function are programs of the Department of Energy in support of the strategic mission of the Department of Defense. It appears that the national security programs of DOE are significantly underfunded. Approximately $400 million in additional authority will be necessary to insure that important defense programs are not impaired.

Also included in function 050 is the ceiling for intelligence activities which, it is my belief, require an additional $100 million in the FY 1981 budget.

Independent of the assessment which produced the above options, the Service Chiefs recently responded to a question from Senator Jackson as to what new funding is required to address force deficiencies and the new environment created by the Soviet invasion of Afghanistan. The Service Chiefs identified program requirements of $3.5 billion for FY 1980, exclusive of inflation and fuel cost increases. In addition, for FY 1981, the Services identified deficiencies of $10.6 billion, again exclusive of fuel cost increases or manpower pay initiatives. These funding requirements lie between Alternatives 1 and 2. This separate analysis serves as an independent Service validation of both the requirements and the priorities. The specific program requirements, though not identical, are remarkably similar with total funding apportionment between modernization and readiness and sustainability quite similar.

In summary, these three alternatives, which I firmly believe warrant serious consideration by the Budget Committee, would embody the respective program options specified above plus the required economic adjustments and recommended manpower initiatives. The alternatives require funding of $15.6 billion (Alternative 1), $21.5 billion (Alternative 2), and $31.8 billion (Alternative 3).

Secretary Brown, in citing a new consensus on the need for more military capability—reinforced by events in Iran, but now even more greatly reinforced by the Soviet invasion of Afghanistan—made the specific point that the United States may well be at a critical point in its history and that we have deferred too long the decision to remain the strongest nation in the world. The alternative is to allow ourselves to slip into inferiority and weakness where principles unsupported by power are victimized, and we will become a nation with more of a past than a future.

Sincerely,

JOHN TOWER.

TOWER ALTERNATIVES

	Fiscal year 1981 requirement
Alternative 1	
Economic adjustments (fuel, inflation, no pay absorption)	6.4
Manpower initiatives (No military pay cap, Cong. legislation)	2.0
Program budget option 1	7.183
Total	15.583
Alternative 2	
Economic adjustments (fuel, inflation, no pay absorption)	6.4
Manpower initiatives (no military pay cap, Cong. legislation)	2.0
Program budget option 2 (includes program option 1)	13.065
Total	21.465
Alternative 3	
Economic adjustments (fuel, inflation, no pay absorption)	6.4
Manpower initiatives (no military pay cap, Cong. legislation)	2.0
Program budget option 3 (includes program option 2)	23.441
Total	31.841

KEY POINTS OF THE TOWER LETTER CONCERNING THE FY81 BUDGET REQUEST

Major deficiencies in FY81 defense budget:

1. Strategic force modernization does not, in a timely fashion, offset the vulnerability of our land-based ICBM force.

2. A shipbuilding program which does not allow us to attain the capability to present a credible naval presence in the Indian Ocean without seriously degrading our vital support to NATO and Asian allies.

3. Reduced tactical aircraft procurement program which does not even provide sufficient procurement to allow a one-for-one replacement of aircraft lost through attrition and retirement, much less procure aircraft at the most economical rates of production.

4. Inadequate program to increase retention rate of trained mid-level military personnel.

Preliminary economic adjustments needed to keep the President's FY81 request for national security programs "whole":

	Billion
CBO inflator increment	$1.8
Unfunded fuel cost growth	3.3
No pay absorption	1.3
Total FY81 economic adjustments	6.4

FY80 economic and program adjustments:

Unfunded fuel cost growth	2.5
Indian Ocean operation	0.3
Total FY80 economic adjustments	2.8

Manpower adjustments for FY81:

Remove cap (7.4) on military personnel	1.2
Nunn-Warner bill	0.8
Total	2.0

Total FY81 Economic and manpower adjustments: $8.4 billion.

Program Requirements Critically Underfunded:

1. replenishment spares, war reserve munitions, and missiles.
2. procurement of tactical aircraft.
3. five-year shipbuilding program.
4. new Persian Gulf programs.
5. Army force shortages.

Three Program Alternatives:

1. Provide funding to address critical readiness and sustainability; restore previously planned modernization programs; and to address unprogrammed requirements to carry out stated commitments as they existed one year ago.

2. Alternative 1 plus additional unprogrammed requirements to carry out previously existing commitments and funding of a portion of programs to secure U.S. interests in the Persian Gulf.

3. Alternative 2 plus program initiatives to develop U.S. force capabilities to support U.S. "one and one-half wars" force planning strategy.

Budget authority	Alternative 1	Alternative 2	Alternative 3
Economic adjustment	6.4	6.4	6.4
Manpower adjustment	2.0	2.0	2.0
Program increases	7.15	13.1	23.44
Total	15.55	21.5	31.84

Approximately one-half the identified funding on each option goes toward modernization and one-half toward readiness and sustainability.

DOE military activities require additional funding of $400 million to insure that important defense programs are not impaired.

Intelligence activities require an additional $100 million in the FY81 defense budget.

Independent of the Tower assessment, the Service Chiefs responded to Senator Jackson regarding what new funding is required to address force deficiencies and the new security environment. The Chiefs identified additional requirements and priorities of $10.6 billion for FY81, exclusive of fuel cost increases or manpower pay initiatives. This is essentially between Senator Tower's Alternative 1 and Alternative 2.

A MASTER BUILDER

Mr. MATHIAS. Mr. President, the death last Friday in Baltimore of our former colleague, Representative George H. Fallon, brings the curtain down a little further on a buoyant and more optimistic period in American life, a period which has almost faded from memory, but it was a period of enormous legislative activity and physical development.

George Fallon came to the House of Representatives with the first post-war Congress in 1946. As a young Congressman who had experienced the economic collapse of the Great Depression, he was aware of the economic imperative of completing the domestic agenda President Truman inherited from Franklin D. Roosevelt, which was aimed, at guaranteeing employment and security for all Americans. He worked quietly and diligently in the House to propel the country toward these goals and emerged in the mid-1950's as a major figure in implementing the country's vast postwar public works program, which helped create the America we know today.

As chairman of the House Public Works Committee, George Fallon understood the historical link between public works and the Nation's growing economy. That is why he actively promoted development of seaports, of rivers and harbors, of airports, of Federal construction projects of all kinds, and ultimately of the Nation's highways.

George Fallon, more than any other Member of Congress in the 1950's and 1960's, helped to open up America. He became the architect of the legislation which created the Interstate Highway System. He recognized that the future of America was inextricably tied to American's love affair with the automobile, and he gave us the mobility we craved on a vast system of roadways stretching from coast to coast and linking urban, suburban, and rural America. In today's gasoline-short society, many have called the Nation's highway system into question, but there is no doubt in the minds of most Americans that it constitutes a superior transportation system which serves the needs of our country today and will continue to serve it in the foreseeable future.

Mr. President, in tribute to my good friend and longtime Maryland colleague, I ask unanimous consent that an editorial on George Fallon from the Baltimore Sun of March 25, 1980, be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

GEORGE H. FALLON

On his way to a 26-year career in the House of Representatives, George H. Fallon became one of the most powerful men in Congress. First as acting chairman, then later permanent chairman of the Public Works Committee, he oversaw that most priceless of political provisions—the pork barrel. During the 1950s and early 1960s the Fallon committee drafted and delivered some of the nation's most expensive projects. Whether highway, airport or harbor—whatever the need—the committee's decisions meant billions of dollars and accounted for countless jobs back home.

These mammoth outlays weren't inspired by thoughtless spendthrifts. Most committee members had experienced the Great Depression and sought to encourage an expanded, yet sound, economy. In addition, millions of ex-servicemen were returning from World War II eager to start a family, drive a car and build a dream house in the suburbs. What better way to achieve it than through Mr. Fallon's interstate highway system?

In George Fallon, who died Friday at 77, the House chose an almost perfect colleague to dispense such important projects. He was quiet, almost shy, never a brash or boastful politician. Someone else might have used his chairmanship to twist arms. Mr. Fallon was benign. He made certain no congressman or district was slighted. If challenged about his committee's considerable spending programs, the congressman would point to new state and federal revenues that had been generated and to new communities that had prospered and grown, thanks to this congressional largess.

His unshakable support of the Vietnam War—when other congressmen began having doubts—helped Paul S. Sarbanes win the Fallon seat in the old Third district in 1970. But the slight that most disillusioned Mr. Fallon was how voters in North and Northeast Baltimore could reject the father of the Interstate Highway System. "I thought I was helping people," he told a reporter shortly after his defeat.

Building and extending roads might seem questionable by today's standards, what with limited energy supplies. But in 1954 oil was plentiful and the economy needed a substantial boost. For a quiet, unpretentious man like George Fallon, who would rather have thrown out the first ball at a sandlot game in Clifton Park than at Memorial Stadium, concrete and steel was an ideal response.

THE CONSCIENCE OF AMERICA

Mr. MATHIAS. Mr. President, over a professional career stretching from Woodrow Wilson's age of reform to Jimmy Carter's age of lowered expectations, Gerald W. Johnson's incisive, often acerbic commentary on American politics has been fervent, enlightening and passionately literate. His death in Baltimore the other day at the age of 89 stills an experienced and valuable pen we can ill afford to lose.

In a period increasingly characterized by moral confusion, political expediency and the cant of media hype Gerald Johnson, with his friend and fellow Sunman, H. L. Mencken, waged incessant and total war. Gerald Johnson, like his contemporary Walter Lippmann, was an old-fashioned American moralist, whose concept of American democracy was rooted in the fixed certitudes of the 18th century enlightenment and embodied in the principles of the American Constitution.

At a testimonial on his 70th birthday in 1960, his friend Adlai E. Stevenson came to Baltimore to honor the man he called, "the conscience of America." From the library of his townhouse on Baltimore's Bolton Hill, Gerald Johnson poured out a steady stream of commentary—books, articles, monographs, letters—for more than a half century in support of his classical liberal view of the possibilities of the American political system.

Few social commentators and columnists could match his prolific body of work, which he continued to produce on his ancient typewriter right up to the end of his life. He was an inveterate writer of letters not only to the editor of the newspaper on which he served as an editorial writer, the Baltimore Sun, but to elected officials like myself. I was always glad to hear from him and felt better for the advice and counsel he offered. I was privileged to have his friendship and to enjoy his company.

I ask unanimous consent that the editorial from the Sun of March 24, 1980, be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

GERALD W. JOHNSON

Witty, insightful and prodigious in his verbal output, Gerald W. Johnson over his lifetime was a reporter, editorial writer, columnist, book reviewer, television commentator, historian, biographer, novelist, lecturer and magazine contributor. For many Baltimoreans, he was also a friend and lively conversationalist of broad human interests. But first and foremost by his own definition of the word he was a journalist, which to him meant a writer who sought through historical perspective and an understanding of the interplay of political and social trends to reveal the true import of current events, which bare facts alone could not convey.

Schooled in the enlightened Baptist doctrines of Wake Forest College, Mr. Johnson was only 20 years old in 1910 when he started a newspaper in Thomasville, N.C., and, apart from World War I infantry service in France, wrote continuously thereafter for nearly 70 years, until his infirmities forced him from his typewriter and an unfinished book manuscript early in 1980. To Baltimore's good fortune, most of his remarkable career was spent in Baltimore, where he came from a Greensboro newspaper in 1926 to join the Sunpapers as an editorial writer.

Increasingly at odds with prevailing editorial policy from New Deal days onward, Mr. Johnson left the Sunpapers in 1943 to devote full time to his outside writing. Institutionally we differed, but the parting did not diminish our respect for the man or, as Baltimore readers know, Mr. Johnson's continued readiness to write occasional articles for us. Of liberal persuasion with a moralist's certainty of goodness and evil, Mr. Johnson had his heroes and villians, to be extolled or excoriated in a flurry of vivid prose, and no writer could more tellingly summon supporting evidence from a host of historical and literary figures.

A great admirer of H. L. Mencken, with whom he had shared his early newspaper days here, Mr. Johnson recalled years afterward that Mencken had once said to him, "Johnson, you and I are very fortunate people in that we can make a living by doing what we would do anyhow; not many can say that." He came to regard this as a darkly pessimistic view of the working world, but how true it was in his own case: Gerald Johnson wrote because it was his life's calling, whatever its rewards, and we feel bereft now in the realization that the mail no longer will be enlivened by a letter to the editor from Baltimore's clarion voice of uncompromising conscience.

HIKING TO A BETTER LIFE

Mr. MATHIAS. Mr. President, as one who worked to preserve the C. & O. Canal and to establish the C. & O. Canal National Park, I am always delighted when some new bit of evidence turns up to confirm the wisdom of that effort.

Just this week a story in the Washington Post by Chip Brown reminds us anew of the enormous contribution the park makes to the public good. Mr. Brown writes of an expedition along the canal that could well prove to be the turning point in the lives of a group of troubled young teenagers. He describes their project this way:

> For 13 days this band of maladjusted school kids, who had never done much of anything in their 14 years except get into trouble, had trekked 160 miles through snow, muck and dust down the entire course of the C. & O. canal towpath.

Along the way, the group was exposed to the infinite variety of nature's moods and of her flora and fauna. But most importantly these kids were given an opportunity to undertake a major challenge and to succeed. As one of their counselors put it: "Where kids who have a history of failure succeed at something, it's a great thing to see."

I wish I could have been along on that hike when the youngsters first caught sight of a wedge of Canada geese rising from the water. It is a sight I know well but it is always breathtaking. As one of the boys wrote: "It was the most beautiful sight I have ever seen."

The hike was organized by the For Love of Children Wilderness School which helps young people resolve behavior problems through participation in a strenuous outdoors program. I hope it will be the first of many such programs along the C. & O. Canal for no one can fail to be moved by the beauty of the park and the bounties of nature it discloses to those who explore its length.

I ask unanimous consent that Mr. Brown's article, entitled "Hiking to a Better Life," be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HIKING TO A BETTER LIFE: CONQUERING THE CANAL GIVES PROBLEM YOUTHS SENSE OF SUCCESS

(By Chip Brown)

The "Ravens" shed their backpacks and dropped a length of twine into a muddy Potomac slough yesterday, hoping to hook some more catfish where the river spreads wide at the Seneca Breaks, 20 miles upstream from the Washington area where these hikers used to smoke grass, burgle homes and punch school teachers.

For 13 days, this band of maladjusted school kids who had never done much of anything in their 14 years except get into trouble, had trekked 160 miles through snow, muck and dust down the entire course of the C&O canal towpath.

Although most of them read at only fourth-grade levels, they kept journals. They watched Canada geese and black snakes and were lulled to sleep each night by owls and the murmuring river. Most importantly, for kids who had run away from their problems in the past, they stuck to their plan.

"Where kids who have a history of failure succeed at something, it's a great thing to see," said Robert Griffith a counselor at the For Love of Children Wilderness School in West Virginia where the expedition was hatched.

The Wilderness School, founded in 1972 on a wooded tract near Harpers Ferry and the Shenandoah River, specializes in teaching youths between the ages of 9 and 15 to resolve behavior problems. The pupils, many of them from the Washington area, are enrolled by parents, public school officials and even courts as an alternative to detention. It is a vigorous outdoor-oriented program in which the youths learn drafting and carpentry, actually constructing shelters in the woods.

There were originally 10 Ravens—one of four groups at the school—but one of them "decided he preferred the detention center to the hike," Griffith said.

But with just 22 more milestones to notch to complete a two-week odyssey that began March 10 at the canal's western terminus in Cumberland, Md., the long journey was anything but an ordeal for the Ravens fishing and taking a breather at Lock 23 yesterday.

"I can't believe we've hiked this far. We're breaking the school record," said 14-year-old Vincent, who says he used to "smoke reefer and punch my teacher for no reason."

"It looks so long," he said, holding up a National Park service map of the canal. "One night we saw 80 Canada geese. They landed on the river above us. Then they took off. It looked just like a sleigh taking off."

"It was just a white streak taking off from the water," said 14-year-old Nathaniel.

"It was the most beautiful sight I have ever seen," wrote 15-year-old Skip in his dog-earred spiral notebook.

"These are guys who would lie down after five miles with no packs and complain they were tired," said 22-year-old counselor Dave Turner, remembering the two practice hikes the Ravens had made on the Appalachian Trail. "Yesterday they hiked 17 miles with packs. The only reason they could succeed is that they got sucked together as a group. It's something they'll look back on their whole lives."

The red bobber at the end of the catfish line suddenly jumped.

"Mike," Skip cried. "Aw, it's gone. Man, you don't know how to fish."

"I was talking man," said 14-year-old Michael.

"You're supposed to be fishing, man, not running your mouth."

On the way to the start of the hike a fight broke out in the car, and camp counselors Turner and Jim Jenkins had their doubts that the trip would get off the ground.

Then four days out, a blizzard struck and the beleaguered hikers trudged through eight inches of snow and debilitating cold. That night they found shelter in a Park Service trailer, and were warmed by a special menu of canned spaghetti and Milky Way bars the "chiefs," as the trip leaders were called, had procured from a local store off the canal. But the trailer started to crack apart. Skip noted in his journal: "I couldn't dream about my family because when I started dreaming about home the trailer would start cracking."

"That was hard, hiking in the snow," Vincent said. "The snow was up to my knees. I stayed back, walking in other peoples tracks."

As the group went further along, inspecting canal locks, studying plants with their leaders and learning about igneous and metamorphic rocks, the grim reality of freeze-dried food, known to hikers the world over, dawned on the Ravens.

The beef stroganoff, which the group had chosen in their extensive planning weeks before the trip, particularly disturbed Danny.

"It didn't taste too bad," he recalled. "But it didn't do right with your stomach."

Still, the 15-year-old who said he "didn't get along with his parents" conceded, "I'd rather be here than locked up."

The Ravens blamed the stomach ailments that beset a number of them on their food and on the water they had to drink—an all too wild elixir of the muddy Potomac whose microrganisms they eliminated with iodine.

"It tasted like jet fuel," said John 14.

After a scrape in which, according to Skip's journal, one of the Ravens was bitten in the pants leg by a wounded woodchuck that had been attacked by the group's black labrador retriever, there were more serene encounters with river wildlife—beavers, two swans, a couple of snakes. Skip learned to tell male and female mallard ducks apart, and Vincent plucked the feather out of a dead duck he could use to "clean my ears." They caught catfish, which they sliced and cooked on a stick and they watched the river ebb and crest with the changing weather.

"The river keeps you awake at night," Danny said.

"It's taught me a lot of things," Vincent said.

By the time they hit the confluence of the Potomac and the Shenandoah at Harpers Ferry, where they were resupplied with food and their packs increased again to 50 pounds, the Ravens had tough feet, and the squabbles over Tootsie Rolls and who had the most room in their army issue tents had all but died out. The counselors were still worried that, as they got toward the metropolitan area the fitful Ravens might be tempted to strike out for their old haunts.

"We had a conference," said Turner. "We asked them, 'Are you going to run?'" The hikers said no, and that they wanted to finish the journey as a group.

They got no fish yesterday, but no one minded. They were looking forward to a celebratory dinner of real food that the "chiefs" had promised them when the two-week journey was done. They shouldered their packs, and set off for the city.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

PRESIDENTIAL APPROVALS

A message from the President of the United States reported that he has approved and signed the following acts:

On March 24, 1980:

S. 2225. An act to provide that receipts from certain sales of items by the Sergeant at Arms of the Senate to Senators and committees and offices of the Senate shall be credited to the appropriation from which such items were purchased.

On March 25, 1980:

S. 1454. An act to authorize the voluntary interservice transfer of officers between the commissioned corps of the National Oceanic and Atmospheric Administration and the Armed Forces, to authorize advance payments of pay and allowances to officers of such corps under the same conditions that apply to advance payments to members of the Armed Forces, and to provide officers of such corps the same unemployment compensation benefits that apply to members of the Armed Forces.

MESSAGES FROM THE HOUSE

At 1:18 p.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that the House agrees to the amendment of the Senate to the bill (H.R. 4996) to restore to the Shivwitz, Kanosh, Koosharem, and Indian Peaks Bands of Paiute Indians of Utah, and with respect to the Cedar City Band of Paiute Indians of Utah to restore or confirm, the Federal trust relationship and to restore to members of such bands those Federal services and benefits furnished to American Indian tribes by reason of such trust relationship, and for other purposes.

The message also announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 4088. An act to authorize the Secretary of Commerce to sell two obsolete vessels to Coast Line Co., and for other purposes; and

H.R. 5043. An act to amend the Internal Revenue Code of 1954 to provide for the tax treatment of bankruptcy, insolvency, and similar proceedings, and for other purposes.

The message further announced that, pursuant to section 194 of title 14 of the United States Code, the chairman of the Committee on Merchant Marine and Fisheries has appointed Mr. Biaggi, Mr. de la Garza, Mr. Snyder, and Mr. Murphy of New York, ex officio, to serve as members of the Board of Visitors to the U.S. Coast Guard Academy for the year 1980, on the part of the House.

The message also announced that, pursuant to Public Law 301 of the 78th Congress, the chairman of the Committee on Merchant Marine and Fisheries has appointed Mr. Biaggi, Mr. AuCoin, Mr. McCloskey, Mr. Murphy of New York, ex officio, to serve as members of the Board of Visitors to the U.S. Merchant Marine Academy for the year 1980, on the part of the House.

HOUSE BILLS AND JOINT RESOLUTION SIGNED

At 2:07 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the Speaker has signed the following enrolled bills and joint resolution:

H.R. 24. An Act to improve budget management and expenditure control by revising certain provisions relating to the Comptroller General and the Inspectors General of the Departments of Energy and Health, Education, and Welfare, and for other purposes;

H.R. 2676. An act to authorize appropriations for environmental research, development, and demonstrations for the fiscal year 1980, and for other purposes;

H.R. 2797. An act to make technical corrections related to the Revenue Act of 1978;

H.R. 4996. An act to restore to the Shivwitz, Kanosh, Koosharem, and Indian Peaks Bands of Paiute Indians of Utah, and with respect to the Cedar City Band of Paiute Indians of Utah, to restore or confirm, the Federal trust relationship, to restore to members of such Bands those Federal services and benefits furnished to American Indian Tribes by reason of such trust relationship, and for other purposes; and

H.J. Res. 463. A joint resolution designating the week of October 5 through October 11, 1980, as "National Diabetes Week."

The enrolled bills and joint resolution were subsequently signed by the Acting President pro tempore (Mr. DeConcini).

At 3:54 p.m., a message from the House of Representatives delivered by Mr. Gregory, announced that the House has passed the following bill and joint resolution, in which it requests the concurrence of the Senate:

H.R. 6410. An act to reduce paperwork and enhance the economy and efficiency of the Government and the private sector by improving Federal information policymaking, and for other purposes; and

H.J. Res. 514. A joint resolution making additional funds available by transfer for the fiscal year ending September 30, 1980, for the Federal Trade Commission.

ENROLLED JOINT RESOLUTION SIGNED

At 5:59 p.m., a message from the House of Representatives delivered by Mr. Berry, announced that the Speaker has signed the following enrolled joint resolution:

H.J. Res. 514. A joint resolution making additional funds available by transfer for the fiscal year ending September 30, 1980, for the Federal Trade Commission.

The enrolled joint resolution was subsequently signed by the Acting President pro tempore (Mr. Cranston), by unanimous consent.

HOUSE BILL HELD AT DESK

The following bill was read by title and ordered held at the desk, by previous unanimous consent:

H.R. 4088. An act to authorize the Secretary of Commerce to sell two obsolete vessels to Coast Line Co., and for other purposes.

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred as indicated:

H.R. 5043. An act to amend the Internal Revenue Code of 1954 to provide for the tax treatment of bankruptcy, insolvency, and similar proceedings, and for other purposes; to the Committee on Finance.

H.R. 6410. An act to reduce paperwork and enhance the economy and efficiency of the Government and the private sector by improving Federal information policymaking, and for other purposes; to the Committee on Governmental Affairs.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-3349. A communication from the Acting Assistant Secretary of the Interior, reporting, pursuant to law, that an adequate soil survey and land classification has been accomplished re the Second Bacon Siphon and Tunnel, Columbia Basin Project, and that the lands to be irrigated are susceptible to the production of agricultural crops by means of irrigation; to the Committee on Appropriations.

EC-3350. A communication from the clerk, U.S. Court of Claims, transmitting, pursuant to law, a certified copy of the court's judgment order of March 18, 1980, entering partial judgment for the plaintiffs in Turtle Mountain Band of Chippewa Indians versus the United States, Nos. 113, 246, 191, 221, in the sum of $47,376,622.93; to the Committee on Appropriations.

EC-3351. A communication from the Assistant Secretary of the Army (Installations, Logistics, and Financial Management), reporting, pursuant to law, that a study has been conducted with respect to converting the function of providing custodial services at Fort Ord, Calif. Medical Department Activity, and a decision has been made that performance under contract is the most cost-effective method of accomplishing it; to the Committee on Armed Services.

EC-3352. A communication from the Secretary of the Navy, reporting, pursuant to law, that a study has been conducted with respect to converting the function of providing custodial services at the Naval Ships Parts Control Center, Mechanicsburg, Pa., and a decision has been made that performance under contract is the most cost-effective method of accomplishing it; to the Committee on Armed Services.

EC-3353. A communication from the Director, Defense Security Assistance Agency, reporting, pursuant to law, concerning the Department of the Army's proposed Letter of Offer to Egypt for Defense Articles estimated to cost in excess of $25 million; to the Committee on Armed Services.

EC-3354. A communication from the Director, Defense Security Assistance Agency, reporting, pursuant to law, concerning the Department of the Army's proposed Letter of Offer to Egypt for Defense Articles estimated to cost in excess of $25 million; to the Committee on Armed Services.

EC-3355. A communication from the Deputy Assistant Secretary of Defense, transmitting, pursuant to law, the April through September 1979 (last half of fiscal year 1979) listings of Department of Defense contracts negotiated under section 2304(a)11 and 2304(a)16; to the Committee on Armed Services.

EC-3356. A communication from the Secretary of Agriculture, transmitting, pursuant to law, an interim report of progress on the Remote Claims Impact Study; to the Committee on Banking, Housing, and Urban Affairs.

EC-3357. A communication from the Secretary of Transportation, transmitting, pursuant to law, a report of activities and an evaluation of the financial condition of railroads which have outstanding certificates guaranteed under the Emergency Rail Services Act of 1970, Public Law 91-663; to the Committee on Commerce, Science, and Transportation.

EC-3358. A communication from the Secretary of Transportation, transmitting, pursuant to law, an annual report on the financial condition and operations of the railroad rehabilitation and improvement fund and the obligation guarantee fund established pursuant to the Railroad Revitalization and Regulatory Reform Act of 1976, Public Law 91-210; to the Committee on Commerce, Science, and Transportation.

EC-3359. A communication from the Secretary of the Interior, transmitting, pursuant to law, a report entitled "Report of Review and Revision of Royalty Payments for Fiscal Years 1978 and 1979 for Federal Onshore and Outer Continental Shelf (OCS) Oil and Gas Leases"; to the Committee on Energy and Natural Resources.

EC-3360. A communication from the President of the United States, transmitting, pursuant to law, a report setting forth his determination to direct expedited consideration of adjustment assistance petitions from workers and firms in the U.S. leather wearing apparel industry and his decision that import relief is not in the national economic interest, and explaining the reasons for his decision; to the Committee on Finance.

EC-3361. A communication from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, a report of the Universal Social Security Coverage Study Group; to the Committee on Finance.

EC-3362. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements other than treaties entered into by the United States within 60 days after the execution thereof; to the Committee on Foreign Relations.

EC-3363. A communication from the Assistant Secretary of the Treasury (Legislative Affairs), transmitting, pursuant to law, project performance audit reports prepared by the International Bank for Reconstruction and Development (IBRD) and project performance or completion reports prepared by the Asian Development Bank (ADB); to the Committee on Foreign Relations.

EC-3364. A communication from the Assistant Secretary of State for Congressional Relations, transmitting a draft of proposed legislation to amend the U.N. Participation Act, certain passport authorities, the Foreign Service Act, and for other purposes; to the Committee on Foreign Relations.

EC-3365. A communication from the Commissioner of Social Security, Department of Health, Education, and Welfare, transmitting, pursuant to law, a report on a proposed system of records for the Department of Health, Education, and Welfare for implementing the Privacy Act; to the Committee on Governmental Affairs.

EC-3366. A communication from the Chairman of the Federal Maritime Commission, transmitting, pursuant to law, the annual report of the Commission's activities under the Government in the Sunshine Act for calendar year 1979; to the Committee on Governmental Affairs.

EC-3367. A communication from the Secretary of Commerce, transmitting a draft of proposed legislation to establish a Minority Business Development Agency in the Department of Commerce, and for other purposes; to the Committee on Governmental Affairs.

EC-3368. A communication from the Director of the U.S. Office of Personnel Management, transmitting a draft of proposed legislation to amend section 3109 of title 5, United States Code, to clarify the authority for appointment and compensation of experts and consultants, and for other purposes; to the Committee on Governmental Affairs.

EC-3369. A communication from the Chief of the Records Management Branch and Privacy Liaison Officer, Federal Communications Commission, transmitting, pursuant to law, a report on a proposed new system of records for the Federal Communications Commission for implementing the Privacy Act; to the Committee on Governmental Affairs.

EC-3370. A communication from the Director of the Federal Emergency Management Agency, transmitting a draft of proposed legislation to authorize the Administrator of General Services to donate to State and local governments certain Federal personal property loaned to them for civil defense use; to the Committee on Governmental Affairs.

EC-3371. A communication from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, a report on continuing education and the retention of primary care providers in medically underserved areas; to the Committee on Labor and Human Resources.

EC-3372. A communication from the Director of the Office of Technology Assessment, transmitting, pursuant to law, the annual report on the activities of the Office of Technology Assessment for calendar year 1979; to the Committee on Rules and Administration.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. LONG, from the Committee on Finance, without amendment:

H.R. 6029. An act providing for the implementation of the International Sugar Agreement, 1977, and for other purposes (Rept. No. 96-644).

By Mr. BAYH, from the Committee on the Judiciary, without amendment:

S. 598. A bill to clarify the circumstances under which territorial provisions in licenses to manufacture, distribute, and sell trademarked soft drink products are lawful under the antitrust laws (together with minority views) (Rept. No. 96-645).

By Mr. PELL, from the Committee on Rules and Administration, with an amendment:

S. 1786. A bill to amend the Act of October 15, 1966 (80 Stat. 953; 20 U.S.C. 65a), relating to the National Museum of the Smithsonian Institution, so as to authorize additional appropriations to the Smithsonian Institution for carrying out the purposes of said Act (Rept. No. 96-646).

By Mr. PELL, from the Committee on Rules and Administration, without amendment:

S. Res. 393. An original resolution to transfer the permanent records of the Senate Select Committee on Presidential Campaign Activities to the National Archives, subject to regulations or orders of the Committee on Rules and Administration (Rept. No. 96-647).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. LONG, from the Committee on Finance:

Cesar A. Perales, of New York, to be an Assistant Secretary of Health, Education, and Welfare.

Curtis Alan Hessler, of the District of Columbia, to be an Assistant Secretary of the Treasury.

(The above nominations from the Committee on Finance were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. NELSON:

S. 2480. A bill entitled the "Accumulated Earnings Adjustment Act of 1980; to the Committee on Finance.

By Mr. DURKIN:

S. 2481. A bill for the relief of John B. McKee; to the Committee on the Judiciary.

By Mr. HUDDLESTON (for himself, Mr. Ford, Mr. Bayh, and Mr. Lugar):

S. 2482. A bill to establish the Falls of Ohio National Monument, and for other purposes; to the Committee on Energy and Natural Resources.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

S. 2480. A bill entitled the "Accumulated Earnings Adjustment Act of 1980"; to the Committee on Finance.

By Mr. NELSON:

● Mr. NELSON. Mr. President, as chairman of the Senate Small Business Committee, I am introducing today the Accumulated Earnings Adjustment Act of 1980, another in a series of bills on small business capital formation—to assist new, small, and independent businesses in raising, retaining, and recovering capital. I ask that the bill be appropriately referred and that a copy of the text be printed in the Record following my remarks.

WHAT THE BILL WOULD DO

This bill would raise the amount of accumulated earnings permitted under the Internal Revenue Code from the present level of $150,000 to $250,000.

The ceiling on accumulated earnings has been a recurring issue ever since the beginning from the corporate income tax system. The controversy has been over how much capital businesses should be allowed to retain, how closely this accumulation must be related to the future needs of the business, and who should have the burden of proof in these matters.

These disputes have been costly to many businesses in time as well as accounting and legal expense, and have generated considerable uncertainty which detracts from efficient business management.

BACKGROUND

In 1975, following Small Business Committee hearings on the administration's emergency tax stimulation proposals, we proposed increasing in the level of permissible accumulated earnings from $100,000 to $150,000 (S. 1119, the Emergency Small Business Tax Reduction Act). This recommendation was accepted by the Finance Committee and enacted into law as part of the Tax Reduction Act of 1975.

INFLATION HAS MADE FURTHER ADJUSTMENT DESIRABLE

During the past 5 years, inflation has increased costs of doing business by approximately one-third (37.4 percent).* This would argue for an increase in the ceiling to approximately $200,000. The bill suggests a figure of $250,000, because fixed dollar limitations in the Internal Revenue Code such as this are only looked at periodically—5 years ago in this particular case.

PROBLEMS SHOULD BE EXPLORED

There are numerous questions about the proposal which should be explored. We should learn, for example, how many firms are adversely affected by the present $150,000 limit. I have asked that the Treasury Department and the Internal Revenue Service gather statistics about the administrative proceedings and court cases which are underway in this area, so that we can find out. We must know what the revenue affects are, and have also requested this information.

I would think that in today's changeable circumstances, business management of capital it has struggled to accumulate could be complicated by a statutory ceiling or administrative rules which were rigidly imposed. For example, if a business is forced to alter its plans, it might face a stiff penalty tax of 27½ percent or more.

We should therefore inquire of both the Government and private experts as to just what is troubling businesses under the present law and regulations. I have asked for the Treasury Department's views in all of these matters.

It is gratifying that hearings are about to begin on small business capital formation tax bills in the Finance Subcommittee on Taxation under the chairmanship of the Senator from Virginia, (Mr. Harry F. Byrd, Jr.). I would hope these issues can receive early consideration by being discussed as a part of these hearings.

SUMMARY

Mr. President, I feel that the inflation of the last 5 years justifies an increase in the accumulative earnings provision of the Internal Revenue Code. I hope that all of the considerations will be thoroughly studied in the forthcoming hearings on capital formation bills, so that some progress can be made in 1980 on legislation along these lines.●

By Mr. HUDDLESTON (for himself, Mr. Ford, Mr. Bayh, and Mr. Lugar):

S. 2482. A bill to establish the Falls of Ohio National Monument, and for other purposes; to the Committee on Energy and Natural Resources.

● Mr. HUDDLESTON. Mr. President, today I am introducing legislation, with Senators Ford, Bayh, and Lugar, designating the Falls of Ohio as a national monument, providing for its preservation and protection by the National Park Service.

The Falls of Ohio is a geological and historical treasure, virtually in the center of a large metropolitan area between Louisville, Ky., and Jeffersonville, Ind. It is the only place where the Ohio River flows over bare bedrock and a fossilized coral reef.

The falls is associated with this area's rich and colorful history, from the flatboat and steamboat era to the present. It played an important part in the early history of the Midwestern United States as a gateway to the West, attracting many settlers who traveled down the Ohio River.

Geologists worldwide consider the falls to be of primary significance. Since 1820, the naming and standard identification of over 900 fossil species has been based upon specimens collected at the 300-million-year-old coral reef. The fossil corals and associated species in the limestone formations of the falls played an important role in the development of the science of paleontology in America. The geologic history of the falls is representative of a period almost 125 years prior to the age of dinosaurs.

Because of these features, the Falls has been recognized as having education value. Both the Louisville Museum of Natural History and Science and the Children's Museum of Indianapolis have developed programs dealing with the Falls. It has become a popular spot for museum-organized "explorer's outings" and family field trips.

The significance of the Falls of Ohio was recognized in 1966 when it was designated a national landmark. There is no funding, however, for protection of national landmarks, and because of this lack of protection, the Falls is in serious danger today from a number of sources. A change in river flow, due to the construction of the McAlpine Dam, has caused excess silting, obscuring many of the fossils and threatening the coral reef. Souvenir hunters and vandals threaten those fossils not already covered by silt, and there is no protection against the frequent dumping of garbage in the area. This bill would authorize the Secretary of Interior to take those steps necessary to provide protection for the falls and preserve it for the recreational use of everyone. The mechanism would then be available to provide for the Corps of Engineers to take measures necessary to protect the ecology of the Falls and wash away the accumulated silt.

There are few parks east of the Mississippi created because of a significant natural feature. Furthermore, there is no unit of the National Park System featuring fossils prior to the Dinosaur Age nor containing representation of geologic history from the Silurian and Devonian periods. The Falls of the Ohio River, designated as a national monument, would greatly contribute to a better balance of parks throughout the United States.●

● Mr. FORD. Mr. President, this legislation is a rare opportunity to preserve a unique geological site in an urban setting.

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*Increase in gross national product deflator from 1st quarter 1975 to 4th quarter of 1979.

The Falls of the Ohio River is close to the McAlpine Dam, between Louisville, Ky., and Jeffersonville and Clarksville, Ind. The Falls is essentially within the State of Kentucky, since the State boundary was established along the north bank of the Ohio River, but access is now almost exclusively through Jeffersonville.

The Falls of the Ohio is a unique and world-renowned 300,000,000-year-old fossilized coral reef which is the only place where the Ohio River flows over the bare bedrock. Geologists have studied this area for more than 100 years.

Fossil coral is the product of the warm tropical seas that covered this area between 440 and 350 million years ago. Presently there are no units of the National Park System set aside for the protection and interpretation of fossils during this period.

Over the past 10 years the Falls of the Ohio has degenerated, due in part to the McAlpine Dam, which has caused problems of excess siltation. Park accessibility depends on varying water levels throughout the year.

If this natural phenomenon is to be preserved, proper management must be initiated. This can be accomplished by establishing the Falls of the Ohio as a national monument to be maintained by the Department of the Interior.

In the administration of such a monument, the Secretary may utilize such statutory authority which may be available to him for the conservation of wildlife and natural resources as he deems necessary.

It should be noted there are very few parks east of the Mississippi River created for the protection of outstanding natural features. Of those that exist, they are primarily seashore-type recreation areas. The protection of this unique natural feature would greatly enhance our parks throughout the United States. I strongly support the establishment of the Falls of the Ohio as a national monument.●

● Mr. BAYH. Mr. President, it is my privilege to rise today with my colleagues from Kentucky Senators Huddleston and Ford to introduce legislation to establish the Falls of the Ohio National Monument, and give the Secretary of the Interior the authority and funds needed to preserve and protect the world-renowned, 300-million-year-old fossilized coral reef known as the Falls of the Ohio.

The Falls of the Ohio is located below McAlpine Dam between Louisville, Ky., and Jeffersonville and Clarksville, Ind. This was a strategic location during the early history of the Midwestern United States, for it was the only place along "La Belle Riviere" that required a portage for boats and served as a natural fording place. Evidence of Indians travelling in the area has been found, especially along the wide path known as the Buffalo Trace that was used by early explorers and animals. The French explorer La Salle stopped at the Falls in 1669, and George Rogers Clark, en route to his capture of Kaskaskia and Vincennes, established the first settlement at the Falls in 1771.

The early discovery of the coral beds at the Falls caused interest in collection and study of the abundant number of fossil species found in the various rock strata exposed at the Falls. According to geologists, about two-thirds of the species of fossils found at the Falls of the Ohio were type specimens, described for the first time. The Falls of the Ohio is claimed to have produced more new species of fossils than any other single locality in the world. It is this remarkable scientific quality along with its historical significance which have made the Falls of the Ohio a favorite field trip of the Children's Museum in Indianapolis, Ind.

Unfortunately, through the significance of the Falls of the Ohio has been recognized in Indiana, Kentucky and the Nation for a number of years, the responsibility for caring for this national treasure has been a matter of dispute during those years. The decision on the ultimate agency to take this responsibility has been caught up in disputes between the States of Indiana and Kentucky, which bear no relation to a mutual concern for the Falls of the Ohio. The time has come for Congress to act for the protection and preservation of the Falls of the Ohio as a national monument.

This legislation will vest the responsibility for caring for the Falls in the National Park Service, which can begin the process of assembling park land around the Falls through donation and building a dike to help wash away the excessive silt which has built up on the Falls in recent years.

I believe that the Falls of the Ohio are a national treasure deserving of Federal protection. I know that the people of the State of Indiana will be well served by this legislaton as the only logical alternative to the continuing disputes between the States of Indiana and Kentucky over Ohio River issues. I urge my colleagues to act to preserve and protect the Falls of the Ohio within this session.●

ADDITIONAL COSPONSORS

S. 1558

At the request of Mr. Durkin, the Senator from Wisconsin (Mr. Nelson) was added as a cosponsor of S. 1558, a bill to amend the Federal Power Act to permit the Federal Energy Regulatory Commission to enter into agreements with States under which State authorities may exercise the licensing authority of the Commission with respect to small hydroelectric projects at existing dams, and for other purposes.

S. 1858

At the request of Mr. Bayh, the Senator from Maryland (Mr. Mathias) was added as a cosponsor of S. 1858, a bill to amend title 28, United States Code, to provide that the Federal tort claims provisions of that title are the exclusive remedy in medical malpractice actions and proceedings resulting from federally authorized National Guard training activities, and for other purposes.

S. 2435

At the request of Mr. Chiles, the Senator from Montana (Mr. Baucus) was added as a cosponsor of S. 2435, a bill to rescind certain appropriations provided for the purchase of furniture by Federal departments, and for other purposes.

S. 2437

At the request of Mr. Hayakawa, the Senator from Iowa (Mr. Jepsen), the Senator from New Hampshire (Mr. Humphrey), and the Senator from North Carolina (Mr. Helms) were added as cosponsors of S. 2437, a bill to amend section 4067 of the Revised Statutes to define further the circumstances under which certain aliens within the United States may be treated as alien enemies.

S. 2439

At the request of Mr. Domenici, the Senator from South Carolina (Mr. Hollings), the Senator from Oklahoma (Mr. Boren), and the Senator from New Mexico (Mr. Schmitt) were added as cosponsors of S. 2439, a bill to place pharmacy robberies under Federal jurisdiction.

SENATE JOINT RESOLUTION 152

At the request of Mr. Mathias, the Senator from South Carolina (Mr. Hollings) was added as a cosponsor of Senate Joint Resolution 152, a joint resolution to authorize and request the President to designate the week of September 21 through 27, 1980, as "National Cystic Fibrosis Week."

SENATE RESOLUTION 299

At the request of Mr. Durkin, his name was added as a cosponsor of Senate Resolution 299, a resolution calling for a Senate examination of U.S. defense and foreign policy.

SENATE RESOLUTION 392—SUBMISSION OF A RESOLUTION RELATING TO A REDUCTION IN INTEREST RATES

Mr. MAGNUSON (for himself and Mr. Sasser) submitted the following resolution, which was referred to the Committee on Banking, Housing, and Urban Affairs:

S. Res. 392

Whereas the Board of Governors of the Federal Reserve System has taken successive steps to repeatedly raise interest rates which have repeatedly raised the Consumer Price Index; and

Whereas higher interest rates have not reduced inflation but are instead increasing inflation by increasing prices, particularly for housing and other capital improvements; and

Whereas increased prices for housing and other capital improvements threaten to cause substantial decline in housing construction and other capital improvements which will lead to severe unemployment, further erode productivity, and prolong national dependence on foreign oil; and

Whereas the Board of Governors is restraining, and can further restrain as necessary, short term commercial credit through selective credit controls even if interest rates are reduced: Now, therefore, be it

Resolved, That the Board of Governors of the Federal Reserve System should immediately take steps to reduce interest rates.

Mr. MAGNUSON. Mr. President, I am today submitting a sense of the Senate resolution calling on the Board of Governors of the Federal Reserve System to act immediately to begin rolling back interest rates.

The Federal Reserve's high-interest policy is a travesty and should be abandoned. High-interest rates are not reducing inflation. On the contrary, as interest rates have soared in recent weeks so has inflation. Left unchecked, the Federal Reserve's high-interest policy will make inflation worse now and later. At the same time it will bring on recession and higher unemployment. Once that occurs we will be confronted with severe Federal budget deficits as revenues decline and spending increases for unemployment compensation, food stamps, and so forth. In sum, the current high-interest policy has nothing to recommend it.

Housing offers an excellent example of the adverse consequences, now and later, of the high-interest policy. We are all aware that soaring interest rates are fast reducing home purchases, particularly by young families who do not have the advantage of owning equity in an existing house. The downturn in home purchases is now causing a decline in new home construction.

In the short term, that means rents will go up since people must live somewhere and must rent if they cannot buy. So inflation will be increased. Also in the short term, unemployment will rise as the demand declines for lumber and everything else that goes into building a house. In the longer run, the supply of housing will fall further behind the demand such that housing prices will rise, adding more to inflation.

Additionally, older homes, many of which lack energy-saving features, will have to remain in use longer and waste energy longer than they would if new housing construction were proceeding as we need it to proceed.

And, of course, the more energy we waste the more we have to depend on either imported oil or expensive new energy generation capacity. So, again, inflation worsens.

The perverse effects of the Federal Reserve's high-interest policy are not limited just to the housing sector. Rather, as I will describe later, they will be found throughout the economy.

I doubt if even the Board of Governors would dispute the analysis that the recent boost in interest rates has contributed directly to the simultaneous upsurge in the Consumer Price Index. There is, however, a theory popular in some quarters that in time increased interest rates will bring on a recession, thus reducing the demand for goods and services and forcing down prices.

Of course, that will also reduce the need for workers to produce those goods and services, meaning unemployment will rise. Before we consent to a high-interest rate policy calculated to cause recession and unemployment we should consider, I believe, whether, in fact, inflation will be reduced.

In other words, will reduced demand and higher unemployment really bring reduced inflation or will we simply find ourselves with the worst of both worlds—higher unemployment and higher prices as in the case of housing?

I fear the outcome will be the latter—more unemployment and still more inflation. There is little reason to believe that a recession-induced decline in U.S. demand for oil will cause OPEC to reduce oil prices. Instead, it seems much more likely they will either find ready-buyers elsewhere for that oil or just hold it in the ground, knowing it will be worth even more in later years. Increased unemployment is certainly not going to decrease the price of foreign oil nor increase productivity.

As I already pointed out, it will only create Federal deficits as tax revenues decline and unemployment-triggered expenditures rise. In other words, the increased unemployment and reduced demand that will accompany the recession high-interest rates are intended to cause will not lessen any of the so-often cited causes of inflation: Increased oil prices, falling productivity, and Federal deficits.

Furthermore, consider the longer-run effect of high interest rates on our energy and productivity problems. Is it at all logical to assume that business will be able to afford to borrow money at 20 percent-plus interest rates to invest in new facilities to produce the energy we must produce domestically if we are to ever escape our national dependency on foreign oil?

Will homeowners or business be able to afford to borrow and invest in energy conservation improvements to their property? And how will business, particularly small business, be able to afford to borrow funds to invest in the new equipment, technology, and research they will need if productivity is to be increased?

The conclusion I reach is that high interest rates will only prolong our productivity problems and our dependence on high priced foreign oil.

In sum, the Federal Reserve's high-interest policy is making inflation worse now and will prolong it in the future at the same time it gives us the additional problem of increased unemployment. It is a policy that should be abandoned.

I do not advocate that the Federal Reserve reduce interest rates by simply printing more money. The preferable alternative is for the Federal Reserve to use its selective credit control authority, as it has now begun to do, to channel more of the available supply of loan funds into long-term investments like housing, energy production, energy conservation, and new manufacturing capacity.

This alternative is specifically recognized in my resolution. At the same time Congress and the President must press ahead to balance the budget and to increase incentives for the public to save so that funds available to lending will grow.

For example, speedy passage of the conference report on the oil windfall profits bill will hasten implementation of the provision we added to that measure which would increase the amount of tax-free interest and dividends taxpayers can earn on savings or investments.

Mr. President, I hope the President and others in Congress will join me in demanding that the Board of Governors of the Federal Reserve act immediately to begin rolling back interest rates. If the roll back does not come soon then I expect we will be here this time next year facing inflation every bit as bad as it is now, oil prices still rising, productivity still declining, and unemployment going up. We will then be confronted with the necessity of either ignoring the unemployed or running a very large budget deficit.

Mr. SASSER. Mr. President, I rise to join the distinguished chairman of the Appropriations Committee as a cosponsor in his sense of the Senate resolution. This resolution expresses the sense of the Senate that the Board of Governors of the Federal Reserve System should immediately take steps to reduce interest rates.

Mr. President, the Board of Governors of the Federal Reserve System has taken successive steps to repeatedly raise interest rates. This, in turn, has contributed to the increases in the Consumer Price Index.

Moreover, these higher interest rates have not reduced inflation. Rather, they are, I believe, increasing inflation by increasing prices, particularly for housing, and other capital improvements. These capital investments are needed to increase the productivity of the American worker so that American goods can better compete on world markets. The higher rates are severely and adversely affecting small businessmen who are finding it increasingly difficult, if not impossible, to finance their inventories.

Mr. President, the increased prices for housing and other capital improvements threaten to cause a substantial decline in housing construction and other capital improvements which could lead to severe unemployment, further erode productivity, and prolong dependence on foreign oil.

It seems to me that since the Board of Governors even now are restraining short-term commercial credit through credit controls and could continue to restrain such credit, if necessary, even if interest rates are reduced.

Consequently, I am joining the distinguished chairman of the Appropriations Committee as a cosponsor of the sense of the Senate resolution that the Board of Governors of the Federal Reserve System should immediately take steps to reduce interest rates.

SENATE RESOLUTION 393—ORIGINAL RESOLUTION REPORTED RELATING TO RECORDS OF THE SELECT COMMITTEE ON PRESIDENTIAL CAMPAIGN ACTIVITIES

Mr. PELL, from the Committee on Rules and Administration, reported the following original resolution, which was ordered placed on the calendar:

S. Res. 393

Resolved, That the permanent records of the Senate Select Committee on Presidential Campaign Activities which were transferred to the Library of Congress pursuant to Senate Resolution 369, 93d Congress, shall be transferred to the National Archives of the United States for preservation. The transfer of such records shall be subject to such terms and conditions relating to access to and use of such records as the Committee on Rules and Administration may prescribe by regulation or order or as the Archivist of the United States may prescribe with the approval of the Committee.

SEC. 2. The nonpermanent records of the Senate Select Committee on Presidential Campaign Activities which were transferred to the Library of Congress pursuant to Senate Resolution 369, 93d Congress, shall be disposed of as the Committee on Rules and Administration may direct, including transfer to the Washington National Records Center for storage pending ultimate disposition.

SEC. 3. Senate Resolution 369, 93d Congress, is repealed.

NOTICES OF HEARINGS

COMMITTEE ON ENERGY AND NATURAL RESOURCES

● Mr. JACKSON. Mr. President, the Committee on Energy and Natural Resources will hold a hearing on April 30, 1980, to receive testimony on the potential for improved automobile fuel economy between 1985 and 1995. The hearing will begin at 9:30 a.m. in room 3110, Dirksen Senate Office Building, and will include witnesses representing automobile manufacturers, the Department of Transportation, and the Department of Energy. Questions concerning this hearing should be directed to James T. Bruce at 224-9894.●

SELECT COMMITTEE ON SMALL BUSINESS

● Mr. NELSON. Mr. President, the Select Committee on Small Business will hold an oversight hearing on the Small Business Administration's Report on Automobile Dealers pursuant to Public Law 96-185.

The hearing will begin at 9 a.m. on Thursday, April 3, 1980, in room 424 of the Russell Senate Office Building.●

SELECT COMMITTEE ON SMALL BUSINESS

● Mr. NELSON. Mr. President, the Select Committee on Small Business will hold a hearing on customer pickup proposals and their impact on both small business and the Robinson-Patman Act.

The hearing will begin at 2 p.m., on Thursday, April 3, 1980, in room 457 of the Russell Senate Office Building.●

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON THE JUDICIARY

Mr. BENTSEN. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate today to hold a hearing on the Juvenile Justice Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. BENTSEN. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate today to hold a markup session on S. 2271, the International Monetary Fund.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. BENTSEN. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate today to hold a markup session on S. 1388, the Geothermal Energy Commercialization Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

RETRACTION BY THE NEW YORK TIMES OF BUDGET SAVINGS RECOMMENDATION

● Mr. DOLE. Mr. President, the Budget Committee is currently meeting to consider the first concurrent budget resolution. At this time, I think it worthwhile to have printed in the RECORD a retraction by the New York Times of a previous budget savings recommendation in its March 21, 1980, editorial entitled "Squeeze the Budget, Not the Poor." Along with this retraction, "A Poor Way to Slice Food," was published a letter to the editor by Secretary of Agriculture Bob Bergland, "Food Stamps and School Lunches Are Not a Double Subsidy," which I think represents the sound reasons why such a budget cutting proposal is unwise. I would like to bring both of these editorial articles to the attention of my colleagues as we search for constructive ways to balance the Federal budget. Although we recognize that all U.S. citizens will have to make some sacrifices because of our ailing economy, we must be careful not to create further hardship for those low-income individuals who are already hard-hit by inflation and therefore are least capable of absorbing the impact of certain budget savings proposals. There are better ways to achieve savings, and we should concentrate our efforts in these areas. I ask that these two articles entitled "A Poor Way to Slice Food" and "Food Stamps and School Lunches Are Not a Double Subsidy" be printed in the RECORD.

The articles follow:

A POOR WAY TO SLICE FOOD

As a letter today from the Secretary of Agriculture rightly points out, the $1-billion cut in food stamps that we recently proposed among many possible budget savings is less attractive than it first appeared. Although food stamp benefits do overlap with school lunch subsidies for millions of poor children, the programs together seem to fill critical nutritional needs of the young. Ending the duplication in one swoop would be an unfortunate way to balance the Federal budget; it could jeopardize the health of those who rely most on food stamps.

Still, as we observed, if the Federal budget is to be cut fairly and expeditiously, even the poor cannot remain immune. Last week, the House Budget Committee dealt neatly with the problem. It decided to continue the double subsidy, but it proposed saving about $450 million on food stamps by tightening eligibility standards and adjusting benefit levels for inflation once, rather than twice, each year.

FOOD STAMPS AND SCHOOL LUNCHES ARE NOT A DOUBLE SUBSIDY

(By Bob Bergland)

To the Editor:

Your March 21 editorial "Squeeze the Budget, Not the Poor" outlined important considerations for all of us on how a "fair and concerned society" should protect the poor from "budget savagery." Unfortunately, you appear to be advancing a proposal that would have seriously damaging effects on some of the poorest and most vulnerable members of society.

I refer to the mistaken notion that food stamp recipients whose children also get free lunches are receiving a double subsidy and that elimination of this "duplication" would save $1 billion next year.

First, food stamp and school lunch benefits are not duplicate benefits. Food stamp benefits are based on the lowest-cost diet plan this department has ever devised. Studies have consistently found that few families spending at this level get a nutritionally adequate diet. Our National Food Consumption Survey found that only 10 percent of families spending on the level of this plan received all of the recommended daily allowances of nutrients.

Over the years, Congress has provided for three low-income groups to be eligible for food to supplement food stamp benefits and protect their health; children, the elderly and pregnant women and infants at nutritional risk. Major nutrition surveys have consistently found poor children to be an especially vulnerable group. School lunches supplement, rather than duplicate, the food stamp program for these children.

The proposal you seem to be advancing has recently been offered as a way to cut the Federal budget. That proposal would penalize all low-income families with children, no matter how poor they are.

It envisages a cut in food stamp benefits for all children enrolled in a school with a lunch program, regardless of whether the children actually receive the lunch. If a child is sick at home and does not get a school lunch—or brings a lunch from home, or goes home at lunch time to eat with his or her family—the child's food stamp benefits would still be cut.

The penalty imposed on low-income children would be extremely severe. To save $1.2 billion, a Congressional Budget Office figure which grossly overstates the savings from this provision, would require reducing a child's daily food stamp benefits by an amount far in excess of what the food stamp program actually provides for a meal. Food stamp benefits would have to be cut 96 cents for each school lunch for which a poor child is eligible. Yet the average food stamp benefit is only 36 cents for each meal.

To get the $1.2 billion figure, the Congressional Budget Office assumed that food stamp benefits would be reduced by the amount of the Federal reimbursement provided for each free school lunch. This ignores the fact that nearly half of the reimbursement goes for labor, administrative and overhead costs at schools, not for food.

The proposal also raises serious administrative problems and would be extremely complicated to administer. States in all parts of the country are convinced it would increase food stamp error rates while driving up administrative costs.●

Both the Senate Agriculture Committee and the House Budget Committee have rejected this proposal, and the Department of Agriculture opposes it. The tone of your editorial indicates that, with full knowledge of the likely results, you also would oppose a damaging budget cut of this type.

The Carter Administration plans to recommend ways to reduce food stamp spending in the year ahead, but this harsh proposal will not be among them.●

SMALL BANKS DISCOVER BIG CITY INTEREST RATES

● Mr. PRYOR. Mr. President, the Senate will soon consider the conference report on H.R. 4986, the Depository Institutions Deregulation and Monetary

Control Act of 1980. This legislation comes at a time when banks are faced with skyrocketing costs for their funds. Small, rural banks have their own particular problems, and these problems were described in an excellent article by James L. Rowe, Jr. in Sunday's Washington Post.

Mr. President, I ask that Mr. Rowe's article be printed in the Record at this point.

The article follows:

Small Banks Discover Big City Interest Rates

(By James L. Rowe Jr.)

Helena, Ark.—Bart R. Lindsey gestured toward the sign displayed prominently near the tellers' cages in the First National Bank of Phillips County.

"Look at that sign," said the 35-year-old vice president of Helena's biggest bank. "It tells our problem."

The sign reads simply: "Our Six-Month Money Market Certificate Pays You 14.956 percent." Similar signs sit in lobbies of banks—large and small—across the United States.

"It didn't used to be that we worried much about what went on in New York. Now we do," said Lindsey.

Unlike big banks—which "buy" most of the funds they lend to their customers on the open market and adjust their business lending rates in tune with those fund-raising costs—small banks rely mainly on their own customers to supply the deposits from which they make loans to consumers, merchants, small businesses and farmers.

Bankers and their business customers are accustomed to fixed-rate loans—those based on the relatively stable cost of funds to the bank—not on the rates New York or Chicago banks must pay for their big certificates of deposit or commercial paper.

But with the advent of the consumer-size certificate of deposit—sold in minimum denominations of $10,000 with rates tied to the interest the Treasury pays each Monday when it auctions bills on the open market—small rural banks have discovered New York.

When farmers begin to come in for loans to finance their spring plantings, they will come face to face as well with New York interest rates.

"We had $2.8 million of our deposits shift to money market certificates in one week in February alone," said William H. Brandon Jr., president of the $42-million-asset bank. All of that $2.8 million came out of either passbook savings accounts which cost the bank 5.25 percent, or long-term certificates which depositors bought months or years ago at interest rates of about 6 percent or 7 percent. Brandon said that depositors are cashing in those certificates despite the heavy interest penalties federal regulations require when a certificate is redeemed prior to maturity.

He said a year ago the bank had $11 million in checking accounts (which pay no interest but cost the bank the equivalent of 4 percent), $9.5 million in 5 percent passbook accounts, and $12 million in certificates, which cost an average of about 6.5 percent.

Today, the checking accounts run about the same, but passbook savings deposits (which now pay 5.25 percent) have declined to $7 million. About $16.5 million is in "expensive, hot money," Brandon said, mainly the short-term consumer-sized certificates that have been yielding close to 15 percent in recent weeks.

The bank actually gained a temporary, if perverse, earnings boost last year because of the popularity of the new certificates. Brandon said that so many customers cashed in their old, low-interest certificates early and paid the interest penalty that the bank did not have to pay out thousands of dollars of interest as it had expected.

Of course this year "we'll be paying 15 percent on those funds compared to about 6½ percent last year," he said.

"Remember 10 years ago when everyone was talking about how smart corporate treasurers had become in taking advantage of the earning power of their money? Well, consumers in small towns are just as savvy today. They don't leave their money at 5.25 percent when they can earn 15 percent," Lindsey said.

Federal regulators dreamed up the money market certificates so that banks and savings and loan associations would be able to compete for their depositors' money during periods of high interest rates. In earlier high-interest-rate periods, consumers often withdrew their funds from bank accounts—where interest ceilings were set by law—and used the proceeds to buy investments such as Treasury bills.

During those periods (although the interest rates then pale by comparison), big-city consumers were more prone to withdraw their funds, or disintermediate as the economists call it, than were their rural counterparts. But with the bank-offered money market certificates, depositors have to go no further than the nearest teller to triple their interest yields.

As a result, however, First National of Phillips County has money to lend its customers, especially the farmers who will need loans soon to finance their spring planting.

But that money is going to cost the farmers a lot more than it did last year.

John King, who farms about 4,000 acres in the county, found out last week that he will have to pay at least 16 percent for the $200,000 he thinks he will need to borrow between now and next fall's harvest. Last year he paid 10 percent.

"I'm happy to have the money. Price matters, but I've got to have the money," the 47-year-old farmer said. "There is no way a farmer can go without borrowing unless he goes out of business."

But King said he is being squeezed: All his costs are rising at the same time that the price he expects to get for his soybeans is down 25 percent because of the president's embargo on further grain shipments to the Soviet Union. Interest is not an inconsequential cost to King, reportedly one of the most successful independent farmers in this old Mississippi River town, about 65 miles southwest of Memphis.

Last year he paid an interest rate of about 8 percent, and this ate up 10 percent of the $700,000 he grossed, King said.

Although King will get the money he needs to finance his current harvest, bank officials told him he can just about forget borrowing any money if he wants to buy more land. King has been adding to his land holdings steadily for the last 25 years, but is resigned to buying no more in 1980.

If current customers cannot expect to have any new ventures financed by First National—there might be some limited exceptions to the general policy, Lindsey said—new customers might as well forget it, especially those who need to borrow small amounts of money.

Arkansas bankers face more strictures on the amount they can charge customers than do their counterparts in other states. The 100-year-old state constitution sets a usury ceiling of 10 percent that cannot be corrected by an act of the legislature as it has been in other states.

Nationally chartered banks such as First National use a loophole in the National Banking Act to charge one percentage point more than the Federal Reserve discount rate (now 13 percent). But state-chartered banks such as Farmers and Merchants here cannot use that loophole for loans of less than $25,000.

"We're turning down a lot of their customers," said Lindsey.

All Arkansas banks can charge up to 5 percentage points more than the discount rate on loans of more than $25,000 because Congress passed a special law to override the Arkansas constitution. That law expires at the end of the year.

We'll have the money for our regular customers," said Brandon, who is bracing now for the big seasonal upsurge in farm lending. He expects farm loans to balloon from about $3.7 million to $8 million in the summer.

"Right now, we've got a loan-to-deposit ratio of 61 percent. We'll go close to 80 percent this summer. But we'll fight loans as much as we can. We're going to shoot for liquidity. We're a little scared," Brandon said.

That is just what the Federal Reserve wants the banking system as a whole to do: lend less money in order to restrain spending and fight inflation. But bankers such as Brandon say that rural banks do not make the speculative types of loans that fuel inflation.

Instead, he said, the loans his banks make go mainly from local depositors to local borrowers (usually the same people) who use the money to grow crops, buy necessities and finance inventories.

Indeed, Phillips County is fighting for its economic life. Agriculture, the backbone of its economy, has mechanized over the years, throwing thousands on the unemployment and welfare rolls and convincing many to leave for good. The county's population has shrunk in half in the last 30 years. More than 30 percent of its 35,000 citizens are on welfare, and its unemployment rate runs close to 13 percent, according to John Gatling, head of the newly organized Economic Development Council.

One victim of high interest rates and scarce money in Phillips County is Al Willinger, who heads a new barge building company that so far has put 50 Phillips County residents to work. Willinger needs $500,000 to finance steel and salaries for the $2.4 million worth of barges he has on order. His life is further complicated because Brandon is on his board of directors and First National could not make him a loan even if it were possible otherwise because of the interlock in directors.●

INCENTIVE STOCK OPTIONS

Mr. HELMS. Mr. President, I am pleased to join my colleagues, Senators Packwood, Nelson, and Cranston, in cosponsoring S. 2239, a bill to restore deferred tax treatment to employee stock options. This measure is designed to stimulate lagging productivity and increase job opportunities by providing employees with incentives whose cost would be borne wholly by corporate shareholders rather than by the Federal Government.

The stock options authorized by this bill are basically the same as the so-called "restricted stock options" that were available before 1964. They would give employees the option of buying a specified number of shares of stock over a 10-year period under a plan approved by their company's shareholders. Once purchased, the stock could be held for an unlimited period of time. If and when sold, the profits would be taxed at the capital gains rates.

Under current tax law, only so-called

"nonqualified options" are authorized. They are far less attractive because employees who exercise them must at the time of exercise pay income tax at ordinary income tax rates on the paper "profit" between the option price of the stock and the market price of the stock on the date the option is exercised. For example, under current law, an employee who exercises an option to buy stock at, say, $10, when the market value is $20, must immediately pay income tax on the $10 difference, even if the stock has not been sold and he has realized no added income.

Prior to 1976, there was no taxable event at the time the option was exercised. The employee could purchase the stock for an attractive price, and then work to improve its value with the expectation of paying only a capital gains tax on the appreciation at the time of sale.

Since 1976, the incentives have been mixed at best, and risk/reward ratios for the employee have deteriorated tremendously.

Today, when a nonqualified option is granted, the recipient knows he will have to pay ordinary income tax on the spread between the value of the stock at the time the option is granted and the value of the stock at the time the option is exercised. The greater the increase in stock value, the greater the "up front" tax payment the person must make before he owns anything tangible. This looming tax liability encourages exercise of these options before their true worth can be realized, decreasing their value as an incentive.

Corporate insiders, who are required to hold their stock for 6 months after they exercise their option, and pay taxes before they can sell it, face a risk that destroys nearly all incentive. There are numerous "horror stories" in industry today about corporate insiders who exercise their options at stock price of say, $35 and then find the price of their stock at $5 when they are finally allowed to sell. They have already paid tax on a "gain" that has disappeared.

Mr. President, I do not believe these results are what Congress intended when it passed the 1976 act. We can and should rectify the problem by enacting S. 2239.●

NRTA–AARP STATEMENT ON INFLATION AND TAX POLICY

● Mr. CHILES. Mr. President, our double-digit inflation rate has affected all Americans in one form or another.

However, older Americans have been particularly hard hit because many are struggling on limited incomes.

In fact, the elderly have repeatedly emphasized to the Committee on Aging that inflation is their No. 1 enemy.

Recently, the National Retired Teachers Association—American Association of Retired Persons conducted a legislative workshop which focused on several important issues affecting older Americans, including the need to control inflation.

Mr. President, I believe that NRTA–AARP deserves special commendation for giving high priority attention to this crucial problem.

The NRTA–AARP Legislative Council developed an excellent statement of the impact of inflation upon older Americans and outlined a series of policies to bring inflation under control in both the short and long terms.

This statement was also tied in effectively with other issues of concern to older Americans. For example, the council called for comprehensive changes in the Internal Revenue Code to ease the growing tax burden for the elderly and at the same time encourage saving and investment—thereby promoting real economic growth and lessening inflation.

Mr. President, I urge my colleagues to read the NRTA–AARP statement on inflation and tax policies, and I ask that it be printed in the Record.

The statement follows:

STATEMENT

RETIREMENT INCOME IN AN ERA OF INFLATION

Throughout the past decade, this nation has had average annual inflation rates in excess of 7 percent. This inflation trend is without modern historical precedent in this country and shows no sign of abating.

The inflation trend is dissipating the value of many of the elderly's income components and damaging the financial structures of many of the government income support programs on which they depend. In recent years, as growth and expansion of government programs have lifted many elderly up from the bottom of the income scale and out of poverty, inflation has been rapidly pushing others down from the top. Thus the elderly are increasingly concentrated in the lower reaches of the income distribution. If the current structure of the income support programs is perpetuated, the inflation, in combination with other adverse economic and demographic trends, will seriously call into question our ability to provide an adequate level of income for the elderly into the future.

THE INCOME STATUS OF THE ELDERLY

Although the incidence of poverty among the elderly has been much reduced over the last decade (from nearly 30 percent to 14 percent) by the expansion of cash and in-kind benefit programs, that incidence is still disproportionately high.

In 1978, only 11 percent of persons under age 65 fell below the poverty line in contrast to almost 14 percent of persons age 65 and over. Similarly, in 1978, 14.9 percent of the population under age 65 fell into the "near poor" category (defined as 125 percent of the poverty standard), while a much larger 23.4 percent of the elderly were considered near poor. With respect to medium income levels, that for all families in 1978 was $17,640; that for elderly headed families was only $10,141.

Although progress has been made in reducing poverty and improving the economic status of the elderly, these statistics indicate that more remains to be done. For too many persons, reaching age 65 significantly increases the probability of impoverishment or at least severe income loss. That probability increases substantially the longer the high rate inflation trend continues. The current combination of adverse economic trends could prevent further progress; indeed it could wipe out the progress that has been made to date and leave the elderly in the future worse off economically than they were a decade ago when nearly 30 percent of them were poor.

INFLATION AND THE ELDERLY'S INCOME COMPONENTS

"Adequate" retirement income ought to be defined as that level of income required to maintain in one's later years a standard of living comparable to the highest standard achieved earlier. The social security program is supposed to provide only the basic component of an adequate income. Supplementing this is supposed to be income from other sources such as employment, private pensions, savings and other income-producing assets.

Inflation is significantly altering the balance and relative importance of the various components of the elderly's total income. It is constricting the "real" income received from private sources (such as private pensions, income from savings, etc.) because those sources provide little or no compensation for inflation losses. As a result, the income support burden is being increasingly shifted to public programs like social security and Supplemental Security Income (SSI) which provide a better degree of compensation for the inflation losses.

But even public programs do not fully compensate for inflation losses incurred with respect to program benefits. Social security and SSI benefits, indexed to the Consumer Price Index (C.P.I.) though they are, are not fully protected against inflation for two reasons: first, because benefit adjustments occur long after the inflation has had its effect on the purchasing power of the benefits, and second, because the standard used in making the adjustments, the CPI, understates the true impact that inflation is having on the family budgets of the elderly.

The validity of this last point appears clear. As compared to the non-elderly, the elderly devote a much greater share of their total income to basic necessities such as food, housing, fuel and medical care—the items that have been increasing the most rapidly in price in recent years. Since the C.P.I. reflects the spending pattern or "market-basket" of the population in general, it is less heavily weighted toward necessities than it would be if it reflected the real market-basket of the elderly. It therefore is not registering the full amount of the losses the elderly are incurring. To compensate the elderly more fully, automatic benefit adjustments ought to be made more frequently and the standard used in making the adjustments should be a specially constructed one that fully reflects the expenditure patterns of the elderly.

Another ominous trend that must be considered in tandem with the inflation trend is the declining degree of labor force participation by the elderly. This trend is denying the elderly a private source of relatively inflation-proof income and is fostering increased dependence on government income support programs. This increasing dependence is coming at a time when inflation, coupled with other economic trends (such as high level unemployment, declining real wage growth and low productivity gains), is undermining the financial soundness of government programs, particularly social security.

In summary, for the current elderly population, inflation and declining elderly labor force participation are having two undesirable effects. First, they are making it more and more difficult for the elderly to achieve and maintain an adequate standard of living (government programs cannot be relied upon to do the whole job). Second, they are fostering a higher degree of dependency on government income support programs—a trend that must be arrested in the light of demographic projections with which the nation is faced and in the light of the prospects that program costs will become insupportable.

INFLATION AND THE FUTURE ELDERLY

The inflation trend also holds serious consequences for the future elderly. It makes retirement planning difficult—if not impossible—because it creates large areas of uncertainty about the expected "real" income contribution of many traditional retirement income sources. Most private pension plans do not offer cost-of-living adjustments and many of the elderly's additional assets cannot be soundly relied upon to produce income that will keep up with inflation. In addition, inflation encourages consumption in favor of saving for retirement, a phenomenon which could foster even greater dependency on government programs on the part of the future elderly.

Most important for them, however, is the damage the inflation is doing to our economic system and society. Unless brought under control, it will constrict the amount of resources available for income support among the elderly at a time when the elderly population is expanding greatly. To avoid the consequences for the future elderly that the current combination of economic and demographic trends otherwise entail, we must begin to pursue fundamental changes in the current income support structure so that we can accommodate these trends and insure the most effective and least wasteful allocation of resources possible. Since the overriding concern must be the health of the economy, the changes effected in the massive income support structure must be sound economic policy in that they help dampen inflation while encouraging employment and productivity growth.

TAX POLICY

The Association's tax policy involves two objectives. The first is equity for the elderly. Considering their income status and historical contribution to the nation's tax base, the amount of federal taxes paid by older Americans must be as fair and as unburdensome as possible. This policy should also be consistent among sub-groups of older people.

The second objective of our tax policy is economic. Since taxing mechanisms create incentives and disincentives with respect to particular actions, tax policy ought to be used to direct the economy along paths which would lead to a reversal of current trends of low or no productivity growth and intolerably high rates of inflation. At the same time unemployment rates must be restrained and optimum "real" GNP growth rates maintained. Recent history has shown that a reversal of the productivity and inflation trends is essential if we are to deal effectively with such issues as financing and improving social security, promoting the growth and security of private pensions and providing adequately for the great numbers of elderly persons living at or near the poverty level.

With these objectives in mind, the Associations will face a number of tax issues in the upcoming Congressional session. Tax law changes may be necessary to help move the economy forward. However, each proposal must be analyzed to determine whether its effect would be equitable for the elderly and compatible with our economic objectives.

One major proposal that Congress is expected to review calls for the imposition of a value-added tax (V.A.T.) and a concomitant rollback of personal and corporate income and social security payroll taxes. We oppose the V.A.T. first because it would harm many older people, second because it is not a proper tool to lessen the rate of inflation, and third because we simply do not need another tax on top of all the taxes we already have at the federal, state and local levels.

The V.A.T. is a tax imposed at each stage in the production of goods. It is an indirect, "hidden" tax. But ultimately it impacts upon the consumer just like a sales tax. Since most older people must generally spend what income they have, almost all of their income would be subject to such a tax. Although the V.A.T. proposal would entail a lowering of other taxes, the elderly will lose greatly in the balance.

Regarding its overall economic effects, the Association disagrees with V.A.T. supporters who say that the tax will only have a limited one-time, inflationary impact. Given the current wage and price spiral, any new 5 to 10 percent tax increase will boost costs and prices and reverberate through the economy for a period long after the effective date of the tax.

On the positive side, and in line with the Associations' tax policy analysis, we support legislative proposals to exempt a portion of interest income from federal income taxation because such proposals would assist the nation's small savers, a disproportionately large number of whom are elderly. Statistics provided by savings and loan associations indicate that over 48 percent of all small savings accounts ($5,000 and below) are held by persons age 55 and over. Internal Revenue Service figures indicate that 88 percent of the tax returns filed by elderly persons in 1976 reported some interest income compared with only 46 percent of returns filed by the nonelderly. Exclusion of modest amounts of interest income from federal taxation would at least help keep the value of savings from eroding as much as it otherwise would in the face of persistent, high rate inflation.

Also, favorable tax treatment for interest income will, in conjunction with the lifting of "Reg. Q" interest rate ceilings, help promote savings and thus be anti-inflationary in effect. Giving persons strong incentives to save should help reduce demand-pull inflationary pressures and at the same time stimulate investment and productivity. Such economic effects would help reduce inflation.

Another area of concern for the Associations is the recommendation of the 1979 Social Security Advisory Council that one-half of social security benefits be subject to federal, state and local income taxation. We are flatly opposed to this. A further tax on retirees is unconscionable during the present inflationary times. Most of the elderly who would find their income tax liability increased as a result of this proposal are by no means high income individuals. The increased tax burden thrust upon these people would amount to another loss of income beyond those losses which they are already experiencing as a result of inflation. Furthermore, arguments that the tax treatment of social security benefits ought to be modeled on the existing tax treatment of pension payments are wholly unpersuasive. Social security today is a form of "social insurance". It is not a pension. Since social security benefits are not pension payments, equivalent tax treatment for these essentially different forms of income is inappropriate.

To enhance equity among retiree subgroups, the tax relief available to retirees living on non-social security forms of retirement income ought to be increased substantially and made comparable to that afforded recipients of social security payments. At the present time, the tax relief available to public employee (non-social security) retirees under the Tax Credit for the Elderly (TCE) lags far behind the tax advantages automatically available to social security recipients. To remedy this inequity, legislation ought to be enacted to increase and automatically cost index the maximum amounts that can be taken into account in computing the credit so that these amounts are equivalent to, and keep pace with, average annual social security payments. In addition, the "adjusted gross income limits" currently applied to restrict eligibility for the credit ought to be removed or substantially raised to make the credit available to more elderly taxpayers.

Other tax relief measures that the Associations recommend are the following. First, widows, widowers and single elderly individuals should be allowed to qualify as head-of-household and use the preferential tax rates. Second, the earned income tax credit should be made available to elderly workers by broadening its eligibility rules to include individual workers even though they have no children in the home. Third, the one-time exclusion of gain from the sale of a principal residence by persons age 55 or over should be rolled back to taxable years beginning after December 31, 1977. Fourth, the individual retirement account (IRA) limits should be increased and IRA's should be expanded to cover persons who participate in private pension plans at levels below the IRA limits on deductible contributions; in addition, the age at which an IRA account must be distributed should be increased from age 70½ to 75. Fifth, the double taxation of dividend income should be eliminated. Sixth, the $15,000 adjusted gross income phase-out of the "sick-pay" exclusion should be increased, at least in the case of two-member family units. Seventh, an automatically increasing measure of tax relief should be targeted for those elderly income components that are relatively fixed, like private pension benefits and interest from savings accounts. Eighth, a federal income tax deduction should be granted with respect to employee contributions to qualified pension plans especially if such contributions are accumulated to provide inflation protection upon retirement.

Adverse economic effects ought to prompt a rollback of the large payroll tax increase scheduled for 1981 under present law. Payroll tax increases increase the cost of labor (relative to capital) add to unemployment (or make unemployment that much more intractable) and at the same time, create inflationary cost-push pressures. In place of this planned increase, limited amounts of "general revenues" ought to be introduced into the social security programs on a temporary basis. However, the Associations will not support any plan which would drive those general revenues from a V.A.T.

As other tax cutting plans are considered, such as lower tax rates on capital gains or more rapid depreciation for plant and equipment, their compatibility with our economic objectives will serve as the critical test of Association support. Even though no direct increase or decrease in tax liability for the elderly may be caused by such tax proposals, a reduction or increase in taxation levels amounts to a commitment of resources. This commitment must be supported by sound economic reasoning.

As a means of handling the special problems elderly taxpayers face in preparing their federal income tax returns, Congress, in 1978, enacted a "Tax Counseling for the Elderly" program. This program is designed to train and utilize older volunteers to provide tax counseling to elderly individuals and reimburse those volunteers for out-of-pocket expenses they incur. Given the success of the program and the increasing complexity of the tax laws, the program ought to be expanded significantly. At the same time, a serious effort ought to be undertaken to simplify the tax code.●

IRANIAN EMBARGO PREDICTED

● **Mr. DOLE.** Mr. President, at long last Iran will begin to feel some pressure from the United States based on firm actions designed to achieve the release of the American hostages. For a long time now, many of us have been calling for economic sanctions and embargo against the criminal Republic of Iran, but the administration has hesitated, caught between indecision and uncertainty, to impose them. Mr. Carter finally did threaten to place economic sanctions on the Khomeini regime in January, but he dithered around hoping, first, that the election of the so-called moderate Bani-

Sadr and then the convening of a U.N. commission of inquiry, dominated by third world radicals, would bring about an easy solution to the crisis. The miracle did not happen.

The hostages are in a perilous mental and physical condition. The flight of the Shah from the administration's machinations to sanctuary in Egypt is dangerous to their safety—already the terrorists are threatening again to place the hostages on trial as spies. But now we can expect some action by the Carter Administration.

FOREIGN POLICY A SHAMBLES

Mr. Carter's foreign policy is falling apart; he never did have a domestic policy. The various olympic groups here and abroad are refusing to go along with the Moscow boycott. The Russians are digging in for a long occupation in Afghanistan and are using nerve gas on the freedom fighters with seeming impunity from international censure. The mideast peace process is deadlocked and in danger of breaking down as the deadline for an agreement on Palestinian autonomy approaches. The President signals a major shift of U.S. policy on this issue with a vote in the United Nations against Israel, and then a couple of days later says it was all a mistake.

Yesterday, Mr. Begin rebuffed a U.S. plea to freeze new settlements in the West Bank and Gaza, and it finally all begins to catch up with Mr. Carter in the large and unexpected primary losses in New York and Connecticut. The President has been forced by one failure or disaster following another to do something, and the Senator from Kansas predicts we can at last expect a firm policy of economic retaliation against the Iranian radicals.

PROVIDING INCENTIVE

Our past dilemma has been that this gang of terrorists were never given any incentive either by the actions of their own government or by that of the United States to give up their hostages—hostages who have become the terrorists' greatest source of domestic power. On several occasions, I have urged the President to impose the economic sanctions we started in motion, urging him to use our sole effective weapon against Iran and to squeeze them as no nation has ever been squeezed before. We must enlist the active cooperation of our allies in this endeavor, and must not shirk the decision to use our fleet in a comprehensive naval blockade. The President has had ample opportunity, and certainly justification for the action we have suggested over and over again.

LOST OPPORTUNITIES

Last November, a little more than a week after the hostages were taken, the Senator from Kansas introduced a resolution urging the President to enlist the support of other nations, particularly our European allies, calling on them to close their Embassies, withdraw their diplomatic personnel and to suspend diplomatic relations with Iran. At the same time a unified world embargo on Iranian oil, coordinated by the United States, was to be imposed. In December, this Senator urged in another Senate resolution that special compensation for the hostages be considered by the President. In January and then again earlier this month, we called for a total economic embargo except for medicines, backed if necessary by a naval blockade.

The President has responded with rhetoric and indecision. First, he said he would deport illegal Iranian students, but only 46 out of nearly 7,000 found to be deportable have been thrown out. Today, we still find Iranian students in this country backing Khomeini and the kidnapers, most recently at a public display at my own University of Kansas. Then Mr. Carter said he would expel Iran's diplomats, but of the original 226 only 49 have left the United States. The President said he would halt all Iranian oil imports, yet it has been reported that 7.3 million barrels of oil came into this country from Iran in January.

FIRM, COMMONSENSE APPROACH

The point the Senator from Kansas is making is that, from the very beginning, many of us have believed the President's policy of delay and caution was not providing the impetus needed to achieve the release of the hostages. Although the hostages are still alive, they have suffered greatly—and U.S. policy has been severely damaged.

There is no question that our past inaction has failed its objective. It seems to me that commonsense would dictate that we try a firm, nonmilitary approach. Neither the United States nor our hostages could hardly be worse off. Iran and her people have, in effect, declared war on the United States. We ought to begin to understand this. In a state of war, you cannot afford to let your enemy call all the shots. Now, without much left to lose in either the polls or in damage to U.S. foreign policy, perhaps the President will try the long-delayed sanctions.●

INTEREST RATES

● Mr. SASSER. Mr. President, of all the economic policies that guide our fight against inflation, one in particular poses grave dangers.

I refer to the high interest rate policy of the Federal Reserve Board.

I challenge that principle. If it served us in a more innocent past—which I doubt—it no longer does now—for whatever the reasons.

Indeed, our experience of the past 3 years shows that the Federal Reserve Board's high interest rate policy has done more to fuel inflation than it has to cool it. It has not been a symptom of inflation; it has been a cause of it. It has fed inflation instead of defusing it.

In 1977, the prime rate and the inflation rate were a shade below 7 percent. By the beginning of 1979, the prime had gone up to 11.75 percent and inflation to 11.8 percent. By January of this year, the prime rate had reached 15.25 percent; inflation had vaulted to 18 percent.

Today, the prime is an incredible 19 percent, and we are braced for a similar reading of the inflation rate from the Consumer Price Index.

In less than 3 years, interest rates have almost tripled—and so has the rate of inflation. The parallel is obvious. Fighting inflation with sky-high interest rates has been like tossing a dipper of gasoline onto a grass fire.

Mr. President, I ask to print in the RECORD a table showing what has happened to the prime lending rate and the consumer price index over the past 2 years.

The table follows:

[In percent]

	Change in prime lending rate (average rates)	Change in Consumer Price Index by month (average annual rate)
1977	6.83	6.5
1978	9.06	9.0
1979:		
January	11.75	11.8
February	11.75	14.3
March	11.75	12.8
April	11.75	12.1
May	11.75	13.2
June	11.65	13.1
July	11.54	13.5
August	11.91	12.8
September	12.90	15.1
October	14.39	12.5
November	15.55	13.0
December	15.30	15.8
1980:		
January	15.25	18.0
February	15.52	(?)

Mr. SASSER. It offers no reason for confidence in the Federal Reserve Board's contention that the way to bring down inflation is to increase the interest rate—a contention that the Fed's Chairman stressed last fall when I wrote him of my doubts about the wisdom of his policies.

I think it is obvious why the Fed's policy fans the fires of inflation. Forced to borrow money at high rates, business simply passes the costs along to the consumer.

But there are other more insidious ways that high interest rates hinder our anti-inflation program.

In recent weeks, for example, I have talked with hundreds of farmers in my State of Tennessee. To them, the interest they must pay on loans to buy seed and fertilizer is ruinous. In growing numbers, they are saying that they will be forced to let their fields lay fallow this year, unless Congress provides them with emergency production loans.

Many of these farmers grow cotton and soy beans—two large export crops that will contribute to the $37 billion worth of agricultural products that the Department of Agriculture estimates the Nation's farmers will have shipped overseas in fiscal 1980.

Think of that for a moment: That is $37 billion that will help improve our balance of payments, strengthen the dollar—and fight inflation.

How can it make sense to jeopardize the national interest with policies that threaten to drive farmers out of business?

I might also point out that the long-term effects of unreasonably high interest rates could severely restrict business investment, which in turn will lead to supply shortages and lowered productivity—two fundamental causes of inflation.

Mr. President, I chaired a hearing of the Senate Budget Committee last fall to investigate the effects of record high interest rates in Tennessee. We heard testimony from labor officials, housing experts, and small business people in the auto and food retail industries.

They were unanimous in their criticism of the Fed's policy of pushing interest rates higher and higher. No one had to tell them where this policy could lead: Their businesses were being jeopardized.

The average mortgage rate in Tennessee is now above 15 percent. Auto dealers, who are among the hardest hit of all, are paying 17.25 percent to carry their floor plans. That is nearly double the highest rate these dealers pay just to break even.

The housing industry in my State expects up to a 20-percent loss of business this year and a growing number of business failures. The Nashville Board of Realtors alone has lost 228 members since the first of the year.

Dealer failures in the retail auto business are running five times the normal rate, and the Tennessee Automotive Association tells me as many as 50 dealers may soon go bankrupt.

Oddly enough, business lending continues at high levels despite outrageous interest rates. But who is getting the money? Most of it is being extended to large firms which, unlike most small businesses, have the resources to get the money in the first place, pay the interest rate, and pass the costs along to their customers.

Truly then, it is the farmer and the small business persons—and certainly the consumer—who are suffering the most from the Federal Reserve Board's anti-inflation policies.

I have called on the Fed to roll back interest rates immediately, while there is still time to save businesses and consumers from the ultimate harm the rates are causing. I ask that a telegram I sent to Federal Reserve Board Chairman Paul Volcker be printed in the RECORD at the end of my statement.

I support the use of selective credit controls as a temporary method of weeding out nonessential borrowing in the economy. But if this action is not accompanied by an effort to control interest rates, it will only lead to a worsening of inflation.

Mr. President, the past 3 years have painfully demonstrated that the Federal Reserve Board's policy is not working. It is a policy based upon a false premise. We should have the good sense to reject it while there is yet time and implement an interest rate policy that will combat inflation and protect our economy.

Otherwise, important segments of our economy may well go down the drain.

The telegram follows:

MARCH 7, 1980.

Hon. PAUL A. VOLCKER,
Chairman, Federal Reserve System,
Washington, D.C.

DEAR MR. CHAIRMAN: The continuing rise in interest rates which may approach 20 percent in a short time is playing havoc with our national economic recovery.

Escalating interest rates have produced chaos in the bond market. Essential public and private long-term borrowing is grinding to a standstill. American consumers, panicked by rising interest rates, are dipping further and further into their disposable income to meet borrowing needs, some of which are counterproductive to long-term economic growth.

Although consumer borrowing has slowed somewhat, your recent actions to raise interest rates yet even higher acknowledges the failure of this policy to meet money supply targets.

Rising interest rates now appear to be adding to rather than stopping inflation.

Consequently, I would urge that within 30 days that you present President Carter with a credit control program that will have as its main components—(1) a major reduction in the prime lending rate down to the level of last October, and, (2) a selective credit control program that will dampen down nonessential consumer borrowing and speculative business investment.

JIM SASSER,
U.S. Senator.●

GREEK INDEPENDENCE DAY

● Mr. DURKIN. Mr. President, this week marks the 179th anniversary of the rebirth of Greece as a free nation. It is a time to celebrate Greek independence.

Greece fell to the Ottoman Turks in 1453, ending more than 1,000 years of Byzantine history. Hellenic traditions could be followed only in secret; parents quietly passed on to their children the facts of their Greek past. Artifacts had to be buried in the monasteries to survive.

On March 25, 1821, Archbishop Germanos and his fellow churchmen of Agia Lavra began the revolution that ended in the liberation of Greece in 1830. The Greek victory was remarkable, for at the start of the war, the patriots had no standing army, no money, and had been without a nation for nearly four centuries.

The cost of independence was high. On one Greek island, Hios, the Turks slaughtered 40,000 people in reprisal for the uprising. The war was eventually won with the help of navies from France, Russia, and Britain.

I am proud to share in the commemoration of Greek Independence Day this year. The event helps us remember the nation where democracy was born, and where it exists today because of the total commitment of the Greek people.

The Greek communities throughout New Hampshire can be especially proud: Proud of their forebears and proud of their own efforts to maintain the Hellenic traditions. All across New Hampshire Greek-Americans contribute not only to everyday workings of our communities, but to the rich ethnic diversity as well.

This week commemorates the struggle for freedom and I join with all New Hampshire residents, especially Greek-Americans, in celebrating Greek Independence Day.●

THE OIL IMPORT FEE

● Mr. DURKIN. Mr. President, the administration's recent proposal to impose an oil import fee of $4.62 a barrel on crude oil is yet another ill-advised move which will cost the consumers of New Hampshire and New England approximately $533 million a year in higher energy costs. I want to voice my strongest objections to this oil import fee because I know full well the devastating impact it will have on thousands of families in my home State.

I am not referring to faceless statistics, I am talking about real people; the elderly couple in the north country, the restaurant and motel owner in the lakes region, and the Manchester family of five who are all snowed under by exorbitant energy bills. An oil import fee is simply no solution to our energy and inflation problems. It will only reduce gasoline consumption by 1 percent and it will mean an immediate jump at the pumps in the price of gasoline, and an immediate jump of about 0.3 percent in the Consumer Price Index. The New England Economic Record Office estimates that the import fee will cost the average New England driver an additional $75 a year or more to operate his or her car. This cost will be even higher in less populated areas. It does not make sense to treat the victims of inflation as the cause of inflation. Also, according to the New England Economic Research Office's excellent analysis the crude oil import fee is not expected to have a significant impact on world crude oil prices. "If there is any effect at all, it will be in the direction of higher prices for OPEC crude oil, not lower prices as the administration seems to think. This is because a marginal decrease in demand for OPEC oil will likely result over the long run in an OPEC price increase designed to compensate for any reduction in their revenues from reduced demand. The import fee is therefore not expected to make a positive contribution to the U.S. balance of payments in the long run."

The report also warns that if the administration decides to reimpose import fees on distillate and residual fuel oil after the expiration of the current fee suspension in July, it would be possible for the refiners to shift the impact of the crude oil fee from gasoline to other products. In this case home heating oil prices would go up even further.

The hard-working homeowners in New Hampshire and New England already pay the highest energy bills in the country because our region is forced to rely on expensive imported oil for over 60 percent of its energy needs. I am working hard to break our dependence on imported oil and change a Federal energy policy which has discriminated against New Hampshire and New England for 15 years. And, simply stated, the President's proposal to impose an oil import fee would prove to be an economic nightmare for New Hampshire. It could raise the price of gasoline by as much as 10 cents a gallon, and it would further fuel our energy-induced inflation by driving up the cost of basic necessities such as food and other goods.

High gasoline prices would spell disaster for New Hampshire's tourist industry and it would unfairly discriminate against those individuals who must commute long distances to and from work since New Hampshire is without an adequate public transportation network.

The fastest and fairest way to decrease our expensive and dangerous dependence on foreign oil is to provide strong financial incentives through the Federal Tax Code to increase the development and use of alternative energy sources, such as solar, hydroelectric, wind, and wood energy. Consumers need more tax relief, not a further tax burden.

Additionally, we should be working to decrease rather than increase the price of imported oil. For some time now, I have been fighting for the creation of a North America Energy Alliance with Canada and Mexico. By working cooperatively with our neighbors, both of whom are rich in natural gas and oil, we can effectively bring about economic and energy security in the very near future.

I also strongly believe that we need to establish an Oil Import Board which would be the United States sole purchasing agent of OPEC oil. The administration's oil import fee will mean higher oil prices for consumers. My proposal will mean lower prices.

The Oil Import Board will be responsible to negotiate directly with oil producing countries by either direct purchases or through the establishment of an auction system employing sealed bids. It will also determine the volume of imported crude oil and petroleum products to be brought into the U.S. market.

The board will encourage competition within the domestic petroleum industry and maximize the utilization of petroleum refining facilities located within the United States. Most importantly, the board shall, to the best of its abilities, use its authority to ensure the lowest possible prices for petroleum products imported by the United States.

The continual OPEC price increases coupled with rapidly rising energy-fueled inflation demand bold action now. Our continued dependence on a handful of multinational corporations who determine the price, supply, and allocation of our imported petroleum in complete secrecy and disregard for the interests of the American consumer is absurd. The import board will replace this exploitive system with a single aggressive buyer of oil, which will be accountable to the American public not the private multinational conglomerates, and will serve the interests of the American consumer rather than the OPEC cartel.

The best way to reduce the high cost of energy and decrease our oil imports is to offer the necessary financial incentives by providing Federal income tax credits to our homeowners, small businesses, and industry to spur the development of readily available renewable resources, and create a North American Energy Alliance and an Oil Import Board to coordinate our oil importing policies.

The inflationary oil import fee proposed by the administration is another short-sighted impromptu response to our energy and inflation problems, which will only delay our goal for an energy independent America, while fueling yet another round of energy induced inflation.●

TRIBUTE TO MURRAY HENDEL

● Mr. WILLIAMS. Mr. President, one of my constituents, Mr. Murray Hendel, is being honored on June 28, 1980 for his many years of service on behalf of the Jewish community in New Milford, N.J. I would like to take just a few moments now to share with my colleagues a brief history of one of his more notable achievements, the establishment of the Beth Tikvah Jewish Center.

Over a quarter century ago, Murray Hendel, a resident of New Milford had the foresight to envision the growth of the Jewish community in his neighborhood and persuaded others to join him in raising funds to purchase land and erect a building in which Jews could worship. His continual efforts and devotion to his goal have blossomed over the years into a synagogue and community center which provide religious, cultural, educational, and social services to residents and people of surrounding communities.

Mr. Hendel recalls the spirit of warmth, friendship, and understanding when the local Presbyterian Church was the first official meeting place for the Jewish center, and remembers the congregation's first religious service which was held in the Trenton Street Firehouse. The spirit of brotherhood which was sparked during those times has stayed with the center and the community all these years.

The Jewish center has been a part of Mr. Hendel's life for over 25 years now. He served on the center's first building and fund-raising committees and was chairman of its board of education when the curriculum expanded from a Sunday School to a professionally-staffed religious school with classes conducted during the week as well.

As one of the first presidents of the center, Mr. Hendel helped draft its constitution, and his expertise was called upon frequently for many years when he served as parliamentarian.

Mr. President, Murray Hendel's devotion to the community and tireless efforts to establish and maintain a thriving Jewish center in New Milford have been an inspiration to the many people who have benefited from the fruits of his labors. I am pleased to join his many friends and neighbors in commending his extraordinary contributions.●

RECENTLY PROPOSED GASOLINE TAX

● Mr. DURKIN. Mr. President, I am flatly opposed to the recently proposed 50-cent-a-gallon gasoline tax. This ill-advised gas tax would add as much as 3 to 6 percent to an inflation rate which is already fueled by sky-high energy costs. A tax increase such as this would have a devastating effect on all New Englanders, especially our elderly and low and moderate income families who are presently snowed under by high energy bills.

New Hampshire's hardworking families need a tax cut, not an additional tax burden. Imposing a stiff tax on gasoline is rationing by price, and it discriminates against those families who are struggling to keep pace in the race against double-digit inflation.

Many residents of New Hampshire must travel long distances to work or school each day. In the absence of adequate, public transportation, we have no choice but to depend on our cars for commuting.

Additionally, a 50-cent gas tax would cripple New Hampshire's tourist industry, which is still trying to recover from the disastrous effects of last summer's long gas lines and this winter's short snowfall. Tourism is the second largest industry in the State of New Hampshire. A reduction of tourists, which will surely follow an increase in gas prices, will have serious reverberations throughout our economy.

Since coming to the Senate, I have worked hard to provide relief from high energy costs, because in New Hampshire and New England we are never going to get inflation under control until we get our energy costs under control. The cost of the food on our table, the gas in our tank, and the oil in our furnace, are all the result of exorbitant energy costs, the major cause of inflation in the Northeast. For too long Federal energy policy has unfairly discriminated against the people of the Northeast. As chairman of the Senate Energy Conservation and Supply Subcommittee, I will continue my efforts to change Federal energy policy and reduce our energy-fueled inflation.

A 50-cent tax simply does not make sense and I will vigorously oppose any proposal which may come before the Senate for an additional tax on gasoline.●

MRS. EDWINA MORRILL, NEW HAMPSHIRE'S MOTHER OF THE YEAR

● Mr. DURKIN. Mr. President, it is always a delight to find a person who busily balances family obligations and outside interests. Mrs. Edwina Morrill, New Hampshire's Mother of the Year, exemplifies the hardworking and caring mother we can all admire.

In addition to raising six children of her own and one foster child, Mrs. Morrill and her husband David, of Penacook, have taken in over 20 foreign exchange students. Edwina Morrill fills any spare time as an active member or chairperson of countless community service organizations. On top of all this, she has worked as a substitute teacher.

As family roles change, and many busy parents find little time to spend with their children, Mrs. Morrill's philosophy should be an inspiration to all of us:

> Life is God's gift. Children develop this gift to the fullest when loving parents provide consistent guidance and support, set good examples and share experience in worship, work, and decisionmaking.

I am proud to cite New Hampshire Mother of the Year Edwina Morrill as a lifelong resident of the Granite State, and I ask that the following article by Meg Geraghty be reprinted in its entirety.

The article follows:

[From the Manchester (N.H.) Union Leader, Feb. 28, 1980]

MRS. EDWINA MORRILL IS N.H. MOTHER OF THE YEAR

(By Meg Geraghty)

CONCORD.—Mrs. Edwina Littlefield Morrill of Penacook, a 56-year-old farm wife and mother of six, has been selected the 1980 New Hampshire Mother of the Year, according to an announcement by Mrs. Ruth Goodhue, selection chairman.

Described as "inspiring others to higher ideals, strong morality and steadfast convictions for public concerns in education, civic affairs, business and government," Mrs. Morrill was nominated for the honor by the Merrimack County 4-H Leaders Association.

ENDORSES NOMINATIONS

Endorsing her mother's nomination, Allyn M. Gilbert, the eldest of the six Morrill children, singled out her mother as "my leader" and added. "I am proud to walk in her footsteps."

In raising a family of six children and a foster child, Mrs. Morrill has sought to follow the philosophy that "Life is God's gift. Children develop this gift to the fullest when loving parents provide consistent guidance and support, set good examples and share experiences in worship, work and decision-making."

Her goal, she added, has been to "help build responsible caring individuals who respect people, property and self."

Married to David J. Morrill, a dairy farmer, Mrs. Morrill is a life-long resident of New Hampshire. She was graduated from Penacook High School and Keene State College.

The Morrills are the parents of two sons and four daughters—John B. Morrill of Penacook, Morrill farm dairy manager; Robert D. Morrill of Penacook, farm manager; Allyn Gilbert of Henniker, secretary to the president of New England College; Mary Anne Wareing of Hollis, a nutritionist; Rebecca Morrill of Penacook, a student majoring in special education at Keene State College, and Cynthia Morrill of Penacook, a student at Merrimack Valley High School.

In addition to their own children, the Morrills also served as legal guardian for Lou Ann Darling, a fourth grader whose mother died and who has now gone on to complete her home economics teacher education.

Over a period of 12 years, they also have hosted more than 20 foreign students through the International Farm Youth Exchange program.

ACTIVE IN COMMUNITY

Mrs. Morrill has been a member of the School Board for 14 years, serving on the building committee, education survey, co-op school study, steering and curriculum guides, adult education and other committees and as a library volunteer. She was state education representative to the Fair Finance Study Team, a member of the executive board of the New Hampshire School Board Association, the resolutions committee, a Joint Educational Council delegate, representative to the State Principals' Association and a member of numerous education-oriented committees.

She also has been a substitute teacher.

She has served as a 4-H leader for 23 years, is a past president and secretary of the Merrimack County Leaders Association, delegate to the County and State Advisory Council, and past president of the Advisory Council.

A member of the Penacook-Boscawen Extension Club, she served as a delegate to the County Advisory Council, County chairman of the Advisory Council, State Citizenship chairman and State Extension Service Council delegate and secretary of the Council for two years.

She's also active in the Merrimack County Farm Bureau Women's Committee, a member of the National Policy Implementation committee, State chairman of the Education committee, and a delegate to the National Farm Bureau Convention.

ACTIVE IN CHURCH

Mrs. Morrill is a member of the United Methodist Church of Penacook and active in the Sunday School program. She has served as teacher, treasurer, assistant superintendent and superintendent. She's also been a member of the Epworth League and Circuit League, Council on Ministries, administrative board, and the United Methodist Women; chairman of the task force on education, church clerk, treasurer of the Women's Society for Christian Service and a lay leader.

OTHER ACTIVITIES

Other community activities include service on the Greater Concord Child and Family Services executive board, Old Home Day committee, Bicentennial Activities committee and conducting farm tours for Head Start, nursery and elementary school children. She also has organized and led young mothers groups, offering them social and homemaking skills.●

THE CHANGING ROLE OF NURSES

● Mr. BAUCUS. Mr. President, the New York Times printed an article, March 25, 1980, titled "Nurses' Duties Are Expanding—And So Are Their Demands." The article discusses the changing role of nurses and describes the expanding responsibilities and corresponding needs that the nursing profession is experiencing. In view of the current debate over health manpower legislation, I believe this article makes a worthwhile contribution and recommend it to my colleagues.

I ask that this article be printed in the RECORD.

The material follows:

NURSES' DUTIES ARE EXPANDING—AND SO ARE THEIR DEMANDS

(By Maryann Bird)

The American nurse's image as the physician's handmaiden is fading fast as new medical technology, the feminist movement, labor unions, college degrees and a seller's market in skills combine to reshape the profession.

Nurses across the United States are demanding improved working conditions and salaries that they believe to be commensurate with their training, skills and responsibilities. In many areas, such demands have resulted in strikes and "sickouts."

Nurses are assuming roles once the exclusive domain of physicians. Matters of medical ethics and personal conscience are confronting them as the limits of medicine and the law are expanded.

A check of a dozen cities found a variety of fundamental changes in the profession that portend even greater change in the nurse's role and in patient care itself. Among them are the following:

Nurses are becoming more assertive in seeking improvements in salaries, benefits and working conditions as well as more say in the treatment of patients. Increasingly, they are turning to labor unions.

More men are turning to nursing, a factor that many nursing supervisors and educators see as helping to increase salary levels and improve the image of a profession seen, in the words of one educator, as "subservient, underpaid and female."

A severe shortage of working nurses, estimated at 100,000 by the American Nurses Association, has prompted some hospitals to spend hundreds of thousands of dollars in recruitment, provide increased benefits and offer greater flexibility in scheduling and work assignments.

New medical technology has extended life, creating a need for more nurses in such specialized areas as long-term care, cardiac care and intensive care. At the same time, the most severe staff shortages, the greatest turnover among nurses and the most serious ethical and legal dilemmas are encountered in these high-stress areas.

Nursing education has shifted markedly from hospital-school training to bachelor's degree programs at four-year colleges.

More nurses, with an additional year or 18 months of training, are becoming nurse-practitioners, nurse-anesthetists and nurse-midwives.

Shirley Schremp, director of nursing at Contra Costa County Hospital near San Francisco, calls today's nurses "a heck of lot more outspoken than they were a few years ago" and says that their chief complaint is money. When nurses strike, she said, "they talk about better patient care, but the bottom line is, 'How much are you going to give me?' "

SALARIES ARE COMPARED

The average nurse's salary in the United States, according to surveys conducted by national nurses' groups, is $13,000 to $14,000, although many new graduates are earning about $16,000 in large cities. Federal Government figures show the median net income of physicians to be four times that of nurses.

Dr. Wayne Emerson, director of the economic and general welfare department of the American Nurses Association, contended that nurses' compensation is not commensurate with their responsibilities anywhere in the United States. But, he added, "salaries and working conditions have improved in states that have a history of collective bargaining, such as California, Illinois, Washington, Oregon, New York and Hawaii."

One development that may help to improve salaries and working conditions is the slow but steady influx of men into the profession. According to the American Nurses' Association, the number of licensed male nurses—many of whom have been medical corpsmen in the armed services—doubled from 14,625 in 1972 to 28,077 in 1977. Fewer than 2 percent of the nurses in the United States are men, however.

Myra C. Snyder, executive director of the 16,500-member California nurses' organization, based in San Francisco, saw a " 'Catch 22' situation" regarding men in the profession. "When nurses really do get more monetary reward," she said, "I think we will see more men. I take the position that if we had more men, we'd get more money."

Among the factors that contribute to the shortage of nurses, said Dr. Claire M. Fagin, dean of the University of Pennsylvania School of Nursing, are a decline in the 18-year-old population, from which the majority of nursing students come, and an awareness by women, who make up the greatest percentage of nurses, of the variety of careers now open to them. Other educators have cited a decrease in Federal funds for nursing education as a result of Carter Administration budget-cutting.

Also, said Margretta Styles, dean of the School of Nursing at the University of California Medical Center in San Francisco, about a third of the nurses in the United States are no longer working. Some return to nursing from time to time, she added, and are 'what we call an 'appliance nurse,' which means she goes to work when she needs a new refrigerator."

FLEXIBLE WORK HOURS

To combat the shortage, many hospitals are actively recruiting personnel through job fairs, advertisements in newspapers and professional journals and visits to nursing schools. Some hospitals have offered flexible work hours, increased insurance benefits and larger blocks of time off as incentives, while others have achieved some recruitment success by touting their locations.

Because nurses give a variety of reasons for leaving their jobs, departures due to stress have been difficult to measure. But Catherine Graziano, a longtime activist in union activities at St. Joseph's Hospital in Providence, R.I., says the "burnout" problem has been around for a long time and has gone largely unrecognized.

Instead of saying they were physically and emotionally exhausted and unable to cope anymore, Mrs. Graziano said, many nurses said they wanted to stop working or transfer out of intensive care or psychiatric units to work different hours, spend more time with their families or "try something new."

Only now, she said, have such requests been recognized as symptoms of stress. Among other signs of "burnout" cited by nursing supervisors are frequent feelings of anger or envy, tearful reactions to situations and references to patients by their symptoms rather than their names.

To help nurses relieve tensions rather than leave their jobs. Downstate Medical Center in Brooklyn and Long Island Jewish Hospital are among the hospitals offering workshops in assertiveness training.

COMPLEXITIES AND TENSIONS

The nurse's work has become more complex and more tension-laden as medical advances enable life to be prolonged. Among nurses, there is more discussion of ethical and legal matters as such issues as abortion and euthanasia confront both courts and consciences.

In recent years, several nurses around the country have been accused of disconnecting the life-support systems of patients considered irreversibly brain-damaged, while others have publicly voiced criticism of doctors and other nurses who have failed to resuscitate babies delivered alive during abortion procedures.

"Life-death decisions are usually made by the doctor," said Dr. Arthur Herbst, chairman of the department of obstetrics and gynecology at Chicago Lying-In Hospital. "A problem exists with second trimester abortions. It's very unpleasant when the child comes out kicking and breathing. The nurses want to live up to the letter of the law, but are uncomfortable with this situation and would push to put the child on a life-support system."

Many nurses and their supervisors assert that nurses should not unilaterally make life and death decisions, but feel that more consideration of the patient's future ought to be made earlier in the treatment stages.

As their responsibilities become more complex, nurses' training is moving into the mainstream of higher education and emphasis is increasingly placed on classroom preparation and a four-year bachelor's degree program.

In California, one educator said, only four nursing schools are now based in hospitals, while about 80 are in two- and four-year colleges. Although Ohio, Pennsylvania and Missouri are still "big hospital-education states," said Dr. Fagin of the University of Pennsylvania, such schools are experiencing a decline in both budgets and enrollments.

Some nurses have taken a year or 18 months of additional training to become nurse-midwives or nurse-practitioners, assuming some duties once performed only by doctors, such as taking medical histories and advising in preventive medicine.

There are about 15,000 nurse-practitioners and about 2,000 nurse-midwives in the United States, working in areas like Hyattsville, Md., Littleton, Colo., and Newton Grove, N.C. Many are helping to fill the need for primary care, but a few have opened offices as independent nurses.

The reaction of doctors has been mixed. "As the numbers of physicans increase and as the nurses become a potential threat to their economic superiority," Margretta Styles said, "there is, I think, some reluctance to admit nurses to this expanded role."

"There wasn't any friction when nurse-practitioners were in rural areas because doctors didn't really want to go there," said Myra Snyder of the California Nurses Association. Conflicts arise, she said, when nurse-practitioners begin to work in urban areas and "there is competition for patients and ultimately a competition for money." ●

RAYMOND BROWN

● Mr. DURKIN. Mr. President, I would like to take this opportunity to commend Raymond Brown from Newmarket, N.H., whose quick thinking and valiant efforts saved the life of Bob Cilley, also of Newmarket.

Last month, Bob was sitting outside his small shack fishing by lantern, when the very ice beneath him gave way and he fell into the frigid Lamprey River. Ray Brown, a recent high school basketball star heard the cries for help and raced to the scene. Braving 17 degree weather and risk to his own life, Ray stretched out on his stomach and pulled Bob to safety. Bob was then taken to the warmth of a nearby home to recover.

This dramatic act of heroism is inspirational to us all.

Ray knew that the ice he was lying on to make this rescue was unsafe, but he went ahead anyway to aid another. Without Ray Brown's selfless bravery, Bob Cilley would most certainly have perished.

Ray, who is a student at the University of New Hampshire, will receive the National Alert Youth Award next month. I want to take this opportunity to commend Ray Brown and wish him the best for the future. His act of heroism will long be remembered.●

A MUSICAL EXCHANGE

● Mr. WILLIAMS. Mr. President, a New Jersey high school is arranging a cultural exchange band program this spring with a Canadian high school, and I would like to take just a few mintes to share with my colleagues some thoughts about what I believe will be an enjoyable and worthwhile undertaking.

Since 1972, Mr. Thaddeus J. Kropczynski, director of music in the Bayonne Public Schools, has organized a musical exchange program with schools from different parts of our country and Canada. This year, on April 23, the Bayonne High School Band will travel to Kingston, Ontario, Canada to perform a concert which includes, among other selections, a blend of songs by some of America's great composers; Porter, Rodgers and Sousa. The band will be directed by Darrell Frydlewicz.

Then, April 30 through May 4, 1980, the Bayridge Secondary School from Ontario will travel to the United States to perform at the Bayonne High School, and at the World Trade Center in New York City. Mr. Paul Chabot will conduct the Bayridge program which will include many Canadian favorites as well as the American and Canadian National Anthems.

Mr. President, programs of this caliber reaffirm the value of exchange programs for our Nation's young people. Whether interstate or international, these musical programs encourage fellowship and understanding among peers.

This year's trip to Canada will also provide band members from Bayonne High School with an oportunity to visit with our good friends and neighbors to the north, and to participate in the exchange of ideas and culture which has marked our relationship with that country for many years.

And, as host to the Canadian band, I know Bayonne High School and the State of New Jersey are most proud to be part of this special exchange program.

In closing, I would just like to say that this agenda of musical performances goes beyond the sharing of ideas and common interests. It is an important and valuable exchange which will foster friendships and memories for years to come.●

WAR ON TOXIC WASTES

● Mr. DURKIN. Mr. President, a recent article by Associated Press investigative reporter, Andrew Schneider, revealed the alarming practice of the illegal transportation and disposal of hazardous wastes in our northern New England States of New Hampshire, Maine, and Vermont.

The interstate hauling and dumping of toxic wastes including: pesticides, acids, cyanide and carcinogenic solutions is of critical concern to all New Hampshire citizens. Large sums of money are allegedly paid by people with underworld connections to haul and dump toxic chemicals from mid-Atlantic or Midwestern sites to northern New England. In New Hampshire alone, Attorney General Thomas Rath has said that six serious dumping sites have been uncovered in the last 3 months.

For a number of reasons local officials have been frustrated in their attempts to tackle this enormous problem successfully.

Rhode Island's attorney general feels strongly that the illegal dumping of hazardous wastes is tied to individuals involved with organized crime. For this reason prompt action is imperative in order to stop criminals from hauling poison into our States—and endangering the lives of millions.

On behalf of the people of New Hampshire and northern New England, I have written to Attorney General Civiletti urging him to organize immediately an interagency crime strike force to end the illegal transportation and disposal of hazardous wastes in New Hampshire, Maine, and Vermont.

The illegal disposal of hazardous wastes in the woods and farmlands of New Hampshire, Maine, and Vermont is not only a crime problem, it is a health problem of critical proportions.

Because of the scope of this problem and the large number of States involved, it is essential for the Department of Justice to team up with the FBI, DOT, and EPA to investigate and prosecute those individuals involved in this dangerous and widespread operation.

I submit for the Record, Andrew Schneider's excellent article on this subject which appeared in the Boston Globe and an editorial from the Concord Monitor, "War on Toxic Wastes" and I look forward to prompt action on the part of our Federal law enforcement officials to end this critical problem.

The articles follow:

WAR ON TOXIC WASTES

Organized crime is hiring independent truckers to dump toxic wastes into the fields, gravel pits, lakes and streams of Northern New England to create a critical threat to public health and safety, and there's little law enforcement officials can do about it.

The hazardous cargo dumping is conducted surreptitiously, at night, from trucks that travel hundreds of miles from throughout the northeast to remote areas of Maine, New Hampshire and Vermont. The trucks carry false identification and forged manifests that make it difficult for police to catch them.

These undercover operations could pollute the region's water supplies, cause illnesses of epidemic proportions and destroy the recreation industry in the three state area. It cannot be tolerated. Its very existence is an affront to organized society.

Equally appalling is the fact that the apparently legitimate industries generating these potentially lethal wastes have so little sense of public responsibility they don't care what happens to these chemicals after the Mafia is hired to get rid of them.

Cleaning up these illegal dump sites, where such toxic substances as cyanides, acids and solvents are deposited, is left to the state if the sites can be found. It's estimated one site discovered near Nashua will cost $3 million to clean up.

This illicit traffic demands not only crash countermeasures by the states affected in concert with the federal government, but also a congressional investigation to determine the adequacy of federal laws governing the interstate transportation of hazardous wastes.

It is clear that New Hampshire authorities can do little to control the loading of toxic chemicals in Ohio, Pennsylvania, Delaware or New Jersey. Only the federal government can make industries throughout the nation universally accountable for the disposition of materials that could affect adversely the health of the population.

It is in this area that Congress must respond without delay. It also should determine whether such investigative agencies as the FBI have jurisdiction over such shipments. If not, that loophole should be closed.

The attorneys general of 10 Northeast states are getting together to coordinate region-wide measures to shut down these shipments which Atty. Gen. Thomas D. Rath of New Hampshire said constituted "the most serious environmental issue of our time."

But even this cooperative effort is no better than the tools to do the job. There simply are not enough police patrols or investigative facilities to cover the vast expanses of Northern New England's rural areas.

And the so-called "midnight dumpers" are rigidly disciplined and efficiently organized. Often the handsomely-paid truckers don't know what they're carrying or the origin of the cargo. They are led to dumping ground by "guides" picked up at pre-determined points—operatives who often have prepared the site before the truck arrives.

It is an operation that would rival a military maneuver in its precision. But it is despoiling the countryside and threatening the health, and even the lives, of the region's residents.

Most of the New Hampshire sites discovered so far have been in the southern areas of the state. Nobody yet knows how extensive the toxic dumping has been in the less populous North Country.

New Hampshire has a new hazardous waste management law that requires permits for toxic waste dumping or disposal. But it's obviously of small concern to the organized crime syndicates that are behind the illicit dumping.

The penalty for illegal dumping is a misdemeanor calling for a short jail term and a fine. That makes it worth the risk for the "gypsy" truckers. The law simply doesn't cover an extensive illegal operation such as the one the three Northern New England states now face.

Thus the New Hampshire Legislature also must deal with this crisis situation, even if it means a special session. The penalty and accountability provisions require strengthening now.

The gravity of this toxic waste dumping operation can't be overemphasized. It demands an all-out effort by state and federal authorities before the health of the region's residents is jeopardized for generations to come.

[From the Boston Globe, Mar. 13, 1980]

TOXINS DUMPED IN N.E. WOODS

(By Andrew Schneider)

CONCORD, N.H.—With the aid and precision of organized crime, authorities say, gypsy truckers are hauling toxic chemicals from factories in the mid-Atlantic and Western states and illegally dumping the hazardous waste in the woods and farmland of northern New England.

Law-enforcement officials, citing lack of laws, shortage of trained investigators and bureaucratic apathy, say there is little they can do to stop the clandestine influx that has risen as states tighten their restrictions on the legal dumping of hazardous wastes.

Their trucks loaded with rusting, often leaky drums of solvents, cyanide solutions, pesticides and acids, the truckers operate with apparent impunity.

Phony company names, false shipping manifests, midnight rendezvous with guides and large cash payments describe an operation that state and federal officials in New England say they are painfully aware of.

"At times, the interstates turn into raceways with trucks from New Jersey, New York, Pennsylvania and other southern states hauling hazardous waste into northern New England," says Dennis Roberts, Rhode Island's attorney general. "The word is obviously out that there are a lot of trees they can dump behind in Maine, Vermont and New Hampshire."

The central figure in the operation appears to be the gypsy or independent trucker who hauls cargo on a one-time or free-lance basis.

"It's clear to us that the shipping is being arranged by people with organized crime involvement," Robert says. "Everything runs too smoothly for it to be anyone else, and our intelligence confirms it. These people aren't going to hire major trucking firms to illegally carry illegal cargo for illegal dumping."

The drivers are getting paid two to three times the normal rate because the cargo is dangerous, and there's a demand. The word is that a nine-hour run from Wilmington, Del., to Maine will pay $2200, while a short hop from New York to Vermont brings $900.

Federal and state officials agree that environmental experts who can spot hazardous waste aren't skilled in police work, while police can't tell whether truckers are hauling the goods listed on manifests.

Truckers say a manifest is accepted at face value, and a bogus one will get most truckers through a police check or safety inspection.

One story has it that a Massachusetts state trooper spotted a steamy liquid dripping from a truck on Interstate 495. Acid, spilling from a rusty drum, had eaten through the straps holding the containers in place.

The trooper flagged the truck down, pulled beside it, told the driver his cargo was leaking and drove off without getting out of his cruiser.

It's the fear of what they carry, not the thought of getting caught, that prompts the truckers to dump their cargo as quickly as possible.

Medical experts say the chemicals, when improperly handled, can cause fits of coughing, uncontrolled bowel movements, difficulty breathing or death.

The U.S. Department of Transportation has 20 investigators from New York to Maine to examine trucks, but regional director Gary Curtis says there are several hundred thousand trucks on the highways "and even if we find something, we're not always sure what it is."

"Our inspectors have to take the trucker's manifests at face value," Curtis says. "They're not trained, equipped or authorized to take the drums apart, and it's awful difficult to enforce hazardous waste laws if we don't know what's in the drums."

Some truckers say there's as much business available as a driver wants—if he's trusted.

Investigators believe most of the cargo is moved at night, after inspection stations are closed and police patrols are reduced.

Once on the road, the driver checks his map and instructions for meeting a contact. A gas station off an interstate, a motel parking lot, even a rural intersection can function as the contact's meeting place.

Investigators say the contact, or guide system, makes it difficult to tail a truck. It also keeps the trucker from knowing the exact location of the dump the guide will lead him to.

An 8000-gallon tanker can be drained in less than 20 minutes. Fifty drums can be rolled into a hole as quickly. The drums are buried, and the sites covered so they can't be spotted by police helicopters.

Job completed, the trucker heads for his last predetermined rendezvous to find an envelope of cash and perhaps another assignment.

The U.S. Environmental Protection Agency has announced new rules designed to control the disposal of an estimated 57 million tons of hazardous waste produced each year by some 750,000 companies. The agency estimated 90 percent of such wastes are now mishandled.

However, it is not until October that rules designed to curb so-called midnight dumping take effect. They require hazardous waste producers to keep records of shipments to disposal sites and obtain confirmation from dump operators that the wastes have been received. The EPA must be notified if the confirmation is not received.

Meanwhile, state law-enforcement authorities say it's up to them to face the problem—it is the wells and water supplies in their communities that are threatened. At a recent meeting of area attorneys general, officials agreed to seek a federal grant to set up a strike force to combat the dumping.

"We're standing by while criminals haul poison into New Hampshire and defile our land," says Thomas Rath, New Hampshire's attorney general. "We've uncovered six serious dumping sites in the past three months, and we haven't gotten past the southern part of the state. God only knows what's being dumped in the woods."

Richard Cohen, Maine's attorney general, says it's also "open season for illegal dumping" in his state.

"If we catch them today, we don't have any laws to deal with them," he says, adding his staff is rushing to get a package of environmental laws to the state Legislature.

"Even with the laws, we still have to catch them," he says. "We've got vast open spaces in this state with hundreds of miles of sparsely patrolled roads."

Says Vermont Attorney General M. Jerome Diamond: "We're playing catchup ball on the most significant health and safety issue of the 1980s."

In Massachusetts, where the problem of illegal dumping has been fought for years, Assist. Atty. Gen. Paul Shaw says new laws make such hauling a felony punishable by five years imprisonment and a $25,000 fine.

"The new laws look good on the surface, but we don't have the regulations yet to allow the police to stop anyone," Shaw says. "The problem is spreading fast. We've recently found waste brought in from as far away as Ohio and Delaware, and that scares the hell out of me.

"These truckers are dumping carcinogenics all over the place, and they don't give a damn who it kills."●

HOUSING OUTLOOK

● Mr. BAUCUS. Mr. President, in October, the Federal Reserve raised interest rates in a rather drastic effort to cut back the inflationary pressures that have steadily and relentlessly eroded the purchasing power of the dollar. The goal of this interest rate hike is certainly worthy, but I am disturbed with the negative impact it is having on at least one part of our economy—the American housing industry.

On December 14, the Wall Street Journal ran an article which outlined the situation quite well. It is entitled, "Grim Outlook for Housing Starts in '80 Puts Lumber Suppliers in Gloomy Mood." And indeed, the article tells a gloomy tale.

Lumber prices have dropped as much as 40 percent since the Federal Reserve tightened credit. This is certainly grim news for the lumber industry, but it reflects a deeper problem—the Federal Reserve monetary policies are having a serious effect on the housing industry in general.

The forest products industry is a vital part of Montana's economy, contributing substantially to the prosperity of western Montana in particular. Under the skilled direction of trained foresters, Montana pine is a valuable renewable resource and while the beauty of Montana's forests must not be traded or sacrificed for any shortsighted or ill-directed economic gains, lumber for housing is clearly a wise and beneficial use of one of Montana's foremost natural resources.

By raising interest rates and thus tightening credit, the Federal Reserve has triggered a decline in housing starts. Analysts predict a 1980 level of 1 to 1.3 million housing starts, a substantial drop from the 1.75 million starts estimated in 1979. The reason is simple:

Home mortgage money is scarce and costly. Many Americans are finding it increasingly difficult to finance the purchase of a home. Quite simply, fewer people can afford to buy homes, so fewer homes are being built. The frustration inherent in this situation is obvious:

First, consumers scramble for scarce, expensive loan funds. Then, as housing starts fall, they are also forced to compete for scarcer, more expensive housing.

In Montana alone, the effect of high interest rates and tight money will have a substantial impact on home building and other closely related industries such as the timber industry. The National Association of Home Builders estimates that Montana may suffer a 68-percent decline in housing starts from the peak year of 1978 to an abysmally low 2,600 housing starts in 1980. As many as 8,800 jobs will be lost, along with substantial losses in wages, forfeited tax revenues, and local economic activity.

The solution to this serious problem is to find ways to keep housing affordable. And so, Mr. President, I bring to the attention of my colleagues two encouraging legislative initiatives which seek to address this problem.

First, I have cosponsored legislation which would insure that low interest home mortgage money would continue to be available to deserving Americans. The legislation to which I refer, S. 2064, addresses the very real need to target more carefully and limit the proceeds of tax-exempt housing bond issues, by establishing clear and focused guidelines for the future use of these bonds. At the same time, this legislation insures that money will continue to be available, at reasonable rates, to finance the pressing housing needs of low and moderate income Americans—those hardest hit by inflation.

I am especially pleased with the bill's provision which allows State housing agencies to continue issuing tax-exempt bonds. Since 1975, the housing authority in my own State of Montana has maintained an excellent record of service, carefully targeting the proceeds of its bond issues to those in need of the money—lower income Montanans.

Obviously, we should not drastically curtail the availability of low interest home mortgage money at a time when inflation and high interest rates make the need for such funds all the more crucial and I firmly believe that S. 2064 is a realistic, equitable, and balanced answer to that need.

Closely linked to the problem of unavailability of affordable housing money is the need to encourage greater individual savings. Tax-exempt housing bonds provide one valuable source of home loan funds, especially for low income Americans. But another absolutely crucial source is the savings of individual Americans deposited in savings institutions throughout the country.

Both of these sources—tax-exempt bonds and the savings of many Americans—are two distinct and equally important sources of housing funds and I am concerned with the viability of both of these sources.

However, as we all know, the rate of savings in the United States is abysmally low. Clearly, something must be done to encourage Americans to save so that savings institutions have ample deposits to use for making home loans.

This is precisely why I cosponsored a measure which gives consumers a significant tax break on interest earned on savings. Specifically, the measure would first $200 of interest earned on savings or dividends. Currently, this measure is included as part of the windfall profit tax conference report we are considering today.

If Americans do not save, the loan resources of savings institutions will inevitably dry up and home loan funds will become ever scarcer. Frustration with a perplexing array of interest rates, other attractive options, and the need to spend a larger chunk of one's salary may drive many to export their savings, either away from their community, their State, or the savings industry in general. Thus, we must encourage Americans to save and save in their local communities whereever possible.

This last point is of special concern to me because my own State of Montana is composed of many small, wholesome, and productive communities. It is distressing to think that residents of these communities would be forced to look far and wide in an effort to obtain affordable housing money. Self sustaining, thriving communities are an important asset which we must nourish, not frustrate.

An important plus that I have not mentioned in conjunction with this measure, is that it will provide a dampening effect on inflation, as Americans are discouraged from the dangerous tendency to spend now and save later, thus fueling the raging fires of inflation.

I have touched on many issues. First, I have emphasized my belief that the right to decent housing is a right of every American. The object of Federal housing policies should be to make such shelter more accessible for those families who otherwise would be unable to afford it. Today, most low and moderate income Americans are reeling from the double whammy of soaring inflation and spiraling interest rates and find themselves unable to meet their housing needs without a good deal of difficulty. Thus, I have cosponsored legislation to make low interest mortgage money available for these deserving Americans. I am convinced that the prudent and judicious use of tax-exempt housing bonds will satisfy this need.

Second, I am concerned that these same villains—inflation and high interest rates—are adversely affecting a vigorous housing industry, thus jeopardizing an important part of Montana's economy—the forest products industry.

Third, tax incentives must be provided to savers to replenish the availability of home loan money through savings institutions. I have cosponsored legislation that helps accomplish this task as well.

The heart of this complex issue remains quite simple: We must keep housing affordable. Only then will every American enjoy the right to decent shelter. Only then will the housing industry continue to function at full capacity, stimulating at the same time, an important part of Montana's and the Nation's economy—the forest products industry. Two measures which I have cosponsored address this goal: Allowing continued use of tax-exempt housing bonds carefullv targeted to low income Americans as well as encouraging Americans to deposit their funds in savings accounts.

Mr. President, at this time. I ask that the text of the Wall Street Journal article of December 14 be printed in full.

The article follows:

COMMODITIES: GRIM OUTLOOK FOR HOUSING STARTS IN 1980 PUTS LUMBER SUPPLIERS IN GLOOMY MOOD

(By Richard Immel)

SAN FRANCISCO.—Lumber prices that hit a high in early fall have dropped as much as 40 percent since the Federal Reserve System put the screws on housing by stiffening credit in October. That may be good news to lumber buyers, but with little positive news in sight, it means a gloomy Christmas for lumber.

"It's grim," says Roderick Steele, president and chief operating officer of Potlatch Corp., an integrated San Francisco based forest products company. "The decline in demand is substantial, reflecting lower housing starts and an anticipation that they'll be low for a good part of 1980," he says.

Mr. Steele reflects the general reaction of the forest products industry to the interest rate tightening. "As it has happened in the past when we've had these 'financial' markets, mortgage money is difficult to get and expensive, and that causes a drop in housing starts. We're finding demand much slower, orders harder to come by—and very competitive," he says.

The only way lumber mills can deal with wilting demand is by cutting back on production, and that's what they're doing. "When demand is falling away prices have to go low enough for producers to stop producing," asserts Bruce Lippke, director of marketing economics for Weyerhaeuser Co., Tacoma, Wash. "We're in that process at the moment," he says, "but it doesn't mean there won't be some rebound after prices come down."

So far, observers say, most companies have been able to avoid mill closures by cutting back on work turns and hours and by extending vacations, as a number did over the Thanksgiving holidays. Others have been able to push sales in the export market, which has remained relatively strong. Mills most vulnerable, however, are those that depend heavily on federal timber, which is more expensive than timber from company-owned lands.

"The production cutbacks are just starting," Mr. Lippke says, "and you can be assured it will have to get pretty close" to the cutbacks the industry experienced during the 1974–75 slump when operating rates declined by 25 to 30 percent in the West, and somewhat less in the South.

The key to stability in the market will be housing starts, analysts say. At the moment, the consensus is for a 1980 level of about 1.2 million to 1.3 million starts. That isn't so low as the 1974–75 level, which dropped to slightly more than one million a year, but it's down considerably from the 1.7 million expected for this year.

The break in lumber prices came a few days after the Fed's Oct. 6 credit-tightening edict, says William Dean, editor of Random Lengths, an industry marketing newsletter. "The full implications of what they had done hit about the middle of the following week," he says. "The immediate reaction of retailers and wholesalers was that they had to cut back even more on inventories, which had been running pretty close already.

"Mills depend on daily movement in volume and when that volume declined there was surplus wood available," he says. "Prices went down more or less across the line—on almost all wood products," he says. "The trend has been down since then and is expected to be lower still the latter half of this month," although some items are showing signs of bottoming out.

Spruce-pine-fir dimension lumber from Canada this week recouped the $4 to $6 drop per thousand board feet it took last week, Mr. Dean says, and is selling for $186 to $188 a thousand board feet, about the same as its Nov. 30 price. Dimension lumber is the two-by-four, two-by-six and two-by-eight sizes used in house framing.

Hem-fir, the grade that is traded on commodity futures exchanges, is one item that hasn't changed much since mid-November. Since Thanksgiving, it has been trading at about $220 a thousand board feet, Mr. Dean says. That grade was the object of substantial demand for November futures deliveries, he noted.●

MUST I WALK ALONE?

● Mr. DURKIN. Mr. President, it has been nearly 5 months since 50 Americans were taken hostage by a lawless Iranian mob. This international act of terrorism has provoked a wide range of responses from individuals of all walks of life. Bill Bickford of Dover, N.H., is one individual who has carried a quiet vigil for the hostages. Each Sunday when he attends church, Mr. Bickford wears an armband as a sign of unity with our hostages in Iran. His simple yet profound statement is a reminder to all of us that our concern for the American men and women in Tehran must remain as deep as it was that disturbing day in November when our Embassy was overrun. There being no objection I submit Mr. Bickford's letter to the editor of Foster's Daily Democrat for printing in the RECORD.

The letter follows:

"MUST I WALK ALONE?"

To the Editor:

Sunday, I wish that all who attend church will wear an arm band. It does not have to be fancy, just a handkerchief on an arm, just enough to show that people have feeling for those who are held in bondage. We must do something to show that the hostages aren't being ignored and that this entire nation and its president are doing all that can be done for their release.

Should we as a people hold a rally? Should we march? No, I think not. That will not accomplish any goal. A march will not accomplish anything.

I have an arm band. Each Sunday I wear it on my arm, and yet it is hard to believe that in the background I have heard, "What is it for," and a wife explains to a husband, "It is for the hostages, the people who are in bondage."

God bless the women for they understand. We, as a people, have become united, yet each Sunday, I alone wear the band for those who are in bondage.

A church filled with people, yet I alone will continue to do what I must. Please unite with me. There is no shame in showing feelings for those who are in bondage. It shows no shame if people in this city wear a badge that states, "We have a feeling for these people." What if it were your son or daughter? What would your feelings be?

Each night I say a silent prayer and each Sunday I go into church showing my concern. But why am I alone? Is this right?

Please, this Sunday, unite with me. Show me that you have courage. Show me that you have faith and will wear a token of your feeling for the hostages in Iran on your arm.

When you go to church Sunday, may the prayers you say and the songs you sing show that we are a people united.

Must I walk alone? Why? ●

HYDROELECTRIC POWER GENERATION

● Mr. DURKIN. Mr. President, 2 years ago I succeeded in getting enacted a 3-year, $330 million authorization program to speed the development and construction of small-scale hydro at existing dams. This year, the Senate passed my legislation substantially increasing the investment tax credit for small-scale hydroelectric property. Now is the time to pursue aggressively the cost savings of hydroelectric generation.

A recent report by the Army Corps of Engineers confirms that over 325,000 gallons of oil per year could be saved by retrofitting the Jackson Mills Dam site in Nashua, N.H., for hydroelectric generation. As oil prices quickly approach a dollar per gallon this will mean a tremendous savings for the citizens of Nashua. In fact a conservative estimate is that this hydro facility could cut Nashua's tax rate by $2.40 per thousand, surely a welcome change in this day of spiralling taxes and double digit inflation.

For the past 4 years, I have consistently led the fight in the Senate for the development of renewable energy sources. The United States is at the empty and expensive end of the oil pipeline; we must reduce our dangerous dependence on high-cost fossil fuels. Solar, wood, wind, and hydroelectric power generation hold the key to our energy self-sufficiency.

Hydroelectric generation is feasible now. The industrial revolution had its beginning on the waterways of New England. The rivers are still there and, in many cases, the dams are still there. The Jackson Mills Dam is just one example of this untapped potential.

I would like to commend Nashua Mayor Maurice "Mo" Hull and the Nashua City Council for their untiring efforts to restore the considerable savings to the Nashua taxpayers of hydroelectric power generation.

I ask that the executive summary of the Jackson Mills Dam hydro feasibility study be printed in the RECORD.

The material follows:

EXECUTIVE SUMMARY

This study of hydroelectric development at Jackson Mills and Mine Falls Dams in Nashua, New Hampshire, is contained in two volumes: Volume 1—Jackson Mills Dam and Volume 2—Mine Falls Dam.

This report, Volume 1, has determined that reinstallation of hydroelectric power at Jackson Mills Dam is feasible. The New England Division's role in the project was to give technical assistance to the City of Nashua. This reconnaissance report will form the basis for any additional actions taken by the city for hydroelectric development.

Hydroelectric power was generated at Jackson Mills Dam until the 1950's. Then, cheap oil became readily available and the generating equipment was scrapped. The region's current dependence on expensive imported oil, however, has aroused new interest in using New England's numerous rivers for hydroelectric power. Senator John A. Durkin of New Hampshire requested this study of hydroelectric feasibility to once again use Jackson Mills Dam to generate electricity. Specific authority is contained in a resolution, dated 6 December 1978, by the U.S. Senate Committee on Environment and Public Works.

Jackson Mills Dam was built on the Nashua River in 1920 to operate the Jackson Mills. It is located in downtown Nashua, near the public library. The dam is now used by its owners, Sanders Associates, to maintain the water level for fire protection. The City of Nashua is in the process of acquiring the ownership of the dam and water rights.

Alternate sites, systems and marketing methods were evaluated during the study. Four alternatives for generating power at Jackson Mills Dam were evaluated. The architectural, aesthetic and equipment impacts were assumed to be equal for all four sites. Evaluation factors used in the decision-making process were ownership, construction access and impacts, and educational access for local groups of school children and adults.

The recommended alternative, a new powerhouse at the southern abutment adjacent to the public library, best met the evaluation criteria. This site would not have any of the ownership, construction or maintenance problems that the other sites have. Environmental impacts of the recommended alternative are expected to be short term and minimal. The site also provides easy access for educational purposes and coordination with the library.

The powerhouse would contain two horizontal shaft propeller turbines with runners of 1500-mm diameter, each capable of passing 460 cfs through an average head of 21 feet. The installed capacity is 1,300 Kw, and the average annual energy generation is estimated to be 5,450,000 Kwh. The plant would be operated as an automatic run-of-river installation with no manned control room.

Three possible marketing methods are discussed in this report: (1) Sale to the grid system of the total power produced, (2) Wheeling of power (Paying a utility for the use of its transmission lines), (3) Installing direct transmission lines, with provisions for standby power. The first plan, sale to the grid, would appear to be the best overall marketing method.

It was assumed for this analysis that the project would be funded and managed by the City of Nashua and that power would be sold directly to the Public Service Company of New Hampshire at the established rate of 4¢/Kwh. The project is expected to have a minimum life span of 40 years.

Total capital costs of the recommended plan are eestimated at $1.98 million. Annual operation and maintenance are estimated at $34,600. Revenue from the sale of power is estimated to be $218,000 annually. Using a 6-percent discount rate, the benefit-cost ratio of the recommended alternative is 1.31.

Another benefit to the city would be its ownership of an inflation-proof system: water is renewable and free. The hydroelectric power generated at the dam represents a savings in oil of 325,000 gallons each year.

Now that the Corps of Engineers' role has ended, the next step for the City of Nashua is procurement of a license from the Federal Energy Regulatory Commission (FERC).●

ANNOUNCEMENT OF POSITION ON VOTES

● Mr. HEINZ. Mr. President, I was necessarily absent from the Senate yesterday, March 25, 1980. For the record, had I been present and voting, I would have voted as follows on the votes which took place:

(Rollcall vote No. 61). Resolution of ratification of a treaty with the Republic of Peru concerning the execution of penal sentences—yea;

(Rollcall vote No. 62). Consolidation and renumbering of certain standing rules of the Senate—yea;

(Rollcall vote No. 63). Motion to table the Muskie substitute to Senate Resolution 380, proposed by Senator Roth—yea; and

(Rollcall vote No. 64). Passage of Senate Resolution 380, as modified by the Muskie substitute—nay.●

TAX RELIEF FOR MARRIED WORKING COUPLES

● Mr. DURKIN. Mr. President, today I am cosponsoring legislation to provide long overdue and much-needed tax relief for married couples who work. This bill, S. 336 introduced by Senator Mathias, will allow married couples to file separate returns and compute their tax at the same rate as single people. For too long, the Federal income tax code has unjustly discriminated against married working couples. As the April 15 Federal income tax deadline fast approaches, it is high time for the Senate to take sound, aggressive action to help our Nation's taxpayers, who are struggling through a maze of convoluted Federal income tax forms and who are hard pressed in the race to keep pace with today's double-digit energy-fueled inflation.

For years, married couples have been unfairly taxed at a much higher tax rate than unmarried couples living together. For instance, a married couple working at approximately the minimum wage, pays 62 percent more in taxes than an unmarried couple; 62 percent more. Currently there are 38 million people in this country who are unfairly penalized simply because they are married. The married working couple remains the victim of an inequitable Federal income tax code. This must be stopped.

In fact our tax code actually serves as an inducement for couples to live together, unmarried. In the face of tough economic times, the prospect of significant tax savings serves as a disincentive to marriage for many of our young people.

Marriage has traditionally been the backbone strengthening American social and family structure and to allow this so-called "marriage tax" to remain on the books imparts the wrong message to the young people of America. There have been recent newspaper accounts of a couple who annually flies to the Caribbean at the end of the year to divorce, vacation, and remarry. By filing separate returns they are able to finance their yearly junkets with their tax savings. While this is an extreme way to avoid the penalties of the "marriage tax," a much saner approach to preventing couples from divorcing or rejecting marriage is to simply change this inequitable provision in the tax code.

Additionally, as women gain an increasingly important role in the work force and as today's economy increasingly demands two wage earners in a family, the need for prompt action is even more pressing.

My State of New Hampshire has a very high percentage of working women—in fact one of the highest percentages in the United States. Our hard-working married couples have been victimized by an inequitable Federal income tax code too long.

In the name of fairness and for the sake of the united family, I urge my Senate colleagues to join me in supporting this legislation.●

U.S. FOREIGN AND DEFENSE POLICY OBJECTIVES—SENATE RESOLUTION 299

● Mr. DURKIN. Mr. President, I am pleased today to cosponsor Senate Resolution 299, submitted by my good friend and colleague, Senator Bellmon.

Senate Resolution 299 proposes the creation of a special Senate select committee to conduct an examination and assessment of U.S. foreign and defense policy objectives. This is an immensely important task with respect to our present and future national security interests and it must not be put off any longer.

The need to conduct a reappraisal of U.S. foreign and defense policy goals has become increasingly apparent in recent months. There is growing confusion in the Congress, in the country, and overseas as to what U.S. foreign policy goals are and how they relate to our defense goals. Major foreign policy decisions delivered in a rapid-fire, reactive manner to serious problems abroad are no substitute for a coordinated foreign and defense policy framework based on clearly articulated goals.

The current administration posture of reacting to international crises without weighing the long-term consequences is, in itself, a grave threat to our national security. Not only has the Administration sent conflicting signals abroad as to our aims and intent but it also has raised serious questions at home about our ability to match our words with action.

Simply stated, a thorough and immediate review of our foreign and defense policy goals must be made. We must articulate to friend and foe alike, a clear, consistent, and firm foreign policy while rebuilding our conventional military capability in order to regain respect for America around the world.

Even before the Iranian and Afghanistan crises, I voted in favor of two important budget resolutions to increase substantially U.S. defense spending over the next 3 years. It is essential to world peace and stability for the United States to have the capacity to quickly move American troops and conventional arms to the world trouble spots—especially those that involve our national interests. A rapid deployment, conventional military force would expand considerably our influence and effectiveness in the event of an outbreak of international hostilities. It must be crystal clear that we will not hesitate to use our political, military, and economic power to protect our vital interests around the world.

Since it is the responsibility of Congress to determine the funding levels to support our country's foreign policy and defense needs, it is imperative that our objectives be clearly defined. A thorough review of and consensus on our foreign policy goals will enable Congress to coordinate these goals with a consistent and supportive defense that protects and promotes our national security.

The time is long overdue for this much-needed review, a review which is essential to assure our national security and restore respect for America around the world. I urge my Senate colleagues to join me in cosponsoring this important resolution.●

BARNEY ARNOLD

● Mr. HUDDLESTON. Mr. President, in Kentucky the name Barney Arnold is synonymous with agriculture. For 28 years, he has been the voice of the farmer on WHAS radio and television, offering his listeners the latest in farm information. And his listeners range from rural tobacco and grain farmers to city home gardeners, making his name a household word throughout Kentucky and southern Indiana. Although a native Oklahoman, he is as much a part of Kentucky as the Kentucky Derby, mint juleps and country ham.

Barney Arnold is officially retiring from WHAS at the end of this month, although he will occasionally do special broadcasts. Because of his contributions to Kentucky agriculture, I would like to pay tribute to him and ask that this article from the March 1980 issue of Rural Kentuckian magazine be printed in the RECORD.

The article follows:

BARNEY ARNOLD

April 6, 1952—WHAS has a new farm director in the person of Burnis Arnold . . . Arnold comes from Stillwater, Oklahoma, where he has been in agricultural extension work for the state of Oklahoma. He has had radio farm experience, having been assistant farm director at KVOO, Tulsa. He is a respected member of the professional farm organizations. He has been doing television farm shows in Oklahoma too.

With that brief news items in the Louisville Courier-Journal, Kentuckians were introduced to a man who, in 28 years, has become part of this area's folklore.

Burnis became "Barney" (I had so many people say, 'I would have written you but I didn't know how to spell your name.'), and Arnold's Oklahoma twang, his down-home manner and his familiar greeting—"howdy, neighbors"—soon became part of the early morning routine in thousands of households.

"I have never set myself up as an authority," he said recently, as he looked back at his career with obvious satisfaction. "I've been the agricultural voice of WHAS, but I've never tried to make people think I knew more than I knew, about anything.

People consider Barney an authority, nevertheless, as demonstrated by the hundreds of letters and phone calls he receives each month with questions ranging from how to plant potato seeds to how to roast a whole pig at a backyard luau. For most of the past 28 years he has traveled between 25,000 and 30,000 miles each year visiting farmers, reporting on agricultural events and speaking to farm-related organizations around the country.

On his tenth anniversary at WHAS radio and television, a reported wrote, "In his 10 years he most surely has met and shaken hands with more people than any politician in the business."

In the process he has also received awards and honors too numerous to mention, some of them more than once. He was named the country's "Outstanding Farm Broadcaster" in 1970, the second year the award was given; and he won the state award, given annually by the Kentucky Farm Bureau Federation four times.

25TH ANNIVERSARY A HIGHLIGHT

The greatest thing that ever happened to me," he recalled, "was on May 13, 1977, when the people put on a 25th anniversary party for ol' Barn'. They rented a hall at the fairgrounds (the Kentucky State Fair and Exposition Center in Louisville), put on a big spread, and a lot of agricultural leaders said some real nice things about me, part of which I would like to believe."

University of Kentucky tobacco specialist Ira Massie and others spent roughly a year planning the event that brought together several hundred well-wishers.

"This was not a WHAS promotion, although the boss did say, 'I wish we had thought of it first.' That's what made it really great to me—that the people thought that much of me and what I have tried to do for them," Barney said.

A seat at the head table at such an event could hardly have entered his mind as a youngster growing up with three brothers and a sister on his father's wheat and beef cattle farm at Possum Holler in Dewey County, Oklahoma. The harsh reality of the Great Depression and the dust bowl that racked that part of the country made him determined to leave the farm life behind, as he entered Oklahoma A & M (now Oklahoma State University) to study journalism and economics.

"I wanted to edit industrial publications, but it seems that all of my contacts were in agriculture, being an old farm boy," he recalled.

Upon his graduation in 1942, he went to work for the Oklahoma Agricultural Adjustment Agency. The following year, he moved to the U.S. Department of Agriculture War Board in Oklahoma, where he coordinated farm radio programming.

"During World War II, the theme was 'Food will will the war and write the peace.' I felt like I was in something where I could do some good and, at the same time, I was liking it," he said.

It was a natural move, then, when he went to work in Tulsa for station KVOO as a farm broadcaster. He continued to broadcast an hour each day for the station even after he returned to Oklahoma State for additional study.

"My wife says I didn't get into print journalism because I couldn't spell," Barney said.

COUNTY AGENT AT LARGE

He became a radio and television specialist for the Agricultural Extension Service at Oklahoma State and had been working there for six years when WHAS contacted him about coming to Kentucky.

"They called me one day out of the clear blue sky," Barney remembered. "It was a funny thing. They had called me 10 years before that, when I first got into farm broadcasting in Tulsa."

At that time, he felt a move would have been premature. But in 1952, he wanted to return to commercial broadcasting, and so he accepted the offer even though he had been east of the Mississippi only a few times.

"I was concerned about how the public might accept me when I came to Kentucky. But about three months after I started, I was attending a (Future Farmers of America) leadership training seminar and this old-timer walked up to me and said, 'Hey, Barney, what part of Kentucky was you raised in?' I never had any more apprehension after that. I figured if he thought I had been raised in Kentucky I had it made.

"I have sort of operated like a county agent at large. I've tried to serve agriculture in every way that I could. I've always felt if I served the farm public the best I knew how that I was also serving the station for which I worked and the sponsors who were involved in our programming," he said.

One of those sponsors for many years was Kentucky's rural electric cooperatives, with which he has been closely associated.

"I've been a speaker at the annual meetings for various local co-ops. I've been to the NRECA (National Rural Electric Cooperative Association) annual meeting nearly every year until recent years."

He has also written a column in the *Rural Kentuckian* since 1958. In 1967, he was one of several Kentuckians who went to Ecuador to open a rural electric cooperative in that country near Santo Domingo. The project was made possible by an Agency for International Development loan and technical assistance and supplies furnished by Kentucky cooperatives.

A MECHANICAL REVOLUTION

Throughout his years on the air he has worked closely with researchers at Purdue University and the University of Kentucky to give his listeners the latest farm information. The greatest change he has seen over the years, he said, has been in the mechanization of agriculture.

"A revolution has occurred due to advances in mechanized farming, thus enabling fewer people to handle more acres and do it better," he said. He noted that, ironically, this trend hasn't occurred with Kentucky's main crop, tobacco.

The trend has not been without its drawbacks, however, Barney observed.

"The capitalization necessary to get into competitive farming has been discouraging to a lot of young farmers," he said. He added that unless a person had the financial backing and the managerial know-how he wouldn't recommend going into farming today because the risks are so high.

Another change has been the growing interest in home gardening, particularly among city residents. "We've had to become authorities in horticulture. Over fifty percent of our inquiries for information today come from the home gardeners," he said.

A lot of what he preaches Barney practices in his own home garden near Henryville, Indiana. The garden is part of a 27-acre homestead where he lives with Fran, his wife of 37 years.

Barney retires officially from WHAS this month, though he will continue to broadcast special events and fill in when Fred Wiche, his successor as farm director, is out of town or on vacation. His health forced him to give up the position of farm director in 1978, but he has continued to work a limited schedule at WHAS with the title of agricultural consultant.

He also plans to stay busy making commercials and working with the Louisville public relations firm Ag Associates, Inc., where he is a vice president and director.

Retirement will give Barney and his wife, a school teacher who is also retiring this year, more time to be with their four children and three grandchildren. In addition, he said, "Ive got two good fishing holes on the place and I want to catch upon my fishing.

ONE-TO-ONE

Barney is quick to share the credit for his achievements with his employer of the past 28 years. "I've tried never to feel more important than the station for which I worked," he said.

For many Kentuckians, however, WHAS *is* Barney Arnold, and his daily broadcasts are regarded as daily visits from a friend.

"When I'm behind the mike, I always feel like I'm talking to one person," he said. "If I've had any success on the air it's due to the informality of my presentation and just being myself.

"I've had a lot of opportunities to leave the broadcasting field for higher paying jobs. (He was approached once about running for Kentucky commissioner of agriculture until it was learned that he lived in Indiana.) But I never figured that money was the most important thing. I've always had a job that I could make a living at, I've always enjoyed what I was doing."

And so, if you ever happen to be driving near Henryville, stop by one of the fishing holes and wave to the man on the bank. You can almost bet he'll return the wave and greet you with a friendly, "Howdy, neighbor."●

CHARLES VITAGLIANO, JR., NEW HAMPSHIRE STATE REPRESENTATIVE

● Mr. DURKIN. Mr. President, the New Hampshire House of Representatives is one of the largest legislative bodies in the world. With over 400 members, the house truly represents New Hampshire's diverse populace.

Charles D. Vitagliano, Jr., 37, brings a particularly courageous perspective to the deliberations of the legislature because he happens to be the only blind representative in the State. Upon losing his sight at age 30, Mr. Vitagliano was forced to resign from his position as an accountant. However, he never gave up on himself.

"When people question the ability of a handicapped person, they are questioning their own ability," Vitagliano claims. "It really bothers me to see a handicapped person say 'I can't do it.' "

Charles Vitagliano lives by his words. After receiving a master's degree in rehabilitation, he held several teaching and counseling positions. Homesick for New Hampshire, he returned to the State capital in Concord where he runs the coffee shop in the Federal building. As a further example of his tenacity and popularity, Vitagliano, a Democrat, won his bid for election with 65 percent of the vote in a predominantly Republican district.

Charles Vitagliano is inspirational for his courage. I ask that the following article, from the New Hampshire Sunday News, be printed in the RECORD.

The article follows:

COURAGE OVERCOMES BLINDNESS; STATE REP. ENJOYING SUCCESS

(By Frank Donovan)

CONCORD.—Charles D. Vitagliano Jr. disagrees that he is the only blind member of the New Hampshire House of Representatives.

"I think there are quite a few 'blind' people in there," says a smiling Vitagliano, who won a special election last November to become the state's only legally blind representative.

Vitagliano moves easily behind the counter at the Cinderella Coffee Shop in the Federal Building, carrying on a steady banter with customers as he prepares their food orders.

After he heats a foot-long sandwich and pops a can of Tab, he comes over to a corner table in the coffee shop and over an early lunch talks about his blindness, business and what he hopes to accomplish as a new state representative.

Vitagliano is three stories, each separate from the other and yet woven into the life of a 37-year-old who has learned to live and succeed with a handicap.

"When people question the ability of a handicapped person they are questioning their own ability. It really bothers me to see a handicapped person say, 'I can't do it.' "

DETERMINED TO SUCCEED

This is not to say Vitagliano has never questioned his own ability. There have been a lot of questions followed by a determination to succeed.

Until 1970 when he went blind, Vitagliano had the world by the tail. He had bachelor of science and bachelor of arts degrees from New England College; studied computers at N.H. Tech and insurance at the University of Connecticut. This background had led to a position as accounting supervisor at Yale University.

Then the lights went out. "I had to revamp my thoughts. There isn't a market for blind accountants and I had no idea what blind people could do—cane chairs, make brooms? It was a traumatic experience. I was an accountant, normal and healthy. I lost my job and my marriage was in trouble."

Vitagliano's blindness was caused by diabetes, an illness that had kept him out of the Marines and what he says is the leading cause of blindness in the United States and Europe.

Vitagliano said he made it through this period with some good counseling and the support of his family and friends. He began looking around, heard of a master's program in rehabilitation at Western Michigan University and enrolled.

BECAME HOMESICK

Graduation was followed by teaching positions in Pennsylvania and Virginia, and later a job as executive director of the Vermont Assn. for Blind. Eventually, Vitagliano became homesick for New Hampshire.

"I had property in New Hampshire and I wanted to get back here, so I resigned my position, packed my bags, and came home. I was interviewing for jobs with the state and blind services when I heard about this food service program."

Vitagliano said his father and grandfather had both been in the food business and he had helped earn his college tuition working as a cook in resort areas summers and had been head cook in his fraternity.

"I came by food quite naturally and I'm now the third generation in the food business in Concord. My grandfather once owned the old Cinderella Coffee Shop, which used to be situated across from the State House, and my father operated Cinderella Bakeries in Manchester. I've been operating this coffee shop for two years."

Earlier, the federal government had passed legislation whereby blind people had first option on operating food concessions in federal buildings. New Hampshire has since adopted similar legislation.

Vitagliano said he had been approached about running for state representative some time ago, but he didn't feel it was convenient. When the overtures were made again last year and with a special election pending, he reconsidered.

"It was my first bid for public office and I ran as a Democrat in Concord's Ward 1, which is mostly Republicans and Independents. I won with 65 percent of the vote."

Ward 1 encompasses Vitagliano's home town of Penacook, and he waged a campaign of door-to-door contact and a mailing. "I'm probably the only person who got elected by promising nothing. As one person among 400 representatives I realized I would have very little impact and would not be able to change the whole system, but I told the voters I'd do what I could.

"I promised to be responsive to human needs and to work towards fiscal responsibility. My platform was my accounting and rehabilitation background."

HIS MAJOR CONCERNS

The representative is concerned about energy, the economy, housing and the environment. "I hate to see waste of any kind," he said.

A pet peeve of Vitagliano's was the state's decision to take the ski areas and Mt. Washington concessions away from operation by the blind. "If they want to take the lucrative operations away they should also take the peddling ones where people are working 12 hours a day for $50 a week," he said.

Vitagliano relies on relatives and friends to help him get the seven miles to and from work, but most of the time he travels by dog.

"I used a cane for a year until I got Lisa eight years ago, and since then she has been an almost steady companion. If I'm going to the theater or dancing I may take a cane. Lisa doesn't enjoy either too much." ●

THE WINTER OLYMPICS

● Mr. DURKIN. Mr. President, the price of gold on the world market is hovering around $700 an ounce. But for the men and women who engaged in the heat of competition at the Winter Olympics in Lake Placid, N.Y., the price of a gold medal can only be measured in hours, weeks, and years spent in dedicated and demanding training.

Awakening to the snowy solitude of a winter's dawn commencing a gruelling workout, challenging their physical capabilities, pushing themselves beyond the brink of pain, and perfecting their skills through persistent practice, are just part of the morning menu of our Olympic medal winners.

I am proud that New Hampshire boasts seven participants to this year's U.S. Olympic team.

Heidi Preuss from Lakeport, Holly Flanders from Deerfield, and Abby Fisher from South Conway are all members of the U.S. Alpine Ski Team. Glenn Joyce from Laconia, Doug Peterson from Hanover, and Bob Treadwell from Amherst are members of the U.S. Nordic squad. Peter Dascoulias from Tilton was a participant for the U.S. Biathelon Team. Each of these athletes carried to the games a healthy dose of Yankee determination and rugged Granite State individualism. I salute these extraordinary athletes.●

ORDER FOR THE RECOGNITION OF SENATOR HATFIELD TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders, or their designees, have been recognized under the standing order tomorrow, Mr. HATFIELD be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR WARNER

Mr. CRANSTON. Mr. President, I ask unanimous consent that Senator WARNER be recognized for a 15-minute special order tomorrow following Senator HATFIELD's special order.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 9:30 A.M. TOMORROW

Mr. CRANSTON. Mr. President, I ask unanimous consent that the previous order that we convene at 9:45 a.m. tomorrow be changed to 9:30 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRANSTON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

Mr. BAKER. Mr. President, in order to accommodate an important requirement, I ask unanimous consent that the distinguished Senator from California (Mr. CRANSTON) be designated as the Acting President pro tempore of the Senate for the balance of this day for the purpose of signing the enrollment of House Joint Resolution 514.

The PRESIDING OFFICER. Is there objection? If not, it is so ordered.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

Mr. CRANSTON. Mr. President, before the quorum starts, I would like to thank the distinguished minority leader for making that motion. I relish the pleasure of being promoted by the motion of the minority leader.

Mr. BAKER. Mr. President, it was my distinct pleasure to participate in that elevation, even for this brief time.

Mr. MATHIAS. Mr. President, it was not intended to be permanent.

Mr. BAKER. Mr. President, it was of a definite and particular tentative nature.

Mr. CRANSTON. Mr. President, without further discussion of those fine points, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LONG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONSUMER PROTECTION NEEDED AGAINST MONOPOLY PRICING OF COMMODITY SHIPMENTS CAPTIVE TO RAIL TRANSPORTATION

Mr. LONG. Mr. President, there are many complex, confusing, and conflicting allegations floating about on the subject of the rail deregulation bill and, in particular, on my proposed amendment to that bill, S. 1946.

Quite simply, my amendment would seek to require the Interstate Commerce Commission to continue regulation of transportation rates on commodity movements which are captive to the rail industry—in other words, where market forces do not provide the American consumer protection from monopolistic pricing.

The heart of the problem is that the Interstate Commerce Commission's failure to exercise its current regulatory authority has permitted the railroad industry to begin to exploit its monopoly over coal and other captive traffic. If there is no competition to replace Government regulation of rates in captive markets, or if the ICC fails to act to restrain rate increases, the results will be highly damaging to millions of consumers and highly inflationary to the general economy.

Even now there is a major case in the Federal courts in which even the U.S. Department of Justice has intervened on the side of the captive shippers, arguing that the ICC has, without justification, allowed excessive rates for rail transportation of coal.

In a brief filed late last November, the Antitrust Division of the Justice Department joined the city of San Antonio, Tex. in challenging a series of ICC decisions that have sharply increased what Texas utilities have to pay for coal.

Furthermore, the Department of Justice incorporated into its pleadings the views of the U.S. Department of Energy which contended that the ICC had not balanced the requirements of the Nation's energy policy in issuing its decisions.

Although I do not have the details of what DOE said in that case, I ask unanimous consent to have printed at this point in the RECORD certain excerpts from DOE testimony last month on the subject of my amendment.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

EXCERPTS FROM DEPARTMENT OF ENERGY TESTIMONY BEFORE THE SENATE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION, SUBCOMMITTEE ON SURFACE TRANSPORTATION

Recent increases in rail coal rates such as those at issue in the well-known San Antonio case have created concern that the delivered price of coal will discourage an expanded use of domestic coal and the voluntary conversion of existing gas and oil units to coal. Transportation costs constitute a significant percentage of the delivered price of Western coal.

With uncertainty about the future level of rail cost rates, utilities and industrial concerns which are inclined to convert to coal anticipate that escalating coal rates will eliminate any economic advantage gained by the voluntary conversion. As a result, some utilities and industries are deferring construction of new coal-fired facilities; others are investigating foreign supply sources for coal. In response to those utilities which may have access to a foreign supply of coal, the ICC has determined in a recent case that the mere availability of foreign coal was a sufficient basis to find a lack of market dominance by the railroad. Absent market dominance, the ICC had no jurisdiction to determine a maximum reasonable rate and therefore dismissed the utility complaint, thereby leaving the utility unprotected from the monopoly power of the railroad

Because of the substantial economic impacts of coal rates on the national coal conversion program, DOE has consistently emphasized the need to balance national transportation goals and national energy goals in setting rail rates. To this end, DOE specifically has advocated the following principles:

1. All railroad rates, including rates for coal, should at least cover the incremental costs of the specific movement.

2. Where possible the revenue needs of the entire railroad should be determined and the respective contribution to be made by each commodity should be decided simultaneously in accordance with the determined revenue need of the entire railroad system. To determine the fully allocated cost of each movement, fixed costs should be allocated to that commodity in direct proportion to its incremental cost.

3. A commodity should bear a higher than proportionate share of fixed costs only if all other commodities are at least bearing rates equal to their respective incremental costs and otherwise are generating maximum possible revenues.

Mr. LONG. This was, of course, before the White House decided to opt for the position of the Department of Transportation against my amendment, rather than with the DOE in support of it.

Unfortunately, the Department of Energy has now been instructed by the administration to no longer state its position in this matter publicly.

So, Mr. President, some of us on the front line of the transition from oil and gas to coal, as a basic source for generation of electricity, became greatly concerned about what the advent of railroad deregulation might bring to our consumers.

At first, some of us thought it might be best to legislate an absolute legal limit on coal transportation charges until all these new factors, including a constantly changing national energy situation, could be better evaluated. However, this approach was put aside in favor of a presumptive cap—a level beyond which the charges would be presumed unreasonable and, therefore, illegal.

Finally, in an effort to be as accommodating as possible to both the railroads and the Carter Administration, we decided to sponsor the current amendment, which merely calls upon the ICC to establish a level or "threshold" beyond which the burden of proof as to the reasonableness of a rate would be on the railroads—rather than the burden of proof of unreasonableness being on the captive shipper or the customer.

AMENDMENT APPLIES ONLY TO CAPTIVE MARKETS

It should be clearly understood that our amendment applies only to commodity shipments which are captive to the railroad industry. It does not seek to undermine the basic thrust of S. 1946, which represents an attempt to relax federal regulation of the railroad freight industry by allowing increased flexibility to set rates while maintaining some degree of protection for shippers and receivers who are captive to the rail industry.

Although the bill accomplishes the first goal of increased rate flexibility, it does not retain adequate protection for captive shippers and receivers and their millions of consumers against pricing at "whatever the traffic will bear." Such a laissez-faire standard holds great danger for many commodities, especially coal, for which the railroads are the only transportation available.

As Senators know, the goals of the President's National Energy Plan call for a substantial reduction in our dependence on foreign oil through a greatly increased reliance on our abundant coal reserves. These goals coincide with the intent of numerous laws recently enacted by the Congress.

We fully realize that, to help the Nation meet these goals, the railroads will have to earn an adeauate return from their transportation of coal. They will need the financial resources with which to maintain and, in many cases, to augment transport capacity for increased volumes of coal.

We know, too, that, through the mechanism of "differential pricing," coal and other captive traffic will be expected to continue to provide a reasonable subsidy for the transportation of commodities in more competitive markets.

The question is whether the differential subsidy to be borne by captive traffic shall be virtually without limit. This hardly seems a rational option at a time of rampant inflation and at the very moment when public utilities and their consumers of electricity are being mandated to switch to coal as their basic energy source.

At this point, Mr. President, none of us knows exactly where the burden to prove reasonableness should shift to the railroads—as opposed to customers' having to prove unreasonableness. There are several new and changing factors at work which impact on inflation, on energy policy, on the changing competitive posture between the rails and other modes of transportation and on traditional revenue patterns for the railroad industry.

All of these subjects need to be closely analyzed before it is determined just how much freedom and flexibility the railroads actually need in the captive portion of their business to remain healthy.

DIMINISHED TRUCK AND WATER COMPETITION

For example, Mr. President, one of the major factors which has kept railroad revenues below what they should have been in recent years has been extremely active competition from the trucks. But now, because of the doubling—with still more to come—of diesel fuel prices, the competitive position of the rails with regard to competitive traffic will be vastly improved. This factor has yet to be analyzed by anyone.

Also, further reducing the need of the rails for urgent relief is the fact that they are about to gain a new competitive advantage over the water transport industry. The waterway fuel taxes enacted last year are about to take effect at rates of 4 cents per gallon in 1980, 6 cents in 1981, 8 cents in 1983, and 10 cents in 1985 and thereafter.

So, Mr. President, in an effort to get to the bottom of all these factors, we designed an amendment calling for a 120-day study by the ICC, the result of which would be to tell us what is basically reasonable and what is basically unreasonable in the shipment of captive commodities.

In an effort to dispel many of the mistaken impressions of what my amendment does and does not do, let me offer Senators the following simple explanation:

The Long amendment does not:

Impose a cap on rate levels for any commodity or for rate in general.

Restrict in any fashion the railroads' freedom to charge rates on any and all traffic which cover the full costs of service (including both variable and fixed costs) and afford a reasonable profit or return on all investment related to the traffic.

Affect in any way the base rate provision (Section 102) or the inflation adjustment provision (Section 103) of S. 1946.

Require *or even permit* suspension of rate increases falling within the rate flexibility zone established in Section 104 of S. 1946.

Preclude or discourage shippers and carriers from entering into contracts under Section 106 of S. 1946.

The Long amendment does:

Require the Commission to establish a point above which railroads shall be required to justify, upon challenge, rates for any commodity which impose a significant differential over and above rate levels sufficient to cover the full costs of service (including both variable and fixed costs) and afford a reasonable profit or return on all investment related to the traffic.

Require the Commission to consider the extent to which imposing cross subsidies on particular commodities is justified in view of the carriers' overall traffic mix.

Require the Commission to consider and balance national energy policy along with transportation policy in determining the reasonableness of such cross-subsidization.

Permit the carriers to charge rates at whatever levels are demonstrated to be reasonable in light of such considerations and all other relevant factors.

It may be of interest to Senators to know what organizations are sufficiently concerned about this situation to have publicly endorsed my proposed amendment:

Consumer Energy Council of America.

Consumer Federation of America.

United Automobile Workers Union (UAW).

Edison Electric Institute (Investor Owned Utilities).

National Rural Electric Cooperative Association (Public Owned Utilities).

American Public Power Association (Public Owned Utilities).

Western Coal Traffic League.

Dow Chemical.

American Farm Bureau Federation.

National Council of Farmer Cooperatives.

National Coal Association.

National Industrial Traffic League.

Fertilizer Institute.

Peoples Counsel of Maryland.

Chemical Manufacturers Association.

Committee of Railroad Shippers—comprised of 15 of the largest shippers in the United States.

At the top of the list of supporters are two broad-based consumer groups the Consumer Federation of America and the Consumer Energy Council of America. Each has written a detailed letter to each U. S. Senator explaining its great concern for what might happen to the American consumer, in the form of unnecessarily high electricity bills, if he is not accorded some reasonable protection in years to come from excessive transportation charges on coal. I ask unanimous consent that these letters be printed in the RECORD at this point in my remarks.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

Washington, D.C., March 19, 1980.

Re: Support of the Long amendment to the Railroad Transportation Policy Act S. 1946

DEAR SENATOR: CFA, the nation's largest consumer organization, urges you to vote for the Long amendment to the Railroad Transportation Policy Act (S. 1946).

Today, consumers are struggling to cope with 18 percent inflation and energy prices which have risen nearly 40 percent in the last year and devastating prospects of oil decontrol, natural gas deregulation and future OPEC price hikes. It is incumbent upon Congress to protect consumers from further unjustifiable monopoly price gouging. To this end, passage of S. 1946 without the Long amendment is in effect legislating inflation and higher energy bills for millions of consumers.

The need for the Long amendment is rooted in the ability of railroads to exploit shippers when the shipper has no alternate means of transport. This is a particular problem for utilities and industries using coal, as most coal is transported in this "captive" manner. Utilities and industries are further disadvantaged by federal energy policy which is requiring increased use of coal. The Edison Electric Institute estimates the impact of failure to pass the Long amendment at $10.5 billion in ten years.

Current law and ICC interpretations have allowed coal transportation rates to increase dramatically. In the last decade, rail rates for coal increased by 192 percent while average rail rates have increased by 165 percent and the consumer price index by 110 percent. Furthermore, several recent cases strain belief and demonstrate the bankruptcy of current policy. The most egregious example is when the ICC allowed the rail rate charged to a municipally owned utility in San Antonio to be raised 75 percent above the rate previously established as the maximum lawful rate by the ICC itself. Indeed, increasing coal rail rates have led utilities to consider importing coal from such distant sources as South Africa and Australia.

Athough S. 1946 encompasses some recognition for the problem posed for captive shippers many of its provisions will allow railroads to increase their profit-taking over existing levels whether or not current rates already provide more than adequate profits. This outcome should not be tolerated and passage of the Long amendment will go a long way toward addressing the problem.

It is crucial to note that the Long amendment will not require railroads to charge less than is necessary to recover their variable and fixed costs, inflation and a reasonable profit; it will not place arbitrary ceilings; it merely requires the ICC to set a threshold above which the burden of proof is on the railroad to prove that a shipper's complaint is unjustified.

As you consider this problem, at least one alternative will be offered to the Long amendment. The Cannon substitute does not provide consumers the bare bones protection that the Long amendment does and should be opposed. Indeed, the Cannon substitute will only make matters worse: First, it will increase the rate flexibility zone, thus enhancing the ability of railroads to charge unjustifiably excessive rates; second, it will not affect complaint proceedings; and third, the threshold to be set by the Commission under its criteria is likely to be so high as to be meaningless.

Support for the Long amendment and opposition to all weakening attempts will be a vote against inflation and against an unjustifiable multi-billion dollar drain on consumers.

Very truly yours,

KATHLEEN F. O'REILLY,
Executive Director.
MICHAEL PODHORZER,
Legislative Director.

CONSUMER ENERGY COUNCIL
OF AMERICA,
Washington, D.C., March 19, 1980.

Re S. 1946, the Railroad Transportation Policy Act of 1979.

DEAR SENATOR: Next week the Senate will be considering S. 1946, the Railroad Transportation Policy Act of 1979. This bill raises issues of critical importance to consumers. The Consumer Energy Council of America, a broad-based coalition of major national consumer, labor, farm, public power, rural electric cooperative, urban, senior citizen, and low income organizations wants to bring to your attention two very important amendments to this bill—one sponsored by Senator Russell Long (D-La.), the other by Senator Howard Cannon (D-Nev.). We vigorously urge you to support the Long amendment or any proposals which will offer even greater protection to consumers. We urge you to oppose the Cannon amendment or any similarly ineffective proposals. Further, should the Long amendment be defeated, we urge you in the strongest possible terms to vote against S. 1946.

THE ISSUE: THE IMPACT OF RAILROAD DEREGULATION ON THE CONSUMER AND THE ECONOMY

As drafted, S. 1946 will provide for the removal of all effective price protection for the consumer in the establishment of freight rates. This means that captive commodities such as coal could be charged "any price the traffic could bear." Since the railways have a virtual monopoly over the transport of more than half of the nation's coal and much of the nation's grain, without any price protection American consumers would be subject to extortionist pricing policies for these and other vital commodities.

THE IMPACT ON THE CONSUMER

One of our major concerns is that there would be unjustified transfer of wealth from the electric consumers and purchasers of manufactured goods to the railroads. Especially with regard to electric rates subject to the fuel adjustment clause, there would be no scrutiny of these increases.

Given the rapidly escalating prices for energy and the central role that energy plays in overall inflation, the deregulation of coal freight rates is particularly insidious to the consumer. The impact on the consumer of an unregulated railroad industry trying to solve all of its financial problems by extracting maximum advantage from its monopoly control over coal hauling would be staggering.

In the well-known case of the San Antonio municipal utility's delivered price of coal, the transportation component has risen from approximately $7.00 to $20.00 per ton in a period of three years. We cannot believe that the actual cost of shipment tripled in this time. We, as others, however, are frustrated in making accurate calculations due to the absence of run-specific data which is known only to the railroads. There are other specific instances, well documented by litigation at the Interstate Commerce Commission (ICC), of similar dramatic increases, the impact of which will be fully borne by the ultimate consumers.

But the danger of deregulation is greater still. Astounding as it may be, the railroads contend that coal ought to be priced at the level of its Btu equivalency of oil! Under this circumstance, if one assumes that one-half of the coal moved by railroads each year is captive (and recognizing that utilities account for a large share of captive coal) and assuming $100 per ton as the Btu equivalency value to world oil by late 1981, then in 1982 alone the delivered cost of coal to utilities would increase by over $30 billion. Here again, the entire increase would be borne by the consumer. Though it is difficult to imagine these price increases actually being imposed on the consumer, it seems certain that the railroads will attempt these price hikes.

And Congress itself has created a climate favorable to price gouging by the railroads. First, it passed legislation forcing utilities off of other fuels and on to coal and then offered S. 1946 which, unless amended, would permit unrestrained prices in the shipment of coal. This presents an impossible situation for consumers. Absent any competition working to restrain prices and absent any mechanism to prevent these price hikes, the Congress must take action now to protect American consumers.

THE IMPACT ON THE ECONOMY

If the railroads are even modestly successful in causing their envisioned transfer of economic rent from beleagured utility consumers to themselves, the negative consequences would go far beyond the crushing blow this would have on inflation. Severe unemployment and economic dislocation could result. Additionally, deregulation would also contradict and perhaps nullify the national energy policy objective of encouraging the use of coal by utilities and industry. The fledgling synfuels industry, to which the government has recently made a $20 billion commitment, could be devastated.

Finally, deregulation will increase our nation's dependence on foreign energy both by removing any incentive to convert from oil to coal and thereby increasing oil imports and by stimulating the importation of foreign coal. The prospect of America, sitting atop a mountain of coal, while importing foreign coal, is absurd, yet due to freight rate increases, South African, Chinese, Polish, and Australian coal have already become cost competitive with coal from Colorado, Wyoming and other Western states, as well as Appalachia.

THE INAPPROPRIATENESS OF RAILROAD DEREGULATION

It is ironic that at this moment, when the railroad industry is ruthlessly preparing to exploit the energy crisis, the railroads are least in need of price gouging. The position of and prospects for the railroads have brightened considerably as a result of energy price increases and recent energy policy decisions. The volume of business the railroads are likely to do in at least one commodity they monopolize—coal—is likely to increase rapidly. The National Academy of Science has recently predicted a doubling of coal production over the next decade and as much as a five-fold increase by the year 2000. Reasonable, rather than extortionist, profits on this expanding business should certainly suffice.

THE REMEDY: A FAIR AND RATIONAL PRICING POLICY

Now is the time when a fair pricing policy based on sound management and prudent economic operation can reestablish the viability of the railroads. A return to the abuses which a century ago forced the regulation of the industry will not solve the fundamental problems of the railroads. It will, however, exacerbate national energy and economic problems.

In light of the potential pricing abuses and other negative effects which deregulation will produce, we note the amendment offered by Senator Russell Long. The Long amendment would not deny railroads a reasonable profit—one which would permit them to prosper. It would simply force them to justify rate increases beyond a level which was deemed reasonable. By requiring the ICC to investigate such cases and placing the burden of proof for requested increases upon the railroads, the amendment affords consumers at least the opportunity to have a hearing. The much weaker Cannon amendment, on the other hand, offers not only an unjustifiably high rate of profit to begin with, but would leave the possible investigation of rates exceeding that level to the discretion of the ICC. This assures the consumer of virtually no protection.

The Long amendment offers the minimum amount of protection that American consumers deserve. Without hindering the capability of the railroad industry to earn a profit, this amendment would work to keep some lid on captive railroad traffic rates. In contrast, the Cannon amendment blows that lid sky high.

The Consumer Energy Council of America urges you to protect American consumers from exorbitant price increases in yet another energy source by supporting the Long amendment. Without this or even stronger amendments, the bill would be catastrophic to consumers; we therefore urge you to vote against S. 1946 if the Long amendment is defeated.

Sincerely,

ELLEN BERMAN,
Executive Director.

Mr. LONG. In addition, Mr. President, I have just received a copy of a letter addressed to all Senators by the United Automobile Workers of America (UAW), strongly endorsing the Long amendment to S. 1945. I ask unanimous consent that this letter, dated March 26, 1980 and signed by legislative director Howard G. Paster, be printed in the RECORD at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MARCH 26, 1980.

DEAR SENATOR: I am writing on behalf of the International Union, UAW to urge your support for the amendment sponsored by Senator Russell Long to S. 1946, the Railroad Transportation Policy Act of 1979. We believe that the Long amendment is necessary to protect the American consumer and the American economy from far higher energy costs which could well be one unintended consequence of railroad deregulation.

Under S. 1946, as reported, the transport of captive commodities, such as coal, over which the railroad industry has a virtual monopoly, could be charged any price the railroad wished to exact. In effect, this bill would permit the railroads to raise the price of transporting coal to the Btu equivalency price of OPEC oil, regardless of the actual costs of transport. Rapidly escalating rates for coal shipment will resound throughout the American economy, hitting utility consumers the hardest through skyrocketing electric bills. We have already witnessed the catastrophic fallout from soaring foreign and domestic oil prices, decontrolled heating oil prices, and runaway gasoline prices. The removal of any price protection on coal transport would only worsen the terrible inflation that grips this country.

The Long amendment, which would simply require railroads to justify rate increases beyond a level which was determined by the Interstate Commerce Commission to be reasonable, offers consumers some protection from rampant price increases without denying the railroads the opportunity to realize a reasonable profit. We urge your support of the Long amendment and your opposition to any substitute to it. Thank you.

Sincerely,

HOWARD G. PASTER,
Legislative Director.

MOST RAILROADS QUITE HEALTHY

Mr. LONG. Mr. President, the primary argument made against my amendment by the railroads is that they are a poverty stricken industry with a "rate of return of only 2.5 percent." But, in direct contradiction to this poverty claim, there is a study in the March 17 issue of Business Week magazine which shows that, on 14 selected railroads, the composite return on equity for 1979 was 12.9 percent.

By comparison, Business Week's composite for the public utilities (telephone, electric and gas) shows a return on equity of 12.8 percent, a shade less than that of the railroads. These are the people public utilities, who are complaining about the railroad's rates to their customers.

It should also be pointed out that bond issues of the major railroads have consistently been rated A, double AA or triple AAA among investors (Moody's).

One would not expect such ratings from a financially troubled industry.

I would like to enter in the RECORD two tables from the March 18, 1980 edition of Business Week magazine. The first table gives profitability figures for 14 major railroads. Senators who have been told the average rate of return of the railroad industry is "merely 2.5" should study this chart carefully.

I wish to point out that this chart includes some railroads which are part of holding companies, as well as some which are not. In some of these cases, if only the individual railroad subsidiary is examined, its rate of return on equity is likely to be less than the figure for the entire corporate structure. It has been suggested that, in many instances, railroad holding companies were structured so that valuable land and mineral rights, originally given to the railroad by the Federal Government through land grants during the 1800's, have been transferred to the related corporate subsidiaries. In many respects, it is just as relevant to look at the profitability of the entire corporate entity rather than the single railroad subsidiary.

Mr. President, I ask unanimous consent that the first table be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

	Sales				Profits				Margins				
Company	4th quarter 1979 (millions)	Change from 1978 (percent)	12 mo 1979 (millions)	Change from 1978 (percent)	4th quarter 1979 (millions)	Change from 1978 (percent)	12 mo 1979 (millions)	Change from 1978 (percent)	4th quarter 1979 (percent)	4th quarter 1978 (percent)	Return com. eqy. 12 mo ending 12–31	P-E 2–22	12 mo earnings per share
Railroads:													
Burlington Northern	$907.6	33	$3,250.5	28	$50.0	149	$175.6	53	5.5	2.9	8.9	5	13.11
Chessie System	503.2	12	1,859.6	16	49.4	−10	120.5	71	9.8	12.3	9.9	5	6.05
Chicago & North Western Trans	209.9	21	747.3	15	17.3	147	2.2	−86	8.2	4.0	3.5	37	0.50
Kansas City Southern Industries	77.5	24	269.5	17	8.4	60	23.9	31	10.9	8.4	17.3	7	5.12
Missouri Pacific	560.3	26	1,981.5	20	51.9	41	153.3	24	9.3	8.3	23.1	6	9.93
Norfolk & Western Ry	378.0	8	1,449.2	32	57.1	55	198.6	88	15.1	10.5	15.9	5	6.36
Rio Grande Industries	82.6	21	315.3	21	8.4	15	32.3	26	10.2	10.7	11.7	7	6.69
St. Louis-San Francisco Ry	120.4	20	447.5	13	7.4	13	19.8	−4	6.1	6.5	7.9	9	7.47
Santa Fe Industries	716.4	25	2,555.6	22	75.3	49	227.7	38	10.5	8.8	12.5	8	8.08
Soo Line RR	86.8	26	290.5	16	12.0	84	27.6	18	13.9	9.5	14.9	6	3.36
Southern Pacific	690.6	16	2,626.4	15	56.8	6	179.9	55	8.2	9.0	9.1	6	6.67
Southern Ry	396.2	18	1,467.3	16	33.3	8	160.6	26	8.4	9.1	14.3	6	10.39
Union Pacific	1,155.4	41	3,989.5	35	100.8	27	382.5	45	8.7	9.7	16.2	12	8.02
Western Pacific Industries	57.2	52	194.5	31	9.3	119	29.1	62	16.2	11.2	18.8	4	10.64
Industry composite	5,941.9	25	21,444.2	23	537.4	34	1,733.6	43	9.0	8.4	12.9	9	7.68

Mr. LONG. The second table indicates that Business Week has recognized the railroads as one of 12 "standout" industries in the United States. For the entire year of 1979, railroad profits were 43 percent greater than the previous year.

Mr. President, I ask unanimous consent that the second table be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

STANDOUT INDUSTRIES

[Percent change in profits versus year before]

Industry	Percent
BEST	
4th quarter, 1979:	
Tire and rubber	+1,117
Natural resources (fuel)	+77
Metals and mining	+60
Oil service and supply	+34
Railroads	+34
Containers	+30
WORST	
4th quarter, 1979:	
Beverages	−15
Trucking	−17
Special machinery	−42
Autos	−75
Airlines	Net loss
Steel	Net loss
All-industry average	+13
BEST	
Full year, 1979:	
Metals and mining	+104
Natural resources (fuel)	+76
Aerospace	+50
Conglomerates	+46
Railroads	+43
Tire and rubber	+43
WORST	
Full year, 1979:	
Savings and loan	−1
Trucking	−11
Autos	−26
Steel	−30
Appliances	−34
Airlines	−59
All-industry average	+22

Mr. LONG. Perhaps the most illustrative evidence of something being amiss about the railroad's tale of woe, based upon a supposed low rate of return on investment, comes from the railroads themselves. For example, in the July 17, 1978 Traffic World, Stanley Crane, chairman of the Southern Railway, was fond of saying "9 out of 10 of the top U.S. railroads have consistently made a profit." I say he was fond of saying it because he has said this on many other occasions. Jack Fishwick, president of Norfolk and Western, testifying before the House Subcommittee on Transportation and Commerce May 31, 1979, stated:

> If you read the annual report to stockholders of the railroads . . . you will find most of the railroads in this country are doing well.

There is a great deal of optimism for growth and future earnings in the railroad industry. A December 31, 1979 article in Railway Age reports that:

> Money has been applied to the industry and by the industry in amounts never seen before—private sector money, money invested to make money.

With a steadily increasing return on equity, a demonstrated ability to obtain investment money, and excellent bond ratings, you might wonder why the alleged rate of return on investment is less than 3 percent in the rail industry. There are at least two possible explanations:

First, the railroads' net investment used in these calculations has not been pruned to include only those assets "used and useful" in the transportation industry. In contrast to the electric utility industry where the rate base is carefully controlled, defined, and verified, the railroads' investment base is neither regulated nor verified.

Second, the rate of return of a railroad is not directly comparable to rates of return in other industries, including other transportation industries, due to the use by railroads of replacement retirement betterment accounting—"betterment accounting"—for right-of-way investment.

BETTERMENT ACCOUNTING METHOD

This unique accounting method is the core of the problem. For many years, the railroad industry has been attempting to have their accounting legitimatized for the Internal Revenue Code. In response to their claim, the Finance Committee reported H.R. 1319, which would allow retirement replacement betterment accounting to be used by the railroad industry.

In the betterment accounting method, the initial cost of track structures is entered in the railroad's books as a nondepreciable asset. Subsequently, when the railroad rehabilitates the track, replacements of original track such as new ballast, new ties, new rail, and new track materials are charged on the books as operating expenses. If upgrading is involved, as, for example, if existing rail is replaced with heavier rail, the cost of it, to the extent of the upgrading, is entered as a nondepreciable asset. When a railroad abandons trackage, it charges as operating expense the original recorded value of the track, less salvage value. The method of accounting used to determine return on net investment in other businesses is depreciation accounting. It is a method in which original investment is depreciated over time, replacements and betterments are charged to the capital account, and abandoned assets are charged against accumulated depreciation.

The use by the railroad industry of betterment accounting has four major effects: First, it tends to inflate net investment; second, it tends to depress income, and, therefore, third, to depress the railroads' returns on their net investments; and fourth, it tends adversely to affect the railroads' operating ratios—the ratios of railway operating expense to railway operating income.

This effect is well recognized by investors. In a rail industry review by the New York investor firm of L. F. Rothschild, Unterberg, Towbin, it was reported in reference to Burlington Northern, Inc. stock that:

> The investor in BNI stock has always been faced with the difficulty in interpreting earnings because of the substantial capital expenditures which are undertaken under the rubric of "maintenance of way." As a corollary, the extent of track wear itself—the real "expense"—has never been reflected in earnings. BNI's railroad earnings would be far more meaningful if depreciation accounting is adopted as an industry standard. The company, however, would probably show materially higher earnings as a result, which could tend to depress the level of Western coal rates.

In any other industry, the majority of the net investment which the railroads compare to their return would have been fully depreciated a century or more ago, and charges which the railroads record as operating expenses would not be used to offset income.

Furthermore, it is hardly appropriate for healthy railroads, making profits which would not justify an increase, to claim the right to raise rates on captive customers merely because some other railroad, such as the Rock Island or Milwaukee, happens to be losing money. This would be the same as if the Potomac Electric Power Co. in Washington, D.C. were making profits as large as the law would permit, but were asking for rate increases because Consolidated Edison in New York was losing money.

If ConRail, the Milwaukee or the Rock Island Railroad want to raise rates, there is no problem because they are losing money. But their ill health should not justify the very profitable railroads raising rates.

Under my amendment, none of the money-losing railroads would have much difficulty in justifying the increase in rates on captive traffic. Healthy roads would have more difficulty bearing their burden of proof, as indeed they should if the American consumer is to be protected.

Just as returns on equity, bond ratings, or a demonstrated ability to raise money for investment should not be considered alone, the industry's aggregate rate of return on investment should not be the sole criterion in assessing an industry's financial health. However, if most financial indicators suggest that the railroad industry as a whole is not in financial trouble, and if a major part of the rail business is operated from an impregnable, entirely legal monopoly position, what then is the justification for opening the doors to a raid on the Nation's rail captive shippers?

Finally, Mr. President, there are allegations that my amendment would vastly increase regulation and result in frivolous complaints by shippers. However, under my amendment a shipper protesting a new rate proposal would be required to show that the rate involved exceeds the level established by the Commission as the appropriate point to shift the burden of proof to the carrier.

As a practical matter, this means that the shipper must prepare a cost study within the brief period of time permitted to protest, demonstrating the relation of the proposed rate to the cost of service. The carrier would then be able to respond with its own cost-of-service study.

Only if the Commission finds, based upon its evaluation of the cost studies, that the proposed rate exceeds the threshold it has stated under the amendment, would it be required to investigate.

In other words, only once the shipper has borne an initial burden of proof to the satisfaction of the ICC, would the railroad then be required to justify the reasonableness of the rate proposed.

In this sense, my amendment calls for a shared burden of proof and would preclude the filing of frivolous complaints by shippers, since that initial burden of proof will be substantial and expensive.

Mr. President, I call upon my colleagues to study the arguments carefully during the next 3 or 4 days. This issue will mean hundreds of millions of dollars to consumers in every State. My amendment will protect the railroads and the consumers without undue regulatory complications.

I ask unanimous consent that the text of my proposed amendment be printed in the Record at this point.

There being no objection, the amendment was ordered to be printed in the Record, as follows:

On page 51, line 3, strike " 'necessary.' " and insert in lieu thereof the following: "necessary.

(5)(A) Within 120 days of enactment of this section, the Interstate Commerce Commission shall determine on the record, after a hearing, a single ratio of revenue-to-variable cost (expressed as a percentage) which, for the purpose of this subsection, other rate increases which exceed those authorized under this subsection, and new rates which exceed the adjusted base rates authorized under section 10701(f), shall constitute a point at which, upon challenge by an affected shipper, the Interstate Commerce Commission shall be required to investigate the reasonableness of the proposed rate or new rate.

Notwithstanding the provisions of paragraph (3) of this subsection,

(i) any new rate reflecting a ratio which is greater than the ratio determined by the Commission as provided in this subsection or

(ii) any rate increase which is above that allowed under section 10701(f) and which would reflect a ratio which is greater than the ratio determined by the Commission as provided in this subsection, to the extent of the increase, shall be investigated by the Commission on complaint of a shipper, or may be investigated on the Commission's own motion, under section 10707 of this title and shall also be subject to challenge by filing of a complaint under section 11701(b) of this title: in either event, the burden of proof as to the reasonableness of the rate shall be upon the carrier.

In determining whether a carrier has satisfied its burden to establish that a rate is reasonable, the Commission shall consider all relevant factors including evidence which demonstrates:

1. the amount of traffic which is transported at revenues below variable cost and efforts made to minimize such traffic;

2. the amount of traffic which contributes only marginally to fixed costs and the extent to which, if any, rates on such traffic can be changed to maximize the revenues from such traffic; and

3. the impact of the proposed rate or rate increase on the attainment of the national energy goal of meeting the nation's energy requirements at a reasonable cost and lessening reliance on foreign energy sources, taking into account the railroads' role as a primary source of energy transportation and the need for a sound rail transportation system.

(B) In establishing the ratio in accordance with subparagraph (A) of this subsection, the Commission shall consider all relevant factors, including but not limited to:

(1) the average ratio developed pursuant to the provisions of subsection (e) of this section and the need for a differential between that ratio and the ratio developed under this subsection in order to realize the revenue adequacy goals of 49 U.S.C. Section 10704, as measured by economical and efficient rail management.

(2) inflationary impact of various levels of revenue-to-variable costs, particularly as such impact relates to the attainment of national energy goals.

(3) the extent to which railroad revenue shortfall is not the result of unprofitable branch line service; rail traffic moving below variable cost or only marginally contributing to fixed costs, and excess capacity.

RECESS UNTIL 9:30 A.M. TOMORROW

The PRESIDING OFFICER. The Senator from California.

Mr. CRANSTON. Mr. President, I move, in accordance with the previous order, that the Senate stand in recess until 9:30 a.m. tomorrow morning.

The motion was agreed to and, at 6:13 p.m., the Senate recessed until tomorrow, Thursday, March 27, 1980, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate March 26, 1980:

FOREIGN CLAIMS SETTLEMENT COMMISSION

Francis Leon Jung, of Virginia, to be a Member of the Foreign Claims Settlement Commission of the United States for the term expiring September 30, 1980 (new position, Public Law 96-209).

NATIONAL INSTITUTE OF BUILDING SCIENCES

The following-named persons to be Members of the Board of Directors of the National Institute of Building Sciences for the terms indicated:

For terms expiring September 7, 1980:

Rudolph William Bramberg, Jr., of Florida, vice Robert F. Schmitt, term expired.

S. Eugene Ruff, of North Carolina, vice Charles H. Pillard, term expired.

For terms expiring September 7, 1981:

Joseph T. Power, of Virginia (new position).

William F. Floyd III, of Georgia (reappointment).

Warner Howe, of Tennessee (reappointment).

Charlene F. Sizemore, of West Virginia (reappointment).

Jeremiah Thomas Walsh, of New York (reappointment).

For a term expiring September 7, 1982:

Blanca G. Cedeño, of New York (reappointment).

For terms expiring September 7, 1983:

Rudolph William Bramberg, Jr., of Florida (reappointment).

S. Eugene Ruff, of North Carolina (reappointment).

In the Navy

The following-named lieutenants of the U.S. Navy for temporary promotion to the grade of lieutenant commander in the line and staff corps, as indicated, pursuant to title 10, United States Code, sections 5769 (line), 5773 (staff corps), 5793 (Medical Corps), and 5791, subject to qualification therefor as provided by law:

LINE

Nakayama, Dean S.
Roberts, Bruce A.
Wies, David S.

MEDICAL CORPS

Ho, Ju C.
Hurst, David B.
Klatt, Richard W.
Puder, Robert D.

CHAPLAIN CORPS

Dickerson, Jerry L.

JUDGE ADVOCATE GENERAL'S CORPS

Guter, Donald J.

NURSE CORPS

Costello, Judith M.
Sheridan, Gary C.
Eckstein, Barbara J. B.
Slep, Toby M.
Williams, Mary D.

The following lieutenants (junior grade) of the U.S. Navy for temporary promotion to the grade of lieutenant in the line and staff corps, as indicated, pursuant to title 10, United States Code, sections 5769 (line), 5773 (staff corps), and 5791, subject to qualification therefor as provided by law:

LINE

Alvey, Albert C.
Appleton, Bruce R.
Ashley, Douglas J.
Baumgartner, Edward M.
Cantwell,
Boice, David V.
Cantwell, Thomas J. III
Conti, Mark
Clark, Richard T.
Crites, Steven R.
Davis, Jack B.
Egan, Henry F. D.
French, Brian A.
Gabriel, Gary L.
Glavey, John L.
Hodel, Lawrence E.
Jeffords, Terry A.
Jeffries, Donald W.
Johns, Michael K.
Kary, Edmund G.
Lambert, Robert J.
Landon, David R.
Lavarnway, Robert F. Jr.
Libsack, Craig V.
Lochhead, Lawrence R.
Mahoney, John P.
McDermott, Joseph A., Jr.
Mercado, Hilario, Jr.
Millard, Bradley J.
Miller, Jeffrey D.
Miller, Mark T.
Mines, Jeffrey K.
Mize, Robert S.
Moreland, James R.
Morris, David V.
Murdock, Paul I.
Olson, Lawrence W.
Patzer, David L.
Raab, Michael A.
Salazar, Gary M. F.
Sander, Thomas N.
Speight, Steven L.
Terrell, Arthur R.
Tiarsmith, Jerry
Tomkovitch, John
Townes, Stuart A.
Vandam, Gerald E.
Wice, Michael D.
Wolff, Charles D., Jr.
Wood, William R.
Woodfin, William C.
Zamboni, Joseph W.

SUPPLY CORPS

Blackiston, Harvey H.
Daley, Dennis J.
Damron, Michael S.
Dennis, Joseph H.
Genualdi, Frederick
Hampton, Christopher, H.
Harmon, Elmer S.
Klingel, Mark J.
Lynch, Kevin M.
Long, Charles S.
Louie, Kwok Y.
Nutting, Scott A.
Ripperton, John G.
Roseberry, Robert M.

CIVIL ENGINEER CORPS

Sundberg, Michael R.

MEDICAL SERVICE CORPS

Johanson, David C.

NURSE CORPS

Bramsen, Linda A.
Camosy, Dennis D.
Colgan, Thomas E.
Greene, Carroll J.
Habig, Christina L.
Holeman, Gregory P.
Hornberger, Carol W.
Lehman, Mary
Quisenberry, Mary E.
Smith, Cheryl L.
Weader, Steven H.

The following-named woman lieutenant (junior grade) of the U.S. Navy for permanent promotion to the grade of lieutenant in the line, pursuant to title 10, United States Code, sections 5771 and 5791, subject to qualification therefor as provided by law:

Corman, Cynthia D.

The following-named lieutenant commander of the line of the U.S. Navy, for appointment in the Dental Corps as permanent lieutenant commander, pursuant to title 10, United States Code, sections 5578(b) and 5791, subject to qualification therefor as provided by law:

Lamar, Mario J.

The following-named ensign of the Supply Corps of the U.S. Navy, for appointment in the line of the U.S. Navy as permanent ensign, pursuant to title 10, United States Code, sections 5582(a) and 5791, subject to qualification therefor as provided by law:

Brown, Kenneth D.

In the Coast Guard

The following-named lieutenant commanders of the Coast Guard Reserve to be permanent commissioned officers in the Coast Guard Reserve in the grade of commander:

David J. Tirrell
Peter N. Thurman
Earle W. Keith III
Ernest H. Latham, Jr.
Charels J. Zammit
John E. Stolz
William M. Dubbin
Frank E. Trotto
Clifford R. Phelps
David K. Wenger
John G. Harwood
Karl L. Reichelt
Ray A. Heller
Wayne W. Pulley
James R. Trammell
Richard A. Lyons
Jack L. Powell
Jack V. McCain
Benjamin B. Baker
James R. Beaupre
Philip S. Jones
Herbert J. Spiegel
Harold E. Ransom
Harold C. Bounds
Thomas A. Rosseter
Martin V. Lake
Paul S. Schooler
James H. Jarrell
Warren G. McDonald
Arvis L. Reed
Ernest P. Graves
John F. Rump
Richard T. Geist
Jayne F. Blair
Douglas P. Starr
Keith M. Lucas
Tad D. Kelley
Lewis H. Strickland
Thomas J. Riley
William E. Oshea
Martin A. Grill
Thomas A. Lopez
John F. Conlon, Jr.
Edward T. P. McCarthy
Maurice D. G. Lafferty
Gary J. Ausman
John H. Wilson
John D. Basque
Ronald W. Rogowski
Philip C. Wrangle
Robert A. Locke
John J. Clare
Travis H. Willis
Henry T. Meneely, Jr.
Gregory R. Morton
George R. Merrilees
Albert D. Melendrez
Francis M. Blanchard, Jr.
James J. Early, Jr.
Armando Ramos
Edward E. Tyson
Gordon E. Hoffman
Hans J. Wolfer
Peter J. Heistand
Lawrence G. Doench
Raymond E. Cunningham
Anthony J. Lutkus
John H. McConnell
Richard E. Cunningham
Lewis W. Parker
Steven C. Martin
Paul W. Needham, Jr.
Donald H. Hagen
Joseph E. Bartnicki
Charles F. Marcus
Thomas E. Lewis
Louis A. Unger III
Howard B. Hallett
Robert L. Anderson
Elzie S. Tosto
Albert L. Epstein
Magnus M. Nilsson
Richard R. Calay
David L. Boothe
John A. Grippi
James D. Carter
William J. McLay
Donald R. Zuchelli
Adolf E. Fullgrabe
Robert L. Chase
Walter A. Bearden
Dennis W. Kurtz
Yuillie M. Young, Jr.
Robert L. Patcha
Sylvester G. Payne
Bruce D. Weyermann

In the Air Force

The following cadets, U.S. Air Force Academy, for appointment in the Regular Air Force in the grade of second lieutenant, effective upon their graduation, under the provisions of section 8284 and 9353, title 10, United States Code. Date of rank to be determined by the Secretary of the Air Force:

Accardo, Joseph A., Jr., [redacted].
Acoba, Primo J., [redacted].
Adams, Daniel S., Jr., [redacted].
Akelman, Andrew A., [redacted].
Alexander, David L., III, [redacted].
Allardice, Robert R., [redacted].
Amicarelli, Daniel, [redacted].
Andersen, Thomas K., [redacted].
Anderson, David R., [redacted].
Andrews, Edward, [redacted].
Andrews, William F., [redacted].
Angarole, Michael I., [redacted].
Angello, Joseph J., Jr., [redacted].
Apfel, Karl A., [redacted].
Arata, Thomas C., [redacted].
Arboleda, Henry J., [redacted].
Aretz, Anthony J., [redacted].
Armbruster, Theresa K., [redacted].
Ashley, Richard T., [redacted].
Astin, Jared A., [redacted].
Audiss, Mark D., [redacted].
Augst, Gregory D., [redacted].
Ault, Jeffrey T., [redacted].
Austin, Fred, [redacted].
Babineau, Robert J., [redacted].
Baird, Ronald E., [redacted].
Baker, William A., [redacted].
Balazs, James M., [redacted].
Ball, Shelby G., [redacted].
Banwell, Carrie L., [redacted].
Barker, John M., Jr., [redacted].
Barland, Karen S., [redacted].
Barnett, Deanne M., [redacted].
Bassett, Charles K., [redacted].
Batts, Stephen M., [redacted].
Bauer, Bradley A., [redacted].
Bauer, Johann R. Ernst, [redacted].
Beard, Thomas W., [redacted].
Becker, William R., [redacted].
Beesley, Richard A., [redacted].
Beeson, Travis M., Jr., [redacted].
Benjamin, Gail F., [redacted].
Benjamin, Vaughn P., Jr., [redacted].
Benn, Mack I., [redacted].
Berger, Nancy D., [redacted].
Best, James H., [redacted].
Bianco, Joseph A., [redacted].
Biederstedt, Richard J., [redacted].
Bienn, Marvin, [redacted].
Bigo, Henri J., [redacted].
Bishop, Kathleen M., [redacted].
Bivans, Raymond A., [redacted].
Blakeman, David M., [redacted].
Blazicko, Rudolph J., [redacted].
Blevins, Charles K., [redacted].
Bloemer, John D., [redacted].
Bobinger, Mark A., [redacted].
Boedigheimer, Ralph A., [redacted].
Boice, Rebecca E., [redacted].
Bond, Eugene L., [redacted].
Boone, Daniel L., [redacted].
Bopp, Andrea M., [redacted].
Borchardt, Mark D., [redacted].
Bornmann, Richard L., Jr., [redacted].
Borrelli, Louis, [redacted].
Borsi, John J., [redacted].
Bowles, James L., Jr., [redacted].
Boyer, David A., [redacted].
Bracich, Mark E., [redacted].
Brady, Frank H., [redacted].
Breen, Thomas M., [redacted].
Brennan, Timothy P., [redacted].
Britton, David P., [redacted].
Broe, Thomas M., [redacted].
Brown, Bradley E., [redacted].
Brown, David R., [redacted].
Brown, Deron M., [redacted].
Brown, Gregory A., [redacted].
Brown, Michael A., [redacted].
Brown, Peter M., [redacted].
Brunskole, Steven E., [redacted].
Buehler, Michael R., [redacted].
Bruehler, Robert B., [redacted].
Bullard, Kurt, [redacted].
Bunch, Lewis A. III, [redacted].
Bunting, Frank L., [redacted].
Burgos, Nelson I., [redacted].
Burrell, Hugh F., [redacted].
Burtch, Clark D., [redacted].
Bush, James D., [redacted].
Bussian, Eric R., [redacted].
Butler, James B., [redacted].
Butlett, Kevin M., [redacted].
Byrne, Ronald E. III, [redacted].

Caine, Virginia L., [redacted].
Cameron, Charles S., [redacted].
Campbell, Jeffrey O., [redacted].
Campbell, Patrick E., [redacted].
Campbell, William L., [redacted].
Cannon, Ross A., [redacted].
Capella, Gregory S., [redacted].
Cardenas, Michael D., [redacted].
Carey, Kenton S., [redacted].
Carlson, Michael L., [redacted].
Carlson, Walter G., Jr., [redacted].
Carpenter, Paul M., [redacted].
Carrothers, Scott W., [redacted].
Carter, Craig A., [redacted].
Cashatt, James A., [redacted].
Castro, Christopher M., [redacted].
Catone, Neil D., Jr., [redacted].
Cedergren, David A., [redacted].
Cervenak, Matthew W., [redacted].
Chapman, Robert E., II, [redacted].
Chavez, Scott A., [redacted].
Cheney, Joseph F., [redacted].
Cherniga, John J., [redacted].
Childers, Timothy R., [redacted].
Chin, Arthur, [redacted].
Ching, Glenn K. Choy, [redacted].
Chow, Randolph W., [redacted].
Chretien, Justin L., [redacted].
Christopher, John, [redacted].
Clapp, Randolph E., [redacted].
Clark, David P., [redacted].
Clark, Marjorie L., [redacted].
Clark, Patrick K., [redacted].
Claypool, Thomas L., [redacted].
Cleeremans, Mark R., [redacted].
Clewis, Richard L., [redacted].
Cline, Alexander W., [redacted].
Cline, David E., [redacted].
Colabufo, James J., [redacted].
Cole, Karen L., [redacted].
Collins, Phillip B., Jr., [redacted].
Coltman, William C., Jr., [redacted].
Comtois, Anthony J., [redacted].
Conley, Kathleen M., [redacted].
Conner, Daryl W., [redacted].
Conrad, Roy M., [redacted].
Conway, David V., [redacted].
Cook, Joseph W., III, [redacted].
Cooper Robert R., [redacted].
Copley, Ricky D., [redacted].
Corbett, Jerry G., [redacted].
Cornum, Kory G., [redacted].
Correia, John P., [redacted].
Corso, Joseph P., [redacted].
Coucoules, John S., [redacted].
Coutts, William C., [redacted].
Cox, Clay D., [redacted].
Crandall, Richard E., [redacted].
Creegan, Michael P., [redacted].
Croghan, John F., [redacted].
Cross, James E., [redacted].
Croy, Jeffrey F., [redacted].
Crump, James R., [redacted].
Cuellar, Christopher R., [redacted].
Cullis, Brian J., [redacted].
Cummings, Mark E., [redacted].
Cunnock, Jeanna L., [redacted].
Cunningham, George L., [redacted].
Currens, Charles B., [redacted].
Daily, William P., [redacted].
Daley, Mary W., [redacted].
Darula, Sandra L., [redacted].
Davidson, Cary G., [redacted].
Davis, Bryan K., [redacted].
Davis, Duane G., [redacted].
Davis, Mark S., [redacted].
Davis, Peggy B., [redacted].
Dawidowicz, Stephen H., [redacted].
Deanegelo, Tony R., [redacted].
Decou, Stephen R., [redacted].
Dehnert, Toby N., [redacted].
Demers, Jon L., [redacted].
Dennis, Margaret L., [redacted].
Depatis, Lawrence E., Jr., [redacted].
Desbordes, David A., [redacted].
Desjardins, Susan Y., [redacted].
Devenuto, Joseph, [redacted].
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Gill, Daniel L., II, [redacted].
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Glowacki, David S., [redacted].
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Goetz, T. T., [redacted].
Goggins, Edward G., [redacted].
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Grabowski, Gary A., [redacted].
Grant, Kevin, [redacted].
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Griggs, Brian J., [redacted].
Girsham, Tad A., [redacted].
Gruber, David J., [redacted].
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Gunn, Willie A., [redacted].
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Gvazdauskas, Peter J., Jr., [redacted].
Hadzick, Edward J., [redacted].
Hager, Douglas S., [redacted].
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Hamilton, Charles A., [redacted].
Hamm, Alan D., [redacted].
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Hebert, Joseph E., [redacted].
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Prusz, Michael J., [redacted].
Pryor, Loren G., [redacted].
Putman, James L., [redacted].
Puyear, Jerry R., [redacted].
Quinn, David J., [redacted].

Radosevich, Kenneth P., xxx-xx-xxxx.
Rainey, Steven M., xxx-xx-xxxx.
Ralph, Donald C., xxx-xx-xxxx.
Randolph, Daniel L., xxx-xx-xxxx.
Ratcliffe, Howard C., xxx-xx-xxxx.
Reasner, Chris A., xxx-xx-xxxx.
Rees, Daniel G., xxx-xx-xxxx.
Reeves, Robert L., xxx-xx-xxxx.
Reichman, Donald L., xxx-xx-xxxx.
Reidinger, Mark F., xxx-xx-xxxx.
Reilly, Kevin T., xxx-xx-xxxx.
Reinhart, Daniel L., xxx-xx-xxxx.
Renner, Robert L., xxx-xx-xxxx.
Reville, Albert E., Jr., xxx-xx-xxxx.
Rice, James H., Jr., xxx-xx-xxxx.
Richard, Jeffrey E., xxx-xx-xxxx.
Richards, Julie A., xxx-xx-xxxx.
Richardson, Guy E., xxx-xx-xxxx.
Ringo, Charles A., xxx-xx-xxxx.
Ritchie, Thomas E., xxx-xx-xxxx.
Robinson, Brian E., xxx-xx-xxxx.
Robinson, Thomas E., Jr., xxx-xx-xxxx.
Rodriguez, Kenneth F., xxx-xx-xxxx.
Rodriguez, Pacifico L., xxx-xx-xxxx.
Roemish, Lorraine Y., xxx-xx-xxxx.
Roley, Ross E., xxx-xx-xxxx.
Roodhouse, Stephen L., xxx-xx-xxxx.
Rosado, Orlando, xxx-xx-xxxx.
Rosenberger, Glenn D., xxx-xx-xxxx.
Ross, James A., xxx-xx-xxxx.
Ross, Michael D., xxx-xx-xxxx.
Roy, William J., xxx-xx-xxxx.
Rudolph, John K., xxx-xx-xxxx.
Ruff, Christopher D., xxx-xx-xxxx.
Ruhlman, Philip M., xxx-xx-xxxx.
Ruiz, Jose, xxx-xx-xxxx.
Rupp, Alexander M., xxx-xx-xxxx.
Ryan, George W., Jr., xxx-xx-xxxx.
Ryan, Patricia T., xxx-xx-xxxx.
Sadlowski, Donald G., xxx-xx-xxxx.
Saives, Jamie L., xxx-xx-xxxx.
Sajevic, Robert R., xxx-xx-xxxx.
Salazar, Arnoldo B., xxx-xx-xxxx.
Saleck, Stephen R., xxx-xx-xxxx.
Sample, Joseph M., xxx-xx-xxxx.
Sanders, Thomas R., Jr., xxx-xx-xxxx.
Sanford, Joseph T., xxx-xx-xxxx.
Sargent, Frederick E., xxx-xx-xxxx.
Saville, Daniel G., xxx-xx-xxxx.
Saxer, Robert K., xxx-xx-xxxx.
Saxon, Frank I., xxx-xx-xxxx.
Scales, Daniel K., xxx-xx-xxxx.
Schaefer, Bonnie J., xxx-xx-xxxx.
Schafer, Roby L., xxx-xx-xxxx.
Schillinger, Albert J., Jr., xxx-xx-xxxx.
Schlattmann, Craig H., xxx-xx-xxxx.
Schley, Robert E., xxx-xx-xxxx.
Schmidt, Edward B., xxx-xx-xxxx.
Schneider, James M., xxx-xx-xxxx.
Scholtz, John C., III, xxx-xx-xxxx.
Schroeder, Christopher K., xxx-xx-xxxx.
Schuch, Stephen C., xxx-xx-xxxx.
Schuff, Richard K., xxx-xx-xxxx.
Schulter, Matthew J., xxx-xx-xxxx.
Scott, Robert M., xxx-xx-xxxx.
Scully, Sean P., xxx-xx-xxxx.
Sears, Alvin D., xxx-xx-xxxx.
Seaver, Christopher A., xxx-xx-xxxx.
Seeber, Craig M., xxx-xx-xxxx.
Seeley, Tim R., xxx-xx-xxxx.
Seggerty, Brian K., xxx-xx-xxxx.
Seibel, Mark, xxx-xx-xxxx.
Seitz, Matthew T., xxx-xx-xxxx.
Selva, Paul J., xxx-xx-xxxx.
Senn, Debra J., xxx-xx-xxxx.
Senz, Tanya, xxx-xx-xxxx.
Seufert, John R., xxx-xx-xxxx.
Seybert, Roy D., Jr., xxx-xx-xxxx.
Shalz, Bernard L., Jr., xxx-xx-xxxx.
Shirasago, Dale T., xxx-xx-xxxx.
Shivnen, John J., xxx-xx-xxxx.
Shugg, Charles K., xxx-xx-xxxx.
Siegal, Jerry I., xxx-xx-xxxx.
Silva, James T., xxx-xx-xxxx.
Simonitsch, Pamela J., xxx-xx-xxxx.
Simpson, Wendell P. 3rd, xxx-xx-xxxx.
Sincere, John C., xxx-xx-xxxx.
Singleton, Robert R., xxx-xx-xxxx.
Sirote, Jerome D., Jr., xxx-xx-xxxx.
Skinner, Carl M., xxx-xx-xxxx.
Skotnicki, James R., xxx-xx-xxxx.
Slavec, Laurie S., xxx-xx-xxxx.
Sloan, Thomas J., xxx-xx-xxxx.
Smellie, Michael G., xxx-xx-xxxx.
Smith, Arthur F., xxx-xx-xxxx.
Smith, Daniel V., xxx-xx-xxxx.
Smith, James R., xxx-xx-xxxx.
Smith, Kevin P., xxx-xx-xxxx.
Smith, Michael B., xxx-xx-xxxx.
Smith, Paul G., xxx-xx-xxxx.
Smith, Paul L., xxx-xx-xxxx.
Smith, Ricki S., xxx-xx-xxxx.
Smith, Stephen E., xxx-xx-xxxx.
Smothermon, James M., xxx-xx-xxxx.
Snoddy, Richard B., xxx-xx-xxxx.
Snyder, Dara C., xxx-xx-xxxx.
Snyder, Mary J., xxx-xx-xxxx.
Soto, Scott S., xxx-xx-xxxx.
Spicer, Thomas R., xxx-xx-xxxx.
Stackman, George W. III, xxx-xx-xxxx.
Stamm, Marshall A., xxx-xx-xxxx.
Stanaski, Andrew J., xxx-xx-xxxx.
Stanaway, Brian J., xxx-xx-xxxx.
Starck, Donald S., xxx-xx-xxxx.
Stefaniak, Michael J., xxx-xx-xxxx.
Steinbeck, David J., xxx-xx-xxxx.
Steinfield, David D., xxx-xx-xxxx.
Stephens, Donny K., Jr., xxx-xx-xxxx.
Stephens, Mark C., xxx-xx-xxxx.
Stewman, Eugene D., xxx-xx-xxxx.
Stimpert, Scott R., xxx-xx-xxxx.
Strabala, Joel S., xxx-xx-xxxx.
Streiffert, Steven C., xxx-xx-xxxx.
Strickland, Robert H., Jr. xxx-xx-xxxx.
Sturch, James P., xxx-xx-xxxx.
Sturmthal, Jeffrey, xxx-xx-xxxx.
Suizu, Robert I., xxx-xx-xxxx.
Swanson, Robert V., xxx-xx-xxxx.
Swauger, Stephen E, xxx-xx-xxxx.
Sweet, Norman C., xxx-xx-xxxx.
Swisher, Mark C., xxx-xx-xxxx.
Swonger, David J., xxx-xx-xxxx.
Syiek, Michael A., xxx-xx-xxxx.
Taijeron, Anthony P., xxx-xx-xxxx.
Takashima, Emi, xxx-xx-xxxx.
Talarico, Paul H., xxx-xx-xxxx.
Tapper, Mark B., xxx-xx-xxxx.
Tarleton, Michael S., xxx-xx-xxxx.
Tart, Brian L., xxx-xx-xxxx.
Tatterfield, Terry A., xxx-xx-xxxx.
Taylor, Glenn E., xxx-xx-xxxx.
Taylor, Larry G., xxx-xx-xxxx.
Taylor, Randy D., xxx-xx-xxxx.
Teston, Gary W., xxx-xx-xxxx.
Therianos, Janet A., xxx-xx-xxxx.
Thiele, Richard F., xxx-xx-xxxx.
Thomas, Bruce L., xxx-xx-xxxx.
Thomas, John R., xxx-xx-xxxx.
Thompson, Scott O., xxx-xx-xxxx.
Thornhill, Paula G., xxx-xx-xxxx.
Thorpe, Dion P., xxx-xx-xxxx.
Tighe, Brian C., xxx-xx-xxxx.
Timmons, Susan J., xxx-xx-xxxx.
Tinebra, Peter M., xxx-xx-xxxx.
Tonneson, Larry E., xxx-xx-xxxx.
Torosian, Arthur J., xxx-xx-xxxx.
Tovani, Jonathan G., xxx-xx-xxxx.
Townsend, Bruce C., xxx-xx-xxxx.
Trageser, Jay E., xxx-xx-xxxx.
Traster, Richard K., xxx-xx-xxxx.
Tremaine, Robert L., xxx-xx-xxxx.
Trimboli, Michael S., xxx-xx-xxxx.
Tritle, Maureen A., xxx-xx-xxxx.
Troyer, Steven E., xxx-xx-xxxx.
Tubb, Craig E., xxx-xx-xxxx.
Tubbs, James O., xxx-xx-xxxx.
Turman, Beverly C., xxx-xx-xxxx.
Turner, Eva C., xxx-xx-xxxx.
Turner, Guy D., xxx-xx-xxxx.
Turner, Michael D., xxx-xx-xxxx.
Turner, Richard H., xxx-xx-xxxx.
Unangst, Edward T., Jr., xxx-xx-xxxx.
Ungashick, Andrea L., xxx-xx-xxxx.
Upshur, Robert A., Jr., xxx-xx-xxxx.
Urbancsik, Brian T., xxx-xx-xxxx.
Utley, Kathleen M., xxx-xx-xxxx.
Uyeda, Charles T., Jr., xxx-xx-xxxx.
Vaccaro, Peter M., xxx-xx-xxxx.
Vajskop, Mark C., xxx-xx-xxxx.
Vallado, David A., xxx-xx-xxxx.
Valle, Thomas, xxx-xx-xxxx.
Valley, Michael T., xxx-xx-xxxx.
Vandagriff, Timothy B., xxx-xx-xxxx.
Vandiver, Rick E., xxx-xx-xxxx.
VanHorn, June A., xxx-xx-xxxx.
VanValkenburg, Mary J., xxx-xx-xxxx.
Vick, Jude D., xxx-xx-xxxx.
Vishoot, Edward L., Jr., xxx-xx-xxxx.
VonBuettner, Kenneth E., xxx-xx-xxxx.
Vorpahl, Richard L., xxx-xx-xxxx.
Votipka, David M., xxx-xx-xxxx.
Waechter, Brian M., xxx-xx-xxxx.
Walker, Daniel R., xxx-xx-xxxx.
Walker, Peggy C., xxx-xx-xxxx.
Wallace, Albert R., xxx-xx-xxxx.
Wallace, Larry S., xxx-xx-xxxx.
Walters, Donald E., xxx-xx-xxxx.
Waples, Sandra L., xxx-xx-xxxx.
Ward, John E., Jr., xxx-xx-xxxx.
Ward, Michael L. Paul, xxx-xx-xxxx.
Warr, Dartanian, xxx-xx-xxxx.
Waters, Steven C., xxx-xx-xxxx.
Watson, Michael R., xxx-xx-xxxx.
Webb, Steven G., xxx-xx-xxxx.
Weber, Ronald R., xxx-xx-xxxx.
Webster, David A., xxx-xx-xxxx.
Webster, Joseph G., xxx-xx-xxxx.
Weese, Daniel L., xxx-xx-xxxx.
Weidenheimer, Randall S., xxx-xx-xxxx.
Wells, William K., xxx-xx-xxxx.
Wendin, Richard J., xxx-xx-xxxx.
Wheeler, Scott L., xxx-xx-xxxx.
Wheeler, Steven H., xxx-xx-xxxx.
White, Dane L., xxx-xx-xxxx.
White, Larry D., xxx-xx-xxxx.
Write, Michael P., xxx-xx-xxxx.
Wiebe, Gregory S., xxx-xx-xxxx.
Wiechert, Robert C., Jr., xxx-xx-xxxx.
Wiegman, Stanley F., xxx-xx-xxxx.
Wilcock, Deborah A., xxx-xx-xxxx.
Wiley, Henry R., xxx-xx-xxxx.
Wilhelm, Karen S., xxx-xx-xxxx.
Wilkinson, Rodney L., xxx-xx-xxxx.
Williams, Daniel A., xxx-xx-xxxx.
Williams, James M., xxx-xx-xxxx.
Williams, Ryan K., xxx-xx-xxxx.
Williams, Thomas A., xxx-xx-xxxx.
Willner, Israel B., xxx-xx-xxxx.
Wilson, Jeffrey A., xxx-xx-xxxx.
Wilson, Jeffrey M., xxx-xx-xxxx.
Wilson, Peter M., xxx-xx-xxxx.
Wilson, Robert A., xxx-xx-xxxx.
Wilson, Robert A., xxx-xx-xxxx.
Wilson, Robert J., xxx-xx-xxxx.
Wilt, Ronald A., xxx-xx-xxxx.
Wingate, James R., xxx-xx-xxxx.
Winn, Byron L., xxx-xx-xxxx.
Winters, Deacon L., xxx-xx-xxxx.
Witham, James C., xxx-xx-xxxx.
Wolf, Lawrence A., xxx-xx-xxxx.
Wolfe, Charles W., Jr., xxx-xx-xxxx.
Wolusky, George A., xxx-xx-xxxx.
Wong, Joseph T., xxx-xx-xxxx.
Wong, Lenora S., xxx-xx-xxxx.
Woodland, Paul S., xxx-xx-xxxx.
Worthingstun, Dean D., xxx-xx-xxxx.
Wright, Richard L., Jr., xxx-xx-xxxx.
Yinger, Daniel S., xxx-xx-xxxx.
Yockey, Keith, xxx-xx-xxxx.
Yost, Kirk A., xxx-xx-xxxx.
Young, Robert A., xxx-xx-xxxx.
Youngs, James P., Jr., xxx-xx-xxxx.
Zapata, Robert, xxx-xx-xxxx.
Zehner, Edwin A., xxx-xx-xxxx.
Zeller, Francis J., xxx-xx-xxxx.
Ziebart, David A., xxx-xx-xxxx.
Zukauskas, Waldemar, xxx-xx-xxxx.

IN THE ARMY

The following-named officer as Permanent Professor at the U.S. Military Academy, under the provisions of the title 10, United States Code, sections 4331 through 4333:

To be professor and deputy head of the Department of Social Sciences

Golden, James R., xxx-xx-xxxx.

The following-named officers for appointment in the Regular Army, by transfer in the grade specified, under the applicable provisions of chapter 335, title 10, United States Code:

To be lieutenant colonel

Brady, Patrick H., [redacted].

To be captain

Castonguay, John F., [redacted].

To be first lieutenant

Finlayson, Kenneth, II, [redacted].
Johnson, James M., [redacted].
Thompson, Nathaniel R., [redacted].

The following-named officers for appointment in the Regular Army of the United States, in the grade specified, under the provisions of title 10, United States Code, sections 3284 through 3294:

To be major

Anderson, Jay H., [redacted].
Ansinelli, Richard, [redacted].
Aoki, John E., [redacted].
Bautista, Etty, V., [redacted].
Begtrup, Robert O., [redacted].
Best, Sharon E., [redacted].
Black, Richard H., [redacted].
Brown, George J., [redacted].
Cervenka, Bennie G., [redacted].
Chagalis, George P., [redacted].
Chiminello, Philip, [redacted].
Clark, Gary B., [redacted].
Cornelison, Joseph, [redacted].
Curtis, Thomas M., [redacted].
Daubek, Joseph L., [redacted].
Elliott, Howard R., [redacted].
Franklin, Douglas, [redacted].
Gates, James R., [redacted].
Glancy, Gerard, [redacted].
Griffith, Thomas G., [redacted].
Gulbrandsen, Jon A., [redacted].
Gulbrandsen, Patricia, [redacted].
Hamilton, James J., [redacted].
Hammack, Dan E., [redacted].
Heath, Richard E., [redacted].
Holsenbeck, Linton, [redacted].
Huntt, Harry A., [redacted].
Jacob, Willis H., [redacted].
Kavanagh, William, [redacted].
Kimmitt, Robert M., [redacted].
Swanson, Dennis R., [redacted].
Zajtchuk, Joan, [redacted].

To be captain

Adams, William V., [redacted].
Aguirre, Jose, [redacted].
Albanese, John S., [redacted].
Albright, Michael D., [redacted].
Allemeier, Daniel, [redacted].
Allen, Francis W., [redacted].
Alpert, Calvert C., [redacted].
Anderson, Wayne E., [redacted].
Baldwin, William R., [redacted].
Beckey, Andrew D., [redacted].
Bell, Kathy N., [redacted].
Blum, George J., [redacted].
Boecher, Frederick W., [redacted].
Bowie, Reuben A., [redacted].
Branstetter, Ross, [redacted].
Brown, Larry T., [redacted].
Brunson, Frank G., [redacted].
Bryant, Fred, [redacted].
Bryant, Thomas L., [redacted].
Brywka, Michael, Jr., [redacted].
Buckey, Kerry A., [redacted].
Bush, Brian X., [redacted].
Byczek, Thomas M., [redacted].
Call, Kevin L., [redacted].
Capobianco, Arnold R., [redacted].
Carlson, Louis D., [redacted].
Caskey, Ralph M., [redacted].
Cavalier, John A., [redacted].
Cirelli, Joseph F., [redacted].
Clarke, Craig S., [redacted].
Clevenger, Kenneth, [redacted].
Coffin, Charles A., [redacted].
Cork, Timothy R., [redacted].
Cornelius, Roger W., [redacted].
Cotton, John R., [redacted].
Criswell, Mary L., [redacted].
Day, Ordie L., II, [redacted].
Dean, Larry R., [redacted].
Decort, Donald P., [redacted].
Desomery, Cynthia, [redacted].
Dooley, Stephen R., [redacted].
Douglas, Benjamin, [redacted].
Dunn, Michael A., [redacted].
Edlefsen, Gregory, [redacted].
Elkins, Estel E., Jr. [redacted].
England, David M., [redacted].
England, Thomas F., [redacted].
Erpenbach, John E., [redacted].
Faggioli, Vincent, [redacted].
Fano, Robert M., [redacted].
Feeney, Thomas J., [redacted].
Fegley, Gilpin R., [redacted].
Fischer, William G., [redacted].
Fitzpatrick, James, [redacted].
Flachs, Patrick M., [redacted].
Folk, Thomas R., [redacted].
Ford, Lavelle, [redacted].
France, Edward W., [redacted].
Gardner, Christa H., [redacted].
Gaydos, Lawrence A., [redacted].
Gedney, Roy C., [redacted].
George, Joseph A., [redacted].
Goetzke, Joseph A., [redacted].
Goforth, Charles P., [redacted].
Gottlieb, Michelle, [redacted].
Gustafson, Greg R., [redacted].
Hahn, Alan K., [redacted].
Hammond, John R., [redacted].
Hansen, Karl E., [redacted].
Harris, Jeffrey L., [redacted].
Horton, Larry B., [redacted].
Houpe, David V., [redacted].
Hubbard, George W., [redacted].
Huckabee, Gregory, [redacted].
Ihlendeld, Richard W., [redacted].
Imrich, Bernard, [redacted].
James, Anthony V., [redacted].
Jepperson, Jon W., [redacted].
Jewell, Wendell G., [redacted].
Johnson, William H., [redacted].
Jones, Charlotte K., [redacted].
Jones, John T., Jr., [redacted].
Jones, William C. II, [redacted].
Keeling, James H., [redacted].
Kerchmar, James A., [redacted].
King, John E., [redacted].
Knight, Scott P., [redacted].
Kreger, Harold A., [redacted].
Laluz, Catherine G., [redacted].
Lamiell, James M., [redacted].
Leahy, Lawrence M., [redacted].
Lewis, Philip G., [redacted].
Lineweaver, James E., [redacted].
Long, Clarence D., [redacted].
Lowe, John R., [redacted].
Lower, Philip E., [redacted].
Luzier, Thomas L., [redacted].
Marchand, Michael J., [redacted].
Marfell, Kaye L., [redacted].
Martinez, Leo P., [redacted].
McAtamney, James A., [redacted].
McCall, Richard H., [redacted].
McDonald, Peter A., [redacted].
McDonnell, Carbra J., III, [redacted].
McDougle, John B., [redacted].
McKennett, Dorothy F., [redacted].
Merck, Larry S., [redacted].
Mills, James L., [redacted].
Mitchell, William C., [redacted].
Morgan, Roderick H., [redacted].
Morris, Frances E., [redacted].
Moye, Danny R., [redacted].
Myers, John K., [redacted].
Nalle, Louden, [redacted].
Neal, Aliman B., [redacted].
Nee, Sandra J., [redacted].
Neurauter, Joseph, [redacted].
Nickell, Michael D., [redacted].
Niederpruem, Craig, [redacted].
Nypaver, Stephen, [redacted].
Olsen, Michael S., [redacted].
Osborne, Mary L., [redacted].
Pavlick, John J., Jr. [redacted].
Peel, James R., [redacted].
Perugini, Daniel F., [redacted].
Prentice, Joseph, [redacted].
Price, Peter P., [redacted].
Purvis, Jean C., [redacted].
Raible, Steven J., [redacted].
Reeder, Jean M., [redacted].
Rentschler, Carol A., [redacted].
Reyna, Louie, [redacted].
Rice, Frances P., [redacted].
Riley, David L., [redacted].
Rouse, Gladstone E., Jr., [redacted].
Russell, James S., [redacted].
Saunders, Charles, [redacted].
Selby, Edwin D., [redacted].
Sevelius, Arthur E., [redacted].
Sexton, Michael L., [redacted].
Smail, Dorothea L., [redacted].
Smith, Gregory E., [redacted].
Smith, James J. [redacted].
Snyder, Robert C., [redacted].
Sprague, Thomas H., [redacted].
Starcher, Bobby L., [redacted].
Sutton, Stanley P., [redacted].
Sweeney, Jane K., [redacted].
Swihart, John B., [redacted].
Sykes, Fred L., [redacted].
Thomason, Terry E., [redacted].
Thompson, Nathaniel R., [redacted].
Trivette, William, [redacted].
Trotter, Ronald W., [redacted].
Tucker, Sheridan, [redacted].
Turnbull, John D., [redacted].
Wagner, David W., [redacted].
Wanersdorfer, Elizabeth M., [redacted].
Ward, Lawrence M., [redacted].
Warren, Michael D., [redacted].
Webb, Patrick F., [redacted].
Wilcox, John T., [redacted].
Williams, Larry D., [redacted].
Williams, Robert B., [redacted].
Williford, David L., [redacted].
Wilson, Delores E., [redacted].
Woodruff, William, [redacted].
Worthy, Susan F., [redacted].
Yost, Barbara J., [redacted].
Young, John P., [redacted].
Zuber, Darlene R., [redacted].
Zumek, David T., [redacted].

To be first lieutenant

Amstutz, Richard, [redacted].
Bauman, John M., [redacted].
Bell, Steven J., [redacted].
Berwanger, Lois J., [redacted].
Billia, Peter E., [redacted].
Braxton, Maceo, Jr., [redacted].
Casinelli, Paul E., [redacted].
Chacko, Benjamin, [redacted].
Conaway, Cass W., [redacted].
Cosio Michael Q., [redacted].
Crosbie, Edward S., [redacted].
Devera, Herman V., [redacted].
Dickerson, Nathan C., [redacted].
Dunn, Mary A., [redacted].
Elfrink, Loui D., Jr., [redacted].
Fairless, James D., [redacted].
Ferriter, James T., [redacted].
Gardner, Gregory E., [redacted].
Gaskill, Mary E., [redacted].
Gendron, Blake P., [redacted].
Groom, Thomas D., [redacted].
Hagman, John H., [redacted].
Haskell, Carolyn A., [redacted].
Heiman, Howard S., [redacted].
Hilliard, Catherine B., [redacted].
Hilliard, Marvin S., Jr., [redacted].
Jennings, James W., Jr., [redacted].
Knight, Ronald, [redacted].
Lewis, John V., [redacted].
Ley, John P., Jr., [redacted].
Lloyd, William C., III, [redacted].
Long, Margaret M., [redacted].
Mahanti, Bijoy K., [redacted].
Mangual, Felix L., [redacted].
McCann, John T., [redacted].
McGrath, Mary E., [redacted].
McKenzie, Paul E., [redacted].
Michel, Gwendolyn, [redacted].
Morin, Randall S., [redacted].
Murphy, Thomas Jr., [redacted].
Nelms, Russell F., [redacted].
Okeefe, Alice L., [redacted].
Pearson, Ernest C., [redacted].
Perkins, Steven J., [redacted].
Pool, Thomas N., [redacted].
Prather, Patricia F., [redacted].

Pryor, Dennis P., [redacted].
Raymond, John W., [redacted].
Releford, Richard D., [redacted].
Rodriquez, Arnulfo L., [redacted].
Rogers, Shelly K., [redacted].
Roosa, Kenneth S., [redacted].
Rose, William F., [redacted].
Rosen, Richard D., [redacted].
Scott, Elizabeth, [redacted].
Simpson, Kathleen L., [redacted].
Skafioas, Thomas M., [redacted].
Smith, Wiley A., [redacted].
Starzell, James M., [redacted].
Steffenelli, George E., Jr., [redacted].
Stewart, John R., Jr., [redacted].
Tanner, Shelby L., [redacted].
Tolson, George S., [redacted].
Tsuchida, Amy M., [redacted].
Valant, John R., [redacted].
Wallace, Dennis A., [redacted].
Warthen, John G., [redacted].
Williams, Donald L., [redacted].
Williams, Julia B., [redacted].
Wright, Carol M., [redacted].

HOUSE OF REPRESENTATIVES—*Wednesday, March 26, 1980*

The House met at 1 p.m.

The Reverend Russel Wojtenko, St. Cyril of Turau Cathedral, Byelorussian Autocephalous Orthodox Church, Brooklyn, N.Y., offered the following prayer:

In the name of the Father, and of the Son, and of the Holy Spirit.

Almighty Father, Thou art our Creator, Teacher, and Judge. We beseech Thee, free us of all human weakness and guide us in every step of our life on the rightful path.

Eternal God, bless our President and Congress, strengthen their minds with wisdom, fortify their hearts with love, and their deeds with courage.

Merciful God, we pray to Thee on this 62d anniversary of the proclamation of the Byelorussian Democratic Republic, bless the American and Byelorussian peoples in their striving to promote human and national rights and the brotherhood of man. Bless Byelorussia and her people in their sufferings and their struggle against godless communism, lead them from oppression, and endow them with the freedom and dignity befitting all Thy children. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 2318. An act for the relief of Casimir Jan Kray.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 1515. An act to authorize the striking of Bicentennial medals.

The message also announced that the Senate agrees to the amendment of the House to the amendment of the Senate numbered 1 to the bill (H.R. 2676) entitled "An act to authorize appropriations for environmental research, development, and demonstrations for the fiscal year 1980, and for other purposes."

The message also announced that the Senate agrees to the amendments of the House with an amendment to a bill of the Senate of the following title:

S. 1144. An act to authorize appropriations for the Quiet Communities Act for the fiscal years 1980 and 1981.

The message also announced that the Senate insists upon its amendment to the amendment of the House to the text of the bill (S. 1144) and requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. RANDOLPH, Mr. CULVER, Mr. HART, Mr. STAFFORD, and Mr. CHAFEE to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1996. An act to authorize the Secretary of Agriculture to encourage the efficient use of wood and wood residues through pilot projects and demonstrations and a pilot wood utilization program.

REV. RUSSEL WOJTENKO

(Mrs. FENWICK asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. FENWICK. Mr. Speaker, this morning we have heard of our duty to God and to this Republic from Father Wojtenko of the Byelorussian Autocephalous Orthodox Church of St. Cyril. This clergyman is not only a graduate of Rutgers University and New York University Law School, he was also a captain in the U.S. Army and he is the pastor and priest of his flock.

But I would like to say something more about Byelorussia. Perhaps we have forgotten that these people lived for 125 years under czarist rule before they were freed. The date of their freedom, March 25, 1918, is just 1 day behind us.

It was a short and wonderful independence. It was declared in their capital city of Minsk. But on January 1 of 1919 the Russians declared a false republic, the Soviet Socialist Republic of Byelorussia. In 1921 the Soviet Army moved in and the conquest was complete.

So we have had since then the same sad story of oppression, loss of the language, and destruction of churches; the ancient monuments have been destroyed, and the standard Soviet architecture has taken the place of the heritage of the Byelorussian people.

I would like also, if I may, to bring to the attention of my colleagues Michael Kukabaka. He served 6 years in a psychiatric prison and now again he has been sentenced to 3 years in the Vitebskaya oblast.

Why is this man so persecuted? Because he referred to the rights of man and the Declaration of Human Rights, and that is all. He wrote some tracts on it and now this Byelorussian is being imprisoned.

I do not know how many times we have stood on the floor of this House, I and many, many others, speaking up for people who are lost in those prison countries. What can we do except to remember their names, except to remember their sad history and to hope that somehow in God's good time their freedom will come.

ELECTION AS MEMBER OF COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT

Mr. FOLEY. Mr. Speaker, as Chairman of the Democratic Caucus and by the authority of the Democratic Caucus, I send to the desk a privileged resolution (H. Res. 623) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 623

Resolved, That the following-named Member be, and is hereby, elected to the following standing committee of the House of Representatives:

Committee on Standards of Official Conduct: Nick Joe Rahall II, West Virginia.

The resolution is agreed to.

A motion to reconsider was laid on the table.

TWENTY-FIVE YEARS OF MISMANAGEMENT: THE DEMOCRATS TAKE CREDIT WHERE CREDIT IS DUE

(Mr. ASHBROOK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ASHBROOK. Mr. Speaker, I like a man who tells it like it is and Senator GEORGE MCGOVERN did just that in a recent fundraising appeal for the Democratic Congressional Campaign Committee. While the Senator and I sit at opposite ends of the political spectrum and rarely agree on anything, I have always respected him for his honesty and integrity. In his recent appeal for contributions, he did not let me down.

On page 1 of the letter, the Senator says:

> During the course of the 60's and 70's, liberals charted the course of America.

Mr. Speaker, I have no quarrel with that statement, though I am at a loss as to why anybody would want to take credit for such an achievement.

Yes, liberals, most of whom hail from the Democratic side of the aisle, have indeed charted the course of America. Let us take a quick look at where their leadership has taken us.

Twenty-five years of a Democrat-con-

☐ This symbol represents the time of day during the House Proceedings, e.g., ☐ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

trolled Congress has brought us an annual rate of inflation hovering in the neighborhood of 20 percent. We have interest rates to match.

Twenty-five years of a Democrat-controlled Congress has brought us an extremely dangerous energy crisis and gasoline which costs up to $1.30 a gallon, with the promise that we can expect to pay $2 by Christmas.

I could go on and touch upon a few other issues but I do not have enough time left to talk about the rising personal tax burden or our weakening national defense or the overpowering Federal bureaucracy which negatively affects each and every American every day. Mr. Speaker, I will conclude by happily agreeing with Senator McGOVERN on this rare occasion. I am willing to give his party credit where credit is due.

I will only add a final note. In his letter, Senator McGOVERN sums it all up by saying: "We can be rightly proud of the past."

He can but most Americans cannot.

□ 1310

TIME THE TAXPAYERS SAID NO TO THE DEMOCRATS IN CONGRESS

(Mr. CARNEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CARNEY. Mr. Speaker, yesterday in New York, Democrat voters expressed their preference for the Presidential candidacy of Senator KENNEDY over that of President Carter.

Many of the political analysts in the media attributed Senator KENNEDY's victory to his "issues" campaign. They suggested that the vote was a reaction to, among other things, the ineffective economic policies of the Carter administration.

Mr. Speaker, the Carter administration's economic policies have been 4 years of economic ineptitude, to be sure. But the economic woes of our Nation have not been created in just the past 4 years.

No, it has taken the past 25 years of Democrat control of the Congress to bring this country into the economic mess of today.

Carter has proposed some silly and ineffective programs, but it remains for the Congress to approve them, to authorize money for them. And for 25 years the Democrats in Congress have been saving yes to spending, yes to inflation, and no to the needs of the taxpayers.

Mr. Speaker, it is time the taxpayers said no to the Democrats in Congress.

THE PEOPLE OF AMERICA OPPOSE PRESIDENT CARTER'S 18-PERCENT INFLATION

(Mr. COLLINS of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COLLINS of Texas. Mr. Speaker, I want to join my colleague, the gentleman from New York (Mr. CARNEY), in reviewing what happened yesterday in New York because it was most interesting to those of us on this side of the aisle. Senator KENNEDY led in the votes of the Democrat primary, and it was not that they favored Senator KENNEDY, but it was the fact that the people of America oppose what President Carter is doing. What they really oppose is this 18-percent inflation which President Carter has given the United States. The people of America remember that just 3 years ago when Gerald Ford left the Presidency inflation was 4.5 percent. Yet Carter in just 3 years has carried inflation from 4 percent to 18 percent—18 percent. What we need to do in Congress is to cut this excessive welfare spending and balance the budget.

UNREASONABLE ENVIRONMENTAL PROTECTION AGENCY REGULATIONS

(Mr. QUAYLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. QUAYLE. Mr. Speaker, following along the lines of my colleagues' talking about inflation, **unreasonable Environmental Protection Agency regulations threaten to take more than $150 million from the Hoosier State. This money is part of more than $1.5 billion in Federal aid the EPA plans to withhold from** States that have refused to institute **mandatory car inspection and maintenance program.**

The EPA's emission standards are not obtainable at this time. This fact is attested to by an EPA survey of the 9 million automobiles produced in 1979. The EPA found that of those cars rolling off the assembly line, 25 percent did not meet the Federal standard.

This federally mandated program, which is meeting such limited success, would cost the working people of my State alone more than $67 million at a time when they are already suffering under the burden of 20 percent inflation. Inflation caused by excessive government spending and an unbalanced Federal budget, I might add.

The EPA standards are unobtainable and unreasonable, **but perhaps most important of all, they do nothing in trying to solve the energy problem. The heart of the energy problem in this country today is the gasoline engine. This Federal program does nothing in speeding us toward the day when our Nation, in conjunction with others, will pioneer the production of a nonpetroleum burning engine. This is a goal our Nation must set for itself, a goal the new generation of leadership will have to meet as we head into the decade of the 1980's.**

The EPA regulations do nothing to further us toward that goal. The EPA standards are unobtainable and reasonable. And perhaps worst of all they would further fuel the flames of inflation **while taking more than $67 million out of the pockets of the working people of Indiana. This is why I have decided to cosponsor House Resolution 6466.**

HOUSING INDUSTRY CRISIS: CARTER ADMINISTRATION PARALYZED

(Mr. PORTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PORTER. Mr. Speaker, during the first 3 years of the Carter administration, the rate of increase in the index of prices of goods and services for the average American family has gone from 4.8 percent in 1977 to nearly 20 percent today. During this entire time the President has sat in the White House bereft of policies or ideas to protect the American people.

Now, with the November election approaching, the administration seems to be working overtime to turn the Carter inflation into the Carter recession.

In my State of Illinois, the point State for the homebuilding industry, Carter's sky-high interest rates and reserve requirements have brought the housing market to its knees. New home sales per average project between 1978 and 1980 have dropped 76 percent. Seventy-six percent, Mr. Speaker.

A drop of this magnitude in market activity is leading directly to bankruptcy for many Illinois construction firms. Our thrift institutions will follow. And it is certain that this Illinois phenomenon will appear soon all over the country.

What is being done by the White House to address this crisis? Nothing, Mr. Speaker. Paralysis has been added to symbolism as the hallmark of this inept administration.

AMERICAN TAX MONEY LOANED TO FOREIGN NATIONS AT 8 PERCENT

(Mr. ROUSSELOT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROUSSELOT. Mr. Speaker, President Carter's most recent inflation fighting plan puts the squeeze on the American consumer where it will hurt the most—on his interest rates.

However, while content to sting millions of inflation-weary Americans with higher interest rates, the administration has done nothing to put a stop to the "giveaway" low-interest foreign loan program that is currently pumping millions of dollars each year into price-gouging OPEC nations and Communist countries.

I ask my colleagues—how can the Federal Government afford to lend the American taxpayer's money to these foreign nations at 7 and 8 percent, while that same taxpayer is unable to afford a home at 15 percent interest? Give away to foreigners—and stick it to the hardworking taxpayers.

MR. REAGAN HAS A VERY THOUGHTFUL AND SOUND APPROACH TO FOREIGN AFFAIRS

(Mr. LAGOMARSINO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LAGOMARSINO. Mr. Speaker, on March 21 columnist Stephen Rosenfeld in a commentary in the Washington Post analyzed Presidential candidate Ronald Reagan's recent foreign policy address in Chicago. He said people who dismissed Reagan out of hand in the past cannot avoid taking a second look now.

I would commend to all of my colleagues the reading of that speech. It is in the Congressional Record of March 24 at page 6372. I think if they read it they will see that Mr. Reagan has a very thoughtful, very sound approach to foreign affairs, one that we could surely use right now.

WELCOME TO THE SPEAKER

(Mr. BAUMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BAUMAN. Mr. Speaker, I just wanted to welcome the Speaker back to the Chamber. Many of us missed him yesterday during the debate on the creation of the proposed Energy Committee. But I wanted the Speaker to know that the gentleman from Maryland did communicate the Speaker's words as reported in the Washington Post.

I also wanted to commend to my colleagues, regarding these 1-minute speeches, the rules of the House which do not permit, as the Members know, demonstrations from the gallery. However, I must admit I agreed with the eloquent remarks by the gentleman from Illinois (Mr. Porter) and the gentleman from California (Mr. Rousselot) and my reaction was also approving.

The SPEAKER. The Chair would have to agree with the gentleman from Maryland (Mr. Bauman).

APPROVING PRINTING OF ADDITIONAL COPIES OF REPORT ON FIRST CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1981

Mr. HAWKINS, from the Committee on House Administration, reported the following privileged resolution (H. Res. 609, Rept. No. 96–855), which was referred to the House Calendar and ordered to be printed:

H. Res. 609

Resolved, That there be printed for use by the House Committee on the Budget one thousand additional copies, at a cost not to exceed $1,200, of the House report entitled, "First Concurrent Resolution on the Budget—Fiscal Year 1981".

Mr. HAWKINS. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Resolution 609.

The SPEAKER pro tempore (Mr. Murtha). The Clerk will report the resolution.

The Clerk read the resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

☐ 1320

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, could I request the gentleman to explain what he is up to?

Mr. HAWKINS. Mr. Speaker, this is a routine request, I will say to the gentleman from California, for the printing of additional copies of a report on the first budget resolution. It is to be made available to the Members and others for consideration of the budget resolution that will be filed by the gentleman from Connecticut (Mr. Giaimo), the chairman of that committee.

Mr. ROUSSELOT. Further reserving the right to object, this Budget Committee report is for the fiscal year 1981?

Mr. HAWKINS. This is for the fiscal year 1981 and the cost is not to exceed $1,200. We estimate the cost will be much less.

Mr. ROUSSELOT. Reserving the right to object, $1,200. For these reports, and how many copies of the Budget Committee will be distributed for that cost?

Mr. HAWKINS. Eight hundred additional copies.

Mr. ROUSSELOT. Does the gentleman think that is enough for the public or does the gentleman know?

Mr. HAWKINS. Mr. Speaker, this is a request made by the chairman of that committee. I merely rely upon that chairman's estimate of what is needed.

Mr. ROUSSELOT. Further reserving the right to object, Mr. Speaker, it is my understanding this Budget Committee report also recommends additional funding requests for fiscal year 1980, because the Congress was unable to meet its targets for the 1980 budget second concurrent resolution. So, also stuffed into this 1981 budget report request are a lot of add-on dollars for 1980. Is that not correct?

Mr. HAWKINS. Mr. Speaker, the jurisdiction of the Committee on Printing is merely to act on a request and not to go into the merit or lack of merit of the report. The report will detail what is being done in both 1980 as well as in 1981 and the budgets therefore. The committee does not act on the actual content of the report other than to make it available to the minority as well as to the majority who will have ample opportunity within that framework to express opinions.

Mr. ROUSSELOT. Mr. Speaker, further reserving the right to object, and I will not object, I certainly feel we should get this important documented report and I am glad to see that it is now complete. As the gentleman knows, when the resolution left the committee on Thursday night at 12 o'clock—that is the Committee on the Budget—there were all kinds of loose end details that got mixed in and by even Monday, many members of the Committee on the Budget thought they had voted for one target figure of $613 billion for outlays and there was a big mistake or something by the staff that tried to kick it up to $617 billion. I am delighted they finally got that straightened out.

I am sure the gentleman has reviewed this report carefully since he is requesting unanimous consent. However, does the gentleman know whether they got that little "detail" straightened out. You know, a billion here, a billion there, but it is a rather substantial amount. Does the gentleman from California know whether they got that straightened out?

Mr. HAWKINS. Mr. Speaker, this gentleman is not aware of whether they straightened it out. I repeat, it is not within the purview of our committee to go into all of the legislative processes attending the filing of a report and the printing thereof. We simply pass it forward as informative to the membership. What occurred in preparation for the filing of the report is not an interest of the Committee on Printing. Our function is that of housekeeping.

Mr. Speaker, I might indicate to the gentleman from California that I am not entirely pleased with some of the suggested actions taken by the Committee on the Budget and may well vote with the gentleman from California on final passage of the budget itself. That has nothing to do with this unanimous-consent request which is merely to file a report which has been duly presented to the committee for printing. That is the limit of the authority of the Committee on Printing.

Mr. ROUSSELOT. Mr. Speaker, further reserving the right to object, I appreciate the explanation presented by my distinguished colleague about the function of the Committee on House Administration. I fully appreciate that detailed explanation. I was merely trying to find out if the Budget Committee informed the gentleman, when they requested this unanimous consent, if they resolved that major detail before the printing of this report.

Mr. Speaker, I do not see the chairman of the Committee on the Budget on the floor. The gentleman from Connecticut (Mr. Giaimo) has announced he is not running for reelection.

Mr. Speaker, I withdraw my reservation of objection on the basis that I know my colleague from California (Mr. Hawkins) is not responsible for the content of the report presented by the Committee on the Budget.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California (Mr. Hawkins)?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

MAKING ADDITIONAL FUNDS AVAILABLE BY TRANSFER FOR THE FEDERAL TRADE COMMISSION FOR 1980

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 619 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 619

Resolved, That upon the adoption of this resolution it shall be in order to consider, clause 2(l)(6) of rule XI to the contrary notwithstanding, the joint resolution (H.J. Res. 514) making additional funds available by transfer for the fiscal year ending September 30, 1980, for the Federal Trade Commission, in the House, and after debate thereon the previous question shall be considered as ordered on said joint resolution to its final adoption or rejection without intervening motion except one motion to recommit.

The SPEAKER pro tempore. The gentleman from Missouri (Mr. BOLLING) is recognized for 1 hour.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from Tennessee (Mr. QUILLEN) pending which I yield myself such time as I may consume.

Mr. Speaker, this rule makes in order an up and down vote on a resolution from the Committee on Appropriations which would extend the life of the Federal Trade Commission for 45 days. It deals with none of the policy questions that are in conflict and have been for some time. It is merely a question of making it possible for the people employed to be paid on time. I see no reason for extended debate on the matter and I reserve the balance of my time.

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the able gentleman from Missouri (Mr. BOLLING) has explained the resolution. However, I feel it is really not the appropriate time to discuss further funding of this agency, taking over $9.8 million from another agency which clearly demonstrates the latter agency has surplus funds in transferring those funds to the Federal Trade Commission. To me that indicates the House should get down to business and hold the line on expenditures.

Mr. Speaker, if other agencies of this government have surplus funds, I think it is asinine for the House to transfer funds to another agency instead of back to the Treasury, knowing full well that the inflation rate is approaching 20 percent, interest rates are over 19 percent, and the discount rate very, very high. Give the funds back to the Treasury and cut expenditures.

Mr. Speaker, we ought to take all the regulatory agencies, all of the departments of Government, go through them with a fine-tooth comb and if they have surpluses then we should cut such surpluses from their respective budgets and bring this Government within a tight spending policy. We should reduce Federal spending, reduce the high interest rates, reduce the inflation rate, give the people a break in America instead of trying to help a bureaucratic agency that is out to destroy free enterprise.

□ 1330

I would urge the Members to vote against this resolution and stop it dead in its tracks. Back home, the way to kill a rattlesnake is to cut its head off. That is what we ought to do today.

Mr. Speaker, I yield 2 minutes to the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Speaker, I do not think we can cavalierly describe this resolution as just a minor matter of no great import. It is a first; it is a precedent; it is the beginning of yet another attack on the Budget Control Act that the Congress enacted in 1974.

This resolution is before us today in order to make in order a joint resolution that will transfer funds from the International Communications Agency to the Federal Trade Commission. I will not go into a long history of why the FTC has run out of money. It is sufficient to say that it is because the Congress for 3 years has been fighting over the powers of the FTC, and has yet to resolve the issues involved in the authorizing legislation.

But, what is embodied in this rule now before us, is a circumvention of the Budget Act of the first order. The Budget Act, particularly section 311(a), establishes a procedure whereby the Congress in a budget resolution once, twice, or as many times as necessary, each year sets various ceilings on revenue, on expenditures, on outlays. We reached that ceiling some weeks ago, much to the surprise individually and collectively of the Members of this body and the other body. We are now laboring under a ceiling of $643,365 million; and the Congress can no longer spend beyond that level.

"Well," the average taxpayer would say, "that seems to be enough." But the powers that be in this House, the leadership on the majority side looked around for a way to avoid meeting the terms of the Budget Act, a way to avoid responsibility because they would have had to come to this House and to the other body and pass a third supplemental budget resolution which would raise all the spending levels to deal with the money shortage in the FTC and other agencies.

The SPEAKER pro tempore. The time of the gentleman from Maryland has expired.

Mr. QUILLEN. Mr. Speaker, I yield 2 additional minutes to the gentleman from Maryland.

Mr. BAUMAN. Instead of coming to us in compliance with the Budget Act, the leadership presented this and the next resolution in a lateral move, as they say in the sports jargon. The resolution transfers funds that have not been used by one agency in this fiscal year to another to avoid having to face the consequences of spending beyond the available budget limit we set a few months ago.

Do not think this is the end of it. No, this is not the end of it. This is the FTC. Tomorrow, we get the Selective Service System. The Appropriations Committee is going to meet, and in another lateral move take money out of the Air Force and put it into the Selective Service System to finance draft registration. Today, the liberals may like it that the FTC is getting the money, and the conservatives may not be happy. Tomorrow, the liberals will be unhappy that the Air Force is going to give money to the draft registration system, and conservatives may be pleased. So, we already see how this going around the barn on the Budget Act is going to be used in an effort to avoid facing up to the stark realities.

Mr. Speaker, I think we ought to nip this atrocious procedure in the bud. We ought to start now and defeat this resolution and force the leadership on the majority side to come clean with the American people; force them to tell the people they cannot live within their means as set in the second budget resolution; they have to spend more and create more deficit; that they are now going to do it on a piecemeal, agency-by-agency, basis under the guise of running out of money.

It is about time that this House faced reality, budgetary and otherwise. I do not want to be a party to this further destruction of the budgetary process. If you vote "aye" on this resolution today, you are saying, "We do not care about balancing the budget; we do not care about setting goals; we do not care about any of that. We will push that aside and use this excuse to get around the Budget Act."

So, I urge the Members to vote no, just as they are going to support a balanced budget, I assume, in the coming weeks. Vote no on this as part of an effort to bring economic sense to this Congress.

Mr. QUILLEN. Mr. Speaker, I yield 5 minutes to the gentleman from California (Mr. LUNGREN).

Mr. LUNGREN. Mr. Speaker, I am very concerned about the fact that this money to continue funding for the FTC is being taken out of the budget of the International Communications Agency. We are all being told that there is nothing to worry about, that the money will be paid back as soon as the third budget resolution passes. But, has anyone checked to find out what impact this transfer of funds would have on the ICA in the meantime? What programs will be curtailed or temporarily halted? Can they do without this money?

I know for a fact that the ICA was not consulted, because their congressional relations people told my office that they found out about the resolution from a reporter. I asked what, if any, programs would have to be temporarily halted or affected by the $12 million to the FTC. I was astounded to find out that this will probably temporarily halt the expansion of the Voice of America's Islamic language broadcasts into Iran and the Middle East.

Since the crisis in Iran and Afghanistan, the Voice of America has planned to increase by 11 percent its Islamic language broadcasts. They planned to double their Persian language broadcasts to 6 hours a day as soon as they could hire qualified Persian language specialists. They also planned to increase Islamic language broadcasts into the Soviet Union, and also planned to hire more staff in order to do this. All these programs will be slowed down, temporarily halted, or adversely impacted in some way by this $12 million transfer.

We all know that today Iran is a closed society. The government periodically expels all foreign reporters, and there is complete government censorship of the press. The Ayatollah Khomeini has shut down more than 40 newspapers and magazines since he came to power.

The Voice of America Persian language broadcasts are the only alternative source of news available to people in Iran. Anyone with a short-wave radio can pick them up. I find it incredible that we are going to curtail or jeopardize this programing in order to fund the FTC.

Basically, this is being done so that we will not have to force the conferees to face some very legitimate questions on our FTC authorization legislation—especially the question of a legislative veto. That we would unknowingly and unintentionally jeopardize such timely programs is just one of the dangers of trying to do an end-run around the budget process. Instead of meeting head-on the fact that we have exceeded our fiscal year 1980 budget ceilings, and dealing directly with that fact, we are going around the back door. We are funding agencies with this ridiculous method of fund transfers from other agencies which have not been consulted.

This $12 million in unexpended funds was obviously quite a temptation. But, just because it is sitting there does not mean it was not going to be used. This agency spends a lot of its funds during the second half of the fiscal year paying off bills incurred through its educational exchange programs in the first half of the fiscal year. If the funds are not spent yet, they are earmarked.

The question is, will the ICA get back its $12 million? That would practically be the case if the third budget resolution passes, which would increase the budget ceiling. Can this agency and the Voice of America pin its hopes on the slender thread that this body, in an election year, will pass a third budget resolution?

I urge colleagues to vote against this resolution and this transfer of funds.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. LUNGREN. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Speaker, the gentleman, I do not believe, mentioned—but I think it is worth adding to what the gentleman from California has said—that while we are transferring $12 million out of the International Communications Agency there is already in the works a nearly $7 million supplemental appropriation for the very same agency. That underscores the hypocrisy involved in this kind of practice.

Mr. LUNGREN. I will suggest to the gentleman that when we last had the funding resolution that involved the ICA, there was testimony that they had a bare-bones budget. It could not be cut any more, and if we cut it by 10 percent, as somebody suggested, they could not do the job at that time. Since that time we have had developments in the Middle East, we have had developments in Iran, we have had developments in Afghanistan. This transfer will go to the core of the attempt we are making to respond to Soviet propaganda in the most meaningful way.

The SPEAKER pro tempore. The time of the gentleman from California has expired.

Mr. QUILLEN. Mr. Speaker, I yield 1 additional minute to the gentleman from California.

□ 1340

Mr. LAGOMARSINO. Mr. Speaker, will the gentleman yield?

Mr. LUNGREN. I am happy to yield to the gentleman from California.

Mr. LAGOMARSINO. Mr. Speaker, I want to commend the gentleman from California (Mr. Lungren) for bringing this aspect of the problem to our attention.

It seems to me one of the most cost-effective things we can do right now is to expand the Voice of America and Radio Free Liberty to do exactly what the gentleman was describing in order to get to those target areas. We can do that right now. It does not take long lead time; it is not like building a new missile system or something of that kind that we certainly need but which is not going to take effect for a long time.

The problem is there right now. We have the possibility of seeing unrest in the Soviet Union, and I think we ought to exploit it.

Mr. Speaker, again I want to commend the gentleman from California (Mr. Lungren), and I hope the joint resolution will be voted down.

Mr. LUNGREN. Mr. Speaker, I thank the gentleman from California (Mr. Lagomarsino).

I just want to underscore the fact that ICA was not even consulted about this and was not even given the courtesy of being informed of it but was, rather, informed by a reporter who was inquiring how this would affect the agency.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. LUNGREN. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, I appreciate the important issue the gentleman from California (Mr. Lungren) has raised relating to the International Communications Agency.

Those of us who want to take the course the gentleman has suggested should vote against (H. Res. 514) because the rule disallows this important change; is that not correct?

Mr. LUNGREN. Mr. Speaker, I would suggest that we vote against this rule. Otherwise the consequences I have suggested are absolutely bound to occur.

Mr. ROUSSELOT. So, Mr. Speaker, if we favor maintaining the ability of the International Communications Agency to do its job in overseas freedom communications, then it is absolutely essential that we vote down the rule?

Mr. LUNGREN. Absolutely.

Mr. ROUSSELOT. Mr. Speaker, I appreciate the gentleman's response. Transferring $12 million to the FTC would halt, even just temporarily, ICA programs. We cannot create this type of impact—especially when they (the ICA) were not even committed.

I too urge my colleagues to vote against this resolution, against the transfer of $12 million from the ICA.

Mr. JOHN L. BURTON. Mr. Speaker, will the gentleman yield?

Mr. LUNGREN. I am happy to yield to the gentleman from California.

Mr. JOHN L. BURTON. Mr. Speaker, let me ask the gentleman, is this part of the same group that got the Hungarians in 1956 to rise up against the Russians? They said we would come in and help them, so they rose up and got their heads shot off.

Mr. LUNGREN. Mr. Speaker, all I know is that this is the group that some of the Russian dissidents have suggested is the only means of getting the message of freedom to the captive peoples.

Mr. JOHN L. BURTON. Mr. Speaker, back in 1956 the Hungarians came out and revolted, but they all got killed because they listened to this propaganda that was put out.

Mr. LUNGREN. Mr. Speaker, I am talking about the present, not about distant history.

Mr. JOHN L. BURTON. I would say to the gentleman that the past is prologue, if the gentleman would study it.

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, for 3 years this House has refused to authorize appropriations for the FTC.

In the debate we added a feature that the House has a right to veto certain measures proposed by this bureaucratic agency. Funds have been denied. The funds for the agency ran out on March 15.

Proponents of this resolution say that this is to pay the employees of that agency. But let us just remember, if the ICA has a surplus of funds, then we are not using good judgment by transferring funds. What we should do is to bring the money back in the Treasury and help reduce the spending of this Government.

Mr. Speaker, I yield 5 minutes to the gentleman from Illinois (Mr. Michel).

Mr. MICHEL. Mr. Speaker, let me say to the Members of the House that unfortunately I was unable to attend the full committee meeting when this resolution was voted out. I would have expressed the concerns I feel compelled to make at this time involving the transfer of funds from USICA to the FTC, and particularly since it comes so close on the heels of the passing of our late departed friend, the gentleman from West Virginia, John Slack, who had been noted in this House for being a proponent of the Voice of America for many, many years.

I am also concerned about the precedent we are setting here. This "reappropriation" is necessary for two reasons we are told: First, because the agency has run out of money; and second, the majority party is reluctant to consider a third concurrent resolution on the budget revising their spending levels for fiscal year 1980. My concern is the latter. What are we doing to our budget process? Are we going to continually "end-run" our spending ceilings by transfers or reappropriations? If we need more money we should address it directly. It is my understanding that the Appropriations Committee is now going to transfer moneys from the Air Force to the Selective Service to consider the question of draft registration. That is not the way we should be proceeding. If you want registration then hit it head on. Let us not subvert the principles of the budget process.

Mr. Speaker, the symbolic significance of what we are doing today is far more important than the amount of money involved.

The U.S. International Communications Agency is one of our key diplomatic weapons. The State Department performs its own valuable services on a Government-to-Government basis. But USICA deals on a Government-to-people basis. When someone behind the Iron Curtain, or in China, or in the Soviet Union beyond the Urals, where Moslem minorities live, wants to get official confirmation, or news, or analysis, of a U.S. position they know they can trust the Voice of America, USICA's international broadcasting station. USICA performs other valuable missions in its effort to reach the people of other lands.

But what are we doing? Precisely at a time when the world is looking to the United States to see signals of increasing U.S. commitment to its own values, its own policies and its own interests, we decide to take millions of dollars that should be going to USICA and give them to the FTC.

I cannot think of a more damaging blow to the prestige and the mission of USICA. In effect we are saying we do not understand the uses of this kind of Government-to-people diplomacy, and would rather tell the Nation and the world that USICA is some kind of peripheral concern, one which can easily be tapped for a few million dollars in order to keep alive a regulatory commission.

We are told that the money will eventually come back to USICA. But what about the symbolic significance of this act? We are not dealing only with funds here—we are dealing with ideas. Whether we realize it or not we are engaged in a war of ideas. And when you start doing thoughtless things like this, when you start to treat USICA as a peripheral concern, you are in effect telling the Soviet Union we are willing to surrender in this war of ideas.

I hope Americans of many ethnic origins, whose relatives in foreign lands depend on VOA will take note that we treat USICA and VOA as if they were a piggy bank from which to take coins.

This administration has given us two new concepts of diplomacy in 3 years. The first is the concept of no-fault diplomacy. The foreign policy of the United States falls apart and the administration says "don't blame us." The second approach is the on-again, off-again policy, seen in the vote on Israel in the United Nations. And now, in this issue, we add another blunder: the rob-Peter-to-pay-Paul theory of Government financing.

The disarray of the Carter administration in foreign policy has become an open scandal. It reminds me of an army beaten and driven from the field of combat, totally unable to regroup and take a stand. Things are so bad that Chancellor Helmut Schmidt of West Germany is said to have remarked recently: "We don't trust you any more. Your policies are too inconsistent, your action too indecisive."

And what is our answer to this? Do we seek to enhance the ability of USICA to communicate American policy to the people of the world? Do we work with USICA so that possibly some of the errors and blunders of this administration can at least be explained? No, instead we dip into the pocket of USICA and take funds away. Will the funds come back? "Oh, most certainly" we hear. But when I hear someone say something is certain around there these days, I say it is time to hide the silverware, lock the windows, and bolt the door.

Mr. BOLLING. Mr. Speaker, I yield 5 minutes to the gentleman from Georgia (Mr. LEVITAS).

Mr. LEVITAS. Mr. Speaker, first I would like to thank the chairman of the Committee on Rules for yielding me this time, especially because it is with reluctance that I must rise in opposition to this rule.

I think we ought to put this matter in context. Why are we here today? Why is this resolution, this emergency funding resolution for transfer of funds, necessary?

The reason is that there has not been an authorization bill for the Federal Trade Commission for 3 years. Now, that means two things. It means, first of all, that the Congress of the United States, which is supposed to set policy, which is supposed to set the parameters of jurisdiction and the course of an agency, has not been able to work its will for 3 years. For 3 years decisions made by this body and decisions made by the other body with respect to the FTC have not been enacted into law. There is no authorization.

The other thing that it means is that through the good graces, the largesse, the nobility, and the gentleness of the Committee on Appropriations, we have kept in life an agency which has not been authorized for 3 years.

□ 1350

This is the third, or fourth, or fifth resolution continuing funding for an agency which has not been authorized since 1977. And I ask you: How long? I asked the chairman of the Committee on Appropriations last year, when the last continuing resolution was authorized, "Are we going to do it again? Are we going to have to extend this resolution one more time or two more times?"

And in credit to the chairman, he said, "I cannot give you any assurances on that. It depends on what the authorizing committees do."

Well, now, let me state that I will vote in favor of the resolutiton which the Committee on Appropriations has brought forth only because I am willing to see the clerks and the secretaries and the others at CTC paid for another 45 days, and I am also convinced that progress has been made by the conferees which we may have some assuance will be fulfilled. But the Committee on Rules has reported a resolution which permits no amendments, which permits no policy amendments.

Now, normally a resolution of this sort would be subject to amendment. Since we have no authorization, since we have no authorization legislation, the only way we can as a Congress influence policy is by amendments to this continuing resolution process; and yet we are presented with a closed rule. I assume that if I asked the gentleman from Mississippi, "Will we have another continuing resolution if this one does not do the job?" he will again say, in all candor, "Probably we may have to."

I say to the Members that if we are going to continue for a fourth or a fifth year continuing an agency which is not authorized, at least there should be some mechanism by which this body can exercise its policy and its will, and a closed rule is not the way to do that.

Mr. CONTE. Mr. Speaker, will the gentleman yield?

Mr. LEVITAS. I yield to the gentleman from Massachusetts.

Mr. CONTE. Mr. Speaker, I want to take this opportunity to commend the gentleman in the well. I spoke before the Committee on Rules yesterday and opposed this rule for the very same reasons the gentleman has outlined here today. Unfortunately, we did not have enough votes up there to go along with us. This is a close rule, a gag rule, and should be voted down.

Mr. LEVITAS. I thank the gentleman from Massachusetts.

Mr. Speaker, I am prepared one more time, because progress in the Congress has been made, to fund the FTC so that the employees who are not the culpable parties can get their paychecks. But I am not willing to permit this to go on without this body having at least some opportunity to express its will, to write those restrictions and those provisions which will make the FTC responsive to the Congress.

Mr. QUILLEN. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Speaker, VOA presently broadcasts in 38 languages, and is on the air 822½ hours per week. RFE broadcasts in 6 languages to Eastern Europe and is on the air 554½ hours per week. Radio Liberty broadcasts in 15 languages to the Soviet Union and is on the air 448 hours per week. By contrast, the Soviet Union broadcasts to the world in 83 languages, and is on the air over 2,000 hours per week.

The Voice of America has recently proposed a modest expansion of its broadcast hours, geared to reaching critically important Islamic audiences in Central Asia and the Soviet Union. The Voice proposes to add 1 hour a day in Uzbek (for a total of 14 hours per week); 3

hours a day in Persian (for a total of 42 hours); one-half hour a day each in Bengali, Urdu, and Turkish (for a total of 10½ hours per week in each of those languages); and to begin a new program in Azeri (the language of Azerbiajan) of one-half hour a day. These are extremely modest proposals. The Soviet Union, by comparison, already broadcasts 43¾ hours per week in Persian, 14 hours per week in Azeri, 17½ hours per week in Bengali, 31½ hours per week in Urdu, and 14 hours per week in Azeri, plus many hours in local languages not even used by the Voice of America.

I have looked into the broadcast requirements of the Voice of America, with particular focus on Islamic populations, and find that several minimum additions are required if the Voice is to reach these critically important populations during peak broadcast hours. These additions, which include additional Arabic language broadcasts, a special half-hour broadcast in the Dari dialect of Persia to Afghanistan, and several other additions, are outlined in the attached paper. The cost of these additional modest increments would be $2,181,000 in fiscal year 1981.

Mr. McCLORY. Mr. Speaker, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from Illinois.

Mr. McCLORY. Mr. Speaker, I want to commend the gentleman, and I want to point out that the Soviet broadcasts that go into Iran and into these other countries of Eastern Europe and Southwest Asia are anti-American broadcasts which incite the population against our country. If we are not going to fight back through the Voice of America we are leaving ourselves open and defenseless to this onslought of the aggressive Soviet propaganda and military machine. I certainly applaud the gentleman, and I hope we can defeat the rule and support the Voice of America—with the expectation that we will broadcast our messages of support and encouragement in the native languages of the areas where the broadcasts will be heard.

Mr. BROOMFIELD. Mr. Speaker, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from Michigan (Mr. BROOMFIELD), one of the greatest statesmen of the House.

Mr. BROOMFIELD. Mr. Speaker, I rise in support of the gentleman's request, and I applaud him for his strong statement. I think this is extremely important. I wish to associate myself with the gentleman's remarks, and I urge the Members to oppose this rule.

Mr. Speaker, this is a time to strengthen the U.S. International Communications Agency, including the Voice of America—not to weaken it.

The Voice of America is a vital arm of our foreign policy, an essential element of our national security, and a nonlethal but effective weapon in the arsenal we depend upon to protect America's position in the world.

Today America's vital interests and in fact those of the free world are threatened by the Soviet invasion and brutal occupation of Afghanistan, which moves Soviet influence and power southward toward the Persian Gulf and the oil supplies upon which much of the West depends. Meanwhile, our once stable relationship with a strong and friendly Iran has deteriorated in the face of an Islamic revolution.

It is apparent that America's relationships with the predominantly Moslem countries of the area have become increasingly important, a fact that is recognized by the Soviet Union's stridently anti-American radio broadcasts to Moslem populations. Soviet broadcasts seek to portray America as aggressors in Afghanistan and Iran, and the enemy of Islam. In this battle for the minds of men, the Soviets try to inflame anti-Americanism in the Arab world and affect the security of our sources of oil.

In our competition with the Soviets, the U.S. International Communications Agency is at a distinct disadvantage.

On a worldwide basis, VOA presently broadcasts in 38 languages and is on the air 822½ hours per week. By contrast, the Soviet Union broadcasts to the world in 83 languages and is on the air over 2,000 hours per week. At the present time, the Voice of America, within the limits of its budget, is attempting a modest expansion of broadcast hours to the Moslem audiences of Central Asia and the Near East. But even if this expansion is achieved, VOA will come nowhere near the number of broadcasts by the Soviet Union.

Obviously this is not the time to rob Peter to pay Paul. This is not the time to take money from the U.S. International Communications Agency to fund another Government agency.

Since the early days of World War II, the U.S. Government has operated on the premise that an informed public—friendly or otherwise—is essential to the maintenance of bilateral and multilateral relationships in the American national interest. In a world that is now tied together by a web of instantaneous electronic communication, a factual, balanced, and objective account of international developments needs to be provided to people whose own sources of news and information about the world and the United States may not be entirely accurate or complete. Even in closed societies nowadays, public opinion influences governmental decisions and actions to some extent and in some ways, and if such public opinion is based on distorted or misleading or incomplete information there is greater opportunity for the unaccountable government to act in its own rather than its people's interest.

Mr. Speaker, the International Communications Agency should be strengthened not weakened. I oppose passage of the rule on House Joint Resolution 514.

Mr. DERWINSKI. Mr. Speaker, I would like to remind the Members that the Voice of America in the 1981 budget has a request for a $3 million increase for broadcasting purposes, which presumably has the blessings of the administration; so the administration evidently wants the message of truth, the message from the United States, beamed throughout Central Asia, Eastern Europe, and Southern Europe. Therefore this is no time to be robbing Peter to pay Paul. I urge defeat of the rule.

Mr. LEVITAS. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. Does the gentleman from Missouri (Mr. BOLLING) yield for a parliamentary inquiry?

Mr. BOLLING. Not at this time, Mr. Speaker.

Mr. Speaker, I yield 1 minute to the gentleman from Iowa (Mr. SMITH).

Mr. SMITH of Iowa. Mr. Speaker, we have now today another example of how far afield people can go when they start arguing the merits of the bill when the rule is being considered.

To start with, $6 million of this $12 million they were not going to be able to spend anyway because it is involved in an increase in the lapse rate resulting from the President's freeze on employment, so it is not taking a dime away from them so far as that $6 million is concerned.

In addition to that, there was talk here about Radio Free Europe and Radio Liberty. They are not funded under the ICA appropriation. It shows how far afield you can go when you start trying to argue a bill on the rule. I suggest that we vote for the rule and get on with the bill where we can debate the issues that are appropriate.

Mr. QUILLEN. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio (Mr. ASHBROOK).

Mr. ASHBROOK. Mr. Speaker, I would like to call my colleagues' attention to one point on this particular proposal. If you go back to April 1979, when the State Department budget, the State Department authorization was before this body, it was described as being tight, bare bones, and lean. Many of the Members recall I offered an amendment to cut the State Department budget. On this side of the aisle, they rose up and they said, "Oh, we cannot cut this budget, there is nothing in this budget to spare, everything in this budget is allocated. You would do great harm to our foreign policy if you would even cut a minimal 5 percent."

The Members will recall that 5 percent was cut. It went over to the Senate. I can recall our late distinguished colleague, who unfortunately passed away just last week, Mr. Slack, coming back and saying we could not hold that cut in the Senate. Every cent in this budget, every cent in this authorization is so necessary that the conferees rejected any cut whatsoever in the State Department authorization.

Is it not rather strange, Mr. Speaker and Members of this body, that bare bones can suddenly be very fleshy whenever some money is needed by bureaucrats to fund anything they really want to fund, particularly when it is to get around the will of the Congress?

Now, we should not play into the particular game, we should not allow the bureaucrats to use us. If we do not want to authorize expenditures for the FTC, then the FTC should not have funds. We should not allow those downtown to use other money and fund something that Congress itself has not funded.

□ 1400

Even worse, in a time of supposedly trying to balance the budget, in a time of trying to reduce unnecessary expenditures, I would hope the American people would take a good look at all of those legislators who would say we cannot cut the State Department 1 cent when they were given that opportunity last year, but all of a sudden can find millions of dollars to fund the FTC out of the State Department when that becomes their goal.

I hope we will remember that when we vote. I hope the American people will remember that and study the record very carefully.

Mr. Speaker, I yield back the balance of my time.

Mr. QUILLEN. Mr. Speaker, if we have surpluses in our regulatory agencies and in the various agencies of Government why not borrow it and do something for the homebuilding industry. The American people cannot buy housing, roofs over their heads, with prevailing interest rates.

This clearly demonstrates that our priorities are wrong, that we should do something now, and what we should do is defeat this rule and get down to the business of cutting unnecessary spending and channeling funds into the much-needed programs of this Nation.

Mr. Speaker, I yield such time as he may consume to the gentleman from Michigan (Mr. BROOMFIELD).

Mr. QUILLEN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. BOLLING. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois (Mr. SIMON).

Mr. LAFALCE. Mr. Speaker, will the gentleman yield?

Mr. SIMON. I yield to the gentleman from New York.

Mr. LAFALCE. Mr. Speaker. I rise in strong suport of House Joint Resolution 514.

Mr. Speaker, I rise in strong support of House Joint Resolution 514, which would provide continuing appropriations for the Federal Trade Commission, until a regular appropriations bill is enacted or until April 30, 1980, whichever occurs first.

On a technical level, this resolution is absolutely necessary, because the last continuing resolution (Public Law 96-123) only provided funding until March 15, 1980. The authorization bill for the FTC for fiscal year 1980 is still mired in conference committee; so a new continuing appropriations resolution must be passed, in order to allow the FTC to meet its payroll responsibilities. The personnel at the FTC should not be penalized for fulfilling their congressional mandate, which is generally what they have done.

Mr. Speaker, I am not about to stand up here in this Hall and declare that the FTC is a perfect agency, which has never made a single mistake. There have been occasions in the past, when I have deemed the FTC's actions and investigations to be inappropriate in some way; and I have vigorously voiced my displeasure at those times. However, there is a great deal of difference between voicing objections to inappropriate activities and attempting to handcuff or even destroy a given agency or commission.

In recent months, a great deal of criticism has been leveled against the FTC, charging that consumers are not receiving any benefits from FTC actions and that it is penalizing certain industries and trades by imposing irresponsible and costly regulations of little worth to the general public. From all the hue and cry, one would think that the FTC had become the No. 1 Washington demon, and that it was attempting to rend the very fabric of our free-enterprise system. Letter-writing campaigns, commercial advertisements, and vigorous lobbying efforts have been mounted to insure that the FTC would no longer be able to perform its villainous activities

As chairman of the Small Business Subcommittee on General Oversight, I have been very concerned about the possibility that a Federal agency is making life impossible for many businesses. Therefore, I carefully examined the many charges leveled at the FTC, in order to determine the validity of those charges. I found a very interesting pattern in all of these charges. As soon as the FTC announced that it was investigating a given industry or trade, the special interests involved would cry "foul."

The fact that they would complain is not exceptionable—and they have every right to do so—but one should be careful in examining their motives. In the overwhelming majority of cases, the FTC promulgates rules and regulations to increase competition in a given industry or trade or to increase consumer rights. For example, the FTC removed restrictions on price advertising on eyeglasses, contact lenses and eye exams; but did the FTC receive accolades for that? No, naturally. Most media critics agree that advertising aimed at children on television is not geared toward the health and well-being of children, but, as soon as the FTC becomes involved in the issue, it is transformed into a constitutional issue of the first order.

My Small Business Subcommittee has held lengthy hearings concrning the nature and practices of the insurance industry. Those hearings disclosed many troubling facts about that industry, its impact on small businesses, and its penalization of individuals; and one of the results of those hearings was passage of the Risk Retention Act, which will provide meaningful protection for firms in the field of product liability. Interestingly enough, as soon as the FTC showed some interest in investigating this industry, an attempt was made to exempt the insurance industry from examination by the FTC.

Mr. Speaker, once again, I want to say that the FTC is not perfect, but it often is the consumer's only protection from victimization by special-interest groups. In addition, the FTC often is the only Federal agency which is involved in guaranteeing that our free-enterprise system works along its self-proclaimed lines. Whenever the FTC moves against restraint of trade, restraint on advertising, and monopolization, it is fulfilling its congressional mandate. Those who scream the loudest are often those who least want competition and full disclosure of their prices to the general public. Regrettably, they find receptive ears in Congress.

Special interests do not want a new FTC; they merely want to gut it and deprive it of any real authority. Special interests would prefer a return to the good old days, when an American Bar Association task force was forced to tell President Nixon to "rejuvenate the FTC or abolish it." Special interests should be allowed to promote their own interests, but we should not succumb to their propaganda by taking actions which are detrimental to the interests of the general public: regrettably, however, the general public is usually not heard from, while special interests swarm through our offices.

Yes, the general public may be silent, while the only voices we hear are those of the special interests—but, there is a great silent majority in this country, who when they realize what the special interests are attempting to perpetrate, will rise against those legislators who succumb to the special interests, rather than defending and promoting the public interest.

Mr. Speaker, I urge my colleagues to pass House Joint Resolution 514, which will allow the FTC to continue its generally commendable work; and I sincerely hope that the conference committee will report a decent authorization bill.

Mr. SIMON. Mr. Speaker, I rise in support of the rule, though I have been troubled by the rule and by the transfer of funds from the ICA.

I have discussed this with the agency. I have discussed it with the chairman of the Appropriations Committee, the gentleman from Mississippi (Mr. WHITTEN); the chairman of the subcommittee, the gentleman from Iowa (Mr. SMITH); and the statement by the gentleman from Iowa (Mr. SMITH) is correct, that $6 million, there is no problem on that. The $6.1 million; there is the very real possibility that this could have an unhappy impact on the Voice of America and on the exchange programs with Eastern Europe which right now are extremely important to our Nation. I think this is not the time to cut back on Voice of America, not the time to have an unfair and unhappy impact on those exchange programs. I have been assured that this will not be the case.

Mr. SMITH of Iowa. Mr. Speaker, will the gentleman yield?

Mr. SIMON. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. I did not intend to discuss the details of the resolution during debate on the rule, but since the gentleman brought it up, we might just as well discuss it now.

President's employment freeze. They would not have been able to use the money.

Of the other $6 million, they have $43 million available for an academic exchange program, much of which they do not expend until next September, the beginning of the school year. We advance funds to them so that the money is available to them at the beginning of the next academic year.

If they cannot absorb this reduction, we can consider restoring these funds at the appropriate time.

In addition to that, as far as Voice of America and these expansions are concerned, they are not authorized to do that anyway, in this fiscal year, until they get permission. They have submitted a reprograming to the committee in order to increase the resources for broadcasting. So all the talk about reducing this function which has not yet been increased is nonsense.

There is not going to be one dime denied to the agency in the next 45 days that will be needed for all these purposes we have been hearing about. It is just nonsense.

Mr. SIMON. I appreciate the gentleman's comments. That is not quite the story I get from the agency.

Mr. SMITH of Iowa. I am not surprised. They may not have been fully aware of what we were doing.

Mr. SIMON. My understanding is that the gentleman and the members of the Appropriations Committee and the staff are going to work with the agency to make sure there is no unfavorable impact on this program.

Mr. SMITH of Iowa. Certainly. They could delay some equipment purchases and take other actions to accommodate this reduction. They are not going to have any trouble at all with $6 million less for this 6-week period.

Mr. LEVITAS. Mr. Speaker, will the gentleman yield?

Mr. SIMON. I yield to the gentleman from Georgia.

Mr. LEVITAS. I thank the gentleman for yielding.

As I have already stated, I intend to vote for the resolution if this should pass or if another rule is adopted, but can the gentleman from Illinois explain to me why we have to have a closed rule on an agency appropriation that we have not had a chance to exercise policy decisions on for 3 years? Why do we need a closed rule? Why cannot we defeat this rule, get an open rule and then take up the resolution?

Mr. SIMON. I cannot speak for the Committee on Rules, but I think they probably have exercised some prudence in having a closed rule here so that we can move somewhat expeditiously on this matter.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. SIMON. I yield to the gentleman from California.

Mr. ROUSSELOT. I thank the gentleman for yielding.

I want to speak to the issue of the President and OMB placing a salary freeze. That is fine—a hiring freeze. Have both the President and OMB sent up a recission asking for that employment freeze?

Mr. SIMON. Will the gentleman repeat his question?

Mr. ROUSSELOT. The gentleman mentioned the issue which has been made here, regarding the hiring freeze the President and OMB have requested—the gentleman from Iowa (Mr. SMITH) referred to are—an employment freeze.

Now, if they are serious about that employment freeze, has the President asked for that in his recission requests? I understand those recissions are being sent up today. The Budget Committee has or is to consider them.

Mr. SIMON. I have not seen these recissions.

PARLIAMENTARY INQUIRY

Mr. LEVITAS. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state his parliamentary inquiry.

Mr. LEVITAS. Mr. Speaker, as I read the resolution providing for the rule, it provides that there can be one motion to recommit.

My parliamentary inquiry is: Can that motion to recommit be a motion for recommital with instructions?

The SPEAKER pro tempore. The answer is "Yes."

Mr. LEVITAS. I thank the Speaker.

Mr. BOLLING. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, this rule does something very simple. It makes in order a resolution from the Appropriations Committee complying with the Budget Act, which makes it possible for the employees of the FTC to be paid for another 45 days.

It is not a trick. It is in compliance with, not an evasion of the Budget Act.

I am glad that the rules of parliamentary procedure require that one not look into motives. I would not want to look into the motives of everybody who feels the way they do about the FTC. I find it very confusing that this kind of effort goes into beating a quite harmless rule.

All the debate so far has been on the joint resolution itself before that resolution was before us.

Much of the debate, I think, has been unintentionally misleading. I do not think people had their facts straight.

It seems to me a very, very serious mistake to start dealing with resolutions before the rules that provide for their consideration are adopted.

☐ 1410

I am aware of the destructive attitude of a good many of our friends who believe that everything and anything, any method, any technique is justified, parliamentarily and otherwise, in order to obtain objectives.

I think that orderly procedure, frankly stated, is the difference between democracy and chaos. I would hope that we would recognize that confusion, whether it is planned or not, contributes only to chaos.

I have no interest in this issue in any way. It is merely a rule designed to get before the institution an opportunity to deal with a specific emergency. I hope very much that it is done in the authorizing committee and done promptly. I do not even know the issues very well, but I do know the issue here and the issue here is do we still believe in orderly procedure, or have we decided that this is really war, that to obtain an objective we will use any method that comes to hand? I cannot believe that a majority of the House feels that way.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. QUILLEN. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 224, nays 190, not voting 17, as follows:

[Roll No. 159]

YEAS—224

Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Annunzio
Anthony
Ashley
Aspin
Atkinson
AuCoin
Bailey
Baldus
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bennett
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bowen
Brademas
Brodhead
Brooks
Brown, Calif.
Burlison
Burton, John
Burton, Phillip
Byron
Carr
Cavanaugh
Chisholm
Clay
Coelho
Conyers
Corman
Cotter
D'Amours
Danielson
Daschle
Dellums
Derrick
Dicks
Dingell
Dixon
Dodd
Donnelly
Downey
Drinan
Early
Eckhardt
Edgar
Edwards, Calif.
English
Ertel
Fary
Fascell
Fazio
Fenwick
Ferraro
Fisher
Fithian
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Ginn
Glickman
Gonzalez
Gore
Gray
Green
Guarini
Gudger
Hall, Ohio
Hamilton
Hance
Hanley
Harkin
Harris
Hawkins
Heckler
Heftel
Hightower
Hollenbeck
Holtzman
Horton
Howard
Hughes
Hutto
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kildee
Kogovsek
Kostmayer
LaFalce
Lederer
Lehman
Leland
Lloyd
Long, La.
Long, Md.
Lowry
Luken
Lundine
McCormack
McHugh
McKay
Maguire
Markey
Matsui
Mattox
Mavroules
Mazzoli
Mikulski
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Montgomery
Moorhead, Pa.
Mottl
Murphy, N.Y.
Murtha
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Perkins

Peyser
Pickle
Preyer
Price
Rahall
Ratchford
Reuss
Richmond
Rinaldo
Roberts
Rodino
Roe
Rosenthal
Rostenkowski
Roybal
Russo
Sabo
Scheuer
Seiberling
Shannon
Sharp
Simon
Smith, Iowa
Solarz
Spellman
St Germain
Stack
Staggers
Stark
Steed
Stewart
Stokes
Studds
Swift
Synar
Thompson
Traxler
Udall
Ullman
Van Deerlin
Vanik
Vento
Walgren
Watkins
Waxman
Weaver
Weiss
Whitten
Williams, Mont.
Wirth
Wolff
Wolpe
Wright
Wyatt
Yates
Young, Mo.
Zeferetti

NAYS—190

Abdnor
Andrews, N. Dak.
Applegate
Archer
Ashbrook
Badham
Bafalis
Barnard
Bauman
Beard, Tenn.
Bereuter
Bethune
Bouquard
Breaux
Brinkley
Broomfield
Broyhill
Buchanan
Burgener
Butler
Campbell
Carney
Carter
Chappell
Cheney
Clausen
Cleveland
Clinger
Coleman
Collins, Tex.
Conable
Conte
Corcoran
Coughlin
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
de la Garza
Deckard
Derwinski
Devine
Dickinson
Diggs
Dornan
Dougherty
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
Emery
Erdahl
Erlenborn
Evans, Del.
Evans, Ga.
Evans, Ind.
Findley
Fish
Flippo
Forsythe
Frenzel
Gingrich
Goldwater
Goodling
Gradison
Gramm
Grassley
Grisham
Guyer
Hagedorn
Hall, Tex.
Hammerschmidt
Hansen
Hefner
Hillis
Hinson
Holt
Hopkins
Hubbard
Huckaby
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Johnson, Colo.
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lee
Lent
Levitas
Lewis
Livingston
Loeffler
Lott
Lujan
Lungren
McClory
McCloskey
McDade
McDonald
McEwen
McKinney
Madigan
Marks
Marlenee
Marriott
Martin
Mathis
Michel
Miller, Ohio
Mitchell, N.Y.
Moore
Moorhead, Calif.
Murphy, Pa.
Myers, Ind.
Nichols
Pashayan
Paul
Petri
Porter
Pritchard
Pursell
Quayle
Quillen
Railsback
Regula
Rhodes
Ritter
Robinson
Rose
Roth
Rousselot
Royer
Rudd
Runnels
Santini
Satterfield
Schroeder
Schulze
Sebelius
Sensenbrenner
Shelby
Shumway
Shuster
Skelton
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stangeland
Stanton
Stenholm
Stockman
Stump
Symms
Tauke
Taylor
Thomas
Trible
Vander Jagt
Volkmer
Walker
Wampler
White
Whitehurst
Whitley
Whittaker
Williams, Ohio
Wilson, Bob
Wilson, Tex.
Winn
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.
Zablocki

NOT VOTING—17

Addabbo
Anderson, Ill.
Brown, Ohio
Collins, Ill.
Davis, S.C.
Duncan, Oreg.
Harsha
Holland
Jenrette
Mica
Murphy, Ill.
Nolan
Pepper
Rangel
Sawyer
Stratton
Wilson, C. H.

☐ 1420

The Clerk announced the following pairs:

Mr. Pepper with Mr. Anderson of Illinois.

Mr. Addabbo with Mr. Brown of Ohio.

Mr. Jenrette with Mr. Harsha.

Mr. Stratton with Mr. Sawyer.

Mr. Charles H. Wilson of California with Mr. Davis of South Carolina.

Mr. Rangel with Mr. Mica.

Mrs. Collins of Illinois with Mr. Nolan.

Mr. Duncan of Oregon with Mr. Murphy of Illinois.

Mr. WAMPLER changed his vote from "yea" to "nay."

Mr. TRAXLER changed his vote from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above-recorded.

A motion to reconsider was laid on the table.

☐ 1430

Mr. WHITTEN. Mr. Speaker, pursuant to the resolution just agreed to, I call up House Joint Resolution 514 for consideration in the House.

The Clerk read the joint resolution, as follows:

H.J. RES. 514

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sum is transferred, out of funds previously appropriated, for the fiscal year ending September 30, 1980, namely:

FEDERAL TRADE COMMISSION

SALARIES AND EXPENSES

(By transfer)

For an additional amount for "Salaries and expenses", $12,100,000, which shall be derived by transfer from unobligated balances available under the heading "International Communication Agency, Salaries and Expenses": *Provided,* That authority made available by this joint resolution shall be available from March 15, 1980, and shall remain available until April 30, 1980: *Provided further,* That obligations of the Federal Trade Commission made pursuant to this joint resolution shall not exceed $9,800,000: *Provided further,* That none of the funds made available by this joint resolution for the Federal Trade Commission may be used for the final promulgation of trade regulation rules authorized by section 18 of the Federal Trade Commission Act, as amended, nor to initiate any new activities: *Provided further,* That no new trade regulation rules promulgated under the authority of section 18 of the Federal Trade Commission Act, as amended, after August 30, 1979, are to become effective during the period covered by this joint resolution for the Federal Trade Commission, unless authorizing legislation for the Federal Trade Commission is enacted into law during such period.

POINT OF ORDER

Mr. BAUMAN. Mr. Speaker, I rise to make a point of order against the present consideration of the resolution.

The SPEAKER pro tempore (Mr. BOLLING). The gentleman from Maryland will state his point of order.

Mr. BAUMAN. Mr. Speaker, House Resolution 619 which makes in order this resolution, House Joint Resolution 514, contains only one waiver and that is of clause 2(1) (6) of rule XI.

Mr. Speaker, I make a point of order against the consideration of House Joint Resolution 514 for failure to comply with the provisions of clause 2 of rule XXI which prohibits legislation in an appropriation bill. Clause 2 of rule XXI states:

> No appropriation shall be reported in any general appropriation bill, or be in order as an amendment thereto, for any expenditure not previously authorized by law, unless in continuation of appropriations for such public works and objects as are already in progress. Nor shall any provision in any such bill or amendment thereto changing existing law be in order, except such as being germane to the subject matter of the bill shall retrench expenditures . . .

Even though this rule usually applies only to general appropriation bills, I contend that the precedents demonstrate that it also applies in this case. To substantiate this, I first cite Deschler's, chapter 26, section 3.7. The precedent states:

> An amendment to an appropriation bill proposing the transfer of funds previously appropriated in another appropriation bill is legislation.

Although the precedent takes note of an amendment to an appropriation bill the principle holds true that a transfer of funds constitutes legislation and is in violation of the rule. House Joint Resolution 514 transfers funds previously appropriated to the International Communication Agency to the FTC and is therefore in violation of clause 2 of rule XXI.

I further, and most importantly, cite an event which took place on December 11, 1969. On that day, the House was considering a supplemental appropriation bill, H.R. 15209, not a general appropriation bill. I quote from the RECORD on page 38542 of December 11, 1969. The title of H.R. 15209 is making supplemental appropriations for the fiscal year ending June 30, 1970, and for other purposes. The bill in question provided for the transfer of funds appropriated for "Members' clerk hire" to an account entitled "student congressional intern." Mr. Gross of Iowa, and I again note that this was a supplemental appropriation bill, made the following point of order:

> Mr. Chairman, I make a point of order against the language . . . as being legislation on an appropriation bill.

Please note that Mr. Gross cited clause 2 of rule XXI.

The chairman of the Appropriations Committee, Mr. Mahon, stated:

> Mr. Chairman, the Committee on Appropriations put this legislation in the bill for the purposes of accommodating Members. It is subject to a point of order, and the point of order is conceded.

The Chair's ruling—with Mr. O'Hara in the chair—was as follows:

> The gentleman from Texas has conceded the point of order, and the Chair sustains the point of order.

Therefore, Mr. Speaker, the precedents are clear that a transfer of funds constitutes legislation and that clause 2 of rule XXI is not applicable only to general appropriation bills. House Joint Resolution 514 is an appropriation by way of a transfer of funds. It is not a general appropriation bill as a bill to which Mr. Gross made his point of order was not a general appropriation bill. Therefore, I believe the rules applies, and that House Joint Resolution 514 is in violation of clause 2, rule XXI, and the point of order should be sustained.

Mr. Speaker, I make a further point of order against the consideration of this resolution for failure to comply with the provisions of clause 6 of rule XXI which states:

> No general appropriation bill or amendment thereto shall be received or considered if it contains a provision reappropriating unexpended balances of appropriations; except that this provision shall not apply to appropriations in continuation of appropriations for public works on which work has commenced.

On first reading, this rule also appears to apply only to general appropriation bills. But I cite Deschler's Procedure, chapter 25, section 18.5, again the point of order made by Mr. Gross on December 11, 1969. Deschler's states:

> A provision in an appropriation bill permitting an appropriation previously made (in another act) to be used for a new purpose is not in order, and may constitute a reappropriation of unexpended balances under clause 6, rule XXI.

As I have stated, Mr. Gross made his point of order against a supplemental appropriation bill and not a general appropriation bill. I believe that this, therefore, applies to the pending matter. Although House Joint Resolution 514 is not a general appropriation, the provisions of clause 6, rule XXI, apply, and the resolution violates that rule.

The SPEAKER pro tempore. Does the gentleman from Mississippi (Mr. WHITTEN) desire to be heard?

Mr. WHITTEN. Mr. Speaker, I rise in opposition to the point of order. First, may I say, as I understood the citations mentioned by the gentleman, they all pertain to supplemental appropriations, which in themselves are general appropriation bills. In addition, the other points made by the gentleman have to do with general appropriation bills and for that reason do not lie with regard to this resolution before us. In this instance, the resolution deals with only one item and involves a transfer for one purpose. It, therefore, is not a general appropriation bill. It is not a supplemental appropriation bill. So I respectfully make the point that the resolution before us does not come within the class of general appropriation bills that have been cited by the gentleman and that, therefore, the rules cited by him do not apply in this instance.

The SPEAKER pro tempore (Mr. BOLLING). The Chair is ready to rule.

The points of order made by the gentleman from Maryland (Mr. BAUMAN) are refuted by what the gentleman from Mississippi (Mr. WHITTEN) has said on the notion that this bill is a general appropriation bill. Both clause 2 and clause 6 apply only to general appropriation bills, and the Chair feels clearly that this is not a general appropriation bill. Clause 6 of rule XXI prohibits consideration of a general appropriation bill containing a reappropriation of unexpended balances of appropriations. House Joint Resolution 514 is not a general appropriation bill since it contains a transfer of funds only for one agency of Government.

Under the precedents, Cannons VIII, 2285, and Deschler's Procedure, chapter 25, section 11, a joint resolution providing an appropriation for a single purpose or for a single Government agency is not a general appropriation bill, and consistent with this principle, House Joint Resolution 514 has not been reported or called up as a general appropriation bill.

The Chair, therefore, holds that the clauses 2 and 6 of rule XXI are inapplicable to the pending bill and overrules the points of order.

The gentleman from Mississippi (Mr. WHITTEN) is recognized for 1 hour.

Mr. WHITTEN. Mr. Speaker, I yield myself such time as I may require for debate only.

□ 1440

Mr. Speaker, the Committee on Appropriations does not like this exercise any better than many of our colleagues who have expressed themselves on this subject. This resolution involves the funding of an independent agency which I consider vital to the economic well-being of this Nation: the Federal Trade Commission.

Mr. Speaker, there has been no authorization for the Federal Trade Commission for the past 3 years except that which has been provided by the Committee on Appropriations.

We have had to bring before the House several continuing resolutions in an effort to keep the Federal Trade Commission in business and allowed to perform its function.

Mr. Speaker, as chairman of the subcommittee formerly having jurisdiction over the Federal Trade Commission, I am familiar with this agency. I consider it most vital. I believe it would be most disruptive if for any reason the Commission was to lapse for a period of time. As it stands now, Federal Trade Commission employees will receive only half pay at the end of this month. Doubtlessly some can withstand that, but I do not think the country can afford to have this Commission go by the boards. Let me repeat, as chairman of the Committee on Appropriations it is no pleasure to be here trying to keep alive a very essential Commission because no authorization has been forthcoming. I would urge my friends on the legislative committee who have been at loggerheads now for 3 years to proceed with the authorization measure. It is doubtful if they could have any new arguments.

Mr. Speaker, when we were here last September, I said I did not know whether we would again be called upon to ask Congress to continue this agency in the face of no authorizing legislation. It is under those circumstances that we are again here today. As was explained by our colleague from Iowa, the funds that are being transferred to the Federal Trade Commission to keep it in business at its present operating level would cause no hardship on other agencies. For that reason, I would urge the Members to assist us.

Mr. Speaker, I can understand some of our friends' concern over the current budgetary situation with regard to the congressional budget process and I want to say here and now I certainly do not wish for our Committee on Appropriations to have to carry this burden. We spend months in the process of hearings with the various departments and agencies of Government. We try our best to treat all sections of this country fairly. We listen to our colleagues and try to meet the needs of their areas through general appropriation bills. I do not care to see the members of the Committee on Appropriations and other committees made subservient to the Committee on the Budget, which committee I had a part in creating.

Mr. Speaker, it was never intended that the Committee on the Budget deal with specific items, but it should deal with functional categories. The members of the Committee on the Budget are able legislators and are good friends of mine. However, without detailed testimony from their colleagues and without holding other detailed hearings, it would be seriously far afield for them to consider specific items that are dealt with in great detail by the Appropriations Committee.

Mr. Speaker, I was here when Mr. CANNON set up a prestigious Committee on Supplementals. The result was that every time a department had something that was highly questionable, instead of going before the subcommittee that was knowledgeable about the subject, they waited and went before that committee dealing with supplementals because they knew, as conscientious as were the members of that committee, they were unable to be overly knowledgeable about the wide range of subjects dealing with the entire Government.

Mr. Speaker, I regret very much that we are here, largely because the Committees on the Budget have been unable, timewise or otherwise, to raise the budget ceiling to where this could have been handled by a direct appropriation. In addition, I dislike our having to handle a program because legislation has not been enacted for 3 years.

Mr. Speaker, if this should come back before the Committee on Appropriations requiring additional funding action, there would be a temptation by many Members to rewrite the act and I do not believe our colleagues on the legislative committee would want the Committee on Appropriations to attempt to rewrite the Federal Trade Commission Act. However, next time we will be faced with the question of whether or not to continue the FTC for the remainder of the fiscal year, or be faced with the possibility of rewriting the act, and goodness knows that would be as bad as letting the Committee on the Budget consider the details for each of the appropriation bills that come before the Congress.

Mr. Speaker, I respectfully urge my colleagues to go along with us in holding the status quo for 5 weeks in the hope that our friends will finally reconcile their differences and bring forward legislation.

Mr. Speaker, let me repeat that the continuation of the Federal Trade Commission is important. However, there are other problems facing us. Probably the most serious is that of inflation.

I am convinced there must be a move now, before present conditions jeopardize our entire economy. Further, though there are many things we must do, two stand out as being absolutely necessary, if we are to prevent a breakdown.

First. We must stop increasing the interest rates, now at approximately 18 percent.

Second. We must review and at least suspend environmental and other restrictions and time-consuming regulations, both Federal and State, particularly cases where we seek to restrict the undesirable as against the downright dangerous, where there is substantial evidence of danger to human health.

On the first, all students of the problem of inflation are familiar with the relatively uncomplicated theory that inflation is caused by too much money chasing too few goods. There is some merit to such a description, but despite the fact that the Appropriations Committee has kept appropriations bills below the Presidential budget recommendations 36 years out of the last 37, our national debt is around $900,000,000,000, on which we have to pay the higher interest, our national obligations are in excess of $10,000,000,000,000. All this is hanging over our financial head; it makes this squeeze on money unworkable and dangerous.

My experience convinces me that if we would have worked to keep interest rates reasonable; and keep prices reasonable by increased production; if we had had plenty of goods on the market, that very fact would have kept prices in line. We would have had that situation if governmental agencies had limited regulations to those things dangerous to human health instead of going all out to eradicate the merely undesirable, we would also today be using coal, we would have developed our own oil and other sources of power and would not be dependent upon the OPEC countries and thus less involved in a dangerous world.

I urge American business, EPA officials, the news media, public officials, and the people to get together now to review and at least suspend for the period of the present emergency, all those regulations which are restricting American production of goods and services, when such restrictions are merely to eliminate the undesirable.

Let us increase the production of American goods. Had we done this several years ago, I am convinced we would have saved the consumer, the producer, factory and farmer and laborer billions of dollars annually.

Under present conditions, we should restrict imports from abroad of that which we produce at home, at least to the point of maintaining a trade balance with the country from which such imports come.

WE MUST BALANCE THE BUDGET

We all agree that we must balance the budget. There are different opinions as to how rapidly we can do this—and as to how. It is my view that it is not simply a matter of curtailing or even stopping Federal spending, we need to increase production. We need to distinguish between expenditures which add to our wealth and slow down that for which we get little if anything in return.

Balance means that one side, income equals outgo. Income must be at a high level if we are to meet present obligations and support a sound economy. We owe a tremendous debt now—how can we repay those cheap dollars we borrowed with hard to get dollars? We cannot. We cannot turn the clock back. In view of our present debt and obligations, the best we can hope for is to level off. To do that we must restore economic growth.

INCREASED PRODUCTIVITY, A MUST

Whatever the necessity for or desirability of other things, such as reduced wasteful spending by Government and industry, the answer is to increase productivity and production. To do that, we must eliminate many regulations, restrictions, and other actions which we wrap around ourselves, which slow industry down. One area that has been especially inundated with Federal regulations is the area of environmental protection from the undesirable. An industry could spend a hundred million dollars to meet a regulatory agency's demand 1 month, and the next month the agency, under present law, could come back and say that they are sorry, but it will take twice that much to meet their demand. I think we must have some provision whereby, once standards for industry are set, they will not be changed unless it can be shown there is a clear and provable threat to human health.

So long as cheap energy was readily available, the mechanics of the regulatory processes, established to achieve the goals expressed in environmental legislation, gave little weight to the fundamental need to balance environmental, economic, and national security considerations. The result is a regulatory nightmare which adds to inflation, higher prices, and greater dependence on imported oil. Consider these examples developed in our hearings:

SOME EXAMPLES

The additional fuel needed to meet pre-1975 model year emission standards is estimated to require over 520 million barrels of gasoline over the life of those vehicles at a cost of over $8.5 billion.

Ninety percent of the electricity generated by Consolidated Edison for the Greater New York City area is from oil-fired plants requiring special low sulfur oil which must be imported. A proposal to convert three large units to coal has been pending 5 years before various local and Federal agencies. The cost: 15 million barrels of imported oil per year and $100 million in higher costs to consumers over the cost of coal-fired generation.

The Sohio pipeline needed to transport Alaskan oil to gulf coast refineries required over 700 permits before construction could commence. The project was finally abandoned after 4 years were spent trying to obtain the necessary permits. The economic penalty to the consumer is about $170 million per year.

Two refineries needed on the east coast to provide additional domestic refining capabilities have been in the approval process for over 5 years. The additional cost to the consumer if these refineries are not built is about $200 million a year.

Two nuclear powerplants which could directly substitute for oil-fired generating capacity were delayed more than 3 years in the regulatory permitting process. The cost to the consumer—over $100 million per year.

Fortunately, we are beginning to realize that there must be a better balancing of energy, economic, and environmental issues. It is not a question of energy versus the economy versus the environment, but energy and the economy and the environment in compatible roles.

Mr. Speaker, we still have a rich country, rich in fertile land, forests, roads and schools, navigation projects, factories—and all the rest that means real wealth.

Our finances are in terrible shape however, in view of the costs and of the tremendous job ahead of us, with the need to keep our economy healthy and strong as we try to correct the mistakes of the past and to prevent them in the future, we believe it will be necessary to set up a system of priorities, putting those conditions that are downright dangerous ahead of those conditions which may be only undesirable.

Mr. Speaker, I hope we can get ahead with the job. It is not that we do not need both, but we need to establish some priority so as to deal with first things first. Hold down nonessential public spending—yes; but equally important, we must keep industry going and provide our people with jobs.

Mr. O'BRIEN. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Illinois for purposes of debate only.

Mr. O'BRIEN. Mr. Speaker, I thank the gentleman for yielding.

I intend to support the gentleman from Mississippi (Mr. WHITTEN) in this effort. I think the gentleman finds a responsibility thrust upon him, one which he did not seek. I think it is a responsibility that really does not belong with the Committee on Appropriations.

Mr. Speaker, recalling the remarks the chairman made in committee, I agree with him that somewhere the line has to be drawn. I would like to announce, or serve notice that, insofar as this Congressman is concerned, this is the last extension or transfer with respect to the FTC that he intends to vote for. Hereafter, I will deem further protracted indecision on the part of the authorizing committees, beyond the term of this transfer, to amount to disapproval of the agency and I will vote against any further extensions or transfers of this kind.

Mr. CONTE. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Massachusetts for purposes of debate only.

Mr. CONTE. Mr. Speaker, I opposed the rule because it is a gag rule, which does not allow amendments to the joint resolution, except by the indulgence of the chairman of the committee.

There has been a strong tradition in

this House against closed rules on appropriation bills, and I think this rule is an unfortunate precedent.

The gentleman from Missouri referred to "policy amendments," but of course the rule gags all amendments, including those that would change the amount of money, or the termination date. These are legitimate questions for debate and amendment.

Mr. Speaker, I support this joint resolution, which transfers funds to the Federal Trade Commission.

Continuing appropriations for the FTC expired on March 15.

The next payday for FTC employees is Monday, March 31. This payday covers 2 weeks: March 9 through March 15, and March 16 through March 22.

Under the continuing resolution which expired on March 15, the FTC has the authority to pay its employees for the first week, but employees cannot be paid for the second week until additional funds are provided.

Whatever our feelings may be regarding the policies and leadership of the FTC, individual employees should not suffer economic hardship.

This will be the third provision of funds for the FTC for fiscal year 1980.

As a matter of record, I think it is important to state that the Committee on Appropriations has recommended appropriations for the FTC in three increments as a courtesy to the House, and to the authorizing committee.

Legislative authorization for the FTC expired at the end of fiscal 1977, and has not been extended. By providing appropriations for only short periods of time, we have tried to give the House an opportunity to work its will through the authorization process.

The joint resolution transfers $12.1 million to the FTC from the International Communications Agency.

The amount to be obligated and expended by the FTC is limited to $9.8 million, which represents a straight, pro-rata, 45-day rate for the FTC, plus certain one-time costs which occur during that period.

We have chosen a transfer of funds to avoid any net impact on fiscal 1980 budget authority and outlays, which already exceed the levels established in the third concurrent resolution on the budget for 1980.

We have transferred from ICA more than the amount to be obligated by the FTC, in order to insure that the effect on outlays is the same in ICA and the FTC.

The FTC has a high rate of outlay. Virtually all of the $9.8 million in obligations to be incurred by the FTC during the 45-day period will result in outlays during fiscal 1980.

The ICA has a slower rate of outlay. In order to reduce ICA outlays in fiscal 1980 by $9.8 million, as an exact offset to the additional 1980 outlays for the FTC, we transferred an additional $2.3 million from the ICA.

Many Members are, of course, concerned by the general direction taken by the FTC, as well as by specific regulations initiated or issued.

This joint resolution provides that, during the period covered by the joint resolution, no trade regulation rule shall be finally promulgated, and no new trade regulation rules shall take effect, under section 18 of the Federal Trade Commission Act, which provides the FTC with their authority for trade regulation rules concerning consumer protection.

Accordingly, during the 45-day period for which funds are provided, this joint resolution effectively precludes any new FTC regulation concerned with consumer protection, and gives this Congress additional time to pass authorizing legislation.

Of course the $12.1 million transfer from ICA is an equally important part of this joint resolution.

The administration had planned to reduce ICA's 1980 appropriation by $6 million as one of a number of reductions in 1980. Because of this transfer, that cut of $6 million will not be made.

However, ICA will still be cut a total of $12 million in 1980—$6 million in place of the cut planned by the administration, and an additional $6 million.

I hope the administration will submit a supplemental for at least part of this amount.

ICA administers important programs of student exchange, as well as the Voice of America. During these times of international tension, I do not think that either of these programs should be cut beyond the $6 million planned by the administration.

Under the rule, amendments are not in order.

There will be a straight up or down vote on the joint resolution, which provides the House with a fundamental choice:

Vote yes to keep the FTC alive; or

Vote no to kill the FTC.

I urge a vote for the joint resolution.

□ 1450

Mr. BAUMAN. Mr. Speaker, will the gentleman yield for a question?

Mr. WHITTEN. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Speaker, I thank the gentleman for yielding. I wanted to ask either of the gentlemen a question. They discussed this in terms of the FTC being paid. But, the Budget Committee had the opportunity, knowing that we had reached ceilings more than a month ago, to bring in a new budgetary ceiling that would have solved this problem for this agency and all other agencies. It seems to me legitimate to cast a vote against this as a protest because this, in effect, is a new way to violate the Budget Act.

Mr. CONTE. There are other problems with the third budget resolution. The administration has not sent up what they need for additional fuel costs for the Army, the Navy, the Marine Corps, and the Air Force, so there are a lot of uncertainties out there. Until all those figures come in, it would be foolish to bring up a third budget resolution.

Mr. BAUMAN. If the gentleman from Mississippi would respond to a question, are we now going to see the Appropriations Committee reporting out a resolution which does the same thing, transferring funds from the Air Force to Selective Service? This could become a way of life, getting around the Budget Act.

Mr. WHITTEN. That decision has not been reached at this time. But I can sympathize with the gentleman from Maryland, I regret to see the Appropriations Committee getting into a position where we are required to provide urgent funding on one hand, knowing full well, on the other hand, that we are faced with an unrealistic budgetary ceiling which we know is over $10 billion below the projections of what is required.

I am caught at the moment in trying to deal with a very real problem that has a great need for an answer, but I can understand the gentleman's concern. I hope this does not become a general practice, and I shall work toward that end.

Mr. LEVITAS. Mr. Speaker, will the gentleman yield for a question?

Mr. WHITTEN. I yield to the gentleman from Georgia.

Mr. LEVITAS. Mr. Speaker, I thank the gentleman for yielding. It is my understanding, Mr. Chairman, that during fiscal 1980 this is the third occasion that there have been special appropriations containing appropriations for the FTC, and that since 1977 there have been two additional appropriation bills for FTC without any authorization. That is five sort of special cases without authorization.

Mr. WHITTEN. In no case did we volunteer our services.

Mr. LEVITAS. I understand, and I think it has really been unfair of the House to impose on the Appropriations Committee in this way. But, I want to ask the chairman, if the House should pass this measure today, can we have some assurance either from the chairman of the committee or the acting chairman of the subcommittee, Mr. Smith of Iowa, that this will be the last time that we will be asked to do this?

Mr. WHITTEN. Well, I would not want to commit myself on that matter because I have had to do a lot of things that I anticipated not having to do. I know, for myself, it would be my thought that if we have to provide additional funding and the authorization is not enacted we should either require our legislative friends to act, or fund it for the remainder of the year.

Mr. LEVITAS. I thank the chairman.

Mr. WHITTEN. Mr. Speaker, I yield 5 minutes to my colleague from Iowa (Mr. Smith), acting chairman of the subcommittee, who is much more familiar with the operation than I.

Mr. SMITH of Iowa. Mr. Speaker, to start with I want to say that we are not here with this resolution today because we want to be. We had said several weeks ago that we did not intend to bring another resolution to the floor unless one of two things happened. One was that an authorization was completed. The other was that if the authorizing committee asked us to do so as a temporary measure. The authorizing committee asked us to bring this resolution here just for a limited period of time. And so, but for that we would not be here. So, I think that the full answer to the gentleman would have to be, we would have to consult with the authorizing committee, and I suppose if they came in and said, "Give us another week or two," we would have to give due consideration to that kind of request.

As I indicated, Mr. Speaker, this is only for 45 days. The funding comes from a transfer; that was not by choice of the committee. This has been done before. Members had indicated that this is something unique, but we have many times transferred funds from one program to another in order to accommodate pay increases. So, it is not the first time we have ever had a transfer, although we do not like to use this method especially when it is from one agency to another. In this case we are transferring $12.1 million from the International Communications Agency.

I want to point out first of all, it is not being transferred from the State Department's funding. It is not being transferred from the Board for International Broadcasting's funding which supports Radio Free Europe and Radio Liberty. It is the International Communications Agency. That is a separate agency with a separate appropriation.

The amount is $12.1 million. Of that, we discovered they were not going to use $6 million of it anyway because the administration had said they were going to increase the lapse rate. They were not going to fill vacancies as fast as people leave the agency. That is a prerogative of the administration. They do not have to send up a rescission. That is a right that they have.

The actual obligational figure that we are talking about for the FTC is only $9.8 million. The reason for transferring $12.1 million from the ICA is that the ICA spend-out rate is lower than the FTC spend-out rate, and we must insure that the overall amount of outlays is not increased.

I point out that they have a $396 million budget for the year, and if they cannot shift $6 million for a couple of months in a $396 million budget there is really something wrong with the people down there running the agency. They have a reprograming request up here before the committee and in that reprograming request they have found $4,456,000 that they would like to shift to higher priority programs. One of the reasons it is possible to do this is that the exchange rate has changed in our favor. They do not need as much money in some of these countries due to the more favorable exchange rate at the present time.

In addition to that, $43 million is provided for an academic exchange program. Much of that money is not needed until August or September. We advance-fund the program so that the money will be available at the beginning of the next academic year. This is good management, but there is no reason why they cannot use up to $6 million of that money if they need to. So, what we are talking about is shifting some money around a little bit.

Also, I might mention that a lot of talk has been heard here this afternoon about expanding the Voice of America in the Islamic countries. We have not approved the reprograming request to do that. If they need more money we can consider it at the appropriate time. I do not think that this transfer is going to harm the agency at all, and I think it is the way to accommodate a situation we have at the present time.

Mr. ZABLOCKI. Mr. Speaker, will the gentleman yield for the purpose of colloquy?

Mr. SMITH of Iowa. I am happy to yield to the gentleman from Wisconsin.

The SPEAKER pro tempore (Mr. BEILENSON). The time of the gentleman from Iowa has expired.

Mr. WHITTEN. Mr. Speaker, I yield 3 additional minutes to the gentleman from Iowa.

□ 1500

Mr. ZABLOCKI. Mr. Speaker, I fully understand the situation that we find ourselves in; but I cannot help but question why the ICA was selected.

The gentleman from Iowa (Mr. SMITH) mentioned that the ICA has funds they are not in need of now. I would point out, however, that there is no real surplus in the ICA budget. The agency will need some of these funds, if not all, later in the year when it must meet certain obligations such as the academic exchange program.

I hope this transfer of funds from the ICA to the FTC is not intended to set a precedent for future transfers in lieu of the normal authorization and appropriation process.

Mr. Speaker, I will ask the gentleman from Iowa does the gentleman from Wisconsin have a proper understanding of the situation?

Mr. SMITH of Iowa. Yes; I think, generally speaking, that is a correct understanding. We do not intend to use this as a normal rule, and it is not to be considered a precedent necessarily.

Mr. ZABLOCKI. Mr. Speaker, is it further my understanding that the proposed transfer of funds from the ICA to the FTC is recommended, not because the ICA's fiscal year 1980 appropriation is in excess of its needs but, rather, because the FTC is faced with an operating deficit which cannot be remedied by an emergency appropriation until the Congress agrees to a third budget resolution for this fiscal year? Does the gentleman from Iowa concur in this understanding?

Mr. SMITH of Iowa. Mr. Speaker, the gentleman is again correct, except that the administration, as I mentioned before, is not going to let them use $6 million of this money anyway due to the employment freeze.

We have not made a detailed study to find if there are other areas that could be reduced.

Mr. ZABLOCKI. Mr. Speaker, if the gentleman from Iowa will yield further, the gentleman refers to a proposed reduction of $6 million in the ICA budget due to a freeze on employment and certain other delayed activities. Nevertheless in order to insure that the ICA will be able to carry out its programs and activities for fiscal year 1980, as originally approved by Congress, can the gentleman from Iowa assure the gentleman from Wisconsin that necessary action will be taken to restore the $12,100,000 transfer?

Mr. SMITH of Iowa. Mr. Speaker, I assure the gentleman we are going to look at it very carefully, and if we find they need any money to carry out the mission that the gentleman and I both agree they need to carry out, we are going to be most sympathetic in trying to find the money in one way or the other.

Mr. ZABLOCKI. Mr. Speaker, I thank the gentleman from Iowa (Mr. SMITH) for his assurances that the funds for ICA will be restored, and I thank the gentleman for yielding.

Mr. Speaker, I understand that the $12.1 million cut, if not restored to ICA, will seriously disrupt programs and plans already well advanced at this midpoint in the fiscal year. Restitution is most important in order to avoid extended project delays, extra costs and adverse program impact.

Mr. WHITTEN. Mr. Speaker, I yield 6 minutes to the gentleman from Delaware (Mr. EVANS) for purposes of debate only.

Mr. EVANS of Delaware. Mr. Speaker, I appreciate very much the gentleman's yielding me this time.

Mr. Speaker, I find it absolutely astounding that we are taking money away from an agency of Government vital to our national security interests in order to prop up the FTC and take the pressure off the House-Senate conferees to reach a solution to the continuing sage of the FTC authorization.

The Appropriations Committee would have been hard pressed to find a worse place in the Federal budget from which to steal funds.

For instance, Joe Califano has said that HEW has $7 billion of fraud and abuse in its budget. But did the Appropriation Committee take $12 million from that department—No!

The Department of Energy spends over $10 billion a year, and they have yet to add one drop of oil to our Nation's supply. The committee must have been able to find $12 million over there—but they did not.

And how about the newest boondoggle, the Department of Education. $15.5 billion is sitting over there. But our committee just could not bring itself to slice off a bit of that sacred cow.

No, my colleagues, they decided to take the $12 million out of our national defense, at the very time we are being tested around the world.

Mr. Speaker, let me just speak of one country for a moment—Iran.

The Soviet Union has been beaming inflammatory broadcasts into Iran since 1959. These broadcasts no doubt contribute to the turmoil and anti-American hysteria in that nation, and were surely a factor in the invasion of our Embassy and the kidnapping of our citizens.

VOA is currently involved in stepped up efforts to recruit and train broadcasters who can speak the numerous and difficult Moslem languages of Central Asia. I believe it is imperative that we get the message across to the people of that critical area, the message of Soviet aggression in Afghanistan and the threat it poses to all Moslems in Central Asia.

Yet, unbelievably, this resolution if passed could bring this vital program to a screeching halt.

The supporters of this ill-advised and very dangerous resolution have assured us that, "don't worry, we'll pick up this money somewhere down the road." But the road to Hell is paved with good intentions.

Mr. Speaker, that is like my saying to the chairman of the Committee on Appropriations, if he is my partner on the golf course, "Don't worry. I have just made two straight double bogeys on 15 and 16, but I will make birdie on 17 and 18."

That is wishful thinking. And I think this is particularly wishful thinking, considering the budget-cutting fever that exists here in Washington these day.

Mr. CONTE. Mr. Speaker, will the gentleman yield?

Mr. EVANS of Delaware. Certainly, I yield to the gentleman from Massachusetts.

Mr. CONTE. Mr. Speaker, knowing the reputation of the gentleman in the well for being an outstanding golfer, I would not say it is wishful thinking to believe that he would make birdie on the 17th and 18th holes.

Mr. EVANS of Delaware. Mr. Speaker, I thank the gentleman for his very kind and thoughtful remarks. I guess there was once upon a time when I could say I would make birdie on the 17th and 18th holes and have a fair chance of doing it. But, Mr. Speaker, given the budget-cutting fever around here, which seems to have replaced spring fever, I simply do not think it is going to be very easy for the Congress to add money to any program once it has been taken out.

My colleagues, you can never win a football game if you refuse to advance beyond the 50-yard line. Nor will this country win the battle for human freedom if we refuse to carry the fight through the force of our ideas into the territory of other nations.

This battle does not need to be won by force of arms. There is a weapon much more powerful than arms. It is the weapon of ideas. It is the force that the Communists and the Ayatollah Khomenis of the world fear more than anything else. It is the truth. They have erected massive defenses to keep the truth from reaching their people. Last year alone the Soviet Union spent $300 million—nearly twice what we spend for broadcasting—to jam our transmissions to Eastern Europe and the Soviet Union itself.

By passing this resolution we are taking a risk. We are potentially at least playing into the hands of the enemies of truth. We will have done their job for them. And we will have taken a giant step toward losing the East-West confrontation.

I urge defeat of this resolution.

Mr. KEMP. Mr. Speaker, will the gentleman yield?

Mr. EVANS of Delaware. I yield to the gentleman from New York.

Mr. KEMP. Mr. Speaker, I congratulate my friend from Delaware on his leadership. I rise not only in opposition to this funding resolution, but in incredulity that this body is even considering subverting the congressional budget process by taking funds from Voice of America, Radio Liberty, and Radio Free Europe to fund the most controversial agency in the Federal Government, the Federal Trade Commission.

Since last fall I have been battling the FTC in a matter of American human rights—the rights of union workers to protest an 8-year FTC harassment of the U.S. cereal industry that could well result in a loss of over 1,500 domestic jobs. Only after considerable trouble with the FTC, which finally led me to introduce legislation on behalf of the American Federation of Grain Millers to require the Department of Labor to assess the probable job losses a proposed FTC divestiture action would cause, did the FTC grudgingly allow the union workers' case to be heard. I found out the hard way that the FTC's primary concern is not consumer protection, but rather the expansion of its political power.

Now the House is asked to consider the transfer of $12.1 million from the current budget of the International Communication Agency (ICA), which has the responsibility of broadcasting the American message throughout the world, to the FTC to head off a potential loss of funds for that agency. When this body voted for the first temporary extension of funds for the FTC last November it was with the understanding that this would be the last temporary funding for this agency. The extension of funding was meant to "buy time" for the authorization process to continue, since the FTC's activities have not been authorized by the Congress in 3 years.

So now the bill is in conference, with neither side willing to compromise. The debate is on the issue of a legislative veto—whether the Congress will have control over the regulations issued by the FTC that hit the American public with the full force of law. Since the legislative branch of government is intended to be the only branch making the laws, this should not be a difficult item to agree on. But the Senate is disagreeing, and the deadlock continues.

If we continue to capitulate at every turn, if we continue to backdown every time a deadline has been reached, then the House of Representatives will have proven itself to be a very weak sister to the Senate indeed. Why should we approve funding for an agency that has not been authorized? And more important, why should we take the money from one of the few Government agencies that is doing some real good?

The International Communication Agency has the sole responsibility of funding Radio Liberty, Radio Free Europe, and Voice of America. In his statement before the Senate Appropriations Committee, ICA Director John E. Reinhardt testified that the 1980 funding for his Agency had required the reduction of 39 positions. ICA broadcasts into Iran and Afghanistan have increased, but will need added funding in fiscal 1981 to meet the needs of our foreign policy interests. ICA broadcasts are the only broadcasts bringing U.S. positions into Iran. Likewise, ICA broadcasts are the sole source of free world news in the Soviet Union and the Iron Curtain satellite countries. The ICA strongly opposes the transfer of over $12 million of its 1980 budget to the FTC, stating flatly that this move "will seriously disrupt programs and plans" within the Agency. The ICA further states, "given the reductions being made in the 1981 budget, we cannot expect to make up for 1980 cuts with next year's resources."

The choice is clear. Either the House of Representatives refuses to consent to this foolish transfer of funds, thus sending a signal to the FTC conferees that the matter of the legislative veto must be settled once and for all, or we doom millions of people around the world to a daily diet of Soviet propaganda untempered by U.S. broadcasts. I for one will vote against this resolution.

Mr. WALKER. Mr. Speaker, will the gentleman yield?

Mr. EVANS of Delaware. I yield to the gentleman from Pennsylavnia.

Mr. WALKER. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I just wanted to clear this with the gentleman. As far as the gentleman knows, the program from which the money is being transferred, the ICA program, is an authorized program; is that not correct?

Mr. EVANS of Delaware. That is correct, as I understand it.

Mr. WALKER. Then really what we are doing here is taking money from an authorized program and transferring it to a thoroughly unauthorized program. That somewhat raises questions in my mind anyhow because the sense of priority of the Congress is being clearly violated.

Mr. EVANS of Delaware. Mr. Speaker, if the gentleman will allow me to add this, I think the gentleman from Maryland (Mr. BAUMAN) pointed that out a little earlier, and I think it does destroy the process we have created.

I would just like to point out one thing further, if I may. I think this illustrates very clearly the need for Voice of America and what it means, at least to people behind the Iron Curtain.

By the Soviets' own estimates, some 75 percent of the Soviet urban intelligentsia listens regularly to the Voice of America. What a powerful means of communicating this is, as a recent UPI story from Moscow suggests.

The SPEAKER pro tempore. The time of the gentleman from Delaware (Mr. EVANS) has expired.

□ 1510

Mr. WHITTEN. Mr. Speaker, I yield 5 minutes to the gentleman from Washington (Mr. DICKS).

Mr. DICKS. Mr. Speaker, as we can see, the road to a balanced budget is going to be a long and difficult journey. I rise today to speak in favor of the committee resolution. I would ask the Members of the House to consider the employees of the Federal Trade Commission, especially those people, the clerks, the secretaries, people who have to depend on getting paid next week to make ends meet.

I would urge the Members to pass this resolution so that for 45 days we can insure these employees that they will in fact be paid.

As I understand it, the authorizing committees are meeting in conference committee. I am told that they are very close to working out a settlement and finally giving us an authorization for the Federal Trade Commission. I would urge those committees to continue to meet. I have been very concerned that some people, in the other body, particularly, have tried to use this process so that they can avoid meeting, and I would urge them not to do so, because I think it is time that we finally resolve this very important question.

Also, I think it is important to remember that this keeps the budget process intact. Instead of breaking the second concurrent budget resolution, we in fact comply with it by transferring money.

I agree with my friends who have spoken out in favor of Voice of America. That is an important operation. I have been told that this transfer will not affect their ability to get their job done. I hope that the House will act swiftly to pass this resolution, to help the people at the FTC. In my judgment, it is a priority that we must immediately pass.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. DICKS. I yield to the gentleman from California.

Mr. ROUSSELOT. I appreciate the gentleman's yielding.

Mr. Speaker, the gentleman has been in this House long enough and has served now on the Committee on Appropriations long enough to know full well that all agencies, including the FTC, have unobligated balances that they kind of hold onto, and so the thesis that if we do not do anything here today—and I am not suggesting that we be overly dilatory in meeting this issue and getting on with it—that the agency is going to have to terminate all salaries next Monday is just pure poppycock.

Mr. DICKS. That absolutely is not correct. They do not have an unobligated balance this year. They are forbidden to spend any money after March 15. This is a continuing resolution that will allow the FTC to continue to operate for 45 days.

Mr. ROUSSELOT. I understand that.

Mr. DICKS. Therefore, they are barred by lack of authorization from spending any money. So they cannot dip into unobligated balances if they in fact wished.

Mr. ROUSSELOT. I just want to comment that I have served on the Budget Committee. We have gone through this.

Mr. DICKS. That is not the Appropriations Committee.

Mr. ROUSSELOT. I know that. But we deal with unobligated balances, we deal with this whole issue of when is the date of actual cut-off. The gentleman and I remember in this House that it took us 2 years to stop the funding of the Renegotiation Board after the authorization had totally stopped.

My point is that it is not completely factual to say that if we do nothing, everything stops on Monday as far as salaries are concerned.

Mr. DICKS. Unfortunately, the gentleman just is not correct here. They cannot obligate money or spend money after March 15. We have to pass a continuing resolution to make sure those people get paid. The gentleman is not correct on this point, I am sorry.

Mr. ROUSSELOT. The gentleman knows that March 15 is past. Did they stop it then?

Mr. DICKS. But they have not paid anybody since then.

Mr. ROUSSELOT. Oh, I see.

Mr. WHITTEN. Mr. Speaker, will the gentleman yield?

Mr. DICKS. I yield to the gentleman from Mississippi.

Mr. WHITTEN. Mr. Speaker, may I say that when the current continuing resolution expired on March 15, the authorization for the Commission expired.

Mr. DICKS. There is no authorization without the continuing resolution.

Mr. WHITTEN. The Commission dies.

Mr. DICKS. The Commission dies. The people do not get paid. There is also a Federal statute which says that you cannot volunteer your efforts to the Federal Government.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. DICKS. I yield to the gentleman from California.

Mr. ROUSSELOT. I thank the gentleman for yielding again.

Mr. Speaker, I might just say that the shock treatment, of which the gentleman speaks. If the salaries terminated for a couple of days, might have a positive effect to secure the attention of the FTC, I want to reemphasize, and I will come back here and prove it to the gentleman with some details, that it is not true that all salaries have to stop on Monday next, if we do not act today.

Mr. CONTE. Mr. Speaker, will the gentleman yield?

Mr. DICKS. I yield to the gentleman from Massachusetts (Mr. CONTE) to explain the situation to his colleague.

Mr. CONTE. Mr. Speaker, the gentleman in the well (Mr. DICKS) is absolutely right; there will be no money, no appropriation after March 15. There are no unobligated balances.

Mr. WHITTEN. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. LUNGREN) for debate only.

Mr. LUNGREN. Mr. Speaker, there has been discussion about how there will not be any paychecks for FTC employees because there is no authorization. The whole point is that we have not been able to get the authorizing legislation out of conference, and this, in one sense, lets them off the hook from facing the tough decision about whether they should include a legislative veto. So we ought to keep that in mind.

But the second thing I would like to mention is that some comment has been made that the USICA almost invites us to do this. The fact sheet they put out and which I received today says that, if we go ahead and do this:

> Equipment and supplies for VOA installations and USICA posts overseas would have to be held up. This action would impede Agency efforts to add 52½ hours of broadcasting to Islamic audiences, delay the opening of new posts in the Persian Gulf area and in Southern Africa and defer long-needed action to improve Agency centers in Brazil, Turkey, Somalia, the Philippines, India, Morocco and Egypt.

That is a statement of the fact sheet, from the agency involved. That is what they say. They have suggested that, if we do put this money back in, sometime later they can try to recoup as much as possible on this. But they have also suggested that to the extent we now interject this uncertainty, they will have to slow down the process of these specific programs. And these are the programs I talked about when we were discussing the rule, these are the programs that are aimed at the Persian community, at the area of the Middle East in which we are vitally concerned, to which we must respond to the propaganda that has been sent out by the Soviet Union for such a long period of time. In fact, the factsheet of the agency is very clear it will impede the agency's efforts. It seems to me that those who have suggested that this money is somehow going to miraculously appear in the future have made it sound like a shellgame. But where is it going to come from? And when?

Mr. WHITTEN. Mr. Speaker, I yield such time as he may consume to the gentleman from Ohio (Mr. ASHBROOK).

Mr. ASHBROOK. Mr. Speaker, I cannot believe what this House is being asked to do here today. If I understand this resolution correctly we are going to cut back the funding for the Voice of America, Radio Free Europe, and Radio Liberty just to get the deadlocked conferees on the Federal Trade Commission authorization off the hook. In other words, in order to buy more time for the Senate to press for their watered down so-called reform bill we are sacrificing the only means this Nation has of communicating behind the Iron Curtain.

I have been on this floor many times to relate the bizarre actions the FTC has taken in their zeal to control the American marketplace. But I have never, ever, seen such a blatant attempt to circumvent the budget process and the policymaking apparatus of our Nation just to save the neck of this dubious bureaucracy. The FTC deserves to be reformed before it does more harm to small businessmen and consumers. We should not become a partner to buying time for their lobbyists to strong-arm Congress into submission.

The resolution we have before us today is a direct contradiction to last year's mandate this Congress gave to the executive branch. Let me refresh my colleagues' memories. On April 10, 1979, the authorization bill for the Department of State was presented to the full House. During the debate the budget, which included the International Communications Agency, was defended as "extremely frugal," "a tight budget," "a no frills authorization," and finally this quotation:

> In fact, Mr. Chairman, some might call this a bare bones bill. I might interject to say the bare bones always seem to get fleshy at taxpayers' expense when the liberal bureaucrats are cornered. Personally, I am afraid that there may even be a few bones missing . . . Regrettably, the story is similar for the International Communications Agency and Radio Free Europe, notwithstanding the fact that we live in a world where increased communication is vital to peace and understanding.
>
> The authorization before us today is as lean as it can be without seriously impairing our foreign policy efforts and goals.

These words were heard on the floor of this Chamber less than a year ago about the very same funds we now hear are unobligated and available to be shifted around. To emphasize this point with another short example. On April 24, 1979, I offered a budget cutting amendment to the State Department bill. It was immediately attacked as being not responsible and was criticized in the following way:

> A 10-percent cut in these budgets at this time is not simply cutting into the muscle and sinew, it is cutting right through the heart of these agencies.

How can we have it both ways? How can a budget be so lean that any cut would cut through the heart of the agencies, yet there is adequate funds to bail out the conferees on the FTC? Who are we to believe? What happens come next month when the budget rolls on the floor and once again we will hear about how lean everything is? Who should we believe then in light of the FTC funding?

Last week in the Washington Post there was a report that the State Department was asking the Congress to take $50 million in unallocated foreign aid money and form a pool of money that "would allow the administration to respond quickly to unexpected important foreign policy interests abroad." What is this Government by slush fund? If we are so awash with unallocated money that we can bail out the FTC here and form a special account there then why has not the Congress been informed of these excess dollars. Why should we be given a straight up or down vote on how these funds should be used? Why can not the leadership or the administration give us a list of these dollars from all agencies and let the full Congress decide how much and where excess dollars should be reprogramed? This is not a budget process, this is a shell game.

The total breakdown in accountability not only brings the entire budget process into question it also impacts, in this case, directly on a very vital function of our State Department. The International Communications Agency serves one of the few positive functions this Carter administration has allowed at Foggy Bottom. They broadcast into captive nations and provide crucial information for those oppressed by communist tyranny. In recent remarks before the Appropriations Committee in the Senate ICA Director John Reinhart stated:

> For Andrei Sakharov exile means sitting long hours at a bare wooden table listening to the Voice of America, often, according to his wife, learning for the first time the details of his banishment.

For the Sakharovs of this world the ICA is the only link to the realities screened out by the State censors. I have seen many of my colleagues stand on the floor of this Chamber and express sincere outrage and heartfelt sympathy for those fighting for freedom behind the Iron Curtain. Are we now going to stand by while one of the few links we have is ruined for the sake of the Senate version of the FTC bill?

The ICA role has become even more vital since the capture of 50 Americans at the Embassy in Tehran. The ICA broadcasts have been the only source of outside news for those in the Middle East who want to hear the U.S. position during this crisis. The ICA has increased broadcast hours 11 percent in Arabic in order to meet the needs of the crisis. Additional hours are planned in the Persian language. ICA officials were in my office this morning stating that this FTC bail out would severely cut back these important projects. Once again the choice is clear: Is the buying of time for the Senate version of the FTC bill really more important than building support for the American hostages?

I have been told that the money being cut from the ICA is really only a temporary arrangement. That once the FTC is authorized the money will be returned. However, in the meantime the uncertainty of the conference agreement emerging will still cut back vital programs. In addition, the FTC return of these funds is premised on the passage of a third budget resolution to allow the funding ceilings to increase. I ask my colleagues: Do we really want this kind of brinkmanship and crisis management to dictate our actions on the floor of this House? Do we really want to put such a critical program in limbo? Do we really want to have to consider an outrageous third budget resolution under such conditions?

I know that some in this House will argue that the real issue here today is the survival of the FTC. I disagree. The FTC is not at issue today. It will survive for those who might be worried. If we defeat this resolution we will be sending a message to the conferees to stop their deadlock and reach an agreement. We will have once again given backbone to the House position in the conference. We will have signaled our disdain for the methods being used to get the FTC off the hook and out from under congressional oversight. I think these are important matters that we need to consider today. The budget process, and the precedents we might be setting today are far more important than providing an easy out for watering down the House version of the FTC bill.

Mr. WHITTEN. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. DERWINSKI) for debate purposes only.

Mr. DERWINSKI. Mr. Speaker, I would like to point out that when I leave the floor, that is, after this pending vote, we have a subcommittee of the Foreign Affairs Committee that is meeting for the purpose of authorizing supplemental funds for Radio Free Europe and Radio Liberty for broadcasts into the Soviet Union. I commend the administration, I commend the President, I commend the State Department for that proposal.

This obviously runs contrary, though, to what you are doing in this bill, since, as I understand it, even the proponents of the measure admit that there has to be some cutting, some service adjustments at the Voice of America.

In a day and age where the battle for men's minds is as important as it ever has been, it seems to me that we should be emphasizing and beefing up those broadcasts, not using the Voice of America as a source of funds for a different and discredited agency. I could point out aid money in the pipeline all throughout the AID agency. For example, there is $250 million in the pipeline for Syria. You could have tapped that $12 million, if you wanted to, with less damage to our country.

I think that to package this together was a mistake. I think the committee was ill-advised by whoever gives them orders downtown. I think the House as a whole could strike a blow for better management of government and strike a blow for more effective operation of all agencies if we rejected this resolution.

GENERAL LEAVE

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on House Joint Resolution 514, and that I may include extraneous material.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WHITTEN. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. Under the rule, the previous question is ordered on the joint resolution.

The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed and read a third time, and was read the third time.

□ 1520

MOTION TO RECOMMIT OFFERED BY MR. MICHEL

Mr. MICHEL. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the resolution?

Mr. MICHEL. Yes, I am, Mr. Speaker.

The **SPEAKER** pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. Michel moves to recommit the joint resolution (H.J. Res. 514) to the Committee on Appropriations.

The **SPEAKER** pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The **SPEAKER** pro tempore. The question is on the motion to recommit.

The motion to recommit was rejected.

The **SPEAKER** pro tempore. The question is on the passage of the joint resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. **ROUSSELOT**. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The **SPEAKER** pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device. and there were—yeas 216, nays 201, not voting 14, as follows:

[Roll No. 160]

YEAS—216

Akaka
Alexander
Ambro
Anderson, Calif.
Annunzio
Ashley
Aspin
AuCoin
Baldus
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bennett
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Brademas
Brodhead
Brooks
Brown, Calif.
Broyhill
Burlison
Burton, John
Burton, Phillip
Carr
Cavanaugh
Chisholm
Clay
Coelho
Collins, Ill.
Conte
Conyers
Corman
Cotter
Coughlin
D'Amours
Danielson
Daschle
Dellums
Derrick
Dicks
Dingell
Dixon
Dodd
Donnelly
Downey
Drinan
Early
Eckhardt
Edgar
Edwards, Calif.
Ertel
Fary
Fascell
Fazio
Ferraro
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fowler
Frost
Fuqua
Garcia
Gephardt
Giaimo
Gibbons
Gilman
Ginn
Glickman
Gonzalez
Gore
Gray
Green
Guarini
Hall, Ohio
Hanley
Harkin
Harris
Hawkins
Heckler
Heftel
Hightower
Hollenbeck
Holtzman
Horton
Howard
Hughes
Hutto
Johnson, Calif.
Jones, N.C.
Jones, Tenn.
Kastenmeier
Kazen
Kildee
Kogovsek
Kostmayer
LaFalce
Lederer
Lehman
Leland
Levitas
Lloyd
Long, La.
Long, Md.
Lowry
Luken
Lundine
McCormack
McHugh
McKay
Maguire
Markey
Marks
Matsui
Mattox
Mavroules
Mica
Mikulski
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Mottl
Murphy, N.Y.
Natcher
Neal
Nedzi
Nelson
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Perkins
Peyser
Pickle
Preyer
Price
Pursell
Ratchford
Reuss
Richmond
Rinaldo
Rodino
Roe
Rosenthal
Roybal
Russo
Sabo
Satterfield
Scheuer
Schroeder
Seiberling
Shannon
Sharp
Simon
Smith, Iowa
Solarz
Spellman
St Germain
Stack
Staggers
Stark
Steed
Stewart
Stokes
Studds
Swift
Synar
Thompson
Traxler
Udall
Ullman
Van Deerlin
Vanik
Vento
Walgren
Watkins
Waxman
Weaver
Weiss
White
Whitley
Whitten
Williams, Mont.
Wirth
Wolff
Wolpe
Wright
Yates
Young, Mo.
Zeferetti

NAYS—201

Abdnor
Albosta
Andrews, N. Dak.
Anthony
Applegate
Archer
Ashbrook
Atkinson
Badham
Bafalis
Bailey
Barnard
Bauman
Beard, Tenn.
Bereuter
Bethune
Bouquard
Bowen
Breaux
Brinkley
Broomfield
Brown, Ohio
Buchanan
Burgener
Butler
Byron
Campbell
Carney
Carter
Chappell
Cheney
Clausen
Cleveland
Clinger
Coleman
Collins, Tex.
Conable
Corcoran
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
de la Garza
Deckard
Derwinski
Devine
Dickinson
Diggs
Dornan
Dougherty
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Evans, Del.
Evans, Ga.
Evans, Ind.
Fenwick
Findley
Forsythe
Fountain
Frenzel
Gaydos
Gingrich
Goldwater
Goodling
Gradison
Gramm
Grassley
Grisham
Gudger
Guyer
Hagedorn
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hansen
Hefner
Hillis
Hinson
Holt
Hopkins
Hubbard
Huckaby
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Johnson, Colo.
Jones, Okla.
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lee
Lent
Lewis
Livingston
Loeffler
Lott
Lujan
Lungren
McClory
McCloskey
McDade
McDonald
McEwen
McKinney
Madigan
Marlenee
Marriott
Martin
Mathis
Mazzoli
Michel
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Murphy, Pa.
Murtha
Myers, Ind.
Nichols
Pashayan
Paul
Petri
Porter
Pritchard
Quayle
Quillen
Rahall
Railsback
Regula
Rhodes
Ritter
Roberts
Robinson
Rose
Rostenkowski
Roth
Rousselot
Royer
Rudd
Runnels
Santini
Schulze
Sebelius
Sensenbrenner
Shelby
Shumway
Shuster
Skelton
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stangeland
Stanton
Stenholm
Stockman
Stratton
Stump
Symms
Tauke
Taylor
Thomas
Trible
Vander Jagt
Volkmer
Walker
Wampler
Whitehurst
Whittaker
Williams, Ohio
Wilson, Bob
Wilson, Tex.
Winn
Wyatt
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.
Zablocki

NOT VOTING—14

Addabbo
Anderson, Ill.
Andrews, N.C.
Davis, S.C.
Duncan, Oreg.
Harsha
Holland
Jenrette
Murphy, Ill.
Myers, Pa.
Pepper
Rangel
Sawyer
Wilson, C. H.

□ 1530

The Clerk announced the following pairs:

On this vote:

Mr. Addabbo for, with Mr. Sawyer, against.

Until further notice:

Mr. Duncan of Oregon with Mr. Anderson of Illinois.

Mr. Pepper with Mr. Harsha.

Mr. Rangel with Mr. Murphy of Illinois.

Mr. Myers of Pennsylvania with Mr. Andrews of North Carolina.

Mr. Jenrette with Mr. Holland.

Mr. Charles H. Wilson of California with Mr. Davis of South Carolina.

Mr. **ROBERTS** and Mr. **JEFFORDS** changed their votes from "yea" to "nay."

Mr. **HOWARD** and Mr. **BROYHILL** changed their votes from "nay" to "yea."

So the joint resolution was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

□ 1540

THE MORTGAGE SUBSIDY BOND TAX ACT OF 1979

Mr. **ULLMAN**. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 5741), to amend section 103 of the Internal Revenue Code of 1954 to provide that the interest on mortgage subsidy bonds will not be exempt from Federal income tax, and to exempt interest on certain savings from Federal income tax.

The **SPEAKER** pro tempore. The question is on the motion offered by the gentleman from Oregon (Mr. Ullman).

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. **WALKER**. Mr. Speaker, I demand a recorded vote.

A recorded vote was refused.

So the motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 5741, with Mr. Simon (Chairman pro tempore) in the chair.

The Clerk read the title of the bill.

The **CHAIRMAN** pro tempore. When the Committee of the Whole rose on Wednesday, March 19, 1980, the gentleman from Oregon (Mr. Ullman) had 10 minutes of general debate remaining, and the gentleman from New York (Mr. Conable) had 10 minutes of general debate remaining.

The Chair recognizes the gentleman from Oregon (Mr. Ullman).

Mr. **ULLMAN**. Mr. Chairman, I yield myself 4 minutes.

Mr. Chairman, in another 20 minutes we are going to have our first test as to whether we have the will to move toward fiscal responsibility in this country or whether we begin giving in a way that will just vastly increase the dangers of inflation and make it impossible to balance our budget.

The committee has worked very hard to develop a bipartisan bill that allows housing bonds to go forward on a reasonable basis, one that is justifiable, one that has equity, and one that puts the emphasis on housing where it is needed—for the low- and medium-income groups. This is a sound proposal. It is one that ought to be adopted.

If the committee amendment should fail, and we go to unrestricted use of bonds for owner-occupied housing purposes, it will have a severe inflationary impact on our economy. Defeat of the committee amendment will make it virtually impossible for us to balance the budget. As a matter of fact, I feel certain it would throw the bond market in this country into total chaos. Even companies like E. F. Hutton this morning circulated letters to all of the Members supporting adoption of the bill. They know it would be disastrous to the bond market to allow housing bonds to go unrestricted.

It is my judgment that this Congress does not dare to wind up its session without passing some restriction on housing bonds. This is a compromise that allows housing bonds to go forward with reasonable restrictions. As the bill moves through the legislative process and into conference, we can iron out any differences.

Remember, this year we have a liberal transition rule that allows housing bonds to go forward on an unrestricted basis. The Downey amendment, which allows tax-exempt bonds to be issued with certain restrictions, applies to 1981 and 1982 and provides a set of rules that are fair and equitable.

Mr. Chairman, this is going to be the first real test in a whole series of test votes that we are going to have to cast. I ask the Members to stay with a responsible fiscal position, a responsible tax-policy position, and one that, it seems to me, is going to pave the way toward the kind of decisionmaking that we need to make in the weeks ahead.

Mr. DOWNEY. Mr. Chairman, will the gentleman yield?

Mr. ULLMAN. I yield to my friend from New York.

Mr. DOWNEY. I thank the gentleman for yielding and would like to associate myself with his remarks. I think it is important to point out the parliamentary situation. That is, in the substitute for the committee amendment, we make in order the $200- and $100-interest limitation or exclusion. We have already decided in the House, in the windfall profit tax, to provide $400 and $200 as an exclusion, so I do not anticipate there is anyone in the House who would prefer to have the $200 and the $100 versus the $400 and the $200. I just want to make sure the House is aware of that.

□ 1550

Mr. ULLMAN. What the gentleman is rightfully saying is that the committee amendment is the substance of this bill. If we defeat the committee amendment, we will have no bill because we have already accommodated the exclusion for interest and dividends in the windfall profit bill.

Mr. DOWNEY. If the gentleman will yield further, I do not think people realize that if my amendment is defeated, a $200- or $100-interest exclusion would be primarily over the windfall profit tax—$400 or $200, which people do not seem to understand. They believe the defeat of my amendment somehow gives them some more on the mortgage bonds, which is not the case.

Mr. CONABLE. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois (Mr. Railsback).

Mr. RAILSBACK. Mr. Chairman, I rise in opposition to H.R. 5741, the Mortgage Subsidy Bond Tax Act. Tax-exempt bonds have been used to finance home mortgages in my district, and the resulting benefits were felt not only by the individuals buying houses, but by the area's entire economy. These benefits include an expanding local tax base, attracting moderate income families to the city, and the multiplier effects created by new development and construction.

I understand that there have been some abuses of tax-exempt mortgage subsidy bonds, and I can understand the need for restraint. However, I feel that the restrictions proposed in this legislation are far too burdensome. The number and combination of restrictions would severely limit the ability of local governments to formulate a workable program. I also find the numbers themselves to be too restrictive considering the fact that these days it is difficult not only for the poor to find housing, but for those with moderate incomes as well.

Rough estimates based on available income figures for my area show that if 50 percent of the mortgage money from bond issues were to go to families whose income was 90 percent or less of the median family income, to qualify one would have to make less than $17,500. Considering the fact that the conventional market is charging interest rates of up to 17 percent and that a number of savings and loan associations are not making any mortgage loans, many people making more than $17,500 are simply not going to be able to buy houses when faced with these restrictions even though they are in middle income brackets.

Programs such as this one would not have been necessary if the inflation rate, particularly in the housing sector, had not risen so high as to make purchasing a home a near impossibility for most of the Nation's citizens. However, the restrictions that would be placed on the mortgage revenue bond program would have a far more dire effect on our economy through the resulting further reduction in housing starts than would the revenue loss incurred by the continuation of the program under present law. I urge my colleagues to join me in voting to defeat this bill so that we do not eliminate the last possible means by which Americans with moderate incomes can buy their own homes.

Mr. ULLMAN. Mr. Chairman, I yield such time as he may consume to the gentleman from New York (Mr. Weiss).

Mr. WEISS. Mr. Chairman, this is in regard to providing an exemption as the matter proceeds through the Senate and to conference dealing with limited profit and limited dividend housing.

REFINANCING PUBLIC-ASSISTED HOUSING

1. BACKGROUND

In New York State, prior to the passage of the Mitchell-Lama housing bill, during the period from 1926 through the 1950's, public-assisted moderate income housing, particularly cooperatives, were developed under the provisions of the limited-dividend and redevelopment companies laws. These cooperatives were conventionally financed. The mortgages were for terms of generally 20 or 25 years with balloons left for refinancing at the end of the terms. The mortgage term was related to the original period of tax-abatement granted by the city of New York to these housing companies.

2. PRESENT SITUATION

Starting in 1980 and prospectively during the next several years, many of these cooperatives will be faced with the problem of refinancing. In this regard they are faced with the prospect of inflationary interest rates probably in the range of 14 to 17 percent per annum (old mortgage at about 5 percent). In some instances with no assurance of the availability of part or the entire amount needed to refinance the balloon. Such increases in mortgage costs could require rent increases of 35 percent or more.

3. PROPOSED SOLUTION

To permit the refinancing of such public-assisted moderate income housing through mortgages provided by city or State housing finance agencies with funds generated by the agency sale of tax-exempt bonds.

Such financing has been provided for new housing and substantial rehabilitation (including refinancing of limited-dividend housing requiring substantial rehabilitation).

If such refinancing could be made available it could provide: First, lower interest rates in the range of 6 to 8 percent; second, the principal required where bank refinancing is not available; third, longer term mortgages (present conventional refinancing is unlikely to be for a term longer than 5 years); and fourth, better terms for amortization.

4. THE PROBLEM

The Internal Revenue Code (section 103(b)(4)) provides the tax-exemption provision for housing bonds to finance new and substantially rehabilitated old housing. We are advised that the present Code does not extend to refinancing existing older housing. We need a revision of the present legislation to permit the extension of the use of city or State agency tax-exempt housing bonds for such refinancing.

Such a provision would be limited only to housing developed under specific State housing legislation for public-assisted housing which is under the supervision of a governmental agency.

The total amount of such agency refinancing for this purpose is estimated to be at a maximum of $75,000,000.

5. LEGISLATIVE METHOD AND TIMETABLE

Because this problem was brought to my attention and that of other Members of Congress after the modified closed rule had already been granted, it is not possible to offer an amendment to the bill during floor consideration, to remedy. On the basis of conversations with companies have now communicated this problem to the Members of the Senate from the State of New York and have the hope and expectation of their assistance in revising the bill during Senate consideration to achieve the needed remedy. On the basis of conversations with the chairman of the Committee on Ways and Means I am hopeful that he will be supportive of appropriate legislative efforts when the matter reaches the conference committee stage.

Mr. ULLMAN. Mr. Chairman, I yield such time as he may consume to the gentleman from Ohio (Mr. SEIBERLING).

Mr. SEIBERLING. Mr. Chairman, I think that the bill as amended by the committee amendment would constitute a basic improvement in what is an essentially unsound law. I am particularly impressed with the point that has been made that, at the current rate of growth under the present system, the loss to the Treasury will be $600 million this year and by 1984 would reach $11.5 billion in that year alone. Clearly that is an intolerable drain, even though there are some offsetting benefits. It seems to me that to lose control over that much revenue, which could be used to balance the budget or to cut taxes or to fund other high priority needs, would drive too great a hole in Federal fiscal management.

Unfortunately, the bill comes to the floor at a time when interest rates have climbed so high as to threaten the home building industry, and its dependent industries, with imminent collapse. While the defeat of this bill will undoubtedly help some members of that industry, it will not cure their immediate problem, which arises from our escalating national inflation and the fact that the Federal Government has yet to adopt adequate measures to deal with it.

We must indeed balance the budget for the coming fiscal year, as we promised to do. However, even the administration's economists concede that balancing the budget will not, by itself, bring down the rate of inflation significantly.

Last night at a meeting at the White House, one of our colleagues asked when we could expect interest rates to start coming down. Mr. Paul Volker, Chairman of the Federal Reserve System, stated that they would not start coming down until the Federal Reserve Board could see that inflation was diminishing. Even the most optimistic forecasts of the administration do not indicate that any significant decline in the rate of inflation is expected much before the end of the year, at best. Meanwhile, how do the small businessmen, and others dependent on the availability of capital at reasonable interest rates, survive?

The only way they are going to survive, as far as I can see, is if interest rates are brought down fast. The only way I see that happening is if the Federal Government promptly imposes wage and price controls, including a temporary freeze.

At last night's White House meeting, the President reiterated that wage and price controls have never worked in peacetime. I took the occasion to say to him that whoever is giving him that advice is, in my opinion, in error. The fact is that controls worked when President Truman imposed them in 1951 and they worked when President Nixon imposed them in 1971. Unfortunately, in President Nixon's case, he removed the controls prematurely, and inflation resumed its upward march. I also told the President that, in my opinion, if he asked the Congress to give him the authority to impose controls, Congress would do so.

In the meantime, how do we help the home building industry and other industries dependent on reasonable interest rates to survive? I think we owe it to them and to the country to come up with solutions. Undoubtedly the present mortgage subsidy bond program would help. But the help is small compared to the tremendous cost to taxpayers as a whole. The committee amendment provides that the restrictions do not become wholly effective until 1981. Moreover, it is probable that the April 24, 1979, cutoff date for bonds that are exempt from the bill's restrictions will be moved forward to a more recent date before the bill emerges from conference. On that basis, I will reluctantly vote for the bill as amended by the committee amendment.

Mr. ULLMAN. Mr. Chairman, I yield 2 minutes to the gentleman from Missouri (Mr. GEPHARDT).

Mr. GEPHARDT. Mr. Chairman, I hope that Members of the House will pay very close attention to what is being said and what is not being said about this legislation. In the last day or two a lot of different arguments have been made especially by groups around the country that feel that the passage of this legislation will strike a real blow at the heart of the homebuilding that can go on in our country in the next year. Let me say to the Members that if this bill is not passed, in my view, there will be no help from this source of funding for homebuilding for single-family houses in our country in the next year. If this bill is not passed and other legislation is introduced to knock out mortgage bonds for single-family housing, there is not a bond attorney in the country that will sign an opinion that will say that these bonds can be used for single-family houses. If the Members are interested in building houses with this program in the next year, they should vote for this legislation. They may want to go to the Senate and argue for different kinds of restrictions. We have to have a conference with them, and we have to take some kind of bill to the President's desk. But I would urge the Members to pass the bill because if they do not pass the bill, I do not think there is going to be mortgage bond financing for any houses for at least the foreseeable future.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. GEPHARDT. I yield to the gentleman from California.

Mr. ROUSSELOT. I appreciate the gentleman's yielding. The gentleman knows full well that if we defeat this legislation today—the current law does provide for single-family housing, and most States have now placed restrictions upon the use of this type tax-exempt bonding so that abuses of which our committee was alerted are now controlled by many State laws. If we turn down the legislation today, the current law would prevail and the majority of our 50 States will make sure that said abuses are properly restrained.

Mr. GEPHARDT. The gentleman also well knows that if legislation is presented that knocks out mortgage bonds for single-family housing, as was presented some months ago, there is not a bonding attorney in this country who is going to sign an opinion that says you can use these bonds, as has been the case for the last 9 months for single-family housing.

Mr. CONABLE. Mr. Chairman, I yield 3 minutes to the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Chairman, I will not try to go over the ground that we covered the other day. Both the minority leader on my side of the aisle and the distinguished chairman have been gracious enough to extend the time for debate today. I do want to respond to my colleague, the gentleman from Missouri (Mr. GEPHARDT), that the best thing we can do today, in my judgment, is vote this legislation down so that present law would then prevail. The concerns that my colleague, the gentleman from Missouri (Mr. GEPHARDT) properly expresses would be taken care of because current law would allow single-family housing.

It is true that some bond counsels are reluctant to issue opinions on the tax-exempt status of some bond programs because this legislation is still pending. I still say that if we voted this bill down and sent it back to committee to rework, which I think we should do, that would not prevent the bond counsels in this country from saying the Congress has not made a decision as to what kind of restrictions they want to put on the program. Therefore, the current law would prevail. If we do nothing this year, current law will prevail because the bill actually will die.

The bill before us is complicated, confused, and unworkable. Current law, coupled with the restrictions placed on the bond issues by States and localities, is preferable to H.R. 5741, even with the Downey and Gephardt amendments.

Mr. ULLMAN. Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mr. DOWNEY).

☐ 1600

Mr. DOWNEY. The gentleman has eloquently expressed a point of view that I am afraid only he is an advocate for. We both work on the Committee on Ways and Means. We did so attempting to do away with the restrictions that the committee chairman and the ranking minority member wanted. The best we could do in the Committee on Ways and Means appears in the product you see before you. There will be an opportunity for those of us who believe that some of the restrictions go too far, to amend it in the Senate, and I believe that is a viable option.

Mr. Chairman, the bond people—and I know some of us pay some attention to them—have taken a responsible position. E. F. Hutton has written us to support my amendment. They are the ones who originated mortgage revenue bonds for single family residences by local issuers. They recognize not only the short-term effect that the gentleman from Missouri (Mr. GEPHARDT) mentioned, that no bond counsel worth his salt would issue an opinion, but the long-term aspect is, if we allow the deluge of mortgage revenue bonds to continue, not only will it be a fantastic drain on the Treasury, No. 1, but, No. 2, it will probably crowd out a whole host of very worthwhile bond issues and probably in the long run cause the Committee on Ways and Means and the Senate Finance Committee to destroy forever mortgage revenue bonds. With responsible limitations, these mortgage bond programs must be allowed to continue. I applaud their responsible position and would like a copy of their letter to me inserted in the RECORD.

MARCH 25, 1980.

Hon. THOMAS J. DOWNEY,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN DOWNEY: This letter is written to give you the views of E. F. Hutton & Company, Inc. on H.R. 5741, with particular emphasis on the Committee developed general rule, the "Downey Amendment." ment."

As you are aware, E. F. Hutton originated the program of single family mortgage revenue bond financing by local issuers, and is the industry leader in the mortgage revenue bond field. These programs were developed in order to provide housing to low and moderate income Americans at a time when they could not otherwise meet large down payments, high interest rates, and other significant restrictions. At a time when the housing market is significantly depressed, these programs obviously must be allowed to continue. The "Downey Amendment" developed by the Committee goes a long way toward accomplishing this result. We recognize that some criticisms have been made of some of these programs. This amendment is intended to correct those problems while, at the same time, bringing housing within the reach of low and moderate income Americans.

Consequently, E. F. Hutton endorses the "Downey Amendment" and supports House passage of H.R. 5741, while at the same time recognizing that practical and technical changes must be developed before the legislation becomes law. Through this legislation, mortgage revenue bond programs can continue to provide a viable route to home ownership for deserving Americans.

Sincerely yours,

W. JAMES LOPP II,
Executive Vice President.

So, Mr. Chairman, there is a short-term concern that the gentleman from Missouri (Mr. GEPHARDT) talks about in terms of opinions and there is a long-term aspect of devouring the goose that is laying some of these golden eggs.

Mr. Chairman, I urge everyone to recognize the compromise, understand that it allows mortgage revenue bonds to go ahead with some restrictions and it is eminently better than no bill at all.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. DOWNEY. If I have the time, I will be happy to yield.

Mr. ROUSSELOT. Mr. Chairman, I appreciate my colleague yielding.

I wish to compliment my colleague from New York who I think has made sure that we have a better product here today than clearly the original legislation. I am not arguing against the basic elements and formulas that the gentleman tried to introduce. That is clearly a better product than the original legislation which even the chairman and my ranking member acknowledge.

Mr. CONABLE. Mr. Chairman, I yield 2 minutes to the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Mr. Chairman, the bill we have before us today is long overdue. It is also far from perfect. But the Downey amendment does provide a vehicle for moving toward a responsible and effective mortgage revenue bond program. There is little question that an effective housing assistance program for low- and moderate-income people is desperately needed at this time.

Mortgage revenue bond programs enable low- and moderate-income people to purchase homes they could otherwise not afford, through the below market interest rates that are financed through the sale of tax-exempt bonds. Such programs have several distinct advantages over any type of Federal alternative. Control of the programs is placed in the hands of State and local officials. Expensive and extensive redtape is eliminated. Assistance can be targeted to provide a special incentive for home buyers to purchase homes in areas in need of revitalization.

Some type of legislation restricting the use of mortgage revenue bonds is warranted. Congress should not condone, and the Treasury cannot afford, to subsidize housing for the wealthy. Both States and cities have proven, however, that simple purchase price and income eligibility requirements can prevent abuse. Since 1973, the Minnesota Housing Finance Agency, using these limitations, has provided 9,000 single family mortgage loans to families with an average income of $12,000.

If anything, the restrictions in the Downey amendment are too severe. The 5-percent market ceiling will preclude many cities from participation, simply because there will not be enough money for issues to go around. The bill is administratively burdensome. It is my hope, and expectation, however, that the Senate will provide us with a more workable program. If improvements are not made, I will not support a final conference report.

In summary, then, the Downey amendment is the lesser of three evils. The first alternative to prohibit the use of tax-exempts for housing altogether, shuts down an effective means of providing housing assistance at a time when both purchase prices and interest rates are achieving historical highs. The second alternative, to vote against the Downey amendment and then the bill itself, leaves us with the unlimited use of mortgage revenue bonds. That would invite a glut of issues on the market and a Treasury loss our economy cannot tolerate. The third, and only viable alternative, is to use the Downey amendment as a stepping stone toward the development in the other body of a reasonable, responsible, and much needed housing assistance program that is already months overdue. I believe that is the choice of the sponsor, the gentleman from New York. I know it is my choice.

The committee had laid a difficult choice before the House today. Obviously we need some form of municipal bond financing for housing. The committee has decided that.

There is also an obvious need to staunch the flow of blood from the Treasury which unlimited use of bonds would cause.

Mr. Chairman, the committee has done its best to come up with a workable compromise. In my judgment, that compromise is insufficient. The 5-percent cap is not enough to have a useful program and it is particularly insufficient at a time when there is no other money available to finance the building of homes.

However, in my best judgment the passage of this bill with all the amendments now pending to it is the best way that we can resolve our problem. If we are to take the advice of my friend the gentleman from California (Mr. ROUSSELOT) and defeat the bill, in my judgment we are most likely to have no municipal bond financing of this kind of housing. Therefore, Mr. Chairman, I would urge this House, particularly those people who want to see this type of financing made available for at least some housing, and particularly those who have the hope as I do that the cap can be expanded in the other body, to vote for all the amendments to this bill, most particularly the Downey amendment, and then to vote for the bill on final passage.

Mr. Chairman, there are but two alternatives other than this bill that can happen today. The first is that there be unlimited financing, which this budget cannot stand and nobody here wants it to stand. The second is that there would be no such financing for homes at all.

Mr. CONABLE. Mr. Chairman, I yield such time as he may consume to the gentleman from Delaware (Mr. EVANS).

Mr. EVANS of Delaware. Mr. Chairman, I rise in opposition to H.R. 5741 because of the restrictions proposed being unrealistic.

Mr. Chairman, it has by now become clear to every observer of our economy that this country is facing a housing cost problem of serious proportions. Although thrift institutions have traditionally supplied the financing for home ownership in America, rising interest rates and the emerging shortage of loanable capital have made it increasingly difficult for most members of our society to afford to purchase a new home. Extremely high downpayment requirements and heavy monthly mortgage payments—and even the outright unavailability of mortgage funds in some areas—are forcing many would-be homebuyers to indefinitely delay their purchases.

Unfortunately, the social and economic consequences of these disruptive conditions extend far beyond the denial of affordable housing to all but the wealthy. Jobs in the construction and related industries are lost. Communities suffer the loss of property and sales tax revenues. Neighborhoods and surrounding urban areas are not revitalized. The most fundamental aspect of the "American dream" is pulled away from the grasp of the average family.

Let me also just mention some of the reasons why the availability of housing is and should be a proper concern for every level of government in this country. Home ownership has always been basic to the stability and quality of life in the local community. Housing has a strong impact on the local economy and its interrelationship with other essential public services—like streets, schools, and recreational facilities—cannot be overemphasized.

Housing construction enhances the local tax base, provides jobs, and maintains an ongoing market for numerous business activities—like timber, appliances, textiles, and furniture.

For all of these reasons, I firmly believe that mortgage revenue bonds are one of the most effective means of meeting the challenge of providing decent and affordable housing to the American public. The demonstrated inability of the Federal and local governments to provide reasonable solutions to the "crisis of affordability" in housing justifies the use of tax-exempt bonds to make mortgage credit available to hard pressed home buyers. Before I address some of the problems that this legislation would present to the issuers of revenue bonds for housing, I would like to list some of the major benefits provided by these programs to the home buyer, to the locality, and to the homebuilding industry:

First. Downpayments are significantly reduced and the interest rates which make up so much of the monthly payment are lowered. This combination makes home ownership more affordable to more people and allows thousands of young, newly formed families to enter the market.

Second. The deterioration of local neighborhoods can be reversed by promoting home ownership and the quality of housing in a given area can be upgraded.

Third. The local economy is often stabilized and employment throughout the area is maintained in the face of the threatening conditions which currently exist in the general economy.

It is clear to me that the mortgage revenue bond program is one of the most significant initiatives that a local government can take to manage one of its most important concerns: housing for its citizens. Until about 10 months ago, these important local programs rested beyond the purview of the Federal Government. Now, however, the misdirected pleas of the Treasury Department have prompted several of my distinguished colleagues to urge this House to pass a bill which would overrule the prerogatives of local authorities and establish such severe limitations on the use of the bond money that people in most areas of the country would not be able to purchase a home.

My major problem with this legislation is that it grossly interferes with the traditional right of the States and localities to establish the boundaries of some of the most important public policy issues. I prefer to read the actual language of the Constitution and not look between the lines to unjustifiably extend the power and reach of the Federal Government. The 10th amendment of the Constitution imposes definite limits upon the authority of Congress to regulate local activities on the basis of the commerce clause.

I submit to the Members of the House that this bill goes far beyond the intent of the framers as established in the 10th amendment. It is high time that the Congress recognize that the Federal Government should not have its hand in every activity that is initiated at the local level which manages to overcome excessive Federal interference and actually provide a positive benefit to the general public.

By defeating this ill-founded proposal, the House will go a long way toward redefining the legitimate Federal-State relationship that was originally and quite properly stated in the U.S. Constitution.

Mr. Chairman, the proponents of H.R. 5741 are using a few, isolated examples of abuse in these otherwise responsible programs to deny housing to a large number of American families. The overwhelming majority of these programs have used sensible income and purchase price limitations to target the funds to those people who are in the greatest need to get on the bottom rung of the housing market. Even if you ignore the intent of the authors of the Constitution to reserve most powers of government to local officials, it is not clear that the highly successful record of locally issued mortgage revenue bonds deserves this extraordinary degree of regulation by the Federal Government.

I strongly urge my colleagues to defeat this proposal and lift the cloud over the tax-exempt status of the mortgage revenue bonds. The use of these bonds will provide affordable housing to people who have probably never directly benefited from such an important government program and prevent the impending collapse of the most significant single industry in our entire economy—housing. The continued availability of unrestricted revenue bonds will allow the State and local governments to provide large numbers of American families with desperately needed home financing.

These are the families who have worked, and saved, and dreamed of acquiring their own homes, but who have been denied that opportunity due to economic conditions caused by the Federal Government. It is time for the Congress to recognize both the limitations imposed on Federal activities by the Constitution and our responsibility to thousands of American families who would not otherwise be able to achieve their share of the American Dream. I again urge the Members of the House to defeat this unwise legislation.

Mr. CONABLE. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, I urge my colleagues to support this measure with the Downey amendment. I regret the necessity for it. The housing industry is hurting very badly but we have to look at the long-term condition that we are getting into as well as the short-term impact. I hope we will do nothing irreversible to damage conventional mortgage financing by opening the flood-gates of mortgage financing outside the tax system, which the failure to impose some reasonable limit today, would result in.

Now frankly, Mr. Chairman, many of us here have inveighed against tax shelters in the past. The ultimate tax shelter is the tax exempt bond. You can do all kinds of wonderful things for poor people and everyone else with the proceeds of bonds that are not subject to taxation. But I want to tell you, my friends, if we open the floodgates, here today, you can be sure there will be efforts to cut back, even though there are constitutional impediments to do so, on the right to use tax exempt bonds for all the worthy things they are used for at this time including industrial development bonds and the conventional financing of capital investments for cities.

We have compromised this measure in many ways. We have wound up with a compromise measure which would permit, under the transition rule, $14.3 billion of financing and that in itself is a dramatic aid to the housing industry.

Mr. Chairman, I think we are all aware of the long-term implications for the thrift institutions. They are having a very difficult time at this point but we must eventually go back to that type of conventional financing or undergo a complete restructuring of our entire system of mortgage financing. This is a good compromise. It is something that will put a ceiling of some sort on the issuance of tax exempt bonds. It will avoid some of the abuses we all know would result if it were left wide open. If we permit this compromise to pass, there will not be the temptation to file the kinds of legislation that will once again put the bond attorneys in doubt as to whether or not they can approve bonds for this purpose. For this reason we do need some sort of conclusion today.

Mr. Chairman, I regret it has taken so long to bring this bill to the floor. I know the Senate will liberalize it further. I hope that we can work together to see that we wind up with a reasonable rule in the long run that will be helpful not just to the housing industry but to the traditional mode of finance that has been so useful to the country.

Mr. ULLMAN. Mr. Chairman, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from Oregon.

Mr. ULLMAN. I think the Members should understand, Mr. Chairman, that the critical vote is for the committee amendment. That is the substance of the bill and we are asking for an aye vote on the committee amendment.

Mr. CONABLE. I thank the chairman for his contribution.

Mr. ULLMAN. Mr. Chairman, I yield 2 minutes to the gentleman from Georgia (Mr. JENKINS).

Mr. JENKINS. At this time, Mr. Chairman, I yield to my colleague, the gentleman from Oklahoma (Mr. WATKINS).

Mr. WATKINS. Mr. Chairman, I appreciate my colleague, the gentleman from Georgia, for yielding.

Mr. Chairman, I would like to state as a former home builder I stand in support of this piece of legislation.

Mr. Chairman, in my judgment and

after careful consideration, I think if we really want to help home builders in this crisis, at this time, we need to pass this bill, send it over to the Senate, work out our differences and come up with a solution so we can make the necessary bonds and be able to provide some new, long interest dollars for home builders.

Mr. JENKINS. Mr. Chairman, the only game in town today is whether or not we are going to really help the homebuilders and to do so we have got to vote for the Downey amendment, the committee amendment, and vote this bill out.

Mr. Chairman, the homebuilders are asking for leadership. We have to respond, today.

I realize, Mr. Chairman, many homebuilders are saying, "Let us kill this bill, let us do away with it," but for their long-term benefit, in my opinion and in the opinion of the committee, we must vote for this bill. To do otherwise will really mean that we will write off in the next 5 years all of our thrift institutions and our savings and loan associations who do most of the financing for the housing industry, because they will get out of the housing business, totally; they will totally get out of housing and get into other areas of financing. I fear this prospect. I fear what such a result would do to the housing industry for years to come.

Mr. Chairman, today is the day if we want to help homebuilding, long term. We have to go with this committee bill.

Now Mr. Chairman, it may very well be that some of the restrictions will be lifted in the Senate, but if we do not support, today, this particular bill, then we will have done a grave disservice to homebuilding throughout this Nation.

Mr. Chairman, I represent as many homebuilders as anyone and I truly believe that a vote today for this bill is the only vote that we can sincerely give in behalf of the homebuilders. I urge support.

● Mr. RAHALL. Mr. Chairman, it is often said that action is better than no action and in no case is this point more exemplified than when discussing H.R. 5741, the Mortgage Subsidy Bond Tax Act of 1979.

Since the introduction of its predecessor H.R. 3712, the bond market in my home State of West Virginia as well as many other areas of the country has become nonexistent. Not only has this legislation halted issues which were in the works, it has set limitations which make future bond sales in West Virginia doubtful.

I, as very other Member of this body, believe we must eliminate wasteful Government expenditures; however, I question the logic of eliminating so useful a program at this crucial time. Yesterday, the National Association of Homebuilders reported that new starts last month declined 6 percent. This was the largest single drop since the recession in 1973. It is often said that the housing industry is the first sector of the economy to suffer the effects of a recession, if this is, in fact, the case then we are truly in the midst of a recession.

In 1978 in my home State of West Virginia there were 7,439 housing units started. These had an economic value of $347 million, resulted in the direct employment of 3,995 people by the housing industry and 6,933 individuals in related industries. Under H.R. 5741, 3,270 housing unit sales will be lost, 10,928 will be lost or jeopardized, $206 million will be lost in wages and $832 million will be lost in local economic activity. This is not the answer to a problem but rather the creation of another problem.

I share the views of the distinguished chairman of the Ways and Means Committee that this program has become a tremendous drain on the Treasury and that fraud within the program is rampant. However, are we to throw the baby out with the dirty bath water. By enacting this legislation in its present form we are eliminating a vital source of mortgage money for many small, rural communities throughout the country. While some define the transition rules as too generous, I question whether any new bonds will be issued under the qualified mortgage bond limitations approved by the committee. Certainly, my home State will find it had to meet the income limitation of 115 percent of the median family income in the SMSA.

H.R. 5741 represents a futile effort to solve a problem whose roots are sowed into our economy. I urge my colleagues to defeat this legislation and replace it with the development of a program to stimulate rather than stifle the home construction industry in the United States.●

● Mr. DODD. Mr. Chairman, I rise in support of H.R. 5741, the Mortgage Subsidy Bond Tax Act of 1979, with committee amendments.

We are all aware that fewer and fewer American families can afford a home of their own; the number of people in the country who will be financially able to purchase a home in 1980 is estimated at 5 percent or less. In my home State of Connecticut, as in States across the Nation, housing starts are down, mortgage money is tight, downpayments are harder to scrape together, and mortgage payments are already beyond the means of most low- and moderate-income persons.

Young families who have been scrimping and saving for years to be able to buy a modest home now find they will have to scrimp and save several more years to afford an even more modest home than they expected—if, that is, they can eventually afford a home at all. A house that sold in 1979 for about $65,000, at a 15-percent interest rate, required a mortgage payment of $700 per month. This same house will cost $100,000 to $110,000 in 1984, according to figures from Data Resources, Inc. These figures are all well beyond the means of most of the people I talk to in Connecticut, and I am sure my colleagues find the same situation in their constituencies.

Just as frustrating is the fact that decent, affordable, multifamily, rental housing is not available for these young families either. Construction money costs so much—over 20-percent interest in most places today—that developers and investors have sharply decreased the construction of unsubsidized units because rents from low- and moderate-income units are too low to cover construction and operating costs.

The legislation now before us addresses many of these problems. I feel that the members of the Ways and Means Committee are to be commended for reaching a compromise on this much disputed piece of legislation. There has been much discussion about H.R. 5741 providing the solution to the problems facing the bonding and/or housing market or about it being a measure of our commitment to achieving a balanced budget. The claims may well be true; I do not intend to argue the merits of these claims.

What I feel is the most attractive and more important aspect of H.R. 5741 is the fact that it will make cheaper mortgage money available to the people who need it most to put a decent roof over their heads and less expensive construction money to developers as an incentive to providing low- and moderate-income rental units for people who still cannot afford a house. The income and price limitations placed on the use of revenue generated by the tax-exempted bonds assures that those people who need it most will be helped by the mortgage subsidy. And the ceiling on bond issuance will both reduce projected revenue loss and deter destruction of the bond market by preventing the flooding of the market with tax exempt mortgage bonds.

The Connecticut Housing Finance Authority (CHFA) and other housing finance authorities favor the limitations on the issuance of these bonds and, while not totally supporting all the provisions of H.R. 5741, feel the legislation should be passed by the House. I heartily concur.

It is, right now, most important to keep organizations like CHFA in business while we work on long-term solutions to the dilemmas of the Federal budget and housing problem. CHFA issues $300 million in housing bonds annually; these bonds have provided, among others, over 200 units of elderly housing and over 500 units of subsidized housing. One attorney in my district tells me that the only real estate closings he has handled in months are on mortgages issued by CHFA. The housing problem still exists in Connecticut, but these are pretty impressive stopgap measures.

Let us not continue to do nothing for the sake of seeking a "better solution" while good temporary solutions are tossed aside. I am, therefore, urging my colleagues to vote in favor of final passage of this bill, with committee amendments, and to send the legislation to our colleagues in the Senate for their consideration.●

● Mr. BIAGGI. Mr. Chairman, our Nation's soaring inflation rate is having an adverse and disproportionate impact on an important segment of our population—first-time home buyers of low, or moderate income. The passage of H.R. 5741, as amended, would effectively help to combat this serious problem.

This legislation would insure a 2-year continuance of the mortgage bond program under which cities and States sell tax-free bonds to raise money for home mortgages. As a result, a substantial number of low- or moderate-income persons will be able to afford the home that would have otherwise been unavailable due to the lack of private mortgage money, extremely high mortgage rates when it can be found, and high downpayment requirements.

State housing finance agencies began issuing tax-exempt bonds to finance home mortgages at below market interest rates in 1970. At that time, they were used mainly to finance multifamily rental housing for low- and moderate-income persons. However, in 1978, when high interest rates began to price many families out of the home buying market, States began to issue tax-exempt bonds for owner-occupied housing.

The program continues to serve a very useful purpose in most States and localities. For example, in my own 10th Congressional District in New York City, the State's mortgage subsidy bond program has financed over $118 million in multifamily housing development costs, and over $10.5 million in single-family principals purchased. Under New York's program, this mortgage money is targeted for low- and moderate-income persons. Those financial institutions participating in the program must also provide low downpayments, and lend a certain percentage of funds in so-called red-lined areas.

In addition to providing much needed home buying opportunities, this mortgage bond money has provided a much needed boost to the housing industry, which in turn, results in increased employment and a stronger economy.

Unfortunately, the increased use of these tax-exempt mortgage bonds by the States and localities has resulted in some problems, including the cost to the Federal Treasury; and some localities using the mortgage bond money to finance homes for well-to-do communities and individuals.

At a time when budget concerns are being given the highest of priorities, a report that each $1 billion worth of new bond issues represents an annual loss of $22.5 million in tax revenues cannot be ignored. H.R. 5741 adequately responds to this problem. Under the provisions of this bill, the total amount of housing bonds issued within a State would be restricted to the greater of $50 million or 5 percent of the average of all mortgages originated in that State during the previous 3 years. This program change is expected to reduce the Federal revenue loss by $618 million in fiscal year 1981 and over $2 billion in fiscal year 1982.

Since there are currently no income limits on who may rent or purchase housing under the mortgage bond program, several localities have used the proceeds to finance homes for well-to-do communities and individuals. While there is no law prohibiting such action, this policy is totally inconsistent with the original intent of the program. To insure that the proceeds are targeted to those individuals who have the greatest need for the subsidy, H.R. 5741 establishes certain restrictions for the use of these mortgage funds.

Mr. Chairman, this legislation, as amended, would insure that an extremely valuable domestic program can continue on an improved basis. At a time when we are striving to ease the economic burden being borne by the consumer, we cannot afford to abandon an already existing and proven program aimed at helping to achieve that important goal. I urge my colleagues to join me in supporting the passage of this responsible and necessary measure.●

● Mr. GUARINI. Mr. Chairman, I rise in support of the committee amendments to H.R. 5741, the Mortgage Subsidy Bond Tax Act, and ask that my colleagues in the House support the bill on final passage if the Downey and Gephardt amendments are adopted.

H.R. 5741 would target the mortgage bond program under which cities and States sell tax-exempt bonds to raise funds for home mortgages, to low- and moderate-income families. It would further allow these programs to continue for 2 years.

Passage of H.R. 5741 with the committee amendments is of extreme importance to the communities of New Jersey. Since the inception of the New Jersey neighborhood loan program 2 years ago, more than 5,300 families in 39 communities have been assisted in purchasing homes.

In the past year and a half, more than 4,700 homeowners have participated in the home improvement loan program which enabled these families to make necessary repairs to their homes, often with the result of making these houses more energy-efficient.

In my hometown, Jersey City, the Montgomery Gateway project is dependent upon funds from the New Jersey Mortgage Finance Agency to facilitate construction of townhouses which will provide housing to nearly 150 families.

These low- and middle-income families are contributing to the stability of New Jersey's communities. It has been demonstrated repeatedly that homeowners are three times more likely to vote than are other citizens. Homeowners are more inclined to participate in civic affairs, more apt to monitor crime in their neighborhoods, more concerned about the services in their community, especially their schools.

In closing, I would respectfully urge my colleagues to support the committee amendments and the bill. This is the best bill that we could report out of the Ways and Means Committee. It is a true compromise. There was give and take on both sides. Now, it is imperative that we go forward with the bill that we have before us today so that housing programs which are already underway in many States can continue with some assurance of the parameters permitted by the Congress.●

● Mr. STARK. Mr. Chairman, I rise in support of the committee amendments to H.R. 5741, the Mortgage Subsidy Bond Tax Act of 1979. There are seven good reasons to support the committee amendments to H.R. 5741.

First. The biggest housing problem in the country today is inflation. To combat inflation the Federal Reserve has raised interest rates, and Congress is trying to balance the budget. Unless we pass these committee amendments an entire industry will be able to make an end run around these anti-inflation efforts.

Second. This year we want to balance the budget. The committee amendments will save the American taxpayer more than $600 million in fiscal year 1981. By 1984 it is estimated that these amendments would save taxpayers more than $8 billion annually.

Third. Tax spending programs—like any other entitlement program—cannot be controlled without strict limitations on eligibility requirements. Without this bill there will, in effect, be no limitations on the amount of money that can be spent on mortgage subsidies. And it will not be possible to stop communities who decide to subsidize mortgages on expensive condominiums because it is politically attractive to do so.

Fourth. Less than 50 cents of every dollar lost to the Treasury on account of these bonds actually ends up reducing the cost of a home for a family with a bond subsidized mortgage. The rest goes to the people whose business is buying and selling tax-exempt bonds. If we are really trying to cut out waste in Federal programs it behooves us to pass these committee amendments which place strict limitations on the extent to which this expensive subsidy can be used.

Fifth. Communities across the country depend upon tax-exempt bonds to help them finance schools, sewers, and other vital capital projects. Without limitations on the use of housing bonds there will be a glut on the tax-exempt bond market, which will drive up the interest rates that communities will have to pay for their capital construction bonds.

Sixth. If tens of billions of dollars of these bonds are allowed to be issued it will play havoc with our efforts to insure equity in our Federal income tax system. Massive amounts of tax-exempt income will end up in the hands of high-bracket taxpayers thus reducing the progressive nature of the income tax, unless we pass these committee amendments.

Seventh. The transition rule proposed by the committee is necessary to insure an orderly transition to the new rules provided under this bill.

I urge support of the committee amendments.●

● Mr. MOORE. Mr. Chairman, I would like to offer this explanation of my vote against H.R. 5741 earlier today. I did not when the Committee on Ways and Means, of which I am a member, initially considered this bill nor do I now favor the unrestricted use of tax-exempt municipal bonds as a mortgage subsidy program. However, the economy, especially that facing the homebuilding and buying sector, has deteriorated significantly since we first considered this matter. Further, it does not appear that there is any relief in sight for this distressed sector of the economy.

Therefore, I voted against this bill. I do favor and have urged officials in State government in Louisiana as well as representatives of the home building industry from my State to immediately introduce and support legislation at the

State level to limit the use of these bonds. I have always believed that if regulations are necessary, they are better done at the State level than the Federal. I received assurances from both that an effort to this end will soon be attempted.

Restrictions are necessary for basically four reasons:

First, the unrestricted use of these bonds will eventually crowd from the market bonds for governmental purposes, such as streets, schools, drainage, and other programs. This was the original purpose of tax exempt local government bonds and excessive use of bonds for the purpose of mortgages will prevent these governmental use bonds from being sold or require them to pay a higher interest rate which means the taxpayers will have to pay a higher property tax to repay them.

Second, there have been abuses in the use of these bonds for mortgages in the past. The program should be restricted to those persons who could not otherwise afford a mortgage and who we desire to see have the ability to share that part of the American dream of owning their own home.

Third, there must be a threshold or limit as to when these bonds for mortgages can and cannot be used. If this is not the case, these bonds will always be able to provide mortgage funds cheaper than conventional private enterprise lending sources, and consumers will always want the cheapest mortgage rate they can get, regardless of whether it comes from a Government or private source. Therefore, it is not hard to envision the eventual demise of the private lending industry if the use of these bonds is not restricted.

Fourth and finally, the use of these bonds will divert efforts and attention from true, long-term, free enterprise solutions to the current housing crisis. We need badly to stimulate additional incentives to open or add to savings accounts to provide the funds in local lending institutions for home building and purchasing. Solving inflation and creating this incentive is really the long-term and proper solution to the current housing problems. The recent $200 on a single taxpayer's return and $400 on a joint taxpayer's return interest dividend exclusion which I was successful in having made a part of the windfall profit tax bill is but a first step in the right direction. That must be expanded upon in the near future as well as made permanent.

Therefore, I voted against this bill not because of my support for the unrestricted use of bonds for mortgage subsidies, but because the current situation is so disastrous that something must be done and also because I expect and fully intend to support proper regulations at the State level to restrict the use of these bonds.●

● Mr. HILLIS. Mr. Chairman, in the last several weeks, I have received hundreds of letters from real estate agents, home builders and subcontractors pleading for relief from President Carter's economic policies. I have talked to builders from my congressional district who have informed me that they have not sold a single housing unit since September. In short, the housing industry has come to a screeching halt at the expense of potential buyers, home owners, and those involved in the construction industry.

In the last year, the total cost of a 25-year, $40,000 home mortgage has increased more than $60,000 due to increases in interest rates. The average American simply can no longer afford monthly house payments in excess of $550.

Passage of this bill will further curtail the availability of funds to finance home mortgages. I have been informed, for example, that passage of H.R. 5741 would eliminate a potential of $100 million which would otherwise be available to lending institutions at reasonable rates to keep the housing industry healthy.

It is inconceivable to me that this Congress can even consider a bill which would further worsen the housing situation. At a time when thousands of home builders are facing bankruptcy within the next few months, I realize the President has adopted a philosophy that the only way to combat inflation is to willfully drive our economy into a recession. I, on the other hand, take a more positive approach and feel we must develop a program designed to promote savings and reduce mortgage rates. It is obivous that the administration has completely lost control of the economy. It is little wonder that under the President's 20–20 program—that is 20 percent inflation coupled with 20 percent interest rates—the American people can no longer finance home mortgages.

If the Congress does not act to bring the economy under control, the entire housing industry will completely collapse marking the beginning of the worst recession since the 1930's. If this measure passes, we can circle March 26, 1980, as the date that the recession started.

I urge defeat of this bill.●

● Mr. RANGEL. Mr. Chairman, the bill we have before us this afternoon, H.R. 5741, the Mortgage Subsidy Bond Tax Act of 1979 and the three committee amendments thereto represent changes which are much in order. As a whole, these modifications of present law will eliminate many of the abuses which have surfaced during the past few years as mortgage money has become more and more costly to the public. Originally, it was Congress' intent to provide reduced interest rates to low and moderate income families so that they could achieve the great American dream of owning their own home. Since revenue bonds are tax exempt, the issuer, usually a State or local governmental entity, can offer lower interest rates to purchasers of the bond and then turn around and provide loans to home buyers at below market rate.

The bonds are a boon for families in States where usury ceilings have caused mortgage money to dry up. Mortgages financed by the bonds carry an interest rate of one to three percentage points below conventional rates. As a result, with each new issue because of the ever increasing demand, the eligibility ceilings were expanded. This culminated in a July 1978, offering of $100 million worth of bonds by the city of Chicago to finance homes for families with incomes of $40,000 or less.

Were this pattern to continue it was estimated by the Joint Committee on Taxation that the 1978–79 $155 million cost to the Treasury would escalate to $11.7 billion by 1984. At a time when the President is trying to reduce the availability of credit because of its inherently inflationary impact, it seems illogical to provide an open ended check for circumventing that policy.

Simultaneously, the activity in the housing revenue bond market has resulted in increased competition for the limited pool of dollars in the tax exempt market. This has acted to push up the interest rate on the more traditional uses of tax exempt financing such as schools, fire houses, police stations, water and sewer facilities, and streets and highways.

While the amount of interest increase is not easily verifiable, it has been estimated that the normally stable municipal bond and money market will experience increases of between four and seven basic points for each additional $1 billion in bond issues. In addition, the superior ratings usually earned by mortgage subsidy bonds may make them more attractive than general obligation bonds which are less highly rated, thus adding to the upward pressure on general obligation interest rates. The result would have been to price the traditional uses of the tax exempt bond out of the market were mortgage revenue bonds not brought under control.

The bill we are debating along with the Downey and Gephardt amendments, which are Ways and Means Committee amendments would: eliminate the abuses which have cropped up over the years; redirect the proceeds of the bonds to those who truly need assistance; help revitalize economically depressed communities, reduce the pressure on the tax exempt market and control the drain on the Federal Treasury.

What we on Ways and Means have done and are asking you to ratify is to impose specific standards and rules on the once unfettered mortgage revenue bond market.

To begin with, we established new rules for multifamily rental housing projects financed by mortgage revenue bonds. We would require that at least 20 percent of the units in a project be occupied by individuals of low or moderate income. To meet this qualification one would have to comply with the current leased housing program under section 8 of the U.S. Housing Act of 1937.

While we wanted to insure that some housing would be set aside for low income families, we declined to impose across the board income limitations because by allowing middle and upper middle class families to qualify as tenants in these projects they will become economically viable. For the well off can afford to help defray the cost of providing rental units to low and moderate income families. At the same time, our experience over the years has shown us that a housing project solely consisting of low income households are just not viable.

We also adopted a liberal transition rule which provides for existing and housing projects proposed prior to April 24, 1979, to continue to enjoy the benefits of the lower interest rates that mortgage revenue bonds facilitate. In my district alone, this will mean that some 5,080 units of multifamily housing at a development cost of almost $221 million will not lose their tax exempt status and thus be forced to enter an already prohibitive mortgage market. Were these existing projects not exempted the increase in monthly rental payments would in some cases have doubled under current market conditions.

In the area of single family houses, we have established a set of criteria which will both target the proceeds of the bonds to low and moderate income households while at the same time serve as an inducement for people to resettle in targeted depressed areas. Essentially, the Downey amendment would limit eligibility to: First, mortgagors who have not owned a home during the past 3 years; second, mortgagors with incomes of no more than 115 percent of the median family income for the SMSA or county involved with 50 percent of the mortgages having to go to individuals with incomes of 90 percent or less of the median family income; third, targeted areas consisting of census tract areas where 70 percent of the families have incomes below 80 percent of the statewide median income would be established. Within those jurisdictions the income limitations would be abrogated for one-third of those purchasing homes and set at 140 percent of the median State or SMSA income level which ever is higher for the remaining purchasers in the census tract; fourth, 20 percent of the funds must be lent in targeted areas; and fifth, at least 75 percent of the funds must be used for mortgages which have a 95-percent loan to value ratio.

These rules and regulations we believe will achieve the original intent of the mortgage revenue bond law which is to help those who could not under normal circumstances afford to purchase their own homes. This is especially true during these times of high interest rates which have all but taken away most low- and moderate-income families hope of owning their own homes. Additionally, the rules concerning census tract areas where 70 percent of the families have incomes below 80 percent of the statewide median income will help to attract a variety of income classes into currently depressed areas. It is hoped that by providing such economic inducements to these people they will move into these communities bringing with them the business services which they will need and thus providing jobs where none presently exist.

Finally, we have proposed to limit the currently uncontrolled issuance of these bonds by limiting a State's ability to issue bonds to 5 percent of the average aggregate principal amount of mortgages originated within the jurisdiction of the issuing governmental unit during the previous 3 years. This will serve to provide us with a clear understanding of just how great the drain on the Treasury will be each year. While we needed to restrain the issuance of these bonds, I would like to point out that the rule proposed will serve to help those jurisdictions which have experienced relatively high activity in their housing market during the last 3 years while hindering those States which have experienced a downturn in their economies over the past 3 years and thus a slow housing market.

But on the whole, I believe that what we are proposing in H.R. 5741 along with the committee amendments will go a long way toward reducing the current drain on the Treasury while at the same time achieving the original goal of mortgage revenue bonds, helping low and moderate income families achieve the great American dream of owning their own homes.●

● Mr. BINGHAM. Mr. Chairman, I welcome the statement by the chairman of the Ways and Means Committee that he will work with other Members of this body to improve on the bill we have considered in the House today. I continue to feel that it does not adequately address some very important problems of housing finance. There are numerous existing projects in New York City and other areas which desperately need to be allowed to benefit from State and local housing bonds. I hope that the Senate will change the existing provisions of the Internal Revenue Code which prohibit such refinancing, and that in conference the gentleman from Oregon (Mr. ULLMAN) will look sympathetically on such a change. The present financial markets are in such disarray that without this kind of help, many multifamily projects with thousands of occupants are heading for disaster.●

● Mr. FRENZEL. Mr. Chairman, it is my hope that the House will act today to pass a bill that allows tax-exempt bond programs to be continued as a means of housing assistance. Such action is already far too long overdue. Targeted tax-exempt bond programs enable low- and moderate-income people to purchase homes they otherwise could not afford, through below-market interest rates that result from the use of tax-exempt financing.

There is little question at this time we need to provide some type of assistance for low- and moderate-income people interested in purchasing homes. Disintermediation is devastating the savings and loan industry, purchase prices are exorbitant, and interest rates climb weekly to new historical highs.

The use of tax exempts as a means of housing assistance has several advantages over any type of Federal alternative. It puts control of the program in the hands of State and local officials. There is no expensive or extensive Federal bureaucracy to create delays and confusion. Tax exempts can also be used to attract home buyers to areas in special need of revitalization by establishing more liberal purchase price and income limits for targeted areas. The assistance tax-exempt bond programs offer is immediate and effective.

Some restrictions on the use of tax exempts are necessary. It was the abuse of mortgage revenue bonds that prompted the original proposal to prohibit their use. Congress should not condone, and the Treasury cannot afford to subsidize housing for the wealthy.

Both States and cities have proven, however, that guidelines for the use of mortgage revenue bonds can restrict the assistance to those who need it most. Using the guidelines of income eligibility and home purchase price restrictions, the Minnesota housing finance agency has provided 9,000 single family mortgage loans to families with an average income of $12,000, since they began their program in 1973.

The Downey amendment places strict restrictions on the use of tax exempts for housing. In fact, in its current form it would prevent many cities from issuing tax exempts for housing, due to burdensome regulations and an extremely tight market ceiling cap on the issuance of the bonds. As the bill now reads, only 5 percent of the average of the past 3 years' total mortgage originations could be issued as mortgage revenue bonds. The Downey amendment allow cities to have the first shot at the limited funds. States could, and undoubtedly would, override this provision, however. State housing finance agencies have conducted some of the country's best programs, and it is predictable that State legislatures would want them to continue.

I would hate to see city programs shut down, however, due to lack of funds.[1] A more reasonable cap should be imposed.

It is my hope, and expectation, that the other body will act to provide a more workable bill than the one before us today. However, if the final conference report looks like the current proposal, I will not support it.

But, for now the Downey amendment is the lesser of three evils. The first alternative is to prohibit the use of tax-exempt bonds for housing altogether, eliminating one of the only options currently available to us to provide affordable housing for low- and moderate-income families at a time when that assistance is desperately needed. Many States and cities have already proven the program works, and can be directed to those who need it most.

The second alternative is to vote against not only Downey, but the entire bill, moving us to the other extreme of allowing mortgage revenue bonds to continue without restriction. This too, is a disastrous alternative, as cities and States would flood the market with bond issues in anticipation of another bill prohibiting their use. It is also clear that our economy cannot tolerate an irresponsible drain on the Treasury through unlimited use of the bonds.

That leaves us with the third alternative—a limited use of mortgage revenue bonds provided through the Downey amendment. This bill would then become a stepping stone for the development of an improved version, with expanded limits, in the other body. While it is far from perfect, it is the only reasonable choice before us, as well as the only vehicle we have to move toward a viable, responsible, and months overdue tax-exempt bond for housing program.●

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[1] In my State, for instance, the 5-percent limitation will mean that if the Minnesota Housing Finance Agency continues its program, the entire limit will be used. In fact, its current program far exceeds the limits. That means good, well-managed programs in cities like Minneapolis, St. Paul, and elsewhere, will be cut off. The cap leaves no room for cities.

● Mr. LUJAN. Mr. Chairman, there will be much discussion as to how we can improve H.R. 5741. What we should be talking about is how we can improve the ability of Americans to purchase a home.

Homeownership is essential to the stability of this country.

Homeownership has always been a priority in this country. Our tax laws reflects this.

The best way to enhance the ability of people to buy a home is to defeat this bill and allow the various governments—city and State—to continue to issue such bonds.

These bonds are good for the homebuilding industry as well. I have talked to many builders and one who had 250 employees is down to 70 employees. Another with 21 employees is down to 9.

We hear about 15 percent mortgage rates, but do you realize that interim financing is running about 20 percent. What builder can survive this?

Tax exempt bonds are an effective tool in our fight against unemployment by keeping the housing industry viable.

Tax exempt bonds are a proper use of tax dollars.

I urge my colleagues to recognize the economic realities of the times we live in and to oppose H.R. 5741.●

● Mr. CHENEY. Mr. Chairman, I understand many of the problems this legislation, H.R. 5741, is attempting to address. The proper role of Government at various level in our Federal system in providing housing financing continues to be a vexing question.

Federal housing assistance programs are generally tailored to meet specific needs; low income assistance, housing for the elderly, et cetera. This legislation is no different. It allows for the limited use of tax free mortgage revenue bonds for housing needs under certain restrictions and conditions. There is one need, however, which continually gets overlooked by Federal programs and which will effectively be abandoned by H.R. 5741—the housing needs of energy-impacted areas. This legislation, if passed, will literally destroy the effectiveness of the Wyoming Community Development Authority which has provided much needed housing assistance throughout the State.

The State of Wyoming, along with a handful of other Western States, has been charged with the responsibility of providing much of the coal this country needs to help reduce our energy dependence on foreign sources. With that responsibility comes certain impacts and with those impacts come certain basic needs that have to be met.

For example: Gillette is a town in northeastern Wyoming, in an area known as the Powder River Basin. This basin is one of the largest areas conducive to coal mining in the United States. Ten years ago, there were two strip mines operating in this area and producing about 200,000 tons of coal per year. There are now eight strip mines in the area which produce over 35,000,000 tons of coal per year. By 1985, it is estimated that there will be 16 coal mines producing over 100,000,000 tons of coal per year. The city of Gillette's population in 1976 was approximately 10,000 people and by 1979, the city had grown to 14,000 people. Estimates show that Gillette will have to accommodate 30,000 people by 1985, if these 16 mines are going to operate. This would amount to a 300-percent increase in population in just 9 years and Gillette is not an isolated case.

In order to help supply this Nation's energy needs and in order to be able to provide for population increases of this nature, basic housing needs have to be met. Because of the amount of energy and associated business development, the State's private lending institutions are finding it extremely difficult to concentrate the necessary capital to satisfy the current demand for housing. Couple this with 17-percent mortgage rates and you may be able to understand the critical situation facing Wyoming and the urgent need for assistance.

The use of tax-free mortgage bonds in the past has been instrumental in helping Wyoming meet its housing needs. The passage of H.R. 5741 will seriously affect the availability of housing in States like Wyoming and in this regard I urge all my colleagues to vote against this legislation.●

☐ 1610

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read for amendment under the 5-minute rule. No amendments are in order except: First, amendments recommended by the Committee on Ways and Means, and said amendments shall not be subject to amendment except pro forma amendments for the purpose of debate; and second, an amendment printed in the CONGRESSIONAL RECORD of December 20, 1979, by, and if offered by, Representative GLICKMAN of Kansas, and said amendment shall not be subject to amendment except pro forma amendments for the purpose of debate.

The bill reads as follows:

H.R. 5741

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Mortgage Subsidy Bond and Interest Exclusion Tax Act of 1979".

SEC. 2. MORTGAGE SUBSIDY BONDS.

Section 103 of the Internal Revenue Code of 1954 (relating to interest on certain governmental obligations) is amended by redesignating subsection (g) as subsection (h) and by inserting after subsection (f) the following new subsection:

"(g) MORTGAGE SUBSIDY BONDS.—

"(1) IN GENERAL.—Except as provided in paragraph (3), any mortgage subsidy bond shall be treated as an obligation not described in subsection (a)(1) or (2).

"(2) MORTGAGE SUBSIDY BOND DEFINED.—For purposes of this subsection, the term 'mortgage subsidy bond' means any obligation which is issued as part of an issue a significant portion of the proceeds of which are to be used directly or indirectly for mortgages on (or other owner-financing of) owner-occupied residences.

"(3) EXCEPTION FOR QUALIFIED VETERANS' BONDS.—

"(A) IN GENERAL —Paragraph (1) shall not apply to any qualified veterans' mortgage bond.

"(B) QUALIFIED VETERANS' MORTGAGE BOND DEFINED.—For purposes of subparagraph (A), the term 'qualified veterans' mortgage bond' means any obligation—

"(i) which is issued in registered form as part of an issue substantially all the proceeds of which are to be used to provide residences for veterans,

"(ii) the payment of the principal and interest on which is secured by the general obligation of a State, and

"(iii) which is issued as part of an issue no part of the proceeds of which is to be used to acquire or replace existing mortgages.

"(C) ADVANCE REFUNDING NOT PERMITTED.—An obligation which is issued for the advance refunding of another obligation shall not be treated as a qualified veterans' mortgage bond.

"(D) EXCEPTIONS TO NEW MORTGAGE REQUIREMENT.—Under regulations prescribed by the Secretary, the replacement of—

"(i) construction period loans,

"(ii) bridge loans or similar temporary initial financing, and

"(iii) in the case of a qualified rehabilitation, an existing mortgage,

shall not be treated as the acquisition or replacement of an existing mortgage for purposes of subparagraph (B)(iii).

"(E) QUALIFIED REHABILITATION.—For purposes of subparagraph (D)(iii), the term 'qualified rehabilitation' means any rehabilitation of a building if—

"(i) there is a period of at least 20 years between the date on which the building was first used and the date on which the physical work on such rehabilitation begins,

"(ii) 75 percent or more of the existing external walls of such building are retained in place as external walls in the rehabilitation process; and

"(iii) the expenditures for such rehabilitation are 25 percent or more of the mortgagor's adjusted basis in the residence.

For purposes of clause (iii), the mortgagor's adjusted basis shall be determined as of the completion of the rehabilitation or, if later, the date on which the mortgagor acquires the residence."

SEC. 3. INDUSTRIAL DEVELOPMENT BONDS FOR HOUSING PURPOSES LIMITED TO LOW- OR MODERATE-INCOME RENTAL HOUSING.

Subparagraph (A) of paragraph (4) of section 103(b) of the Internal Revenue Code of 1954 (relating to industrial development bonds) is amended to read as follows:

"(A) projects for residential rental property it—

"(i) 20 percent or more of the units in each project are to be occupied by individuals of low or moderate income (within the meaning of section 167(k)(3)(B)), and

"(ii) each obligation issued pursuant to the issue is in registered form,".

SEC. 4. EXCLUSION OF CERTAIN INTEREST.

(a) IN GENERAL.—Part III of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to items specifically excluded from gross income) is amended by redesignating section 128 at section 129 and by inserting after section 127 the following new section:

"Sec. 128. Interest on Savings.

"(a) Exclusion.—In the case of an individual, gross income does not include amounts received as interest on deposits or accounts in a qualified savings institution.

"(b) Limitation.—The aggregate amount excluded by reason of subsection (a) for any taxable year shall not exceed $100 ($200 in the case of a joint return under section 6013).

"(c) Definitions.—For purposes of this section—

"(1) Qualified savings institution.—

"(A) In general.—Except as provided in subparagraph (B), the term 'qualified savings institution' means—

"(i) a bank (as defined in section 581),

"(ii) a mutual savings bank, cooperative bank, domestic building and loan association, or other savings institution chartered and supervised as a savings and loan or similar institution under Federal or State law, and

"(iii) a credit union.

"(B) Institution must be authorized to make home loans.—The term 'qualified savings institution' shall not include any institution which is not authorized to make residential home mortgage loans, home rehabilitation loans, or home improvement loans (including loans for energy-related improvements.

"(2) Clarification of treatment of certain amounts paid as dividends.—The term 'interest' includes amounts paid or credited as dividends on deposits or withdrawable accounts if the amounts so paid or credited are withdrawable on demand subject only to customary notice of intention to withdraw.

"(d) Estates and trusts not eligible.—The exclusion provided by this section shall not apply to estates and trusts."

(b) Technical and conforming amendments.—

(1) Paragraph (2) of section 584(c) of such Code (relating to dividends from common trust funds) is amended to read as follows:

"(2) Dividends and interest.—The proportionate share of each participant in the amount of dividends to which section 116 applies, and in the amount of interest to which section 128 applies, received by the common trust shall for purposes of such sections be considered as having been received by such participant."

(2) Paragraph (5) of section 702(a) of such Code (relating to income and credits of partner) is amended by adding at the end thereof the following: "and interest with respect to which there is provided an exclusion under section 128,".

(3) The table of sections for part III of subchapter B of chapter 1 of such Code is amended by striking out the item relating to section 128 and inserting in lieu thereof the following:

"Sec. 128. Interest on savings.

"Sec. 129. Cross references to other Acts.".

(c) Effective date.—The amendments made by this section shall apply to amounts received after June 30, 1980, in taxable years ending after such date.

Sec. 5. Effective Dates for Bond Provisions.

(a) General Rule.—Except as otherwise provided in this section, the amendments made by sections 2 and 3 shall apply to obligations issued after April 24, 1979.

(b) Exception for Official Action Taken Before April 25, 1979.—

(1) In general.—The amendments made by sections 2 and 3 shall not apply to obligations if official action before April 25, 1979, of the governing body of the unit having authority to issue such obligations indicated an intent to issue such obligations.

(2) Action by staff of housing authority treated as action of authority in certain cases.—For purposes of paragraph (1), if before April 25, 1979—

(A) the permanent professional staff of a State or local housing authority performed substantial work on a bond issue, and

(B) it was reasonable to expect that the bond issue, as developed by the staff, would be promptly approved by the governing body of the housing authority,

then such action by such staff shall be treated as the official action of such governing body.

(3) Special rules relating to size of issue.—

(A) In general.—Except as provided in subparagraph (B), an issue does not qualify for the exception provided by paragraph (1) if the issue size exceeds the intended issue size.

(B) Exception.—In the case of an issue to provide owner-financing for residences for which as of April 24, 1979, there was no documentation relating to intended issue size, paragraph (1) shall not apply unless—

(i) substantially all of the proceeds of the issue (exclusive of issuance costs and a reasonably required reserve) are to be used to provide owner-financing for one to four family residences (one unit of which is owner occupied) and not to acquire or replace existing mortgages (within the meaning of section 103(g)(3)(B)(iii) of the Internal Revenue Code of 1954), and

(ii) substantially all of the proceeds referred to in clause (i) are committed by firm commitment letters (similar to those used in owner-financing not provided with tax-exempt bonds) to such owner-financing before the day which is 9 months after the date of issue of the obligations.

(C) Issue size defined.—For purposes of this paragraph, the term "issue size" means the aggregate face amount of obligations issued pursuant to the issue.

(D) Intended issue size.—For purposes of this paragraph, the term "intended issue size" means the aggregate face amount of obligations which a reasonable individual would reasonably conclude from the documentation before April 25, 1979, was the issue size which the governing body of the issuing authority intended to issue.

(4) Local referendum held before June 7, 1979.

(A) In general.—For purposes of paragraph (1), if—

(i) on April 25, 1979, legislation was pending in a State legislature authorizing a local governmental unit to issue tax-exempt obligations after holding a referendum thereon,

(ii) before June 7, 1979, such legislation was enacted and the referendum was held, and

(iii) any action with respect to the issuance of such obligations by the local governing body would have met the requirements of paragraph (1) if such legislation had been in effect, and such referendum had been held, when that action was taken,

then such legislation shall be treated as in effect, and such referendum shall be treated as having been held, at the time when such action was taken.

(B) Dollar limit for local governmental units.—The aggregate amount of obligations which may be issued by local governmental units with respect to the area comprising any local governmental area by reason of subparagraph (A) may not exceed the lesser of—

(i) the aggregate amount authorized by the legislation referred to in subparagraph (A), or

(ii) $35,000,000,

reduced by the aggregate amount of obligations which are issued by local governmental units with respect to such area after April 24, 1979, and to which the amendments made by this Act do not apply solely by reason of this subsection (determined without regard to the applicant of subparagraph (A) of this paragraph).

(C) Mortgage commitments must be made before January 1, 1981.—Subparagraph (A) shall not apply with respect to any issue by a local governmental unit unless substantially all of the proceeds of such issue (exclusive of issuance costs and a reasonably required reserve) are committed by firm commitment letters (similar to those used in owner-financing not provided by tax-exempt bonds) to such owner-financing before January 1, 1981.

(c) $100,000,000 Exception for State Housing Finance Agencies.—

(1) In general.—To the extent of the limit set forth in paragraph (2), the amendments made by this Act shall not apply to obligations issued by a State housing finance agency.

(2) Dollar limit for state housing finance agencies.—The aggregate amount of obligations which may be issued by State housing finance agencies with respect to any State by reason of paragraph (1) may not exceed $100,000,000, reduced by the aggregate amount of obligations which are issued by the housing finance agencies of such State after April 24, 1979, and to which the amendment made by section 2 or 3 (whichever is appropriate) does not apply solely by reason of subsection (b).

(3) Commitments.—Paragraph (1) shall not apply with respect to any issue unless substantially all of the proceeds of such issue (exclusive of issuance costs and a reasonably required reserve)—

(A) are to be used to provide owner-financing for one to four family residences (one unit of which is owner-occupied) and not to acquire or replace existing mortgages (within the meaning of section 103(g)(3)(B)(iii) of the Internal Revenue Code of 1954), and

(B) are committed by firm commitment letters (similar to those used in owner-financing not provided by tax-exempt bonds) to owner-financing before January 1, 1981.

(d) $50 Per Capita Exception for Local Governments.—

(1) In General.—To the extent of the limit set forth in paragraph (2), the amendments made by section 2 shall not apply to mortgage subsidy bonds issued by local governmental units after April 24, 1979.

(2) Limit.—

(A) In general.—The aggregate amount of obligations issued with respect to any area by reason of paragraph (1) shall not exceed—

(i) the amount equal to the product of $50 and the population of that area, reduced by

(ii) the aggregate amount of obligations which are issued after April 24, 1979, by local governmental units with respect to that area and to which the amendment made by section 2 or 3 (whichever is appropriate) does not apply solely by reason of subsection (b).

(B) Determination of population.—For purposes of subparagraph (A), the population of any area shall be the population as of July 1, 1976, as determined for purposes of the State and Local Fiscal Assistance Act of 1972.

(3) Unit must establish that action was taken before april 25, 1979. Paragraph (1) shall not apply with respect to any obligation issued by any local governmental unit unless—

(A) there is written evidence (which was in existence before April 25, 1979) that before April 25, 1979, the governing body of such local governmental unit had taken action indicating an intent to issue (or to establish a program for issuing) tax exempt obligations to finance owner-occupied residences.

(B) on October 30, 1979, such local governmental unit had authority to issue obligations to finance owner-occupied residences, and

(C) a majority of the members of the governing body of the local governmental unit file with the Secretary of the Treasury (or his delegate) affidavits that the requirement of subparagraph (A) is met.

For purposes of subparagraph (A), action of the governing body of a second local governmental unit with respect to the same area shall be treated as action of the issuing governmental unit.

(4) Commitments.—Paragraph (1) shall not apply with respect to any issue unless such issue meets the requirement of paragraph (3) of subsection (e).

(5) Overlapping jurisdictions.—For purposes of this subsection, if 2 or more local governmental units meet the requirements of paragraph (3) and have authority to issue mortgage subsidy bonds with respect to residences in the same area, only the unit having jurisdiction over the smallest geographical area shall be treated as having issuing authority with respect to such area unless such unit agrees to surrender part or all of the amount permitted under this subsection to the local governmental unit with overlapping jurisdiction which has the next smallest geographical area.

(e) Rollover of Existing Tax-Exempt Obligations.—

(1) In general.—The amendments made by sections 2 and 3 shall not apply to the issuance of obligations to refinance for the same purpose tax exempt indebtedness which was outstanding on April 24, 1979 (or indebtedness which had previously been refinanced pursuant to this subsection), but only if—

(A) on April 24, 1979, there was an agreed on period for the maturity of the mortgages or other financing, and

(B) the new obligations have a maturity date which does not exceed by more than 2 years the agreed on period referred to in subparagraph (A).

(2) Amounts for reserves, issue costs, etc.—An issue which otherwise meets the requirements of paragraph (1) shall not be treated as failing to satisfy such requirements solely because the amount of the new indebtedness exceeds the amount of the old indebtedness by such amount as is reasonably necessary to cover construction period interest, reserves, and the costs of issuing the new indebtedness.

(f) Special Rules for Projects Under Development.—

(1) Rental housing.—The amendment made by section 3 shall not apply to a project which was in the development stage on April 24, 1979, if—

(A) a plan specifying the number and location of rental units was approved on or before such date by a governing body of a State or local government or by a State or local housing agency or similar agency, and

(B) substantial expenditures for site improvement for the project had been incurred on or before such date.

(2) Rental housing projects approved by secretary of hud.—The amendment made by section 3 shall not apply to a project which was in the development stage on April 24, 1979, if—

(A) a plan specifying the number and location of rental units was preliminarily approved by the Secretary of Housing and Urban Development pursuant to section 221(d)(4) or section 232 of the Housing Act on or before such date, and

(B) fees for processing the project with the Department of Housing and Urban Development and other expenditures for the project had been incurred on or before such date.

(3) Owner occupied housing.—The amendments made by section 2 shall not apply to a project which was in the development stage on April 24, 1979, if on or before such date—

(A) substantial expenditures had been made for detailed plans and specifications, and

(B) either tax exempt construction financing had been issued with respect to the project or there is written evidence that a government unit intended to issue tax exempt obligations to finance the acquisition of the units by home buyers.

The amendment made by section 3 shall not apply to construction or other initial temporary financing issued with respect to a project which meets the requirements of the preceding sentence if substantially all of the dwelling units in such project are to be owner-occupied residences.

(4) Certain redevelopment mortgage bond financing projects.—Clause (ii) of subparagraph (C) shall be treated as satisfied if, before April 25, 1979—

(A) the developer of a project acquired the land for such project,

(B) there was approval by the mayor's advisory committee of a city of a comprehensive proposal (under a State law authorizing tax-exempt obligations for use only in redevelopment areas) for such project, subject to revisions to be made, and

(C) a revised proposal was submitted to the redevelopment agency and city council containing the revisions.

The aggregate amount of obligations which may be issued by local governmental units with respect to the area comprising any local governmental area by reason of this paragraph may not exceed $20,000,000.

(g) Bonds Must Be Registered.—Any obligation issued by reason of subsection (b), (c), (d), (e), or (f) of this section after the date of the enactment of this Act shall be in registered form.

(h) Advance Refunding.—Notwithstanding any other provision of this section—

(1) subparagraph (C) of section 103(g)(3) of the Internal Revenue Code of 1954 (as added by section 2) shall apply to obligations issued after the date of the enactment of this Act to refund obligations issued before, on, or after such date of enactment, and

(2) subsections (b), (c), (d), (e), and (f) shall not apply to obligations issued after such date of enactment for the advance refunding of obligations issued before, on, or after such date of enactment.

COMMITTEE AMENDMENTS

The CHAIRMAN pro tempore. The first committee amendment is now in order. The Clerk will report the first committee amendment.

The Clerk read as follows:

Committee amendment: Beginning on page 2, line 2, strike all through page 8, line 5, and insert:

This Act may be cited as the "Mortgage Subsidy Bond Tax Act of 1979".

Sec. 2. Mortgage Subsidy Bonds.

(a) In General.—Part III of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to items specifically excluded from gross income) is amended by inserting after section 103 the following new section:

"Sec. 103A. Mortgage Subsidy Bonds.

"(a) General Rule.—Except as otherwise provided in this section, any mortgage subsidy bond shall be treated as an obligation not described in subsection (a) (1) or (2) of section 103.

"(b) Mortgage Subsidy Bond Defined.—

"(1) In general.—For purposes of this title, the term 'mortgage subsidy bond' means any obligation which is issued as part of an issue a significant portion of the proceeds of which are to be used directly or indirectly for mortgages on owner-occupied residences.

"(2) Exceptions.—The following shall not be treated as mortgage subsidy bonds:

"(A) any qualified mortgage bond; and

"(B) any qualified veterans' mortgage bond.

"(c) Qualified Mortgage Bond; Qualified Mortgage Issue; Qualified Veterans' Mortgage Bond.—

"(1) Qualified mortgage bond defined.—

"(A) In general.—For purposes of this title, the term 'qualified mortgage bond' means an obligation which is issued as part of a qualified mortgage issue.

"(B) 2-year termination.—No obligation issued more than 2 years after the date of the enactment of this section may be treated as a qualified mortgage bond.

"(2) Qualified mortgage issue defined.—

"(A) Definition.—For purposes of this title, the term 'qualified mortgage issue' means an issue by a State or political subdivision thereof of 1 or more obligations, but only if—

"(i) all proceeds of such issue (exclusive of issuance costs and a reasonably required reserve) are to be used to finance owner-occupied residences, and

(ii) such issue meets the requirements of subsections (d), (e), (f), (g), (h), (i), (j), (k), and (l).

"(B) Good faith effort to comply with mortgage eligibility requirements.—An issue which fails to meet 1 or more of the requirements of subsections (d), (e), (f), (g), and (h) and paragraphs (4) and (5) of subsection (l) shall be treated as meeting such requirements if—

"(i) the issuer in good faith attempted to satisfy all such requirements before the mortgages were executed,

"(ii) 95 percent or more of the proceeds devoted to owner-financing was devoted to residences with respect to which (at the time the mortgages were executed) all such requirements were met, and

"(iii) any failure to meet the requirements of such subsections and paragraphs is corrected within a reasonable period after such failure is first discovered.

"(C) Good faith effort to comply with other requirements.—An issue which fails to meet 1 or more of the requirements of subsections (i), (j), and (k) and paragraphs (1), (2), and (3) of subsection (l) shall be treated as meeting such requirements if—

"(i) the issuer in good faith attempted to satisfy all such requirements, and

"(ii) any failure to meet such requirements is due to inadvertent error after taking reasonable steps to comply with such requirements.

"(3) Qualified veterans' mortgage bond defined.—For purposes of this section, the term 'qualified veterans' mortgage bond' means any obligation—

"(A) which is issued in registered form as part of an issue substantially all of the proceeds of which are to be used to provide residences for veterans.

"(B) the payment of the principal and interest on which is secured by the general obligation of a State, and

"(C) which is part of an issue which meets the requirements of subsection (l)(4).

"(d) Residence Requirements.—

"(1) For a residence.—A residence meets the requirements of this subsection only if—

"(A) it is a single-family residence which can reasonably be expected to become the principal residence of the mortgagor within a reasonable time after the financing is provided, and

"(B) it is located within the jurisdiction of the authority issuing the obligation.

"(2) For an issue.—An issue meets the requirements of this subsection only if all of the residences for which owner-financing is provided under the issue meet the requirements of paragraph (1).

"(e) 3-Year Requirement.—

"(1) In general.—An issue meets the requirements of this subsection only if each mortgagor to whom financing is provided under the issue had a present ownership interest in a principal residence of such mortgagor at no time during the 3-year period ending on the date the mortgage is executed. For purposes of the preceding sentence, the mortgagor's interest in the residence with respect to which the financing is being provided shall not be taken into account.

"(2) Exceptions.—Paragraph (1) shall not apply with respect to—

"(A) any financing provided with respect to a targeted area residence,

"(B) any qualified home improvement loan, and

"(C) any qualified rehabilitation loan.

"(f) Purchase Price Requirement.—

"(1) In general.—An issue meets the requirements of this subsection only if the acquisition cost of each residence the owner-financing of which is to be provided under the issue does not exceed 80 percent of the average area purchase price applicable to such residence.

"(2) Average area purchase price.—For purposes of paragraph (1), the term 'average area purchase price' means, with respect to any residence, the average purchase price of single family residences (in the statistical area in which the residence is located) which were purchased during the most recent 12-month period for which sufficient statistical information is available. The determination under the preceding sentence shall be made as of the date on which the commitment to provide the financing is made (or, if earlier, the date of the purchase of the residence).

"(3) Separate application to new residences and old residences.—For purposes of this subsection, the determination of average area purchase price shall be made separately with respect to—

"(A) residences which have not been previously occupied, and

"(B) residences which have been previously occupied.

"(4) Special rule for targeted area residences.—In the case of a targeted area residence, paragraph (1) shall be applied by substituting '110 percent' for '80 percent'.

"(5) Exception for qualified home improvement loans.—Paragraph (1) shall not apply with respect to any qualified home improvement loan.

"(g) Downpayment Requirement.—

"(1) 5-percent requirement.—An issue meets the requirements of this subsection only if 75 percent or more of the owner-occupied financing provided by the issue (other than qualified home improvement loans and qualified rehabilitation loans) is 95-percent financing.

"(2) 95-percent financing defined.—For purposes of paragraph (1), financing of a residence is 95-percent financing if such financing is 95 percent or more of the acquisition cost of such residence.

"(3) Larger downpayment permitted in case of graduated payment mortgages.—For purposes of determining whether a graduated payment mortgage meets the 95-percent financing requirement of paragraph (1), the percentage of the acquisition cost of the residence which is not required to be financed by the mortgage shall be increased to the lesser of—

"(A) 10 percent of the acquisition cost, or

"(B) the sum of—

"(i) 5 percent of the acquisition cost, plus

"(ii) the excess of—

"(I) the aggregate amount payable before the crossover point under a comparable standard mortgage, over

"(II) the aggregate amount payable before the crossover point under such graduated payment mortgage.

For purposes of the preceding sentence, the crossover point is the first day of the first payment period for which the payment under the graduated payment mortgage is greater than the payment would be under a comparable standard mortgage.

"(h) Income Requirements.—

"(1) In general.—An issue meets the requirements of this subsection only if—

"(A) at least 50 percent of the owner-financing provided under the issue is provided for mortgagors whose family income is 90 percent or less of the median family income for the statistical area in which the residence is located, and

"(B) all owner-financing provided under the issue is provided for mortgagors whose family income is 115 percent or less of the median family income for the statistical area in which the residence is located.

"(2) Determination of family income.—For purposes of this subsection, the family income of mortgagors, and median family income, shall be determined under regulations prescribed by the Secretary which, to the extent not inconsistent with the purposes of this subsection, shall be consistent with the regulations prescribed under section 8 of the United States Housing Act of 1937.

"(3) Special rule for applying paragraph (1)(B) in the case of targeted area residences.—In the case of any financing provided under any issue for targeted area residences—

"(A) the mortgages for one-third of the targeted area residences may be provided without regard to paragraph (1)(B), and

Paragraph (1)(B) shall be treated as satisfied with respect to the remainder of the targeted area residences if the family income of the mortgagor is 140 percent or less of whichever of the following is the greater:

"(i) the median family income for the statistical area in which such residence is located, or

"(ii) the statewide median family income for the State in which such residence is located.

"(i) Limitation on Aggregate Amount of Qualified Mortgage Bonds Issued During Any Calendar Year.—

"(1) In general.—An issue meets the requirements of this subsection only if the aggregate amount of bonds issued pursuant thereto, when added to the aggregate amount of qualified mortgage bonds previously issued by the issuing authority during the calendar year, does not exceed the applicable limit for such authority for such calendar year.

"(2) 5-percent limit.—Except as provided in paragraph (3), the applicable limit for qualified mortgage bonds for any issuing authority for any calendar year shall be 5 percent of the average annual aggregate principal amount of mortgages executed during the immediately preceding 3 calendar years for single-family owner-occupied residences located within the jurisdiction of such issuing authority.

"(3) At least $50,000,000 may be issued in each State during each calendar year.—If, but for this paragraph, the aggregate amount of qualified mortgage bonds which could be issued in any State during any calendar year is less than $50,000,000, the aggregate amount which may be issued by each issuing authority in such State during such calendar year (determined without regard to this paragraph) shall be increased to the amount determined by multiplying such aggregate amount by a fraction—

"(A) the numerator of which is $50,000,000, and

"(B) the denominator of which is the aggregate amount of qualified mortgage bonds which could be issued by all issuing authorities in such State during such year (determined without regard to this paragraph).

"(4) Overlapping jurisdictions.—Except as provided in paragraph (5), if 2 or more governmental units have authority (determined without regard to paragraph (1)) to issue qualified mortgage bonds with respect to residences in the same geographical area, for purposes of this subsection only the unit having jurisdiction over the smallest geographical area shall be treated as having issuing authority with respect to such area unless such unit agrees to surrender part or all of such authority for such calendar year to the unit with overlapping jurisdiction which has the next smallest geographical area.

"(5) State may provide different formula.—The State may, by law enacted after the date of the enactment of this section, provide a different formula for allocating the 5-percent limitation (and, if applicable, the $50,000,000 limitation) among the governmental units in such State having authority to issue qualified mortgage bonds.

"(6) Transitional rules.—In applying this subsection to any calendar year, there shall not be taken into account any bond which—

"(A) was issued on or before April 24, 1979, or

"(B) by reason of section 4 of the Mortgage Subsidy Bond Tax Act of 1979, receives the same tax treatment as bonds issued on or before April 24, 1979.

"(j) Portion of Loans Required To Be Placed in Targeted Areas.—

"(1) In general.—An issue meets the requirements of this subsection only if at least 20 percent of the proceeds of the issue which are devoted to providing owner-financing is made available (with reasonable diligence) for owner-financing on targeted area residences for at least 1 year after the date on which owner-financing is first made available with respect to targeted area residences.

"(2) Limitation.—Nothing in paragraph (1) shall be treated as requiring the making available of an amount which exceeds 40 percent of the average annual aggregate principal amount of mortgages executed during the immediately preceding 3 calendar years for single-family owner-occupied residences located in targeted areas within the jurisdiction of the issuing authority.

"(k) Requirements Related to Arbitrage.—

"(1) In general.—An issue meets the requirements of this subsection only if such issue meets the requirements of paragraphs (2), (3), and (4) of this subsection. Such requirements shall be in addition to the requirements of section 103(c).

"(2) Effective rate of mortgage interest cannot exceed bond yield by more than 1 percentage point.—

"(A) In general.—An issue shall be treated as meeting the requirements of this paragraph only if the excess of—

"(i) the effective rate of interest on the mortgages provided under the issue, over

"(ii) the yield on the issue, is not greater than 1 percentage point.

"(B) Effective rate of mortgage interest.—

"(i) In general.—In determining the effective rate of interest on any mortgage for purposes of this paragraph, there shall be taken into account all fees, charges, and other amounts borne by the mortgagor which are attributable to the mortgage or to the bond issue.

"(ii) Specification of some of the amounts to be treated as borne by the mortgagor.—For purposes of clause (i), the following items (among others) shall be treated as borne by the mortgagor:

"(I) all points or similar charges paid by the seller of the property, and

"(II) the excess of the amounts received from any person other than the mortgagor by any person in connection with the acquisition of the mortgagor's interest in the property over the usual and reasonable acquisition costs of a person acquiring like property where owner-financing is not provided through the use of qualified mortgage bonds.

"(iii) Specification of some of the amounts to be treated as not borne by the mortgagor.—For purposes of clause (i), the following items shall not be taken into account:

"(I) any expected rebate of arbitrage profits, and

"(II) any application fee, survey fee, credit report fee, insurance charge, or similar amount to the extent such amount does not exceed amounts charged in such area in cases where owner-financing in not provided through the use of qualified mortgage bonds.

Subclause (II) shall not apply to origination fees, points, or similar amounts.

"(iv) Prepayment assumption.—In determining the effective rate of interest, it shall be assumed that the mortgage prepayment rate will be the rate set forth in the most recent mortgage maturity experience table published by the Federal Housing Administration for the State (or, if available, the area within the State) in which the residences are located.

"(C) Yield on the issue.—For purposes of this subsection, the yield on the issue shall be determined on the basis of—

"(i) the issue price (within the meaning of section 1232(b)(2)), and

"(ii) an expected maturity for the bonds which is consistent with the assumption required under subparagraph (B)(iv).

"(3) Non-mortgage investment requirements.—

"(A) In general.—An issue meets the requirements of this paragraph only if—

"(i) at no time during any bond year may the amount invested in non-mortgage investments with a yield higher than the yield on the issue exceed 150 percent of the debt service on the issue for the bond year, and

"(ii) the aggregate amount invested as provided in clause (i) is promptly and appropriately reduced as mortgages are repaid.

"(B) Exception for temporary periods.—Subparagraph (A) shall not apply to—

"(i) proceeds of the issue invested for an initial temporary period until such proceeds are needed for mortgages, and

"(ii) temporary investment periods related to debt service.

"(C) Debt service defined.—For purposes of subparagraph (A), the debt service on the issue for any bond year is the scheduled amount of interest and amortization of principal payable for such year with respect to such issue. For purposes of the preceding sentence, there shall not be taken into account amounts scheduled with respect to any bond which has been retired before the beginning of the bond year.

"(4) Arbitrage and investment gains to be used to reduce costs of owner-financing.—

"(A) In general.—An issue shall be treated as meeting the requirements of this paragraph only if an amount equal to the sum of—

"(i) the excess of—

"(I) the amount earned on all non-mortgage investments (other than investments attributable to an excess described in this clause), over

"(II) the amount which would have been earned if the investments were invested at a rate equal to the yield on the issue, plus

"(ii) any income attributable to the excess described in clause (i),

shall be paid or credited to the mortgagors as rapidly as may be practicable.

"(B) Investment gains and losses.—For purposes of subparagraph (A), in determining the amount earned on all non-mortgage investments, any gain or loss on the disposition of such investments shall be taken into account.

"(l) Other Requirements.—

"(1) State opinion that issue meets federal requirements.—An issue meets the requirements of this subsection only if a preliminary official statement of such issue has been submitted to a State agency and—

"(A) such agency has, within 30 days after the date of such submission, issued an opinion that such issue meets the requirements of subsections (i) and (j) of this section, or

"(B) 30 days have elapsed since such submission and during such 30-day period the State agency has not issued an opinion that the issue does not meet the requirements of subsections (i) and (j) of this section.

"(2) Obligations must be registered.—An issue meets the requirements of this subsection only if each obligation issued pursuant to such issue is in registered form.

"(3) Requirement of more than one lender.—

"(A) In general.—Except as provided in subparagraph (B), an issue meets the requirements of this subsection only if the mortgages are originated by 2 or more persons.

"(B) Exceptions.—Subparagraph (A) shall not apply if—

"(i) due diligence was exercised in offering an opportunity to participate and not more than one person was willing and able to originate the mortgages, or

"(ii) a sound public purpose is served by having one person originate all owner-financing provided under the issue.

"(4) Mortgages must be new mortgages.—

"(A) In general.—An issue meets the requirements of this subsection only if no part of the proceeds of such issue is to be used to acquire or replace existing mortgages.

"(B) Exceptions.—Under regulations prescribed by the Secretary, the replacement of—

"(i) construction period loans,

"(ii) bridge loans or similar temporary initial financing, and

"(iii) in the case of a qualified rehabilitation, an existing mortgage,

shall not be treated as the acquisition or replacement of an existing mortgage for purposes of subparagraph (A).

"(5) Certain requirements must be met where mortgage is assumed.—An issue meets the requirements of this subsection only if a mortgage with respect to which owner-financing has been provided under such issue may be assumed only if the requirements of subsections (d), (e), (f), and (h) are met with respect to such assumption.

"(m) Targeted Area Residences.—

"(1) In general.—For purposes of this section, the term 'targeted area residence' means a residence in an area which is either—

"(A) a qualified census tract, or

"(B) an area of chronic economic distress.

"(2) Qualified census tract.—

"(A) In general.—For purposes of paragraph (1), the term 'qualified census tract' means a census tract in which 70 percent or more of the families have income which is 80 percent or less of the statewide median family income.

"(B) Data used.—The determination under subparagraph (A) shall be made on the basis of the most recent decennial census for which data are available.

"(3) Area of chronic economic distress.—

"(A) In general.—For purposes of paragraph (1), the term 'area of chronic economic distress' means an area of chronic economic distress—

"(i) designated by the State as meeting the standards established by the State for purposes of this subsection, and

"(ii) the designation of which has been approved by the Secretary and the Secretary of Housing and Urban Development.

"(B) Criteria to be used in approving state designations.—The criteria used by the Secretary and the Secretary of Housing and Urban Development in evaluating any proposed designation of an area for purposes of this subsection shall be—

"(i) the condition of the housing stock, including the age of the housing and the number of abandoned and substandard residential units,

"(ii) the need of area residents for owner-financing under this section, as indicated by low per capita income, a high percentage of families in poverty, a high number of welfare recipients, and high unemployment rates,

"(iii) the potential for use of owner-financing under this section to improve housing conditions in the area, and

"(iv) the existence of a housing assistance plan which provides a displacement program and a public improvements and services program.

"(n) Other Definitions and Special Rules.—For purposes of this section—

"(1) Mortgage.—The term 'mortgage' includes any other owner-financing.

"(2) Bond.—The term 'bond' includes any obligation.

"(3) State.—The term 'State' includes a possession of the United States and the District of Columbia.

"(4) Statistical area.—

"(A) In general.—The term 'statistical area' means—

"(i) a standard metropolitan statistical area, and

"(ii) any county (or the portion thereof) which is not within a standard metropolitan statistical area.

"(B) Standard metropolitan statistical area.—The term 'standard metropolitan statistical area' means the area in and around a city of 50,000 inhabitants or more (or equivalent area) as defined by the Secretary of Commerce.

"(C) Designation where adequate statistical information not available.—For purposes of this paragraph, if there is insufficient recent statistical information with respect to a county (or portion thereof) described in subparagraph (A)(ii), the Secretary may substitute for such county (or portion thereof) another area for which there is sufficient recent statistical information.

"(D) Designation where no county.—In the case of any portion of a State which is not within a county, subparagraphs (A)(ii) and (C) shall be applied by substituting for 'county' an area designated by the Secretary which is the equivalent of a county.

"(5) Acquisition cost.—

"(A) In general.—The term 'acquisition cost' means the cost of acquiring the residence as a completed residential unit.

"(B) Exceptions.—The term 'acquisition cost' does not include—

"(i) usual and reasonable settlement or financing ccsts,

"(ii) the value of services performed by the mortgagor or members of his family in completing the residence, and

"(iii) the cost of land which has been owned by the mortgagor for at least 2 years before the date on which construction of the residence begins.

"(C) Special rule for qualified rehabilitation loans.—In the case of a qualified rehabilitation loan, for purposes of subsection (f), the term 'acquisition cost' includes the cost of the rehabilitation.

"(6) Qualified home improvement loan.—The term 'qualifed home improvement loan' means the financing (in an amount which does not exceed $15,000)—

"(A) of alterations, repairs, and improvements on or in connection with an existing residence by the owner thereof, but

"(B) only of such items as substantially protect or improve the basic livability of the property.

"(7) Qualified rehabilitation loan.—

"(A) In general.—The term 'qualified rehabilitation loan' means any owner-financing provided in connection with—

"(i) a qualified rehabilitation, or

"(ii) the acquisition of a residence with respect to which there has been a qualified rehabilitation,

but only if the mortgagor to whom such financing is provided is the first resident of the residence after the completion of the rehabilitation.

"(B) Qualified rehabilitation.—For purposes of subparagraph (A), the term 'qualified rehabilitation' means any rehabilitation of a building if—

"(i) there is a period of at least 20 years between the date on which the building was first used and the date on which the physical work on such rehabilitation begins,

"(ii) 75 percent or more of the existing external walls of such building are retained in place as external walls in the rehabilitation process, and

"(iii) the expenditures for such rehabilitation are 25 percent or more of the mortgagor's adjusted basis in the residence.

For purposes of clause (iii), the mortgagor's adjusted basis shall be determined as of the completion of the rehabilitation or, if later, the date on which the mortgagor acquires the residence.

"(8) Determinations on actuarial basis.—All determinations of yield, effective interest rates, and amounts required to be paid or credited to mortgagors under subsection (k)(4)(A) shall be made on an actuarial basis taking into account the present value of money.

"(o) Special Rule for Issue Used for Owner-Occupied Housing and Rental Housing.—In the case of an issue—

"(1) part of the proceeds of which are to be used for mortgages on owner-occupied residences in a manner which meets the requirements of this section, and

"(2) part of the proceeds of which are to be used for rental housing which meets the requirements of section 103(b)(4)(A).

under regulations prescribed by the Secretary, each such part shall be treated as a separate issue.

"(p) Advance Refunding of Mortgage Subsidy Bonds Not Permitted.—On and after the date of the enactment of this section, no obligation may be issued for the advance refunding of a mortgage subsidy bond (determined without regard to subsection (b)(2))."

(b) Clerical Amendment.—The table of sections for part III of subchapter B of chapter 1 of such Code is amended by inserting after the item relating to section 103 the following new item:

"Sec. 103A. Mortgage subsidy bonds."

Sec. 3. Industrial Development Bonds for Housing Purposes Limited to Low- or Moderate-Income Rental Housing.

Subparagraph (A) of paragraph (4) of section 103(b) of the Internal Revenue Code of 1954 (relating to industrial development bonds) is amended to read as follows:

"(A) projects for residential rental property if—

"(i) 20 percent or more of the units in each project are to be occupied by individuals of low or moderate income (within the meaning of section 167(k)(3)(B)), and

"(ii) each obligation issued pursuant to the issue is in registered form,".

Mr. ULLMAN (during the reading). Mr. Chairman, I ask unanimous consent that the committee amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Oregon?

Mr. ROUSSELOT. Mr. Chairman, reserving the right to object, and I will not be dilatory. This is an extremely complicated amendment containing several new formulas. The amendment is clearly different from the original bill. Will the chairman assure us that there will be no attempt to shorten the discussion of this amendment, so that we can make sure that we understand all the formulas in the Downey amendment?

Mr. ULLMAN. Will the gentleman yield?

Mr. ROUSSELOT. Yes, I will be glad to yield.

Mr. ULLMAN. We had extensive debate the other day on this issue. I think everyone thoroughly understands it. The chairman, however, is not going to unduly preempt the time.

Mr. ROUSSELOT. I happen to favor it, as the gentleman knows, because I think that it is better than the original bill. Will there be any attempt to shorten the discussion on this other than the restrictions of the House rules?

Mr. ULLMAN. The gentleman understands the rule.

Mr. ROUSSELOT. I thank the gentleman, and I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. ROUSSELOT. Mr. Chairman, I rise in support of the committee amendment.

Mr. Chairman, because my colleague from New York worked long and hard to try to improve this product, I hope that he will take the time to explain the difference between his version and the original committee version. I think his version is substantially a better product, and I hope that he will thoroughly explain it.

Does the gentleman from New York plan to do that?

Mr. DOWNEY. The gentleman is so flattered by my friend from California's support that I will be happy to engage in a colloquy with him right now on that subject.

Mr. ROUSSELOT. I think our Members should know exactly what your amendment does, the meaning of the different formulas in the bill, and the effect the formulas will have on the issuance of mortgage bonds.

Now, there have been many questions from States and cities around the country as to what they will be able to do now and in the years ahead with regard to the permanent and transition rules. As my colleague knows, many bond issues are not protected by the committee amendments.

Of course, when the gentleman from Kansas learned that great damage was done to programs in Kansas, he was smart enough to go to the Rules Committee and get a special rule just for Kansas. Now, I think that was extremely intelligent and totally appropriate, but there were a lot of other people in the country; a lot of other cities; a lot of other counties; a lot of other projects, that were excluded. I know that my colleague from Kansas knows that now. Had he known earlier, I am sure he would have encouraged other Members to request a special rule allowing a corrective amendment to be offered. Unfortunately, under this very restrictive rule, no other amendments are in order.

Mr. ULLMAN. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I would be glad to yield to my distinguished chairman.

Mr. ULLMAN. The gentleman is really addressing himself to the second committee amendment.

Mr. ROUSSELOT. I know that.

Mr. ULLMAN. This amendment before us is the Downey amendment, the so-called Downey amendment, that projects housing bonds for the next 2 years.

Mr. ROUSSELOT. For 2 years.

Mr. ULLMAN. With some very wise rules that put the housing development under this provision in an area that is socially and fiscally acceptable.

Mr. ROUSSELOT. Well, I thank my chairman for that statement. The chairman knows that it is only for 2 years, and then after that the fallback is to a much more strict position—no mortgage revenue bonds at all.

Mr. ULLMAN. Will the gentleman yield further?

Mr. ROUSSELOT. I will be glad to. The gentleman does recognize that after 2 years the Downey amendment is sunsetted, so I think we should all understand that.

Mr. ULLMAN. What the gentleman also understands, if he will yield further, that that will give us ample time to appraise the long-range needs. Remember, we have not financed single-family housing with tax-exempt bonds. That has historically been the situation. We have relied on the private markets and thrift institutions. This is something that is altogether new, and it is only fitting that we project this for 2 years with these rules, and then look at it and decide what is best.

Mr. ROUSSELOT. Current law is not new. It is a fact, however, that many local communities and other housing authorities started to utilize this only in the last 2 to 3 years. But, it is not new law.

Mr. ULLMAN. If the gentleman will yield, there was no specific law passed by this Congress saying that it was acceptable.

Mr. ROUSSELOT. Yes.

Mr. ULLMAN. This was under the broad umbrella of general authority.

The CHAIRMAN. The time of the gentleman from California has expired.

(By unanimous consent, Mr. Rousselot was allowed to proceed for 3 additional minutes.)

Mr. ROUSSELOT. Mr. Chairman, I realize full well that the Downey committee amendment is before us. I support it although I will vote against final passage. It is a big improvement over the original bill. My point was that the Glickman amendment takes care of one segment of the country, Kansas. And, that is terrific. He was smart enough to get the Rules Committee to give special consideration to Kansas. I am not upset about that. That just shows he is smarter, wiser, cleverer than other people who are "left out." There are a lot of them left out, as my chairman well knows, because he has heard from these people including a lot of community redevelopment agencies in California, if I may be allowed to be a little provincial. California is the largest State in the Union with 22 million people and it has a lot of community redevelopment agencies properly set up by law and controlled by State law.

Mr. CONABLE. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I will be glad to yield to the gentleman from New York.

□ 1420

Mr. CONABLE. Mr. Chairman, I would just like to compliment the gentleman on what he has been able to achieve for California in this bill.

Mr. ROUSSELOT. Mr. Chairman, I appreciate that compliment, and I hope somebody up there is listening.

In regard to the other problem of excluding from consideration people outside of Kansas who have transition questions but were not able to get special consideration for an amendment, we have a terrible problem.

Mr. ULLMAN. Mr. Chairman, if the gentleman will yield, that, of course, is not the amendment before us.

Mr. ROUSSELOT. Yes. I just finished saying that.

Mr. ULLMAN. Mr. Chairman, I will ask, Is the gentleman going to vote for this amendment?

Mr. ROUSSELOT. Mr. Chairman, I am going to vote for the Downey committee amendment because it is far superior to the original bill.

Mr. ULLMAN. Mr. Chairman, I appreciate that, and I commend the gentleman for his stand.

Mr. GEPHARDT. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. Of course, I will yield to the gentleman from Missouri (Mr. GEPHARDT), who is an active member of the Committee on Ways and Means and a stalwart and careful legislator.

Mr. GEPHARDT. The gentleman can keep going if he wishes.

Mr. Chairman, I want to say that I commend the gentleman for the work he has done, and I certainly understand his position.

I want to ask the gentleman if he does not realize that the transitional rule does set up criteria for allowing bonds without restriction to go forward in every State under certain rules.

Mr. ROUSSELOT. Of course I do. I supported that transitional effort.

Mr. GEPHARDT. Mr. Chairman, the gentleman also understands that State after State after State is covered by that transitional rule. It is not just Kansas that is coming before us today.

The CHAIRMAN pro tempore. The time of the gentleman from California (Mr. ROUSSELOT) has expired.

(By unanimous consent, Mr. ROUSSELOT was allowed to proceed for 2 additional minutes.)

Mr. ROUSSELOT. Mr. Chairman, I will ask, had the gentleman from Missouri (Mr. GEPHARDT) finished his statement?

Mr. GEPHARDT. Mr. Chairman, if the gentleman will yield further, I just wanted to make it clear that the transitional rule covers many States that did come before the committee and were covered by the transitional rule, and that every State and every local government is covered by the criteria that are set out in that rule to provide a transition from what was the status quo to the new permanent rules that will be in force under the new bill.

Mr. ROUSSELOT. My concern is that the transitional rule still has many confusing aspects. The committee chairman received letters, as the gentleman well knows, from many people asking, "Am I covered or am I not covered in the transitional rule?"

Mr. Chairman, I will say that our committee chairman made a monumental effort to see that people from all over the country could get some kind of determination as to whether they are adequately and properly protected. His courtesy and diligence are appreciated. But the transitional rule still, in my judgment, is not adequate.

As the gentleman knows, I basically support current law. State legislatures have in many cases provided the kind of constraints necessary to prevent abuses in this program that did occur when people were utilizing the bonding authority to build luxury housing. I think that was wrong. My State moved legislatively to correct it. The legislature of the gentleman from New York moved to change that or to correct it, and many other States did the same.

I oppose final passage because the bill would impose unworkable, unrealistic Federal requirements on the States and localities which have made good, legitimate use of mortgage bond financing—all in the name of eliminating certain glaring "abuses" of the program. The bill not only limits the restricted bond program to a 2-year period, after which there will be no mortgage bond financing for homes at all, but it seriously threatens projects already underway in a large number of States.

Much has been made of the so-called abuses in the mortgage bond programs across the country. We have heard many Members discussing the Chicago issue and the construction of beachfront condominiums in Redondo Beach, Calif. We have not heard enough, however, about the responsible programs administered in almost every State, either by the State housing finance agencies, or by the cities themselves. During the 11 months the Ways and Means Committee has wrestled with this legislation, and its predecessor, H.R. 3712, I have received thousands of letters from all over the Nation detailing the success of mortgage bond programs and the benefits in terms of increased homeownership for low- and moderate-income families and in terms of the revitalization and rehabilitation of cities.

From my own congressional district, the city of Duarte describes its program as providing homes in deteriorated areas that most lenders would not even consider for loans. A survey of buyers indicates that the approximate annual income of the family is between $20,000 and $27,000 per year. If these buyers were forced to pay the current market interest rate, they would no longer qualify for a home.

In the State of California, in general, the California Housing Finance Agency and its homeownership program are limited already by family income, by purchase price, and by location. California's housing programs are already directed toward meeting the most immediate housing needs of low- and moderate-income families who would not otherwise be able to afford shelter and encouraging the revitalization of declining neighborhoods.

From St. Paul, Minn., comes a description of that city's experience with tax-exempt mortgage bonds, "* * * with almost 20 percent of all the mortgage applications for existing housing submitted for review, the average household income has been $16,473, with 73 percent of the applicants being first-time buyers." St. Paul established its own income and mortgage limitations, without the intervention of the Federal Government.

The Minneapolis-St. Paul homeownership mortgage programs had exemplary results. Approximately 75 to 85 percent of the mortgage funds were utilized by first-time buyers, the average age of recipients was about 28 years, and the adjusted gross income averages were approximately $16,300 as compared with the area's median family income of $21,600.

In South Dakota, the Housing Development Authority has provided over 6,000 loans to low- and moderate-income citizens. The average gross income of the homeowners assisted by the programs has been $12,032, the average sales price of the homes financed has been $26,600, and the average mortgage amount, $28,250. Surely this does not constitute an abuse of the Federal Treasury.

Testifying to the efficiency of the mortgage bond programs, the Tennessee Housing Development Agency tells us that 89 cents out of every dollar of bonds sold was used for mortgage loans. This experience certainly compares favorably with the Federal Government's "bang for the buck" in its housing programs.

The Atlanta, Ga. bond program is defined by State legislation which contains specific income levels. A member of the Atlanta City Council writes that the enactment of the committee bill would seriously jeopardize their programs.

Rural America has particular problems with regard to the financing of homes. A resident of Oklahoma writes that—

> We have many counties in Oklahoma that simply do not have any mortgage money available because of the fact that no savings and loan institutions exist in that area.

Finally, Mr. Chairman, I think a clarification is in order regarding the much discussed Chicago bond issue. While the Chicago issue did contain some abuse, the average income of program participants in the first issue was $20,750. The second Chicago issue requires that 85 percent of the loans must go to families with incomes of $29,500 or less. The National League of Cities testified that of the 56 local housing revenue bond issues sold before April 1, 1979, 31 had income limits and 27 of those were coupled with mortgage limits. Not all tax-exempt financing of mortgages has been for families with incomes of $40,000, as we have been led to believe.

The point of all this is that the States and localities are acting in a responsible manner. The State legislatures in many cases have enacted legislation which strictly limits family income and home purchase price levels. The State legislatures and local agencies have developed effective "target area" definitions and have established programs which serve local needs and conditions. As always, community needs can be assessed most accurately by local residents without the redtape and expense of Federal Government intervention. As has been proven over and over, national standards and formulas do not work. The enactment of H.R. 5741, with the Downey provisions for a 2-year sunset, will permit the issuance of bonds in a severely limited manner. Most States, including California and Alaska, will be able to utilize tax-exempt mortgage bond financing in only a very few areas.

The tax-exempt mortgage bond program provides not only the possibility of home ownership for low- and moderate-income families, but provides employment and stimulation to the lagging economy. The Members of this body have received the startling information from the home builders. You must be aware that the home building industry is in serious trouble, trouble which will have a large impact on the rest of the economy. The home builders estimate that the enactment of H.R. 5741 would mean the loss of 1.6 million jobs, the loss of $27.5 billion in wages, the loss of $7.5 billion in Federal, State, and local revenues, and the loss of $5.8 billion in direct tax expenditures due to business failures. While some of you may doubt these figures, or believe them to be overstated, you must agree that there will be a serious effect on the economy if H.R. 5741 passes.

Some of my colleagues on the Ways and Means Committee, and the chairman of the Budget Committee, have urged passage of H.R. 5741 primarily on the grounds that the mortgage bond program is a drain on the Federal Treasury. They raise the ghost of "revenues lost" and they claim that if we pass H.R. 5741 untold billions of dollars will flow into the Federal Treasury. I find this an incredibly naive assumption. If investors do not buy tax-exempt mortgage bonds, their reasoning goes, they would put their money in some taxable investment, and the Federal Treasury woud get its share.

Let us be realistic. Is it not more likely that investors and those who manage investments will simply seek other tax-sheltered investments? It would not be economically rational to do otherwise. Alternative investments would include other tax-exempt bonds, tax-sheltered investments such as real estate and assets with capital appreciation and low current income. Consequently, the Treasury will not be the beneficiary of billions of dollars in increased revenue. Fully-taxable investments do not represent the only alternative to the purchase of tax-exempts.

As mentioned earlier, the Treasury estimates also fail to take into account tax revenues generated by increased housing and construction activity. Testimony was presented to the Ways and Means Committee asserted that for every 1 billion new houses constructed there is generated 37,000 man-years of work, about $592 million in wages, $62.5 million in Federal personal income taxes, $34.6 million of Federal corporate income taxes, $8.5 million of State income taxes, and $21.6 million of local real estate taxes. The Treasury also failed to consider the additional taxes generated from decreased deductions on the mortgage loans and from administrative costs. Some estimates put this figure at upward of $9 million.

Finally, I would say to my colleagues, the hope being held out by many supporters of mortgage revenue bonds that the Senate will be able to "fix" this legislation, is a vain one.

The Ways and Means Committee toiled over H.R. 5741 and its parent bill, H.R. 3712, for many months. The bill we are considering today is badly misdirected and confusing, by almost every account. Not only is the Downey permanent rule not permanent (with a 2-year sunset), but it is largely unworkable and will not aid in new construction. The problems with the transition rule, or Gephardt amendment, are well known. My colleagues know that there is a large number of issues in question with regard to the application of the transitional rule. It is unlikely that the Senate will be able to deal with these problems any better than the Ways and Means Committee.

I urge my colleagues to defeat H.R. 5741. Do not be swayed by the claim that without the Downey amendment we will have no mortgage bonds at all. Given the committee's track record on this legislation, is it credible that a new mortgage bond bill would have any better chance of passage during the 96th Congress? Defeat H.R. 5741 and allow the States and localities, now with the fear of God and ULLMAN instilled in them, to enact and administer programs which will serve community housing needs well.

Mr. GEPHARDT. Mr. Chairman, if the gentleman will yield further, the gentleman knows that we often write laws here that have to be interpreted by the bureaucracy.

Mr. ROUSSELOT. Yes; the gentleman is correct.

The CHAIRMAN pro tempore. The time of the gentleman from California (Mr. ROUSSELOT) has again expired.

(By unanimous consent, Mr. ROUSSELOT was allowed to proceed for 1 additional minute.)

Mr. ROUSSELOT. Mr. Chairman, at this time I yield to my colleague, the gentleman from Hawaii (Mr. HEFTEL), because I know he has been trying to seek recognition.

Mr. HEFTEL. Mr. Chairman, I thank the gentleman for yielding.

I think the gentleman will acknowledge that had we not moved to draft this legislation, we would have had more problems. There were abuses continuing that allowed $160,000 residences for people earning $40,000 or $50,000 a year to benefit from tax-exempt bonds.

Mr. ROUSSELOT. Mr. Chairman, if I may just interrupt quickly, I do not agree with that completely, because I just stated that many States have moved to correct that abuse by State law, and they have done an adequate job. I think other States will do the same, that is, if we keep the current law and allow the States to prevent the abuses.

Mr. HEFTEL. Mr. Chairman, Hawaii and 27 other States fortunately drafted legislation, but the others did not. Therefore, we need reasonable legislation to insure that the tax-exempt bonds for single-family dwellings would be used for middle- and low-income people. I think that is a reasonable responsibility for us to assume.

Mr. DOWNEY. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the committee amendment.

Mr. Chairman, I thank my colleague, the gentleman from California (Mr. ROUSSELOT), for endorsing the committee amendment.

Basically, what the committee amendment does is, for the next 2 years, set out a number of restrictions with respect to who can own or who can benefit from this tax-exempt housing bond program. What it does is, it says that a person has to be purchasing a single-family home. It has to be the principal residence, and it has to be a principal resident who could not have owned a home for the last 3 years.

There are numerous income restrictions; an example is dealing with 115 percent of SMA's. There are targeted programs of 140 percent of median income for blighted areas. There is a definition of "targeted areas." There is an arbitrage restriction, there are other restrictions, limitations, and there is a State cap on the amount of mortgage revenue bonds.

As for the formula, I would be less than honest with everyone if I said I am enamoured of this proposal, because I am not. I think the restrictions should be much more liberal. But the committee spent literally days working out every single aspect of this particular formula, and I think the committee has reached a balance where we are going to allow people of modest means, and even in some instances above modest means, to own homes under this program.

I believe we are going to provide the opportunity for people who make substantially more than the median income to move back into the cities, and I believe that, even with some of the other restrictions which I did not support, this is a very, very satisfactory piece of legislation. It is the result of many, many hours of work in committee.

Mr. ULLMAN. Mr. Chairman, will the gentleman yield?

Mr. DOWNEY. I yield to the chairman of the committee.

Mr. ULLMAN. Mr. Chairman, I want to commend the gentleman from New York (Mr. DOWNEY). I think no Member could qualify as a stronger proponent of housing bonds than the gentleman from New York. But I will say he went through the long process in committee, and he also knows the consequences of unlimited housing bonds.

That would totally disrupt the bond market in this country, and I think the gentleman knows that. He has very wisely and realistically supported this legislation. This legislation will allow housing bonds to go forward on a basis that is defensible from the point of view of national economy. The unrestricted use of housing bonds would cost approximately $12 billion a year by 1984.

Mr. Chairman, I commend the gentleman for that and for his efforts in putting together a package that is reasonable.

Mr. DOWNEY. Mr. Chairman, I thank the chairman of the committee. We certainly had disagreements on this matter, and I was to commend him for his indulgence in those matters and for his help when it was critical.

Mr. FRENZEL. Mr. Chairman, will the gentleman yield?

Mr. DOWNEY. I yield to the gentleman from Minnesota.

Mr. FRENZEL. Mr. Chairman, I would like to add my voice to those who are supporting the Downey amendment. It is absolutely necessary to make this bill workable, and I hope it will be promptly passed.

Mr. Chairman, I thank the gentleman for yielding.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. DOWNEY. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I appreciate my colleague's yielding, since I encouraged him to take this time to explain the amendment.

My understanding is that the gentleman's amendment has roughly 12 to 14 different basic criteria, some of them very specific formulas, that are different from the original legislation, and they are offered to try to prevent abuses.

Mr. DOWNEY. Mr. Chairman, the gentleman is correct. As the gentleman realizes, the bill with which we were presented did away with mortgage revenue bonds.

Mr. ROUSSELOT. That is right. It just clean cut them off.

Mr. DOWNEY. That is right. From there we attempted to move to legislation that allowed certain revenue bonds with income restrictions to deal with the abuses which happened in the gentleman's State of California and also in Chicago.

Mr. ROUSSELOT. Right.

Mr. Chairman, could the gentleman explain this for me: Let us take a high-cost area like New York City. One of the gentleman's provisions, as I understand it, is that the cost of a home purchased may not exceed 80 percent of the average sales price of a home in that area.

What would that mean, say, in New York or in San Francisco?

Mr. DOWNEY. Mr. Chairman, as far as the average sales price is concerned, let us stick with San Francisco, which is closer to the gentleman's district.

Mr. ROUSSELOT. Oh, I know where New York City is. I have been there, and I know where it is.

Mr. DOWNEY. All right. But let us say a home in San Francisco is sold for $100,000 or in Washington for over $100,000. That would mean, at 80 percent of the average price, they would not be able to finance a home of more than $80,000. The likelihood is that we would be doing much the contrary. We will not be financing homes of $80,000.

□ 1630

Mr. ROUSSELOT. Oh, we will not? But it says 80 percent.

Mr. DOWNEY. That is how high we can go. That is the flexibility built into the formula.

Mr. ROUSSELOT. How many sales areas are there?

Mr. DOWNEY. If the gentleman will allow me, on my time, let me give him some examples of what the program has done.

The CHAIRMAN. The time of the gentleman from New York (Mr. Downey) has expired.

(On request of Mr. Rousselot and by unanimous consent, Mr. Downey was allowed to proceed for 3 additional minutes.)

Mr. DOWNEY. One of the States, for instance, that has taken advantage of this program, to the tune of 8,000 homes, is the State of Tennessee. And the average income of the buyers, for instance, in Tennessee, is about $12,204, and 95 percent of the people who have taken advantage of this program in Tennessee were first-time home buyers. The average amount of the mortgage ranged between $22,000 and $24,000, and the average home was about $25,000.

In Connecticut, another State which has taken advantage of this program, the average income of a home buyer has been about $19,000, the number of mortgages about 6,100, and the average mortgage amount about $36,000, for the average sale price of a home of about $43,000.

So that is what we are talking about. And certainly the formulae that the committee has proposed provides wide ranges for California and for New York for people to fit in. What it does do is clearly restrict some of the patent abuses that we saw, for instance, in Chicago, with condominiums being sold under this program for $100,000 or more to people with incomes of more than $40,000.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. DOWNEY. I yield to the gentleman from California.

Mr. ROUSSELOT. I appreciate the gentleman's yielding.

Of course, what the gentleman has just described is the second point of his amendment, which is that the income level of participants may not exceed 115 percent of median family income in the area.

My original question related to the cost of the home purchased may not exceed 80 percent of the average sale price, which is another whole area.

How many sales price areas are there considered in the United States? Does the gentleman recall?

Mr. DOWNEY. If the gentleman is attempting to reach the conclusion that this is a complicated formula, with a whole host of restrictions——

Mr. ROUSSELOT. Oh, perish the thought.

Mr. DOWNEY (continuing). And problems in terms of application, I would concede that argument to him.

Mr. ROUSSELOT. Oh, the gentleman does concede that.

Mr. DOWNEY. I would be happy to concede that argument. And the fact is, however, that, even with some of the difficulties of application of the formula, we have computers and a whole host of other ways in which we can apply it.

But let me respond quickly to the gentleman in terms of the U.S. average, because in the last few years—and I am using figures as of May 1979—in the United States there are 150,000-plus of these types of mortgages. The average income of buyers was about $15,000; 80 percent of these people were first-time home buyers. The average mortgage was $30,000, and the average sale price of the home was about $33,000.

Mr. ROUSSELOT. I appreciate that comment. I still would like to come back, and maybe before we are finished here we can get the number of sales areas. I was not trying to say that it is too confusing, but I do want to say again that the gentleman's is a better formula than just cutting everybody off at the throat, bang, like the original legislation.

The CHAIRMAN. The time of the gentleman from New York (Mr. Downey) has again expired.

(On request of Mr. Rousselot and by unanimous consent, Mr. Downey was allowed to proceed for 2 additional minutes.)

Mr. ROUSSELOT. If the gentleman will yield further, I will move on to another point.

Why was it that we were forced to take, in the gentleman's amendment, that the participant may not have owned a home within the preceding 3 years? Did the gentleman understand what that was all about?

Mr. DOWNEY. That was an attempt to structure the program to first-time home buyers.

Mr. ROUSSELOT. Yes, but why do we have that? Does the gentleman remember that?

Mr. DOWNEY. Honestly, I do not recall why we have that.

Mr. ROUSSELOT. I know it was not the gentleman who offered it. Why do we have it? Does any member on the committee recall? I mean, it is such a great bill, let us get up and talk about it.

Mr. DOWNEY. Let me explain further to the gentleman that, clearly, someone who owns a home has equity built into it, and he would not necessarily need this as much, for instance, as a younger couple who would not have that equity built up. As the gentleman is aware, there are formulae in here that require only a 5-percent downpayment.

Mr. ROUSSELOT. Yes.

Mr. DOWNEY. We were attempting to structure this program to someone who does not own a home, who does not have the capital for the downpayment.

Mr. ROUSSELOT. Why should we restrict it to a participant who may not have owned a home within the preceding 3 years? Suppose they owned a home 6 years ago, sold it, then rented, and then came back. How do you determine all of this?

We turn it over to the bureaucracy, do we not? They are a great group to turn it over to.

Mr. DOWNEY. There are aspects, certainly, as the gentleman is aware, of administrative convenience in terms of determining who is and who is not a first-time home buyer, hence the requirement for the last 3 years.

Mr. ROUSSELOT. Then the gentleman remembers the requirement, which I think the gentleman from California (Mr. STARK) proposed—I am not sure—requiring that the arbitrage spread between the bond yield and the effective mortgage rate may not exceed 1 percent?

Mr. DOWNEY. That is correct.

Mr. ROUSSELOT. Does the gentleman remember why that was?

Mr. DOWNEY. No, honestly I do not.

Mr. ROUSSELOT. The gentleman did not do that, I know. But where are all of the members on the committee?

Mr. DOWNEY. Once again, the gentleman is aware that the arbitrage restriction was basically placed so that the reserve accounts would not——

The CHAIRMAN. The time of the gentleman from New York (Mr. DOWNEY) has again expired.

Mr. ROUSSELOT. Mr. Chairman, I ask unanimous consent that the gentleman from New York (Mr. DOWNEY) be allowed to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. ASHBROOK. Reserving the right to object, Mr. Chairman, I would ask my friend, are we conducting a filibuster here?

Mr. ROUSSELOT. If the gentleman will yield, no. Of course not. We are trying to find out what is in the Downey amendment.

Mr. ASHBROOK. Further reserving the right to object, I think I will be mercifully constrained to object the next time, but I will withdraw my reservation of objection at this time.

Mr. ROUSSELOT. I appreciate that. I promise not to ask too many more questions.

The CHAIRMAN. Is there objection to the request of the gentleman from California that the gentleman from New York (Mr. DOWNEY) may be permitted to proceed for 2 additional minutes?

There was no objection.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. DOWNEY. Yes, I will be happy to yield to the gentleman from California.

Mr. ROUSSELOT. Can the gentleman explain the arbitrage?

Mr. DOWNEY. The arbitrage restriction basically is the requirement that the benefits of the program be used for the individual home buyers as opposed to the municipality or the county.

For instance, there is a reserve requirement, and if the reserves, for instance, were higher, let us say, than as indicated in this bill, it is conceivable that a municipality would have a large reserve, use the arbitage on the reserve for other municipal purposes as opposed to building single-family residences; and, hence, the arbitrage restriction.

Mr. ROUSSELOT. As the gentleman knows, arbitrage, by definition, means, from Webster's Third International Dictionary, "Simultaneous purchase and sale of the same or equivalent security in order to profit from price discrepancies."

Now, that is what that is all about. And if everybody can understand that, terrific. What was really being attempted here, as I understand it, is to prevent the bond salesmen and others from ripping it off, or the intermediaries from ripping it off. I think that is a delightful attempt, but I do not understand why 1 percent.

Mr. DOWNEY. The gentleman has certainly quoted Webster's accurately, but I do not believe he has confined himself to the issue at hand with respect to the arbitrage.

It is basically for the purpose of preventing a municipality from using the reserves and the arbitrage for purposes other than the purchase of homes.

Mr. ROUSSELOT. All right. Or ripping off the system.

Mr. DOWNEY. No. I think the gentleman there refers to the registration requirement that is imposed on the bonds. That is what I think the gentleman is referring to.

Mr. ROUSSELOT. In any regard, I want to say to my colleagues that we have only covered four of the basic points of the gentleman's amendment which he was forced to take. If we had just stayed with the current law, the market price basically would determine this, and with the proper restrictions of the State—my colleague from Ohio asked me what I am getting at—and I am getting at the same thing that I tried to say several times. We are better off with the current law coupled with State restrictions.

I urge my colleagues to vote down the amendment.

Mr. CONABLE. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the committee amendment.

Mr. Chairman, I rise in support of this amendment only because I think we must resolve this issue. In my view, the Downey amendment is altogether too liberal. You can do all kinds of wonderful things if you just operate outside the tax system. But I will tell the Members that the end of that road is the value-added tax or some other broadly based consumer tax. We are going to have serious trouble in this country if we decide that we are going to confer benefits on all kinds of people and all kinds of industries, primarily by taking them ouside the tax system. Economic incentives voted in sound economic policies are the bedrock of good government, not constantly increasing tax exemptions.

This is a very liberal amendment. It is possible to justify a vote for it only on the theory that we are in a crisis in the homebuilding industry. But, my friends, we must restrain our enthusiasm for tax exemption if we want to have a continuing, functioning income tax.

Mr. SKELTON. Mr. Chairman, I move to strike the requisite number of words in order that I might ask the gentleman from Missouri (Mr. GEPHARDT) a question.

I would like to make inquiry of the gentleman—I have discussed this with the gentleman briefly—regarding this bill, and I think this is the proper time to ask this question because this amendment fits into the entire spectrum of this bill.

If this bill should fail, what would the effect be on this type of mortgage bonds and, second, what would the effect be on other types of bonds like municipal bonds? I would appreciate the gentleman's thoughts concerning this.

□ 1640

Mr. GEPHARDT. I would say in my opinion that one of two things will happen if this bill fails. The first thing that can happen would be if similar legislation to the original bill were presented and were taken up in the Committee on Ways and Means, in my view, it would have a completely chilling effect on the issuance of mortgage bonds for single-family housing.

It would have the same effect the introduction of the Ullman-Conable bill had about a year ago, when as the gentleman knows——

Mr. SKELTON. Which was a chilling effect as I understand it.

Mr. GEPHARDT. It was not only chilling, it was freezing, because there were no mortgage bonds issued after that day for single-family housing because of the prospect that that bill would pass.

I would say that some of the most conservative people in the world are bond attorneys, who lots of people in this country act in reliance on representations that they make in bond opinions, and so it would be my view if legislation similar to the Ullman-Conable bill were presented and taken to the Committee on Ways and Means and certainly taken up in the committee, that it would have a freezing, chilling effect on the mortgage bond market for single-family housing.

Now in the alternative, if no such legislation were presented, my view is that the bond market would completely fall apart. If ever local government and every State government were able to come into the marketplace unrestricted with single-family housing bonds the interest rates on mortgage bonds would go straight up to the ceiling, and bonds for schools and other municipal purposes would be taken right with it. You would have the specter of having very, very high rates for bonds for other municipal purposes.

So, under either alternative, I do not think the hopes of the people who want to use these bonds in an unrestricted fashion would come to be.

Mr. SKELTON. I thank the gentleman very much.

Mr. FOWLER. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, my colleagues on the Ways and Means Committee and I have spent many months examining the effect of tax-exempt revenue bonds on the conventional mortgage market, on the bond market, on the Treasury, and on the average American family. We have concluded that there is a legitimate role for mortgage bonds to play in providing adequate, decent housing for many American families.

We have witnessed the responsible work of State housing authorities, such as the Georgia Residential Finance Authority, in many States through the country. And our committee has recognized the potential of tax-exempt bonds to help redevelop blighted areas in our inner cities.

The committee amendments we offer today will help accomplish the dual goals of, first, enabling individuals and families, who might not otherwise be able to buy their own homes, to become homeowners. Second, our proposal would target up to 40 percent of the proceeds from any bond issue to help revitalize declining residential areas.

Our committee has imposed tight restrictions on the use of tax-exempt revenue bonds. The legislation would prevent these bonds from swamping the conventional mortgage market, would be aimed at families and blighted areas truly in need of assistance, would prevent abuse by issuing authorities or underwriters, and, most important in this period of fiscal crisis, would reduce the cost to the Treasury by billions of dollars each year.

In absence of this legislation, tax-exempt mortgage revenue bonds could cost the Treasury up to $12 billion in 1984 alone—$3 billion greater loss than under the committee's more restricted proposal. Without this legislation, these bonds could wreak havoc in the bond market. Unrestricted, they could substantially interfere with the private enterprise conventional mortgage market. And they could perpetuate tremendous inequities in who is assisted by the Federal Government in the purchase of a home.

Mr. Chairman, in light of these facts, I do not believe we have any choice but to approve the committee amendments. The potential for abuse is too great to place no Federal restrictions on what is, in effect, the expenditure of great sums of Federal resources.

At the same time, the legislation recommended by the Committee on Ways and Means allows the continued ability of responsible housing authorities to issue tax-exempt bonds and it aims the proceeds of those bonds to people and areas in need.

Elimination of the bond program altogether, as our committee had originally contemplated, would be destructive to an already ailing housing market and to solid, effective housing authorities. Alternatively, leaving the bond program entirely unregulated would be a completely irresponsible act.

The Ways and Means Committee has laboriously developed a middle course of making funds available to the housing market in a carefully charted, fiscally responsible and fair manner.

Our committee's recommendations are incorporated in two amendments, one offered by Mr. Gephardt and one by Mr. Downey. The amendment offered by my friend from New York establishes the so-called permanent rule under which tax-exempt mortgage bonds can be issued. The restrictions on these bonds which the Ways and Means Committee has recommended are included in the permanent rule.

By itself, however, the permanent rule is inadequate. Many entities, such as my own city of Atlanta, already had bond issues underway in various stages of development before the committee marked up this legislation. Those entities with issues already in the pipeline should be permitted to complete those issues. Mr. Gephardt's amendment, the so-called transition rule, permits issues which were already underway to be completed, unfettered by the permanent rule.

The Ways and Means Committee examined the city of Atlanta's situation and agreed that Atlanta should be included in the transition rule. Section (d)(3) of this bill was approved by the committee to cover Atlanta. Although the committee's intent in approving this section is clear, the language in the section contains a small and technical error. However, I want my colleagues to know that it was the committee's intent that this section of H.R. 5741 did and should cover the situation in Atlanta, Ga.

Mr. Chairman, I strongly urge adoption of the committee amendments.

Mr. LEWIS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I first would like to compliment the chairman of the committee the ranking member and the gentleman from New York, for the work they have done on this bill, a very complex, very difficult area.

I must say that after that statement there are a number of questions that come to my mind that have left me totally baffled. After several years of dealing with State tax matters and public finance matters upon reading this transition rule, all I can say is, it will be a delight for mortgage bond attorneys.

I cannot help but express my own concern for the fact that this transition rule puts each Member in this House in one way or another in a different position. Literally Member after Member has problems in his district regarding subsidized mortgage bond projects that they do not even know about in most cases.

The discussion was limited in general debate simply because the committee did not want to deal with individual Members asking questions about projects in their own districts. To say the least that is a disservice to many a Member.

Setting that aside, it seems to me as I read the amendment of the gentleman from New York, it was his intention to try to liberalize this process and this bill; and as a result of that, we got into a procedure of chaptering in a number of projects and general language that allows a number of projects to continue.

I have to assume that in doing that it was the intention of the committee, surely it was the intention of the Committee, to make certain that projects in other communities that do not happen to be chaptered, that those projects which have achieved similar levels of approval through the process, would also be covered by the intention, the general intention, of chaptering.

I am sure we would not want to discriminate against one community which has exactly the same project as another community.

Above and beyond that, I would like to suggest that it is most unfortunate that this bill had to be moving at this time in this year for it has cast a shadow over the entire field of subsidized mortgage bonds in the housing industry, and it has come now at a time when our country is facing an absolute crisis, not just in our general economy, but specifically in the housing market.

Surely each of us remembers only a short time ago the effort made by many of these same gentlemen regarding the crisis facing the Chrysler Corp., a crisis that caused us to be willing to put our credit on the line because perhaps there were half a million jobs involved in this country.

Well, in the housing industry at this moment, there is much more than that involved. There could very well be 1,600,000 jobs involved. We are at the point in this country today where we have almost totally destroyed the most fantastic accomplishment of this country; that is, making available the three-bedroom home to the average family. Today, that home is no longer available. If anything, we should be going in just the opposite direction. We should be encouraging the housing market.

This bill is untimely at this moment.

I intend to vote for the amendment of the gentleman from New York, but it is my intention in the final analysis to vote against this bill.

It is important to illustrate a point we were discussing earlier—when I suggested that the gentleman from New York (Mr. Downey)—certainly would not have intended to have any community which had made the same effort as one that had their project specifically chaptered—he indicated to me that it was his intention to have them treated the same—let me insert for the Record two items referring to just such projects:

The city of San Bernardino, Calif., complies with the intent embodied in section IV.C.d.i. of the transitional rules as contained in the report of the Committee on Ways and Means, U.S. House of Representatives, on H.R. 5741 dated December 3, 1979, due to the fact that the following actions have been taken by the mayor and the common council of the city of San Bernardino, Calif., and/or the redevelopment agency of the city of San Bernardino:

First, a redevelopment plan for the State College project No. 4 was adopted by the mayor and the common council of the city of San Bernardino, Calif., which became effective on May 29, 1970, and included therein is a comprehensive residential development plan;

Second, on or before September 20, 1978, members of the issuer attended briefing sessions at which they were apprised by the developer and the staff of the issuer of the scope and nature of the development to be undertaken in the approved redevelopment project area and the availability of tax-exempt financing to accomplish same;

Third, on or before September 20, 1980, it was intended by the issuer that tax-exempt obligations be issued to finance the acquisition of units by individual homebuyers as evidence by the approval of the necessary implementing resolutions as to principle, unrestricted as to the projects to be financed;

Fourth, on or before December 6, 1978, the intent of the issuer was further shown by the authorization of the drafting of a housing ordinance to implement the providing of tax-exempt financing on a citywide basis, and drafting proceeded to completion and the ordinance was adopted by the city on or before August 20, 1979; and

Fifth, in addition to the foregoing legal actions, on or before April 24, 1979, the developer prepared conceptual development plans and substantial sums were incurred by the developer in furtherance of the comprehensive residential development in the approved redevelopment project area.

The city of San Bernardino, Calif., complies with the intent embodied in section IV.C.2.d.i. of the transitional rules as contained in the report of the Committee on Ways and Means, U.S. House of Representatives, on H.R. 5741 dated December 3, 1979, due to the fact that the following actions have been taken by the mayor and common council of the city of San Bernardino, Calif., and/or the redevelopment agency of the city of San Bernardino:

First, on or before September 20, 1978, members of the issuer attended briefing sessions at which they were apprised by the staff of the issuer of the availability of tax-exempt financing for the acquisition of homes by individual homebuyers;

Second, on or before December 6, 1978, the intent of the issuance was further shown by the authorization of the drafting of a housing ordinance to implement the providing of tax-exempt financing on a citywide basis, and such drafting proceeded to completion and the ordinance was adopted by the city on or before August 20, 1979; and

Third, the several developers otherwise have complied with section IV.C.2.h. of the report of the Committee on Ways and Means, U.S. House of Represntatives, on H.R. 5741 dated December 3, 1979.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. LEWIS. I yield to the gentleman from California.

Mr. ROUSSELOT. I thank the gentleman for yielding.

I appreciate the gentleman's reintroducing the issue we discussed last week when the bill was up, and that is jobs.

The effect of this bill, if it does pass, even with the Downey amendment, which is far superior, could well lead to the displacement of well over a million people who now have jobs in the housing industry, because there are that many projects hanging on a thread just because of the original legislation that was put in the hopper here last year.

Mr. LEWIS. The gentleman is correct.

Mr. WEAVER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I want to commend the chairman of the committee and the committee itself for trying to tackle a very real problem in this country, but I did not take these few minutes to discuss the intricacies of the bill or the problem.

I just want to say that the housing industry in this Nation is literally shut down.

I met with 10 of my homebuilders this morning and they are going bankrupt. Bankrupt. Several of them told me privately they are afraid they are going to lose their own homes, not just the homes that they are trying to sell.

☐ 1650

I represent a timber district. Thousands of people are being laid off. Every single day mills are closing in my district now because there is no market for lumber and plywood because of the shutdown in the housing industry.

This is the sins of the past. I certainly do not blame this bill on what is happening in our economy. The sins of the past have been heavy; but, Mr. Chairman, I maintain that at this time to pass a bill that would further restrict housing is the worst possible thing we can do.

I will make this point. I have strong sympathies for what the chairman and this committee are trying to do in terms of municipal tax-free interest bonds; but nevertheless, the dollars that we save, the Federal Treasury saves, by not having these bonds issued will show up in greater losses, in unemployment compensation, in welfare, in loss of revenues from the people who are going to be laid off in the housing industry; so, Mr. Chairman, I would have to say now is not the time to pass this bill. Now is the time to do all we can to help the housing industry.

Mr. PICKLE. Mr. Chairman, will the gentleman yield?

Mr. WEAVER. I yield to the gentleman from Texas.

Mr. PICKLE. Mr. Chairman, the gentleman is absolutely correct that the housing industry is in dire circumstances. We have got to find some way to help them. This bill in itself may not be the answer. Perhaps the best answer is some measure like the Brooks-Cranston measure that is pending. Whatever it is, we have got to examine every possible way to help.

I simply say that there is considerable division of opinion about this particular bill. You can argue it almost either way. There is division within the housing industry.

Now, separate and apart from this measure, though, we have got to address ourselves in some way to help probably one of the most vital industries in America.

Now, I concur with the gentleman on that point. We might differ on the overall effects or the advocacy of this particular bill; but it is separate and apart from the others.

Mr. WEAVER. Mr. Chairman, I appreciate the words from the gentleman from Texas.

The CHAIRMAN. The question is on the committee amendment.

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. ROUSSELOT. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 404, noes 10, not voting 17, as follows:

[Roll No. 161]

AYES—404

Abdnor
Akaka
Albosta
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Ohio
Broyhill
Burgener
Burlison
Burton, John
Burton, Phillip
Butler
Byron
Campbell
Carney
Carter
Cavanaugh
Chappell
Cheney
Chisholm
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Conable
Conte
Conyers
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Deckard
Dellums
Derrick
Derwinski
Devine
Dickinson
Dicks
Dingell
Dixon
Dodd
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Tenn.
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harkin
Harris
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Hollenbeck
Holt
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kemp
Kildee
Kogovsek
Kostmayer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCloskey
McCormack
McDade
McEwen
McHugh
Madigan
McKay
McKinney
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Paul
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Porter
Preyer
Price
Pritchard
Pursell
Quayle
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roth
Rousselot
Roybal
Royer
Rudd
Runnels
Russo
Sabo
Santini
Satterfield
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Simon
Skelton
Smith, Iowa
Smith, Nebr.
Shannon
Sharp
Shelby
Shumway
Shuster
Snowe
Snyder

Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stanton
Stark
Steed
Stenholm
Stewart
Stockman
Stokes
Stratton
Studds
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Thompson
Traxler
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Ohio
Wilson, Bob
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NOES—10

Archer
Buchanan
Collins, Tex.
Gramm
Kelly
Kramer
Loeffler
McDonald
Quillen
Williams, Mont.

NOT VOTING—17

Addabbo
Alexander
Anderson, Ill.
Brown, Calif.
Carr
Davis, S.C.
Diggs
Duncan, Oreg.
Early
Harsha
Holland
Jenrette
Kindness
Murphy, Ill.
Sawyer
Stangeland
Wilson, C. H.

□ 1700

Mrs. SMITH of Nebraska changed her vote from "no" to "aye."

So the committee amendment was agreed to.

The result of the vote was announced as above recorded.

□ 1710

The CHAIRMAN pro tempore. The second committee amendment is now in order. The Clerk will report the second committee amendment.

The Clerk read as follows:

Committee amendment: Page 35, line 19, strike all through page 48, line 4, and insert:

SEC. 4. EFFECTIVE DATES FOR BOND PROVISIONS.

(a) GENERAL RULE.—Except as otherwise provided in this section, the amendments made by sections 2 and 3 shall apply to obligations issued after April 24, 1979.

(b) EXCEPTIONS FOR OFFICIAL ACTION TAKEN BEFORE APRIL 25, 1979.—

(1) IN GENERAL.—The amendments made by sections 2 and 3 shall not apply to obligations if official action before April 25, 1979, of the governing body of the unit having authority to issue such obligations indicated an intent to issue such obligations.

(2) ACTION BY STAFF OF HOUSING AUTHORITY TREATED AS ACTION OF AUTHORITY IN CERTAIN CASES.—For purposes of paragraph (1), if, before April 25, 1979—

(A) the permanent professional staff of a State or local housing authority performed substantial work on a bond issue, and

(B) it was reasonable to expect that the bond issue, as developed by the staff, would be promptly approved by the governing body of the housing authority,

then such action by such staff shall be treated as the official action of such governing body.

(3) SPECIAL RULES RELATING TO SIZE OF ISSUE.—

(A) IN GENERAL.—Except as provided in subparagraph (B), an issue does not qualify for the exception provided by paragraph (1) if the issue size exceeds the intended issue size.

(B) EXCEPTION.—In the case of an issue to provide owner-financing for residences for which as of April 24, 1979, there was no documentation relating to intended issue size, paragraph (1) shall not apply unless—

(i) substantially all of the proceeds of the issue (exclusive of issuance costs and a reasonably required reserve) are to be used to provide owner-financing for 1 to 4 family residences (1 unit of which is owner occupied) and not to acquire or replace existing mortgages (within the meaning of section 103A(l) (4) of the Internal Revenue Code of 1954), and

(ii) substantially all of the proceeds referred to in clause (i) are committed by firm commitment letters (similar to those used in owner-financing not provided with tax-exempt bonds) to such owner-financing before the day which is 9 months after the date of issue of the obligations.

(C) ISSUE SIZE DEFINED.—For purposes of this paragraph, the term "issue size" means the aggregate face amount of obligations issued pursuant to the issue.

(D) INTENDED ISSUE SIZE.—For purposes of this paragraph, the term "intended issue size" means the aggregate face amount of obligations which a reasonable individual would reasonably conclude from the documentation before April 25, 1979, was the issue size which the governing body of the issuing authority intended to issue.

(4) LOCAL REFERENDUM HELD BEFORE JUNE 7, 1979.—

(A) IN GENERAL.—For purposes of paragraph (1), if—

(i) on April 25, 1979, legislation was pending in a State legislature,

(ii) on April 27, 1979, such legislation was amended to authorize local governmental units to issue tax-exempt obligations,

(iii) before June 7, 1979, such legislation was enacted and a local governmental unit in such State held a referendum with respect to the issuance of obligations to finance owner-occupied residences, and

(iv) any action with respect to the issuance of such obligations by the governing body of such local governmental unit would have met the requirements of paragraph (1) if such legislation had been in effect, and such referendum had been held, when that action was taken,

then such legislation shall be treated as in effect, and such referendum shall be treated as having been held, at the time when such action was taken.

(B) DOLLAR LIMIT FOR LOCAL GOVERNMENTAL UNITS.—The aggregate amount of obligations which may be issued by local government units with respect to the area comprising any local governmental area by reason of subparagraph (A) may not exceed—

(i) $35,000,000, reduced by

(ii) the aggregate amount of obligations which are issued (before, on, or after the issue under this paragraph) by local governmental units with respect to such area after April 24, 1979, and to which the amendments made by this Act do not apply solely by reason of this subsection (determined without regard to the application of subparagraph (A) of this paragraph).

(C) MORTGAGE REQUIREMENTS.—Subparagraph (A) shall not apply with respect to any issue unless such issue meets the requirements of paragraph (3)(A) of subsection (c).

(5) CERTAIN LOCAL ACTION PURSUANT TO LEGISLATION ENACTED BEFORE SEPTEMBER 29, 1979.—

(A) IN GENERAL.—For purposes of paragraph (1), if—

(i) on April 25, 1979, legislation was pending in a State legislature authorizing a local governmental unit to issue tax-exempt obligations for owner-occupied residences.

(ii) before September 29, 1979, such legislation was enacted, and

(iii) any action with respect to the issuance of such obligations by the local governing body would have met the requirements of paragraph (1) if such legislation had been in effect when that action was taken,

then such legislation shall be treated as in effect at the time when such action was taken.

(B) DOLLAR LIMIT FOR LOCAL GOVERNMENTAL UNITS.—The aggregate amount of obligations which may be issued by local governmental units with respect to the area comprising any local governmental area by reason of subparagraph (A) may not exceed the lesser of—

(i) the aggregate amount authorized by the legislation referred to in subparagraph (A), or

(ii) $150,000,000.

(C) MORTGAGE REQUIREMENTS.—Subparagraph (A) shall not apply with respect to any issue unless such issue meets the requirements of paragraph (3)(A) of subsection (c).

(c) $150,000,000 EXCEPTION FOR STATE HOUSING FINANCE AGENCIES.—

(1) IN GENERAL.—To the extent of the limit set forth in paragraph (2), the amendments made by this Act shall not apply to obligations issued by a State housing finance agency.

(2) DOLLAR LIMIT FOR STATE HOUSING FINANCE AGENCIES.—The aggregate amount of obligations which may be issued by State housing finance agencies with respect to any State by reason of paragraph (1) may not exceed—

(A) $150,000,000, reduced by

(B) the aggregate amount of obligations which are issued (before, on, or after the issue under this subsection) by the housing finance agencies of such State after April 24, 1979, to finance owner-occupied residences and to which the amendments made by this Act do not apply solely by reason of subsection (b).

(3) COMMITMENTS.—Paragraph (1) shall not apply with respect to any issue unless substantially all of the proceeds of such issue (exclusive of issuance costs and a reasonably required reserve)—

(A) are to be used to provide owner-financing for 1 to 4 family residences (1 unit of which is owner-occupied) and not to acquire or replace existing mortgages (within the meaning of section 103A(l) (4) of the Internal Revenue Code of 1954), and

(B) are committed by firm commitment letters (similar to those used in owner-financing not provided by tax-exempt bonds) to owner-financing before January 1, 1981.

(4) SPECIAL RULE FOR ACTION IN 1978 PURSUANT TO MORTGAGE PROGRAM ESTABLISHED IN 1970.—

(A) IN GENERAL.—If—

(i) in 1970 legislation established a program to issue tax-exempt obligations to finance the purchase of existing mortgages from banks,

(ii) in August 1978, as a step toward issuing obligations under such program, the governing body of the housing agency administering the program made a finding that there was a shortage of mortgage funds within the State,

(iii) moneys received by any bank on the purchase of mortgages will be reinvested within 90 days in new mortgages, and

(iv) the issue meets the requirements of subparagraphs (B) and (C),

then paragraph (3) shall not apply with respect to an issue of obligations pursuant to the program referred to in clause (i) and the finding referred to in clause (ii).

(B) DOWNPAYMENT REQUIREMENT.—An issue meets the requirements of this subparagraph only if 75 percent or more of the financing provided under the issue is financing for residences where such financing constitutes 95 percent or more of the acquisition cost of the residences.

(C) TARGETED AREA REQUIREMENT.—An issue meets the requirements of this subparagraph only if at least 20 percent of the financing provided under the issue is owner-financing of targeted area residences. For purposes of the preceding sentence, the term "targeted area residence" means a residence in an area which is a census tract in which 70 percent or more of the families have income which is 80 percent or less of the statewide median family income (determined on the basis of the most recent decennial census for which data are available.)

(D) Dollar limit.—The aggregate amount of obligations which may be issued by a State housing authority by reason of subparagraph (A) may not exceed $125,000,000.

(d) Special Rules.—

(1) Court action was pending to determine scope of authorizing legislation.—

(A) In general.—If—

(i) before April 25, 1979, a State had enacted a law under which counties were authorized to establish public trusts to issue tax-exempt obligations for public purposes,

(ii) on such date the question of whether or not that law authorized the issuance of obligations to finance certain owner-occupied residences was being litigated in a court of competent jurisdiction,

(iii) before July 31, 1979, the Supreme Court of such State held that the counties were so authorized, and

(iv) there is written evidence (which was in existence before April 25, 1979) that before April 25, 1979, the governing body of a county in such State had taken action indicating an intent to issue (or to establish a program for issuing) tax-exempt obligations to finance owner-occupied residences, then the amendments made by section 2 shall not apply to obligations issued by the public trust for such county.

(B) Dollar limit.—The aggregate amount of obligations which may be issued with respect to any county by reason of subparagraph (A) may not exceed $50,000,000.

(2) State legislation enacted before June 8, 1979, where locality had established income limitations before April 25, 1979.—

(A) In general.—If—

(i) on April 25, 1979, legislation was pending in a State legislature authorizing a local governmental unit to issue tax-exempt obligations for owner-occupied residences,

(ii) there is written evidence (which was in existence before April 25, 1979) that before April 25, 1979, the governing body of the local governmental unit had taken action indicating to its delegation to the State legislature what the income limitation would be for individuals who would be eligible for mortgages under the program, and

(iii) before June 8, 1979, the legislation referred to in clause (i) was enacted,
then the amendments made by section 2 shall not apply to obligations issued by the local governmental unit.

(B) Dollar limit.—The aggregate amount of obligations which may be issued with respect to any local governmental area by reason of subparagraph (A) may not exceed $150,000,000.

(3) Resolutions before city council held for enactment of State authorizing legislation.—

(A) In general.—If—

(i) before April 25, 1972, 2 resolutions were submitted to a city council the first of which would create an urban residential finance authority and the second of which would authorize the president of the city council to appoint the members of such authority,

(ii) the vote on the second resolution was postponed because the State authorizing legislation had not been enacted,

(iii) before April 25, 1979, the State authorizing legislation was enacted, and

(iv) after April 24, 1979, and before May 17, 1979, the 2 resolutions referred to in clause (i) were passed by the city council,
then section 2 shall not apply with respect to obligations issued on behalf of such city.

(B) Dollar limit.—The aggregate amount of obligations which may be issued with respect to any city by reason of subparagraph (A) may not exceed $50,000,000.

(4) Special rule where city postponed second half of authorized issue to save interest.—If—

(A) on April 11, 1979, the council of a city adopted a resolution authorizing the issuance of not to exceed $30,000,000 of mortgage revenue bonds,

(B) on or about August 1, 1979, approximately one-half of the obligations authorized by such resolution were issued, and

(C) the reason why the remaining obligations were not issued at that time was to save interest payments until the money was actually needed,
then the amendments made by section 2 shall not apply with respect to the issuance of the remaining obligations which were authorized by such April 11, 1979, resolution.

(5) State was in process of permitting localities to establish nonprofit corporations.—

(A) In general.—If—

(i) a State law enacted after April 24, 1979, and before June 16, 1979, provides that local governments may establish nonprofit corporations to issue tax-exempt obligations to finance owner-occupied residences,

(ii) pursuant to such State law, a local government establishes such a nonprofit corporation and designates it for purposes of this subsection, and

(iii) on November 7 or 14, 1979, an amount was specified by or for the local government as the maximum amount of obligations which the local government expected the nonprofit corporation to issue with respect to the area under any transitional authority provided by this Act,
then the amendments made by section 2 shall not apply to obligations issued by the nonprofit corporation with respect to the area for which such local government has jurisdiction.

(B) Dollar limits.—The aggregate amount of obligations which may be issued with respect to any area by reason of subparagraph (A) may not exceed the amount referred to in subparagraph (A) (iii) which was specified on November 7 or 14, 1979, by or for the local government.

(C) Substitution of housing authorities, etc.—For purposes of applying so much of paragraph (7) as relates to subparagraph (A)—

(i) if the local housing authority had the intent referred to in paragraph (7), such local housing authority shall be substituted for the local government, and

(ii) if the governing body of the local government is a commissioners court, the county judge who was on April 24, 1979, the presiding officer of such court shall be treated as the governing body of such government.

(6) Obligations issued under this subsection must meet the requirements of subsection (c) (3).—No obligation may be issued under this subsection unless the issue meets the requirements of subsection (c) (3).

(7) Governing body must file affidavits showing intent on April 24, 1979.—No obligation may be issued under this subsection with respect to any area unless a majority of the members of the governing body of the local governmental unit having jurisdiction over that area file affidavits with the Secretary of the Treasury (or his delegate) indicating that it was their intent on April 24, 1979, either that tax-exempt obligations be issued to provide financing for owner-occupied residences or that a program be established to issue such obligations.

(8) Limitations reduced by certain prior issues.—Any limitation on the amount of obligations which may be issued by any issuer by reason of any paragraph of this subsection shall be reduced by the aggregate amount of obligations which are issued (before, on, or after the issue under this subsection) by local governmental units with respect to the area within the jurisdiction of such issuer after April 24, 1979, and to which the amendments made by this Act do not apply solely by reason of subsection (b).

(e) Ongoing Local Programs for Rehabilitation Loans.—

(1) In general.—If before April 25, 1979, a local governmental unit had a qualified rehabilitation loan program, then the amendments made by this Act shall not apply to obligations issued by such governmental unit for qualified loans if substantially all of the proceeds of such issue (exclusive of issuance costs and a reasonably required reserve) are committed by firm commitment letters (similar to those used in owner-financing not provided by tax-exempt bonds) to qualified loans before January 1, 1981.

(2) Limitation.—The aggregate amount of obligations which may be issued by reason of paragraph (1) by local governmental units with respect to the area comprising any local governmental area may not exceed the lesser of—

(A) $10,000,000, or

(B) the aggregate amount of loans made with respect to that area under the qualified rehabilitation loan program during the period beginning on January 1, 1977, and ending on April 24, 1979.

The limitation established by the preceding sentence shall be reduced by the aggregate amount of obligations (if any) which are issued (before, on, or after the issue under this subsection) under the qualified rehabilitation loan program after April 24, 1979, with respect to the same local governmental area and to which the amendments made by this Act do not apply solely by reason of subsection (b).

(3) Qualified rehabilitation loan program.—For purposes of this subsection, the term "qualified rehabilitation loan program" means a program for the financing—

(A) of alternations, repairs, and improvements on or in connection with an existing residence by the owner thereof, but

(B) only of such items as substantially protect or improve the basic livability of the property.

(4) Qualified loan.—For purposes of this subsection, the term "qualified loan" means the financing—

(A) of alterations, repairs, and improvements on or in connection with an existing 1 to 4 family residence (1 unit of which is owner-occupied) by the owner thereof, but

(B) only of such items as substantially protect or improve the basic livability of the property.

(5) Dollar limit on qualified loans.—For purposes of this subsection, a loan shall not be treated as a qualified loan if the financing is in an amount which exceeds $20,000 plus $2,500 for each unit in excess of 1.

(f) $50 Per Capita Exception for Local Governments.—

(1) In general.—To the extent of the limit set forth in paragraph (2), the amendments made by section 2 shall not apply to mortgage subsidy bonds issued by local governmental units after April 24, 1979.

(2) Limit.—

(A) In general.—The aggregate amount of obligations issued with respect to any area by reason of paragraph (1) shall not exceed—

(i) the amount equal to the product of $50 and the population of that area, reduced by

(ii) the aggregate amount of obligations which are issued (before, on, or after the issue under this subsection) by local governmental units after April 24, 1979, with respect to that area and to which the amendments made by this Act do not apply solely by reason of subsections (b), (d), and (e).

(B) Determination of population.—For purposes of subparagraph (A), the population of any area shall be the population as of July 1, 1976, as determined for purposes of the State and Local Fiscal Assistance Act of 1972.

(3) Unit must establish that action was taken before April 25, 1979.—Paragraph (1) shall not apply with respect to any obliga-

tion issued by any local governmental unit unless—

(A) there is written evidence (which was in existence before April 25, 1979) that before April 25, 1979, the governing body of such local government unit had taken action indicating an intent to issue (or to establish a program for issuing) tax-exempt obligations to finance owner-occupied residences,

(B) on October 30, 1979, such local governmental unit had authority to issue obligations to finance owner-occupied residences, and

(C) a majority of the members of the governing body of the local governmental unit file with the Secretary of the Treasury (or his delegate) affidavits that the requirement of such subparagraph (A) is met.

For purposes of subparagraph (A), action of the governing body of a second local governmental unit with respect to the same area shall be treated as action of the issuing governmental unit.

(4) COMMITMENTS.—Paragraph (1) shall not apply with respect to any issue unless such issue meets the requirements of paragraph (3) of subsection (c).

(5) OVERLAPPING JURISDICTIONS.—For purposes of this subsection, if 2 or more local governmental units meet the requirements of paragraph (3) and have authority to issue mortgage subsidy bonds with respect to residences in the same area, only the unit having jurisdiction over the smallest geographical area shall be treated as having issuing authority with respect to such area unless such unit agrees to surrender part or all of the amount permitted under this subsection to the local governmental unit with overlapping jurisdiction which has the next smallest geographical area.

(g) ROLLOVER OF EXISTING TAX-EXEMPT OBLIGATIONS.—

(1) IN GENERAL.—The amendments made by sections 2 and 3 shall not apply to the issuance of obligations to refinance for the same purpose tax-exempt indebtedness which was outstanding on April 24, 1979 (or indebtedness which had previously been refinanced pursuant to this subsection), but only if—

(A) on April 24, 1979, there was an agreed on period for the maturity of the mortgage or other financing, and

(B) the new obligations have a maturity date which does not exceed by more than 2 years the agreed on period referred to in subparagraph (A).

(2) AMOUNTS FOR RESERVES, ISSUE COSTS, ETC.—An issue which otherwise meets the requirements of paragraph (1) shall not be treated as failing to satisfy such requirements solely because the amount of the new indebtedness exceeds the amount of the old indebtedness by such amount as is reasonably necessary to cover construction period interest, reserves, and the costs of issuing the new indebtedness.

(h) SPECIAL RULES FOR PROJECTS UNDER DEVELOPMENT.—

(1) RENTAL HOUSING.—The amendment made by section 3 shall not apply to a project which was in the development stage on April 24, 1979, if—

(A) a plan specifying the number and location of rental units was approved on or before such date by a governing body of a State or local government or by a State or local housing agency or similar agency, and

(B) substantial expenditures for site improvement for the project had been incurred on or before such date.

(2) RENTAL HOUSING PROJECTS APPROVED BY SECRETARY OF HUD.—The amendment made by section 3 shall not apply to a project which was in the development stage on April 24, 1979, if—

(A) a plan specifying the number and location of rental units was preliminarily approved by the Secretary of Housing and Urban Development pursuant to section 221(d)(4) or section 232 of the Housing Act on or before such date, and

(B) fees for processing the project with the Department of Housing and Urban Development and other expenditures for the project had been incurred on or before such date.

(3) OWNER-OCCUPIED HOUSING.—The amendments made by section 2 shall not apply to a project which was in the development stage on April 24, 1979, if on or before such date—

(A) substantial expenditures had been made for detailed plans and specifications, and

(B) either tax-exempt construction financing had been issued with respect to the project or there is written evidence that a governmental unit intended to issue tax-exempt obligations to finance the acquisition of the units by home buyers.

The amendment made by section 3 shall not apply to construction or other initial temporary financing issued with respect to a project which meets the requirements of the preceding sentence if substantially all of the dwelling units in such project are to be owner-occupied residences.

(4) CERTAIN REDEVELOPMENT MORTGAGE BOND FINANCING PROJECTS.—Subparagraph (B) of paragraph (3) shall be treated as satisfied if, before April 25, 1979—

(A) the developer of a project acquired the land for such project,

(B) there was approval by the mayor's advisory committee of a city of a comprehensive proposal (under a State law authorizing tax-exempt obligations for use only in redevelopment areas) for such project, subject to revisions to be made, and

(C) a revised proposal was submitted to the redevelopment agency and city council containing the revisions.

The aggregate amount of obligations which may be issued by local governmental units with respect to the area comprising any local governmental area by reason of this paragraph may not exceed $20,000,000.

(i) REGISTRATION REQUIREMENTS.—

(1) IN GENERAL.—Notwithstanding any other provision of this section, the amendments made by sections 2 and 3, insofar as they require obligations to be in registered form, shall apply to obligations issued after the date of the enactment of this Act.

(2) BONDS UNDER TRANSITIONAL RULES.—Any obligation issued by reason of subsection (b), (c), (d), (e), (f), (g), (h), or (l) of this subsection after the date of the enactment of this Act shall be in registered form.

(j) ADVANCE REFUNDING.—Notwithstanding any other provision of this section—

(1) subsection (p) of section 103A of the Internal Revenue Code of 1954 (as added by section 2) shall apply to obligations issued after the date of the enactment of this Act to refund obligations issued before, on, or after such date of enactment, and

(2) subsections (b), (c), (d), (e), (f), (g), and (h) shall not apply to obligations issued after such date of enactment for the advance refunding of obligations issued before, on, or after such date of enactment.

(k) TRANSITIONAL RULE FOR 20-PERCENT LOW- AND MODERATE-INCOME REQUIREMENT.—In the case of obligations issued after April 24, 1979, and before January 1, 1981, the period for which clause (i) of section 103(b)(4)(A) of the Internal Revenue Code of 1954 (as amended by section 3 of this Act) is required to be met shall be 20 years.

(l) SUBSTITUTION OF GOVERNMENTAL INSTRUMENTALITY FOR CITY.—

(1) IN GENERAL.—If—

(A) a corporation was created on June 17, 1971, pursuant to State law to provide financing for the construction and rehabilitation of low-income housing.

(B) pursuant to a State law enacted in 1955 a city has made loans to housing developers from the proceeds of short-term bonds and notes issued by the city, and has secured 50-year mortgages from the developers, and

(C) the corporation agrees to acquire from the city certain of the loans referred to in subparagraph (B) by issuing obligations which will be secured by mortgages referred to in subparagraph (B) on 12 projects (11 of which projects are subsidized with interest-reduction subsidies under section 236 of the National Housing Act).

then the amendments made by this Act shall not apply to obligations issued by the corporation to acquire the loans (and mortgages) referred to in subparagraph (C).

(2) DOLLAR LIMIT.—The aggregate amount of obligations to which paragraph (1) applies shall not exceed $135,000,000.

(3) TIME LIMIT.—Paragraph (1) shall not apply to any obligation issued after December 31, 1980.

Mr. ULLMAN (during the reading). Mr. Chairman, I ask unanimous consent that the committee amendment be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Oregon?

Mr. ROUSSELOT. Mr. Chairman, reserving the right to object, and I will not, is this the Gephardt amendment in committee?

Mr. ULLMAN. If the gentleman will yield, that is correct.

Mr. ROUSSELOT. And it covers the transition rule?

Mr. ULLMAN. It liberalizes the transition rule.

Mr. ROUSSELOT. It liberalizes the transition rule from what it was in the original bill; is that correct?

Mr. ULLMAN. That is right.

Mr. ROUSSELOT. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. ULLMAN. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, let me say to the Members that it is my hope that we can proceed expeditiously and finish this bill tonight. There is the Gephardt amendment. There is one minor amendment the gentleman from Kansas (Mr. GLICKMAN) will offer that I hope we can dispose of one way or the other with a voice vote. Then there will be a straight motion to recommit which I hope will not have a recorded vote, and then a vote on final passage. So we ought to be able to dispose of this very rapidly.

Let me tell the Members that the Gephardt amendment is the transition rule which allows housing bonds to go forward without the restrictions of the Downey amendment in those cases that come under the transition rule. Let me say to the Members that for 11 months now we have been working with Members. We have modified our transition rule to cover all of those meritorious situations that we knew about at the time that we went to the Committee on Rules. This has been an attempt to lean over backwards to get a liberal transition rule that is fair and equitable.

Mr. Chairman, subsequent to our appearance at the Committee on Rules, a number of other circumstances have been called to our attention—Baltimore and Arizona, and a number of other instances that may not qualify under the transition rules. I have told those Members who have contacted me that I will work diligently with them in the other body to try to cover those cases where there has been a timely indication of an intent to issue revenue bonds. That is as much as I can say. There is no way I can have colloquies on the floor because there is no way I can change the law here. However, I will work with Members to try to work out their problems with the other body. This amendment should not be controversial. It is very liberal. It allows a liberal transition rule to the amendment we just adopted.

Mr. Chairman, it is the hope of this chairman that we can move with a minimum amount of debate to adopt this Gephardt amendment, which is a more liberal transition rule than in the introduced bill, and then, we can get on with final passage.

Mr. STARK. Mr. Chairman, will the gentleman yield?

Mr. ULLMAN. I would yield to the gentleman from California, of course.

Mr. STARK. I thank the gentleman for yielding to me to speak for a moment in support of the committee amendments to H.R. 5741 and to congratulate the chairman of the Committee on Ways and Means and the ranking minority member for an excellent job. I hope and urge all of us to support the amendment and support the bill.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. ULLMAN. I will be happy to yield to the gentleman from California.

Mr. ROUSSELOT. I appreciate the gentleman's yielding. My chairman has just stated that he does not wish to take the time tonight, and I can understand that, because I am sure almost every Member of this House would be up asking many questions about the transition rule as to whether they are in or out, and all of those kinds of things.

The gentleman has just mentioned that Baltimore has a special situation, and second, he mentioned Arizona and that he believes that he, the chairman, can answer those questions and that he will be willing to do so as to whether the transition rule handles that situation for a given time, and that anything that is not resolved in this transition rule the gentleman can assure us will be handled in the other body, with the Senate. Is that correct?

Mr. ULLMAN. Let me say to the gentleman not "anything," but we will attempt to develop transition rules which cover only those cases where there is a color of legitimacy.

Mr. ROUSSELOT. The color of legitimacy.

Mr. ULLMAN. Within the scope of the bill.

Mr. ROUSSELOT. That is certainly reasonable, and I will accept that.

Mr. ULLMAN. We do not have an unlimited rule here, but this chairman would be glad to support any member that represents a community that has sufficient evidence that they had taken action prior to April 25, 1979, showing an intent to issue housing bonds.

Mr. ROUSSELOT. If the gentleman will yield further, I appreciate that clarification, and I appreciate making that part of the RECORD. Additionally to that, will that be for what—a period of a year for this transition?

Mr. ULLMAN. We are only talking in this amendment about 1980.

Mr. ROUSSELOT. 1980.

Mr. ULLMAN. This is the avenue that can be used to go forward with housing bonds this year.

Mr. ROUSSELOT. This year, 1980. So the chairman of this committee is assuring us that the transition rule will remain in place for all of 1980 and that those who have questions or concerns of legitimate color will be considered?

The CHAIRMAN pro tempore. The time of the gentleman has expired.

(At the request of Mr. ROUSSELOT, and by unanimous consent, Mr. ULLMAN was allowed to proceed for 2 additional minutes.)

Mr. ULLMAN. Let me say to the gentleman that this transition rule will accommodate the problem of issuing housing bonds this year.

☐ 1720

After the issuance of housing bonds, there is a period during which the mortgages must be placed. In general, the transition rule provides that housing bonds issued in 1979 or 1980 under this amendment will also have through December 31, 1980, to place mortgages financed with those bonds.

Mr. ROUSSELOT. Through next year?

Mr. ULLMAN. 1981.

Mr. ROUSSELOT. Through 1981?

Mr. ULLMAN. Prior to January 1, 1981. The housing bonds that have been issued last year and this year will provide mortgages through this year.

Mr. ROUSSELOT. So they extend through next year but they have, for the year 1980, to get their request in to make sure they are covered by the transitional rule.

Mr. ULLMAN. Generally, under the special rules, the issuer must determine when they want to issue the bonds this year. Under these special rules, they must then also place the mortgages by the end of 1980. However, as the gentleman from California knows, approximately $6 to $7 billion of bonds can be issued after 1980 under the original official action portion of the transition rules.

Mr. ROUSSELOT. That determination will be made in 1980?

Mr. ULLMAN. As to bonds that must be issued under the special transition rules this year—yes.

Mr. ROUSSELOT. Mr. Chairman, I am sure my colleague from Missouri, the author of this amendment, will probably want to clarify whatever has not been cleared up.

Mr. Chairman, I appreciate my chairman's acknowledgement.

The CHAIRMAN pro tempore. The time of the gentleman from Oregon has expired.

(At the request of Mr. MITCHELL of Maryland and by unanimous consent, Mr. ULLMAN was allowed to proceed for 2 additional minutes.)

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield?

Mr. ULLMAN. I will be happy to yield to my friend from Maryland.

Mr. MITCHELL of Maryland. I suppose in part I was prompted to raise the question when the gentleman came up with the phrase, "the color of legitimacy." I assume I qualify on both respects to speak for my city.

Mr. ULLMAN. The gentleman is certainly qualified to speak for his city.

Mr. MITCHELL of Maryland. I had hoped so.

Mr. Chairman, I would like to have a little bit more clarification. The present operation that is going on in my city will be protected during the time of this transition rule because in effect the rule is really not in effect. It is being placed there in order to accommodate those who have been excluded up to this point?

Mr. ULLMAN. I would say to the gentleman, as I said to the gentleman privately, that I will be pleased to take his case to the other body and assist him in getting the facts before that other body so that they can act to make the necessary changes in the statutory language.

Mr. MITCHELL of Maryland. I thank the chairman. I think my vote will be "present" until the full color of legitimacy is placed on my city.

Mr. ULLMAN. Mr. Chairman, I think the gentleman has a much better chance of getting his housing bonds, if he will go along with the committee. If this should be voted down, I think the gentleman might be disappointed.

Mr. GEPHARDT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I would like to take time to briefly describe the transition rule, what is contained in it and what is not contained in it.

Mr. Chairman, as we know, this bill sets out permanent rules which are different from what has been the status quo under the mortgage bonds for single-family housing program. The transition rule is an attempt to grandfather those mortgage bonds situations for single-family housing where official action has been taken before April 24, 1979, to issue a bond issue of a certain size for single-family housing.

Mr. Chairman, the transition rule sets out criteria which tells one what kind of situations are covered in an unrestricted session under that rule and which ones are not. Basically the criteria is that there has to be official action at the State level in terms of State legislation to allow mortgage bonds for single-family housing and second there has to be official action at the local level by a local housing agency pursuant to that State legislation.

Now, Mr. Chairman, in addition to that, the Committee on Ways and Means made statements in the transition rule that certain cases that were brought to attention had indeed taken that official action and because of those special cases, they will be deemed to have taken under the transition rule, official action.

In addition to all of those cases, Mr. Chairman, and in addition to all of the cases that will be covered by the general criteria, the transition rule allows $150 million of bonds for all State housing agencies, without restriction, so that every State in the United States under the transition rule, whether or not there was official action at the State or local levels, will have $150 million worth of mortgage bonds without restriction.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield at that point?

Mr. GEPHARDT. I will yield.

Mr. ROUSSELOT. Mr. Chairman, I merely want to compliment the gentleman for his transition rule. I think it is again superior to what we originally had.

On this point, Mr. Chairman, is that $150 million available to be allocated to States?

Mr. GEPHARDT. Mr. Chairman, the $150 million in bonds can be used by every State housing commission whether or not they had a program in progress on April 24, 1979.

Mr. ROUSSELOT. Mr. Chairman, who makes the determination as to how that $150 million is allocated?

Mr. GEPHARDT. The State housing agency.

Mr. ROUSSELOT. In each State?

Mr. GEPHARDT. That is correct.

Mr. ROUSSELOT. However, they cannot all have $150 million?

Mr. GEPHARDT. Yes, they do.

Mr. ROUSSELOT. Each State can?

Mr. GEPHARDT. That is correct.

Mr. ROUSSELOT. Including Alaska?

Mr. GEPHARDT. Including Alaska. Including California.

Mr. ROUSSELOT. I certainly understand what is happening in California. So, it is per State?

Mr. GEPHARDT. Per State.

Mr. ROUSSELOT. It is not an overall ceiling for the whole country?

Mr. GEPHARDT. No. To give the gentleman the magnitude of what we are talking about, Mr. Chairman, the transition rule, in toto, allows $14 billion worth of mortgage bonds for single family housing. In 1979 the total of mortgage bonds for single family housing was $8 billion. Therefore, Mr. Chairman, in this transition rule, we are allowing $14 billion, almost double the amount of mortgage bonds for single family housing that were issued in all of 1979.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. GEPHARDT. I will yield.

Mr. ROUSSELOT. Mr. Chairman, I want to compliment my colleague upon his transition rule. Again, it is far superior to the original problems we faced in the first blush at looking at this legislation. I know the gentleman worked hard to craft very carefully a transition rule that would be helpful to all those who had been moving along toward this kind of funding.

Mr. Chairman, the estimate of the gentleman is the same as that of our chairman, that this lasts through 1980, this transition rule, and beyond?

Mr. GEPHARDT. I would say that in certain cases that are covered in the transition rule they are limited 1980. In most cases there is a limitation. The bonds that are allowed without restriction under the transition rule could be issued in 1980, 1981, 1985, or 1990.

Mr. ROUSSELOT. Mr. Chairman, I appreciate my colleague's description.

Mr. DORNAN. Mr. Chairman, will the gentleman yield?

Mr. GEPHARDT. I will yield.

Mr. DORNAN. I also want to compliment the gentleman for his approach to the transition rule.

Mr. PICKLE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong support of the committee amendment on the transition section of the bill. Otherwise many cities and States would have been hurt.

This committee amendment is particularly important to the State of Texas, as we had an unusual situation with respect to issuing mortgage bonds. Texas law prevented issuing mortgage bonds, but the State legislature, which meets every 2 years in Texas, had bills before it to repeal the law. The bills were very much like the one before us today, with similar restrictions. These bills, and there were three, allowed a local housing authority, a local nonprofit agency, and a State agency to issue bonds. All three passed, but the Governor vetoed the one allowing local authorities to issue the bonds.

Thus all the cities planning to issue bonds had to scramble to set up nonprofit groups. Meanwhile, a Ways and Means bill, as originally introduced, had a date for transition that fell right in the middle of these going-on's in Texas.

So technically, all these Texas cities that had done a great deal of work to issue bonds, were disqualified for the transition rule.

At this point, my good friend and most able colleague, MARTIN FROST, stepped into the breach. As a member of the Rules Committee, he personally brought all this to the attention of the chairman of the Rules Committee, and to Chairman AL ULLMAN, and through his leadership the snafu was broken. I worked closely with Mr. FROST and our Ways and Means Committee to be certain that cities like Austin, Tex.—and some 17 other Texas cities, are included in the transition rule.

Each Member of the House will have to weigh the pro's and con's of bond financing for multi- and single-unit housing, and frankly I think we will see positive short-term results leading to enormous pressure to extend this approach beyond 2 years. Once this program starts, it will never be stopped.

In any event, I strongly support the transition amendment, and I commend Mr. FROST on his initiative.

Mr. CONABLE. Mr. Chairman, will the gentleman yield to me?

Mr. PICKLE. I yield to the gentleman from New York.

Mr. CONABLE. Mr. Chairman, I would like to agree with what the gentleman has said and urge support of the committee amendment.

The CHAIRMAN pro tempore. The question is on the committee amendment.

□ 1730

The question was taken; and on a division (demanded by Mr. ROUSSELOT) there were—ayes 129; noes 4.

So the committee amendment was agreed to.

AMENDMENT OFFERED BY MR. GLICKMAN

Mr. GLICKMAN. Mr. Chairman, I offer an amendment which is printed in the RECORD in accordance with the rule.

The Clerk read as follows:

Amendment offered by Mr. GLICKMAN: Insert after page 73, line 22, the following:

"(m) STATE LEGISLATION WAS PENDING ON APRIL 1, 1979, AND ENACTED ON APRIL 26, 1979, WHERE LOCALITY HAD TAKEN ACTION TO UNDERTAKE A STUDY OF LOCAL MORTGAGE MARKET.—

"(A) IN GENERAL.—If—

"(i) on April 1, 1979, legislation was pending in a State legislature limiting the authority of local governments within such State to issue tax-exempt obligations for owner-occupied residence under existing home rule authority, and such legislation was enacted on April 26, 1979,

"(ii) there is written evidence (which was in existence before April 25, 1979) that not earlier than June 1, 1978, but before April 25, 1979 the governing body of a local government in such State had taken action authorizing the undertaking of a demographic or related study of the local mortgage market, which study was intended to serve as a basis for issuance of tax exempt obligations for owner occupied residences,

"(iii) on December 20, 1979, an amount was specified by or for the local government as the range of obligations which it expected to issue with respect to the area under any transitional authority provided by the Act, and

"(iv) a majority of the members of the governing body of the local government certify that the city or county was waiting enactment of the legislation described in clause (i) prior to determining to proceed towards the issuance of tax-exempt obligations for owner-occupied residences.

then the amendments made by section 2 shall not apply to obligations issued by such city or county.

"(B) DOLLAR LIMITS.—The aggregate amount of obligations which may be issued with respect to any area by reason of subparagraph may not exceed the maximum amount referred to in subparagraph (A) (iii) which was specified on December 20, 1979, by or for such local government.

"(C) TIME LIMIT.—

"Paragraph (A) shall not apply with respect to any issue unless substantially all of the proceeds of such issue (exclusive of issuance costs and a reasonably required reserve) are committed by firm commitment letters (similar to those used in owner-financing not provided by tax-exempt bonds) to owner-financing before January 1, 1981.

Mr. GLICKMAN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Kansas?

Mr. ROUSSELOT. Mr. Chairman, reserving the right to object, and I will not object, the gentleman will take adequate time to explain exactly what his special amendment does, since he had the unusual privilege of very special consideration on the rule. I think we should know what it is.

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. GLICKMAN. Mr. Chairman, I have an amendment at the desk.

Like this legislation, the amendment I am offering is written in technical terms which, practically speaking, make it unintelligible. But I can explain quite simply what it involves and why, though it involves a technical revision in the transition rule, it is so important to my State and to preserving the equity of this legislation before us.

As I am sure my colleagues are aware, the transition rule included in H.R. 5741 was designed to allow bond proposals which were "in the pipeline" around the country last April when H.R. 3712 was introduced to proceed unimpeded by the legislation. It is my sincere belief that the members of the Ways and Means Committee made a good-faith effort to develop that transition rule in an equitable and fair manner; however, a totally unique situation existed in Kansas which, unfortunately, was not addressed in that transition rule.

Last year, the Kansas government became concerned about the same problem we are attempting to address today: the loss of revenues due to increasing use of tax-exempt mortgage revenue bonds as a means of helping people secure reasonably priced housing. During the spring of 1979, the legislature prepared legislation restricting the home rule authority of Kansas local governments to issue mortgage revenue bonds; perhaps the only restrictive legislation in this country at that time. That legislation, which, by the way, has been considered "model legislation" by many, was approved by the Governor on April 22, 1979, and went on to the Kansas books April 26, 1979.

While that legislation was being developed, a number of municipalities all across the State which had begun the process—under their longstanding home rule authority—to prepare bond issues for use in mortgage markets held back in finalizing their bond issues so they would be in line with the final guidelines included in the State legislation. And I would remind my colleagues—that legislation was intended, like that before us today, to tighten the reins on the use of these bonds. Obviously, after the final form of the legislation was definite on April 22, the municipalities and counties which had been awaiting its enactment certainly did not have sufficient time to meet with bond counsels and finalize their proposals in advance of April 24 when H.R. 3712 was introduced, and that date became the cutoff date under this legislation. Those local governments had been caught by the Federal Government because they were trying to respond to pending State legislation. That just is not a responsible way to pursue intergovernmental relations.

My amendment would modify the transition rule by adding language to allow those Kansas bond proposals which were clearly being developed before the April 24, 1979, date but which were put on hold until the State legislation was finalized, to proceed along with the others covered by the committee's transition rule. Last December, when I put this amendment together with the help and input of the staff of the Joint Committee on Taxation and when I went to the Rules Committee with the support of my colleagues from Kansas to make sure that I would be able to bring this amendment to the floor, the amendment would have allowed over $900 million in mortgage-bond proposals to proceed. Those proposals would have affected all of the major population centers in Kansas as well as a number of less populous areas. Since then, however, for a number of reasons, the bond proposals which my amendment would have the effect of permitting have been refined—and a number have either proceeded or dropped—to the point that the total likely issues would not exceed $404 million. In effect, the impact of the amendment has been cut by more than 50 percent, as has the revenue impact which is, understandably, a concern to the sponsors of this legislation. According to the committee report's figures on revenue gain as a result of H.R. 5741, as reported, the revenue gain would be approximately $100 million in fiscal 1980, increasing exponentially to an $8.4 billion revenue gain in fiscal 1984. Those figures make clear, first of all, that the revenue loss due to these Kansas issues would not significantly affect the savings overall. In fact, according to "Separate Views" included in the committee report by the gentleman from Indiana (Mr. JACOBS) the transition rule as it now stands lessens the revenue gain by $14 billion. The additional tax revenues on $400 million in bonds if they were not tax exempt would pale in insignificance compared to that figure. Second, the revenue-gain figures cited earlier from the committee report indicate quite clearly that the major benefit of the bill to the Federal Treasury will come over the long term as new issues are precluded, not in the first few years when the transition rules have an impact.

Before I move on, I would make one more point with regard to the revenue-loss question. That is, there are a good number of investors which have policies of investing only in tax-exempt bonds. It is my understanding that a number of the anticipated purchasers of the bonds proposed in Kansas fall into that category. Therefore, that investment will be made in tax exempts, be they for mortgages or some other purpose. To that extent, the revenue gain anticipated by this legislation is somewhat illusory.

Because of the concerns expressed, I did feel compelled to address the revenue question, but this Congress does have a responsibility to fulfill its legislative role in an equitable and fair fashion. This amendment, with its limited scope, would address an obvious inequity—one that has been holding up plans to meet pressing needs for housing in my State for nearly a year now—without significantly affecting the benefit which the bill is intended to provide the Treasury.

It is my intention to support the bill, but, quite frankly, I will only be able to do so if this inequity is cleared up before the final vote is taken.

Mr. ULLMAN. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I yield to the distinguished chairman.

Mr. ULLMAN. Mr. Chairman, let me say to the gentleman that I have no real problem with his amendment. It did not come to our attention prior to the time we passed the bill out of committee. My only problem is that there are some other situations that are equally meritorious, and what I have said before is that I will help those other people who have similar situations and address this problem in the other body.

Mr. GLICKMAN. Mr. Chairman, the only thing I would point out is, when we did find out about this, we did go to the Rules Committee and they agreed unanimously that we should be able to offer the amendment. But, I would like to thank the chairman of the committee and his staff.

Mr. SEBELIUS. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I yield to my colleague from Kansas.

Mr. SEBELIUS. Mr. Chairman, I rise in support of the Glickman amendment. This amendment will allow Kansas counties and cities who deferred development of specific bond issues until the State legislature had enacted legislation to restrict the use of these bonds to proceed with their plans. While a number of these communities had initiated some kind of "official action" called for in the bill's transition rule, they had not applied these actions to a specific bond issue. Thus, at least 20 counties and cities in my State will be adversely affected if we fail to act favorably on this amendment.

This amendment will provide equity to those Kansas communities who, in their wish to be responsible and act in good faith in waiting for the State legislature to act, are now seeing their efforts placed in jeopardy. These bond issues will provide the assistance so vitally needed right now by not only the individual home buyer but other segments of the Kansas economy as well—lending institutions, realtors, homebuilders, and the building trades. I urge my colleagues to extend the benefits of this bill and its transition rule provisions to Kansas communities by voting yes on this amendment.

Mr. WINN. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I yield to my colleague from Kansas, Mr. WINN.

Mr. WINN. I thank the gentleman.

Mr. Chairman, I just want to commend the gentleman from Wichita, my colleague from Kansas, for taking the lead on this and making the Ways and Means Committee and the Rules Committee aware of the problems that we faced in Kansas. This is a perfecting amendment, and all of the other delegation from this side of the aisle is in support of the Glickman amendment.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I yield to my colleague from California.

Mr. ROUSSELOT. Mr. Chairman, the gentleman from Kansas has just heard the statement of our chairman that, in other situations that are similar to his, he will try to work to make sure they are covered. Can we count on the gentleman from Kansas, who has got this special rule to make sure his amendment is provided for, to help others who have similar legislative situations as his, to make sure that they are included when it goes to the Senate?

Mr. GLICKMAN. The gentleman has my assurance.

Mr. ROUSSELOT. I appreciate that.

Mr. DUNCAN of Tennessee. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in opposition to H.R. 5741. Unfortunately, it is quite clear that all local governments are not treated equally under the provisions of this legislation. It is obvious to me after listening to the debate on this issue last week, that despite the so-called liberation of the transition authority, there are still many cases where authority is doubtful or where certain jurisdictions in the process of issuing bonds discovered that the transition rule disallowed sale of the issue. The situation in Nashville-Davidson County, Tenn. is an example of this controversy.

In the State of Tennessee, legislation authorizing bond issues was introduced in the general assembly prior to April 25, 1979, But did not pass both chambers until May 1979. Furthermore, the Governor did not the sign the legislation into law until June 1979. Consequently, under the current rule, the State housing agency can, and did in fact issue bonds in February, and Shelby County, Tenn. may be eligible for an issue if this bill passes with the committee amendments intact. Several Tennessee municipal jurisdictions however, are excluded. As a matter of equity everyone should be treated the same, and under this legislation that is simply not the case.

At the present time I plan to offer a motion to recommit the bill H.R. 5741 to the Ways and Means Committee in order to permit the committee the opportunity to reevaluate this issue.

In the months intervening the committee's action on H.R. 5741, and today's vote, the economic situation of the housing market has changed dramatically. The committee should reconsider the restrictions in H.R. 5741 in light of today's pressing housing needs. What may have been reasonable provisions 6 months ago, are far too harsh in the current environment. We should not slam the door on the only real hope for millions of average working persons to purchase housing. H.R. 5741, in its current form does more than just curb a Federal revenue loss, it also curbs the aspirations and dreams of most Americans.

I urge the members to support the motion to recommit.

Mr. STARK. Mr. Chairman, will the gentleman yield?

Mr. DUNCAN of Tennessee. I yield to the gentleman from California.

Mr. STARK. Mr. Chairman, I want to concur in the remarks of my colleague on the committee and oppose the Glickman amendment. It is patently unfair to the State of California, to the State of New York, to municipalities around the country who for one reason or another were unable to sneak under the deadline, or whose State or local governments just did not wake up in time, or where E. F. Hutton did not get to them in time. This sets an awful precedent. If indeed we are going to get sent back in a conference and have all kinds of new transitions come back, we should all start from the same starting line because every one of us in this Chamber is going to have State and county units asking to get under the deadline. If they wonder how Glickman got it and you did not, you are going to have egg on your face.

I urge the Members to vote down the Glickman amendment, and let us all start from scratch and run to the same place, and let us see who gets it. I can assure the Members that the ranking minority member and chairman of our committee will be fair in seeing that everybody has an equal opportunity if indeed we should expand the transition rule.

□ 1430

Mr. DUNCAN of Tennessee. Mr. Chairman, at the proper time I plan to offer a motion to recommit the bill to the Committee on Ways and Means in order to permit the committee to have an opportunity to reevaluate all of these issues.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. DUNCAN of Tennessee. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I thank my colleague for yielding.

Mr. Chairman, I must say to my colleague, the gentleman from California (Mr. Stark), that he is probably right on the issue of unfairness. However, I have agreed to support the amendment offered by the gentleman from Kansas (Mr. Glickman) because he was smart enough to go to the Committee on Rules and make sure he was protected.

The gentleman from California (Mr. Stark) is bringing out what I tried to make very clear, something that some of my colleagues have been complaining about because I have been spending so much time talking about it. I say that some of the Members had better go back to their communities and find out what this bill does to them, and that is why we should be sending the bill back to committee. So my colleague is correct.

Mr. Chairman, I am going to support the Glickman amendment, but I am also going to support the motion to recommit the bill to the Committee on Ways and Means so we can get this dumb thing straightened out.

Mr. DUNCAN of Tennessee. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Kansas (Mr. Glickman).

The question was taken; and on a division (demanded by Mr. Rousselot) there were—ayes 126, noes 6.

So the amendment was agreed to.

Mr. STARK. Mr Chairman, I object to the vote on the ground that a quorum is not present.

The CHAIRMAN pro tempore. The Chair will state that that request is not in order at this time. The amendment has been agreed to.

Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. Simon, Chairman pro tempore of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 5741) to amend section 103 of the Internal Revenue Code of 1954 to provide that the interest on mortgage subsidy bonds will not be exempt from Federal income tax, and to exempt interest on certain savings from Federal income tax, pursuant to House Resolution 517, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment?

Mr. STARK. Mr. Speaker, I demand a separate vote on the so-called Glickman amendment.

The SPEAKER. Is a separate vote demanded on any other amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The Clerk will report the amendment on which a separate vote has been demanded.

The Clerk read as follows:

Amendment: Insert after page 73, line 22, the following:

"(m) State Legislation Was Pending on April 1, 1979, and Enacted on April 26, 1979, Where Locality Had Taken Action To Undertake a Study of Local Mortgage Market.—

"(A) In general.—If—

"(i) on April 1, 1979, legislation was pending in a State legislature limiting the authority of local governments within such State to issue tax-exempt obligations for owner-occupied residence under existing home rule authority, and such legislation was enacted on April 26, 1979.

"(ii) there is written evidence (which was in existence before April 25, 1979) that not earlier than June 1, 1978, but before April 25, 1979, the governing body of a local government in such State had taken action authorizing the undertaking of a demographic or related study of the local mortgage market, which study was intended to serve as a basis for issuance of tax exempt obligations for owner occupied residences.

"(iii) on December 20, 1979, an amount was specified by or for the local government as the range of obligations which it expected to issue with respect to the area under any transitional authority provided by the Act, and

"(iv) a majority of the members of the governing body of the local government certify that the city or county was waiting enactment of the legislation described in clause (i) prior to determining to proceed towards the issuance of tax-exempt obligations for owner-occupied residences.

then the amendments made by section 2 shall not apply to obligations issued by such city or county.

"(B) Dollar limits.—The aggregate amount of obligations which may be issued with respect to any area by reason of subparagraph may not exceed the maximum amount referred to in subparagraph (A) (iii) which was specified on December 20, 1979, by or for such local government.

"(C) Time limits.—

"Paragraph (A) shall not apply with respect to any issue unless substantially all of the proceeds of such issue (exclusive of issuance costs and a reasonably required reserve) are committed by firm commitment letters (similar to those used in owner-financing not provided by tax-exempt bonds) to owner-financing before January 1, 1981.

Mr. STARK (during the reading). Mr. Speaker, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The SPEAKER. The question is on the amendment.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. STARK. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. The Chair will count.

Two hundred and forty-two Members are present, a quorum.

So the amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. DUNCAN OF TENNESSEE

Mr. DUNCAN of Tennessee. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. DUNCAN of Tennessee. I am opposed to the bill in its present form, yes, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

> Mr. DUNCAN of Tennessee moves to recommit the bill, H.R. 5741, to the Committee on Ways and Means.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. ROUSSELOT) there were—yeas 133, nays 79.

Mr. ROUSSELOT. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 238, nays 178, answered "present" 1, not voting 14, as follows:

[Roll No. 162]

YEAS—238

Akaka
Albosta
Ambro
Anderson, Calif.
Andrews, N.C.
Annunzio
Anthony
Ashley
AuCoin
Bafalis
Bailey
Barnard
Beard, R.I.
Bedell
Beilenson
Bereuter
Biaggi
Bingham
Blanchard
Boland
Bolling
Bonior
Bonker
Brademas
Brodhead
Brooks
Brown, Calif.
Brown, Ohio
Broyhill
Burlison
Burton, Phillip
Carney
Carr
Cavanaugh
Chisholm
Clay
Clinger
Collins, Ill.
Conable
Conte
Conyers
Corcoran
Corman
Cotter
Coughlin
D'Amours
Danielson
Dannemeyer
Davis, Mich.
Dellums
Derrick
Dicks
Diggs
Dingell
Dixon
Dodd
Donnelly
Dougherty
Downey
Drinan
Early
Edgar
Emery
English
Erdahl
Erlenborn
Ertel
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fowler
Frenzel
Frost
Garcia
Gephardt
Giaimo
Gibbons
Gilman
Glickman
Goldwater
Gonzalez
Gore
Gradison
Gramm
Gray
Green
Guarini
Hagedorn
Hall, Ohio
Hamilton
Hance
Hanley
Harkin
Harris
Hawkins
Heckler
Hefner
Heftel
Hollenbeck
Holtzman
Horton
Howard
Hughes
Ichord
Ireland
Jacobs
Jeffries
Jenkins
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kemp
Kildee
LaFalce
Leach, Iowa
Leath, Tex.
Lederer
Lee
Lehman
Lent
Long, Md.
Lowry
Lundine
McClory
McCloskey
McCormack
McEwen
McHugh
Maguire
Markey
Martin
Mattox
Mavroules
Mazzoli
Mica
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Moakley
Moffett
Moorhead, Pa.
Mottl
Murphy, N.Y.
Murtha
Myers, Pa.
Neal
Nedzi
Nelson
Nolan
Nowak
Oakar
Oberstar
Ottinger
Panetta
Patterson
Pease
Pepper
Peyser
Preyer
Price
Pritchard
Pursell
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Rodino
Roe
Rosenthal
Rostenkowski
Roybal
Russo
Scheuer
Sebelius
Seiberling
Shannon
Sharp
Simon
Skelton
Smith, Iowa
Smith, Nebr.
Snowe
Solarz
Solomon
St Germain
Stack
Stangeland
Stanton
Stark
Steed
Stewart
Stockman
Stokes
Stratton
Studds
Swift
Synar
Tauke
Thompson
Traxler
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Walker
Watkins
Waxman
Weiss
Whitley
Whittaker
Winn
Wirth
Wolff
Wolpe
Wright
Wydler
Yates
Young, Mo.
Zablocki
Zeferetti

NAYS—178

Abdnor
Andrews, N. Dak.
Applegate
Archer
Ashbrook
Aspin
Atkinson
Badham
Baldus
Barnes
Bauman
Beard, Tenn.
Benjamin
Bennett
Bethune
Bevill
Boggs
Boner
Bouquard
Bowen
Breaux
Brinkley
Broomfield
Buchanan
Burgener
Burton, John
Butler
Campbell
Carter
Chappell
Cheney
Clausen
Cleveland
Coelho
Coleman
Collins, Tex.
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Daschle
de la Garza
Deckard
Derwinski
Devine
Dickinson
Dornan
Duncan, Tenn.
Eckhardt
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Evans, Del.
Evans, Ga.
Evans, Ind.
Flippo
Fuqua
Gaydos
Gingrich
Ginn
Goodling
Grassley
Grisham
Gudger
Guyer
Hall, Tex.
Hammerschmidt
Hansen
Hightower
Hillis
Hinson
Holt
Hopkins
Hubbard
Huckaby
Hutto
Hyde
Jeffords
Johnson, Calif.
Johnson, Colo.
Kastenmeier
Kazen
Kelly
Kogovsek
Kostmayer
Kramer
Lagomarsino
Latta
Leach, La.
Leland
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Lott
Lujan
Luken
Lungren
McDade
McDonald
McKay
McKinney
Madigan
Marks
Marlenee
Marriott
Mathis
Matsui
Michel
Mikulski
Mollohan
Montgomery
Moore
Moorhead, Calif.
Murphy, Pa.
Myers, Ind.
Natcher
Nichols
O'Brien
Obey
Pashayan
Patten
Paul
Perkins
Petri
Pickle
Porter
Quayle
Quillen
Rahall
Railsback
Ritter
Roberts
Robinson
Rose
Roth
Rousselot
Royer
Rudd
Runnels
Sabo
Santini
Satterfield
Schroeder
Schulze
Sensenbrenner
Shelby
Shumway
Shuster
Snyder
Spellman
Spence
Staggers
Stenholm
Stump
Symms
Taylor
Thomas
Trible
Vento
Volkmer
Walgren
Wampler
Weaver
White
Whitehurst
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wyatt
Wylie
Yatron
Young, Alaska
Young, Fla.

ANSWERED "PRESENT"—1

Mitchell, Md.

NOT VOTING—14

Addabbo
Alexander
Anderson, Ill.
Byron
Davis, S.C.
Duncan, Oreg.
Harsha
Holland
Jenrette
Kindness
Murphy, Ill.
Sawyer
Wilson, C. H.
Wilson, Tex.

□ 1800

The Clerk announced the following pairs:

On this vote:

Mr. Addabbo for, with Mr. Kindness against.

Mr. Duncan for, with Mr. Jenrette against.

Until further notice:

Mr. Addabbo with Mr. Harsha.

Mr. Charles H. Wilson of California with Mr. Anderson of Illinois.

Mr. Alexander with Mr. Holland.

Mrs. Byron with Mr. Davis of South Carolina.

Mr. Charles Wilson of Texas with Mr. Murphy of Illinois.

Mr. LENT and Mr. HUGHES changed their votes from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

The title was amended so as to read: "A bill to amend the Internal Revenue Code of 1954 to provide that interest on certain mortgage subsidy bonds will not be exempt from Federal income tax."

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oregon?

There was no objection.

A FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

> H.J. Res. 514. Joint resolution making additional funds available by transfer for the fiscal year ending September 30, 1980, for the Federal Trade Commission.

APPOINTMENT OF CONFEREES ON H.R. 3236, DISABILITY INSURANCE AMENDMENTS OF 1979

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 3236) to amend title II of the Social Security Act to provide better work incentives and improved accountability in the disability insurance program, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER pro tempore (Mr. MINISH). Is there objection to the request of the gentleman from Oregon?

Mr. CONABLE. Mr. Speaker, reserving the right to object, is it the expectation of the chairman this bill will move to conference promptly, or what is his expectation?

Mr. ULLMAN. Mr. Speaker, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from Oregon.

Mr. ULLMAN. That certainly is the intention of the chairman, just as rapidly as we can go to conference, hopefully tomorrow.

Mr. CONABLE. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oregon (Mr. ULLMAN)?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, can the gentleman briefly describe what this bill is?

Mr. ULLMAN. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Oregon.

Mr. ULLMAN. As the gentleman knows, this is a bill out of the Subcommittee on Social Security that tightens up on the disability provision.

The gentleman from the subcommittee will be happy to respond.

Mr. ROUSSELOT. Mr. Speaker, further reserving the right to object, this is the Pickle bill; is it not?

Mr. PICKLE. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Texas.

Mr. PICKLE. This is the disability bill that offers a great deal of work incentive for people who are disabled so they would be urged to go back to work and can have protection by having extended work-type periods in that type of protection.

It makes other changes, but it is the bill that we passed last week, and we are just now getting to the conference on it.

Mr. ROUSSELOT. I appreciate the gentleman's explanation.

I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oregon (Mr. ULLMAN)? The Chair hears none and, without objection, appoints the following conferees: Messrs. ULLMAN, CORMAN, PICKLE, JACOBS, COTTER, RANGEL, CONABLE, ARCHER, and DUNCAN of Tennessee.

There was no objection.

APPOINTMENT OF CONFEREES ON H.R. 4612, MAINTAINING FOR AN ADDITIONAL 3 YEARS SOCIAL SECURITY SERVICES FOR CHILDREN RECEIVING SSI BENEFITS

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 4612) to amend title XVI of the Social Security Act to maintain for an additional 3 years the current program of preventive services, referral, and case management for disabled children receiving SSI benefits, with Senate amendments thereto, disagree to the Senate amendments and request a conference with the Senate.

☐ 1810

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oregon?

Mr. CONABLE. Mr. Speaker, reserving the right to object, will the chairman describe in brief what was added to this bill following passage by the House? I understand there were several nongermane matters added by the Senate.

Mr. ULLMAN. Mr. Speaker, if the gentleman would yield, the chairman of the subcommittee, the gentleman from California (Mr. CORMAN) can respond to the gentleman's question.

Mr. CORMAN. Mr. Speaker, will the gentleman yield?

Mr. CONABLE. Yes, I yield to the gentleman from California.

Mr. CORMAN. Mr. Speaker, there were several provisions relating to unemployment insurance that were added to this bill. The bill itself was to provide some social services for children on SSI. The amendments are the unemployment insurance amendments.

Mr. CONABLE. Mr. Speaker, may I ask the gentleman if it is not true that there are some measures in this bill which involve programs that would expire in the very near future requiring very prompt going to conference?

Mr. CORMAN. Yes, one of the matters has to do with the pension offset against unemployment benefits. That will go into effect on April 1. It will cause considerable problems in several of the States that have not yet acted; so we would hope, we have addressed that in another provision in the House, but we would hope to resolve that problem in this conference.

Mr. CONABLE. Mr. Speaker, is it expected that we will go to conference before next Tuesday? I would hope that we can resolve this issue with considerable promptness.

Mr. CORMAN. Mr. Speaker, if the gentleman will yield further, I talked with Senator LONG last week and I had indications that they were going to be willing to go to conference on this bill immediately after the one that the conferees were just appointed on. I think it is feasible that both of those could be handled in 1 day. If they are not, we may have some problems getting it legislated before the first of April.

Mr. CONABLE. I might suggest otherwise it might be a very bad April Fool's joke on some people.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oregon (Mr. ULLMAN)? The Chair hears none and, without objection, appoints the following conferees: Messrs. ULLMAN, CORMAN, RANGEL, BRODHEAD, CONABLE, and ROUSSELOT.

There was no objection.

REQUEST FOR PERMISSION FOR COMMITTEE ON THE BUDGET TO FILE REPORT ON FIRST CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1981

Mr. GIAIMO. Mr. Speaker, I ask unanimous consent that the Committee on the Budget may have until midnight tonight, March 26, 1980, to file its report on the first budget resolution for fiscal year 1981.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Connecticut?

Mr. LATTA. Mr. Speaker, reserving the right to object, and I shall not object, I take this time to ask the chairman of the committee his plans for taking this matter to the Committee on Rules and when this matter might be on the floor for consideration, and especially consideration of the rule.

Mr. GIAIMO. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I am happy to yield.

Mr. GIAIMO. Mr. Speaker, as the gentleman knows, I am asking the Committee on Rules for a waiver of the 10-day rule so that we can expedite this matter. The Committee on Rules is going to be working on this entire resolution starting tomorrow, as I understand, to determine what kind of a rule should be fashioned and at that time I hope that the gentleman and I and others will be able to consult with the members of the Committee on Rules and advise then as to what we think a proper rule would be.

It is further my understanding that it is the desire of the leadership that they would like to have a rule available for the floor on Monday, rather than on Friday.

Mr. LATTA. And only consideration of the rule prior to the recess; is that correct?

Mr. GIAIMO. As I understand it further and, of course, the gentleman would have to ask the leadership, but we have been consulting with them, the gentleman and I, and I think I am correct in saying that it is their plan to take up the rule on Monday, possibly general debate, and certainly no amendments until after the Easter recess.

Mr. LATTA. Well, if I may comment, I did not know about possible discussion on the resolution itself.

Mr. GIAIMO. Mr. Speaker, I cannot hear the gentleman. I am sorry.

Mr. LATTA. I was under the impression that we were only going to take the rule prior to the recess.

Mr. GIAIMO. Well, the rule is the important thing. If there is a possibility of taking general debate, I would like to, and I would urge it; but, of course, no one has decided that as yet. The gentleman would have to ask the leadership that.

I think the important thing is to get the process moving. I think the adoption of a rule is important. Certainly we are not going to finish. I would like to have been able to handle the whole thing before Easter, because I think it is essential that we get moving on this matter; but time does not enable us to do that. I can be flexible insofar as insisting that we go ahead with general debate.

Mr. LATTA. Well, adding to that, I can be flexible, too; but I think the membership ought to know what we are going to do insofar as possible. It was my impression after discussion with the leadership that we were only going to take the rule on Monday and pass the rule and general debate would go over then until after the recess.

Mr. GIAIMO. Well, that is not my understanding; but certainly I would have no objection to doing that.

Mr. LATTA. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Connecticut (Mr. GIAIMO)?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, a number of us have been laboring for the last 2 or 3 hours trying to find out what the intention of the leadership is and in the last colloquy just preceding my remarks, once again we do not see what the leadership wants to do with this rule or this bill. If this report is not filed this afternoon, I do not think the Committee on Rules can take it up. We have no guarantees about what the rule will contain. We do know what the statute governing debate and amendments provides and, until we receive some assurances or direction, I would be constrained to object.

Mr. Speaker, I object.

The SPEAKER pro tempore. Objection is heard.

REPORT ON FIRST CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1981

Mr. GIAIMO, from the Committee on the Budget, submitted a privileged report (Rept. No. 96–857) on the concurrent resolution (H. Con. Res. 307) setting forth the congressional budget for the U.S. Government for the fiscal years 1981, 1982, and 1983, and revising the congressional budget for the U.S. Government for the fiscal year 1980, which was referred to the Union Calendar and ordered to be printed.

SHOULD A DEPRESSION BE THE SUBSTITUTE FOR WAGE AND PRICE CONTROLS?

(Mr. WEISS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. WEISS. Mr. Speaker, according to several national newspaper accounts this week, the President's inflation spokesman, Alfred Kahn, argued against the use of wage and price controls in a recent public appearance. His position is shared by our distinguished leader of the Republican minority who has introduced a resolution to put the House on record in opposition to wage and price controls.

Those arguments were countered by Barry Bosworth, former Director of the Council on Wage and Price Stability under President Carter. Mr. Bosworth, I believe, underlined the need for controls and the potential of the latest administration economic policy to bring on a depression. He estimates that between 10 to 15 million people will be unemployed if the expected recession unfolds. I would like to commend the March 24 New York Times article covering this story to my colleagues:

BOSWORTH, KAHN DIFFER ON CONTROLS

WASHINGTON, March 23.—The Administration's chief inflation adviser and his former deputy disagreed sharply today on whether the nation needs mandatory wage and price controls and the head of the nation's second-largest bank denounced the controls that have been imposed on credit.

Alfred E. Kahn, chairman of the Council on Wage and Price Stability, said in a broadcast interview that he was "much more persuaded than ever" that mandatory controls would not work. But Barry P. Bosworth, a former director of the council and once Mr. Kahn's assistant, said in a separate forum that, "given a desire to slow the inflation, the choice is rapidly being reduced to one of severe recession versus wage-price controls."

Meanwhile, Walter B. Wriston, chairman and chief executive officer of Citibank, termed the credit allocation program announced this month "the bad news" of President Carter's anti-inflation program. The banker appeared on the CBS interview program "Face the Nation."

Credit allocation has become a political and bureaucratic decision, rather than an economic decision, and is robbing individuals of the right to decide how to spend or borrow money, Mr. Wriston said.

"We have the spectacle that it is a good loan for you to buy a refrigerator on time, and it is a bad loan for you to take your family to dinner and charge it to Master Charge," he said.

Mr. Wriston also said that, by placing controls on credit, the Administration "runs the risk of a marked slowdown in our economy." He said the policies followed by the Federal Reserve Board were central to the inflation problem. "Inflation is controlled by who owns the printing press," he said, "and the Federal Reserve owns the printing press."

Mr. Bosworth, in urging wage and price controls, said he favored them because a deep recession would throw 10 million to 15 million people out of work and "that's too high a price to pay." He made his views known in an article written for the Brookings Institution and at a news conference. Since leaving the Administration last year, he has been an economist at Brookings, an economic research organization.

Mr. Kahn, appearing on ABC's "Issues and Answers," presented the opposite view. Noting that he had spent a year and a half in leading the fight against inflation, he declared:

"I know a lot more now about how controls operated in the past and I'm now much more persuaded than ever that controls don't work—don't hit at the problem. They paper it over. They substitute for attacks on the fundamental problem. I do not believe the country would have the will to do the things that are fundamentally necessary to attack inflation once it imposes controls."

A CHOICE IS CALLED NECESSARY

Mr. Kahn argued that even an attempt to give President Carter the power to impose mandatory controls "would set off a wild binge of anticipatory price increases."

But Mr. Bosworth said the choice between controls and a deep recession must be made because otherwise inflation would continue to worsen year after year. He said the nation was facing a minimum inflation rate of 10 percent a year for all of this decade.

"The ideal time" for controls is now, Mr. Bosworth said, adding that inflation would get much worse if workers demanded wage increases to keep up with rising prices. The nation "is on the verge of an explosion of industrial wage rates," Mr. Bosworth said.

He said controls were needed as part of a broader anti-inflation strategy aimed at encouraging productivity, reducing dependence on oil imports, holding down Government spending and discouraging speculation in home-buying while encouraging homebuilding.

He criticized the Carter Administration's new anti-inflation program as inadequate to cope with the problem.

MURDER OF THE ARCHBISHOP OF EL SALVADOR

(Mr. GILMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. GILMAN. Mr. Speaker, with increasing frequency, the small Central American nation of El Salvador is being ravaged by violence and instability as extremists seek to undermine the efforts of the government and people of that country to bring about peace and progress. The most recent act of senseless violence was the brutal killing of El Salvador's archbishop, Oscar Romero. This act of sacreligious barbarism will only add fuel to the fires of self-destruction and may plunge this nation into a full-scale civil war.

In response to this latest act of man's inhumanity to man, I was joined yesterday by 73 other Members of the House, including a majority of the members of the House Subcommittee on Inter-American Affairs and the chairman and the ranking minority member of the House Foreign Affairs Committee in expressing our deep outrage at the assassination of Archbishop Romero.

In a letter to the ruling junta in El Salvador, we stressed the need for the Salvadorian Government to encourage respect for the rule of law among its citizens and to bring swift justice to those individuals responsible for the archbishop's murder. Further, we expressed our concern about the ripple effect that such violence may have on other neighboring nations in Central America and we urged all citizens of El Salvador, both public and private, to work together for the restoration of law and order.

Mr. Speaker, I request that the full text of our letter and a list of its cosigners be inserted at this point in the RECORD.

HOUSE OF REPRESENTATIVES,
Washington, D.C., March 25, 1980.

JUNTA REVOLUCIONARIA DEL GOBIERNO,
Casa Presidencial,
San Salvador, El Salvador

HONORABLES SENORES MIEMBROS: At this tragic point in your nation's history, the undersigned Members of Congress and friends of El Salvador, wish to express our outrage at the senseless, barbaric killing of El Salvador's Archbishop, Oscar Romero.

This deplorable violence only adds fuel to the disorder and unrest plaguing your nation. Now, more than ever, the forces of moderation and democracy must unite to end self-destruction by extremists.

We call upon the government to act swiftly in seeking out and punishing those responsible for the Archbishop's death. It is imperative that justice prevail in order to demonstrate the government's dedication to peace and progress.

For the salvation of El Salvador and in the interest of stability throughout the Americas, we urge all responsible citizens of El Salvador, both private and public, to work together for the restoration of law and order.

Sincerely,

(The following is an alphabetical listing of names of Members of Congress who signed the letter to the ruling Junta of the Government of El Salvador on March 25, 1980.)

1. Benjamin A. Gilman, N.Y.
2. Robert E. Badham, Calif.
3. L. A. Bafalis (Skip), Fla.
4. Robert E. Bauman, Md.
5. Ed Bethune, Ark.
6. David R. Bowen, Miss.
7. William S. Broomfield, Mich.
8. Clair W. Burgener, Calif.
9. William Carney, N.Y.
10. Don H. Clausen, Calif.
11. Barber B. Conable, Jr., N.Y.
12. Silvio O. Conte, Mass.
13. Lawrence Coughlin, Pa.
14. Daniel B. Crane, Ill.
15. Philip M. Crane, Ill.
16. Edward J. Derwinski, Ill.
17. Samuel L. Devine, Ohio
18. William L. Dickinson, Ala.
19. Robert K. Dornan, Calif.
20. Mickey Edwards, Okla.
21. John N. Erlenborn, Ill.
22. Hamilton Fish, Jr., N.Y.
23. L. H. Fountain, N.C.
24. William F. Goodling, Pa.
25. Willis D. Gradison, Jr., Ohio
26. Charles E. Grassley, Iowa
27. Tennyson Guyer, Ohio
28. Marjorie S. Holt, Md.
29. Henry J. Hyde, Ill.
30. Richard H. Ichord, Mo.
31. Andy Ireland, Fla.
32. Jack F. Kemp, N.Y.
33. Robert J. Lagomarsino, Calif.
34. Gary A. Lee, N.Y.
35. Norman F. Lent, N.Y.
36. Jerry Lewis, Calif.
37. Bob Livingston, La.
38. Thomas G. Loeffler, Texas
39. Trent Lott, Miss.
40. Manuel Lujan, Jr., N. Mex.
41. Dan Lungren, Calif.
42. James G. Martin, N.C.
43. Joseph M. McDade, Pa.
44. Donald J. Mitchell, N.Y.
45. G. V. (Sonny) Montgomery, Miss.
46. Carlos J. Moorhead, Calif.
47. John T. Myers, Ind.
48. George M. O'Brien, Ill.
49. Ron Paul, Texas
50. Ralph S. Regula, Ohio
51. Matthew J. Rinaldo, N.J.
52. Toby Roth, Wis.
53. Eldon Rudd, Ariz.
54. Keith G. Sebelius, Kansas
55. Norman D. Shumway, Calif.
56. Gene Snyder, Ky.
57. Gerald B. H. Solomon, N.Y.
58. Floyd Spence, S.C.
59. Arlan Stangeland, Minn.
60. Steven D. Symms, Idaho
61. Gene Taylor, Mo.
62. William M. Thomas, Calif.
63. Guy Vander Jagt, Mich.
64. Robert S. Walker, Pa.
65. Bob Wilson, Calif.
66. Charles Wilson, Texas
67. Larry Winn, Jr., Kansas
68. Lester L. Wolff, N.Y.
69. Chalmers P. Wylie, Ohio
70. Gus Yatron, Pa.
71. C. W. Bill Young, Fla.
72. Don Young, Alaska
73. Clement J. Zablocki, Wis.

IF WE WOULD BUT LISTEN TO OUR CHILDREN

(Mr. LEWIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. LEWIS. Mr. Speaker, a year ago today, Israeli Prime Minister Menachem Begin and Egyptian President Anwar Sadat signed a peace treaty between their two countries which officially ended 30 years of war. Today, that peace agreement is in jeopardy as world events have moved to polarize the position of both Israel and Egypt. The first step, taken over a year ago toward comprehensive peace in the Middle East is in trouble.

Further complicating the situation was the recent mix-up in the U.S. vote in the United Nations Security Council for a resolution that denounced Israel's settlements in Arab territories on the Israeli-occupied West Bank.

The diplomatic triumph of a year ago, and the possibility of the treaties collapse in the future suggest that renewed efforts must be undertaken to resolve the current differences and understand the complications resulting from the fall of the Shah of Iran.

In light of world conditions, I find it interesting that a 12-year-old from Melville, N.Y., perhaps best expressed the necessity and importance of peace between these two countries. I would like to share with my colleagues the letter of Jill Poznick which was printed in the March 24, 1980 edition of the Christian Science Monitor:

I am only twelve years old
And I haven't traveled far,
But I think people all want peace,
No matter who they are.
Israelis should live happily,
And Egyptian people too.
Fighting in war is horrible.
It's something no one should do.

Mr. Begin and Mr. Sadat
Should get together again.
They should have a private chat,
Just like two friendly men.
Than Mr. Begin should take a trip
And visit Egypt for a while.
He should meet the Egyptian people
And learn what makes them smile.
Mr. Sadat should travel too,
Stay in Israel for a spell,
Live with Israeli people,
And get to know them well.
Another solution to the problem
In our hands
Would be to divide the area
Into separate but equal lands.
Or maybe let the people
Travel freely back and forth,
Israelis to the south,
And Egyptians to the north.
Maybe things would get better
If they joined forces
And shared each other's
Important resources.

If Israel and Egypt
Could somehow arrange
To send their young
On a student exchange,
The kids could become friends
And grow up to be
Adults who would keep
Peace and Harmony.

In Egypt and Israel
All of the teachers
Should frequently discuss
Each other's good features.
We should all learn to respect
Each other's worth.
And that's the beginning
Of peace on Earth.

Whatever the answer
We all must not cease
To continue to work
For Mideastern peace!

If we would but listen to the words of our children.

☐ 1820

COMMEMORATING THE PASSING OF EL SALVADOR'S ARCHBISHOP OSCAR A. ROMERO

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. DRINAN) is recognized for 60 minutes.

Mr. DRINAN. Mr. Speaker, in a brutal act of violence Monday evening, El Salvador's Archbishop Oscar A. Romero was assassinated while conducting a memorial mass for the mother of one of his friends. It was a scene that typified the thoughtless and unrelenting violence that has plagued El Salvador in recent times.

In 1978, I traveled to El Salvador on a factfinding mission sponsored by the Unitarian Universalist Service Committee. The archbishop was one of the first people I met on my arrival. I learned at that time of the destitution of the peasantry, who are in many cases paid less than the official minimum wage, the repressive tactics of the internal police, and the persecution of the church. I was able to observe the polarization of forces within this tiny, densely populated Central American country of 4.5 million inhabitants. I recall the Archbishop as a gentle and intelligent man dedicated to the cause of peace and the nonviolent redistribution of wealth that has been held in the hands of a few. He did not fear the consequences of his political beliefs. He spoke out often and with great compassion about the injustices his people suffered.

Oscar Romero became Archbishop of San Salvador in February, 1977. Born in 1917, he was educated in a seminary, and then in Rome. He became a priest in 1942, returned home a year later to serve a variety of posts, and was appointed bishop in 1970.

Twenty-three Members of the House recognized the tremendous contribution this individual made to the observance of fundamental standards of human rights by nominating him for the Nobel Peace Prize 1 year ago. In recommending that he be honored in this way, we pointed to his perseverance in pursuit of an end to the oppression and violence in his country. We noted his pleas for social and economic reform, and his condemnation of his government's complicity in violent acts that have taken the form of widespread 'disappearances,' arbitrary arrests, murder, and torture. We concluded by pointing out to the Nobel Peace Prize Committee that Archbishop Romero was an inspiring example for men and women everywhere who cherish freedom.

Last January, when I returned briefly to that country, I was reminded of the deep respect that so many people of El Salvador had for the archbishop.

Last month, in one of the archbishop's last major statements, he wrote to President Carter about the current situation there, and commented on the proposal by the American administration to send military equipment and military educational training units to El Salvador. I ask that the text of this letter be printed in the RECORD at this point.

> DEAR PRESIDENT CARTER: In the last few days news has appeared in the national press that worries me greatly: According to the reports your government is studying the possibility of economic and military support and assistance to the present junta government.
>
> Because you are a Christian and because you have shown that you want to defend human rights I venture to set forth for you my pastoral point of view concerning this news and to make a request.
>
> I am very worried by the news that the government of the United States is studying a form of abetting the arming of El Salvador by sending military teams and advisors to "train three Salvadoran battalions in logistics, communications, and intelligence." If this information from the newspapers is correct, the contribution of your government instead of promoting greater justice and peace in El Salvador will without doubt sharpen the injustice and repression against the organizations of the people which repeatedly have been struggling to gain respect for their most fundamental human rights.
>
> The present junta government and above all the armed forces and security forces unfortunately have not demonstrated their capacity to resolve, in political and structural practice, the grave national problems. In general, they have only reverted to repressive violence producing a total of deaths and injuries much greater than in the recent military regimes whose systematic violation of human rights was denounced by the International Committee on Human Rights.
>
> The brutal form in which the security forces recently attacked and assassinated the occupiers of the headquarters of the Christian Democratic party in spite of what appears to be the lack of authorization for this operation from the junta government and the party is an indication that the junta and the party do not govern the country, but that political power is in the hands of the unscrupulous military who only know how to repress the people and promote the interests of the Salvadoran oligarchy.
>
> If it is true that last November "A group of six Americans were in El Salvador . . . providing $200,000 in gas masks and flak jackets and instruction about their use against demonstrators", you yourself should be informed that it is evident that since then the security forces with better personal protection and efficiency have repressed the people even more violently using lethal weapons.
>
> For this reason as well as my obligation as a Salvadoran and as archbishop of the archdiocese of San Salvador to see that faith and justice reign in my country, I ask you, if you really want to defend human rights.
>
> To prohibit the giving of this military aid to the Salvadoran Government, and
>
> To guarantee that your government will not intervene directly or indirectly with military, economic, diplomatc, or other pressures to determne the destiny of the Salvadoran people.
>
> In these moments we are living through a grave economic and political crisis in our country, but it is certain that it is increasingly the people who are awakening and organizing and have begun to prepare themselves to manage and be responsible for the future of El Salvador; only they are capable of overcoming the crisis.
>
> It would be unjust and deplorable if the intrusion of foreign powers were to frustrate the Salvadoran people, were to repress it and block its autonomous decisions about the economic and political path that our country ought to follow.
>
> It would violate the right publicly recognized by the Latin American bishops meeting in Puebla:
>
> The legitimate self-determination of our people that permits them to organize according to their own genius and the march of their history and to cooperate in a new international order.
>
> I hope that your religious sentiments and your feelings for the defense of human rights will move you to accept my petition, avoiding by this action worse bloodshed in this suffering country.
>
> OSCAR A. ROMERO,
> *Archbishop.*

The archbishop had grave concerns about the significance of the proposed United States move, and the signals it might send to the current junta. Because the present government is so unstable, and because it is feared that the military equipment will be used to continue the repression rather than to protect the people from it, the archbishop had strongly recommended that no military assistance be sent at this time.

The archbishop made a strong case for withholding the aid at this time, and I trust the House Foreign Operations Subcommittee, which is considering this matter, will heed the archbishop's words.

The archbishop's passing is a loss for all who value the leadership he provided to his Nation, and the world. Let us hope that the government of El Salvador can promote the values and policies he so valiantly advocated.

"They can kill me," the archbishop said in a recent sermon, "but they cannot kill the voice of justice."

Mr. HARKIN. Mr. Speaker, will the gentleman yield?

Mr. DRINAN. I yield to the gentleman from Iowa.

Mr. HARKIN. Mr. Speaker, I thank the gentleman for yielding and I want to thank him also for taking this very important special order to pay tribute and honor to an individual who by his life and by his action was inspiration to all of us to continue on in the struggle against social injustice, economic injustice, and continue on in the struggle for human rights throughout the world.

I had the privilege of spending most of one day with Archbishop Romero last year and, as I said in an earlier colloquy on the floor of the House, I cannot think of an individual that touched me more deeply than did Archbishop Romero. In his simple way, in his very quiet way, he told the story to me of the suffering and the repression that was taking place in El Salvador. It was written in his eyes, in the lines in his face, and in the tone of his voice, that first and foremost he thought of his obligation to his church and to his people, his obligation, as he said to me on that occasion, to always be true to the Gospel and to his faith.

I would like to read just a couple of things that he said during that meeting that I tried to write down as closely verbatim as I could. I was talking about our human rights policy in the United States and how we were attempting some changes. He said to me:

> Because of the lack of conscience of so many of the powerful who are in a position to do things for the poor, we feel more and more that our work, our work for the poor, which has been reiterated by the new Pope, that this is the right work for the Church. We see Carter's human rights as providential. We don't see it, however, from the same point of view. Ours is an evangelical, not a political point of view. It is not for political circumstances but, rather, for evangelical and faith reasons that the church will always be for human rights.

Later on he said:

> I have made a public call that those on the right would not see all people on the left as terrorists, that many of their demands are just. I have asked the left not to see all those people on the right as reactionaries. The right wing has been making statements threatening a lot of people with death, priests and archbishops, and these threats are regarded as repugnant.

So, even in the midst of all of these dangers that he was living in daily down there, the Archbishop continually condemned the violence of both the right and the left. He did that as a man of God, as someone who recognized that only by avoiding violence, by the peaceful solution of our problems, could we ever really hope to bring human rights and economic and social justice to the suffering people, not only of El Salvador but of other countries.

In his final homily to the people of El Salvador, of which I have a copy, Archbishop Romero went on at great length about all of the murders that were going on in the country. He ended up his homily with some words of appeal to his fellow countrymen. This morning a gentleman from the State Department engaged me in conversation and told me that the homily that Archbishop Romero had given on that Sunday was terribly inflammatory, was almost like signing his own death warrant. And I said, "Well, why?" I had not read it at the time. He said, "Because in that homily he had actually asked the armed services to lay down their arms, to quit fighting," and he said that in and of itself would be enough almost to condemn him.

Well, I wanted to get a copy of it and read his words. Let me read to my colleagues what Archbishop Romero said in his last homily that some of our people in the State Department find so repugnant and find to be somehow treasonous to the El Salvadoran Government.

Archbishop Romero ended up his homily by saying, "Dear brothers, it would be interesting to analyze these things now, but I do not want to abuse of your time. What is the meaning of these months of a new government that precisely wanted to end these horrible incidents? If what it wants to do is leave the people's organizations rudderless and get in the way of the process that the people want, no other process can prosper. Without being rooted in the people, the government cannot be effective, let alone when it wants to impose things through bloodshed and pain.

I would like to make a special appeal to the men of the army, and specifically to the troops in the National Guard, the police and the garrisons: Brothers, you belong to our people. You are killing your own peasant brothers, and to an order to kill given by a man, the law of God that says "Thou shalt not kill" should prevail.

"No soldier is compelled to obey an order against the law of God.

□ 1830

"An immoral law is not binding on anyone.

"It is high time you regain control of your conscience and follow its dictates rather than sinful orders.

"The church, defender of the law of God and human dignity, cannot remain silent before so much abomination. I want the government to realize that reforms are to no avail if they are stained in so much blood.

"Therefore, in the name of God and of this long-suffering people, whose laments are heard in heaven every day more, I beseech you, I beg you, to stop the repression."

For those kinds of words we are told that somehow he is being treasonous, to say that there is a higher law, the law of God rather than the law of man. Asking people to disobey immoral orders is not treasonous. That is what all of our law in this world, and especially in this country, really is based upon. I think what he said there was in the full context of a keeper of his sheep, of an Archbishop, of a pastor guarding his flock, of someone looking out and caring for the moral consequences of the acts of his parishioners.

Archbishop Romero was one of those unique human beings in the history of the world, who was never afraid for his own self. I remember when we went out into the Barrios in El Salvador, and everybody was afraid that we should be guarded with guns. He never had a bodyguard. He never carried any troops or had anybody go along to protect him. He was absolutely fearless. And his love for the El Salvadoran people, his belief in human rights and in the dignity and worth of every human being, is a mark of his greatness and something which commends itself to all of us here in this body.

I do not think that any individual that I have ever been privileged to meet or to read about has reminded me more of the story of St. Thomas Becket who gave his life for his sheep. I think that truly Archbishop Romero was cast in that mold. A nun who was riding with him in the ambulance on the way to the hospital is reported to have said that his last words as he lay dying in that ambulance were: "May God forgive the assassins."

I think it would do well for us in this body and in this country to pay heed to the admonition of Archbishop Romero that there is a higher law and that violence and repression only lead to more violence and repression.

One of his last requests in a letter to President Carter was that this country not send down the military aid to the junta in El Salvador. I do not think we could honor his memory more, at least as a body here, than to honor that request of his, and talk with the El Salvadoran people in trying to seek peaceful solutions—solutions that are not brought about through guns and military actions, but to seek solutions that will, indeed, address some of the longstanding problems in that country of social and economic injustice. I believe the United States can do a great deal in helping that country, but we can only do it if we follow the lead of Archbishop Romero and not follow the lead of those in the military, not in this country but in the military in that country, who want to impose a military solution.

Again, I want to thank the gentleman from Massachusetts (Mr. DRINAN) for having this special order. I share with him a feeling of loss. I also share with him a feeling that in his memory, in the memory of Archbishop Romero and and what he stood for, we can all take strength.

Archbishop Romero once said to me also that the winds of change are sweeping through El Salvador and Central America. The winds of change that are sweeping through there are more powerful than the American troops, more powerful than the Soviet troops, more powerful than the Cubans. And the winds of change are knowledge, the knowledge that the peasants are gaining, that a high rate of illiteracy, that hunger, that deprivation, that dirt floors and a high death rate among newborn infants, a lack of health facilities, a lack of schools, a lack of any semblance of economic well-being—that knowledge was spreading throughout the countryside, he said, like a wind, and that these are not the unalterable designs of the Almighty God, and that because they are human beings, because they are children of God, they deserve a better lot in life.

I think what he was saying is that we have to recognize that change is coming in Central America.

The old feudal system, especially in El Salvador, is going to go just as slavery went in this country. The feudal system there is also going to go. It seems to me to the extent that the Cubans and the Marxists are on the side of that change, for whatever reasons they may have, and to the extent that we are on the side of the feudalist, the oligarchy, then we are going to be on the "losing side."

It seems that we have this inordinate fear that if the Cubans are on one side, we have to be on the other. I believe we can be on the side of the people in El Salvador, those hundreds of thousands, those millions of people, with an 80-percent illiteracy rate, living in the most unconscionable squalor and deprivation. I believe we can be on their side. I believe we can help them make a better life for themselves in that country, and we can do it without being with the Cubans or with the Marxists or with the Soviets or anyone else. I believe we can do it better because I believe deep down inside we in this country have more respect for fundamental human rights, and we understand that economic justice and social justice must go along with those human rights.

Again, I thank the gentleman from Massachusetts for taking this special order.

Mr. DRINAN. I thank the gentleman from Iowa (Mr. HARKIN) for his eloquent and beautiful remarks. I take this occasion also to commend him for his devotion to human rights of the people of El Salvador. The gentleman from Iowa is well known in that country and very highly regarded and deeply respected. I thank him for all he has done.

Mr. HYDE. Mr. Speaker, will the gentleman yield?

Mr. DRINAN. I am very happy to yield to the gentleman from Illinois.

Mr. HYDE. I thank the gentleman in the well. I, too, wish to salute him for taking the time to bring to the attention of this House and to the country the tragic circumstances resulting in the murder of Archbishop Romero. Truly the voice of justice was stilled in the most brutal way that the history books ever recorded: Being killed while saying mass. Even Thomas Becket was not saying mass when he was murdered in the cathedral. I think it is laudable to hope for a peaceful resolution of the inequities and the economic deprivation that goes on in El Salvador and so many countries of Central and South America, so many countries in Asia, so many countries in Central Europe. But so long as we are told the Communists are sending arms into that country to subvert any forces of freedom and democracy and justice, it is difficult to demand of that government that it lay down its arms and turn the other cheek, much as such a peaceful solution would be desirable.

I think the murder of the archbishop ought to remind us of the church suffering all over the world. It ought to remind us of the bishop of Shanghai who has been in prison for 20 years, and no one knows when he will get out.

□ 1840

It ought to remind us of the church people, the Catholics, the priests, the seminaries that no longer exist in Indochina, in what used to be South Vietnam.

I think all of these things bring to mind how much the structure of totalitarianism is everywhere and always it seems the men of peace, the men and women of peace are the first victims. Indeed I wept at the death of such a saint and a martyr. I think all people throughout the world ought to say: When will it end. Terrorism seems to be an instrument of foreign policy or domestic policy and there seems to be no answer.

Mr. Speaker, let us pray this country will remain strong and alert and let us hope that the economic and social conditions create this ferment will be alleviated, but, let us also hope that the church suffering throughout the world will be remembered, epitomized in the death of Archbishop Romero.

I have been in Cuba. I have seen what is going on down there and it too is tragic, just as tragic, perhaps more so than in other countries.

In any event, this will not be forgotten. I hope people of good will will remember the sacrifice that Archbishop Romero made and what he stood for and that the light that he lit will not go out as long as people remember bravery, courage and peace.

Mr. DRINAN. Mr. Speaker, I thank the gentleman for his eloquent and very moving statement. The gentleman has summarized very, very well and very movingly the tragic events that have brought about the martyrdom of this great man.

● Mr. BROWN of California. Mr. Speaker, this is a sad event we mark today. It is not just the death of a peaceful Christian, but the future of a violence torn country which we consider. While the role of the United States in the recent past has not been very large in El Salvador, our Nation's role has been unmistakably large and important in El Salvador over the years. How the U.S. Government relates to the Government and the people of El Salvador in the future is a question we should all carefully consider.

Many of my colleagues here today know far more about the life and death of Archbishop Romero than I, which speaks well of the humanitarian efforts of many Members of Congress. Whether the United States could have done more to prevent the state of violence which exists today in El Salvador, or whether what we have done has contributed to the violence is a matter of debate. The fact that the most outspoken opponent of U.S. military aid to El Salvador is the man whose death we note today is something we should all consider. The question the administration must answer is, did Archbishop Romero not know more about his country than officials in our Government?

Mr. Speaker, I sincerely hope this cowardly act shocks people into sensible action, rather than irrational reaction. I urge this body to support efforts to promote the cause of peace, rather than war. I believe we could all learn from the knowledge of Central and South America that Congressman Drinan and Harkin have, and commend them for their initiatives.

Mr. Speaker, at this time I wish to insert in the Congressional Record two editorials on this subject. Both items appeared in the March 26 issue of the Los Angeles Times, and both deserve careful review for their constructive comments.

The articles follow:

A Killing of Hope

Archbishop Oscar Arnulfo Romero of El Salvador was a man who angered right-wingers by fighting for the poor and oppressed, and who alienated extremists of the left by his tireless appeals for nonviolence. His assassination makes it all the less likely that a peaceful solution can be found to the political warfare that already has claimed 700 lives in El Salvador this year.

The archbishop was gunned down Monday as he celebrated Mass. Suspicion centered on right-wing terrorists reputedly financed by wealthy Salvadorans who live, for safety's sake, in Miami. But the possibility could not be ruled out that his murder was the work of left-wing extremists who resented his moderating role.

Romero, who was nominated for the Nobel Peace Prize last year, was an outspoken critic of Gen. Carlos Humberto Romero—no relation to the archbishop—head of the oppressive military government that was ousted in a coup in October.

The mixed civilian-military junta that now runs El Salvador has undertaken, with U.S. encouragement, far-reaching land reforms aimed at undercutting the economic and political power of the old oligarchy—and at eroding the appeal of Marxist-led guerrillas among the peasants.

Romero gave the junta credit for good intentions. But he was critical of the harsh measures taken against guerrilla supporters, and of U.S. willingness to extend military aid to the junta while these excesses continued.

Despite this difference, there is no question that the archbishop and the U.S. government shared a fundamental desire for an end to oppression and the building of a more just and prosperous Salvadoran society.

President Carter should make this point clear by sending, as his personal representative to the archbishop's funeral, an American Catholic leader who is known and respected among democratic, charge-oriented elements in Central America.

Roberto Sanchez, the archbishop of Santa Fe, would be a good choice. Perhaps an even better choice would be Bishop Juan Arzube of Los Angeles, an Educadorean-born churchman who has long been active in social causes both in the United States and in Latin America.

Such a gesture would help make it clear that Americans identify with Archbishop Romero, the man of peace and social justice—not with the rightwing death squads that probably were responsible for his murder.

For Martyred Hero, Painting Was Not Enough

(By Colman McCarthy)

When he visited San Salvador last year, Rep. Thomas Harkin (D-Iowa) went to Mass at the city's Catholic cathedral. It was Holy Thursday. The service was packed with poor peasants from the countryside.

Harkin was moved by their piety, but what he noticed most was the cathedral's state of disrepair. Birds flew in and out of the broken windows and caved-in doors. A paint job, inside and out, was needed. Construction work remained unfinished.

As a good can-do American, Harkin asked why something wasn't being done about this eyesore. He was told that San Salvador's archbishop, Oscar Arnulfo Romero, had begun a building-and-renovation program, but that he had second thoughts. A sparkling cathedral was no longer a priority. It would be left unfinished as a monument to El Salvador's poor who need homes, food, jobs and justice more than another church building needs paint.

Suddenly, there is a new destitution in the lives of El Salvador's poor: Archbishop Romero was slain by gunmen late Monday afternoon as he celebrated Mass in a hospital chapel.

When I talked with Harkin last week, he told me a number of stories about the bravery of the archbishop whom he had come to know. All of them confirmed that those familiar with the current violence and chaos in El Salvador already know: that Romero's forceful views on social justice and human rights had made him the poor's most resolute ally. Harkin, one of the few in Congress who has taken the trouble to examine the United States' role in Latin America, said: "There is no one in El Salvador who commands more respect or loyalty than the archbishop. It's true that some of the military and rich don't like him, but that's to be expected."

Romero had caused trouble elsewhere, notably with the Carter Administration. Last month, he wrote to the President warning him not to proceed with plans to send military aid to the current junta: "Instead of favoring greater justice and peace in El Salvador (the $5.7 million in aid) undoubtedly will sharpen the repression."

With hearings that began Tuesday in the House subcommittee on foreign operations, Romero's views have become a major part of the debate about to shape this country's new role in El Salvador. For Americans, following the current upheaval in this bloodied Latin American nation is complex enough. Only last week, bombings and gun battles took 50 lives. The ruling junta, the government's security forces, guerrillas, campesinos, the landowners and resistance groups intensified the ideological war that seems at times to guarantee only that the killing will escalate.

If the scene there is unfathomable, Americans can at least grasp the issues involved in the proposal to send in military assistance to the current government, a military-civilian coalition. On one side, a State Department official claims that the archbishop was operating from "a misunderstanding." It's not military aid that the United States has in mind, but "security assistance," which would include police equipment. It would be used to "maintain order, as well as improve the professionalism of the junta's security forces so they won't go out and beat heads."

That's almost the opposite of what needs to be done, Archbishop Romero had said. In a sermon to his people last November, he said that if the United States wants to be helpful it should condition its aid to a "purification of the security force," not a bolstering of it. Its aid should also help resolve the problem of the large number of political prisoners who have disappeared.

Others also reject the State Department's approach. The Washington Office on Latin America, a religious-based human-rights organization, argues that "military assistance to El Salvador will only increase the tension and make more difficult a political solution to a political problem." Harkin of Iowa bluntly dismisses the fine distinctions between military aid and "security assistance." Either way, he says, "it's another signal to everyone in El Salvador that the United States sides with the military. In turn, that strengthens the military in its conviction that it's all right to repress cerain segments of the population, beginning with the left."

However the Carter Administration and Congress resolve this, they will still have to deal with the objections raised by the archbishop. He had taken too many stands, seen, too many of his priests and parishioners killed or abducted, and risked his own life too often to have his ideas brushed aside now that he is dead.

U.S. Presidents may not be used to frank talk from Latin American bishops. But few in Latin America—not the militarists and not the oblivious Catholic rich who like well-painted churches—were used to it, either.

Archbishop Romero, the latest in a growing number of martyred heroes in Latin America, knew that terrorists, angered by his frequent sermons on justice and economic rights, were out to kill him. That he was gunned down during Mass is an indication of how desperate the brutality in El Salvador has become—and how, more than ever, his vision is needed.●

● Mrs. HECKLER. Mr. Speaker, I join with my colleagues in condemning this senseless slaying of Archbishop Oscar Romero.

Much of the world is reeling today with rivalries, factions meeting in violent conflict. But we see in this murder of Archbishop Romero the utter devastation and waste wreaked on human lives by this violence.

There is something keenly ironic in the murder. That Archbishop Romero was a man of peace—he was nominated by the British Parliament for the Nobel Peace Prize in 1979—and he condemned the use of violence by all the warring factions. But he was slain point blank, in a small chapel, and none of these factions will even admit to this heinous action.

Symbolic actions have had their place in the annals of history—serving as harbingers of the platforms, promises of fledgling regimes. But there is no excuse for symbolic actions which take their toll in the life of an innocent man.

The Archbishop was quoted as praying, as he was being taken to the hospital, that God would have mercy on his assassins. I join with my colleagues in mourning the death of so noble a man.●

● Mr. GREEN. Mr. Speaker, it is a sad irony that so many men and women who wage courageous battles in the name of peace should perish at the hands of those fighting in the name of violence. But the slaying of Archbishop Oscar Romero of San Salvador is more than sad and ironic; it is tragic and heinous.

Archbishop Romero has been a worldwide symbol of human rights and human dignity. His efforts on behalf of the scores of victims of violence and oppression in El Salvador helped focus international attention on their plight. His nomination and popular support for the Nobel Peace Prize last year by Members of this Congress and other bodies throughout the world is testimony to his importance as a symbol of hope to people across the globe.

In the end, however, the efforts of rational men fall once again victim to the course of irrational events. Though revered by many of his countrymen, Archbishop Romero remained both a threat to the military oligarchy controlling El Salvador, and to the masses he strove to calm who see an ultimate explosion of violence as the only road to peace in their homeland.

There can be no sense made of the murder of this courageous and loving man. Archbishop Romero stood alone as an expression of love and compassion in an atmosphere of hatred and malevolence. Now he has joined thousands of others who were martyrs for the cause of peaceful men.●

● Mrs. CHISHOLM. Mr. Speaker, there is something terribly unsettling about the assassination of Archbishop Oscar A. Romero of San Salvador.

I am certain that much of the uneasiness has to do with the fact that he was murdered while saying mass for his mother who had died last Friday. However, most of it has to do with the reign of terror under which most of the citizens of San Salvador live, particularly Jesuit priests who have taken a stand against the political, social, and economic injustices suffered by San Salvadorans.

For the last few years, Archbishop Romero had been the recognized head of this group and along with them singled out for harassment and torture by rightist paramilitary groups who had declared that all Jesuit priests would be killed if they did not leave the country by a set deadline. In the last 3 years, six Jesuit priests have been murdered and others expelled from the country. Archbishop Romero's death was no accident.

Only last week, he had written to President Carter and, in effect, to all people in this country who support human rights. In his letter, he wrote:

> The U.S. supported junta does not govern this country, rather political power is in the hands of the unscrupulous military who know only how to repress the people and favor the interests of the Salvadoran oligarchy.

Romero had continued in his letter that:

> If you really want to defend human rights, stop military aid to the Salvadoran Government, guarantee that your Government will not intervene directly or indirectly with military, economic, or diplomatic pressure to determine the destiny of the Salvadoran people.

Our country cannot continue to declare its support for human rights without leveling sanctions against those countries which so blatantly deny these rights. We have come to a juncture when saying that we are committed to human rights and hoping that those countries, which deny them, will change their policies is simply not enough. Archbishop Romero's assassination is a reminder to us that more has to be done in this struggle and that martyrs are not the answer.●

● Mr. LEHMAN. Mr. Speaker, we are all saddened by the tragic death of Archbishop Oscar Arnulfo Romero. Just a little over a year ago, I joined many of my colleagues in a special order to express support for Archbishop Romero's nomination for the Nobel Peace Prize.

The archbishop was a man of courage who had stood up to a brutal regime and defended the rights of the poor. In a country torn apart by terrorism, he was a respected figure, pleading for human rights, justice and peace. His outspokenness made him the target of attempts to discredit him through charges of communism. His church faced persecution, and his priests who sided with the poor were murdered. There were numerous threats on his own life.

Over the past year, the situation in El Salvador has steadily deteriorated. The death of the archbishop has brought into sharp focus the violence and chaos that mark this small country.

As a member of the Appropriations Subcommittee on Foreign Operations, I face an especially difficult decision on the question of military and economic assistance to the present government which consists of relatively moderate civilian and military officials. If the archbishop's murder was meant to provoke revolution on the left or more repression from the right, what can and should the United States do at this crucial juncture?

Having reflected on and struggled with this question, I have come to the conclusion that it would be wrong to do nothing. We now have a responsibility to support whatever voices of moderation there may still be in El Salvador. Otherwise we would leave the extreme right and the extreme left to bring more bloodshed to this unfortunate country.

Archbishop Romero was a man of peace, and it is the prospects for peace in his country that we must keep in mind as we make this important decision. Let us not yet give up on the possibility of a peaceful solution which would avoid even greater suffering on the part of the people of El Salvador.●

GENERAL LEAVE

Mr. DRINAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of Archbishop Romero.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

"IRANGATE"

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Idaho (Mr. HANSEN) is recognized for 60 minutes.

Mr. HANSEN. Mr. Speaker, nearly 5 months have expired since American personnel at the U.S. Embassy at Tehran were taken hostage by Iranian militants. During this time Congress has virtually twiddled its thumbs holding no meaningful hearings or investigations into this critical situation.

Such curious inaction is increasingly being interpreted by the American people as a callous disregard for the welfare of the hostages and their families and for our national security.

This lack of effort is shameful and must be immediately corrected. To assist, I am today presenting for the RECORD documented information which is being submitted to the appropriate committees of Congress along with a renewed request that investigations be opened and hearings held regarding the Iran crisis.

The evidence I am supplying in the following letters should provide good reason for Congress to proceed with early hearings and investigative action, either through appropriate committees or a special joint committee:

HOUSE OF REPRESENTATIVES,
Washington, D.C., March 26, 1980.

HON. JIMMY CARTER,
President of the United States, The White House, Washington, D.C.

DEAR MR. PRESIDENT: Since completing the enclosed letters, I have received an acknowledgment dated March 20th on your behalf from Assistant Frank Moore to my telegram of March 14th regarding the need for Congressional hearings into the Iran crisis.

I appreciate knowing of your understanding "that such hearings would likely hasten the release of the hostages."

Thank you for having my request forwarded to your advisors "for review and consideration."

Hopefully this additional information will be useful in helping you to reach a positive decision endorsing such Congressional action.

I look forward to your forthcoming response as indicated by Mr. Moore.

Sincerely,

GEORGE HANSEN,
Member of Congress.

HOUSE OF REPRESENTATIVES,
Washington, D.C., March 14, 1980.

HON. JIMMY CARTER,
President of the United States,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: In my telegram to you of this date, March 14, I pointed out that I am bringing to the attention of Congressional leaders on Monday, March 17, facts, figures and evidence from the large volume of information I have collected regarding the Iran crisis which demand hearings and investigation.

I am herewith transmitting copies of this material to you. Because the Iran situation is the most critical foreign policy issue of the day, I am concerned that this receive your personal attention since all acknowledgements heretofore have come from Assistant Secretary of State for Congressional Relations, J. Brian Atwood.

Mr. President, I have been to Iran twice during this five month old crisis, the only U.S. official to have been there, and there is much I should share with you. Ironically, however, I seem to have better communications with officials of the adversary government of Iran than with you and your top level advisors—and that is true even when I am assisted by my Republican leader, John Rhodes, and key Democrat members of Congress.

A policy of inaction and reliance on surrogate negotiations has not been successful and, as the hostages continue to languish into the fifth month, isn't it time to seize the initiative?

How much longer must the United States of America continue in such despair and defeatism that we cannot and will not bring humaneness, comfort and justice to our own people, to our hostages and their loved ones, and to the people of Iran and even the Shah himself?

Mr. President, for the sake of America and of the world, won't you take the lead in putting this nation back on the high road?

No one has to rehearse to you the improprieties which have gone on between certain Americans and Iranians—improprieties which the American people and the American nation are not guilty of. But we continue to be accused because our public officials refuse to act to identify those illegal and immoral actions which have created such political palsy in our foreign policy that we are fumbling and breaking relations all over the world.

Mr. President, I am not talking about doing any favors for the Iranians, I am talking about protecting life and limb and the military and economic security of American citizens. That is what Congressional hearings are all about.

Brian Atwood's March 5th reply to my Feb. 19th letter to you indicates that you have moved substantially from a policy of rejecting any hearings to a passive stance of letting it happen under certain conditions such as the recent U.N. Commission visit to Iran.

My concern, Mr. President, is that America must cease being an object to be acted upon or done for by others and begin being the actor and the doer. And let us not be the wheeler-dealer who only gives when he gets. Let us initiate the search for truth with dedication and enthusiasm.

It is intellectually and morally dishonest to trade hearings for hostages. I can tell you that Bani-Sadr does not want this and neither should we. The problems encountered by the U.N. Commission should have taught us something.

Hearings should be held for truth's sake. This concept is well-stated in the Christian "Golden Rule" which says, "Do unto others as you would have them do unto you," not, "Do unto others if and when they do something for you."

Mr. President, your Administration fired Andrew Young for doing business with the PLO and yet you have since invited PLO assistance to free the hostages while clamping such a lid on Congressional leaders that for over four months there has not even been interviews of returned hostages and escapees by key Committees or Members of Congress. With such a stonewalling, how do you or Congress, the leaders of this nation, ever hope to cope with the problems we face?

Mr. President, I respectfully, but strongly urge you to open your doors and take the lid off Congress. It is time for facts; it is time for honesty; it is time for morality; and certainly it is far past time to act rather than react if we are ever going to get our hostages home and our image back as a great and good nation.

It is imperative to have Congressional hearings—now!

Sincerely,

GEORGE HANSEN,
Member of Congress.

HOUSE OF REPRESENTATIVES,
Washington, D.C., March 14, 1980.

Re Immediate congressional hearings on Iran crisis.

Hon. EDWARD P. BOLAND,
Chairman, Permanent Select Committee on Intelligence, Weshington, D.C.

DEAR MR. CHAIRMAN: Pursuant to my letter to you of Dec. 11, 1979 and your response of Dec. 18, 1979 regarding the need for an investigation into the Iran crisis, I hereby renew my request for the strongest possible reasons.

One of the most shocking aspects of the Iranian confrontation is the paralysis of official Congressional response to glaring irregularities and obvious scandals.

Congress did not hesitate long to open inquiries into "Watergate" and "Koreagate". Our government did not wait until the end of World War II to find who slept at the switch on Pearl Harbor. It took less than a week for Congress to open hearings on the politically explosive crisis over the recent U.S. vote in the United Nations regarding Israeli land policies. But, fifty-three Americans have been held hostage for over 130 days and the Iran-Afghanistan crisis has drawn us to the brink of Armageddon while Congress sits on its hands.

Why, Mr. Chairman, do the Congress and its responsible Committees defy tradition, resist their prescribed duties and refuse practical and moral responsibility even to the point of forfeiting our prerogatives and our fate to an International Commission with less than sufficient authority to achieve necessary results?

Today's news (March 14) brings reports that Iran President Bani-Sadr has again endorsed Congressional hearings to resolve misunderstandings and get the hostages home which was suggested by me when I visited Iran in November. If Iran is willing to take the scrutiny, why can't we? What have we done that cannot be told in our own forum under our own rules?

I can personally attest to you with witnesses that such hearings could have brought the hostages home in November and may well be the key again with the election today of a new Parliament in Iran which Khomeini has charged with resolving the hostage situation. There is nothing more practical than a people-to-people effort—Congress to Congress—when the people of both nations are basically friendly.

Why should we sidestep the truth until the hostages are out when the truth can get them out?

Mr. Chairman, I have accumulated massive information that cries out for responsible investigation and consideration and your Committee is deeply involved. I strongly urge your immediate action lest the groundswell of questions now arising over the Iran crisis accuse the Congress of coverup or callous indifference to our national security and the plight of the hostages.

Now, Mr. Chairman, we are not talking about doing any favors for the Iranians, we are talking about protecting life, limb and the security of Americans at home as well as abroad.

(I) Doesn't it shock you that hired killers serving as agents of foreign governments can cause violence in the streets of America without being called to real accountability?

(a) Most sensational was the Grand Jury indictment of the former head of Chile's Secret Police as the architect of the murders of exiled Chilean Orlando Letelier and a young American citizen named Ronni Moffit where extradition of those involved was refused by Chile.

(b) Currently called to question is the role of the Iranian SAVAK, the Shah's secret police, who by his own words in 1976 said the SAVAK in the United States was not only checking up on Iranian students, but "checking up on anybody who becomes affiliated with circles, organizations, hostile to my country. . .". This was swept under by a so-called State Department investigation but confirmed by a Senate report that SAVAK's primary function in the U.S. was to spy on Iranian dissidents, including students, who could be targets for SAVAK upon their return to Iran, or as other evidence suggests, even in this country. There is testimony that this was done with training and cooperation from U.S. government intelligence and security agencies and that efforts to alter the situation quickly fizzled because of intimidation.

SAVAK operated so freely in the 1970's as to pump huge amounts of cash (hundreds of thousands can be documented) into the U.S. to incite massive demonstrations for the Shah and his causes.

(II) Doesn't it shock you that over 130 days have expired since the capture of our Embassy in Tehran and the released hostages and escapees have yet to be called by key Committee or Members of Congress (even privately) for a debriefing which could provide valuable and needed information such as:

(a) Details on the capture and lack of security of our Embassy, particularly since hostage-taking and embassy attacks are becoming so rampant.

(b) Information on the methods and conditions of confinement, for intelligence as well as humanitarian purposes.

(c) Observations regarding conditions in Iran at the time of capture (and since, if possible) and identification of individual captors and the philosophy (or causes) they espouse.

(d) Nature of U.S. security documents captured by the militants and where the breakdown occurred in allowing so much secret and sensitive information into unauthorized and unfriendly hands.

(e) What information could have come from American diplomats in Tehran which might encourage Secretary of State Vance to over-ride known intelligence warnings and recommend that President Carter allow the former Shah into the United States.

(III) Doesn't it shock you that Congress, on one hand, will call hearings within one week to deal with a crisis with Israel caused by a mistaken U.S. vote in the United Nations, while, on the other hand, the same Congress will go on for months letting American hostages pay for a continued refusal to hold hearings dealing with a much greater crisis involving Iran, Afghanistan and the Soviet Union caused by a mistaken U.S. decision bringing the former Shah into the United States?

(IV) Doesn't it shock you that documents from Mexico and secret U.S. papers and other accounts strongly suggest that the Shah's entry into the United States was not because of a "medical crisis" but a "visa crisis" which apparently triggered an ill-fated political decision to over-ride pointed intelligence and professional warnings without taking precautions to safeguard vulnerable American Embassy personnel in explosive Tehran?

(a) An August 2, 1979 State Department Secret Document entitled, "Planning for the Shah to Come to the United States," (defined under items VI(a) and VI(a) (1) of this letter), clearly indicates the Shah's entry into the U.S. was a part of a long-planned process, not a medical emergency.

(b) A July 26, 1979 telex to U.S. Charge d'Affaires Laingen in Tehran from Secretary of State Cyrus Vance states "He (the Shah) can remain in Mexico at least through October." Such a visa deadline is also corroborated by documents from the Mexican Embassy in Washington, D.C. Dated Nov. 29 and Dec. 7, 1979.

(c) A December 25, 1979 Washington Post story (based on a December 20th Los Angeles Times article and a document from the Ambassador of Mexico dated December 21st) forwarded under a December 28th cover by the Ambassador of Mexico illustrates a bizarre handling of the Shah's visa that created some strain on Mexican-American relations. One can seriously question the propriety and even the legality of the U.S. State Department accepting an evaluation of the Shah's medical condition from New York banker David Rockefeller as grounds for bringing the Shah into the U.S. under such threatening circumstances and, even more ominous, accepting from the same David Rockefeller assurances of the Shah's relationship with the government of Mexico, apparently without even checking with that government. The same facts would seem to confirm that David Rockefeller was in violation of both the letter and the spirit of the Logan Act. The Post article, entitled "Mexico Denies Pledge to Shah," describes how the U.S. was operating on Mr. Rockefeller's second-hand special interest assurances:

"The Mexico government has denied promising that the Shah of Iran could return to Mexico after receiving medical treatment in the United States, and a State Department cable says it was the "Rockefeller office" that provided information suggesting the Shah could go back.

The cable, dated Oct. 21, the day before the Shah left Mexico for New York City, has added to a widening controversy over the circumstances of the Shah's trip here for cancer treatment—a trip that resulted in a retaliatory seizure of American hostages in Tehran.

Last week, the Los Angeles Times reported that the Shah had left Mexico believing he had assurances from President Jose Lopez Portillo that he could return. The story said that written assurances had been handed to the Shah by an intermediary the day before he left Mexico.

However, the disclosure to the Los Angeles Times of the text of the Oct. 21 State Department cable makes clear that the "Rockefeller office" rather than the Mexican government was the source of the information regarding the assurances to the Shah.

The cable reads in part:

"Rockefeller office has informed us that (Mexican President Jose) Lopez Portillo sent the following message to the former Shah on Oct. 20, responding to a request made to him by the Shah to permit the Shah's return to Mexico following medical treatment in U.S "

According to the cable, Lopez Portillo told the exiled ruler that the Shah was "always welcome" and that "we await your return."

In The Los Angeles Times story revealing the communication, there was no indication that the State Department's source for the reported communication between Lopez Portillo and the Shah was the "Rockefeller office." On Dec. 21, the Mexican Embassy in Washington denied in a letter to the newspaper that the quoted assurances of asylum were authentic.

According to a letter from Mexican Ambassador Hugo B. Margain to The Los Angeles Times, "The letter which President Lopez Portillo allegedly wrote never existed."

Furthermore, Margain said, "No assurance (of the Shah's return) was given to the U.S. government, which at no time officially requested the Mexican government to readmit the ex-Shah at the end of his treatment in New York."

(V) Doesn't it shock you that witnesses and documents can attest that on several occasions the American hostages could have been released with no compromise of the U.S. position—occasions such as:

(1) During my visit to Tehran over the Thanksgiving period of November,

(2) At the time of Corporal Gallegos' initial appearance on television,

(3) Following the Waldheim visit to Tehran,

(4) At Christmas time.

(VI) Doesn't it shock you that our government would allow the former Shah of Iran into the United States without providing for the safety of American diplomatic personnel in the face of warnings by key officials?

(a) A secret—eyes only U.S. State Department document dated August 2, 1979 signed by Office of Iranian Affairs Director Henry Precht addressed to L. Bruce Laingen, U.S. Charge d'Affaires in Tehran, clearly indicates that the Shah's entry into the United States was more likely the result of long-range plans than a medical emergency as presented to the public, and a reckless provocation of Iran's unstable political climate that invited a predicted attack on our Tehran Embassy and the taking of Americans as hostages. This is further supported by similar secret documents from the U.S. Embassy in Tehran, now made public by the militants, and other reliable official and public sources.

(1) The Precht document, dated three months before the Iranian takeover of the U.S. Embassy and entitled "Planning for the Shah to come to the United States," states, ". . . the danger of hostages being taken in Iran will persist" and that "we should make no move towards admitting the Shah until we have obtained and tested a new and substantially more effective guard force for the Embassy."

(2) A cable from Charge' Laingen said, "I doubt that the Shah being ill would have much ameliorating effect on the degree of reaction here."

(3) The Precht document further says, "when the decision is made to admit the Shah, we should quietly assign additional American security guards to the Embassy, to provide protection for key personnel until the danger period is considered over," but Precht later admitted that those guards were never provided.

(4) Despite President Carter's statement that he had assurances that the government of Iran would protect the Embassy, Iranian Foreign Minister Ibrahaim Yazdi says he officially warned the U.S. State Department 24 hours before the Shah arrived in New York "You are playing with fire, there will be a very drastic reaction."

(5) When Secretary Vance was asked what he told President Carter about protecting the Embassy, he answered, "we said we could but we didn't." In fact, there is little to suggest that they were even trying since, in Tehran as well as most other recent embassy assaults, our own Marines have been withheld from providing protection.

(6) How could anyone ignore the fact that this same U.S. Embassy had been captured in February only nine months before, and conditions remained dangerously unstable? In addition, Iranian militants, to be encouraged in November, only had to remember that American Ambassador Sullivan had ordered his Marines not to resist in February.

(VII) Doesn't it shock you that the U.S. Department of State provoked the capture of an American Embassy and the taking of hostages and plunged America into a world crisis over the unbelievable issue of where a former king gets his medical treatment—and did it all through preferential use of second-hand information provided by the Shah's New York banker David Rockefeller regarding the medical status of the Shah and his visa status with Mexico over the strongest possible U.S. security warnings against such action?

(a) See all listings under items IV and VI regarding State Department documents and communications from the Mexican Embassy for evidence.

(VIII) Doesn't it shock you that huge amounts of highly secret U.S. documents have fallen into unfriendly hands, obviously in violation of security procedures—documents which deal with the most sensitive and high level diplomatic, intelligence, military and commercial activities?

(a) These documents have been freely distributed by Iranian militants holding the U.S. hostages in Iran and have been confirmed to be authentic.

(b) Several of these documents have previously been cited in this letter which should clearly illustrate the danger their capture has posed for American interests. There can be little doubt that the Soviets and other hostile interests have also acquired these secret papers and will benefit considerable from them.

(c) A secret document from Washington to MAAG in Tehran dated June 16, 1979 notes that "Information previously released to the Government of Iran has been subjected to compromise" and suspends any new "disclosure of classified information on organization, training and employment of military forces; military material and munitions; production information combined military operations, planning and readiness; and military intelligence. Unfortunately, this memo was captured with all the rest even though it ironically states at the end that such "disclosure guidance is not releasable to the Government of Iran."

(d) Other documents captured by the militants provide information that can easily be interpreted as proving that certain Americans were there in a CIA or spying capacity even though such information may in reality be innocent of such intent.

(e) With Iran's high strategic importance to the United States because of its petroleum resources and proximity to the Soviet Union, there can be little doubt that the American Embassy in Tehran was deeply involved in intelligence work, a privilege we apparently paid dearly for over the years in terms of huge CIA subsidies to Iran's clergy and the privileges SAVAK enjoyed in the U.S. to carry out their surveillance and harassment of Iranians residing here. Three years ago Iranian Ambassador Zahedi said if the U.S. Government tells Iran to pull its SAVAK agents out of the country, "we are going to insist and we shall ask them to leave the same time we shall ask your people to leave my country."

(IX) Doesn't it shock you that I have been back from my first trip to Iran at Thanksgiving time for over three months and no U.S. Government Agency, Intelligence Service or, even Committee in Congress, including your own, has asked for sensitive information or details regarding the secret documents given to me in the American Embassy at Tehran by the militants holding our hostages—even with the Soviet invasion of next-door Afghanistan involving the United States in a major military confrontation?

(a) The security of secret documents and information was of major concern in the Pueblo affair with North Korea, why not in Iran?

(b) The security of secret documents purloined from the Pentagon useful to the Soviet Union was of major concern in the Ellsberg case, why not in Iran?

(c) The security of sensitive government documents was of major concern during the anti-Vietnam demonstrations and protest actions of the 1960's, why not in Iran?

(d) The security of secret information, equipment and operations was of major concern in the Francis Gary Powers case regarding the Soviet Union, why not in Iran?

(X) Doesn't it shock you (1) that a former Presidential Cabinet member upon leaving public office could begin receiving $35,000 per month in legal fees from an Iranian operation in the United States, (2) that a current Cabinet member could arrive fresh from a job where he presided over a company dispensing hundreds of thousands of dollars in kickbacks to brothers-in-law of the Shah, and (3) that another current Cabinet member encouraged by another former Cabinet member could work through the private channels of the Shah's American banker to set aside official U.S. security warnings and the expressed concerns of Mexican and Iranian authorities to engineer the Shah's entry into the United States recklessly jeopardizing American lives, property and national security interests in Iran, the Middle East and the whole world?

(a) I am informed by officials of the tax-exempt New York based Pahlavi Foundation that Former Secretary of State William Rogers and his law firm were paid $35,000 per month, more than $1,000,000, to care for the legal needs of that Iranian organization which has only one asset to manage, a $55 million building on Fifth Avenue in New York City. There appear to be serious conflicts of interest and other irregularities in this relationship. (See attached Reuss letter of this date for details.)

(b) There is no secret about Secretary of the Treasury G. William Miller presiding over the Textron Corporation before his government appointment during a period when huge illegal kickbacks were being paid to the family of the Shah on purchases from U.S. companies. This matter is currently under investigation by the Senate Banking Committee. (See Reuss letter of this date for details.)

(c) Secretary of State Cyrus Vance encouraged by former Secretary of State Henry Kissinger working with their employers, President Carter and Chase Manhattan Chairman David Rockefeller, who enjoy a close personal and political relationship, brought the former Shah of Iran into the United States under most controversial circumstances. (See items IV, VI, and VII of this letter and attached Reuss letter for details.)

(1) David Rockefeller helped elect President Carter, who appointed Mr. Vance Secretary of State. Mr. Kissinger has had a long, close relationship with the Rockefeller family as retainer, beneficiary and counselor.

Columnist Jack Anderson on Dec. 10, 1979 said of Kissinger:

". . . He appears to be caught in a colossal conflict of interest which could dwarf and undermine his more notable achievements.

We have established from a three-year investigation that Kissinger could have prevented the ruinous rise in oil prices. He held back to accommodate the Shah of Iran—an incredible favor worth untold billions to the Shah.

But it turns out there was another beneficiary: the Rockefeller family. Ther is evidence that the Rockefellers helped the Shah regain the throne after he had been prematurely ousted by Mohammed Mossadegh in the early 1950's. The grateful Shah rewarded the Rockefellers with special oil, banking and real estate deals . . .

It is against this background that the cataclysmic events in Iran should be viewed. The Shah lit the fuse that inflamed the oil region in 1973.

. . . The response of the West lay largely in Kissinger's hands. Our European and Japanese partners had lost the power of decision, and Kissinger's superiors in Washington were immobilized by Watergate.

Top-secret documents show Saudi Arabia offered to hold down oil prices if Iran would cooperate. The Saudis knew that the United States had enormous influence with the Shah. It was up to Washington, they said, to apply the screws.

The secret papers show that Kissinger, however, refused to interfere with the Shah's drive for higher oil prices. This outraged William Simon, then Secretary of the Treasury, who raised a howl at the White House. He got nowhere with outgoing President Nixon.

The alarmed Simon sent incoming President Ford an urgent, secret memo. Simon charged that Iran "is the dominant force in OPEC for higher oil prices." The Shah's "bogus economic arguments, . . ." Simon pleaded, "should not go unchallenged."

Kissinger continued to thwart every move save those concerned with ways to finance the rising oil bills until Simon finally won a temporary victory by persuading Ford "to take a tough private line with Iran." This brought about a price freeze for a time but was too late to halt the basic course of events.

Kissinger is now back as the foreign policy adviser to the Rockefeller financial empire, which owes the Shah far more than a moral debt. In fact, the Shah is still a client worth billions; my sources say he relies heavily on the investment counsel of David Rockefeller and Kissinger.

Rockefeller is Chairman of the Chase Manhattan Bank which, together with the Rockefeller trust funds and private family holdings, controls Exxon. The President of Exxon, H.C. Kauffmann also is a director of Chase Manhattan. There are other interlocking ties between the banking conglomerate and the oil colossus. Both have been under Rockefeller domination for decades . . . Shah Mohammed Reza Pahlavi, once he was restored to his throne in 1953, knew who deserved his gratitude. He permitted several American oil companies to muscle into the Iran oil operation which, before Mossadegh, had been dominated by the British.

The dominant company in this new American- ranian oil consortium was Exxon. The Shah also made Chase Manhattan his favorite bank. He personally ordered subordinates to channel oil purchases and other transactions through the Rockefeller bank. And he shunted other lucrative deals to the Rockefeller crowd.

This raises the ugly questions about Kissinger's failure to stop the Shah from quadrupling oil prices."

(2) There has been much speculation over the involvement of the Chase Manhattan Bank in precipitating the Iran crisis for financial reasons and I am again asking the Banking Committees of Congress to investigate because of strong possibilities that big international banks are becoming perilously intertwined into U.S. foreign policy. I personally have asked Iranian authorities for an accounting of Iran Oil Company deposits into the Chase Bank and incomplete reports from deposit slips already show $6,419,824,970 in deposits during the first eight months of 1979 alone, before the cut-off by the new government.

A financial newsletter of December, 1979 drawing heavily from the Financial Times of London and other reputable sources weaves the following very disturbing scenario:

"It is now apparent that the Iranian crisis was provoked by the Chase Manhattan Bank to save itself from possible bankruptcy.

The story, confirmed in its details by Chase and U.S. Government officials, reads like the plot of a Paul Erdman novel. However, the circumstantial evidence of a conspiracy is overwhelming.

Under the rule of the Shah, the national Iranian oil companies deposited most of their revenues in Chase Manhattan's offshore branches. The Chase Manhattan handled about $85 million a day in Iranian oil money, or more than $20 billion a year—a massive deposit base for Chase to use for its loan and other business operations. About four or five months ago, soon after the fall of the Shah, the revolutionary regime of the Ayatollah Khomeini began to withdraw the Iranian funds from the Chase branches.

The Iranian run on the Chase was a reaction to the long friendship between the Shah and the Chairman of Chase Manhattan, David Rockefeller. Because of the size of the deposits, the Iranian withdrawals clearly posed a threat to the bank's solvency and survival, and there was no legal way they could be stopped.

THE CHASE ADVANTAGE

Suddenly, about three months ago, David Rockefeller and Henry Kissinger began to put pressure on President Carter to admit the Shah to New York for medical treatment.

The Carter Administration was well aware that the admission of the Shah would provoke an attack on the U.S. Embassy in Tehran, but it gave a green light to the deposed ruler anyway. Then, when Khomeini refused to obtain release of the hostages and made further threats against the United States, President Carter froze Iranian assets.

The freeze prevented further withdrawals of Iranian funds from the Chase which had the lion's share of the Iranian oil money. However, under the freeze the Chase was not allowed to use the funds. Therefore, it had to find a pretext to seize the money.

On November 21, in a maneuver that has been labeled illegal by the U.S. Treasury and condemned as a "major infraction" of the International Banking Code by a major Swiss bank, Chase "gave notice of payment default" by Iran on a syndicated loan of $500 million. Chase said that the default was due to the fact that Bank Markazi, the Iranian central bank, had not met its loan payment of $4 million due on November 15. Officials of Bank Markazi claimed the order to transfer the funds had been issued to Chase on November 5.

In a Reuters news story on November 23, Chase Manhattan N.A. admitted that it had indeed received the Iranians' transfer order, but it said its head office "could not execute Bank Markazi's request on the day it was supposed to have done so, because it would have been a violation of U.S. law." In other words, the Chase refused to move the available funds on the order of its client, Iran, and then declared that the client was in default of the loan. . . .

The CIA put the Shah on the throne of Iran in 1953. By the early 1960's, the Shah and David Rockefeller were close friends and the Chase Manhattan was beginning to get a significant piece of Iranian oil revenue deposits. In 1973, Chase led a $250 million loan to the Shah's government, the largest loan that had been made to Iran. In the same year, the Shah led OPEC to impose its first major oil increase on the Western world providing more revenues for deposit in Chase Manhattan Bank and higher profits for the oil companies in which the Rockefellers were major shareholders.

Public opinion polls have been giving President Carter high marks for the asset freeze and his calm determination in handling the Iranian situation. Meanwhile, the hostages are not free, and while the Chase Manhattan Bank appears to be in good shape, smaller central banks and OPEC countries, fearful that they may be next on the freeze and seize list, are beginning to move major funds out of the dollar threatening yet another major crisis for the greenback. As Ali-Khalifa Al-Sabah, Oil Minister of Kuwait, commented, "President Carter is taking a serious risk."

(d) With the Shah's vast wealth and the huge oil resources of Iran go questions of the scandal—to what extent graft, kickbacks and payoffs were involved in U.S.-Iranian relations. Huge kickbacks and skimming have been identified in such cases as Lockheed and Textron—certainly of sufficient proportions to be labelled "Irangate." However, there are many charges which may have no substance at all. That is why hearings are necessary, so that real documents and real facts can be sifted out.

Names alleged by Jack Anderson to have financial connections to the Shah in addition to Rockefeller, Miller, Kissinger and Rogers, are former CIA director and Ambassador to Iran Richard Helms and Senator Jacob Javits' wife Marion who signed on in 1974, as a $67,500 public relations consultant to Iran Air.

Governor Alereza Nowbari of the Central Bank of Iran was reported in a State Department FBIS report of March 6 to have released documents relating to a number of questionable payments, gifts, or transactions involving Americans including Henry Kissinger, Spiro Agnew, Gerald Ford, several American Congressmen, Kermit Roosevelt, the Rockefellers and John Lindsey. Details are available.

(XI) Doesn't it shock you that the State Department has repeatedly ignored reliable warnings which could have saved lives and property and prevented hostage taking? President Carter has wisely asked for a beefed-up CIA, but more intelligence information will be of little value unless government officials learn to pay attention to it.

(a) U.S. Ambassador to Afghanistan Adolph (Spike) Dubs was kidnapped and killed in February 1979 because of lack of security after adequate warning.

(b) American Embassy personnel at Tehran were taken hostage in November due to ignoring a warning about the need for strong security measures if the Shah was brought into the United States—a warning unforgivably ignored because the same Embassy had been captured with hostages taken only nine months before in February.

(c) The U.S. Embassy in Islamabad was left a smoldering wreck with two dead because of inadequate security procedures in the face of warnings.

(d) There are many other examples but nothing will change until the Seventh Floor higher-ups at the State Department begin to pay attention to warnings and decide to fully implement proper security measures. Congress can and should insist on this immediately.

Mr. Chairman, for additional information I am also enclosing my letter to House Banking Committee Chairman Henry Reuss and copies of communications with President Carter and other Members of Congress along with appropriate news releases.

Although this material is voluminous, it still provides only an outline of the massive evidence available for your scrutiny. I hope you can arrange at an early time to bring the appropriate issues before your Committee because one of the more shocking aspects of the entire Iranian confrontation remains the paralysis of Congressional action in dealing with apparent gross errors and misconduct in our foreign affairs and national security.

I express again my deep concern about the vigor with which intelligence has been pursued in the Iranian matter and the fact that none of the former hostages has been interviewed or interrogated by any Congressional Committee. Of course it is important not to transmit to our enemies or anyone else any signal of national disunity in a time of crisis. However, such concerns, valid though they may be, must have their limits in the concern for the safety of the nation and in righting those wrongs and errors which may have contributed to our involvement in the crisis in the first place.

The time has now passed for continuing a blind display of national unanimity at the expense of an accurate assessment of the forces and people whose acts have endangered both our citizens and our national security.

The national media and an increasing number of citizens have begun to ask questions on subjects which bear directly on the oversight responsibilities of your Committee. Did our intelligence agencies warn of the adverse consequences of admitting the Shah to the United States? Has our National Security Agency collaborated, as a 60 Minutes television program alleged, with the Shah's secret police, the SAVAK, in surveillance and harassment of Iranians residing within the borders of the United States? Have our intelligence, political and foreign policy functions been compromised by failure to destroy sensitive material at the Tehran embassy?

I believe that we have reached the point where we must elect whether to appear to suppress information from our own people or to air the matter of Iran fully. It is my firm conviction that the American people would rather have the full truth. In fact, I am convinced that they are now beginning to suspect that the failure to disclose is motivated less by national security considerations than by the desire to cover up and protect the system.

Continued refusal by Congress to get the truth out presents a number of problems. First, how can Iranian President Bani-Sadr convince the militants to release our hostages when they have documents like those discussed earlier in this letter with no explanation or see no effort being made to repair intolerable circumstances or injustices? Second, how can President Carter make a meaningful statement to repair our relations if he is handicapped by a communications gap or lack of facts?

Let us make no mistake, Iran is different and any action taken is not necessarily a precedent, or even perceived as such, in dealing with other Middle Eastern nations. For instance, the Ambassador from Turkey in mid-February stated, "This smug expectation of the duplication in Turkey of the events in Iran was demeaning to Turkey and most unwelcome." He further pointed out that, "In Iran political and social development were prevented by a repressive totalitarian system," saying that, "The fundamental factor which caused the Iranian revolution is the outburst to a basely corrupt, autocratic and oppressive regime . . . whereas Turkey is a functioning democracy."

Mr. Chairman, we cannot and should not suppress the facts. We should display confidence in our own people and tell them the truth. As I have said, we are not talking about doing any favors for the Iranians, we are talking about protecting the well-being of the American people.

An investigation should be conducted to get honest facts. It is a cheapening of the Congressional hearing process to trade hearings for hostages. I can tell you that Bani-Sadr does not want this and neither should we. Hearings should be held for truth's sake.

The concept is well-stated in the Christian "Golden Rule" which says, "Do unto others as you would have them do unto you," not "Do unto others if and when they do something for you."

Let us take the initiative, Mr. Chairman. It is time for facts; it is time for honesty; it is time for morality; and certainly it is far past time to act rather than react if we are going to get our hostages home, strengthen our national security, and restore our image as a great and good nation. It is vitally important to have hearings—now!

Sincerely,

GEORGE HANSEN,
Member of Congress.

HOUSE OF REPRESENTATIVES,
Washington, D.C., March 24, 1980.

Hon. HENRY S. REUSS,
Chairman, Committee on Banking, Finance and Urban Affairs, Washington, D.C.

DEAR MR. CHAIRMAN: I appreciated your letter of Dec. 13, 1979 expressing agreement to my "view that priority must be given to the safe return of the hostages" and that "nothing must interfere with the efforts of the Executive to secure their release."

It is on that foundation that I hereby renew my request for an immediate investigation into the Iran crisis for the strongest possible reasons—reasons very compatible with the mission of the Banking Committee and your own expressed concerns.

You may be surprised to learn that when I was in Iran in November, a telex came into my possession containing a very interesting account of your activities. This message is a news backgrounder for one of the American networks from the United States through the Tehran Intercontinental (Hotel) Telex dated Nov. 27, 1979 and reads as follows:

Chile insulted us as deeply and as deliberately as Iran. No one that we know of has died as a result but then we never know what happens to the people who defy that repulsive regime.

The dictatorship of Gen. Augusto Pinochet sent thugs here to kill people in our streets. A Grand Jury indicted the former head of his Secret Police as the architect of the murders of Chilean exile leader Orlando Letelier and a young American citizen named Ronni Moffit.

The U.S. requested the extradition of Gen-Manual Conureras and his two accomplices. Chile took its time about it but in the end refused.

Why did Pinochet dare to spit in Carter's eye? Because it seems, the "human rights" Administration can do him no deep harm. Congress has cut official aid in the form of military assistance to the bone, but he does not worry.

He is getting a billion dollars worth of loans from private U.S. banks. The U.S. has taken no reprisals.

When Chairman Henry Reuss of the House Banking Committee wrote a letter to Secretary of State Vance last May protesting Chile's preliminary refusal and suggested that U.S. banks be prohibited from subverting U.S. Foreign Policy, he was rebuffed.

He received a letter from the Assistant Secretary of State for Congressional Liaison, Douglas J. Bennet with the following paragraph about the unwisdom of forcing banks to withhold loans to countries with bad records on oppression terrorism and torture:

"It would expose U.S. banks to a charge of acting as agents of U.S. Foreign Policy," Bennet wrote.

David Rockefeller has just opened a branch of Chase Manhattan in Santiago.

All Rockefellers are compulsive collectors and David seems to be carrying on the family tradition. But his tendancy to collect dictators is proving somewhat expensive for the country—and for that matter for world peace.

He cannot be faulted for pursuing his own interests. In a democracy everyone has a right.

But since he is obviously so much more heeded than the rest of us, let us hope that he acquires some new friends and new causes.

Mr. Chairman, I reviewed your letter to Secretary of State Cyrus Vance of May 17, 1979 to which the above Telex refers, particularly the following paragraph:

"This is an intolerable situation. I strongly urge you to include, in your review of our relations with Chile, a thorough analysis of the effect that loans from private American banks have had on the Chilean economy, on the ability of the Chilean Government to finance its international payments and to meet the service on its foreign debt, and on the political strength of the ruling junta. I urge you to take a careful look at the relative importance of United States banks as against other sources of credit available to Chile, and I ask you to weigh the consequences of directing American banks to discontinue the granting of new loans to Chile, and to refuse to renew existing debts when they come due, until such time as the Chilean

Government sees fit to comply with the extradition request. If you decide on such a course, I will support you fully."

Mr. Chairman, your proposal for Chile was ironically rejected by the State Department because "it would expose U.S. banks to a charge of acting as agents of U.S. Foreign Policy," but the identical idea was applied six months later for the same reason against Iran.

However, in the case of Iran, one of the big banks, Chase Manhattan, already referred to in the memo on Chile, has flagrantly and precipitously plunged the United States into a world crisis by assuming the role of agent for U.S. Foreign Policy with regard to Iran for the apparent purpose of protecting or enhancing its own financial position. Key officials of the Chase Bank have operated in apparent violation of the Logan Act and their company responsibilities to risk the solvency of one of the nation's leading banks and seriously jeopardizing the interests of their depositors and stockholders.

Today's Washington Post (March 24, 1980) clearly indicates that the involvement is as big as ever. General Omar Torrijos of Panama, involved in the controversy over the Former Shah of Iran, is quoted by Foreign Service correspondent Jonathan Randall as saying, "I cannot wait one minute longer. I don't have the economic or political means to stand up to threatened reprisals from David Rockefeller, Chairman of the Chase Manhattan Bank, and former U.S. Secretary of State Henry Kissinger."

The Rockefeller-Kissinger ploy to have the Shah fly to Egypt for further medical treatment came one day before his extradition papers were to be served on the Government of Panama by the Government of Iran. The move was in apparent conflict with U.S. Foreign Policy which is reported to have opposed his leaving Panama because of concern for its impact on the hostages.

To impact the seriousness of this situation I quote for you a frightening scenario which has surfaced in similar form in many responsible national and international financial journals.

"It is now apparent that the Iranian crisis was provoked by the Chase Manhattan Bank to save itself from possible bankruptcy."

The story, confirmed in its details by Chase and U.S. officials, reads like the plot of a Paul Erdman novel. However, the circumstantial evidence of a conspiracy is overwhelming.

Under the rule of the Shah, the national Iranian oil companies deposited most of their revenues in Chase Manhattan's offshore branches. The Chase Manhattan handled about $85 million a day in Iranian oil money, or more than $20 billion a year—a massive deposit base for Chase to use for its loan and other business operations. About four or five months ago, soon after the fall of the Shah, the revolutionary regime of the Ayatollah Khomeini began to withdraw the Iranian funds from the Chase branches.

The Iranian run on the Chase was a reaction to the long friendship between the Shah and the Chairman of Chase Manhattan, David Rockefeller. Because of the size of the deposits, the Iranian withdrawals clearly posed a threat to the bank's solvency and survival, and there was no legal way they could be stopped.

THE CHASE ADVANTAGE

Suddenly, about three months ago, David Rockefeller and Henry Kissinger began to put pressure on President Carter to admit the Shah to New York for medical treatment.

The Carter Administration was well aware that the admission of the Shah would provoke an attack on the U.S. Embassy in Tehran, but it gave a green light to the deposed ruler anyway. Then, when Khomeini refused to obtain release of the hostages and made further threats against the United States, President Carter froze Iranian assets.

The freeze prevented further withdrawals of Iranian funds from the Chase which had the lion's share of the Iranian oil money. However, under the freeze the Chase was not allowed to use the funds. Therefore, it had to find a pretext to seize the money.

On November 21, in a maneuver that has been labeled illegal by the U.S. Treasury and condemned as a 'major infraction' of the International Banking Code by a major Swiss bank, Chase 'gave notice of payment default' by Iran on a syndicated loan of $500 million. Chase said that the default was due to the fact that Bank Markazi, the Iranian central bank, had not met its loan payment of $4 million due on November 15. Officials of Bank Markazi claimed the order to transfer the funds had been issued to Chase on November 5.

In a Reuters news story on November 23, Chase Manhattan N.A. admitted that it had indeed received the Iranian's transfer order, but it said its head office "could not execute Bank Markazi's request on the day it was supposed to have done so, because it would have been a violation of U.S. law." In other words, the Chase refused to move the available funds on the order of its client, Iran, and then declared that the client was in default of the loan. . .

The CIA put the Shah on the throne of Iran in 1953. By the early 1960's, the Shah and David Rockefeller were close friends and the Chase Manhattan was beginning to get a significant piece of Iranian oil revenue deposits. In 1973, Chase led a $250 million loan to the Shah's government, the largest loan that had been made to Iran. In the same year, the Shah led OPEC to impose its first major oil increase on the Western world providing more revenues for deposit in Chase Manhattan Bank and higher profits for the oil companies in which the Rockefellers were major shareholders.

Public opinion polls have been giving President Carter high marks for the asset freeze and his calm determination in handling the Iranian situation. Meanwhile, the hostages are not free, and while the Chase Manhattan Bank appears to be in good shape, smaller central banks and OPEC countries, fearful that they may be next on the freeze and seize list, are beginning to move major funds out of the dollar threatening yet another major crisis for the greenback. As Ali-Khalifa Al-Sabah, Oil Minister of Kwait, commented, "President Carter is taking a serious risk."

Mr. Chairman, to verify the validity of the scenario described I have personally asked Iranian authorities for an accounting of Iran Oil Company deposits into the Chase Bank and incomplete reports from deposit slips already show $6,419,824,970 in deposits during the first eight months of 1979 alone, before the cut-off by the new government.

This is further substantiated by data in a recent Washington Post article by Walter Pincus and Dan Morgan who state:

"The President's decision to block Iranian government holdings in U.S. banks and their branches abroad disrupted a complex financial system by which Iran funneled $50 million a day in oil revenues into American, European and Japanese banks. . . .

Beginning in 1973, as petroleum prices escalated and Iran's oil export earnings soared, increasingly large volumes of Iranian dollars flowed through Chase's facilities, according to affidavits filed by Alan M. Delaman, Vice President of Chase's International department, in connection with a pending lawsuit.

According to Delaman, some $15 billion passed through the Iranian central bank's operating account at Chase in New York City between April 1977 and November 1979.

He said the relationship between the central bank's accounts at Chase were 'closely tied to the National Iranian Oil Co.'s accounts at Chase.'

The court documents describe how huge receipts from Iran's oil sales to the United States moved from U.S. oil companies' bank accounts to the National Iranian Oil Co.'s accounts in New York City, and then to the Iranian central bank's account there, and finally to an interest-bearing 'call account' in London. Throughout this process, much of the money stayed in Chase and simply moved from one account to another.

Even after the Shah left, from February to August, 1979, it took time for the new regime to alter this system. According to the affidavit, $6 billion went from the Iranian oil company's account to the central bank's account in Chase.

Gradually, however, the Chase role diminished, and by the fall of 1979 its National Iranian Oil Co.'s accounts were almost depleted, according to its own affidavits.

After the Shah left Iran, there was political and economic chaos in the country. Millions of dollars of defense contracts were terminated, and vast construction projects were halted.

It was at this late stage that the U.S. Government and U.S. commercial banking interests began devising strategies to protect their loans and their property in Iran.

Thus, before the seizure of the hostages, U.S. Treasury Department officials had discussed the possibilities of a freeze of Iranian assets, and banks had called in their lawyers to assess their loans to Iranian borrowers.

In 1976, 1977 and 1978, international banks, with U.S. institutions in the lead, extended $3.8 billion in credits to the Iranian government and private borrowers for development of pipelines, textile plants, petrochemical factories and other facilities.

The banks were eager for the business because Iran's oil provided a guarantee of payment.

The loan at the core of a major controversy is a January 1977 $500 million, seven-year credit to the Iranian government. This loan, managed by Chase and extended by a syndicate of 11 European and American banks, came at a time when the Shah's ambitious military and other spending programs had outrun the oil income.

The controversy over Chase's management of this loan dates to Nov. 5, 1979, the day after the hostages were seized at the American Embassy.

Despite the turmoil on the streets, the Iranian central bank dispatched a business-as-usual cable to Chase, ordering it to use $4,052,951.39 in an account in London to pay an installment on the $500 million loan due on Nov. 15.

In the ensuing week, tempers rose in the United States, and frustration mounted as Americans viewed the seeming inability of the President to take action.

On Nov. 14, then foreign minister Bani-Sadr added to the tensions in the banking community by telling a news conference in Tehran that Iran would be justified in withdrawing all its funds from U.S. banks.

Treasury Department officials, alerted to the Iranian's remarks, hurried to work at 4 a.m. that morning, and put the final touches on an already prepared plan to freeze Iranian assets. At 8:10 a.m. the President signed the freeze order.

"We acted knowing it would have adverse side effects, but there was literally nothing else to do" a Treasury official said.

Because most of the U.S. held Iranian funds were in London branches drawing interest, the freeze order was extended to foreign branches as well, a step that drew strong protests from European banks.

The government also authorized the U.S. banks to apply this overseas Iranian money to any unpaid loans by its overseas branches, a step described by a top New York banker this week as unexpected and unprecedented.

One Treasury Department official acknowledged this was done because it seemed highly doubtful that British and French courts would sustain the administration's seizure of the assets abroad.

For Chase, this proviso was advantageous, since, at that time, its loans to Iran totaled $366 million, while its New York deposits were $39 million. A total of $253 million was at Chase's bank in London.

With the freeze order in place, Chase notified the Iranian central bank by cable that it was "unable to comply with the request" to apply British funds to the loan payment due that day "because of the blocking order."

Four days later Chase notified other members of the 11-bank syndicate that the central bank was in default. This set off a default on the entire $500 million dollar loan.

Under the domino system that governs the international banking fraternity, this default in turn set off a chain reaction of bank defaults against other outstanding Iranian loans.

This situation has contributed to the rush of lenders and corporations seeking to protect their financial stakes.

However, the controversy over Chase's action lingers.

Treasury officials, justifying the default action, say that the Iranians were offered, and refused, the opportunity to bring new Iranian money into the United States to cover the loan installment that had been due at Chase at 10 a.m. Nov. 15.

But U.S. lawyers for the Iranian central bank charge that Chase could have used other Iranian accounts to pay the installment.

And two Swiss banks in the 11-bank syndicate, the Union Bank and Swiss Bank Corp., strongly criticized Chase's handling of the default on grounds that it set a disastrous precedent for the international banking system.

Mr. Chairman, the situation involving Iran and the solvency and operating procedures of some of our largest banks is so chaotic and potentially dangerous to American depositors and consumers, to our status in the world banking community, and, indeed, to our national security that our Committee cannot ignore its responsibility to investigate and hold hearings.

The crisis we face is not just one of military confrontation and State Department negotiations, it is an economic crisis which deeply involves the integrity and viability of the domestic and foreign banking systems, particularly since some key banks seem to have become perilously intertwined into U.S. Foreign Policy.

Some of the grave danger to which we must now address ourselves is spelled out in further statements in the Pincus-Morgan article as follows:

"The unfreezing of 56 billion in Iranian gold and dollar deposits in American banks and branches is one of the conditions involved in release of the U.S. hostages," the governor of Iran's central bank said in Tehran yesterday in a telephone interview.

That remark by Ali Reza Nobari, Iran's top banker and a close political associate of President Abol Hassan Bani Sadr, was the first public suggestion that a settlement of the 103-day crisis may have to include a plan for ending the freeze that President Carter ordered Nov. 14.

While the Carter administration has the power to lift the freeze quickly, such a step would not necessarily release the money to the Iranians.

Banking sources said in New York this week, that it would still leave unsettled the growing mountain of court suits by U.S. banks and corporations that have been scrambling after the blocked funds to cover outstanding loans and lost assets in Iran. . . .

Though politically popular at the time, the blocking of funds has had far-reaching impact on the world's banking system. It has led to more than 100 individual lawsuits by U.S. banks and corporations seeking to protect themselves.

And it has caused a sharp split between some of the giant western banks that dominate the world's financial system.

"Putting Humpty-Dumpty back together again is going to be difficult," one senior Treasury Department official commented.

Officially, he said the U.S. government had no comment on the Nobari statement. Privately, a government source acknowledged that "a negotiation will occur" over removal of the freeze, but he declined to discuss "sensitive" details of any such effort.

The integrity of banking operations is of vital importance, but so also is the question of solvency. And the solvency of the Chase Manhattan Bank has been repeatedly questioned, particularly as to its hyper-active financial involvement in world politics and U.S. foreign policy in the person of its Chairman David Rockefeller.

How can it be coincidental that the Chase Bank is always the one at the scene with its financial chestnuts in the fire needing U.S. government action to bail out from over-involvement or risky loans?

As you know, Mr. Chairman, it has been Chase in Chile, Chase in the Panama Canal controversy, Chase in the Iran crisis and more.

In Iran there is question as to whether a Chase Bank, in difficulty at the time of the Franklin Bank failure, was temporarily saved by huge oil deposits and other business diverted to them by the Shah only to be again exposed when that windfall was being cut off by Khomeini. There is speculation as to the amount of interest Chase collected on deposit float from Iranian oil—that it alone may have been a determining difference in whether the bank showed a profitable or losing operational picture.

In addition to the questions of integrity and solvency there is also the over-riding problem of freeing the 53 Americans held hostage in Iran and what impact the court and regulatory entanglement involving funds and assets frozen in U.S. banks will have on the timing and circumstances of their release.

Banking Committee hearings could speed up hostage release time and also prevent many complications which might extend their captivity. Iranian President Bani-Sadr has on several occasions expressed the need for Congressional hearings—hearings which may well (1) establish the truth regarding the Shah's relationship with U.S. banks which could ease the antagonism between our two nations, and (2) clear up many of the problems arising from the freeze of Iranian assets and accounts to eliminate unnecessary residual misunderstandings which could delay release of the hostages.

To assure the earliest possible end to their captivity, it is critical that we act immediately to remove all possible road blocks.

It would be most regrettable, Mr. Chairman, if we were to contribute to the misery of the hostages and their families and continued national peril by Committee inaction.

Mr. Chairman, the banking problems as outlined concerning the Iran crisis are shocking, but by no means is that the whole picture.

The total story, which I have documented, involves an interlocking series of scandals so pervasive that they deserve to be termed "Irangate." There is no longer any question of suppressing the facts which led to the tragedy of the last four months. Neither the Congress nor the Administration can hope to deny the media and the people the complete story of the mess created by our own government with the connivance and active involvement of leading American banks and financial interests.

The most rudimentary outline of the story includes indications of at least four separate scandals to which I will refer later.

1. The alleged involvement of elements of the American arms industry, often staffed by retired military and civilian government personnel, in pauperizing the people of Iran by urging unuseable volumes of military hardware and software which could neither be serviced nor utilized. As yet unknown is the full burden of this waste on our own citizens—common sense tells us that the cost has been large.

2. The apparent bribery of the Iranian royal family by certain American corporations such as Lockheed and Textron.

3. The constant interference by officials of one of this nation's largest banks in the foreign affairs of the United States without protest by the State Department. Part of the same intrigue is the revolving door employment by the same bank of former and future high government officials.

4. The scandalous land swindles involving the Iranian royal family, in which the ultimate victims were the peasants of Iran and the taxpayers and consumers of the United States.

At the center of each of these activities the same banking and energy interests continually surface. In each case, the Chase-Exxon axis has seemingly pursued its own interests in apparent disregard of the interests of the United States.

Following is a brief outline of only some of the facets of the interrelated matters which make up the mosaic of the Iran scandal.

I. THE BANK INVOLVEMENT AND ITS IMPACT ON THE ECONOMIC STABILITY OF THE UNITED STATES

The beginning of the crisis in Iran was the admission of the former Shah of Iran into the United States allegedly for medical treatment which could be procured nowhere else but in the United States and apparently no where else but in the same city as the head office of the Chase Bank. The facts which are beyond controversy in the matter by themselves raise serious questions about the involvement of the bank in so serious a foreign policy matter.

1. State had been warned by its own people in the country that any attempt to bring the Shah into the United States would have serious repercussions in Iran and would lead to an attempt by Iranians to enter the embassy and take hostages. State Department personnel in Washington concurred with this assessment more than three months before the Shah was admitted.

2. By their own admission, David Rockefeller, chairman of Chase and Henry Kissinger, one of his employees were the principle forces in seeking entry for the Shah into the United States.

3. Representations concerning the Shah's return to Mexico, which representations were central in his admission to the United States, were made to the Department of State, not by representatives of the Mexican government, but by Rockefeller and his agents.

4. The so-called medical "emergency" is now universally discounted as a fabrication.

5. Chase had and has now a major stake in assets of the Iranian government and of the Shah personally. Chase was the principal depository of Iranian money in the United States and in foreign branches of Chase. During 1979, the Iranian government deposited from January through August a sum in excess of six billion dollars (a rate annualized at nine billion dollars). It must be remembered that during 1979, Iran's oil production had begun to decline as a result of the revolution and their deposits in the Chase Bank dwindled following the overthrow of the Shah.

6. The banking community was rife with stories that Chase was in serious liquidity problems as a result of the threat of the new Iranian government to withdraw its assets from Chase.

7. The freeze prevented the withdrawal and perhaps the crisis at Chase predicted by many substantial financial journals like the London Times.

8. Shortly after the freeze, Chase declared a default on a syndicated Iranian loan of $500 million on the ground that a regular interest payment had not been made. The payment had in fact been authorized before the freeze but Chase took the position that it could not be paid.

9. Former officers of Chase have admitted that Chase realized a profit on the Iranian deposits of more than one hundred million dollars annually, and there are authorities who place the figure at several times that amount.

10. In its January issue, the ABA Banking Journal (p. 42) states that the Iranian matter could cause the unraveling of international syndicated lending. The conclusion drawn from the default by American banks of Iranian loans was that "a group of banks holding more or less standard loan agreements don't understand the agreements the same way."

11. Harper's, in February, published an article called "Bankers' Casino."

The author flatly states that the default actions by American banks could cause "something akin to a bank panic." It is obvious that even the appearance of trouble can cause a bank to go under. When that bank is as large and prestigious as the Chase, there is serious cause for a close examination by the House Banking Committee. I do not think that anyone would disagree that an investigation before the sinking of the Titanic would have been more productive than a board of inquiry after the disaster.

12. The public has already perceived, rightly in my view, that our major banking institutions have had an undue influence on the foreign policy of the United States for their own benefit. It is only a few months since the United States, by a negotiator from the banking community gave its Panama Canal to a nation which was at the same time in serious debt to the American banks, which could not be paid without the infusion of the very payments arranged by the bank negotiator. It is not lost on our constituents that Panama is beginning to be regarded as the Switzerland of the Americas, having conveniently enacted laws greatly advantageous to these same banks. If anything is axiomatic, it is that our financial system survives on popular confidence. If the public perceives that the government is being manipulated by the banking community for its own purposes and the watchdog committees like Banking refuse to look at the question, then "bank panic" will be more than justified.

13. The most serious concern about the intertwining of the interests of big banks with U.S. foreign policy is that the tail can wag the dog. When the banks get over-involved, they are now demonstrating repeatedly their ability to recoup by manipulating treaties, as in the case of the Panama Canal, or precipitating a world crisis as in the case of Iran and the resulting Middle East confrontation with the Soviet Union.

II. THE UNITED STATES, THE BANKS AND IRAN INTERCHANGEABLE PERSONNEL

Among the issues which the Iran crisis has brought into public view is the pattern of the same faces being at different times high government officials, bank representatives and employees or representatives of the Shah. Sometimes you can't tell in what capacity a man is acting without a stop watch. Again, using only admitted and documented facts, the involvement of the banking community and its personnel in the Iran crisis is striking.

1. As I mentioned above, Mr. Rockefeller and Mr. Kissinger, his employee, not only admit their part in the fiasco of the entry of the Shah, they are actually in controversy with the Secretary of State over who is principally to blame for the shameful business. Suffice it to say that the banking community is clearly involved as agent for the Shah.

2. The involvement of another long-time associate of the banking-energy combine of Mr. Rockefeller is even more intimate with Iran and the Shah and more bizarre than any one else. William Rogers, at various times Secretary of State, Rockefeller attorney, trustee of the Shah's American Foundation—the Pahlavi Foundation—and attorney for the Shah, many members of his family, the Shah's Omran Bank, and the Foundation, played a major part in a series of events that eventually led to the fateful decision to admit the Shah to the United States.

3. As Secretary of State, he is credited with helping arrange for the Shah to raise oil prices. This of course increased the Shah's already enormous wealth. It also was the beginning of the price spiral which now afflicts the United States and most of the West with runaway inflation. The Shah contends that it was done in order to provide the funds with which Iran could pay for the enormous supply of military equipment which he says the United States required him to buy. It also swelled the flow of Iranian deposits into the coffers of the Chase bank.

4. Mr. Rogers left the State Department on Sept. 3, 1973. He soon appears as the attorney of record for the Shah's relatives and his bank, the Bank Omran—as early as January 4, 1974. During this time span, there was a statute (Title 18 USC Section 207) which made acting on behalf of anyone other than the United States in any matter which was within one's jurisdiction as a government officer for a period of one year after government employment a criminal act. But just as Rockefeller and Kissinger have ignored the Logan Act, Mr. Rogers appears to have forgotten the Conflict Statute.

5. While acting for the Foundation and the ruler of Iran, neither Mr. Rogers nor his firm appear to have registered as agents for a foreign government. By contrast, advertising agencies, pollsters and opinion researchers registered on behalf of the embassy, the consul general and even the Khuzestan Water and Power authority.

6. While representing the Pahlavi Foundation of New York, an Iranian government funded* organization, Mr. Rogers and his law firm were reportedly paid $35,000 per month—a total of more than a million dollars to care for the legal needs of a foundation with one asset—an office building on Fifth Avenue in New York City. A legitimate question arises of whether the Foundation was merely a conduit to pay the legal fees for services of the Rogers firm to members of the royal family.

In response, Mr. Rogers contends that he "played no role in the series of events which led to the Shah's admission to the United States for medical treatment," that his "firm successfully acted as counsel for Iranian interests in a few litigated cases which are a matter of public record and clearly exempt from registration," and that his firm only collected $10,000 per month for five years—a total of over $600,000. However, this generalization does not address itself to the facts of history, nor the specifics of the law, or really refute the enormous fees collected for the apparently limited volume of services provided. In fact, there are also reports of unpaid legal fees of hundreds of thousands of dollars owed to the law firm which could easily bring Mr. Rogers' figures into the area of the $1 million in fees charged reported by the Foundation.

7. For a time Iran was also apparently represented by the firm of John J. McCloy, former head of the World Bank.

At a point in each of these lists of facts, it becomes apparent that there is a kind of mutual protection group and swing-shift system which arranges to make sure that the big banks do not suffer no matter what happens. If it can be arranged that the Iranians pay for the banks' profits, so much the better, but if it falls out that the American taxpayer must foot the bill by taxation or expropriation as in the Panama Canal operation, or by inflation as in forcing up the price of energy as in Iran, or in covering for bank collapse as in the Franklin National, in the freezing and confiscation of assets through crisis management, the cruel fact of life seems to be that the protected group does not suffer.

Patriotism does not require that the American taxpayer continue to play the patsy and avert his eyes from the people who are picking his pockets. It appears to me that it is precisely the function of the Banking Committee to protect, not the bank board room or the attorney's conference table, but the average depositors who are always the victims of these maneuvers.

III. THE IRANIAN ROYAL FAMILY LANDLORD TO A WHOLE COUNTRY

The Shah of Iran brought great progress to his nation during his rule—progress in terms of business development, industry and military strength. Vast changes were made in housing, employment, social and economic patterns considered at a distance by Western standards to be most meritorious, especially in light of his strong anti-Communist posture. However, it has now become readily apparent that too many of the changes were cosmetic and that the Shah's operation was riddled with graft, skimming, kickbacks and other corrupt practices.

Normally, the activities of a despot in his own country are none of the business of the United States. We have a commitment to urge all nations to adopt a view of mankind which respects human dignity. But we are not a human rights commission to the world.

In the case of the Shah of Iran, however, two factors require us to look closely at his manipulation of land ownership and values in his own country. First, the United States admittedly returned him to the throne in 1953 after being involved in the overthrow of Mossadegh. Without arguing the right or wrong of that ancient history, once we did it, we had an obligation to our own people and to the Iranian people to see to it that we had not unleashed a monster.

Second, over the past twenty-five years, the Shah and his relatives are reported to have condemned land on a grand scale in Iran to gain possession from the peasants under the guise of creating modern housing for the Iranian masses. Financing both the acquisition and construction of new housing through the Iranian government-owned and dominated banking system, the Shah subdivided property into scandalously overpriced units and then priced his new housing at astronomical figures. Much of this housing was then sold at astronomical prices or leased for exorbitant rentals to the American business and government executives and technicians who charged back the rip-off to U.S. taxpayers and consumers.

Further testimony by those contending that monopoly land dealings were at the base of much of the skimming of Iran's national assets by the Shah and his family and associates reminds us that all banks in Iran were controlled or owned by the Shah. Basically, land would be sold at enormously high prices to developers, and the resulting homes would essentially constitute an indirect monopoly, because the only mortgage money would come from the Shah's banks. These loans had low down payments and long terms, and high rates. Thus, the land would be given up by the Shah in return for what amounts to a lifetime of repayment income, aggregating much more than the true value, because of the bank monopoly.

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* NOTE: Through a self-liquidating, no-interest loan from Bank Melli.

The builders, it appears, were largely paid in advance, and some American firms are reported to have received substantial sums but, with the intervention of the Revolution, have never done any actual work. It is alleged that operations in foreign exchange left the Iranian citizens with fiat money and high inflation, while the Shah's banks ended up with hard dollars that were then sent abroad. The latter part of the "scam" would have to have been carried out through foreign banks in Europe, since no Iranian bank has deposit branches abroad, and no European bank has deposit branches in Iran.

Evidently, the American taxpayer and consumer and their counterparts from other nations as well as Iranian citizens paid the freight for these highly profitable land manipulations which handsomely subsidized the Royal Family. The oil people and other business operations had no real interest in complaining about overpriced housing because it was coming out of consumers pockets and off the tax structure, as a cost of doing business, not out of their profits. Government people could charge it off their tax-paid expense accounts. With such a silent partnership going, the taxpayer and consumer have been making up the difference and the Shah has been pocketing the outlandish profits and rentals into his personal and family coffers.

Even where public housing was built, the units were apparently owned in such a way as to be a personal income venture for the Shah and the rents were correspondingly exorbitant. Without even mentioning the complaints about human rights abuses, is it any wonder that Iran became fertile soil for anti-Shah and therefore anti-American turmoil?

Since the disruption of the Iranian banking system because of the revolution, we do not know the extent of the involvement of American banks in this get rich land scheme. In view of the intimate financing of all the other ventures of the Shah in military, energy and international banking matters by the Chase and other American banks, it would be surprising if the evidence did not ultimately show that some of these same banks were involved in what in this country would be called a land swindle.

The question facing us in the Banking Committee is simple. Can we listen to American banks asking for guarantees on high interest soft loans made to Lesser Developed Countries (LDC's) without also looking at the full picture of all the business churned by those banks in these same countries and the profits raked off in those transactions? Can we afford to make the United States and the American taxpayer the classic bumpkin who is only a partner on the losing ventures?

Ultimately, Iran, Panama, Chile and other countries are forcing us to take cognizance of a new phenomenon. What is the total impact on the foreign policy of the United States of the financial activities of American banks? Can our Committee ignore the simple fact that bankers Bunker and Linowitz produced the Panamanian debacle? Bankers Rockefeller and Kissinger along with Kissinger's Secretary of State colleagues William Rogers and Cyrus Vance seem to be up to their armpits in causing the Iranian mess.

One has to ask where else the United States responded to big bank pressures to produce a compromise of our interests for the benefit of the international banks? Did American banks have a hand in the recognition of the People's Republic of China (PRC) at the expense of the Taiwan-based Republic of China (ROC)? Whatever the answers to these questions, can our Committee simply ignore the clear and current evidence in the Iran matter while the probability exists that big banks have now branched out from dominating domestic policy to manipulation of foreign policy?

If our primary function as a Banking Committee is not to inform ourselves on the activities of the American banking community, are we not reduced to being mechanics who make sure the vehicle is in running order, but are denied the right to question where it is going?

IV. THE KICKBACK. IS IT JUST A GOOD OLD AMERICAN CUSTOM?

None of us needs to be told that American businessmen have defended themselves against charges of paying off foreign markets for orders on the grounds that it is just a common business practice.

Without commenting on such nonsense, does such a defense each even into the President's Cabinet where the man now sitting as Secretary of the Treasury headed a company, Textron Inc.—which admittedly paid off the Shah and the Royal family over six million dollars in the years he ran the company? It it unfair to question whether a man who claims he didn't know where so much of his company's assets were going should preside over the revenues and expenditures of the United States?

Should we ignore the simple fact that Mr. Miller and his business were intimately bound up with the Chase Bank where he served as a member of the Board of Directors? How much evidence does the Banking Committee need before it begins to assess whether it is our banking community or the government which is handling delicate foreign affairs?

Events do not occur in neat plastic packages. Involved in the Chase Bank orbit are David Rockefeller and his high-powered Trilateral Commission friends, many of whom hold or have held high office in the U.S. Government and key private positions having fateful dealings with Iran. If Chase people and our own Secretary of Treasury are in any way responsible for the Iranian crisis, and the evidence is ovewhelming by their own admissions that they are, then we have already lost dozens, if not hundreds of lives because of their activities. For example, can we doubt that the lives lost in the American Islamabad Embassy in Pakistan are the direct result of the conduct of these men?

Tehran is the father of many tragedies including Bogota. More important, the crisis in which our domestic financial community has had such a dominant hand could yet erupt into a shooting war. It is difficult to imagine that we could turn our backs on substantial evidence that the sources of the danger we face are within the jurisdiction of our Committee.

Cetrainly we should act to find out how internationally operating banks can cooperate in extracting public monies from a country and converting them to the private use of those having the power to impose monopolistic arrangements on the economy of that country. The possibilities for such theft are by no means limited to Iran and might also very easily be happening eleswhere. To the extent that American individuals and businesses have to operate in such countries, they are skimmed'", and to the extent that American banks cooperate in the skimming, they are acting in a criminal manner. Whether Americans are criminals or victims in such operations, as long as American banks are a key part of the process, it is incumbent on us to try to expose these illegalities.

One letter is not the proper vehicle to set out all the evidence even in one category of this complex story. Suffice it to say that the same sordid back street payoff system has ben laid to the doorstep of Northrup as well as the heavily publicized Lockheed corporation.

I am not so naive as to believe that the world of big business is run like a Sunday school. However, I do believe that, when that business world has led us again to the edge of war, our only option is to look at the evidence and do what we can to restore order before we are forced as House Members to vote to go to war for the greed of profiteering and power-hungry men.

How can we tell the mothers of this nation that we're sending their sons and daughters to fight a war over an argument about where an ex-king gets his medical treatment?

V. THE MILITARY HARDWARE SALESMAN

I mentioned earlier in this letter that former Secretary Rogers, together with the then National Security adviser Henry Kissinger, were the principal forces involved with the Shah in pushing up the price of oil in order to support the payments necessary to buy American armaments. It is ironic to note that in assessments made of the state of readiness of Iranian armed forces after the hostages were taken, it was revealed that, while Iran had a huge stockpile of sophisticated weapons, almost none of them were combat ready and that there was literally no native maintenance capacity for the little that was combat capable. The same has been shown to be true of expensive and sophisticated computers.

In other words, Iran had, under the Shah bought billions of dollars of computers and war material which they were largely incapable of using. We had acquired our large market for domestic manufacturers at the cost of quadrupled oil prices without adding significantly to the technical or strategic strength of a nation considered to be our bulwark in the Middle East.

Ironically, when it was all over, the Shah on the TV program "20–20" on January 17, 1980, blamed certain American oil companies for his downfall, alleging a conspiracy "to have a shortage of oil, in order to make the prices go up."

In the other body, the Senate Banking Committee is investigating another aspect of arms purchases which has produced yet another rake-off scheme in which all the elements of the sordid mess that is our Iran policy come together. Involved is the current Secretary of the Treasury, G. William Miller, who was the Chief Executive officer of Textron Corporation during a period when huge kickbacks were paid by large American corporations to brothers-in-law of the Shah—a scandalous replay of the earlier illegal kickbacks by Lockheed and others to many foreign interests including the Shah's family. To sell arms to Iran, U.S. firms were required to pay off members of the Shah's family or other favored individuals. The money in this major case was largely handled and "laundered" through an Oklahoma bank. Such giants as Rockwell International, Lycoming, and Bell Helicopter admit making the payoffs.

Once put through the Oklahoma bank, the money went directly to the Shah's relatives. Some of the money went to purchase real estate in Oklahoma. Some went to the Swiss bank account of the Shah's brother-in-law, Air Force General Khatami. Lest this be passed off as a small graft, this one operation, called Air Taxi, produced more than six hundred thousand dollars in rake-off to General Khatami in only seven months.

This operation was, in fact, only one of several channels through which pay-offs by U.S. arms manufacturers gave "commissions" to the Shah's relatives. The total size of the entire skim is not yet known and perhaps will never be known unless there is a public investigation to get from American companies a full picture of their dealings with Iran and the Royal family. This would include not only arms manufacturers but banks and public relations firms hired to paint a picture of the Shah for the American public as a great and benevolent ruler.

It is just such an investigation which I urge that the House Banking Committee undertake. In so doing, we will take a giant step toward learning from our mistakes in Iran. We will reinforce the credibility of the Congress with the people at a time when it sorely needs reinforcement. We will gain the insight necessary into the legislative limits which must be imposed on our big domestic banks before they become the tail that wags the dog.

The entire Iran mess is now so obvious and so rancid that a failure to act will only tend to confirm to the public that the Congress represents, not the people, but other masters and that we are not free to question those other masters. We know that this is untrue, but we also know that appearance is almost as important as substance in matters of this kind. The people deserve some straight answers to straight questions. No one else seems prepared to ask those questions. Congress must act. It is vital that we immediately take up the matter of the banks and Iran and follow it wherever it may lead.

CONCLUSION

Mr. Chairman it is vitally important that investigations be initiated by the Congress to determine the facts surrounding the events which have roots in our national policies for the past thirty years.

In view of the intimate involvement of international banks and of American bankers in both instigating that policy and in causing the immediate events involving the taking of the hostages, there appears to be little question that the Committee on Banking, Finance and Urban Affairs is the proper forum for such an investigation. Strengthening that view are the limited steps already taken by the Chairman of the Senate Banking Committee.

Since I last wrote you, the flow of events has resulted in the creation of an International Commission responsive to the United Nations on the Iranian crisis. This Commission, which has currently gone into a holding pattern because of stalemated efforts, is still planning to delve into many of the matters under Banking Committee jurisdiction. That in itself is good reason for our involvement since we have no control over evidentiary standards and anti-American bias in such investigating bodies. There is, therefore, an additional urgency for the commencement of a thorough and impartial investigation by the Congress and specifically by the Banking Committee of the House.

But beyond the fact that an investigation is preferable to an inquisition, there is the more pressing reason to initiate an investigation in the potential for mischief in the American banking system of huge deposits into U.S. banks by Middle Eastern oil principalities. Iran has given us strong signals that there are serious dangers to the stability of our domestic banks in the volatile nature of these float accounts.

Added to these reasons, there is now little doubt that officials of the United States Government both while employed by the United States and in private capacities apparently did grave damage to American interests and security by acting in contravention of statutory prohibitions against kickbacks, conflicts of interest, representation of foreign governments, and in less than ethical manner even where statutes were not broken. The involvement of the highest echelon of government officials in the Iranian disaster demands attention. That these same officials have been intimately connected with big banking interests in the United States raises questions which simply cannot be swept aside. This crisis and the true dangers to our economic stability and national security must be promptly and effectively dealt with.

Such considerations of national interest demand of us that our decisions transcend party politics as I have attempted to do in this letter. The credibility of the Congress and the governmental process could receive a new and crippling blow should the media or an international body or an agency of our own government begin an expose of the entire complex matter while we continue to do nothing. Charges could rapidly shift from a failure to investigate to an inference of unwillingness and even coverup.

Beyond all these considerations, there remains the spectre of a bank panic which would imperil the savings and demand deposits of hundreds of thousands of American people whose very survival could be jeopardized by bank failures that could result.

When I first contacted you on the issue of the Iranian crisis, it was my view that the safety of our hostages might very well depend upon the willingness of the Congress to address the grievances of the new Iranian government and its citizens. Nothing which has happened since has led me to change my view. In fact, our own government has now adopted this view, accepting the concept of investigation by the United Nations. However, this halfway concession has proved to be inadequate and Congress still holds the key to doing properly that which has to be done. We alone have the proper forum, the proper rules and the necessary legal power.

In the meantime, the reasons which require us to investigate the Iran crisis have multiplied. I am confident that the matters barely outlined herein will lead you to the same inevitable conclusion, which I have already reached and which the Administration has now adopted, that hearings and investigations should proceed without delay.

Why should we sidestep the truth until the hostages are free when the truth can help get them free?

In the intervening months since I first brought the need for hearings to your attention, we have seen an international tribunal impaneled, the Senate Banking Committee has investigated limited aspects of scandals and kickbacks involving Iran. New evidence and indications which I have now outlined in this letter strongly indicates that the Iran crisis clearly reaches into the pocketbooks of the American consumer and taxpayer and jeopardizes his banking security. In the midst of our devastating economic crisis we cannot afford the appearance of apathy over the deepening struggle of our own citizens to survive the financial hardships which our own government is imposing.

Can we again run the risk of ignoring where the evidence leads us? Much of the general public perceives that the Congress buried the Korean influence peddling because it was likely to expose Members of Congress. Abscam is in the process of being wrapped in a fog of technicalities and jurisdictional noise, again to the frustration of the people. In this light our Committee must not hesitate to institute hearings to determine how compromised our banking system is in dangerous international loans, and how deeply our major banks are involved in shaping national and international policy behind the scenes for their own purposes.

Even more dangerous to the credibility of the Congress would be the disclosure by another source, e.g. the U.N. Commission, the media or a government intelligence source of material on the Iran crisis which had been brought to the attention of the House Banking Committee earlier, only to be ignored there.

Mr. Chairman, where else but in the Banking Committee can the Iranian case be unraveled? Is there any other Committee with the staff expertise to fully understand the meaning of the complex circumstances which make up the fabric of questionable financial transactions of such huge proportions?

A March 24th news dispatch from Panama City, Panama by Karen DeYoung of the Washington Post again states according to the high-level Panamanian authorities that "former Secretary of State Henry Kissinger and banker David Rockefeller . . . played key roles, through intermediaries, in persuading the former Shah to leave Panama for Egypt before formal extradition hearings scheduled to have begun today" despite efforts of White House Chief of Staff Hamilton Jordan and other U.S. officials to persuade the Shah to stay in Panama. Is this sufficient interference in U.S. foreign policy by these bankers to be considered a violation of the Logan Act? Also, the public is now seriously questioning the honesty of events involving the Shah since we have now witnessed two major occasions where the Shah's health problems were given as emergency reasons to cover political situations.

1. When he was brought into the U.S. in October it was billed as a medical emergency" but later revealed as a "visa emergency" at the end of a long effort by banker David Rockefeller to get him into this country.

2. When he was flown to Egypt with the reported assistance of banker Rockefeller after refusing medical treatment in Panama, it was billed as an urgent medical need when the obvious problem was a hearing for his extradition the next day.

Mr. Chairman, for the security of our banking system, for the integrity of our foreign policy, for the protection and earliest possible release of the American hostages, I implore you to initiate an immediate investigation and hearings into the Iranian matter. The door is open. Khomeini has placed the disposition of the hostages in the hands of the new Iranian Parliament. A people-to-people effort is now available if our own Congress will act responsibly.

Iranian President Bani-Sadr, the Revolutionary Council and Foreign Minister Ghotzbadeh have all strongly stated the usefulness of Congressional hearings and I can personally attest with witnesses that this has been and remains the most viable possibility for securing release of the hostages.

Mr. Chairman, we are not talking about holding hearings to do any favors for the Iranians, we are talking about the need for hearings to protect the lives, limbs and security of Americans both at home and abroad—but it will also fortunately be a great factor to help the hostages.

Mrs. Bonnie Graves, the wife of one of the hostages has appealed to Congress for hearings. Hostages who were freed in November are also insisting that Congress take such action. Nearly five months have passed without hearing and without meaningful debriefings beyond the routine State Department visits to Capitol Hill. Isn't it time for Congress to do something? Isn't it time to act rather than react? Let us not make the hostages suffer longer because of our reluctance to hold the necessary hearings to gain the needed truth and perspective to act wisely.

Columnist Mary McGrory on March 7 stated, "People will be asking why it all happened. Congressional inquiries will be held. The public will want to know why the President, having first resisted the nagging of Henry Kissinger and David Rockefeller, ultimately gave in and admitted the Shah for medical treatment that was obviously available elsewhere." Washington NBC newsman Jim Vance on March 14 is reported to have been deluged with over five hundred phone calls with 92% favorable to his suggestion that the American people are "victims of a hustle" that began with the admission of the Shah to the U.S. for medical treatment.

The call for action is building—hopefully we can now respond.

Thank you again for your continued interest in this very serious situation and your many thoughtful and courageous acts of accommodation. Hopefully, I have now provided you the necessary means to proceed with Committee action.

Sincerely,

GEORGE HANSEN,
Member of Congress.

WASHINGTON, D.C., March 14, 1980.—Congressman George Hansen (R-Id) today sent the following telegram to President Carter strongly urging him to call for Congressional hearings on the Iran crisis as proposed today by President Abolhassan Bani-Sadr—hearings which Hansen has advocated since he travelled to Iran in November to be the first American to see the hostages.

[Telegram]

Hon JIMMY CARTER,
President of the United States,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: Today's news reports that Iran President Bani-Sadr has again called for Congressional hearings to resolve misunderstandings. As you know, I have long demanded such an investigation. If Iran is willing to take the scrutiny, why can't we? What have we done that cannot be told in our own forum under our own rules?

I can personally attest to you with witnesses that such hearings could have brought the hostages home in November and may well be the key again with the election today of a new Parliament in Iran which Khomeini has charged with resolving the hostage situation. There is nothing more practical than a people-to-people effort—Congress to Congress—when the people of both nations are basically friendly.

Why should we sidestep truth until the hostages are out when the truth can get them out?

Mr. President, I have accumulated massive information that cries out for responsible investigation and consideration. This information as updated is again being brought to the attention of Congressional leaders on Monday.

After 130 days of crisis, it is time to stop making the hostages pay for our continued refusal to hold Congressional hearings. We have withstood hearings on Watergate and Koreagate. We did not wait until World War II was over to find who slept at the switch on Pearl Harbor. It took less than a week for Congress to open hearings on the politically explosive crisis over the U.S. vote in the United Nations regarding Israeli land policies. Can that be more important than getting the truth on the Iran-Afghanistan crisis that has drawn us to the brink of Armageddon?

I again offer to assist you in bringing truth out of chaos and relief to the suffering. Congressional hearings are our best hope—your prompt endorsement is most necessary.

Sincerely,

GEORGE HANSEN,
Member of Congress.

HOUSE OF REPRESENTATIVES,
Washington, D.C., February 19, 1980.
Hon. JIMMY CARTER,
President of the United States,
The White House, Washington, D.C.

DEAR MR. PRESIDENT: I commend you on your decision to agree to an international fact-finding commission to investigate Iranian grievances in order to move toward resolution of the hostage crisis.

The truth should not damage honorable persons or honorable governments and it can be helpful in establishing more meaningful and trusting relationships.

As you know, I have long advocated hearings and investigations in responsible forums to identify the facts regarding areas of failure in our Middle East policy and the many complaints and charges surrounding the U.S. relationship with the former Shah of Iran.

It is unfortunate that the lapse of time has crystalized demands far beyond the fluid situation which existed in Iran in November when President Bani-Sadr, in the position of acting Foreign Minister advised me in the presence of witnesses that hearings would bring hostage release.

A Thanksgiving Day endorsement of Congressional hearings by Bani-Sadr and the Revolutionary Council with the approval of the Ayatollah Khomeini (later reaffirmed by Foreign Minister Sadegh Ghotbzadeh) was made in the days following the initial release of thirteen hostages. U.S. rejection of these and hearings before the United Nations drove the conciliatory Bani-Sadr out of the Foreign Ministry and closed the door to any meaningful hostage release possibilities until Bani-Sadr returned to the scene as President with an overwhelming mandate from Iranian voters.

I am sure I need remind you how important it is that we do not again fail to take advantage of this opportunity for resolving U.S.-Iranian differences while the political strength of Bani-Sadr is at a maximum and the health of Khomeini assures the best possible unity of the diverse political elements in Iran.

However, because your political officers at the White House and State Department, lacking first person contact with Iranian officials, did not seem to really understand the situation in November, I would respectfully like to make the following suggestions regarding the additional publicly stated demands of Bani-Sadr in the event you have not already reached a mutual solution for securing release of the hostages.

Having been in Iran twice and continuing to maintain contact with key elements of that nation's leadership, I must tell you that President Bani-Sadr can only perform to the allowable limits of a fragmented and independent political situation. This means, as you know, providing him and the Iranian people with proper agreement to reasonable requests.

Your recent decisions to not press economic sanctions against Iran and to allow an international investigation into Iran's grievances has greatly relieved the hostage situation and prepared the way for removing other differences.

In addition, Bani-Sadr has asked:

(1) that there be no U.S. interference in Iran's internal affairs.

That should be an easy assurance for us to make—why should we be interfering in their domestic politics?

He has also asked:

(2) that the United States not obstruct Iran's pursuit of the Shah.

Certainly, that is a far more reasonable request than the legally impossible demand that we return the Shah to Iran. And again, why should the United States interfere in Iran's relationship with other nations as it pertains to the Shah?

Finally, he has asked:

(3) for a condemnation of our past policies in Iran.

Certainly, Mr. President, we should not humiliate ourselves with expedient or phony actions which would dishonor our name and the sacrifices made by the hostages and their families.

However, there are many apparent irregularities in our relationship with Iran for the past years which can be honestly admitted and which should be immediately investigated by the Congress. The Iranians complain of gross financial and human rights abuses by the Shah. Such abuses, if true, would have had considerable impact on Americans as well in terms of taxes, consumer costs and national security.

One only has to recall the recently revealed Textron, Lockheed and Air Taxi skimming and kickbacks of millions of dollars involving members of the Shah's family to ask what was the extent and cost to American and Iranian citizens of such corruptions?

One only has to recall that the Shah's government started the price spiral for OPEC nations, which raised the cost of gasoline and heating oil to citizens everywhere, to ask what part this may have contributed to excessive oil profiteering at the expense of both the American and Iranian people and the huge U.S. balance of payments deficits?

And one only has to recall the admitted fact that the CIA was involved in restoring the Shah to the throne in 1953 to ask the unhappy question of the extent of persecution, torture and violation of human rights by the Shah's Secret Police, SAVAK, and if the CIA was at all involved?

Congressional hearings are in order, Mr. President, to determine the truth for Americans and Iranians alike. In fact, such hearings are inevitable and have even begun with the Senate Banking Committee's review of the Textron payoffs to the Shah's brother-in-law.

Why not tell Bani-Sadr the truth, for the sake of the safe and timely release of the hostages, that we recognize many apparent unfortunate improprieties of the past and are proceeding with dispatch to:

(1) identify the areas and extent of wrongdoing by Americans, Iranians or anyone else and,

(2) to rectify injustice wherever it can be found.

This, of course, would commit you to request and support immediate Congressional hearings—something the polls show American people now favor.

Such forthrightness as I have outlined in dealing with President Bani-Sadr's position can provide the proper spirit and basis for ending with dispatch the ordeal of the hostages in Iran and also reversing a disastrous foreign policy beset with wholesale attacks on U.S. Embassies. I strongly urge you to seize the initiative for truth and justice by acting immediately.

Sincerely,

GEORGE HANSEN,
Member of Congress.

P.S. For your information, I attach a Feb. 17, 1980 article from the front page of the Washington Post which may be useful in a constructive review of the past and the possibilities for a successful mutual understanding with President Bani-Sadr.

HOUSE OF REPRESENTATIVES,
Washington, D.C., January 3, 1980.
Hon. JIMMY CARTER,
President of the United States,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: I have just returned from my second unofficial visit to Iran where I found a more relaxed and hopeful climate than during my Thanksgiving trip.

While the situation remains distressingly disjointed and uncertain, there are strong signs that part, if not all, of the Americans held hostage will be released very soon.

The Ministers of Iran's revolutionary government generally are excluded from any significant contact with the militants controlling the American Embassy in Tehran and especially the hostages themselves. In fact, there is frustration that civil decisions and authority can be so readily questioned by the militants and concern that the character and real goals of these militants are not clearly understood.

This is now reflected in increasingly frequent statements questioning whether there is absolute loyalty to the Ayatollah Khomeini as originally believed or whether a dangerous independence may be surfacing which may provoke an unavoidable internal confrontation to resolve the hostage problem.

Although there is evidence that foreign

elements such as SAVAK, P.L.O. and Soviet influence may have been scrupulously avoided among the so-called students, there are rumors and some evidence that a leftist influence in the form of Maoism may be there. Contacts subsequent to my return home now seem to reconfirm allegiance to Khomeini leadership but this does not wash away the continued self-identification by the militants with other leftist revolutionary causes in the world.

Otherwise, the Khomeini government as evidenced by his own actions and those of his civil authorities seems to be a religious and nationalistic movement that denies any communist leanings, even going so far as to condemn Soviet aggression in Afghanistan.

What is in evidence is a separation of church and state between the civil aspects of Government and the embassy situation fused at the top by Khomeini himself.

With the pressure on Khomeini by civil authorities to resolve the hostage matter so the government can return to normalcy and with the emerging uncertainty of the independent-minded militants complicated by the massive Soviet movement into neighboring Afghanistan, the Waldheim visit appears to be very timely for having maximum possibility of success.

As you must know, I have taken personal action into this crisis because orthodox measures had completely broken down and I strongly believe my efforts have been most productive without in any way distracting from the nation's goal, which you have identified, of gaining immediate, safe and full return of Americans held hostage in Iran.

At a time when American diplomats were either locked up or locked out by Iranians, I have opened doors into that country, into its officials and into the hostages. When military confrontation was escalating rapidly, my initial visit showed that Iran was still a country basically friendly to the American people and that the hostages might be retrieved honorably without bloodshed.

The vital importance of this is now even more evident with the rape of Afghanistan by the Soviets and the endangering of American and Western interests in the strategic Persian Gulf area. Iran can and must be preserved as a friend—something which can be done by an astute recognition of our mutual needs and concerns.

I strongly agree with your desire for national unity at a time of crisis, but I hope this can be a unity of efforts and ideas, not just blind devotion to a lockstep cadence called by an exclusive political cadre. It is as important that the input and assistance of Republicans, Independents and private American citizens be welcomed as the assistance of the United Nations, the World Court, the P.L.O. and other outside interests.

In this regard, as we witness attack after attack on American Embassies and citizens throughout the world, it becomes vital that we review at once the history and circumstances which have brought us to these disastrous times. Congressional hearings should be called in the tradition of American openness and desire for truth and justice while the problems are with us, not after. Facts are more important to solutions than to historical perspective.

This nation did not wait until the end of World War II to identify culpability and circumstances involved in our being caught asleep at Pearl Harbor. We have not hesitated to take on the challenges of Watergate, Korea and other highly sensitive matters. Neither should we wait to provide the American people and ourselves the facts about problems which have made us so vulnerable in Iran and the whole Middle East area.

There is significant evidence that an "Iran-Gate" may be developing—a coverup of huge financial and human rights abuses in America's public and commercial relations with other nations. This was touched on to some degree in the kick-back scandals involving Lockheed and others but it appears that problems go much deeper and so should an investigation.

I respectfully challenge you to urge the Congress to pursue the allegations of financial abuses in Iran which may have damaged American taxpayers and consumers and the complaints of human rights abuses your Administration has continually voiced concern for.

I am prepared to discuss the apparent irregularities which support need for serious and immediate investigation with you or whomever you care to designate. Certainly the critical question of how Americans could be taken hostage in light of avoidable circumstances should be a priority item, the discussion of which might help us gain the earliest possible return of those fellow citizens held at the American Embassy in Iran.

The breaking of international law and violation of the basic rules of diplomatic immunity cannot be tolerated. Americans in foreign service must be protected and the mistakes of Iran must not be repeated. Hearings can help assure this.

I am in touch with State Department officials to help in the opening of doors and the building of bridges to gain the earliest possible return of the hostáges. I told Mr. Warren Christopher of the need for having a person in Iran, even unofficially, to look after the needs of the hostages and other now-neglected embassy duties of an emergency nature and the benefits which could be derived from direct governmental contact with the Iranians even if necessarily unofficial at first. My two visits have proved the need and value of this.

The contacts I have developed with Iranian officials have provided information not otherwise available which I continue to share freely. But, there must be even stronger efforts to gain facts, provide action and get results for normalizing relations with Iran and securing the freedom and safety of Americans held there.

Sincerely yours,

GEORGE HANSEN,
Member of Congress.

[Letter to Chairman of Various Appropriate Committees]

HOUSE OF REPRESENTATIVES,
Washington, D.C., December 11, 1980.

The matter of the crisis in Iran has engaged the attention and concern of the entire world. All of us have been riveted by the danger to American Embassy personnel being held hostage. The entire nation gives priority to their safe return.

Beyond the immediate danger to our Foreign Service employees, there is an equally pressing crisis in the government of the United States which the matter in Iran has served to emphasize in a most painful and public way.

The original of the confrontation between Iran and the United States, the manner of its handling, the cost of our national prestige and the grave question of the motivations and competence of the principal participants in the crisis all require factual examination and even-handed judgment by those responsible to and for the nation.

The Congress in the past has not hesitated to launch needed investigations even during a crisis period so grave as World War II when the responsibility for the military disaster at Pearl Harbor was subjected to Congressional scrutiny. Therefore, without in any way interfering with the efforts of the Executive to secure the safe release of the hostages, I urge you to immediately convene a hearing to determine facts and draw conclusions about those aspects of this matter which fall within the jurisdiction of your committee. An outline of many of the most obvious questions and issues raised by the Iranian attack on our embassy is enclosed with this letter.

Of course, there will arise the cry that we must not seek to determine the facts in this matter until a much later date—a time, unfortunately, when the issues have been resolved and there is only a historic interest in them. There are two answers to such an objection.

First, if we fail to act now to determine the facts, the Congress and the people could well be asked to approve or support a course of action on the sketchiest of bases, which could dangerously affect our nation's well-being. The last four decades should have taught us the price of decisions based upon mere appearance.

Second, what differentiates the Iranian matter from problems concerning other nations currently under investigation? As you well know, there is already underway an investigation of price fixing by OPEC nations and the possibility of collusion with domestic oil firms. Our government has not hesitated in other cases to take the gravest steps in the midst of foreign upheavals. Consider, for example, our course in Chile and Rhodesia. Despite the danger of throwing both nations into the hands of violently anti-American regimes, we have not hesitated to intrude into their domestic affairs.

How can delay be justified? If we turn aide from a thorough inspection of the current crisis, will not our people conclude that there may be other reasons for refusing to look into the matter?

We are now told by the Ayatollah Khalkhali, a figure high in the current Iranian government, that he has sent assassination squads throughout the world to seek out and destroy "opponents of the revolution." Dare we assume that this is an idle boast in view of the assassination of the nephew of the Shah in Paris only a few days ago? Does the threat reach to people residing in our own country, even to elected and appointed officials of the United States?

It is my view that the Congress, not only does not have the right to ignore the dimensions of this crisis, but it has the oversight responsibility to independently review the serious questions which have been raised.

Congress has the precedent and sufficient grounds to undertake a thorough review of the history of our relations with Iran over the past thirty years and those decisions which have led this nation to the precarious situation we find ourselves in today.

Your committee is crucial to a full and proper review and I respectfully urge that investigative action be undertaken immediately.

Sincerely,

GEORGE HANSEN,
Member of Congress.

OUTLINE OF SERIOUS ISSUES RAISED BY IRANIAN CRISIS

The people of the United States demand to know how and why the Iranian captivity developed. There is no excusing the violation of international law and human rights by the government and people of Iran. However, explanations by our own government regarding arbitrary decisions causing great risk to American lives and property have been contradictory and confusing, creating a serious need for hard facts and basic truth.

For example, there is now no doubt, both through admissions by government officials and by disclosures made by myself, and others that our State Department precipitated the invasion of the United States Embassy in Iran. Without any other fact, the serious consequences for the personnel now held hostage in the Tehran embassy and for our nation itself warrant a full and immediate investigation to determine responsibility for the disaster and to insure that failure both of intelligence and of the response of available intelligence shall not recur. And there are many other issues of similar grave concern.

There is good reason to believe that the mere fact that Congress will begin to investigate these matters would have a positive impact on the resolution of the Iranian crisis.

The American people will not tolerate either a cover-up or a Kangaroo court on issues involved in this crisis. To prevent mockery of justice and assure objectivity, it is critical that concerned committees of Congress exercise their investigative responsibilities into a broad range of questions, the more obvious of which are the following:

On the crisis itself—

1. Who made the decisions to admit the Shah into the United States ignoring both the advice the intelligence community and internal elements of the State Department itself, regarding the high risk of invasion of the Tehran embassy and the kidnapping of the personnel stationed there?

2. Why was such a decision made without prior strengthening of security forces or even a temporary closing of the embassy?

3. Why were existing security forces not authorized to use available force to protect the embassy?

4. What benefit from the Shah's entry into the United States counterbalances the resultant physical danger to embassy personnel, destruction of embassy property, compromising state secrets and ensuing terrorist attacks against American embassies elsewhere in the world?

On the handling of the crisis—

1. Since diplomatic relations have not been severed, why, in the five weeks since the capture of the embassy, has there not been one apparent official contact between the government of the United States and any official of the government of Iran?

2. If our official position is that we will not negotiate with the Iranians until the hostages are released, on what issues would such negotiations occur?

3. Why, if we will not negotiate, do we seek to have others, like the UN and the World Court, negotiate in our place?

4. Why, after more than a month, have our government's representatives officially or unofficially, failed even to get into the country or see the hostages?

5. What is the reason for the failure of international relief agencies including the Red Cross to get even the most meager package into the embassy?

6. How did we permit the loss of two lives and the burning of several of our buildings in Pakistan, long after the Iran crisis was underway?

On the cause of the crisis—

1. Department of State documents refer to substantial pressure to admit the Shah. From what source did that pressure come? How much did it influence the decision to admit the Shah?

2. Did the State Department know in advance that Mexico would not readmit the Shah after expiration on Dec. 9 of his six month tourist visa?

3. Was his admission here under the excuse of medical necessity a ruse to procure his permanent admission?

On the questions raised by the crisis—

1. Was the confrontation a result of a foreign policy aimed at benefitting certain special interests even if the general welfare is undermined and American lives are endangered?

2. Are Americans paying taxes to line the pockets of special foreign and domestic interests and for purposes not in keeping with our own national interests?

3. Are American consumers the victims of oil diplomacy which has raised the price of domestic energy, devalued the dollar and set off rampant inflation all for the benefit of a few big banks and oil companies?

4. Because of all the damage done to American interests by the Iran crisis, how can we be assured of the future security of American personnel and property in foreign lands?

We can no longer pacify and silence the American people by simplistic appeals to national unity. Many of our citizens have lived through World War II, the Korean War and the Vietnam War. We are disillusioned with rash foreign policy decisions which endanger the nation for the sake of some imagined benefit which too often shrouds some more real, less acceptable reason.

Having seen the nation tackle awkward and controversial investigations into Watergate and Koreagate, Americans are not about to be told that it is unpatriotic or untimely to look into the matter of how the lives of the hostages and perhaps even the citizens of the whole nation were endangered by decisions regarding the Shah of Iran.

On other questions regarding the crisis—

1. Has the United States been running a Lockheed-type kickback operation in Iran? The Shah's own nephew was involved in the Lockheed scandal.

2. How can domestic oil profiteering be labelled wrong with investigations and penalties, but the role of a nation like Iran in boosting OPEC prices be overlooked?

3. How can we disrupt friendly relations with South American nations over their alleged human rights violations, but refuse to look at the record of Iran?

4. How can it be proper to investigate foreign currency deals by the Franklin National Bank, but unreasonable to see how major American banks fit into the handling of Iran over the last 25 years?

5. Why can the CIA generally be fair game for investigation and even emasculation, but not its role in activities involving the government of Iran, past and present?

6. Why would we make such an issue over the security of secret documents and U.S. operations in the Pueblo incident involving North Korea and not register more concern for the loss of secret documents in our Embassy in Tehran which has become a propaganda coup for the Iranians?

7. What was the policy basis for Secretary Vance overruling the security measures recommended by his field experts on the Tehran embassy?

8. In the matter of my own trip to Iran, how do the State Department and Security Agencies justify their failure to debrief me on the information obtained in direct contact with Iranian officials in Tehran? They cannot, without such procedure, know whether I have valuable information on:

a) Current government makeup and operation in Iran.

b) The positions and decision-making responsibilities of the different members of the Iranian Government with whom I talked. Recent events have emphasized that Iranian officials have diverse opinions on many issues, even to the release of the hostages.

c) The security and physical situation at the American embassy and other key areas.

d) The condition and other data regarding those hostages I saw. (It might be recalled that after my visit the number of known hostages was increased from 49 to 50).

9. During that visit, after initial successes, I contacted the State Department and Whie House in Washington to see if I could be of assistance while I was there on the ground floor, but found little interest. Why were they not even concerned for the welfare of the hostages?

10. Why has the State Department failed to open and maintain channels to the new Iranian government? In recent years, it has had the flexibility and ingenuity to unseat Central American governments, switch allegiances in the Western Pacific and even set up an "unofficial" relationship with Taiwan. Why are they so rigid or disinterested regarding Iran?

11. Why has a State Department, which has asked repeatedly how I got into Iran and in to see the hostages, continually lobbied to keep Congress inactive and in a support role to inactivity?

RELUCTANCE OF HOUSE TO CREATE ENERGY COMMITTEE IS A DISGRACE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. TAUKE) is recognized for 5 minutes.

● Mr. TAUKE. Mr. Speaker, I am very disturbed and upset by the actions that took place yesterday regarding House Resolution 549, legislation that would have created a standing Committee on Energy—legislation I strongly supported. It appears to me that many Members of the House placed their own interests above the good of the country. Moreover, the message that the House has conveyed to the American public is loud and clear: Energy is an issue that is not important enough to warrant a committee of its own. The reluctance of the House to approve the creation of a new Energy Committee was a disgrace and underlines the failure of Congress to make a firm commitment to solving our Nation's energy problems.

The United States is one of the few industrialized nations in the world which does not have a comprehensive energy program. Much of the reason for this situation lies with us, the Members of Congress. Because we have permitted the present system to give some 83 committees and subcommittees varying degrees of jurisdiction over energy issues, it has been virtually impossible for the House to develop an effective, coordinated, energy policy. Instead, what we now have is a fragmented system that breeds inefficient handling of, and ineffective leadership on, energy matters. Energy policy is made on a piecemeal basis. A new standing Committee on Energy would have made a major contribution toward ending the overlapping jurisdictions and the delay and confusion resulting from the present system of the multiple referral of energy bills. It would have allowed the House to finally take a coherent look at our energy problems.

It appears to me—and I am sure to the American public if they were to investigate the issue—that many individuals in the House were more worried about the political implications of losing some of their jurisdictions over energy issues than they were about developing a strong national energy policy. It is interesting to me, for example, that only 2 of the 41 members of the Committee on Interstate and Foreign Commerce voted to support the new standing committee. They preferred, instead, to support the Bingham substitute which will not only greatly enlarge their energy responsibilities, but will also allow them to keep their jurisdiction over matters of commerce. It is also interesting that all but 4 members of the 43-member Interior Committee voted to protect their jurisdiction over nuclear energy issues—an act that again will not contribute to the consolidation of energy responsibilities.

The Interstate and Foreign Commerce Committee—or should I now call it the Energy and Commerce Committee—will receive an added workload, already one of the heaviest in the House. The result: Undoubtedly a further logjam in the energy policymaking process.

Because the issue of energy presents us with some of the most serious problems that this Nation has ever faced, it has been essential for some time that we establish a standing committee to deal with national energy policy. The American public must know that we in Congress are committed to solving our energy problems, not that we are only interested in protecting our own political turf. During the past 10 months, the Select Committee on Committees has been studiously investigating the possibility of establishing a new standing Committee on Energy. After months of holding interviews with Members and other interested groups, of sending out questionnaires to Members, and of holding public hearings, the committee decided conclusively that the Members and the public wanted a standing Energy Committee to expedite energy matters. The original committee proposal, coupled with the Frenzel amendment, reflected what was heard from Members and private citizens. How can we possibly present a credible position to our constituents when we throw all of this hard work out of the window?

The American public deserved much more than it got with the Bingham substitute. We will now go back to business as usual, except that the Committee on Interstate and Foreign Commerce will have additional power. But the bottlenecks, the holdups, the fragmentation, and the inefficiency that has characterized our handling of energy matters in the past will still continue.●

THE EFFECTS OF CURRENT MONETARY POLICY ON THE RURAL ECONOMY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. BEDELL) is recognized for 10 minutes.

● Mr. BEDELL. Mr. Speaker, yesterday I chaired a meeting to discuss the effects of current monetary policy on agriculture and the rural economy. As there is now a great deal of discussion about high interest rates and tight money, I am taking this opportunity to share with my colleagues what we found at yesterday's session.

Eight other Representatives joined me at the program in the Small Business Committee's main hearing room. They were: JAMES ABDNOR of South Dakota; DON ALBOSTA of Michigan; JOEL DECKARD of Indiana; ARLEN ERDAHL of Minnesota; HAROLD JOHNSON of California; RON MARLENEE of Montana; TOM TAUKE from my home State of Iowa; and HAROLD WOLPE of Michigan.

The following individuals participated as members of the witness panel: Crawford Barber, an agriculture implement dealer from Greensburg, Kans.; Vance Haesemeyer, a banker from Stanwood, Iowa; L. W. Locke, an oil jobber with agricultural accounts in Enfield, N.C.; Ed Osburne, a farmer from Tule Lake, Calif.; and John Roiger, who is associated with a co-op store in Dawson, Minn.

Mr. Speaker, I am acutely aware of the credit and loan problems being experienced by farmers and agricultural suppliers in my district in northwestern Iowa. Recently I discussed this situation with President Carter and I led a delegation of Iowans who met with Federal Reserve Chairman Paul Volcker to discuss our concerns.

What struck me most strongly about yesterday's meeting was how widespread the problem is. We had witnesses from North Carolina, and California, and points in between, and we had Congressmen from seven different States, and all agreed that similarly bleak conditions prevail in agricultural communities throughout the Nation.

In recent years there has been a dramatic increase in the cost of farming operations. The replacement cost of machinery is two and three times the old purchase prices, and the cost of fuel has almost doubled just in the past year. Mr. Roiger, the co-op representative from Minnesota, noted that the dollar value of his store's sales had gone up 32 percent from 1978 to 1979, but that they actually sold less fuel, fertilizer, and supplies.

Mr. Locke, the fuel distributor from North Carolina, noted that the value of his inventory had gone from $103,000 at the end of February 1974 to $385,000 this year, yet the amount of fuel in his tanks remained about the same. Mr. Barber, the agricultural equipment dealer from Kansas, joined in noting that the agricultural suppliers were being forced to increase their borrowing just to carry inventory.

At the same time, the dollar value of accounts receivable held by these small business operators has risen steadily. At Mr. Locke's fuel business, he says, accounts receivable went from $91,000 in 1974 to $365,000 in 1980. All of the suppliers who came before us yesterday reported large increases in past due debts.

The result of increased inventory costs and higher levels of outstanding debt is that small businesses are being forced to borrow more money to cover their own expenses. Consequently, they must cut back sharply on the amount of credit they can make available to the farmers who are their customers. Also, we were told, it is increasingly common to require cash payment at the time of sale, where similar sales used to be made on the basis of deferred billing or short-term credit.

The amount of credit available from suppliers is down, and the cost of machinery and supplies is up. The combined effect of all this is to force the farmer to rely more on the banks for credit.

Now, with the current policy of tight money, the rural banks are not able to meet farmers' needs for credit. High interest rates on Treasury bills and money-market certificates, coupled with various State usury laws, mean that very little money is available to lend to farmers for seasonal production loans. What little money is available is pegged at very high interest rates. Those rates are becoming so steep that many farmers will not be able to meet their expenses and pay off the loans, we were told.

Our witnesses yesterday reported that in all parts of the country there will be additional farmland standing idle this year, because farmers cannot get or cannot afford the loans they need to put that land into production. As was pointed out at the meeting, perhaps the greatest tragedy is that this credit crunch affects most severely the small farmer and the young farmer.

Mr. Osburne, the veteran farmer from California, correctly observed that tight money and high interest rates in rural areas is not just a farm problem. As he says, it is becoming a city problem, and a problem for all small businesses.

Mr. Barber used the term "domino effect." I am afraid that is what is about to happen. Small farmers are about to collapse under the burden of high interest rates and tight money at a time of relatively low commodity prices. The small businesses who supply them already are feeling the effects of increased debt, and they will soon follow. Farmland is being withdrawn from production and the cost of operation on the remaining farmland is going up, all of which eventually will be reflected in higher consumer prices for food.

Mr. Speaker, this is indeed a dismal picture that I am painting. If it sounds depressing, that is because the situation is depressing.

Yesterday's meeting and this report are intended to help alert my fellow Members of Congress to the very serious problems being experienced right now in our Nation's agricultural areas. Unless steps are taken soon to change the course of our economic policy, the problem will get worse and will spread quickly throughout the national economy.

I am doing everything that I can to impress upon the Federal Reserve Board and the administration the potentially disastrous consequences of current policies. I had undertaken this effort, originally, on the basis of what I knew to be the situation in northwest Iowa. Yesterday's meeting has convinced me that the problem is not limited to my State of Iowa and requires immediate attention.

HAZARDOUS WASTE ACT OF 1980

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. ECKHARDT) is recognized for 5 minutes.

Mr. ECKHARDT. Mr. Speaker, the matter of hazardous waste disposal is one of the most serious environmental problems facing this country. The Subcommittee on Oversight and Investigations of the Commerce Committee, which I chair, started looking at the subject in October 1978 and subsequently held 13 days of hearings. We looked into the amount of hazardous wastes being produced annually and how they were being disposed; at EPA's enforcement activities under the Resource Conservation and Recovery Act; and at the deficiencies of existing laws.

Our findings were distressing, indeed. EPA has estimated that 77 billion pounds of hazardous waste are generated each year, but that only 10 percent are disposed of in an environmentally sound manner. Despite those scary figures, we found that EPA had not taken the Resource Conservation and Recovery Act seriously: EPA had requested insufficient funds to enforce it and as a result were 2 years late in promulgating regulations. Further, we found that the Congress had not considered the most urgent matter—a funding mechanism to clean up dangerous existing hazardous waste sites. And we found that the generators of hazardous waste had been lax, sometimes to the point of criminal negligence, in disposing of their wastes. In short, we found more than enough blame to go around.

While RCRA regulations, once implemented, will seek to regulate hazardous waste in such a way as to prevent future Love Canals, they do not address the dangers posed by existing sites which threaten the environment and public health. There are a number of legislative approaches being considered to fill the gap in the regulation of hazardous waste disposal. Although each of these bills has some merit, I feel that the bill I am introducing today offers a more equitable solution to the problem.

My bill is constructed in basically three parts. The first deals with the creation of a rational system for devising priorities for cleaning up dangerous sites. It calls for the creation of an inventory of all hazardous wastes in the United States and a survey of present hazardous waste generation practices. Thereafter, the bill calls for the development of State priorities among dangerous sites and then Federal priorities among all the dangerous sites in the country.

The second major part of the bill deals with the funding mechanism. Where site owners or operators or waste generators fail to cleanup their wastes at dangerous sites, States would be authorized to do the job, with the Federal Government providing 95 percent of the funds. Unlike other bills, which would secure these funds largely from a fee system on either waste generators or the petrochemical industry, my bill would pay for the initial cost of cleanup with Federal funds. A fee system on the future cost of products cannot make products used in the past bear their trust costs. Moreover, such a system would be grossly unfair to those generators who have followed safe disposal practices and would amount to the substitution of a regressive sales tax for the progressive income tax that underlies the Federal tax system. This is a national problem that should be solved with Federal funds. Thereafter, the parties responsible for causing the dangerous site problem in the first place would be strictly liable for their portion of the cost of cleanup.

The third major portion of the bill would provide a system of strict liability on the generators of hazardous waste for any wastes generated after January 1, 1980. The generators would be liable for all injuries caused by these wastes so long as they remained hazardous. This system is consistent with the traditional tort law concept that people who deal with ultrahazardous activities shall bear the burden of any injuries caused by their activities.

Mr. Speaker, in closing I would just like to emphasize that the hazardous waste problem will not go away. Moreover, we cannot afford to put off dealing with it. So far, it has cost some $30 million just to contain the dumpsite problem at Love Canal in Niagara, N.Y. The total cost of cleanup could well run over $100 million and lawsuits have been filed alleging $3 billion in damages.

On the other hand, the Oversight Subcommittee concluded that the entire problem could have been avoided if the Hooker Co. had spent $4 million, in today's dollars, back in the early 1950's to dispose of the waste properly. This is truly a matter of "pay me now or pay me later," and just the economic cost of delay could be many, many times the cost of taking action now.

For the benefit of interested Members, I am including the following section-by-section analysis of my legislation:

SECTION-BY-SECTION ANALYSIS OF THE HAZARDOUS WASTE ACT OF 1980

1. Section 2 provides for the development of an inventory of all hazardous waste sites—active and inactive—within 6 months of the date of enactment of the legislation. Each owner or operator would be required to produce the relevant information, such as the location of the site, its contents and the nature of the site. The section seeks to avoid placing unnecessarily burdensome and costly obligations on the site owner or operator by requiring the production of inventory information only to the extent that it is known to the responsible party.

The State or the Administrator may secure information from any previous owner or operator, any transporter or any generator where the present owner or operator either fails to supply the information or supplied inadequate information. Such a system is designed to provide the least duplication in securing the information.

In addition, section 2 requires the production of inventory information with respect to all Federally-owned and state-owned sites.

2. Section 3, Survey of Hazardous Waste Generation Practices, would require each generator of hazardous waste to submit a report stating the quantities and characteristics of the waste generated over the past year and would authorize EPA to require generators to submit annual reports projecting the quantities and characteristics of hazardous waste expected to be generated during the next year.

3. Section 4 of the bill would add a new part to the Solid Waste Disposal Act, entitled "Inactive Hazardous Waste Sites." It would create six new sections. The first—Section 3021, Emergency Action and Clean-Up, consists of four subsections.

Subsection (a), Clean-Up Priorities, would require the states, within 15 months of the date of enactment of this legislation, to establish priorities among the inactive waste sites in their states for cleaning up those that present or may present a substantial threat to public health or the environment. These priorities would be established pursuant to EPA regulations and would be revised annually.

Thereafter, EPA would establish clean-up priorities for sites which are releasing, or which present a substantial threat of releasing, hazardous waste. The 100 sites determinted by EPA as presenting the greatest danger to public health and safety would be designated as "top priority sites."

Subsection (b), State Clean-Up Program, would authorize the states to submit to the Administrator a program for cleaning up inactive hazardous waste sites that present or may present a substantial threat to public health or the environment. The program could include (1) emergency action to contain and abate actual or threatened releases; (2) provision of alternative water supplies; (3) actions to mitigate damages to or to restore natural resources; (4) and (5) actions to investigate the extent of contamination and the health and environmental effects of such contamination; (6) temporary relocation of residents; (7) least-cost containment or removal consistent with a permanent remedy; and (8) monitoring and maintenance of the site.

The Administrator would approve any plan where the State had (1) established priorities in accordance with the EPA regulations; (2) adequate authority to carry out the cleanup actions; (3) agreed to monitor any abandoned sites for 50 years; and (4) made a commitment to provide adequate facilities, including for treatment and incineration, for the disposal of waste likely to be generated in the State over the next 20 years.

Subsection (c), Clean-Up Authority, would devise a system for cleaning up dangerous inactive sites. The owner or operator of a top priority site, or anyone who generated waste that is at the site, would be given the first opportunity to clean-up the site in accordance with the State plan. If the owner, operator or generator failed to clean up the site, the State would clean it up (with an EPA grant for 95% of the cost). If the owner, operator, or generator and the State did not take the necessary actions, the Administrator could step in and clean up the site.

The Administrator would be authorized to make clean-up grants to the states for two years, regardless of whether they had a clean-up program in effect or not. This grace period is needed to cover the time for the collection of the inventory, the State establishment of priorities, and then another nine months for any slippage. After the two year period, only states that had plans approved by EPA (having established priorities, made a commitment to monitor abandoned sites for 50 years, and a commitment to provide for adequate sites for the next 20 years) would be eligible for federal funds for clean-up.

EPA could use 15% of its funds to clean-up dangerous sites that are discovered during the course of the year.

4. Section 3022, National Inactive Hazardous Waste Disposal Site Response Plan, requires the President to revise the National Contingency Plan, established under the Clean Water Act, with a new section to deal with the clean-up of inactive hazardous waste sites. The plan would provide for

methods of discovering and investigating sites; methods for evaluating and responding to releases; for determining the appropriate extent of emergency actions, etc. After the Plan was published, the removal of hazardous wastes and actions to minimize damage from waste releases would have to be in accordance with the Plan.

5. Section 3023, Authorized Court Actions, authorizes the Attorney General to secure any necessary relief when the President determines that there has been a release or a substantial threat of release which presents or may present a threat to public health or the environment.

Subsection (b), Enforcement, permits authorized individuals to enter the premises of an inactive hazardous waste disposal site and take samples, make analyses, and arrest any person who violates the Act in the individual's presence.

6. Section 3024, Liability for funds expended for cleanup, provides for a new system of strict liability for the cost of cleanup. Persons who generated waste at the site would be strictly liable except to the extent that they can show that (1) such costs are attributable to wastes generated by another person or (2) some other person's (e.g. owner, operator or transporter) negligence or willful misconduct necessitated the cleanup and that such person has the financial ability to provide the reimbursement.

Subsection (b) provides for liability in situations where generators are not liable for the full amount of damages. In that situation, the following persons may be liable: anyone who owned the site on or after January 1, 1980; anyone who owned or operated the site while a substantial portion of the hazardous waste at the site was treated, stored or disposed of at the site; or anyone who transported wastes to the site. Such persons would be liable if they knew, or should reasonably have known, that the waste constituted a threat to public health or the environment. Appropriate defenses are provided.

Another subsection provides for civil penalties, up to twice the amount of the clean-up liability, where a person fails to take the clean-up actions required by the State or the Administrator.

7. Section 3025, Fund, provides for an annual authorization of $1 billion (less any amounts recovered by the government under section 3024) for five years to finance the costs of clean-up. The five year limitation is tantamount to a sunset provision.

8. Section 3026, Management of Inactive Sites, would require two things of the owners or operators of inactive hazardous waste disposal sites. One, they would have to monitor the sites for releases of hazardous waste, and two, they would have to notify the Administrator and relevant State and local officials of any hazardous waste releases that would present a danger to public health or the environment.

To prevent present owners or operators from trying to sell off their sites, and thus their responsibilities, the bill would permit the Administrator to order the management of sites by any person who sold a site after January 1, 1980, if the present owner or operator can't meet the obligation.

9. The bill adds a new Section 3002A, Liability of Generator for Damages. It would make the generator of any hazardous waste eternally responsible and strictly liable for any damages that result from any hazardous waste generated after January 1, 1980. Apportionment of responsibility among several generators would be handled by permitting a defendant to show that he caused less than 100% of the injury, after the plaintiff had made out his case.

The available defenses would be for an act of God or war or negligence by the government.

10. Section 3002B, Fees on Generation of Hazardous Waste, creates a fee system to pay for the following matters: (1) cost of state regulation of hazardous waste; (2) victims of waste where a generator who has been adjudicated responsible for the injury cannot pay the full damages; and (3) payment to victims where the generator is not responsible for all the damages, to cover situations where the source of the injury cannot be fully attributed to known generators.

11. Subsection (d) of section 4 of the bill would give EPA subpoena authority to enforce RCRA.

12. Subsection (e) section 4 of the bill creates a grant program for assistance to State attorneys general for enforcement of State hazardous waste programs.

13. Subsection (f) of section 4 of the bill creates a new position of Assistant Administrator for Solid Waste in EPA.

14. Subsection (g) of section 4 of the bill makes several changes in the criminal penalties section of the Resource Conservation and Recovery Act. First, it increases the potential jail term for a first violation of RCRA from one year to five and the maximum term for a second offense from two years to ten. Second, it creates a new offense for anyone who "transports, treats, stores, disposes of, or otherwise handles any hazardous waste in such a manner as places any other person in imminent danger of death or serious bodily injury." Finally, this subsection would make the criminal act of any corporation also a violation by the individual director, officer or agent of the corporation who authorized, ordered, or carried out the acts constituting the violation if such person knew or had reason to know of the act.●

BOB WILSON: FORRESTAL AWARD WINNER FOR 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. VAN DEERLIN) is recognized for 5 minutes.

● Mr. VAN DEERLIN. Mr. Speaker, when I came to Washington in 1962, BOB WILSON had been here for 10 years. Since then, we have together represented San Diego, more often than not finding ourselves on opposite sides of the political fence.

Through it all, however, I have held BOB in great personal regard and listened with respect to his views—particularly to those on national defense, his area of expertise for nearly three decades.

We all know that the announcement of retirement gives a political figure extra freedom to voice his most deeply held beliefs and concerns. In this, his last year in the House, BOB received the highest award of the National Security Industrial Association—the James Forrestal Award. His March 20 speech on the occasion of that award merits the close attention of all Members of this body:

THE MILITARY-POLITICAL-INDUSTRIAL COMPLEX

(Speech by Hon. BOB WILSON)

As much as any single factor . . . the industrial capacity of a country determines its ultimate success on the battlefield. This was true to such a degree for the United States during World War Two, that Field Marshal Rommel observed that the presence of a Sherman tank at El Alamein in 1942 convinced him that Germany could not defeat the United States. He realized that Germany couldn't match a country whose industrial capacity was such that it could mobilize . . . design . . . and produce in quantity an acceptable battle tank . . . and deliver it to the front lines in adequate numbers to influence a battle . . . in less than eleven months.

Of course, you all know that this effort was accomplished only by totally redirecting civilian priorities . . . by going from consumer needs to war production. But nevertheless, our tremendous ability to produce weapons under duress has developed into a piece of folklore that now encourages inaction because . . . "we can do anything, once the chips are down . . ." Unfortunately, time now works against us, given the high state of sophistication and technology that dictates the demands of modern warfare.

But what is still true . . . is that you are out there. You who plan and build our defense systems, who deliver them to our military and who give us that edge over our adversaries. You comprise our military-industrial complex.

Sorry. That's an inaccurate term. It's about the only thing I disagreed with President Eisenhower on. In his farewell address of 1961, he coined the phrase, "military-industrial complex," now usually referred to in derogatory terms. That speech, and the phrase it contains has been often quoted . . . and misquoted, Frankly, I think he should have said, "the military-political-industrial complex," for we on Capitol Hill . . . the politicians, if you will, have as much, if not more input into defense budgets and programs, than either of the other two.

Getting back to what President Eisenhower said. It's true that he made the statement that we must guard against the acquisition of unwarranted influence, whether sought or unsought, by the military-industrial complex. But in a part of that same speech, that is rarely noted and hardly ever quoted by critics of the military and industry, he also said, "until the latest of our world conflicts, the United States had no armaments industry. American makers of plowshares could . . . with time and as required . . . make swords as well.

"But we can no longer risk emergency improvisation of national defense. We have been compelled to create a permanent armaments industry of vast proportions."

I don't think Ike was being critical. He was warning us not to let our guard down.

IKE'S DEFENSE INITIATIVES

Let me remind you just a bit of history. It was Eisenhower who . . . more than anyone else . . . introduced America to its present-day defense base, both philosophically and technologically. It was during his two administrations that we saw our modern strategic position established. We are still living under the protective umbrella created in the 50's. Ike's administration started or built most of the B-47s, the B-52s, the B-58s, the Century series fighter aircraft, nuclear submarine . . . and nuclear aircraft carriers. As to missiles . . . look at the Atlas-Centaur, Titan . . . and others. Plus the Polaris and Poseidon. The mainstay of our present strategic missile system . . . the Minuteman . . . was a product of that same era.

As I said, the predominant part of our present strategic position is based on the military-political-industrial complex started in the 50's.

Eisenhower realized that the world was progressing too fast, and that technology had gone too far to afford us the luxury of months or years in turning from peacetime production to a wartime footing. He knew in 1961 . . . when he bid us farewell, that the world had changed, and that the age of the pushbutton had arrived. But I don't think he foresaw the extent to which politics would impact future defense procurement.

Our system of defense production has

always been based on industry and the military working together, with politics right in the middle. It's been there for over 200 years, but the political side is often overlooked when considering the whole procedure of acquiring new weapon systems.

As you know, article one, section 8 of the Constitution gives Congress the power to raise and support armies . . . to provide and maintain a Navy . . . and to write the rules and regulations thereof.

That puts Congress right in the middle, between you as suppliers and the military as the ultimate consumer.

But this fact is often overlooked, it's overlooked by those in the military and more often, by those in the executive branch of Government. Our system of defense procurement often wanders from pothole to pothole . . . from rut to rut. This occurs because those outside of the Congress often tend to look to the near term for solutions to military imbalances and inadequacies, and only philosophically at the future.

I can remember in 1948 . .. four years before I came to Congress . . . President Truman . . . on an economy kick . . . vetoed the start of the Atlas missile. He vetoed a 75-million dollar R. & D. expenditure for Atlas missiles that Congerss had voted . . . But Congress insisted that the Atlas ballistic missile program was the way to go because of similar work going on in Russia. So Congress overrode his veto . . . but Truman still refused to spend the R. & D. money.

At the same time, Congress told Mr. Truman and the Air Corps that a 48-wing Air Force was inadequate, and voted funds to support a 72-wing Air Force. The money was appropriated . . . again after a veto . . . but Truman also refused to spend it. Well, to make a long story short, only two years later, we were involved in the Korean War, and did we ever need airplanes. And not many years later, the Russians proved to be equal or ahead of us in the development of the ballistic missile, and were the first ones into space with sputnik.

THE PERFORMANCE OF CONGRESS

Now, I know a lot of people, both military and civilian, are inclined to look down their noses at Congress, and if you take a look at us individually, I can certainly understand why. Very few of us are experts, compared to those who work daily in the areas of defense. But, conversely, very few of those outside the Congress have had the opportunity as Mel Price and I have had over the years, to listen to hundreds of witnesses . . . experts on both sides of issue. Very few get to evaluate which side is deserving of support. Over and over again, we sit and listen to testimony, and then function more or less like a jury. And I think we make some very good decisions.

Congress, in its collective judgment, is often brighter than its parts. We generally end up with a consensus which has been proven more right in the past than most of the experts, and will continue to be that way in the future.

For example, Congress was right back in the days of the nuclear propulsion controversy, when the Navy was less than enthusiastic about the concept.

Congress pushed nuclear propulsion. It supported Admiral Rickover and the Nautilus program . . . and without that pushing, there probably wouldn't be nuclear powered submarines or aircraft carriers. We certainly wouldn't have the Trident.

You saw the same thing happen just last year in the case of the large-deck nuclear powered aircraft carrier. It was vetoed two years ago, but Congress revived it over the objections of the President and DOD. Last year, we finally approved it. Now, some of those so-called "sitting ducks" are guarding our sealanes in the Indian Ocean.

I don't mean to imply that the Congress rolls over and plays dead when someone comes up with a new program. You all know that this is far from the truth. Believe me, the Armed Services Committee isn't dedicated to buying all the guns and airplanes the generals or admirals want. We are concerned with buying systems at the most economic rate. If we don't we wind up wasting capability.

Let's say we buy airplanes at a rate of four a month, when the most economic rate would be six a month. The administration . . . or Congress . . . can say . . . and it's done . . . that for that one year, we saved 40-million dollars.

But if you look out over the life of the program, the increased costs for reducing production would have financed perhaps ten more airplanes. Less money was spent during one year by lowering the production rate. But the total cost of the program wasted those ten airplanes already paid for by the taxpayer. That's a loss in capability . . . not to mention a waste of the resources of our citizens. Examples like this come up time and again. And that's what the Congress has to consider many times when it adds items back into budgets. It's not adding systems because the military wants them . . . or manufacturers want to sell them. It adds them because that's the most economic and effective course to follow. And it adds them on because we have a perspective of history . . . an innate sense of concern . . . probably generated by those VIP's . . . our constituents.

THIS YEAR'S BUDGET

Let me tell you about what's happening now in procurement that painfully illustrates what I've been saying. The administration says that we're going to have a five per-cent-plus real growth in our defense structure in FY 81. However, this isn't the case with our procurement of conventional weapon systems. The Soviets are well ahead of us in tanks, and numbers of aircraft and ships . . . and are increasing their lead every day. I believe this five per-cent increase is more public relations . . . than real.

Here's what I mean. Last year, the administration said we would buy 106 A–10 close support aircraft at 5-point-8 million apiece for FY 81. What happened. In actual fact, the FY 81 budget reveals a request for only 60 A–10s, and this will cause the price of each airplane to go up to 8-point-2 million each . . . an increase in one year's time of 2-point-4 million dollars.

Last year, we were told the Air Force would buy 60 F–15 fighters in FY 81 at 17-point-9 million a copy. But the new budget asks us to procure only 30 F–15s this year, which would cause the price of each aircraft to jump to 24-point-5 million each . . . an increase in cost of 6-point-6 million dollars per aircraft.

Last year, the administration said we would procure 145 Blackhawk utility helicopters at 2-point-4 million each, but the actual number in the budget now is eighty . . . and the delay raises the unit price to 3-point-8 million each . . . or one-point-four million more apiece.

Last year, they said we'd buy 212 Harm missiles at four hundred thousand each. However, the budget shows they plan to only buy eighty, which raises the price of each missile to one-point-two million. That's three times the price for each one.

This stretch-out process is false economy. It's costing us billions for which we get nothing. Meanwhile, the Soviets continue to increase their lead over us. I've only shown a few examples of our retarded and short-sighted procurement policy. There are many others.

I've been told by world leaders, such as President Sadat and others, that there is no question about the quality of our military systems. They are better and the price is right. The problem is getting them on time. But the military usually tends to want too many different types and numbers, and as a result, we don't build up our inventory.

The Russians make one aircraft or tank . . . freeze the design . . . build lots of them . . . then make another, improved model . . . freeze that design . . . and grind them out . . . all the while getting those airplanes and tanks into the inventory of their forces or their clients.

PLANNING FOR THE FUTURE

Sometimes I think we try too hard to stretch out and improve old systems, rather than build new ones as they come along. The B–52 comes readily to mind. It's been around since the mid-50s. We still have it and are modifying it again, with no other manned bomber system on the horizon, except for the B–1. Most B–52s are older than the pilots flying them.

Try to get those pilots into a 1950 automobile, and you'll have a fight on your hands. I've been a strong supporter of the B–1 since its inception, and still am. It's the only possibility we've got right now for a replacement to the B–52. If we wait for the military to come up with a better idea, our B–52s, and the crews that fly them, will really be on hard times . . . and we could be in trouble for want of a manned, penetrating bomber.

It's been often said the President proposes, but Congress disposes. I hope and pray that this year we'll be disposed to add systems back into the President's request, not only because we believe that it's the best thing to do in the long run for holding the line on cost . . . but also that it's in the best interests of the country to do so.

You may be interested to know that the Armed Services Subcommittees under the leadership of Chairman Price, Chairman Ichord, and Chairman Bennett have preliminarily voted yesterday and today on substantial increases in many of the programs I have mentioned, and others, too. We in Congress are asking for billions more in weapon systems now . . . not next year.

We see the war clouds gathering in the Middle East, and we want our country strong, as the best means to guarantee a peaceful future. The billions we have voted in subcommittee this week have a tough row to hoe . . . through the Budget Committees . . . the Appropriations Committees, and the House and the Senate. But somehow I feel the people of our Nation will encourage us on. The people are often ahead of all of us . . . they don't want us ever to be second-best in national defense.

As you can see, I've been proud to be in Congress. It's a group of quite ordinary people who collectively are capable of quite extraordinary judgment. That's the genius of America. I certainly don't agree with many things that the Congress does, and certainly can't guarantee that we're always right. But my point is, don't downgrade the importance of political input and decision. Congress has been very much on the side of a strong America, and it still is. It's just that we all have different ideas . . . different views . . . of what constitutes a strong America . . . and how to go about the process of assuring ourselves of the maintenance of that strength.

Throughout our history, industrialists . . . and politicians . . . and soldiers have had their differences, and never more so than in this area of national defense. But our country is still free . . . and that must say something about the courses of action that we pursue. Numerous times in our past, our country has been challenged, and each time we have risen to that challenge and have come out on top.

The challenge that faces us now is no less demanding . . . no less dangerous. I am deeply concerned about where we shall be five . . . ten . . . fifteen years from now. But I also have confidence that our system works, and that we . . . all of us in the military-political-industrial complex . . . working together . . . will persevere. We shall meet this challenge . . . and we shall succeed.●

THE COALITION ON CHILDREN AND TELEVISION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. CORMAN) is recognized for 5 minutes.

● Mr. CORMAN. Mr. Speaker, I would like to take time to commend a very worthwhile California organization, the Coalition on Children and Television and its able director, Alice Aspen March. This group was organized in 1977 for the purpose of monitoring and evaluating programs and commercials directed mainly to child audiences, to increase public awareness in this area and to motivate stations and programers to upgrade the quality and scheduling of children's programs.

It has achieved impressive results in its very short life and I understand much of its success can be attributed to the dynamic leadership of Alice March. As a measure of her stature, she has been appointed to the community advisory boards of three local television stations where her influence is further enhanced.

Mr. Speaker, television is a powerful force particularly when directed at the suggestible minds of children. By the time the American child graduates from high school, he or she is likely to have spent 25,000 hours in front of a television contrasted to 15,000 hours spent in school.

Volunteers with the coalition have completed 12 months of intensive monitoring of children's television with an eye toward incidence of violence, racial, and sexual sterotyping, distinction between fact and fantasy and types of humor displayed. The data collected have been organized and the results have been made available to the public and those responsible for programing. The coalition also provides speakers, television awareness training and consulting services. In July of this year, its goals will be represented by Alice March at the White House Conference on Families.

The coalition and Alice March deserve the highest praise for taking on a task that should be the responsibility for all parents. We can all rest easier because of this group's efforts for which I, as a parent, am truly grateful.●

ENERGY OPTIONS WORTH EXPLORING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. WOLFF) is recognized for 15 minutes.

● Mr. WOLFF. Mr. Speaker, I would like to take a few minutes to call to the attention of this body two options that are worth exploring given today's energy situation and the high costs of oil. I believe that to become totally successful in the effort to become energy independent, we must seek out all potential energy sources through a comprehensive energy policy that is both economically and environmentally sound. Two options which should be included in our energy arsenal are the utilization of coal-oil mixtures in industrial and utility applications and the further harnessing of the untapped hydroelectric potential of this country's rivers and streams.

Coal is often cited as an obvious choice of an alternate fuel for the generation of electricity by our Nation's industries and utilities. Recent, dramatic increases in the price of imported oil and the crises in the Middle East and South Asia have given new urgency to the administration's efforts to hasten the conversion from oil to coal.

Often overlooked, however, is the fact that at many of our oil-burning facilities a complete conversion from oil to coal is not only a costly investment but also a very time-consuming process. The current effort by this administration to force specific utilities to make such a conversion will in many instances require up to 8 years before the maze of EPA rules, Clean Air Act provisions and construction permits have been negotiated. Moreover, the mode of coal burning that is chosen today may well be inappropriate in only a few short years. Progress is being made in the development of new, less problematic coal technologies such as coal liquids and fluidized bed combustion. If, as seems likely, these or other new methods of coal utilization can be applied commercially in a few years, the conventional modes of burning coal will, in retrospect, look like a poor investment.

An interim solution is required, therefore, that will permit a quick reduction in petroleum use without costly, time-consuming alterations to the powerplant. Fortunately, such a technology is available to many oil-burning powerplants in the form of coal-oil mixtures (COM) which combine pulverized coal with oil. The recent surge in oil prices leaves little doubt that COM is a cost-effective alternative to 100 percent oil burning. A conversion to COM can be achieved in a matter of a few months in contrast to the 5- to 10-year period required by a total conversion to coal. Nor are the environmental problems as formidable if coal-oil mixtures are used. Pollutants can be reduced significantly by adjusting the quality and quantity of coal in the mixture. In fact, COM may prove to be a more effective means of pollution control than current "scrubber" technologies.

Coal-oil mixtures do cause slight reductions in powerplant performance and the need for further monitoring and feasibility studies continues. But these are not great obstacles in light of the tremendous savings in oil imports—possibly more than 1 million barrels of oil per day—that could be achieved in a short time period with far less cost and risk than conventional, total-conversion schemes.

For this reason, I am introducing legislation which will facilitate and encourage the conversion of electricity-producing powerplants to coal-oil mixtures in three ways. First, it will permit the President to expedite the environmental compliance process for coal-oil mixture conversions when the mixtures can be determined to be no more polluting than the previously-used petroleum energy source. Second, it will ensure that the federally regulated ratio of coal to oil in the mixture chosen by a utility cannot be altered arbitrarily for a period of 15 years after the conversion has been made. Finally, in the event of a national shortage of fuel oil, producers of coal-oil mixtures and their utility and industrial customers should be assured of a continuing supply. Therefore, this legislation will give the President authority to allocate fuel oil to producers and consumers of coal-oil mixtures under emergency conditions.

I wish to emphasize that this measure does not alter existing environmental law nor does it require funds to be appropriated. Its effect will be to ease the difficulties of converting to coal-oil mixtures without derogation of important environmental standards.

During the mid-1930's, hydroelectric power supplied about 30 percent of the Nation's total generation power. Hydroelectric was also used to supply power to many of the industrial complexes in the Northeast. But as the cost of fossil fuels became cheaper, the contributions of this source decreased steadily. In the early 1960's, only 20 percent of the Nation's energy supply was produced from hydro while dipping to only 15 percent in 1978.

Hydropower is quickly becoming an energy source whose time has come again. Many of the problems which lead to the decline in the use of hydropower have now been minimized. The recent price hikes of OPEC oil and other fossil fuels are now making hydropower increasingly attractive in terms of economics. Hydroelectric powerplants depend on a renewable resource and therefore the dangers of shortages in supply are reduced. The technology for developing hydropower is readily available for all types and sizes of power facilities. Furthermore, the environmental barriers which tend to impede the progress of a hydroproject are easier to address.

Studies conducted by the General Accounting Office, the Department of Energy, and the Army Corps of Engineers all conclude that the hydropower potential at existing dams, if developed, could save this country thousands of barrels of oil per day while at the same time providing another alternative to the dangerous dependence on nuclear power. The Army Corps study projected that by installing generating facilities at existing dams, generated power could reach as high as 5,550 megawatts and thus rapid development is warranted.

Congress recently recognized the added potential hydropower had to offer. Title IV of the Public Utilities Regulatory Policies Act of 1978 established a loan program for small hydroelectric power projects. Loans for the program are to be used for feasibility studies and project costs. I believe this program, with adequate funding and proper administration, could get this country moving in the right direction.

More needs to be done. Today, I am introducing legislation to provide further incentives to develop hydropower. One of the bills would establish a loan program for the purchase and installation of microhydroelectric equipment. Microhydroelectric equipment is capable of producing not more than 100 kilowatts of installed capacity. The loan would be used to encourage individuals, municipalities, electric cooperatives, and nonprofit organizations to undertake the purchase and installation of the equipment at existing dams or in areas where the stream flow is capable of producing electricity.

I have also introduced legislation that would allow a tax credit for microhydroelectric equipment. My amendment to section 44c of the Internal Revenue Code would allow for hydroelectric energy property to be included as a "Renewable energy source property" thus making these properties eligible for a residential energy credit.

I am also proposing legislation that would amend the Federal Power Act to exempt power projects with installed capacity of less than 100 kilowatts from having to obtain a license from the Federal Energy Regulatory Commission.

Finally, I am proposing an expansion of the allowable power capacity of dams for eligibility under the small hydroelectric power project program. By increasing the allowable capacity to 100,000 kilowatts, a number of good sites would then be eligible for development.

I believe these two steps—facilitating the use of coal oil mixtures and the further development of small hydroelectric systems—will do a great deal toward lessening our dependence on oil. This is a particular concern for the residents of Long Island and New York State as a whole. Most of the powerplants in New York burn oil to produce electricity. Furthermore, there is a great potential for hydropower development in upstate New York. I hope the Members of this body would join me in calling for further steps to keep these important energy options open.●

AUTOMOTIVE FUEL CONSERVATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. Scheuer) is recognized for 10 minutes.

● Mr. SCHEUER. Mr. Speaker, today I introduced a bill intended to improve automotive fuel conservation while at the same time both facilitating compliance by auto manufacturers with the Nation's fuel economy standards and encouraging increases in the number of cars produced domestically by foreign carmakers. I am introducing this bill so that the Subcommittee on Consumer Protection and Finance of the House Interstate and Foreign Commerce Committee can appropriately consider these significant consumer benefits.

Let me briefly summarize the bill's key provisions. First and foremost, this bill will improve automotive fuel conservation by extending from 1 to 3 years the carryforward/carryback periods for the use of fuel economy credits by auto manufacturers—thereby encouraging carmakers to improve their average fuel economies at an earlier date.

Second, this bill is intended to spur domestic employment levels by encouraging foreign manufacturers to produce their cars domestically by permitting such manufacturers to count their foreign and domestic fleets together for fuel economy purposes, provided only that their domestic production began after 1975.

Finally, this bill permits domestic auto manufacturers to include up to 150,000 foreign-produced cars in their domestic fleets for fuel economy purposes provided those cars are manufactured domestically with 3 years. This provision accordingly offers twin benefits: It facilitates compliance with the fuel economy standards by the hard-pressed domestic auto industry, while at the same time guaranteeing an increase in domestic employment and production levels.

Mr. Speaker, this is a bill with manifold consumer benefits—it improves fuel conservation and it increases domestic employment levels. I urge my colleagues to give their strong support to this bill.●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Addabbo, for March 26, 27, and 28, on account of official business.

Mr. Chappell, for March 27 and 28, on account of official business in district.

Mr. Kindness (at the request of Mr. Rhodes), for today, after 3 p.m., on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Marriott) to revise and extend their remarks and include extraneous material:)

Mr. Hansen, for 60 minutes, today.
Mr. Tauke, for 5 minutes, today.

(The following Members (at the request of Mr. Drinan) to revise and extend their remarks and include extraneous material:)

Mr. Bedell, for 10 minutes, today.
Mr. Gonzalez, for 15 minutes, today.
Mr. Annunzio, for 5 minutes, today.
Mr. Eckhardt, for 5 minutes, today.
Mr. Van Deerlin, for 5 minutes, today.
Mr. Corman, for 5 minutes, today.
Mr. Wolff, for 15 minutes, today.
Mr. Scheuer, for 10 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. Marriott) and to include extraneous matter:)

Mr. Rhodes in two instances.
Mr. Whitehurst.
Mr. Gilman in two instances.
Mr. Ashbrook in three instances.
Mr. Symms in two instances.
Mr. Hopkins.
Mrs. Snowe.
Mr. Daniel B. Crane.
Mr. Corcoran.
Mr. Derwinski in three instances.
Mr. Quayle.
Mr. Jeffords.
Mr. Hammerschmidt.
Mr. Lent.
Mr. Paul.
Mr. Dornan in two instances.
Mr. Wydler in two instances.
Mr. McCloskey.
Mr. Lagomarsino in four instances.
Mr. Moore.
Mr. Ritter.
Mr. Kemp in five instances.

(The following Members (at the request of Mr. Drinan) and to include extraneous matter:)

Mr. Stokes in two instances.
Mr. Kildee.
Mr. Hamilton in two instances.
Mr. Dodd in two instances.
Mr. Alexander.
Mr. Wolff in two instances.
Mr. Guarini.
Mr. Lundine.
Mr. Drinan.
Mr. Weiss.
Mr. Stark.
Mr. Fauntroy.
Mr. Jenkins.
Mr. Shelby in two instances.
Mr. Mazzoli.
Mr. Van Deerlin.
Mr. Conyers.
Mr. Scheuer in two instances.
Mr. McDonald.
Mrs. Schroeder in two instances.
Mr. Rahall.
Mr. Skelton.
Mr. Early.
Mr. Harkin.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 1996. An act to authorize the Secretary of Agriculture to encourage the efficient use of wood and wood residues through pilot projects and demonstrations and a pilot wood utilization program; to the Committee on Agriculture.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1515. An act to authorize the striking of Bicentennial medals.

ENROLLED BILLS AND RESOLUTIONS SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and joint resolutions of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 24. An act to improve budget management and expenditure control by revising certain provisions relating to the Comptroller General and the Inspectors General of the

Departments of Energy and Health, Education, and Welfare, and for other purposes;

H.R. 2676. An act to authorize apppropriations for environmental research, development, and demonstrations for the fiscal year 1980, and for other purposes;

H.R. 2797. An act to make technical corrections related to the Revenue Act of 1978;

H.R. 4996. An act to restore to the Shivwits, Kanosh, Koosharem, and Indian Peaks Banks of Paiute Indians of Utah, and with respect to the Cedar City Bank of Paiute Indians of Utah, to restore or confirm, the Federal trust relationship, to restore to members of such bands those Federal services and benefits furnished to American Indian tribes by reason of such trust relationship, and for other purposes;

H.J. Res. 463. Joint resolution designating the week of October 5 through October 11, 1980, as "National Diabetes Week"; and

H.J. Res. 514. Joint resolution making additional funds available by transfer for the fiscal year ending September 30, 1980, for the Federal Trade Commission.

ADJOURNMENT

Mr. DRINAN. Mr. Speaker, I move the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 43 minutes p.m.), the House adjourned until tomorrow, Thursday, March 27, 1980, at 11 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3908. A letter from the Principal Deputy Assistant Secretary of Defense (Comptroller), transmitting the selected acquisition reports and SAR summary tables for the quarter ended December 31, 1979, pursuant to section 811(a) of Public Law 94–106; to the Committee on Armed Services.

3909. A letter from the Principal Deputy Assistant Secretary of Defense (Comptroller), transmitting a list of contract award dates for the period March 15, 1980, to June 15, 1980, pursuant to 10 U.S.C. 139; to the Committee on Armed Services.

3910. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Navy's proposed sale of certain military equipment to Australia (Transmittal No. 80–47), pursuant to section 813 of Public Law 94–106, as amended; to the Committee on Armed Services.

3911. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact of U.S. readiness of the Air Force's proposed sale of certain military equipment to Germany (Transmittal No. 80–54), pursuant to section 813 of Public Law 94–106, as amended; to the Committee on Armed Services.

3912. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Air Force's intention to offer to sell certain defense equipment to Germany (Transmittal No. 80–54), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

3913. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a draft of proposed legislation to amend the U.N. Participation Act, certain passport authorities, the Foreign Service Act, and for other purposes; to the Committee on Foreign Affairs.

3914. A letter from the Director, Office of Personnel Management, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

3915. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to amend the Federal Food, Drug, and Cosmetic Act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

3916. A letter from the Secretary of Transportation, transmitting the fourth annual report on progress in formulating average automotive fuel economy standards, pursuant to section 502(a)(2) of the Motor Vehicle Information and Cost Savings Act, as amended (89 Stat. 902); to the Committee on Interstate and Foreign Commerce.

3917. A letter from the Acting Administrator, Energy Information Administration, Department of Energy, transmitting reports for the month of December 1979, on changes in market shares of refined petroleum products and of retail gasoline, pursuant to section 4(c)(2)(A) of the Emergency Petroleum Allocation Act of 1973; to the Committee on Interstate and Foreign Commerce.

3918. A letter from the Director, Office of Personnel Management, transmitting a draft of proposed legislation to amend section 3109 of title 5, United States Code, to clarify the authority for appointment and compensation of experts and consultants, and for other purposes; to the Committee on Post Office and Civil Service.

3919. A letter from the Chairman of the Board of Directors and the Executive Director, Pension Benefit Guaranty Corporation, transmitting the fourth annual report of the Corporation, covering fiscal year 1978, pursuant to section 4008 of Public Law 93–406; jointly, to the Committees on Education and Labor and Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HAWKINS: Committee on House Administration. House Resolution 609. Resolution approving the printing of additional copies of the report accompanying the First Concurrent Resolution on the Budget for fiscal year 1981 (Rept. No. 96–855). Referred to the House Calendar.

Mr. BENNETT: Committee on Standards of Official Conduct. In the matter of Representative Daniel J. Flood (Rept. No. 96–856). Referred to the House Calendar.

Mr. GIAIMO: Committee on the Budget. House Concurrent Resolution 307. Concurrent resolution setting forth the congressional budget for the U.S. Government for the fiscal years 1981, 1982, and 1983 and revising the congressional budget for the U.S. Government for the fiscal year 1980 (Rept. No. 96–857). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANNUNZIO (for himself and Mr. Wylie):

H.R. 6928. A bill to amend the Truth in Lending Act to encourage cash discounts; to the Committee on Banking, Finance, and Urban Affairs.

By Mr. DANNEMEYER:

H.R. 6929. A bill to amend the Public Health Service Act to make uniform the capitation grant requirements for schools of optometry; to the Committee on Interstate and Foreign Commerce.

By Mr. STAGGERS (for himself, Mr. Dingell, Mr. Rahall, Mr. Bevill, Mr. Applegate, Mr. Kogovsek, Mr. Ertel, Mr. Wampler, Mr. Price, Mr. Clinger, Mr. McDade, Mr. Mollohan, Mr. Williams of Ohio, Mr. Hubbard, Mr. Murtha, Mr. Young of Alaska, Mr. Buchanan, Mr. Murphy of Pennsylvania, and Mr. Bailey):

H.R. 6930. A bill to expedite the conversion by certain existing electric powerplants from the use of oil to coal or another alternate fuel, and to conserve oil and natural gas used by other powerplants, and to assist the ratepayers of the electric utilities involved in reducing the costs of conversion and insuring that petroleum and natural gas costs are reasonable; to the Committee on Interstate and Foreign Commerce.

By Mr. ECKHARDT:

H.R. 6931. A bill to amend the Solid Waste Disposal Act to provide for the creation of an inventory of hazardous waste sites; to clean up dangerous inactive sites; to establish provisions for the management of inactive hazardous waste sites; to provide for the liability of hazardous waste generators for injuries caused by their hazardous waste; to impose fees on such generators to be used for assisting States in the management of hazardous waste and for compensating persons for damages resulting from hazardous waste where recovery is not possible from the generator; to provide for subpena authority respecting waste; to provide funds to State attorneys general for enforcement of the Solid Waste Disposal Act; to strengthen the criminal penalties in such act; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HAMMERSCHMIDT:

H.R. 6932. A bill to amend title 38, United States Code, to increase the rate of compensation payable to veterans who have lost or lost the use of both upper extremities as the result of a service-connected disability; to the Committee on Veterans' Affairs.

By Mr. KASTENMEIER (for himself, Mr. Rodino, and Mr. Railsback):

H.R. 6933. A bill entitled: "To Amend the Patent and Trademark Laws"; to the Committee on the Judiciary.

By Mr. KASTENMEIER:

H.R. 6934. A bill entitled: "The Computer Software Copyright Act of 1980"; to the Committee on the Judiciary.

By Mr. MINISH:

H.R. 6935. A bill to exempt from Federal income tax certain subsistence allowances received by State police officers before January 1, 1978; to the Committee on Ways and Means.

By Mr. PAUL:

H.R. 6936. A bill to prohibit the Secretary of Energy from promulgating any Federal emergency energy conservation plan which would restrict recreational boating; to the Committee on Interstate and Foreign Commerce.

By Mr. STAGGERS (for himself and Mr. Johnson of California) (by request):

H.R. 6937. A bill to amend the Hazardous Materials Transportation Act to authorize appropriations for fiscal years 1981 and 1982, and for other purposes; jointly, to the Committees on Interstate and Foreign Commerce and Public Works and Transportation.

H.R. 6938. A bill to amend the Independent Safety Board Act of 1974 to authorize appropriations for fiscal years 1981 and 1982, and for other purposes; jointly, to the Committees on Interstate and Foreign Commerce and Public Works and Transportation.

By Mr. TRAXLER:

H.R. 6939. A bill to amend the Internal Revenue Code of 1954 to allow individuals under age 55 to elect the one-time exclusion of gain from sale of principal residence; to the Committee on Ways and Means.

By Mr. WAXMAN (for himself, Mr. Gore, Mr. Mottl, Mr. Carter, Mr. Preyer, Mr. Maguire, Mr. Walgren, Ms. Mikulski, Mr. Gramm, Mr. Leland, Mr. Shelby, and Mr. Murphy of New York):

H.R. 6940. A bill to amend the Federal Food, Drug, and Cosmetic Act to strengthen the authority under that act to assure the safety and nutrition of infant formulas; to the Committee on Interstate and Foreign Commerce.

By Mr. WHITEHURST:

H.R. 6941. A bill to amend section 4067 of the Revised Statutes to define further the circumstances under which certain aliens within the United States may be treated as alien enemies; to the Committee on the Judiciary.

By Mr. ZABLOCKI (for himself, Mr. Fascell, Mr. Diggs, Mr. Rosenthal, Mr. Hamilton, Mr. Wolff, Mr. Bingham, Mr. Yatron, Mr. Solarz, Mr. Bonker, Mr. Pease, Mr. Barnes, Mr. Gray, Mr. Hall of Ohio, Mr. Wolpe, Mr. Buchanan, and Mr. Pritchard):

H.R. 6942. A bill to authorize appropriations for the fiscal year 1981 for international security and development assistance, the Peace Corps, and refugee assistance, and for other purposes; to the Committee on Foreign Affairs.

By Mr. SCHEUER:

H.R. 6943. A bill to amend the Motor Vehicle Information and Cost Savings Act to benefit consumers by encouraging automotive fuel conservation through extending the carryover and carryback periods for fuel economy credits earned by manufacturers, to encourage increases in the amount of labor and materials added in the United States in connection with the manufacture of automobiles by foreign manufacturers, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. SNYDER (for himself, Mr. Perkins, Mr. Taylor, Mr. Stangeland, Mr. Solomon, Mr. Carter, Mr. Stokes, Mr. Hansen, Mr. Holland, Mr. Evans of Georgia, Mr. Mottl, Mr. Davis of South Carolina, Mr. Williams of Ohio, Mr. Hubbard, Mr. Hammerschmidt, and Mr. Sebelius):

H.R. 6944. A bill to provide that no person may charge interest at a rate which is greater than 10 percent per annum on loans exceeding $300, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. WOLFF:

H.R. 6945. A bill to amend title IV of the Public Utilities Regulatory Policies Act of 1978 to expand the allowable power capacity of dams at which small hydroelectric power projects may be undertaken; to the Committee on Interstate and Foreign Commerce.

H.R. 6946. A bill to amend the Federal Power Act to provide that a person may construct, operate, and maintain a power project which has not more than 100 kilowatts of installed capacity without obtaining a license from the Federal Energy Regulatory Commission; to the Committee on Interstate and Foreign Commerce.

H.R. 6947. A bill to amend the Powerplant and Industrial Fuel Use Act of 1978 to expedite conversions from the use of petroleum and natural gas to the use of mixtures of petroleum and coal or other alternate fuels; to the Committee on Interstate and Foreign Commerce.

H.R. 6948. A bill to establish a loan program for the purchase and installation of microhydroelectric equipment; to the Committee on Interstate and Foreign Commerce.

H.R. 6949. A bill to amend the Internal Revenue Code of 1954 to provide that microhydroelectric energy property will be eligible for the residential energy credit; to the Committee on Ways and Means.

By Mr. WHITTEN:

H.J. Res. 521. Joint resolution making additional funds available by transfer for the fiscal year ending September 30, 1980, for the Selective Service System; to the Committee on Appropriations.

By Mr. EDWARDS of Alabama:

H.J. Res. 522. Joint resolution providing for a transfer of funds for the disaster loan program of the Small Business Administration for the fiscal year ending September 30, 1980; to the Committee on Appropriations.

By Mr. RHODES (for himself, Mr. Bafalis, Mr. Bevill, Mr. Brinkley, Mr. Broyhill, Mr. Carter, Mr. Clinger, Mr. Collins of Texas, Mr. Corcoran, Mr. Corrada, Mr. Robert W. Daniel, Jr., Mr. Devine, Mr. Dornan, Mr. Duncan of Tennessee, Mr. Erlenborn, Mr. Evans of Georgia, Mr. Evans of the Virgin Islands, Mr. Evans of Delaware, Mr. Fazio, Mr. Fish, Mr. Frenzel, Mr. Gilman, Mrs. Holt, Mr. Horton, Mr. Hughes, Mr. Jeffords, Mr. Jeffries, Mr. Jenrette, Mr. Kemp, Mr. Kramer, Mr. Lagomarsino, Mr. Lehman, Mr. Lott, Mr. Luken, Mr. Mitchell of New York, Mr. Moorhead of California, Mr. Nichols, Mr. Oberstar, Mr. Pashayan, Mr. Patten, Mr. Porter, Mr. Regula, Mr. Royer, Mr. Rudd, Mr. Sebelius, Mr. Solomon, Mr. Stump, Mr. Udall, Mr. Whitehurst, Mr. Whittaker, Mr. Williams of Ohio, Mr. Winn, Mr. Yatron, and Mr. Young of Florida):

H.J. Res. 523. Joint resolution to designate the week commencing with the third Monday in February of each year as "National Patriotism Week"; to the Committee on Post Office and Civil Service.

By Mr. WHITTEN:

H.J. Res. 524. Joint resolution to authorize the Vietnam Veterans Memorial Fund, Inc., to erect a memorial; to the Committee on House Administration.

By Mr. DERWINSKI (for himself, Mr. Annunzio, Mr. Bowen, Mr. Broomfield, Mr. Philip M. Crane, Mr. Evans of Delaware, Mr. Fary, Mrs. Fenwick, Mr. Findley, Mr. Fountain, Mr. Gilman, Mr. Goodling, Mr. Hyde, Mr. Lagomarsino, Mr. Nedzi, Mr. O'Brien, Mr. Rostenkowski, Mr. Winn, and Mr. Zablocki):

H. Con. Res. 308. Concurrent resolution expressing the sense of the Congress with respect to the United States making full use of its potential to improve the effectiveness of the Voice of America, Radio Free Europe, and Radio Liberty; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

396. By the SPEAKER: Memorial of the Senate of the State of Washington, relative to banning the slaughter of harp seal pups; to the Committee on Foreign Affairs.

397. Also, memorial of the Senate of the State of Washington, relative to Northern Ireland; to the Committee on Foreign Affairs.

398. Also, memorial of the Legislature of the State of Arizona, relative to Federal lands policy; to the Committee on Interior and Insular Affairs.

399. Also, memorial of the General Court, of the Commonwealth of Massachusetts, urging the Congress to enact legislation amending the Constitution of the United States to establish the rights of the unborn; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. HANSEN introduced a bill (H.R. 6950), for the relief of Mrs. William F. Wong, which was referred to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 654: Mr. Jenrette.

H.R. 810: Mrs. Byron, Mr. Cleveland, and Mr. Moorhead of California.

H.R. 3345: Mr. Ford of Tennessee.

H.R. 5140: Mr. Brooks, Mr. Coelho, Mr. Evans of Indiana, Mr. Gingrich, Mr. Hillis, Mr. Oberstar, and Mr. Charles H. Wilson of California.

H.R. 6461: Mr. Carney, Mr. Carter, Mr. Gingrich, and Mr. Anthony.

H.R. 6587: Mr. Dellums, Mr. Phillip Burton, Mr. Dixon, Ms. Mikulski, Mr. Simon, Mr. Weaver, Mr. Mottl, Mr. Rosenthal, Mr. Carter, Mr. Vento, Mr. Bedell, Mrs. Spellman, Mr. Daschle, Mr. Weiss, and Mr. Seiberling.

H.R. 6612: Mr. Carter and Mr. Goldwater.

H.R. 6675: Mr. Ratchford.

H.R. 6722: Mr. Bailey, Mr. Baldus, Mr. Carney, Mr. Conte, Mr. Conyers, Mr. Dougherty, Mr. Drinan, Mr. Edwards of California, Mr. Fazio, Mr. Fish, Mr. Florio, Mr. Gingrich, Mr. Harris, Mr. Ireland, Mr. Kildee, Mr. Mitchell of Maryland, Mr. Murphy of Pennsylvania, Mr. Oberstar, Mr. Ottinger, Mr. Preyer, Mr. Rahall, Mr. Sabo, Mr. Seiberling, Mrs. Spellman, Mr. Whitehurst, Mr. Wolpe, Mr. Mathis, Mr. Swift, Mr. Erdahl, Mr. Pepper, Mr. Richmond, Mr. LaFalce, and Mr. Andrews of North Dakota.

H.J. Res. 504: Ms. Mikulski and Mrs. Collins of Illinois.

H.J. Res. 507: Mrs. Fenwick, Mr. Goldwater, Mr. Hammerschmidt, Mr. Leach of Louisiana, Mr. Marks, Ms. Mikulski, Mr. Pashayan, Mr. Solarz, Mr. Stenholm, Mr. Waxman, and Mr. Wirth.

H. Con. Res. 298: Mr. Bafalis, Mr. Paul, Mr. Rudd, and Mr. Winn.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 6837

By Mr. BEREUTER:

—Page 34, renumber sections 215–221 as sections 216–222 and insert the following language as section 215.

Sec. 215. Section 505 of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 825) is amended by adding at the end thereof the following new subsection:

"(h) Purchase of Essential Properties for Common Carrier Service.—(1) Notwithstanding subsections (a) through (g) of this section (other than subsections (b)(2) and (d)(3)), the Secretary shall, to the extent applications are filed, immediately purchase not less than $25,000,000 in redeemable preference shares, bonds, or trustee certificates convertible to redeemable preference shares under this section as necessary to facilitate the purchase of properties of the Rock Island Railroad by responsible noncarrier entities to be used for common carrier rail service. Such entities may include, but are not limited to, an association or associations composed of representatives of national railway labor organizations, employee coalitions, and shippers (or any combination thereof) which wishes to acquire and rehabilitate Rock Island Railroad lines pursuant to a feasible employee or employee-shipper ownership with the property being acquired by the association. Such business plan shall be submitted to the Secretary on or before June 1, 1980, or such later date as the Secretary shall deem advisable. For purposes of this subsection, the term 'railroads' in subsection (a) of this section shall be deemed to include responsible noncarrier entities. This subsection shall apply only to purchase applications filed with the Commission prior to June 1, 1980.

"(2) The loan shall be granted upon such terms and conditions as insure that the applicant will be financially capable of making the requisite interest and principal payments without a drain on its financial resources: *Provided,* That the Secretary shall insure that all indebtedness under this section is secured."

—Page 34, line 17, after the word section, strike the period and insert "; *Provided,* That with regard to that portion of the Rock Island Railroad line between Omaha, Nebraska and Colorado Springs, Colorado, no such disposition shall take place for an eighteen-month period beginning on the date of enactment of this title, and further, in no case during that period shall the Secretary approve a disposition of said portion of the rail line or related facility to any entity not engaged in the business of, or formed for, the purpose of operating a railroad.

EXTENSIONS OF REMARKS

NUCLEAR POWER

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 26, 1980

● Mr. WYDLER. Mr. Speaker, this week marks the passage of 1 year since the accident at the Three Mile Island nuclear powerplant in Pennsylvania. We have already seen a great deal of media attention to this anniversary, mostly speculating whether the nuclear industry can survive the accident and its aftermath.

I think it is important that we have an understanding of the progress the industry has made in understanding what happened at Three Mile Island and implementing the lessons learned. This industry is an important part of our total energy picture—furnishing about 13 percent of our Nation's electricity. The completion of the 90 or so nuclear powerplants under construction is vital to the lessening of our dependency on foreign oil. The following is a summary of the industry's report to President Carter on the major, substantive steps it has taken to make sure that nuclear safety be enhanced over and above the industry's already unsurpassed safety record.

SUMMARY AND CONCLUSIONS

The year since the Three Mile Island accident has been a watershed period not only for nuclear power, but for all energy in the United States. A series of dramatic events has demonstrated the fragility of cur energy supply system—meaning the fragility of our economy and basic way of life.

The electric energy industry believes that there are five over-riding lessons to be learned from the past 12 months:

1. Three Mile Island was a serious—but not highly dangerous—accident. Official reports since then have shown that many of the fears at the time were based largely on misinformation. The unmatched public safety record of nuclear power after more than 25 years of commercial experience and almost 450 cumulative years of power reactor operation remains intact.

2. The U.S. electric power industry responded quickly and forcefully to the accident, revising procedures and training in nuclear power plants, making indicated equipment changes and establishing major new organizations to correct the inadequacies indicated by the accident. As a result, nuclear power plants today are even safer than they were a year ago.

3. Other energy developments during the past year—long gas lines, substantially higher prices for oil and gasoline and the ominous turmoil in the Middle East—have demonstrated the serious dangers tied to our heavy dependence on imported oil and the risks of not developing nuclear power.

4. Several major new energy policy studies—by such expert organizations as the National Academy of Sciences and Resources for the Future—have emphasized the pressing need to move ahead with our only logical energy strategy: conserving energy and developing all existing U.S. resources, meaning largely coal and nuclear power.

5. The national energy direction—whether by deliberate policy or drift—has taken us farther away from domestic energy adequacy rather than closer to it. We must remove the roadblocks to the development of domestic energy supply.

The electric power industry believes that its response to the Three Mile Island accident is particularly notable. It was unprecedented both in scope and speed.

The electric utility industry is composed of more than 2000 separate and independent entities which generate, transmit and distribute electrical energy to customers. The "nuclear industry" includes many hundreds of additional organizations which study, design, manufacture, construct, maintain and service nuclear plants and components, many of them on an international scale.

In the year since the March 28, 1979 accident at the Three Mile Island nuclear plant (TMI) in Pennsylvania, we have enlisted the support of and, in the case of those with direct nuclear involvement, the participation by the broadly diverse electric utility and nuclear industries in the response to TMI. Executives and technical nuclear personnel numbering in the hundreds have been directly involved in this coordinated effort (not counting those activities carried on by individual nuclear utilities) and the man-hours expended run into many thousands.

Under the general supervision and coordination of an eight-man committee of top executives representing investor-owned utilities, local and state government-owned power agencies and rural electric cooperatives, some of the major accomplishments of the past tweleve months have been:

Creation, with the assistance of the Electric Power Research Institute, of the Nuclear Safety Analysis Center (NSAC) to study in great depth what happened, at TMI, why it happened, what might have happened, the best solutions to the safety concerns identified there and at other nuclear power plants, and to provide a continuous source of authentic information.

Organization, from a standing start at mid-year 1979, of a free-standing independent Institute of Nuclear Power Operations (INPO) charged with establishing "benchmarks of excellence" in the operations of nuclear power plants and implementing procedures to assure that all nuclear power plants measure up to such standards.

Creation of a new insurance company, Nuclear Electric Insurance Limited (NEIL), to provide partial protection from the great financial impact of an extended outage of a nuclear power plant caused by an accident, especially the cost of replacement power.

Development of the most authentic sequence of events of the TMI accident.

Analysis of all information coming out of TMI and distribution of the analysis to the staff of the Nuclear Regulatory Commission and other interested parties.

Coordination of industry comments on NRC staff proposals for actions to be taken in response to TMI.

Development of a model emergency response plan for adaptation by individual nuclear plants which provides a "ready reserve" of equipment and personnel immediately available in the event of a nuclear emergency.

Development of a generic emergency public information plan to help assure a flow of accurate, dependable information from any nuclear plant which might experience an emergency.

Institution of a system to analyze every non-normal occurrence at any nuclear plant, based on information from licensee event reports, in order to identify any needed corrective action and immediately distribute such information to nuclear utilities to assure the appropriate attention and action.

Completion of several studies requested by the President's Commission on the Accident at Three Mile Island.

Establishment of special studies which indicated that the safety margins at TMI during and following the accident were substantial.

Development of an industrywide communications system to provide substantially immediate distribution of information to all nuclear utilities.

Establishment of an expanded public information program to disseminate needed information on energy matters in general, and nuclear power in particular.

Completion by INPO of the first two audits and evaluations of the management and operation of nuclear power plants.

Completion of a joint NSAC/INPO investigation of the Crystal River nuclear incident and publication of a report.

We are proud of the exceptional safety record of nuclear power, over its quarter century of use, and of the industry's prompt and substantial response to the accident to assure that nuclear plants are even safer in the future. The compelling evidence of the past twelve months demonstrates not only that nuclear power is adequately safe, but also that it is absolutely necessary.

It is of the utmost importance that the United States recognize the urgent need to develop all U.S. energy sources, including nuclear power, to begin substituting for our dangerously high dependence on imported oil. Such a commitment will require leadership from the highest levels of government, as well as cooperation from the public and the many special interest groups that are involved in energy policy decision. Because of the long lead times related to the development of any large-scale energy source, a further delay in such a commitment represents a highly dangerous gamble with the very stability and security of the United States in the years and decades ahead. As we have seen demonstrated dramatically in the past year, the greatest risk related to nuclear power is the risk of facing the future without it.●

GRAIN TO JAPAN?

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 26, 1980

● Mr. HAMILTON. Mr. Speaker, in January, President Carter expressed our national opposition to the Soviet invasion of Afghanistan by limiting exports of grain and high technology items to the Soviet Union. These sanctions have weighed heavily on the economic present and future of the domestic farmer.

For the agricultural sanctions to have the maximum effect we need the active support of our industrial allies as well as the major grain exporters. To date, the support of our allies has been somewhat mixed.

Recently, however, I have received some information on Japanese policy that is definitely encouraging. The Forum for Policy Innovation of the Keidanren—the powerful voice of Japanese business—has recently prepared a paper entitled "Energy Proposal on Grain Stockpiling as Part of a Comprehensive Economic Security Strategy." The authors of the Keidanren study propose that the Japanese buy and stockpile from 15 to 17 million metric tons of grain as part of a comprehensive strategy. The paper is significant for what it says about the current thinking of perhaps Japan's most influential interest group. Will the proposal translate into policy? I do not know. But I thought it quite significant that the Keidanren gave the paper to an employee of the Congressional Research Service who was in Japan to assess the Japanese response to the partial embargo on exports to the Soviet Union.

The Japanese purchase of 15 to 17 million tons of grain would virtually eliminate the need for the United States to acquire surplus grain. It would also be welcomed as an example of burden sharing and as a part of a united Western approach to trade with the Soviet Union. I am convinced that more reflection and consultation will help forge a common Western economic policy to the Eastern bloc. With this in mind, I have asked the Congressional Research Service to prepare a study on "East-West Commercial Policy in the Wake of the Carter Embargo". Before we act in haste, we should take definite steps toward defining a successful, joint strategy.●

MRS. NATALIA SOLZHENITSYN DENOUNCES INTENSIFICATION OF ARRESTS IN THE U.S.S.R.

HON. JAMES M. JEFFORDS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 26, 1980

● Mr. JEFFORDS. Mr. Speaker, although our attention has been focused on the world situation regarding Afghanistan, we must also recognize that repression and the struggle for freedom in the Soviet Union continues. I would like to share with my colleagues the recent statement of Mrs. Solzhenitsyn:

NEW YORK, March 13.—Mrs. Natalia Solzhenitsyn denounced today the Soviet Union's "campaign of arrests of such a scope that has not been in evidence since 1956," citing in particular the latest arrest in a long series of incarcerations—that of Malva Landa, "a 60-year-old woman, a selfless administrator of the Russian Social Fund of many years, and member of the Helsinki Watch Group."

Mrs. Landa was arrested on March 7 and is currently confined at Vladimir Prison. At the time of her arrest she was living in the small city of Petushki, approximately 78 miles east of Moscow. She has been under investigation for more than two months and is reportedly being charged under Article 1901—"defaming the Soviet state and social system."

Mrs. Solzhenitsyn is a board member of the Center for Appeals for Freedom, recently established by Freedom House for the purpose of disseminating information of conditions under repressive regimes of both the right and left.

Following is the full text of Mrs. Solzhenitsyn's statement for the press:

IN CONNECTION WITH THE ARREST OF MALVA LANDA

"During the past six years of its existence the Russian Social Fund has helped many hundreds of prisoners and their families. The authorities have constantly hindered the Fund's work and have persecuted its unselfish helpers: Balys Gajauskas is serving a 15-year sentence in a special regime labor camp (after having already spent 25 years in Soviet concentration camps); Alexander Podrabinek is serving his five years of exile; Mykola Gorbal and Antanas Terleckas were arrested in October of 1979; in February of 1980—Vyacheslav Bakhmin, and now—Malva Landa, a 60-year-old woman, a selfless administrator of the Russian Social Fund of many years, and a member of the Moscow Helsinki Watch Group.

Since the fall of 1979 the authorities have initiated a campaign of arrests of such a scope that has not been in evidence since 1956. The Fund knows the names of 73 persons who have been arrested for their beliefs during the course of the past few months. During this process more than 100 children have become orphaned.

Among those arrested were over 30 people who were deprived of their liberty for professing their faith. Included among these was the Orthodox priest Fr. Dmitri Dudko, who was beloved and deeply respected by hundreds of people. And more than 20 persons have been arrested for their human-rights activities.

Now, more than ever, our Fund will continue to help the victims of the Soviet Gulag, whose growth and fierceness also signifies a threatening signal for the rest of the world: because internal aggression is a preparation for external aggression.

MRS. NATALIA SOLZHENITSYN,
President, Russian Social Fund.●

CURING THE ADDICTION TO FEDERAL AID

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 26, 1980

● Mr. JACOBS. Mr. Speaker, in 1972 when I spoke on the floor in opposition to the creation of revenue sharing—the late Representative William Bray called it "debt sharing"—I said, "It is a blank check for irresponsibility."

To the following Kilpatrick column I say a triple amen:

[From the Washington Star, Mar. 20, 1980]

CURING THE ADDICTION TO FEDERAL AID

(By James J. Kilpatrick)

In the current issue of State Government News, the lead article begins with a cheerful announcement: "The good news for states in President Carter's fiscal 1981 budget is his support for renewal of the $6.9 billion general revenue sharing program, including $2.3 billion for states over the next five years.

Well, many a slip, and don't count your chickens before they hatch, and the best laid plans go oft awry. Ten days ago Mr. Carter went through an inspiring experience. He was born again as a budget cutter, filled with the zeal of frugality. The $2.3 billion that had been earmarked for the states in fiscal '81 has fallen on the cutting room floor. And high time.

Federal aid to the states and localities goes back 100 years or more, at least to the time of the land grant colleges. The flow increased from a trickle to a stream with federal aid for highways. The stream became a river: federal aid for hospitals, federal aid for sewage disposal plants, federal aid for education. Then the river became a torrent: federal aid for law enforcement, for this, for that, for everything under the sun.

And in 1972, came GRS—general revenue sharing with no strings attached, or at least with very few strings attached. It was a bad idea then, and it remains a bad idea to this day. The best that ever could be said of GRS was that it demanded less bureaucracy than the categorical plans demanded. GRS permitted the states to make independent decisions without the specific approval of federal planners.

But federal aid is narcotic. Fifty states and 39,000 local governments now are hooked on it. Mr. Carter's modest proposal to eliminate the state share of GRS, while continuing the local handouts, is certain to set off an uproar among governors, state boards of education and other high-octane lobbyists.

At hearings before a Senate subcommittee last summer, Abe Beame, former mayor of New York City, strongly urged that GRS be fully funded for the next four years—with an increase added to reflect inflation. Richard Fulton, mayor of Nashville, characterized GRS as "vital" and "indispensable" to local governments. Tennessee's Governor Lamar Alexander said it would be a "grave mistake" to reduce the states' share of GRS. Within the family of American government, we have raised a generation of addicts.

When Congress launched the first four-year program of general revenue sharing in 1972, proponents argued that the states and localities were broke while the U.S. Treasury was flush. A more absurd argument seldom has been heard in the halls of Congress. The Treasury was in fact running its printing presses night and day. Some localities were in trouble, largely for want of revenue sources in addition to their local property taxes, but state governments were mostly in clover.

That condition continues today. The federal treasury has no money to spare. This year's deficit will run to $40 billion or more. Mr. Carter has pledged a balanced budget for fiscal '81, and has announced a series of draconian measures to achieve it. Will Congress resist the mounting pressures and stop the fiscal hemorrhage? Don't bet on it.

The fiscal contentions are the least significant. The constitutional issues are vastly more important. When federal aid to state highways began to loom large, a tenuous constitutional justification was advanced: These were "post roads," and Congress had been delegated power to provide for them.

Grants for sewage disposal were explained in terms of interstate commerce. How the Hill-Burton grants for hospital construction were rationalized, I cannot remember.

But after a while, most members of Congress abandoned the Constitution altogether. Who could justify a federal grant for a local choral group? For a county sheriff? For some gimcrack experiment in education? Who cared? The categorical programs were wonderfully popular, and GRS was more so. And for GRS there was no constitutional basis whatever.

Nothing much can be done about federal aid in the current fiscal year. A moral commitment, if not a legal commitment, compels congressional support of GRS through next September. Beginning in 1981, one program after another should be phased out.

The vice in all these handouts is that they give state and local governments the pleasure of spending the taxpayers' money without the pain of raising it, and they create a weakening condition of dependency on Washington. Withdrawal will be hard; continued addiction, I submit, would be worse.●

VETERANS' DISABILITY COMPENSATION

HON. JOHN PAUL HAMMERSCHMIDT

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 26, 1980

● **Mr. HAMMERSCHMIDT.** Mr. Speaker, it is generally recognized that it is much more of a burden to lose an arm than a leg, although obviously the loss of either can be a disastrous experience. Our veterans' disability compensation tables recognize this comparative difference in severity when they address the single loss of such limbs: Loss of the leg below the knee is measured as 40-percent disabling, while the loss of an arm below the elbow is considered to be at least 60-percent disabling; loss of the leg above the knee is considered 70-percent disabling; while loss of the arm above the elbow is rated at 90 percent.

However, existing veterans' law does not make this same distinction when they address double amputations. Loss of two feet or two hands is considered to be equally disabling under paragraph (1) of section 314 of title 38; loss of two legs below the knee or two arms below the elbow is considered the same under paragraph (m) of that section, and loss of two legs at the hip or two arms at the shoulder is considered equally disabling under paragraph (n).

I consider this to be an oversight in the law, due to the small number of veterans who would be affected by the legislation, estimated to be 124. Numbers aside, though, Mr. Speaker, there is a matter of equity involved, and consequently I am introducing legislation today that will remedy this error. I invite my colleagues to join me in this support.

The text of the bill follows:

H.R. 6932

A bill to amend title 38, United States Code, to increase the rate of compensation payable to veterans who have lost or lost the use of both upper extremities as the result of a service-connected disability.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 314 of title 38, United States Code, is amended—

(1) in subsection (1), by striking out "both hands, or both feet," and inserting in lieu thereof "both feet";

(2) in subsection (m)—

(A) by striking out "two extremities" and inserting in lieu thereof "both hands or both legs"; and

(B) by striking out "elbow or";

(3) in subsection (n), by striking out "of two extremities so near the shoulder or" and inserting in lieu thereof "or loss of use of both arms at a level, or with complications, preventing natural elbow action with prosthesis in place, or has suffered the anatomical loss of both legs so near the"; and

(4) in subsection (o), by inserting "or if the veteran has suffered the anatomical loss of both arms so near the shoulder as to prevent the use of a prosthetic appliance" after "or less,".

SEC. 2. The amendments made by the first section of this Act shall take effect on October 1, 1980.●

PRESIDENT CARTER'S ANTI-INFLATION PROGRAM

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 26, 1980

● **Mr. HAMILTON.** Mr. Speaker, I insert my Washington Report for Wednesday, March 26, 1980, into the CONGRESSIONAL RECORD:

PRESIDENT CARTER'S ANTI-INFLATION PROGRAM

President Carter has proposed a five-step program to bring inflation under control. There will be (1) federal spending cuts of $13 billion, enough to permit a balanced budget next year, (2) selective restraints on credit and interest, especially on unsecured consumer loans and on bank and money market funds, (3) a voluntary wage standard allowing increases of 7¼ to 9¼ percent, with extensive reporting and monitoring of wages and prices, (4) a $4.62 fee on each barrel of imported oil, an effective increase of 10¢ per gallon in the price of gasoline, and (5) long-term economic changes to encourage productivity, savings, research, and development.

My basic impression is that the proposals are aimed at the right targets: excesses in government borrowing, private borrowing, and gasoline consumption. The heavy emphasis on restraining credit and interest will increase the likelihood of a recession this year. The balanced budget will play its part as well since it will apply the "fiscal brakes" harder than at any time in the recent past. Taxes, gasoline prices, unemployment, and defense spending will move up, but availability of credit and spending for the poor will fall off. The hope is that the cooling of the economy will hold down wage demands and price rises. Nonetheless, the impact of the proposals on the inflation rate will be slow in coming and modest at best. Inflation is too entrenched for the program to have a substantial impact immediately. The real question is whether the proposals are strong enough to start restoring the economy to health.

The President has recognized both the importance of a balanced budget in the fight against inflation and the need for tough measures to take pressure off interest rates. While it may not seem that a shift of a few billion dollars in the budget would have a major effect in a $2½ trillion economy, the psychological ramifications of the shift could be important. If people are persuaded that the government is serious about setting its "fiscal house" in order, they will begin to change the buying and borrowing habits that now contribute to inflation. I was not pleased that the President postponed announcement of the details of his budget cuts until the end of the month. The delay makes me wonder whether he knows where the cuts will be made. Perhaps he is stalling to gain political advantage in the upcoming presidential primary in New York. Whatever his reasons, the delay may mean that the cuts are hastily assembled. In my judgment, Congress should simply seize the initiative and develop its own list of cuts. I myself am prepared to support reductions larger than those suggested by the President.

Even with a balanced budget, it strikes me that the greatest burden of the fight against inflation will still fall on our monetary authorities. The Federal Reserve System will impose a special deposit requirement on banks, petroleum companies, retailers, credit card companies, and other firms that extend certain kinds of consumer credit. The requirement will make it more costly for lenders to raise the total amount of loans outstanding. It appears to me, however, that interest rates will continue to climb in the weeks ahead.

I have my own reservations about the proposed fee on imported oil. It will raise the inflation rate by one-half percent at least, encourage oil exporters to hike their prices, and perpetuate the clumsy system of entitlements which evens out oil prices nationwide by mixing expensive foreign oil with lower-priced domestic oil. My own view is that we ought to get rid of the system of entitlements as domestic oil prices are gradually freed from controls.

The anti-inflation program will encounter formidable obstacles on its way to implementation. Chief among these obstacles will be the trouble Congress and the President will have in agreeing on the cuts to be made to balance the budget. Frankly, I expect this year's budget fight to be the fiercest in recent memory. The liberals will resist reductions in welfare, mass transit, and employment programs, while the conservatives will stand firm against cuts in the defense budget. The plan to replace the oil import fee with a permanent tax on gasoline is bound to prompt a vigorous battle between Congress and the President. In the final analysis, the public has the right to be skeptical of all the proposals until performance matches rhetoric.

The consensus in the business community seems to be that the anti-inflation program is a good first step. Many businessmen, however, believe it to be less than what is needed. Dissatisfaction with the proposals depressed the stock market initially, but Wall Street rebounded the next day, the credit markets reacted favorably, the dollar rose strongly overseas, and gold prices tumbled. On the whole, foreign observers of our economy responded positively. Congress, as it tried to put the program in proper perspective, gave cautious signs of approval. The program also set off one of the most intensive lobbying campaigns seen in Washington in many years. Special interest groups are flooding Congress with pleas to spare them from the budget cuts.

I am convinced that President Carter's anti-inflation program is worthwhile. It may not have an immediate impact on prices, but inflation surely would have gotten worse had it not been recommended. The key question is what the proposals will do to slow inflation. No one really knows how well or badly they will work, and no judgment will be possible for several months. Most important is not what is said about the program today, but rather what is done about it tomorrow.●

AGRICULTURE YEARBOOK: BUILDING BRIDGES, NOT WALLS

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 26, 1980

● Mr. BROWN of California. Mr. Speaker, there has been a great deal of discussion recently about the value of the 1979 Agriculture Yearbook, "What's to Eat?" Many of my colleagues have taken the opportunity to chastize the Department of Agriculture for spending Federal dollars on a book that they say does not help American farmers deal with the many problems facing them.

One of the major problems facing American farmers today is that they have little support or understanding from consumers in cities and towns. This lack of understanding is even more pronounced among young people who have grown up with a food marketing and processing system which has removed the farmer from any active role, at least as these youngsters view it. Milk comes from cartons, vegetables appear in refrigerator cases atop plastic garnish, and the only relationship between grains and breakfast cereals is the ear of corn or kernel of wheat printed on the front of the box. Ask a child where bread comes from and he or she is likely to answer, "aisle 7." How can we expect to generate much support for solving the problems in the farming sector if the farmer does not even exist for millions of Americans.

It is easy for us here, especially in an election year, to trot out memories of life on the farm or feeding Uncle Fred's chickens while on summer visits to his farm, or any of a number of first-hand experiences with agriculture. But Uncle Fred and millions of his fellow farmers are gone and his farm is now a suburban shopping center. Where are children in cities and towns to receive any understanding of the farming sector if farmers do not take the initiative to bring their story to them?

In my years in Congress and my service on the Agriculture Committee, I have seen many vital agriculture bills defeated on the floor due to a lack of support from urban Representatives. I have seen the Agriculture Department's budget suffer because of lack of support in the executive branch. With the loss of 1,000 farms a week in this country, the farming constituency is declining at an alarming rate. The only way to reverse this is to seek to broaden agriculture's constituency by showing the urban consumer the vital importance of the American farmer in their lives.

As my colleagues well know, I am not a kid anymore and have no idea how a child will receive this publication. The prevailing theory in education these days seems to be to try to compete with the quick, easy messages of Saturday morning television by imitating their colorful, cartoon style. Whether this is effective or not, I am not sure.

I do know that there is much valuable information about food, agriculture, and nutrition in the book as well as valuable consumer hints. There are also a number of projects outlined that may serve to give a youngster a better understanding of the foods that he or she eats. I would, however, advise that Secretary Bergland not use any of the gagwriters who contributed to the yearbook for work on his speeches.

I'm sure that we can all find some fault with specific parts of the 1979 Agriculture Yearbook. But I do not think that we should fault the Department of Agriculture for attempting, and quite successfully from my perspective, to educate a large part of the consumer public about the time, energy, and effort that produces the apple, orange, steak, or bread that we tend to take for granted. This focus on the consumer should be seen as a gain rather than a loss to the American farmer. And for those who disagree with the form, style, or content of this publication, I would challenge them to do a better job of getting their message across to consumers.

One of the biggest gains made by the American Agriculture Movement in their visits to Washington was the exposure of an urban population to the realities of modern agriculture. Anyone who stopped a farmer on the street or subway and took the time to talk with them received a valuable education. Here again there are those who disagree with the style and format of the AAM but their effort to educate the public cannot be faulted. The agriculture sector should work harder to educate consumers, tell their side of the story, and thus work to generate support for their programs.

In my district, I have seen vineyards and groves give way to the eastward expansion of Los Angeles. I can, unfortunately, see the day when future generations of children in Riverside, the home of the navel orange, may learn about the citrus farmer only through books and films. Many of my colleagues are already in similar positions with respect to their local crops. Large, mechanized farms far from the city, complex processing and marketing systems, and fancy packaging of foods separate the farmer from the consumer. Only through efforts such as USDA made in the 1979 Agriculture Yearbook can these two ends of our food system see the value that each holds for the other and work together on the problems they have in common.●

RETURNING VEHICLE INSPECTION DECISION TO THE STATES—IT'S TIME TO REIN IN THE EPA

HON. DAN QUAYLE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 26, 1980

● Mr. QUAYLE. Mr. Speaker, unreasonable regulations threaten to pull more than $150 million from the Hoosier State and more than $1.5 billion could be drained from seven other States, as a result of EPA actions.

The EPA is requiring 29 States to institute expensive and burdensome inspection and maintenance programs for motor vehicle emission controls since one or more of their counties do not meet Federal guidelines.

A total of $100 million in Federal highway construction moneys is to be withdrawn from Indiana, plus over $50 million in Federal sewer project funds. Colorado could lose $300 million in a combination of Federal highway and sewage plant construction moneys. Sizable amounts of money could also be pulled from California, Michigan, Virginia, Kentucky, Ohio, and possibly Wisconsin.

First, I'd like to point out that the environmental standards established by EPA may not be attainable at the present time. A spot check by EPA of the 9 million automobiles manufactured in the United States in 1979 found that 25 percent of the cars coming off the assembly line could not meet the Federal standard.

Second, mandatory inspection and maintenance programs force the States into further financial difficulties that would have a deterimental effect at this time of economic crisis and 20 percent inflation.

For example, recent estimates by EPA indicate that 40 million automobiles in 29 States would be subject to the mandatory inspection and maintenance program at an average cost of $8.50 per vehicle. They estimate that 25 percent of the cars would require repairs at an average cost of $29 per car. This could total $1 billion, which would be drained out of our economy and not add 1 cent to productivity. This at a time when we need to increase productivity, not waste taxpayers' money on another costly Federal mandate.

Third, taking Federal moneys at this time would produce potential bankruptcy for State Highway Trust Funds during this time of declining gasoline sales and subsequent shortfalls in highway funds. Indiana expects to lose $14.35 million in gasoline taxes in 1980 due to reduced purchase of high-priced gasoline and increased State and Federal gasoline taxes.

Fourth, the jury is not out on the effects reduced driving will have on clean air, but certainly this avenue should be investigated before funds are taken for failure to meet arbitrary guidelines. Gasoline sales throughout the country dropped 12 percent in 1979. This, coupled with the retirement of older, less fuel-efficient models, will also reduce disbursal of hydrocarbons and carbon monoxide into the atmosphere.

As a final point, I would like to make one observation. The EPA has set these standards on gasoline burning cars with the best of intentions. But the standards do not strike at the root of the problem—the gasoline engine. And we are not alone in confronting this problem, the nations of Europe and Japan also are faced with an energy crisis and a pollution problem due to our reliance on the gasoline engine.

To solve this problem is going to take a commitment, not only on our part, but on the part of our friends abroad to develop a nonpetroleum burning engine. When we reach that goal we will have no further need for EPA emission standards, we will have struck at the heart of the problem instead of concentrating on short term remedies. I think a nonpetroleum burning auto is an obtainable goal for the new generation of leadership that will lead this Nation into the decade of the 1980's and beyond.

Thank you.●

NEWS MEDIA PARROTS COMMUNIST DOUBLETALK

HON. DANIEL B. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 26, 1980

● Mr. DANIEL B. CRANE. Mr. Speaker, William Randolph Hearst, Jr., the editor-in-chief of the Hearst Newspapers, has penned an excellent editorial exposing the doubletalk and duplicity of some elements of the news media in buying the Soviet distortion of language.

The media call Iranian armed gangsters "students."

The media refer to those Afghans fighting against the Soviet invasion as "rebels."

The media termed the North Vietnamese invaders of South Vietnam "insurgents."

The media call Communist-led rebel movements "national liberation fronts."

The media call the Communist butchers of Rhodesia the "Patriotic Front," adopting without question the propaganda line of the terrorists.

The media characterizes the Kremlin hard-liners as "conservatives."

It is obvious that most of the news media has largely swallowed the Communist Orwellian "newspeak" hook, line, sinker, and pole.

Mr. Hearst has done a public service by pointing this out. Let us hope responsible journalists will examine their use of terms and put a halt to this inexcusable practice.

Mr. Hearst's editorial follows:

RUSSIAN DOUBLE TALK

(By William Randolph Hearst, Jr.)

NEW YORK.—I have said from the beginning of our present confrontation with the Russians that we are being tricked by their deliberate distortion of the English language. Now it is becoming increasingly evident that this suspicion about the Soviet Union's abuse of words is well founded.

I am no William Safire, and I have no intention of analyzing the lexicography and history of our extremely rich vocabulary. But no American should sit idly around and let himself, his press, and his other media be deliberately duped by a Leninist trick that is as old as the communist movement itself.

The first of our present day confrontations with the Russians came in Rhodesia, where the Russian propaganda machine quickly named two outlawed guerrilla groups the "Patriotic Front." How about that?

Members of the "Patriotic Front" were, and are, about as patriotic to Rhodesia as the average comrade on the trans-Siberian railroad.

Joshua Nkomo, leader of one of the guerrilla groups, is clearly a communist sympathizer.

Robert Mugabe, leader of the other group, is a self-proclaimed Marxist who has been fighting against Rhodesia's efforts to create a representative form of government.

In a recent propaganda pamphlet, Mugabe presented Rhodesians with such slogans as "death to the British colonial troops," and "power can only come from the barrel of a gun." That says something about his so-called "patriotism."

We witnessed similar distortions of the language earlier in our lives when Spain became involved in a civil war. Communists misnamed the rebels and invaders as "Loyalists," and got the world accustomed to using the word "rebels" for those who were defending Spain, its constitutional monarchy and its parliament.

More double talk has emerged from the crisis in Iran. For weeks nearly everyone referred to the terrorists who are holding 50 Americans as prisoners as "students." That made them sound like overzealous college boys rather than the well-trained conspirators that they are. Some of those alleged "students" are 50 years old, or more.

In Ethiopia and South Yemen it has been a communist habit to label as "rebels" those resisting aggression by Cuban or Soviet forces.

Now it is happening again in Afghanistan. The Afghanistans who are defending their homeland and their government from the Kremlin's invaders are being called "rebels," not "patriots."

When will we stop buying this line of linguistic double talk?

Even the official name of the Soviet Union, the "Union of Soviet Socialist Republics," is a bit of a twist for those who believe in the original meaning of those words. If you take them literally they make a dictatorship look like a democracy.

"Union" suggests the uniting of a people to support a common cause. (You can ask Latvia and Estonia how it feels to be "unionized.") "Soviet" in the Russian language means an "elected government council," which looks good on paper but doesn't mean Moscow's rulers are picked by the people.

"Socialist" is a word that has been kicked around a lot, and has had its dark moments in the United States. But in essence it is a respectable label for a collective government, one that caters to the social and economic needs of all classes. Russians are not blessed by the social benefits enjoyed by capitalistic Americans.

"Republic" is to Americans the most precious word of all. According to one of our dictionaries, it means "a government in which supreme power resides in a body of citizens entitled to vote and is exercised by elected officers and representatives responsible to them and governing according to law."

If you believe that describes the present atheistic Communist government of the U.S.S.R., you had better take Jimmy Carter's born-again course.

Here is now the objective World Book encyclopedia describes the Soviet Union:

"According to the Soviet government, the U.S.S.R. is a federation made up of fifteen republics. But the words federation and republic as used in the Soviet Union do not mean local self-rule and democratic government, as they do in free countries such as Switzerland and the United States.

"The government of the Soviet Union actually is a strict, centralized dictatorship. The leaders of the Communist Party completely control it."

That's plain language, unlike the tortuous talk we've been getting from Moscow.

Further examples of word-twisting are included in an excellent book, "Leninism," by a distinguished student of Russian affairs, Alfred G. Meyer. He tells us how Lenin twisted the word "majority."

Mr. Meyer wrote, "Lenin referred to democratic majorities contemptuously, only in quotation marks. 'Of what value is a "majority" when that majority is by itself only a formal thing?'"

In other words, the "majority vote" which means so much to democratic nations has little meaning for communists who treat majorities merely as mathematical formalities.

Mr. Meyer goes on to explain what the word "discipline" means to the Kremlin mind. The goal of the Communist Party in Russia is to "make the party into a disciplined fighting organization capable of going into concerted action. As Lenin wrote very early in his political life, unanimity is required for the task of executing decisions. Hence his demand for absolute discipline.

Translated into plain English, "absolute discipline" obviously means absolute dictatorship.

As this tongue-twisting continues we must keep our wits about us and not be fooled by slanted and prejudicial words. If a republic, as in "Union of Soviet Socialist Republics," is a "government in which supreme power resides in a body of citizens entitled to vote," then the USSR is not entitled to such a glowing definition.

Any country that calls native Afghans who would defend their country against a Russian invasion "rebels," and the communist backed invaders of Spain "Loyalists," is engaging in double talk of the trickiest kind.

Double talk can lead to double trouble.●

NEWS-TRIBUNE OF WALTHAM, MASS., NOTES PUBLIC SUPPORT FOR GUN CONTROL

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 26, 1980

● Mr. DRINAN. Mr. Speaker, people

around the Nation are expressing their views on gun control, and according to a February Gallup poll, most Americans—even gunowners—favor tougher gun laws. This is the conclusion that has been reached by responsible pollsters time and time again. Yet the money raised by political action committees to support candidates who oppose gun control far exceeds the amount raised by groups supporting gun control.

We have seen in the recent past, with the tragic passing of Allard K. Lowenstein, that the need for gun control is clear, and the time to take steps to pass tough legislation is now.

A recent editorial in the News-Tribune of Waltham, Mass., raises these issues in the context of the presidential primary contests. I commend the editorial to the attention of my colleagues, and urge all Members of the House to press for gun control legislation.

The editorial follows:

[From the Waltham, Mass., News-Tribune, Mar. 21, 1980]

BALLOT PETITIONS GUN CONTROL

When a gun owners group in New England invited presidential candidates to speak their minds—or perhaps what they believe to be politically acceptable opinions—just about everyone joined the hosts in opposing more gun controls.

But according to a Gallup poll in February, this does not reflect what most Americans feel about the issue.

The poll found that 75 percent of Americans want tougher licensing laws for handguns. Those queried were also asked whether they were gun owners and 65 percent of those who answered in the affirmative also supported tighter laws. Since about the middle of the 1960s, the percentages have remained about the same.

But the opposition is vocal and has money.

Almost $750,000 has been collected for political action so far by three major groups that oppose controls. They are the Gun Owners of America Campaign Committee of California, the National Rifle Association Political Victory Fund and the Right to Keep and Bear Arms Political Victory Fund. In contrast there is only one organization trying to raise money to support candidates who favor restrictions. The Handgun Control, Inc. has so far managed to amass $8,500.

Opposition to tighter controls include the reasonable and the goofy. In the first category are hunters or others who use guns for sport and who seriously worry that tighter restrictions will be bothersome at best and harassing at worst. Government regulations in just about every field are often both. There are some real but generally unjustified concerns that tougher registration laws will mean that only the criminals will have ready access to guns. And there are the near fanatics who think this is still 1776 and that a .38 caliber revolver in every home will repel a Soviet invasion.

The willingness of opponents to legislation to contribute to the cause was demonstrated two years ago when gun groups spent $1.3 million to try to defeat candidates in favor of restrictions.

Only two presidential candidates have spoken out in favor of tighter controls this spring. John Anderson had the courage to face up to the gun owners' rally and express support for better handgun regulations. Sen. Edward Kennedy, whose two brothers were killed by gun wielding assassins, naturally has good reason to support restrictions. George Bush, John Connally, Philip Crane, Robert Dole and Ronald Reagan oppose more restrictive gun laws. Gov. Jerry Brown and President Carter apparently want it both ways. Brown signed a tougher California law but later protested that gun controls are "the opening wedge" to over-regulation. Four years ago Carter spoke firmly in favor of tighter controls, but in the White House he hasn't done anything actively to support his stand.●

THE AMERICAN SOVEREIGNTY PROTECTION ACT

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 26, 1980

● Mr. WHITEHURST. Mr. Speaker, it is my pleasure today to introduce, as a companion bill to the one introduced in the other body by the Hon. SAM HAYAKAWA, the American Sovereignty Protection Act. It seems clear that the administration needs additional options and encouragement in their so-far futile efforts to bring about the release of our hostages in Iran, and the legislation which Senator HAYAKAWA and I are proposing would provide what I believe is a viable means of persuading the Iranian Government to let our people go.

Under title 50 of the United States Code, in the section dealing with war and national defense, there is a chapter entitled "Alien Enemies," which reads:

> Whenever there is a declared war between the United States or any invasion of predatory incursion is perpetrated, attempted or threatened against the territory of the United States by any foreign nation or government, and the President makes public proclamation of the event, all natives, citizens, denizens, or subjects of the hostile nation or government, being of the age of fourteen and upward, who shall be within the United States and not actually naturalized, shall be liable to be apprehended, restrained, secured, and removed as alien enemies.

The American Sovereignty Protection Act simply extends the definition of territory to include our Embassies abroad and adds that the taking of diplomatic agents as hostages shall also be considered a predatory incursion under the provisions of existing law. In a day when our diplomatic missions are located in at least one nation which either cannot or will not provide appropriate protection for our personnel, I think that it is incumbent upon us to use all legal means to insure the safety of our Embassies and our diplomatic agents.

When the Senator introduced the bill for the first time on March 19 of this year, he made such an eloquent statement that I am taking the liberty of appending it to my own comments at this point in the RECORD, in order to insure that it receives as wide a reading as possible.

I urge my colleagues to join Senator HAYAKAWA and me in this effort to provide some real leverage for the President to use in his efforts to free our hostages from their student captors, who clearly have the support of their government leaders.

The statement by Senator HAYAKAWA follows:

[From the CONGRESSIONAL RECORD, Mar. 19, 1980]

RECOGNITION OF SENATOR HAYAKAWA

The PRESIDING OFFICER. The Senator from California is recognized for 10 minutes.

S. 2437—THE AMERICAN SOVEREIGNTY PROTECTION ACT

Mr. HAYAKAWA. Mr. President, today marks the 137th day of captivity for the hostages in the American Embassy in Tehran, and their release appears no closer than it was on November 4, 1979. While it may be difficult to visualize that state of captivity, I think it is fitting that we try to do so.

Although we have actually been able to learn very little about what a day in the life of a hostage is really like, we know that it is geared toward psychological disintegration of captives. One hostage wrote months ago:

"We are being kept in semidarkened rooms; our hands are tied day and night; bright lights are kept burning all night and be cause of the constant noise it is almost impossible to sleep."

Another said:

"Free us from this terrible situation."

During the first few weeks of their captivity, as many as a million Iranians demonstrated outside our Embassy. We can only imagine the terror those roaring crowds must have stirred in the people inside. We saw these demonstrations on our televisions night after night. We watched the Iranians burn our flag and effigies of our President from the comfort of our homes. The television camera became vitally important to the demonstrators. They somehow thought their frenzy would arouse sympathy for their cause, and the staging of their guerrilla theater became more and more orchestrated.

I finally wrote the presidents of all three television networks asking that they stop covering these demonstrations. I felt that without television cameras the demonstrations would stop. The responses I received ranged from polite to sarcastic—but in essence they all said the demonstrations were news, and the American people should not be deprived from seeing the news. So night after night, we continued to watch our own degradation, until the Iranians finally figured out that their cause was not being helped by the viewing and they kicked the newsmen out for a time.

Now the demonstrations are only sporadic, but inside the Embassy gates even the quiet must be ominous. Time must pass very slowly for the captives, and each day their feelings of helplessness and hopelessness must be growing. Recent films of the hostages were closely scrutinized by American doctors who said their listlessness and depression were obvious. The psychological damage grows with each passing day.

If and when the hostages are finally released, they will never be the same people they were when this all began. They will be Marines, and diplomats and clerks and technicians but they and their families will carry the burden of their captivity in the years to come. And the time will come when we must account to them for our failure to come to their rescue, and for the very fact that they were taken captive in the first place.

I can picture a night in the future when the President of the United States invites them to a welcome home dinner at the White House. President Carter will tell them that we did everything possible to secure their release—day after day, week after week, month after month. He will talk of the long nights he spent in the White House Situation Room trying to devise a plan with his top advisers. The President can talk about how he became a self-appointed captive in the White House—for their sake—even refusing to participate in campaign events for his own reelection. He can tell them he refused to light up the national Christmas tree. And he can talk of the outpouring of concern of the American people—how we tied yellow ribbons to trees all over the city of Washington—how we rang the church bells—how we remembered them in our prayers. He will most assuredly describe our diplomatic initiatives to secure their release—the months of skillful negotiations with the nonresponsive Iranians—and how, in desperation, we finally dumped the whole mess in the lap of the United Nations, only to see them fail. But we never gave up hope.

As they sit around dinner tables in the historic elegance of the White House, the former hostages are certain to feel a profound gratitude for the efforts of their President and their country to secure their release. Then they will go home and they will begin to realize that they are not the same—that they will never be the same. They will begin to ask questions—questions that this Government will have to answer. How could this country—this strong, proud Nation—allow a handful of radicals to take us, and hold us, they will ask. And assuming the release of the hostages will only come at the pleasure of Khomeini and his boys, the hostages will ask why we were not able to secure their release any earlier. And what will we answer?

We can tell them, of course, that we are the good guys—that it is our sacred duty to set a good example for the rest of the world. We do everything by the book, and in the long run, it all works out. After all, we can tell them, "You were finally released—after only 200 or 300 or 500 days; and no one was actually hurt—much."

If and when the release of the hostages ever does take place—that is, if Khomeini decides it is no longer in their interest to keep them—will they be able to accept our explanations? And just as importantly, how will the rest of the world view our actions during these long days of captivity?

One of the television networks does a program every evening called "America Held Hostage." There is a chilling truth to that title, For what is being held in Iran goes beyond the 53 people. This hostage situation has a very deep significance for the future of our country—for your future and mine. Our vulnerability has been exposed as we stand helpless in the face of a raggle-taggle band of terrorists led by a semi-insane so-called "holy man." We have sent a clear message to the rest of the world—a frightening message indeed—that we are a nation full of fear; not a nation to be feared; that we can be brought to our knees easily and without a shot being fired.

While we appeal to the World Court and the United Nations, while we tie yellow ribbons and ring church bells, 53 people rot in their prison—a prison that we paid for and built—a prison that used to fly the American flag.

But we are the good guys—the guys in the white hats. While our own people are being held in our own Embassy, we fulfill our obligations with determination. If you drive by the Iranian Embassy in Washington, you will see more police than around the White House. They are protecting the people inside—the Iranian diplomats—as is our duty under international law. Never mind that they represent those who have violated the same international law. We have even allowed Iranian nationals to demonstrate for Khomeini's cause in the streets of our own cities—to burn flags and shout insults. Our freedoms guaranteed them this right—the same right as any American citizen, and those laws must be abided by.

And when we do issue some half-hearted orders, the Iranians casually ignore them. We told the Iranians to cut down their Embassy staff here to a skeleton force. Of the 226 Iranian diplomats who should have left the country under that order, fewer than 25 percent have done so. The rest are still here—somewhere. And when we told all Iranian students to register with immigration officials, only 700 of the estimated 10,000 in this country did so. The rest are still here—somewhere. From Nov. 14 to March 9 another 11,079 Iranians entered the United States, including 2,306 students; 467 on business visas; 5,641 with visitor's visas; 1,789 permanent resident aliens and 876 others.

I say these actions are not those of compassion, but of idiocy.

What, then, are we to do—what are we to do to bring about the release of our people and to show the world that we are a power to reckon with? The President seems to have completely run out of ideas. Perhaps he should ask the Russians what they would do, but of course it would be impossible to imagine any group foolish enough to tackle the Soviets. They know they would find themselves destroyed in short order. We certainly do not want to follow the lead of Soviet brutality. If faced with similar circumstances, the Russians would certainly put first the matter of their own image, their own power, without concern for the people being held. Our first concern should be for the hostages and their safety. Our second concern should be for our future. If we do not take firm action, we are certain to be held hostage again, and again.

We must ask ourselves this question: How can we influence these terrorists to let our people go? We must find an answer, and find it quickly. We must gain some bargaining power in order to free those 53 people and in order to deter those who have learned the lesson of Iran.

Our Founding Fathers have given us a tool that should be explored—it was written in the law in 1798 and it need only be invoked.

Under title 50 of the United States Code, in the section dealing with War and National Defense, there is a chapter entitled "Alien Enemies." That section reads:

Whenever there is a declared war between the United States or any invasion of predatory incursion is perpetrated, attempted or threatened against the territory of the United States by any foreign nation or government, and the President makes public proclamation of the event, all natives, citizens, denizens, or subjects of the hostile nation or government, being of the age of fourteen and upward, who shall be within the United States and not actually naturalized, shall be liable to be apprehended, restrained, secured, and removed as alien enemies.

The law says that such "enemy aliens" may be detained and eventually deported. This law spells out very clearly that aliens, and not naturalized U.S. citizens, may be subject to its provisions.

In order to invoke the enemy alien provisions of the law in the case of Iran, we must clarify U.S. territory to include our Embassies abroad. The legislation I am proposing does exactly that. It would spell out that the phrase now in the law "any invasion or predatory incursion is perpetrated, attempted or threatened against the territory of the United States by a foreign nation or government" includes:

First, the seizure or holding by a foreign nation or government of, or the aiding or abetting by a foreign nation or government of any individual or group in seizing or holding, the premises of a diplomatic mission of the United States; or

Second, the seizing or holding under paragraph (1) of such premises which also involves the taking of any diplomatic agent of the United States as a hostage.

If this kind of legislation is enacted, the President would have a number of options at his disposal. He may, for instance, detain Iranian diplomats as well as an unspecified number of Iranian citizens residing in this country, in order to expel them eventually against the release of the hostages. As an initial move, he could simply decide to restrict the movement of Iranian citizens and/or require their regular reporting to police stations. Needless to say, a mass detainment, although permitted by law, would not be one of the suggested measures.

I fully realize this is a strong measure. But what other options have been put forth; what other proposals have been made would provide us with bargaining chips? We are dealing here with people who do not recognize diplomatic initiatives, world opinion, international law, or yellow ribbons. We are dealing with terrorists—and we are allowing them to terrorize us without retaliation. I do not agree with proposals that call for bombing of Iranian oilfields or other military actions. I believe such actions would endanger the lives of the very people we want to free. But neither can I believe that the kind of inaction we are now engaged in will lead to a quick resolution of this matter.

There is, of course, no guarantee that this proposal, if enacted, will bring our people home. But I believe the time has come for us to stick our necks out—to take some chances—to do something. If we find such a proposal repugnant, if we are beset by guilt at the thought of this kind of action, will we be able to offer that explanation to the families and the loved ones of those who are being held in Iran. I believe we should face them with guilt and shame if we do less. I have said repeatedly that I will gladly put this proposal aside if a better one is offered. If anyone has a better idea on how to get our hostages released, I shall be glad to withdraw mine. But we have no time to waste. Americans are undergoing psychological disintegration—and no hope for their release is in sight. We must act now.

Meanwhile, Mr. President, I wish to introduce for early consideration a bill to amend section 2057 of the revised statutes to define further the circumstances under which certain aliens within the United States may be treated as alien enemies. The title of the act will be the American Soverignty Protection Act.

I thank the Chair.

The **PRESIDING OFFICER.** The bill will be received and appropriately referred.

Mr. **HAYAKAWA.** Mr. President, I ask unanimous consent to have printed in the Record a document from the American Law Division of the Congressional Research of the Library of Congress, entitled "Proposal to Amend Alien Enemy Act to Effectively Define Warlike Acts," dated March 17, 1980. It gives a full analysis of the Alien Enemies Act and the consequences of the proposed amendments.

There being no objection, the document was ordered to be printed in the Record, as follows:

CONGRESSIONAL RESEARCH SERVICE.*

March 17, 1980.

To Honorable S. I. HAYAKAWA.
From American Law Division.
Subject Proposal to Amend Alien Enemy Act to Effectively Define War-Like Acts.

Reference is made to your inquiry of March 14, 1980 requesting information on the above matter. Specifically, you ask for an opinion regarding a proposed draft of legislation that would amend the Alien Enemy Act, 50 U.S.C.A. §§ 21-24, to define as a predatory act against the United States the seizure of a diplomatic mission of the United States or the seizure of such premises together with the taking of any diplomatic agent of the United States as a hostage.

The Alien Enemy Act which your proposal would amend has "remained the law of the land, virtually unchanged since 1798."*Ludecke* v. *Watkins*, 335 U.S. 160, 162 (1948). The Act delegates to the President extraordinary power, in the event of war or invasion or predatory incursion against the United States by a foreign nation or government, to restrain or deport unnaturalized aliens fourteen years or older who are subjects of such hostile nation and government. The President is required to proclaim the event that requires the invocation of this grant of power (i.e., declared war or invasion or predatory intrusion, attempted or threatened, against the territory of the United States) and, thereafter, he or his delegate may issue regulations "which are found necessary in the premises and for the public safety." 50 U.S.C.A. § 21. In the words of one Court, "unreviewable power in the President to restrain, and to provide for the removal of aliens in time of war is the essence of the Act. *Citizens Protective League* v. *Clark*. 155 F.2d 290, 294 (D.C. Cir. 1946).

The Act applies both in cases of war de jure and war de facto. The authority given by it [the Act] to the President is not limited to situations where war is declared but includes situations where "any invasion or predatory incursion is perpetrated, attempted, or threatened against the territory of the United States by any foreign nation or government. . . . There is not the slightest indication in the statute that the exercise of power is limited to times of active hostilities or that dangers from foreign nationals of an enemy were regarded as terminated until peace was declared." *United States* v. *Watkins*, 163 F.2d 140. 142 (2d Cir. 1947).

As indicated, your draft legislation proposes to define "any invasion or predatory incursion, etc." to include (presumably among other things) two alternative, specific activities: first, seizure by a foreign nation or government of the premises of a diplomatic mission of the United States or complicity by such nation or government with an individual or group in such an undertaking; second, seizure of such premises together with the taking of any diplomatic agent of the United States as a hostage.

The balance of the Act which would be unaffected by your proposal relates to the time available to an alien subject to deportation to settle his or her affairs, court jurisdiction, and the duties of fedefal marshals. 50 U.S.C.A. §§ 22, 23, 24.

An alien who is subject to restraint or deportation under the Act may, so long as he or she is not charged with actual hostility or crime against the public safety, be accorded the full time allowed by treaty between the United States and foreign nation or government, to recover, dispose and remove his or her goods and effects and depart. In the absence of treaty stipulation, the President may fix such reasonable time as may be consistent with the public safety, and according to the dictates of humanity and national hospitality. 50 U.S.C.A. § 22.

Federal courts having criminal jurisdiction are empowered to apprehend an alien subject to a presidential proclamation issued under the authority of the Act. The courts after hearing an examination may order the removal of an alien or his or her detention or take any other such action to secure the alien conformably to the proclamation or regulations issued to implement the Act. 50 U.S.C.A. § 23. The authority of federal courts having criminal jurisdiction to order removal of alien enemies under this section is alternative to the power given the President by section 21 to provide for removal of such aliens and does not limit the jurisdiction to order such removal to the courts. *United States ex rel. Schlueter* v. *Watkins*, 67 F. Supp. 534 (D.C. N.Y. 1946).

The federal marshal of the district in which an alien is apprehended may execute a removal order. In effecting such removal, the marshal "shall have the warrant of the President, or of the courts, judge, or justices ordering the removal, 50 U.S.C.A. § 24. The marshals of the several districts, in enforcing the regulations established by the President in relation to alien enemies, could act without the aid of judicial authority. *Lockington* v. *Smith*, C.C.A. Pa. 1817, Fed. Cas. No. 8, 448. See also *United States ex rel. Schlueter* v. *Watkins, supra.*

The Alien Enemy Act is an exercise of power conferred upon the Federal Government and a grant of power by the Congress to the President. The first constitutional controversy to beset the new republic centered upon the powers of the new Federal Government over aliens. As the following excerpt from *Citizens Protective League* v. *Clark, supra*, at 293 shows, while the Alien and Sedition Acts were the subject of widespread debate, no one challenged the basic validity of the Alien Enemy Act. In 1979, the 95th Congress passed three acts in rapid succession, "An Act concerning Aliens", approved June 25, 1979, "An Act respecting Alien Enemies", approved July 6, 1798[8] and "An Act in addition to the act, entitled 'An act for the punishment of certain crimes against the United States'", approved July 14, 1798.[9] The first and last were the Alien and Sedition Acts, vigorously attacked in Congress and by the Virginia and Kentucky Resolutions as unconstitutional. But the members of Congress who vigorously fought the Alien Act saw no objection to the Alien Enemy Act.[10] In fact, Albert Gallatin, who led that opposition, was emphatic in distinguishing between the two bills and in affirming the constitutional power of Congress over alien enemies as part of the power to declare war.[11] James Madison was the author of the Virginia Resolutions, and in his report to the Virginia House of Delegates the ensuing year after the deluge of controversy, he carefully and with some tartness asserted a distinction between alien members of a hostile nation and alien members of a friendly nation, disavowed any relation of the Resolutions to alien enemies, and declared, "With respect to alien enemies, no doubt has been intimated as to the federal authority over them; the Constitution having expressly delegated to Congress the power to declare war against any nation, and of course to treat it and all its members as enemies."[12] Thomas Jefferson wrote the Kentucky Resolutions, and he was meticulous in identifying the Act under attack as the Alien Act "which assumes power over alien friends".[13] It is certain that in the white light which beat about the subject in 1798, if there had been the slightest question in the minds of the authors of the Constitution or their contemporaries concerning the constitutionality of the Alien Enemy Act, it would have appeared. None did.

"The act concerning alien enemies, which confers on the president very great discretionary powers respecting their persons," Marshal, C. J., in *Brown* v. *United States*, 8 Cronch (U.S.) 110, 126, 3 L ed 504, 510, "appears to me to be as unlimited as the legislature could make it." Washington, J., in *Lockington* v. *Smith*, Pet CC 466 at p. 470, F Cas No 8448, Quoted in *Ludecke* v. *Walkins, supra*, at 164.

The courts, in an unbroken line of cases from *Fries* case, CCD Pa. 1799, at 826, 830 *et seq.*, 9 F Cas No 5, 126, to 1955, *supra*, have asserted or assumed the validity of the Act and based numerous decisions upon the assumption. The judicial view has been without dissent.

At common law "alien enemies have no rights, no privileges, unless by the kings special favour, during time of war." 1 Blackstone 372, 373. With respect to the power of the Federal Government in this regard, one court has observed as follows:

If the power to remove alien enemies from its territory in time of war were not included in the powers granted the Federal Government by the Constitution, amendment to add that power would have to be made. Under no concept of government could a nation be held powerless to rid itself of enemies within its borders in time of war, whether the individuals concerned be actually hostile or merely potentially so because of their allegiance.

Unreviewable power in the President to restrain, and to provide for the removal of alien enemies in time of war is the essence of the Act. The comment of the authorities we have mentioned has been directed to that feature. Chief Justice Marshall said, "The mitigations of this rigid rule, which the humane and wise policy of modern times has introduced into practice, will more or less affect the exercise of this right, but cannot impair the right itself."[18] However jealously we may guard the civil rights of all residents within our borders, neither those considerations nor the "dictates of humanity and national hospitality"[19] can be permitted to impinge upon the overriding necessities of the power to wage war successfully.[20] The President not only has the power, under the broad grants by the Congress, but has the solemn responsibility to make certain that the conduct of war is not only unimpeded but suffers from no threat of impediment. "Where, as they did here, the conditions call for the exercise of judgment and discretion and for the choice of means by those branches of the Government on which the Constitution has placed the responsibility of war-making, it is not for any court to sit in review of the wisdom of their action or substitute its judgment for theirs,"[21] As a practical matter, it is inconceivable that before an alien enemy could be removed from the territory of this country in time of war, the President should be compelled to spread upon the public record in a judicial proceeding the method by which the Government may detect enemy activity within our borders and the sources of the information upon which it apprehends individual enemies. No constitutional principle is violated by the lodgment in the President of the power to remove alien enemies without resort or recourse to the courts.

The one question, whether the individual involved is or is not an alien enemy, is admitted by the Attorney General to be open to judicial determination. Except those who assert the wrongful revocation of their American citizenship, all appellants admit that they are German nationals and thus alien enemies, and so their cases do not involve that determination. For purposes of these actions, the other appellants are also alien enemies, because, as we have pointed out, the revocation of their naturalization is not open in these proceedings.

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* Footnotes at end of article.

The time allowed for consideration of your request does not allow us to examine any and all problems raised by it. Also, in the absence of implementing regulations, any analysis perforce is limited to the Act, as amended by your proposal, on its face.

As noted, the Act has been uniformly sustained by the courts as a valid exercise of the was powers of the Federal Government. In waging war, the Federal Government is not limited to congressionally declared wars. Congress can authorize all manner of hostilities less than full fledged declared wars. *Bus* v. *Tingy*, 4 Dall. (U.S.) 37, 1800. Your proposal would define two activities that would constitute effective acts of war that would permit detention or deportation of unnaturalized persons who owe allegiance to the foreign nation or government that engages in the denounced behavior. While such process may raise questions with respect to its implications on the peaceful objects of the United Nations Chapter and other international legal documents, each nation in the past has reserved to itself the judgment regarding what acts constitute acts of war. This power inheres in sovereignty which the United States obtained at the time of separation from England, not confined by the Constitution. See *United States* v. *Curtiss-Wright Export Corp.*, 299 M.S. 304 (1936). As stated above, "under no concept of government could a nation be held powerless to rid itself of enemies within its borders in time of war, whether the individuals concerned be actually hostile or merely potentially so because of their allegiance." *Citizens Protective League* v. *Clark*, *supra*, at 294. Congress' war power is bolstered by its power over immigration which affords the Federal Government to take steps forbidden to the states.

If your proposed bill raises a problem it would be in the area of procedural due process and the unreviewable power of the President to restrain or deport. Regulations issued in the past to implement the act have generally authorized a Board hearing and review. Court review has been limited to questions of interpretation and constitutionality. *Ludecke* v. *Watkins*, *supra*, at 163-164. In that case the Court, in part, split over the amount or review. Although the majority held that there was no review of the Attorney General findings, the law in this regard has developed to some extent along the lines of dissenting Justices Douglas, Murphy and Rutledge; that is, that for purposes of review on habeas corpus, the deportation of an alien enemy is no different than any other deportation proceedings, and is subject to the same due process requirements of reasonable notice and fair hearing, absence of which calls for judicial relief. See Senate Document No. 96-26 for recent due process cases.

The Alien Enemy Act applies, as noted, in case of war or any invasion or predatory incursion against the territory of the United States. Strictly speaking, diplomatic premises are not territory of the United States. See Whitesion, 7 Digest of International Law 355, 356, 379.

FOOTNOTES

[8] Stat. 577, 50 U.S.C.A. § 21 et seq.

[9] 1 Stat. 596.

[10] 8 Annals of Cong. 2035 (5th Cong., 1798).

[11] Id. at 1980.

[12] Madison's Report, 4 Elliot's Deb. 546, 554 (1800).

[13] Kentucky Resolutions of 1798 and 1799, 4 Elliot's Deb. 540, 541.

[18] Brown v. United States, supra. Note 16, 8 Cranch at page 123, 3 L. Ed. 504.

[19] Alien Enemy Act, as passed in 1798, 1 Stat. 577.

[20] Kiyoshi Hirabayashi v. United States, 1943, 320 U.S. 81, 93, 63 S.Ct. 1375, 1382, 87 L.Ed. 1774.

[21] Id.●

FRED BOLANDER

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 26, 1980

● Mr. RHODES. Mr. Speaker, on March 21, Fred Bolander retires as postmaster of Chandler, Ariz., after two decades of supervising one of the fastest-growing postal facilities in the West.

It was my privilege to appoint Mr. Bolander to the job, and he has overseen transition of Chandler's postal services from four bicycle-borne city letter carriers and one parcel post route in 1959, to 28 motorized urban and rural delivery routes today. At that time, a stamp had just risen from 3 cents to 4 cents. Today, the 15-cent stamp is under pressure, and congestion has created problems for the Chandler postal facility.

Not only has Fred Bolander presided over rapid growth in mail service, he has been an activist in the community—in many civic and service groups that make Chandler a fine place to live.

His activities also extend to organizations within the Postal Service, and he was the first Arizona postmaster to serve on the Regional Management Selection Board, which selects postmasters on a merit basis throughout the 13 western States.

The U.S. mail serves the broad spectrum of city and rural people. Fred Bolander has served the Chandler area with distinction, both in providing good mail service, and taking part in the city's past two decades of steady growth. He is one of the many true fine public servants, who contribute so much to the Nation's progress. I congratulate him on 21 years of a job well done, and wish him a long, happy and fulfilling well-earned retirement.●

THE CONFERENCE REPORT ON INTERNATIONAL FINANCIAL INSTITUTIONS

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 26, 1980

● Mr. ASHBROOK. Mr. Speaker, on Thursday of this week the House is scheduled to consider the conference report on H.R. 3829, a bill to increase the participation of the United States in the Inter-American Development Bank, the Asian Development Bank, and the African Development Bank. When the House passed the original version of this bill on March 6 it had wisely adopted a series of amendments to limit the increase in our Nation's financial commitment to these institutions. Unfortunately the conferees deemed it necessary to cave in on the House version of the bill and to rubberstamp the Senate's higher funding levels.

The capitulation of the House conferees is a tragedy. Once again the careful consideration on the part of the House has been virtually ignored by the other Chamber. How long must the elected Representatives of this House find their efforts dismissed once they leave this Chamber? I hope that the rapid consideration of H.R. 3829 by the conferees and the elimination of the House provisions is not an omen of how other funding bills will be treated once we enter the fiscal year 1981 budget consideration.

The capitulation is also a tragedy because it dismisses some extremely valid points that were raised during House debate. The replenishment of funds for these banks is an opportunity for the United States, as a member nation of these institutions, to reconsider the direction these banks are taking in providing foreign assistance and America's role in these activities. We undertook, during the debate on this bill, to review the record of these banks and discovered that the results of their activities did not merit the level of participation recommended by the administration. The findings of the surveys and investigations staff of the Committee on Appropriations showed a number of managerial problems within these institutions. The staff report, and reports from the General Accounting Office, outlined how mismanagement in the banks led to costly mistakes and to unwieldy accounting systems. The result has been a marked decline in the effectiveness of the banks in relation to the money they spend.

A concern I have over the development banks is whether or not the concept of multilateral assistance has worked at all. It is possible that the nature of development in Third World countries needs other kinds of assistance than that of loans. Development projects many times are subject to the whims of those in power in the recipient countries. Long-term development ends up as long-term debt when projects are not completed as governments change and shift priorities. The abandoned scaffolding remains as does the debts as governments move on to apply for other loans for other projects. In the end many governments find themselves near bankruptcy but no closer to developing the infrastructure for a modernized society.

The problem of Third World development, and the role the banks play in trying to solve the wide range of issues related to it, needs more consideration than the conferees were willing to provide. I urge my colleagues to oppose the conference report and to support efforts to stand by the House position. In this small way we may find a new way to spur development in the Third World without further burdening our

Nation's taxpayers with yet another unworkable program.

As part of the dialog that is needed in rethinking the development banks I call my colleagues' attention to an article by Manuel Ayau, a leading economist on development issues. His remarks on development, and on how philosophical leadership may provide more aid than the mountains of loans, points the way to more long lasting, and more fruitful approach to this important issue:

THE IDEOLOGY OF UNDERDEVELOPMENT

(By Manuel F. Ayau)

What should we do? Where begin? Where invest our limited time and resources in the most effective way?

Those are the questions a small group of us in Guatemala were asking ourselves when we decided to face up to the problem of underdevelopment. How could we get the best possible leverage for our efforts to raise the level of living in our country?

Perhaps this example will help illustrate the problem we faced. A group of doctors were concerned about the lack of medical facilities in our rural areas. And they wanted to start a medical school. But they seemed oblivious to the fact that the people of the rural areas lacked the economic resources to support a doctor's practice. They failed to see that medical service, at bottom, is an economic problem. This is why one may find Ph.D.'s driving buses in underdeveloped countries. And this is precisely what we wanted to avoid—the well-intentioned but wasteful investment of our human and material resources.

Our studies led to the conclusion that underdevelopment is primarily an ideological problem, that unsound ideas inhibit the increase of wealth and well-being. This is what brought us to the founding of Universidad Francisco Marroquin in Guatemala in 1972. If the development of individuals and of a country depends upon a better understanding of economics, of individual rights, of the political, ethical and social theories that make up the philosophy of freedom, then the most efficient use of our scarce resources would be to teach these values at the highest possible intellectual level. Thus, we chose the university as a means to change the ideological view of the world which seemed to be the root cause of poverty in our country.

We do not expect this to bring an instant victory for common sense. Our little university faces stiff competition from well-known professors of prestigious universities and from well-financed international organizations prescribing solutions to poverty that are based on a false ideology, though the proponents claim to be objective, neutral, and strictly scientific.

UNSOUNDLY MOTIVATED

Let us assume that the people entrusted with policy and administration of the World Bank, the United Nations, the International Labor Organization, the Alliance for Progress, and so on are well-meaning and reasonably intelligent people. So the question is this: Why have they failed so dismally in spite of the enormous resources at their disposal? The explanation might well be that their ideological position is unsound. And if their diagnosis is faulty, their remedies are not likely to help, but rather may aggravate, complicate, and make chronic the disease. So let us examine some of the notions that guide them.

It is held, for instance, that countries that are rich are rich due to their natural resources. Whereas any owner of a natural resource is wealthier with it than without it, this does not prove that natural resources are a necessary condition to wealth. There are many countries without appreciable resources, such as Switzerland and Holland and Japan, that are rich. There are various other countries that have been generously endowed by nature but most of their people are impoverished.

Also untenable is the premise of a "vicious circle of poverty," the notion that the poor stay poor because they cannot accumulate savings to generate the capital necessary to substantially increase productivity. The fact that there are rich countries denies the very idea. Were not the rich poor at one time? Were not Germany and Japan quite impoverished as recently as thirty years ago? Their rapid reconstruction was not accomplished by exploiting colonies, for they had none. And that explodes another of the notions utilized to explain poverty—that one nation grows rich by exploiting another.

Historical facts also refute the fallacy that to have economic growth the economy must be planned. Who planned the economic development of the U.S., of England, of Japan, of post-war Western Germany or of Argentina up until the onset of the destructive ideology of central planning? The economic history of those countries proves to anyone not blinded by ideology that governmental planning is no necessary condition for economic development. Indeed, one could even relate the decrease in the rate of wealth creation to the extent that countries have undertaken governmental planning of their economies.

Another prevalent historical error is that we—in Latin America—are poor because in the past capitalism did not work for us. I ask: When and where did we have a free market capitalistic economy? And I answer: In those few places where for a brief time it was tried, the results were outstanding. The problem is precisely that we have not had the competitive capitalism that is blamed as the cause of our poverty.

EXPLOITED BY WHOM?

It is also held that we, the so-called banana republics, were exploited by the United Fruit Company. I recall a conversation I overheard at a party, where a friendly communist was explaining how the United Fruit Company had taken out of Guatemala millions of dollars. A person who had worked with the fruit company in his youth responded that to his knowledge the company never took a penny out of Guatemala; the only thing they took out were bananas. They brought money in—capital—to draw laborers from lower wage occupations to their banana plantations. Nevertheless, people continue to ignore the obvious and believe that we were exploited.

We are not poor because our laborers are inept, or fall below the quality of laborers in other countries that have prospered. In general, I would say workmen in Guatemala are above average in learning and working ability, when conditions demand it.

Nor are we poor because we lack technical know-how. Technical knowledge now is available to anyone who wants to obtain it. And we have the additional advantage that to reach a modern level of production, we do not have to wait for better technology than already exists in the market, or invent it, or spend millions for research. All the know-how we need for the most significant advances already is available to us from developed countries.

What we lack are two things: first, a system that is conducive to efficient economic allocation of human and material resources and to the generation of capital; and second, more capital to increase productivity and create wealth.

The system, of course, is capitalism, and it is there waiting to emerge all the time. So why is it rejected and deliberately prevented from emerging? Incidentally, it is, as we know, the only system that promotes and builds the qualities of individual character that are most conducive to progress: self-reliance, frugality, responsibility, and respect for the rule of law.

CAPITALISM MALIGNED

So why is it rejected? On one hand, there is a practical objection to allowing individual freedom of production: Capitalism is considered wasteful, inefficient, and in any case, too slow: we cannot afford, we hear, politically speaking, to go slow, and so we cannot just let things happen when and if they happen. We must make progress. Not just let it happen. On the other hand, there is an ethical objection: it is thought cruel and unjust because it results in economic differences called inequalities.

The first objection as to the impracticability of the market system in Less-Developed Countries (LDCs) has greatly disturbed me because the scientific refutation is available to all. After all, the market system is not someone's invention. It is what goes on naturally if it is not prevented deliberately. And economic theory is nothing more than an explanation of how it does work, how resources are allocated through the price system. We are at liberty not to like the way the world is, but lamentations are utterly useless and will not change the world. The only argument which would deserve serious consideration would be the proposal of an alternative system. But, as far as I have been able to determine, no one has yet proposed an alternative system for allocation of resources. Marx did not. Oskar Lange, in the thirties admitted it, and today it constitutes the "unspoken" problem of central planning or socialism.

No one knows, in theory, much less in practice, how this alternate system would work. The authorities lack the criteria, in the absence of private property and free exchange, to establish a substitute for the price system. Such a substitute is needed to permit them to compare alternative methods of production so as to use each resource in the way that makes the maximum contribution to consumer satisfaction. This is most certainly not the system socialist countries use today—they simply copy prices of the outside semi-capitalist world.

Until such an ingenious mechanism is incorporated into planning schemes, we can state correctly that socialism—as a system of social organization—has not yet been proposed. Yet the people of the world are killing each other, some in favor of socialism, others against it, but both assuming that it has already been proposed as a system, and therefore it is a tenable system of social organization. When this senseless tragedy is recognized I believe it will become, to historians, the distinguishing characteristic of this century: People killing each other over something neither side could describe.

PLANNING WITHOUT PRICES

The question, of course, is not how you plan when you do have prices available from outside the system; the question is how do you arrive at prices without any reference to prices that have come about through free exchange, i.e., from the existence of private property.

Unless that is explained, a planner cannot know what he is doing, he can't compare values of inputs with outputs. And if the method cannot be described, socialism is just a gleam in the eye of the frustrated.

So, from a strictly practical point of view, we know that whereas the market does not produce instant wealth, it eventually can and does produce it. And so far we've been offered no clear alternative to even consider. Of course, if the market is prevented deliberately from working, it will not produce. And unfortunately, not only is it being prevented from working, but it is being blamed for not working.

There is really nothing original or unique in the ideology of underdevelopment. Most of the notions are imported from countries that should know better; and they are being imported by way of programs that are, ironically, implemented with the intention of generating development.

One of the characteristic differences between developed and underdeveloped countries, however, is that whereas it will take a great deal of debate for the government of the U.S., for instance, to take over one railroad company (a piecemeal and eroding process), when an LDC decides overnight to go into the rail transport business it takes it all at once. When it decides that although electric power is a desirable commodity, it should be a non-profit activity, it thereupon decrees that it is against the law to peacefully manufacture and voluntarily distribute this desirable commodity. It takes over all power production notwithstanding all the productive and desirable activities that, from then on, cannot be economically done for lack of competitively priced power to industry. Governments in LDCs do not just put a power plant here and there. First they prohibit profit-making power generation, whether they are in a position to provide it or not.

AN ILLOGICAL BARRIER

This procedure is not logical. It is irrational to prohibit activities considered desirable on grounds that because they are desirable the government ought to provide them. Logic and consistency would demand that if an activity is considered so important that the government must step in to perform it, it should not be made illegal for someone else to contribute voluntarily to the same ends. The policy is not logical or economic; it is ideological. And because of it, power costs are extremely high, reducing the competitiveness of all industrial activities in LDCs.

It is inconceivable today that anyone would consider going voluntarily into the electric power business. That disincentive alone is sufficient to maintain underdevelopment, and generally, the same applies to all communication activities: air and ocean transport, ports, telephones. Whereas such a venture once constituted a business opportunity, it is no longer even a possibility. This is not due to economic factors. It is the result of ideology. How can desirable activities become illegal acts other than as a result of ideology?

HAMPERING EDUCATION

Consider education. Everyone regards it a desirable activity. Parents generally want their children to be better educated than themselves. There is plentiful evidence that they will make great sacrifices to this end. But their children cannot get the education the parents think they need. A high government official in my country remarked that our education programs are not well-oriented because they tend to prepare everyone for college whereas most will never go, and in fact should not go, to college. And yet, he did not disagree with the policy of setting a maximum tuition charge for private schools, low enough to drive many out of business (even though private high schools serve 50 percent of the student population and in many cases offer better and more pertinent education than the government can provide).

The imposition of maximum legal tuition rates is obviously ideological. But there are more serious effects of the ideological confusion of the elite in education: their confusion actually prevents, to a very large extent, proper education. In the social sciences, "book burning," in a figurative way, is prevalent for a very natural reason: in any hierarchical organization it is only natural that the competence of the personnel hired to teach, and the suitability of the books used, be determined by their agreement with what the hiring authorities think is valid or true.

When the uniformity of thought required in the hierarchical organization is entrenched, its members cannot afford to have their competence questioned; they instinctively or deliberately exclude theories that might expose members of the hierarchy as incompetent. Thus, the ideology of their expertise is protected, and competitive ideologies are excluded.

INTERFERING WITH WAGES

Consider this example of labor legislation adopted through the official recommendations of the International Labor Organization: Workers get severance pay when fired for any cause not attributable to them. If the company goes broke or loses a contract, the cause is not imputable to the worker, so he must be paid. Severance pay is calculated on the basis of his last wage, multiplied by the number of years of employment. The object is to create job security and supposedly avoid injustices.

Naturally, as workers accrue severance pay they lose their mobility, because the cost of leaving a job voluntarily is to lose one's severance pay. Thus, there is no incentive for an employer to raise wages, whether to hold present workers or to attract new ones. As a result, the worker has no bargaining power. The lack of mobility of the labor force prevents relocation into more productive jobs and thus lowers the output of the whole economy and decreases everyone's real income. The implementation of much of this type of legislation in LDCs has cost the U.S. taxpayer many millions of dollars through the financing of ideologically impoverishing institutions such as the ILO or the United Nations.

The ideological hostility to the market system has also caused most countries to practice an economically isolationist tariff policy. In order to understand the impoverishing effects of obstructing the international division of labor, one must have a clear understanding of the law of comparative advantage. It is necessary to understand why, in a free exchange, both parties gain, and that some people's wealth is not the cause of others' poverty. In other words, there is no such thing as exploitation in a free exchange. Obviously, the recognition of this fact alone would utterly shatter collectivist philosophy and so the truth must be suppressed. The result is isolationism, underdevelopment.

Capital accumulation, the most important factor in development, is heavily taxed and inhibited, when not destroyed, for ideological reasons. One can trace directly the destructive attitude toward foreign investment, energy policies, mining policies, and so forth to its ideological source.

CHANGING THE IDEOLOGY TO OPEN THE MARKET

The hostility to the market system which exists all over the world in varying degrees is especially prevalent in LDCs. Many LDCs that have tried the welfare state have had to start again from scratch, usually with the only type of government that does not consult the people: dictatorship. Dictators are not necessarily unpopular, and many govern with the wholehearted support of the majority of their people, as in Chile and Argentina. The reason is not hard to find. If what was supposed to become a democratic welfare state destroys prosperity and the security of life and property, people will welcome a savior even if he becomes a dictator. He doesn't raise welfare expectations; he promises law and order. If he pursues the welfare course, conditions deteriorate, and this opens the opportunity for his rivals to overthrow him. We have seen this happen over and over again. Many dictators become oppressive and ruthless in order to stay in power longer, but sooner or later, their rivals muster enough support to take over. This support is forthcoming when people feel they are becoming poorer in real terms or relative to unrealistic expectations, and when disorder is increasing. Therefore, a socialistically inclined government is inherently unstable.

Until this destructive socialistic ideology is exposed as false and displaced with an appreciation of the capitalistic market economy, there is no chance for a people or a nation to develop. This is why we founded the Universidad Francisco Marroquin in Guatemala. And the intervening seven years of operation strengthen our conviction that we chose the most effective way to reach our objective.●

INFCE III

HON. TOM CORCORAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 26, 1980

● Mr. CORCORAN. Mr. Speaker, now that the dust from the International Nuclear Fuel Cycle Evaluation (INFCE) has settled, it appears that important U.S. allies are taking the steps needed to insure their national energy security. When I visited West Germany in January, the issue of the conditions under which reprocessing of spent fuel would proceed were uncertain. However, I am pleased to bring to the attention of my colleagues the story inserted below which describes progress in this area.

As I reported in my February 20 statement to the House, all German reactor licensing has been conditioned on reprocessing to recover the valuable residual fuel and separating out for disposal the relatively small volume of high level waste. This concept of preference for disposal of solidified high level waste also appears to be a consensus opinion of the INFCE participants. Because of a failure to permit private development of reprocessing facilities, Germany is essentially in the same position as the United States in that interim spent fuel storage away from the powerplants is now required. We must take the steps that will rejuvenate industrial interest in providing both the capital and the expertise to service at least domestic energy needs for the long

term. Our future energy security depends on it.

Mr. Speaker, for the benefit of my colleagues, I insert an article by Ann MacLachlan published in the March 13 Energy Daily:

GERMANY'S NUCLEAR FUTURE LOOKING BRIGHTER

(By Ann MacLachlan)

Things are finally moving on the West German nuclear scene, stagnant in nearly all areas for over three years. Even if it isn't a rash of new reactor orders, or even permission to finish the ones under construction, nuclear industry officials are taking heart from some recent developments in the Federal Republic.

On Tuesday, March 11, the economics minister of the state of Hesse issued a license to the giant utility RWE to install compact spent fuel storage racks at its Biblis A and B nuclear units. The license, which RWE applied for four years ago, is the first to be granted in Germany, although all other nuclear utilities have similar requests pending.

RWE had been forced to operate both units of Biblis (1,300 megawatt PWRs) at 50 percent capacity last year to avoid generating spent fuel that could no longer be stored onsite (and, company officials concede, because the government forced them to buy seven million tons of German hard coal).

The first shipment of Biblis fuel to the French reprocessing company Cogema is not possible before early 1981; so if the compacting license had not been granted, RWE would not have been able to start up the nuclear units after shutdown this month and in May. The compact storage racks have been waiting onsite for months; they will be installed during refueling and maintenance outages this spring, an RWE spokesman said.

With the big Biblis station, RWE generates one-third of the nuclear power produced in West Germany. According to RWE executive Klaus Messer, nuclear power—which it uses for baseload to produce about 11 percent of its generation—costs just about half coal-fired power.

Meanwhile, a first step has been taken toward construction of a German reprocessing plant, also in the state of Hesse and also thanks to the state's economics minister, Herbert Karry. The country's nuclear waste management program had been at a standstill following rejection last year of plans to build a back-end complex for the fuel cycle at Gorleben in Lower Saxony. But Karry, writing recently in the Frankfurt press, stated that since Germany needs nuclear power, and since Hesse has the benefit of the Biblis power, he would accept an application to build a small—up to 350 tonnes per year—reprocessing plant in a depressed area in the north of his state.

DWK, the utility fuel-cycle consortium, submitted a preliminary safety analysis report on February 25; the final report will come next March, according to DWK's deputy manager, Wolf Repke.

Experts in the chemical industry certified that the scale-up from the 35 tonne-per-year test reprocessing plant at Karlsruhe—a factor of one to ten—would pose no problem.

Still to be decided is a precise site for the plant; the state will propose alternatives, from which DWK will select a favorite. Under the most optimistic assumptions, Repke said, construction could not begin before 1982 and would last a minimum of six years.

It's not exactly the solution the utilities wanted; compared to the 1,500 tpy plant originally planned at Gorleben, a 350 tpy installation, is "totally uneconomic," Repke said. He figures per-tonne costs could be as much as three times those of the larger plant. In addition, the smaller plant won't comprise the integrated fuel cycle center that was planned for Gorleben—an approach, Repke noted wryly, that has just been endorsed by the International Nuclear Fuel Cycle Evaluation at the same time it is being abandoned in Germany. But the German nuclear industry now has to seize on any technical option that is acceptable to the country's politicians.

The Hesse reprocessing plant would be able to handle the spent fuel generated from German reactors now operating or in the final stages of construction—roughly 400 tpy, Repke said, but it would not be sufficient for plants coming on-line through the 1980s. Work must continue on interim away-from-reactor storage as well as on ultimate disposal of either reprocessed waste or spent fuel elements, with a federal decision between the two options planned for the mid-'80s.

One candidate site for AFR storage is at Ahaus in North Rhine-Westfalia, where the government is known for its anti-nuclear stance. Another is at Luechow in Lower Saxony; just last week, the county council there agreed to review plans for a 1,500-tonne fuel storage facility. Even this AFR, however, would be filled within three years of startup with fuel from reactors now under construction or operating, Repke said.

With the test drilling proceeding at the final repository candidate site at Gorleben, there appears to be enough progress toward a demonstrated waste solution to allow continued licensing of German nuclear plants—assuming the current positive trend continues. Federal and state officials, meeting February 29 in Bonn, decided that further licenses will be granted if licensing procedures for a reprocessing plant—or a plant for preparing spent fuel for disposal—have begun by Janaury 1, 1986. Unless the DWK application in Hesse goes awry, this condition will have been met.●

WINCHESTER FARMER DOES THE IMPOSSIBLE

HON. LARRY J. HOPKINS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 26, 1980

● Mr. HOPKINS. Mr. Speaker, it all started with Christopher Columbus; and ever since then, trying to do the impossible has been a distinctly American tradition.

To be sure, there have been times in our history when we seemed to succeed a bit more often than we have recently; just ask the President's economic advisers. But dogged determination is almost certain to be rewarded eventually, and we are a determined people.

Mr. Speaker, French Rickard of Winchester, Ky., is a determined man. For more than 30 years he has been well known around Clark County for "doing the impossible." At this time, I would like to share with my colleagues a recent article about Mr. Rickard, reprinted from the Lexington Herald.

[From the Lexington Herald, Mar. 21, 1980]

WINCHESTER FARMER KNOWN FOR BEING ABLE TO DO THE IMPOSSIBLE

(By George W. Hackett, Associated Press)

WINCHESTER, KY.—When gold was selling for $35, farmers were paying $48 an ounce for French Rickard's tobacco seed.

"I might be in a Florida condominium today if the trend had continued," quipped the man who has forgotten the meaning of the word "impossible."

In 1937, he was told it was impossible to obtain a new strain of burley tobacco, Ky. 16, that was resistant to black root disease.

"Growers snapped up Ky. 16 as soon as they put the stuff on the market," he recalled. "I decided if I couldn't buy the seed, I'd raise my own."

Rickard, no stranger to the academic community, contacted the University of Kentucky College of Agriculture and was given a handful of Ky. 16 breeder's seed.

He didn't realize it at the time but that was the beginning of F. W. Rickard Seeds, Inc. "The initial crop was a good one and I decided to share with my neighbors."

The company prospered and began moving into other fields. He produced U.S. 13, the first certified hybrid seed corn in Kentucky, along with Kenland red clover and certified barley.

Around 1948, a new grass, Ky. 31 fescue, was discovered on a Menifee County hillside and Rickard became a leader in distributing it to his customers, now spread across more than eight states.

"The grass was outstanding because it provided good pastures on land once considered worthless," said Rickard, who was born on a farm in Hopkins County.

After graduation from Kentucky Wesleyan College, where Rickard met and married Nancy Haggard, he became a chemistry and physics teacher and football coach at Owensboro.

He later resigned and returned to Winchester because someone was needed to manage the Haggard family farm. "If I hadn't made the change, I probably wouldn't be in this business."

Since 1960, the company has been specializing in tobacco, offering more than 20 different kinds of seed to growers at prices up to $60 an ounce.

Each summer, the Rickard farm is overrun with 400 to 500 teen-agers and college students, who are hired for a special job.

"Every bloom has to be pollinated by hand because the plant that grows the seed has no male properties," he explained. "These youngsters are excellent workers."

So is Rickard, now 76. When he isn't in the fields, he's in the office answering telephone inquiries from farmers.

They'll open the conversation by saying, "I know this is impossible but can you . . .?" He usually can.●

ARCHBISHOP OSCAR A. ROMERO

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 26, 1980

● Mr. FAUNTROY. Mr. Speaker, the violent and shocking death of Archbishop Oscar A. Romero, a champion of human rights and concern for the poor, is a tremendous loss for the

forces of reconciliation within the human family. The archbishop's assassination is a tragic event all too similar to the murder of Dr. Martin Luther King, Jr. Both men of God died at the hands of hate-filled extremists, who, incorrectly, believe that truth, justice, and the desire for liberation can be crushed by violent repression.

Archbishop Romero at the time of his death was petitioning our Government to withdraw from its historical role as an accomplice to oppression and repression in El Salvador by withholding weapons of violence from the military of that country. I hope and pray that Archbishop Romero's petition will be answered now.

We in the Congress ought to honor Archbishop Romero by carefully considering his advice that the administration's proposal to send the military of El Salvador $5.7 million in military equipment would only add to the carnage and would serve to strengthen the forces of violent repression.

It is noteworthy that the key posts in the security apparatus of El Salvador, the Ministry of Defense, the National Guard, and the Treasury police, are occupied by old hard-line personnel with a history of official and brutal repression. To possibly place our country in a position of increasing the murder power of forces under such leadership is something that we should not do lightly.

I am particularly aware of this problem since within my district, people from El Salvador are estimated to comprise of the largest immigrant group and they have made me aware of the injustice from which they have fled.

While what is being proposed is the introduction of $5.7 million of military equipment and infrastructure and not specifically guns or bullets such assistance would as stated above improve the efficiency of those who have demonstrated no hesitation to use weapons and bullets to violently suppress all form of dissent.

If we are serious about honoring this fallen warrior of peace and reconciliation, we ought to carefully consider his well-known sermon of last October, in which he said:

> "We are fed up with weapons and bullets" and in which he urged us to "channel" the aid to feed thousands of our people."

Such a careful consideration of the introduction of additional military equipment into the already violent environment of El Salvador would, I think, serve our national interest. It is in the interest of the people of the United States of America to get on the side of the poor in countries such as El Salvador.

I believe that the pursuit of peace and justice through nonviolent means is the best strategy for stability and the maintenance of our economic and strategic interests.

Our Government at long last is advocating major economic and social reform and that is a correct policy but I do not think military equipment will enhance movement toward reconciliations and social justice.

Let us honor Archbishop Romero by at least carefully reexamining our proposed contribution to the violent infrastructure of the tortured nation of El Salvador.●

RAIL IMPROVEMENT BILL

HON. RICHARD C. SHELBY

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 26, 1980

● Mr. SHELBY. Mr. Speaker, on Thursday, March 27, 1980, H.R. 6837, the Passenger Railroad Rebuilding Act of 1980, will be on the floor. This legislation represents the first step in devising a new national rail policy and purports to authorize an addition of $750 million to the original $1.75 billion authorization for the completion of the Northwest Corridor improvement project and for the development of similar corridors in other parts of the country. However, the bill proceeds to list 13 proposed high-speed corridors without mentioning the criteria by which these 13 were chosen.

Ostensibly, the 13 routes specifically identified in the bill were selected on the basis of a report by Amtrak and DOT as routes which could produce significant energy savings if improvements were made. For some reason, the Atlanta-Brimingham-New Orleans segment of the Crescent route was not included in this study from which the 13 were chosen, despite the rapidly growing ridership on that train.

Although Amtrak and DOT quite properly estimated that higher gasoline prices would boost future ridership levels, the railroad's planners failed to consider the storm warnings that gasoline might also be scarce and ignored possible effects of new developments such as gasoline rationing. It is a shame that the search for routes to develop was unduly limited.

There is a glaring omission of any proposed corridor in the Deep South; and while I have received assurances that the 13 priority corridors specifically identified in the bill are not to be all inclusive and that this list could change when the Transportation Department and Amtrak present refined recommendations, I would be greatly surprised if the corridors selected for development are not derived completely from the present priority list.

In order to rectify this situation, I will be offering an amendment on the floor proposing that the Birmingham-Atlanta route be specifically identified in the bill as a priority corridor; and I would welcome your support. We should approach this issue responsibly and not in the arbitrary fashion exhibited by the language in the present bill.●

LET US SEND THE FTC A MESSAGE

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 26, 1980

● Mr. ASHBROOK. Mr. Speaker, tomorrow the House will once again have a Federal Trade Commission bill before it. Once again we will be asked to prolong the agony of having this renegade agency remain in a budgetary coma while the House and Senate conferees continue their deadlock over its future course. This situation is an embarrassment to the Congress and to the budget system we have all tried to make work.

The FTC needs to be sent a message by this House. It has consistently violated its mandate by the Congress, and has tried time and time again to rise above the law in the name of some self-determined policy directive. The agency sets dangerous new precedents every day it is allowed to careen through the marketplace. It is time for this Congress to finally take a stand on what we really want to do with the FTC instead of passing the buck to the conferees who pass it back to us.

The current funding situation states that the FTC cannot initiate new actions or finalize regulations during the funding controversy. This would seem to allow this Congress to work out compromise funding language while the FTC remains in a holding pattern in the bureaucracy. In reality it is almost business as usual, or rather, regulation as usual, at the FTC. Their court cases move forward, their forays into the private sector proceed unabated. In December 1979 the Washington Star reported how the FTC was conducting a new survey of the housing construction industry complete with questionnaires and onsite inspections. The FTC inspectors would even go to the homes where the respondents said they had no problems with their houses in order to educate them as to defects in construction they may have overlooked or not known about. The FTC is also continuing their press for industrywide standards and fee procedures for the funeral industry and others who are part of the authorization bill's prohibitions that is held up in conference. Every day the conferees do not reach agreement allows one more day for the FTC to run rampant in industries that the House voted to protect.

This bizarre situation is typical of the complications the FTC has put the

Congress in as it persists in circumventing laws and mandates. Tomorrow we will have a chance to speak out against this increasingly ludicrous predicament. If we defeat the FTC funding resolution we will have sent a message to the FTC that we do not approve of their cavalier attitude toward the law and this Congress. We will have also provided added backbone to the conferees on the part of the House to continue to press for real reform in this wayward agency. I hope my colleagues recognize this opportunity and vote down the bailout resolution.

I call my colleagues' attention to a recent editorial in the Wall Street Journal that further outlines the worsening situation with the FTC. Unless the House version survives the conference we will have to confront the FTC time and time again until we finally bring it under control:

THE FTC ONLY TALK SHOW

There has been a lot of talk about the need to curb excesses of government regulation, and widespread agreement that the most excessive regulator of all has been the Federal Trade Commission. The U.S. Senate has just finished emasculating the efforts to bring the FTC under control.

Complaints grew as the FTC attacked trademarks, children's TV advertising and funeral parlors. States were upset that the FTC was getting into their regulatory acts, leaping in even where HEW and the Justice Department feared to tread. Business worried about the need to tighten standards governing the disclosure of confidential information the FTC required them to supply. The FTC's new habit of issuing blanket subpoenas demanding reams of documents prior to issuing a complaint was likened to a policeman coming to your door determined to arrest you and demanding your life story in hopes of discovering an offense.

Soon the Congress, pummeled by the kind of broad, small town constituencies who get attention, was roaring, and the FTC was on the carpet. The House was tough, voting a one-house veto of FTC regulations and overriding the FTC's challenge to trademarks and investigations of agricultural cooperatives and funeral parlors. But then Senator Wendell Ford (D., Ky.) took charge and the Senate edited the bill down to a cosmetic fixup.

The legislative veto is retained in name, for example but in practice it requires both houses and signature by the President. In other words, Congress can police the FTC by passing a bill.

The Senate went through the motions of tightening disclosure without dealing with the objection that the FTC is giving State enforcement agencies evidence they cannot legally obtain on their own. The effort to prevent the FTC from taking over State-regulated professions also failed. And the FTC can resume its fishing expeditions if it first issues a complaint.

The FTC will have to award legal fees to successful defendants against its actions, except in cases where the FTC itself rules it was justified in bringing the action. The FTC must prepare a regulatory analysis before promulgating a major regulation, but the merits of it are not subject to review by the courts.

Perhaps the most questionable aspect of the FTC's activities in recent years has been its habit of paying Washington lobbyists to stir up opportunities for FTC investigations and regulations. A spate of private bureaucracies like Americans for Democratic Action, Sierra Club, and Ralph Nader's Center for Automobile Safety now earn a living by representing "the public interest" in FTC proceedings. Senator Alan Simpson (R., Wyo.) tried to do something about the use of the taxpayers' money to fund private interest groups, but succeeded only in limiting them to $50,000 each per rulemaking.

The Ford bill now goes to conference with the House, and perhaps something can be salvaged. But if anything like the phony Senate bill emerges, the FTC will have demonstrated that all the noise about reducing government regulation is only talk.●

KEMPER OPEN

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 26, 1980

● Mr. RHODES. Mr. Speaker, in this day and age, when assistance to those in need, to young people, and to various essential services to cope with emergencies are thought of, it generally is in terms of what Government is doing.

I would like to remind my colleagues that there also is a vast effort made by private organizations, who annually raise millions of dollars and devote hours and hours of effort in humanitarian and community improvement endeavors.

From May 26 through June 1 this year, Congressional Country Club will play host to an event that is dedicated to raising funds for many deserving public service groups. The Kemper Open Golf Tournament will bring together the top performers on the tour, and the proceeds will go to several organizations, with emphasis on District of Columbia groups. Included among the beneficiaries will be the Boys' Club, Children's Hospital, the Boy Scouts, Heroes, Inc., the Salvation Army, the Bethesda-Chevy Chase Rescue Squad, and the Cabin John Rescue Squad.

We hear much talk about corporate responsibility, about the social obligations of the business community. This annual event is an example of free-enterprise good citizenship. It combines the attractiveness of a nationally recognized sporting event with the fund-raising function. It involves the work of many unpaid volunteers in addition to the corporate underwriters.

Helping the needy and the handicapped always has been in the highest American tradition. Private organizations reach many who are out of reach of governmental aid.

The Kemper Open offers people in the District of Columbia and surrounding areas who are golf afficionados the dual opportunity of watching in person the best golfers in the country, and knowing that at the same time they are helping those who help others.●

AMERICAN CITIZENS ABROAD

HON. BILL ALEXANDER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 26, 1980

● Mr. ALEXANDER. Mr. Speaker, I insert two issues which are of concern to American nationals living and working abroad. The taxation issue is particularly vexing for these people and I commend these two issues to my colleagues who share this concern:

ISSUE NO. 31

Short title: Taxation of Phantom Capital Gains Created by Exchange Rate Fluctuations Abroad.

Summary of the problem: Capital gains for U.S. tax purposes are calculated in dollars. Most overseas capital investments are made in foreign currencies. Because of foreign currency fluctuations, a dollar capital gain might appear when the economic reality might even be a real capital loss in a foreign currency.

ACA gave an example in its first report of a man who borrowed the entire sum needed to purchase a home overseas. Several years later he sold this home for the same amount of foreign currency he had paid to purchase the house. He used the proceeds of the sale to pay off the loan. However, because of changes in the exchange rates during the intervening period, he appeared to have a large capital gain in dollars. The fact that he had a comparable loss in his loan account was not germane because such losses are considered "personal items" by the IRS and cannot be offset against capital gains. The American in this example would have to borrow a large sum of money to pay U.S. taxes on a capital gain that only occurred on his tax form.

ACA's question: Why does the United States not make provision in the tax laws to avoid taxation of such transparently inequitable phantom capital gains?

The President's reply: The President replied that to alleviate such problems overseas Americans are granted a cost of living differential deduction. He did not indicate how this deduction is supposed to shelter phantom capital gains. Nor could he since the COL is not designed to function to this effect.

ACA's renewed question: ACA would like to ask the President to address several questions. First, what definition of equity requires the IRS to tax phantom capital gains that do not reflect economic reality as in the case mentioned above?

Second, how does the COL give any relief from such taxation as was claimed in his first report?

Third, why is it that only the United States taxes the overseas capital gains of its citizens and what are the international competitive implications of this unique form of overseas taxation?

ISSUE NO. 32

Short Title: Preferential Tax Treatment for Government Employees Abroad.

Summary of the problem: All allowances and benefits earned by private citizens abroad must be counted as income for U.S. tax purposes. U.S. Government employees are not taxed on their allowances and benefits.

ACA's question: Why are U.S. Government employees taxed differently abroad than private U.S. citizens?

The President's reply: "The Foreign Earned Income Act of 1978 changed the taxation of Americans employed abroad in the private sector to conform fairly closely to the taxation of Americans employed abroad by the U.S. Government. Government employees may exclude certain allowances from taxable income; private sector employees must in general treat the allowances as income but may then deduct amounts for qualifying excess foreign housing costs, education, other added living costs, home leave travel, and hardship conditions. The tax savings of an exclusion or a deduction from gross income are generally the same, Tax free government allowances are more generous than the private sector deductions in some respects, such as housing costs. In other cases, such as the home leave travel and hardship deductions, the private sector treatment is more generous."

The President chose not to answer the basic question of why there is a distinction in the way overseas citizens are being treated for tax purposes.

We wish he had. Because it would be interesting to learn why government employees have more generous treatment in most instances even though they are subject to taxation only by the U.S. Government, not to income taxation by any foreign government, hence to no double direct income taxation as are private American citizens abroad.

The President admitted that housing deductions for government employees are more generous than for private citizens abroad. Indeed they are. U.S. private citizens are only allowed a deduction for housing that exceeds a certain proportion of their total income. Government quarters allowances are fully tax deductible without regard to their relationship to the income of the individual.

The President claimed that deductions for home leave for private citizens are more generous than those for government employees. A tax court ruling of recent date stated that not only is travel to the USA deductible for a government employee but also the direct costs to the government employee while he is in the United States on home leave because this is considered to be part of his employment obligation, hence a work rather than pleasure expense. Private citizens do not enjoy such relief.

The most obvious difference in treatment, however, is the fact that cost of living allowances for government employees are not taxable while there are only limited COL deductions for private citizens. The Congress chose to place a ceiling on COL for the private citizen at the level of a middle-grade government employee. Any government employee abroad earning more than this cutoff grade salary has a higher, tax-free, allowance for COL than any private citizen abroad.

There is a further problem comparing COL that is given to the government employee and the deduction of a fixed amount granted to a private citizen. In many overseas countries where inflation, or exchange rate movements cause frequent adjustments to be made in real COL differences from the U.S. based standard, the government has adopted a practice of revising the COL allowance levels as frequently as once every month. The private citizen has a COL deduction that is fixed for an entire year, and only adjusted with great delay based upon economic reality at only one reference point in time. Not only does the government employee benefit from the frequent adjustments to new circumstances, he also is insured of protection when there is a cycle of exchange rate fluctuations within any one year period. This is impossible for private citizens under the once-per-year standards now used by the IRS.

ACA's renewed question: ACA would like to ask the President to address several questions. First, why should government officials above the middle bureaucrat level enjoy tax free allowances that are far greater than the deductions for cost of living given to private citizens?

Secondly, why has the COL been pegged to the GS level now in use? What relevance does this have to the economic reality confronted abroad by American private citizens?

Third, why are government employees given more generous tax advantages in their housing allowances than private citizens?

Finally, what form of taxation of these allowances and benefits, if there must be any at all, would give the greatest equity in terms of treatment of private citizens and government employees? Why has there been any deviation from this standard? What should be done to make these two overseas groups comparable?●

ENERGY CONSERVATION ACT OF 1979

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 26, 1980

● Mr. PAUL. Mr. Speaker, today I am introducing legislation to forbid the Department of Energy from including any ban on weekend recreational boating as part of the standby Federal emergency energy conservation plan—a ban that is in clear violation of the Energy Conservation Act of 1979.

If implemented, this regulation would have a disastrous impact on an industry that employs 600,000 people, and it would also place a hardship on millions of working Americans for whom a weekend family outing substitutes for expensive long distance vacations. Squeezed between rising prices and a falling standard of living, many Americans are sticking closer to home, taking a weekend off for fishing or water skiing, instead of a cross-country auto trip—while air travel and hotel accommodations at an Aspen ski resort are out of sight for most families.

DOE recognizes the impact of other regulations on the lifestyle of individuals but, its impact statement doesn't take into account that for millions of families who own a small boat or groups who charter them, boating is their major form of recreation. It does note, however, that three States, Texas, Florida, and Michigan, each have over 500,000 recreational motor boats.

Approximately 64 percent of all recreational boating occurs normally on weekends, says the Department indicating that the major use of boating is not by the wealthy taking extended fishing trips but, rather by average people. It says that the measure has an important symbolic purpose but, I wonder what the fellow with a 10-horsepower outboard motor who is told he has to cut down will take this as a symbol of?

Thus, millions of people will see their standard of living decline even further to save at most 1 percent of our gasoline consumption. This is particularly ironic when we recall that the American public reduced its gasoline consumption 7 percent last year—while the Federal Government increased its usage.

The Department did, however, recognize the economic inequity of its own proposal, noting that:

> A two-day weekend restriction on boating would severely impair the economic stability of marinas, boatyards and retailers who serve recreational power boats owners in the States where the measure is implemented. . . .
>
> The manufacturing industry consists . . . of a very large number of small firms, many of which are likely to depend upon relatively local markets. To this extent, individual manufacturers in or near States which implement the measure could be seriously injured.
>
> Most of the firms in the industry (including manufacturers, marinas, boatyards and dealers in boats and accessories) are small businesses. In some cases entire towns are dependent upon such businesses for their economic survival.
>
> In terms of national regional differences and geographic distributional effects of the restrictions, the measure would have significantly different effects. . . .

By the DOE's own admission then, this proposed regulation violates the Energy Conservation Act of 1979, which specifically prohibits imposition of restrictions that place an unreasonable burden on any specific class of industry, business, or commercial enterprise.

While this is only a proposed emergency measure, it could be implemented by the President or the Governor of any State which experienced a shortfall of 8 percent. We have experienced such a shortfall in many States—including Texas—in the past because of the Government's attempt to bureaucratically allocate gasoline supplies on a historical basis that bears no relation to the changing needs of growing parts of the country. And, because of the International Energy Agreement, the Government has pledged to reduce our own consumption of fuel, should a foreign country experience interruption in its supplies.

I urge my colleagues to cosponsor the measure I have introduced to stop the Department of Energy's ill-advised plan, before consumers—the working people of this country—end up with the short end of the stick again.●

ALLARD LOWENSTEIN

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 20, 1980

● Mr. WEISS. Mr. Speaker, I would like to submit for inclusion in the RECORD a speech given 2 years ago by

Allard Lowenstein on the occasion of the 30th anniversary of the adoption by the General Assembly of the Universal Declaration of Human Rights in the United Nations. He gave this speech in his capacity as American Ambassador to the United Nations, a position he discharged with characteristic enthusiasm and dedication. This speech is a moving exhortation to devote our work to decreasing human suffering and to advancing the progress of mankind:

REMARKS BY ALLARD LOWENSTEIN TO THE GENERAL ASSEMBLY

Mr. Jeff Kamen: No matter what our faith, when the holiday season arrives, we are all either motivated by or, at the very least, reminded of open-hearted warmth and sincerity. And so it is altogether fitting that representing the United States of America at this function is a man who, as a member of the United States Congress and as American Ambassador to the United Nations, has come to be known for that kind of open-hearted warmth and sincerity. Ambassador Lowenstein.

His Excellency Mr. Allard Lowenstein, Ambassador of the United States: This is the year of remarkable contrasts. Soon we will start the thirtieth anniversary celebrations of the adoption by the General Assembly of the Universal Declaration of Human Rights which, pursuant to the Charter, is designed to assure the world that there will be a decrease in the suffering that people endure. Most people are born into a life of unremitting difficulty and perish before they have the opportunity to enjoy any of those advantages which, paradoxically, are available now in a way unparalleled in the whole human experience.

At the same time that this thirtieth anniversary comes and that people are beginning to acknowledge the finiteness of the planet itself, we find ourselves in so many ways trapped in an impasse that seems to be endless and which seems to be leading to an end to the whole planet. The arms race escalates, the tensions and hatreds escalate, the sense of frustration over dealing with the despoiling of the planet increases. I am struck by the incapacity of people functioning as diplomats to remember that they are people first and diplomats second, so that they can reach to each other and figure out ways that they can resolve dilemmas to the mutual advantage of the whole human race.

So I hope that in this programme commemorating the holidays and the international sense of renewal, that there will also come to people the realisation that much more is necessary than the repetition of the Declaration or the Charter or past expressions of hope or brotherhood. Much more than that has to happen, or we will continue plummeting towards this extraordinary conclusion, at the very moment we should be rising toward the fulfilment of our greatest hopes. I think that if people in this season simply remember how much they have to learn from one another, how much they have to give to one another, and how much they lose by despoiling one another, that perhaps the spirit represented by the President's new leadership in human rights and by Andy Young's remarkable efforts around the world to find common denominators for human beings to work together, that perhaps this spirit will grow and flourish. If a Sadat can go to Jerusalem, there ought to be no reason why anyone can't go anywhere in the hope that somehow together we can create an atmosphere in which we can break out of this deadlock that has made the human experience so difficult for so long.

I suppose that the ultimate statement for me, and for many others who have heard it, on the question of how we can live together better was made almost ten years ago. It bears some repetition on this occasion. So I would like to finish my comments in this period of renewal by reading once again from Robert Kennedy on the occasion of the assassination of Dr. Martin Luther King, at a time when our own country was suffering from its most divisive and difficult period in this century. Robert Kennedy spoke of what happens when violence destroys the lives of human beings—in that case, a human being of such transcendent significance to the whole world. And then he finished his remarks this way. He said:

"There is another kind of violence, slower, but just as deadly, destructive as the shot or the bomb or the knife, and that is the violence of institutions: indifference, inaction, slow decay. That is the violence that afflicts the poor, that poisons relations between men because their skins have different colors. That is the slow destruction of a child by hunger, by schools without books and homes without heat in the winter; until we learn at the last to look at our brothers as aliens, men with whom we share a city, but not a community, men bound to us in common dwelling, but not in common effort. And then we learn to share only a common fear, only a common desire to retreat from each other, only a common impulse to meet disagreement with force. What we need is not division or hatred or violence or lawlessness, but what Martin Luther King had come to personify: love and wisdom and compassion toward one another and a feeling of justice toward all those who still suffer, whether they be white or whether they be black.

"My favorite poet was Aeschylus, who wrote, 'In our sleep, pain which we cannot forget falls drop by drop upon the heart until in our own despair and against our will comes wisdom through the awful grace of God.' Let us dedicate ourselves to what the Greeks wrote so many years ago, 'To tame the savageness of man and to make gentle the life of this world.' Let us dedicate ourselves to that same prayer for our country and for all people."

Impelled not just by the maxims of religious tradition, not just by the rhetoric of Constitutions, but by the common sense of a race heading at full speed towards its own extermination, I would hope that we could take to heart what it is that Robert Kennedy spoke about ten years ago.

At the end of the Human Rights Commission meeting in Geneva, the Ambassador from Senegal arose and spoke to all of us. He said, "I hope that as we leave this session and this building," (which was the League of Nations building, in which the statesmen of the world were discussing international traffic signs at the very moment that Hitler began trying to conquer the world), "we might all turn back for just one moment and look at the building and ask not, 'What have I done for my government?' but 'What have I done for mankind?'" It seems to me that this would be a fitting way for all of us who represent countries in this building to act. Thank you.●

A TRIBUTE TO BETHLEHEM STEEL

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 26, 1980

● Mr. RITTER. Mr. Speaker, tonight the Bethlehem, Pa., Area Chamber of Commerce is honoring two Lehigh Valley institutions—the Bethlehem Steel Corp. on its 75th anniversary, and Lewis Foy, the corporation's outgoing chairman.

This is also a time to recognize the workers who helped to make the steel, to shape it, to treat it, so that it would be useful to building the very foundations of the American economy. These workers came to America, seeking a part of the American dream and willing to work hard in the mills to achieve it. These people brought with them the heritage and values of Eastern, Central, Southern, and Western Europe—work, family, and religious values which helped to shape the solid social fabric of the Lehigh Valley. They came too from Mexico and in recent years from Puerto Rico, expanding the valley's cultural richness.

Obviously, it is impossible to do full justice to 75 years of history here. However, I do want to point out to my colleagues some of the important achievements Bethlehem Steel has made since its purchase by Charles M. Schwab in 1903—achievements that helped to build our Nation.

In 1903, the business consisted primarily of Union Iron Works, a shipbuilding concern in San Francisco, and the plant in Bethlehem. Over the years Schwab's ambition and determination led the company to first acquire the Grey Mill, creating the first H-beams, followed by the Pennsylvania Steel Co., which brought both Sparrows Point and Steelton into the Bethlehem organization, as well as the Lebanon, Pa., industrial fastener plant. Despite the recession following World War I, Bethlehem Steel continued to grow, acquiring plants in Lackawanna, N.Y., and Johnstown, Pa., and establishing one of the first formalized industrial research and development departments in the Nation.

Further acquisitions and expansions during the 1920's and 1930's allowed Bethlehem's plants to shift into high gear as a true "arsenal of democracy" during World War II. In the peak year of 1942, the company shipped three times as much steel as it did in 1935, and employed four times more workers. Significantly, in 1947, the company acquired a shipyard in Beaumont, Tex., that for many years was the only builder of oil drilling barges in the Western Hemisphere. Today this yard is the leading designer and builder of sophisticated mobile drilling platforms and all kinds of marine equipment for the oil industry. The 1960's saw the dedication of the $50 million Homer Research Laboratories in Bethlehem, and the construction of the Burns Harbor plant on the southern shore of Lake Michigan. Burns Harbor is still the Nation's most modern integrated steel plant. Through this long and impressive history, Bethlehem Steel has had only six chief executive officers. Mr. Schwab was succeeded by Eugene Grace, Arthur Homer, Edmund Martin, Stewart Cort and, since mid-1974, Lewis Foy.

Mr. Foy is being honored tonight. When he became chairman in 1974, Foy made one statement that has been the cornerstone of a philosophy which for him amounts to a way of life: "I like anything that's competitive." Today, in a vital and highly competitive basic industry, Bethlehem's chairman has guided a firm which employs more than 90,000 people and generates current annual sales of more than $7 billion. Mr. Foy's drive to "do it better" has been essential to the continued good health of his corporation.

Mr. Foy has followed this same philosophy in other areas of his life. He has been active in many community activities and charities, and in May 1971, he was cited by Moravian College as "a man of the people, deeply sympathetic to human needs, keenly alert to the trends of the times, and gifted as well with an enlightened sense of corporate responsibility."

Bethlehem Steel has been an important part of the American economy for three-quarters of a century. Lew Foy has contributed a great deal to that success. There have been rocky times, but today the Bethlehem Steel Corp. is as strong and vital a part of America's economic strength as ever before. I trust that strength will continue to provide jobs and vitally needed products to our citizens for many, many years to come.●

GARY S. BELKIN WINS NATIONAL VOICE OF DEMOCRACY CONTEST

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 26, 1980

● Mr. LENT. Mr. Speaker, on February 25 I called to the attention of my colleagues the achievement of a constituent of mine, Gary S. Belkin, son of Dr. and Mrs. Myron Belkin of Merrick, N.Y. His essay on "My Role in America's Future" had won first place in the statewide Voice of Democracy contest in New York sponsored by the Veterans of Foreign Wars.

Mr. Speaker, it is now my happy privilege to inform my colleagues that Gary Belkin has won first place in the National VFW Voice of Democracy contest held recently in Washington, D.C. The first place award is a $14,000 college scholarship which Gary intends to use in pursuing a 7-year medical education program at Brown University. I know that my colleagues join in wishing Gary the greatest success in his college career.

I know, too, Mr. Speaker, that my colleagues will join me in extending the heartiest congratulations to Gary for his notable achievement. It brings great honor to him, to his parents, to Mrs. Shula Hirsch, Gary's speech coach, and to the J. F. Kennedy High School in Bellmore where Gary is a senior.

Gary's achievement becomes even more notable when one realizes that he won the first prize in competition with nearly half a million students from more than 8,000 of the Nation's secondary schools.

Such widespread participation in this contest is a magnificent tribute to the Veterans of Foreign Wars which sponsors the annual event. For 33 years the VFW has encouraged the young people in secondary schools across the Nation to give careful thought to their responsibilities as American citizens and to their role in America's future.

We owe the VFW a debt of gratitude for the important contribution to American citizenship it has made through its Voice of Democracy contest. The annual event plays an important role in giving our young citizens a better understanding of the tremendous heritage America has for them, and of the great challenges they, and America, face in the future.

At this point, Mr. Speaker, I offer to my colleagues the full text of the speech of Gary S. Belkin, national winner of the 1980 VFW Voice of Democracy contest:

MY ROLE IN AMERICA'S FUTURE

(By Gary Stuart Belkin)

What is my role in America's future? The answer is simple. My role is no different from the role of generations of Americans before me. My role is no different from those who have sacrificed their lives for our nation. My role is to preserve a way of life that is envied all over the world. It is to keep the world safe for democracy.

I am the product of our cherished American ideals, of her successes and of her failures. My country's goals are mine. I share her aspirations and I share her dreams. I am a link to those who have molded her history. Yes, I am America and my future is hers.

Just as I am a reflection of her history and ideals, so will I reflect the greater glory that is to come, the history that is yet to be written. Just as I am the patriot, starving and shivering through the cold winter at Valley Forge, so will I be the keeper of the peace in the years ahead. Just as I am the farmer in Kansas feeding our Nation and the businessman in New York helping to build the economy, so will I be the scientists and technicians creating new sources of energy to keep the torch of democracy burning. Just as I carry the heritage of George Washington, Benjamin Franklin, and Thomas Jefferson, so will I be among the legislators and statesmen working to keep this country strong. Just as I have fought on the battlefields with men who gave their life for this country in times of war, so shall I share the laurels which will come to those who bring peace.

I will go to wherever liberty is threatened, wherever people cry out for democracy. Just as I traveled in the hold of an overloaded ship bringing immigrants from Europe, so will I be with the new immigrants—Those escaping the bonds of tyranny and poverty. I will be with them all. The rich, poor, young, and old. I shall be with the farmer in Iowa, the steelworker in Pittsburgh, the executive in New York and the rancher in Texas. For they are the true spirit of America, and this spirit is mine.

In the past, freedom has been threatened both here and abroad, both in peacetime and wartime. As I carry the heritage of the minutemen, the doughboys and the G.I.s, as I carry the heritage of the statesmen, diplomats, and ambassadors, I will be present when our country faces problems in the future. For as much as I am America's past and her present, I am, above all, America's future. I am a future that will defend the oppressed and rise up against the oppressors. I am a future that will break the bonds of poverty and ease the pain of misfortune. I am a strong and confident future, bringing with me the ideals and values of the past, values we must all carry with us as this country faces the future. For we are America. And we are America's future.●

SCHOOL LUNCH CUTBACKS AS THEY AFFECT CATHOLIC SCHOOLS

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 26, 1980

● Mr. KILDEE. Mr. Speaker, the President has recommended a cutback of over $400 million in funding for the national school lunch program. The House Budget Committee this week has recommended an even deeper cut of $500 million in spending for the child nutrition programs.

Mr. Speaker, I honestly do not believe that either the President or the members of the Budget Committee realize the effects these cutbacks will have on providing school lunches for the millions of our public schoolchildren who are presently participating in these programs. Even less do I believe that the President or Members of Congress realize the effects these cutbacks will have on children in private schools who are now benefiting from these programs.

Since their inception in 1946 the Federal child nutrition programs have been providing benefits to children in private schools on an equitable basis. In fact, these programs are probably the most beneficial of any government aid program at the Federal, State, or local level in assisting private schoolchildren. This unfortunately is a little known fact, and even more unfortunately it is little understood that the President's and the Budget Committee's cutbacks will have a very serious effect on the general finances of private schools throughout the country.

For that reason, Mr. Speaker, I include in the RECORD today a copy of a statement which was delivered this morning by Rev. Thomas G. Gallagher, secretary of education, U.S. Catholic Conference, before the Subcommittee on Elementary, Secondary, and Vocational Education. That statement shows the effects of these cutbacks on Catholic schools.

As Father Gallagher pointed out in his statement:

> The anticipated student dropout rate at all phases of the program as a result of the proposed cuts—if approved—will force many of our schools to withdraw from participating in the program.

I hope that all the Members read this statement before they vote for these cutbacks:

STATEMENT OF REV. THOMAS G. GALLAGHER

Mr. Chairman, members of the committee, I am Father Thomas Gallagher, the Secretary of Education for the United States Catholic Conference. I am accompanied by Mr. Richard Duffy, Representative for Federal Assistance Programs and by several diocesan school food service directors who represent some of the nation's major metropolitan areas. We would like to thank you for providing us with the opportunity to present our views to this Subcommittee on the implementation of the National School Lunch Act and other child nutrition programs as they apply to Catholic schools across the country. We know that these concerns are similar to other non-public schools across the country.

I speak today on behalf of the ten thousand elementary and secondary Catholic schools of this country, for the 3,315,000 children who attend them, as well as for the millions of people, parents and other adults who support them. My statement is meant to offer you the general views of the Catholic school community as they relate to the Administration's proposed cutbacks in the school based child nutrition programs. My associates will address more specifically the impact these cutbacks will have on the school feeding programs in their local areas. They will also address difficulties which they have been experiencing in trying to operate quality food programs as a result of recent U.S. Department of Agriculture regulations. I will be summarizing certain portions of the written text and ask the Chairman to incorporate the full written text into the record of these hearings.

The 79th Congress in 1946 enacted Public Law 79-396, the National School Lunch Act. This Act was the first piece of Federal legislation to provide equal benefits to all the nation's children regardless of where they attend school. The Act as you are well aware has been amended and broadened over the years to provide greater health and nutritional benefits to our nation's school children especially to those who are poor and needy. The need to safeguard the health and well-being of our children is still a major national priority which, however, is threatened by the harsh economic times facing our country today and even more so by the ill-advised proposed cutbacks in these child nutrition programs.

Currently about 4,700 Catholic schools participate in the national school lunch program. These schools are chiefly located in the major metropolitan centers across the country and they provide nutritious meals to hundreds of thousands of poor and needy inner city children each day. Our written document contains statistics which will illustrate the number of meals served to inner city children each day in several of our large dioceses.

MEALS SERVED TO INNER-CITY CHILDREN

Archdiocese or diocese	Schools participating	Lunches served daily	Percentage of free and reduced price
New York	150	42,458	80
Chicago	191	35,000	56
New Orleans	110	48,000	21
Baltimore	38	6,000	52
Louisville	69	12,000	25
Philadelphia	44	6,000	79
Detroit	23	6,500	47
Baton Rouge	33	13,000	25
Covington	46	10,000	15
Columbus	49	10,000	11
Cleveland	80	8,000	65
Buffalo	45	20,000	25
Pittsburgh	50	9,000	45

School food service operations in the Catholic school sector can take a variety of configurations. The most prevalent type of operation is the self-sponsored school which applies to either the State Education Agency where feasible or to the Food and Nutrition Service of the U.S. Department of Agriculture Regional Office.

These operations may range in size from 1,800 students at a large secondary school to small elementary schools in rural areas with fifty to sixty students. These small programs are usually managed by one person with the assistance of parent volunteers. Most of the self-sponsored programs are barely meeting expenses under the current reimbursement rates. Any cutbacks will severely hurt these programs.

A second type of school food service is operated from a central diocesan agency recognized as the diocesan school food authority. Even this centralized operation can take different forms. I will illustrate by describing three different programs operated by dioceses.

The first program is that of the Archdiocese of New Orleans. The diocesan school food authority makes application for all of its participating schools. School food service managers are hired and trained by the central office. All equipment, materials, supplies and food are centrally purchased and distributed to the individual schools. Most of the school food service programs in the Archdiocese of New Orleans are of the on-site food preparation type.

Another variety of a centralized program is one which is operated by the Archdiocese of Chicago. The central office again makes application for all of its participating schools. The central office purchases all equipment, materials, supplies and food.

Meals which can be heated on-site at the individual school are prepared at a central kitchen or commissary and trucked daily to all participating schools.

A third variety of a centralized program is the type operated by the Archdiocese of Philadelphia. The Diocesan School Food Authority here sponsors all of its participating schools, makes the necessary application to the State Education Agency, hires all school food service personnel, purchases all equipment, supplies, materials and distributes them to each school. The school food authority contracts with a food vendor to deliver frozen pre-plated meals to each school. The meals are easily heated at the school and served to the children.

Many dioceses have elected to utilize the frozen pre-plated meal service because schools do not have cafeteria space or the necessary equipment for on-site meal preparation. The pre-plated frozen service has proven to be an effective, efficient and successful way of providing hot nutritious meals to poor and needy students. The frozen pre-packed service requires the minimum of expensive equipment and the minimum of personnel. These types of programs, however, have begun to experience severe difficulties in participating in the food service equipment program. These difficulties will be highlighted later in my statement and further described by some of my associates.

As you can see the Catholic School community has a heavy investment of resources and personnel in the school lunch program. We think, in many areas, we are providing countless children with their only daily hot nutritious meal and we would like to continue to provide this much needed service; however, our school feeding programs are in serious jeopardy of losing a good number of participants as a result of the proposed cuts and forcing us reluctantly to withdraw from the program. The present Administration in seeking ways of trimming Federal expenditures have zeroed in on the school feeding programs and have proposed a series of reductions in several areas. We want to look at each proposed cut and explain what would result if the recommendations were followed.

The Administration proposed to reduce the Federal subsidy for the full paying students by five cents for the school lunch program. The attitude on the part of Administration spokespersons is that it's only five cents. They say that most paying students come from families which are wealthy or upper middle class and can well afford to pay five cents extra for their lunch.

This could not be further from the truth. Most of the paying students come from families whose incomes are not far above the reduced price cut-off line. These families can ill afford a price increase. If the Federal subsidy is reduced, it is expected that a significant number of paying students will no longer participate in the program. A sizeable drop in the number of paying students in any one program will have a detrimental impact on the total program. It is estimated, that for every penny increase in the price of the lunch, 1 percent of the participants drop out. Yet, the Administration proposes a five cent increase, or a 5 percent reduction in participation, which will have disastrous effects on any school lunch program. The Administration in advocating the five cent reduction in the Federal subsidy seems to be blind to the fact that the current rate of inflation is hurting all families at every income level especially in the area of food costs—any way of holding food costs down would be a welcomed relief—even if it means maintaining the current level of the Federal subsidy for the full price meal.

The Administration is also proposing to lower the eligiblity criteria for free meals from 125 percent of the poverty level to 100 percent and would lower the eligibility for reduced price meals from 195 percent of the poverty level to 175 percent. This will decrease participation in the free meal phase of the program and force many children to pay the reduced price for their meals without any consideration as to whether or not families can afford it. Hundreds of thousands of children would lose their reduced price lunches and would have to pay the full price for a lunch. With such wholesale and drastic changes in the program, many school food authorities would be forced to increase the price of the reduced price and full cost meal to maintain a break even point, thus forcing both schools and families to be caught in an artificially induced inflationary spiral. This would adversely affect all school lunch programs.

Administration proponents of the reductions in the various aspects of the three-tiered structure of the school lunch program seem to be unaware of the fragile and delicate fiscal balance under which the total program operates. In some areas the full price student carries the program and keeps it solvent or at the break even point. In other areas the concentration of free and reduced price meals keep the program above water. Any serious change in any level of the program adversely affects the total program. School feeding programs are supposed to be designed to operate at a break even, no loss, no profit basis. Most programs break even; many operate at a loss. The anticipated student dropout rate at all phases of the program as a result of the proposed cuts—if approved—will force many of our schools to withdraw from participating in the program. We cannot permit this to happen.

Besides proposing cuts in the basic financial structure of the school lunch program, the Administration is advocating eliminating private, nonprofit agencies from sponsoring summer feeding programs as a further measure of economy. We strongly oppose this proposal and consider it grossly discriminatory. Many diocesan school food authorities presently operate summer feeding programs for poor and needy children which are basic components to community summer educational and recreational programs. Particular community agencies over the years have come to rely on these diocesan school food authorities as integral parts of their summer programs.

Conversely, the school food authorities depend upon the summer feeding program to help maintain year-round quality food service programs. Participation in the summer feeding program permits school food authorities to keep their employees working all year round. There is no disruption in the program which could have required laying off employees over the summer months and possibly hiring and training new employees when the school year resumed.

We urge this committee not to eliminate private nonprofit agencies from sponsoring and operating summer feeding programs. The Administration further proposes to reduce the funding available for the food service equipment program. We oppose any cuts in an already meagerly funded program. The purpose of the food service equipment program is to enable schools without the lunch program to obtain the necessary equipment to initiate a program. It encourages diocesan school food authorities to expand their programs in order to serve more children. The food service equipment program also assists a school food authority to maintain its program at its current operational level by enabling it to replace worn out and antiquated equipment.

The U.S. Department of Agriculture reports that nationwide there are 9,154 private schools without facilities to serve hot meals. Facilities to serve hot meals is defined as the necessary minimal equipment to participate in the school lunch program. We estimate that at least 50 percent, or 4,500 of these private schools without facilities to serve hot meals are Catholic schools. A cut back in the food service equipment funds will hinder many of these schools from initiating school feeding programs. Several of the dioceses represented here today are in the process of expanding their programs to include new schools, but their expansion efforts have been thwarted by an already low level of funding. Further cuts may completely exclude any possibility of expansion in Catholic schools across the Country.

Numerous Catholic schools, although not participating in the school lunch program, do receive limited benefits under the special milk program. However, this program also has been targeted for cuts by the Administration. We strongly urge the members of this committee to resist any attempt to severely cut or eliminate the special milk program. Severe cuts or the total elimination of this program would not be in the best interest of parochial school children.

This Administration has often stated that it would seek any constitutionally acceptable means to provide financial assistance to the parents of students who attend private elementary and secondary schools. The school lunch program is just one such program which does provide a constitutionally acceptable form of aid to private school students and their parents. Although this form of aid is minimal, now we find that even these limited benefits which the Federal Government provides for our children are in jeopardy of being significantly diminished. We seriously doubt this Administration's concern for children and parents who elect to attend private schools when it proposes such drastic cuts in program benefits, which are so important to these same people. Therefore, we vigorously oppose the Administration's proposed cutbacks in all aspects of the schools' feeding programs.

The proposed cuts in the level of funding for the school feeding programs are not the only obstacles threatening the operation of quality school lunch programs. The recent proliferation of U.S. Department of Agriculture regulations and administrative procedures are seriously hampering school feeding programs.

The most current example of Federal regulations which have created great concern in the Catholic school community is the recent publication of the Department of Agriculture's AIMS (Assessment, Improvement and Monitoring System). Supposedly the AIMS procedures and regulations were developed in response to Congressional reaction to reports and studies that there were a number of school lunch programs poorly, inefficiently and fraudulently operated. Congress recommended that the Department devise and implement a monitoring procedure to prevent waste and to detect fraud in the operation of school feeding programs. We applaud the intent to prevent waste, inefficiency and fraud. We disagree with much of the preventative measures being proposed.

We see AIMS, as originally published, as a largely unnecessary, costly, and burdensome set of procedures. The procedures were devised in response to a small number of programs which were guilty of waste, inefficiency and fraud. Why the school lunch program nationwide has to be saddled with onerous procedures aimed at a few is questionable.

The AIMS procedures could lead to costly and excessive audits. Large programs could possibly be subject to annual audits for which they receive no extra funds to cover their cost. State Education Agencies will receive administrative funds to implement AIMS but no such funds will be available to individual schools or school food authorities to compensate for the extra program monitoring required.

It should be noted that most programs already operate in compliance with existing Departmental regulations. Now all programs will have to prove that they are in compliance. AIMS places the State Education Agency in a position of acting as a policing authority and diminishes its role as a service-oriented agency concerned with providing technical assistance and fostering the operation of quality food service programs.

Finally, we wish to congratulate the members of Congress for authorizing and funding a much needed Nutrition Education Training Program. The Nutrition Education Training Program provides for the equitable participation of students, teachers and school food personnel attending or working in private schools.

Since its inception several programs of note for private school students have been devised. The Archdiocese of Chicago has developed a comprehensive nutrition education curriculum which has been successfully introduced into all of its elementary schools. Teacher training programs were provided to acquaint them with the materials and to permit them to feel comfortable with the new curriculum materials. This program has been instrumental in increasing student participation in the lunch program by at least 10 percent.

Similarly, student participation in the lunch program has increased in the Archdiocese of Baltimore as a result of five training programs for lunch room managers. The State of Maryland sponsored nutrition education training programs for school lunch personnel in both public and private schools. The effect of the training on our school food personnel has had a positive effect in each of the participating schools.

The nutrition education training funds in Ohio helped the School Food Authority in the Diocese of Cleveland to implement a nutrition education curriculum for the primary grades. These materials were developed with their own funds; they have been published and have been widely used in other areas of the country. The Diocese of Cleveland is hoping to be able to apply for additional funds in subsequent years to further develop the nutrition education curriculum materials for the intermediate and secondary grades.

We strongly recommend that the nutrition education training be reauthorized and that program funds be increased or at least fully funded.

Mr. Chairman, and members of the subcommittee, as you can see, there are quite a number of issues peculiar to the private school community with regard to the operation of quality child nutrition programs which need to be addressed in a timely fashion. We think that one of the best ways to assure that these peculiarities will receive the attention they justly deserve would be to have a representative from the private elementary and secondary school community appointed to the National Advisory Council on Child Nutrition. One of the functions of this National Advisory Council "is to make a continuing study of the operation of programs carried out under the National School Lunch Act, the Child Nutrition Act, and any related act under which meals are provided to children, with a view to determining how such programs may be improved."

Consequently, we recommend that the provisions of the National School Lunch Act establishing the National Advisory Council on Child Nutrition be amended to require that a representative knowledgeable about school food programs from private nonprofit elementary and secondary schools be appointed to this National Advisory Council.

Mr. Chairman, we thank you again for providing this opportunity for us to express our concerns on these important issues. We respectfully request your permission to submit our statement for the record.

We also request your permission for my associates to address their particular perspectives on some of these issues.●

THE NATION'S NO. 1 BASKETBALL TEAM—TRUETT-McCONNELL DANETTES

HON. ED JENKINS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 26, 1980

● Mr. JENKINS. Mr. Speaker, nestled in the foothills of the mountains of north Georgia, a small town is celebrating this week because of some dedicated young women and their quest for victory.

The women's basketball team from Truett-McConnell College in Cleveland, Ga., returned from the National Junior College Athletic Association tournament as the Nation's No. 1 team. In the national championship game, Truett-McConnell defeated Cloud County, Kans., 63 to 61, to clinch the 1980 title.

During the regular basketball season, the NJCAA had the Danettes ranked as the No. 1 women's basketball team in the Nation. Such a lofty rating for a team from a tiny Baptist college in the hills of north Georgia brought some cynical smiles.

Coach Colby Tilley remarked at that time:

> It's nice to be rated No. 1, but it really doesn't mean very much because there will be a national tournament—some team will win it and be the real No. 1. I just hope it's us.

His hope came true, but the Danettes march to the title was not easy. First, Truett had to win the tough conference in Georgia. Then, a playoff with the Florida champion. At the national tournament, they defeated western Wyoming in the preliminary round. Henderson, Tex., was the next victim in the quarterfinals. Northwest Mississippi, who had been undefeated through the entire season was disposed of next. Finally, Cloud County, Kans., virtually the home team for the tournament, was defeated in the finals.

The true No. 1 team and the national championship trophy are now at Truett-McConnell College in Cleveland, Ga.

It was once said, "to travel hopefully is a better thing than to arrive, and the true success is to labor."

The Truett-McConnell Danettes traveled, hoped, arrived, labored, and succeeded. It is with great pleasure and personal pride that I submit this tribute to the team and the college.●

JOHN MacINNES AND MICHIGAN TECH HOCKEY

HON. CARL D. PURSELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 26, 1980

● Mr. PURSELL. Mr. Speaker, it gives me great pleasure to pay tribute to John MacInnes, veteran coach of the Michigan Tech Huskies hockey team. John, a longtime personal friend of mine, recently became the winningest coach in college hockey February 22 with his 502d victory. I am sure my colleagues will join me in extending warmest congratulations to John.

The Detroit News recently ran an item on John's accomplishments and coaching record. I insert the article for the Record.

The article follows:

VICTORY 502—TECH'S QUIET MAN TOPS ALL

(By Jim Eathorne)

John MacInnes, Michigan Tech's veteran hockey coach, has added another page to Michigan's glowing hockey history.

With his Huskies' 5-1 victory over the University of Denver Friday night, MacInnes climbed to a plateau never before attained by a college hockey coach.

The victory was MacInnes' 502nd and made him the winningest coach in college ranks, boosting him past the mark established by Boston College's John Kelley. While it took Kelley 40 years to amass his 501 victories, MacInnes put his 502 together in fewer than 24 seasons. During that period his teams have lost 263 games and tied 35.

A quiet man, MacInnes has been content to let his teams do the talking for him. And the Huskies have come through loud and clear over the years. MacInnes has made his way up and down behind the Michigan Tech bench.

Now MacInnes has forged another dynasty in Michigan's Copper Country, where hockey was an established professional sport in the early 1900's and where some of the game's early stars played for the Portage Lake team.

MacInnes took over the reins at Michigan Tech in time for the 1956-57 season and posted a record of 14 victories, nine losses and five ties.

A native of Toronto, he made his way to Houghton and Michigan Tech in the far western end of the Upper Peninsula by way of the University of Michigan. A goalie, MacInnes led the Wolverines to a pair of Western Collegiate Hockey Association titles and a third-place finish in the 1950 NCAA tournament.

MacInnes' hockey credentials also include a stint with the Detroit Red Wing organization. Older Detroit and Windsor fans will also recall him as a goalie in the old International Hockey League which played its games in the Olympia on Monday nights.

Although MacInnes went into business in Ann Arbor after graduation from the U. of M., he kept his hand in hockey as director of the Ann Arbor Hockey Association. His name remains a familiar one today in Ann Arbor amateur hockey ranks by way of an AAHA sportsmanship trophy which carries his name.

Many other personal honors have come his way during his brilliant career.

He twice has been selected Hockey Coach of the Year by those who know him best—the opposing coaches who make up the American Hockey Coaches Association.

MacInnes has been the WCHA's Coach of the Year five times. He has guided the Huskies to three NCAA championships while reaching the finals seven times in nine tournament appearances, won seven WCHA titles and eight Great Lakes Invitational crowns in 15 tournaments.

In attaining national prominence, the Huskies have skated to 19 winning seasons (this will be their 20th) in the MacInnes era, and Tech has ranked among the top four teams in the WCHA 17 times—and the WCHA is considered the premier collegiate hockey association in the world.

MacInnes also can point with pride to some 20 Michigan Tech players who have earned All-America honors—plus those who went on to the National Hockey League and World Hockey Association.

Among the many Huskies who caught the eyes of the pro scouts are Tony Esposito, Lou Angotti and John Kosiancic (Chicago), Al Karlander, Jim Nahrgang, Dennis Huculak, Herb Boxer, George Lyle, Doug Hinton, Al McLeod and Bryan Watts (Red Wings), Mike Zuke (St. Louis Blues), Gary Bauman and Rob Murray (Montreal).

Also Steve Jensen and Mike Usitalo (Los Angeles), Lyle Moffat and Lorne Stamler (Winnipeg), Kenny Desjardine and John Grisdale (Toronto Maple Leafs), Bob D'Alvise (Toronto Toros), Bob Lorimer (Islanders), Jim Warden (Minnesota), Jim Mayer (Rangers), Stu Ostlund (Vancouver), Bill Steel and Bruce Abbey (Cincinnati), Stu Younger (Pittsburgh) and Dana Decker (Philadelphia).

MacInnes also has sent a bevy of Huskies into the collegiate ranks as coaches: Danny Farrell (Michigan), Rick Yeo (Lake Superior State), Glen Weiler (Western Michigan), Doug Hinton (Port Huron Junior college), Herb Boxer, Bill Rowe and Jim Nahrgang (Michigan Tech assistants), Jim Murray and Wayne Pushie (WMU assistants).

And while MacInnes is justly proud of these hockey achievements, his stitch-scarred face really beams when he points out that 94% of his letter winners have left Tech with their degrees in their hands.

While Houghton has been enhancing its reputation as the collegiate hockey capital, MacInnes has been doing more than developing top-notch hockey players and students. He also has been responsible for the erection of the Student Ice Arena, a 4,200-seat, $2.6-million hockey arena with a playing surface of 200 feet by 85 feet—a surface as large as many of the NHL rinks.

Rallying behind MacInnes and his Huskies were the students, who did much more than supply the cheers that resounded through ancient Dee Stadium, Tech's hockey home for years. They reached down into their pockets for a special assessment to finance a gleaming new home.

MacInnes has been wooed by other colleges with dreams of becoming hockey powers and flirted with by pro clubs, but he has stood fast in the Copper Country despite the temptations.●

ROOT AND CHESTER DESIGNED WASHINGTON HISTORY EXHIBIT IN CANNON ROTUNDA

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 26, 1980

● Mr. STARK. Mr. Speaker, the House of Representatives, through your generous offices and the esthetic judgment of the Architect of the Capitol, has the high honor and pleasure currently to enjoy seeing on Capitol Hill a unique and worthy exhibit on the history of downtown Washington. It is with pride that I acknowledge this event as a Member of Congress and chairman of the Subcommittee on Metropolitan Affairs of the Committee on the District of Columbia, and a member of the Federal Council on the Arts and Humanities.

The exhibit, entitled "Two Centuries of Change: The Idea of Downtown Washington," opened in the Cannon rotunda on March 16 and will remain on Capitol Hill through April 16. The City Museum project organized the exhibit which was made possible by a grant from the National Endowment for the Humanities with special assistance from the National Geographic Society.

David Root and Patricia Chester of the District of Columbia are the talented designers of this exhibit.

Root and Chester's design concept is uniquely suited to the needs of this traveling exhibit. The designers' assignment was to craft an exhibit whose construction would facilitate easy onsite dismantling and movement to other exhibition areas.

Of equal importance was Root and Chester's charge to craft an exhibit whose practical, modular form would enable the exhibit to be displayed at sites of widely varying dimension and geometric configuration.

The exhibit is also designed to be viewed with equal ease by children and adults. Handicapped persons in wheelchairs also find the exhibit accessible to viewing, another specification of design.

The finished design is proof that Root and Chester have succeeded in devising the means to accomplish superbly the combined ends of mobility, accessibility, and adaptability to varying exhibit sites.

For example, last year an exposition of the exhibit was held in the National Portrait Gallery. That site is very different in dimension and geometric configuration from the Cannon rotunda, but the exhibit complemented both architectural environments with an equally compatible presence.

Mr. Speaker, I urge my colleagues, staff, friends, and visitors to see this exhibit while it is on Capitol Hill. The exhibit and the site actually adorn one another in complementary design and configuration of arrangement. Never have I seen the ambience of the Cannon rotunda so enhanced by such an attractively designed exhibit.

Daily, the exhibit draws hundreds of interested patrons and brings life and a new appreciation to that normally empty, but magnificent, space. Many Capitol Hill regulars and visitors are encouraged by the exhibit's compelling presence and substance to stop in the Cannon rotunda and enjoy part of what otherwise might have been just another routine, hurried day.

David Root and Pat Chester deserve our congratulations and esteem for their excellently designed work. I wish them every success in the future.

Mr. Speaker, in conclusion, I include for the information of my colleagues the following article. This article appeared in the first edition (January 1980) of the National Endowment for the Humanities new publication, "Humanities," and was written by Washington writer Anita Mintz:

A TALE OF TWO CITIES—A WASHINGTON EXHIBIT IN SEARCH OF A MUSEUM

(By Anita Mintz)

Monumental, Federal Washington is familiar to almost everyone. Emblazoned on the national psyche, it has been the subject of paintings, books, exhibits, photographs, and films. But as Federal Washington grew, its great buildings spread across the city's center, sometimes bumping against the homes and workplaces of the ordinary people who made the city go.

This other Washington, the residential, urban place, has had little attention—even from those who live in the city of Washington itself. The story of Washington is really a tale of two cities, the Federal and the urban. And the true story of the urban city is another tale of two cities, the black and the white.

The 200-year history of urban Washington is the subject of an exhibit, *Two Centuries of Change: The Idea of Downtown Washington.* In some 200 photographs and documents with accompanying text, downtown Washington is shown as a neighborhood where people, traveling mostly on foot, lived, shopped, printed newspapers, sold lumber, fashioned hats, tended gardens and watched parades—all within an area of a few square miles.

There are portraits of individuals: the famous like Frederick Douglass; the obscure like Alethia Tanner, a former slave who earned the money to buy freedom for herself and her family by growing vegetables near Lafayette Square; and the flamboyant like Alexander "Boss" Shepherd who, in the 1870s, dominated the Board of Public Works while miles of streets, water mains and sewers were constructed and thousands of trees were planted. However, lacking authorization for his good works, he left the city in debt for more than $20 million. The city's insolvency caused an uproar in Congress. Washington's limited home rule was revoked; another 100 years passed before D.C. citizens regained the right to elect their own city government.

The exhibit gives frank testimony to the fluctuating status of the black minority living in a traditional, predominantly white southern town. An 1827 document certifies that Eliza Washington, "a bright mulatto Woman (sic) thirty-one year old living in the first ward of said city . . ." was a freed slave, a haunting and poignant reminder that Washington, while one of three cities in the nation where the free black population outnumbered slaves, was also a center of the slave trade until 1850. Free blacks in the city unable to prove their status risked reenslavement.

And, an item dated almost 100 years later records the ultimate shame: a 1919 race riot in which white men, followed by white women and children, roamed the streets of black neighborhoods looking for people to attack. The blacks resisted and the fighting lasted for five days. A page from the black community's newspaper, *The Washington Bee*, carries the sardonic banner, "This Nation's Gratitude" and underneath, a headline, "The Colored American Reward for fighting for World Democracy."

The exhibit was conceived by a committee of the City Museum Project, Inc., an organization founded in 1975 by a racially and culturally diverse group of people who felt that Washington needed a city museum.

Discussions among the group led to the idea that an exhibition telling in depth the story of a particular neighborhood would interest people, and, in the words of Frank A. Taylor, a member of the Project's Board of Directors, "it would cause people to think about history and neighborhoods, and the relationship of people to the city. . . . we decided on the downtown because it is common to all parts of the city."

Members of the exhibit committee searched through the collections of Washingtonia at the Library of Congress, National Archives, Columbia Historical Society, the public library, and other public and private repositories. They selected about 400 items they thought appropriate for their exhibit and from these, culled the 200 now on display.

The creators of the exhibit hope it is a seed that will fall on fertile ground, take root, grow and multiply into a city-wide network of store-front or neighborhood museums. The museum system they envision would collect and index archival material, plan circulating exhibits, assist local groups in developing neighborhood historical information, and raise historical consciousness among all groups of citizens as background to planning for the future. It is appropriate, therefore, that the exhibit which opened last September in a corridor of the National Portrait Gallery, a museum housed in an elegant mid-nineteenth century Greek Revival building, will travel for a year-and-a-half to various libraries, schools, and community centers around the city and suburbs.

With this activist goal in mind, at the end of "the family album," the exhibit asks the visitor to think of the city's future and the possibility is raised that the wheel has come full circle: that an energy-conscious society will once again want its downtown to be a place where a pedestrian populace can live and work, tend its gardens and watch parades.●

THE ENTANGLING BUREAUCRACY

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 26, 1980

● Mr. LAGOMARSINO. Mr. Speaker, we often hear and discuss the ill effects of a burdensome and entangling bureaucracy. Often it seems that State and Federal Government regulations strangle the effectiveness of our local governments in the cities and towns across America.

What is not often heard is how Federal redtape detrimentally affects finding and keeping qualified personnel in local governments.

I would like to share with you a letter from one of my constituents, Dr. Craig L. Larson of Solvang, Calif., who has served his community as a member of the board of trustees at Santa Ynez Valley Union High School for the last 7 years. Dr. Larson is resigning from his position because he is tired of trying to "contend with 'red tape' involved in keeping schools 'open for business.'"

Dr. Larson's experience should serve as a sad reminder to all of us that big government is too often bad government which prevents the most effective and qualified people from doing their job.

The letter follows:

SOLVANG, CALIF.,
March 12, 1980.

Mr. HARLAN BURCHARDI,
President, Board of Trustees, Santa Ynez Valley Union High School, Santa Ynez, Calif.

DEAR PRESIDENT BURCHARDI AND FELLOW BOARD MEMBERS: This is to advise you of my resignation from the Board of Trustees effective May 15, 1980. If an appointee is found prior to this date I will gladly make my resignation effective sooner.

The frustrations of modern day trusteeship and its' demands are increasingly difficult to endure. During my terms of the past seven years many changes have taken place at Santa Ynez Valley Union High School.

The increased control by State and Federal governments has reduced the function of the school board to merely an advisory group, blessed with all the mandates of the governments and left with all the liabilities. These problems coupled with increased costs and decreased income leave an impossible situation to contend with. The primary function of the school system is the education of our youngsters. This function is being pushed into the background because the school board, the administration and the teachers are forced to contend with "red tape" involved in keeping schools "open for business".

It is for these reasons that I am resigning a year before my term is up. I no longer find the position rewarding, just frustrating.

I am sending a copy of this letter to our government representatives. Not because I feel it will make any big wave, but keeping in mind all big waves start with one small drop and only through many small drops will this wave get large enough to be noticed. If present conditions continue it will become increasingly difficult to fill school board vacancies with competent and caring individuals.

We need some drastic measures from our State and Federal governments. Not in the form of new laws, but fewer laws that loosen their grip on the educational systems, returning the control to local districts.

I wish you all the very best in the many difficult decisions you will have in the coming months and years. I think we still have one of the best school systems in the state and I am happy to have been part of it.

Sincerely,

DR. CRAIG L. LARSON.●

ONLY SOVIETS CAN POLITICIZE OLYMPICS

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 26, 1980

● Mr. DERWINSKI. Mr. Speaker, there is a great deal of speculation over the involvement of the political world in the Olympic games. An article in the Chicago Tribune on March 24 very objectively studies this issue. I insert this fine article by Karen L. Coffin at this point:

SOVIETS SPELL IT OUT: ONLY THEY CAN POLITICIZE OLYMPICS

EUGENE, ORE.—Among the souvenirs brought home from a recent visit to Leningrad, I found a remarkable bit of propaganda. By Soviet standards it's a slick little publication, obviously designed to please western eyes and taste, and intended to prepare visitors for Moscow's version of the Olympic Games.

Probably only a few such books have found their way into western hands at this early date, and for that the Kremlin should be thankful. Under the circumstances, they have handed us some powerful ammunition.

Published by Novosti Press Agency in Moscow, 1979, the booklet, entitled "Soviet Sport Questions and Answers," contains the following:

Question: What is the Soviet view of the Western claim that sports and politics don't mix?"

Answer: "The view popular in the West that 'sport is outside politics' finds no support in the U.S.S.R. This view is untenable in our country because the Soviet Union and the Soviet people view sport as an instrument of peace, as an important means of improving mutual relations between people, for developing and strengthening friendly contacts and promoting mutual understanding."

Not content with putting their foot in their mouth, the authors happily hand us examples of such athletic politicization.

"When, for instance, Soviet representatives call for the expulsion of the South African and Rhodesian racists from the Olympic movement, this is of course, a political move. But this is a policy for the sake of peace, a policy geared to asserting the Olympic ideals that do not permit discrimination in sports.

"When Soviet football players refuse to play a match at the Santiago stadium where the ground is stained with the blood of Chilean patriots, including sportsmen, this is also, of course, politics. It is a policy of struggling and protesting against fascist regimes. . . . So, whenever someone says that sport lies outside the framework of political relations, we feel their remark is not a serious one."

If the West took its politics as seriously as does the Russian ruling class, there would be no doubt about using the boycott as a legitimate political weapon. Unfortunately, many of us choose to see the games enveloped in the mist of idealism, instead of the rough and tumble world of reality.

Or perhaps, as Alexander Solzhenitsyn warned in 1978 Harvard speech, Americans are losing their courage and willpower, are too much influenced by their "possession of material goods, money and leisure" to risk a moral stand.

While we wallow in plastic abundance will the Soviets lap up the oil in the Middle East? I doubt if even they know. But it is clear that while we debate and hestitate they're deporting and arresting dissidents, sending Moscow's children to "summer camp" to protect them from the perils of western influence, and warning residents to beware of infiltrators and propagandists.

I see no justification for honoring this kind of repressive and expansionist government with a successful Olympic celebration. Since the Soviet government appears anxious to welcome politics into the Olympic arena, let us take a page from their own book and declare it only proper for the rest of the world to boycott the Moscow games in consideration of the Afghan patriots [many of whom are undoubtedly sportsmen] whose blood stains the mountains and grasslands of Afghanistan.

A successful boycott would be a grievous wound to Soviet pride and Soviet legitimacy. It is the only course the United States can morally take.●

THE POWERPLANT FUEL CONSERVATION ACT OF 1980

HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 26, 1980

● Mr. RAHALL. Mr. Speaker, America's continued reliance upon imported oil will again force us to send $90 billion abroad as payment for this energy source. This addiction has brought the United States to the brink of disaster. It is the largest contributor to inflation, it threatens our national security, it has put coal miners out of work, and it will force the American people to change their lifestyles.

Today, Chairman STAGGERS, Chairman DINGELL, members from coal producing and coal consuming States, and myself have introduced the Powerplant Fuel Conservation Act of 1980.

This legislation culminates months of discussion between the administration, the Congress, the coal industry, environmentalists, and the United Mine Workers aimed at developing a program to eliminate the use of oil and natural gas in electric generating facilities throughout the United States and putting American coal miners back to work. It is also a major cog in an overall national energy policy.

The program contains $10 billion to expedite conversion to coal, with environmental controls, that will save between 1 million and 1.5 million barrels of imported oil per day by 1990. It will also mean an increase in coal usage of 50 million tons per year.

Furthermore, the plan provides $300 million to install pollution control equipment at existing coal burning facilities, a step that will significantly reduce sulfur-oxide emissions.

Mr. Speaker, the need for an effective coal conversion program is well documented. In 1978, Congress passed the Fuel Use Act, a law so riddled with permanent and temporary exemptions, that only one powerplant has converted as a result of that act.

This legislation will not mean an immediate cure to our energy problems, nor will it put all miners back to work tomorrow. It will, however, take a major first step in the effort to bring coal, our most abundant resource, to the energy forefront and in time reduce our dependence on imported energy.

Mr. Speaker, I urge my colleagues to give this bill a long hard look. It is what America needs, and we must prove to the American people that we are indeed committed to solving the energy crisis.●

NUCLEAR POWER AND NATIONAL SECURITY

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 26, 1980

● Mr. WYDLER. Mr. Speaker, recently, Maj. Gen. Lee V. Gossick, USAF (retired), wrote a most informative article titled "Nuclear Power and National Security," which appeared in the March 1980 issue of the Retired Officer magazine.

Mr. Gossick's article is written from a unique perspective, since until last February he was the Executive Director for Operations—that is, the senior staff officer—for the Nuclear Regulatory Commission. The article comprises a balanced discussion of the potential of the nuclear option without downplaying the present institutional difficulties, particularly with regard to regulatory aspects. I recommend the following excerpts from this timely article during the week of the first anniversary of the historic Three Mile Island accident.

The article follows:

NUCLEAR POWER AND NATIONAL SECURITY

INTRODUCTION

In view of its origin in the crucible of world war and its role in weapons' development thereafter, it is natural that many think of nuclear energy as an important contributor to our national security only in terms of its military uses. Vital as those uses are to our national defense, many people still do not fully appreciate that the peacetime applications of nuclear fission also have a central role to play in maintaining a strong and free society.

The fact is that the peaceful atom, as a fuel for the generation of electricity, is a domestic resource which—together with coal and conservation efforts—will play a vital role in helping to meet our nation's energy needs through the remainder of this century.

As all the world now knows, the accident at the Three Mile Island Nuclear Station Unit 2 on March 28, 1979, has raised questions in the minds of many regarding the safety of nuclear power. The critical reappraisals and the self-criticism evoked by this serious accident could and should result in safety improvements, with a real and permanent reduction in the hazards of nuclear operations. The accident certainly presents that opportunity and challenge to both government and industry.

Without a doubt, safety is the essential pre-condition to the use of nuclear power. Of course, no one can say that this or any other technology is completely without risk. This was well understood from the beginning of the technology. A new development which holds promise of substantial benefits seems always to be accompanied by some new risks. The Congress insisted from the inception of civilian nuclear activities that such risks be considered with the utmost seriousness, and that safety be the concern of paramount importance. Government and industry have worked together for over two decades to reduce the risk to the public health and safety from nuclear accidents to extremely low levels. But it must be recognized that there is a need for continuing research and development to incorporate the lessons of experiment and experience into the safety features of nuclear reactors and reduce even further the already-low probability of nuclear accidents.

Without the assurance of safety, there is no question but that the economic and other benefits of nuclear energy simply could not be made available for our people. Thus, no significant safety issue can be neglected in the regulation of nuclear power. Responsible officials must thoroughly understand safety issues, and the associated risks must be candidly presented and adequately explained to the public. To do anything less would be literally irresponsible—unresponsive to fundamental rights of a free society—and would neither inspire nor deserve public confidence.

THE COSTS OF DELAY IN NUCLEAR PLANT CONSTRUCTION

With inflation and interest rates relentlessly rising, even a short delay can mean significant new expense, as well as a postponement of the day which must come, when the country has the leverage to stabilize the price range of foreign oil by the ready availability of alternate resources. That day must come because—for those few who may not realize it—the price of foreign oil has increased over 900 percent since 1973. That means an annual disbursement of $50 billion[1] for foreign oil, with no end in sight. It also means continued inflation, retardation of economic growth, incipient recession, greater unemployment, a shrunken dollar, and a declining American influence in the world and control of her own future. Other factors are involved in these unhappy trends, but oil-dependence is surely a prime factor in all of them. Behind it all lies the ominous possibility of an interruption of vital petroleum supplies to the United States and other countries for purposes of political duress.

ON THE NEED FOR SUFFICIENT ELECTRICAL SUPPLY

Since 1974 when the phrase "energy crisis" became a commonplace, a number of states have undertaken energy-related legislative initiatives, and there are now over a dozen committees and subcommittees in the House of Representatives, and nearly as many in the Senate, which have (or assert) responsibilities for some aspect of energy production in the country. In the meanwhile, little or nothing of significance has been done to deal with the looming shortfall in electrical capacity to meet the needs of the coming decades, to recognize as a matter of national policy that coal and nuclear are the major domestic sources of electricity available for the rest of this century, and to remove the impediments to the orderly and adequate development of these resources to meet that purpose.

An insufficient electric power supply—with extended shortages of electricity to serve the needs of the public—is a condition which this nation has not faced since electrical power became widely available, not even during World War II. Even moderate interruptions in electrical supply, because of natural events or breakdowns in the system, are viewed with great concern by Americans, who may suffer economic impact as well as inconvenience. Tolerance of extended shortages and periodic total interruptions in supply are not, I would think, an option to be entertained in framing our national energy plan.

ON WORLDWIDE NUCLEAR DEVELOPMENT

On a worldwide basis, nuclear energy as a source of electricity continues to gain adherents, including developing nations whose energy needs are growing apace but whose energy options are more limited than those of industrialized states. Since 1978, the number of countries outside the United States with announced nuclear energy programs rose from 46 to 52 and electrical megawatt capacity rose 20 percent, to 436,012 megawatts (586 reactors). Nuclear plant orders in other countries went from 12 units in 1977 to 29 units in 1978.

The acceptance of and reliance on nuclear energy outside the United States is thus an established fact of life, and the degree of dependence on it is growing. In 1980, eight other countries will generate a larger portion of their total electrical output by means of nuclear fission than the 13 percent of U.S. output contributed by our nuclear plants. In France, nuclear will contribute 26 percent of the total; in Sweden, the share is 24.5 percent; in Bulgaria, it is 20 percent. In the U.S.S.R., nuclear power plants will reportedly account for 28,670 megawatts capacity in 1980, up from only 11,785 megawatts capacity in 1978.

NUCLEAR AND/OR COAL?

The Three Mile Island accident and its aftermath has brought about a moratorium on nuclear plant licensing and will probably make approvals for the construction and operation of nuclear plants even more difficult in the future. It has been proposed, as the appropriate response to the accident, that future licensing be abandoned altogether, and also that existing plants be dismantled and entombed. These kinds of proposals ignore two facts; the accident caused negligible physical injury, virtually none, according to the Presidential Commission study; and nuclear power generates about 13 percent of the national electrical output today and can contribute more than 25 percent within the next decade. Those facts are more closely related than may appear at first glance. Consider just the single possibility of banning the construction of new nuclear plants. This step would require that almost all new generating capacity in the nation would have to be fueled by coal until such time—and it will be some time—as alternate non-nuclear sources can be introduced on a scale sufficient for meeting contemporary power needs. One obvious consequence of such a policy would be a near-monopoly dependence on one fuel. The prolonged coal strike of a few years back and the frozen coal yards of the severe winter of 1977–78 are but two reasons to question the prudence of pegging the immediate energy future to this single fuel. Another is the environmental problem, with stringent restrictions on the siting of coal-fired plants and the likelihood of new pollution concerns if coal-burning is greatly increased. Independent studies have shown that the health effects of coal-fired plants are substantially greater than those of nuclear power plants.

LESSONS LEARNED FROM TMI

Assuming that the Three Mile Island accident will not be permitted to scuttle the technology and the industry, it must then be asked just what will come out of the experience. This accident—unfortunate and deplorable as it certainly was—should now be regarded as an invaluable opportunity to raise the level of safety and effectiveness of regulation in this vital energy field. In particular, it is an opportunity to bring about:

Increased awareness on the part of industry of its inescapable responsibility for the safe operation of nuclear facilities.

An even higher quality regulatory program (not necessarily in terms of more regulations).

More participation in the location of nuclear power plants by state and local governments and members of the public.

Recognition by the Congress of the realities of our electrical generating needs for the balance of this century, and of the need for clear decisions to remove unnecessary impediments to the construction of new coal-fired and nuclear generating units.

A candid disclosure to the people of the consequences of a curtailed electrical supply over the next few decades, in terms of the security of the United States, as well as the economic well-being of its citizens.

Three Mile Island can and should be an opportunity, but it could also prove to be a major distraction and obstacle to the resolution of certain longstanding questions critical to the future availability of nuclear power. Among these are:

What is to be done with radioactive wastes, both low-level and high-level, and will a permanent disposal facility be in place in time to avoid a shutdown of facilities now storing wastes on-site?

What will be the effect on the domestic development of nuclear power of the international objective of preventing the proliferation of nuclear weapons capability?

What regulatory responsibilities of the NRC can be removed and reassigned so that the agency can concentrate on the mission which is its reason for being—nuclear safety?

What actions are necessary to assure that needed electrical capacity is not deferred only because of a utility's inability to obtain financing?

The longer we wait to come to grips with these problems, the more serious the risks to the nation.

ONLY ONE CHOICE

For all practical purposes, nuclear fuel and coal are the major energy sources which this nation can depend on to meet the anticipated increase in demand for electricity through the rest of this century. Natural gas is, as I noted, a premium fuel which should be reserved for home-heating purposes. Domestic oil is in short supply, and imported oil is seriously disrupting our economic stability. Coal is abundant and is the best prospect among the fossil fuels, but it poses special environmental problems and, on occasion, delivery problems; it is also undesirable for the country to be totally dependent on any one single fuel for its electricity, even a domestically plentiful fuel.

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[1] Over 100 billion for 1980.

Nuclear power is a proven and reliable source of electricity, environmentally acceptable, with an excellent record for safe operation, Three Mile Island notwithstanding. Nuclear power plants are in place and producing right now, saving the millions of barrels of oil which would have to be consumed to produce the same amount of electricity. The technology does not await a scientific breakthrough, the creation of a design and construction industry, economic feasibility, or a supply system.

The operating performance of nuclear power plants compares very favorably with fossil power plants of the same size and vintage. The cost of nuclear fuel remains comparatively low and the competitive advantage of the savings to be realized for the electric consumer has increased. And nuclear plants operate in any climate at any season of the year. They are refueled in the summer and carry light and heat into homes, offices and factories throughout the winter when coal barges can and have become stuck in river-ice and trucks cannot move over snowbound highways. And they add but a miniscule amount to the radiation that is everywhere (less, in fact, than do some coal-fired plants of comparable power output).

One other point bears repeating—one 1,000-megawatt nuclear plant represents the energy equivalent of about 10 million barrels of oil annually. If all of the nuclear plants currently under construction, or review for construction permits, are completed and put into operation by the late 1980s, the electrical generating capacity of the resulting 186 nuclear power plants will be equivalent to the consumption of five million barrels of oil per day. As of the end of October 1979, the United States was consuming, for all purposes, about 17.5 million barrels of oil per day, of which eight million barrels were being imported.

To insure the continued availability of nuclear power in meeting our energy needs and in reducing our dependence on foreign oil, however, there is needed a clear, firm, national policy on nuclear power, including the disposition of nuclear wastes, a streamlined and more effective regulatory program involving a fully informed public, and an all pervasive safety consciousness throughout the industry and the government.●

A "PUBLIC" PRESS?

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 26, 1980

● Mr. LAGOMARSINO. Mr. Speaker, I would like to bring to the attention of my colleagues an article by Stan Whisenhunt in the March 3 Ventura County Star-Free Press.

Mr. Whisenhunt clearly explains the value of a free press independent of government interference. In addition, he upholds the principle of our free enterprise system in which a product or publication must be continually improved to be successful with the public; as we know, some government programs would not survive if they were not subsidized. I am as concerned as my constituent is with the progressively smaller number of private producers. We must recognize the important role that these private enterprises play in our society, and not unduly infringe upon their freedom.

The article follows:

A "PUBLIC" PRESS?

What if the Star-Free Press were run by the government?

I awakened from my nightmare to the happy realization that it had been just that—a nightmare.

But the more I got to thinking about it later, the more I realized that government itself has become a nightmare. The percentage of people who are producing in the private sector seems to progressively be getting smaller than that in the public sector.

Granted, public employees pay taxes too—but what people seldom stop to consider is that the taxes paid by public employees are our taxes recycled—which means that we must pay higher taxes so they can pay taxes. So the nightmare goes.

Government, unlike private enterprise, needn't be efficient because it doesn't produce products people buy by choice. When it comes to government, people don't seem to have much choice at all—but they still must pay the tab.

What if the Star-Free Press were run by the government?

Well, first off, everybody in Ventura would receive a subscription. The price would be however much it would take to produce the newspaper. And, of course, it would cost more.

There would be environmental impact reports required for certain advertisements and in all likelihood we would have to print bilingual versions of the paper. We wouldn't publish every day because government closes shop on holidays.

We'd have to improve all the fringe benefits and salaries to make them comparable to other government agencies and increase the number of employees. And we'd most certainly have to refurnish our building so that it would be up to the plush standards maintained by government. Nothing extravagant like the County Government Center—but certainly something "to make the public proud."

But again, no problem, We'd merely raise the prices accordingly, and you couldn't voice your protest by canceling your subscription. You could throw the newspaper into the trash when it arrived, but you'd still have to pay for it.

And there wouldn't be any certainty when it would arrive since I suspect our circulation department would be under the arm of the U.S. Postal Service.

A few things wouldn't change. Government already dictates the kinds of classified advertisements we can or cannot accept. But if we were government-operated, restrictions would likely be even more severe. If you wanted to run an ad for a garage sale, you might first need to convince an agency that you have sufficient off-street parking and that the things you want to sell meet environmental and safety standards.

You would have to plan your garage sale weeks or even months in advance so you would have time to cut through all the red tape to make sure your sale would meet the necessary standards to make it possible for you to run the classified ad.

There might be some advantages to being run by the government. Politicians wouldn't need to spend your money on newsletters to promote their so-called accomplishments. They'd merely print them in the newspaper. But it wouldn't be reasonable to expect the newspaper to print anything about their failures.

Ah ha, you say. You don't like these things so you are going to vote the editor out of office. You can't do that, you see, because the newspaper is an agency and the editor is a civil servant. And don't call him to complain because he'd be on a tax-paid junket to Japan to observe the way they write obituaries.

I suppose it might be nice to have a fatter pension and entrenched job security and not have to worry whether our readers thought we were producing a good product, since they would have to pay for it anyway.

But no thanks. I prefer the free-enterprise system. If you don't like our product you don't have to buy it. Consequently that keeps us on our toes, always trying to make the Star-Free Press better and more meaningful to you. If our advertising isn't effective, the advertisers don't have to do business with us—and that keeps our advertising people on their toes.

And, more important than everything else put together, we have the freedom to write columns like these.●

THE CLEVELAND URBAN LEAGUE 1980 AWARD WINNERS

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 26, 1980

● Mr. STOKES. Mr. Speaker, a few days ago I had the pleasure of participating in the 62d anniversary luncheon of the Urban League of Greater Cleveland. It has become a tradition of the Urban League in Cleveland to give awards at their annual luncheon to the family of the year, to a corporation who has furthered the cause of equal opportunity, and a successful minority business. I would like to take this opportunity to share with my colleagues some background information on this year's award winners.

The Urban League bestowed the Family of the Year Award on the family of Melvin and Ethel Pye. Although they are not native Clevelanders, during their 30-year residency in the city of Cleveland they have become entrenched in almost every facet of the Cleveland community.

The Pye family established themselves in the business community by operating a day care nursery for preschool children from 1951 to 1957. They also operated a neighborhood store from 1961 to 1964. Presently, they are involved in Group Homes, Inc. in Cleveland.

The family is also active in the community. Mr. Pye is a member of the 21st District Caucus. Mrs. Pye is a member of the Council on Human Relations, a board member for the New Day Press and a member of the Glenville Area Community Council.

The Pyes have four children—Melvin, Jr., Constance, Francine, and Toni Ann. The family exemplifies hard work, education, togetherness, sense of community, and a strong belief in God as the key to success.

This year the corporate award went to TRW. The company has a staff of

98,000 employees in the Cleveland metropolitan area and has established a leadership role in the area of equal opportunity employment in the general area.

TRW has demonstrated its commitment to equal opportunity by improving its employment record of minorities and women in its U.S. plants and offices for the fifth consecutive year. As a result of these efforts, 8 percent of the managers and 14 percent of the professional employees at TRW in 1979 were minorities.

The minority business awardee was the Polytech Incorporated Co. It is one of the largest minority-owned engineering consultant firms in the country.

The headquarters for the company is Cleveland and 15 offices are located throughout the United States. Polytech has completed major engineering assignments in the fields of rapid rail transit, highways, dams, and sewer systems.

In addition to its success in the business world, Polytech Inc. has been involved with the Urban League's technical outreach program. The company has hired over 20 individuals through the Urban League's referral program.

At this time, Mr. Speaker, I would like all of my colleagues to join me in saluting this year's award winners.●

DODD FEDERAL SPENDING CONTROL ACT

HON. CHRISTOPHER J. DODD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 26, 1980

● Mr. DODD. Mr. Speaker, on Wednesday, March 5, I introduced and testified in favor of H.R. 6706, which would limit Federal budget outlays to fixed percentages of potential, or full employment, GNP. In my bill, potential GNP assumes a 4-percent unemployment rate.

This approach differs from the approach used in H.R. 5371 (JONES) and H.R. 6021 (GIAIMO), in which future actual GNP is used as the basis for computing ceilings on budget outlays—and, in the Giaimo bill, tax expenditures. In response to my request, the Congressional Budget Office has compared by approach and results with the approaches and results associated with the Jones and Giaimo bills.

On March 10, CBO concluded that:

> There are at least two advantages to using potential GNP (Dodd), rather than a forecast of actual GNP (Jones and Giaimo), to calculate a spending limitation. First, although it is difficult to estimate potential GNP, it is even more difficult to forecast actual GNP. The latter task requires an assessment of the future behavior of all economic sectors—product markets, factor markets, financial markets, government spending and revenues, and international trade—while estimating potential GNP is confined to a relatively few variables.
>
> The second—and more important—advantage of using potential GNP in an expenditure limitation formula is that it is an economic indicator that does not rise and fall with economic cycles. Those formulas that limit expenditures to a percentage of nominal GNP (Jones and Giaimo) have the disadvantage of requiring cuts in outlays during a recession.

Although some controversy surrounds the use of a 4-percent unemployment rate in estimating potential GNP, Congress accepted this figure as an appropriate target when it passed the Humphrey-Hawkins Full Employment and Balanced Growth Act of 1978. As the post-WWII baby boom generation matures and the growth of the labor force slows, the difficulties associated with achieving this goal will diminish in severity.

My bill integrates this congressionally mandated target into legislation pertaining to the overall budget process, even though the specific objectives of this legislation are not employment related.

The ceilings contained in my bill will have the undeniable effect of limiting or reducing budget outlays and, therefore, the Government contribution to the inflation rate.

The following two tables, compiled by CBO on March 25, compare the ceilings associated with the three bills referred to above. Table 1 assumes implementation in fiscal years 1981 through 1985. Table 2 assumes implementation in fiscal years 1982 through 1985.

TABLE 1.—THE EFFECT OF IMPLEMENTING H.R. 5371, H.R. 6021, and H.R. 6706 IN FISCAL YEAR 1981 ON HBC FIRST CONCURRENT RESOLUTION FOR FISCAL YEAR 1981 OUTLAYS AND ON PROJECTED TAX EXPENDITURES, FOR FISCAL YEARS 1981–85

[in billions of dollars]

	1980	1981	1982	1983	1984	1985
Projections:						
HBC outlays in FCR for fiscal year 1981	560	612	683	775	[a] 842	[a] 914
Projected tax expenditures [b]	181	206	233	265	302	345
Outlays plus tax expenditures	741	818	916	1,040	1,144	1,259
Expenditures limit:						
H.R. 5371 (Jones bill)		587	628	709	797	892
H.R. 6021 (Giaimo bill)		796	879	975	1,096	1,226
H.R. 6706 (Dodd bill)		605	639	707	778	850
Amount that could be added (+) or must be cut (−):						
H.R. 5371 [c]		−25	−55	−66	−45	−22
H.R. 6021 [d]		−22	−37	−65	−48	−33
H.R. 6706 [c]		−7	−44	−68	−64	−64
Economic assumptions:						
Nominal GNP, fiscal years [e]	2,507.3	2,794.3	3,139.4	3,543.7	3,984.3	4,459.6
Potential GNP, fiscal years [f]	2,712.9	3,025.9	3,369.6	3,723.6	4,094.5	4,472.9

[a] CBO projections from HBC adopted outlays.
[b] Due to limitations of current methodology the level of projected tax expenditures is not sensitive to changes in the economy.
[c] From outlays.
[d] From sum of outlays plus tax expenditures.
[e] Economic assumptions associated with HBC First Concurrent Resolution for Fiscal Year 1981.
[f] Potential GNP assuming full employment equals 4 percent, and derived from CEA estimates.

Note: As of March 25, 1980.

TABLE 2.—THE EFFECT OF IMPLEMENTING H.R. 5371, H.R. 6021, AND H.R. 6706 IN FISCAL YEAR 1982 ON HBC FIRST CONCURRENT RESOLUTION FOR FISCAL YEAR 1981 OUTLAYS AND ON PROJECTED TAX EXPENDITURES, FOR FISCAL YEARS 1981–85

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[d] From sum of outlays plus tax expenditures.
[e] Economic assumptions associated with HBC First Concurrent Resolution for Fiscal Year 1981.
[f] Potential GNP assuming full employment equals 4 percent, and derived from CEA estimates.

Note: As of March 25, 1980.●

TRIBUTE TO FRANK J. MATTIOLI

HON. JOSEPH D. EARLY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 26, 1980

● Mr. EARLY. Mr. Speaker, Frank J. Mattioli retired recently after a long and distinguished career as the police chief of the town of Southborough, Mass. The board of selectmen has prepared the following tribute in honor of Chief Mattioli, and I am delighted to insert these words of commendation and appreciation in the RECORD today:

FRANK J. MATTIOLI, CHIEF OF POLICE, RETIRED

Frank Mattioli was first appointed to the Southborough Police Department in 1952 as a part-time patrolman. At that time, the Department consisted only of a part-time chief and a part-time patrolman. Rumor has it that sometime in 1954, without prior notification, Frank received a letter from the Board of Selectmen advising him that he had been appointed Chief (and he should pick up the cruiser!). Since there was no police station at that time, Frank had the Department telephone installed at his home.

In 1955, the Town created two full-time positions in the Police Department, with Frank as Chief and Henry B. Pietrasiak as patrolman. At that time, the Marlborough Police Department provided back-up dispatch service for the Southborough Department; that is, if no one was at Frank's house to answer a call, Marlborough would take the call and dispatch to Frank or Hank in the Southborough cruiser. In 1956, Town Meeting approved the conversion of a kitchen in the Town Hall to Police Department Headquarters. Those familiar with that room and the adjacent facilities can recall how limited they were.

The Department continued to grow under Frank's direction. In 1958, a second and third patrolmen were added. In 1961, in recognition of his efforts, Frank was granted tenure. By the end of the 1960s the Department consisted of the Chief, two sergeants and four patrolmen. In 1969, Town Meeting authorized funds for the preparation of plans to convert the Peter's High School Annex into a Police Station. Construction was funded the next year and the Department occupied their new headquarters in 1971. In 1973, a sixth and seventh patrolmen were added, and by 1975, the Department had sufficient dispatchers to initiate twenty-hour coverage.

Frank J. Mattioli's years as Chief of the Police Department were marked by his quiet and thoughtful manner. Frank was always concerned for the residents and their property. He was perhaps most content when in his cruiser, checking the Town and looking after its people. Many are the residents who can recall arriving home from vacation, only to be chastised by the Chief for having left a window open or a door unlocked (those who left home without a house key were more than a bit embarrassed!).

This big man was quiet and introspective and disliked notoriety. Frank preferred to go about his job and see that the members of his Department did the same. His twenty-eight years of service on behalf of the Town of Southborough, and the affection which its residents have for Frank, stand as the best testimonials to his efforts.

The Board of Selectmen formally expresses to Frank the gratitude of the residents of the Town, and wishes him well during the retirement which he has earned.●

GAO REPORT CRITICIZES FAA

HON. LIONEL VAN DEERLIN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 26, 1980

● Mr. VAN DEERLIN. Mr. Speaker, the General Accounting Office recently released a critique of the procedures of the Federal Aviation Administration.

We in San Diego are familiar with the potential weaknesses in those procedures. It has been 18 months since a midair collision between a commercial airliner and a small private plane claimed 144 lives. Yet only this month did the FAA finally announce it would create a terminal control area at Lindbergh Field, to take effect May 15. A series of near misses above San Diego have made the waiting particularly arduous.

The delay has moved many San Diegans to ask why the process of developing improved safety measures has taken so long. Our colleague, ELLIOTT LEVITAS, describes the FAA as a place where—in part as a result of conflicting pressures—"* * * the right hand does not know what the left hand is doing." Perhaps this assessment, based on the GAO report, goes a long way toward answering our questions.

A pertinent editorial, published last week by the San Diego Evening Tribune, follows:

FAA "INDICTED" IN FEDERAL STUDY

The Federal Aviation Administration, still dragging its feet on safety improvements for Lindbergh Field, has been found lacking by the General Accounting Office in dealing with such hazards as midair collisions, fuel fires and explosions.

The GAO, in a 105-page report, also concluded that the FAA does not have:

Effective systems for identifying safety hazards.

A comprehensive planning process to address safety issues.

An adequate system for planning and approving individual safety programs.

A proper system of controls to govern the implementation phase of safety projects.

Sufficient evaluation of safety projects.

Rep. Elliott Levitas, D-Ga., a member of the House Aviation Subcommittee, called the report a "scathing indictment" of the FAA's failure to do all it can to protect airline passengers.

"The bureaucratic mess at the FAA has created a situation where the right hand does not know what the left hand is doing," Levitas said.

The GAO report is expected to prompt House hearings to review FAA's management of its air safety responsibilities—and, perhaps to amend through legislation the administration's dual role of maintaining air safety programs and promoting the aviation industry.

The FAA also has been criticized for failure to utilize the $3.5 billion surplus accrued from a ticket tax. The fund is for the improvement of safety facilities at the nation's airports. To date, the only expenditure from the ticket tax fund was $200,000 for artistic works at the Atlanta airport.

And the latest word on the local scene is that a new air traffic safety plan for San Diego again has been delayed. Last month FAA chief Langhorne Bond said it would be announced March 4 and put into effect March 20–21.

It has been almost 18 months since the midair collision of an airliner and small aircraft claimed the lives of 144 persons. And still nothing has changed.

In the meantime, some 7 million passengers fly in and out of Lindbergh Field each year, trusting their well being to God and the Federal Aviation Administration.

News this week shows that Congress is as tired of waiting as we here in San Diego are. It has told the FAA to announce an air safety plan for San Diego by March 24 or be hauled before the House to explain the delay.

As we have said many times, there are too many lives involved to continue mixing the flights of small aircraft with jetliners at Lindbergh. There have been too many near-misses since Flight 172 went down.

It's not a matter of blame. It's a matter of common sense. And time is running out.●

GUNS ALONE WILL NOT BUY SECURITY

HON. TOM HARKIN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 26, 1980

● Mr. HARKIN. Mr. Speaker, an editorial appeared this Monday, March 24 in the Christian Science Monitor which I found to be particularly thoughtful and timely. In this editorial, our friend and colleague from Washington, Mr. DON BONKER, echoes the sentiments of that great human rights advocate who was slain this week, the archbishop of El Salvador, Oscar Romero, as he calls for an increased emphasis on human rights and economic justice in the conduct of our foreign relations and a deemphasis on military support for repressive regimes. As the House Foreign Operations Subcommittee considers reprograming $5.7 million in military aid for El Salvador, I would urge the members of the subcommittee and my colleagues in the full House to carefully consider Mr. BONKER's words.

[From Christian Science Monitor, Monday Mar. 24, 1980]

GUNS ALONE WILL NOT BUY SECURITY

(By DON BONKER)

Several weeks ago we watched from the floor of the House as a determined Jimmy Carter stood before the Congress of the United States to deliver his State of the Union message. His stinging criticism of Russia's invasion of Afghanistan touched a latent jingoistic chord from coast to coast. The demand for American action could be heard throughout the halls of Congress.

We also witnessed a President who seemed to abandon the principles he earlier sought to include in his administration's foreign policy: promotion of human rights, restraint on arms sales, nonproliferation of nuclear materials, checks on CIA covert activity, an all-volunteer military service, and reduction of defense spending.

In the aftermath of Vietnam and Watergate, these were the very objectives that Jimmy Carter promised as a candidate; and, as a President, he and the Congress have worked hard to implement these goals during the first four years. Now the President, with the apparent blessing of the Congress, was promoting something different and disquieting.

What does all this mean? Are we abandoning our humanitarian goals? Is this the death knell of "détente?" Are we possibly reverting back to the "defensive pactomania" of the 1950s—the Dulles-Nixon-Kissinger policies of embracing unsavory dictators only because they spout anticommunist slogans to win our affections?

Few doubt the need to strengthen existing US resolve and commitments in a volatile world, but this requires more than sheer military force or strategic preparedness. US strength is measured by our self-confidence, our maturity as a people, and the insights and actions of our leaders. Carter himself has nurtured this theme in US policy formulation.

European parliamentarians with whom I recently had discussions about human rights expressed the view that American restraint in the Iranian crisis is a much admired sign of our strength as a people. They pointed out that for too long we have been wedded to policies that committed us to adopting the odious tactics, principles, and policies of our adversaries. Too often we abandoned our own values by pursuing expedient and symbolic actions.

Even though the national dialogue today is dominated by military approaches—establishing military facilities in the Persian Gulf, enlarging our rapid deployment force, establishing a naval presence in the Indian Ocean, the sale of previously banned military equipment to China, and cultivation of security ties with other countries all along Russia's southern border—all of this has its price. It comes at the expense of other values that are equally important in our relations with the world community.

It would be tragic if we have now reached a point where firm promotion of human rights and restraints on nuclear and conventional arms sales are politically anathema. But clearly events in Iran, Ethiopia, Philippines, Zaire, Pakistan, Nicaragua, Cambodia, Chile, Argentina, and Guatemala have shown that human rights concerns are directly related to our genuine, long-term security interest—something that cannot be purchased with guns, airplanes, and the training of torturers. It has never been the lack of weapons but internal discord and insensitivity to human needs that threaten such repressive governments and often our own security interests.

People tend to forget that the United States' uncritical support of regimes like the ex-Shah's, whose main accomplishment is the exploitation of their subjects, has irreparably tarnished our image abroad. As inheritors of a tradition that fosters liberalism, human dignity, and individual rights, we must not blindly return to the bankrupt policies that identify us with such regimes.

The House Subcommittee on International Organizations, which oversees human rights policies, recently held several hearings on human rights conditions in Asia. All the private witnesses testified that wherever and whenever the U.S. supported improvement in human rights activities the situation changed for the better as local governments eased up on harsh policies to accommodate our concerns.

In the final analysis, we promote our long-term interests—including security and strategic interests—when we remain true to ourselves and our vision of humanity by encouraging democratic change and social and economic justice. The recognition of this reality, I believe, will make the eighties the decade of human rights. And, in the long run, it will advance our own best interests.

As President Carter reminded us in his State of the Union address: "In repressive regimes, popular frustrations have no outlet except violence. But when people and their governments can approach their problems together—through open democratic methods—the basis for stability and peace is far more solid and enduring. That is why our support for human rights in other countries is in our national interest as well as part of our national character."

Now more than ever, we must continue our vigorous promotion of human rights, for it would be sad and counterproductive if we emulated Soviet policies and methods in dealing with third-world countries.●

AN ANTISPENDING LOBBY

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 26, 1980

● Mr. LAGOMARSINO. Mr. Speaker, the administration's plan to balance the budget by increasing revenues while not sufficiently trimming wasteful Government spending falls far short of correcting the inflationary spiral America is experiencing.

A recent editorial in the Santa Barbara, Calif., News-Press entitled, "An Anti-Spending Lobby," presents this problem and explains it well. I would like to share it with my colleagues:

AN ANTI-SPENDING LOBBY

One of the biggest causes of today's awful inflation has been the federal government's reckless extravagance, spending tens of billions of dollars more than it had. It follows, then, that Washington must drastically cut down on its spending, to restore worth to real dollars.

But President Carter didn't seem to have this firmly in mind when he presented his new fiscal policy to the nation. He seemed to be stuck on the phrase, "balanced budget," rather than the phrase, "cut spending."

These are not necessarily the same thing. There is no particular magic in balancing a budget. You can do it by cutting spending, or by increasing your revenue, or by some of both. Carter decided to try for some of both. By doing so, he may well have added more to the nation's problem than he subtracted.

There were a couple of things he could do without needing the approval of Congress. He could cause the Federal Reserve Board to engineer some new tight restrictions on the ability of consumers to buy on credit. And he could order a $4.62 fee—which is a tax under another name—on every barrel of imported crude oil, causing gasoline prices to go up 10 cents a gallon.

Both of these actions hit the wallets of individual Americans, not the wallet of inflation's biggest culprit, the federal government. In fact, that oil fee will give Washington $10 billion more a year to play with.

But what about cutting spending in Washington?

The president has less to do with that. He can project a budget that represents all sorts of reductions—and he is now doing that, quite belatedly—but those proposed cuts, one by one, must get through the mills of Congress.

Whatever Carter said about reduced expenditures was highly tentative, not at all assured.

He talked tough when he presented his new economic vision at the White House, but it will remain talk for several months, at least. He had congressional leaders from both parties backing upon his admonition to balance the budget, but they still must fight the battles, line by line, in the corridors and on the floor of Congress.

When you start cutting back on various programs and projects, you start running into the most fervent and effective lobbysists in the country. Human nature dominates. Everybody, in this particular season, wants to do something to slow down this inflation, but everybody also has a favorite program that ought to be spared the ax. It was ever thus, and it will continue thus long into the summer of 1980.

Through it all we hope that the consumers—who pay the fees and the high prices but who also have the votes—can lobby the White House and Congress as they never have before. The message needn't be complicated: Reduced spending beats balancing any day.●

FORTIETH ANNIVERSARY OF THE KATYN FOREST MASSACRE

HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 26, 1980

● Mr. RINALDO. Mr. Speaker, this year marks the 40th anniversary of a grim event in Polish history, which we must never forget. The Katyn Forest massacre is a historical reminder of the ruthless means used by Communist aggressors in their quest for power.

In 1939, the Soviet Army occupied a large portion of eastern Poland. During that occupation, approximately 15,000 Polish Army officers, civilian officials, and intellectuals were taken captive by the Red Army and placed in several prisoner-of-war camps, including one at Starobelk, in the eastern Ukraine.

During the spring of 1940, almost one-third of the Polish prisoners, some 5,000 men, were removed from the various detention centers on orders from Moscow. The explanation given by the Soviets for the movement of the prisoners was that they were being taken to camps "where conditions would be more agreeable."

Driven along country roads, these 5,000 Polish patriots were led to a place deep within Soviet territory, known as Katyn or the Hill of Goats. They were then unloaded, their hands bound behind their backs, and led to the edge of a mass grave. Soviet security police—N.K.U.D.—proceeded to coldly massacre their victims by shooting each of them in the back of the head, allowing their lifeless bodies to fall ignominiously into the makeshift tomb.

Upon completion of this odious deed, the Red Army attempted to cover up their government's atrocity by planting shrubs and bushes over the freshly buried bodies. A few years later the Soviet Government again attempted to cover up its crime by blaming it on the Nazis. However, after numerous investigations, including one conducted by the Congress of the United States in 1952, it was conclusively proven that these atrocities were, in fact, ordered and carried out by the Soviet Government.

It should also be noted that the other 10,000 Polish prisoners of war captured by the Russians are still unaccounted for. In all likelihood these men also were slaughtered, and their bodies lie today in frozen graves, far from their homeland.

These barbaric transgressions of human rights were only the prelude to an even greater horror which was to befall the people of Poland at Soviet hands. Stripped of her military, civilian, and intellectual leadership, the Polish nation stood virtually defenseless against its inevitable conquest by a Stalinist regime whose very existence remains dedicated to world domination.

Death by murder, in all its horror and grief, is merciful compared with the living hell experienced by a people whose liberties have been robbed from them.

In memory of those Polish patriots who died 40 years ago in Katyn Forest, and in recognition of Polish people who are today denied their liberties let the Soviet Government know that neither time nor Soviet lies and propaganda will ever disguise the terrible crimes they have committed against the people of Poland.

Let the Soviet Government know that neither guns nor walls, threats of death, or even death itself, shall ever extinguish the flame of freedom which burns in the hearts of all Polish people.●

NLCAA TOURNAMENT

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 26, 1980

● Mr. MAZZOLI. Mr. Speaker, on March 14, Sullivan Junior College of Business beat Oakland City 57 to 53 to win its first National Little College Athletic Association tournament since 1969. Sullivan has also won titles in 1967 and 1968.

Forward Fred McKinney, a sophomore at Sullivan, was named the tournament's most valuable player.

This was the 14th annual NLCAA tournament. Sixteen 2- and 4-year colleges from across the country participated in this year's tournament held in Oakland City, Ind.

As a native Louisvillian and having the honor to represent the district in which Sullivan Junior College of Business is located, I wish to extend congratulations and commendations to my friend, Alva Sullivan, Jr., and to all those connected with the squad on their great victory.

At this point I would like to insert in the RECORD the roster of this year's Sullivan team, which compiled a sterling 29 and 8 record this basketball season:

Rod Foster, Louisville, Ky., Jim McMahel, Clarksville, Ind., Alfred Tryanor, Louisville, Ky., Tres Sowder, Jeffersonville, Ind., Steve Jennings, Winchester, Ky., Cedric Robinson, Indianapolis, Ind., Rod Kimbrough, Indianapolis, Ind., Ledon Upchurch, Muncie, Ind., Jimmy Haines, Louisville, Ky., Fred McKinney, Indianapolis, Ind., Mark Miller, Ramsey, Ind., Mike Bateman, Indianapolis, Ind., David Skinner, Athletic Director and Basketball Coach, Mark Kulp, Manager, Dr. Steve Coppock, Vice President/Director, A. R. Sullivan, President, Theresa Milner, Cheerleader, Cherie Hale, Cheerleader, Rachel Baughman, Cheerleader, Jo Lyons, Cheerleader, Sandy Burton, Cheerleader, Renee Phillips, Cheerleader, and Tammy Orr, Cheerleader.●

SOVIET'S SOUTH AFRICA STRATEGY—WORSE THAN OPEC?

HON. JIM SANTINI

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 26, 1980

● Mr. SANTINI. Mr. Speaker, I call my colleagues' attention to an excellent article, written by John Train, in the March 17, 1980, issue of Forbes magazine. The article describes the Soviet Union's strategy to gain control over South Africa—a strategy designed to control the mineral wealth. As Mr. Train succinctly states, if the Soviet Union can grab South Africa, she would have a stranglehold on the whole industrial world through the minerals essential to our survival.

The chart at the end of the article reveals the total world percentage of reserves of critical and strategic minerals which are found in the U.S.S.R. and South Africa. The United States and its allies rely on South Africa for significant imports of chrome, vanadium, manganese, and platinum. Loss of access to these mineral supplies would be devastating to the economy and defense security of the entire Western World.

Our reliance on OPEC for oil has caused personal hardships, high inflation rates, and an aura of crisis, but these would appear as mere inconveniences compared to the effects of extortion, blackmail, or denial of strategic and critical minerals as a result of a Soviet Union-dominated mineral market.

I urge you to read the article entitled "Worse Than OPEC?":

WORSE THAN OPEC?

(By John Train)

In his fortresslike office in Lusaka, Zambia, Dr. Vassily Solodovnikov, Soviet ambassador to that unhappy country, contemplates the prospect to the south and finds it good. Dr. Solodovnikov, also of the KGB, is masterminding the Soviet campaign in southern Africa, and so far he is succeeding splendidly.

Angola (which may turn out to be America's Munich) has fallen into his hands, although it is still twitching, along with Mozambique, which blocks Rhodesia's access to the sea. The SWAPO guerrilla gang hopes to get South-West Africa/Namibia under control. Like a chessplayer exchanging a knight for a castle, the Soviets have traded up from Somalia to Ethiopia. Rhodesia looks promising for Moscow. Communist terrorists (quaintly called "freedom fighters"—a Newspeak term supposedly coined by Stalin himself) are being trained in Cuba and Russia. And a *real* freedom fighter, Angola's Savimbi, gets no hearing at all when he comes to America.

Just as the Emperor Napoleon reduced European countries to vassals of his empire under the banner of *liberté*, so too the Russian Empire is extending its grip over Africa under the banner of "liberation," like a soldier "liberating" bottles of cognac.

But what is the point of all this? Does Dr. Solodovnikov generously want to take over all the aid programs of the previous colonists?

No, the prize Dr. Solodovnikov is reaching for is far, far more valuable than that. If he can grab Africa, he could achieve a stranglehold on the whole industrial world. Here is his plan, which, incidentally, is frankly discussed by Soviet strategists:

Take over the countries surrounding South Africa.

Sponsor guerrilla incursions into South Africa itself.

Provoke a civil war in South Africa, and pour in military support to the U.S.S.R.-backed faction.

Since South Africa and Russia together—by a geological freak—control virtually all the reserves of several minerals that are indispensable in modern industry, the Soviet Union then will be able to hold the Western World to ransom to an extent never dreamed of by OPEC. If South Africa falls, the West will have to submit to extortion over these minerals or go to war—against superior Soviet forces.

Chrome is indispensable in making stainless steel, for which there is no substitute in many industrial applications. It has, interestingly, been established beyond any doubt that the U.S., obeying the U.N. sanctions against Rhodesia, has bought Rhodesian chrome through Russia.

Vanadium is a key alloy in special steels.

Manganese is used for battery electrolytes and for hardening steel.

Platinum, which, as a catalyst, vastly facilitates some chemical reactions without being itself consumed, is at the moment chiefly used for catalytic converters in automobiles. The metal is also indispensable in crystal growth and glass manufacture, since platinum is the only material that can contain certain chemicals without contaminating them or succumbing to oxidation in the open air.

Some of these metals are interchangeable, but losing southern Africa would expose us to the loss of all of them, which would mean that Pittsburgh could be closed down after the months or few years that our stockpiles lasted. It would take us years to open new mines, at immense cost.

The opportunities for blackmail in this situation are outstanding. Already the threat of Russian military and economic power preventing our former loyal ally, Turkey, from making any protest when Russian planes flew over its territory to support their putsch in Ethiopia. Will not the French hesitate to intervene once again against Russian-sponsored takeovers in Africa, or the Scandinavian and Benelux countries to assume their share of the NATO job, if the price could be a Russian-induced denial of strategic minerals?

Alas, the irrational fury of some groups in the U.S. who do not want to give South Africa the time it needs to solve its racial problems. They are playing Dr. Solodovnikov's game. In an upheaval in South Africa stimulated by Western political and economic pressures or Third World-sponsored sanctions, the power that finally came to the top most likely would be with terrorists controlled by Russia.

Dr. Solodovnikov waits patiently. He can afford to. Things are going his way. To be sure, people in Africa switch sides when circumstances change. As Dr. Solodovnikov himself told a friend of mine, the only truly reliable Communists in Africa are the white ones—such as in Angola and South Africa—of which there aren't very many. On the other hand, nobody enlists under the banner of the weak. The weak get sympathy, but not respect. Sympathy won't get U.S. industry the platinum, chrome, or vanadium is so badly needs.

WORLD MINERAL RESERVES

[In percent]

Mineral	U.S.S.R.	South Africa	Combined
Chrome	13	86	99
Vanadium	33	64	97
Manganese	45	48	93
Platinum	1	83	[1]84

[1] 98 percent if Rhodesia is included.●

AL LOWENSTEIN

HON. DAVID W. EVANS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 20, 1980

● Mr. EVANS of Indiana. Mr. Speaker, Al Lowenstein was a friend of mine and I might not be standing here today as a Member of Congress if it were not for the example he set for the rest of us. I profited immeasurably from the time I spent during 1970 working in both his congressional office in Baldwin, N.Y., and his campaign headquarters.

I had an opportunity unique in American politics to learn from one of the great masters of political thought and strategy. From that experience, I have profited greatly and so, too, now do the constituents of Indiana's Sixth District. Thank you, Al.●

A SALUTE TO THE CLEVELAND CLUB OF THE NATIONAL ASSOCIATION OF NEGRO BUSINESS AND PROFESSIONAL WOMEN'S CLUBS, INC.

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 26, 1980

● Mr. STOKES. Mr. Speaker, on Sunday, April 27, 1980, the Cleveland Club of the National Association of Negro Business & Professional Women's Clubs, Inc., will sponsor its 24th annual breakast and founders day program. The Cleveland Club is a part of the National Negro Business & Professional Women's Organization.

I would like to take this opportunity to salute the dedicated members of this organization for their tremendous contributions to the Cleveland metropolitan area. They have created a positive impact on people from all walks of life in the Cleveland area.

The group has contributed to the business sector in Cleveland primarily through the professional expertise and achievements of its members. While compiling numerous business achievements, the group has remained cognizant of its social responsibility to the community. Accordingly, they have initiated a scholarship program, senior citizens projects and an extensive community service project. The result of their efforts has been a better way of life for both the young and the old in Cleveland.

Probably the greatest testimonial to this group is that it has given unfaltering support to the community for 24 years. I look forward to even bigger projects from them in the future.

Accordingly, at this time, Mr. Speaker, I enter into the RECORD the history of this fine organization:

A BRIEF HISTORY OF THE CLEVELAND CLUB OF THE NATIONAL ASSOCIATION OF THE NEGRO BUSINESS AND PROFESSIONAL WOMEN'S CLUBS, INC.

The Cleveland Club was organized in 1955 by Mrs. Belle Miller, aiding her in getting 23 charter members was Mrs. Blanche Crayton. The charter was presented to them April 15, 1955.

Its main purpose is to coordinate and integrate the activities of Black women as they relate to political, social and economic progress. The organization is dedicated to the fullest utilization of human resources for the benefit of all persons. Through its service programs it provides leadership and finance for the children and youth.

The scholarship program has made it possible for many young people to pursue higher education.

Emulating the example set by the pioneer Negro women of America, each year we honor an outstanding woman in the Community for the services rendered to those in her community. This award is named after the great emancipator and fighter for freedom Sojourner Truth. We also recognize the achievement of women in various businesses and professions through Annual awards. (Men awardees also)

The first annual breakfast was held May 26, 1956 at the Statler Hotel, guest speaker was Dr. Anna Hedgeman.

Among some of the outstanding accomplishments of the Cleveland Club are sponsoring of Caree Clinics, Two life memberships with the NAACP, Contributing to the Legal Defense Fund, The United Negro College Fund, The Urban League, The Whitney Young Foundation, Africa Crossroads, Consumer Education Workshops, Contributions to the Bohn Center, Volunteer Service in the Cleveland Community, and foremost our Individual Scholarships and Grants to worthy youngsters. (The above is a yearly service)

The Cleveland Club is a part of the National organization whose headquarters are in Washington, D.C. Some of the Cleveland Club members has held National offices, Clara Woodson as 3rd Vice President, Edith Terry Wilson as Treasurer and Financial Secretary and Betty Crouther as Life Membership Chairperson.

Today the Cleveland Club with an active membership of over fifty black women in various businesses and professions are working to break down barriers in every area of the work force and attain even greater educational resources as they continue to expand and carry out the purpose to promote and protect the interest of Business and Professional Women. To create good fellowship and spirit of Cooperation among business and professional Women and to direct the interest of Business and Professional Women toward United Action for improved social, educational, Civic conditions and new careers. Also to encourage and stimulate Youth to take full advantage of opportunities for learning to live in a competitive world.

Past Presidents of The Cleveland Club: Mrs. Belle Miller, Mrs. Hazel Walker, Mrs. Edith Terry Wilson, Mrs. Margaret Watson, Mrs. Winifred Wright, Mrs. Betty Crouther, Mrs. Dolores Anderson.

Present President: Dr. Theresa R. Cook.●

JULIUS ELLIS TALTON

HON. RICHARD C. SHELBY

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 26, 1980

● Mr. SHELBY. Mr. Speaker, in this hectic, me-first world of ours, it is always refreshing to come in contact with a person who is looking out for the other guy and trying to make the society we all live in a little more comfortable for everyone. Julius Talton is such a fellow.

A native Alabamian, Julius' biography is a tribute to a man interested in his fellow human beings. After graduating from the University of Alabama with a degree in broadcasting, Julius served in the Air Force as a pilot with the Strategic Air Command. He then began his broadcasting career as a salesman for WAPI in Birmingham where he soon became sales manager. It was not long before the Talton name became synonymous with media in central Alabama where, as president of the Talton Broadcasting Co., the Talton Communications Corp., Talton Outdoor Advertising, and Talton Broadcasting Co. of Escambia County, as well as WBIB Radio, Julius has provided the area with quality news and entertainment along with resourceful advertising services for local businesses for nearly 20 years.

With all of his own business duties to oversee, Julius has never slighted the community which is his faithful customer. In his roles as president of the Alabama Broadcasters Association, the Selma-Dallas Chamber of Commerce, the Selma Rotary Club, and the University of Alabama National Alumni Association; as chairman of the Selma-Dallas County United Appeal, the Salvation Army Advisory Board, and the Selma City School Board; as director of the Selma Peoples Bank & Trust and the Paul Grist YMCA; and as council vice chairman to the Tuckabatchee Area Boy Scouts of America, Julius has been a motivating force behind much of local community progress. Meanwhile, Julius has never neglected his own family—and has a wonderful wife, Pearle, and two fine youngsters to prove it.

Julius Talton has won the recognition of his peers, as recipient of the Outstanding Alumnus Award from the University of Alabama School of Communications in 1975 and as the Alabama Broadcasters Association's 1977 Broadcaster of the Year. It is an honor to join his peers and friends in saluting Julius and in urging his example on all who are seeking a role to follow.●

ALLARD K. LOWENSTEIN

HON. PAUL N. McCLOSKEY, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 20, 1980

● Mr. McCLOSKEY. Mr. Speaker, Al Lowenstein's involvement in the cause of democracy and human rights was not limited to the United States. The following are excerpts from an article entitled "Spain Without Franco" from the Saturday Review, February 7, 1976, which won an Overseas Press Club Award for foreign reporting.

The end of personal rule by Francisco Franco y Bahamonde came as a strange sort of punctuation mark—an inverted Spanish exclamation point on one side and a question mark on the other, a victory in the unfinished war of our childhood, a kind of unearned run evening up the score a little, if scores can be evened up in overtime. The fact is, of course, that the end was coming with no help from anyone who had tried to bring it about. Still, the end of Franco, whatever its cause, doesn't happen every day, and I was wondering how to treat an event so uniquely significant and irrelevant when a call came asking me to Madrid for meetings about the "transition," almost as if somehow my being there to celebrate the end might make up a little for not having been there to resist the beginning.

By this time I had been attending "meetings" in Spain on and off for some 17 years, ever since the son of the chief of Franco's air force, fresh from jail, had made his way to Hubert Humphrey's office, where I was working at the time, to plead that someone come to see the evils of the government that his father had helped to put in power. That was the beginning of my association with some of Franco's new enemies. It had never occurred to me that the risky politics of opposing a dictatorship would attract the pride and heirs of the realm: wealthy, tough, bright young men who were to display a gallantry that would have been notable at the Round Table. Men like these—Juan Kindelán, Carlos de Zayas, and the others—the scions of grandees and dukes and Nationalist generals, with lives of almost guranteed success ahead of them, impelled by no discernible force but conscience, chose to throw away the most privileged positions in a land of protected privileges to languish at times in jails of peculiar inhumanity. Their sacrifices, whispered across a moribund countryside, reminded a drained people of hope and, in the process, wrenched at families whose loyalties to God and Spain were not prepared for a clash with loyalty to Family itself.

And they provided a remarkable introduction to the continuing involvement that led me back to Madrid all these years later.

I arrive in Madrid as Juan Carlos is skittering into the strange upside-down semi-regency made necessary by Franco's refusal to yield authority: everything tentative, a curious uncertainty abetted by medical bulletins announcing that an octogenarian who seems to have every disease known to man is constantly rallying and is planning to resume presiding at Cabinet meetings; but something more than uncertainty, too: not exactly relief from fear, not yet, but an expectation of relief, with the familiar fears receding into a soupy uneasiness about what might follow the relief.

The transition is beginning at a moment when the national mood is forcing the moderating of old antagonisms. The economic uplift that spread political unrest has multiplied the number of people with a stake in retaining order, people who, above all, don't want a Portugal or an Argentina or a Chile in a new Spain, and who are part of an unexpected consensus that wants consensus to guide the transition and wants elections to determine consensus. There is a great wish to see an end to political prisons, terrorism, censorship, whimsical governing, and an end as well to conflicts swirling beyond or beneath the governing. I go off with old Spanish friends to the Valley of the Fallen. Here Franco dramatized his peculiar notion of the way to restore unity to Spain by forcing Republican political prisoners to rebury Republican war dead under Nationalist flags and slogans. And here, when the country was desperate for housing and schools and hospitals, Franco spent billions of pesetas erecting a cross 495 feet high and hacking the world's largest church and his own tomb out of the hard rock of a mountain.

I realize how odd it is to feel something so sharply after all these years, but terrible things have kept happening since it began, way back, in Guernica decimated, in children dead from mass bombings of open cities, in the massacres of Majorca and the bull ring of Badajoz. After that there was Franco heiling in tandem with Hitler, reviewing goose-stepping troops about to go off to try to finish the conquest of the world; and then the decade of democracy renascent, Mussolini hanging by his ankles, the bunker burying its evil, the Emperor of Japan becoming mortal, while through it all Franco's prisons overflowed, the Spanish people silenced, Spanish refugees starving and forgotten in foul camps far from home. And then the last chapter, perhaps the least comprehensible: Franco alone, Franco vulnerable till rescued by America, the triumphant fresh new world protecting the last partner of Hitler, the unrepentant bully-ghost of the old, without even trying to moderate the oppression of Spaniards who had fought on our side in return for the rescue. So one feels even now the needless suffering, and the guilt of knowing how much one's country has contributed to it, and the concern that that contribution may not yet have been concluded.

Needless suffering? It is not, of course, given to us to know what would have happened if what happened had not happened, if the republic had been allowed to win, or if Franco had not been allowed to survive his allies. A Stalinist dictatorship would have been as bad or worse for most of the Spanish people, but it is hard to see how a Stalinist dictatorship could have survived for long in Spain—yet it is hard to see how a Fascist dictatorship could, and it did.

If we had helped when so many Spaniards bought time for Western democracy at such dreadful cost to themselves, might Prague have been spared, or Paris or London or Bataan or Guadalcanal? Was Munich inevitable, and Dachau, and the Hitler-Stalin pact, and so on to Hiroshima and the Berlin wall and the bridge at Andau and the Bay of Pigs and Vietnam? Could Communist misbehavior in Spain and Poland have been avoided or tempered if ours toward Spain and Czechoslovakia had been, and so perhaps some kind of understanding if not cooperation preserved that would have minimized the post-war ordeal of Eastern Europe and the polarizing of the post-Hitler planet?

If it is foolish to underestimate the chasm that separated Western and Soviet attitudes so fatefully in the Thirties and Forties, it is also simplistic not to wonder whether the paranoid viciousness of emergent communism might have been modified had the Western domocracies resisted sooner the calculated viciousness of emergent fascism.

But even if nothing anyone could have done in or about Spain would have averted World War II or the Cold War, what if democratic countries had helped the republic during the Civil War instead of driving it to dependence on the Soviet Union? Is it inconceivable that democracy triumphant in Spain could have headed off extremes of anticlerical misconduct and thus defused the antagonism over Franco that poisoned relations between American Catholics and liberals at a time that was so critical?

What a difference it might have made if McCarthy and Nixon had not been helped in their rise by the extravagant emotions about Spain that led so many Catholics to suspect liberals of being soft on communism, and so many liberals to suspect Catholics of being soft on fascism: isn't it just possible that a different Spanish experience, perhaps even a concern shared as it is now about Portugal, could have spared America the unhappy period of the exploited neurosis that led first to such destructive mistrust at home and then to such devastating consequences in Indochina? Maybe Cardinal Spellman would not have attacked Mrs. Roosevelt (after all, she had been rather good about Al Smith); and maybe John F. Kennedy would have been nominated for Vice-President in 1956, thus perhaps ruining his career, or perhaps saving him from assassination so that we could have him now. But we wonder too far—that way lie screenplays or madness.

What is clear is that this has been a long and dark passage for the Spanish people, who did more than most people to keep their freedom and who have suffered more than most people because outside forces were visited upon them. And it is hard to see how their suffering has helped us, even if our own needs could be said to justify making the lives of others more difficult.

On the other hand, the United States has not paid the conspicuous price for its misconduct in Spain that it has paid elsewhere. With our help, the repression outlasted several generations of potential anti-American rioters; and there will be those who say that even if the American bases are closed soon, they will have served their purpose: we had them when we needed them—and at the minimal cost of an insurance policy whose existence may have helped avert the fire it never had to be used to put out. The policy, it will be argued, thus succeeded: Franco survived, Spain is not Communist, American investment flourishes; even the American Embassy is not bombed.

Had the gamble failed, had the dictatorship fallen despite all the United States did to sustain it, it would have been a spectacular failure; but to argue that the gamble was not worth the risk of failure is to argue theory against results. To argue that nations pay for immoral misuse of power is to argue theology; to talk about costs of policies in global intangibles is to sound fuzzy in a discussion with people who pride themselves on their pragmatism.

Furthermore, one's personal assessment of American behavior in Spain must be affected by the long hurt of feeling years of hate directed at one's flag by one's friends. My thoughts fly to an old bishop, 90 and blind, returned to his village at the end of life from exile for opposing Franco in the war, spitting at my American accent, "What has become of the soul of your country? Even my church has learned that to lie with tyrants is to stink of tyranny."

The bishop of course is dead; two decades of angry students have graduated into careers where private distaste for American policy will not affect their purchasing habits, and whom they boo privately on newscasts affects nothing at all.

But there have been other consequences, wider costs if less tangible ones, that should at least be noted before we conclude that unclosed bases and an unbombed embassy equal a successful foreign policy.

Global results are, after all, the only practical measure of foreign policy. And the feeling of the world about the United States is not hard to measure. Anyone who lived through the glory of being an American during and early after World War II knows that that glory resulted not only from strength and wealth, but from an almost universal sense of fraternity as well. We have retained the strength, squandered the wealth, and ended the fraternity. Except where Communist misconduct is blatant and immediately at hand, the reservoir is dry or close to it. Our isolation is unsolicited and inverted: we retain bases, we crave approval, we lobby for votes at the United Nations; almost everyone wants the bases out, intellectuals see in us the wave of the past, and fewer and fewer countries vote with us at the United Nations even as our position becomes more and more sensible and justifiable.

How easy to dismiss it all as inevitable or as the result of national jealousies or Communist plots or Arab oil—or to decide that world opinion is inconsequential in any case. But to refuse to examine a 25-year erosion is no way for practical people to measure the effect of a policy designed to be pragmatic, and is certainly no way to determine future policy.

The questions basic to any realistic assessment of the results of American foreign policy since the first aid to Franco was voted over President Truman's opposition are almost never asked: is it really desirable to have arrived so quickly at so lowly a place in world esteem? And if it is not desirable, was it really necessary?

In so grand an overview, Spain is clearly a small factor; but Spain as symbol and Spain as consequence of general attitude are not. Our sins in Spain seem minor compared with some we have committed. They do not seem minor, or course, to Spaniards, who come from 35 years of darkness blinking uncertainty, and noticing not very sadly that the sun that radiated energy into their oppressor seems to be sinking.

And from the point of view of our national well-being, were bases in Spain, and assistance to Salazar, and make-believe about China, and toleration of apartheid, and intervention in the Dominican Republic, and war in Indochina, and lecturing new countries steering a wobbly course between polarized titans about the immorality of not "aligning" themselves with us—were these, and the rest of the policies that derived from what was thought of as hard-headed realism, were these wise policies, even if measured only by the standards of those who set the policies?

If a program devised to contain Communists ends up somehow containing the containers, is it really fuzzy to judge the policy a failure? Might we not have done better to worry more about other people's sensibilities and priorities if we wanted them to worry about ours? Are we to reap a disagreeable and perhaps unnecessary harvest of our own planting, and never even notice that we planted it?

What is certain is that this moment, this confluence of opportunities, is evanescent, is passing even now, and cannot be summoned back if squandered.

"It was in Spain," Albert Camus wrote, "that men learned that one can be right and yet be beaten, that force can vanquish spirit, that there are times when courage is not its own recompense. It is this, doubtless, which explains why so many men the world over regard the Spanish drama as a personal tragedy."

And why so many men the world over pray that now the Spanish tragedy may finally be ending.●

THE SPIRIT OF HELSINKI, VIGIL 1980

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 26, 1980

● Mr. BARNES. Mr. Speaker, as I join my colleagues in the "Spirit of Helsinki, Vigil 1980," I wish to once again call attention to the unfortunate situation of Mr. Lev Blitshtein, who only 10 days ago was refused permission to emigrate from the Soviet Union.

Mr. Blitshtein has been separated from his wife, Buma, who lives in New York, for nearly 5 years. Stripped of his position as a chief administrator in the Ministry of Meat and Dairy, this national authority in the fields of breeding and meat processing must support himself now by working part time as a film developer.

For 6 years, Soviet officals have repeatedly denied his requests to emigrate on the grounds of "state secrets." Blitshtein purportedly knows "too much about the time for storage of canned meats." Other Soviet authorities recently removed his telephone from his apartment in an effort to isolate him further from his family and friends.

Blitshtein, who has always comforted and uplifted the spirits of refuseniks, has become increasingly saddened by the prolonged separation from his loved ones. I know that he could not celebrate his 25th wedding anniversary last August with his wife or participate in the wedding 2 years ago of his two children, Boris Blitshtein of Rego Park, N.Y., and Mrs. Galena Barshai of Flushing, N.Y. Thirteen months ago, he missed the joyous occasion of the birth of his first grandchild, David. His mother-in-law, Mindlia Shraiman, and his brother, Mark Blitshtein, recently arrived here from the Soviet Union to rejoin the family. But Lev Blitshtein remains alone.

Last September, I appealed to both Soviet President Leonid Brezhnev and Soviet Ambassador Anatoly Dobrynin and asked them to demonstrate compassion and permit Mr. Blitshtein to leave his country. Again, I urge them to honor their commitment to the Helsinki accords of 1975 and allow Lev Blitshtein to be reunited with his family before he reaches his 50th birthday on May 21, 1980.

Mr. Speaker, I urge Members to demonstrate their continuing support of Mr. Blitshtein. His address is: Bolshaya Pereyaslavskaya Street 3, Corp. 2, Apartment 2, Moscow 129041, RSFSR, USSR.●

WARSAW GHETTO REMEMBRANCE

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 26, 1980

● Mr. DORNAN. Mr. Speaker, I would like to call the attention of the House to the 37th anniversary of the Warsaw ghetto uprising on April 19. This is an occasion that must not go unnoticed by the friends of freedom and men of good will everywhere. It is a date that must never be forgotten because it is doubtful whether or not civilization can withstand a similar happening now or in the future.

The Warsaw ghetto symbolizes many things—inhumanity, unspeakable horror, and barbarism. But it also represented the indomitable spirit of man against tyranny and injustice. There have been far too many examples in history of situations comparable to the Warsaw ghetto. But because this rebellion against genocide took place less than four decades ago, it rates a special place in a sorry period of time in the present century. The Nazi holocaust took place in our own time and before our very eyes unlike the atrocities of other eras that we, also, all have a duty to recall, painful though it may seem. But like the Cambodia famine, the Warsaw massacre is our epoch's genocide. A handful of survivors still walk among us.

Nazism was a nihilistic force arrayed against the Judeo-Christian tradition. Millions of Europeans of all religious faiths suffered at the hands of the Nazis and their collaborators. Yet it was for the Jewish population of Europe that a special fate was decreed by the infamous Fuehrer order—the "Final Solution." Branded as subhumans and parasites, Jews were subjected to every form of police state terror and degradation even before Auschwitz or Treblinka were built. The malignant disease of antisemitism, cynically employed for achieving political power, had been among the main points of Adolf Hitler's program as early as 1919.

After Hitler became Reich Chancellor in January 1933, the Jews of Germany were the immediate targets of storm trooper beatings, arbitrary arrests, and concentration camp incarcerations, and primary economic boycotts. The Nuremburg racial laws of 1935 stripped German Jews of citizenship, and further governmental action confiscated property, thereby reducing this minority group of loyal Germans to extreme pauperization.

In an atmosphere of growing intolerance and ever-increasing Gestapo terror, the Jews of Germany looked abroad for help. Tragically, little assistance was given or words of comfort offered. The record of our own Department of State during this period and beyond, through World War II, leaves a moral stain upon the United States. We did very little to assist the persecuted as restrictive immigration quotas and indifference played into the hands of the Nazis. I call your attention to several works on this subject: "While Six Million Died," by Arthur D. Morse, "Voyage of the Damned," by Gordon Thomas and Max Morgan Witts, and "The Politics of Rescue," by Henry L. Feingold, in support of the aforementioned concerning the State Department.

Hitler had made his ultimate goals quite clear. He had stated them in Mein Kampf 10 years before he came to power and in countless speeches for years. On January 30, 1939, he warned that the Jews of Europe would be exterminated if another war broke out. German forces invaded Poland on September 1, 1939, thus 3 million Jews fell into Nazi control. Throughout Poland, Jews were victimized, robbed, beaten, and murdered. A deliberate policy of forced ghettoization took place whereby tens of thousands of people were herded together in incredibly small areas for habitation. All of this was but a prelude for what was then an unknown "final solution."

The most outstanding example of this savagery took place in the city of Warsaw. Over 500,000 human beings were cramped in quarters where sometimes 10 to 20 were in a single room. Minimal food was available for only half of the Jews and medical care was below even substandards. Shut off from the rest of the city and their countrymen, the Jews were left to endure threats from the S.S., epidemics, and starvation. Under the guise of "resettlement" to the east, families were transported in crude boxcars from the ghetto to the death factories of Treblinka, Auschwitz, and other extermination camps. These hellholes provided the final living horror for people who had experienced unbelievable hardships already from years in the ghetto. Few survived the deadly labor battalions, most were poisoned to death in the gas chambers.

Eventually, skepticism on the nature of transport to the east became known in the Warsaw ghetto and after a summer of mass roundups for deportation to Treblinka, the remaining 35,000 Jews chose to resist. Using homemade devices such as Molotov cocktails and a few smuggled weapons obtained from the Polish home army, a Jewish defense organization emerged to defend the ghetto from further arrests. Hoping to surprise the Jews at Passover season and present the ghetto's liquidation to Hitler as a birthday gift, German S.S. and Polish blues entered the once teeming Jewish quarter.

The Jewish defenders bravely fought back, chasing the Germans from the ghetto. Beginning on April 19, a unique struggle ensued as the doomed Jews valiantly strove to the death against enormous odds. The Germans, tired of hand-to-hand combat, employed flame throwers, bombardment from the air, and poison gas to which the Jews were inequal to reply in kind. Sadly, little help was given to the Jews from their Polish countrymen who could view the ghetto on fire on Easter Sunday.

The battle of the Warsaw ghetto lasted for nearly a month. At its end, the remaining Jews were either executed on the spot or deported to Treblinka. There was nothing standing but only rubble amidst what was once the largest Jewish community in Europe. The death of the Warsaw ghetto was but a part of the even greater catastrophe befalling the Jewish people in Europe. Einsatzgruppen firing squads in Russia had murdered over 1 million Jews. Along with 3 million Jews in Poland and deportation from all over the Continent, 6 million Jews were put to death, including 1 million children.

Time does not permit me to recount the all too true horror of this nightmare. But works such as "Warsaw Ghetto Uprising" by Ber Mark, "The Bravest Battle" by Dan Kurzman, and "The Holocaust Kingdom" by Alexander Donat try to convey some of the human suffering in the Warsaw ghetto. Other books like "Harvest of Hate" by Leon Poliakov, "The Final Solution" by Gerald Reitlinger, "The Holocaust" by Nora Levin, "The Destruction of the European Jews" by Raul Hilberg, and the very comprehensive "The War Against the Jews" by Lucy S. Dawidowicz, all place the uprising in the context of the entire Nazi persecution of the Jews.

While we cannot overlook the 6 million other innocent men, women, and children murdered by the Nazis, including Gypsies, Poles, Russians, and countless others, only the Jews were singled out for primary destruction. They were hunted down "legally" with all of the efficiency of the modern totalitarian state. Ostracized and separated from the rest of the population, the Jews were defenseless in a hostile world. Antisemitism was exported from Germany to further Hitler's foreign policy. He had called for a war against the Jews and had that thought still on his mind before he committed suicide on April 30, 1945.

As esteemed economist of our time, the late Dr. Ludwig von Mises, himself a refugee to this country from Austria wrote in "Omnipotent Government" that had it not been for antisemitism, there would not have been World War II. This insightful observation bears, I might even say, demands careful analysis from all thoughtful students of history. For we have much to learn as antisemitism regretfully is still with us. Four years ago the United Nations equated Zionism, the Jewish national movement, to be a form of racism. The Ku Klux Klan has again reared its ugly head as the forces of hatred and bigotry are ever with us. Commitment to the faith of Christianity in western civilization can oftentimes be measured in a nation's treatment of the Jews. Certainly, Germany reached the lowest forms of civilization 40 years ago. It is, therefore, not surprising that the athestic Soviet Union today is well below even average standards as witnessed by the suppression of Jewish culture, religious freedom, and the freedom of movement denied Jews in Russia. In many respects, the spirit of Hitler is ominously alive when antisemitism is given official or unofficial sanction.

There are, or course, hopeful signs. Last June, the West German Bundestag abolished the statute of limitations on wanted Nazi criminals. This permits Nazis to be hunted to the grave in the spirit that mass murder is murder, regardless of how long ago it was committed. The efforts to extradite Josef Mengele, the "Angel of Death" at the Auschwitz death camp, is indicative of concern over Nazi criminials. Recent reports by dedicated persons in this country, including Members of this House toward ferreting out war criminals who have used falsification as a means to hide out in our midst, indicate that the lessons of the past are not being lost.

As we prepare for the Passover and Easter holidays, we should remember the holocaust and the Warsaw ghetto uprising. The harm done to the human spirit by Hitler can never ever be completely rectified, not in centuries or even millennia. But together, all of us have responsibility to those who were martyred, as well as to those who survived, to make certain that the record of the years between 1933 and 1945 will not be forgotten. I applaud the Presidential Commission on Remembering the Holocaust as a force to give us a permanent reminder of those dark days.

Today the Warsaw ghetto is no more. Only a concrete monument stands where a vibrant community once stood. In 1966 I first walked its vacant cities blocks, straining to feel somehow the vibrations of history that the deep suffering of thousands had created on that small sacred spot on the planet. Yet it need not be an obituary for the heroic dead. Rather it stands as triumph of the human desire for freedom, the unquenchable thirst for liberty which is part of all men and women. The heroic defenders of the Warsaw ghetto did not die in vain as long as free men live and are eternally vigilant against the forces of tyranny and oppression, Soviet or other, known or yet unknown.●

DRUG AWARENESS DAY—ROCKLAND COUNTY, N.Y.

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 26, 1980

● Mr. GILMAN. Mr. Speaker, in an effort to help raise the consciousness of the public regarding the dangers of drug abuse, the Rockland County Legislature recently proclaimed March 21, 1980, as "Drug Awareness Day" and the week of March 23, 1980, as "Clean

Out Your Medicine Cabinet Week." Last Friday, March 21, I had the privilege of being a keynote speaker at the Drug Awareness Day program that was held at Rockland County Community College, which is located in my congressional district.

The Rockland County Drug Awareness Day program, which was organized by George Doering, director of the Haverstraw Counseling Center ("Reachout"), was sponsored by the following State and local health agencies and civic organizations:

Rockland County Community College: CETA Grant Program Leadership Training in Self Health for Senior Citizens; Retired Seniors Volunteer Program.

New York State Division of Substance Abuse Services: Bureau of Community Development; White Plains Regional Office.

Rockland County Community Mental Health Center: Alcohol and Substance Abuse Control Services; Division of Consultation and Education.

Municipal Counseling Services: Town of Clarkstown, Clarkstown Counseling Center; Town of Haverstraw, Haverstraw Counseling Center, "Reachout"; Town of Ramapo, Ramapo Community Workshops; Village of Suffern, West Rockland/Suffern Community Workshop.

RAFT, Responsible Acton for Teens, Inc.

The Rockland Council on Alcoholism, Inc.

Rockland County Mental Health Association.

Rockland County Senior Citizens Council.

School and Community Service, Spring Valley Senior High School.

Good Samaritan Hospital (Suffern, New York).

Mr. Speaker, workshops pertaining to the problems of medical drug abuse awareness, mixing drugs and alcohol, coping with reality, communicating the drug problem to youngsters, school and family pressures, and the use and abuse of drugs were conducted by the New York State Pharmaceutical Society, Lederle Laboratories, the Rockland Psychiatric Center's detoxification unit, the Rockland County Mental Health Association, high school faculty advisers, community counselors, health professionals, and NOMAD (no mood altering drugs), a self-help group patterned after Alcoholics Anonymous.

A panel from local counseling centers, high schools, hospital pharmacy services, the New York State Division of Substance Abuse Services and Division of Alcoholism and Alcohol Abuse participated in a drug panel on "Where We Are and Where We Are Going."

The following participated in the Drug Awareness Day program:

Opening Comments

George Doering, Director, Haverstraw Counseling Center, "Reachout".

WELCOME

Margaret Gwynne, Assistant to the President, Rockland County Community College.

KEYNOTE SPEAKERS

Congressman Benjamin A. Gilman, 26th Congressional District—Member of Select Committee on Narcotics Abuse and Control.

State Senator Linda Winikow, 38th District—Member of Rockland County Mental Health Association Board of Directors, and the Committee for Project Rainbow; a program for children of alcoholic parents.

Robert Lefkin, J.D., M.P.A., Deputy Director New York State Division of Substance Abuse Services.

WORKSHOPS

No. 1: *The National Medical Awareness Program* presented by the Pharmaceutical Society of the State of New York. Sal Rubino, Executive Secretary and Dr. Jerry Johnson, Associate Director of Professional Services, Lederle Laboratories.

No. 2: *Poor Mixers: Medication and Alcohol* Ms. Ginny Szwejkowski, R.N. Rockland Psychiatric Center, Detoxification Unit, Orangeburg.

No. 3: *Coping With Reality* by Tom Bratten, Ed.D, Reality Therapist.

No. 4: *How To Talk With Your Kids About Drugs and Booze* by Ms. Carol Booth, MSW, Director of Educational Services Rockland County Mental Health Association. Dramatic presentations by the Rockland Players.

No. 5: *Coping With Hassles At School And At Home* by Nyack High School Players, Flo Greenberg, Faculty Advisor, and Mr. Randy Brown, School Community Counselor.

No. 6: *When Does Use Become Abuse* conducted by the Ramapo Community Workshop, Mr. Arnold Swiller, Director.

No. 7: *Don't Say Yes When You Mean No*—"How to communicate and say what you really mean—how to listen and really hear" by Ms. Marion Breland, Counselor at the Haverstraw Counseling Center "Reachout" and Mr. Leonard Stirling, Health Coordinator, North Rockland High School.

No. 8: *NOMAD* (No Mood Altering Drugs), self-help group for people abusing any kind of drugs. Patterned after the AA model. Recovering drug abusers will share their insights on how to help someone abusing drugs or chemicals.

PANEL

Where We Are—Where We Are Going.

PANELISTS

Moderator, Ellen Cohen, Director Clarkstown Counseling Center.

Claire Knapp, School Community Counselor, Nanuet High School and Nanuet Middle School.

Thomas J. Pflomm, R.Ph., Director, Pharmacy Service, Good Samaritan Hospital, Suffern, N.Y.

Jack Kemp, Assistant Director for Treatment and Rehabilitation, New York State Division of Substance Abuse Services.

John Wallace, Ph.D., Director of Treatment and Rehabilitation Services, New York State Division of Alcoholism and Alcohol Abuse.

WRAPUP

George Doering.

Mr. Speaker, I commend the Rockland County Legislature, State and local government agencies, counseling services, local community centers, high schools, parents, teachers, school administrators, students, and especially the host for the Rockland County Drug Awareness Day program, the Rockland County Community College, for taking the initiative in helping to raise the consciousness of our Rockland County citizens regarding the dangers of drug abuse.

As a member of the House Select Committee on Narcotics Abuse and Control that has held extensive hearings and investigations both here and abroad, I am fearful that our Nation is fast becoming a drug-oriented society whose citizens are becoming physically and emotionally dependent upon drugs and who are seeking to escape into deadly mind-altering substances to resolve their personal problems.

If our Nation is going to lick the drug problem, a problem that has reached epidemic proportions throughout the world and adversely affects virtually every city, town, and school district in this Nation, then drug education programs must be established in our schools to educate not only our youth but also parents, teachers, and school administrators regarding the dangers of narcotics trafficking and drug abuse. A coalition of officials and leaders from all sectors of society is urgently needed. Programs such as the Rockland County Drug Awareness Day are vitally important in reaching into the local communities to help raise the consciousness of our citizens regarding the problems of drug abuse prevention and control.

The drug problem is a crisis comparable to the energy crisis and the deplorable state of our economy. This Nation has yet to establish a comprehensive, coordinated Federal drug strategy, a strategy that is sorely needed but that is fragmented by a plethora of competing Federal departments, agencies, bureaus, institutes, and commissions having jurisdiction over narcotics trafficking and drug abuse. Drug abuse prevention and control must be moved from the administration's back burner and given the top priority that is required to effectively wage war on the narcotics traffickers and to effectively help those individuals who are dependent upon drugs. After all, we are talking about the health of our citizens—unknown millions of men, women, and children from all occupations, professions, and sectors of society who are addicted to narcotics or who are dependently abusing prescribed pills.

This Congress urgently needs to create a permanent congressional committee that would devote its entire efforts to the problems of narcotics trafficking and durg abuse, rather than relying upon the fragmented approach that currently exists within our congressional committee structure.

Mr. Speaker, in an effort to bring to the attention of my colleagues the global dimensions of narcotics trafficking and drug abuse, I am at this point in the Record inserting my Rockland County Drug Awareness Day remarks and I urge my colleagues to support a comprehensive approach to the drug problem within our own congressional committee system.

Keynote Address by Congressman Benjamin A. Gilman

I want to commend George Doering, our good Director of the Haverstraw Counseling Center and the Rockland County Legislature for proclaiming today, March 21st, "Drug Awareness Day" and the week of March 23rd, as "Clean Out Your Medicine Cabinet Week," and all the sponsors, especially our host, the Rockland County Community College, for the extensive work that has gone into the preparation of this conference.

Programs such as this perform a vital service to our citizens and are urgently needed to help raise the consciousness of the public regarding the dangers of drug abuse.

Our House Select Committee on Narcotics Abuse and Control, has conducted extensive hearings on drug abuse among our youth, the elderly, among women, ethnic minorities, and in the military. Our Committee has reported on the deadly effects of the hallucinogen Phencyclidine (commonly known as PCP or "angel dust"), cocaine marihuana and has studied international narcotics trafficking and the illicit money laundering transactions derived from this sordid industry. As a result of the numerous field investigations we have conducted into drug abuse prevention and control, both here and abroad, I am fearful that our Nation is fast becoming a drug-oriented society whose citizens are becoming psychologically and physically dependent upon drugs and who are seeking to escape into deadly mind-altering substances to resolve their personal and societal problems. There are thousands of excessive users of drugs who do not realize that drugs do not resolve problems, but merely provide an escape, and eventually create even more problems.

Narcotics trafficking and drug abuse have reached epidemic proportions. Virtually every region of the world . . . virtually every city, town, and school district in this Nation has become a victim to drug trafficking and drug dependency. The drug problem is a crisis comparable to our energy crisis and to the deplorable state of our economy.

No nation is immune to the operations of the international narcotics traffickers who reap unknown billions of untaxed dollars from their nefarious business transactions, causing untold misery for millions of people throughout the world.

Berlin, Frankfurt, Amsterdam, London, Copenhagen, Trieste, Bangkok, Malaysia, Hong Kong, Singapore, Hawaii, Vancouver, Toronto, New York, Chicago, and Miami have all become major narcotic distribution hubs and the financial centers for international narcotic syndicates.

Hardly a day goes by that our Federal, State, and local law enforcement agents do not seize marihuana, cocaine, heroin, PCP, Quaaludes, and other dangerous drugs, not by the kilo but more often by the ton, by the planeload and by the boatload. Daily, U.S. Customs inspectors seize currency in organized crime's attempt to launder the funds obtained in nefarious drug transactions. Hardly a day goes by that a hospital emergency room does not report a drug-related injury or death from the abuse of heroin, amphetamines, barbiturates, stimulants, depressants, tranquilizers, and alcohol. Each year, more and more of our citizens obtain drugs illicitly in an effort to escape from their personal problems.

Given the political instability in Iran and Afghanistan, and the difficulty of the central government of Pakistan to control the mountain tribesmen in its opium producing Northwest Frontier, and the flow of refugees from Afghanistan and Iran, there is every reason to believe that increasing amounts of heroin from Iran, Pakistan, and Afghanistan will be smuggled into the United States in the 1980s and that the Golden Triangle of Burma, Thailand, and Laos, despite the recent decline in its 1979 opium crop, will still be a major artery for the production of narcotics destined for markets in the Western Hemisphere, Europe and the Far East.

Opium production from the Golden Crescent of Pakistan, Iran, and Afghanistan has more than doubled, from an estimated 700 tons in 1978, to approximately 1,600 tons for 1979. Favorable weather conditions this year in the Golden Triangle indicate an anticipated opium bumper crop displacing last year's draught yield of 150 to 200 tons and suggesting a return to that area's annual opium production of 350 to 500 tons. Although Mexican law enforcement authorities have, to a large extent, been successful in controlling the illicit production of heroin and marihuana, Mexico annually produces an estimated 15 tons of opium and more than 2,000 metric tons of marihuana. Add to that the estimated 8 billion dollar cocaine and marihuana trafficking between the United States and Colombia . . . a business that far exceeds Colombia's largest legitimate export commodity, coffee, and ladies and gentlemen, you can readily see that narcotics trafficking is a gigantic, multibillion dollar industry.

Just in the United States alone drug trafficking is an estimated 50 billion dollar industry, third in sales after Exxon and General Motors but far ahead of the approximately $37 billion sales of the Ford Motor Company. In an effort to wage "war" against the highly sophisticated, well-financed operations of the international narcotics traffickers, the Federal Government spends less than $850 million . . . millions not billions . . . to interdict narcotics trafficking, to educate our citizens regarding the dangers of drug abuse, and to treat and rehabilitate those individuals who are dependent upon or addicted to drugs.

Approximately 450,000 addicts in the United States reportedly spend $6 billion annually to support their drug habit. In 1978, more than 3,200 of our citizens, mostly our youth, were reported by medical examiners to have succumbed to drug overdoses, while more than 114,000 drug abusers were reported by hospital emergency rooms to have sustained drug-related injuries. Last year, 439 New York City drug abusers succumbed to an overdose of drugs, an increase of 77 percent from 248 drug deaths occurring in that city in 1978.

Obviously, this data is only the tip of the iceberg. It does not account for the unknown thousands who are not reported as drug addicts. It does not include those who are not registered in drug treatment centers or who are physically and psychologically dependent upon amphetamines, barbiturates, tranquilizers or who are cross addicted to pills and alcohol. The data does, however, indicate that we all know: that narcotics trafficking is big business . . . a global business; that it knows no boundaries, political ideologies or competing economic systems; and that it adversely affects the health and well-being of all our citizens.

Narcotics trafficking and drug abuse affects our young and the elderly, the poor and the affluent . . . men, women, minorities, members of our armed forces, individuals from every sector of society. Narcotics trafficking and drug abuse is too important a problem to be placed on the societal backburner. I find it distressing that so many public officials, community leaders, business representatives, farm and labor leaders, parents, teachers, students, school administrators, and the general public are not aware of the magnitude of drug trafficking and the debilitating effects of drug abuse. Too often, they relegate this problem to a low level of priority on their agendas.

Through its hearings and investigations, the Narcotics Select Committee has sought to raise the consciousness of the public regarding the dangers of drug abuse. As the result of hearings on Phencyclidine, legislation was introduced providing criminal penalties for the unauthorized manufacturing of this dangerous hallucinogen. This legislative initiative is now Public Law 95-633, the Psychotropic Substances Act of 1978. Title II of that statute provides criminal penalties for the unlawful manufacturing, distributing, dispensing, or possessing of PCP, including a maximum ten-year imprisonment and $25,000 fine, together with stiff reporting requirements and penalties for the unlawful use of piperidine, a key ingredient for the manufacture of PCP.

Our Select Committee's hearings in New York City and Miami, Florida, resulted in the Biaggi-Gilman measure, (H.R. 2538), facilitating increased enforcement by the Coast Guard of laws relating to the importation of controlled substances, including the interdiction of drugs on the high seas. H.R. 2538 passed the House last July and is being acted upon by the Senate.

Our hearings in Chicago in 1977 surfaced the money laundering activities by drug traffickers operating between Mexico and Chicago that led to H.R. 5961, which would close certain loopholes in our banking laws. This legislation is expected to be brought to the Floor of the House for debate in the near future.

I have also introduced H.R. 3674, cosponsored by 44 of my colleagues, providing mandatory minimum prison sentences for persons illegally manufacturing, distributing or dispensing controlled substances.

Our Narcotics Select Committee has gone into the jungles of Burma, into the borderland areas of Pakistan and Thailand, over Mexico's treacherous mountain ranges, to the European Parliament, to the United States-Mexico Interparliamentary Conferences, to the leaders of Mainland China, the Soviet Union and to the Vatican in waging our "war" on narcotics trafficking and drug abuse.

Ladies and gentlemen, we must do more than clean out our medicine cabinets . . . we must do more than devote one day in a year to drug awareness. No amount of Federal, State or local legislation will stop drug abuse if our citizens are determined to misuse and abuse drugs. Waging "war" on narcotics trafficking and drug abuse is a never-ending battle, requiring a commitment of 365 days a year. Until that message comes across loud and clear to public officials and community leaders, to parents, teachers, school administrators and our youth and until the public realizes the debilitating effects of drug abuse, then lives will continue to be lost to deadly drugs and our Nation will sink into a bottomless pit of drug dependency and societal decay.

A coalition of public officials, community leaders, parents, teachers, school administrators, youngsters, leaders from the business, farm and labor communities, law enforcement officials, health professionals, individuals from all sectors of society is urgently needed to raise the consciousness of the public regarding the dangers of drug abuse and the insidious operations of the drug traffickers whose multibillion dollar untaxed operations cause so much misery for so many of our citizens.

We must raise the consciousness of the public regarding the misuse and abuse of licit drugs and the deadly dangers of drug abuse.

We urgently need to establish drug education programs in our schools to educate not only the youth of our Nation, but also parents, teachers, and school administrators regarding the debilitating effects of drug abuse.

I commend all of you for your participation in this program. Your efforts to help raise the consciousness of the public is vital in our battle against drug abuse. Let us commit outselves to an all out offensive . . . there's a war that must be won! ●

ADMINISTRATION CREDIBILITY AT RISK OVER CONTINUED CUTS IN FUNDS FOR DEFENSE READINESS

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 26, 1980

● Mr. KEMP. Mr. Speaker, when the Congress reviewed the fiscal year 1980 defense budget, it was clear that inadequate funds were provided to allow the fiscal year 1980 defense program to be executed as planned due to underfunding of fuel. The Congress was assured that this problem would be addressed early in 1980 through a supplemental appropriation request. Subsequent to the administration's commitment to fully fund the defense-readiness accounts, the Soviets invaded Afghanistan, and successive increases in crude oil prices were posted by producers. The high tempo of military operations associated with the deployment of two aircraft carriers and their associated escorts and support ships to the Indian Ocean and the escalation in fuel costs have resulted in a $3.4 billion shortfall in funds available to purchase fuel simply to meet the fiscal year 1980 defense program the Congress had approved. In its presentation of the fiscal year 1981 budget, administration spokesmen announced its intention to submit a fiscal year 1980 fuel supplemental to meet the shortfall it readily acknowledged. Within 6 weeks, the administration reneged on this commitment.

THE SAGA OF AN ADMINISTRATION COMMITMENT

The armed services submitted a request for a $3.4 billion supplemental to meet fuel needs not funded in the fiscal year 1980 budget. The estimate reflected the higher fuel costs experienced during the initial months of the fiscal year—delivered costs of refined petroleum products to Armed Forces were $50 per barrel. The Office of Management and Budget—seeking to preserve the image of real growth in the fiscal year 1981 budget—the fiscal year 1980 supplemental would diminish the magnitude of the growth in the fiscal year 1981 budget—arbitrarily reduced the DOD request to $2.5 billion by asserting that it would allow a cost of refined petroleum products of only $30 per barrel. As the actual cost to the armed services is $50 per barrel, the consequences of OMB policy are obvious.

The Office of the Secretary of Defense then informed the armed services that they were to further reduce their fuel supplemental request to $1.9 billion by reducing expenditure for other defense-readiness programs such as aircraft and ship maintenance.

The second phase of this saga occurred in parallel with these developments. The armed services were asked to submit estimates for a proposed fiscal year 1980 supplemental budget request for new programmatic initiatives needed to support the President's Middle East initiatives announced in his state of the Union address. These costs were estimated to be $7.3 billion to meet the President's requirement that the United States be able to defend an assault on the Persian Gulf. In two successive budget reviews by OMB, this figure was reduce by 90 percent—to only $800 million. No doubt this reflected the President's now-celebrated remark that the United States could not defend the Persian Gulf, a statement made after a Presidential assertion that the area was a vital interest of the United States.

Following the reduction of the programmatic requests—that is those excluding fuel cost increases—from $7.3 billion to $800 million, the armed services were asked to make further cuts. These gyrations served to reduce the Middle East policy add-ons to $550 million. Thus, at the close of the first two phases of the process, the fuel supplemental appropriation request was reduced from $3.4 billion to $1.9 billion, and the programmatic supplemental budget request was reduced from $7.3 billion to $550 million. The story does not end here.

The armed services were then directed to recompute the two supplemental requests—$1.9 billion for fuel and $550 million for new programs—on the basis of a mandated inflation estimate of approximately 7 percent for fiscal year 1980—at a time when both the consumer and producer price indicies are growing at an annual rate of 20 percent. The result of these reductions will be to eliminate the prospect for any fuel or programmatic supplemental request for fiscal year 1980.

THE EFFECTS OF BUDGET CUTS

Fuel-related accounts are part of overall expenditures which determine the readinesss of U.S. Armed Forces for war. These expenditures, known as operations and maintenance accounts are crucial to providing the training, day-to-day operations, and the maintenance of the weapon systems operated by the Armed Forces. The administration's baroque maneuvers to cut back funds needed to purchase fuel and procure the weapon systems needed to support commitments the President has made in the name of the United States attack the bone and muscle of American defense preparedness.

By cutting back so severely on defense readiness, the credibility of American policy is jeopardized—not merely for a few days or weeks to improve the President's media image in his quest for a second term as President—but for years. It is scarcely any wonder that the administration has difficulty in winning diplomatic support from U.S. allies—much less the wary conservative Arab States on the Persian Gulf littoral—when administration action so comprehensively conflicts with its rhetorical posture. Revealing national policy to be empty of serious commitment by the administration plants the seeds of Soviet miscalculation that could lead to war by allowing the perception to prevail that the American people do not support a robust defense posture.

The activities which will have to be curtailed by these budget cuts are:

First, aircraft flying hours: Crew combat proficiency and flight safety will be reduced.

Second, ship steaming days: The ability of the Navy to maintain the deployment of combatant ships in areas of the world vital to American interests will have to be cut back.

Third, ship overhauls: Backlogs of repairs to combat vessels urgently needed will have to be deferred.

Fourth, aircraft reworks: The underfunding of maintenance activity will reduce the number of aircraft available for combat.

Fifth, ship and aircraft procurement: The only large source of funds available to meet increased fuel costs is in the procurement accounts for ships and aircraft. This will reduce modernization of air and naval forces.

I urge the President to take swift remedial action to assure that our defense requirements are met. The readiness of the Armed Forces as well as their continued modernization to enable them to contest any adversary should war occur is too important to be left to the whims of this week's budget manipulations.●

PERSONAL EXPLANATION

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 26, 1980

● Mr. SCHEUER. Mr. Speaker, yesterday, after having joined the vast majority of my colleagues in voting to expand the energy jurisdiction of the House Commerce Committee, I mistakenly voted in favor of a motion to recommit, rollcall No. 157, which could have ultimately established a Standing Committee on Energy within the House of Representatives.

I apologize to my colleagues for this error and I assure you that it was my intent to oppose the Cleveland-Patterson-Frenzel motion to recommit.●

INSTITUTE FOR POLICY STUDIES CALLS FOR ENERGY NATIONALIZATION TO SAVE DÉTENTE WITH THE SOVIET UNION

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 26, 1980

● Mr. McDONALD. Mr. Speaker, I am continuing with the report on the activities of a recent forum, "Energy and the New Cold War," organized by the Institute for Policy Studies (IPS).

This forum heard speakers calling for the nationalization of our energy resources and the splitting of the Democratic Party as two steps in a program for a new and revolutionary America.

Earlier material identified the sponsoring organizations of the "Energy and the New Cold War" forum, and provided an account of the speech by Richard Barnet of IPS at this forum.

The material that follows, taken from the most recent edition of the Information Digest, provides a continuing account of the forum, and an analysis of the material by John Rees, editor and publisher of the digest. The article follows:

ENERGY AND THE NEW COLD WAR—PART II

The second speaker was Representative John Conyers, Democrat of Michigan, since 1959 a member of the National Lawyers Guild (NLG), a CPUSA legal front which is the U.S. section of the Soviet-controlled International Association of Democratic Lawyers (IADL). Conyers, from 1958 to 1961 a legislative aide to Representative John Dingell, Democrat of Michigan, has been one of the most consistent opponents of all U.S. defense spending and supporters of a noninterventionist foreign policy in Congress. He was an endorser of the People's Peace Treaty between individual anti-Vietnam activists and the Vietcong and North Vietnamese; and was among the first to call for impeachment of President Nixon in 1972 on the grounds that the war in Vietnam was unconstitutional. In more recent years, Conyers has become active with a number of CPUSA front groups, including sponsoring the formation of the U.S. Peace Council in 1979.

Conyers is the eighth ranking member of the House Government Operations Committee and the fifth ranking Member of the House Judiciary Committee where he is Chairman of the Subcommittee on Crime and serves on the Criminal Justice Subcommittee.

Conyers declared that there was no real connection between President Carter's revised budget and control of inflation. Inflation is not being caused by reckless credit cards, but by the new defense budget, he asserted. Conyers proposed his own anti-inflationary program that included:

Across the board controls on profits, interest and prices, with an absolute ceiling on prices, preventing them from rising and thus ending inflation. You've got to increase wages in most sectors while we hold back prices.

Begin planning for full employment, which ought to be the priority of this government, to put everyone to work in meaningful jobs, training everyone that needs training. * * * That was what the Humphrey-Hawkins Law was all about.

An immediate halt to any increase in defense spending. We could knock off $15 billion without hurting a thing and apply that money to a few of the social programs. Conyers continued:

We have a defense budget that already has the wherewithal to kill each and every Russian how many times?—30? 40? 50? 100? 145?—who knows? But we know one thing: Building more weapons of death and destruction do not add to the national security of the United States.

Stop the decontrol of domestic oil prices and to "break up the collusion between OPEC and the Seven Sisters [oil companies]," establish a Federal Import Agency "which has the sole power and authority to search out and buy up all crude oil all over the world."

As Representative Conyers noted, creation of such a Federal Import Agency would move the U.S. toward a new kind of government, a new kind of country.

Conyers was warmly applauded, but his leaving the forum during the question period resulted in sarcastic references from the podium regarding the Congressman's need for sleep.

The next speaker was Barry Commoner, described as a noted environmentalist and biologist active in the Citizens Party. Commoner has been a prominent anit-nuclear orator and is playing an active role in the organizing for Big Business Day anti-corporate events. Commoner began his presentation by asserting that it was necessary to go beyond protest and to use this occasion to create a new politics for the 1980's.

Commoner asserted that the President declared a New Cold War not in response to the Soviet invasion of Afghanistan, but for domestic political reasons, specifically the invasion of New England by Mr. Kennedy. He asserted the New Cold War was declared nine months earlier when Defense Secretary Harold Brown concluded a visit to Saudi Arabia and said, We will prevent the interruption of the flow of oil from the Middle East by any means necessary, including military force.

Commoner said he agreed with Dick Barnet that no military force could protect the oil fields and said the consequences of military action would be to destroy the oil supplies, and induce a worldwide economic disaster.

Commoner went on to analyze U.S. policy in the Middle East. He rhetorically asked how the entire Middle East crisis had come about, and responded, The answer is that our foreign policy in the Middle East had been over thirty years carefully calculated to obstruct the democratic movements in those counties. Iran was a case in point; and if the President had published, the day after the hostages were taken, the full record of our pernicious attempt, which succeeded, in disrupting the Mossadegh government, the first democratic movement in Iran, installing the Shah and teaching his SAVAK how to be terrorists on their own people. Commoner said that if the President had published such admissions and had laid before the bar of history the perfidy of the American Government in attempting to destroy democratic movement, he would have gone a long way to establish our bona fides in the Middle East as democrats.

Commoner said that the United States was making the same mistake by supporting the Saudi monarchy for the same reason—because oil is there. He asserted that the Carter doctrine makes war over Saudi Arabia inevitable because the monarchy is despotic. Because the Saudi Arabian Royal Family believes in cutting off the hands of thieves, rebellion is inevitable.

The December attack on the Great Mosque of Mecca was really the beginning of a democratic rebellion in Saudi Arabia. Commoner said: Now I tell you, sooner or later that rebellion will be reactivated; and sooner or later some rebel will be found with a Marxist pamphlet in his or her back pocket. And at that moment, Mr. Brzezinski will tell us, Ah ha; the Soviet Union is interfering with the internal politics of Saudi Arabia. We are at war.

Commoner next raised the question, how had the U.S. become so dependent on foreign oil? It is the result of a conscious decision by the oil companies, he said. Back in the 1950s they discovered it was cheaper to produce oil abroad, and so they deliberately cut back on exploring for new oil in the U.S. Therefore, said Commoner, the guilty party that made us dependent on foreign oil is the profit-seeking oil company and the fact of "free enterprise economics that a corporation can decide to do whatever it damn pleases with its capital."

Commoner told his student audience that the U.S. oil companies decided to invest their capital abroad and the rest of us are suffering. Commoner continued:

It's a strange thing; everybody in the U.S. suffers from the oil crisis except the oil companies. I wonder why. The reason is they designed the oil crisis that way. They designed it to help them despite the fact that it hurts us. So what I'm saying is the very simple conclusion it comes to, and that is that the freedom of the oil corporations to determine U.S. oil policy is wrecking the country and it's got to be stopped!

Commoner blamed the oil companies' freedom for the layoffs of auto workers, and mixed that with an attack on auto companies for having had a profit motive for making larger cars, wasting oil, creating smog, now throwing auto workers out of work. Commoner asserted that the reason utilities have sought to build nuclear power plants is because the AEC told them electricity would be so cheap that they wouldn't even bother to meter it; they could fire their meter readers and make a greater profit.

Commoner said all of his allegations led to a logical and simple generalization, that most of the trouble in this country has been caused by the fact that the basic decisions that determine the life of the country have been made by corporations in their interest, against the interest of the people of the United States.

Commoner's solution was to destroy the Democratic and Republican parties and build his Citizens Party, with a campaign based on the question, in whose interest should the country be run—the corporations or the people? His speech was well received.

Heather Booth, executive director of the Citizen/Labor Energy Coalition (CLEC) and head of the Midwest Academy, a Chicago school for training radical community organizers, was the next speaker. Heather Tobis Booth, wife of Paul Booth, was an early leader of the Students for a Democratic Society (SDS) in the 1960s and pioneered the U.S. New Left's efforts at building a Marxist and populist grassroots base by organizing poor and lower-income city neighborhoods in support of rent control, city takeovers of local utility companies, and legislation to bar utilities from cutting service of those who do not pay bills while increasing rates to commercial users.

CLEC, whose founder and prime mover is the militant president of the International Association of Machinists (IAM), William Winpisinger, says it is a coalition of over 150 neighborhood, senior citizen, consumer, trade union and environmental groups whose goal is to organize a grassroots citizen's force which can meet head on the power of the oil companies and the utilities.

Under Booth's administration, CLEC is focusing its lobbying efforts on promoting its Citizens' Energy Act which calls for formation of a Federal Energy corporation to control exploration, development, stockpiling and all imports of energy resources and calls for the breakup of the major U.S. oil companies, both horizontally and vertically.

Booth is an active member of the Advisory Board of the Big Business Day coalition of the "progressive left" groups clustered around IPS, the Ralph Nader Public Interest Research Group (PIRG) network, and several radical trade unions.

In a presentation which, compared to the previous talks, was a model of precision and clarity, Booth outlined a three-point strategy for the 1980s:

First, it is necessary to reach out and work with the mass base majoritarian organizations of this country—the trade unions, the churches, the citizens organizations that have sprung up from Massachusetts [Mass Fair Share] to Arkansas [ACORN] to California [Tom Hayden's Campaign for Economic Democracy]. It is necessary to explain to them why corporate power must be broken.

Simultaneously, we need to build our own organizations, our own political wreckers groups for those who are already convinced and already committed.

Three, while carrying out this two-level organizing, avoid alienating those who disagree with our own perspective, program and line. As an example, Booth said the deepest mistake of the anti-Vietnam war movement was in not recognizing the depth and sincerity of patriotic passion which sometimes springs from decency and a wish to protect one's neighbors, one's family and one's community.

Some members of the audience thought Booth was straining to avoid using the more traditional terminology of Lenin in calling for formation of a vanguard party to lead the masses and which would unite with all those who could be united.

Booth said that the immediate priorities were to rally to stop the increasing thrust towards war basically by changing the realities by removing the energy excuse for war; and that organization is the only way these programs will become political reality.

The concluding presentation was by Stanley Aronowitz, described in the forum program as a visiting professor at Columbia University, and who has been associated with Arthur Kinoy's Mass Party Organizing Committee (MPOC). In a highly emotional delivery, Aronowitz charged that the era of traditional, pragmatic nonideological politics had been ended by the Right; and that now the sorts of social benefit programs obtained by single-issue politics over the past 45 years were no longer possible. As an example, he said we have not been able to make a single move on National Health Insurance despite the fact that the most popular family and dynasty in American politics in the last twenty years has supported it.

I speak here tonight as a socialist and a radical, said Aronowitz, asserting that a conservative counter-coalition was aiming to repeal many of the elementary gains won by the people during the era of economic expansion. He charged that as the response of U.S. leaders to economic contraction, the United States is teetering on the brink of authoritarianism because of the severe crisis of capitalism.

The time has come to confront and split the Democratic Party, said Aronowitz. Therefore, despite his many differences, he would work with the Citizens Party.

The brief question and answer period dealt mostly with the virtues of gasohol and solar energy. However, one person asked Barnet whether he meant to argue that the invasion of Afghanistan was in response to the U.S. plans to station missiles in Europe. He said that the Soviets entered Afghanistan because they feared that the Islamic anti-communist fundamentalism of Afghanistan would spill over into the Soviet Union.

Barnet allowed that the Soviet action was brutal, but maintained that the U.S.'s aggression had forced the U.S.S.R. into taking this step. Apparently he has not altered his view expressed in his 1972 book, The Roots of War, that There is much to hate about America and nothing so much as American militarism from which so many other evils flow.●

FUTURE OF FREIGHT RAILROADS IN NEW ENGLAND

HON. CHRISTOPHER J. DODD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 26, 1980

● Mr. DODD. Mr. Speaker, on March 17, I had the pleasure of moderating a meeting in Waterbury, Conn., concerning the future of freight railroads in New England. At this time, I insert the text of my remarks in the RECORD:

STATEMENT OF CHRISTOPHER J. DODD

I want to thank the Waterbury Chamber of Commerce and all of the chambers from around the State who are cosponsoring this event. It is a great pleasure for me to be with you, to hear your views and to share with you my thoughts on the future of New England's freight rail system.

This issue is not new to me or to you. For the last 20 years, freight rail operations in our State and region have been going through various reorganizations caused initially by the collapse of the old New Haven Railroad. The last such reorganization was caused by the collapse of the old Penn Central system and resulted in the creation of ConRail. Each time the Federal Government has been called on to commit its financial resources so that rail service could be continued.

I came to Congress during the time that ConRail was being established. I saw firsthand how successful businesses and industries in my district began to question their ability to survive not knowing whether they would continue to have rail service. Responding to their needs and in light of the availability of Federal resources, I supported ConRail's creation and its funding.

However, today I am here to tell you that we cannot solve ConRail's current problems in that way. Given the realities of today's economy, it is no longer possible to expect that additional Federal funding for the ailing ConRail system will be granted.

If you heard the President's speech on Friday, then you certainly understand that this administration is fully committed to cutting rather than increasing Federal spending in future years. For the last two or three weeks there has been occurring in Washington what I call "the great markup in the sky". Leaders of the Senate and the House along with officials from the administration have been meeting around the clock in an effort to cut $13 billion from the proposed budget for next year. Politically sacred programs such as revenue sharing and many State grant programs are all of a sudden being earmarked for substantial cuts. Steps to reduce benefits under the social security and other entitlement programs are seriously being considered for the first time in my memory.

Washington is starting to respond to what the people of the country have been saying for the last several years. The overwhelming mood of the Congress is that the Federal Government has simply taken on too much responsibility; that the answers to our productivity and inflation problems lie in halting the trend of increasing the Federal Government's share of our total national resources; and that in the future, private enterprise must be relied on more and more to achieve necessary public goals.

Budget cuts, program justification and non-Federal solutions characterize the mood in Washington today. This is not the environment in which a proposal to continue subsidies for the federally financed ConRail system can be expected to succeed. As a result, the President has requested no new funds for ConRail in his proposed budget for next year.

The termination of the Federal subsidy for ConRail brings our State and our region face-to-face with the most serious freight rail crisis since the collapse of the old Penn Central. Without additional Federal subsidies, the U.S. Railway Association which is the Government agency with responsibility for overseeing ConRail's operations has said that ConRail cannot maintain and operate the service it now provides in Connecticut, our region or systemwide. As a result, when the existing Federal subsidy runs out sometime within the next 12 months, ConRail will be forced to cut back its current level of maintenance and operations.

The U.S. Railway Association's analysis shows that the cutback in ConRail service would be especially severe in Connecticut where it estimates that ConRail would have to "rationalize", a term I consider to be tantamount to "terminate", service on 45.1 percent of the track miles it operates in the State—more than in any other State except Virginia. Service would be rationalized on all but three ConRail-operated lines in our State—Plainfield to Groton, Manchester to Hartford, and Hartford to Waterbury. The U.S. Railway Association's analysis assumes that some form of freight rail rate deregulation will pass the Congress this year and that the Federal Government will invest in ConRail an additional $850 million—a committment which the Federal Government is highly unlikely to make in my judgment.

While ConRail has rejected the specific conclusions of the U.S. Railway Association's report, it has failed to identify what cutbacks would be needed. ConRail has said, however, that it is losing money in New England and that the region's rail needs might best be served in the future by a core system of high density lines. In addition, information being gathered for the joint U.S. Railway Association-New England Regional Commission study of rail operations in our region shows that there has been a dramatic decline in the volume of rail freight traffic in the region between 1972 and 1977. Specifically, the study has found a decline in traffic volume since the collapse of the old Penn Central.

Given these very strong—even compelling—signs of ConRail's vulnerability systemwide and particularly in Connecticut, I believe we must now develop procedures for the timely transfer of certain ConRail properties to other private railroads that are willing to provide service.

Labor protection and continuation of service on existing lines must be guaranteed if we are to have any success in protecting our State's economy from major job losses and economic dislocations. Any program to transfer discontinued ConRail lines to private carriers must also include continuation of the collective bargaining agreements with affected ConRail employees. The jobs of railroad employees are as important as the jobs of workers in businesses and industries served by the railroad.

Furthermore, to promote competition we must ensure that future rail carriers who operate in our region can connect with railroads in addition to ConRail. Presently, about 90 percent of the traffic volume in our region must interchange with the ConRail system.

In conclusion, I would like to say that I do not favor, as some have suggested, the dismantling of the ConRail system. However, I do believe that the experience of the last five years has shown that ConRail most efficient at providing long-haul main line service rather than local service such as we have in Connecticut and many other parts of New England. For this reason, I believe we must act now before the Federal subsidy for ConRail runs out, to identify alternative carriers and to establish the procedures under which responsibility for the operation of local service can be transferred. None of us want to see service abandoned in Connecticut; but we must act now while ConRail is still financially viable if we are to avoid that unfortunate result.

I will continue to work closely with Jim Florio and his subcommittee as they consider the rail deregulation legislation now before them. Over the years I have heard from many of you on this issue, and based on those views and the views expressed at this morning's hearing, I will introduce legislation to ensure the continuation of rail service in our State.

Thank you.●

HONORING ROBERT ANSON HEINLEIN

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 26, 1980

● Mr. SKELTON. Mr. Speaker, on April 17, the city of Butler, Mo., will celebrate the homecoming of the renowned author, Robert Anson Heinlein. Mr. Heinlein, who was born in Butler on July 7, 1907, is perhaps best known for his science fiction thrillers—"Double Star" (1956), "Starship Troopers" (1959), "Strangers in a Strange Land" (1961), and "The Moon is a Harsh Mistress" (1966)—all of which won him the coveted Hugo Award for the best science fiction novel of the year. Mr. Heinlein introduced his first story for publication in 1939, and when it was accepted, he decided to continue writing. Since then, over the past 41 years, he has authored more than 150 science fiction stories and novelettes.

Mr. Heinlein is a graduate of the U.S. Naval Academy at Annapolis, Md. He was commissioned in the U.S. Navy in 1929, and he served in sea assignments for 5 years. In 1934, he was disabled in the line of duty and retired from the Navy. He attended postgraduate school at the University of California in Los Angeles, and he concentrated his studies on mathematics and physics. Unfortunately due to ill health, he was forced to abandon these studies; however, it was not long after that he submitted his first manuscript and quickly excelled in the field of science fiction.

In his works, he has used his knowledge of science and math as an artist uses his colors to give his subject substance, intrigue, and a certain sense of reality within the realm of fiction. He has redefined and revitalized the genre of science fiction. He has given it a new depth, a new dimension. In the tradition of Jules Verne and H. G. Wells, Robert Heinlein has had great impact on the field of science fiction and has opened up a whole new world of possibilities for the generations to come.

Mr. Speaker, I would like to take this opportunity to join the citizens of Butler, Mo., in welcoming Mr. Heinlein home. He is one of this country's most accomplished writers, and he is a source of great pride for his hometown and the people of the great State of Missouri.●

ANOTHER LOOK AT WINDFALLS

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 26, 1980

● Mr. LAGOMARSINO. Mr. Speaker, I wish to bring to the attention of my colleagues an editorial that appeared in the March 18 edition of the Carpinteria (Calif.) Herald concerning the recently passed windfall profits legislation.

The Herald's editorial presents an intelligent analysis of the tax's effect on consumers and oil supplies.

The editorial follows:

[From the Carpinteria Herald, Mar. 18, 1980]

How To Buy an Election and Stick Consumers With Bill

President Carter and Congress are on the verge of wrapping up the biggest tax increase in history without a murmur of protest from its chief victim, the consumer.

That they were able to do so is a tribute to the efficacy of the most fraudulent label ever applied to a piece of legislation. The "windfall profits tax" which, in a candid moment, the President himself described as actually being an excise tax, has nothing to do with oil company windfalls or a tax on profits. It has everything to do with a tax on oil consumers generating such a windfall for the federal treasury that its architects are still rubbing their eyes in disbelief.

How were the President and the Congress able to perpetrate fraud on so massive a scale? By exploiting the unpopularity of the oil companies, which will never see most of the increased revenues from decontrol of crude prices. After September 30 of next year, when price controls expire, U.S. consumers will pay the full market price for domestic oil. But most of that increase—82 percent—will be captured by federal and state governments and by royalty owners, public and private.

Yet—and here is where the consumer fraud comes in—only a small fraction of that 82 percent will go to develop more energy. The consumer is left holding the bag. The current shortage-driven price will be as high as it would have been had all the decontrol revenues gone to oil producers. Long-term, the price will be even higher. Most of the $1 trillion coming out of consumer pockets in the next decade will be squandered for purposes having nothing to do with new energy supplies. There is no hope for an end to the price spiral.

Thus, the consumer is confronted with the worst of both worlds: the highest possible prices and a guarantee of future shortages as well.

How was the consumer sold such a bill of goods? Via political expediency. In order to buy an election, President Carter advanced two main reasons for the excise tax: (1) proceeds were needed to finance his $142 billion program for conservation, alternate energy sources, and fuel substitutes for the poor; and (2) proceeds must be kept out of the hands of oil companies to prevent them from devouring the rest of American private enterprise.

To begin with, a special tax was not needed to underwrite the President's energy program. Federal taxes and royalties already in existence would raise almost $500 billion during the 1980s.

Also, as finally agreed to, the $227 billion to be raised by the excise tax will be mainly allocated for purposes other than energy development. More than half will go to finance tax cuts. Only 15 percent will be earmarked for alternate energy sources.

The second reason advanced for the tax was equally baseless. Oil companies continue to reinvest in energy development in sums exceeding 100 percent of their profits from oil and gas operations. Their widely publicized diversifications are actually hedges against such punitive actions as the excise tax and account for only a minor share of capital investment.

Thus, the excise tax was devised as the solution to problems which did not exist. And the tax itself, by diverting hundreds of billions of dollars away from energy development, has itself become a major roadblock to ending the U.S. energy shortage.

Oil producers will end up with only 18 percent of the increased revenues from crude decontrol—enough to expand drilling somewhat, but nowhere near enough to reverse the decline in U.S. production.

This is the fraud perpetrated on consumers in the name of soaking the rich oil companies. The companies are certainly upset. If consumers fully understood what has been done to them, they would be in a rage.●

THE CRUSHING OF DEMOCRACY IN NICARAGUA

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 26, 1980

● Mr. BAUMAN. Mr. Speaker, along with the issue of the Nicaraguan Government's reaction to our debate on the $75 million loan to that country, there has emerged an even more disturbing development: The issue of repression of political freedom in Nicaragua and the refusal to hold national elections. Daily, it appears less and less likely that Nicaraguans will ever again see the inside of a free polling booth.

These issues have been underscored by the activities of a member of the Nicaraguan junta, Alfonso Robelo, a member of the business community, whom I had the pleasure of meeting during my recent visit to that country. Sr. Robelo told me then of his total commitment to the revolution and objected to a U.S. stipulation that Nicaraguan elections be held, feeling that they would naturally come in due time. In fact, he has recently started his own political party, the Nicaraguan Democratic Movement (MDN), in preparation for eventual elections. He began issuing careful statements to stake out his own spot on the Nicaraguan political spectrum and provide the people with another political point of view.

Sr. Robelo's effort is destined to be short-lived, however, judging from recent Nicaraguan news reports. His party had not even held its first rally before the Sandinistas warned of the rise of "democratism" and the dangers of criticism of the government. And now, just a few days ago, the Sandinistas declared there would be no elections in the near future.

I urge my colleagues to read these excerpts from recent newscasts in Nicaragua to see how, within the space of a week, Nicaraguans have seen their prospects for free national elections go down the drain. It is a telling story of what is really going on in the "New Nicaragua" as well as a self-indictment of the hypocritical Sandinistas and their claim that Nicaragua is now free.

Robelo Announces MDN's Establishment As Political Party

Managua (16 Mar.)—Alfonso Robelo, member of the Nicaraguan Junta of the government of National Reconstruction, spoke to an assembly of Nicaraguan Democratic Movement (NDM) members, of which he is the top leader, held at the Polideportivo Espana gym. The meeting was held to proclaim the conversion of the movement into an active political party.

"We believe in the free exchange of ideas," Robelo said. He added that "only this free exchange can give mankind the opportunity to recognize his errors and correct them. He who believes he cannot make a mistake, that he should not listen to criticism, that he should not listen to what the people wish to say has no place in our revolution."

Robelo said the MDN helped to draft the "plan of the Government of National Reconstruction," the framework for the first phase of the revolution that he and his followers resolutely support.

"I agreed to be a member of the government junta in order to establish the basis for all Nicaraguans, without regard for political, religious or social distinctions, to effect the reconstruction of our nation. My acceptance carries with it the sacred commitment before God and the fatherland to contribute all my efforts to achieve a democratic Nicaragua in which justice, freedom and peace prevail," he said.

Robelo emphasized later that "we are a revolutionary and truly Nicaraguan political party. We have earned the right to be one by our participation, first in the insurrection and later in the revolution, and because the Nicaraguan people recognize our party's upright stance throughout its 2 years of struggle. This recognition is more than enough."

In what could be his party's government platform, Robelo called for a mixed economy in this country and for the boundaries of private property and state ownership to be defined.

However, Robelo then said that "properly acquired private property should be respected, as long as it fulfills the social function that is applicable to all property." He added that "it is time to uproot selfish sentiments from our hearts, because in the past everything was considered solely for the cold objective of personal benefit."

The MDN leader called for the inviolability of personal property such as housing, the family vehicle and furniture.

Robelo, who was continuously interrupted by heavy applause from the audience, repeated that the sole owner of the Nicaraguan revolution is "all the people." Let them not tell us now that the Nicaraguan people have no right to freely choose their leaders."

In the electoral area, Robelo reiterated his call for a strengthening of a pluralist and democratic system leading to truly free elections in which his party will participate and in which the people will freely choose those who will lead them in the future.

Barricada Warns Against Rise of "Democratism"

Managua (15 Mar.) (AFP)—Hours before Alfonso Robelo, member of the government junta, initiated a political campaign in favor of his own party—the Nicaraguan Democratic Movement [MDN]—the Sandinist National Liberation Front [FSLN] today solemnly warned against what it called the rise of democratism.

According to local observers, the two attitudes apparently indicate an imminent ideological conflict among the members of the Sandinist government that could have decisive effects in the course of the Nicaraguan revolution.

The newspaper BARRICADA, the official FSLN organ, jumping ahead of a proclamation by Robelo to be announced 16 March, stated today in a front page article that ideological currents that want to reexamine Sandino are rising in Nicaragua.

The daily reiterated that the revolutionary Sandinism now in power in Nicaragua is classist and anti-imperialist. The FSLN also called on its militants to initiate a relentless ideological struggle now that there are some who are trying to confuse Sandino with bourgeoisie liberal ideology.

The manifesto insists that the FSLN is the only vanguard of the revolution and reiterates the need for creating the single union of Nicaraguan workers. The FSLN adds that with the triumph of the revolution, the exploited classed are in power and things have changed. The article also defends the literacy campaign that will be initiated in a few days and that has been announced as the first firm step toward a new type of education in Nicaragua.

The FSLN manifesto concluded by stating that there is freedom in Nicaragua but the popular Sandinist revolution will never allow counterrevoltionary activities to be carried out under guise of freedom of cult, religion and religious values.

In a recent speech FSLN leader Commander Jaime Wheelock attacked the increase in party activities and stated that the FSLN is the only party with prestige remaining in the country. Wheelock said any effort to organize parties at this moment is an effort toward the return of Somozism.

The planning minister, Commander Henry Ruiz, has also referred to some business sectors that form part of Alfonso Robelo's political party characterizing them as fossils that should be in a paleontology museum. He stated that their claims on the revolution are purely political and not economic.

In one of its most polemical points, the MDN maintains that the armed forces, now under direct FSLN control, must be placed at the service of the fatherland and not at the service of a given ideology or party in order to guarantee its continuity regardless of the political group in government.

FSLN Says No Election Planned in Near Future

Managua. (20 Mar.) (AFP)—An official spokesman for the Sandinist National Liberation Front (FSLN) today dismissed the possibility of holding elections in Nicaragua in the short- or medium-term. He said that during the 1979 insurrection the Nicaraguan people elected us with their blood.

Guerrilla commander Rene Nunez made the statement as he officially responded on behalf of the FSLN to the demands made by the Nicaraguan Democratic Movement (MDN) which on Sunday asked for the setting of a date to hold the elections.

Nunez said the organizer of the MDN, Alfonso Robelo, member of the government junta, still has time to think it over and correct the position he has assumed because it may significantly affect the unity of the revolution.

However, Commander Nunez just smiled and refused to make a direct comment when asked if it is possible that the FSLN will pressure Robelo to resign from the government junta if he continues with his political activities. We don't pressure; we just ask people to think things over, the Sandinist leader said.

It has been unofficially reported that the MDN plans to hold new rallies in the countryside and that it is receiving the support of business and industrial groups in several cities.

In its official reply to the MDN, the Sandinist Front said the party is trying to win the sympathies of several national sectors distorting the historical facts about the Sandinist revolution through a series of careless propaganda ploys.

Ortega Returns From Abroad, Notes Robelo Speeches

Managua (19 Mar.)—In Nicaragua "no one should be afraid to criticize the government," but they should not harm national unity, Comdr Daniel Ortega, member of the junta of National Reconstruction, said today.

Returning from a tour of South America, Europe and the Caribbean, the Sandinist leader today commented on the recent speeches delivered by his colleague, Alfonso Robelo, another junta member.

Robelo, who turned his Nicaraguan Democratic Movement into a political party on Sunday, has emphasized that the Sandinist revolution "should be genuinely Nicaraguan and not follow alien patterns." He also talked about freedom of religion, of expression and of the press, as well as trade union freedom. Robelo's speeches have alluded to the national literacy campaign noting that it should not be used to teach reading and writing "in order to subjugate the underprivileged."

Commander Ortega said Robelo's speeches are indicative of the freedom existing in Nicaragua. However, he warned that the freedom to criticize the government should not be misused so as not to endanger national unity or provide arguments "to international reactionaries. Criticism should be made respectfully, carefully and responsibly," the Nicaraguan leader said.

"If anybody speaks about freedom of religion, for instance," he said, "that can lead to the belief there is religious persecution in Nicaragua while the fact is we not only permit the people to have their own religious principles but we are also willing to defend them." He said the same things might be thought abroad if requests are made for trade union freedom.

He said "we have nothing against criticizing the government as long as it does not affect national unity and it is not perceived abroad that we are quibbling internally due to this criticism."

Robelo's Movement Described As "Danger to Revolution"

Managua (19 Mar.)—Carlos Nunez, commander of the Sandinist revolution, said here today the criticism and political positions outlined by government junta member Alfonso Robelo during an assembly of his party, the Nicaraguan Democratic Movement (MDN), "are a danger to the revolution."

Robelo criticized the political content of the national literacy campaign and the Sandinist orientation of the army and proclaimed that his party's political ideals include respect for religion and legitimately obtained private property, ideological pluralism, a Nicaraguan socialism which does not copy other processes, and respect for the freedoms of man, especially freedom of the press.

Commander Nunez of the National Directorate of the Sandinist National Liberation Front (FSLN) feels that Robelo's movement is "among those which seek to make conflicts more acute in order to obtain greater strength with which to hinder the participation of the masses in the revolutionary transformations being carried out within the Nicaraguan process."

In his opinion, Robelo's movement has an "eminently bourgeois" concept of freedom. "In line with this concept, the party is trying to oppose the changes begun by the revolution, on the basis of an analysis that seeks to give the same importance to the various sectors that participated in the overthrow of the dictatorship without taking into consideration the belligerent aspect of this revolution and the fact that it has taken place because it has a very important and decisive force on its side—our people," Nunez said.

With regard to the demand for an army that is "apolitical and that has the right to vote," the commander of the revolution said that "to propose to the members of the army that they be other than Sandinists is so absurd that anyone who does so would immediately be rejected."

Danilo Aguirre Solis, president of the Union of Journalists of Nicaragua (UPN), replied to Robelo's call for authentic freedom of speech. "It is true that there is no freedom of speech here for the dominant group which always used it for its own benefit. That freedom is now the right of newsmen and the people. It was won in our unyielding struggle against tyranny," Aguirre said.

Father Fernando Cardenal, national coordinator of the literacy campaign, commented on the criticism of the MDN leader by saying that "the education campaign that we will wage in Nicaragua is based on the method of the famous teacher Pablo Freire." He added that Freire describes education in the capitalist countries as "banking education, in which the student becomes a container in which is deposited such knowledge as the exploiting classes want him to have to prevent him from knowing the truth." Father Cardenal added that this manner of dominating workers and peasants "in addition to being criminal, is immoral, because it is immoral for people to be prevented from knowing what is happening around them."

WORKERS UNION DENOUNCES MDN MANEUVERS

MANAGUA RADIO SANDINO

(Communique issued by the Julio Martinez Single Workers Union in Managua—date not given)

1. The Julio Martinez Single Workers Union strongly criticizes the opportunism and demagoguery of the millionaire merchants, industrialists, farmers and cattlemen who, organized under the Nicaraguan Development Institute (INDE) and the Superior Council of Private Enterprise (COSEP), as business organizations and under the Nicaraguan Democratic Movement (MDN) as political organization, are trying to distort, neutralize and intervene in the foundations of the Sandinist people's revolution and are also promoting a revision of Sandino's ideals for the sole purpose of seizing control of the transformation process being carried out by the Sandinist National Liberation Front (FSLN).

2. We recognize only the FSLN as the vanguard and we definitely support its government programs. We also express our solidarity with all mass organizations identified and implementing the work programs established by our vanguard in an effort to have a just and equitable society.

3. We urge all workers and peasants organizations to publicly denounce the political opportunism of the millionaires, who own the country's production centers, and who are trying to maintain in our country under the same conditions of domination and exploitation of the Nicaraguan workers, so that they can keep for themselves the privileges they enjoyed during the bloody Somozist dictatorship.

No to the maneuvers of the local bourgeoisie. No to the political pretensions of the MDN.

Yes to FSLN work programs. Yes to the Sandinist literacy campaign.

Free fatherland or death.

SERGIO HERRERA SOMARRIBA,
Secretary General of the National Executive Committee of the Julio Martinez Single Workers Union.●

IN MEMORY OF ALLARD LOWENSTEIN

HON. DOUG WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 26, 1980

● Mr. WALGREN. Mr. Speaker, one of the greatest honors given to Al Lowenstein was to be appointed by President Carter to be one of our Ambassadors representing the United States at the United Nations.

Al was able to do much from that position because of the great confidence those representing the Third World had for him personally. He was even able to break the momentum of the infamous "Zionism-Racism" position taken by many of the emerging world.

But for Al, he thought so much of the Congress that, given the choice, he felt he could do more running for the House of Representatives. Therefore, he resigned from our mission to the U.N. with the following statement:

> Resigning from the Carter Administration is a tactical judgment, not a moral imperative. In appointive office, as in Congress, I have tried to follow this precept:
>
> If you can't do more about the problems you care about by being in office than you could if you were out, don't cling.
>
> Despite disagreements and disappointments, I applaud many things this Administration has done, and I'm grateful to President Carter for the chance to have worked with Andy Young and other fine men and women for the past year and a half.
>
> An administration less genuine in its desire to decrease human suffering would not have sent me and others with similar views on Human Rights visits to countries like Chile, Poland, Nicaragua and South Africa. Those trips were helpful to brave people in difficult situations, and in ordinary times it might be enough to settle for making occasional contributions in an Administration with good intentions.
>
> But the times are not ordinary. East-West, North-South, all around the globe, clouds darken, good folk falter, deadlock reigns. We despoil the planet and kid ourselves that the rational alternative to nuclear weapons is nuclear power for peace. We drift into unacceptable options in Africa, and address the disarray of democracy as if the Wizard of Oz will rescue us if only we skip on down the yellow brick road.
>
> At home we haggle and ramble, trapped in economic disquiet and political charade. California at the polls shouts the nation's frustrations in a sort of middle-class Watts, but the response is as barren as the response to the Wattses of a decade ago.
>
> Everybody is frustrated, but nobody seems to be able to figure out how to limit government without ignoring social injustice, how to pursue a more humane society without destroying the goal in the name of arriving at it. As Dorothy Parker once remarked, you can't teach old dogmas new tricks.
>
> No one seems to have noticed that almost everyone now agrees on lots of things that need to be done, and that what we ought to be seeking is ways to do them.
>
> But instead of searching for the delicate balances necessary to work through the dilemmas presented by valid competing values and difficult experience, politicians dive into old trenches and shoot tired slogans past each other, while everyone else tunes out. We worked to reform politics so everyone could participate, only to discover that nobody much wants to any more. So now we must deal with the problem connected to so many others—the problem of how to revive enthusiasm and excite energies.
>
> I cannot do much about that problem either—the problem connected to so many others—if I too get stuck in the cotton candy.●

TWELVE-POINT PROGRAM TO CURE INFLATION

HON. OLYMPIA J. SNOWE

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 26, 1980

● Mrs. SNOWE. Mr. Speaker, it is obvious that inflation is the No. 1 problem facing this country today. In that regard, I woud like to draw my colleagues' attention to the incisive comments of my constituent, Mr. John R. Brown of Hancock, Maine. In response to my recent questionnaire, Mr. Brown delineated a 12-point program to cure inflation. Mr. Brown, a 10-year veteran of Wall Street, is certainly well qualified to comment on the issue. He is the business specialist for the University of Maine's Project on Balanced Growth in Maine; and past president of Brown Dynamics, Inc., corporate finance consultants. In 1976, he brought the Joint Mideast-American Business Conference to Maine. Mr. Brown's comments appeared in a recent edition of the Bangor Daily News.

The article follows:

[From the Bangor Daily News, Mar. 13, 1980]

Businessman Lists 12 Steps To Cure Inflation

(By John R. Brown Jr.)

DEAR MS. SNOWE: Let's face it. The central issue is inflation, in a country ravaged by runaway inflation all other issues are logically pre-empted until this problem is solved.

Sadly, it is clear that we cannot look to our president, whose leadership qualities are limited to political maneuvering, for direction. Tragically, it is likely that he will exacerbate the situation by yielding to panicky cries for mandatory controls—hoping that the distortions won't emerge until after the election. Then this kettle superheated by inflationary fires kindled by budget deficits will really blow its lid.

To begin with, everyone should understand what causes inflation. It is NOT caused by a shortage of oil. Or by the high price of oil. To be sure the precipitous rise in the cost of oil has contributed, but only to the extent of 2.2 percent of the 20 percent inflation rate we are enduring today. We should keep in mind, when we are tempted to blame OPEC for our condition, that Germany, with an inflation rate of only 5 percent imports all of its oil. So, too, with Japan. Indeed, the high cost of oil is beneficial to the country and likely to stabilize if and when the basic causes of inflation are brought under control.

To explain: the cutback in Iranian production and the possibility of cutbacks by other OPEC members has recently, for the first time, raised questions about whether oil would be available at any price in the future. This has caused buyers to obtain and hold far larger inventories than ever before. In 1979 the world consumed less oil than in 1978. Yet oil production for the year was up, and we still have an extremely tight market.

The reason, of course, is that people have been hurriedly building up big inventories because they expect even higher prices in the future. In turn, this build up has led to higher prices. This has had a pronounced effect on the financial markets due to the extra working capital required to carry these big inventories. Currently there is about six billion barrels of oil being held in inventory in the non-Communist world. It has taken an estimated increase of $60 billion to $70 billion in working capital to finance these idle barrels.

The money to finance those inventories has come from two sources: one is inflation; the other is credit, which has been made available by reducing the credit to other sectors of the economy like housing and consumer durables. This squeezing-out process is reducing economic activity throughout the world. This derivative business slowdown will reduce oil consumption, and high oil prices will stimulate efforts to conserve fuel and find supplemental energy.

All of this suggests that we could soon have a glut of oil that would cause today's high inventories to unwind and oil prices to level off or decline in 1980. This would naturally have a very positive effect on interest rates, inflation and stock prices.

So much for oil and oil prices. What, then, causes inflation? Government is the source of inflation. The shortfall in investment is the main source of the nation's economic difficulties. There is currently a tremendous backlog of demand for capital projects, a huge amount of unmet needs for the kind of investment that creates real wealth.

But the government is siphoning off over 7 percent of the capital which might be available, and federal spending has diverted money from investment to consumption. Government policies have discouraged personal savings and thus retarded capital formation. Regulation has shifted capital from productive, job-creating investments and into activities that create no new wealth.

Now, the term "government" is too broad, pandemic and indefinite if we are to point the finger specifically at those who are both responsible for inflation and in a position to provide a remedy. The Congress of the United States enacted into law the creation of all of the programs, services, regulatory bodies and endless other entities that have collectively caused inflation.

It is axiomatic that the first commandment of Congress is, "Get re-elected". To accomplish this the individual representative perceives (incorrectly, I believe) that his (or her) image must be that of the "gift-giver" to his (or her) constituents. Consequently, the Congress offers services and programs "demanded" by the public. The cost of the programs exceed tax receipts; so Congress asks the Treasury to issue Treasury bonds. The public buys some, but not all of the bonds, and the Federal Reserve facilitates the purchase of the remaining bonds by printing "new money".

The Congress thus wins the support of special interests by funding their programs without having to increase taxes. As the process is repeated over and over, and the old programs grow and grow, and more and more new money is injected into the economy without any real output of goods and services, we find too many dollars chasing too few goods—which is what inflation is.

Once inflation gains momentum and begins to accelerate it begins to feed on itself. Since inflation heightens the risks of investment and leads to extreme uncertainty, business decision-makers have no confidence that today's investment can pay off in the future. They have no sound means of estimating the cost of a long-term project, no way of knowing whether profits will cover that cost. So they delay or abandon projects.

The public is buying gold, art, antiques and other tangibles because it has no confidence in the value of our money. Which is to say they have no confidence in our government since money has no intrinsic value beyond belief in the government anyway. The public is ready for some fairly radical steps.

If we understand that the broad mass of Americans are thoroughly fed up with regulations, budget-busting and inflation; if we realize that these three forces are impeding investment necessary to restore economic stability; that there are no "quick fixes", then we are conscious of the need for a grand strategy, a coordinated series of actions based on common sense for the common good. We need only courageous political leadership to tackle the special interests head-on.

Public esteem for members of Congress is only a notch or so above members of the Mafia. I understand that there is a movement afoot to immortalize on the endangered species list the congressman who refused a bribe. We have already pointed out that we cannot count upon for steadfast guidance a man who only last week so cynically politicized a United Nations resolution that he embarrassed us before the whole world.

And so it is with a desperate, forlorn wish that we must entrust our hopes of economic salvation to the members of the U.S. Congress. Surely, we tell ourselves, there are some among that body who would gamble their chances of reelection for the good of the nation.

If that is so, then a cadre of dedicated members, following the accompanying battle plan, and recruiting support as the rationale became manifest, could rescue us from our economic illness, end inflation and preserve our economic freedom—without which there is no freedom. Not before Election Day, perhaps. But, who knows? Once the thrust and drive and intent were clear the trend could easily reverse itself before the actual cure was applied. A form of psychosomatic healing.

The following actions by the Congress, not necessarily in order of importance, will accomplish the desired results.

1. Pass the Federal Spending Limit Amendment. As the growth of federal spending drops, the need for government borrowing will decline, freeing up capital for private investment.

2. Index income taxes. As now structured, inflation-generated increases in incomes simply move the taxpayer into a higher bracket. The only beneficiary is the government.

3. Reduce Social Security benefits. Now. It will have to be done eventually. By doing it now the advantages are more pronounced and less painful in the long run.

4. Place a limit on the long-term increase in federal subsidies, government benefits and budget transfer payments to the size of the real increase in economic growth.

5. Sharply reduce grants to the states. Most of them are running surpluses and do not need the large payments.

6. Repeal the minimum wage laws. Minimum wage laws serve to price the marginal worker out of a job. Minimum wage codes instituted in 1934 immediately forced 500,000 blacks onto relief. They hurt most the very people they are designed to "protect". Repeal will put thousands of unemployed to work, increasing national production and reducing the costs of welfare.

7. Put a permanent 4 percent-6 percent limit on the annual growth of the money supply. This is noninflationary.

8. Relax, with a view toward eventual removal, limits on the interest that banks and other savings institutions can pay—and eliminate all taxes on that interest. This will provide incentive to poor and middle-income savers.

9. Eliminate the double taxation on stock dividends. This will pull large sums back into the stock market, including foreign capital, to finance new enterprises and modernize others.

10. Eliminate capital gains taxes. No one benefits from capital gains taxes except government and Big Businesses. Six million small investors have dropped out of the capital markets since capital gains taxes were doubled in 1969. German, Japanese and other governments reward risk-taking and economic innovation by imposing no capital gains taxes, while we have the most punishing capital gains rates anywhere in the world. When punishing capital gains taxes deprive small business of their equity capital, the effect is to stifle innovation and smother enterprise.

11. Force the Census Bureau to include in-kind services and other transfer payments when determining income. The biggest welfare fraud of them all is committed each year by the U.S. Census Bureau, which persists in churning out estimates of a huge poverty population.

As far as the Census Bureau is concerned, transfer payments don't count. It counts only cash income. The census doesn't even count food stamps, which in fact circulate as cash. This is especially convenient for that brand of liberals who want not a poverty cure but a poverty issue. The war on poverty has been won. This victory has been a well-kept secret, about the only one our government has been able to keep these past few years.

There is no longer any justification for transfer payments growing faster than the rate of inflation. Until that is understood, there is no hope of bringing federal spending under control.

12. Selectively and effectively reduce regulations, beginning with those which retard the switch to coal and the expansion of nuclear power. If the agencies won't respond, enact legislation that will eliminate the agency.

As Simon points out, the evidence is clear that the regulatory process has run amok, reaching far beyond legitimate concern over such values as health, safety and protection of the environment. Most existing regulation is so irrational that it should be wiped out by law, along with the bureaucracies that have spawned it.

There, Ms. Snowe, is an even dozen. Not all that could be done. But enough to do the job.●

OMB HAS NO EVIDENCE TO BACK DRAFT REGISTRATION?

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 26, 1980

● Mrs. SCHROEDER. Mr. Speaker, the central recommendation in President Carter's February 11, 1980, report to Congress, the Presidential plan for selective service reform, is peacetime—premobilization—draft registration. However, the administration has been unwilling or unable to bring forth any evidence to support that recommendation.

On February 9, 1980, I filed a Freedom of Information Act request with the Office of Management and Budget, which coordinated the preparation of the report, requesting copies of the studies and reports used in preparing the final report to Congress. However, all of the documents provided to me as a result of that request indicate peacetime draft registration is unnecessary.

As a result, I have filed an appeal of OMB's denial of pertinent documents supporting the President's recommendation. I am also offering OMB an alternative: they can admit that no such documents exist.

The reply and appeal follow:

Office of Management and Budget,
Washington, D.C., March 12, 1980.

Hon. Patricia Schroeder,
U.S. House of Representatives,
Washington, D.C.

Dear Congresswoman Schroeder: This letter is in response to your request of February 9, 1980 under the Freedom of Information Act, 5 U.S.C. 552, received in this office February 12, 1980, for "documents, reports, memoranda, letters, issue papers, Steering Committee schedules, Steering Committee minutes, Designs for each of the ten issues, drafts of recommendations, and similar materials relating to the preparation of the President's Plan for Selective Service Reform."

By letter dated February 27, 1980, we extended, pursuant to the provisions of 5 U.S.C. 552(a)(6)(B), for ten days the period in which to respond to your request.

We have completed our review of the documents you requested, and will make many of these documents available to you. Since there are a large number of these documents, we have made arrangements for you to review them to select those which you want copied. You may contact William F. W. Jones (395-3727) regarding specific arrangements for reviewing these documents.

As you undoubtedly recognize, however, since your request concerns documents used in preparing recommendations to the President and his principal advisers and assistants in responding to a requirement imposed upon him by statute, there are a number of documents which consist of sensitive and confidential advice, opinions and recommendations to the President and other officials of the Executive branch, the disclosure of which would inhibit the frank and candid expression and exchange of views which are necessary to carry out, in this instance, a statutory requirement. This material is the type of material for which Congress has provided an exemption from mandatory release pursuant to 5 U.S.C. 552(b)(5). We have determined not to release these materials. We are willing to discuss with you the general nature of these documents.

This is my personal decision, which may be appealed in accordance with OMB regulations, 5 C.F.R. 1303, a copy of which is attached.

Sincerely,

Linda L. Smith,
Assistant to the Director
for Administration.

Enclosure.

—

House of Representatives,
Washington, D.C., March 26, 1980.

Hon. James T. McIntyre, Jr.,
Director, Office of Management and Budget,
Washington, D.C.

Dear Mr. McIntyre: This is in reference to the March 12, 1980, letter from the OMB Assistant to the Director for Administration, in response to my February 9, 1980, Freedom of Information Act request for documents pertaining to the Presidential Plan for Selective Service Reform, submitted to Congress February 11, 1980.

I wish to appeal the denial of the following documents and categories of documents:

(1) The OMB final draft report on national civilian service.

(2) Any and all documents that provide a basis for the President's recommendation to Congress for peacetime (pre-mobilization) registration.

The documents released to date by OMB indicate no link between the studies and reports accomplished in preparation of the President's February 11, 1980, report to Congress and the recommendation for peacetime registration contained in that report.

Last September the House voted 252 to 163 to reject peacetime registration and to request the President to make a report on Selective Service and military manpower issues. It would behoove the administration to provide Congress with some evidence to support the central recommendation in the report.

If no documents exist that substantiate the President's recommendation for peacetime registration, I would like a statement to that effect.

Finally, I would like an itemized list of the number and titles of any and all documents that are denied to me pursuant to my February 9, 1980, request and to this appeal.

Sincerely,

Pat Schroeder,
Congresswoman.●

WYDLER CALLS FOR EMERGENCY RESPONSE PLANNING

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 26, 1980

● Mr. WYDLER. Mr. Speaker, this Friday, March 28, marks the 1-year anniversary of the nuclear accident at Three Mile Island plant in Pennsylvania. Since the accident, Government and industry have been actively involved in a careful scrutiny of nuclear safety, and much progress has been made toward increasing the already wide safety margin of nuclear plants. A trend that has disturbed me, however, is the preoccupation of both the Nuclear Regulatory Commission and various levels of State and local government with the idea of emergency preparedness for evacuation around nuclear plants. I have no trouble with the concept, but the resources that have been allocated toward such evacuation plans are altogether disproportionate to the comparative risks of this technology.

Tomorrow I shall introduce a bill called "The Emergency Evacuation Act of 1980" which places a priority on emergency response planning in the case of civilian nuclear attack. The plans which would be developed for this contingency would then be used as models for emergency preparedness in response to all sorts of civilian accidents and/or natural disasters. The Federal Emergency Management Agency (FEMA) would be given primary responsibility for developing these plans and would allocate its resources according to the comparative risk involved in various commercial and industrial activities or technologies.

This bill is the third in a series of four nuclear bills which I shall introduce in the 96th Congress.

I hope that this bill will go a long way toward placing the real needs for Government planning in this area in proper perspective. At the same time the Government should take this opportunity to educate the public on the fact that dam breaks, for instance, are much more of a threat than any catastrophic nuclear accident.

Text of the bill follows:

H.R.—

A bill to authorize and direct the Director of the Federal Emergency Management Agency to develop emergency evacuation plans for highly-populated areas of the United States for use in the event of a nuclear attack and to use such plans as a model to the extent practicable in the development of supplemental emergency evacuation plans for use in the event of accidents at civilian nuclear power plants or other non-military disasters or accidents which threaten U.S. civilian populations and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act shall be referred to as the Emergency Evacuation Act of 1980.

FINDINGS AND PURPOSES

SEC. 2.

(a) The Congress finds that:

(1) there is 100 percent certainty that nuclear attack on military targets in or around major U.S. population centers would result in a huge number of civilian fatalities;

(2) the number of fatalities from a typical nuclear weapon would be far greater than the number of fatalities from any civilian disaster which has even a remote likelihood of occurring;

(3) given the human factors involved, it is impossible to compare the likelihood of nuclear attack with the likelihood of a major civilian accident. However, far fewer people have died in all civilian major disasters in the country than died as a result of explosions of nuclear devices during World War II;

(4) all energy technologies involve some risk to human life, either through catastrophic accident or impacts on worker health and safety;

(5) some, such as nuclear reactor accidents, however, have never resulted in the death of a member of the general public;

(6) manufacturing facilities and transportation systems for certain types of fuels, explosives, and hazardous materials have been involved in several accidents whereby multiple deaths have occurred and under circumstances where implemented evacuation plans have or could have resulted in a reduction in the number of lives lost as a result of the accident;

(7) the present overemphasis on serious civilian nuclear accidents in emergency response planning at federal, state and local levels results in a misallocation of scarce resources away from the more probable industrial accidents and natural disasters;

(8) because of the similarity of the threat from radioactive byproducts of a serious nuclear accident to those of a nuclear attack, emergency preparedness plans for nuclear attack are more likely to be directly applicable in response to a serious accident at a nuclear power plant than to other civilian accidents and natural disasters although the occurrence of the latter events are much more probable than the occurrence of such a nuclear accident;

(9) federal resources dedicated to emergency planning should be primarily devoted to emergency preparedness for nuclear attack on major targets in heavily populated areas since the potential loss of life from such an occurrence far exceeds that of all other probable disasters; and

(10) the remaining federal resources should be dedicated to emergency preparedness for disasters at those facilities and on those transportation systems which fall into a category where multiple loss of life has occurred in the past, which do not duplicate the emergency preparedness for nuclear attack by other agencies, and where emergency preparedness is likely to contribute to the saving of lives in the event of a disaster.

(b) Therefore, it is the purpose of this legislation:

(1) to redirect emergency preparedness activities of the Federal Emergency Management Agency (FEMA) so that highest priority is given to emergency response following nuclear attack in highly populated areas of the country;

(2) after studying the history of civilian disasters in the U.S. and comparative risk literature, to devote the remaining FEMA emergency preparedness resources to emergency evacuation plans in response to accidents at facilities and on transportation systems where the highest likelihood exists for saving multiple numbers of lives through emergency response to a disaster; and

(3) to assure optimum allocation of resources for emergency preparedness by placing primary responsibility for them in FEMA and by, to the maximum extent practicable, adopting plans for civilian nuclear attack as model plans which can be implemented by state, local, and federal governments for responding to serious nuclear power plant accidents as well as other civilian disasters.

(4)(a) the Director shall have lead responsibility for planning related to emergency evacuation of civilians in the event of a serious accident at a civilian nuclear power plant;

(b) the Director in consultation with appropriate federal, state, and local officials is directed to examine nuclear attack preparedness plans under Section 3 to determine their applicability in the event of a serious nuclear power plant accident at or near likely targets of nuclear attack. He is further directed to make necessary modifications if he determines that the cost of these modifications to such plans is reasonable.

NUCLEAR ATTACK EVACUATION PLANS

SEC. 3. The Director of the Federal Emergency Management Agency (hereinafter referred to as the "Director") is authorized and directed to develop nuclear attack preparedness plans for the evacuation of civilian population centers which, in his opinion, would likely be the targets or are situated near likely targets of a nuclear attack. These plans shall be developed in coordination with appropriate state and local authorities and shall cover the following:

(1) the timely warning of appropriate federal, state, and local authorities and the civilian population;

(2) coordination of emergency assistance to state and local governments in the post-attack period;

(3) development of detailed evacuation plans, including plans for necessary housing, medical supplies and assistance, food, and clothing for evacuees, and the designation of evacuation routes from major population centers;

(4) plans for advance instruction of the civil population that may have to be evacuated concerning the details of the emergency plan and how they are to respond in the event of such an emergency; and

(5) the extent to which the nuclear attack preparedness plan can be used to prepare for response to serious civilian nuclear power plant accidents and other serious accidents and natural disasters which may occur within the geographical area covered by the evacuation plan.

EVACUATION PLANS FOR SERIOUS CIVILIAN NUCLEAR ACCIDENTS AND OTHER SERIOUS CIVILIAN DISASTERS

SEC. 4. (b) The Director is authorized to develop plans, in consultation with appropriate federal, state, and local authorities, for the emergency evacuation of civilians in the event of other serious accidents and natural disasters in the United States, such as accidents at energy production, processing, and storage facilities including nuclear facilities not covered under (b); industrial accidents involving hazardous chemical substances or explosives; major storms, earthquakes, and other acts of nature; dam failures; or accidents involving energy and hazardous material transportation systems.

(d) The Director shall:

(1) review state and local emergency plans and determine whether they are adequate and suitable for implementation;

(2) initiate emergency preparedness training of state and local officials; and

(3) develop and issue a series of interagency assignments for emergency planning and response.

RISK ASSESSMENT

SEC. 5. The Director shall conduct a detailed study to ascertain the probability of serious accidents occurring with respect to activities at commercial and industrial facilities including those used for the production, handling, or storage of energy from fossil, nuclear or renewable sources, or hazardous materials and referred to in Section 4(b), and rank categories of facilities according to the annual probability of serious accidents occurring at each such category of facilities, which in the absence of the implementation of emergency preparedness measures involve a significant chance of multiple loss of life and where implementation of emergency plans is likely to save a significant number of those lives.

SEC. 6. The Director shall also conduct a detailed study to ascertain the probability of serious accidents occurring which involve energy and hazardous materials transportation systems or acts of nature resulting in a natural disaster, according to the annual probability of occurrence at such time and in such location which in the absence of the implementation of emergency preparedness measures involve a significant chance of multiple loss of life and where implementation of emergency plans can significantly reduce the possibility of multiple loss of life.

REPORTS TO CONGRESS

SEC. 7. Six months after the date of enactment of this Act and at annual intervals thereafter, the Director shall transmit to each House of Congress a report containing:

(1) the ranking of categories of commercial or industrial facilities and of categories of transportation systems, according to the probability of multiple loss of life during a one-year period as the result of serious accidents occurring at each such category;

(2) a list of the number of deaths occurring, by category of facility, and by category of transportation system, and natural disaster during the twelve-month period covered by the report as the result of serious accidents occurring at each such category; and

(3) a detailed plan setting forth the manner in which the Federal Emergency Management Agency will allocate its resources, primarily with respect to the emergency evacuation of civilians following nuclear attack, and secondarily to application of nuclear attack emergency plans to respond to high ranking accidents and disasters under Sections 7(1) and 7(2), and supplemental emergency response plans for high ranking accidents and disasters under Sections 7(1) and 7(2) which occur outside areas covered by nuclear attack planning.

REGULATIONS

SEC. 8. The Director shall prescribe such regulations as are necessary to carry out the provisions of this Act.●

FIGHTING INFLATION WITH POPULAR SYMBOLS

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 26, 1980

● Mr. CONYERS. Mr. Speaker, 1980 is not just another Presidential election year. It also is shaping up as a year of acute economic crisis, in which economic decisions, regardless of the merits, become instruments for salvaging or building political careers.

Not surprisingly, this year candidates are embracing all kinds of economic remedies that appeal to public indignation toward Government, but that are unlikely to have any impact on solving inflation. In the process they are parceling out the burden for their decisions, such as balancing the Federal budget, to those groups least responsible for the economic mess, while rewarding others who ought to shoulder the blame, but who have the most political clout.

The current congressional frenzy to slash domestic programs and balance the budget is a good illustration of the political maneuvering that masquerades for serious anti-inflation policy. A balanced budget is a political symbol, plain and simple, that relates to anti-Government and tax revolt sentiment—and may take the heat off elected officials with angry constituents—but has no demonstrable connection with bringing down the inflation rate.

As a matter of fact, the earnest arguments that are heard everywhere that Government spending is the major cause of inflation are directly contradicted by the historical record and by current experience. For example, the biggest recent Federal deficits occurred in 1975 and 1976, a total of $111.6 billion in deficits, yet during this period the inflation rate was brought down from a double-digit level to 4.8 percent. On the other hand, the last time in which the Federal budget was in balance or showed a sustained surplus was the whole decade of the 1920's, right up to the Great Depression.

Even the most ardent advocates of a balanced budget now concede its impact on inflation is psychological. The Congressional Budget Office recently estimated that a balanced budget, at best, might reduce the inflation rate increase by two-tenths of 1 percent, and even that would occur over an 18-month period or so. If a balanced budget won't lessen inflation, it most likely will lead to even higher unemployment and a substantial recession. Advocacy of a Federal budget balanced on the back of domestic programs, coupled with a tight money policy, is, in reality, a smokescreen for engineering another massive recession, such as occurred in the mid-1970's. The irony is that another massive recession would lead to increased Federal spending for the unemployed and economically distressed communities which, in turn, would bring about a new round of deficits.

One thing should be clear about a balanced budget and tight money strategy: Neither solves, and both will only aggravate, the overwhelming problems of cities already on the brink of bankruptcy, public school systems closed down for lack of funds, the gross maldistribution of income in the Nation, and declining industries and regions that may lose any chance they now have of reviving.

The major factors behind inflation today—some estimates range as high as three-quarters of it—consist of the cost of imported and decontrolled domestic oil and the unprecedented interest rates. How a balanced budget and even tighter money would allay these factors is not readily apparent.

The contradictions in the proposed policies to fight inflation should lead us to separate out the myths from the realities, the symbols from the substance. To this end, I recommend to my colleagues a commentary by Clayton Fritchey, "Deflating the Dream," that appeared in the Washington Post on March 7, 1980. Fritchey, a veteran Washington reporter, offers us the benefit of experience and cautions us that a balanced budget plus a recession plus a failure to address head on the energy crisis is a recipe for even greater economic and social disaster.

The commentary referred to follows:

DEFLATING THE DREAM

Gunter Schmolders, the West German economist who made an unusual economic study of the decade between 1963 and 1973, discovered that of 40 countries whose inflation reached 15 percent in that period, 38 "abolished their democratic institutions in one way or another."

Today, in the United States, the inflation rate is already over 18 percent, and still climbing. Nevertheless, the Carter administration continues to dwell in a dream world when it comes to inflation and how to cope with it.

Listening to Jimmy Carter on this subject is like hearing a replay of Herbert Hoover's reassurances during the Great Depression that "prosperity is just around the corner." This time a year ago, Carter told America that his anti-inflation program was "beginning to take hold." Last October, calling for "a little patience," he predicted that both interest and inflation rates would go down before the end of 1979.

Although both rates have since shot up to record highs, the administration keeps making soothing statements. Only a few days ago, the secretary of the Treasury, William Miller, sent a telegram to the top executives of the nation's 500 largest corporations. It said that the Council on Wage and Price Stability "will intensify its monitoring activities to make certain that both the price and wage standards continue to be effective."

The operative word is "continue," which must have convulsed the executives in view of the latest inflation headlines, such as: "Major Banks Raise Prime Rates to 17.25 Percent." "Administration Seeks $58 Billion Boost in Debt Ceiling." "Dollar Plunges Against Japanese Yen."

The White House talks about cutting expenditures by $15 billion and aiming at balancing the budget, not this year, of course, but in 1981. At most, that would reduce inflation by two-tenths of 1 percent. It's like combating a raging four-alarm blaze with proposals for long-range, minor improvements in the fire department.

Both Carter and Congress seem susceptible to panaceas that are more likely to inflame inflation than douse it. The president puts nearly all of the blame for inflation on the increase of oil prices, yet his decision to decontrol domestic oil is responsible for much of the recent runaway cost of gasoline. In fact, the price of decontrolled oil has been rising even faster than the price of imported oil.

Congress, like Carter, preaches but does not practice a balanced federal budget, one reason being that it knows the total government budget (federal, state, municipal) is already in balance. The federal budget appears to be in deficit not because of federal spending, but because Washington gives the states and cities over $80 billion a year in handouts of one kind or another, some of it called "revenue sharing." If it weren't for that, the federal budget would already be in surplus.

Despite this, the president and Congress condemn deficit financing as if it were the principal source of inflation. There is little recent evidence, however, to support this notion.

In Gerald Ford's last two years in the White House, the federal deficit was $45.2 billion in 1975 and $66.4 billion (the all-time record) in 1976, for a total of $111.6 billion. Yet when Ford left office, the inflation rate had dropped to around 4.8 percent. Under the Carter administration, the deficit was $30.3 billion in 1979 and is projected at $33.2 billion for 1980, for a total of $63.5 billion, or $48.1 billion less than under Ford. Nonetheless, the inflation rate under Carter has more than tripled.

Another way of assessing deficits, and their whimsical effect on inflation, is to compare them with the gross national product—output of goods and services. On this basis, Carter's four-year deficit total is equal to 1.8 percent of the GNP, just half of Ford's 3.6 percent, but look at the respective inflation rates.

More and more conservative economists are coming to believe that, at this advanced stage of inflation, only wage and price controls will enable the government to zero in on the worst price offenders—energy, food, housing and medical care. Higher inflation in the basic necessities is what cries for relief.

Not long ago, President Carter said, "Whatever it takes to control inflation, that's what I will do." Whatever it takes, that is, except embracing the kind of controls Ted Kennedy is now campaigning for.●

HONORING BERT BOECKMANN

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 26, 1980

● Mr. DORNAN. Mr. Speaker, on Friday evening, March 28, the Los Angeles County Chapter of the March of Dimes will be honoring H. R. "Bert" Boeckmann II with its coveted Humanitarian Award at a dinner dance at the Sportman's Lodge in Studio City, Calif. I will be unable to join my distinguished colleagues Mr. CORMAN and Mr. GOLDWATER at the dinner, so I would like to take this opportunity to honor Mr. Boeckmann before this distinguished body.

Bert Boeckmann is the owner and president of Galpin Ford in Sepulveda, Calif. Bert built the dealership from a 1-acre lot into an innovative 13 acre complex employing more than 250 people. Galpin Ford Square represents a modern advance in industrial development, offering employees their own restaurant, shuttle bus service, and other innovations developed by Bert himself. Many of his concepts on plant management have been adopted by car dealerships all over the Nation.

The popular surfer van, seen today on every road in the country, made its initial debut as a Galpinized special in the late 1960's. Bert has always demanded products of the highest quality for his customers, a factor which led to his founding the Establishment Motor Home Co. in 1971. Today, Establishment is one of the top companies in the field of recreational vehicles.

Being so intimately involved in the sales and servicing of automotive products, Bert is keenly aware of the problems we face on the energy front. In response to the threats we face as a result of an increasing dependence on foreign oil, Bert formed a partnership with Chuck Stone, former director of the California State Legislature's synthetic fuels program, to develop Future Fuels of America, a company which converts vehicles to run on 100 percent synthetic fuel. Future Fuels of America also manufactures their own synfuel, Methanox X.

Last month, the first truckload of synthetic powered fleet vehicles were delivered to the Bank of America regional offices in San Francisco, offering a brilliant ray of hope on the energy horizon.

In addition to his outstanding achievements in the business world, Bert has been a pillar of numerous charitable and philanthropic organizations throughout southern California. His deep commitment to helping others is powerfully illustrated in his deeds. He personally contributes most generously in time and treasure every month to programs and projects which directly affect the quality of life for the people in his community. He has been a backbone of fundraising efforts to projects benefiting churches, schools, young people, senior citizens, the ill, the handicapped, and the arts.

While Bert and his lovely wife Jane has been honored and feted by hundreds of groups because of their outstanding and meritorious service to the community, I wanted to express my own personal admiration for the example they have set. I offer my colleagues this brief commendation as a reminder of the tremendous impact one man can have, especially when backed by a talented and supportive wife.

Well done, Bert and Jane. Los Angeles County is lucky indeed to have you.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an interim procedure until the computerization of this information becomes operational, the Office of the Senate Daily Digest will prepare this information for printing in the Extension of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, March 27, 1980, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MARCH 28

8:00 a.m.

Armed Services

Research and Development Subcommittee

To continue closed hearings on S. 2294, authorizing funds for fiscal year 1981 for military procurement programs of the DOD, receiving testimony on the Navy's new ships and related ship programs.

224 Russell Building

9:00 a.m.

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Smithsonian Institution.

1223 Dirksen Building

Finance

Taxation and Debt Management Generally Subcommittee

To hold hearings on miscellaneous tax proposals on capital formation for small business, recommended by the White House Conference on Small Business.

2221 Dirksen Building

*Judiciary

To hold hearings on S. 1790, 115, and 1816, bills to protect the press and other innocent third parties against unwarranted searches.

2228 Dirksen Building

9:30 a.m.

Commerce, Science, and Transportation

To hold hearings on the nomination of Reginald E. Gilliam, Jr., of Virginia, to be a Member of the Interstate Commerce Commission.

235 Russell Building

*Foreign Relations

To resume hearings on S. 2423, authorizing funds for fiscal year 1981 for foreign development and security assistance programs.

4221 Dirksen Building

Labor and Human Resources

To resume oversight hearings on the implementation of the occupational safety and health program.

4232 Dirksen Building

10:00 a.m.

Appropriations

HUD-Independent Agencies Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for the National Science Foundation, and the Office of Science and Technology Policy.

1318 Dirksen Building

Appropriations

State, Justice, Commerce, the Judiciary, and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for Economic and Statistical Analysis, Bureau of the Census, and Minority Business Development Agency, all of the Department of Commerce.

S-146, Capitol

Budget

To continue consideration of the first concurrent budget resolution setting forth recommended levels of total budget outlays, Federal revenues, and new budget authority.

6202 Dirksen Building

MARCH 31

8:00 a.m.

Armed Services

Research and Development Subcommittee

To resume closed hearings on S. 2294, authorizing funds for fiscal year 1981 for military procurement of the DOD, receiving testimony on rapid deployment force programs.

224 Russell Building

9:30 a.m.

Finance

Taxation and Debt Management Generally Subcommittee

To hold hearings on proposed legislation to extend the temporary limit on the public debt.

2221 Dirksen Building

Judiciary

To resume hearings on S. 2377, authorizing funds for fiscal year 1981 for programs administered by the Department of Justice.

2228 Dirksen Building

10:00 a.m.

Appropriations

Energy and Water Development Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for energy and water development programs.

1114 Dirksen Building

*Banking, Housing, and Urban Affairs

International Finance Subcommittee

To hold hearings on proposed authorizations for fiscal year 1981 for the international affairs programs of the Department of the Treasury; S. 2271, to increase the U.S. quota in the International Monetary Fund, and S. 1963, to control Government purchases and sales of gold.

5302 Dirksen Building

Budget

To resume consideration of the first concurrent budget resolution setting forth recommended levels of total budget outlays, Federal revenues, and new budget authority.

6202 Dirksen Building

Commerce, Science, and Transportation

Surface Transportation Subcommittee

To hold hearings on S. 1151, proposed Rail Restructuring Assistance Act.

235 Russell Building

Select on Intelligence

To resume hearings on S. 2284, proposed legislative charter governing the intelligence activities of the U.S.

6226 Dirksen Building

2:00 p.m.

Appropriations

Energy and Water Development Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for energy and water development programs.

1114 Dirksen Building

Appropriations

State, Justice, Commerce, the Judiciary, and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Chrysler Loan Guarantee Program, International Trade Administration, and certain other programs of the Department of Commerce.

S-146, Capitol

Select on Intelligence

Budget Authorizations Subcommittee

To resume closed hearings on proposed legislation authorizing funds for fiscal year 1981 for intelligence activities of the U.S.

S-407, Capitol

APRIL 1

8:00 a.m.

Appropriations

Agriculture, Rural Development and Related Agencies Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Agriculture.

S-128, Capitol

9:00 a.m.

Finance

Taxation and Debt Management Generally Subcommittee

To resume hearings on miscellaneous tax proposals on capital formation for small business, recommended by the White House Conference on Small Business.

2221 Dirksen Building

9:30 a.m.

Judiciary

Business meeting, to consider pending calendar business.

2228 Dirksen Building

10:00 a.m.

Agriculture, Nutrition, and Forestry

Nutrition Subcommittee

To hold hearings on S. 1651, proposed Department of Agriculture Nutrition Labeling and Information Act.

324 Russell Building

Appropriations

Foreign Operations Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for foreign assistance programs.

1318 Dirksen Building

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Office of Territorial Affairs.

1224 Dirksen Building

Appropriations

State, Justice, Commerce, the Judiciary and Related Agencies Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Commerce.

S-146, Capitol

Banking, Housing, and Urban Affairs

Rural Housing and Development Subcommittee

To hold hearings on proposed authorizations for rural housing programs.

5302 Dirksen Building

Budget

To continue consideration of the first concurrent budget resolution setting forth recommended levels of total budget outlays, Federal revenues, and new budget authority.

6202 Dirksen Building

Commerce, Science, and Transportation

Business meeting, to consider pending calendar business.

235 Russell Building

Energy and Natural Resources

Energy Research and Development Subcommittee

To resume hearings on S. 2332, authorizing funds for fiscal years 1981 and 1982 for civilian programs of the Department of Energy.

3110 Dirksen Building

Labor and Human Resources

To resume oversight hearings on the implementation of the occupational safety and health program.

4232 Dirksen Building

Select on Intelligence

To continue hearings on S. 2284, proposed legislative charter governing the intelligence activities of the United States.

318 Russell Building

2:00 p.m.

Appropriations

Energy and Water Development Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for energy and water development programs.

1114 Dirksen Building

APRIL 2

8:00 a.m.

Appropriations

Agriculture, Rural Development and Related Agencies Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Agriculture.

S-128, Capitol

9:00 a.m.

Finance

Taxation and Debt Management Generally Subcommittee

To resume hearings on proposed legislation to extend the temporary limit on the public debt.

2221 Dirksen Building

9:30 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To hold hearings on S. 1393, authorizing funds for fiscal years 1981 and 1982 for programs under the National Earthquake Hazards Reduction Act.

6226 Dirksen Building

Judiciary

To resume hearings on S. 2377, authorizing funds for fiscal year 1981 for programs administered by the Department of Justice.

2228 Dirksen Building

*Veterans Affairs

Business meeting, to consider S. 1188, to revise the vocational rehabilitation program administered by the Veteran's Administration.

412 Russell Building

10:00 a.m.

Appropriations

Energy and Water Development Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for energy and water development programs.

1114 Dirksen Building

*Appropriations

HUD-Independent Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the National Commission on Air Quality, the American Battle Monuments Commission, and U.S. Army cemeterial expenses.

1318 Dirksen Building

Appropriations

Interior and Related Agencies Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for the Office of Territorial Affairs.

1224 Dirksen Building

Appropriations

Transportation Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.

S-126, Capitol

Banking, Housing, and Urban Affairs

Housing and Urban Affairs Subcommittee

To resume hearings on S. 2383, authorizing funds for fiscal year 1981 for housing, community development programs, and the urban development action grant of the Department of Housing and Urban Development.

5302 Dirksen Building

Budget

To continue consideration of the first concurrent budget resolution setting forth recommended levels of total budget outlays, Federal revenues, and new budget authority.

6202 Dirksen Building

Commerce, Science, and Transportation

To hold hearings on proposed legislation authorizing funds for hazardous materials programs of the Department of Transportation.

235 Russell Building

Energy and Natural Resources

Business meeting, to consider pending calendar business.

3110 Dirksen Building

Finance

International Trade Subcommittee

To hold hearings on the protocol to the Multilateral Trade Negotiations customs valuation agreement.

2221 Dirksen Building

Labor and Human Resources

Employment, Poverty, and Migratory Labor Subcommittee

Business meeting, to markup S. 2337, authorizing funds through fiscal year 1983 for the Legal Services Corporation.

4232 Dirksen Building

Select on Small Business

To resume hearings on Title I, Research and Development Contracts, of S. 1860, proposed Small Business Innovation Act.

424 Russell Building

Select on Intelligence

To continue hearings on S. 2284, proposed legislative charter governing the intelligence activities of the U.S.

5110 Dirksen Building

1:00 p.m.

Office of Technology Assessment

The Board to hold a joint meeting with the Technology Assessment Advisory Council on pending business items.

EF-100, Capitol

2:00 p.m.

Appropriations

Energy and Water Development Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981

for energy and water development programs.
1114 Dirksen Building

*Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.
1318 Dirksen Building

Select on Intelligence
Budget Authorizations Subcommittee
To begin closed markup of proposed legislation authorizing funds for fiscal year 1981 for intelligence activities of the U.S.
S-407, Capitol

APRIL 3

9:30 a.m.
Appropriations
Agriculture, Rural Development, and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Agriculture.
S-128, Capitol

Governmental Affairs
Civil Service and General Services Subcommittee
To resume joint hearings with the House Post Office and Civil Service Subcommittee on Human Resources on proposed legislation to curb the Federal Government's use of consultants.
357 Russell Building

Judiciary
To continue hearings on S. 2377, authorizing funds for fiscal year 1981 for programs administered by the Department of Justice.
2228 Dirksen Building

Labor and Human Resources
Health and Scientific Research Subcommittee
To hold hearings on S. 500, proposed Consumer-Patient Radiation Health and Safety Act.
6226 Dirksen Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Federal Home Loan Bank Board, and the National Institute of Building Sciences.
1318 Dirksen Building

Appropriations
Interior and Related Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for certain programs of the Department of Energy.
1224 Dirksen Building

Commerce, Science, and Transportation
To hold hearings on proposed legislation authorizing funds for ocean pollution research and monitoring programs.
235 Russell Building

Energy and Natural Resources
To hold hearings on the climatic effects of carbon dioxide buildup in the atmosphere.
3110 Dirksen Building

2:00 p.m.
Judiciary
To hold hearings on pending nominations.
2228 Dirksen Building

APRIL 15

9:30 a.m.
Labor and Human Resources
To hold hearings on S. 2153, 1486, and 1572, bills to provide an exemption from OSHA regulation for certain workplaces with good safety and health records.
4232 Dirksen Building

10:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Federal Inspector for Alaska pipeline, and the Energy Information Administration of the Department of Energy.
1223 Dirksen Building

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.
1224 Dirksen Building

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Department of the Treasury.
1318 Dirksen Building

Banking, Housing, and Urban Affairs
*International Finance and Subcommittee
To hold hearings on S. 2097, proposed Joint Export Marketing Assistance Act, and on the substance of S. 2040, proposed Small Business Export Expansion Act and S. 2104, proposed Small Business Export Development Act.
5302 Dirksen Building

*Energy and Natural Resources
Energy Regulation Subcommittee
To review those items in the President's budget for fiscal year 1981 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee, receiving testimony from officials of the Federal Energy Regulatory Commission and for the Office of Hearings and Appeals.
6226 Dirksen Building

Energy and Natural Resources
Energy Resources and Materials Production Subcommittee
To hold hearings on S. 1455, authorizing the Secretary of the Interior to issue coal leases on other Federal lands in the State of New Mexico to the owner of a specified coal lease upon surrender of such lease; and S. 1529, a private relief bill.
3110 Dirksen Building

2:00 p.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.
1224 Dirksen Building

2:30 p.m.
Foreign Relations
To hold hearings on the Maritime Boundary Settlement Treaty with Canada (Exec. U, 96th Cong., 1st sess.), and the Agreement on East Coast Fishery Resources with Canada (Exec. V, 96th Cong., 1st sess.).
4221 Dirksen Building

APRIL 16

9:00 a.m.
*Veterans' Affairs
To hold hearings on the recruitment and retention of qualified health-care professionals to staff the Veterans' Administration's health-care facilities.
412 Russell Building

9:30 a.m.
Labor and Human Resources
To continue hearings on S. 2153, 1486, and 1572, bills to provide an exemption from OSHA regulation for certain workplaces with good safety and health records.
4232 Dirksen Building

Labor and Human Resources
Health and Scientific Research Subcommittee
To hold hearings on S. 1424, proposed International Health Act.
6226 Dirksen Building

10:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the National Gallery of Art, and the Commission of Fine Arts.
1223 Dirksen Building

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of the Treasury.
1318 Dirksen Building

Banking, Housing, and Urban Affairs
International Finance Subcommittee
To resume hearings on proposed authorizations for fiscal year 1981 for the international affairs programs of the Department of the Treasury S. 2271, to increase the U.S. quota in the International Monetary Fund, and S. 1963, to control Government purchases and sales of gold.
5302 Dirksen Building

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on S. 2193, authorizing funds for fiscal year 1981 for the United States Railway Association.
235 Russell Building

Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

Foreign Relations
To hold hearings on the role and accountability of the National Security Advisor.
4221 Dirksen Building

Judiciary
To resume hearings on S. 2377, authorizing funds for fiscal year 1981 for programs administered by the Department of Justice.
357 Russell Building

Select on Intelligence
To begin closed markup of proposed legislation authorizing funds for fiscal year 1981 for intelligence activities of the U.S.
S-407, Capitol

2:00 p.m.

Appropriations

Military Construction Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.

1224 Dirksen Building

APRIL 17

9:30 a.m.

Commerce, Science, and Transportation

Science Technology, and Space Subcommittee

To hold hearings on S. 1391, authorizing funds for fiscal years 1981 and 1982 for the National Climate Program.

235 Russell Building

Labor and Human Resources

To continue hearings on S. 2153, 1486, and 1572, bills to provide an exemption from OSHA regulation for certain workplaces with good safety and health records.

4232 Dirksen Building

*Labor and Human Resources

Child and Human Development Subcommittee

To hold oversight hearings on the development of children who benefit from adoption by facilitating their placement in adoptive homes.

457 Russell Building

10:00 a.m.

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Forest Service, Department of Agriculture.

1223 Dirksen Building

Appropriations

Transportation Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.

1224 Dirksen Building

Appropriations

Treasury, Postal Service, and General Government Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of the Treasury.

1114 Dirksen Building

Energy and Natural Resources

Parks, Recreation and Renewable Resources Subcommittee

To hold hearings on S. 1842, proposed National Heritage Policy Act.

3110 Dirksen Building

Foreign Relations

To continue hearings on the role and accountability of the National Security Advisor.

4221 Dirksen Building

Select on Indian Affairs

To hold hearings on H.R. 2102, to modify the law regulating the devise or descent of interests in trust or restricted property on the Standing Rock Sioux Reservation in North and South Dakota.

357 Russell Building

2:00 p.m.

Appropriations

Military Construction Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.

1318 Dirksen Building

Appropriations

Treasury, Postal Service, and General Government Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of the Treasury.

S-146, Capitol

2:30 p.m.

Foreign Relations

To resume hearings on the Maritime Boundary Settlement Treaty with Canada (Exec. U, 96th Cong., 1st sess.), and the Agreement on East Coast Fishery Resources with Canada (Exec. V, 96th Cong., 1st sess.).

4221 Dirksen Building

APRIL 18

10:00 a.m.

Appropriations

HUD-Independent Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Federal Emergency Management Agency.

1318 Dirksen Building

2:00 p.m.

Appropriations

Military Construction Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.

1223 Dirksen Building

APRIL 21

10:00 a.m.

Judiciary

To resume hearings on S. 2377, authorizing funds for fiscal year 1981 for programs administered by the Department of Justice.

2228 Dirksen Building

Select on Indian Affairs

To hold hearings on proposed legislation authorizing funds for fiscal year 1981 for the Indian Health Care Improvement Act.

1202 Dirksen Building

2:00 p.m.

Finance

Social Security Subcommittee

To hold hearings on H.R. 5295, S. 248, 1287, 1418, 1498, 1554, 2034, 2083, and 2208, bills to correct certain problems with the social security earnings limitation as a result of the enactment of the Social Security Amendments of 1977 (Public Law 95-216), eliminating the monthly earnings test.

2221 Dirksen Building

APRIL 22

9:30 a.m.

*Energy and Natural Resources

To resume hearings to assess the political, military, economic, and social factors affecting world oil production and consumption over the next decade.

3110 Dirksen Building

10:00 a.m.

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Economic Regulatory Administration, Department of Energy

1223 Dirksen Building

Appropriations

Treasury, Postal Service, and General Government Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of the Treasury, and on the U.S. Postal Service.

1318 Dirksen Building

Select on Indian Affairs

To continue hearings on proposed legislation authorizing funds for fiscal year 1981 for the Indian Health Care Improvement Act.

5110 Dirksen Building

2:00 p.m.

Appropriations

Military Construction Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for military construction of DOD.

1224 Dirksen Building

Appropriations

Treasury, Postal Service, and General Government Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of the Treasury.

S-146, Capitol

APRIL 23

9:30 a.m.

Veterans' Affairs

To hold oversight hearings to examine the need for a central data monitoring service in V.A. hospitals for veterans with surgically implanted pacemakers.

412 Russell Building

10:00 a.m.

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the National Endowment for the Arts.

1223 Dirksen Building

Appropriations

Treasury, Postal Service, and General Government Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Executive Office of the President.

1318 Dirksen Building

Commerce, Science, and Transportation

To hold hearings on proposed legislation authorizing funds for fiscal year 1981 for the U.S. Coast Guard.

235 Russell Building

Rules and Administration

To receive testimony on Senate Resolution 207, to create a Select Committee on Narcotics Abuse and Control; and to consider other legislative and administrative business.

301 Russell Building

2:00 p.m.

Appropriations

Military Construction Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.

1224 Dirksen Building

APRIL 24

10:00 a.m.

Appropriations

HUD-Independent Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the National Aeronautics and Space Administration.

1318 Dirksen Building

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Bureau of Land Management.

1223 Dirksen Building

Appropriations

Treasury, Postal Service, and General Government Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for the Executive Office of the President.

1114 Dirksen Building

2:00 p.m.
Appropriations
Military Construction Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.
1224 Dirksen Building

APRIL 25

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the National Aeronautics and Space Administration.
1318 Dirksen Building

APRIL 28

9:30 a.m.
*Judiciary
To resume hearings on S. 2377, authorizing funds for fiscal year 1981 for programs administered by the Department of Justice.
2228 Dirksen Building

10:00 a.m.
*Energy and Natural Resources
Energy Regulation Subcommittee
To review those items in the President's budget for fiscal year 1981 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee, receiving testimony from officials of the Economic Regulatory Administration, the Energy Information Administration, and the Assistant Secretary for Conservation and Solar Applications, all of the DOE.
3110 Dirksen Building

APRIL 29

10:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal years 1981 for the Heritage Conservation and Recreation Service.
1224 Dirksen Building

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Office of Personnel Management, Merit Systems Protection Board, Federal Labor Relations Authority, U.S. Tax Court, and President's Commission on Pension Policy.
1318 Dirksen Building

2:00 p.m.
Appropriations
Military Construction Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.
1223 Dirksen Building

APRIL 30

9:30 a.m.
*Veterans' Affairs
Business meeting, to consider proposed legislation on the recruitment and retention of qualified health-care professionals to staff the Veterans' Administration health-care facilities, S. 759, to provide for the right of the United States to recover their costs of hospital, nursing home, or outpatient medical care furnished by the Veterans' Administration to veterans for non-service-connected disabilities to the extent that they have health insurance or similar contracts, and S. 1523 and H.R. 4015, proposed Veterans Senior Citizen Health Care Act.
412 Russell Building

10:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for conservation programs of the Department of Energy.
1224 Dirksen Building

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Federal Elections Commission, Advisory Commission on Intergovernmental Relations, Advisory Committee on Federal Pay, Committee for Purchase From the Blind and Other Severely Handicapped and the Administrative Conference of the U.S.
1318 Dirksen Building

2:00 p.m.
Appropriations
Military Construction Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.
1223 Dirksen Building

MAY 1

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Department of Housing and Urban Development.
1318 Dirksen Building

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Land and Water Conservation Fund of the Heritage Conservation and Recreation Service.
1224 Dirksen Building

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the General Services Administration.
1114 Dirksen Building

*Judiciary
To resume hearings on S. 2377, authorizing funds for fiscal year 1981 for programs administered by the Department of Justice.
2228 Dirksen Building

*Labor and Human Resources
Child and Human Development Subcommittee
To hold hearings on issues Congress might consider which would affect youth in the coming decade.
6226 Dirksen Building

MAY 2

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Housing and Urban Development.
1318 Dirksen Building

MAY 6

9:30 a.m.
Appropriations
Agriculture, Rural Development, and Related Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Agriculture.
1318 Dirksen Building

2:00 p.m.
Appropriations
Military Construction Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.
1223 Dirksen Building

MAY 7

10:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the U.S. Geological Survey.
1224 Dirksen Building

MAY 13

10:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the National Park Service.
1224 Dirksen Building

MAY 14

10:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Department of the Interior.
1223 Dirksen Building

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.
1224 Dirksen Building

MAY 15

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Housing and Urban Development, and Independent Agencies.
1318 Dirksen Building

Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.
1224 Dirksen Building

MAY 16

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Housing and Urban Development, and Independent Agencies.
1318 Dirksen Building

MAY 21

9:00 a.m.

*Veterans' Affairs

To resume hearings on the Federal Government's efforts to assist Vietnam-era veterans in readjusting to society, and the use of excepted appointments for disabled veterans.

412 Russell Building

MAY 22

9:30 a.m.

Labor and Human Resources

Child and Human Development Subcommittee

To hold oversight hearings to examine issues affecting infant mortality, and preventable birth defects.

4232 Dirksen Building

MAY 29

9:30 a.m.

*Veterans' Affairs

To hold hearings on proposed legislation to establish a cost-of-living increase for service-connected disability compensation.

412 Russell Building

JUNE 11

9:30 a.m.

*Veterans' Affairs

To hold oversight hearings on the activities of the Inspector General of the Veterans' Administration.

412 Russell Building

CANCELLATIONS

MARCH 28

10:00 a.m.

Banking, Housing, and Urban Affairs

Consumer Affairs Subcommittee

To continue hearings on S. 1928, proposed Fair Financial Information Practices Act, and S. 1929, proposed Privacy of Electronic Fund Transfers Act.

5302 Dirksen Building

MARCH 31

9:00 a.m.

Energy and Natural Resources

To resume hearings to assess the political, military, economic, and social factors affecting world oil production and consumption over the next decade.

3110 Dirksen Building

APRIL 2

10:00 a.m.

*Labor and Human Resources

Education, Arts, and Humanities Subcommittee

To resume hearings on title II, proposed Youth Education and Training Act, of S. 2385, proposed Youth Act.

4232 Dirksen Building

APRIL 3

10:00 a.m.

Labor and Human Resources

Education, Arts, and Humanities Subcommittee

To continue hearings on title II, proposed Youth Education and Training Act, of S. 2385, proposed Youth Act.

4232 Dirksen Building